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SENATE—*Tuesday, May 1, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

On this National Law Day, let us hear the words of the 19th Psalm:

The law of the Lord is perfect, converting the soul: . . . The statutes of the Lord are right, rejoicing the heart: the commandment of the Lord is pure, enlightening the eyes.—Psalms 19: 7, 8.

Almighty God, our Ruler, Guide, and Judge, we thank Thee for the divine law revealed first on Sinai's mountaintop, which when obeyed brings light and life to man and when disobeyed leads to man's ruin. We pray this day for those who make the law, for those who interpret the law, for those who enforce the law. Make us a law-abiding people, giving priority to things spiritual. And may the nations come to live under the rule of law until that time when love reigns supreme in that higher kingdom whose builder and maker is God. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 1, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN JAMES EXON, JR., a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the minority leader.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

Mr. BAKER. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BAKER. I observe the presence of the majority leader on the floor at this time. Is it the intention of the Chair to recognize the majority leader now pursuant to the standing order?

The ACTING PRESIDENT pro tempore. Yes.

Mr. BAKER. I yield the floor.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

THE NEW DEPARTMENT OF EDUCATION

Mr. ROBERT C. BYRD. Mr. President, last year a bill to create a Cabinet-level Department of Education was approved by the Senate, but, in the closing days of the 95th Congress, the House was unable to complete action on the bill.

The Senate has now approved the legislation again, and I hope the House will approve the legislation, and that a Federal Department of Education will become a reality.

The chairman of the Committee on Governmental Affairs (Mr. RIBICOFF) and the ranking minority member (Mr. PERCY), are to be commended for their work on this legislation. Mr. RIBICOFF, who served as Secretary of Health, Education, and Welfare, has introduced legislation to create a separate Department of Education in every Congress since the 89th. I can think of no one more qualified than the Senator from Connecticut to have guided this bill through the many hours of committee hearings. Mr. PERCY, as well, has devoted himself to insuring that the bill we passed yesterday will give education the proper Federal attention it deserves.

For too long education programs have been buried beneath layers of bureaucracy at the Department of Health, Education, and Welfare. Programs are scattered throughout at least 40 Federal departments, agencies, and bureaus. As a result, over the years we have seen a gradual decline in the management and effectiveness of Federal assistance to education.

Creation of a new Department of Education should help alleviate the problems State and local education agencies encounter when trying to administer often duplicative and complicated Federal regulations. Consolidating the numerous Federal education programs into one department should provide more effective management and coordination of these programs.

The traditional prerogative of States to establish and administer their own education programs is preserved and reinforced in this bill. The bill specifically states that establishment of the Department "shall not increase the authority of the Federal Government over education or diminish the responsibility for education which is reserved to the States * * *."

Our commitment to insuring that quality education will be accessible to all must remain strong. The continued health and strength of our country depend on it. As Thomas Jefferson said almost two centuries ago:

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

The Commonwealth requires the Education of her people as the safeguard of order and liberty . . . Above all things, I hope the education of the common people will be attended to: Convinced that on this good sense we may rely with the most security for the preservation of a due degree of liberty . . .

S. 210, passed by the Senate yesterday 73 to 21, reflects the sentiment voiced by Thomas Jefferson. It is a good bill and should go far toward improving the quality of Federal assistance to State and local education efforts.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The acting minority leader is recognized.

IMPROVING THE QUALITY OF LIFE FOR THE ELDERLY

Mr. STEVENS. Mr. President, I make this statement on behalf of our minority leader.

Mr. President, the distinguished Senator from Maryland (Mr. Mathias) made an eloquent and most informative speech last week on the problems and prospects of the elderly in American society.

The Senator's speech, given here in Washington before the American Geriatrics Society, was a stirring reaffirmation of our society's commitment—and that of Government—to meet the challenge which science has presented us by prolonging the span of life for millions of Americans. That challenge is to improve the quality of life just as science has increased the length of life.

This is a subject of profound importance in our national life, because we are becoming an older country. The median age of our population has been growing older for the last several years, and as Senator Mathias points out, by the year 2000 12.2 percent of our population will be 65 or older, compared with 4 percent in 1900 and 10 percent today.

As the Senator from Maryland knows, the Senator from Tennessee has a very special personal interest in this subject: His grandmother, who once served as the high sheriff of Roane County, Tenn., will soon be celebrating her 100th birthday, and she spends much of her time now taking care of her 76-year-old daughter.

Senator Mathias has made a valuable contribution to the public debate and understanding of this important issue of aging in America, and I ask unanimous consent that the text of his excellent speech be inserted in the Record at this point.

There being no objection, the text of the speech was ordered to be printed in the Record, as follows:

IMPROVING THE QUALITY OF LIFE FOR THE ELDERLY

I was honored when Dr. Reichel asked me to speak at this Awards Luncheon and I am delighted to be here at the 36th Annual Meeting of the American Geriatrics Society.

But I must confess to deep feelings of inadequacy. Scanning the topic headings on your agenda was a humbling experience. The King Lear Syndrom had never before crossed my horizon. I stand before you painfully conscious of how little I know about geriatrics, wishing I were in the audience and not the speaker.

Finding anything new to say to a group of experts is a real challenge. It makes me feel like the little girl getting dressed for Sunday School whose mother overheard her rummaging frantically through her closet muttering: "What can I wear today that Jesus hasn't seen?"

What can I tell you today that you don't already know? Obviously nothing, except how I personally feel about the problems in geriatrics that face us and what I think we should do about them. I welcome a chance to do that.

My philosophy about the elderly is very simple. It is contained in a single line by the poet, Thomas Moore: "Days though shortening still can shine."

One of the greatest scientific achievements of this century has been to increase the life expectancy of Americans. In 1900 only 4 percent of the population was 65 or older, as compared to 10.8 percent today. By the year 2000 the Census Bureau predicts that 12.2 percent will be 65 or over, and by 2025 that figure will rise to 17.2 percent.

I simply cannot believe that we, who accomplished the miracle of prolonging life, are willing now to watch that miracle turn into a Frankenstein monster. We cannot let longer lives mean only more suffering and greater loneliness. We must make those extra years shine for our elderly. I believe we will.

This conference is a good beginning. You are in the right place at the right time.

We in the Congress, as you know, are grappling with a variety of issues that will shape the future health policies of this country. But we are not alone. The debates being carried on in the corridors and committee rooms on Capitol Hill are echoed across the land. Everyone—from cab driver to college professor, from physician to social worker, from economist to politician—has a big stake in health care. They are all talking about what kind of a health care system we should have in the United States and about how to pay for it. Unfortunately, there doesn't seem to be much agreement about specifics even though there is general agreement that something must be done to improve the situation.

This is where you come in. All of you, as members of the largest organization in the United States involved with the care of the aged, have a very special interest in how this debate comes out—in how this country approaches its health problems. The progress you have made in many areas of geriatric research has led us to international prominence. You have opened up the field of geriatrics to many of your colleagues. The medical professionals among you have worked hard to see the elderly made more a part of the mainstream of medical care. In this connection, I'm happy to see the number of medical schools now accepting the need for geriatric education and providing it. Recently, when Cornell Medical School created the first endowed chair in geriatrics, it was a great step forward.

All of these accomplishments and more may be laid at your doorstep. But you cannot rest on these laurels. It is important that you take a very active role in the process of evolving the health care system for our country because, although the elderly comprise only 10 percent of the population, more than a third of the resources and dollars allocated to health care are devoted to them. You have the expert knowledge we need how to allocate resources in the most effective way and at a cost which society can bear.

The decisions ahead will directly affect every discipline involved in geriatrics—researchers, practitioners, administrators, providers, as well as the recipients of care. Resource reallocations will be made. Monies will be specifically designated; tough decisions will have to be made about the relative importance to our society of competing programs.

Certainly, the research, clinical and education areas you are discussing here at this conference are important and hold significant implications for the well-being of the elderly. But even more is needed.

I have spent many hours as a member of the Labor-HEW Subcommittee of the Senate Appropriations Committee wrestling with the budget for health care and research. I have and will continue to support generous funding for research because the return on every dollar invested is so high.

The figures on cost-effectiveness are impressive. You can almost prove mathematically that for every dollar spent by NIH, society will save $20 in reduced health care costs and increased human productivity. And, when you factor in the human agony avoided, the lowered incidence of birth defects, of deafness and blindness, the savings are literally incalculable.

But every year the fight gets harder.

The message of Proposition 13 was not lost on the Congress. As former Senator Norris Cotton used to say: "The boys are in such a mood that if someone introduced the Ten Commandments, they'd cut them down to eight."

In developing a coordinated, effective health care plan for all Americans, the Congress will certainly select approaches that promise maximum benefits at reasonable costs. It will be looking for cost-effectiveness at a time when inflation is taking a very heavy toll. And it will be looking for a lot of advice and help.

The problems of the elderly will not be solved by scientists or by politicians or by economists alone. Finding solutions will demand a team effort combining many disciplines in one comprehensive approach to the care of the elderly.

Let's consider some of the problems.

Health care costs, already a heavy burden for our nation, weigh especially heavily on the elderly. But worse is yet to come. Today there are 23 million people over the age of 65 in America; in about 50 years there will be 50 million. Add to this the fact that only one in five men and one in twelve women over the age of 65 are working, and you begin to see the numerical bases for a potential crisis of vast dimensions.

The number of dependents, young and old, compared to working persons in America was in a ratio of 1:10 in the early 1900s. It is about 1:4 now and will approach 1:2 soon after the turn of the century. The economic impact of these figures will be enormous and will dictate social changes of the most basic kind.

The dollar statistics are just as dramatic as the human statistics. Over $100 billion, or 5 percent of the GNP and 24 percent of last year's federal budget, went to pay for old-age, survivors and disability insurance, medicare, supplemental security income and black lung disease. About 12 percent of these monies was paid to our elderly through various retirement programs. HEW predicts that in the first quarter of the next century, we will be spending from $400–$600 billion, or 10 percent of the GNP and 40 percent of the federal budget, for these same programs.

The social and political realities contained within these statistics demand that we move quickly to provide a sound basis for the health care system in this country.

The implications of the problem are awesome. Among other things, it brings into question the government's ability to pay for medicare. Medicare and medicaid for the elderly will increase in real terms more than 10 times in the next several decades. This is about twice as fast as projected social security increases.

Obviously there is reason for concern about the future. But the United States has a strong, viable and expanding economy. As a nation, we do have the capacity to make new investments. Before making them, however, we will need to reorder priorities in order to achieve a maximum impact with whatever new programs and approaches we devise. Today people are talking about the "graying" of the federal budget because of the amount of resources allocated to the elderly. In planning for the future, we have to be careful to keep that from becoming the "balding" of the federal budget.

The policy I favor is, I think, both progressive and responsible.

We must promote an inter-disciplinary program aimed at independent living in a secure environment for the elderly. Existing resources must be conserved; the disabled and the elderly must be rationally dealt with and future investments must be different.

Housing, nutrition, income security, technical and medical knowledge in such areas as prevention and stabilization of disease and environment must be integrated, given the economic reality of our constrained resources.

For example, school after school is being closed now, also for demographic reasons. Perhaps these schools could be converted to day-care centers where the elderly could be taught health maintenance while being provided with health education, as well as social and recreational activities. This type of plan could be very cost-effective. Many of our elderly right now, especially those who live on fixed incomes, do not and cannot bother with health care. Their priorities are not health related; it is too expensive and they have other needs.

Obviously, most of the solutions we need will be found by scientists, such as yourselves. I can only urge that high priority be given to efforts that will enhance prevention, because that is the best way to attack the problem of the spiralling health care costs.

Let me suggest some important questions which we, who make policy, need your help in answering.

The most pressing question is how can we best use our resources? In the medical sector there is a large current institutional plant with 1.3 million long-term care beds; this far outnumbers the one million acute-care beds. A million elderly occupy the long-term beds and several hundred thousand are in acute hospital beds. Do we slow the growth and/or restrict more long term beds? Is bringing the services of needed paraprofessionals and professionals into the home a realistic alternative? How do we approach the problem of housing? What type of income support to the elderly should there be and how do we work with the family to keep the elderly at home? Is this really a more viable system? What directions should medical research be encouraged to take?

If only 30 percent of those requiring physical therapy are receiving it, if drugs are over prescribed and interact with one another and are a component of 25 percent of hospital admissions in this age group; if impaired vision and hearing prohibit the elderly from living independently and 50 percent of blindness and 35 percent of hearing and speech defects are preventable; if dental problems contribute to psycho-social and nutritional problems and the majority are correctable, why are we not more deeply into those programs?

Those of us who must make decisions on appropriations need better answers to questions such as these than we now have.

In the days of ancient Rome, Cicero spoke of old age being unfortunate for four reasons:

First, because it takes us away from active work; secondly, because it weakens the body; thirdly, because it deprives us of practically all physical pleasures, and fourthly, because it is not far from death.

It's depressing just to read that statement. But in 20th Century America old age doesn't have to be that way. Successful aging and health care are integrally related. These processes can be intercepted.

There is no reason that we cannot improve the quality of life for our elderly.

To do this we need a better understanding of the interaction of aging and disease coupled with programs of disease prevention. The scientific community must help us determine what legislative initiatives are needed to promote good health and good health care for the elderly and what programs of prevention and health education are essential to the total care system.

I hereby invite you to join in a productive collaboration to solve these problems with equity to all our people. You are a team of experts. If you do not lead the way in developing a sound, efficient and effective health care system, who will?

Who, better than you, can make the "shortening" days of our elderly shine as they should.

THE DEFENSE OF PRIVILEGE

Mr. STEVENS. Mr. President, there has been a review of a new book entitled "The Environmental Protection Hustle" by Bernard J. Frieden.

In this review by William Tucker, it is pointed out that this book is a rare bird, one is almost tempted to say an endangered species, because it is an attack on environmentalism.

That author is a professor of urban studies at MIT, an adviser to three Presidents on the problem of urban housing, a man who sees the country's major concern as improving the standard of living for a vast majority of the people.

I ask unanimous consent that this review of "The Environmental Protection Hustle" be printed in the RECORD.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

THE DEFENSE OF PRIVILEGE

(By William Tucker)

This book is a rare bird—one is almost tempted to say an "endangered species"—an attack on environmentalism.

Bernard J. Frieden is a professor of urban studies at MIT, an adviser to three presidents on the problems of urban housing, and a man who sees the country's major concern as improving the standard of living for the vast majority of people. For him, the kind of environmentalism being practiced in the suburban political arena is the antithesis of this goal.

"The talk of survival, limited resources, and austerity does not crimp the life-style of suburban 'environmentalists,' but only of the people they keep outside," says Frieden. "In attempting to justify its position on growth, (environmentalism) has begun to spread a new ideology of elitism through the country's political life . . . it supplies a ready rationale for the defense of privilege."

He draws his experience from three years he spent observing California suburban politics while writing a book on housing. Although his main concern was the way in which the suburbs had persistently excluded the poor and minorities during the '50s and '60s, he soon realized that the new environmental rhetoric of the '70s was not simply aimed against the poor but against the middle class as well—everybody, in fact, who hadn't already achieved home-ownership. "Earlier the goal was exclusion—keeping out people of lower status," he writes in describing suburban politics. "Now the goal is freezing growth—keeping out everybody in order to hold on to what you have. Policies that freeze growth are a threat to families outside the suburbs who want to get in, but outsiders can do very little about these policies."

In order to document this argument, Frieden recounts the history of a half-dozen large suburban zoning fights around San Francisco where reasonably priced and environmentally benign developments were opposed by local people, and by floating environmental groups always ready to lend support, under the self-serving rubric of "environmental protection." The arguments never had much to do with the environment, he notes, but usually became a process where local opposition wore down the builder until he was willing to substitute a much smaller number of more expensive "estate" homes for a larger number of middle-income houses. Frieden is particularly chary of the Sierra Club, showing they are willing to use a variety of mutually contradictory arguments against growth as the circumstances allow. In the distant suburbs, the Sierra Club argues that housing produces long commuting trips that waste energy and pollute the environment. In the close-in suburbs, they say that new housing "bleeds the cities." But when housing developments were proposed in Oakland and San Francisco, they opposed them on the basis that they will "use up open space."

Many towns and cities have gone to ridiculous extremes to stop new growth. In Santa Cruz, a wealthy suburban county, a zoning ordinance was adopted which required all new houses in one particular area to be built on stilts so that a local salamander could pass through on its way to mating rituals at a nearby pond. Naturally, nobody built any houses.

What aggravates Frieden most is that these affluent suburbanites are rarely willing to pay the costs that come with their own version of "environmental protection." Usually they persuade a state or federal agency to pick up the charges for preserving open space, or arrange elaborate tax exemptions which place the burden on larger pools of state and national taxpayers. In Marin County, for example, where residents decided to "stop growth" after only 7 percent of the land had been developed, the languid suburbanites duped the federal government into buying large tracts of seashore as a "recreation area." Then, when it came time to develop the area, they decided that the "fragile ecosystem" could not tolerate visitors, and succeeded in closing it off to almost everyone but themselves. (One town even put up roadblocks to keep out vacationers during the Bicentennial.) The same people also deliberately stalled development of their water supply to slow growth, and then watched as Marin County farmers had to truck in water at enormous expense during the 1973–75 drought.

Although written in an academic style that does not excite, this book is a sleeper—one of the first honest attempts to examine the self-serving uses to which the rhetoric of "environmental protection" have been put, and to examine the elitist and privilege protecting logic they often veil. It is definitely a surprising new twist on a now-familiar issue.

Mr. STEVENS. Mr. President, I reserve the remainder of my time and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, do I have any time remaining?

The ACTING PRESIDENT pro tempore. The Senator has 7 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair.

TRUTH IN LENDING SIMPLIFICATION AND REFORM ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 75, which was cleared on yesterday afternoon by the minority for action this morning. The distinguished acting Republican leader is present and indicates he is prepared to go forward.

Mr. STEVENS. Mr. President, I have no objection to proceeding to the consideration of that measure. I do ask unanimous consent that preceding the vote on passage, space be reserved for a statement by the Senator from Utah (Mr. GARN).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senate proceeded to consider the bill (S. 108) to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes, which had been reported from the Committee on Banking, Housing, and Urban Affairs with amendments as follows:

On page 7, line 23, strike "ADMINISTRATIVE ENFORCEMENTS:";

On page 7, line 24, after "SEC. 8." strike through and including page 8, line 21;

On page 8, line 22, strike "(b)";

On page 11, line 1, after "title" insert a comma and "except with regard to the requirements of section 165";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Truth in Lending Simplification and Reform Act".

DEFINITIONS

SEC. 2. (a) Section 103(f) of the Truth in Lending Act is amended—

(1) by striking out the first sentence and inserting in lieu thereof the following: "The term 'creditor' refers only to a person who both (1) regularly extends, whether in connection with loans, sales of property or services, or otherwise, consumer credit which is payable by agreement in more than four installments or for which the payment of a finance charge is or may be required; and (2) is the person to whom the debt arising from the consumer credit transaction is initially payable on the face of the evidence of indebtedness or, if there is no such evidence of indebtedness, by agreement. Notwithstanding the foregoing, a person who regularly arranges for the extension of consumer credit, which is payable in more than four installments or for which the payment of a finance charge is or may be required, from persons who are not creditors is a creditor, and in the case of an open end credit plan involving a credit card the card issuer and any person who honors the credit card and offers a discount which is a finance charge are creditors."; and

(2) by redesignating the references to sections 127(a)(6), 127(a)(7), 127(a)(8), 127(b)(9), and 127(b)(11) in the next succeeding sentence as references to sections 127(a)(5), 127(a)(6), 127(a)(7), 127(b)(8), and 127(b)(10), respectively.

(b) The first sentence of section 103(g) of the Truth in Lending Act is amended to read as follows: "The term 'credit sale' refers to any sale in which the seller is a creditor.".

EXEMPTED TRANSACTIONS

SEC. 3. (a) Section 103(h) of the Truth in Lending Act is amended by striking out "household, or agricultural" and inserting in lieu thereof "or household".

(b) Section 103 of the Truth in Lending Act is amended by redesignating subsection (s) as subsection (x), and by inserting a new subsection (s) as follows:

"(s) The term 'agricultural purposes' includes the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures those agricultural products, including but not limited to the acquisition of farmland, real property with a farm residence, and personal property and services used primarily in farming, and the term 'agricultural products' includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.".

(c) Section 104 of the Truth in Lending Act is amended—

(1) by amending paragraph (1) to read as follows:

"(1) Credit transactions involving extensions of credit primarily for business, commercial, or agricultural purposes, or to government or governmental agencies or instrumentalities, or to organizations.";

(2) by amending paragraph (3) to read as follows:

"(3) Credit transactions, other than those in which a security interest is or will be acquired in real property, or in personal property used or expected to be used as the principal dwelling of the consumer, in which the total amount financed exceeds $25,000."; and

(3) by striking out paragraph (5).

OPEN END CREDIT PLAN

SEC. 4. Section 103(i) of the Truth in Lending Act is amended to read as follows:

"(i) The term 'open end credit plan' means a plan under which the creditor reasonably contemplates repeated transactions, which prescribes the terms of such transactions, and which provides for a finance charge which may be computed from time to time on the outstanding unpaid balance. A credit plan which is an open end credit plan within the meaning of the preceding sentence is an open end credit plan even if credit information is verified from time to time.".

MODEL FORMS

SEC. 5. (a) Section 105 of the Truth in Lending Act is amended by inserting "(a)" before "The", and by adding at the end thereof the following:

"(b) The Board shall publish model disclosure forms and clauses for common transactions to facilitate compliance with the disclosure requirements of this title and to aid the borrower in understanding the transaction by utilizing readily understandable language to simplify the technical nature of the disclosures. In devising such forms, the Board shall consider the use by creditors of data processing or similar automated equipment. Nothing in this title may be construed to require a creditor to use any such model form or clause prescribed by the Board under this section. A creditor shall be deemed to be in compliance with the disclosure provisions of this title with respect to other than numerical disclosures if the creditor (1) uses any appropriate model form or clause as published by the Board, or (2) uses any such model form or clause and changes it by (A) deleting any information which is not required by this title, or (B) rearranging the format, if in making such deletion or rearranging the fomat, the creditor does not effect the substance, clarity, or meaningful sequence of the disclosure.

"(c) Model disclosure forms and clauses shall be adopted by the Board after notice duly given in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

"(d) Any regulation of the Board, or any amendment or interpretation thereof, requiring any disclosure different from that previously required by this chapter, chapter 4, or chapter 5, or regulation of the Board promulgated thereunder shall have an effective date of that October 1 which follows by at least 6 months the date of promulgation, except that the Board may at its discretion take interim action by regulation, amendment, or interpretation to lengthen the period of time permitted for creditors to adjust their forms to accommodate new requirements or shorten the length of time for creditors to make such adjustments when it makes a specific finding that such action is necessary to comply with the findings of a court or to prevent unfair or deceptive disclosure practices. Nothwithstanding the foregoing, any creditor may comply with any such newly promulgated disclosure requirements prior to the effective date of the requirements.".

COMPONENTS OF FINANCE CHARGE

SEC. 6. (a) Section 106(a) of the Truth in Lending Act is amended by striking out: ", including any of the following types of charges which are applicable" and inserting in lieu thereof the following: ". The finance charge does not include charges of a type payable in a comparable cash transaction. Examples of charges which are included in the finance charge include any of the following types of charges which are applicable".

(b) Section 106(d) of the Truth in Lending Act is amended by striking out paragraphs (3) and (4)

ACCURACY OF ANNUAL PERCENTAGE RATE

SEC. 7. (a) Subsection (c) of section 107 of the Truth in Lending Act is amended to read as follows:

"(c) The disclosure of an annual percentage rate is accurate for the purpose of this title if the rate disclosed is within a tolerance not greater than one-eighth of 1 per centum more or less than the actual rate or rounded to the nearest one-fourth of 1 per centum. The Board may allow a greater tolerance to simplify compliance where irregular payments are involved.".

(b) Subsection (e) of section 107 of the Truth in Lending Act is amended by striking out "(c) or".

(c) Subsection (f) of section 107 of the Truth in Lending Act is repealed.

RESTITUTION

SEC. 8. Section 108 of the Truth in Lending Act is amended by adding at the end thereof the following:

"(e)(1) In carrying out its enforcement activities under this section, each agency referred to in subsection (a) or (c), in cases where an annual percentage rate or finance charge was inaccurately disclosed, shall notify the creditor of such disclosure error and is authorized in accordance with the provisions of this subsection to require the creditor to make an adjustment to the account of the person to whom credit was extended, to assure that such person will not be required to pay finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(2) Each agency shall require such an adjustment when it determines that such disclosure error resulted from (A) a clear and consistent pattern or practice of violations, (B) gross negligence, or (C) a willful violation which was intended to mislead the person to whom the credit was extended. In the case of other such disclosure errors, each agency may require such an adjustment

"(3) Notwithstanding the above paragraph (2), no adjustment shall be ordered (A) if it would have a significantly adverse impact upon the safety or soundness of the creditor, but in any such case, the agency may require a partial adjustment in an amount which does not have such an impact, (B) if the amount of the adjustment would be less than $1, except that if more than one year has elapsed since the date of the violation, the agency may require that such amount be paid into the Treasury of the United States, or (C) except where such disclosure error resulted from a willful violation which was intended to mislead the person to whom credit was extended, in the case of an open-end credit plan, more than two years after the violation, or in the case of any other extension of credit, after the later of (i) the expiration of the life of the credit extension, or (ii) two years after the agreement to extend credit was consummated.

"(4)(A) Notwithstanding any other provision of this section, an adjustment under this subsection may be required by an agency referred to in subsection (a) or (c) only by an order issued in accordance with cease and desist procedures provided by the provision of law referred to in such subsections.

"(B) In the case of an agency which is not authorized to conduct cease and desist proceedings, such an order may be issued after an agency hearing on the record conducted at least thirty but not more than sixty days after notice of the alleged violation is served on the creditor. Such a hearing shall be deemed to be a hearing which is subject to the provisions of section 8(h) of the Federal Deposit Insurance Act and shall be subject to judicial review as provided therein.

"(5) Except as otherwise specifically provided in this subsection and notwithstanding any provision of law referred to in subsection (a) or (c), no agency referred to in subsection (a) or (c) may require a creditor to make dollar adjustments for errors in any requirements under this title, except with regard to the requirements of section 165.

"(6) A creditor shall not be subject to an order to make an adjustment, if within sixty days after discovering a disclosure error, whether pursuant to a final written examination report or through the creditor's own procedures, the creditor notifies the person concerned of the error and adjusts the account so as to assure that such person will not be required to pay a finance charge in excess of the finance charge actually disclosed or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(7) The provisions of this subsection do not apply to any loan or extension of credit consummated prior to October 28, 1974.".

EFFECT ON OTHER LAWS

SEC. 9. Section 111(a) of the Truth in Lending Act is amended to read as follows:

"(a)(1) This title does not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with credit transactions, except to the extent that those laws are inconsistent with the provisions of this title, and then only to the extent of the inconsistency. The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether such inconsistencies exist. If the Board determines that a State-required disclosure is inconsistent, creditors located in that State may not make disclosures using the inconsistent term or form, and shall incur no liability under the law of that State for a good faith failure to use such term or form, notwithstanding that such determination is subsequently amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

"(2) The Board shall, upon its own motion or upon the request of any creditor, State, or other interested party, submitted in accordance with procedures prescribed in regulations of the Board, determine whether any disclosure required under the law of any State is substantially the same in meaning as a disclosure required under this title. If the Board determines that a State-required disclosure is substantially the same in meaning as a disclosure required by this title, then creditors located in that State may make such disclosure in compliance with such State law in lieu of the disclosure required by this title, except that the annual percentage rate and finance charge must always be disclosed as required by section 122.".

ANNUAL REPORTS

SEC. 10. (a) Section 114 of the Truth in Lending Act is amended by striking out "Not later than January 3 of each year after 1969" and inserting in lieu thereof "Each year".

(b) Section 18(f)(5) of the Federal Trade Commission Act (15 U.S.C. 58a(f)(5)) is amended by striking out "not later than March 15".

(c) Section 707 of the Equal Credit Opportunity Act is amended by striking out "Not later than February 1 of each year after 1976" and inserting in lieu thereof "Each year".

GENERAL DISCLOSURE REQUIREMENTS

SEC. 11. Sections 121 and 122 of the Truth in Lending Act are amended to read as follows:

"§ 121. General requirement of disclosure

"(a) Subject to subsection (b), a creditor or lessor shall disclose to the person who is obligated on a consumer lease or a consumer credit transaction the information required under this title. In a transaction involving more than one obligor, a creditor or lessor, except in a transaction under section 125, need not disclose to more than one of them if the one given disclosure is a primary obligor.

"(b) If a transaction involves one creditor as defined in section 103(f), or one lessor as defined in section 181(3), that creditor or lessor shall make the disclosures. If a transaction involves more than one creditor or lessor, only one creditor or lessor shall be required to make the disclosures. The Board shall by regulation specify which creditor or lessor must make the disclosures.

"(c) The Board may provide by regulation that any portion of the information required to be disclosed by this title may be given in the form of estimates where the provider of such information is not in a position to know exact information.

"(d) The Board shall determine whether tolerances for numerical disclosures other than the annual percentage rate are necessary to facilitate compliance with this title, and if it determines that such tolerances are necessary to facilitate compliance, it shall by regulation permit disclosures within such tolerances.

"§ 122. Form of disclosure; additional information

"(a) Information required by this title shall be disclosed clearly and conspicuously, in accordance with regulations of the Board. The terms 'annual percentage rate' and 'finance charge' shall be disclosed more conspicuously than other terms, data, or information provided in connection with a transaction, except information relating to the identity of the creditor. Regulations of the Board need not require that disclosures pursuant to this title be made in the order set forth in this title and, except as otherwise provided, may permit the use of terminology different from that employed in this title if it conveys substantially the same meaning.

"(b) Any creditor may supply additional information or explanation with any disclosures required under chapter 4 and, except as provided in section 128(b)(1), under this chapter.".

RESCISSION

SEC. 12. (a)(1) Subsection (a) of section 125 of the Truth in Lending Act is amended to read as follows:

"(e) Except as otherwise provided in this section, in the case of any consumer credit transaction (including opening or increasing the credit limit for an open end credit plan) in which a security interest, including any such interest arising by operation of law, is or will be retained or acquired in any property which is used as the principal dwelling of the person to whom credit is extended, the obligor shall have the right to rescind the transaction until midnight of the third business day following the consummation of the transaction or the delivery of the information and rescission forms required under this section together with a statement containing the material disclosures required under this title, whichever is later, by notifying the creditor, in accordance with regulations of the Board, of his intention to do so. The creditor shall clearly and conspicuously disclose, in accordance with regulations of the Board, to any obligor in a transaction subject to this section the rights of the obligor under this section. The creditor shall also provide, in accordance with regulations of the Board, appropriate forms for the obligor to exercise his right to rescind any transaction subject to this section.".

(2) Section 103 of such Act, as amended by section 3(b), is amended by adding at the end thereof the following:

"(v) The term 'material disclosures' means the disclosure, as required by this title, of the annual percentage rate, the method of determining the finance charge and the balance upon which a finance charge will be imposed, the amount of the finance charge, the amount to be financed, the total of payments, the number and amount of payments, and the due dates or periods of payments scheduled to repay the indebtedness.".

(3) Subsection (b) of section 125 of the Truth in Lending Act is amended by striking out "ten" in the second and final sentences thereof, and inserting in lieu thereof "20".

(4) Subsection (b) of section 125 of the Truth in Lending Act is amended by adding at the end thereof the following new sentence: "The procedures prescribed by this subsection shall apply except when otherwise ordered by a court."

(5) Subsection (c) of section 125 of the Truth in Lending Act is amended by inserting "information, forms, and" after "whom".

(6) Section 125 of the Truth in Lending Act is amended by striking out subsections

(e) and (f) and inserting in lieu thereof the following:

"(e) This section does not apply to (1) a residential mortgage transaction as defined in section 103(u); (2) a transaction which constitutes a refinancing or consolidation (with no new advances) of the principal balance then due and any accrued and unpaid finance charges of an existing extension of credit by the same creditor secured by an interest in the same property; (3) a transaction in which an agency of a State is the creditor; or (4) advances under a preexisting open end credit plan if a security interest has already been retained or acquired and such advances are in accordance with a previously established credit limit for that plan.

"(f) An obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the sale of the property, whichever occurs earlier, notwithstanding the fact that the information and forms required under this section or any other disclosures required under this chapter have not been delivered to the obligor, except that if (1) any agency empowered to enforce the provisions of this title institutes a proceeding to enforce the provisions of this section within three years after the date of consummation of the transaction, (2) such agency finds a violation of section 125, and (3) the obligor's right to rescind is based in whole or in part on any matter involved in such proceeding, then the obligor's right of rescission shall expire three years after the date of consummation of the transaction or upon the earlier sale of the property, or upon the expiration of one year following the conclusion of the proceeding, or any judicial review or period for judicial review thereof, whichever is later.

"(g) In any action in which it is determined that a creditor has violated this section, in addition to rescission the court may award relief under section 130 for violations of this title not relating to the right to rescind.".

(b) Section 103 of the Truth in Lending Act is amended—

(1) by redesignating subsection (t) as subsection (w); and

(2) by inserting after subsection (s) the following:

"(t) The term 'dwelling' means a residential structure or mobile home which contains one to four family housing units, or individual units of condominiums or cooperatives.

"(u) The term 'residential mortgage transaction' is one in which a mortgage, deed of trust, purchase money security interest arising under an installment sales contract, or equivalent consensual security interest is created or retained against the consumer's dwelling to finance the acquisition or initial construction of that dwelling.".

OPEN END DISCLOSURES

SEC. 13. (a) Section 127(a) of the Truth in Lending Act is amended—

(1) by adding at the end of paragraph (1) thereof the following new sentence: "If no such time period is provided, the creditor shall disclose that fact.";

(2) by striking out paragraphs (5), and redesignating paragraphs (6), (7), and (8) as paragraphs (5), (6), and (7), respectively; and

(3) by amending redesignated paragraphs (5) and (6) to read as follows:

"(5) Identification of other charges which may be imposed as part of the plan, and their method of computation, in accordance with regulations of the Board.

"(6) In cases where the credit is or will be secured, a statement that a security interest has been or will be taken in (A) the property purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.".

(b) Section 127b)(2) of such Act is amended to read as follows:

"(2) The amount and date of each extension of credit during the period, and a brief identification, on or accompanying the statement of each extension of credit in a form prescribed by the Board sufficient to enable the obligor either to identify the transaction or to relate it to copies of sales vouchers or similar instruments previously furnished, except that a creditor's failure to disclose such information in accordance with this paragraph shall not be deemed a failure to comply with this chapter or this title if (A) the creditor maintains procedures reasonably adapted to procure and provide such information, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161. In lieu of complying with the foregoing requirements, in the case of any transaction in which the creditor and seller are the same person, as defined by the Board, and that person's open end plan has fewer than 15,000 accounts, the creditor may elect to provide only the amount and date of each extension of credit during the period and the seller's name and location where the transaction took place if (A) a brief identification of the transaction has been previously furnished, and (B) the creditor responds to and treats any inquiry for clarification or documentation as a billing error and an erroneously billed amount under section 161.".

(e) Section 127(b) of the Truth in Lending Act is amended by striking out paragraph (7) and by redesignating paragraphs (8), (9), (10), and (11) as paragraphs (7), (8), (9), and (10), respectively.

(d) Redesignated paragraphs (7) of section 127(a) of the Truth in Lending Act is amended by striking out "each of two billing cycles per year, at semiannual intervals" and inserting in lieu thereof "one billing cycle per calendar year, at intervals of not less than six months or more than eighteen months".

(e) Subsection (c) of section 127 of the Truth in Lending Act is repealed.

(f) Section 143 of the Truth in Lending Act is amended by striking out "or the appropriate rate determined under section 127 (a)(5)".

(g) Section 161(a) of the Truth in Lending Act is amended by redesignating the references to section 127(b)(11) and 127(a)(8) as references to sections 127(b)(10) and 127 (a)(7), respectively.

OTHER THAN OPEN END DISCLOSURES

SEC. 14, (a) Subsection (a) of section 128 of the Truth in Lending Act is amended to read as follows:

"(a) For each consumer credit transaction other than under an open end consumer credit plan, the creditor shall disclose each of the following items, to the extent applicable:

"(1) The identity of the creditor required to make disclosure.

"(2) The 'amount financed', using that term, which shall be the amount of credit of which the consumer has actual use. This amount shall be computed as follows, but the computations need not be disclosed and shall not be disclosed with the disclosures conspicuously segregated in accordance with subsection (b)(1):

"(A) take the principal amount of the loan or the cash price less down payment and trade-in;

"(B) add any charges which are not part of the finance charge or of the principal amount of the loan and which are financed by the consumer, including the cost of any items excluded from the finance charge pursuant to section 106;

"(C) subtract any charges which are part of the finance charge but which will be paid by the consumer at the time of the consummation of the transaction, or have been withheld from the proceeds of the credit; and

"(D) subtract any required deposit balance, in accordance with regulations of the Board.

"(3) The 'finance charge', not itemized, using that term.

"(4) The finance charge expressed as an 'annual percentage rate', using that term. This shall not be required if the amount financed does not exceed $75 and the finance charge does not exceed $5, or if the amount financed exceeds $75 and the finance charge does not exceed $7.50.

"(5) The sum of the amount financed, any required deposit balance, and the finance charge, which shall be termed the 'total of payments'.

"(6) The number, amount, and due dates or period of payments scheduled to repay the total of payments.

"(7) In a sale of property or services in which the seller is the creditor required to disclose pursuant to section 121(b), the 'total sale price', using that term, which shall be the total of the cash price of the property or services, additional charges, and the finance charge.

"(8) Descriptive explanations of the terms 'amount financed', 'finance charge', 'annual percentage rate', 'total of payments', and 'total sale price' as specified by the Board. The descriptive explanation of 'total sale price' shall include reference to the amount of the downpayment.

"(9) Where the credit is secured, a statement that a security interest has been taken in (A) the property which is purchased as part of the credit transaction, or (B) property not purchased as part of the credit transaction identified by item or type.

"(10) Any dollar charge or percentage amount which may be imposed by a creditor solely on account of a late payment, other than a deferral or extension charge.

"(11) A statement indicating whether or not the consumer is entitled to a rebate or credit, or is subject to a penalty, if the obligation is refinanced or prepaid in full pursuant to acceleration or otherwise.

"(12) A statement that the consumer should refer to the appropriate contract document for any information it provides about nonpayment, default, the right to accelerate the maturity of the debt, and prepayment rebates and penalties.

"(13) In any residential mortgage transaction, a statement whether a subsequent purchaser or assignee of the consumer may assume the debt obligation on its original terms and conditions.".

(b) Section 128(b) of such Act is amended to read as follows:

"(b)(1) Except as otherwise provided in this chapter, the disclosures required under subsection (a) shall be made before the credit is extended. Except for the disclosures required by subsection (a)(1) of this section, all disclosures required under subsection (a) and any disclosure provided for in subsection (b), (c), or (d) of section 106 shall be conspicuously segregated from all other terms, data, or information provided in connection with a transaction, including any computations or itemization.

"(2) In the case of a residential mortgage transaction, as defined in section 103(u), which is also subject to the Real Estate Settlement Procedures Act, good faith estimates of the disclosures required under subsection (a) shall be made in accordance with regulations of the Board under section 121(c) before the credit is extended, or shall be delivered or placed in the mail not later than three business days after the creditor receives the consumer's written application, whichever is earlier. If the disclosure statement furnished within three days of the written application contains an annual percentage rate which is subsequently rendered inaccurate within the meaning of section 107(c), the creditor shall furnish another statement at the time of settlement or consummation.".

(c) Section 128(c) of the Truth in Lending Act is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking out "deferred payment price" and inserting in lieu thereof "total sale price"; and

(3) by adding at the end thereof the following new paragraph:

"(2) If a creditor receives a request for a loan by mail or telephone without personal solicitation and the terms of financing, including the annual percentage rate for representative amounts of credit, are set forth in the creditor's printed material distributed to the public, or in the contract of loan or other printed material delivered to the obligor, then the disclosures required under subsection (a) may be made at any time not later than the date the first payment is due.".

(d)(1) Section 129 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 129 and inserting in lieu thereof:

"129. [Repealed].".

(e)(1) Section 126 of the Truth in Lending Act is repealed.

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 126 and inserting in lieu thereof:

"126. [Repealed].".

(f)(1) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 128 and inserting in lieu thereof:

"128. Consumer credit not under open end credit plans.".

(2) The caption of section 128 of such Act is amended by striking out "Sales" and inserting in lieu thereof "Consumer credit".

CIVIL LIABILITY

SEC. 15. (a) Section 130 of the Truth in Lending Act is amended—

(1) by striking out "in such action" in subsection (a)(2)(B) and inserting in lieu thereof "under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same creditor";

(2) in subsection (a)(3), by inserting "or in any action in which a person is determined to have a right of rescission under section 125" after "liability";

(3) by amending subsections (b), (c), and (d) to read as follows:

"(b) A creditor or assignee has no liability under this section or section 108 or section 112 for any failure to comply with any requirement imposed under this chapter or chapter 5, if within sixty days after discovering an error, whether pursuant to a final written examination report or notice issued under section 108(e)(1) or through the creditor's or assignee's own procedures, and prior to the institution of an action under this section or the receipt of written notice of the error from the obligor, the creditor or assignee notifies the person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the person will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

"(c) A creditor or assignee may not be held liable in any action brought under this section or section 125 for a violation of this title if the creditor or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. Examples of bona fide error include, but are not limited to, clerical, calculation, computer malfunction and programing, and printing errors, but an error of legal judgment with respect to a person's obligations under this title is not a bona fide error.

"(d) When there are multiple obligors in a consumer transaction or consumer lease, there shall be no more than one recovery of damages under subsection (a)(2) for a violation of this title.";

(4) by adding at the end of subsection (e) the following new sentence: "This subsection does not bar a person from asserting a violation of this title in an action to collect the debt which was brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or set-off in such action, except as otherwise provided by State law.";

(5) by inserting ", section 108(b), section 108(c), section 108(e)," after "this section" in subsection (f);

(6) by adding the following new sentence at the end of subsection (g): "This subsection does not bar any remedy permitted by section 125."; and

(7) by amending subsection (h) to read as follows:

"(h) A person may not take any action to offset any amount for which a creditor or assignee is potentially liable to such person under subsection (a)(2) against any amount owing by such person, unless the amount of the creditor's or assignee's liability under this title has been determined by judgment of a court of competent jurisdiction in an action of which such person was a party. This subsection does not bar a consumer then in default on the obligation from asserting a violation of this title as an original action, or as a defense or counterclaim to an action to collect amounts owed by the consumer brought by a person liable under this title.".

(b) Section 130(a) of the Truth in Lending Act is amended—

(1) by inserting ", including any requirement under section 125," immediately after "this chapter"; and

(2) by adding at the end thereof the following: "In connection with the disclosures referred to in section 127, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of section 127(a) or of paragraph (4), (5), (6), (7), (8), (9), or (10) of section 127(b) or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in section 127(a) or any of those paragraphs of section 127(b). In connection with the disclosures referred to in section 128, a creditor shall have a liability determined under paragraph (2) only for failing to comply with the requirements of section 125 or of paragraph (2), (3), (4), (5), (6), or (9) of section 128(a), or for failing to comply with disclosure requirements under State law for any term which the Board has determined to be substantially the same in meaning under section 111(a)(2) as any of the terms referred to in any of those paragraphs of section 128(a). With respect to any failure to make disclosures required under this chapter or chapter 4 or 5 of this title, liability shall be imposed only upon the creditor required to make disclosure, except as provided in section 131.".

LIABILITY OF ASSIGNEES

SEC. 16. (a) Section 131 of the Truth in Lending Act is amended to read as follows:

"§ 131. Liability of assignees

"(a) Except as otherwise specifically provided in this title, any civil action for a violation of this title or proceeding under section 108 which may be brought against a creditor may be maintained against any assignee of that creditor only if the violation for which such action or proceeding is brought is apparent on the face of the disclosure statement, except where the assignment was involuntary. For the purpose of this section, violations apparent on the face of the disclosure statement include, but are not limited to (1) disclosure which can be determined to be incomplete or inaccurate from the face of the disclosure statement or other documents assigned, or (2) disclosures not made in the terminology required by this title.

"(b) Except as provided in section 125(c), in any action or proceeding by or against any action or proceeding by or against and subsequent assignee of the original creditor without knowledge to the contrary by the assignee when he acquires the obligation, written acknowledgement of receipt by a person to whom a statement is required to be given pursuant to this title shall be conclusive proof of the delivery thereof and, except as provided in subsection (a), of compliance with this chapter. This section does not affect the rights of the obligor in any action against the original creditor.

"(c) Any consumer who has the right to rescind a transaction under section 125 may rescind the transaction as against any assignee of the obligation, regardless of whether such assignee is a creditor under this title.".

(b) Section 115 of the Truth in Lending Act is repealed.

(c)(1) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 115 and inserting in lieu thereof:

"115. [Repealed].".

(2) The table of sections of chapter 2 of the Truth in Lending Act is amended by striking out item 131 and inserting in lieu thereof:

"131. Liability of assignees.".

LIABILITY OF CREDIT CARDHOLDER

SEC. 17. Section 133(a) of the Truth in Lending Act is amended to read as follows:

"(a) A cardholder shall be liable for the unauthorized use of a credit card only if the card is an accepted credit card, the liability is not in excess of $50, the card issuer gives adequate notice to the cardholder of the potential liability, the card issuer has provided the cardholder with a description of a means by which the card issuer may be notified of loss or theft of the card, which rescription may be provided on the face or reverse side of the statement required by section 127(b) or on a separate notice accompanying such statement, the unauthorized use occurs before the card issuer has been notified that an unauthorized use of the credit card has occurred or may occur as the result of loss, theft, or otherwise, and the card issuer has provided a method whereby the user of such card can be identified as the person authorized to use it. For the purpose of this section, a card issuer has been notified when such steps as may be reasonably required in the ordinary course of business to provide the card issuer with the pertinent information have been taken, whether or not any particular officer, employee, or agent of the card issuer does in fact receive such information.".

DISSEMINATION OF ANNUAL PERCENTAGE RATES

SEC. 18. (a) Chapter 2 of the Truth in Lending Act is amended by adding at the end thereof the following new section:

"§ 136. Dissemination of annual percentage rates

"(a) The Board shall collect, publish, and disseminate to the public, on a demonstration basis in a number of standard metropolitan statistical areas to be determined by the Board, the annual percentage rates charged for representative types of nonsale credit by creditors in such areas. For the purpose of this section, the Board is authorized to require creditors in such areas to furnish information necessary for the Board to collect, publish, and disseminate such information.

"(b) The Board is authorized to enter into contracts or other arrangements with appropriate persons, organizations, or State agencies to carry out its functions under subsection (a) and to furnish financial assistance in support thereof.".

(b) The analysis of such chapter is amended by adding at the end thereof the following new item:

"136. Dissemination of annual percentage rates.".

CREDIT ADVERTISING

SEC. 19. (a) Section 143 of the Truth in Lending Act is amended to read as follows:

"§ 143. Advertising of open end credit plans

"No advertisement to aid, promote, or assist directly or indirectly the extension of consumer credit under an open end credit plan may set forth any of the specific terms of that plan unless it also clearly and conspicuously sets forth all of the following items:

"(1) Any minimum or fixed amount which could be imposed.

"(2) Where periodic rates may be used to compute the finance charge, the periodic rates expressed as annual percentage rates.

"(3) Any other term that the Board may by regulation require to be disclosed.".

(b) Section 144 of the Truth in Lending Act is amended by striking out paragraphs (1) through (4) of subsection (d) thereof, and inserting in lieu thereof the following:

"(1) the downpayment, if any.

"(2) the terms of repayment.

"(3) the rate of finance charge expressed as an annual percentage rate.".

CORRECTION OF BILLING ERRORS

SEC. 20. (a) Section 161(b) of the Truth in Lending Act is amended—

(1) by redesignating paragraph (6) as paragraph (7); and

(2) by inserting after paragraph (5) the following:

"(6) Failure to transmit the statement required under section 127(b) of this Act to the last address of the obligor which has been disclosed to the creditor, unless that address was furnished less than twenty days before the end of the billing cycle for which the statement is required.".

(b) Section 161(c) of such Act is amended by inserting after "account" the first time it is used a comma and the following: "which may include finance charges on amounts in dispute,".

CREDIT BALANCES

SEC. 21. (a) Section 165 of the Truth in Lending Act is amended to read as follows:

"§ 165. Treatment of credit balances

"Whenever a credit balance in excess of $1 is created in connection with a consumer credit transaction through (1) transmittal of funds to a creditor in excess of the total balance due on an account; (2) rebates of unearned finance charges or insurance premiums; or (3) amounts otherwise owed to or held for the benefit of an obligor, the creditor shall:

"(A) credit the amount of the credit balance to the consumer's account;

"(B) refund any part of the amount of the remaining credit balance, upon request of the consumer; and

"(C) make a good faith effort to refund to the consumer by cash, check, or money order any part of the amount of the credit balance remaining in the account for more than six months, but no further action is required in any case where the consumer's current location is not known by the creditor and cannot be traced through the consumer's last known address or telephone number".

(b) The table of sections of chapter 4 of the Truth in Lending Act is amended by striking out item 165 and inserting in lieu thereof:

"165. Treatment of credit balances.".

GOVERNMENT EXEMPTION

SEC. 22. (a) Section 113 of the Truth in Lending Act is amended to read as follows:

"§ 113. EFFECT ON GOVERNMENTAL AGENCIES

"(a) Any department or agency of the United States which administers a credit program in which it extends, insures, or guarantees consumer credit and in which it provides instruments to a creditor which contain any disclosures required by this title shall, prior to the issuance or continued use of such instruments, consult with the Board to assure that such instruments comply with this title.

"(b) No civil or criminal penalty provided under this title for any violation thereof may be imposed upon the United States or any agency thereof, or upon any State or political subdivision thereof, or any agency of any State or political subdivision.

"(c) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under this title where the violation results from the use of an instrument required by any such department or agency.

"(d) A creditor participating in a credit program administered, insured, or guaranteed by any department or agency of the United States shall not be held liable for a civil or criminal penalty under the laws of any State (other than laws determined under section 111 to be inconsistent with this title) for any technical or procedural failure, such as a failure to use a specific form, to make information available at a specific place on an instrument, or to use a specific typeface, as required by State law, which is caused by the use of an instrument required to be used by such department or agency.".

(b) The table of sections of chapter 1 of the Truth in Lending Act is amended by striking out item 113 and inserting in lieu thereof:

"113. Effect on governmental agencies.".

ORAL DISCLOSURES

SEC. 23. (a) Section 146 of the Truth in Lending Act is amended to read as follows:

"§ 146. Use of annual percentage rate in oral disclosures

"In responding orally to any inquiry about the cost of credit, a creditor, regardless of the method used to compute finance charges, shall state rates only in terms of the annual percentage rate, except that in the case of an open end credit plan, the periodic rate also may be stated and, in the case of an other than open end credit plan where a major component of the finance charge consists of interest computed at a simple annual rate, the simple annual rate also may be stated. The Board may, by regulation, modify the requirements of this section or provide an exception from this section for a transaction or class of transactions for which the creditor cannot determine in advance the applicable annual percentage rate.".

(b) The table of sections of chapter 3 of the Truth in Lending Act is amended by striking out item 146 and inserting in lieu thereof:

"146. Use of annual percentage rate in oral disclosures.".

EFFECTIVE DATE

SEC. 24. The amendments made by this Act shall take effect upon the expiration of two years after the date of enactment of this Act. All regulations, forms, and clauses required to be prescribed under the amendments made by this Act shall be promulgated at least one year prior to such effective date. Notwithstanding the foregoing, any creditor may comply with the amendments made by this Act, in accordance with the regulations, forms, and clauses prescribed by the Board, prior to such effective date.

Mr. PROXMIRE. Mr. President, I am pleased to support S. 108, legislation to simplify the Truth-in-Lending Act.

As the author and sponsor of the Truth-in-Lending Act, I have had an opportunity to observe its success as more and more consumers have become aware of the true interest costs they were being charged.

For example, in 1969, the year the act became effective, only 15 percent of consumers knew the true rate of interest they were being charged for common types of loans. Recent studies show that this awareness has soared to nearly 55 percent. And there is an equally impressive growth in rate awareness for open-end—revolving charge—credit.

In addition to greater awareness of credit costs, the act has had the effect of educating the public as to what types of lenders charge the most. As a result, there has been a steady shift of market share away from the high-rate lenders since 1969 and toward those who charge the least.

While we have clearly traveled quite a distance from the days when creditors were permitted to represent interest rates in a myriad of inconsistent and confusing ways, there unquestionably have been problems. Many creditors, particularly small lenders, have had a very difficult time complying with the act because of its complexity and frequent changes in administrative regulations. From the consumer's standpoint, the act's effectiveness has been blunted somewhat by the long, technical, legalistic disclosure forms which most lenders use today.

This bill will remedy these problems in a fair, workable way. For instance, the model forms which the Federal Reserve Board would issue will be a great help to lenders by assuring them that their forms are in compliance. In addition, the tightening of civil liability will limit litigation to only important violations. The consumer will receive a simpler, more readable and therefore more understandable disclosure statement as a result of narrowing the focus of the disclosure to those elements actually used for credit shopping.

The bill also requires, for the first time, that the Federal enforcing agencies order refunds whenever creditors are found to have understated the finance charge. From testimony before the committee, it was abundantly clear that Federal regulatory authorities have been less than aggressive in this area.

S. 108 is the result of a considerable

amount of effort by the Banking Committee over the past 20 months to simplify and reform the act. The fact that the committe voted 15 to 0 to report this bill to the Senate speaks for itself.

The process of simplifying the act was not an easy one. It was a highly emotional issue, as many consumer groups feared that the act would be weakened. Some creditors sought changes which in my opinion went too far.

The result of this process, however, embodies a fair and balanced approach which represents a substantial improvement over today's law.

I was proud to sponsor the Truth-In-Lending Act in 1968, and I am happy to speak in favor of this bill today. This legislation will make truth in lending an even more effective consumer protection law than it is today.

● Mr. GARN. Mr. President, I view the bill before us with very mixed emotions. Although S. 108 contains important and necessary reforms for the Truth in Lending Act, I am concerned that we are losing an opportunity to truly simplify the existing tangle of consumer credit disclosures. This bill makes compliance easier and clarifies sections of the law that have been the subject of conflicting judicial and administrative interpretations. In this respect the bill is good and I recommend its passage. On the other hand since required disclosures have not been substantially reduced, I believe consumers, who should be the primary beneficiaries of this bill, will be only nominally benefited.

When I came to the Senate 4½ years ago I was pleased to be assigned to the Banking Committee and also to be designated as the ranking minority member on the Consumer Affairs Subcommittee. I felt that having the opportunity to serve on that subcommittee would allow me to further the interests of consumers through legislation which would provide them with usable and meaningful information about credit transactions.

In focusing on the objectives of the Consumer Affairs Subcommittee, I began to delve into the Truth in Lending Act which was the first major consumer credit law passed by Congress. That law, adopted in 1968, was intended to provide consumers with useful and comparable credit shopping information, in order to permit them to make informed credit decisions. It was also believed that by helping consumers compare available credit costs, competition among creditors would be enhanced.

In investigating Truth in Lending, I found that there had been progress toward meeting the law's initial objective. There was evidence of increased consumer understanding and awareness of the cost of credit. Despite this evidence of increased awareness, I was concerned about the fact that consumers were being overwhelmed by the enormous amount of information in disclosure statements and consequently they were not making use of the credit information. In addition, I found that this same law was placing a substantial paperwork burden on American business, the cost of which inevitably is passed on to consumers.

Therefore, I felt it was time to evaluate the effectiveness of the Truth in Lending law and analyze how the law had evolved since its passage in 1968. Essentially, I wanted to see if consumers were being benefited by the Truth in Lending Act, whether the costs involved under the Act were providing commensurate benefits, and whether the Act's original purpose and intent were being subverted by its immense complexity.

I found that my fears were more than justified. The Truth in Lending Act had become one of the most monumental monstrosities of paperwork ever foisted upon the American public.

Disclosure forms had become too lengthy and complex for consumer understanding or utility. This problem, which has come to be known as "information overload," is strongly revealed by the statistics and findings contained in the Federal Reserve Board's 1977 Consumer Credit Survey. In that report, the Board concluded that credit disclosure statements were not fulfilling the purpose of enlightening borrowers about the cost of credit. Instead, because of the inability of consumers to digest a great amount of information at any one time, the disclosures were actually causing confusion for consumers and they were being discouraged from reading the disclosures.

In addition to no longer being useful to consumers, I found that the complexity of the Truth in Lending Act constituted a tremendous burden to creditors, the regulatory agencies, and the courts. Creditors were faced with unending regulatory amendments and new legal and administrative interpretations, which necessitate constant forms changes at considerable waste and expense. At the same time, I found the courts inundated with hyper-technical Truth in Lending cases which place substantial burdens on the judicial systems. Needless to say, the considerable expense of litigation, compliance and continuous forms revision was being passed right on to the consumer.

This analysis of the costs and benefits of the Truth in Lending Act brought me to the realization that the Act needed to be substantially revised and more importantly, simplified. As a member of the subcommittee, I spent a great deal of time working on such a revision, and in April, 1976, I introduced S. 3302. That bill was the first in a series of attempts to truly simplify what had become a very onerous credit disclosure law.

Then in October 1976, the distinguished Senator from Texas (Mr. Tower) and I introduced S. 3875, which was a much more comprehensive simplification bill. It was introduced one week before the end of the 94th Congress. My purpose in introducing the bill at that time was to generate discussion about the need for and form of simplification and to seek input from all parties during the 3-month period between Congresses.

Helpful comments, reflecting diverse interests, were received from parties on all sides of the issue. As a result of that input, I, along with Senator Tower and Senator Schmitt, introduced a revised comprehensive bill in May of 1977. That bill, S. 1501, was considered in the last Congress along with other bills which were introduced by some of my distinguished colleagues. After hearings and numerous markups, S. 2802 was finally voted out of the committee and eventually passed the Senate by a voice vote in May 1978.

Mr. President, I opposed S. 2802. Having been deeply involved in the simplification effort and regulatory reform in general, I felt I could not support a bill which reformed the Truth in Lending Act but did not really simplify it. In order to truly benefit consumers, I believed, and I still believe that there needs to be a substantial reduction in the number and complexity of disclosures. Consumers should receive simple, meaningful credit cost information, rather than a long, complicated statement containing all of the terms of the transaction.

While the Truth in Lending bill passed the Senate last May, it did not receive any attention in the House. However, in October, S. 2802, with one very significant amendment, was again approved by the Senate. That time I supported the bill, since the amendment had deleted the onerous FTC enforcement provision.

In order to move toward the goal of simplification, the distinguished Chairman of the Committee (Mr. PROXMIRE) joined by the Chairman of the Consumer Affairs Subcommittee (Mr. STEWART) introduced the first version of the same bill early in this Congress as S. 108. Hearings were again held, and at a subsequent mark-up the bill was reported out of the committee with one amendment, which I offered. The adoption of that important amendment marked a significant departure from the bill as it was first before the Senate last year and made it identical to the bill I had supported in October. Once the amendment was adopted I did not object to the reporting of the bill, despite my continued misgivings that we had not gone far enough in simplifying disclosures for consumers.

The amendment which was adopted removed a provision which would have given the Federal Trade Commission the power to enforce the Truth in Lending Act as though it were an FTC trade regulation rule. Under that provision, the FTC could have sought civil penalties of $10,000 per violation per day for any violation of the Truth in Lending Act. This could take place regardless of how technical the violation and irrespective of whether any injury had been sustained by consumers. No other agency has such pervasive and punitive enforcement powers.

A creditor facing these penalties would have been forced to engage in extensive litigation or acquiesce in the commission's determinations and be subject to substantial civil penalties. It was this deprivation of due process and the prospect of imposing unequal and coercive enforcement on those creditors subject to FTC jurisdiction, which made this amendment so vitally important.

While I did not object to the reporting of S. 108 once the FTC enforcement provision was deleted, I still believe this bill is not really a simplification measure. The bill makes some necessary, and constructive, reforms to the Truth in Lending Act, and in this respect it is an improvement over present law. However, the law is still extremely complex and because of the multiplicity of disclosures which will still be required under S. 108, I believe that consumers will continue to be confused rather than helped by the disclosures.

We have not done nearly enough to alleviate the growing problems in Truth in Lending and I fear that we are losing an opportunity to bring about true simplification. I do not believe this bill will carry out the original purpose of the law by giving consumers usable credit shopping information. However, there are some substantial provisions for reform in this bill, and it is on the basis of these provisions that S. 108 deserves the support of the Senate.

One of the most important provisions of the bill is the exemption of agricultural credit from Truth in Lending requirements. The committee recognized that these transactions are essentially commercial in nature, and do not need to be subject to the same protections as consumer credit transactions.

The bill also requires the Federal Reserve Board to issue model forms which will make compliance easier and protect creditors from unintentional forms violations. This will reduce creditors' exposure to civil liability and thereby reduce costs. Another cost savings will result from the limitation on form revisions to once a year. Making all changes in the law which necessitate changes in forms effective on one annual date, will alleviate the waste that results from having to destroy large numbers of outdated forms.

Some of the most important provisions in the bill which will reduce creditors' exposure to civil liability, are those which eliminate ambiguities in the present law. Those areas of the law, which cause substantial interpretational problems and result in numerous conflicting court decisions, have been addressed and clarified in the bill with the hopes of ending often inconsistent judicial and administrative interpretations.

The "multiple creditor" problem, which first surfaced in *Myers* v. *Clearview Dodge, Inc. and Chrysler Credit Corporation*, 384 F. Supp. 722 (E.D. La., 1974); affirmed 539 F. 2d 511 (5th Cir., 1976), has been resolved by explicitly defining the creditor as the one to whom the note is payable and by requiring only one creditor to make disclosures.

Many cases have resulted from the complex security interest disclosure requirements under the law. An illustrative case is *Gennuso* v. *Commercial Bank and Trust Co.*, 455 F. Supp. 461 (W.D. Pa. 1976); 566 F. 2d 437, (3rd Cir. 1977), which required the creditor's right in property insurance proceeds and unearned property insurance premiums, to be disclosed as a "security interest". Although as presently written the law does not require that results, S. 108 should prevent such ludicrous interpretations by requiring merely a positive indication if a security interest is being taken in the property purchased and if it is in property not being purchased in the transaction, simply a general listing of the type of property without a listing of incidental related interests.

A final example of the complexity of Truth in Lending as it has been highlighted in the courts, is found in the case of *St. Germain* v. *Bank of Hawaii*, 537 F. 2d 572 (9th Cir. 1977). That case discussed various interpretations involving the disclosure of acceleration clauses. At one time there were four different interpretations outstanding in four different circuits. S. 108 eliminated the confusion by making it clear that acceleration need not be specifically disclosed since it is included as part of prepayment disclosures.

One other important provision of the bill which is particularly beneficial to consumers, explicitly grants authority to the enforcement agencies for the first time to require restitution when a creditor has understated an annual percentage rate or a finance charge. This provision will replace the guidelines under which only some of the agencies are currently operating with a grant of specific authority and with specific parameters applicable to all enforcement agencies. By giving the agencies specific legislative parameters, it is expected that the agencies which are presently operating under their own guidelines will discard certain aspects of those guidelines which do not conform to the legislative requirements. This is intended to eliminate the agencies' requirement that creditors who make restitution must disclose that it is the result of a Truth in Lending violation, since that requirement will encourage civil actions against creditors who have already made restitution.

Mr. President, after 4½ years of working toward the simplification of the Truth in Lending Act, I must express my disappointment in the limited simplification contained in S. 108. However, because the bill does make substantial headway in reforming some of the more problematic and costly segments of the Act I believe this bill deserves the Senate's support.●

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MODIFICATION OF ORDER FOR RECOGNITION OF SENATOR STENNIS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time ordered allotted to Mr. STENNIS be placed under my control for the time being.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Does the distinguished acting Republican leader seek recognition?

Mr. STEVENS. Not at this time.

Mr. ROBERT C. BYRD. Mr. President, I yield the Senator from Wisconsin such time as he may require.

PRESIDENT CARTER'S STATEMENT ON THE HOLOCAUST REITERATES THE NEED TO RATIFY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, last Wednesday many Members of Congress participated in a memorial service commemorating the 11 million peoples, 6 million of which were Jews, who died in Nazi death camps during World War II. During the service we heard President Carter renew his vow "to reaffirm our unshakable commitment that such an event will never recur on this earth again."

Mr. President, I am sure that all of us in the Senate share President Carter's conviction. When faced with the undeniable facts of the holocaust, facts which fly in the face of all of our most firmly held beliefs about human value and worth, our only recourse is to take concrete action to insure that such a tragedy never recurs.

Mr. President, the single most relevant action we could take, one that President Carter and numerous Presidents before him have urged the Senate to take, one that deals most succinctly and pertinently with the inhumane crime of mass murder—is to ratify the Genocide Convention. No action could be a more fitting tribute to the 11 million victims of the Nazi holocaust who died such senseless deaths. No action could be a better sign to the rest of the world of our continuing commitment to prevent future holocausts from occurring.

For 30 years we have had the opportunity to ratify the only international treaty that deals with the prevention and punishment of genocide. Despite the fact that President after President since Truman has pleaded with us to ratify the convention; despite the fact that our failure to ratify the convention has been smugly thrown in our faces by our ideological enemies whenever we have attempted to protest human rights violations; despite the fact that all our major allies have long since ratified the convention—in spite of all this, Mr. President, the Senate has not seen fit to ratify the Genocide Convention.

Mr. President, those are all very good reasons why the Senate should ratify this treaty. But they are not the most important: The most important reason is that, for all our public condemnations of the holocaust, for all the publicity given the holocaust by television documentaries and docudramas, for all the efforts made by our educational institutions to inform ourselves and our children—we have still not taken concrete political action on the international level to fulfill our moral obligation to the victims and potential victims of genocide.

Mr. President, we must take President Carter's words to heart and act to safeguard the world against future holocausts. We must ratify the Genocide Convention.

Mr. President, I ask unanimous consent that the text of President Carter's remarks given at the National Civic Holocaust Commemoration Ceremony in the Capitol Rotunda on April 25 be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF THE PRESIDENT AT THE NATIONAL CIVIC HOLOCAUST COMMEMORATION CEREMONY

I am honored and also grave and solemn as I participate in this ceremony during Days of Remembrance for victims of the Holocaust.

Just five weeks ago, during my trip to Israel, I visited again Yad Vashem—the memorial to the six million. I walked slowly through the Hall of Names. And like literally millions before me, I grieved as I looked at book after book, row after row, each recording the name of a man or a woman, a little boy or a little girl, each one a victim of the Holocaust.

I vowed then—as people all over the world are doing this week—to reaffirm our unshakeable commitment that such an event will never recur on this earth again.

A philosopher has written that language itself breaks down when one tries to speak about the Holocaust and its meaning. Our words pale before the frightening spectacle of human evil which was unleashed upon the world, and before the awesomeness of the suffering involved; the sheer weight of its numbers—11 million innocent victims exterminated—6 million of them Jews.

Although words do pale, yet we must speak. We must strive to understand. We must teach the lessons of the Holocaust. And most of all, we ourselves must remember.

We must learn not only about the vulnerability of life, but of the value of human life. We must remember the terrible price paid for bigotry and hatred and also the terrible price paid for indifference and for silence.

It is fitting also that we recall today the persecution, the suffering and the destruction which has befallen so many other people in this century, in many nations, peoples whose representatives have joined us for this observance. For the central lesson of the Holocaust must be that, in the words of the poet, "Each man's death diminishes me".

To truly commemorate the victims of the Holocaust, we must harness the outrage of our memories to banish all human oppression from the world. We must recognize that when any fellow human being is stripped of humanity; when any person is turned into an object of repression; tortured or defiled or victimized by terrorism or prejudice or racism, then all human beings are victims, too.

The world's failure to recognize the moral truth 40 years ago permitted the Holocaust to proceed. Our generation—the generation of survivors—will never permit the lesson to be forgoten. Human rights and human dignity are indivisible. America must, and always will speak out in the defense of human rights not only in our own country, but around the world.

That commitment imposes special responsibilities on us to uphold the highest possible standards of human justice and human rights here at home. I applaud the Congress in calling for this day of remembrance of the Holocaust. And I renew my call to the Senate to take a long overdue step this year by ratifying the International Treaty on the Prevention and Punishment of Genocide. Without concrete action, our words are hollow. Let us signify by deed as well as by word that the American people will never forget.

It is, perhaps ironic that we meet today in a season of rebirth and renewal to recall a time of darkness and destruction that has no parallel in human history. And yet it is also fitting that we do so in this Rotunda, along with actual survivors of the Holocaust itself. For the Holocaust is also a story of renewal and a testament to the power of the human spirit to prevail.

People who saw their homes destroyed helped build a new homeland in the State of Israel. People like Elie Wiesel, the Chairman of my Holocaust Commission, who witnessed the collapse of all vision, created and shared with us a new vision. It is an incredible story of a people who refused to allow despair to triumph, who after having lost their children, brought new families into the world.

It is our collective task as well to learn from this process of renewal, the roots of hope—a hope not based on illusion of ignorance, but hope grounded in the rebirth of the human spirit and a reaffirmation of the sacredness of life.

With that hope, we will strive to build out of our memories of the Holocaust a world joined by a true fellowship of human understanding, a world of tolerance and diversity in which all peoples can live in dignity and in peace.

Mr. PROXMIRE. I yield the floor.

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STATEMENT BY SENATOR STAFFORD ON BILLBOARD CONTROL

Mr. STEVENS. Mr. President, on behalf of Senator STAFFORD, who is absent due to illness today, I would like to place into the RECORD a statement he intended to offer for the RECORD, together with an article from the magazine of the American Planning Association, which discusses the failure of the present billboard control law.

I ask unanimous consent that Senator STAFFORD's remarks and the article he has referred to us be printed in the RECORD at this point.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

HOW THE BILLBOARD INDUSTRY BEATS THE LAW

Mr. STAFFORD. "Planning," the magazine of the American Planning Association, carries in its April issue a most interesting article on the failures of the present billboard control law. In the article, Charles F. Floyd, the respected chairman of the Department of Real Estate and Legal Studies at the University of Georgia, says that "the ineffectiveness of the billboard control program is perhaps the environmental movement's greatest failure."

Because of the significance of Professor Floyd's views, I submit this article for the RECORD.

HOW THE BILLBOARD INDUSTRY BEATS THE LAW

(By Charles F. Floyd)

Passage of the federal Highway Beautification Act in 1965 promised an end to the billboards cluttering the rural landscape. In reality, however, the act largely has been a failure, its lofty aims destroyed by crippling amendments, the power of industry lobbyists, and the indifference of its former supporters. This story about the rise, fall, and impending demise of billboard control along our Nation's highways focuses on a typical state, Georgia.

Although many states and local communities have been battling billboards since these eyesores came into vogue around the turn of the century, a strong push for national legislation came only after the beginning of the interstate highway program. The so-called Bonus Act was passed in 1958 to encourage the states to pass laws controlling billboards on the interstate system. The carrot was a small bonus in interstate highway construction funds.

Twenty-five states—located primarily in the Northeast, the Midwest, and along the Pacific coast—entered into bonus agreements before 1965. Among these states was Georgia, the only one in the Southeast to enact implementing legislation and the only bonus state to have its outdoor advertising control law overturned in the courts.

The 1958 federal law did not specify the methods to be used by a state to remove existing signs that did not comply with the new law. Of the 25 states that entered into bonus agreements, only three exercised the power of eminent domain (purchase) to eliminate nonconforming signs. The remainder elected to use their powers of regulation to force removal of the offending signs after an amortization or phaseout period.

At that time, the Georgia supreme court was hostile to all types of land-use controls and, in an opinion that is almost hysterical in tone, declared the amortization provision in the Georgia law unconstitutional. This decision, which is widely quoted because it is so at variance with prevailing legal opinion in other states, not only deprived Georgia of several million dollars in bonus payments but also opened the floodgates to the billboarders. It would cost the state around $20 million to remove nonconforming signboards that were erected along Georgia's interstate highways between the time the Georgia Bonus Act was declared unconstitutional in 1966 and the effective date of the subsequent 1971 act.

The Highway Beautification Act of 1965, sometimes called the Ladybird Johnson Act, could be described more accurately as the Billboard Baron's Financial Relief Act. The act was born with noble intentions—to make billboard control mandatory in all the states and to extend control to billboards along the primary highway system (most U.S. highways and some state highways). But what emerged offers a classic case of a law that was gutted by a powerful industry lobby.

First, all areas zoned for commercial and industrial use, plus "unzoned commercial and industrial areas," were exempted from any but the most minimal controls. For many years, the outdoor advertising industry has advanced the notion that billboards are a commercial land use and should be permitted in any commercial zone. The opposite is true, of course. Billboards are not a land use; they are a use of the road, and their value is derived solely from their visual intrusion on the road.

This principal has been recognized by many courts to justify stringent regulation or prohibition of off-premises advertising. The exemption from control is too broad, since it lumps ugly commercial strips with research parks and rural areas that happen to be zoned for future commercial development. The practical effect of the exemption has been to allow billboards where they are totally inharmonious and also in areas that are almost totally rural.

Second, on-premises signs (those signs that identify a place of business) were exempted from any controls. The result has been huge gas station signs towering above the landscape at almost every highway interchange.

The most devastating triumph of the billboard lobby was the provision making monetary compensation mandatory for the removal of all nonconforming signs. Even those states that had been using their police powers to remove signs under the Bonus Act now were required to pay for removal. This forced compensation, combined with meager appropriations for the program, has meant that very few signboards actually have been removed. Nationwide, only 30 percent of the nonconforming signs have been purchased; at the present level of funding, it will take another 109 years to buy the 215,000 remaining signs.

Georgia passed an Outdoor Advertising Control Act in 1967 in an obvious attempt to establish the very minimum criteria that would allow the state to comply with the Highway Beautification Act. Signs were allowed in any area that local authorities had zoned commercial or industrial, and the state zoned as commercial all land along the highways within two to eight miles of municipalities. No limitations were placed on the number of signs permitted per mile, nor were any minimum size regulations established.

The Georgia law also provided that billboards could be erected in unzoned commercial and industrial areas. On the interstate system, these areas were defined as the land 3,500 feet on each side of the property line of any commercial or industrial activity. The existence of one small country store on a secondary road near the interstate could justify the permitting of billboards for 3,500 feet on both sides of the highway—a potential 28 billboard sites—and with no regulations regarding maximum size or number per site.

The more obvious result of this provision in the law was that it allowed billboards in rural areas near interchanges. Since most such areas had at least one commercial establishment, signboards were allowed for two-thirds of a mile or more on each side of every interchange.

Under pressure from John Volpe, then U.S. Secretary of Transportation, who ruled that the Georgia law did not comply with the federal law, the state revised its billboard control regulations in 1971 to set maximum size and spacing requirements and to tighten the definition of unzoned commercial and industrial areas. A glaring deficiency that had marked all national and Georgia bill board legislation up to this point remained in the 1971 Georgia law, however.

Framers of the Bonus Act, the 1958 federal law, felt it was necessary to establish some limit of control and for somewhat obscure reasons this limit was set at 660 feet from the edge of the right-of-way. Beyond that, billboarders coud do what they liked. The billboard industry responded in predictable fashion to this loophole by creating the phenomenon of the jumbo sign located just outside the control limit. There are now over 250 of these jumbos along the interstate highways in Georgia, with the cost of removal estimated in excess of $3 million.

Unfortunately, the Georgia law has been pitifully ineffective in two respects. It has failed to control the erection of new billboards, and it has done almost nothing to remove nonconforming billboards.

The Highway Beautification Act directed the U.S. Secretary of Transportation to accept the size and spacing limitations that were customary in the states. Thirty-two states, including Georgia, adopted a maximum size limitation of 1,200 square feet (equal to the floor area of a medium-sized, three-bedroom house and approximately twice the size of the largest billboards along the interstate system).

The billboard industry pushed for minimum spacing requirements since these limits prevent competitors from erecting signs that can obstruct each other. Under Georgia law and most state laws, it is possible to have up to 42 billboards a mile along any portion of the interstate system that is zoned commercial or industrial and up to 70 billboards a mile along the primary system. Within municipalities, the number of allowable signs reaches the rather absurd level of 212 a mile. If each of these signs were of the maximum allowable size, the total area of the sign faces would equal three football fields for each mile of roadway.

Since the size and spacing requirements amount to virtually no control, the designation of commercial and industrial areas becomes all important. The Bonus Act allowed billboards only in commercial and industrial zones of municipalities designated by September 1959. The 1965 Highway Beautification Act eliminated this freeze and, in fact, removed most controls on all commercial and industrial areas, either zoned or unzoned. The size and spacing limitations were the only controls. The 1968 amendments directed the Secetary of Transportation to accept state and local zoning.

Local zoning authorities, though, often place more importance on the real or imagined benefits of billboard advertising than on uncluttered views for the motorist. Many local communities, particularly rural counties, have tried to circumvent the Highway Beautification Act by zoning long stretches of rural highways as commercial and industrial.

Largely rural Columbia County, near Augusta, Georgia, zoned its entire 26 miles of Interstate 20 as industrial. Camden County recently zoned about 750 acres for commercial use at each of five interchanges, even though less than 50 acres in the whole county are used commercially. Still other counties have designated areas along interstate highways as agricultural and commercial zones, but billboards are almost the only permitted commercial use.

The "unzoned commercial and industrial area" provision has served as a gigantic loophole in the law, permitting billboards to go up in predominantly rural areas. For example, small family businesses that happen to back up to an interstate highway—and that in many cases cannot even be seen easily from the highway—will permit the erection of several large billboards. Ironically, junkyards in rural areas that are screened and controlled under the Highway Beautification Act also have served as the justification for permitting billboards.

Some firms are ingenious in taking advantage of the loophole in the Highway Beautification Act. One property owner on Interstate 75 in Georgia erected a small shed in a rural area and put up a sign designating it a warehouse. A large billboard was erected next to this "warehouse," and an outdoor advertising firm then applied for a permit based on the area's being an "unzoned industrial" area.

It is difficult to conceive of a billboard removal program that could have been more ineffective than the one carried out nationally under the Highway Beautification Act. In fact, it is difficult to imagine how any expenditure of public funds could have been more ineffective.

Most public projects are planned so as to increase benefits and decrease costs. The billboard removal program has been designed to *minimize*, the benefit-to-cost ratio. Congress directed that the first signs to be removed would be those voluntarily offered by the billboard companies. Nonconforming signs along heavily traveled rural highways would be the last to be removed. This strategy has meant that the very limited funds appropriated for highway beautification were dissipated in paying billboard firms for obsolete signs.

Georgia's Outdoor Advertising Control Act of 1971 rendered nearly 24,000 legally erected billboards nonconforming, but by mid-1978 only around 500 of these signboards had been removed. At the present rate, all of the billboards that were nonfonforming in 1971 will come down by the year 2431—461 years after the deadline originally set in the 1965 Highway Beautification Act.

The national program has been weakened further by amendments contained in the 1976 Federal Highway Act. This law directed the states to retain until the end of the program all nonconforming rural signboards containing directional information. Moreover, the 1976 law allowed the states to retain these billboards permanently where their removal might cause economic hardship. This last provision has not been used yet in Georgia or any other state, mainly because so few signs actually are being removed.

Still not satisfied, the billboard industry is lobbying hard to amend the 1965 law further to permit "private directional signs" in all rural areas. This euphemism describes any billboard that contains directional information—a definition that covers an estimated 80 percent of the existing signboards. Only a few hours and a few gallons of paint are needed to change the others. Needless to say, the proposed amendments would almost completely gut what still remains of the billboard control program.

Illegal signs (those erected in violation of the law) also present a problem. The Georgia statute requires their removal within 30 days after official notification. Thereafter, the owner is subject to a fine of $1,000 per day, and the offending sign may be removed by the state.

Even so, there are now an estimated 7,000 illegal billboards in Georgia. Nearly 300 of these cases have been turned over to the state attorney general for legal action, and some of them have been buried in that office for over five years. The attorney general has not allowed the state department of transportation to take down illegal signs as provided in the law, nor has he ever sought to fine the owner of an illegal billboard.

Perhaps the ultimate perversion of the Highway Beautification Act has been in "vegetation control," i.e., the killing of trees, illegal tree cutting along the highway right-of-way in front of billboards has been a serious problem in Georgia, as in most states. Recently, however, the Georgia transportation department solved the legal problem involved. It succumbed to pressure from the billboard industry and allowed the companies to cut these trees legally. Some of the pine trees removed along interstate 95 to give a better view of billboards were over 50 feet high.

Georgia's poor record in controlling billboards along its highways is a typical one. The Highway Beautification Act simply is too weak to be effective.

Imagine a clean water act that set as a standard for commercial and industrial rivers a pollution level that was twice the pollution level found in all but the worst industrial streams. Imagine further that the "commercial and industrial" designation would apply to all streams that received the effluent from at least one country store or were located in an area that the local governments hoped would become commercial or industrial sometime in the distant future. All nonconforming firms would be allowed to continue polluting until they were paid to stop. In addition, state and local governments that were using their police powers to require firms to reduce levels of pollution would be forced to drop these programs and pay compensation to the polluters from funds that would not be appropriated.

Imagine how effective this program would be in cleaning up our water! The Highway Beautification Act has been equally effective in reducing visual pollution along our highways.

The ineffectiveness of the billboard control program is perhaps the environmental movement's greatest failure. Extensive revision of the Highway Beautification Act is essential if the original objectives are to be achieved.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The ACTING PRESIDENT pro tempore. The Chair, on behalf of the President pro tempore, pursuant to Public Law 93–379, appoints Stephen S. Boynton to the District of Columbia Law Revision Commission.

The Chair, on behalf of the minority leader, pursuant to Public Law 93–379, reappoints Marion Edwyn Harrison to the District of Columbia Law Revision Commission.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, may we now have a period for routine morning business?

ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business not to extend beyond 12:45 p.m., with statements therein limited to 5 minutes each.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there morning business? If there is no morning business, morning business is closed.

The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. Mr. President, what is the pending business before the Senate?

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business, S. 413, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 413) to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operations to aid them in complying with noise standards, and for other purposes.

The Senate resumed consideration of the bill.

The ACTING PRESIDENT pro tempore. Time for debate on this bill is limited to 2 hours to be equally divided and controlled by the Senator from Nevada (Mr. CANNON) and the Senator from Oregon (Mr. PACKWOOD), with 2 hours on an amendment by the Senator from New York (Mr. JAVITS), with 30 minutes on any other amendment, and with 20 minutes on any debatable motion, appeal, or point of order.

RECESS UNTIL 12:59 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 12:29 p.m., recessed until 12:59 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

EXTENSION OF TIME FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the period for routine morning business be extended for 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

GASOLINE—A NECESSITY

Mr. LEAHY. Mr. President, the vast stretches of farmlands and small towns that make up our Nation's rural areas were the last to change from horse-powered transportation in the early part of the century. Now our farming and rural communities are dependent on gasoline powered vehicles.

Tractors till the soil and pull farm machinery. Airplanes spread crop protecting agents. Pickup trucks are an essential farm tool and their large counterparts bring farm goods to market. In our highly mobile society, the automobile is woven so tightly into the fabric of daily life in the countryside that it is even more of a necessity there than in our cities.

Now, over 70 years after the advent of the internal combustion engine, we are confronting a crisis in gasoline supply that will most definitely rearrange our lives and our habits of transportation, perhaps immediately.

Yesterday, the Senate Agriculture Committee's Subcommittee on Rural Development, of which I am chairman, held a hearing on the President's proposed standby gasoline rationing plan. The purpose of the hearing was to examine the effect of a gas rationing plan on the nonmetropolitan areas of the United States—on the agricultural sector and on rural area residents. Both groups, as I have noted, are extremely dependent on gasoline.

I was very pleased that we had this opportunity to question at length Department of Energy Secretary Schlesinger, Mr. David Bardin of the Economic Regulatory Administration and Mr. Weldon Barton of USDA's Office of Energy. We were also fortunate to have as witnesses representatives from several agricultural users groups and State energy organizations.

I am extremely disturbed, however, to realize that the problems and questions my colleagues and I raised about the present rationing plan were either given little credence or ignored altogether when the plan was formulated.

The Senate Energy Committee narrowly approved the plan last week—by a vote of 9 to 8. What swung the committee's vote in support of the plan were two letters from Mr. Stuart Eizenstat, an assistant to the President, admitting that the plan was flawed. The administration finally, in the 11th hour, recognized that there are "potential inequities" among the States.

These "potential inequities" among States are "reflected by the difference in average per capita consumption of gasoline" based on historic consumption patterns.

Mr. President, these inequities are not potential—they are very real. They exist not only in historic gas consumption patterns but in the historical bias against rural areas that is present in Federal regulations, funding programs and most of the legislation we pass.

The administration gave the Energy Committee its assurance that when the plan is implemented these inequities would be alleviated by increasing a State's ration rights by 4 to 7 percent of the total supply.

I am tired of the bureaucracy's assurances. This bias cannot be alleviated by merely increasing their percentage of the supply.

Congress mandated in the Emergency Petroleum Allocation Act of 1973 that to every extent possible economic inequities in gas rationing would be minimized. This mandate has not only not been carried out, it has been totally ignored.

Mr. President, rural America is tired of being ignored. They are tired of being remembered only after the fact and only when their presence is brought to someone's attention.

In my 5 years in the Senate I have consistently and persistently argued the case for rural Americans. I will continue to speak up for these people because it is obvious that no one in the Federal bureaucracy and few of use here admit to their existence. These people and these areas are not to disappear. They are an integral part of our society and to wish them away by ignoring their existence is not only disgraceful—it is a travesty.

The full Senate will have the opportunity within the next 2 weeks to consider the gas rationing plan. I am sure that all States have some unique problem with the plan—Vermont is no exception. We are one of the most rural States in this country and thus we have a problem which, though not unique to Vermont, is of significant and abiding importance to us.

Only one-quarter of the national population is rural. One hundred percent of Vermont is. Three-fifths of all Americans live in metropolitan areas. No Vermonters do. One in five workers in central Vermont commutes at least 30 miles a day to and from work; 80 percent of Americans use mass transit, according to the 1970 census. Only 1 percent of Vermonters do. Only one Vermont community has a fully functioning mass transit system, five others have bus systems.

Vermonters depend on their automobiles and other motor vehicles for necessities such as medical services, food, transportation, energy supply deliveries. We import all of the petroleum we use—accounting for 70 percent of our energy use. And we import 85 percent of the food we eat. The proposed gas rationing plan, therefore, is of particular interest to Vermont.

I have thoroughly reviewed the administration's plan for gas rationing, and I have found it highly simplistic, lacking in focus or depth and missing top priorities because it is tremendously biased against rural areas. We, too often, see this routine abandonment of small towns and rural communities, because so many of the regulations and legislation these days ignores the fact that a large number of people in this country live and work in rural communities. I was amazed at the administration's lack of foresight in not treating farmers as a priority. Food, after all, is a necessity, and there is no doubt in my mind that agriculture would be damaged under President Carter's proposed emergency energy plan.

Even before I delved into the specific guidelines in the gas rationing plan, I wondered about the Department of Energy's ability to determine when there is a critical supply situation in gas and oil. I am beginning to believe that the Energy Department is so closely allied with the major oil companies that I doubt that DOE can distinguish a real crisis from a manufactured one.

One aspect of the gasoline rationing plan that I have not had a chance to scrutinize is the amount of money the oil companies would glean from the plan. If their profits are of the windfall category now, will a gas rationing system provide them with 200-percent profits instead of the 80-percent profits some are reporting now?

I am particularly concerned with four aspects of the gas rationing plan and yesterday's testimony plainly reenforces those concerns. Each adds to my belief that this proposal discriminates against rural areas.

The administration turned its back on the people in the small towns by holding public hearings about the gas rationing plan in large cities. Yes, the Department of Energy fulfilled its obligation by holding 10 public hearings, but it listened to only one segment of the population.

The Department of Energy then approached the Department of Agriculture for its recommendations for the gas rationing plan.

After receiving the agriculture agency's suggestions, the Energy Department filed the material in the circular file. They scrapped it.

As far as the "white market" system is concerned, I doubt this defacto free market distribution mechanism will work outside the major urban settings. In the cities, the market will be diverse enough to bring an element of competition into the authorized sale of gasoline among individuals or dealers. But in the rural areas, I fear the lack of diversity and lack of outlets will inflate the price and allow for uncontrolled speculation.

Finally, at close reading, the standby gasoline rationing plan is skewed against nonmetropolitan areas and in favor of the urban areas. We must consider the fact that gasoline consumption patterns tend to be higher in the Southern States, Northern New England States and several in the far West. These States are the backbone of rural, agricultural America. They have few mass transit systems. They must use their automobiles or their pick-up trucks—many of which are old and considered gas guzzlers. Why, because these people are often too poor to afford the new, expensive, energy efficient cars. They must concentrate their income, not on new cars, but on shelter costs and food, both of which are getting more costly.

Studies have shown that highly urbanized States tend to have lower than average gas consumption levels. Although these States' residents may own more cars per household they also have available alternative forms of transportation. People in rural areas of necessity use three times as much gasoline as their urban counterparts. The logical extension of this supply and demand equation is that by limiting the use of gasoline the people in the countryside will be adversely affected three times as much as will the urban residents.

I have not even mentioned the potential damage this plan would bring to the farming sector, but even a casual reading of the plan will point out that farm vehicles used on the highway are not considered, food distribution systems are ignored and custom service operators who harvest and haul crops are totally neglected. We were assured yesterday by Mr. Bardin that agricultural users were considered and adequately covered. I have heard assurances of this sort before and neither I nor my committee colleagues were satisfied. In short, agriculture has been excluded as a categorical priority, and I see this as a gross miscalculation of priorities.

I must note that we are dealing with a lot more than just farmers. While the agricultural system, from field to table, consumes about 17 percent of our country's total energy supply, only 3 percent of that is used for on-farm production. The remaining energy, primarily gasoline, is used in harvesting, processing, wholesale and retail operations, transportation and consumption. If this complex chain from field to table is broken, untold damage will be wrecked on our agricultural and rural sectors.

Mr. President, Congress recognized the importance of maintaining the flow of food through the distribution chain in the Emergency Petroleum Allocation Act of 1973. It declared that agricultural production would be accorded the highest level of protection under a rationing plan. In particular, that the economic impacts on agriculture would be minimized.

Yesterday's hearing made painfully clear that this mandate has not been carried out.

In criticizing the President's proposal, I want to stress the need for a solid, well thought out plan for meeting a critical curtailment of gasoline supply. I know how important this plan could become in the next decade and maybe in the next year. But this plan must take into consideration the particular needs of the American population that lives in rural communities and the special needs of our farmers.

Mr. President, I am going to recommend to the full Senate Agriculture Committee tomorrow morning that we reject this rationing plan. We as a committee are writing to President Carter stating our objections and requesting that he amend the plan to correct its inherent shortcomings and to remedy these blatant inequities.

As a Senator I will oppose the plan in the Chamber, and I will do everything within my power to defeat it because of the rural bias within it.

I thank the courtesy of the majority leader for providing the time.

ILLINOIS BRICK

Mr. PERCY. Mr. President, after study of the issues involved and discussion with many interested individuals from Illinois and elsewhere on both sides of the issue, I have decided to oppose S. 300, the "Illinois Brick bill."

My decision is based on what I consider to be the key question in this debate: What will provide for the most effective enforcement of our antitrust laws? In my opinion, S. 300 will frustrate, rather than assist private antitrust enforcement.

Evidence presented at the Judiciary Committee hearings gives strong credence to the argument that direct purchasers are diligently pursuing their civil remedies for antitrust violations. In those relatively few cases where suit has been filed by indirect purchasers, it is usually only after action by the direct purchaser.

There can be little question that the probability of suits by indirect purchasers—as allowed and in fact encouraged by S. 300—will discourage actions by direct purchasers. Multiple suits will increase the pendency and cost of suit to the point where even the potential of treble damages will not be sufficient incentive for a direct purchaser to sue.

Private antitrust enforcement will be left primarily to consumer class actions, subject to the difficulties of initiating and pursuing such suits. Where such actions are brought, the complexities of the suit and the difficulties of ascertaining the actual damages suffered by individual consumers will create a lawyer's bonanza while reducing the award collected by the consumer to a negligible level. The consumer will lose the benefit derived from the deterrent effect of direct purchaser suits and gain close to nothing in its place.

In my opinion, the two major objectives of antitrust law are the maintenance of our competitive free market system and protection of the consumer. By reducing the incentives for effective private antitrust enforcement, both the free market system and the consumer will suffer.

Finally, our judicial system entitles every defendant to plead his side of the case. The expenses of litigation already approach the prohibitive level. While I agree with the bill's proponents that it is possible to preclude multiple liability, the bill will not preclude multiple suits. Our system of justice suffers when a defendant settles a suit out of court rather than raise what it regards as legitimate defenses because it cannot afford or would not find cost effective the legal fees associated with the latter course of action.

I had planned to make my decision on this legislation following Judiciary Committee action on it on April 23. Although the committee did not act on the bill at that time, I do not anticipate any changes that the committee could make that would change my position on the bill. I oppose the legislation.

FOREIGN INVESTMENT IN EGYPT AND ISRAEL

Mr. PERCY. Mr. President, on March 27, 1979, President Sadat of Egypt stated his economic development goals at a meeting of the Egypt-United States Business Council. He made an eloquent case for greater foreign investment in Egypt, a plea that should bring a favorable response in view of Egypt's determination to foster a good investment climate.

For 30 years I have encouraged investment in Israel to help that nation develop its economy. I am now hopeful that foreign investors will look favorably on both Israel and Egypt, the two nations which have taken significant risks to achieve peace and which are committed to raising the living standards of their peoples.

I ask unanimous consent that the text of President Sadat's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Speech by President Sadat

I am very pleased to be with you tonight. Only yesterday, we laid the foundation for a comprehensive peace in the Middle East. It is thanks to the tireless efforts and dedication of my dear friend, President Carter that we have achieved this moment. It was a giant step that should be followed by other steps in the near future in order to consolidate the peace process which we started. Some are skeptical about the prospects for completing the work we began. However, I remain optimistic. One should not be discouraged by the mounting problems he encounters. We have confronted many serious problems in the past. We were able to overcome these problems with determination and patience. We shall continue to do that in the future. Nor should we assume that the negative elements which exist today will continue to produce their obstructive impact.

The dynamics of peace will create new realities for the benefit of all the peoples of the region. On our part, we intend to maximize the use of this opportunity for the good of every Egyptian. We will embark on a major national effort to revitalize our economy and bring about a higher level of productivity. We would like to have fruits of this endeavor shared by every citizen. Of course, we intend to rely mainly on ourselves. Only the sons and daughters of Egypt can rebuild their country. We know that this undertaking is a tough one. However, we accept the challenge of reshaping our economy and creating a better life for our masses. We know that this requires hard work and toil.

Your cooperation and collaboration with us in this effort would make a valuable contribution. It would be for our mutual benefit. A partnership which is free of exploitation and uncertainty. I propose that we work together in the coming few months to create the conditions which are necessary for achieving that goal. This pattern of economic cooperation could set a model to be copied in other countries in the area and the Third World.

As we proceed to translate peace into prosperity, we set for ourselves the following goals;

First. The acceleration of our development effort within a stable economy. Coupled with this is maintaining a politically and socially viable rate of economic growth and full employment.

Second. The process of growth should be closely linked to social justice and improving the quality of life both in rural and urban centers.

Third. The intensification of economic reforms which have already been instituted. They include improving the balance of payments, effecting an economic performance of productive activities and enhancing the country's development and absorptive capacity.

Fourth. Improving our infrastructure which has been overloaded for a combination of reasons.

Fifth. Satisfying the essential needs of the Egyptian population, with particular emphasis on the lower income groups. Such basic needs include increasing the level of nutrition, health, education and housing.

To attain these goals, we will marshal all available domestic and foreign resources. It is with this in mind that we adopted the open door policy in recent years. We wanted to encourage foreign capital and technology to be invested in Egypt. Our country is best suited for that with its stability, high degree of technical know-how, and skilled labor force. A good start took place in the past few years. However, I must say in all candor that much more remains to be done in this area, both in terms of the volume of the foreign capital invested and the type of activity undertaken. I believe that the present circumstances are likely to stimulate a greater response. American investors can do much in the field of transferring technology and concentrating on productive activities. Long-term investment is now in order.

In seeking international cooperation with our development efforts, we encourage both government and private participation. We believe that American companies can play a pivotal role. We realize the need to introduce certain adjustments into the machinery of investment as we go along. We are also encouraging our private sector to be more active and enterprising.

In short, we are looking at the future with hope and confidence. We have no illusions, but we are not discouraged by the difficulty involved in the process. We expect you to be helpful and responsive. I am sure that you are going to live up to our expectations.

DEMYSTIFYING ENERGY

Mr. PERCY. Mr. President, a sound U.S. energy policy depends upon the broad and knowledgeable participation of our Nation's people. Unfortunately, the lack of a universal unit of energy measurement makes it very difficult for Americans to understand how much energy they are actually using.

How many Americans are able to compare the energy value of a kilowatt-hour of electricity with the energy contained in a gallon of gasoline or a cubic foot of natural gas? And how do all of these relate to the "quads" of energy which Secretary Schlesinger and others refer to when discussing our Nation's overall energy needs?

David Morris has pinpointed the problem in a recent New York Times op-ed piece:

> This bewildering array breeds the dangerous illusion that there are many different kinds of energy. . . . It tends to thwart the curious citizen.

For several years now, Mr. Morris and his organization, the Institute for Local Self-Reliance, have sought to give local communities more direct control over the resources they produce and consume. Sharing this commitment, I have just introduced a bill designed to strengthen locally based energy initiatives. My bill, the Local Energy Management Act of 1979 (S. 931), focuses specifically on local efforts to stimulate energy conservation and the development of renewable energy resources.

Mr. Morris' discussion of the need for a more straightforward means of energy measurement deserves our serious consideration. I ask unanimous consent that his article, "Putting It Into B.T.U.'s," from the New York Times of February 26, 1979, be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

Putting It Into B.T.U.'s

(By David Morris)

Washington.—How can we expect Americans to participate knowledgeably in debate about our energy future if we have no common frame of reference?

In my own work with Government officials, community organizations, and planners, the hardest problem in energy planning occurs right at the beginning, with the language we use.

Our fragmented units of measuring energy confuse and paralyze rather than inform and catalyze.

In any weight-reducing chart, a calorie is a calorie whether it comes from meat or cereal or vegetables. But while our food energy is measured in calories, our electric bills read in kilowatt hours, gas bills come in therms or cubic feet, fuel oil and gasoline is purchased in gallons. Sophisticated energy analysts speak of megajoules.

This bewildering array breeds the dangerous illusion that there are many different kinds of energy embodied in these commodities. It tends to thwart the curious citizen.

Each of these units, however, could easily be converted into B.T.U.'s: The B.T.U., or British Thermal Unit, is the amount of energy required to raise the temperature of a pound of water one degree Fahrenheit. There are four B.T.U.'s in a calorie, slightly over 3,400 in a kilowatt hour and 100,000 in a therm of natural gas.

Once a common energy unit was adopted, consumers could more easily compare the costs of different fuels and energy-consuming devices.

An electric range with an oven consumes about four million B.T.U.'s per year. In New York City, where electricity costs about $25 per million B.T.U.'s, the annual operating cost would be $100. A gas stove with a pilot light uses about eight million B.T.U.'s per year. At current New York gas prices of about $4 per million B.T.U.'s, the annual operating cost is about $30. A hot shower in New York using electricity costs about 15 cents; the same showed in Portland, Oreg., costs less than a nickle because of inexpensive hydroelectric power.

During the next 20 months, the Public Utilities Regulatory Policies Act of 1978 requires all state public-service commissions to undertake an exhaustive evaluation of many aspects of utility regulation. It imposes on utilities the requirement that they inform consumers of last year's energy consumption compared to this year's. It is an excellent time for such commissions to redesign the utility bill so that it reads in B.T.U.'s.

A common unit of measurement would generate curiosity and investigation.

If kilowatt hours were translated into B.T.U.'s, we would discover that one million B.T.U.'s of electrical energy are three times more expensive than one million B.T.U.'s of natural gas, and might ask why. We would discover that the oil we use to heat our homes costs less, but contains more energy, than the gasoline we pump into our cars. We might look at the newcomer to the internal-combustion engine, alcohol, and view its relatively low energy content against its efficiency.

It would be easy to change our utility bills. It is more difficult to make such a policy applicable to fuel and gasoline stations, yet it can be done.

I do not envision a future when I would drive into the gas station and ask the attendant to fill up the tank with 20 million B.T.U.'s, but there is little reason that I can't know how much energy I am paying for, as well as how many gallons.

Such a change would force us to consider other related issues, such as the overall system efficiency of converting raw fuel to the final product, or the qualitative aspects of energy.

The electric utility would undoubtedly try to explain to its customers that even though the cost per B.T.U. consumed inside the house was high, the conversion efficiency is 100 percent compared to 70 percent efficiency of natural gas, thus changing the real cost. In their own self-interest, utilities would tend to enlighten us still further about the use of energy in its various forms.

Yet the more sophisticated concepts of system efficiencies or end-use matching, or quality, must rest on a firm foundation. Currently none exists.

And as long as that continues, we cannot expect the American public to knowledgeably, and willingly, join in our energy debate.

A common basis of dialogue is a necessary, although not a sufficient, condition for an educated public debate about our energy future.

If we do not speak the same language, we often do not speak to the same issues. We flail about, developing at one level ever more complicated computer models to map our energy future, while the average citizen at the other end cannot read a bill.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

The PRESIDING OFFICER. The Senate will now continue with the consideration of the pending business, which the clerk shall state by title.

The assistant legislative clerk read as follows:

A bill (S. 413) to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operations to aid them in complying with noise standards, and for other purposes,

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from New York (Mr. Javits) is recognized to call up his amendment on which there shall be a time limit of 2 hours.

The Senator from New York.

AMENDMENT NO. 103

(Purpose: To strike the additional authority given to the Secretary of Transportation to waive the FAR–36 noise standards)

Mr. JAVITS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from New York (Mr. Javits) proposes an amendment numbered 103: Strike out section 303 and section 304 and redesignate the following sections in title III accordingly.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. STEVENS. Mr. President, on behalf of Senator Glenn, I ask unanimous consent that Tom Dougherty, of his staff, be accorded the privilege of the floor during debate and all votes on S. 413.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I make the same request on behalf of Steve Silver of my staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I yield myself 10 minutes.

Mr. President, this amendment proposes to strike out two very broad waivers in this bill which are particularly designed to extend the time for aircraft operator airlines to meet the noise abatement standards, in my judgment, by not less than 3 to 5 years.

Now, any effort to try to make this thing stand on its head by pretending that my amendment means we want more noise not less just defies reason. The committee has reported out a bill which it says will deal with the noise problem, but there is written into the bill broad scale discretionary waiver authority in one case and a mandatory waiver in another case which simply is designed to give more time than the bill itself affords. If you buy an airplane, that is, you contract for one by 1985, according to this mandatory waiver provision, you will have complied.

As I say, it just stands reason on its ear for the committee to then pretend or claim that that means I am trying for more not less noise. All I want to do is cut out the waiver time and say 1985 is the outside delivery day and that is the time when we expect this whole thing to be effective.

We have had much the same fight in automobiles. You cannot fuzz it up, in my judgment, so that it is something that it is not. That is the real essence of this situation. That is what it is all about.

I would like to read the waiver. I hope very much Members may be listening to this debate over their squawk boxes, and I would like them to hear these waivers, what they really are. Section 303 says:

> Notwithstanding any other provision of law.

I am always very scared when anything starts with that—

> Notwithstanding any other provision of law, the Secretary is authorized to allow any noncomplying aircraft to be operated beyond the date by which such aircraft is to be in compliance with noise standards applicable to it in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977, by waiving the application of such regulations to such aircraft for such period beyond such date of compliance as he determines reasonable to permit compliance.

Then it gives the details about it, that it shall be granted only upon application of the operator, and so on, and for good cause. Then good cause is defined as follows:

> For the purpose of this section, the term "good cause" shall include the following:
>
> (1) Any case where the supplier is unable to furnish or make available to such operator in a timely manner the necessary engine retrofit kits, replacement engines, or replacement aircraft.
>
> (2) Any case in which the failure to grant a waiver would otherwise create burdens on an individual operator which are unreasonable in comparison to the burdens imposed on other operators of noncomplying aircraft.
>
> (3) Any other circumstances the Secretary deems appropriate.

I would like also to read to the Senate the mandatory waiver. I note that the mandatory waiver applies not only to 2- and 3-engine aircraft but to over 500 aircraft with 4 engines, which can be effectively reengined and replaced. The proof of it is that a number of airlines have already contracted to reengine them.

The mandatory waiver says as follows:

> SEC. 304. The Secretary shall provide a waiver for the operation of any noncomplying aircraft beyond January 1, 1985, if (1) the operator has a plan for the replacement of such noncomplying aircraft which has been approved by the Secretary pursuant to regulations issued by the Secretary (14 CFR part 91), (2)(A) with respect to any two-or-three-engine noncomplying aircraft, the operator has entered into a binding contract by January 1, 1983, or (B) with respect to a four-engine noncomplying aircraft, the operator has entered into a binding contract by January 1, 1985.

Now, Mr. President, I do not have to read any more—all this waiver is doing is giving them a 3- to 5-year extension and nothing else, and I say that is shocking, Mr. President.

It is especially shocking, Mr. President, to then describe what we are trying to do, we who are fighting this proposition in the interests of residents, millions of them, who are kept awake by and otherwise disturbed by these noises, to describe this proposition as follows, and I read from a letter on everybody's desk signed by Chairman CANNON and the ranking minority member Mr. PACKWOOD, which says as follows, and let me just read the last line:

> A vote for the Javits amendment is a vote for more rather than less noise.

That is one sentence:

> A vote for the Javits amendment is a vote for more rather than less noise.

What kind of demagoging is that? I have just read the mandatory waiver. If you make a contract by January 1, 1985, you are out. Not satisfied with delivery by January 1985, they had to include this waiver provision as well, and then endeavor to discredit the amendment by this kind of a description in a letter signed by the chairman and the ranking minority member.

Mr. President, I am going to wait with bated breath for the explanation of that one.

In addition, let us get into a little of the evidence here about who has ordered what. United Airlines just announced its order of new technology engines for its 30 noisiest aircraft to be installed in compliance with the existing FAA regulation by 1985.

Delta Airlines this week also announced similar action for its four-engine aircraft with compliance within the existing FAA deadline.

Mr. President, that is the whole issue here. The fact is this is a struggle between the airline operators who do not want to go for buying these aircraft as a noise abatement proposition until they are just good and ready, stretching the time just as long as they humanly can.

In my judgment—as I say, I will wait with bated breath to hear the argument—but in my judgment, all the committee is doing is giving them a break, and at the expense of the people who suffer from this noise.

Mr. President, I have been here a long time, and I am not given to just picking up amendments merely for the sake of making amendments and showing my constituents that I am really working. But there is a big issue here. The papers carried a great, really kind of a strike by residents around one of our great airports, Kennedy, in which they took action—which I thoroughly disapproved of—which tied up the airport for hours by way of protest. Other Senators in cities like mine have exactly the same problem.

The occupant of the chair (Mr. BRADLEY) is from New Jersey where they have a great airport, Newark Airport, and it is so similarly around the country.

It is very interesting to me that the evidence in this particular case is not coming from those who have these very big city problems. I do not suppose there is too much of a problem in Alaska or perhaps not too much of a problem in Oregon and, perhaps, not too much of a problem in Nevada, but there certainly is one monumental problem as far as we are concerned, and the FAA is responding to it.

Mr. President, it is going to be argued that retrofitting is expensive, and that for the two- and three-engine aircraft right now you cannot buy new aircraft right away, you have to retrofit, and if you want to buy new aircraft to meet what they call the new technology exemption, you have to get aircraft which, perhaps, are as noisy as the aircraft that are in existence now.

Well, all right, Mr. President, the FAA has the power to exempt now. It does not need these waivers, and there is no justification in that for letting these 500 four-engine aircraft off the hook. They are coming into the tent just because the argument is made about retrofitting these two- and three-engine aircraft.

I am not a devotee of retrofitting. I moved a long time ago, under all kinds of promises that the matter would be well-cared-for by the committee, to bring about retrofitting, and that amendment was defeated. I am not trying to pose as an expert in airplane management or operation or retrofitting. But let me just note that retrofitting would cost about $250,000 an airplane, which is about $6 a trip for these two- and three-engine airplanes.

Just to show you, Mr. President, what this is really all about, immediately behind my amendment is an amendment by Senator STEVENS from Alaska which proposes to take all of those two- and three-engine aircraft out of it altogether, and the chairman of the committee is joining in that amendment, notwithstanding that this bill has just been reported from that committee supposedly as a noise abatement bill.

Apparently the committee did not consider the Stevens amendment, or they would not consider it, or they wanted it done on the floor, or whatever may be the reason.

Mr. President, I am not pretending to be an expert in this field. I would not make that pretense at all. But somebody has to get up here and try to defend the interests of the people who are being deeply troubled by this noise. There are hundreds of thousands of people involved, and enormous areas of housing, and other people who are entitled to some reasonable degree of tranquillity. If noise compliance is not achieved in a timely manner, local regulations may hamper these airlines far more than my amendment will do. or anybody else can dream of, by putting on additional night curfews or flight limitations. The fact is, for example, that right here in Washington you cannot bring a jet into National Airport at 11. At some airports that is true at 10. The time can be earlier than that.

In short, if this nose really bedevils the American people, they will find a way to get at it, and get at it very effectively. I think it is straining this thing to the limit to throw into this very honest debate and honest effort to find a way to deal with the noise proposition this matter of the waiver. That is all my amendment is directed to: the effort to get rid of these waivers, which it seems to me do not belong here if we are really going to be honest and act in good faith with respect to noise abatement.

I am not alone in this, Mr. President, I wish to read to the Senate a letter from the people who administer the law, the FAA, written by Langhorne Bond, the Administrator. It is addressed to me, and reads as follows:

> I write in support of your proposed amendment which would delete Sections 303 and 304 from Title III of S. 413. I am strongly opposed to Sections 303 and 304 of the present bill because, in my view, they will work against our efforts to provide meaningful noise relief to millions of noise-impacted Americans. We have worked for many years, and in a number of ways, to reduce the impact of aviation noise on airport neighbors, and I am most distressed at the prospect that the benefits which will be achieved under our current noise regulations will be undercut by legislation such as S. 413.
>
> Section 303 would establish waiver authority in the Secretary of Transportation to permit aircraft that do not comply with our noise regulations to continue operating if "good cause" is found to exist. As we have stated previously, the Section is unnecessary since we already possess authority to provide exemptions from our regulations if they are found to be in the public interest; and, as I stated recently before the House Aviation Subcommittee, we intend to be reasonable in the application of our regulations. But, we are opposed to the suggestion by statute of a ready means to avoid compliance with our regulations. We believe efforts should be directed toward encouraging compliance with the regulations.
>
> I am most troubled by Section 304 which would require waivers of compliance with our noise regulations for operators who enter into contracts for the replacement of noncomplying aircraft with Stage 3 aircraft. The Section would permit the continued operation of noncomplying aircraft for an undeterminable period of time beyond our 1985 compliance deadline. The Section apparently fails to recognize the benefits to be achieved through retrofit, and that the Federal Government by promulgation of noise regulations has offered hope to millions of noise impacted citizens of a date certain by which meaningful relief from aviation noise will be achieved.
>
> I think it important to recognize that compliance with the present regulation will remove approximately one-third of the estimated six million airport neighbors from unacceptable noise levels and approximately

two-thirds of the estimated 600,000 citizens from severely impacted noise areas. Not only do I consider these benefits meaningful, as I know you do, but the millions of citizens who will be provided such relief undoubtedly share that view.

I sincerely appreciate your efforts to reduce aviation noise, and offer my continued assistance to you in doing so.

Sincerely,
LANGHORNE M. BOND, *Administrator.*

Then, Mr. President, I have this letter from Douglas Costle, the head of the U.S. Environmental Protection Agency, addressed to me, dated April 20, which reads as follows:

We wish to advise you that we strongly support your proposed amendment to strike sections 303 and 304 of S. 413, the Aviation Safety and Noise Abatement Act of 1979. These sections would provide additional authority to the Secretary of Transportation to waive compliance with aircraft noise standards promulgated by the Federal Aviation Administration.

This bill as well as several others being considered by the House of Representatives appears to focus too much attention on the airlines' alleged problem in meeting Federal regulations to retrofit or replace their noncomplying aircraft by 1983 for 2- and 3-engine aircraft, and by 1985 for 4-engine aircraft. We believe that insufficient weight is being placed on the benefits by 1985 to the approximately 3-million airport neighbors who are being denied this much needed relief as a result of any further delays in implementing the retrofit/replacement Federal rule.

If we can be of any assistance, please do not hesitate to call upon us.

Sincerely yours,
DOUGLAS M. COSTLE.

Now, who backs this amendment of mine? A broad coalition of city, county, environmental, and consumer groups, as follows:

American Association of Airport Executives, AAAE.
Aviation Consumer Action Project, ACAP.
Airport Operators Council International, AOCI.
Congress Watch.
Friends of the Earth.
National Association of Counties, NACo.
National League of Cities, NLC.
National Organization to Insure a Sound-Controlled Environment, N.O.I.S.E.
National Parks and Conservation Association, NPCA.
Sierra Club, Metropolitan Washington Group.
United States Conference of Mayors, USCM.

Now, an effort is going to be made, Mr. President, to draw another red herring across this trail, and I am delighted that Senators CANNON and PACKWOOD sent the letter they did to all Members of the Senate. I urge Senators to read it carefully. One red herring is the following quotation from the letter:

This regulation is a classic example of an inflationary, ineffective, and wasteful rule which has an unexceptionable title.

So the red herring now is going to be these nasty regulations: "We do not like these regulations, so shut your eyes and vote with us."

Mr. President, I have too much respect for my colleagues to suggest any such thing about voting with me. I say open your eyes. Not all regulation is bad.

For example, we insist, now, on greater regulation of food and drugs. I am heavily in that business. I was ranking Republican member for a long time of the Human Resources Committee, and we want more rather than less regulation. The same is true of honesty in the sale of securities. The same is true about keeping the air and water clean, to which we have devoted millions and millions of dollars. Rather than just to use this sweeping brush—it is a regulation from a regulatory agency, and it is easier to say it is "an inflationary, ineffective, and wasteful rule which has an unexceptionable title"—what I am seeking to do, Mr. President, is to enforce the law without the loophole.

Knock down the loophole and let us have the law in full effect by 1985.

What do we see here today? We see these broad waivers ardently defended by the people, a bill to encourage noise abatement. Then we are going to see another waiver, to take all the regulations out of it, supported by the chairman of the committee.

Mr. President, it seems to me that occasionally a Senator has to get up on his hind legs and roar about these things.

And let us remember this, Mr. President: Our constituency are also those people out there who are bedeviled by that noise, not just the airlines and whether it is convenient or not convenient for them. I have already demonstrated two of the biggest, Delta and United. They are already taking steps to comply and already buying new engines and aircraft.

Our job is to protect those millions of people. I cannot for the life of me see, Mr. President, how it can be pretended that by taking away the waiver power you are protecting them all, by giving them the opportunity to extend this noise business for 5 more years. That is how you are protecting the people who are now bedeviled by noise? I must say I cannot understand it.

For those reasons, Mr. President, and because the FAA has waiver authority now, I strongly urge the Senate to enact this amendment. I reserve the remainder of my time.

Mr. CANNON. Mr. President, I yield myself 10 minutes.

Senator JAVITS' amendment to strike sections 303 and 304 is strongly opposed. First it will have the effect of increasing, not decreasing, noise. Let me repeat that. First, it will have the effect of increasing, not decreasing, noise. This amendment would perpetuate a regulation which is inflationary, inefficient, and will waste aviation fuel.

And I am most disappointed that the distinguished senior Senator from New York would offer such a pervasive amendment when he did not find this issue important enough last year to personally attend the fly-over hearings at Dulles where the committee examined first hand the differences between retrofit, new technology, and noncompliant aircraft. Every Member of the Senate was invited to that demonstration to hear the facts for themselves. I was there and I speak on this issue from that experience.

The new technology incentive requires a waiver if the operator of a noncompliant aircraft has a signed contract for a stage 3 replacement airplane. Let me explain what that really means relative to the existing noise rule.

Under FAR 36 if you currently have a 727-100 or a 737, you can replace that airplane on January 1, 1983, with a 727-200. Now the 727-200 is noisier than the airplane you just replaced, but that is OK for the irrational FAR 36. Under S. 413 let us assume the worst case scenario, that the operator waits until January 1, 1983, to obtain his signed contract for a DC9-80 or 757 replacement. The 2- to 3-year delay in replacement achieves an airplane which is approximately half as noisy as a 727, rather than a noisier airplane, not to mention a 30-percent fuel efficiency gain and a number of productivity improvements.

This waiver clause provides that the Secretary approve an operator's plan for replacements, which means no carrier can wait until 1983 to sign a massive number of contracts. The new technology incentive also gives the Secretary authority to determine the "reasonableness" of any delivery schedule so there is no chance we will see 5- or 6-year lapses between a contract signing and an airplane delivery.

This provision does not "gut" FAR 36 or allow noncompliance through some contractual trickery. It seeks only to allow a rational alternative to retrofitting that portion of the fleet which can be replaced.

The general waiver provision is a "permissive" section which means the Secretary determines whether or not to grant a waiver for good cause. For example good cause may be the fact that aircraft manufacturers cannot supply enough aircraft or retrofit kits to allow the airlines to meet the regulations.

The limited waiver section is absolutely necessary for two reasons:

First, the current administration has not expressed its willingness to grant waivers under the existing authority for what the committee believes are good cause, commonsense reasons. Reasons like air service to small communities being reduced or the real world financial inability of a carrier to meet the deadlines without an extension of a year or two.

Second, and more important, we are, in this bill, mandating noise compliance by foreign airlines. Several international carriers have pointed out that the Secretary's existing authority is to grant waivers from regulations, not waivers from laws. Therefore, this provision is needed to provide uniform treatment for domestic and international airlines.

Finally, I would point out that this provision only applies to carriers who have made a "good faith" effort to comply with the noise regulations, and who need a waiver justified by a "good cause."

This provision is absolutely necessary.

I urge my colleagues to vote against Senator JAVITS' amendment if they want to support meaningful and perceivable noise relief for people instead of decibel meters.

NOT ABOLISHING RETROFIT

The Senator is incorrect in his statement that the Stevens amendment will abolish the retrofit requirement. According to FAA's noise measurements, no four engine airplane would be exempted by this amendment, no three engine airplane would be exempted, and not even the small, two engine 737 would be exempted. Only the DC-9, according to the FAA's figures, would be affected. Now I understand that the manufacturers feel that by altering some airplane's flying techniques, they might get more of these airplanes within the imperceivable range of the noise rule. But, no figures will support, and it simply is not true, that even the 727's (three engine jets) as a group would be exempted by this amendment. I would add as an aside that the two engine jets, the 737's and DC-9's are small aircraft used primarily in serving small- and medium-size communities that seldom have a noise problem.

I return, however, to the real point of this proposal. It is not written for airplane compliance, it is written for human compliance. It says that if the regulation for any type airplane produces a humanly perceivable noise reduction, then the plane must comply. If the regulation does not require a perceivable difference to humans, then we will not waste money and extra fuel for nothing. It is only commonsense.

I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. PRYOR). The Senator from New York.

Mr. JAVITS. Mr. President, I would like to add as cosponsors to my amendment Senators KENNEDY, MATHIAS, METZENBAUM, and MOYNIHAN.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I yield 7 minutes to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, contrary to what the Senator from New York may think, big planes do land in Oregon. They land in Portland, Eugene, Medford, Klamath Falls, Redmond, Pendleton, North Bend. They have jet engines. Sometimes they have four engines if passenger traffic justifies it. And there are long runways. They fly over homes. They create noise. They cause irritations, letters, complaints, resolutions asking that something be done.

Times change. Perhaps the only constant in history is change. There was a time when energy was cheap, when fuel was abundant and money was plentiful. There was a time when we could impose on all industries in this country, including the airline industry, every conceivable noise standard, water quality standard, and air quality standard we could think of and say, "Pay for it." And because we were the most productive country in the world and because corporations were making good profits, we could afford the investment in air and water quality and noise control, pay good wages and increasing wages, adequate dividends, because the pie was forever getting bigger.

Mr. President, those times have changed. Today of all the major industrial countries in the world we are seventh in terms of increase in productivity. That is, of the seven major countries we are seventh in terms of increase in productivity. We are behind Great Britain. That is embarrassing. We are behind Great Britain in terms of increase in productivity. We are seventh in terms of capital reinvestment. The concomitant result of that is that our productivity is falling, causing our inflation to go up, and we have not seen a real growth in the gross national product of any great consequence. The time is coming when we are going to have to make a decision in this country as to how we want to spend the available capital that exists—in wages, in dividends, in noise abatement.

But we may not be able to do it for all. We can retrofit the engines, all right, although it is expensive. The retrofitted engines are heavier than the engines they replace. Because they are heavier, they use more fuel. If we go ahead with the schedule of retrofits that will have to be done in order to meet the standards, we are talking about roughly 1 million gallons per month if just the two- and three-engine aircraft are retrofitted. That is about $7 million a year in increased fuel costs, an increase in toto of about $200 million for the airline industry to meet the standards presently in the law.

You may say that is a wise investment of money. If we do it, the passengers are going to pay for it; no question about that. The airlines are going to get a certain return and if we impose these costs on them, just as any other costs we impose on any other employer, it is passed along to the consuming public. The companies cannot eat it.

Now, do we want to impose the $200 million cost just to meet these standards with heavier engines when, if given slightly more time, all the airline companies are either going to have new planes or they are going to have new engines? Many of the planes today can have new engines if they can buy them fast enough and if the useful life of the airplane is sufficient to justify putting in a new engine, and they will work as well as a new plane. But retrofitting is not fuel efficient and it is expensive, and the noise reduction is so minimal as to question whether or not it is worth it.

Mr. President, when this legislation was initially passed, I supported the deadlines in it. I have changed my mind, based upon recent evidence. The most important task this country now faces is to stop inflation. This kind of investment of $200 million for just the airline industry, which is to be passed on to every one of you who flies, does nothing to stop inflation. It is an unproductive use of capital. In some cases, it is worse than unproductive, because, in some cases, the engines that are retrofitted are so heavy that you have to reduce the passenger capacity of the plane, thereby making it more fuel inefficient, because they haul fewer passengers.

This is not the first, nor will it be the last, of the philosophical decisions we are going to face on how much we are willing to pay for environmental containment. A great portion of what we wanted to achieve in airline noise reduction, in automobile emissions, in water quality, in air quality control, has been achieved. The question is, if we have achieved 85 or 90 percent of what we wanted to achieve at a very expensive investment, are you willing to try to achieve the other 10 or 15 percent at probably the same investment again, or is there a better use of the money? There is no money salt box at the bottom of the sea, and it is not going to pour out dollar after dollar after dollar after dollar, in unending quantities, for everything we want. I have concluded—I hope I am right—that, at least for the foreseeable future, 5 to 10 years, we have a better use for the capital in the airlines industry than the very, very minimal increase in noise abatement that the Javits amendment will accomplish.

Mr. CANNON. Mr. President, I yield 5 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, during the time the committee was preparing this bill, during the hearings and so forth, I was not an enthusiastic supporter of the noise abatement approach, for several reasons. One is that you are never going to reduce the noise to the decibel level that will satisfy the people who live around airports. This is a phenomenon that is new in our lives. I cannot explain it. I wish somebody would make a study of it and come to the explanation of why people will build houses around an airport.

I have very close experience with this. I remember Kennedy Airport before it was Kennedy Airport, and it was as far out in the boondocks as you could get. To find a home near the place was very difficult. Now, it is so crowded that they have to illuminate the approach patterns by lights to show the pilots what houses they should fly over and which ones they should not. They did not have to build their homes out there, but they did. Now they seek relief from something they knew was going to happen.

In my own State of Arizona, which is the fastest growing State in the Nation, our International Airport on-loaded and off-loaded more passengers last year, by three times, than live in the whole State of Arizona, and we are having complaints from people who build homes there after the airport was built, knowing they are going to have this noise.

I am not saying they are not entitled to some thought; they are. I will say that the operators of jet aircraft and noisy aircraft have given these people that kind of attention. For example, in takeoffs from Dulles and takeoffs from National and Kennedy and other airports, our aircraft now indulge in unsafe air practices by reducing their speed, and thereby their noise, before they should be reduced. In my humble opinion, takeoff should be accomplished at maximum horsepower or thrust power and maintained until altitude. That is just part of this problem, Mr. President, that we are not going to solve by the Javits amendment or any other kind of amendment.

To get back to what I thought should be the thrust of this legislation, and I think in the long run, it can be, the purchase of new aircraft by the airlines, the last 707 I flew this last weekend had 61,000 hours on the airframe. That is an awful lot of time on a piece of metal. In fact, I looked out the window and I saw a repair made on the wing at a lift portion that had no relation to safety, and it looked like something I might have done at midnight with no lights. I called the engineer back and I pointed it out to him.

"Oh," he said, "that is nothing; you ought to see some of the others."

The aircraft flown by the airlines of this country are getting old. They are not unsafe; they are safe. We just passed a deregulation bill here a while back and now you cannot get on an airline flying in this country anyplace, and they are running equipment at a maximum, running equipment in a way they have never run it before. For example, the same airplane I was referring to took off in New York and was going to land at San Francisco, wait 3 hours, and fly back to New York. It is going that way day after day after day. I would much rather see this retrofit money go, not for engines, but to buy new equipment.

Mr. President, it is estimated that it will take between $80 and $85 billion to supply the airline companies of our country with proper equipment by the middle of the 1980's, at which time, most of the equipment flying will be obsolete and will be quite unsafe to fly. We did not direct the bill that way, but I think subsequent legislation might come out of these amendments on the floor today that would provide the airlines with the money that they need.

I agree with my friend from Oregon, when he argues about the reengining. Unless we can fit old aircraft with what we call bypass engines, we are not going to lower the noise. If we really allow them to buy a new version of the old engine, which is the pure jet—which utilizes 100 percent of the air that comes in the front to take it out the back, where the bypass will bypass as much as two-thirds of the air, thereby being quieter—we are not going to accomplish anything. The biggest problem in this is that if you want to retrofit any of the aircraft we have been talking about here today with the bypass engine, it requires a nodule modification, a modification of the wing, the wing mounts, and the entire control system.

So what we are talking about, in effect, is getting up near moneys that we might use to buy new aircraft.

Mr. President, deregulation is causing this country a problem. I tried to point it out in debate. I am not saying we made a mistake in deregulation.

Mr. President, I ask for 2 more minutes.

Mr. JAVITS. I yield to the Senator.

Mr. CANNON. I yield 2 more minutes.

Mr. GOLDWATER. I tried to forecast what would happen when we started airlines cutting each other's prices, starting new airlines at cut prices.

We have made it possible for every American in this country to travel by air—which I think is wonderful—but we have not made it possible for the airlines of this country to provide the kind of airplanes in the quantities needed to handle the American public as they now take to the air away from buses and trains, et cetera.

Mr. President, as much as I disagreed with the original concept of this legislation, I voted for it and I am going to stay hitched to it. I hope during the course of the day we will hear enough about it that we can write better legislation.

But I do not really think, with all due respect to my friend from New York and his cosponsors, that we are going to accomplish anything for those hundreds of thousands of people who live around the busy airports of the East who are complaining about the noise.

I can give them one suggestion. In Nevada and Arizona and Oregon, we have lots of places that are quiet, lots of places we can get away from jet air noises, and if they are tired of living around those places we invite them to move to the far West where God still allows some quiet.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

Mr. President, the Senator has made a very pertinent observation here, and that we want meaningful noise relief in and around these airports. Nobody wants to undergo the problems that are in existence at the present time. But, as I pointed out earlier, if we are getting a 5-decibel level improvement, the normal human being cannot perceive the difference.

So we are really not making any improvement that will satisfy the people on the ends of those airports.

The airport operators are just compounding their problem if they think by going through a Band-Aid exercise here, a psychological exercise, they can say, "Well, look at this, we're requiring all these airplane carriers to retrofit, now your noise problem will be solved." That is absolutely misleading.

On the other hand, we can encourage them, which we are trying to do here, by providing a waiver authority to the Secretary, permitting him to approve a plan for a particular carrier for the acquisition of new aircraft, stage III aircraft, that go beyond the present aircraft that now meet the compliance. As I pointed out, the 727-200 is noisier than a couple of other airplanes I mentioned, yet it is a stage II airplane.

What we want is to encourage them to acquire stage III aircraft so we will have a meaningful noise relief for the people who live in and around the airports.

Mr. METZENBAUM addressed the Chair.

Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. How much time have I used?

The PRESIDING OFFICER. The Senator from New York has 35 minutes remaining.

Mr. JAVITS. I yield 10 minutes to the Senator from Ohio.

Mr. METZENBAUM. I thank the distinguished Senator from New York.

Mr. President, I rise to express my strong support for the amendment offered by the Senator from New York.

In the last hours of the 95th Congress, I joined several other Senators to oppose legislation that would have taken money out of the pockets of the consumers in order to help the Nation's prosperous airline industry pay for its compliance with environmental standards. Today we once again have before us legislation that sets the stage for a giveaway to the airline industry.

Last year, we considered an airline ticket tax bill that would have levied a $3.3 billion tax on airline passengers and shippers. The money, we were told by the bills' supporters, would have enabled the airlines to comply with the Federal Aviation Administration's stringent noise pollution control standards.

Today, we are not considering outright subsidies. But what we are considering is no less deplorable.

Instead of paying the industry to meet environmental standards by certain dates, we are now being asked to undermine these very deadlines by granting additional waivers on noise abatement compliance.

If enacted, these waivers would allow the airlines to avoid the 1981, 1983, and 1985 deadlines for fleet quieting currently mandated by the Federal Aviation Administration's aircraft noise regulation.

If enacted, these waivers, would postpone indefinitely efforts to reduce noise pollution in many metropolitan areas.

We who support the Javits amendment are not alone in our opposition to the waiver provisions of sections 303 and 304 of this bill.

The Airport Operators Council International and the Association of American Airport Executives have come out firmly against additional waivers. They have joined environmental groups like the national organization to insure a sound-controlled environment and Friends of the Earth in opposing attempts to weaken noise pollution regulations.

The administration is also opposed to the waiver provisions. As Secretary of Transportation Brock Adams pointed out in a March 12 letter to Chairman CANNON.

> We believe the waivers called for are unnecessary and will work against the Department's efforts to achieve timely noise reductions.

To grant additional waivers at this time would destroy any chance to achieve significant noise reduction in the coming decade.

And to grant the waivers would be unfair to those airlines that have already taken steps to meet the current noise reduction standards deadlines.

Consider United Airlines: This company recently announced that it has ordered new quieter and more fuel efficient aircraft to replace 30 of its noisiest planes. United expects these replacements to be ready to meet the existing FAA noise abatement deadline. But, if we allow the additional waiver authority to go through, other companies could avoid even ordering such planes until 1985.

Consider Delta Airlines: Delta recently announced that it has ordered retrofits for 44 of its DC-9's in order to comply with existing FAA regulations. But, if we allow the additional waiver authority to go through, then other companies would have until January 1983 to order replacements for their DC-9 and other two- and three-engine aircraft.

If the Javits amendment is not adopted we will have done an injustice to these and other airline companies that are trying in good faith to comply with current FAA noise regulations. And at the same time, we will have done an injustice to the thousands upon thousands of people who live near large and small airports who were counting on quieter skies by 1985.

I wholeheartedly support the efforts of the Senator from New York to strike the waiver provisions from the Aviation Safety and Noise Abatement Act. I commend him for his efforts to insure that compliance with Federal noise abatement standards is both timely and equitable. And I urge that his amendment be adopted.

Mr. President, just as recently as this morning in my own apartment, with the window open, I heard the most persuasive argument for the Javits amendment. An airplane took off with a tremendous roar. That noise would probably mean much more, could we bring it here, than my words or the words of any other Senator on the floor of this body.

Mr. President, the people of this country believe in the aviation industry, but they also believe their planes can fly more quietly.

I hope the Senate will see fit to adopt the Javits amendment.

I thank the Senator from New York.

Mr. JAVITS. Mr. President, I thank my colleague and I yield myself 3 minutes.

Mr. President, I take this time to answer some of the points which have been made in opposition to this amendment.

I do not want to sound irreverent. But it seems to me the arguments which have been made against the amendment are exactly the arguments which support the amendment.

In short, if what we want to do is to bring nearer the day when we have quieter aircraft, how can we justify waivers which admittedly will put that day off by 2, 3, 4, and 5 years?

My amendment only seeks to strike this additional authority, one of these waivers being mandatory, so that even further down the road may be the time when we get less noisy aircraft.

As to the use of generic words—for example, "heavier"—according to the Administrator of the FAA, retrofitting a three-engine plane adds 500 pounds, and the plane weighs 175,000 pounds.

One other comparison figure: The airlines spend for fuel $3 billion a year. If I heard Senator PACKWOOD correctly, and I hope I did, his estimate—ours is less—is $7 million in additional fuel. Certainly, that is a small amount in comparison to the $3 billion for fuel.

One final thing: I am not contending for only retrofitting. The new technology is OK with me, and even in these two- and three-engine planes. Eastern Airlines is already buying airbuses. They are three-engine planes. What I am contending for is this: Do not lay all this over beyond 1985. That is the only purpose of my amendment.

So it seems to me that when it is argued that planes should be quieter and the new technology will make them quieter, that is great; let us have it, and let us have it as quickly as humanly possible.

The distinguished Senator from Nevada argues that I was not at the flyover. I have made inquiry about that. All Senators were invited, I gather. I did not go, but my assistant went. She is sitting next to me. She tells me that the only Senator there was Senator CANNON, so that leaves out the other 99 of us.

In addition, she said the difference in noise decibels, even at 5, which is the Stevens amendment, was very perceptible. Seventy percent of the people could tell the difference. That leaves only 30 percent saying it was imperceptible. That is a pretty small percentage.

Finally, Mr. President, there is no question about the fact that for the four-engine aircraft, replacement is available. Why extend them to 1989 and 1990, when the deadline is 1985, and when some are buying and buying now, as they should, and others are just going to sit around and use the old aircraft?

I thoroughly agree with my beloved friend BARRY: Sure, let us get rid of them. Let us get rid of them by 1985. Why wait until 1989 or 1990?

I repeat: I do not see the reason for the opposition to this amendment. It simply seems to stand the whole argument on its head. I hope very much that this debate will have helped Members like myself. We do not like to get into these technical things when we do not know a great deal about them, and I do not pretend to. It seems to be that the debate itself sustains the rightness of this proposition, and I hope very much that the Senate will sustain it.

Mr. CANNON. Mr. President, I yield 2 minutes to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, because the distinguished Senator from Ohio spoke of a giant roar made by jet aircraft, I just remind him and my other colleagues that one jet engine today can equal the horsepower of 10 B-17's in World War II; it could equal four to five of the DC-6 propeller-driven aircraft that our airlines used. One jet airliner will carry more passengers than a DC-6 could. So while the DC-6 was extremely noisy and noisy longer and had more decibels than a comparable 747, the noise from the 747 is occasioned by more power.

One other point, to answer my friend from New York: I am sure that every airline in America would like to buy new equipment. Unfortunately, one airline that is better off financially than all the rest is United, and United is now on strike, and I understand it is costing them $11 million or $12 million a day. So when the strike is over, they may join the rest of the airlines in not being able to buy new equipment.

I hope we can have some additional legislation whereby any additional taxes would help the airlines buy new equipment, not just buy engines.

Mr. CANNON. Mr. President, I yield 3 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I know that the distinguished Senator from New York (Mr. JAVITS) and I have the same objective, that both are very much interested in the efficiency of the airline industry. We are interested in the passengers, and we are interested in the people who live around airports, and both of us represent tens of thousands of such people.

Mr. President, I have come to a different conclusion, and I support S. 413 as reported by the Commerce Committee. As hundreds of thousands of my constituents are regularly affected by the operations of the world's busiest airport, Chicago's O'Hare International Airport, and thousands of others are disturbed by noise at smaller airports throughout Illinois, I have a special interest in the measure. I believe that of all the versions before the Senate today, the committee bill will provide for the most effective and meaningful noise relief for my constituents.

All the parties involved in the debate on this measure will agree that only with new technology aircraft will we experience substantial noise reduction. The Washington-Dulles Airport fly-over demonstration indicates that retrofitting will at best imperceptibly reduce noise levels; however, other data indicates it would significantly reduce the impacted noise area at the outer reaches of the airport area.

The waiver provisions presently contained in the measure should provide an incentive for the airlines to move whenever possible to the new generation of aircraft currently being developed. These aircraft will reduce noise in excess of 50 percent and will be 20 to 30 percent more fuel-efficient, which is extremely important. The best long-term solution is for the carriers to replace their existing fleets with a new generation of aircraft; the Javits amendment would eliminate the inducement in the bill to do so.

I oppose the Stevens amendment. It is my hope that the Federal Aviation Administration will work with aircraft manufacturers to expeditiously develop a new generation of quieter, more fuel-efficient replacement aircraft for the smaller two- and three-engine aircraft, the airplanes which carry 75 percent of all passenger traffic. Unfortunately, new technology is not presently available for these aircraft, and retrofitting remains the only option to reduce noise. The Stevens amendment might well hamper the development of this much-needed technology.

The Javits amendment would seem to eliminate the incentive for the air carriers to move when possible to the new generations of aircraft. We need this incentive to move toward effective noise reduction, which serves as a carrot to the manufacturers. The Stevens amendment would eliminate the incentive for carriers to work with manufacturers to develop quieter two- and three-engine aircraft. We need this inducement, which serves as a stick to the carriers. Together, the carrot and the stick can lead to substantive noise abatement, and to relief for those afflicted by noise.

I strongly support the title 1 provisions of the measure. These sections provide financial assistance to municipalities for the development and execution of programs to make the best use of the lands affected by noise.

In formulating these plans, I urge communities to look to Japan's example. The Japan Environment Agency has funded a $228.4 million program to provide up to 99 percent of the cost for sound insulating the residences of 15,600 families near the runways of 15 busy airports.

They also have a program to soundproof hospitals, schools, town halls, and senior citizen centers. The Japanese have demonstrated great foresight in dealing with their noise problem, and I would urge American communities to look to their fine example.

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

Mr. JAVITS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JAVITS. Mr. President, I should like to sum up my arguments in this matter before we vote.

Mr. President, I have yet to hear any argument made which sustains more time for the purpose of qualifying these aircraft. Everything we have heard says that it is a great idea to get new technology, it is a great idea to get new aircraft, and it is a great idea to have them more modern. That is what I think. If it is such a great idea, as it apparently is, why do we not do it according to the timetable which has been set. Why do we give the advantage, therefore, to those airlines who will hold back and just sit tight as against those who are willing to come forward and do what is needed in order to reduce the noise level?

I must say with all respect that I am still waiting to hear anyone answer that. Why? What is the reason for it?

And then we are told, Mr. President, that the public is going to pay the bill. It is an interesting fact that there are $2.6 billion in the airport trust fund which they have not used. The public has been paying the bill. No one seems to have objected to that, and that money has just been piled up and waiting.

As a matter of fact, some years ago I tried to get some of it to be used for this very purpose of noise abatement. There was opposition to that.

The public has been paying. Let it at least get something for its money. That is the essence of the argument which I make.

Mr. President, I am going to ask for a quorum in order to see if we have one other speaker and, if not, I will be ready to vote.

So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I join the Senator from New York and strongly support this amendment. As one who has closely followed the whole issue of noise and noise pollution in my State of Massachusetts and the city of Boston, I know how the proliferation of noise can adversely affect airport neighbors, and living in the flight path of National Airport here in Washington, I know firsthand. Senator JAVITS has made a powerful case which I support.

His amendment would strike the additional mandatory and discretionary authority given to the Secretary of Transportation to grant waivers from compliance deadlines for existing FAA noise abatement standards. Its passage would prevent further delays in bringing millions of Americans meaningful relief from noise pollution by 1985.

Mr. President, I think that it is about time we draw the line and demand timely noise reduction. In 1976, the FAA adopted an aircraft fleet quieting regulation for airplanes currently in operation. Under this regulation, carriers are required to comply with noise abatement standards in accordance with a phased time schedule consisting of three stages, 1981, 1983 and 1985. Each stage will bring a significant increment of desperately needed noise relief.

This regulatory scheme was the result of 7 years of study of the devastating effects of aircraft noise on the public health and welfare. But it also represented a carefully crafted compromise between the needs of noise-impacted communities and the needs of the industry. In order to accommodate the concerns of the aviation industry, a combination retrofit and replacement program was to be phased in over a period of nearly a decade.

The clock has been running for 2½ years since the rule was promulgated, and the first date, January 1, 1981, for the promised relief to long-suffering communities is finally within sight. The carriers are starting to comply, the large operators have made their own plans in reliance on the rule, and communities are expecting to see some action.

It has always been made clear that the FAA noise abatement program is not a panacea for the noise-beleaguered neighbors of airports. Airplanes cannot be silenced—but their noise can be reduced. The FAA and the EPA inform us that the existing standards and schedule offer perceivable, noise reduction. It is a promise already made, made in 1976, and one which will be unjustifiably broken by this bill if it is passed with the additional waivers of title III.

Title III of this bill would permit two types of waivers from the noise abatement compliance deadlines.

The first type of waiver could be granted by the Secretary of Transportation, upon finding that a carrier had failed to comply with a deadline for good cause.

This waiver is unnecessary to protect carriers from rigid application of the noise deadlines in the face of unusual circumstances. Under existing regulations, the Secretary, in consultation with the EPA, already has the power to grant waivers. The title III waiver, however, tips the Secretary's discretion in the direction of industry needs and away from the environmental considerations that the Secretary must now also take into account. This is contrary to the whole thrust of the noise abatement regulations, and indeed, of this legislation, which is to protect the general public from the continuing harm of aircraft noise exposure. The controlling guideline in the Secretary's waiver authority under present regulation is whether or not a particular waiver is in the public interest, and the Secretary must consult with the EPA for a fully rounded view. In the committee bill, the public interest is conspicuously absent and is replaced only by industry concerns. I cannot accept this change. My overriding interest in this bill is to obtain relief for noise-impacted communities. The existing waiver provided in the regulation will serve as an adequate appeal from undue hardships on particular carriers and, at the same time, will insure that the public interest is considered.

The second type of waiver provided by the title III was designed to encourage the replacement of older, noisier planes with quieter, more technologically advanced aircraft. The Secretary of Transportation would be required to grant a waiver beyond the existing schedule if a carrier signed a contract for a new technology replacement by the outside deadline date—that is, by 1983 for two- and three-engine planes and by 1985 for four-engine planes.

I do not dispute that the replacement of older craft with new technology is a more effective method of relieving noise. But the fact of the matter is the replaced planes are not necessarily going to be retired or disappear from existence. When they are purchased, they will have to be retrofitted. The economics of the aviation industry will require their continued utilization. So the question is not whether they will be retrofitted—but when. It makes much more economic sense to retrofit when a plane has a longer life. Communities enjoy degrees of relief, sellers can recoup the expense upon sale, and buyers are not burdened with the cost of new retrofit on a plane that has less of a remaining life.

But the real question here is not the

economics of compliance. That should be left to the industry—one, by the way, that made record profits last year of over one billion dollars. The real question is whether or not timely compliance with the existing schedule will offer meaningful relief to noise-impacted communities. The overwhelming majority of affected parties resoundingly say yes. The FAA and the EPA—agencies which rarely agree on anything—firmly agree on the importance of timely compliance. The National Association of Counties, the National League of Cities and the U.S. Conference of Mayors all want to hold the line. Airport officials and numerous public interest groups—again, people who do not often agree—see eye-to-eye on the need for timely compliance.

Why do we need timely compliance? For several reasons. First, aviation noise is a national environmental problem. Some 6 million American citizens are subjected to significant aircraft noise. Numerous studies conducted on the Federal, State, and local levels undisputably point to the fact that constant exposure to aircraft noise disturbs the normal living activities of airport neighbors—their conversation, sleep, and relaxation—and generally degrades the quality of life. The learning functions of children are impaired, and new data indicates adverse effects on physical health.

In addition to the threats to physical health, there is an enormous diminution of property values—mostly for lower and middle income homeowners. In the greater Boston area, for example, over 200,000 residents surrounding Logan International Airport are the unwilling recipients of aircraft noise generated by over 750 flights per day. The effect of this traffic in those communities adjacent to the airport or in direct line with the approaches and take-offs—Winthrop, Chelsea, East Boston, and South Boston—is enormous. Most of these communities were there long before the airport was. They are inhabited by old, established families who came here from Europe two or three generations ago and who have spent lifetimes building their neighborhoods—building, buying and improving residential property. These are family homes—the nuclei of family life. And the value of these homes, both in terms of enjoyment and money, are reduced because of noise. I am informed regularly of the sound blasts that intrude daily into conversations, thought patterns and the general activities—from the Sunday dinner table to the classrooms of youngsters.

I have also learned that several more, previously unaffected communities in the Boston South Shore area are now being hit with noise pollution. In an attempt to relieve the more severely impacted communities, landing and takeoff headings have been rerouted over new communities. We have a case in Boston of spreading the problem—easing the noise level for some by giving a proportion of it to others.

It is patently unfair not to bring the modest relief afforded by the present regulation to these communities as soon as possible.

Second, we need timely compliance to assist local airport operators in upholding their burden to reduce noise. It is airport operators who bear the legal liability for aircraft noise damage—not the aircraft manufacturers, not the airlines and not the FAA or CAB. Yet, the airports have no power to reduce noise at its source—in the engines and in the planes. In certain cities, like Boston and New York, attempts to relieve noise on the ground cannot fully work. The communities are too densely developed—and were so before the growth of airport traffic volume to today's intense levels. The airports cannot simply buy up the land around airports to prevent incompatible land use. The operators have relied on the 1976 regulation and have planned their own programs accordingly. It is unfair to shift the rules now.

Third, the benefits of the Federal rule in its present form justify leaving it alone. According to the experts at the FAA and the EPA, retrofit, a necessary component of timely compliance, does produce meaningful noise abatement benefits. FAA studies show that compliance with the noise regulations as they now stand will remove about one-third of the estimated 6 million airport neighbors from unacceptable noise levels. The Massachusetts Port Authority informs me that timely compliance will have an enormous beneficial impact on the communities surrounding Logan Airport and reduce the number of residents in the high noise range by some 34,000. Importantly, the number of children attending schools located in the high level noise areas will be reduced from 6,700 to 2,700.

Fourth, and very importantly, airlines are demonstrating their ability and willingness to purchase quieter engines, quieter planes, or retrofit kits under the timetable of the existing rule. FAA information indicates that 30 percent of the current air carrier fleet presently complies with required noise standards. Eastern and United have entered into contracts for over 51 new technology replacements. At the same time United has announced it will reengine 30 of its noncomplying planes. Delta has announced that it will retrofit 44 of its noncomplying planes and reengine the rest in full compliance with the noise standards by 1985. Continental has ordered retrofit kits for 16 of its planes.

What we are beginning to see is regulation that works. This is not the time to weaken it. Transfer to new technology is moving on its own momentum. Record profits—over $1 billion for 1978—and the rise in fuel costs make it both desirable and possible to switch to new technology as soon as possible.

In conclusion, to change the rule just as the benefits are being achieved would be grossly unfair to the carriers who, in good faith and enlightened corporate decisionmaking have undertaken the costs of complying with the Federal rule;

To the airport operators who try to balance local and regional economic interests against environmental concerns and have planned on the timely implementation of the rule;

And, most importantly, to the residents who have suffered so much and have been promised not miracles but modest relief, only to see it threatened and delayed again.

I urge all of my colleagues to vote to strike the additional waivers.

Mr. JAVITS. Mr. President, I appreciate very much Senator KENNEDY's intercession and his support on this amendment. I am prepared to yield back the remainder of my time if the Senator from Nevada is.

Mr. CANNON. I am prepared to yield back the remainder of my time.

Mr. JAVITS. I yield back my time.

The PRESIDING OFFICER. All time is yielded back, and the question is on agreeing to the amendment of the Senator from New York. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Indiana (Mr. BAYH), the Senator from Alabama (Mr. HEFLIN), the Senator from Hawaii (Mr. INOUYE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Alabama (Mr. HEFLIN) would vote "nay."

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Kansas (Mrs. KASSEBAUM), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Are there any Senators in the Chamber who wish to vote?

The result was announced—yeas 33, nays 57, as follows:

[Rollcall Vote No. 71 Leg.]

YEAS—33

Bentsen
Biden
Bradley
Bumpers
Cohen
Cranston
Culver
Durenberger
Hart
Hatfield
Hayakawa
Heinz
Huddleston
Javits
Kennedy
Levin
McGovern
Metzenbaum
Moynihan
Nelson
Pell
Pressler
Proxmire
Ribicoff
Riegle
Roth
Sarbanes
Schweiker
Stevenson
Stewart
Tsongas
Weicker
Williams

NAYS—57

Baker
Baucus
Bellmon
Boren
Boschwitz
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hatch
Helms
Hollings
Humphrey
Jackson
Jepsen
Johnston
Laxalt
Leahy
Long
Lugar
Magnuson
Matsunaga
McClure
Melcher
Morgan
Nunn
Packwood
Percy
Pryor
Randolph
Sasser
Schmitt
Simpson
Stennis
Stevens
Stone
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—10

Armstrong
Bayh
Gravel
Heflin
Inouye
Kassebaum
Mathias
Muskie
Stafford
Talmadge

So Mr. JAVITS' amendment (No. 103) was rejected.

Mr. CANNON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. RANDOLPH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I yield 2 minutes to the Senator from North Carolina.

UP AMENDMENT NO. 115

(Purpose: To require the FAA to promulgate regulations with regard to certain individuals at airports operated by the FAA)

Mr. MORGAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. MORGAN) proposes an unprinted amendment numbered 115.

Mr. MORGAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, after line 4, add the following:

TITLE V

SEC. 501. (a) The Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator") shall, within 90 days after the date of enactment of this Act, promulgate regulations for airports operated by the Administration to regulate the access to public areas by individuals or by religious and non-profit organizations (as defined in section 501(c)(3) of the Internal Revenue Code of 1954) for the purpose of soliciting funds or distributing materials.

(b) In promulgating regulations under this section the Administrator shall consider requiring any individual or organization described in subsection (a) to submit an application for a permit to engage in the soliciting of funds or the distribution of materials. In considering such an application the Administrator may require that—

(1) a responsible individual representative of the applicant shall be designated to represent the organization.

(2) each individual participating in any solicitation or distribution will display a proper identification approved by the Administrator.

(3) the number of individuals engaged in any solicitation or distribution at any one time shall not exceed a reasonable number, in keeping with the need for free movement in and operation of the airports as provided for by the permit.

(4) the solicitation or distribution be confined to limited areas and times, and

(5) no individual or organization which holds a permit under this section shall be permitted to—

(A) use sound amplification or display signs (other than signs approved by the Administrator);

(B) intentionally interfere with users of the airport;

(C) engage in the use of indecent or obscene remarks or conduct; or

(D) engage in the use of loud, threatening, or abusive language intended to coerce, intimidate or disturb the peace.

(c)(1) The Administrator shall consider requiring that a copy of a permit (if such is required) be conspicuously posted in the area in which any solicitation or distribution is permitted.

(2) The Administrator shall consider whether revocation of approval for any permit if required and approved under this section should occur for any violation of any rule or regulation promulgated hereunder.

(e) Regulations intended to be promulgated under this section shall be submitted to Congress within 30 days after the date of enactment of this Act.

The PRESIDING OFFICER. Will the Senator suspend until we have order in the Chamber?

The Senator from North Carolina.

Mr. MORGAN. Mr. President, the Senate is by now familiar with the problem of harassment of passengers at National and Dulles Airports by so-called religious groups and so-called nonprofit groups.

The key to resolving this problem is FAA-creation of reasonable regulations to manage the solicitation of money and distribution of materials by individuals or by nonprofit and religious organizations.

The reality is that other airports have seen fit to create moderate, specific regulations to allow proper exercise of first amendment rights, while protecting the ability of passengers to move freely and unhindered through public facilities.

Many cases have held that the right to engage in first amendment activity is necessarily subject to reasonable regulation as to time, place, and manner. For example *Wolin* v. *New York Port Authority*, 392 F. 2d 83 (2d Cir. 1968).

The leading case of Cantwell against Connecticut, a ruling by the Supreme Court, noted that regulation of religious activities may deal with the times, the places, and the manner of soliciting upon the streets, and of holding meetings thereon; and may in other respects safeguard the peace, good order, and comfort of the community, without unconstitutionally invading the liberties protected by the 14th amendment.

These principles have been consistently reaffirmed in court decisions, but the FAA has failed to act, based on a decision regarding distribution of materials by a Ralph Nader organization.

This amendment would direct the FAA to act and submit regulations, which take into account constitutional limits, within 30 days of the effective date of this act.

The amendment calls for specific consideration by the FAA of regulations to require registration by individuals or organizations wishing to solicit donations or distribute information; the appointment of a representative to work with the FAA; prohibitions on harassing or intimidating persons within the airports; a permit licensing system; and, a limitation on the numbers of people soliciting and on their areas within the airports.

These are reasonable and, to my reading, constitutionally permissible.

Mr. President, I wish to add the Senator from West Virginia (Mr. RANDOLPH) as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, I have discussed this amendment with the Senator from North Carolina. It is a good amendment. This is an annoyance which creates discomfort for a lot of people in and around the airport. I believe the amendment meets the tests insofar as the court determinations are concerned requiring the FAA to set forth reasonable regulations and giving them some guidelines.

Mr. President, I am willing to accept the amendment.

Mr. STEVENS. Mr. President, on behalf of the minority, I am also willing to accept the amendment.

Mr. CANNON. I yield back the remainder of my time.

Mr. MORGAN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

UP AMENDMENT NO. 116

(Purpose: To exempt the employees of air carriers from the payment of income taxes to State or subdivisions thereof other than the State or subdivision thereof of the employee's residence)

Mr. HUMPHREY. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New Hampshire (Mr. HUMPHREY) proposes an unprinted amendment numbered 116.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, line 5, insert the following:

"Sec. 402. Section 1112 of the Federal Aviation Act of 1958 is amended to read as follows:

(a) No part of the compensation paid by an air carrier to an employee who performs his regularly assigned duties as such an employee on an aircraft in more than one State, shall be subject to the income tax laws of any State or subdivision thereof other than the State or subdivision thereof of such employee's residence.

(b) For the purposes of this section the term "State" also means the District of Columbia and any of the possessions of the United States; and the term "Compensation" shall mean all moneys received for services rendered by the employee in the performance of his duties and shall include wages and salary.

"Sec. 403. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "Title XI—Miscellaneous" is amended by striking the item designated as "Sec. 1112" and inserting in lieu thereof:

"Sec. 1112. Exemption of certain compensation of employees for income tax purposes for other than State or subdivision of residence.".

VISIT TO THE SENATE BY FORMER SENATOR NORRIS COTTON

Mr. HUMPHREY. Mr. President, I ask unanimous consent to proceed out of order for a brief moment to acknowledge the presence of a former Member of this body.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, I would like to bring to the attention of my colleagues that we are privileged to have with us today, now here at my humble desk, one of the most highly esteemed Members of this body until 4 years ago, and who remains a fine Member in the hearts of many of us, Senator Norris Cotton of my home State of New Hampshire.

In New Hampshire he served for many years as the majority leader of the house and later on as the speaker of the house before coming to Washington to serve us here in Congress in both Houses for some nearly 30 years.

Mr. President, I cannot tell you how much pride I have to be sitting here next to this great man. I invite all of my colleagues to come to the Chamber and say hello to Senator Cotton. I believe he would be made very happy by that.

AVIATION SAFETY AND NOISE ABATEMENT ACT OF 1979

The Senate continued with the consideration of S. 413.

Mr. HUMPHREY. Mr. President, it seems certain States are attempting to tax the earnings of members of aircrews who are not residents of their States, to impose an income tax on those persons even though they do not reside in the State. They are attempting to levy this tax. As a matter of fact, the situation has reached the point now that some States are proposing to tax the earnings of aircrews in proportion to the amount of time an airplane may have spent in the airspace of that State, irrespective of whether or not the member of the aircrew resides in that State.

So we are reaching a pretty ridiculous situation.

My amendment would amend the Federal Aviation Act of 1958 such that States would be prohibited from taxing income of members of aircrews unless they live within the boundaries of that State.

I have discussed this amendment with the floor leaders and they have agreed to accept it. As a matter of fact, Senator Cannon tells me that the intent of that act of 1958 was to prohibit this very sort of thing. Unfortunately, there was a little loophole left in the act. The act stated that taxes could not be withheld in States, and the States are using that as a loophole.

Now we propose to close this loophole by saying that the States may not tax a member of an aircrew unless he lives within that State.

Mr. STEVENS. Will the Senator yield?

Mr. HUMPHREY. Yes.

Mr. STEVENS. I certainly would agree with the Senator's amendment if it is limited to compensation derived from activity as an airline pilot. Some of the brethren of the Senator's profession have been very successful and own some lodges and other things up my way. I think if they earn income other than from flying they should pay some to the State in which the income is derived. But if it is income derived from the occupation of an airline pilot, I certainly agree. Is the amendment so limited?

Mr. HUMPHREY. Yes; as a matter of fact, the language states: "No part of the compensation paid by an air carrier to an employee who performs his regularly assigned duties," et cetera.

Mr. STEVENS. I am happy to support the amendment.

Mr. CANNON. Mr. President, I have discussed this amendment with the Senator. We attempted to correct this problem a few years ago and at that time in conference the language was changed to make it none of the compensation could be withheld or subject to State withholding. But it certainly clearly was the intent of this body that they not be subject to taxation. I think this clarifies the law in that regard, and I am willing to accept the amendment.

I yield back the remainder of my time.

Mr. HUMPHREY. I yield back the remainder of my time, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CANNON. Mr. President, I do not know if there are other amendments. Senator Stone, I thought, had an amendment.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CANNON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CANNON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.). Without objection, it is so ordered.

AMENDMENT NO. 181

(Purpose: To require the Administrator of the Federal Aviation Administration to prepare and put into effect comprehensive noise abatement plans for airports operated by the Administrator)

Mr. MATHIAS. Mr. President, I have an amendment at the desk which is numbered 181.

The PRESIDING OFFICER. The clerk will state the amendment. The assistant legislative clerk read as follows:

The Senator from Maryland (Mr. Mathias) proposes an amendment numbered 181.

Mr. MATHIAS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, insert the following after line 4:

TITLE V

COMPREHENSIVE NOISE ABATEMENT PLANS

SEC. 501. Section 611 of the Federal Aviation Act of 1958 is amended by inserting the following at the end thereof:

"(f) The Federal Aviation Administrator shall, for each airport which he operates, after consultation with the Environmental Protection Agency—

"(1) prepare a comprehensive aircraft noise abatement plan, which shall (A) be based on an integrated approach to his proprietary and air traffic control functions, (B) take into consideration all measures discussed under the heading of 'Additional Federal Action' and 'Protecting the Airport Environment' as subsections C and D of section III of part 2 of the Department of Transportation's 'Aviation Noise Abatement Policy' published November 18, 1976, and (C) be designed to minimize the aircraft noise impact of such airport's use, consistent with safety,

"(2) publish such comprehensive aircraft noise abatement plan in the Federal Register in draft form within 180 days of the date of enactment of this subsection, permitting a period of 120 days thereafter for citizens and local governments to hold public hearings and make comments thereon, and publish such final comprehensive aircraft noise abatement plan in the Federal Register not later than 390 days after such date,

"(3) within 775 days of such date, after notice and evidentiary hearing, adopt for each such airport procedures and regulations, mandatory on all concerned including Federal Aviation Administration personnel, implementing such aircraft noise abatement plan,

"(4) establish and maintain an aircraft noise monitoring program at each such airport, publishing the results thereof at least semiannually, and

"(5) review annually thereafter each aircraft noise abatement plan in light of its monitored results and any technological or other relevant developments, and, after consultation with the Environmental Protection Agency and with the affected local governments, adopt such changes in the plan and in the mandatory procedures and regulations implementing it as the Federal Aviation Administration determines, after notice and hearing, to be in the public interest, bearing in mind his responsibilities as set forth in subparagraph (1).".

Mr. MATHIAS. Mr. President, this amendment is a fairly simple and direct one. It directs the Federal Aviation Administration to develop and implement a comprehensive noise abatement program for the two airports that it operates: One, the National Airport in Arlington, Va.; and, two, the Dulles Airport in Chantilly, Va.

It directs the FAA to tailor a noise abatement plan for Dulles and for National that would deal with several important areas such as aircraft operating procedures on landing and takeoff; the reduction of incompatible land use adjacent to the airport; and the cooperation of State and local governments to help devise land use programs.

This is in response to public concern, of which the Senate must take notice.

Residents of Maryland, Virginia and the District of Columbia have found the increasing noise problem a serious invasion into their lives.

I point out, Mr. President, that these residents are not like those we may find in some parts of the world who have built their houses at the very end of a runway and then, after the house is completed, and they move in, they complain about the aircraft noise.

In the case of the Washington metropolitan area, the residents of the area have lived in their homes for many years. In some cases they have lived in residential areas long preceding the age of aviation. Yet they find they are increasingly bombarded by the noise of aviation.

Citizens of the District of Columbia are equally made uncomfortable, challenged in the peaceful occupation of their homes by the increasing noise traffic.

The most severe and the most persistent aircraft noise problems are associated with flights into and out of the Washington National Airport. The average day in Washington involves 600 aircraft operations, 60 operations an hour, 1 a minute, which is truly an astounding figure, and that volume is so great that it certainly has within it a potential of disaster.

This bill simply does, Mr. President, what the courts have already done, but without effect. It orders FAA to bring some rational plan into operation which, consistent with air safety, would make life a little better for the people of Maryland, the people of Virginia, and the people of the District fo Columbia.

I see the distinguished chairman is on his feet. Perhaps he would like to comment in this regard.

Mr. CANNON. Mr. President, I yield myself 3 minutes.

Mr. President, I say to the Senator that we are very aware of the noise problems that are existing at National and Dulles. We have tried to do something about it in this particular bill, S. 413.

As a matter of fact, in section 105, we provide that the Secretary, acting through the Administrator of the Federal Aviation Administration, after consultation with officials of any agencies or planning agencies in the area surrounding the airport. which would require they have to consult with the officials in the area around National, the officials in the area around Dulles, shall then prepare a noise impact map of the noise compatibility program for the airport.

We specifically require that with respect to National and Dulles, and that the map and program shall be prepared and published in accordance with the requirements of this act no later than 1 year after the effective date of the regulations promulgated in accordance with section 102 of this act.

We have some other provisions in there that say that any person who acquires property or an interest therein after the date of enactment of the act in an area surrounding an airport with respect to which a noise impact map has been submitted, as we require here, no such person should be entitled to recover damages with respect to the noise attributable.

So we are trying to put the people on notice that they should not build under the runways, as Senator GOLDWATER indicated earlier, and we are requiring the study in both of these instances.

So I think the bill, as it now stands, meets the objectives that Senator MATHIAS intends by his amendment.

I would say that if he feels there is something we ought to consider that we have not considered in the act, if he would point that out to us either in a separate bill or separate letter, we would certainly consider it in one of our future hearings to see if all his points with which he is concerned are adequately covered in this particular legislation.

Mr. MATHIAS. I thank the chairman for his open mind on this.

Mr. President, I appreciate very much the action of the committee represented by section 105, to which the chairman has referred. That does provide for the development of a noise impact map and noise compatibility program for Dulles and for National, and it provides that such map and program shall be prepared and published in accordance with the requirement of the act no later than 1 year after the effective date of the regulations promulgated in accordance with section 102.

I would only say to the chairman that that time problem gives me some difficulty because we do not know for sure when the regulations contemplated by section 102 will be finalized, and then they have a year after that.

As a matter of fact, the FAA has been under court order to issue an evironmental impact statement in order to avoid or minimize adverse environmental effects in the operation of National and Dulles since 1976.

They have had 3 years. They have issued drafts of a final policy for the airports since 1973. It has been more than a year since the formal draft, the environmental impact statement, was issued by FAA.

I believe all this resulted from a case brought by a group calling itself Virginians for Dulles. I am just concerned that we are allowing too much time here.

But the chairman suggests, and I think it is a reasonable suggestion, that if we are not making progress on this, that the matter could be addressed in a bill and given specific attention by his committee.

If the chairman feels that is the most positive way to make progress, I respect his judgment, and I would be prepared to approach the committee with legislation and to seek an opportunity to make a record on this, if we could do it sometime during this session of Congress.

Mr. CANNON. Mr. President, I give my colleague that assurance.

Mr. MATHIAS. On the basis of that assurance from the chairman, with my appreciation to him for his consideration, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 117

Mr. STONE. Mr. President, I call up an amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Florida (Mr. STONE) proposes an unprinted amendment numbered 117.

Mr. STONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, between lines 2 and 3, insert the following new section:

"SEC. 204. Subsection (c) of section 16 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1716(c)) is amended by adding at the end thereof the following new paragraph:

"(5) Notwithstanding any other provision of law, the Secretary may approve an application for an airport development project at an existing airport without requiring the preparation of an environmental impact statement for such project if:

"(i) completion of the project would allow existing aircraft operations at the airport that involve aircraft that do not comply with the noise standards prescribed for "stage 2" aircraft in 14 CFR 36.1 to be replaced by aircraft operations involving aircraft that do comply with such standards;

"(ii) the project complies with all other statutory and administrative requirements imposed under this Act.".

Mr. STONE. Mr. President, I submit this amendment in order to expedite the introduction into our Nation's airports of quieter aircraft which are more environmentally compatible with the surrounding communities and more fuel efficient.

To illustrate the need for this amendment, I offer an example of a critical situation in the State of Florida. The Sarasota-Bradenton Airport in central Florida has had crucial airfield safety projects pending since 1975 which are mired in bureaucratic redtape. Airport officials were told several weeks ago, that because a pending taxiway and ramp project could physically accommodate wide-bodied aircraft as well as present traffic, a new environmental impact statement would be required which would add 6 to 12 months to FAA consideration of the project.

What I am talking about in this amendment is the introduction of new technology which is quieter, which is less polluting, which is more fuel efficient as to aircraft, which would be substituted for noisier, noncompliant aircraft. This is an improvement, from an environmental point of view and, therefore, that kind of improvement should not require a new EIS simply for the sake of having a new EIS.

Mr. President, I can say that the General Counsel of the FAA has looked at this and does not object to this. I urge the close attention of the chairman of the committee to the possibility of accepting this amendment.

Mr. CANNON. Mr. President, I was chairing the hearings when the people of Sarasota-Bradenton raised this problem with us. I must say that I think this is the height of bureaucratic environmental overregulation.

This is a situation, as the Senator has stated, that makes no sense. It was never intended that safety improvements at airports should be delayed for changes which, by definition, have a positive impact on the environment.

Certainly, the project at Sarasota-Bradenton, which the Senator has described, as well as similar projects, should proceed without delay. I think his amendment is a good one, and I am willing to accept it.

Mr. STONE. I thank the distinguished chairman.

Mr. CANNON. I yield back the remainder of my time.

Mr. STONE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida (Mr. STONE).

The amendment was agreed to.

UP AMENDMENT NO. 118

(Purpose: Requires noise regulations: to provide audible relief to human beings)

Mr. STEVENS. Mr. President, I call up my amendment which is at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 118.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 24, between lines 19 and 20, insert the following new section:

"SEC. 310. Any aircraft that exceeds the noise standards prescribed for such aircraft in 14 CFR part 36, as such regulations were in effect on January 1, 1977, by no more than five effective perceived noise decibels at each of the three measuring points specified in (c) 36.3 of 14 CFR part 36, shall be deemed to be in compliance with such regulations and with section 611 of the Federal Aviation Act of 1958, as amended."

Mr. STEVENS. Mr. President, I consider this amendment to be a very practical one and one that is cost effective. Senator CANNON has agreed to cosponsor this amendment.

Experts tell us that the human ear cannot hear any difference in sound levels which, when compared, occur at less than 5 decibels apart. It is at the 5 effective perceived noise decibel (EPNdB) threshold that changes in sound levels can be perceived. In some cases the new Federal Aviation Administration limits (FAR part 36) are less than 5 EPNdB's lower than present baseline requirements. It seems, therefore, wasteful and inflationary to require adherence to a rule which will cost the aviation industry an estimated $250 million for meeting Federal regulations which will produce no perceived result. In addition, retrofitted aircraft use additional fuel which is a fuel cost we cannot afford unless it is in return for audible noise relief. My amendment addresses itself to the three measuring points subject to the noise rule under FAR part 36: Takeoff, sideline, and approach.

The amendment will potentially affect retrofit and only when it is applied to two- and three-engine planes. Retrofitting for four engine aircraft produces a significant noise reduction and, therefore, ought to be encouraged. Reengining to meet the rule gives an appreciable relief from noise and, therefore, is not affected. The amendment will not release all aircraft in the two- and three-engine category from meeting the noise rule through retrofit. Since the industry and the FAA have varying statistics for the effect retrofit produces for different aircraft, they can resolve among themselves which planes will be affected by this amendment. However, it is senseless to require a Federal rule which produces no perceivable result in noise. We will be literally kidding ourselves and the American public if we think we are providing a quieter environment around airports by supporting the regulation which leads to no perceivable change.

Mr. President, the FAA's chief environmental scientist reported in 1975 that a 6 EPNdB improvement in the aircraft acoustical environment is considered to be statistically significant. It is probable, however, that noise increments less than best.

The FAA noise monitoring at Dulles and Washington National Airports clearly shows that theoretical noise reductions claimed by FAA are not realized in actual operations. Analysis of data shows that at more than half the monitoring locations, retrofitted B-727 aircraft were noisier than the same airplane not retrofitted.

Mr. President, it is my position that if we look at the cost of retrofit kits and look at the fuel cost of operating a retrofitted aircraft, these are costs which should not be borne by the public when the impact is regressive. What will happen will be that with this type of investment required from the aviation industry, the old airplanes which consume more fuel will be flown longer, because they have to be paid for due to the cost of retrofit; and instead of moving on to the new generation of aircraft which are more fuel efficient and more cost effective, the impact of what the FAA wants to do will be to preserve the lives and keep us in those two- and three-engine aircraft which should be retired sooner and would be retired sooner if the operators were not compelled to make this cost ineffective and fuel inefficient investment due to Federal regulation.

Mr. President, I reserve the remainder of my time.

Mr. CANNON. Mr. President I yield 5 minutes to the Senator from New York.

Mr. JAVITS. I certainly appreciate the courtesy of the chairman in calling me up for this debate.

Mr. President, I should like to request of the leadership—or perhaps Senator MATHIAS will be here—a rollcall vote on this amendment.

I oppose this amendment, and I oppose it for the very clear proposition that this is a complete exemption, and all the arguments about new technology go out the window. There is no reason for new technology if they have a complete exemption.

There is no question about it: Two- and three-engine aircraft are completely exempt. The question, therefore, boils down to the so-called perceptibility of the amount of noise which is involved.

It is interesting that in the flyover which was referred to in the previous debate, where there were 3.5 decibels difference, I understand, only 30 percent of all the people there said they did not perceive it. The other 70 percent could tell the difference.

In addition, the particular expert who has been cited to justify this amendment is a man named Ward, of the University of Minnesota. This is how he describes himself. This comes out of the 1978 hearings. He says:

> I am one of the few who are not sure that all these retrofit procedures are going to result in a meaningful reduction.

In other words, he admits that he differs with most of the other experts.

Another expert, Mr. Borsky, of Columbia University, says in the 1978 hearings:

> You can get reliable perceivable differences in the neighborhood of 5 or 6 decibels per single event and even in cumulative indices of events.

That, after all, is the important point of people who are subject to these noise problems.

They are people who are getting cumulative doses of the same thing.

We have already debated this question of how expensive it is, how much gas it will use, and it is my judgment they do not rate. The important point to remember here is that the committee reported this bill out without eliminating retrofitting, and the committee also cranked in these extremely liberal waivers, which the Senate has just sustained by a vote of 33 to 57.

It seems inconceivable to me that with the waiver provisions in the bill that we now go ahead and exempt two-thirds of all the aircraft which are affected.

There are about 2,100 aircraft affected, of which 1,600 of these are two- and three-engine aircraft.

So, Mr. President, it just seems to me that we are really riding this thing to a fare-thee-well by adopting this amendment on top of sustaining the broad waivers, one of which is mandatory, that are already in the bill. We are making a mockery of what is called a noise abatement bill.

Just two other points and then I shall be through.

According to the 1976 Department of Transportation Noise Abatement Policy, the 727-200 aircraft, which as I understand is a large portion of these 1,600, would qualify for the Stevens exemption because they have a 3.8-decibel difference between their noise level and the limits that are in the regulations. But if they are retrofitted, the public gets the benefit of not only a 3.8-decibel reduction but a 5.6-decibel reduction.

Similarly, with the DC-9's, though they are within 3.8 decibels of the FAA standards, the public will get the benefit of a 7.9-decibel reduction if they are retrofitted.

Finally, Mr. President, new technology is coming along for them, also.

As I said before in the previous argument, Eastern Airlines is already ordering airbuses which are three-engine aircraft.

I just cannot see why the committee does not at least say this about these matters. Give them another date, perhaps 1981, in which they can make their contract for new technology. But to let them out of it entirely seems to me inconceivable, after including these very liberal waiver provisions. And it seems to me very unfair to the people who are suffering from aircraft noise standards, especially when the committee sent the bill to the floor to include the two- and three-engine aircraft.

So, for all of those reasons, Mr. President, I hope very much that the Senate will reject this amendment.

Mr. CANNON. Mr. President, I yield myself 4 minutes.

I congratulate my distinguished colleague from Alaska for a simple and commonsense answer to a problem which has concerned me since 1976. How to separate the wasteful and nonproductive features of the aircraft noise regulation from those portions of the rule which will provide some perceptible relief for the people who live around our Nation's airports.

Senator Stevens' answer is to concentrate on human compatibility rather than aircraft compatibility. Whenever the regulation requires a humanly perceptible noise reduction it remains in force; where it requires noise reductions which are not audible for people, we will not require the very expensive step—expensive in terms of money and added fuel consumption—of retrofitting the smaller jet aircraft. I believe that even the strongest supporters of noise regulation will find that argument hard to refute.

The threshold of human perceptibility used by the Senator is well established in the subcommittee's hearing record. comments on S. 413, and in the psychoacoustic evidence that has developed on aircraft noise.

I wish to join Senator Stevens in sponsoring this amendment and I urge my colleagues to support this commonsense approach to reducing the impact of aircraft noise without throwing away money and aviation fuel.

I say, Mr. President, in support of that, that the FAA chief environmental scientist reported in March 1979:

> Six EPNdB improvement in the aircraft acoustics environment is considered to be statistically significant. It is probable, however, that noise increments less than this would be considered marginal at best.

Senator Stevens says that only airplanes of 5 EPNdB or less would be exempted, and as to the two scientists whom Senator Javits quoted from, he did not use all of the quotes that they made in their testimony before the committee, because Dr. Dixon Ward, who is cochairman of the International Commission on Biological Effects of Noise, wrote the committee on March 6, 1979, and said:

> Allow me to reiterate my doubts as to the efficacy of retrofit procedure, especially those that produce only a reduction of 6 dB or less in noise level.

Here he says he is doubtful of six or less, and Senator Stevens is saying only five or less would provide for an exemption, and Dr. Ward also stated in his letter that even when the difference is 10 dB, twice the level in Senator Stevens' amendment, some individuals will still error when trying to pick out the louder airplane.

Professor Borsky of the Columbia School of Public Health stated during the committee hearing last year:

> We have established that you can get reliable perceivable difference in the neighborhood of 5 or 6 dB per single event.

So you see the 5 EPNdB threshold is a well-documented level which is, if anything, conservatively low.

So there is no sense in requiring a change just for the sake of change alone when the level is below that which the experts say can be perceived by the human ear.

Mr. STEVENS. Mr. President, I thank the Senator from Nevada, and I ask unanimous consent that the table that appears on page 7 of the committee's report entitled "Noise Levels Under FAR 36 Certification Conditions" be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

NOISE LEVELS UNDER FAR 36 CERTIFICATION CONDITIONS (EPNdB)

	FAR limit	Present (baseline)	Retrofit[1]
707-32B:			
Takeoff	103.7	113.0	102.2
Sideline	106.3	102.1	99.0
Approach (40° flap)	106.3	116.8	104.0
DC-8-61:			
Takeoff	103.5	114.0	103.5
Sideline	106.2	103.0	99.0
Approach	106.2	115.0	106.0
B-727-200:			
Takeoff[2]	99.0	102.2	97.5
Sideline	104.4	100.4	99.9
Approach	104.4	103.2	102.6
B-737-200:			
Takeoff[2]	95.8	92.0	92.0
Sideline	103.1	103.0	103.0
Approach	103.1	109.0	102.0
DC-9-30:			
Takeoff[2]	96.0	96.0	95.0
Sideline	103.2	102.0	101.0
Approach	103.2	107.0	99.1
B-747-100:[3]			
Takeoff	108.0	115.0	107.0
Sideline	108.0	101.9	99.0
Approach	108.0	113.6	107.0
B-747-200:[4]			
Takeoff	108.0	107.0	
Sideline	108.0	98.2	
Approach	108.0	106.2	
DC-10-10:			
Takeoff	105.6	98.2	
Sideline	107.0	95.4	
Approach	107.0	105.4	
L1011:			
Takeoff	105.6	97.0	
Sideline	107.0	95.0	
Approach	107.0	103.0	

[1] Noise levels which have been certified (JT8D A/C), measured (B-707), or which technology has demonstrated to be achievable.

[2] With cutback.

[3] Early B-747-100/200 A/C would also be retrofitted.

[4] B-747-200 certificated after December 1971.

Mr. STEVENS. Mr. President, contrary to what my good friend from New York says, my amendment does not exempt all two- and three-engine aircraft. Only the DC-9-30 would be eliminated by this.

There is a dispute between the FAA and the aviation industry about the noise levels of the two- and three-engine aircraft. It is possible, they believe, for some of these aircraft, through the use of flap settings and other devices, to lower their noise levels so that they would be within the level of 5 EPNdB from the FAR limits.

If that is the case, they are below the perceptible noise level at which human beings can discern a difference in noise.

If we can achieve through operating conditions the same noise level required under the law without the investment of $250 million leaving that money so it can be invested in new generation aircraft by the industry, aircraft which are cost-effective and fuel-efficient, then I think we have achieved the goal of public policy. We have met the demand for reduction in the noise levels and at the same time channeled the new investment capital into new equipment which would be even better from the point of view of the consumer and those in the vicinity of the airport.

Let me point out again the record is clear that human beings cannot perceive a difference in sound levels less than 5 decibels apart. A rule requiring that the noise level be less than that makes no sense. It is a waste not only of the aircraft operators' money but it is totally inflationary because it channels our investment capital into nonproductive retrofitting when we should be channeling the capital available into the purchase of new aircraft.

Am I correct in my interpretation of this amendment that it will not result in negating the noise compliance regulations and will not force airport operators to re-do their master plan, environmental impact statements or noise abatement plans?

Mr. CANNON. The Senator is absolutely correct. This amendment will result in nothing negative insofar as noise compliance is concerned. It deals only with those aircraft whose existing noise levels are an imperceptible difference away from compliance standards. To claim that all these plans must be prepared again because of this amendment is unreasonable.

● Mr. KENNEDY. Mr. President, I must oppose this amendment by the Senator from Alaska and urge that my colleagues do the same. What we are talking about here is gutting—completely gutting—Federal noise reduction levels that took 7 years to put on the books and which are supported by the Department of Transportation, the EPA and nearly every public interest group charged with the responsibility of securing desperately needed relief for the aircraft noise-polluted communities of our country.

The key question surrounding this amendment is whether or not retrofitting two and three engine aircraft, which are within 5 decibels of FAA noise level compliance, brings perceptible relief from the annoyance of noise pollution.

The Department of Transportation, the Environmental Protection Agency, the National League of Cities, the United States Conference of Mayors, the National Association of Counties, the American Association of Airport Executives, the Airport Operators Council International, and major consumer and public interest groups.

ALL SAY YES

All of these groups support the timely compliance with the existing FAA noise abatement program—a program which is dependent upon retrofit of noncomplying craft to achieve its goals of reduced noise. These are not people who have any stake in pulling the wool over the eyes of noise-beleaguered citizens by creating a sham program that will not perceptively relieve the problem. They are private and governmental bodies who want to bring some meaningful relief to the 6 million citizens invaded by aircraft noise. We should listen to them carefully.

As recently as last week, FAA Administrator Langhorn Bond said that FAA objective scientific tests show that there is a definite reduction in the annoyance quality of the noise emitted from retrofitted planes.

As recently as last summer, Senator CANNON held a flyover out at Dulles Airport to test the difference between a retrofitted and a nonretrofitted aircraft. The results indicated that the difference was definitely perceivable. Seventy-six percent of those persons present at the demonstration both found that one of the planes was quieter than the other, and identified the retrofitted aircraft as the quieter one. The most important thing to note in the context of this amendment is that the registered difference in the reduction of decibels on both takeoff and landing was less than the 5 proposed by Senator STEVENS as the minimum perceivable difference. Yet a substantial majority heard the difference.

Compound this difference perceived on the single event basis as over and over again as the daily plane traffic thunders in and out of the airports. The easing of the noise annoyance by retrofit takes on much greater importance for the cumulative effect than the single event.

Hand in hand with the enormous number of planes that would be exempted is the number of noise-beleaguered citizens which will be denied indefinitely expected levels of relief. For example, the Massachusetts Port Authority has provided me with a study that shows that implementation of the retrofit requirement on a single 727—a plane which would be "deemed in compliance" under this amendment—resulted in a 58-percent reduction in the number of people around Logan International Airport subjected to high level noise from that plane. The claim has never been made that noise-bothered citizens would be blessed with silence upon the advent of retrofit. But a degree of perceivable, modest relief is possible and available. Are we to deny this relief on the claim that it is not perceivable, when actual demonstrations have shown that it is?

Not only am I worried that millions of people will be denied effective reduction in noise annoyance levels if this amendment goes through, but I also fear that carrier incentive to purchase new technology aircraft to replace older, noisier, planes will be significantly weakened. What encouragement is there to replace noisy planes with quieter ones when this amendment now says, in effect, that noisy planes are not considered noisy anymore.

Mr. President, the Airport Operators Council International is a group which represents local governmental sponsors of airports across the country. Airport operators have already paid out hundreds of millions of dollars in noise damages and suits continue to mount against them with claims totaling hundreds of millions more. They are vitally interested in bringing meaningful noise relief to communities. AOCI fervently believes that passage of the STEVEN's amendment will halt these efforts. Let me share with my colleagues their important objections:

First, that amendment, by exempting up to three-quarters of the entire domestic airline fleet from *ever* having to meet any FAA Fleet Noise Regulation requirement, will deny all noise relief to our nation's small and medium sized communities. Fully 75 percent of the nation's airline-served airports never receive a four-engine aircraft, as these are long-haul, transcontinental use aircraft. As a general rule, all but the nation's largest twenty-five airports are "two and three-engined jet airports" and small airports have noise problems because of the smaller jets which serve them (B–727, B–737, DC–9, BAC 1–11).

Second, the Stevens' amendment is a straight-out disincentive to any early action by the airlines to replace or quiet their fleets. While the Committee bill gives the appearance of favoring the purchase of new technology aircraft over quieting by retrofit, the Stevens' amendment and S. 413 as reported just delay decisions by airlines. This particular amendment lets the airlines keep their smaller aircraft running indefinitely, and removes completely the pressure of the existing FAA noise regulation on the airlines to take some action to reduce community noise exposure.

Thirdly, by overruling the FAA noise regulation, the Stevens' amendment is attempting to switch from the airlines and their passengers to our airport communities and their impacted neighborhoods the responsibility—both financial and legal—for the noise created by the two and three-engined fleet.

Mr. President, I urge my colleagues to leave the FAA noise abatement regulation in place. Retrofit of second- and third-engine planes is part of a broader scheme to bring as much relief as possible to noise-impacted communities. This scheme was not concocted with mirrors, and that is exactly what this amendment says it was.

To pass this amendment is to send a perceivable signal to the 6 million Americans who are invaded by aircraft noise that we do not care about their problem and that we will not take modest steps to address human needs.

I submit the text of the letter from the Airport Operators Council International for the RECORD.

AIRPORT OPERATORS
COUNCIL INTERNATIONAL,
April 30, 1979.

Hon. EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: The Airport Operators Council International, representing the local governmental sponsors of airports receiving scheduled airline service, has examined the April 27 version of the Stevens' amendment to S. 413, Aircraft Noise Bill, and most firmly opposes it.

The Stevens' amendment would exempt from the existing FAA noise regulation any aircraft which on a single event basis comes within five decibels of the FAA noise limits. The amendment thus sets up a false criterion of noise perceptibility (as the Dulles Airport demonstration last summer found 70 percent of the listeners identifying a four decibel difference) and then by its languague proceeds to squeeze virtually all two- and three-engined aircraft through the exemption loophole.

Further, the five decibel criterion authored by Dr. Dixon Ward is not supported by any other psychoacoustician consulted by FAA, and denies completely the cumulative effect of aircraft noise annoyance on people.

The three major reasons why the Stevens amendment is opposed by public interest, consumer and environmental interests are as follows:

First, that amendment, by exempting up to three-quarters of the entire domestic airline fleet from ever having to meet any FAA Fleet Noise Regulation requirement, will deny all noise relief to our nation's small and medium sized communities. Fully 75 percent of the nation's airline-served airports never receive a four-engine aircraft, as these are long-haul, transcontinental use aircraft. As a general rule, all but the nation's largest twenty-five airports are "two- and three-engined jet airports" and small airports have noise problems because of the smaller jets which serve them (B–727, B–737, DC–9, BAC 1–11).

Second, the Stevens' amendment is a straight-out disincentive to any early action by the airlines to replace or quiet their fleets. While the Committee bill gives the appearance of favoring the purchase of new technology aircraft over quieting by retrofit, the Stevens' amendment and S. 413 as reported just delay decisions by airlines. This particular amendment lets the airlines keep their smaller aircraft running indefinitely, and removes completely the pressure of the existing FAA noise regulation on the airlines to take some action to reduce community noise exposure.

Third, by overruling the FAA noise regulation, the Stevens' amendment is attempting to switch from the airlines and their passengers to our airport communities and their impacted neighborhoods the responsibility—both financial and legal—for the noise created by the two- and three-engined fleet.

We urge your opposition to this amendment.

Sincerely,

J. DONALD REILLY,
Executive Vice President.●

Mr. STEVENS. Mr. President, do I have any time left on my amendment?

The PRESIDING OFFICER. The Senator from Alaska has 7 minutes remaining.

Mr. STEVENS. Mr. President, it would be my desire to get the yeas and nays. It has been specifically requested by the Senator from New York. I ask that it be determined whether there are Senators in the cloakrooms who might assist in asking for the yeas and nays.

Mr. CANNON. Mr. President, I suggest the absence of a quorum on my time.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is all time yielded back?

Mr. STEVENS. Unless there is some additional request for time, and I have had none, Mr. President, I am prepared to yield back the remainder of my time if the Senator from Nevada is prepared to yield back the remainder of his time.

Mr. CANNON. Mr. President, I am prepared to yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Alaska. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

(Mr. SARBANES assumed the chair.)

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Alaska (Mr. Gravel), the Senator from Alabama (Mr. Heflin), the Senator from Hawaii (Mr. Inouye), the Senator from Massachusetts (Mr. Kennedy), and the Senator from Montana (Mr. Melcher) are necessarily absent.

I further announce that the Senator from Maine (Mr. Muskie) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. Hatch), the Senator from Kansas (Mrs. Kassebaum), and the Senator from Oregon (Mr. Packwood) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.). Have all Senators voted?

The result was announced—yeas 51, nays 38, as follows:

[Rollcall Vote No. 72 Leg.]

YEAS—51

Armstrong
Baker
Baucus
Bellmon
Boren
Boschwitz
Burdick
Byrd,
 Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Danforth
DeConcini
Dole
Domenici
Durkin
Eagleton
Exon
Glenn
Goldwater
Heinz
Helms
Hollings
Humphrey
Jepsen
Johnston
Laxalt
Leahy
Long
Lugar
Magnuson
Matsunaga
McClure
Morgan
Nelson
Pell
Pryor
Randolph
Sasser
Schmitt
Simpson
Stennis
Stevens
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NAYS—38

Bentsen
Biden
Bradley
Bumpers
Cochran
Cohen
Cranston
Culver
Durenberger
Ford
Garn
Hart
Hatfield
Hayakawa
Huddleston
Jackson
Javits
Levin
Mathias
McGovern
Metzenbaum
Moynihan
Nunn
Percy
Pressler
Proxmire
Ribicoff
Riegle
Roth
Sarbanes
Schweiker
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams

NOT VOTING—11

Bayh
Gravel
Hatch
Heflin
Inouye
Kassebaum
Kennedy
Melcher
Muskie
Packwood
Stafford

So Mr. Stevens UP amendment No. 118 was agreed to.

Mr. STEVENS. Mr. Chairman, I move to reconsider the vote by which the amendment was agreed to.

Mr. CANNON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CANNON. Mr. President, for my colleagues, as far as I know there are no other amendments. If not, we are prepared to go to third reading very shortly. I am prepared to yield back the remainder of my time.

Are there any other amendments? Third reading, Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise today in support of the Aviation Safety and Noise Abatement Act of 1979, S. 413. This legislation is a major step forward in implementing aircraft noise abatement programs. Dramatic increases in air traffic as well as utilization of larger aircraft with increasingly louder propulsion systems have raised noise emissions to intolerable levels. Aircraft noise is a major problem affecting the present viability and future growth of this Nation's air transportation system.

Mr. President, this bill is a reasonable approach to resolving a difficult problem. Last year I supported similar legislation that was passed by the Senate in the closing days of the 95th Congress, but which was not enacted into law. At that time, it was noted that aircraft noise cost taxpayers around airports some $3.25 billion annually in decreased property values. There is also increasing concern as to the adverse effects of aircraft noise on the health of those persons living near airports.

Mr. President, I feel that these are unfair burdens to place on those persons who own property and live around airports. The problem of aircraft noise is not a localized problem impacting on only a few critical airports—it is a national problem.

Previous Federal action in dealing with the aircraft noise problem has centered primarily on controlling airport noise at the source by promulgation of standards regulating noise emissions aircraft. Although largely effective, these standards should be coupled with effective land-use planning for land surrounding airports.

Title I of this bill establishes programs to develop a standard method of measuring aircraft noise and to assist airports and surrounding communities to reduce noncompatible land use around airports. This bill also encourages greater utilization of noise reducing techniques such as preferential runway systems, restrictions on use of airport facilities by type or class of aircraft, construction of barriers and acoustical shielding and use of flight procedures to reduce noise impact.

S. 413 will also provide the Secretary of Transportation with limited discretionary authority to waive noise abatement regulations on a case-by-case basis and extend compliance dates and permit noncomplying aircraft to operate thereafter in situations where the operator has good cause for failure to comply with noise regulations.

The FAA's noise regulations—the so-called fleet noise rule of December 1976—were amended retroactively to require previously excepted aircraft to meet higher standards on a stepped-up time schedule.

Many aircraft that were purchased in good-faith reliance on the FAA's previous pronouncements have thus become noncompliant as a result of the rule.

Compliance with the retroactive regulation is estimated to cost between $6 and $8 billion through a combination of retrofitting or by replacing engines or noise aircraft. I, therefore, believe that the provisions of title III are reasonable in granting the Secretary of Transportation limited waiver authority.

This authority is limited to situations where the airline has good cause for failure to comply with noise regulations. "Good cause" is defined in section 303 of this bill to include such situations as where the supplier is unable to furnish or make available to the airline the necessary engine retrofit kits, replacement engines, or replacement aircraft. Another example would be where the failure to grant a waiver would create burdens on one operator which are unreasonable in comparison to the burdens imposed on other operators of noncomplying aircraft.

Mr. President, in all fairness, it seems that the Secretary should be granted the authority to waive noise abatement requirements in these and other appropriate circumstances.

Furthermore section 304 provides for a mandatory waiver if an aircraft operator has signed a contract to purchase a new aircraft of the most advanced type within the prescribed deadline.

This will encourage the purchase of new aircraft that are not only one-half as noisy as the aircraft being replaced, but also safer and more fuel efficient, and more cost effective.

With the Nation facing a severe energy crisis, this approach seems reasonable, particularly since retrofit often results in the aircraft using more fuel than before, as well as being less effective in reducing noise output.

S. 143 also provides guidelines for the CAB to impose a 2-percent surcharge in the event that industry profits decline to less than 5-percent return on investment and fall so drastically as to make the airline financially unable to meet noise regulations.

It should be noted that this idea is not a novel innovation, but rather, has been in fact used in the past—to wit, the CAB imposition of the aircraft security surcharge in 1973.

This provision is meant only to provide guidelines to insure that the airlines will in fact be able to meet Federal aviation regulations and reduce the intolerable level of aircraft noise.

Mr. President, title III of this legislation provides for funding of important safety-related development programs at our Nation's airports. The recent tragedy at San Diego is a sad and vivid reminder of the urgent need for upgrading reliever airports in our air transportation system.

The increased funding provided in this bill for fiscal year 1980 will provide for safety-related projects at reliever and general aviation airports as well as at carrier airports.

It should be noted that these funds will come out of the ADAP trust fund which now has accumulated an unobligated surplus of almost $3 billion, and not require any expenditure from the Treasury.

This legislation also directs the Secretary of Transportation to submit status reports to Congress on development and implementation of collision avoidance systems.

Mr. President, I was particularly pleased to see the Senate Commerce Committee use Bryant Field, a reliever airport in Rock Hill, S.C., as an example of the need for funding safety programs. Bryant Field is a reliever airport for Douglas Municipal Airport in Charlotte, N.C., and is also used as a training field for amateur pilots. This airfield desperately needs an instrument landing system and I certainly hope that when this legislation is enacted, the Federal Aviation Administration will see fit to provide funding for this system at Bryant Field.

Mr. President, these are only a few highlights of this bill, but they certainly emphasize the necessity and utility of this measure.

I support S. 413, the Aviation Safety and Noise Abatement Act of 1979, and intend to vote for this bill and urge my colleagues to also support this legislation.

● Mr. MOYNIHAN. Mr. President, the problem of aircraft noise is a serious one, and New York State bears a grossly disproportionate burden of the piercing disturbances caused by jet aircraft take-offs and landings. According to the U.S. Department of Transportation, 2 million persons reside in the noise impact area of the 3 airports serving New York City—a full one-third of the population in the Nation disturbed by aircraft noise. This is a serious problem for New York and the Nation, and it should and can be alleviated promptly and effectively.

For this reason I am pleased to support Senator JAVITS' amendment to strike sections 303 and 304 of this bill. His amendment would have all domestic two- and three-engine jet aircraft meet required noise levels at least by 1985. This would treat the heart of the noise problem, because these two- and three-engine jets represent 70 percent of the American fleet not in compliance with existing noise standards, and 80 percent of all flights nationwide.

Passage of this bill without this amendment would spell delay—a delay in the implementation of comprehensive noise controls that will seem interminable to the millions of Americans whose peace is repeatedly interrupted by the roar of jet engines. It will come as no surprise that the Javits amendment has attracted broad and vigorous support in New York, including that of my good friend, Donald Manes, the Queens Borough president, and, of course, the Port Authority of New York and New Jersey.

Finally, Mr. President, let me note that we have nothing to fear from this amendment. The technology exists to alleviate this problem within the next 5 years. We should move ahead without delay. I hope my colleagues will join me in doing so.●

Mr. CANNON. Mr. President, I yield back the remainder of my time.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

Mr. CANNON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Alaska (Mr. GRAVEL), and the Senator from Hawaii (Mr. INOUYE) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

Mr. STEVENS. I announce that the Senator from Utah (Mr. HATCH) and the Senator from Kansas (Mrs. KASSEBAUM) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER (Mr. LEVIN). Does any other Senator wish to vote?

The result was announced—yeas 78, nays 15, as follows:

[Rollcall Vote No. 73 Leg.]

YEAS—78

Armstrong
Baker
Baucus
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Hart
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Laxalt
Leahy
Long
Lugar
Magnuson
Matsunaga
McClure
McGovern
Melcher
Morgan
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Young
Zorinsky

NAYS—15

Biden
Bradley
Culver
Hatfield
Hayakawa
Javits
Kennedy
Levin
Mathias
Metzenbaum
Moynihan
Proxmire
Riegle
Sarbanes
Williams

NOT VOTING—7

Bayh
Gravel
Hatch
Inouye
Kassebaum
Muskie
Stafford

So the bill (S. 413), as amended, was passed, as follows:

S. 413

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the "Aviation Safety and Noise Abatement Act of 1979".

TITLE I

SEC. 101. For purposes of this title—

(1) the term "airport" means any air carrier airport whose projects for airport development are eligible for terminal development costs under section 20(b) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1720(b));

(2) the term "airport operator" means any person holding a valid certificate issued pursuant to section 612 of the Federal Aviation Act of 1958 (49 U.S.C. 1432) to operate an airport; and

(3) the term "Secretary" means the Secretary of Transportation.

SEC. 102. Not later than the last day of the twelfth month which begins after the date of enactment of this Act, the Secretary, after consultation with such Federal, State, and interstate agencies as he deems appropriate, shall by regulation—

(1) establish a single system of measuring noise to be uniformly applied in measuring the noise at airports and the areas surrounding such airports;

(2) establish a single system for determining the impact of noise upon individuals which results from the operations of an airport and which includes, but is not limited to, noise intensity, duration, frequency, and time of occurrence; and

(3) identify land uses which are normally compatible with various impacts of noise on individuals.

SEC. 103. (a) (1) After the effective date of the regulations promulgated in accordance with section 102 of this title, any airport operator of an airport may submit to the Secretary a noise impact map which sets forth, in accordance with the regulations promulgated pursuant to section 102, the noncompatible uses in each area of the map, as of the date of submission of such map, a description of the projected aircraft operations at such airport during 1985, and the ways, if any, in which such operations will affect such map.

(2) If, after the submission to the Secretary of a noise impact map under paragraph (1), any change in the operation of an airport would create any substantial new noncompatible use in any area surrounding such airport, the operator of such airport shall submit a revised noise impact map showing such new noncompatible use.

(b) (1) Section 11 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1711) is amended by renumbering paragraphs (6) through (21), and all references thereto, as paragraphs (7) through (22), respectively, and by adding immediately after paragraph (5) the following new paragraph:

(6) Airport noise compatibility planning means the development for planning purposes of information necessary to prepare and submit (A) the noise impact map and

related information pursuant to section 103 of the Aviation Safety and Noise Abatement Act of 1979, including any cost associated with obtaining such information, or (B) a noise compatibility program for submission pursuant to section 104 of such Act.".

(2)(A) Section 13(a) of the Airport and Airway Development Act of 1970 (49 U.S.C. 1713) is amended by—

(i) inserting "(1)" immediately before the first sentence thereof; and

(ii) adding at the end thereof the following new paragraph:

"(2) In order to promote the development of an effective noise compatibility program, for fiscal years beginning after September 30, 1979, the Secretary may make grants of funds for airport noise compatibility planning to sponsors of those air carrier airports whose projects for airport development are eligible for terminal development costs under section 20(b) of this title.".

(B) Section 13(b) of such Act is amended to read as follows:

"(b) AMOUNT AND LIMITATION OF GRANTS.—(1) The award of grants under subsection (a)(1) of this section is subject to the following limitations:

"(A) The total funds obligated for grants under subsection (a)(1) of this section may not exceed $150,000,000, and the amount obligated in any one fiscal year may not exceed $15,000,000.

"(B) The United States share of any airport master planning grant under this section shall be that per centum for which a project for airport development at that airport would be eligible under section 17 of this Act. In the case of any airport system planning grant under this section, the United States share shall be 75 percent.

"(C) No more than 10 percent of the funds made available under subsection (a)(1) of this section in any fiscal year may be allocated for projects within a single State, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, or Guam. Grants for projects encompassing an area located in two or more States shall be charged to each State in the proportion which the number of square miles the project encompasses in each State bears to the square miles encompassed by the entire project.

"(2)(A) The total funds obligated for grants under subsection (a)(2) of this section may not exceed $15,000,000.

"(B) The United States share of any airport noise compatibility planning grant under this section shall be that percent for which a project for airport development at that airport would be eligible under section 17 of this Act.".

SEC. 104.(a) Any airport operator who has submitted a noise impact map and the related information pursuant to section 103(a)(1) may, after consultation with the officials of any public agencies and planning agencies in the area surrounding such airport, the Federal officials having local responsibility for such airport, and any air carriers using such airport, submit a noise compatibility program to the Secretary. Such program shall set forth the measures which such operator has taken or proposes for the reduction of existing noncompatible uses and the prevention of the introduction of additional noncompatible uses within the area covered by the noise impact map submitted by such operator. Such measures may include, but are not limited to—

(1) the implementation of any preferential runway system;

(2) the implementation of any restriction on the use of such airport by any type or class of aircraft based on the noise characteristics of such aircraft;

(3) the construction of single family residences, condominiums, apartment buildings, and other barriers and acoustical shielding, including the soundproofing of buildings;

(4) the use of flight procedures to control the operation of aircraft to reduce the impact of noise in the area surrounding the airport; and

(5) acquisition of land and interests therein, including, but not limited to, air rights, easements, and development rights, so as to assure the use of property for purposes which are compatible with airport operations.

(b) The Secretary may disapprove any program or part thereof submitted to him pursuant to subsection (a) (other than as such program relates to flight procedures referred to in subsection (a)(4) of this section) within 180 days after it is received by him. The Secretary may disapprove such program or part thereof (other than as such program relates to flight procedures referred to in subsection (a)(4) of this section) if the measures to be undertaken in carrying out such program create an undue burden on interstate or foreign commerce or are not reasonably consistent with obtaining the goal of reducing existing noncompatible uses and preventing the introduction of additional noncompatible uses or if the program does not provide for its revision made necessary by any revised noise impact map submitted under section 103(a)(2) of this title. Failure of the Secretary to disapprove such program (other than as such program relates to flight procedures referred to in subsection (a)(4) of this section) within such time period shall be deemed to be an approval of such program. With respect to any part of such program which relates to such flight procedures, the Secretary shall provide such part of such program to the Administrator of the Federal Aviation Administration who shall either approve or disapprove such part of such program.

(c)(1) The Secretary is authorized to incur obligations to make grants under this Act from funds made available under subsection (d) of this section for any project to carry out a noise compatibility program or parts thereof not disapproved under subsection (b) of this section. Grants under this Act may be made to operators of airports submitting noise compatibility programs. Such airport operator may in turn agree to make the grant available to public agencies in the area surrounding such airports if the Secretary determines such agencies have the capability to carry out projects for which grant applications are made in accordance with such noise compatibility programs. The Federal share of any project for which a grant is made under this subsection shall be 80 percent of the cost of the project. All of the provisions of the Airport and Airway Development Act of 1970 applicable to grants made under that Act (except section 17 of those provisions relating to apportionment) shall be applicable to any grant made under this Act, unless the Secretary determines that any provision of such Act of 1970 is inconsistent with, or unnecessary to carry out, the purposes of this Act.

(2) The Secretary, further, is authorized under this section to make grants to operators of airports for any project to carry out a noise compatibility program developed prior to the enactment of this Act or the promulgation of its implementing regulations if the Secretary determines that such prior program is substantially consistent with the purposes of reducing existing uses and preventing the introduction of additional noncompatible uses and that the purposes of this Act would be furthered by prompt implementation of such program.

(d) The Secretary may obligate for expenditure out of the Airport and Airway Trust Fund not to exceed $75,000,000 for the fiscal year ending September 30, 1980, for making grants under subsection (c) of this section.

SEC. 105. The Secretary, acting through the Administrator of the Federal Aviation Administration, after consultation with the officials of any public agencies or planning agencies in the area surrounding such airport, shall prepare and publish a noise impact map and a noise compatibility program for the airport established by the Act of June 29, 1940 (54 Stat. 686), and the airport the construction of which was authorized by the Act of September 7, 1950 (64 Stat. 770). Such map and program shall be prepared and published in accordance with the requirements of this Act no later than 1 year after the effective date of the regulations promulgated in accordance with section 102 of this Act.

SEC. 106. No part of any noise impact map or related information submitted to, or prepared by, the Secretary and no part of the list of land uses identified by the Secretary as land uses which are normally compatible with various impacts of noise on individuals shall be admitted as evidence, or used for any other purpose, in any suit or action seeking damages or other relief for the noise that results from the operation of an airport.

SEC. 107. No person who acquires property or an interest therein after the date of enactment of this Act in an area surrounding an airport with respect to which a noise impact map has been submitted under section 103 of this title shall be entitled to recover damages with respect to the noise attributable to such airport if such person had actual or constructive knowledge of the existence of such noise impact map unless, in addition to any other elements for recovery of damages, such person can show that—

(1) a significant change in the type or frequency of aircraft operations at the airport; or

(2) a significant change in the airport layout; or

(3) a significant change in the flight patterns; or

(4) a significant increase in nightime operations;

occurred after the date of the acquisition of such property or interest therein and that the damages for which recovery is sought have resulted from any such change or increase.

SEC. 108. The Secretary shall study (1) airport noise compatibility planning carried out with grants made under section 13 of the Airport and Airway Development Act of 1970, and (2) airport noise compatibility programs carried out with grants made under this title, to determine to what extent such planning and programs are achieving the goals of reducing existing noncompatible uses of land around airports and preventing the introduction of new noncompatible uses around airports. Not later than January 1, 1981, the Secretary shall submit a report to Congress setting forth the determinations made pursuant to such studies together with legislative recommendations, if any, which the Secretary determines necessary.

TITLE II

SEC. 201. (a) Paragraph (3) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1714) is amended by striking out "$525,000,000 for fiscal year 1980." and inserting in lieu thereof "$612,000,000 for fiscal year 1980.".

(b) Paragraph (4) of subsection (a) of section 14 of the Airport and Airway Development Act of 1970 is amended by striking out "$85,000,000 for fiscal year 1980." and inserting in lieu thereof "$98,000,000 for fiscal year 1980.".

(c) The last sentence of paragraph (2) of subsection (b) of section 14 of the Airport and Airway Development Act of 1970 is hereby repealed.

(d) Subsection (e) of section 14 of the Airport and Airway Development Act of 1970 is amended by adding at the end thereof the following new sentence: "If in fiscal year 1980, or in any subsequent fiscal year, the total amount obligated under subsection (c) of this section in such fiscal year is less than the minimum amount made available for obligation under such subsection for such fiscal year, the amount available for obligation or expenditure as determined under the preceding sentence of this subsection shall be reduced by an amount equal to the difference between the amount made available under subsection (c) for such fiscal year and the total amount obligated under such subsection (c) for such fiscal year.".

(e) Subsection (f) of section 134 of the Airport and Airway Development Act of 1970 is amended by adding a new paragraph (4) to read as follows:

"(4) No provision of law, except for a statute hereafter enacted which expressly limits the application of this paragraph (4), shall impair the authority of the Secretary to obligate by grant agreement in any fiscal year the unobligated balance of amounts which were apportioned in prior fiscal years and which remain available for approved airport development projects pursuant to paragraph (5) of subsection 15(a), in addition to the minimum amounts authorized for that fiscal year by subsection (a)(3) and (a)(4) of this section.".

(f) Subsection (e) of section 14 of the Airport and Airway Development Act of 1970 is amended by—

(1) inserting immediately before the period at the end of the third sentence the following: ", except that for fiscal year 1980 an additional $250,000,000 may be appropriated from the unexpended balance of the Airport and Airway Trust Fund"; and

(2) inserting immediately before the words "may not exceed" in the fourth sentence the following: "(other than amounts appropriated in fiscal year 1980 from the unexpended balance of the Airport and Airway Trust Fund)".

(g) Subsections (a), (c), and (d) of section 14 of the Airport and Airway Development Act of 1970 are amended by inserting the phrase "or more than" immediately after the words "not less than" each time those words appear therein.

SEC. 202. (a) Paragraph (4) of subsection (a) of section 15 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1715(a)(4)) is amended by striking out "and minus $15,000,000 in the case of each of the fiscal years 1977 through 1980," and inserting in lieu thereof "and minus $15,000,000 in the case of fiscal years 1977 through 1979, and minus $20,000,000 in the case of fiscal year 1980,".

(b) Paragraph (4) of subsection (a) of section 15 of the Airport and Airway Development Act of 1970 is further amended by striking out "and $15,000,000 of the amount made available for each of the other fiscal years" and inserting in lieu thereof "$15,000,000 if the amount made available for each of the fiscal years 1977 through 1979, and $20,000,000 of the amount made available for fiscal year 1980".

SEC. 203. Paragraph (2)(A) of subsection (a) of section 17 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1717(a)(2)(A)) is amended by striking out "and shall be 80 per centum of the allowable project costs in the case of grants from funds for fiscal years 1979 and 1980," and inserting in lieu thereof "shall be 80 percent of the allowable project costs in the case of grants from funds for fiscal year 1979, and may not exceed 90 percent of the allowable project costs in the case of grants from funds for fiscal year 1980,".

SEC. 204. Subparagraph (A) of section 208 (f)(1) of the Airport and Airway Revenue Act of 1970, as amended (49 U.S.C. 1742(f)(1)(A)), is amended by striking out all after "1976" and inserting in lieu thereof "or of the Aviation Safety and Noise Abatement Act of 1979 (as such Acts were in effect on the date of enactment of the Aviation Safety and Noise Abatement Act of 1979);".

SEC. 205. Subsection (c) of section 16 of the Airport and Airway Development Act of 1970 (49 U.S.C. 1716(c)) is amended by adding at the end thereof the following new paragraph:

"(5) Notwithstanding any other provision of law, the Secretary may approve an application for an airport development project at an existing airport without requiring the preparation of an environmental impact statement for such project if:

"(i) completion of the project would allow existing aircraft operations at the airport that involve aircraft that do not comply with the noise standards prescribed for 'stage 2' aircraft in 14 CFR 36.1 to be replaced by aircraft operations involving aircraft that do comply with such standards;

"(ii) the project complies with all other statutory and administrative requirements imposed under this Act.".

TITLE III

DEFINITIONS

SEC. 301. For purposes of this title—

(1) the term "noncomplying aircraft" means any civil subsonic turbojet powered aircraft (A) which (i) has a maximum certificated takeoff weight of 75,000 pounds or more, and (ii) in the case of an aircraft registered in the United States, has a standard airworthiness certificate issued pursuant to section 603(c) of the Federal Aviation Act of 1958 (49 U.S.C. 1423), and (B) which does not comply with the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977;

(2) the term "retrofit" means the alteration of the engine or the engine nacelles of an aircraft with sound absorbent materials for the purpose of noise reduction; and

(3) the term "Secretary" means the Secretary of Transportation.

COMPLIANCE FOR INTERNATIONAL CARRIERS

SEC. 302 (a) If, by January 1, 1980, the International Civil Aviation Organization (hereafter referred to as "ICAO") does not reach an agreement (1) which adopts the noise standards prescribed for new subsonic aircraft in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977, or (2) on noise standards and an international schedule for compliance with ICAO Noise Standards (annex 16) which are reasonably compatible with the standards set forth in such regulations issued by the Secretary (14 CFR part 36), the Secretary, acting through the Administrator, shall commence a rulemaking to require all air carriers and foreign air carriers engaging in foreign air transportation to comply with the noise standards set forth in such regulations (14 CFR part 36) or with ICAO Noise Standards (annex 16) which are reasonably compatible with the standards set forth in such regulations issued by the Secretary (14 CFR part 36) during the 5-year period thereafter, at a phased rate of compliance similar to that in effect for aircraft registered in the United States. The requirement applied to air carriers engaging in foreign air transportation shall not be more stringent than those applied to foreign air carriers. Such rulemaking shall be concluded within 120 days.

(b) If, prior to January 1, 1980, the International Civil Aviation Organization reaches an agreement on noise standards that complies with clause (a)(1) or (a)(2) of this section, the Secretary, acting through the Administrator of the Federal Aviation Administration, shall immediately commence a rulemaking to require all air carriers and foreign air carriers engaging in foreign air transportation to comply with the noise standards set forth in such agreement at a phased rate of compliance similar to that in effect for aircraft registered in the United States. The requirement applied to air carriers engaging in foreign air transportation shall not be more stringent than those applied to foreign air carriers. Such rulemaking shall be concluded within 120 days.

LIMITED WAIVER AUTHORITY

SEC. 303. Notwithstanding any other provision of law, the Secretary is authorized to allow any noncomplying aircraft to be operated beyond the date by which such aircraft is to be in compliance with noise standards applicable to it in regulations issued by the Secretary, acting through the Administrator of the Federal Aviation Administration (14 CFR part 36), as such regulations were in effect on January 1, 1977, by waiving the application of such regulations to such aircraft for such period beyond such date of compliance as he determines reasonable to permit compliance. No such waiver shall be granted except upon application of the operator of the noncomplying aircraft and a finding by the Secretary that such operator has made a good faith effort to comply with such regulations and that there is good cause for failure of such operator to comply with such regulations as applicable to such noncomplying aircraft. For the purpose of this section, the term "good cause" shall include the following:

(1) Any case where the supplier is unable to furnish or make available to such operator in a timely manner the necessary engine retrofit kits, replacement engines, or replacement aircraft.

(2) Any case in which the failure to grant a waiver would otherwise create burdens on an individual operator which are unreasonable in comparison to the burdens imposed on other operators of noncomplying aircraft.

(3) Any other circumstances the Secretary deems appropriate.

NEW TECHNOLOGY AIRCRAFT INCENTIVE

SEC. 304. The Secretary shall provide a waiver for the operation of any noncomplying aircraft beyond January 1, 1981, if (1) the operator has a plan for the replacement of such noncomplying aircraft which has been approved by the Secretary pursuant to regulations issued by the Secretary (14 CFR part 91), (2)(A) with respect to any two-or-three-engine noncomplying aircraft, the operator has entered into a binding contract by January 1, 1983, or (B) with respect to a four-engine noncomplying aircraft, the operator has entered into a binding contract by January 1, 1985, for a replacement aircraft which meets, at a minimum, the noise standards for new type certificated aircraft set forth in regulations issued by the Secretary, acting through the Administrator, on March 2, 1978 (F.R. Vol. 43, p. 8722 et seq), and (3) the Secretary determines that such replacement aircraft will be in service within a reasonable period of time after such operator enters into the binding contract.

DOMESTIC NOISE ABATEMENT CHARGE

SEC. 305. Notwithstanding any other provision of law, the Civil Aeronautics Board may, under the rules of section 308, authorize or require any operator to impose a noise abatement charge for that portion of the transportation of any person subject to the tax imposed by subsection (a) or (b) of section 4261 of the Internal Revenue Code of 1954 and any property subject to the tax imposed by section 4271(a) of the Internal Revenue Code of 1954. The charge shall not exceed an amount in excess of 2 percent of all other rates, fares, or charges for that portion of such transportation (excluding all Federal and State taxes).

INTERNATIONAL NOISE ABATEMENT CHARGE

SEC. 306. When all air carriers and foreign air carriers engaging in foreign air transportation are required by regulations of the Secretary to comply with noise standards pursuant to section 302 of this title, the Civil Aeronautics Board may, under the rules of section 308, authorize or require—

(1) any operator of an aircraft which is used for the carriage of persons for compensation or hire to impose a noise abatement charge in addition to any other lawful fare or charge, for the transportation of any person by air, if such transportation begins in any State or in the District of Columbia, and any portion is not taxable under subsection (a) or (b) of section 4261 of the Internal Revenue Code of 1954. The charges shall not exceed—

(A) $2 for transportation of persons to foreign contiguous territory or adjacent islands, or between the continental United States and the States of Alaska and Hawaii, or between the States of Alaska and Hawaii; or

(B) $10 for the transportation of persons not described in subparagraph (A); and

(2) any operator of an aircraft which is used for the carriage of property for compensation or hire to impose, in the case of foreign air transportation of property by air which begins in any State or in the District of Columbia, a noise abatement charge in addition to any other lawful rate or charge. The rate or charge shall not exceed 5 percent of all other such rates or charges for such transportation (excluding all Federal and State taxes) but not to exceed a maximum of $2.25 per 100 pounds of cargo.

USE OF NOISE ABATEMENT CHARGE REVENUES

SEC. 307. As long as the fleet of any operator is not fully in compliance with all applicable Federal noise abatement regulations, the noise abatement charges collected by that operator shall be retained and utilized by it only to bring its aircraft fleet into compliance with all applicable Federal noise abatement regulations.

IMPOSITION, MODIFICATION, AND TERMINATION OF NOISE ABATEMENT CHARGES

SEC. 308. (a) The Civil Aeronautics Board is hereby authorized to impose, increase, decrease, otherwise modify, or terminate any noise abatement charge the imposition of which is authorized by section 305 or 306. The imposition of, or an increase in, a noise abatement charge may be authorized or required by the Board only upon the request in writing of an operator of a noncomplying aircraft and upon the recommendation of the Secretary of Transportation. In exercising its authority to decrease or terminate any such charge, the Board may act upon its own motion or in response to a recommendation of the Secretary of Transportation: *Provided*, That, the Board shall review each charge at least once a year to determine whether it would be appropriate to continue. In making any recommendation with respect to the imposition or termination of, or an increase or decrease in, a noise abatement charge, the Secretary of Transportation shall include with his recommendation a report with respect to the effect of the requested noise abatement charge action by the Board.

(b) Any report submitted to the Board by the Secretary in support of a recommendation for noise abatement charge action by the Board shall include an evaluation of—

(1) the financial conditions of each operator;

(2) the progress and good faith efforts of each operator toward the bringing of noncomplying aircraft into noise regulation compliance;

(3) the state of production of "stage 3" aircraft (as defined in 14 CFR 36.1(f)); and

(4) whether the requested imposition or termination of, or an increase or decrease in, the noise abatement charges, or the failure to impose, increase, decrease, or terminate the noise abatement charges as requested, will produce excessive profits for each operator.

(c) In exercising its authority under this title to authorize or require the imposition of noise abatement charges or to increase, decrease, or terminate such charges, the Board shall comply with the requirements of section 553 of title 5, United States Code, to the greatest extent possible consistent with completing the proceeding within 90 days after the date on which notice is given under subsection (b) of that section. The Board shall complete any such proceeding within 90 days after the date of such notice. The final rule adopted by the Board may adopt, modify, or reject the recommendations of the Secretary.

(d) In making its determinations, the Board shall consider, among other things:

(1) the need for the operators to raise sufficient capital to meet the requirements for compliance with all Federal noise abatement regulations;

(2) the desirability of encouraging the development and use of the most advanced technology available for reducing noise levels;

(3) with respect to the imposition of noise abatement charges authorized or required under section 306, or an increase or decrease in, or the termination of, such charges, the views of the Department of State;

(4) the intent of Congress that noise abatement charges be imposed only if operators fail to achieve an actual 5 percent corporate rate of return-on investment unless the Board finds such charges are otherwise not in the public interest; and

(5) any report or recommendations submitted to the Board by the Secretary of Transportation.

(e) The final rule shall be submitted to both House of Congress and shall take effect 60 days thereafter unless either House disapproves, by simple majority vote, the implementation of the rule within 30 legislative days from the date of submission to the Congress.

TERMINATION OF CHARGES

SEC. 309. Notwithstanding any other provision of this title, any noise abatement charge imposed under section 305 shall cease to be in effect on the day after the last day of the 60th month which begins after the date of enactment of this Act. Notwithstanding any other provision of this title, any noise abatement charges imposed under section 306 shall cease to be in effect on the day after the last day of the 120th month which begins after the date of enactment of this Act.

COMPLIANCE REGULATIONS

SEC. 310. Any aircraft that exceeds the noise standards prescribed for such aircraft in 14 CFR part 36, as such regulations were in effect on January 1, 1977, by no more than 5 effective perceived noise decibels at each of the 3 measuring points specified on (c) 36.3 of 14 CFR part 36, shall be deemed to be in compliance with such regulations and with section 611 of the Federal Aviation Act of 1958, as amended.

TITLE IV

SEC. 401. Not later than ninety days after the date of enactment of this Act, and each January 31 thereafter, until implementation of collision avoidance systems in the national air traffic control system, the Secretary of Transportation shall submit to the Congress a report on the status of the development of such systems. Such reports shall set forth proposed timetables for the implementation of such systems. The Secretary of Transportation's report shall include proposals for any legislation needed to implement such systems.

SEC. 402. Section 1112 of the Federal Aviation Act of 1958 is amended to read as follows:

"SEC. 1112. (a) No part of the compensation paid by an air carrier to an employee who performs his regularly assigned duties as such an employee on an aircraft in more than one State, shall be subject to the income tax laws of any State or subdivision thereof other than the State or subdivision thereof of such employee's residence.

"(b) For the purposes of this section the term 'State' also means the District of Columbia and any of the possessions of the United States; and the term 'Compensation' shall mean all moneys received for services rendered by the employee in the performance of his duties and shall include wages and salary.".

SEC. 403. That portion of the table of contents contained in the first section of the Federal Aviation Act of 1958 which appears under the heading "TITLE XI—MISCELLANEOUS" is amended by striking the item designated as "Sec. 1112" and inserting in lieu thereof:

"Sec. 1112. Exemption of certain compensation of employees for income tax purposes for other than State or subdivision of residence.".

TITLE V

SEC. 501. (a) The Administrator of the Federal Aviation Administration (hereinafter referred to as the "Administrator") shall, within 90 days after the date of enactment of this Act, promulgate regulations for airports operated by the Administration to regulate the access to public areas by individuals or by religious and nonprofit organizations (as defined in section 501(c)(3) of the Internal Revenue Code of 1954) for the purpose of soliciting funds or distributing materials.

(b) In promulgating regulations under this section the Administrator shall consider requiring any individual or organization described in subsection (a) to submit an application for a permit to engage in the soliciting of funds or the distribution of materials. In considering such an application the Administrator may require that—

(1) a responsible individual representative of the applicant shall be designated to represent the organization,

(2) each individual participating in any solicitation or distribution will display a proper identification approved by the Administrator,

(3) the number of individuals engaged in any solicitation or distribution at any one time shall not exceed a reasonable number, in keeping with the need for free movement in and operation of the airports as provided for by the permit,

(4) the solicitation or distribution be confined to limited areas and times, and

(5) no individual or organization which holds a permit under this section shall be permitted to—

(A) use sound amplification or display signs (other than signs approved by the Administrator);

(B) intentionally interfere with users of the airport;

(C) engage in the use of indecent or obscene remarks or conduct; or

(D) engage in the use of loud, threatening, or abusive language intended to coerce, intimidate or disturb the peace.

(c)(1) The Administrator shall consider requiring that a copy of a permit (if such is required) be conspicuously posted in the area in which any solicitation or distribution is permitted.

(2) The Administrator shall consider whether revocation of approval for any permit if required and approved under this section should occur for any violation of any rule or regulation promulgated hereunder.

(d) Regulations intended to be promulgated under this section shall be submitted to Congress within 30 days after the date of enactment of this Act.

Mr. CANNON. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 413.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CANNON. Mr. President, with this favorable vote on S. 413, the Senate has taken a great step forward in significantly upgrading our Nation's aviation system. S. 413 will improve aviation safety by providing increased funding for airport improvements in safety-related areas and initiating congressional monitoring of the implementation progress of collision-avoidance systems.

The noise reduction program that my distinguished colleagues have passed favorably on today will truly provide significant and meaningful noise reduction for people living near airports. It will be a reduction in noise that people can hear. At the same time that the new advanced technology aircraft are so much more quieter than present aircraft, they will be operating with a third again more fuel efficiency; not a minor consideration in present times. Thus, we have made existing aircraft noise regulations more efficient as well.

With all of these positive actions, this bill constitutes a most responsible answer on the part of the Senate to the public demand for firm Government action in the critical areas of aviation safety and noise abatement.

Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. What is the will of the Senate?

RESUMPTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a resumption of the period for routine morning business, not to extend beyond 30 minutes, and that Senators may speak during that period for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. WALLOP. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL PERSONNEL ARE OVERREGULATED

Mr. WALLOP. Mr. President, we are all aware of the dramatic growth of the Federal bureaucracy in recent years. The influence of our Federal Government over the lives of individual citizens and the private sector is growing at an alarming rate. In my State of Wyoming, the Federal Government has perhaps never been held in lower regard. The people of Wyoming are frustrated with and tired of bad and unnecessary Federal rules, regulations, reviews, guidelines, studies, and endless redtape.

The extent of the problem becomes especially troubling when Federal employees add their voices to those who contend there is too much regulation. In my State, and across the land there are many dedicated and outstanding civil servants whose excellent contributions to our society are too often overlooked. Unfortunately, it is becoming apparent that overregulation is stifling many of those who truly care about their jobs and are experts in their fields. I know from personal observation and from other accounts that redtape is driving some of our finest Federal workers away from Government service and into private enterprise. At a time when we should be working to reduce the quantity and improve the quality of Federal servants, I fear we may be prompting exactly the opposite results.

Good field personnel can and generally will do a good job, provided they are given enough rein to make decisions. Increasingly, however, field managers must look to Washington, D.C. for a decision which could better be made on the ground by those who understand the local conditions. Increasingly, local agency personnel must ask other Federal agencies in distant regional offices who they can hire for what purposes, instead of being able to hire the best people for the job. Increasingly, professionals with a particular expertise must spend more and more time in the office writing reports, and less time doing the work for which they were trained.

Mr. President, I ask unanimous consent that a statement on this subject be printed in the RECORD following my remarks. This statement was prepared by one unnamed but dedicated civil servant who nevertheless reflects the concerns of many others. I hope this Congress will be able to address some of the problems raised, and I call on my colleagues to consider this statement carefully.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

FEDERAL PERSONNEL ARE OVERREGULATED

The field people in the Forest Service are unable to be good managers any more. Over the last 15 years there has been a steady erosion in the field people's ability to manage the resource and do a good job.

Paperwork at the district level has grown enormously, and the result is that district personnel spend less time in the field and more time in the office. Congress has created too many additional agencies that impact other agencies. Examples of this are the Environmental Protection Agency, OSHA, Civil Rights Commission and others. Meanwhile other "super agencies" (those that can dictate to another agency), have grown more powerful. Examples of this are the Civil Service Commission, General Services Administration, and others. The OMB has become extremely powerful. It dictates the budget, dictates personnel ceilings, and dictates how to do the job. The problem is that it is not competent to do these things.

The following are examples of how our activity is affected:

EPA

We now write environmental analysis reports on every job. I don't believe that this time-consuming process of writing and reviewing EARs has materially affected management on the ground, except that the personnel have less time on the ground to get to know the ground and to effect quality work. The interesting thing is that on one forest we have never had anyone (the public) ask to see an EAR.

CIVIL SERVICE COMMISSION

The personnel recruiting and firing system continues to get more complex. Fifteen years ago all that was required was 15 minutes of paperwork to hire a seasonal; now it takes 2½ hours of paperwork. Fifteen years ago the districts maintained the seasonal roster and they were able to hire quality people that they knew could do the job. The roster was subsequently moved to the supervisors office and finally to the regional office. This centralization has reduced our ability to get people that can do the job, and has created endless paperwork.

OMB

This agency has become nearly impossible. It mandates the budget from year to year, and has eliminated effective communication between the agencies and Congress. When agencies testify to Congress about their needs, they must echo what OMB has told them they need rather than state their actual needs. OMB requires all sorts of meaningless reports that consume a great deal of time. OMB not only dictates budgets, but personnel ceilings as well. OMB assumes that it has ultimate wisdom, but it is sadly mistaken. It creates many boondoggles through a lack of understanding of natural resource management. Long-range planning and programming are essential in natural resource management. For an example, several years ago the Forest Service was told to anticipate a future budget level to finance planting "x" number of acres, so the trees were sown in the nurseries to plant those acres. When OMB did not provide sufficient money to plant the trees several years later, half of the trees were plowed under. This doubled the unit cost of the trees planted.

OMB doesn't understand that road design money and timber money have to be funded at the same level, because without roads you can't put up the timber. It doesn't understand its obligations to the future, for if we don't put certain stands under management today they won't be available in 40 years when the country needs them. Thus thinning money is limited and we have tremendous backlogs.

It doesn't understand the economics of road building. We are entering many timber stands for the first time, and with the shelterwood cutting system which we are using, only 25 percent of the mature trees are removed in the first cut. OMB expects this 25 percent to fully capitalize the roads, but often we need to supplement the road costs or even construct the road to make the sale feasible. Once the road is in place, it is there to serve the second entry in about 8 years and the final overstay removal 20 years later. During the last two entries the government will recover its road investment. Rumors are that our road dollars are going to diminish. If they do, our harvest will decrease and lumber prices will increase, not to mention the loss of employment.

Large timber companies are making these investments and are way ahead of the Forest Service in management. Don't blame the foresters in the Forest Service—they are dragging around a ball and chain called bureaucracy.

The last mandate is that we are to contract more. For years we have contracted where this was cost effective, but now we are being told to contract nearly everything, because of a blind objective of reducing government employment. This is not good business. The manager on the ground needs flexibility. There are many jobs that cannot be described adequately to prepare contracts due to variability. An example is thinning in a stand that lacks uniformity and where judgement is required. Often the preparation and contract administration time costs more than the job. This is true on trail construction and other items that we are being told to contract. Many small jobs require more professional time to contract than it does to fire trained and supervised seasonal crews. We have contracted dozer piling of slash for years, and 5 years ago we were doing acres on one forest both ways. Total costs of contracting ran $85 per acre. Total costs of piling with Forest Service tractor and driver was $37 per acre. We no longer have a tractor because Washington, D.C. says contracting is the way to go. As you can see, the cost is more than double. Is this really what the taxpayer wants?

We do not hire a lot of people strictly to fight fires. As good managers we plan to use timber crews, trail crews, and others for fire suppression. These crews are also placed on standby during periods of extreme fire danger. If we start contracting everything, the district ranger loses this option as he doesn't have additional crews. Therefore he has several options:

1. Hire sufficient people to fight fires for the entire summer, which would increase our cost for fire about 5 times.

2. Contract for fire fighting. If we entered into cooperative agreements with surrounding fire departments at the foot of the mountain, we would increase the initial attack by 1½ hours, and the average size of fire would increase. If we contracted the service so that they stayed on the mountain to meet initial attack objectives, we are again faced with costs 6 to 10 times greater than now.

Finally, contracting itself becomes more and more difficult and cumbersome, and we also have a large number of claims. It would appear that we are electing to do away with resource managers and hire more attorneys.

I won't take time to describe the many ways in which affirmative action plans have been counterproductive and expensive, as this is a whole new topic.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE UNITED STATES SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT—PM 63

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit herewith the Seventh Report of the United States Siani Support Mission. It covers the Mission's activities during the six-month period ending April 1, 1979, in fulfillment of obligations assumed by the United States under the Basic Agreement signed by Egypt and Israel on September 4, 1975. This Report is provided to the Congress in conformity with Section 4 of Public Law 94–110 of October 13, 1975.

The Egyptian-Israeli Peace Treaty signed in Washington on March 26, 1979, which supersedes the 1975 Basic Agreement, calls for the United States to continue its monitoring responsibilities in the Sinai until Israeli armed forces withdraw from areas east of the Giddi and Mitla Passes. This withdrawal is to be completed within nine months from the date of the exchange of instruments of ratification. In the meantime, the United States will continue to discharge its responsibilities in the Sinai in the same objective and balanced manner that has characterized the operations of the Mission since its inception in early 1976.

This year, funding of the Sinai Support Mission is authorized under Chapter 6, Part II of the Foreign Assistance Act, "Peacekeeping Operations". Careful control over program costs is expected to reduce expenditures by at least $500,000 below the amount appropriated for Fiscal Year 1979.

The Mission will be closed sometime next year, thus completing a successful U.S. initiative begun over three years ago. All Americans may be justly proud of the U.S. contribution to peacekeeping in the Sinai, and I know the Congress will continue its support of the Mission until the end of this important phase in the search for peace in the Middle East.

JIMMY CARTER.

THE WHITE HOUSE, *May 1, 1979.*

REPORT OF THE DEPARTMENT OF TRANSPORTATION—MESSAGE FROM THE PRESIDENT—PM 64

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, together with an accompanying report, which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the Eleventh Annual Report of the Department of Transportation. This report has been prepared in accordance with Section 11 of Public Law 89–670 and covers fiscal year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *May 1, 1979.*

PERSONNEL REGULATIONS FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT—MESSAGE FROM THE PRESIDENT—PM 65

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Pursuant to Title IV of the International Development and Food Assistance Act of 1978, I transmit herewith regulations affecting the personnel system of the Agency for International Development, together with explanatory information. The purpose of these regulations is to extend the Foreign Service personnel system to all employees of AID in the United States and abroad who are responsible for planning and implementing AID's overseas development program and activities.

These regulations provide that by October 1, 1979, all positions in AID shall be designated as to the personnel service in which the incumbent should serve. Positions will be designated as Foreign Service unless the position is in the United States and unless it is determined that the functions of the position are primarily of a support character and can be performed without significant overseas experience or understanding of the overseas development process, or that the position requires continuity of incumbency and specialized knowledge and skill so that it is impractical to assign the incumbent abroad. The regulations provide that, when positions so designated for Foreign Service incumbency become vacant, appointments to them will be made under the Foreign Service Act. In this manner, the Administrator will be able progressively to bring to bear important field experience in the development process to key policy positions in Washington, thereby strengthening policy development and management and providing more interesting and challenging careers. These regulations, which have been prepared after extensive consultations with the appropriate committees of the Congress, are designed to have no adverse effects upon the existing rights of employees of the Agency.

The personnel regulations I am presenting today are an important step in strengthening the administration of our foreign assistance programs. As you know, I am also proposing, under the Reorganization Act of 1977, an improved organizational structure for those programs. I urge the Congress to consider favorably both of these measures to enhance the efficiency and effectiveness of our economic assistance to developing countries.

JIMMY CARTER.

THE WHITE HOUSE, *May 1, 1979.*

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1258. A communication from the Acting Principal Deputy Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics, transmitting, pursuant to law, a report on the adequacy of pay and allowances of the uniformed services; referred to the Committee on Armed Services.

EC–1259. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the results of an examination of the Army and Air Force Selected Reserve Components' management structures; referred to the Committee on Armed Services.

EC–1260. A communication from the Chairman and a Board Member of the Federal Home Loan Bank Board, transmitting, pursuant to law, the annual report of the Federal Home Loan Bank Board for calendar year 1978; referred to the Committee on Banking, Housing, and Urban Affairs.

EC–1261. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, the annual report of the Federal Home Loan Bank Board for fiscal year 1978; referred to the Committee on Banking, Housing, and Urban Affairs.

EC–1262. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the semiannual report of the Administration on the effectiveness of the Civil Aviation Security Program; referred to the Committee on Commerce, Science, and Transportation.

EC–1263. A communication from the Chairman, U.S. Consumer Product Safety Commission, reporting, pursuant to law, to the Office of Management and Budget's request for comments on draft legislation concerning uniform hazardous substances export notification; to the Committee on Commerce, Science, and Transportation.

EC–1264. A communication from the Secretary of Transportation, transmitting, pursuant to law, the ninth annual report of operations under the Airport and Airway Development Act of 1970; referred to the Committee on Commerce, Science, and Transportation.

EC–1265. A communication from the Secretary of Commerce, transmitting, pursuant to law, the annual report of the activities of the Department of Commerce during fiscal year 1978 as required by the Fair Packaging and Labeling Act; referred to the Committee on Commerce, Science, and Transportation.

EC–1266. A communication from the Secretary of Transportation, transmitting a draft of proposed legislation to establish a working capital fund for the Transportation Systems Center of the Department of Transportation; referred to the Committee on Commerce, Science, and Transportation.

EC–1267. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the annual report on grants and contracts awarded under the Toxic Substances Act for calendar year 1978, and advising that there were no such awards; referred to the Committee on Commerce, Science, and Transportaiton.

EC–1268. A communication from the Assistant Secretary of Energy for Environment, transmitting, pursuant to law, an amendment to the 1972 cooperative arrangement between the United States and the State of Colorado covering the uranium mill tailings remedial action program in the area of Grand Junction, Colorado; referred to the Committee on Energy and Natural Resources.

EC–1269. A communication from the Secretary of the Interior, transmitting, pursuant to law, the third annual report of the Tule elk herds in California; referred to the Committee on Environment and Public Works.

EC–1270. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on the means of improving opportunities for State participation in the process of siting, licensing and developing nuclear waste storage or disposal facilities; referred to the Committee on Environment and Public Works.

EC–1271. A communication from the Administrator, United States Environmental Protection Agency, transmitting a draft of proposed legislation to authorize a flexible environmental program of integrated financial assistance to States and local governments to plan, manage, and implement abatement and control strategies in a more efficient and effective manner; to the Committee on Environment and Public Works.

EC–1272. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the purchase of the Food and Drug Administration Building in Boston, Massachusetts; to the Committee on Environment and Public Works.

EC–1273. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a work plan for upstream watershed protection of the Upper San Marcos River Watershed in Comal and Hays Counties, Texas; to the Committee on Environment and Public Works.

EC–1274. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the twenty-third annual report on the financial condition and results of the operations of the Highway Trust Fund; to the Committee on Finance.

EC–1275. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days of the execution thereof; to the Committee on Foreign Relations.

EC–1276. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to provide for the transfer of the facilities and related property of the Sinai Field Mission; to the Committee on Foreign Relations.

EC–1277. A communication from the Acting Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a report of a personal record system change; to the Committee on Governmental Affairs.

EC–1278. A communication from the Chairman, Board of Trustees, Public Defender Service for the District of Columbia, transmitting, pursuant to law, its annual report for FY 1977; to the Committee on Governmental Affairs.

EC–1279. A communication from the Governor, Farm Credit Administration, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1280. A communication from the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1281. A communication from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend the Federal Employees' Compensation Acts, title 5, United States Code, by adding a new section providing for work injury coverage of federal petit and grand jurors in the performance of their duties; to the Committee on the Judiciary.

EC–1282. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–1283. A communication from the Chief Justice of the United States, transmitting proposed amendments to the Federal Rules of Appellate Procedure; to the Committee on the Judiciary.

EC–1284. A communication from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend the Jury System Improvements Act of 1978 with regard to the appointment and compensation of counsel for jurors claiming a violation by their employers of rights guaranteed by 28 U.S.C., section 1875; to the Committee on the Judiciary.

EC–1285. A communication from the Secretary of Labor, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–1286. A communication from the Director, Administraive Office of the United States Courts, transmitting, pursuant to law, a report on applications for court orders made to federal and state courts to permit the interception of wire or oral communications during calendar year 1978; to the Committee on the Judiciary.

EC–1287. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the 1978 report of the National Academy of Sciences/National Research Council on "Personnel Needs and Training for Biomedical and Behavioral Research"; to the Committee on Labor and Human Resources.

EC–1288. A communication from the Chairman, National Commission on Manpower Policy, transmitting, pursuant to law, its annual report entitled "An Enlarged Role for the Private Sector in Federal Employment and Training Programs"; to the Committee on Labor and Human Resources.

EC–1289. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for Part 146a, Citizen Education for Cultural Understanding Program; to the Committee on Labor and Human Resources.

EC–1290. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Davis-Bacon Act Should Be Repealed," April 27, 1979; to the Committee on Labor and Human Resources.

EC–1291. A communication from the Assistant Secretary of the Army and the Secretary of Agriculture, transmitting drafts of proposed legislation (1) to deauthorize the Cross Florida Barge Canal Project, and for other purposes; (2) to provide for restoration of the Oklawaha River portion of the project and disposition of other lands and facilities outside the Oklawaha River Area; and (3) to authorize study of the Oklawaha River for potential addition to the National Wild and Scenic Rivers System; to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared on the other side of the aisle.

Mr. President, I ask unanimous consent that a communication received today from the Assistant Secretary of the Army (Civil Works) and the Secretary of Agriculture, transmitting three draft bills, first, to deauthorize the Cross Florida Barge Canal project, second, to provide for restoration of the Oklawaha River portion of the project and disposition of other lands and facilities outside the Oklawaha River area, and third to authorize study of the Oklawaha River for potential addition to the National Wild and Scenic Rivers System, be jointly referred to the Committees on Environment and Public Works and Energy and Natural Resources since the first two bills come under the jurisdiction of the Committee on Environment and Public Works and the third under the jurisdiction of the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-192. A joint resolution adopted by the Legislature of the State of Indiana; to the Committee on the Judiciary:

"SENATE ENROLLED JOINT RESOLUTION NO. 8

"Be it resolved by the General Assembly of the State of Indiana:

"Section 1. The General Assembly of the State of Indiana makes application to the Congress of the United States for a convention to be called under Article V of the Constitution of the United States for the specific and exclusive purpose of proposing an amendment to the Constitution to the effect that, in the absence of a national emergency, the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year.

"Section 2. The Secretary of the Senate is instructed to transmit a certified copy of this joint resolution to the President of the Senate of the Congress of the United States, the Speaker of the House of Representatives of the Congress of the United States, the presiding officer of each chamber of each state legislature in the United States, and each member of the Indiana congressional delegation."

POM-193. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, The proliferation of dope including marijuana, the opiates, psychotropic and all other dangerous chemicals has reached epidemic proportions in our homes, schools and workplaces, until our entire "next generation" of American youth is now literally endangered; and

"Whereas, The estimated 200 billion dollars of international dope trafficking revenue is destroying the industrial integrity and scientific basis of the U.S. economy by disrupting honest capital markets and economic transactions; and

"Whereas, Developing sector countries, most notably Colombia, Guyana, and others in Latin America and Asia, are being forced into converting their economies into cash-crop drug production to satisfy World Bank-International Monetary Fund terms of debt demand; and

"Whereas, The Republic of Mexico has demonstrated in collaboration with U.S. agencies, that dope production can be rapidly and thoroughly eradicated by concentrated scientific use of appropriate advanced technology supplied by the United States for the purpose; therefore, be it

"Resolved, That the Massachusetts General Court call upon the President and the Congress of the United States to take all necessary investigative and prosecutory steps to collaborate with the governments of dope-producing countries to wipe out all dope acreage, and to assist in the rapid and thorough conversion of these economies away from the debilitating World Bank policies and into sound agricultural and industrial integration into a growing world economy; and be it further

"Resolved, That the Congress investigate and bring to justice all those banking and corporate networks complicit in the laundering of the international illegal dope trade money, which takes place in particular in the Hong Kong, Caribbean, and Canadian sections of the London-based banking networks and enforce to the fullest the existing laws against dope use and trafficking into and within the United States; and be it further

"Resolved, That copies of these resolutions be sent forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of Congress, and to the members thereof from this Commonwealth."

POM-194. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Armed Services:

"RESOLUTION

"Whereas, On August fifteenth, nineteen hundred and seventy-three, the United States government formally ended its military involvement in the Indo-China Area thereby bringing to a close a period in which our government unstintingly gave of its resources and manpower to the South Vietnam, Cambodian and Laos governments in the Vietnam War, so-called; and

"Whereas, During this period of rejoicing over the end of our military involvement in this area, it is well that we remember that at the present time there are approximately thirteen hundred American men missing in action because of this involvement; and

"Whereas, Since the distraught families and friends of these men have been trying to no avail to get some information as to their existence, it now behooves every American and free people everywhere to use their influence on the North Vietnam government in Hanoi to make public all information it has on these men and to render all possible assistance in gathering as much information as possible about them; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the President of the United States to use the influence of his office to assist in establishing the status of the men who are missing in action because of our recent involvement in the Indo-China Area; and be it further

"Resolved, That the Massachusetts General Court requests the members of the Congress of the United States to use their good offices in assisting to secure this information and establishing a congressional committee to hold hearings and to do any other acts which they deem necessary to carry out the purpose of this resolution; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-195. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Finance:

"RESOLUTION

"Whereas, The citizens of Massachusetts are justly disturbed over the taxes they must pay to support the ever increasing cost of public assistance; and

"Whereas, All of the fifty states of the union are limited as to their ability to raise funds by taxation; and

"Whereas, The various states of the union differ in the amounts of benefits each provides for public assistance which in turn results in inducing persons on need to migrate to those states offering larger grants including Massachusetts; therefore be it

"Resolved, That the Massachusetts General Court respectfully urges the President and the Congress of the United States to take such action as may be necessary to take over the full cost and administration of public assistance and to equalize the benefits in all states; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of Congress, and to the members thereof from this Commonwealth."

POM-196. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTION

"Whereas, The price of home fuel oil is becoming exorbitant; and

"Whereas, Information is being publicized leading the citizens to believe oil companies are fixing the prices of home fuel oil illegally; and

"Whereas, The oil companies are, in fact, setting arbitrary quotas which impose severe financial detriments to the people of the northeastern sections of the country; therefore, be it

"Resolved, That the Massachusetts General Court respectfully urges the Congress of the United States to investigate the legality of the causes for the high cost of home fuel oil in the northeastern sections of the country, including New York, Connecticut, Rhode Island, Massachusetts, New Hampshire, Maine and Vermont; and be it further

"Resolved, That copies of these resolutions be transmitted forthwith by the Clerk of the Senate to the President of the United States, the presiding officer of each branch of the Congress and to the members thereof from this Commonwealth."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 640. A bill to authorize appropriations for the fiscal year 1980 for certain maritime programs of the Department of Commerce, and for other purposes (Rept. No. 96-105).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment and an amendment to the title:

S. 527. A bill to authorize appropriations for activities for the National Science Foundation for fiscal years 1980 and 1981, and for other purposes (together with additional views) (Rept. No. 96-106).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, without amendment, without recommendation:

H.R. 2729. An act to authorize appropriations for activities of the National Science Foundation, and for other purposes (Rept. No. 96-107).

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, with amendments:

S. 348. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman (Rept. No. 96-108).

S. 613. A bill to authorize the President of the United States to present a gold medal to the widow of Hubert H. Humphrey (Rept. No. 96-109).

S. 631. A bill to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to John Wayne (Rept. No. 96-110).

Mr. PROXMIRE. Mr. President, from the Committee on Banking, Housing and Urban Affairs I report favorably with amendments three legislative proposals authorizing the issuance of gold medals to the widow of Hubert H. Humphrey, John Wayne, and the first balloonists to successfully cross the Atlantic Ocean: Ben Abruzzo, Maxie Anderson, and Larry Newman. The medallions would be presented by the President in the name of Congress, and bronze duplicates of each medal would be offered for sale by the Bureau of the Mint.

The committee agreed to report these legislative proposals with two amendments. The first amendment increases the amount authorized to be appropriated for striking the gold medals. The Bureau of the Mint has advised the committee that it costs between $12,000 and $15,000 to manufacture each gold medal. Accordingly the first amendment was adopted by the committee to reflect this increase. The second amendment merely revises subsection (b) of the bills concerning the authorization of bronze duplicates for sale to the general public. The present language of this subsection appears to follow the provision found in private medal proposals where use of the Bureau of the Mint's facilities is authorized by the Congress to manufacture medals for private, nonprofit organizations on a reimbursable basis.

Mr. President, each of the recipients has left an indelible mark on the American landscape.

I wanted to be sure that Senators were aware of the fact that these matters are now before the Senate and available for the leadership to call up.

By Mr. KENNEDY (for Mr. Bayh), from the Committee on the Judiciary:

Report on Senate Joint Resolution 28 (submitted on April 10, 1979), entitled "Direct Popular Election of the President and Vice President of the United States" (together with minority and additional views) (Rept. No. 96-111).

By Mr. CHURCH, from the Committee on Foreign Relations, with an amendment:

S. Res. 15. A resolution concerning mutual defense treaties.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs:

Charles L. Dempsey, of Virginia, to be Inspector General, Department of Housing and Urban Development. Referred to the Committee on Governmental Affairs, for not to exceed 20 days, pursuant to order of March 1, 1979.

(The above nomination from the Committee on Banking, Housing, and Urban Affairs was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. CANNON. Mr. President, as in sundry nominations in the Coast Guard which have appeared previously in the CONGRESSIONAL RECORD and, to save the expense of printing them on the Executive Calendar, I ask unanimous consent that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD of April 23, 1979, at the end of the Senate proceedings.)

Mr. HARRY F. BYRD, JR. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably the following nominations: In the Army, Gen. George Samuel Blanchard, (age 58) to be placed on the retired list in that grade; Lt. Gen. Edward Charles Meyer, to be general; Lt. Gens. Eugene Joseph D'Ambrosio, (age 57), and Thomas Matthew Rienzi, (age 60), to be placed on the retired list in the grade of lieutenant general; Brig. Gens. Alton H. Harvey and Hugh J. Clausen to be major generals; 33 temporary appointments to the grade of major general (list beginning with Brig. Gen. William R. Read); four appointments in the Adjutant General's Corps, Army National Guard two (to major general and two to brigadier general) (list beginning with Brig. Gen. Willie Leo Scott); 26 permanent appointments to the grade of brigadier general (list beginning with Brig. Gen. William E. Read). In the Navy, Adm. Maurice F. Weisner, (age 61), for appointment to the grade of admiral on the retired list; Vice Adm. Frederick C. Turner, (age 55), for appointment to the grade of vice admiral on the retired list; and, Gen. Robert H. Barrow, USMC, to be Commandant of the Marine Corps. I nthe Air Force, Maj. Gen. Freddie Lee Poston to be lieutenant general; Lt Gen. Marion L. Boswell, for appointment as senior U.S. Air Force member of the Military Staff Committee of the United Nations; and, Lt. Gen. George G. Loving, Jr., (age 56), for appointment to the grade of lieutenant general on the retired list. I ask that these names be placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. In addition, Mr. President, there are 44 in the Army for promotion to the grade of colonel and below (list beginning with Charlie A. Beckwith), and, 329 in the Army (Medical Corps) to the grade of lieutenant colonel (list beginning with William R. Allen). In the Navy, there are 125 U.S. Naval Academy graduates for permanent appointment to the grade of second lieutenant in the Marine Corps (list beginning with Peter J. Aagard); three for temporary promotion to the grade of lieutenant and lieutenant (junior grade) (list beginning with Patricia D. Schneider); and, 1,652 for temporary promotion to the grade of lieutenant (junior grade) (list beginning with Philip J. Aarons). In the Navy and Naval Reserve, there are 71 for promotion or appointment to the grade of captain and below (list beginning with William R. Applegate); 754 in the Reserve of the Navy for promotion to the grade of captain and commander (list beginning with Donald E. Abram); 1,063 various appointments to the grade of commander and below (list beginning with Robert A. Beach); 98 for appointment in the grade of first lieutenant and chief warrant officer (W-3) in the Marine Corps (list beginning with Thomas E. Adams); 86 appointments in the Marine Corps and Marine Corps Reserves to the grade of colonel and below (list beginning with Ronald C. Andreas). In the Air Force, 1,245 appointments to the grade of first and second lieutenants (list beginning with James M. Abel, Jr.) and 905 U.S. Air Force Academy cadets for appointment to the grade of second lieutenant (list beginning with Keith C. Abbott). Since these names have already appeared in the CONGRESSIONAL RECORD and to save the expense of printing again, I ask unanimous consent that they be ordered to lie on the Secretary's desk for the information of any Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the RECORD on April 2, April 9, and April 23, 1979, at the end of the Senate proceedings.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (by request):

S. 1047. A bill to amend section 23A of the Federal Reserve Act to revise the restrictions on transactions between banks and their affiliates; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 1048. A bill to designate the aquarium to be built on the site on Pratt Street, Pier 3, Baltimore Inner Harbor, Baltimore, Md., as the "National Aquarium"; to the Committee on Environment and Public Works.

By Mr. JAVITS (for himself and Mr. MCGOVERN):

S. 1049. A bill to establish a National Bank of Community Conservation to provide financial asistance to distressed areas for the conservation of existing public capital infrastructures; to the Committe on Banking, Housing, and Urban Affairs.

By Mr. ROTH (for himself and Mr. RIBICOFF):

S. 1050. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition and fees to provide a higher education for himself, his spouse, or his dependents; to the Committee on Finance.

By Mr. ROTH:

S. 1051. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for certain educational expenses; to the Committee on Finance.

By Mr. HAYAKAWA (for himself, Mr. HATCH, Mr. HUDDLESTON, and Mr. MCCLURE):

S. 1052. A bill to amend the Voting Rights Act of 1965 to repeal certain requirements relating to bilingual election requirements; to the Committee on the Judiciary.

By Mr. STONE (for himself and Mr. LUGAR):

S. 1053. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to increase the uses and effect of U.S. food aid; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DOLE (for himself and Mr. McGOVERN):

S. 1054. A bill to authorize additional projects for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HELMS (for himself and Mr. DURKIN):

S. 1055. A bill to provide for the issuance of gold coins; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DOLE:

S.J. Res. 68. A joint resolution to authorize and request the President to proclaim the week of June 17 through 23, 1979, as "Product Safety Week"; to the Committee on the Judiciary.

By Mr. McGOVERN (for himself, Mr. BAUCUS, Mr. MAGNUSON, Mr. CHURCH, Mr. CULVER, Mr. BURDICK, Mr. YOUNG, Mr. BOSCHWITZ, Mr. PRESSLER, Mr. DURENBERGER, Mr. JEPSEN, and Mr. JACKSON):

S.J. Res. 69. A joint resolution to require continuation of existing levels of rail service by the Chicago, Milwaukee, St. Paul & Pacific Railroad Co. for a period of 90 days; to the Committee on Commerce, Science, and Transportation.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (by request):

S. 1047. A bill to amend section 23A of the Federal Reserve Act to revise the restrictions on transactions between banks and their affiliates; to the Committee on Banking, Housing, and Urban Affairs.

BANKING AFFILIATES ACT

Mr. PROXMIRE. Mr. President, at the request of the Federal Reserve Board, I send to the desk for appropriate reference legislation designed to bring the law governing intracorporate dealings between banks and their affiliates up to date.

The legislation titled the "Banking Affiliates Act" closes loopholes in current law and provides relief where regulation has become burdensome. For example, bank advised REITs are classified as affiliates under the legislation for the first time. But transactions between 80 percent commonly owned banks are exempted from the restrictions.

Mr. President, the legislation put forward by the Federal Reserve addresses an area of banking law that needs attention and will provide a vehicle for the Senate Banking Committee upon which to hold hearings and examine the financial dealings between banks and their affiliates.

Mr. President, I ask unanimous consent that Chairman Miller's letter to me of April 9, 1979, and the enclosures explaining this draft legislation be printed in the RECORD following my remarks, together with the text of the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1047

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. This Act may be cited as the "Banking Affiliates Act".

SEC. 2. Section 23A of the Federal Reserve Act (12 U.S.C. 371C) is amended to read as follows:

"SEC. 23A. (a) Restrictions on Transactions With Affiliates.—A member bank and its subsidiaries may engage in any covered transaction (other than the purchase of a low-quality asset which is hereby prohibited) with any affiliate only if such transaction is made on substantially the same terms as those prevailing at the time for comparable transactions with other nonaffiliated companies, and only if, in the case of any such affiliate, the aggregate amount of covered transactions of the member bank and its subsidiaries will not exceed 10 per centum of the capital stock and surplus of the member bank, and only if, in the case of all affiliates, the aggregate amount of covered transactions of the member bank and its subsidiaries will not exceed 20 per centum of the capital stock and surplus of the member bank. For the purpose of this section, any transaction with a director, officer, or other employee or any representative of an affiliate shall be deemed to be a transaction with the affiliate to the extent that the proceeds of the transaction are used for the benefit of, or transferred to, the affiliate; and, except in the case of a company that controls the member bank, any transaction with a subsidiary of an affiliate or with a subsidiary of that subsidiary shall be deemed to be a transaction with such affiliate.

"(b) DEFINITIONS.—For the purpose of this section:

"(1) The term 'affiliate', with respect to a member bank, means—

"(A) any company that controls the member bank and any other company that is controlled by the company that controls the member bank;

"(B) a bank subsidiary of the member bank;

"(C) any company (i) which is controlled directly or indirectly, by trust or otherwise, by or for the benefit of shareholders who beneficially or otherwise control, directly or indirectly, by trust or otherwise, the member bank or any company that controls the member bank; or (ii) in which a majority of its directors or trustees constitute a majority of the persons holding any such office with the member bank or any company that controls the member bank;

"(D) any company, including a real estate investment trust, that is sponsored and advised on a contractual basis by the member bank or any subsidiary or affiliate of the member bank; and

"(E) any company that the Board determines by regulation or order to have a relationship with the member bank or any subsidiary or affiliate of the member bank, such that judgments by the member bank or its subsidiary, with respect to transactions with such company, may be affected by the relationship to the detriment of the member bank or its subsidiary.

"(2) (A) A company or shareholder shall be deemed to have control over another company if—

"(i) such company or shareholder, directly or indirectly, or acting through one or more other persons owns, controls, or has power to vote 25 per centum or more of any class of voting securities of the other company;

"(ii) such company or shareholder controls in any manner the election of a majority of the directors or trustees of the other company; or

"(iii) the Board determines, after notice and opportunity for hearing, that such company or shareholder, directly or indirectly, exercises a controlling influence over the management or policies of the other company.

"(B) Notwithstanding any other provision of this subsection, no company shall be deemed to own or control another company by virtue of its ownership or control of shares in a fiduciary capacity, except as provided in paragraph (1)(C), but shares shall not be deemed to be owned or controlled in a fiduciary capacity if the company owning or controlling such shares has sole discretionary authority to exercise voting rights with respect thereto, or if the company owning or controlling such shares is a business trust.

"(3) The term 'subsidiary' with respect to a specified company means a company that is controlled by such specified company.

"(4) The term 'bank' means any institution organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the United States Virgin Islands which (A) accepts deposits that the depositor has a legal right to withdraw on demand, and (B) engages in the business of making commercial loans. Such term does not include any company operating under section 25 or section 25(a) of this Act, or any company which does not do business within the United States or whose only business within the United States is incidental to its activities outside the United States.

"(5) The term 'company' means a corporation, partnership, business trust, association or similar organization. Unless specifically excluded, the term 'company' includes a 'member bank' and a 'bank'.

"(6) The term 'covered transaction' means with respect to an affiliate of a member bank—

"(A) a loan or extension of credit to the affiliate;

"(B) a purchase of or investment in securities of the affiliate;

"(C) a purchase of assets, including assets subject to an agreement to repurchase, from the affiliate;

"(D) the acceptance of securities of the affiliate as collateral security for a loan or extension of credit to any person or company; or

"(E) the issuance of an acceptance, guarantee, or letter of credit, including an endorsement or standby letter of credit to, or on behalf of, an affiliate.

"(7) The term 'aggregate amount of covered transactions' means the amount of the covered transactions about to be engaged in added to the current amount of all outstanding covered transactions.

"(8) The term 'securities' means stocks, bonds, debentures, notes, or other similar obligations.

"(9) The term 'low-quality asset' means an asset that falls in any one or more of the following categories:

"(A) an asset classified as 'substanard', 'doubtful', or 'loss' or treated as 'other loans especially mentioned' in the most recent report of examination prepared by either a Federal or a State supervisory agency;

"(B) an asset in a nonaccrual status;

"(C) an asset on which principal or interest payments are more than thirty days past due; or

"(D) an asset whose terms have been renegotiated or compromised due to the deteriorating financial condition of the obligor.

"(c) EXEMPTIONS.—

"(1) For the purpoess of this section the following shall not be considered to be an affiliate:

"(A) any company, other than a bank, which is a subsidiary of the member bank;

"(B) any company engaged solely in holding the premises of the member bank with which it is affiliated;

"(C) any company engaged solely in conducting a safe deposit business;

"(D) any company engaged solely in holding obligations of the United States or its agencies or obligations fully guaranteed by the United States or its agencies as to principal and interest; or

"(E) any company where control results from the exercise of rights arising out of a bona fide debt previously contracted, but only for the period of time specifically authorized under applicable State or Federal law or regulation or in the absence of such law or regulation for a period of two years from the date of the exercise of such rights or the effective date of the Banking Affiliates Act, whichever date is later, subject, upon application for good cause shown, to authorization by the Board for extensions of time for not more than one year at a time, but such extensions in the aggregate shall not exceed three years.

"(2) The provisions of this section shall be not applicable to:

"(A) any transaction, except for the purchase of a low-quality asset, with a bank—

"(i) that controls 80 per centum or more of the voting shares of the member bank;

"(ii) in which the member bank controls 80 per centum or more of the voting shares; or

"(iii) in which 80 per centum or more of the voting shares are controlled by the company that controls 80 per centum or more of the voting shares of the member bank;

"(B) making non-interest-bearing deposits in an affiliated bank;

"(C) giving immediate credit to an affiliated bank for uncollected items received in the ordinary course of business;

"(D) making any loan or extension of credit to any affiliate that is fully secured by obligations of the United States or its agencies or obligations fully guaranteed by the United States or its agencies as to principal and interest;

"(E) purchasing securities of any company of the kinds described in section 4(c)(1) of the Bank Holding Company Act of 1956; and

"(F) purchasing assets having a readily identifiable and publicly available market quotation and purchased at that market quotation.

"(d) SECURITY FOR CERTAIN TRANSACTIONS WITH AFFILIATES.—

"(1) Each loan or extension of credit to, or guarantee, acceptance, or letter of credit issued to, or on behalf of, an affiliate by a member bank or its subsidiary shall be secured at the time of the transaction by collateral having a market value equal to—

"(A) 100 per centum of the amount of such loan or extension of credit, guarantee, acceptance, or letter of credit if the collateral is composed of obligations of the United States or its agencies or obligations fully guaranteed by the United States or its agencies as to principal and interest, or notes, drafts, bills of exchange or bankers' acceptances that are eligible for rediscount or purchase by the Federal Reserve Banks;

"(B) 110 per centum of the amount of such loan or extension of credit, guarantee, acceptance, or letter of credit if the collateral is composed of obligations of any State or political subdivision of any State;

"(C) 120 per centum of the amount of such loan or extension of credit, guarantee, acceptance, or letter of credit if the collateral is composed of other debt instruments, including receivables; or

"(D) 130 per centum of the amount of such loan or extension of credit, guarantee, acceptance, or letter of credit if the collateral is composed of stock, leases, or other real or personal property.

"(2) Any such collateral that is subsequently retired or amortized shall be replaced by additional eligible collateral where needed to keep the percentage of the collateral value relative to the amount of the outstanding loan or extension of credit, guarantee, acceptance, or letter of credit equal to the minimum percentage required at the inception of the transaction.

"(3) A low-quality asset shall not be acceptable as collateral.

"(4) The securities of an affiliate of the member bank shall not be acceptable as collateral for a loan or extension of credit to, or guarantee, acceptance, or letter of credit issued to, or on behalf of, that affiliate or any other affiliate of the member bank.

"(5) The collateral requirements of this subsection shall not be applicable to an acceptance that is already fully secured either by attached documents or by other property having an ascertainable market value that is involved in the transaction.

"(e) Rulemaking and Additional Exemptions.—

"(1) The Board may prescribe by regulation or order, limitations or other requirements as to any transactions with any company in which the member bank or a bank affiliate of the member bank owns, directly or indirectly, a minority equity interest other than in a fiduciary capacity, and may issue such further regulations and orders, including definitions consistent with this section, as may be necessary to administer and carry out the purposes of this section and to prevent evasions thereof.

"(2) The Board may, at its discretion, by regulation or order exempt transactions or relationships from the requirements of this section if it finds such exemptions to be in the public interest and consistent with the purposes of this section.".

SEC. 3. Section 18(j) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)) is amended by striking out the words ", within the meaning of section 2 of the Banking Act of 1933, as amended, and".

SEC. 4. The amendments made by this Act are applicable to transactions entered into after its date of enactment, except for transactions that are the subject of a binding written contract or commitment entered into on or before April --, 1979, and except that any renewal of a participation loan outstanding on April --, 1979, to a company which becomes an affiliate as a result of the enactment of this Act, or any participation loan to such an affiliate emanating from the renewal of a binding written contract or commitment outstanding on April --, 1979, shall not be subject to the collateral requirements contained in the amendments made by this Act.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,
Washington, D.C., April 9, 1979.

Hon. WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs, United States Senate, Washington, D.C.

DEAR BILL: In 1976 you asked the Board to undertake a study of Section 23A of the Federal Reserve Act and propose needed amendments. This statute places quantitative limitations on a bank's transactions with affiliated companies and requires that all bank loans or extensions of credit to affiliates be fully secured. After extensive study, the Board concluded that Section 23A had major shortcomings and definitely was in need of amendment. First, the statute contains some potentially dangerous "loopholes" which, if permitted to continue, could expose banks to undue risk. Second, the statute in several areas appears unreasonably restrictive and needs to be liberalized. Finally, the statute is poorly drafted and organized, thereby making compliance and enforcement more difficult than is necessary.

In March 1978 the Board submitted to your Committee a detailed proposal to amend Section 23A. Shortly thereafter, you introduced the Board's draft bill as S. 2810. However, no hearings were held on this bill during the 95th Congress.

The Board continues to believe that Section 23A needs amending. Accordingly, the Board is again forwarding the enclosed draft bill to your Committee, along with a brief summary of the Board's principal recommendations and a detailed discussion paper explaining the reasons for all proposed amendments. The draft bill is quite similar to the one that the Board submitted last year. However, several wording changes have been made to improve the clarity of the draft bill, and the Board would now suggest a modest liberalization of the bill's grandfather provisions from those originally contemplated.

Sincerely,

BILL.

SUMMARY OF THE BOARD'S MAJOR PROPOSED AMENDMENTS TO SECTION 23A

The purpose of this paper is to summarize the Board's more important proposed amendments to Section 23A of the Federal Reserve Act. These current proposals are essentially the same as those contained in the Board's Section 23A proposal that was forwarded to the Congress in March, 1978. Section 23A is designed to prevent the misuse of a bank's resources stemming from non-arm's-length financial transactions with companies with which the bank is affiliated. The statute was originally enacted as part of the Banking Act of 1933 (the Glass-Steagall Act), and since then it has been amended several times. Section 23A originally applied only to member banks, but in 1966 Congress amended the Federal Deposit Insurance Act to extend coverage of the statute to insured nonmember banks. Consequently, Section 23A now applies to all federally insured banks.

The statute attempts to protect banks in transactions with affiliates in two ways. First, it limits a bank's transactions with any single affiliate to no more than 10 percent of the bank's capital and surplus, and with all affiliates combined to no more than 20 percent. Second, the statute requires that all bank loans or extensions of credit to affiliates be fully secured.

Section 23A is widely acknowledged to be poorly drafted and haphazardly organized. These features have made the statute difficult to comply with and to enforce. However, if properly structured, Section 23A can be viewed as a four-part statute. The first part defines what companies are affiliates of a bank. The second part specifies what types of financial transactions between a bank and its affiliates are covered by the statute. The third part sets quantitative limitations on a bank's covered transactions with any single affiliate and with all affiliates combined. The fourth part sets collateral requirements on bank loans and extensions of credit to affiliates. This four-part structure will be used in summarizing the main amendments contained in the Board's Section 23A proposal.

DEFINITION OF "AFFILIATE"

Under present law the term "affiliate" is defined to include: (1) the parent holding company of a bank and any other subsidiary of that parent, (2) any majority-owned subsidiary of a bank, and (3) any company interlocked with a bank, either directly through a shareholder or director interlock or indirectly through a trusteed affiliate relationship. The Board's proposed amendments to Section 23A would make changes with respect to all three of these categories of affiliates. In addition, bank-advised REITs would be defined as affiliates, thereby limiting future transactions between banks and their advised REITs.

Sister bank subsidiaries in holding company

Currently, sister bank subsidiaries in a holding company system are defined as affiliates of each other so that transactions between such banks are restricted. In recent years, there have been proposals to relax these restrictions in order to treat a multibank holding company more like a branch bank.

Allowing unlimited transactions between sister banks offers both potential advantages and disadvantages. Advantages (1) improved allocative efficiency resulting from freer movement of funds among affiliated banks, and (2) the possibility that one or more banks in a holding company system could save a financially troubled sister bank from failure without seriously damaging the other banks. Disadvantages include the possibility of (1) multiple bank failures resulting from an unsuccessful rescue operation, (2) a sequence of transactions to transfer low quality assets among affiliated banks to avoid examiner criticism, and (3) transactions designed to harm minority shareholders of a subsidiary bank.

The Board recommends allowing unlimited transactions (except for the purchase of "low quality assets,"[1] which would be prohibited) between 80 percent or more owned sister banks. The prohibition of the purchase of low quality assets is designed to prevent a sequence of transactions that could frustrate the bank examination process, as well as to minimize the possibility that an attempted rescue operation might backfire and result in multiple bank failures. Finally, limiting the liberalization to 80 percent or more owned banks is intended to protect minority shareholders in less than 80 percent owned banks.[2]

Subsidiaries of a bank

Presently, majority-owned subsidiaries of a bank are included as affiliates, whereas minority-owned subsidiaries are excluded. The Board believes that majority-owned subsidiaries of a bank should be regarded as an integral part of the bank. Therefore, the Board favors the removal of the present restrictions on transactions between a bank and its majority-owned subsidiaries.[3]

As for minority-owned subsidiaries, most of which represent foreign joint ventures and investments, a case can be made to restrict transactions between such subsidiaries and the parent bank. Specifically, it can be argued that the U.S. bank would stand behind a joint venture company in order to protect the bank's reputation and ensure its continued presence in the foreign country. In fact, it appears that U.S. banks have, on occasion, made informal commitments to this effect in order to secure a joint venture partner. In making such a commitment, the bank has obligated itself to extend credit to the joint venture company without either an arm's-length assessment of the credit risk involved or absolute control over the disbursement of the funds. While the Board is concerned over these commitments, it is also mindful that to impose rigid statutory transactions restrictions at this juncture would represent a major change in the "rules of the game" under which these joint ventures were originally authorized. Accordingly, the Board recommends that the transactions between a bank and its minority-owned subsidiaries not be restricted by statute, but that the Board be given authority to restrict such transactions where it deems necessary.

Shareholder and director interlock affiliations

Present law covers certain types of shareholder and director interlock relationship's between a company and a bank, presumably to minimize abuses to the bank stemming from non-arm's length transactions arising out of such relationships. At the same time, the law omits any reference to an interlock between a company and a bank holding company. However, an interlock involving a bank holding company would seem to offer the potential for abuse of the subsidiary bank(s) similar to that associated with an interlock directly involving a bank. Consequently, the Board's proposal would close this "loophole" by defining as an affiliate for purposes of Section 23A any company that is interlocked with either a bank or its parent holding company. An important effect of this change would be to define a chain of one-bank holding companies as affiliates of each other's subsidiary banks.

Bank-advised REIT's

At present, Real Estate Investment Trusts (REITs) and other organizations that are sponsored and advised by a banking organization are not considered affiliates for purposes of Section 23A. However, in view of the difficulties which many bank-advised REITs have encountered in recent years, the Board believes that REITs and other organizations that are sponsored and advised on a contractual basis by a banking organization should be included as affiliates for purposes of Section 23A. Such an extension of the statute recognizes that a bank may try to rescue a financially troubled organization that it sponsored and advises in order to (1) prevent reputation damage to the bank or (2) forestall any lawsuits alleging that the sponsored organization received "bad advice" from the bank.

The Board has also considered the possibility that other organizations may later come to be regarded as having a non-arm's-length relationship with a banking organization. Accordingly, the Board recommends that it be authorized to add to the definition of affiliate from time to time such organizations that it determines to fall into this category.

COVERED TRANSACTIONS

Section 23A now covers the following major types of bank transactions with affiliates: (1) making loans or extensions of credit to an affiliate; (2) purchasing securities or other assets from an affiliate subject to a repurchase agreement;[4] (3) investing in the stock, bonds or other debt obligations of an affiliate; and (4) purchasing promissory notes and certain other types of paper from an affiliate.

The major problem involving the types of transactions now covered by the statute relates to asset purchases. As noted above, Section 23A now covers the purchase of securities and other assets subject to a repurchase agreement, and the purchase of promissory notes and certain other types of paper. However, all other types of asset purchases (such as the purchase of securities not subject to a repurchase agreement) are uncovered and, therefore, are not subject to the quantitative limitations of the statute. This presents a problem because a bank might be forced into buying from an affiliate a large amount of such uncovered assets that are of dubious quality. Such a purchase could have a serious adverse effect on the bank's financial condition.

To close this "loophole," the Board recommends that the present statute be amended to cover all types of asset purchases by a bank from affiliates.

QUANTITATIVE LIMITATIONS

Section 23A contains two quantitative limitations on the amount of covered transactions that a bank can have with its affiliates. The first limits aggregate covered transactions with any single affiliate to no more than 10 percent of the bank's capital stock and surplus. The second limits aggregate covered transactions with all affiliates combined to no more than 20 percent of the bank's capital stock and surplus.

A major policy question regarding the quantitative limitations is whether the existing 10 percent and 20 percent limits are appropriate. The Board believes that the present limitations are reasonable and should be maintained. The current limits do not appear to be too liberal because bank transactions with affiliates within the legal limits have not produced instability in the banking system. On the other hand, the current limits appear to be sufficiently liberal to allow banks to have a meaningful amount of transactions with affiliates. This is evidenced by the absence of agitation by the banking community for higher limits.

The Board believes, however, that one change must be made in the structure of the existing quantitative limitations. At present the quantitative limitations apply only to the *bank's* covered transactions with affiliates. They do not apply to transactions with affiliates by *subsidiaries* of the bank. Consequently, because Section 23A exempts transactions between a bank and certain of its subsidiaries, a bank could now use these subsidiaries as a conduit to transfer unlimited funds to its other affiliates. Such transfers obviously would violate the intent of the statute. To close this potentially dangerous "loophole," the Board recommends that the statute be amended so that the quantitative limitations apply to covered transactions with affiliates by the bank and its subsidiaries combined, rather than just to transactions with affiliates by the bank alone.

COLLATERAL REQUIREMENTS

Section 23A now requires that bank loans or extensions of credit to affiliates be secured by stocks, bonds, debentures and other such obligations, or by paper that is eligible for rediscount or purchase by the Federal Reserve Banks. Also, at the time that the loan is made, the market value of the collateral must equal at least 100 percent of the amount of the loan if secured by obligations of the U.S. Government and certain agencies or by eligible paper; at least 110 percent if secured by obligations of any state or political subdivision; or at least 120 percent if secured by any other type of eligible collateral.

It is widely acknowledged that the present list of assets that can serve as collateral is restrictive. In fact, bankers often argue that the list effectively prohibits a bank from lending to most affiliates because these companies typically do not possess the types of collateral required by the statute. The Board believes that there is merit to this contention. Accordingly, the Board recommends that the eligible collateral list be substantially liberalized by adding all types of debt instruments not already allowed, as well as receivables, real and personal property and leases. This recommendation would normally allow a bank to lend to all of its major nonbank affiliates that require funding, since these companies typically hold assets included in the Board's expanded list.

To assure that banks are amply protected when these new types of collateral are used, the Board also recommends that relatively high collateral value to loan amount percentages be required. For example, if the new types of debt instruments or receivables are pledged, the collateral value should be at least 120 percent of the loan amount. For real and personal property, leases and stock, the requirement should be at least 130 percent. Moreover, as further protection for banks, the Board recommends that banks be prohibited from accepting "low quality assets" (as previously defined) as collateral.

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[1] For purposes of this statute, a "low quality asset" is defined as any asset: (1) classified as "substandard," "doubtful," or "loss" or treated as other loans especially mentioned" in the most recent report of examination prepared by either a Federal or state regulatory agency; (2) carried in a non-accrual status; (3) on which principal or interest payments are more than 30 days past due; or (4) whose terms have been renegotiated and/or compromised due to the deteriorating financial condition of the obligor.

[2] All minority shareholders of a bank would be protected by a Board recommendation that all bank transactions with affiliates be on market terms.

[3] This liberalization is much more limited than it might at first appear. Member banks are generally prohibited from purchasing stock, and of the few types of companies whose stock is exempt from this prohibition, several are already exempt from the restrictions of Section 23A.

[4] The purchase of an asset from an affiliate subject to a repurchase agreement is similar to making a loan to that affiliate.

OTHER PROVISIONS

There are two other provisions that the Board believes should be added to Section 23A. One provision would prohibit bank transactions with affiliates on non-market terms that are disadvantageous to the bank. The second would incorporate grandfather provisions into the amended statute.

Prohibition of transactions on adverse terms

Section 23A does not now prohibit a bank from having transactions with affiliates on terms that are disadvantageous to the bank. Such transactions obviously have an adverse effect on a bank's earnings and capital. To prevent such unfair transactions, the Board recommends that Section 23A be amended to require that bank transactions with affiliates be on market terms.

Grandfather provisions

In order to avoid undue disruption and inequity, the Board recommends that several grandfather provisions be included in the amended statute. First, in the event that proposed changes in the statute would result in a bank's outstanding transactions with affiliates exceeding the statutory quantitative limitations, the Board believes that these transactions should be grandfathered. Likewise, if proposed amendments would result in outstanding loans not meeting the new collateral requirements, the Board believes that these loans also should be grandfathered.

Finally, the Board is concerned that proposed changes in the definition of affiliates could have serious adverse effects on the financial condition of certain companies that would be brought into affiliate status. In certain instances, banks are now participating in unsecured loans to such companies. Under the proposed amendments, such a bank could not renew its share of the participation loan unless the new loan were secured. In cases where the borrower did not have sufficient collateral to secure all participating lenders, the other lenders in the group might refuse to renew the loan since they would be placed in a subordinate position. This refusal could seriously affect the borrower's financial condition and might force it into bankruptcy. To alleviate this potential problem caused by the proposed amendments, the Board recommends that any renewal by a bank of a participation loan to a company that becomes an affiliate as a result of the proposed amendments be exempt from the statute's collateral requirements if that loan were outstanding on the date of introduction of the bill.

A Discussion of Amendments to Section 23A of the Federal Reserve Act Proposed by the Board of Governors of the Federal Reserve System

INTRODUCTION

Section 23A of the Federal Reserve Act was enacted as part of the Banking Act of 1933 (the Glass-Steagall Act).[1] The objective of the statute is to prevent misuse of a bank's resources stemming from large-scale "non-arm's-length" transactions with its affiliates. The statute limits a bank's transactions with a single affiliate to no more than 10 percent of the bank's capital and surplus and limits transactions with all affiliates combined to no more than 20 percent of the bank's capital and surplus. In addition, the statute requires that all bank loans or extensions of credit to an affiliate be fully secured.

In recent years Section 23A has come under review by the banking committees of the Congress and the Federal bank supervisory authorities. This review was prompted by the discovery that several relatively large banks were adversely affected by transactions with their affiliates The best known case involved the sale of a large amount of low-quality mortgages by the mortgage banking subsidiary of Hamilton Bancshares, Inc., to Hamilton National Bank of Chattanooga, which subsequently failed. To some observers, these adverse developments indicated that Section 23A was deficient in protecting banks and needed to be tightened. In this connection, the House Committee on Banking, Currency and Housing incorporated provisions pertaining to Section 23A into its Discussion Principles for Financial Institutions and the Nation's Economy in 1975, and in 1976 Congressman St Germain introduced amendments to Section 23A as part of the Financial Reform Act of 1976. Finally, in mid-1976 Senator Proxmire asked the Board to provide the Senate Committee on Banking, Housing, and Urban Affairs with draft legislation to amend Section 23A.

In March 1978, the Board forwarded to the Senate Committee on Banking, Housing, and Urban Affairs draft legislation to amend Section 23A. However, no hearings on Section 23A were held during the 95th Congress. The Board continues to believe that Section 23A should be amended. Accordingly, the Board is again submitting draft legislation. This proposed legislation is the same as that submitted in 1978, except for several technical changes to clarify the previous proposal.

There are three primary reasons why the Board believes that Section 23A should be amended. First, Section 23A is a very difficult statute to interpret. In part, this is due to the inherent complexity of the statute. But in addition, the statute is poorly drafted. Problems in interpreting Section 23A have made compliance with, and enforcement of, the statute more difficult. Second, Section 23A is clearly in need of being tightened, as the present statute contains numerous potentially dangerous "loopholes." Third, there are several areas in which the present statute appears to be unduly restrictive and could be liberalized in a manner consistent with maintaining a sound banking system.

As previously noted, Section 23A is a poorly drafted statute. The statute cannot be analyzed effectively without first substantially reorganizing it into a more logical structure. Ideally, Section 23A should be organized in four parts. The first part should specify the types of companies defined as affiliates for purposes of the statute. The second part should designate those types of transactions between a bank and its affiliates that are covered by the statute. The third part should contain the quantitative limitations on a bank's covered transactions with any single affiliate, and with all affiliates combined. The fourth part should set forth collateral requirements for bank loans or extensions of credit to affiliates.

This discussion of the Board's proposed amendments to Section 23A adheres to the four-part organizational structure. Within each part, the following appear: (A) a summary of the relevant section of the present statute; (B) the principle(s) by which the Board was guided; (C) the Board's proposed amendments to Section 23A; and (D) a discussion of these proposed amendments.

I. DEFINITION OF THE TERM "AFFILIATE" FOR PURPOSES OF SECTION 23A

A. Present law

The term "affiliate" is defined in Section 2(b) of the Banking Act of 1933 and Section 23A, paragraph 5, of the Federal Reserve Act to include:

(1) Any parent holding company of a bank and any subsidiary of that parent company;

(2) Any company[2] of which a bank owns controls in any manner the election of a majority of its directors, trustees, or other persons exercising similar functions;

(3) Any company (a) that is controlled by the majority shareholders of a bank or by trustees for the benefit of the shareholders of any such bank, or (b) for the benefit of whose shareholders all or substantially all of the capital stock of a bank is held by trustees;

(4) Any company of which a majority of its directors are also directors of any one bank.

However, certain specific types of companies, while technically defined as affiliates, are exempt from the restrictions of Section 23A. These exemptions are enumerated in Section 23A, paragraph 3, and include any company:

(1) Engaged solely in holding the premises of the bank with which it is affiliated;

(2) Engaged solely in conducting a safe-deposit business or the business of an agricultural credit corporation or livestock loan company;

(3) In the capital stock of which a national banking association is authorized to invest pursuant to Section 25 of the Federal Reserve Act, as amended, or a wholly-owned subsidiary of such affiliate (Section 25 pertains to Agreement Corporations);[3,4]

(4) Organized under Section 25(a) of the Federal Reserve Act, as amended, or a wholly-owned subsidiary of such affiliate (Section 25(a) pertains to Edge Act Corporations);

(5) Engaged solely in holding U.S. Government securities or securities fully guaranteed by the United States as to principal and interest, the Federal intermediate credit banks, the Federal land banks, or the Federal Home Loan Banks;

(6) Where the affiliate relationship has arisen out of a bona fide debt contracted prior to the date of the creation of such relationship;

(7) Where the affiliate relationship exists through bank ownership or control of any voting shares in a fiduciary capacity, except where such shares are held for the benefit of all or a majority of the stockholders of such bank.

B. Principles underlying proposed changes in the definition of affiliate

For purposes of Section 23A, the Board believes that the term "affiliate" should apply to organizational[5] relationships involving a bank (1) where the relationship is not one of "arm's-length" and (2) where, because of this relationship, the bank may engage in transactions that may adversely affect its condition. Such transactions may be designed either to rescue a financially troubled affiliate or to "drain" a bank for the benefit of an affiliate. It should be noted that the emphasis of Section 23A is on organizational relationships and the transactions arising out of such relationships, in contrast to strictly "insider" dealings involving bank officers, directors, or shareholders. In addition, it is recognized that not all "non-arm's-length" organizational relationships involve risks to the bank; consequently, some may be appropriately exempted from the restrictions of the statute.

C. Proposed amendments to section 23A: Definition of affiliate

For purposes of Section 23A, the Board believes that the definition of the term "affiliate" needs to be broadened in several respects and narrower in others. Specifically, the Board recommends the following statutory changes:

(1) Alter the treatment of sister bank subsidiaries in a holding company system by exempting from the restrictions of Section 23A all transactions (other than the purchase of low-quality assets)[6,7] between 80 percent or more owned sister banks;

Footnotes at end of article.

Footnotes at end of article.

(2) Exclude majority-owned subsidiaries of a bank as affiliates. In addition, continue to exclude minority-owned subsidiaries of a bank as affiliates, but authorize the Board to restrict bank transactions with such minority-owned subsidiaries where it deems necessary;

(3) With respect to interlock relationships through which a company may be defined as an affiliate, broaden the definition to include companies interlocked not only with a bank but also with the bank's parent holding company through controlling shareholders or directors. Define "control" consistently as the power to vote 25 percent or more of the voting shares of a company; or, in the case of a director-interlock relationship, any director group comprising a majority of the directors of a company;

(4) Add to the list of affiliates (a) any real estate investment trust or other organization that is sponsored and advised on a contractual basis by a bank or any subsidiary or affiliate of the bank, and (b) any other organization that is determined by the Board to have a "non-arm's-length" relationship with a bank or any subsidiary or affiliate of the bank.

In addition to the several changes proposed above, the Board recommends that one exemption in the present statute be amended, one be eliminate as inappropriate, and several be eliminated as redundant in light of other proposed recommendations:

(5) Limit to two years the exemption for those companies where the affiliate relationship arose out of a bona fide debt contracted prior to the date of the establishment of the relationship with a possible extension of up to three additional years with the approval of the Board.

(6) Eliminate the inappropriate exemptions for companies engaged in the business of an agricultural credit corporation or livestock loan company;

(7) Eliminate the redundant exemptions for companies organized under Sections 25 and 25(a) of the Federal Reserve Act;

(8) Eliminate the redundant exemption for companies where the affiliate relationship exists through bank ownership or control of any voting shares in a fiduciary capacity.

D. Discussion of proposed amendments: Definition of affiliate

Each of the Board's recommended changes in the definition of affiliate for purposes of Section 23A is more fully discussed below, with the rationale given for each recommendation. The numbered sections in the discussion correspond to the brief list of proposed amendments given in Part I.C. (pages 7–9).

1. Sister Bank Subsidiaries in a Holding Company

Section 23A currently defines the parent holding company and all bank and nonbank subsidiaries of the parent as affiliates of a bank. The rationale underlying this rather broad definition is that since the parent company controls the subsidiary bank, the parent could require the bank to engage in a variety of transactions with the parent or subsidiaries of the parent that could adversely affect the bank.

The Board believes that transactions between a bank and its parent holding company or nonbank subsidiaries of the parent should continue to be limited by Section 23A in order to protect the bank from potential abuse.[8] It is much less clear, however, how Section 23A should be applied to transactions between sister bank subsidiaries of the same holding company parent. At present, Section 23A defines all sister bank subsidiaries within a holding company as affiliates of one another. Consequently, all transactions between these banks that are covered by Section 23A are subject to the quantitative limitations imposed by the statute.[9] At the same time, Section 23A, paragraph 4, expressly exempts from coverage two general types of transactions between affiliated banks: (1) certain non-interest-bearing deposit transactions,[10] and (2) the purchase of loans on a non-recourse basis.[11]

At the policy level, there are two basic ways to treat the banks in a holding company system. One considers the group of sister banks the equivalent of a branching system and, therefore, a single banking entity. Those holding this view are likely to be sympathetic to allowing unlimited transactions between sister bank subsidiaries, since there are no restrictions placed on transactions between branches of a bank. The second approach, which is more legalistic in nature, views sister bank subsidiaries as separate corporate entities. Those favoring this approach are more inclined to place limits on transactions between such banks. In recent statements to Congress, the Board has indicated considerable support for the "single entity" approach, but it has not endorsed the complete removal of all restrictions on transactions between sister bank subsidiaries.

There are two major advantages which stem from allowing unlimited transactions between sister banks. First, and most important, such a regulatory posture would tend to improve allocative efficiency by giving these banks maximum freedom to transfer funds to take advantage of intermarket yield differentials. Second, by allowing unlimited transactions, one or more banks in a holding company system could go to the rescue of a financially troubled sister bank. Such aid (through loans, asset purchases, etc.) might save the troubled bank from failure without seriously damaging the other bank(s).

The advantages associated with allowing unlimited transactions between sister banks, however, are countered by several disadvantages. First, a large-scale rescue operation, as described above, might backfire and spread one bank's financial troubles throughout the holding company system and eventually result in multiple bank failures. Second, allowing unlimited transactions would open the door to a large-scale transfer of low-quality assets from one bank to another in an effort to avoid criticism during a bank examination. The potential for such transfers could impair the effectiveness of the bank examination process in uncovering problem bank situations. Finally, a problem could arise in those situations where a holding company does not own all of the shares of one of the banks that it controls. In such cases, a holding company could benefit from encouraging transactions between a wholly-owned bank subsidiary and a less-than-wholly-owned bank subsidiary on terms that are adverse to the latter.

The Board believes that the best regulatory approach to transactions between a bank and its sister banks under Section 23A is (1) to define each sister bank as an affiliate, and (2) to exempt all transactions with a sister bank (other than the purchase of low-quality assets,[12] a transaction which the Board believes should be prohibited) [13] if the same holding company owns or controls, directly or indirectly, 80 percent or more of the voting shares of both banks.[14] [15] This proposed treatment offers the principal advantages associated with unlimited transactions among sister bank subsidiaries and, at the same time, minimizes any associated disadvantages. Allocative efficiency would be promoted by this approach as a holding company would be allowed significant freedom to transfer funds among its subsidiary banks. At the same time, a holding company would be prevented from forcing one of its banks to buy low-quality assets from another bank subsidiary, thereby possibly causing the failure of a previously sound bank. In addition, the passing of low-quality assets between sister banks in an attempt to stay one step ahead of the bank examiners would not be permitted. Finally, this proposal would offer minority shareholders protection from abuse in those cases where the holding company owns or controls less than 80 percent of the shares of either bank in the transaction.[16]

2. Subsidiaries of a Bank

Present law defines an affiliate of a bank as any company of which a bank owns or controls more than 50 percent of the voting shares [17] or controls in any manner the election of a majority of its directors, trustees, or other persons exercising similar functions. However, Edge Act Corporations and Agreement Corporations, and their wholly-owned subsidiaries, are specifically exempt from the limitations of Section 23A. In addition, foreign bank subsidiaries are exempt from any limitations with respect to "loans and extensions of credit" from the parent bank, pursuant to statute and Board regulation.[18] Finally, the Board has exempted from Section 23A's restrictions transactions between a State member bank and its operations subsidiary.[19]

In the Board's judgment, those companies of which a bank exercises control through majority ownership should be considered part of the bank, much like departments within the bank. It follows that transactions between a bank and its majority-owned subsidiaries should be viewed as essentially internal bank operations and, therefore, need not be restricted in the same manner as "non-arm's-length" transactions between a bank and an outside company. In fact, the restrictions imposed on transactions between a bank and a majority-owned subsidiary may force a bank to conduct certain operations through departments when they could be conducted more efficiently through corporate subsidiaries. Consequently, the Board recommends that majority-owned subsidiaries of a bank no longer be defined as affiliates for purposes of Section 23A.[20]

It should be noted that this liberalization is much more limited than it might at first appear. As noted earlier, member banks are generally prohibited from purchasing stock, and of the few types of companies whose stock is exempt from this prohibition, several are already exempt from the restrictions of Section 23A.

In the case of minority-owned subsidiaries of banks, nearly all of which represent foreign joint ventures and foreign investments,[21] present law excludes them as affiliates and, therefore, from the transactions restrictions of Section 23A. Yet the nature of these (foreign) minority-owned companies is such that there is often a "non-arm's-length" relationship with the U.S. parent bank, particularly in the case of foreign joint ventures. Therefore, the possibility exists that the U.S. parent bank will extend credit to the foreign joint venture company without an "arm's-length" assessment of the credit risk involved and without control of the disbursement of funds.[22] Thus, it could be argued that such companies should be defined as affiliates and made subject to Section 23A's transactions restrictions.

On the other hand, imposition of such restrictions would involve several practical difficulties. First, and perhaps most important, such restrictions could serve to nullify presnt informal commitments by U.S. banks to their foreign joint ventures. Of course, "grandfather" provisions could be drafted to handle present contractual commitments between banks and their foreign joint ventures. However, the Board questions whether such provisions could be suitably written to deal with all other types of informal bank com-

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Footnotes at end of article.

mitments to existing joint ventures. The concern is that such provisions would not take into consideration cases in which no formal agreement exists but in which foreign government authorities and foreign suppliers of funds have relied on the informal implicit guarantee of the joint venture partners. It appears that foreign government authorities have often relied heavily on such implicit support in approving the formation of these ventures. If Section 23A's restrictions were now applied to these ventures, this support would be significantly liimted, thus effecting a major change in the "rules of the game" under which these ventures were originally authorized.

Second, the application of Section 23A's restrictions to transactions between a U.S. bank and its foreign joint venture would likely make it more difficult for U.S. banks to find joint venture partners abroad, since U.S. banks would no longer be able to make the informal (or formal) commitments referred to above.[23] Of course, the restrictions of Section 23A could be avoided if a U.S. bank acquired a majority interest in the foreign venture; however, at the present time several countries prohibit foreign (U.S.) banks from engaging in a joint venture activity in a majority role.

Third, to define all majority-owned companies as affiliates would violate the principle of restricting only transactions between banks and companies with which the bank has a "no-arm's-length" relationship. Since there is some small critical ownership percentage below which the relationship may be deemed to be at "arm's-length," transactions with companies of which the bank owns less than the critical percentage of shares need not be restricted. However, if companies of which a bank owns less than the critical share were to be excluded from the definition of affiliate, the result would be a confusing three-tier structure of regulation where majority-owned companies and those companies of which the bank owned less than the critical ownership share would be excluded from the definition of affiliate, and those companies of which the bank owned from 50 percent down to the critical ownership share would be included as affiliates.

Finally, if some or all minority-owned companies were included as affiliates, it might be advisable to permit the transactions limitations to be relaxed with regulatory approval in certain distress situations. In recent years, some banks have felt compelled for business reasons to lend support to foreign joint venture companies in order to deal with liquidity crises or temporary asset problems.[24] This argues in favor of a rescue provision. However, any such provision incorporated into the statute would require bank regulators to make a number of extremely difficult, highly judgmental, *ad hoc* decisions. It would also add an additional uncertainty into a bank's decision-making process involving joint venture operations since the bank would have to estimate the probability that the regulators would permit it to go to the aid of the joint venture in a distress situation.

In sum, while there may be a logical basis for imposing some type of restriction on transactions between a bank and certain of its minority-owned subsidiaries, particularly its foreign joint ventures, present institutional arrangements associated with on-going joint ventures, coupled with the necessity for maintaining flexibility for banks in matters pertaining to foreign markets, argue strongly against any rigid statutory restrictions such as those embodied in Section 23A. Accordingly, the Board believes that minority-owned subsidiaries should continue not to be defined as affiliates for purposes of Section 23A. At the same time, the Board recommends that Section 23A be amended to authorize the Board to restrict where it deems necessary bank transactions with minority-owned subsidiaries (whether owned directly or indirectly).[25][26] This recognizes that some type of restriction of a bank's transactions with certrain of its (foreign) minority-owned subsidiaries may be desirable from time to time, yet acknowledges the flexibility needed by a bank in its (foreign) minority-owned activities.

3. Companies Interlocked With a Bank

Present law covers certain types of interlock and trust relationships between a company and a bank, presumably to minimize abuses to the bank stemming from "non-arm's-length" transactions arising out of such relationships. The Board believes that the extent of the coverage is incomplete and recommends broadening the definition of affiliate in several ways to remedy this situation.

At present, the law omits any reference to an interlock between a bank holding company and another company and refers only to an interlock between a bank and another company. However, an interlock involving a bank holding company would seem to offer the potential for abuse of the subsidiary bank(s) similar to that associated with an interlock directly involving a bank. Consequently, the Board recommends that the statute be amended to define as an affiliate for purposes of Section 23A any company that is interlocked either with a bank or with its parent holding company.[27]

The Board believes the coverage of types of interlock relationships under the current statute is adequate. Present law speaks only of shareholder and director interlocks. While there are perhaps other types of interlock relationships (e.g., interlocks among senior officers of a bank and a nonbank company) through which a bank might be induced to engage in adverse transactions, it seems unlikely that there would exist many such interlocks without a concomitant shareholder or director interlock. Consequently, the Board believes that companies that are interlocked with a bank, or its parent holding company, through either common shareholder control or common directors should continue to be defined as affiliates.

The Board has also considered whether an interlocking group of shareholders or directors must have control of both the bank and the company, or control of the bank only, or control of just the company? Present law requires control of both the bank and the company in the case of shareholder interlocks, but only of the company in the case of director interlocks. Control of the bank seems most important in view of the objective of the statute—to prevent abuses of a bank's resources. However, the possibility of such abuses may, in fact, be likely only in situations where the interlocking relationship results in one group of persons having control of both the bank and the company. Moreover, unless control is required of both the bank and the company, the definition of affiliate for purposes of Section 23A might be so broad as to be overly restrictive. The Board, therefore, would require the interlocking group to control both the bank and the company.

To remedy a shortcoming of existing law, the Board further recommends amending the statute to include a definition of the term "control." Majority control seems generally to be intended as it is used at several places in the law;[28] however, in one instance total or near-total control is suggested.[29] The Board believes that, for purposes of Section 23A, "control" should be defined as the power to vote 25 percent or more of the voting shares of a company, excluding situations where the stock is controlled in a fiduciary capacity (except as noted in the next paragraph below); or, in the case of a director-interlock relationship, any director group comprising a majority of the total number of directors of a company. This definition recognizes that effective control can be exercised only by a majority of the directors but can often be exercised by shareholders holding less than a majority of the voting shares. Moreover, it is generally consistent with the definition of "control" contained both in the Bank Holding Company Act and in Section 22 of the Federal Reserve Act (as amended by the Financial Institutions Regulatory and Interest Rate Control Act of 1978).

In the particular situation of a company controlled by trustees for the benefit of a bank's shareholders or, alternatively, a bank controlled by trustees for the benefit of a company's shareholders, both types of trust relationships are covered in the definition of affiliate under existing law; however, in neither case is the beneficiary shareholder group defined in terms of its shareholder interest. Presumably the statute refers to situations where all shareholders have a *pro rata* beneficial interest in the stock of the trustee-controlled organization. However, the wording of the statute is not clear on this point, and the wording of one of the affiliate exemptions [Section 23A, paragraph 3(7)] suggests that trustee-controlled companies are defined as affiliates when shares are held for the benefit of at least a majority of the bank's stockholders. The Board recommends that this ambiguity be eliminated by defining an affiliate relationship in cases where trustees control 25 percent or more of the voting shares of a bank (company) for the benefit of shareholders who control 25 percent or more of the voting share of the company (bank).[30]

4. Bank-Advised REITs and Similar Organizations

At present, real estate investment trusts (REITs) and other organizations that are sponsored and advised by a bank or its affiliate are not considered affiliates for purposes of Section 23A. However, the Board is concerned over the relationship that commonly exists between a banking organization and its advised REIT,[31] and has been troubled by the difficulties which many bank- and bank holding company-advised REITs have encountered in recent years. Accordingly, the Board believes that REITs and other organizations that are sponsored and advised on a contractual basis by a bank, a 25 percent or more owned subsidiary of the bank, or an affiliate of the bank, should be included as affiliates for purposes of Section 23A. Such an extention of the statute recognizes that a bank may try to rescue a financially troubled organization that is sponsored and advised by the bank or its subsidiary or its affiliate in order to (1) prevent any damage to the reputation of the bank or its affiliate, or (2) forestall any lawsuits alleging that the sponsored organization received "bad advice" from the bank or its affiliate.

It is recognized that a distinction can be made between organizations that are sponsored and advised by a bank or its subsidiary and those that are sponsored and advised by a bank's affiliate, e.g., its parent holding company or a sister nonbank subsidiary). In the former case, the bank would engage in only those transactions with the organization that are presumably in the bank's own interest. In the latter case, however, the bank might be directed to enage in such transactions by a controlling party having interests other than those of the bank alone. In view of this distinction, it could be argued that those companies that are sponsored and advised by a bank should not be included as affiliates of the bank for purposes of Section 23A. Such an exclusion, however, might encourage banking organizations to place their advisory

Footnotes at end of article.

activities directly in their banks instead of with nonbank affiliates in order to avoid the limitations of Section 23A. This, in turn, might ensure greater bank control over such activities, but the bank would become directly liable for the activity and could be more exposed to lawsuits and damage to its reputation in the event a sponsored and advised company suffers financial difficulty. Accordingly, the Board would make no such distinction for purposes of Section 23A, and recommends that organizations that are sponsored and advised by either a bank or an affiliate of a bank should be designated affiliates of the bank.

The Board has considered the extent to which the statute should be further generalized to capture other organizations that may have a "non-arm's-length" relationship with a banking organization. Again, in view of the problems associated with bank-advised REITs, it would seem prudent to define as affiliates other organizations that may later come to be regarded as having a "non-arm's-length" relationship with a banking organization. However, it is difficult, if not impossible, at this juncture to amend the statute to include all the possible organizations that might fall into this category. Accordingly, the Board recommends that no such listing be attempted, but that the Board be authorized to add to the definition of affiliate from time to time such organizations that it determines to have a "non-arm's-length" relationship with a bank or a subsidiary or affiliate of the bank.

5. Affiliate Relationship Resulting From Foreclosed Loan

Present law exempts from the limitations of Section 23A transactions between a bank and its affiliate when the affiliate relationship has arisen out of a bona fide debt contracted prior to the date of the creation of such relationship. Such a relationship can arise, for example, in the case where a parent holding company acquires controlling shares of another company as a result of a defaulted loan.[32] While the Board believes that an exemption is appropriate for a short time period sufficient to sever such an affiliate relationship, it does not feel that the exemption should continue indefinitely. Accordingly, the Board recommends that the present statute be amended to permit this exemption only for a period of two years, commencing with the date of the creation of the affiliate relationship,[33] [34] with a possible extension of up to three additional years with the approval of the Board.

6. Agricultural Credit Corporation and Livestock Loan Company

Currently, the provisions of Section 23A do not apply to affiliates engaged in the business of an agricultural credit corporation or livestock loan company. The Board sees no reason for continuation of this exemption and recommends that it be eliminated.

7. Companies Organized Under Sections 25 and 25(a)

Under existing law, the provisions of Section 23A do not apply to affiliates organized under Sections 25 and 25(a) of the Federal Reserve Act. (These include Agreement Corporations and Edge Act Corporations.) If the Board's recommendation not to define subsidiaries of banks as affiliates for purposes of Section 23A is adopted, these exemptions would be redundant for those Section 25 or 25(a) corporations that are subsidiaries of banks. In the case of Section 25 or 25(a) corporations that are subsidiaries of a bank holding company, the exemptions represent a "loophole" in present law that could be used to "cross-stream" funds to a sister nonbank subsidiary. For these reasons the Board recommends that the exemptions for Edge and Agreement Corporations be eliminated.

8. Companies Controlled in a Fiduciary Capacity

Under present law, the limitations of Section 23A do not apply to any affiliate where the affiliate relationship exists through bank ownership or control of any voting shares in a fiduciary capacity. In view of the Board's recommendation not to define subsidiaries of banks as affiliates, this exemption would no longer appear to be necessary. Accordingly, the Board recommends that this exemption be eliminated.

II. TRANSACTIONS COVERED BY SECTION 23A

Before analyzing the types of transactions with an affiliate that are covered by Section 23A, it is useful to remember that banking law places restrictions on certain types of bank transactions with any party, whether affiliated or not.[35] As a general rule, however, Section 23A places greater restrictions on bank transactions with affiliates because such transactions are not made at "arm's-length" and, therefore, represent a higher degree of risk to the bank.

A. Present law

Transactions with affiliates that are now covered by Section 23A are spread rather haphazardly over several paragraphs of the statute. For purposes of analysis, all redundancies have been eliminated and covered transactions have been rearranged and listed below in a more orderly manner:

(1) Loans or extensions of credit to an affiliate [Paragraph 1(1)], which include:

(a) Any purchase of securities, other assets or obligations under repurchase agreement [Paragraph 4(1)(A)];

(b) The discount of promissory notes, bills of exchange, conditional sales contracts, or similar paper, whether with or without recourse [Paragraph 4(1)(B)];

(c) A loan or extension of credit to a director, officer, clerk, or other employee or any representative of any such affiliate to the extent that the proceeds of such loan are used for the benefit of, or transferred to, the affiliate [Paragraph 2];

(2) Investing in the capital stock, bonds, debentures, or other such obligations of any affiliate [Paragraph 1(2)];

(3) Accepting the capital stock, bonds, debentures, or other such obligations of any affiliate as collateral security for advances made to any person, partnership, association, or corporation [Paragraph 1(3)].

Transactions exempt from coverage

Section 23A now contains nine exemptions to the above three broad types of transactions covered by the statute. These exemptions are scattered over various parts of the statute, but are collected and presented here as the list of transactions to which the restrictions of Section 23A do not apply:

(1) Indebtedness of any affiliate for unpaid balances due a bank on assets purchased from such bank, or loans by a bank to any affiliate secured by, or extensions of credit against, obligations of the United States or obligations fully guaranteed by the United States as to principal and interest [Paragraph 3];

(2) The purchase, without recourse, of promissory notes, bills of exchange, conditional sales contracts or similar paper from an affiliated bank [Paragraph 4(1)];

(3) Making non-interest-bearing deposits in an affiliated bank [Paragraph 4(2)];

(4) The giving of immediate credit to an affiliated bank for uncollected items received in the ordinary course of business [Paragraph 4(2)];

(5) Acquiring stock, bonds, debentures, or other obligations of any company of the kinds described in Section 4(c)(1) of the Bank Holding Company Act of 1956, as amended[36] [Paragraph 6(1)];

Footnotes at end of article.

(6) Acquiring stock, bonds, debentures, or other obligations of an affiliate accepted as security for debts previously contracted provided that such collateral shall not be held for a period of over two years [Paragraph 6(2)];

(7) Acquiring shares which are of the kinds and amounts eligible for investment by national banks under the provisions of Section 5136 of the Revised Statutes [Paragraph 6(3)];

(8) Extensions of credit by a bank to a bank holding company of which such bank is a subsidiary or to another subsidiary of such bank holding company, if made within one year after the effective date of the amendment to Section 23A (the date was July 1, 1966) and pursuant to a contract lawfully entered into prior to January 1, 1966 [Paragraph 6(4)];

(9) Transactions by a bank with another bank the deposits of which are insured by the Federal Deposit Insurance Corporation if more than 50 percent of the voting stock of such other bank is owned by the first bank, or held by trustees for the benefit of the stockholders of the first bank [Paragraph 6(5)].

B. Principle underlying proposed changes in the types of transactions covered

Transactions between a bank and an affiliate are "non-arm's-length" transactions and have potential for abuse of the bank. Consequently, the Board believes that all financial transactions between a bank and an affiliate (as defined in Part I of this discussion memorandum) should be covered by Section 23A, unless the transaction has unique characteristics that qualify it for exemption.

C. Proposed amendments to types of transactions covered

The Board believes that the coverage of the types of transactions to which the restrictions of Section 23A now apply should be extended in order to provide banks greater protection against potential abuses. Specifically, the Board recommends expanding the coverage of transactions in two areas, and further recommends the elimination of the current exemption from coverage and five types of transactions:

(1) Extend the restrictions of Section 23A to all asset purchases and prohibit the purchase of low-quality assets,[37] but exempt the purchase of any non-low-quality asset as long as that assets has a readily identifiable and publicly available market value or quotation and is purchased by the bank at that market value;

(2) Expand the coverage of Section 23A to include all types of guarantees (including standby letters of credit) and all acceptances;

(3) Eliminate the exemption now granted for the indebtedness of any affiliate for unpaid balances due a bank on assets purchased from that bank;

(4) Eliminate the exemption now granted for stocks, bonds, debentures or other obligations of an affiliate acquired by a bank in a foreclosure;

(5) Eliminate the exemption now granted for purchases, without recourse, of promissory notes, bills of exchange, conditional sales contracts or similar paper from an affiliated bank;

(6) Eliminate the exemption now granted for purchases of shares which are of the kinds and amounts eligible for investment by national banks under the provisions of Section 5136 of the Revised Statutes;

(7) Eliminate the exemption now granted for transactions by a bank with a second bank that is insured by the Federal Deposit Insurance Corporation, if more than 50 percent of the voting stock of the second bank is owned by the first bank or held by trustees for the benefit of the stockholders of the first bank.

D. Discussion of proposed amendments to types of transactions covered

1. Asset Purchases

The Board recommends expanding the types of asset purchases now covered by Section 23A. At present, the coverage is limited to: (1) the purchase of securities, other assets or obligations under a repurchase agreement; and (2) the discount of promissory notes, bills of exchange, conditional sales contracts or similar paper.[38] It is by no means clear why the statute covers only these specific purchases.[39] Indeed, as long as the statute leaves some asset purchases uncovered (such as the purchase of securities *not* under a repurchase agreement), a bank might be forced to buy a large amount of uncovered assets that are of dubious quality. Such purchases, in sufficient volume, could result in the failure of the bank.

In the Board's judgment, the best way to handle this potential problem is to amend the statute to cover the purchase of all types of assets.[40] In addition, the Board recommends that a bank be prohibited from purchasing low-quality assets from an affiliate, thereby providing further protection for the bank. At the same time, the Board believes that the statute should allow a bank to purchase, without limitation, any non-low-quality asset from an affiliate as long as that asset has a readily identifiable and publicly available market value or quotation and is purchased by the bank at that market value. While this latter provision would not exempt the purchase of many types of assets, it would "free up" some asset purchases. Moreover, as long as these assets are purchased at market value (which can be readily verified by examiners), the provision should not expose banks to undue risk.

2. Guarantees and Acceptances

While Section 23A now covers bank loans to affiliates, it does not cover bank guarantees and acceptances issued for these affiliates. However, in 1974, the Board adopted an amendment to Regulation H (which pertains to State bank membership in the Federal Reserve System) that had the effect of bringing standby letters of credit (and similar instruments) and ineligible acceptances[41] within the scope of Section 23A for State member banks. Similar regulations were adopted by the Comptroller of the Currency and the FDIC for banks under their jurisdiction.

Bringing standby letters of credit and ineligible acceptances indirectly under the scope of Section 23A in 1974 was a desirable action, because the issuance of these instruments for affiliates involves some risk for banks. However, in the process of overhauling Section 23A, the Board believes that it would be desirable to include coverage of these instruments directly in the statute rather than indirectly through supervisory regulations. Moreover, it would seem advisable to broaden the coverage to include (1) all types of guarantees issued for affiliates, rather than just standby letters of credit (the major form at present); and (2) all acceptances issued for affiliates, rather than just ineligible acceptances.[42]

3. Unpaid Balances Due a Bank

Section 23A now exempts from coverage the indebtedness of any affiliate for unpaid balances due a bank on assets purchased from that bank. In the Board's judgment, this exemption is potentially dangerous and should be eliminated from the statute. As a result of this exemption, a financially troubled affiliate that was experiencing a liquidity crisis could buy an unlimited amount of assets from the bank without making payment, sell the assets, and use the proceeds to meet its debt service requirements. Meanwhile, the bank would be left with a doubtful receivable that could be large relative to the bank's capital. It should be noted that this receivable would not have to be secured, as would a bank loan to the same affiliate.

4. Securities of an Affiliate Acquired in Foreclosure

The statute now includes as a covered transaction a bank's acceptance of an affiliate's securities as collateral on a loan to an unaffiliated party.[43] However, the statute then curiously exempts as a covered transaction a bank's taking possession of these securities in foreclosing on the loan, provided that such collateral shall not be held for a period of more than two years. The Board sees no rationale for this exemption and would eliminate it.

5. Acquisition of Certain Assets From an Affiliated Bank

At present, Section 23A exempts from coverage the acquisition, without recourse, of promissory notes, bills of exchange, conditional sales contracts or similar paper from an affiliated bank. The Board recommends that this exemption, which now applies irrespective of the percentage ownership of the banks involved, be deleted and replaced by a narrower exemption applicable only to the purchase of non-low-quality assets from a sister bank subsidiary in a holding company system. Moreover, as discussed earlier, in order to protect minority shareholders from potential abuse where the holding company does not own or control 80 percent or more of the voting shares of both banks, the Board would not exempt asset purchases from the quantitative limitations of the statute if at least one sister bank in any such transaction is less than 80 percent owned by the parent holding company. Finally, for reasons enumerated earlier (page 13, note 1), the Board also would not exempt asset purchases involving banks affiliated through a chain organization.

6. Purchase of Shares Eligible for Investment by National Banks

At present, Section 23A defines majority-owned subsidiaries of a bank as affiliates of the bank. Therefore, a bank's covered transactions with these majority-owned subsidiaries are subject to the quantitative limitations specified in the statute. However, the statute then exempts from coverage the purchase of shares (of majority-owned companies) that are of the kinds and amounts eligible for investment by national banks under the provisions of Section 5136 of the Revised Statutes.

As discussed earlier, the Board recommends that majority-owned (as well as minority-owned) subsidiaries of a bank *not* be defined as affiliates for purposes of Section 23A.[44] Consequently, bank transactions with subsidiaries (including the purchase of shares) would not be limited. If this recommendation is adopted, therefore, the present exemption for the purchase of shares eligible for investment by national banks would be unnecessary and should be eliminated from the statute.

7. Transactions With a Subsidiary That Is a Bank

Section 23A now exempts any transactions by a bank with a second bank that is insured by the Federal Deposit Insurance Corporation, if more than 50 percent of the voting stock of the second bank is either owned by the first bank or held by trustees for the benefit of the shareholders of the first bank. The Board recommends that this exemption be deleted from the statute. With regard to a bank subsidiary of another bank, the Board recommends that the bank subsidiary be defined as an affiliate, but that in the case of an 80 percent or more owned bank subsidiary all transactions between the parent bank and the subsidiary bank (other than the purchase of low-quality assets, which would be prohibited) be exempt from the restrictions of Section 23A. In those cases where the stock ownership of the subsidiary bank is less than 80 percent, the restrictions of Section 23A would apply, thereby protecting minority shareholders of the subsidiary bank from potential abuse.

As for a bank whose stock is held by trustees for the benefit of shareholders of another bank, the Board sees no rationale for exempting transactions between such banks and so recommends that this exemption be eliminated.[45]

III. QUANTITATIVE LIMITATIONS ON COVERED TRANSACTIONS

A. Present law

Section 23A, paragraph 1, places two quantitative limitations on covered transactions between a bank and its affiliates. The first limits the aggregate amount of a bank's covered transactions with a single affiliate to no more than 10 percent of the bank's capital stock and surplus.[46] The second limits the aggregate amount of a bank's covered transactions with all affiliates combined to no more than 20 percent of the bank's capital stock and surplus.

B. Principles underlying proposed changes in quantitative limitations

The Board believes that there are three principles that should be followed in the determination of quantitative limitations on bank transactions with affiliates. First, limits on a bank's "non-arm's-length" transactions with a single affiliate should be more stringent than the limits that general banking law places on "arm's-length" transactions with a non-affiliate. Second, the limits should be liberal enough to allow a bank to have a meaningful amount of transactions with affiliates. Otherwise, it would probably be more practical simply to prohibit all such transactions. Third, the limits should be strict enough to protect a bank from being crippled by a large volume of adverse transactions. One way to achieve this latter objective is to set a limit on transactions with all affiliates combined that is lower than the sum of the maximum amount of transactions that a bank could have with each of its affiliates.

C. Proposed amendment to quantitative limitations

The Board recommends that, where there are subsidiaries of a bank, the quantitative limitations apply not just to the bank's covered transactions with affiliates, but rather to transactions of the banks plus transactions of subsidiaries of the bank with affiliates of the bank.

D. Discussion of proposed amendment to quantitative limitations

The Board believes that the present quantitative limitations on bank transactions with a single affiliate (10 percent of the bank's capital and surplus) and on transactions with all affiliates combined (20 percent of the bank's capital and surplus) are reasonable and should be maintained. The present limits do not appear to be too liberal because bank transactions with affiliates within the legal limits have not been a major source of banking instability. On the other hand, the present limits allow banks of significant size to have a meaningful volume of transactions with affiliates. For example, a typical bank with total assets of $1 billion can have transactions with a single affiliate of about $7 million and transactions with all affiliates combined of about $14 million.

However, the Board believes that one modification should be made in the quantitative limitations on transactions that are subject to the statute. At present, the statute places no limitations on transactions

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with affiliates of the bank by *subsidiaries* of the bank. Moreover, Section 23A exempts from coverage bank transactions with certain subsidiaries, including minority-owned subsidiaries, Edge Act Corporations and Agreement Corporations. As a result, a bank might use these subsidiaries as a conduit for transferring unlimited funds to its other affiliates, in circumvention of the basic purpose of Section 23A. Consequently, the Board recommends that the statute be amended so that the quantitative limitations apply not just to the covered transactions of the bank, but encompass as well the covered transactions of any company in which the bank owns or controls, directly or indirectly, 25 percent or more of the voting shares (except in a fiduciary capacity), or controls in any manner the election of a majority of its directors, trustees, or other persons exercising similar functions. Thus, the amended statute would provide that the covered transactions of a bank *and* its 25 percent or more owned subsidiaries with a single affiliate of the bank could not exceed 10 percent of the bank's capital and surplus, and that covered transactions by a bank and these subsidiaries with all affiliates combined could not exceed 20 percent of the bank's capital and surplus.[47]

IV. COLLATERAL REQUIREMENTS

A. Present law

Section 23A now requires that bank loans or extensions of credit to an affiliate be secured by collateral in the form of stocks, bonds, debentures or other such obligations, or by paper that is eligible for rediscount or purchase by the Federal Reserve Banks.[48] Moreover, at the time the loan or extension of credit is made, the market value of the eligible collateral must be at least 100 percent of the amount of the loan if the collateral is composed of obligations of the U.S. Government and certain agencies or by eligible paper; at least 110 percent of the loan amount if composed of obligations of any State or political subdivision; or at least 120 percent of the loan amount if composed of any other type of eligible collateral.

B. Principles underlying proposed changes in collateral requirements

The Board believes that two principles should guide the formulation of collateral requirements on bank loans to affiliates. First, since banks often require collateral on "arm's-length" loans to non-affiliated borrowers in order to reduce risk, it seems reasonable to require that "non-arm's-length" loans to affiliates be secured. Second, there should be a direct relationship between the amount of collateral required on loans to affiliates and the probability of a future decline in the value of that collateral.

C. Proposed amendments to collateral requirements

The Board recommends the following four amendments involving the collateral requirements of Section 23A:

(1) Revise the types of transactions requiring collateral to include: (a) all loans and extensions of credits to affiliates (b) all types of guarantees issued for affiliates; and (c) all types of acceptances issued for affiliates, except for those already fully secured either by attached documents or by other collateral connected with the same transaction as the acceptance;

(2) Expand the list of assets that can serve as collateral, but prohibit the use of any low-quality assets.[49] Also, expand and revise the collateral value to loan amount percentage for various types of eligible collateral;

(3) Prohibit a bank from accepting the stock or debt obligations of an affiliate as collateral on a loan to that affiliate or any other affiliate;

(4) Amend the statute to require that any collateral that is retired or amortized must be replaced by additional eligible collateral where needed to keep the collateral value to outstanding loan amount percentage equal to the minimum percentage required at the inception of the loan.

D. Discussion of proposed amendments to collateral requirements

1. Transactions Requiring Collateral

Section 23A now requires that all bank loans or extensions of credit to affiliates must be secured. This requirement is deficient in two respects. First, because the term "extension of credit" (as defined in the existing statute)[50] includes the purchase of certain assets, Section 23A now appears to require that such asset purchases from an affiliate be secured. Such covereage is probably inadvertently broader than necessary. Second, it is not clear whether standby letters of credit and ineligible acceptances, which by regulation have been added to those transactions covered by the statute, needs to be secured.

In amending the collateral provisions of Section 23A, the Board believes that the following three types of transactions should be secured: (1) all loans and extensions of credit to affiliates; (2) all types of guarantees (including, but not limited to, standby letters of credit) issued for affiliates; and (3) all types of acceptances (not just ineligible acceptances) issued for affiliates, except for those already fully secured either by attached documents or by other collateral connected with the same transaction as the acceptance. (Where the term "loan" is used throughout the remainder of Part IV, it is meant to include all three types of transactions.)

2. Types of Collateral Permitted and Amounts Required

Section 23A now limits eligible collateral to stocks, bonds, debentures and other such obligations, as well as paper that is eligible for rediscount or purchase by the Federal Reserve Banks. The Board believes that this list of assets is unduly restrictive. Indeed, it is so restrictive that it often effectively prohibits bank lending to affiliates simply because these affiliates do not possess the required collateral.

The Board recommends that the present list of eligible collateral be significantly expanded, but would also require that loans secured by these other assets have a relatively high collateral value to loan amount percentage. Accordingly, the Board proposes the following four-tier collateral requirement, which basically adheres to the principle that there should be a direct relationship between the amount of collateral required and the probability of a future decline in its value:

Minimum collateral value to loan amount

[In percent]

Type of collateral:	
Obligations of the U.S. Government and agencies, and eligible paper	100
Obligations of any State or political subdivision	110
All other debt instruments, including receivables	120
Stock[1] or other personal property, real property, and leases	130

[1] The Board recommends that the collateral value to loan amount percentage for stocks be raised to 130 percent (the highest percentage in the proposed list) from 120 percent (which is the highest percentage in the present statute).

This liberalization of the eligibility list, with concomitant changes in collateral value to loan amount percentages, would normally allow a bank to lend to all of the major nonbank affiliates of a holding company that require funding (mortgage companies, finance companies, leasing and factoring companies) since these companies typically hold assets included on the above list.

The Board also recommends that the proposed eligible collateral list should be tightened by specifying that no low-quality assets be allowed to serve as collateral. The definition of "low-quality asset" in this context is the same as that used earlier in connection with the discussion of the purchase of assets by a bank from a sister bank subsidiary.[51]

3. Accepting the Securities of an Affiliate as Collateral

At present, Section 23A does not prohibit a bank from accepting the securities of an affiliate as collateral on a loan to that affiliate or to another affiliate. The Board believes that this omission is potentially dangerous. If the borrowing affiliate should default on the loan, it is likely that the collateral securing the loan will have little value. Consequently, the Board recommends that a bank be prohibited from accepting the securities of an affiliate as collateral on a loan to that affiliate or another affiliate.

4. Replacement of Collateral Retired of Amortized

There is one additional amendment to the collateral requirement of the statute that the Board believes would be beneficial. At present, the statute specifies that the market value of the collateral at the time that the loan is made must be a certain percentage of the amount of the loan. This wording leaves open the possibility that if some of the collateral were retired or amortized after the loan was made, that collateral would not have to be replaced. To avoid this situation, the Board recommends amending the statute of require that any collateral that is retired or amortized must be replaced by additional eligible collateral where needed to keep the percentage of the collateral value relative to the outstanding amount of the loan equal to the minimum percentage required at the inception of the loan.

V. OTHER PROVISIONS

There are two other provisions that the Board believes should be added to Section 23A. One provision would prohibit bank transactions with affiliates on non-market terms that are disadvantageous to the bank. The second would incorporate grandfather provisions into the amended statute.

Prohibition of transactions on adverse terms

At present, Section 23A does not prohibit a bank from entering into transactions on terms that are disadvantageous to the bank. Such transactions obviously would have an adverse effect on a bank's earnings and capital. In many cases, these adverse transactions would subsequently be discovered and criticized by bank examiners. Even so, the Board believes that it would be prudent to amend Section 23A to expressly prohibit such transactions.

Grandfather provisions

As previously noted, Section 23A now limits a bank's covered transactions with a single affiliate, and with all affiliates combined, to no more than 10 percent and 20 percent, respectively, of the bank's capital and surplus. The numerous changes in the statute that the Board has recommended may result in some banks' outstanding transactions exceeding these statutory limits. In these cases, the Board does not believe that a bank should be forced to reduce its transactions to the legal limit simply because the "rules of the game" have been changed. Instead, the Board recommends that the bank (with one exception) be prohibited from engaging in additional covered transactions until such additional transactions can be carried out within the statutory ceiling of 10 percent or 20 percent of the bank's capital. The one exception recommended would allow the bank to engage in additional transactions in order to honor any binding written commitments made on or prior to the date that the Section 23A amendments are introduced in the Congress.

It is also possible that proposed changes in the collateral requirements could result in some technical violations of the statute for transactions (such as loans) already on the bank's books at the time of the passage of the amendments. To handle this problem, the Board recommends that all transactions entered into prior to enactment of the amendments, as well as any transactions that develop out of any binding written commitments made prior to the date that the amendments are introduced in the Congress, be subject to the pre-amendment collateral requirements.

Finally, the Board is concerned that proposed changes in the definition of affiliates could have serious adverse effects on the financial condition of certain companies that would be brought into affiliate status. In certain instances, banks are now participating in unsecured loans to such companies. Under the proposed amendments, such a bank could not renew its share of the participation loan unless the new loan were secured. In cases where the borrower did not have sufficient collateral to secure all participating lenders the other lenders in the group might refuse to renew the loan since they would be placed in a subordinate position. This refusal could seriously affect the borrower's financial condition and might force it into bankruptcy. To alleviate this potential problem caused by the proposed amendments, the Board recommends that any renewal by a bank of a participation loan to a company that becomes an affiliate as a result of the proposed amendments be exempt from the statute's collateral requirements if that loan were outstanding on the date of introduction of the bill. The Board also recommends extending this exemption from the collateral requirement to any participation loan to such company that develops out of a renewal of a binding written commitment outstanding on the date of introduction of the bill.

FOOTNOTES

[1] As originally enacted, the Banking Act of 1933 covered only member banks. However, in 1966 Congress extended the coverage of Section 23A (via Section 18(j) of the Federal Deposit Insurance Act) to include insured nonmember banks. As a result, Section 23A now applies to all Federally-insured banks.

[2] The term "company" includes any corporation, business trust, association, or similar organization.

[3] Agreement Corporations are State-chartered corporations that are principally engaged in foreign banking.

[4] Section 25 also pertains to foreign bank subsidiaries of U.S. banks. However, since the provisions of Section 25 which relates to foreign bank subsidiaries were added subsequent to the exemption in Section 23A for Agreement Corporations, and since Section 25, paragraph 4, specifically authorizes the Board to prescribe limits for "loans and extensions of credit" made by a U.S. bank to its foreign bank subsidiaries, the Agreement Corporation exemption in Section 23A, paragraph 3(3), does not appear to be applicable to foreign bank subsidiaries, except in the case of a wholly-owned foreign bank subsidiary of an Agreement Corporation.

[5] The terms "organization" and "company" are used here interchangeably and include any corporation, business trust, association, partnership, or similar organization.

[6] The Board recommends that the purchase of low-quality assets by a bank from *any* affiliate be prohibited (see p. 32). Under present law (Section 23A, paragraph 4) a bank can purchase an unlimited amount of loans on a non-recourse basis from an affiliated bank.

[7] For purposes of this statute, a "low-quality asset" is defined as any asset: (1) classified as "substandard," "doubtful," or "loss" or treated as "other loans especially mentioned" in the most recent report of examination prepared by either a Federal or State regulatory agency; (2) carried in a non-accrual status; (3) on which principal or interest payments are more than 30 days past due; or (4) whose terms have been renegotiated and/or compromised due to the deteriorating financial condition of the obligor.

[8] It should be noted that the parent holding company and any nonbank subsidiaries of the parent are treated as *separate* affiliates However, in order to preclude an affiliate other than the parent holding company from organizing its own subsidiaries to take advantage of the more liberal quantitative limitations applicable to multiple affiliates, the term "affiliate" is defined, except in the case of a parent holding company, to include any 25 percent or more owned subsidiaries of that affiliate.

[9] Present quantitative limitations restrict a bank's transactions with a single affiliate to no more than 10 percent of the bank's capital and surplus and transactions with all affiliates combined to no more than 20 percent of the bank's capital and surplus.

[10] For example, present law (Section 23A, paragraph 4) exempts non-interest-bearing correspondent balances from the limitations of Section 32A. This exemption is not limited to sister banks within a holding company but applies to banks within a chain banking organizations as well. However, interest-bearing balances enjoy no such exemption, even among sister banks within a holding company organization. Nor do sister subsidiary banks presently enjoy any exemption under Section 23A with regard to other interbank transactions, including transactions in Federal funds. (1963 Board Interpretation #4016.)

[11] Some historical background may be useful at this point. When the Bank Holding Company Act of 1956 was originally enacted, it *prohibited* a bank from extending credit to, or buying stock or obligations of, its parent holding company and any other subsidiary of the parent. The only exemption to this prohibition pertained to certain non-interest-bearing deposit transactions between sister banks.

The 1966 Amendments to the Bank Holding Company Act repealed this prohibition and substituted for it a provision whereby a bank became subject to Section 23A's limitations on transactions with its parent holding company and other (bank and nonbank) subsidiaries of the parent. In addition, the purchase of loans on a non-recourse basis from an affiliated bank (along with certain non-interest-bearing deposit transactions) was exempted from the restrictions of Section 23A. This exemption was recommended by the Board on the grounds that both banks in any transaction would be under the supervision and examination of the bank supervisory authorities and that such transactions would allow bank portfolio adjustments in repsonse to changes in deposits and loan demand.

[12] The term "low-quality asset" is defined on p. 7, note 2.

[13] Refer to p. 32.

[14] It should be noted that this privilege would not be extended to chain banking organizations. In fact, this proposal would no longer allow the exemption for the purchase of loans on a non-recourse basis between banks in a chain system. It is recognized that chain banking systems may be operationally similar to bank holding companies and branching systems. However, unlike banks in a chain organization, banks within a bank holding company are subject to a layer of Federal regulation above the individual bank level. Accordingly, the Board believes that the potential for bank abuse as a result of this liberalization of Section 23A is less if the bank is a memberof a holding company group than if it is a member of a chain group.

[15] The choice of 80 percent as the dividing line was necessarily arbitrary. However, it should be noted that holding companies have a tax incentive to own 80 percent or more of a bank and in most cases do own more than an 80 percent interest.

[16] In those cases where the holding company owns or controls 80 percent or more of the shares of both banks, minority shareholders would be protected by a Board recommendation (see p. 48) that all bank transactions with affiliates be on market terms.

[17] Member banks are generally prohibited from purchasing stocks for their own account. However, there are certain exceptions to this prohibition, and it is these (majority-owned) exceptions, along with any permitted subsidiaries of insured nonmember banks, that are generally included as affiliates under this provision of present law.

[18] Section 25, paragraph 4, of the Federal Reserve Act and Regulation M, Section 213.5.

[19] In 1968, the Board recognized a State member bank to have wholly-owned operations subsidiaries, i.e., "organizations designed to serve, in effect, as separately incorporated departments of the bank, performing at locations at which the bank is authorized to engage in business, functions that the bank is empowered to perform directly." (Board Interpretation #4214.) Then in 1970, the Board exempted from Section 23A's restrictions transactions between a State member bank and its operations subsidiary. (Board Interpretation #4105.)

[20] One exception to this recommendation pertains to the case of a (domestic) bank subsidiary of another (domestic) bank. In this rare situation the Board would view the subsidiary bank and its parent bank as equivalent to sister bank subsidiaries within a holding company system. On that basis, the parent bank and its subsidiary bank should be defined as affiliates of one another, but that in the case of an 80 percent or more owned subsidiary bank all transactions between the parent and its subsidiary bank (other than the purchase of low-quality assets, which would be prohibited) would be exempt from the restrictions of Section 23A. The reason for prescribing this treatment for situations in which both the parent and its subsidiary banks are domestic banks is to ensure equal treatment among multibank holding company systems regardless of their organizational structure.

[21] As a policy matter, the Board generally distinguishes between a foreign joint venture and a foreign investment on the basis of a bank's ownership interest. Where a U.S. bank owns less than 25 percent of a foreign company, the interest is deemed to be an "investment"; where a bank owns 25–50 percent, the interest is defined as a "joint venture." (1976 Board Interpretation #5650, note 1; and *Federal Reserve Bulletin*, July, 1974, p. 518, note 2.)

[22] By interpretive ruling #5650 in 1976, the Board expressed its recognition of the possibility that a U.S. banking organization may at times feel compelled for business reasons to provide financial support to a foreign joint venture substantially in excess of the U.S. banking organization's original equity investment and, in some situations, well in excess of its *pro rata* share. As a consequence, the Board indicated that in considering applications by U.S. banking organizations to

invest in foreign joint ventures, it would henceforth give consideration to the potential risks associated with such support, primarily in the case of proposed *new* joint venture investments.

[23] This problem is mitigated, however, by the fact that joint ventures are generally small relative to the size of their U.S. parent bank. Consequently, the quantitative limitations of Section 23A would not necessarily be a significant restriction.

[24] With the possible exception of one instance, these rescue operations were well within the means of the U.S. parent bank's financial resources and posed no danger to the banks. The ability to rescue their foreign joint ventures enabled the banks involved to protect their existing investments, reputations, and long-term access to a country.

[25] As a precedent for this proposal, Section 25, paragraph 4, of the Federal Reserve Act gives the Board authority to restrict bank "loans and extensions of credit" to foreign bank subsidiaries where it deems necessary. In fact, in the case of minority-owned foreign bank subsidiaries, this proposal would represent only an extension of this present authority.

[26] In addition, the Board recommends that it be given authority to restrict bank transactions with minority-owned subsidiaries (whether owned directly or indirectly) of a sister bank within a holding company system. Since a non-parent holding company "affiliate" was earlier defined to include its 25 percent or more owned subsidiaries, this proposal would ensure that the liberal treatment proposed for 80 percent or more owned sister banks within a holding company system would not also be guaranteed to a minority-owned subsidiary of a sister bank, in contravention of any restrictions that the Board might impose on transactions between that minority-owned subsidiary and its own parent bank.

[27] An important effect of this change would be to define a chain of one-bank holding companies as affiliates of one another's subsidiary banks.

[28] Section 2(b) (2, 3) of the Banking Act of 1933.

[29] Section 2(b) (4) of the Banking Act of 1933.

[30] Where trustees control 25 percent or more of the shares of a bank for the benefit of shareholders who control 25 percent or more of the shares of another bank, each bank would be defined as an affiliate of the other.

[31] Generally, REITs that are sponsored and advised by a banking organization are tied to the sponsoring organization in three ways. First, there is usually a contract between some entity in the banking organization and the REIT whereby the entity advises the REIT with respect to investments and investment policy and administers the day-to-day operations of the REIT, subject to the supervision of the trustees. Second, the banking organization generally selects the initial trustees, of which one or several, but less than a majority, are usually associated with the banking organization. Furthermore, continued representation by the banking organization among the trustees is common. Third, the REIT generally has a name similar to that of its sponsoring banking organization. The result of these ties is generally a "non-arm's-length" relationship between the bank and the advised REIT. In fact, banking organizations generaly concede this "non-arm's-length" relationship, as evidenced by statements in the prospectuses for bank-sponsored REITs. To quote from one such prospectus, "The transactions [of the REIT] with the Adviser or its affiliates may be considered not to be at arm's length, although the Declaration of Trust requires that transactions must be approved or ratified by a majority of the Trustees or of the Investment Committee who are not affiliated with the Adviser. Because of the relationship of the Adviser to the Trust the Adviser will be in a position to exercise considerable influence in the affairs of the Trust."

[32] It should be noted that this would not generally apply to shares acquired by a *bank* as a result of a defaulted loan since a subsidiary of a bank would not be defined as an affiliate for purposes of Section 23A, unless that subsidiary is itself a bank.

[33] This recommendation is consistent with Section 4(c) (2) of the Bank Holding Company Act, as amended, which exempts from the prohibitions of Section 4(a) of the Act ". . . shares acquired by a bank in satisfaction of a debt previously contracted in good faith, but such bank shall dispose of such shares within a period of two years from the date on which they were acquired, . . ."

[34] In the case of such affiliate relationships established prior to the enactment of these amendments to Section 23A, the Board would permit the exemption to continue for a period of two years, commencing with the date of enactment of the amending legislation.

[35] For example, bank loans to any single borrower are limited to a certain percentage (normally 10 percent) of the bank's capital and surplus.

[36] Companies described in Section 4(c) (1) are those engaged solely in: (a) holding or operating properties used wholly or substantially by any banking subsidiary or acquired for such future use; (b) conducting a safe-deposit business; (c) furnishing services to or performing services for such bank holding company or its banking subsidiaries; and (d) liquidating assets acquired from such bank holding company or its banking subsidiaries or acquired from any other source prior to May 9, 1956, or the date on which such company became a bank holding company, whichever is later.

[37] The term "low-quality asset" is defined on p. 7, note 2.

[38] In 1974, the Board issued an interpretation of Section 23A stating that the term "discount" meant "purchase," and that a bank's purchase *at face value* of a mortgage note from an affiliate was covered by Section 23A even though such purchase was not technically at a discount. (Board Interpretation #4110.)

[39] Presumably, asset "purchases" would also include asset "swaps."

[40] A covered asset purchase is counted (at current book value) as a covered transaction until the asset is liquidated or sold.

[41] Ineligible acceptances are time drafts accepted by a bank that do not meet the requirements for discount with a Federal Reserve Bank.

[42] While there may be some difference in the credit risk associated with an eligible as opposed to an ineligible acceptance, all acceptances involves at least some credit risk.

[43] A reason for including this particular type of secured loan as a covered transaction is that the unaffiliated party might be serving as a conduit for channeling bank funds to an affiliate. The bank makes a loan to the unaffiliated party, who uses the proceeds to buy securities issued by the affiliate and then pledges these securities as collateral for its bank loan.

[44] The one exception is a *bank* subsidiary of another bank.

[45] Refer to p. 23, note 1.

[46] In a 1971 Interpretation, the Board stated that it would include undivided profits (defined to include certain reserves) as part of "capital stock and surplus." (Board Interpretation No. 2309.)

[47] Consistent with this proposal, the Board also recommends that all loans or extensions of credit to an affiliate by a subsidiary of the bank should be secured in accordance with the collateral provisions of the Board's proposed amendments to Section 23A.

[48] Paper that is eligible for rediscount or purchase by the Federal Reserve Banks is generally limited to notes, drafts, bills of exchange, and banker's acceptances issued or drawn for agricultural, industrial or commercial purposes, and generally having a maturity of not more than 90 days.

[49] The term "low-quality asset" is defined on p. 7, note 2.

[50] Section 23A, paragraph 4, of the Federal Reserve Act.

[51] See p. 7, note 2, for the definition.

By Mr. MATHIAS (for himself and Mr. SARBANES):

S. 1048. A bill to designate the aquarium to be built on the site on Pratt Street, Pier 3, Baltimore Inner Harbor, Baltimore, Md., as the "National Aquarium"; to the Committee on Environment and Public Works.

NATIONAL AQUARIUM

● Mr. MATHIAS. Mr. President, today I am proud to introduce a bill to designate the aquarium now under construction in the city of Baltimore as the National Aquarium.

The designation of "national aquarium" is a very special title. It should be bestowed on an aquarium of only the highest caliber. I am convinced that the new aquarium planned for Baltimore deserves to receive this high recognition. I believe that anyone who takes the time to examine the design and plans for this new facility will agree that it would be a national aquarium of which we could all be proud.

The $20 million aquarium will, upon completion in 1980, be the largest and by far the most advanced in the Nation. Its collection of 5,000 display specimens will be worldwide in scope and its display volume of 940,000 gallons will be twice as large as the average. It will make use of the most advanced technology in water treatment, conservation, and design and will be fully accessible to the handicapped. Its educational and research facilities will be of the highest quality.

The most unusual aspect of the Baltimore aquarium's award-winning design is its fascinating walk-through ecological exhibits, including a cove on the Maine seacoast where children will be allowed to handle living specimens, an Amazonian rain forest complete with plants, trees, river life, insects, birds, and mammals, and two enormous ring tanks of 335,000 and 200,000 gallons respectively which will surround the visitor with colorful life of a Caribbean coral reef on one level and the large denizens of the open ocean such as sharks, rays, and amberjacks on the next. No other American aquarium can boast such exhibits.

There was once a time when an aquarium was thought of only as a "wet zoo." It was simply a place to go to see forms of aquatic life in tanks or underwater "cages." Fortunately, our perceptions of aquariums have changed in recent years.

The earlier approach of simply displaying an animal in a small cage or tank is being replaced by more ecologically realistic display environments, emphasizing as much as possible the relationships of animals with their own kind and with other species, as they are found in nature. In Baltimore and other new aquariums, the animals are placed in a more open environment with ecological barriers, instead of restrictive cages. The present aquarium in Washington, now housed in the basement of the Commerce Department, is little more than a series of relatively small, traditional tanks. The modern aquarium now under construction in Baltimore will provide far greater capability for holding, caring for, and for breeding fishes, marine mammals and other aquatic species. It will have an educational dimension totally lacking in older aquariums.

What are the uses and functions of a modern aquarium? Five years ago, in January 1974, the Senate Committee on Rules and Administration's Subcommittee on the Smithsonian Institution held a hearing on bills aimed at providing assistance in improving zoos and aquaria. In his testimony, John Prescott of the New England Aquarium made the following observations:

> Each year more than 20 million people visit one of the 30 major public aquariums in the United States.
>
> Aquaria are important recreational resources for the American public. Families are the primary users and the primary use periods are weekends, holidays, and school vacations.
>
> Prior to 1960, zoos and aquariums were generally viewed only as recreational resources and, as such were considered low in the social requirements of our cities and towns. Mass recreation is no longer considered a social luxury. It has been recognized as a necessary aspect of life and provides meaningful alternatives to everyday problems.
>
> In addition, today's educators increasingly utilize aquarial facilities for off-campus learning, and the academic community views the valuable collections as reservoirs of knowledge generally unavailable to the laboratory sciences.

Aquaria, in short, provide unique recreational, educational, and research opportunities and capabilities.

Beyond the many appealing attributes of the Baltimore facility itself which makes it worthy to be a national aquarium, the advantages of the Baltimore location cannot be exaggerated. Baltimore Inner Harbor is a most appropriate location for a national aquarium. Not only does it lie in the heart of one of our Nation's greatest ports, but the city is strongly scientifically oriented and boasts one of the largest concentrations of scientists in the country. It is adjacent to the Chesapeake Bay, the largest and richest marine estaurine system in the United States.

A national aquarium in this region could aid immeasurably in educating the public about the nature of processes of the functioning of this bay system. By extension, this facility could also inform citizens about similar ecological systems throughout the world.

Community and government agencies in both Baltimore and Washington have long recognized the interconnections between the economies of Baltimore and Washington. Recently the Baltimore and Washington Common Market was formed, with a starting budget of approximately $600,000 from corporations in both cities and the State of Maryland in order to promote this common area both nationally and internationally.

I believe that Baltimore possesses many attributes that argue for making the Baltimore Aquarium our national aquarium. Among them are the array of tourist attractions in the inner harbor, the easy rail link between the National Visitors Center and the Baltimore Penn Station, which is in Baltimore's central business district, and the excellent highway access.

In the past, we considered the oceans inexhaustible. We now know that this is far from true. The increasing strains we are placing on our oceans today—from overfishing to oil spills—are beginning to take their toll. Unless we act to modify these strains, the wear and tear on our oceans may prove fatal. The more aware we become of the fragility of the balance of life in the oceans, the more careful we will be to respect it. And the more we learn of its complexities, the better able we will be to prevent this precious ecosystem from being damaged or destroyed.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1048

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, the aquarium to be built by the City of Baltimore, Maryland, on the site on Pratt Street, Pier 3, Baltimore Inner Harbor, Baltimore, Maryland, shall, on and after the date of its construction, be known and designated as the "National Aquarium". Any reference in a law, map, regulation document, record, or other paper of the United States to that aquarium shall be held to be a reference to the "National Aquarium".●

By Mr. JAVITS (for himself and Mr. McGovern):

S. 1049. A bill to establish a National Bank of Community Conservation to provide financial assistance to distressed areas for the conservation of existing public capital infrastructure; to the Committee on Banking, Housing, and Urban Affairs.

COMMUNITY CONSERVATION ACT OF 1979

Mr. JAVITS. Mr. President, I am today introducing, with my colleague, the Senator from South Dakota (Mr. McGovern), the Community Conservation Act of 1979, a bill to establish a special purpose Federal financing facility which would provide financial assistance—in the form of subsidized and unsubsidized loans, participations and small grants—to distressed area local governments for the purpose of encouraging and assisting in the conservation of existing public capital infrastructure.

Mr. President, one of the most insidious and perilous problems of distressed urban and rural areas in the United States has been the inexorable deterioration that has taken place in their public infrastructure—including water supply and distribution facilities; electricity generation and distribution systems, mass transit systems (surface and subsurface rapid transit; streets, bridges, and major arterial highway networks; solid waste collection and disposal facilities; and sewer and sewage treatment systems.

This "infrastructure" is of vital importance to the quality of daily living in distressed areas. Indeed, it represents the "life support system" of many afflicted urban and rural areas. Day after day we read of another bridge collapse, water supply breakdown, power blackout or subway derailment. All at once, it would seem, the accumulated wear and tear on the stock of public capital in those urban and rural areas least able to undertake major rehabilitation projects has begun to take its toll, and the public infrastructure has begun to break down.

Mr. President, the existing stock of public capital is one of our Nation's most precious resources; no less important nor less socially beneficial than the clean air we breathe or the fresh water we drink, because it is through these infrastructure networks that our other resources are delivered. Without them, our people cannot avail themselves of light, power, clean air, fresh water, freedom of movement, and so forth. All of our other laudable objectives are merely theoretical unless we have in place adequate systems to get these things to our people—and these systems represent our public infrastructure.

And, Mr. President, this infrastructure is steadily wearing out. Streets in many cities are made nearly impassable by potholes that routinely break car axles; bridges are closed, because of the danger of imminent collapse (see exhibit A); storm drains cave in; and large tracts of cities are left in total darkness, because of power failures. I daresay that not a single Member of this body can go home without seeing some glaring examples of infrastructure decay in distressed areas. The evidence is all around us.

In short, the utilities of distressed urban and rural areas—what makes it possible for people to get from place to place; to dispose of their wastes; or even to get a drink of water; yes, Mr. President, the necessities of life—are wearing out, and without some Federal help the distressed areas are unable to rehabilitate and save what they have that is still worth saving.

NATIONAL BANK FOR COMMUNITY CONSERVATION

Accordingly the Community Conservation Act of 1979 will establish a new, special purpose, targeted financing facility—the National Bank for Community Conservation—to, first, make loans, in some instances subsidized loans; second, participate in loans with private financial institutions; and, third, make some grants to dstressed urban and rural areas to help them conserve what they have. The bank that would be established under our bill would have one raison d'etre and one alone: to help distressed areas conserve their existing capital stock; to husband their existing infrastructure resources.

Our bill would not establish a massive new economic development program—the budget situation is just too tight to allow that.

But we can afford to provide very targeted Federal assistance—targeted as to place and purpose—and thereby obtain maximum efficiency in the use of our scarce resources. This is why Senator McGovern and I have drafted this bill so as to target financial assistance exclusively to distressed urban and rural areas (as they are defined in section 9 of the bill) and for the specific purpose of infrastructure conservation.

Under our bill, a National Bank for Community Conservation would be established as a free-standing entity, not connected directly with any existing Federal bureaucracy. This is a very important provision of our bill, Mr. President, and reflects our deeply held conviction that the very sharply targeted mission of the bank requires a similarly specified and constituted administering entity.

Of course, the President withdrew his original and gifted proposal for a National Development Bank to aid private businesses in distressed cities, because he was persuaded that the planned purposes of that bank were similar in most respects to existing functions being carried out by the U.S. Department of Commerce. For that reason, Commerce is to have the authorities that were to have been vested in the National Development Bank.

I do not agree with this course of action. I believe we need to establish a separate entity, because otherwise this particular critical need—infrastructure conservation—will be lost among the myriad of other functions routinely carried out in the Federal bureaucracy. And we need to bring in some new people, bankers, financial analysts, and so forth, who would run this bank like any other financial corporation. This is precisely why we think a bank needs to be established: because we want a bank for this purpose, not just another Federal agency.

The bank will have a 15-member Board of Directors appointed by the President, from the Federal Reserve System, the Cabinet, the public, and from representatives of county and city organizations. The board will be responsible for the management of the bank and will have the power to review and approve all financial assistance commitments to distressed area local governments. This will insure that Federal help is extended on a prudent, business-like basis to those areas that can reasonably be expected to repay the loans in accordance with strict terms and conditions.

In order to insure sufficient local accountability and sensitivity, a number of regional operating divisions would be established. This would give us a facility similar to that enjoyed presently by the Federal Reserve System—flexibility to deal locally with the diversity that is the hallmark of our Republic.

TARGETED PURPOSE

As explained above, the Bank would be chartered for a very targeted and unambiguous purpose, to wit: To provide financial assistance—principally in the form of subsidized and unsubsidized loans and participations with private financial institutions—to distressed area local governments to aid them in undertaking major infrastructure preservation projects. Financial assistance would be made available on a project-by-project basis to eligible distressed areas for infrastructure rehabilitation, including upgrading and modernization of bridges, roadways, water tunnels, sewage disposal systems, elevated surface and subsurface transit facilities, and electricity generation and distribution.

ELIGIBLE DISTRESSED AREAS

Furthermore, the bank would be constituted to distribute Federal assistance in a very targeted way, to wit: Only to eligible distressed areas. An eligible distressed area is defined very clearly in section 9 of the bill to be the geographical area encompassed by a local government that is characterized by at least three of the following conditions:

First, the unemployment rate is above the average unemployment rate for the statistical grouping to which such local government belongs;

Second, the rate of growth in employment is less than the rate of growth for the statistical grouping to which such local government belongs;

Third, the absolute growth in per capita income is less than the absolute growth for the statistical grouping to which such local government belongs; and

Fourth, the rate of growth in population is less than the rate of growth for the statistical grouping to which such local government belongs.

Only those areas that satisfy these rather exacting standards of eligibility would qualify to receive any financial assistance from the national bank.

So one can understand, Mr. President, why we say that the efforts of the bank would be very "place targeted" and, therefore, why we feel Federal resources would be well and wisely spent in only those areas most in need.

Once an area is designated as an "eligible distressed area" under section 9, it would then be eligible to apply for Federal help under the "Special Powers" section of the bill—section 10.

SPECIAL POWERS OF THE BANK

The National Bank for Community Conservation would be authorized under section 10 to extend financial assistance to such areas in any of three ways:

First. Loans. The bank could make loans at competitive interest rates to finance infrastructure conservation projects. In general, the lending rate would be the current going rate on similar municipal securities.

Certain of the above-qualified eligible distressed areas could also be eligible to receive an interest-subsidized loan, with the interest subvention limited to no more than 3 percentage points. In order to qualify for a subsidized loan, an eligible distressed area would have to demonstrate that five conditions are present: First, that the infrastructure is critical to the health and safety of local residents; second, that there has been persistent and substantial unemployment; third, that access to conventional financing is significantly impaired; fourth, that payment of the going market rate of interest would represent a substantial and continuing burden; and fifth, that the general condition of public infrastructure is seriously deteriorated.

Second. Purchase authority. The national bank would also be empowered to purchase debt securities of eligible distressed areas from private financial institutions. The purpose of this provision is to encourage banks, insurance companies, and other lenders to participate in providing financial assistance to distressed areas for the purposes specified in the act. Such institutions can do so with the knowledge that the bank will be prepared to purchase from them packages of eligible securities.

I wish to make clear, Mr. President, that I do not intend that the national bank be a competitor of existing financial institutions that presently lend to local governments. Under no circumstances would the bank act to displace existing lenders from their financial market relationships with local governments. The purchase authority provisions in section 10(c) of this bill, therefore, are designed to underscore the basic complementary that we intend to exist between the activities of the bank and those of private financial institutions.

Clearly, there is a desperate need among distressed areas that is not now being reached by existing lenders. The bank will step into this vacuum and provide financial assistance as I have decribed it. But the bank will not compete with other lenders for the same business and thus substitute its capital for that of existing institutions.

Third. Grant authority. The third special power the bank will have at its disposal is the authority to make small grants, particularly in tandem with loans, for infrastructure conservation projects. The bank may, if it chooses to do so, provide a grant which may be used to help defray the costs of interest on outstanding loans made by the bank or by private financial institutions. Grant authority is limited to 15 percent of the project cost or $3 million, whichever is less.

So, Mr. President, the National Bank for Community Conservation will be authorized to make subsidized and unsubsidized loans; participate with private financial institutions in making unsubsidized loans to eligible distressed areas; and extend small grants.

PRIORITIES FOR ASSISTANCE

While all section 9 designated distressed areas would be "eligible to receive Federal financial assistance under the "Special Powers" provisions of section 10, in selecting from among the universe of eligible areas, the bank would have to give priority to four categories of eligible distressed areas: First, those which have a population in excess of 100,000 persons; second, those which have a population of less than 100,000 persons, but which establish a consortium of contiguous local governments, the combined population of which exceeds 100,000; third, those which have a population of less than 100,000 persons, for which a State submits an application; and fourth, those which have undergone exceptionally severe deterioration of essential infrastructure.

The advantage of this approach is that it would enable the bank to prioritize somewhat among what could be a relatively large number of eligible distressed areas. Because I recognize that rural as well as urban areas, small and large, can have very severe problems with infrastructure deterioration—particularly in the water supply area—I believe our criteria for distressed area designation ought to enable us to cast a wide net, as it were, at getting in all those likely to be in distress and to have infrastructure problems. At the same time, however, I felt we should provide some guidance to the bank as to our own priorities for service, and this is why section 10(a)(2) is written the way it is.

FINANCING THE BANK

Mr. President, I come now to a critical element of our plan, the means by which the National Bank for Community Conservation is to be financed.

It is the intent of the bill's sponsors that, to the maximum extent feasible, the national bank be a self-supporting proposition—that it operate just like any other banking institution, except that it be targeted as to where it puts its money and for what purpose.

We have written the bill with this idea very much before us and, accordingly, the National Bank for Community Conservation would be authorized to raise its working capital by issuing its own debt obligations, which would be guaranteed by the Federal Government through the Government National Mortgage Association. Presumably, the bank would pay interest on its own debt at the going market rate of interest for comparable securities.

The national bank would then finance selectively, according to the criteria outlined above, specific municipal conservation/rehabilitation projects. The bank would charge most borrowing local governments the going rate on tax exempt municipal securities, which generally ranges from 1 to 2 percentage points below the going taxable bond rate.

It is very likely, therefore, that some modest Federal subsidy would be required, equal to the difference between the taxable rate which the bank would have to pay to raise its own capital and the slightly lower rate which it would receive when it lends to local governments. Assuming a 2-percent difference on each transaction of the bank, the U.S. Treasury would need to provide about $20,000 per $1 million loan commitment or, in round figures, $20 million if the bank had $1 billion in loans outstanding. We estimate, therefore, that when the National Bank for Community Conservation reaches $5 billion in outstanding local government debt holdings, the U.S. Treasury would be making up the gap between interest paid and interest earned for a total cost of $100 million per year.

There will, of course, be some additional annual outlays owing to the fact that, occasionally, the bank will make subsidized loans for infrastructure development, and these may run up to 3 percentage points below the going tax-exempt bond rate. But I do not think more than 25 percent of the loans made each year would be interest subsidized loans.

Clearly, Mr. President, one can see that in this bill we have designed a mechanism through which a critical need of our distressed areas can be dealt with in a sound, businesslike manner. With the exception of the subsidies above described, the bank will function very much like any other financial institution, with funds raised from the bank's sale of its own securities targeted directly at areas most in need.

Now, Mr. President, some may ask why the Federal Government needs to get into this area in the first place. Why can not local governments take care of this need themselves, if it is so compelling, by arranging their own priorities toward rehabilitation and away from new construction?

In my judgment the answer to this question is that a disastrous combination of old age and financial stress, particularly in the older cities, has adversely affected the capacity of many local governments to rehabilitate their existing infrastructure. Many of the older cities and rural sections of our country have accumulated a large backlog of restoration needs, because of the normal wear and tear associated with older capital. Their stocks of capital have worn out from long use, weather conditions, and so forth and are in desperate need of reclamation efforts.

Similarly, many areas are having financial difficulties, which has forced them to make unwise deferrals in their regular maintenance schedules. Testifying before the House Banking Committee, Dr. Lyle Fitch of the Institute of Public Administration stated:

> All expenditures that can possibly be deferred will be deferred, particularly maintenance expenditures and capital outlays. Hardpressed city and county governments have already been doing this for years, consequently, vast amounts of deferred maintenance are accumulating, with water and sewer mains falling apart, streets filled with potholes, and deterioration of highways and bridges to the point where they have to be closed. Bridges are an especially serious problem in cities which depend heavily on them, such as New York and Pittsburgh.

In short, Mr. President, the reason why the Federal Government needs to extend this targeted infrastructure assistance is because local governments cannot do it themselves—at least not without some subvention of interest.

I want to point, however, that the bank must act in accordance with the principles of sound banking practice. It should not extend financial assistance to areas that have absolutely no hope of ever repaying loans. This is another reason why we designed the bill as we have here. But I believe there is an enormous unfilled vacuum of infrastructure conservation needs—particularly in the "credit crunch" environment into which we appear to be heading—between the financially destitute cities which should not take on any more debt and those relatively affluent communities that have all their needs satisfied in the regular municipal market. In the middle there could be thousands of distressed urban and rural areas not sick enough to qualify for Federal relief programs and not healthy enough to go it alone in the bond maket—and this is the universe of need at which our proposition is targeted.

Mr. President, I do hope the Banking Committee will study our proposal very carefully. It embodies in nearly all important respects the plan outlined by Senator McGovern and I in our testimony before the House Banking Committee's Subcommittee on Economic Stabilization on August 2, 1978, chaired by Congressman Moorhead of Pennsylvania.

I have no illusions, however, about the fact that the President's decision to go with the Department of Commerce instead of with a new entity means that it will not be easy to enact quickly a bill to establish a national bank.

But we all recognize how uncertain the future is. If a recession comes in 1980, and many are predicting that it will—and that it will be a severe one—the now distressed, at risk urban and rural areas of our country will be highly exposed to a crippling blow. They will lack the resiliency they need to bounce back, as they have always done in the past. I do hope the Banking Committees will be able to factor this peril into their consideration of our bill.

Indeed, I am very pleased that on April 3 Congressman Moorhead introduced his own bill, the Municipal Capital Assistance Act of 1979, H.R. 3405, to authorize the Secretary of the Treasury to assist local governments to finance infrastructure preservation and restoration projects. So it is clear that others have seen the wisdom of targeting Federal resources at this critical need, to wit: Infrastructure conservation. I am sanguine that the various propositions that have been and will be put forward can be conformed at the appropriate time. What matters most is the amelioration of the problem of infrastructure deterioration in distressed areas, not the particular mechanism we establish to reach the problem. I am sure Chairman Moorhead is as anxious as I am to be partners in working together to resolve the differences that exist in our various approaches to getting at this great problem of our distressed localities.

In the final analysis the National Bank for Community Conservation represents an investment in our own future. It means that the Federal Government accepts the responsibility to help the distressed areas of our country to help themselves. This is not a bailout proposition; it is a self-help proposition. The National Bank for Community Conservation is an investment in conservation, just like our Federal programs for clean air and fresh water.

I hope Congress will have the wisdom to see this as an act of faith in our country's future.

Mr. President, I ask unanimous consent to have printed in the Record the text of the bill and a number of relevant articles on this subject.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 1049

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Community Conservation Act of 1979".

FINDINGS

Sec. 2. The Congress hereby finds and declares that—

(1) existing local public capital facilities—including but not limited to bridges, sewers, water tunnels, roadways, stormdrains and transportation systems—are among the Nation's most precious economic resources, are essential to the quality of life, health and

safety of citizens, and are vital to local and area economic development;

(2) the existing physical stock of capital, particularly in the older jurisdictions, has deteriorated badly and has reached the point where there exists a clear and present danger to the well-being of citizens;

(3) maintenance and upgrading of public infrastructure, and particularly, reversing the downward trend in capital expenditures appears to be the single greatest problem facing our Nation's cities, large and small;

(4) in many areas of the Nation adequate and affordable financial resources cannot be obtained to undertake major conservation and rehabilitation projects, therefore, supplemental financial assistance is required;

(5) there is an urgent need for the Federal Government to encourage and assist in the proper conservation of existing capital infrastructure through programs of capital rehabilitation, renovation and repair;

(6) the establishment of a special-purpose Federal financing facility, with regional divisions, would be the most efficient and cost-effective way to assist localities in the preservation of existing stocks of infrastructure capital; and

(7) conservation of existing capital facilities can assist in achieving improved local and regional economic development, employment opportunities and personal income.

PURPOSE

SEC. 3. The purpose of this Act is to establish a National Bank for Community Conservation, which shall be a special purpose financing facility organized to provide financial assistance to local governments, through subsidized and unsubsidized loans and the purchase of public debt instruments from private financial institutions and grants, for the purpose of encouraging and assisting in the conservation of existing public capital facilities through rehabilitation and renovation.

DEFINITIONS

SEC. 4. As used in this Act—

(1) "bank" means the National Bank for Community Conservation;

(2) "obligation" means any bond, note, debenture, or other instrument evidencing debt;

(3) "distressed area" means (A) an area which the bank determines pursuant to section 9 to be eligible for financial assistance from the bank, (B) Puerto Rico, (C) Virgin Islands, Guam, American Samoa, Commonwealth of Northern Marianas, and Trust Territory of the Pacific, and (D) any area under the sovereignty or governance of an Indian tribe, band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512);

(4) Consortium—Areas encompassed by a group of contiguous local governments which are eligible distressed areas, the combined population of which exceeds 100,000;

(5) "eligible project" means any project in a distressed area which is designed to rehabilitate or otherwise improve, upgrade or modernize existing public physical infrastructure;

(6) "Federal agency" means the United States of America and any agency, department, or instrumentality thereof;

(7) "financial assistance" means any loan under section 10(a) any interest rate subsidy under section 10(a)(3) or any grant under section 10(c);

(8) "local government" means—

(A) a municipality, township, or other political subdivision of a State which is a unit of general government (determined on the same principles as are used by the Bureau of the Census for general statistical purposes), including the District of Columbia, hereof, and

(B) the governing authorities of the areas listed in clauses (C) and (D) of paragraph (3) of this section;

(9) "long-term debt" means any loan (or portion thereof) and any privately placed or publicly distributed debt securities which are extended or purchased by a private financial institution and (A) mature by their terms not less than one year nor more than thirty years from the date the determination is made as to whether such portions of a loan or debt securities qualify as long-term debt, and (B) in the case of any refinancing transaction, represent portions of loans or debt securities that were not outstanding prior to the refinancing transaction;

(10) "private financial institution" means any bank, trust company, savings bank, savings and loan association, industrial bank or loan company, credit union, building and loan association, insurance company, mortgage company, and any other company engaged in the business of providing long-term financing;

(11) "project cost" means the aggregate costs incurred by, or on behalf of, the local government for the rehabilitation or improvement of an existing public facility, which are determined by the bank to be necessary therefor, including the costs of debt service; and

(12) "infrastructure" means those physical capital facilities, including but not limited to bridges, roadways, water tunnels, sewage disposal systems, and elevated, surface and subsurface transit facilities, which are essential to necessary communication, transportation, water, sewage and garbage disposal, heating, cooling, lighting, health and safety.

ESTABLISHMENT OF BANK

SEC. 5. (a) There is hereby established a body corporate to be known as the National Bank for Community Conservation, which shall have succession until dissolved by Act of Congress. The bank, which shall not be an agency of the United States Government, shall maintain such offices as may be necessary or appropriate in the conduct of its business. For the purposes of jurisdiction and venue, the bank shall be deemed a citizen and resident of the District of Columbia.

(b) No individual, association, partnership, or corporation, except the bank, shall hereafter use the words "National Bank for Community Conservation" as the name or a part thereof under which it does business.

(c) It shall be the specific purpose of the bank to encourage and provide financial assistance to local governments for the improvement and conservation of existing physical facilities through rehabilitation and modernization. Financial assistance may be provided to local governments in the form of subsidized and unsubsidized loans, repurchase agreements and grants.

ORGANIZATION OF BANK

SEC. 6. (a) The bank shall have a board of directors which shall initially consist of fifteen members to be appointed by the President of the United States as follows:

(1) one member to be appointed from the Board of Governors of the Federal Reserve System;

(2) four members to be appointed from among the heads of departments and agencies in the executive branch of the Government;

(3) four members to be appointed from among those who represent the public generally, one of whom shall be appointed, by and with the advice and consent of the Senate to serve as president of the bank and chairman of the board of directors;

(4) two members who are Governors of States from among nominees of the National Governors' Association;

(5) two members who are elected officials of county governments from among nominees of the National Association of County Officials; and

(5) two members who are elected officials of city governments from among nominees of the National League of Cities, and the United States Conference of Mayors.

(b)(1) Directors appointed under clauses (1), (2), and (3) of subsection (a) of this section shall serve at the pleasure of the President or until their successors have been appointed.

(2) One director initially appointed pursuant to each of clauses (4), (5) and (6) shall be designated by the President of the United States to serve until the first annual meeting of the stockholders, and one director appointed pursuant to each such clause shall be designated by the President of the United States to serve until the second annual meeting of the stockholders. Vacancies occurring pursuant to this paragraph at the time of each such annual meeting shall be filled by election by the stockholders at such meeting from among nominees as provided in subsection (a) of this section. Directors elected pursuant to this subsection shall serve for terms of two years. The board may appoint a member to serve for any unexpired term of any such director.

(c) The board shall hold regular bimonthly meetings and shall hold other meetings at the call of the chairman. A majority of the board shall constitute a majority for the transaction of business. Any vacancy in the board shall not affect its powers or duties.

(d) The board shall be responsible for the management of the bank; shall have the power to review and approve all financial assistance and loan purchase decisions; and shall establish policies for the carrying out of the responsibilities of the bank under this Act. The board shall adopt, and from time to time may amend or repeal, such regulations as are necessary or convenient for the functioning of the bank. Any findings and approvals required by this Act to be made or given by the bank shall be made or given by the board or by the officer or officers of the bank designated by the board in one or more resolutions delegating to the officers specified the power to make or give such findings and approvals. Any such resolution delegating the power to make or give such findings and approvals shall set forth the standards to be applied by the officer or officers designated.

(e) Any director who is an officer or employee of the United States shall serve without additional compensation for his services as a director.

(f) The management of the bank shall be vested in the president of the bank, subject to such policies as the board of directors shall precribe from time to time.

(g)(1) There shall be a president of the bank, who shall be appointed by the President of the United States with the advice and consent of the Senate, and who shall serve as chief executive officer of the bank. Subject to the direction of the board, the president shall manage and supervise the affairs of the bank and shall perform such other functions as the board may from time to time prescribe. There shall be an executive vice president of the bank, who shall be appointed by the President of the United States with the advice and consent of the Senate. The executive vice president shall perform the duties of the president of the bank during the absence or disability of, or in the event of a vacancy in the office of, the president of the bank and shall at other times perform such functions as the board and the president of the bank may from time to time prescribe. The president and executive vice president of the bank shall receive salaries at the annual rate of compensation in effect for executive level III and executive level V, respectively, of the executive schedule under subchapter II of chapter 53 of title 5, United States Code.

(h) The President of the United States shall appoint an advisory committee of nine members, two of whom may be officers or employees of the Federal Government. The members designated shall be persons who are generally knowledgeable in or representative of State and local government, commerce, finance, labor, community development, economic development, environmental protection, and consumer and community interests. The advisory committee shall meet at least three times each year on the call of the president of the bank to advise the bank on such matters as the board or the president of the bank shall specify. Members of the advisory committee who are not otherwise officers or employees of the Federal Government may be compensated at a rate not exceeding the daily equivalent of the rate for grade GS–18 of the General Schedule (5 U.S.C. 5332) for each day spent in travel or attendance at meetings of the committee; while so serving away from their homes or regular places of business, all members may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for individuals in the Government services employed intermittently.

REGIONAL OPERATING DIVISIONS

SEC. 7. (a) The bank shall establish regional operating divisions. Each division shall be charged with responsibility for assessing borrower eligibility and making loans within its region or geographical area. To the maximum extent feasible, the boundaries of the regions or geographical areas respectively represented by the several regional operating divisions shall be the same as the boundaries of the areas respectively served by the regional offices of the various Federal departments and agencies.

(b) Each regional operating division shall transact all of the bank's business within its region with the assistance of the metropolitan area advisory staffs.

(c) Each regional operating division shall be supervised by a three-member panel appointed by the board. In addition, an advisory committee of not less than eighteen nor more than twenty-five persons representing all governments and all socioeconomic levels within the division's region shall be appointed by the board to develop policies and guidelines for the division's activities.

GENERAL POWERS

SEC. 8. To carry out the purposes of this Act, the bank shall have the following general powers:

(1) to sue and be sued, complain, and defend in its name in any court of competent jurisdiction, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the bank or any of its property;

(2) to adopt, alter, and use a seal, which shall be judicially noticed;

(3) to adopt, amend and repeal, by the board, such rules and regulations as may be necessary to the conduct of its business and to carry out the authority granted under this Act;

(4) to conduct its business, carry on its operations, and exercise the powers granted by this Act in any jurisdiction without regard to any qualification, licensing, or other requirement imposed by law in any jurisdiction;

(5) to lease, purchase, accept gifts or donations of, or otherwise to acquire, and to own, hold, improve, use or otherwise deal in or with, and to sell, convey mortgage, pledge, lease, exchange, or otherwise dispose of any property, real, personal, or mixed, or any interest therein wherever situated;

(6) to enter into contracts, to execute instruments, and to incur liabilities;

(7) subject to the civil service laws and chapter 51 of subchapter III of chapter 53 of title 5, to appoint and fix the compensation of such officers, attorneys, employees, and agents as may be require and, to the extent desired by the bank require bonds for them and fix the penalty thereof and to appoint and fix the compensation of experts and consultants at a rate not exceeding the daily equivalent of the rate for grade GS–18 of the General Schedule (5 U.S.C. 5332);

(8) to cooperate with and utilize the services of any Federal agency on a reimbursable basis, and any Federal agency is authorized to cooperate with and provide services as requested by the bank on such basis;

(9) to make use of the United States mails in the same manner and upon the same conditions as the executive departments of the Federal Government; and

(10) to do all other acts and things as may be necessary or incidental to the conduct of its business and the exercise of all the rights and powers granted to it by this Act.

DESIGNATION OF ELIGIBLE AREAS

SEC. 9. (a) ANNUAL DESIGNATION.—The bank shall within four months after the enactment of this Act and on an annual basis thereafter, determine and designate distressed areas pursuant to the criteria set forth in subsection (b). Each such determination and designation shall be published in the Federal Register and shall remain in effect for one year from the effective date of such determination and designation. The bank may, during any period while such a determination and designation is in effect and during one year thereafter, enter into agreements to provide financial assistance to eligible projects in areas included in such designation as distressed areas, notwithstanding the fact that any such areas are not so designated in the next year.

(b) METHOD OF DETERMINATION.—A distressed area is the geographical area encompassed by a local government that is characterized by at least three of the following conditions:

(1) the unemployment rate is above the average unemployment rate for the statistical grouping to which such local government belongs;

(2) the rate of growth in employment is less than the rate of growth for the statistical grouping to which such local government belongs;

(3) the absolute growth in per capita income is less than the absolute growth for the statistical grouping to which such local government belongs; and

(4) the rate of growth in population is less than the rate of growth for the statistical grouping to which such local government belongs.

No area shall be a distressed area if the per capita income for the area during the most recent year for which data are available is more than 150 per centum of the average per capita income for the statistical grouping to which the related local government belongs.

(c) STATISTICAL GROUPING.—The term "statistical grouping" shall mean either all standard metropolitan statistical areas ("SMSA's") considered as a group, or all areas outside of such SMSA's ("non-SMSA's") considered as a group. A local government belongs to the statistical grouping comprised of all SMSA's if any part of the area of such local government is within the area of an SMSA: otherwise, such local government belongs to the statistical grouping comprised of non-SMSA's.

(d) DETERMINATION OF RATES.—

(1) UNEMPLOYMENT RATE.—For the purposes of this section, the unemployment rate for a local government shall be determined by computing the average rate of unemployment in the area contained within the local government during the most recent four calendar quarters for which data are available, as determined by the Bureau of Labor Statistics for the Secretary of Labor. The dates that define the period of time shall be the same for all local governments.

(2) RATE OF GROWTH IN EMPLOYMENT.—For the purposes of this section, the rate of growth in employment for a local government shall be determined by subtracting from the employment in the area contained within the local government for the most recent four calendar quarters for which data are available, the employment within such area for a four-calendar-quarter period which preceded such recent four calendar quarters by two years, as determined by the Bureau of Labor Statistics for the Secretary of Labor, and dividing this difference by the employment within such area for the earlier four-calendar-quarter period. The dates that define the periods of time shall be the same for all local governments.

(3) ABSOLUTE CHANGE IN PER CAPITA INCOME.—For the purposes of this title, the absolute change in per capita income for a local government shall be determined by subtracting from the per capita income in the area contained within the local government for the most recent year for which data are available, the per capita income within such area for a year which preceded such recent year by two years, as determined by the Bureau of the Census for the Secretary of Commerce for general statistical purposes. The dates that define the periods of time shall be the same for all local governments.

(4) RATE OF GROWTH IN POPULATION.—For purposes of this Act, the rate of growth in population for a local government shall be determined by subtracting from the population in the area contained within the local government for the most recent year for which population data are available, the population in such area as of a date which preceded the date of the most recently available population data either five or six years, as determined by the Bureau of the Census for the Secretary of Commerce for general statistical purposes, and dividing this difference by the population within such area for the earlier year. The dates that define the periods of time shall be the same for all local governments.

(5) NONAVAILABILITY OF DATA FOR SPECIFIED TIME PERIOD.—If data are not available for the specified period of time for eligibility under paragraph (1) or for the earlier periods of time referred to in paragraphs (2), (3), and (4), the Secretary of labor or the Secretary of Commerce, as the case may be, shall determine the local rate in question on the basis of data for the period of time as close to twenty calendar quarters (in the case of paragraph (1)) or as close to five years (in the case of paragraphs (2), (3), and (4)) as such Secretary determines to be most appropriate.

(6) ASSIGNMENT OF RATES.—Where an unemployment rate or rate of growth in employment cannot be determined for a local government, the unemployment rate or rate of growth in employment for the smallest unit of local government or appropriate geographical area for which a local rate has been determined within the jurisdiction or area in which such local government is located shall be assigned to such local government. However, if the Governor of the State in which such local government is located has provided the Secretary of Labor with an unemployment rate or rate of growth in employment for such local government and the Secretary of Labor determines that such rate has been developed in a manner consistent with the procedures used by the Secretary of Labor then such rate shall be assigned to the local government.

(7) DATA FOR CERTAIN AREAS.—For local governments described in section 4(7)(B), the data required for paragraphs (1) through (4) shall be determined by subtracting from the data for the county so much of such data as are applicable to local governments described in section 4(7)(A).

(e) RESPONSIBILITY FOR DETERMINING RATES.—(1) The Secretary of Labor shall determine or assign the unemployment rates and rates of growth in employment for each local government and for each statistical grouping annually and shall report such rates annually to the president of the bank.

(2) The Secretary of Commerce shall determine annually and shall report annually to the president of the bank (a) the rates of growth in per capita income and in population for each unit of local government and for each statistical grouping and (b) the level of per capita income for each unit of local government and the average per capita income for each statistical grouping.

(f) OTHER DISTRESSED AREAS.—In the case of any geographical area encompassed by a local government with a population of at least fifty thousand persons that does not qualify as a distressed area under the criteria set forth in subsection (b), the appropriate local development authority may submit to the bank both an application for financial assistance and an application describing a smaller portion of such area and requesting that it be designated as a distressed area. The bank shall designate such smaller portion as a distressed area if it finds—

(1) that such smaller portion of the area is composed of contiguous territory and has a population of at least ten thousand persons, and

(2) on the basis of the best evidence available (which shall be submitted by the local government), it is probable that such smaller portion of the area would qualify as a distressed area if it were the full geographical area encompassed by a local government.

SPECIAL POWERS

SEC. 10. (a) (1) Financial assistance under this section shall be made available to eligible distressed areas designated under section 9 on the basis of individual project applications submitted by local governments in such areas.

(2) In the selection of projects for which financial assistance is to be provided, the Bank shall give priority to—

(A) distressed areas which have a population in excess of 100,000 persons;

(B) distressed areas which have a population of less than 100,000 persons, and which establish a consortium of contiguous local governments, the combined population of which exceeds 100,000;

(C) distressed areas which have a population of less than 100,000 persons, for which the State submits an application; and

(D) distressed areas which have undergone exceptionally severe deterioration of * * *

(3) In circumstances where a significant portion of the existing public physical capital for which conservation assistance is sought is contained within the jurisdiction of another local government which is a distressed eligible area, the Bank shall require joint preparation and submission of the application for financial assistance for the eligible project and joint administration of the project itself if assistance is provided.

(b) LOAN AUTHORITY.—(1) Subject to the provisions of this Act, the Bank is authorized to make loans to local governments which are eligible distressed areas to finance the upgrading, modernization and rehabilitation of existing physical capital infrastructure.

(2) All loans made pursuant to this section shall bear interest at a rate determined by the bank which shall be low enough to be competitive with municipal bonds, but in no event greater than one point over the average rate on Treasury borrowings of similar maturity.

(3) (A) Notwithstanding the provisions of paragraph (2), above, loans may be made to local governments in certain eligible distressed areas at a subsidized interest rate, which shall in no case be lower than the market rate less three percent.

(B) In order to be eligible for a subsidized loan, a distressed area designated under section 9 must submit an approved infrastructure conservation plan, which includes a description of the particular project for which assistance is sought, and must demonstrate that—

(i) the infrastructure for which financial assistance is sought is critical to the health and safety of local residents and to the overall economic development of the distressed area;

(ii) the distressed area has been characterized by substantial and persistent unemployment for an extended period of time or a significant long term erosion of employment opportunities;

(iii) access to conventional sources of financing at reasonable rates of interest is significantly impaired;

(iv) payment of the market rate of interest on comparable municipal securities would represent a substantial and continuing burden upon the financial resources and budgetary needs of the area;

(v) the general condition of existing public physical capital in the area is in a seriously deteriorated state.

(C) In selecting areas which shall receive subsidized loans from among those eligible and submitting applications, the Bank shall take into account the relative severity of the conditions described in section 10(b) (3) (B) and in section 9(b).

(D) When the bank makes subsidized loans, the Board of Directors shall determine the appropriate interest subsidy taking into account factors including but not limited to:

(i) the effect of the loan upon the area served by the local government, including but not limited to, economic development, improved standard of living, energy efficiency;

(ii) the need of the eligible distressed area, in terms of health, safety and the quality of living, for the particular infrastructure rehabilitation project proposed for assistance; and

(iii) the likelihood that financial assistance provided under this section will be repaid as described in the terms of the loan agreement.

(4) The bank may establish any and all terms and conditions of repayment of loans authorized under this section, including number of installment payments, deferral of principal payments and early repayment of obligations.

(5) A loan made under this section may not exceed the total capital cost of the project to be financed, and shall be made for a term determined by the bank; except that the term of a loan made under paragraph (2) of subsection (a) shall not exceed the life of the project or forty years, whichever is less.

(c) PURCHASE AUTHORITY.—(1) Subject to the provisions of this Act the bank is authorized to make commitments to purchase and to purchase from private financial institutions, and may service and sell, on terms and conditions determined by the bank, qualified debt (or participation therein) of a local government issued to finance rehabilitation of existing physical infrastructure. This authority shall be exercised to encourage the participation of private financial institutions in the activities to extend financial assistance to local governments to fulfill the purposes of this Act.

(2) The term "qualified debt" means long-term debt extended by private financial institutions to eligible areas to finance projects in distressed areas. The term "qualified debt" shall not include the portion of any long-term debt—

(A) that is the subject of an interest subsidy; or

(B) which otherwise represents credit extended or guaranteed by, or the interest cost on which is subsidized by, a Federal agency, or any State or local government, or any agency, department, or instrumentality thereof.

(3) PRICE.—The bank is authorized to purchase any qualified debt at a price which may reflect a premium to the seller in pursuance of the objectives set forth in section 1001.

(4) SERVICING OF LOANS.—The bank may arrange for the seller of any qualified debt or any other financial institution to service and have custody of such qualified debt and the related security. The bank may pay reasonable fees for such services. In lieu of such arrangements, the bank may perform such services itself and charge reasonable fees for such services.

(5) RESERVE FOR CONTINGENCIES.—There shall be derived from amounts appropriated for use under this section, an amount equal to not more than 25 per centum of the total outstanding amount of loans guaranteed under this title that shall be used to the extent the bank determines to be necessary to honor its guarantees under this title.

(d) GRANT AUTHORITY.—(1) The bank is authorized to agree to make and to make grants to local governments in eligible areas to assist in defraying the cost, including that of debt service, of an eligible project in connection with which the bank has entered into a financial relationship provided for under subsection (b) or (c) of this section. The bank may make such grants from the funds appropriated for such purpose pursuant to section 13(b). Such grants shall be made to the eligible local government and may be expended by such government to defray any project costs. Any grants made pursuant to this section shall be on such terms and conditions as the bank may prescribe, subject to paragraph 3 of this subsection and if for the purpose of subsidizing the payment of interest on municipal securities, shall be subject to the provisions of subsection (b) (3).

(2) Upon receipt of an application for financial assistance requesting a grant under this subsection, the bank will transmit a copy of the application to the Department of Commerce and the Department of Housing and Urban Development. Those departments shall be given an opportunity to participate fully in consideration of the application for a grant. In deciding upon the application for a grant, the bank shall consider the views of those departments as to whether the proposed project is consistent with other Federal or federally assisted economic and community development activities in the distressed area in which the project is to be located.

(3) RESTRICTIONS ON GRANTS.—(A) No grant shall be made by the bank unless—

(a) the amount of such grant does not exceed the lesser of (i) 15 per centum of the applicable project costs or (ii) $3,000,000; and

(b) the bank, and the local government shall have entered into contractual arrangements providing either that (i) the obligation of the bank to make such grant is subject to the prior or simultaneous incurrence of the long-term debt described in subsection (a) or subsidized pursuant to paragraph (3) or (ii) the amount of the grant is subject to refund to the bank in the event that incurrence of such debt does not take place.

(B) The Secretary of Commerce or the Secretary of Housing and Urban Development, depending upon the funds from which the grant is drawn, is also authorized to waive any requirement otherwise applicable to grants made under section 119 of the Housing and Community Development Act of 1974, as amended, or under section 903 of the Public Works and Economic Development Act of 1965, as amended, as the case may be, which the respective Secretary and the bank acting together determine in writing would be inconsistent with the specific terms and provisions of this Act

(C) The bank shall develop criteria to assure that projects assisted by it are not inconsistent with comprehensive planning for the development of the communities in which they will be located, or disruptive of Federal programs which authorize assistance for the development of like or similar categories of projects, or inconsistent with Federal policies directed at the protection of the environment.

(D) In any case in which the bank undertakes to provide assistance to a local government under subsection (a) for a project for which a department or agency of the Federal Government (under another law of the United States) will also provide funds—

(1) the assistance provided by the bank under subsection (a) may be in the full amount needed by the local government to finance such construction (including the amount of the funds which will be provided by such department or agency), with the funds to be provided by such department or agency with respect to such construction thereupon becoming payable (notwithstanding any contrary provision in the law under which they are payable) to the bank in lieu of being paid directly to such government; and

(2) the bank may accept in return (A) an obligation or obligations of such local government covering only the difference between such full amount and the amount of the funds which are payable with respect to such construction by such department or agency, plus (B) a commitment from such department or agency to pay the funds which are to be provided by it and are payable to the bank as described in paragraph (1), in order to insure that such local government will not have to include within its debt limit that portion of the indebtedness incurred for the financing of such construction which is attributable to funds provided by the Federal Government.

(f) The bank is authorized to establish a financial aid and technical advisory staff for any metropolitan area upon a determination by the board that the amount of the bank's activity in such area is sufficiently large to support a full financial and technical advisory staff. The staff shall process applications and requests for assistance from that area and shall assist applicants in obtaining such assistance.

(g) Except as otherwise specifically provided in this Act, the bank may impose charges or fees for its services with the objective that all costs and expenses of its operations should be within its income derived from such operations.

CAPITALIZATION OF THE BANK

SEC. 11. The bank's stated capital shall be limited to $2,000,000,000 which shall be raised, insofar as it is feasible, by the sale of the bank's common stock, and the remainder shall be provided as follows:

(1) The Secretary of the Treasury is authorized to purchase obligations of the bank in the amount of $200,000,000 a year for a period of ten years. If the Secretary finds it is necessary for the successful operation of the bank to waive the payment of interest and principal or any given year such interest shall then be added to the principal of the obligation. The bank is authorized to include appropriate provisions in the instruments evidencing the obligations provided for in this paragraph. Each purchase of obligations by the Secretary under this paragraph shall be upon such terms and conditions as to yield a return at a rate not less than a rate determined by the Secretary, taking into consideration the current average yield on outstanding marketable obligations of the United States of comparable maturities. The Secretary may sell, upon such terms and conditions and at such price or prices as he shall determine, any of the obligations acquired by him under this paragraph.

(2) The Secretary of the Treasury is additionally authorized to purchase debentures of the bank in the amount of $200,000,000 on emergency call of the bank.

(3) Each public borrower from the bank at the time of receiving loans shall be required to purchase stock until it holds an amount of stock equivalent of $0.50 per capita for each person within its jurisdiction or for each person expected to be served by the facility or facilities involved. The borrower shall purchase stock equal to one-twentieth of the amount of his loans until he reaches the $0.50 per capita maximum requirement. For the purposes of paragraphs (1) and (2) of this section, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which securities may be issued under the Second Liberty Bond Act, as now or hereafter in force, are extended to include such purchases. All redemptions, purchases, and sales of obligations or debentures under such paragraphs shall be treated as public debt transactions of the United States.

OBLIGATIONS OF THE BANK

SEC. 12. (a) The bank is authorized to issue and have outstanding obligations (including but not limited to the obligations and debentures described in section (2)) having such maturities and bearing such rates of interest as may be determined by the bank. Such obligations may be redeemable at the option of the bank before maturity in such manner as may be stipulated therein. The amount of the bank's indebtedness outstanding at any one time should be limited to fifty times the bank's paid-in stated capital.

(b) The Government National Mortgage Association (hereafter referred to as the "Association") is authorized, upon such terms and conditions as it may deem appropriate, to guarantee the timely payment of principal of and interest on such obligations (other than obligations and debentures described in section (2)) as shall be issued by the bank. The Association shall collect from the bank a reasonable fee for any guaranty under this subsection and shall make such charges as it may determine to be reasonable for the analysis of any obligation proposed to be issued by the bank. In the event the bank is unable to make any payment of principal of or interest on any obligations guaranteed under this subsection, the Association shall make such payment as and when due in cash, and thereupon shall be subrogated fully to the rights satisfied by such payment. The full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection.

FEDERAL PAYMENTS TO THE BANK

SEC. 13. (a) With respect to such amounts of loans of the bank as may be specified in appropriation Acts, the Secretary of the Treasury is authorized to make, and to contract to make, annual payments to the bank in such amounts as are necessary to equal the amount by which the dollar amount of interest paid by the bank on account of its outstanding obligations exceeds the dollar amount of interest received by the bank on account of obligations purchased or loans made by it.

(b) There are authorized to be appropriated to the Secretary of the Treasury $50,000,000 for the fiscal year ending September 30, 1980; $100,000,000 for the fiscal year ending September 30, 1981; and $150,000,000 for the fiscal year ending September 30, 1982; to carry out his functions under this Act, including making the annual payments required by contracts entered into by the Secretary of the Treasury pursuant to subsection (a) of this section.

FEDERAL INSURANCE OF OBLIGATIONS TO THE BANK

SEC. 14. (a) The Secretary of Housing and Urban Development (hereinafter in this section referred to as the "Secretary"), upon application by the bank, is authorized to insure any loan made by the bank (including, for purposes of this section, any debt purchased as provided in section 10(b)), and to issue a commitment for the insurance of any such loan prior to the date of its execution or disbursement thereon upon a determination that all of the applicable criteria established by or under this Act will be met with respect to such loan.

(b) The insurance of any loan under subsection (a) and any payments pursuant thereto shall be made on such terms and conditions, and in such manner and form, as the Secretary shall by regulations prescribe, and shall provide for the payment in full to the bank of the outstanding principal balance of the loan together with any unpaid interest, upon default by the borrower, in accordance with procedures set forth in such regulations.

(c) The Secretary is authorized to charge and collect premiums for insurance under this section. Such premiums shall be fixed at the lowest possible levels which are determined by the Secretary to be reasonable and sufficient to keep the insurance program under this section in a sound and secure condition and maintain the fund established by subsection (d) at a level adequate to meet all anticipated losses.

(d) (1) There is established a revolving fund to be used by the Secretary in carrying out his function under this section. All premiums charged as provided in subsection (c), and all other receipts under the insurance program, shall be deposited in the fund. All payments with respect to insurance under this section shall be made from the fund. Moneys in the fund not needed for the payment of current operating expenses or the payment of insurance under the program may be invested in bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States.

(2) There is authorized to be appropriated as initial capital for the revolving fund established by paragraph (1) the sum of $10,000-000.

(e) In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the Secretary shall (in addition to any authority otherwise vested in him) have the functions, powers, and duties set forth in section 402 (except subsection (c)(2)) of the Housing Act of 1950.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 15. (a) The financial transactions of the bank shall be audited by the Comptroller General of the United States in accordance with the principles and procedures applicable to commercial corporate transactions and under such rules and regulations as the Comptroller General of the United States may prescribe.

[From Parade, Jan. 7, 1979]

Our Bridges Are Falling

(By Martin Abramson)

The creek that meandered along Pope County in the southeast corner of Illinois was picturesque for tourists to photograph and so was the narrow bridge over it. But the picturesque span turned into a doomsday artery for District Road Commissioner Otis L. Baker. While on an inspection tour of highways, he was riding with a driver making a delivery of lime. As their truck entered the bridge roadway, the two men heard a sharp crack. Then with a roar the bridge toppled over, plunging vehicle and occupants into the creek. The driver survived, but Baker was dead when they took him out of the water.

A rare tragedy? No such thing. America's bridges are falling down at the alarming rate of 150 a year. Eight to 10 persons die annually in bridge collapses and 2,000 more in accidents attributable to obsolete bridge structures, dangerous approaches, or poor alignment between the highway and the bridge entrance. A study by the Federal Highway Administration (FHA) has shown that one-fifth of this country's 563,500 bridges are candidates for a fall. The National Association of Counties says 233,000 bridges come under county jurisdictions and one-third of these are unsafe.

"The bridge situation in this country has reached the crisis stage," says Donald Knight, executive director of The Road Information Program (TRIP), a nonprofit research agency founded in Washington, D.C., five years ago.

The worst recent bridge disaster occurred in 1967 when the Silver Bridge over the Ohio River buckled and crashed without warning, carrying 46 people to their deaths.

A truck-bus collision in 1972 on a narrow bridge at Fort Sumner, N. Mex., killed 19. A similar accident a year later in Fort Stockton, Tex., cost 15 lives. Two truck drivers plummeted to their deaths when four sections of a bridge over the South Canadian River in Oklahoma collapsed in 1976.

A one-lane wooden bridge over the Yadkin River in Siloam, N.C., tumbled into the water after a motorist hit a supporting truss. Six other cars blindly followed the first car into the river. Their view was blocked by dense fog and a steep approach to the bridge. Following this tragedy, inspectors found 17 other similarly constructed bridges in the state that could collapse if a car hit their supports.

Bridges safe for passenger cars may be hazardous for trucks and school buses. In Harrison County, Ind., only 18 of 57 bridges were rated by engineers as safe for large school buses. As a result, many are now taking long detours. In some areas, children disembark at one side of a bridge and reboard on the other to reduce the load. "We're playing Russian roulette with the lives of youngsters," warns Donald Knight.

Unsafe bridges menace urban centers as well as the rural countryside. New York City Controller Harrison J. Goldin ordered a survey last year which found that 44 of the city's 51 bridges were deteriorating and that the Queensborough Bridge, which carries 145,000 vehicles across the East River each weekday, was suffering from the metallic equivalent of hardening of the arteries. The defects included crumbling concrete, rusting beams, clogged flood drains, decayed supporting elements, and others. A chunk of concrete fell off the bridge one day, causing severe injury to an occupant of a yacht passing below.

Pittsburgh has been called the "city of bridges" because it straddles three rivers, but 106 of those bridges are either closed or restricted as potentially dangerous. Allegheny County Commissioner Jim Flaherty, testifying before the House Subcommittee on Surface Transportation, noted that 417,000 tons of material cross Pittsburgh's bridges every day and that closings have shut off 50 major truck arteries. "The problem starts even before a closing," Flaherty said. "Commerce is disrupted when traffic is curtailed by the imposition of weight limitations."

Besides endangering lives and livelihoods, outmoded bridges cause other problems—traffic bottlenecks, increased energy consumption, air pollution, discomfort and hardship to travelers. Thousands of commuters have been affected by a recent closing of a bridge over the Miami River, in Miami, Fla. The shutdown of a bridge at Morgantown, W. Va., near the state university, has created problems for commuters and students.

How did our bridges get into such a deplorable state? Experts cite these reasons:

Old age. Three-fourths of all bridges were built before 1935. (Some go back to the turn of the century, some are even older.) Bridge builders in the '20's and '30's did not anticipate that cars and trucks would become so much bigger and heavier.

Heavy usage. The number of registered automobiles keeps going up, with nearly 50 million new cars on the road since 1960. Railroads have been replaced by trucks.

Severe weather conditions. Recent harsh winters have had a corrosive effect. "Bridges are particularly vulnerable to severe weather," says Milton Johnson of Clayton County, Iowa, first vice president of the National Association of County Engineers. "The life of a bridge deck is shorter than that of the pavement leading to it; it freezes faster and stays frozen longer because of the cold air that surrounds it." Bitter cold causes steelwork to become brittle. Salt, used to melt snow and ice on bridges, erodes the cement and eats through concrete and steel reinforcing bars. Robert Gough, New York City's deputy chief engineer, says there is no alternative at present to salting to keep a bridge span open in cold weather.

Financial malnutrition. "The repair and replacement programs for bridges have been grossly underfunded for many years, and that is the main cause of the crisis," asserts Knight. "Most of the money spent in the last 20 years went to the interstate highway system, and bridges have been given short shrift."

Seven years ago, Congress set up a bridge replacement program totaling $180 million a year, which proponents of safer bridges describe as a pittance. Furthermore, the money can only be used for bridges on the federally aided highway system with nary a nickel allotted to deficient bridges under county jurisdiction. The estimate for repairing or replacing all obsolete bridge structures identified by the FHA comes to $26 billion.

Last November, President Carter signed a bill increasing federal funds in the bridge replacement program to total slightly more than $4 billion for the next four years. The legislation provides for the first time that some funds would go to county, city and state bridges not on the federal aid highway system.

The organizations that have been fighting to save our bridges say the new law is a solid achievement for the motoring public but falls far short of what is needed.

"It doesn't come even close to solving the bridge problem," says Knight. "The backlog is so large it will take 23 years at this $1 billion-a-year rate to replace all the dangerous spans. This bill is good for only four years. What happens after that? We simply must find the funds to make every bridge safe. One life lost is too great a price to pay."

[From the New York Times, Apr. 30, 1979]

CITY WEARING OUT, A STUDY AGREES

Supporting similar conclusions by earlier studies, a research report prepared for the Urban Institute of Washington has reported that New York City's physical plant is wearing out faster than it is being replaced.

The institute, a nonprofit organization that studies problems of cities, commissioned David A. Grossman, a former City Budget Director under Mayor John V. Lindsay, to undertake the first of a planned series of studies on the capital stock of cities across the country. Mr. Grossman is president of the Nova Institute, a New York-based research organization specializing in municipal affairs.

In the report, "The Future of New York City's Capital Plant," Mr. Grossman says that the city's infrastructure, or basic framework—its roads, bridges, sewers and water mains—faces a crisis, but that the crisis "should be viewed in terms of years or decades, not days or months."

A significantly increased rate of investment in maintenance and replacement will be necessary, Mr. Grossman concludes, if "serious problems" are to be avoided.

The fears raised in the study have already been expressed by the City Planning Commission and by Mayor Koch. In his proposed budget for the fiscal year beginning July 1, Mr. Koch has proposed spending virtually all the funds available for capital projects on rebuilding the infrastructure, instead of on investing in new construction.

As for obtaining money to fix up the capital plant, Mr. Grossman says that "day-to-day maintenance may be an even more serious problem than capital investment" because Federal funds are available for long-term improvements, but maintenance generally must come out of the city's own treasury.

[From the Washington Post, Oct. 31, 1978]

CUTTING BACK ON CITY REPAIRS

(By Neal R. Peirce)

Tax cutbacks or expenditure limits will appear on 14 more state ballots next week. Most are strongly favored to win. But the citizens who vote for them may be living in a fool's paradise.

The reason can be summed up in two drab words: deferred maintenance. Few businesses or homeowners would long tolerate rotting pipes, decaying walls or holes in the ceiling. But such postponements of vital maintenance—delays in repair of aging water mains, sewer lines, storm drains, bridges and roads—are occurring with increasing frequency in cities and states across the country. Not only do the delays threaten the "lifelines" of society; they also mean much bigger bills in years to come, because the cost of decay is invariably greater than providing timely replacement or maintenance.

In voting for Proposition 13 and its sons and daughters in various states, voters may think they are penalizing lazy bureaucrats or forcing governments to cut out fat. Their votes may indeed accomplish some of those objectives. But the hard fact is that when a government official has to make large cuts in his budget, the capital outlays for replacing aged parts of the "infrastructure" are often the first to go. That's already happening, in California; it is almost certain to occur in any state enacting its own "Proposition 13" version.

Even before Proposition 13, studies by the Urban Institute's George Peterson showed city and state capital budgets (after adjustments for inflation) had been declining for a decade. Now the heavy bill for years of neglect is coming due:

Leaks in Boston's ancient water mains, some dating back to the 1840s, cause the loss of half the 150 million gallons of water that system moves daily.

New York City's two massive water tunnels are crumbling, but neither can be examined or repaired.

Houston loses up to 30 percent of its purified water daily through inadequate pipes; thousands of water damage complaints pour into City Hall annually, as the leaks undermine sidewalks, collapse driveways and destroy lawns.

Most of New Orleans' sewers need replacement; some were purchased—second hand—from Philadelphia in 1896.

In San Francisco, pieces have fallen off the Golden Gate Bridge.

Of the 564,000 bridges in the United States, approximately 105,000 are obsolete or so dangerous that weight limits must be imposed, or the spans closed altogether.

Most of the decayed bridges are in rural counties, scattered fairly evenly across the United States—seeming proof that the deferred maintenance problem is not exclusively one of the older cities of the Northeast and Midwest.

The ultimate example of decay comes, however, from New York; the disintegration of elevated sections of the West Side Highway after 40 years of use. Now the Roosevelt Drive, on the other side of Manhattan, is reported to resemble the West Side structure shortly before its collapse.

In response to fiscal crises, several cities cut their capital outlays to the bone. New York reduced its capital expenditures by more than half, Pittsburgh by 20 percent, Buffalo by one third in 1976 and still more last year. At its current pace, it will take New York 300 years to revamp its parklands, instead of the appropriate 25.

Many of the nation's major roads, including the still-incomplete interstate system, are being battered to pieces by heavyweight trucks, freezing, and thawing, and salt used to clear ice from bridges. The Federal Highway Administration reports, "It will cost at least as much to rebuild the interstates as it did to build them in the first place."

Some help is now coming from Washington. The 1978 highway bill recently passed by Congress holds down spending for new roads while adding major new funds for highway resurfacing, rehabilitation and restoration. Rep. James Howard (D-N.J.), a chief sponsor, claims "the bill starts a new era in transportation." Instead of the present $170 million annual federal aid for bridge repair, for instance, the figure will be upped to $900 million immediately and $1.3 billion by 1981.

But, states pinned to the wall by Proposition 13-like measures may be unable to afford their matching share (15 to 25 percent) of federal bridge and highway grants.

What the country needs is a new conservation ethic in which any proposed new public structure—be it a road, office building, stadium or coliseum—is viewed with jaundiced eye, with the political leaders asked if they've already made the necessary investments to retain the public infrastructure already in place.

A somber "fix-it-up, keep-what-we-have" philosophy may be no match for flamboyant anti-tax rhetoric. But it's more legitimate conservatism—and good sense.

INFRASTRUCTURE REINVESTMENT NEEDS

In the area of development policy, two issues dominated the discussion: the need for rehabilitation of existing capital facilities and the need for a national water policy sensitive to the investment need.

Conference participants agreed that existing infrastructure in both urban and rural areas has deteriorated in all regions of the country. The lack of local financial resources, adequate capital planning, and federal assistance programs serving these needs has been responsible for the inadequate maintenance of urban water and sewer systems, roads, bridges, urban transit networks, tunnels, and port facilities.

Lieutenant Governor O'Neill said: "Maintenance of infrastructure, including wastewater and sewage treatment plants, bridges, and highways, is a pressing concern of older cities as well as older small towns. There are 1,000 miles of disintegrating water and sewer lines in New York City alone, but most monies available are restricted to new construction.

"Water system losses and highway damage suits are beginning to make municipalities cognizant of the real costs of delay. The deterrent effects on economic growth are less widely understood or recognized. Municipal infrastructure represents the skeletal systems of our cities; without sound infrastructure, economic growth cannot be sustained."

The participants felt the federal programs offering assistance for municipal infrastructure development have tended to stress the expansion of service networks rather than the upgrading and maintenance of existing systems. Conflicting program regulations appear to prevent the use of federal funds for projects serving both development and maintenance, ignoring the fact that problems in these areas may be related. If a wave of local tax cuts succeeds in reducing the revenues available for capital needs, many cities may find their infrastructure systems failing when they can least afford such a problem.

Governor Hunt saw the issue as one which affects local economies: "Targeting federal monies for the maintenance of deteriorated water systems is equally important as developing new systems to serve growth needs, enabling new industry and jobs."

Federal oversight responsibility for infrastructure development is divided among numerous agencies, requiring a broad range of efforts to address all aspects of the infrastructure problem. Conference participants suggested joint efforts by the regional interest groups that might include:

Developing data on municipal infrastructure needs and the local budgetary capacity for meeting those needs;

Developing data on the long-term determinants of infrastructure investment patterns;

Investigating the effects of infrastructure resources on economic development;

Developing inventories of existing federal programs available for infrastructure assistance and disseminating this information to local governments;

Determining ways in which federal assistance programs have impeded infrastructure maintenance efforts and seeking legislative changes to remedy these biases; and

Assessing the need for new programs to provide comprehensive assistance for infrastructure needs.

Several participants noted that the initial focus of these cooperative efforts should be the area of water policy, concentrating on solutions to problems of water and sewer system maintenance, ground-water depletion, and conservation.

Mr. McGOVERN. Mr. President, Senator JAVITS and I are today introducing legislation which, if enacted, could add years to our Nation's public infrastructure and save billions of dollars in replacement costs. The Community Conservation Act of 1979 is designed to encourage eligible distressed communities to rehabilitate and preserve their existing infrastructures—bridges, roads, sewers, water tunnels, and storm drains.

The deterioration of the public infrastructure is an unmet problem of monumental proportions which faces this Nation. If this Nation's public facilities are not functioning in a modern, efficient manner, neither can our Nation's economy. Private industry and commerce cannot thrive if roads and bridges are in poor condition or if treatment plants for disposal of industrial wastes are inadequate.

This problem is not confined to one geographic region or even to a particular level of local government. Unfortunately, urban and rural communities, cities, towns and counties face similar and severe consequences of deteriorating infrastructures.

A recent Federal Highway Administration study of highway conditions and performance revealed that as of December 31, 1975, 26 percent of rural and 32 percent of urban interstate roads were in fair or poor condition, 53 percent of rural and 52 percent of urban arterials were in fair or poor condition and 70 percent of rural and 63 percent or urban collectors were in fair or poor condition. Left unrehabilitated, the cost of repairing these roads will ultimately exceed the cost of their replacement. Letting this occur is simply senseless and frivolous and reinforces the notion of a wasteful affluent society.

The National Bank for Community Conservation would provide a major impetus for local governments to preserve their capital stock by providing subsidized and unsubsidized loans and grants to local governments for rehabilitation of their infrastructure. This Bank would be highly targeted in both its purpose and in the areas which it serves. Financial assistance would be provided to those areas which meet three of the following four criteria:

Above average unemployment rate for the most recent four quarters;

Slow employment growth rate;

Slow absolute growth in per capita income;

Slow rate of growth in population.

All jurisdictions will be compared to other similar jurisdictions; that is to either all SMSA's or non-SMSA's.

Once the above criteria are met, priority will be given to those local governments with populations above 100,000; local governments with populations under 100,000 which establish a consortium of contiguous local governments whose population exceeds 100,000; local governments with populations below 100,000 for which the State submits an application and local governments which have suffered exceptionally severe deterioration of their infrastructure. Thus, this bank will serve urban and rural, large as well as smaller jurisdictions.

In addition, "pockets of poverty" located within large jurisdictions which are not eligible, may themselves be designated as an eligible area and quality for assistance. Thus, only certain selected areas would be eligible for assistance under this proposal. Once an area is designated as an eligible distressed area, it would qualify for several types of assistance. Regardless of the type of assistance received, however, the purpose remains constant—the funds can only be used to upgrade, modernize, or rehabilitate existing public capital infrastructures. These funds cannot be used for construction of new facilities, extension of existing facilities or for operational purposes. The type of assistance available would be as follows:

First. Unsubsidized loans would be available to any eligible distressed community for the purpose of upgrading, modernizing or rehabilitating their existing capital infrastructure.

Second. Subsidized loans: The bank would subsidize the interest on loans up to 3 percent below the market rate if certain conditions are met. In addition to being designated as a distressed area, the local government would be required to submit an infrastructure conservation plan. It would also have to demonstrate that either the particular project for which assistance is sought is critical to the health and safety of its residents and the economic development of the area; the area has been affected by chronic, high unemployment or employment losses; access to financing at reasonable interest rates is impaired; payment of the market rate of interest would pose a serious financial hardship or the general state of the infrastructure in the area is seriously deteriorated.

Third. Grants: To defray the costs of modernizing, upgrading, or rehabilitating the infrastructure, the bank is authorized to provide grants of up to 15 percent of the project cost including debt service or $3 million per project (whichever is less) to communities with which it has a financial relationship.

In addition, the bank will be authorized to purchase outstanding debt instruments from private financial institutions if the debt was extended to an eligible distressed area to finance eligible projects.

The authorization level requested is $50 million for fiscal year 1980, $100 million for fiscal year 1981, and $150 million for fiscal year 1982. These funds would be utilized primarily for the issuance of grants and subsidization of the difference between the taxable rate at which the bank would raise capital and the lower date at which it would lend to local governments. Some governments, however, will receive an additional subsidy beyond this amount, if the interest payments would pose a severe burden to the jurisdiction's fiscal capacity.

This bank would be established as an independent agency with regional offices throughout the Nation to best assist local governments of all sizes and configurations. The policies and regulations of the bank would be determined by a 15-member board of directors appointed by the President of the United States. They will be composed primarily of Cabinet and local officials. The concept of this legislation is similar to H.R. 3405 recently introduced by Congressman WILLIAM MOORHEAD.

I am encouraged that the Congress is cognizant of the importance of providing assistance to local governments for preservation of their infrastructure. Regardless of the mechanism through which such assistance is distributed, the importance of such assistance cannot be overstated. I look forward to working with my colleagues in both bodies to achieve enactment of such a measure.

Small communities throughout South Dakota must compete with thousands of more sophisticated communities for funds to repair and maintain their municipal facilities.

We desperately need funds, loans not grants, to help convert farm commodities to alcohol, to expand waste water treatment plants, to repair crumbling bridges in our State highway system, and to maintain our sewer treatment facilities. This bill, which will allow small towns throughout our State to band together in application, will help us conserve and preserve our rural infrastructure, saving us millions in the long run.

Time is running out for our public capital infrastructure. We must stop and ask ourselves whether we want to bequeath to the next generation a crumbling infrastructure which is too costly to repair. I believe we have a responsibility to ourselves and to our children to provide for this Nation's future. And, this Nation's future is dependent upon modern functioning transportation, communication, and sanitation networks.

By Mr. ROTH (for himself and Mr. RIBICOFF):

S. 1050. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition and fees to provide a higher education for himself, his spouse, or his dependents; to the Committee on Finance.

TUITION TAX RELIEF ACT

● Mr. ROTH. Mr. President, I am today joining my distinguished colleague from Connecticut (Mr. RIBICOFF) in introducing a bill to provide tax credit for a college education.

I believe a college tuition tax credit is an idea whose time has returned.

Inflation and higher taxes are making it more and more difficult for many students to attend college. And the incredible bureaucracy and redtape involved in the federally funded student aid programs make it essential to provide an alternative form of aid for middle-income families.

The bill we are introducing today provides a tax credit of 50 percent of tuition and fees for students in universities, colleges, junior and community colleges, and postsecondary vocational schools.

The maximum credit is $250 in 1979 and 1980 and $500 in 1981 and thereafter.

Tuition paid by students attending less than full-time but at least half-time will become eligible for the credit in 1981.

This legislation is a modified version of the tuition tax credit bills passed last year by both the House and the Senate.

This legislation applies only to higher educational expenses. I strongly support providing tax credits for elementary and secondary tuition, and I intend to sponsor a separate bill to provide elementary and secondary tuition tax credits.

Because of legislative and political consideration, I believe it would be best to double-track these proposals to allow each to proceed independently. Elementary and secondary school tax credits involve intense and emotional issues unrelated to college tax credits, and I believe these issues should be debated separately.

Enactment of a college tax credit will establish the principle of tax credits for educational expenses, and allow us to proceed to full debate of the merits of elementary and secondary school tax credits.

Mr. President, the Senate has clearly and repeatedly expressed its will in favor of the Roth-Ribicoff college tax credit.

In August 1976, the Senate adopted a $250 college tax credit as an amendment to the tax reform bill by a 68 to 20 vote. The House conferees refused to accept the tax credit as an amendment to the tax reform bill and committee leaders gave their commitment to allow a House vote on a separate bill.

Subsequently, the Senate approved the college tax credit in September 1976 by a 62 to 21 vote, but once again the House refused to consider it.

In 1977 the Senate approved the tax credit by a 61 to 11 vote as an amendment to the social security bill, but once again the House refused to allow it to come to a vote.

Last year, the House, by a 237 to 158 vote, approved a tuition tax credit for colleges and elementary and secondary schools, and the Senate approved a college tax credit by a vote of 65 to 27.

Unfortunately, the intense debate regarding elementary and secondary tax credits resulted in neither bill being enacted. Consequently, I believe the separate consideration of both bills will allow for a separate debate of the separate issues and, ultimately, lead to the enactment of both bills.

Despite the enactment of the Middle Income Student Assistance Act last year, there is an urgent need to provide tax relief to families struggling to send their children to college.

College costs have continued to increase at a rapid rate, and the tax burden has continued to increase on middle-income families. And with the Senate's refusal to provide any tax cuts until 1982, the college tax credit is the only tax relief in sight for middle-income taxpayers of this country.

There is no doubt in my mind that a growing number of young Americans are being prevented from obtaining a college education because of the increasing costs.

According to the Congressional Budget Office, total annual college costs increased approximately 75 percent between 1967 and 1976. However, tuition and required fees, the only expenses which will be eligible for the tuition tax credit, have increased at a much faster rate.

According to the National Center for Education Statistics, the average tuition and fees at a private university increased 93 percent between 1967 and 1976, from $1,297 to $2,500. For a public university, tuition and fees also incrased 3 percent during the same 10-year period, from $283 to $549.

These tuition costs will continue to increase. According to the College Entrance Examination Board, the average annual total cost of a private university for the current school year is $5,110. For a public university, the average annual cost is $3,054 for the 1978–79 school year. For a student entering college this fall, the total 4-year cost will be an estimated $17,500 for a public university and $30,000 for a private college.

The administration and the Congressional Budget Office have argued that a tuition tax credit is not necessary because total college costs have not risen as fast as median income. According to a recent CBO report, total college costs increased 75 percent and median family income increased 78 percent between 1967 and 1976. The administration has seized upon the figures as "proof" that the average family is no worse off today than it was 10 years ago.

But the administration and CBO are totally ignoring an extremely important fact—that the tax burden on the average family has increased substantially during this same period and middle-income families have less disposable income to spend on a college education for their children.

According to a study by the Library of Congress' Congressional Research Service, the tax burden on median-income families with college age children increased 135.4 percent between 1967 and 1976, as the following chart shows.

AVERAGE TAXES AND MEDIAN INCOME, 1967 AND 1976

	Median income	Federal income tax	Social security tax	Average State and local taxes	Total taxes	After tax income
1967	7,923	684	290	404	1,378	6,545
1976	14,164	1,395	829	1,020	3,244	10,920
Percent change from 1967 to to 1976	78.8	103.9	185.9	152.5	135.4	66.8

As this study shows, the after-tax income of median income families increased only 66.8 percent, and did not keep pace with the 75-percent increase in total college costs or the 93 percent increase in tuition and fees.

These figures clearly show the Federal Government is taking more money away from the average families of this country through higher taxes and inflation. The tuition tax credit is designed to reduce the average tax burden and allow taxpayers to keep more of their own money to spend on a college education for their children.

These increasing costs have had a considerable impact on the ability of middle-income students to attend college. According to Census Bureau figures, the enrollment rate of middle-class students has declined in the last 10 years. In fact, while the enrollment rate at the lowest income level has increased slightly, the enrollment rates of all other income levels have declined in the last 10 years.

Income	1967 (percent)	1976 (percent)	Rate change (percent)	Percentage change
0 to $5,000 (constant dollars); 0 to $8,500 (current dollars)	20	22.4	+2.4	+12
$5 to $10,000 (constant dollars); $8,500 to $17,000 (current dollars)	37.9	36.3	−1.6	−4
$10 to $15,000 (constant dollars); $17 to $25,500 (current dollars)	51.9	47.5	−4.4	−8
$15,000+ (constant dollars); $25,000+ (current dollars)	68.3	58.2	−10.1	−15

Mr. President, there are millions of families today who are neither affluent enough to afford the high cost of college nor considered poor enough to qualify for the many different Government assistance programs their taxes make possible.

We are rapidly approaching a situation in this country where only the very affluent and the very poor will be able to attend college. The group in the middle—the very taxed—will be unable to afford it.

Mr. President, a tuition tax credit is the simplest and most equitable way to provide middle-income families relief from mounting college costs. A tuition tax credit will allow people to keep more of their own hard-earned money rather than send it to Washington. With a tuition tax credit, there is no administrative overhead, no forms to fill out, and no need to beg, plead poverty, or apply to the big bureaucrat on the banks of the Potomac.

Working Americans, caught in the middle, do not want a Government handout. They merely want to keep more of what they earn to spend on something as basic as the right to send their children to college.

Mr. President, the tuition tax credit is simple, direct, and easy to administer. And it is far more preferable than the administration's grant and loan program, which has only added more redtape and more problems to programs which HEW cannot even administer now.

These existing programs and structures have produced a maize of redtape and bureaucracy that is bewildering parents and students and imposing enormous costs on colleges and universities.

Mr. President, the college tax credit complements, not complicates, the existing student aid program. More importantly, the tuition tax credit establishes a precedent allowing taxpayers freedom of choice with their own dollars.

This is another step toward allowing the American people to keep more of their own hard-earned dollars to do with as they wish.

It all boils down to who working Americans' money belongs to—the Federal Government or the wage and salary earner.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Tuition Tax Relief Act of 1979".

Sec. 2. Credit for Higher Educational Expenses.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"Sec. 44C. Higher Educational Expenses.

"(a) General Rule.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the tuition paid by him for the calendar year in which such taxable year begins to one or more eligible educational institutions for himself, his spouse, or any of his dependents (as defined in section 152).

"(b) Maximum Dollar Amount.—The maximum dollar amount allowable as a credit under subsection (a) with respect to tuition for any individual shall not exceed the applicable amount determined under the following table:

"Calendar year:	Applicable amount
1979 and 1980	$250
1981 and thereafter	500

"(c) Application With Other Credits.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number of letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(d) Payments Taken Into Account.—

"(1) When payments must be made and education furnished.—Payments shall be treated as paid for any calendar year—

"(A) For 1979.—In the case of calendar 1979, only if such payments—

"(i) are made on or after August 1, 1979, and before February 1, 1980, and

"(ii) are for education furnished on or after August 1, 1979 and before January 1, 1980, or

"(B) For 1979 or thereafter.—In the case of any calendar year after 1979, only if such payments—

"(i) are made during such calendar year or during the 1-month period before or the 1-month period after such year, and

"(ii) are for education furnished during such calendar year.

"(2) Tuition must be for general course of instruction.—

"(A) In general.—Tuition attributable to a course of instruction which is not a general course of instruction shall not be taken into account under subsection (a).

"(B) General course of instruction defined.—For purposes of subparagraph (A), the term 'general course of instruction' means a course of instruction for which credit is allowable toward—

"(i) a baccalaureate or associate degree by an institution of higher eduction, or

"(ii) a certificate of required course work at a vocational school,

but does not include any course of instruction which is part of the graduate program of the individual.

"(3) Individual must be full time student or (for calendar years after 1980) a qualified half-time student.—

"(A) In general.—Amounts paid for the education of an individual shall be taken into account under subsection (a)—

"(i) for calendar year 1979 or 1980, only if such individual is a full-time student for such calendar year, or

"(ii) for any calendar year after 1980, only if such individual is a full-time student or a qualified half-time student for such calendar year.

"(B) Full-time and qualified half-time student defined.—For purposes of this section—

"(i) The term 'full-time student' means any individual who, during any 4 calendar months during the calendar year, is a full-time student at an eligible educational institution.

"(ii) The term 'qualified half-time student' means any individual who, during any 4 calendar months during the calendar year, is a half-time student (determined in accordance with regulations prescribed by the Secretary) at an eligible educational institution. Regulations prescribed for purposes of the preceding sentence with respect to the determination of whether an individual is a half-time student shall not be inconsistent with regulations prescribed by the Commissioner of Education under section 411(a)(2)(A)(ii) of the Higher Education Act of 1965 for purposes of part A of title IV of such Act.

"(e) Tuition Defined.—

"(1) In general.—For purposes of this section, the term 'tuition' means tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, including required fees for courses.

"(2) Certain amounts not included.—The term 'tuition' does not include any amount paid, directly or indirectly, for—

"(A) books, supplies, or equipment for courses of instruction, or

"(B) meals, lodging, transportation, or similar personal, living, or family expenses.

"(3) Amounts not separately stated.—If an amount paid for tuition includes an amount for any item described in subparagraph (A) or (B) of paragraph (2) which is not separately stated, the portion of such amount which is attributable to such item shall be determined under regulations prescribed by the Secretary.

"(f) Eligible Educational Institution.—For purposes of this section—

"(1) Eligible educational institution.—The term 'eligible educational institution' means—

"(A) a institution of higher education, or

"(B) a postsecondary vocational school.

"(2) Institution of higher education.—The term 'institution of higher education' means an institution described in section 1201(a) of 491(b) of the Higher Education Act of 1965 (as in effect on January 1, 1978).

"(3) Postsecondary vocational school.—The term 'postsecondary vocational school' means—

"(A) an area vocational education school as defined in subparagraph (C) or (D) of section 195(2) of the Vocational Education Act of 1963 (as in effect on January 1, 1978), which

"(B) is located in any State.

"(4) Martial status.—The determination of marital status shall be made under section 143.

"(g) Special Rules.—

"(1) Treatment of certain scholarships and veterans' benefits.—

"(A) Offset against tuition dollar for dollar.—For purposes of this section, any amount received as a nontaxable scholarship or educational assistance allowance for any period shall be treated—

"(i) as used for tuition attributable to such period, and

"(ii) as tuition not paid by the taxpayer.

"(B) Nontaxable scholarship or educational assistance allowance defined.—For purposes of subparagraph (A), the term 'nontaxable scholarship or educational assistance allowance' means—

"(i) a scholarship or fellowship grant (within the meaning of section 117(a)(1)) or similar award which is not includible in gross income, and

"(ii) an educational assistance allowance under chapter 32, 34, or 35 of title 38, United States Code.

"(2) Taxpayer who is a dependent of another taxpayer.—No credit shall be allowed to a taxpayer under subsection (a) for amounts paid for any calendar year for tuition for the taxpayer if such taxpayer is a dependent of any other person for a taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

"(3) Spouse.—No credit shall be allowed under subsection (a) for amounts paid for any calendar year for tuition for the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year beginning in such calendar year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for such taxable year.

"(h) Disallowance of Credited Expenses as Credit or Deduction.—No deduction or credit shall be allowed under any other section of this chapter for any amount paid for tuition for any individual except to the extent that such amount exceeds the amount necessary for the allowance of the maximum amount which may be allowed under this section for tuition for such individual for the taxable year. The preceding sentence shall not apply to any amount paid for tuition by any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such tuition for the taxable year.

(b) Limitation on Examination of Books and Records.—Section 7605 of such Code (relating to time and place of examination) is amended by adding at the end thereof the following new subsection:

"(d) Examination of Books and Records of Church-Controlled Schools.—Nothing in section 44C (relating to credit for tuition) shall be construed to grant additional authority to examine the books of account, or the activities, of any school which is operated, supervised, or controlled by or in connection with a church or convention or association of churches (or the examination of the books of account or religious activities of such church or convention or association of churches) except to the extent necessary to determine whether the school is an eligible educational institution within the meaning of section 44C(f)(1)."

(c) Tax Credit Not To Be Considered as Federal Assistance to Institution.—Any educational institution which enrolls a student for whom a tax credit is claimed under this Act shall not be considered to be a recipient of Federal assistance under this Act.

(d) Disregard of Reduction of Tax Liability.—Any reduction in the income tax liability of any individual by reason of section 44C of the Internal Revenue Code of 1954 (relating to credit for certain tuition) shall not be taken into account for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program of educational assistance or under any State or local program of educational assistance financed in whole or in part with Federal funds.

(e) Conforming Amendments.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 of the following:

"Sec. 44C. Higher Educational Expenses."

(2) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "credits allowable under—" and all that follows and inserting in lieu thereof "credits allowable under subpart A of part IV other than under sections 31, 39, and 43."

(3) Subsection (b) of section 6096 of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44B" and inserting in lieu thereof "44B, and 44C".

Sec. 3. Effective Date.

The amendments made by section 2 of this Act shall apply to taxable years ending on or after August 1, 1979, with respect to amounts paid on or after such date for education furnished on or after such date.●

● Mr. RIBICOFF. Mr. President, I am pleased to join my distinguished colleague from Delaware (Mr. Roth) in supporting the Tuition Tax Relief Act of 1979. I have long felt that those who bear the burden of paying for their children's education should receive some tax relief. This body has agreed. In fact, the Senate has considered and approved legislation providing tax credits for college tuition more than seven times in the past decade.

Education has always held a special place in American society. For many it was seen as the path upward—the road to success. They worked hard so that their children might obtain a decent education. In the United States we have always believed that education benefits not only the individual, but also the society as a whole. Thus, we have encouraged spending on education.

In the decade since this body first approved tuition tax credits, however, college costs have skyrocketed. Tuition and fees at our Nation's colleges increased more than 90 percent between 1967 and 1976, while the disposable income of American families has not grown anywhere near as fast. Today many families who had always planned to send their children to college are finding it much harder than they expected. All too often these families feel forgotten. They, like us, supported financial aid for less fortunate students. Now they are asking that we recognize their problems and their efforts.

In the sixties we created programs to make equal access to education more of a reality. And we spawned a whole new alphabet soup of student aid programs—BEOG's (basic educational opportunity grants), SEOG's (supplementary education opportunity grants), CW–S (college work study)—and loans. The sponsors of the tuition tax bill remain committed to funding these aid programs for our poorest students. Family income should not be a barrier to higher education.

These Federal grant programs are focused on families with less than the median income—and rightfully so. Only 3.5 percent of the funds from the basic grants program go to students in families with incomes over $15,000. Today we have a whole group of families who are "too rich" for need-based grants but who find college tuition a major burden. I would suggest that given today's college costs an income of $20,000 or $30,000 is not so great—especially in a family with more than one child.

The Tuition Tax Relief Act offers a tax credit to these families. It provides tax relief to those who do not qualify for Federal grant aid—or who receive a very small amount of grant aid. The bill is designed to prevent "double dipping" by providing that the amount taken into account for tuition is offset on a dollar-for-dollar basis by the amount receiving through grants and scholarships.

This legislation offers parents a tax credit equal to 50 percent of the tuition and required fees. For 1979 and 1980 the maximum credit is $250 and is available only to full-time post secondary undergraduate study. Beginning August 1, 1981, the college credit is increased to $500 and is also available to half-time undergraduates. This percentage formula was chosen so we do not further worsen the disparity between public and private tuitions at the college level.

Yes, college tuition tax credits benefit the middle class. It has been the middle class who has been hurt the most by rising education costs. These middle-class families are critical to the strength of our country and our system of Government. Government and any tax system operate by the voluntary consent of the people affected. But the people must feel that Government is fair and that everyone gets an even chance. I believe that we have a confidence gap today. Too many families who perceive themselves as middle class also see themselves as left out. They feel Government is only concerned with the rich and the poor. The tuition tax credit provides some sign that Government has not forgoten them.

There is another aspect of this bill which deserves discussion. That is the question of diversity and freedom of choice.

Throughout American history parents have had the utmost concern that their children receive a college education which fits their needs. By overcoming extreme adversity some of the Nation's greatest colleges and universities were created to meet these needs and philosophies. While these parents are paying rapidly-increasing taxes to support publicly supported higher institutions, the rising costs of tuition are pricing them out of the private institutions. As a result for the first time in 25 years total enrollment in nonpublic colleges and universities has declined. During the last 2 years first-time freshmen enrollment in private colleges has similarly showed a substantial decline. Some are not troubled by this trend, but I believe that it threatens the diversity of our educational system. There are many faces of education in our Nation: many kinds of colleges and universities. This diversity is a tremendous strength. As a Nation we have come to value the diversity of our people. We must protect the existence of institutions which represent diversity.

The rich have always been able to choose the education for their children. This legislation seeks to expand that freedom of choice to middle- and lower-income Americans.

Mr. President, this is not a new idea. Over the last 15 years both Democratic and Republican presidential candidates have endorsed aid to parents of private university students.

The tuition tax credit says to the American taxpayer, "Yes, we know you struggle for your children. We recognize your efforts." I think it is time to do something about it. Let us pass this bill.●

By Mr. ROTH:

S. 1051. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for certain educational expenses; to the Committee on Finance.

TUITION TAX CREDITS FOR ELEMENTARY AND SECONDARY SCHOOLS

● Mr. ROTH. Mr. President, I am today introducing legislation to provide a tax credit of $250 for elementary and secondary school tuition. I am introducing this bill separately from the college tax credit bill in order to focus debate squarely on the separate issues involved.

In addition to the rising cost of colleges, the cost of nonpublic elementary and secondary schools has also increased substantially. And as a result, enrollment in these elementary and secondary schools has dropped sharply.

In 1960, 14 percent of elementary and secondary school children attended private and parochial schools. By 1976, only 9 percent of our school children were attending nonpublic schools.

Between 1965 and 1976, nonpublic elementary and secondary schools lost 1.8 million students. And in 1976, there were 2246 fewer private schools in existence than there were 10 years ago.

Catholic elementary and secondary schools have been hit especially hard by increasing costs. In the last 10 years, Catholic schools have lost 39 percent of their enrollment, more than 2 million students.

I believe in freedom of choice. I believe parents should be free to choose whether to send their children to a public school or a nonpublic school.

But as the sharp drop in nonpublic school enrollment shows, too many parents no longer have a freedom of choice. In fact, more and more parents are being deprived of the freedom of choice to send their children to nonpublic schools by a Government which takes more of their own earnings through higher taxes and inflation.

I believe a tuition tax credit will restore freedom of choice to the millions of American families who are struggling to pay both nonpublic school tuition and higher taxes for public schools.

Mr. President, I am a strong supporter of public schools. I personally am a product of public school education, and my two children attend public schools in Delaware.

I do not believe the tuition tax credit will destroy our public schools. The Federal Government spent $15 billion last year in support for public elementary and secondary schools. Government at all levels spent $73 billion last year on public elementary and secondary schools.

Clearly, these figures do not support the argument that a tuition tax credit would destroy public schools. Instead, a tuition tax credit will reverse the decline in enrollment which threatens to destroy on nonpublic schools.

Mr. President, I also cannot accept the argument that a tuition tax credit will only benefit the rich. According to Census Bureau figures, 78.5 percent of private elementary and secondary school students are from families with incomes of less than $25,000. Sixty-four percent are from families with incomes under $20,000.

By giving them the freedom of choice, low-income minority students will particularly benefit from tuition tax credits. According to Mr. Roy Innis, National Director of the Congress of Racial Equality:

> Passage of tuition tax credits at the elementary and secondary levels will have a tremendous potential impact on poor and minority kids throughout this country by giving them what they desperately need: options.

Finally, I do not believe this bill is unconstitutional. The Supreme Court has never ruled on the constitutionality of tax credits for colleges, vocational, elementary and secondary schools, and arguments exist on both sides of the issue.

The Attorney General has given his opinion, based on an opinion written by the Assistant Attorney General, that tax credits limited to elementary and secondary schools would be unconstitutional.

I believe this bill is constitutional, and there are numerous parallels. For example, a tax deduction is allowed for contributions to churches and church-sponsored charities. The GI bill provides direct Federal payments for students attending private and religious schools, including parochial elementary and secondary schools.

Finally, I do not believe Congress should not act on an issue merely because some scholars believe the Supreme Court may rule it unconstitutional. Congress is a coequal branch of Government, and I believe we should act and allow the court to rule on the issue.

Mr. President, I urge my colleagues to take a close look at tuition tax credits for elementary and secondary students. At stake in this issue are freedom of choice, pluralism, civil rights, and opportunity for low and middle-income families and their children. Mr. President, I urge my colleagues to support tuition tax credits.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1051

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tuition Tax Assistance Act of 1979".

SEC. 2. CREDIT FOR CERTAIN TUITION.—

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44C. CERTAIN TUITION.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the tuition paid by him for the calendar year in which such taxable year begins to one or more eligible educational institutions for himself, his spouse, or any of his dependents (as defined in section 152).

"(b) MAXIMUM DOLLAR AMOUNT.—The maximum dollar amount allowable as a credit under subsection (a) with respect to tuition for any individual shall not exceed $250.

"(c) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 39, and 43.

"(d) PAYMENTS TAKEN INTO ACCOUNT.—

"(1) WHEN PAYMENTS MUST BE MADE AND EDUCATION FURNISHED.—Payments shall be treated as paid for any calendar year only if such payments—

"(i) are made during such calendar year or during the 1-month period before or the 1-month period after such year, and

"(ii) are for education furnished during such calendar year.

"(2) TUITION MUST BE FOR GENERAL COURSE OF INSTRUCTION.—

"(A) IN GENERAL.—Tuition attributable to a course of instruction which is not a general course of instruction shall not be taken into account under subsection (a).

"(B) GENERAL COURSE OF INSTRUCTION DEFINED.—For purposes of this paragraph, the term 'general courses of instruction' means courses of instruction offered by an elementary or secondary school.

"(e) TUITION DEFINED.—

"(1) IN GENERAL.—For purposes of this section, the term 'tuition' means tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, including required fees for courses.

"(2) CERTAIN AMOUNTS NOT INCLUDED.—The term 'tuition' does not include any amount paid, directly or indirectly, for—

"(A) books, supplies, or equipment for courses of instruction, or

"(B) meals, lodging, transportation, or similar personal, living, or family expenses.

"(3) AMOUNTS NOT SEPARATELY STATED.—If an amount paid for tuition includes an amount for any item described in subparagraph (A) or (B) of paragraph (2) which is not separately stated, the portion of such amount which is attributable to such item shall be determined under regulations prescribed by the Secretary.

"(f) ELIGIBLE EDUCATIONAL INSTITUTION.—For purposes of this section—

"(1) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means—

"(A) a secondary school; or

"(B) an elementary school.

"(2) ELEMENTARY AND SECONDARY SCHOOLS.—The terms 'elementary school' and 'secondary school' mean respectively, any elementary or secondary school (as defined in subsections (c) and (h) of section 801 of the Elementary and Secondary Education Act of 1965 as in effect on January 1, 1978)—

"(A) of a local educational agency (as defined in section 801(f) of such Act as in effect on such date); or

"(B) which is privately operated but only if it is—

"(i) operated in accordance with applicable State law, and

"(ii) exempt from taxation under section 501(a) as an organization described in section 501(c)(3).

The terms 'elementary school' and 'secondary school' include facilities which offer education for individuals who are physically or mentally handicapped as a substitute for public elementary or secondary education.

"(6) MARITAL STATUS.—The determination of marital status shall be made under section 143.

(g) SPECIAL RULES.—

"(1) TAXPAYER WHO IS A DEPENDENT OF ANOTHER TAXPAYER.—No credit shall be allowed to a taxpayer under subsection (a) for amounts paid during the taxable year for educational expenses of the taxpayer if such taxpayer is a dependent of any other person for a taxable year beginning with or within the taxable year of the taxpayer.

"(2) SPOUSE.—No credit shall be allowed under subsection (a) for amounts paid during the taxable year for educational expenses for the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for the taxable year.

"(h) DISALLOWANCE OF CREDITED EXPENSES AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any educational expense to the extent that such expense is taken into account (after the application of subsection (b)) in determining the amount of the credit allowed under subsection (a). The preceding sentence shall not apply to the educational expenses of any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such expenses for the taxable year.".

(b) LIMITATION ON EXAMINATION OF BOOKS AND RECORDS.—Section 7605 of such Code (relating to time and place of examination) is amended by adding at the end thereof the following new subsection:

"(d) EXAMINATION OF BOOKS AND RECORDS OF CHURCH-CONTROLLED SCHOOLS.—Nothing in section 44C (relating to credit for educational expenses) shall be construed to grant additional authority to examine the books of account, or the activities, of any school which is operated, supervised, or controlled by or in connection with a church or convention or association of churches (or the examination of the books of account or religious activities of such church or convention or association of churches) except to the extent necessary to determine whether the school is an eligible educational institution within the meaning of section 44C(c)(2).".

(c) TAX CREDIT NOT TO BE CONSIDERED AS FEDERAL ASSISTANCE TO INSTITUTION.—Any educational institution which enrolls a student for whom a tax credit is claimed under this Act shall not be considered to be a recipient of Federal assistance under this Act.

(d) EXPEDITED REVIEW OF CONSTITUTIONALITY OF EDUCATIONAL EXPENSE CREDIT.—

(1) CERTIFICATION OF QUESTIONS OF CONSTITUTIONALITY.—In any action brought in a district court of the United States, including an action for declaratory judgment or injunctive relief, concerning the constitutionality of any provision of section 44C of the Internal Revenue Code of 1954 (relating to credit for educational expenses) or any other provision of such Code relating to such section, the district court shall certify immediately all questions of constitutionality of such provision to the United States Court of Appeals for the circuit involved, which shall hear the matter sitting en banc.

(2) APPEAL TO SUPREME COURT.—Notwithstanding any other provision of law, any decision on a matter certified under paragraph (1) shall be reviewable by appeal directly to the Supreme Court of the United States. Such appeal shall be brought no later than 20 days after the decision of the Court of Appeals.

(3) EXPEDITED CONSIDERATION.—It shall be the duty of the Court of Appeals and of the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter certified under paragraph (1).

(4) SEPARABILITY.—If any provision of section 44C of the Internal Revenue Code of 1954 (or any other provision of such Code relating to such section), or the application thereof to any person or circumstances, is held invalid, the remainder of the provisions of such section and the application of such provisions to other persons or circumstances, shall not be affected.

(e) DISREGARD OF REFUND.—Any refund of Federal income taxes made to any individual, and any reduction in the income tax liability of any individual, by reason of section 44C of the Internal Revenue Code of 1954 (relating to credit for educational expenses) shall not be taken into account as income or receipts for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program of educational assistance or under any State or local program of educational assistance financed in whole or in part with Federal funds.

(i) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44C. Certain Tuition."

(2) Subsection (c) of section 56 of such Code (defining regular tax deduction) is amended by striking out "credits allowable under—" and all that follows and inserting in lieu thereof "credits allowable under subpart A of part IV other than under sections 31, 39, and 43.".

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 of this Act shall apply to taxable years ending after December 31, 1979 for amounts paid after such date for educational expenses incurred after such date.

Amend the title so as to read: "An Act to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for certain educational expenses."●

By Mr. HAYAKAWA (for himself, Mr. HATCH, Mr. HUDDLESTON, and Mr. MCCLURE):

S. 1052. A bill to amend the Voting Rights Act of 1965 to repeal certain requirements relating to bilingual election requirements; to the Committee on the Judiciary.

BILINGUAL ELECTION REQUIREMENTS

Mr. HAYAKAWA. Mr. President, today I am introducing legislation to amend the Voting Rights Act by deleting the provisions added in 1975 which require that bilingual voting materials be provided in certain States and counties.

Under the amendments adopted by the 94th Congress, there are two sets of criteria used to determine whether the use of bilingual ballots will be required in a particular voting jurisdiction. The first set causes the act to be imposed when more than 5 percent of the voting age citizens in a jurisdiction were members of a language minority group on

November 1, 1972; only English voting materials were provided in that jurisdiction on that date; and less than 50 percent of the total voting age population in the jurisdiction voted in the 1972 Presidential election. The second set of criteria triggers the act when more than 5 percent of the citizens of voting age in a given jurisdiction are members of a language minority group, and the illiteracy rate for that group is higher than the national illiteracy rate.

One of the stronger arguments favoring the minority language provisions is the indication that in some areas of the country the voter turnout by language minorities has been too low. I was surprised to learn, however, that there was extremely little mention during the debate on those provisions of the fact that other factors than discrimination can cause low voter turnouts, and that the nationwide voter turnout in the 1974 elections was less than 50 percent of our voting age population.

Thirty-nine counties in the State of California are affected by the bilingual provisions of the Voting Rights Act, coming under one or both sets of criteria. Many of these counties have voiced strong complaints about the financial hardships caused by the act, and expressed concern that the costs of compliance outweigh the small benefits that may be gained by providing bilingual materials. The election materials are costly and the demand for them is very low. In one California county, the 113 bilingual ballots used in the 1978 elections cost $957.54 apiece. I would like to point out that 113 is the total number used in all the elections held in that county in 1978, not just the general election in November.

My major objections to this act, however, are not only due to the high cost and the arbitrary selection of triggering mechanisms. The bilingual voting materials provisions of the Voting Rights Act conflict with two of our Federal statutes which require the use of English.

It is stated in our bilingual education program that English must be one of the languages used in bilingual schools. The bilingual education program provides an opportunity for minority language students to become proficient in the use of English.

Our naturalization laws specifically require that a knowledge of spoken and written English be demonstrated to become an American citizen.

I do not see, therefore, why we should have ballots in other languages to supply that which all of us who are immigrants to this country know as our first duty, to learn the English language, and we ought to learn it well enough in order to vote. If not, we could at least talk to other people who are compatriots in another language, our own children, for that matter, and have them explain the voting issues to us.

To go in the other direction and encourage this kind of linguistic diversity with taxpayer funds, especially as regards our voting rights, seems to me to be a denial and reversal of the traditional process of Americanization through which all of us as immigrants have gone.

The requirement for a bilingual ballot actually contradicts the pertinent provisions of the naturalization law and implies that the English language requirement is an unnecessary formality.

Our country's greatness is directly related to our unique ability to merge a multitude of foreign cultures into one. The key to this ability is the acceptance of a common language that allows each new culture group to communicate and share ideas with those of us already here, while at the same time retaining pride in its original culture. We cannot as a nation afford to ignore the value of the American melting pot.

Almost half my classmates in high school were children of European immigrants. In many families the parents spoke English poorly. It was considered part of the duty and education of these immigrant children to explain to their parents, whenever necessary, measures at issue in elections. To many of us these tasks of interpretation were our introduction to citizenship long before we reached voting age.

These families understood the importance of sharing the language of the country they had adopted. However, with the use of bilingual ballots today, there is less need to understand the new language. Should we enocurage in this way the growth of minority language communities? Communities which will remain outside the mainstream of American life because of the language barrier?

I firmly believe that all U.S. citizens, regardless of their heritage, need to learn to use English well enough to vote in this English-speaking country. In addition, we must take heed of the growing demand to reduce Government spending. It is my hope that my colleagues will support my efforts to repeal the bilingual provisions of the Voting Rights Act for these reasons.

By Mr. STONE (for himself and Mr. LUGAR):

S. 1053. A bill to amend the Agricultural Trade Development and Assistance Act of 1954 to increase the uses and effect of U.S. food aid; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD ASSISTANCE REFORM ACT OF 1979

● Mr. STONE. Mr. President, the Agricultural Trade Development and Assistance Act of 1954 is best known as Public Law 480 or food for peace. This program stands as a testimonial to the interest and support of the American people in helping the needy people abroad.

The program, however, has served and continues to serve multiple objectives including: expanding international trade, combating hunger and malnutrition, encouraging economic development in developing countries, and promoting the foreign policy of the United States.

In recent years, the major emphasis of the program has been directed toward providing humanitarian assistance and promoting economic development. As a result of the program distortions during the Vietnam war, we now require that at least 75 percent of the commodities provided under the title I concessional sales program go to needy countries. Our title II assistance, provided on a grant basis, has been largely provided through American voluntary agencies and directed toward maternal and child feeding programs.

In 1977 Congress established title III as a new program to utilize our food commodities to stimulate economic development. Under this program, the recipient country can be forgiven repayment of the title I obligation if it agrees to use the funds generated by the sale of the commodities for mutually agreed upon development purposes.

While the purposes of the program have evolved over the years to place major emphasis on economic development and humanitarian needs, the other goals are still an important part of the program.

I have developed these 1979 amendments to the Agricultural Trade Development and Assistance Act of 1954 which I feel will be helpful in terms of strengthening the program.

One important change that would encourage economic development and increase the flexibility of the title III program is the authority to use commodities themselves, as well as the currency generated from the sale of such commodities as at present, in carrying out title III programs. This would mean that commodities could be used directly under title III for food for development and similar kinds of projects.

Another important change would be to encourage the use of the private agricultural sector in developing and carrying out title III food for development programs. American agriculture is respected throughout the world for its creativity and productivity. With many of our aid missions overseas lacking in the technical expertise on agricultural production and marketing, this could be an important step in harnessing the vast capability of our agricultural sector.

The Department of Agriculture—because of its extensive capabilities in the food area—would be given the lead role in administering the title III program.

The amendments which I am proposing would also include a study to assess the effectiveness of the Public Law 480 program, which would be helpful in guiding our future legislative decisions. Specifically, the study would require a review of the nutritional impact of the title II program to gain a better view of its effectiveness in meeting the hunger needs of recipient countries. The study would also examine the program in terms of its cost-effectiveness as well as the relative benefits of the various kinds of commodities provided under it.

The study of the title I program would assess its effect on economic development, its usefulness in developing markets for American agricultural commodities, the avoidance of commodity deliveries in such a way that would disrupt local markets, and the adequacy of storage facilities both for food produced locally and for food aid supplied by outside sources.

The legislation also includes language to encourage the orderly transition from the most concessional sales terms under title I of the act to commercial credit sales. This would mean that the most needy countries would be offered the easiest credit terms, but other countries with stronger economies would be graduated to commercial terms as their economies grow. At this time, most title I sales are provided under the most concessional terms, which means a 10-year grace period during which time the interest is 2 percent and with no repayment of principal. The repayment begins on the 11th year and takes place over 30 years during which time the interest rate is 3 percent. It makes little sense that under the title I sales program the poorest nations of the world are offered the same title I terms as those which are about ready to graduate to commercial terms.

My amendments would also make several administrative improvements. One would be directed to assure that title II commodities are provided in such a way, both in emergency situations and normal times, as to avoid disrupting local food production and markets. Another administrative change would encourage the use of local workers and institutions in carrying out title II programs.

Mr. President, I am supportive of this program, and I feel that it has made a major contribution in helping to feed the hungry abroad. However, we need to look for innovative ways of using our food commodities to deal with hunger and encourage development. We also can make far better use of our private American agricultural capabilities in this effort. This resource remains largely untapped today.

We have already seen numerous countries that have used our commodities to further their economic development. Our agricultural exports to Europe, Japan, Taiwan, Korea, and India are at least in part the result of our Public Law 480 assistance.

We need to further this trend, where appropriate, rather than encouraging countries to look upon us as being able and willing to indefinitely furnish commodities.

Mr. President, I ask unanimous consent that these amendments to the Agricultural Trade Development and Assistance Act of 1954 and a summary of the provisions of the bill be printed in the RECORD.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 1053

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Assistance Reform Act of 1979".

PUBLIC LAW 480 CREDIT SALES TERMS

SEC. 2. Section 106(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "(1)" after the subsection designation and adding at the end thereof a new paragraph (2) as follows:

"(2) Notwithstanding any other provision of this subsection, in order to provide an orderly transition from concessional sales under this title to commercial credit sales and encourage market development for American agricultural commodities, the President may modify the length of the credit terms under this Act to the extent the Secretary of Agriculture determines is consistent with the strength of the recipient country's economy.".

COMMODITY DISTRIBUTION UNDER TITLE II

SEC. 3. Section 202(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof a new sentence as follows: "The President shall take reasonable precaution to assure that the distribution of commodities furnished under this title, both in normal times and in emergency situations, will not displace or interfere with local food production and marketing in the recipient country.".

ROLE OF INDIGENOUS INSTITUTIONS AND WORKERS

SEC. 4. Section 202(b)(2) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(2) In order to assure that food commodities made available under this title are used effectively and in the areas of greatest need, entities through which such commodities are distributed shall (A) be encouraged to work with indigenous institutions and employ indigenous workers, to the extent feasible, to assess nutritional and other needs of beneficiary groups, (B) help these groups design and carry out projects, (C) recommend ways of making food assistance available that are most appropriate for each local setting, (D) supervise food distribution, and (E) regularly evaluate the effectiveness of each project.".

ALLEVIATING THE CAUSES OF THE NEED FOR TITLE II ASSISTANCE

SEC. 5. Section 206 of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending clause (3) to read as follows: "(3) such agreement provides that the currencies will be used for (A) alleviating the causes of the need for the assistance in accordance with the purposes and policies specified in section 103 of the Foreign Assistance Act of 1961 and (B) programs and projects to increase the effectiveness of food distribution and increase the availability of food commodities provided under this title to the neediest individuals in recipient countries.".

INCENTIVES FOR ENTERING INTO FOOD FOR DEVELOPMENT PROGRAMS

SEC. 6. Section 301(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) inserting in the first sentence ", or the dollar sales value of the commodities themselves," immediately after "the local sale of such commodities"; and

(2) inserting in the second sentence ", or the use of the commodities themselves," immediately after "participating country".

PARTICIPATION OF AMERICAN AGRICULTURE IN FOOD FOR DEVELOPMENT PROGRAMS

SEC. 7. Section 302(c) of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof new paragraphs (4) and (5) as follows:

"(4) In developing and carrying out Food for Development projects under this title, priority shall be given to programs that use the capability and experience of American agriculture in furthering economic development and increased food production. The President may invite farm organizations, cooperatives, marketing, and other private enterprises with relevant practical experience in agricultural, rural development, food production, and related areas to participate in designing and implementing these projects.

"(5) The President shall designate the Department of Agriculture as the lead agency in administering the Food for Development Program under this title.

REPORTS AND RECORDS UNDER TITLE III

SEC. 8. Section 303(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the second sentence "for each year such funds are to be disbursed".

SEC. 9. Section 305 of the Agricultural Trade Development and Assistance Act of 1954 is amended by—

(1) adding at the end of subsection (a) a new sentence as follows: "Disbursements of funds from the special account in an amount equivalent to the dollar value of the credit furnished by the Commodity Credit Corporation under section 304(a) of this Act shall be deemed to be payment of all installments of principal and interest payable thereon for the commodities purchased by the participating country for purposes of this title."; and

(2) adding at the end thereof a new subsection (c) as follows:

"(c) When agricultural commodities made available under this title are used by the participating country in development projects in accordance with the applicable Food for Development Program, the dollar sales value of such commodities shall be applied, in accordance with subsections (a) and (b) of this section, against repayment obligations of that country under this Act, with the value of the commodities so used being deemed to be disbursements made at the time of such use.".

SEC. 10. Section 306 of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting "a detailed description of how the commodities were used," immediately after "projected targets,".

SEC. 11. Section 307 of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending subsection (a) to read as follows:

"(a) Each year the President shall review the disposition of all agreements providing for the use of (A) the proceeds from the sale of agricultural commodities or (B) the value of agricultural commodities under this title for which such funds or commodities were not fully disbursed the preceding year. The results of such review shall be included in the annual report to Congress required under section 408(a) of this Act."

STUDY TO ASSESS PROGRAM EFFECTIVENESS

SEC. 12. Section 408(d) of the Agricultural Trade Development and Assistance Act of 1954, is amended by adding at the end thereof a new paragraph (4) as follows:

"(4) The Secretary of Agriculture shall, within one year of the date of enactment of the Food Assistance Reform Act of 1979, conduct and transmit to Congress a study that will—

"(A) assess the nutritional effect and cost effectiveness of the program conducted under title II of this Act, developing data as needed on the benefitting recipients and the relative merits of different food commodities, including processed and blended foods; and

"(B) assess the effectiveness of the program conducted under title I of this Act in terms of its effect on economic development, its usefulness in developing markets for American agricultural commodities, the avoidance of commodity deliveries that disrupt local recipient markets, and the adequacy of storage facilities for local food production and food aid.".

SUMMARY OF THE LEGISLATION

Section 1. Section 1 provides that the bill may be cited as the "Food Assistance Reform Act of 1979".

Section 2. Section 2 would authorize the modification of the length of credit terms under Title I concessional sales consistent with a recipient country's economy. The objective of this change would be to provide an orderly transition from concessional sales to commercial credit.

Section 3. Section 3 would direct that the President take reasonable precaution to assure that the distribution of Title II, food commodities, both in normal times and emergency situations, be provided in such a way as not to displace or interfere with local food production or marketing in the recipient country.

Section 4. Section 4 is designed to assure that the entities through which Title II commodities are distributed will be encouraged to work with indigenous institutions and workers in developing and carrying out Title II programs.

Section 5. Section 5 would provide increased flexibility in the limited use of local currencies generated by the sale of Title II commodities in emergency situations. Under this proposed section, the currencies generated from such sales could be used for alleviating the causes of the need for the food assistance, in accordance with section 103 of the Foreign Assistance Act of 1961, as well as for carrying out programs and projects to increase the availability of food commodities provided under Title II to the neediest individuals in recipient countries.

Section 6. Section 6 authorizes the use of commodities themselves under Title III Food for Development programs as well as the use of the local currencies generated from the sale of those commodities under the existing legislation.

Section 7. Section 7 establishes that in developing and carrying out food for development projects under Title III, priority shall be given to programs that use the capability and experience of American agriculture in furthering economic development and food production. Farm organizations, cooperatives, marketing and other private enterprises are to be invited to participate in designing and implementing these projects.

The President shall designate the Department of Agriculture as the lead agency in administering the Food for Development Program under Title III.

Sections 8–11. Sections 8–11 deal mainly with technical and reporting changes in the legislation needed as a result of section 6 whereby commodities themselves can be directly used in a Title III Food for Development Program. These sections recognize that both commodities and local currencies can be programmed under the proposed change in Title III, and reports are required on the use of such commodities or local currencies and on unused commodities or local currencies. Also accounting rules are established in calculating the debt forgiveness for the commodities provided under the Title III program.

Section 12. Section 12 provides for a study by the Secretary of Agriculture to assess the nutritional effect and cost-effectiveness of the Title II program, drawing on and developing data as needed on the benefiting recipients and the relative merits of different food commodities including processed and blended foods. The study would also assess the effectiveness of the Title I program in terms of its effect on economic development, its usefulness in developing markets for American agricultural commodities, the avoidance of community deliveries that disrupt local recipient markets, and the adequacy of storage facilities for local food production and food aid. The Secretary would have one year to complete the study.●

By Mr. DOLE (for himself and Mr. McGOVERN):

S. 1054. A bill to authorize additional projects for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products; to the Committee on Agriculture, Nutrition, and Forestry.

ALTERNATE ENERGY SOURCE PILOT PROJECT ACT OF 1979

● Mr. DOLE. Mr. President, I am pleased to introduce today the Alternative Energy Source Pilot Project Act of 1979. This act would authorize 12 additional pilot projects for a total of 16, for the production and marketing of industrial hydrocarbons and alcohols from agricultural commodities and forest products.

The Food and Agriculture Act of 1977 provided for research and pilot projects in the production and marketing of industrial hydrocarbons and alcohols. Section 1420 provided for four pilot project loan guarantees from the commodity Credit Corporation not to exceed $15 million each.

The USDA is in a strong position to help develop forest and agriculture biomass resources as a source of energy. The USDA has adopted, as one of its major energy goals, the development and utilization of alternative sources of energy, including fuels derived from agricultural and forestry sources.

The USDA received 30 formal applications for the 4 loan guarantees. The commodity Credit Corporation has met and approved four projects contingent upon satisfaction of environmental and other requirements and development of satisfactory guarantee and related loan documents.

FOUR COMPANIES

The four guarantees were approved for: Enerco, Inc., Langhorne, Pa., Bio-Mass/Suchem Corporations, Clewiston, Fla.; Guaranty Fuels, Inc., Independence, Kan.; and Midwest Solvents, Inc., Atchison, Kan.

First, Enerco, Inc., Langhorne, Pa., $6.9 million loan guarantee. This project will convert forest and agricultural residues into gas, oil, and charcoal for fuel and other uses. It will involve a number of mobile units located near sources of residues and will provide energy in rural communities.

Second, Biomass/Suchem Corp's $15 million loan guarantee. This will involve a plant in Clewiston, Fla., to convert sugarcane residues to alcohol. The project will include initial pilot and engineering work at Purdue University, followed by construction of a commercial-sized plant at Clewiston.

Third, Guaranty Fuels, Inc., Independence, Kans., $5.8 million loan guarantee. There will be two plants in North Carolina that will refine forest and agricultural residues into fuel pellets for direct burning in industrial boilers.

Fourth, Midwest Solvents, Inc., Atchison, Kans., $15 million loan guarantee. A plant will be built in Santa Rosa, Tex., to convert sorghum grain and sugarcane molasses to alcohol and to test sweet sorghum as an alternative feedstock. Approximately 80 percent of the total feedstock for the plant will be composed of sorghum grain.

The four projects involve a total of $42.7 million in loan guarantees.

A significant feature of section 1420 of Public Law 113 was the requirement that no loan may be guaranteed unless research indicates the total energy content of the products and byproducts will exceed the total energy input from fossil fuels used in the manufacture. Another rigorous requirement was that the projects must be economically viable in order to qualify.

To increase the probability of qualified proposals, USDA broadened the eligible products to include all forms of renewable biomass, including such diverse materials as the grain and stalks of corn, wheat and rice; cottonseed hulls; fruits and vegetables and their processing byproducts and residues; poultry and livestock manures and resides; wood products, including bark, pulp, chips, and residues from logging and paper manufacturing; aquatic plants; and specific energy-farm crops. USDA also broadened the definition of industrial hydrocarbon to chemically consist of carbon plus hydrogen as the major constituent.

MORE PROJECTS NEEDED

With the increase in fuel costs since the farm bill was passed in 1977, and with the increased interest in liquid and solid fuels from agricultural products, I believe more pilot projects are needed.

USDA has the regulations written and have processed four guarantees. They could guarantee several more projects without major administrative costs.

Four projects do not seem enough given the energy situation faced in 1979. Many applicants were turned down because only four projects were provided by Congress. I understand some of the applicants did not meet the qualifications but I hope in a new round of taking applications more feasible projects would be developed.

Congress needs to provide more stimulation to the private sector for the production and marketing of industrial hydrocarbons derived from agricultural commodities and forest products. The use of agricultural products could expand the Nation's supply of industrial hydrocarbons and also increase the market for agricultural commodities and products.

A project has not been funded yet that directly takes grain like corn or wheat and produces a grain alcohol for use in gasohol. With the widespread interest in gasohol, I hope some projects in that area would be feasible.

Proponents of gasohol will soon receive a shot in the arm from an upcoming Department of Energy report. According to the latest information circulating in the Nation's capital, DOE's 18-month study cites gasohol fuels as an energy source which can "play an important role in our national energy strategy."

Some researchers maintain that it takes more energy to grow corn, transport grain to the alcohol plant, and distribute the gasohol than the energy produced from the crop. Others say it is difficult to find any research that shows a gasohol plant making money.

I am hopeful the research for the pilot projects and the projects themselves will help answer some of the questions surrounding gasohol.

Mr. President, I hope this bill will receive support of Congress. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1054

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 509(b) of the Rural Development Act of 1972 (7 U.S.C. 2669) is amended by striking out "four" and inserting in lieu thereof "sixteen".

SEC. 2. The provisions of this Act shall become effective October 1, 1979.●

By Mr. HELMS (for himself and Mr. DURKIN):

S. 1055. A bill to provide for the issuance of gold coins; to the Committee on Banking, Housing, and Urban Affairs.

GOLD $100 COIN

● Mr. HELMS. Mr. President today more than 40 nations issue gold coins which are legal tender. The market for these coins is vast. Some estimates put the annual sales of such gold coins at $750 million per year.

More importantly, the gold coins provide a means of geographically utilizing gold's historic ability both to indicate inflation and guard against it.

But I submit that the greatest reason for U.S. production of a legal tender gold coin is simple: Americans want one. There is a great market in this country for gold coins, a market that today is partially being met by Krugerrands from South Africa. It is demonstrable that the market in this country for a U.S. gold coin is far greater than the market being met by Krugerrands. Indeed, I think that the international market for a U.S. gold coin is far greater than the market presently being met by Krugerrands.

The bill being offered today is considerably different from my Gold Medallion Act of 1978. That bill provided for the production and sale of medallions at a price related to the price of gold. The bill as finally enacted provides for the production of a minimum of 1 million ounces of gold medallions per year for 5 years. The design on the medallions is to be changed annually, and will honor various American artists. If marketed properly, I believe these 1 ounce and one-half ounce pieces may well provide strong competition to the Krugerrand. But I am concerned that the relatively limited quantity being sold will limit their attraction to numismatists and collectors. Its collector's value, over the bullion content, will limit its use for gold-denominated transactions aimed at avoiding the effects of inflation. Of particular note in this regard is the fact that sales of the American Arts Gold Medallions will be greatly limited in other countries, because they will be subject to tariffs and taxes. In addition, I understand that one of the major Swiss banks which deals in great quantities of Krugerrands has decided that it does not want to deal in the U.S. medallions, because of the annual design changes. Obviously, the $100 U.S. gold coin will overcome these objections and potentially provide added revenues to the Federal Government.

This is why I believe that a $100 coin is appropriate at this time.

First of all, it will be less costly than either the 1-ounce or the one-half-ounce medallions. It will sell at $100.

Second, it will be usable as a medium of exchange. Whereas in 1933, contracts denominated in gold coin of a certain weight and fineness were declared unenforceable, today such contracts denominated in gold are again enforceable. If U.S. gold coins were produced, a contract could be made to be payable in $100 U.S. gold coins.

Third, it would provide added revenue to the Treasury Department via seigniorage. This is the difference in the materials and production cost of currency and its face value.

It took a good deal of deliberation before the cosponsors of this bill, Senator DURKIN and I, could agree on a denomination and a quantity of gold. It was suggested that we should try to make the coin as close to the intrinsic value of gold as possible. In other words, make a $100 coin contain about $100 worth of gold at today's prices, or about fourtenths of an ounce of gold. But under today's inflation such a denomination would mean that by the time a bill was passed and by the time the coins could be produced, 0.4 ounces of gold would be worth more than $100. In other words, there is every likelihood that the price of the dollar will continue to decline, because of excessive money supply growth—which is causing inflation.

That fact of life also requires that the bill contain some mechanism to stop production when the price of gold bullion approached the intrinsic value of the gold coin. In other words, we would expect demand for the gold $100 coin to skyrocket as the value of the gold in the coin approached $100.

But, on the other hand, a $100 gold coin would never be worth less than the face value, $100. It would have attraction as currency in that it would be easily transportable, it would be acceptable, and would be relatively long lasting. The demand for the coin would be significant even when it was intrinsically worth less than $100. Its monetary value would never drop below $100, and when the dollar fell through the $400-per-ounce-of-gold figure, then the $100 gold coin containing one-fourth ounce of gold, would become worth more. It would probably stop circulating and would only be used as a unit for denominating gold-based contracts, or as a collector's item.

The bill takes into account these predictable problems and provides that when the intrinsic value of the gold in the one-fourth ounce, $100 coin reaches 95 percent of its face value, or $380 per ounce, then production shall cease, and production shall begin on a new $125 coin containing one-fourth ounce of gold. When gold reaches $475 per ounce, the face value of each one-fourth coin would be increased another $25.

Starting and stopping of the production of the gold coin is somewhat confussing and generally more costly than it should be. The necessity for changing the coin may not come about, however. "All" we have to do is to stop inflation. "All" we have to do is to stabilize price levels in this great Nation by stopping the production of more money than the economy needs. "All" we have to do to stop the unneeded costs called for in this bill is to stop the massive billions of costs imposed on the people annually through the ravages of inflation.

An added problem is that the $125 coin will be the same size as the $100 coin. This may lead to occasional mistakes in transactions, but I believe that in transactions involving denominations of at least $100 people tend to be more careful. Certainly in transactions in gold people will be more careful.

Finally, since the United States is continuing its sale of gold, it should make sure that whatever gold American people want in the form of coinage, would be produced in that form. The bill calls for production of $100 coins in a quantity sufficient to meet demand. In other words, the $100 gold coin should be produced in such quantities in the same manner as $100 bills. Banks find that they have a need for currency in various denominations. The banks put their requests through the various Federal Reserve Banks and the Federal Reserve System informs the Treasury Department what its needs are. The Treasury directs the Bureau of Printing and Engraving to produce the bills. In this case, the Treasury would direct the Bureau of the Mint to produce the gold coins.

Now I hope that this bill will meet with the full support of the Treasury Department. I have my doubts about it, however, because of the Treasury Department's decade-old Keynesian policy of "demonetizing" gold. (Frankly, I do not know how you can sell tons of gold to help the dollar 1 minute, and demonetize gold the next.) Although this bill would not fix the relationship of gold to the dollar, it would reintroduce gold coinage back into the United States. For gold to be truly a part of the U.S. monetary system, we would have to insure that an ounce of gold would be exchanged freely for a certain number of dollars.

But, I expect—and I have mentioned this to my cosponsor and my friend, the distinguished Senator from New Hampshire (Mr. DURKIN)—that the most likely position the Treasury Department will take is one of opposition to this bill. They will say, for example, that increasing the number of legal tender $100 units in the system will increase the money supply and that will be inflationary.

To this, it must be said, that there may well be a similar and equal reduction in the demand for $100 bills and thus the increase in the currency supply will be nil. Insofar as more people demand the $100 gold coin than other units of currency, or utilize the $100 coin instead of demand deposits, then, similarly, there will be no increase in the money supply.

A last objection that might be coming from the Treasury Department was one that they mounted against the Gold Medallion Act. At that time, the Treasury objected to the fact that gold medallions might be used as a hedge against inflation:

Said Secretary Michael Blumenthal:

> I do not believe the U.S. Government should permit the erroneous impression to be created that it cannot or will not take the necessary steps to combat inflation, and that the public therefore needs to buy gold as a hedge against inflation.

The U.S. Government today has about as much credibility in fighting inflation as Idi Amin had in fighting oppression. But, I would advocate the $100 gold coin not so much as a hedge against inflation, but as a measure of it. Only the craftiest economic wizards can avoid the effects of inflation today.

Let me make it clear that I do not advocate any specific hedge against inflation. I advocate the elimination of inflation.

Insofar as the $100 gold coin might provide some protection against inflation by denominating contracts in it, the gold content will only be a good commodity hedge after the price of gold goes over $400 per ounce. I hope we have a slowdown in the growth of the U.S. money supply so that the price of gold will not go over $400, but I doubt it.

The important merit of this bill is that it meets a demand that people have for a gold coin—for whatever purpose. It will contain about the same amount of gold as did a $5 gold piece of the last century. I expect that when and if the intrinsic value of the $100 gold coin is equal to its face value, that general price levels will be about 20 times as high as they were when the $5 gold coin circulated freely.

As to the design, Senator Durkin and I purposefully have left that up to the discretion of the Secretary of the Treasury. The political hassle that surrounded the selection of Susan B. Anthony on the $1 coin is a good case in point. The fact that some of the people to be honored on the American Arts Gold Medallions may not satisfy everyone, and the design on the Eisenhower dollar showing an eagle flying over the airless moon, indicate Congress' difficulty in selecting a good design for a coin.

I will suggest the excellent design of the head of Miss Liberty that the chief engraver at the Bureau of the Mint developed for the dollar coin. But, I hope that congressional debate over the proper design will not delay the passage of this bill.

Mr. President, I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1055

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Gold Coinage Act of 1979".

Sec. 2. (a) Notwithstanding the provisions of sections 2 and 5 of the Gold Reserve Act of 1934, the Secretary of the Treasury shall strike and issue coins each containing one-fourth of an ounce of .999 fine gold, but shall be manufactured from .900 fine gold, bearing such design as the Secretary deems to be appropriate. The Secretary shall determine the number of coins to be struck and issued on the basis of demand and the availability of gold bullion.

(b) Coins initially struck and issued under the authority of this section shall be in a denomination of $100, but the denomination of such coins shall be increased by $25 each time the value of the gold contained in each coin, measured by the world market price, equals or exceeds 95 percent of the denomination of the coin currently being struck.

(c) For the purpose of putting into effect any increase in demonination pursuant to subsection (b), the Secretary is authorized to temporarily cease or suspend and to take such other actions with respect to the striking and issuance of coins under this section as may be appropriate.

● Mr. DURKIN. Mr. President, I am delighted to join my distinguished colleague from North Carolina in sponsoring the Gold Coinage Act of 1979.

Under the Durkin-Helms bill, the United States will for the first time in over 40 years be minting new gold coinage. This will be an exciting development for numismatists and others who appreciate the beauty and stability of fine coinage. It will also provide a convenient yardstick to measure the worth of our paper currency, while at the same time helping to stem the flow of American dollars abroad in search of foreign coinage such as the South African Krugerrand.

This bill also will lead to a direct profit to the Treasury, providing for at least 5-percent "profit factor" on each coin. It seems especially appropriate that while these coins will serve as a hedge against inflation for the individual, the coinage itself will help to reduce inflation by reducing the Federal deficit.

Mr. President, I am delighted to join in sponsoring this measure and commend it to my colleagues for their consideration.●

By Mr. DOLE:

Senate Joint Resolution 68. A joint resolution to authorize and request the President to proclaim the week of June 17 through 23, 1979, as "Product Safety Week"; to the Committee on the Judiciary.

PRODUCT SAFETY WEEK

● Mr. DOLE. Mr. President, today I am introducing legislation to designate the week of June 17, to 23, 1979, as "Product Safety Week."

Consumer injuries and deaths related to home products continue to grow as the American home becomes increasingly dependent upon the appliances and apparatus of modern life. According to the U.S. Consumer Product Safety Commission, each year approximately 35 million Americans are injured and 24,000 killed in home accidents. The majority of these are product related. It is currently estimated that the annual costs of consumer product injuries is approximately $9.5 billion.

As this problem grows, it becomes increasingly important to take whatever steps we can to insure home safety and encourage the development of safer products. A product safety week would serve to focus the Nation's attention on the potential dangers of the seemingly innocuous equipment we all keep in our homes. A series of ceremonies and activities would educate the American public on the safe use of the products we often take for granted, but seldom treat with care.

A product safety week from June 17 to June 23 would be particularly appropriate, because it will coincide with other important product safety activities. During that week the National Association of Food and Drug officials (AFDO) will hold its annual meeting in Washington. The AFDO, which is made up of Federal, State, and local health and safety officials from across the United States and Canada, works to aid in the development and implementation of sound, uniform, and effective consumer legislation and regulations. Wednesday, June 20, has been set aside for a product safety conference involving industry, consumer organizations, consumers and government officials from throughout the country. A consumer product safety week could be integrated with these events to raise the national awareness of this problem.

Though the answers are by no means simple, this is primarily a problem of awareness. Consumers need not be subject to home accidents if they exercise proper care. It is extremely important for the well-being and health of the Nation's consumers that we highlight the need for safety in the home through educational and informational programs around the country. A Presidential proclamation would be the ideal way of initiating this effort, of bringing to the attention of the consumer this often overlooked cause of injuries. A "consumer product safety" week would generate the publicity which will be necessary to encourage safety and end the financial costs and human suffering of this often unnoticed crisis.

Mr. President, I ask unanimous consent that the text of this joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 68

Whereas it is estimated that each year over 35 million people in the United States of America are injured, and approximately 24 thousand are killed, in home accidents;

Whereas the majority of home accidents are product related;

Whereas the annual cost to our nation for these deaths, injuries, and accidents amounts to approximately 9.5 billion dollars;

Whereas great emphasis should be placed on safe use of products in and around the home to avoid injury; and

Whereas efforts to inform and educate the American people concerning product safety will enhance the well-being and general safety of everyone; Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to proclaim June 17 through 23, 1979 as "Product Safety Week", and to call upon interested groups and organizations and the people of the United States to observe such week with appropriate ceremonies and activities.●

By Mr. McGOVERN (for himself, Mr. Baucus, Mr. Magnuson, Mr. Church, Mr. Culver, Mr, Burdick, Mr. Young, Mr. Boschwitz, Mr. Pressler, Mr. Durenberger, Mr. Jepsen, and Mr. Jackson):

S.J. Res. 69. A joint resolution to require continuation of existing levels of rail service by the Chicago, Milwaukee, St. Paul, and Pacific Railroad Co. for a period of 90 days; to the Committee on Commerce, Science, and Transportation.

THE MILWAUKEE RAILWAY CRISIS

Mr. McGOVERN. Mr. President, the economies of 14 States were thrown into jeopardy last week when the Chicago, Milwaukee, St. Paul, and Pacific Railroad filed a petition in the U.S. district court requesting an embargo of service on over 7,000 miles of track.

This action, unprecedented in the history of railroading in our Nation, could go into effect on May 8, 1979, unless emergency measures are taken immediately. Today I am introducing a resolution expressing the sense of the Senate that this embargo must be delayed for

90 days, and authorizing the Secretary of Transportation to provide such emergency financial assistance as determined to be necessary to sustain existing levels of service during the 90-day period. I am introducing this resolution for myself and on behalf of Senators Baucus, Magnuson, Church, Culver, Burdick, Young, Boschwitz, Pressler, Durenberger, Jepsen, and Jackson.

Mr. President, this resolution does not provide the answer to the grave dilemma presented by the Milwaukee Railroad, but it provides the Congress a little time to determine ways to preserve essential rail services—to prevent irrevocable economic damage that would be the inevitable result of the proposed Milwaukee embargo.

The Milwaukee Railroad filed a chapter 8 bankruptcy petition in December 1977. Under Federal bankruptcy laws, the Milwaukee, as all rail carriers are required, continued to provide common carrier service throughout its system while preparing a plan of reorganization. This was the third Milwaukee bankruptcy in this century. Previous reorganizations were accomplished with substantial federal financial assistance and little rationalization of an efficient rail system. Under the present bankruptcy proceedings, however, the court appointed trustee has attempted to rationalize the Milwaukee rail system into a lean, efficient and profitable railroad. And yet, the rationalization and reorganization of the Milwaukee may now be prevented due to this embargo and possible liquidation proceedings. The last two winters have dealt the Milwaukee a serious financial blow. Due to the harsh weather Milwaukee service over portions of the system came to a standstill, reducing traffic, revenues and eroding its revenue base. This, in turn, resulted in the availability of minimal funds to conduct normal track and equipment maintenance, which in turn contributed to increasingly poor service over the last winter. Weather in January and February of this year crippled Milwaukee operations and traffic conditions have still not returned to normal. Many of the Milwaukee's main lines and yards were blocked for some time. These problems were not unique to the Milwaukee Road. The Interstate Commerce Commission embargoed rail shipments into Chicago for 32 days. Earlier this spring, several carriers, including the Milwaukee experienced serious flooding problems.

The winter had a particularly damaging effect because of the low levels of the Milwaukee's cash and the poor state of its track and equipment. The Milwaukee lost approximately $34 million during the first 2 months of this year. Net freight revenues were $18 million lower than anticipated. On February 1, of this year it became necessary for the carrier to draw down $5.1 million from the Federal Emergency Rail Service Assistance Fund.

Yet the full impact of revenue of lost traffic does not show up in cash receipts until at least a month later. Consequently, the outflow of cash increased substantially in February and early March. It then became necessary for the Trustee to borrow an additional $10 million from the Milwaukee Land Co.

And now the carrier is in desperate need of additional emergency funds to sustain existing operations.

I'm sure that all of the affected States would agree that some abandonment of service will be essential to a reorganized Milwaukee Railroad. However, the question raised by the Milwaukee's court petition last week is whether the Federal Government will provide the necessary assistance to allow a true rationalization and reorganization of this 10,000 mile system which stretches from Kentucky to the Pacific coast.

Mr. President, under the Milwaukee's current plans to embargo 7,000 miles of track, considerable portions of their mainline service would be eliminated. The largest coal fired generating plant in the region, the Big Stone plant located in South Dakota, would have no access to critical coal shipments. The owning utilities have already testified that the plant would be forced to close. Other utilities in Iowa and Wisconsin could be similarly affected.

In addition, thousands of farmers throughout the Midwest are wholly dependent upon the Milwaukee for the movement of agricultural commodities to vital domestic centers and to the west coast for export.

In the event that the proposed embargo is ordered by the court and not appealed, the Interstate Commerce Commission has the authority to issue an emergency order directing other rail carriers to provide essential rail services over Milwaukee tracks for a period not to exceed 8 months. The cost of operations is born by the Federal Government. This authority has only been used once before for a small carrier, for a short period of time. Based on that experience the Commission estimates that the cost of directed service on the Milwaukee would exceed $75 million. The Commission has already gone on record stating that directed service is the most costly means of sustaining service and will only be used as a last resort.

Although the Commission is prepared to issue such an order over portions of the Milwaukee system, there is little hope that service can be maintained. For the most part, the directed service carriers will be required to utilize their own equipment and locomotive power to provide Milwaukee service. These directed service carriers have also been hard hit by the harsh winter and spring flooding and are experiencing serious locomotive and equipment shortages of their own.

In point of fact, we may well be facing a de facto abandonment of over 7,000 miles of railroad.

Mr. President, this administration has committed itself to the passage of railroad deregulation legislation as one means of assisting the revitalization of our crippled rail industry. Although no one knows whether rail deregulation will solve the industry's problems, it has certainly come far too late to save the Milwaukee. I understand that in conjunction with the deregulation, the administration plans to announce a major rail assistance bill later this year. This, too, comes far too late to be of any help to the Milwaukee.

We are faced with an unprecedented action in the history of railroading. We are also faced with a critical dilemma that cannot be adequately resolved solely in the private sector—and for which no current rail assistance programs are applicable. Individual States and shippers alone cannot provide the millions of dollars necessary to allow for a comprehensive and effective reorganization of the Milwaukee system.

Mr. President, I cannot emphasize enough the irreversible economic impacts faced by over a dozen States under the loss of this service. We must have a delay in the proposed embargo in order to provide the necessary time for the affected Federal agencies, congressional authorizing committees and appropriation committees to examine this dilemma.

Hearings are already scheduled in both the House and Senate this month on legislation I have introduced to preserve essential Milwaukee services. Given, the considerably worsened condition of the Milwaukee, I am sure that my proposal must now be substantially revised in order to meet the needs of other regions who are now impacted by the Milwaukee's proposal.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S.J. Res. 69

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress hereby finds that the proposed embargo of all of the freight operations of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company in the States of Washington, Montana, Idaho, and North and South Dakota and of part of the freight operations of the railroad in the States of Illinois, Iowa, Missouri, Wisconsin, Kentucky, Minnesota, Michigan and Indiana, which the trustee of the railroad has asked the Bankruptcy Court to authorize and to direct, would have crippling repercussions on the economies of these States; that the threatened embargo of freight service extends over 7,000 miles of the track, or approximately 75 percent of the Milwaukee's rail system; that the proposed embargo would result in the loss of many thousands of jobs of railroad workers and other workers whose employment is dependent upon uninterrupted rail service; that coal shipments from the great coal deposits underlying Montana, Wyoming, North Dakota and South Dakota are totally dependent upon continuing rail service; that the agricultural producing and marketing activities in this tier of States is equally dependent upon continued service; and that continued operation of the Milwaukee railroad is essential to the present and future energy needs of the region and to the development of energy resources on which the nation depends. Upon this basis the Congress declares that emergency measures must be taken to avoid the substantial damage to the economy of the region and of the nation which the proposed embargo would otherwise cause.

Sec. 2. For a period of 90 days following the effective date of this Joint Resolution, the Chicago, Milwaukee, St. Paul and Pacific Railroad Company shall maintain and continue its existing level of service throughout its entire railroad system and shall not take any action to abandon or discontinue service over any part thereof unless (a) it is authorized to do so by the Interstate Commerce Commission, and (b) no affected State (or local or regional or transportation authority) opposes such action by the Commission.

Sec. 3. Secretary of Transportation shall provide such financial assistance as may be required to maintain and to continue the existing level of service by the railroad in accordance with section 2. In providing such assistance, the Secretary may draw upon available funding sources established for the purpose of responding to railroad emergencies, including the Emergency Rail Service Act trust fund. Such financial assistance as the Secretary may supply to the railroad shall constitute an expense of the administration.

Sec. 4. The actions prescribed by this Joint Resolution shall be taken notwithstanding any provision of any other Federal law, the constitution or law of any State, or the decision or order of, or pendency of any proceeding before, any Federal or State court, agency, or other authority.

● Mr. BAUCUS. Mr. President, I am honored to join my good friend and colleague, Senator McGovern, in introducing this resolution to insure the continued operation of the Milwaukee Railroad.

I would like to begin by complimenting Senator McGovern for his leadership and fine efforts on the Milwaukee issue, and for his understanding of rural transportation problems. I look forward to working with him to develop a regional solution to problems arising from the Milwaukee's bankruptcy.

The importance and the urgency of the legislation we are introducing cannot be overemphasized. We are facing a shutdown of the Nation's sixth largest railroad, a system that operates over 9,800 miles of track serving a region from the Great Lakes to the Pacific Ocean.

Milwaukee directly employs 10,000 men and women, and thousands of other jobs hinge on the service the railroad provides. If we let the Milwaukee Railroad shut down, the impacts will be felt throughout America.

The resolution Senator McGovern and I are introducing will require the Milwaukee to continue operating for 90 days to give Congress time to develop a long-term solution to the railroad's problems. The Federal Railway Administration will be obligated to provide the necessary funds for this continued operation.

I would like to emphasize that these funds do not constitute a "bailout." The financial assistance will be in the form of loans that will be secured by liens against Milwaukee assets. The Milwaukee is an asset-rich railroad—the scrap value of Milwaukee assets is roughly twice the amount of liens against the railroad.

THE MILWAUKEE BANKRUPTCY

The Chicago, Milwaukee, St. Paul, & Pacific Railroad Co. filed for bankruptcy in December 1977 after several years of finanical losses. Stanley E. G. Hillman was appointed bankruptcy trustee in January 1978.

The Milwaukee's operation, both before and since the bankruptcy filing, has been characterized by the declining service that drives off shippers and results in ever-larger cash shortfalls. Maintenance of plant and equipment has been ignored, resulting in costly derailments, atrociously long shipping times, and unsafe working conditions for employees.

Atypically for a bankruptcy trustee, Mr. Hillman has retained the same management team that propelled the railroad into bankruptcy.

Cash losses have multiplied in recent months and on April 23, the trustee asked the bankruptcy judge for permission to "embargo" some three-fourths of the Milwaukee system. This proposed abandonment would leave 5,000 workers not only without jobs, but also without the severance pay they are entitled to.

I must emphasize my conviction that the trustee's proposal has no legal merit, and should be rejected by the judge. A railroad cannot abandon track without approval of the Interstate Commerce Commission, and Milwaukee officials have conceded this in communications with my office.

A court hearing on the trustee's proposal is scheduled for May 4, and I urge the Department of Transportation, the Interstate Commerce Commission, and affected States to oppose this abandonment.

IMPORTANCE OF MILWAUKEE SERVICE

The Nation cannot afford to lose the Milwaukee Railroad. The Milwaukee's transcontinental line crosses the rich Fort Union coal deposits that are an increasingly important part of our energy supply. The same line is a crucial link between the agricultural and industrial regions of the Midwest and our expanding export markets in Asia.

Mr. President, those from urban areas cannot appreciate the importance of rail service in the West. We simply have no alternatives—our highway systms are primitive, and we do not have large transportation. Natural resources we produce are bulky, and the only efficient way of moving them is by rail.

The bankruptcy of the Milwaukee is not just a problem of the northern tier States. If we lose this service, every State will suffer from restricted access to the agricultural and energy supplies of the northern tier, and from the necessarily higher costs of doing business with Asia.

SUMMARY

I would like to summarize by urging my colleagues to act quickly on this legislation. Several Members of the House and Senate have introduced or are developing legislation to deal with problems arising from the Milwaukee bankruptcy. Hearings on these bills are scheduled in the House of Representatives on May 9 and in the Senate on May 23. It is crucial that the resolution we are introducing today be passed, to insure that our efforts to deal with the Milwaukee problem are not confounded by an arbitrary and possibly illegal shutdown of the system. I would urge my colleagues to join me in supporting this essential legislation.●

ADDITIONAL COSPONSORS

S. 15

At the request of Mr. Levin, the Senator from New York (Mr. Moynihan) and the Senator from California (Mr. Cranston) were added as cosponsors of S. 15, to prohibit discrimination on the basis of geography in the issuance and use of credit cards.

S. 21

At the request of Mr. Weicker, the Senator from Idaho (Mr. McClure) was added as a cosponsor of S. 21, a bill to terminate public financing of Presidential campaigns.

S. 76

At the request of Mr. Stone, the Senator from Utah (Mr. Garn) was added as a cosponsor of S. 76, a bill to amend title XVIII of the Social Security Act to authorize payment under medicare for certain services performed by chiropractors.

S. 376

At the request of Mr. Cochran, the Senator from Maryland (Mr. Mathias) and the Senator from Indiana (Mr. Bayh) were added as cosponsors of S. 376, the National Digestive Diseases Prevention, Cure and Control Act.

S. 502

At the request of Mr. Culver, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 502, a bill to protect Nahant Marsh.

S. 527

At the request of Mr. Kennedy, the Senator from New Jersey (Mr. Williams), the Senator from Rhode Island (Mr. Pell), the Senator from New York (Mr. Javits), and the Senator from Pennsylvania (Mr. Schweiker) were added as cosponsors of S. 527, the National Science Foundation Authorization Act for fiscal year 1980.

S. 583

At the request of Mr. Ribicoff, the Senator from Massachusetts (Mr. Tsongas) was added as a cosponsor of S. 583, the Children and Youth Camp Safety Act.

S. 625

At the request of Mr. Wallop, the Senator from New Mexico (Mr. Schmitt) was added as a cosponsor of S. 625, to amend the Federal Mine Health and Safety Amendments Act to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations.

S. 697

At the request of Mr. Sasser, the Senator from Wyoming (Mr. Wallop) was added as a cosponsor of S. 697, a bill to reduce by $500,000,000 the amount which may be obligated for travel and transportation of officers and employees in the executive branch during fiscal year 1980.

S. 836

At the request of Mr. Melcher, the Senator from Alabama (Mr. Stewart) was added as a cosponsor of S. 836, a bill to amend the Rural Electrification Act of 1936 to provide for the financing of telecommunications facilities for broadband services in small towns and rural areas, and for other purposes.

S. 844

At the request of Mr. Melcher, the Senator from Oregon (Mr. Hatfield) was added as a copsonsor of S. 844, a bill to amend civil service retirement provisions as they apply to certain employees of the Bureau of Indian Affairs and of the Indian Health Service who are not entitled to Indian employment preference and to modify the application of the Indian employment preference laws as it applies to those agencies.

S. 928

At the request of Mr. STONE, the Senator from Oregon (Mr. PACKWOOD), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 928, a bill to amend the Food Stamp Act of 1977.

S. 956

At the request of Mr. HEINZ, the Senator from Delaware (Mr. ROTH) and the Senator from Hawaii (Mr. MATSUNAGA) were added as copsonsors of S. 956, the Franklin Memorial Assistance Act.

S. 968

At the request of Mr. MELCHER, the Senator from New Hampshire (Mr. DURKIN), the Senator from Louisiana (Mr. JOHNSTON), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 968, a bill to amend certain provisions of title V of the Public Utility Regulatory Policies Act of 1978 to expedite processing of applications for crude oil transportation systems, and for other purposes.

S. 994

At the request of Mr. PELL, the Senator from Florida (Mr. STONE) was added as a cosponsor of S. 994, the Federal Election Commission Authorization Act.

SENATE JOINT RESOLUTION 53

At the request of Mr. CRANSTON, the Senator from Illinois (Mr. PERCY), the Senator from Michigan (Mr. LEVIN), the Senator from Maryland (Mr. MATHIAS), the Senator from New York (Mr. MOYNIHAN), the Senator from Rhode Island (Mr. PELL), the Senator from Maryland (Mr. SARBANES), and the Senator from Alabama (Mr. STEWART) were added as cosponsors of Senate Joint Resolution 53, to proclaim October 8 through 14, 1979, "National Renewable Energy Week."

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. SCHWEIKER, the Senator from Utah (Mr. HATCH) and the Senator from Wyoming (Mr. WALLOP) were added as cosponsors of Senate Concurrent Resolution 24, expressing the sense of the Congress on the nonenforcement of sanctions against Zimbabwe Rhodesia.

SENATE RESOLUTION 142—SUBMISSION OF A RESOLUTION WITH RESPECT TO DESIGNATING AN AMBASSADOR AT LARGE FOR WORLD POPULATION AFFAIRS

Mr. MATHIAS submitted the following resolution, which was referred to the Committee on Foreign Relations:

S. RES. 142

Whereas the current global population of more than four billion is already overburdening many of the planet's ecosystems and is expected to double within thirty-five years;

Whereas the demographic pressures of runaway population growth are subjecting the people of the world, especially the more than one-third of the population of the world living under the poverty level, to new, unbearable burdens;

Whereas the world population problem increasingly affects a broad range of foreign policy issues, including economic development, world hunger, energy and natural resources, basic human rights, public health, unemployment, social unrest, political instability, emigration, and local conflicts; and

Whereas in the past ambassadors-at-large have been assigned to duties in areas of critical global problems, thus affirming the dedication and commitment of the United States Government to solving such problems: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President, after consulting with the Secretary of State, should accord the rank and status of ambassador-at-large on an individual who has the credentials and experience requisite for such rank and status and who shall be primarily responsible to the Secretary of State for formulating and carrying out United States policy on world population affairs.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

● Mr. MATHIAS. Mr. President, in Washington, we are constantly reminded of the world's population problems by a clock that has been installed at one of the city's busiest intersections. If you hit the traffic light wrong, you can watch the clock tick off the world birth count at the rate of 172 new lives a minute. The birth hand on that clock moves almost three times as fast as the second hand on your wristwatch. It is a sobering thing to see and to think about.

It took about 3 million years to reach a world population of 1 billion. Then, in only 100 years, it doubled. In another 30 years, the population reached 3 billion and 15 years later it hit 4 billion. The consequences of unchecked excessive world population will be suffered by all nations and will be attended by shortages of food and other vital resources and diminishing living space. One billion new jobs will have to be created by the year 2000 to keep pace with the anticipated growth in the world work force.

Those who have studied world population statistics and projections understand the grave implications of a world in which by the year 2000, Latin America is expected to have another 275 million people; Africa, another 390 million, and Asia another billion and a quarter. These people must be fed, clothed, sheltered, educated, and employed. Time and again experts have warned us that our resources will be unable to sustain such vast numbers of additional people. By 1986, at the rate things are going, we will have a shortage of 100 million tons of food to feed the world.

Thus, world overpopulation is clearly a very serious problem.

Too often in our fast-paced age, we find ourselves struggling with issues that have already reached crisis proportions instead of anticipating problems and moving to meet them with well-conceived, responsible plans of action and programs in a timely way. Most demographers have identified the problem of world overpopulation as an imminent crisis. It is, therefore, incumbent upon this Nation to recognize the magnitude and severity of this problem and to commit itself to addressing it humanely and expeditiously.

I am submitting a resolution today calling upon "the President, after consulting with the Secretary of State, to designate an Ambassador at Large for world population affairs." This resolution specifies that the position be accorded to "an individual who has the credentials and experience requisite for such rank and status."

Whenever the United States has identified an issue of overriding importance in recent years, we have designated as Ambassadors at Large some of our most eminent statement—men such as Elliot Richardson, Ambassador at Large and Special Representative of the President for the Law of the Sea Conference and Chief of the U.S. Delegation; Arthur Goldberg, Ambassador at Large and U.S. Representative to the Conference on Security and Cooperation in Europe; our distinguished former colleague, Dick Clark, Ambassador at Large and Coordinator for Refugee Affairs, and most recently Robert Strauss' nomination as Ambassador at Large for the Middle East negotiations.

Each of these problems has global significance and future implications which demand the special attention given them by the United States. But a world growing at the rate of 275,000 people a day surely deserves no less attention.

There are both symbolic and substantive reasons for designating an Ambassador at Large for world population affairs. Symbolically, it will serve notice to the entire world that the United States recognizes the population issue as one of the most significant confronting mankind and that this Nation is committed to shouldering its share of the responsibility for finding solutions. Substantively and more importantly, an Ambassador at Large for world population affairs would be able to communicate personally and directly with world leaders and explore what needs to be done and how the United States can assist in dealing with this problem.

There are encouraging indications that the world population problem can be alleviated before it reaches irreversible dimensions. In the decade and a half since the United States has been earmarking funds for world population assistance, there have been remarkable achievements in lowering fertility rates in countries that once appeared headed on a collision course with disaster. Some of these accomplishments have astonished even those directly responsible for developing and implementing the programs that were so successful. But much more needs to be done before we can be certain that the population problem can and will be solved. The appointment of an Ambassador at Large for world population affairs will be convincing evidence of our dedication to finding humane, rational and workable solutions for this fundamental crisis that faces us all and it will give impetus to a process that cannot sustain delay.●

SENATE RESOLUTION 143—SUBMISSION OF A RESOLUTION CONCERNING PRESERVATION OF HISTORIC RHODES TAVERN, KEITH'S THEATRE AND ALBEE BUILDING, AND NATIONAL METROPOLITAN BANK BUILDING IN THE DISTRICT OF COLUMBIA

Mr. MATHIAS submitted the following resolution, which was referred to the

Committee on Energy and Natural Resources:

S. Res. 143

Whereas it is the policy of the United States government to preserve, enhance, and revitalize Pennsylvania Avenue in the District of Columbia as the nation's ceremonial route;

Whereas the Keith's Theatre and Albee Building, Rhodes Tavern, and the National Metropolitan Bank Building, located on Fifteenth Street N.W. opposite the Treasury Department between F and G Streets, N.W. are all registered historic landmarks along that ceremonial route between the Capitol and the White House;

Whereas these three buildings are of historic and architectural value to the Nation and the American people: Now, therefore, be it

Resolved, that as the legacy of history and architecture for present and future generations of Americans, the Senate expresses its interest and concern for the preservation and restoration of the facade of the Keith's Theatre and Albee Building, and the facade of the National Metropolitan Bank Building, and the preservation and restoration of historic Rhodes Tavern.

Further Resolved, that the Senate encourage every effort by the appropriate agencies and departments of the District of Columbia and the United States in cooperation with private restoration and historical preservation groups be made to ensure that these architectural and historical treasures are preserved.

Sec. 2. The Secretary of the Senate shall transmit copies of this resolution to the Mayor of the District of Columbia, the Secretary of Interior, the National Trust for Historic Preservation, the Commission of Fine Arts, Don't Tear It Down, Inc., the Citizens Committee to Save Historic Rhodes Tavern, the Junior League of Washington, the Treasury Historical Society, the Columbia Historical Society, and the City Museum Project.

● Mr. MATHIAS. Mr. President, three buildings in the Capital City of Washington, D.C., which are of national architectural and historical significance are in danger of destruction. Those buildings are the Rhodes Tavern, the Keith's Theatre and Albee Building, and the National Metropolitan Bank Building. All are located in close proximity to one another on 15th Street NW., opposite the Treasury Department. All are registered national landmarks. All are threatened with demolition or significant changes which would obliterate their historical significance.

The history of these particular buildings are of such interest that I am today submitting a resolution which I hope will contribute to the movement to preserve and restore the Rhodes Tavern and preserve at least the facades of the Keith-Albee Building and the Metropolitan Bank Building.

Rhodes Tavern, which dates back to 1799, is the oldest building between the Capitol and the White House and very likely the last remaining example of 18th century architecture in downtown Washington. Located at 15th and F Streets, it is the only building remaining on the inaugural route from the day that President Thomas Jefferson began the tradition of the Inaugural Parade.

In August of 1814, the British commanders took Rhodes Tavern for their headquarters during the burning of the President's House and the Treasury. Senators Daniel Webster and Thomas Hart Benton, and Presidents Andrew Jackson, Martin van Buren, John Tyler, Theodore Roosevelt, William Howard Taft, and Woodrow Wilson were all associated with enterprizes at Rhodes Tavern during the course of their careers.

The Keith's Theatre and Albee Building and the National Metropolitan Bank Building, beautiful examples of Beaux Arts architecture, form a visual unit on 15th Street, even though they were designed at different times by different architects. They are among the finest structures remaining in what was once the heart of Washington's financial and entertainment district.

They are prominently visible from Lafayette Square and occupy an important site on the ceremonial route between the Capitol and the White House. Both the Commission of Fine Arts and the Joint Committee on Landmarks, which are charged with designating landmarks in the District and overseeing compatible development, have recognized these buildings as individual landmarks and good architectural neighbors.

Unfortunately, the 180-year-old tavern building, as well as the Beaux Arts building may be destroyed—indeed, demolition has begun on the Keith's Theatre—to make way for an office and shopping complex.

Currently, preservation groups and the Citizens Committee To Save Historic Rhodes Tavern are actively engaged in identifying and stimulating public support for the preservation and restoration of the three buildings. Strong views have been expressed by the community that a preservation scheme be found that would retain at least the facades of the Keith's Theater and Albee Building and the National Metropolitan Bank Building.

Congress established the Pennsylvania Avenue Development Corporation to revitalize the ceremonial street of Pennsylvania Avenue between the Capitol and the White House. Much history has taken place along that route from inaugural parades to numerous demonstrations and marches by groups seeking the visibility of that Avenue to make their cause known.

The richness of that history should be preserved while giving due consideration to responsible development which can play an important part in the downtown revitalization of Washington. These historic buildings, like the historic Willard Hotel around the corner at 14th and Pennsylvania Avenue, present a challenge and an opportunity to creatively blend history and new development.

I urge my colleagues to take a personal interest in the preservation and restoration of these three buildings of unique historical and architectural significance.

Mr. President, I ask unanimous consent that a Washington Star article by Benjamin Forgey detailing the current dilemma on 15th Street, a brief history of Rhodes Tavern by Richard Squires and an article on the significance of the Keith's Theatre and Albee Building be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Downtown Is Involved in a Tense Drama

(By Benjamin Forgey)

Poor old downtown Washington, ignored for years as the smart money built a virtual new downtown along the western spine of K Street, is about to enjoy a rejuvenation.

Well, maybe. Standing ovations for the long-awaited event should be restrained in favor of polite applause for a first act that shows great promise.

The old downtown east of 15th Street, in spite of rampant seediness and widespread disrepair, still possesses a very special character. With a proper respect for irony, we can tip our hats to the fact that much of this character, in terms of architectural genius and variety, would have been obliterated by the search-and-destroy tactics common to public and private developers throughout the Washington area—throughout the Western world, for that matter—until the very recent past.

As it is, the old downtown is plentifully pocked with car lots (some the former sites of very distinguished buildings) that could become launching pads for the bland-to-awful kinds of construction that gave the very word, redevelopment, its unfortunate odor. It need not be that way, however, and the issue today is whether the redevelopment of the old downtown will take place as an old-fashioned blitz-krieg of unregulated speculative building, or as a sophisticated mix of old and new buildings and uses.

This is why the outcome of a tense little drama concerning the proposed development of a block at the very western end of the old downtown—a block that contains the original Garfinckel's store, some so-so urban infill, three landmark buildings and one landmark bar (the Old Ebbitt Grill)—is of such critical importance.

Because of its prestigious location across from the formidable collonade of Robert Mills' Treasury Building, because of the architectural stature of two of the landmark buildings and because of the historical significance of the other, this block, in itself, is an extremely important one.

In addition to that, because it is the first super-scale private development in the area the block is a test case. The happy part of the story is that, for once, the developer of the block is working closely with preservationists, planners and government agencies in an effort to save at least part of the old buildings.

The resourcefulness of all parties concerned is one part of the test. Also at stake are the rules of how the development game will be played in the future, not only downtown but in other attractive, vital and vulnerable sections of the city—Connecticut Avenue north of Dupont Circle, to name but one.

Oliver Carr, the developer, plans to unify the entire block in the type of combined retail, restaurant and office package (possibly including a hotel) that has become popular in old center-city commercial districts across the country. The Garfinckel's store would remain, of course (could there be an old downtown D.C. without the Garfinckel's flagship?), but it would be linked to the newer establishments via one of those high, open, covered arcades that would open up the interior of the block to shoppers, browsers, carousers and other pedestrians.

Carr commissioned an architectural firm (Skidmore, Owings and Merrill) to provide a series of development alternatives for the block, alternatives ranging from total preservation of all the historic structures to total destruction and rebuilding. It is no surprise that the latter alernative was considered to be the more economical way of redoing the block, requiring no subsidy money at all.

However, taking all things into consideration, David Childs, the SOM architect in charge of the project, recommended preservation of at least parts of two of the historic structures—the Albee-Keith's building at the corner of 15h and G Streets and the National Metropolitan Bank building in the middle of the block on 15th Street—and elimination of the tiny, 178-year-old Rhodes Tavern at the corner of 15th and F.

In each of the alternatives the interior of the Old Ebbitt Grill will be "saved" by allowing the restaurant to relocate somewhere in the new superblock, although how authentic the fine old bar will look and feel in its enlarged and flashy new surroundings is at best a moot point.

In any case Carr applied for demolition permits for each of the historic buildings last April. This set in motion the city's 180-day delay-in-demolition procedures, during which the developer, the city and other interested parties are required to search for alternatives to tearing down landmark structures. In the preservation game as in most others, deadlines aways seem to come sooner than they should. The temporary reprieve for these old buildings ends on Oct. 4.

Most of the publicity so far has focused on the David-Goliath dilemma of the Rhodes Tavern, a three-story building that has been sadly mistreated, and even amputated (five of its eight bays along 15th Street were ripped down in 1957, a banner year for ubran destruction). Still, the fact that even part of the "tavern" (now a motley assortment of shops) remains standing is no mean piece of luck: It is the oldest surviving commercial structure in Washington.

Among those who would cheerfully greet the destruction of Rhodes Tavern are architect Childs, who argues that the building "would be totally out of place in the context of one of Washington's exciting new, commercial developments," and J. Carter Brown, chairman of the Fine Arts Commission, who was quoted as comparing Rhodes to a "missing tooth in the smile of 15th Street."

This kind of thinking has ominous implications for Rhodes Tavern and for the rest of the old downtown district. It is hard to disagree with the thought that a uniform cornice line may be an attractive thing, although it is only one factor among many. No one need look any further than the new K Street to see how bleakly unimaginative an obsession with fullblock development and uniform building lines can be.

Today the old downtown still is a palimpsest of architectural history. The variegated urban texture of the area is something that cannot be replaced, and if Rhodes, a recognized landmark, cannot be saved, what of the countless other ordinary but interesting buildings that now dot the downtown area?

Things are looking up for Rhodes Tavern, however. At the very least Carr delivered a stay of execution when he announced that the project would be built in stages, with the northern part coming first. In addition, ideas for what is called "adaptive re-use" of the old building have begun to surface.

The Washington Junior League, following the lead of sister organizations that have been instrumental in saving endangered historic buildings in other cities, has announced that it hopes to take up the cause of the tavern in order "to free other groups" to concentrate on saving the other landmark buildings on the block.

Darrel Rippeteau, a young achitect, has proposed that the building be turned into a "superkiosk" for shoppers and tourists (including an information center cum comfort station). The principle value of Rippeteau's proposal at this point is not the specific ideas for putting the tavern to use but his architectural sketch, which suggests how the missing tooth of Rhodes might fit in with large-scale new development. The well-taken point is that Rhodes Tavern can be treated as an architectural opportunity instead of an aggravating problem.

Ironically, all the attention given poor little Rhodes Tavern has obscured the far more imminent danger to the two elegant Beaux Arts buildings. Carr company officials are saying that because of inflation and escalating construction costs, the October deadline for these buildings is a real one.

And yet, although no one denies that come October Carr will have every legal right to clear the site, no one really believe that the two buildings will be torn down. Everyone seems to believe that they are simply too good to go. Let us hope these threads of hope do not unravel, for the question remains: can a private developer with good intentions, by agreeing to reduce profit margin and by exploring every available byway of public support, afford to do the right thing.

The National Metropolitan Bank building at mid-block (613 15th), designed by B. Stanley Simmons of Washington and Gordon, Tracy and Swartwout of New York was completed in 1907. The Albee-Keuh's building, designed by J. H. de Sibour of Washington, was finished five years later. With those justified cornices. Corinthian pilasters and columns, pedimented windows and the whole ornamental bag of tricks including moldings, garlands, relief statuary, medallions and so on, this pair of buildings is a first-rate example of the self-confident urbanity of the Beaux Arts designers.

Carr's enlightened self-interest is involved here, for the two buildings will give his project a smashing touch of class along 15th Street, and perhaps, along G Street as well. (The economics of the issue do seem to preclude retention of more than tour bays of Albee-Keith's building on the G Street side, although the Carr company says it continues to study this alternative of Child's idea using the bank building's facade strictly as an entrance way to the courtyard is a particularly fetching use of that old, bold Beaux Arts om-pah-pah.

Anyway, with the buildings so widely acclaimed, even by the developer, the chief question here concerns money and the whole complicated package of government programs designed to support the retention of historic buildings. Simply put, it costs more to renovate than to destroy and build, and already outdated estimates put the cost of restoring the facades of these two buildings (and retaining four northern bays of the Albee-Keith's building) will be some $3.5 million higher than starting anew from the leveled ground.

Carr has agreed to cover $2 million of these costs. The company has applied for various forms of government assistance to make up the $1.5 million difference. The District government seems amenable to waiving its right to collect fair market value for the alley (which money, in any case, it deposits in the federal treasury in accord with an ancient procedure that is being challenged in court). This would provide $700,000.

Then the company, through the District government, has applied for historic preservation grants-in-aid from the Interior Department, an application that may, or may not, provide two or three hundred thousand dollars for facade rehabilitation over the next three years. Finally, the developer is seeking an Urban Development Action Grant from HUD to make up the difference of $1 million or so.

Whether any or all of these initiatives will meet with success in time to meet the design and construction deadlines is not known. The interesting thing about the experience with this block so far, however, is that it points out that even in the best circumstances—certified landmark buildings and a developer actively seeking to save them—the cause of preservation in areas ripe for high-density development is severely limited when measured against the "normal" operations of the real estate market.

There are, however, some good ideas floating around that would change the rules somewhat. One of them is a pending bill in the District, strongly advocated by Don't Tear It Down, that would require developers or property owners to prove that old buildings must be destroyed, thereby reversing the current practice of putting the burden of proof upon the community.

If the experience on the 15th Street block is a guide, however, this bill probably would not significantly improve the situation unless it were accompanied by other, more active policies on the part of the District government, for the Carr company on its own already has complied with the spirit of the proposed bill. These policies might include broader tax incentives for preservation, more sophisticated use of development transfer rights, property trades, facade easements—a partial list of fresh approaches that, if aggressively pursued, could promote the imaginative design mixing old and new throughout the city.

The point of these policies, and the point of the recent Supreme Court decision upholding the New York City landmarks law, too, is that some allowance for historical, aesthetic, and cultural considerations should be written into the rules of the urban development game. It would be sadly ironic should the wrecker's ball swing on 15th Street at a time when these initiatives are just beginning to get a serious hearing in Washington.

Not only that, but it would provide a horrible example to private developers now eyeing sites all over the old downtown.

Rhodes Tavern and the History of Washington, D.C.

(By Richard H. Squires)

Many cities on the Eastern Seaboard are blessed with ancient public taverns, where the history of the nation is understood as a continuing and lively enterprise, governed by the inclination of great and small men to come to terms amid an atmosphere of food and drink. Fraunces Tavern is the notable example in New York City, as is City Tavern in Philadelphia. The only candidate for this distinction in Washington is Rhodes Tavern, located since the founding days of the Capital on the other side of the Treasury Building from the White House. It is scheduled to be destroyed in November of this year.

Rhodes Tavern was built in 1799, making it the oldest building in the central compass of Washington, and its last remaining example of 18th Century architecture. It is the only building to remain on the inaugural route from the day that President Thomas Jefferson first began the tradition of the Inaugural Parade.

William Rhodes was one of the Federal City's very first businessmen, establishing a tavern in the Little Hotel, next door to the present Rhodes Tavern, as early as 1798. George Washington's diary for 18 December 1798 has this entry: "Breakfast at Spurrier's, dined at Rhodes and lodged at Mr. Laws in the Federal City." About 1800 Mr. Rhodes relocated in larger quarters next door, in the present tavern, just in time to greet the administration of President John Adams, moving down to Washington from New York City. With the Capitol and Presidential Palace still under construction, the tavern quickly became a kind of unofficial city hall to the fledgling town, where courts and city councilmen held session, and politicians and their parties came to work out their affairs.

In April 1814 John Van Ness, with stockholder Andrew Jackson, founded the Bank of the Metropolis at Rhodes Tavern, the second bank to open in Washington, and soon to be the city's largest. Van Ness, a boyhood friend of Martin Van Buren, was a congressman from New York and ultimately mayor of Washington. On the bank's opening day, General Jackson was fighting the British in Pensacola, Florida.

With Napoleon's abdication in April 1814, the British Army was finally free for combined assaults on Washington and New Orleans in a final attempt to win the War of 1812. In August 1814 the British Command took Rhodes Tavern for its headquarters during its invasion of Washington. Setting the Capitol, the Presidential Palace, and the Treasury aflame, Admiral Sir George Cockburn rode into the main room of the tavern on a mule, and dismounting, introduced himself to the startled innkeeper as "the much abused Cockburn, come to sup with you, madam." The company of officers retired to a dining room and ate a dinner of roast chicken, "for which Cockburn, blowing out the candles, said he preferred the light of the burning Presidential Palace and Treasury, whose conflagration hard by illuminated the room, outshining the pale moonlight, also beaming in all its silver radiance." Cockburn's next assignment for the British Crown was the custody of Emperor Napoleon Bonaparte, whom he escorted to the prison island of Saint Helena in 1815.

General Jackson revenged the nation with a stunning victory at the Battle of New Orleans in January 1815, three weeks after the signing of the peace in Belgium. Certainly two of the most lasting effects of the War of 1812 were the burning of the Presidential Palace and the elevation of Andrew Jackson in the public eye. When the reconstruction of the Palace was completed with a final coat of paint, it soon took on a new name—the White House—and its previous association with the royal tradition of England was lost forever. Within a dozen years the dropping of property qualifications prepared the nation for its first fully democratic vote, and its subsequent election of President Andrew Jackson.

The central drama of Jackson's Presidency was his battle to destroy Nicholas Biddle and the Bank of the United States, and the exclusive aristocracy of wealth which he believed they represented. The climax of this war came in 1833, when Jackson pulled the Government's deposits from the Bank and placed them in certain selected "Pet Banks". The Bank of the Metropolis at Rhodes Tavern, to no one's surprise, was named the sole depository of Government funds in the Nation's Capital.

With the sudden addition of nearly $1 million in Federal funds, the Bank of the Metropolis found that it had outgrown Rhodes Tavern, and left the building in 1836. Its offices were quickly taken by an ambitious young financier named W. W. Corcoran, who understood the value of locating opposite the Treasury at a time when the Government was looking for private bankers to fill the void caused by the collapse of the Bank of the United States. Philadelphia, having lost political control to Washington, now lost financial control of the country to New York, and entered a period of decline from which it has yet to recover. On Wall Street, especially at John J. Palmer's Merchants Bank and George Newbold's Bank of America, the birth of the Washington—New York political—finance axis was greeted with predictable hoops of joy, tempered somewhat by the memory of the destruction of Nicholas Biddle in the hands of the politicians. Corcoran, whose capitalization amounted to exactly $2,500, but whose contacts included every living President, many of them on intimate terms, was the logical choice for a Washington ally. As the representative of Wall Street to the U.S. Treasury, and the President's frequent envoy to New York, Corcoran effected a marriage of politics and finance from the rooms of Rhodes Tavern that changed his time. The fortune he acquired through the good offices of Presidents Tyler, Polk, Buchanan, and Senators Daniel Webster and Thomas Hart Benton, was put to good use in the construction of the Washington Monument and the Renwick Gallery. He was Washington's leading citizen of the 19th Century. The firm of Corcoran and Riggs, founded at Rhodes Tavern in 1840 and now known simply as Riggs, was the city's largest bank when it left the tavern in 1845. It remains so today.

The Reconstruction Era and the Gilded Age which followed brought the corruption of almost every public office. James A. Garfield, a classics professor turned politician, who was often found immersed in Horace on the Senate floor, received the nomination by a fluke and found himself the President in 1881, promising to reinstate the noble stripe of leadership that had been the ensign of our early years. In May 1881 a disappointed office seeker named Charles Guiteau walked into a gun shop on the ground floor of Rhodes Tavern and tested the revolvers, finally settling on a costly model with a pearl handle, feeling it would look the best in a museum. After stalking the President on Lafayette Square and the White House grounds for the next three weeks, he finally caught Garfield in the railroad station, shooting the President fatally, twice in the back. On the gallows Guiteau sang out, "I have saved my party and my land! Glory Hallelujah!", as the rope was snapped.

The National Press Club, the Capital's leading representative of Fourth Estate, was founded in 1908 and had its second home in the upper stories of Rhodes Tavern from 1909–1914. Former President Theodore Roosevelt and Presidents William Howard Taft and Woodrow Wilson were all members of the Press Club during its years at Rhodes Tavern. President Taft visited the Press Club on the eve of his Inauguration in 1909, and throughout his term in office was a frequent visitor to the club, conveniently located on the path of his Sunday afternoon strolls in the neighborhood. Woodrow Wilson was a member of the club while still the President of Princeton University. The election of 1912 pitted the three club members against each other for the nation's highest honor: Wilson for the Democrats, Taft for the Republicans, and Roosevelt for the renegade Bull Moose. All three spoke for their respective platforms at Rhodes Tavern, and were in turn subjected to "interpretative" skits by the lampooning membership. The windows of Rhodes Tavern, considered the best on the parade route, were offered to the public at $1,000 each for Wilson's Inaugural Parade of 1913. Sarah Bernhardt was an honored guest of the club in 1914.

Fences were constructed to surround the White House during World War I, beginning a process of progressively augmented isolation that has left recent Presidents so removed from the life of the city that they might as well be living in Spokane. In the days of Henry Adams and Daniel Webster, it was common practice for the President to stroll from home to home in the neighborhood, visiting the Ministers, Justices, and Senators who naturally tried to live as close as possible to the seat of power, fulfilling L'Enfant's clear intent to make the Presidential Palace the central residence in town. With everyone of fashion long since emigrated to the older streets of Georgetown, the transition of the White House from home among homes to bureaucratic and electronic nerve center is now fairly complete. No one but the President lives in the neighborhood now, and he is increasingly surrounded by office buildings that belie the fact that people lived there in the past, and preclude the chance for people of the future to resurrect the design. The old homes of Lafayette Square, long abandoned by society, were nearly destroyed to make an office building in 1962. President and Mrs. John F. Kennedy, who knew the buildings from walks in the neighborhood, entreated that they be saved, and so they were. Unfortunately, he was the last President to walk beyond the White House grounds.

Thus Rhodes Tavern, an ancient Georgian building with a glorious past, seems certain to go. Suggestions that the building be returned to its original use as a tavern have fallen on deaf ears. The Chairman of the Fine Arts Commission could have saved it with a word, but declined to do so, noting that the low height of the tavern, opposed to the new office buildings, "would look like a tooth gap in the smile of 15th Street." Quoted with enthusiasm by the editors of the Washington Post, he questioned where the line should fall in matters of historic preservation. "Do we go back to the forest?", he asked, and suggested that we commemorate the site with a plaque. On the strength of such observations, our last link to the 18th Century between the White House and the Capitol is scheduled to fall.

A visit to the National Archives will reveal dozens of photographs and prints depicting the triumphant march of Presidents past the windows of Rhodes Tavern. After spending millions of Federal dollars in the past few years to preserve the ceremonial character of Pennsylvania Avenue, it is difficult to believe that we should lose the only building that has witnessed every one of its ceremonies—Rhodes Tavern.

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Albee Building and National Metropolitan Bank

These handsome Beaux Arts buildings from the early 20th century complement one another as well as the U.S. Treasury, a Category I Landmark, across 15th Street. Strategically located on the ceremonial route between the Capitol and the White House, the two Beaux Arts landmarks reinforce the stately and powerful rhythm of the colonnaded Treasury Building with their uniform cornice line, classical details and similar building materials.

These excellent examples of the Beaux Arts style form, along with the Treasury, National Savings and Trust Company, Riggs National Bank, American Security and Trust Company, and Interstate Federal Savings buildings, the nucleus of the 15th Street financial district.

They are significant to the urban design of a locally and nationally historic area of the nation's capital.

Albee Building/Keith's Theater

The former Chase's Theater and Riggs Building was designed by Jules Henri de-Sibour and constructed five years after the National Metropolitan Bank Building to the south. DeSibour, one of the city's most prominent and prolific Beaux Arts architects, carefully planned the building to harmonize in scale and color with its neighbor. Other deSibour buildings include many of the best houses along Massachusetts Avenue's Embassy Row, including the MacCormack Apartments at 1785 Massachusetts Avenue, and the

Folger and Investment downtown office buildings.

The structure is faced with marble and terra cotta along both the 15th and G Street facades and for a short distance along the back alley off G Street. The 15th Street facade originally had five shops and the theater entrance, while the entrance to the office building is on the G Street side. The facade area that abuts the theater along G Street has been given a unified architectural treatment.

The theater, its lobby and lounges take up a large part of the interior of the building. At its opening the theater was hailed as "the finest playhouse south of New York". Both its lavish decoration and backstage facilities received rare reviews from critics and performers. The original lobby was altered during a renovation in 1955; only the elaborate plaster ceiling in the inner lobby is original. The auditorium is fan-shaped and seats 1,838, with seating for 845 on the ground floor, 510 in the mezzanine and 483 in the balcony.

The office building is completely separate from the theater and shops. Offices occupy the west end of the building on the second through fifth floors and cover all of the floor space, except the stage loft, on the floors above.

In the basement of the office building, accessible by an exterior stairway along G Street, were a barber shop and men's and women's Turkish baths.

The theater and office building was erected on a site formerly occupied by a large hotel, the Riggs House. The Riggs Office building attracted a prominent list of tenants, and the theater was the city's foremost and longest lasting vaudeville house. Woodrow Wilson attended regularly through his presidency and after, and newspapers listed many of the city's famous residents in attendance at opening nights. Among office tenants over the years were the National Press Club, the American Automobile Association, the Democratic National Committee, the National Republican Congressional Committee, journalists and news offices, lawyers, engineers, chemists, trade associations, insurance companies, and public interest groups. The offices were vacated in the late 1960's. The Turkish baths occupied the basement from 1920 through the 1940's.

The theater debuted on April 19, 1912 as Chase's Polite Vaudeville Theatre, "Washington's Largest, America's Finest, and the World's Model, Modern Theatre." Mr. Chase retired in 1913, selling the theater to B. F. Keith, who is credited with having created vaudeville. Keith's enjoyed wide popularity, with appearances of many nationally famous vaudeville teams and personalities, including Will Rogers, Eddie Cantor, Eddie Foy and the Little Foys, Rudy Vallee, Laurel & Hardy, Zasu Pitts and others. In 1928, Keith's added to its bill the showing of feature films. By 1932, the theater endorsed a straight motion picture policy, the last in the city to abandon two-a-day vaudeville performances.

A major renovation in 1952 resulted in closing off the basement lounges and many backstage theater uses. In the last ten years, Keith's feature films no longer conformed to its longstanding reputation for polite, family entertainment. The theater closed in April, 1978.

NATIONAL METROPOLITAN BANK

Construction of the National Metropolitan Bank at 613–15th Street, N.W. was begun in 1905 and completed in 1907. The Beaux Arts style building was designed by B. Stanley Simmons, a prolific Washington architect, and Gordon, Tracy and Swartwout, a New York firm. It is not known which of the architects had primary responsibility for design of the building. Other noteworthy local buildings by Simmons include the Barr Building at 17th Street and Farragut Square, the Fairfax Hotel at 2100 Massachusetts Avenue and the Elks Club at 919 H Street, N.W.

The National Metropolitan Bank has been located at or near the 15th Street site since its formation in 1814 as the Bank of the Metropolis. It opened in the Rhodes Tavern at 15th and F Streets. In 1836, the bank moved to a two-story Federal-style brick building at 613–15th Street, which remained in use until the present building was constructed.

The National Metropolitan Bank was the city's oldest national bank and second oldest banking institution. In the early years, the bank had many dealings with both the national and local governments.

Prominent local and national figures have been responsible for the bank's operation over the years. John P. Van Ness, four-time Washington mayor and member of Congress, supervised the organization of and subscription for the original Bank of the Metropolis. John Maury and Thomas Carberry, early bank presidents, each served two terms as mayor. In addition, other bank directors were James Monroe, Alexander Shepherd, Henry Willard, Colonel John Tayloe, E. Francis Riggs and S. W. Woodward.

The Bank had a long and illustrious history, spanning eight financial panics and four wars, before it merged with another old and prominent Washington financial institution, the American Security and Trust Company, in 1958. Their combined assets of $318 million ranked them second only to Riggs National Bank, with assets of $453 million.

Over the years the upstairs office space has been leased to lawyers, brokers, manufacturing agents, real estate agents, and out-of-town newspapers. The Otis Elevator Company, which later installed two passenger elevators in the building, had offices there in 1909.

The building is brick faced with white Georgia marble. It appears to be more monumental than it actually is because of the balanced symmetrical design in the dignified classical building vocabulary. The building features a two-story rectangular banking lobby and a C-shaped section above for offices.

Only minor exterior changes have been made since 1907, but the interior banking lobby was altered in 1954–1955. The green marble columns and other marble remnants suggest the former elegance and dignity of the space. On the upper floors, only a small part of the 7th floor still reflects the original interior design.●

SENATE RESOLUTION 144—SUBMISSION OF A RESOLUTION TO DISAPPROVE FINAL RECOMMENDATIONS DESIGNATING THE BASIC ROUTE SYSTEM OF AMTRAK

Mr. STONE submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

S. RES. 144

Resolved, That the Senate disapproves of the final recommendations designating the basic route system for the National Railroad Passenger Corporation, submitted to the Congress by the Secretary of Transportation on January 31, 1979, pursuant to section 4(e) of the Amtrak Improvement Act of 1978.

"Sec. 2. In the revised report required to be submitted to the Congress within 45 days of disapproval of the original plan, the Secretary shall consider:

"(a) the impact on the current national rail passenger system and on the avoidable loss per passenger mile, of reordering Amtrak funding priorities to place greater emphasis on the development and rehabilitation of long-distance trains;

"(b) the energy savings potential of rail transportation on each route;

"(c) the amount of additional federal funds needed to provide adequate matching funds for the 403(b) program and shall determine the feasibility of operating under this program the routes designated in the original plan as 403(b) candidates.

"(d) Amtrak's actual fiscal year 1978 performance figures, rather than the projections upon which the plan of January 31st was based and shall reexamine the avoidable loss per passenger and the passenger mile per train mile data based on those new figures;

"(e) the inclusion of the authority and the funds necessary for Amtrak to maintain in passenger train condition, the track on routes which will be eliminated.".

● Mr. STONE. Mr. President, today I am submitting a resolution of disapproval, with instructions, to prevent implementation of the plan to restructure the Amtrak route system as submitted to the Congress by the Secretary of Transportation. Several of my colleagues have introduced similar resolutions and I join them in their opposition to the administration's proposal.

My decision to oppose the DOT plan came after much thought. The plan is offered as one which will reduce Federal expenditures without seriously affecting the quality of rail passenger service in this country. I do not believe the truncated system envisioned by DOT, which would be 43 percent in terms of route miles than the present system, can really serve 91 percent of the current passengers.

In fact, at least in regard to the New York to Florida trains Amtrak officials have told me they do not see how the one remaining train on that route can handle more than half of the present 700,000 people who travel on it annually. (The DOT claims the one train will serve 81 percent of the present market.) Add to this the fact that the remaining train will have higher fares and less desirable dining facilities and you cannot help but wonder if the aim is to force passengers into other modes of transportation.

In his testimony before the Senate, the president of Amtrak noted that the 91 percent figure was misleading in another way, as it refers to passenger trips, rather than passenger miles and while this figure refers to systemwide reductions, all cuts are outside the Northeast corridor. Outside the corridor, passenger trips would decline by 20 percent and passenger miles would decline 30 percent.

Passengers are being turned away in large numbers from the New York to Florida trains because of capacity constraints and "sold out" conditions. During the first week in January of this year, nearly 77,000 callers were denied seats on the New York-Florida trains. A more normal week shows 3,000 calls for seats which are not available. By most criteria the New York-Florida trains are some of the best, most heavily traveled long-distance trains in the Amtrak system.

The passenger mile per train mile (PM/TM) figure is well above the cutoff DOT uses to measure the utility of long-distance service and the actual 1978 fiscal year figures show that several trains which are being kept in the DOT plan have a significantly higher avoidable loss per passenger than the three New York to Florida trains. And yet the DOT plan would reduce the present service on this route from three trains a day to one (in each direction).

The President of Amtrak noted that this reduction in service would increase the loss per passenger on this route. Quite probably DOT will use this increase as a reason for doing away with the route altogether in a year or two.

Despite slow trains and old equipment, ridership during the first 4 months of fiscal year 1979 has increased 26.5 percent on the New York-Florida route over the same period in the last fiscal year. Ridership on the much maligned Floridian (Chicago-Florida) increased 14 percent during this same period. Overall, Amtrak ridership increased 6.6 percent from October 1978 to January 1979.

The issue of the potential profitability of long-distance trains raises some interesting questions. Since the inception of Amtrak, the assumption has been that short-distance runs, such as New York to Washington would be the most profitable routes in a national rail passenger system. I do not doubt the need to create a strong effective network of service in the Northeast corridor, but I am concerned that the rest of the national system has been short-changed over the last 8 years in terms of equipment purchases and track maintenance and is now being judged by the DOT on a performance which has been caused, in part, by this preoccupation with the corridor.

Dr. E. P. Hamilton has written a paper which alleges that a sizable portion of the expenses of the Northeast corridor shows up on Amtrak books as being expenses of the non-corridor trains, thus making the Northeast corridor look more profitable than it really is and making some long-distance trains look less profitable than they really are. Hamilton's allegations gain credibility from correspondence by former Amtrak board member, Joseph V. MacDonald, which is appended to the paper. MacDonald discovered the discrepancies in the Amtrak figures as early as 1974, and forced some changes in management decisions which would have been unfavorable to the long-distance trains. His charges apparently caused no permanent, fundamental changes in the way the corridor is viewed. The latest GAO figures show that it may cost $3.65 billion to rehabilitate the Northeast corridor as compared with a total of $2.5 billion spent on the entire rest of the system thus far.

In its preliminary report on the Amtrak route restructuring the DOT cited figures that show the potential during an energy crisis of the long-distance trains and of the entire Amtrak system. During the 1973–74 Arab oil embargo, passenger miles increased significantly in all major route categories.

In the terms of reducing the deficit per passenger mile, the long-distance trains made the best showing, reducing their deficit per passenger mile by 27 percent. By contrast, the deficit per passenger mile of the Northeast corridor increased 44 percent.

Since the January 31 report was issued, the DOT has taken every opportunity to label Amtrak as energy inefficient. Obviously if you base your figures on a train that has 20-year-old equipment, creeps along at an average of 40 miles per hour, is routed to avoid some major population centers and because of these factors has low ridership, you would come to the conclusion that automobiles are more fuel efficient than trains.

However, I do not think this is a fair evaluation. The potential for fuel savings if train ridership was encouraged by modern, fast equipment is substantial. There is no question that if properly utilized rail transportation is the most energy efficient mode of travel. The experience of the 1973–74 oil embargo shows that people will ride trains to save fuel. To quote from the Secretary of DOT's letter accompanying the submission of the preliminary report of last May:

> The passenger train, if it is operated well and if it carries a reasonable number of passengers, is energy efficient. The 1973–74 fuel crisis demonstrated that the American people will ride trains when automobile fuel is in short supply. We probably will reach a time when supplies will be permanently limited. In the meantime, we must work at improving the Amtrak system and its operations, so that the American people will, when the time comes, have available an energy efficient alternative.

I could not have said it better.

Transportation is the largest consumer of petroleum, accounting for 54 percent of all petroleum used in the United States. Clearly, if travelers could be encouraged to use trains, significant fuel savings could be achieved—fuel savings that would be long-range, permanent and more equitable than many of the rationing plans that are suggested every time an energy crisis looms near.

The route eliminations proposed by DOT ignore Amtrak's expectations for the routes as shown by where money has been spent recently to make station or track improvements. A number of new stations have been built by Amtrak in cities which would totally lose rail passenger service under the DOT report. These include Cincinnati, Ohio; Catlettsburg, Ky.; Roanoke, Va.; Bluefield, W. Va.; Clarksburg, W. Va.; and Canton, Ohio. Major rehabilitation projects which have been completed in Nashville, Tenn. and Laredo, Tex. will be wasted if passenger service is cut off. One estimate on the money Amtrak has spent for station improvements on routes being eliminated approaches $6 million.

In my own State of Florida, a new station was opened last year which cost $5.7 million. The DOT plan would only have two trains a day (one in each direction) serving that new station. I am sure there are many other improvements which will be lost if the DOT plan is approved and the expenditures on these improvements must be deducted from DOT's projected savings.

In addition to encouraging the use of less fuel efficient transportation and wasting certain Amtrak expenditures, the DOT plan will result in the expenditure of sizable sums in labor protection payments to the 5,800 people who will be laid off due to service reductions. This figure would run as high as $450 million. On routes with service reductions, facilities and personnel will be under-utilized in many cases (Miami is a perfect example).

All this must be taken into account when DOT points to the money its plan will save the taxpayers. The DOT plan does figure in an estimated $160 million for labor protection, over the next 5 years, but the railway unions maintain this is a conservative figure.

Amtrak inherited enormous problems from the railroads whose passenger service it took over. Old equipment, deteriorating roadbeds and a poor public image of rail transportation, are three of the major obstacles Amtrak has had to overcome. Amtrak has only 1,250 cars in operation on any given day to serve its 27,000 route-mile system (compared to British Rail which has 18,000 cars for 11,000 miles of track and the German Federal Railroad which has 17,000 cars for 17,000 miles). Given the poor frequency (largely due to the chronic shortage of cars), the less than admirable on-time performance, the unnecessarily long time of trips due to the slow speed most of the trains must maintain because of bad track, it is amazing that Amtrak has been able to gradually increase ridership.

In some areas of the country where frequency and service matched the needs of the passengers, ridership has increased dramatically. An example is the Los Angeles to San Diego run, which now has 12 trains daily and has seen annual ridership grow from 378,000 in 1976 to 840,000 in 1978.

Amtrak does want to shrink its route system somewhat and, given its chronic shortage of rail cars, it might be wise for Amtrak to retrench. The DOT plan, however, selects some trains for elimination which Amtrak feels are important parts of its system. I think certain trains like the Montrealer, the Southwest Limied and at least one of the New York-Florida trains, should be added to the DOT's recommended system. And I agree with the suggestion made by Amtrak's president that Amtrak be given the authority and the funding to keep the track on the routes that have been eliminated in passenger train condition while Amtrak works on making the smaller system more efficient.

There is no denying that Amtrak loses money, systemwide, as well as on a route-by-route analysis. However, I do take issue with some of the DOT statistics designed to show how poorly certain of the trains they have picked for elimination are doing. By using "fully allocated costs" as the cost of the service, DOT comes out with a very inflated Federal subsidy cost for these routes. Fully allocated costs are not just the costs of the route but include a share of the administrative costs of running the entire system.

These are costs that will remain after the route is eliminated and will be redistributed over the smaller system. By including them when analyzing a particular route you get a skewed picture of the viability of that route. Corporate costs should be kept separate for the purpose of route analysis.

To give an example of how eliminating support costs changes the picture of a train, let us look at the Floridian. Using avoidable costs we see the subsidy required by the Federal Government in fiscal year 1977 drop from $15,468,000 to $6,280,000 and the subsidy per passenger drop from $105.22 to $42. Still not a rosy picture to be sure but hardly the catastrophe DOT would paint it. In fact, DOT officials have stated they would like to see passengers paying 50 percent of the costs of a train. By this criteria the Floridian was doing pretty well in fiscal year 1977.

No major railroad system in the world makes a profit. To judge Amtrak solely by how much money this badly-handicapped railroad is presently losing is using a measure which will eventually bring down the entire system. Amtrak should be judged by other standards, such as potential fuel savings, the amount of money its equipment orders plow back into the American economy (96.3 percent of the nearly $1.4 billion that Amtrak committed through 1977 to purchase materials and equipment went to U.S. suppliers); the services it offers to those who do not drive (over 20 percent of U.S. households do not have an automobile), or will not fly and for whom a bus trip would be impractical. Amtrak's value to our country will probably always have to be measured by less tangible means than revenues. But I am also confident that revenues can be increased if Amtrak is allowed to improve its service and makes more of an effort to publicize its availability.

The DOT report designates a number of routes that will be retained if they are funded through the Federal-State 403(b) matching program. While shifting more routes to this type of shared funding may be desirable, it should be noted that Amtrak has no special funds for this project and must use whatever resources it has available to fund the program. I think it is fair to say that unless separate funds are appropriated, these routes will lapse.

The DOT cutbacks, threaten the national integrity of the system. Floridians have contributed a good share of Amtrak's operating funds over the last 8 years and now they are faced with seeing their route miles cut by 83 percent (compared with a national cutback of 43 percent) and their service cut from three trains a day to one in each direction on the New York-to-Florida run and from one train a day to none on the Chicago to Florida route. The sentiment is growing in Florida that the people do not want to subsidize a system that gives them so little in return, a system that concentrates its money and new equipment on the trains in the northeast to the detriment of the trains serving Florida.

It has been suggested that some of the funds derived from the windfall profits tax, proposed by the President in conjunction with phasing out the price controls on domestic oil, should be directed to Amtrak operations. I think this is a valid use of that money. The President has mentioned using some of these funds for urban mass transit. All transportation modes which have an energy savings potential would be logical recipients of money from the energy trust fund contemplated by this tax proposal.

For the above reasons, I have decided to oppose the DOT route restructuring plan. Unfortunately, the entire plan must be approved or disapproved. Changes to it will have to be made after rejection or in a separate bill, such as the Amtrak authorization bill. If the initial restructuring plan is rejected by Congress, the Secretary will have 45 days in which to submit a revised plan. My resolution lists certain factors to which I think the Secretary should give more careful attention when revising his plan.

First, it would require the Secretary to consider the impact of a reordered funding priority, which places more emphasis on long-distance trains, on the avoidable loss per passenger mile of the various routes in the Amtrak system, and on the national system as a whole.

Second, it requires the Secretary to analyze the routes in terms of their energy savings potential.

Third, the amount of additional funds needed to provide adequate Federal matching funds for the 403(b) program should be calculated for the routes earmarked for this assistance, and the feasibility of these routes being operated through this program should be thoroughly examined.

Fourth, the Secretary should look at the actual 1978 fiscal year performance figures in analyzing the routes, rather than the projected figures and should use the actual 1978 figures to reexamine the avoidable loss per passenger-mile and the passenger-mile per train mile data on the trains slated for elimination.

Fifth, the Secretary shall include in the plan and in the projected funding requirements for the system the authority and funds necessary for Amtrak to maintain, in passenger train condition, the track on routes which will be eliminated.●

AMENDMENTS SUBMITTED FOR PRINTING

PEACE CORPS AMENDMENTS—S. 802

AMENDMENT NO. 183

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. CRANSTON submitted an amendment intended to be proposed by him to S. 802, a bill to further amend the Peace Corps Act.

CIVIL SERVICE ELIGIBILITY FOR CURRENT AND FORMER PEACE CORPS STAFFERS

● Mr. CRANSTON. Mr. President, today I am submitting for printing an amendment to S. 802, the proposed "Peace Corps Act Amendments of 1979." The purpose of this amendment is to provide competitive status in the civil service to certain employees and former employees of the Peace Corps.

Mr. President, the Senate Foreign Relations Committee will shortly begin consideration of S. 802, and, I am very hopeful, will consider this amendment in connection with its consideration of that legislation.

NEED FOR AMENDMENT NO. 183

Mr. President, I was persuaded of the need for such legislation as early as 1976 when a former Peace Corps staffer wrote to me to explain the "Catch 22" faced by those who wish to continue Government service after being employed by the Peace Corps. They are virtually unable to continue their Federal Government service through civil service channels, since they are considered "nonstatus" candidates—this means that they are ineligible for civil service jobs even within their parent agency, the action agency. On the other hand, by law they are subject to the "5-year flush" provision in the Peace Corps Act of 1961, as amended, whereby the Peace Corps continually makes room for new personnel with fresh ideas. Under this provision, they must leave employment with the Peace Corps after a 5-year period.

In part, this is what that former Peace Corps staffer wrote me in 1976:

> The Peace Corps, which is part of the action agency, requires that its personnel belong to the FSP [Foreign Service Personnel] classification rather than the Civil Service G.S. It also requires by legislation that at the end of 5 years every employee, from secretarial to the highest professional level, must leave the agency. The problem that arises, is that FSP personnel do not have Civil Service status and therefore, even though they have worked for the Government in positions that are the equivalent of those found in any other agency or department, they are at a disadvantage in applying for Government jobs once they leave the Peace Corps since they are considered 'non-status' candidates by the Civil Service Commission. This applies even though the Commission has reclassified all Peace Corps positions in keeping with Government-wide requirements and standards.

Mr. President, I ask unanimous consent that the text of this letter, as well as additional explanatory material and the text of the amendment, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibits 1 and 2.)

Mr. CRANSTON. Mr. President, I have been concerned about this issue not only because of the roadblocks it presents for the individuals involved—Peace Corps employees are unique among Federal employees in that they must resign after 5 years of service—but also because I believe that the Federal Government is being denied ready access to experienced and talented individuals who could contribute greatly to other areas of Federal activity.

BACKGROUND INFORMATION

In September of 1976, I was joined by the Senators from New Jersey (Mr. Williams), who is chairman of the committee responsible for the Action Agency's domestic programs, West Virginia (Mr. Randolph), Idaho (Mr. Church), who is now chairman of the committee responsible for the Peace Corps, Massachusetts (Mr. KENNEDY), the former Senator from Iowa (Mr. CLARK), and our beloved deceased Senator from Minnesota Mr. Humphrey, in writing to the then chairman of the Civil Service Commission requesting his review and correction of the situation whereby former Peace Corps staffers were, in effect, being shut out of the Civil Service system. In reply, we were advised that the authority to independently confer competitive status on current or former Peace Corps foreign service employees rests with the Congress or the President.

Mr. President, after receiving this reply, I prepared the first draft of the legislation I am introducing today. When, in 1977, the new director of the Action Agency, Sam Brown, was appointed, I wrote to him seeking his thoughts on this issue. Since I felt that approval from the administration for the approach I was pursuing would be helpful. It was not until last year on February 20, during hearings I chaired to review the Action Agency's implementation of the Domestic Volunteer Service Act of 1973, that Mr. Brown unequivocally gave his support and announced that he would work within the administration to develop the best approach to deal with this situation.

Mr. President, during hearings this past February, I again questioned Mr. Brown about progress in reaching a solution to the situation. By that time, the agency had pursued within the administration both an executive order approach and legislative approach. I was greatly disappointed, then, when the administration's bill to reauthorize the Peace Corps was transmitted to the Congress without a provision addressing this matter. Apparently this small issue, but one which I believe constitutes an injustice than can be easily remedied, is just too low a priority on the agenda of the Office of Management and Budget.

Therefore, Mr. President, nearly 3 years after we initially attempted to resolve this matter, I am submitting a simple measure which I believe can remedy it once and for all.

EXHIBIT 1

Add at the end of the bill the following new section:

SEC. . Section 7(a) of the Peace Corps Act (22 U.S.C. 2506(a)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) Under such regulations as the Director of the Office of Personnel Management shall prescribe, the head of any department, agency, or establishment in the Executive Branch may appoint in the competitive service any person who received a Foreign Service Reserve or staff appointment or assignment under this subsection, who was so appointed or assigned for a period of not less than 59 consecutive months, whose appointment or assignment was terminated, at any time, by virtue of the limitations specified in paragraph (2)(A) of this subsection, who is certified by the President as having served satisfactorily in such employment or assignment, and who passes such examination as shall be prescribed by the Director of the Office of Personnel Management. Any person so appointed or assigned shall, upon completion of the prescribed probationary period, acquire a competitive status.

"(B) The head of any department, agency, or establishment in the Executive Branch having an established merit system in the excepted service may appoint in such service any person who received a Foreign Service Reserve or staff appointmnt or assignment under this subsection, who was so appointed or assigned for a period of not less than 59 consecutive months, whose appointment or assignment was terminated, at any time, by virtue of the limitations specified in paragraph (2)(A) of this subsection, who is certified by the President as having served satisfactorily in such employment or assignment, and who passes such examination as shall be prescribed by such department, agency, or establishment head.

EXHIBIT 2

Hon. ALAN CRANSTON,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR CRANSTON: I am writing to explain what I feel is a serious form of discrimination concerning FSR (Foreign Service Reserve) personnel who have worked for the Peace Corps. I hope that if you agree that the current system is one that needs review and restructuring that you might bring this to the attention of the proper people in Congress.

The Peace Corps, which is a part of the ACTION Agency, requires that its personnel belong to the FSR classification rather than the civil service G.S. It also requires by legislation that at the end of 5 years every employee, from secretarial to the highest professional level, must leave the agency. The problem that arises, is that FSR personnel do not have civil service status and therefore, even though they have worked for the government in positions that are the equivalent of those found in any other agency or department, they are at a disadvantage in applying for government jobs once they leave the Peace Corps since they are considered "non-status" candidates by the Civil Service Commission. This applies even though the Commission has reclassified all Peace Corps positions in keeping with government-wide requirements and standards.

While I can best describe this dilemma by my own experience, I assure you that the majority of former Peace Corps employees, especially those in so called "mid-level" positions, have encountered similar difficulties.

I was on the Washington staff of Peace Corps for 5 years until August, 1975 when my term expired. The positions that I held ranged from budget analyst to Assistant Chief of Operations within one of the three Peace Corps Regions. My final salary was an FSR 5 ($17,726 at the time of my departure). I also have an M.A. in International Relations and have completed all my course work and exams for a Ph.D. I give this background in order to demonstrate that my qualifications are equal to many civil service employees within the G.S. system. However, because I was an FSR, when I now apply for numerous openings in agencies around Washington, I find that most of the posted jobs require either that applicants be current G.S. employees or have status; i.e.; have been formerly G.S. which I lack since my first and only government job was with the Peace Corps as is the case with so many other Peace Corps employees, past and present.

I have filled out all the proper Civil Service forms to have my name placed on the mid-level position register, but that really is meaningless since the chances of my name being "pulled" off it are nil. In several instances, when an agency has expressed an interest in me I was notified that the effort to obtain my name from the civil service register probably wasn't worth their time especially when there were other qualified candidates (though not their first choice) with "status". The EPA personnel office just recently refused to accept my application for a position which I was very well qualified for, because of my status problem.

I can understand not being chosen for an opening if I am not qualified or was not the most qualified, but I deeply resent it when I am not considered just because I was an FSR employee with no prior G.S. rating.

In my conversations with employees of the Civil Service Commission they have what I consider to be several fallacious arguments in favor of this system. One is that I am being treated no differently than any other "outsider" coming into government from private industry. However, I am not an outsider, because I was a government employee for 5 years, doing the equivalent work of anyone else in a similar position within any other agency.

They also said that this system allows agencies to promote their own employees. If a position is limited only to a particular agency's employees then they are correct. However, most openings that I have seen and have applied for are limited only to all current government employees or former employees with status.

Another argument advanced was that I was no different than those employees in other non status categories such as the F.B.I. or C.I.A. That simply isn't true since none of those agencies have a 5 year rule. I and other Peace Corps personnel must find new jobs after a specific time. I don't know of any other government agency with this combination of stipulations.

Finally, while they conceded that I may be at a disadvantage they claim that my experience at Peace Corps was extremely useful, and that in itself is enough. Aside from the banality of this reasoning, I agree that it was useful, and that I learned a great deal and enjoyed it, but my "useful" background doesn't do me much good if I am not allowed to apply it by having the opportunity to at least compete for most government jobs now available.

If the intent of the FSR system, at least as it applies to Peace Corps, is to bring qualified people into government service for a limited time with the hope that they will then leave and go back to wherever they came from, then this should be made extremely clear to perspective employees. I was never made aware of this, and neither were any of the other Peace Corps staff I have talked to. Furthermore, it is difficult to reconcile this thinking, if it exists, with the reality that three fourths of the non-Peace Corps ACTION Agency personnel are G.S. with no 5 year limitations on their employment.

The Federal Personnel Manual, Chapters 315–19, does exempt FSR employees from the State Department and former Peace Corps *volunteers* from the non-status provision. However, the Manual clearly states that Peace Corps and A.I.D. employees are the exception and will not be given status once they leave their respective agencies, until such time as the Civil Service Commission rules otherwise. This is unconscionable, especially for Peace Corps employees. If we are forced out after 5 years then we ought to at least be given the same rights as other government employees in seeking new government positions.

An additional ironic factor is that many of the jobs once held by Peace Corps employees in various support functions have now been converted to G.S. In my own case, if I had stayed in the Budget Office and did not have to leave after 5 years, I would now have status, even though the duties and responsibilities of that position have not changed since the time that I held that job.

I have also been told that one possible reason for Peace Corps peculiar status is that in hiring people they do not go through the competitive process. In my own case, the Peace Corps approached me by obtaining my name from the civil service register in 1970. For several years now, every candidate for a Peace Corps position must go through the same competitive paneling process in applying for employment that is in operation throughout the government. However, whether or not Peace Corps hiring is slightly different, the work that is done is of the same level as that which is found in the rest of the government, and this should be recognized by the Civil Service Commission.

The ACTION Agency personnel office has done little to alleviate this problem. For overseas staff the burden is even greater since many of them are not aware of this situation until they return home at the end of their 5 year tour. Even Washington based staff, such as myself, are not counseled as to the scope of the difficulty we will encounter upon leaving except for a brief talk on how to fill out a 171 personnel form and how to apply for the mid-level or senior level register.

When I joined the Peace Corps staff I accepted the fact that in 5 years I would have to look for other work; that there wouldn't be the usual government job security. As my 5 year tour came to an end, I realized that although the economy was in a poor state, and that it would probably take a while to find another job, at least my experience and background at the Peace Corps would stand me in good stead. I was not prepared for the "catch 22" that the Civil Service Commission had set up. Now 10 months later, I am still out of work, unable to be considered for jobs I am qualified for.

There is something terribly wrong with a system that treats one small section of government employees differently from the rest. I don't argue here the merits of the 5 year rule, although I obviously wish now that it did not exist. All I want, and I'm sure that I speak for a majority of Peace Corps staff, are the same rights that every other government employee has in applying for a government job; to be judged on my ability and qualifications and not on whether I was a status or non-status employee.

Thank you very much.

Sincerely yours,

PETER A. THEIL.

U.S. SENATE,
Washington, D.C., Sept. 24, 1976.

Hon. ROBERT E. HAMPTON,
Chairman, Civil Service Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: The enclosed letter from Peter A. Theil, a former Peace Corps employee, concerns the question of Civil Service "status" for former Peace Corps Foreign Service employees.

We believe that Mr. Theil presents an excellent case for review and correction of the current practice of denying such status to former Peace Corps FSR or FSS personnel seeking further employment in the Federal Government. It is our understanding that among those non-civil-service-merit employees eligible, under present SCS regulations, for non-competitive appointments are Canal Zone merit system employees, employees of the Office of the President or White House staff, Congressional employees, and employees of regulatory agencies such as TVA and ERDA. Certainly, Peace Corps FSR and FSS employees, particularly since they are subject to the unique so-called "five-year flush", are deserving of this same benefit.

We urge you to look into this matter without delay, with the view toward approving the appropriate regulatory change to give such former Peace Corps employees a fair chance to avail themselves of the opportunity to continue their Federal Government service. We also request that such change be made retroactively, so that qualified individuals like Mr. Theil will be covered.

We look forward to hearing from you shortly regarding this matter.

With best wishes,

Sincerely,

ALAN CRANSTON.
HARRISON A. WILLIAMS, Jr.
JENNINGS RANDOLPH.
FRANK CHURCH.
HUBERT H. HUMPHREY.
DICK CLARK.
EDWARD M. KENNEDY.

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., October 28, 1976.

Hon. ALAN CRANSTON,
Committee on Labor and Public Welfare,
U.S. Senate, Washington, D.C.

DEAR SENATOR CRANSTON: This replies to the letter of September 24, 1976, cosigned by you and other Senators, in behalf of Mr. Peter A. Theil, 1006 D Street, S.E., Washington, D.C. 20003. Mr. Theil advocates, and your letter requests, that the Commission retroactively grant competitive civil service status to former Peace Corps employees.

Your letter stated the belief that Mr. Theil presents an excellent case for review and correction of the current practice of denying status to former Peace Corps FSR or FSS personnel seeking further employment in the Federal Government; also, that these personnel are deserving of status in view of noncompetitive appointments for employees of the Canal Zone, Office of the President and White House staff, Congress, TVA, and ERDA.

We have reviewed the situation of status being denied to Peace Corps FSR and FSS personnel particularly in relation to the status conferred to other Federal employees. Those groups of Federal employees who are excepted from the competitive service and are placed in a position to noncompetitively acquire status have achieved this benefit as a result of conditions specified in Executive order or legislation. Other groups of employees, including not only Peace Corps but AID personnel, noncareer State and USIA personnel, and excepted personnel in other agencies have not been able to acquire competitive status except through open, competitive examination.

Currently, the Civil Service Commission is not authorized, by legislation or Executive order, to independently grant competitive status to Peace Corps FSR or FSS employees. The Peace Corps Act does not confer status to Peace Corps personnel but places them in the Foreign Service and limits appointments to 5 years. By contrast, other legislation or Executive orders specifically provide for the acquisition of status by certain classes of employees excepted from the competitive service. An example of such legislation is 5 USC 3304(c), which provides for the noncompetitive appointment of congressional employees in the competitive service. Similarly, various Executive orders provide the basis for noncompetitive appointments for employees of the Canal Zone and Office of the President; also, for Peace Corps/VISTA volunteers or career Foreign Service officers of the State Department or USIA on *unlimited* appointments. With the exception of Peace Corps and VISTA volunteers, whose eligibility for noncompetitive appointment is generally limited to 1 year following separation, the benefits sought by Mr. Theil have thus far been extended only to employees in permanent or indefinite positions.

Although the Civil Service Commission cannot unilaterally confer status to Peace Corps Foreign Service employees, or other groups of excepted employees, civil service rule 6.7 authorizes the Commission to approve personnel interchange agreements with excepted agencies having an independent merit system. If we received a request for our approval of an interchange agreement from ACTION, we would carefully evaluate the Peace Corps merit system. If it were found that ACTION has a merit system for Peace Corps Foreign Service employees, and good administration warrants, ACTION and the Commission could enter into a personnel interchange agreement. As in the case of other agencies, the agreement, if approved, would apply only to current Peace Corps Foreign Service *employees* who could noncompetitively *transfer* to competitive service positions in other agencies. Hence, our authority to allow noncompetitive transfer to competitive service positions would not provide status eligibility for former Peace Corps employees such as Mr. Theil.

In summary, the authority to independently confer competitive status to current or former Peace Corps Foreign Service employees rests with the Congress or the President. However, pursuant to mutual written agreement between the Commission and ACTION, current Peace Corps employees would be eligible to noncompetitively transfer to the competitive service.

We hope that the above information will be of assistance to you. Your interest in this matter is appreciated.

Sincerely yours,

ROBERT E. HAMPTON,
Chairman.

U.S. SENATE,
Washington, D.C., June 6, 1977.

Hon. SAM BROWN,
Director, The ACTION Agency,
Washington, D.C.

DEAR SAM: The enclosed correspondence concerns a matter which has concerned me for some time—the current practice of denying Civil Service status to former Peace Corps FSR or FSS personnel who seek employment with the Federal Government at the conclusion of their five-year period of employment with the Peace Corps.

You will note that last September 24 several of my colleagues joined me in writing to the former Chairman of the Civil Service Commission (CSC), Robert E. Hampton, asking for an appropriate regulatory change to give former Peace Corps employees a fair chance to continue in Federal Government service. Mr. Hampton, in his October 28 reply, indicated that both legislative and administrative actions would be required to accomplish our objectives.

My staff has developed a first draft of legislation to provide retroactively such status to these individuals. I would like to work in concert with you on this issue, and am deferring introduction of legislation, a copy of the present draft of which is also enclosed for your review, pending a reply from you outlining your views on this issue and any steps you anticipate taking—along the lines set forth in the Hampton letter—for correction of this situation administratively. I would also appreciate having your comments on the proposed legislation. I am also deferring recontacting the Civil Service Commission until I have your thoughts on this. I doubt that a sympathetic point of view will be forthcoming from the Commission in the absence of strong support from the ACTION Agency Director.

I am concerned about this issue not only because of the roadblocks it presents for the individuals involved, but I believe the Federal Government is being denied ready access to experienced and talented people who could contribute greatly to other areas of Federal involvement.

I hope you will review this issue and get back to me promptly. Thank you for your continuing cooperation.

Sincerely,

ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development.

U.S. SENATE,
Washington, D.C., November 9, 1977.
Hon. SAM BROWN,
Director, the ACTION Agency,
Washington, D.C.

DEAR SAM: Earlier this year, I wrote you a letter (copy enclosed) about which you telephoned to ask for more time to answer.

Since then I've rethought the matter and remain firmly convinced that this situation needs a remedy. There is a clear inequity here which unfairly prejudices both former Peace Corps staff who held Foreign Service Reserve and staff appointments and the Federal Government itself which would benefit generally from the continued efforts of persons with the above-average dedication, resourcefulness, and flexibility which has characterized Peace Corps employees (many of whom are, of course, former volunteers). We need more Federal bureaucrats who think and act like Peace Corps staffers. That's one of the many contributions an agency like yours can make to the American people and the American Government.

In your exploration of this issue, I urge you to coordinate with AID which has a similar problem. I very much hope you will very shortly be able to give me a favorable reply.

With best personal regards.

Cordially,

ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development.

ACTION,
Washington, D.C., February 7, 1978.
Hon. ALAN CRANSTON,
Chairman, Subcommittee on Child and Human Development, Committee on Human Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Please accept my sincere apologies for not having responded sooner on the issue of access to the Civil Service for Peace Corps staff appointed through the Foreign Service Reserve personnel system. I, too, have given a great deal of thought to the matter since we last talked and since your letter following up that conversation.

I am in complete agreement that we have many fine staff members who have significant contributions to make in Federal service beyond their five years with the Peace Corps. Two suggestions have been made to help deal with the problems of access, 1) grant Peace Corps employees status for civil service purposes upon completion of five years service, 2) grant Peace Corps employees non-competitive eligibility for appointment into the regular Federal service.

In analyzing these proposals, we must begin with the premise that exempt personnel systems like the FR system are exempt for specific purposes. The benefits and shortcomings of appointments under those systems are accepted by employees when they accept limited appointments. To endorse the principle that the general schedule or regular foreign service can be entered through a non-competitive side door seems unfair to all of the employees in those systems who fairly competed for the benefits of those systems.

It seems to me that the excellence of the staff in this agency is due in part to the fact that we attract staff, as well as volunteers, who truly desire to serve, rather than staff who are primarily concerned with the material or tangible benefits of the terms of employment. Let me add parenthetically that this agency very carefully maintains only limited benefits for its volunteers—although some of these benefits like non-competitive eligibility are very valuable.

Therefore, I really cannot support a wholesale blanketing of Peace Corps staff into the competitive system. However, I would be willing to support a more limited approach which would give non-competitive eligibility to those Peace Corps staff members who performed in an outstanding manner throughout their Peace Corps service. Such an approach would make available truly superior candidates to the GS system. Under such a non-competitive approach, eligibility might be awarded to the top 20% of FSR employees finishing their terms.

Of course, this approach would not resolve the problems of the majority of individuals who have given a great deal to the Peace Corps through five years of service and find themselves essentially excluded from further Federal service.

I know that you have received urgent appeals for assistance in this area and I agree that it should be possible to bring more equity into the personnel system.

May I suggest that the basic problem is not in the Peace Corps or in the Foreign Service Reserve system, but in a civil service system that makes it extremely difficult for anyone without reinstatement eligibility or noncompetitive eligibility to secure a position. Since the Civil Service register system is extremely time consuming and cumbersome, many agencies chose to fill vacancies through postings for which only status applicants may apply under current CSC regulations.

The solution to this basic problem is, unfortunately, long range. It relates to changes now underway at the Civil Service Commission and to fundamental reforms of the Civil Service System.

I know this is not the response you wanted, but I hope you understand my concerns. I have a commitment to the employees of this Agency that the merit system will be fairly administered and I feel that a dramatic change would undermine that commitment. I would be glad to work with you and your staff to pursue remedies that do not represent major departures from the philosophic and procedural premises of both the FR and GS systems.

Sincerely,

SAM BROWN,
Director.

EXCERPT FROM FEBRUARY 9, 1978, HEARING RECORD ON THE ACTION AGENCY'S IMPLEMENTATION OF THE DOMESTIC VOLUNTEER SERVICE ACT OF 1973

* * * * *

Senator CRANSTON. We now are going to hear from a former ACTION Agency Peace Corps employee, Peter Theil of Washington, D.C., accompanied by Thomas Tichenor of Washington, D.C., also formerly with the Peace Corps.

Good morning.

STATEMENT OF PETER THEIL, WASHINGTON, D.C., FORMER PEACE CORPS STAFF MEMBER, ACCOMPANIED BY THOMAS TICHENOR, WASHINGTON, D.C., FORMER PEACE CORPS STAFF MEMBER

Mr. THEIL. Thank you very much.

My name is Peter Theil. With me is Thomas Tichenor. I was a former staff member with the Peace Corps. Mr. Tichenor was a former volunteer in the Philippines and a staff member.

I want to thank you for allowing us to appear before your committee to testify in support of your proposed legislation to allow Peace Corps employees the right to apply for any Government position for which they are qualified within 1 year of their termination from the agency.

This is a very serious problem for Peace Corps employees because the vast majority of positions that are now being advertised by the Government are open only to candidates who have status, those who are now working for the Government or have reinstatement rights, and those who have worked for the Government for at least 3 years and have gone through their probationary period.

This affects the Peace Corps in that Peace Corps employees are under a Foreign Service classification system, FSR, rather than civil service, GS. They are also, by legislation, required to leave the agency after 5 years. This can be amended under certain circumstances and they can receive an extension of from 1 month to 1 year, but they have to leave after a certain period of time, generally 5 years.

When they leave they are under the nonstatus candidacy provisions, which means that they cannot apply for most of the jobs that are available. This applies even to the ACTION Agency itself in that Peace Corps staff who would like to serve in VISTA—not as volunteers, but as staff members—or Foster Grandparents or any of the domestic programs in ACTION, cannot do so because they are closed to nonstatus candidates.

Many of us have had the experience of applying for those few jobs that are open to nonstatus candidates, only to be told by the prospective employer—the agency or the personnel office of that agency—that it is just too difficult and too time consuming to go to the Civil Service Commission to get our names from the Civil Service register, and it is much easier for them to consider an applicant who already has GS status, even though that applicant may not be their first choice.

It would appear that Peace Corps employees are put into a very special category, one which would consider us—and these are the Commission's words—as "outsiders." The fact is, though, that we are not outsiders, that we have worked for a Government agency for 5 years in positions that have been classified by the Civil Service Commission and in jobs that are transferable to almost every other Government agency in town.

In reviewing the Federal Personnel Manuals, I think it is chapters 315 to 319, there are some very interesting facts; one, that employees of congressional staffs, White House staff employees, and employees of the Panama Canal zone are all exempted from this provision. In other words, if they are involuntarily terminated without prejudice from their job, they may noncompetitively apply for Government jobs in the GS.

AID employees and Peace Corps employees are not given this consideration. Again, the difference between Peace Corps employees and AID employees is that we have a 5-year rule. AID employees, if they maintain their standards or if there isn't a reduction in force within their agency can stay there until they terminate. Peace Corps staff cannot. We have to leave and look for other employment.

I want to summarize by saying that we are not requesting special consideration for positions. We do not expect guaranteed jobs when we leave the agency. What we do expect and what we would like is that we be considered on the basis of our merit and our proven ability and not on some arcane regulation within the civil service rules that states that we must have GS status before all else be considered.

I thank you very much.

[The prepared statement of Mr. Theil follows:]

Mr. Chairman, I want to thank you for allowing us to appear before your committee to testify in support of your proposed legislation to allow Peace Corps employees the right to apply and be considered for any government position for which they are qualified within one year of their termination from the Agency.

We feel that the current Civil Service personnel system concerning Foreign Service Reserve Officers (FSRs) who have worked for the Peace Corps is discriminatory and requires a modification such as proposed in your bill.

Most people do not realize that the vast majority of Civil Service jobs which become available at the mid-level and above are open only to people with Civil Service status or reinstatement rights. This does not mean just having your name on the Civil Service register; it means you must be credited by Civil Service with prior government working experience. Otherwise, a federal employer cannot accept, let alone, give consideration to your application.

The Peace Corps, which is part of the ACTION Agency, requires that its personnel belong to the FSR classification rather than the Civil Service GS. It also requires, by legislation, that at the end of 5 years every employee, from secretarial to the highest professional level, must leave the Agency. The difficulty that arises is that FSR personnel do not have Civil Service status. Therefore, even though they have worked for the government in positions that are the equivalent of those found in most other federal Agencies and Departments, they are at a disadvantage in applying for government jobs once they leave the Peace Corps since they are considered "non-status" candidates under the Civil Service Commission regulations. This applies even though the Commission has reclassified all Peace Corps positions in keeping with government-wide requirements and standards.

Until very recently, the ACTION Agency has done very little to alleviate this problem on its own or to adequately explain to its Peace Corps staff what is involved. For overseas staff the burden is even greater since many of them are not made aware of this situation until they return home at the end of their 5-year tour. Even Washington based staff are not fully counseled as to the scope of the difficulty that they will encounter upon leaving the Agency, except for a brief talk on how to fill out a Standard 171 government personnel form and how to apply for either the mid-level or senior level Civil Service registers. In the past few months, however, the new Peace Corps Associate Director, Dr. Carolyn Payton has indicated that she is sympathetic to this problem.

The experiences of those of us here today can be multiplied dozens of times by other former Peace Corps staff. As I said before, the job vacancies posted by the majority of government offices require that the applicant be either a person with Civil Service status or with reinstatement rights. Ironically, even the ACTION Agency follows this procedure which prevents Peace Corps staff from applying and being considered for vacancies in the domestic programs of that organization.

Several of us have had the experience of applying for a Civil Service job that was posted as "open" only to be told by the perspective employer that he or she had found it difficult to hire an applicant of his or her choice from the register, the decision had been made to hire a person with Civil Service status, even though that person was not necessarily the first choice. Because of this, each year fewer government positions are open to the non-status candidate. It is just much easier to hire someone who already has a GS rating.

In my conversations with officials of the Civil Service Commission, they presented what I consider to be several fallacious arguments in defense of the current system regarding FSRs. One is that former Peace Corps employees are being treated no differently than any other non-government "outsider" (their term) coming into government for the first time from either the private sector or straight out of school. The fact is, however, that Peace Corps staff are not "outsiders" but government employees who have done the equivalent work of countless other government employees in similar positions throughout the government.

Another argument advanced was that Peace Corps employees are in the same category as those employees in other non-status categories such as the FBI, AID and non-career State and USIA personnel. This simply is not true since none of those departments have a 5-year rule. It is also my understanding that employees of the White House Staff, Congressional employees and employees of regulatory agencies such as TVA are eligible under certain circumstances for non-competitive appointments under current Civil Service Commission regulations. If this is correct then why not the Peace Corps?

I was also told that the current practice of limiting vacancies to only GS candidates enables government offices to promote and advance their own employees. Even if this were true, and I question the legitimacy of such an action, the facts again reveal that most of the job vacancies are not limited to just the employees of the advertising department or Agency but rather they are open government wide.

If the intent of the FSR system, at least as it applies to the Peace Corps, is to bring qualified people into government service for a limited period of time with the hope that they will then return to wherever they came from enriched by their government experience, then this should be made extremely clear to perspective employees. None of the Peace Corps staff that I have talked to were ever aware of this. Furthermore, it would be difficult to reconcile this thinking, if it exists, with the reality that the balance of the non-Peace Corps ACTION staff are not under any of these restraints.

The Federal Personnel Manual, Chapters 315–19 exempts FSR employees from the State Department as well as former Peace Corps volunteers from the non-status provision. The manual does clearly state that the Peace Corps and U.S. A.I.D. employees are the exception and will not be given status once they leave their respective agencies, until such time as the Civil Service Commissioner rules otherwise. Three years ago the Commission did approve the conversion of FSR ACTION personnel in so-called supporting offices such as budget, finance and personnel to the GS series. Surely, if they can do that then there should be no problem in at least extending the rights of GS status to former FSR Peace Corps employees once their 5 years of employment comes to an end.

Many fine and dedicated people with proven ability to work in the Federal Government are not being allowed an opportunity to continue to contribute their talents to further government service. I do not understand how the government can spend 5 years of its resources on these people and then refuse to acknowledge that they are in a special category apart from the "outsiders" that the Commission is so quick to equate them with. I am sure that I speak for the majority of former and current Peace Corps employees when I say that it was a privilege and rare experience to work for the Peace Corps, and we also believe that we have contributed something important to our country through the unique concept of that Agency.

I want to clarify that we are not asking for special privileges nor are we asking that we automatically be given jobs after our 5 years with the Agency come to an end. All we want is the opportunity that practically every other government employee has and that is to compete for jobs on the basis of our proven ability which has been demonstrated in government service. We do not want to be stopped by an arcane regulation which insists that our "status" by BGS before all else is considered.

We believe that your proposed legislation will help to rectify this situation. Thank you.

Senator Cranston. Thank you very much for a very excellent summary of the situation that faces former Peace Corps employees. I will place in the hearing record my correspondence with you and with the Civil Service Commission and with Sam Brown on this issue, and I will continue to seek an appropriate remedy to this problem.

Senator Cranston. We have given you a copy of the very limited proposal that Sam Brown has made to deal with the problem you discussed. Would you like to comment on that now, or would you prefer to respond in writing for the record?

Mr. Theil. I would like to make a very brief comment. I think Mr. Tichenor would also like to make a brief comment.

I read the proposal this morning and my initial reaction is that I find it totally unacceptable. That may not come as a surprise, but I think it aggravates the situation more than it is now. I think that it is even more discriminatory than the current practice.

Mr. Brown proposes that there be a limited provision whereby the top 20 percent of current Peace Corps employees would be granted noncompetitive status. I am not at all sure how he would work that out. I know Mr. Tichenor has some further thoughts on that.

I also found it somewhat of an insult—that is not too strong a word to use though. I don't think it was intended to be. Mr. Brown made a statement—if I may quote it—

"The excellence of the staff in this agency is due in part to the fact that we attract staff as well as volunteers that truly desire to serve, rather than staff who are primarily concerned with material, tangible benefits of the terms of employment."

My service in the Peace Corps was a unique experience and I enjoyed it a great deal. I think I gave a lot to the agency and the agency gave a lot to me, and I think that would apply to almost everyone else who ever worked in the Peace Corps. However when my 5 years came to an end I was, admittedly, concerned with the tangible benefits of employment and over my period of unemployment I continued to be concerned with the tangible benefits of employment. I don't think that reflects on my ability as a staff member or my dedication.

I know that Mr. Tichenor would like to add something to that.

Mr. Tichenor. My one reaction is that Mr. Brown leads one to think that there will be a great influx of staff members getting into the Federal Government when they leave the Peace Corps. I think in reality an average of one or two staff members a week would seek this noncompetitive eligibility.

If Mr. Brown feels there would be many more, I would like to know how he feels about the noncompetitive eligibility that is provided to former VISTA and Peace Corps volunteers after 1 year and 2 years of service. In this case I believe we are talking about maybe 3,000 or 4,000 people a year.

I don't know of anybody on the staff, when I worked there, who would have joined the Peace Corps so that in 5 years they would be able to get noncompetitive eligibility. Young people our age have trouble planning their lives more than 1 year ahead, let alone 5 years ahead.

Senator Cranston. Thank you very, very much. I appreciate your being here and let me assure you that we will pursue the matter.

Excerpt From February 20, 1978 Hearing Record on the ACTION Agency's Implementation of the Domestic Volunteer Service Act of 1973

Senator Cranston. On another matter, what led to the recent executive order extending the benefit of noncompetitive appointments to the civil service to certain former full-time volunteers other than VISTA and Peace Corps volunteers?

Mr. Brown. What led to it, as you know, was the ACTION cost-shared volunteers and essentially a combination of their frustration about feeling that they had come in as VISTA volunteers and not understanding that a different set of regulations applied.

They had discovered that they successfully completed their year of service and then discovered that they didn't have the benefit which they anticipated, and had had every right to anticipate, because the Agency hadn't adequately informed them that they didn't have those benefits.

The executive order, through the considerable interest of your staff, among others, in the plight of those volunteers, led to that executive order from the President to insure that that happens. We welcome that interest on your part and I think it was very helpful.

Senator CRANSTON. Do you think it would be wise to extend this benefit to full-year, full-time volunteers in granted out programs like the Syracuse experiment, in view of the fact that we are talking about a large number of individuals who may be serving and later competing for a civil service appointment in a very small geographical area?

Mr. BROWN. There is, as I recall, a discussion of that. There is now no provision in the legislation which will be submitted to you, although that had been an initial We believe that that is a reasonable conclusion to reach, particularly in light of the fact proposal made, as you probably are aware. that I have an ongoing interest in National Youth Service, and at that point noncompetitive eligibility for what I hope would be a very substantially increased number of full-time, full-year volunteers would I think be impossible.

Senator CRANSTON. How do you square your support of this extension in the executive order with your reluctance to offering comparable status to former Foreign Service Peace Corps staffers?

Mr. BROWN. As it happens, I spent a good deal of time prior to the last hearing arguing essentially my position on that legislation, which is that the original intent of the Peace Corps language was to find people who were not interested in career Government service and to find people who were in and out, and that that was the intent of the 5-year rule originally, and it would undercut that intent substantially to extend that service.

As you might have guessed, that was not a universally popular position in the Agency. I don't yield very well to pressure but I think I yield pretty well to reasonable argument and the reasonable argument was made which is that when that was passed 8 years ago the job market was fairly open and moreover, the access to the civil service market was fairly open.

In the last 2 or 3 years, of which I was not then aware, that situation has changed pretty dramatically including in our own agency where we no longer take from the register. It makes it nearly impossible to get in. Consequently, last Friday afternoon I made a commitment to review that with the General Counsel and to come to you assuming that two things happened: One, that we can get it through OMB; and second, that it doesn't result in a presumed property right to a second tour, which was one of the questions raised with me—that is, if you have a right at the end of a 5-year tour that you don't have at the end of the first 30-month tour does that give you a presumptive right to a second 30-month tour. That might have to be written in legislatively to avoid that interpretation.

But, given that option, my own personal position—and I cannot state the administration position because it hasn't gone through OMB—is that in fact that authority should be extended at the end of 5 years for Peace Corps employees. I am, in short, persuaded by the logic of your argument.

Senator CRANSTON. That can be done just by executive order respectively, not retroactively, as I understand it. Are you going to recommend that the Civil Service Commission——

Mr. BROWN. Yes; as I say, I need to review that both with OMB and my own General Counsel to insure that I am not buying a set of problems. But, anticipating no problem, I would like to find the most expeditious way to do it, and if that is through the Civil Service Commission——

Senator CRANSTON. Would you then expect to recommend that to the Civil Service Commission?

Mr. BROWN. Yes.

Senator CRANSTON. If you would, let us know what happens with that.

U.S. SENATE,
Washington, D.C. September 14, 1978.

Hon. SAM BROWN,
Director, The ACTION Agency,
Washington, D.C.

DEAR SAM: As you know, one of the first items I brought to your attention when you took over the leadership of the ACTION Agency last year was the matter involving Federal Civil Service eligibility for former Peace Corps employees.

I raised this issue again during our oversight hearings on February 20 of this year. At that time, you indicated to me that you had decided that access to the Civil Service should, indeed, be more open to these individuals, and that you would be working with OMB and the Civil Service Commission to find the most expeditious way of accomplishing such accessibility. You pledged to keep me advised of your progress. My staff raised this issue with you once again when you met on a related personnel issue in June, and at that time—one year since my initial inquiry to you—you had no further progress report to make.

In fairness to the individuals—the former Peace Corps employees—who were caught up in this situation, and because I personally feel that this matter has dragged on far too long, I want to remind you again of my interest in resolving it as expeditiously as possible.

Please let me hear from you regarding the current status of this matter, your plans for dealing with it, and your projected timetable for final resolution.

With best wishes,
Cordially,
ALAN CRANSTON.

EXCERPT FROM FEBRUARY 8, 1979, HEARING RECORD ON S. 239, THE PROPOSED "DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979"

Senator CRANSTON. What is the status now of the Agency's efforts, about which we have been communicating back and forth for almost two years, to provide civil service status for former Peace Corps employees whose five-year term of service has been completed?

Mr. BROWN. When I testified earlier a year ago, while testifying on it I was somewhat skeptical about it. I have met with present and former Peace Corps volunteers, and they have convinced me that the longstanding concern of this committee and members was a correct one, and as a consequence, we moved to see how to resolve that.

One way is through Executive Order. The other is through legislative action.

Frankly, the reorganization—we have sought an executive order to provide that. We felt that was the quickest way. In light of the change from the Civil Service Commission to the Office of Personnel Management, whatever, it is someplace at this point in the machinery but not yet out.

It may have turned out that the judgment about the quickest way to get it done may not have been the quickest way, but that, in any case, is where it is.

We have requested it, sought it, and hope we will have it shortly.

Senator CRANSTON. I would appreciate it if you would go back to OMB and tell them how I feel.

Mr. BROWN. It is also in our fiscal 1980 legislatiave submission. So if the Congress can get to it before the executive branch can get to it, one way or the other.

Senator CRANSTON. Is that the Peace Corps bill?

Mr. MARTIN. It was in our proposal to OMB which is still there. It has not been officially cleared by the administration.

Senator CRANSTON. What efforts are you making to insure that former Peace Corps employees, as well as current Peace Corps employees, can benefit from this new procedure?

Mr. BROWN. I don't know whether that is included or not.

Mr. MARTIN. That is not included.

Senator CRANSTON. I think that is important that they be included also. That has always been our position.●

NOTICE OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, on May 7 and 8, the Small Business Committee will hold hearings on the small business timber set-aside program.

Senator BAUCUS will chair the hearings, which will begin at 2 p.m. on May 7 and 8:30 a.m. on May 8, in room 424, Russell Senate Office Building.

The following witnesses have been invited to testify at these hearings:

May 7. Senator FRANK CHURCH; representatives of the Small Business Administration, the U.S. Forest Service, and the General Accounting Office.

May 8: Representatives of the timber industry.

The committee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the RECORD. Persons desiring additional information should contact committee staff at 224–2130.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I wish to announce for the information of the Senate and the public, the scheduling of a public hearing before the Senate Committee on Energy and Natural Resources.

The hearing is scheduled for May 3, 1979, beginning at 2:30 p.m. in room 3110, Dirksen Senate Office Building.

The hearing is on the "Moody Experimental Auto."

For further information regarding the hearings you may wish to contact Russell R. Brown, professional staff, at 224–2366.●

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to inform you of change of a hearing which is being held by the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs.

The hearing scheduled for May 3, 1979, on Federal responsibilities for radiation protection has been moved to room 3302 of the Dirksen Senate Office Building and the time is now 9 a.m.

If you have any further questions regarding this hearing please contact the subcommittee staff at 4–2627.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. RIBICOFF. Mr. President, I wish to announce that the Committee on Governmental Affairs will hold a second day of hearings on S. 333, the Omnibus Antiterrorism Act of 1979, on Monday, May 7, 1979, beginning at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

On that day, the committee will hear from representatives of the airline industry and its employees, respected academic authorities on the topic of terrorism, and a panel of witnesses on the issue of explosives taggants.

The witnesses scheduled to appear are as follows:

Panel I.—Captain Thomas Ashwood, Secretary, Air Line Pilots Association; James E. Landry, General Counsel, Air Transport Association.

Panel II.—Explosives Taggants; Glenn King, Executive Director, International Association of Chiefs of Police; Dr. Robert Moler, The Aerospace Corporation; Neal Knox, Executive Director, Institute for Legislation, National Rifle Association; Charles F. Turner, Technical Advisor, Sporting Arms and Ammunitions Manufacturers Institute; A representative from the Institute of Manufacturers of Explosives.

Other individuals are expected to testify at the hearing.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. CANNON. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet during the session of the Senate today to consider the nomination of James H. Duffy to the Postal Rate Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE OF FOREIGN RELATIONS

Mr. CANNON. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, May 2, to mark up S. 802, to amend the Peace Corps Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGIONAL AND COMMUNITY DEVELOPMENT

Mr. ROBERT C. BYRD. This request has been cleared with the minority.

I ask unanimous consent that the Regional and Community Development Subcommittee of the Environment and Public Works Committee be authorized to meet during the session of the Senate today to mark up authorizations on the Appalachian Regional Development Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate tomorrow, May 2, 1979, beginning at 2 p.m. in order to hold a hearing on judicial nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

MAY 1: A DAY FOR LOYALTY, LIBERTY, AND LAW

● Mr. WARNER. Mr. President, on this beautiful, bright day in Washington, the 1st of May, we can be sure at last that spring has come to our Nation's capital.

This is a season of renewal, a season filled with hope—a season of gratitude for the many blessings that surround us.

This 1st day of May, as well, is observed throughout our land by patriotic organizations and freedom-loving citizens as "Law Day" and "Loyalty Day."

These civic celebrations, coinciding with the burgeoning of spring, also serve to remind us of the manifold blessing of our freedom.

Beyond the renewal that comes with the changing of the seasons, they call on us to renew our faith and our commitment to the preservation of the freedoms we enjoy.

They arouse anew the hopes and aspirations that our freedom engenders and makes possible for us.

They evoke once more the profound sense of gratitude we all must feel to be free citizens of this free land.

But, Mr. President—as appropriate as it may be, on this 1st day of May, to celebrate our obedience to law and our loyalty to our free Nation—we must recognize that, elsewhere in the world, quite different observances are taking place.

May Day in the Soviet Union is marked by displays of military might and the engines of war, the parading of new weapons of destruction, and the propagandizing of the ideology of aggressive communism.

It is especially appropriate, then, that here in the Senate of the United States—truly the citadel of our free and representative Republic—we take a moment on this day to reflect on the stark contrast between our free way of life and the fate of those who suffer under totalitarian regimes.

Here in the Senate—as in the House of Representatives and in State and local legislative bodies across America—we enjoy the privilege and duty of free debate, full deliberation, and the unfettered exercise of our conscience and our intellect to serve the public good.

In so doing, we are exercising the most precious privilege of free men and women—a privilege denied to millions suffering around the world—our inalienable American right to choose.

It is appropriate, likewise, that in many communities around my own State of Virginia, this is election day. There, as in all elections in our free America, individual citizens are consulting their consciences, weighing the alternatives, and exercising their own right to choose their public leaders.

We who serve in public office bear a heavy burden of responsibility for the preservation of our freedoms. We who make the laws must set examples of obedience to law. We who speak for our country must put loyalty to America above all lesser considerations.

Yet never can we, who seek to lead, succeed in our efforts to serve, without the equal commitment and resolute endeavors of the people of our Nation—the honest, God-fearing and enlightened men and women who are the pillars of our communities and the foundation of our strength.

A few days ago, Mr. President, I received a letter from just such a person, one of my constituents. It moved me deeply. The writer is a citizen leader in the Ladies Auxiliary of the Veterans of Foreign Wars, Department of Virginia.

In concluding these remarks today, I wish to share her message with my colleagues, in the hope that her simple eloquence will inspire them as it inspired me.

> It is imperative that we remind those around us, regardless of their status, that we must protect the precious freedoms that have been estabilshed for us by those who were willing to give their all. That freedom, as we know it, can only be maintained by a desire as deeply felt as must have been the case with our forefathers. That freedom does have a price—loyalty to our God, our Country, our Family. These three make for a solid foundation.
>
> The Veterans of Foreign Wars have stressed loyalty, and their membership in this worthy organization attests to their willingness to protect the freedom that is as necessary to us as breath is. My membership in the Ladies Auxiliary has been paid for by both my husband and son. Neither walked away when their country needed them. Of this I am most proud, and I wear my membership with dignity and great pride for their sacrifices. And yes, I sacrificed too; my heart was heavy laden when they were in World War II and Vietnam. But I am thankful that they cared enough to insure the freedom that the "little one", my grandson, can enjoy. Pray God that he will never have to don a uniform; but if there is need, I pray God that he will serve with the determination of his father and grandfather.
>
> Loyalty, John, is everyone's responsibility—freedom is everyone's need.

Mr. President, heeding these words and acting in their spirit, may all of us do our full part to assure that the springtime of America is the time to renew our faith and our commitment to the preservation of the freedoms we enjoy.●

NATIONAL MUSEUM DAY

● Mr. DURKIN. Mr. President, in an effort to demonstrate my strong support for the tremendous role that museums have achieved in our American society and world community, I am cosponsoring a Senate joint resolution introduced by my distinguished colleague, Senator PELL, to declare May 18, 1979, as "National Museum Day."

Since observance of this day has already been designated by the International Council of Museums, Congress should ask the President to issue a proclamation of similar effect. Such action will enable American institutions to fully participate in the worldwide celebration. More importantly, it will give their dedicated efforts to preserving our natural and cultural heritage deserved recognition that is long overdue.

In my view, Senate Joint Resolution 62 aptly describes the common, but crucial, responsibilities which museums share. By so doing, this resolution is a tribute to the valuable contributions that these institutions continue to make toward the development of mutual understanding, cooperation, and peace among all peoples.

Mr. President, I ask that the text of this resolution be printed in the RECORD.

The resolution follows:

S.J. RES. 62

Whereas museums hold in trust for future generations a substantial part of humankind's material patrimony produced and preserved by the skill of our ancestors and our contemporaries; and

Whereas museums encourage curiosity in the very young, offer enlightenment and education to the student, and provide a continuing source of enjoyment and cultural enrichment for all; and

Whereas museums are centers of research for scholars and contribute significantly to our knowledge of history, science, and the arts; and

Whereas museums enhance the quality of life in our communities and provide a sense of continuity and perspective which reinforces the cultural opportunities offered by schools, colleges, universities, libraries, and other institutions of learning; and

Whereas the museums of our Nation deserve recognition for their contribution to the preservation of the natural and cultural heritage of the United States and to the furtherance of understanding concerning the peoples of the United States and the peoples of other countries in the past, present, and future: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating May 18, 1979, at "National Museum Day" and calling upon the people of the United States, State and local government agencies, and interested organizations to observe that day with appropriate ceremonies, activities, and programs.

U.S. RECOGNITION OF RHODESIA

● Mr. GOLDWATER. Mr. President, the time has come for a change in the U.S. policy toward Rhodesia. I believe President Carter should move immediately to lift economic sanctions against that country, and to prepare to recognize the government of Bishop Abel Muzorewa as soon as it takes office.

The arguments for delay and footdragging by the State Department and the White House are no longer credible. Rhodesia has complied with virtually every demand made on it by the administration, with the possible exception of refusing to permit armed terrorists to operate within its borders. The Rhodesian elections were based on one-man-one-vote; they were carried out fairly and efficiently with more than 64 percent of the Rhodesian people participating. In other words democratic principles were followed, a moderate black government has been chosen, and the United States is left with the choice of either continuing to wage economic warfare and denying diplomatic recognition or submitting to the realities of a new situation. And I certainly believe that if this administration means even one-tenth of what it says about human rights and the right of self-determination it will stop following the dictates of the Labor Government of Britain which will never forgive Prime Minister Ian Smith for having declared Rhodesia's independence without British permission.

Mr. President, we have gone along far enough with the mythical idea that the Patriotic Front guerillas can participate or assist in democratic processes in Rhodesia in any way at all. The Front is not interested in democracy or free elections; it wants nothing but a Soviet-styled dictatorship operated by radicals.

Mr. President, I notice the State Department is saying that it is premature to propose lifting of sanctions until President Carter tells Congress he considers the elections were free, fair, and legitimate. This is irony of the first order. Since the Carter administration refused to send official observers to Rhodesia, the President is scarcely in position to bring an unbiased attitude to the task of deciding how they were held. But perhaps while the President is trying to make up his mind he may listen to the judgment of the rest of the free world—with the possible exception of Britain's Labor Government—which says the elections were amazingly successful and that the new government to be formed in Rhodesia deserves recognition and support from all those who champion democratic processes.●

ON OBSERVANCE OF OLDER AMERICANS MONTH

● Mr. PELL. Mr. President, I applaud the theme selected for this year's observance of Older Americans Month, "Better Health through Better Care" and urge that there be a renewed effort to improve the physical, mental and social well-being of our senior citizens.

Special programs should be developed to improve nutrition services and increase the availability of preventive health services for the aged. The department of elderly affairs in my own State has developed areawide social service programs, which are models for the rest of the Nation to emulate. Evidence has demonstrated that these programs are cost-effective and substantially improve the quality of life for seniors.

Our entire medical system is based upon curing disease. We need to encourage programs to detect disease in its earliest stage and alternative forms of health care delivery such as the RIGHA, so our seniors will have fewer, less serious medical problems in their later lives.

In summary, we must take steps to insure that comprehensive health care services are available, affordable and accessible to senior citizens so that they are able to live in the comfort and dignity which they have earned.●

SOUL CITY, N.C.—ANOTHER NEW COMMUNITY DISASTER

● Mr. HELMS. Mr. President, the people of North Carolina, if I may judge by the mail I receive are growing increasingly resentful of excessive Federal spending.

Who can blame them? The Federal debt today stands at $800 billion. During the next 18 months, according to a recent estimate by Treasury Secretary Blumenthal, there will be an increase of as much as $98 billion—unless Congress gets about the business of balancing the Federal budget.

During 1979, it will cost the American taxpayers in the neighborhood of $60 billion just to pay the interest on the Federal debt.

More and more citizens are beginning to understand that this is one of the major causes of the inflation that is crushing the U.S. economy, and creating so much difficulty for the working people of America who are struggling to make ends meet.

North Carolinians are almost universally resentful, almost to the point of cynicism about various examples of the Federal Government's wasteful spending on projects that attempt to solve complex social and economic problems by throwing money at them. One particularly controversial boondoggle is Soul City, North Carolina—a new community backed by HUD.

With at least $18 million in Federal loans and outright grants since it was established in 1974, the Soul City organization has managed to recruit 220 people to inhabit the town.

Mr. President, how can such use of the taxpayers' money be justified? It cannot. How is this money being spent? Let me cite one example. A grant, approved last September by HUD Secretary Patricia R. Harris in the amount of $126,250, was used for the design and construction of pathways, for building a toilet, and for landscaping work in Soul City.

I have repeatedly voiced concern about the squandering of our tax dollars in Soul City. From time to time, I have been able to block some funds. On other occasions, funding has been delayed.

On April 19, the Wall Street Journal published an article concerning such waste—and the lack of tangible results from such a large use of the taxpayers' money.

Mr. President, I ask that this article be reprinted in the RECORD.

The article follows:

AN OLD "NEW TOWN" HANGS ON, SUSTAINED BY FEDERAL MONEY

(By Susan Harrigan)

SOUL CITY, N.C.—The original plan was to have 40,000 people living here by the year 2004. But so far there are only 220, and George Koonce, a black man who is one of them, had an ominous vision the other day.

"I saw people plucking chickens," he relates. "All around them there was nothing but grass. I'm afraid Soul City is going to suffer."

Soul City, located 60 miles north of Raleigh in rural Warren County, was established in 1974. It is one of 13 "new towns" that were financed by the federal government as a partial answer, it was hoped, to the urban crisis. The notion was that new, multiracial communities might lure people from overcrowded areas elsewhere.

It hasn't worked out. A number of the towns have gone bankrupt. Last year the government decided to end the program and sell or transfer financing of seven of the towns. But Soul City hasn't gotten the ax, although it hardly is flourishing.

All but four of the families here are black. They live in 33 houses and 33 trailers. Behind a sign reading "Pleasant Hills subdivision" lie pleasant, empty hills. A cement foundation recently marked the intended location of the unbuilt fire station. The town's only manufacturing facility recently was closed for several months.

A RELIGIOUS IDEA

But Floyd B. McKissick is optimistic. "I believe we can still do it," he says. "Soul City is almost a religious idea. It can't be judged in white man's terms." Mr. McKissick, a black lawyer who was head of the Congress of Racial Equality during much of the 1960s, controls the company that owns all of the land in Soul City, and draws a salary from the company.

The town, in fact, is something of a family enterprise. Mr. McKissick's wife, Evelyn, runs the sanitary district, is a director of the parks and recreation association, and is part owner of Soul City's only store. Floyd B. McKissick, Jr., is planning director. And then there is Daisy B. Williams Lake—"the first geographical area in Soul City named in honor of a woman," according to a Soul City promotional brochure. Daisy B. Williams is Mr. McKissick's mother-in-law.

"Some folks say McKissickville might be a better name for Soul City," remarks Bignall Jones, editor of the Warren Record, a local newspaper.

Soul City has issued $10 million of federally guaranteed bonds, and it has received $8.5 million more in federal grants and contracts. Officials of the Housing and Urban Development Department, which runs the new-town program, acknowledge that the government has done more for Soul City than most of the other new towns. A HUD task force now is trying to figure out how to help the place survive.

HUD officials say Soul City deserves extra attention partly because it is the only black-owned new town. Mr. McKissick says all races are welcome. "It isn't going to be an all-black thing and never was intended to be an all-black thing," he says.

GETTING "FEASIBILITIED"

Soul City's most serious problem is a shortage of jobs. Mr. McKissick blames HUD for the failure to lure employers. After the urban riots of the 1960s, he says, businessmen felt a "commitment to do the right thing," but HUD's red tape, he complains, prevented him from taking advantage of the opportunity.

"We've been feasibilitied to death," he says.

Wilmetco Ltd., New York, the only manufacturer that had taken space in Soul Tech 1, Soul City's industrial building, closed its facility last year because of disputes with the government and an insurance company. The company recently reopened the plant, which employed about 100 people making duffel bags and field packs for the Army.

Mr. McKissick says he also feels hamstrung by a HUD rule that no more buildings can be constructed until Soul City has more jobs. "HUD wants us to play a symphony, but gave us only a five-piece band," he says. "They forgot we have a lot of rhythm, so we keep on playing the melody. But this is like trying to run with a noose around your neck and a guillotine behind you."

This region once was rich in tobacco, cotton and slaves, but it has been losing population because of a lack of jobs. Many residents live in shacks, and some even are quartered in tobacco-curing sheds. "If Soul City goes, Warren County will go," says Mr. Jones, the local editor. "To other places, I suppose Soul City wouldn't be a drop in the bucket. But to us it's a right big deal."

Many of Soul City's blacks seem to be better educated and wealthier than the average Warren County resident. That impresses some of the locals but antagonizes others. Mr. Jones, who is 79, recently attended his first "mixed party" with blacks at Soul City and found them "easy to get along with."

"It looks to me like they hold a cocktail glass the same as anybody else," he comments.

Nearby Henderson, which is about to lose a pickle-packing plant, has found that Soul City is good for business. "They never sold so many pairs of shoes before," says Hubert Avent, director of a Soul City health clinic. "When you go in a store, they say 'You're from Soul City? I can arrange this easy-payment plan. . . .' "

However, Peter G. Demetriades, president, of Etc. of Henderson Inc., a maker of sanitation supplies, says bluntly that he hates blacks. He would like, he says, to "join the Klan and burn the place (Soul City) down." And the vice president of a nearby bank calls continued federal support of Soul City "idiotic and completely indefensible." This man contends that Mr. McKissick is "just out to help himself, and I think that in terms of what he wanted, he's succeeded."

Mr. McKissick won't say what his income is. He and his family live well. His wife drives the family Maserati, while he has a Pontiac Bonneville and his son operates a Mercedes-Benz. Mr. and Mrs. McKissick's home, built around a small open garden, is a modern structure whose natural woods blend with the fields and woods of its three-acre site.

There is a large cabinet containing silver and china in the dining room. There is a big microwave oven in the kitchen and a tall stone fireplace in the sunken living room. Mr. McKissick won't say how much the house cost but acknowledges that he wouldn't sell it for $300,000, its estimated worth according to a local builder.

Mr. McKissick, who is 56, bristles at local criticism of his life style. "I owed that house to my wife," he says. "I have a duty to my family that's been postponed for years." He contends that "Most people say, 'I'm glad to see a black man in a house like that, because I've never seen one in such a house before'."

He adds that if he cared only about comfortable living, he wouldn't be living in such an isolated area. "You can't leave the office at five and go out and B.S. like you can in the city," he says. "This is dealing with the nitty-gritty."

Soul City's occupants, some of whom are Mr. McKissick's employees, say they enjoy living here. "People take such pride in their little homes," says Johnnie Johnson, who came to Soul City after her husband died.

Many residents have home mortgages from the Farmers Home Administration that require small interest payments. Roy Stokes, a young cabinetmaker, and his wife, a textile worker, pay $137 a month for a white clapboard home that cost $25,000. "Soul City is like a dream to me," Mrs. Stokes says. "When you say you're from here, you really have got something to brag about. You feel good."

Henry Chew, a retired Navy petty officer, moved from San Diego to a bright-yellow $31,000 home in Soul City because he wanted the feeling of a "forty-niner" going to the frontier. He is trying to persuade other Navy retirees to join him. "A lot of people with mixed marriages, especially, would feel welcome here," he says.●

IOWANS OVER 80 AND ON THE GO

o Mr. CULVER. Mr. President, I am often encouraged to find in a newspaper an article about an elderly person who is actively devoting his or her talents to a special project or endeavor. In that context, I wish to share a recent article from the Des Moines Register, which I found both interesting and inspiring.

The article provides glimpses into the active lives of some 16 Iowans in their eighties. These men and women are taking advantage of many diverse opportunities and are channeling their notable talents into activities ranging from art to dentistry, writing to dancing, teaching to farming, and auctioneering to various types of community service. Whether their pursuits take the form of hobbies, further education, volunteer work or employment, these Iowans' common outlook, enthusiasm and determination are outstanding.

Mr. President, I am proud of this remarkable group of Iowa octogenarians and their commendable accomplishments. And as a Senator from Iowa—which has the third highest proportion of elderly citizens among the 50 States—I can assure my colleagues that these exemplary senior citizens are only a representative sampling of elderly citizens from my State who are leading active and productive lives.

Mr. President, I hope my colleagues will enjoy reading this interesting article from the April 15, 1979, Des Moines Register as much as I have, and I ask that it be printed in the Record.

The article follows:

[From the Des Moines Register, Apr. 15, 1979]

They're Over 80 And On The Go

(By Sherry Ricchiardi)

Few things are changing as rapidly today as the look of aging in the United States. Experts in the field have dubbed it: The rise of elderhood.

The demise of mandatory retirement at 65, a growing tendency among older Americans to resist stereotypes that label them "senile and useless," and an optimistic awareness of staying power, exemplified by people like comedian George Burns, 83, and political sage, Alf Landon, 92, are partly responsible for the new attitudes.

Iowa has its own share of elderly whizzes. Fred Brandner of Ames, for instance, taught math classes of Iowa State University until he was 83 years ago. When the University let him go last year, Brandner didn't "shrivel up and die," as he puts it.

He spends several days each week working with emotionally disturbed youths in the Ames public schools and with preschoolers in a community day care center. "My life is as meaningful as ever," Brandner says. "I'm almost 84, and that doesn't seem very old to me. Ninety does though. I might have to slow down by then."

Dr. Woodrow Morris, associate dean at the University of Iowa's college of medicine, divides people over 55 into two classes—the young/old up to 75, and old/old for those over. "We used to consider 65 to be old, but more and more people aren't considering themselves 'elderly' until after 75," Dr. Morris, a specialist on aging, says.

"Now, I even hear some of them saying, 'Hey, why not 85?' I anticipate, especially with the demise of mandatory retirement, that an increasing number in the over-75 category will continue to be active and productive. To deny them the right to work solely on the basis of age, is a denial of a fundamental human right. In my opinion, ageism is as odious an undesirable as sexism and racism.

"With the push for zero population, the elderly might hold the balance of power in this country someday."

It doesn't take much looking to find active and productive Iowans over 80, and their message is clear. These octogenarians have eased their transition to old age by widening contacts with friends and with the community, keeping up job skills, establishing ties with volunteer groups, launching part-time second careers, and wisely exploring options while they were yet in middle-age.

Here are some of the Iowans who prove that 80 and over isn't the end:

At 68, Mason Ladd retired as dean of the University of Iowa college of law, and that summer organized a law school at Florida State University at Tallahassee. At 81, he lives on a farm near Iowa City, maintains an office at the U of I, lectures and conducts research. Recently, the Fellows of the American Bar Association bestowed on him the 1979 Fellows Research Award.

Mae Gest, 86, of Grand Mound, turned her three-story home into cooperative housing for the elderly a few years ago—she has seven residents between 80 and 87. The retired nurse charges between $50 and $80 a month for rent, including three meals a day.

Former Iowa Gov. Robert Blue, 81, is a member of the National Council on Aging and is chairman of the North Central Regional Library Board, along with maintaining a law practice in Eagle Grove. Blue, long a champion of rights for the elderly, says, "Life consists of more than eating, sleeping and reading. It involves interaction with people. If you quit that, you almost cease to live."

Ann Brunk of Des Moines, admits to being in the late 80s, but says, "I don't want my age in the paper." On weekends, the artist works at the reception desk at the Des Moines Art Center. During the week she paints "when I have the inspiration and when the light is right for me." Two of her paintings hang in the new quarters of the Embassy Club in Des Moines.

Leon E. Joy, 87, regularly puts in 60 hours a week at his Ames auction business, including working as an auctioneer. Joy started his company in 1914. As a hobby, he has written a book about his life.

Sister Alexander, 81, of Dubuque, visits the sick each week and teaches dancing to elderly residents of the Dubuque Health Care Center, despite the fact that she is partially blind. "I know some older people need pepping up. I feel dancing can do it," the retired schoolteacher says.

Dr. Pak-Chue Chan, 84, of Ames still travels a lot and lectures and writes about his lifelong love: The world's poor. In the early 1960s, he organized medical clinics in Hong Kong and the Yucatan, a poverty-stricken area of Mexico, through Promise, Inc., an organization he helped form. Recently, Dr. Chan published a book on his life's work.

Cecile Cooper, 80, of Davenport began working in Civil Rights when she was "just a girl." Recently, she helped organize the Afro-American Arts Council in the Quad-Cities, and continues as the main impetus behind an annual Davenport fashion show that supports a black students' scholarship fund. She also supports area ice cream socials, which she instigated in the 1960s to help fund civil rights projects in Mississippi. In May, friends are honoring her at a "Cecile Cooper Recognition Day."

Leonard Oster, 89, runs a 450-acre farm near Waukon that has been in his family since 1919. His two sisters, Edith, 87, and Signe Martin, 81, work with him on the farm.

Hazel Price, 81, of Marshalltown graduated from Drake University in 1976 with a degree in teaching, a career she has been pursuing since she taught at 18 in a one-room schoolhouse. She tutors grade schoolers and conducts adult education classes in her home each week.

Dr. Alvin F. Moes, 85, a dentist from Dubuque, sees at least four patients a day. "I've been a dentist for over 50 years. I'm afraid I wouldn't know how to just sit home," Dr. Moes says.

Thea Anderson, 84, of Forest City has managed the senior citizens' congregate meal site since it opened two years ago. The food is served every day, "regardless of rain, snow, sleet or scorching sun," Anderson says. So far, she has missed only one day. That, she notes, was on one of winter's worst days.

Elizabeth Maxwell, 88, manages the Earlham Museum and oversees CARE, one of the first rural in-home care programs in the country. She helped organize it 10 years ago. The retired teacher says her best outlets are community service and walking a mile or two every day.

John Woolson Brooks, 81, of Des Moines, works part time in an architect business along with two partners. He has taken over household duties since his wife moved to a nursing home. "It's surprising, but at my age, I'm turning out to be a pretty good cook," Brooks says. He does silk screens and sketches for a hobby.

George Wagner, 88, of Calamus, is a retired farmer turned artist. Early in life, he planned it that way. Dubbed "Grandpa Moses" by friends, Wagner does most of his painting in an old machine shed. The artist still bowls "once in a while" and drives his own car. In April 1975, the townspeople honored him at a "George Wagner Day."●

HOMES FOR THE HARD-TO-PLACE

● Mr. HEINZ. Mr. President, I am pleased that in my own State of Pennsylvania there are people working around the clock to provide loving, caring permanent homes for hard-to-place children. Two such dedicated people are Laurie and Joe Flynn of Lancaster, Pa., who have 12 children, 7 of whom are adopted. As President of the North American Council of Adoptable Children, Inc., Mrs. Flynn has worked selflessly to try to get children available for adoption together with parents seeking children to adopt. A recent story from the March 1979 issue of McCall's magazine tells the story of the dedication of NACAC and the Flynns. I ask that the text of that article be printed in the RECORD as an example of what can be done to place the more than 120,000 children in this country in need of adoption.

The article follows:

HOMES FOR THE HARD-TO-PLACE

Laurie and Joe Flynn of Lancaster, Pennsylvania, have 12 children, seven of whom are adopted. A decade ago the adopted Flynns probably would have grown up in institutions or in a series of foster homes, because they are labeled "children with speical needs." Such children have been considered less desirable adoption prospects because they are older, handicapped, of mixed or minority racial backgrounds or come with brothers or sisters. But thanks to changing attitudes, caused in part by a shortage of available infants, hard-to-adopt youngsters like the Flynns' are finding warm, caring families.

"There are large numbers of children available for adoption, and plenty of families anxious to adopt," says Mrs. Flynn. "We've got to bring them together."

To spread the word, interested parents across the country have formed local citizen adoption groups, which direct prospective parents to the proper agencies, help secure experienced legal advice, and—after adoptions take place—provide counseling and support to make the frequently difficult transitions easier. The organizations also serve as advocates to get states to change antiquated adoption laws—such as those that prevent parents from adopting children of a different religious background or prevent single parents from adopting—and to persuade reluctant social agencies and courts to cooperate.

Five years ago, to coordinate their efforts, some of these local groups banded together to form the North American Council on Adoptable Children. With 200 member groups, representing 20,000 parents in the U.S. and Canada, the council scored a major victory last year when Congress passed this country's first federal legislation on adoption. The law, called The Adoption Opportunities Act, provides for a National Resource Exchange that will list waiting children and waiting parents and a computerized system that will keep track of children in foster care. The law also established a panel to write model adoption legislation as a guide for the states. To find a group in your area that deals with special children, write: Adoption, P.O. Box 55251, Riverside, Calif. 92507.●

RHODE ISLAND'S OUTSTANDING SMALL BUSINESS PERSON

● Mr. PELL. Mr. President, I am delighted today to extend my congratulations to a Rhode Island entrepreneur who has been selected as the Rhode Island Small Business Person of the Year for 1979.

Roland C. Trice of Cumberland, R.I., is the owner and operator of a highly successful decorating products business in the town of Cumberland and an active participant and leader in his community's civic life.

His story has all of the elements of the American success story, for his achievements have come from his own ambition, ability, perseverance, and hard work.

As a youth, he left school at the sixth grade level to help support his family of 13. He won promotions and advancement through hard work and at the same time pursued his education and earned diplomas from junior and senior high schools.

In developing his own business, Mr. Trice obtained and repaid two loans from the Small Business Administration. He is a charter member and president of the Rhode Island Chapter of the National Decorating Products Association, a charter member of the Cumberland-Lincoln Rotary Club, and an active member of the Blackstone Valley Chamber of Commerce.

Mr. Trice's selection by his fellow small businessmen as Rhode Island's Small Business Person of the Year is a well-deserved tribute. He is indeed an outstanding representative of the thousands of small businessmen who are so vitally important to the economy of my State and to our national economic life as well.●

SUPERSONIC TRAVEL SPREADS OUT

● Mr. GOLDWATER. Mr. President, at that time, some 8 years ago, when the Senate foolishly stopped American development of the supersonic transport I made the prediction that regardless of the Senate, supersonic travel would prevail and that eventually American manufacturers would be forced into this field. In this month's issue of Dun's Review there appears a very well thought-out article entitled "Supersonic Travel Spreads Out," in which it pretty well points up what many of us have known, that supersonic travel is catching on, that it is growing, that instead of the English and the French going out of business, they are in business in a big way, they the giving competition to airlines in the United States and elsewhere but, thank the Lord, that some farsighted aircraft manufacturers have disregarded the thoughtlessness of the Senate and have proceeded through these years with at least a modicum of experimentation in the supersonic field so that we may be able to regain the position of dominance we once held in the whole airframe business. I ask that this article be printed in the RECORD.

The article follows:

SUPERSONIC TRAVEL SPREADS OUT

Quite suddenly over the past year, the outlook for global spread of supersonic travel has been transformed. Even after Concorde flights began in January 1976, aviation experts still doubted that all fourteen of the Anglo-French supersonic transports would ever fly. Some predicted that the plane could well rack up such huge operating losses that even the nine in service would have to be grounded.

Today, though, it is finally clear that not only is the Concorde here to stay, but that over the next two-to-three years there will be a major increase in travel at Mach 2.2, or roughly twice the speed of sound. First, the planes already flying, five with British Airways and four with Air France, will soon be used far more intensively; and second, the five idle Concordes, once viewed at aviation's biggest white elephant ever, will be brought into service.

What's more, the swift change in Concorde's public image from that of a noisy, polluting intruder into a glittering status symbol beloved of top businessmen and pop stars alike, has fairly certainly insured that a new generation of advanced supersonic transports (AST's) will succeed Concorde within the next twenty years—and possibly as early as 1992 or 1993. In recent weeks, for example, France's Transport Minister Joël le Theule, President Russell Thayer of Braniff International and Richard Fitzsimmons, director of advanced program planning for the McDonnell Douglas Aircraft Co., have all voiced increasing confidence that an AST will be built. Says Fitzsimmons: "It's now universally agreed that the advanced supersonic transport will come." And le Theule adds: "Perhaps a new supersonic transport will be built in which—and why not?—manufacturers on both sides of the Atlantic will collaborate."

To be sure, Concorde's passenger pulling powers have not been quite so dazzling as French and British publicity has managed to suggest. For instance, while many Europe-New York flights are 100% booked, the Paris-Washington and Paris-Caracas flights are averaging only 49% and 40% loads, respectively.

Nonetheless, the industry reckons that even these mixed results are highly promising indicators of the underlying demand for supersonic travel, bearing in mind Concorde's sky-high fare (20 percent over first class) and the several second- and third-best routes it has had to make do with. For it has proved a potent habit-former. Today, for instance, more than 40 percent of New York-Europe passengers have flown it before; and many businessmen commute across the Atlantic several times monthly. Says Braniff's Thayer: "It spoils you so you don't want to fly anything else."

SCORES HIGH

Technically, too, Concorde scores high, its reliability enabling 92 percent of flights to leave within fifteen minutes of scheduled takeoff. And recent technical improvements include a major engine modification that has extended its range by 200 nautical miles, to over 3,700 miles, or alternatively, increased its payload. Indeed, British Aerospace, the state-owned group that built Concorde jointly with France's state-owned Aerospatiale, is considering a major program to make further improvements for the existing fleet.

But the crucial barrier that Concorde has now broken is a financial one. To be sure, it can never recover the staggering $3 billion that the French and British governments sank into it. But on the basis of a ten-year write-off of the $310 million that British Airways paid for its five planes, the airline is already making a profit on its London-New York run. It is also making hefty operating profits on the London-Washington run, and these may turn into a net profit as a result of new transatlantic passengers fed into it from the Concorde route between Washington and Dallas-Fort Worth recently inaugurated by Braniff.

Air France, which is at a disadvantage because London is a far greater hub of world travel than Paris, is still suffering operating losses everywhere except on the Paris-New York route, but they are manageable ones. Indeed, the two airlines calculate that Concorde can normally make an operating profit as soon as it averages a 60 percent load and flies a modest 7.5 hours a day.

What's more, points out retired BA Concorde Director Gordon Davidson, the plane is a big cash generator. He forecasts that this year BA supersonic revenues will total around $120 million, well exceeding the $100 million plus in combined operating costs and overhead—so that only the depreciation bill will tilt the fleet about $16 million into the red. If other factors like increased subsonic revenues that Concorde attracts to the airline are added BA has already benefitted from it, Davidson believes. "With or without a depreciation charge," he says, "Concorde is paying her way for British Airways, and, under rather different conditions, for Air France."

Thanks to the Concorde's performance, other airlines are now showing an intense interest in the craft—not, of course, in buying it at over $70 million a throw, but in leasing supersonic time, either flying the plane jointly with British Airways or Air France on certain routes, or taking it over at the termination of a French or British flight and flying it onward in an interchange or "tag-end" operation.

In the past few months, Concorde's routes have reached out well beyond the original grid of London and Paris-to-Washington; London-to-Bahrain; and Paris-to-Rio (*see map*). Since the crucial November 1977 addition of New York to Concorde's routes, BA's London-Bahrain flight has been extended to Singapore, jointly with Singapore Airlines; Air France inaugurated a Washington-Mexico route; and, of course, Braniff laid on a new Washington-Dallas-Fort Worth tag-end run that slots into Concorde's transatlantic schedules.

But this still leaves a lot of spare Concorde flying time up for grabs, for the average usage of the Concordes in service is around five hours daily, whereas nine hours or more would be a realistic target. What's more, the five idle planes will be readied for commercial service once the French and British have worked out the financial details of making them available to airlines on a leased basis.

The big guessing today is over which new routes, and which airlines, will soon go supersonic—for a variety of reasons that include protecting their own first-class business; winning the prestige that goes with flying the plane and having their insignia displayed on one side (the other side is reserved for British Airways or Air France) and on various runs, making a clear-cut profit.

A leading contender for supersonic expansion is Braniff, which hopes to launch a New York-Panama-Lima-Santiago—and perhaps Buenos Aires—tag-end route next year. A British Caledonian route from London to Lagos is very much on the cards. Other routes under consideration are: joint AF-Saudi Arabian Airlines flights from Jeddah to Paris and perhaps on to New York; and Singapore Airlines tag-end routes from Singapore to Hong Kong and Tokyo. Further in the future, but distinct possibilities, are a Paris-Tokyo flight and a joint British Airways-Qantas Singapore-Melbourne leg.

Then, too, more of the rich U.S. market is up for grabs now that Braniff has licked all the regulatory headaches of flying Concorde inside the U.S. Though Concorde must fly subsonically over the U.S., it is still 100 mph faster than conventional planes and, more important, passengers from the U.S. heartland can fly on from New York or Washington on the same plane, supersonically.

Several other airlines are currently considering deals similar to Braniff's Dallas-Fort Worth link. Among the possible "tag-end" routes: Washington-Miami and New York-Atlanta.

EARLIEST DATE

Of course, since only fourteen Concordes are available, not all the talked-of routes can materialize, but depending on frequencies, there is room for a good number of them. And it will be those fourteen Concordes that, for all their shortcomings and barring mishaps, will be the only supersonic planes in existence for many years. For even if an AST program for a Concorde successor were to be launched tomorrow, the earliest it could be in service would be 1990.

It has always been a reasonable bet that an AST bigger, quieter and farther-ranging than Concorde would eventually be built; and ever since Boeing's government-backed SST project was halted in 1971. Boeing, McDonnell Douglas, Lockheed and the National Aviation and Space Agency have continued with AST technology programs. Similarly, British Aerospace and Aerospatiale are building up their post-Concorde supersonic capability.

Both the Europeans and the Americans see a market for 200 to 300 AST's in the 1990s. They also broadly agree they can build AST's that can fly economically at the equivalent of today's first-class and full-economy fares (McDonnell Douglas calculates that the seat-mile cost will not be substantially higher than that of subsonic planes) and can lick the environmental problems so that AST's would have access to all major airports round the world. Says McDonnell Douglas's Fitzsimmons: "We think the discount market, excursion fares and so on will always use subsonic planes. But we think AST's would carry a very large proportion of today's full fare economy-type passengers, and would get all the first-class customers. And that would be a very sizable market share."

But until recently, with the world's airlines involved in their biggest reequipment program ever as the widebodied jets came in, and with Concorde battling for its life, any possible AST start had looked a long way off. Had Concorde flopped, say aviation experts, the effect on public opinion—and thus on government attitudes—would probably have pushed any successor way into the twenty-first century.

GOVERNMENT FUNDING

For an AST go-ahead is as much a political as an economic and technical question, for the simple reason that massive governmental funding is essential. None of the interested airframe manufacturers—Boeing, McDonnell Douglas, Aerospatiale. British Aerospace and possibly Lockheed—alone or in combination, could proceed without government support with a development program calculated to cost well over $1 billion. What Concorde has done is to make it infinitely easier for governments to commit taxpayers' money to the next phase of supersonic travel.

There are two favorite AST scenarios. One envisages a U.S.-only effort, with mixed federal and industry funding, and the airframe manufacturers working together under a special antitrust waiver. The other would include some European state financing and a major role for British Aerospace and Aerospatiale. In this second scenario, the U.S. government would still put up the lion's share of the money, but probably only one U.S. company would be involved—McDonnell Douglas or Boeing.

The situation today is complicated by the difference between the AST concepts of the Europeans and the Americans. The Europeans, who naturally want to capitalize on their Concorde know-how to the full, are pushing for the least sophisticated plane, bigger (up to 250 passengers, versus 100) and quieter than Concorde, but still flying at Mach 2.2 and built mainly of aluminum. The range would be increased only from 3,700 miles to 4,000; that is, it would be an "Atlantic" plane, unable to fly nonstop from the U.S. West Coast to Japan.

In contrast, Boeing's concept is a highly advanced, all-titanium craft able to carry at least 300 passengers at up to Mach 2.7 for up to 5,000 nautical miles—a "Pacific" plane. McDonnell Douglas's design, also a Pacific plane, is pitched between the European and the Boeing concept: a part-titanium plane flying at Mach 2.2, carrying up to 250 passengers and with a range of 4,800 miles-plus.

Since the Europeans do not have the resources to go it alone, aviation experts believe they will probably come to terms with one of the U.S. concepts. Here their natural ally would be McDonnell Douglas, which would find the Europeans' SST know-how and data immensely valuable. Boeing, with its futuristic design, would find the European input less relevant. However, in marketing terms, including access to airports and purchases by European airlines, a big European role in the AST would probably be an overriding consideration for both U.S. firms.

Right now, the most vocal proponent of an accelerated AST program is McDonnell Douglas. Its own AST program, with forty engineers involved full time, is making good progress. Says Warren Kramer, corporate vice president, Europe: "We are pushing like hell in this because we think the time is ripe."

BREAKTHROUGH

Moreover, it is already working with the two European companies on a limited number of projects, and a major breakthrough came last year when, working in Britain with British Aerospace, it successfully field-tested its new engine nozzle design that sharply cuts AST engine noise. It has even gotten British Aerospace and Aerospatiale to define a set of common AST research and development programs on which they could cooperate, although the necessary funds are not yet available.

When will the final AST go-ahead come? Obviously, reaching trans-atlantic agreement on a single design and winning tripartite U.S.-British-French funding for technology validation and, later, full-scale production will take time. Britain's drive to curb public spending rules out more U.K. money at present. Nor has the U.S. Congress yet voted NASA the necessary increase in funds. So far, in fact, France has beaten the supersonic drum the hardest. The government has just received a highly favorable AST feasibility study from Aerospatiale, and it may well put more money into AST work. However, France's goal has been an all-European AST, and it is only just beginning to accept that U.S. involvement is essential.

But the world's "data bank" of AST technology is growing rapidly, swelled both by the findings of the aerospace industries and of governmental research establishments like NASA and Britain's Farnborough Research Centre. McDonnell Douglas, for one, believes that well within two years the accumulated evidence will be overwhelming that an AST can be built that makes good economic sense. At that point, the powerful U.S. airframe manufacturers' lobby will move into high gear, supported by powerful friends in Washington who already strongly favor the development of a second supersonic generation. And if the pro-AST forces win the political battle in 1980 or 1981, the allure of Europe's drop-nosed Concorde will have played a major role in that victory.—JEAN ROSS-SKINNER.

IMPROVING U.S. ECONOMIC PRODUCTIVITY

● Mr. BIDEN. Mr. President, productivity is clearly one of the pivotal issues determining the performance of the U.S. economy. In the March/April 1979 issue of the Harvard Business Review Prof. Campbell R. McConnell offers an analytical survey of a wide spectrum of approaches to this most important topic. I would like to share his views with my colleagues and with interested citizens. I therefore submit the complete article for printing in the RECORD.

The article follows:

WHY IS U.S. PRODUCTIVITY SLOWING DOWN?

If we can believe the evidence, the rate of productivity growth in the United States has declined markedly since the mid-1960s. The Council of Economic Advisers (CEA), for example, has found that the growth of output per labor hour, which averaged 3.3 percent per year over the 1948–1966 period, declined to 2.1 percent during the 1966–1973 period.[1] Official data for 1973–1977 indicate a further deterioration to 1.2 percent. And the U.S. Department of Labor has noted that all of the major noncommunist economies have had faster rates of labor productivity growth in recent years than has the United States.

One implication of this slowdown is that, since the growth rate of the average level of real wages and the growth rate of productivity correlate highly, our living standards will not rise as rapidly as they have in the past. Primarily because of our productivity slowdown the United States no longer enjoys the highest per capita gross national product in the world.

Another implication is that inflation may increase. A rapid rate of productivity growth would offset increases in labor wage rates and would thereby have an ameliorating effect on cost-push inflationary pressures.

Finally, the implication is that our international trade may be thrown out of equilibrium even more than it is now. By slowing down the rise in unit labor costs, a rapid rise in labor productivity would make U.S. output more competitive than it has been in international markets and would thereby have a favorable effect on our balance of payments.

EXHIBIT—INTERNATIONAL INDEXES OF LABOR PRODUCTIVITY, 1960–77

[Output per hour of manufacturing workers, 1967=100]

Year	United States	Canada	Japan	United Kingdom	France	West Germany	Italy
1960	78.8	75.5	52.6	76.8	68.7	66.4	65.1
1961	80.6	79.6	59.3	77.4	71.9	70.0	67.4
1962	84.3	83.9	61.9	79.3	75.2	74.4	74.1
1963	90.1	87.1	67.1	83.6	79.7	78.4	76.5
1964	94.8	90.9	75.9	89.7	83.7	84.5	81.5
1965	98.1	94.4	79.1	92.4	88.5	90.4	91.6
1966	99.6	97.2	87.1	95.7	94.7	94.0	96.0
1967	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968	103.6	107.3	112.6	106.7	111.4	107.6	108.4
1969	105.0	113.3	130.0	108.1	115.4	113.8	112.2
1970	104.5	114.7	146.5	108.6	121.2	116.1	117.8
1971	110.3	122.8	150.5	112.9	128.5	121.4	123.5
1972	116.0	128.1	161.0	121.2	136.8	128.7	132.9
1973	119.4	133.4	179.0	126.3	143.7	136.6	147.8
1974	112.8	135.6	180.3	127.6	147.8	145.0	155.9
1975	116.3	133.4	172.4	124.4	151.1	150.4	150.2
1976	124.2	137.8	194.8	128.7	165.3	162.8	161.5
1977	126.9	143.3	206.6	126.6	171.6	169.6	162.3

Source: U.S. Department of Labor.

Although there is widespread agreement about the occurrence of a slowdown in U.S. productivity growth, there is considerable controversy about its ultimate causes. It is my objective in this article to summarize several divergent views of what is causing this slowdown. I shall consider:

1. The "mainstream" position of the neoclassical economists.

2. The "war economy" argument associated primarily with Columbia University's Seymour Melman.

3. The "neo-Marxist" interpretation espoused by radical economists.

4. The "doomsday" stance derived from the writings of those who predict, and often advocate, an end to economic growth.

5. The "noninterventionist," or free market, perspective of the libertarian economists, who adhere to the doctrines associated with Milton Friedman and the University of Chicago school of thought.

Several caveats are in order. Each view is necessarily presented in attenuated form; no pretense of comprehensiveness is intended. Each author associated with a given view may acknowledge the importance of factors stressed in other interpretations of the productivity slowdown. My objective is only the modest one of summarizing; space does not permit a thorough evaluation of each viewpoint.

MAINSTREAM POSITION

The conventional wisdom of the neoclassical economists explains the rate of productivity growth largely in terms of changes in the stock of real capital relative to labor, changes in the composition and allocation of the labor force, improvements in human resources, and technological progress.

The Council of Economic Advisers, for example, attributes the productivity slowdown primarily to four factors.

Decline in the capital-labor ratios. The growth in the amount of capital employed

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Footnotes at end of article.

per manhour of labor has gone down. Capital per labor hour grew by 3.1 percent per year in the private sector during 1948–1966, declined to 2.8 percent per year during 1966–1973, and diminished further to 1.7 percent after 1973.[2] A prime cause of this diminishing growth, according to the CEA, is the increased participation of women in the labor force and the entrance of postwar baby boom members to the labor market. They have caused the work force to expand more rapidly than our capital stock.

Change in the demographic composition of the labor force: The proportion of young workers (those having less experience and training and thus lower-than-average productivity) has been increasing. Simultaneously, early retirements, undoubtedly prompted by liberalized social security benefits and the option to obtain those benefits at age 62, have removed substantial numbers of experienced workers from the labor force. The fact that the level of educational attainment in the labor force has been going up at a slower rate than in years past, says the CEA, no doubt reinforces the lowering of productivity.

Shift in labor from agriculture to industry: This long-term change has contributed to the rise of labor productivity. Despite an increasing rate of productivity in agriculture, its average level is below that of the economy as a whole. Given that agricultural labor is only 3.5 percent of the total labor force, the exodus of labor from agriculture has necessarily slowed down. The consequence is a slowing of the rate of productivity growth overall.

Progress in technology: The fourth factor the CEA considers important is the improvement we have had in the quality of capital goods and in the efficiency of ways to combine inputs. Although the relationship between research and development expenditures and productivity growth is not firmly established, the CEA assumes such a relationship exists and notes that, despite rapid growth over the 1955–1969 period, R&D spending has declined in real terms since 1970. Furthermore, R&D as a percentage of the gross national product fell from a peak of 3 percent in 1964 to 2.3 percent in 1975 and 2.1 percent in 1977.[3]

Bureau of Labor Statistics economists have offered a similar analysis. According to their calculations, annual productivity growth declined from 3.2 percent in the 1947–1966 period to 2.1 percent in the 1967–1973 period. Intersectoral labor shifts—primarily the slowdown of the farm-to-nonfarm shift—account for approximately one-fourth to one-third of the overall 1.1 percent drop in productivity growth. Changes in the age/sex composition of the labor force account for about one-fifth to one-fourth of the total decline. Only a very modest fraction of the decline—about one-tenth at the most—is attributable to voluntary changes in capital formation.

However, capital expenditures mandated for environmental and worker protection are more significant, accounting for approximately one-tenth to one-fifth of the productivity decline. The Bureau of Labor Statistics leaves the remainder of the decline either unexplained or attributed to the interaction among these factors.[4]

WAR ECONOMY ARGUMENT

In a series of books and articles, Seymour Melman attributes declining productivity growth and a host of related problems to the presence of an overly large military sector in the economy.[5] He marshals statistics showing a decidedly negative correlation between the percentage of GNP a nation spends on its military sector and the growth rate of its labor productivity. Japan's very high productivity growth, for example, is largely attributable to the fact that only a miniscule percentage of its national output is for defense. In the United States, productivity has fallen for two interrelated reasons, according to Melman.

Unproductive military sector: Melman argues that military production is inherently unproductive and wasteful in that it does not have any true economic use. War goods do not satisfy current wants, as do consumer goods; nor do they contribute to future production, as do capital goods.

According to Melman, "Whatever worth may be attributed to military products on other than economic-functional grounds, it is apparent that you cannot live in, wear, or ride an intercontinental missile or an antipersonnel bomb. Neither can such products be used for further production."[6]

The massive shifts of resources to the development and production of military goods have stripped the private sector of resources that are vital to prosperity and growth. To Melman, military production is parasitic, "weakening the host [civilian] economy that feeds it."[7] The relative decline of our steel, shipbuilding, and electronics industries and the deterioration of our public utilities and medical services can all be traced, he feels, to this resource shift.

Melman contends that in the early 1960s the relationship between the Department of Defense [DOD] and the producers of military goods changed. The buyer-seller relationship was transformed into one "fundamentally similar to the type of unit that has operated in central-office-controlled, multidivision, major manufacturing firms." That is, "the relation of the military-industrial firms to the single customer shifted from one of, primarily, seller to buyer towards that of sub-management to top management."[8]

The significance of this change lies in the fact that the DOD's economic interaction with military contractors has shifted the latter's decision-making processes from cost minimization to cost maximization. Defense procurement is largely based on what amounts to cost-plus contracts; hence, the higher the cost of a weapons system, the greater the profit to a company.

Another author, James M. Saurez, lends support to Melman's opinion: "If a private sector firm devises a lower cost method of production, it is rewarded with bigger profits. Defense contractors are not rewarded for cutting costs and may in fact be penalized. The defense firm's negotiated profits are a direct function of the estimated cost of the contract. Lower costs mean smaller profits. . . . A labor-saving capital investment can have particularly harmful effects on profitability. The cost-reducing plant and equipment will lower the expense base for determining profits."[9]

In short, the traditional market pressures that compel the private sector to use resources frugally do not, according to Saurez and Melman, exist in the military sector.

Countermechanization effect: Historically, a rising capital-labor ratio (i.e., the use of more real capital per manhour of labor) has been an important source of productivity growth. Rising labor and materials prices have induced cost-minimizing organizations to substitute capital for labor, thereby increasing labor productivity.

It is Melman's contention that the military sector has been responsible for reversing the historical relationship between the prices of capital and labor, so that the price of capital has increased relative to wage costs. The consequence has been a "countermechanization effect"—a tendency for labor mechanization to decrease and in turn for productivity growth to slow down.

The depletion of the civilian economy by the military sector has had an especially adverse effect on the critical machine-tool industry, Melman points out. Military production has been highly competitive with this industry, and the shift of R&D effort and technological manpower to the military sector has caused a sharp drop in productivity growth in the machine-tool industry. This drop has been reinforced to the extent that machinery-producing industries have become associated with military production and its cost-maximizing objectives.

In sum, diminished productivity and cost maximization, coupled with the ability to pass higher costs along to buyers via price increases, have caused machinery prices to rise more rapidly than industrial workers' wage rates.

This syndrome has in turn eroded the incentive to substitute capital for labor. Melman argues that the export of U.S. capital reinforces this whole process. As diminished productivity growth causes labor costs per unit of output to rise relatively in the United States, U.S. capital tends to flow abroad. Hence our domestic capital stock becomes increasingly antiquated, and productivity growth declines further.

NEO-MARXIST INTERPRETATION

Radical economists are inclined to associate diminishing productivity growth with worker alienation and discontent. Worker dissatisfaction in turn, they say, is rooted in the systematic stratification of labor processes and markets that has accompanied the maturation of capitalism.

Such segmentation simply means that labor markets and processes are divided into submarkets and subprocesses, each of which entails its own working conditions, behavioral rules, wage rates, degrees of employment stability, and promotion opportunities. It is the contention of the radical economists that labor market segmentation has evolved in large measure from the conscious strategies of capitalists.

The transformation of capitalistic society from one of handicraft production to one of factory production created the basis for a Marxian proletariat, as the radical economists see it. The evolution of factory production tended to create an unskilled, homogeneous, largely urban labor force, which Marx envisioned as the basis for a unified, class-conscious proletariat and ultimately as the means for the overthrow of the capitalistic system.

But the response of the capitalist class has been to stratify labor markets and labor processes. That is, monopoly capitalists have followed a divide-and-conquer strategy designed to undermine the unity of the labor class.

The development of large unskilled and semiskilled work forces has prompted large corporations to search for new forms of worker control. The ultimate result has been the "bureaucratic" form of the modern corporation, and for workers the effect of bureaucratization has been "to establish a rigidly graded hierarchy of jobs and power by which 'top-down' authority could be exercised."[10]

In the neo-Marxist view, the importance of the segmentation process is that it is accompanied by a proliferation of hierarchy, work rules, and worker supervision. Beyond some point, workers react adversely to this proliferation. Their reaction may take the form of absenteeism, work of poor quality, production slowdown, or, in the extreme, spontaneous walkouts and sabotage. In any event, one consequence of an alienated, disgruntled work force is a declining rate of productivity growth.

This sequence of events and the workers' resulting discontent have been exacerbated in several ways.

First, workers' priorities have been shift-

Footnotes at end of article.

ing away from bread-and-butter issues to the question of improving and controlling the character and content of their jobs. What accounts for the shift?

Through the efforts of labor unions, workers have been capturing a rising share of "surplus value" (profits). Furthermore, appropriate fiscal and monetary measures have mitigated the severity of the business cycle. As a result, what some call the "disciplining effect of material insecurity" has been reduced. Workers' desire to control their jobs and work environments can conflict with their employers' capitalistic interest in fostering rapid productivity growth.

The neo-Marxists' point is that labor's increasing desire to achieve worker control has been frustrated by the bureaucratization and segmentation of work processes and that this frustration has intensified the deterioration of worker morale and productivity.

Second, although workers have in the past 30 years realized higher levels of education than their counterparts in earlier decades, the character of most jobs today has not been adjusted for accompanying changes in workers' attitudes, values, and aspirations. A special task force of the Ninety-third Congress found that:

"Simplified tasks for those who are not simple-minded, close supervision by those whose legitimacy rests only on hierarchical structure, and jobs that have nothing but money to offer in an affluent age are simply rejected. For many of the new workers, the monotony of work and scale of organization and their inability to control the pace and style of work are cause for a resentment which they, unlike older workers, do not repress." [11]

Third, the capitalist response to the problem of declining productivity growth is to speed up production and/or to further fragmentize the work process. This response, it is argued, merely intensifies the workers' discontent and antagonism and thereby precipitates further declines in productivity.

As economist Howard M. Wachtel interprets these considerations, a fundamental contradiction emerges:

"Initially, capital responds with a larger dose of the same medicine, namely increased work supervision, hierarchy, and work speed-ups. But part of the problem is caused by the very character of the labor process under monopoly capitalism, which is characterized by work speed-up, hierarchy, and supervision. So the medicine of monopoly capitalism merely feeds the disease." [12]

This radical view has received some support from an unexpected source. Arthur F. Burns, former chairman of the Board of Governors of the Federal Reserve System, has suggested that growing worker absenteeism reflects "decided changes . . . in the basic work attitudes of employees." He has also noted:

"It is not at all clear that people actually perceive that lessened work effort inevitably must be reflected in the material benefits we as a people can enjoy. That linkage was inescapably evident earlier in our history—when, to a much greater degree than is now the case, men and women could literally see what their individual effort yielded in consumable products; but the linkage has been blurred as our productive and distributive mechanisms have grown in complexity." [13]

DOOMSDAY STANCE

In the past decade, an extended debate over the desirability and feasibility of further economic growth has occurred. The cornerstone of this controversy is the notion that resources are ultimately finite on "spaceship earth."

On the one hand, there is concern that we will run out of natural resources like oil, coal, copper, and arable land, which are critical to the productive process. On the other hand, there is fear that the increased waste that inevitably accompanies economic growth will overwhelm the absorptive capacity of the ecological system.

These problems are rendered even more complex by rapid population growth, which calls for expanded output and therefore puts increasing demands on both inputs and the environment.

Using elaborate computer models, the Club of Rome triggered a world-wide controversy with its conclusion that continued economic growth is impossible. According to its prognosis, the current growth paths of population, output, and pollution are on a catastrophic collision course:

"If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next 100 years. The most probable result will be a rather sudden and uncontrollable decline in both population and industrial capacity." [14]

Elements of such doomsday views can be readily reinterpreted as an explanation of the slowdown of American productivity growth. Bluntly put, labor productivity must decline because (1) the law of diminishing returns is, in some sense, applicable to all sources of productivity growth, and (2) society must redress certain imbalances generated by past efforts to sustain productivity growth.

Diminishing returns: Growth advocates put great faith in the ability of technological progress to offset the law of diminishing returns, but doomsdayers cite mounting evidence that the sources of productivity growth will be increasingly subject to this law.

Given the rapid expansion of world output, they say, it is inevitable that diminishing returns will become increasingly pronounced in the extractive industries, where only finite amounts of land and natural resources exist. In the past, the highest grade and the most accessible natural resources have been brought into production first.

However, further expansion of output will necessarily bring the lower grade, less accessible resources into use. In the case of the United States, domestic policies designed to reduce our dependence on foreign resources for energy will obligate us to use qualitatively inferior resources and will thereby hasten the productivity slowdown.

Until now, a substantial portion of our productivity growth has been derived from the increasing speed of our transportation and productive processes, but such gain is also subject to diminishing returns. In transportation, stepping up speeds requires disproportionately large increases in fuel input, on the one hand, and collision with constraints imposed by societal objectives like safety on the other.

Similarly, there may be biological limits to the speed at which workers can perform. Edward F. Renshaw, for instance, contends that "the age of spectacular advances in practical working speeds is rapidly drawing to a close. . . ." Even the offsetting effects of making machines larger and giving each worker more machines to control through automation have, according to Renshaw, inherent limits.[15]

The most significant—and perhaps the most controversial—component of the doomsday position is the pessimistic contention that the discovery of new knowledge may itself be subject to the law of diminishing returns. Renshaw argues that:

". . . there has been a significant diminution in the power of science and technology to counteract natural resource scarcity and propel our economy forward at a steady, exponential rate of growth.

". . . persons engaged in research and development may be finding it more difficult to discover and invent new products and productive processes which are unambiguously superior to older commodities and ways of producing goods and services." [16]

Renshaw feels there is substantial evidence for his view: despite abundant financial support, there has been an apparent slowdown in the rate of progress in medical science; space research has resulted in meager payoffs, and there has occurred a "profound technological depression" in the development of important new consumer goods. The critical point, of course, is that, if it is in fact subject to diminishing returns, technological progress will no longer offset declining labor productivity.

Living beyond our means: Doomsdayers also argue that in the past we have been living beyond our means in productivity growth and that we must now accept a lower rate of growth to redress our past prodigality. They say that, for example, in a variety of industries—in particular, petroleum and natural gas—we have kept productivity at high levels by drawing down reserves discovered in earlier years. If consumption (output) had been restricted to newly discovered reserves or if exploration and drilling (and hence inputs) had been increased to bring reserves up to consumption levels, past productivity in these industries would have been significantly lower. Society cannot live beyond its means in this fashion indefinitely. Now, as we seek to expand exploration to replace diminished reserves, productivity growth must necessarily decline, the limits-to-growth advocates assert.

They apply the same line of reasoning to the environment. Until recently, society has tended to ignore the adverse effects of production and consumption on the environment. As they see it, society has accepted the debasement of the environment as a "free input" in the production process, and this acceptance has kept productivity (the output-input ratio) high.

But the advent of environmental protection regulations is now forcing companies to include the inputs required for environmental protection in their production processes. Hence the output-input ratio, or productivity as currently measured, has diminished; the additional inputs needed to preserve the environment are included, while the resulting cleaner environment is not measured as a part of output.

Forced expenditures on pollution-abatement equipment divert investable resources from productive capital equipment per se. The result is a smaller and/or older stock of capital goods than would otherwise be the case and a subsequent decline in labor productivity growth.

The primary impact of antipollution laws, not to mention OSHA and oil price increases, has been concentrated on a small number of generally high-growth, high-productivity industries (e.g., petroleum refining, aluminum, industrial chemicals, and pulp-paper paperboard). The resultant higher costs imposed on these industries have necessitated price increases and redirected demand away from these high-productivity industries toward the products of other lower-productivity industries. The obvious result, doomsdayers say, is a decline in the aggregate rate of productivity growth.[17]

NONINTERVENTIONIST PERSPECTIVE

Free-market, or libertarian, economists contend that the private sector has been subjected to increasing intervention and control by the public sector. Although they believe there are legitimate economic reasons for some government interference in the market

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economy, such noninterventionists contend that in practice government activities and policies are frequently misguided, overextended, and inappropriate to the problems they are intended to resolve.

Relevant to the current discussion is the allegation that the unfettered free enterprise system comprises a powerful mechanism for productivity growth. According to the libertarians, the productivity slowdown is rooted in deviations from the traditional institutional and ideological characteristics of that system.

Perhaps the basic component of the free-market interpretation of the productivity slowdown focuses on the trade-off between equity and efficiency. In particular, it is held that government efforts to redistribute income have weakened the incentive to work. Edgar K. Browning, for example, estimates that for most American families effective marginal tax rates are approaching 50 percent, causing substantial deterioration of work incentives:

"High marginal tax rates are inimical to productivity in general, and not just to the amount of time people work. . . . The incentive to undertake job training or get a good education is weakened, since the student will get to keep only part of the higher income that a better education makes possible. Insofar as the return to savings is also subject to tax, the flow of savings, so important to economic growth, can be adversely affected by high marginal tax rates.

"Occupational choices can also be influenced: people will be led to take lower paying jobs that do not involve as much risk or responsibility. . . . Although it is convenient to conceptualize the problem by thinking in terms of work incentives, it should not be forgotten that the incentives issue really relates to productive activity in general." [18]

Many other facets of government intervention also have detrimental implications for productivity, the noninterventionists say. For example, government activity in the areas of pollution control and occupational health and safety have allegedly been pursued beyond their optimum points. These forms of government intervention require larger amounts of input to produce any given output and therefore diminish measured productivity growth.

Furthermore, according to Lewis A. Engman, government regulation of the so-called natural monopolies is counterproductive in that:

"Much of today's regulatory machinery does little more than shelter producers from the normal competitive consequences of lassitude and inefficiency . . . most regulated industries have become federal protectorates, living in the cozy world of cost-plus, safely protected from the ugly specters of competition, efficiency, and innovation." [19]

Similarly, labor unions are seen as government-sponsored monopolies that resist technological advances and other productivity-increasing efforts of management. Labor views such efforts as threats to job security rather than as sources of benefits to workers. In fact, regression analyses indicate that, for manufacturing industries, rates of productivity advancement and the degree of unionization are negatively correlated.[20]

The absolute and the relative growth of the public sector per se also contributes to the productivity slowdown. Specifically, the competitive pressures and incentives for personal gain that foster efficiency in private companies are largely absent in public bureaucracies. There is no tangible personal gain—no counterpart to profits—for the bureau chief who achieves efficiency within his own domain; there is no compelling incentive to be "productive" in the public sector.

Cynics argue that, in fact, a public agency that uses its resources inefficiently may be in line for a budget increase. In the private sector, inefficiency and monetary losses lead to the abandonment of certain outputs. But government, Peter F. Drucker contends, is loath to relinquish activities in which it has failed: "Indeed, the typical response of government to the failure of an activity is to double its budget and staff." [21]

This bureaucratic mentality means that public sector inefficiency may be sustained on a large scale. A related argument is that public programs tend to spawn new constituencies of bureaucrats and beneficiaries whose political clout causes programs to be sustained or expanded after they have fulfilled their goals or, alternatively, even if they have failed miserably in their mission.

At the level of macroeconomics, Milton Friedman contends that government policies have given rise to an inflation-prone economy.[22] The consequences have been manifold and adverse insofar as productivity growth is concerned.

First, inflation is conducive to business uncertainty and therefore to restrained investment spending. Similarly, inflation tends to divert resources from productive to speculative uses.

Second, the periodic application of restrictive monetary and fiscal measures to control inflation also has had a particularly adverse effect on capital formation and, hence, on productivity growth. Business profits bear a disproportionate burden of demand-restriction policies to the end that investment spending is retarded.

Third, the occasional use of incomes policies—wage-price guideposts and controls—to ameliorate inflation has the side effect of diminishing the efficency with which resources are allocated among vairous industries and companies. Effective guideposts and controls breed input misallocations and shortages, which adversely affect productivity.

To the libertarian, the solution to the productivity slowdown is as obvious as the cause. If the productivity problem is rooted in too much government, clearly the remedy is less government intervention and the promotion of competition.

SOME REFLECTIONS

This summarization of contrasting explanations of the productivity slowdown gives rise to several observations.

Measurement difficulty: Perhaps mainstream economists tend to concentrate on too narrow a range of factors in explaining productivity growth. The methodology of the neoclassicists' wisdom tends to shun less tangible, less measurable factors such as workers' discontent (the neo-Marxist view) or institutional changes the war economy and noninterventionist theses) in explaining the decline in productivity growth.

It is significant to observe that, after assessing the quantitative impact of a number of "conventional" factors in the productivity slowdown—the decline in the growth of capital per manhour, the real decline in R&D outlays, sectoral and demographic shifts in the labor force, and so forth—the Council of Economic Advisers admits that "the reasons for the slowdown are not fully understood at this time because the decline in productivity growth appears to be larger than the sum of the estimated effects of these factors." [23]

In short, it is precipitate of mainstream economists and policymakers to discount too severely the arguments contained within the less conventional views.

Policy complications: If each perspective on the productivity slowdown does embody some degree of validity and if the determinants of productivity growth are diverse, no simple, straightforward measures can be relied on to stimulate the rate of productivity growth. To the extent that the unorthodox explanations of the productivity slowdown are relevant, the task of policymakers is greatly complicated.

The orthodox, mainstream economists have a variety of apparently manageable and practical policies to recommend—for example, tax subsidies to accelerate capital formation and R&D spending by private organizations, increases in public spending for R&D, and subsidies for education and manpower development. But if the roots of the productivity problem lie significantly in fundamental changes in societal values with respect to work or in strongly entrenched institutional changes, then appropriate remedial measures are both less evident and decidedly more complex.

The future: Given the great divergence of views with respect to the causes of the productivity slowdown, it will come as no surprise that there is fundamental disagreement concerning its persistence. Generally speaking, mainstream economists are inclined to be somewhat optimistic, predicting a substantial improvement in productivity growth if not a return to the historical rate.

The Bureau of Labor Statistics in its aforementioned analysis anticipates that productivity growth will rise in the near future. It projects that productivity will grow by 2.4 percent per year over the 1973–1980 period and by 2.7 percent annually during 1980–1985. Although less than the overall postwar (1947–1973) figure of about 3 percent, these projections are obviously substantial improvements over the 2.1 percent figure of the 1966–1973 period.[24]

John W. Kendrick, in a 1976 report on productivitv trends and prospects, is also optimistic:

"Briefly, it appears that productivity advance during the decade 1976–1986 will be stronger than it was during the past decade, reflecting the cyclical factors and the mitigation of the negative effect of most of the factors depressing productivity growth after 1966." [25]

Supporters of the unconventional views appear to be less sanguine about the future. Doomsdayer Renshaw, for example, flatly asserts that "the prospects for further improvements in labor productivity . . . appear to be quite limited." He predicts that "real GNP per worker in the United States will never again increase by more than about 30 percent and that most of the remaining increase will occur in the next two decades." [26] The war economy and the libertarian views are tacitly pessimistic because they imply that rather profound institutional changes are requisite to a reversal of the productivity slowdown.

Productivity of the 'good life': Finally, I would be remiss not to recognize the view that the relationship between productivity growth and life at its best is quite loose. A permanent decline in the rate of productivity growth is not necessarily incompatible with a bettering of social welfare. Let us briefly consider two variants of this theme.

On the one hand, David P. Eastburn has dramatized the distinction between "economic man" and "social man." [27] Economic man is preoccupied with production, quantity, monetary values. work and discipline, and competition. Social man is concerned with distribution, quality, human values, self-realization, and cooperation.

Perhaps society, in some subtle fashion, is rendering a more or less conscious decison that "more" is not "better." A tacit consensus that social man should prevail over economic man may be emerging. A decline in productivity growth is an expected consequence of such a decision.

On the other hand, Staffan B. Linder has suggested that the growth of labor productivity may have harmed the overall quality of our lives.[28] As labor productivity has increased, time has become more valuable in the labor market or, stated differently, time

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devoted to pure leisure, cultural pursuits, and consumption per se has become more expensive.

As a consequence, Linder argues, we make an effort to increase the productivity of nonwork time in order to maintain an equilibrium with the growing productivity of work time. In leisure and cultural pursuits, this effort does not work, however, and these activities are simply allotted less and less time. We attempt to increase the productivity of time devoted to consumption by making consumption more goods-intensive or by consuming two or more items simultaneously. The result is a harried life-style and the unattractive deployment of nonwork time.

In short, Linder's point is that total affluence—an abundance of both goods and time—is a logical fallacy. One cannot reject out of hand the suggestion that more time and less output might improve the human condition.

FOOTNOTES

[1] *Economic Report of the President* (Washington, D.C., 1977), p. 45.

[2] Ibid., pp. 45–48.

[3] Ibid.

[4] Ronald E. Kutscher, Jerome A. Mark, and John R. Norsworthy, "The Productivity Slowdown and the Outlook to 1985," *Monthly Labor Review*, May 1977, pp. 3–8.

[5] Seymour Melman, "Decision Making and Productivity as Economic Variables: The Present Depression as a Failure of Productivity," *Journal of Economic Issues*, June 1976, p. 230; *Our Depleted Society* (New York: Holt, Dell Books, 1965); *Pentagon Capitalism* (New York: McGraw-Hill, 1970); *The Permanent War Economy* (New York: Simon and Schuster, 1974), and *The War Economy of the United States* (New York: St. Martin's Press, 1971).

[6] Melman, *War Economy of the United States*, p. 4.

[7] Melman, *Permanent War Economy*, p. 2.

[8] Melman, *War Economy of the United States*, p. 2.

[9] James M. Saurez, "Profits and Performance of Aerospace Defense Contractors," *Journal of Economic Issues*, June 1976, pp. 399–400.

[10] This section draws heavily on Howard M. Wachtel, "Class Consciousness and Stratification in the Labor Process," in Richard C. Edwards, Michael Reich, and David M. Gordon, editors, *Labor Market Segmentation* [Lexington, Mass.: D.C. Heath, 1975], p. 95; and on Michael Reich, David M. Gordon, and Richard C. Edwards, "A Theory of Labor Market Segmentation," *American Economic Review*, May 1973, p. 359.

[11] *Work in America, Report of a Special Task Force to the Secretary of Health, Education, and Welfare*, Ninety-third Congress, First Session [Washington, D.C., 1973], p. 16.

[12] Wachtel, "Class Consciousness," p. 119.

[13] Arthur F. Burns in a speech entitled "The Significance of Our Productivity Lag," May 14, 1977.

[14] Donella H. Meadows and D. H. Meadows, *The Limits to Growth* [New York: New American Library, 1972], p. 29.

[15] Edward F. Renshaw, *The End of Progress* [North Scituate, Mass.: Duxbury Press, 1976], pp. 35–40.

[16] Ibid., pp. 14 and 58.

[17] This point is the main theme of John G. Myers, Leonard I. Makamura, and Norman R. Madrid in "The Impact of OPEC, FEA, EPA, and OSHA on Productivity and Growth," *Conference Board Record*, April 1976, p. 61.

[18] Edward K. Browning, "How Much More Equality Can We Afford?" *The Public Interest*, Spring 1976, p. 95.

[19] Lewis A. Engman, speech before the 1974 fall conference of the Financial Analysts Federation, Detroit, Michigan, October 7, 1974.

[20] See John W. Kendrick, "Productivity and Business," in Jules Backman and Harold S. Geneen, *Labor, Technology, and Productivity* (New York: New York University Press, 1974), p. 131.

[21] Peter F. Drucker, "The Sickness of Government," *The Public Interest*, Winter 1969, p. 13.

[22] Milton Friedman, "Using Escalators to Help Fight Inflation," *Fortune*, July 1974, p. 94.

[23] *Economic Report of the President*, 1977, p. 45.

[24] Kutscher et al., "Productivity Slowdown and the Outlook to 1985."

[25] John W. Kendrick, "Productivity Trends and Prospects," in *U.S. Economic Growth from 1976 to 1986: Prospects, Problems, and Patterns*, vol. I (Washington, D.C.: Joint Economic Committee, 1976), p. 15.

[26] Edward F. Renshaw, "Productivity," in *U.S. Economic Growth from 1976 to 1986: Prospects, Problems, and Patterns*, vol. I (Washington, D.C.: Joint Economic Committee, 1976), p. 21.

[27] David P. Eastburn, "Economic Man in Conflict with His Economic Self," *New York Times Magazine*, July 26, 1970, p. 10.

[28] Staffan B. Linder, *The Harried Leisure Class* (New York: Columbia University Press, 1970).●

AIRCRAFT REPLACEMENT

● Mr. DOLE. Mr. President, I rise in opposition to the amendment of the Senator from New York.

One of the major provisions of this piece of legislation is the portion of title III giving the Secretary of Transportation the authority to waive, on a limited, case-by-case basis, regulations requiring retrofitting of noise control devices on existing aircraft. This waiver only applies if the aircraft operator has a plan for replacement of noncomplying aircraft and has entered into a binding contract for the replacement of the noncomplying aircraft. I think it would be shortsighted of the Senate to vote to strike those sections.

It is important that we encourage the major airlines to purchase the newer aircraft now coming on line. Air technology is advancing rapidly. These new engines easily meet the noise standards we are so concerned about, but they also provide other benefits not available from the retrofitting of old engines. They are safer, embodying the most recent developments in engine design, and they are more energy efficient.

The energy efficiency of these new engines is particularly significant in light of the aviation fuel shortages we have recently experienced. Air transportation is now a major component of our total transportation system. But as reliance on air travel grows, fuel shortages threaten to disrupt air schedules throughout the country. The new technology engines can go a long way in addressing this problem. These engines use 15 to 25 percent less fuel than current engines, a significant savings. Transport planes now in the planning stages will be even more efficient, using from 30 to 50 percent less fuel per seat mile than present aircraft.

I think it is important that we give our Nation's airlines an incentive for moving forward into the 1980's by purchasing these quieter, safer and more efficient planes. Airlines could still retrofit where it was practical, but they would not be required to work with the old engines when new engines would be more appropriate.

Noise reduction remains a central goal of our aviation policy. In the longrun it will be enhanced by sections 303 and 304 of this act. I certainly hope that the Senate will keep that in mind and vote to retain the aircraft replacement alternative.●

THE FEDERAL BUDGET

● Mr. DURKIN. Mr. President, the Senate has just completed action on the first concurrent budget resolution for the fiscal year beginning October 1 of this year. I think the Senate as a whole can be justifiably proud of the job that was done, for this resolution cuts the projected Federal deficit for this coming year substantially, and, more important, proposes a balanced Federal budget beginning October 1, 1980.

As my colleagues know, Congress is already on record requiring a balanced Federal budget beginning October 1, 1980. We passed legislation requiring a balanced budget last year, and it is now the law of the land. Passage of this budget resolution simply reaffirms that we in the Senate are serious about a balanced Federal budget.

As a result of our fiscal restraint, the budget totals that the Senate accepted were a good $11 billion in proposed outlays below the "lean and austere" budget that the President sent us in January. We can all take some justifiable pride in this result.

This resolution puts us on the road to a balanced budget in fiscal 1981, and by fiscal 1982, we should be heading for a surplus that will allow us to enact tax relief for millions of Americans.

This result has come about without in any way seriously affecting the programs that are vital to the Nation's defense or to its prosperity.

As many Senators know, I did not agree with all of the decisions made by the Budget Committee.

Some tinkering will necessarily go on as the Senate goes about the process of turning these budget targets into actual line item appropriations. Specifically, I am concerned about whether enough funding will be made available for alternative energy and for helping those in New Hampshire and across the northern tier who have such high energy bills.

Nevertheless, passage of the budget resolution shows that the Senate is willing to take the tough decisions necessary to balance the Federal budget. I commend Senators MUSKIE and BELLMON of the Budget Committee for their fine work, and want to urge them to continue to be diligent in their efforts to bring Federal spending under control.●

EULOGY TO MARVELLA BAYH

● Mr. DOMENICI. Mr. President, I would like to extend my condolences to the distinguished senior Senator from Indiana.

Someone once said that there will never be a generation of great men until there has been a generation of free women.

Marvella Bayh was no less.

Indeed, she stood as a symbol for that great triumph of pride, self-respect, and dignity which has characterized this modern age.

I very respectfully submit that Marvella Bayh extended into politics and economics all our highest creative and principled instincts.

And she did so with counsel that was rooted in the regeneration of all humanity.

The Senator has the very deep and heartfelt sorrow of my wife Nancy, and myself, in this, his period of grief.

Thank you, Mr. President.●

STATEMENT CONCERNING THE REFERRAL OF S. 673

● Mr. JACKSON. Mr. President, to clear up any possible misunderstanding regarding the jurisdictional responsibilities of S. 673, a bill to authorize appropriations for the Energy Department's national defense programs for fiscal year 1980, I want to restate the agreement between the distinguished chairman of the Committee on Armed Services, Senator STENNIS, and myself.

S. 673 was introduced at the request of the administration by Senator STENNIS and me on March 15, 1979. The bill was referred jointly to the Committees on Armed Services and Energy and Natural Resources.

Title I of that bill pertains solely to the research, development, production, and maintenance of nuclear weapons and is within the jurisdiction of the Armed Services Committee. The Committee on Energy and Natural Resources will not consider any authorization proposed in title I.

Title II pertains to those programs that have both direct military implications and potential civilian implications. These programs are: First, the inertial confinement fusion program, second, the naval reactor development program, third, the nuclear security and safeguards programs, and fourth, the naval petroleum reserves program. Programs in this title will be jointly considered by both the Armed Services and Energy and Natural Resources Committees.

Title III contains the general provisions and title IV contains the general authorization for fiscal year 1981 as required by the Budget Act. Both of these titles will be reviewed by the Armed Services Committee.●

THE FARM ENTRY ASSISTANCE ACT

● Mr. HEINZ. Mr. President, last month I introduced, along with 12 other Senators, S. 582, the Farm Entry Assistance Act. I have been in contact with the Pennsylvania State University on this legislation and recently received some excellent comments on the bill from Dean Beattie and Professor Madden of the College of Agriculture. These individuals are recognized national experts on the family farm and the structure of agriculture. I believe the ideas they express have considerable merit and are a positive contribution to the ongoing debate over the future of the family farm. Accordingly, I ask that Dean Beattie's letter and Dr. Madden's comments be printed in the RECORD.

The material follows:

THE PENNSYLVANIA STATE UNIVERSITY,
University Park, Pa., April 11, 1979.

Hon. HENRY J. HEINZ, III
U.S. Senate,
Washington, D.C.

DEAR SENATOR HEINZ: This is in response to your letter of March 15, in which you asked various members of the College of Agriculture faculty to comment on S. 533, the Family Farm Entry Program.

First I wish to commend you and the other sponsors of this bill, Senators Nelson, Stafford, and McGovern, for taking the initiative to address a very important social issue, the decline of the family farm in America. This bill is generally very well thought out. I hope the comments offered here will assist you in making the program accomplish the objectives you stated so well in the Congressional Record, March 8.

As you know, the College of Agriculture at The Pennsylvania State University includes both Extension staff located through the State, plus resident faculty located here at the main campus. Two of our resident faculty are widely recognized nationally as authorities on farm size, the family farm, and the structure of agriculture—Professors Dick Rodefeld and Patrick Madden. Both of these men have been spending a substantial share of their time in recent years on many of the issues raised in your statement.

Specifically, Dr. Rodefield devotes 85 percent of his time to research and Extension on the sociology of agriculture; and Dr. Madden devotes 83 percent of his time to research on small farms. Both of them were involved in a national conference recently held in Lincoln, Nebraska, where a series of state-of-the-arts papers were presented and discussed on topics relevant to the survival of the family farm in America. In fact, some of the issues you addressed in your statement were the subjects of papers prepared for that conference—a paper by Bob Spitze on the impacts of farm policies and programs on small scale family farms, and a paper by Charles Sisson regarding the impacts of taxation policies on small farms. As principal investigator of that national policy study, Dr. Madden could provide you with copies of those and other papers if you wish.

Now, regarding the specific provisions of S. 533, I am attaching a list of points you may wish to take into account in your further deliberations regarding ways to enhance the effectiveness of that program. These comments were prepared by Professor Madden at my request.

We hope you will call on us at any time if we can be of further assistance.

Sincerely,

J. M. BEATTIE, *Dean.*

COMMENTS ON S. 533, THE FAMILY FARM ENTRY PROGRAM

(By J. Patrick Madden)

As described in the March 8, 1979 Congressional Record, The Family Farm Entry Program is an excellent idea which deserves serious consideration by both the Congress and the Executive. The following comments are intended not to detract from the program, but rather to highlight certain considerations that should be addressed, either in amendments to the bill, or in the regulations to be developed after the bill becomes law.

1. Section 103 defines a family farm as one operated by an "individual." Presumably the intent was to include operation by a farm family, not just one individual.

2. The definition also calls for enough resources to provide "adequate" income in normal years. Presumably the matter of defining adequacy would be left up to the individual states. In general, adequacy of income could be determined by a subjective standard, such as the preferences of participating families or the officials who administer the program. Alternatively, an objective standard could be used, such as the Census Bureau's poverty line (currently around $7,000 for a family of 4); or if a more substantial level of income is intended, the median family income could be used (currently around $17,000).

3. The definition further stipulates that the farm must be small enough to be operated with no more than one person-year of outside hired labor. You probably will be asked to consider amending this limitation to stipulate this limitation as one person-year or hired labor, *excluding* labor required during peak seasons such as harvesting. This modification would permit substantially larger operations within the definition of family farm, in some types of farming such as fruits and vegetables which require large amounts of labor at certain times of the year. The sponsors of this bill may wish to leave this exclusion to the discretion of the states in designing and administering their programs.

4. The vast majority of small farms rely heavily on income from off-farm work to supplement their farm income. S. 533 is highly realistic in stipulating that the family farmer is "not precluded from working part-time." This is very important, particularly for the farmer just getting started who is faced with cash-flow problems. Frequently the income earned by the wife and/or husband in an off-farm job makes the difference between survival and failure of a small farm operation. While a full-time farm operation may be a highly desirable norm from a standpoint of legislators, policymakers, and the vast majority of family farmers, it may not always be possible for the new farmer to acquire enough land or other resources to put together a full-time operation. Also, given the physical and managerial demands of a full-time farm, the new entrant in many cases may do well to take it a step at a time, starting with a part-time farm and then growing to a larger size later if all goes well. Under these conditions, off-farm income is essential, at least in the short run, if not permanently.

5. Section 205 calls for creation of an agency to administer the program, and local advisory boards to participate in the administration. In designing their programs, states should have the option of utilizing existing agencies and advisory boards, if they feel these would be effective, rather than being required to create new ones. This option should be open to the states. For example, the type of agency a state might select to administer a program could include Farmers Home Administration, Community Action, state Department of Agriculture, Cooperative Extension (possibly in conjunction with Title V of the Rural Development Act) or a private non-profit organization with a proven track record for service to small farms. The essence of this suggestion is to refrain from requiring the creation of a new agency, when an existing public or private agency might be best suited to do the job.

6. Requiring that farms purchased or operated in the program must be "no larger than average family farms in the area," is an excellent idea, in areas where the average size of family farms is large enough to earn an "adequate" income. At present, this provision would be very difficult to administer because there is no data (in the U.S. Census or

elsewhere) that would indicate reliably and accurately the average size of family farms in a program area; nor does any data exist on the adequacy of income earned on the average size family farm. Perhaps by the time this program gets underway, data from the 1978 Census of Agriculture will be available in enough detail to facilitate administration of this section of the program. (Those data probably will be available some time in 1980.)

7. Sections 206 and 207 authorize the Farmers Home Administration to cooperate with the program, and the Secretary to review it periodically. However, as described in the Congressional Record, the program does not authorize any funds for administration. Such authorization would be highly desirable.

8. Funds should also be authorized for a systematic external evaluation of the program. Specifically, funds should be made available early in the operation of the program to set up the appropriate data collection and reporting systems, so that program impact can be assessed after a few years of program operation. This is essential to (1) continued justification of the program and (2) intelligent revision of the program to address problems encountered in the early stages. Unless evaluation is authorized explicitly, the periodic program review is likely to be little more than a series of grateful testimonials, with no real basis for determining whether the program is operating as intended by the Congress. Nor will there be any systematic basis for revising the program on the basis of ongoing experience.

9. Section 302 stipulates that the applicants must be entering full-time family farming for the "first time in 10 years." Some may argue that this provision is unfairly restrictive. It excludes, for example, young farmers who may have entered farming several years ago, struggled valiantly for survival, and failed because of an acute lack of credit (which would have been provided by the proposed Family Farm Entry Program). That is, the very absence of this program may be the reason why some small farmers may have failed. Presumably it would not be the intent of the proposed legislation to preclude those farmers from trying again. Their failure might not be an indication of lack of the necessary farming capabilities (as stipulated in section 101) but simply a case of severely limited capital. Perhaps the bill could be amended or regulations could be written in such a way as to take such situations into account.

10. In this same vein, hopefully the intent of the law would be to serve not only "new entrants" who are currently not now farming, but also part-time and full-time family farmers who need additional capital (as proposed in S. 533) to survive and grow to a size necessary to earn an adequate farm income. If the sponsors of this bill do not intend inclusion of the latter types of applicants, then the program would be unduly restrictive and unjust.

11. Section 302 indicates that the applicant must have a net worth under $75,000. The program summary states that this limitation is measured in 1978 dollars. Given the rapid rate of inflation we are now experiencing, a built-in escalator clause is absolutely essential if this program is to remain realistic. However, in measuring the net worth limitation in 1978 dollars, this automatically pegs the limitation to the Consumer Price Index. It is important to recognize that while the CPI is currently rising by about 10 percent a year, farm real estate prices in most parts of the United States are rising much more rapidly—often faster than 20 percent. For example, the USDA's Farm Real Estate Market Developments reports that in 1973–74, farm real estate prices climbed by 23 percent. Last year these prices increased by 14 percent nationally, while in five states the increase was 20 percent or more. Most of the credit to be provided by the program would presumably go for the purchase of real estate, machinery, and equipment. Trends in the index of wholesale prices of machinery and equipment are roughly parallel to those of the CPI. Rather than tying the net worth limitation to the CPI, perhaps a more realistic way to adjust for inflation would be to use a weighted average of (1) the state's Index of Average Value of Farm Real Estate Per Acre and (2) the wholesale price index of machinery and equipment.

12. The idea of deferring some portion of the early payments, as stipulated in Section 405, is to be applauded. Given the cash flow problems encountered by new farmers, this provision is highly realistic and should be retained.

13. Section 408 requires the state to appraise the land, to ensure against excessive land price inflation. Two points should be made with regard to this section. First, if the states are going to be required to conduct an appraisal, this is another reason why administration funds should be authorized within this program.

Second, and more important, the language and apparent intent of section 408 seems to recognize one of the most problematic economic realities associated with entry of people into farming, and the growth of very small farms into more adequate economic units, namely the rapidly rising price of land. To the extent that the family farm entry program increases the effective demand for land, and given the extremely inelastic supply of agricultural land, the program is likely to have an inflationary impact on land prices. This will provide a wind-fall gain to current land owners, and at the same time it will use up huge amounts of the monies appropriated for this program. And it will work a hardship on other small farmers trying to get bigger, who are unable to obtain the aid of the program. These aspects of the program should be monitored closely as part of an evaluation mandated in the act. The more effective this program becomes in increasing the land purchasing power of some of the farmers, the greater will be the pressure on land price escalation. This is not particularly encouraging, but it is one of the realities that must be faced in designing and administering this program.

14. Section 402 requires that, after the second default, the Secretary will take title to the land and sell to the highest bidder. What about tractors and other equipment purchased with the program funds? Presumably the Secretary would take title to equipment as well as land. Hopefully the regulations will be written in such a way as to protect the owner's equity in land and equipment, in cases of default and foreclosure.

15. One final comment—the most extensive suggestion is saved for the last. Section 502 stipulates that 75 percent of the monies authorized will be distributed in proportion to farm population, with the remaining 25 percent going to states whose program proposals are judged to be superior. That is, 75 percent would be what we would call "basic" funding, and the remaining 25 percent would be "merit" funding.[1] To qualify for its basic allocation, a state must have a program proposal approved by the Secretary of Agriculture. We would hope that rigorous standards would be used in evaluating a state proposal for this purpose.

"Merit" increases should be earned by a favorable performance as indicated by a scientifically credible evaluation, rather than on the basis of a pre-program assessment of the state's proposed program design, as now required by S. 533. Anybody can "talk a good game" in the proposal stage, but merit increases should go to those states that are actually performing a superior service to their family farms. The size of a state's merit funding should be proportional to its share of the nation's farm population, according to the most recently available Census data.

If a state does not qualify for its basic allocation, the money should be placed in escrow for a limited time (3 years) as a cumulative incentive, and awarded to the state if it submits a satisfactory program proposal. If a state does not qualify during the escrow period, the state should lose the escrowed funds, which should be added to the total available to other states for merit increases.

If a state does not qualify for a merit increase, those funds should be placed in escrow for a limited time (3 years) as a cumulative incentive and awarded to the state if a subsequent evaluation is favorable. If a state does not qualify for a merit increase during the escrow period, it should lose its claim to those funds, which, in turn, should be added to the total of funds available to the states for merit increases.

These suggested changes in the S. 533 funding mechanism are intended to provide a positive incentive, to make the states more responsive and more accountable for the success or failure of their programs.

In summary, the comments offered here are relatively minor and easy to accommodate. Essentially the program is on the right track, and if it becomes law and is adequately funded, it could contribute to the success of some small to moderate scale family farms. The administration of the program would not be without problems, including some mentioned here plus an indeterminate number of unanticipated problems. However, with careful monitoring and adequate appropriations this program could potentially become one essential part of a more comprehensive set of programs and policy changes needed to retain family farms as a permanent and viable feature of American agriculture.●

WAR CRIMES STATUTE

● Mr. BIDEN. Mr. President, I speak at this time in support of a resolution which I have been happy to cosponsor with Senator CRANSTON and others, calling upon the Government of West Germany to abolish or extend its statute of limitations governing the prosecution of war criminals.

Unless the West German Government acts, that statute will expire December 31, 1979, with the result that war criminals who were involved in the holocaust and other war crimes may permanently escape prosecution and may in fact find a haven, West Germany itself.

Mr. President, West Germany has already on two earlier occasions, in 1965 and 1969, extended its statute of limitations on war crimes to make certain that persons guilty of participating in the most heinous of crimes in modern history should not avoid prosecution for their misdeeds. Now, when there have been renewed efforts in the United States and abroad to identify these war criminals and to gather evidence concerning their crimes, it is still important that this statute not be allowed to expire.

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[1] Suggestions regarding basic and merit funding are adapted from the report, "The Essential Process for a Successful Rural Strategy," by John M. Corman and J. Patrick Madden. (Washington: The National Rural Center) Dec. 7, 1977.

Persons who were personally involved in the coldblooded slaughter of more than 6 million Jews and other Europeans of every nationality must not be permitted now to find a sanctuary in the very country in which those crimes were committed or originated. The West German nation has met its responsibility to prosecute these criminals for 30 years and we should join Israel and other nations who have called upon West Germany not to let the statute lapse now.

Within the past 2 years, there has been a worldwide effort to locate and prosecute war criminals who have thus far evaded justice. Here in the United States, the Department of Justice has established a special litigation unit specifically to direct investigations and prosecutions against suspected war criminals who are living in the United States. Failure to extend the West German statute of limitations on war crimes would undermine these attempts to track down war criminals and bring them to justice.

Mr. President, it may be argued that after three decades any further prosecution for crimes committed during the Nazi era in Germany amounts only to vengeance and serves no higher purpose. To such arguments I believe we may reply that a just vengeance for crimes of such magnitude has a place in the law. The revulsion of a civilized world against such an inhuman crime as genocide deserves its expression in the name of justice. That in itself is, I would argue, a high purpose.

But even beyond that purpose, Mr. President, there remains the still higher purpose of reminding the world of the enormity of the Nazi crimes and of renewing the vow among the community of nations that such crimes will never again be tolerated.

I ask my colleagues in the Senate, therefore, to adopt this resolution calling upon the Government of the Federal Republic of Germany to abolish or extend its statute of limitations relating to the persecution of war crimes.

If we are to avoid the possibility of other holocausts, future generations everywhere must know that crimes against humanity remain forever unforgiven.●

SOME ECONOMIC LESSONS STILL UNLEARNED

● Mr. TOWER. Mr. President, there appears to be a great deal of misunderstanding these days about the functioning of our free enterprise system. For that reason, I found an article written by Dr. James A. Byrd, entitled "Some Economic Lessons Still Unlearned," to be extremely interesting. Dr. Byrd is the economist for First International Bancshares in Dallas, Tex. His article appeared in the April 1979 issue of the Journal of Commercial Bank Lending.

As Dr. Byrd states in his article:

> There are a few basic lessons in economics which one would hope would have been learned fairly early in history. Then, these lessons could be passed on from generation to generation in updated form.

Dr. Byrd's article is an excellent statement on economic fundamentals. I ask that it be printed in the RECORD.

The article follows:

SOME ECONOMIC LESSONS STILL UNLEARNED

(By Dr. James A. Byrd)

A nation that marshaled its men, money, and machines to send men to the moon and back safely must surely have learned long ago the basic economic lessons necessary for high levels of production, income, and employment with a currency having a stable purchasing power. Right? Wrong!

In the field of economics, it seems that each new generation must start out by rediscovering fire and reinventing the wheel. I wish we could learn why it's apparently necessary to start over from scratch each decade or so.

There are a few basic lessons in economics which one would hope would have been learned fairly early in history. Then, these lessons could be passed on from generation to generation in updated form.

INFLATION

Inflation is a *monetary* phenomenon that is manmade and can be manunmade. From occasional reading and listening these days, the average layman has gained the erroneous impression that the list of the causes of inflation grows longer by the week if not by the day. In efforts to draw attention to themselves, some economists occasionally even compound the layman's confusion by adding *effects* to the "causes" list.

In truth, there is (and has always been) one basic cause of inflation: too much manmade money. Price increases that most people perceive as inflation are not really inflation at all but are the inevitable effects of inflation.

The cause of inflation has remained unchanged throughout the centuries. Kings and officials of other forms of government learned long ago how to create new money supplies by clipping coins and coining the clippings and by printing on special kinds of paper.

They still do it. But now they don't have to bother to coin gold or silver or to run the printing presses anymore. There's a more direct, less visible, more magical way: monetizing government promises to pay (otherwise known as government securities).

GOVERNMENT DEFICITS

There may be times when the running up of deficits by the central government is good, and there may be times when it is bad. There may be times when the running up of surpluses by the central government is bad, and there may be times when it is good. Deficits are expansionary and usually inflationary to the rest of an economy; surpluses are contractionary and usually deflationary to the rest of the economy.

Deficits usually don't make good sense when an economy is already operating at fairly high levels of productivity, income, and employment, especially when strong demand already has prices and wages under upward pressures. Such deficits are always covered by issuance of new government promises to pay, which when they are acquired by the central bank (the Federal Reserve) generate new money supply in the system. (This printing press makes no noise.)

Surpluses usually don't make good sense when an economy is already operating at fairly low levels of productivity, income, and employment, especially when weak demand already has prices and wages under downward pressures. Surpluses produce paydowns of outstanding government promises to pay and usually reduce money supply.

In essence, creating and increasing deficits in relatively good times cause new monetary inflation; creating and increasing surpluses in bad times cause deflation and aggravate recession.

WAGE AND PRICE CONTROLS

Freezes or government-administered restraints on prices and wages in an inflationary environment haven't worked in the past and are not likely to in the future. They are somewhat like turning up the flame under the kettle with the left hand and then trying to contain the steam in the kettle with the right hand. Sooner or later, the lid will blow, and everybody's hands will get burned. From our distorted experiences of only a few years ago, one would hope that our politicians and bureaucrats have learned this lesson. However, some recent rumblings out of Washington indicate that they apparently have not.

PROFITS

Profits is not a dirty word; it's a clean word. Profits make possible new long-term investments in plants and equipment to produce new goods and services. This is true, even in the U.S.S.R., although *profits* are not called that there.

Capital investment by U.S. business and industry is, in fact, among the lowest of the Free World nations as a percentage of national income. Rates of profitability are also among the lowest and are significantly lower than most Americans believe them to be.

To aid in increasing productivity, rates of profitability need to be increased so as to attract increased investment in new plants and equipment. What we seem to have been doing in recent years is making every effort imaginable to reduce profitability of business and industry and to place money in the hands of people who will spend it for consumer goods right away.

TAXES

One would think that to the extent that business has to pay the tax bills nobody else has to. The truth is that all consumers ultimately pay all the tax bills and all the other bills, too, for that matter. These costs do get picked up and passed along in increased prices. (If you've been reading from the beginning of this article, you should now be able to respond. "But, that's not the cause of inflation at all.")

MONETARY AND FISCAL POLICIES

There is a wild rumor going around that monetary and fiscal restraints haven't worked in the past and that we're going to need something else to counter or contain inflation in the future. Those giving circulation to this rumor conveniently fail to point out (1) that monetary and fiscal *stimulation* have worked in the past and (2) that fiscal *restraint* is as yet untried. They want us to go to an *incomes policy*—a neat euphemism for wage and price guidelines or outright controls, again, if you please, treating symptoms with sedatives instead of treating the disease directly. I say let's try fiscal restraint first.

UNEMPLOYMENT

We seem to like to continue whipping ourselves with the unemployment lash without recognizing that labor force changes in recent years have significantly altered the meaning of the data on employment and unemployment. It's not that we don't have unemployment of the hardcore variety; we do—in good times and in bad. But this kind of unemployment—a large part of which is made up of minority teenagers in major urban areas—simply cannot be reached with huge injections of Federal money into the national spending stream.

The truth is that our economic system has done a remarkable job of job-creating in recent years. Over eight million new jobs have been created in the current recovery-expansion sequence. The percentage of the labor force employed in fall 1978 was the highest in modern history.

Of last fall's *truly* unemployed, less than half were the same people who were unemployed a year ago. Meantime, the ranks of the *gainfully* unemployed (those on Federal government payment programs) have been growing.

When will we learn to deal in the real facts of economic life? Will we ever learn the basic lessons? Or, will we continue to fool each other with figures?●

DR. COMMONER ON THE ENERGY CHALLENGE

● Mr. McGOVERN. Mr. President, in the concern over the energy crisis, we have all but ignored every consideration other than the price of oil and gas. We have literally spent years struggling over the price of energy. The debate continues with the President's proposal to decontrol oil prices.

The high cost of energy preoccupies Congress for good reason. Energy price increases drive the engine of inflation. They have pushed up inflation in food, housing, and clothing ahead of the national rate. These constant increases put a damper on investment, siphon off precious capital from other uses; eat away at our standard of living.

But Congress has failed to recognize fully that the high cost of energy is a problem which involves more than controlling the price of oil and gas. It is a problem that will be resolved only as we replace depleting fossil fuels with renewable sources of energy.

Dr. Barry Commoner, an economist and scientist who combines his two professional perspectives with an unflagging concern for the public good, has treated this theme in two articles on solar energy in recent issues of the New Yorker magazine.

Commoner points out that "in the topsy turvy energy debate, the peripheral issues (price regulation, conservation) were propounded as though they were the heart of the matter, while the truly central issue of the shift to renewable energy sources remained separate, largely unconnected with the debate (on the President's energy plan.)"

Commoner's articles provide invaluable discussions of this "central issue." I believe that part of the barrier to the adoption of renewable energy technologies rests with the newness and the unfamiliarity of these technologies. People simply cannot envision quite what solar energy consists of, or how "biomass" would substitute for oil. Dr. Commoner's articles give concrete examples of farmers who have found ways of using crops to add to their own fuel supply, and to incorporate solar technologies to perform other tasks. We are more likely to understand what particular steps will help us get to a solar energy economy if we know what we are aiming at. We need more congressional discussion, more news coverage, more articles like Dr. Commoner's to turn the various renewable technologies into household words so that they can become household fixtures.

I therefore request to have printed in the RECORD for the benefit of my colleagues Dr. Commoner's articles, "Solar Energy—Parts I and II," from the April 23 and April 30 issues of the New Yorker magazine.

The articles are as follows:

THE SOLAR TRANSITION—I

For several years, the American people have been told but have not really believed that the United States, like the rest of the world, is in the grip of an energy crisis. The crisis is made up of a number of interwoven problems: that we are "running out" of domestic supplies of oil and natural gas, which together account for about fifty per cent of the energy that keeps the United States economy going; that the heavy reliance on imported oil makes the country vulnerable to a real or threatened embargo; that since 1973 the price of energy has risen dramatically, aggravating inflation, overburdening poor people with huge utility bills, and hindering new investments; that the scheme embodied in the Naitonal Energy Plan introduced by President Carter in April of 1977 to meet most of the country's increased demand for energy between now and 1985—by burning more coal and building more nuclear power plants—threatens the environment with the toxic fumes produced when coal is burned and with the radioactive material that might escape from malfuctioning nuclear power plants. The effort to resolve the energy crisis has largely been an attempt to reconcile sharply conflicting views of the best ways to deal with each of these problems—a kind of political balancing act—and it has so far failed to produce a coherent national energy policy.

The nation's energy problems were abruptly worsened on Wednesday, March 28th, when a pump failed at the Three Mile Island nuclear power plant, near Harrisburg, Pennsylvania. The pump's failure meant that hot pressurized water in the reactor cooling system overheated. The pressure in the system rose, opening a release valve. Next, the valve stuck open, and the reactor piping system lost so much water—this water ended up as a highly radioactive pool almost four feet deep on the floor of the reactor building—that it was unable to carry off all the heat generated within the reactor core. Under these circumstances, the intense heat within the reactor could, in theory, melt its fuel rods, and the resulting meltdown could carry a hugely radioactive mass through the reactor's floor—the so-called China syndrome described in a current film. After valves on the auxiliary pumps proved to be locked shut, the reactor's emergency cooling system, which is designed to prevent a meltdown, was automatically activated, but it was apparently turned off too soon, and some of the fuel rods overheated. This overheating produced a bubble of hydrogen gas in the top of the reactor. (The hydrogen is produced when the intense reactor heat splits water molecules in the form of steam into their atomic constituents.) There was concern that this bubble might block the flow of cooling water or, alternately, might contain oxygen in the right ratio to cause an explosion, disrupting the container that surrounds the reactor and releasing a deadly cloud of radioactive material into the surrounding countryside. Working frantically, technicians were able to reduce the size of the gas bubble gradually and cool off the overheated reactor. The danger of a catastrophic release of radioactive material subsided, but the sealed-off plant was so heavily contaminated that it is quite likely that no one will be able to enter it for many months—or, according to some observers, ever—without being exposed to a lethal dose of radiation. Some radioactive gases did escape from the plant shortly after the accident, prompting the Governor of Pennsylvania, Richard Thornburgh, to ask that children and pregnant women within a five-mile radius of the plant leave the area. Many other people decided to leave as well, and within a week many thousands of residents had departed, drawing money from the local banks and leaving state offices and a local hospital shorthanded.

The failure of the pump at the Three Mile Island nuclear power plant may have lost the entire nuclear-power industry in the United States. Moreover, the accident emphasized the vulnerability of the complex system that is embodied not only in the elaborate technology of a nuclear power plant but also in the national energy system itself. The tension that enveloped the country during the Three Mile Island accident reflected the fear that dangerous amounts of radioactive material might escape from the damaged plant, but it also reflected the fear that if—as Energy Secretary James R. Schlesinger insisted after the accident—the country could not produce enough energy without building more nuclear power plants, the possibility of future accidents would need to be accepted as the price of generating the energy on which the national economy depends. In sum, the country will now need to decide whether the dangers that are inherent in nuclear power with even the best of precautionary measures must be tolerated, because nuclear power is essential to the solution of the energy crisis, or whether we could, in fact, get along without it and eliminate these risks altogether.

Whatever the eventual fate of nuclear power, there can no longer be any doubt that the United States faces a severe energy crisis—a crisis that has come into being because the energy sources we rely on cannot be renewed. These fuels—not only uranium for nuclear power but also oil, natural gas, and coal—were laid down only once during the earth's history, in deposits that, however large they eventually turn out to be, are surely limited in total amount. As the fuels are used, we "run out" of them. But then we have been running out of oil ever since the first barrel was drilled, in 1859. President James Buchanan could have declared that we were running out of oil as truthfully as President Carter did when he noted in his 1977 address to the nation that "we are now running out of gas and oil," and said that solving the energy crisis would represent "the moral equivalent of war." What is also true and highly relevant as well is that with each barrel of oil taken out of the ground the next barrel becomes more expensive. Inevitably, as a nonrewable energy source is depleted, the cost of producing it—and therefore its price—rises progressively faster. It is this economic feature of nonrenewable resources like oil which causes a crescendo of trouble, mounting to a crisis. And yet, remarkably, this crucial fact has not been mentioned in the Administration's fearsome exhortations to us to guard against our "running out" of oil and other nonrenewable sources of energy.

A good deal is known about the relation between the amount of a fuel produced and the cost of producing it. The recent trend in the cost of producing domestic fuels in the United States was analyzed in a 1973 study made by the National Petroleum Council—a committee made up predominantly of oil-industry executives which advises the Secretary of Energy—and several government reports have developed it further. The results are quite consistent and clear-cut. They show that, even allowing for general inflation, the costs of producing oil, natural gas, and uranium increase at a progressively faster rate as more of these fuels are produced; therefore, so do prices rise. In this respect, nonrenewable resources are unlike many manufactured goods, which decrease in price as more are produced.

For example, according to the National Petroleum Council study, in order to achieve only an eighteen-per-cent increase in the annual production of domestic oil between 1970 and 1985 the selling price of the oil (in constant 1970 dollars), calculated on the basis of the expected production cost and a fixed rate of profit, would increase as follows: from three dollars and eighteen cents a barrel in 1970 to three dollars and seventy cents in 1975; from that figure to five dollars and sixteen cents in 1980; and on up to seven dollars and twenty-one cents in 1985. On a graph of these data, with the cumulative amount of fuel produced plotted on the horizontal axis and the price per barrel on the vertical axis, the line would curve upward at an ever-steeper angle. By mathematically extending the course of such a curve—extrapolating it—one can predict the future price of the fuel. Again leaving aside the effect of general inflation, we can see that if the trend continued domestic oil would cost fourteen dollars a barrel in 1995, seventy dollars in 2020, three hundred and eighty dollars in 2045, and two thousand dollars in 2070. These numbers made it clear that long-term extrapolation is likely to predict only an absurdity—as an extrapolation of the annual sales of black-and-white television sets in the United States between 1947 and 1957 predicted that the country would be literally knee-deep in television sets in 1990. Obviously, no such progression will continue indefinitely; to appreciate what it means, one needs to know how long it will go on. And to understand how long a present trend will go on one needs to learn why it has developed. In the case of oil and other nonrenewable fuels, the question is how their patterns of occurrence and production account for the present escalation of prices and how long these patterns are likely to govern the trend.

Why should the effort required to produce a barrel of oil—or the cost of that oil—rise so sharply as more and more oil is taken from the ground? It is helpful to think about this problem on a scale that is more familiar in personal experience. Imagine a wooded grove a few days after an autumn rain has produced a bountiful crop of mushrooms. A nearby farmer plans to harvest the crop and sell the mushrooms at a price that includes the cost of harvesting plus a margin of profit. Imagine, further, that no more rain is expected and all the mushrooms that the grove is likely to produce have grown up at the same time, so the total crop is limited in size. That is, it is a non-renewable resource. Also, like most things that grow in the wild, the mushrooms vary considerably in size and in accessibility, and therefore in the effort needed to find them and in the cost of gathering them.

Now the harvesting begins. The farmer is naturally eager to gather the most attractive mushrooms at the lowest possible cost, so that they can be sold at a favorable price, and on the first day he is likely to gather the biggest, best, and most accessible mushrooms. The next day, he will go over the same ground, but the most desirable, easily seen mushrooms are gone, and since no new ones have appeared, the farmer must content himself with smaller and less accessible specimens. In his search, he will be forced to do more work today than yesterday per pound of mushrooms collected. The next time around, the harvest will be even less rewarding. And so on. Each day, the difficulty of gathering mushrooms—and thus their cost—will rise more sharply.

The basic reason for this outcome is the interaction between the gathering of mushrooms and the composition of the standing crop from which the next mushrooms are gathered: the current composition of the crop—specifically, the proportion of desirable, accessible mushrooms in it—determines the effort, or cost, of gathering them, and, in turn, the act of gathering mushrooms changes the composition of the crop. As the crop is depleted, the cost of gathering another pound of mushrooms rises in a multiplicative progression—exponentially. At length, gathering more mushrooms will become so costly that no further effort will be warranted. In a practical, economic sense, the grove will then have run out of mushrooms, although in an abstract, physical sense a few mushrooms will remain.

This relationship, depending on both the limited size of the crop (nonrenewability) and the variable effort of harvesting individual units, contrasts with what happens when the farmer harvests a field of corn. Unlike those mushrooms, corn is cultivated, and the individual plants are essentially alike. In a well-ordered Midwestern cornfield, for example, each plant is likely to carry just one standard-size ear. When the farmer harvests the corn—starting, let us say, with the rows nearest the storage bins—the effort required per plant will increase as the harvest progresses to rows that are increasingly distant from the bins. But in this case the individual plants are uniform, so the act of harvesting them does not change the over-all composition of the crop; the standing crop, though it becomes smaller as it is harvested, still consists of the same uniformly one-eared plants. The two elements in the system—the harvesting and the composition of the crop—do not act upon each other, and so the increase in effort per corn plant harvested is only additive—that is, in direct proportion to the total amount harvested—rather than exponential.

Producing oil is like harvesting mushrooms: there is a strong interaction between the finding and producing of the oil and the structure of the "crop" of accessible oil fields that remain to be found. When the exploitation of American oil resources began in earnest, eighty years ago, the largest, best-yielding, most accessible fields were the first ones brought into production. The exploration and production costs were extremely low—only a few cents a barrel, even in terms of today's dollars. But soon the big, easily exploited fields were exhausted, and it became more costly to find and exploit the next-best ones. At first, when the costs were reckoned in pennies per barrel, their gradual rise was hardly noticeable. But now, after nearly a hundred years of exploitation, the cost per barrel is reckoned in dollars, and soon it will be reckoned in tens of dollars. The real meaning of the nonrenewability of an energy resource, then, is not that oil will become totally depleted but that it will become too costly to produce. We will exhaust not our oil but our ability to pay for acquiring it. As in a thoroughly harvested crop of mushrooms, some oil will still remain in the ground after the cost of bringing it to the surface has become prohibitive.

The exponential rise in the cost of a particular resource usually leads to the utilization of a less costly substitute. That is what happened, for example, when the United States depleted the vast herds of buffalo in the Great Plains, which had been an important resource. In that case, the escalation in price occurred toward the end of the nineteenth century, when the big buffalo herds were wiped out and the remaining animals became increasingly difficult to find: the cost of buffalo robes increased exponentially. At a certain point, they priced themselves out of the market, and other goods took their place. Although as a genus buffalo are an irreplaceable resource, as a source of food and clothing they are replaceable. The exponentially more costly process of killing them was brought to a halt simply by substituting other sources of food and apparel, which, incidentally, saved the genus from extinction.

Energy is different: there is no substitute for it. Work, whether it is provided by fuel-fed machines, by wind or water, by beasts of burden, or by people, must be done in every production process, and work is generated only by a flow of energy. There is no way to avoid this thermodynamic imperative. The labor of people or animals can substitute for inanimate forms of energy, but only in certain production processes. (The possibility of flying from New York to Rome in a vehicle powered by human or animal labor is essentially nonexistent.) Practically speaking, then, unless we are willing to forgo most of the advantages of modern industrial and agricultural production and transportation we must use some nonliving sources of energy. Unlike the buffalo, such sources of energy cannot be replaced in the economy as their prices escalate. And as long as we continue to depend on nonrenewable forms of energy the interactive process that exponentially increases their prices will persist.

This conclusion flies in the face of conventional wisdom, which puts the blame for the rapid rise in energy prices on the Arab nations (or, alternatively, on Israel, for opposing them). The usual explanation for the rising price of oil is that, angered by American and European support of Israel in the war with Egypt and Syria in October of 1973, the Organization of Petroleum Exporting Countries, led by the Arab nations, cut oil production, inducing a worldwide shortage, which enabled the cartel to raise the price from three dollars an one cent a barrel in the fall of 1973 to eleven dollars and sixty-five cents on January 1, 1974—an increase of almost three hundred per cent per barrel in less than three months. But although the price rise did take place, the facts that led to it are quite different. John M. Blair, in his detailed 1976 study "The Control of Oil," wrote:

> In reality, the embargo occasioned only limited and temporary dislocation. . . . There was no shortage of OPEC production in 1973. Indeed, in the period of the embargo—the fourth quarter of 1973—OPEC output turned out to be virtually the same as in the corresponding quarter of the following year, by which time the concern of OPEC (and the majors) had shifted to a potential surplus.

In fact, the real cause of the increased oil price lies in the United States, not in the Arab nations. In 1973, the Arab oil ministers were well aware that OPEC's largest customer, the United States oil companies, had announced in the National Petroleum Council report published that same year that the price of American oil, which had been declining steadily (in uninflated dollars) for almost twenty-five years, would need to begin rising along an exponential curve. The OPEC oil ministers' response followed the normal business practice—which many of them, like their American colleagues, had presumably learned at the Harvard Business School—that goods ought to be priced at what the market will bear. Clearly, if the companies that produce domestic oil were going to raise their prices, it made sense for OPEC to do the same. The Arab-Israeli war in October of 1973 only provided a convenient excuse. Then, in 1974, to help matters along, the United States oil companies also increased their rate of profit from eleven per cent on net worth over the years 1963 to 1972 to nineteen per cent in 1974, thus raising the projected price even higher. The actual price of American oil has in fact exceeded the predicted prices: for 1978, the National Petroleum Council report, published five years earlier, had projected an average domestic oil price, in current dollars, of seven dollars and ninety cents a barrel, and in June of 1978 (at a twenty-per-cent rate of profit) the actual price was nine dollars and five cents. It seems that well in advance of the embargo the United States oil companies were able to some degree to predict—or perhaps determine—how fast the price of domestic oil would rise. Thus, contrary to the conventional wisdom, the escalating price of energy, which is the only real evidence of an energy crisis, originates not with the greed or hostility of Arab shekhs but with a more fundamental force—the inevitable economic impact of the depletion of oil in the United States (abetted, to be sure, by the oil companies' deliberate increase in their rate of profit).

Because energy is used in producing all goods and services, any rise in its price drives up the cost of everything else. When the price of energy began to escalate in 1973, wholesale commodity prices soon followed. Before 1973, commodity prices had been inflating at the modest rate of about two per cent a year. After 1973, they took off: they went into double-digit figures in 1974, and after declining for a few years they are again running at a rate of about ten per cent. And consumer prices have not been far behind. The rising price of energy has been the driving force behind the rapid rate of inflation, which is now regarded as the most serious problem facing the United States. A reporter for the *Wall Street Journal* noted in April of 1977, when it was still possible to be somewhat lighthearted about the inflation problem:

> It's spring, a time for raising things—including prices. . . . There are more important factors than the season, of course. The most important are strengthening demand for many industrial products as the economy quickens, and a continued rise in production costs, particularly for energy and petroleum-derived feedstocks.

Inflation is a notorious evil: it reduces purchasing power, lowers the demand for goods, depresses production, and so leads to unemployment, and efforts to correct it are likely to cause an economic recession. But when inflation is driven by the rising price of energy this bad situation becomes much worse. The prices of goods that are especially dependent on energy are, of course, hit hardest by the rising price of energy, and, unfortunately, these energy-intensive goods include the three basic necessities of life; housing (which depends on the cost of fuel and electricity), clothing (much of which is now made from petroleum-based synthetic fibres), and food (which now depends heavily on fertilizers and pesticides, made from petroleum and natural gas). Any rise in their prices obviously puts a particularly heavy burden on poor families. According to a Federal Energy Administration analysis of 1975 consumer expenditures, families with annual incomes of less than eighteen hundred dollars spent about a quarter of their pre-tax income on energy purchases, while families with annual income of more than twenty-two thousand dollars spent only six per cent of their income in that way. If the price of energy should increase only a third beyond present levels—a much smaller rise than is expected in the next five years—without a corresponding increase in income the living standards of the poorest group of families would be reduced by more than eight per cent. When energy prices increase, everyone's standard of living declines, but the poor suffer most.

The rising price of energy has another particularly bad effect on the economy: it tends to hamper new industrial investments. When an entrepreneur invests in a new factory, he has to be able to predict reliably the long-term cost of the necessary production factors, including energy. This is how the rate of return on the investment is computed—the "bottom line" that determines whether or not an investment will be made. Since 1973, the price of energy has been rising at a rate unprecedented in the history of this country. Between 1964 and 1973, it increased at an average rate of three and seven-tenths percent a year; between 1973 and 1977, it increased at an average rate of twenty-two and a half percent a year. For the entrepreneur, the fundamental problem is in most cases he can pass that along (and sometimes a little more) to the consumer. What the entrepreneur cannot readily cope with is the high rate of increase in energy costs, for this sharply increases the uncertainty of all future prices. Between 1950 and 1970, when energy prices were stable, the entrepreneur could count on an accurate forecast of future energy prices in predicting the operating costs of a new enterprise. Now that energy prices are rising so rapidly, future prices are very uncertain, and the risk that a new investment depending on them may fail is greater. Such uncertainties contribute to the present slow rate of investment—which means that plants are not built and job opportunities are lost.

Another link between energy and the economy is provided by capital, which plays a major role in the economy—is, in fact, the basic prerequisite for the initiation of new productive activities. There have been frequent complaints from the business community that the present weakness of the economy is due in large part to the lag in new capital investment. Such a lag is an ominous sign, for a slow rate of investment in enterprises today means a slower rate of growth in productivity—and fewer job opportunities—tomorrow. Both the availability of capital and the willingness of investors to risk it in new productive enterprises are essential to the economy's health.

There is a close connection between the flow of capital and energy. Energy production is extraordinarily capital-intensive; that is, it demands much more capital relative to the economic value of its output than most other productive enterprises do. As a result, the energy industry is particularly vulnerable whenever raising investment capital becomes difficult. This has often occurred in recent years, and has been partly responsible for the abandonment or delay of energy projects that are especially capital-intensive, such as nuclear power plants and synthetic-oil and shale-oil projects.

The opposite connection is also important: the ways in which we now produce and use energy strongly influence the general availability of capital and, therefore, the rate of new investment, which depends on it. This is another consequence of the exponential relationship that governs the exploitation of a nonrenewable resource such as oil. As the resource is exploited and the oil fields that remain are deeper, smaller, and less accessible, more and larger drilling equipment and well installations are needed. This means a larger investment of capital per unit of oil produced According to a study published by the Bankers Trust Company in May of last year, even with a projected twenty-per-cent decrease in the annual production of natural gas and only a slight increase in the annual production of petroleum between 1976 and 1982, the domestic capital requirements of the oil and natural-gas industry in the United States over the same years are expected to increase by twenty-three per cent (in 1976 dollars). This agrees with an earlier study, conducted by the Federal Energy Administration, which predicted that the productivity of capital investment in domestic oil production (that is, the amount of oil produced per dollar invested) would fall by seventy per cent between 1974 and 1988.

Various ways of producing energy differ considerably in their capital productivity. The most recent analysis of this problem by the American Gas Association, which represents more than three hundred natural-gas-transmission-and-distribution companies, shows, for example, that to provide an additional quadrillion B.T.U.s—or one quad—of energy per year to residential and commercial users, an electric-power-plant system would require an investment about twice that required for a system based on natural gas, and that when it comes to industrial use there is about a three-to-one disparity between the capital required by the two types of energy system. The use of coal in industry is considerably more capital-intensive than the use of natural gas. The production of synthetic oil or natural gas from coal or shale oil is also particularly capital-intensive.

In sum, many of the harmful consequences of the nonrenewability of the energy sources on which we now depend are economic. The progressive depletion of the supplies of these energy sources results in an exponential rise in the cost of producing them, and therefore in their price. In turn, the rising price of energy intensifies inflation; reduces the standard of living, and that of the poor more than that of others; hinders new industrial investments and aggravates unemployment; and intensifies the shortage of capital. The end result is a serious threat of an economic depression. And an energy policy that relies on higher energy prices to govern its use and that emphasizes capital-intensive ways of producing such energy as coal (compared to oil and natural gas) and electricity, particularly from nuclear power plants (compared to the direct burning of oil and natural gas, will worsen these economic problems.

The National Energy Plan that President Carter offered to the nation back in April of 1977 proposed just such a policy. The plan, submitted to Congress two days after the President's address to the nation, was designed to raise domestic energy prices to match the highest-priced source—the world price of oil—and to keep them pegged to that price as it continued to rise. The plan proposed to counteract the regressive effect of higher energy prices on the poor by means of a system of rebates that would return the extra cost to consumers. But no such maneuver could obscure the fact that sharply rising energy prices would spread through the economy and aggravate inflation. The inflated prices of life's necessities, being undiminished by rebates, would still burden the poor; the uncertainty of future energy prices would hinder new investment, and industry would be less capable of creating new job opportunities; young people who might fill such new jobs—from twenty to forty per cent of them now unemployed—would be disappointed in that hope. The plan also placed a heavy and unproductive drain on available capital. It mandated a sharp shift from those forms of capital to those which are more demanding. The plan also required factories to shift from the burning of oil and gas to the burning of coal. The plan itself included an estimate that this shift alone would consume at least forty-five billion dollars—a huge investment that would yield no economic return to the industries and at the same time would prevent them from making more productive investments. Moreover, by increasing the availability of electricity (relative to the direct use of fuel), the plan would encourage those industries which are power-intensive—and which are therefore likely to use electric power to replace people, thus increasing technological unemployment. In sum, the National Energy Plan would aggravate rather than relieve the effects of the energy crisis: inflation, unemployment, lagging investment, and the threat of economic depression.

It might be argued that all these economic difficulties are the unavoidable cost of solving the energy crisis. This would be true if, as the Administration has held, the answer to the crisis were conservation, and the price of energy had to be increased in order to encourage conservation. However, the Administration's hypothesis is based on a misapprehension of the fundamental cause of the energy crisis. The crisis results from our reliance on fuels that are nonrenewable and are therefore certain to increase in price exponentially as long as we continue to produce them. To resolve the energy crisis, the cost of producing energy must be stabilized, and the only way to stabilize it is to switch from nonrenewable energy sources to renewable ones.

The use of solar energy, for example, would eliminate the interaction that drives the cost of a nonrenewable source exponentially upward. No matter how much solar energy is used on earth, the amount that emanates from the sun is not affected. When solar energy is used to grow a corn crop this year, the amount of sunlight available for future crops remains constant. Thus, the difficulty—and, consequently, the cost—of acquiring energy from a renewable source, such as the sun, does not change as the energy is used (except, perhaps, to decline as devices for acquiring and using it are improved). Unlike the graph relating the cost of producing a unit of nonrenewable energy to the cumulative amount produced, with its ever-steeper upward curve, the graph for a renewable source is a horizontal or a gradually falling line. If the energy crisis is to be solved, we must shift from the rising curve to the straight line; we must undertake the transition from nonrenewable energy sources to renewable ones. This the National Energy Plan failed to do, and by its failure it threatens to aggravate the energy crisis rather than resolve it.

The political sleight of hand that replaced what President Carter has called the National Energy Plan's "cornerstone" (conservation) with a "centerpiece" (natural-gas deregulation) is a particularly dramatic example of the confusion that has been the most consistent feature of the energy debate. The confusion has been pervasive, affecting not only the Administration's arguments but in some degree its opponents' as well. The battle over deregulating the price of natural gas, which determined the legislative fate of the plan, reflects this confusion. Senator James Abourezk, of South Dakota, and Senator Howard Metzenbaum, of Ohio, opposed deregulation on the ground that it would accelerate the rising price of energy and add to the economic burden on consumers—especially the poor. Although this view is well justified by the facts, it does not tell us how to meet the need for natural gas, and meeting this need is just as important to the nation as a stable price. Because natural gas is nonrenewable, the cost of producing it, and therefore its price, rises exponentially with continued production. Although profiteering inevitably makes matters worse as long as consumers must rely on nonrenewable fuels such as natural gas they face endless escalation in energy prices. Simply opposing deregulation offers no means of breaking this link between price and production. The same is true of energy conservation: it can reduce demand, and thus delay the price rise, but, again, the link remains, and the exponential rise in the price of energy continues.

The only way to solve the problem is to shift to sources of energy that we can keep on producing without forcing the cost of production upward. This is the issue that lies at the heart of the energy crisis, but none of the chief participants in the congressional debate on the National Energy Plan seemed willing to face it. At the same time, quite apart from the debate on the plan, Congress was in fact considering the two existing sources of energy that are renewable and could—in principle, at least—solve rather than delay the energy crisis; solar energy and breeder-supported nuclear power. But, curioulsy, the discussions avoided the crucial role that these energy sources might play in resolving the crisis. In the topsy-turvy energy debate, the peripheral issues (price regulation, conservation) were propounded as though they were the heart of the matter, while the truly central issue—the shift to renewable energy sources—remained separate, largely unconnected with the debate on the plan.

The discussion of the relative merits of solar and nuclear energy was also inverted. Solar energy, the oldest inanimate energy source exploited by human society (in the form of windmills, wood, sailing vessels, and agriculture), was usually regarded by the members of Congress as an impractical, esoteric product of advanced science. Nuclear power, which is indeed the product of advanced modern science, and is certainly a complicated way to boil water (the basic function of a nuclear-power reactor is to make steam to drive an electric generator), was regarded as an unchallengeable practical reality. This conventional view is reflected in the relative roles of nuclear power and solar energy in the National Energy Plan: nuclear power is supposed to meet about one-fourth of the new demand for energy between 1976 and 1985, and solar energy less than two percent. But events have stubbornly contradicted this approach and, despite the plan, the immediate, practical prospects for using solar energy have brightened considerably, while those for nuclear power have, of course, dimmed. Solar energy is emerging as a potentially creative force in the economy, while nuclear power has become an economic cripple.

The events that established the eminent practicality of solar energy began without publicity, in a seemingly insignificant, routine legislative event. The occasion was one of the numerous little-noticed hearings that are conduced by legislative committees in pursuit of their special responsibilities—in this case, the battle to help small businesses hold on to their share of the American economy. On May 13, 1975, the Senate Select Committee on Small Business, chaired by Senator Gaylord Nelson, of Wisconsin, began two days of hearings on the opportunities for small business in solar-energy research and development. In opening the hearings Senator Nelson remarked that the issue was encompassed in three questions: "Solar energy: How much can be converted to human use? How much can be provided by small business? How soon?" To which, Senator Nelson continued, the experts and government officials replied, "Not much. Not much. Not soon."

The senators heard testimony from small businessmen, energy experts, and government officials; numerous letters, publications, and reports were submitted for the record. Anyone with the time and the patience to read the more than four thousand pages of overdetailed and often self-serving testimony and related exhibits would be hard pressed to find any part of it that promised to seriously affect the course of solar-energy development in the United States. A seemingly typical routine bureaucratic exercise—under the heading "Statement of Donald B. Craven, Acting Assistant Administrator, Energy Resource Development, Federal Energy Administration, accompanied by Edwin A. Kuhn Acting Associate Assistant Administrator for Energy Conversion, F.E.A.; and Norman Lutkefedder, Chief, Solar Energy Branch Office of Energy Conversion F.E.A."—is recorded on page 413 of the hearings. Craven, in a statement that he had prepared fo the committee began with the customary invocation of the national interest: "The present energy situation requires broad, decisive and prompt government action to prevent continued erosion of our economic vitality." He continued with an evaluation of how solar energy might contribute to it: "Accelerated use of solar energy could allow a substantial savings in the nation's demand for fossil fuels by 1985." He then explained what the F.E.A. was doing about solar energy: "We are developing, implementing, and coordinating programs and policies to facilitate the accelerated utilization and widespread commercial application of proven solar-energy technologies."

At one point, Senator William D. Hathaway, of Maine, asked, "Mr. Craven, in your statement you indicated the F.E.A.'s involvement in solar activity. Could you give us an idea of the budget activity and the staff commitment for this effort?"

"I think I will have Mr. Kuhn speak to that, since he is really the supervisor of that effort," Craven said.

Kuhn then said, "Mr. Chairman, we have, in the office under Mr. Craven, two full-time professionals dealing with nothing but solar energy at this point."

In answer to the budgetary question, the F.E.A., which was absorbed by the Department of Energy in October of 1977, reported that in the fiscal year 1975 about two hundred thousand dollars was earmarked for contracts and interagency agreements having to do with research and development on solar energy. At that time, the federal budget for the development of nuclear power was about one billion dollars.

A casual reader of this record might conclude that the F.E.A. was making only a limited effort to develop solar energy. A reader better grounded in bureaucratic lore, and perhaps a bit cynical, might also conclude that the effort was just large enough to justify the inclusion of "Solar Energy Branch, Office of Energy Conversion" in the F.E.A. table of organization, as proof that the F.E.A. was doing something about solar energy. Given the size of the staff and of the budget, not much action to develop solar energy would be expected beyond, perhaps, further testimony at some future hearing.

But this time something happened. Craven's testimony triggered a chain of events which in two years produced persuasive evidence that solar energy could at once begin to resolve the energy crisis. There are in Congress some representatives and senators who appreciate the virtues of solar energy and are alert to opportunities to develop it. One of them, Representative Richard L. Ottinger, of New York, impressed by the F.E.A.'s claim that the agency could "facilitate the accelerated utilization and widespread commercial application of proven solar-energy technologies," introduced legislation that would require the F.E.A. to draw up detailed plans to support that claim. Ottinger's effort failed to win the approval of the House. However, Senator Gary Hart, of Colorado, and Senator Charles Percy, of Illinois, succeeded in attaching a provision similar to Ottinger's to the Energy Conservation and Production Act, which was signed in August of 1976. Section 110 of the act requires that the F.E.A. "develop the policies, plans, implementation strategies, and program definitions for promoting accelerated utilization and widespread commercialization of solar energy."

Confronted with this legislative order, the F.E.A. took steps to carry it out. A Task Force on Solar Energy Commercialization was set up, and within six months it had produced several reports showing how supposedly "impractical" solar technologies could become economically successful enterprises. The most spectacular achievement was a plan for reducing the cost of what is usually regarded as one of the more difficult solar applications—the direct production of electricity from sunlight. The task force's attack on this problem marked a sharp departure from the government's typical approach to the development of energy technology. The conventional approach is device-oriented. The basic idea is to start with some relevant physical principal—for example, that certain materials generate an electric current when they are exposed to sunlight. Then laboratory experiments are done to discover how the process is affected by various factors in the case of light-generated electricity, these would include the composition of the particular material, the effects of the color and the intensity of light and of temperature, and the efficiency with which light is converted into electricity. Following this "research" stage, the program would proceed to "development": small-scale devices would be built and tested to see how well their actual performance matched the theoretical expectations. Finally, in the "demonstration" stage, a full-scale device would be installed—on a government building, perhaps—and its practical performane monitored during different seasons and under different operating conditions.

In this conventional process—"R., D., and D."—economic questions are largely ignored until the end. The governing strategy is linear—scientific analysis, technological development, and demonstration proceed in that order, without consideration of how the final product might find a place in the national economy—because it reflects an assumption, now deeply ingrained in government operations, that the economic feasibility of a new device will be determined (after it has been through R., D., and D.) by the mechanics of the free market. That is, the actual production and use of a newly developed solar-electric device would depend on whether or not some entrepreneur believed that he could profitably invest in it. To yield a profit, such a device would need to be good enough and cheap enough to compete in the existing market for electricity. At the present time, virtually all the electricity generated in the United States is produced by large central power stations fuelled by coal, oil, natural gas, or uranium, and, according to the conventional approach, the commercial success of a new photoelectric device would depend on how well it could replace these fuels in driving such central power stations. It was this sort of analysis of the practicality of solar energy that had led the government's energy experts to tell Senator Nelson, "Not much. Not much. Not soon." What was needed, according to those experts, was more research in the hope that a "breakthrough" would yield a device capable of competing economically in the customary market for electric power.

The members of the new task force took a different approach. Instead of concentrating on the device, they looked at the market for electricity. They knew that a workable device for converting sunlight into electricity was already available—the photovoltaic cell. This consists of a thin, chemically treated slice of a crystal of silicon (the element that combines with oxygen to make common sand). The silicon wafer—a two-inch disc no more than a millimetre thick—is mounted on a metal base and covered with a metal grid. When light strikes the top surface of the wafer, an electric current flows between the grid and the base to what is known as the load—a motor, for instance. The device is silent and motionless; properly protected from the weather, it can last for many years.

In the early nineteen-sixties, photovoltaic systems were already in smallscale commercial production, mainly for the purpose of powering space satellites. By 1976, they were available on the open market at a cost—if they were bought on a large scale—of about fifteen dollars per "peak" watt of capacity (that is, the capacity of the device for producing electricity when the sun is at its noontime height on a clear day). Providing a typical home with fifteen thousand watts of capacity—about enough to supply the power needed in the home—would cost at least two hundred and twenty-five thousand dollars for the photovoltaic cells alone, and storage batteries would also be needed (so that power would be available at night and on cloudy days). In contrast, the capital investment needed for conventional central power stations was five hundred to a thousand dollars per thousand watts of capacity—seventy-five hundred to fifteen thousand dollars per household. As matters stood, photovoltaic systems were hardly commercial.

The task force set out to find a way of bringing photovoltaic devices into the market despite their high price at the time. It started with the fact that the existing market for electricity is not unform—that there are some uses for which electricity costs very much more than it does for typical domestic or industrial consumption. An extreme example is the dry cell used to operate flashlights, portable radios, and toys: it provides power at a cost of twenty to a hundred dollars, or even more per kilowatt-hour, compared to typical residential-electricity costs of three to ten cents per kilowatt-hour. Power from a photovoltaic device, even at its price in 1976, could compete quite well with power from dry cells. Today, in fact, a digital watch powered by a photovoltaic cell instead of by a depletable battery is on the market at a price of about seventy-five dollars.

Still, only a tiny part of the national production of electricity is generated by dry cells. A more significant part of the high-cost market is the electric power that electric generators driven by gasoline or diesel engines provide for use in areas remote from power lines. Such generator sets range in size from fifteen-hundred-watt gasoline-driven devices (these are sold mainly for use in summer cottages) to diesel-driven generators with capacities of many thousands of watts. Their prices range from twenty cents to a dollar a watt, and the cost of the electricity they produce ranges from eight cents to a dollar and sixty cents per kilowatt-hour. If the cost of photovoltaic devices could be cut by about two-thirds, they could, under certain conditions, compete effectively with generator sets and enter at least this part of the market for electricity.

One way to reduce the price of a new product is to expand production enough to warrant the introduction of large-scale, efficient factory methods. The domestic market for photovoltaic cells is still so limited, however (deliveries in 1976 amounted to two hundred and seventy thousand watts), that production methods remain small-scale and relatively inefficient. Getting photovoltaic devices into the market is a bootstrap problem: because demand is too low to support an efficient scale of production, the cost of the devices is too high to be competitive; demand is too low because the cost is too high.

The task force decided to find out if a well-established administrative ploy could break this cycle: a government purchase big enough to finance enlarged, efficient production facilities, which would bring the price down and thus open markets that could absorb an expanded supply. An example of this procedure is the development in recent years of the industry that produces integrated circuits—postage-stamp-size chips containing electric circuits sufficiently elaborate to operate complex computer systems. The industrial production of such units began in the early nineteen-sixties, based exclusively on Defense Department orders for military equipment. In that year, a hundred and sixty thousand units were produced, selling at a price of about fifty dollars each. By 1968, annual production had increased to a hundred and twenty million units, each selling at about two dollars and fifty cents. At that price, integrated circuits proved to be cost-effective in many nonmilitary applications, and these soon made up more than half of the total production. This was the start of the industry that has by now produced millions of low-cost hand calculators, digital watches, and computers for regulating everything from electronic TV games to assembly lines. The expenditure of public funds created a lively new sector of the private economy.

Perhaps encouraged by this example, the solar-energy task force turned its attention to the Department of Defense, and at once realized that it is one of the largest users of generator sets—for powering remote facilities such as radar stations, field telephones, and water-purification devices. It appeared that if the Defense Department decided to replace these units with photovoltaic systems, it might create a demand large enough to trigger a substantial expansion of the industry, thus reducing prices enough to warrant the substitution. The task force concluded an interagency agreement with the Army Mobility Equipment Research and Development Command (initially involving a transfer of some twenty thousand dollars) to analyze the potential market for photovoltaic systems. The command hired the BDM Corporation, of McLean, Virginia, to make a detailed inventory of the Defense Department's remote power-requiring installations and work out schemes for using photovoltaic cells to supply them. A survey showed that initially about one-fifth of the existing gasoline-powered generator sets could be replaced by photovoltaic units, with a total capacity of a hundred and fifty-two million watts.

The study then compared the cost of the existing generator sets and the potential photovoltaic replacements. The cost of operating a generator set was computed from the costs of fuel, routine maintenance, and major overhauls. The life-cycle cost of a photovoltaic unit was computed from its initial cost and its expected longevity, the fuel—sunlight—being free. Such comparisons showed what the break-even cost of a photovoltaic module was—the price at which a unit using such modules (a module contains anywhere from four to seventy-two photovoltaic cells) would, given certain conditions, be as economical as a conventional generator set of the same capacity. They showed, for example, that when the price of a photovoltaic module fell below ten dollars a watt the conventional fifteen-hundred-watt gasoline-module would be more economical than a driven generator set, but that in order to substitute economically for a five-thousand-watt gasoline-driven generator set, the photovoltaic module would need to cost less than three dollars and seventy cents a watt.

With this information in hand, the task force estimated the price impact of a governernment order for a hundred and fifty-two million watts of photovoltaic modules to be delivered over a five-year period. A year after the order was placed, photovoltaic modules would be available at a price of two and a half to three dollars a watt; after the third year, at about a dollar a watt; and after the fifth year at about fifty cents a watt. This projected reduction of the price to one-thirtieth of the existing price was not particularly remarkable. It resembled the curve already established by the industry that produced integrated circuits.

Then the task force prepared a Federal Photovoltaic Utilization Program, for the purchase of a hundred and fifty-two million watts of photovoltaic modules over a five-year period at a total cost of about four hundred and forty million dollars (in 1975 dollars). The modules were to be used to provide solar replacements for as many as one-fifth of the Defense Department's gasoline- and diesel-powered generator sets. The task force estimated that this investment could result in net savings of up to five hundred million dollars for the federal government over the twenty-year life of the cells.

This plan promised to do much more than have the government money. It would also trigger the creation of an industry capable of producing photovoltaic modules at a cost that could enable these devices, within a relatively short time, to invade a considerable part of the present market for electricity. A year after the start of the program, when, according to the task force's report, the price of photovoltaic modules would be down to two and a half to three dollars a watt, the modules would become economical substitutes not only for Defense Department generator sets but also for a number of remote power installations used outside the government, such as microwave-communication repeater stations and irrigation pumps. The market was estimated at eighty to a hundred million watts. And this demand would further expand the industry and improve production efficiency, and so help reduce the price even more.

After the third year of the federal purchase plan, when the price of photovoltaic modules reached about a dollar a watt, the modules would become economical as replacements for conventional street, highway, and parking-lot lighting. A good deal of the present cost of such lighting is represented by the cables that link the lights to power lines—and, of course, by the power itself. Photovoltaic units would eliminate some of these costs. During the day, the electricity generated by the cells would charge a storage battery housed in the base of the unit; at night, the stored power would be fed into the lamp. There is a potential market for sixty to ninety million lighting units of this type, requiring as much as a hundred billion watts of photovoltaic cells. (For comparison, a typical nuclear power plant has a capacity of a billion watts.) When photovoltaic modules were priced at a dollar a watt, solar units would also become competitive with conventional units for emergency and warning lights at airports and marine installations; for power units used to protect pipelines and well casings from corrosion; for pumps used for irrigation and similar purposes in developing countries, where power grids are lacking; for diesel-driven power generators ranging in capacity from fifteen to five hundred kilowatts. These applications represent a total market for nearly a hundred and fifty thousand million watts of photovoltaic modules per year. Even a small part of this market would sustain a considerable further expansion of the industry, and greater reductions in price.

Finally, after the fifth year of the proposed plan, with the price down to fifty cents a watt, photovoltaic units would begin to compete with conventional systems for residential power, first in the sunny Southwest and gradually nearly everywhere in the country. This would open up a market estimated at five hundred billion watts, and would thereby establish photovoltaic energy as an important source of the nation's electric power.

One of the astonishing features of the plan is that the technical improvements in the production of photovoltaic cells which are required in order to achieve these sharp reductions in cost are almost ludicrously simple. In manufacturing photovoltaic cells, sand is extensively purified and formed into a cylindrical silicon crystal two to four inches in diameter and as much as two feet long. This ingot is then sawed into wafers about half a millimetre thick. The silicon crystal is extremely hard, so the saw blade must be very strong and therefore rather thick. As a result, about half of the silicon ingot is lost as sawdust, and the wafers are thicker than they need to be. One of the big advances proposed by the manufacturers for bringing down the price of photovoltaic cells is to replace the single thick-bladed saw with one made up of five thin blades—which together are as strong as a single thick-bladed saw. With this modification, instead of producing one wafer from each millimetre of ingot it would be possible to produce three or four thinner ones—a considerable saving of silicon, which is very expensive. Some measure of the novelty of this "breakthrough" can be gauged from the fact that a similar technique has been used in the Italian marbles industry for many years.

The photovoltaic price-reduction program is a powerful answer to the common complaint that solar technologies are not now economically competitive in the conventional market for energy, and only new research breakthroughs can make them competitive. The answer was found by turning the problem around: What is to be improved is not the device but the market. The minimal entry provided by the discovery of a segment of the over-all market in which photovoltaic cells can already compete can become an economic lever that, by reducing the price of the cells, will open up new parts of the market—and so on. The process is self-propagating: once it begins, the industry expands, prices fall, and the market for conventional electricity is further invaded. This sequence of events continues automatically—once it is started by a government purchase.

It is not surprising that such outside intervention should be necessary. Private entrepreneurs are usually unwilling to risk an investment in an industry before they are reasonably certain that there is a market for its product. If the market is only a hope that depends on the successful development of new or expanded production techniques, the enterprise is too risky to compete with more conventional ones, and the investment is not likely to be made. As happened in the case of the integrated-circuit industry, the private economy can benefit considerably from innovative techniques, but only after the government—using public funds—makes the initial investment.

Despite its promise, the proposal for a federal photovoltaic-purchase plan suffered a strange fate. It might seem to be an idea whose time had come, fortuitously coinciding with the start of an Administration that had pledged, as its first major effort, to create a national program that would resolve the energy crisis. But the only reference to this opportunity in the National Energy Plan was limited:

> Photovoltaic systems, using cells developed in the space program, are economic today for certain small, decentralized applications. These systems have a potential for dramatic price reductions that would make them economical for a broader range of applications. Increased funding is proposed to accelerate the development of economic photovoltaic systems.

Nevertheless, as a result of actions in both the House and the Senate—actions that the Administration opposed—a federal photovoltaic-purchase plan has been included in the National Energy Act, which Congress passed in October of 1978. It involves ninety-eight million dollars rather than the four hundred and forty million that would have been required for the purchase of a hundred and fifty-two million watts. The smaller purchase will not do as well as the larger one in reducing the price of photovoltaic cells—it will probably bring the price of photovoltaic cells to a dollar a watt after five years instead of after three. Still, it might enable photovoltaic cells to break into the market for electric power, which is now the exclusive domain of conventional power plants, and so begin the transition to solar energy.

Wind—a flow of air displaced by the upward movement of air masses heated by the sun—is another form of solar energy which is almost ready for commercialization. Wind machines, which, in the form of windmills, were once a familiar part of the rural landscape, were largely abandoned when power from rural electric cooperatives, became available, and until recently there was little interest in improving or building them. In the last few years, however, wind-machine design has been considerably improved, and an industry to produce wind-driven electric generators has been revived.

In response to its congressional mandate, the solar-energy task force commissioned the Mitre Corporation, of McLean, Virginia, to study the commercialization of wind-turbine generators. Although the Mitre report is much less detailed than the photovoltaic study, it does show how wind energy can be used at economically competitive costs, beginning almost at once. Federal expenditures of two to three billion dollars a year could result in a wind-energy program with an annual capacity of about twenty billion watts by the mid-nineteen-eighties, and about a hundred thousand million watts by the year 2000. The average capital cost would be about five hundred and twenty dollars a kilowatt—well below even the present cost of either a nuclear or a coal-fired power plant. The program could save as much as three hundred thousand barrels of oil a day in 1985 and more than two million a day in 2000.

As in the case of photovoltaic cells, the successful commercialization of wind generator depends on their being fitted into an economically competitive niche in the present market for electricity. Although wind power does avoid the familiar objection that solar energy is not available at night or in cloudy weather, it too, is intermittent. Therefore, a wind generator, like other solar devices, is most useful when it is linked to a storage system. Although this linkage adds to the cost of wind-powered equipment and so reduces its competitive position, there are ways around the difficulty.

One way to store energy is to use the original power source to pump water uphill; when energy is needed, the stored water is allowed to run down through a hydroelectric generator, producing electricity. This technique—pumped storage—is increasingly used by electric utilities to store excess electric power that is generated during periods when demand is low. A good way to minimize the cost of wind-generated electricity is to connect a wind machine to the transmission network of a hydroelectric plant that includes a pumped-storage system. Then, with little added expense, power can be used during windy periods to pump water up into the reservoir, adding to the conventional hydroelectric plant's reserve of power. Such installations—at, for example, the Bonneville Dam—would provide a way of providing electric power from the sun which would already be cost-effective.

Certain parts of the United States—such as the Pacific Northwest—where there are many hydroelectric installations are also rather windy. A study carried out by scientists of the Department of the Interior's Bureau of Reclamation has determined that the integration of wind-electric generators and pumped-storage systems in seventeen Western states could produce well over a hundred billion watts of electric power—an amount equal to the output of a hundred large coal- or nuclear-powered generating plants—which could be delivered at a cost competitive with the expected cost of power from such power plants that were newly built. And since the cost of the wind-generated power would remain about the same over time, while the cost of conventional power would continue to rise exponentially, the economic advantage of the solar source would be bound to increase.

But again government intervention is needed. The Reclamation Bureau scientists point out, "Bringing windpower to economic maturity will require commitment of major quantities of capital in advance of expected earnings . . . [and] the past history of innovation suggests that the height of this capital barrier delays commercialization long past the time when it is technically competitive." Experience shows that "commitment of major quantities of capital in advance of expected earnings" can be made only with public funds. Thus, the generation of electricity from wind, as from photovoltaic cells, is both technically feasible and economically competitive. It awaits only the investment of funds that are committed to a long-term social return rather than to short-term private gain.

A third form of solar energy—direct heating of water and buildings—did not require so much research to establish its commercial readiness. This had already been worked out by an early study at the Center for the Biology of Natural Systems (of which I am the director) at Washington University, in St. Louis, and by more elaborate studies commissioned by the National Science Foundation, the Joint Economic Committee of Congress, and the Energy Research and Development Administration. Here, too, the solar technology will become economically competitive only if it is properly integrated into the market—that is to say, in this case, into the present system of water and space heating and the present pattern of financing buildings. Both in existing buildings of conventional design and in new buildings designed to take advantage of solar energy, the solar source is used to maximum advantage when it is combined with the conventional one in a single system. The combined system is more economical than either one alone. When sufficient sunlight is available to balance the outside temperature, all the needed energy can be supplied by the sun. And on very cold or cloudy days, when sunlight is too weak to balance the outside temperature, the system can operate partly or entirely on conventional fuel. In the first situation, the combined system substitutes free sunlight for expensive fuel or electricity, and in the second it substitutes conventional energy for a costly expansion of the solar-powered system. In parts of the country, such a combined system is already competitive with conventional electric-resistance heat, and as prices continue to rise it will eventually be competitive with natural-gas and fuel-oil heat.

In a conventional system, the initial cost of the equipment is relatively small—in a typical one-family home, two to four thousand dollars for a furnace and somewhat less for electric-resistance heating—but the householder then faces the relentless escalation of fuel costs into the future. In a solar-powered system, the initial cost is high—ten to fifteen thousand dollars for a home in the central United States—but the fuel is free and, apart from maintenance, there is no cost for the heat. Moreover, the fixed capital cost of the solar-powered system is usually converted into an annual cost by means of a mortgage, and so is represented by periodic fixed payments on the principal and interest.

According to a study published in November of 1976 by the Energy Research and Development Administration, such a combination of solar and electric water- and space-heating systems would today be economical (in comparison with electric-resistance systems alone) in twelve of thirteen representative American cities. (The exception is Seattle, where solar collectors cannot compete with the low cost of hydroelectric power, but then hydroelectric power is itself a renewable solar source.) A similar study prepared for the Congressional Joint Economic Committee analyzes the feasibility of introducing combined solar and conventional systems between 1976 and 1990 on a state-by-state basis, under certain conditions. The economic feasibility of residential space heating would begin in the Northern states (where conventional fuel costs and yearly heat requirements are high) and move southward with time. In 1976, it was already economically advantageous to add solar heating to an existing electric-resistance residential-heat system in twenty-six Northern and Central states. By 1985, with the continued rise in the price of conventional fuel, the area of feasibility would extend to Idaho, California, Kansas, and West Virginia; and by 1990 to Nevada, Oklahoma, Arkansas, Alabama, Kentucky, and North Carolina. It is out of the running in the state of Washington (which is poor in sunshine and rich in cheap hydroelectric power) and in such states as Louisiana, Mississippi, and Florida (which need too little heat to justify the added investment). The market for residential heating is huge, so even if it is only slightly penetrated by solar-powered systems, solar costs are likely to fall appreciably, improving their already significant economic advantages.

While there is substantial evidence that certain forms of solar energy (heat from solar collectors, and electricity from photovoltaic cells or windmills) either now are or within a few years will be economically competitive with conventional sources of heat and power, even the most ardent supporters of solar energy have doubted whether it could soon be available economically in the other important forms—gaseous and liquid fuels. These fuels are crucial to the effective operation of a national energy system: liquid fuels are essential for airplanes and for heavy land-based vehicles, such as tractors and construction equipment, that cannot readily be electrified; gaseous fuels provide an important means of transporting energy and, by their use in cogenerators (which produce both heat and electricity), a major way of saving energy. Liquid and gaseous fuels are most readily obtained from the oldest form of solar energy—the organic matter produced photosynthetically by green plants—but, paradoxically, this is probably the form of solar energy that has been least developed.

The biological basis for this form of solar energy is, of course, well known: when plants absorb sunlight, the light-driver photosynthetic system uses part of the absorbed energy to convert carbon dioxide, water, and other inorganic substances into organic compounds. This is the origin of all natural organic matter: in the tissues of animals and plants; in their organic constituents, such as protein, fat, starch, and cellulose; in animal manure and urine. All these materials represent trapped solar energy that can be released and used—for example, by burning them. They can also be converted into more versatile fuels—for example, by distilling alcohol from grain or fruit that has been fermented by yeast, or by capturing the methane (the fuel of natural gas) that bacteria generate from manure, sewage, and garbage. When alcohol and methane are properly burned, they produce no pollutants; both can be used to run internal-combustion engines. They can be created by old and relatively simple methods. Alcohol can be made fairly efficiently in either the customary moonshiner's still or the whiskeymaker's factory. As for methane, more than four million simple generators have been built in villages in India and China to produce that fuel from animal manure and human sewage. Such sources of solar energy are not appreciated by some energy experts. During a recent visit to China, for example, Energy Secretary Schlesinger is reported to have remarked of wooden "honey buckets," which are used to collect human excrement for methane generation. "The only way to get energy out of those things is to burn them."

American interest in these sources is recent but is developing fast. Farmers are, after all, the last of our true entrepreneurs, alert to new developments and often eager to take advantage of them. They have been painfully aware of the rising price of the fuel and the electricity they buy, and have begun to generate energy sources on their own farms, from their own products. A good example is what Archie Zeithamer has recently done. During the summer of 1978, Zeithamer began to build an alcohol plant on his five-hundred-acre dairy farm, near Alexandria, Minnesota. With the help of his family and several neighbors, he assembled the plant from two four-thousand-gallon steel tanks (bought second-hand from a company that installs underground storage tanks), concrete block, sundry pipes, three pumps, and two motors. In October, the first batch was started. Corn, grown on the farm, was ground, mixed with water, and warmed, to break up the grains (using solar energy: a wood fire); enzymes were added, to convert starch to sugar; the mixture was fermented by yeast, and yielded mash, from which the liquid was separated. When the fermented liquid had been distilled (again by the use of a wood fire), Zeithamer had about three hundred gallons of hundred-and-sixty-proof—eighty per cent—ethyl alcohol. The grain residue of the mash was fed to the dairy cows and chickens. The entire project cost sixteen thousand dollars, of which six thousand was for the building to house the equipment. Zeithamer expects to produce seventeen thousand gallons of hundred-and-sixty-proof alcohol a year, which at current prices would sell for about twenty thousand dollars—a remarkably good return on his investment. About half of the plant's output will be used on the farm to operate tractors and other farm vehicles. Zeithamer held an open house a few days after the first batch was started, and fifteen hundred people toured the plant; since then twenty-five hundred more have done so. He is now helping some of them develop their own alcohol operations.

Near Rice Lake, Wisconsin, another dairy farmer, Leonard Schieffer, is producing methane from manure. Manure from the dairy barn is transferred to a culvert pipe (of the sort ordinarily used to carry a small stream under a road) forty-eight feet long and twelve feet in diameter, sealed at both ends. As bacterial action generates methane, the gas is conducted from the top of the culvert pipe into a storage chamber that Schieffer made by placing a large sheet of plastic over a pond. Later, the gas is purified by being passed through chemical cannisters, and then it is stored in a presurized tank. Schieffer uses the methane to drive a generator, which supplies both the farmhouse and the dairy barn with part of their electricity.

In Drury, Missouri, Ted Landers is producing methane from spoiled hay and other agricultural waste products, and is negotiating with his local rural electric cooperative to use it to drive a power generator that will help meet the cooperative's peak demand for electricity. Throughout the Midwest, farmers are considering the large-scale production of alcohol, usually from grain, to be marketed as the gasoline-alcohol mixture (usually ten per cent ethyl alcohol) known as gasohol. In Colorado, alcohol plants with a total output of nearly twenty-five million gallons a year are being planned. In Illinois, more than seventy outlets are already selling gasohol. In Nebraska, a test with state-owned vehicles has shown that gasohol yields an average of five per cent better mileage than pure gasoline. (Users also report that gasohol relieves some of the engine-performance problems encountered with the new, unleaded gasolines.) In some states, new laws exempt gasohol from fuel excise taxes.

These activities have been encouraged by reports from Brazil, where alcohol producton from agricultural products (chiefly sugarcane) is well advanced. The average alcohol content of that nation's total gasoline supply is already eight percent. It is expected to rise to twenty per cent by 1980, and Brazil eventually intends to use only alcohol to operate automotive vehicles. The use of alcohol in turbines to produce electricity in rural areas is being tested. Nearly two hundred alcohol plants are now being built in Brazil.

The production of fuels from animal and vegetable matter is usually regarded as being of more interest to farmers than to the nation as a whole, on the ground that it is not likely to add significantly to the huge amount of gasoline, diesel fuel, and jet fuel needed to run the American transportation system. There might well appear to be some justification for this pessimism about the amount of solar fuels that can be produced from the animal and vegetable matter—the biomass—produced in the United States. Most of the land capable of supporting plants is already used for agriculture or forestry, and at first glance it seems likely that any appreciable production of energy from these sources would interfere with the essential production of food, fibre, and lumber. As a result, most estimates of the availability of solar energy from biomass have assumed that only waste materials—manure, sewage, garbage, and agricultural, forestry, and cannery wastes—could be used; and only relatively small amounts of alcohol and methane could be produced from these sources of biomass. Thus, one of the more optimistic assessments of the future of solar energy—a report issued last April by the Council on Environmental Quality, which, among other things, assesses energy research and development for the President—estimates that biomass sources might yield three to five quads of energy in the year 2000 and five to ten quads in 2020. These figures do not compare very well with the present American consumption of natural gas (twenty quads a year) and of liquid fuels for transportation (seventeen quads). Although conservation measures might cut these requirements in half, a three-to-five quad output of fuels from biomass would still fall well short of the need.

If waste biomass is insufficient to produce enough solar fuel, we would need to turn to agricultural crops and timber. But then, it is argued, energy production would reduce food, fibre, and lumber production. The total energy content of the grain and hay used to produce livestock in the United States is only about seven quads (this is the 1974 figure), and might be expanded to eight quads if idle land and land devoted to cover crops should be added to the crop acreage. But since all those crops are now used to produce livestock, it is difficult to see how even a few quads of energy could be produced from them without cutting sharply into food production.

Agriculture, however, is inherently more flexible than one would expect from its present uniformity. In a state such as Illinois, corn and soybeans are the two most important cash crops. Corn and, to a lesser extent, soybeans are used to raise livestock. But in the eighteenth century in areas such as western Pennsylvania, where poor roads made it difficult for farmers to bring excess grain to Eastern markets, they turned to an equally marketable but more easily transported product—whiskey. (It was the effort of the federal government to tax the whiskey, which the farmers regarded as the rightful product of the form of agricultural husbandry mandated by their geographical situation, that led to the Whiskey Rebellion in 1794 and, later, to moonshining.) In those days, the whiskeymakers' "slop"—the wet residue of grain that remained after fermentation—was customarily fed to hogs raised for local consumption. In modern whiskeymaking, the grain residue is dried and sold as a livestock feed—distillers' dried grain. This is a particularly valuable feed, being richer in protein than the original grain, in part because of the yeast that grows in the mash as it produces alcohol. Thus, quite apart from the value of its obvious product, fermentation improves the nutritional value of grain. Sugar beets can be used in the same way; they produce even more alcohol than the same weight of corn, and again the residue is a protein-rich livestock feed.

A recent investigation of these options by a group at the Center for the Biology of Natural Systems has produced what looks like a conjurer's trick: The acreage that annually yields grain and hay with a total energy content of seven quads per year, which is now converted into livestock, can be made to produce the same amount of livestock plus eight quads of solar fuel. In this scheme, the present acreage in grain-and-livestock agriculture, expanded by fifteen per cent to include idle land and land devoted to cover crops, would be used to plant a rotation of corn, sugar beets, and hay. Most of the corn and sugar-beet crop would be fermented to produce alcohol, and the residue would be fed to the livestock, together with some hay. This arrangement would provide norishment for the same amount of livestock which is now produced conventionally, and at the same time yield four quads of alcohol—which in the form of gasohol would replace about six quads of gasoline. The livestock manure and part of the hay crop would be used to produce methane, yielding about three quads of it. Finally, the residue from the methane production would be returned to the land as fertilizer.

This result is not as surprising as it may seem. The present grain-and-livestock agricultural system was designed to produce livestock efficiently, but now that there is reason to do so it should be possible to produce both food and energy by making full use of the inherent flexibility of agriculture. The task would be far more complex than this brief exposition suggests. Nevertheless, it seems possible eventually for agriculture to contribute eight to ten quads of alcohol and methane to the national energy budget. Two to three quads of additional methane could probably be produced from urban garbage and sewage and food-processing wastes. This leaves us with a considerable shortage of methane, which would need to be made up by the deliberate production of additional organic matter for that purpose. The most promising source is ocean-grown seaweed. According to one recent study, by Dr. Howard A. Wilcox, a scientist at the Naval Ocean Systems Center, in San Diego, ten to perhaps as many as twenty quads of methane could in time be produced from kelp grown in the waters off the Pacific Coast. If such a new source of methane can indeed be realized, it appears that we need not be severely pessimistic about the availability of solar fuels from biomass. And if sufficient methane cannot be produced from biomass, then hydrogen (produced from solar electricity) could be added to it.

In a sense, alcohol production has already passed the first test of commercialization: the willingness of entrepreneurs to risk investing in it. It can be argued, however, that they are likely to lose money, since grain alcohol, which now sells at a dollar and twenty to a dollar and forty cents a gallon, is unlikely to replace gasoline, which now sells at half that price. But most of the present distilleries are inefficient ones. With new, energy-efficient distillery designs (some of which use solar energy to distill the alcohol) and the effective marketing of by-product feed, the price of biomass alcohol is expected to fall to about a dollar a gallon. A fuel dealer who buys alcohol at a dollar a gallon can produce a gasohol mixture that can be sold at a price competitive with the present price of regular unleaded or premium unleaded gasoline. Premium unleaded gasoline costs the dealer about fifty-three cents a gallon, but he can make a gasoline mixture of equal octane value by mixing nine parts of regular unleaded gasoline (which costs him fifty cents a gallon) with one part of one-dollar alcohol.

This brings the dealer's cost of the mixture to about fifty-five cents a gallon. The recently enacted Federal Energy Act provides for a four-cent-a-gallon tax credit on each gallon of gasohol. Thus, the dealer's actual cost of the mixture is fifty-one cents a gallon. In those states that have exempted gasohol from the gasoline excise tax, the dealer's cost is reduced by four or five cents more a gallon. Finally, the OPEC action to raise 1979 oil prices, added to the price rises already mandated by federal policy, will increase gasoline prices by at least fourteen cents a gallon and bring gasohol well beyond the point of competing successfully with gasoline. And since the price of all nonrenewable fuels will continue to rise in the future, it would appear that even in 1979 the farmers who are investing in alcohol production can expect to turn a profit, which will increase year by year thereafter.

In addition to the more widely known solar technologies, there are a number of others that could help the nation meet its energy needs. These include ocean thermal systems, which use the temperature difference between deep, cold ocean waters and the sun-warmed surface waters to generate electric power; solar power stations, in which a field of mirrors concentrates intense solar radiation on a boiler, producing steam that drives an electric generator; and a solar satellite, in which a huge array of photovoltaic cells produces electricity that is beamed (in the form of microwave radiation) to a collecting station on the earth's surface for distribution. These technologies are usually given a prominent place in conventional discussions of solar energy. With a kind of technological democracy, equal consideration is accorded modest, long-established technologies—a five-hundred-dollar slow-burning wood stove or a fifteen-thousand-dollar grain-alcohol plant—and an enormously expensive, totally untried device like a solar satellite, which might cost upward of a hundred billion dollars.

Such a seemingly open-minded approach can obscure the importance of the most distinctive feature of solar energy—that it is diffusely spread over the entire surface of the planet. This means that any solar device that is large and centralized—such as a central solar power station or a solar satellite—is inherently uneconomical, owing to a fundamental difference between solar-energy devices and conventional ones. Conventional power plants have steadily become larger and more centralized. According to the utilities that build these plants, there is a sound economic reason for this trend: the larger the power plant, the less costly the power it produces. This economy of scale is so substantial as to overcome the cost of the added transmission lines, which must, of course, accompany the increase in plant size—and, indeed, transmission and distribution lines now represent about a quarter of the total cost of centralized power systems.

By contrast, the acquisition of solar energy is independent of scale. Since sunlight falls everywhere, an installation is enlarged simply by expansion of the area over which the light is received—whether by mirrors for a central power boiler, by collectors for a space-heating system, by photovoltaic cells for an electric-power system, or, for that matter, by corn plants for producing grain. Each mirror, solar collector, photovoltaic cell, or corn plant is as efficient as the next one. Therefore, a small assemblage of such units is just as efficient as a large one; there is no economy of scale. A large, centralized solar plant produces energy no more cheaply than a small one (apart from some minor saving in maintenance costs), and so, with transmission costs eliminated—or, at least, greatly reduced—the small plant can deliver the energy far more efficiently than the large one. This means that the present pattern of building huge, centralized power stations is inherently uneconomical if it is applied to solar energy. No future technical breakthrough can overcome this fact.

Unhappily, this fairly simple piece of common sense may elude the most expert of analysts. A case in point is the recent report of the American Physical Society Study Group on Solar Photovoltaic Energy Conversion. The study, which was jointly funded by the President's Office of Science and Technology Policy and the Department of Energy, is an elaborate comparison of the cost of conventional electricity and the cost of electricity produced by central photovoltaic installations. Among scores of references, the study fails to include the F.E.A. photovoltaic price-reduction study. Nor does it make any comparison of the conventional electric system with decentralized photovoltaic designs. By choosing to saddle the photovoltaic approach with precisely the worst sort of design, a study group can demonstrate with relative ease that "it is unlikely that photovoltaics will contribute more than about 1 percent of the U.S. electrical energy produced near the end of the century."

Nevertheless, a substantial part of the government's minuscule effort to develop solar energy is devoted to precisely such solar devices, which slavishly imitate the design of conventional, centralized power sources. A prominent example is a centralized solar power plant to be built, with the joint support of the Department of Energy and Southern California Edison, near Barstow, California. The Department of Energy is putting up a hundred million dollars for the project and Southern California Edison sixteen to twenty million dollars. A benign view of this trend is that it is a modern example of the kind of cultural lag that impelled the first potters to imprint the design of earlier, woven vessels on their clay pots or has impelled the producers of plastic automobile upholstery to ornament it with pseudo-stitches. A more cynical view is that such experiments are designed to fail, and so to demonstrate that solar energy is uneconomical, leaving the way open for the adoption of the alternative route to a system of renewable energy—breeder-based nuclear power.

Perhaps the final irony in the solar-energy story is that although solar energy has been treated like a technological orphan by the federal government and the major American industries, it has become a technological Cinderella elsewhere—notably in Italy. Thus, as President Carter and the American Physical Society Study Group were repudiating the value of photovoltaic cells, in Italy the huge Montedison industrial conglomerate formed a ten-million-dollar joint venture with one of the few American photovoltaic-cell manufacturers, the Solarex Corporation, of Rockville, Maryland, which will manufacture photovoltaic modules at a new plant in Florence, for Italian and Middle Eastern markets. Ultimately, the factory is expected to produce as much as three million watts of photovoltaic cells annually. Last year, American production was less than half a million watts.

In the last few years, the commercial prospects of the two sources that in theory could support the transition to renewable energy—solar energy and breeder-based nuclear power—have moved in opposite directions. It has become clear that while solar energy could now rapidly invade the energy market nuclear power is losing ground. Even before the accident at Three Mile Island, some of the supporters of nuclear power despaired of its future. In November of 1977, in a speech before the Atomic Industrial Forum, John O'Leary, Deputy Secretary of Energy, warned that unless the federal government changed its licensing requirements for new nuclear power plants, and unless the nuclear-plant industry itself changed certain of its practices, "the nuclear option is dead."

One of the chief reasons for such despair is that the economic performance of the nuclear-power industry has been very disappointing. The industry has failed to achieve the economic goal that has been its main justification—the production of cheap electric power. Data reported by its chief proponent, the Atomic Industrial Forum, which is the nuclear-power industry's trade association, show that, on the average, the cost of electricity produced by new nuclear power plants in 1976 was about twenty per cent higher than the cost of power from new coal-fired plants. Utilities have been sharply cutting back new orders for nuclear reactors: orders placed with American manufacturers fell from thirty-four in 1973 to seventeen in 1974 and to an annual average of four in the years 1975 through 1977 Last year, only two new reactors were ordered from American manufacturers, and a number of earlier orders were cancelled. Foreign manufacturers have experienced similar declines. And the plants that have been constructed have performed poorly, costing more to build than was expected, and also operating less reliably. As a result, although the Atomic Energy Commission predicted in 1972 that nuclear power would make up almost twelve per cent of the nation's electrical generating capacity by 1975, the actual figure was only nine per cent. And with the rapid decline in new orders since 1973 the predicted figure of thirty-three per cent for 1985 is already out of reach. All these difficulties are certain to become more severe in the aftermath of the accident at Three Mile Island.

Perhaps the most persuasive evidence of the failure of the nuclear-power industry has come from the business community. Saunders Miller, who is in the venture-capital business, has thoroughly examined the economics of nuclear power plants. In his book "The Economics of Nuclear and Coal Power," published in 1976, he analyzed the economic impact of the numerous risks that affect an investment in a nuclear power plant. These include a plant's high capital costs, which always greatly exceed the initial estimates; unreliability; the growing scarcity and rising price of uranium fuel; economic and operational problems in fuel reprocessing; and security problems. In his final evaluation of the wisdom of investing in nuclear power plants, Miller says:

> The conclusion that must be reached is that, from an economic standpoint alone, to rely upon nuclear fission as the primary source of our stationary energy supplies will constitute economic lunacy on a scale unparalleled in recorded history, and may lead to the economic Waterloo of the United States.

Nevertheless, the Carter Administration has made a strong effort to revive this dying industry. In March of 1977, as Schlesinger's staff was drafting the National Energy Plan, Schlesinger was visited by two officers of General Electric, one of the largest suppliers of nuclear powerplants. They told him that G.E. was thinking of getting out of the nuclear-reactor business if government restrictions on the use of nuclear technology were not eased. (A few months later, G.E. announced a reorganization of its nuclear division which the *Wall Street Journal* noted could be a preparatory step toward closing down its nuclear-reactor business if profits failed to materialize.)

The Administration's intense interest in expanding the role of nuclear power comes as a surprise to those citizens who remember Carter's declaration during the election campaign that nuclear power is "the last resort"—a position that he has reiterated in subsequent public statements. His more private statements have been different, however. At a meeting in April of 1978 with executives of the nuclear industry and leaders of the building-trade unions (to endorse a no-strike, no-lockout pledge in the construction of nuclear power plants), Carter said that the light-water nuclear reactor was an important part of the nation's energy plan—but only after he had asked reporters to leave the room. Schlesinger has been more forthright, and has proclaimed that nuclear power "is enshrined in the President's program." It is. If the plan is carried out, nuclear power will account for about one-fourth of the new energy produced between 1976 and 1985.

For many Americans, the plan's emphasis on nuclear power, elicits the terrifying prospect of a nuclear catastrophe. The argument over the safety of nuclear power plants is not new, but in 1977 it broke out of the narrow precincts of environmentalism into the broad arena of public affairs. On April 30th, at Seabrook, New Hampshire, about two thousand people from all over New England, with the support of the Seabrook townspeople, occupied the site of a new nuclear power plant. Most of them were arrested. Nevertheless, the idea spread from the New England Clamshell Alliance in the East to the Great Plains Alliance in the Midwest and to the Abalone Alliance in California. In August of 1977, there were anti-nuclear demonstrations in thirty-five states all across the country. In June of 1978, about twenty thousand people massed near the Seabrook site to protest its construction.

A good deal of this opposition was based on concern about the hazards of the intensely radioactive waste generated by nuclear power plants. In the absence of an acceptable disposal procedure that can isolate the waste from people and from the environment during the period in which it will remain dangerous—from one hundred years to two hundred thousand years—the waste has been temporarily stored here and there around the country. The federal government's effort to find sites for long-term storage has met considerable resistance from local populations and state governments. Several states—California, Iowa, Wisconsin, Maine and Montana—have placed varying restrictions on the construction of new nuclear power plants until this issue is resolved. Opposition to nuclear power has become a fact of political life in the United States as it has in Sweden (where the Social Democrats lost power for the first time in forty-four years over the issue, and the succeeding coalition broke up for the same reason), in France (where an antinuclear ecology party got about ten per cent of the vote in elections held in March of 1977), in West Germany (where the occupation of reactor sites by anti-nuclear activists literally brought construction of six nuclear power plants to a standstill), in Spain (where more than a hundred and fifty thousand people came to protest the construction of a nuclear power plant near Bilbao), in Italy (where an intense political debate has forced a substantial delay in the government's nuclear plans), in Austria (where, against the urgings of Chancellor Bruno Kreisky, the voters, in a referendum conducted in November of last year, forbade the operation of that country's first completed nuclear power plant, constructed at a cost of some five hundred and sixty million dollars), and in Iran (where, before he was deposed, the Shah was forced by his political opponents to cut the nuclear budget by twenty billion dollars and to postpone the purchase of several nuclear reactors).

Even if all these difficulties were resolved, the nuclear-power industry in its present form cannot support the transition to a renewable energy system. Today's light-water reactors are fueled with slightly enriched uranium and can operate only as long as this fuel is available at reasonable cost. But uranium is a nonrenewable fuel, and recent estimates indicate that if present plans for the development of nuclear power were carried out usable uranium supplies in the United States would be exhausted in twenty-five or thirty years. Nuclear power can sustain a renewable energy system capable of resolving the energy crisis only if it is based on breeder reactors, in which the nuclear reaction is arranged to produce new fuel as the reactor generates power. If the planned American nuclear-power system were based on breeders, the present supply of fuel would be enough to support appreciable nuclear-power production for perhaps fifteen hundred or two thousand years. But before that can happen nuclear power will need to survive the growing challenge to both its economic and its political life.

This, then, is the recent history of the two forms of energy on which our future hopes now rest. One, solar energy, which has been held back by official neglect is an old technology struggling to cross the threshold of economic viability. The other, nuclear power, which has been heavily supported by public and private funds, is a new technology that, even as it struggles to survive its troubled infancy, seems to have lapsed into economic senility. What remains is the problem of how to negotiate the historic passage between the present intolerable state of the energy situation and its uncertain future.

The Solar Transition—II

Sooner or later, the United States and the rest of the world must resolve the energy crisis, which has come about in part because nearly all the energy now used comes from nonrenewable sources. As a nonrenewable source is depleted, it becomes progressively more costly to exploit, so continued reliance on it means an unending and exponential rise in price. This process has a devasting inflationary impact—it increases the cost of living, working special hardship on poor people—and it also aggravates unemployment and reduces the availability of capital. No economic system can withstand such pressures indefinitely. If we are to resolve the energy crisis, then, we can do it only by replacing the present nonrenewable sources—oil, natural gas, coal, and uranium—with renewable ones, for the cost of renewable energy sources is stable. But to say that this is what a national energy policy must do if it is to resolve the energy crisis is a little like saying that all we need to do to cure the ills of earthly life is to enter Paradise. The real question is whether it is possible to get there from here, and, if so, how. The problem is one of transition.

To begin with, one needs to ask what possible sources of energy might support such a renewable system. Three are known: solar energy, breeder-based nuclear power, and fusion power. (Unlike a conventional nuclear reactor, a breeder generates more nuclear fuel as it operates, and could extend the supply of nuclear fuel for thousands of years. In a fusion reactor, energy is generated by bringing about the fusion of two atoms of heavy hydrogen, which is available from surface waters in such huge amounts as to be, in effect, inexhaustible over any reasonable span of time.) To be capable of supporting a renewable system, an energy source must first meet a rather rudimentary test: it must exist. To hope, or even to expect, that a renewable energy source may become available at some time in the future is not enough. We must be certain of it now. This requirement reflects two basic features of the energy crisis: the crucial, irreplaceable role of energy in production, and the need to begin at once to combat the already considerable economic effects of reliance on nonrenewable sources. To embark on a transition to a nonexistent but hoped-for renewable energy source would be like building a bridge across a chasm without knowing how far the other side is. The consequences of failure are simply too devasting to allow for such a risk.

This requirement eliminates fusion from consideration, because, however promising present research to achieve this source of power may be, it has not yet succeeded. Moreover, while fusion power, if it were to succeed, might produce lesser amounts of long-lasting radioactive wastes than are currently produced by either conventional nuclear reactors or breeders, it would share some of their undesirable features: some radioactivity would be produced, most of it in the especially dangerous form of radioactive hydrogen, or tritium; and fusion power plants would necessarily be very large and demanding of capital, and therefore economically inefficient.

We are left, then, with solar energy and breeder-based nuclear power. Whichever of these directions the transition to renewable energy takes, the source chosen must meet several stringent requirements. Paramount among them is efficiency—with respect both to the energy and to the considerable amounts of capital involved in producing and using the energy. Because energy is uniquely capable of yielding work, it is essential to the production of all goods and services—to the generation of economic output. But the production and the use of energy withdraw from the potential output the capital needed to build the machines that produce the energy and derive work from it. The economic benefit that can be gained from energy therefore depends on how efficiently both the energy and the capital are applied to the tasks of production.

The present system is very inefficient in both respects. Probably no more than fifteen percent of the work that could be got out of the energy consumed in the United States is actually applied to the work-requiring process. And the efficiency of capital in energy production—the amount of energy produced per dollar of capital invested—has been declining. Energy production has been taking up an increasing fraction of the capital available for business investment—a figure that was only some thirteen percent as recently as 1972 and now stands at about twenty-three percent. Unless these figures are improved, the transition to renewable energy sources, which will be difficult and expensive under the best of circumstances, might become all but impossible.

If an energy system is to be even moderately efficient, energy must be applied to each work-requiring process in a form appropriate to that process. The chief work-requiring processes are heating and cooling; operating motors in stationary devices such as home appliances and factory and farm equipment; providing heat for industrial processes; operating land vehicles such as cars, trucks, tractors, and trains; and lighting. The efficiency of the match between these processes and the various forms of energy is governed by some rudimentary considerations and also by some rather subtle ones. For example, although light can be obtained by the burning of a liquid or gaseous fuel—or, for that matter, wood—electric lamps are so vastly superior that electricity has been the exclusive source of energy for lighting. Similarily, for simple physical reasons airplanes can be driven only by liquid fuels, such as gasoline or kerosene (jet fuel). Conventional solid fuels (such as coal or wood) and the cumbersome machines needed to convert their energy into motion are too heavy. Although a conventional airplane engine could be operated on gaseous fuels (such as hydrogen, natural gas, or methane), these fuels would require huge storage tanks—far too large to fit in an airplane. (Natural gas equivalent in energy content to jet fuel occupies nearly a thousand times the volume of jet fuel at sea-level pressure. The gas could be liquefied by reducing its temperature, but then it would need to be carefully insulated.) If an airplane used electricity, it would need to carry lead-acid batteries about three hundred times as heavy as the equivalent amount of jet fuel, for it would hardly do to tether an airplane to a power plant with a long electric cord. More advanced batteries would be considerably lighter but would still be impractical. In land-based vehicles, such simple physical problems are less severe. Although liquid fuels offer the best combination of energy content, weight, and bulk, a car or a truck can, with some inconvenience, operate on a solid fuel or a gas. During the Second World War, in European countries where conventional fuels were scarce, some trucks operated on alcohol generated in charcoal-burning trailers, and some cars operated on methane stored in large, roof-mounted gas bags. Trains, of course, operated for many decades on coal, and sometimes even on wood.

All these burnable fuels, however, are poorly matched to the task of generating a vehicles' motion, and are inherently inefficient when used for that purpose. Their efficiency is governed by the subtleties of the Second Law of Thermodynamics, which governs the amount of a fuel's heat that can be converted into motion. A fuel-driven automobile, truck, or train operating at its highest possible thermodynamic efficiency, for instance, can convert no more than a fraction of the energy contained in its fuel into motion; the remaining energy is ejected as heat, and merely warms up the surroundings, to little or no useful purpose. The amount of fuel converted into useful energy by most vehicles under laboratory conditions is about thirty-five per cent. The actual operating efficiency of vehicles is much lower; usually less than twenty per cent of the fuel energy is converted into motion. The appropriate form of energy for driving vehicles is electricity. Electricity is itself a form of motion (moving electrons), and it can be converted into the rotation of a motor and, in turn, into the motion of a vehicle with nearly one-hundred-per-cent efficiency.

If such high levels of efficiency are to be realized, however—and not only in powering land-based vehicles but also in operating the motors in the numerous stationary devices used in homes, offices, and factories—the production of electricity must itself be maximally efficient. Here the efficiency of conversion imposed by the Second Law enters the picture: most of the energy in the fuel used by an electric power plant is not converted into electricity but is ejected into the environment as heat. Present-day power plants eject as heat at least sixty per cent of the energy they take in. If that heat is wasted, then—despite the nearly perfect efficiency with which electricity is converted into the motion of a kitchen appliance or an electrified train—the over-all process wastes much more of the fuel's energy than it uses. In the present American energy system, nearly every electric power plant operates in this way.

When there is a mismatch between the form of energy and the use to which it is put, capital as well as energy is wasted. With every unnecessary increment in the demand for energy, an increasing amount of capital must be used to produce it, as oil and gas wells, say, go deeper and more expensive recovery methods are needed. In electric-power production, the efficiency with which capital is used to create energy depends on the plant's size. Apart from a few very large industrial operations, such as aluminum refining and the production of nuclear fuel, the demand for electricity exists in numerous, widespread units—homes, stores, office buildings, factories, and farms. If power is generated at a large, centralized plant, the utility must transmit electricity over correspondingly long distances to reach its scattered customers. Long power lines demand considerable capital—in many parts of the present American system, even more than the capital invested in power plants. In addition, a good deal of energy is lost, as heat, in electric transmission and distribution; in the present system, the loss amounts to about ten percent.

In a highly centralized power system, the economy of scale achieved by most power plants more than compensates for the extra transmission costs. When a power plant is very large, however, the power system as a whole suffers from another type of inefficiency, which cannot be compensated for. This problem arises from the difficulty of matching the system's power-producing capacity to the demand for power. The demand for electricity comes from large numbers of individual power-driven units (toasters, vacuum cleaners, street lights, industrial motors, and so forth) and therefore increases only gradually, in many small steps. If the rising demand must be met by the construction of single large power plants (a typical modern power plant has about a million times the capacity needed to operate a toaster), capacity will rise in a series of abrupt, very big steps. For a time after such a large new plant is put into operation, the system will have a greater capacity than is needed to meet the demand. Eventually, when the gradually rising demand begins to catch up with capacity, another large plant will be built, again producing a sudden excess in capacity over demand, and so on. Inevitably, for a good part of the time the system has more capacity than it needs. Overcapacity means that more capital is invested in the system than is actually needed to meet the demand—a serious source of economic inefficiency. (Difficulty in raising capital is perhaps the utilities' most serious problem today.) And if an effort is made to cure overcapacity by sending some of the power to a system that is short of capacity the added transmission is especially costly in both energy and capital.

Finally, the over-all efficiency of an energy system depends a great deal on how far the energy is transmitted and in what form. Generally, the energy lost in transmission is related to the resistance in the system which must be overcome to move the energy. This, in turn, is related to the form of the energy. Thus, it takes more energy to push thick oil through a pipeline than to push thin gas. Such differences are reflected in the relative costs of transmitting and distributing different forms of energy, which include both the energy used in transmission and the cost—capital and also operating expenses—of transmitting it. Natural gas is the most easily delivered fuel: its delivery cost is about eighty-five cents per million B.T.U.s, compared to four dollars and sixteen cents for electricity and five dollars and twenty-seven cents for hot water. However, heat, which is usually transmitted as steam or hot water, is in a class by itself; so much of it is lost in transmission that only short transmission distances—usually ten miles or less—are practical.

A requirement that ought to be met by any newly developed energy system is that it improve the present poor quality of the environment. The production and use of energy account for a large part of our environmental problems: oil spills; the hazards of coal and uranium mining, both to miners and to the general public; automotive smog; nuclear radiation; unsightly and possibly harmful high-tension power lines; the long-term effect of carbon dioxide on the earth's heat balance. In judging the suitability of alternative sources of renewable energy, it is important to compare their relative effects on such environmental problems.

The transition to a renewable-energy system must also meet a final requirement: the transition itself must be smooth and uninterrupted. What happened in the bitter winter of 1976–77 provides a useful cautionary tale. Large areas of the Midwest ran out of natural gas that winter, because producers in Texas preferred to sell gas within the state, at an extra profit, rather than ship it north through the pipelines, at a regulated, lower price. The result was widespread economic dislocation. Factories were shut down, thousands of people were thrown out of work, schools and government services were disrupted. The resultant economic loss was probably many times as large as the extra profit on the fuel. This situation serves as a warning that energy is so vital to production that a serious break in its flow could bring the country's economy to a halt.

Thus, there is a basic dilemma inherent in replacing the present non-renewable fuels with renewable ones. Although the continued use of non-renewable fuels poses grave threats to the national economy, any interruption in their flow would be even more disastrous. So the transition we must make requires not only the development of sufficient supplies of renewable sources of energy but also, at an even earlier stage, decisions about just how the present non-renewable sources are to be produced and used. In particular, one or more of these sources must be used as a bridging fuel, to facilitate the entry of the new, renewable sources.

At first glance, a transition to breeder-based nuclear power seems simple, because the breeder plants, like ordinary nuclear reactors, would produce energy in only a single, particularly useful form—electricity. They would also produce large amounts of heat (much more heat than electricity), but the heat—because it is difficult to transport over long distances, and both breeders and conventional nuclear plants are too dangerous for proximity to heavily populated areas—would be difficult to use. Instead, the heat would be ejected into the environment as a stressful waste. Only those few industrial establishments which might be willing to tolerate a close nuclear neighbor and which needed the waste heat might take advantage of its availability. So far, there have been very few volunteers, and after the recent accident at the Three Mile Island reactor, near Harrisburg, Pennsylvania, there are likely to be even fewer. Because of the need to isolate and protect breeders and other nuclear plants, and because of their considerable economy of scale, the plants would be very large and centralized, and the power-distribution network would be correspondingly large and extremely expensive. A recent proposal for a breeder-based power system in the United States visualizes the construction of some thousand billion watts of generating capacity stretching well into the next century. This would be the equivalent of some thousand power plants of the size commonly being built today—each with a capacity of about a billion watts. According to other projections, however, by the year 1990 these plants might cost as much as three billion four hundred million dollars each. In comparison, the present American nuclear power system consists of seventy-two plants, with an average capacity of about seven hundred and thirty million watts, each plant having cost about four hundred and fifty million dollars. With the introduction of breeders, the present power system would be greatly expanded, much more centralized, and considerably more expensive.

Since the useful energy available from a nuclear breeder system would be entirely in the form of electricity, in the event of a complete depletion of oil resources all the nation's energy-requiring processes—in effect, the entire production system—would need to be carried on electrically, or by fuels produced from electricity. Most of the energy-requiring processes now carried on by the direct combustion of fuels would have to be redesigned to accommodate electric power. Instead of being heated by oil or natural gas, homes and commercial establishments would need to be equipped with electric heaters—or, better, with electric heat pumps, which are more efficient. Gasoline-driven and diesel-driven cars, trucks, and tractors would need to be replaced with electric vehicles and electrified railroads. Where a liquid fuel is essential—in airplanes, for example—it would need to be produced electrically, perhaps by using electricity to generate hydrogen, from which the conventional hydrocarbon fuels could then be synthesized. Those industries which burn oil, natural gas, or coal would need to switch to electric heaters or to liquid fuels produced electrically. In agriculture, similar changes would need to be made to provide heat for drying grain and other crops. Thus, because the single energy output of a breeder system—electricity—does not match the varied forms of energy which are used in industrial and agricultural production and in transportation, the introduction of this system would require extensive changes in present energy-using production equipment, at considerable additional cost.

In a transition to a breeder-based renewable-energy system, two present nonrenewable sources could serve as bridging fuels: uranium and coal. It would make sense to expand the present system of light-water nuclear reactors, which use uranium, because the spent fuel can be reprocessed to yield plutonium—a breeder fuel—and because the expanded facilities for reprocessing nuclear fuel and for disposing of radioactive waste would be needed to support the breeder system. It would also be logical to enlarge the present electric power system (in preference to direct burning of fossil fuels), since the breeder economy would require a much bigger power-transmitting network than we now have. And since the available uranium is insufficient to support expanded conventional nuclear-power production for long, many coal-burning power plants would be needed to supply the network with electricity until the breeder system was large enough to take over. As a result, coal would soon become the major bridging fuel, and coal production (which makes up less than twenty per cent of the present energy budget) would expand substantially during the transition.

Thus, if it should be decided to undertake a transition to a renewable-energy producing system based on breeder reactors, that decision would dictate a series of sweeping changes in the present ways in which energy is produced and used. Even before breeders were introduced, the production of uranium and coal would need to be increased; the electric power produced by these fuels would replace the direct burning of oil and natural gas; devices that now use oil or natural gas would need to be replaced by electrically operated ones. There would need to be numerous, pervasive changes in industrial and agricultural production and in transportation, which would add considerably to the cost of building the new energy system.

Moreover, not only a breeder-based energy system but the transitional process leading to it would involve grave environmental hazards. One of the most important lessons of the accident at the Three Mile Island power plant is that, even after some twenty years of commercial use, conventional nuclear power remains an immature technology, subject to poorly understood and potentially catastrophic events. This is evident in the accounts of the accident. At a crucial point, when a decision about evacuating the people living in the area of the plant had to be made, Joseph M. Hendrie, the chairman of the Nuclear Regulatory Commission, said that Governor Richard Thornburgh, of Pennsylvania, and he were operating "almost totally in the blind," and added, "His information is ambiguous; mine is nonexistent. I don't know—it's like a couple of blind men staggering around making decisions." The officials were poorly informed because the reactor behaved in ways that the nuclear experts did not expect. Roger J. Mattson, the director of the Nuclear Regulatory Commission's Division of Systems Safety, said, "We saw failure modes the likes of which have never been analyzed." In comparison with conventional nuclear power plants, like the one at Three Mile Island, the breeder—a far more complex and much less tested technology—is in its infancy, and it is sure to be plagued for a long time by the failures, risks, and uncertainties that have brought conventional nuclear power to its present low state. It is generally acknowledged that among the available sources of energy—oil, natural gas, coal, nuclear power, and solar energy—two pose by far the greatest environmental risks: nuclear power and coal. In the transition to a breeder system, the expanded scale of the mining and combustion of coal would greatly intensify the already serious environmental problems that these processes entail. And if breeders were to become the major source of power in the United States the amount of radioactive material that would need to be handled each year would rise sharply.

Yet today, even though we are some twenty years into the presumed nuclear age, we lack an acceptible way to deal with the radioactive waste now on hand. Thus, to the already formidable difficulties and costs that would be involved in a transition to a breeder-based power system we must add the nearly immeasurable problems that would be created by the need to cope with huge amounts of radioactive material without poisoning the environment and the people in it.

In contrast to a breeder-based system, a solar-based system would deliver energy in a wide variety of forms. In forested areas, solar energy can be produced as a solid fuel (wood); in agricultural areas, as a liquid fuel (alcohol made from grain) or a gaseous fuel (methane made from manure or from plant residues); in rainy, mountainous areas, like the Northwest, as hydroelectric power; in moderately or very sunny places, as photovoltaic electricity; in especially breezy places, as wind-generated electricity; and, almost everywhere, as direct heat. The kinds and amounts of solar energy that can be produced depend on local conditions. In Minnesota, the whole of the state's demand for energy (in fact, more than twice as much, according to a recent survey) could be met by annually harvesting the cattails that grow wild in most of that boggy state and using them to produce methane. (A recent report from Sweden, where there is similar terrain and a profusion of reeds, tells how to harvest reeds for energy production without disrupting the marsh ecosystem.) In the Arizona desert, the intense sunlight could be readily collected as heat or in the form of electricity from photovoltaic cells. In the Dakota Badlands, where there is little vegetation and only moderate sunshine, there are strong winds, which could be used by windmills to generate electricity. In sum, there is no solar panacea. No one solar process can efficiently produce energy in all parts of the country. A national solar-energy-gathering system needs to be as varied as the country itself, reflecting its uneven climate, terrain, and vegetation. In comparison with the breeder-based system, which produces only electricity, a solar-based system would produce energy in a multiplicity of forms, requiring considerably greater complexity in the system's over-all design.

A major complicating factor is that some places can produce more solar energy than is usable locally, while others need more energy than they can capture from the sun. A good example of the latter is a large and densely populated city, like New York. The city's sources of biomass are small, consisting only of sewage, garbage, and wastepaper, which together might yield about ten per cent of the energy needed. Sunlight could be captured in solar collectors and photovoltaic cells, but because there are so many tall, closely packed buildings the areas that might hold these devices—rooftops, parking lots, and the south sides of unshaded buildings—are limited. An example of the reverse situation is the forested area of upstate New York: its annual wood production represents more energy than most local activities need. It is evident, then, that a solar-based system must include a means of transporting energy from place to place in some suitable form.

The special property of solar energy—that it involves relatively little economy of scale—greatly affects the strategy of energy transfer. A small, local solar device will be just about as efficient as a large, distant one, and thus the cost in energy and capital of transmitting the energy from a central plant is eliminated. If sufficient solar energy is available in a particular place to meet local needs, it makes sense to produce and use it there.

But all these relationships are abstract, and only delineate the design of a future, completed solar-based system—the Paradise that must somehow be reached from the present earthly situation. To bring some reality into this abstract picture, we must add the element of time. What steps taken now to alter the present pattern of using nonrenewable fuels would effectively begin the transition toward the solar ideal? If we could answer this question, we would have not only a plan of action directed toward a solar future but also a vision of that future, which is essential to motivate such action. To answer it, we need a mental motion picture that begins with a representation of the present energy system (where different fuels are produced, how their energy is transported, how it is used) and continues with a succession of representations that show how we can move, over time, efficiently and economically to a system in which all, or nearly all, of the energy is derived, in various forms in different places, from the sun, and is distributed and used in ways compatible with that origin.

This is an intimidating task, but we must nevertheless confront it. There is little experience, and certainly no ready-made blueprint, to guide us through such a complex problem, and any single attempt to unscramble it is only that—an attempt, with no more advance claim on the truth than any other. One approach is to use a representation of a future solar-based energy system as a means of discovering its link to the present. One can examine this abstract system to seek out those elements in it which—although they are crucial to the structure of the overall system—are not in themselves solar and therefore could be put in place now. These nonsolar elements would provide the bridge between the present, unsatisfactory reality and the still abstract, hoped-for future. Thus it is possible to depict in practical terms how the transition to solar energy might be accomplished.

The initial task of assembling, in the abstract, a workable solar-based energy system is something like putting together a jigsaw puzzle. It is useful to begin with a few pieces that are obviously interrelated; then, as the visible fragment of the picture is enlarged, new relationships can be seen and new pieces fitted into it. Perhaps the best place to start is with the task for which there are no optional ways of providing energy: the operation of airplanes, which can use only liquid fuels. The easiest way to produce these fuels from sunlight is by way of biomass, yielding a fuel such as alcohol. At present, airplane fuel accounts for only about two per cent of the American energy budget, while land-based transportation, which also uses liquid fuel, accounts for about twenty-four per cent. Though land transport is most efficiently powered by electricity, this electrification is likely to be difficult to achieve in many cases. A solar liquid fuel, such as alcohol, will probably be needed to drive about a third of the land vehicles—most notably, high-powered tractors and construction machinery, and heavy trucks that carry freight not readily accommodated by railroads. Somewhere in the solar puzzle we need to find a way of producing enough liquid fuel to operate all air transport and perhaps a third of ground transport.

Wherever possible, however, land-based transport—railroads, urban mass transit, cars, and light trucks—ought to be driven by electricity, which will in any case be needed for stationary mechanical equipment, for lighting, and for communication. So the next piece in the puzzle is a suitable source of solar electricity to support these activities. Depending on the local situation, there are several options. If only electricity is needed—say, for road or parking-lot lighting—then it would make sense to produce it locally with photovoltaic cells (in relatively sunny places) or with windmills (in relatively windy places). But in most places both heat and electricity are needed. There—again, provided that the intensity of sunshine is sufficient—solar collectors could be used to supply heat, and photovoltaic cells or windmills to provide electricity.

Where the local sources of solar energy are not sufficient to meet the local needs, as in an urbanized area, a different approach has to be used: solar energy must be brought in from elsewhere. And to conform with the imperatives of the solar transition the energy must be transmitted in a form, and used in a way, that maximizes efficiency. This brings us to a major segment of the solar picture—cogeneration, the local production of both useful heat and electricity from a combustible fuel. A cogenerator is an electric power plant that is designed to make use of the waste heat that a conventional plant ejects into the environment. One recently designed cogenerator, for example, is simply a four-cylinder gasoline engine of the sort ordinarily used to operate a Fiat automobile. The engine's drive shaft turns a generator that produces electricity; the engine's cooling system, which in the automobile gives off its heat into the environment by way of the radiator, is connected to a heat exchanger—a nest of interwoven pipes which transfers the heat produced by the engine to, say, a building's heating system. So the cogenerator produces energy in two useful forms—heat and electricity—that together can usually account for up to ninety per cent of the energy contained in the fuel. In contrast, if the same engine were used to produce only electricity, with the heat ejected into the environment, its power output would represent at most thirty per cent of the fuel's energy. Any engine that produces motion by the burning of fuel can be used as a cogenerator: a gasoline or diesel engine, a gas turbine, or, for that matter, an old-fashioned steam engine. Installed in a residence, a commercial building, or a factory, a cogenerator can efficiently heat it in winter, cool it in summer, and drive its electrically operated appliances throughout the year. And the cogenerator can be sized to match the local need, so capacity are automatically tied together—a situation that makes it possible to avoid the inefficiencies that occur whenever a large power plant is built to meet demand that increases gradually, in small steps. Because cogenerators can make efficient use of liquid and gaseous fuels—which will be in relatively short supply in a solar system--they are a crucial part of such a system.

To take advantage of cogenerators we need to find a supply of solar fuel that is nonpolluting (so it can be used in densely settled areas) and can be transmitted efficiently (so cogenerators can be used when the local supply of solar fuel is inadequate). Solar methane is by far the best choice: once pipelines to carry it are in place, relatively little energy or capital is required to transmit it; it is capable of being fed into a transmission line at numerous points, wherever the varied solar sources that can be converted to methane are available; it can readily be used to fuel a cogenerator driven by an internal-combustion engine or a turbine; it can be burned anywhere without polluting the environment. Using methane for cogeneration also fits nicely into those situations in which local biomass is available but at the wrong time or in too small amounts to match the demand. At the height of the canning season, for example, a cannery might produce more methane (from its waste) than is needed and feed the surplus into the pipeline. At other times, when the local supply is short, the cannery might draw methane from the pipeline.

Now, once a pipeline for the widespread collection and distribution of solar methane is in place, we can see how to fit another major feature into the solar picture. This concerns the electric power produced by photovoltaic cells and windmills, and the possibility of collecting it in places where it is readily available in excess of local needs, in order to bolster the total national energy supply. The energy will need to be transmitted over considerable distances, but for the reasons already cited that would be done more efficiently if the electricity was first converted to gas. The simplest way to accomplish this is by using the electricity to produce hydrogen gas (from water), which can be readily converted to methane, chemically or through action of certain microorganisms. Alternatively, the hydrogen can simply be added to the methane pipeline. (Mixtures containing ten to twenty per cent hydrogen can be piped and used in equipment designed for pure methane.) Thus, wherever electricity can be produced in excess of local needs, it can be shipped in the form of a gaseous fuel to places that need more of it, and there converted into electricity and heat by a cogenerator, or into electricity alone by a fuel cell. (A fuel cell is a device that, supplied with oxygen and a gaseous fuel such has hydrogen or methane, efficiently produces electricity.)

Fortunately, the solar devices that make economic sense are also entirely compatible with the environment. Solar collectors, photovoltaic cells, and windmills simply transfer solar heat from one place to another. Their effects would be unnoticeable in the heat-transfer processes that occur naturally in changes of weather. The production of fuels from biomass fits nicely into the natural ecological cycles that support agriculture, and when these fuels—or hydrogen produced from solar electricity—are burned they produce only water and carbon dioxide. And since the amount of carbon dioxide produced when a solar fuel burns is exactly equal to the amount absorbed photosynthetically when the fuel itself was produced, this process does not harmfully raise the level of carbon dioxide in the atmosphere. Unlike the present high-tension power lines that disrupt the landscape, methane pipelines would be underground. They would, however, be subject—as are the present natural-gas pipelines—to fires and explosions.

The final piece of the solar puzzle concerns storage. Since the availability of solar energy depends on natural cycles—the alternation of day and night, the seasonal changes in solar intensity, changes in cloud cover—there are times when energy is needed but is not immediately available. Storage is therefore essential. There are well-known devices capable of storing the different forms of solar energy in the amounts required to meet short-term, local needs; tanks of hot water, bins of grain and other forms of biomass, rechargeable batteries, tanks of liquid fuels—including liquefield gases. A national solar-based system also requires storage on a national scale, however—a fact that is usually overlooked by both the proponents and the opponents of solar energy. The annual output of a wholly solar national energy system would depend on the weather, and if the system were just large enough to meet the national demand in a relatively sunny year it might fail disastrously in a particularly cold and cloudy year. One could, of course, deal with this problem by building a solar-based system large enough to operate effectively in the worst conceivable annual weather. But this would incur a large added cost, for something that would be unnecessary in most years. A more efficient way of dealing with the problem is the one that has been traditional in our oldest solar enterprise, farming: grain overproduced in good years is stored in anticipation of bad years. The same thing could be done by storing energy on a national scale. Again, methane is the only form of energy that could be handled in this way. (Constructing tanks and bins large enough for a national store of liquid fuel or of biomass would be prohibitively expensive.) With a national methane-pipeline system in place, the excess methane produced in good years could be stored (perhaps with some hydrogen mixed in) by being pumped into the underground formations that once held natural gas, many of which would then, of course, be depleted. The same strategy could be used to compensate for the seasonal imbalance between energy production, which is likely to be highest in the summer, and energy demand, which is likely to be highest in the winter.

Rough as it is, this sketch of what a solar-based system—once completed—might look like does delineate two predominant features linking this future abstraction to present reality. One of these features is the pervasive integrating role that a particular form of energy—methane or a methane-hydrogen mixture—would play in the system: as a means of collecting solar energy from local points of production and transmitting it to local points of use; as an environmentally benign fuel capable of efficiently yielding heat, or electricity alone or heat and electricity together; as a uniquely effective means of providing a long-term national store of energy to compensate for seasonal and annual fluctuations in supply and demand. The other feature is the local cogeneration of heat and electricity, which is the key to the joint, efficient, widespread production of these forms of energy from solar sources. Together, the two features can build the sought-for-bridge between the nonrenewable present and the solar future, for they are not only crucial elements of the renewable solar-based system but existing, easily expanded components of the present, nonrenewable—energy system.

Methane is completely interchangeable with a present nonrenewable fuel, natural gas—for the main burnable constituent of natural gas is, in fact, methane. What is more, a good deal of the needed gas-distribution system is already in place, to carry natural gas. In the transition, solar methane could gradually replace natural gas without disrupting the production processes that now depend on this fuel. The replacement could be achieved by the construction of methane-generating plants wherever a suitable source of biomass is readily available: garbage and sewage in cities; manure, agricultural residues, and cannery wastes in farming areas; seaweed along the coasts. As these plants are built, they could take over the task of feeding fuel into the pipelines that already supply natural gas to factories, homes, and commercial establishments. There need be no interruption in supplies, no "shortages"—only a gradual shutting down of the flow of increasingly expensive natural gas from existing wells and a gradual rise in the flow of solar methane. Such a transition would be relatively inexpensive, for it would make good use of the existing pipelines, the cost of which would otherwise have to be written off as natural gas rose in price and its use declined. No furnaces or stoves would need to be replaced. The inflationary impact of energy prices would be tempered, for, as the transition progressed, the price of the mixed natural-gas/solar-methane fuel would be increasingly governed by the stable cost of solar methane rather than by the exponentially rising cost of natural gas.

Such a transition could be so smooth, gradual, and unspectacular that it might hardly be noticed. Indeed, it has already begun, altogether unnoticed, in Chicago. There, in 1978, the Peoples Gas Company began to buy methane generated from manure obtained from a number of large cattle feedlots, near Guymon, Oklahoma. Each day, up to a million cubic feet of methane is pumped into a pipeline that carries natural gas from Oklahoma to Chicago. It is sold to the utility at a dollar and ninety-six cents per thousand cubic feet; the Natural Gas Policy Act brings the 1979 price of new natural gas to about two dollars and eight cents per thousand cubic feet. The feedlot obtains additional income from the residue, which it sells as fertilizer and cattle feed. Thus, every pot of water on a gas-burning stove in Chicago is now heated in part—so far, a very small part—by solar energy. However limited in scale, this program is concrete evidence that natural gas is indeed a solar bridging fuel—that the solar transition is not only possible but real.

The second crucial factor in a solar-based energy system—methane-fueled local cogeneration of heat and electricity—sounds like an inventor's utopian dream: it conserves energy and capital; it reduces energy costs; it eliminates environmental pollution. But it, too, is already in use. According to a recent British book on cogenerators, there were some five hundred successful cogeneration systems in the United States as early as 1967, many of them operating on natural gas. In New York City, two good-sized gas-fired cogeneration systems have been installed by the Brooklyn Union Gas Company. One, at Rochdale Village, in Queens, serves a hundred-and-seventy-acre complex consisting of twenty fourteen-story buildings (with a total of five thousand eight hundred and sixty apartments) and two shopping centers. The only energy that enters the complex is natural gas and, in the winter and as a standby fuel, No. 6 oil. Rochdale is not connected to the electric utility. The gas is used to fire steam boilers, which feed high-pressure steam into turbines, which drive electric generators. The "waste" low-pressure steam heats the buildings in the winter and air-conditions them in the summer and supplies them with hot water throughout the year. A similar system provides energy for the Warbasse housing complex, in Coney Island. In Little Rock, Arkansas, the Park Plaza shopping center, which has three hundred and fifty thousand square feet of floor space, obtains all its energy from a gas-fueled cogenerator.

With a gas-fired cogenerator in place, establishments like Rochdale Village would be in an excellent position to hold their energy costs down despite the rising price of natural gas—if solar methane were available. Suppose, for example, that New York City, New York State, or the federal government were to construct a plant to convert New York City garbage and sewage—or perhaps, eventually, the huge underwater dump of sewage sludge that lies off the Long Island coast—into methane. Such a project is an immediate technical practicability. Indeed, the city's existing sewage-treatment plants already produce methane, although as a by-product. The Starrett City housing development, in Brooklyn, is investigating the possibility of using methane from a nearby sewage plant in its oil- and natural-gas-fired cogeneration system. Given the expected cost of producing methane from sewage and the rise in the price of natural gas which was mandated by the recent deregulation legislation, the complex experts to be able to save money on its fuel costs by supplementing the natural gas it already uses with solar methane. It is hoped that this saving would increase year by year, as the price of natural gas continues its unending escalation and the cost of solar methane remains constant. Meanwhile, the New York area would reap other benefits. The conversion of garbage, sewage, and underwater sludge into methane would rid the environment of major pollutants. The organic residue from methane production is an excellent fertilizer; used on Long Island farms to replace inorganic nitrogen, the residue would help reduce the pollution of surface waters caused by nitrate leaching from fields that are now heavily fertilized with that inorganic nitrogen. Solar energy could be introduced and all these advantages realized now, with no need to wait for a research breakthrough or for residents to develop living arrangements suitable for the arrival of what the Department of Energy likes to call an "exotic" energy source. Indeed, people would hardly know that the solar era had arrived unless some slight difference in the burning qualities of solar methane and the natural gas that it replaced required an adjustment in kitchen-stove pilot lights. In Rochdale Village or Starrett City—or wherever energy needs are met by natural-gas-fired cogenerators—the solar transition could start tomorrow.

At least one operator of a large office building in Manhattan is planning to switch from conventional energy sources to cogeneration. The plan was blocked until recently, however, because the proposed cogenerators would have used diesel fuel and thereby contributed to the already considerable level of air pollution in the city. The use of natural gas would get around that problem. Until recently, cogeneration was thought of only in connection with large buildings or complexes, since only large-sized equipment has been available. Now the Fiat Company, of Italy, has brought cogeneration down to the scale of a single-family house, by introducing a small cogenerator, the TOTEM, based on its four-cylinder automobile engine. The unit will run on gasoline, methane, natural gas, or alcohol. It can convert sixty-six percent of the energy of any of these fuels into heat and twenty-six percent into electricity; only eight percent is lost. (A conventional home furnace will convert only forty to sixty-five percent of the fuel's energy into space heat.) For producing electricity alone, the TOTEM unit is not quite as efficient as a central electric-generating station, but, whereas the heat lost at the central power station is wasted, the cogenerator's heat is used. The TOTEM unit costs about six thousand dollars, or about four hundred dollars per kilowatt of electric capacity. This compares well with the capital cost of central power stations, which is five hundred dollars to fifteen hundred per kilowatt of capacity.

With such small units available, the solar transition could be brought to those residents of New York who need it most—the poor. It is a notorious fact that in large areas of the city where poor families live—for example, the South Bronx and the East New York area of Brooklyn—housing has deteriorated shamefully. Most of the homes that are still standing need new heating systems, and the many burned-out homes need to be rebuilt. Here, then, is an opportunity to install small gas-fired cogenerators, affording immediate savings in utility costs, and later—as supplies of solar methane are produced in sufficient amount—freedom from the yearly increase in utility costs, which already take a large part of a poor family's budget. In rebuilding these areas, the city might even find it more economical to install a small power plant equipped with cogenerators, which would supply the neighborhood with electricity, heat, and air-conditioning—and, for that matter, with jobs—and would also give the community a new sense of independence.

Once a gas-fired cogenerator is in place, it is capable of more than saving the consumer money and the nation energy. A cogenerator system is ready to accept three different forms of solar energy. First, the natural gas it uses could gradually be replaced with solar methane. Then solar collectors could readily be added to the system to produce more energy for space heat and hot water (and, with more advanced collectors, for air-conditioning as well); with the cogenerator system already in place and capable of providing heat during the worst part of winter, the solar-collection system could be kept to a size that maximizes its economic advantage. A building or neighborhood energy system already equipped with a cogenerator and its own electric system would be admirably prepared to add photovoltaic cells. With the addition of collectors and photovoltaic cells, the amount of gas used for cogeneration could be cut back. In the early stages of a solar transition, this cutback would reduce the use of natural gas, thereby freeing the consumer from the effects of its rising price. In the later stages the local production of heat and electricity from solar collectors and photovoltaic cells would save the gas—which by then would be mostly solar methane—for situations in which local energy sources were insufficient. Beginning with the cogenerator, the transition would proceed, each step facilitating the next, until the entire need for energy was fully met by renewable, thrifty solar sources. In this way, the seemingly abstract solar future can be reached from a start firmly grounded in the present reality.

The means by which the nation might negotiate the passage to solar energy is now discernible. Replacing all—or nearly all (ninety to ninety-five per cent, perhaps)—of our present nonrenewable energy sources with solar energy might take fifty years or so. If the present patterns of energy use are maintained, the total demand for energy will more than double in that time, but if we made the necessary effort to conserve energy where the waste is greatest—for example, through the widespread use of cogenerators and electrified mass transit—it should be possible to keep the increase down to about one-third of the present demand. The task of the transition, then, is to gradually increase the total amount of energy consumed from its 1977 value of seventy-six quads—a quad is a quadrillion B.T.U.s—to about a hundred quads in 2027, and simultaneously to replace the present nonrenewable energy sources (imported and domestic oil, nuclear power, coal, and natural gas) with solar sources.

In the initial phase of the transition, in order to meet the rising demand for heat and electricity, natural-gas-fired cogenerators would be installed wherever they could be used, and more extensive gas-distribution systems would be built to supply them. While these measures would increase the over-all efficiency of the national energy system, the fuels saved would necessarily be those which are used for power production: coal, uranium, and oil. This would mean that the increased overall demand for energy would need to be met by a gradual expansion in the use of natural gas, probably from its present annual figure of twenty quads to about thirty-five quads in the twenty-fifth year after the transition began.

Meanwhile, during the first twenty-five years of the transition the production of solar energy would gradually increase. Starting now, solar collectors would be installed wherever they would be practical, to provide heat; alcohol produced from waste and crops would begin to replace gasoline; methane, produced wherever there was enough suitable biomass, would be fed into the expanding pipeline system already carrying natural gas. A few years after the start of the transition, the use of photovoltaic cells and wind generators would begin to expand appreciably. Gradually, the total production of solar energy would increase until, by the twenty-fifth year, it amounted to perhaps twenty per cent of the total energy budget. At that point, halfway through the transition period, solar energy and expanded natural-gas production would account for something over half the total energy budget. With these additions to the national energy supply, it would be possible, for example, to eliminate all oil imports over the first twenty-five-year period of the transition without increasing the present rate of production of domestic oil, coal, and nuclear power. Alternatively, the solar transition could be used initially to replace nuclear power. One of the unfortunate consequences of the accident at the Three Mile Island nuclear power plant is that it has confronted those areas of the country which are particularly dependent on nuclear power, such as metropolitan Chicago and New England, with a painful dilemma. Residents of those areas now know that they, too, may face the uncertainties, disruptions, and potential catastrophe that confronted the people in the Harrisburg area in March. But they also know that their supply of energy cannot be cut back without courting economic disaster. The solar transition could help these regions, which are now hostage to the anxieties of their proximity to nuclear power plants, relieve this distress. The energy-saving and energy-producing measures of the solar transition that are ready for use could be introduced at once, allowing these areas to close down nuclear power plants gradually, without disrupting their essential supply of energy. In effect, in the first half of the transition the increased use of both natural gas and solar energy could replace imported oil or nuclear power while accommodating the expected increase in the overall demand for energy.

In the next twenty-five years, as solar sources continued to expand (especially the more novel ones, such as hydrogen production), it would be possible to gradually reduce the production of domestic oil, coal, and nuclear power to zero, while natural-gas production could fall to ten quads a year (about half its present rate). At that point, the system would be about ninety percent solar. Thereafter, the ten-percent contribution of natural gas could be eventually eliminated, but it would be important to retain this source as a standby to compensate for seasonal and annual changes in climate.

To carry us through the transition, this scheme would require the production of a total of thirteen hundred and fifty quads of the bridging fuel, natural gas, over the fifty-year period. Is that much natural gas available in the United States? It is commonly agreed that the geological formations that are now being tapped for natural gas in this country contain nine hundred to thirteen hundred quads of producible fuel—not quite enough to support the transition. Evidence developed in the last few years, however, has drastically changed this outlook for the better. It now appears that there are much larger sources of natural gas in the United States than the conventional ones. These "unconventional" sources have been encountered repeatedly over the years, during exploration of conventional oil and gas formations, but have been largely neglected. One such unconventional source is so-called geopressurized methane, which occurs in a hot briny solution at depths of eight thousand to fifteen thousand feet, especially along the Texas coast. Another unconventional source is natural gas held in tight geological formations. In Appalachia, thousands of wells have produced natural gas from these formations, but flow rates have been low and the wells have been of limited use. Now, however, a fairly simple way has been found to break up the tight shale formation that inhibits the flow of gas. A mixture of water, polymers, and tiny particles of sand (or other material) is pumped into the well under high pressure. The pressure breaks up the formation and forces the particles into the crevices that are opened up. When the pressure, is released, the particles keep the crevices open, allowing gas to flow freely. The same technique is being used to release natural gas from tight sand formations in the West.

In August of 1978, at a meeting of gas-industry experts in Aspen, Colorado, it was agreed that these unconventional sources might amount to a total of five to ten thousand quads. Earlier reports gave a similar figure and estimated the potential United States sources of natural gas (about eighty-seven per cent unconventional) at seven thousand quads. According to the industry experts, natural gas from these new sources can probably be produced at a cost of two to three dollars per thousand cubic feet. Thus, there does seem to be enough natural gas available—at a price that is reasonable compared to the alternative, imported oil or nuclear power—to support the transition. After the transition is complete, moreover, the natural-gas supply is apparently sufficient to serve as a standby for many years, or until solar methane and hydrogen are plentiful enough to produce a surplus for storage.

Beyond the question of the availability of natural gas lies a second practical question: Can the country eventually produce enough solar energy to meet the total national demand? In theory, the answer is yes, since the total amount of solar energy that falls on the land is hundreds of times as much as we need. But a practical answer is more difficult, for the demand requires that sufficient solar energy be produced in the appropriate forms. Producing enough heat from solar collectors or enough electricity from photovoltaic cells is only a matter of extending these devices over a sufficient area. The present demand for heat could be met by solar collectors covering about forty-four-hundredths of one per cent of the American land area, and the demand for electricity could be met by using twelve-hundredths of one per cent more for photovoltaic cells (operating with the efficiency of currently available cells, which is about ten per cent). In view of the fact that streets and roads take up about one per cent of the land area, this is not an insuperable problem. By prudently using available organic wastes, developing new sources such as seaweeds, and—most important—judiciously reorganizing agriculture so that it yields both food and solar fuels efficiently, the crucial need for liquid and gaseous fuels could also be met. The alcohol or other liquid fuels made from biomass available from agriculture could certainly provide for the expected needs of aviation, with enough left over to fuel heavy land-based vehicles that are not readily operater by electricity. The twenty quads of methane and hydrogen that would be produced could, if they were divided about equally between industry and the residential-and-commercial sector, take care of the demand for heat and electricity not readily met by local solar collectors, photovoltaic cells, and windmills.

In sum, the route to a solar future is open.

The choice of which route the nation ought to follow in the transition from the present, increasingly intolerable reliance on nonrenewable energy to a renewable energy system now lies before us. Both routes are technically possible. Several breeder reactors have been built in Europe, and, although these do not seem to regenerate fuel very efficiently as yet, there is no reason to doubt that breeders could, in theory, provide us with the needed energy for a number of centuries. And, as we have seen, if it is properly organized around the use of natural gas as a bridging fuel, a transition to a solar-energy system is also possible. Both routes would be costly, and both would affect much more in the nation's life than the production of energy.

Adopting the breeder-based nuclear-power route involves a number of grave questions, such as the growing uncertainty about the safety of nuclear power plants; whether radioactive wastes can be safely stored, and, if so, how; how the heavy demand for capital to build increasingly costly nuclear power plants can be met; how the resultant escalation of utility rates can be coped with; and what can be done about the terrifying prospects of nuclear proliferation and radioactive contamination inherent in the extensive traffic in plutonium, thorium, or uranium-233 that would be inevitable in a breeder-based power system.

The solar choice raises equally difficult but different questions, such as whether the oil and gas industry is able and willing to produce more natural gas from the known reserves and to expand gas pipelines at a reasonable cost; whether other industries—for example, the automobile industry—are willing to invest in the large-scale production of cogenerators; how the loans that consumers need in order to invest in collectors and other solar equipment are to be provided; whether the federal government (or, for that matter, states and cities) will be willing to buy sufficient photovoltaic cells so that production can be expanded and the price reduced to the point where they can invade the conventional electric market; and whether the petroleum industry will tolerate the competition from farmers' production of solar fuels, and the utility industry will tolerate the competition from locally produced electricity.

The social and political consequences of the choice are immense. Breeder reactors and the intense use of coal that must precede them would greatly worsen our already serious environmental problems. The breeder route would concentrate most of the nation's energy system in the hands of either the very largest corporations or the federal government—the only institutions capable of meeting the huge cost of even a single breeder. The need to protect the system would probably bring it under the control of the military, and, according to John Barton, a professor of law at Stanford University, who has studied the potential impact that measures for safeguarding the recycling of plutonium that would be required in most breeder reactors might have on civil liberties, could lead to grave threats to the legal doctrines that protect personal and political freedom in the United States.

In contrast, solar energy is completely compatible with the environment. (The sun's nuclear reactions are safely contained within it, ninety-three million miles away; its ultraviolet radiation is largely absorbed by the earth's ozone layer; the thermal effects of using solar energy are very small relative to those due to the weather.) Sunshine is widely distributed, and is best exploited by decentralized operations rather than by a few large centralized plants controlled by super-corporations under military protection. Solar energy is inherently benign, and when a pump fails in a solar device there is no need to call upon the President to visit the scene in order to dispel the fear of catastrophe. No form of solar energy can be turned into a huge bomb; no political fantasist or power-hungry dictator can ever use solar energy as an instrument of terror; no one need ever be tortured to recover a stolen solar device.

Is it necessary to choose between the two routes? Can we not follow both of them, emphasing the advantages and minimizing the hazards of each? Unfortunately, we cannot; the two routes are inherently, intractably incompatible. The breeder-based system would require the creation of a huge electric-transmission network and the adaptation of all energy-using processes to this single source. In a solar system, the methane-hydrogen pipelines would eventually take the place of most of the electrical network, and energy would be produced in a variety of forms, in relatively small local units. The cost of either system would be so great that the nation simply could not afford to build both of them.

It is evident, then, that a choice must be made between the two routes to a renewable national energy system; that it must be made now; and that it involves grave and portentous decisions about the nation's economic, social, and political future. Although these issues clearly should have been considered in the congressional debates on the National Energy Plan, which President Carter put before Congress in April of 1977, they were not. At their best, the debates were tangential to the real issues; at their worst they served to confuse them. The Administration's position on the breeder has been particularly troublesome. Two weeks before the National Energy Plan was released, President Carter announced that he wanted to end the Clinch River plutonium breeder project, and environmentalists were jubilant. They knew that without the breeder it made little sense to continue the conventional nuclear-power program, because the uranium supplies would run out.

But the Administration's energy policy was not quite what it seemed, for tucked away in the National Energy Plan is this statement: ". . . the President is proposing to reduce the funding for the existing [plutonium] breeder program and to redirect it toward evaluation of alternative breeders, advanced converter reactors and other fuel cycles . . ." Despite Carter's campaign claims that nuclear power would be used only as a last resort, the Administration is strongly committed to both a nuclear present and a nuclear future. At the same time, the National Energy Plan played down the development of solar energy. John O'Leary, Deputy Secretary of Energy, told a meeting of the American Public Power Association in October of 1978, "There is no place for solar energy in this century. . . . We can have two options—coal and nuclear power."

If there was any question about where Carter stood in the choice between the development of nuclear power and the development of solar energy, he made his position quite clear on November 6, 1978, when he signed the Solar Photovoltaic Energy Research, Development, and Demonstration Act of 1978. Among other things, this bill authorized the government to make a purchase of photovoltaic cells somewhat larger than the amount recommended in the National Energy Act—the step that a Federal Energy Administration task force had shown would lead to the rapid commercialization of this device. When President Carter signed the bill, however, he announced:

> It is still too early to concentrate on commercialization of photovoltaics. Photovoltaic systems hold great promise; but in the short run we must emphasize research and development, including fundamental work on the physical properties of these systems, so that this promise can be realized. Therefore I will not propose to the Congress that a broad Federal solar photovoltaic purchase program tied to the specific goals of this Act be undertaken soon.

Since then, in the aftermath of the accident at the Three Mile Island plant, Carter has reiterated his view that we must continue to develop nuclear power, and so the large role that the Administration allots to nuclear power, to coal, and to electricity generally in the energy plan falls into place. With coal relied on heavily as the bridging fuel, the nation's centralized power network would be considerably expanded. Consequently, if the President's plan should be carried out, the entire national energy system would become heavily dependent on centralized electric-power production by 1985. A considerable part of the national energy output would be produced by conventional nuclear power plants, so that when, by the turn of the century, it became clear that nuclear fuel was running out, a serious shortage of electricity would be threatened. At that point, with the energy system so dependent on the nuclear power system, there would be no choice but to extend its life by introducing the breeder, whether plutonium-based or based on thorium, which Carter seems to prefer. This is the transition to renewable energy inherent in the design of the National Energy Plan and in Administration policy.

That fact helps to explain why the debates on the National Energy Plan were irrelevant to the problem of solving the energy crisis. The plan seemed to be based on a view of the crisis which was at once misleading and covert. On one level, the plan was put forward as a conservation program—an effort to cut the use of energy in order to stave off the day of reckoning when we would supposedly run out of oil. On this level, the plan was misleading; it was designed not to resolve the energy crisis—that requires a transition to renewable energy—but merely to delay it. All of Carter's exhortations were linked to the conservation proposals; that was the loudly publicized aspect of the plan. But hidden behind the plan's intricate manipulations and discussed by neither the Administration nor Congress is its deeper meaning. On this level, the plan seems to reflect a much clearer understanding that the energy crisis springs from the nonrenewability of our present sources and that the only way to resolve it—as opposed to delaying it—is to carry out a transition to renewable sources of energy. With little fanfare, the plan sets in motion just such a transition—to the renewable source of energy represented by a vast nuclear power system based on breeder-regenerated fuel. This, the unpublicized part of the plan, would commit the nation, unwittingly, to a vision of the future that is anathema to many Americans.

We now know that the energy crisis is the inescapable result of our nearly total dependence on nonrenewable sources, which, as they rise in price, place an intolerable burden on the economy; that only a transition to a renewable energy source—solar energy or the nuclear breeder—can solve this problem; that the choice between these two options involves grave economic, social, and political issues, which need to be resolved in a national debate; that, despite the Administration's fumbling, the relevant facts are in hand and are ready to be put before the American people for decision.

"The American people" do not, of course, constitute a uniform body; the nation is made up of groups that occupy different and, in some respects, conflicting positions in the economic system. These groups may best be served by different energy policies. Prominent among the groups are consumers, farmers, labor, the entrepreneurs and managers of the industries that use energy, and the entrepreneurs and managers of the industries that produce and distribute energy. Each group needs to examine for itself how the choice between the two alternative routes toward a national system of renewable energy—or, for that matter, neither—would meet its own interests.

Clearly, if the heavy burden of the energy crisis on consumers is to be relieved, the present energy system must be replaced by one based on a source that is renewable (so that its price is stable), thrifty in its demand for economic resources (so that consumers can have access to their share), and benign in its effect on the environment (so that people can live in it without fearing for their health and safety). It seems equally clear that a solar-energy system would serve consumers' needs much better than one based on breeders. The breeder-based system, because of problems inherent in its centralized design, would use capital less efficiently than a solar-based system. It would generate serious environmental hazards and run the risk of potentially catastrophic accidents. It would intensify consumers' onerous dependence on the electric utilities, which have already laid claim to so large a part of consumers' budgets, especially the poor. But, most important, the solar-based system could be introduced much sooner than the breeder system, avoiding the huge increases in the cost of conventional energy which will occur until it is replaced by a renewable source. The early introduction of the solar-based system would leave a larger part of the economic system available for consumer purchases, to maintain the standard of living, and for new investment, to expand the economy. The transitional process, too, would benefit consumers. The introduction of cogenerators would reduce consumers' energy costs, and with more natural gas available they could use that fuel for heat instead of much more expensive electricity. Finally, whereas the shift to breeders would degrade the environment, the solar transition would improve it.

Farmers are both consumers and producers. As consumers, they share, for the most part, the interests of consumers generally, and so would be much better served by a solar-based system than by a breeder-based system. As producers, they have a special interest in solar energy. They would quickly benefit from a solar transition, which would give them immediate access to solar energy produced on the farm: alcohol and methane, and electricity from cogenerators driven by these fuels. Farmers could then regain the energy independence they once enjoyed, not by returning to draft horses and manual water pumps but by producing for themselves the forms of energy needed to run the farm's modern equipment—tractors, trucks, grain dryers, electric milking machines, and refrigerators, not to mention the farmhouse water pump, vacuum cleaner, and TV set.

The solar fuels could be produced at a constant cost, in contrast to the escalating price of conventional fuels. So, as farmers shifted to solar fuels, they could hold down their production costs and become less vulnerable to the economic difficulties they always face when the price of farm commodities fluctuates downward. And, with the price of nonrenewable fuels continuing upward and farmers beginning to produce more energy than they needed, they could turn the tables on the oil industry. Instead of depending on the increasingly costly products of the industry, farmers could compete with it, selling not only food but significant amounts of solar fuel as well. This would give them a broader, more stable market for their goods and a new, more independent and economically secure position in the national economy.

Labor unions are frequently wooed by utilities seeking allies in their battles against citizens who oppose the construction of power plants. The utilities argue that workers need jobs and that unless energy is available factories will close and people will be put out of work. But the real interests of working people in regard to energy are not encompassed by this oversimplified approach. It is true, of course, that energy is essential to the nation's system of production, which is the source of jobs and wages. But labor makes other requirements of the system of production, and these may be better met by one source of energy than by another.

A renewable-energy system based on breeder reactors would not serve the interests of working people well. The heavy expenditures for nonrenewable energy during the twenty-five-year delay before breeders could be introduced would divert economic resources from the development of new industry and, consequently, the creation of new jobs. And even before breeders were built—in the transitional period, as the electric power system expanded—many industries would be forced to make unproductive investments in order to switch from natural gas (which is now widely used in industry) to electric power and coal. This would further limit the economic resources available for new industrial investments, and, whereas capital spent to build a new factory will create additional jobs, capital spent on switching from one fuel to another will not—at least for the industry affected. (It is a maintenance cost.) In contrast, in the solar transition the supply of natural gas would expand rather than contract, so industries that depend on it could avoid such unproductive switching costs, and more capital would be available for new, job-producing investments.

These considerations apply with equal force to the interests of the entrepreneurs and managers of industry generally—to the productive operations that use energy. In recent years, as energy supplies have become less certain and more costly, many industries have been hurt. During the artificial oil shortage caused by the 1973–74 embargo, some plants shut down for weeks at a time, and the same thing happened when natural-gas supplies to the Midwest were disrupted in the winter of 1976–77. These events dramatized a basic fact concerning the relationship between the industries that use energy and the industries that produce it. Since all industries must have energy, the energy-producing industries are in an unchallengeable position to dictate the terms of trade. Although an appliance factory in New England might find it particularly practical to burn natural gas in its paint dryers, it may be forced to use electricity or fuel oil because the gas industry has seen fit to direct its supplies elsewhere. And an industry that does get a gas hookup and installs machinery designed to operate on it must thereafter pay whatever price the gas company is allowed to charge or else bear the cost of installing new equipment. Gas users have little opportunity to shop around for cheaper supplies, because even where there are multiple suppliers the producers' collective control of the rate of production and of pipeline allocations maintains a nearly uniform system of prices. In effect, in relation to the energy-using industries the energy-producing industries can exert most of the economic control enjoyed by a monopoly. The need to control this power is the reason for government regulation of the energy industry.

The energy-using sectors of the economy

would be better served by a solar transition than by a transition to a breeder-based system. The breeder-based system would require the many industries that now use liquid and gaseous fuels to be redesigned for electricity. This would intensify the energy industry's monopoly power, since there would then be only one source of energy, and it would be under the control of large, financially powerful corporations. In contrast, the solar route would break the hold of the energy companies over the rest of industry. In a solar-based system, many industries could control their own source of energy, which could often be produced locally—by the industry itself or by nearby small-scale producers. A factory equipped with its own photovoltaic cells controls its own source of power. A cannery that produces methane from its wastes and has a two-way connection to a methane pipeline is at least a partner in its energy supply. But once more the most important difference between the alternative routes to renewable energy is that the solar-based system would come into action sooner, thereby draining off less of the economy's resources for maintenance of the energy system and leaving more for new industrial investment.

Where do the interests of the energy-producing industries lie in the choice between the two routes to a national system of renewable energy? Among these industries are three that together encompass all the sector's activities; electric utilities, on which the whole of the nuclear-power industry and most of coal production depends; the gas utilities, on which the production and distribution of natural gas depends; and the oil industry, which produces and sells crude oil, natural gas, and refinery products such as fuel oil and gasoline.

The electric utilities operate highly centralized power plants, and since this is precisely the design required by a breeder system, there is a nice fit between the two. But building breeders would also aggravate the utilities' two main problems—difficulty in raising capital and difficulty in meeting environmental standards. Neither of these problems could be solved by the utilities without government help. Yet before breeders were introduced, the government would need to shore up the nuclear-power industry, which, even before the accident at Three Mile Island, was facing serious trouble because it lacked sufficient orders. One possibility—already suggested by the Westinghouse Corporation—is that the government should itself buy nuclear power plants, for later resale to utilities. Another likely maneuver, which has been proposed by the Administration, is to shorten the time required for nuclear-plant construction by, among other things, limiting environmental challenges. If breeders were built, these economic and environmental problems would become worse rather than better. Thus, the transition to a breeder-based renewable-energy system could serve the interests of the electric utilities, but only if they had a great deal of help from the government.

On the other hand, it is difficult to see how, even with government help, the electric utilities could survive a solar transition as private enterprises. To begin with, the expanded use of the solar bridging fuel, natural gas, would favor the electric utilities' only present competitors—the gas utilities. (Some utilities, it is true, do sell both gas and electric power.) New industries and housing developments would tend to install gas-driven cogenerators rather than link up to the electric utilities. Then, as solar devices were introduced, the competition would increase. And, because of the electric utilities' peculiar financial structure, new competition would be fatal for them. Suppose, for example, that the production of photovoltaic cells is expanded and their price falls enough to make them competitive with utility power. Some of the utility's customers would begin to switch to photovoltaic systems, and the demand for utility power would decline. As a franchised public utility, however, a power company is allowed a certain fixed rate of return on its capital investment, and so, as the demand for power falls, the utility can compensate by raising its rates. (This has already happened in a number of instances where conservation measures have reduced demand.)

But, as the utility's rates go up, the photovoltaic option will become more attractive to its customers, and more of them will switch to photovoltaics. Demand will fall even more, the utility will again raise its rates, and more customers will go solar—and so on. In the solar transition, the utilities' efforts to maintain their rate of return in the face of growing competition will set up a feedback process that can only end with absurdly high rates and no customers. Unless the utilities acquired some other source of income, a national commitment to the solar transition would guarantee the demise of electric utilities as viable private investments.

Still, the utilities' power lines and some of their power plants would have an important—if not financially rewarding—role to play in the solar transition. Both energy and capital can be conserved if a solar installation is tied into the utilities' power grid. In a mixed solar-and-conventional system, the high cost of storage can be reduced if utility power is available as a backup, and energy can be saved if a solar source can feed electricity into the power grid when it is not needed locally.

The interests of the utilities that distribute natural gas are self-evident. In a transition to a breeder-based system, the presumably stable price of its renewable electricity would compete more and more successfully with natural gas, which would meanwhile become exponentially more expensive. In such a transition, the gas utilities would gradually be phased out. In contrast, in a solar transition the gas utilities would be the purveyors of the essential bridging fuel, and they would flourish. Their crucial role would continue into the solar-based system itself, since the methane from solar sources gradually added to gas pipelines would be distributed through their pipelines.

Where do the interests of the oil companies lie in a possible transition to a system of renewable energy? In either a solar or a breeder transition, oil and natural gas would be needed until the renewable source was large enough to take over. But when a solar transition was complete, only standby natural-gas production would be needed—not much of a prospect for the huge oil companies. In a transition to the breeder system, their prospects would be much better. The major oil companies own a considerable part of the nation's reserves of both coal (the bridging fuel in this transition) and uranium (a breeder fuel). (According to Alfred F. Dougherty, Jr., director of the Bureau of Competition in the Federal Trade Commission, eleven oil and gas corporations control fifty-one per cent of the known uranium reserves, and fourteen of the twenty major corporation now holding coal reserves are oil companies.) In a breeder transition, the major oil companies would be in an excellent position to maintain their present position as the main supplier of essential fuels. Moreover, since the oil companies are among the largest, wealthiest corporations in the United States, they might invest directly in the construction of breeders, which would call for large amounts of capital.

As for a transition to a solar-based system, oil companies would find it, in certain ways, inimical to their own special interest. First, the emphasis on natural gas as the bridging fuel and the early elimination of nuclear power would tend to reduce the value of the companies' large uranium holdings. To be sure, insofar as the oil companies hold natural-gas reserves, they could play an important role in the solar transition. But natural-gas production has often, in the past, been a sideline for the major oil companies, developed only as an adjunct to oil production; many of the American gas producers are relatively small independents, especialy in the areas of unconventional gas reserves. The large oil companies would therefore have a good deal of competition in the production of natural gas, and they are more likely to invest in areas where their enormous wealth gives them a strong competitive advantage. If the oil companies were to engage more extensively in the production of solar-energy devices, their huge capital resources would not be particularly advantageous, because the investments would tend to be diverse and relatively small-scale. So the major oil companies are not likely to find a role in the solar transition which is suited to their distinctive capacities—in particular, their ability to make large investments.

In fact, the major oil companies are most likely to prefer neither of the renewable-energy options. In recent years, as the price of energy has increased and oil-company profits have risen, the companies have shown a growing interest in investing outside the field of energy. In November of 1978, a survey of current trends in the oil industry by the *Oil & Gas Journal*, a trade magazine, reported "With price increases, companies like Exxon Corp. and Phillips Petroluem Co. are generating such massive cash flows that traditional investment areas can't absorb the capital." The report continued:

". . . what's in store ten years from now? The latter question is perhaps more critical in the oil industry than in other businesses because it looms against a backdrop of shrinking U.S. oil and gas reserves. And there are critical decisions to be made, such as what to do with cash flows from present investments as opportunities in traditional investment areas decline."

The oil companies' cash is already beginning to flow into enterprises other than oil and natural-gas production. In the last few years, inflated oil-company profits have been used by Mobil to acquire Montgomery Ward and the Container Corporation of America; by Atlantic Richfield to buy Anaconda Copper and the London Observer; by Sun to attempt the acquisition of a manufacturer of medical supplies; and by Exxon to invest heavily in electronics. (Gulf Oil considered buying Ringling Brothers and Barnum & Bailey Circus.) At the same time, most of the major oil companies are increasing their already appreciable investments in chemical production. Such purchases diversify the company holdings, and, according to a vice-president of Standard Oil of California, "the thrust for diversification comes from the depletion of oil and gas resources." The Oil & Gas Journal report also emphasizes the oil companies' view that investment in oil and gas production has become increasingly risky—"as we try to produce more difficult wells." Finally, although the industry has been drilling more domestic oil wells in the last few years because of the sharp rise in the price of oil, this will go on only if the price continues to rise. One major oil company points out:

These investments (in new United States oil production) are being made in antiicpation of prices rising over time to what we consider to be more rational levels. If these price increases do not come about, our economics on current projects will be seriously affected, and our ability and willingness to make future investments will be greatly decreased.

Although the rising price of oil has generated enormous profits for the oil companies, then, in the future they may be increasing reluctant to use those profits for "traditional investments"—for the production of more oil and gas. This is the inevitable outcome of the nonrenewability of oil and gas. As oil and gas become progressively more costly to produce, the companies, unless they can be certain that the price of oil and gas will keep pace, run the risk that their profits will fall. As a 1973 report of the National Petroleum Council pointed out, if the price of domestic oil had not begun to rise exponentially after that date the oil companies' rate of return on their investment would have dropped to two per cent by 1985. (It is now between fifteen and twenty percent.)

The oil companies' uncertainty about their future profits is not surprising. They know from experience that, because oil and gas are crucial to the economy, there is always the possibility—depending on the political outlook in Washington—that prices will be controlled. Because of this uncertainty, and the certainty that production costs will rise exponentially as oil and gas deposits are depleted, investments in these resources are bound to become increasingly risky in the future. The oil companies fought hard for a bill to deregulate natural gas, and also pushed hard for the recently announced rise in oil prices, which is part of the oil-price-control legislation that expires in 1981. The petroleum companies feel that they need to be more confident of higher future prices. For this reason, they have been heavily engaged in advertising campaigns to persuade the public that resolving the energy crisis depends on increased production, which can occur only if government regulations, especially on prices and environmental controls, are lifted.

It may seem paradoxical that, while voicing these strident demands concerning the economics of oil and gas production as though their survival depended on it, the oil companies are quietly buying their way into other industries. But the two campaigns are in fact complementary; the faster energy prices increase, the more ready cash the oil companies will have to buy up other industries. This strategy would benefit from a national decision to take the breeder route, for it would give the oil companies an additional twenty-five years or more in which to collect high prices for oil and gas and to invest the growing profits elsewhere, meanwhile profiting as well from their extensive holdings in coal and uranium.

In looking into how the choice between the two routes to a renewable-energy system is likely to affect the special interests of the different sectors of the economy, we have found that the breeder route would favor the electric utilities and the oil companies, and that the solar route would favor the gas utilities and all the users of energy; industry, commerce, transportation, farmers, labor, and consumers. But, clearly, the electric utilities and the oil companies would resist this decision, and a major conflict would arise. The national welfare requires that the conflict be resolved, and it is useful to consider how that might be done.

To begin with, if the solar transition is to proceed smoothly, without disastrous breaks in the flow of energy, the present annual rate of production of coal and domestic oil would need to be maintained in the first half of the fifty-year transitional period and gradually reduced to zero in the second half. (But nuclear power or oil imports, as has been noted, could be phased out in the first twenty-five years.) In the first half of the transition, the annual production of natural gas would need to be nearly doubled, but would decline to a low, standby rate in the next twenty-five years. During the transition, as oil and natural-gas deposits became less accessible and more difficult to exploit, the cost of producing them and the riskiness of the necessary investments would rise rapidly. But, despite these difficulties, the nation would need to be absolutely assured of a continuous supply of these fuels. Under these circumstances, the distributors of natural gas would flourish. As the national energy system became increasingly dependent on them, they would enjoy a powerful monopolistic position, which would, of course, require social control. This situation should cause no serious difficulties, however, since the industry is already under a system of regulation.

In contrast, the electric utilties' natural monopoly would end, and they would rapidly lose business. Nevertheless, their facilities would be needed as a backup and distribution system for solar installations. This situation resembles that of the freight railroads, which once had an effective monopoly on interurban hauling, and which, like the electric-power companies, operate as a utility; that is, the types of service offered and the rates charged are regulated by the government. Extensive automobile, truck, and air traffic broke the railroads' monopoly, and the more vulnerable ones, in the East, became unprofitable and went bankrupt. Their freight operations and certain of their passenger operations are essential to the national economy, however, and these have had to be continued. (And now, in any sensible energy transition, the railroads should be vastly expanded, and electrified.) Publicly funded corporations—Amtrak and Conrail—were created to continue at least minimal rail services. For all their inadequacies, these corporations have the merit of sustaining an essential national service that has become too unprofitable to warrant support as a private enterprise. It is likely that in the solar transition a similar fate awaits the electric utilities.

The fate of the oil companies in the solar transition presents a far more formidable problem. Clearly, the interests of the oil industry and those of the nation as a whole are not the same. The oil companies argue that if price controls are removed entirely, as now seems likely, and the "free market" is allowed to operate they will have enough income to provide the "incentive" to produce more oil and natural gas. But thus far they have shown a strong inclination to invest their profits in quite different enterprises. This move runs counter to the nation's needs. What the nation would need in a solar transition is that the oil companies serve the purposes of that transition: continued production of oil and expanded production of natural gas should be guaranteed; the monopolistic position of the industry should not be exploited to raise prices even faster than is necessary to meet rising production costs; profits should be reinvested exclusively in more oil and gas production.

Not only are the interests of the oil companies and those of the nation in conflict but each party is uncertain of the other's behavior. The oil companies are aware that, because of the crucial importance of their products to the national welfare, even if controls are lifted, there is always the danger that, in the natural permutations of politics, controls will be reimposed. And, in the light of the recent behavior of the oil companies, the nation has reason to distrust their willingness to reinvest in oil and gas production unless they are certain of prices that they regard as "reasonable." Thus, a deadlock has developed. The oil companies want a guarantee that prices will never be regulated, and this no one can give them; the nation needs a guarantee that the companies will continue to produce oil and gas, and they are unwilling to give that guarantee unless prices are deregulated, if then.

This sort of situation has arisen before, in connection with electric, gas, and telephone companies—essential public services that tend to be natural monopolies. Here the problem has been solved by a quid pro quo. The companies have guaranteed to provide the needed services, and in return they have been granted a monopoly and the right to charge prices that will give them a guaranteed but fixed rate of return on their investment. This is the familiar formula for establishing a public utility. Simply stated, then, in order to meet the national requirements for the continued production of oil and, especially of natural gas during the solar transition, the companies engaged in performing that service would need to be given the status of public utilities, under which they would guarantee to devote themselves solely to the production of these fuels, and, in turn, would be guaranteed a fixed rate of return on their investment.

Unfortunately, the major oil companies, which are accustomed to using their huge wealth and power in whatever way seems to them to best serve their own interests, are not likely to accept the far more docile and economically settled role of a public utility. It is highly unlikely, for example, that the oil companies would support legislation that empowered them only to produce oil and natural gas, and at prices that guarantee them a set rate of return. On the one hand, given their stenuous objections to the much lighter level of social governance which is involved in simple price control, it is highly probable that the major oil companies would rather move into other areas of investment than agree to become public energy utilities. On the other hand, the public utilities that now distribute natural gas, which are already accustomed to this status, might be quite willing to expand their operations to include the production of natural gas. (Some of these utilities already produce their own natural-gas supplies, but so far on a very small scale.)

One possible solution, then, would be to convert those companies which wished to remain in the oil and natural-gas business into public utilities, and to accept the likelihood that the major oil companies would take their cash into more attractive areas of investment. One can foresee certain moral objections to this outcome, however, since it would reward the industry that has profited most from the energy crisis and punish the far more numerous industries that have been hurt by it. Ironically, it is the energy crisis itself that has given the major oil companies the opportunity to invade new sectors of the economy. By their own admission, the crisis has enabled them to accumulate more capital than they are now willing to reinvest in oil and gas production at current prices. At the same time, the energy crisis has helped to weaken the rest of the economy, so that other companies can now be bought up at bargain prices. This is reminiscent of what happened in the Great Depression, when the larger, wealthier, more viable companies bought out those that weakened and failed. In this case, though, the process could be halted—or, at least, mitigated—by means of a solar transition, for that would slow down, and eventually end, the escalation of energy prices, which is the source of the oil companies' financial power.

The outcome of the solar transition depends a great deal on whether it would be governed by private or public interests. Because conventional energy sources are rising in price exponentially, it is advantageous to switch to solar energy as soon as the conventional and solar cost curves cross. There are two ways to hasten the crossover. One strategy would rely on private interest, operating through the free marketplace, to govern the introduction of solar technologies. The price of conventional energy would be deregulated, and allowed to rise as fast as the energy companies' monopoly position could drive it up. For that reason, some solar-energy enthusiasts favored the National Energy Plan: it was designed to allow the highest-priced market for fuel, the international oil market, to set the price of domestic energy. They reasoned that this strategy would increase the general cost of conventional energy so fast that solar technologies would become competitive more quickly and enter the market sooner—but at a high price. The oil companies would benefit from the higher oil and natural-gas prices. Wealthy people would benefit, too, for they could afford the solar investment and so avoid buying high-priced fuel. But poor people, unable to buy expensive solar devices, would be forced to pay higher prices for conventional fuel. This approach to the solar transition is Robin Hood in reverse; it would help the rich and hurt the poor, justifying a general suspicion that public movements for energy conservation and solar energy are élitist.

The alternative strategy would rely on public interest, by deliberately using public funds to reduce the cost of those solar technologies which are most important to the solar transition and to its broad social benefits. Public funds could be used for the initial purchase needed to establish new, competitive solar industries (for example, the federal photovoltaic-purchase plan), or for the financing of solar public works (for example, the construction of municipal plants to convert garbage and sewage to methane), or for the subsidizing of solar innovations in housing, agriculture, and transportation. By speeding the development of solar alternatives to increasingly expensive, nonrenewable fuels, this strategy would hold down over-all energy costs rather than increase them.

In such a strategy of social governance, public agencies, responsible to the citizens, would decide which solar technologies ought to be introduced, and when. These judgments would rely not only on the technology's immediate cost-effectiveness or on its profitability to the producer but also on its social value in fostering an effective over-all solar transition. Such a strategy would permit rational planning of the development, testing, and introduction of solar technologies in a way that would be in keeping with the national interest in a smooth, rapid solar transition, rather than conform only to the narrow criterion of private profitability. But it would challenge the great American taboo against even hinting that social welfare might be a better reason than private profit for a new productive investment.

The solar transition would be a turning point in the development of the American economy. This is evident from its potential impact not only on the energy situation but on the production system as a whole and on the efficiency and growth of the economy. It is a shocking but poorly appreciated fact that the vitality of American industry—and, with it, the economy—has declined sharply, especially in the last decade. The development of new industrial products has diminished. Much industrial research is now designed not to develop new products but to find more profitable ways of producing old ones. The replacement of production machinery has slowed down in a number of major domestic industries, such as steel and textiles, placing them at a disadvantage in foreign trade. Just as the United States lagged behind England and Germany in industrial technology before the Civil War, we lag behind Japan and West Germany in many areas now. In a recent review of the state of the economy, Dr. Walter Heller, former chairman of President Kennedy's Council of Economic Advisers, has called attention to the serious consequences of this trend: "But the most disturbing development is the slowdown in innovation and technological advance. We are devoting a smaller share of our national income to research and development than we did even five or ten years ago, while our competitors are devoting a larger share of theirs. Unless we can reverse that trend, this country's economic leadership of the world will be threatened."

We hardly need a scholarly analysis to reveal that the American economy is in deep trouble. In the past year, the dollar has suffered a disastrous decline; inflation has rapidly eroded the standard of living; the country seems headed into a recession. There is a growing awareness that these are not temporary aberrations in a basically sound economy but that, as a review in the *Times* financial section has pointed out, "a fundamental change may be taking place in the American economy, ushering in a time of slower growth, lower investment and the need of more people to work." What lies behind this fundamental change is a sharp reduction in the rate at which the efficiency of the economy has been improving. The economy's strength depends on the rate of improvement in total productivity, or the amount of output that the economy generates from a unit amount of economic resources (raw materials, energy, labor, and capital), and this rate has declined sharply; it is now less than half of what it was ten years ago.

A chief reason is the shift in the way in which capital is invested in new production technologies. During the classic period of industrial development in the United States, after the Civil War, productivity grew mainly by the application of science and technology to the invention of new products: the automobile, the telephone, the electric light, and all the creations of the generation of inventors typified by Ford, Edison, and Bell. In recent years, however, productivity has increased not so much by inventing new products as by improving the processes by which the old ones are produced. Thus, while the basic technological design of the automobile has been unchanged for many years, there have been dramatic advances *inside* the automobile factories, with the introduction of rapid, highly automated, computer-controlled operations. But this process has its limits. As production machinery becomes more automated and complex, it uses more control devices (switches, valves, meters, and so forth), which are disproportionately expensive relative to the rest of the machine. So there is a limit to the economic return that can be gained by further automation. And there is, after all, a limit to the number of dials that one worker can watch or the number of buttons that one worker can push; at some point, it is no longer possible to achieve much economic gain by reducing the work force. In some areas of the economy, we may now be approaching these limits.

The partisans of private enterprise will claim that since the enormous increases in total productivity over the last century are the result of decisions governed by private interests, we can count on these same interests to reverse the current slowdown. It is certainly true that private entrepreneurs can claim credit for the huge improvements in the efficiency with which the American production system converts human and natural resources into economic output. It is a fact, after all, that the automobile was developed—and the assembly line on which it is manufactured was introduced—not because the American people thought that the country would benefit but because Henry Ford and his industrial descendants thought that they would profit. However, such private decisions can govern only limited segments of the over-all system of production. Inside the privately governed factory, a gas-guzzling automobile can be produced with admirable efficiency, but once it is on the road it becomes a drag on the economy, because it forces us to buy so much gasoline, at an ever-increasing price. Privately owned modern electric power plants are marvels of efficiency, producing, on an average, about a third more power per unit of fuel energy than they did thirty years ago. But they still waste more energy than they use, and, because they are large and centralized, their waste heat is mostly inaccessible to consumers, who are doomed to pay ever-higher prices for their energy. Corn Belt farms now produce much more grain per unit of capital and labor invested than they used to, but the farmers, because they must buy nonrenewable energy instead of producing their own solar sources, are at the mercy of the rapidly rising cost of fuel and petroleum-based fertilizer, and food prices keep rising.

But there are ways of improving the efficiency of production. If we are beginning to run out of ways of improving the productivity of manufacturing and using gasoline-driven automobiles, there are enormous opportunities for improving the productivity of transportation: electric cars using batteries charged by photovoltaic cells; a national electrified railroad system, with its power plants' waste heat used to warm homes. Although centralized power systems have reached their productive limits, there are, after all, ways of vastly improving the efficiency with which electricity is produced: a decentralized system using natural-gas- or methane-driven cogenerators, along with windmills and photovoltaic cells. And although farmers may be reaching the limit of the number of bushels of corn that can be produced with one gallon of tractor fuel, they can now begin to replace that fuel with their own solar alcohol and methane, at no loss in food production, for a net gain in productivity.

The high productivity of the modern American car factory, power plant, and grain farm is certainly a tribute to the efficacy of private enterprise. But this process may have run its course, for now the inefficiencies that need to be overcome are not within each of the separate, privately governed enterprises but in their links to the rest of the productive system. These links are "external" to private enterprise, and the famous invisible hand of the free market cannot readily reach them. Consequently, there is little that private interest alone can now do to improve the over-all productivity of the economic system. Now social governance is needed.

Social participation in such production decisions would mean a new departure in national policy—a subject for careful, extensive debate. But the two major political parties seen to be devoted not to the development of national policy but to the election of their candidates, for which they use whatever expedient they think will work—cutting taxes, stopping busing, opposing abortions, or decrying the abilities of the very government that they propose to administer. The most incisive measure of its effect—voter turnout—marks this strategy as a failure. In the 1976 election, barely half of the eligible voters went to the polls—a drop of ten percentage points from 1960. It is customary to blame such lack of interest on voter apathy, as though this were some kind of disease that dulled the voters' political senses. But in fact voters are not apathetic; rather, they are too deeply concerned with the nation's serious problems to be interested in the candidates' trivial proposals. One citizen who was interviewed by the *Times* during the 1976 Presidential campaign said, "The President of the United States isn't going to solve our problems. The problems are too big." But, of course, this same idea can be put the other way around—that the politicians are too small.

This may be the answer to the persistent questions that arise as one reflects on the contrast between the government's energy policy and common sense. If the energy crisis is due to the nonrenewability of our present fuels, why has the government done so little to encourage the production of renewable fuels? If a major solar technology, such as the photovoltaic cell, is now technologically feasible and with a relatively small expenditure of public funds, could be broadly commercialized, why did President Carter specifically refuse to permit this expenditure, despite congressional authorization? If one of the most effective single steps that could be taken to conserve fuel would be the vast expansion and electrification of the railroads and urban mass-transit systems, why has the government done so little to implement these options, and, instead, proposed to cut Amtrak trackage almost in half?

The answer to each of these questions is the same: the specific problem cannot be solved without violating the taboo that has thus far protected the private interests of the energy industries from the encroachment of the social interest. If the nation undertook to develop renewable solar fuels, and fuel prices became stabilized, the oil industry would lose the huge profits it is certain to gain if prices continue to escalate. If photovoltaic cells became commercial, the private electric utilities would not long survive the competition. If the railroads were to expand and carry more passengers, they could not operate as private, profitable enterprises and would need to be nationalized. (Most of the railroads in the rest of the world carry many passengers and operate, at a loss, as nationalized systems.) Each of these energy problems depends on the solution to a single, much larger one: social governance. This is the problem that seems to be "too big" not only for the President but for Congress as well. There, apart from a few voices calling for the creation of a federal energy corporation, nothing was heard about this crucial issue during the debate on the energy plan.

Now, having failed to produce an energy policy capable of combatting inflation rather than abetting it, the Carter Administration has prescribed a regimen of austerity for the country. The energy crisis, we are told, symbolizes a new limit to the nation's capacities, which we must acknowledge by lowering expectations. This argument has been widely accepted, and we can already see the emerging tragedy of an era dominated by what the cover of a newsweekly recently called the "Politics of Austerity": Everyone accepts the idea that the country is going into a long economic decline; that the economic pie is shrinking, and no one group can get more without another getting less. Conservative politicians want to cut social services in order to maintain the military budget; liberal politicians want to cut the military budget so that social services can be maintained. No one, it seems, is ready to ask why the richest nation in human history must act as though it were poor, or why its citizens must fight over who will suffer least from this counterfeit poverty. This is the most dangerous result of the nation's failure to understand, let alone resolve, the energy crisis. Once we do understand that crisis, it becomes clear that energy is wasted carelessly, not by design; that the energy we need is not running out but is replenished with every dawn; that the nation is not poor but mismanaged.

The resolution of the energy crisis—the solar transition—is an opportunity to turn this knowledge into action, to embark on a historic new passage. But to find our way we will need to be guided by social rather than private interests. There are many known ways—and many yet to be invented—of introducing social governance into production: national planning; local or regional planning; public utilities; cooperatives; and, if need be, public ownership on a national or local level. These measures will, of course, clash with the notion that every productive decision must be privately governed, for private profit, in order to insure economic efficiency. But we now know from the energy crisis that these inefficiencies are outside the realm of private governance, and are accessible only to social decisions.

It will be difficult—some say impossible—to learn how to merge economic justice with economic progress, and personal freedom with social governance. If we allow the fear of failing in this effort to forestall the effort to make it, then failure is certain. But if we firmly embrace economic democracy as a national goal, as a new standard for political policy, or even only as a vision of the nation's future it can guide us through the passage that is mandated by the energy crisis, and restore to the nation the vitality inherent in the richness of its resources and the wisdom of its people.●

EULOGY TO ROGERS C. B. MORTON

● Mr. DOMENICI. Mr. President, three centuries ago, an English poet said death comes equally to us all, and makes us all equal when it comes. He said the ashes of an oak tree in the chimney are no epitaph of that oak to tell us how high or how large it was, or what flocks it sheltered while it stood.

The dust of great men's graves is speechless, too; it says nothing and distinguishes nothing. That is left for us, the living—in memory, in quiet speech, in recorded history.

Thus, today, I express my own grief at the passing of Rogers Clark Ballard Morton, a literal towering oak of a man in life, and an equally towering example of compassion, good humor, decency, geniality, and openness in American politics.

I need not dwell on his accomplishments in politics—Secretary of Interior and Commerce, National GOP Chairman, U.S. Representative—for these have been amply praised by others. I would note instead the example of political integrity he set for a nation, and the ease with which he merged his love for the Eastern Shore of Maryland with the effective representation for his constituents.

Rogers C. B. Morton was a unique being, who walked this Earth only once. That he towered as the oak above others, and that the flock he sheltered was immense and far-flung, is for us, the living, to remember.

Thank you, Mr. President.●

THE NEED FOR A DEPARTMENT OF EDUCATION

● Mr. BIDEN. Mr. President, I voted yesterday to support S. 210, a bill to create a Department of Education.

The Department of Education is not a cure-all for the many problems that beset American education today. But I believe the new Department would improve the way in which the Federal Government administers existing education programs.

Certainly, one of the problems facing American education has been the erratic performance of the Department of Health, Education, and Welfare in implementing Federal policies.

Regulations for education programs have, on the average, taken about 1½ years to develop. This means that significant delays are encountered between the time that Congress authorizes a program and when needy students receive Federal assistance.

The organization of existing education programs is also deficient. Within the Office of Education alone, some programs report directly to the Commissioner of Education, while others report to the Assistant Secretary of Education. Other education-related programs report directly to the Secretary of HEW. It is difficult to determine just what our current education policy is amidst this administrative chaos.

State departments of education and local school districts also have difficulty in determining what is required of them by the Federal Government. One State education agency has hired more than 20 staff persons just to keep up with Federal paperwork, rules, and regulations.

Consolidation of education authority into a single Cabinet-level Department could do much to reduce duplication and redtape at all levels of government.

However, while I believe the Department of Education is a desirable step toward making delivery of health, education, and human services more manageable within the Federal Government, I do not believe that creating a new department in and of itself will make a substantial difference in improving the quality of education in our schools.

It will not make our children read better. It will not curb grade inflation at our universities and colleges. It will not insure that parents are actively involved in our schools.

These are some of the fundamental problems in education today and unfortunately too little attention has been paid to these problems. The Federal Government can play a role in identifying problems in education but not at the expense of experimenting and intervening in such local educational matters as curriculum and school assignment.

Historically, our education system has been founded on the premise of neighborhood schools and community control. The lack of parental involvement and community involvement plus changes in student attitudes toward learning have been the primary factor contributing to the demise of educational standards in our schools.

The Federal Government has played a constructive role in solving some educational problems such as underachievement of disadvantaged children by providing compensatory aid.

But other Federal initiatives such as busing have caused massive disruption and very little positive educational benefit. There is a natural tendency within bureaucracies once they have identified a problem, to label existing efforts as inadequate and fragmented.

The solution then is to establish a comprehensive national policy to deal with the problem. This national policy almost invariably calls for more Federal spending and a greater Federal role in local affairs.

In the case of education, I have doubts as to whether a greater Federal role is desirable.

Our greatest need is for a fundamental rededication of parents, teachers, students, and administrators to the concept that our schools are the primary place for learning basic educational and occupational skills.

That, I believe, is the key to revitalizing American education.

Devoting additional resources to education may help.

Consolidating educational programs under a single Government authority may improve the management of these programs.

But until this rededication to basic education occurs, I doubt whether we will see improvement in the ability of our children to read and write.

In conclusion, Mr. President, my reason for supporting S. 210 is that I believe that the reorganization of Federal educational responsibilities into a single Cabinet-level agency will improve the management of these programs.

Not only education will benefit from this transfer. Health, welfare, and other human services currently administered by HEW will benefit from the transfer of educational programs to a separate agency. No department, no matter how capably administered, can give adequate consideration to health, education, and human services. It is just too big a job.

But we should not lose sight of the fact, that if we are to make significant progress in improving the quality of education in the United States it must be because we get involved at the grassroots level and commit ourselves to improving our schools.

What we need is to create a supportive environment for renewed efforts to improve the quality of education at the State and local levels. The Department of Education should provide this supportive environment.●

GASOLINE RATIONING PLAN GIVES FARMERS SHORT SHRIFT

● **Mr. HELMS.** Mr. President, Energy Secretary Jim Schlesinger received a strong message from those of us who participated yesterday in the Agriculture Committee's Subcommittee on Rural Development hearing. I am confident that Secretary Schlesinger and the administration now understand that the Senate will have a sharp debate about a gas rationing plan that gives short shrift to agriculture and to rural areas.

The Department of Energy has sent to the Senate a plan that provides rationing coupons sufficient to permit farmers to tend their crops in the field, but which provides no fuel to carry seed, feed, and fertilizer to the farms, or crops to market, or processed food and products to grocery stores. Obviously those who prepared this plan have no adequate understanding of how crops are produced and marketed in this country. The consensus among Senators at yesterday's hearing was that the Department of Energy should be sent back to the drawing boards, with instructions to come up with a more sensible plan.

I was impressed with testimony presented by Mr. Brian M. Flattery, director of the North Carolina Energy Division, and want to commend his thoughts to the thoughtful consideration of all Senators. The points Mr. Flattery makes place this whole issue in a useful perspective. I submit for the RECORD the full text of his testimony.

The testimony follows:

TESTIMONY BY BRIAN M. FLATTERY

Thank you for inviting me to testify here today at these important hearings. As Director of the North Carolina Energy Division and Executive Director of the North Carolina Energy Policy Council, I have been involved in formulating (reasonable and proper) governmental responses to energy problems for several years.

I have learned, as I am sure you have, that there are no easy answers. The energy production and distribution system in this nation is extremely complex and I do not claim to understand it fully, even in my own State of North Carolina. Therefore, I am wary of implementing massive changes that may have pernicious results, either short term or long term, and where we cannot guarantee that people will be better off as a result of our efforts.

In theory, the Department of Energy's Gasoline Rationing Plan will allow agriculture, or at least farmers, to receive supplemental coupons based on demand in some previous base period. Actual demand, however, is seasonal as determined by current planting patterns, weather and other factors. While I am sure the Department of Energy will do the job to the best of its ability, I do not feel it will be adequate. The thought of the farmers spending time during their busiest season to fill out forms, or driving to Raleigh to plead their individual cases to people who, with the best intentions in the world, do not understand their problems, scares me. While we will, I am sure, have full cooperation from the State's agriculture and extension experts, I believe the problems will overwhelm the system we establish.

A second point is that in agriculture we are dealing with a lot more than farmers. One study concluded that while the agricultural system, from field to table, consumed about 17 percent of U.S. energy, only 3 percent was used in farm production, with the rest used in processing, wholesaling and retailing, transportation, and consumption. Thus, as we concentrate on the obvious needs of farmers we may miss some less obvious but very important sectors.

As you are well aware, each state has its own pattern of agricultural production and energy consumption. In North Carolina we use relatively less natural gas and gasoline, but more propane. While gasoline accounts for about 36 percent of farm energy use in the nation it accounts for only about 21 percent in North Carolina. But even so, this breakdown does not take into account the significant differences within our own state.

I have been speaking for the last few minutes about agriculture, but our rural areas contain much more than that. In North Carolina we have a pattern, and a policy, of dispersed development. While it oversimplifies the problem to say that big cities have mass transit and, therefore, should receive fewer coupons per capita, I do believe that state patterns of vehicle usage should be taken into account.

Mr. Chairman, I am convinced that the rationing plan, as written, will cause the complex chain from field to table to be broken, thus causing untold damage to our agricultural and rural sector. If the Congress and this Subcommittee feel strongly that a gasoline rationing plan is necessary, I suggest that the DOE be requested to go back to the drawing board and develop a more effective plan.

In conclusion, Mr. Chairman, I would like to take a moment to digress to a subject of a more general nature, but of equal importance. In order for this rationing plan, or for that matter any plan to work, we must have public acceptance. The American people must know that their government has done all that it can to prevent this nation reaching the point where gasoline rationing must be implemented.

In support of this statement let me share with you some comments on the experience with voluntary and mandatory rationing of gasoline and diesel during World War II. These comments are taken from a report prepared by Frances A. Gulick, Analyst in Environmental Policy, as published by the Library of Congress, Congressional Research Service, Washington, D.C., on November 20, 1973. I quote, "Compliance was seriously eroded by the gap in credibility. To have a reasonable chance of good compliance, the public must be persuaded that gasoline and oil shortages are not contrived, but really do exist," end of quote.

I ask you, has this prerequisite been met? Do the American people really believe that gasoline rationing is necessary now or at some point in the future? Or instead, do they believe that the situation is contrived and that the oil companies are capturing huge profits at the consumers' expense and will continue to do so in the future? Will we learn from our mistakes of the past—or will we go from rationing gasoline to rationing tires, automobiles, typewriters, sugar, bicycles, processed and fresh foods, meats, fats, oils and cheese, coffee and shoes?

I suggest we have some hard decisions to make, and we must make them now. We cannot ban the gasoline additive MMT and nuclear power to keep the environment clean while our citizens freeze in the dark. We must make intelligent choices, free from political biases. Above all, we must be willing to alter our course when we find that the wrong choice has been made.

Thank you for your attention.●

MISSOURI FARM ECONOMIST OPPOSES REPEAL OF CARRYOVER BASIS TAX REFORM

● **Mr. KENNEDY.** Mr. President, as Members of the Senate are aware, a major lobbying drive is underway to repeal the so-called "carryover basis" tax reform enacted in 1976. That reform closed a major loophole for wealthy owners of appreciated property, by requiring subsequent owners of the property to adopt the same tax basis as the previous owner for the purpose of measuring taxable gain on a later sale of the property—hence the name "carryover basis." A similar rule has long applied to the taxation of gains in value of property transferred by gift. The 1976 reform closed a tax loophole costing approximately $1 billion a year and benefiting the wealthiest 1 percent of families in the Nation.

A principal issue involved in the current debate is the impact of the reform—or the lack of impact—on family farms.

One of the witnesses who planned to testify on the issue at the Senate Finance Committee hearings, before they were postponed in March, was Harold F. Breimyer, who is the Perry Foundation Professor of Agricultural Economics at the University of Missouri in Columbia, Mo.

Professor Breimyer has sent me a copy of the testimony he prepared for the hearings. In his statement, Professor Breimyer makes clear that repeal of carryover basis would be harmful to the interests of family farmers, particularly the young family farmers who will be the backbone of this important aspect of our economy for the next generation.

According to Professor Breimyer, tax law changes such as these actually make it more profitable to leave land idle, rather than farm it. Such changes, he states, are "inequitable, unfair, and potentially devastating to a family farm agriculture."

Mr. President, I hope that Senators will take the opportunity to read Professor Breimyer's statement and consider the serious and harmful implications for family farms if the carryover basis tax reform is repealed. I am pleased, therefore, to submit his testimony for the RECORD.

The testimony referred to is as follows:

STATEMENT OF HAROLD F. BREIMYER,[1] PREPARED FOR HEARING ON CARRYOVER BASIS, TO BE HELD BY SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT OF THE SENATE COMMITTEE ON FINANCE

"We are the orphans of farm policy. No organization understands or represents us."—Young Farmer of Buchanan County, Missouri

My object in testifying on the subject of carryover basis is not to offer technical information, which is fully available to the committee, but to present a point of view that might otherwise not be heard, on behalf of a category of citizens who would not otherwise be heard from.

My remarks relate to agriculture and to farmers, and more specifically to young farmers. Obviously, tax rules are important to agriculture. What is not generally understood is that agriculture is a house divided where tax rules are concerned. Part of the agricultural community gains from concessions in income taxes, and part of it loses.

Farmers who have prospered during the boom years of the 1970s naturally stand to benefit from any reduction or cancelling of tax liability. More correctly stated with regard to avoiding carryover basis, their heirs stand to gain. But another group of farmers find their interests disregarded and in fact rebuffed. These are the young family farmers, dedicated and hardworking but unaided by large inheritance, who are trying desperately to get and hold a little land. They aspire to being family farmers. They seek the status we are so quick to eulogize but equally quick, it seems, to undermine by tax laws such as the one being considered at this hearing.

These young farmers rise to their feet at open meetings in Missouri and declare their frustrations. They shout that existing farm organizations are heedless of their interests. The quotation at the top of this statement is an accurate paraphrase.

I speak candidly, forthrightly. So much hypocrisy is heard about family farmers and the family farm that candor seems appropriate.

As quick background, the issue arises principally from a juxtaposition in the source of returns in farming. Traditionally, nearly all those returns have come from each year's production, and they have gone to those who did the producing. In recent years, by contrast, the biggest source of returns has been appreciation in value of assets.

During the 1970s, appreciation of capital values has exceeded net income from farming by a ratio of more than two to one. Operating farmers, subject to ever rising cash costs, have fought a liquidity problem, a squeeze in cash flow. At the same time landholders have seen their assets appreciate steadily in value. It has literally been more profitable just to hold Missouri land idle and watch it gain value, than to go to all the work and risk of farming it. Indeed, some land has been handled in just that way.

This topsy-turvy situation is inequitable, unfair, and potentially devastating to a family farm agriculture. Let no one be mistaken: a dollar realized from asset appreciation has the same purchasing power as one earned from blood, sweat, and tears. Yet because the tax rate is only 40 percent as high on capital gains as on earned income, a before-tax dollar from capital gains has much more after-tax value than a similar earned income dollar.

I have said many times that this alone is a denial of the Puritan ethic to which most Americans subscribe.

But that is only half the story. Until land is sold no capital gains taxes at all are paid. If there is no sale until after an intergenerational transfer has taken place, the tax accrues at sale by an heir only from a so-called stepped-up basis. In 1980, however, as is well known, the stepped-up basis will change to carryover. In other words, liability for capital gains taxes will, for the most part, be retained when farmland is transferred between generations.

The law as it will apply in the future is therefore more equitable among farmers than is the stepped-up basis rule, as land when sold will be subject to the larger carried-over liability. In that way the inequity between tax obligation from holding land versus that from farming it will be narrowed to some degree.

The second aspect to the issue is the effect on the structure of agriculture, that is, on whether family farm agriculture will survive. By a family farm agriculture I mean exactly what it has meant ever since our forefathers expressed a preference for it over feudal systems. It is that the farm family owns some of the land and provides more than half the labor.

I assume that there is genuine interest in preserving a family farm agriculture, one that is strictly defined.

Here is where a contradiction comes to light, one that, as I said, divides agriculture. If a family farm agriculture is to survive, tax laws must be designed not to hold farms intact but, on the contrary, to force selling off parcels. If our young Missouri farmers are to find land available to them for purchase, someone must offer it for sale. To whatever degree tax rules favor retention of land from generation to generation, the less will be the opportunity for those young men and women.

At this point the argument gets sticky. Carryover basis offers a modest incentive to sale of land. Presumably, if an older farmer debating whether to sell land or hold it for his heirs knows that the capital gains tax obligation will remain at transfer to heirs, he will be more likely to make the sale than of the tax basis were to be "stepped up." That is to say, the carryover basis rule is less discouraging to sale by present owners than is the stepped-up basis.

On the other hand, this difference is confined to the present generation of owners. Future generations will find the carryover basis to have equally or more lock-in effect than stepped-up basis. For if land continues to appreciate in value, as it transfers from generation to generation it will acquire a formidable overload of capital gains tax liability. The larger it grows the more will it impede sale of land. The lock-in effect will be powerful. So our young Missouri farmers will stay landless.

In the longer run, not even the carryover rule does a great deal for the family farm. In many respects it too is bad law.

There is another dimension to the effect of concessionary gains taxes on agriculture, and particularly on the opportunity for our young farmers to become family farmers. Each concession in capital gains taxes makes land ownership more attractive and widens the gap between returns from ownership versus those from farming operations. Moreover, ownership is most attractive for persons in high tax brackets, including a host of high-bracket nonfarmers. Not only are young low-bracket farmers squeezed out, but the secondary effect is to give an artificial boost to the price of land that further dooms our young Missouri farmers to either burdensome debt or landlessness.

The best tax law is easily described. Let capital gains taxes be paid the same at transfer between generation as on occasion of sale. After all so collected they are a tax on genuine income. Future generations would not be burdened by an inherited tax liability. Equity would be better between farmers and nonfarmers. The price of land would not balloon so much. And our young Missouri farmers would not feel so cut off and rejected by their government and even, it might be said, by their fellow farmers.

FORGOTTEN CHILDREN IN FOSTER CARE

⊙ Mr. HEINZ. Mr. President, I have just had the pleasure of reviewing a newly released report of the National Commission on Children in Need of Parents, the title of which is "Who Knows Who Cares: Forgotten Children in Foster Care." The report is a stinging indictment of the foster care system in America, and while taking note of the few exceptions, condemns the system as "an unconscionable failure."

The National Commission on Children in Need of Parents, a group created to address the problems of foster care in America, conducted this study under a grant from the Edna McConnell Clark Foundation of New York.

Under the leadership of Chairperson Mrs. Griffin B. Bell of Atlanta, Ga., and Marshal K. Evans, chairman, Children's Hospital, Pittsburg, Pa., the commission concentrated its efforts on investigating the experiences of children after they leave their original parents and enter into foster care. The disheartening and shameful findings of the commission speak for themselves:

MAJOR FINDINGS

First. Approximately 500,000 American children are presently in foster care. Many do not belong there at all. Many could be adopted. Many are kept in foster care far too long. Often this experience causes profound damage to the child's normal development.

Second. The courts are often the cause of children unnecessarily spending years in foster care. Children who should be legally freed for adoption languish in foster care because the courts do not act to terminate the rights of the biological parents. The faintest "flicker of interest" often deters judges from severing the rights of persons who have for years demonstrated unfitness, disinterest, or an inability to be responsible parents. This condition is abetted by a maze of differing State laws and inadequate judicial guidelines for making the painful decision to sever parents' rights to their children. Harried judges are often unaware of the damage being done to these children. Highly subjective attitudes may prevail.

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[1] Professor of agricultural economics and extension economist, University of Missouri, Columbia, MO 65211.

Third. The way in which Federal aid is provided encourages keeping children in foster care and discourages finding them permanent homes. Though it is far less costly to find a child a permanent home, Federal aid is available to support a child in foster care, but essentially stops after the child is adopted. In 1977, for example, the average support payment to a foster care institution, as distinguished from foster family homes, was $7,000 per child annually; and as high as $24,000 in some New York City child care institutions. But, if the child is placed for adoption, the social agency which places it receives only a one-time fee. That fee, for example, in New York City is $1,750. The financial aid pattern thus encourages the higher cost option of continued foster care over adoption.

Fourth. Foster care is administered by staff so overburdened, poorly paid, and often unprepared professionally that they they are ill equipped to free children for adoption and find homes for them. Turnover rates of from 50 to 100 percent among caseworkers are not uncommon. While the standard recommended by the Child Welfare League of America is 20 to 30 cases per worker, 75 to 90 cases is more the national experience. A caseworker's actual direct face-to-face contact with the child and family may total under 2 workdays per year.

Fifth. Inadequate support payments to foster parents contribute to frequent turnover of homes and thus mean more moves for foster children. The Commission found some foster home care monthly support payments as low as $90, Texas; $106, Colorado; $115, Oregon. In Connecticut, foster parents are paid $32 a week to support a child. In most areas, kennels charge about $35 per week, often more, to board a dog. Support payments rarely cover actual out-of-pocket expenses of the foster child's care. The predictable result? A high turnover and inadequate care in available foster homes.

Sixth. Taxpayers and contributors to charity are not getting dollar value for foster care spending in this country. Federal-State expenditures for foster care are presently estimated to be at least $1.2 billion to $1.5 billion, and the grand total nationwide, including private charity spending, is estimated at $2 billion. This substantial investment is producing a dismal return on the principal objective: providing permanent homes for uprooted children and quality care while they are in foster care.

Seventh. Children virtually become lost in foster care. The figure of 500,000 children in foster care is at best a raw estimate. The Commission could not determine the number of such children with precision since many State child welfare agencies do not maintain complete records and admit they do not know how many children are in their charge. Indeed, the Federal Government's mandate that this information be collected has been consciously ignored by some Federal and State officials in recent years. Few States mandate a review of foster care cases to determine the child's current status and to find if a plan exists and is being carried out to find the child a permanent home. Even in States which mandate judicial review, the uneven qualifications and prejudices of judges, the inadequacies of social service agencies and absence of guidelines too often defeat the intent of the law.

Eighth. There is in America no cohesive system of foster care worthy of the name. What passes for a foster care system is, in actuality, a patchwork of inconsistent, conflicting competing organizations, laws and procedures, a maze, in short, in which children's interests are lost and their healthful development is jeopardized.

Mr. President, last year during floor action of the Labor/HEW appropriations bill, Senators MAGNUSON, CRANSTON, RIEGEL, Brooke, and I were instrumental in including $5 million for implementation of the adoption opportunities section of Public Law 95-266. Timely implementation by the Department of Health, Education, and Welfare of this law, including the creation of an Adoption and Foster Care Resource Center and a National Information Exchange is one of the eight recommendations of the Commission. Other recommendations are:

First. State governments should adopt a consistent, effective law for the termination of parental rights, a statute that will insure timely judicial decisions, release children from the legal limbo of foster care and require a plan for moving these children from foster care to adoption. Specifically, the Commission believes that the model statute prepared by the Neglected Children Committee of the National Council of Juvenile and Family Judges is a good law to meet these objectives and its provisions should be considered by all States;

Second. Federal aid programs should be redesigned to shift the incentive from placing the children in foster homes and institutions to placing them in permanent homes with their original or adoptive parents. Specifically, the Commission recommends the passage of Federal legislation eliminating the prohibition on the use of Federal funds for adoption subsidies for hard to place children. The Commission also urges all State governments to enact legislation similar to the Model State Subsidized Adoption Act drafted by the Office of Child Development, U.S. Children's Bureau;

Third. The payment of Federal aid should be designed to encourage better management practices than now prevail in the administration of foster care. Formulas should be considered which link Federal aid to good management and vigorous efforts to place foster children in their own or permanent adoptive homes;

Fourth. Foster parents must be fairly reimbursed for the cost of rearing foster children;

Fifth. Every foster child's case should undergo mandatory, periodic review by either the courts or an independent administrative body to see that an individualized, realistic plan for moving the child into a permanent home has been prepared and is being responsibly pursued;

Sixth. Foster care agencies should be far more imaginative in using the news media and other promotional techniques to make people aware of foster children available for adoption; and

Seventh. The Federal Government should launch a national effort to develop and implement a positive, integrated policy to promote the rights of children in need of parents.

Mr. President, the Finance Committee, on which I am pleased to serve, will be looking into the problems of our present child welfare system and will have an opportunity to correct many of the tragic problems that result from our present system of foster care, including the disgracefully high amount of waste, both in financial and human terms. We need to bring a halt to a system that will pay from $11,000 to $23,000 a year to place a child in an institution, but will not pay 1 cent to have that child adopted. I urge my colleagues to review the Commission report so that when the opportunity to act to protect this Nation's homeless children arises, we will not hesitate to do so.●

DISPARATE SENTENCING IN CRIMINAL CASES

● Mr. BIDEN. Mr. President, I would like to bring to my colleague's attention the result of a recent study of New York State sentencing practices. The study is the product of a committee, appointed by Governor Carey, whose members represented a variety of interests and personal experiences in the criminal justice field, including prosecutors, State legislators, law professors, and practicing lawyers.

Under the current New York sentencing system, like the Federal system, a judge imposes a sentence of indeterminate length, such as 25 years and the parole commission sets the prisoner's release date. In its report, the committee is highly critical of this system concluding that it results in unwarranted sentence disparity, and that the system "is neither just, effective, nor credible." The committee's recommendations for greater determinancy in sentencing and assisting judges in imposing fair and equitable sentences are particularly significant to those of us who are dedicated to improving our Federal sentencing system.

I would like to share with my colleagues a recent New York Times article which summarizes the committee's study and its conclusions. I ask that this article be printed in the RECORD.

The article is as follows:

[From the New York Times, Mar. 30, 1979]

PANEL PROPOSES CURBING POWERS TO SET SENTENCE

(By Tom Goldstein)

In a report highly critical of the New York State Legislature, the state prison system and parole authorities, a special committee of lawyers and prosecutors recommended yesterday that judicial discretion in sentencing criminals be limited and that the Parole Board be phased out.

The committee, which was appointed by Governor Carey, took pains not to blame judges for gaping disparities in crimial sentences.

"The fault lies not with the judges," the 15-member commission headed by District Attorney Robert M. Morgentau of Manhattan said. "Rather, it is our system of sentencing which is to blame. Since the penal law deprives the judge of any meaningful standards to guide and structure the sentencing decision, disparity in sentencing is a foregone conclusion."

A summary of the report was submitted to the Governor several weeks ago. The final report, entitled "Crime and Punishment in New York," was released yesterday. It contained nearly a thousand pages of text, footnotes and charts and concluded that New York's sentencing system "is neither just, effective, nor credible."

NEW SENTENCING PANEL URGED

The report is certain to provoke controversy among judges, legislators and parole officials—all of whom lose power under the proposal. Many of the recommendations are in the mainstream of current thinking in the criminal-justice field.

The report is probably the most comprehensive study ever conducted of the state's sentencing practices.

In a major recommendation, the report called for the creation of a sentencing commission, essentially to set the length of prison sentences.

Under the plan, the Legislature would retain its traditional role of setting maximum terms. But an independent sentencing commission would be appointed by legislative leaders, judges and the Governor to set broad sentencing guidelines.

Rather than have indeterminate sentences, such as zero to 25 years, with the Parole Board setting the prisoner's release date, the commission would set a relatively narrow range of sentences, say from 27 to 42 months.

The sentence imposed on offenders would be the sentence actually served, except for a "good time" provision that would allow prisoners to have their sentences reduced by up to 20 percent for conducting themselves properly.

A judge could deviate from this range, but would have to state why there was a deviation.

The committee criticized recent sessions of the Legislature for enacting a series of sentencing laws that "are virtual carbon copies of earlier failed experiments."

The committee criticized the Parole Board for usurping the judicial function in determining how long a defendant actually stays in prison. The committee developed data to show that the median time prisoners actually spent in prison was less than half of the median maximum sentences.

The report was also critical of prisons. "We are fortunate, as things now stand," the committee said, "if a man emerges from his years in prison no worse than he was when he began his term."

The committee conducted a simulation study in which 41 judges across the state were given files of actual cases and asked how they would sentence the offenders.

In one case, an elderly man was robbed at knifepoint by a heroin addict. The defendant, who was convicted of first-degree robbery, was unemployed, lived with his pregnant wife and had a minor criminal record.

The sentences imposed ranged from the statutory minimum of zero to three years' imprisonment to the statutory maximum of eight and one-third to 25 years. The actual sentence was a zero to five-year prison term.

Other members of the committee, which was appointed in 1977, are:

Jorge L. Batista, first assistant attorney general.

Peggy C. Davis, New York City's deputy coordinator for criminal justice.

Stanley Fink, Speaker of State Assembly.

I. Leo Glasser, dean of Brooklyn Law School.

Emanuel R. Gold, deputy minority leader of State Senate.

Harry D. Goldman, former Appellate Division justice.

Charles J. Hynes, special nursing-home prosecutor.

John F. Keenan, special anticorruption prosecutor.

Arthur Liman, partner in Paul, Weiss, Rifkind, Whartor & Harrison.

John J. O'Mara, partner in Burns & O'Mara.

Robert P. Patterson Jr., partner in Patterson, Belknap, Webb & Tyler.

Barbara Swartz, assistant law professor, New York University.

Harold R. Tyler, partner in Patterson, Belknap, Webb & Tyler.

S. Burns Weston, lawyer of Keene.●

LEGISLATION FOR CHILDREN

● Mr. JAVITS. Mr. President, I believe that we cannot be reminded too often of the important needs of our Nation's children. It is the mission of the American Parent's Committee, the Washington division of the Child Welfare League, to see that our children are not forgotten in our deliberations. Mrs. Nancy Fifield McConnell, acting executive director of the APC, has provided me with a copy of that agency's legislative goals for the coming year. I would like to share them with my colleagues and ask that they be given serious attention.

Under the inspiration of its founder, George J. Hecht, the APC has been working since 1947 for Federal legislation on behalf of the Nation's 75 million children. For the 96th Congress, the APC is seeking enactment of legislation in the areas of child health, including the child health assessment program, and day care. However, implicit in their goals is the understanding of the need for fiscal restraint. Consequently, rather than seeking new initiatives in many other programs, the organization hopes to maintain current spending levels.

These priorities reflect a view I share with the American Parent's Committee that our Nation's children are the foundation of its future strength, productivity, and prosperity.

Mr. President, I ask that the "Washington Report on Federal Legislation for Children" be printed in the RECORD.

The report follows:

WASHINGTON REPORT ON FEDERAL LEGISLATION FOR CHILDREN

THE APC'S LEGISLATIVE GOALS ON BEHALF OF CHILDREN

1979 promises to be a year of difficult decisions for children's advocates. The Administration's firm commitment to hold the line on the budget will allow little if any leeway for new initiatives or expansion of existing programs. The American Parents Committee will work closely with Congress to assure that legislation affecting children involves constructive rather than destructive systematic changes. We will, as a first priority, monitor all developments in the Budget which do affect children.

CHILD WELFARE SERVICES

It is likely that legislation proposing improvements in the child welfare program, including adoption systems will be reintroduced during this Congress. It is critical that Title IV–B be fully funded as an entitlement program with a maintenance of effort clause. This is needed so States can finance improvements in their own child welfare systems and increase services to families and children on the basis of their need for services. Special emphasis should be placed on services to strengthen the homes of vulnerable children, to return children placed in foster care to their own homes whenever possible and when this is impossible, free them for adoption. APC will continue to work to assure that such legislation does not contain inappropriate responses to the problem which would ultimately harm children, such as a ceiling on Federal foster care maintenance payments to states. Equally important, APC will work to see that legislation includes: 1) adequate protections for children to help them to remain in or return to their homes including homemaker services and no discrimination on the basis of economic status; 2) the adoption of case review systems; 3) guarantees of the confidentiality of records; 4) federally funded adoption subsidies to be vested in children in foster care or receiving SSI (including Medicaid benefits for preexisting conditions); 5) training for child welfare workers, adoptive parents; 6) a provision to allow nonprofit organizations to be reimbursed directly for training under Section 426; 7) post placement counseling. We also support legislation to permit voluntary placement of children in foster care with Aid to Families with Dependent Children (AFDC) funds with the consent of parents or guardian, if adequate safeguards are in place.

SOCIAL SERVICES AMENDMENTS—TITLE XX

Congress approved a one year increase in the Title XX ceiling to $2.9 billion at the close of the last session. The APC will work to increase the ceiling to $3.1 billion, an amount less than the $3.6 billion the program would have reached if the original $2.5 billion had a cost of living factor in place. Agencies delivering services to children could be faced with a huge reduction in available funds as the ceiling could be moved back to $2.5 billion if new legislation is not enacted next year. We will also endorse legislative changes to improve or expand the availability of services and regulatory changes to insure that nonprofit organizations are eligible to conduct training under Title XX and also that staff of nonprofit providers are eligible to receive training.

The APC invites the cooperation of many other national, non-profit organizations in striving for (a) better Federal legislation for children, and for (b) the more adequate funding of services for children, and for (c) the more effective administration of such services.

WELFARE REFORM

Although a number of bills were introduced and much debate occurred surrounding various welfare reform proposals, no significant action was taken last year. The Administration has raised the possibility of proposing a limited bill containing incremental reforms to the system, to become effective in three years. APC will work with other groups to assure that current assistance is improved and that any modification income assistance plans provide the supports necessary to help families reach independence, including adequate current income and an accounting period that allows assistance to families as quickly as possible when current income diminishes. The APC strongly believes that reform must include the eligibility of all otherwise eligible pregnant women for AFDC from the date of conception of their first pregnancy. We will continue to support our traditional goal that single parents be exempt from any "work requirement" if any child under 18 is handicapped, developmentally disabled, or in need of special parental supervision and requiring either continual or specialized care. Single parents should have the right to refuse work or training if ady care facilities are not in compliance with *Federal Interagency Day Care Requirements*. The plan must allow parents to deduct full costs of day care under an Earned Income Disregard. The APC prefers a direct services approach to day care because we believe it assures higher quality care.

SOCIAL SECURITY

Approximately five million children of workers who died prematurely, are disabled, or retired receive monthly Social Security benefits. In most instances the mothers of these children are also entitled to dependents' benefits to assure their care. Social Security is a self-financed program in which benefits are paid as a matter of earned right based on past earnings and contributions. The American Parents Committee strongly supports this basic program and will actively resist any effort to reduce or modify family benefits to which the government has long been committed.

NATIONAL HEALTH INSURANCE

The APC continues to be committed to the enactment of a comprehensive national health program which supports sorely needed improvements in the delivery of health care to vulnerable populations. It endorses an approach to a national health program which includes universal coverage, Federal administration, strong cost control mechanisms and improved and innovative means of delivering health services, including appropriate mental health services offered by qualified non-medical providers. APC believes that legislation must include services to pregnant women, infants, and children as well as the full range of contraceptive and family planning services and mental health coverage. A plan oriented to sensible health care for children must emphasize preventive care including home care services. Reimbursement must be offered to a wide range of providers (recognizing the necessity of reimbursing multi-disciplinary systems) from a third party system whether it is a quasi-Federal accreditation body or a variety of accrediting sources in addition to the Joint Commission on the Accreditation of Hospitals.

CHILDREN'S HEALTH PROGRAMS

APC's major emphasis in this area will be to encourage both Houses to reconsider the Child Health Assessment Program (CHAP) legislation which strengthens and broadens the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. We are committed to maintaining EPSDT's original focus on detecting chronic disabling conditions and serving handicapped children or those with potentially handicapping conditions. Last session, although relevant Committees marked up bills containing significant improvements in EPDST, time was not sufficient for floor action. We are also committed to the extension of the Title V Maternal and Child Health program. Only 2 states are currently offering all mandated services and nationwide 83 projects exist where 253 are required. APC believes that the improvement and expansion of child health programs must be an immediate priority. Children's health needs cannot be put off while Congress debates the issue of national health insurance.

FAMILY PLANNING

A fundamental goal of APC has been, and will continue to be, to support Federal legislation and regulations that assist families in planning for and spacing the number of children they desire. APC will work for the development of a range of safe and effective means for family planning and contraceptive methods including increased funding for reproduction research and comprehensive availability of all options to enable families (including minors) to achieve their family size goals. We support Medicaid reimbursement for all family planning options.

SUPPLEMENTAL SECURITY INCOME (SSI FOR CHILDREN)

We will continue to work for improvements and increased entitlements in this program. Additional outreach activities are needed to assure that families of eligible disabled children in their own homes are advised of their rights to SSI and helped to apply for benefits. APC will work with Congress to review the effectiveness of the special program for SSI children. APC will also work to "update" the program, i.e. the assets test has remained at $2,200 since 1972 and remains the same for couples or families with children.

FOOD AND NUTRITION PROGRAMS

As a price for signing the Child Nutrition Amendments of 1978 (P.L. 95–627), enacting major improvements in several of the child nutrition programs, President Carter has asked Congress for reduced appropriations and cost-saving measures in child nutrition programs (and possibly the Food Stamp programs as well). APC will strive to see that no cuts are made that threaten the nutritional well-being of children and families.

ADOLESCENT PREGNANCY

Adolescent pregnancy is becoming a major health and welfare issue, and indicates the pressing need for more appropriate sex education, counseling, and support services for young persons. Teenage pregnant mothers are in high risk situations. Early pregnancy often produces low birth weight babies whose chances for healthy, productive lives are lessened by inadequate pre- and postnatal care. APC is committed to working with HEW to develop Federal programs to serve more effectively the needs of adolescents before and after conception.

PUBLIC EDUCATION

The APC believes, with shrinking financial resources at the State and local levels, that the Federal government must help to provide adequate funding for public schools. It continues to support existing categorical aid programs, such as compensatory education, innovative services, vocational education, higher education, assistance to the handicapped and gifted, bilingual and Indian children. Full funding should be sought for P.L. 94–142, the Education for All Handicapped Children Act.

HANDICAPPED CHILDREN

The APC will work for Federal funding to help nonprofit human service agencies update their facilities to guarantee handicapped persons full access. We will continue to encourage support for institutions contributing research emphasizing prevention and early treatment of handicapping conditions.

YOUTH CAMP SAFETY

Of approximately 12 million children attending summer camps, last year, almost 250,000 were involved in camp accidents. Only a few States have camp safety laws, regulating the safety of such places for children. Federal standards will continue to be goal of APC. The Administration has introduced H.R. 6771 which requires HEW to establish model Federal standards with, however, no provisions for Federal enforcement. APC supports the approach taken in S. 2508, legislation introduced by Senator Ribicoff (D.-Conn.) mandating that the Secretary of HEW establish Federal standards for camp safety and giving States the options of enforcing State standards equal to the Federal; enforcing the Federal standards or authorizing HEW to enforce Federal standards.

UNEMPLOYMENT INSURANCE

Several States provide an additional children's allowance for unemployed workers with children. APC is strongly in favor of this concept as it begins to recognize the need for adequate income to keep families intact during periods of stress. We will work with Congress to mandate that all States adopt similar provisions.

CHILD LABOR

The APC will continue to oppose attempts to exempt some areas from provisions prohibiting children under 12 from working in the fields and to encourage strict enforcement by the Department of Labor.

DAY CARE AND CHILD DEVELOPMENT

The APC will be following S.4, a bill that Senator Cranston has introduced concerning an expanded Federal role in the area of child care. We will continue to support legislation that will offer universally available, high quality day care and child development programs. Such programs should: 1) be in compliance with the revised Federal Interagency Day Care Standards which APC believes should be issued and enforced with all deliberate speed; 2) make services available to all who need and request them, but giving priority to working parents, especially single parent households, providing care in a manner that is sensitive to individual needs; 3) avoid approaches such as vouchers which would allow funds to be channeled to private, for-profit groups, not necessarily offering high quality care; 4) be structured as child benefit programs rather than employment programs; 5) provide education for parenting and homemaker services; 7) include parental involvement; and 8) provide the funds necessary to operate and to monitor these programs. In addition, HEW should be required to act to remedy the inadequate data base concerning day care for the millions of children of working parents by gathering and publishing annually data on current child care arrangements. States and other non-Federal public bodies must be required to report data or suffer a penalty on all Federal funds provided for day care programs. HEW should also be required to provide funds and technical assistance to States to allow every child to be in a licensed day care situation.

JUVENILE JUSTICE AND DELINQUENCY PREVENTION (JJDP)

APC will work to assure that States and local governments follow the intent of the Juvenile Justice Act with regard to prevention, diversion from the traditional juvenile justice system, and alternatives to inappropriate care. We will work with the Law Enforcement Assistance Administration (LEAA) to see that guidelines are sensitive to the needs of children best served by the child welfare system and recognize the need to work with children according to their treatment needs. We will work with the Administration to assure that the basic goals of the original JJDP Act are retained, despite announced budget and reorganization plans for JJDP.

FAMILY VIOLENCE

During the last session of Congress, the House turned back a bill providing seed money to local groups offering shelter and assistance to victims of family violence. The

APC will work for passage of legislation which relates to the existing title XX protective services program and focuses on the entire family. Responsibility for implementation should be given to HEW.

RUNAWAY YOUTH

APC will work to encourage the Federal Government to coordinate its broad range of programs and policies affecting youth. We will support additional funds for runaway youth projects and an expansion of the program within HEW.

UNITED NATIONS CHILDREN'S FUND (UNICEF)

The APC supports an increase in the United State's contribution to UNICEF.

INTERNATIONAL YEAR OF THE CHILD (IYC)

APC supports Federal funding for the International Year of the Child.

SERVICES TO UNDOCUMENTED PERSONS

An emerging issue which the APC will be grappling with will be legislative and regulatory solutions to providing services to undocumented persons, particularly Mexican-Americans. We will be looking at how this issue affects children.

SERVICES TO REFUGEE CHILDREN

The need to provide services to refugee children has sparked the concern of many children's advocates. APC will work with organizations seeking a Federal solution to this growing problem.●

A CITIZEN-LABOR COALITION LAUNCHES FIGHT AGAINST RISING ENERGY PRICES

● Mr. **KENNEDY**. Mr. President, today, a broad coalition of consumer, labor, minority, and environmental organizations launched a national campaign to prevent the decontrol of oil prices. I want to bring this effort to the Senate's attention. This campaign is a significant sign that the people of this country are recognizing that decontrol, not a tax or a trust fund, is the key issue in the emerging controversy over the President's energy plan. Last month home heating oil prices soared 5.5 percent, or 66 percent on an annual basis. Gasoline prices rose 3.8 percent, or 46 percent annually. Given these extraordinary increases, it is not surprising that people have begun to organize against rising energy prices. I recommend that my colleagues read the following statement delivered by President William Winpisinger of the Machinists' Union on behalf of the Citizen/Labor Energy Coalition.

I ask that it be printed in the RECORD.

The statement follows:

COALITION LAUNCHES CAMPAIGN AGAINST MAJOR OIL COMPANIES

My name is William W. Winpisinger, President of the International Association of Machinists and Aerospace Workers. I am also President of the Citizen/Labor Energy Coalition, an organization of unions, citizen organizations, churches, public interest groups, senior citizen organizations, minority organizations and others banded together to insure that our nation's energy policies truly meet the needs of the American people.

The Citizen/Labor Energy Coalition today is launching a national campaign to mobilize the American people to stand up to the oil profiteers.

People are not stupid. We know that the only real winners in this so called energy crisis are the oil companies.

President Carter knuckled under to the oil companies. And he is now intentionally misleading the American people on the effectiveness of his windfall profits tax, which in reality will tax away little more than 10 percent of the 85 billion dollar windfall they will receive between now and 1985.

Congress has caved in to the energy companies. They approved natural gas price increases and won't stop oil price increases unless forced to do so.

The Department of Energy has become the hand-maiden for the oil companies, serving up their misleading and self-serving statistics and fronting for them in Congress.

Now it is up to consumers to take on the Oil Industry ourselves. The goals of the campaign are to:

1. Roll back prices. Last year, energy prices increased 15% and in the first quarter of 1979, those prices on an annual basis skyrocketed 24.6%. Gasoline prices jumped an astounding 35.6% on an annual basis during this quarter, and the worst is yet to come. Now, Carter, most of Congress, and the oil companies want to throw decontrolled gasoline on the inflationary fires.

2. End profiteering. The profits of 20 oil companies shot up 37.2% in the last quarter of 1978 over the same period a year earlier. First quarter 1979 profits showed even more outrageous profiteering—increasing by almost 50%!

3. No Phony shortages. With the already obscene price increases and profits since 1973, there is no logical reason for shortages. Everyone knows what's going on—the common word for it is blackmail. And the latest statistics indicate that the oil refineries are operating well below capacity.

4. Stop the lying. The Oil Companies must open their books and meet with the people so we can get to the bottom of the biggest robbery in American history.

The Citizen/Labor Energy Coalition intends to organize a systematic campaign to actively push these demands over the spring and summer.

We'll start our campaign by sending a message to Mobil—the self-appointed mouthpiece of the Oil Industry. The Coalition will demonstrate in Kansas City, Missouri on May 3 at Mobil's stockholder meeting.

Throughout this month and in the future we will oppose the decontrol of oil prices. Our position is simple and just: don't tax windfall profits—eliminate them.

Everyone talks about inflation, but nobody does anything. We will start by pointing the finger at the major perpetrators of our inflation crisis—the energy conglomerates who have already taken billions of dollars of unwarranted profits out of the pockets of the American consumer. These corporate giants have caused untold suffering by millions of poor and working Americans, particularly the millions still unemployed and our beleaguered senior citizens, who are rapidly finding a dignified and comfortable retirement impossible.

In June and July the Coalition will begin meetings and demonstrations throughout the country to focus on Mobil Oil, whose actions are examples of greedy oil industry profiteering. Other companies will be targeted in due time.

It is obvious that any long-term solution to the energy rip-off requires taking the control of our energy policies out of the hands of the major oil companies and putting the public in control. To that end, our long term goal will be a comprehensive Peoples' Energy Program that will, among other goals:

1. Create a federal purchasing authority to take the importing function away from the oil companies. The incestuous link between the oil companies and OPEC must be severed before the economy is ruined.

2. Establish a publicly owned oil and gas company to compete with and be a yardstick for the private companies, as Canada has done.

3. Establish and enforce stringent anti-trust and divestiture laws. These monopolies must be broken up and real competition encouraged.

4. Launch a massive conservation and weatherization program employing hundreds of thousands of people and cutting energy costs.

5. Speed up commercialization of solar and other alternative, renewable sources of energy, for our long term energy independence.

Americans are sick of oil company rip-offs and weak-kneed public officials who are afraid to stand up to the corporate giants. It's time for the American people to confront the companies themselves and let them know in plain English—we are not going to take it anymore. Today we begin to do something about it.●

TESTIMONY OF EDWARD W. BROOKE BEFORE THE SENATE BANKING COMMITTEE

● Mr. **HEINZ**. Mr. President, we were deeply honored to have our former colleague, Chairman Ed Brooke, of the National Low Income Housing Coalition, testify before the Senate Committee on Banking, Housing, and Urban Affairs on Tuesday, April 24, 1979.

Ed Brooke is a cherished and respected colleague, but, more important, he has contributed the finest moments of his career toward assuring that more Americans receive safe, sanitary, and adequate shelter. I know of no more dedicated or concerned spokesman for those who have been excluded from decent housing, whether they be deprived because of economics or reasons of discrimination.

I wish to commend to my colleagues Ed Brooke's excellent testimony on the housing needs of our citizens and ask that this statement be printed in the RECORD. I hope that Members of this body will give Chairman Brooke's views the same consideration and respect which he received as a Member of the Senate. This Nation's housing needs are overwhelming, and it is important that we heed the experience and concern of Ed Brooke as we consider this year's authorization.

The material follows:

STATEMENT OF THE HONORABLE EDWARD W. BROOKE

The National Low Income Housing Coalition welcomes this opportunity to appear before you today and to present our views on pending housing legislation, particularly the proposed Housing and Community Development Amendments of 1979.

As you know, we are a young organization. Our members include individuals, as well as local, state, and national organizations concerned with the housing needs of low income people, the housing opportunities which are provided for them, and the quality of the neighborhoods and communities in which they live.

We come before you at what is clearly a difficult time for housing. The administration budget for 1980 and the authorizations which are before you are woefully inadequate to meet the housing needs of lower income people.

Housing costs are rising more rapidly than ever, and the impact of these increases falls most heavily on low income families. Yet, for the first time since the end of of the low income housing moratorium in 1975, an administration is proposing to reduce its commitment to these sorely needed housing assistance programs.

The Congressional Budget Office has estimated that the administration request for 1980 will fund only 266,000 additional units of Section 8 and public housing. This is scarcely more than half of the number of units placed under reservation during the last year my party was in office. It is almost a 20 percent reduction from the 326,000 units funded for this year. The reduction in HUD's lower income housing programs is $4.3 billion in budget authority. Thus, housing bore more than one-third of the total reductions made in the budget from current service levels.

Low income housing had barely recovered in 1976—the high-water mark for assisted housing reservations—from the moratorium by fiat unfortunately imposed by the Nixon administration. We are now facing something perhaps even more dangerous to low income people: a moratorium by attrition. Each year the Carter administration is proposing funding for fewer units, and the Congress is acceding to these requests, or worse yet, cutting them back.

We are now seriously concerned about the recent actions of the Senate Budget Committee, which cut lower income housing assistance to $22.6 billion, a level which is $11.9 billion below the recommendations of this Committee and $4.4 billion below the President's request. We deplore the intrusion of the Senate Budget Committee into substantive matters, such as the mix of new and existing housing and the amount of rent which tenants should pay. As you know, tenant rent levels do not affect the amount of budget authority which is required under present law and practice. The mix of new and existing housing is a prerogative of local communities under legislation which we adopted in 1976. It is, therefore, misleading to characterize the Senate Budget Committee's level as adequate for 250,000 units, which assumes that 50 percent will be existing housing. Instead, we should recognize that what is really being proposed—and considered by the Senate at this time—is a level of 223,000 units.

I am well aware, from my service on this Committee, of the debates which can occur on housing matters. But I believe there is not now and never has been debate on the proposition that housing problems are closely related to income, so that low income people have more critical housing problems than any others.

Yet, in the face of the unanimous agreement about this fact, we persist in placing on housing in general and low income people in particular a disproportionate share of the burden of dealing with major economic problems which they did not cause and of which they are the chief victims.

Our Coalition is in favor of fiscal responsibility; we are in favor of monetary restraint. But we are not in favor of dealing with these problems in a manner which inflicts their consequences on those in our society least able to fend for themselves such as our elderly, our children, femlae heads of households, minorities or people who through lack of decent education or employment opportunity are unable to obtain the kind of jobs which permit them to rent or buy decent housing without government aid.

Attached to this testimony, and an integral part of it, is a statement of the National Low Income Housing Coalition on "Needed Increases in the Administration's Housing Budget." It presents our minimum recommendations for housing authorizations for 1980. Included is a table which compares the administration's budget request with our minimum recommendations for increases in the number of assisted units under public housing and Section 8; additional operating subsidies for public housing and FHA assisted low income projects to make them viable for their occupants; public housing modernization; congregate services; non-profit sponsor assistance; neighborhood self-help; fair housing assistance; Section 312 rehabilitation loans; counseling for homeowners and purchasers; and the vitally important Farmers Home Administration programs for low and moderate income people in rural areas.

The amounts we recommend are substantial, but they will have little impact on the deficit in 1980. We recommend increased budget authority of $11 billion for these programs, but I would remind the Committee that this budget authority extends beyond the year 2020 in some instances. The maximum amount we recommend in any given year is reflected in the contract authority required. The impact on outlays from our proposed increase in public housing and Section 8 in 1980 will be only $2.4 million. The impact on outlays from all of our recommendations will be just over $1 billion in 1980.

It is all too easy, as we turn our attention to the numbers in the budget and authorization levels that are proposed, to forget the even more important numbers that indicate the dimensions of housing need. I would remind you, therefore, that all of the subsidized housing programs of the last 45 years have produced less than 4 million units—about 3 million through HUD and another million through the Farmers Home Administration. But there are still some 10 million households with incomes below the poverty level.

Our predecessor organization, the Ad Hoc Low Income Housing Coalition, has reminded this Committee frequently in the past of the disparity between direct outlays for housing assistance and the indirect cost to the federal government of the housing-related provisions of the Internal Revenue Code. The total cost to the federal treasury of housing-related tax deductions for 1979 is estimated by the Treasury at $17.7 billion. This total is more than four times the estimated outlays for lower income housing assistance programs. Moreover, the Joint Committee on Taxation has estimated that by 1984 housing-related tax expenditures will have more than doubled, to a total of $36.2 billion.

The 1980 budget calls for a $5.5 billion appropriation for assisted housing payments and estimates housing-related tax expenditures at $20 billion, for a total cost to the federal government of $25.5 billion. We estimate that only $4.3 billion of this total will go to the roughly 30 percent of all households with incomes below $6,000, while $4.9 billion will go to the 2 percent of all households with incomes above $50,000.

The rationale for the cuts in the housing budget is that they are needed to control inflation, and that inflation hurts poor people more than others. However, it is clear that the cuts in housing programs will have no impact whatsoever on inflation, while it is certain that they will increase the impact of inflation on low income people, who will continue to have to pay more for housing.

PUBLIC HOUSING OPERATING SUBSIDIES AND MODERNIZATION

I think that this Committee is thoroughly familiar with our long-standing concern with the low rent public housing program. There are now an estimated 1.2 million units receiving public housing payments. For more than a decade, however, these payments, which cover debt service only, have been inadequate to enable the public housing program to provide shelter for very low income families at rents they can reasonably afford. Prior to the adoption of the so-called Brooke Amendment, housing authorities met this problem by establishing minimum rents that were inequitable or impossible for very low income families. Before the Brooke Amendment, some families in public housing were paying over 50 percent of their incomes for rent, and many very low income families were entirely excluded.

Since the amendment was adopted, we have been faced with an annual battle to provide adequate operating subsidies to make up the difference between tenant rents and the cost of operating public housing. Moreover, many older housing projects have needed major repairs and modernization. Their problems have become so acute that a number of older high-rise projects have actually been abandoned. Yet the administration's budget proposals, far from moving toward meeting modernization needs, have actually scaled back the level of modernization funding. To at least keep pace with inflation, the Coalition recommends contract authority of $54 million for modernization.

Based on information available last year, known modernization needs exceed $75 million in contract authority, and this does not include vitally important energy conservation and retrofitting measures. The need for increasing modernization is heightened by a change in policy which HUD initiated last year. Now, modernization costs are amortized over a standard 20-year period. This has opened up many of the oldest public housing projects for modernization—those most in need of it but where modernization had been precluded because the annual contributions contract had only a few years to run.

The other half of the public housing need is for operating subsidies. A fully adequate operating subsidy program, in our view, would require almost double the amount approved by the Office of Management and Budget and submitted in HUD's budget request.

There are three major needs which operating subsidies should meet. First is covering the gap between tenant rents and other housing authority income and the cost of well-managed operations. The performance funding system, under which operating subsidies are allocated, has demonstrably failed to do this. Second is meeting routine and referred maintenance needs. A year and a half ago, HUD identified these needs as $163 million for outstanding routine maintenance and $401 million for deferred maintenance. Finally, operating subsidies are needed to enable the public housing program to continue to house very low income families in substantial numbers.

It has been reliably reported that HUD initially requested $817 million for operating subsidies in its submission to OMB, including $12 million for an appeals fund to meet needs not handled by the performance funding system. This was slashed by 14 percent. Furthermore, it was clearly insufficient to begin with, since it dealt with only the first major purpose of operating subsidies. Nor does it take into account the inevitable continued sharp rise in utility costs.

RENT RELIEF AND FLEXIBLE SUBSIDIES FOR FHA-ASSISTED PROJECTS

Just as public housing requires operating subsidies to serve very low income people, so do the projects assisted under the 236 and 221d3 programs. Although Congress enacted these programs under the assumption that they would serve moderate income, rather than low income, families, this is manifestly not the case. In fact, 236 and 211d3 are both low income programs. More than four-fifths of all Section 236 tenants have incomes below 50 percent of the national median. One-quarter had incomes below 25 percent of the national median. Over 90 percent were dependent on assistance or benefits for all or part of their income. Most pay more than 25 percent of their incomes for rent.

Recognizing these problems, this Committee last year proposed a $75 million rent relief program for very low income tenants residing in 236 and 221d3 projects. This program was in addition to the flexible subsidy program which Congress approved. Unfortunately, it did not survive the legislative process.

We urge that an adequate amount—at least $225 million—be authorized for flexible subsidies and rent relief, to enable 236 and 221d3 projects to serve low income tenants without encountering further financial difficulties.

THE BROOKE AMENDMENT

We categorically reject proposals to repeal the Brooke Amendment and to raise tenant rent payments to 30 percent of income for all new occupants of Section 8 and public housing.

The whole reason for enacting the Brooke Amendment was to assure that low income housing programs in fact served their intended purpose by providing low income families with decent housing at rents they could afford. If there is any valid criticism which can be made of the provisions, it is that the ceiling is too high, not that it is too low.

If one looks at what poor families have to pay for food, for transportation, for clothing, and for other essentials of life, one finds that many low income families cannot in fact afford to pay anything like 25 percent of their income for housing and still meet their other basic needs.

For a number of years, the Bureau of Labor Statistics has calculated the estimated costs of living, at various standards. Their lower standard can reasonably be said to represent a very modest standard of living, with little room for discretionary expenditures. Surely, our assisted housing programs should aspire to provide at least this level of wellbeing.

The Bureau of Labor Statistics gives the lower budget for an urban family of four as $10,481. Housing is $1,562, or 14.9 percent, of this total—and that amount includes utilities. The people living in public housing and Section 8 housing have incomes that are substantially below the BLS lower standard and pay more for rent. In 1977, the median income of all households moving into public housing was $3,651, and only 2 percent had incomes of $9,000 or more.

Let us consider what we are really asking if we raise the rents charged these households. The median family, after paying 25 percent of their income, has available to it just $228 to meet all other needs—needs which, according to the BLS, total $700 monthly for a modest living standard.

I cannot believe that this Committee, or HUD. or the Congress, really wants to place the burden of reducing the cost of assisted housing on these families. Let us acknowledge instead that, even in these times of economic difficulty, we should be reducing their burdens.

The National Low Income Housing Coalition calls for strengthening the Brooke Amendment by eliminating the practice of imposing excessive and unavoidable utility charges on public housing and Section 8 tenants, in addition to the amounts which they are already required to pay. This is a particular problem in public housing, where many public housing agencies have not adjusted their utility allowances for years, so that public housing tenants are in fact paying substantially more than the 25 percent ceiling established by the Brooke Amendment. Some pay 50 percent or more.

Utility allowances are also a problem in Section 8 projects, where we have reports that they may be set at unreasonably low levels so as to meet fair market rent requirements. In one small project in Missouri, for example, five of the forty tenant households have moved out because they could not pay utility charges of $90 to $140 per month; their allowance was $20.

CONCLUSION

The discussion of assisted housing needs and programs this year—even more than in the past—has been revolving around questions of cost and affordability.

These are appropriate and needed considerations, but we must not focus on them alone.

The National Low Income Housing Coalition urges this Committee to look at the costs of reducing our commitment to meeting low income housing needs, and to ask itself if we can afford not to meet these needs.

In 1976, the latest year for which we have figures, almost 6 million households—8 percent of all households—were living in physically inadequate housing: housing where the roof leaked, or the heating system didn't work, or the plumbing didn't work, or which had other dangers to life and health. Most of these were low income people unable to pay what decent unsubsidized housing costs.

I know that this Committee will weigh, and weigh carefully, the dimensions of these human needs against the constraints of our program and fiscal resources. As you do this, I am convinced you will find that our recommendations are not ambitious. Rather, if fault can be found with them, it will be that we are too modest.●

DAVID TATEL'S LAW DAY SPEECH

● Mr. KENNEDY. Mr. President, today is Law Day, a day on which we celebrate the rule of law. One of the most important concepts of modern law is that embodied in the Brown against Board of Education decision, in which the Supreme Court declared that "separate educational facilities are inherently unequal."

Later this month, we will commemorate the 25th anniversary of the landmark Brown decision. We will do so at a time when millions of American school children remain in segregated schools, despite the mandate of Brown.

David S. Tatel, Director of HEW's Office for Civil Rights, delivered the following remarks today, commenting on school desegregation a quarter of a century after Brown. He presented his Law Day address in Chicago before the Business and Professional People for the Public Interest (BPI), one of the most distinguished public interest organizations in the country.

Mr. President, I submit Mr. Tatel's speech for the RECORD.

The speech follows:

ONE QUARTER OF A CENTURY AFTER BROWN: SCHOOL DESEGREGATION AND THE RULE OF LAW

On another Law Day, in 1961, Robert F. Kennedy spoke at the University of Georgia, where two black students had just gained uneasy admission through federal court order. In this, Kennedy's first address as Attorney General, he stated that school desegregation was now the law and those who defied court orders challenged the very foundation of our society. Kennedy stated: "If the orders of the court are circumvented, the Department of Justice will act. We will not stand by and be aloof. We will move."

Seven years earlier, in *Brown* v. *Board of Education*, the United States Supreme Court declared separate but equal schools unconstitutional. That was 1954. A Second Brown decision the following year ordered racially dual systems dismantled with "all deliberate speed" But not until the Attorney General spoke at the University of Georgia did the racially dual system of public education in the South begin to crumble. It finally collapsed under the pressure of all three branches of the federal government, combined with moral indignation of an America only then awakening to its tragic racial history.

But that federal authority and moral indignation vanished when the country turned its attention to segregated schools in the North. Today, 25 years after Brown, millions of children attend northern school systems as unconstitutionally segregated as those ordered dismantled in 1954.

This afternoon, I would like to review the story of school desegregation—a story that is laced with regionalism, politics, and often with violence. On this Law Day, 25 years after Brown and 18 years after Robert Kennedy spoke at the University of Georgia, it is important to ask why the story of Brown is still unfinished.

I.

The unanimous Brown decision was announced on May 17, 1954. Segregationists called that day "Black Monday." Massive resistance erupted in the 17 southern and border states that operated schools segregated by law. Southern judges and elected officials acted together to frustrate what was now the law of the land. School boards and school administrators taxed their creativity finding ways to circumvent desegregation. Some districts adopted freedom of choice plans. Others closed their doors rather than desegregate. In South Carolina and Virginia, state funds were cut off to schools that obeyed Brown. Compulsory attendance laws were suspended in North Carolina and Virginia. And racially segregated private academies, with their tuitions paid by state funds and their textbooks and equipment often donated by desegregating public schools, sprang up all across the South.

Elected leaders, with the full support of their constituents, sought to reverse the Court. One hundred and one U.S. Senators and Representatives from eleven Deep South states presented Congress with the "Southern Manifesto," an indictment of not only the Brown decision, but of the Supreme Court itself. The manifesto branded Brown an exercise in "naked power," and a "clear abuse" of judicial authority.

Little Rock was certainly not the only example, but it epitomized the resistance and violence that greeted early efforts to enforce Brown in the South. Governor Orville Faubus called out the Arkansas National Guard to prevent court-ordered school desegregation. Television broadcast the incredible picture of southerners, their faces contorted in hatred, screaming at nine black youngsters trying to attend Central High School.

The violence continued until a federal court ordered the withdrawal of the state guard, and a reluctant President Eisenhower sent in the United States Army. Protected by a thousand paratroopers from the 101st Airborne Division, the nine black children entered Central High School and stayed there all year—as did the soldiers. This was the first time since Reconstruction that the United States Army was sent to the South to protect black citizens.

Racism was, of course, the foundation of massive resistance. But massive resistance was also rooted in southern pride, offended by the belief that the Supreme Court and the Congress had conspired to embarrass and punish the South. Southeners pointed to schools above the Mason-Dixon Line that were no more integrated than those below it. One staunch segregationist, now Mississippi Attorney General, A. F. Summer, personally led a campaign to raise $4,000 for the NAACP to finance a school desegregation case in the North. He argued, in what was an unfortunately accurate prediction, that once the courts looked northward, the wheels of desegregation would grind to a halt.

While massive resistance was the rule, and not the exception, some desegregation did occur in the late 1950's. However, it was minimal, and it came in response to the orders of several courageous and principled federal judges. Even then, "all deliberate speed" meant much deliberation and little speed.

The momentum of southern school desegregation accelerated dramatically when the new President and Attorney General took office in 1961. As Robert Kennedy promised at the University of Georgia, they enforced the orders of the courts, even in the face of strong public opposition. For example, in 1962 President Kennedy federalized Mississippi National Guardsmen to quell a revolt at Oxford, Mississippi, and to enforce a court order requiring "Ole Miss" to admit James Meredith. The following year, the President federalized Alabama National Guardsmen to overcome George Wallace's resistance to court-ordered desegregation at the University of Alabama.

Largely under the leadership of the Kennedys, and later President Lyndon B. Johnson, the executive and legislative branches joined the courts and black plaintiffs in the effort to desegregate southern schools. Congress enacted Title VI of the Civil Rights Act of 1964, requiring the executive branch to terminate federal funds to school districts that refused to desegregate. The results were dramatic. By May, 1967, HEW had initiated enforcement proceedings against 259 districts and cut off funds to 38 others. By June, 1969, HEW had terminated funds to another 98 districts. At the same time, the Department of Justice, armed by the 1964 Civil Rights Act with the authority to file desegregation suits, brought 207 more recalcitrant districts into court.

At last, the executive and legislative branches were working together with the Supreme Court, which refused to cave in to continued southern efforts to delay, defy and destroy the Brown mandate. In its 1968 Green decision, the Court struck down freedom of choice plans and ordered dual systems dismantled "root and branch." In its 1969 Alexander decision, impatient with the lack of progress fifteen years after Brown, the Court declared that "all deliberate speed" meant "at once." And in its 1971 Swann decision, the Court spoke forcefully and eloquently about the broad remedial powers of federal courts and the heavy burden southern school districts bear to correct constitutional violations.

The lower federal courts also stood firm against massive resistance. One federal court in Georgia, for example, put a school district into receivership when it refused to desegregate. Courts ordered closed school districts to open. Other federal courts throughout the South invalidated anti-busing, nullification and interposition statutes.

The strong federal coalition of executive, legislative and judicial power worked. In 1954, no black child attended public school with a white child anywhere in the South. By 1971, only nine percent of the black children in the eleven Deep South states still attended all-black schools.

The South was well on its way to complying with the law of the land. Equally important, the South's attitude towards integration had changed dramatically. Tolerance, and sometimes even support, were replacing massive resistance. Many southerners looked with pride on the progress they were making. President Carter has said that among the best things that happened to the Deep South during his lifetime were passage of the Civil Rights Act and integration of the public schools. The civil rights movement, in the President's word, "liberated black people in the South, but perhaps more than that [it] liberated whites."

II.

The North was not to experience such liberation. As A. F. Summer predicted, desegregation nearly came to a halt when the federal coalition turned northward.

The coalition itself fell apart on all fronts. The Supreme Court, at first, refused even to decide whether Brown applied in the North. It was not until 1973, in its Keyes decision, that the Court finally extended the principles of Brown to Denver and other northern cities where schools were segregated not by statutes, but by the equally invidious actions of school officials. Although Keyes continued the long string of plaintiffs' victories in school cases, it foreshadowed problems that were to plague the northern effort. By this time, the Court's unanimity on the issue of school desegregation was gone. And Mr. Justice Powell's separate opinion signaled the first evidence of the Court's new interest in the alleged "rights" of children affected by desegregation, and not just the rights of children who were victims of discrimination.

The 1974 Milliken decision was plaintiffs' first major loss in a school case. Although the Court agreed that the Detroit public schools were unconstitutionally segregated, it refused to order the only effective remedy—metropolitan desegregation. The sharpest criticism of the majority came from Mr. Justice Douglas, who condemned the Court for taking a step that would "likely put the problems of the blacks and our society back to the period that antedated the 'separate but equal' regime of Plessy." In a more tempered dissent, Mr. Justice Marshall—who as counsel for plaintiffs argued Brown before the Supreme Court—viewed the Milliken decision as "a reflection of a perceived public mood that we have gone far enough in enforcing the Constitution's guarantee of equal justice."

The shift in judicial focus from the constitutional wrong to the scope of the remedy, which was sharpened in the 1977 Dayton decision, is a disturbing theme that runs throughout the northern cases. The Court's willingness to permit constitutional violations in the North to go uncorrected contrasts starkly with its command that discrimination in the South be eliminated "root and branch."

Meanwhile, the Nixon administration was giving Mr. Justice Marshall good reason to worry that the public believed it had gone far enough in enforcing the Constitution. The Kennedy/Johnson commitment to the rule of law was replaced by the Southern Strategy. The Nixon Justice Department appeared before the Supreme Court in Alexander and, fifteen years after Brown, supported Mississippi's unsuccessful request for a desegregation delay. During the next few years, Justice filed only a handful of new desegregation cases. The Nixon Department of Health, Education, and Welfare violated Title VI by refusing to proceed against dozens of segregated school districts even though its own investigators had found widespread violations of the law.

The Congress, reacting to the same public mood that elected Richard Nixon, joined the executive and judical retreat. It gutted Title VI by enacting appropriations riders and new legislation which prohibited the executive branch from seeking remedies for proven violations of the law.

The collapse of the coalition that had so effectively dismantled the South's dual system has left millions of school children in the North and West in unconstitutionally segregated schools. There has, of course, been some important northern school desegregation, but it has been far less than what occurred in the South, and it has come largely in response to court orders obtained by black plaintiffs whose efforts were rarely supported, and sometimes even opposed, by the federal government. Today, 25 years after Brown, one-half of the minority children in the North and Midwest attend schools that are 80 percent or more minority, and one-half of those children attend schools that are totally segregated.

III.

Why did this happen? Why is it that Brown is still the law of the land, yet large numbers of children in the North attend segregated schools? Why is it that a constitutional principle so clearly defined, so publicly articulated and so vigorously enforced in the South, remains relatively unenforced throughout the rest of the nation?

Many northerners argue that the answer can be found in differences between the North and South. The arguments they make raise important and difficult questions of both law and social policy. But I believe there are convincing answers to each, and compelling reasons why schools in the North must, should and can be desegregated.

For example, northerners opposed to school desegregation argue that segregation in the South was de jure, but that in the North it is de facto and not prohibited by the Fourteenth Amendment. But people who make this argument are ignoring the history of our cities.

They are ignoring the persistent and sophisticated actions of local governments and of public and private suppliers of housing who for years have helped confine growing minority populations to segregated neighborhoods within our cities and excluded them from large portions of our suburbs. They are ignoring the equally persistent and discriminatory actions of school officials. By building new schools in segregated neighborhoods, by gerrymandering attendance areas, and by discriminating in the assignment of faculty and staff, school officials have deliberately created segregated school systems within our segregated cities. Children who attend segregated schools in the North are no less victims of unconstitutional state action than were the southern children assigned by law to separate schools for blacks and whites.

Northerners argue next that the job of southern school desegregation was easy, but that northern desegregation requires massive remedies that are unrealistic in the face of strong, public opposition to busing. But people who make this argument are ignoring that Swann, a Southern case, ordered the desegregation of a large urban area covering 550 square miles, 107 schools, and 87,000 students.

They are ignoring the fact that ten of the nation's largest school systems are now operating under court-ordered metropolitan desegregation plans, and that nine are in the South. And can they have forgotten the hatred and violence that greeted early efforts to enforce Brown in the South?

Can they have forgotten the immense federal power that was needed to overcome massive resistance? Can they have forgotten that enforcement of Brown in the South required the contempt authority of the federal courts, the enactment of powerful new civil rights legislation, and the domestic use of the United States Army? It wasn't easy.

Northerners also argue that further school desegregation is simply not realistic because the Court has limited the only effective remedy—metropolitan desegregation. But people who make this argument are ignoring the large amount of desegregation achievable within urban and suburban school districts. Although total desegregation may not be possible, much more integration can be achieved in many of our largest cities which maintain highly segregated school systems. Also, many smaller cities can be completely desegregated within their own boundaries and with a minimum of busing. More important, the court-imposed limitations on metropolitan remedies are not absolute. They can be overcome by careful and creative preparation of cases. And they should not stop responsible state and local leaders from seeking imaginative and realistic metropolitan solutions to the problems of our segregated city schools.

Finally, northerners argue that the failure to pursue Brown in the North is rational because school desegregation offers little if any educational or social benefits. But people who make this argument are ignoring the ruling of Brown that [s]eparate educational facilities are inherently unequal." As one North Carolina federal judge has stated: segregation would not become legal even if black and white children scored equally on educational tests. Also, it is simply untrue that desegregation has no value. Carefully planned and locally supported desegregation brings important educational and social benefits to both black and white children. And it must be remembered that integration is the best insurance policy against discrimination.

IV.

There is not time this afternoon to consider all the arguments made by those opposed to further school desegregation in the North. Nor is there reason to do so. What is clear, I believe, is that the story of Brown in the North is the story of a serious failure of the rule of law. Children in the North attend segregated schools, not because there are legitimate reasons why Brown applies in the South but not in the North—for as I have indicated I do not believe that such reasons exist—but because the nation that enforced Brown so vigorously in 17 Southern and border states is simply unwilling to obey it elsewhere.

On Law Day, it is particularly disturbing to consider that our tolerance for segregated schools in the North is nowhere reflected in our nation's laws. To the contrary, the Fourteenth Amendment, Brown and Title VI of the Civil Rights Act remain clear—schools segregated by official acts are unconstitutional. What has changed is that children who attend such schools are now without effective remedies. The Supreme Court has not, in any of its recent cases, limited the applicability of the Fourteenth Amendment to segregated schools in the North. Rather, it has methodically limited remedies available to children who attend such schools.

Congress has not in any way limited the basic principles of Title VI. Rather, it has bluntly and crudely prohibited the executive branch from seeking effective remedies for proven violations of the law. And the executive branch itself has too often collected extensive evidence of constitutional violations, and then failed to do anything about it.

So today, 25 years after Brown, children attending segregated schools in the North are without effective remedies. Nothing could be more offensive to the rule of law. Chief Justice John Marshall, writing in Marbury v. Madison in 1803, stated that the ability of an individual to claim the protection of the law for the violation of a legal right is "the very essence of civil liberties." The Chief Justice declared:

> The government of the United States has been emphatically termed a government of laws and not of men. It will certainly cease to deserve that high appellation if the laws furnish no remedy for the violation of a vested legal right.

I believe it is because we have forgotten that message, and the similar one delivered by Robert Kennedy on Law Day in 1961, that the story of Brown remains unfinished.●

DIRECT SUBSIDY PAYMENTS HELD ILLEGAL

● Mr. DOLE. Mr. President, on April 27, a Federal district court in Iowa concluded that sugar processors who entered into contracts for the sale of sugar after October 1, 1977, should not be eligible for direct subsidy payments. This conclusion was based on a ruling by the court that USDA's efforts to continue a subsidy program indefinitely, in light of the de la Garza loan program established in the Food and Agriculture Act of 1977, "falls outside the statute's authorization."

The court's decision affirms the position that I and several of my colleagues took in late 1977 when we called upon the Secretary of Agriculture to immediately implement the de la Garza loan program. At that time we informed the Secretary of our judgment that the administration "did not have the legal authority to delay implementation of the sugar price support system" which involved fees, quotas, and a loan and purchase program. Unfortunately, it took this extra congressional followup as well as a law suit to force the administration to finally implement the program as Congress instructed in the Food and Agriculture Act of 1977.

The intransigence of the administration in establishing an effective sugar program has been baffling. We have had to drag them into the de la Garza program kicking and screaming. We have to fight the administration tooth and nail to force it to use existing fee and quota authority to regulate sugar imports and the price of sugar. At every turn we find the administration pushing for the use of direct payments and subsidies to support the price of sugar. Why is there this infatuation with using the taxpayers' money to support sugar returns when the law and pure economic sense says "use the marketplace"? Statistics that have been repeated ad nauseum show that certain large sugar consumers, rather than the average family, are the real beneficiaries of such a policy.

Mr. President, the history of subsidy payments to sugar processors by this administration has been marked by ineptitude, waste of tax dollars, suffering by our sweetener industry and now unlawful conduct. How long will it take before the administration realizes that the use of direct subsidy payments in a sugar program is a liability that the American taxpayer and the American consumer can do without?●

CHILDREN SPEAK ON "SAVE THE CHILDREN'S DAY," 1979

● Mr. CRANSTON. Mr. President, I was delighted to chair a very unusual hearing held this morning by the Subcommittee on Child and Human Development in commemoration of May 1, 1979, a day designated in 30 States as "Save the Children's Day." At this hearing, 23 children—9, 10, and 11 years old—presented a "Children's Agenda for Action," compiled from thousands of letters written by children across the country expressing their desires for a better world.

Mr. President, I found this morning's hearing to be a moving and very stimulating experience.

The children expressed concern about many of the same areas which concern adults—inflation, energy, pollution, world peace, and smoking. However, what was particularly impressive was their concern about what will be done about these problems during the years ahead. One child, in describing problems of energy:

> We are afraid that, by the time we grow up, adults will have used up all the oil and there will be none left for us. We hope you will keep us in mind as you develop plans for conserving energy.

The children, in talking about very real problems of today in terms of oil supplies, nuclear bombs, smoking, and cancer and the difficulties of inflation as represented by the rising cost of an ice cream cone or a candy bar, very dramatically pointed out the fact that the decisions made by policymakers today have long-term and profound implications for the next generation—their generation.

I was very pleased that the subcommittee, which deals with children's legislation, was given the opportunity to listen to what children think and believe and to give them the recognition that they, as our successors, truly deserve. Abraham Lincoln once said:

> Children are people who are going to carry on what you have started. They are going to sit where you are sitting and, when you are gone, attend to those things which you think are important. You may adopt all the policies you please, but how they are carried out depends on them. They will assume control of your cities, states and nations. They are going to take over your churches, schools, universities, and corporations. All your books are going to be judged, praised, or condemned by them. The faith of humanity is in their hands.

Lincoln's words are as applicable today as they were over a hundred years ago.

The unedited letters written and read by the children made the point that children do worry and are very much concerned about the kind of world they will inherit. They want their futures to be taken into account by those who make the laws and decisions that will define their world. It is a message that all lawmakers and policymakers should heed.

This morning's hearing was organized with the assistance of Save the Children, a nonprofit charitable agency founded in 1932, which is dedicated to improving the welfare of needy children wherever they may be. It is presently supporting over 430 child assistance and community development projects in needy communities in 17 nations overseas and in the United States. Approximately one-quarter million children and their families are being aided by the agency's activities, aimed at helping people build better lives for themselves and their children. The agency collected the letters about children's hopes for a better world as one of a series of national events for Save the Children Day.

In order that my colleagues may have the benefit of knowing the spectrum of issues the children raised at this morning's hearing, I ask that the names of our very articulate young witnesses, the Children's Agenda for Action, and a sample of the letters read be printed in the Record.

The material follows:

WITNESSES

Peter Armstrong, Sixth Grade, Phoebe Hearst Elementary School, Washington, D.C.

Michelle Bagg, Sixth Grade, Oakton Elementary School, Oakton, Virginia.

Elizabeth Breer, Sixth Grade, Sidwell Friends Middle School, Washington, D.C.

Erin Cosby, Sixth Grade, Oakton Elementary School, Oakton, Virginia.

Eric Dutcher, Sixth Grade, Oakton Elementary School, Oakton, Virginia.

Julie Finks, Sixth Grade, Sidwell Friends Middle School, Washington, D.C.

Cory Fleming, Fourth Grade, Butler Elementary School, Madison, Arkansas.

John Gomez, Sixth Grade, Phoebe Hearst Elementary School, Washington, D.C.

James Hill, Sixth Grade, Tabernacle School, New York City, New York.

Pamela Houdek, Sixth Grade, Phoebe Hearst Elementary School, Washington, D.C.

Keith Johnson, Sixth Grade, Sidwell Friends Middle School, Washington, D.C.

Ruth Krumbhaar, Sixth Grade, Sidwell Friends Middle School, Washington, D.C.

Jennifer McDiarmid, Sixth Grade, Phoebe Hearst Elementary School, Washington, D.C.

Laura McGiffert, Sixth Grade, Sidwell Friends Middle School, Washington, D.C.

Brenda Nishimura, Sixth Grade, Phoebe Hearst Elementary School, Washington, D.C.

Michael Pennella, Sixth Grade, Oakton Elementary School, Oakton, Virginia.

Victoria Pike, Sixth Grade, Phoebe Hearst Elementary School, Washington, D.C.

David Powell, Sixth Grade, Oakton Elementary School, Oakton, Virginia.

Edwardo Rivera, Sixth Grade, Phoebe Hearst Elementary School, Washington, D.C.

Nichole Robinson, Sixth Grade, Oakton Elementary School, Oakton, Virginia.

Petra Schultze, Sixth Grade, Phoebe Hearst Elementary School, Washington, D.C.

Aaron Walker, Sixth Grade, Sidwell Friends Middle School, Washington, D.C.

Tara Weber, Sixth Grade, Oakton Elementary School, Oakton, Virginia.

CHILDREN'S AGENDA FOR ACTION

This is our Children's Agenda for Action. We are giving it to you, the Senate Subcommittee on Child and Human Development on May 1st, 1979, Save the Children Day. Thank you for listening to us. We ask you to please think about us and all the children in the world when you work on these problems.

1. ENERGY

We worry about a future without energy. We know that oil provides the fuel for cars and the heat for houses. We are afraid that, by the time we grow up, adults will have used up all the oil and there will be none left for us. We hope you will keep us in mind as you develop plans for conserving energy.

2. POLLUTION

We have been taught about litter and wastefulness and have worked in clean-up campaigns. Some of us can smell the air in our cities and feel the pollution in our lungs. We are unable to swim in neighborhood rivers and have seen dead fish wash up on the beach. We are trying to help clean up the pollution, but we need your help.

3. INFLATION

We remember when a candy bar cost 15c and ice cream cones 30c. It wasn't very long ago. Everything costs so much more that we are afraid that the time will come when we won't be able to buy food or a house. Some people say that college will be so expensive by the time we grow up that we won't be able to go. Can't something be done to stop inflation?

4. WAR

We hear about nuclear bombs and what happens just by pushing a button. We are afraid but we don't like to talk about it. Some of us even have nightmares about nuclear war. We hope you will work out a plan so we can be sure that there will still be a world when we grow up.

5. SMOKING

In school we've learned all about the dangers of smoking. We don't understand why adults continue to smoke. We know that it can cause cancer and other diseases. It is also a dirty habit which can be very annoying. We would like to see adults in the United States stop smoking.

We are also worried about the use of nuclear energy, crime, aiding the sick, poor and elderly, child abuse, drug and alcohol abuse, divorce, wildlife conservation and government overspending.

This Children's Agenda for Action tells of our hopes for a better world and our fears for the future. It has been put together by Save the Children from thousands of children's letters from throughout the United States. These are the things that worry us the most about the world today.

Thank you.

SHARON, MASS.,
March 1, 1979.

President CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: People waste energy a lot these days like oil, gas, and electricity. So if adults keep wasting energy like that there won't be any fuel for us kids when we grow up. So I suggest you kind of hide some fuel in the ground or someplace, you know. Then, before another president comes along, which I hope doesn't happen, you tell him about it. Then when we get bigger, just take a little of it out. Then wait for other kids to grow up and tell other presidents about it and keep doing it. So don't just throw this letter aside. I'm really serious, please take my suggestion and maybe life can be a lot more easier.

Respectfully yours,

TEDDY BAXTER.

Grade 5, room 104, Mrs. Loftman.

FEBRUARY 23, 1979.

DEAR MR. PRESIDENT: I am worried about the war. I get a strange feeling that something is going to happen and I have bad dreams that we are going to have a war again. World War III. I have heard on the news and the news-paper and it will ruin our future when we kids grow up. We need to do something about it. We'll be a poor country. I don't like what is happening. The war ruins. My brother feels the same.

Sincerely,

VICKI PRINCE.

(Second grade, room 11, Mis. Geronzin, Yokayo School, Ullaho, Calif.)

PITTSBURGH, PA., *April 9, 1979.*

DEAR MR. PRESIDENT: I am in sixth grade at St. Norbert School, and I think everyone should really think of the people less fortunate than us. All of us think of how nice it would be to be richer and have more money, when other people think of how nice it would be just to have a full meal. Well, I hope people will realize all people need to be taken care of, not just the important ones or the ones that live in important places. Thank you for what you and other people are doing.

Thank you!

BETH REIMOND.

DEAR PRESIDENT CARTER: I think there should be no smoking in this country. There is too much pollution in this country. Please help us. There is too much junk food for kids. Commercials on tv. are bad for kids, like cerial and toy commercials. Things that you buy don't work as good as they do on the commercials. There should be more parks and places for children to go. People should try to save energy for when I and other people get older. We need energy too. I am glad there is peace between Isreal and Egypt. Here is a saying about peace:

There cannot be peace between men unless there is peace within each of them.

Yours truly,

JENNY EVERS.

(Brownie Troop 2.) ●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There is an order for the recognition of Senator JEPSEN for 15 minutes on tomorrow.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR RECESS UNTIL 10:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the recognition of Mr. JEPSEN on tomorrow, under the order previously entered, there be a period for the transaction of routine morning business not to extend beyond 10 minutes with Senators permitted to speak up to 2 minutes each and that at the conclusion of routine morning business the Senate then proceed to the consideration of Calendar Order No. 99, Senate Resolution 122, a resolution to approve standby emergency building temperature restrictions.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow at the hour of 12:20 p.m. the Senate go into executive session, that there be 10 minutes for debate of the nomination of Mr. Robert J. Kutak, to be a member of the Board of Directors of the Legal Service Corporation, the 10 minutes to be equally divided between Mr. ZORINSKY and Mr. SCHWEIKER, that a vote then occur on the nomination—it will be a rollcall vote that will be ordered tomorrow—and upon the disposition of that nomination, that there then be 1 minute for disposition of the nominations shown on today's calendar and that the Senate then upon the disposition of those nominations return to legislative session and resume consideration of Calendar Order No. 99.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, there is a statutory time limitation on Calendar Order No 99. I wonder if the majority leader will indicate to me if he expects that item to consume most of the day or if he has the expectation we may proceed to another item before the day is over?

Mr. ROBERT C. BYRD. Yes, I will be glad to.

Before I do that, however, Mr. President, it is conceivable that someone could ask for a rollcall vote on any one or more of the other nominations. I, therefore, remove my requests with reference to the other nominations. I assume that we can do those here in the day possibly by unanimous consent. Consequently, I ask upon the disposition of the nomination of Mr. Kutak the Senate then return to legislative session and the resumption of the consideration of Calendar Order No. 99.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, do I understand, however, that the majority leader would plan to proceed to the routine and regular consideration and confirmation of the remaining names on the Executive Calendar in the absence of any requirement for a rollcall vote?

Mr. ROBERT C. BYRD. Yes.

Mr. President, I ask unanimous consent that upon the disposition of the nomination of Mr. Kutak, if there is no desire on the part of any Senator to speak on any one or more of the other nominations as shown on today's Executive Calendar, and if there is no disposition on the part of any Senator to request a rollcall vote on any one or more of those nominations, at the time that they then be considered, the Senate proceed to consideration of those nominations en bloc before proceeding back into legislative session but in any event a rollcall vote should be requested on any one or more of them or Senators wish to speak on any one or more of those nominations it then be within the authority of the majority leader, after consultation with the minority leader, to put those over until a later time tomorrow depending on the circumstances.

Mr. BAKER. Mr. President, further reserving the right to object, and I do not intend to object, I find that a very practical and workable arrangement. The only reason I reserved my right to object and why I made that inquiry was that since all of the nominations are for the Board of Directors of the Legal Services Corporation, it would be my hope that we could dispose of all of the nominations in the manner described by the majority leader.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

In answer to the question posed by the distinguished minority leader, Mr. President, the information I get in talking to my colleagues is that it is not believed that a great deal of time will be consumed in debate on Senate Resolution 122, which is the resolution to approve standby emergency building temperature restrictions. It would then be the intention to take up Calendar Order No. 100, if any Senator wants to debate that resolution and wants to have a vote thereon. There is, as the distinguished minority leader knows, a statutory time limitation on both of these resolutions. The time can be reduced by nondebatable motion.

What I am saying is I do not anticipate a great deal of time taken on either or both of those. I should think the Senate ought to be able to dispose of them, by starting at circa 11 a.m. tomorrow to dispose of them, at a reasonably early hour tomorrow afternoon.

At that time, if it so develops that we do dispose of those two measures reasonably early tomorrow, it would be my hope we could proceed then to the consideration of Calendar Order No. 62, the defense supplemental, with the understanding that opening statements would be made, and with the understanding that no amendments would be called up tomorrow.

Mr. BAKER. Mr. President, will the majority leader yield to me?

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the majority leader for yielding. I would join him in that hope and, indeed, express that expectation.

I am now in the process of trying to obtain final clearance for unanimous consent, if the majority leader cares to request it, to order the remaining functions of the Senate on Wednesday in that manner. It will be a few more minutes before I can give him a firm assurance and before I can agree to such unanimous-consent order. But if the majority leader wishes to leave it now with that expression of preference, I will be happy to do that or if he wishes to wait a few minutes maybe we can put down a unanimous-consent order.

Mr. ROBERT C. BYRD. Very well. I think it would be worthwhile waiting for. I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT ON ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow upon the disposition of Calendar Orders numbered 99 and, if called up, Calendar Order 100, that the Senate then on tomorrow proceed to the consideration of Calendar Order No. 62, after disposing of the budget waiver, which is Calendar Order No. 72; and with the proviso that in connection with Calendar Order No. 62 opening statements only be made by the managers, with the understanding that no amendments will be called up on tomorrow.

Mr. BAKER. Mr. President, reserving the right to object. And I do not plan to object, I would like to clarify the form of the request, if I may.

I have cleared on this side for unanimous consent to proceed to the consideration of these items, that is to say, to lay down Calendar Order No. 72 and dispose of it, and to lay down Calendar Order No. 62 with the proviso that the only business to be transacted on tomorrow would be the opening statements by the managers.

Mr. ROBERT C. BYRD. With respect to Calendar Order No. 62.

Mr. BAKER. With respect to Calendar Order No. 62. Would that be in accordance with the majority leader's request?

Mr. ROBERT C. BYRD. It is.

Mr. BAKER. Then I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar Order No. 97.

The PRESIDING OFFICER. The bill will be stated by title. The legislative clerk read as follows:

A bill (H.R. 2774) to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Arms Control and Disarmament Act Amendments of 1979".

PROHIBITIONS RELATING TO THE APPOINTMENT OF THE DIRECTOR AND DEPUTY DIRECTOR

SEC. 2. (a) Section 22 of the Arms Control and Disarmament Act (22 U.S.C. 2562) is amended by adding at the end thereof a new sentence as follows: "No person serving on active duty as a commissioned officer of the Armed Forces of the United States and, except as provided in section 28, no former officer of a regular component of the Armed Forces or retired member of the Armed Forces may be appointed Director.".

(b) Section 23 of such Act (22 U.S.C. 2563) is amended by adding at the end thereof a new sentence as follows: "No person serving on active duty as a commissioned officer of the Armed Forces of the United States and, except as provided in section 28, no former officer of a regular component of the Armed Forces or retired member of the Armed Forces may be appointed Deputy Director.".

(c) Title II of such Act is amended by adding at the end thereof the following new section:

"PROHIBITIONS RELATING TO THE APPOINTMENT OF THE DIRECTOR AND DEPUTY DIRECTOR

"SEC. 28. At no time may the two positions of Director and Deputy Director be occupied simultaneously by—

"(1) persons who have, within the ten preceding years, been relieved from active duty as commissioned officers of regular components of the Armed Forces;

"(2) retired officers of the Armed Forces of the United States (other than officers retired under chapter 67 of title 10, United

States Code) who have, within the ten preceding years, been retired from the Armed Forces; or

"(3) a person in clause (1) and an officer described in clause (2).".

AUTHORIZATION OF APPROPRIATIONS

SEC. 3. (a) Section 49(a) of the Arms Control and Disarmament Act (22 U.S.C. 2589 (a)) is amended to read as follows:

"SEC 49. (a) To carry out the purposes of this Act, there are authorized to be appropriated—

"(1) for the fiscal year 1980, $18,876,000 (and such additional amounts as may be necessary for increases in salary, pay, retirement, other employee benefits authorized by law, and other nondiscretionary costs, and to offset adverse fluctuations in foreign currency exchange rates); and

"(2) for the fiscal year 1981, such sums as may be necessary to carry out the purposes of this Act.

"(b) The sums authorized to be appropriated by subsection (a) shall remain available until expended.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

ECONOMIC IMPACT AND DEFENSE DECISIONS STUDY

SEC. 4. (a) The Director of the Arms Control and Disarmament Agency, in consultation with the appropriate officials of the departments and other agencies of the United States, shall conduct a comprehensive study of—

(1) the impact of military expenditures on the economy of the United States, including but not limited to the impact on the economic factors of inflation, balancing the Federal budget, industrial employment, civilian research and development, civilian industrial productivity, corporate profits, and balance of payments; and

(2) the impact of such economic factors on national defense policy decisions regarding the procurement of weapons, the size of force structure, troop deployments outside the United States, arms control policy, personnel policies, and conventional arms sales, as well as such other aspects of the national defense posture of the United States as the Director of the Arms Control and Disarmament Agency may deem relevant.

(b) The Director of the Arms Control and Disarmament Agency shall prepare and transmit not later than one year after the date of enactment of this Act a report setting forth the results of such study, together with such recommendations and comments as he deems appropriate, to the President and to the Congress.

Mr. CHURCH. Mr. President, the principal purpose of H.R. 2774, as reported by the Committee on Foreign Relations, is to authorize appropriations of $18,876,000 for fiscal year 1980 and "such sums as may be necessary" for fiscal year 1981, to fund the operations of the Arms Control and Disarmament Agency (ACDA).

The bill also amends sections 22 and 23 of the Arms Control and Disarmament Act and adds a new section to provide that no commissioned officer of the Armed Forces serving on active duty may be appointed either Director or Deputy Director of the Agency. Moreover, only one of these two positions may be held at any time by a person who has, within the 10 preceding years, been relieved from active duty as a commissioned officer, the regular components of the Armed Forces, or, within the past 10 years, been retired from the Armed Forces.

There is also a requirement in the bill that the Director of ACDA, in consultation with the appropriate officials of the executive branch departments and agencies, conduct a comprehensive study on the impact of military expenditures on the economy of the United States, and the impact of specified economic factors on national defense policy decisions. This report is to be transmitted to the President and to the Congress within 1 year of enactment of this bill.

The Agency is responsible for all executive branch arms control negotiations and has, accordingly, been heavily involved in such endeavors as the strategic arms limitation talks (SALT), the comprehensive test ban (CTB) negotiations, the mutual and balanced force reduction (MBFR) talks, the antisatellite weapon negotiations, the conventional arms transfer talks, and bilateral negotiations with the Soviet Union on chemical weapons and radiological weapons.

The most prominent of these negotiations, SALT, has been in relatively continuous session in Geneva, Switzerland, in the recent period and can be expected to remain in fairly constant session at least through 1981. Barring unexpected developments, SALT can be expected to continue as a major and expensive activity at least through 1985. Although some arms control negotiations may reach fruition, it can reasonably be anticipated that other arms control activities will lead to similar or higher costs.

In recent years, the Agency has played a stronger role in the regulatory activities of the executive branch. At present, ACDA bears prime responsibility for preparation of arms control impact and arms transfer impact statements, as well as nuclear nonproliferation assessment statements. It also devotes considerable time and attention to such important issues as nuclear nonproliferation, conventional arms transfers, and technology transfers.

The coming years will place a heavy burden on the relatively small staff of the Agency but the committee hopes that the Agency will demonstrate as it has in the past that it can effectively meet the challenge and an active participant in executive branch policy formulation and execution in the national security field.

I urge my colleagues to support this bill as reported by the Senate Foreign Relations Committee.

The **PRESIDING OFFICER.** The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. CHURCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SMALL BUSINESS EMPLOYEE OWNERSHIP ACT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 95.

The **PRESIDING OFFICER.** The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 388) to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies where the companies would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration.

The **PRESIDING OFFICER.** Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Select Committee on Small Business with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Small Business Employee Ownership Act".

SEC. 2. The Congress finds and declares that—

(1) employee ownership of firms has been shown to be a successful means of organizing an enterprise and that employee-owned firms are likely to have greater productivity rates, better long-range prospects, greater employee and management job satisfaction, and broader distribution of the company's profits and equity than similar nonemployee-owned firms;

(2) employee ownership of firms provides a means for preserving jobs and business activity where they would otherwise be lost due to company closings, liquidations, or relocations;

(3) employee ownership of firms provides a means of keeping a small business small when it might otherwise be sold to a conglomerate or other large enterprise;

(4) employee ownership of firms provides a means for creating a new small business from the sale of a subsidiary of a large business, when such a subsidiary would otherwise be closed, liquidated, relocated, or sold to another large business;

(5) unemployment insurance programs, welfare payments, and job creation programs are less desirable and more costly for both the Government and program beneficiaries than loan programs to maintain employment in firms that would otherwise be closed, liquidated, or relocated;

(6) the continued closing of small businesses or the sale of small businesses to conglomerates represents an undesirable and anticompetitive trend toward economic concentration;

(7) the slow growth in productivity in the United States contributes to inflation and balance-of-payments deficits;

(8) the present concentration of capital ownership has created too great a disparity between the very wealthy few and the low- and moderate-income majority; and

(9) by making and guaranteeing loans to employee stock ownership trusts or other employee organizations, the Small Business Administration could provide feasible and desirable methods for the transfer of all or part of a company's ownership to employees by aiding employee organizations in purchasing small business concerns that would otherwise be closed, liquidated, or relocated, or in purchasing subsidiaries of companies which would otherwise be closed, liquidated,

or relocated, and would, if independently owned, be small businesses.

SEC. 3. The purposes of this Act are—

(1) to include as small business concerns any employee-owned company which would otherwise be defined as a small business concern under the Small Business Act, or any employee organization, or employee stock ownership plan, established for the purpose of purchasing a business which, when purchased, would otherwise be defined as a small business concern under the Small Business Act, and to make such employee-owned firms or employee organizations eligible for all assistance available to small business concerns as provided in the Small Business Act;

(2) to assure that a small business using an employee stock ownership plan which qualifies under the specifications as set forth in this Act can obtain assistance from the Small Business Administration through an employee stock ownership trust; and

(3) to assure that the Small Business Administration guarantees loans to employee-owned firms, to employee organizations or employee stock ownership plans seeking to buy their firms, on the same basis as the Administration guarantees loans to other small businesses under section 7(a) of the Small Business Act and that such assistance is made available by the Small Business Administration on the basis of a firm's reasonable prospects for success as an employee-owned firm.

SEC. 4. Section 7 of the Small Business Act is amended by adding at the end thereof the following:

"(m) (1) As used in this subsection, the term—

"(A) 'employee organization' means any organization organized for the purpose of acquiring the company or subsidiary of the company for which the organization's members work, and which represents employees of a company which is a small business concern under this Act as presently constituted or, if the company is a subsidiary of another company, which would be a small business concern under this Act if independently owned;

"(B) 'employee' means a full-time employee of a small business concern who has worked for the company at least thirty days prior to the application by an employee organization or an employee-owned firm for assistance under this subsection;

"(C) 'employee stock ownership plan' or 'ESOP' means a plan described in section 4975(e) (7) of the Internal Revenue Code of 1954;

"(D) 'employee stock ownership trust' or 'ESOT' means a trust which forms part of an employee stock ownership plan; and

"(E) 'expiration date of the assistance' means the date on which a loan, the repayment of which is guaranteed by the Administration under this Act, is fully repaid.

"(2) (A) The Administration is authorized to make all assistance available under this section available to employee organizations, employee-owned small business concerns, and employee stock ownership trusts which meet the requirements of this subsection.

"(B) Assistance to employee-owned small business concerns shall be made available under subsection (a) of this section on the same basis as such assistance is made available to other small business concerns, except as otherwise specifically provided in this subsection.

"(C) Assistance to an employee stock ownership plan maintained by a small business concern shall be made available under subsection (a) of this section on the same basis as such assistance is made available to a small business concern which does not maintain such a plan, if—

"(i) the concern which maintains the plan guarantees to the Administration that it will provide to the plan such funds as may be necessary for the repayment of the obligation incurred by the plan;

"(ii) the trustee of the ESOT of the plan establishes to the satisfaction of the Administration that—

"(I) the funds acquired by the ESOP with the assistance of the Administration will be used solely for, or in connection with, the purchase of qualifying employer securities (within the meaning of section 4975(e) (8) of the Internal Revenue Code of 1954);

"(II) no part of those funds will be used to acquire employer securities of any other corporation or otherwise to provide financing for any other enterprise; and

"(iii) participants in the ESOP will have a nonforfeitable right to all employer securities acquired by the ESOP with funds obtained as a result of the assistance made available under this subsection not later than the expiration date of the assistance.

"(3) A loan to an employee organization or to an ESOP may be guaranteed as provided in this subsection only if the purpose of the loan is to finance the purchase of stock issued by a small business concern which employs the members of the organization or the participants in the ESOP, or the purchase of stock issued by a subsidiary concern which, if independently owned, would be a small business concern and which employs such members or participants if—

"(A) the small business concern or subsidiary would otherwise be closed, liquidated, relocated, or purchased by a large business, or if the owner of the concern or subsidiary and such members or participants agree to a transfer of ownership to the employees;

"(B) at the time the employee organization or the ESOP submits an application to the Administration for the guarantee of a loan, the organization or ESOP also submits a copy of a plan for the acquisition of the concern or subsidiary which provides that—

"(i) all employees of the concern or subsidiary will be offered an opportunity to participate in the ownership plan, and that employees who are included in a unit of employees covered by an agreement which the Secretary of Labor finds to be a collective bargaining agreement between employee representatives and the employer will be included in such an offering, unless the labor organization representing such employees specifically requests, in writing, exclusion of the employees covered by the agreement from participation in the plan;

"(ii) at least 51 per centum of the total stock or other asset value of the firm will be owned by at least 51 per centum of the employees by the expiration date of the assistance, or as soon thereafter as is consistent with the requirements of section 401(a) of the Internal Revenue Code of 1954;

"(iii) any employee who is an owner-employee (within the meaning of section 401 (c) (3) of the Internal Revenue Code of 1954), or a managerial employee, will have completed at least one year of service with the employer (within the meaning of section 410(a) (3) of such Code) before he is permitted to become a participant in the plan;

"(iv) where stock is distributed, participants in the plan will have a nonforfeitable right to such stock not later than the expiration date of the assistance, and that—

"(I) in the case of an ESOP, the stock will meet the requirements of section 409A(e) of the Internal Revenue Code of 1954, and

"(II) in the case of an employee organization, the stock will meet the requirements of section 409A(e) (2) of such Code (without regard to whether the employer has a registration-type class of securities);

"(v) the concern may repurchase stock being sold by employees leaving the firm or make stock available to new employees;

"(vi) there will be periodic reviews of the mode of company organization and the role employee owners will play in the management of the concern;

"(vii) except in the case of an ESOP, there is a method whereby the loan to the employee organization can be repaid by employee members through a system of payroll deductions if other methods of repayment as may be specified in the loan application are unable to provide the necessary cash; and

"(viii) there will be adequate management contracts to assure management expertise and continuity; and

"(C) in the case of a subsidiary, a plan is provided demonstrating that once the transfer of the subsidiary to the employees is completed, the subsidiary will be an independent business which qualifies as a small business concern under this Act.

"(4) Assistance under this subsection shall be provided when the Administration determines that the firm or employee organization seeking assistance can demonstrate the likelihood of an ability to repay any loans guaranteed, and when the Administration determines that the company will generate sufficient revenues to provide a reasonable assurance of repayment. The individual business experience or personal assets of individual employee-owners shall not be used as loan guarantee criteria, except that where employee-owners may assume managerial responsibilities, their business experience or ability may be considered.

"(5) The principal amount of any loan guaranteed under this subsection may not exceed $500,000.

"(6) The Administration shall compile a separate list of applications for assistance under this provision, indicating which applications were approved and which were denied, and shall report periodically to the Congress on the status of employee-owned firms.

"(7) The Administration is authorized to make guarantees under this subsection directly to the seller of a small business concern under this Act, or of a subsidiary of a company which would become a small business concern under this Act when independently owned as specified in paragraph (3) (C), where the requirements of this subsection for employee ownership are otherwise met. For the purpose of this subsection—

"(A) the Administration may guarantee payments on installment sale contracts by the buyer to the seller, but the obligation of the Administration under such a guarantee shall not exceed 90 per centum of the total remaining payments at the time of default;

"(B) in the case of default, the seller will have the option of (i) paying the Administration an amount equal to 90 per centum of the total amount paid on the contract at the point of default and reassume title to the business, in which case the Administration will be relieved of any further obligation to the seller, including the obligation to make remaining payments on the contract, or (ii) assigning to the Administration the option of assuming title to the business and receiving, in a lump sum, an amount equal to 90 per centum of the remaining payments due on the contract; and

"(C) if the seller exercises his rights under subparagraph (B) (ii), the Administration may resell the business or its assets, or may seek other individuals to assume the contract and make the remaining payments to the Administration.".

SEC. 5. Section 8(a) (4) (A) of the Small Business Act is amended by inserting before the word "and" at the end thereof the following: "or, in the case of a company with an employee stock ownership plan, at least 51 per centum of the stock of which is allocated through an ESOT to one or more socially and economically disadvantaged individuals;".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at this point in the RECORD a statement by Senator HATCH, be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Hatch

I am pleased to be among the original cosponsors from both sides of the aisle who have supported the ESOP bill since its inception. I suspect that this bill has support as great as any bill which will pass in this session of the 96th Congress. Let me tell you why. This bill possesses the unique characteristics of broadening the economic base of America while fully promoting free-enterprise without jeopardizing labor interests. This bill will fill a current void in small business ownership, opening new potential for free-enterprise involvement by formerly precluded employees, without the appropriation of new funds, the need for more bureaucrats or the creation of more agencies. It provides for Small Businesss Administration (SBA) extension of funds to viable, but previously excluded groups.

Direct employee ownership of business has been unknown until this decade, and has usually arisen when a company would otherwise close, relocate or be sold to a third party. Studies concur that companies wholly or partly owned by their employees are 50 percent more profitable than comparable conventional firms. There is also a direct correlation between profitability and extent of employee ownership. Most importantly, employee ownership results in significant increases in productivity and worker satisfaction.

The present alternatives to employee ownership are plant closings, unemployment and subsequent governmental welfare and unemployment costs, lost jobs and the attendant emotional trauma or recovering employment.

This bill provides for the extension of SBA funds normally available under the 7(a) business loan program and 8(b) procurement assistance program to be made available to employee owned companies, companies with employee stock ownership plans (ESOPs) and employee stock ownership trusts (ESOTs), and employee organizations seeking to purchase their businesses. Under current SBA regulations, ESOTs are ineligible for assistance, and employee organizations must meet inappropriate criteria of eligibility.

This bill requires a feasibility study ensuring the viability of business success after employee takeover, that all employees have the opportunity to participate without discrimination by salary level, and that ownership is consumated within a reasonable time.

This program could save millions of dollars in government supported unemployment programs. It unlocks the potential of a latent free enterprise incentive that may not otherwise be fostered, but for the chance to participate in one's own business. Studies prove that the concept works, and this bill will provide the booster to propel employee hopes into reality.

I know of no community that could not benefit from the pride of ownership this bill will promote.

• Mr. STEWART. Mr. President, today the Senate will act on S. 388. If the Senate agrees with the unanimous report of the Senate Small Business Committee on this bill, we will pass today what I believe is a very significant piece of legislation.

S. 388 mandates that all of the assistance the Small Business Administration normally makes available under its 7(a) business loan program and 8(a) minority procurement assistance program will now also be made available to employee owned companies, companies with employee stock ownership plans (ESOP's), and employee organizations seeking to purchase their companies when they would otherwise close, relocate, or be sold to an unrelated outside interest.

The bill was introduced because current SBA regulations prohibit loans or loan guarantees to ESOP's and exclude minority owned ESOP firms from participation in the minority contract procurement assistance program. Loans and loan guarantees to employees seeking to purchase their companies through non-ESOP techniques are possible, but since the loans are treated as conventional loans, the credit criteria are inappropriate for employee ownership. As a result, only three loan guarantees have ever been made by SBA for this purpose.

Other Government agencies involved in business assistance have taken a more positive stance toward employee ownership. The Farmers Home Administration places the highest priority on it for its business and industrial loans, for instance. The Economic Development Administration has made nine grants and loans to help employees purchase their companies. The Department of Housing and Urban Development has done nothing to date, but has recently decided to see how its programs could be used to assist employee ownership. While the EDA and HUD programs in this area need improvement, only the SBA has taken such a decidedly negative stance on employee ownership.

This is a most unfortunate decision, for the simple fact is that employee ownership works. It is not coincidental that this bill has 21 cosponsors representing both parties and every philosophy. Employee ownership is not a Democratic or Republican, liberal or conservative issue. It is instead a practical matter of good business sense. Employee owned businesses are more profitable, more production, and more likely to stay in a community than nonemployee owned businesses. Employee purchases of businesses that would otherwise close provide a free-enterprise, community-based approach to the problem of plant closings, an approach that saves the workers their jobs, the community its business activity, the local government its taxes, and the Federal Government all the money it would otherwise spend on unemployment, welfare, CETA funds, and so forth.

These conclusions are based on some important recent studies by the University of Michigan's Survey Research Center and Cornell University's School of Industrial and Labor Relations. The University of Michigan researchers found that employee-owned firms are 1.5 times as profitable as comparable non-employee-owned firms, and have higher levels of productivity and job satisfaction as well. Cornell researchers found that of over 50 companies purchased by employees since 1971 from conglomerates seeking to shut down or divest them, not one has subsequently gone out of business. This would be a remarkable record for any kind of business, but each of these companies was considered by its conglomerate owner to be too unprofitable to keep going.

These employee buyouts have saved thousands of jobs and billions of dollars in taxes and government expenditures. In one recent study, for instance, the closing of just one company with a payroll of 500 was shown to cost the community $50 million in total economic activity in the year following the shutdown. In another study, the shutdown of a plant with 5,000 workers was found to cost the Federal Government alone $17 million per year in lost taxes and transfer payments to unemployed workers.

Where a company can be purchased by its employees, therefore, and can make a profit, the Government stands to gain a great deal. Unfortunately, local banks are hesitant about employee ownership of business, and until this hesitancy is overcome and employee ownership is accepted as just another sound business practice, Government guarantees of credit are needed. These guarantees will be a lot cheaper than what the Government would have to do otherwise if the plant closed.

This situation of conglomerates closing potentially profitable companies is not as uncommon as one might think. Many conglomerates expect very high rates of return—15 to 25 percent—on their investment. An employee-owned company will please its owners with any kind of profit at all. Many conglomerates acquire firms in mergers that they really have little interest in operating. The employees would, however, have an obviously intense interest in operating the company. Finally, many conglomerates try to operate their subsidiaries by remote control, or, even worse, milk successful ones in order to keep less successful ones afloat. When employees own their own company, management is local and everyone pulls a little harder to make the company profitable.

While employee buyouts are the most intriguing aspect of employee ownership, there are other advantages as well. Employee ownership provides a means for retiring independent businessmen to sell their businesses to their employees rather than to a competitor or liquidator. Independent businesses are thus kept alive.

Employee stock ownership plans provide a mechanism for employers to finance company growth, create an employee incentive plan, and provide employees with a meaningful benefit—company stock—all at the same time. Under an ESOP, an employer sets up a trust. The trust secures a loan and uses the money to buy company stock. The company now has the money for growth and the trust has stock. The company repays the loan through the trust, and as the loan is repaid the stock vests with employees. Employees do not pay a nickel for the stock, and, under current tax law, the company can deduct the entire payment to the trust from its taxes—

in effect, it can deduct the principal and interest on the loan. Given all these benefits, SBA has been negligent in its responsibility to small business in not allowing small businesses using SBA financing to finance through ESOP's.

All of this discussion has focused on business interest in employee ownership. The interest of employees is obvious, but no less significant. Employee ownership means that employees can participate in the economic growth of their companies. The stock they acquire can provide substantial equity, as well as a feeling of involvement in what they are doing. The success of employee owned firms, in fact, ultimately comes down to this simple fact.

Finally, I would emphasize that this bill calls for no new expenditures and would, in fact, have the potential of saving the Government millions.

I ask that a section-by-section analysis be printed following my remarks in the Record.

The analysis follows:

SECTION-BY-SECTION ANALYSIS

Section 1.—This section gives the name of the act.

Section 2.—This section states the committee's findings and declarations. The Congress finds that employee ownership of business helps to preserve jobs, increase worker productivity and company profits, provides for the continuity of existing small businesses, creates new enterprises from corporate divestitures and provide a means for broadening participation in the capitalist system. Employee-ownership can replace existing Government programs which alleviate the effects of unemployment and do so at a lower cost. Furthermore, the continued closing of small businesses and the continued decline in productivity present serious problems for the economy. The present concentration of capital has created too great a disparity between the wealthy few and moderate and low-income majority and loan guarantees for employee ownership from the SBA could help to keep businesses viable and save communities from the loss of jobs and business activity.

Section 3.—This section states the purposes of the Act.

The purposes of this act are to (1) provide that the SBA will make loan guarantees to employee stock ownership trusts, (2) assure that in those cases where an employee organization seeks to purchase a company that would otherwise be closed, relocated, or sold to an unrelated outside interest, or whose owner agrees to a transfer to employees, the employee organization, including an employee stock ownership trust, will be eligible for assistance under the Small Business Act, and (3) provide that when guaranteeing loans to employee organizations the SBA will guarantee the loan on the basis of the firm's reasonable prospects of success.

Section 4.—This section amends section 7 of the Small Business Act by adding a new subsection (m). Subsection (m)(1) is the definitions section. "Employees" are defined as all full-time employees who have worked for the company for at least thirty days prior to the application for SBA assistance. "Employee Stock Ownership Plans" (ESOPs) and "Employee Stock Ownership Trusts" (ESOTs) are also defined.

Subsection (m)(2) authorizes the Administration to make assistance under the 7(a) regular business loan guarantee program available to both employee organizations seeking to buy their companies and to firms or employee organizations using ESOTs, provided they otherwise meet the qualifications established by this subsection. In the case of a company using an ESOP for example, the company must guarantee that it will make available to the ESOT such funds as are necessary to repay the loan guaranteed by the SBA, that the funds loaned to the ESOT will be used solely for the purchase of company stock, and that no such funds shall be used to acquire a separate company or provide financing for a separate company.

Subsection (m)(3) provides that loan guarantees will be made to employee organizations, including those using an ESOP, for the purpose of acquiring a small business or company which, when independently owned, would become a small business, provided that the company would otherwise be closed, relocated, sold to a large business, or the owner agrees to sell to the employees. The decision to grant the guarantee will be based on an application by the employees or employee organization to the SBA. The application must include a plan for the employee organization demonstrating that all employees will be offered an opportunity to participate in the plan; that the distribution of company stock to employees will be fully vested by the time the loan is repaid, and will comply with all IRS requirements; that by the time the loan is repaid a majority of the employees will own a majority of the stock, and that managerial employees, or employees who will own 10 percent or more of company stock (owner-employees) will have worked for at least one year prior to the application to the SBA. The certified plan must also provide for voting rights, the periodic review of the mode of company organization, and adequate management contracts.

Finally, the plan must enable the company to repurchase stock from employees when they leave the firm or sell their stock and provide a method of wage deductions in non-ESOP cases where such deductions are determined to be necessary to repay the loan.

Subsection (m)(4) states that assistance under this section shall be made when the employee organization can demonstrate to the Administration that the firm they intend to operate has a reasonable likelihood of an ability to repay the loan guaranteed by the SBA and has reasonable prospects for success. The individual business experience or assets of owners shall not be used as a criteria, except inasmuch as certain individuals may assume managerial responsibility, in which case experience and assets may be considered.

Under subsection (m)(5), the principal amount of loans guaranteed under this subsection is limited to $500,000.

Subsection (m)(6) requires the Administration to report periodically to Congress on the status of employee-owned firms.

Subsection (m)(7) states that guarantees under this subsection may be made directly to the seller of a business when selling under an installment sales contract, provided that the seller agrees to pay a specified penalty if, after the default of the buyer, he chooses to reassume the contract and resell the business.

Section 5 of the bill amends section 8(a) of the Small Business Act and clarifies that a firm in which 51 percent of the stock is owned by socially and economically disadvantaged individuals through an ESOT may also qualify for participation in the SBA 8(a) minority assistance program.

Under existing law, companies in which 51 percent of the stock is owned by socially and economically disadvantaged individuals may be qualified to receive assistance from SBA as minority owner firms. This section assures equitable treatment for similarly minority-controlled ESOP companies.●

● Mr. NELSON. Mr. President, today the Senate will consider, and I trust pass, the Small Business Employee Ownership Act. This bill has 21 cosponsors from both parties and was reported unanimously by the Select Committee on Small Business. The bill would authorize the Small Business Administration to guarantee loans to companies using employee stock ownership plans and would further authorize loan guarantees to employee organizations seeking to purchase their companies when they would otherwise close, relocate, or be sold to an unrelated outside interest. Finally, the bill would make minority employee owned firms eligible for assistance under the SBA's 8(a) minority procurement assistance program. Under current SBA procedures, assistance for employee ownership is forbidden by regulations where employee stock ownership plans are used, and made exceptionally difficult by inappropriate regulations where they are not used.

Employee ownership, however, has become an increasingly popular and effective economic tool. Hearings before the Small Business Committee provided significant evidence that employee owned companies are more productive and more profitable. Moreover, employee ownership has been extremely successful as a device for reviving business that would otherwise have closed. This use of employee ownership can save the Government millions of dollars in transfer payments every time a business is saved. The success of employee ownership has given the concept broad support in the business community.

The report submitted to the Senate by the committee summarized the committee's consideration of the bill and includes a section-by-section analysis. I would like to note, however, that on page 13 of the report, there is a minor error. The section-by-section analysis correctly refers to a plan that must be provided to the SBA concerning the implementation of employee ownership. In the third paragraph in the third line from the bottom, the word "certified" appears before the word plan. The word "certified" is not used in the legislation and is superfluous in the analysis.●

● Mr. PRESSLER. Mr. President, I am pleased to have the opportunity to address, S. 388, the Small Business Employee Ownership Act. This legislation mandates that the Small Business Administration make all of the assistance it normally makes available under its 7(a) business loan program and 8(a) procurement assistance program available to employee owned companies, companies with employee stock ownership plans, and employee organizations which are seeking to purchase their companies when they would otherwise be sold to an outside company, relocate, or close.

At a time when we are fighting so hard for the livelihood of our small businesses, S. 388 is landmark legislation.

It would help small businessmen who are retiring. If funding were available for employees to purchase their business, very often the retiree would not be forced to sell to a large corporation. Most small businesses close when their owner dies or retires, even though they may be very sound business enterprises. S. 388 can prevent that situation.

This legislation will not increase Federal spending, it will create no new agencies, and it will hire no new personnel. It will give our small businessmen an alternative when they are retiring or wish to close down. What is most important, however, is that it will allow small businesses to stay small businesses, and in doing so, it will greatly strengthen our country's economy.

Mr. President, I ask that my colleagues consider this legislation favorably.●

● Mr. WEICKER. Mr. President, as ranking minority member of the Small Business Committee, I have been investigating the capital formation problem confronting small businesses. The hearings and reports of this committee have clearly documented the serious shortfall in equity financing for small- and medium-sized firms. Investments in small businesses, especially in difficult economic times, are viewed as high risk ventures by financial institutions. Firms are unable to obtain the equity capital needed for growth, resulting in the requisision of many businesses by larger established corporations. This scarcity of new sources of capital and tax incentives established over the last 5 years have resulted in a growing popularity of employee ownership.

Whatever the encouraging factor, the result of employee ownership serves to maintain the Nation's small business community by providing the business owner an alternative to selling out to an outside interest. The employee stock ownership plan, as a tool, provides a means to raise the money and use those proceeds to create an employee benefit and employee incentive plan of proven merit.

The legislation the Senate is considering today would amend the Small Business Act to extend guaranteed loan assistance made available under the 7(a) business loan program and the 8(a) procurement assistance program to include employee stock ownership plans and employee organizations seeking to purchase their companies. Currently, the Small Business Administration is capable of granting assistance to employee organizations, but has reluctantly granted only three such loans.

The concept is clearly in its early stages in this country, and Government involvement has been limited. The SBA interprets its primary responsibility to be assisting the individual entrepreneur and has, therefore, been hesitant to become involved with employee organizations. S. 388 directs the SBA to make assistance available to employee organizations or employee stock ownership plans on the basis of a firm's reasonable prospects for success as an employee owned firm.

Specifically, the bill provides safeguards to assure that companies receiving assistance actually will be owned by employees, that the ownership plans, as defined by the Internal Revenue Code, will not discriminate in allocating stock according to annual compensation, and that all company stock distributed to the plan will fully vest with employees.

In addition to maintaining a community based free enterprise system in this country, studies have shown that employee ownership and participation in management have proven to improve our economy by raising the level of productivity. Worker owned firms have been found 1.5 times as profitable as comparable conventional firms and, in one study, proved to have 30 percent higher productivity.

Mr. President, given the importance of increased productivlity on the fight against inflation and unemployment, I support the concept of employee ownership and urge passage of S. 388.●

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. Mr. President, for once I get a chance to get even with the distinguished minority leader and balance the score. I move to lay that motion on the table.

Mr. BAKER. Mr. President, I might add that the ledger is so far out of balance on our side that the distinguished majority leader has much distance yet to traverse before he gets it in balance.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table.

The motion was agreed to.

HEALTH PLANNING AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 98.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 544) to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources with amendments as follows:

On page 10, line 22, strike "care" and" and insert "care;";

On page 10, line 23, after "drug" insert a semicolon and "and (3) inserting "podiatrists," before "optometrists" ";

On page 12, line 6, strike "could have reasonably";

On page 16, line 23, strike "annually" and insert "triennially";

On page 17, line 23, insert the following:

(f) Section 1513(b)(2)(B) is amended by inserting "(including entities described in section 1532(c)(7))" after "resources".

On page 18, line 6, insert the following:

(b) The first sentence of section 1513(b)(2) is amended by striking "annually" and substituting "triennially".

On page 20, line 1, beginning with "by" strike through and including line 8, and insert "to read as follows:";

On page 20, line 9, insert the following:

"(B) A health systems agency shall not review and approve or disapprove the proposed use within its health service area of Federal funds appropriated for grants or contracts for research or training unless the grants or contracts are to be made, entered into, or used to support the development of health resources within the health service area or to support the development of health resources that would make a significant change in the health services offered within the health service area or to support the delivery of health services which would make a significant change in the health services offered in the health service area.".

On page 26, line 17, after "subsection" insert "and in improving its performance as a result of the development and implementation of innovative health planning techniques";

On page 30, line 5, insert:

(4) Section 1521(b)(2)(B) is amended by striking thirty-six" and inserting "forty-eight".

On page 32, line 3, strike "annually" and insert "triennially";

On page 34, line 11, strike "subsection" and insert "subsections";

On page 35, line 9, after "given" insert quotation marks and a period.

On page 35, line 10, insert the following:

"(e) A State certificate of need program shall provide that no hospital shall be an applicant for a certificate of need unless such hospital has complied with all reasonable requests from a health systems agency for information to assist such agency in complying with section 1513(1).".

(c) Section 1524(c)(2)(A) is amended by (1) striking "annually" and substituting "triennially" in the first sentence thereof and (2) striking "for each year" in the third sentence thereof.

On page 36, line 2, strike "annually" and insert "triennially";

On page 37, line 1, insert the following:

(f) Section 1524(b)(1)(A)(iii) is amended to read as follows:

"(iii) Except as otherwise provided in clause (ii) and this clause, each such health systems agency shall be entitled to at least two representatives on the SHCC. If there are more than ten health systems agencies within a State, each health systems agency within such State may be entitled to only one representative on the SHCC. Of the representatives of health systems agencies on the SHCC, not less than one-half shall be individuals who are consumers of health care or mental health care and who are not providers of health care or mental health care.".

On page 37, line 22, strike "\$7,000,000" and insert "\$6,000,000";

On page 37, line 24, strike "\$7,000,000" and insert "\$6,000,000";

On page 38, line 17, strike "\$50,000" and insert "\$75,000";

On page 39, line 3, insert the following:

(b) After the date of enactment of this Act, the Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives before promulgating any regulation to change the definition of health care facilities under section 1531(5) of the Public Health Service Act as amended by subsection (a).

On page 40, line 21, strike "(13)" and insert "(12)";

On page 42, line 4, strike "(9)" and insert "(10)";

On page 42, line 5, strike "(10)" and insert "(11)";

On page 42, line 8, strike "(11)" and insert "(12)";

On page 42, line 10, after "services." strike the quotation mark and the period;

On page 42, line 11, insert the following:

"(13) The special needs and circumstances of osteopathic facilities accredited for postgraduate training or predoctural preceptorships.".

On page 44, line 6, strike "$12,000,000" and insert "$6,000,000";

On page 44, line 7, strike "$15,000,000" and insert "$8,000,000";

On page 44, line 8, strike "$18,000,000" and insert "$10,000,000";

On page 48, line 15, insert the following:

Sec. 154. (a) Section 1502 is amended by adding at the end thereof the following new paragraph:

"(12) The strengthening of competitive forces in the health services industry wherever competition and consumer choice can constructively serve to advance the purposes of quality assurance and cost effectiveness."

(b) Section 1513(a) is amended by adding at the end thereof the following new paragraph:

"(5) preserving and improving competition in the health service area,".

(c) Section 1532(c)(4) is amended by inserting "which are consistent with consumers' preferences" after "services".

(d) Section 1532(c)(5) is amended by inserting "taking into account the need to maintain and improve competitive conditions" before the period.

(e) Section 1532(c) (as amended by section 148(b)) is further amended by adding at the end thereof the following new paragraph:

"(13) Improvements or innovations in the financing and delivery of health services which foster competition and serve to promote quality assurance and cost effectiveness.".

On page 49, line 13, strike "154" and insert "155";

On page 49, line 18, insert the following:

Sec. 156. Section 1513 is amended by adding at the end thereof the following new subsection:

"(i)(1) Each health systems agency shall collect annually on a form developed in consultation with the State health planning and development agency (or agencies) the rates charged for each of the twenty-five most frequently used hospital services in the State (or States) including the average semiprivate and private room rates.

"(2) Each health systems agency shall make available to the public for inspection and copying (at the reasonable expense of the public) the information supplied to the health systems agency pursuant to this section in readily understandable language and in a manner designed to facilitate comparisons among the hospitals in the health systems agency's health service area.".

On page 50, line 8, strike "155" and insert "157";

On page 51, line 18, strike "September 30, 1979" and insert "September 30, 1980";

On page 51, line 20, strike "$75,000,000, $100,000,000, $125,000,000, and $125,000,000" and insert "$40,000,000, $50,000,000, and $50,000,000".

On page 51, beginning with line 24, strike through and including page 52, line 4;

On page 52, line 5, strike "206" and insert "205";

On page 52, line 9, after "SERVICES" insert "AND THE CONVERSION OF UNNEEDED HOSPITAL SERVICES TO SERVICES NEEDED BY THE COMMUNITY";

On page 52, line 14, strike "and encouragement";

On page 52, line 16, strike "the consolidation of duplicative hospital services and the discontinuance of unneeded hospital services—" and insert in lieu thereof the following:

"(a) the discontinuance of unneeded hospital services, and

"(b) the conversion of unneeded hospital services to services needed by the community.

On page 53, line 23, strike "incentive payment" and insert "payments";

On page 54, line 6, strike "for such payment";

On page 55, line 14, after "services" insert "or inpatient services"

On page 55, line 15, after "of" insert "a";

On page 56, line 11, strike "and";

On page 56, line 12, insert the following:

"(7) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c); and

On page 57, beginning with line 3, strike through and including line 5;

On page 57, line 9, strike "by such applicant";

On page 57, line 9, strike "for the part of the hospital to be";

On page 57, line 20, after "recommendation" insert "of approval or disapproval";

On page 57, line 21, strike "respecting the approval by the Secretary of the application with respect to which the health systems agency's recommendation was made";

On page 58, line 9, strike "shall consider the recommendations of the State health planning and development agency and the health system agency. The Secretary";

On page 58, line 15, after "discontinued" insert "or converted";

On page 58, line 20, strike "title," and insert "section 1641, and section 1643,";

On page 59, line 5, strike "shall" and insert "may";

On page 59, line 6, strike "1642" and insert "1642(b)";

On page 59, line 7, strike "the sum of" and insert "a sum not to exceed";

On page 60, line 1, after "1642" insert "(b)";

On page 60, line 6, after "1642" insert "(b)(4)(C)";

On page 60, beginning with line 19, strike through and including line 21;

On page 60, line 22, strike "(c)" and insert "(b)";

On page 61, line 12, strike "(f") and insert "(e)";

On page 61, line 12, strike "part" and insert "section";

On page 61, line 13, strike "$50,000,000" and insert "$30,000,000";

On page 61, line 15, strike "$100,000,000" and insert "$50,000,000";

On page 61, line 16, strike "$150,000,000" and insert "$75,000,000";

On page 61, line 18, insert the following:

"(f) From funds appropriated under subsection (e) the Secretary may make grants to State health planning and development agencies for planning, evaluating, or carrying out programs to decertify health care facilitis providing health services that are not appropriate.

On page 62, line 7, insert the following:

Sec. 206. Section 1601 is amended to read as follows:

"Sec. 1601. It is the purpose of this title to provide assistance, through allotments under part B and loans and loan guarantees and interest subsidies under part C, for projects for—

"(1) the discontinuance of unneeded hospital services or facilities;

"(2) the conversion of unneeded hospital services and facilities to services and facilities needed by the community;

"(3) the renovation and modernization of medical facilities, particularly to prevent or eliminate safety hazards avoid noncompilance with licensure or accreditation standards, or to replace obsolete facilities;

"(4) the construction of new outpatient medical facilities; and

"(5) the construction of new inpatient medical facilities in areas which have experienced (as determined by the Secretary) recent rapid population growth;

and to provide assistance, through grants under part D, for construction and modernization projects designed to prevent or eliminate safety hazards in medical facilities or to avoid noncompliance by such facilities with licensure or accreditation standards.".

Sec. 207. (a) Sections 1620 (a) and (b) are each amended by striking "1978" and inserting in lieu thereof "1982".

(b) Sections 1620(b)(1) (i) and (ii) are amended by inserting "public and" before "nonprofit private entities".

(c) Section 1620(b)(2) is amended by inserting "made prior to the date of enactment of the Health Planning Amendments of 1979" after "under this title,".

(d) Section 1620(b) is amended by adding the following new paragraph:

"(3) In the case of a loan or guarantee of any loan made under this title after the date of enactment of the Health Planning Amendments of 1979, the Secretary may pay to the holder of such loan for and on behalf of the project for which the loan was made amounts sufficient to reduce up to one-half the net effective interest rate otherwise payable on such loan if the Secretary finds that without such assistance the project could not be undertaken.".

(e) Sections 1620 (a) and (b)(1)(ii) are amended by striking "section 1604" and inserting in lieu thereof "subsection (f) of this section".

(f) Section 1620 is amended by adding the following new paragraph:

"(e) An application for a loan or loan guarantee under this section shall contain the following information:

"(i) a description of the site of the project;

"(ii) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(iii) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed, and, for the purpose of determining if the requirements of this subparagraph are met, Federal assistance provided directly to a medical facility which is located in an area determined by the Secretary to be an urban or rural poverty area or through benefits provided individuals served at such facility shall be considered as financial support;

"(iv) the type of assistance to be sought under this section;

"(v) in the case of a discontinuance or conversion project, an evaluation of the impact of such discontinuance or conversion on the provision of health care in the health service area in which such facility is located;

"(vi) in the case of a discontinuance or conversion project, an estimate of the change in the applicant's revenues which will result from such discontinuance or conversion;

"(vii) in the case of a project for the construction or modernization of an outpatient facility, reasonable assurance that the services of a general hospital will be available to patients of such facility who are in need of hospital care;

"(viii) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c); and

"(ix) reasonable assurance that at all times after such application is approved (i) the facility or portion thereof to be constructed, or modernized, or converted will be made available to all persons residing or employed in the area served by the facility, and (ii) there will be made available in the facility or portion thereof to be constructed, modernized, or converted a reasonable volume of services to persons unable to pay therefor and the Secretary, in determining the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint.".

Sec. 208. Section 1621 (relating to the allocation of the loan fund among the States) is repealed.

Sec. 209. Section 1622(b) (2) is amended by striking "minus 3 per centum per annum" and inserting in lieu thereof "minus the interest subsidy awarded in accordance with subparagraphs 1620(b) (2) and (3)".

Sec. 210. Section 1622(e) (2) is amended by (1) striking "and" after "1977," and (2) inserting before the period at the end thereof ", September 30, 1979, September 30, 1980, September 30, 1981, and September 30, 1982".

Sec. 211. The second sentence of section 1604(a) is amended by inserting "or for a loan or loan guarantee under section 1620" after "section 1625".

On page 67, line 4, strike "207" and insert "212";

On page 67, line 4, strike "206" and insert "205";

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE, REFERENCE TO ACT

Section 1. (a) This Act may be cited as the "Health Planning Amendments of 1979."

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

TITLE I—REVISION AND EXTENSION OF NATIONAL HEALTH PLANNING AND DEVELOPMENT AUTHORITY

Sec. 101. (a) Section 1503(b) (1) is amended by (1) striking "fifteen" and inserting in lieu thereof "twenty"; (2) inserting "the Assistant Secretary for Rural Development of the Department of Agriculture," after "Defense,"; and (3) striking "not less than five shall be persons who are not providers of health services" and inserting in lieu thereof. "not less than eight shall be persons who are not providers of health services including individuals who are members of urban and rural medical underserved populations".

(b) The last sentence of section 1511(a) is amended by (1) striking "if the Governor of each State" and inserting in lieu thereof "if the Governor of any State" and (2) striking "in order to meet the other requirements of this subsection".

(c) Section 1501(b) (1) is amended by adding at the end thereof the following: "Such standards shall reflect the unique circumstances and needs of medical underserved populations including isolated rural communities.".

Sec. 102. Section 1511(b) (4) is amended to read as follows:

"(4) (A) The Secretary shall review on his own initiative or at the request of any Governor or designated health systems agency the appropriateness of the boundaries of the health service areas established under paragraph (3), and, if he determines that the boundaries for a health service area no longer meet the requirements of subsection (a), or if the boundaries for a proposed revised health service area meet the requirements of subsection (a) in a significantly more appropriate manner in terms of the efficiency and effectiveness of health planning efforts, he shall revise the boundaries in accordance with the procedures prescribed by paragraph (3) (B) (ii). If the Secretary acts on his own initiative to revise the boundaries of any health service area, he shall consult with the Governor of the appropriate State or States, the chief executive officer or agency of the political subdivisions within the State or States that would be affected by the revision, the appropriate designated health systems agency or agencies and the appropriate established Statewide Health Coordinating Council. A Governor may request a revision of the boundaries of a health service area only after consultation with the Governor of any other appropriate State or States, the chief executive officer or agency of the political subdivisions within the State or States that would be affected by the revision, the appropriate designated health systems agencies, and the appropriate established Statewide Health Coordinating Council and shall include in such request the comments concerning the proposed revision made by such individuals and entities. A designated health systems agency may make a request to revise the boundaries of its health service area only after consultation with the Governor of the appropriate State or States, the chief executive officer or agency of the political subdivisions within the State or States that would be affected by the revision, the other appropriate designated health system agency or agencies, and the appropriate established Statewide Health Coordinating Council and shall include in such request the comments concerning the proposed revision made by such individuals and entities. No proposed revision of the boundaries of a health service area shall comprise an entire State without the prior consent of the Governor of such State. In addition, for each proposed revision of the boundaries of a health service area, the Secretary shall give notice and an opportunity for a hearing on the record by all interested persons and make a written determination of his findings and decision.

"(B) The Secretary shall, by January 1, 1980, by regulation establish criteria for the revision of the boundaries of health service areas.".

Sec. 103. Section 1511(c) is repealed.

Sec. 104. (a) Section 1512(b) is amended by adding the following new subsection at the end thereof:

"(7) Conflict of Interest.—Each health systems agency shall adopt procedures in accordance with regulations promulgated by the Secretary to insure that no member, employee, consultant or agent participates in any matter regarding any person, institution, organization or other entity with which he or she has or has had within the past three years any substantial direct or indirect employment, fiduciary, competitive, medical staff, or ownership or other financial interest.".

(b) Section 1524(b) is amended by adding at the end thereof the following new paragraph:

"(4) A SHCC shall adopt procedures in accordance with regulations promulgated by the Secretary to insure that no member, employee, consultant or agent participates in any matter regarding any person, institution, organization or other entity with which he or she has or has had within the past three years any substantial direct or indirect employment, fiduciary, competitive, medical staff, or ownership or other financial interest.".

Sec. 105. (a) The first sentence of section 1512(b) (2) (A) is amended by—

(1) inserting ", to the extent practicable," after "shall",

(2) striking "health planning" and inserting in lieu thereof "health and mental health planning",

(3) striking "health resources" and inserting in lieu thereof "health and mental health resources", and

(4) inserting before the period at the end thereof ", (v) financial and economic analysis, and (vi) public health and prevention of disease".

(b) The second sentence of section 1512 (b) (2) (A) is amended by striking "health resources" and inserting in lieu thereof "health and mental health resources".

(c) Section 1512(b) (2) (A) is amended by adding at the end the following: "At least one member of the staff shall be designated to have the responsibility of providing the consumer members of the governing body of an agency with such assistance as they may require to effectively perform their functions.".

Sec. 106. Section 1512(b) (3) is amended by adding after subparagraph (C) the following new subparagraph:

"(D) Selection—Each health systems agency shall establish a process for the selection of the members of its governing body and any subarea advisory councils which process is designed to assure that (i) such members are selected in accordance with the requirements of subparagraph (C), (ii) there is the opportunity for broad participation in such process by the residents of the health service area of the agency, and (iii) the participation of such residents will be encouraged and facilitated. Such process shall prohibit the selection of members of such body by members of such body and members of such councils by members of such council. Each agency shall make public such process and report it to the Secretary.".

Sec. 107. (a) Section 1512(b) (3) (A) is amended by inserting before the period at the end of the first sentence the following: "except that a public regional planning body or unit of general local government which is a health systems agency is not required to delegate to its governing body for health planning the exclusive authority to—

"(i) appoint and with cause remove members of the governing body for health planning;

"(ii) establish personnel rules and practices for the staff of the governing body for health planning;

"(iii) approve the agency's budget; or,

"(iv) any combination of the activities described in clauses (i), (ii), and (iii)."

(b) Section 1512(b) (3) (C) (iii) (I) is amended by (1) striking "and other representatives of governmental authorities" and inserting in lieu thereof "and other representatives of units of general purpose local government" and (2) adding at the end thereof the following new sentences: "To be considered a representative of a unit of general purpose local government, an individual must be appointed by such unit or a combination thereof. For the purpose of this clause, the State government of a State which is comprised of a single health service area shall be deemed to be a unit of general purpose local government.".

Sec. 108. Section 1512(b)(3)(B)(vi) is amended by (1) striking out "reimburse" and by inserting in lieu thereof "reimburse (or when appropriate make advances to)" and (2) inserting "and performing any other duties and functions of the health systems agency" after "governing body".

Sec. 109. (a) Section 1512(b)(3)(B)(viii) is amended by (1) inserting ", except for meetings or portions thereof called to discuss the performance or remuneration of an individual employee of the health systems agency which if public would constitute a clearly unwarranted invasion of the personal privacy of such employee" after "conduct its business meetings in public" and (2) inserting ", except for personnel records and data regarding an individual employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of such employee." after "records and data".

(b) Section 1512(b)(6)(A) is amended by inserting ", except to personnel records and data regarding an individual employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of such employee" after "such access thereto".

(c) Section 1522(b)(6) is amended by (1) inserting ", except for meetings or portions thereof called to discuss the performance of remuneration of an individual employee of the State Agency which if public would constitute a clearly unwarranted invasion of the personal privacy of such employee" after "conduct its business meetings in public" and (2) inserting ", except for personal records and data regarding an individual employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of such employee," after "records and data".

(d) Section 1532(b)(10) is amended by inserting ", except to personnel records and data regarding an individual employee the discolsure of which would constitute a clearly unwarranted invasion of the personal privacy of such employee," after "State Agency review".

Sec. 110. Section 1512(b)(3)(C)(i) is amended by (1) striking "(nor within the twelve months preceding appointment been)" and (2) inserting "including but not limited to unions and corporations" after "major purchasers of health care".

Sec. 111. (a) The first sentence of section 1512(b)(3)(C)(ii) is amended by inserting "or have their principal place of business within" after "residents of".

(b) Section 1512(b)(3)(C) is amended by striking "health care" each place it occurs and inserting in lieu thereof "health or mental health care".

(c) Section 1512(b)(3)(C)(ii)(II) is amended by inserting "rehabilitation facilities," after "long-term care facilities,".

Sec. 112. (a) The first sentence of section 1512(b)(3)(C)(ii) is amended by inserting "including doctors of medicine and osteopathy" after "(I) physicians".

(b) Section 1531(3)(A) is amended by inserting "a doctor of medicine and a doctor of osteopathy)" after "including a physician".

(c) Section 1531(3) is amended by striking "provider of health care" each place it occurs and inserting in lieu thereof "provider of health or mental health care".

Sec. 113. The first sentence of section 1512(b)(3)(C)(ii) is amended by (1) striking "and" after "health professional schools," and inserting before the period at the end thereof ", (VI) non-professional health workers and (VII) other providers of health or mental health *care*; (2) striking "substance" and inserting in lieu thereof "alcohol and drug"; and (3) inserting "podiatrists," before "optometrists".

Sec. 114. (a) Section 1512(b)(3)(C)(iii)(II) is amended by inserting "at least" before "equal".

(b) Section 1512(b)(3)(C)(iii)(III) is amended by inserting "non-voting" before "ex officio".

Sec. 115. Section 1512(b)(3)(C)(iv) is amended by (1) striking "of its members" and ", to the extent practicable," and (2) striking "the representation on such subcommittee or group described in this subparagraph" and inserting in lieu thereof "that a majority of the members of any such subcommittee or group are consumers of health or mental health care".

Sec. 116. (a) Section 1512(b)(4) is amended by (1) striking "member or employee" and inserting in lieu thereof "member, employee, consultant or agent" and (2) striking "if he has acted within the scope of such duty, function, or activity, has exercised due care, and has acted, with respect to that performance, without malice toward any person affected by it" and inserting in lieu thereof "if he believed he was acting within the scope of such duty, function, or activity, and acted, with respect to that performance, without gross negligence or malice toward any person affected by it".

(b) Section 1524 is amended by adding at the end thereof the following new subsection:

"(d) No individual who, as a member, employee, consultant or agent of a SHCC shall, by reason of his performance of any duty, function or activity required of, or authorized to be undertaken by the SHCC, be liable for payment of damages under any law of the United States or any State (or political subdivision thereof) if he believed he was acting within the scope of such duty, function, or activity, with respect to that performance, without gross negligence or malice toward any person affected by it.".

Sec. 117. Section 1512(b)(6) is amended by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D) and by adding before subparagraph (B) (as so redesignated) the following:

"(A) provide that any executive committee of the agency and any entity appointed by the governing body or executive committee of the agency and any subarea advisory council shall (i) conduct its business meetings in public (except for meetings or portions thereof called to discuss the performance or remuneration of an individual employee which if public would constitute a clearly unwarranted invasion of the personal privacy of such employee), (ii) give adequate notice of its meetings to those persons who have requested such notice, and (iii) make its records and data available, upon request, to the public (other than personnel records and data regarding an individual employee the disclosure of which would constitute a clearly unwarranted invasion of the personal privacy of such employee);".

Sec. 118. (a) The first sentence of section 1513(b)(2) is amended by striking "and" before "(C)" and inserting after "health resources and services" the following: "; (D) which describe the institutional health services (as defined in section 1531(5)) needed to provide for the well-being of persons receiving care within the health service area including, at a minimum, the number and type of medical facilities, rehabilitation facilities, nursing homes, beds, and equipment needed to provide acute inpatient, psychiatric inpatient, obstetrical inpatient, neonatal inpatient, long term care, and treatment for alcohol and drug abuse; the extent to which existing medical facilities, rehabilitation facilities, nursing homes, beds and equipment are in need of modernization or conversion to new uses; and, the extent to which new medical facilities, rehabilitation facilities, nursing homes, beds and equipment need to be constructed or acquired; (E) which describe other health services (other than institutional health services as defined in section 1531(5)) needed to provide for the well-being of persons receiving care within the health service area including, at a minimum, the number and type of health maintenance organizations, outpatient (including primary care) facilities, rehabilitation facilities, facilities for the treatment of alcohol abuse and drug abuse, and other medical facilities, and home health agencies and equipment needed to provide public health services and outpatient care and the extent to which such facilities and equipment are in need of modernization or conversion to new uses and the extent to which new such health maintenance organizations, facilities, home health agencies and equipment need to be constructed or acquired.".

(b) The second sentence of section 1523(a)(4)(B) is amended by inserting "and that are consistent except in emergency circumstances that pose a threat to public health with the State health plan required by section 1524(c)" after "found to be needed".

(c) The first sentence of section 1524(c)(2)(A) is amended by striking "Prepare" and inserting in lieu thereof "With the concurrence of the Governor, prepare".

(d) Section 1524(c)(2) is amended by (1) redesignating subparagraph (B) as subparagraph (C) and (2) by inserting after subparagraph (A) the following new subparagraph:

"(B) In addition to the requirements of subparagraph (A), a State health plan shall be coordinated with the State mental health plan developed pursuant to the Community Mental Health Centers Act, the State alcohol abuse plan developed pursuant to the Comprehensive Alcohol Abuse and Alcoholism Prevention Treatment and Rehabilitation Act, and the State drug abuse plan developed pursuant to the Drug Abuse Office and Treatment Act of 1972, and shall describe the resource requirements of manpower, facilities, equipment, and funds necessary to provide access, availability and quality services at a reasonable cost to persons receiving care within the State including, at a minimum—

"(i) the institutional health services (as defined in section 1531(5)) comprising, but not limited to, the number and type of medical facilities, rehabilitation facilities, nursing homes, beds, and equipment needed for acute inpatient, psychiatric inpatient, obstetrical inpatient, neonatal inpatient, long term care, and treatment for alcohol abuse and drug abuse; the extent to which existing medical facilities, rehabilitation facilities, nursing homes, beds and equipment are in need of modernization or conversion to new uses; and, the extent to which new such medical facilities, rehabilitation facilities, nursing homes, beds, and equipment need to be constructed or acquired, and

"(ii) other health services (other than institutional health services as defined in section 153(5)) comprising, but not limited to, the number and type of health maintenance organizations, outpatient (including primary care) facilities, rehabilitation facilities, facilities for the treatment of alcohol abuse and drug abuse, and other medical facilities, home health agencies and equipment needed for public health services and outpatient care and the extent to which such facilities and equipment are in need of modernization and conversion to new uses and the extent to which new such health maintenance organizations, facilities, home health agencies and equipment need to be constructed or acquired.".

(e) Section 1524(c)(2) is amended by adding at the end thereof the following new subparagraph:

"(D) If a State health plan as required by this subsection is not in effect for the State, the Secretary may not make any grant to the State health planning and development agency pursuant to section 1525.".

SEC. 119. (a) The second sentence of section 1513(b)(2) is amended by inserting "in the process of triennially reviewing an HSP, and before amending an HSP" after "Before establishing an HSP,".

(b) Section 1513(b)(3) is amended by (1) inserting after "goals of the HSP" the following: "(as revised pursuant to section 1524(c)(2)(A))" and (2) adding at the end thereof the following new sentence: "The AIP shall be established, annually reviewed, and amended in accordance with the procedures set forth in the last two sentences of paragraph (2).".

(c) Section 1513(b)(2) is amended by inserting after the first sentence thereof the following new sentence: "The HSP shall include identifiable alcohol abuse, drug abuse, and mental health components, and shall address specifically the needs of all medical underserved populations in the health service area.".

(d) Section 1513(b)(2)(C) is amended by striking "and are consistent with".

(e) Section 1513(b) is amended by adding at the end thereof the following new paragraph:

"(5) The agency shall submit to the State Health Planning and Development Agency, the Statewide Health Coordinating Council, and the Secretary a detailed statement of the reasons for any inconsistencies between its HSP and AIP and the national guidelines and priorities established under this Act.".

(f) Section 1513(b)(2)(B) is amended by inserting "(including entities described in section 1532(c)(7))" after "resources".

SEC. 120. (a) Section 1513(c)(2) is amended by (1) striking "may" and inserting in lieu thereof "shall" and (2) inserting "in obtaining and filling out the necessary forms and may provide other technical assistance" after "technical assistance."

(b) The first sentence of section 1513(b)(2) is amended by striking "annually" and substituting "triennially."

SEC. 121. (a) The fourth sentence of section 1513(c)(3) is amended by inserting "except that if such grant or contract is renewed, funds may be carried forward to the subsequent grant or contract" before the period without being deducted from the amount of the subsequent grant or contract" before the period at the end thereof.

(b) The second sentence of section 1516(a) is amended by striking "renewed (as the case may be)" and inserting in lieu thereof "in the event that the grant is renewed, may be carried forward to the subsequent grant period without being deducted from the subsequent grant award".

(c) The second sentence of section 1525(a) is amended by striking "renewed" and inserting in lieu thereof "in the event that the grant is renewed, may be carried forward to the subsequent grant period without being deducted from the subsequent grant award".

(d) Section 1526(c)(1) is amended by inserting "except that if such a grant is renewed, funds may be carried forward to the subsequent grant period without being deducted from the subsequent grant award" after "such grant was made".

SEC. 122. (a) Section 1513(d) is amended by (1) inserting "(including area agencies on aging, local and regional alcohol abuse, drug abuse, and mental health planning agencies)" after "administrative agencies" in paragraph (3); (2) redesignating paragraph "(4)" as paragraph "(5)"; (3) striking "and" in paragraph (3); and (4) adding after paragraph (3) the following new paragraph:

"(4) any entity of the State in which the agency is located which reviews the rates and budgets of health care facilities located in the agency's health service area, and".

(b) Section 1522(b)(7)(A) is amended by inserting "and for the coordination by the State Agency in the conduct of its activities with any entity of the State which reviews the rates and budgets of health care facilities in the State" after "health care,".

SEC. 123. (a) Section 1513(g) is amended by adding at the end thereof the following new paragraph:

"(3) In making the appropriateness review required by paragraph (1), each health systems agency shall address at a minimum issues of need, accessibility, financial viability, cost effectiveness, costs and charges to the public, and quality of service provided.".

(b) Section 1513(e)(1)(B) is amended to read as follows:

"(B) A health systems agency shall not review and approve or disapprove the proposed use within its health service area of Federal funds appropriated for grants or contracts for research or training unless the grants or contracts are to be made, entered into, or used to support the development of health resources within the health service area or to support the development of health resources that would make a significant change in the health services offered within the health service area or to support the delivery of health services which would make a significant change in the health services offered in the health service area.".

SEC. 124. Section 1513(g)(1) is amended by (1) striking "all" and inserting in lieu thereof "at least those" and (2) inserting "identified in the State health plan prepared pursuant to section 1524(c)(2)" before "offered".

SEC. 125. Section 1514 is amended by striking "may" and inserting in lieu thereof "shall".

SEC. 126. (a) The last sentence of section 1515(b) is deleted.

(b) The last sentence of section 1515(c)(2) is deleted.

SEC. 127. (a)(1) Paragraphs (1) and (3) of section 1515(c) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(2) Section 1515(c)(1) is amended—

(A) by inserting "(A)" after "(c)(1)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively.

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the entity is not complying with the provisions of such agreement.", and

(D) by adding at the end the following:

"(B) Before the Secretary may terminate, under subparagraph (A)(ii), an agreement with an entity for designation as the health systems agency for a health service area, the Secretary shall—

"(i) consult with the Governor and the Statewide Health Coordinating Council of each State in which is located the health service area respecting the proposed termination,

"(ii) give the entity notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the entity is not in compliance with the agreement, and (II) the actions that the entity should take to come into compliance with the agreement, and

"(iii) provide the entity with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.".

(3) The amendments made by paragraphs (1) and (2) shall take effect with respect to designation agreements entered into under section 1515(c) of the Public Health Service Act after the date of the enactment of this Act.

(b) Section 1515(c) (as amended by subsection (a)) is amended by adding after clause (ii) of paragraph (1)(A) the following: "A designation agreement under this subsection may be terminated by the Secretary before the expiration of its term if the health service area with respect to which the agreement was entered into is revised under section 151(b)(4) and the Secretary determines, after consultation with the Governor and Statewide Health Coordinating Council of each State in which the health service area (as revised) is located, that the health systems agency designated under such agreement cannot effectively carry out the agreement for the area (as revised). In terminating an agreement under the preceding sentence, the Secretary shall provide that the termination shall not take effect before an agreement for the designation of a new agency takes effect and shall provide the agency designated under the agreement to be terminated an opportunity to terminate its affairs in a satisfactory manner.".

(c) Section 1515(c)(3) is amended by (1) inserting "(A)" after "(3)"; (2) inserting "during the period of the agreement to be renewed" after "section 1513"; and (3) by adding at the end thereof the following new paragraphs:

"(B) If upon review (as provided in section 1535) of the agency's operation and performance of its functions, the Secretary determines that it has not fulfilled, in a satisfactory manner, the functions of a health systems agency prescribed by section 1513 during the period of the agreement to be renewed or does not continue to meet the requirements of section 1512(b), he may terminate such agreement or return such agency to a conditionally designated status under subsection (b) for a period not to exceed twelve months. At the end of such period, the Secretary shall either terminate its agreement with such agency or enter into an agreement with such agency under paragraph (1).

"(C) Before renewing an agreement with a health systems agency under this subsection, the Secretary shall provide the State health planning and development agency and the Statewide Health Coordinating Council of the State in which the health systems agency is located an opportunity to comment on the performance of such agency and to provide a recommendation on whether such agreement should be renewed and whether its renewal should be made subject to conditions as authorized by paragraph (3).

"(D) If the Secretary enters into an agreement under this subsection with an entity or renews such an agreement, the Secretary shall notify the Governor of the State in which such entity is located of the agreement, its renewal, and, if any conditions have been imposed under paragraph (3), such conditions.".

(d) The last sentence of section 1515(c)(2) is amended to read as follows: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor or a Statewide Health Coordinating Council for approval.".

(c) Section 1515(b)(4) is amended by striking out the last sentence and substituting: "In considering such applications, the Secretary shall give priority to any application which has been recommended by a Governor or a Statewide Health Coordinating Council for approval. When the Secretary enters into an agreement with an entity under paragraph (1), the Secretary shall notify the Governor of the State in which such entity is located of such agreement.".

Sec. 128. Section 1515(d) is amended by (1) inserting "agreement" after "If a designation" and (2) inserting "or is not renewed" after "prescribed for its expiration".

Sec. 129. (a) Section 1516(b)(2)(A)(i) is amended to read as follows:

"(i) the greater of (I) the amount determined under paragraph (1) without regard to this paragraph or paragraph (3), or (II) the amount determined under paragraph (3), and".

(b) Section 1516(b)(3) is amended to read as follows:

"(3) The amount of a grant under subsection (a) to a health systems agency designated under section 1515(c) may not be less than $250,000 in the fiscal year ending September 30, 1980, $270,000 in the fiscal year ending September 30, 1981, and $290,000 in any succeeding fiscal year.".

(c) Section 1516(c)(1) is amended by (1) striking "and" after "1976" and (2) inserting ", $150,000,000 for the fiscal year ending September 30, 1980, $175,000,000 for the fiscal year ending September 30, 1981, and $200,000,000 for the fiscal year ending September 30, 1982" before the period.

(d) Section 1516(c) is amended by redesignating paragraph (2) as paragraph (3) and inserting after paragraph (1) the following new paragraph:

"(2) Of the amount appropriated under paragraph (1) for any fiscal year, the Secretary may use not more than 5 per centum of such amount to increase the amount of a grant in such fiscal year to a health systems agency under subsection (a) to assist the agency in meeting extraordinary expenses (including, but not limited to, extraordinary expenses resulting from the agency's health systems area being located in more than one State, from the agency serving a large rural or urban medical underserved population, or a geographically large health service area) which would not be covered under the amount of the grant that would be available to the agency under this subsection and in improving its performance as a result of the development and implementation of innovative health planning techniques.".

(e) Section 1516(c)(2) is amended by striking out "; except that" and all that follows in that section and inserting in lieu thereof a period.

Sec. 130. Section 1516(b) is further amended by adding at the end the following new paragraph:

"(4) For the fiscal year ending September 30, 1979, if the amount of the grant of a health systems agency is determined under paragraph (b)(3) of this section, and if the application of such grant contains assurances satisfactory to the Secretary that the agency will expend or obligate in the period in which such grant will be available for obligation non-Federal funds meeting the requirements of subparagraph (B) for the purposes for which such grant may be made such grant shall be increased by an amount equal to the lesser of (I) the amount of such non-Federal funds with respect to which the assurances were made, or (II) the product of $0.25 and the population of the health service area for which the agency is designated.".

Sec. 131. (a) Section 1521(b)(4) is amended by (1) inserting "(A)" after "(4)"; (2) inserting "upon review (as provided in section 1535) of the State Agency's operation and performance of its function." before "he determines"; (3) adding at the end of paragraph (4)(A) (as so redesignated) the following: "Before renewing an agreement under this paragraph within a State Agency for a State, the Secretary shall provide each health systems agency designated for a health service area located (in whole or in part) in such State and the Statewide Health Coordinating Council an opportunity to comment on the performance of the State Agency and to provide a recommendation on whether such agreement should be renewed."; and (4) adding at the end thereof the following new paragraph: "(B) If upon review (as provided in section 1535) of the State Agency's operation and performance of its functions, the Secretary determines that it has not fulfilled, in a satisfactory manner, the responsibilities of a State Agency during the period of the agreement to be renewed or if the applicable State administrative program does not continue to meet the requirements of section 1522, he may terminate such agreement or return the State Agency to a conditionally designated status under paragraph (2) of subsection (b) for a period not to exceed twelve months. At the end of such period, the Secretary shall either terminate its agreement with such State Agency or enter into an agreement with such State Agency under paragraph (3) of subsection "(b).".

(b)(1) Paragraphs (3) and (4) of section 1521(b) are each amended by striking out "twelve months" and inserting in lieu thereof "thirty-six months".

(2) Section 1521(b)(3) is amended—

(A) by inserting "(A)" after "(3)",

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively,

(C) by amending clause (ii) (as so redesignated) to read as follows:

"(ii) by the Secretary if the Secretary determines, in accordance with subparagraph (B), that the designated State Agency is not complying with the provisions of such agreement.", and (D) by adding at the end the following:

"(B) Before the Secretary may terminate an agreement with a designated State Agency under subparagraph (A)(ii), the Secretary shall—

"(i) consult with the Statewide Health Coordinating Council of the State for which the State Agency is designated respecting the proposed termination,

"(ii) give the State Agency notice of the intention to terminate the agreement and in the notice specify with particularity (I) the basis for the determination of the Secretary that the State Agency is not in compliance with the agreement, and (II) the actions that the State Agency should take to come into compliance with the agreement, and

"(iii) provide the State Agency with a reasonable opportunity for a hearing, before an officer or employee of the Department of Health, Education, and Welfare designated for such purpose, on the matter specified in the notice.".

(3) The amendments made by paragraphs (1) and (2) shall apply with respect to designation agreements entered into under section 1521(b)(3) of the Public Health Service Act after the date of the enactment of this Act.".

(4) Section 1521(b)(2)(B) is amended by striking "thirty-six" and inserting "forty-eight".

Sec. 132. Section 1521(d) is amended to read as follows: "If an agreement under this section for the designation of a State Agency for a State is not in effect by September 30, 1980, the Secretary shall reduce by 25 per centum the amount of any allotment, grant, loan, loan guarantee to be made and the amount, if any, of any contract to be entered into under this Act, the Community Mental Health Centers Act, or the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970 for the development, expansion, or support of health resources in such State until such time as such an agreement is in effect. If such an agreement is not in effect by September 30, 1981, the Secretary shall reduce such amounts by 50 per centum until such time as such an agreement is in effect. If such an agreement is not in effect by September 30, 1982, the Secretary shall reduce such amounts by 75 per centum until such time as such an agreement is in effect. If such an agreement is not in effect by September 30, 1983, the Secretary shall reduce such amounts by 100 per centum until such time as such an agreement is in effect.".

Sec. 133. (a) Section 1522(b) is amended by adding at the end thereof the following paragraph:

"(14) Provides that any person who is adversely affected by a final decision of the State Agency pursuant to paragraph (4), (5), or (6) of section 1523(a) may, within a reasonable period of time after such a decision is made and any review is made pursuant to paragraph (13), obtain judicial review of such a decision in an appropriate State court. Upon such judicial review, the decision of the State Agency shall be affirmed unless it is arbitrary or capricious, or was made not in conformity with the applicable law.".

(b) Section 1522(b)(13)(A) is amended by inserting "in a timely manner" after "reviewed".

Sec. 134. Section 1522(c) is amended by striking "once each year" and inserting in lieu thereof "once every three years".

Sec. 135. (a) Section 1523(a) is amended by adding the following new paragraph at the end thereof:

"(7) Provide technical assistance in obtaining and filling out the necessary forms to individuals and public and private entities for the development of projects and programs.".

(b) Section 1523(a)(2) is amended to read as follows:

"(2) Prepare and review and revise as necessary (but at least *triennially*) a preliminary State health plan which shall be made up of the HSP's of the health systems agencies within the State. The State Agency shall refer the alcohol abuse, drug abuse, and mental health components of such HSP's to the State alcoholism, drug abuse, and mental health authorities, respectively, designated by the Governor, to review their respective components and to prepare the alcohol abuse, drug abuse, and the mental health components of the preliminary State health plan. The alcohol abuse, drug abuse, and mental health components of such preliminary plan may, as found necessary by such

State authorities, contain such revisions of the alcohol abuse, drug abuse, and mental health components of such HSP's to achieve their appropriate coordination or to deal more effectively with statewide alcohol abuse, drug abuse, and mental health needs. The remainder of such preliminary plan may, as found necessary by the State Agency, contain such revisions of such HSP's to achieve their appropriate coordination or to deal more effectively with statewide needs. The preliminary State health plan shall be submitted to the Statewide Health Coordinating Council of the State for approval or disapproval and for use in developing the State health plan referred to in section 1524(c)."

Sec. 136. (a) Section 1523(a)(4) is amended by (1) striking "which is satisfactory to the Secretary" and inserting in lieu thereof "which is consistent with standards established by the Secretary by regulation"; (2) striking "services, facilities, and organizations" each place it occurs and inserting in lieu thereof "services and facilities"; and (3) inserting before the last sentence thereof the following: "In addition, such program shall provide (i) for procedures and penalties to enforce the provisions of the program and (ii) that after a certificate of need is issued a periodic review (at least every twenty-four months) shall be conducted of the progress being made in making the service or facility for which the certificate was issued available for use, and if it is determined, after notice and an opportunity for a hearing on the record, that substantial progress (absent unforeseen and unavoidable circumstances) is not being made, the certificate shall be withdrawn. In addition, each certificate of need in the State that is issued must be based solely on the record established in administrative and judicial proceedings (as provided for in this title) held with respect to an application for such certificate in order for such certificate of need program to be in compliance with this paragraph. Notwithstanding any other section of this title, no such program shall have provisions for the review and determination of need of the services, facilities, equipment, and organization of health maintenance organizations and the entities through which their services are provided except for new institutional health services of hospitals controlled directly or indirectly by health maintenance organizations and diagnostic or therapeutic equipment (as that term is used in section 1531(5)) of health maintenance organizations.".

(b) Section 1523 is amended by adding at the end thereof the following new subsections:

"(d)(1) A State certificate of need program shall provide for review and determination of need prior to the acquisition of diagnostic or therapeutic equipment (as that term is used in section 1531(5)) which will not be owned by or located in a health care facility if—

"(A) the notice required by paragraph (2) is not filed in accordance with that paragraph with respect to such acquisition, or

"(B) the State Agency finds, within thirty days after the date it receives a notice in accordance with paragraph (2) with respect to such acquisition, that the equipment will be used to provide services on a regular basis for inpatients of a hospital.

"(2) Before any person enters into a contractual arrangement to acquire such diagnostic or therapeutic equipment which will not be owned by or located in a health care facility, such person shall notify the State agency of the State in which such equipment will be located of such person's intent to acquire such equipment. Such notice shall be made in writing and shall be made at least thirty days before contractual arrangements are entered into to acquire the equipment with respect to which the notice is given.".

"(e) A State certificate of need program shall provide that no hospital shall be an applicant for a certificate of need unless such hospital has complied with all reasonable requests from a health systems agency for information to assist such agency in complying with section 1513(i).".

(c) Section 1524(c)(2)(A) is amended by (1) striking "annually" and substituting "triennially" in the first sentence thereof and (2) striking "for each year" in the third sentence thereof.

Sec. 137. Section 1523(a)(5) is amended by inserting "except that this function shall not be performed if the State has in effect a certificate of need program as required by paragraph (4)" after "such services".

Sec. 138. (a) Section 1524(c)(1) is amended by striking "Review annually" and inserting in lieu thereof "Establish (in consultation with the health systems agencies within the State and the State agency) a uniform format for HSP's and AIP's and review triennially".

(b) The first sentence of section 1513(b)(2) is amended by inserting "(in accordance with the format prescribed pursuant to section 1524(c)(1))" after "established".

(c) Section 1524(b)(1) is amended by (1) striking "consumers of health care" each place it occurs and inserting in lieu thereof "consumers of health care or mental health care"; (2) striking "providers of health care" each place it occurs and inserting in lieu thereof "providers of health or mental health care"; and striking "two" in paragraph (D) and inserting in lieu thereof "one".

(d) Section 1524(c)(6) is amended by inserting after "Community Mental Health Centers Act," the following: "Sections 409 and 410 of the Drug Abuse Office and Treatment Act,".

(e) Section 1524(b)(1) is amended by adding at the end thereof the following paragraph:

"(E) Members of the SHCC who are consumers of health or mental health care and who are not providers of health or mental health care must include individuals who are members of rural and urban medical underserved populations, if such populations exist in the State.".

(f) Section 1524(b)(1)(A)(iii) is amended to read as follows:

"(iii) Except as otherwise provided in clause (ii) and this clause, each such health systems agency shall be entitled to at least two representatives on the SHCC. If there are more than ten health systems agencies within a State, each health systems agency within such State may be entitled to only one representative on the SHCC. Of the representatives of health systems agencies on the SHCC, not less than one-half shall be individuals who are consumers of health care or mental health care and who are not providers of health care or mental health care.".

Sec. 139. Section 1525(c) is amended by (1) striking "and" after "1976" and (2) inserting ", $40,000,000 for the fiscal year ending September 30, 1980, $45,000,000 for the fiscal year ending September 30, 1981, and $50,000,000 for the fiscal year ending September 30, 1982" before the period.

Sec. 140. Section 1526(e) is amended by (1) striking "and" after "1976," and (2) inserting ", $6,000,000 for the fiscal year ending September 30, 1980, $6,000,000 for the fiscal year ending September 30, 1981, and $6,000,000 for the fiscal year ending September 30, 1982" before the period.

Sec. 141. (a) Section 1531(3)(A) is amended by (1) striking "substance" and inserting in lieu thereof "alcohol and drug" and (2) inserting "rehabilitation facilities," after "outpatient facilities".

(b) Section 1531(3)(B)(i) is amended by inserting "except that an individual shall not be considered an indirect provider of health care solely because he is a member of a governing board of an entity described in subclause (I) or (IV) of clause (ii)" after "clause (ii)".

Sec. 142. (a) Section 1531(5) is amended to read as follows:

"(5)(A) The term 'institutional health services' means (i) the health services provided through health care facilities as defined in regulations of the Secretary including, but not limited to, private and public hospitals, rehabilitation facilities, and nursing homes if such services entail annual operating costs of $75,000 or more; and (ii) diagnostic or therapeutic equipment, acquired through purchase, rental, lease, or gift, valued at the time of acquisition in excess of $150,000 used in the delivery of health care services by a health care facility.

"(B) In determining whether diagnostic or therapeutic equipment has a value in excess of $150,000 for purposes of subparagraph (A), the value of studies, surveys, designs, plans, working drawings, specifications, and other activities essential to the acquisition of such equipment shall be included.".

(b) After the date of enactment of this Act, the Secretary shall consult with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives before promulgating any regulation to change the definition of health care facilities under section 1531(5) of the Public Health Service Act as amended by subsection (a).

Sec. 143. Section 1532(a) is amended by (1) striking "(e), (f), and (g)" and inserting in lieu thereof "(e), (f), (g), and (h)" and (2) by adding at the end thereof the following: "Procedures and criteria for reviews by health systems agencies pursuant to section 1513(f) and reviews by State Agencies pursuant to paragraphs (4) and (5) of section 1523(a) must provide that applications be submitted in accordance with timetables established by such agencies and Agencies; that such reviews be undertaken in a timely fashion; and that completed applications pertaining to similar types of services or facilities affecting the same service area are considered in relation to each other at appropriate times (but no less often than twice a year). Procedures and criteria for reviews by health systems agencies pursuant to section 1513(g) and by State Agencies pursuant to section 1523(a)(6) must provide that reviews of similar types of institutional health services affecting the same service area be considered in relation to each other. Health systems agencies and State Agencies within a State shall cooperate in the development of procedures and criteria under this subsection to the extent appropriate to the achievement of efficiency in their reviews and consistency in criteria for such reviews.".

Sec. 144. (a) Section 1532(b)(2) is amended by adding at the end the following new sentence: "Failure of a health systems agency or State Agency to complete a review within the period prescribed for the review may not be deemed by such an entity to constitute a negative finding, recommendation, or decision with respect to the subject of such review.".

(b) Section 1524(c) is amended by adding at the end thereof the following new paragraph:

"(7) Failure of a SHCC to complete a review within the period prescribed for the review may not be deemed by such an entity to constitute a negative finding, recommendation, or decision with respect to the subject of such review.".

(c) Section 1532(b) is amended by adding the following paragraph at the end thereof:

(12) In the case of reviews pursuant to subsections (f) and (g) of section 1513 and subsections (4), (5), and (6) of section 1523, and where appropriate for other reviews—

"(A) opportunity for each participant to present evidence and arguments orally and/or by written submission,

"(B) opportunity for each participant to cross examine any other participant who makes a factual allegation relevant to such a review,

"(C) maintenance of a record of the hearing,

"(D) provision that the decision of the agency and Agency be based solely on the record of the hearing, and

"(E) prohibition on ex parte contacts with individuals voting on the review process.".

SEC. 145. Section 1532(b)(1) is amended by (1) striking "Written" and inserting in lieu thereof "Timely written" and (2) inserting "and to all other persons who have asked to have their names placed on a mailing list maintained by the agency and Agency" after "affected persons".

SEC. 146. Section 1532(b)(7) is amended by striking "Notification" and inserting in lieu thereof "Timely notification".

SEC. 147. Section 1532(b)(8) is amended by inserting "prior to any decision" after "State Agency review".

SEC. 148. (a) Section 1532(c)(9)(B) is amended by inserting "and on the costs and charges to the public of providing health services by other persons" after "construction project".

(b) Section 1532(c) is amended by adding after paragraph (10) the following new paragraphs:

(11) In the case of existing services or facilities, the quality of care provided by such services or facilities in the past.

(12) The extent to which such proposed services will be accessible to all the residents of the area to be served by such services.

"(13) The special needs and circumstances of osteopathic facilities accredited for postgraduate training or predoctural preceptorships.".

(c) Section 1532 is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding subsection (e), an application by a health maintenance organization (as defined in section 1531(6)(B)) or by a hospital controlled directly or indirectly by such a health maintenance organization for a certificate of need for new institutional health services shall be approved by the State agency if the State agency finds (in accordance with criteria prescribed by the Secretary) that—

"(1) approval of such application is required to meet the needs of the members of the health maintenance organization and of the new members which such organization can reasonably be expected to enroll, and

"(2) the health maintenance organization is unable to provide, through services or facilities which can reasonably be expected to be available to the organization, its institutional health services in a reasonable and cost-effective manner which is consistent with the basic method of operation of the organization and which makes such services available on a long-term basis through physicians and other health professionals associated with it.".

SEC. 149. (a) Section 1534(a) is amended by striking "or contracts, or both,".

(b) Section 1534(b)(1) is amended by (1) striking "or contract" each place it occurs; (2) inserting "and be able to provide assistance and dissemination of information to health systems agencies and State Agencies as provided in subsections (a) and (c)" after "paragraph (2)" and (3) inserting "and is able to provide such assistance and dissemination of information" after "such requirements".

(c) Section 1534(c)(2) is amended to read as follows:

"(2) shall develop and use methods (satisfactory to the Secretary) to disseminate to such agencies and State Agencies planning approaches, methodologies (including methodologies to provide for education of new board members and new staff and continuing education of board members and staff of such agencies and State Agencies), policies, and standards.".

(d) Section 1534(d) is amended by (1) striking "and contracts", (2) striking "and" after "1976,", and (3) inserting ", $6,000,000 for the fiscal year ending September 30, 1980, $8,000,000 for the fiscal year ending September 30, 1981, and $10,000,000 for the fiscal year ending September 30, 1982," before the period.

SEC. 150. Section 1535 is amended by adding the following new subsection at the end thereof:

"(c) In making the reviews required by subsections (c) and (d), the secretary shall consider the comments submitted by any interested person.".

SEC. 151. (a) Section 2(a)(3)(B) of Public Law 93-641 is amended by deleting "and" and inserting after section 2(a)(3)(C) the following:

"(D) Lack of effective coordination between the mental health care system and physical health care system, both by providers and planners, have promoted fragmentation, lack of continuity, and inappropriate utilization of the Nation's health care resources; and

"(E) lack of attention to and emphasis on the behavioral aspects of physical health care and status.".

(b) Section 1502 is amended by adding the following new subsections at the end thereof:

"(11) The promotion of those health services which are provided in a manner cognizant of the emotional and psychological components of the prevention and treatment of illness and the maintenance of health.

"(12) The elimination of inappropriate placement in institutions of persons with mental health problems and improvements in the quality of care provided to persons with mental health problems for whom institutional care is appropriate.

"(13) The assurance of access to community mental health centers and other mental health care providers for needed mental health services and the emphasis on outpatient care as a less restrictive alternative to inpatient mental health services.".

SEC. 152. Section 1513(e) is amended by—

(a) inserting "(as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act)" after "Indian tribe" in paragraph (1)(B).

(b) redesignating paragraphs (2) and (3) as paragraphs (3) and (4) respectively and adding after paragraph (1) the following new paragraph:

"(2) When a health systems agency is requested by or on behalf of a Federal department or agency to review a proposed use of Federal funds, other than those specified in subparagraph (A), to support the development of institutional health services intended for use in the health service area, the health systems agency shall, within sixty days of receiving such a request, submit its views on such proposed use to the Federal department or agency involved and to the appropriate Committees of the Congress.", and

(c) adding after paragraph (4) as so redesignated by subsection (b) the following new paragraph:

"(5) Health systems agencies that have an Indian tribe or intertribal Indian organization (referred to in paragraph (1)(B)) located within such agencies' health service areas shall carry out their functions under this section in a manner that recognizes tribal self-determination. Such agencies shall seek to enter into agreements with the Indian tribes and/or intertribal organizations located within their health service areas on matters of mutual concern as defined in regulations of the Secretary.".

SEC. 153. Section 1531 is amended by adding at the end thereof the following new paragraphs:

"(6)(A) Except as provided in paragraph (B), the term 'health maintenance organization' means a public or private organization, organized under the laws of any State, which has had approved an application for assistance under section 1304 or which (1) provides or otherwise makes available to enrolled participants health care services, including at least the following basic health care services; usual physician services, hospitalization, laboratory, X-ray, emergency and preventive services, and out of area coverage; (2) is compensated (except for copayments) for the provision of the basic health care services listed in paragraph (1) to enrolled participants on a predetermined periodic rate basis; and (3) provides physicians' services primarily (i) directly through physicians who are either employees or partners of such organization, or (ii) through arrangements with individual physicians or one or more groups of physicians (organized on a group practice or individual practice basis).

"(B) For the purposes of section 1532(d), the term 'health maintenance organization' means an entity which has been determined by the Secretary to be a qualified health maintenance organization pursuant to section 1310(d).

"(7) The term 'medical underserved population' has the same meaning as such term has under section 330(b)(3).

"(8) The term 'rehabilitation facility' means a facility which is operated for the primary purpose of providing rehabilitation services to handicapped individuals, and which provides singly or in combination one or more of the following services for handicapped individuals: (A) rehabilitation services which shall include, under one management, medical, psychological, social and vocational services, (B) testing, fitting, or training in the use of prosthetic and orthotic devices, (C) prevocational conditioning or recreational therapy, (D) physical and occupational therapy, (E) speech and hearing therapy, (F) psycholocial and social services, (G) evaluation of rehabilitation potential, (H) personal and work adjustment, (I) vocational training with a view toward career advancement (in combination with other rehabilitation services), (J) evaluation or control of specific disabilities, (K) orientation and mobility services to the blind, and (L) extended employment for those handicapped individuals who cannot be readily absorbed in the competitive labor market, except that all medical and related health services must be described by, or under the formal supervision of, persons licensed to prescribe or supervise the provision of such services in the State.".

SEC. 154. (a) Section 1502 is amended by adding at the end thereof the following new paragraph:

"(12) The strengthening of competitive forces in the health services industry wherever competition and consumer choice can constructively serve to advance the purposes of quality assurance and cost effectiveness."

(b) Section 1513(a) is amended by adding at the end thereof the following new paragraph:

"(5) preserving and improving competition in the health service area,".

(c) Section 1532(c)(4) is amended by inserting "which are consistent with consumers' preferences" after "services".

(d) Section 1532(c)(5) is amended by inserting "taking into account the need to maintain and improve competitive conditions" before the period.

(e) Section 1532(c) (as amended by section 148(b)) is further amended by adding at the end thereof the following new paragraph:

"(13) Improvements or innovations in the financing and delivery of health services which foster competition and serve to promote quality assurance and cost effectiveness.".

SEC. 155. Section 1513(b)(2)(A) is amended by inserting "(primarily with regard to health care equipment, and health services provided by health care institutions, health care facilities, and other providers of health care and other health resources)" after "healthful environment".

SEC. 156. Section 1513 is amended by adding at the end thereof the following new subsection:

"(l)(1) Each health systems agency shall collect annually on a form developed in consultation with the State health planning and development agency (or agencies) the rates charged for each of the twenty-five most frequently used hospital services in the State (or States) including the average semiprivate and private room rates.

"(2) Each health systems agency shall make available to the public for inspection and copying (at the reasonable expense of the public) the information supplied to the health systems agency pursuant to this section in readily understandable language and in a manner designed to facilitate comparisons among the hospitals in the health systems agency's health service area.".

SEC. 157. (a) Except as provided in subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) The amendments made by sections 104, 105(a), 105(b), 106, 107, 113, 114(a), 118, 119(c), 134(b), 135, 137(a), 137(b), 137(e), and 148(a) shall take effect one year after the date of enactment of this Act and the amendments made by sections 143 and 148 shall take effect six months after the date of enactment of this Act, except that on or after the date of the enactment of this Act health system agencies, State health planning and development agencies, and Statewide Health Coordinating Councils may make the organizational and related changes required and may act in accordance with the changes in their functions made by such amendments.

TITLE II—REVISION AND EXTENSION OF HEALTH RESOURCES DEVELOPMENT AUTHORITY

SEC. 201. Section 1603(a)(3) is amended by inserting "and the Governor of the State" after "Council".

SEC. 202. Section 1613 is amended by adding at the end thereof the following new sentence: "The Secretary may make funds appropriated for use in fiscal year 1976 under this section but not expended available to carry out the purposes of section 1625(d) through September 30, 1980.".

SEC. 203. Section 1622(e)(2) is amended by (1) striking "and" after "1976," and (2) inserting ", September 30, 1980, September 30, 1981, and September 30, 1982" before the period.

SEC. 204. Section 1625(d) is amended by (1) striking "the fiscal year ending September 30, 1978" and inserting in lieu thereof "the fiscal years ending September 30, 1978, September 30, 1980, September 30, 1981, and September 30, 1982" and (2) striking "for such fiscal year" and inserting in lieu thereof ", $40,000,000, $50,000,000, and $50,000,000 for such fiscal years respectively".

SEC. 205. Title XVI is amended by adding at the end thereof the following new part:

"PART G—PROGRAM TO ASSIST AND ENCOURAGE THE VOLUNTARY DISCONTINUANCE OF UNNEEDED HOSPITAL SERVICES AND THE CONVERSION OF UNNEEDED HOSPITAL SERVICES TO SERVICES NEEDED BY THE COMMUNITY

"ESTABLISHMENT OF PROGRAM

"SEC. 1641. The Secretary shall, by April 1, 1980, establish a program under which financial assistance shall be provided to hospitals, in accordance with this part, for—

"(a) the discontinuance of unneeded hospital services, and

"(b) the conversion of unneeded hospital services to services needed by the community.

"ASSISTANCE UNDER THE PROGRAM

"SEC. 1642. (a)(1) Under the program established under section 1641, any hospital which was in operation on the date of enactment of this part and—

"(A) which intends to discontinue providing inpatient health services may apply for a debt payment and an incentive payment under section 1643 for such discontinuance.

"(B) which intends to discontinue an identifiable unit of the hospital which provides inpatient health services may apply for an incentive payment under section 1643 for such discontinuance or

"(C) which intends to convert an identifiable part of the hospital into providing ambulatory care services, long term care services, or any other service designated by the Secretary may apply for a conversion payment under section 1643 if the State health planning and development agency which would have jurisdiction over such service has determined, after taking into consideration the recommendations of the health systems agency which would have jurisdiction over such service, that such service is needed.

"(2) The *payments* authorized by paragraph (a)(1) may be used for—

"(A) the planning, development (including the cost of construction and the acquisition of equipment), and delivery of ambulatory care services, home health care services, long term care services, or other services (designated by the Secretary) for the community served by the applicant, which services the State health planning and development agency, after consideration of the recommendations of the health systems agency with jurisdiction over such community, has determined are needed;

"(B) if the applicant has merged with another hospital, preparation of that hospital to serve patients of the closed hospital;

"(C) reasonable (as determined under guidelines prescribed by the Secretary) termination pay for personnel of the applicant who will lose employment because of the discontinuance of inpatient services to be made by the applicant, retraining of such personnel, and assisting such personnel in securing employment; or

"(D) any combination of the activities described in subparagraphs (A), (B), and (C).

"(b) An application of a hospital for a payment under section 1643 shall include—

"(1) a description of the service (or services) to be discontinued or the part of the hospital to be converted;

"(2) an evaluation of the impact of such discontinuance or conversion on the provision of health care in the health service area in which such hospital is located;

"(3) if the services of a unit of a hospital or of all services of a hospital are to be discontinued or converted, an estimate of the change in the applicant's revenues which will result from such discontinuance or conversion;

"(4) with respect to the incentive payment for the discontinuance of all of the services or inpatient servces of a hospital—

"(A) a description of the activities for which the applicant intends to expend such payment,

"(B) a description of the means with which (including a description of any Federal financial assistance the applicant intends to apply for), and the manner in which, the applicant will carry out such activities,

"(C) the amount the applicant intends to expend for such activities, and

"(D) if the applicant will not be responsible for making expenditures for such activities, identification of the person (or persons) who will be responsible for making such expenditures;

"(5) with respect to the incentive payment for the discontinuance of an identifiable unit of a hospital, a description of the use the applicant will make of such payment;

"(6) an evaluation of the impact of such discontinuance or conversion on the employees of such hospital;

"(7) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c); and

"(7) such other information as the Secretary may by regulation require.

"(c) The health systems agency for the health service area in which an applicant under this section is located shall determine the need for the service (or services) proposed to be discontinued, converted, as the case may be, and shall make a recommendation to the State health planning and development agency for the State in which the applicant is located respecting approval by the Secretary of such applicant's application. A determination of a health systems agency under this subsection shall be based upon criteria developed pursuant to section 1532(c).

"(d) A State health planning and development agency which has received a recommendation from a health systems agency under subsection (c) shall, after consideration of such recommendation, make a recommendation of approval or disapproval to the Secretary. A State health planning and development agency's recommendation under this subsection with respect to the approval of an application (1) shall be based upon (A) the need for the service (or services) proposed to be discontinued by the applicant or for the part of the hospital to be converted, as the case may be, and (B) such other criteria as the Secretary may by regulation prescribe, and (2) shall be accompanied by the health systems agency's recommendation made with respect to the approval of such application.

"(e) In considering applications submitted under this section, the Secretary may not approve an application which a State agency recommends not be approved.

"(f) In determining the need for the service (or services) proposed to be discontinued or converted by an applicant for payment under section 1643, a health systems agency and a State agency shall give special consideration to the unmet needs and existing access patterns of urban or rural poverty populations.

"(g) For purposes of this section, section 1641, and section 1643, the term 'hospital' means with respect to any fiscal year, an institution (including a distinct part of an institution participating in the program established under title XVIII of the Social Security Act) which satisfies paragraphs (1) and (7) of section 1861(e) of such Act, but such term does not include a Federal hospital.

"AMOUNT OF PAYMENTS

"SEC. 1643. (a) The amount of a debt payment which may be made to a hospital, with an approved application under section 1642 (b), for the discontinuance of all of its inpatient services is a sum not to exceed—

"(1)(A) the lesser of—

"(i) the total outstanding financial obligation of the applicant attributable (as determined under regulations promulgated by the Secretary) to the acquisition of equipment and facilities of the hospital, or

"(ii) the amount of unexpensed depreciation attributable (as determined under regulations promulgated by the Secretary) to the equipment and facilities of the hospital, less—

"(B) the fair market value (as defined by the Secretary) of the equipment and facilities of the hospital; and

"(2) any other expenses (as defined by regulation by the Secretary) which result from the financial obligation of the applicant being satisfied before due.

"(b) The amount of an incentive payment which shall be made to a hospital, with an approved application under section 1642(b) for the discontinuance of all of its services or the services of an identifiable unit of the hospital is—

"(1) in the case of the discontinuance of all of the services or inpatient services of a hospital, an amount not to exceed the amount reported by the hospital under section 1642(b)(4)(C), and

"(2) in the case of the discontinuance of the services of an identifiable unit of the hospital, an amount not to exceed 30 per centum of the charges reported by the hospital for such unit in the previous hospital accounting fiscal year pursuant to generally acceptable accounting principles prescribed by regulations of the Secretary.

"(c) The amount of a conversion payment which shall be made to a hospital, with an approved application under section 1642(b) is 50 per centum of the reasonable (as determined by criteria established in regulations of the Secretary) cost of the conversion approved in such application.

"(d) The Secretary shall not make a payment pursuant to this section until the Secretary of Labor has certified that fair and equitable arrangements have been made to protect the interests of employees affected by the discontinuance of services against a worsening of their positions with respect to their employment including, but not limited to, arrangements to preserve the rights of employees under collective-bargaining agreements; continuation of collective-bargaining rights consistent with the provisions of the National Labor Relations Act; reassignment of affected employees to other jobs; retraining programs; protecting pension, health benefits, and other fringe benefits of affected employees; and arranging adequate severance pay, if necessary. Procedures for certification by the Secretary of Labor shall conform to standards established by the Secretary of Labor by regulations.

"(e) To make the payments required by this section, there are authorized to be appropriated $30,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $75,000,000 for the fiscal year ending September 30, 1982.

"(f) From funds appropriated under subsection (e), the Secretary may make grants to State health planning and development agencies for planning, evaluating, or carrying out programs to decertify health care facilities providing health services that are not appropriate.

"STUDY

"SEC. 1644. The Secretary shall make a study of the first twenty-five applications approved under section 1642 to determine their effect on the elimination of unneeded hospital services. The Secretary shall report the results of such study to Congress together with his recommendations for any revision in the program which he determines to be appropriate, including any revision in the authorization of appropriations for such program.".

SEC. 206. Section 1601 is amended to read as follows:

"SEC. 1601. It is the purpose of this title to provide assistance, through allotments under part B and loans and loan guarantees and interest subsidies under part C, for projects for—

"(1) the discontinuance of unneeded hospital services or facilities;

"(2) the conversion of unneeded hospital services and facilities to services and facilities needed by the community;

"(3) the renovation and modernization of medical facilities, particularly to prevent or eliminate safety hazards, avoid noncompliance with licensure or accreditation standards, or to replace obsolete facilities;

"(4) the construction of new outpatient medical facilities; and

"(5) the construction of new inpatient medical facilities in areas which have experienced (as determined by the Secretary) recent rapid population growth;

and to provide assistance, through grants under part D, for construction and modernization projects designed to prevent or eliminate safety hazards in medical facilities or to avoid noncompliance by such facilities with licensure or accreditation standards.".

SEC. 207. (a) Sections 1620 (a) and (b) are each amended by striking "1978" and inserting in lieu thereof "1982".

(b) Sections 1620(b)(1) (i) and (ii) are amended by inserting "public and" before "nonprofit private entities".

(c) Section 1620(b)(2) is amended by inserting "made prior to the date of enactment of the Health Planning Amendments of 1979" after "under this title,".

(d) Section 1620(b) is amended by adding the following new paragraph:

"(3) In the case of a loan or guarantee of any loan made under this title after the date of enactment of the Health Planning Amendments of 1979, the Secretary may pay to the holder of such loan for and on behalf of the project for which the loan was made amounts sufficient to reduce up to one-half the net effective interest rate otherwise payable on such loan if the Secretary finds that without such assistance the project could not be undertaken.".

(e) Sections 1620 (a) and (b)(1)(ii) are amended by striking "section 1604" and inserting in lieu thereof "subsection (f) of this section".

(f) Section 1620 is amended by adding the following new paragraph:

"(e) An application for a loan or loan guarantee under this section shall contain the following information:

"(i) a description of the site of the project;

"(ii) reasonable assurance that title to such site is or will be vested in one or more of the entities filing the application or in a public or other nonprofit entity which is to operate the facility on completion of the project;

"(iii) reasonable assurance that adequate financial support will be available for the completion of the project and for its maintenance and operation when completed, and, for the purpose of determining if the requirements of this subparagraph are met, Federal assistance provided directly to a medical facility which is located in an area determined by the Secretary to be an urban or rural poverty area or through benefits provided individuals served at such facility shall be considered as financial support;

"(iv) the type of assistance to be sought under this section;

"(v) in the case of a discontinuance or conversion project, an evaluation of the impact of such discontinuance or conversion on the provision of health care in the health service area in which such facility is located;

"(vi) in the case of a discontinuance or conversion project an estimate of the change in the applicant's revenues which will result from such discontinuance or conversion;

"(vii) in the case of a project for the construction or modernization of an outpatient facility, reasonable assurance that the services of a general hospital will be available to patients of such facility who are in need of hospital care;

"(viii) reasonable assurance that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 FR 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c); and "(ix) reasonable assurance that at all times after such application is approved (i) the facility or portion thereof to be constructed, or modernized, or converted will be made available to all persons residing or employed in the area served by the facility, and (ii) there will be made available in the facility or portion thereof to be constructed, modernized, or converted a reasonable volume of services to persons unable to pay therefor and the Secretary, in determining the reasonableness of the volume of services provided, shall take into consideration the extent to which compliance is feasible from a financial viewpoint.".

Sec. 208. Section 1621 (relating to the allocation of the loan fund among the States) is repealed.

Sec. 209. Section 1622(b)(2) is amended by striking "minus 3 per centum per annum" and inserting in lieu thereof "minus the interest subsidy awarded in accordance with subparagraphs 1620(b) (2) and (3)".

Sec. 210. Section 1622(e)(2) is amended by (1) striking "and" after "1977," and (2) inserting before the period at the end thereof ", September 30, 1979, September 30, 1980, September 30, 1981, and September 30, 1982".

Sec. 211. The second sentence of section 1604(a) is amended by inserting "or for a loan or loan guarantee under section 1620" after "section 1625".

Sec. 212. Except as provided in section 205, the amendments made by this title shall take effect on the date of the enactment of this Act.

TITLE III—MISCELLANEOUS AMENDMENTS

Sec. 301. Section 314 is amended by repealing subsections (a), (b), and (c).

Sec. 302. Title IX is repealed in its entirety.

Sec. 303. The amendments made by this title shall take effect on the date of the enactment of this Act.

● Mr. KENNEDY. Mr. President, we are here today to ask for swift passage of Senate bill S. 544, the Health Planning Amendments of 1979. This bill revises and extends the authorities and requirements under titles XV and XVI of the Public Health Service Act for health planning and health resources development.

Mr. President, I introduced this important legislation on March 5, 1979. The bill, reported by the Committee on Labor and Human Resources, was sponsored by myself and my distinguished colleagues, Senators Schweiker, Williams, Randolph, Pell, Cranston, Riegle, Javits, and Metzenbaum. I would especially like to thank my distinguished colleague, Senator Schweiker, for working closely with me on this legislation.

Mr. President, I know of no greater opportunity this Congress will have—early in its first session—to improve and support one of the most impressive cost containment programs in the health field than that of reauthorization and extension of the health planning and resource development program as established by Public Law 93-641 in 1975. The 205 health systems agencies and the 56 affected—consumers, providers, local and State government officials, the third-party payors—in short, all those who ultimately foot the bill for quality health State health planning agencies, which seemed to make good conceptual sense when authorized 4 years ago, are now vividly demonstrating their work—in containing costs and reallocating resources. As we discovered in last year's hearing, the practice of health planning is maturing, and we now have enough data to document its very positive impact. The time to strengthen and extend that act is now.

In 1977, the Congress gave a 1-year extension to Public Law 93-641. That 1-year extension gave us the needed time last year to do a thorough examination of the way the program was developing, to consider many possible amendments, and to agree on the best course for the next 3 years.

The Senate used that time well. The Human Resources Health Subcommittee held 3 days of comprehensive hearings on the matter, developed and refined a good bill, and reported it out unanimously. On July 27, 1978, the full Senate debated it on the floor, accepted some good amendments, and by unanimous voice vote, passed S. 2410, the Health Planning Amendments of 1978. Unfortunately, in the heavy crush of business at the conclusion of the last Congress, the full House was not able to consider the companion bill to S. 2410, and thus the renewal process was carried over to this new Congress.

Mr. President, this bill is very similar to the bill that passed the Senate last July. The modifications include changes in relevant dates and a modification in the requirements for State certificate of need programs regarding the acquisition of expensive capital equipment. These latter changes are in sections 136, 142, and 153.

Prior to drafting S. 2410, letters were sent out to over 400 groups and individuals soliciting specific comments. Over 200 groups responded and their comments were analyzed, considered, and many were incorporated into the bill. Three days of hearings were held on S. 2410, at which time testimony was received from the administration, Governors, hospitals, doctors, insurance companies, equipment manufacturers, health planning agencies, consumers, unions, and many others. All were generally supportive of the legislation. During this Congress 1 day of hearings was held and testimony supporting this legislation was received from the administration and the American Health Planning Association.

In drafting S. 544, the philosophy adopted by the committee was that the health planning process is maturing and the changes proposed in these amendments should strengthen the planning process, not disrupt it.

Mr. President, S. 544, the bill before us today, is significant in three essential dimensions:

First, it will further strengthen local decisionmaking in the allocation of health care resources; it keeps the major decisions in the hands of those most affected—consumers, providers, local and state government officials, the third-party payors—in short, all those who ultimately foot the bill for quality health services, or pay the price of untreated illness if the services are not there;

Second, it will help contain the still too rapidly rising costs of health care resources; and

Third, it is a prelude and adjunct to the kind of national health insurance program I believe we all can support—one which assures the availability and accessibility of quality health services to all populations in this country, at a cost we can afford.

Mr. President, I would like now to clarify the reasons why I believe the Congress should act on this bill with all dispatch and also highlight the major objectives of the bill.

First, let us put the matter of health planning in some perspective. Last year, this country spent approximately $180 billion on health care, including all capital investment, health services, drugs, equipment, research, manpower training, and so forth. That came to about $830 per capita. This year those figures will be significantly higher, approaching $1,000 per capita.

Also last year, this country spent approximately $165 million on health planning, including funds from all sources—Federal, State, local, private, and so forth. That comes to about 77 cents per capita. In short, we spent significantly less than $1 per capita to improve decisions on the expenditure of more than $800 for every man, woman, and child in this country.

When I say "improve decisions," I mean several things, things that are the very essence of what the health planning program is about:

I mean a local decision structure in which every one has an opportunity to participate—indeed, it is dependent upon the effective participation of citizen volunteers;

I mean decisions that are made within the framework of a community-wide and community developed, long-range plan for sensible investment decisions;

I mean a plan that recognizes real constraints on resources—a reality-based plan that will not condone every added expenditure desired by every hospital and every physician;

I mean a program which keeps the regulatory powers needed to enforce the plan in the hands of State government, not the Federal Government.

Mr. President, one might then ask: What has that improved decisionmaking process and all this money accomplished? Although the health planning agencies were established and "conditionally designated" by the HEW Secretary less than 3 years ago, we now have data to answer these questions.

A recent survey of the planning agencies' performance in reviewing new capital investment projects covered the 2-year period from the summer of 1976 to the summer of 1978. The first report of that survey, which analyzed data on the first 139 health agencies surveyed, provides some interesting statistics, which I wish to share with my colleagues:

These 139 HSA's, which cover about 60 percent of the population of the country, reviewed more than $7 billion in proposed capital investments, in spite of the fact that many of these agencies did not begin such review until 1977.

Of that $7 billion, one-quarter was deemed unnecessary and was not allowed to go forward. In other words, more than $1.8 billion of unneeded capital investment expenditures was prevented.

Pitting the cost of these HSA's and the relevant State agencies against the result, we find that for each dollar spent on health planning, $8 in proposed capital investments were denied—an impressive rate of return, indeed.

If we further consider the operational costs that will not now be incurred in conjunction with $1.8 billion of unneeded capital projects, the savings are magnified many times again. For we know that annual operating costs approximate 50 percent of the capital costs.

It should be noted that these savings have occurred in the absence of any supportable claim that the quality of health care has suffered in any way. In fact, many people have expressed concern that the health systems agencies are too "dominated" by hospital and physician interests on their governing boards even though those provider interests are numerically in the minority. If that is true, we can look forward to even better performance as the consumer participants become more experienced, knowledgeable, and develop a better understanding of the very complex world of medical care.

As I indicated earlier, the bill that I am introducing today modifies sections 136, 142, and 153 of the bill that passed the Senate during the last session. These changes concern the requirements for State certificate of need programs.

Mr. President, as you know, the thrust of certificate of need programs is to provide a mechanism for representative citizen committees to restrict the development of costly, unnecessary, or duplicative health resources within a community through a review of capital expenditures of institutional health care facilities. There is clear and unquestionable evidence indicating that there are approximately 100,000 more hospital beds in the United States than are needed and also that there is surplus capacity of certain other hospital services. Even though there was no evidence in 1974 to indicate excessive or duplicative HMO capacity, the original health planning legislation included a requirement that certificate of need extend to all facets of health maintenance organization development.

The HMO, as an organized health care system, provides a comprehensive range of prepaid health services to its members often at costs 20 to 40 percent below traditional fee-for-service providers. HMO's are at the forefront of innovation in health care delivery and have led in providing preventive health services and using health care resources efficiently. The Federal Trade Commission, the Department of Health, Education, and Welfare, and various university-sponsored studies have provided evidence that the success of group practice prepayment programs has even resulted in innovative responses from traditional health care insurers and providers in broader benefit packages, reduced premiums, discontinued hospital rates, and new organizational delivery modes.

By mandating that States include the review of HMO's under their certificate of need programs, the Congress intended to encourage the development and expansion of HMO's as a cost-effective health resource. Contrary to congressional intent, the CON process has been used by anti-HMO interests to block the initial establishment of HMO's and to delay the growth of enrollment by restricting the modernization or construction of prepaid group practice physician offices for ambulatory health care services. The CON has been used to protect the status quo and thwart HMO development. Unlike their fee-for-service counterparts, HMO physicians in certain States must seek CON approval for parking lots, administrative computer capacity, leased office space, expansion of services or, indeed, any facet of HMO operation.

Last session this inequity was partially corrected with the passage of Public Law 95–559. This law amended section 1122 of the Social Security Amendments of 1972. That new law requires the review of HMO hospital expenditures in the same manner as the review for non-HMO hospital capital expenditures, and deletes the requirement for the review of non-hospital-based capital expenditures such as HMO establishment and development of ambulatory care facilities. This provides for a consistent Federal policy with respect to fee-for-service and HMO providers. The provisions included in S. 544 would conform the planning efforts mandated by Public Law 93–641 to those in section 1122 by requiring that in order for a State certificate of need program to be in compliance, it cannot cover the establishment of ambulatory facilities of an HMO. This provides for consistent Federal policy in the 1122 and certificate-of-need programs. It does not affect the requirement for the review of proposed use of Federal funds for HMO's. In those instances of Federal subsidies through the HMO grant and loan programs, HSA's would still be required to review and then recommend approval or disapproval funds for development. The proposal also requires State certificate-of-need programs to include provisions for the review and approval for the purchase of noninstitutionally based diagnostic and therapeutic equipment valued at over $150,000 if the equipment is to be used for inpatients of hospitals.

Mr. President, the purpose of these provisions is to eliminate the discrepancy in the requirements for State certificate-of-need programs where the private establishment of an HMO and its development of outpatient facilities and services are required to be covered, but that for the similar fee-for-service, non-institutional services are not. It recognizes the past abuses of the planning process. The development of HMO's and the elimination of the discriminatory provisions of current law have the support of labor, big business, the health insurers, many legal and university researchers consumer groups, and provider groups.

Mr. President, I want to emphasize further that the return from health planning in terms of its cost effectiveness, while very impressive in itself, is not the whole story. We can be very proud of the gains made by these agencies, and the citizens who guide them, in creating positive changes in the character of the health care systems in their communities:

In promoting the development of new resources where there are none, as in medically underserved areas;

In raising the public consciousness as to the need for preventing illness, through better immunizations, better nutrition, increased physical fitness, and so on;

In bringing together the many fragmented parts of a community health care system through cooperative linkages between and among these parts, such as sharing of resources, arrangements between ambulatory care centers and nearby hospitals, and closer linkages between the mental health care systems and the rest of the health care delivery system.

The bill is intended to support and extend the basic character and structure of the health planning program. It is working well, and we should be very wary of any alterations that might disrupt its progress, inadvertently or otherwise.

Mr. President, the many amendments in the bill go a long way toward improving the planning process. The most significant nontechnical changes which are included in the three titles make revisions in the existing program in order to:

TITLE I

Title I of the bill revises and extends the national health planning and development authority under title XV of the PHS Act. It makes a number of revisions in the existing program in order to:

First. Provide that the State health plan is to have the concurrence of the Governor and that the SHCC and HSAs are to develop a uniform format for use by HSAs in developing health systems plans (HSP's);

Second. Specify the material to be included in the health systems plans of

HSA's and the preliminary State health plans prepared by the State agencies for use by SHCCs;

Third. Provide for 3-year designation of health systems agencies and State agencies, rather than 1-year period now authorized; also establish a 3-year cycle for development, review, and revision of HSP's and State health plans;

Fourth. Assure that certificate of need decisions are consistent with the State health plan and that approved certificates of need are reviewed for progress at least once every 24 months, with provision for withdrawal of approval in the absence of substantial progress;

Fifth. Extend requirements for certificate of need review to all medical equipment valued over $150,000 if it is to be used to provide services on a regular basis to inpatients of a hospital; provide that only those new institutional health services entailing annual operating costs of $75,000 or more will be subject to certificate of need review; and set forth certain limited criteria that are the sole criteria to be used in processing qualified health maintenance organization (HMO) applications for the purchase of medical equipment over $150,000 and for new inpatient hospital facilities;

Sixth. Provide that each certificate of need be based solely on the record established in administrative and judicial proceedings;

Seventh. Stipulate procedures and criteria for review by HSA's and State agencies for purposes of certificate of need, appropriateness of existing services, and certain other purposes;

Eighth. Assure representation of medically underserved populations, especially in rural areas, through explicit provisions for their representation on Health Systems Agencies (HSA's), Statewide Health Coordinating Councils (SHCC's), and the National Council for Health Planning;

Ninth. Assure effective consumer participation by requiring HSA staff to be assigned to consumer board members, an open selection process for HSA members in which current members may not select new members, improved liability protection for HSA and SHCC members, consumer majorities on HSA subcommittees, and advance payments for HSA members' expenses;

Tenth. Clarify procedures for redesignation of health service areas, including those involving Standard Metropolitan Statisical Areas (SMAs);

Eleventh. Increase minimum funding levels for small population HSA's and permit 5 percent of HSA planning grant appropriations to be used, among others, to increase grants to HSA's with extraordinary expenses due to a large health service area, large rural or urban medically underserved populations, development of innovative planning techniques;

Twelfth. Redefine the requirements for public HSA's to allow for the parent governing body to retain certain responsibilities for personnel rules and budget approval, among others, rather than delegating these functions to the separate body for health planning;

Thirteenth. Improve coordination between health planning entities and appropriate drug abuse, alcohol abuse, mental health, area agencies on aging, and rate review authorities, and emphasize that health care also refers to mental health care;

Fourteenth. Direct that special consideration be given throughout the planning process to the importance of maintaining and improving competition in the health industry;

Fifteenth. Provide for a variety of other purposes; and

Sixteenth. The bill authorizes appropriations in the following amounts for the purposes of title XV: For planning grants to health systems agencies—$150 million for fiscal year 1980, $175 million for fiscal year 1981, and $200 million for fiscal year 1982; for grants to State health planning and development agencies—$40 million for fiscal year 1980, $45 million for fiscal year 1981, and $50 million for fiscal year 1982; for grants to State rate regulation programs—$6 million for fiscal year 1980, $6 million for fiscal year 1981, and $6 million for fiscal year 1982; for grants to centers for health planning—$6 million for fiscal year 1980, $8 million for fiscal year 1981, and $10 million for fiscal year 1982.

TITLE II

Title II of the bill revises and extends the health resources development authority under title XVI of the PHS Act. It provides that the Governor as well as the SHCC must approve the State medical facilities plan. It extends the loan and loan guarantee program to public as well as nonprofit private entities and sets forth the types of information to be included in applications for loans or loan guarantees. It provides no new authorizations for State allotments or for area health services development funds. It authorizes appropriations in the following amounts for the purposes of title XVI: For loans and loan guarantees—such sums as may be necessary for fiscal years 1980, 1981, and 1982; for project grants for elimination of safety hazards or to meet accreditation standards—$40 million for fiscal year 1980, $50 million for fiscal year 1981, and $50 million for fiscal year 1982.

Title II also establishes under a new part G a program to assist the voluntary discontinuance or conversion of unneeded hospital services. Any hospital in operation on the date of enactment of this act and which, first, intends to discontinue providing all inpatient health services could apply for a debt payment and an incentive payment for this discontinuance; second, intends to discontinue an identifiable unit of the hospital that provides inpatient health services could apply for an incentive payment; or third, intends to convert an identifiable part of the hospital into providing long-term services, ambulatory care services, or any other service designated by the Secretary could apply for a conversion payment, if the State agency has determined that such new service is needed. The bill authorizes appropriation in the following amounts for purposes of the new part G program: $30 million for fiscal year 1980, $50 million for fiscal year 1981, and $75 million for fiscal year 1982.

TITLE III

Title III of the bill contains miscellaneous amendments repealing obsolete sections under title III of the act and repealing title IX of the act in its entirety.

Mr. President, prompt enactment of this legislation is a compelling matter, not simply to avoid unnecessary confusion at the State level and within State legislatures, but more importantly because the best means we now have must be applied to combat the astounding increases in health care costs and to assure that all Americans will have access to high quality health care. The Senate will undoubtedly be considering other approaches to pursuing some of the same objectives, but here, in the health planning program, we already have an effective mechanism that is working—and we need to send a message of confidence and support to the many thousands of citizens who are spending their countless hours of efforts in making this work as well as it is. With more support from us it will work even better.●

● Mr. WILLIAMS. Mr. President, I am pleased to join Senator KENNEDY and other members of the Committee on Labor and Human Resources in recommending passage of S. 544. the Health Planning Amendments of 1979.

S. 544, as reported by the committee, would revise and extend for 3 years the National Health Planning and Resources Development Act of 1974.

Federal involvement in health planning began more than 30 years ago with the Hill-Burton Hospital Construction Act. Subsequently, Federal participation in this area expanded with enactment of the Hill-Harris Amendments of 1964; the Heart Disease. Cancer, and Stroke Amendments of 1965; and the Comprehensive Health Planning and Public Health Service Amendments of 1966.

By the early seventies, it was apparent that the Federal Government needed to do more in health planning activities. Existing laws lacked the elements necessary to shape a health care system that was both responsive to the health needs of Americans and managed in an efficient and cost-effective manner. In response, Congress enacted the National Health Planning and Resources Development Act of 1974, authorizing a $1 billion, 3-year program to synthesize, redirect, and expand the planning activities of various State and local entities.

Emphasizing the need to involve consumers in decisions about the allocation of health care resources, the 1974 act required health providers, elected officials, and the public to share responsibility for health facilities and health services planning in their communities.

The committee believes that the planning agencies now in place need somewhat more time to mature. Thus S. 544, the Health Planning Amendments of 1979, redefines the provisions of current law coordinating and strengthening planning efforts already underway.

The bill supports existing planning networks in several important ways:

First, the participation of providers, consumers, and public officers in the planning process is more carefully defined;

Second, the role of the Governor is strengthened through involvement in the formal approval of the State health plan;

Third, it encourages the development of health maintenance organization;

Fourth, the special health needs of urban and rural medically underserved populations are represented at all stages of the planning process;

Fifth, the definition of health planning is revised to include mental health planning and the planning for alcohol and drug abuse programs;

Sixth, financial incentives are offered to hospitals to close, merge, or convert unneeded or unused facilities into ambulatory and long-term care services; and

Seventh, the certificate of need (CON) review process is broadened.

Last year the Senate passed a planning bill, S. 2410, with provisions very similar to those in the bill you are considering today. Unfortunately, the House of Representatives was unable to consider the companion bill to S. 2410 prior to the end of the session.

The committee has worked long and hard to develop a bill that can quickly be approved by the Congress. Consistent with these efforts we have lowered the authorizations in S. 544 as introduced by more than 30 percent.

The development of an efficient, equitable, and economical health care system in the United States is vital to the health of our citizens. And it is vital to the success of present and future health initiatives. Therefore, I urge prompt passage of S. 544.●

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10:30 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PRYOR TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after the Senator from Iowa (Mr. JEPSEN) is recognized under the order previously entered, the Senator from Arkansas (Mr. PRYOR), be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on tomorrow the Senate will come in at 10:30 a.m.

After the two leaders have been recognized, for not to exceed 2 minutes each, the Senator from Iowa (Mr. JEPSEN) will be recognized and the Senator from Arkansas (Mr. PRYOR) will be recognized, each for not to exceed 15 minutes, after which there will be a period for the transaction of routine morning business of not to exceed 15 minutes, with Senators permitted to speak therein up to 2 minutes each.

At the conclusion of routine morning business the Senate will proceed to the consideration of Calendar Order No. 99, Senate Resolution 122, a resolution to approve standby emergency building temperature restrictions. Under the statutory time limitation, 10 hours are allotted for debate, which time can be reduced by nondebatable motion. No motion to recommit is in order and no motion to reconsider is in order.

Upon the disposition of that measure, and that will be by rollcall vote, I would assume, the Senate will then proceed to the consideration of Calendar Order No. 100, Senate Resolution 123, a resolution to approve standby emergency advertising lighting restrictions, in the event any Senator wishes to have that measure called up for debate and a Senate vote thereon.

In any event, the Senate will then proceed, following the disposition of the two energy measures, Calendar Orders No. 99 and 100—and I again say 100 may or may not be called up—the Senate will then proceed to the consideration of the budget waiver, Calendar Order No. 72.

With respect to the consideration of S. 429, upon the disposition of the budget waiver the Senate will then proceed to the consideration of Calendar Order No. 62, a bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes, with the understanding that only opening statements by the managers will be given tomorrow. No amendments will be called up.

During the day, there will be a 10-minute debate on the nomination of Mr. Robert J. Kutak.

There will be debate beginning at 12:20 p.m., a debate not to extend beyond 10 minutes, with a rollcall vote to occur on the nomination. The rollcall vote has not yet been ordered but Mr. ZORINSKY will ask for a rollcall vote on the nomination.

There will be rollcall votes tomorrow, Mr. President. Hopefully, the Senate can complete action on both of the energy measures I have mentioned. I say again, one may or may not be called up. But if it is going to be called up, it will be called up tomorrow. If it is to be called up at all it will be called up tomorrow. At least, that is the intention of the leadership. If any Senator wants to call it up, they should let the leadership know so they can call it up tomorrow.

That about wraps up the program, I believe.

(Mr. BAUCUS assumed the chair.)

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the previously entered order that the Senate stand in recess until 10:30 a.m. tomorrow.

The motion was agreed to, and at 5:03 p.m. the Senate recessed until 10:30 a.m., Wednesday, May 2, 1979.

NOMINATIONS

Executive nominations received by the Senate May 1, 1979:

FEDERAL ELECTION COMMISSION

Thomas Everett Harris, of Virginia, to be a member of the Federal Election Commission for a term expiring April 30, 1985 (reappointment).

Frank P. Reiche, of New Jersey, to be a member of the Federal Election Commission for a term expiring April 30, 1985, vice Vernon W. Thomson, term expiring.

IN THE AIR FORCE

Gen. William G. Moore, Jr., U.S. Air Force, (age 58), for appointment to the grade of general on the retired list pursuant to the provisions of Title 10, United States Code, Section 8962.

IN THE NAVY

The following-named officer, having been designated for commands and other duties of great importance and responsibility in the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, for appointment while so serving as follows:

To be vice admiral

Rear Adm. John H. Nicholson, U.S. Navy.

IN THE MARINE CORPS

The following-named colonel of the Marine Corps Reserve for permanent appointment to the grade of brigadier general under the provisions of title 10, U.S. Code, section 5902:

Roland F. Cinciarelli.

HOUSE OF REPRESENTATIVES—*Tuesday, May 1, 1979*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Almighty God, we express our thanks to You for Your goodness to us and to our Nation. We are filled with gratitude for the good will and generosity that Your grace has given to people from across the land.

As we face the demands of these times, grant us all the spirit of hope and confidence, that in spite of difficulty and the pressure of competing needs, we may be filled with understanding and patience. Give us hope and enthusiasm for the opportunities that have been entrusted to us, that we may ever be Your faithful stewards. In the name of the Lord, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the bill on the Private Calendar.

BRIAN HALL AND VERA W. HALL

The Clerk called the bill (H.R. 934) for the relief of Brian Hall and Vera W. Hall.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

DANGER OF DEREGULATION OF TRUCKING INDUSTRY

(Mr. DICKS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DICKS. Mr. Speaker, today we hear much talk about the possible deregulation of the trucking industry. In the past several weeks I have spoken with many of my constituents about this issue—business leaders, shippers, bankers, truck drivers—and they have all expressed great concern about the possible consequences of truck deregulation in our area. They have spoken primarily of:

First. Service: Unlike the airline industry, more trucking competition does not mean more service, and it could well mean less. Deregulation could create a major reduction in service to such smaller communities in my district as Poulsbo, Bonney Lake, Gig Harbor, and Port Orchard.

Second. Safety: In an unregulated atmosphere the safety of truckers and warehousemen could be in serious jeopardy—and there is no equivalent of the CAB to handle these problems that could arise because of new fly-by-night operators out to make a quick buck.

Third. Economics: The economic consequences of deregulation could be disastrous, especially with regard to higher shipping costs, especially for rural areas. As well, many important jobs could well be lost as dangerous employment cuts are made in an effort to increase profits.

As you can see, trucking deregulation would strongly affect my district—and my constituents are deeply concerned. As their Representative in Congress, I share this concern. Therefore, Mr. Speaker, I am announcing here today my opposition to current legislative proposals which would deregulate the trucking industry.

□ 1205

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 10, CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–107) on the resolution (H. Res. 241) providing for the consideration of the bill (H.R. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 111, PANAMA CANAL OPERATION AND MAINTENANCE

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–108) on the resolution (H. Res. 242) providing for the consideration of the bill (H.R. 111) to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977, which was referred to the House Calendar and ordered to be printed.

REPUBLICAN PLAN WOULD REDUCE TAXES AND BALANCE THE BUDGET

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, I rise to inform my colleagues that the Republican Policy Committee, which I have the honor to chair, has just approved a Republican alternative to the first concurrent resolution on the budget for fiscal 1980.

This alternative is a responsible, sensible 5-year budget plan which will answer the overwhelming sentiment of the American people for lower taxes and a balanced budget. This plan calls for tax reductions totaling $100 billion beginning in 1980 and provides for a balanced Federal budget in 1981.

The first concurrent budget resolution for 1980 offers precious little restraint and more than a double dose of tax increases. Rather than cutting back on spending and moving toward the balancing of the budget the Democrat majority proposes to cut the deficit by increasing taxes. This is a flimflam of the American taxpayer. I call on those Democrats who want to cut taxes and reduce the deficit to join us in this initiative.

It is significant that while this morning's papers are reprinting that the Democratic leaders "have all but ruled out a major tax cut before the next election"—Republicans are proposing a $100 billion tax cut over the next 5 years coupled with a balanced budget. The American people have a right to know the basic difference between the two parties.

ACTION CALLED FOR ON PRIVILEGED RESOLUTION FOR EXPULSION OF MEMBER

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, on March 1 a privileged resolution was offered to expel the gentleman from Michigan. On the same day the majority leader moved to refer the matter to committee. We were treated on that occasion to an emotional plea by the gentleman from Texas.

That plea had as its centerpiece his assurance that the matter would be handled expeditiously. I quote him on that occasion as saying that the matter would

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.
● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

be "handled within 30 or 40 days, almost certainly within 60 days." The majority leader, by that representation, marshaled enough votes to refer the matter to committee.

Many of us objected, believing that it was a delaying tactic and the matter would be swept under the rug.

Mr. Speaker, this is May 1, day 61. I ask, when will the matter be back on the floor?

Ironically, Mr. Speaker, the question arises today—May 1, Law Day, U.S.A.—the day we set aside to ask the people of this country to respect the law and our lawmaking institutions. The House deserves an answer, but, more importantly, Mr. Speaker, the people deserve an answer.

THE PRESIDENT'S STANDBY AUTHORITY FOR GASOLINE RATIONING

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, today the Committee on Interstate and Foreign Commerce of the House, after defeating a motion by a 21 to 21 vote, finally passed a motion approving the President's standby authority for gasoline rationing, without recommendation, just to give the Members here on the floor of the House an opportunity to cast a vote.

This is just another example of this administration's educating the American people to live with the shortages. They talk about rationing, they talk about the 55-mile-an-hour speed limit, they talk about carpooling, and they talk about turning down the thermostats, but nothing goes in the direction of seeking new sources of energy. That is why the energy program has failed.

Our President talks about windfall profits, and that does not disturb me too much if the proceeds therefrom will be invested in seeking new sources of energy rather than in redistribution of the wealth and putting the money in social welfare programs.

SHOWING OF WILDLIFE FILMS

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, the Alaska Lands bill is coming up, at least for general debate, following the completion of action on the budget resolution. I would like to call the attention of my colleagues to the fact that on this afternoon, from 2 o'clock to 5 o'clock, there will be a showing of the film on commercial fishing in southeast Alaska, which is one of the important interests that we are trying to protect through our legislation. Tomorrow afternoon, from 2 o'clock to 5 o'clock, there will be a similar showing on Admiralty Island, which is another one of the key issues. On Thursday and Friday, May 3 and 4, there will be a magnificent film on the issues involving the Arctic National Wildlife Range and how mandated oil exploration there would threaten the last surviving great caribou herd.

These films will be shown in room 1324, Longworth Building, the Committee on Interior and Insular Affairs meeting room. These are very interesting and beautiful films and they are also extremely informative in terms of some of the key issues in this important legislation.

STATEMENT OF THE HONORABLE DAN ROSTENKOWSKI IN TRIBUTE TO MORGAN FRANCIS MURPHY, SR.

(Mr. ROSTENKOWSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great loss and sorrow that I announce the passing of Morgan Francis Murphy, Sr., the father of our colleague and friend MORGAN MURPHY of Illinois.

The death of Morgan Murphy, Sr., marks the loss of one of the pillars of the city of Chicago. The essence of his career was that it touched so very many elements which form the great vitality of Chicago. His career which included 46 years in the electric utility business saw him in 1964 rise to the position of chairman of the executive committee of Commonwealth Edison. Mr. Murphy chaired Commonwealth's executive committee until his retirement in 1970 and there is little question that his service added distinction to one of the Nation's premier electric utilities.

As one of Chicago's most prominent Catholic laymen, in 1957 Mr. Murphy was made a Knight of St. Gregory by Pope Pius XII. In addition, Mr. Murphy served in the capacity of life trustee of St. Xavier College in Chicago. He also served on the lay board of advisers of Mercy Hospital.

Mr. Murphy's civic activities included service on Chicago's Police Board. From its inception in 1960 he served in the capacities of president and vice president during his 13-year association with this organization. Mr. Murphy also assisted Chicago by heading Mayor Daley's summer jobs for youth program from its creation in 1966.

Mr. Murphy helped various other businesses in their endeavors. He served as a director of the Central National Bank of Chicago, as well as, a consultant with Talman Federal Savings & Loan Association.

A very warm and sensitive man whose good natured way seemed to be contagious, his passing is a great personal loss. On behalf of Mrs. Rostenkowski and myself, I would like to extend my sincere condolences to MORGAN and the entire Murphy family.

TRIBUTE TO THE LATE MORGAN FRANCIS MURPHY, SR.

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PRICE. Mr. Speaker, I just heard at this moment of the death of Mr. Morgan Francis Murphy, Sr. Morgan Murphy was a close personal friend of mine for many years. He is not only the father of the Honorable MORGAN F. MURPHY, a great Member of this body, but Mr. Murphy, Sr., was one of the key men in the development of atomic energy in this country. He, more than anyone else, laid the cornerstone for our atomic energy program. It is because of his foresight in recognizing the hazards involved and the possibility of public opposition unless there was some assurance given to the people of the country that there were ways to obtain a safe approach to atomic energy that in the event of a critical accident there would always be adequate financial recourse for unfortunate victims.

He, more than anyone else, is the author of the Price-Anderson Act. He carried that legislation in his pocket for several months until it was finally enacted in both the House and the Senate of the United States.

Morgan Murphy, Sr., was a great American, and I know that every Member of this body mourns his loss.

☐ 1215

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107), setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution, H. Con. Res. 107, with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee rose on Monday, April 30, 1979, all time for general debate on the concurrent resolution had expired.

Pursuant to clause 8 of rule XXIII, the concurrent resolution is considered as having been read for amendment and open to amendment at any point.

The concurrent resolution reads as follows:

H. CON. RES. 107

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget

Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $507,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $608,418,000,000;

(3) the appropriate level of total budget outlays is $532,730,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $24,930,000,000; and

(5) the appropriate level of the public debt is $888,800,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $58,800,000,000.

Sec. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

Sec. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $135,263,000,000;
(B) Outlays, $123,975,000,000.

(2) International Affairs (150):
(A) New budget authority, $12,932,000,000;
(B) Outlays, $8,223,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,622,000,000;
(B) Outlays, $5,475,000,000.

(4) Energy (270):
(A) New budget authority, $20,138,000,000;
(B) Outlays, $7,960,000,000.

(5) Natural Resources and Environment (300):
(A) New budget authority, $12,781,000,000;
(B) Outlays, $11,820,000,000.

(6) Agriculture (350):
(A) New budget authority, $4,929,000,000;
(B) Outlays, $5,350,000,000.

(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,560,000,000;
(B) Outlays, $3,195,000,000.

(8) Transportation (400):
(A) New budget authority, $19,708,000,000;
(B) Outlays, $18,184,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $8,303,000,000;
(B) Outlays, $7,348,000,000.

(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $32,453,000,000;
(B) Outlays, $31,454,000,000.

(11) Health (550):
(A) New budget authority, $58,079,000,000;
(B) Outlays, $53,813,000,000.

(12) Income Security (600):
(A) New budget authority, $217,332,000,000;
(B) Outlays, $183,100,000,000.

(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,035,000,000;
(B) Outlays, $20,549,000,000.

(14) Administration of Justice (750):
(A) New budget authority, $4,306,000,000;
(B) Outlays, $4,433,000,000.

(15) General Government (800):
(A) New budget authority, $4,424,000,000;
(B) Outlays, $4,331,000,000.

(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,499,000,000;
(B) Outlays, $6,489,000,000.

(17) Interest (900):
(A) New budget authority, $56,000,000,000;
(B) Outlays, $56,000,000,000.

(18) Allowances (920):
(A) New budget authority, $854,000,000;
(B) Outlays, $831,000,000.

(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$19,800,000,000;
(B) Outlays, −$19,800,000,000.

Sec. 4. In accordance with section 301(b)(1) of the Budget Act, no bills and no resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) of the Budget Act for fiscal year 1980 shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

Sec. 5. In 1979, each standing committee of the House of Representatives shall report by July 1 to the House of Representatives its recommendations and the status of its actions with respect to new spending authority including all legislative savings, and other reforms, targeted by the first concurrent resolution on the budget for the fiscal year ending on September 30 of that same year. This report shall include any additional legislative savings which the committee believes should be considered by the House in the programs for which such committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to all possible legislative savings for the programs for which the committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives an estimate of the unobligated (and unexpended) balances of budget authority, an analysis of the extent to which such unexpended or unobligated balances could reasonably be reduced, and what steps, if any, have been or are being taken to reduce such balances.

Sec. 6. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $458,485,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,000,000;

(2) the appropriate level of total new budget authority is $555,659,000,000;

(3) the appropriate level of total budget outlays is $492,820,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $34,335,000,000; and

(5) the appropriate level of the public debt is $830,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

(1) National Defense (050):
(A) New budget authority, $125,468,000,000;
(B) Outlays, $113,817,000,000.

(2) International Affairs (150):
(A) New budget authority, $11,576,000,000;
(B) Outlays, $7,640,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,357,000,000;
(B) Outlays, $5,151,000,000.

(4) Energy (270):
(A) New budget authority, $7,592,000,000;
(B) Outlays, $7,338,000,000.

(5) Natural Resources and Environment (300):
(A) New budget authority, $12,770,000,000;
(B) Outlays, $11,245,000,000.

(6) Agriculture (350):
(A) New budget authority, $8,283,000,000;
(B) Outlays, $5,918,000,000.

(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,844,000,000;
(B) Outlays, $2,917,000,000.

(8) Transportation (400):
(A) New budget authority, $19,212,000,000;
(B) Outlays, $17,137,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $8,062,000,000;
(B) Outlays, $9,001,000,000.

(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $32,604,000,000;
(B) Outlays, $29,995,000,000.

(11) Health (550):
(A) New budget authority, $52,904,000,000;
(B) Outlays, $49,409,000,000.

(12) Income Security (600):
(A) New budget authority, $193,717,000,000;
(B) Outlays, $161,096,000,000.

(13) Veterans Benefits and Services (700):
(A) New budget authority, $20,386,000,000;
(B) Outlays, $20,211,000,000.

(14) Administration of Justice (750):
(A) New budget authority, $4,163,000,000;
(B) Outlays, $4,179,000,000.

(15) General Government (800):
(A) New budget authority, $4,237,000,000;
(B) Outlays, $4,159,000,000.

(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,476,000,000;
(B) Outlays, $8,602,000,000.

(17) Interest (900):
(A) New budget authority, $52,429,000,000;
(B) Outlays, $52,430,000,000.

(18) Allowances (920):
(A) New budget authority, $699,000,000;
(B) Outlays, $693,000,000.

(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, −$18,120,000,000;
(B) Outlays, −$18,120,000,000.

The CHAIRMAN. Are there amendments?

AMENDMENT OFFERED BY MR. SIMON

Mr. SIMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Simon: In the matter relating to the appropriate level of total new budget authority increase the amount by $2,223,000,000;

In the matter relating to the appropriate level of total budget outlays increase the amount by $1,522,000,000;

In the matter relating to the amount of the deficit increase the amount by $1,522,000,000;

In section 6(b):

In the matter relating to Function 050—National Defense increase the amount for budget authority by $628,000,000; and increase the amount for outlays by $315,000,000.

In the matter relating to Function 150—International Affairs decrease the amount for budget authority by $336,000,000; and decrease the amount for outlays by $315,000,000.

In the matter relating to Function 300—Natural Resources increase the amount for budget authority by $88,000,000; and increase the amount for outlays by $27,000,000.

In the matter relating to Function 450—Community and Regional Development increase the amount for budget authority by $870,000,000; and increase the amount for outlays by $605,000,000.

In the matter relating to Function 500—Education, Training, Employment and Social Services increase the amount for budget authority by $37,000,000; and increase the amount for outlays by $13,000,000.

In the matter relating to Function 600—Income Security increase the amount for budget authority by $650,000,000; and increase the amount for outlays by $600,000,000.

In the matter relating to Function 800—General Government increase the amount for budget authority by $16,000,000; and increase the amount for outlays by $7,000,000.

In the matter relating to Function 850—General Purpose Fiscal Assistance increase the amount for budget authority by $270,000,000; and increase the amount for outlays by $270,000,000.

In the matter relating to the appropriate level of total budget outlays increase the amount by $470,000,000.

In the matter relating to the amount of the deficit increase the amount by $470,000,000.

In the matter relating to the appropriate level of the public debt increase the amount by $470,000,000.

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $470,000,000.

In section (3):

In the matter relating to Function 050—National Defense increase the amount for outlays by $166,000,000.

In the matter relating to Function 150—International Affairs decrease the amount for outlays by $74,000,000.

In the matter relating to Function 300—Natural Resources and Environment increase the amount for outlays by $85,000,000.

In the matter relating to Function 450—Community and Regional Development increase the amount for outlays by $265,000,000.

In the matter relating to Function 500—Education, Training, Employment and Social Services increase the amount for outlays by $24,000,000.

In the matter relating to Function 600—Income Security increase the amount for outlays by $50,000,000.

In the matter relating to Function 800—General Government increase the amount for outlays by $4,000,000.

Mr. SIMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

(By unanimous consent, Mr. SIMON was allowed to proceed for 10 additional minutes.)

Mr. SIMON. Mr. Chairman, this amendment is a balanced amendment. I think most of you have copies of the amendment and have had a chance to examine it. It adds $2.2 billion in budget authority for fiscal year 1979, $1.5 billion in outlays for fiscal year 1979, and aproximately $470 million in outlays for fiscal year 1980. It does that, not precipitously or arbitrarily, but to meet real national needs.

Let me go over what the composition of that amendment is briefly.

It provides $629 million in budget authority for securing two destroyers that are already under construction, that have been under construction for the Government of Iran.

Because there is a $336 million lapse in foreign military sales funds, the net budget outlay is $292 million.

I would point out these ships were authorized and were contracted for, back in 1975. If we were to contract for these ships today, each would cost approximately an additional $200 million.

There is also a fact that I think is not well understood. That is that the contract for these ships is between the Government of the United States and Litton Industries, the industry involved, not between the Government of Iran and the particular industry involved.

□ 1220

If we make a decision to terminate the construction of those two destroyers, there will be termination costs which are the liability of the Government of the United States, and the best estimate we have been able to get from the Navy on those termination costs is that they will be approximately $208 million. There are other costs that are involved for the U.S. Government if we terminate, if we do not proceed. Litton Industries have contracts for a number of items with the Department of Defense, and they are based on a cost-plus basis; so that if the overhead per man hour is shifted from these ships to other contracts, those contracts will increase in cost.

I would point out, and particularly for my colleagues who have some question about expansion of the Armed Forces in some of these areas—and I have been one who has voted against another carrier—that a carrier is not an isolated item out here that we send out into the Indian Ocean or the Mediterranean or the Atlantic or the Pacific. It goes along with a flotilla, and the recommendation of the Navy that that flotilla ought to have with it six destroyers. We now have as part of that flotilla less than three destroyers, so there is need.

We are talking about a weapon, a destroyer, that is non-nuclear in nature. We are not talking about something that is going to increase the nuclear problems in this world.

There is another, I think, mistaken notion going around that if we do this we are somehow bailing out the Government of Iran. Let me just read from a memorandum that was sent to me by the Secretary of the Navy, and I am quoting:

> This would not be any windfall for the Government of Iran, but it would insure the continued solvency of the trust fund, with the advantages to the USG pointed out above. Reimbursement of the trust fund is not a payment to the Government of Iran. These funds are in the hands of the United States and are earmarked for payment of construction costs or cancellation charges incurred by domestic contractors working on the various Iranian military sales contracts in this country. If, after all Iranian liabilities in this country on foreign military sales contracts are liquidated, the trust still contains funds, these moneys could be held by the USG to offset any other claims that might then exist against the Iranian Government. In view of the many complex legal relationships involved in these matters that will take a long time to untangle, it seems unlikely as a practical matter that Iran could in the foreseeable future recover any amounts maintained in the trust fund.
>
> The important function served by maintaining a solvent trust fund is not its impact on the substantial costs that the Iranians have already incurred and may well never recover, but rather its role in saving unnecessary costs that might otherwise be incurred by the USG. A solvent trust fund is more of an insurance policy against U.S. losses than any conceivable "bail out" of the Iranian Government.

I would finally point out that on February 3 of this year a memorandum of understanding was negotiated between the Government of Iran and our country. If we decide not to go ahead with the destroyers, we do not add anything in the way of assets to the Government of Iran. All we do is embarrass our country and its relationship with a country that is having a difficult time.

The second item is on food stamps, $650 million for food stamps. I know the criticisms that Members hear and I hear on food stamps, but I hope the Members saw the Washington Post article this morning in which it was pointed out that the nutritional level among the poor of this Nation has risen dramatically.

It quoted a North Carolina medical leader who stated that one of the best investments this Nation makes is in its food stamp program. The majority of food stamp money goes to households with less than $3,600 gross income. We are not by our action in approving my amendment okaying this additional $650 million for food stamps. What we are doing is making it possible for the appropriate legislative committee, the Committee on Agriculture, headed by Representative TOM FOLEY to take action. My amendment simply says do not foreclose this possibility to the Committee on Agriculture. The cause of the problem is food inflation, which we all know about, and the fact that under the new provisions of the food stamp program, a great many rural poor are taking advantage of it who formerly did not.

We have disaster funds in here. Those Members who may be from Mississippi or other areas that have been flooded know the problem. I do not think I need to go into great detail other than to say the amount provided here is a prudent amount. It assumes that some improvements are going to be made in the SBA disaster funds and their administration.

We also include $250 million requested by the President for targeted fiscal assistance. This is for localities that have unemployment rates above 6.5 percent. Again, we are not okaying it; we are simply saying do not preclude committee action.

I would point out to my colleagues that we tend to go as the pendulum swings from one extreme to another in our economy, and while right now inflation is our No. 1 concern, it could be that by the third and fourth quarters of this year and in the next year we may have different concerns. This simply provides the U.S. Government a little greater flexibility to deal with problems of unemployment if they become the major concern. It includes $38 million for the urban parks program that has been authorized by this body. It includes $25 million for the part-time employment for those over 55 that has been authorized by this body under title V of the Older Americans Act. It includes $12 million for the independent living centers for the severely handicapped, which has been authorized by this body. Finally, it includes $16 million to the Territories, primarily $12 million for the Northern Marianas where a power barge of the Corps of Engineers is providing power because of the unusual circumstances, and that would permit them to move ahead and get a powerplant.

That, briefly, Mr. Chairman, is the essence of this amendment. I think it is a balanced amendment, and I hope it will have the support of my colleagues in the House.

AMENDMENT OFFERED BY MR. CHARLES H. WILSON OF CALIFORNIA TO THE AMENDMENT OFFERED BY MR. SIMON

Mr. CHARLES H. WILSON of California. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. CHARLES H. WILSON of California to the amendment offered by Mr. SIMON: Strike out the amount by which the appropriate level of total new budget authority for fiscal year 1979 is proposed to be increased and insert in lieu thereof "$2,871,000,000".

Strike out the amount by which the level of total budget outlays for fiscal year 1979 is proposed to be increased and insert in lieu thereof "$1,732,000,000".

Strike out the amount by which the amount of the deficit for fiscal year 1979 is proposed to be increased and insert in lieu thereof "$1,732.000,000".

Strike out the amount by which the appropriate level of the public debt is proposed to be increased and insert in lieu thereof "$1,732,000,000".

Strike out the amount by which the amount by which the statutory limit on the public debt should accordingly be increased is proposed to be increased and insert in lieu thereof "$1,732,000,000".

Strike out the amount by which the amount for new budget authority for fiscal year 1979 for National Defense is proposed to be increased and insert in lieu thereof "$1,458,000,000".

Strike out the amount by which the amount for outlays for fiscal year 1979 for National Defense is proposed to be increased and insert in lieu thereof "$702,000,000".

Strike out the amount by which the amount for new budget authority for fiscal year 1979 for International Affairs is proposed to be decreased and insert in lieu thereof "$518,000,000".

Strike out the amount by which the amount for outlays for fiscal year 1979 for International Affairs is proposed to be decreased and insert in lieu thereof "$492,000,000".

Mr. CHARLES H. WILSON of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, and I will not object, will the gentleman tell us, this is his amendment to the amendment offered by the gentleman from Illinois (Mr. SIMON)?

Mr. CHARLES H. WILSON of California. Yes.

Mr. ROUSSELOT. Briefly can the gentleman tell us what it would do?

Mr. CHARLES H. WILSON of California. If the gentleman will yield, it would make a change in the amount of defense allotments.

Mr. ROUSSELOT. The whole defense function category?

Mr. CHARLES H. WILSON of California. What it would do is the amendment would add approximately $800 million to the Budget Committee amendment in the national defense function.

Mr. ROUSSELOT. I thank the gentleman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. GIAIMO. Reserving the right to object, Mr. Chairman, do I understand that the gentleman's amendment addresses itself solely to the 1979 supplemental?

Mr. CHARLES H. WILSON of California. If the gentleman will yield, that is correct.

Mr. GIAIMO. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. CHARLES H. WILSON).

☐ 1230

Mr. CHARLES H. WILSON of California. Mr. Chairman, my amendment is a perfecting amendment to the Budget Committee amendment. The Budget Committee amendment restores funds to a number of needed programs.

I want to make it clear that I support the Budget Committee amendment and will do so even if my own amendment thereto is not adopted.

The Budget Committee has an extraordinarily difficult task in attempting to balance budget priorities. I am, therefore, reluctant to recommend further changes. I am compelled to in this instance, however, because the resolution, as reported puts too much of the burden for reduction for fiscal year 1979 on national defense.

The budget resolution as reported would reduce the national defense function (050) by $1.5 billion in fiscal year 1979. The Budget Committee amendment would restore $628 million of that reduction. My perfecting amendment would add approximately $800 million to the Budget Committee amendment in the national defense function to allow restoration of a total of $1.4 billion in budget authority.

The simple purpose of this amendment is to allow the House to consider the program supplemental reported from the Committee on Armed Services. The supplemental authorization the Armed Services Committee approved, $1.4 billion, is $600 million below the amount requested by the President.

I asked the Secretary of Defense to reexamine the need for this supplemental to see if we could do without it. His letter has been made available to the Members of the House. The burden of the Secretary's letter is that a supplemental approximately equal to that reported by our committee represents "the minimum prudent level required to insure our national security programs."

The $628 million provided in the Budget Committee amendment for defense would be sufficient only to buy the two destroyers made available as a result of cancellation of the buy by Iran. The Secretary's letter makes clear that he, the Secretary of the Navy and the Chief of Naval Operations agree that it is "very much in the interest of the U.S. national security to acquire these ships." He also points out that they can be acquired at a savings of some $200 million each.

In his words, "we should seize the opportunity."

The Budget Committee amendment, however, would allow only enough for these two ships.

Please note that the Secretary considers other items in the supplemental of higher priority. He states as the very top priority the collection of programs dealing with strategic weapons to counter the rapid and continuous Soviet buildup. These programs, coupled with SALT, are, according to the Secretary, "vital if we are to maintain an essential equivalence with the Soviets."

He also mentions a number of NATO programs, particularly the joint NATO AWACS program which has been agreed to after several years of negotiations.

In the words of the Secretary, the "new allied momentum and in particular the AWACS program, would be jeopardized if the Congress failed to act promptly on these programs in the fiscal year 1979 supplemental."

My amendment merely restores the national defense function to the level approved in the second concurrent resolution for fiscal year 1979. While the amendment restores $1.4 billion in budget authority, the actual outlay in fiscal year 1979 would be only $210 million. So the effect on the deficit for this fiscal year is relatively small.

I believe we can make this addition of

$800 million in budget authority and $210 million in outlays as I propose for needed defense programs, as well as make the other needed improvements in the Budget Committee amendment and still have a budget for fiscal year 1979 that is substantially superior to what we anticipated at the beginning of the fiscal year.

I urge support of my amendment.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment to the amendment just offered by the gentleman from California (Mr. Charles H. Wilson).

Mr. Chairman, first let me address myself to the Simon amendment which was not adopted in committee but which came up subsequent to committee markup mainly because of some matters almost in the nature of emergencies which arose, so that while the committee never voted to adopt the Simon amendment, therefore I cannot say to you the committee supports this amendment but I do think the Simon amendment has a great deal of merit and should be adopted.

Basically, what happens with the Simon amendment is that we take care of several very serious emergency matters which are going to face us in the fiscal year 1979.

□ 1235

One is that there is a need because of higher inflation and higher cost, there is a very real need to add substantial sums of money for food stamp purchases. Otherwise, we are going to have to either prorate the food stamp program later on this summer or terminate the program, as I understand it, sometime in August or September and to pick it up again when the new fiscal year starts in October.

Now, this would work great harm on the millions and millions of Americans who depend upon food stamps for their sustenance; so I would urge and encourage that we support the Simon amendment for that reason.

Also, there are in backed up demands for SBA disaster loans for 1979 $600 million. I have deliberately resisted the implementation of legislation by the Budget Committee or the inclusion of SBA disaster money in the Budget Committee, because of the fact that I think the formula, the basic legislation dealing with SBA disaster loans is wrong. As we know, it provides for low interest subsidized loans, in some instances 3 percent and some instances 5 percent.

You should also know that the SBA disaster program is coming up for reauthorization in the immediate weeks ahead. This is the subject of great discussion between the President and members of various committees in this House to remedy the SBA disaster loan program so that a more equitable interest rate, one which more closely approximates the going rate which the Treasury has to pay for the money that the Treasury of the United States borrows be charged to the borrowers in the SBA disaster program.

I think we are going to make progress in that and I think we are going to have an SBA disaster legislative authorization in the coming weeks which is going to raise the interest rates, to say nothing of other features that might be changed, and which will make it less of a burden to the taxpayers of the United States to subsidize the interest rates on these loans; so there are two big items, the the food stamp programs and the SBA disaster loans.

Incidentally, since the time of markup, as you know, there have been very serious floods in parts of the United States so that there are even more pent up demands for SBA disaster loans in 1979. I believe that there will probably be need for a supplemental of somewhere in the neighborhood of $900 million, rather than $600 million or even a billion dollars; so that the two items there which the gentleman from Illinois addresses in his amendment are very meritorious.

Then he addresses himself to the *Spruance* class destroyers. They will cost $628 million. The U.S. Government, the U.S. Navy, contracted with the shipbuilder for Iran to build these destroyers. Iran has indicated that they no longer want to go ahead with the purchase of these destroyers. The U.S. Government would be obligated vis-a-vis the contractor to pay for the destroyers or to pay the termination costs, if you will.

For many other reasons, we think and the President thinks and I know the Committee on Armed Services believes and I believe that we should pick up these two destroyers.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Giaimo) has expired.

(By unanimous consent, Mr. Giaimo was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. Mr. Chairman, the Navy needs them, they can use them. We will get a break on the purchase price, because I believe we will save almost up to $200 million per ship. I think it would be wisdom and prudence to go ahead and buy these ships.

The amendment also deals with targeted fiscal relief, the old countrcyclical program for 1979.

□ 1240

In the Committee on the Budget we put it in, in 1980 but left it out in 1979. I think the committee made a mistake. I so voted in committee; however, the committee left it out.

I think there are cities that need this help, and I believe that the gentleman from Illinois (Mr. Simon) is correct in putting that in.

So we have those four major items: targeted fiscal assistance; the destroyers; food stamps, and the disaster loans, and then a few small programs which are of urgency in nature and needed, so they should be supported. I urge the Members to support that amendment offered by the gentleman from Illinois (Mr. Simon).

However, insofar as the amendment offered by the gentleman from California (Mr. Charles H. Wilson) is concerned, it substitutes or adds, if I understand it correctly, money in defense for the missiles, the Harpoon, the Phoenix, and the Standard missile. It adds money for the MX program, the missile program, and it adds money for the Newport News claim. It adds money for AWACS, airborne warning and control system. I forget the cost of them, but they are extraordinarily high. And then there is an item for all other programs in the military which totals $200 million.

Mr. Chairman, could I ask the gentleman from California (Mr. Charles H. Wilson) this question: The gentleman's amendment would add roughly $800 million?

Mr. CHARLES H. WILSON of California. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. GIAIMO. That is the gentleman's total in the amendment?

Mr. CHARLES H. WILSON of California. What we are trying to do is bring it back to the original figure.

Mr. GIAIMO. $1.4 billion?

Mr. CHARLES H. WILSON of California. Yes.

Mr. GIAIMO. We have in there the $628 million for the ships, and the gentleman's substitute adds the other $800 million, roughly?

Mr. CHARLES H. WILSON of California. The gentleman is correct.

Mr. GIAIMO. Mr. Chairman, I would oppose that very strongly. This is a year when we are asking everyone in America to exercise fiscal restraint, and we certainly are asking the poor and we certainly are asking those in the urban areas of America to exercise some discipline to hold the line on spending and to get the budget down.

At the same time, we have voted in the House in this resolution for a defense budget, giving them $135 billion, which is extraordinary, compared to any other budget. It has at least $10 billion additionally over last year.

They are not being asked to restrict themselves and use constraint. This is the only part of the budget that has real growth in it, as opposed to almost every other portion which has negative growth or very little growth, if any. It seems to me that the Defense Department could exercise some restraint in this supplemental.

Why do I say that? First of all, dealing with the missiles, I also serve, as many of the Members know, on the Subcommittee on Defense of the Committee on Appropriations, and have served there for many, many years.

I think that we are going to have to do something in the area of strategic missiles. I know we are going to have to do something. But I will submit to the Members that it is something we ought to think carefully and clearly about, and we have the opportunity to do that in our 1980 budget. Then we will take it up in the Committee on Appropriations and in the years beyond. I do not think that they are in any state of mind to know now what they need in the 1979 year budget.

I have talked to the Secretary of Defense about these matters. I know how urgently he would like to have this. It is one of his high priorities. I also recognize the politics involved, that they would like to be able to say to the Russians as we approach the SALT negotiations, "Here is what we may be doing in the area of missiles."

I have not heard one word from the Defense Department, which is one of the only departments in Government that has the ability to reprogram as they do, as to their efforts to reprogram this money out of the obligated and unexpended balances.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. GIAIMO. Mr. Chairman, all I am saying is that there are a great deal of questions about this money and about the status of our strategic base and our strategic missile capability, particularly with our new experimental missiles, which this money is for. It does not belong in the supplemental bill.

Now, we have the NATO AWACS. I think NATO is supposed to buy 18 AWACS. We know that for many years the Defense Department has been going around trying to sell those very expensive Boeing airplanes. They are not doing too well in selling them. NATO is supposed to buy 18, and Iran was supposed to buy 7. But now they have told us they are not going to buy them. That refusal of the Iranians to buy 7, I suspect, is going to have quite a bearing on the per-plane cost of those remaining 18 that NATO is going to buy.

□ 1245

That is something we can look at and work out in the regular appropriation bill in fiscal year 1980. It does not belong in a supplemental.

The Newport News claims $85 million. I assume that that is for those Navy ship claims with the shipbuilders down in Newport News. I will ask the gentleman from California if that is not right?

Mr. CHARLES H. WILSON of California. Yes.

Mr. GIAIMO. I am familiar with shipbuilding claims, as the gentleman well knows, because I went through this with the shipbuilder in my State, General Dynamics, Electric Boat Division, concerning submarines. But I do not see why that $85 million, which I think has been worked out, cannot be addressed or handled in a reprograming, why it cannot be a part of our regular 1980 budget. I do not see the emergency which says we need it in the 1979 supplemental. Then there are a whole host of other programs, military in nature, which, on the list I have, were referred to as "all other," roughly $200 million.

The Members know they have $135 billion coming to them this year. Last year they had about $127 billion, I believe, $127 billion.

I have never been antidefense in this House, I have been prodefense. I still am. But with $127 billion they are coming up and saying, "We need $1.4 billion more for this fiscal year." I say they can find that money. They have billions in unobligated and unexpended balances. Some of these items can be deferred. Some of these items are clearly nonemergency in nature. And when we are asking every American in the United States to help us balance the budget, and when we recognize the savings on the Iranian planes and say, "Yes, there are savings," and when we ourselves are saying, "Put in that $600 million to make those savings," and then come in and say, "They have got to have the $800 million," I say they do not have to have it. I say, "You can tighten your belts, like every other American is being asked to do, and you can live with $127 billion and not jeopardize the safety of the United States."

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding, and I certainly appreciate his efforts to reach a balanced budget. I know it has been tough. There are so many priorities. But the Defense portion of our budget has been slighted over the past 10 years, and when one starts talking about the great increase that we have here, we have to take a look at where we came from. I think that the biggest thing that we are facing as we deal with this budget is the 3 percent real growth that the President agreed to.

General Haig, when he came before our committees, told us that we had better not start playing games with that 3 percent rate of growth.

Mr. GIAIMO. Mr. Chairman, I yielded to the gentlewoman so she could ask me a question. Otherwise, the gentlewoman will have to get me more time.

Mrs. HOLT. Mr. Chairman, I will be glad to get the gentleman more time.

I want to ask the gentleman if this will produce 3 percent real growth.

Mr. GIAIMO. Yes. May I address that? For 10 years every President has sent up to this Congress a budget which has provided for about 12 percent in growth in the budget of the year before. Much of that money has been to accommodate for inflation growth, and the remainder has been for real growth.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has again expired.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, I make that reservation early in the day for the purpose of asking my colleague and good friend, the gentleman from Connecticut (Mr. GIAIMO), what his general position is going to be later on when we get further in this debate? I think I speak for many Members as I sit here and I see 15 or 20 minutes, possibly, used as they are now, and then when we get into the debate later we will be cut off. I have been in that position.

I yield to my colleague, the gentleman from Connecticut (Mr. GIAIMO), for a reply.

□ 1250

Mr. GIAIMO. Please let us try to use a rule of reason. If we get into an inordinate period of time on frivolous matters, I say let us try to limit time, but please do not limit time on a serious issue that deals with the defense function of this budget. I think we are having a very meaningful discussion here and one that can be helpful to Members.

Mr. ASHBROOK. Further reserving the right to object, Mr. Chairman, it has never been my ability or option to limit time. I am worrying about others limiting time when I want to speak.

Mr. GIAIMO. I will do my best to work with you to see that your time is used.

Mr. ASHBROOK. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. GIAIMO)?

There was no objection.

Mr. GIAIMO. Mr. Chairman, let me say quickly, last year's budget came up with about a 12 percent increase over the year before, and 7½ percent of that increase was to accommodate for inflation, which means you need more money to pay for the same programs, and about 4½ percent was for real growth.

This year's budget came up at about 7¾ percent, of which 7 percent was estimated to be for inflation and less than 1 percent for real growth. At the same time, there was in the President's budget 3 percent real growth, because of his so-called NATO commitment in the defense function, which meant that in the overall budget there was negative growth for the nondefense portions of the budget.

Now, in answer to the gentlelady from Maryland, there is more than 3 percent real growth in defense, if you take into consideration operations and maintenance, if you take into consideration research and development, if you take into consideration procurement, and if you take into consideration military construction, leaving aside personnel and all of the personnel costs. That gives you real muscle insofar as your construction is concerned.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I am happy to yield to the gentlelady from Maryland.

Mrs. HOLT. That is exactly the point General Haig made. If we start playing games with trying to say, if you look at this figure and look at this figure, the NATO allies who have agreed that they are going to make a contribution to our defense are going to realize that we are playing games with them. That is exactly what we are trying to do. We have used a low rate of inflation, we have shortchanged the 1979 expenditures. We are playing games.

Mr. GIAIMO. Let me say to the gentlelady from Maryland, who mentioned General Haig's suggestion that we are playing games, I am not playing games or running for President or anything like that. I am trying to find some areas to cut some money without hurting anyone, not the defense people, nor the nondefense people.

Mr. CHARLES WILSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I am happy to yield to the gentleman from Texas (Mr. CHARLES WILSON).

Mr. CHARLES WILSON of Texas. On that point, does the gentleman agree that the President did make a commitment for a real growth of 5 percent, with no qualifications to our NATO allies?

Mr. GIAIMO. I am not aware of the specific nature of that commitment. I know that there was general discussion of a commitment in the neighborhood of 3 percent real growth. Now, you understand that all commitments made by a President of the United States are subject to their being approved or appropriated for, or in the case of treaties, ratified by the proper bodies of the Congress.

I believe our NATO allies are very familiar with that.

Secondly, there is something—I will be kind—there is something very unclear about the specific terms of this commitment to NATO. I have been trying for months to find out specifically what they are. I have discussed them with the President.

He says that there is a commitment of 3 percent. I submit to you there is more than 3 percent in this budget for the Defense Department that could handle the commitment to NATO. There is more, as I said, in those various portions of the defense budget. I do not think they are hurting one dollar.

Mr. CHARLES WILSON of Texas. What is the percentage of real growth for the overall defense budget in this budget? I am advised by my staff it is 2.3 percent.

Mr. GIAIMO. It is 2.3 percent.

Mr. CHARLES WILSON of Texas. Real growth.

Mr. GIAIMO. In the overall, yes, but if you take personnel, it becomes 4½ percent for the remaining function.

Mr. CHARLES WILSON of Texas. This personnel is 55 percent of the budget. You cannot take personnel out, I do not think.

□ 1255

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. I say to my good friend from Connecticut that I am rather surprised at the statement he has made here today. What he is doing is denying the authorizing committee the opportunity to do its work.

Mr. GIAIMO. Oh, no, not at all.

Mr. CHARLES H. WILSON of California. Yes. We have a supplemental authorization bill, and the gentleman has determined by himself that there is no need for a supplemental bill. This is what we are trying to do——

Mr. GIAIMO. You do whatever you wish with your authorization supplemental bill coming out of the Armed Services Committee. In fact, you have included in that—well, you have not—the carriers are in the Navy bill.

Mr. CHARLES H. WILSON of California. We have not marked it up yet.

Mr. GIAIMO. We do not address ourselves to an authorization bill coming out of a legislative committee of this House. What we are doing here is making provisions for adequate appropriations.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

(By unanimous consent Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. CHARLES H. WILSON of California. What the gentleman is doing, however, is, he is determining in the Budget Committee that there is no need for a supplemental bill. He is determining which items are important and which are not. It is the work of the Armed Services Committee to bring that to the floor.

Mr. GIAIMO. That is not so, and if the gentleman will allow me, I will answer. I am making a judgment as to what I think Defense Appropriations is going to allow by way of a supplemental.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Wisconsin.

Mr. OBEY. I think it ought to be pointed out, and I am sure that the gentleman in the well would agree, that the reason that the personnel function cannot be treated identically with the other functions in the defense budget and computed at 3 percent increase is simply because, when the President made the commitment to NATO, neither NATO nor he had any idea that there would be a 5.5 percent cap on personnel salaries. If we do not treat that differently than we treat other components, then we are in effect providing more money than would be necessary to meet that commitment simply because the President is fighting inflation by holding to the 5.5 percent cap.

Mr. GIAIMO. The gentleman is correct.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

(At the request of Mr. BAILEY and by unanimous consent, Mr. GIAIMO was allowed to proceed for 5 additional minutes.)

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Pennsylvania.

Mr. BAILEY. Mr. Chairman, I am new here and nothing pains me more than what has become in this body, I think, a very profound—and it may have a 10- to 15-year far-reaching effect—a fundamental guns and butter debate. I do not think there is a person here, and certainly no one on the Armed Services Committee, who does not want very badly to avoid having to spend the kinds of moneys for defense that we feel compelled to recommend to the Members should be spent.

But, I have taken over the last few months, very painstakingly, testimony from administration witnesses who appeared before us on military posture, and I would like to just refer to two or three for the gentleman. One of them was Secretary of the Army Alexander, and this information was not offered in the spirit of a recommendation or willingly, but his conclusion was plainly and simply—and I will paraphrase General Rogers for the gentleman in testimony before the Armed Services Committee:

> If I put these opinions together, and correct me if I am wrong, but you are telling me the Soviet Union is militarily stronger than us. Is that what you are saying?
>
> Yes, that is what we are saying.

Secretary Alexander——

Mr. GIAIMO. I would briefly say, when the gentleman says militarily stronger, that is the kind of statement we could discuss for 10 hours and not arrive at a conclusion. I am sure the Secretary of the Army did not answer that question in those terms and would merely categorically state, "Yes, the Soviet Union is militarily stronger than the United States." If the Secretary of the Army said that statement in that manner, then he had better reflect on what he said.

Mr. BAILEY. If the gentleman will allow me—I will just ask the gentleman to consider, and I will give that testimony to him and if it is not right——

Mr. GIAIMO. I do not agree that the Soviet Union is militarily stronger than the United States.

Mr. DAN DANIEL. The gentleman said that we have more than a 3-percent increase except in the area of personnel. Will the gentleman address himself to the personnel issue? My figures indicate that military families have suffered a 6.3 percent degrading in their standard of living over the past 10 years.

Mr. GIAIMO. All Americans have suffered a downgrading in their standard of living because of inflation, not just military personnel.

Mr. DAN DANIEL. No, sir. I beg the gentleman's pardon. That is not the case, because most workers in this country have had a gross increase in their standard of living over the past 10 years. But would the gentleman address a specific question whether or not that is a fact as he knows it?

Mr. GIAIMO. I do not disagree with what the gentleman just said about what inflation has done to the nonmilitary sector over the 10 years. I would agree with the gentleman on that. Second, as the gentleman well knows, and as I said earlier, I am no newcomer to defense.

Mr. DAN DANIEL. I understand that, and I appreciate that.

Mr. GIAIMO. I have been on the Committee on Appropriations for many, many years, and I do not think that we are mistreating our military personnel financially.

Mr. DAN DANIEL. If the gentleman will yield further, what is the gentleman recommending with respect to cuts in personnel services?

Mr. GIAIMO. I have not recommended cuts in personnel services. What I am recommending here is that we do not provide a supplemental appropriation for the missiles, that we do not provide one for the Newport News claims, for the NATO AWACS, and for a whole host of other unspecified items, which I am sure they could take care of by reprograming. What we are trying to do here, I will say to my good friend, the gentleman from Virginia, is to try to encourage the Committee on Appropriations to appropriate a fiscal year 1979 military supplemental appropriation as small as they possibly can, having due regard for the security of the Nation, because of the financial constraints in the entire budget picture of the country.

Mr. DAN DANIEL. If the gentleman will yield further, my remarks are not directed to the supplemental. Although I support it, I will say to the gentleman from Connecticut. What I am trying to establish here is what we are going to do about personnel. As the gentleman very well knows, this Congress has made a decision to go the voluntary route, and if we are going to do that, we must compete in the labor market for the personnel to meet our requirements. If we do not recruit and properly train a sufficient number of personnel, then our weapons systems regardless of effectiveness, become academic.

Mr. GIAIMO. The gentleman asks what are we going to do about military personnel? We have a military budget of $135 billion for 1980, of which I am told over 50 percent of that money applies to personnel. I think we are doing quite a bit for personnel.

Mr. DAN DANIEL. Mr. Chairman, military people programs are vital to readiness. I hope that this body will not permit further deterioration in this essential area.

Inconsistency is a human trait. All of us are in fact bundles of inconsistencies. And because we are in truth representatives, we reflect that characteristic here.

Right now, we are particularly guilty of this.

As a body we accepted the fact that a majority of the American people do not want conscription. So we permitted the induction authority under Selective Service to expire. We declared we were going to rely on an All Volunteer Force and compete in the labor market for military recruits. So what happened?

Almost from its inception, we have chipped away at the elements which go to make up the compensation incentive package for those we seek to enlist.

In 1973, a reduction in OB/Gyn Services was effected, placing heavier reliance on CHAMPUS, and increased out-of-pocket costs for military families.

In 1974, the regular reenlistment bonus was phased out.

In 1975, travel pay upon reenlistment was denied, superior performance proficiency pay was eliminated for all personnel, and pay was capped at 5 percent, 3.75 percent below the amount deemed necessary to maintain comparability.

1976 was a banner year for the incentive destroyers. Terminal leave payments were restricted to 60 days for a service member's entire career. Physician reimbursement under CHAMPUS was reduced from the 90th to the 75th percentile of the usual and customary charges. Basic allowance for quarters and basic allowance for subsistence were eliminated from terminal leave payments. The annual pay raise was reallocated, which had the effect of reducing take-home pay for families occupying Government housing, and reduced the housing allowance for people in high cost overseas areas. The educational portion of the GI bill was phased out for new entrants onto active duty, with a 1989 delimiting date.

In 1977 pay was again reallocated. In 1978 the pay increase was capped at 5.5 percent; and the President has announced he intends to impose a 5.5 percent cap on military pay in 1979. A 10.25 percent increase is needed to attain comparability with industry.

Two years ago, an examination was made of benefit losses, and the findings do not speak well for Congress' concern with the well-being of service personnel. Between 1972 and 1977, military families suffered a 6.3 percent real loss in purchasing power, in terms of regular military compensation.

Now I do not mean to suggest that there is any deliberate effort afoot to penalize or frustrate the more than 2 million men and women in military service. These somewhat random reductions lack a certain rationality, and reflect piecemeal efforts to save dollars. And this is an admirable goal.

But we have run out of easy ways to cut costs, and the very pettiness—and I use this in no mean sense—of the cuts employed and proposed display this.

This year, further efforts will be made to cut costs or to satisfy other legislative goals, and once again the men and women, primarily in the enlisted ranks, will be forced to carry the burden.

This year, for the fifth time, it has been proposed in the other body that the commissary subsidy be phased out. The argument is, I suppose, that sufficient shopping facilities exist to make these unnecessary. That is true—as far as it goes. But these stores permit service families to purchase food and other household necessities at a savings compared with civilian markets, and that saving is important—even vital—to the families of E–4's, E–5's, E–6's, and even junior officers. When the commissary subsidy goes one more incentive for remaining in service goes with it and a condition of employment contract broken.

Also this year, the Department of Health, Education, and Welfare, is insisting upon wider application of the Randolph-Sheppard act, legislation which provides vendor opportunities for income to the blind. Now, the Department of Defense has not ignored its obligation in this regard. In fiscal year 1978, $1,605,488 was paid to State agencies. It is also proceeding, as food contracts expire, to offer these contracts for bid to State agencies, in accordance with Randolph-Sheppard.

But by doing this, it is removing funds from its own morale, welfare and recreation programs—funds which can only be replaced by appropriated moneys, or not at all.

I have come to the conclusion that this area of activity is misnamed. It smacks of the softball league or bowling team—something which may be fun, but is hardly earthshaking.

MWR is considerably more than that. It is libraries. It is gymnasiums and recreation facilities for the men and women in service for whom there is a requirement that they be physically fit and for their families. It is day care centers for the children of service personnel—centers which sometimes make the difference between a spouse's working or not working. There is no provision for willing grandmothers in Army regulations, and no money for hired sitters in the enlisted person's budget.

And for those of you who believe service pay is sufficient that a second income is unnecessary, be advised that in the Third Quadrennial Review of Military Compensation, completed in 1976, approximately 62,000 of the military would be potentially eligible for food stamps under the law and net income and family size criteria at that time. No one knows how many actually avail themselves of this, and no one knows either how many spouses are working or how many men and women are moonlighting. But in random conversations with enlisted personnel, I can report the numbers in both cases are sizeable.

And still we chip away at the elements in military life which make it bearable—and perhaps affordable.

Yes, affordable. No one gets up in this Chamber and suggests we shut down our military bases here and abroad. No call is heard for canceling our commitments by treaty. And if we proceed on the path we are following, no one will ever have to. We are going to see our defense capability shrivel and disappear. Because the best, the most sophisticated weaponry in the world will do us no good, if there are no men and women to operate it. And those who operate it must be able to afford to do it.

We ask so much of these people—these men and women who step forward and volunteer to protect the rest of us. Sometimes I confess I wonder why they do it.

We send them to locations where the environment is miserable and sometimes hostile, where the language is strange to their ears, where local customs are vastly different from what they have known. Often we separate them from their families for long periods of time. They are sent to sea for months on end. In many instances, they know, in every waking hour, that they are in potential risk of life. Yet we sit here comfortably, we in Washington, and decide that they can do without a little bit more each year.

We do not bat an eye at paying exceptional wages and providing adequate benefits to people in hazardous or highly technical jobs. We hear repeated calls in this Chamber for protection of the poor or the disadvantaged.

Yet we stand by, mute, as those we

ask to do jobs not just hazardous, not just highly technical, but the one single job vital to us all—the defense of the Nation—are consistently denied, not comforts, but necessities.

I do not believe we mean to practice hypocrisy, but the men and women we ask to defend us—and their families—may well be excused for seeing it that way.

And so Mr. Chairman, I urge all Members of this body to search their conscience to determine if we are asking too much for too little from a small but dedicated and vital segment of our society.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Mitchell of Maryland, and by unanimous consent, Mr. Giaimo was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Will the gentleman yield to me?

Mr. GIAIMO. I will yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

I want to associate myself with the gentleman's remarks with regard to the Wilson amendment, but that is not the primary purpose for which I rise. I want to try to figure out what is going on with reference to these vessels, the two *Spruance* class destroyers, that Iran does not want. As I understand it, we had agreed to build them for Iran. Iran does not want them. Now we want them back; is that right?

Mr. GIAIMO. I would not say we want them back.

Mr. MITCHELL of Maryland. That is the very point that I wanted to make.

Mr. GIAIMO. All right, let me try to explain it.

Mr. MITCHELL of Maryland. No, no, let me try to understand what the gentleman is saying. I cannot for the life of me figure out if we need vessels so badly, how in the world we ever contracted for them to go to Iran first before we replenished our own naval vessels, and then suddenly when Iran does not want them, we want them back. That is kind of a crazy way to operate, it seems to me, if all these members of the Committee on Armed Services up here say, "Give us more; we need more for vessels," and yet we sold them. Could the Chairman explain that to me?

Mr. GIAIMO. I could not explain it to the gentleman in the manner in which he just posed the question.

Mr. MITCHELL of Maryland. All right, explain it in the gentleman's own inimitable style.

☐ 1305

Mr. GIAIMO. You are aware that the Iranians ordered many billions of dollars worth of military procurements from us in the foreign military sales account. You know that these destroyers are only part of the total order that Iran canceled. There are some F-16's I believe that they had canceled which we are going to sell, I think, or deliver to the Israelis as part of a speed-up in their delivery of their orders.

We reallocate these items as best we can.

We are left with the destroyers. I will say, excluding the other items. They are being built.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(By unanimous consent Mr. Giaimo was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Iran did not contract with Litton. Iran contracted with the U.S. Government. The U.S. Government contracted with Litton.

Litton is now looking to us, because we are the contracting party, to pay for these ships or to pay termination costs.

There is in the foreign military sales account which Iran put in there, $420 million, to pay for these ships. Iran says, "We do not want the ships, we want our money back."

We are not giving them the money back. The money is going to stay in that account. What we are going to do is replenish that account.

First of all, there is $150 million which is for purely Iranian features which the U.S. Navy will not need on the ships, so we are deducting that $150 million, and that Iran will have lost.

We will replenish the FMS account by about $570 million and then we will get the ships. That money will sit there. What will happen to it will rest on future decisions. It may well be used to settle claims of the Americans, both Government and individual, against Iran. It could be used for other purposes.

Mr. MITCHELL of Maryland. The gentleman's argument is very clear to me. His explanation is clear. However, that gentleman in the well and no Member of this House can guarantee to this Member or any other Member that we are not going to give Iran its money back sooner or later.

Mr. GIAIMO. No. I cannot guarantee you that.

Mr. MITCHELL of Maryland. You cannot. What with the strange foreign policy being promulgated down the street there, dealing in a kind of Alice-in-Wonderland mentality.

Mr. GIAIMO. I certainly cannot guarantee that.

I yield to the gentleman from California (Mr. Charles H. Wilson).

Mr. CHARLES H. WILSON of California. So there will be no confusion to my friend from Maryland (Mr. Mitchell), my amendment does not cover the destroyers. The destroyers are covered in the amendment of the gentleman from Illinois (Mr. Simon). My amendment covers other items that were in the supplemental bill that came over to us.

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield to me, I have already indicated I regretfully oppose your amendment.

Mr. CHARLES H. WILSON of California. I did not want you to oppose it for the wrong reason.

Mr. GIAIMO. Let me just say, Mr. Chairman, I would urge the Members to vote down the amendment offered by the gentleman from California (Mr. Charles H. Wilson) to the amendment offered by the gentleman from Illinois (Mr. Simon). If there are some of these items in his amendment that the Defense Appropriations Committee determines are essential and should be funded in a supplemental, I am sure they can find ways of funding them via the reprogramming route. If so there would be no need to include them in this amendment.

Mr. CAVANAUGH. Mr. Chairman, would the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Pennsylvania.

Mr. CAVANAUGH. Mr. Chairman, I am concerned about the priorities we have here.

It is the judgment of the chairman that the amendment offered by the gentleman from California (Mr. Charles H. Wilson) to the amendment offered by the gentleman from Illinois (Mr. Simon) includes items of lower priority to the security of the Nation than the two Iranian ships?

Mr. GIAIMO. I did not say that. If I gave that impression I am in error.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

(By unanimous consent Mr. Giaimo was allowed to proceed for 1 additional minute.)

Mr. GIAIMO. What I should have said is, because of the unique nature of the termination by Iran on the two ships, someone will either have to buy them, which is the U.S. Government since we can use them in our Navy—God knows we need more ships in our Navy—or we are going to suffer a loss, termination costs and the like. We are told if we buy the ships we will save about $200 million per ship over what they would cost had we ordered them outright. Let us save the money and include them. It is not that I consider them of higher priority. I certainly think it is of higher priority than the other things in the substitute or amendment to the amendment of the gentleman from California (Mr. Charles H. Wilson).

Mr. CAVANAUGH. Mr. Chairman, that was my question.

Mr. GIAIMO. Mr. Chairman, I do not think they have any priority at all. I think they can wait until the 1980 budget. I think they can wait until we determine what we are going to do with missiles. I do not think that a new generation of missiles should be decided in a supplemental appropriations bill.

The CHAIRMAN pro tempore. The time of the gentleman has again expired.

☐ 1310

Mr. MATTOX. Mr. Chairman, I move to strike the requisite number of words and I rise to speak against the amendment.

Mr. Chairman, I find it somewhat necessary to cover several subjects. I was surprised at the chairman of the Budget Committee speaking in favor of the overall amendment of the gentleman from Illinois (Mr. Simon). The reason is that we have gone over this matter, this entire supplemental, time after time after time in the Budget Committee, four or five times.

Had the chairman and had the gentleman from Illinois (Mr. Simon) and had assorted other members of the Budget

Committee decided that the appropriate action was to add all these items to the resolution, it would have been entirely possible for us to add them; but the decision that was made was that these matters were not of an emergency nature, and because they were not of an emergency nature they should be postponed until 1980.

Now, I do not know exactly what the overall figure that we are talking about now is, but the gentleman from California (Mr. Charles H. Wilson) has offered an amendment to add another $800 million.

The gentleman from Illinois (Mr. Simon) has offered a couple billion dollars.

What we are talking about when we vote for it is borrowing that additional money, adding that much more money on the debt, because there is no other way we can do it. We are borrowing that money to spend. I want us to understand that.

Mr. Chairman, the two Iranian destroyers that we are talking about in the amendment of the gentleman from Illinois (Mr. Simon), those are two ships that the Pentagon did not see fit to order for our Navy. They have not said they wanted them prior to the time the Iranian situation took place. They had not said they need them. As a matter of fact, they had said they did not want them.

What is more important, let me give you an example. The chairman of the committee a moment ago said in effect what this amounts to is a $200 million savings on each of these ships. That is just like a fellow who wears size 10 shoes going out and buying a pair of 8½ shoes because they are a good deal. Man, we do not need any good deals like that. That is what the problem is with the whole defense budget. You can spend every dime that you want to spend on the defense budget, if it is for a worthwhile program and I would stand right here and vote for it. But do not stand up here and waste money. That is what you are doing if you buy these two destroyers. You are buying ships that the Navy does not need. It is a waste of money.

The gentleman from California (Mr. Charles H. Wilson) brings up here and flops down an $800 million amendment. We do not need to spend that money without a real plan, and we do not have one.

It is a great thing to spend money on the MX program, but we should not be making such major decisions concerning the MX in a 1979 supplemental. We should make it in a regular program year, 1980. It should be made then. It is not of an emergency nature. The military have not even figured out how they are going to base these things. They do not know whether they are going to put them on trucks, whether they are going to put them in holes out there in the ground. They do not know if they are going to put them on railroad cars. They do not even know what they are going to do with these things yet and they are already talking about spending the money to finish designing the missile.

For goodness sakes, in the name of practicality, do not waste this money. Let us get on doing what the American people want. Let us balance the budget and cut out some of this deficit spending.

☐ 1315

Mr. ICHORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have the greatest respect for the gentleman from Connecticut (Mr. Giaimo). I have known him and respected him and appreciated him as a Member of this body for now going on 19 years, and I am grateful for the leadership which he has provided in the Committee on the Budget.

I know the problems that the gentleman from Connecticut has to face. If he increases defense spending, then the gentleman from Maryland (Mr. Mitchell) jumps on him tooth and nail. If he increases social spending and decreases defense spending, those of us who are greatly concerned about the defense of this country object to that, and he gets it on the other side.

I would state to the gentleman from Connecticut that although I understand the problems he is up against, I do not really agree with him when he turns aside the concerns of the gentleman from Pennsylvania (Mr. Bailey).

Let me state that as chairman of the Subcommittee on Research and Development of the Committee on Armed Services, I have been conducting strategic overview hearings since the last of January, meeting 5 days a week. I am not only concerned about the trends out there in the future, I am concerned about where we are today.

This is no time to severely cut back on defense spending. I will be the first to say that money alone is not going to solve the defense problems of this Nation. There is a problem of the sense of urgency involved; there is a problem of will involved.

The gentleman from Pennsylvania (Mr. Bailey) did give some very dire assessments, and I realize it is oversimplistic when we ask who is the stronger, because we have to talk about the various scenarios and how a possible conflict might arise. But let us ask ourselves the question: where do we stand conventionally vis-a-vis the Soviet Union? The Members know the numbers as well as I do. The gentleman from Pennsylvania (Mr. Bailey) knows the numbers—4 to 1, 6 to 1, 50 to 1.

Let us ask ourselves where we stand in the field of theater nuclear or tactical nuclear weapons. Let us ask ourselves the question of where we stand in the matter of chemical warfare capability and defense.

I will tell the Members where we stand. The Warsaw Pact nations have 100,000 troops dedicated to chemical warfare. We have 5,000 and a situation where our offensive capability is rapidly deteriorating.

We do have some real problems in defense. I can state to the gentleman from Connecticut that the Soviets have been outspending us by 75 percent in research, development, and acquisition, and are committed to annual increases of 5 percent. We will not see any such increase coming out in the authorization and appropriation bills this year in our R. & D. spending.

Again let me state that I have the greatest sympathy for the gentleman from Connecticut because I understand the pressures he is under. But what has he done? What did he do to national defense this year?

National defense has again become the source of funding for other programs. It is interesting to note that defense was reduced $3 billion in budget authority and $2 billion in outlays, while income security was increased by $3.1 billion in budget authority and $3.8 billion in outlays.

A mere coincidence? I think not. What we are doing is taking away from defense and adding to income security programs. I think the gentleman has given in too much to the gentleman on the other side.

☐ 1320

The CHAIRMAN. The time of the gentleman from Missouri (Mr. Ichord) has expired.

(By unanimous consent, Mr. Ichord was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, I think it is understandable, I would state to the gentleman from Connecticut, when one considers that defense spending encompasses roughly 25 percent of the total Federal budget. I can remember when it used to encompass better than 50 percent of the total budget, and the gentleman from Connecticut can, I am sure, likewise remember. But defense spending encompasses over 65 percent of the discretionary funds. As a consequence, national defense has become the slush fund to providing financing for other domestic programs. At least the Committee on the Budget seems to give other programs higher priority. I hope that the members of this Committee will listen to the arguments of the gentleman from Pennsylvania (Mr. Bailey); I hope they will listen to the arguments of the gentleman from California (Mr. Charles H. Wilson); and I hope they will listen to the arguments of the gentleman from Virginia (Mr. Dan Daniel), and others. We certainly have great concerns, not only today, but in the days ahead.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the distinguished chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. Giaimo), and I renew my commendations of him.

Mr. GIAIMO. I thank the gentleman.

Mr. Chairman, I know the gentleman's dedication to the cause of Defense and to all of the problems of the American people, and I admire him for it, even in the instances when we disagree. I also have high regard for the gentleman from Pennsylvania (Mr. Bailey), who I know works hard in these areas and is fully cognizant of the problems involved. My objection, my complaint, is with the Secretary of the Army, who should know better than to respond to simplistic questions, such as, "Who is stronger, the United States or the Soviet Union?"

Those responses require careful analysis, as the gentleman in the well began to suggest some minutes ago. Are we talking about Europe, where the Russians in recent years have always been stronger in posture than the NATO countries? Are we talking about the oceans of the world? Are we talking about Asia? Are we talking about the South Atlantic? It depends on what we are talking about. Are we talking about nuclear capability? All I am saying is that these statements by the Secretary of the Army or by the Secretary of Defense, or anyone else, require careful analysis. Incidentally, these statements usually come up around budget time. Always around budget time we hear about the great inadequacies of these United States. I have been hearing this record for 20 years.

It is with the Secretary of the Army that I take offense, not with the gentleman in the well or the gentleman from Pennsylvania (Mr. Bailey).

The CHAIRMAN. The time of the gentleman from Missouri (Mr. Ichord) has again expired.

(By unanimous consent, Mr. Ichord was allowed to proceed for 3 additional minutes.)

Mr. ICHORD. Mr. Chairman, let me state to the gentleman from Connecticut that the questions were not asked by the gentleman from Pennsylvania in simplistic terms, as I think he understood, nor did the Secretary of the Army reply in such simplistic terms.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from Pennsylvania.

Mr. BAILEY. I thank the gentleman for yielding.

Mr. Chairman, I would like to add that, when those questions were asked, by myself and other members of the committee, they were not asked in simplistic terms. I will be very happy to get the testimony for the Members. But one of the things we did very, very cautiously was to make sure that there was no question of misunderstood conditions and extraneous matters. I know that in private discussions between myself and the gentleman from Connecticut the gentleman made allusion to the fact that we have all been aware that in NATO, for example, we have had a problem with conventional adequacy in that area, and I recognize that fact. But the questions were asked in a specific and very careful manner, to make sure that we could avoid the fears that the gentleman has so adequately voiced. It is true that it is very difficult to come before this body and respond to a simple question, "Who is stronger?" because there are areas where we are superior and perhaps stronger. So any answer lends itself to attack and arguments from the other side. What concerns me and what I think concerns the very able gentleman from Missouri is the fact that we have a certainly constrained type of response to a complicated set of questions, from administration witnesses, and they just were not given easily. They were not given without resistance, because the administration position is different, but is not publicly stated in open heart fashion.

□ 1325

Mr. ICHORD. I would say to the gentleman from Pennsylvania, I think we all differ as to where we are now, vis-a-vis the Soviets, but anyone that knows anything at all about the problems of defense, will not misinterpret the trends. The trends are definitely on the side of the Soviet Union against the United States, in favor of the Warsaw Pact nations and against NATO.

Mr. BAILEY. I thank the gentleman very much.

For the gentleman from Connecticut, I will make that testimony of those questions available for you.

Thank you very much.

Mr. STRATTON. Mr. Chairman, I words, and I rise in support of the move to strike the requisite number of amendment.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Illinois (Mr. Simon), and also in support of the perfecting amendment offered by the gentleman from California (Mr. Charles H. Wilson).

I think we ought to recognize that what we are doing with these amendments is addressing the supplemental budget for fiscal year 1979. We should recall that that budget, as far as the defense category was concerned, was sadly deficient when the 95th Congerss terminated, because the President had vetoed the nuclear carrier at a figure of $1.9 billion, and neither the committee nor the House, in their wisdom, reinserted that money under the other defense categories that the administration had belatedly tried to request. So what the Budget Committee has done is to take a budget that was just barely equal to the defense budget of the previous year, and they have allowed it to be depleted by almost $2 billion.

If we are talking seriously about trying to maintain parity with the Soviet Union in defense matters, we certainly cannot do it by knocking $2 billion out of a budget that barely matches the effort that had taken place the previous year. If we really are serious about trying to provide an adequate defense, we have got to put that money back in in some form.

The gentleman from Illinois (Mr. Simon) restores $600 million of that money; and now the gentleman from California (Mr. Charles H. Wilson) restores another $800 million. So, we are up to $1.4 billion, which is still not the entire amount that was taken out last fall.

Now, let us consider the kind of problem we face today as far as defense is concerned. I do not know how many of my colleagues had an opportunity to read the paper this morning, but the very distinguished junior Senator from Georgia (Mr. Nunn), addressed the U.S. Chamber of Commerce yesterday, and he is admittedly one of the recognized experts in the Congress on defense matters. He is in fact one of the key people from the President's own State when it comes to ratifying the SALT II agreement.

The Senator from Georgia (Mr. Nunn), in his low-key and very analytical way, pointed out that if we had any kind of parity with the Soviet Union in defense it was only what he called a "clinging" parity; and he said he could not support the SALT II agreement unless we really began a program of trying to restore the military balance by perfecting our intercontinental ballistic missiles, by improving our Navy, by improving our NATO defenses, and by supporting several other weapons systems that he indicated.

That was not scare talk. That was not exaggeration. That advice comes from someone who is recognized for balance in the field of defense. All these amendments which are now before us are trying to do is to move in the direction that the gentleman from Georgia (Mr. Nunn) had indicated we need to move.

On the Wilson amendment, we are trying to provide the money that is needed to get underway an arrangement that will protect our intercontinental ballistic missiles, which our committee indicated more than 1 year ago were vulnerable to a first strike attack by the Soviet Union. Money for the MX, which can protect those missiles is included in the amendment of the gentleman from California.

□ 1330

Mr. CHARLES H. WILSON of California. Mr. Chairman, will my friend yield?

Mr. STRATTON. I will be glad to yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. Just to clarify the situation here, the distinguished chairman of the Armed Services Committee sent a "Dear Colleague" letter telling about this parparticular amendment. The amendment we are debating is really the Price amendment, and I put it in as a convenience to Mr. Price. So I did not want us to be confused about what we are talking about.

Mr. STRATTON. I appreciate the gentleman indicating that, because certainly the gentleman from Illinois (Mr. Price), the distinguished chairman of our committee, has, I am sure, the same influence and respect and admiration as the distinguished Member of the other body, the gentleman from Georgia, whom I referred to a moment ago, when it comes to defense matters. We are simply putting into the supplemental budget money that is urgently needed to protect our long-range missiles. We are also putting in money President Carter asked for last year to increase our support to NATO, including funding the NATO AWACS, the very vital airborne warning aircraft.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. Stratton was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. So, the Wilson amendment is not a bust-the-budget amendment. It is merely an attempt to get us back to just the bare, "clinging" parity that we have at the present time.

I think we ought also to make perfectly clear that the statement of the gentleman from Texas (Mr. Mattox) a moment ago, that somehow every time we approve one of these amendments we are going into the loan market is simply not true. This is the budget process we are engaged in here. Not the appropriation process. We are trying to provide space for what we believe are the most vitally needed weapons in our military arsenal. Actual spending does not come until we get into the appropriation bills.

Certainly we ought to go into the consideration of the authorizing legislation and then the appropriating legislation with enough elbow room in the budget to make sure that we are accommodating our basic security needs.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, ladies and gentlemen, I take to the well to oppose the Wilson amendment and to—with a great deal of regret—oppose the Simon amendment.

With reference to the Wilson amendment, I think the only thing that I need to point out is that we have more than $80 billion in unobligated funds in the military—more than $80 billion in unobligated funds. Maybe much of this is in research and development. I am not a physicist or an engineer, but I can bet you my bottom dollar that if it takes us 5 years to perfect a tank or missile or another plane, by the time we perfect it, by the time that is done, then another new "scientific" advance will have been made and that which we worked on has been made obsolete. So, I think the unobligated funds that we have in the military are clearly much too much, and we do not need this amendment.

With reference to Mr. Simon's amendment, which is well-intentioned, it is aimed to help out some people who have been hurt in his budget process. There is no doubt that we need money for disaster assistance, and it is going to be voted somewhere down the line. When it comes down to urban aid, food stamps, human services, what we give them is a minuscule addon which does not begin to approach needs in those areas.

I wanted to take the well this morning to point out to my colleagues that we are now once again in the bind that we find ourselves every year. Those of us who support human services programs will somehow or another be willing to say, "OK, we will take 1 percent of need, 1 percent addon of what the need is."

But, in so doing we get a tradeoff for some vessels, some *Spruance*-class destroyers. That, I think, represents a Godawful mistake on the part of our Government in the first place.

☐ 1335

So it is for those reasons that I must regretfully oppose the gentleman's amendment, and he is a very good friend of mine. To my other great friend from California, I would suggest to the gentleman and I would beseech him to go to the military and ask them to take out some of those $80 billions that they have in those unobligated funds and reapply them.

Mr. CHARLES H. WILSON of California. In connection with that figure, I wonder if the gentleman would yield and let me correct him.

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. CHARLES H. WILSON of California. There is $21 billion of unobligated funds, which is an awfully large amount, and I think we should have some understanding from the military on this figure. The $80 billion is an incorrect figure. The difference is unexpended funds which will be spent as soon as contracts are let. There is $21 billion which I apologize for in itself, but it is a lot different than $80 billion.

Mr. MITCHELL of Maryland. It is my fault, too, because I should have brought it up in two parts. We have the unobligated $21 billion and then the other funds are unexpended, at the rate at which those funds are being expended, we will still not use that money up in the next 5 years.

Mr. STRATTON. Mr. Chairman, will the gentleman yield to me?

Mr. MITCHELL of Maryland. I would be delighted to yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

I think the gentleman is creating a bit of a misunderstanding in talking about these unobligated and unexpended balances. Does the gentleman perhaps have children for whom he puts aside funds to go to college, for example? These funds would not be expended, yet they would be earmarked for a very important purpose.

Mr. MITCHELL of Maryland. I will yield back the balance of my time, but will the gentleman let me respond? I am going to respond to him. The gentleman in the well is a bachelor, and if he had children, he would not "own up" to them at this point.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment offered by my friend, the gentleman from California (Mr. Charles H. Wilson). We are talking about supplemental 1979 appropriations. We are adding, in my amendment, money for two destroyers that we can take advantage of right now, save money for the U.S. Government, and save termination costs of about $208 million. That is for an emergency, and that is why we want to do it now.

The items in the amendment offered by the gentleman from California (Mr. Charles H. Wilson) are like a great many other items, and there is a long list of them, that the Budget Committee decided were not of an emergency nature, and we decided not to take them up in the supplemental. I would point out two tools that the Department of Defense has right now with which it can deal with any one of the items in the Wilson amendment package. One is the power to reprogram funds within its appropriation if an emergency develops. That power has not been used. No. 2, on a nonemergency basis they can transfer up to $750 million from one appropriation to another within the total made available by the act. That has not been done.

I know that my good friend and colleague, the gentleman from Illinois (Mr. Price) sent out a letter from the Secretary of Defense. I would point out that my amendment without any alterations is supported by OMB, and it is supported by the White House.

☐ 1340

It is true that if you ask the generals or the Secretary of Defense, can they effectively use more money, of course the answer is yes. It is true for the Secretary of HUD, for the Secretary of HEW, for every other Secretary, and every other agency. We simply have to exercise some prudence.

I would point out finally that the Senate figures on defense—for those of you who are concerned about the defense appropriation figures—the Senate figures in their budget are appreciably higher. If we are to have some exercise of prudence we simply cannot be escalating the figures in the House budget and then go over and reach a compromise with the Senate which sends our deficit escalating far beyond what this House wants and I think the people of the American Nation want.

I would urge that we stick to the amendment as I have introduced it, that we reject the amendment of my colleague from California (Mr. Charles H. Wilson).

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I wish to express my support for the amendment to the third budget resolution for fiscal 1979 being offered by my distinguished colleague from Illinois (Mr. Simon).

This package amendment addresses several budget areas that provide assistance to the neediest and most vulnerable members of our society. For example, the proposal includes $250 million in budget authority for the crucial targeted assistance program to hard-pressed localities.

Many of my colleagues will recall that this program was scheduled for a renewal vote on the last day of the 95th Congress. In the confusion and exhaustion of those closing hours, the vote on extension of countercyclical aid was repeatedly postponed and ultimately cancelled.

As a result, cities throughout our country have been forced to somehow close a budget gap that was created by the loss of this essential Federal aid. It is vital, Mr. Chairman, that targeted fiscal assistance be revived in fiscal 1979 and continued in fiscal 1980. Mr. Simon's amendment addresses the first of these needs.

The amendment also provides $650 million in budget authority for the food stamp program which has experienced an unanticipated rise in participation. Recent changes in food stamp eligibility criteria approved by Congress limit further increases in the number of recipients. It is, therefore, necessary and fair to authorize funds to meet the costs incurred by the program prior to adoption of the new criteria. The alternative would be to deny food stamp assistance to people, mostly the rural poor, who entered the program under then-current eligibility standards.

Mr. SIMON's amendment would also create sorely needed budget authority for programs important to the handicapped and to low-income older persons. Some $12 million is provided to launch an independent living program for severely disabled individuals and to initiate the institute on the handicapped. Another $25 million would generate additional part-time employment opportunities for elderly persons whose incomes do not otherwise permit them to live at a decent level.

Urban parks would receive an additional $38 million in budget authority under Mr. SIMON's amendment. These funds are needed to maintain recreational areas in our cities and to enhance amenities that make our cities attractive places to live and work.

It is with some reluctance, Mr. Chairman, that I also support the component in the amendment which would result in a net increase in defense authorizations. This measure is necessary, because the Senate has already indicated its intent to approve purchase of the two destroyers originally ordered by Iran.

While I have some reservations about any added authorization for the Pentagon in fiscal 1979, I see no practicable alternative within the context of Mr. SIMON's amendment. The gentleman's proposal offers many vital human service programs the resources essential to fulfill their aims. For these reasons and because of the likelihood that even larger Pentagon authorizations might be required if the destroyer purchase is not concluded, I reluctantly accept this provision of the amendment.

I will in any event be addressing myself to a separate amendment to reduce wasteful Pentagon authorizations for fiscal 1980 and to transfer the resulting savings to inadequately funded domestic programs.

The amendment contains one additional and commendable feature which would add $920 million in budget authority for the Federal agencies that deliver disaster relief services. My colleagues know that this spring has been a particularly severe time for flooding and other natural calamities. This additional authorization must be approved if Federal emergency assistance programs are to respond adequately to the current situation.

This is, then, a most comprehensive and carefully conceived amendment which, I believe, deserves the support of this House. It has been designed to provide additional domestic authorizations precisely where they are most needed.

The amendment would help people in every part of our Nation. It would aid the young, the elderly, the handicapped, and poor people. It deals realistically with the problem created by the cancellation of Iran's order for two destroyers. There are ample reasons for approving this amendment from nearly every regional and political perspective. I strongly urge my colleagues to accept this measure which will make the fiscal 1979 budget more responsive to current needs.

I simply want to indicate to the gentleman that the vote on the amendment offered by the gentleman from California (Mr. CHARLES H. WILSON), is in my judgment a very critical one. There are those of us who have not yet made up our minds on how we are going to vote on this budget resolution.

We have been forewarned that in fact the effort that was made in previous years will probably be made again and perhaps successfully, to overload the budget resolution to a greater extent with defense appropriations.

The first test is on the amendment of the gentleman from California (Mr. CHARLES H. WILSON).

For example, I would support the amendment of the gentleman from Illinois (Mr. SIMON), because I think it is worth balancing off the authorization for those two destroyers, because of the very real social needs that are provided for in your amendment.

I would under no circumstances be able to support your amendment if it had tacked on it the bloated portion of the amendment of the gentleman from California (Mr. CHARLES H. WILSON). Indeed I think if that would set the standard many of us would not be able to vote for the budget resolution at all.

I thank the gentleman for yielding.

Mr. SIMON. I thank the gentleman from New York.

Mr. Chairman, I think the gentleman is correct when he says we are down to the moment of truth, or that we are going to be exercising real care and prudence or not.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague from California.

Mr. PANETTA. I thank the gentleman for yielding.

Mr. Chairman, I think it is necessary to express the psychology that the committee applied in terms of dealing with the supplemental. We thought we had to approach both the 1980 budget and the supplemental.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PANETTA. I ask unanimous consent that the gentleman from Illinois be given an additional 3 minutes.

(On request of Mr. PANETTA and by unanimous consent Mr. SIMON was allowed to proceed for 3 additional minutes.)

Mr. SIMON. I yield further to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I feel we should approach the 1980 budget as well as the supplemental with the view of having a tight budget, of trying to somehow control the spending that goes on here. We felt that in dealing with the supplemental we would look for emergency items that would have to be funded in 1979.

It is important to realize we are dealing with 1979, here. We are not dealing with the priorities of 1980.

The fact is that the President submitted proposals for $9.5 billion in budgetary authority for supplementals and an outlay figure of $4 billion. The committee reported out $3.2 in budgetary authority and $1.2 billion in outlays. We have tried to tighten up on the supplemental.

You cannot come into the supplemental to add issues and subjects that may deal with 1980 and beyond. Let us focus on 1979. This is a balanced package dealing with needed assistance for disaster relief, it deals with fiscal assistance for urban areas as well as for defense. I think it is a balanced position that is presented here and I think the House should support it.

Mr. SIMON. I thank the gentleman from California (Mr. PANETTA).

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my distinguished majority leader.

Mr. WRIGHT. I simply want to congratulate the gentleman from Illinois on a very well drafted amendment, one that responds to the need and is not in any sense excessive.

I think it is very significant that even with the amendment which the gentleman offers as a part of the fiscal 1979 budget, the fiscal 1979 deficit still will be lower than that figure which this House endorsed only last September of $38 billion. Because of greater revenues than anticipated and other changes, it now appears that the deficit will be nearer to the figure of $34 billion. It is important for all of us to understand that what the gentleman from Illinois offers as a supplemental addition to fiscal year 1979 does not increase the deficit for fiscal year 1979, yet, to the point that we as a House and as a Congress endorsed last September, and does not add 1 penny to the deficit for 1980.

□ 1345

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have listened to this debate for the last 15 or 20 minutes about the increased funding for defense in the Simon amendment. Well, now, it seems to me the bulk of the Simon amendment has been overlooked. The Simon amendment provides for an increase of $315 million in national defense outlays for fiscal year 1979, but let us run through the other functions that are increased.

Function 150—international affairs. Budget authority, plus $336 million; outlays plus $315 million.

This outlay increase is as much as we would add to national defense in fiscal year 1979.

Now, I see the gentleman from Illinois on his feet. If the gentleman would like to correct his figures, I would be happy to yield to him.

Mr. SIMON. Mr. Chairman, yes, those are subtractions in those areas, if the gentleman will note. Those are not additions.

Mr. LATTA. Let me finish with the gentleman's figures.

Mr. SIMON. I assume the gentleman favors a subtraction here and there.

Mr. LATTA. We may subtract in function 150, but the gentleman certainly does not subtract in function 300—natural resources and environment.

Mr. SIMON. We do not. I simply was correcting the gentleman's statement on 150.

Mr. LATTA. Mr. Chairman, let me read the gentleman's amendment, and if the gentleman would like to correct it, I would be glad to yield to the gentleman.

In section 6(b) the gentleman's amendment reads as follows:

In the matter relating to Function 050—National Defense, increase the amount for budget authority by $628 million and increase in the amount of outlays by $315 million.

In the matter relating to Function 150—International Affairs, decrease the amount of budget authority by $336 million; decrease the amount of outlays by $15 million.

In the matter relating to Function 300—Natural Resources, increase the amount of budget authority by $88 million, and increase the amount of outlays by $27 million.

In the matter relating to function 450—Community and Regional Development, increase the amount of budget authority by $870 million and increase the amount of outlays by $605 million.

The $605 million is twice the amount of the outlay increase for national defense, an increase that has consumed so much debate time here this morning.

In the matter relating to Function 500, increase the amount of budget authority by $37 million and increase the amount of outlays by $13 million.

In the matter relating to Function 600, increase the amount of budget authority by $650 million and increase the amount of outlays by $600 million.

In the matter relating to Function 800—General Government, increase the amount of budget authority by $16 million and increase the amount of outlays by $7 million.

In the matter of Function 850, increase the amount of budget authority by $270 million and increase the amount of outlays by $270 million.

Using the gentleman's own figures, it says at the beginning of his amendment:

In the matter relating to the appropriate level of total new budget authority, increase the amount by $2,223,000,000.

In the matter relating to the appropriate level of total budget outlays, increase the amount by $1,522,000,000.

I call these figures to the attention of my colleagues because during the debate on this matter so far we have heard only about national defense. We have not heard about the many add-ons that we are expected to accept in addition to the $315 million increase in 1979 defense outlays.

☐ 1350

Are we supposed to buy all of these additions? I think not. We cannot overlook the increase in budget authority of approximately $1.6 billion over and above the amount for national defense.

Mr. Chairman, let us not lose sight of that fact as we debate the Simon amendment.

AMENDMENT OFFERED BY MR. EDWARDS OF ALABAMA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SIMON

Mr. EDWARDS of Alabama. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. Edwards of Alabama as a substitute for the amendment offered by Mr. Simon: In the matter relating to the appropriate level of total new budget authority increase the amount by $1,122,368,000;

In the matter relating to the appropriate level of total budget outlays increase the amount by $190,176,000;

In the matter relating to the amount of the deficit increase the amount by $190,176,000;

In the matter relating to the appropriate level of the public debt increase the amount by $190,176,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $190,176,000.

In section 6(b):

In the matter relating to Function 050 increase the amount for budget authority by $1,458,368,000; and increase the amount for outlays by $505,176,000.

In the matter relating to Function 150 decrease the amount for budget authority by $336,000,000; and decrease the amount for outlays by $315,000,000.

The CHAIRMAN. The gentleman from Alabama (Mr. Edwards) is recognized for 5 minutes in support of his substitute amendment.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I will yield briefly to the chairman of the committee.

Mr. GIAIMO. Mr. Chairman, I ask the gentleman to yield because we do not have a copy of the amendment.

Mr. EDWARDS of Alabama. I will be glad to explain very briefly what this amendment does.

Mr. GIAIMO. I would appreciate it if the gentleman would explain what the amendment does.

Mr. EDWARDS of Alabama. Mr. Chairman, very briefly, this amendment strikes all of the Simon amendment except for the defense function, and in that case it uses the Charles H. Wilson of California amendment as the defense number.

PARLIAMENTARY INQUIRY

Mr. PEYSER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. PEYSER. Mr. Chairman, so that I understand the situation, if the Edwards substitute were to prevail and some Member had an amendment to the Simon amendment, we would not have a bill to amend at this time; is that correct? In other words, a Member would have to offer a totally separate amendment because this amendment is not speaking to the matters to which the Simon amendment spoke?

The CHAIRMAN. The Chair would like to advise the gentleman from New York (Mr. Peyser) that the first vote would come on the Charles H. Wilson of California amendment to the amendment offered by the gentleman from Illinois (Mr. Simon). The second vote would come on the substitute offered by the gentleman in the well, the gentleman from Alabama (Mr. Edwards), and if that substitute were adopted the vote would recur immediately without further amendment on the Simon amendment as amended by the substitute.

Mr. PEYSER. I thank the Chair.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama (Mr. Edwards).

Mr. EDWARDS of Alabama. Mr. Chairman, last year, much to the consternation of many of my colleagues, I took the well and argued against the construction of a nuclear carrier because we simply did not have the money to build it.

I now come to the Members to try to support our President and our Secretary of Defense, and in answer to the defeat of the nuclear carrier and in answer to the request of many of the Members to come up with items that are more necessary to the defense of this country, we now have this supplemental figure to present.

I show the Members a chart here. This chart is not new to many of the Members. The blue line shows the trend in defense spending by this country. The red line shows the trend in spending for military by the Soviet Union. I think the Members can see from that chart the problem that we face.

We simply have not been appropriating enough money to provide for an adequate defense in this country, in view of the tremendous cost of weapons systems for which we have to pay year after year. And so we find ourselves year after year in a position where we are having to drop out of the budget process, even before it gets to the Congress, many items that we need to have in our military.

☐ 1355

Then we struggle with those figures here in the House and in the other body to try somehow to put together an adequate defense system. The truth is, we have not been able to do an adequate job.

I have heard the question raised here, "If the Navy needed these destroyers, why did they not put them in the budget?"

Well, the simple reason is they have been crowded out by so many other things. And one of the things that crowded this type ship out, and other defense systems that were needed, was the nuclear carrier, which I argued against last year. Now that we are not building that nuclear carrier we have room in the 1979 budget to try to do some of the other things that are so very essential to the defense of this country.

We see the Soviet Union, therefore, on the rise in its defense spending, and we see the United States, the greatest Nation in the world, in a declining posture, as far as the charts are concerned.

I would like to flip the chart, the first one showing the total outlay, to investment. Investment simply means buying those things such as ships and other items of hardware that are needed in the defense of this country, and we can see an even greater divergence between what we are doing and what the Soviet Union is doing.

I would like to be able to stand here and tell the Members that we do not need to worry about these types of things any longer. I would like to be able to tell the Members that all is at peace with the world and we do not have any problems with the Soviet Union. But I would be doing the committee a disservice if I tried to convey that impression.

So we need to take up the slack that was left by the nuclear carrier and put in this 1979 budget resolution items that the Navy so desperately needs. We could not accommodate the destroyers in the past, as we are trying to do today. But in the process, we find that we can literally save $200 million on each destroyer if we can take advantage of this situation that is before us.

We have heard talk about bailing out the Iranian Government, and all this sort of thing. What we are doing is trying to buy the Iranian position that they presently hold and, in order to do that, we will replenish the trust fund to the extent that we will be buying the share that they put in these destroyers and we will be picking up the contract, and much of that trust fund will then be used as other items are canceled and other credits are arranged.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(By unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. The Navy, among all of the services, is in a desperate financial situation vis-a-vis the ability to acquire the ships and planes and other weapons systems that they need. We have seen zeroed in the 1980 budget the AV-8B, the V/STOL airplane that the Marine Corps so desperately needs.

Why? Simply because there was not enough money available to include it.

We are building 24 F-14's, the Navy's primary tactical aircraft, simply because we do not have enough money to build any more. We are only buying 15 F-18's simply because we are hurting for money.

And what all this means is that in the out years, as we have to buy greater numbers of planes and ships in order to reach the level that we need, 5 or 10 years from now, when we look back to arguing over $130 billion in the Defense budget, we are going to think it is chicken feed.

So what we must do, in my opinion, is to take advantage of the money we were able to save in fiscal year 1979 by not building the nuclear carrier and put it to the best possible use, so that we can save this tremendous amount in the out years that we know is going to come, so far as the Navy is concerned. I think it is essential that we make the best use we can of this money.

□ 1400

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I would be glad to yield to the gentleman from California (Mr. ROUSSELOT).

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman, who is the ranking Republican member of the Defense Subcommittee, telling us how, by purchasing these two destroyers now the Government would be saving roughly $200 million per ship by buying them this way rather than starting new construction?

Mr. EDWARDS of Alabama. That is correct.

Mr. ROUSSELOT. So, it actually is a long-range saving to vote for your amendment?

Mr. EDWARDS of Alabama. I do not think there is any question about the fact it is a savings. We have got to have ships like this, and to be able to pick these up at bargain basement prices—we have been hearing a lot about windfalls lately—this is a real windfall that works to the benefit of the U.S. taxpayer.

Mr. ROUSSELOT. Knowing how carefully the gentleman considers expenditures in the committee on which he serves, I think he has made an excellent point. I uge support of the gentleman's amendment.

Mr. EDWARDS of Alabama. I thank the gentleman.

Let me pursue a point I was making a little earlier, because I think it is important.

Everybody agrees we ought to be building 180 tactical aircraft in the Navy each year. We are building 39 tactical aircraft in the 1980 budget, and we have been around the 100 level in the years just preceding. We are no where near the 180 we need.

In the Air Force we are hurting—this is embarrassing to say this—but we are so hurting for spare parts in the Air Force that at any given time only about half of our F-15's can fly. That is our No. 1 airplane in the Air Force. On any given flight, there are an average of three cannibalizations of other F-15's, taking parts from one F-15 to put into one that is going to fly to make it fly.

We have got to solve those problems. The sad thing is it takes money.

The CHAIRMAN. The time of the gentleman from Alabama (Mr. EDWARDS) has expired.

(By unanimous consent, Mr. EDWARDS of Alabama was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. I know every time we come to the floor, we talk in terms of $120 billion or $130 billion for defense, and that is approaching a quarter of the Federal budget, and many people get nervous and say it is not needed.

Many people say, "Let us put it on other things," but if this country is not secure, then all these other things that we are all interested in will not survive.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I am happy to yield to the gentleman from Maine.

Mr. EMERY. I thank the gentleman for yielding, Mr. Chairman. I would like to associate myself with the gentlemen's remarks.

I think the most important point the gentleman has made in his presentation this afternoon is the necessity to build up our naval forces.

We have learned in the Seapower Subcommittee that four modified Spruance destroyers that we find are now available to us from Iran, are four ships that we very much need. There has been much discussion to the effect that they are not compatible with our shipbuilding needs, and are fitted out with some equipment that are not important to us. That simply is not true. These are ships that have an antiaircraft capability that is second only to Aegis, which is not yet in use.

I think, by any analysis any reasonable person could make, these four ships are going to be very useful to the Navy. I wish we could get all four of them at the same time. If we do not buy at least two of them now, we are certainly going to have to face it later on, and they are going to be more expensive.

Mr. EDWARDS of Alabama. I want to make the point that this debate on the Simon amendment and amendments thereto and the substitute, by and large, is turning on the question of defense. It is for that reason that I have offered this substitute to narrow the defense issue so there could be a clear vote on that issue. We can talk about the rest of the Simon amendment later.

□ 1405

But I do not think that this very serious key issue of defense spending ought to determine what happens to the rest of the Simon amendment. I think we ought to vote on this amendment, and then we can take up the other items in the Simon amendment. I will be glad to enter into that debate.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding. I think he has answered my question. Basically, the gentleman's substitute now is speaking only to defense. He is basically eliminating the balance of the Simon amendment completely, because we will be voting on the Simon amendment before we vote on the gentleman's amendment.

Mr. EDWARDS of Alabama. In effect, I am dividing the issue between defense on the one hand and the balance of the Simon amendment on the other.

Mr. PEYSER. I thank the gentleman.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my colleagues in the House, just briefly I want to express my opposition to the amendment offered by the gentleman from Alabama (Mr. EDWARDS). I know that the disaster which has struck Mississippi must not have hit Alabama, because all of the disaster assistance is knocked out by this amendment, all of the food stamp money. Those people who benefit from food stamps, the majority of whom have household incomes under $3,600—the elderly, the disabled in all our districts—who are going to be totally eliminated from food stamp assistance if we do not provide any assistance, that is all knocked out. I would simply point out that we are taking drastic surgery on the amendment if we accept the Edwards of Alabama amendment, and I would urge its defeat.

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. SIMON. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank the gentleman for yielding. I have listened to the debate very carefully. One point I want to make is that the gentleman struck a responsive chord when he said the food stamp funds would be struck out. Would it be the increase or all funds? I did not quite catch that.

Mr. SIMON. The administration would face a choice of doing one of two things for those last 3 months: Reducing those food stamps by one-third, or for the last month and a half or so, as I understand it, just eliminating them completely.

What my amendment does is simply give the Committee on Agriculture the chance to modify the present cap so that we can provide these people the assistance they need.

Mr. ASHBROOK. I thank my colleague.

Mr. SIMON. I would urge that the Edwards of Alabama amendment, when we vote on it, be defeated.

Mr. DICKINSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there has been some very significant debate and discussion of the issues here today. I am going to support the Edwards of Alabama amendment, but the thrust of my remarks, I think, go to a broader picture. I would like to emphasize what the chairman of our Research and Development Subcommittee said, and emphasize what Mr. Edwards has just said and shown very graphically by the charts.

We have been told by our intelligence community before our committee this year that there has been a recent reassessment of the level of effort by our intelligence committee of the Soviet Union. It is very unsettling, what we were told, because we have underestimated, according to the present assessment—whether we talk about the CIA or DIA—there has been a total agreement within the intelligence community that we have serious underassessment of the level of effort of the Soviet Union in the last 10 years.

Now, what the graphs that have just been shown to the membership here depict is the current assessment which shows where the Soviets are today and where they are going, and compares that to our level of effort, where we are today and where we are going.

☐ 1410

Whether it be in the total effort of procurement or in the research and development field, we are lagging woefully behind. There could be all manner of debate, serious debate, very serious disagreement in good faith, as to the relative strengths of the United States and the Soviet Union. We are told, and I do not think that there is any serious disagreement, that whether we are talking about strategic forces or whether we are talking about conventional forces, we are outnumbered, outmanned, and outgunned. We have less throw weight; we have less nuclear capability. Whether this is true in relative terms or not is debatable. But, Mr. Chairman, one thing that is not debatable, because we are unanimous in our intelligence community in this regard, has to do with the trend—the trend, Mr. Chairman—and this is the thing that should be of utmost concern to us and the thing that we are dealing with here today.

The Members saw in the graphs just presented the facts that were presented to us by Lt. Gen. Tom Stafford of the Air Force and the facts that have been presented to us by our intelligence community, showing that in 1972 the lines on the graph over there crossed where we had had a superior effort and a capability effort until about that time. Since 1972 the lines have crossed, and we have seen the level of effort of the Soviets surpass ours. We have seen their procurement surpass ours, and today in 1979 there is a great disparity.

So what are the relative strengths now? We could debate that, as I have said, but there is no debate about the trend. So at some point inevitably in the very near future the disparity is going to grow to the point where we cannot overcome unless we at least—at least—put forth the level of effort promised by the President, which is a 3-percent real growth each year. The proposed cuts in this budget amendment, or in this budget as presented, do not represent a 3-percent real growth. I would like to see more than a 3-percent real growth. But to do less than has been proposed by the amendment now being discussed, or the amendments that will be offered, to beef up and enhance our defense capability would be folly.

Regarding research and development, we are told in the last 10 years the United States has fallen behind the Soviets in terms of effort in R. & D. alone by $40 billion. When we start talking about research and development, this is something that we cannot turn off and on like turning off and on a light or a water faucet.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Dickinson was allowed to proceed for 2 additional minutes.)

Mr. DICKINSON. These are our long lead term items. These are the things where imagination, brains, and resources pay off. This is where we have to compile and assemble and train a team, a team that will work together to accomplish an end result. To terminate a team that is in being and ongoing, that is effective and productive, is ridiculous, it is saying, Next year we will appropriate more money and put them back to work. It is ridiculous because the team no longer exists.

So it is all important that we set the budget ceiling high enough to give us the flexibility within our Department of Defense to at least keep our teams together, give them an area in which to work, give them some incentive without feeling that Damocles' sword continues to hang over their head. Let us stand together now to see to it that regardless of our relative strengths, the trend does not continue. Let us reverse the trend and assure ourselves that we will not always be in a position of No. 2, and perhaps No. 3.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. DICKINSON. I will be very pleased to yield to the gentleman from Alabama.

Mr. NICHOLS. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman in the well for his statement and associate myself with his remarks.

Mr. Chairman, I rise in strong support of the amendment offered by Mr. Charles H. Wilson of California to the amendment of the gentleman from Illinois (Mr. Simon), which will reestablish the levels of budget authority and outlays approved by the Congress in the defense category of the second budget resolution for fiscal year 1979.

The fundamental issue is simple. The Congress approved, as part of the second concurrent resolution on the budget for fiscal year 1979, $127 billion of budget authority for the defense function. This authority would purchase a particular level of defense capabiltiy. Only $125.5 billion of budget authority has been authorized and appropriated for fiscal year 1979 to date.

Of course, $125.5 billion would purchase less defense than $127 billion. But the Congress has previously agreed to purchase $127 billion worth of defense. That is what is needed; that is what was desired. In consonance with this intent, it was recognized by the administration—in its submission of a supplemental request—and by the Congress—in its adoption of the second budget resolution—that a supplemental defense authorization and appropriation bill for fiscal year 1979 would need to be considered.

The Committee on the Budget—has in effect—recommended that the defense program supplemental not be considered. This is the issue. If the Congress adopts the Budget Committee's recommendation, the defense capabiltiy will be below that which was determined as appropriate—not just during this year, but for years to come. If the Congress adopts the recommendations of the Budget Committee, we will not have the opportunity to debate fully the defense program supplemental authorization and appropriation bills.

I strongly urge that you lend your support to the amendment offered by Mr. Charles H. Wilson to restore $1.4 billion in budget authority to the defense function for fiscal year 1979 to allow for consideration of these bills.

Mr. DICKINSON. I thank my colleague for his remarks.

Mr. Chairman, I yield back the balance of my time.

☐ 1415

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as chairman of the Subcommittee on Seapower, I support the amendment which has been offered by the gentleman from Alabama (Mr. EDWARDS). It certainly strikes a responsive note on the basis of the information we have had before that committee.

These four Iranian destroyers, two of which he adds to this bill, are bargain-basement procurement. We have been hearing for many years about the fact the Navy should procure cheaper ships, smaller ships. That is very difficult to do today because effective ships are very expensive to build. Here we have an ideal opportunity to procure four destroyers, excellent ships, ships which we need and we can do it at bargain-basement prices.

In view of what has been said here on the floor with regard to this amendment, it is my understanding we could vote for this amendment and narrow the defense issue by this amendment and then we could address the other things which I think are needed in the Simon amendment afterward; by the reintroduction of those provisions.

In view of that I intend to support the amendment of the gentleman from Alabama (Mr. EDWARDS) and say to you there is no doubt at all if you do not vote for the amendment you have thrown away hundreds of millions of dollars out of the Federal Treasury which is a very foolish thing to do. You do not want to do that. Particularly, since these hundreds of millions of dollars are for the procurement of ships which can be bought at this time, and at this time only, through this cheap arrangement. The reason for this is that there is a contract which binds that producer of the ships to produce them at that figure and we can take advantage of that bargain price contract figure.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Illinois.

Mr. SIMON. I just wanted to make clear to the distinguished member of the Committee on Armed Services, he is aware my original amendment also calls for procurement of those two ships?

Mr. BENNETT. Mr. Chairman, I understand the gentleman from Alabama added two, is that correct? The gentleman adds all four?

I am assured by nods of heads that is so. If that is not so I would like to be corrected.

Mr. SIMON. Mr. Chairman, if the gentleman would yield, I would be pleased to be corrected by the gentleman from Alabama if I am not stating this correctly: What my amendment does is authorize the procurement of those two additional ships. The Navy intends in its 1980 budget through funds that will be available through the 1980 budget to procure the additional two ships. I have that from the Navy and I think that is correct.

Mr. BENNETT. Mr. Chairman, the question was whether or not the gentleman's amendment will add destroyers over and above what the Simon amendment does.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. My amendment, first, strikes all of the Simon amendment except defense. It then accepts the dollar figure in the amendment to the amendment offered by the gentleman from California (Mr. CHARLES H. WILSON), the dollar figure for defense. That would buy two destroyers plus other items in the President's supplemental for 1979.

Mr. Chairman, my amendment only provides for two destroyers plus these other items.

Mr. BENNETT. I appreciate that correction.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. To make it clear, the Simon amendment provides for the purchase of the two destroyers.

Mr. EDWARDS of Alabama. There is no question about that.

Mr. GIAIMO. The amendment offered by the gentleman from California (Mr. CHARLES H. WILSON), adds to that about $800 million for the purchase of other things.

Mr. EDWARDS of Alabama. Not destroyers.

Mr. GIAIMO. Not destroyers. The amendment offered by the gentleman from Alabama (Mr. EDWARDS) knocks out everything in the amendment of the gentleman from Illinois (Mr. SIMON) but the destroyers. It includes the additional defense money which the amendment of the gentleman from California (Mr. CHARLES H. WILSON) has also included.

Mr. EDWARDS of Alabama. The gentleman is correct.

Mr. GIAIMO. Mr. Chairman, all of this is for the 1979 fiscal year, not for fiscal year 1980 which is the main subject of the resolution.

Mr. EDWARDS of Alabama. Mr. Chairman, the gentleman is again correct. Will the gentleman yield further?

Mr. BENNETT. I yield to the gentleman from Alabama (Mr. EDWARDS).

Mr. EDWARDS of Alabama. I want to make this point again. The items included in the amendment of the gentleman from California (Mr. CHARLES H. WILSON) which I have accepted in my amendment are items which were sent to the Congress by the President in a fiscal year 1979 supplemental to provide hardware in lieu of the money that was not spent on the carrier.

Mr. Chairman, while the gentleman and I disagreed violently on the question of the nuclear carrier, my argument then and now is that these are better uses to be made of that money and that is the reason I opposed the carrier earlier.

Mr. BENNETT. Mr. Chairman, I appreciate the gentleman's remarks. It does clarify the legislative situation before us at the moment.

In view of what has been said I would still support the amendment of the gentleman from Alabama (Mr. EDWARDS) thinking we could go back to the amendment of the gentleman from Illinois (Mr. SIMON) by other amendments thereafter.

☐ 1420

Mr. DOUGHERTY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I will yield.

Mr. DOUGHERTY. Mr. Chairman, is it not true that the original 1979, the second concurrent budget resolution, had a figure of $127 billion for defense?

The CHAIRMAN. The time of the gentleman from Florida (Mr. BENNETT) has expired.

(At the request of Mr. DOUGHERTY and by unanimous consent, Mr. BENNETT was allowed to proceed for 3 additional minutes.)

Mr. BENNETT. That is my understanding.

Mr. DOUGHERTY. Mr. Chairman, if the gentleman will yield further, so in effect the second concurrent resolution of 1979 authorized $27 billion for defense; of that, though, only $125.5 billion has been authorized.

What we are doing then, if I understand this gentleman's amendment, we are not really increasing defense spending over and above the second budget resolution. In effect, we are simply trying to authorize the expenditure of defense funds at the level of the second concurrent budget resolutions; is that correct?

Mr. BENNETT. That is my understanding.

Mr. Chairman, I yield to the gentleman from Connecticut if the gentleman has a different point of view? Well, the gentleman is not here, I do not believe; but that is my understanding.

Mr. DOUGHERTY. Well, if the gentleman will yield further, as a new Member of this group and as a member of the Seapower Subcommittee, I am looking at this as we have had all the debate and what really comes out of it, unless I am corrected by the gentleman from Illinois (Mr. SIMON), is that we are in effect penalizing the defense budget. We are in effect reducing the amount of defense dollars that were authorized in the second concurrent budget resolution for 1979.

Mr. BENNETT. That is correct.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I understand it is not correct. That $1.4 billion which was available last September in the second budget resolution already has been consumed by the Defense Department and will be consumed by way of reestimates in additional costs and expenditures for the same items in defense appropriations. In other words, the $1.4 billion is not available for this supplemental.

Mr. BENNETT. Mr. Chairman, the gentleman from Florida would like to recapture his time at this point.

Mr. DOUGHERTY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. Mr. Chairman, if I may respond, I understand that is in outlays, but not in budget authorization.

Is it not true, as chairman of the Seapower Subcommittee, that we had testimony saying that the Navy had 23 destroyers that they were going to do a SLEP program on and they have reduced the number from 23 to 10.

Mr. BENNETT. Yes.

Mr. DOUGHERTY. In view of that, how can we talk about any kind of defense commitment? How can we talk about meeting a NATO commitment, if we have already lost, in effect, 13 destroyers?

We now have an opportunity from what I have heard in this discussion to pick up two additional destroyers, plus other additional missiles, the MX and so on.

Mr. BENNETT. Mr. Chairman, if I have any time remaining, I would like to conclude my remarks by saying I believe in view of what has been said that the logical thing to do is to support the Edwards amendment, because it does recapture the supplemental loss. That loss of the supplemental is a detriment to our NATO requirements we promised them we would meet and we asked them to build their requirements up to a similar basis.

The CHAIRMAN. The time of the gentleman from Florida (Mr. BENNETT) has again expired.

(By unanimous consent, Mr. BENNETT was allowed to proceed for 2 additional minutes.)

Mr. BENNETT. Mr. Chairman, I may not use all of it, but I would like to conclude.

I would like to conclude by saying two things. First, in the Seapower Subcommittee we see a very serious diminution of our Navy. It must be rectified and it must be rectified promptly. We have the opportunity to do it through the Edwards amendment and I hope we will do it.

The second point I would like to make is that there is no need for national defense except to defend our country. I would not be for one penny for national defense that is not actually needed for the defense of our country, not one more penny; but I am not for one penny less.

The truth of the matter is that our country is not adequately defended in 1979. If we read the testimony in open session of the men who testified before our committee, we come to that same conclusion that we are not, in fact, adequately defended.

Mr. Chairman, let me finish and then I will yield to the gentleman from California (Mr. CHARLES H. WILSON), but I want to finish my remarks.

Mr. Chairman, I want to say that simply stated, the statistics of defense in our country can be stated in this way: Fifteen years ago we spent approximately 40 percent of our budget for national defense and about 20 percent of our budget on things to individual people that we were paying money to.

Now, 15 years later we are spending 40 percent on spending for individuals in this country, worthy and needy as they may be.

□ 1425

We are today only spending just a little more than 20 percent on our national defense. The change is significant to our defense position.

The final end result is that in Europe there are in Russian tanks five times the number we have and three times the artillery. There are many other aspects of our national defense today adversely involved, and the people ought to know that this country today is not adequately defended.

A vote for the Edwards amendment, it seems to me, is in the direction of a strong national defense, and we can correct these other things later on, if we will.

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. If I have any time left, I will yield to the gentleman from California.

The CHAIRMAN. The gentleman from Florida (Mr. BENNETT) has time remaining.

Mr. CHARLES H. WILSON of California. Mr. Chairman, as the gentleman knows, I introduced this amendment for the chairman of the Committee on Armed Services, and it also has the defense money in it that the Edwards amendment contains.

Would the gentleman also say, to be consistent, that he would support both these amendments?

Mr. BENNETT. Absolutely.

Mr. CHARLES H. WILSON of California. My amendment is combined with the Simon amendment, however, but it does have the defense money in it.

The CHAIRMAN. The time of the gentleman from Florida (Mr. BENNETT) has expired.

Mr. DELLUMS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to add a specificity to this debate.

The gentleman who just proceeded me in the well, the distinguished chairman of the Subcommittee on Seapower and Strategic and Critical Materials of the Committee on Armed Services, indicated that he noticed a diminution in the level of funding for the U.S. Navy.

I would like to point out to my colleagues on the floor, No. 1, that when we add in the active Naval Reserve Force ships, our present active strength in the U.S. Navy as of January of this year is 532 ships, including 93 destroyers.

Now, when one couples in ships under construction at this very moment or funded as of January 1979 we are talking about an additional 113 ships, to the tune of $34,791,700,000. When we add to that the add-ons in the Carter budget of 80, it includes 15 additional ships, to the tune of $5,964,600,000. So we are talking about an active shipbuilding program at this very moment, including pipeline construction, programs that are already funded, and additional revenue, to the tune of $40-plus billion at this very moment.

So when we talk about a diminution in strength, what are we really talking about?

Mr. BENNETT. Mr. Chairman, will the gentleman yield at that point?

Mr. DELLUMS. Mr. Chairman, I will yield later.

Mr. Chairman, when we add in an interesting comment with respect to the Navy made by the Secretary of Defense, Harold Brown, before the Committee on Armed Services on January 25 of this year, we find it is a preposterous statement. Let me quote:

> We are in the process of resolving a number of difficult issues about the exact future direction the Navy should take in its shipbuilding program in exploiting its capabilities.

Mr. Chairman, I take that statement to mean that they do not quite know what they want the Navy to do at this moment.

Then comes some rather bureaucratic language:

> None of those issues, I should add, have brought into question the importance of the Navy or the desirability of having it perform its traditional missions within the guidelines of national strategy.

Mr. Chairman, I take that statement to mean the Navy's mission at this particular moment is unclear, even though we have a shipbuilding program of roughly $35 billion, with an additional $5-plus billion of new construction in the 1980 budget.

Mr. Chairman, let me make just one additional comment with respect to this whole notion of the 3-percent real increase in the military budget, and specifically President Carter's commitment to NATO.

Any close scrutiny of this year's military budget would lead us to this understanding: that the 3-percent increase in the military budget is an across-the-board 3-percent increase, most of the money going for shipbuilding and other activities that are not directly related to NATO.

This Member asked, "Couldn't the 3 percent be developed on a more narrow base, specifically directed to NATO?" And I would add parenthetically to that, "whether you add nuclear weapons or exclude them," because we are presently spending between $55 billion and $65 billion per year in direct and indirect costs for our involvement in NATO. So our involvement there is not cheap in any way.

His response was that in terms of offering 3 percent on a more narrow base, directly related to NATO, the problem evolves around disagreement with NATO as to what gets counted as a contribution to NATO.

I felt it was important to make these two statements: one, that the 3 percent is an across-the-board 3 percent, most of it not directly related to NATO, if any of the Members want to take a closed look at the budget of the Carter administration.

The first point I have made is that I think it is absurd to argue on the floor of this Congress that in some way there is some diminution of activity in shipbuilding in this country, because we are talking about roughly—specifically, not roughly—specifically, about 128 ships either under construction or funded, with 15 of them proposed in the 1980 budget.

☐ 1430

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DELLUMS. I yield to my distinguished colleague, the gentleman from Alabama (Mr. Edwards).

Mr. EDWARDS of Alabama. Mr. Chairman, I cannot argue with the numbers the gentleman lays before the committee, because they are correct. The problem is, we are not doing enough.

The CHAIRMAN. The time of the gentleman from California (Mr. Dellums) has expired.

(On request of Mr. Edwards of Alabama and by unanimous consent, Mr. Dellums was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. If the gentleman will yield further, I point out to the gentleman that we are only building an average of 13 ships a year. Everybody who has put a pencil to paper to try to determine what the needs of the Navy are would agree that we ought to be building 20 to 23 ships a year.

So while we are spending massive numbers of dollars on shipbuilding and on defense, we still literally are not building the number of ships we need.

As I made the point in my earlier comments, by saving the money on the nuclear carriers we are able to take advantage of these types of items in the supplemental, and I would urge the Members of the Committee to support that position.

Mr. DOUGHERTY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in response to some of the comments of the gentleman from California (Mr. Dellums). The gentleman talks about the number of ships in the U.S. Navy. He fails to distinguish between those that we would call combat or line ships and support ships. The gentleman should be aware of the fact, as the Members of this body should be, that we have a very serious problem of block obsolescence which will be setting in in the mid-1980's. It takes some 3 to 7 years to build certain ships. In testimony before the Subcommittee on Seapower the Commandant of the Marine Corps admitted that we will not have enough LSD's if we get them after 1986. The Navy originally wanted to include five LSD's in our shipbuilding program. These five LSD's were dropped out. From 1984 to 1986 the entire class of LSD–28's will be dropped because of the block obsolescence.

I do not think we should get hung up in the number of ships we are building. I think we should address our concern to what the Soviets are doing. Where have we come in the last 10 years, so far as active line ships of the Navy goes? I think that if you sit in on the hearings, as I have, you have to be concerned, because we are indeed no longer a two-ocean Navy, as the Chief of Naval Operations admitted. We are a diminishing Navy power. It is about time we stop guessing and talking in dollars and talking in figures of ships and start looking at the problem realistically. The problem is, as the Chief of Naval Operations testified, that we are not a two-ocean Navy. We do not have the ships to meet our Navy commitment. If we had a conflict in Europe or NATO, we would have to move the ships from the Pacific Fleet to the Atlantic Fleet to meet those commitments.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DOUGHERTY. I yield to the gentleman from California.

Mr. DELLUMS. Again we ought to lend some specificity to this debate. Specifically answering the question, in terms of support and logistical ships of all kinds, we are talking about 117 ships. I gave the figure of 532. All one would have to do is subtract 117 from 532, and we could get even more specific if time would permit.

Mr. DOUGHERTY. In relationship to where we were 10 years ago, when we were at 1,000 ships in the U.S. Navy, by the gentleman's own figures we are now less, really, than a 500-ship Navy. This is at a time when I think the gentleman will agree the Soviet Union has embarked on a tremendous shipbuilding program to dominate the sealanes of the world. The point we should make is not playing numbers; we should address the problem.

☐ 1435

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. DOUGHERTY. I would be glad to yield to the gentleman from California (Mr. Dellums).

Mr. DELLUMS. Mr. Chairman, my response to that would simply be, 10 years ago, we were fighting another war, and comparing 10 years ago with today is like comparing apples and oranges.

I would simply suggest to my colleague that the war of the future would not be, if there is a war—and I hope that the gentleman from Pennsylvania and I can fight like hell to make sure there is no war—but if there is a future war, it is not going to be a World War II-type war. It is going to be nuclear war. It is going to be nuclear weapons, and running around with 1,000 ships on the sea is absurd in that kind of scenario.

Mr. DOUGHERTY. I would respectfully suggest to the gentleman from California (Mr. Dellums) that we could probably debate for hours over what kind of a war we might fight years down the road.

The fact of the matter is—and the figures speak for themselves—the Soviet Union is fast building an offensive naval capability. The United States is a dimishing naval force to be reckoned with.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DOUGHERTY. I would be glad to yield to the gentleman from Pennsylvania (Mr. Bailey).

Mr. BAILEY. I would like to take this opportunity to associate myself with the remarks of the gentleman from Pennsylvania.

Going back to something that was mentioned earlier today, I hope that this debate sparks some questions directed at administration officials, especially in the posture area. I hope very much that in the upcoming decisions concerning SALT and spending here that we do not let ourselves get into the type of thinking that all we may face in the future is a nuclear confrontation, and remain aware of the fact that conventional arms are something we must consider.

I would like to associate myself with the gentleman's remarks, they were supported strongly in testimony before the committee.

Thank you.

Mr. DAN DANIEL. Mr. Chairman, will the gentleman yield?

Mr. DOUGHERTY. I would be glad to yield to the gentleman from Virginia (Mr. Dan Daniel).

Mr. DAN DANIEL. In response to the question, what type of war will the next war be, in the judgment of this Member, it will be a resource war. In a resource war, in order to win, we need a large and flexible navy; and we have neither. When we are required to import so many of strategic materials we must be equipped to keep the sealanes open.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will not take the 5 minutes. I want to make two very short points.

No. 1, I guess what bothers me more than anything else about this debate is that when I came to this House 10 years ago, then we were debating, in very crude terms, domestic programs versus defense programs, without ever really getting into the specifics of either one. That argument has really become almost stereotyped to the point where no one on this floor or outside of the Chamber pays attention to that debate any more, because it is so knee-jerk on both sides.

What bothers me is that you have had statements made, for instance, that the number of ships that we have is far below that of the Soviets. That ignores, for instance, the fact that in terms of tonnage we are considerably ahead of the Soviets. In terms of firepower we are considerably ahead of the Soviets. In terms of technology, we are too, but that, in my judgment, is beside the point, given what we are facing here today.

What we are trying to determine here today is what is a sensible compromise between essentially two different groups of people, with competing philosophies on the budget.

I would simply submit this list of numbers that the Members ought to keep in mind before they vote. We have floating around here about \$10½ billion in requests for supplementals. That is a lot of bucks. The committee brought to the floor a request to fund about \$3.2 billion. That was their assessment of what was a reasonable compromise between the traditional knee-jerk defense people and the traditional knee-jerk social program people at that time.

There has apparently now been a new consensus reached, at least on the part of some people, that the Simon amendment represents another attempt at compromising by giving a little bit to the number of competing groups around, so you add a couple of billion dollars to that.

What happens if you accept either the Andrews amendment or the Wilson amendment is that you get outside of the parameters of that discussion. What you wind up doing is saying, "All right, we are going to give everything that one group is asking for to that group." What you do when you do that is that you create tremendous pressures from other groups for the expenditure of the other $4 or $5 billion in additional supplementals still floating around here.

I would submit here that while I am troubled by the Simon amendment, because I do not like parts of either the Iranian ship purchase or some of the domestic programs involved, I would suggest that irrespective of how the Members vote on that amendment, they ought not to begin to set the precedent of giving one group seeking supplementals everything they want, because what will happen in the end is that everybody will be given what they want, as this process moves through continued debate here today and in conference with the Senate. And we simply cannot afford that.

☐ 1440

So, I would urge the Members to turn down both the Edwards of Alabama amendment and the Wilson amendment, and do what they will on the Simon amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Charles H. Wilson) to the amendment offered by the gentleman from Illinois (Mr. Simon).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CHARLES H. WILSON of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 183, noes 229, not voting 22, as follows:

[Roll No. 105]

AYES—183

Abdnor
Ambro
Andrews, N.C.
Annunzio
Applegate
Archer
Ashbrook
Badham
Bafalis
Bailey
Barnard
Bauman
Bennett
Bereuter
Bethune
Bevill
Boner
Bouquard
Bowen
Brinkley
Brown, Ohio
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fazio
Findley
Fish
Flippo
Fountain
Fowler
Fuqua
Gilman
Gingrich
Ginn
Gonzalez
Gradison
Grisham
Gudger
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Hefner
Hightower
Hillis
Hinson
Holt
Horton
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Long, Md.
Lott
Luken
McClory
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Mariott
Mathis
Mavroules
Mica
Michel
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Pa.
Neal
Nelson
Nichols
Pashayan
Price
Quillen
Rhodes
Rinaldo
Roberts
Robinson
Roth
Royer
Rudd
Santini
Satterfield
Sawyer
Schulze
Sebelius
Shelby
Shumway
Skelton
Slack
Snowe
Snyder
Solomon
Spence
Steed
Stratton
Stump
Symms
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOES—229

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Anthony
Ashley
Aspin
Atkinson
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Brademas
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Burlison
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Courter
D'Amours
Danielson
Daschle
Deckard
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Evans, Ind.
Fascell
Fenwick
Ferraro
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Glickman
Goodling
Gore
Gramm
Grassley
Gray
Green
Guarini
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Holland
Hollenbeck
Holtzman
Hopkins
Howard
Hughes
Jacobs
Jeffords
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Leach, Iowa
Lehman
Leland
Lowry
Lujan
Lundine
Lungren
McCloskey
McHugh
McKay
McKinney
Maguire
Markey
Martin
Matsui
Mattox
Mazzoli
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Quayle
Rahall
Railsback
Ratchford
Regula
Reuss
Richmond
Ritter
Roe
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Russo
Sabo
Scheuer
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Shuster
Simon
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weaver
Weiss
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Young, Mo.
Zablocki

NOT VOTING—22

AuCoin
Beard, Tenn.
Breaux
Coughlin
Crane, Philip
Diggs
Dodd
Drinan
Flood
Goldwater
Hubbard
Johnson, Colo.
Loeffler
Long, La.
McCormack
Mikva
Murphy, Ill.
O'Brien
Pease
Rangel
Rodino
Rose

☐ 1455

The Clerk announced the following pairs:

On this vote:

Mr. Breaux for, with Mr. Rodino against.

Mr. Beard of Tennessee for, with Mr. Rangel against.

Mr. O'Brien for, with Mr. Diggs against.

Mr. Philip M. Crane for, with Mr. Mikva against.

Mr. Goldwater for, with Mr. Flood against.

Messrs. APPLEGATE, ANDREWS of North Carolina, JOHNSON of California, and ROBERTS, and Mrs. SNOWE changed their vote from "no" to "aye."

Messrs. COURTER, STOCKMAN, and LATTA changed their vote from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1500

AMENDMENT OFFERED BY MR. PEYSER TO THE AMENDMENT OFFERED BY MR. SIMON

Mr. PEYSER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Peyser to the amendment offered by Mr. Simon. In the matter relating to the appropriate level of total new budgetary authority increase the amount by $8,000,000;

In the matter relating to the appropriate level of total budget outlays increase the amount by $8,000,000.

In the matter relating to Income Security (600) increase the amount for budget authority by $8,000,000 and increase the amount for outlays by $8,000,000.

Mr. PEYSER (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SHUSTER. Mr. Chairman, reserving the right to object, may we have a copy of the amendment?

Mr. PEYSER. Mr. Chairman, if the gentleman will yield, copies are at the desk. It is a very simple amendment, and I will explain it. Copies are at the desk.

The CHAIRMAN. The Clerk will conclude the reading of the amendment.

(The Clerk concluded the reading of the amendment.)

Mr. GIAIMO. Mr. Chairman, reserving the right to object, I just received a copy of the amendment, and I do not think the gentleman's amendment is mathematically consistent. I think some parts of it are left out.

Mr. PEYSER. Mr. Chairman, I do not know what the gentleman has there.

The CHAIRMAN. Does the gentleman from Connecticut (Mr. GIAIMO) reserve a point of order on the amendment?

Mr. GIAIMO. I will reserve a point of order on the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Connecticut reserves a point of order on the amendment.

The gentleman from New York (Mr. PEYSER) is recognized for 5 minutes in support of his amendment.

Mr. PEYSER. Mr. Chairman, this amendment is a very simple amendment, but it is very important to many people in this country.

After all the billions and hundreds of millions of dollars we have been discussing, I am a little ashamed to bring up a matter that only speaks of $8 million.

This amendment, Mr. Chairman, is directed to the item in the amendment dealing with food stamps, item 600.

The reason I have added this and requested that the House go along with this additional $8 million and the reason the figure offered by the gentleman from Illinois (Mr. SIMON) does not include this is that basically a bill that has been introduced by me in the House, which now has 135 cosponsors, will lift the shelter requirement for food stamp's for senior citizens and handicapped in order that we can restore the few dollars that were cut away on March 1. My amendment is offered so that we can restore this to them in the fiscal year 1979 for as much of the balance of the year as is possible when this legislation reaches the floor.

□ 1505

I have contacted the Department of Agriculture and they have notified me that for $8 million we can restore the cuts for senior citizens and handicapped individuals for the balance of fiscal 1979.

It seems to me, Mr. Chairman, that with all of the other major things that are being considered by this House dealing with Defense and dealing with emergency money for small businesses, engineering controls, flood controls, we can spend $8 million for senior citizens and handicapped that will help them eat at a time when food inflation is at an all-time high.

Mr. Chairman, I will simply restate it again for those who may not have heard it. This is an amendment to increase the food stamp amount in the Simon amendment by $8 million. This will give the money necessary to restore the cuts that were made concerning senior citizens and the handicapped on March 1 of this year, and it will require the legislation to come out of the Committee on Agriculture, in the hope that it does, we will have $8 million with which to give these people the money they are entitled.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Alabama.

Mr. DICKINSON. I thank the gentleman for yielding.

Mr. Chairman, it is my feeling, and I know that most of the Members of the House have been deluged by mail from senior citizens in particular, that a very cruel hoax has been visited on them by actions of this House, in that the formula has been changed so that they can no longer deduct the cost of their medication in computing their gross income, so that those people who have a disproportionate amount of outgo as a result of medical and drug bills are penalized in drawing their food stamps that they have been drawing in the past.

My question is: Will the gentleman's amendment get to the error that the House inadvertently made in the past, or does the gentleman's amendment go to something else?

Mr. PEYSER. I thank the gentleman for his question. My amendment has spoken to the shelter situation dealing with senior citizens, because the House in its legislation in 1978 imposed a limit of $80 a month for shelter as a deduction. Consequently, as soon as that went into effect on the 1st of March, we have hundreds of thousands of senior citizens around the country who may lose one of their prime sources of qualifying for food stamps. It does not address the medical provision. I would certainly entertain that any time the gentleman wanted to, because I would like to see that as well. But we wanted to take one factor that is needed to address most of the individuals.

Mr. DICKINSON. I appreciate the gentleman's answer. I really think that while we are addressing a problem here, we are not addressing the most important problem which we will be addressing on legislation that will be introduced later.

Mr. PEYSER. I would like to say to the gentleman that if we can move on this small item, we can certainly move to the next one. But I think right now it is a major problem for our senior citizens.

□ 1510

The CHAIRMAN. Does the gentleman from Connecticut (Mr. GIAIMO) insist on his point of order?

Mr. GIAIMO. Mr. Chairman, may I continue to reserve my point of order?

The CHAIRMAN. The gentleman from Connecticut may reserve his point of order.

Mr. RICHMOND. Mr. Chairman, I move to strike the last word.

The amendment of the gentleman from New York is a very constructive amendment. I am most sympathetic to the amendment. I believe, however, that it really belongs in the revised food stamp legislation for 1980 that our committee plans to consider as soon as we complete the serious 1979 budgetary problems of the present food stamp bill.

I think this House ought to understand that we are now almost 8 months into the Food Stamp Act for fiscal 1979. Right now, we need $600 million in order to merely complete this year without cutting back benefits, using the regulations that took almost a year to promulgate, which actually only went into effect at the beginning of this year.

The amendment of the gentleman from New York is a worthwhile amendment. I would hope we can pass an amendment of this type, giving more assistance to senior citizens, when we revise the 1980 food stamp regulations. My subcommittee plans to have extensive hearings as soon as our fiscal 1979 food stamp problems are resolved, giving us the $600 million we need to complete the 1979 program.

There is no way, Mr. Chairman, that we could accept this amendment, actually draw regulations and put it into effect this year. Therefore, I do hope we can vote down the amendment of the gentleman from New York (Mr. PEYSER) this year and certainly the amendment of the gentleman from New York will be carefully considered at our hearings prior to completing action of a revised food stamp bill for 1980.

The CHAIRMAN. Does the gentleman from Connecticut (Mr. GIAIMO) insist on his point of order?

Mr. GIAIMO. Mr. Chairman, I will not insist on the point of order at this time. I move to strike the reguisite number of words.

The CHAIRMAN. The gentleman from Connecticut (Mr. GIAIMO) is recognized for 5 minutes.

Mr. GIAIMO. Mr. Chairman, this amendment should be defeated. I think this is a classic case of where the Budget Committee should not be writing legislation. This amendment would be line iteming to the *n*th degree.

Just consider that in fiscal year 1979 this Government will be spending in outlays for food stamps $6.4 billion. If you adopt the Simon amendment, making provisions for an additional expenditure in fiscal year 1979 of $600 million for food stamps, it means that we will have an outlay or an expenditure for food stamps of $7 billion in 1979.

Now, this amendment would add $8 million, with the hopes of changing the regulations or the program, none of which is authorized at the present time, to take care of some additional needs.

I do not think that this is the time to do it, to add $8 million to a $7 billion allocation for 1979. I urge the defeat of the amendment.

Mr. PEYSER. Will the gentleman yield?

Mr. GIAIMO. I am happy to yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

In view of what has been said here on the floor on this issue and in view of the fact that the legislation at this time is not ready, I would like to withdraw the amendment, because it will not be able to be implemented as soon as the budget resolution is approved in any event.

I also would appreciate the chairman, and those who have been actively supportive of this, to use this as a vehicle to highlight the fact that we have still not answered this problem for our senior citizens. I am still intending to pursue this on the floor as soon as supplemental appropriations actually reach the floor and can be voted on, to put the money into this type of program, and, Mr. Chairman, I ask unanimous consent to withdraw this amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. PEYSER)?

There was no objection.

AMENDMENT OFFERED BY MR. MATTOX TO THE AMENDMENT OFFERED BY MR. SIMON

Mr. MATTOX. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Mattox to the amendment offered by Mr. Simon: In the matter relating to the appropriate level of a total new budget authority reduce the amount by $250,000,000;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $250,000,000;

In the matter relating to the amount of the deficit reduce the amount by $250,000,000;

In the matter relating to the appropriate level of the public debt reduce the amount by $250,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $250,000,000.

In the matter relating to General Purpose Fiscal Assistance, reduce the amount for budget authority by $250,000,000; and reduce the amount for outlays by $250,000,000.

□ 1515

The CHAIRMAN. The gentleman from Texas (Mr. Mattox) is recognized for 5 minutes in support of his amendment.

Mr. SHUSTER. Mr. Chairman, I reserve the right to object.

The CHAIRMAN. There is no objection in order at this time. Does the gentleman make a point of order against the amendment?

Mr. SHUSTER. Reserving the right to object, we do not have a copy of this amendment. Reserving a point of order, we do not have a copy of this amendment.

The CHAIRMAN. The Chair would like to advise the gentleman that would not be subject to a point of order.

Mr. SHUSTER. Mr. Chairman, I withdraw my reservation of objection.

Mr. GIAIMO. Mr. Chairman, reserving the right to object, and I shall not object——

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. GIAIMO. Reserving the right to object, Mr. Chairman——

The CHAIRMAN. The Chair would like to advise the gentleman that an objection at this point would not be in order. The amendment has been read.

Mr. MATTOX. Mr. Chairman, my amendment is relatively simple. It provides for the deletion out of the amendment offered by the gentleman from Illinois (Mr. Simon) of $250 million for a program called, "Targeted Fiscal Assistance."

Targeted fiscal assistance has also been called countercyclical. Basically, it is a sort of revenue-sharing program.

When this matter was being considered in the Budget Committee in relation to the 1979 supplemental, the Budget Committee voted to take out this $250 million. Basically, this is a new program, a new start, because if the Members will recall, in the closing hours of the session last year this bill was never brought to the floor. The main reason it was not brought to the floor was because of the strenuous objections of the House Government Operations Committee, which did not want this particular program. The program died. The last payment under this program was made in July.

□ 1520

What happened is that this program when it was originally started was to cut off when the national unemployment went below 6 percent. It has gone below 6 percent, and for that reason it was automatically cut off. Now we are attempting to start up a new program, start up a new debt program, and issue this money out to the cities. What does the money do? It is in effect a blank check to about 1,250 cities, not cities that are necessarily depressed or with anything of great significance about them except they just need another check. What does the program do? It does nothing particularly except just write a deficit, red, hot check on the Federal Government that we are going to have to borrow $250 million to fund this program. At a time when we are looking theoretically at austerity, it is time for us to cut back on this program. There is no sense writing that $250 million hot check, and that is exactly what we are doing.

In the past we provided $1.6 billion in 1977 for a countercyclical program. In 1978 we provided $1.4 billion, vesting $3 billion in the program. Because of the opposition in the enacting committee, they have cut that programmatic amount down to $250 million. They have done that because they cannot figure out whether they can even get it out of that committee. Last year we were considering it in the Budget Committee and negotiated it from $750 million to $500 million, and now it is down to $250 million. What the authors say is "throw this $250 million morsel out of here," but it is a quarter of a billion dollar morsel.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

I want to compliment and support the gentleman on this amendment. What it does is speak to a program that would propose to distribute money over 1,800 communities. It is not authorized. It is simply thrown in here as an effort to appease some of the urban interests. The gentleman's amendment ought to be supported.

This is a perfect example of trying to fund a program that has no legitimacy because of the lack of an authorization. It would be spread over such a large number of communities with a very complicated formula that very little, if any, would ever reach the people it was intended to help.

Mr. MATTOX. I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I would yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

My understanding is that this authorization has expired, and this is an attempt to go around the authorization process and stuff all this money back in the spending mill.

Mr. MATTOX. The gentleman is absolutely correct. I think if ever there was an example of where we can stop a program if you will, a program that is not worthwhile, this is the time. If the Members want to prove the old adage that once it gets started in the Federal Government we cannot stop it, just vote for this program.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, for those Members who were not perhaps following the debate too closely, let me make clear that this amendment would knock out the $250 million in the Simon amendment for countercyclical revenue-sharing purposes in the fiscal year 1979 budget resolution.

I must say that listening to some of the advocates of this amendment, I am reminded of an observation which was once made by the German philosopher Hegel, who said that "if theory and fact disagree so much the worse for facts," because given the way this program was described by the supporters of the amendment, who want to eliminate the $250 million for countercyclical revenue-sharing purposes, it would appear to bear relatively little relationship to the reality of the program itself.

In any case, what is important is not whether this is a new program or whether it is an old program, but whether it is a necessary and needed program.

□ 1525

The fact of the matter is that these funds will only be made available to local governments that have unemployment rates in excess of 6.5 percent. The fact of the matter also is that over 70 percent of the funds in this program will be going to local governments that have an unemployment rate of over 8 percent. The gentleman who offered this amendment, my good friend from Texas (Mr. Mattox), pointed out that the overall unemployment rate throughout the country as a whole has now gone under 6 percent. I want to emphasize and reiterate, however, that these funds will only be available to those local governments with an unemployment rate in excess of 6.5 percent.

It has also been said that this countercyclical revenue-sharing program is in effect an effort to bail out the cities of the country. The fact of the matter is that 40 percent of the funds in this program will be made available to local governments, to cities and communities around the country, with populations of less than 25,000. Whatever else this countercyclical revenue-sharing program may be, it is not a program which is designed to exclusively benefit the big cities of this country, because over 40 percent of the funds in the program will be going to some of the smallest communities in the country.

Mr. MATTOX. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I will be happy to yield to my friend from Texas.

Mr. MATTOX. Just as a matter of

curiosity how much of the money is going to New York City out of the $250 million? Have you a figure?

Mr. SOLARZ. Approximately 15 percent of the total which would be about $42 million.

Mr. MATTOX. We are dividing it up among all the cities but we are giving $43 million to New York City alone?

Mr. SOLARZ. It so happens that New York City is a city with an extraordinarily high unemployment rate at the present time so it would, therefore, qualify under the formula for these funds but, as I indicated, over 40 percent of the money in the program will go to communities and cities with populations of under 25,000.

Mr. MATTOX. If the gentleman will yield further, it might be that the program is off its direction so badly now, because of its dispersal among all the other cities that it may have lost all meaning entirely then perhaps?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I will be happy to yield to the distinguished chairman of the committee.

Mr. GIAIMO. Mr. Chairman, let me say to my friend from Texas that it is dangerous to question how much money goes to one city as opposed to other cities and States.

Mr. Chairman, the point is that we have many purposes and many programs in this Government, and hopefully the money goes to the areas of need.

In the case of targeted fiscal assistance for cities with high unemployment, it is cities like New York that need this money.

Mr. Chairman, much of the SBA disaster loan money, hundreds of millions of dollars of that money will go to other areas. A great deal of that SBA disaster loan money will go to the gentleman's State and has gone to the gentleman's State.

The CHAIRMAN. The time of the gentleman has expired.

(On the request of Mr. MAGUIRE and by unanimous consent Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. I will be happy to yield to my friend from New Jersey (Mr. MAGUIRE).

Mr. MAGUIRE. I thank the gentleman for yielding, Mr. Chairman.

I represent a suburban district. We have no city in my district more than 50,000 in population. I rise in support of the argument of the gentleman from New York (Mr. SOLARZ), because I think this is important for localities all over this country who face special problems with respect to unemployment.

This is cut back from what many of us felt was required. This is cut way back, 250 million. It seems to me this is a minimum, that we ought to go with it. We have hardcore unemployed in certain categories of our population. We have desperately difficult problems and we must act.

□ 1530

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my friend, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I appreciate the gentleman yielding.

I, too, rise in opposition to the gentleman's amendment.

The point that I have been trying to make time and time again in this House is that you deal with the average national figures and you ignore where there are heavy concentrations of unemployment.

Let me give an illustration if I may of the good use that can be made out of this money. We in my city use people as school crossing guards. Kids get killed unless there is a school crossing guard. We are able to take truly disadvantaged people and place them in those jobs which contribute to the well-being of the city. This makes sense. This is getting some money down to people who need it and it is helping the overall well-being of the city.

I thank the gentleman for yielding.

Mr. SOLARZ. Mr. Chairman, I think the gentleman's point is well taken.

I would like to make one final observation here. During the debate in the Budget Committee over the general revenue sharing program, when an effort was made to eliminate the funds for the State portion of general revenue sharing, there were some very powerful and persuasive arguments made that this money is going to States which really did not need it.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(At the request of Ms. HOLTZMAN, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. There were very powerful and persuasive arguments made that these general revenue sharing funds were going to States which really did not need them; but when it comes to the countercyclical program, please keep in mind that these funds only go to those local governments that have unemployment rates in excess of 6.5 percent.

Mr. REGULA. Mr. Chairman, will the gentleman yield on that point?

Mr. SOLARZ. I will be happy to yield in 1 minute.

These are precisely the local governments that are finding it extraordinarily difficult to maintain needed and necessary services because of the shortfall in revenues due to the fact that people who are no longer paying taxes.

Mr. Chairman, let me yield first to my next door neighbor in Brooklyn, whose good will I have to maintain. Then I will be happy to yield to my friend on the other side of the aisle.

I yield to the gentlewoman from New York (Ms. HOLTZMAN).

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the comment was made that we should not by this countercyclical program bail out the cities in need; but I would remind my colleagues on the floor that the cities in need and cities not in need are helping to bail out the Federal Government and reduce the deficit, because what we have done in this budget is require every State government and every local government, regardless of ability to pay, to increase the frequency of their social security payments to the Federal Government. This will mean that the Federal Government will get an extra $2 billion.

We use that extra money to reduce our deficit; but we are not in any way compensating those cities or those areas that have especially high unemployment and cannot make those payments. They are not relieved from them.

It seems to me terribly unfair on the one hand for the Federal Government to reduce its budget deficits on the backs of the city governments and State governments and then turn around to those areas that are greatly in need, areas of high unemployment, and say, "tough luck."

I urge that this amendment be defeated.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(At the request of Mr. REGULA and by unanimous consent, Mr. SOLARZ was allowed to proceed for 1 additional minute).

Mr. SOLARZ. Mr. Chairman, I would be happy to yield at this point to my good friend, the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, in the interest of the facts the gentleman alluded to, since there is no authorizing legislation, how do we arrive at the criteria that will be used to determine these payments that the gentleman has mentioned several times?

Mr. SOLARZ. It is based on the assumption that, with a sufficient expression of support from the Congress, from the House, from the Senate, that the authorizing committees will come forward with the necessary legislation designed to translate this expression of support into the reality of a concrete program.

Mr. REGULA. In short, the gentleman wants to legislate a policy issue through the budget resolution.

Mr. SOLARZ. No. We are not attempting to legislate with respect to this program any more than we are with respect to any other program, for which funds are included in this resolution. What we are trying to do is to indicate, and I think this is the appropriate time and place to do so, that the House of Representatives is in favor of a countercyclical revenue sharing program by virtue of the fact that it has decided to set aside funds in the budget resolution for it. We have literally billions of dollars in this budget resolution for programs, the authorizing legislation for which has not yet been acted upon, so the inclusion of funds for targeted fiscal assistance in no way constitutes a departure from standard operating procedures.

□ 1535

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment to delete from the package offered by my friend, the gentleman from Illinois (Mr. SIMON), the $250 million for resurrecting the countercyclical assistance program in the current fiscal year. They have been trying to dig it up and bring it back, and there are those of us who do not want to see it revived.

Mr. Chairman, it has been said repeatedly since the program expired last year that Congress has somehow pulled the rug from under the cities by bringing the program to an abrupt halt. But the fact is that the countercyclical program was designed as a temporary measure to help cities recover from the effects of the recession of 1974 and 1975. It was supposed to stop, it was designed to stop when the national unemployment rate dropped below 6 percent, which it did, fortunately, last summer.

The expiration date of September 30, 1978, was written into the law. It did not come out from under the rug. There was no subterfuge. It was announced clearly what the intent was when we passed the legislation. Everybody knew that, everybody who could read and write just a little.

No city, no big city, ever had any right or any reason to say that they should include money from that program in its budget for this current year.

Why would they put money in their budget when they know the program has expired? Why would they budget it in? You do not budget that which nobody promised you, money which they said you would not get, money which has not been authorized. But they are now trying to stick it in this law to pass it along with the 1980 Budget Act. Let us not do something wrong just to get something right done. This is not the way to do it.

There was nothing abrupt about the interruption or the termination of the countercyclical assistance. It died, as it was intended to die, when unemployment dropped below 6 percent.

Now there is an effort to bring it back with a lower unemployment trigger and turn what was supposed to be a temporary, shot-in-the-arm kind of a program into a permanent one and continue to pump money out of the Federal Treasury into the operating revenues of our cities, without any requirement for the cities to establish any real need for the money. You can be sure if the unemployment rate drops below the new trigger, they will be right back demanding a new lower rate and pleading that "you can't cut off this stream of money so suddenly."

Mr. Chairman, the cities have, fortunately, in a large sense made a strong comeback from the 1974 recession. They are receiving billions of dollars a year in Federal grants for specific programs. They are getting increased aid from the States. If there are some cities that need additional help, it should come from a carefully designed program that will measure their need and meet it appropriately. We passed separate legislation that did specifically help the city of New York, and maybe we should do that again, or maybe we should help some other cities that are specifically needy. But let us establish that need and do it knowingly and intelligently.

The countercyclical program does not do that. It is unreliable, because it uses unreliable, unrelated data as a base and as a criteria for scattering money across the country to cities, many of which have no need for it whatsoever.

So, Mr. Chairman, I hope that this amendment will be adopted. It was a bad program when it was operating, and I think it would be inexcusable to revive it now when every effort should be made to reduce Federal expenditures and move toward a balanced budget, which the people in this country so desperately need.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I will be glad to yield to my friend, the gentleman from Alabama.

Mr. EDWARDS of Alabama. Mr. Chairman, it has been suggested here that if there is a strong vote against this amendment, somehow the committee the gentleman chairs will come to the floor with a bill. Is that a valid assumption?

Mr. BROOKS. Mr. Chairman, the proposal is before a subcommittee of the committee of which I am chairman. I do not believe they have taken any action yet in that subcommittee.

☐ 1540

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

Mr. Chairman, we have had a great interest in sunset legislation. It seems to me that the sun has set on the countercyclical program. It is a perfect example of a program that has outlived its usefulness.

Mr. BROOKS. And the time of the sunset was announced in the almanac years before that.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore. (Mr. BOLAND) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

FURTHER MESSAGE FROM THE PRESIDENT

A further message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

The Committee resumed its sitting.

Mr. GUARINI. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. GUARINI. Mr. Chairman, I have heard much about statistics, numbers, averages. But I think what we are really talking about here is people.

I come from an area which has 11-percent unemployment. I know this Chamber is for some compassion and for some understanding. There are broken spirits, unemployed people, high crime, educational problems, empty lots, boarded-up houses. Some of the Members may not understand that—unless you have walked through some of the neighborhoods and streets of the area that I come from. I think then you would understand the high cost of running a city of minorities.

Only last Saturday in my area I was present at the swearing-in of a thousand new citizens. We are virtually a second Ellis Island. Yes, we are a targeted city. We have more problems than the average city. We need your help. These funds—as small as it seems, in a $2.2 trillion economy—are life and death to a community that already has a $100 tax rate per $1,000. We have a flight of industry. We have increasing joblessness. We have to ask your help and your understanding in order to get those few dollars into our area that can help us to survive.

We are turning around our community as much as we can. But still, at the same time, we have more than just bilingual education. Much more than that. We are the prime area of new entrants into our country from all of the shores of foreign nations. It costs us more to run our local government than it does in many other parts of the country.

So I beg and I plead that you have understanding. This money is most important in the targeted areas which need help the most. To explain to people why we give $100 million from the World Bank to Vietnam for improvements, which is mostly American money, is hard. To explain to people why we pay the most to support the U.N. is difficult. To explain to people why we give 3 percent more to NATO over and above our previous commitment, plus an inflationary factor, is almost impossible, especially when our people know in their hearts that bread and butter and survival from one day to the next is crucial to their very existence.

So I ask the Members to help these areas that need it the most. This is a country of compassion. I think the vote here will signal how we feel about all of our people and that they are not just statistics and numbers.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from New York.

☐ 1545

Mr. BIAGGI. I thank the gentleman for yielding.

I would like to note that I was privileged to be one of the cosponsors of the bill of the gentleman from New Jersey (Mr. RODINO), which provided for the countercyclical assistance, and I strongly object to this amendment.

I feel passage would demonstrate the true contempt of the budget process to the pressing needs of urban communities hard pressed by chronic unemployment.

I am a cosponsor of legislation introduced by Mr. RODINO to restore the countercyclical program. The amendment offered by Mr. SIMON would include $250 million in funds as part of fiscal year 1979 appropriations. For a number of cities in this Nation including my home city of New York these funds are essential to insure the city would not have to make dire sacrifices in services to citizens. The fact is unemployment in our major cities, especially within minority communities is running well in excess of the national average. The countercyclical program triggers money to areas with unemployment rates in excess of 6.5 percent. The money will be distributed to all local governments with this problem. It is not purely a big city amendment.

I believe the Simon amendment proposes a reasonable funding level for this vital program and I urge my colleagues to defeat the effort of Mr. MATTOX to delete these funds. One hopes that the unemployment problem will begin to dissipate in such a way as to eliminate the need for this program. However that time has not come and the program is needed.

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to this amendment.

If this amendment were to carry, and I certainly hope it will not and I do not expect that it will, it would preclude the authorizing committee, the committee chaired by the very distinguished gentleman from Texas (Mr. BROOKS), who made a very eloquent and impassioned plea in support of the amendment, it would prevent that committee from considering either the authorization for the 1979 or the 1980 budget consideration. This would be a kind of backdoor way of preventing a legislative authorizing committee from acting in a reasoned, slow, understandable, and responsible fashion.

I am somewhat amazed that a chairman of a legislative authorizing committee would support an amendment to the budget process that would, in effect, deny his own committee the opportunity to consider legislation whether he was either for or against that legislation.

The fact of the matter is the chairman of the committee and the chairman of the subcommittee are not in favor of the countercyclical assistance.

They have, as we all have, used every kind of parliamentary legislative tactic to prevent consideration of one of the basic elements of the President's urban program. I think that is an inappropriate way to proceed under an orderly procedure. I would hope that this amendment is roundly defeated so that the Government Operations Committee, in its wisdom, whichever way it wants to go, can consider the amendment.

This particular amendment would deny the opportunity for the committee to consider funds for the 1979 budget. This would presumably be a forerunner for consideration of the 1980 budget.

So, I would hope all of my colleagues, defeat this amendment and permit our committee, those who are for or against this particular kind of assistance, an opportunity to act.

On the merits, I would hope that my colleagues would support what is known as targeted fiscal assistance. What difference does it really make how many cities or what character of communities the moneys go to if it is going for a useful, necessary, national purpose? The purpose is to aid communities where there are high levels of unemployment.

The fact of the matter is that the bill that we considered last year, that did not reach the floor for a whole series of very unique reasons, provides assistance to communities where unemployment is high, steadfastly high, unemployment that cannot be cut down by every kind of device and program we have tried.

There are some, I think maybe 2,000 to 2,200 communities, still where unemployment remains over 6½ percent, even though the national averages come below that point. We would hope that through the use of this kind of rather modest assistance of $250 million, if you can assist these communities in recharging the employment opportunities in their areas, then you can reduce the national unemployment rate.

On those two very important grounds, one, give our committee the opportunity to thoughtfully consider this program, and second, so long as communities still have the cancer of unemployment in very narrow areas, we should meet the responsibility of helping those communities deal with this very, very serious problem.

Mr. EDGAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to this amendment and in strong support of the targeted fiscal assistance. It seems to me that under countercyclical aid, which we provided over the last 2 years, we learned a very important lesson. We learned the lesson that when we were funding $1.4 billion a lot of money was going out to communities that did not really have the hard core fiscal need.

□ 1550

We discovered that there were communities with surpluses who were receiving some of the funds. But, I think that with the abrupt ending of the countercyclical aid program last October, the very communities who had the most drastic need and were the most distressed were the ones that found themselves in a great deal of difficulty. We are talking about a program here that does not go out to all of the communities in the Nation. We are talking about $250 million that is targeted very narrowly to those communities that have high levels of sustained structural unemployment, that have not been part of the recovery that many communities have been experiencing; that are looking at not just 6.5 percent unemployment, but unemployment that ranges to 13, 14, and 15 percent in some areas.

I happen to represent a suburban community. There are parts of my district where the unemployment rate is 3 percent; parts where the unemployment rate is 5 percent; parts where the unemployment rate is 6 percent. But, in downtown Chester, a community of 50,000 people, the unemployment rate ranges between 13 and 15 percent. Among minority population the unemployment rate is 20 to 25 percent. We have long-term unemployment, and this $250 million targeted is different than countercyclical aid in the sense that it is targeted very narrowly to those communities in the greatest need.

I remind those colleagues who are members of the Northeast-Midwest Congressional Coalition that the Northeast-Midwest States, the 18 States in our coalition, suffer very badly from this particular problem of high unemployment. It is the Chesters, the Camdens, the Newarks, the New York Cities, the Bostons, the Chicagos, and the other communities throughout the country that have sustained high levels of unemployment that are really suffering.

Targeted countercyclical aid begins to meet their very serious needs. It begins to help those communities work their way out of the problems that they face at this particular time in history.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I think that the point that the gentleman from Pennsylvania makes is very well taken. This program is far different from the countercyclical program that expired last year. Whereas that program covered some 18,000 or more communities, the legislation that is proposed by the administration would be limited to some 1,200 communities across the country. They are those in the worse economic shape in this country, and they are the communities for whom the recession of 1974 is still a very critical reality.

So, it seems to me that it makes no more sense for the amendment offered by the gentleman from Texas to be carried in this situation than to take another example, for someone to move to strike some $920 million from the Simon amendment which goes for natural disaster SBA loans because that program primarily benefits certain areas of the country, but not the rest of the country which did not suffer from recent floods.

Mr. Chairman, there is a critical need for additional financial assistance in many of our Nation's local communities. Although general economic conditions have improved markedly from the depths of the last recession, many localities continue to experience severe financial problems. These problems stem from long-term factors such as population decline, loss of jobs and tax base, and populations that are increasingly poor, aged, unemployed, and otherwise dependent. These problems have not been alleviated in a significant way despite the economic recovery.

The termination of the antirecession financial assistance program last year resulted in real hardship for many cities. Newark had to go to the extremity of laying off fire and policemen. Numerous other localities have had to cut back services or increase taxes. These problems are likely to worsen with the current inflation and the measures that are being taken to cure it.

A number of studies have shown that inflation has been a major factor in the financial difficulties that have afflicted local governments in recent years. In general, inflation has increased the costs of government, such as cost of living increases for personnel, and higher costs of materials, more quickly than it has increased revenues. Ironically, however, the efforts to stem inflation will exacerbate local financial difficulties by increasing unemployment in areas that already have high unemployment rates, and further increasing the costs of services while reducing local revenues.

The countercyclical assistance program proposed by the administration is highly targeted, with funds going to those communities that need it the most. Under the administration proposal, only 1,200 communities would receive aid, as compared with over 18,000 communities under the previous program. Moreover, the funding level is modest—only $250 million in fiscal year 1979, and only $150 million in fiscal year 1980. The impact on total outlays would be trivial, yet this program would provide a significant measure of aid to truly needy communities—a little would go a long way. It would be shortsighted and unconscionable to deprive localities of this needed assistance in order to effectuate minor cost savings.

It should also be noted that the same cities will be most hard hit by proposed reductions in various social programs since these cities contain a high proportion of dependent citizens who require the types of services that are being cut. It therefore becomes even more important that local governments have some form of unconditional aid with which they can use to help fill the most serious gaps in local services.

Mr. EDGAR. I thank the gentleman for his comments. I would make this one final point: Even if one believes that we should terminate countercyclical aid as abruptly as we did last October, one must recognize that for those neediest of communities, those communities that are most distressed, that they need to be weaned off the countercyclical aid over a period of time, and the abrupt ending of the program for those most needy communities was disastrous.

□ 1555

Many of them will have to borrow money in order to exist. Many of them I hope that all of us will defeat the amendment offered by the gentleman have to go into the bonding markets. from Texas (Mr. MATTOX). I hope that we will move toward the targeted fiscal assistance, and I hope that we will make a commitment, a strong commitment, to those communities with a high level of unemployment.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, let me say that I recognize the great controversy which has raged for over a year now over whether or not the targeted fiscal assistance program is a good one or a bad one, whether it should be reauthorized or not. Whether or not that program is reauthorized will be determined by the proper legislative committee of the House under the able direction of the gentleman from Texas (Mr. BROOKS). What we are doing here would be to make a budgetary estimate of targeted fiscal assistance as a national priority, as a need, and establishing that need so that the appropriate committees of the Hosue and Senate can then act on it. They may or may not act.

Let me say this: this Simon amendment, of which this is a part, is a carefully balanced one. It recognizes different needs, and it tries to put these varying needs together into a compromise package, if you will, hoping to help the majority of us here to arrive at what the proper priorities should be. For example, the Simon amendment has in it an addition of moneys for two destroyers. That is a recognized legitimate national need in the eyes of many in this Chamber. In the eyes of others it is not. I have encouraged support for those two destroyers.

Another major need in this package is for small business disaster loans, almost $920 million. Those small business disaster loans are going to different parts of the country. Last year they were important in the Southeastern States the Members will recall because of drought. Last year they were important in the Southwestern States. This year there are floods in Mississippi. There are floods in the Dakotas. There was severe water damage in my State of Connecticut about a month and a half ago from high tides. I know there was recent damage in the State of Florida. These loans meet the needs of other constituents of ours.

In this bill there are large amounts of money for food stamps, because of the high cost of food brought about by inflation and other reasons. We need more money to fund the food stamp program for those Americans who will need food stamps in order to have proper nutrition. If we do not vote it in this supplemental, they are going to either have to prorate the food stamp program this summer or terminate it in a later summer.

In addition to that, we have this targeted fiscal assistance which affects certain areas of the country much more significantly than it does others. It does not affect my suburban areas which comprise three-quarters of my district. It may affect one of my cities which may have 6½-percent unemployment or higher. But I know that it certainly will affect the major cities of this country, particularly New York City, and the large multi-million-population cities. I know that it will affect the States of New York and California. It so happens that their problem is a very unique one.

There are the big cities with the poor, with the unemployed, with the structurally unemployed, with the untrained, with those who suffer the most, if you will, in any kind of an economic slowdown. So I know that there are some Members who are very strong for this program of countercyclical targeted fiscal assistance. I know there are others who are very strongly against it. To some Members who are wavering, I am asking that we keep the package together. Let us try to recognize the priorities of all of our citizens—those who need food stamps, those who need jobs, those who need loans for small business disasters, and those who are concerned about the security of our country. Let us try to compromise. That is what this amendment, the Simon amendment, tries to do.

Now I will yield to one of my dearest and oldest friends in the House, the gentleman from Texas (Mr. BROOKS).

□ 1600

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. BROOKS and by unanimous consent Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Texas.

Mr. BROOKS. I thank my distinguished friend, the gentleman from Connecticut (Mr. GIAIMO) for yielding.

Mr. Chairman, the only thing that really disturbs me when we talk about the resurrection of countercyclical, which was dead and buried in 1978, and which we are now trying to revive, is this; When you had this issue up in the Committee on the Budget to consider whether you would give it budgetary authority you turned it down. Only when you were trying to sweeten up this package, trying to get extra votes for this package—this package is kind of a dog, and if there are some parts of it that offend Members, you must understand that.

Mr. GIAIMO. Mr. Chairman, as the gentleman well knows this program was terminated last September. The gentleman knows this program at best will have an extremely difficult way to travel through this House, through the committee of the distinguished gentleman from Texas (Mr. BROOKS) as well as through the other body, and it will have a really difficult time seeing the light of day.

Mr. Chairman, I know the gentleman from Texas is a generous and compassionate person. I ask the gentleman to give this a chance. Do not terminate it here today in the budget resolution.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

I have gone about the floor to ask the authors of this add-on of $250 million, $43 million of which goes to New York—

although we thought we took care of you in the great loan and guarantee program. I have asked the specific question, "How many new jobs will be provided?"

Everyone who has spoken for this extra money said that the program will create jobs. How many? How many new jobs is this going to provide?

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the distinguished author of this add-on. It was a great surprise to me that he wanted to add it back in the budget resolution, after the Budget Committee had taken it out. The committee was right because the program has expired.

Mr. SIMON. Someone here says 10,000. I think it will be more than that. I do not think anyone knows specifically. We do not know what will come out of the authorizing committee.

Mr. ROUSSELOT. Mr. Chairman, the gentleman says, very candidly, he does not know how many jobs will be produced. He says, "I do not think anyone knows specifically."

Mr. SIMON. Mr. Chairman, if the gentleman will yield, we do not know what will be the shape of the legislation. I am sure my colleague from California joins me in having great respect for the ability of the chairman of the committee, the gentleman from Texas (Mr. BROOKS), to fashion a bill that will have muscle in it.

Mr. ROUSSELOT. Mr. Chairman, Mr. BROOKS told us the program was dead.

Mr. SIMON. Mr. Chairman, I heard the gentleman and you heard the gentleman but I have confidence that if this House says it can consider this legislation that—that is the question. The question is not whether we are for or against this legislation. It is whether we want the committee to even consider it.

Mr. ROUSSELOT. I will tell the gentleman why I raised this question. I genuinely went about this floor talking to staff, to members of the committee, and nobody knows how many jobs this add-on of $250 billion is going to produce. Yet, all arguments have been that this is going to produce more jobs, it is going to put people back to work. Yet the author of the amendment himself says nobody knows how many people it is going to put back to work even if it is passed.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will yield to our traveling friend from New York who has seen the world, and I know wants to improve the situation in New York City. Welcome back. What does the gentleman suggest?

Mr. SOLARZ. Mr. Chairman, may I say to my good friend from California, when the Congress passed the emergency loan guarantee legislation for New York, it was based on the assumption that over a period of 3 years, New York City would balance its budget.

Mr. ROUSSELOT. How is the gentleman doing, by the way?

Mr. SOLARZ. I think we are doing very well. We are not out of the woods yet but we are making real progress.

At the time the mayor of New York, our former colleague and mutual friend, Ed Koch, came down here, he submitted a financial plan to the Congress designed to demonstrate how New York City would balance its budget in 3 years, which anticipated the availability of the funds that are contained in the amendment of the gentleman from Illinois (Mr. SIMON).

Mr. ROUSSELOT. Let me interrupt briefly at this point. The gentleman from New York, Mr. Koch, knew that this program was temporary when it was started. It was started in 1974 when we had very difficult problems nationally and it was supposed to be a temporary program. I do not think he really anticipated it would go on forever.

□ 1605

Mr. SOLARZ. Mr. Chairman, if the gentleman will yield further, there was no guarantee that the program would remain in existence in perpetuity; but there was an assumption made in good faith that the Congress would extend the program for fiscal year 1979 and fiscal year 1980.

More importantly, however, let me say to the gentleman that the primary purpose of the targeted fiscal assistance program is to make additional resources available to depressed communities around the country which by virtue of the fact that they have extraordinarily high unemployment rates are experiencing a shortfall in revenues which is making it impossible for them to deliver needed and essential services.

Mr. ROUSSELOT. I understand that, but the problem with that point is, that there is no requirement that the various cities use it to stress reemployment, and that is part of the problem, as the gentleman from Illinois has told me. There is no guarantee that it will all go to create these new jobs that has been so vigorously advanced.

My concern is that in reinstituting this program we have no guarantee that it is going to reestablish the kind of new jobs about which the advocates have been talking.

Mr. SOLARZ. Mr. Chairman, I think the gentleman is really mixing apples and oranges.

Mr. ROUSSELOT. Mr. Chairman, let me assure the gentleman I know the difference between apples and oranges. Now let me yield to the other gentleman from New York, my distinguished colleague (Mr. KEMP), who has something to add to this debate.

Mr. KEMP. Mr. Chairman, I appreciate my friend yielding.

I would say to my colleagues in Congress from New York that I totally agree that the people of New York need help, as do the people of other Northeastern industrial States. We are in desperate need of jobs and incentives for economic growth and expansion. As one who supported temporary financial assistance to New York City under Mr. Ford and Mr. Carter I did so on the understanding that the best financial assistance we could give is to adopt sound fiscal and monetary practices and quit mismanaging the national economy. The people of New York City and my own Buffalo area, indeed all New Yorkers need more after-tax income for their work, labor, savings, and investment. In short, New Yorkers need lower marginal tax rates because in the last 10 years, as the consumer price level has almost doubled, taxes have increased more than 150 percent. It is not only outrageous, it counterproductive in terms of our desire to create jobs and expand the tax base for New York.

I have no doubt that the best thing the Federal Government could do is reduce all individual income tax rates across the board. Since it costs more to live in New York than almost anywhere else wages and salaries must be higher to yield the same aftertax purchasing power to workers in New York as workers in other parts of the country where taxes and living costs are lower. Therefore, an across-the-board reduction in Federal income tax rates will be much more beneficial to New York than to the Sun Belt States.

And the expansion of investment, employment, and output which would accompany a reduction in Federal income tax rates would expand State tax revenues, by broadening the tax base, and reduce State expenditures for welfare and unemployment compensation. This would allow the State to match the Federal income tax reduction with a substantial tax rate reduction at the State level.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes).

Mr. KEMP. Mr. Chairman, if the gentleman will yield further, most would agree that all Government spending is ultimately a tax liability on current and future generations of working people.

Who does anyone think is going to finance the Government spending used for countercyclical assistance? Is it not going to come from those areas of the country and those people that have higher nominal incomes and simply redistribute it to other areas of the country and to other people that have perhaps lower nominal incomes and thus lower effective taxes?

Perhaps my friend from New York would care to answer.

Mr. ROUSSELOT. Mr. Chairman, I would be glad to yield to the gentleman from New York for a response.

Mr. SOLARZ. Mr. Chairman, I had been under the impression until the gentleman just spoke that there was a possibility the gentleman might be a candidate for higher office in New York next November.

Mr. KEMP. Well, I do not think the gentleman should enter his political observations into this otherwise objective debate, I would hope the gentleman would answer the question. Who does he think is going to finance this increase in Government spending, that is countercyclical assistance from where is it going to come?

Mr. SOLARZ. Mr. Chairman, if the gentleman will yield further, the funds for the program will obviously come from the much more progressive taxes that are levied by the Federal Government across the board throughout the country, than from the hard pressed taxpayers of depressed communities where the tax base is dwindling and diminishing by virtue of the very high unemployment rate and which as a result they are no longer in a position to provide essential services to the people of those localities.

Mr. KEMP. Mr. Chairman, would the gentleman yield for another question?

Mr. ROUSSELOT. Mr. Chairman, I would be glad to yield to my colleague from New York.

Mr. KEMP. Mr. Chairman, I think an extremely important point is being made here today. I would like to draw the attention of my colleagues in the Chamber to the point my friend from New York has just made. It is a healthy debate and I am sure the gentleman takes it in that spirit.

The gentleman has suggested the higher the progressivity of the tax code that the better able we are to finance this type of assistance from the wealthy areas to the less wealthy areas.

I would ask the gentleman, is it not true that New York residents per capita have higher nominal incomes and, therefore, exist today with higher tax rate brackets?

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, if the gentleman will yield further, did the gentleman finish?

Mr. KEMP. I would like to repeat the question. Is it not true that New Yorkers per capita have nominal incomes above that of probably 45 or 46 other States; that is, in nominal terms not adjusted for taxes or inflation—yes or no?

Mr. SOLARZ. It may very well be the case.

Mr. KEMP. If, in fact, they are, they must then reside in higher marginal tax brackets than 47 or 48 other States because of the steep progressivity of the code, yes or no?

Mr. SOLARZ. I understand the drift of the gentleman's argument and I will respond to that.

Mr. KEMP. I appreciate that, and perhaps the gentleman will come to the same conclusion to which I have come, that, any time the Feds increase spending and thus increase taxes at the Federal level, the steep progressive nature of the U.S. Federal Tax Code redistributes income from those areas of the country and those people that have higher nominal incomes and thus shift it to other areas of the country and people that have lower nominal incomes. New York and thus New Yorkers thus are financing the redistribution of income from the Northeast to the Sun Belt.

□ 1610

To make this point, the pretax income or nominal income of New York workers today is fourth or fifth in the country, but the per capita after tax income of New York working men and women is 43d or 44th out of 50 States. So by definition anything that increases taxes at the Federal level basically redistributes income from the people of the State of New York to the rest of the country.

Mr. ROUSSELOT. So, Mr. Chairman, the point the gentleman is making—and it is an excellent one—is that if we do not vote for this amendment, we are indirectly increasing, long-range, the burden of taxation on the people of New York. The gentleman does not want that, does he?

Mr. SOLARZ. Mr. Chairman, I see it from a somewhat different perspective.

Mr. ROUSSELOT. We gathered that.

Mr. Chairman, I think the gentleman from New York (Mr. KEMP) has made an excellent point to which the gentleman from New York (Mr. SOLARZ) ought to listen, and that is that by continually adding on to the Federal budget $250 million here and another $500 million there, you are doing damage to the hard-working people of New York who have to carry this added tax burden. Is that not true?

Mr. SOLARZ. It is not true.

Mr. ROUSSELOT. Oh, it is not?

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, my colleague, the gentleman from New York (Mr. KEMP) wants to respond once more, so I yield to the gentleman from New York.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. FOUNTAIN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment to delete the proposed budget authority and outlays for a new targeted fiscal assistance program.

The proposed program is nothing more than a duplicative and unneeded general revenue sharing program. At a time when the American people are calling on all levels of government to halt excessive spending and the proliferation of public programs, we are being asked to provide funding for an irrational and very inequitable proposal that has masqueraded under a variety of names. A similar proposal called supplementary fiscal assistance was rejected last year. The previous year this program was called antirecessionary fiscal assistance and also countercyclical revenue sharing.

Regardless of its name, there is absolutely no justification today for an additional general assistance program—especially when continuance of the general revenue sharing program itself is being questioned.

Even more important is that the proposed legislation would allocate funds by a formula based on unemployment rates that do not measure the need of State and local governments for financial help. In fact, most of the intended recipients of this money are in far better financial shape than the Federal Government. There are exceptions, of course, such as New York City which would receive 15.4 percent of the total national distribution.

However, the Congress has already made a special arrangement to help New York and, in addition, the city receives a hefty $309 million each year from the general revenue sharing program.

What this proposal boils down to is a plan to target money to a limited number of large cities through a formula that discriminates against smaller places. The assumption is made that these large cities are fiscally distressed, but no evidence has been presented to substantiate such an assumption.

Unlike the proposed legislation, the formula used to allocate general revenue sharing is specifically designed to target proportionately more money to the neediest communities, but every local government gets a fair share. It accomplishes this by taking into account each community's tax effort, per capita income, and population.

If some local governments believe this formula is inadequately targeted to need, they should step forward and suggest how the formula can be improved. None of the organizations representing the cities, counties and States expressed the least bit of interest in changing that formula when our subcommittee invited their recommendations during the renewal hearings on general revenue sharing.

If they now believe general revenue sharing is inadequately targeted to need, they will have an opportunity to help reshape the formula when our subcommittee holds hearings later this year on legislation to extend the program. Meanwhile, there is no justification for creating another general assistance program.

I urge my colleagues to strongly support the amendment to delete funding for this ill-conceived purpose.

I have heard this program described as an employment program. It does not produce or save a single job. It is nothing of the sort. It is purely and simply a superfluous and duplicative general revenue sharing, but one that would allocate funds in an irrational and highly discriminatory fashion.

This program does not target money to communities in need because it does not contain any measure of fiscal need. The funds should be allocated on the basis of unemployment rates that do not represent a community's need. Moreover, the economy has made a strong recovery for 5 straight years since the 1974–75 recession. Most of the beneficiaries of this proposal are in good fiscal shape. Their residents are not asking the Congress to raise their Federal taxes to support an unneeded program.

□ 1615

Let me add that the $7 billion a year is presently going under the revenue-sharing formula to needy areas of the country.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to qualify my remarks. I am from New York, and I have listened very attentively to some of my colleagues from New York, particularly from New York City.

I just came out of the New York State Legislature, where I was a member of that body's ways and means committee, one of the ranking members of that committee, which had to deal with New York City's fiscal responsibilities over the last several years, which was no pleasant duty, I assure you. I found myself being one of the strongest proponents of home rule, having drafted some of the original legislation to set up the financial control Board, which actually took the power away from the politicians of New York City because they would not and could not deal with the situation.

We are seeing that on this floor here today. We are seeing my colleagues from New York City standing up and arguing for countercyclical aid going to New York City—and I can understand them doing that for political survival. But the truth of the matter is that I cannot speak for some of the other cities throughout this Nation because I have not had the experience, but I can speak so far as New York City is concerned. The truth is, New York City, the public employees and the welfare recipients now control the politicians. They are the majority vote in the city of New York of 8 million people. That is one reason why New York City today, 5 years later, after they promised me that they would balance the budget, is still running a deficit of $1 billion.

Let me tell you how they got in that situation. I was not here when this debate took place, when the Congress bailed New York City out. But if I had been here, I can assure the Members that we would have driven a harder bargain at that time.

Do the Members know what we discovered about the fiscal mess in New York City? We found the fourth man on the garbage truck in New York City making $16,000 a year, with a lucrative pension plan containing a 1-year final average clause, whereby when he retired in his final year and they let him work overtime during the entire 12 months he did not retire at 50 percent of that $16,000 over the 12 months; he retired on a pension of $16,000 net because he earned $32,000 including overtime during his last year. Thus his final retirement pay was equal to 100 percent of his regular pay.

I can go down the line to where politicians have given away that city to where it can no longer be dealt with.

So you want to give New York City $43 million I can tell you now that the only way they can put their fiscal house in order is to take something from them in order to put that house in order. I know Mr. Koch came down here and he showed the gentleman from New York (Mr. SOLARZ) and some other Members a new fiscal plan, with hardly any improvement at all. What I am telling this body is that this countercyclical program is not a fair plan. If we want to get into general revenue sharing to all municipalities, to municipalities like mine, where my constituents do not make $16,000 a year as a fourth man on a garbage truck, they make a median salary of $8,000 a year, half of what that salary is, and we have to bail them out. That is what they are asking the rest of the country to do. I only mention New York City because I know more about the situation there. We must balance the Federal budget, like State governments are doing with the State budget before we can consider any further give aways such as this one.

□ 1620

Mr. BIAGGI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is important that we set the record straight. I do not know that the problems of the city of New York are singular as far as cities are concerned. I will concede that there have been abuses over the years, but some of the statements that the gentleman has made, my colleague from New York (Mr. SOLOMON), for whom I have great respect, must be responded to.

Insofar as the people on welfare in the City of New York are concerned, if I understood the gentleman correctly, he said they are the majority of the voters of the city of New York. Well, nothing could be further from the truth.

The fact of the matter is they do not represent a majority nor anywhere near a majority. The population is one out of eight at this point. Most of them are not part of the voting population, to begin with.

And, two, there has been a very substantial reduction in the welfare population as a result of Mayor Koch's action since he took office

Moreover, Secretary Califano provided a grant to New York City which put a computerizing check mechanism on track. As a result of that, thousands of individuals who were receiving public assistance fraudulently have been removed.

With relation to the abuse created by public employees, sanitation specifically, as the gentleman mentioned, the answer is yes, it is true—at least, it was. But let us not forget who authorized that. It was the State legislature that provided the provisions in that pension system. People took advantage of it.

Now, it does not mean that there was corruption. It simply meant that there were individuals who were able to work overtime to the extent that they could benefit themselves in obtaining a larger pension.

The gentleman conveys the impression that it was a universal practice. Well, that is not true. I will say that it was done by a number, perhaps a favorite number in that sense, and it was an abuse that had to be eliminated.

You might like to know, to the credit of the same legislature which created this in the first place, that provision has been changed, and that abuse can no longer exist.

So, I do not believe we should talk in terms of countercyclical aid and relate it to those individual instances of abuse, because if we were to do that, ladies and gentlemen we would not pass any Federal programs in this House.

The idea is talk to the laudible objective, justify the legislation on that basis, and attempt to eliminate all abuse.

Mr. SOLOMON. Will the gentleman yield?

Mr. BIAGGI. I would be delighted to yield to the gentleman from New York.

Mr. SOLOMON. What the gentleman says is true, and we did make many changes. There are many more to make. What I was referring to is the fact that the State legislature cannot deal with all these problems.

The gentleman knows that in New York City alone you have 500,000 illegal aliens that are causing many of the problems, much of the unemployment.

I am saying that we have to take care of problems like that. I do not mind helping those people who need help, but I am saying that they have got to cooperate.

The Human Resources Department that the gentleman spoke of, which is the Welfare Department, refuses to help, refuses to identify those illegal aliens so that we can get them out of the country or, at least, know who they are. If they are illegal aliens, they are not entitled to welfare, and they should be someone else's responsibility.

Mr. BIAGGI. I would like to respond to that, because the gentleman was not here in the proceeding in Congress where I spoke most profusely and most vigorously and conducted many hearings in connection with the illegal alien problem.

I want the gentleman to know that he and I share some similar views as far as our analysis is concerned, but the figure of 500,000 is a low estimation, because in the metropolitan area it may even be greater, costing some 100,000-odd jobs. That is the critical figure. It would otherwise provide New Yorkers or legal residents of the city of New York with some employment to the tune of 100,000 jobs. And until the Congress responds to the need, I am afraid that nothing is going to happen in those areas.

□ 1625

Mr. BRODHEAD. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I will be glad to yield to the gentleman from Michigan.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. BRODHEAD and by unanimous consent, Mr. BIAGGI was allowed to proceed for 1 additional minute.)

Mr. BRODHEAD. Mr. Chairman, I just wanted to say to the gentleman that I think the gentleman has made some excellent points; and say to the House that I think the House should keep in mind that this not only affects New York, but it affects cities and towns all around the country which have high rates of unemployment, which are very much in need of this assistance. There are many of us who are not from New York who support this program.

Mr. BIAGGI. I think that is the critical point. The problem is unemployment. We have critical areas of unemployment, and it is a need to be addressed. I think it is our responsibility.

Mr. OBEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to say that the debate between Members from New York City and outstate New York has been interesting, but I cannot, because I have heard an awful lot of it before. Let me just make the simple observation, that what this amounts to here today is very simple. If you think that your area in the near future may, as the economy changes, become eligible or now be eligible for these funds, then you are going to be against this amendment to eliminate these funds. If you think that your area will not be eligible, will not reach 6.5-percent unemployment, then you have no vested interest in supporting it.

What is at stake here is whether or not—whether or not—those Members of the House from areas who think that their districts will not reach those levels, whether those Members are going to take a national view; whether they will in fact try to deal with problems in other areas as they expect those other Members to respond to their own problems from time to time.

In my district, part of my district, the district I happen to be from, will never be eligible for these kinds of funds because part of my district happens to be well off vis-a-vis the other half of my district. But, the northern part of my district will be eligible. I think we have to take the broad view, and if we only look after our own immediate areas, this House simply is not going to function very well. There are a number of items on this floor, on this very amendment, this very Simon amendment, which ask that Members from more fortunate parts of the country recognize problems of other Members, that is, disaster portions of the amendment.

I would simply like to make one other point. I do think, however, that this debate shows that the administration had better change its approach in one respect, in dealing with countercyclical revenue sharing. As I understand it, the administration would like to change the present law so that only communities over 25,000 population will be eligible for this kind of assistance. In my judgment, that would kill whatever chance there is of passing any legislation on countercyclical through this House.

In my judgment, the administration had better change its position and support something much closer to the present law, which allows all of us to get a shot at this money on the basis of economic need, not on the basis of city size. I would urge Members who are concerned about the exact specificity of the administration proposal to simply approve the funding at this time, and then if the implementing legislation does not make that change, vote against the countercyclical revenue-sharing legislation in its specific form when it hits the floor at the proper time, but to allow the House at this point to put the administration package into better shape. The only way it can do that is by turning down this amendment.

☐ 1630

Mr. WYDLER. Will the gentleman yield to me now?

Mr. OBEY. I yield to the gentleman.

Mr. WYDLER. I appreciate the gentleman's yielding, and I appreciate his statement. I think it is a sound one. I think the committee should remember what we are about to vote on and what we are not voting on. We see Members from New York here both for and against the amendment. This is not a New York amendment. Fifteen percent might go to New York City, but 85 percent goes somewhere else. I think every Member of the House had better keep that in mind.

What this is is a chance to continue the countercyclical program. That is a program this House has authorized year after year for many past years, not a wild program, but a program that has been authorized by the House on many occasions. All this particular provision in the bill would allow us to do is get a chance to vote on the merits of it once again, as it should be. I agree with the gentleman. The administration proposal should be changed along the lines he suggested. So I hope this amendment will be defeated and the House will be given a chance at least to work its will at a due time.

Mr. OBEY. I thank the gentleman.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

The gentleman from New York has made a good point. I would simply point out two things: One, we are talking about a national need that in an emergency we do not know quite how it might develop. There is not a prophet among us. We do not know what the situation is going to be in the fourth quarter of this year or the first quarter of 1980. We may very well need precisely the kind of economic stimulus this sort of provision would provide. I suggest let us give the Federal Government that kind of flexibility.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, I want to say that I personally do not believe that the economy is going to erode sufficiently so that this program is going to be as crucial as some people might think it might be, but I would ask the House, what is the better alternative? Is it to have it in place so that if the economy does turn down, we have a rational, well thought out process to provide assistance to communities around the country, or do we want to wait until the economy does turn down, if it does, and then try in a panic situation to put something in place? We know that is not the sensible way to do it. That is the way to get in trouble with Federal programs, and I urge the Members to vote against the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. MATTOX) to the amendment offered by the gentleman from Illinois (Mr. SIMON).

RECORDED VOTE

Mr. MATTOX. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 212, noes 198, not voting 24, as follows:

[Roll No. 106]

AYES—212

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Bennett
Bereuter
Bethune
Bevill
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Cavanaugh
Chappell
Cheney
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Ga.
Evans, Ind.
Fascell
Fenwick
Findley
Flippo
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gephardt
Gibbons
Gingrich
Ginn
Glickman
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Hefner
Hightower
Hillis
Hinson
Holt
Hopkins
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Levitas
Lewis
Livingston
Long, Md.
Lott
Lujan
Luken
Lungren
McClory
McDonald
McKay
Madigan
Marlenee
Marriott
Martin
Mattox
Mica
Michel
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Neal
Nelson
Nichols
Pashayan
Patten
Paul
Petri
Pickle
Preyer
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whittaker
Whitten
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wylie
Young, Alaska
Young, Fla.
Young, Mo.

NOES—198

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Applegate
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Brademas
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Carney
Carr
Carter
Chisholm
Clausen
Clay
Collins, Ill.
Conte
Conyers
Corman
Cotter
Danielson
Daschle
Davis, Mich.
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Del.
Fary
Fazio
Ferraro
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Garcia
Gaydos
Giaimo
Gilman
Gonzalez

Goodling
Gray
Green
Guarini
Hall, Ohio
Hanley
Harris
Hawkins
Heckler
Heftel
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jenrette
Johnson, Calif.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lent
Lloyd
Lowry
Lundine
McCloskey
McDade
McEwen
McHugh
McKinney
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patterson
Pepper
Perkins
Peyser
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Stratton
Studds
Swift
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
Whitley
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—24

AuCoin
Beard, Tenn.
Coughlin
Crane, Philip
Diggs
Dodd
Flood
Goldwater
Hubbard
Johnson, Colo.
Leach, Iowa
Loeffler
Long, La.
McCormack
Mathis
Mikva
Murphy, Ill.
O'Brien
Pease
Rodino
Rose
Runnels
Walgren
Wilson, C. H.

☐ 1645

The Clerk announced the following pairs:

On this vote:

Mr. Beard of Tennessee for, with Mr. Long of Louisiana against.

Mr. Loeffler for, with Mr. Rodino against.

Mr. Philip M. Crane for, with Mr. Diggs against.

Mr. Goldwater for, with Mr. Flood against.

Mr. Coughlin for, with Mr. Mikva against.

Mr. DERRICK changed his vote from "aye" to "no."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1650

Mr. BIAGGI. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI to the amendment offered by Mr. SIMON: Increase the amount of new budget authority for Education, Training, Employment and Social Services for fiscal year 1979 by $75,000,000.

Increase the amount of outlays for Education, Training, Employment and Social Services for fiscal year 1979 by $30,000,000.

Conform the totals for new budget authority and outlays accordingly.

Mr. BIAGGI. Mr. Chairman, I rise to offer this amendment to increase by $75 million in authority and $30 million in outlays—funds for the Older Americans Act nutrition program contained in function 500. I say at the outset that these funds are necessary to avert service cutbacks in states which have expended carryovers of funds.

I am aware of certain reservations which Members may have with respect to a reported unexpended carryover of funds. The fact is, I had a detailed conversation yesterday afternoon with the Deputy Commissioner on Aging, Donald Reilly, who advised me of the following. There is a certain amount of unliquidated funds remaining in certain States, but there remains in the vicinity of a $69 million shortfall in the program. I have been further advised that the funds do not in effect constitute money being sat on by States. As many as 14 States need supplemental appropriations to avert service cutbacks.

Put another way—those States which have chosen to expend all their nutrition moneys will likely be penalized unless there are additional supplemental appropriations enacted. Some States chose to expend all their money as per the intent of Congress, others did not.

Let me review the figures—the nutrition program is presently funded at $250 million. The President has requested a $4.5 million supplemental appropriations. The Budget Committee has recommended an additional $8 million for nutrition as part of this second revised budget resolution for fiscal year 1979.

According to conservative estimates—if one assumes an inflation rate of just 7 percent—an assumption which seems less based on logic than before—the nutrition program would need approximately $19 million just to keep feeding the 563,000 seniors it provides meals to today. That is almost $14 million more than the President has requested and $7 million more than the revised second budget resolution for fiscal year 1979 assumes.

Three months ago, the Department of Health, Education, and Welfare conducted a survey of the States and the nutrition programs. At that time, 14 States were identified as in need of a supplemental appropriation if they were going to maintain the 1978 level of services in 1979. These calculations did not take into account the unexpectedly high inflation rates we are experiencing so far this year.

Thus far in 1979, food prices are rising at an annualized rate of 18 percent. If this trend were to continue, considerable more than the $19 million would be needed to keep the program at current levels. My amendment provides sufficient authority to accommodate uncertain inflation rates. It probably will not result in any expansion of the program. It is truly bare bones.

The intent of the House when it passed the Older Americans Act by a 361 to 6 vote last year was to expand the program especially to the homebound elderly. Testimony presented at hearings I conducted in 1977 revealed only that 60,000 of 4 million homebound elderly were receiving Federal meals. Further according to the National Association of Title VII Nutrition Directors—800,000 seniors are on waiting lists for nutrition services under the Older Americans Act.

As I mentioned before, while some states have not fully expended all their nutrition moneys—a number of other states have—and unless we provide more funds—they will be penalized for having done so.

Ideally, I would seek to have my proposal apply only to those States who determine they will be unable to maintain services without a supplemental. However, to do this there must be a change in the current distribution formula. For the purposes of legislative history, I recommend here that if this proposal is adopted, the Appropriations Committee develop a formula to assure those States that really need the money are the ones that would receive it.

According to the National Association of State Units on Aging, 18 States will need in excess of what is being offered to keep their nutrition programs operating at the present levels:

California will need $3.9 million in congregate nutrition funds to maintain current levels.

Georgia will require at least a 9-percent increase in funds to sustain nutrition service programs. Nationally, all that is being requested is between 2 and 5 percent above the present levels.

Iowa will need in excess of $400,000 to continue nutrition at existing levels.

Michigan would have to reduce meals by 8,114 a day as of October due to a $2.2 million shortfall.

Mississippi will have to cut at a minimum 13,333 meals statewide.

My home State of New York estimates they would have to cut meals by 2,000 a day in fiscal year 1979 if a substantial supplemental is not forthcoming.

The discrepancy between authorization and budget request is especially severe this year. Congress in the 1978 amendments authorized $430 million for nutrition divided $350 million for congregate and $80 million for home delivered meals. The President requests $254.5 million for both. This is but 60 percent of authorization. In the past fiscal years, the appropriations have averaged 86 percent of authorization. The trend should continue.

The fact is, the nutrition program is the most popular and visible of all Older Americans Act programs. Many of my colleagues have probably visited a nutrition site in their districts. A number of you have probably received paper plates from seniors imploring you to support increase to keep them from losing their meals. These are human pleas which cannot be ignored. My amendment will raise the funding level for the nutrition program to sufficient levels to avert serious disruptions of services. The fact is the funds expended in this program are cost effective in nature. They keep seniors out of costlier institutions. Presently 25 to 40 percent of seniors in institutions are there for lack of home services including nutrition. To spend a day in a nursing home costs on the average $26 a day—to be provided with a home delivered meal costs less than $3 a day. Federal funds are involved in both—which is a more prudent and compassionate way to spend. I urge support for this amendment.

☐ 1700

Mr. PEPPER. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman and members of the committee, this amendment, as the Members have already heard from the author, proposes an additional $75 million budget authority, with $30 million in outlays to increase the nutrition program. I was the original author of the nutrition program, and have maintained a keen interest in the development of that program through the years. We started with a $125 million appropriation. We got up last year to $258 million and yet, although 550,000 Americans are the beneficiaries of that program, only half by estimate of the eligible people are able to participate in it.

That program not only means a decent meal for a lot of people who could not otherwise get it, but it means companionship for many of those lonely, elderly people, which is almost as meaningful to them as the nutrition they receive.

Now, the President has requested only $5 million more, but with food costs going up even higher than the cost of living, obviously if we only get $5 million more than the $258 million of last year, the program would be cut and fewer people would be able to get the benefit of it. Last year, by a vote of 361 to 6, we passed the Older Americans Act extension here in this House. That act provided for the first time a new and independent program for Meals on Wheels to the elderly who were not able to go out to these public eating places. That program would be stifled and negated if we do not get some increase in these funds.

And so, I support this $75 million increase which will mean so much to so many older Americans who do not have enough to eat and do not enjoy the companionship that these meals enable them to enjoy.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. PEPPER. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I would just like to join with the gentleman in his remarks and in support of this, and with Congressman BIAGGI's amendment, with particular emphasis on what this means to elderly who are really trapped in their homes. The Meals on Wheels program is tied closely to this, so I would hope that this would be accepted by the House.

□ 1705

Mr. STACK. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by my distinguished colleague, the gentleman from New York (Mr. BIAGGI), to provide supplemental funds for nutrition programs for fiscal year 1979.

In the district of Florida which I represent, we have a large number of elderly persons who depend for an adequate diet on the congregate meals program. Many qualified applicants cannot be served because the program is underfunded. The financial problem is compounded by the need to provide special diets based on the medical, religious, or ethnic requirements of a substantial number of participants.

Additional funds for the nutrition program for fiscal year 1979 are desperately needed in my district. In the name of the elderly poor, I urge the adoption of the amendment.

Mr. GRASSLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the Biaggi amendment. Right now in the first budget resolution for fiscal year 1980 the Committee on the Budget has recommended a level of expenditure adequate to take care of this program. But, because of a situation where the present program is on a continuing resolution, and because we authorized last year through the Older Americans Act Reauthorization Bill a higher program level, and because the continuing resolution is below that, there was $100 million released as a result of a court case that let some money which had previously been impounded loose to be spent on this program. This program between 1977 and 1978 rose to a peak that will be maintained at that level through the fiscal year 1980 budget, but there is a short period of time here at the end of fiscal year 1979 that this program is going to drop down, and there are going to be a lot of people that are presently getting serviced by this program that are not going to be serviced by this program without the adoption of the Biaggi amendment.

So it is a situation where maybe if the program had not expanded as far as it had, we would not be in the situation we are today. Because of that 306-to-6 vote that the Chairman of the committee, the gentleman from Florida (Mr. PEPPER) spoke of—and that was an endorsement, our endorsement of this present program level—we are going to be letting the people down in a sense that are now benefiting by that program. That benefit is a result of a judgment this body made. Pursuant to suspected problems, we did take what I consider an adequate survey of the members of the Select Committee on Aging and our staff to determine just what the shortcomings were, what the needs were. Over 500 organizations that work with aged people were contacted, and we came up with a need that is best talked to by the Biaggi amendment to alleviate the possibility that there will be 9,000 meals a day—9,000 meals a day—that will go unfurnished because of a lack of funds without this amendment. It would look a little silly to let the level of expenditure for 3 months or maybe 5 months at the most go down 9,000 meals a day, and then just as soon as the new fiscal year starts, let it go back up to that previous peak. There is no sense to that sort of an interruption in what is otherwise a good program—a program that has been previously endorsed by this House on a very wide margin. That is why I feel that we ought to support the Biaggi amendment, and I ask that the Members do.

Mr. Chairman, I yield back the balance of my time.

□ 1710

Mr. RATCHFORD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and ladies and gentlemen of the House, inflation works a cruel hoax on all Americans but no sector feels it more than the sector we appeal for this afternoon.

The fact is the elderly nutrition program, one that you support, one that I support, one that we support, is facing extreme difficulty. I know because I ran that program in the State of Connecticut. I was Connecticut's full-time commissioner on aging.

Connecticut feeds 7,000 people a day at 155 meal sites. It home delivers another 2,600 meals.

Because of the cruel impact of inflation this program is feeling a pinch today.

One, it has long waiting lists.

Two, as a result of the new, and I think it is legitimate, emphasis on home care, we have an emphasis on home care which may work in reverse against the congregate meal program.

Three, unless we act we may see these programs brought up short. There are waiting lists. There are people who need the benefit of this program in the home-delivered sector. Unless we act, none of these benefits will be realized.

What will be the impact? The impact will be to force more people into a program that needs help already, and that is the home delivery meal program and from that program, to force people in that program into nursing homes.

What we talk about is humanity but what we also talk about is economy, because clearly it is more economical to see to it that a person receives the benefit of a meal at a congregate site and as opposed to a nursing home program it is more humane to see to it that a person benefits in his or her home.

We are talking about both programs. These programs need our help. They are feeling the pinch from inflation, they are feeling a demand as this age sector grows, they are feeling a result of a court test which released money quickly, drove up programs and now we pull back these programs. Unless we act we are saying to those who need it the most, "We are going to help you in October but we cannot help you now; we are going to help you in the new fiscal year but we will not help you in the existing fiscal year; we are going to help you in a program that we support but we are not going to do it now."

That does not make sense, Mr. Chairman. The need is now, the impact is now, the inflation is now, the waiting lists are now. Those in a home-bound program need it now but unless we act, "now" will not occur until in the new Federal year.

To relieve this irony we need to act and we need to act now. Thousands of older Americans await our action. They do not await in a new Federal year, they await now.

I urge your support for the amendment.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. RATCHFORD. I will be happy to yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I would just like to paraphrase what the gentleman said and my colleague from Iowa (Mr. GRASSLEY) has said.

In very simple terms, is it possible, for those who will be cut off from the program and cut off from these nutritional programs, I want to emphasize this is only for nutritional programs, no other service, just for nutrition, that it is possible if they are cut off for 4 or 5 months, the trauma might well affect them to the degree they might not be here in 1980 when the funds come rolling again?

Mr. RATCHFORD. Mr. Chairman, the gentleman is absolutely correct. The nutrition program is much more than that.

As commissioner on aging I found it was the focal point for all older American programs. It was the draw up of the elderly house feeding program. It was the draw up for the blood pressure program. It was the draw up for the social service program. Without it the person might remain at home in isolation.

Second, the homebound portion of it, without that homebound portion of the program that person living at home in a frail situation might well end up in a nursing home.

For lack of this program we might well be saying to a person living at home in isolation, in insulation and in fear, "You are going to live there and as a result of that you may well die there."

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words and will speak in opposition to the amendment.

Mr. Chairman, I have a great deal of sympathy for what my good friend from New York (Mr. Biaggi) and my good friend from Connecticut (Mr. Ratchford) are trying to do here.

□ 1715

I, too, have insisted that we adequately provide for the elderly, particularly in the area of nutrition. In fact, at the urgent request of the gentleman from New York and others, we made sure in committee that we made adequate provision in the 1980 budget. We increased the President's budget by $219 million in budget authority and $125 million in outlays for programs for the elderly, with particular reference to the nutrition program.

In addition, and directing our attention to 1979, we recognized that there was a need in that fiscal year for possible additional supplementals. The committee added $29 million for possible additional supplementals for assistance to the elderly, including nutrition programs.

We resisted adding this additional amount which the gentleman from New York is offering in this amendment for several reasons. The primary reason was the late timing. Because of the late timing, it is unlikely that additional funds would reach recipients before the last month of the fiscal year.

Therefore we felt it would be bad planning to provide for a fiscal year 1979 supplemental when the moneys could not be spent until 1980. And in 1980 there are already substantial funding increases.

Therefore, we very much doubt that it will be possible to get this money to recipients through a supplemental appropriation in fiscal year 1979. In the interest of holding the line wherever possible and recognizing that we had added substantial moneys for the elderly both in 1979 and 1980, we left out this additional sum of money.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, I want to thank the gentleman for yielding.

I want to take this opportunity to commend the gentleman most highly for his sympathetic response and sympathetic action with relation to budgetary requirements in the 1980 budget as far as the elderly are concerned; more specifically and narrowly the nutrition programs. For that I am grateful and so should the entire senior component of our American population be grateful.

However, there is no accommodation, notwithstanding the fact that they have provided for some additional funding, they are simply inadequate to deal with the facts as they are today. There is a $69 million shortfall. That is an inescapable conclusion. That is a fact.

Now, the argument is offered that we will not be able to have these moneys appropriated. I remember the gentleman from Connecticut, the chairman of the Budget Committee, stating earlier when the gentleman was talking in terms of the Mattox amendment saying, "No; vote against the Mattox amendment; keep the countercyclical in, so at least it will give the legislative bodies, the legislative committees, an opportunity to consider and whether they will reject it or accept it is another factor. It will be a factor that will have to be determined by their own considerations."

I thought the gentleman was right and I voted accordingly.

Now, all we are asking for is for the budget resolution to contain provisions for this $75 million in authorization only and $30 million in outlays.

Now, I do not know whether or not the legislative committees will be able to act sufficiently in a sufficiently expeditious fashion to provide the dollars; but I have every confidence that when there is a need they do, in fact, respond.

On that basis, I urge a vote for the amendment.

It should be a whole lot easier for the objectives of the Budget Committee to accept this $30 million in the light of the passage of the Mattox amendment which struck $250 million.

□ 1720

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words, and I will ask the gentleman from New York (Mr. Biaggi) to engage in a colloquy with me.

Mr. BIAGGI. I will be glad to, if the gentleman will yield.

Mr. SOLOMON. I would suggest that the gentleman not be nervous. I am going to support his amendment.

Mr. BIAGGI. Mr. Chairman, I will assure the gentleman I am relaxed. I have every confidence that he thinks my amendment is in the best interests of the people of our Nation.

Mr. SOLOMON. Mr. Chairman, I will be glad to tell the Members why I think so in just a moment.

I would like first to have some clarification and also some assurances.

Can the gentleman from New York (Mr. Biaggi), first of all, explain the difference in the outlay of $30 million, as compared to the budget authority of $75 million? That seems to be a wide disparity, an unusually wide disparity.

Mr. BIAGGI. Mr. Chairman, if the gentleman will yield, it is generally the practice of the Congress that we authorize considerably more than we expend. It is generally about 35 to 40 percent. That is the reason for those figures.

Mr. SOLOMON. That is my concern, because this is certainly a lot more than 35 or 40 percent.

Mr. BIAGGI. The Committee on Appropriations rarely authorizes the full amount required

Mr. SOLOMON. I see. In the amendment it states that this is increasing the amount of outlays for education, training, employment, and social services for fiscal year 1979.

I would just like to know this: I am not too familiar with this budget process, but how can we be assured that all this money we want to increase now is going to go to the nutrition food program?

Mr. BIAGGI. Mr. Chairman, it is designated for that area. That is the only reason the amendment has been offered. It is clearly enunciated, and we have heard all the comments made by the advocates.

The Older Americans Act establishes certain levels, and this amendment is clearly drawn—and I will repeat it—for no other single purpose. It is the legislative intent that these funds be spent only for nutrition programs.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman.

Mr. Chairman, I would just like to add this: as a fiscal conservative, I do not feel we are wasting money. I really think by increasing this appropriation, it is a case where we are spending money to save money in the long run. I can look at this $30 million cash outlays, and I can compare that with 2,000 people who may be saved from having to go into a nursing home at a cost of $15,000 per person. If only 2,000 people do not have to give up their homes and are able to maintain themselves in their homes through "Meals on Wheels" and through nutrition programs, it means we are going to save money in the long run.

Therefore, that is why I can support this amendment. I would urge all the Members, whether they are liberal or conservative, as I am, that we should get behind this and agree to the amendment so we can help our senior citizens who badly need these nutritional programs.

Mr. BIAGGI. Mr. Chairman, I thank the gentleman from New York (Mr. Solomon) for his support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Biaggi) to the amendment offered by the gentleman from Illinois (Mr. Simon).

The amendment to the amendment was agreed to.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WRIGHT) having assumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 39, ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–113) on the resolution (H. Res. 243) providing for the consideration of the bill (H.R. 39) to provide for the designation and conservation of certain public lands in the State of Alaska including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes, which was referred to the House Calendar and ordered to be printed.

☐ 1730

ELEVENTH ANNUAL REPORT OF THE DEPARTMENT OF TRANSPORTATION — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce, the Committee on Merchant Marine and Fisheries and the Committee on Public Works and Transportation:

To the Congress of the United States:

I transmit herewith the Eleventh Annual Report of the Department of Transportation. This report has been prepared in accordance with Section 11 of Public Law 89–670 and covers fiscal year 1977.

JIMMY CARTER.

THE WHITE HOUSE, *May 1, 1979.*

REGULATIONS AFFECTING PERSONNEL SYSTEM OF AGENCY FOR INTERNATIONAL DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and the Committee on Post Office and Civil Service:

To the Congress of the United States:

Pursuant to Title IV of the International Development and Food Assistance Act of 1978, I transmit herewith regulations affecting the personnel system of the Agency for International Development, together with explanatory information. The purpose of these regulations is to extend the Foreign Service personnel system to all employees of AID in the United States and abroad who are responsible for planning and implementing AID's overseas development program and activities.

These regulations provide that by October 1, 1979, all positions in AID shall be designated as to the personnel service in which the incumbent should serve. Positions will be designated as Foreign Service unless the position is in the United States and unless it is determined that the functions of the position are primarily of a support character and can be performed without significant overseas experience or understanding of the overseas development process, or that the position requires continuity of incumbency and specialized knowledge and skill so that it is impractical to assign the incumbent abroad. The regulations provide that, when positions so designated for Foreign Service incumbency become vacant, appointments to them will be made under the Foreign Service Act. In this manner, the Administrator will be able progressively to bring to bear important field experience in the development process to key policy positions in Washington, thereby strengthening policy development and management and providing more interesting and challenging careers. These regulations, which have been prepared after extensive consultations with the appropriate committees of the Congress, are designed to have no adverse effects upon the existing rights of employees of the Agency.

The personnel regulations I am presenting today are an important step in strengthening the administration of our foreign assistance programs. As you know, I am also proposing, under the Reorganization Act of 1977, an improved organizational structure for those programs. I urge the Congress to consider favorably both of these measures to enhance the efficiency and effectiveness of our economic assistance to developing countries.

JIMMY CARTER.

THE WHITE HOUSE, *May 1, 1979.*

SEVENTH REPORT OF UNITED STATES SINAI SUPPORT MISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I am pleased to transmit herewith the Seventh Report of the United States Sinai Support Mission. It covers the Mission's activities during the six-month period ending April 1, 1979 in fulfillment of obligations assumed by the United States under the Basic Agreement signed by Egypt and Israel on September 4, 1975. This Report is provided to the Congress in conformity with Section 4 of Public Law 94–110 of October 13, 1975.

The Egyptian-Israeli Peace Treaty signed in Washington on March 26, 1979, which supersedes the 1975 Basic Agreement, calls for the United States to continue its monitoring responsibilities in the Sinai until Israeli armed forces withdraw from areas east of the Giddi and Mitla Passes. This withdrawal is to be completed within nine months from the date of the exchange of instruments of ratification. In the meantime, the United States will continue to discharge its responsibilities in the Sinai in the same objective and balanced manner that has characterized the operations of the Mission since its inception in early 1976.

This year, funding of the Sinai Support Mission is authorized under Chapter 6, Part II of the Foreign Assistance Act, "Peacekeeping Operations". Careful control over program costs is expected to reduce expenditures by at least $500,000 below the amount appropriated for Fiscal Year 1979.

The Mission will be closed sometime next year, thus completing a successful U.S. initiative begun over three years ago. All Americans may be justly proud of the U.S. contribution to peacekeeping in the Sinai, and I know the Congress will continue its support of the Mission until the end of this important phase in the search for peace in the Middle East.

JIMMY CARTER.

THE WHITE HOUSE, *May 1, 1979.*

☐ 1210

INTRODUCING THE COMPREHENSIVE ANTI-INFLATION ACT OF 1979

(Mr. LUNDINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

GENERAL LEAVE

Mr. LUNDINE. Mr. Speaker, I ask unanimous consent that all Members may be premitted to extend their remarks relative to the introduction of this legislation.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LUNDINE. Mr. Speaker, today with Mr. FISHER, Mr. MAGUIRE, Ms. MIKULSKI, Mr. MIKVA, Mr. MOORHEAD of Pennsylvania, and Mr. SIMON, I am introducing the Comprehensive Anti-Inflation Act of 1979.

We offer this legislation in the belief that inflation can be reduced without forcing the country through a recession or another period of mandatory wage-price controls.

Recent history has amply demonstrated the ineffectiveness of such extreme "solutions." The controls imposed from 1971–73 could not protect the Nation from soaring food and fuel price increases that ultimately sent inflation into the "double-digit" ranges. Undoubtedly, the distortions and shortages generated during the controls period made these pressures more severe. In response to this emergency, the Federal Government adopted excessively restrictive fiscal and monetary policies— and by 1975 had produced our worst recession since the 1930's. Despite the existence of substantial unemployment and economic slack, the inflation rate has averaged at least 6 percent for each of the last 4 years.

The "middle course" we envision is multifaceted, requiring bold, concerted action in a variety of areas. It recognizes that the causes of the current inflation are complex in nature, and cannot be addressed by fiscal and monetary policy alone.

Basically, our bill would require a coordinated Federal anti-inflationary strategy, encompassing changes in a wide range of economic and regulatory policies. We introduced a similar measure August 15, 1978, which 26 Members of the House cosponsored.

Key provisions direct the President to prepare a comprehensive plan for combating inflation, to be submitted to Congress as part of his annual Economic Report. While the choice of specific proposals is left open, the bill recommends revisions in tax, regulatory, and other Government policies that could help lower costs. Where possible, it emphasizes the use of incentives to encourage noninflationary behavior in the public and private sectors. The ultimate aim is to obtain agreement between the President and the Congress on the central elements of a workable plan.

This partnership, we believe, is critical to the success of a far-reaching effort. Individual proposals—particularly those which reduce Federal payments or revise protective regulations—will inevitably encounter resistance from the interests that have benefited from them. With a firm agreement on the kinds of steps needed to curb inflation, we hope the Congress and the administration will be able to counter such opposition more effectively.

The administration's anti-inflation plan, announced last October, relies primarily on the use of voluntary wage-price guidelines. Recent consumer price developments have all but undermined this approach. As long as inflation shows no signs of abating, individuals understandably lack much incentive to cooperate with the standards, which appear certain to reduce their real incomes.

The administration's "real wage insurance" proposal would have offered at least some protection to workers who complied with the wage standard if inflation remained high. I personally believe the failure of the Congress to take any action on this proposal has been a major setback to the entire anti-inflation effort.

The inflation statistics may, to some extent, reflect bad luck. The harsh winter, for example, pushed some food prices higher than anticipated. Though the outlook may improve in coming months, public perceptions about the inadequacies of the guidelines will be difficult to change. In our view, a new basis for widespread cooperation must be found.

What has not been tried is a systematic and thorough revision of Government policies that drive costs up. Such an effort would emphasize ways to promote competition, such as deregulating certain industries, strengthening antitrust activities, adjusting trade policies. It would seek reductions in the types of taxes that add directly to prices, like payroll and excise taxes, shifting to other revenue sources where needed.

A comprehensive approach should also stress steps to improve productivity—through human resource as well as capital investments. There should be revisions of Federal standard-setting procedures, to assure careful assessment of the costs and benefits of particular regulatory requirements. And regulatory agencies, instead of insisting on specific methods of compliance, should encourage private agents to meet the requirements in the least costly way.

Finally, a credible anti-inflation effort will depend upon the ability of the administration and the Congress to withstand various pressures for higher prices. Especially close attention must be paid to sectors like food, energy, housing, and health care, in which prices have accelerated at exceptionally rapid rates. Actions to increase price supports for sugar and other commodities, restrain hospital cost increases, and decontrol oil prices could each have a major impact on consumer prices in the months ahead.

Overall fiscal and monetary policies must clearly be supportive of this effort. Under present conditions, I would personally favor greater emphasis on budgetary restraint and less reliance on high interest rates. For various reasons, the latter—while adversely affecting costs and thus consumer prices—have not had an especially restraining effect on money and credit.

With this kind of broad, systematic commitment to attacking the causes of inflation, we believe a completely voluntary approach can work. Our bill does call for the formulation of annual wage-price guidelines and authorizes various administrative actions to promote compliance with them.

In contrast to the existing program, our approach would strengthen incentives to cooperate. It should also increase the chance that voluntary efforts at restraint would be worthwhile.

Public opinion surveys have consistently shown that the majority of Americans would prefer lower pay increases if they could be assured that inflation would decline. Our bill seeks the kind of plan that could offer that assurance.

We view this approach as a solid first step, not a final answer. In many cases, additional measures will be needed to implement the recommended changes in policy. What we are offering, in conclusion, is a way to fit the policies together, and achieve consensus of what must be done.

The text of the bill follows:

H.R. 3851

A bill to reduce the rate of inflation and keep it within reasonable bounds by providing for a comprehensive plan for coordinating Federal economic and regulatory policies to offset inflationary pressures, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Comprehensive Anti-Inflation Act of 1979".

PURPOSE

SEC. 2. It is the purpose of this Act to—

(1) reduce the rate of inflation and to keep it within reasonable bounds without impairing economic growth, adding to unemployment, or creating other inefficiencies and distortions in the allocation of resources;

(2) obtain agreement between the President and the Congress on a comprehensive plan for moderating inflationary pressures that outlines the role of specific economic and regulatory policies and programs;

(3) promote consideration of new policies to encourage voluntary wage-price restraint;

(4) promote analysis of the costs and benefits of Federal regulatory and program activities, and establish a Federal commitment to minimize the excess costs imposed by such policies; and

(5) require short-term and medium-term inflation goals and establish reasonable guidelines for price increases and wage settlements.

TITLE I—COORDINATION OF ECONOMIC POLICIES

COORDINATION OF ECONOMIC POLICIES

SEC. 101. (a) Section 3(a) of the Employment Act of 1946 is amended—

(1) in clause (3), by striking out "and" at the end thereof;

(2) in clause (4), by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(3) by adding at the end the following new clause:

"(5) a coordinated set of fiscal (tax, expenditure, and borrowing), monetary, and other economic and regulatory policies designated to combat inflation, to achieve the price goals established under clause (2), and to achieve the related goals set forth in the Economic Report, established in accordance with subsection (b); and".

(b)(1) Section 3 of such Act is amended by redesignating subsections (b) through (e) as subsections (d) through (g), respectively, and by inserting after subsection (a) the following new subsection:

"(b) The economic and reguatory policies referred to in subsection (a)(5) shall set forth—

"(1) fiscal policy targets for the calendar year of the Economic Report with an explanation of how the President's recommended levels of outlays and receipts are consistent with the short-term goals of clause (2)(A), and the direction of budgetary policy for five calendar years following such calendar year and its relation to the medium-term objectives in clause (2)(B); and

"(2) specific programs and initiatives designed to achieve the price goals in clause (2), including any recommendations of the President respecting programs and policies described in title III of the Anti-Inflation Act of 1979.

In describing the policies, the President shall indicate the range of options considered and give the reasons for his choices."

(2) Section 3(e) of such Act, as so redesignated by paragraph (1) is amended by striking out "subsection (b)" and inserting in lieu thereof "subsection (d)".

(3) Section 4 of such Art is amended—

(A) by striking out "section 3(d)" each place it appears therein and inserting in lieu thereof "Section 3(f)"; and

(B) by striking out "section 3(e)" each place it appears therein and inserting in lieu thereof "secticn 3(g)".

FEDERAL RESERVE BOARD MONETARY POLICIES

SEC. 102. The Board of Governors of the Federal Reserve System shall include in the report submitted under section 2A of the Federal Reserve Act an independent statement of its intended monetary policies for the year, and explain their relationship to the short-term and medium-term price goals set forth in the Economic Report for such year as required by clause (2) of section 3 (a) of the Employment Act of 1946. Nothing in this Act shall be interpreted to require that policies proposed by the Board be followed if the Board and the Federal Open Market Committee determine that they cannot or should not be followed because of changing conditions.

TITLE II—ESTABLISHMENT OF GUIDELINES

ESTABLISHMENT OF GUIDELINES

SEC. 201. (a) Section 3(a) of the Employment Act of 1946 is amended by inserting after clause (5) the following new clause:

"(6) a set of guidelines to govern price increases and wage settlements, established in accordance with subsection (c).".

(b) Section 3 of such Act is amended by inserting after subsection (b), as added by section 101(b) of this Act, the following new subsection:

"(c) The guidelines referred to in subsection (a)(6) shall be designed to reduce and stabilize the rate of inflation, and shall apply to business concerns and labor organizations. Such guidelines—

"(1) shall be formulated in consultation with congressional, business, labor, and private advisers, as well as with the Council of Economic Advisers;

"(2) shall take into account the recommendations of representative industries and labor organizations from major sectors of the economy respecting annual targets which such industries and organizations could comply with;

"(3) shall take into account existing and projected national economic conditions, the pattern of wage and price movements in recent years, trends in nonlabor cost increases, and other relevant considerations; and

"(4) may be based on a formula that reflects the increase in the cost-of-living which has occurred during the preceding year (as measured by the change in the Consumer Price Index) and adds an estimate of productivity gains throughout the economy and subtracts from this sum, a factor of approximately 25 percent of such cost-of-living increase and such productivity gains, or any other formula the President considers appropriate.

The President may utilize federal procurement policy and other appropriate administrative actions to promote voluntary compliance with the guidelines, but the President shall not utilize any form of mandatory controls on either wages or prices.".

COUNCIL OF ECONOMIC ADVISERS

SEC. 202. (a) Section 10(c)(1) of the Employment Act of 1946 is amended by inserting before the semicolon at the end thereof the following: ", including the portions of such Economic Report establishing economic policies and guidelines as required by clauses (5) and (6) of section 3(a)".

(b) Section 10(e) of such Act is amended by inserting before the period at the end thereof the following: ", and shall seek the advice and concurrence of the Council on Wage and Price Stability, as well as the cooperation of other departments and agencies of the United States, in carrying out its functions with respect to the ports of the Economic Report establishing economic policies and guidelines in accordance with clauses (5) and (6) of section 3(a)".

TITLE III—POLICIES AND PROGRAMS TO REDUCE INFLATION

PURPOSE

SEC. 301. The Congress recognizes the inadvisability of relying solely on general economic policies to reduce inflation in a manner consistent with other national objectives for economic growth and employment as provided for in section 3(a) of the Employment Act of 1946. It is, therefore, the purpose of this title to urge the President to undertake, with recommendations to the Congress where necessary, additional programs and policies capable of achieving the anti-inflation goals set forth in such section.

TAXES

SEC. 302. In formulating and revising tax policy, the President shall endeavor to reduce, or substitute for, taxes which significantly increase price levels. The President shall specifically consider—

(1) reductions in Federal payroll taxes for social security and unemployment compensation, with provision for alternative financing of some segments of these programs to produce sufficient revenues;

(2) rescinding of Federal excise taxes, replacing lost revenues with income taxes;

(3) the use of Federal revenues to compensate States and localities that choose to reduce or repeal indirect taxes, such as sales taxes, excise taxes, and various consumption-related taxes, for at least part of their revenue losses, if these jurisdictions do not substitute other cost-raising taxes; and

(4) the use of tax incentives to induce workers and firms to hold down cost increases.

REGULATORY REVIEW

SEC. 303. (a) The Congress recognizes that Federal regulatory requirements have added substantially to costs in many industries and that existing procedures for setting standards do not assure thorough analysis of either the costs or the social benefits, or comparison of alternative approaches to achieving particular regulatory aims.

(b) To promote the purposes of this Act, the President shall encourage executive and independent agencies to utilize analytic information on costs and benefits in determining appropriate standards. As far as possible, regulations shall allow private agents the technological and administrative flexibility to meet the requirements in the least costly way.

(c) The President, in consultation with the Office of Management and Budget and other advisory agencies, shall further develop specific procedures to promote the promulgation of economically efficient and socially desirable regulations. Such a system could include annual limits on the total amounts of private and public resources that could be devoted to meeting the requirements of each regulatory agency, to provide incentives to adopt cost-effective regulations and obtain maximum benefits for given levels of expenditures.

DEREGULATION

SEC. 304. The President shall take appropriate steps toward deregulation of industries over which the Federal Government has rate-setting authority, if he determines that deregulation would promote competition and reduce service costs without harm to the public. The President shall specifically consider deregulation of entry and rate-setting in the transportation sector, including the trucking, shipping, and railroad industries.

PRODUCTIVITY

SEC. 305. The President shall encourage the growth of productivity in both the private and public sectors, and develop policies to promote investment in human resources as well as technological advancement. To accomplish these purposes, the President may support the establishment and operation of joint labor-management activities conducted by plant, area, and industry-wide committees, designed to increase productivity and organizational effectiveness, and improve the utilization of human resources.

VOLUNTARY WAGE AND PRICE RESTRAINT

SEC. 306. (a)(1) In seeking voluntary cooperation from business and labor to achieve the objectives of this Act, the President shall examine the use of tax incentives to workers and to firms to hold cost increases to specified levels. Such approaches could involve tax refunds, equal to a particular percent of wages, to workers whose companies hold average pay increases to a specific rate per year. Corresponding tax reductions could be offered to firms that pledge in advance to take such action, and to firms that limit their price increases to a specific annual rate.

(2) The Council of Economic Advisers and the Department of the Treasury shall jointly prepare a study and make recommendations regarding the use of tax incentives to induce compliance with the wage and price guidelines established under section 3(a)(6) of the Employment Act of 1946. Such study and recommendations shall be transmitted to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Joint Economic Committee for their consideration and appropriate action.

(b)(1) The Council on Wage and Price Stability may require each business concern with annual sales of not less than $100,000,000 to which the guidelines currently in effect under section 3(a)(6) of the Employment Act of 1946 are applicable, and which proposes to make a significant price change in any major product line, to notify the Council of such change at least thirty days before it becomes effective. In addition, the Council on Wage and Price Stability may require each professional association to submit to the Council an annual report on the fee structures of the persons or groups it represents, including the results of surveys conducted of such persons or groups, and the Council may monitor and study the provisions of all major wage settlements.

(2) The Council on Wage and Price Stability may obtain information respecting the range of anticipated wage settlements from the Department of Labor.

(c) The Council on Wage and Price Stability, on its own initiative or at the request of any business concern or labor organization substantially affected by the guidelines involved (or at the request of a consumer group having a substantial and direct connection with such a concern or organization), may make and publish a report on any price increase, wage settlement, or change in fee structures which in its judgment exceeds or violates the applicable wage or price guidelines currently in effect under section 3(a)(6) of the Employment Act of 1946. Each such report shall cover price trends, wage and other cost trends, agreements reached in similar situations, any mitigating or unusual factors, the profit picture in related firms and industries, and other relevant considerations. Any business concern, labor organization, or professional association whose plans, practices, or actions are the subject of such a report shall be given a reasonable opportunity to reply in writing, citing any special circumstances which may explain or justify the violation of such guidelines or demonstrate that no such violation exists.

(d) Whenever the Council makes a report on a price increase, wage settlement, or change in fee structures under subsection (b), the President may—

(1) institute and carry out (in the case of a wage settlement) a process of mediation between the business concern or concerns and the labor organization or organizations which are involved, under the direction of an independent mediator, or

(2) institute and carry out (in the case of a price increase or a change in fee structures) such process of mediation as in his judgment is suitable to the circumstances, including participation by appropriate business, labor, and consumer interests, in order to achieve compliance with the applicable guidelines.

SPECIAL SECTORS

SEC. 307. (a)(1) The Congress recognizes that food prices have contributed significantly to recent inflationary trends, and that Federal policies to stabilize crop prices and farm income have tended to exert upward pressure on prices. These include such choices as price supports, acreage set-asides, and other output limitations.

(2) In formulating agricultural policy, the President shall strive to preserve production incentives and allow market forces to operate wherever possible. The President shall specifically consider—

(A) the use of commodity reserves to moderate price fluctuations; and

(B) direct payments to farmers, subject to an appropriate limit, as the means of support during periods of low income.

(b)(1) The Congress recognizes the urgent need for a national energy policy that reduces United States dependence on imported oil, and takes appropriate action to promote conservation. To the extent such measures increase energy prices to discourage consumption, higher costs will be felt throughout the economy.

(2) The President, with assistance from the Council on Wage and Price Stability and other relevant agencies, shall explicitly address the price implications of energy policies in the Economic Report transmitted to the Congress pursuant to section 3(a) of the Employment Act of 1946 and refrain as far as possible from actions that abruptly and rapidly raise energy prices unless ways are provided to offset the inflationary effects.

(c) The President shall examine and analyze the causes of rapid acceleration in housing prices, and seek ways to reduce supply bottlenecks and lower land, financing, and other relevant costs. In formulating policy in this area, the President shall also explore with the Federal Reserve Board the role of its actions on interest rates and possibilities for accommodations in the general structure of interest rates.

(d) The President shall set forth programs and policies to limit the acceleration of health care costs, including proposals to restrain increases in hospital costs.

ANTITRUST

SEC. 308. The President shall explore ways to increase competition in concentrated industries and take appropriate action to strengthen and enforce the antitrust laws.

TRADE

SEC. 309. The President shall pursue negotiations for fair trade agreements with foreign nations and explore the potential for adjustments in trade policies that would lower domestic costs. In recommending revisions, the President shall weigh the effects on domestic production and make appropriate arrangements for direct assistance to workers and industries affected by such policies.

TITLE IV—CONGRESSIONAL REVIEW

CONGRESSIONAL REVIEW BY JOINT ECONOMIC COMMITTEE

SEC. 401. Section 11 of the Employment Act of 1946 is amended by adding at the end thereof the following new subsection:

"(g)(1) In conjunction with its annual review of the Economic Report, the joint committee shall hold special hearings for the purpose of reviewing the President's proposed economic policies to combat inflation (as included in such Report pursuant to section 3(a)(5)) and his proposed guidelines for wages and prices (as included in such Report pursuant to section 3(a)(6)). As soon as possible after such hearings are completed, the joint committee shall submit to the House of Representatives and the Senate its findings and recommendations with respect to such guidelines and policies (and shall in addition transmit directly to the committees of the House and Senate having jurisdiction with respect to such policies its specific recommendations for appropriate action thereon by those committees).

"(2) The proposed guidelines for wages and prices which are included in the Economic Report shall become effective as the national standard to be followed by business concerns and labor organizations on the thirtieth day following the day on which the joint committee submits its findings and recommendations to the House and Senate under paragraph (1), unless prior to such thirtieth day the Congress (in accordance with paragraph (3)) adopts a concurrent resolution stating in substance that it disapproves the guidelines as included in the Report. If the Congress adopts such a concurrent resolution, such guidelines shall not become effective and the President may within thirty days resubmit them with such modifications as he may consider necessary or appropriate. The guidelines as so resubmitted shall become effective unless prior to the thirtieth day after the date of resubmittal the Congress (in accordance with paragraph (3)) adopts a concurrent resolution stating in substance that it disapproves of the guidelines as resubmitted.

"(3) Any concurrent resolution described in paragraph (2) which is introduced in either House of Congress shall be considered under and in accordance with the procedures set forth in section 1017 of the Congressional Budget and Impoundment Control Act of 1974, as though it were a resolution to which that section applies, except that for purposes of applying such procedures (A) a concurrent resolution which has passed one House and is transmitted to the other House shall be considered to have been introduced in the latter, and (B) the term 'twenty-five calendar days of continuous session of the Congress' in subsection (b)(1) of such section shall be deemed to read 'fifteen calendar days'.".

● Mr. MIKVA. Mr. Speaker, I am pleased to join my colleague from New York, Congressman STAN LUNDINE, in cosponsoring the Comprehensive Anti-Inflation Act of 1979. There is no question that inflation is our most urgent domestic priority. Failure to control inflation threatens not only our economy, but our entire standard of living. I am sure that every Member of Congress recognizes the vital necessity for an effective program designed to lower the inflation rate. I believe the Comprehensive Anti-Inflation Act is such a program.

In the first 3 months of 1979 inflation rose at an annual rate of 8.7 percent. The largest contributing factors in our upward spiral of prices include the basic necessities of life, such as food and energy. Consumers throughout the Nation, particularly those from lower- and fixed-income households, deeply feel the effects of inflation. While we in the Congress realize the complex nature of the inflation problem, our constituents look to the Federal Government both as the source of the problem and for the solution. Clearly, the Federal Government must take the lead in the fight against inflation.

The weapons available to the Federal Government in the fight against inflation are, in many cases, already part of the Federal machinery. But they are not coordinated. Individually, these efforts may make small dents; collectively, they could make a large impression. This bill seeks the planned coordination of these measures.

Anti-inflation measures in the bill include the reduction of, or substitution for, taxes which significantly increase prices, such as payroll and excise taxes; the promotion of economically efficient Federal regulatory requirements; and the possible deregulation of industries over which the Federal Government has ratesetting authority.

The legislation would set guidelines for combating inflation and directs the President to set goals for reducing inflation as part of his annual economic report. However, the bill specifically denies to the President the option of utilizing mandatory wage and price controls.

Another key element of the bill is the recommendation that tax incentives be used to reward voluntary restraint on the part of business and labor for maintaining acceptable increases in prices and wages. In addition, an independent annual statement would be required of the Federal Reserve Board explaining its anticipated monetary policies relating to inflation-fighting goals, for the purpose of insuring a coordinated effort between monetary and fiscal policy.

Experience has taught us that inflation will not go away by itself. Even more startling is the lesson that a recession will not necessarily stop the growth of inflation.

The time has come for fresh ideas. I believe the Comprehensive Anti-Inflation Act starts us on the new path toward the solution of the inflation problem.●

CARTER, SUGAR KINGS STRIKE SWEET DEAL

(Mr. LEDERER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LEDERER. Mr. Speaker, as the American sugar growers and their conglomerates make their annual lobbying effort to extract their pound of flesh from the U.S. consumer, I would like to share with my colleagues in the House an article printed in the Colorado Springs Telegram on March 28, 1979. This article indicates a pattern of greed which will be satiated by a pound of flesh; the industry will not be satisfied until it devours the entire skeleton of the American consumer.

Mr. Speaker, I urge my colleagues in the House to oppose any efforts which would raise sugar price supports above their present level. Not only would this opposition be anti-inflationary, but it would also demonstrate a clear concern for the battered consumer over corporate greed.

The article follows:

CARTER, SUGAR KINGS STRIKE SWEET DEAL

(By Lisa Myers)

WASHINGTON.—A couple of weeks ago, the Carter administration quietly sweetened a deal with congressional sugar barons, at a potential cost to consumers of hundreds of millions of dollars a year.

A few days later, the Senate's ranking sugar daddy, Finance Committee Chairman Russell B. Long, D-La., just as quietly gave the green light to a trade bill urgently needed by the administration to complete a new round of trade liberalization negotiations.

"An amazing coincidence of timing," said a Long aide. "The two events were totally unrelated," chuckled an administration trade official.

Not so, said a knowledgeable Senate Democrat.

"Russell got his sugar deal, so now we can proceed with the countervailing duty waiver (bill)," the veteran senator said.

Call it power politics, legislative banditry or an old-fashioned swap. The episode illustrates how powerful and strategically situated lawmakers are able to use their positions to extract concessions from even the most resistant of presidents. It also points up how the administration contributes piecemeal to inflation with relatively small concessions to special interests that, taken together, can have a significant impact on the cost of living.

When it comes to legislative horse-trading, Long has few equals. As legend has it, the hard-bargaining Louisianan could have gotten Manhattan from the Indians for trinkets, without having to throw in $24 as well. That assumes, however, that the Indians needed some bill out of the Finance Committee.

The White House did. Dissatisfied with President Carter's reluctant proposal to aid Louisiana's (and, of secondary importance, the nation's) financially strapped sugar growers, Long was sitting on an administration bill to extend retroactively a waiver of punitive duties on subsidized imports.

Without the countervailing duty waiver legislation, a multilateral trade agreement that has been under negotiation for five years cannot be completed. Although the talks are all but over, European nations refuse to conclude an agreement unless the waiver, which expired in January, is extended.

In an effort to strengthen congressional backing for the trade package and related bills, Carter agreed in mid-February to raise the floor price on this year's cane and beet sugar crop by 5 percent. Through fees, duties and standby quotas on imported sugar, domestic sugar growers would be guaranteed a market price of 15.8 cents a pound. The current floor price is around 15 cents a pound.

In addition, Carter agreed to go along with a direct government payment of half a cent a pound to growers, raising the total price farmers receive to 16.3 cents a pound.

The package, which was the most expensive of three options presented to Carter, would raise the nation's sugar bill about $250 million a year, government economists said.

It was adamantly opposed by Alfred E. Kahn, Carter's chief inflation fighter. But the political necessity of ending a costly two-year impasse over sugar policy outweighed Kahn's inflation worries.

Still, the sugar barons—specifically Long, House Ways and Means Committee Chairman Al Ullman, D-Ore., House Agriculture Chairman Thomas S. Foley, D-Wash., and Senate Foreign Relations Chairman Frank Church, D-Ida.,—were not satisfied.

Long made his displeasure known. On March 8, he canceled a scheduled March 14 hearing on the administration's countervailing duty bill, which the White House had hoped to rush through the Senate. The chairman told a Finance Committee colleague that he didn't plan to move on the trade measure until the sugar problem was resolved more to his liking.

That same day, two Finance staff members went to the White House to "clarify" remaining questions on the proposed sugar compromise. They met with Stuart Eizenstat, Carter's top domestic policy adviser, and Howard Hjort, the Agriculture Department's top economist and sugar expert.

Long's men came away from the meeting with, among other things, a major concession on future price support levels. The administration had been insisting on a formula for adjusting future support levels that would have raised guaranteed prices to farmers about 3 percent annually. At the session, the White House relented and agreed it would live with a more expensive adjustment formula based on increased costs of production under which prices could rise as much as 7 percent a year.

A 7 percent increase in price supports would raise the guaranteed price (not counting the direct government payment to growers) to 16.9 cents a pound in crop year 1980, compared with 16.3 cents under the administration formula. That's an annual additional cost to consumers of as much as $275 million, as opposed to $125 million. And it comes on top of the $250 million a year sugar price increase under the administration's February proposal.

White House concessions in hand, Long's aides then went to the sugar industry, which grudgingly agreed it could live with the plan. Then they reported back to the boss.

On March 14, Long rescheduled hearings on the trade bill for March 19. On March 22, the Finance Committee approved the legislation. And Long convinced Sen. Bob Dole, R-Kan., not to add a controversial amendment because it would "unwisely delay" action on this "vital" legislation.

"When Russell finally is on your side, he takes care of things for you," commented a senior administration trade official. "But sometimes getting him on board ain't all that cheap."

SHOCKING LACK OF SUPPORT FOR DOE INSPECTOR GENERAL

(Mr. FOUNTAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FOUNTAIN. Mr. Speaker, the first annual report submitted by the Department of Energy's statutory Inspector General, J. Kenneth Mansfield, has disclosed shocking deficiencies in the steps being taken by that Department to combat fraud, waste, and abuse in its programs and operations. The report further reveals that a major reason for these deficiencies is lack of support for the Inspector General by top program officials of the Department.

Significant disclosures in the Inspector General's report include the following:

He has been unable to fully carry cut his statutory responsibilities because of a "critical" shortage of auditors and investigators. Department officials reneged on a promise to increase authorized positions in his office and, instead, reduced the positions available.

DOE now has major gaps in its internal audit coverage. Programs totaling billions of dollars are being audited only glancingly. Most of the auditing deficiencies are in program areas where the possibilities for waste, fraud, and abuse are the greatest.

The Office of Inspector General has too few investigators in too few places and is unable to take the initiative to look for fraud in places where it is suspected to exist. As a result, it is almost certain that large amounts of fraud and abuse in DOE programs are going undetected, unprevented, and unpunished.

In my judgment, Inspector General Mansfield and his staff have made an honest and extremely useful report, and I want to commend them for doing so. It is obvious that they are taking seriously the clear intent of Congress that Offices of Inspector General should be objective and independent.

It is imperative that prompt action be taken to insure that the DOE Office of Inspector General has the resources and support necessary for it to carry out its statutory responsibilities.

I am confident that the Congress will not allow this deplorable situation to continue. However, I hope the President and Secretary Schlesinger will take corrective action immediately, without waiting for Congress to act.

I am including with my remarks pertinent excerpts from the Inspector General's report:

Excerpts From Inspector General Annual Report

Public Law 95-91, which created the Department of Energy (DOE), also established within the Department an Office of Inspector General (IG). The law imposes upon the office statutory responsibilities relating to the promotion of efficiency and economy and the prevention or detection of fraud and abuse in the programs and operations of the Department. . . .

The Inspector General's Office of the Department of Energy came into being on October 1, 1977, the same date on which DOE itself came into existence. The Office represented a merger of auditing, investigative, and inspection staffs of the Office of Internal Review of the former Energy Research and Development Administration (ERDA) and the comparable staffs of the Office of Inspector General of the former Federal Energy Administration (FEA). . . .

INSPECTOR GENERAL OFFICE STAFFING: A CRITICAL PROBLEM

Both the level of our activities and our forward planning at the close of last year were being adversely affected by staffing limitations.

A year ago March, the IG office had a staff ceiling of 120 people. This figure was reduced to 110 people early last summer, and then again reduced to 100 people later in the year. Our present staff ceiling therefore represents a decrease of 17 percent from the ceiling figure of a year ago.

This time last year, the IG office was also authorized by the Department to inform the Congress, and it so did, that when the then existing 120 person ceiling was reached, we would be allowed to take on an additional 35 persons, or a total of 155 people. Our present ceiling of 100 therefore represents a decrease of 35 percent from the 155 person figure given the Congress last March. . . .

In contrast to these reductions in IG's staff, the audit groups that work for and report to the managers of the DOE field offices were being enlarged according to the DOE plan for combating waste, fraud and error which was issued in January of this year. Specifically, these other audit groups were being increased by 11 percent between Fiscal Year 1978 and Fiscal Year 1979.

IG funds come from the Department's Management and Support budget. The other offices so funded are the Office of the Secretary, General Counsel, Equal Opportunity, Board of Contract Appeals, Administration, Intergovernmental and Institutional Relations, International Affairs, Policy and Evaluation, Controller, and Procurement and Contracts Management.

The 17 percent staff ceiling cut IG has suffered in the past year has been the largest cut sustained by any of the offices funded by the Management and Support budget. The percentage reduction in IG's staff ceiling has also been over twice as large as the average percentage reduction of the other offices paid for with Mangement and Support funds.

Similarly, IG has not had the opportunity afforded these other offices to supplement their full-time permanent staffs with additional slots for consultants and part-time and intermittent personnel. The other offices, which have full-time personnel ceilings averaging 230 people, have an average of 17 such additional personnel slots over and above their regular ceiling. In contrast, IG, with its 100 person full-time ceiling, had until a week ago only one such additional slot. It now has four slots, which is a welcome improvement but still proportionately well below the average of the other offices.

Some comparisons with IG staffing in other departments are perhaps useful. As against our 100 persons, the Department of Housing and Urban Development Inspector General's Office now has 477 people. The Department of Agriculture Inspector General's Office now has 918 people. Commerce, with a budget only about one quarter of that of DOE, has an IG office numbering 175 people. The Small Business Administration, whose budget is less than a tenth of DOE's budget, has 109 people in its IG operation.

The same staffing disparities manifest themselves in comparisons relating to specific parts of our operation. Thus, we have four investigators stationed in the field. HUD has 20 times this number, or 80 field investigators. Agriculture's field investigative staff of 241 is 60 times larger than ours.

Our staffing needs are critical but they are not large—the 155 person figure for our office that the Department gave the Congress a year ago still appears to be a reasonable one. Staffing shortages are now inhibiting our operations in the following ways:

We lack the manpower needed to do effective forward planning. We do not have the resources required to do the vulnerability analyses and risk assessments and surveys and test-bore reviews which form the bases of such planning. By far the largest portion of our time is now being spent on fire brigade work in which we are trying to help forestall the aggravation of crises rather than helping to prevent them in the first place.

In the audit area, we have not been able to respond to high level Departmental requests that we take on additional financial auditing responsibilities. We are not doing nearly as much efficiency and economy auditing as we should be doing in view of our statutory mandate. We also lack the people needed to enable us to discharge our statutory responsibilities relating to the supervision, coordination and policy direction of the overall DOE auditing program.

Our investigative work to date has been an almost completely reactive effort consisting of investigations initiated in response to complaints and allegations. We do not have the resources needed to launch investigative initiatives in which we search for and ferret out fraud and abuse in areas where we suspect that wrongdoing may be going on.

We are determined to have a lean and frugal IG operation. But there is a minimum critical mass of people that we need to discharge our statutory responsibilities. The limitations under which we are now working in this regard are keeping us from doing our job in any way we want to do it, and in the way we believe the Congress and the President want us to do it. . . .

AUDITING ACTIVITIES

The Department now has major gaps in its internal audit coverage. Programs totaling billions of dollars are being audited only glancingly. . . .

The auditing deficiencies, for the most part, appear to be in program areas where the possibilities for waste, fraud and abuse are the greatest. These include weatherization grants, new and rapidly expanding procurement activities, the Strategic Petroleum Reserve Program, and regulatory activities. . . .

The Department as a whole, like our IG office, has not been following closely enough GAO and OMB guidelines regarding full-scope audits. The Department's auditing program is now primarily concerned with pre- and post-award contract auditing and financial and compliance matters. Only a small fraction of the auditing effort is focused on efficiency and economy matters, and a still smaller fraction on program result issues. . . .

The Department now lacks effective institutional and organizational arrangements for assuring that its total audit resources are being employed in such a manner that they do the most possible good in helping combat waste, fraud and error in DOE programs.

When 1978 ended, our IG office was falling short of adequately discharging its statutory responsibilities relating to auditing. This shortfall took two forms:

First: Because of staffiing limitations, the scale and scope of that portion of our IG audit program which is concerned with efficiency and economy and program results matters has not been deep and broad enough.

Second: Because of staffing limitations and existing relationships, we in IG have not been discharging that part of our statutory mandate which calls upon our office to "supervise, coordinate, and provide policy direction" for the overall auditing activities of the Department. . . .

INVESTIGATION ACTIVITIES

When 1978 closed, the single most important problem faced by our investigations office was a simple one—too few investigators in too few places.

Our headquarters staff at year's end numbered only seventeen people and our field staff consisted of only four people stationed in four different locations—Oak Ridge, Tennessee; Albuquerque, New Mexico; Las Vegas, Nevada; and Richland, Washington.

Last year, one-third of our total investigative effort, or the equivalent of seven staff years, was devoted to four major cases, leaving only fourteen staff years available for work on the balance of our caseload.

Of necessity, our investigative work in 1978 was therefore almost totally reactive in nature and consisted almost exclusively of investigations triggered by complaints and allegations coming to us from various quarters—the Congress, DOE employees, anonymous letters and so on.

We see an urgent need for an investigative staff which is large enough to enable us to adopt an affirmative investigative strategy which goes beyond merely reacting to allegations. Such a strategy would involve launching investigative initiatives in areas where we suspect that wrongdoing may exist. We would also do the analytical investigative work required to find and bring such wrongdoing to light. We think it almost certain that the amount of fraud and abuse in DOE programs now going undetected, unprevented and unpunished because of our present inability to adopt a forward investigative strategy is large. . . .

THOMAS EHRLICH

The SPEAKER pro tempore (Mr. OBEY). Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 60 minutes.

● Mr. KASTENMEIER. Mr. Speaker, as chairman of the Judiciary Subcommittee on Courts, Civil Liberties, and the Administration of Justice, I would like to note that today—Law Day—marks the departure of Thomas Ehrlich who has served as the first president of the Legal Services Corporation. Mr. Ehrlich, who assumed the presidency in January of 1976, has left the Legal Services Corporation to become the Administrator of the Agency for International Development. We wish him well in his new position.

On behalf of the subcommittee—which has had a close oversight relationship with the Corporation since its inception in 1975—I commend Mr. Ehrlich for his excellent leadership of the new Corporation. When the Corporation began its operations in late 1975, it assumed responsibility for a civil legal assistance program which had been originally placed in the executive branch, subjected it to the winds of political change. It also had been decimated by the years of a frozen budget in the face of high inflation. The new Legal Services Corporation was created by Congress as a private nonprofit corporation to administer civil legal aid throughout the Nation. The premise—which was strongly supported by many persons and groups, including the American Bar Association—was that the civil legal assistance program should be structured so that professional judgment could be exercised without undue political pressure. That premise has been followed by Mr. Ehrlich in his efforts to insure quality legal services. The Corporation now funds 335 legal services programs operating out of 900 offices in all 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, and Micronesia. The number of poor persons with access to civil justice has increased from 1.7 million in 1975 to 27.8 million. We have had a cooperative, constructive relationship with the Corporation during this period of development; Mr. Ehrlich has shown the willingness and the flexibility in reviewing and refining procedures—part of the growing process of the new Corporation.

Mr. Ehrlich, who graduated magna cum laude from Harvard College and its law school, served as a law clerk to the late Judge Learned Hand. His first position was as an attorney with the Milwaukee, Wis., law firm of Foley, Sammon & Lardner. He served in two positions in the Department of State—as Special Assistant to the Legal Adviser and as Special Assistant to Under Secretary of State George Ball. Mr. Ehrlich joined the faculty of the Stanford Law School in 1965 and became the dean of the law school from 1971–75, leaving the position to become the first president of the Legal Services Corporation. He has written several books and articles on subjects such as the costs and delivery of legal services, legal education, and international law. I know that he will meet the challenges of his new position as he has served the Legal Services Corporation—with the highest professional and personal qualifications.

In closing, I would like to quote from Mr. Ehrlich on his view of the role and responsibilty of lawyers. It is particularly relevant on Law Day that we listen well. Those of us who make the law and those who practice law have obligations to the citizenry which is asked to follow the law.

We must also work to bring access to the legal sytem to all of our Nation:

EXCERPT FROM "FUTURE ROLES FOR THE LAWYER," A SPEECH DELIVERED BY MR. THOMAS EHRLICH AT THE CLEVELAND-MARSHALL COLLEGE OF LAW ON FEBRUARY 6, 1978

> My convictions about the responsibilities of lawyers are rooted in my view that every lawyer is part of the legal system with an obligation to help make that system work. It is a system that the residents of this country have no choice about. They must use it. They must live under the law. Society as a whole—through government—requires that commitment of all citizens. In return, it seems to me the opportunity to use the legal system is an inherent right of citizenship. If political liberty means anything at all, it must mean that.●

● Mr. SMITH of Iowa. Mr. Speaker, as one who has been very closely associated with the Legal Services Corporation since its inception, I am glad to have this opportunity to thank Tom Ehrlich for the outstanding job he has done as the Corporation's first president.

The Legal Services Corporation was established by Congress in 1975. While the roots of legal services for the poor had been set in the sixties, we in Congress are aware of the problems that such programs had encountered in the past and know how critical the last 3½ years have been for the Corporation. Tom Ehrlich has nonetheless led the Corporation through a period of dramatic expansion, to the point where we are only a step away from establishing at least minimum legal services throughout the Nation. This goal of "minimum access" for the poor in every region of our country is within our grasp and tribute is due Tom Ehrlich for the role that he has played in making this possible. He has given the program credibility and demonstrated in remarkable fashion how competence and leadership can so fully determine the success of a Government program.

It is a pleasure then to give him my good wishes for a future in Government service that I expect to be every bit as distinguished as his past.●

● Mr. DANIELSON. Mr. Speaker, today, I join my colleagues to commend Thomas Ehrlich for his outstanding leadership as the first president of the Legal Services Corporation. Under his sensitive and visionary direction, millions of individuals were provided with desperately needed legal assistance who, prior to the inception of the Corporation, were unable to afford this service.

The development of Legal Services Corporation has benefited greatly from Tom Ehrlich. He has consistently committed himself to providing legal services to the poor. I wish to extend to him my deep appreciation for his cooperation and responsiveness to Congress over the last several years and wish him the same success as Administrator of the Agency for International Development.●

● Mr. RAILSBACK. Mr. Speaker, I wish to pay tribute to a distinguished lawyer, a gentleman who has made an important contribution to the legal profession, and a person who has befriended many of us on Capitol Hill, Tom Ehrlich.

Yesterday was Tom Ehrlich's last day as president of the Legal Services Corporation. As this body will recall, Federal legal service to the poor was in a shambles in the early 1970's. There was serious concern as to whether any meaningful legal assistance to the poor could survive. In 1974 a political compromise was reached and the Legal Services Corporation was created. Under the leadership of Tom Ehrlich, not only has legal service for the poor survived, it has flourished, and, as many of us are well aware, that was no easy task. He has had to work with and maintain credibility with the Congress on one hand, and on the other worked with and maintained credibility with the legal service community. He did this difficult job very well.

I would like to congratulate Tom on his performance in office and wish him the best with his new position with the administration, as Administrator of the Agency for International Development.●

● Mr. DRINAN. Mr. Speaker, I commend the gentleman from Wisconsin (Mr. KASTENMEIER) for organizing this tribute to Thomas Ehrlich, president of the Legal Services Corporation. Mr. Ehrlich is leaving the Corporation to serve as Administrator for the Agency for International Development.

It is especially appropriate that we thank Mr. Ehrlich for his leadership in serving the Corporation over these past 4 years, today, May 1, which is celebrated as Law Day throughout the United States. No Federal program does more to make the law a meaningful part of life for the disadvantaged than our legal services program.

Reginald Heber Smith, a founder of the legal services movement in this country, writing in 1919 on the need for a national program of legal services cautioned that—

> The poor come to think of American justice as containing only laws that punish and never laws that help. They are against the law because they consider the law against them. A persuasion spreads that there is one law for the rich and another for the poor.

No one better understood the weight of those words than Thomas Ehrlich when in 1975, he left the deanship of Stanford Law School to accept the monumental task of reviving and reforming Federal efforts at providing access to legal services for those unable to afford such assistance. Previous efforts had met with failure.

It hardly suffices to say "thank you" for a job so well-done. Tom Ehrlich brought the Legal Services Corporation through a difficult and critical period. The numbers of poor people, across the Nation, served by legal services has risen from the 1.7 million it was in 1975 when he started, to 27.8 million today. Under his guidance, the Corporation set a goal of two attorneys per 10,000 low-income persons nationwide and today is on the verge of realizing that modest, but vital standard. There are now 335 legal services programs operating in about 900 neighborhoods all over the United States. It is important to note as a testament to Mr. Ehrlich's skill as a highly competent administrator, that in 1978, 91.8 percent of the total Corporation expenditures went into local communities to provide legal services.

In his final annual report message, Mr. Ehrlich speaks of the ideal that "justice shall not be rationed." A nation which has the law as its bedrock cannot function with any degree of equality unless its citizens have access to the legal system. We still have not reached that point, but because of the legacy Tom Ehrlich leaves us, we are closer than ever before. He shall be missed.●

● Mr. RODINO. Mr. Speaker, as chairman of the Committee on the Judiciary, which has oversight of the Legal Services Corporation, I would like to express my appreciation to Mr. Thomas Ehrlich, who has served from January 1976 until April 30, 1979, as the Corporation's first president. The committee has welcomed the cooperative spirit with which we have worked with Mr. Ehrlich and the Corporation during the formative years of the program. Effective today, Mr. Ehrlich has assumed the position of the Administrator of the Agency for International Development.

It is particularly appropriate that on Law Day we should commend Mr. Ehrlich for his 3½ years of leadership of the new Corporation. Mr. Ehrlich rose to the challenges of directing the operations of the new Corporation, and during his tenure the number of persons with "minimum access" to legal services increased from 1.7 to 27.8 million. The initial goal of "minimum access"—that is, two attorneys per 10,000 poor persons—is now almost completed. Such access for poor persons is often a critical need involving the basic necessities for life.

At the same time that the Legal Services Corporation has increased the quantity of services, Mr. Ehrlich has also emphasized the importance of quality legal assistance and of the need for the cooperation of the private bar. Mr. Ehrlich, the staff of the Corporation, and the field programs should be proud of their many accomplishments in improving the delivery of civil legal services.

For the RECORD, I would like to quote from a speech which Mr. Erlich, as president of the Legal Services Corporation, delivered to the American Bar Association, General Practice Section Assembly on August 6, 1977. His remarks then are very relevant now as we celebrate Law Day:

> I emphasize at the outset three firm convictions that are essential underpinnings for my views about the future of legal services for the poor.
>
> First, I believe that decent legal care is an inherent right of every American and that individual liberty in this country can be achieved only if that right is realized. All citizens are required to live under the law, regardless of their wealth or poverty; all citizens are entitled to use the law as well. If they are not able to do so, the substantive rights to which the law entitles them are a sham, and the legal system itself is danger-

ously skewed. Equal justice under law and equal access to the law are not cliches. They are absolute guarantees that may not be disregarded without betraying our principles of government and threatening the order of our society. As citizens, we are committed to those principles; as lawyers, we are obligated to perfect them.

Second, over the past year and a half since I took office, I have visited legal services programs throughout the country. I have been impressed—I have been exhilarated—by the competence, professionalism, and complete dedication of the women and men in these programs. Their hours are long, their pay is paltry, and the conditions under which they work are often embarrassingly inadequate. But they render truly extraordinary service. In my view they are the pride of our profession and I am proud to be working with them.

Third, I am convinced that without the active involvement of private lawyers throughout the country, the task of providing decent legal care to all poor people will never be accomplished. Private lawyers, I believe, give more of their time and talents to people in need than those in any other profession. But even more is needed, and I hope we can count on your support to that end. At the same time, you can count on my commitment to ensuring the involvement of members of the private bar in legal services for the poor.●

CONSTITUTION BEGAN OPERATION APRIL 30, 1789

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 15 minutes.

● Mr. ASHBROOK. Mr. Speaker, 190 years ago yesterday, April 30, 1789, President George Washington was inaugurated in New York City. Since both Houses of Congress by that time had a majority present, and were in session, the Constitution began full operation on that date.

Today is May Day, and is celebrated throughout the world by Communist groups claiming to represent labor. No one celebrates May Day more strenuously than the dictatorial bureaucrats of China and Russia, who have reintroduced slavery for their working people, and put over a billion human beings back into a state of serfdom.

If there is a day which should be celebrated as the day of the workingman, it is April 30. No government on Earth has ever given the working people nearly so much, in material and moral terms, as that which began operation on this date. Whereas so-called worker's paradises have to keep their workers in with barbed wire and machineguns, America obtained its laborers by the millions as they crossed the sea for opportunities provided here. Only a blind man cannot see which represents the real worker's paradise. Incidentally, working men and their fellow citizens in this country have their own guns instead of having state police guns trained on them. This is a fact lost on President Carter, Senator KENNEDY, and other Americans who would limit or take away the right of the individual to own his own firearm.

Eric Hoffer has pointed out that America is the only real workingman's country in the world. He states, I think correctly, that it is precisely those things which make this a popular culture, a people's culture, that the leftist elitist, for all his fake verbiage about loving "the people," hates most.

There is little hope that April 30 will attract much attention as a day of celebration. It is not the date of birth of a particular racial or ethnic hero, nor is it a fashionable liberal day of celebration. It is, however, the day on which the Government of which we are a part began operation, and I rise to honor it.●

SUNSET LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 10 minutes.

● Mr. McDADE. Mr. Speaker, today I am submitting a "sunset" proposal. This measure, similar to legislation cosponsored by a number of my colleagues, would require Federal programs to be reviewed and reauthorized at least once a decade. Otherwise, such programs would expire.

This proposal is intended to identify inactive, duplicative, or conflicting Federal programs or activities, so that the Congress can terminate or consolidate these without delay. In addition, congressional review is designed to assess the effectiveness of Federal programs, taking into account such factors as the original purposes, benefits and costs inherent in these.

By establishing a system of congressional review of Federal programs, the Congress can begin to examine realistically and regularly programs and activities it initiates or reauthorizes as part of the normal legislative process. Without a sunset mechanism, the Congress will not be able to carry out the necessary task of reducing Federal spending and assuring that only worthwhile Federal projects are instituted or reauthorized. Sunset legislation is a requisite to our elimination of the Federal deficit.

It is time for us to identify wasteful Federal programs and do something about those activities which have outlived their usefulness, which are duplicative of other Federal programs, or which demand expenditures far in excess of their benefits.

Furthermore, we need to recognize that this country can no longer afford Federal programs demanding lavish expenditures and that we can initiate select new ones only after a careful scrutiny of program objectives and projected costs. Sunset will help us to pinpoint Government projects which are deserving of our continued support and which are worthy of initial authorization. We especially need to watch revenues and outlays very closely and sunset will provide us with an effective mechanism in this area.

Specifically, the bill I am submitting would establish a system of orderly review of related Federal programs, to occur at least once every 10 years. This review, which will predominantly take place in the committees with jurisdiction over the particular program, will include an assessment of the organization, operations, costs, results and efficacy of the program, an identification of Federal programs with similar objectives, and a determination of the objectives or needs the program is designed to address. This review is intended to occur whenever legislation reauthorizing or initiating a Federal activity will be considered by the Congress. No program could be authorized for a period longer than 10 years.

This proposal, however, would not apply to certain veterans' programs or to social security or Federal employee retirement plans.

In addition, my bill requests that the General Accounting Office assist the Congress by compiling an inventory of Federal programs, including comprehensive budgetary information. The Congress will then use this inventory in its review of Federal programs. Also, this measure asks the executive branch, as part of the President's annual budget message, to assess and rank Federal programs according to their efficacy, objectives, and quality and to indicate any which are contradictory or no longer justified. Finally, my proposal recognizes the often adverse impact of Federal regulations on consumers and businessmen and seeks to remedy this problem by establishing a regulatory agency reform plan. This provision calls for a detailed review of Federal regulatory agencies to prevent policies and practices which are unnecessarily cumbersome, costly, or conflicting with respect to individuals or enterprises.

It is time for the Congress to work actively on a sunset proposal. Clearly, there is broad support for this idea in both Houses and among the public at large. We should commit ourselves to prompt passage of sunset legislation so that we can begin to carry out our legislative mission more effectively.●

KELLY AIR FORCE BASE—KEY TO AMERICA'S DEFENSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALES) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, Napoleon once observed that an army moves on its stomach, and he was right. No military force can be effective without adequate logistical support. No matter how good your soldiers are, no matter how ingenious their leaders, no matter how superior their equipment it all means nothing if they cannot be moved to the right place at the right time, in the right numbers, and with equipment that works. Logistics is both science and art, and Kelly Air Force Base, in my district, is a key logistics center, one of the most important links in America's defense.

Kelly is much more than a warehouse and shipping center, it is also a maintenance center. After all, nothing that is stored or shipped is worth anything unless it works.

I am proud to say that Kelly Air Force Base has just recently been named winner of the Air Force Maintenance Award for 1978. The biggest, it turns out, is also the best.

Becoming the best means a lot of little things done better, and a lot of big things done better. Kelly's productivity has increased tremendously in the past few years, and at the same time the quality of work has improved very substantially. A little thing like taking less sick leave added 90,000 man-hours to the work capacity of the base. This and other signs of a highly motivated work force enabled Kelly to overshoot its profit target in the Air Force industrial fund by close to a thousand percent. Not only that—the goals for achieving improved methods was exceeded by $6 million.

Kelly improved its aircraft production schedule performance by 12 percent, and the second place logistics center is far, far behind Kelly's ontime performance.

Some of you may recall a tragic accident that involved the failure of a ramp on the enormous C-5 airplane. It fell to the people of Kelly to make the modifications needed to make those ramps—forward and aft—safe. This was a big and very complex job, but it was not too much of a task for Kelly's people to perform.

Over in the engine shop, Kelly's people produced their full quota of engines for the year. They increased production of the F-100 engine by 250 percent. Could they do all this and still maintain quality? Not only can, but did. No facility in the Air Force matches the quality record of Kelly's engine shop, and that shop's performance is well above the quality goals set for it. The Logistics Command would be happy if 85 percent of the engines overhauled at Kelly or anywhere else turned out acceptable on the first test. Kelly beats that goal by a full 8 percent, and nobody matches their first-test acceptance record.

There is no way in these few short moments I could describe all that goes on in an operation as big and complex as Kelly, nor even within its maintenance directorate. But the record, let it be said, is clear: There is no better work force in the Air Force than the people at Kelly. These are proud people; they are supremely capable people; they are highly motivated and dedicated people. The people of Kelly produce; they do more work and better work than anybody else in the Air Force. There is no way to match the job they have done for the defense of this country.

These are people who know that a military force is worthless without reliable support. They know that no one is likely to call them heroes, but they also know that logistical support is the backbone of any successful military operation. These are people who enjoy a quiet pride.

I salute the people of Kelly, and congratulate them on this latest award—clear evidence, if any is needed, that they are the Nation's finest, and surely the world's best.

I make part of the RECORD a copy of the citation Kelly received for its 1978 achievements.

CITATION

Fiscal year 1978 was the year of productivity in the San Antonio Air Logistics Center's Directorate of Maintenance.

Records were set and unsurpassed levels of mission accomplishment achieved through exceptional leadership, unique and effective management of resources, and a professional workforce. Superior product quality, productivity and cost effectiveness each contributed to increased readiness of Air Force combat commands. San Antonio Maintenance produced 261 aircraft—more than double the prior year's production—and 38,000 more exchangeable items than in FY77—almost one full quarter's additional output. They achieved the best quality record in the Command. Out of 200,000 exchangeable items produced, less than .6 percent were rejected for defects—68 percent lower than the next best record and 163 percent better than the Command average. Of all engines processed, 93 percent were accepted on first test—28 percent better than the next best record.

They aggressively sought new and challenging workloads with no increase in manpower. Programs heretofore considered undesirable were acquired without regard to difficulty if their accomplishment would increase Air Force readiness, such as 36,000 hours of direct labor on unplanned modifications to 34 B-52s. They pioneered command efforts to insure integrity of labor standards, effecting sweeping reductions to the standards to provide more output within existing resources. They devised an internal productivity program to foster employee knowledge and organization competition. These and other complex programs were successfully accomplished—and many other internal goals and objectives exceeded—through the use of innovative management techniques and a motivated workforce.

The San Antonio Directorate of Maintenance was recently rated as "Highly Satisfactory" on completion of the Air Force Logistics Commands Management Effectiveness Inspection conducted by the Inspector General. This rating is seldom achieved and no maintenance activity has earned a higher rating, confirming the reputation for managerial excellence and workforce productivity that San Antonio has earned throughout this Command.

In recognition of the major contributions made to Air Force readiness and their considerable achievements, I am proud to name the San Antonio Logistics Center's Directorate of Maintenance as the Air Force Logistics Command nominee for the Air Force Maintenance Award—FY78.

BRYCE POE,
General, USAF, Commander.

□ 1735

IN TRIBUTE TO THE POLISH VICTIMS OF THE SOVIET KATYN MASSACRE, 1940

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the Polish American Congress has issued a statement in commemoration of the Polish victims of the brutal Soviet massacre in the Katyn Forest during the spring of 1940. The headquarters of the Polish American Congress is located in my own city of Chicago and many of its members reside in the 11th District I am honored to represent. The organization's distinguished president is Aloysius A. Mazewski.

It is most fitting that we honor the memory of those courageous victims, many of whom were part of Poland's leadership. Not only does the memory of their courage strengthen the resolve of Poland's people to further human rights in their country, but it also strengthens the resolve of the people of the United States never to forget their country's own commitment to the cause of human freedom around the world.

A copy of the statement by the Polish American Congress on the Katyn Forest massacre follows:

STATEMENT BY THE POLISH AMERICAN CONGRESS

During the Second World War Germany killed in Poland over six million people. In the city of Warsaw alone Germans killed eight hundred and fifty thousand more people than the combined military losses of the United States and Great Britain in World War II.

Those were horrible crimes and they are being especially commemorated presently by the Presidential Holocaust Committee. However, few people in this country realize that Soviet authorities committed similar acts of cruelty to the Polish people. Such Soviet authorities liquidated without due process thousands of political prisoners and deported without justification and under terrible circumstances roughly one million two hundred thousand people, amounting to almost one quarter of the Polish population of the territories occupied by them in 1939. In addition, such Soviet authorities took as war prisoners some two hundred and fifty thousand Polish soldiers including ten thousand career and reserve officers, many of which were university professors, artists, writers, scientists, physicians and lawyers. Though one hundred and fifteen thousand of the Polish people so deported and taken as prisoners of war left the Soviet Union with General Anders in 1942, most of the rest however, sadly never saw Poland again. Fifteen thousand of the remaining Polish prisoners of war, including over eight thousand officers were murdered.

Some of those so murdered—around forty-five hundred bodies—were found in 1943 in mass graves near Katyn in Soviet Byelorussia. Subsequently, Moscow admitted that all of fifteen thousand Polish prisoners of war previously mentioned were killed, but blamed the Germans for the horrible act of genocide.

Nevertheless, all impartial investigations, including the major one in 1951–1952 by the Select Committee of the United States House of Representatives, established beyond any doubt that victims of Katyn Forest were shot in the spring of 1940 when Katyn was still in Soviet hands and subject to its authority.

This despicable act of genocide did not succeed in destroying Polish religious, cultural, social and political values. Instead it produced greater resolve within the Polish nation to strengthen and perpetuate its commitment to human rights. America should honor and support such resolve and help commemorate these people who paid the ultimate price of discrimination and defamation.●

THE HOLOCAUST

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, distinguished colleagues, I am sure all of us here today remember the year 1945, when American troops liberated the death camps of the Nazi-occupied areas in Europe, in which over 6 million innocent people were led to their deaths solely because of their ethnic background.

April 28 and 29 mark the days in which the Bavarian camp Dachau was liberated and the evidence of what transpired there came to the world's attention, confirming the ghastly rumors and scattered eye testimony, which had already been received. The horror of that evidence of genocide in an industrialized, civilized society is still with us today, and it is with palpable sadness that we have just observed those dates as officially proclaimed days of remembrance of victims of the holocaust of over 34 years ago. How civilized, how advanced, how humane was the world then and how much better has it become as a result of those events?

We have the United Nations, international courts, self-determination in former colonies who wanted independence, human rights organizations and official policies, and yet Jews are indiscriminately murdered by terrorists, Cambodians, Ugandans, South Africans, Somalis, Laotians, Angolans, Nicaraguans, Cypriots, and others violently dying every year and millions dying of hunger and neglect, because of human killers, torturers, and uncaring people everywhere.

Let us continue to remember in the year ahead, and always, what man is capable of doing to his fellow man, and let us continue to replace indignation and destruction with positive works of justice, mercy, and responsible conduct toward each other. Thank you, Mr. Speaker.●

CONSUMER CHECKING ACCOUNT EQUITY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Rhode Island (Mr. ST GERMAIN) is recognized for 5 minutes.

● Mr. ST GERMAIN. Mr. Speaker, on April 20, 1979, the U.S. Court of Appeals for the District of Columbia Circuit ruled that various transaction account programs authorized by the Federal financial institution regulators were illegal. The court said that the banks' automatic transfer program, the savings and loans' remote service unit system, and the credit unions' share draft program exceeded statutory authority. The decision requires Congress to face up to the issue of authorizing payment of interest on checking accounts and giving all depository institutions authority to offer checking accounts.

For too long we have left the consumer with a confusing picture of his rights on checking accounts. Faced with outmoded restrictions, banks, thrift institutions, and regulators have been forced to come up with a variety of gimmicks as thinly disguised efforts to circumvent statutory hobbles surrounding checking accounts. The court has now ruled these complex sets of gimmicks illegal and has clearly suggested that the Congress set a policy on checking accounts and interest payments on such accounts.

Mr. Speaker, I attempted to do just that last year when I introduced legislation to provide clear authority for customers to receive interest on checking accounts in all types of depository institutions. Unfortunately, that bill did not receive major support from the financial community on consumer organizations. Now that the court of appeals has spoken, I am hopeful that the financial community, the organizations which represent millions of consumers who use checking accounts, and the Congress will respond and give the public a right to maintain a simple checking account and to receive compensation for moneys it leaves on deposit in that account.

Today, I am introducing the Consumer Checking Account Equity Act of 1979. The bill's major provisions will:

First, end the 45-year-old prohibition against the payment of interest by commercial banks on demand—checking—accounts; and

Second, give federally insured savings and loan associations, mutual savings banks, and credit unions explicit authority to provide checking accounts for their customers and members.

The depression era fears which produced the prohibition on paying interest on checking accounts are outmoded. The financial industry is highly sophisticated and accounts are now backed by $40,000 of Federal insurance. Depository institutions should compete for these deposits on a straight price basis. This would allow them to eliminate the giveaways and other gimmicks used to attract deposits. Direct competition in the marketplace—on the basis of explicit price—will be beneficial to both the financial institutions and the consumers.

The Subcommittee on Financial Institutions Supervision, Regulation and Insurance will commence hearings on this legislation May 15, 16, and 17. To expedite full consideration of this bill I include the text of the bill at this point:

H.R. 3864

A bill to amend the Federal Reserve Act to eliminate the prohibition on the payment of interest on demand deposits and to allow federally insured savings and loan associations and credit unions to receive demand deposits, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Consumer Checking Account Equity Act of 1979".

SEC. 2. Subsection (i) of section 19 of the Federal Reserve Act (12 U.S.C. 371a) is hereby repealed.

SEC. 3. Section 2 of the Act entitled "An Act to extend certain laws relating to the payment of interest on time and savings deposits, to prohibit depository institutions from permitting negotiable orders of withdrawal to be made with respect to any deposit or account on which any interest or dividend is paid, to authorize Federal savings and loan associations and national banks to own stock in and invest in loans to certain State housing corporations, and for other purposes" approved August 16, 1973 (Public Law 93-100; 87 Stat. 342), is hereby repealed.

SEC. 4. (a) Section 3(g) of the Federal Deposit Insurance Act (12 U.S.C. 1813(g)) is amended by striking out ": *Provided*, That the bank maintains," and all that follows through the end thereof and inserting in lieu thereof a period.

(b) Section 18(g) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is amended—

(1) by striking out the first sentence; and

(2) by adding at the end thereof the following new undesignated paragraph:

"Every insured mutual savings bank and insured savings bank is authorized to receive demand deposits from its depositors and to permit withdrawals or transfers of such demand deposits on negotiable, transferable, or nonnegotiable check, order, or authorization, in accordance with rules and regulations prescribed by the Board of Directors.".

SEC. 5. (a) Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended—

(1) by striking out the first sentence of subsection (b)(1) and inserting in lieu thereof the following: "An association may raise capital in the form of such deposits (including demand deposits), shares, or other accounts (all of which are referred to in this section as accounts and all of which shall have the same priority upon liquidation) as are authorized by its charter or by regulations of the Board, and may issue such passbooks, certificates, or other evidence of accounts as are so authorized.";

(2) by striking out the last sentence of subsection (b)(1) and inserting in lieu thereof the following: "Any association may permit withdrawals or transfers of accounts on negotiable, transferable, or nonnegotiable check, order, or authorization.";

(3) in subsection (c)(1)(A), by striking out "SAVINGS ACCOUNT" and inserting in lieu thereof "ACCOUNT";

(4) by striking out "savings account" each place it appears therein and inserting in lieu thereof "account"; and

(5) by striking out "savings accounts" each place it appears therein and inserting in lieu thereof "accounts".

(b) Section 5A of the Federal Home Loan Bank Act (12 U.S.C. 1425a) is amended by adding at the end thereof the following new subsection:

"(g) Every member shall maintain reserves against its demand accounts or deposits as defined by the Board in amounts not less than such percentages of its aggregate amounts of such deposits or accounts as may be prescribed by the Board, after consultation with the Board of Governors of the Federal Reserve System. Reserves held by a member to meet the requirements of this subsection shall be in the form of—

"(1) balances maintained for such purpose by such member in the Federal Home Loan Bank of which such member is a member; and

"(2) the currency and coin held by such member, or such part thereof, as the Board may prescribe by regulation.".

(c)(1) Section 401(c) of the National Housing Act (12 U.S.C. 1724(c)) is amended by adding at the end thereof the following new sentence: "Such term includes any demand deposit account which permits the insured member to make withdrawals or transfers of demand deposits on negotiable, transferable, or nonnegotiable check, order, or authorization, in accordance with rules and regulations prescribed by the Federal Savings and Loan Insurance Corporation.".

(2)(A) Section 409 of the National Housing Act (12 U.S.C. 1730b) is amended by inserting "(a)" before "The savings account" and by adding at the end thereof the following new subsection:

"(b) Every insured institution is authorized to receive demand deposits from its insured members and to permit such insured members to make withdrawals or transfers of such demand deposits on negotiable, transferable, or nonnegotiable check, order, or authorization, in accordance with rules and regulations prescribed by the Corporation.".

(B) The heading of section 409 of the National Housing Act (12 U.S.C. 1730b) is amended by inserting "; demand deposits" after "insured institutions".

SEC. 6. (a) Section 101(5) of the Federal Credit Union Act (12 U.S.C. 1752(5)) is amended by striking out "or share certificate" each place it appears therein and inserting in lieu thereof ", share certificate, or demand deposit".

(b) Section 107(6) of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended by striking out "credit unions serving" and all that follows through the end thereof and inserting in lieu thereof "credit unions serving predominantly low-income members (as defined by the Board) payments on—

"(A) shares which may be issued at varying dividend rates;

"(B) share certificates which may be issued at varying dividend rates and maturities; and

"(C) demand deposits;

subject to such terms, rates, and conditions as may be established by the board of directors, within limitations prescribed by the Board.".

(c) Section 116 of the Federal Credit Union Act (12 U.S.C. 1762) is amended by adding at the end thereof the following new subsection:

"(c) Each Federal credit union shall maintain reserves against its demand accounts or deposits as defined by the Board in amounts not less than such percentages of its aggregate amounts of such deposits or accounts as may be prescribed by the Board, after consultation with the Board of Governors of the Federal Reserve System. Reserves held by Federal credit unions to meet the requirements of this subsection shall be in a form specified by rules and regulations prescribed by the Board.".

(d) Section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended—

(1) in the first sentence—

(A) by striking out "and" the second place it appears therein and inserting in lieu thereof a comma; and

(B) by inserting ", and at different rates on different types of demand deposits" before the period at the end thereof; and

(2) in the second sentence, by striking out "and share certificates" and inserting in lieu thereof ", share certificates, and demand deposits".

(e) Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end thereof the following new subsection:

"(f) Every insured credit union is authorized to receive demand deposits and to permit withdrawals or transfers of such demand deposits on negotiable, transferable, or nonnegotiable check, order, or authorization, in accordance with rules and regulations prescribed by the Board.".

SEC. 7. The amendments made by this Act shall take effect on December 31, 1979.●

SUMMARY OF TESTIMONY ON LEGISLATION TO IMPLEMENT TOKYO ROUND MULTILATERAL TRADE NEGOTIATIONS NO. 5

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

● Mr. VANIK. Mr. Speaker, as I reported last week (CONGRESSIONAL RECORD, p. 8536, Apr. 25, 1979), the Subcommittee on Trade of the Committee on Ways and Means has just completed major hearings on the Tokyo round multilateral trade negotiations (MTN) and the legislation necessary to implement that massive trade agreement.

We have invited the full participation of all other committees interested in areas of the MTN and continue to invite their participation as we resume the consultation, "mark-up" process.

Last week, I included staff summaries of portions of the testimony received. I include at this point additional summaries of the testimony we have been receiving. I hope that the Members and their staffs will have the opportunity to review this material. It is my hope that, once the MTN implementing legislation is introduced later this spring, we can bring it to the floor for an up or down vote—under the law, amendments are not in order—as soon as possible.

The staff summary of testimony follows:

Consumers Union—Mark A. Cymrot, Attorney:

As consumer advocates, the Consumers Union expressed its staunch opposition to international trade barriers. It also commended the efforts of the U.S. representatives to the negotiations in their pursuit of free trade: "The broadest possible competition best protects consumers and helps to ensure high quality, low cost products on the market."

The major concern of the Consumers Union relates to the Standards Code, which "has the potential of being one of the major accomplishments in . . . the negotiations . . . is designed to eliminate many of the discriminatory and anti-competitive standards which are intended or have the effect of keeping foreign products from the United States markets and U.S. products from foreign markets. However, it could also seriously undermine important health, safety, environmental and consumer protection standards in the United States."

1. The Code and the implementing legislation should not prevent the taking of necessary measures within the United States for the protection of health, safety, the environment and consumers.

2. The term "unnecessary obstacle to international trade" should be defined as a standard or certification system that discriminates against foreign products and is more restrictive than necessary to accomplish its purpose.

3. The Code's reference to "deceptive practices" should be defined to include "unfair or deceptive" practices under § 5 of the Federal Trade Commission Act and also to include the other consumer protections presently available in U.S. laws. To avoid clarifying this point is to invite extensive litigation.

4. The domestic administrative apparatus set up to review various U.S. Administrative agency standards which are alleged to be unnecessary barriers to trade should be as simple as possible and should not constitute a disguised means for executive branch management of the independent agencies established by Congress. If a U.S. standard should be invalidated in the international forum, the inter-agency committee would be empowered to determine what action is taken within the United States including setting aside the U.S. standard, . . . but only after public comment under the Administrative Procedures Act, at public meetings under the Government in the Sunshine Act, and only when the standard does not serve a legitimate health, safety, environmental or consumer protection purpose.

5. The Commerce Department should not be authorized to set U.S. policy on all international standards. Various agencies within the United States have expertise in areas of health, safety, environmental and consumer protection, e.g. Department of Agriculture, Federal Drug Administration, Federal Trade Commission and the Consumer Product Safety Commission. The agencies with the expertise in a particular safety area should be authorized to make the technical decisions within their areas of expertise. The central coordinating office can coordinate these negotiations but should not be given substantive authority to set U.S. policy in areas where it does not have technical expertise.

6. The implementing legislation should clearly state that it creates no private rights of action. The Standards Code is a government-to-government agreement.

7. The implementing legislation should define "standard setting organization" to exclude organizations that rate products and disseminate information about products to the ultimate consumer.

((Jane P. Davis, Chairman, International Business Council, Electronics Industry Association (Assistant Vice President, GTE Corp.); Peter F. McCloskey, President; and Jonathan H. Lasley, International Marketing Consultant)):

Representatives from the EIA conveyed their "overall satisfaction" with the multilateral trade negotiations. Specifically they hailed both the International Standards and the Aircraft Agreement as "the kind of optimum free and fair access which the United States has been working for." Additionally, they described both antidumping and CVD procedures as "excellent product(s) of the negotiations."

However, the EIA did observe several problems in the codes. They noted that the EC-EFTA Rules of Origin discriminate against non-European products. Although alternate rules provide some help, they are generally insufficient. As they apply to semiconductors, the EIA referred to them as "highly discriminatory and . . . unsatisfactory."

Although an admirable achievement, Government Procurement codes were found by the EIA to be lacking. So far the "European Communities and Japanese telecommunications have been excluded from coverage."

The final and major fault dealt with by the Association pertains to the fragmented approach of U.S. trade policy. "Over the past several years, a growing number of voices have pointed out that the United States, by fragmenting its approach to issues of international trade, has helped create its current international economic difficulties. Something in the neighborhood of 57 departments, agencies, commissions, etc., etc., have their fingers in this pie."

With the goal of consolidation, they recommend: "either (1) place virtually all trade administration functions affecting non-agricultural goods in a new Cabinet Department endowed by statute with focal responsibility, authority and accountability for U.S. trade and off-shore investment. . . or (2) such assignment of authorities be given to a single existing Cabinet-level Department, which would be subjected to such major reorganization that its sole responsibility and accountability would, as a result, become the administration of U.S. trade, and which would be given appropriate strength and a power base from which to operate in the interest of U.S. industry."

EIA also cites the need to maintain STR cadre of trained personnel to follow up on the use of the Codes. The EIA agrees with the intent of Section 135 of the Trade Act of 1974 and, in that spirit, urges:

1. Establish permanent ISCAs and LSACs along the present structural lines. These committees should have assured ability to

provide advice on all policy, program and negotiating activities.

2. For advice on purely technical matters—such as the content of specific product standards or deductive methods in customs valuation—these permanent committees should be consulted on the formation of special panels, as and when necessary, and the nomination of individuals known to possess specific expertise in the particular problem area.

3. . . . the committees should have direct access to interagency committees of the Executive Branch. When committee advice is sought, the advisors should be given more current and more complete information on a timelier basis. And, staffing of the committees by the lead administrative agency should be more consistent.

Cling Peach Advisory Board (W. R. Hoard introduced by the Honorable Tony Coelho):

The Cling Peach Advisory Board testified on the overall MTN agricultural package and proposed changes in Section 301 of the Trade Act of 1974. The Board applauds the newly negotiated agricultural package, and "urges adoption of the trade package" but is concerned about anticipated legislative modifications to Section 301 which it recommends should have no adverse effects on currently pending cases. It is suggested that such pending cases be given absolute priority over subsequently filed ones and that one year be considered as the maximum time necessary for resolution of all Section 301 cases.

The Board is generally apprehensive about the cooperation of other countries with regard to the codes and suggests consideration of a policy granting MFN only to countries acceding to the GATT if foreign cooperation is not forthcoming.

American Paper Institute—J. Stanford Smith (on behalf of API and National Forest Products Assn.) (Chairman and Chief Executive Officer, International Paper Company); and Dr. Irene W. Meister, Vice President, International Affairs, API):

Expressing support for the MTN, representatives of the API noted that, without the agreement, their industry would face serious hardship due to the restrictive trade policies of other nations. With the agreement, both the paper industry and the nation as a whole would benefit. Specifically, the agreement would result in lower domestic unemployment and inflation in conjunction with high national economic growth. For the paper industry, it will mean expanded trade and its attendant advantages.

Central to an aggressive export policy, the API urges the establishment of a "focal point" within the Executive Branch to manage U.S. trade policy. They note "in the past, lack of effective coordination and sustained attention to the formulation and execution of trade policy contributed to a decline in our trade balance."

The API also specifically recommends:

1. Secure a strong legislative commitment to a national export policy to regain and strengthen a balance in our trade position.

2. Create investment incentives to improve the competitiveness of American industry in world markets.

3. Maintain a strong system of advisory committees. Change ACTN into International Trade Advisory Council, reporting to both the President and the Congress.

4. Assure fairer tax treatment for U.S. business nationals who work abroad.

5. Authorize the Trade Policy Staff Committee to hold hearings annually and submit reports to the STR and the International Trade Advisory Council.

6. Legislatively establish a National Commission on Productivity consisting of 20 members representing labor, industry, the academic community, the Congress, and the Executive Branch, to analyze the causes of declining productivity in America and their impact on foreign trade and to recommend to the President ways of correcting the problem. The President should then submit a report to the Congress within four months on the same subject.

Further, the Institute endorses the recommendations of the ISAC No. 4 which suggests the following:

1. Implementing legislation should reflect provisions of negotiated codes and agreements as closely as possible.

2. Enforcement of the countervailing duties and antidumping laws must be strong, fair and effective and include negotiated solution where appropriate.

3. Implementing legislation must contain provisions for the continuation of the private sector advisory process with each major industry sector represented.

4. The President should be given an extension of his tariff negotiating authority.

5. There should be an expression of legislative intent that foreign trade is a national priority and thus effective U.S. governmental organization for dealing with foreign trade policy and programs is imperative. Better coordination of trade policy and programs is necessary, but specific legislation dealing with governmental reorganization should be left to the immediate post-MTN period.

The testimony also notes that, while the U.S. faces higher paper product tariffs in the EC than are placed against our major competitors, the Nordics, the MTN will result in a narrowing of that gap. It is important, however, that definitional problems involving "kraft products" be resolved or "the value of the EC tariff offer will be greatly impaired."

Share the Work Coalition—Wallace D. Barlow, Executive Director:

Representing the Share the Work Coalition, Wallace D. Barlow recommended the imposition of "tilted" tariffs (i.e., the higher the labor content, the higher the tariff).

Westinghouse Power Systems Company—Gordon C. Hurlbert, President:

While applauding the intentions of the negotiators, Gordon C. Hurlbert of Westinghouse expressed disappointment that the MTN does not go far enough in protecting the large electrical equipment industry. The tariff changes will hurt the U.S. and "the Congressional recommendation in 1974 that there be equitable product sector treatment of large electrical equipment has come to naught."

Westinghouse, and other such corporations, are extremely import-sensitive. The tariff and non-tariff barriers that have been constructed by Japan and many European countries have severely impinged upon their foreign markets and, in conjunction with other factors, now threaten their markets at home. This situation constitutes a potential threat to our national security.

The remarks of Mr. Hurlbert centered on three major areas. On reciprocity, he noted that, even if the MTN did result in tariff and duty reductions on all fronts, "because of the nationalistic practices (of many countries) . . ., these duty reductions meant nothing. . . . A tariff reduction on products which a country will not import is meaningless." Further, such multilateral reductions in tariffs only give foreign producers freer access to our domestic market. Secondly, he urged that "until European nations subscribe to the new Government Procurement Code . . ., the U.S. should (a) increase the Buy American differential . . . and (b) make no tariff reductions on (large electrical equipment)." Thirdly, he recommended that no action be taken to weaken the current Anti-Dumping statutes.

Additionally, he suggested that the Congress insist that the concept of "material injury" implies "no higher standard of what causes injury than the present law . . ." and that our export trade problems also need to be "addressed through tax laws as well as trade treaties."

International Economic Policy Association—Dr. Samuel M. Rosenblatt, Senior Economic Consultant, IEPA:

IEPA expressed strong support for the trade agreements and offered suggestions pertaining to their implementation.

IEPA recommends provisions requiring nations taking temporary safeguard actions to adopt a positive adjustment assistance program in order to underscore the temporary nature of its actions. IEPA supports MFN application of safeguards.

IEPA believes there are difficulties in dealing with LDC's as a homogenous mass with respect to their exemption from GATT reciprocity and lends support to a graduation concept by which more advanced developing countries will recognize the necessity of phasing out their special benefits.

The Association recommends that implementing legislation include an injury test for the CVD as well as provisions to guard against multiple jeopardy resulting from the simultaneous filing of numerous import relief petitions. Committee efforts to expedite the processing of trade complaints are applauded, but a warning is offered about the necessity of providing adequate time for defense preparation.

In the opinion of the Association, service industries are not adequately represented in the codes despite the adoption of language clarifying the protection of services under Section 301 of the Trade Act of 1974. Further clarification is recommended.

IEPA fears that the creation of a new Department of Trade might undermine the trade expertise of key Cabinet departments involved in foreign policy decisions and promote isolation of the new Department from its bureaucratic opponents. The Department of Commerce or an expanded STR are suggested as more appropriate recipients of administrative responsibility in these areas. In any case, Executive Branch coordination is considered of great importance and an interagency body is recommended to insure. the coordination of foreign policy issues involving trade.

Chamber of Commerce of the United States of America, International Service Industry Committee—Ronald K. Shelp, Chairman:

The Chamber supports the nontariff agreements that have been reached in Geneva, but regrets that service industries are not adequately represented in the agreements. "From a service industry perspective, specific negotiating accomplishments are clearly modest and there is some question as to whether the principle of multilateral GATT negotiations on service industry trade barriers has actually been established." According to the Chamber of Commerce, references to Service Industries are weak in the Government Procurement Code and absent from all other codes. It is strongly suggested that the Administration pursue the reduction of remaining barriers to trade in the services area by seeking the realization of 27 recommendations made in the December 1976 White House Inter-Agency Study entitled "U.S. Service Industries in World Markets: Current Problems and Future Policy Development."

Rubber Manufacturers Association, Footwear Division—Mitchell J. Cooper, Counsel:

RMA testified concerning the conversion of American Selling Price on Rubber-soled Footwear with fabric upper. Mr. Cooper recognizes the "conscientious" efforts of the government to convert ASP in a manner which will not significantly reduce the industry's level of protection and for this reason does "not oppose the elimination of ASP on the terms negotiated by Ambassador Strauss." However, the industry stresses the need for the Committee to recognize that the inherent protective nature of ASP cannot be compensated for by simple arithmetic conversion to an *ad valorem* rate. Specifically, ASP's responsiveness to domestic price adjustments, combined with its unresponsiveness to the price changes of foreign producers endow ASP with special advantages that will be sacrificed under the new system. The rubber footwear industry hopes that the proposed *ad valorem* conversion on rubber footwear with fabric uppers will adequately compensate for the loss of ASP:

"This industry surely will not emerge from the Tokyo Round with greater protection than it now has. If the Special Trade Representative's expectations for the conversion he has negotiated fall short, rubber footwear's protection will decrease and we shall be back to see you in order to seek your help in finding other remedies to this industry's oppressive import burden." ●

POLITICIZATION OF THE INTERNATIONAL MONETARY FUND?

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. **NEAL**. Mr. Speaker, serious questions have recently been raised concerning actions of the United States in the International Monetary Fund (IMF). Last year, the Government of Nicaragua requested a loan from the IMF under one of its special programs, the IMF's Compensatory Financing Facility. Twice the U.S. representatives on the Board of Executive Directors of the IMF proposed a temporary deferral of that request. After the second deferral Nicaragua withdrew the request, and no loan was extended.

In each instance, the United States justified its proposed deferral on technical economic grounds. On the face of it, our representatives were, in each instance, clearly acting within the proper scope of their powers and responsibilities. The right of Nicaragua to borrow was not automatic, but contingent upon its satisfying the economic criteria that govern access by member nations to the Compensatory Financing Facility.

The staff of the IMF prepares a report on a member's requested borrowing, and the Executive Board of the IMF must then pass judgment on the request. Each member represented on the Executive Board, including the United States, has the unquestioned right—indeed, duty—to satisfy itself that the request is justified, on the basis of the relevant economic data at hand, before granting its approval. In proposing the two temporary deferrals, the representatives of the United States questioned the adequacy of the economic data at hand. They proposed that the IMF staff reassess its data on and forecasts of Nicaraguan exports, since current data and forecasts were, in their judgment, insufficient and too uncertain to support a judgment on the merits of the Nicaraguan request.

The IMF Executive Board twice accepted the U.S. proposal to postpone consideration of the Nicaraguan request, pending review and clarification of the economic data. After the second postponement it was understood that the deferral would only be for a limited period, after which, with U.S. concurrence, the Board would decide on the Nicaraguan request, on its merits.

From this bare recitation of the facts, there appear to be no grounds for criticizing the action of the United States in the matter of the Nicaraguan loan request. But serious criticism has been voiced. The charge has been that, even though the formalities of the actions of our representatives in the IMF may have been correct, the real purpose of the deferral proposals was to bring political pressure on the Nicaraguan Government, to influence its behavior in matters remote from the proper concerns of the International Monetary Fund.

Mr. Speaker, this is a very serious charge. To clarify the record, I requested the Department of the Treasury to provide a summary of the facts, and the interpretation it puts on them. In response I have received a letter from Mr. Anthony M. Solomon the Under Secretary of the Treasury for Monetary Affairs. At this point I would like to enter that letter into the RECORD:

THE UNDER SECRETARY OF THE TREASURY FOR MONETARY AFFAIRS,
Washington, D.C., March 16, 1979.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment, and Monetary Policy, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN NEAL: Important questions have been raised about United States actions in the International Monetary Fund with respect to a request for a compensatory financing drawing by the Government of Nicaragua. Accordingly, I think there should be a clear record of this matter, and I am writing to give you a full report. The particulars are as follows:

THE COMPENSATORY FINANCING FACILITY

The Compensatory Financing Facility is a special facility of the IMF. It is designed to extend balance-of-payments financing to member countries, particularly primary producing countries, encountering payments difficulties produced by temporary export shortfalls attributable to circumstances beyond the control of that country—for example, an export shortfall resulting from a sudden decline in world commodity prices or bad weather. Credit under the Compensatory Financing Facility is separate from and additional to normal "credit tranche" drawings available from the IMF to a member country with a general balance-of-payments problem.

In order to obtain financing under the Compensatory Financing Facility, an IMF member country must satisfy the Fund: (1) that the member has an export shortfall and a need for balance-of-payments financing; (2) that the problem which caused the export shortfall is temporary and largely attributable to circumstances beyond the member's control; and (3) that the member will cooperate with the IMF in an effort to find, where required, appropriate solutions to its balance-of-payments difficulties.

Thus one critical element in deciding whether a country qualifies for financing under the Compensatory Financing Facility is in determining whether the country has an export shortfall. The IMF calculates an export shortfall by a statistical formula, in which a country's exports in the shortfall year are measured against a five-year export trend—calculated on the basis of actual data for the two years before the shortfall year, actual data and to the extent necessary estimates for the shortfall year, and forecasts for the two years after the shortfall year. If on the basis of this calculation the country's exports in the shortfall year fall below the five-year trend, and if the country meets the other conditions cited above, the country qualifies for credit.

THE NICARAGUAN REQUEST AND UNITED STATES ACTIONS IN THE IMF EXECUTIVE BOARD

Last fall, the Nicaraguan Government requested a drawing of SDR 17 million from the IMF under the Compensatory Financing Facility. Any such drawing requires a decision of the IMF Executive Board. On two occasions, the latest one November 1, 1978, the Board considered the procedural question of whether to take up the Nicaraguan request, and the United States representatives proposed deferral on grounds that extreme uncertainties arising from recent developments in Nicaragua made it impossible to judge the validity of the technical data needed to establish and determine the size of any shortfall, and that the Fund should reassess the export situation and forecasts in light of most recent developments. The requests for postponement were made without prejudice to a subsequent decision on the merits of the case when better data were available. A copy is attached of the comments made by the U.S. Executive Director in that discussion.

The statement made in the IMF Board by the U.S. representative noted that while there was some degree of uncertainty in all countries, in Nicaragua the uncertainty was most pronounced. Hard export statistics were available for only one-half of the shortfall year (usually there is a better statistical basis for actual exports in the shortfall year), and a relatively modest reduction of about 9.5 percent in projected 1979/80 exports would have reduced the justified level of the requested drawing. It was noted that the projections could be affected significantly by the internal situation, by the disruptions in agricultural production and in the labor force (some of which represented transient workers from neighboring countries), by the manner in which exporters reacted to new restrictions which had been placed on export payments, and by the major reductions which had occurred in imports and inventories (and which could be expected to affect exports).

The IMF Board decided at the conclusion of its November 1 discussion that as a procedural matter Nicaragua's request would be deferred, but only for a limited period pending further clarification of the figures used to justify the request, since extended deferral could be tantamount to a decision. It was agreed, with U.S. concurrence, that the Board would consider the substantive issues of the request in the week of November 15–22. However, the Nicaraguan authorities withdrew the request prior to that date.

We made clear that if the Nicaraguan Government were to resubmit its request and the IMF management's judgment was that the technical data justified the request, we would not seek further deferral but would be prepared to see it considered on its merits. The request has not been resubmitted. It is my understanding that, with the benefits of statistical data on the export situation and outlook which have become available since our request for reassessment on November 1, there is reason to believe that Nicaragua would not at present qualify for a compensatory financing drawing at least in the amount requested last fall, and that indeed our questions about the validity of the data were well-founded.

An IFM mission is presently visiting Nicaragua. We cannot predict whether these discussions will lead to a future request for IMF financing either under the normal "credit tranche" drawings which constitute the basic means of providing IMF balance-of-payments financing, or under one of the special facilities such as the Compensatory Financing Facility. If, however, there is such a request, the United States will consider it on its economic merits.

THE U.S. DECISION ON THE NICARAGUAN REQUEST AND ACTIONS TO INFLUENCE OTHER COUNTRIES

The decision to seek postponement of the Nicaraguan request was made by the Treasury Department after consulting with the State Department and other interested agencies. This follows standard procedure: by Executive Order, the Secretary of the Treasury is charged with instructing the U.S. Executive Director of the IMF on all matters arising in the Board, and State and other agencies are consulted through the National Advisory Council on International Monetary and Financial Policies (NAC) and on an ad hoc basis.

In considering this matter prior to the November 1 meeting, our initial inclination was not to seek further deferral. Our decision in the end to propose a further deferral was made in the light of the following:

(a) We concluded that a legitimate basis remained for serious doubts about the reliability of the estimates on which the request was based.

(b) The State Department was concerned that IMF action either to approve or not approve Nicaragua's request would be seen as a political move with major implications. They felt that IMF approval of the request at that point would have brought a major risk of renewed bloodshed and widespread violence.

Accordingly, the decision that the United States should seek deferral of IMF action on Nicaragua's request reflected the view that postponement both could be justified on economic grounds and was the wisest neutral political course.

The U.S. instructed its Ambassadors in a number of countries to urge those governments to support postponement of IMF action. In those approaches the State Department informed other foreign ministries that the U.S. had in the past led and would continue to lead the fight to avoid introduction of political issues into the IMF; that we were working for postponement rather than disapproval because we would not want to have IMF operations disapproved largely on political grounds; and that in the existing unusual circumstances affirmative IMF action could have greater political ramifications than a brief postponement.

In summary let me emphasize four points:

1. In the IMF Board discussions, the U.S. representatives argued for deferral of the Nicaraguan request solely on the basis of doubts about the validity of the economic data—doubts which subsequently proved well-founded.

2. The decision to seek deferral was made by the Treasury Department.

3. That decision was taken in light of State Department concerns that an IMF decision either way would be seen as an important political step with major implications, and that IMF action at that point would risk major violence and bloodshed; the State Department cited those concerns in urging others in foreign capitals to support deferral.

4. If the Government of Nicaragua submits either the earlier request or another request for financing, the United States has no intention of seeking further deferral and will consider the substantive proposal on its economic merits.

IMPORTANCE OF AVOIDING POLITIZATION OF THE IMF

The questions that have been raised about the U.S. actions with respect to Nicaragua's request for IMF financing reflect, I am sure, a deeply-felt conviction that political considerations must not be allowed to determine IMF decisions.

The Administration fully shares that conviction. The IMF cannot fulfill its important responsibilities for helping to manage the international monetary system and maintain a strong and smoothly functioning world economy if member countries' actions on IMF issues are determined by political views rather than economic and financial criteria. The IMF has thus far remained remarkably free of political influences in its decisions, and the United States has worked hard to prevent any politization of the institution. We shall continue to do so. As a founder and leading member of the IMF, we bear a particular responsibility for maintaining the Fund's effectiveness as a forum for international monetary cooperation, based on economic and financial considerations.

Sincerely,

ANTHONY M. SOLOMON.

ATTACHMENT

Mr. Cross recalled that when Nicaragua's request had come before the Executive Board on the previous occasion, a number of Executive Directors had felt that there were so many uncertainties in the country that no adequate assessment of the technical data surrounding the request could be made. In the meantime, the staff had clarified some issues with the authorities but the Executive Board had not been presented with the comprehensive review it had felt was justified. The uncertainties still remained, in particular, it was impossible to judge the validity of the calculations relating to 1978 exports and to determine whether the shortfall was really temporary. The United States authorities had reason to believe that 1978 exports would be close to the original staff projection, but since the staff had not gone to Nicaragua to make an on the spot assessment, and since even minor changes in the calculations could affect the justified levels of drawings, a more thorough review was essential before any decision could be taken.

The staff calculations in EBS/78/504, Supplement 2, suggested that only about a 9.5 percent reduction in projected 1979–80 exports would reduce the justified level of the requested drawing. The staff clearly noted, however, that its calculations for 1979–80 were dependent on no deterioration of the "internal situation . . . in relation to that prevailing in early October." Discussions were now under way in Nicaragua, the outcome of which would probably have a profound impact on the country's ability to restore exports in 1979–80 to the levels projected in the staff paper. The staff also alluded to the disruptions in agricultural production and in the labor force. Although the staff should not involve itself in predicting non-economic developments, it had identified in the Nicaraguan case grounds for real uncertainties about export projections. Such projections could also be affected by the way in which exporters reacted to the new restrictions on export payments, and also by the effects of the major reduction in imports and inventories which occurred in August and September 1978.

In conclusion, Mr. Cross recommended that because of the uncertainties he had described, the Executive Board should postpone action on the request without prejudice to the decision that would be taken when better technical data were available. Admittedly, there was some degree of uncertainty in all countries but in Nicaragua the uncertainty was most pronounced. As guardian of the Fund's resources, the Executive Board should delay its decision until the full information necessary for a proper consideration of the request had been received.

Mr. Speaker, this incident illustrates a very important point. However scrupulously proper form is observed, instances can easily arise in which members of the IMF, or the IMF itself, can be criticized for "politicizing" the Fund. We in the Congress who have oversight of U.S. policy in the IMF have fought long and hard to forestall this "politicization." The administration has shared this concern. It is important that we continue to protect the integrity of the International Monetary Fund. We need, however, to develop a realistic interpretation of "politicization."

I am not now prepared to pass unqualified judgment on the propriety of U.S. actions in the Nicaraguan case. The record suggests considerable ambiguity. The Department of the Treasury consulted with the Department of State, and took note of State's opinion that "IMF action either to approve or not approve Nicaragua's request would be seen as a political move with major implications. The State Department felt that IMF approval of the request at that point would have brought a major risk of renewed bloodshed and widespread violence."

However one interprets this opinion of the State Department, it illustrates an important aspect of IMF operations. By extending credit to members, and often requiring pledges of rather significant changes in the members' economic policies, the IMF can have a major impact on the political life of a country. Few, if any, IMF actions can be "politically neutral," in the sense that they would have no effect whatsoever on the policies of the member government, or on the fortunes of various groups participating in the political life of the country.

To clarify this point, permit me to summmarize briefly the nature of IMF operations. Any member who experiences balance-of-payments difficulties can turn to the IMF for temporary credit, for funds to help it finance its balance-of-payments deficits, or, which amounts to the same thing, to support its exchange rate when it is suffering excessive depreciation. Indeed, the United States has itself recently drawn funds from the IMF to support the dollar. Our drawing did not exceed the level at which the IMF begins to attach conditions. Thus we had to pledge adoption of no particular kind of economic policy to obtain the funds.

Many countries, however, do exceed their respective levels of unconditional borrowing from the IMF. To get IMF credit beyond those levels, they must reach agreement with the Fund on a stabilization program—a set of economic policies designed to correct the balance of payments deficit for which they need temporary financing. These policies certainly do have a major impact on a nation's economy. Indeed, if they did not, they would fail to attain their objective—namely, the restoration of a sound balance of payments. Those policies have a significant impact on the economy, they are implemented by the Government, and they are the consequence of negotiations—often long and difficult—between the Government and an international organization. They might well cause some groups within the economy to suffer, at least temporarily. The decision to seek IMF assistance, and to adopt these stabilization programs, must necessarily be a major political act for many governments, with far-reaching political consequences for it, for its supporters, for its economy and, ultimately, for its allies and enemies in the world.

Given these realities, it would be extraordinarily misleading to speak of the IMF as an organization whose policies concern solely technical monetary issues. But, given these realities, it is all the more important that the Fund scrupulously formulate and carry out its policies solely with reference to economic criteria and objectives laid down in its articles of agreement. Otherwise, the scope for political abuse of the Fund would know no limit. Since the policies of the Fund are, ultimately, the policies recommended and approved by its member governments, they can maintain the integrity of the Fund only by judging and approving IMF actions solely in terms of the proper economic criteria.

In the case of Nicaragua, a stabilization program was not at issue, since Nicaragua requested to borrow from a special facility set up to finance members' deficits resulting from temporary export shortfalls due to circumstances largely beyond their control. Access to this facility is supposed to be governed by specific economic criteria—not by the member's political conduct to other matters, not by any judgment as to how IMF approval of the request would be seen as a political move by some interested party, and not by anyone's prediction that widespread violence would ensue. Strictly speaking, such considerations are irrelevant.

Nonetheless, the case of Nicaragua illustrates an unavoidable ambiguity in our policy assessments. On narrow technical grounds there seems to have been ample justification for the actions of our representatives. But, the wider political considerations alluded to in Mr. Solomon's letter, and even wider ones suspected by some critics, all suggest taking the same kind of action. Why, then, did the United States really propose deferral of the Nicaraguan request? For narrow technical economic reasons, on which the action can be justified, or for broader political purposes, which offer no legitimate justification? Since both types of considerations point in the same direction, does it make any difference?

Yes, it does make a difference. The economic considerations on which IMF is supposed to base its policies are not, and cannot be, defined in terms so rigorous that they are immune from political abuse. If there are political goals to be sought—by the IMF or by its members—the Fund's economic frame of reference could be easily distorted, for extraneous political purposes, without overtly and explicitly violating economic criteria. In the final analysis, it boils down to questions of degree and judgment, and to a shared sense that members' purposes conform, on the whole, to the spirit of the articles of agreement. If that sense evaporates, nothing bars blatant politicization of the Fund, that is, attempts by members to use the Fund for political goals only remotely, if at all, linked to the preservation of a sound international monetary system. To preserve that sense, it may be necessary for members, especially the more important ones, to go out of their way to avoid the suspicion that their real objectives, in any given instance, lie far beyond the reach of the articles of agreement—even if a narrow technical justification for their action is at hand, and even if their motives are, in fact, beyond reproach.●

AN OUTSTANDING FEAT FOR A SWITCH HITTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, the pursuit of physical excellence is a long, and usually frustrating, adventure for young athletes. Unfortunately, the vast majority of athletic competitors rarely experience that glorious moment when the years of training and sacrifice coalesce to elevate him or her above their peers.

On Monday night, April 30, Gary Pellant, the third baseman for the Alexandria Mariners of the Carolina League, achieved that pinnacle of excellence by stroking two home runs in one inning—one from the left side of the plate and the other from the right side. I wish to use this moment to publicly acknowledge this feat and to give Gary the recognition he deserves.

What makes this accomplishment more astounding is the fact that switch hitting is an art that does not come naturally—it must be learned. And the dearth of major league baseball players who have batted from opposite sides of the plate is testimony to the fact that this art does not come easy to many. The likes of Mickey Mantle and Pete Rose do not grace the diamonds very often. The difficulty of his chosen batting style, and his mastery of it, is a further reason for commending Gary on his performance.

Again, I would like to congratulate Gary Pellant and wish him, and the entire Mariners team, future successes during the season.●

THE FEDERAL BUDGET: IMPACT ON THE VOLUNTARY SECTOR

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, on April 19, 1979, during the Easter recess, I cosponsored with the Institute for Civic Education of the University of Akron, a 4-hour public hearing on "the Federal Budget—What Are Our Priorities?" The purpose of the hearing was to give the people of the Akron area an opportunity to express their views as to what the budget priorities should be for the coming fiscal year.

In order to provide information and appropriate focus, the program included three principal speakers. Mr. Bruce Meredith, Director of Budget Priorities of the House Budget Committee, gave an excellent summary of the budget as reported out by the House Budget Committee. Mr. Roy Stype, city manager of the city of Kent, Ohio, spoke on the need for better local resource allocations and presented a very creative method used by Kent to help the community develop its own set of priorities for local government spending. Judge William Kannel, president of the United Way of Summit County, Ohio, gave an outstanding talk on the Federal budget looked at from the point of view of the voluntary health and social welfare agencies of our community.

Judge Kannel's talk was so relevant to the subject we are debating today that I am offering it for inclusion in the RECORD following these remarks. Let me point out a few of the appropriate points that Judge Kannel made as to the impact of Federal programs on local government and voluntary agencies.

Judge Kannel pointed out that Federal programs tend to be addressed to particular interest groups and particular needs and administered by many different departments of the Government, and that seldom are they related to one another in any integrated manner. He stated that the proliferation of governmental bodies and programs results in a fragmentation of effort which hampers effective and efficient delivery of services and occasionally duplicative service systems Through the Summit County Council of Governments, the United Way and local government officials are attempting to cope with the situation locally by the creation of a Metropolitan Human Services Commission. He suggested that the Federal budget process might incorporate a similar approach.

Another problem created by Federal action, according to Judge Kannel, is the instability of Federal funding. Many federally funded programs are initiated with the intent of being reduced gradually, with local funding taking up the slack. He stated that this results in creation of a hotbed of competition for local funds that are insufficient to pick up all that the Federal Government has begun, rendering sound local community planning almost impossible. He suggested that it would be much better if the same amount of money were committed on an ongoing basis for those programs appropriate for Federal funding, allowing local communities to meet the other needs. He commended Congress for the new Older Americans Act, which removed the 3-year decreasing funding cycle in favor of ongoing funding for certain priority services.

Another aspect of the problem of instability involves Federal programs that are started and then cut back for political or other reasons. Thus he noted that the cutback in CETA funds is hurting our community and remarked, "Heaven help us if it becomes economically or politically expedient to cutback or eliminate title XX funds." He pointed out that the proliferation of Federal funding has led to a dramatic increase in the reliance of United Way agencies on Government funding. For example, for a group of over 28 agencies studied in Summit County, Government grants and fees as a proportion of their total budget increased from 17 percent in 1972 to 42.5 percent in 1978, and now constitute by far the largest single source of income for these agencies. Judge Kannel's comment on this situation has a direct bearing on our debate today. As he said:

> With that amount of reliance on the Federal budget, it should come as no surprise that we view with alarm the situation faced by Congress and the administration this year.
>
> Coupled with . . . the removal of tax incentives for people to support the voluntary sector through charitable giving, the Federal budget for FY 1980 may spell real trouble for the voluntary sector.
>
> We believe Congress should take a hard look, a very hard look at other controllable segments of the Federal budget and decide if social programs to serve basic human needs of our citizens do not deserve better than to bear the brunt of a restricted Federal budget.

Mr. Speaker, Judge William Kannel has had a long and distinguished record in the administration of juvenile justice in the community that I represent. He also has long been active in community affairs in the voluntary sector for many years. We will do well to heed his advice. The complete text of his remarks follows:

The Federal Budget: Issues for the Voluntary Sector

United Way is pleased to comment today on the issues facing the voluntary sector as a result of the Federal budget. We commend Congressman Seiberling for providing this forum to the public. The importance of providing opportunity for public participation in such matters can be seen in the following quote from which was transcribed in its entirety as part of the minutes of a meeting. It was in reference to a Federal funding problem encountered by a voluntary agency. The immediate issue isn't as important as the tone which we hear increasingly from citizens in this and other communities.

"You have now touched a very sensitive nerve in my body. Namely the extent to which we have gotten the notion that the government is in charge and that we have to pick up the pieces; and I think we ought to begin to talk about letting the government know what we think about their inconsistencies and their vagaries and all of the strange things that they do in trying to involve more people and programs and then frustrating their aims, their desires, their purposes and their efforts. And I do not think that we are going to make much headway with them until we stand up on our hind legs and say, 'Hey, quit that!', or at least, 'Let's talk about what in heaven's name you're doing with our money and what you're expecting us to do.'

"I really resent once and for all the notion that government money does not belong to the people, I'm sick and tired of hearing about government money. They took that money away from me and from all the rest of us and we ought to stand up and say, 'Hey, if we want a program that we are working on together, then we have to have money with which to administer it; and if you think that we are entitled to raise money for a program, then we are entitled to ask . . . how many of those services are mandated services and how many of them are decided by us, as things that we think are high priority services? I don't know about this agency; I confess my ignorance of it, but I know about some other government programs and the problem is that somebody who now has control of my money is telling me what we can do with it locally and I resent that!"

The issues created by the federal budget for the voluntary sector are many and significant. The amount of federal funding proposed for particular programs may seem the obvious issue to be addressed at a forum such as this. Certainly it is the most immediate and I will come back to comment on the level of funding for social programs which is a serious concern for us in the voluntary sector. But there are other longer range issues which can appropriately be addressed. Perhaps most significant of all is the continuing existence of a thriving voluntary sector. This notion is unique among the world's societies in that from the beginning and continuing until very recently, voluntary, non-governmental organizations and associations have been the primary means of pursuing community purposes and providing basic social services. Historically, as the country was settled, communities existed before governments were there to care for public needs. The result was that voluntary collaborative activities among citizens were set up to provide basic social services. This was not true generally in most other societies in which governments were hostile to voluntary associations viewing them with jealousy and distrust. Modern European states have shown an affinity for central, dominant governments with an accompanying discouragement of nongovernmental groups. One could well say that voluntarism is one of the principal distinguishing characteristics of American society. Many of us would go so far as to say that public spirited initiative and active involvement of citizens in public causes is the very essence of a healthy democratic society. Surely our society would not be as rich, as varied, as free, as lively as it is if the voluntary sector does not continue to thrive.

However, there is an alarming trend of social and economic forces extant in society which has been causing an unrelenting deterioration of the position of voluntarism. Until forty years ago, practically every social program now funded by the federal budget was provided exclusively by the voluntary sector if it was provided at all. The Great Depression ended that situation. Beginning in the 1930's with the passage of the Social Security Act and numerous other measures, federal involvement in human services has increased at an amazing rate. Government money is poured into social programs which, generally speaking, is good and absolutely necessary for no one can deny that social needs do outstrip the ability of the voluntary sector to meet alone. Indeed, United Way of Summit County is committed formally to a close, creative partnership between the public or government sector and the voluntary sector. But for a close creative partnership to exist, both partners need to be strong and viable.

A serious concern of United Ways around the country is that inadvertently federal government tax policy is weakening the ability of the one partner, the voluntary sector, to exist. I refer to the charitable tax deduction in personal income taxes. Already many fewer people are able to utilize a charitable tax deduction due to the increase of the standard deduction making any itemized tax deduction a moot point. Other tax reform proposals would eliminate charitable tax deductions entirely. While the reduction of one's personal income tax is not a very lofty reason for supporting voluntary organizations, people have been taught by past policy that tax reduction is one incentive for charitable giving. Coupled with their problems of living in an inflationary society and with higher taxes, the loss of the charitable deduction as an incentive for people to support the voluntary sector is a crippling blow to the ability of the voluntary sector to remain a partner with the public sector in meeting basic human needs. It has been estimated by Martin Feldstein, a Harvard Economist, that $4.1 million would be gained in a single year by allowing all taxpayers to claim charitable deductions whether or not they otherwise itemize deductions, whereas only $3.6 million would be lost to the Federal treasury. For these and other reasons time doesn't permit us to discuss, United Way supports passage of the Fisher-Conable Bill.

Another significant issue created by the federal budget for the voluntary sector is one we share with local government. It is the issue of the nature of federal funding. Numerous programs and planning bodies have been authorized and funded by government action very often resulting in a separate agency created for each functional area, e.g., alcoholism, drugs, mental health, mental retardation, aging, manpower, comprehensive health planning, etc. By and large, then, government action is of an ad hoc nature, addressed to particular interest groups and particular needs and administered by many different departments of the government. Seldom is a given course of action related to another in any integrated manner. Instead, there has been a proliferation of governmental and quasi-governmental bodies resulting in a fragmentation of effort which can actually be dysfunctional to the efficient and effective delivery of services. In some instances, competing and duplicative service systems have been established vis-a-vis others already in existence. This situation is as frustrating to county and municipal officials, I am sure, as it is to those of us in the voluntary sector who are charged with responsibility in somehow coordinating planning, funding and delivery of services at the local level.

United Way and local government officials, through the Summit County Council of Governments, are taking steps to better cope with this situation locally via the creation of a Metropolitan Human Services Commission. Perhaps in the federal budget process as well there could be some alleviation of the problem.

Another issue created by federal action with a serious impact on the voluntary sector is the instability of federal funding. Many federally funded programs are initiated with the specific intent of being reduced gradually with local funding to take up the slack and ultimately assuming full responsibility for the programs. The theory is fine. In practice, however, the number of federal programs started in this manner by various departments of the government without reference to one another results in creation of a hotbed of competition for local funds insufficient to pick up all that the federal government has begun. Sound local community planning is almost impossible in the environment created by this method of initiating programs through the federal budget. It would be so much better if the same amount of money were committed on an on-going basis to those programs appropriate for federal funding and then allow local communities to plan how to meet other needs. A positive example of this recently was the new Older Americans Act which removed the three-year decreasing funding cycle in the ratio of 90–10, 75–25 and 50–50 federal to local in favor of on-going funding for certain priority services. We commend Congress for that action.

Related to the instability created by programs initiated with the specific intent to withdraw funding on a graduated scale is the instability of funding withdrawn because it is economically or politically expedient to do so. Perhaps we should realize that when programs are created out of economic or political expediency, they will be reduced or terminated in a similar fashion. Though the service provider may be aware of the jeopardy of accepting "here today—gone tomorrow" funding, people receiving the service are unaware of the complexities of funding and build up expectations only to have them dashed when funding is lost. C.E.T.A. funding is a good example. Many agencies in the voluntary sector as well as the public sector, have been able to increase the number of people served, the number of people receiving basic and needed human services, while providing employment consistent with the C.E.T.A. program. When the C.E.T.A. positions are cut back, not only is the employee lost but, obviously, service recipients must be cut back. Stability in funding is important locally. We ask that it be taken into account in the federal budget process. The cutback in C.E.T.A. funds is hurting us. Heaven help us if it becomes or politically expedient to cut back or eliminate Title XX funds.

That leads me to the final issue of the amount of funding in the federal budget. Lest there be any mistake about it, agencies in the voluntary sector, i.e., agencies legally accountable to voluntary Boards of Trustees rather than to a branch of government, are absolutely dependent on federal funding for their very existence. It should go without saying that their existence is not important in and of itself but is derived from the importance of clients, patients, members, whoever are those citizens of our community receiving services of the agencies. These people are absolutely dependent on the federal funding received by agencies in the voluntary sector.

For example, listen to these statistics showing the increasing reliance of United Way agencies on government funding. In 1972, United Way allocations represented 34.2 percent of budgets and government grants and fees represented 17.0 percent. In 1975, United Way allocations represented 24.1 percent and government grants and fees represented 30.5 percent. In 1978, United Way allocations represented 19.0 percent of budgets and government grants and fees represented 42.5 percent. Other sources of funding, of course, make up the difference. The important point is that for a group of over 28 agencies in Summit County who were included in this study, government grants and fees have increased in proportion to total budget from 17 percent to 42.5 percent during 1972–1978. Government grants and fees are by far and away the largest single source of income for these agencies. Several agencies receive more than 80 percent of their funding from the federal budget. In many instances, United Way monies are used to match federal monies making the lesser amount of United Way dollars very significant. Nevertheless, the total impact of federal dollars in the voluntary sector is enormous.

With that amount of reliance on the federal budget, it should come as no surprise that we view with alarm the situation faced by Congress and the Administration this year.

Our understanding of the situation is as follows: Government growth has been tremendous for the last several years. Much of this growth has been made possible by additional tax revenues generated as inflation pushed personal income into higher and higher tax brackets. Thus government programs expanded relatively painlessly. The government did not have to raise taxes in order to provide new services. Although Jimmy Carter campaigned on a promise to balance the federal budget, there was not widespread political support for the issue until the passage of Proposition 13 in California last year. Elected officials immediately began to listen to the growing taxpayers revolt. Now the pressure is intense to cut government spending. It is further reinforced by traditional theory of regulating the economy by engaging in deficit spending during economic recessions and creating a budget surplus to slow the economy during inflationary periods. We recognize these pressures and acknowledge the difficulty facing Congress adopting this year's budget.

The difficulty is compounded, at least from the point of view of those of us interested in human services, in that almost 80 percent of the federal budget is relatively uncontrollable through the appropriations process. It represents items such as interest on the federal debt, contractural obligations and retirement, and other income security programs whose benefit levels are set by law as an entitlement. Consequently, social programs are one of the few items that may be cut.

It would be too time consuming and complex to get too deeply into specific details at this point, to say nothing of not having much information yet except for the President's Budget Request which has been out for some time. The President's Budget Request has been greeted with dismay by almost all groups who work with or in behalf of human services. NASW News headlines its analysis of the federal budget, "Rhetoric Aside, President's Budget Would Hurt Poor." "The Advocate for Human Services," a monthly legislative newsletter of NASW comments on federal claims that the budget is "lean, but merciful" by saying, "True, the program areas which receive modest increases are those targeting the neediest, but only at the expense of the less needy." Other groups have similarly scored the budget.

Three areas of the federal budget represent the majority of federal funds among United Way agencies. Medicare and Medicaid represent 35 percent of all federal funds among United Way agencies. C.E.T.A. represents 20 percent and Title XX represents 15 percent. Let's look at only those three for a moment.

Total health appropriations (of which Medicare and Medicaid are the largest items) are estimated to be $49.1 billion in FY 1979. The President's Budget Request is for $53.4 billion for FY 1980 which is $4.3 billion less than the Congressional Budget Office estimates would be required in FY 1980 simply to maintain service at the FY 1979 level. At the same time, more and more people are becoming eligible for Medicare by virtue simply of getting older.

In the case of C.E.T.A., an estimated $11.7 billion will be spent in FY 1979. The President's Budget Request is for $11.0 billion, an actual 7 percent decrease. The Congressional Budget Office estimates it would take $14.0 billion to maintain the program at FY 1979 levels.

In the case of Title XX, the estimated level of FY 1979 appropriations is $3.0 billion. The President's Budget Request is for $2.6 billion according to some sources, $2.9 billion according to others. In any case, Title XX will not realize any additional funding which in reality is a cut in funding counting inflation.

That really is the story for many other social programs. Aging, child abuse, runaway youth and other programs are included in the President's Budget Request at the same level as FY 1979. Other programs are included at modest increases. In few cases will there be a genuine increase when inflation is taken into account.

In sum, the federal budget for FY 1980 represents serious cuts in funding in the voluntary sector. Coupled with the issues I mentioned at the outset, i.e., the removal of tax incentives for people to support the voluntary sector through charitable giving, the federal budget for FY 1980 may spell real trouble for the voluntary sector.

We believe Congress should take a hard look, a very hard look at other controllable segments of the federal budget and decide if social programs to serve basic human needs of our citizens do not deserve better than to bear the brunt of a restricted federal budget.

Thank you again Congressman SEIBERLING for this opportunity to share our concerns with you and this concerned audience today. ●

CONGRESS MUST REJECT THE ADMINISTRATION'S RARE II PLAN TO WITHDRAW AN ADDITIONAL 15.4 MILLION ACRES OF NATIONAL FOREST LAND FROM MULTIPLE USE

(Mr. RUDD asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. RUDD. The administration is asking Congress to deny our people vitally needed natural resources on another 15,400,000 acres of national forest lands, which the President has proposed for "wilderness" or "further study" for possible wilderness designation 4 or 5 years from now.

This action is the result of the Forest Service's long drawn out roadless area review and evaluation project, known as RARE II.

In my own State of Arizona, the administration proposes to lock up 406,700 additional acres of national forest land as wilderness.

In addition, 471,900 acres would be placed in the "further study" for possible wilderness category until 1983 or 1985. Until that decision is made, Agriculture Secretary Bob Bergland has stated that this land will be unavailable for timbering, grazing, energy and mineral resources, and other appropriate resource development, which is vitally needed by our people.

Over the past 2 years, I have met and communicated with many Agriculture Department officials, including Secretary Bergland and Forest Service Chief John McGuire, urging continued "multiple use" management of all public lands under the administration of the Federal Government.

It remains my position that continued "multiple use" is the only acceptable public policy to accommodate the many needs and desires of our people—whether they be development and use of the plentiful resources within these lands, recreation, or wilderness preservation.

A survey of all households in my congressional district on this RARE II matter resulted in a better than 90-percent response in favor of continued "multiple use", and against any further wilderness designations by the Federal Government. Arizonans are becoming increasingly alarmed, as I am, by the growing trend toward large Federal land restrictions and the subsequent detrimental effects that such restrictions are having on our country's future.

The administration's RARE II plan will do further great damage to mineral and oil and gas exploration and development on public lands in every affected State, timbering, livestock grazing, recreation, and other needed uses of these public lands.

About 60 percent of all Arizona land is currently owned or controlled by the Federal Government. In total, the Federal Government owns about one-third of the United States—an area equal in size to all land east of the Mississippi River.

Dean William Lesher of the University of Arizona College of Mines has estimated that 50 percent of all known U.S. energy sources are within these Federal lands. Yet in 1976, they accounted for only 10 percent of our Nation's total energy production.

The Federal Government is systematically withdrawing these lands from energy and mineral development as soon as anything is discovered on them. In 1968, only about one-fourth of the Federal lands had been withdrawn from public use. But within just 6 years, three-fourths of all Federal lands are unavailable for resource development and use by our people.

Most of the onshore Federal lands within the 48 continental States are located within the 11 most Western States, including Arizona. Oil and gas are produced in eight of these States. A total of 87,455,595 acres of federally controlled lands are under lease for oil and gas. This amounts to more than 90 percent of the total leased Federal land in the United States.

Despite this fact, and the fact that our own energy future is the bleakest it has been in some time, nearly two-thirds of the public lands are currently off-limits to minerals exploration and development. The very same administration that 2 years ago declared "the moral equivalent of war" on our energy problem is today directly accountable for restricting entry on a proposed 26 million acres under RARE II, and another 473 million acres under the Bureau of Land Management wilderness review.

RARE II has not been an examination of just "roadless areas," but rather has included many areas with roads and other nonwilderness features. According to the Department of Energy's RARE II energy resources assessments report, Forest Service region IV, for example, contains 156 high-value energy tracts, the highest concentration being in the Idaho-Wyoming portion of the overthrust belts.

In Arizona, every single RARE II tract was found to have energy importance, much of it with commercial potential or of high value. Likewise, most of the tracts have highly important mineral importance, huge stands of timber, high recreation use, and important cattle grazing use.

The U.S. Geological Survey has estimated undiscovered recoverable oil and gas resources in Forest Service region IV of between 1.5 billion and 2 billion barrels of oil, and between 7.3 trillion cubic feet and 12 trillion cubic feet of gas.

All 1.8 million RARE II acres in region IV were rated "very important" or "important" for energy development purposes. The RARE II draft environmental statement listed 137 tracts as proven or producing sites for critical minerals, and 461 additional tracts which have known high potential for one or more needed minerals.

In my own State of Arizona, as I have noted, every RARE II tract has been cited by the Department of Energy as having commercial potential or energy importance of some degree. Numerous mineral-rich areas have been included in the administration's proposed "wilderness" and "further study" for possible wilderness designations, despite Forest Service minerals information which in almost every instance inaccurately rated the tracts as having no mineral importance.

During the Department of Agriculture's RARE II process, I brought these inaccuracies and factual errors to the attention of Secretary Bergland and Forest Service Chief McGuire on several occasions. Unfortunately, these attempts to correct the record and to retain these resource-rich areas for multiple use were ignored by Federal officials.

At the conclusion of my statement, I will include in the RECORD a factual summary of the resource importance of all Arizona areas proposed by the administration for "wilderness" or "further study" for possible wilderness designation. This information comes from data compiled by the Forest Service itself, the U.S. Geological Survey, the Department of Energy, the Southwest Minerals Exploration Group of Tucson, and several private companies and individuals with mineral expertise and involvement in the State.

These data clearly show that the administration's proposed RARE II plan being sent to Congress will deny public access to some of the greatest mineral provinces in the world, and will deny all Americans the right to use these vitally needed natural resources within public domain lands.

One questions why so much of the mineral rich lands have been kept from resource development, when even the Department of Agriculture's own RARE II officials have conceded that wilderness consideration is only one option among the many land use planning options.

Dr. Thomas C. Nelson, Deputy Chief of the Forest Service, has said:

> * * * oil, gas and mineral production, in some cases, is the highest and best use of the land.

Forest Service Chief Maguire himself instructed his subordinates in a June 27, 1977, memorandum to regional foresters concerning lands to be included or excluded from RARE II, that—

> Areas of significant current mineral activity * * * should not be included * * * Do not include areas with significant leases issued under the 1920 Leasing Act.

Despite these mandates, this has not been the policy under the RARE II process, leading up to the President's recommendations. One has to question why. The answer becomes apparent when the evaluation process is examined.

The Department of Energy was given only 60 days in which to complete a resource evaluation of all RARE II lands—an area encompassing 62 million acres. That is not enough time to adequately assess even one tract, given accessibility and use of proper equipment, let alone compile data on all RARE II tracts throughout the country. Several Forest Service regions contain lands for which there was no available data.

The U.S. Geological Survey and the Bureau of Mines were also required to provide energy and minerals potential data. But my own inquiries have determined that the USGS was so unhappy with the reliability and completeness of the data that the information had still not been released to the public as of February 9, 1979, only 2 months before the President's announced recommendations.

I have been informed that USGS personnel were forced by time constraints to present much of the information to the Forest Service orally, without any supporting documents, at four meetings with field personnel as they looked over RARE II maps and charted energy potential. Very little was documented.

This raises very serious questions about the reliability and credibility of the entire RARE II process, and the basis for the wilderness proposals that the President has now made and is preparing to submit to the Congress in legislative form.

I do not believe that we can afford to base such important decisions concerning the best public uses of national forest lands on the RARE II process that was utilized, or on such dubious supporting data. Certainly the resource potential of Arizona lands alone indicates the dangerous peril to our energy and minerals needs, and other valuable uses of these lands, if the administration's wilderness and "further study" for possible wilderness proposals are allowed to stand.

Given our precarious energy situation and balance-of-payments problems, these RARE II wilderness proposals should be rejected by the Congress. It is my considered view and hope that Congress will mandate continued "multiple use" of all Forest Service lands within the RARE II inventory.

Only extensive further analysis and evaluation of many types of data can determine geologic conditions indicating oil and/or gas potential of those lands, which requires administration of them under multiple use.

Only drilling will answer with certainty—another reason for continued multiple use.

Anyway that this matter is approached, it is imperative that we keep the land open for multiple use, so that it will be available for energy and mineral exploration and development, or any other purpose for which is will serve all our people.

Congress wisely recognized the value of the multiple use concept when it first passed the Wilderness Act. Section 4(d)(3) of that act provides for the collection of information about minerals as long as wilderness potential is not permanently impaired. The measure also empowers the Secretary to protect the "wilderness character of the land consistent with the use of the land for the purposes for which they were leased, permitted or licensed."

I believe that we owe it to our people and our Nation to base our decisions on valid, comprehensive information concerning the value of the lands and the resources involved, and the total range of needs of all our people.

The Congress will be derelict in its duty if the hope of a secure energy future is sealed off by restricting use of these lands before we know for certain what is within them, and what our needs for these resources will be many years from now, as well as at present.

Mr. Speaker, I would like to include at this point in the RECORD a factual summary of the resource value of each tract of Arizona national forest land included in the President's recommendations for "wilderness" and "further study" for possible wilderness as a result of the Department of Agriculture's RARE II process:

DEPARTMENT OF AGRICULTURE RARE II PROPOSALS IN ARIZONA

		Timber			Recreation		Energy		Minerals		
Area code, area name, and location	Gross acres	Growing stock (bf/yr) [1]	Site productivity (cf/acre/yr) [2]	Livestock grazing (aum) [3]	Motor (rvd) [4]	Nonmotor (rvd) [4]	Oil/gas [5]	Uranium [5]	Mining district	Known mineral occurrences	Comments
AREAS PROPOSED FOR WILDERNESS											
Apache-Sitgreaves National Forest:											
3139—Lower San Francisco, 15 mi northeast of Morenci.	6,400	(6)	(6)	(6)	(6)	(6)	(6)	(6)	Morenci-Metcalf and "Black Rock."		Within the structural zone that produced Morenci-Metcalf. Billions in production of copper, moly, silver, gold, and turquoise. Excellent targets still exist.
P3169—Blue Range Primitive, 25 mi north of Morenci.	1,090	(6)	(6)	(6)	(6)	(6)	(6)	(6)			
Coconino National Forest:											
3049—San Francisco Peaks, 10 mi north of Flagstaff.	17,980	35,000,000	25	100	0	200	CP	NCP			Highly important for commercial timber. High recreational use area. Most of this area is underlain by host rocks of the famous Jerome orebody, within the confluence of 3 major structural zones: Utah-Arizona, Front Range, and San Francisco.
3050—Kendrick Mountain, 19 mi northwest of Flagstaff.	2,200	30,000,000	25	0	0	100	CP	NCP			Highly important for commercial timber. Forest Service operates a permanent fire lookout tower in this area. Contains numerous roads and trails. High recreational use area. Most of this area is underlain by host rocks of the famous Jerome orebody, within the confluence of 3 major structural zones: Utah-Arizona, Front Range and San Francisco.
3053—Red Rock Secret Mountain, 8 mi northwest of Sedona.	47,480	110,000,000	25	200	100	400	Imp	NCP			Highly important for commercial timber. Most of this area is underlain by host rocks of the famous Jerome orebody, within the confluence of 3 major structural zones: Utah-Arizona, Front Range, and San Francisco.
Coronado National Forest:											
A3126—Rincon Mountains, 25 mi southwest of Tucson.	43,360	0	0	8,700	14,000	2,000	CP	CP	Reddington		Uranium claim staking and active exploration. Very favorable intrusives for minerals. Moderate geothermal energy potential.
3109—Chiricahua Wilderness Contiguous Area, 30 mi northeast of Douglas.	60,150	10,000,000	40	500	0	1,000	CP	NCP	California		Well-developed cattle ranches. Prospects and small mines.
3113—Mount Wrightson, 45 mi south of Tucson.	25,170	0	30	0	0	5,000	CP	CP	Tyndall, Wrightson.	Silver, lead, copper, gold, zinc, uranium.	Critical base metals potential. 4 extremely active geologic structural zones, should provide better than average exploration targets. High recreational value.
3117—Miller Peak, 6 mi south of Sierra Vista.	22,510	0	0	0	0	0	CP	NCP	Hartford		Western ⅔ contains lead, zinc, silver, and gold prospects. Eastern ⅓ has unique bird sanctuary, north-south migrating. Critical base metals potential, including uranium.
3121—Santa Teresa, 24 mi west of Safford.	27,160	1,500,000	15	1,200	800	2,000	CP	NCP	Aravapai		Definite mineral potential. Large intrusive that favors copper porphyry systems.
Katbab National Forest:											
3050—Kendrick Mountain, 19 mi northwest of Flagstaff.	4,310	18,000,000	6	1,300	0	1,100	CP	NCP			Highly important for commercial timber. Forest Service operates a permanent fire lookout tower in this area. Contains numerous roads and trails. High recreational use area. Most of this area is underlain by host rocks of the famous Jerome orebody, within the confluence of 3 major structural zones; Utah-Arizona, Front Range, and San Francisco.
3060—Kanab Creek, 25 mi south of Fredonia.	64,162	0	0	900	0	2,000		Imp			Moderate uranium. Has proven occurrences of U_3O_8 with some production. Numerous occurrences of sandstone, copper, and silver, Large stands of timber.
3062—Saddle Mountain, 46 mi south southeast of Fredonia.	38,240	0	0	100	0	700	Imp	V. imp			Has proven occurrences of U_3O_8 with some production. Numerous occurrences of sandstone copper, and silver. Moderate geothermal energy potential. Large stands of timber. High recreational use area. Road access provided by South Canyon timber sale. Adjacent to Grand Canyon National Park.

DEPARTMENT OF AGRICULTURE RARE II PROPOSALS IN ARIZONA—Continued

		Timber			Recreation		Minerals				
							Energy				
Area code, area name, and location	Gross acres	Growing stock (bf/yr) [1]	Site productivity (cf/acre/yr) [2]	Livestock grazing (aum) [3]	Motor (rvd) [4]	Non-motor (rvd) [4]	Oil/gas [5]	Uranium [5]	Mining district	Known mineral occurrences	Comments
Prescott National Forest:											
3080—Juniper Mesa, 35 mi northwest of Prescott.	9,770	8,500,000	60	300	200	700	CP	NCP			Critical base metals potential. Moderate grazing.
3084—Grantie Mountain, 10 mi northwest of Prescott.	8,580	1,500,000	50	400	1,000	3,000	CP	CP	Thumb Butte	Lead	Critical base metals potential, including uranium.
3085—Castle Creek, 3 mi west of Bumble Bee.	28,600	0	0	2,300	200	1,000	CP	CP	Crown King, Bradshaw.		Critical base metals potential, including uranium. Large production of gold, silver, copper, lead, beryllium.
Total	406,700	214,500,000	[7] 30.6	13,700	16,000	19,200					
AREAS PROPOSED FOR FURTHER STUDY AS POTENTIAL WILDERNESS											
Apache-Sitgreaves National Forest: 3138—Hell Hole, 10 mi east of Clifton.	15,470	0	13	1,900	0	1,000	CP	NCP	Morenci-Metcalf and "Black Rock."		Critical base metals potentia Within the structural zone tha produced Morenci-Metcalf. Billions in production of copper, moly, silver, gold, and turquoise. Excellent targets still exist.
Coconino National Forest:											
3045—Wet Beaver, 16 mi southeast of Sedona.	9,890	0	15	300	0	800	Imp	NCP	Camp Verde		Within Jerome, United Verde, and Clarkdale Mining Districts. Hundreds of millions of dollars produced in copper, lead, zinc, silver, and gold. Building stone. Long continuous igneous activity and upheavals and also within the confluence of four major structural zones. Mineral potential and exploration targets unlimited. Borders existing U.S. Geological Survey flood control stream gaging station.
3046—Fossil Springs, 3 mi north of Strawberry.	14,090	0	15	100	0	100	Imp	CP	Long Valley		Within Jerome, United Verde, and Clarkdale Mining Districts. Hundreds of millions of dollars produced in copper, lead, zinc, silver, and gold, Building stone. Mineral potential and exploration targets unlimited. Preferred location for hydroelectric pumped storage facility. Holds existing Arizona Public Service electric powerline.
3047—West Clear Creek, 10 mi east of Camp Verde.	33,660	0	10	1,300	0	100	Imp	NCP			Holds 345 kV U.S. Bureau of Reclamation electric powerline. Within Jerome, United Verde, and Clarkdale Mining Districts. Hundreds of millions of dollars produced in copper, lead, zinc, silver, and gold. Buildingstone. Mineral potential and exploration targets unlimited.
3048—Strawberry Crater South, 20 mi northeast of Flagstaff.	8,050	0	15	300	0	0	CP	NCP			Underlain by host rocks of the famous Jerome orebody, and within the confluence of 3 major structural zones: Utah-Arizona, Front Range, and San Francisco.
3054—Rattlesnake, 6 mi southeast of Sedona.	32,870	0	15	2,500	0	100	Imp	NCP			Preferred location for hydroelectric pumped storage facility. Borders on U.S. Geological Survey flood control stream gaging station.
3059—Strawberry Carter North, 20 mi northeast of Flagstaff.	1,790	0	0	0	1,000	0	CP	NCP			
Coronado National Forest:											
3110—Whitmire Canyon, 40 mi east of Douglas.	5,080	0	0	2,900	0	2,000	CP	NCP			Good grazing. Historical sites. High recreation use area.
3112—North End, 60 mi north of Douglas.	23,500	0	0	2,500	0	2,000	CR	CP			Excellent mineral potential Historical sites.
3120—Whetstone, 18 mi north of Sierra Vista.	36,610	0	10	14,200	1,000	2,000	CP	CP	Lone Star, Whetstone.		Critical base metals potential. Several copper-gold-silver prospects. Uranium production. Laramide intrusive. Heavy grazing value. High recreational use area.
3122—Winchester, 12 mi northwest of Willcox.	14,100	11,500,000	5	2,700	2,000	1,800	CP	NCP	Winchester	Silver, gold, copper, lead, zinc.	Moderate geothermal energy potential. Critical base metals potential.
3200—Bunk Robinson Peak, 35 mi northwest of Douglas.	740	0	0	5,200	0	1,000	CP	NCP			Commercial grazing. Historical.
3201—Dragoon Mountains, 10 mi northeast of Tombstone.	33,140	0	0	17,400	1,000	7,000	CP	NCP	Pearce		Moderate copper, lead, zinc, and marble production. Heavy grazing use area.
3901—Galiuro Additions, 35 mi northwest of Willcox.	61,500	10,000,000	10	10,500	1,000	2,000	CP	CP	Gold Mountain, Rattlesnake.		Critical base metals potential. Moderate uranium potential.
Kaibab National Forest: 3060—Kanab Creek, 25 mi south of Fredonia.	9,168	0	0	900	0	2,000		CP			Moderate uranium. Has proven occurrences of U_3O_8 with some production. Numerous occurrences of sandstone, copper, and silver. Large stands of timber.

DEPARTMENT OF AGRICULTURE RARE II PROPOSALS IN ARIZONA—Continued

		Timber			Recreation		Energy		Minerals		
Area code, area name, and location	Gross acres	Growing stock (bf/yr)[1]	Site productivity (cf/acre/yr)[2]	Livestock grazing (aum)[3]	Motor (rvd)[4]	Nonmotor (rvd)[4]	Oil/gas[5]	Uranium[5]	Mining district	Known mineral occurrences	Comments
Prescott National Forest: 3092—Arnold Mesa, 5 mi southwest of Camp Verde.	28,000	0	0	300	1,000	1,000	CP	NCP	Squaw Peak		Millions of dollars in precious metal production. Excellent zonal targets for uranium and other metals. Holds 69 kV Arizona Public Service electric powerline.
Tonto National Forest:											
3016—Mazatzal Wilderness Contiguous Area, 30 mi northeast of Phoenix.	83,750	500,000	15	6,500	200	200	CP	NCP	Bloody Basin, Green Valley.	Copper, marble.	Numerous mineral prospects. Several small mines. Known alteration of premineral rock. Contains 3 dam operation and flood control stream gaging stations owned by U.S. Geological Survey and Salt River project.
3018—Superstition Wilderness Contiguous Area, 12 mi northeast of Apache Junction.	32,160	0	0	700	100	0	CP	CP	Goldfield	Silver, gold	Mineral potential high on extreme north and east of area. Areas close to Phoenix have high recreational value.
3021—Hell's Gate, 10 mi southeast of Payson.	30,400	500,000	15	2,400	100	100	CP	V. imp	Green valley	Uranium. gold, lead.	Critical for uranium. High and low grade uranium ore. Falls within the confluence of four major structural zones, suggesting one of the greatest mineral provinces in all Arizona (Utah-Arizona belt-Texas Lineament-Jemez and central Arizona). Energy potential hardly scratched.
3092—Arnold Mesa, 5 mi southwest of Camp Verde.	320		0	0	0	100	CP	NCP	Squaw Peak		Millions of dollars in precious metal production. Excellent zonal targets for uranium and other metals. Holds 69 kV Arizona Public Service electric power line.
Total	471,900	22,500,000	[7]12.5	72,600	7,400	21,300					

[1] Bf/yr—board feet per year.
[2] Cf/acre/yr—cubic feet per acre per year.
[3] Aum—animal unit month.
[4] Rvd—Recreation visitor day.
[5] CP—commercial potential; imp.—important; v. imp.—very important; NCP—no commercial potential.
[6] Partial area not included in Forest Service draft or final environmental statement. Resource data not available.
[7] Average cubic feet per acre per year for areas with site productivity. ●

MARRIAGE AND THE FAMILY

(Mr. EDGAR asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. EDGAR. Mr. Speaker, there is growing concern across the Nation for the health and well-being of the American family. Various forces—some known and some unknown—continue to drive the divorce rate upward. Yet in spite of their fragility, marriage and family life continue to appeal to a majority of Americans.

On March 4, a day-long conference on the family was held in the Philadelphia area, sponsored by the Pennsylvania Commission on the Humanities. Among the speakers was Dr. Arthur Shostak, a professor in the department of psychology and sociology, who raised some deliberatively provocative and controversial issues relating to marriage and the family. These issues, while decidedly controversial, are important ones that deserve careful thought. I would like to share Dr. Shostak's remarks with my colleagues by inserting them in the CONGRESSIONAL RECORD:

MARRIAGE IN THE PRESENT AND CHALLENGES FOR THE FUTURE*

(By Arthur B. Shostak, Ph. D., professor of sociology, Drexel University, Department of Psychology and Sociology)

(The facts of family life have not been understood in this country, nor taken into account by policymakers.—*Carnegie Council on Children Report*, 1977; as quoted in Hollie, Pamela G. "Study Urges a U.S. Family Policy." *N.Y. Times*, September 12, 1977. pp. 1, 54.)

What more could the government do to help us strengthen our marriages? At present, government intervention is limited to three traditional matters; those of eligibility, taxes, and divorce: In a relatively noncontroversial way it places age, kin, and health (venereal disease) restrictions on the parties. In a far more controversial way it increases the tax burden on those who choose marriage over living-together, thereby encouraging earnestness-of-intention on their part. And, most recently, the majority of the states have adopted somewhat controversial reforms that ease the plight of those resolved to end a failed marriage by "no fault" divorce.

In the foreseeable future the American public may be asked to pass judgment on four fresh reform possibilities where the government and the institution of marriage are concerned. For one thing, state boards of education could seek to require a marriage preparation course as part of high school diploma requirements. For another, the state apparatus for licensing marriages may be revised to require license seekers to pass a Marriage Preparation test. A third reform would have the federal and state governments change the corporation laws to permit families to incorporate, even as businesses do today. And finally, the federal government may venture farther into the regulation of childbirth than ever before in the nation's history: mandatory prenatal screening tests and the licensing of sex selection behavior are two major policy options that cannot be scrutinized and assessed far enough ahead of time.[1]

1. Expansion of Mandatory Pre-Marriage Education. High school systems across the nation have begun to require "Life Skills" courses as part of a new campaign to assure graduates a better-than-ever start on their lives as independent young adults. Males, for example, are being taught such skills as cooking and nutrition, clothing selection and repair, and so on; females, in turn are taught car repair, small machine repair (toaster, fans, etc.), minor electrical and plumbing repair, and the anti stereotype-like. Various states may soon begin to experiment with a required course, or a life skills course component, in marriage skills—one that will expose teenagers to new learning about aids to happier, warmer, and more successful marriages. Material on how to communicate more effectively, how to express your emotions more honestly, how to disagree more constructively, and how to learn from inevitable interpersonal mistakes . . . all this, and more, might be part of such a curricula.

Opponents of such a move argue that the prospects are dismal where high school courses in personal matters are concerned, and a total ban, rather than any broadening of this effort, is in order. They warn that if the high schools are allowed to teach marriage preparation at the performance level now associated with basic secondary education courses (math, English, social studies), the divorce rate is likely to soon soar far beyond present record-breaking levels!

Proponents dismiss such damning criticisms as uninformed and unsupportable sarcasm, preferring themselves to insist that teenages have both a right and a need to expect assistance from competent educators in personal realms of life. Proponents contend that professional marriage counselors, concerned clergy and jurists, and university specialists in family studies can help monitor and upgrade a high-quality marriage-preparation curricula . . . with a healthy assist from concerned parents.

2. Expansion of Mandatory Approval Processes. America is increasingly a "testing society," and we move steadily forward to require proof-of-adequacy in unprecedented realms; e.g., Minimum Competency tests are a requirement now for a high school diploma in nearly 35 states, up from a handful in 1970. Similarly, we have been expanding the role of re-certification tests in the profes-

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*Revised and expanded version of an address prepared for a one-day Community Conference, "Marriage: Private or Public Responsibility?", co-sponsored by the Couples Learning Center and Abington Free Library, and funded by the Public Committee for the Humanities in Pennsylvania (March 4, 1979).

Footnotes at end of article.

sions, as doctors, lawyers, CPA's, and others are increasingly challenged to prove every so many years that they can pass a demanding test on frontier knowledge in their profession.

It is quite possible that various states in this "testing society" of ours will soon begin to experiment with a minimum competency test for marriage—one which will affirm the possession by an engaged couple of basic pieces of pre-marriage information, such as knowledge of consumer skills, of conflict resolution techniques, and so on. Somewhat as with our present system of testing candidates for a driver's license, those couples who would secure the state's permission to marry would first study a state-provided manual of insights into how to build a healthy and happy marriage—and then take and pass, as a couple, a 50-item multiple-choice test of their joint retention of the Marriage Manual's content. Should they fail to pass the test, they could have to option of re-taking fresh versions of it at the weekly intervals thereafter until they achieved a passing score—or, seriously rethink their prospects of success as a married couple.

A possible starting-point for construction of such a test is available in the NBC–TV sponsored "National Love, Sex, and Marriage Test." Based on academic research that challenges the 60 most pervasive, tenacious, and fallacious myths Americans have about marriage, the test includes such questions as these five true-false items:

People are often less satisfied with their marriages if they have children (84 percent of 1,000 Americans polled in November 1977, labeled this "false").

Jealousy is natural if you really love your mate (54 percent said "true").

If people really love each other, they don't have to say it (47 percent thought this was "true").

There is no way to know for sure what your mate feels unless they tell you (41 percent thought this "false").

If a wife works, the children will have more problems than if she stays at home (37 percent judged this "true").

The answers cited above, of course, are incorrect in every case, and it would seem to buttress the case for schoolwork here to learn that a representative panel of 1,000 citizens scored only 74 out of 100 on this particular test.[2]

Opponents of this expansion of the testing mechanism insist marriage is a realm as private and intimate as any known to human beings, and ought, therefore, to remain untouched by the pinching, prodding foolishness of mad scientists. They are encouraged by the latest development in California, the leading state among all 50 in forecasting new American social practices: California now offers an option that requires only that a couple complete a certificate costing $5.00 at one of 200 marriage centers or churches. They need not take a blood test, with its mandatory three day wait, and no public record is created of their "instant marriage" (30.000 chose this option last year, up from 20.000 in 1975; as compared to 150.000 traditional marriages in 1978).[3]

It is just this sort of zany California-style permissiveness, this endorsement of the doing away with even the traditional blood and rubella tests for the possibility of birth defects, that has some students of marriage urging more rather than less in the way of mandatory tests before marriage. Quick to assure all that a Marriage Preparation test will carefully avoid offending religious and moral scruples, its proponents also insist that it will carefully avoid being a personality test—or in any other way, stray from being a mature and reasonable examination of the bare minimum knowledge that a marrying couple should possess. What is even more, proponents of this sort of testing enjoy contending that a couple's effort to jointly prepare for such a test should be a wonderful boost to the premarriage communication between the would-be spouses. They also believe that every licensing jurisdiction (state, city, etc.) could protect local diversity by adapting test questions to the distinct nature of test users (ethnic enclave dwellers; previously-divorced applicants; senior citizens, etc.): In this way, the test could avoid imposing a single "cookie-cutter" model on a very heterogeneous group of engaged couples, even while assuring a minimum level of seriousness and preparation from all.

Fascinating in this connection is a related argument recently advanced by a social scientist who works with a Florida juvenile and family court division:

"We require a physician to be licensed to medicate a child, a psychologist to be licensed (or certified) to test a child. A teacher must have a masters degree to teach a child algebra. A clergyman must be ordained to baptize a child. A barber must be licensed to cut a child's hair. Institutions that feed and house children are investigated and must have judicial permission. Yet we cling to the barbaric pretense that anyone can be a "natural" parent . . .

"I suggest that prospective parents should be required to obtain a permit to bear a child. The regulation of parenthood on this basis is both justified and feasible. Certainly the community has legitimate interests in population control—social, ecological, and economic. Witness zoning procedures already in force and the regulation of housing development in terms of units per acre. The enormous cost of unwanted children, both tangible and intangible, is ultimately borne by society. With the technology for genetic management on the horizon, the question of who should bear children and how, already the subject of public debate, must be faced.

"Admittedly the question will not be resolved, nor will the problems of childhood be solved, by a birth permit program per se. Drivers' licenses have not eliminated death on the highway. Marriage licenses do not ensure domestic tranquillity. But the birth permit would establish as public policy the principle that bringing a child into the world is a major commitment, not to be taken without planning and foresight."

The writer goes on to hope that a pre-parent training program would develop to help prospective parents qualify for a child-bearing permit. He envisions attention being paid in advance to genetic and medical factors, economic circumstances and child-care arrangements, and some assessment of motivation and responsibility. Permits would be available to single parents, living-together couples, and other family styles, with the permit process regularly revised and monitored by an appeals procedure. Should a child be born without a permit existing, the burden of proof will rest upon the parent who wishes to keep and raise that child.[4]

Opponents are quick to shudder and raise the spectre of Nazi-like genocidal campaigns against minority targets of the state. More moderate critics deny that the current state-of-knowledge can support the use of analytic and predictive tools (tests, interviews, etc.) where future child-rearing performance is concerned. Proponents, however, are quick to link this dramatic proposal to the Children's Rights campaign: every child's birth should be deliberately, planfully considered by those who must prove their relevant capabilities and maturing. The state can be kept from abusing this licensing privilege, and the state-of-the-art already steadily advances, or so the supporters of a Birth Permit contend.

3. Expansion of Government-backed Alternatives to Traditional Family Forms. Slowly, but steadily, the government appears to be in retreat from its one-sided, time-honored support for the legally-married, two-parent family. Public adoption agencies, for example, now permit single adults to adopt children, and the Census Bureau has agreed to recognize and count the nation's many unmarried couples, a status-conferring move long denied to "living-together" twosomes.

Typical of the ideas under study nowadays by those who suspect the nuclear family is increasingly unsuited for modern realities is an ancient idea known as the corporate family. Congress and other law-making bodies could authorize a new type of legal entity (e.g., a partnership, co-op, or small, non-profit corporation) where earlier only a plain, old-fashioned unincorporated family had existed. These new incorporated families would then be able to pool certain resources, such as the health and life insurance, pensions, or social security benefits of all family members. As well, the new corporation could hire its primary homemakers, historically the female spouse, and put such family members on the corporate payroll . . . this, a provocative demand made over and over again in recent years by certain leading feminists who insist that housewives should be paid for their services, and should have their labor counted by the government as part of the Gross National Product.

Families that decide to incorporate would gain considerable advantages in their dealings with business organizations which presently offer much better financial deals to corporations than to unincorporated groups, such as old-fashioned unincorporated families: the list of "goodies" here includes travel deals, insurance rebates, pension plan and loan term gains, and so on. As well, of course, family members would now have the security of knowing a corporation's pooled income could help take the terror out of loss-of-income crises due to layoffs, illness, injury, or retirement.

Opponents of this idea of encouraging families to incorporate point out that such families will be wholly liable for tort claims against individual members, including juvenile members. As well, cliques could form within the family (young versus old; males versus females; etc.), and the voting at weekly meetings of the corporation's board (all family members) could be divisive and trying in the extreme. Some critics condemn the entire idea as a foolish, backward step into a feudal, medieval past, one likely to restrict individualism and restore excessive influence to the more assertive of family corporation members.

Proponents, however, have slowly been gaining attention and support for this very old, and yet boldly new idea, since its reappearance in the mid-1970's. The prestigious Center for the Study of Democratic Institutions, along with HEW's Office of Education, have held formal discussions and conferences on the subject, and at least two departments of the federal government were known in the mid-1970's to be seriously examining the idea's strengths and weaknesses.[5]

4. Expansion of Childbirth Regulatory Powers. Far more controversial yet are advances recently made where both prenatal screening tests (amino-centesis) and sex-determination medical technology are concerned. The issue, starkly but accurately put, is this—if a couple can be told in the first trimester that their unborn is a severely abnormal or damaged fetus, should they be required to learn this before making their own life-or-death decision about childbirth or abortion? Similarly, should the state help decide the sex of unborn infants—when, within ten years from now, swallowing a pill will enable would-be parents to determine beforehand that their infant will be a male or a female?

Amniocentesis, even while entailing its own small risk to the well-being of a healthy

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Footnotes at end of article.

fetus and expectant mothers, will identify early in a pregnancy the fetuses inflicted by PKU, mongolism, and 100 other major varieties of genetic problems, gross abnormalities, and congenital malformations. Many such severely retarded or defective infants live short and troubled lives, often at an enormous financial cost to the state and an enormous financial and emotional cost to the parents and their other normal offspring.

Proponents insist that the state should require prenatal screening (via amniocentesis) of all pregnant couples, and should compassionately and sensitively counsel detected carriers of damaged fetuses away from childbirth. Opponents of this controversial notion insist that this is none of the state's business, and that it is morally unjustifiable for the state to promulgate standards for normalcy based on genetic constitution. Prospective parents have a sacrosanct and unalterable right to have any child of their choosing—even if they know the child is going to be mongoloid, or in some other way, severely deformed.[6]

When laboratory breakthroughs make sex-determination both safe and cheap, possibly within five to ten years, it is likely that a traditional, if sexist preference for males as first-born may profoundly distort nature's current balance of 51 male to 49 female births in every 100 fetuses brought to term.

If left unchecked by the state and the would-be parents themselves, the resulting imbalance of far more male births-to-female births could upset every important aspect of American life—and in very threatening ways! Sociologist Amitai Etzioni, for example, warns that a resulting surplus of males would mean consequences that range from "the unfavorable to the undesirable," e.g.,—

"There would be a growing proportion of the population unable to find marriageable partners; homosexuality and prostitution would probably increase . . . violent crimes would increase . . . the resulting sex imbalance would strain every social institution we know. . . ."

What is even more, Etzioni warns, "we do not have, even on paper, the mechanisms for stopping [such] a particular development once it is proven undesirable."[7]

Proponents of sex-determination control by the state insist such a measure is indispensable if chaos is not to ensue. Every couple could eventually be given permission to have either the boy or girl of their own choosing, but at a time when the state's demographers have indicated that their parental choice will complement the choices indicated by other registered, would-be parents for a target period a year ahead. Opponents fume that the state will only bollix up this entire matter, and the nation would be far better advised to allow the situation to work itself out with no state intervention whatsoever . . . lest we wind up with bureaucratic foulups that produce "bumper crops" of females only during one year, males only for two years thereafter, and so on, in long-term confusion.

Discussion. Given our healthy reluctance to rush to coerce one another to do anything, to use pressure when inducements might also get the job done, it is vital to remember that any of the four changes discussed thus far in marriage policies could be secured in three different ways:

First, education and public relations campaigns can draw citizens to do things on their own volition—such as sign up to take marriage preparation courses, or voluntarily seek pre-birth taps of amniotic fluid.

Second, citizens will pursue a tax advantage or avoid a tax penalty—as in deciding not to continue a pregnancy which will result in the birth of an infant with gross abnormalities or congenital malformations, an infant whose care is likely to entail a large financial burden for the parents or the state.

Finally, and only after first trying and being disappointed by public responses to voluntarism and tax incentives, citizens can be required to do something desired by the state—such as delay their choice of having a boy or a girl until statistical forecasts allow for that specific choice.

All of these policy options can be buttressed, of course, by major TV and press campaigns, by the use of popular culture personalities as role models, by appeals to patriotism and common sense, by dire forecasts of catastrophe unless the proposed reform is adopted, and by carefully-coached references to the way in which our respect for modern scientific advances seems to demand this or that marriage reform of us.

As well, of course, the case for any of these reforms may be strengthened by mass media attention to the related successes in these matters of nations elsewhere. Hong Kong, for example, uses its tax power to encourage families not to have more than two children, to space the births of the children, and to seek vasectomies and/or tubal ligations after the birth of a second child. So successful are tax penalties on the cost of a third childbirth, or on the cost of the compulsory schooling of a third child, that Hong Kong is now the leading population-control nation in all of Asia.

Skeptics contribute to the national dialogue on this entire question of government's role in marriage and family matters by persistently reminding us of major past mistakes. Typical are these words of caution from Vice-President Walter F. Mondale:

"Despite our best intentions, government at all levels has too often been less than sensitive to the special needs and concerns of family life. We've passed programs in housing that have helped destroy neighborhoods. We've enacted welfare regulations that have sometimes forced families apart. We've enacted tax policies that discriminate against families of average and lower income. And we've done most of this in a mindless way, not deliberating, but often unconsciously. All of us in public life must begin to examine the effect of proposed and existing laws and programs of family life. We can't afford any national crusades to 'save the family.' We don't need or want any new bureaucracies intruding on the privacy of the family life . . . we are a diverse and pluralistic nation; . . . there is no single, ideal model for family; . . . government must not try to impose one."[8]

Mondale insists that the best way to insure that government improves its record of impacts on marriage and the family is for government to go farther than ever before in involving average citizens in policy-making that impacts on family life, such as the redrafting of welfare or CETA rules, the reforming of the anti-marriage income tax system, and so on: To Mondale's list one might also add the creation of high-school pre-marriage courses, the state testing of marriage readiness, the state encouragement of experiments in family format, and the state guidance of both the prenatal testing and the sex-selection experience of prospective parents.

Summary. A wry and wise collection of policy-relevant axioms, immodestly entitled "The Official Rules," provides two guiding thoughts with which to close this exploratory essay. We are advised, on the one hand, to always temper our expectations of planned change—"If you think the problem is bad now, just wait until we've solved it."[9] We also learn, however, that we *must* proceed—"It isn't that things will necessarily go wrong (Murphy's Law), but rather that they will take so much more time and effort than you think, if they are not to."[10]

FOOTNOTES

[1] "The State is a partner to every marriage and we must never presume that increased individual freedom will be accompanied by corresponding anarchy." Pietropinto, Anthony and Simenauer, Jacqueline, "Husbands and Wives: A Nationwide Survey of Marriage," New York: Times Books, 1979. P. 406. See also Rainwater, Lee. "Notes on U.S. Family Policy," Social Policy, March, April 1978, pp. 28–30; on the case against government expansion, see MacIntyre, Alasdair. "Seven Traits for the Future," the Hastings Center, February 1979, pp. 5–7.

[2] Carson, Rubin. "The National Love, Sex and Marriage Test." Garden City, N.Y.: Doubleday & Co., Inc., 1978, p. 162. ". . . respondents were least aware of the issues presented in the Love and Roles sections, averaging only 3.2 correct out of a possible 5." (ibid.). Other more scholarly tests are available in the academic literature, though a custom-tailored instrument is probably well-advised.

[3] Johnson, Sharon. "Instant Marriages: 'I Do's' Without Ado," New York Times, January 16, 1978, p. A–26.

[4] Bennet, Chester. "The Child's Right to be Loved," Journal of Social Issues, 34, 3, 1978, pp. 141–142.

[5] See in this connection, Snyder, David P. "The Corporate Family: A Look at a Proposed Social Invention," the Futurist, December 1976, pp. 323–328. See also Anon. "Falling in Love? Better See Your Lawyer," The Futurist, February 1979. p. 29.

[6] Cohn, Victor. "NIH Task Forces Criticize Some Childbirth Practices." Washington Post, March 8, 1979. p. A–11. "Another 165,000 pregnant Women [of 3,000,000] who could benefit each year from a prenatal test of their amniotic fluid to detect serious fetal malformations are still not being offered this revealing test." (*ibid.*). Cf. Kirkman, Don. "Prenatal Test's Safety Challenged by Study." Pittsburgh Press, February 26, 1979. p. A–3.

[7] Etzioni, Amitai. "Genetic Fix: The Next Technological Revolution," New York, Harper, 1975. p. 16.

[8] Mondale, Walter F. "The Family in Trouble," Psychology Today, May 1977, p. 39. See also Cornish, Edward. "The Future of the Family." The Futurist, February 1979. pp. 45–58.

[9] "Epstein's Law," in Dickson, Paul. "The Official Rules." New York: Delacorte Press, 1978. p. 47.

[10] "Wolf's Laws," Dickson, "The Official Rules," *op. cit.*, p. 186.

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THE MX MISSILE

(Mr. DELLUMS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. DELLUMS. Mr. Speaker, the fiscal year 1979 defense supplemental request and the fiscal year 1980 military authorization request ask $930 million for the MX missile. The total projected cost of this weapon system will be at least $30 to $40 billion.

We are being asked to expend this staggering amount of money for a missile that is not only not necessary, but will be provocative to the Soviet Union and destabilizing to world peace.

Over the next 2 weeks, I will place in the RECORD five short articles on the MX prepared for me by Dr. Thomas H. Karas of the Center for Defense Information.

ANALYSIS OF THE MX, PART 1: INTRODUCTION

(This report on the MX missile will be presented in five parts:

Part 1, Introduction to the MX.

Part 2, The MX Basing Controversy.

Part 3, The MX and Nuclear War Fighting.

Part 4, The Exaggerated Minuteman Vulnerability Problem.

Part 5, Alternatives to the MX.

When the cost of the B–1 bomber escalated to $100 million per plane, President Carter, Secretary Brown, and the Congress decided that too much was too much. The beginning estimates for the MX missile place the cost of deploying each missile at $150 to $200 million. As with most weapons systems, the costs can surely be expected to rise beyond the $30 to $40 billion totals now projected.

Forty billion dollars is a lot of money for a weapon that we do not need, that will stimulate the nuclear arms race and reduce the chances for arms control, and that will not even provide any significant military advantage. Forty billion dollars is also a lot of money for a weapon whose deployment will disrupt our environment in peace time and would increase the destructiveness of a nuclear war.

Today the MX is presented as the answer to the "Minuteman vulnerability problem." Originally, the Air Force came to the Congress with plans for a new missile to be developed and deployed regardless of the basing mode. Senator McIntyre of the Senate Armed Services Committee successfully introduced legislation to require that development of the new missile not proceed before selection of the way in which it would be based.

It is perhaps time once again to consider separately the issues of new missile and new basing mode. In the current debate, it is sometimes assumed that if some answer to the projected vulnerability of the Minuteman ICBM is required, then the MX must be that answer. As a matter of fact, the MX desired by the Air Force would not simply replace the Minuteman. Instead, it would be a vastly different weapon with important and dangerous implications for the nuclear arms race. In Part 3 we will examine those implications. We will see that the MX, while escalating the nuclear arms race, will ultimately have no military purpose to serve.

On the other hand, it would be possible to put a less provocative missile in some mobile basing mode. The basing modes under consideration, however, are also subject to serious objections, no matter what kind of missile is deployed. In part 2, we will review the basing controversy.

In view of the large and growing U.S. arsenal of nuclear capabilities, it is questionable whether the alleged "problem" of Minuteman vulnerability really requires that any drastic measures be taken. The Soviets could not hope to attack our ICBM's and escape a devastating nuclear holocaust. This question is taken up in Part 4.

Finally, in Part 5, we present some less drastic (and less expensive) alternatives to the current MX schemes.

ANALYSIS OF THE MX, PART 2: THE MX BASING CONTROVERSY

Two years ago, the Air Force's favorite candidate for mobile basing of ICBM's was a system of ten-mile-long covered trenches along which the missiles would be moved and hidden. Today, the Air Force advocates the so-called "Multiple Protective Structures" or "shell game" mode of basing. About 200 missiles would be moved about among 4,000 or more vertical shelters in the ground.

In contrast to the Air Force proposal, members of President Carter's staff have advocated an air-mobile system. Two hundred or more alert airplanes would disperse on warning among thousands of small U.S. airfields. Missiles would be launched from the planes in mid-air.

A final Pentagon recommendation on MX basing was expected last September. The decision was postponed again until the end of March. The great difficulty in reaching a basing decision stems from the fundamental dilemma: there is no satisfactory land-mobile system.

The trench idea turned out to be not only environmentally disruptive, but also highly vulnerable to a nuclear attack. The "shell game" also has a number of defects. If deployed in guarded fields of silos, the missile would cause the sealing-off of a land area the size of Connecticut. Nor matter how they were distributed, 4,000 holes would probably not be enough. Dr. Michael May, of Livermore Laboratories and the Defense Science Board, recently told the House Armed Services Committee that 10,000 shelters was a more likely number. The citizens of the states involved may object not only to the use of land, but also to the potential of their regions becoming vast "sponges" for Soviet nuclear weapons. In order to direct attention away from the latter possibility, the Air Force has changed the name of the system from "Multiple Aim Point" to "Multiple Protective Structures" (MPS).

Until the requisite number of silos were built, the relatively weakly protected missile silos would be even more vulnerable to Soviet attack than the present Minuteman silos. According to Air Force Chief of Staff General Lewis Allen, it would take eleven years from the time of decision to full operating capability of the shelter system. Air Force adherence to the MPS proposal suggests that the purported problem of ICBM vulnerability is not so urgent after all.

Where the missiles are located in the MPS system is information that is potentially vulnerable to espionage. The missiles must be moved around constantly and are thus exposed to observation. Satellite observation may be foiled by the use of dummy cannisters as well as ones actually carrying missiles. (Missile-carrying submarines rely on concealment, not clever deception, for their invulnerability to attack.)

With all the empty missile silos and dummy launchers that just might carry real missiles, it may be difficult to persuade the Soviet Union that we are deploying only the number of missiles that we say we are. How long this system would be compatible with arms control agreements remains to be seen. If the Soviets were to imitate our basing system, would we be willing to extend to them the degree of trust that the MPS system would require of them?

On the other hand, the MPS system virtually necessitates SALT limits on the numbers of nuclear warheads the Soviets can deploy. Otherwise, it might be just as cheap for them to build additional weapons to target our silos as it would be for us to build additional silos.

The problem of verifying the numbers of mobile missiles was an important consideration in the White House decision to reconsider airborne ICBMs. But this system, too, has its problems. Lt. General Thomas Stafford, Air Force Deputy Chief of Staff, has raised the following objections:

1. "Every little town that has an airport is probably going to be a target" . . . for Soviet nuclear weapons.

2. Areas in which the planes are deployed could be barraged from the air with large nuclear explosions.

3. Flying live nuclear weapons around could increase the chances of nuclear accidents.

4. The air-mobile system would cost at least $10 billion more to build and run than the MPS system.

Other criticisms of the airborne basing system are:

1. Like bombers, the missile carriers require warning of attack to take off safely. Thus the supposed need to maintain a "triad" of nuclear delivery systems is not met.

2. Air-launched ICBM's will not be as accurate or as easily coordinated as land-launch missiles.

In sum, any land-mobile basing system seems subject to major, perhaps insuperable objections. In Part 3, we examine the defects of the MX missile itself.●

MAKING COLLEGE AFFORDABLE FOR STUDENTS—AND THEIR PARENTS

(Mr. MAGUIRE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. MAGUIRE. Mr. Speaker, last Thursday I introduced H.R. 3769, the Fair Access to Higher Education Act of 1979, a bill to strengthen the guaranteed student loan program by increasing loan availability and making GSL's easier for students to get and repay. The Fair Access Act has already attracted much interest, and I will address several of its provisions in more detail later this week. To ease discussion in this complex loan area and make the act as widely available as possible to its many publics, I insert its complete text in the RECORD:

H.R. 3769

A bill to amend the Higher Education Act of 1965 to raise the limits on insured loans for certain postsecondary students; to make such loans easier to obtain and repay; to assure greater certainty of loans as a reasonable portion of students' total need-based assistance or cost of attendance; to reduce the cost of insured loans to the Federal Government; to expand and integrate the role of State guarantee agencies as loan consolidators, loan servicers, and makers of secondary markets for student loan paper; to reduce arbitrary discrimination in the award of such loans; and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Fair Access to Higher Education Act of 1979".

FINDINGS AND DECLARATION OF POLICY

Sec. 2. (a) The Congress finds that—

(1) access to postsecondary education is one of this Nation's central strengths in terms of increased productivity, individual satisfaction, and an enriched society;

(2) where educational loans are needed, financing through private capital remains the most effective and least costly way to assure qualified students' ability to attend the postsecondary institution of their choice;

(3) due to rising costs of attendance and increased numbers of students seeking loan assistance, neither current loan limits nor available private loan capital appear sufficient to meet such needs;

(4) many eligible lenders are reluctant to undertake or increase participation in insured loan programs due to perceived costs of origination and collection, inadequate access to secondary markets for loan investments, and continuing high default and delinquency rates;

(5) the resulting shortage of private loan funds has produced geographical unavailability and maldistributions due to loan rationing by lenders, denial of loans to students due to such factors as State of residence or lack of past relations with the lender, and other hardship-generating conditions inconsistent with the goals of the Higher Education Act of 1965;

(6) these conditions are likely to intensify as larger numbers of students seek subsidized loans;

(7) where insured loans are obtained by students, the burden of conventional repayment during early low-earning years after graduation, and the increasingly common burden of multiple payments where more than one loan was needed to finance an education, contribute to needless inequities as well as delinquencies and defaults; and

(8) there is substantial need for more flexible methods of repayment which ease student debt burdens before, as well as after, delinquency or default; for a coordinated approach which assures greater certainty of obtaining insured loans but recognizes that loans should be a residual part of a comprehensive student aid package; for a dependable method of consolidating multiple loan obligations, at the borrower's election; and for mechanism which assure eligible lenders ample access to secondary markets and efficient loan servicing, using State agencies with which lenders already deal.

(b) The Congress declares its purpose and policy—

(1) to increase the limits on insured loans for certain postsecondary students, the amount of private capital available for such loans, and the numbers of lenders participating in the guaranteed student loan program;

(2) to assure greater loan certainty for middle- and lower-income students, and authorize financial aid officers at postsecondary institutions to coordinate and initiate insured loans as a reasonable portion of attending students' total need-based assistance or attendance costs;

(3) to make available, at the election of either the lender or the student borrower, a repayment service administered by the Secretary of the Treasury and the Commissioner of Education, as well as repayment schedules based on the ability of the borrower to repay, measured by adjusted gross income;

(4) to strengthen the current program by expanding the incentives for, and ability of, State guarantee agencies or their designees to provide.—

(A) alternative repayment services;

(B) localized secondary markets for student loan paper;

(C) centralized lender referral and loan servicing;

(D) efficient loan consolidation services; and

(E) reasonable amounts of direct loans of last resort;

(5) to continue to rely on private financing of guaranteed loans for postsecondary education; and

(6) to avoid major changes, disruptions; or other transition costs to the students, postsecondary institutions, lenders, and State agencies which have participated in good faith in the guaranteed loan program in the past.

INCREASE IN LOAN AMOUNTS

Sec. 3. Pat B of title IV of the Higher Education Act of 1965 is amended—

(1) by striking out "$2,500" each place it appears in sections 425(a)(1), 428(b)(1)(A), 428A(a)(1)(A), and 428A(a)(2)(A), and inserting in lieu thereof "an amount equal to $2,000 in the first year of undergraduate education, $2,500 in the second year of undergraduate education, and $3,500 in any succeeding year of undergraduate education"; and

(2) in sections 425(a)(2), 428(b)(1)(B), 428A(a)(1)(A), and 428A(a)(2)(A)—

(A) by striking out "$7,500" each place it appears and inserting in lieu thereof "$11,500"; and

(B) by striking out "$15,000" each place it appears and inserting in lieu thereof "$18,000".

FEDERAL REPAYMENT SERVICE; INCOME CONTINGENT REPAYMENT

Sec. 4. Part B of title IV of the Higher Education Act of 1965 is amended by adding after section 427 the following new sections:

"FEDERAL REPAYMENT SERVICE; REPAYMENT OF LOANS ON INCOME CONTINGENT BASIS

"Sec. 427A. (a) Election for Federal Repayment Service or Income Contingent Repayment.—(1) An eligible lender (other than an eligible institution) may elect to have any loan made under this part and subject to repayment over a 10-year term collected by the Secretary of the Treasury (hereinafter in this section referred to as the "Secretary") and the Commissioner on a conventional basis, as provided in this section.

"(2) A borrower may elect the income contingent method of repayment of any loan made under this part. A loan for which such an election is made shall be collected by the Secretary and the Commissioner, as provided in this section, unless the lender holding such loan makes an election under paragraph (3).

"(3) An eligible lender (other than an eligible institution) holding a loan for which an election has been made under paragraph (2) may elect to collect such loan under the income contingent method of repayment, in lieu of collection by the Federal Government under paragraph (1) or (2).

"(4) Any election made under paragraph (1), (2), or (3) shall be made not later than the beginning of the repayment period, in a manner prescribed by the Commissioner to take advantage of existing procedures for loan conversion and to minimize additional paperwork.

"(5) The Commissioner shall promptly notify a borrower who has made an election under paragraph (2), or with respect to whom an election has been made by an eligible lender under paragraph (1) or (3), of such election and the resulting repayment status and obligations of the borrower under this section.

"(b) Effect of Elections: Agreements by Commissioner; Nondiscrimination.—(1) The Commissioner shall make an agreement with any eligible lender which holds a loan with respect to which an election has been made under subsection (a)(1) or (2), but not under subsection (a)(3), which provides that—

"(A) the lender will transmit to the Commissioner all information needed for the collection of such loan;

"(B) the Commissioner will make periodic payments with respect to such loan to the lender as provided in subsection (d), to the extent that amounts are appropriated from the fund established by subsection (f); and

"(C) the Commissioner will be bound by the terms of the agreement made between the lender and the borrower.

"(2) The Commissioner shall not make an agreement under paragraph (1) with a lender (other than a credit union) unless he is assured that such lender does not discriminate by pattern or practice against any particular class or category of students due to residence or by requiring that, as a condition to the receipt of a loan, the student or his family maintain a business relationship with the lender.

"(c) Effect of Elections: Duties of Commissioner and Secretary.—(1) With respect to each loan for which an agreement is made under subsection (b), the Commissioner shall—

"(A) transmit to the Secretary such information as may be required to enable the Secretary to carry out the duties established under paragraph (2);

"(B) make monthly payments with respect to such loan to the lender as provided in subsection (d), to the extent that amounts are appropriated from the fund established by subsection (f);

"(C) in the case of loans insured by the Commissioner under this part, take enforcement and collection measures with respect to instances of apparent nonpayment or underpayment referred by the Secretary under paragraph (2)(C); and

"(D) in the case of loans with respect to which the Commissioner has entered into guarantee agreements under section 428(c), refer instances of apparent nonpayment or underpayment to the appropriate State agency or nonprofit private organization for enforcement and collection.

"(2) The Secretary shall—

"(A) make available, with any information and directions relating to the filing of a Federal individual income tax return, a table containing the amounts stated in subsection (e)(1) for which borrowers may be liable, and such other schedule or information as may be necessary for a borrower to compute the amount of his annual payment under such subsection;

"(B) make available, with any information and directions relating to deduction and withholding of wages, a table containing the amounts an employer should deduct and withhold if the borrower elects withholding under subsection (e)(4)(A);

"(C) keep records of the amounts repaid with respect to each loan for which an agreement is made under this section, and transmit to each borrower an annual statement of his loan balance; and

"(D) refer each case of apparent nonpayment or underpayment to the Commissioner for enforcement and collection by the Commissioner or State agency or nonprofit private organization, as the case may be.

"(d) Payments by Commissioner to Lenders.—(1) The amount of any monthly payment made by the Commissioner under subsection (c)(1)(B) to a lender with respect to a loan for which an agreement is made under subsection (b)(1) shall be an amount equal to—

"(A) in any case in which an election is made under subsection (a)(1) but not under subsection (a)(2), the amount of the borrower's monthly repayment under subsection (e)(1); or

"(B) in any case in which an election is made under subsection (a)(2) but not under subsection (a)(3), the amount which would be paid by the borrower with respect to such loan for the month if the repayment rate under the loan were the mean repayment rate and the borrower were to repay such loan in equal monthly installments.

The Commissioner shall make periodic adjustments to payments under subparagraph (B) at intervals of at least one year to compensate for significant variations from such mean.

"(2) For purposes of this subsection the term 'mean repayment rate' means the mean annual amount of repayment of all loans with respect to which an election is in effect under subsection (a)(2), as determined by the Commissioner on the basis of all available information and on the basis of estimates where no such information is available.

"(e) Effect of Elections: Repayments by Borrower; Voluntary Withholding; Refunds for Excess Withholding.—(1) In any case in which an election is made under subsection (a)(1) but not under subsection (a)(2), the borrower shall pay to the Secretary for any taxable year an amount equal to the annual amount the borrower would be required to pay to the lender in the absence of this section.

"(2) In any case in which an election is made under subsection (a) (2) or (3), the student borrower shall pay to the Secretary or the lender, as appropriate, for any taxable year an amount equal to the lesser of—

"(A) the income contingent amount for the taxable year, or

"(B) the amount necessary to be paid during the taxable year to fully satisfy the borrower's obligation on the loan.

"(3) A student borrower who is not required to file a return of income for the taxable year under the Internal Revenue Code of 1954 shall not be required to pay any amount with respect to such a loan for such taxable year.

"(4) For purposes of this subsection, the term 'income contingent amount' means the sum of—

"(A) $35 for each $1,000, or portion thereof, originally borrowed;

"(B) one percent of the excess (not to exceed $18,500) of the borrower's assessable income for the taxable year over $8,500, for each $1,000, or portion thereof, originally borrowed; and

"(C) two percent of the excess of the borrower's assessable income for the taxable year over $18,500, for each $1,000, or portion thereof, originally borrowed.

"(5) The amount of any interest which is not paid by the borrower during a taxable year under the income contingent method of repayment shall be added to the principal amount of the loan at the end of such taxable year, with interest accruing thereafter on such amount at the same rate as on the principal.

"(6)(A) Each employer required by section 3402 of the Internal Revenue Code of 1954 to deduct and withhold amounts upon wages shall deduct and withhold amounts (determined on the basis of tables prescribed by the Secretary under subparagraph (D)) upon the wages of a borrower—

"(i) with respect to whom an election is in effect under subsection (a)(2) but not under subsection (a)(3), and

"(ii) who elects, in a manner prescribed by the Secretary, to have such amounts deducted and withheld.

"(B) Deducting and withholding of amounts shall begin when a borrower to whom subparagraph (A) applies first receives wages after making an election under such subparagraph. If an employer fails after such an election to deduct and withhold an amount, and thereafter such amount is paid by the borrower, such amount shall not be collected from such employer. Nothing in the preceding sentence shall relieve an employer from any applicable penalties for such failure to deduct and withhold

"(C) The Secretary shall establish a method for a borrower to whom this paragraph applies to report his repayment status and the date on which his repayment period begins to employers for purposes of deducting and withholding of amounts where the borrower elects withholding under subparagraph (A). The initial report shall be made when a borrower makes an election under subparagraph (A), and an additional report shall be made not later than one month after the beginning of each new employment of the borrower.

"(D) The Secretary shall prescribe tables establishing amounts to be deducted and withheld under subparagraph (A). Such tables shall be designed to that the total of the amounts withheld from a borrower's wages during a taxable year will approximately equal the amount for which the borrower is liable for such taxable year under paragraph (1) or (2).

"(E) Each employer required to deduct and withhold amounts upon wages under subparagraph (A) shall make payment of such amounts to the Secretary or his delegate, at such time and in such manner as the Secretary prescribes to take advantage of existing procedures for deposit of amounts withheld and to minimize paperwork, and no such employer shall be liable to any other person for the amount of any such payment.

"(F) Amounts paid to the Secretary under subparagraph (E) shall be deposited in the fund established by subsection (g)(1).

"(G) Any employer who fails to deduct and withhold amounts upon wages when required by this paragraph shall be liable to the Secretary for a penalty equal to the amount of the penalty prescribed by—

"(i) subsection (a) of section 6653 of the Internal Revenue Code of 1954 in any case in which the employer negligently fails to deduct and withhold; and

"(ii) subsection (b) of such section in any case in which the employer willfully or fraudulently fails to deduct and withhold.

"(H) The Secretary shall issue such regulations as may be necessary to administer this paragraph.

"(7)(A) Each borrower with respect to whom an election is in effect under subsection (a)(1) or (a)(2) shall make an annual payment equal to the excess, if any, of—

"(i) the amount which such borrower is required to pay for the taxable year under paragraph (1) or (2), over

"(ii) the amount deducted and withheld, if any, from such borrower's wages during the taxable year under paragraph (6).

"(B) Any payment due under subparagraph (A) shall be made, in a manner prescribed by the Secretary, not later than the date on which the borrower's Federal income tax return is required to be filed for the taxable year.

"(8)(A) The Secretary shall refund to each borrower to whom paragraph (6) applies, at such time and in such manner as the Secretary provides, an amount equal to the excess, if any, of—

"(i) the amount deducted and withheld, if any, from such borrower's wages during the taxable year under paragraph (4), over

"(ii) the amount for which such borrower is liable for the taxable year under paragraph (1) or (2).

"(B) The Secretary shall notify a borrower who has made the final payment on his loan that the borrower's obligations with respect to his loan have been fulfilled and that no further payments will be due.

"(f) Definitions.—For purposes of this section—

"(1) the term 'wages' means wages as defined by section 3401(a) of the Internal Revenue Code of 1954;

"(2) the term 'assessable income' means—

"(A) in the case of an unmarried individual, such individual's adjusted gross income;

"(B) in the case of a married individual who does not file a joint return under section 6013 of the Internal Revenue Code of 1954—

"(i) if such individual's adjusted gross income equals or exceeds the adjusted gross income of such individual's spouse, the adjusted gross income of such individual; and

"(ii) if such individual's adjusted gross income is less than the adjusted gross income of such individual's spouse, one-half the combined adjusted gross incomes of such individual and such individual's spouse; and

"(C) in the case of a married individual who files a joint return under section 6013 of the Internal Revenue Code of 1954, one-half the total adjusted gross income of the individual and his or her spouse;

"(3) the term 'adjusted gross income' means adjusted gross income as defined by section 62 of the Internal Revenue Code of 1954;

"(4) marital status shall be determined in the same manner as marital status is determined under section 143 of the Internal Revenue Code of 1954;

"(5) the term 'taxable year' means—

"(A) a taxable year as defined by section 441(b) of the Internal Revenue Code of 1954 which begins after the start of the repayment period; and

"(B) that part of a taxable year as defined by such section 441(b) which follows the start of the repayment period; and

"(6) the term 'repayment period' means the period referred to in section 427(a)(2)(B).

"(g) Guaranteed Student Loan Fund.—(1) There is created on the books of the Treasury of the United States a trust fund to be known as the Guaranteed Student Loan Fund (hereinafter in this section referred to as the "'fund") which shall be administered by the Commissioner.

"(2) The fund shall consist of amounts deposited in the fund from—

"(A) amounts deducted and withheld from wages, as provided in subsection (e)(6)(E);

"(B) payments made by student borrowers under subsection (e)(7)(A); and

"(C) appropriations made pursuant to subsection (h).

"(3) Moneys in the fund may be used only for the purpose of making the payments to eligible lenders provided for in agreements made under subsection (b)(1), and for the purpose of making refunds to borrowers under subsection (e)(8)(A). Moneys from the fund shall be available for such purposes only when appropriated therefor, and such appropriations shall be made without fiscal year limitation.

"(h) AUTHORIZATION.—There are authorized to be appropriated to the fund such amounts as may be necessary from time to time to make the payments required to be made by the Commissioner under subsection (c) (1) (B).

"(i) INCORPORATION BY REFERENCE.—All provisions of this part not inconsistent with this section shall apply to loans to which this section applies.

"ALTERNATIVE REPAYMENT SERVICE ADMINISTERED BY STATE AGENCIES

"SEC. 427B. (a) A lender or borrower who may make an election under paragraph (1), (2), or (3) of section 427A(a) with respect to a loan, may elect to have such loan collected by a State or private nonprofit institution or organization with which the Commission has an agreement under section 428(b), which—

"(1) has proven its ability to collect delinquent and defaulted loans, as determined by the Student Loan Marketing Association;

"(2) has the computer and other capacity to administer such a repayment service, as determined by such Association;

"(3) charges fees for such service which are less than or equal to the fees charged for the Federal repayment service under section 438(b) (5); and

"(4) does not make an agreement with an electing lender (other than a credit union) to provide such repayment service unless it is assured that the lender does not discriminate by pattern or practice against any particular class or category of students due to residence or by requiring that as a condition to the receipt of a loan, the student or his family maintain a business relationship with the lender.

"(b) Any election made under subsection (a) shall be made not later than the beginning of the repayment period, in a manner prescribed by the Commissioner to take advantage of existing procedures for loan conversion and to minimize additional paperwork.

"(c) Notwithstanding any other provision of law, for purposes of elections under this section, a State or private nonprofit institution or organization offering such repayment service shall be entitled, upon exhibiting an appropriate release from the student borrower, to prompt access to Federal tax information adequate to verify current domicile and employment (in the case of an election under this section and paragraph (1) of section 427A(a)), as well as to verify assessable income and current obligations under the income contingent method of repayment (in the case of elections under this section and paragraphs 2 and 3 of section 427A(a)). Microfiche or other reasonable bulk facsimiles of a release form signed by a student borrower shall be deemed an appropriate release under this subsection.

"(d) All provisions of this part not inconsistent with this section shall apply to loans to which this section applies."

STRENGTHENING AND COORDINATING THE ROLES OF STATE AGENCIES

SEC. 5. Part B of title IV of the Higher Education Act of 1965 is amended by adding after section 439A the following new section:

"STRENGTHENING AND COORDINATING THE ROLES OF STATE AGENCIES

"SEC. 439B. (a) LOCAL SECONDARY MARKETS.—(1) The purpose of this subsection is to encourage States and nonprofit private institutions and organizations with which the Commissioner has agreements under section 428(b) to provide stable, accessible secondary market facilities to supplement and extend the primary operations of the Student Loan Marketing Association (hereinafter in this section referred to as the 'Association') under section 439. For purposes of this section, the term 'State marketing association' means a State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b), or a private corporation sponsored by such a State, institution, or organization, which makes or purchases loans insured under this part.

"(2) A State marketing association which undertakes to provide secondary marketing and warehousing facilities which meet the requirements of paragraph (4) shall—

"(A) subject to reasonable terms and conditions prescribed by the Association, and upon submission of an estimate to the Association of the funds required to provide such services for the coming fiscal year, receive an advance of such funds in whole or in part from the Association. Any such advance shall create rights in the Association in future loans purchased, replaced or made by the State marketing association, to the extent of such advance;

"(B) subject to reasonable terms and conditions prescribed by the Association, be entitled, on a priority basis, to loan-purchase agreements from the Association and to warehousing advances not to exceed 100 percent of the face amount of an insured loan (the proceeds from any such purchase or advance to be invested in additional insured student loans);

"(C) subject to reasonable procedures prescribed by the Commissioner not later than the effective date of the Fair Access to Higher Education Act of 1979, receive payments for administrative costs, in lieu of any payments made under paragraphs (1) and (2) of section 428(f) and without regard to any restrictions applicable to payments made under such paragraphs, in total amount for any fiscal year equal to 1 percent of the total principal amount of the loans upon which insurance was issued under this part during such fiscal year. If the sums appropriated for any fiscal year for payments under this paragraph are not sufficient to make such payments in full, the amounts for which State marketing associations are eligible shall be ratably reduced. If additional funds become available for payments for any fiscal year during which the preceding sentence has been applied, such reduced amounts shall be increased on the same basis as they were reduced.

"(3) With respect to loans in a period of repayment held by any State marketing association to which paragraph (2) applies, section 438(b) (2) (relating to special allowances) shall be applied by substituting '5.5 per centum' for 5 per centum' in subparagraph (C), and by substituting '3 per centum' for '3.5 per centum' in subparagraph (A) (ii).

"(4) Paragraphs (2) and (3) shall not apply unless the Commissioner determines that—

"(A) of the loans which the State marketing association purchases or makes advances on during such fiscal year—

"(i) 40 percent of the value of such loans, in each of the first five fiscal years beginning after the effective date of the Fair Access to Higher Education Act of 1979, or

"(ii) 50 percent of the value of such loans, in each fiscal year beginning after such first five fiscal years.

are made by banks with less than $25,000,000 of assets, savings and loan associations, credit unions, pension funds, and insurance companies;

"(B) (i) the State marketing association has made purchases or advances totalling $3,000,000 for such fiscal year; and

"(ii) the total amount of the purchases and advances made for such fiscal year by the State marketing association is at least 15 percent greater, but not more than 30 percent greater (except as may be required to meet the requirements of clause (i) of this subparagraph), than the total amount purchased and advanced during the preceding fiscal year;

"(C) the State marketing association takes reasonable steps to assure equal pro rata access to its secondary marketing and warehousing services to eligible lenders within the State; and

"(D) such loans and the lenders making such loans meet the requirements of section 439 with respect to loans which are purchased or on which advances are made by the Association.

The Commissioner shall make the determinations required by this paragraph for a fiscal year not later than 60 days after the end of such fiscal year.

"(5) The Association or the Commissioner, as appropriate, may make annual projections based on quarterly or prior experience for purposes of implementing the payments required by paragraph (2) (C) and the determinations required by paragraphs (4) (A) and (4) (B) on a quarterly basis, and shall not be required to await a full year's experience before effecting those subparagraphs.

"(6) Nothing in this subsection shall be construed to prevent State marketing associations from financing secondary marketing operations, or financing the consolidation and direct lending operations treated in succeeding subsections, in whole or part by means other than the Association, or to preclude conventional access to the Association under section 439 by lenders or by State marketing associations which do not satisfy paragraph (4).

"(b) LOAN CONSOLIDATION.—(1) State marketing associations are authorized to issue consolidated obligations at the student borrower's election, during or after conversion to repayment of the underlying loans. For purposes of this subsection, a consolidated obligation is a single obligation which replaces two or more loans issued to a student borrower under this part or part E, or issued before July 1, 1972, under title II of the National Defense Education Act of 1958, which—

"(A) bears interest at a combined rate yielding a total repayment of one-half percent more than the interest the borrower would have paid if separate loans had been retained; and

"(B) carries such other reasonable terms and conditions as the Commissioner may prescribe.

The State marketing association or the student borrower may elect, at such time and in such manner as the Commissioner prescribes to take advantage of existing procedures for loan conversion and to minimize additional paperwork, to have a consolidated obligation repaid and collected pursuant to section 427A or 427B. Consolidated obligations shall not be subject to annual limits on loans made under this part.

"(2) Paragraphs (2) (A), (2) (B), and (6) of subsection (a) shall apply to consolidated obligations issued under this subsection.

"(c) CENTRALIZED LENDER REFERRAL AND LOAN SERVICING.—(1) State marketing associations are authorized to establish facilities for centralized lender referral and for centralizing servicing on a fee basis of loans insured under this part. The Congress declares its intent to encourage the establishment of such facilities.

"(2) The Commissioner shall make prepayments to any State marketing association which undertakes to—

"(A) develop, in conjunction with eligible lenders and representatives of financial aid officers, and use a uniform Statewide application form for loans insured under this part, which form indicates the grant, work-study, and other available assistance used to reduce the extent of the loan and is functionally compatible with forms used by other State marketing associations for similar purposes;

"(B) distribute such form to financial aid officers at all eligible institutions in its State;

"(C) provide that such officers may submit completed application forms directly to such State marketing association;

"(D) maintain a current list of eligible lenders, within or outside the State, which stand ready to make additional loans insured under this part, and communicate the existence of these applications in sequence to at least three such lenders, if necessary, within two business weeks of each form's receipt;

"(E) make limited direct loans of last resort, as specified in subsection (d); and

"(F) make available, on a fee basis, centralized billing and other servicing functions for loans insured under this part, whether or not such loans are in a period of repayment.

Such prepayments shall be in amounts equal to one-half of 1 percent of the face amount of loans initiated or serviced through the above procedures during each fiscal year.

"(3) The Commissioner shall make annual projections based on current quarterly or prior experience for purposes of implementing the prepayments required by this subsection at quarterly intervals.

"(4) Nothing in this subsection shall be construed to prevent students from making independent application for insured loans; or to prevent State marketing associations from making primary, standby, or other advance agreements with eligible lenders for the making of loans initiated under this subsection; or to prevent participating lenders from designating local lenders as their agents, by mutual agreement, for purposes of credit interviews and other functions reasonably related to origination and disbursement.

"(5) Nothing in this subsection shall disqualify a State marketing association which undertakes to provide the centralized services specified in paragraph (2) from receiving the prepayments specified therein, or the offsets specified in subsection (e) of this section, where because of primary, standby, or other agreements or arrangements between that association and eligible lenders the actual making of direct loans under subparagraph (2)(E) of this subsection and subsection (d) below becomes unnecessary.

"(d) Limited Direct Loans of Last Resort.—Paragraphs (2)(A) and (2)(B) of subsection (a) of this section shall apply to any State marketing association which undertakes to make direct loans under paragraph (2)(E) of this subsection, where—

"(1) no insured loan can be made through the lender referral process specified in paragraph (2) of this subsection;

"(2) the total amount of such direct loans in any fiscal year does not exceed 20 percent of the total amount of loans insured by such State marketing association in the immediately preceding fiscal year, or $2,000,000, whichever is less; and

"(3) the State marketing association assures the compiling of data sufficient to analyze the demographic and other relevant characteristics of student borrowers requiring such direct loans.

"(e) Additional Incentives for State Agency Activity.—(1) Paragraph (2) shall apply to any State marketing association which—

"(A) establishes secondary marketing and warehousing facilities under subsection (a);

"(B) provides for the issuance of consolidated obligations to student borrowers under subsection (b);

"(C) provides facilities for centralized lender referral and loan servicing under subsection (c); and

"(D) provides for a limited direct lending program under subsection (d).

"(2) A State marketing association which is described in paragraph (1) and which at any time holds funds owing to the Commissioner under sections 428(c)(2)(D) or 428A(b)(5) because of payments made by borrowers on defaulted loans reinsured by the Commissioner, may, before paying such funds to the Commissioner, deduct from such payment an amount equal to all or part of the funds that association is eligible to receive (to the extent such funds are appropriated)—

"(A) for payment of reserve fund advances under section 422(c);

"(B) for payment of administrative costs under section 428(f), to the extent applicable; or

"(C) for payment of Federal reinsurance obligations under section 428(c).

"(f) Administrative Procedure.—(1) Rules, regulations, and procedures required to implement this section and sections 427A and 427B shall be issued by the Secretary or the Commissioner without regard to subsections (b) and (c) of section 553 of title 5, United States Code. No state marketing association which was in existence before July 1, 1976, shall be denied the benefits of this section before the issuance of such rules, regulations, and procedures.

"(2) No state marketing association shall be denied the benefits of this section at any time after the issuance of rules, regulations, and procedures under paragraph (1), without notice and an opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code."

DISCOUNT FOR PAYMENT

Sec. 6. (a) Subparagraph (F) of section 427(a)(2) of such Act is amended by inserting ", and at a reasonable discount based on the administrative costs which are estimated to be saved because of such acceleration," after "penalty".

(b) Clause (i) of section 428(b)(1)(D) of such Act is amended by inserting ", and at a reasonable discount based on the administrative costs which are estimated to be saved because of such acceleration," after "penalty".

DEFERRAL AND ACCRUAL OF STUDENT INTEREST COSTS

Sec. 7. Section 428(a) of such Act is amended—

(1) in paragraph (1)(C) by striking out all that follows clause (ii) and inserting in lieu thereof the following:

"shall be entitled to have deferred (in the manner provided in paragraph (10)) a portion of the interest on such loan under circumstances described in paragraph (2), and the holder of the loan shall be entitled to payment of such portion during the period of such deferral as provided in this subsection.";

(2) in paragraph (2) by striking out "interest payment" each place it appears in subparagraphs (A) and (B) and inserting in lieu thereof "interest deferral";

(3) in paragraph (3)(A)—

(A) by striking out "paid on his behalf and for his account to the holder of the loan" and inserting in lieu thereof "deferred";

(B) by striking out "paid on his behalf for that period" and inserting in lieu thereof "deferred for that period";

(4) in paragraph (8)(A)—

(A) by striking out "paid on his behalf" in clause (i) and inserting in lieu thereof "deferred";

(B) by striking out "interest payment" in clause (ii) and inserting in lieu thereof "interest deferral";

(5) in paragraph (9) by striking out "payable" and inserting in lieu thereof "deferrable"; and

(6) by adding at the end thereof the following new paragraph:

"(10)(A) The amount of any interest deferred under this subsection shall be added as it accrues to the principal amount of the loan and shall be treated as a part of such principal amount, but shall not be treated as part of the amount originally borrowed for purposes of section 427A(e)(4).

"(B) In the case of the repayment to an eligible lender of a loan, the principal amount of which includes an amount attributable to interest deferred under this subsection and paid to the lender by the Commissioner, the lender shall pay to the Commissioner any such amount which has been paid by the Commissioner to the lender under this subsection."

MULTIPLE DISBURSEMENTS OF LOANS; INCENTIVES FOR LENDERS.

Sec. 8. (a) That portion of paragraph (8) of section 428(a) of such Act preceding clause (i) is amended to read as follows:

"(8) In the case of any eligible lender (other than an eligible institution or an agency or instrumentality of a State) which enters into a binding agreement with a student to make a loan, and which is subject to regular audit by any Federal or State financial authority—".

(b) Such paragraph (8) is further amended—

(1) by inserting "at intervals of not less than 4 months nor more than 6 months" after "paid" the first time it appears in subparagraph (B) (as redesignated by paragraph (4) of this subsection);

(2) by striking out "in accordance with regulations of the Commissioner,";

(3) by striking out subparagraph (B); and

(4) by redesignating clauses (i) and (ii) of subparagraph (A), as subparagraphs (A) and (B), respectively.

REDUCTION OF INEQUITIES RELATING TO DEFERRAL PERIODS

Sec. 9. (a) Subparagraph (C) of section 427(a)(2) of such Act is amended by striking out "full-time" in clause (i) and inserting in lieu thereof "half-time", and by inserting "as determined by the institution in a manner prescribed by the Commissioner" after "eligible institution".

(b) Subparagraph (M) of section 428(b)(1) of such Act is amended by striking out "full-time" in clause (i) and inserting in lieu thereof "half-time, as determined by the institution in a manner prescribed by the Commissioner".

QUICK CLAIM ON DEFAULT OF FEDERALLY INSURED LOANS

Sec. 10. Section 430(a) of such Act is amended by inserting "(1)" after "(a)" and by inserting at the end thereof the following new paragraph:

"(2) In any case in which the insured beneficiary certifies that it has complied with all federal regulations relating to the establishment and verification of a default, the Commissioner shall, notwithstanding paragraph (1), immediately pay to the beneficiary the amount of the loss claimed by the beneficiary. After making such payment the Commissioner shall fully evaluate such paid defaults, on a quarterly or other periodic basis, to determine their validity. If any payment made under this paragraph is determined to be less than the amount of the loss, the Commissioner shall pay the difference between such payment and the amount of the loss, plus interest, to the beneficiary. If any payment is determined to be greater than the amount of the loss, the beneficiary shall pay the difference between such payment and the amount of the loss, plus interest, to the Commissioner."

ADVERSE CREDIT EFFECTS OF VERIFIED DEFAULTS

SEC. 11. Within two weeks of verification of any default claim, the Commissioner, in the case of a loan insured by the Commissioner under this part, or the State or nonprofit private institution or organization with which the Commissioner has an agreement under section 428(b), in the case of a loan for which there is a guarantee agreement under section 428(c), shall report the default to a commercial credit bureau which is approved by the Student Loan Marketing Association."

SPECIAL ALLOWANCES; RATES FOR USE OF FEDERAL REPAYMENT SERVICE

SEC. 12. Section 438(b) of such Act is amended—

(1) in paragraph (1) by striking out "A" and inserting in lieu thereof "Except as may be otherwise provided in paragraph (5), a";

(2) in paragraph (2)(A), by striking out "paragraph (4)" and inserting in lieu thereof "paragraphs (4) and (5)";

(3) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7) respectively; and

(4) by inserting after paragraph (4) the following new paragraph:

"(5) The special allowance computed according to paragraph (2)(A) shall be reduced by one-half percentum with respect to all eligible loans held by a lender for which an election to use the Federal repayment service administered by the Secretary of the Treasury and the Commissioner has been made under paragraph (1) or (2) of section 427A(a) within the first two fiscal years after the effective date of the Fair Access to Higher Education Act of 1979. The Commissioner may provide for the monthly payment of special allowances with respect to such loans in lieu of the quarterly payments prescribed by paragraph (1). With respect to elections made under paragraph (1) or (2) of section 427A(a) more than two fiscal years after the effective date of the Fair Access to Higher Education Act of 1979, the rate charged for use of the Federal repayment service shall be set by the Secretary after consultation with the Commissioner, at the lowest level sufficient to cover the Secretary's costs of administering the service."

CONFORMING AMENDMENTS

SEC. 13. (a) Section 427(a)(2) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (H);

(2) by striking out the period at the end of subparagraph (I) and inserting in lieu thereof ", and"; and

(3) by adding at the end thereof the following new subparagraph:

"(J) provides that (i) the lender may elect (not later than the beginning of the repayment period) the Federal repayment service, or an equivalent repayment service offered by a State or nonprofit private institution or organization with which the Commissioner has an agreement under subsection 428(b), for securing repayment of insured loans on a conventional basis under section 427A(a)(1), (ii) the borrower may elect the income contingent repayment method under section 427A(a)(2), (iii) the lender may elect (not later than the beginning of the repayment period) to collect or have collected under section 427A(a)(3) a loan with respect to which an election has been made and (iv) repayment by the borrower of a loan for which such an election is made shall be made in accordance with section 427A or 427B."

(b) Section 428(b)(1) of such Act is amended—

(1) by striking out "and" at the end of subparagraph (O);

(2) by striking out the period at the end of subparagraph (P) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(Q) provides that (i) the lender may elect (not later than the beginning of the repayment period) the Federal repayment service, or an equivalent repayment service offered by a State or nonprofit private institution or organization with which the Commissioner has an agreement under subsection 428(b), for securing repayment of insured loans on a conventional basis under section 427A(a)(1), (ii) the borrower may elect the income contingent repayment method under section 427A(a)(2), (iii) the lender may elect (not later than the beginning of the repayment period) to collect or have collected under section 427A(a)(3) a loan with respect to which such an election has been made, and (iv) repayment by the borrower of a loan for which such an election is made shall be made in accordance with section 427A or 427B."

(c)(1) Section 427(c) of such Act is amended by striking out "The" and inserting in lieu thereof "Except in the case of a loan the repayment of which is made pursuant to section 427A, the".

(2) Section 428(b)(1)(L) of such Act is amended by inserting ", except in the case of a loan the repayment of which is made pursuant to section 427A," after "provides that".

(d) Section 427(a)(2)(B) of such Act is amended—

(1) by inserting "and except in the case of a loan the repayment of which is made pursuant to section 427A" after "(except as provided in subsection (c))"; and

(2) in clause (ii) by inserting "except in the case of a loan the repayment of which is made pursuant to section 427A" after "fifteen years".

(e) Section 428(b)(1) of such Act is amended—

(1) in subparagraph (D)(ii), by inserting "and except in the case of a loan the repayment of which is made pursuant to section 427A," after "paragraph,"; and

(2) in subparagraph (E), by striking out "and" after "paragraph" and inserting ", and except in the case of a loan the repayment of which is made pursuant to section 427A" after "subparagraph (M) of this paragraph".

(f) Subparagraph (E) of section 435(g)(1) of such Act is amended by inserting "except for the purposes of sections 427A, 427B, and 439B," after "(E)".

(g) Section 439(d) of such Act is amended by adding at the end thereof the following new paragraph:

"(4) The Association is authorized to advance funds pursuant to section 439B(a)(2)(A) to State or nonprofit private institutions or organizations with which the Commissioner has agreements under section 428(b)."

(h) Subsection (l) of section 6103 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(7) DISCLOSURE OF RETURN INFORMATION TO STATE STUDENT LOAN AGENCIES.—The Secretary may, upon written request, disclose returns and return information to any State or private nonprofit institution or organization with which he has an agreement under section 428(b) of the Higher Education Act of 1965, for use only for the purposes set forth in section 427B(c) of such Act."

EFFECTIVE DATE

SEC. 14. This Act shall take effect 180 days after the date of its enactment.●

AMTRAK'S INTER-AMERICAN—THE LONG, WINDING TRACK

(Mr. PICKLE asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PICKLE. Mr. Speaker, in the course of public service, one finds a few issues that have a frustrating staying power. The issues of this sort can often take on a very special, and even provincial, flavor for the public official.

So it is for me and a passenger train route of Amtrak—the Inter-American. For the RECORD, I submit a rather lengthy recitation of this long story—as honestly and as clearly as I can.

My involvement with the Inter-American is not a Johnny-come-lately affair. My hands were literally those that wrought this service. In 1971, the House Interstate and Foreign Commerce Committee began work on amendments to the National Railroad Passenger Act of 1970. At this time, I was serving on the Transportation Subcommittee of the Commerce Committee. On February 22, 1972, the full committee received the report on H.R. 11417.

The legislation reported to the full House had a section (section 7) which created three international train runs for the basic Amtrak system. They were as follows: A route between some point in the United States and Nuevo Laredo, a route to Montreal and a route to Vancouver, Canada. Section 7 mandated these new routes be part of the basic Amtrak system.

Section 7 was largely my amendment. I helped place these trains on the statute books.

Because of this, I think I can speak authoritatively on the congressional intent behind this section 7, in particular, the intent behind the train to Nuevo Laredo, Mexico. It was envisioned by me and my colleagues, that these international trains would be like the trains of Europe, where trains zip across national border after national border with slight delay. By no means did we ever think the rail passenger would have to stop at the border, get off the train, wait, and cross the border by car, bus, or foot, and then get on another train. We assumed the passenger would get on the train and be able to continue to his/her destination in one of our neighboring countries.

This is particularly true of the designated route to Laredo, Tex. Laredo was chosen because the rail crossing between Laredo and Nuevo Laredo, Mexico, was usuable. If Congress had wanted Amtrak to stop at the United States-Mexican border, many other end points could have been chosen.

H.R. 11417 became Public Law 92-316 on June 22, 1972. The appropriation for this law, containing the authorization for a Laredo train, was impounded by President Nixon. This was the era when Congress could do nothing about impoundments.

Amtrak management, then under the direction of Amtrak President Roger Lewis, decided to run an abbreviated version of the Inter-American from Fort Worth, Tex., to Laredo, Tex., three times a week.

The first run did not occur without my involvement. I rode that train on January 27, 1973. We had a mariachi band, I played the harmonica, crowds cheered at the make-shift stations, and everyone was generally upbeat. On that day, we thought of the positive potential of the "train to Mexico". We could see the many students, up and down the line, utilizing the economic way to get into Mexico for a vacation. Since the Southwest has so many people with cultural and family ties to Mexico, we envisioned these people riding the rails to meet loved ones on both sides of the border. Also, the business activities of both countries do not stop at the Rio Grande River; so the new train to Mexico could enable business people to go back and forth.

But even on this day, I had some uneasy feelings. The Inter-American was not going beyond Fort Worth, did not cross the border at Laredo, was to run only three times a week, had a very indirect, time-consuming route from Fort Worth, missed a major population center; by missing Waco, Tex., and had generally, miserable train stations.

On the other hand, spirit on the abbreviated inaugural run was high; I felt that for a small additional investment all problems would be resolved.

Working with the Transportation Subcommittee of the House Appropriations Committee, I was able to get the money for the Inter-American to be specifically earmarked for that train route. The amount was $4.5 million. The report "Review of Amtrak Trains—The Inter-American," issued July 1975, by the House Interstate and Foreign Commerce Committee, contained a good explanation of this $4.5 million, and what happened to it. In short, Amtrak spent $2.5 starting up and operating the train, and the $2 million went to other Amtrak trains. This was in direct conflict of the congressional earmarking of the $4.5 for the Inter-American.

The bottom line of all this is that $2 million which Congress wanted spent on the Inter-American was not spent on this train. At the very least, Amtrak could have made the Inter-American a daily train instead of running it only three times a week.

Before continuing my chronological narrative of the Inter-American, I want to describe the route as it has existed in Texas over the past 5 years. The most annoying problem, and the one that could have been easily solved, was the very negative, very uncooperative actions of the Missouri Pacific Railroad Co. (MoPac). The Missouri Pacific record toward the Inter-American is dismal, if not downright mean. And these opinions are not just mine. For example, in commenting on the speed limits the MoPac placed on the Inter-American, the subcommittee report referred to earlier stated:

> This review disclosed that there are no legal, technical or practical reasons for MoPac requiring that the Inter-American travel at reduced speeds identical to those allowed for its freight trains.

But MoPac did not stop at making the Inter-American run too slow; MoPac, in direct violation of the law, would sidetrack the Inter-American so that freight trains could pass on by. Congress wanted just the opposite to happen in the Amtrak system—in other words, freight trains were to wait for passenger trains.

In 1976, the Washington Star ran a front page story on what MoPac was doing to make life miserable for those riding the Inter-American. I would like to share this article in order to show my statements are not fabrications of my imagination:

MISSOURI PACIFIC AND AMTRAK ON A COLLISION COURSE

(By Stephen M. Aug)

The way William B. Strong, a Memphis machinery salesman, tells it all is not well between the Missouri Pacific Railroad and Amtrak.

The problems on his trip from Little Rock, Ark., to Laredo, Tex., began at the Little Rock station when Amtrak's "Inter-American" was about 30 minutes late arriving.

"That wasn't very unusual," Strong recalled the other day, "but when we didn't leave more or less immediately I asked what was going on." A trainman, he says, told him the delay was to give the engineer time to repair the headlight.

After what seemed like a long time, Strong saw what he thought was the engineer strolling back through the sleeping car. "He spoke to the porter and a man I believe was an un-uniformed flagman from the rear and asked what was holding up the train. The flagman said, 'we're waiting on you to fix the headlight.' And the engineer said, 'that's been fixed for 30 minutes' and he was waiting for a highball" (a signal from the conductor to start the train).

Within minutes the train started—after a full hour at Little Rock and an hour and a half behind schedule.

The apparent lack of communication between the engineer and the conductor was still on Strong's mind a few minutes later when he saw the conductor and noticed he wasn't carrying a radio as train crewmen usually do. It turned out that on the Missouri Pacific, radio communications between engine and crew members are for freight trains only.

Then there was the "phantom" freight train. About a mile from Devine, Tex., south of San Antonio, the Inter-American came to a milepost in a sparsely settled area and stopped. The conductor, Strong recalled, said "'our train orders tell us to wait here at this point' until a certain time. He said it was just poor dispatching, there really wasn't any problem."

But Strong later learned that the Inter-American is often ordered to stop at the milepost near Devine even though there is no passing freight train in sight. Chasing a phantom freight across Texas, he called it.

By the time the train arrived in Laredo it was more than two hours late, resulting in Strong missing a connection to Mexico City.

Strong's experience with the Inter-American—or, more to the point his experience with the Missouri Pacific which operates part of the Inter-American—is turning out to be fairly typical.

Amtrak officials contend that, of the 18 railroads that operate its trains, Mopac is by far the most difficult to deal with. The litany of Amtrak complaints includes:

One of the worst on-time records in the system despite the fact that Mopac is generally considered a profitable, well-maintained rail system. Statistically, when Amtrak trains are late, the systemwide average is 51 minutes late. On Mopac, when they are late, Amtrak trains are averaging 144 minutes behind schedule time.

Mopac is moving Amtrak trains too slowly. Mopac has a 60-mile-an-hour limit for both passenger and freight trains. Most railroads allow higher speeds for passenger trains and, until about five years ago, so did Mopac. So, while Santa Fe operates Amtrak trains at 90 miles an hour, and most other railroads run them 79 miles an hour, on Mopac they're limited to 60.

Despite the fact that the law prohibits railroads from sidetracking Amtrak trains so freights can go by—except in emergencies—Mopac does it routinely. Freight train interference is the biggest cause of Amtrak delays on Mopac: 45 precent of all time lost is due to freight train interference and 40 percent of all instances of delay are due to freight trains.

Amtrak trains on Mopac are late so frequently that on 29 instances between March 2 and July 2—roughly one out of every four trips on the Inter-American—Amtrak had to provide buses for passengers from St. Louis to Chicago. Buses cost Amtrak $484 for each such trip.

There have been other problems involving the Mopac as well. A couple of years ago the Missouri Pacific refused to allow a Federal Railroad Administration track inspection car onto its track because of a squabble over who would pay for liability insurance.

Then there was the time this past June when a dispatcher in a tower near the Dallas railroad station refused to allow Amtrak's Inter-American to back into an unoccupied track—others were occupied by freight or mail trains—because he wanted to put another freight train on the track. According to one observer, he told an Amtrak representative at the station that his salary was paid by freight revenues and not by "damn" Amtrak passenger trains.

When an ambulance was required to evacuate a sick dining-car cook, the same day, it was delayed because the train was too far out into the yards. The train finally left Dallas about four hours late.

But what really infuriated Amtrak's management was the trip the Inter-American made on June 19. The train—which runs between Chicago and Laredo—arrived at Laredo eight hours late.

So late was the train, in fact, that when it arrived at Corning, Ark., the crew's time on duty reached the maximum of 12 hours allowed under federal law. Crew members simply walked off the train and the Inter-American sat for two hours and 43 minutes waiting for a new crew.

The same day the train had to be refueled at Little Rock—not a normal fueling stop. The reason: Delays were so long that the engine ran out of fuel. The long delays also ran down batteries in the passenger cars and air conditioning failed.

There was, it is true, a wreck at Neelyville, Mo., but the Inter-American was kept behind five freight trains before it could clear the wreck.

Nor is the poor service to Amtrak—and the resulting poor relationships between Amtrak and Missouri Pacific—a particularly new matter. There have been disputes between them for years. It was one of the first problems Amtrak President Paul E. Reistrup tried to solve when he arrived at the company 2½ years ago.

During a round of meetings with chief executives of railroads operating Amtrak trains, Reistrup met with John H. Lloyd, president of the Mopac. "I must say that at that session I found out that there were very many things that Amtrak was doing wrong and we immediately took steps to correct those," Reistrup recalled in an interview the other day.

"An awful lot of billing and accounting squabbling was going on. Some of it bordered on being ludicrous. For instance, we asked them to re-rail a locomotive and the bill was . . . what you might be charged for towing your automobile, and we refused to pay it . . . It just caused all sorts of misunderstandings," he said.

But operating problems continued—as did a Mopac law suit against Amtrak involving rental payments for Union Station in St. Louis (which Mopac won).

Operations became so bad this past winter, that Reistrup met again with Lloyd on Jan. 12. It was, he says, "an effort to see if we really could solve some of these operating problems and encourage the . . . (Mopac) to negotiate with us a new contract . . . to bring about improvements in the operation and also better compensation for them."

Such a new contract—adopted by most of the railroads that operate Amtrak trains—pays railroads more money for better on-time performance and improvements in other services. Amtrak currently pays Mopac about $285,000 a month to run sections of three trains: Inter-American, Lone Star and National Limited. The Inter-American alone costs $210,000, said one Amtrak official.

Reistrup said he made Lloyd aware of his complaints. The impression he got, Reistrup recalls, was one of, "their organization is a highly efficient, very profitable and very hardnosed one. And, really, I think, feels that our passenger operation gets in their way."

Lloyd's view is slightly different: "In the first place . . . they haven't paid their charges in accordance with their contract. I wouldn't say they're far behind, they just nit-pick everything we assess them. We finally had to take them to court to get rental charges."

Although he concedes Amtrak and Mopac have had problems, "otherwise we wouldn't have taken them to court . . . there's no question I would love to run their passenger trains on time, because then it's easy to schedule a train. Nobody likes to receive criticism when they think they're running a good railroad, and we think we have the best railroad in the country."

Nevertheless, he does concede that Mopac freight trains interfere with Amtrak's passenger trains: "I'm sure that there are delays due to freight train interference, but when the original schedules are established it's most difficult to delay . . . our freight trains waiting for a delayed passenger train . . . I just can't stop the whole railroad waiting for a delayed passenger train."

Lloyd said there are delays in terminals for which Mopac is not responsible.

Further, he said in an interview, the line south from St. Louis is a densely used freight line, apparently one reason there are more frequent delays there than on the Kansas City-St. Louis line where Mopac operates the National Limited for Amtrak.

Lloyd said, too, he is aware of the law requiring passenger trains to be given preference over freights: "We comply with it to the best of our ability."

Quite obviously, with a performance record as poor as that of the Inter-American, it is far from the most heavily used train in the Amtrak system. During the first five months of this year, it averaged almost 50 passengers per trip. On June 19 when it was delayed eight hours, only about 10 passengers were on board when the five-car train left St. Louis.

"The passenger load on that train has varied quite a lot," says Dr. Dan Monaghan, a Garland, Tex., optometrist who is also a director of the National Association of Railroad Passengers, a nationwide consumer organization. "They'll get the thing straightened out . . . Last summer they got it straightened out . . . the business built up, then they had that wreck at Hawkins, Tex., in the fall of last year."

Unable to convince Mopac to come to its terms, Amtrak officials have approached the Justice Department as a first step in suing Mopac in federal court over violations of the federal law under which Amtrak operates. Amtrak is not allowed to sue the railroads and must convince the Justice Department to do so.

The suit would charge freight-train interference. The law prohibits operating railroads from sidetracking Amtrak trains so freights can go by. This had been a principal complaint of rail passengers before the creation of Amtrak, some contending it was the railroads' way of discouraging passengers and finally getting out of a money-losing business.

Reistrup said Amtrak also may seek the aid of the Secretary of Transportation Brock Adams to force Mopac to increase its speed limit on passenger trains. Reistrup said he was unsuccessful in trying to convince the last secretary, William T. Coleman Jr., to have Mopac increase its speed, but he may have better luck with the current administration.

Under the law, the secretary may order a speed increase, but he can also decide whether the railroad is to receive extra pay for higher speeds.

Amtrak, however, may have yet another law suit against Mopac. The federal law governing Amtrak also requires railroads to provide at least the same level of service they were delivering when Amtrak began operations May 1, 1971. Mopac lowered its speed limits for passenger trains on its Kansas City-St. Louis line to 60 from 65 miles an hour in December 1972.

Before moving on, I would like to compliment the Missouri-Kansas-Texas Railroad Co.—the Katy. The Katy, under the leadership of Reg Whitman, has supported passenger trains. The Katy has offered its tracks at reasonable costs. On nearly every matter, the Katy has been willing to meet Amtrak halfway, or even more. This is particularly true in running the Inter-American over Katy tracks from Dallas to Waco. Amtrak toyed with Katy's willingness, but never consumated a lasting bond.

Beyond the MoPac problem, however, the Inter-American was burdened with many other problems by Amtrak.

A major one by any criteria was the route chosen for the Inter-American from the Dallas-Fort Worth area to San Antonio. Before examining this route, allow me to observe a little recognized fact about rail corridors in Texas.

Texas has more people than any other State after California and New York. Most of the 12 million plus people in Texas live in three very large metropolitan areas—Houston, San Antonio, and Dallas-Fort Worth. For the remaining population, the majority resides in the triangular corridor between the three cities.

Right now, interstate highways form the corridor, and there is also airplane service between the three. On paper, there is also rail passenger service in the Texas corridor.

Buy my, oh, my, what rail service there is between Dallas-Fort Worth and San Antonio.

First of all, the train on this part of the corridor, the Inter-American does not serve Waco, a major population center between Dallas-Fort Worth and San Antonio. Second, for a couple of the years, the Inter-American ran over what is called the Milano dogleg. The distance between Temple, Tex., and Taylor, Tex., is 39 miles by direct route. This would be over the Missouri-Kansas-Texas Railroad Co. (Katy) tracks. Instead, Amtrak ran the Inter-American from Temple southeast to Milano, Tex., and then back southwest to Taylor. This routing added 40 miles to the trip between Temple and Taylor. Third, the best route which was obtainable at a reasonable cost in 1973, would have been to run the Inter-American directly south from Dallas to Waxahachie to Hillsboro to Waco to Temple, and then Taylor, Austin, San Marcos, San Antonio, and Laredo. Fort Worth could have been served by a spur train to Dallas. This route would have made train travel in this corridor equal to bus and car travel.

As the Inter-American runs now, it takes too long, and too few people are served.

To go with the winding, slow Inter-American route are bad train stations. Here again, the bad station situation could have been remedied.

Starting in Austin, Tex., the Inter-American has a wooden, but serviceable station—if, and I emphasize if, MoPac would let Amtrak use the main area. MoPac, true to form, has reserved the largest part of the station, with the waiting room, for its freight operations. MoPac has "graciously" given about 20 percent of the station floor space back to the passengers. This is not enough.

For some time, at my urging, Amtrak tried to reason with MoPac for more space. MoPac would not reason, and eventually all parties gave up. Then it was discussed Amtrak should build a new station in Austin. The city council was willing to donate land, and an official of Amtrak even visited the proposed site. At this time, there is no record of this at Amtrak; it is as if the whole discussion between Austin officials and Amtrak was a mirage, or smokescreen. Needless to say, the Austin station situation remains the same: Amtrak flat mislead our Austin citizens about a new station. It was either a deliberate hoax or falsification.

Moving south to San Marcos, Tex., home of the 18,000 plus Southwest Texas State University, the train station situation just gets worse. A MoPac station is shut tighter than a drum. People getting on the train, or getting off, have no place to go. There is the train station, but it might as well not be there. Once I and officials in San Marcos tried to open the station up. MoPac would not budge. Then we tried to go half-way in having the station opened only when the train was due so at least people would not have to stand around in inclement weather. We wanted a water fountain, access to a bathroom, and a ticket agent. Unfortunately Amtrak and MoPac gave us no help.

If the Inter-American passenger thought Austin's station was bad, and San Marcos' closed station ridiculous, then he or she would get a real shock in San Antonio. The Inter-American does not stop at any station in San Antonio. San Antonio has a nice downtown train station. The Amtrak train, Sunset Limited, stops there. The Inter-American stops 2 miles away, in a dusty switching yard area, next to a platform. The passengers for the Inter-American are bused to and from the downtown station. The San Antonio stop has no station, no platform, no drinking fountains, no restroom facilities and no telephone. The train simply stops on a siding, lonely, and neglected.

There are many possible solutions to the ludicrous, no-station situation in San Antonio. One would be the construction of a few miles of track so the train could switch from MoPac to Southern Pacific tracks leading to the downtown station. Amtrak even had cost figures worked out on this solution, but the railroad companies, particularly Southern Pacific, balked and demanded too much. Southern Pacific literally attempted to blackmail Amtrak.

So to this day, one of the largest cities in America is served by a train with no station.

So far in my recitation of what it is like on the Inter-American, I have described a train going too slow, in a roundabout-way, to inadequate and nonexistant train stations. One would hope that the people suffering these trials would at least be riding in comfort. But this has not been the case with the Inter-American.

Texas can be hot. In fact, it gets very, very hot in the summer time. A train car, with windows sealed traveling through the hot Texas sun, can become an oven. Amtrak cars are supposed to be air-conditioned. When people buy tickets to ride, it is not anticipated that the trip will be torture.

Over the years, I have received more letters about this than the speed, route, or station situation of the Inter-American.

Granted that the first cars assigned to the Inter-American were old, but they had been refurbished except the air-conditioning system.

After nearly 5 years, the so-called Amfleet cars were assigned to the Inter-American; but I will not be surprised to get more complaints over the upcoming long Texas summer as most of these problems seem to stem from poor general maintenance. It seems that Amtrak maintenance can never get enough water, charge batteries, or fix freon leaks.

Now we come to the end of the Inter-American run. It has taken a long time, there were bad station facilities, and the passengers are burned up. As a consolation, there is the thought of getting the Aztec Eagle to Mexico City, with stops in Monterrey, Saltillo, San Luis Potosi, San Miguel de Allende, and Queretaro.

Unfortunately, crossing the Rio Grande River at Laredo seems to be another one of those barriers Amtrak cannot seem to overcome. Amtrak started with a schedule that allowed a 13-hour space between when the Inter-American gets to Laredo, and when the Aztec Eagle leaves Nuevo Laredo. Such a gap meant an overnight stay, and then a taxi or bus to the Nuevo Laredo station. Considering the slowness of the Inter-American, even the 13-hour layover proved unreliable.

Of course, such a schedule was a mockery of the through-train "international" service envisioned by Congress. By no stretch of the imagination could this be called "international" service.

Since the early days, the arrival times have been jiggled around a bit, but the connection is still impossible. At this time, the Inter-American arrives in Laredo at 6:50 p.m. The Aztec Eagle leaves Nuevo Laredo at 6:55 p.m. If the Inter-American is on time, an improbable occurrence and someone can cross the river to Nuevo Laredo and get to the train station within 5 minutes, an impossibility, then maybe the service does not require an overnight stay.

In sum, we have a slow train that winds around Texas with bad equipment, and that is not "international" service at all.

Turning back to my activities to help the Inter-American on the Hill, I have supported the Inter-American since it started. It was an amendment I had sponsored that created the Inter-American, it was my work that got $4.5 million to start the train and my urging that resulted in an investigation of the train.

But my activities did not end there.

First, on May 23, 1975, I released for the first time the study of the Inter-American train. I include this statement at this point in the RECORD:

CONGRESSMAN J. J. PICKLE'S PRESS STATEMENT

Today, I am making public, for the first time, the results of an investigation of the Amtrak train, the Inter-American.

This report was written by the staff of the investigations Subcommittee of the House Commerce Committee. Last year, I was the ranking Democratic member of this Subcommittee. I placed this staff report in the CONGRESSIONAL RECORD on Thursday, May 22nd.

The investigation was authorized by the former Chairman of the subcommittee, Harley Staggers (D.-W.Va.). It was done at my urging.

Just recently I was authorized to make the contents of the report public by the new Subcommittee Chairman John Moss (D.-Calif.).

This report has not been made a public document, thus the limited number of copies available.

Attached to my statement, which has been given to you, is a summary of the major points made by the report, and a copy of the foreword of the report. The foreword is really a summary of the report.

The foreword speaks for itself, and I will make only two comments before asking for questions.

First, the most disturbing discovery of the report is that Amtrak did not spend all the money Congress gave to Amtrak for the Inter-American. Instead, the report discloses Amtrak spent the money for other routes, in other parts of the country. In short, Congress told Amtrak to spend $4.5 million on the Inter-American, but Amtrak spent only $2.5 million. The other two million was spent elsewhere.

The other comments that I have are to update the report.

As you know, Amtrak has a new president, Mr. Paul Reistraup. Mr. Reistraup has received very favorable press as a man who really cares about good train service in America.

On May 14, 1975, some members of the Texas Delegation had a personal meeting with Mr. Reistraup on train service in Texas.

Mr. Reistraup promised to meet with us again on June 30, 1975, with a progress report for improvements on the Inter-American schedule.

Yesterday, I received the minutes of a special meeting of people at Amtrak trying to improve the Inter-American.

The minutes state Amtrak will immediately try to do the following:

1. An earlier departure from Dallas.
2. The Inter-American should cross the U.S.-Mexico border in Laredo in order to meet the Mexican train in Nuevo Laredo.
3. Track improvements at the Ft. Worth station in order to save time at this stop.
4. Elimination of the Wilano dogleg by using Katy tracks between Temple and Taylor.
5. Action to run the Inter-American at faster speeds on the MoPac tracks and T&P tracks.

Please note, these are Amtrak's hopes only. I have heard promises before.

As the author of the legislation which created our international trains, including the Inter-American, I will be watching Mr. Reistraup's performance. We begin with hope, but hope cannot be a substitute for action.

Despite all the problems with the Inter-American, Texans will ride the Inter-American. Facts prove this.

The statement just inserted contains a reference to a meeting between some Members of Congress from Texas and Paul Reistrup, then president of Amtrak on May 14, 1975. It was in the office of that great Texas Congressman W. R. "Bob" Poage of Waco that I grabbed a Bowie knife to show the Amtrak people how the train should run. Of the promised efforts from the meeting, only one, the elimination of the Milano dogleg became a reality. I highlight one of my quotes:

> Please note, these are Amtrak's hopes only. I have heard promises before.

Within the year I was back before the Commerce Committee urging Congress to give full support to the Amtrak system, and not support the Ford administration's proposed budget cuts.

Then toward the end of the Bicentennial Year, Congressman Poage, Congressman ABRAHAM "CHICK" KAZEN of Laredo, Congressman HENRY B. GONZALEZ and I met with Mr. Reistrup and received further assurances about Amtrak strengthening the Inter-American. At that time I issued the following press release:

PRESS RELEASE

WASHINGTON, D.C.—Austin Congressman Jake Pickle Friday said that he received official assurance from Amtrak President Paul Reistrup that the Interamerican train run would be greatly strengthened in the near future. The route now begins in St. Louis and terminates in Laredo, serving Austin 3 times weekly.

"Mr. Reistrup unequivocally told me that the route south of Fort Worth would not be discontinued," added Pickle.

After a meeting with Reistrup, Pickle stated that the following actions would be taken to beef-up the route:

Daily service from Chicago to Fort Worth will begin October 31, increasing passengers and revenue from new mail service;

Delays at the Fort Worth stop will be eliminated, enabling the Interamerican to make connection in Laredo with the Mexican train which continues to Mexico City;

As soon as possible, the schedule south of Fort Worth will be daily. This may happen next year if coach service only is provided. If sleeper cars are used, the change will likely occur next fall.

Pickle, sponsor of legislation that created international train routes, said he would not be satisfied, "until we have tru-train service to Mexico which rivals auto travel, but I am greatly encouraged by this report."

"At least this should kill the unfounded rumors that the Interamerican route was dead," the veteran Congressman noted.

Also attending the meeting were W. R. "Bob" Poage, of Waco and Abraham "Chick" Kazen of Laredo.

In actuality, however, the daily service lasted only in the summer months, no sleeper car was provided on the complete line, and there never was a usable connection at Laredo.

Toward the end of 1977, I testified again to the Commerce Committee. Once again I reviewed our general situation and lamented Amtrak's decision to cut back the Inter-American to three times daily from daily.

This brings us to the present situation with Amtrak. To recap, in late 1977, Amtrak, for lack of money, moved to eliminate some trains, the most prominent being the Floridian. Congress responded by giving Amtrak $8 million more. But by 1978, there was a growing feeling in Congress that the light was not at the end of the tunnel—that Congress could not continuously pour millions and millions until it is billions into Amtrak. So Congress asked the Department of Transportation for a plan to restructure the Amtrak route system. Upon receiving the plan, Congress reserved the right to veto the proposal within 90 days.

The plan is before Congress right now. The 90 days for congressional action will end around May 15. The DOT has recommended that the Inter-American be discontinued.

So my dilemma is, if the DOT plan comes before the full House, do I fight it in hopes of saving the Inter-American, a train which I helped bring into existence; or do I go along with the DOT because I know the Inter-American will continue to be the tail end of the system?

There are many reasons to fight the DOT plan—personal pride, constituents' interest, rider interest despite bad service, the need for a rail tie to Mexico, and the fact that DOT's conclusions are based on faulty accounting.

I would like to focus on this last point. There is a personal myth that the trains running between Washington and Boston are profitable, and are the most important part of the Amtrak system. This is called the Northeast Corridor. Going hand-in-hand with this myth is that financial woes of Amtrak are caused by the non-Northeast Corridor trains.

The DOT recommendation furthers this myth by concluding many long-distance trains are to be dropped while no Northeast Corridor train is to be dropped.

There is strong evidence, which has been discussed for several years, that the myth is perpetuated by Amtrak and DOT bookkeeping techniques. One of the most complete studies ever done on this was recently completed by Dr. E. P. "Bill" Hamilton III for the Austin Chamber of Commerce. I want to put the summary of this 54-page study into the Congressional Record:

The Great Coverup—Why Do Amtrak's Long Distance Trains Pay for Northeast Corridor Track Maintenance?

(By E. P. Hamilton III, Ph. D., Chairman, Amtrak Committee)

Austin, Texas, Chamber of Commerce—Summary:

The overwhelming evidence, furnished by DOT and Amtrak themselves, indicates a *coverup* of the inordinate expense, unfavorable economies, and gross unprofitability of the Northeast Corridor. If the historical DOT/Amtrak position that the Corridor has the only potential for being profitable were really true, then they should be willing to subject the NEC (2 percent of the route miles) to a *fair* economic comparison with the remaining 98 percent of the system. Instead, it has been found that (1) the basis for comparison is not fair, with two different accounting methods being used, and (2) more importantly, that Amtrak is allocating a large portion of the NEC's costs to the national system and not to the Corridor in order to camouflage its lack of profitability. The costs being improperly allocated total nearly $38 million, of which nearly 90 percent is for track maintenance in the corridor.

In this report, these improperly allocated costs are itemized, based on available government documents. It is shown that, when these costs are allocated to the NEC using the same accounting system as is required on the remainder of the system, the entire Amtrak economic picture reverses, with all NEC trains, including the highly touted and supposedly profitable Metroliners, showing substantial avoidable losses. When NEC costs are charged to the NEC rather than to the national system, the entire Corridor becomes a candidate for major route restructuring and/or discontinuance, and the remaining national routes show marked increases in profitability.

This analysis is then extended to an energy crisis situation such as in 1973–74, when the change in deficit per passenger-mile was as follows:

Long Hauls: deficit/PM decreased 27 percent.

Short Hauls: deficit/PM decreased 15 percent.

NEC: deficit /PM increased 44 percent.

This phenomenon occurs because only the long hauls and some longer short hauls have the potential to cover costs (on the long-haul system, 25 percent of Amtrack's passengers account for over 60 percent of total PM's and revenues). Under energy crisis conditions, the Corridor is shown to be an economic catastrophe, with an NEC deficit/PM over 3 times that of the long hauls, which were the most profitable. Moreover, under these conditions, when all trains are full, no NEC route ranks better than 32nd out of 40 in terms of fully allocated costs, and the Metroliners ranked a poor 34th out of 40.

These results show conclusively that disproportionate service and favored treatment of the Northeast Corridor at the expense of the 40 non-corridor states is not economically justified. The report concludes that the greatest potential for profitability is in the long hauls, most of which are to be eliminated, and the lowest potential for profitability is in the Corridor, which DOT desires to preserve. It shows graphically that reducing service in the NEC, *not* the rest of the nation, is economically justifiable and has the greatest potential for reducing the Amtrak deficit.

FACTSHEET

Amtrak charges costs differently for the Northeast Corridor and the national system (page 2).

"Unavoidable" Northeast Corridor costs are actually totally avoidable just as on the remainder of the system and on the Amtrak-owned Michigan track (pages 2–3).

In FY77, Amtrak charged nearly $38 million in direct NEC operating costs to the national system, and it also apparently charged almost $8 million in "unallocated" corporate expenses to the national system (pages 3–4).

Of the $38 million, over $33 million can be directly accounted for in GAO documents. Of this latter quantity, $31.4 million is attributable directly to track maintenance costs for the Northeast Corridor (pages 4–5).

When the $33 million (90 percent of the amount actually mis-allocated) is charged to the NEC routes using the same methods as for the national system, the NEC (including the Metroliners) becomes only a mediocre performer. No NEC routes show an avoidable profit when costs are charged as on the remainder of the system (pages 6–11).

In an energy crisis situation, with NEC costs charged to the NEC instead of to the rest of the system, the Corridor is an economic catastrophe, with a loss per passenger-mile over 3 times larger than the loss for the long-hauls. The Metroliners score 34th out of 40 routes (pages 11–14).

Little Rock, Arkansas *quadrupled* station revenues during late 1978 at no increase in station cost due to small amounts of advertising paid for out of the agent's own pocket (page 16).

A modest increase in long-haul ridership could cause revenues to zoom with little or no increase in cost, because the 25 percent of Amtrak's passengers who ride the national system account for over 60 percent of the passenger-miles and revenues (page 16).

GAO admits discrepancies in Amtrak's bookkeeping methods; two different accounting methods used for NEC and remainder of system (page 25).

Amtrak Board member Joseph V. MacDonald shows that Amtrak's business on long hauls, but equipment purchased for short hauls and NEC (page 32).

MacDonald shows $1,000 per train overcharge in 1974 for Kansas City Union Terminal ($1.8 million) (page 34).

MacDonald showed in 1973 that Montrealer revenues charged to NEC and costs to long-hauls (page 34).

MacDonald shows profits to be found in long-hauls (page 36).

MacDonald prognosticates long-haul profits by 1978 if new cars are bought and fair accounting used (page 37).

Amtrak admits long hauls most profitable (page 41).

MacDonald calls NEC "A Bottomless Pit" before Amtrak Board (page 42).

Conrail gets a free ride on the NEC (page 42).

MacDonald forsees $500 million per year Amtrak deficit if NEC is purchased (page 43).

MacDonald shows cost equivalent of 21–26 enginemen and trainmen on board long-haul traversing NEC according to unfair cost allocation by Amtrak (page 45).

MacDonald accuses Amtrak of camouflaging NEC costs by charging them to long-hauls (page 46).

MacDonald foresees Amtrak required to

drop long hauls to "support" NEC due to huge NEC deficit (page 46).

More long-haul cost discrepancies and excessive charges exposed (page 47).

NEC is most expensive segment of Amtrak system (page 49).

Amtrak busy defeating itself (page 50).

Only 25 percent of allocated costs eliminated upon complete elimination of national system (page 52).

Amtrak Financial Department agrees with MacDonald that only 25 percent of allocated costs would disappear if national system dropped and only NEC retained (page 53).

If anyone wants to read the full report, I will be glad to provide a copy. The gist of the report is that Amtrak and DOT unfairly allocate costs occurring in the Northeast corridor to the long-distance trains. Amtrak denies that its accounting procedures are incorrect. Frankly, I am not an accountant, and the two sides lose me in discussions over the nuances of railroad accounting.

But I do know this—the Northeast corridor is not profitable, yet it continues to be untouchable. I predict that Amtrak will continue to have financial problems until service is cut back in the corridor. The lack of profits in the corridor is not because of lack of Amtrak attention, as it is with the Inter-American. The corridor gets the best equipment, more maintenance money, and more promotion.

All of this leads me to conclude that Amtrak and DOT are not prepared to render true, full service rail passenger service, as envisioned in the original Amtrak legislation. The Congress and American people are being asked to spend $0.5 billion so that trains can operate in the northeast. Quite frankly, I do not see how Members of Congress outside the corridor can vote for these expenditures. A regional rail system does not deserve national support.

Personally, I still want to support Amtrak. I also want the Inter-American to be a decent train. I link the two together. If they cannot go together, I cannot support Amtrak.

This position has been spelled out clearly to Mr. Alan Boyd, president of Amtrak. I place in the RECORD my letter of January 30, 1979, to him:

WASHINGTON, D.C.,
January 30, 1979.

Mr. ALLAN S. BOYD,
President, Amtrak,
Washington, D.C.

DEAR MR. BOYD: The attached report was prepared and given to me by people in my District in whom I have the greatest confidence. This report has been carefully compiled, and presents compelling arguments against the standard route structure analyses which have been prepared by Amtrak and the Department of Transportation.

The basic premise of this report is that the cost figures assigned to the trains in the Northeast Corridor are out of line compared to the costs of the long-distance trains. This is generally arrived at by attributing expenses to the long-distance trains which are not their direct expenses.

From this type of cost foundation, the report proceeds to demonstrate why the DOT restructuring study is incorrect.

I ask that you and your staff respond to the points made in this report.

As I've told Clark Tyler, I want to support Amtrak, and in particular want to support the Inter-American. But I want to continue that support based on the condition that the Inter-American can succeed.

I assume you would agree that the Inter-American cannot succeed as presently structured. It has no chance for success unless four conditions are met. These are:

(1) A direct route, primarily from Dallas to Waco, Temple, Austin, San Antonio, and Laredo should be established;

(2) The route should be over upgraded KATY tracks between Waxahachie to Hillsboro, and probably other specific areas of trackage. The roadbeds simply must be usable for passenger service;

(3) San Antonio, where people are let off in the middle of nowhere, should have a new, or serviceable, train station. San Antonio has *nothing*. Austin does have half a station; and

(4) The international aspect must become a reality with true thru-train service at Laredo.

If Amtrak can make these commitments, I'll support Amtrak. If there is no commitment, I cannot support a higher budget figure. Moreover, I cannot support Amtrak in general when I feel the Southwest (Texas specifically) has been so discriminated against.

In any event, I do feel this report should be studied and responded to. It is obviously slanted against the Northeast as opposed to the Inter-American, but it is a thoughtful and impressive report. I am very much impressed with it personally.

Your attention to this request is appreciated and I look forward to hearing from you soon.

Sincerely yours,

J. J. PICKLE.

For the record, I want to report the four conditions I have set forth for the Inter-American:

First. A direct route, primarily from Dallas to Waco, Temple, Austin, San Antonio, and Laredo should be established;

Second. The route should be over upgraded KATY tracks between Waxahachie to Hillsboro, and probably other specific areas of trackage. The roadbeds simply must be usable for passenger service;

Third. San Antonio, where people are let off in the middle of nowhere, should have a new, or serviceable, train station. San Antonio has nothing. Austin does have half a station; and

Fourth. The international nature of the run must become a reality with true through-train service at Laredo.

Not surprisingly, the response from President Boyd contained no commitments to upgrade the Inter-American service along the lines I recommended. I place a copy of this letter in the RECORD:

FEBRUARY 23, 1979.

Hon. J. J. PICKLE,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PICKLE: Your letter of January 30, 1979, forwarded a report prepared by the Chamber of Commerce of Austin, Texas, concerning the allocation of costs by Amtrak. We appreciate having this report shared with us. It is obvious that the Chamber went to great efforts to develop an understandable approach to a most complex problem.

We wish to be just as thorough in our response, and to do so will require considerable analysis on our part. We hope to complete our review of the conclusions reached by the Chamber in about ten days, and at that time will provide you with our response.

Your remarks on the Inter-American cause me great concern. I recognize the validity of each of the four points you raised. To comply will require the allocation of major capital funding. In fact, we have only recently furnished you with capital estimates to place the Katy route in shape for passenger service. Even more capital would be required to solve the station problem in San Antonio and to implement plans we had in progress for station improvement or replacement in Austin.

At this time, however, with the Inter-American being one of the trains recommended for discontinuance by the Secretary of Transportation, it is beyond our control to commit ourselves to a program such as you suggest. On the other hand, if the priorities were reversed, and an indication were forth-coming that the Inter-American would remain in the system, then we would have a basis for developing and presenting the cost of operating it in a manner calculated to make it successful, rather than marginal. This would include daily service, for we have on record in our response to the DOT study that, ". . . the Amtrak Board has adopted a policy that daily train service is the minimum service that should be offered the traveling public."

I trust you will understand our desire to be as cooperative as possible in this matter. We realize the value of the service to southeast Texas, and understand your wish that the level of service be raised substantially. Be assured we will work with you toward that objective, provided the final route system approved by the Congress permits us that latitude.

Thanks again for the expression of interest. We hope we can look forward to your continuing support.

Sincerely,

ALAN S. BOYD,
President.

This leaves me and the Inter-American in a very sad situation. My conclusion is this: If Amtrak and DOT cannot support the Inter-American, then I cannot support Amtrak. I cannot support keeping the Inter-American running under present, very deplorable conditions.

From the moment of conception, through Presidential impoundment, with a congressional investigation, through many hearings, and in several meetings, I have nursed, coaxed and stroked in an effort to provide rideable train service to Mexico.

During my efforts, I have been given wonderful advice and counsel from some of the best rail passenger people in the world. There are too many to name, but a few stand out in memory. Dr. Dan Monaghan of Dallas, Dr. Henry Renfert of Austin, Dr. Zlatkovich of Austin, Ron Hall of Austin, John Gray of Austin, John Gardner of Fort Worth, Charles Alan Wright of Austin, and I have already mentioned Dr. Bill Hamilton of Austin. There are others, but I cannot name them all.

These men still fight for decent rail service. I feel that they would give an arm to make a specific contribution to Amtrak. Instead, over the years, they have been rebuffed, thwarted and never rewarded for the many hours of hard work and dedication.

During my work for the Inter-American, these people have almost been members of my staff.

No matter how the present proposal on Amtrak turns out, the potential for rail travel is great, and maybe even greater than ever. And this DOT plan gives the only passenger system we have a death blow.

Even the ridership on the rather miserable Inter-American is way up—40 to 50 percent monthly. People will ride the trains if given a chance. With the price of gasoline going $1 to $2 per gallon, we desperately need to maintain and enlarge rail travel, and not go backward.

No system will work if not given a chance to work. Tragically, the Inter-American was never given a chance to work. And at this level of service, there is no chance of keeping anything alive. Whenever, I receive a written statement that agrees with my four conditions, then I would feel the Inter-American would be something worth keeping alive.

Now, it looks like I come to the end of the line. As far as I am concerned, no written commitment from Amtrak means the end of the line for me.

Mr. Speaker, I hope I have set the record straight on my involvement with the Inter-American. I have tried to set forth everything. In the final analysis, I hope that I have made my position clear. I submit one more letter from Mr. Allen Boyd, Amtrak president. Mr. Boyd is trying to work out a solution to these vast problems. He has made another attempt, which at least meets one-half of my objectives more or less. I thank him, but we need more.

Here is the latest from my dear and admirable friend:

April 27, 1979.

Hon. J. J. Pickle,
House of Representatives,
Washington, D.C.

Dear Jake: Following up on my letter to you of February 23, 1979, let me reiterate several points with regard to the operation of the Inter-American.

Should this train be retained in the Amtrak route system, we, of course, would be committed to do everything possible to make sure it was a success.

Implicit in this statement is an admission that its present operation and past history has not given it the chance it should have to provide convenient and economic service.

As you know, it is up to the Congress to determine what route system Amtrak will operate. If the Inter-American is a part of that system, my own view is that it will have to be rerouted in some areas to have it accessible to the greatest number of potential passengers.

Amtrak would be committeed to improving those stations, especially in Austin and San Antonio, which are not on a par with other stations in the system. More specifically, we would be prepared to institute a track configuration in San Antonio which would bring both the Sunset Limited and the Inter-American into the same station. I should point out that this may mean terminating the Inter-American at San Antonio with through international service to be determined after negotiation with the Mexican railroads and U.S. Customs.

Second, we would be prepared to operate a restructured Inter-American on a daily basis. You had not mentioned this in your letter to me on March 1, but the Board of Directors of Amtrak feels that daily service is a minimum requirement to effectively market long-distance train service.

Third, is the question of track improvements on the Katy south of Dallas. Reg Whitman has estimated that such improvements would cost at least $12 million and added that another 20 miles of rail would have to be replaced in five years. This could be a substantial investment which I am reluctant to make a commitment on, especially in the light of the Administration's requirement that we pay $69 million in labor protection payments out of our limited capital funds.

Mr. Speaker, this is fine—but it is still not enough. I again plead with Amtrak to give the Inter-American the full support it deserves.

□ 1725

GENERAL LEAVE

Mr. HANCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Wisconsin (Mr. Kastenmeier).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Jeffries (at the request of Mr. Rhodes) for May 4, on account of official business.

Mr. Murphy of Illinois (at the request of Mr. Wright) for this week on account of a death in the family.

Mr. Pease (at the request of Mr. Wright) for today, on account of attending memorial services for a close personal friend.

Mr. Rodino (at the request of Mr. Wright) for today, on account of illness in the family.

Mr. Roth (at the request of Mr. Rhodes), on May 4, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Shumway) to revise and extend their remarks and include extraneous material:)

Mr. Ashbrook, for 15 minutes, today.
Mr. McDade, for 10 minutes, today.

(The following Members (at the request of Mr. Hance) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Pepper, for 5 minutes, today.
Mr. St Germain, for 5 minutes, today.
Mr. Vanik, for 10 minutes, today.
Mr. Neal, for 5 minutes, today.
Mr. Harris, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Rudd, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,254.50.

Mr. Edgar, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $965.

Mr. Dellums, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record estimated by the Public Printer to cost $868.50.

Mr. Maguire, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,834.

Mr. Pickle, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $1,737.

(The following Members (at the request of Mr. Shumway) and to include extraneous matter:)

Mr. Lent in two instances.
Mr. Wydler in two instances.
Mr. Moorhead of California.
Mr. Mitchell of New York.
Mr. Rudd.
Mr. Hillis.
Mr. Derwinski in two instances.
Mr. Grassley.
Mr. Ashbrook in three instances.
Mr. Paul in five instances.
Mr. Erdahl.
Mr. Leach of Iowa.
Mr. Clinger.
Mr. Findley in two instances.
Mr. Coleman.
Mr. Quayle.
Mr. Abdnor.
Mr. Dornan in two instances.
Mrs. Fenwick.
Mr. Hollenbeck.
Mr. Dannemeyer in two instances.
Mr. Bob Wilson.
Mr. Pashayan.

(The following Members (at the request of Mr. Hance) and to include extraneous material:)

Mrs. Byron in 10 instances.
Mr. Rosenthal in 10 instances.
Mrs. Bouquard in five instances.
Mr. Simon in five instances.
Mr. Hamilton in 10 instances.
Mr. Downey in two instances.
Mr. Cavanaugh in five instances.
Mr. Lehman.
Mr. Holland in five instances.
Mr. Guarini.
Mr. Blanchard in two instances.
Mr. Vento in two instances.
Mr. Solarz.
Mr. Minish.
Mr. Wolff in five instances.
Mr. Huckaby in 10 instances.
Mr. Pickle in 10 instances.
Mr. Stump.
Ms. Oakar.
Mr. Drinan.
Mr. Dingell in five instances.
Mr. Mazzoli.
Mr. Maguire in two instances.
Mr. Nedzi.
Mr. Carr in two instances.
Mrs. Schroeder.
Mr. Harkin.

Mr. FUQUA in five instances.
Mr. BRODHEAD.
Mr. MILLER of California.
Mr. OTTINGER in two instances.
Mr. BENNETT.
Mr. MURPHY of New York.
Mr. MINETA.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 917. An act to authorize appropriations to carry out the Fishery Conservation and Management Act of 1976 during fiscal years 1980, 1981, and 1982, and for other purposes; to the Committee on Merchant Marine and Fisheries.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on April 30, 1979, present to the President, for his approval, a bill of the House of the following title:

H.R. 2283. To amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1980, and for other purposes.

ADJOURNMENT

Mr. HANCE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p.m.) the House adjourned until tomorrow, Wednesday, May 2, 1979, at 3 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1446. A letter from the Acting Principal Deputy Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a report on the adequacy of pay and allowances of the uniformed services, pursuant to 37 U.S.C. 1008(a); to the Committee on Armed Services.

1447. A letter from the Chairman, Board of Governors of the Federal Reserve System, transmitting a proposed regulation to implement certain provisions of the Electronic Fund Transfer Act, together with an economic impact analysis of the regulation, pursuant to section 904(a)(4) of the act; to the Committee on Banking, Finance and Urban Affairs.

1448. A letter from the Chair, Equal Employment Opportunity Commission, transmitting the eleventh annual report of the Commission, covering fiscal year 1976, pursuant to section 705(e) of the Civil Rights Act of 1964, as amended; to the Committee on Education and Labor.

1449. Communication from the President of the United States, transmitting a draft of proposed legislation to authorize supplemental economic support for the fiscal year 1979 for Turkey, and for other purposes (H. Doc. No. 96-111); to the Committee on Foreign Affairs and ordered to be printed.

1450. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of Australia for permission to transfer certain U.S.-origin military equipment to Parmax Inc. of Arlington, Tex., pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

1451. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting project performance audit reports prepared by the International Bank for Reconstruction and development and post-evaluation reports by the Asian Development Bank, pursuant to section 301(e)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1452. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense services to Turkey (Transmittal No. 79-36), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1453. A letter from the Acting Administrator of General Services, transmitting reports on the Administration's activities, and those of its National Archives and Records Service, under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1454. A letter from the Executive Officer, U.S. Environmental Protection Agency, transmitting a supplement to the agency's 1978 annual report on activities under the Freedom of Information Act, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1455. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b (j); to the Committee on Government Operations.

1456. A letter from the Chief Justice of the United States, transmitting amendments to the Federal Rules of Appellate Procedure, pursuant to 18 U.S.C. 3772 and 28 U.S.C. 2072 and 2075; amendments to the Federal Rules of Criminal Procedure, pursuant to 18 U.S.C. 3771 and 3772; amendments to the Rules Governing Proceedings in the U.S. district courts under sections 2254 and 2255 of title 28, United States Code; an amendment to the Federal Rules of Evidence, pursuant to 28 U.S.C. 2076; and excerpts from the reports of the Judicial Conference of the United States containing the Advisory Committee notes submitted to the Supreme Court, pursuant to 28 U.S.C. 331 (H. Doc. No. 96-112); to the Committee on the Judiciary and ordered to be printed.

1457. A letter from the Associate Director, Public Relations, Boy Scouts of America; transmitting notice of a delay in the submission of the organization's 1978 annual report; to the Committee on the Judiciary.

1458. A letter from the Controller, Boys' Clubs of America, transmitting the audited financial report of the organization for calendar year 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

1459. A letter from the Secretary of the Interior, transmitting the third annual report on the Tule elk herds in California, pursuant to sections 3 and 4 of Public Law 94-389; to the Committee on Merchant Marine and Fisheries.

1460. A letter from the Secretary of Transportation, transmitting the ninth annual report on operations under the Airport and Airway Development Act of 1970, pursuant to section 24 of the act; to the Committee on Public Works and Transportation.

1461. A letter from the Under Secretary of Energy, transmitting the Department's determination that 1,700 vehicles cannot be added to the Electric and Hybrid Vehicle program during fiscal year 1980, pursuant to section 7(c)(4) of Public Law 94-413, as amended; to the Committee on Science and Technology.

1462. A letter from the Under Secretary of Energy, transmitting a preliminary report on the export potential for photovoltaic systems, pursuant to section 208(a)(3) of Public Law 95-238; to the Committee on Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ZEFERETTI: Committee on Rules. House Resolution 241. Resolution providing for the consideration of H.R. 10, a bill to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States (Rept. No. 96-107). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 242. Resolution providing for the consideration of H.R. 111, a bill to provide for the operation and maintenance of the Panama Canal and to provide for the exercise of the rights and performance of the duties of the United States provided in the Panama Canal Treaty of 1977 (Rept. No. 96-108). Referred to the House Calendar.

Mr. EDWARDS of California: Committee on the Judiciary. H.R. 2641. A bill to amend section 106 of the Civil Rights Act of 1957 to raise the limitation on appropriations for the U.S. Commission on Civil Rights; with amendment (Rept. No. 96-109). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 2520. A bill to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal year 1980. (Rept. No. 96-110, Pt. I). Ordered to be printed.

Mr. FUQUA: Committee on Science and Technology. H.R. 2520. A bill to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal year 1980; with amendment (Rept. No. 96-110, Pt. II). Referred to the Committee of the whole House on the State of the Union.

Mr. REUSS: Committee on Banking, Finance and Urban Affairs. H.R. 3404. A bill to amend the Federal Reserve Act to authorize Federal Reserve banks to lend certain obligations to the Secretary of the Treasury to meet the short-term cash requirements of the Treasury, and for other purposes (Rept. No. 96-111). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 2519. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal years 1979 and 1980, and for other purposes; with amendment (Rept. No. 96-112, Pt. I). Ordered to be printed.

Mr. BOLLING: Committee on Rules. House Resolution 243. Resolution providing for the consideration of H.R. 39, a bill to provide for the designation and conservation of certain public lands in the State of Alaska including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes. (Rept. No. 96-113). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER (for himself and Mr. Hightower):

H.R. 3820. A bill to amend the Internal Revenue Code of 1954 to provide for the waiver of the payment of interest on income taxes not paid, as a result of a disaster, within the time prescribed for payment; to the Committee on Ways and Means.

By Mr. BOLAND:

H.R. 3821. A bill to authorize appropriations for fiscal year 1980 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1979 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes; to the Permanent Select Committee on Intelligence.

By Mr. DOWNEY:

H.R. 3822. A bill to amend title III of the Elementary and Secondary Eductaion Act of 1965 to establish a National Center for Personal Computers in Education; to the Committee on Education and Labor.

By Mr. EDWARDS of Alabama:

H.R. 3823. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. FAUNTROY (for himself, Mr. Dellums, Mr. Harris, and Mr. McKinney):

H.R. 3824. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it, and to provide that payments of such bonds may be made without further approval; to the Committee on the District of Columbia.

By Mr. FISHER (for himself, Mrs. Spellman, Mrs. Holt, and Mr. Blanchard):

H.R. 3825. A bill to provide that individuals who retired on disability before October 1, 1976, shall be entitled to the exclusion for disability payments under section 105(d) of the Internal Revenue Code of 1954 without regard to the income limitation in such section, and for other purposes; to the Committee on Ways and Means.

By Mr. GIAIMO (for himself, Mr. Dodd, and Mr. McKinney):

H.R. 3826. A bill to authorize the establishment of the Long Island Sound Heritage in the States of Connecticut and New York; to the Committee on Interior and Insular Affairs.

By Mr. GONZALEZ:

H.R. 3827. A bill to amend the Food Stamp Act of 1977 to eliminate certain restrictions on excess shelter expense deductions with respect to households which are composed entirely of persons who are age 62 or older or who are recipients of benefits under title XVI of the Social Security Act and to allow deductions for certain medical and dental expenses in the computation of incomes for such households; to the Committee on Agriculture.

H.R. 3828. A bill to establish a United States-Mexico Joint Development Bank; jointly, to the Committees on Banking, Finance and Urban Affairs, and Foreign Affairs.

By Mr. GONZALEZ (for himself, Mr. Minish, Mr. LaFalce, Mr. Cavanaugh, Mr. Reuss, and Mr. Stanton):

H.R. 3829. A bill to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund; to the Committee on Banking, Finance and Urban Affairs.

By Mr. GONZALEZ (for himself, Mr. Kazen, Mr. Bob Wilson, and Mr. Van Deerlin):

H.R. 3830. A bill to amend title 5, United States Code, to provide for the reclassification of positions of U.S. Border Patrol agents; to the Committee on Post Office and Civil Service.

By Mr. HARKIN:

H.R. 3831. A bill to require the Secretary of Agriculture, during any crop year in which he is carrying out a loan program for dried corn or grain sorghums under the Agricultural Act of 1949, to carry out a comparable loan program for high moisture corn or grain sorghums, and for other purposes; to the Committee on Agriculture.

By Mr. HUGHES:

H.R. 3832. A bill to provide for the cessation of licensing new nuclear powerplants or expansion of reactor site spent fuel storage facilities until the completion and consideration of the findings and recommendations of a specially appointed Commission to review outstanding nuclear issues; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. DORNAN:

H.R. 3833. A bill to amend section 12A of the Federal Reserve Act to provide for steady, noninflationary growth in the money supply; to the Committee on Banking, Finance and Urban Affairs

By Mr. JACOBS:

H.R. 3834. A bill to amend the Federal Election Campaign Act of 1971 to provide for public financing of certain campaign expenses for candidates for election to the House of Representatives, to limit the amount that a person may contribute to such a candidate, and for other purposes; to the Committee on House Administration.

H.R. 3835. A bill to amend Public Law 94-484, the Health Professions Educational Assistance Act of 1976, as amended, relating to the immigration of foreign medical graduates; to the Committee on Interstate and Foreign Commerce.

H.R. 3836. A bill to amend the Omnibus Crime Control and Safe Streets Act of 1968 to require as a condition of assistance under such act that law enforcement agencies have in effect a binding law enforcement officers' bill of rights; to the Committee on the Judiciary.

H.R. 3837. A bill to protect individuals from unreasonable searches and seizures; to the Committee on the Judiciary.

H.R. 3838. A bill to amend title 18 of the United States Code, to provide for rewards for information leading to the apprehension and conviction of certain kidnapers; to the Committee on the Judiciary.

H.R. 3839. A bill to establish the Federal right of every unemancipated child to be supported by such child's parent or parents and, therefore, to confer upon certain local courts of the District of Columbia and every State and territory of the U.S. jurisdiction to enforce such right regardless of such child's residence; to the Committee on the Judiciary.

H.R. 3840. A bill to provide for the garnishment of wages of Federal employees; to the Committee on Post Office and Civil Service.

H.R. 3841. A bill to provide that salary adjustment for Members of Congress shall be payable only when the total receipts of the U.S. Government exceed the total outlays during the fiscal year; to the Committee on Post Office and Civil Service.

H.R. 3842. A bill to amend the Federal Aviation Act of 1958 relating to reduced-rate transportation for certain persons traveling to the United States to be adopted by residents of the United States; to the Committee on Public Works and Transportation.

H.R. 3843. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of gain from the sale of stock in a domestic corporation engaged in a trade or business related to energy if within 90 days after the sale the proceeds are invested in stock of another such corporation; to the Committee on Ways and Means.

H.R. 3844. A bill to prohibit payments of retirement benefits to those who are not retired; to the Committee on Ways and Means.

H.R. 3845. A bill to amend the Internal Revenue Code of 1954 to deny the business deduction for any amount paid or incurred for regularly scheduled air transportation to the extent such amount exceeds the normal tourist class fare for such transportation; to the Committee on Ways and Means.

By Mr. JOHNSON of California (by request):

H.R. 3846. A bill to amend the act of October 19, 1965, to provide additional authorization for the Library of Congress James Madison Memorial Building; to the Committee on Public Works and Transportation.

By Mr. LEACH of Iowa:

H.R. 3847. A bill to amend the Agricultural Act of 1949 relating to the rate of deficiency payments for feed grains; to the Committee on Agriculture.

H.R. 3848. A bill to amend the U.S. Export-Import Bank Act of 1945 as amended to authorize the Bank to engage in the use of extraordinary measures of export finance to counter and ultimately discourage the use of such measures by other major trading countries; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEDERER:

H.R. 3849. A bill to amend the Health Programs Extension Act of 1973 to provide for unbiased consideration of applicants to federally supported health professional schools; to the Committee on Interstate and Foreign Commerce.

Mr. LUKEN (for himself, Mr. Broyhill, Mr. Rinaldo, and Mr. Satterfield):

H.R. 3850. A bill to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in the act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. LUNDINE (for himself, Mr. Fisher, Mr. Maguire, Ms. Mikulski, Mr. Mikva, Mr. Moorhead of Pennsylvania, and Mr. Simon):

H.R. 3851. A bill to reduce the rate of inflation and keep it within reasonable bounds by providing for a comprehensive plan for coordinating Federal economic and regulatory policies to offset inflationary pressures, and for other purposes; jointly, to the Committees on Government Operations, Banking, Finance and Urban Affairs, and Rules.

By Mr. McCLOSKEY:

H.R. 3852. A bill to amend the Fishery Conservation and Management Act of 1976; to the Committee on Merchant Marine and Fisheries.

By Mr. McDADE:

H.R. 3853. A bill to require authorizations of new budget authority for Government programs at least every 5 years, to provide for review of Government programs every 5 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

Mr. Mr. MAGUIRE:

H.R. 3854. A bill to amend part B of titles XI and XVIII and titles V and XIX of the Social Security Act to require a second opinion as a condition for payment for elective surgical procedures, and to provide additional financial incentives for the provision of these opinions; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

H.R. 3855. A bill to amend part B of titles

XI and XVIII and titles V and XIX of the Social Security Act to require a second opinion as a condition for payment for elective surgical procedures, and to provide additional financial incentives for the provision of these opinions; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MINISH:

H.R. 3856. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income $500 on interest on savings in the case of an individual taxpayer; to the Committee on Ways and Means.

By Mr. MURPHY of New York:

H.R. 3857. A bill to provide for the addition of Sailors Snug Harbor to Gateway National Recreation Area in the State of New York, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NEAL:

H.R. 3858. A bill to establish a Department of International Trade in the Executive branch to provide for the effective management of international trade and industry development programs, and for other purposes; to the Committee on Government Operations.

H.R. 3859. A bill to establish as an executive department of the Government of the United States a Department of International Trade and Investment, and for other purposes; to the Committee on Government Operations.

By Ms. OAKAR:

H.R. 3860. A bill to authorize the Secretary of the Treasury to make annual contributions to local governments to defray a portion of the long-term debt incurred by such local governments to finance projects to preserve and restore certain facilities; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PASHAYAN (for himself, Mr. Derwinski, Mr. Burgener, Mr. Badham, and Mr. Howard):

H.R. 3861. A bill to amend the act amending the Bretton Woods Agreement Act to require, beginning with fiscal year 1980, the total outlays of the Federal Government not to exceed its receipts; to the Committee on Government Operations.

By Mr. PAUL:

H.R. 3862. A bill to provide for a full assay, inventory, and audit of the gold reserves of the United States, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3863. A bill to provide that the Internal Revenue Service may not implement certain proposed rules relating to the determination of whether private schools have discriminatory policies; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 3864. A bill to amend the Federal Reserve Act to eliminate the prohibition on the payment of interest on demand deposits and to allow federally insured savings and loan associations and credit unions to receive demand deposits, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. VOLKMER:

H.R. 3865. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to provide authorizations for appropriations for the fiscal year ending September 30, 1980; to the Committee on the Judiciary.

By Mr. WINN (for himself, Mr. Glickman, Mr. Sebelius, and Mr. Symms):

H.R. 3866. A bill to provide for the distribution of certain funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the Absentee Delaware Tribe of Western Oklahoma in Indian Claims Commission dockets 27–A and 241, 289, and 27–B and 338, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JACOBS:

H.J. Res. 314. Joint resolution proposing an amendment to the Constitution of the United States with respect to the compelling of testimony from a defendant in a criminal case in open court, a restriction on the use of prior convictions except when they are an element of the crime charged, and the right of a defendant in a criminal case to be informed of the evidence against him; to the Committee on the Judiciary.

H.J. Res. 315. Joint resolution proposing an amendment to the Constitution of the United States to limit service by Representatives, Senators, and Federal judges; to the Committee on the Judiciary.

By Mr. MILLER of California:

H.J. Res. 316. Joint resolution to establish a Commission on Literacy; to the Committee on Education and Labor.

By Mr. RITTER:

H.J. Res. 317. Joint resolution to designate the week commencing with the first Sunday in October of each year as "National Hawk Watching Week"; to the Committee on Post Office and Civil Service.

By Mr. STAGGERS (for himself, Mr. Florio, Mr. Marlenee, Mr. Foley, Mr. Abdnor, Mr. Daschle, Mr. Williams of Montana, Mr. Andrews of North Dakota, Mr. Vento, Mr. Tauke, Mr. Rahall, Mr. Murphy of Illinois, Mr. Leach of Iowa, and Mr. Harkin):

H.J. Res. 318. Joint resolution to require continuation of existing levels of rail service by the Chicago, Milwaukee, St. Paul and Pacific Railroad Co., for a period of 90 days; to the Committee on Interstate and Foreign Commerce.

By Mr. BALDUS (for himself, Mr. Wampler, Mr. Jeffords, Mr. Simon, Mr. Oberstar, Mr. Nolan, Mr. Lagomarsino, Mr. Neal, Mr. Goldwater, Mr. Coleman, Mr. de la Garza, Mr. Jones of North Carolina, Mr. Kastenmeier, Mr. Pashayan, Mr. Jones of Tennessee, Mr. Stangeland, Mr. Petri, Mr. Andrews of North Dakota, Mr. Corman, Mr. Hagedorn, Mr. Akaka, Mr. Burgener, Mr. Lloyd, Mr. Williams of Montana, Mr. Fazio, Mr. Broyhill, Mr. Roe, Mr. Panetta, and Mr. Coelho):

H. Res. 244. Resolution to encourage the strengthening of U.S. farmer cooperatives, as a key to preserving the free enterprise, small-farmer system which has proven to be the most efficient system of food and fiber production in history; to the Committee on Agriculture.

By Mr. EDWARDS of Alabama:

H. Res. 245. Resolution expressing the sense of the House opposing the transfer of the Forest Service and the Farmers Home Administration business and industry programs; to the Committee on Agriculture.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

142. By the SPEAKER: Memorial of the Legislature of the State of Indiana, relative to Nazi war criminals; to the Committee on Foreign Affairs.

143. Also, memorial of the Senate of the Commonwealth of Puerto Rico, relative to peace in the Middle East; to the Committee on Foreign Affairs.

144. Also, memorial of the Legislature of the State of South Carolina, relative to the proposed transfer of the Forest Service and portions of the Soil Conservation Service from the Agriculture Department to a new Department of Natural Resources; to the Committee on Government Operations.

145. Also, memorial of the Legislature of the State of Indiana, requesting that Congress call a convention for the specific and exclusive purpose of proposing an amendment to the Constitution of the United States requiring, in the absence of a national emergency, that the total of all Federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated Federal revenues for that fiscal year; to the Committee on the Judiciary.

146. Also, memorial of the House of Representatives of the State of Hawaii, relative to seabed mining for manganese nodules; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, Merchant Marine and Fisheries, and Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOWNEY:

H.R. 3867. A bill for the relief of Marilyn Ina Williams; to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 3868. A bill for the relief of King Fai Choi; to the Committee on the Judiciary.

H.R. 3869. A bill for the relief of Eileen Angella Crossdale; to the Committee on the Judiciary.

By Mr. McHUGH:

H.R. 3870. A bill for the relief of Daniel E. and Mary Resciniti, individually and as parents and natural guardians of Anthony Peter Resciniti and Leo Resciniti, and for the relief of Anthony Peter Resciniti and Leo Resciniti; to the Committee on the Judiciary.

By Mr. MOTTL:

H.R. 3871. A bill for the relief of Myung Hwan Kim; to the Committee on the Judiciary.

By Mr. SHARP (by request):

H.R. 3872. A bill for the relief of Ball State University and the American Association of Colleges for Teacher Education; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 3873. A bill for the relief of Jan Kutina; to the Committee on the Judiciary.

By Mr. HORTON:

H. Res. 246. Resolution referring H.R. 912 to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. Coughlin, Mr. Glickman, Mr. Kramer, Mr. Leach of Louisiana, Mr. McCloskey, Mr. Mineta, Mr. Roth, Mr. Spence, Mr. Whittaker, Mr. Bob Wilson, Mr. Charles Wilson of Texas, Mr. Wyatt, and Mr. Young of Missouri.

H.R. 14: Mr. McEwen.

H.R. 33: Mr. Evans of the Virgin Islands.

H.R. 58: Mr. Frenzel.

H.R. 160: Mr. Alexander, Mr. Collins of Texas, Mr. Evans of Georgia, Mr. Marlenee, Mr. Beard of Tennessee, and Mr. Gingrich.

H.R. 333: Mr. Lott, Mr. Bailey, Mr. Edwards of Alabama, Mr. Fazio, Mr. Downey, Mr. Nolan, and Mr. Hance.

H.R. 990: Mr. Beard of Rhode Island, and Mr. Hyde.

H.R. 996: Mr. Cleveland.

H.R. 1002: Mr. Duncan of Tennessee, Mr. Frenzel, Mr. Robert W. Daniel, Jr., Mr. Grisham, Mr. Neal, Mr. Kemp, and Mr. Moorhead of California.

H.R. 1200: Mr. Dougherty, and Mr. Mitchell of New York.

H.R. 1460: Mr. Lowry.

H.R. 1500: Mr. Daniel B. Crane, Mr. Fascell, Mr. Kostmayer, Mr. Lehman, Mr. Stack, and Mr. Studds.

H.R. 1734: Mr. Lagomarsino.

H.R. 2798: Mr. Thompson, Mr. Stark, Mr. Blanchard, Mr. Glickman, Mr. Nolan, Mr. Garcia, Mr. Sabo, and Mr. Stack.

H.R. 3560: Mr. Gray, Mr. Barnes, Mr. Harris, Mr. Fisher, Mr. Stark, Mrs. Byron, and Mr. Rodino.

H.R. 3687: Mr. Evans of Georgia, Mr. Jones of North Carolina, Mr. Bowen, Mr. Huckaby, Mr. Wampler, Mr. Kelly, Mr. Coelho, Mr. Ginn, Mr. Jenrette, Mr. Leath of Texas, Mr. Davis of South Carolina, Mr. Lott, Mr. Fountain, Mr. Nichols, Mr. Hall of Texas, Mr. McDonald, Mr. Bevill, Mr. Lagomarsino, Mr. Montgomery, and Mr. Campbell.

H.R. 3696: Mr. Roth, and Mr. Butler.

H.J. Res. 19: Mr. Addabbo, Mr. Akaka, Mr. Albosta, Mr. Alexander, Mr. Ambro, Mr. Archer, Mr. AuCoin, Mr. Bailey, Mr. Beard of Tennessee, Mr. Bedell, Mr. Beilenson, Mr. Bevill, Mr. Blanchard, Mr. Boland, Mr. Bonior of Michigan, Mrs. Bouquard, Mr. Bowen, Mr. Brademas, Mr. Brinkley, Mr. Brodhead, Mr. Brown of Ohio, Mr. Brown of California, Mr. Burgener, Mr. John L. Burton, Mr. Phillip Burton, Mr. Carr, Mr. Carter, Mr. Chappell, Mr. Cheney, Mrs. Chisholm, Mr. Clausen, Mr. Cleveland, Mr. Clinger, Mr. Coelho, Mr. Coleman, Mr. Conte, Mr. Corcoran, Mr. Corman, Mr. Corrada, Mr. Cotter, Mr. Coughlin, Mr. D'Amours, Mr. Dan Daniel, Mr. Robert W. Daniel, Jr., Mr. Davis of South Carolina, Mr. de la Garza, Mr. Dellums, Mr. Dicks, Mr. Dixon, Mr. Donnelly, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edwards of Oklahoma, Mr. English, Mr. Erdahl, Mr. Ertel, Mr. Evans of Georgia, Mr. Evans of the Virgin Islands, Mr. Evans of Delaware, Mr. Fary, Mr. Fauntroy, Mr. Fazio, Mr. Findley, Mr. Fisher, Mr. Flood, Mr. Florio, Mr. Ford of Michigan, Mr. Frenzel, Mr. Fuqua, Mr. Gaydos, Mr. Gephardt, Mr. Gilman, Mr. Gingrich, Mr. Ginn, Mr. Glickman, Mr. Goldwater, Mr. Gore, Mr. Gradison, Mr. Grassley, Mr. Gray, Mr. Green, Mr. Guarini, Mr. Guyer, Mr. Hagedorn, Mr. Hall of Texas, Mr. Hall of Ohio, Mr. Hanley, Mr. Harris, Mr. Hawkins, Mrs. Heckler, Mr. Hefner, Mr. Heftel, Mr. Holland, Mr. Hollenbeck, Mrs. Holt, Mr. Horton, Mr. Howard, Mr. Huckaby, Mr. Hughes, Mr. Hutto, Mr. Hyde, Mr. Ireland, Mr. Jacobs, Mr. Jenrette, Mr. Johnson of California, Mr. Jones of Tennessee, Mr. Jones of Oklahoma, Mr. Kazen, Mr. Kelly, Mr. Kemp, Mr. Kildee, Mr. Kramer, Mr. LaFalce, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lederer, Mr. Lee, Mr. Levitas, Mr. Lloyd, Mr. Lott, Mr. Lungren, Mr. McCloskey, Mr. McDade, Mr. McHugh, Mr. Markey, Mr. Martin, Mr. Mathis, Mr. Matsui, Mr. Mavroules, Mr. Mazzoli, Mr. Michel, Ms. Mikulski, Mr. Mikva, Mr. Miller of Ohio, Mr. Mineta, Mr. Minish, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Moffett, Mr. Mollohan, Mr. Moore, Mr. Moorhead of California, Mr. Mottl, Mr. Murphy of Pennsylvania, Mr. Murphy of New York, Mr. Murphy of Illinois, Mr. Myers of Pennsylvania, Mr. Neal, Mr. Nichols, Mr. Nolan, Ms. Oakar, Mr. Oberstar, Mr. O'Brien, Mr. Panetta, Mr. Patten, Mr. Patterson, Mr. Pepper, Mr. Perkins, Mr. Preyer, Mr. Price, Mr. Quayle, Mr. Rahall, Mr. Railsback, Mr. Reuss, Mr. Richmond, Mr. Roberts, Mr. Robinson, Mr. Rodino, Mr. Roe, Mr. Rosenthal, Mr. Roybal, Mr. Russo, Mr. Sabo, Mr. St Germain, Mr. Satterfield, Mr. Scheuer, Mr. Sebelius, Mr. Shumway, Mr. Simon, Mr. Skelton, Mrs. Snowe, Mr. Solarz, Mr. Solomon, Mrs. Spellman, Mr. Spence, Mr. Stack, Mr. Staggers, Mr. Stanton, Mr. Stark, Mr. Steed, Mr. Stump, Mr. Symms, Mr. Thomas, Mr. Traxler, Mr. Udall, Mr. Van Deerlin, Mr. Vento, Mr. Walgren, Mr. Wampler, Mr. Waxman, Mr. Weaver, Mr. White, Mr. Whitehurst, Mr. Whitley, Mr. Whitten, Mr. Bob Wilson, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wolff, Mr. Wolpe, Mr. Won Pat, Mr. Wright, Mr. Yates, Mr. Yatron, Mr. Young of Florida, Mr. Young of Missouri, and Mr. Zeferetti.

H.J. Res. 238: Mr. Albosta, Mr. Barnes, Mrs. Bouquard, Mr. Evans of Indiana, Mr. Evans of Virgin Islands, Mr. Gaydos, Mr. Gilman, Mr. Gramm, Mr. Hagedorn, Mr. Harkin, Mrs. Heckler, Mr. Hefner, Mr. Lloyd, Mr. McDade, Mr. Marks, Mr. Martin, Ms. Mikulski, Mr. Nolan, Mr. Richmond, Mr. Ritter, Mr. Rodino, Mr. Roybal, Mr. St Germain, Mr. Thomas, Mr. Wirth, Mr. Yatron, and Mr. Zablocki.

H. Res. 238: Mr. Scheuer, Mr. Waxman, Mr. Harkin, Mr. Gilman, Mrs. Schroeder, Mr. Bingham, Mr. Brodhead, Mr. McDade, Mr. Lagomarsino, Mr. Frenzel, Mr. Pepper, Mr. Fazio, Mr. AuCoin, Mr. Dornan, Mr. Rousselot, Mr. Winn, Mr. Green, Mr. Pickle, Mr. Udall, Mr. Van Deerlin, Mr. Benjamin, Mr. Mitchell of Maryland, Mr. Long of Maryland, and Mrs. Fenwick.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

114. By the SPEAKER: Petition of the Central Conference of American Rabbis, New York, N.Y., relative to Native Americans and equal opportunities; to the Committee on Interior and Insular Affairs.

115. Also, petition of the Municipal Council, Newark, N.J., relative to designating "Vietnam Veterans' Week"; to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 107

By Mr. KEMP:

—In section 1: In the matter relating to the recommended level of Federal revenues increase the amount by $9,600,000,000;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased increase the amount by $17,400,000,000;

In the matter relating to the appropriate level of total new budget authority decrease amount by $6,100,000,000;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $6,100,000,000;

In the matter relating to the amount of the deficit increase the amount by $1,700,000,000;

In section 3:

In the matter relating to education training, employment and social service (500) decrease the amount for budget authority by $2,900,000,000; and decrease the amount for outlays by $2,900,000,000.

In the matter relating to income security (600) decrease the amount for budget authority by $6,200,000,000; and decrease the amount for outlays by $6,200,000,000.

In section 6(a):

In the matter relating to the recommended level of Federal revenues increase the amount by $6,400,000,000;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased increase the amount by $6,000,000,000;

In the matter relating to the appropriate level of total new budget authority decrease the amount by $1,400,000,000;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $1,400,000,000;

In the matter relating to the amount of the deficit decrease the amount by $1,800,000,000;

In section 6(b):

In the matter relating to income Security (600) decrease the amount for budget authority by $1,400,000,000; and decrease the amount for outlays by $1,400,000,000.

By Mr. MITCHELL of Maryland:

(Amendment in the form of a substitute).

—Strike out all after the resolving clause and insert "That the Congress hereby determines and declares, pursuant to section 310(a) ofthe Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $511,800,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $610,624,000,000;

(3) the appropriate level of total budget outlays is $534,241,000,000;

(4) the amount of the deficit in the budget which is appropriated in the light of economic conditions and all other revelant factors is $22,441,000,000; and

(5) the appropriate level of the public debt is $886,800,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $56,800,000,000.

Sec. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

Sec. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $135,263,000,000;

(B) Outlays, $123,975,000,000.

(2) International Affairs (150):

(A) New budget authority, $12,932,000,000;

(B) Outlays $8,223,000,000.

(3) General Sciences, Space, and Technology (250):

(A) New budget authority, $5,622,000,000;

(B) Outlays, $5,475,000,000.

(4) Energy (270):

(A) New budget authority, $20,638,000,000;

(B) Outlays, $8,030,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,781,000,000;

(B) Outlays, $11,820,000,000.

(6) Agriculture (350):

(A) New budget authority, $4,929,000,000;

(B) Outlays, $5,350,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,560,000,000;

(B) Outlays, $3,195,000,000.

(8) Transportation (400):

(A) New budget authority, $19,708,000,000;

(B) Outlays, $18,184,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,524,000,000;

(B) Outlays, $7,535,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $32,840,000,000;

(B) Outlays, $31,855,000,000.

(11) Health (550):

(A) New budget authority, $58,307,000,000;

(B) Outlays, $54,012,000,000.

(12) Income Security (600):

(A) New budget authority, $217,702,000,000;

(B) Outlays, $183,325,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,700,000,000.

(14) Administration of Justice (750);

(A) New budget authority, $4,306,000,000;

(B) Outlays, $4,433,000,000.

(15) General Government (800):

(A) New budget authority, $4,424,000,000;

(B) Outlays, $4,331,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,824,000,000;

(B) Outlays, $6,814,000,000.

(17) Interest (900):

(A) New budget authority, $56,000,000,000;

(B) Outlays, $56,000,000,000.

(18) Allowances (920):

(A) New budget authority, $854,000,000;

(B) Outlays, $831,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget, authority −$19,800,000,000;

(B) Outlays, −$19,800,000,000.

SEC. 6. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $459,485,000,000, and the House Committee on Ways and Means shall submit to the House of Representatives legislation to increase Federal revenues by approximately $1,000,000,000; and

(2) the appropriate level of total new budget authority is $555,659,000,000;

(3) the appropriate level of total budget outlays is $492,820,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $33,335,000,000; and

(5) the appropriate level of the public debt is $829,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

H.R. 39

By Mr. HUCKABY:

—Title VIII, page 470, line 11 through page 478, line 17: delete entire section, and substitute therefor the following:

ALASKA NATIVE ALLOTMENTS

SEC. 805. (a) APPROVAL OF APPLICATIONS.—(1) Subject to valid existing rights, all Alaska Native allotment applications made pursuant to the Act of May 17, 1906 (34 Stat. 197, as amended), which were pending before the Department of the Interior on or before December 18, 1971, and which describes land that was unreserved on December 13, 1968, are hereby approved on the one hundred and eightieth day following the effective date of this Act, except where provided otherwise by paragraph (3), (4), (5), or (6) of this subsection, or where the land description of the allotment must be adjusted pursuant to subsection (b) of this section, in which cases approval pursuant to the terms of this subsection shall be effective at the time the adjustment becomes final. The Secretary shall cause allotments approved pursuant to this section to be surveyed and shall issue trust certificates therefor.

(2) All applications approved pursuant to this section shall be subject to the provisions of the Act of March 8, 1922 (42 Stat. 415; 43 U.S.C. 270–11).

(3) When on or before the one hundred and eightieth day following the effective date of the Act the Secretary determines by notice or decision that the land described in an allotment application may be valuable for minerals, excluding oil, gas, or coal, the allotment application shall be adjudicated pursuant to the provision of the Act of May 17, 1906, as amended, requiring that land allotted under said Act be nonmineral: *Provided*, That "nonmineral", as that term is used in such Act, with regard to land in Alaska, is defined to include land valuable for deposits of sand or gravel.

(4) Where an allotment application describes—

(A) land which (i) is within the boundary of a National Park System unit established, designated, or redesignated on or before the date of enactment of this Act, and (ii) was not withdrawn pursuant to section 11(a)(1) of the Alaska Native Claims Settlement Act; or

(B) land patented or deeded to the State; or

(C) land which on or before December 18, 1971, was validly selected by or tentatively approved or confirmed to the State under the Alaska Statehood Act, and was not withdrawn pursuant to section 11(a)(1)(A) of the Alaska Native Claims Settlement Act from those lands made available for selection by section 11(a)(2) of such Act by any Native Village Corporation certified as eligible pursuant to section 11(b) of such Act, paragraph (1) of this subsection and subsection (d) of this section shall not apply, and the Native allotment application shall be adjudicated pursuant to the Act of May 17, 1906, the Alaska Native Claims Settlement Act, and other applicable law.

(5) Paragraph (1) of this subsection and subsection (d) shall not apply and the Native allotment application shall be adjudicated pursuant to the requirements of the Act of May 17, 1906, as amended, if on or before the one hundred and eightieth day following the effective date of this Act:

(A) a Native Corporation files a protest with the Secretary stating that the applicant is not entitled to the land described in the allotment application, and said land is withdrawn for selection by the corporation pursuant to the Alaska Native Claims Settlement Act; or

(B) the State of Alaska files a protest with the Secretary stating that the land described in the allotment application is necessary for access to lands owned by the United States, the State of Alaska, or a political subdivision of the State of Alaska, to resources located thereon, or to a public body of water regularly employed for transportation purposes, and the protest states with specificity the facts upon which the conclusions concerning access are based and that no reasonable alternative for access exists; or

(C) a person or entity files a protest with the Secretary stating that the applicant is not entitled to the land described in the allotment application and that said land is the situs of improvement, valid mineral interest, or other legal interest in such land claimed by the person or entity.

(6) Paragraph (1) of this subsection and subsection (d) shall not apply to any application pending before the Department of the Interior on December 18, 1971, which was knowingly and voluntarily relinquished by the applicant thereafter.

(b) CONFLICTS.—(1) Where a conflict between two or more allotment applications exists due to overlapping land descriptions, the Secretary shall adjust the descriptions to eliminate conflicts, and in so doing, consistent with other existing rights, if any, may expand or alter the applied-for allotment boundaries or increase or decrease acreage in one or more of the allotment applications to achieve an adjustment which, to the extent practicable, is consistent with prior use of the allotted land and is beneficial to the affected parties: *Provided*, That the Secretary shall, to the extent feasible, implement an adjustment proposed by the affected parties.

(2) The Secretary's decision concerning adjustment of conflicting land descriptions shall be final and unreviewable in all cases in which the reduction, if any, of the affected allottee's claim is less than 30 per centum of the acreage contained in the parcel originally described and the adjustment does not exclude from the allotment improvements claimed by the allottee. Where an allotment application describes more than one hundred any sixty acres, the Secretary shall at any time prior to or during survey reduce the acreage to one hundred and sixty acres and shall attempt to accomplish said reduction in the manner least detrimental to the applicant.

(c) AMENDMENTS.—(1) An allotment applicant may amend the land description contained in his or her application if said description designates land other than that which the applicant intended to claim at the time of application and if the description as amended describes the land originally intended to be claimed. If the allotment application is amended, this section shall operate to approve the application or to require its adjudication, as the case may be, with reference to the amended land description only.

(2) The Secretary shall notify the State of Alaska and all interested parties, as shown by the records of the Department of the Interior, of the intended correction of the allotment's location and any such party shall have until the one hundred and eightieth day following the effective date of this Act or sixty days following mailing of the notice, whichever is later, to file with the Department of the Interior a protest as provided in subsection (a)(5) of this section, which protest, if timely, shall be deemed filed within one hundred and eighty days of the effective date of this Act notwithstanding the actual date of filing.

(3) The Secretary may require that all allotment applications designating land in a specified area be amended, if at all, prior to a date certain, which date shall be calculated to allow for orderly adoption of a plan of survey for the specified area, and the Secretary shall mail notification of the final date for amendment to each affected allotment applicant, and shall provide such other notice as the Secretary deems appropriate, at least sixty days prior to said date. No allotment application may be amended for location following adoption of a final plan of survey which includes the location of the allotment as described in the application or its location as desired by amendment.

(d) POWERSITE WITHDRAWALS.—(1) Where the land described in an allotment application pending before the Department of the Interior on or before December 18, 1971 (or such an application as adjusted or amended pursuant to subsection (b) or (c) of this section), was on that date withdrawn, reserved, or classified for powersite or power-project purposes, notwithstanding such withdrawal, reservation, or classification, the described land shall be deemed vacant, unappropriated, and unreserved within the meaning of the Act of May 17, 1906, as amended, and, as such, shall be subject to adjudication or approval pursuant to the terms of this section. If such described land is included as part of a project which on the date of the enactment of this Act was licensed or for which on such date an application for a license had been filed under part I of the Federal Power Act of June 10, 1920 (41 Stat. 24), as amended, or on such date was utilized for purposes of generating or transmitting electrical power or for any other project authorized by Act of Congress, paragraph (1) of this subsection shall not apply and the allotment application shall be adjudicated pursuant to the Act of May 17, 1906, as amended.

(2) If the allotment applicant commenced use of the land after its withdrawal or classification for powersite purposes, the allotment shall be made subject to the right of reentry provided the United States by section 24 of the Federal Power Act, as amended.

(3) Any right of reentry reserved in a certificate of allotment pursuant to this section shall expire twenty years after the date of issuance of such certificate if at that time the allotted land is not subject to a license or an application for license under part I of the Federal Power Act, as amended, or actually utilized or being developed for a purpose authorized by that Act, as amended, or other Act of Congress.

(e) Valid Existing Rights.—Prior to issuing a certificate for an allotment subject to this section, the Secretary shall identify and adjudicate any record entry or application for title made under an Act other than the Alaska Native Claims Settlement Act, the Alaska Statehood Act, or the Act of May 17, 1906, as amended, which entry or application claims land also described in the allotment application, and shall determine whether such entry or application represents a valid existing right to which the allotment application is subject. Nothing in this section shall be construed to affect rights, if any, acquired by actual use of the described land prior to its withdrawal or classification or as affecting national forest lands.

Title II, page 299, line 4: add the following sentence:

No lands conveyed to the Native Corporation for the village of Nondalton shall be considered to be within the boundaries of the conservation unit; if the Corporation desires to convey any such lands, the Secretary may acquire such lands with the consent of the owner, and any such lands so acquired shall become part of the conservation unit, pursuant to section 1101(g) of this Act.

Title III, page 326, line 9: after line 9 insert the following new subsection:

(F) No lands conveyed to any Native Corporation shall be considered to be within the boundaries of the refuge; if any such Corporation or Corporations desire to convey any such lands, the Secretary may acquire such lands with the consent of the owner, and any such lands so acquired shall become part of the refuge, pursuant to section 1101(g) of this Act.

Title VIII, page 509, line 15: delete the words, "TECHNICAL AMENDMENT" and in place thereof insert the word, "AMENDMENTS".

Page 511, following line 15, insert the following new sections:

Sec. 813. Escrow Accounts, Public Law 94-204.—(1) Subsection (a) of section 2 of Public Law 94-204 (89 Stat. 1146) is amended to read as follows:

"(a) (1) During the period of the appropriate withdrawal for selection pursuant to the Settlement Act, any and all proceeds derived from contracts, leases, licenses, permits, rights-of-way, or easements, or from trespass occurring after the date of withdrawal of the lands for selection, pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting corporation or individual entitled to receive benefits under such Act.

"(2) Such proceeds as were received, if any, subsequent to the date of withdrawal of the land for selection, but were not deposited in the escrow account shall be identified by the Secretary within two years of the date of conveyance or this Act, whichever is later, and shall be paid, together with interest payable on the proceeds from the date of receipt by the United States to the date of payment to the appropriate corporation or individual to which the land was conveyed by the United States. Interest under this section shall be paid on the basis of a semiannual computation from the date of receipt of the proceeds by the United States to the date of payment, with simple interest at the rate determined by the Secretary of the Treasury to be the rate payable on short-term obligations of the United States prevailing at the time of payment. Any rights of a corporation or individual under this section to such proceeds shall be limited to proceeds actually received by the United States plus interest. No payments shall be made under this section except to the extent that sufficient sums have been appropriated as provided in subsection (e) of this section.

"(3) Such proceeds which have been deposited in the escrow account shall be paid, together with interest accrued by the Secretary to the appropriate corporation or individual upon conveyance of the particular withdrawn lands. In the event that a conveyance does not cover all of the land embraced within any contract, lease, license, permit, right-of-way, easement, or trespass, the corporation or individual shall only be entitled to the proportionate amount of the proceeds, including interest accrued, derived from such contract, lease, license, permit, right-of-way, or easement, which results from multiplying the total of such proceeds, including interest accrued, by a fraction in which the numerator is the acreage of such contract, lease, license, permit, right-of-way, or easement which is included in the conveyance and the denominator is the total acreage contained in such contract, lease, license, permit, right-of-way, or easement; in the case of trespass, the conveyee shall be entitled to the proportionate share of the proceeds, including a proportionate share of interest accrued, in relation to the damages occurring on the respective lands during the period the lands were withdrawn for selection.

"(4) Such proceeds which have been deposited in the escrow account pertaining to lands withdrawn but not selected pursuant to such Act, or selected but not conveyed due to rejection or relinquishment of the selection, shall be paid, together with interest accrued, as would have been required by law were it not for the provisions of this Act.

"(5) Lands withdrawn under this subsection include all Federal lands identified under appendices A, B-1, and B-2 of the document referred to in section 12 of the Act of January 2, 1976 (Public Law 94-204) for Cook Inlet Region, Incorporated and are deemed withdrawn as of the date established in subsection (a) of section 2 of the Act of January 2, 1976.".

(2) Section 2 of Public Law 94-204 (89 Stat. 1146) is amended by adding a new subsection to read as follows:

"(e) There is authorized to be appropriated such sums as are necessary to carry out the purposes of this section.".

Sec. 814. Amendment to Public Law 94-204.—Section 12(b) of the Act of January 2, 1976 (Public Law 94-204), as amended by section 3 of the Act of November 15, 1977 (Public Law 94-178), and section 4 of the Act of October 4, 1976 (Public Law 94-456), is hereby amended to add the following new subparagraphs:

"(7) (i) Until the obligations of the Secretary and the Administrator of General Services under subsection 12(b) (6) of this Act are otherwise fulfilled, Cook Inlet Region, Incorporated, may, by crediting the account established in subsection 12(b) (7) (ii), bid for surplus property, wherever located, in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484 (1949 as amended) (hereinafter 'the Act'). No additional advertising shall be required other than that prescribed in section 484(e) (2) of the Act.

"(ii) The Secretary of the Treasury shall establish a Cook Inlet Region, Incorporated, surplus property account, which shall be available for the purpose of bidding on Federal surplus property. The balance of the account shall be the acre-equivalent exchange value established by subparagraph I(C) (2) (e) of the document referred to in this subsection, of the unfulfilled entitlement of Cook Inlet Region as of the effective date of this subsection to Federal acres or acre-equivalents under subparagraph I(C) (2) (g) of the document referred to in this subsection and shall be adjusted to reflect any future conveyances under subsection (b) (6).

"(iii) The basis of properties received by Cook Inlet Region, Incorporated, under this subsection shall be established in accordance with the provisions of this Act. Dispositions of surplus property under this subsection shall be treated as sales under the Federal Property and Administrative Services Act (40 U.S.C. 485 (1949 as amended)).

"(8) The Region, the Secretary, and/or the Administrator shall have until June 15, 1980, to complete the nomination of lands for the pool described in subsection (b) (6); *Provided, however,* That the Secretary shall report to Congress on June 15, 1979, and January 15, 1980, as to—

"(i) such studies and inquiries as shall have been initiated by the Secretary and the Administrator of General Services, or have been prepared by other holding agencies, to determine what lands, within the exterior boundaries of the Cook Inlet Region, can be made available to the Region to the extent of its entitlement;

"(ii) the feasibility and appropriate nature of reimbursement to Cook Inlet for its unfulfilled entitlement as valued in subparagraph I(C) (2) (e) of the Terms and Conditions; and

"(iii) such other remedial legislation or administrative action as may be needed.".

Title VIII, page 511, after line 15, add the following new section:

SUBMERGED LANDS

Sec. 814. (a) Riparian Conveyances.—(1) Whenever the United States conveys to any Native Corporation, pursuant to the Alaska Native Claims Settlement Act or this Act, land or an interest in land which abuts or surrounds either—

(A) a lake having a surface area of one hundred and sixty acres or more; or

(B) a meanderable stream,

of which the Secretary has administratively determined to be nonnavigable, the United States shall thereupon convey and relinquish all claims to such right, title, and interest as it may then have to the submerged land under such body of water to the median line or midpoint, as the case may be. For purposes of this section, the applicable rules for determining meanderability, median lines, midpoints and partition lines shall be those contained in the United States Department of the Interior, Bureau of Land Management, Manual of Surveying Instructions, 1973.

(2) The submerged lands under lakes having a surface area of one hundred and sixty acres or more and the submerged lands under meanderable streams conveyed pursuant to this subsection will not be charged toward the acreage entitlement of any Native Corporation. Conveyance of an interest in the surface estate to any Village Corporation within the National Wildlife Refuge System or the National Petroleum Reserve—Alaska pursuant to this subsection shall not increase the number of acres of subsurface interest that may be selected by a Regional Corporation pursuant to section 12(a) (1) of the Alaska Native Claims Settlement Act. This subsection shall not be construed to change the requirements of section 12(a) of

such Act that selections be made in whole sections, except that any portion of the submerged lands under a stream or lake accruing to an abutting owner other than the Native Corporation receiving a conveyance under the authority of this subsection shall be deemed land unavailable for selection by such Native Corporation.

(b) LIMITATION.—The provisions of subsection (a) shall not apply to any submerged lands which, for any reason other than a determination of non-navigability, did not vest in the State of Alaska pursuant to the Submerged Lands Act, 43 U.S.C. 1301, at *et seq.*, or Section 6 of the Alaska Statehood Act. Any interest in submerged lands conveyed to any Native Corporation within any area to which the foregoing sentence applies shall be charged against the entitlement of such Native Corporation.

(c) RELATION TO UNITS.—(1) Whenever any land or interest in land to be conveyed to any Native Corporation underlies any body of water, and such submerged land or interest in submerged land is within the boundaries of any conservation system unit, the Native Corporation and the Secretary may mutually agree that such submerged land or interest in submerged land is to be retained in Federal ownership, and the Native Corporation shall thereupon receive uplands or an interest in uplands to the line of mean high water and shall receive the remainder of its entitlement pursuant to subsection (e) of this section.

(2) Whenever any land or interest in land to be conveyed to any Native Corporation underlies any body of water and such submerged land or interest in submerged land is outside any conservation system unit, the Native Corporation and the State of Alaska may mutually agree that such submerged land or interest in submerged land may be selected by and conveyed to the State under the provisions of section 6(b) of the Alaska Statehood Act, and the Native Corporation shall thereupon receive uplands or an interest in uplands to the line of mean high water and shall receive the remainder of its entitlement pursuant to subsection (e) of this section; *Provided*, That should the body of water overlying the submerged land or interest in submerged land to be selected by and conveyed to the State later be determined with finality by a court of competent jurisdiction to be navigable and to have vested in the State pursuant to section 6(m) of the Alaska Statehood Act, then State land selections previously filed upon such lands shall not diminish the State's land entitlement under section 6(b) of said Act, nor shall any such determination of navigability affect any Native Corporation's entitlement pursuant to the Alaska Native Claims Settlement Act. Land selections made pursuant to this paragraph shall not be subject to the size limitations of section 6(g) of the Alaska Statehood Act, as amended. Nothing in this section shall be deemed to extend the period for land selections made by the State pursuant to section 6(b) of the Alaska Statehood Act or this Act.

(d) PRIOR CONVEYANCES.—(1) Any Native Corporation which, prior to the date of election under subsection (f) of this section, has received an interim conveyance or patent to lands abutting or surrounding a body of water, which interim conveyance or patent describes the land conveyed or computes the quantity of land conveyed in a manner inconsistent with subsection (a) and such body of water is not subject to the provisions of subsection (b), shall be entitled, upon application to the Secretary, to have the land redescribed and the acreage recomputed in accordance with subsection (a), whereupon the Secretary shall issue to each Native Corporation a reformed interim conveyance, patent, or other recordable document conforming to the provisions of this section, subject to valid existing rights.

(2) In any instance in which the Secretary could have retained title to submerged land or an interest in submerged land under section (c)(1) of this section, or in which the State could have selected submerged land or an interest in submerged land under subsection (c)(2) of this section, the Secretary is authorized to receive reconveyance of such submerged land or an interest in submerged land from any Native Corporation owning submerged land or an interest in such submerged land: *Provided*, That if the surface estate and the subsurface estate of such submerged lands are owned by different Native Corporations, both corporations must reconvey their entire interest in such submerged lands to the Secretary: *Provided further*, That as to such reconveyed submerged lands or interests in submerged lands which would become available for State selection because such submerged lands or interests in submerged lands are outside the boundaries of any conservation system unit, that the State shall have filed a land selection application pursuant to section 6(b) of the Alaska Statehood Act and subsection (c)(2) of this Act. Upon acceptance by the Secretary of any reconveyance of submerged lands or interests in submerged lands which are outside the boundaries of any conservation system unit, such submerged lands or interests in submerged lands shall be deemed public lands.

(e) LANDS AVAILABLE.—(1) Any Native Corporation entitled to land or an interest in land pursuant to the provisions of this section shall receive title to such land or interest in land from among valid existing selections made by such corporation under the Alaska Native Claims Settlement Act or this Act. If such selections are insufficient to fulfill a Native Corporation's entitlement under this section, then the provisions of section 910 of this Act shall apply to any Native Corporation so affected, but no land within the boundaries of any conservation system unit shall be withdrawn which was not withdrawn before the date of the enactment of this Act under section 11(a) of the Alaska Native Claims Settlement Act.

(2) All lands conveyed to any Native Corporation pursuant to this subsection shall be subject to the provisions of sections 12, 14, and 16 of the Alaska Native Claims Settlement Act. Any selection made pursuant to this subsection shall not be subject to section 902 of this Act.

(f) OPTION.—If a native Corporation elects to receive conveyances pursuant to the provisions of this section, it shall so notify the Secretary within one year after the date of this Act. Such election shall be final and irrevocable, and shall apply to all conveyances to that Native Corporation made pursuant to the Alaska Native Claims Settlement Act and this Act. Any election by the Native Corporation owning the surface estate shall be binding on the Native Corporation owning the subsurface estate. The Native Corporations within the Arctic Slope Region, however, shall have until thirty days after a final judicial decision and expiration of any appeal period regarding the effect of Public Land Order 82 within which to elect under this section.

(g) CONFLICTS.—If two or more Native Corporations are entitled to submerged land underlying the same body of water and not all such Native Corporations have made an election to receive conveyances under the provisions of this section, any conflict in land conveyances shall be resolved by voluntary written agreements between the parties or by binding arbitration as provided for in section 12(b) of the Alaska Native Claims Settlement Act.

(h) ADMINISTRATIVE PROVISIONS.—Submerged lands or interests in submerged lands which are within the boundaries of any conservation system unit and which are retained by or reconveyed to the Secretary pursuant to the provisions of this section shall become a part of such conservation system unit. Nothing in this section shall be construed to enlarge or diminish the Secretary's authority to make administrative determinations regarding the navigability of waters. Nothing in this section shall be construed to enlarge or diminish the rights of the United States, the State of Alaska, or any Native Corporation relating to the ownership, control, appropriation, use, and distribution of ground or surface waters.

(i) ENTITLEMENTS.—Nothing in this section shall be construed as enlarging or diminishing the land entitlement of any Native Corporation under any section of the Alaska Native Claims Settlement Act.

Title XI, page 546, line 16 through page 547, line 2; delete entire subsection (a), and substitute therefor the following:

SEC. 1101. (a) GENERAL AUTHORITY.—Except as otherwise provided in this Act, the Secretary is authorized, in order to carry out the purposes of this Act, to acquire by purchase, donation, exchange, or otherwise any lands within the boundaries of any conservation system unit. Any such land owned by—

(1) the State or a political subdivision of the State;

(2) a Native Corporation which has Natives as a majority of its stockholders; or

(3) the actual occupant of a tract, title to the surface estate of which was on, before, or after the date of enactment of this Act conveyed to such occupant pursuant to section 14(c)(1) of the Alaska Native Claims Settlement Act, a descendant of such occupant, or any subsequent transferee, so long as such lands are used by such transferee in a manner consistent with the purpose for which such tract was originally conveyed under said section 14(c)(1),

may only be acquired for such purposes with the consent of the State, such political subdivision of the State, such Native Corporation or such occupant, as the case may be. Lands owned or validly selected by the State which are adjacent to, but outside of, the boundaries of a conservation system unit may only be acquired by exchange or donation for purposes of such conservation system unit, and when so acquired the lands shall become, and be administered as, a part of the unit to which they appertain and the boundaries of the unit shall thereby be deemed to include such lands to the same extent as if the lands were included within such boundaries by this Act. No such boundary change shall take effect until after the Secretary provides reasonable notice in writing to the Congress of his intention to consummate an exchange or donation which would result in such boundary change.

Title VIII, page 505, line 14; insert the words "the provisions of this Act and other" immediately preceding the existing words "applicable law".

Title XIV, page 600, line 8 through line 12: delete these lines in their entirety, and substitute therefor the following:

VESTING DATE FOR RECONVEYANCES

SEC. 1402. (a) Section 14(c)(1) of the Alaska Native Claims Settlement Act is amended by inserting "as of December 18, 1971 (except that occupancy of tracts located in the Pribilof Islands shall be determined as of the date of initial conveyance of such tracts to the appropriate Village Corporation)" after "title to the surface estate in the tract occupied".

Title XIV, page 617, delete lines 9 through 19 and substitute therefor the following:

SEC. 1410. Subsection (e) of section 21 of the Alaska Native Claims Settlement Act

(43 U.S.C. 1620(e)) is amended by inserting the words "corporation organized under section 14(h)(3)," after "Native group", by replacing the comma following the citation "(64 Stat. 967,1100)" with a period, and by adding the following sentence: "During those years when there are no substantial revenues derived from the development of such lands, they shall continue to receive wildland fire protection services from the United States at no cost."

Title 619, after line 19, add new section as follows:

ALASKA TOWNSITES

SEC. . (a) The townsite trustee shall convey all lands which——

(1) are within a patented townsite on which are the subject of an application for such patent under the Acts of March 3, 1891 (43 U.S.C. 732) or May 25, 1926 (43 U.S.C. 733–736), and

(2) were unoccupied on October 21, 1976, to the home rule or first- or second-class city, if any, incorporated under the laws of the State of Alaska for the community in which the townsite was originally entered. Any remaining unobligated trust funds shall also be transferred to the city.

(b) Where a community has not incorporated a city under the laws of the State of Alaska, or a city does not wish to receive conveyance of the unoccupied lands in the townsite pursuant to subsection (a) of this section, the townsite trustee shall convey all unoccupied lands in the townsite for which he still retains title, without charge, to the State of Alaska for the community in which the townsite was originally entered, to be administered in the same manner as provided by Alaska law for administration of lands conveyed, to the State of Alaska pursuant to section 14(c)(3) of the Settlement Act. Any remaining unobligated trust funds shall also be transferred by the trustee to the State. If, subsequent to conveyance of the unoccupied lands in the townsite to the State of Alaska, the community in which the townsite was originally entered incorporates a city under the laws of the State of Alaska, the State will convey to the city all unoccupied lands in the townsite for which it still retains title, without charge, together with any unobligated trust funds. This procedure will also apply in the event a city previously declining conveyance of unoccupied lands in the townsite indicates to the State its desire to receive conveyance.

(c) The Secretary shall proceed to process any pending townsite entry which has been filed by the townsite trustee and issue patent, if appropriate, to the townsite trustee After the issuance of patent to the townsite trustee, the provisions of this section shall apply. In order to protect valid existing rights, the townsite trustee shall administer and discharge his trust on all tracts lawfully occupied on October 21, 1976, in accordance with the rules and regulations which governed such administration prior to the repeal of the Townsite Act.

(d) Lands conveyed to a municipal corporation or to the State in trust pursuant to this section shall be credited toward the minimum acreage reconveyance requirement imposed upon Native village corporations by section 14(c)(3) of the Alaska Native Claims Settlement Act.

Title XIV, page 619, after line 19, add a new section as follows:

ACCESS AND SURFACE USE

SEC. . (a) Notwithstanding any other provision of this Act or other law, in any case in which lands owned by regional native corporations, as set up as set forth in P.L. 92–203, are effectively surrounded by public lands within one or more conservation system units, or there is no economically feasible alternative other than access through public lands, the regional native corporation or its successors in interest shall be given by the Secretary such rights as may be necessary to insure adequate access for such economic and other purposes to the concerned land by such regional native corporation and its successor in interest.

(b)(1) Notwithstanding any other provision of this Act or other law, a regional native corporation owner of subsurface rights, or its successors in interest owner of subsurface rights underlying public land, shall have such use of the surface estate, including such right of access thereto, as provided for in subsection (a), as is reasonably necessary to the exploration for and the removal of minerals and mineral materials from said subsurface estate, subject to such regulation by the Secretary as is necessary to protect the environment from permanent harm.

(2) The United States shall make available to said subsurface owner, its successors, and assigns, such sand and gravel as is reasonably necessary for the construction of facilities and rights-of-way appurtenant to the exercise of the rights conveyed under this section, pursuant to the provision of section 601, et seq., title 30, United States Code, and the regulations implementing that Statute which are then in effect.

Title XVI, page 619, after line 19, add a new section as follows:

FISCAL YEAR ADJUSTMENT

SEC. . (a) Moneys appropriated for deposit in the Alaska Native Fund for the fiscal year following enactment of this Act, shall, for the purposes of section 5 of Public Law 94–204 only, be deposited into the Alaska Native Fund on the first day of the fiscal year for which the moneys are appropriated, and shall be distributed at the end of the first quarter of the fiscal year in accordance with section 6(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1605(c)) notwithstanding any other provision of law.

(b) For the fiscal year in which this Act is enacted, the money appropriated shall be deposited within ten days after the date of such enactment, unless it has already been deposited in accordance with existing law, and shall be distributed no later than the end of the quarter following the quarter in which the money is deposited: *Provided*, That if the money is already deposited at the time of enactment of this Act, it must be distributed at the end of the quarter in which this Act is enacted.

(c) Notwithstanding section 38 of the Fiscal Year Adjustment Act or any other provisions of law, interest earned from the investment of appropriations made pursuant to the Act of July 31, 1976 (Public Law 94–373; 90 Stat. 1051), and deposited in the Alaska Native Fund on or after October 1, 1976, shall be deposited in the Alaska Native Fund within thirty days after enactment of this Act and shall be distributed as required by section 6(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1605(c)).

Title VIII, page 511, following line 15, add a new section as follows:

AMENDMENT TO SECTION 22(G) OF ANCSA

SEC. . Section 22(g) of the Alaska Native Claims Settlement Act is amended by renumbering the existing subsection as paragraph (1), and by adding a new paragraph (2) as follows: "(2) The Secretary shall review the conditions as provided for in subsection (1) every five years after conveyance and shall determine whether the restrictions imposed therein remain necessary for the purpose of the wildlife refuge system unit. —Title XIV, page 619, following line 19, add the following new sections:

AHTNA REGIONAL CORPORATION LANDS

SEC. 1414. The following lands are hereby withdrawn for selection pursuant to the provisions of section 14(h)(8) of the Alaska Native Claims Settlement Act and this section:

Fairbanks Meridian

Township 20 south, range 5 west, sections 7 through 9, 11 through 14, 16 through 21, 23 through 26, 28 through 33, 35, 36;

Township 20 south, range 6 west, sections 1 through 36;

Township 20 south, range 7 west, sections 1 through 5, 8 through 14, 23 through 36;

Township 20 south, range 8 west, sections 1 through 28, 33 through 36;

Township 20 south, range 9 west, sections 22 through 27, 34 through 36.

(b)(1) On or prior to one hundred eighty days from the date of enactment of this act, Ahtna, Incorporated, may select, pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, from the lands withdrawn pursuant to subsection (a).

(2) The lands selected by Ahtna, Incorporated, unless otherwise provided in a waiver of this paragraph (b)(2) by the Secretary, shall consist of tracts which—

(A) contain not less than eight sections or one thousand two hundred eighty acres, whichever is less; and

(B) have boundaries which follow section lines, except where such boundary is the border of a navigable body of water, with no segment of an exterior line less than two miles in length (except where shorter segments are necessary (1) to follow section lines where township lines are offset along standard parallels caused by the convergence of meridians, (2) to conform to section lines where a section is less than standard size, or (3) to avoid crossing the boundary lines of conservation system units created by this Act, or of lands which are unavailable for selection).

(c) The Secretary shall convey the surface and subsurface estate of the acreage selected pursuant to subsection (b). Conveyances pursuant to this section shall be subject to valid existing rights and the provisions of the Alaska Native Claims Settlement Act.

(d) Nothing in this section shall be deemed to increase or decrease the acreage entitlement of Ahtna, Incorporated, under any section of the Alaska Native Claims Settlement Act.

(e) Any lands withdrawn under subsection (a) and not selected by and conveyed to Ahtna, Incorporated, shall return to the public domain subject to any prior withdrawals made by the Secretary pursuant to subsection 17(d)(1) of the Alaska Native Claims Settlement Act and the provisions of Section 806(k) of this Act.

ARCTIC SLOPE REGIONAL CORPORATION LANDS

SEC. 1415. (a) PURPOSES; REFERENCE DOCUMENT.—In order to further the purposes of:

(1) Satisfying land entitlements in the Arctic Slope Region;

(2) Consolidating and exchanging land holdings for the mutual benefit of the United States and the Native Corporations within the Arctic Slope region; and

(3) Providing for oil and gas operations in the Kurupa Lake area, consistent with environmental protection,

Congress enacts this section. The specific terms, conditions, procedures, covenants, reservations and other restrictions set forth in the document entitled "Terms and Conditions for Land Exchanges and Resolution of Conveyancing Issues in Arctic Slope Region, Between the Department of the Interior and Arctic Slope Regional Corporation" (hereafter in this section referred to as "Terms and Conditions"), which was submitted to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on , 1979, are hereby incorporated in this section, and are ratified, as to the duties and obligations of the United

States and the Arctic Slope Regional Corporation, as a matter of Federal law.

(b) TRANSFER TO THE UNITED STATES.—The Secretary is authorized to accept from Arctic Slope Regional Corporation a relinquishment of all right, title, and interest of Arctic Slope Regional Corporation in the following described lands:

Fairbanks Meridian

Township 34 north, range 21 west, sections 4 through 9, 16 through 18;

Township 34 north, range 22 west, sections 1 through 6, 11 through 14;

Township 35 north, range 20 west, sections 1 through 24;

Township 35 north, range 21 west, sections 1 through 4, 9 through 16, 21 through 24, 28 through 33;

Township 35 north, range 22 west, sections 1 through 12, 17 through 20, 27 through 34;

Township 35 north, range 23 west, sections 1 through 3, 10 through 17, 20 through 24, 28, 29, 32, 33;

Township 36 north, range 21 west, sections 1 through 4, 9 through 20, 23 through 26, 29 through 32, 35, 36;

Township 36 north, range 22 west, sections 5 through 8, 25 through 36;

Township 36 north, range 23 west, sections 1, 5 through 8, 12 through 30, 34 through 36;

Township 36 north, range 24 west, sections 1 through 3, 10 through 12;

Township 37 north, range 21 west, sections 25 through 36;

Township 37 north, range 22 west, sections 25 through 36;

Umiat Meridian

Township 12 south, range 11 west, sections 17 through 20, 29, 30;

Township 12 south, range 12 west, sections 13 through 16, 21 through 28;

Township 17 south, range 2 west, partial, sections 3 through 6;

Township 17 south, range 3 west, partial, sections 1 through 4;

Kateel River Meridian

Township 34 north, range 18 east, sections 9 through 16, 21 through 24.

(c) LAND EXCHANGE.—As a land exchange, contingent upon Arctic Slope Regional Corporation's relinquishment of lands described in subsection (b) and upon conveyance of lands described in paragraph (4) below, and subject to valid existing rights, (1) the Secretary shall convey to Arctic Slope Regional Corporation all right, title, and interest of the United States in the following described lands, subject to valid existing rights and to the terms, conditions, procedures, covenants, reservations, and restrictions specified in the "Terms and Conditions":

Umiat Meridian

Township 13 south, range 4 east, sections 1 through 36;

Township 14 south, range 3 east, sections 9 through 16, 21 through 28, 32 through 36;

Township 15 south, range 3 east, sections 25 through 30, 33 through 36;

Township 15 south, range 4 east, sections 6, 7, 18 through 36;

Township 16, south, range 3 east, sections 1 through 3, 6, 7, 9 through 16, 18 through 30;

(2) Subject to valid existing rights, the Secretary shall convey to Arctic Slope Regional Corporation all right, title and interest of the United States in the following described lands subject to the terms, conditions, procedures, convenants, reservations and restrictions specified in the "Terms and Conditions":

Umiat Meridian

Township 12 south, range 11 west, sections 17 through 20, 29, 30;

Township 12 south, range 12 west. sections 13 through 16, 21 through 28;

Kateel River Meridian

Township 34 north, range 18 east, section 9 through 16, 21 through 24;

The Secretary shall except and reserve access easements for park-related purposes from Kurupa Lake to federally owned lands within Gates of the Arctic National Park limited to: The right to land and store aircraft at Kurupa Lake, the right to ingress and egress from the Lake along specific corridors leading to federally owned lands in Gates of the Arctic National Park, and the right to camp overnight at the lakeshore and along the specific easement corridors. The conveyance shall be subject to the following covenants: The requirement for a plan of oil and gas operations prior to any exploration or development activities, the authority of the Secretary to modify or revoke any plan of operations for oil and gas exploration which does not utilize available technologies least damaging to the resources of the Kurupa Lake area and surrounding Federal lands, and the authority of the Secretary to require good faith consultations to develop a plan of operations for oil and gas development which utilizes available technologies minimizing damage to the resources of the Kurupa Lake areas and surrounding Federal lands. Such exceptions, reservations, and covenants shall be binding on Arctic Slope Regional Corporation, its successors and assigns;

(3) Subject to valid existing rights, the Secretary shall convey to Arctic Slope Regional Corporation all right, title, and interest of the United States, except sand and gravel, in the subsurface estate of the following described lands, subject to the terms, conditions, procedure, covenants, reservations, and restrictions specified in the "Terms and Conditions";

Umiat Meridian

Township 12 south, range 9 east, sections 1 through 12, 15 through 21;

Township 12 south, range 10 east, sections 4 through 9;

(4) The Secretary is authorized to accept from Arctic Slope Regional Corporation a conveyance of all right, title, and interest of Arctic Slope Regional Corporation in the following described lands:

Umiat Meridian

Township 13 south, range 1 west, sections 31 through 36;

Township 13 south, range 1 east, sections 31 through 36;

Township 14 south, range 2 east, sections 6, 7, 18, 19, 30, 31.

Township 14 south, range 4 east, sections 1 through 3, 10 through 15, 22 through 27, 33 6, 7, 18, 19, 30, 31.

Township 15 south, range 1 west, sections 1 through 6, 11, 12, 19, 20, 27 through 34;

Township 15 south, range 1 east, sections 5 through 8, 17 through 20;

Township 16 south, range 2 east, sections 13 through 15, 22 through 27, 34 through 36;

Township 16 south, range 4 east, sections 1 through 4, 9 through 16, 19 through 36;

Township 17 south, range 1 west, sections 1, 2, 5, 6, partial;

Township 17 south, range 1 east, partial;

Township 17 south, range 3 east, partial;

Township 16 south, range 2 west, sections 19 through 36;

Township 16 south, range 3 west, sections 19 through 28, 33 through 36;

Township 15 south, range 4 west, sections 2 through 4, 9 through 11, 14 through 16. 19 through 23, 26 through 32;

Township 16 south, range 4 west, sections 5 through 8, 17 through 24.

(d) TRANSFERS TO NATIVE CORPORATION.—The Secretary shall convey to Arctic Slope Regional Corporation all right, title, and interest of the United States in the following described lands selected or identified for selection pursuant to the Alaska Native Claims Settlement Act, and to the extent such lands lie outside the boundaries of the National Petroleum Reserve in Alaska:

UMIAT MERIDIAN

Township 3 south, range 6 west, sections 24 through 26, 33 through 36;

Township 4 south, range 6 west, sections 1 through 5, 7 through 36;

Township 4 south, range 7 west, sections 11 through 16, 19 through 36;

Township 4 south, range 8 west, sections 23 through 29, 32 through 36;

Township 5 south, range 6 west, sections 1 through 18;

Township 5 south, range 7 west, sections 1 through 36;

Township 5 south, range 8 west, sections 1 through 5, 7 through 36;

Township 5 south, range 9 west, sections 25 through 27, 34 through 36;

Township 6 south, range 6 west, sections 19, 30, 31;

Township 6 south, range 7 west, sections 1 through 18, 22 through 27. 34 through 36;

Township 7 south, range 6 west, sections 5 through 8, 17 through 20, 29 through 32;

Township 7 south, range 7 west, sections 1, 2, 11 through 14, 19 through 36;

Township 7 south, range 8 west, sections 19 through 36;

Township 7 south, range 9 west, sections 22 through 27, 34 through 36;

Township 8 south, range 6 west, sections 4 through 9, 16 through 36;

Township 8 south, range 7 west, sections 1 through 36;

Township 8 south, range 8 west, sections 1 through 18, 22 through 27, 34 through 36;

Township 9 south, range 6 west, sections 1 through 36;

Township 9 south, range 7 west, sections 1 through 36;

Township 9 south, range 8 west, sections 1 through 36;

Township 10 south, range 5 west, sections 19 through 36;

Township 10 south, range 6 west, sections 1 through 36;

Township 10 south, range 7 west, sections 1 through 36;

Township 10 south, range 8 west, sections 1 through 36;

Township 10 south, range 9 west, sections 19 through 36;

Township 10 south, range 10 west, sections 19 through 36;

Township 11 south, range 5 west, sections 1 through 18;

Township 11 south, range 6 west, sections 1 through 18;

Township 11 south, range 7 west, sections 1 through 21, 28 through 33;

Township 11 south, range 8 west, sections 1 through 36;

Township 11 south, range 9 west, sections 1 through 36;

Township 11 south, range 10 west, sections 1 through 36;

Township 11 south, range 11 west, sections 1 through 36;

Township 11 south, range 12 west, sections 1 through 36;

Township 11 south, range 13 west, sections 1 through 36;

Township 12 south, range 8 west, partial, sections 1 through 24;

Township 12 south, range 9 west, partial, sections 1 through 24;

Township 12 south, range 10 west, partial, sections 1 through 24;

Township 12 south, range 11 west, sections 1 through 16, 21 through 28;

Township 12 south, range 12 west, sections 1 through 12, 17 through 20, 29, 30;

Township 12 south, range 13 west, sections 1 through 30;

Kateel River Meridian

Township 34 north, range 16 east, sections 7 through 24;

Township 34 north, range 17 east, sections 7 through 24;

Township 34 north, range 18 east, sections 7, 8, 17 through 20.

(e) Acquisition and Exchange Authority.—(1) The Secretary is authorized, in order to carry out the purposes of this Act, to acquire by purchase or exchange any of the following described lands conveyed to Arctic Slope Regional Corporation pursuant to subsection (b)(1) of this section:

Umiat Meridian

Township 12 south, range 11 west, sections 17 through 20, 29, 30;

Township 12 south, range 12 west, sections 13 through 16, 21 through 28;

Kateel River Meridian

Township 34 north, range 18 east, sections 9 through 16, 21 through 24;

(2) Lands specified in paragraph (1) of this subsection may be acquired for such purposes only with the consent of Arctic Slope Regional Corporation. If such lands are so acquired by the Secretary, such lands shall become, and be administered as, a part of Gates of the Arctic National Park. (3) To facilitate an exchange provided for in this subsection, the Secretary is authorized to make available to Arctic Slope Regional Corporation lands, or interests therein, from public lands within the Arctic Slope Region, as determined pursuant to section 7(a) of the Alaska Native Claims Settlement Act, including lands, or interests therein, within the National Petroleum Reserve in Alaska in the event that lands within the reserve are made subject to leasing under the Mineral Leasing Act of 1920, as amended, or are otherwise made available for purposes of development of oil, gas or other minerals.

(f) Land Exchange.— As a land exchange:

(1) contingent upon Arctic Slope Regional Corporation conveying the lands described in paragraph (2) below and upon receiving interim conveyances to the following described lands:

Umiat Meridian

Township 9 south, range 2 west, sections 22 through 28, 33 through 36;

Township 9 south, range 3 west, sections 1 through 3, 10 through 12;

Township 9 south, range 12 west, sections 1 through 18;

Township 9 south, range 13 west, sections 1 through 3, 10 through 15, 22 through 24;

the Secretary shall convey to Arctic Slope Regional Corporation all right, title and interest of the United States in the following described lands:

Umiat Meridian

Township 9 south, range 12 west, sections 19 through 24;

Township 9 south, range 11 west, sections 4 through 9, 16 through 21;

Township 9 south, range 3 west, sections 13 through 15, 22 through 27;

Township 9 south, range 2 west, sections 28, 33;

(2) the Secretary is authorized to accept from Arctic Slope Regional Corporation a relinquishment of all right, title and interest of Arctic Slope Regional Corporation in the following described lands:

Umiat Meridian

Township 8 south, range 11 west, sections 13 through 15, 22 through 27;

Township 8 south, range 10 west, sections 7 through 11, 13 through 21, 28 through 33.

(g) Kaktovik Exchange.—As a land exchange, contingent upon Kaktovik Inupiat Corporation conveying the lands described in paragraph (1) of this subsection and upon the Arctic Slope Regional Corporation conveying the lands described in paragraph (4) of this subsection—

(1) the Secretary is authorized to accept from Kaktovik Inupiat Corporation all right, title and interest of Kaktovik Inupiat Corporation in the surface estate of the following described lands:

Umiat Meridian

Township 2 south, range 23 east, sections 25 through 28, 33 through 36;

Township 2 south, range 24 east, sections 1 through 24, 29 through 32;

(2) the Secretary shall convey to Kaktovik Inupiat Corporation all right, title and interest of the United States in the surface estate of the following described lands:

All those lands on Kaktovik Island—Barter Island Group, Alaska, which were not properly selected by Kaktovik Inupiat Corporation on or before December 18, 1975, and which were not on January 1, 1979, in a defense withdrawal.

Provided, That such lands when conveyed to Kaktovik Inupiat Corporation shall be subject to the provisions of the Alaska Native Claims Settlement Act, including section 22(g) of said Act, except that the acreage limitation for village corporation selection of lands within the National Wildlife Refuge System shall not apply;

(3) Kaktovik Inupiat Corporation shall identify additional lands it desires to acquire pursuant to this exchange from within the following described lands, and to the extent necessary to acquire the surface estate of an aggregate total of twenty-three thousand and forty acres, including the lands conveyed by the Secretary to Kaktovik Inupiat Corporation pursuant to subsection (g)(2) hereof:

Umiat Meridian

Township 7 north, ranges 32 through 36 east;

Township 8 north, ranges 32 through 36 east;

Township 9 north, ranges 33 and 34 east;

or such other adjacent lands as the Secretary and Kaktovik Inupiat Corporation may mutually agree upon. Upon the concurrence of the Secretary in the lands identified, he shall convey to Kaktovik Inupiat Corporation all right, title and interest of the United States in the surface estate of the lands so identified; *Provided*, That such lands shall be contiguous to lands previously conveyed to Kaktovik Inupiat Corporation Pursuant to section 14(a) of the Alaska Native Claims Settlement Act; *Provided further*, That such lands when conveyed to Kaktovik Inupiat Corporation shall be subject to the provisions of the Alaska Native Claims Settlement Act, including section 22(g) of said Act, except that the acreage limitation for village corporation selection of lands within the National Wildlife Refuge System shall not apply;

(4) the Secretary is authorized to accept from Arctic Slope Regional Corporation a conveyance of all right, title and interest of Arctic Slope Regional Corporation in the subsurface estate of the following described lands:

Umiat Meridian

Township 2 south, range 23 east, sections 25 through 28, 33 through 36;

Township 2 south, range 24 east, sections 1 through 24, 29 through 32.

(h) Weyuk Lands Transfer.—Upon the concurrence of the Secretary of Defense, the Secretary shall convey to Arctic Slope Regional Corporation all right, title and interest of the United States in all or part of the following described lands:

Beginning at Weyuk, United States Coast and Geodetic Survey Survey Mark (1586) north 62 degrees east 2,900 feet, more or less, the true point of beginning of this description, thence north 1,100 feet, more or less, thence easterly, meandering along the coast approximately 2,000 feet, more or less, thence south 700 feet, more or less, thence west 1,800 feet, more or less, to the true point of beginning.

(i) Naval Arctic Research Laboratory.—The Secretary shall convey to Ukpeagvik Inupiat Corporation all right, title and interest of the United States in the surface estate of the following described lands:

Umiat Meridian

Township 23 north, range 18 west, sections 13 fractional excluding interim conveyance numbered 045, 14 excluding northwest quarter; southwest quarter; west half southeast quarter, 23 excluding northwest quarter; west half northeast quarter; southwest quarter, southeast quarter, 24 excluding east half, southwest quarter and interim conveyance numbered 045, 28 excluding northeast quarter; southeast quarter, 29 fractional, 32 fractional, excluding United States Survey 4615, United States Survey 1432, and interim conveyance numbered 045, 33 excluding northeast quarter; east half east half northwest quarter; northeast quarter southeast quarter; northeast quarter northwest quarter southeast quarter and interim conveyance numbered 045.

(j) Rights-of-Way, Etc.—(1) In recognition that Arctic Slope Regional Corporation has a potential need for access in an easterly direction from its landholdings in the Kurupa Lake area and the watershed of the Killik River to the Trans-Alaska Pipeline corridor, the Secretary is authorized and directed, upon application by Arctic Slope Regional Corporation for a right-of-way in this region, to grant to such corporation, its successors and assigns, according to the provisions of section 28 of the Mineral Leasing Act of 1920, as amended, a right-of-way across the following public lands, or such other public lands as the Secretary and Arctic Slope Regional Corporation may mutually agree upon, for oil and gas pipelines, related transportation facilities and such other facilities as are necessary for the construction, operation and maintenance of such pipelines:

Umiat Meridian

Township 11 south, range 10 west;

Township 10 south, ranges 8 through 10 west;

Township 10 south, range 7 west, sections 19 through 36;

Township 11 south range 7 west, sections 1 through 18;

Township 11 south, range 6 west;

Township 11 south, range 5 west, sections 1 through 18;

Township 10 south, range 5 west, sections 19 through 36;

Township 10 south, ranges 1 through 4 west;

Township 10 south, ranges 1 through 10 east.

The final alinement and location of all facilities across public lands shall be in the discretion of the Secretary.

(2) The Secretary shall make available to Arctic Slope Regional Corporation, its successors and assigns, such sand and gravel as is reasonably necessary for the construction or maintenance of any pipeline or facility and use of rights-of-way appurtenant to the exercise of the rights granted under this subsection, such sand and gravel to be provided to Arctic Slope Regional Corporation, its successors and assigns, for fair market value by negotiated sale.

(k) NEPA.—The National Environmental Policy Act of 1969 (83 Stat. 852) shall not be construed, in whole or in part, as requiring the preparation or submission of any environmental document for any action taken by the Secretary pursuant to this section.

(l) Surface Uses, Etc.—(1) With respect to the following described lands, the subsurface estate of which is to be conveyed to Arctic Slope Regional Corporation pursuant to subsection (c) hereof:

Umiat Meridian

Township 12 south, range 9 east, sections 1 through 12, 15 through 21;

Township 12 south, range 10 east, sections 4 through 9;

Arctic Slope Regional Corporation shall have such use of the surface estate, including such right of access thereto, as is reasonably necessary to the exploration for and removal of oil and gas from said subsurface estate, subject to such rules and regulations by the Secretary that are applicable to the National Park System.

(2) The Secretary shall identify for Arctic Slope Regional Corporation, its successors and assigns, reasonably available sand and gravel which may be used without cost to the United States in the construction and maintenance of facilities and use of rights-of-way appurtenant to the exercise of the rights conveyed under this subsection; notwithstanding the provisions of section 601 et seq., title 30, United States Code, and sand and gravel shall be made available at no charge to Arctic Slope Regional Corporation.

(m) RELATION TO ENTITLEMENTS.—(1) The Secretary shall reduce the acreage charged against the entitlement of Arctic Slope Regional Corporation pursuant to section 12(c) of the Alaska Native Claims Settlement Act by the amount of acreage determined by the Secretary to be conveyed by Arctic Slope Regional Corporation to the United States pursuant to subsection (c)(4) of this section.

(2) The Secretary shall charge against the entitlement of Arctic Slope Regional Corporation pursuant to section 12(c) of the Alaska Native Claims Settlement Act the lands conveyed by the Secretary to Arctic Slope Regional Corporation pursuant to subsections (c)(1), (c)(2), (d), (f)(1), and (h) of this section.

(3) The Secretary shall reduce the acreage charged against the entitlement of Arctic Slope Regional Corporation pursuant to section 12(a)(1) of the Alaska Native Claims Settlement Act by the amount of acreage determined by the Secretary to be conveyed by Arctic Slope Regional Corporation to the United States pursuant to subsection (g)(4) of this section.

(4) Notwithstanding the exception by the United States of sand and gravel, the Secretary shall charge against the entitlement of Arctic Slope Regional Corporation pursuant to section 12(a)(1) of the Alaska Native Claims Settlement Act the lands conveyed by the Secretary to Arctic Slope Regional Corporation pursuant to subsection (c)(3) of this section.

(5) The Secretary shall reduce the acreage charged against the entitlement of Kaktovik Inupiat Corporation pursuant to section 12(a) of the Alaska Native Claims Settlement Act by the amount of acreage determined by the Secretary to be conveyed by Kaktovik Inupiat Corporation to the United States pursuant to subsection (g)(1) of this section.

(6) The Secretary shall charge against the entitlement of Kaktovik Inupiat Corporation pursuant to section 12(a) of the Alaska Native Claims Settlement Act the lands conveyed by the Secretary to Kaktovik Inupiat Corporation pursuant to subsection (g)(2) and (3) of this section.

(7) The Secretary shall charge against the entitlement of Ukpeagvik Inupiat Corporation pursuant to section 12(a) of the Alaska Native Claims Settlement Act the lands conveyed by the Secretary to Ukpeagvik Inupiat Corporation pursuant to subsection (i) of this section.

(8) In no event shall the conveyances issued by the Secretary to Arctic Slope Regional Corporation, Kaktovik Inupiat Corporation, and Ukpeagvik Inupiat Corporation pursuant to the Alaska Native Claims Settlement Act and this section exceed the total entitlements of such Corporations under the Alaska Native Claims Settlement Act, except as expressly provided for in subsection (g) of this section.

(n) RESERVED LANDS.—(1) Congress finds that it is in the public interest to reserve in public ownership the submerged lands in the bed of the Colville River and of the Nechelik Channel, Kupigruak Channel, Elaktoveach Channels, Kamayayak Channel, and Sakoonang Channel from the Colville River to the Arctic Ocean, and (2) notwithstanding any other provision of law, conveyance of the surface estate of lands selected by Kuukpik Corporation pursuant to section 12 (a) and (b) of the Alaska Native Claims Settlement Act and associated conveyance of the subsurface estate to Arctic Slope Regional Corporation pursuant to section 14(f) of such Act shall not include conveyance of the beds of the Colville River and of the channels named in this subsection, and the acreage represented by the beds of such river and of such named channels shall not be charged against the land entitlement of Kuukpik Corporation and Arctic Slope Regional Corporation pursuant to the provisions of the Alaska Native Claims Settlement Act.

(o) FUTURE OPTION TO EXCHANGE, ETC.—(1) Whenever, at any time within forty years after the date of enactment of this Act, public lands in the National Petroleum Reserve in Alaska or in the Arctic National Wildlife Range, within seventy-five miles of lands selected by a Village Corporation pursuant to the provisions of section 12(a)(1) of the Alaska Native Claims Settlement Act, are opened for purposes of commercial development (rather than exploration) of oil or gas, Arctic Slope Regional Corporation shall be entitled, at its option, within five years of the date of such opening, to consolidate lands by exchanging the in-lieu subsurface lands which it selected pursuant to the provisions of section 12(a)(1) of the Act for an equal acreage of the subsurface estate, identified by Arctic Slope Regional Corporation, beneath the lands selected by the Village Corporation. Prior to the exercise of such option, Arctic Slope Regional Corporation shall obtain the concurrence of the affected Village Corporation. The subsurface estate identified for receipt by Arctic Slope Regional Corporation pursuant to this subsection shall be contiguous and in reasonably compact tracts, except as separated by bodies of water or by lands which are unavailable for selection, and shall be in whole sections and, wherever feasible, in units of not less than one thousand two hundred and eighty acres.

(2) Arctic Slope Regional Corporation shall not be entitled to exchange, pursuant to provisions of paragraph (1) of this subsection, any in-lieu subsurface estate which the corporation has developed for purposes of commercial extraction of subsurface resources; unless the Secretary determines such an exchange to be in the national interest.

(3) The Secretary shall take such steps as may be necessary to effectuate an exchange sought by Arctic Slope Regional Corporation in accordance with the provisions of paragraph (1).

(4) With regard to subsurface estates acquired by Arctic Slope Regional Corporation pursuant to this subsection, the Secretary may promulgate such regulations as may be necessary to protect the environmental values of the Reserve or Range and consistent with the regulations governing the development of those lands within the Reserve or Range which have been opened for purposes of development, including, but not limited to, regulations issued pursuant to section 22(g) of the Alaska Native Claims Settlement Act.

(p) CONDITIONS.—All lands or interests in lands conveyed by the Secretary in subsections (d), (f)(1), (g)(2), (g)(3), (h), and (i) of this section to Arctic Slope Regional Corporation or a village corporation, as the case may be, shall be subject to valid existing rights, and in accordance with, and subject to, the provisions of the Alaska Native Claims Settlement Act, as amended, as though the lands were originally conveyed to such corporation under the provisions of such Act.

BERING STRAITS REGIONAL CORPORATION LANDS

SEC. 1416. (a) The following lands are hereby withdrawn for selection pursuant to the provisions of section 14(h)(8) of the Alaska Native Claims Settlement Act and this section:

Kateel River Meridian

Tract one—Township 6 north, range 36 west, sections 2, 3, 4, 9, 10, 11, 14, 15, 16;

Tract two—Township 1 north, range 40 west, sections 19, 20, 21, 28–33;

Tract three—Township 3 south, range 21 west, sections 23,26, 35;

Township 4 south, range 21 west, sections 1, 2, 3;

Tract four—Township 7 south, range 35 west, sections 11, 14, 23, 26, 34, 35, 36;

Township 8 south, range 35 west, sections 1, 2, 3;

Tract five—Township 8 south, range 33 west, sections 19, 20, 21, 27–34;

Tract six—Township 10 south, range 9 west, section 31;

Township 10 south, range 10 west, sections 35, 36;

Township 11 south, range 9 west, sections 6, 7;

Township 11 south, range 10 west, sections 1, 2, 11, 12;

Tract seven—Township 16 south, range 13 west, sections 5, 6, 7, 8;

Tract eight—Fairway Rock located within Teller Quadrangle 65 degrees 35 minutes north, 165 degrees 45 minutes west.

Tract nine—Punuk Islands located within Saint Lawrence Quadrangle 63 degrees 5 minutes north, 168 degrees 50 minutes west.

(b)(1) On or prior to one hundred and eighty days from the date of enactment of this Act, Bering Straits Native Corporation may select, pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, from the lands withdrawn pursuant to subsection (a) of this section.

(2) The lands selected by Bering Straits Native Corporation unless otherwise provided in a waiver of this paragraph (b)(2) by the Secretary shall consist of tracts which—

(A) are not less than the lesser of (1) the entire area within any single tract withdrawn pursuant to subsection (a), or (2) eight sections, or (3) five thousand one hundred and twenty acres; and

(B) have boundaries which follow section lines, except where such boundary is the border of a navigable body of water, with no segment of an exterior line less than two miles in length (except where shorter segments are necessary (1) to follow section lines where township lines are offset along standard parallels caused by the convergence of meridians, (2) to conform to section lines where a section is less than standard size or (3) to avoid crossing the boundary lines of conservation system units created by this Act, or of lands which are unavailable for selection).

(c) The Secretary shall convey the surface and subsurface estate of the acreage selected pursuant to subsection (b) of this section. Conveyance pursuant to this section shall be subject to valid existing rights and the provisions of the Alaska Native Claims Settlement Act.

(d) Nothing in this section shall be deemed to increase or decrease the acreage entitlement of Bering Straits Native Corporation under any section of the Alaska Native Claims Settlement Act.

(e) Any lands withdrawn under subsection (a) of this section and not selected by and conveyed to Bering Straits Native Corporation shall return to the public domain subject to any prior withdrawals made by the Secretary pursuant to subsection 17(d)(1) of the Alaska Native Claims Settlement Act and the provisions of section 806 (k) of this Act.

(f) Any selection pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act of any land withdrawn by subsection (a) of this section shall preempt any prior selection by Bering Straits Native Corporation under any other authority of the same lands. Failure to select any particular lands withdrawn by subsection (a) of this section under section 14(h)(8) of the Alaska Native Claims Settlement Act will not affect any prior valid selection under section 14(h)(1) of the Alaska Native Claims Settlement Act but such prior selection shall be adjudicated and conveyed, if valid, pursuant to the Alaska Native Claims Settlement Act and any applicable regulations.

BRISTOL BAY REGIONAL CORPORATION LANDS

Sec. 1417. (a) The following lands are hereby withdrawn for selection pursuant to the provisions of section 14(h)(8) of the Alaska Native Claims Settlement Act and this section:

Seward Meridian

Township 14 south, range 56 west, sections 6, 7, 18, 19 and 30.

(b) On or prior to one hundred and eighty days from the date of enactment of this Act, Bristol Bay Native Corporation may select, pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, the lands withdrawn pursuant to subsection (a).

(c) The Secretary shall convey to Bristol Bay Native Corporation the surface and subsurface estate of the acreage selected by it. Conveyances pursuant to this section shall be subject to valid existing rights and the provisions of the Alaska Native Claims Settlement Act.

(d) Nothing in this section shall be deemed to increase or decrease the acreage entitlement of Bristol Bay Native Corporation, under any section of the Alaska Native Claims Settlement Act.

(e) Any lands withdrawn under subsection (a) and not conveyed to Bristol Bay Native Corporation, shall return to the public domain subject to any prior withdrawals made by the Secretary pursuant to subsection 17(d)(1) of the Alaska Native Claims Settlement Act, subsection 204(e) of the Federal Land Policy and Management Act, and the provisions of section 806(k) of this Act.

BRISTOL BAY GROUP CORPORATION LANDS

SEC. 1418. (a) The roll prepared by the Secretary, which demonstrates that the individual Natives of Port Alsworth which is located in the Cook Inlet Region, are organized as Tanalian Incorporated and have enrolled at-large in the Bristol Bay Native Corporation, shall be determinative of the fact that said group corporation and its members shall be treated as if they were physically located within the Bristol Bay Region.

(b) Valid selections of the surface estate of available Federal public lands in the Port Alsworth area which were made by Tanalian Incorporated pursuant to Section 14(h)(2) of the Alaska Native Claims Settlement Act and regulations applicable thereto shall, if said group is finally determined to be an eligible Native group pursuant to Sections 3(d) and 14(h)(2) of the Alaska Native Claims Settlement Act, be conveyed to said group corporation in an amount to which it would otherwise have been entitled, under applicable regulations, had it been physically located within the boundaries of the Bristol Bay Region. Such conveyances shall not become final until Cook Inlet Region, Inc. and the Cook Inlet Region Villages have received interim conveyance or patent to their respective complete entitlements under Section 12 of P.L. 94–204 and those agreements reached with the United States and the State of Alaska thereunder.

(c) The Bristol Bay Native Corporation shall, within six months after the date of enactment of this Act, select an amount of subsurface estate from available Federal public lands within its boundaries and from lands previously withdrawn under Sections 11(a)(1) or 11(a)(3) of the Alaska Native Claims Settlement Act, equal to the amount of surface estate selected by Tanalian Incorporated. Such subsurface selections shall be in a single contiguous and reasonably compact tract. The subsurface estate selected pursuant to this section shall, if Tanalian Incorporated is finally determined to be an eligible Native group as aforesaid, be conveyed to Bristol Bay Native Corporation in an acreage amount equal to the surface estate entitlement of said Native group corporation, and in accordance with Section 14(a)(2) of the Alaska Native Claims Settlement Act and the regulations applicable thereto.

(d) Nothing contained in this section, or done pursuant to authorizations made by this section, shall alter or affect the acreage entitlements pursuant to Section 12(c) of the Alaska Native Claims Settlement Act nor the boundaries of Cook Inlet Region, Inc. or Bristol Bay Native Corporation, respectively.

CHUGACH REGIONAL CORPORATION LANDS

SEC. 1419. (a) Subject to valid existing rights, within one hundred and eighty days after the enactment of this Act, Chugach Natives, Incorporated, shall be entitled to select public lands not reserved for purposes other than National Forests from within the Chugach Region under section 14(h)(8) of the Alaska Native Claims Settlement Act from within the boundaries of the Chugach National Forest. Chugach Natives, Incorporated, shall make no selection of lands within the areas identified on the maps entitled "Western Prince William Sound Areas Not Available for Chugach 14(h)(8) Selection" and "Copper River Delta Area Not Available for Chugach 14(h)(8) Selection," both dated April 1979.

(b) Chugach Natives, Incorporated shall select no lands pursuant to this section which were selected on or before September 1, 1978 by the State of Alaska pursuant to section 6(a) of the Alaska Statehood Act. State applications for selection of such lands shall be adjudicated and approved or disapproved pursuant to section 6(a) of the Alaska Statehood Act: *Provided, however,* That any disapproval of such selection applications shall not vest any selection right in Chugach Natives, Incorporated.

(c) If Chugach Natives, Incorporated elects to select any lands from the entitlement made by section 14(h)(8) of the Alaska Native Claims Settlement Act from lands within the Chugach National Forest made available by this section, selection applications for the following lands within the Carbon Mountain regional deficiency area shall be adjudicated as though they were timely filed by Chugach Natives, Incorporated under section 12(c) of the Alaska Native Claims Settlement Act, notwithstanding any prior relinquishment of section 12(c) selections and subsequent selection of such lands by Chugach Natives, Incorporated under section 14(h)(8) of said act:

Township 16 south, range 9 east, sections 7 through 10, 16 through 31.

Township 19 south, range 9 east, sections 1 through 36.

Township 20 south, range 9 east, sections 1 through 36.

Township 20 south, range 10 east, sections 5 through 8, 17 through 20, 29 through 32.

(d) The Secretary shall receive and adjudicate selections pursuant to this section as though they were timely filed pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, and as though such lands were available for selection under such provision. The Secretary shall convey those lands selected pursuant to this authorization which otherwise comply with applicable statutes and regulations.

(e) If legislation is enacted or a proposal implemented pursuant to section 1420 of this Act, selections by the Chugach Natives, Incorporated, under this section shall also be subject to the provisions of such legislation or proposal.

CHUGACH REGION STUDY

SEC. 1420. (a) PARTICIPANTS; PURPOSES.—The Secretary of the Interior, the Secretary of Agriculture, and the Alaska Advisory Coordinating Council, in conjunction with Chugach Natives, Incorporated, and the State of Alaska, if the State chooses to participate, are directed to study the land ownership and use patterns in the Chugach region. The objectives of the study are: to identify lands which can be made available for conveyance to the Chugach Natives, Incorporated; for the purpose of consolidation of land ownership patterns in the Chugach region; to improve the boundaries of and identify new conservation system units; to obtain a fair and just land settlement for the Chugach people; and realization of the intent, purpose, and promise of the Alaska Native Claims Settlement Act by the Chugach Natives, Incorporated. The study participants are directed to identify in-region and out-of-region lands, including lands within the Chugach National Forest and State lands but excluding lands in private ownership, which can be made available to Chugach Natives, Incorporated, in satisfaction of its regional land entitlement pursuant to section 12(c) of the Alaska Native Claims Settlement Act, to consider monetary payment in lieu of land and to consider all other options which the participants in the study consider to be appropriate to achieve the objectives set forth above.

(b) LANDS.—Lands identified to meet the study objectives outlined in subsection (a) shall be, to the maximum extent possible, lands of like kind and character to those traditionally used and occupied by the Chugach people and shall be, to the maximum extent possible, coastal accessible, and economically viable. The inclusion of lands within the areas designated as conservation system units or for wilderness study by this Act within the Chugach region shall not preclude the identification of those lands to meet the study objectives outlined in subsection (a).

(c) PROCEDURE.—In conducting the study, the study participants shall seek review and comment from the public, including the residents of the Chugach region, and shall meet with members of the public upon the request of such persons. The Secretary shall hold at least three public hearings, at least one of which shall be in Anchorage and at least two of which shall be in the Chugach region.

(d) REPORT.—The study shall be completed and the President shall report to the Congress within one year of the date of enactment of this Act. He shall also transmit with the report any legislation necessary to implement the study recommendations.

(e) DEADLINE.—Any selection deadlines for Chugach Natives, Incorporated, under section 12(c) of the Alaska Native Claims Settlement Act or section 14(h)(8) of such Act pursuant to section 933 of this Act are hereby extended and selection rights shall not be exercised until six months following submission of the President's report to Congress, except that if all study participants agree to a proposal implementing the study objectives outlined in subsection (a) such selection rights may be exercised immediately thereafter.

(f) STATE LANDS.—The State of Alaska shall make no further land selections in the Chugach region until the Congress takes final action on any legislation transmitted by the President pursuant to this section or until implementation of a proposal agreed to by the participants in the study, which ever comes first: *Provided, however,* That nothing in this section shall impede or be interpreted so as to restrict the adjudication and conveyance of State selections filed before September 1, 1978: *Provided further,* That nothing contained in this section shall prevent the development of aquaculture sites identified by the Prince William Sound Management Council before July 1, 1978.

(g) INTERIM MANAGEMENT.—Until Congress takes final action on any legislation transmitted by the President pursuant to this section or until a proposal agreed to by the participants in the study is implemented, which ever comes first, the Secretary of the Interior and the Secretary of Agriculture shall manage lands under their control in the Chugach region in close consultation with Chugach Natives, Incorporated, and, to the maximum extent possible, in such a manner so as not to adversely affect or preclude any option which the participants in the study may consider.

(h) RELINQUISHED AREAS.—Any lands within the Wrangell-Saint Elias National Park previously selected by Chugach Natives, Incorporated, but relinquished pursuant to a proposal resulting from this section shall become a part of the park and administered accordingly.

CHUGACH VILLAGE CORPORATION LANDS

SEC. 1421. (a) Notwithstanding the restrictions applicable to the village corporation selections under section 12(b) of the Alaska Native Claims Settlement Act imposed by section 12(a) of the Settlement Act, including but not limited to the sixty-nine thousand one hundred and twenty-acre conveyance limitation placed on land selected by village corporations within the National Forest, National Wildlife Refuge System, or State selected lands, the Secretary shall convey under section 14(a) of the Alaska Native Claims Settlement Act from lands previously selected from lands withdrawn pursuant to section 11 of such Act in the Chugach National Forest by the village corporations created by the enrolled residents of the villages of Chenega, Eyak and Tatitlek, those additional entitlement acreages which are reallocated to these corporations under section 12(b) of such Settlement Act by the Regional Corporation for the Chugach region.

(b) Within ninety days after the enactment of this act, the three village corporations referred to in subsection (a) of this section shall file with the Secretary a list of those lands selected by each of them under section 12(b) from lands withdrawn pursuant to section 11 of the Settlement Act from within the Chugach National Forest, in the order of priority in which they wish to receive conveyance to such lands: *Provided, however,* That the village of Chenega shall not receive conveyance to lands selected pursuant to section 12(b) of the Settlement Act on the mainland in the area of Icy Bay and Whale Bay, as depicted on the map entitled "Areas not available for Chenega 12(b) conveyance," dated April 1979: *Provided further,* That the village of Eyak shall not receive conveyance to lands selected pursuant to section 12(b) of the Settlement Act in the area east of Mountain Slough and more than a thousand feet south of the Copper River Highway, as depicted on the map entitled "Areas not available for Eyak 12(b) conveyance", dated April 1979.

(c) The Board of Directors of Chugach Natives, Incorporated, shall, within ninety days after the enactment of this Act, file with the Secretary a resolution indicating the number of acres allocated to each of these village corporations under the regional corporation's existing sixty-four thousand four hundred-acre 12(b) allocation, and the basis on which future 12(b) allocations made by the Secretary, if any, are to be reallocated among the village corporations in the Chugach region.

(d) The Secretary shall process the lands for conveyance in the priority listed, and subject to the requirements of the settlement act for selection, tract size, compactness, and contiguity, convey to the corporations such acreage to which they are entitled: *Provided, however,* That applications for selection filed by the State of Alaska under section 6(a) of the Alaska Statehood Act shall take precedence over such Chugach village corporation 12(b) selections within the Chugach National Forest, except in the area of Windy and Cedar Bays on Hawkins Island, where applications for State selections in township 15 south, ranges 4 and 5 west of the Cooper River Meridian, shall be subordinated to 12(b) selections filed by the Eyak Corporation; and except further in the area of Boswell Bay on Hinchenbrook Island, where State applications for selection in township 17 south, range 5 west of the Copper River meridian, except for those in sections 10 and 15 of said township, shall be subordinated to sections 12(b) selections filed by the Eyak Corporation. State applications for selection of any of the above-described lands which are not subordinated to Chugach village selections shall be adjudicated and approved or disapproved pursuant to section 6(a) of the Alaska Statehood Act; *Provided, however,* that any disapproval of such State selections shall not vest any selection right in any Chugach village corporation.

(e) Should any Chugach village corporation fail to timely file the information required by subsections (b) and (c) of this section, or if the priority listing submitted under subsection (b) does not meet the tract size, compactness or contiguity requirements of the Alaska Native Claims Settlement Act or regulations applicable thereto, the Secretary may provide the affected corporation thirty days from the date of notice within which to file information necessary to meet the requirements of such act and regulations, and this Act.

(f) If any Chugach Village Corporation voluntarily relinquishes any selection of lands within the boundaries of a conservation system unit, such lands shall be added to such unit and administered accordingly.

COOK INLET VILLAGE SETTLEMENT

SEC. 1422. Upon agreement with the Salamatoff Native Association and Cook Inlet Region, Incorporated, which agreement shall conform substantially to the draft agreement, dated 1979 and filed with the Committee on Interior and Insular Affairs of the House of Representatives and such amendments thereto relating to Alexander Creek, Inc. which may assented to by the Secretary and the State of Alaska, the Secretary is directed (1) to modify the boundaries of the Kenai National Moose Range in order to make such conveyances as are required by said agreement; and (2) to convey such lands to the village and regional corporations free from the restrictions imposed by section 22(1) of the Alaska Native Claims Settlement Act.

EKLUTNA VILLAGE CORPORATION LANDS

SEC. 1423. EKLUTNA-STATE AGREEMENTS AND NEGOTIATIONS.—(a) The purpose of this section is to provide for the settlement of certain claims and litigation, and in so doing to consolidate ownership among the United States, the State of Alaska, the Municipality of Anchorage, Eklutna, Incorporated, and Cook Inlet Region, Incorporated, thereby facilitating land management, a fair implementation of the Alaska Native Settlement Act, the protection of State public park lands and resources, and appropriate development patterns in and about Anchorage, Alaska.

(b) The Secretary shall make conveyances and accept relinquishments of selections in accordance with the specific terms, conditions, covenants, reservations, and other restrictions set forth in any agreement respecting the lands described in subparagraph (1) below, executed by the State of Alaska, by the Municipality of Anchorage, and by Eklutna Incorporated, and hereafter submitted to the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs and filed with the Secretary, the execution and implementation of which agreement are hereby authorized as to those duties and obligations of the United States, the State of Alaska, the Municipality of Anchorage and Eklutna, Incorporated, which arise under Federal law: *Provided, however,* That any conveyance under such agreement of lands to Eklutna, Incorporated, shall be only of the surface estate, with a subsequent conveyance to Cook Inlet Region, Incorporated, of the subsurface estate except as otherwise provided in subsection (h). In aid thereof:

(1) The following lands located within the townships described in sections 11(a) (1) and (2) of the Alaska Native Claims Settlement Act with respect to the Native Village of Eklutna are withdrawn, subject to valid existing rights, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and including Public Law 94-204, except section 12 thereof, and from selection under the Alaska Statehood Act, or any statutes authorizing selections by the State of Alaska, all as heretofore amended:

(A) lands withdrawn or reserved for national defense purposes; and

(B) lands determined by the Secretary under section 3(e)(1) of the Alaska Native Claims Settlement Act not to be public lands for purposes of the Alaska Native Claims Settlement Act.

This withdrawal and the agreement shall not affect the administrative jurisdiction of the Department of Defense or any other holding agency over the lands withdrawn, but all forms of disposition other than in accordance with this section and the agreement are prohibited: *Provided,* That the foregoing to the contrary notwithstanding, prior to July 15, 1979, lands may be placed in the pool contemplated by part I.C.(2) of the document entitled "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area as clarified 8-31-76", but only to the extent authorized on the effective date of this Act by that document under section 12 of Public Law 94-204 as amended heretofore and in accordance with the procedures and with the consents and approvals required by laws, regulations and Executive orders in effect immediately prior to the effective date of this Act; if the lands placed in that pool are not thereafter selected in accordance with part I.C.(2) of that document any agreement pursuant to this section shall govern: *Provided further,* That neither the revocation of certain withdrawals of lands made by subsection (b) effective upon the filing of the agreement, nor the expiration of the withdrawal made by subsection (b) in the event no agreement is reached, shall be deemed an action causing those lands affected thereby to be subject to disposition under such section 12 of Public Law 94–204. The withdrawal made by this subsection (b) will expire March 15, 1981, if an executed agreement described in this section is not filed by the parties thereto on or before that date with the Secretary in the Alaska State Office of the Bureau of Land Management; but if an agreement is so executed, rights under the agreement vest as of the effective date of this Act, and this withdrawal shall become permanent, except as otherwise provided in the agreement. The agreement shall not impose upon the United States obligations or outlays of funds, except as reasonable in the ordinary course of business, or impose any procedural requirements or require the reassignment of personnel; and any of its provisions to the extent to the contrary shall be void as against the Secretary.

(2) Upon termination or revocation of any national defense withdrawal or reservation or of any other withdrawal in effect December 19, 1971, respecting lands described in subsection (b)(1), or upon declaration of their excess status in whole or in part, whichever first occurs, but not before, and from time to time, the lands excessed or as to which the withdrawal is terminated or revoked shall be conveyed to Eklutna, Incorporated as to the surface estate and Cook Inlet Region, Incorporated as to the subsurface estate, or to the State of Alaska (for reconveyance by the State of Alaska in whole or in part to the Municipality of Anchorage), as may be provided in the agreement described in this subsection; *Provided, however,* That such conveyance shall not be made of lands in the pool established under part I.C.(2) of the document entitled "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area as clarified 8–31–76" under section 12 of Public Law 94–204 as amendment heretofore, unless and until removed from that pool in accordance with such part I.C.(2). This section and the agreement shall preempt the procedures of the Federal Property Act (40 U.S.C. 471, et seq. and of 41 C.F.R. 101–47.000 et seq.), (other than as to fixtures and personalty) and the preference right for State selection of section 6(g) of the Alaska Statehood Act. The conveyances to Eklutna, Incorporated, of lands withdrawn by this subsection called for by the agreement shall not be subject to section 1613(c) of title 43, United States Code. This section shall revoke PLO 5187 as it pertains to any lands withdrawn by this subsection and any power project withdrawals other than Power Project 350 as to such lands, effective upon the date of filing of the agreement. Lands conveyed to the State of Alaska, the surface estate of lands conveyed to Eklutna, Incorporated, and the subsurface estate conveyed to Cook Inlet Region, Incorporated, pursuant to this section and agreement, shall be charged against their respective entitlements under sections 12 and 14 of the Alaska Native Claims Settlement Act and shall be considered conveyed and received pursuant to such Act and section 6 of the Alaska Statehood Act or section 806(c) of this Act, respectively.

(c) If an agreement to the following effect executed by the State of Alaska and Eklutna, Incorporated, is hereafter filed with the Secretary in the Alaska State Office of the Bureau of Land Management on or before April 2, 1981, the public lands as defined in the Settlement Act, located within township 17 north, range 3 east, Seward Meridian, Alaska, shall be deemed to have been withdrawn pursuant to section 11(a) of the Alaska Native Claims Settlement Act as of December 18, 1971, and, selection heretofore made by Eklutna, Incorporated, with respect to lands therein shall be processed by the Secretary as though said selections had been made within a township heretofore validly withdrawn pursuant to section 11(a) of such Act. If no such agreement is filed, this subsection shall not be held to affect the validity or invalidity of such selections. Whether or not any agreement is filed, this subsection shall not be held to affect the validity or invalidity of any third party interest heretofore created by the State of Alaska.

(d) Notwithstanding other provisions of this Act, the State and Eklutna, Incorporated, are each authorized to relinquish, in whole or in part, pursuant to either or both of the agreements contemplated by subsections (b) and (c) of this section; any one or more land selections affecting lands to be conveyed under the agreement to the other whether or not such selections have been previously approved or tentatively approved. The lands affected by the State selections so relinquished shall be deemed public lands as of December 18, 1971, as that term is defined in the Alaska Native Claims Settlement Act.

(e) Eklutna, Incorporated, and the Secretary shall stipulate to dismiss cause number A–78–24 Civil in the United States District Court for the District of Alaska, when the Secretary tenders to Eklutna, Incorporated, a conveyance of all lands in township 17 north, range 3 east, Seward Meridian, which are to be conveyed to Eklutna, Incorporated, under the agreement referred to in subsection (c).

(f) Eklutna, Incorporated, and the Secretary shall stipulate to dismiss cause number A–78–192 Civil in the United States District Court for the District of Alaska except as to the lands affected thereby which under the agreement referred to in subsection (b) are to remain in litigation in that cause, if any, when the Secretary tenders to Eklutna, Incorporated, a conveyance of all those lands which under the agreement the State agrees are to be conveyed to Eklutna, Incorporated, from among those selected at one time by the State under the authority of the Mental Health Enabling Act of 1956 (70 Stat. 709).

(g) The Secretary shall convey to Eklutna, Incorporated, as required by section 14 of the Alaska Native Claims Settlement Act, an acreage amount of its selections including also selections which after its relinquishments pursuant to the agreement appear necessary under this Act, equal to its entitlement under sections 14 and 12(b) of the Settlement Act, without regard to the acreage or interests which may ultimately be conveyed to Eklutna, Incorporated, under the agreement from within lands withdrawn by subsection (b). The agreement shall, however, require Eklutna, Incorporated, to subject to the land bank provisions of section 807 of this Act one or more compact tracts of lands of at least equal acreage to that ultimately to be conveyed to Eklutna, Incorporated, under the agreement from those withdrawn by subsection (b) of this section. The agreement shall require Eklutna, Incorporated, to reconvey to the State lands from those subject to the land bank provisions, in an amount provided by the agreement, upon the occasion of each receipt of lands by Eklutna, Incorporated, from among those withdrawn by subsection (b) of this section. Lands received by the State in such a reconveyance from Eklutna, Incorporated, shall be charged, to the extent of the acreage received by Eklutna, Incorporated, in the relevant conveyance to it, against the State's entitlement under section 6 of the Alaska Statehood Act. If thereby the State receives more than its entitlements under the Act elected, it shall reconvey to the United States a compact tract of unencumbered State lands of equal acreage contiguous to lands belonging to the United States. Eklutna, Incorporated, shall also be subject to the Land Bank provisions of section 807 of this Act, once an agreement under subsection (c) exists and thereafter from time to time, one or more compact tracts which equals the acreage amount by which Eklutna, Incorporated's entitlement would be over satisfied considering the acreage already conveyed to Eklutna, Incorporated; to the extent such a risk of over entitlement abates the lands may be withdrawn from the Land Bank in the manner provided in section 807 of this Act.

(h) In the event that Eklutna, Incorporated, receives a conveyance from the United States of the surface estate in lands withdrawn by subsection (b) of this section pursuant to the agreement authorized in that subsection, and if a reconveyance is thereby occasioned from Eklutna, Incorporated, to the State of the surface estate in land subject to the land bank provisions of this Act, a conveyance of the subsurface estate in the lands conveyed to Eklutna, Incorporated, shall be withheld until the Secretary ascertains to whom the subsurface estate is to be conveyed under this subsection. The entity owning the subsurface estate in those reconveyed lands shall retain that interest, unless it is in the agreement or separately consents to convey the same to the State. In the event such entity so consents to convey the subsurface to the State, the Secretary shall convey the subsurface estate in the lands conveyed to Eklutna, Incorporated, to that entity; if such entity does not so consent, the subsurface estate in the lands conveyed to Eklutna, Incorporated, shall be conveyed to the State.

EKLUTNA-STATE-ANCHORAGE AGREEMENT

SEC. 1424. (a) PURPOSE.—The purpose of this section is to provide for the settlement of certain claims and litigation, and in so doing to implement section 14 of the Alaska Native Claims Settlement Act under the unique circumstances of the Native Village of Eklutna, with respect to the municipality of Anchorage.

(b) REFERENCE DOCUMENT.—The terms, conditions, procedures, covenants, reservations, and other restrictions set forth in the document entitled "Agreement of Compromise and Settlement" submitted to the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs, executed by Eklutna, Incorporated, and the municipality of Anchorage, acting by its mayor, and to be executed by the State of Alaska, acting by the commissioner of the department of community and regional affairs, are hereby ratified as to the rights, duties, and obligations of the State of Alaska, the municipality of Anchorage, and Eklutna, Incorporated, which arise among them under section 14(c)(2) and (3) of the Alaska Native Claims Settlement Act, and Eklutna, Incorporated, is discharged accordingly from the requirements of section 14(c)(3) of such Act as to all lands heretofore selected by it.

(c) CONDITION.—If, for any reason, the foregoing agreement is not ratified by the Anchorage Assembly, and executed by the State of Alaska on or before January 2, 1980, this section shall be of no force and effect.

DOYON REGIONAL CORPORATION LANDS

SEC. 1425. LAND EXCHANGE.—(a)(1) The Secretary is authorized, on the terms and conditions provided in this section and in section 1427, to accept from Doyon, Limited, a Regional Corporation organized pursuant to the Alaska Native Claims Settlement Act, a relinquishment of all selections filed by that corporation under sections 12(c) and 14(h)(8) of such Act which—

(A) lie within the watershed of the Charley River, were withdrawn for selection by Doyon pursuant to section 11(a)(3) of such Act and lie with the following townships:

Fairbanks Meridian

Township 2 north, range 23, 24, 25, and 26 east, Township 3 north, range 23, 24, 25, and 26 east,

Township 4 north, range 24, 25, and 26 east,

Township 2 south, range 20 east;

(B) lie in the following townships outside, but adjacent to, the Charley River watershed:

Fairbanks Meridian

Township 2 north, range 23 east,

Township 2 north, range 24 east, sections 19 through 21, 28 through 33, inclusive;

(C) lie within the following townships inside the Kanuti National Wildlife Refuge:

Fairbanks Meridian

Township 15 north, range 20 west sections 4 through 9, 16 through 18, inclusive,

Township 17 north, range 23 west; and

(D) lie within the following townships along the Yukon River:

Kateel River Meridian

Township 19 south, range 3 west. That portion lying west of the mean high water line of the Yukon River.

Township 20 south, range 3 west. All except the Yukon River and Bullfrog Island.

Township 21 south, range 3 west. That portion of sections 7, 8, and 9 lying south of Honeymoon Slough, and sections 16, 17, and 18.

Township 21 south, range 3 west. Sections 12 and 13 above the mean high water line of the Yukon River, and sections 2, 3, 10, 11, 14, 15, 19 through 23, and 27 through 34 all lying west of the mean high water line of the Yukon River.

(2) Doyon, Limited, shall have ninety days after the date of enactment of this Act to effect the relinquishment of all the land selections described in subsection (a) hereof, and shall not be entitled to any of the benefits of subsections (b), (c), and (d) hereof or of section 1427 of this Act if the relinquishment of all such selections does not occur during that period.

(3) Following the relinquishment by Doyon, Limited, of all the land selections described in subsection (a) hereof, the Secretary shall determine the acreage so relinquished by such measuring techniques, including aerial photography but not ground surveys, upon which he and Doyon may agree.

(b)(1) In exchange for the lands relinquished pursuant to subsection (a) hereof, the Secretary shall convey to Doyon, Limited, pursuant to the provisions of the Alaska Native Claims Settlement Act, subject to valid existing rights and on the terms and conditions hereinafter set forth, such lands as Doyon may select, within one year after the Secretary's acreage determination pursuant to subsection (a)(3) hereof, on an acre-for-acre basis up to the total acreage so relinquished, from the following described lands:

Fairbanks Meridian

Township 35 north, range 7 west, sections 19 through 36.

Township 34 north, range 7 west, sections 1 through 21, and 28 through 33.

Township 29 north, range 13 west, sections 1 through 3, and 9 through 15.

Township 20 north, range 10 west, within the study area delineated in section 1427.

Township 20 north, range 11 west, within the study area delineated in section 1427.

Township 20 north, range 12 west, within the study area delineated in section 1427 and all remaining lands in the township which are outside of the Hodzana River watershed.

Township 21 north, range 10 west, within the study area delineated in section 1427.

Township 21 north, range 11 west, within the study area delineated in section 1427 and all the remaining lands which lie in the southern two-thirds of that township which is outside of the Hodzana River watershed.

Township 21 north, range 12 west, within the study area delineated in section 1427 and all remaining lands in the township which are outside of the Hodzana River watershed.

Township 1 north, range 45 east, sections 13, 14, 15, 21 through 28, and 33 through 36: *Provided*, That Doyon may not receive a land conveyance within any of the following watersheds:

(1) Arctic Creek, a tributary of Flume Creek;

(2) Diamond Fork of the Seventy-mile River;

(3) Copper Creek, a tributary of the Charley River.

Township 1 south, range 25 east, sections 1, 2, 3, 10 through 14, 23, 24, and 25: *Provided*, That Doyon may not receive a land conveyance within the watershed of Copper Creek, a tributary of the Charley River.

Townships 3 south, range 30 east, sections 20 through 29 and 32 through 36.

Township 4 south, range 28 east, sections 10 through 15, 22 through 28, 33 and 36: *Provided*, That Doyon may not receive a land conveyance any closer than one mile to the mean high water line of the North Fork of the Fortymile River, nor any closer than one-half mile to Champion Creek.

Township 4 south, range 29 east, sections 18 through 22, and 25 through 36: *Provided*, That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion pion Creek.

Township 4 south, range 30 east, sections 1, 2, 11, 12, 13, 24, 25, and 28 through 36: *Provided*, That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek .

Township 4 south, range 31 east, sections 6, 7, 8, 17 through 20, and 29 through 32: *Provided*, That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek.

Township 5 south, range 30 east, sections 1 through 6, 11, and 12: *Provided*, That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek.

Township 5 south, range 31 east, sections 4 through 9: *Provided*, That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek.

Township 5 south, range 25 east, sections 12, 13, and 24: *Provided*, That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of the Middle Fork of the Fortymile River.

Township 5 south, range 26 east, sections 7, 8, and 17 through 20: *Provided*, That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of the Middle Fork of the Fortymile River.

Township 6 south, range 18 east, sections 4 through 9 and 16 through 18.

Township 7 south, range 17 east, sections 12, 13, 24, 25, 26, and 36.

Township 7 south, range 18 east, sections 7, 8, 17 through 20, and 29 through 32.

Township 8 south, range 18 east, sections 1 through 4, 9 through 16, 21 through 28, and 33 through 36.

Township 6 south, range 28 east, sections 31 through 33: *Provided*, That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Hutchison Creek.

Township 7 south, range 28 east, sections 4 through 9, 14 through 23, and 26 through 35.

Township 8 south, range 28 east, sections 2 through 11, and 14 through 18.

Township 7 south, range 21 east, sections 11 through 14, 23 through 26, 35, and 36.

Township 7 south, range 22 east, sections 2 through 11.

Copper River Meridian

Township 27 north, range 6 east, sections 1, 2, 11, and 12.

Township 27 north, range 7 east, sections 1 through 12.

Township 28 north, range 7 east, sections 21 through 36.

Township 28 north, range 6 east, sections 35 and 36.

(2) Unless a waiver of any such requirement is obtained from the Secretary, the lands selected by Doyon pursuant to subsection (b)(1) shall consist of tract which: (a) contain not less than eight sections or five thousand one hundred and twenty acres, whichever is smaller, except for the last tract required to complete Doyon's land entitlement; and (b) have boundaries which follow section lines, except where such boundary is the border of a navigable body of water, with no segment of an exterior line less than two miles in length (except where shorter segments are necessary to follow section lines where township lines are offset along standard parallels caused by the convergence of meridians, to conform to section lines where a section is less than standard size, or to avoid crossing the boundary lines of conservation system units or of lands which are unavailable for selection). Selections under subsection (b)(1), subsection (c), and section 922 shall not be subject to or charged against the maximum acreage limitations set forth in paragraph 3B(2)(a) and (b) of the Stipulation and Agreement entered into by Doyon and the Secretary in Doyon, Limited against Morton, civil action numbered 1586–73, in the United States District Court for the District of Columbia.

(3) The lands selected by Doyon, Limited, and conveyed by the Secretary pursuant to subsection (a) hereof shall be treated as if such lands had been withdrawn pursuant to section 11(a)(3) of the Alaska Native Claims Settlement Act and had been selected by Doyon pursuant to section 12(c) of that Act.

(4) Beginning on the date of enactment of this Act, the lands described in subsection (b)(1) hereof shall be withdrawn from all forms of appropriation under the public land laws as if such lands had been withdrawn pursuant to section 11(a) of the Alaska Native Claims Settlement Act. The Secretary is authorized to terminate such withdrawal with respect to lands not selected by Doyon, Limited, either one year after the Secretary's acreage determination pursuant to subsection (a)(3) hereof or, with respect to the lands subject to such release, upon the giving of notice by Doyon to the Secretary that the corporation is releasing its selection rights under this paragraph to all or part of the withdrawn lands, whichever first occurs. Such withdrawal shall not prevent reasonable surface studies or mineral exploration, including core drilling, by Doyon or its assigns on the lands withdrawn, subject to such rules and regulations as the Secretary may prescribe: *Provided*, That the issuance of regulations under this subparagraph, or any permits thereunder, shall not be subject to any requirement for preparation of submission of an evironmental impact statement contained in the National Environmental Policy Act of 1969.

(C)(1) During the withdrawal period specified in subsection (b)(4) hereof, the lands so withdrawn shall also be available for selection by Doyon, Limited, subject to the requirements of subsection (b)(2), in whole or partial satisfaction of its land entitlement under section 14(h)(8) of the Alaska Native

Claims Settlement Act, and the period of withdrawal shall be extended with respect to any lands so selected until the date of conveyance pursuant to section 14(e) of such Act. The Secretary shall issue a decision to convey title to the lands selected by Doyon pursuant to this subparagraph, subject to valid existing rights, within one hundred and eighty days after each selection.

(2) At any time after enactment of this Act, but no later than six months after termination of the withdrawal provided in subsection (b)(4) hereof, any or all of the land entitlement of Doyon, Limited, under section 14(h)(8) of the Alaska Native Claims Settlement Act may be satisfied by Doyon's identification of the appropriate acreage within lands withdrawn pursuant to section 11(a)(3) of the Alaska Native Claims Settlement Act, which were selected by Doyon on or before December 18, 1975, under section 12(c) of such Act, and have not been relinguished. Upon identification by Doyon, Limited, under this paragraph, such acreage shall no longer be deemed a section 12(c) selection, shall be charged against Doyon's section 14(h)(8) land entitlement and shall be conveyed by the Secretary to Doyon in accordance with the provisions of the Alaska Native Claims Settlement Act.

(3) In the event Doyon, Limited, effects a relinguishment under subsection (a) hereof, and the provisions of this paragraph thus become operative, the corporation shall not thereafter make selections under section 14(h)(8) of the Alaska Native Claims Settlement Act on lands which were (a) withdrawn pursuant to section 11(a), but not selected under section 12(c) of such Act and (b) lie within a conservation system unit created or expanded pursuant to this Act: *Provided*, That all Doyon's other selection rights under section 14(h)(8) of the Alaska Native Claims Settlement Act shall not be affected.

HODZANA RIVER AND CIRCLE AREAS

SEC. 1426. (a)(1) Subject to the provisions of subsection 1425(b) and (c) of this Act, the following described lands, during the period of withdrawal specified in subsection 1425(b)(4), shall be set aside and managed as a study area by the United States Fish and Wildlife Service in cooperation with Doyon, Limited:

Beginning at elevation point 2970 which lies within the northeast one quarter of section 10, township 21 north, range 9 west Fairbanks meridian;

thence westerly following the crest of the ridgeline of which elevation point 2970 is a part through sections 10, 9, 8, 7, and 6 of township 21 north, range 9 west Fairbanks meridian to the true point of beginning which is the intersection of the crest of the ridgeline of which elevation point 2970 is a part with the township line which separates section 6, township 21 north, range 9 west Fairbanks meridian and section 1, township 21 north, range 10 west Fairbanks meridian;

thence from the true point of beginning; westerly following the crest of the ridgeline of which elevation point 2970 is a part through sections 1, 2, 3, 4, 9, 8, 5, 7, and 6 of township 21 north, range 10 west Fairbanks meridian, and through sections 1, 2, and 3 of township 21 north, range 11 west Fairbanks meridian to the intersection of the crest of the aforementioned ridgeline with the crest of the ridgeline which is the watershed boundary between the Hodzana River and west flowing tributaries of the South Fork of the Koyukuk River;

thence southerly and westerly along the crest of this watershed boundary through sections 3, 10, 15, 16, 17, 20, 21, 29, 32, and 31 of township 21 north, range 11 west Fairbanks meridian, section 36 of township 21 north, range 12 west Fairbanks meridian, section 1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 36, 34, and 35 of township 20 north, range 12 west Fairbanks meridian, and to the northeast one quarter of section 3, township 19 north, range 12 west Fairbanks meridian where the crest of the watershed of the Hodzana River turns in an easterly direction and becomes, first the divide between the watersheds of the Hodzana and Kanulti Rivers and then the divide between the Hodzana and Dall Rivers;

thence easterly along the crest of this watershed to the peak of Dall Mountain which lies within the southeast one quarter of section 1, township 19 north, range 11 west Fairbanks meridian;

thence northeasterly along the crest of Dall Mountain to the intersection of the crest of Dall Mountain with the line between township 20 north, range 9 west Fairbanks meridian and township 20 north, range 10 west Fairbanks meridian which intersection lies approximately on elevation point 3491, the highest point of Dall Mountain on the eastern line of section 36 township 20 north, range 10 west Fairbanks meridian;

thence north along the township line between townships 20 and 21 north, ranges 9 and 10 west Fairbanks meridian to the true point of beginning at the intersection of the crest of the heretofore described west trending ridgeline and this township line, which point lies between section 6 township 21 north, range 9 west Fairbanks meridian and section 1 township 21 north, range 10 west Fairbanks meridian.

This description is based upon United States Geological Survey Quadrangle Beaver, Alaska, 1956 with minor revisions 1972, on which land lines represent unsurveyed and unmarked locations predetermined by the Bureau of Land Management folios F–2, F–3, F–6, and F–7 Fairbanks meridian, and United States Geological Survey Quadrangle Bettles, Alaska 1956 with minor revisions 1973, on which land lines represent unsurveyed and unmarked locations predetermined by the Bureau of Land Management folios F–3, F–4, F–5, and F–6. The use of these quadrangles and the protracted land lines thereon is for purposes of convenience in describing the lands within the Hodzana River Study Area. The actual area is to be within the above described basin, and should any discrepancy appear upon the ground determination of the location of the watershed boundary, the watershed boundary shall control, not the land lines protracted upon the aforementioned United States Geological Survey Quadrangles.

(2) During the study period herein provided, Doyon, Limited, may, under such reasonable rules and regulations as the Secretary finds necessary to protect the water quality and quantity of the Hodzana River, conduct such investigations within the study area, including core drilling, which will not materially disturb the land surface, as are required to determine the extent of mineralization therein. During the study period, the Fish and Wildlife Service is authorized to undertake such studies of the Hodzana River and its environs as are required to determine the measures to undertake and the regulations necessary to protect and maintain the water quality and quantity of the Hodzana River should lands in its watershed be selected by Doyon, Limited, and the minerals therein be developed. Upon agreement with Doyon, limited, the Secretary is authorized to extend the study period up to an additional two years; if so, the duration of the withdrawal from appropriation for the lands described in subsection (1) hereof and the time during which Doyon, Limited, may select such lands or identify such lands for conveyance shall be extended for a like period.

(3) The right of Doyon, Limited, to land conveyances within the study area shall be limited to twenty-three thousand forty acres. Any selections or land identifications by the corporation within the study area also shall be subject to the provisions of subsection 1426(b)(2) of this Act, unless the results of the study indicate, and Doyon and the Secretary agree, that some or all of such requirements should be waived. Any lands within the study area which adjoin tne Yukon Flats National Wildlife Refuge and which are not selected by Doyon, Limited, shall be added to that conservation system unit and administered accordingly.

(4) In the event Doyon receives conveyance in the study area, the corporation shall have those rights of access to the lands involved as are reasonably necessary for the economic operation of such mineral developments. Upon final termination of mining activity, Doyon shall restore any access roads and shall conduct such reasonable reclamation of the mining area as may be agreed upon by Doyon and the Secretary.

(5) The National Environmental Policy Act of 1969 shall not be construed, in whole or in part, as requiring the preparation or submission of an environmental impact statement before the issuance of regulations under this paragraph, or any permit relating to mineral development, the conduct of any investigation in the study area, the conveyance of subsurface interests therein to Doyon or the grant of any easement or right-of-way to the lands involved. The Secretary, however, is authorized to promulgate such regulations as may reasonably be necessary to protect the water quality and quantity, and to prevent substantial adverse environmental degradation, of the Hodzana River. Any such regulations shall be coordinated with, and shall not be more stringent than, the applicable requirements under the Federal Water Pollution Control Act.

(b) In furtherance of the State's entitlement to lands under section 6(b) of the Alaska Statehood Act and regardless of whether such lands lie within the boundaries of a national park system unit established, designated, redesignated, or expanded by this Act, the United States shall convey to the State of Alaska all right, title and interest of the United States in:

(1) the following lands located south of Circle on the Yukon River:

Fairbanks Meridian

Township 8 north, range 18 east, section 1;

Township 8 north, range 19 east, That portion of sections 1 through 18, inclusive, lying south and west of the mean high water line of the Yukon River;

Township 8 north, range 20 east, That portion of sections 7 and 8 lying west of the mean high water line of the Yukon River;

Township 9 north, range 17 east;

Township 9 north, range 18 east, That portion lying south and west of the mean high water line of the Yukon River;

Township 9 north, range 19 east, That portion lying south and west of the mean high water line of the Yukon River.

(2) Upon relinquishment by Doyon, Limited, of all land selections pursuant to section 1425(a) of this Act, the lands described in subparagraph 1425(a)(1)(D).

DOYON AND FORTYMILE RIVER

SEC. 1427. (a) Subject to the provisions of subsections (b) and (c) of this section, Doyon, Limited, shall have the right within one year after the date of enactment of this Act to identify some or all of the following described lands, previously selected by such corporation, in partial satisfaction of its entitlement under section 12(c) of the Alaska Native Claims Settlement Act:

(1) Lands withdrawn pursuant to section 17(d)(1) and formerly withdrawn pursuant

to section 17(d)(2), of the Alaska Native Claims Settlement Act:

Fairbanks Meridian

Township 1 south, range 27 east, sections 24, 25, 34, 35, 36;

Township 1 south, range 28 east, sections 19, 20, 21, 28 through 32;

Township 2 south, range 27 east, sections 1 through 4, 8 through 12, 14 through 17, 19 through 22, 27 through 33;

Township 3 south, range 24 east, sections 19 through 25, 27 through 34;

Township 3 south, range 25 east, sections 2 through 5, 7 through 10, 15 through 22, 27 through 34;

Township 3 south, range 26 east, sections 13, 22 through 28, 31 through 36;

Township 3 south, range 27 east, sections 4 through 8, 17, 18;

Township 3 south, range 28 east, sections 1 through 5, 9 through 11, 14 through 16, 21 through 23, 26, 27;

Township 3 south, range 29 east, sections 11 through 15, 20 through 24, 26 through 34;

Township 4 south, range 25 east, sections 1 through 5, 8 through 17;

Township 4 south, range 26 east, sections 2 through 10, 17, 18;

Township 4 south, range 28 east, sections 1, 2;

Township 4 south, range 29 east, sections 1 through 18;

Township 5 south, range 25 east, sections 1, 4 through 10, 12 through 17, 20 through 24, 28, 29;

Township 5 south, range 26 east, sections 4 through 8, 17 through 19;

Township 6 south, range 23 east, section 34;

Township 6 south, range 25 east, sections 22, 27, 28, 31 through 35;

Township 7 south, range 22 east, sections 23 through 26, 35, 36;

Township 7 south, range 23 east, sections 3 through 9, 17 through 19, 30, 31;

Township 7 south, range 24 east, sections 1, 2, 10 through 16, 21 through 24, 26 through 29, 31 through 34;

Township 7 south, range 25 east, sections 6 through 21, 28 through 33;

Township 8 south, range 21 east, sections 13, 23 through 27, 33 through 36;

Township 8 south, range 22 east, sections 1 through 4, 8 through 23, 28 through 33;

Copper River Meridian

Township 19 north, range 16 east, sections 3 through 9, 17 through 20;

Township 20 north, range 14 east, sections 1 through 18, 20 through 22;

Township 20 north, range 15 east, sections 2 through 11, 13 through 17, 21 through 28, 32 through 36;

Township 20 north, range 16 east, sections 13, 14, 21 through 29, 31 through 36;

Township 21 north, range 21 east, sections 2 through 10, 17 through 20, 30;

Township 21 north, range 13 east, sections 6 through 9, 15 through 22, 25 through 36;

Township 21 north, range 15 east, sections 30, 31, 32;

Township 22 north, range 12 east, sections 4 through 11, 13 through 28, 32 through 36;

Township 22 north, range 13 east, sections 18 through 21, 26 through 36;

Township 24 north, range 11 east, sections 22 through 27, 34 through 36;

Township 24 north, range 12 east, sections 3 through 33;

Township 24 north, range 13 east, sections 2 through 4, 7 through 11, 14 through 23, 30;

Township 25 north, range 11 east, sections 4 through 10, 14 through 18, 20 through 28, 34 through 36;

Township 25 north, range 12 east, sections 31, 32, 33;

Township 25 north, range 13 east, sections 1 through 3, 9 through 16, 21 through 23, 26 through 28, 32 through 35;

Township 26 north, range 13 east, sections 1 through 3, 12;

Township 26 north, range 14 east, sections 6 through 10, 14 through 18, 20 through 23, 26, 27, 31 through 36;

Township 27 north, range 9 east, sections 1 through 3, 9 through 12, 14 through 16, 19 through 23, 26 through 29, 32 through 34;

Township 27 north, range 10 east, sections 2 through 4, 9 through 11, 14 through 16, 22 through 27, 34 through 36;

Township 27 north, range 13 east, sections 3 through 10, 14 through 17, 21 through 28, 34 through 36;

Township 27 north, range 14 east, sections 30, 31, 32;

Township 28 north, range 9 east, sections 35, 36;

Township 28 north, range 10 east, sections 2 through 6;

(ii) Lands withdrawn pursuant to section 17(d)(2) of the Alaska Native Claims Settlement Act some or all of which may not be included within the boundaries of the Fortymile Wild, Scenic and/or Recreational River.

Fairbanks Meridian

Township 3 south, range 27 east, sections 19 through 36;

Township 3 south, range 28 east, sections 28 through 34;

Township 4 south, range 28 east, sections 3 through 6, 8 through 17, 19 through 33, 36;

Township 4 south, range 29 east, sections 19 through 22, 25 through 36;

Township 4 south, range 30 east, sections 1, 2, 11 through 13, 24, 25, 28 through 36;

Township 4 south, range 31 east, sections 6 through 8, 17 through 20, 29 through 32;

Township 5 south, range 25 east, sections 25 through 27, 33 through 36;

Township 5 south, range 26 east, sections 13 through 15, 20 through 35;

Township 5 south, range 27 east, sections 7 through 24, 29, 30;

Township 5 south, range 28 east, sections 2 through 5, 7 through 10, 15 through 23, 25 through 30, 33 through 36;

Township 5 south, range 29 east, sections 29 through 32;

Township 5 south, range 30 east, sections 1 through 6, 11, 12;

Township 5 south, range 31 east, sections 4 through 9;

Township 5 south, range 32 east, sections 24 through 27, 34 through 36;

Township 5 south, range 33 east, sections 2 through 4, 8 through 11, 14 through 22, 28 through 32;

Township 6 south, range 23 east, sections 2, 3, 10 through 15, 22 through 27, 35, 36;

Township 6 south, range 24 east, sections 13, 14, 17 through 36;

Township 6 south, range 25 east, sections 2 through 5, 7 through 11, 15 through 21, 29, 30.

(b) Doyon, Limited, shall have a right to identify only those lands described in subsection (a) hereof which are not included within a conservation unit pursuant to this Act, and each selection so identified shall be subject to the provisions of subsection 1425 (b)(2) of this Act. The Secretary shall convey title to the land promptly after its identification by Doyon, Limited, subject to valid existing rights.

(c) The provisions of this section shall take effect only upon the execution and filing of a stipulation by Doyon Limited, consenting to the dismissal, with prejudice, of Doyon, Limited, against Andus, Civil Action No. 78–1148 in the United States district court for the District of Columbia, within sixty days after the effective date of this Act.

KONIAG VILLAGE AND REGIONAL CORPORATION LANDS

SEC. 1428. (a) DEFINITIONS.—As used in this section, the term—

(1) "Afognak Island" means Afognak Island, and Bear, Teck, Hogg, and Murphy Islands, above the line of mean high tide within the exterior boundaries of the Chugach National Forest.

(2) "Deficiency village acreage on the Alaska Peninsula" means the aggregate number of acres of public land to which "Koniag deficiency village corporations" are entitled, under section 14(a) of the Alaska Native Claims Settlement Act, to a conveyance of the surface estate on account of deficiences in available lands on Kodiak Island, and to which Koniag, Incorporated, is entitled under section 14(f) of that Act to conveyance of the subsurface estate.

(3) "12(b) acreage on the Alaska Peninsula" means the aggregate number of acres of public lands to which "Koniag 12(b) Village Corporations" are entitled, under section 14(a) of the Alaska Native Claims Settlement Act by reason of section 12(b) of that Act, to conveyance of the surface estate and to which Koniag, Incorporated, under section 14(f) of that Act, is entitled to conveyance of the subsurface estate, less the aggregate acreage of 12(b) lands on Kodiak Island as to which Koniag 12(b) Village Corporations will receive conveyances, the latter being estimated to be approximately fifteen thousand acres.

(4) "Koniag Deficiency Village Corporation" means any or all of the following:

Afognak Native Corporation,
Nu-Nachk-Pit, Incorporated,
Ouzinkie Native Corporation,
Leisnoi, Incorporated.

(5) "Koniag 12(b) Village Corporation" means the village corporations listed in subparagraph (4) above, if within sixty days of the effective date of this Act Koniag, Incorporated, by a resolution duly adopted by its Board of Directors, designates them as such as a class, and all of the following: Natives of Akhiok, Incorporated, Old Harbor Native Corporation, Kaguyak, Incorporated, Karluk Native Corporation, and each of the corporations listed in subsection (e)(2) of this section which files a release as provided for in subsection (e)(1) of this section.

(6) "Koniag region" means the geographic area of Koniag, Incorporated, under the Alaska Native Claims Settlement Act.

(7) "Koniag village" means a Native village under the Alaska Native Claims Settlement Act which is within the Koniag region.

(8) "Koniag Village Corporation" means a corporation formed under section 8 of the Alaska Native Claims Settlement Act to represent the Natives of a Koniag village and any village corporation listed in subsection (e)(2) of this section which has filed a release as provided in subsection (e)(1) of this section.

(9) "Koniag 14(h)(8) lands on the Alaska Peninsula" means the aggregate number of acres of public lands to which Koniag, Incorporated Regional Native Corporation is entitled under section 14(h)(8) of the Alaska Native Claims Settlement Act, less the acreage of lands withdrawn for conveyance to that corporation by Public Land Order Numbered 5627 (42 F.R. 63170) and conveyed to that corporation.

(10) Any term defined in subsection 3(e) of the Alaska Native Claims Settlement Act has the meaning as therein defined.

(11) "Alaska Peninsula" means the Alaska Peninsula and all islands adjacent thereto which on or before the date of enactment of this Act were withdrawn pursuant to section 11(a)(3) of the Alaska Native Claims Settlement Act for Koniag Village Corporations and Koniag, Incorporated, including but not limited to Sutwik, Hartman, Terrace, Nakchamik, and West and East Channel Islands, except those islands selected by Koniag, Incorporated, pursuant to section 15 of Public Law 94–204.

(b) CONVEYANCE TO NATIVE CORPORATIONS.—(1) In full satisfaction of (A) the right of Koniag, Incorporated, Regional Native Corporation to conveyance of Koniag 14(h)(8) lands on the Alaska Peninsula under the Alaska Native Claims Settlement Act; (B) the right of each Koniag Deficiency Village Corporation to conveyance under that Act of the surface estate of deficiency village acreage on the Alaska Peninsula; (C) the right of each Koniag 12(b) Village Corporation to conveyance under the Alaska Native Claims Settlement Act of surface estate of 12(b) acreage on the Alaska Peninsula; and (D) the right of Koniag, Incorporated, under the Alaska Native Claims Settlement Act to conveyances of the subsurface estate of the deficiency village acreage on the Alaska Peninsula and of the 12(b) acreage on the Alaska Peninsula; and in lieu of conveyances thereof under this Act, or otherwise, the Secretary of the Interior shall, under the terms and conditions set forth in this section, convey as provided in subsection (c) of this section the surface estate of all of the public lands on Afognak Island except those lands referred to in subparagraphs 2 (A), (B), (C), and (D) of this subsection, and simultaneously therewith, the Secretary shall, under the terms and conditions set forth in this section, convey the subsurface estate of such lands to Koniag, Incorporated.

(2) There are excepted from the conveyances provided for in subparagraph (1) of this subsection:

(A) Selections of the State of Alaska on Afognak Island heretofore made under section 6(a) of the Alaska Statehood Act and described as follows:

Seward Meridian, Alaska

Parcel I

Township 22 south, range 17 west, section 31, southwest quarter;

Township 22 south, range 18, west, section 36, southeast quarter;

Township 23 south, range 17 west, sections 6, west half; 7, west half; 18, west half; 19, west half and southeast quarter; 20, southwest quarter; 29, west half; 30 all;

Township 23 south, range 18, west, sections 1, east half; 12, east half; 13 all; 24 all; 25 all;

Parcel II

Township 22 south, range 17 west, sections 30 all; 31 all;

Township 23 south, range 17 west, section 6, northeast quarter.

(B) Surface estate of lands on Afognak Island to which Afognak Native Corporation, Ouzinkie Native Corporation, and Natives of Kodiak, Incorporated, are entitled pursuant to the Alaska Native Claims Settlement Act and the subsurface estate of such lands.

(C) The lands on Afognak Island referred to in subsection (d) of this section if conveyed as therein provided.

(D) The following described lands:

Seward Meridian, Alaska

Township 20 south, range 20 west, sections 31 through 32 inclusive;

Township 20 south, range 21 west, sections 14 through 16 inclusive, 20 through 23 inclusive, 26 through 29 inclusive, and 31 through 36 inclusive;

Township 20 south, range 22 west, sections 26, 27, and 34 through 36 inclusive;

Township 21 south, range 20 west, sections 4 west half; 5 through 7 inclusive, 8; 17 northwest quarter southwest quarter, 18;

Township 21 south, range 21 west, all;

Township 21 south, range 22 west, sections 1 through 3 inclusive, 11 through 12 inclusive, 24;

Township 22 south, range 21 west, sections 1 north half, 2 through 9 inclusive, 10 north half southwest quarter.

(3) All public lands on the Alaska Peninsula withdrawn pursuant to section 11(a)(3) of the Alaska Native Claims Settlement Act for Koniag Village Corporations and for Koniag, Incorporated, are hereby withdrawn, subject to valid existing rights and Native selection rights under that Act as modified by this Act, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act and shall remain so withdrawn subject to the provisions of section 306 of this Act. Following the filing with the Secretary of the Interior (A) all resolutions pursuant to subparagraph (4) of this subsection, (B) the joint venture agreement referred to in subsection (c) of this section, and (C) releases by such of the Koniag Village Corporations referred to in subsection (e)(2) of this section as file releases as provided in subsection (e)(1) of this section, and upon the conveyances by the Secretary of the Interior of all public lands on Afognak Island to be conveyed as provided in subsection (c) of this section, all Native selection rights in and to public lands on the Alaska Peninsula withdrawn under section 11(a)(3) of the Alaska Native Claims Settlement Act for Koniag Village Corporations and for Koniag, Incorporated, shall, except as provided in subsection (g) of this section, be extinguished and all claims thereto arising under this Act or the Alaska Native Claims Settlement Act shall be barred.

(4) As a condition precedent to the conveyances provided for by subparagraph (1) of this subsection, Koniag, Incorporated, each Koniag Deficiency Village Corporation and each Koniag 12(b) Village Corporation, shall file with the Secretary of the Interior resolutions duly adopted by their respective boards of directors accepting the conveyances provided for in this subsection as being in full satisfaction of their respective entitlements to conveyances of Koniag 14(h)(8) lands on the Alaska Peninsula, of deficiency village acreage on the Alaska Peninsula and of 12(b) acreage on the Alaska Peninsula, and Koniag, Incorporated, shall further file with the Secretary of the Interior a resolution duly adopted by its board of directors accepting the provisions of subsection (1) of this section.

(5) The lands on Afognak Island conveyed pursuant to subparagraph (1) of this subsection shall remain open to hunting, fishing, and other recreational use otherwise permitted by applicable law (but without liability on the part of the grantee, except for willful acts, to any user by reason of such use), under and subject to the terms of cooperative-management agreements entered into by Koniag, Incorporated, and other affected Koniag Village Corporations, with the Secretary of the Interior, and such of the State agencies and of the political subdivisions of the State having jurisdiction over any portion of Afognak Island which desire to participate. The Secretary of the Interior is hereby authorized to enter into such agreements. Each agreement shall—

(A) permit the Secretary of the Interior reasonable access to such land to carry out the obligations of the Secretary under the agreement;

(B) permit reasonable access to such land by officers of the State for purposes of conserving fish and wildlife and of other State officers and employees and officers and employees of political subdivisions of the State parties to the agreement to carry out their responsibilities thereunder;

(C) set forth those services which any other party agrees to provide, which services may include technical and other assistance with respect to fire control, trespass control, law enforcement, resource and land use planning, the conserving of fish and wildlife, and the protection, maintenance, and enhancement of any special values of the land subject to the agreement;

(D) set forth such additional terms and conditions as the parties may agree to as being necessary and appropriate to carry out the terms of the agreement; and

(E) specify the effective period of the agreement.

(c) JOINT VENTURE.—The Secretary of the Interior shall convey the surface estate on Afognak Island to be conveyed under subsection (b)(1) of this section to a joint venture providing for the development of the surface estate on Afognak Island to be conveyed under this subsection, consisting of the Koniag Deficiency Village Corporations, the Koniag 12(b) Village Corporations and Koniag, Incorporated (or wholly owned subsidiaries thereof), in which (1) the share of the Koniag Deficiency Village Corporations as a class in the costs and revenues of such joint venture is determined on the basis of a fraction, the numerator of which is the deficiency village acreage on the Alaska Peninsula and the denominator is the sum of the deficiency village acreage on the Alaska Peninsula plus the 12(b) acreage on the Alaska Peninsula plus the Koniag 14(h) acreage on the Alaska Peninsula, which fraction shall be multiplied by the number of acres on Afognak Island to be conveyed by reason of subparagraph (b)(1) of this subsection; (2) the share of the Koniag 12(b) Village Corporations as a class is determined on the basis of a fraction, the numerator of which is the 12(b) acreage on the Alaska Peninsula and the denominator of which is the denominator referred to in (1) above, which fraction shall be multiplied by the number of acres on Afognak Island referred to in (1) above; and (3) the share of Koniag, Incorporated, is determined on the basis of a fraction, the numerator of which is the Koniag 14(h) acreage on the Alaska Peninsula and the denominator of which is the denominator referred to in (1) above which fraction shall be multiplied by the number of acres on Afognak Island referred to in (1) above. In such joint venture, each Koniag Deficiency Village Corporation, shall participate in the share of the Koniag Deficiency Village Corporations as a class in the ratio that the entitlement of each to deficiency village acreage on the Alaska Peninsula bears to the total deficiency village acreage on the Alaska Peninsula and each Koniag 12(b) Village Corporation shall participate in the share of the Koniag 12(b) Village Corporation as a class in the ratio that the number of Natives enrolled under the Alaska Native Claims Settlement Act to the village that corporation represents bears to the number of Natives enrolled to all villages represented by Koniag 12(b) Village Corporations. The conveyance shall be made as soon as practicable after there has been filed with the Secretary of the Interior a duly executed joint venture agreement with provisions for sharing of and entitlements in costs and revenues of such venture as provided in this subsection. The conveyance shall not indicate the respective interests of each of the corporations in the surface estate conveyed but such interests shall be as provided in this subsection which shall be incorporated by reference into the conveyance. The subsurface estate in the foregoing lands shall be conveyed simultaneously to Koniag, Incorporated. Neither the joint venture, any Koniag Village Corporation having an interest in the joint venture or the lands conveyed thereto, nor Koniag, Incorporated, shall take or permit any action which may be inimical to bear denning activities on the Tonki Cape Peninsula.

(d) OUZINKIE LANDS.—In the event the Ouzinkie Native Corporation and Koniag, Incorporated, within ninety days after the effective date of this Act, enter into an agreement to convey to the Kodiak Island Borough their respective rights, titles, and interests in and to the surface and subsurface estate respectively in the following described land:

Seward Meridian, Alaska

Township 27 south, range 20 west,
Section 9 through 12 inclusive, all;
Sections 13, north half, excluding Monashka Bay; southwest quarter; north half southeast quarter, excluding Monashka Bay; southwest quarter southeast quarter;
Sections 14, 15, and 16, all;
Sections 21 and 22, all;
Section 23, north half, north half southwest quarter, southwest quarter southwest quarter, northwest quarter southeast quarter;
Section 24, north half northwest quarter;
Section 27, north half, southwest quarter, west half southeast quarter;

the Secretary of the Interior shall convey to Ouzinkie Native Corporation the surface estate and to Koniag, Incorporated, the subsurface estate in the following described land on Afognak Island:

Seward Meridian, Alaska

Township 22 south, range 19 west,
Sections 6, 7, 15, all;
Section 18, west half;
Sections 19, 22, 28, all;
Sections 31 through 35 inclusive, all;
Section 36, south half.

The agreement between Kodiak Island Borough, Ouzinkie Native Corporation and Koniag, Incorporated, may contain the provisions agreed to by the parties including, but not limited, to easements across the lands to be conveyed to the Kodiak Island Borough.

(e) RELEASES.—(1) Each village listed in paragraph (2) of this subsection which, through the Koniag Village Corporation listed alongside it, files with the Secretary of the Interior, within sixty days from the effective date of this Act, a release duly authorized by its board of directors releasing, in consideration of the benefits provided for in this section, the United States, its officers, employees, and agents from all claims of the village and the village corporation to lands and interests therein arising under the Alaska Native Claims Settlement Act or compensation in any form therefor (except as provided in paragraph (3) of this subsection) along with a release by Koniag, Incorporated, duly authorized by its board of directors, releasing the United States, its officers, employees, and agents, from Koniag's claims to subsurface estate under the Alaska Native Claims Settlement Act arising out of the claims of such village or compensation in any form therefor (except as provided in paragraph (3) of this subsection) shall be deemed an eligible village under the Alaska Native Claims Settlement Act. This section shall be inoperative as to any such village which does not file such a release but shall be operative as to each of such villages which files such a release.

(2) The villages and Koniag village corporations referred to in the foregoing paragraph are:

Anton Larsen Bay
Belle Flats
Uganik
Litnik
Anton Larsen, Incorporated
Belle Flats Natives, Incorporated
Uganik Natives, Incorporated
Litnik, Incorporated
Port William
Ayakulik
Uyak
Shuyak, Incorporated
Ayakulki, Incorporated
Uyak Natives, Incorporated

(3) When Uyak Natives, Incorporated, Uganik, Natives, Incorporated, or Ayakulik, Incorporated (and Koniag, Incorporated, in respect of such corporations) executes a release as provided for in paragraph (1) of this subsection, the Secretary of the Interior shall convey to each village corporation executing such release the surface estate of the one square mile of land excluded from the Kodiak Island National Wildlife Refuge by Public Land Order No. 1634 an account of the village it represents. The Secretary of the Interior shall by reason of conveyance of surface estate to a village corporation under this paragraph (3) convey to Koniag, Incorporated, the subsurface estate in such lands.

(4)(A) There shall vest in the Native village corporation representing each village that files a release as provided for in paragraph (1) of this subsection the right to all revenues received by Koniag, Incorporated, from the Alaska Native Fund which would have been distributed to it by Koniag, Incorporated, under subsections (j) and (k) of section 7 of the Alaska Native Claims Settlement Act (Subject to subsection (1) of section 7 of that Act) had such village been determined to be eligible at the time of such distributions, less amounts heretofore paid by Koniag, Incorporated, under subsection (m) of section 7 of that Act to stockholders of such corporations as members of the class of at-large stockholders of Koniag, Incorporated.

(B) Each corporation representing a village that files a release as provided for in subsection (e)(1) of this section shall, on and after the date of enactment of this Act, be eligible—

(i) to share pro rata with all other Koniag Village Corporations in distributions of funds to village corporations made by Koniag, Incorporated, out of funds received on and after such date by Koniag, Incorporated, from the Alaska Native Fund or from any other source; and

(ii) for all other rights and privileges (except those claims to lands and interests therein arising under the Alaska Native Claims Settlement Act or to compensation which are the subject of such a release) to which Alaska Native village corporations are entitled under any applicable laws, except as limited by this subsection.

Nothing in this paragraph shall prohibit Koniag, Incorporated, from withholding out of funds otherwise due a village corporation that files a release as provided for in subsection (e)(1) of this section, such sums as may be required to reimburse Koniag, Incorporated, for an equitable portion of expenses incurred by Koniag, Incorporated, in connection with or arising out of the defense of or assertion of the eligibility of the village represented by such corporation for benefits under the Alaska Native Claims Settlement Act, including costs incident to land selection therefor.

(f) CONDITIONS.—All conveyances made by reason of this section shall be subject to the terms and conditions of the Alaska Native Claims Settlement Act as if such conveyances (including patents) had been made or issued pursuant to that Act.

(g) LIMITATIONS.—Nothing in this section shall be deemed to affect (1) section 15 of the Act of January 2, 1976 (Public Law 94–204) as amended by section 812(b) of this Act; (2) the right, subject to subsection (1) of this section, of Koniag, Incorporated, to in lieu subsurface estate on the Alaska Peninsula under sections 12(a)(1) and 14(f) of the Alaska Native Claims Settlement Act, less the acreage of such in lieu subsurface estate conveyed to Koniag, Incorporated, under the provisions of law referred to in paragraph (1) of this subsection; or (3) the right under the Alaska Native Claims Settlement Act of Koniag, Incorporated, subject to subsection (1) of this section to subsurface estate in and to the following described land:

Seward Meridian, Alaska

Township 37 south, range 48 west,
Section 9,
Sections 15 through 17 inclusive,
Sections 20 through 22 inclusive,
Sections 28, 33;
Township 37 south, range 49 west,
Sections 21 through 23 inclusive,
Sections 26 through 28 inclusive,
Sections 33 through 35 inclusive;
Township 38 south, range 48 west,
Sections 4 through 9 inclusive;
Township 38 south, range 49 west,
Sections 1 through 4 inclusive,
Sections 6 through 23 inclusive,
Sections 26 through 34 inclusive;
Township 38 south, range 50 west,
Sections 1 through 3 inclusive,
Sections 10 through 12 inclusive,
Sections 13 through 15 inclusive,
Sections 22 through 26 inclusive,
Sections 35, 36;
Township 39 south, range 49 west,
Sections 3 through 7 inclusive,
Sections 9 through 10 inclusive,
Sections 18, 19, 30;
Township 38 south, range 50 west,
Sections 1, 2, 7, 8, 12, 13,
Sections 15 through 18 inclusive,
Sections 20 through 22 inclusive,
Sections 24 through 27 inclusive,
Section 35.

(h) WITHDRAWAL.—All public lands on Afognak Island, other than those lands referred to in subsections (b)(2) (A) and (B) of this section are hereby withdrawn, subject to valid existing rights, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act as amended, and shall remain so withdrawn until and unless conveyed pursuant to this Act. Any such lands not conveyed under this section except those lands described in subsection (b)(2)(D) may be opened by the Secretary of the Interior to the extent he deems appropriate.

(i) ACCESS, ETC.—As additional consideration for the relinquishment by Koniag Village Corporations of rights to surface estate on the Alaska Peninsula and by Koniag, Incorporated, of rights to surface and subsurface estate thereon as provided in subsection (b)(4) of this section, Koniag, Incorporated, shall, solely for purpose of prospecting for, extraction and removal of subsurface resources retained by it under subsection (1) of this section on the Alaska Peninsula, have the same rights of access and use of surface estate, after consultation with the surface owner, as are now provided for in 50 CFR 29.32.

(j) ALLOCATIONS.—The acreage to be allocated to Koniag, Incorporated, under section 12(b) of the Alaska Native Claims Settlement Act shall be determined as though each village listed in subparagraph (e)(2) of this section had selected 69,120 acres under section 12(a) of the Alaska Native Claims Settlement Act. Acreages allotted to other regional corporations under section 12(b) of the Alaska Native Claims Settlement Act shall be determined on the basis of the acreages actually conveyed to such villages under this section or the Alaska Native Claims Settlement Act.

(k) TIMBER RESOURCES.—Koniag, Incorporated's interest in the timber resources of the joint venture referred to in subsection (c) of this section, determined as therein provided, shall for purposes of section 7(i) of the Alaska Native Claims Settlement Act be deemed to be Koniag's timber resources. Koniag, Incorporated, shall be entitled to deduct from its share of proceeds therefrom any and all expenses of the kind and nature which regional corporations are entitled to deduct from revenues from timber resources prior to the distributions required by said section 7(1).

(1) MINERALS.—In conveying subsurface estate to Koniag, Incorporated, on the Alaska

Peninsula, whether under subsection (g) (3) of this Act or as in lieu subsurface estate as provided in sections 12(a) (1) and 14(f) of the Alaska Native Claims Settlement Act, the Secretary of the Interior shall retain all minerals other than oil and gas and sand and gravel used in connection with prospecting for, extracting, storing, or removing oil and gas: *Provided*, That removal of oil and gas and sand and gravel shall, after consultation with the surface owner, be accomplished as on the date of enactment of this Act was provided in 50 CFR section 29.32: *Provided further*, That should it be judicially and finally determined that sand and gravel are not, under the Alaska Native Claims Settlement Act, a part of the subsurface estate appertaining to regional corporations, the Secretary shall make available to Koniag, Incorporated, its successors and assigns, at fair market value such sand and gravel as is reasonably necessary for prospecting for, extracting, storage or removal of oil and gas. Koniag, Incorporated, may in its discretion enter into agreements with the owner of the surface estate in such lands for the conveyance of the subsurface estate to the surface owner without compensation, but this provision shall not be construed to require such conveyances without Koniag, Incorporated's agreement.

(m) Maritime Refuge.—All public lands, including submerged lands, adjacent to and seaward of Afognak Island from the line of mean high tide to the exterior boundary of the former "Afognak Forest and Fish Culture Reserve," part of the existing Chugach National Forest, as reserved by proclamation dated December 24, 1892, and as shown on the diagram forming a part of the proclamation dated February 23, 1909, are hereby included within the Alaska Maritime National Wildlife Refuge and the lands described in subdivision (D) of subsection (b) (2) of this section are hereby included within the Kodiak National Wildlife Refuge: *Provided*, That notwithstanding the inclusion of Delphin and Discover Islands in the Alaska Maritime National Wildlife Refuge, the joint venture provided for in subsection (c) of this section shall be entitled to and there shall be conveyed to the joint venture in the conveyance provided for in subsection (c) hereof, the right to timber resources on such islands: *Provided*, That management and harvest of such timber resources shall be only in accordance with management plans jointly developed by the joint venture and the Secretary of the Interior.

(n) Limitation.—Section 910 of this Act shall not apply to Koniag, Incorporated or to any Koniag Village Corporation.

(o) Timber Contracts, Etc.—Nothing in this section shall abrogate any existing Forest Service timber contract on Afognak Island or revoke existing cabin leases on Afognak Island.

PRIBILOF ISLANDS ACQUISITION AUTHORITY

Sec. 1429. (a) Findings.—Congress finds and declares that—

(1) certain cliff areas on Saint Paul Island and Saint George Island of the Pribilof Islands group in the Bering Sea and the entirety of Otter Island, Walrus Island, and the Sea Lion Rocks, are used by numerous species of migratory birds, several of them unique, as rookeries;

(2) these areas are singularly high value for such birds;

(3) these cliff areas, from the line of mean high tide to and including the bluff and areas inland from them, and the entirety of Otter Island, Walrus Island, and the Sea Lion Rocks, properly ought to be made and be managed as a part of parts of the Alaska Maritime National Wildlife Refuge free of any claims of Native Corporation ownership.

(4) this can best be accomplished through purchase for cash by the United States;

(5) the implementation of the Alaska Native Claims Settlement Act and the remoteness of the Pribilof Islands have combined to prevent adequate definition of the previse boundaries of the bird cliff areas and agreement on prices per acre at this time, but that definition and agreement thereon is an achievable goal;

(6) the two Native Village Corporations, Tanadgusix, Incorporated, and Tanaq, Incorporated, and the Secretary believe that mutually acceptable terms can be reached as to price and areas to be transferred free of native corporation ownership to the Alaska Maritime National Wildlife Refuge; and

(7) the two Native Village Corporations have no objection to any cliff areas acquired under this section being studied for and designated as components of the National Wilderness Preservation System, so long as such study or designation shall not preclude development of boat harbors on Saint Paul or Saint George Islands outside any area so studied or designated.

(b) Negotiations.—In the event that Tanadgusix, Incorporated, and Tanaq, Incorporated, file with the Secretary of the Interior within one hundred and twenty days from the effective date of this Act, instruments duly authorized by their boards of directors, acceding to the terms of this section, then the Secretary is hereby directed to negotiate, and authorized to establish within two years from the date of this Act, the boundaries and prices. Upon proffer by the Village Corporations of satisfactory deeds to such land, together with conveyance to the United States by the Aleut Regional Corporation, Incorporated, duly authorized by its Board of Directors, of the Corporation's interest in, or claims under the Alaska Native Claims Settlement Act to, the subsurface estate of such land, the Secretary shall accept such deeds and the land shall thereupon be included in the Alaska Maritime National Wildlife Refuge.

(c) Directions to Secretary.—In conducting such negotiations, the Secretary shall be directed as follows:

(1) The total area of land acquired shall be not more than ten thousand acres and not less than six thousand acres: *Provided*, That the Secretary shall not acquire more uplands, inland from the Bird Cliffs on Saint Paul and Saint George Islands than that equal to an overall average of one hundred sixty acres per mile of mean high tide line or a line drawn along the top edge of the cliffs, whichever is longer.

(2) The total price for such land shall be the fair value on the date of this Act as determined by any method, or preferably any number of methods, appropriate for valuing this unique habitat, as may be agreed upon by the Secretary and the concerned Native village corporations: *Provided*, That the average price shall be not less than $200 per acre nor more than $1,100 per acre.

(d) The Native Village Corporations may, with respect to any Bird Cliff area and for a corresponding reduction in consideration therefor, reserve in the deeds for such area, and the Secretary may accept such deeds, the right to prevent or control any development which by itself, or in conjunction with other factors, may be inimical to values of importance to them.

(e) Refuge.—All lands acquired under this section shall be incorporated within the Alaska Maritime National Wildlife Refuge and administered accordingly.

(f) Authorization.—There are hereby authorized to be appropriated for the purposes of this section, out of any money in the Treasury not otherwise appropriated, for the acquisition of such lands, not to exceed $11,000,000, to remain available until expended, and without regard to fiscal year limitation.

(g) Exchanges.—Nothing in this section shall prohibit the Secretary in his discretion from exercising the authority now vested in him by section 22(f) of the Alaska Native Claims Settlement Act to offer in addition to or in lieu of the terms of this agreement, lands or interests therein for exchange, where the Secretary and the concerned Native Village Corporations may agree to substitute such an exchange in whole or in part for the provisions of this section.

(h) Taxes.—The land or money under this section shall be deemed to be property exchanged within the meaning of section 21 (c) of the Alaska Native Claims Settlement Act.

(i) Extension.—If the Village Corporations, or either of them, have not obtained the conveyance from the Aleut Regional Corporation referred to in subsection (b) above upon expiration of two years from the date of this Act the provisions of this section shall be extended for two years to permit the Secretary to negotiate for and acquire the interests of the two Village Corporations, or either of them, in such lands, without such conveyance.

NANA AND COOK INLET REGIONAL CORPORATIONS LANDS

Sec. 1430. (a) The following lands are hereby withdrawn for selection pursuant to the provisions of section 14(h) (8) of the Alaska Native Claims Settlement Act and this section:

Kateel River Meridian

Township 32 north, range 18 west, sections 3 through 10, 13 through 36, except those lands within the Kelley River drainage;

Township 32 north, range 17 west, sections 29 through 32, except those lands within the Kelley River drainage;

Township 31 north, range 18 west;

Township 31 north, range 17 west, sections 5 through 8, except those lands within the Kelley River drainage, 17 through 20, 29 through 32;

Township 30 north, range 19 west, sections 1 through 18;

Township 30 north, range 18 west, sections 1 through 9;

Township 30 north, range 17 west, section 6.

(b) (1) On or prior to one hundred eighty days from the date of enactment of this Act, NANA Regional Corporation, Incorporated, may select, pursuant to section 14(h) (8) of the Alaska Native Claims Settlement Act, from the lands withdrawn pursuant to subsection (a). In addition, on or prior to such date, Cook Inlet Region, Incorporated, if it receives the written consent of NANA Regional Corporation, Incorporated, and of the State of Alaska, may select for such lands, such selections to be credited against the Secretary's obligation under paragraph I(C) (1) of the document entitled, "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area as Clarified August 31, 1976", and any such selections conveyed shall be conveyed in partial satisfaction of the entitlement of Cook Inlet Region, Incorporated, under section 12 of Public Law 94–204, as amended.

(2) The lands selected by NANA Regional Corporation, Incorporated, or Cook Inlet Region, Incorporated, unless otherwise provided in a waiver of this paragraph (b) (2) by the Secretary, shall consist of tracts which—

(A) contain not less than eight sections or 5,120 acres, whichever is less; and

(B) have boundaries which follow section lines, except where such boundary is the border of a meanderable body of water, with no segment of an exterior line less than two miles in length (except where shorter segments are necessary (1) to follow section lines where township lines are offset along standard parallels caused by the convergence of meridians, (2) to

EXTENSIONS OF REMARKS

EXCHANGE OF SOVIET DISSIDENTS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. WOLFF. Mr. Speaker, I was very pleased to learn of the exchange of five Soviet dissidents for two Soviet spies which resulted after long, difficult negotiations were completed a few days ago. The negotiations began last fall and ultimately involved both President Carter and Leonid Brezhnev. I commend President Carter for his diligent efforts.

This exchange was the first in which Soviet citizens were exchanged for Soviet citizens without the involvement of any American prisoners.

Human rights activist Alexandr Ginzburg was among the five prominent dissidents. Jewish activists Mark Dymshits and Eduard Kuznetsov, a Ukrainian nationalist intellectual, and civil rights activist, Valenin Moroz, and a Ukrainian Baptist leader, Georgi Vins were also released.

Ginzburg, a friend of Nobel Prize winning author, Alexandr Solzhenitsyn, contributed significantly to the establishment of a Helsinki watch committee in 1976. The Helsinki group's major objective was to monitor Soviet compliance with the 1975 Agreement on European Security and Cooperation. Ginzburg was convicted on charges of "anti-Soviet agitation and propaganda," as a result of his activities with the Helsinki group and was sentenced to 8 years of hard labor.

Dymshits and Kuznetsov were both sentenced to 15-year prison terms after being convicted of plotting to hijack a plane to Israel. Moroz had been imprisoned since 1965 as a result of a conviction on charges of "anti-Soviet agitation and propaganda." Vins was sentenced to a labor camp and exile on charges of having defamed the Soviet State after it was discovered that he had been conducting an underground ministry.

The two Russian spies, Valdik Enger and Rudolf Chernyayev, former U.N. employees, had been convicted of espionage last year and sentenced to 50-year prison terms in the United States. They had been convicted of buying secrets about U.S. submarine warfare research.

This exchange, plus the personal pardon by Brezhnev last week of Boris Penson, Anatoly Altman, Hillel Butman, Leib Khnokh, and Vulf Zalmanson greatly improves the atmosphere between the United States and the Soviet Union. I was particularly pleased by the pardon of Boris Penson with 1 year remaining in his sentence, as he was my "adopted" prisoner of conscience. I can only applaud these actions by the Soviet authorities, and hope that these gestures will lead to further understanding between our countries. While we should not delude ourselves into thinking that the fundamental internal security system in the Soviet Union is changing, we should encourage such moderation, and show our sincere appreciation for such amnesties and releases.●

READING, WRITING, AND REEFERS

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. MAZZOLI. Mr. Speaker, the recent NBC special "Reading, Writing, and Reefers," should have been viewed by every adult American.

Most especially should it have been seen by every official, at every level of government, who will ever vote on or otherwise influence the issue of decriminalizing—a euphemism for legalizing—marihuana.

"Reading, Writing, and Reefers" is a compelling hour's worth of interviews with heavy-lidded, languorous, lethargic youngsters whose faces, speech patterns, and movements bear eloquent witness to the pernicious effects of their dependency on marihuana.

I cannot imagine how a thoughtful legislator could vote to legitimize—and, thereby, expand—the use of this drug having first seen and heard these youngsters for whom the bloom, the promise, and the vitality of youth have gone up in a puff of pot-smoke.

Mr. Speaker, I wish to compliment and commend National Broadcasting Co. for having had the courage, the love of our Nation's youth, and the good commonsense to create and air—twice so far, with more times to come I hope—this important piece of electronic journalism.

The Washington Post had an interesting editorial regarding this television program and I have attached it to these remarks for the benefit of my colleagues. Edwin Newman, who narrates "Reading, Writing, and Reefers," in that spare but eloquent style of his, summed up our responsibilities as adults and as lawmakers toward marihuana and our youth as follows:

> What should our society do about a twelve year old who smokes marihuana daily? Before we can do anything we must recognize that Brian and hundreds of thousands like him are a special problem . . .
>
> Admittedly there are still some important things that we don't know about the long-term effects of chronic marihuana use on the human body, especially on children. But in the meantime our children are not being given the knowledge that is available now.
>
> They've not been told that the marihuana they are smoking is 10 times as potent as the stuff that college students were smoking 5 years ago.
>
> They've not been told about the cancer-causing elements in marihuana smoke.
>
> Many of them don't even realize that marihuana makes it dangerous to drive a car.
>
> It is not the children's fault that they don't know these things. It is the fault of our government, our schools and all of us.

Mr. Speaker, we must heed this admonition. We have a heavy moral responsibility to tell our children of the perils of marihuana use—as we tell them today of the perils of the use of tobacco and alcohol.

If we fail to do this, history may condemn us for having countenanced the loss of a generation of beautiful and precious children.

The editorial follows:

DREAM CHILDREN

If you were seeking a mid-afternoon low yesterday, you might have tuned in on NBC's "Reading, Writing and Reefers," a first-rate documentary about the chronic use of marijuana by children. The show offered all you ever wanted to know about marijuana, but were (wisely) afraid to ask: where it grows; how it works; how it is smuggled and sold; and, of course, the new language it has created, with the "tokes" and "pot-heads" and "copping a buzz." That language tumbles maturally, if drowsily, from the children on whom the show was centered. The testimony of four rosy-cheeked kids carried the show's clear message—that marijuana is dangerous. Had the kids said nothing, their lidded eyes would have borne the message for them.

Yet it wasn't so much what the children said or looked like that was depressing and alarming. It was the knowledge that as children they had found a fool-proof way to set life dreamily aside; in other words, to effectively remove from their childhood all the encumbrances and difficulties that would challenge them into growing up. In a way, they resembled the children the Romantic writers used to pine for, the little fabrications who strolled through a fabricated childhood where, as 15-year-old Keith said proudly yesterday, "nuthin' ever bothers you." Yet even Thomas De Quincey, the Romantic essayist who wrote the "Confessions of an English Opium-Eater," began his habit at 28.

Brian of Florida is 12. He began smoking pot regularly at 8 or 9. Now he is merely one of an estimated 4 million kids from 12 to 17 who use marijuana anywhere from often to daily. Their grades drop. They become "burned out," listless. To themselves they minimize the evidence of harmful effects. Yet the show presented argument upon argument against the use of marijuana by children—arguments quite apart from the question of decriminalization.

The only voice missing from these arguments was the voice of parents. When interviewed, they shrugged as if the children were plants themselves, sprouting out of control. And the show trod lightly on the issue of how responsible parents are to warn and guide their children. Yet who but the parents can bring the message of danger home with any clarity or force? "Reading, Writing and Reefers" was shown at 4 p.m. Whenever it is shown again—as it certainly should be—let it go on at 9 or 10, when the grown-ups are watching.●

ADMINISTRATION BACKS UDALL-ANDERSON ALASKA LANDS BILL

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. BINGHAM. Mr. Speaker, the House will soon be given the choice between two inadequate and unbalanced versions of Alaska lands legislation or a sound, balanced bill similar to that which overwhelmingly passed the House last year, but died in the Senate.

I believe that the best choice is clearly the balanced bill. That bill is the Udall-Anderson substitute, which has been introduced as H.R. 3651, sponsored by the gentleman from Arizona (Mr. UDALL) and the gentleman from Illinois (Mr. ANDERSON) with the support of those of us who worked for passage of the House bill of last year.

Now, the administration has made it clear that the Udall-Anderson bill is the only one it supports.

It was the farsighted actions of President Carter, Secretary of Interior Cecil Andrus, and Secretary of Agriculture Bob Bergland that prevented irreparable damage being done by special interests after the Senate failed to complete action last year. These were actions which many Members of the House had urged, and which are supported by those of us seeking a proper resolution of this, the most important conservation issue of our generation. To carry on the imperative task of preserving the Nation's natural heritage, the Udall-Anderson substitute should be adopted.

For the information of all our colleagues, Mr. Speaker, I am offering for the RECORD at this point, an article from the New York Times reporting the administration's support for the Udall-Anderson Alaska lands bill:

CARTER OPPOSES ALASKA LAND BILL THAT ENDANGERS WILDLIFE RANGES

(By Seth S. King)

WASHINGTON, April 25.—The Carter Administration leaped back into the Congressional battle over Federal lands in Alaska today with a warning that the President would not accept a new House Interior Committee bill permitting oil and gas exploration in some sensitive areas now protected as wildlife ranges.

At a special White House briefing, Stuart E. Eizenstat, President Carter's assistant for domestic affairs, and Cecil D. Andrus, Secretary of the Interior, said that Mr. Carter would support a substitute measure sponsored by Representative Morris K. Udall, Democrat of Arizona, that is similar to the one he unsuccessfully backed last year.

The current round in the fight over the use of more than 100 million acres of Federal lands scattered throughout Alaska is expected to reach the House floor the week of May 7.

Mr. Udall is seeking permission from the Rules Committee to bring to the floor the substitute measure that he and Representative John B. Anderson, Republican of Illinois, have prepared.

PANEL REJECTS UDALL'S BILL

Last February, in a surprise move, the House Interior Committee rejected Mr. Udall's new bill and substituted one by Representative Jerry Huckaby, Democrat of Louisiana. Three weeks ago the Merchant Marine Subcommittee of the House Committee on Merchant, Marine and Fisheries, which has legislative jurisdiction over certain Alaska lands, approved a similar bill by Representative John B. Breaux, Democrat of Louisiana.

These bills would establish national parks, wildlife refuges and wilderness areas on more than 120 million acres of Federal land, about 10 million acres more than Mr. Udall and Mr. Anderson are attempting to protect in their substitute bill.

But the Huckaby-Breaux measures would mandate oil and gas exploration on the Arctic National Wildlife Range, a sensitive coastal plain east of the Prudhoe Bay oil field that provides calving grounds for the nation's only large caribou herd as well as protection for many other species of animals.

The Huckaby-Breaux bills would also cut 20 million acres out of other national wildlife refuge lands, permitting oil and mineral exploration in them. They would reduce by 30 million acres the wilderness areas designated in Mr. Udall's bill, and would divide the Admiralty Island and Misty Fjords National Monuments, opening five million acres in those areas to mineral development.

"The Huckaby-Breaux measures are totally unacceptable to the President," Mr. Eizenstat said today. "If he does not see a reasonable bill coming out of Congress, he will have to continue the protections he has already placed on these lands."

Shortly before Congress adjourned last year, Alaska's two Senators, Ted Stevens and Mike Gravel, succeeded in blocking compromise legislation similar to the Udall bill, which was also opposed by Alaskan officials and many of the state's oil, mining and real estate interests.

Then, using his executive authority, Mr. Carter designated 56 million acres as national monuments. And Secretary Andrus placed 40 million more acres in the wildlife refuge system, protecting these areas from all development for the next three years.

Mr. Andrus called the new Udall-Anderson bill "very well balanced" and said it would provide more flexibility for sportsmen and other uses in the Federal areas than Mr. Carter's designations did.

"While these lands are well protected by those designations, the President would rather have this dispute settled by acceptable Congressional action," the Secretary continued. "This would satisfy the public and not leave a bitter taste in anybody's mouth."●

BENNETT'S CONGRESSIONAL QUESTIONNAIRE RESULTS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. BENNETT. Mr. Speaker, I have just compiled the results of my 1979 Congressional Questionnaire and I would like to share the results with my colleagues here in the House. I received more than 10,500 responses to the questionnaire which was mailed to every household in the Third Congressional District of Florida.

Of particular note, 69 percent of the respondents were opposed to compulsory national health insurance and only 31 percent were in favor. In 1975, when I asked an identical question about national health insurance, 57 percent were opposed with 43 percent in favor. In just four years, support for compulsory national health insurance has fallen 12 percentage points in my Congressional district.

On other questions, large majorities favored increased spending for national defense, a requirement that ablebodied welfare recipients work for their benefits, and a postponement of scheduled increases in the minimum wage. In addition, a large majority opposed allowing common situs picketing.

Here is a detailed breakdown of the questions and responses:

Do you favor:

[In percent]

	Yes	No
(1) Increased spending for national defense?	70	30
(2) Compulsory national health insurance?	31	69
(3) A requirement that able-bodied welfare recipients work for their benefits?	99	1
(4) Allowing common situs picketing?	20	80
(5) Postponement of scheduled increases in the minimum wage?	67	33

●

HUMAN RIGHTS IN NORTHERN IRELAND

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DOWNEY. Mr. Speaker, the problems in Northern Ireland have endured through the centuries. What we must concern ourselves with are the events of recent years, and what we can do about them.

Since October 1968, great suffering has been endured by almost 5,000 men and women who have been imprisoned in Northern Ireland. Suspected IRA terrorists have been physically mistreated by the Ulster police in trying to extract confessions from them. An astonishing 80 percent of court convictions stem from these confessions.

Knowledge of these abuses has not just come about recently. Several years ago, the European Commission on Human Rights found Northern Ireland guilty of mistreating IRA suspects imprisoned without trials. Amnesty International detailed 78 cases of alleged brutality at the Castlereigh interrogation center. Its findings sparked the Bennett Committee inquiry of which the results are the British Government's first official acknowledgement of mistreatment of some IRA suspects. This inquiry, carried out by an entirely British committee, was boycotted by Amnesty International and all Irish political parties, except the Alliance Party.

The publication of the findings of the Bennett report was made very soon after Dr. Robert Irwin, a Belfast physician employed by the Belfast police, stated on British television on March 11 that 150 suspected terrorists examined by him showed injuries after interrogation at the Castlereigh Center. He claimed that these injuries were not self-inflicted, and he provided details of the gruesome injuries suffered by the prisoners.

Justice must be done and the situation rectified. In a number of civil claims, damages have been awarded or settlement made out of court. Criminal proceedings have been undertaken against police officers, but no final convictions have resulted.

We, the Congress of the United States, must continue to speak out against the deplorable treatment of prisoners in Northern Ireland. It must be known that we no more condone these violations by our allies than by those countries with whom we are not allied. Our foreign policy must remain committed to human rights for all.

Thank you.●

UDALL-ANDERSON SUBSTITUTE TO H.R. 39

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. WOLFF. Mr. Speaker, the wilderness and wildlife of Alaska have international significance. A great opportunity to protect these international values is before us in the Udall-Anderson substitute to H.R. 39, the Alaska National Interest Lands Conservation Act.

I was a cosponsor of the Alaska lands bill last year, and I argued here on the House floor, shortly before the vote, for comprehensive habitat protection. The question is just as important this year.

Alaska contains some of the world's greatest summer nesting habitat for migratory birds. It is among the least-damaged wildlife habitat in the world. Many of the ducks, geese, and swans that are seen in the lower 48 States every fall and winter come from Alaska, and the same is true of those seen in Asia and the Pacific.

Other species of migratory birds nest in Alaska and migrate to such distant lands as Japan, New Zealand, Argentina, and Antarctica. The arctic term, for instance, breeds in Alaska and migrates some 10,000 miles to the antarctic waters off Chile, Argentina, and South Africa. The golden plover breeds in northern Alaska and winters in the South Pacific region, including Hawaii, South China, and Australia. Summer habitat essential to these migratory birds is included in the provisions of the Udall-Anderson substitute. Sea-run fish, including several species of salmon, come from Alaska's rivers and move out to distant parts of the North Pacific, providing a food source for several Pacific nations. Many of the rivers on which these fish runs depend will receive protection this version of the bill.

The international porcupine caribou herd returns each summer to its calving area in the Arctic National Wildlife Range, and migrates south and east into Canada for the winter. Last July the Government of Canada withdrew nearly 10 million acres bordering our Arctic National Wildlife Range for projected Canadian national wilderness park. The Canadians are also developing plans to protect much of the rest of the Yukon, so that the caribou are safeguarded on their side of the border. The provisions of the Udall-Anderson substitute would give us an excellent foundation for international cooperation in this region.

Also of international importance is the Alaskan population of polar bears. The United States is a signatory, with Canada, Denmark, Norway, and the U.S.S.R., to the agreement on the conservation of polar bears, ratified by the United States in September 1976. The agreement commits the five nations to protection of the polar bear and its habitat. The Udall-Anderson substitute would carry out that commitment by protecting the polar bear's denning habitat in the coastal part of the Arctic National Wildlife Range.

A great international park is in store for the spectacular Wrangell-St. Elias Mountains, which span the international boundary in south-central Alaska. Canada already has the Kluane National Park on its side of the border. The Udall-Anderson substitute would establish the Wrangell-St. Elias National Park and Preserve on our side of the border.

Our Nation will never again have such an opportunity to protect the internationally important wildlife lands of Alaska. We can always open these areas to exploitation later on, if commodity resources should become even more important than the wildlife their extraction would threaten. But, if we lay these lands open to such damage now, how can we then hope to restore what nature took centuries to create?

Mr. Speaker, I urge my colleagues to join me in supporting the Udall-Anderson substitute to H.R. 39 so that the wildlife values of our last wilderness frontier gain the protection they so clearly warrant.●

MEDICARE MENTAL ILLNESS NONDISCRIMINATION ACT

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DOWNEY. Mr. Speaker, it has been estimated that 15 to 20 percent of our Nation's more than 22 million older citizens have significant mental health problems. Restrictions in the medicare program effectively prevent many of these individuals from receiving adequate mental health care.

Last week the House Select Committee on Aging sponsored a 2-day National Conference on Mental Health and the Elderly. Foremost among the legislative recommendations of conference participants is the elimination of the discriminatory treatment of mental disorders under Medicare.

The Medicare Mental Illness Nondiscrimination Act, which I have introduced today, is designed to achieve this goal through three basic changes in the medicare program.

SUMMARY

First, the bill eliminates the discriminatory 50/50 copayment formula for mental health care in favor of the 80/20 copayment formula now used for physical health care. It is inequitable for mental health care patients to fund 50 percent of their treatment while physical health care patients are required to contribute only 20 percent of treatment costs.

Second, the bill eliminates the discriminatory annual $250 maximum payment for outpatient care of nervous, mental, or emotional disorders. A $500 annual ceiling coupled with the 50/50 copayment requirement now restricts benefit payments to a yearly maximum of $250. By eliminating the ceiling entirely, greater utilization of outpatient mental health services will occur.

The third provision of the bill concerns inpatient services or part A of medicare. It eliminates the discriminatory 190-day lifetime limit for inpatient psychiatric care and substitutes the "spell of illness" definition employed for physical health care. In those cases where inpatient care is needed, an arbitrary time limitation should not serve as a constraint on medical judgments.

DISCUSSION OF PURPOSE AND COSTS

The Social Security Administration (SSA) estimates that the two revisions in outpatient services (part B of medicare) will cost $35 million. SSA estimates that medicare part A expenditures will increase $10 million as a result of removing the 190-day time limitation on inpatient psychiatric care. The bill's overall price tag of $45 million also is borne out by the report of the President's Commission on Mental Health.

This $45 million cost estimate represents less than two-tenths of 1 percent of the dollars spent on supplementary medical insurance (physician and related services) under part B of medicare and less than one-half of 1 percent under part A. Nonetheless, I believe this cost figure is misleading. It does not balance the surface cost of the bill against the significant savings to be realized from lower medicare hospitalization costs.

Increased access to mental health care services often lowers the costs of other health care services. Several studies attest to this phenomenon.

In a study of a single Texas county—which spanned the years 1973–77—it was demonstrated that increased access to outpatient psychiatric care reduced the average hospital stay of patients 65 and older from 111 days to 53 days. This halving of hospital time resulted in savings of $1.1 million. When multiplied out over the entire population of seniors in need of mental health care services, it is quite possible that this effect will result in a significant reduction of overall medicare costs.

Dr. Robert Butler, Director of the National Institute on Aging, helps to explain the reason for these savings in "Aging and Mental Health":

> (Medicare) exclusions may actually increase the government's bill by discouraging preventive and early rehabilitative care. . . . Some old people get themselves checked into a hospital just to get a physical examination

(basing it on some physical complaint) because this will not be paid for on an outpatient basis.

The same pattern holds true for mental health coverage. Physical complaints and symptoms often mask a psychiatric illness. In many of these cases, patients are inappropriately placed in skilled nursing homes or intermediate care facilities, because reimbursement is more easily available for care in these facilities. Generally, these places lack the resources to treat the emotionally disturbed, thereby prolonging the illness. This misuse of resources raises the cost of medicare.

It has been noted that as many as 30 percent of those described as "senile" actually have reversible psychiatric conditions which, if treated, would allow these individuals to become more productive members of society and would save a substantial amount of medicare dollars.

Several other studies support this point about cost savings, although they do not deal exclusively with an aged population.

The Group Health Association of Washington, D.C., found that patients treated by mental health care professionals reduced their nonpsychiatric physician usage by 30.7 percent when the year after their referral to mental health services was compared with the year before referral. The Kaiser plan in California estimated that subsequent savings for each patient receiving psychiatric treatment were approximately $250 per year. Finally, Blue Cross of western Pennsylvania found that a group of subscribers with access to a psychotherapy outpatient program averaged $10 less per patient in monthly medical services than an equivalent group without access to the program.

In 1975, medicare reimbursement for all mental health treatment was $241 million. Outpatient care equaled less than 1 percent of the total supplementary medical insurance reimbursement, and inpatient care was approximately 2 percent of the total.

Mental health care now represents a small percentage of overall medicare costs. It is my view that an increase in mental health expenditures will be cost/effective. This is an instance where we can save money by spending money.

CONCLUSION

The elderly today represents 1 in every 10 Americans. Within the next 30 years, they may well represent one in every five.

We know that this important and growing population is disproportionately subject to emotional and mental problems. Those over 65 lead the World Health Organization's list of incidences of all new psychopathology cases per 100,000 in population at an alarming rate of 236.1. The next lower age category has a rate of 93. Suicides also increase with age. The elderly account for 25 percent of suicides nationally.

Older persons are affected more readily by many common emotional problems due, in part, to their growing physical and sensory incapacities. The National Institute of Mental Health predicts that, by 1980, 80 percent of our elderly citizens who need assistance for emotional disturbances will never be served.

There are two basic reasons for this omenous statistic. The first is the stigma attached to mental illness in its generic sense and the fact that the elderly are the group least likely to seek medical treatment for emotional and mental problems. The second is the discriminatory manner in which mental disorders are treated by the medicare program.

The solution to the first problem is a long range one. It is the education of our citizenry, especially our seniors, that seeking mental health care is neither demeaning nor shameful. It is often the key to a life of dignity. The solution to the second problem can be accomplished in the short term with the passage of this bill.

In 1979, it is estimated that 285,000 medicare recipients will utilize mental health outpatient services. It is clear that increasing this utilization rate by eliminating the 50/50 copayment formula and the $250 yearly ceiling for mental health outpatient care will avoid unnecessary, inappropriate, and costly inpatient placement in many cases.

Between 1965 and 1977, approximately 2,500 individuals exceeded the 190-day lifetime time limitation on inpatient psychiatric care. Better attention to the use of appropriate facilities for those in need of inpatient care will accompany the elimination of this arbitrary time limit.

In its report to the Budget Committee, the Ways and Means Committee stated that it is seeking "improvements in medicare to close certain gaps in coverage (some of which create incentives for the use of more costly services) and to eliminate certain defects in the benefit structure that result in hardships for aged beneficiaries when they become sick." The Medicare Mental Illness Nondiscrimination Act will achieve these goals.

It is time to make major strides to benefit the large and special population of elderly citizens in need of mental health care services. It is time to act on recommendations that have been languishing for a decade. I, therefore, urge my colleagues to support this bill and work for its enactment.●

RELIANCE ON IMPORTS

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. HILLIS. Mr. Speaker, every American knows all too well that the United States is too dependent on foreign oil. However, I do not believe that most Americans understand that the United States is also heavily dependent on other countries for many critical nonfuel minerals.

Net U.S. imports provide more than 50 percent of consumption for 18 major commodities. Dependence on imports of columbium, mica (sheet), strontium, manganese, cobalt, tantalum, platinum group metals, bauxite and alumina, and chromium is higher than 85 percent. In many cases, these minerals are vital to our national security and economic interests.

Inserted at the end of this statement is a chart from the Bureau of Mines of the U.S. Department of Interior which shows our net import reliance for selected minerals and metals as a percentage of consumption in 1977. The tremendous dependence on imports is readily visible when studying this chart.

Unlike petroleum, there are alternatives to relying on imports for many of these minerals and metals. Such alternatives include increased exploration, improved technology to utilize lower grade domestic deposits, greater use of substitution and/or recycling, more efficient use of mineral imports, and of course, development of ocean mining.

If legal issues can be resolved, ocean mining could contribute additional supplies of nickel, cobalt, manganese, and copper from seabed nodules. However, these legal issues will be extremely difficult to settle due to their complexity and widespread effects.

Although alternatives to continued reliance on imports exist, securing new foreign sources and developing economically feasible domestic supplies will become increasingly more complex as the United States attempts to meet a wide variety of economic, political, social, technological, and environmental challenges. These challenges will not be easily met. It will be difficult to adequately reflect the needs and views of all interested groups.

The Congress should begin to study our reliance on imported minerals and metals in a comprehensive manner. If work is begun on this issue immediately, we will be better able in the event that uncontrollable events seriously curtail the availability of needed minerals and/or metals in the future.

I have interested House Resolution 233 which provides for the establishment of the Select Committee on Materials and Natural Resources. This select committee is needed since the issues involved transcend the purview of many congressional committees. The results of the select committee's work would be invaluable to the House in addressing this issue.

A copy of House Resolution 233 follows the chart mentioned earlier:

UNITED STATES NET IMPORT RELIANCE OF SELECTED MINERALS AND METALS AS A PERCENTAGE OF CONSUMPTION IN 1977

Minerals and Metals, net import reliance* as a percent of apparent consumption,** and major foreign sources (1973–1976):

Colombium, 100 percent, and Brazil, Thailand Nigeria, Malaysia.

Mica (Sheet), 100 percent, and India, Brazil, Malagasy Republic.

Strontium, 100 percent, and Mexico, Spain.

Manganese, 98 percent, and Brazil, Gabon, South Africa.

Tantalum, 97 percent, and Thailand, Canada, Australia, Brazil.

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*Net Import Reliance = imports − exports + adjustments for government & industry stock changes.

**Apparent Consumption = U.S. primary + secondary production + net import reliance.

Cobalt, 97 percent, and Zaire, Belg.-Lux. Norway, Finland.

Platinum-Group Metals, 91 percent, and South Africa, U.S.S.R., U.K.

Bauxite and Alumina, 91 percent, and Jamaica, Australia, Surinam, Guinea.

Chromium, 91 percent, and South Africa, U.S.S.R., Turkey, Southern Rhodesia.

Asbestos, 85 percent, Canada, South Africa.

Tin, 82 percent, and Malaysia, Thailand, Bolivia, Indonesia.

Fluorine, 81 percent, and Mexico, Spain, Italy, South Africa.

Nickel, 70 percent, and Canada, Norway, New Caledonia, Domin. Rep.

Potassium, 63 percent, and Canada, Israel.

Gold, 61 percent, and Canada, Switzerland, U.S.S.R.

Zinc, 57 percent, and Canada, Mexico, Australia, Peru.

Tungsten, 52 percent, and Canada, Bolivia, Peru, Thailand.

Cadmium, 51 percent, and Canada, Australia, Belg.-Lux.

Iron ore,[*] 48 percent, and Canada, Venezuela, Brazil, Liberia.

Iron and steel scrap, −14 percent, and (net export).

Mercury, 45 percent, and Spain, Algeria, Mexico, Yugoslavia.

Selenium, 42 percent, and Canada, Japan, Mexico, Yugoslavia.

Barium, 38 percent, and Peru, Ireland, Mexico.

Titanium (ilmenite), 37 percent, and Canada, Australia.

Silver, 36 percent, and Canada, Mexico, Peru, U.K.

Gypsum, 36 percent, and Canada, Mexico, Jamaica, Domin. Rep.

Vanadium, 35 percent, and South Africa, Chile, U.S.S.R.

Antimony, 21 percent, and South Africa, P.R. of China, Bolivia.

Iron and steel products 15 percent, and Japan, Europe, Canada.

Copper, 13 percent, and Canada, Chile, Peru, Zambia.

Lead, 13 percent, and Canada, Peru, Mexico, Australia.

Salt, 8 percent, Canada, Bahamas, Mexico, Neth. Antilles.

Aluminum, 7 percent, and Canada.

Sulfur, 6 percent, and Canada, Mexico.

Cement, 6 percent, and Canada, Spain, Norway, Bahamas.

Pumice and Volcanic Cinder, 6 percent, and Greece, Italy.

Source: Bureau of Mines, U.S. Department of the Interior.

H. Res. 233

Resolution providing for the establishment of the Select Committee on Materials and Natural Resources

Resolved, That there is hereby created a select committee to be known as the Select Committee on Materials and Natural Resources. The select committee shall be composed of seven Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the select committee shall be filled in the same manner in which the original appointment was made.

Sec. 2. The select committee is authorized and directed to conduct a full and complete investigation and study of shortages of materials and natural resources affecting the United States, including (1) causes, extent, and effects; (2) the adequacy of current machinery and procedures of the Congress and the executive branch pertaining to the solution of such problems; and (3) comprehensive measures to assure Federal support and assistance for the securement of materials and natural resources at home and abroad based on relative need in order to achieve an adequate supply, considering present and projected needs of the Nation.

Sec. 3. (a) For the purpose of carrying out this resolution, the select committee, or any subcommittee thereof authorized by the select committee to hold hearings, is authorized to sit and act during the present Congress at such times and places as deemed advisable, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to request the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers and documents it deems necessary.

(b) The provisions of clauses 1, 2, and 3 of rule XI of the Rules of the House of Representatives shall apply to the select committee.

Sec. 4. (a) Subject to the adoption of expense resolutions as required by clause 5 of rule XI of the Rules of the House of Representatives, the select committee may incur expenses in connection with its duties under this resolution.

(b) In carrying out its functions under this resolution, the select committee is authorized—

(1) to appoint, either on a permanent basis or as experts or consultants, such staff as the select committee considers necessary;

(2) to prescribe the duties and responsibilities of such staff;

(3) to fix the compensation of such staff at a single per annum gross rate which does not exceed the highest rate of basic pay, as in effect from time to time, of level V of the Executive Schedule in section 5316 of title 5, United States Code.

(4) to terminate the employment of any such staff as the select committee considers appropriate; and

(5) to reimburse Members of the select committee and of its staff for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties and responsibilities for the select committee, other than expenses in connection with any meeting of the select committee held in the District of Columbia.

Sec. 5. (a)(1) The select committee shall report to the House with respect to the results of any field investigation or inspection it conducts.

(2) The select committee shall submit an annual report to the House of Representatives which shall include a summary of the activities of the select committee during the calendar year to which the report applies.

(b) Any such report which is made when the House is not in session shall be filed with the Clerk of the House.●

OFFICE OF PERSONNEL MANAGEMENT REGULATION

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. BARNES. Mr. Speaker, I recently requested expert analysis and commentary from the Fund for Constitutional Government of the proposed regulations of the Office of Personnel Management.

It had come to my attention that the Fund for Constitutional Government (FCG) in conjunction with the Government Accountability Project (GAP) and the American Civil Liberties Union of the National Capitol Area (ACLU–NCA) had earlier filed formal comments criticizing OPM regulations as being in variance with the Civil Service Reform Act of 1978.

As a nonprofit foundation, the Fund for Constitutional Government has long been active in exposing and attacking governmental wrongdoing. In 1976, it published Blueprint for Civil Service Reform, which documented political manipulation of the civil service and recommended proposals for reform.

Knowing that the OPM has the important responsibility of carrying out the intent of the new reform act and of protecting the essential principles of the merit system, I felt the objections that the Fund for Constitutional Government raises about the interim OPM regulations should be given greater public exposure.

The fund's letter to me, along with an article that appeared in the Federal Times about the important work of these three governmental watchdog organizations, are herewith submitted for the Record.

The material follows:

March 30, 1979.

Hon. Michael D. Barnes,
Longworth House Office Building,
Washington, D.C.

Dear Congressman Barnes: On January 16, 1979, the Office of Personnel Management (OPM) published interim regulations implementing the Civil Service Reform Act of 1978. The regulations cover a number of topics which are of particular concern to federal employees. Among the issues discussed are: reduction in grade and removal based on unacceptable performance; adverse actions; performance appraisals, and probation on initial appointment to a supervisory or managerial position.

As currently written, the regulations undermine the letter and spirit of the new Reform Act, leave employees vulnerable to agency harassment and fail to protect merit system principles. The Fund for Constitutional Government wishes to point out to you some of the most serious flaws in OPM's current approach.

1. Whistleblowers' rights are inadequately protected by the regulations. Whistleblowers who are retaliated against by being forced to resign supervisory or managerial positions after the probationary period should be allowed to appeal management's decision on those specific grounds. Equally disturbing is the unlimited discretion OPM has given to the agencies to suspend employees without prior notice. A whistleblower—or any employee—whose presence, in the eyes of hostile management, "may be detrimental to the interests of the government" may now find himself or herself summarily suspended. Management could ask for no more convenient weapon against employees who "rock the boat."

2. Every career civil servant has a vital stake in the establishment of fair performance appraisal systems. These systems, which will set standards for judging employee performance, are a most important aspect of the new law. Congress has made it clear that employees should participate in establishing performance standards.

Congress has also given OPM the authority to review agencies' systems, and has directed OPM to act if the agencies' plans are inadequate.

The interim regulations fail to give adequate weight to these principles. For example, they allow agencies to make unilateral changes in their current rating plans and related grievance procedures without any employee input or supervision from OPM for the next 2½ years. At least one agency, the FDA, is now developing performance standards, implementing new position classification standards, and rewriting position descriptions without employee participation, and without establishing any valid performance appraisal system first.

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[*] Substantially higher than normal due to strikes.

OPM should make it clear that all "interim" changes which will affect employee appraisals (such as rewriting position descriptions, or revising position classifications or other standards affecting performance) be reviewed by OPM and be allowed only if employees have had an adequate opportunity to comment and participate. Employees who wish to comment on their agency's proposed appraisal system once it has been submitted to OPM for approval, should also be given a formal opportunity to do so.

As for the performance appraisal systems themselves, the OPM regulations should—but do not—follow the new law in making clear that any such system should put primary emphasis on the *quality* of the employee's work; that supervisors should be judged in part by the performance of their *subordinates*, that standards should be based on *objective* criteria insofar as possible, and that no system may be used against an employee unless that employee is provided an adequate opportunity to demonstrate acceptable performance.

3. One of the most disturbing aspects of the proposed regulations concerns the treatment of employees' representatives. Under the interim regulations, management may disallow an individual his representative of choice almost at will. Virtually any employee, for example, may be denied permission to represent a colleague because of "priority needs of the Government." This tactic of fencing out the most aggressive, knowledgeable and effective employee-representatives has been used in the past as a subtle form of retaliation against EEO complainants and whistleblowers. The only way to eliminate it is for OPM to allow disqualification only for an actual conflict of interest clearly demonstrated by the agency.

4. An employee who finds himself or herself the target of an adverse action proceeding faces discipline that could injure or destroy that individual's entire professional career. Yet, in some cases OPM has set a bare 24 hours as the minimum acceptable period for the employee's reply. One day does not begin to give the employee adequate time to answer, much less collect the supporting affidavits or other documentary evidence that may be needed. Nor will it give the individual a chance to obtain a representative. Moreover, for the most serious adverse action proceedings, OPM has ignored the vital requirement that the hearing officer not be in the same line of authority as the affected employee. If the agencies are allowed to disqualify an employee's representative for "conflict of interest," that same right should be afforded the employee, who should be allowed to challenge the agency's handpicked hearing officer on those grounds.

5. The regulations do not provide adequate protection to would-be supervisory or managerial employees who do not complete their "probationary period" successfully. Nothing in the regulations guarantees that these individuals will be returned to positions which are truly equivalent to those they left. The danger here is that an employee could be returned to a job at the same pay and grade, but with responsibilities and status severely reduced, much the same that political "enemies" or "non-loyalists" of the Nixon administration were given meaningless, demeaning positions.

Sincerely,

ANDRA N. OAKES,
Attorney for the Fund for Constitutional Government.

[From the Federal Times, Mar. 26, 1979]

OPM PLANS TO WEAKEN EMPLOYEE SAFEGUARDS

The Office of Personnel Management (OPM) is proposing regulations that will allow government agencies untrammeled authority to suspend employees temporarily or indefinitely without prior notice.

These proposals—still tentative—had gone largely unnoticed until they were picked up last week by three government watchdog groups—the Fund for Constitutional Government (FCG), Government Accountability Project (GAP), and the American Civil Liberties Union (ACLU).

The three organizations have issued a joint attack on this as well as other recently-issued OPM regulations charging that OPM is violating the Civil Service Reform Act of 1978, exposing whistle-blowers to retaliation, and creating an open season for dubious personnel practices advocated in the May "Malek" Manual.

OPM's current regulations, the three groups said in an official petition to the agency, "fall far short" of President Carter's campaign promise to "protect our federal employees from harassment and dismissal if they find out and report waste or dishonesty by their superiors and others."

The threat to the civil liberties of federal employees, the three groups said, are contained in a series of "exceptions" being proposed by OPM. For instance, OPM is proposing to allow agencies to impose a furlough without pay without providing employees written notice and an opportunity to answer.

The agencies can resort to these methods under "unforeseeable circumstances" which are so broad and loosely defined that they could be stretched to include "acts of God," the petitioners said.

The new regulations also propose to broaden the discretion of agencies in suspending employees by eliminating the 30-day notice provision for suspensions. "The potential for abuse is clear," the three groups wrote OPM. "Under this section whistle-blowers and victims of political pressure will, for example, find themselves summarily suspended on grounds that their continued retention 'may be detrimental to the interests of the government.' The sweeping language of this change is not authorized by the law and will invite widespread abuse."

In cases where an employee is permitted to respond to a proposed suspension of two weeks or less, he will be given 24 hours in which to respond. Twenty-four hours, the three petitioners said, "does not provide the 'reasonable time to answer orally and in writing and to furnish affidavits and other documentary evidence in support of an answer' as guaranteed by Congress. Nor will it provide enough time to obtain an attorney or other representative."

In fact, they said the new regulations also chip away at an employee's right to be represented by a representative of his choice during administrative adverse action proceedings. Section 432.205(c) provides that any agency may disallow an employee's choice of representatives because of "conflict of interest or position," "priority needs of the government," or "unreasonable costs to the government."

"This sweeping provision," the three watchdog groups said, "has no support whatever in the Reform Act or its legislative history. This provision invites harassment of whistleblowers and other employees. It would give supervisors a virtual blank check to cripple effective defenses by denying affected employees their choice of representative. The tactic of disallowing knowledgeable representatives on the spurious grounds of 'pressing agency needs,' or 'conflict-of-interest' has been one of the most frequent weapons against whistleblowers and EEO complaints."

Under the new civil service law employees who are promoted to supervisory positions are to be treated as probationary employees who can be returned to their former nonsupervisory positions if they are judged to have performed poorly in their supervisory capacities.

The proposed OPM regulations state that when probationary supervisors are returned to nonsupervisory positions within their agencies they are entitled to the same grade and pay they left to accept supervisory or managerial positions.

This provision is not as innocent as it sounds, the petitioners aver, because it does not assure that the employee will be granted a position that is truly equivalent to the one he left behind. In other words, the OPM proposal would permit an agency to reassign such employees to meaningless positions inconsistent with their qualifications, training or prior experience.

This reduction-in-rank technique came highly recommended in the May "Malek" Manual as a means of getting rid of politically unresponsive employees.

A probationary supervisor who is bounced back to a do-nothing job can appeal only for reasons of discrimination or partisan political reasons. But the petitioners maintain that in so limiting the appeal OPM is ignoring a host of prohibited personnel practices—such as retaliation against whistleblowing—that may be involved in such "demotions."

The new OPM regulations on performance appraisals are also a clear violation of the new civil service law, the petitioners said. They point out that the regulations:

Allow agencies to use performance appraisals to punish or downgrade employees without stating that such uses are permissible "only after employees have had an opportunity to demonstrate acceptable performance."

Allow agencies to go without performance appraisals for more than a year notwithstanding the civil service law requirement that all agencies issue appraisals at least annually.

Make OPM's duty to take corrective action against agencies not meeting statutory requirements of the performance appraisal system discretionary rather than mandatory as required by the law.

"Inexplicably" allows agencies unlimited discretion to modify their current performance rating plans without OPM approval until their new appraisal systems are implemented.

"We see no statutory basis for allowing agencies this blank check for the next 31 months," the petitioners said.

This section "offers agencies an easy method of conducting a purge of out-of-favor employees through arbitrary or politically-motivated modifications of the current system . . . by allowing agencies to even modify their grievance procedures for challenging the interim ratings, thus choking off protest."—BADHWAR.●

PRESIDENT'S ANTIRECESSION AID BILL

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. MINETA. Mr. Speaker, I call attention of my colleagues to a list of cities receiving more than $90,000 from the President's antirecession aid bill whose representatives are not cosponsors of the Rodino-Danforth bill:

List of Cities Receiving More Than $90,000 From the President's Antirecession Aid Bill Whose Representatives Are Not Cosponsors of the Rodino-Danforth Bill

State: Representative: City	Allocation	Mayor/phone number
Alabama: Edwards: Mobile	368,536	Lambert C. Mims, 205-438-7411.
Alaska: Young: Anchorage	433,686	George M. Sullivan, 907-264-4431.
Arizona: Stump:		
Yuma	126,942	James P. Deyo, 602-782-2271.
Yuma County	108,816	
California:		
Johnson: Chico	94,664	
Miller: Richmond	237,339	Stanley Grydyk, 415-232-1212.
Coelho, Krebs:		
Fresno	386,233	Daniel Whitehurst, 209-488-1561
Humboldt	430,796	
Grisham: Eureka	130,259	
Burgener:		
Brawley	162,707	
Calexico	292,392	
El Centro	221,917	
Bakersfield	133,073	Donald Hart, 805-861-2770.
Corman, Moorhead, Beilenson, Waxman, Dorman: Los Angeles County.	10,203,082	Tom Bradley, 213-485-2121.
Moorehead: Burbank	91,339	D. Verner Gibson, 213-847-9708.
Anderson: Long Beach City	402,865	Thomas J. Clark, 213-590-6707.
Grisham, Lloyd: Pomona	256,394	Charles W. Bader, 714-620-2051.
Coelho:		
Merced	123,701	
Merced County	532,362	
Panetta: Salinas	120,576	Henry K. Hibino, 408-758-7203.
Badham: Santa Ana	228,252	Vernon S. Evans, 714-834-4144.
Matsui, Fazio:		
Sacramento	496,262	Philip Isenberg, 916-449-5400.
Ontario	113,259	Robert E. Ellingwood, 714-986-1151
Wilson, B., Burgener:		
San Diego	836,196	Pete Wilson, 714-236-6330.
San Diego County	1,394,911	
Burton, I.; Burton, P.: San Francisco	2,651,147	Dianne Feinstein, 415-558-6161.
Sumway: Stockton	475,609	Arnold I. Rue, 209-944-8244.
McCloskey, Mineta: San Jose	475,448	Janet Gray Hayes, 408-277-4000.
Panetta: Santa Cruz	113,556	Lawrence A. Edler, 408-429-3784.
Johnson:		
Redding	115,559	
Podesto	175,667	
Oxnard	197,318	Tsujio Kato, 805-486-2601.
Colorado: Evans:		
Colorado Springs	212,814	Lawrence D. Ochs, 303-471-6600.
Pueblo	223,896	Melvin Takadi, 303-545-0561.
Delaware: Kogovsek:		
Dover	113,219	
Wilmington	526,247	William T. McLaughlin, 302-571-4100
Florida:		
Stack:		
Fort Lauderdale	115,186	E. Clay Shaw, Jr., 305-761-2000.
Hollywood	135,907	David R. Keating, 305-921-3000.
Lehman, Fascell:		
Miami	1,038,722	Maurice A. Ferre, 305-579-6666.
West Palm Beach	123,808	Helen Wilkes, 305-655-6811.
Georgia:		
Evans: Macon	186,469	Buckner Melton, 912-744-7000.
Ginn: Savannah	169,569	John P. Rousakis, 912-233-9321.
Levitas, Fowler, Gingrich: Atlanta	695,641	Maynard Jackson, 404-658-6100.
Barnard: Augusta	129,386	Lewis Newman, 404-724-4391.
Hawaii: Heftel: Honolulu	1,315,883	Frank F. Fasi, 808-523-4111
Illinois: Stewart, Russo, Fary, Hyde, Rostenkowski, Yates, Annunzio, Madigan: Chicago.	12,151,224	Michael A. Bilandic, 312-744-3300.
Indiana:		
Benjamin:		
Muncie	182,788	Robert G. Cunningham, 317-747-4844.
Gary	362,219	Richard G. Hatcher, 219-944-6501.
Hillis, Evans, Jacobs: Indianapolis	1,124,644	William Hudnut, 317-633-6141.
Maryland:		
Byron: Cumberland	129,019	
Long, Mikulski, Mitchell: Baltimore	3,960,129	William Donald Schaefer, 301-396-3100
Massachusetts:		
Heckler:		
Fall River	199,739	Carlton M. Viveiros, 617-675-6011.
Taunton	112,345	Joseph L. Amaral, 617-822-0581.
Boland: Springfield	291,247	Theodore E. Dimaurs, 413-736-2711.
O'Neill:		
Cambridge	286,126	Thomas W. Danehy, 617-876-6800.
Somerville	260,587	Thomas August, 617-625-6600.
Watertown	94,697	Patrick B. Ford, 617-924-2078.
Boston	2,953,239	Kevin H. White, 617-725-4747.
Kentucky: Snyder: Covington	107,071	George E. Wermeling, 606-292-2265.
Louisiana:		
Breaux: Lake Charles	333,469	William E. Boyer, 318-436-3757.
Moore:		
Baton Rouge	604,319	W. W. Dumas, 504-389-3000.
Jefferson Parish	(492,554)	
Boggs, Treen:		
Kenner City	106,310	Joe S. Yenni, 504-722-7701.
Lafayette City	112,098	Kenneth F. Bowen, 318-233-6611.
Huckaby: Bastrop City	112,098	
Livingston, Boggs: New Orleans	2,015,646	Ernest N. Morial, 504-586-4311.
Huckaby:		
Monroe City	149,681	Jack Howard, 318-387-3521.
Rapides Parish	(149,873)	
Long:		
Alexandria	153,444	Carrol Lanier, 318-442-8801.
Richland Parish	(106,890)	
St. Bernard Parish	(121,841)	
St. Landry Parish	(100,662)	
Long:		
Opelousas City	123,893	
Tangipahoa Parish	(117,474)	
Hogalusa City	(131,512)	
West Carroll Parish	(101,640)	
Maine: Snowe: Presque Isle	90,376	
Michigan:		
Ruppe: Alpena	111,048	
Brown:		
Battle Creek	92,872	Frederick R. Brydges, 616-966-3300.
Sault Sainte Marie	176,091	
Wolpe, Carr: Lansing	245,994	Gerald W. Graves, 517-487-1300.
Brown: Kalamazoo	103,299	Francis P. Hamilton, 616-385-8000.
Vander Jagt: Muskegon, North Muskegon.	95,509	John Emidendorp, 616-726-3111.
Broomfield: Pontiac	779,220	Wallace E. Holland, 313-857-7600.
Traxler: Saginaw	146,635	Joe L. Stephens. 517-753-5411.
Pursell: Ypsilanti	120,873	
Mississippi:		
Lott:		
Biloxi	111,194	Jeremiah O'Keefe, 601-374-1661.
Gulfport	97,745	
Montgomery: Meridian	103,174	
Bowen: Greenville	183,411	William C. Burnley, Jr., 601-335-2361.
Missouri: Clay, Gephardt: St. Louis	2,095,088	James Conway, 314-453-3201.
Ohio:		
Kindness: Middletown City	90,427	Thomas C. Blake, 513-425-7766.
Oaker, Vanik, Mottl: Cleveland	1,348,142	Dennis Kucinich, 216-694-2000.
Luken, Gradison: Cincinnati	1,148,847	Bobbie Stern, 513-352-3000.
Ashley: Toledo	391,624	Doug Degood, 419-247-6332.
Ashbrook: Mansfield	103,370	Richard A. Porter, 419-526-2600.
Seiberling: Akron	417,755	John S. Ballard, 216-375-2345.
Oregon: Weaver: Springfield	109,583	Vernon A. Meyer, 503-746-4426.
Pennsylvania:		
Shuster: Altoona	102,981	Willima Stouffer, 814-944-7131.
Kostmayer: Bristol Township	105,439	
Murtha: Johnstown	214,379	Charles Tomljanovic, 814-539-8760.
Ertel: Harrisburg	91,624	Paul E. Doutrich, Jr., 717-255-3011.
Marks: Erie	108,607	Louis J. Tullio, 814-456-8561.
McDade: Scranton	195,383	Eugene Hicken, 717-348-4100.
Walker: Lancaster	144,379	Richard M. Scott, 717-397-3501.
Rooney:		
Allentown	149,824	Frank Fischi, 215-437-7547.
Easton	97,760	
Dougherty, Nix, Coughlin: Philadelphia.	8,729,364	Frank L. Rizzo, 215-586-1776.
Goodling: York	110,905	Elizabeth N. Marshall, 717-843-8841.
Rhode Island: St. Germain, Beard:		
Pawtucket	139,100	Denis M. Lynch, 401-728-0500.
Providence	411,908	Vincent Cianci, Jr., 401-421-7740.
Woonsocket	118,709	Gerald J. Bouley, 401-762-6400.
South Carolina:		
Davis: North Charlestown	138,189	John E. Bourne, Jr., 803-554-5700.
Jenrette: Florence	172,435	C. Cooper Tedder, 803-665-300.
Texas: Leath: Killeen	115,581	Major E. Blair, 817-634-2191.
Gonzalez, Loeffler, Kazen: San Antonio.	750,535	Lila Cockrell, 512-225-5661.
Hall: Texarkana	107,170	David L. Keller, 214-794-3434.
de la Garza: Brownsville	341,675	Ruben Edelstein, 512-542-4391.
White: El Paso	1,125,263	Ray Salazer, 915-543-6060.
de la Garza:		
Edinburg	103,505	
McCallen	163,836	
McAllen		Othal E. Brand, 512-686-6551.
Collins:		
Phano	124,117	
Plano		James W. Edwards, 214-424-6531.
de la Garza: Weslaco	101,447	
Brooks:		
Beaumont	125,196	Maunce Meyers, 713-838-0600.
Port Arthur	169,873	Bernis W. Sadler, 713-983-3321.
Kazen:		
Eagle Pass	136,554	
Laredo	354,442	Aldo Tatangelo 512-723-6326.
Virginia:		
Daniel, D.: Danville	170,224	Robert H. Clark, 804-799-5100.
Daniel, R.: Suffolk	152,462	J. W. Nelms, Jr., 804-539-2351.
Washington:		
Dicks: Tacoma	441,474	Mike Parlar, 206-593-4411.
Meeds: Bellingham	114,578	
McCormack: Yakima	141,084	Betty L. Edmonson, 509-575-6000.
Wisconsin:		
Aspin: Kenosha	121,552	Paul Saftig, 414-658-4811.
Zablocki: Milwaukee	1,018,003	Henry W. Maier, 414-278-2200.
Puerto Rico: Corrada	1,170,772	

INFLATIONARY TAX SYSTEM

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

• Mr. MOORHEAD of California. Mr. Speaker, Dr. William H. Corcoran, vice president of Cal Tech recently brought to my attention a scholarly and persuasive article on the serious need for fiscal responsibility and tax reform at the Federal level. The article was written by A. Calder Mackay, a distinguished Los Angeles attorney. I recommend this article to my colleagues:

THE UNCONSTITUTIONAL AND INFLATIONARY TAX SYSTEM

On September 22, 1978, the Supreme Court of the State of California ruled that Proposition 13, the Jarvis Amendment, was Constitutional, thus restoring the people's rights of self-government and confirming the American Creed adopted on April 3, 1918, as follows:

"I believe in the United States of America as a Government of the people, by the people, for the people, whose just powers are derived from the consent of the governed; a democracy in a republic; A SOVEREIGN NATION OF MANY SOVEREIGN STATES; a perfect Union, one and inseparable; established upon the principles of freedom, equality, justice and humanity for which American patriots sacrificed their lives and fortunes. I therefore believe it is my duty to my country to love it, to support its Constitution, to obey its laws, to respect its flag, and to defend it against all enemies," (Authored by William Tyler Page, 1868–1942, and adopted by the House of Representatives, April 3, 1918.)

Our founding fathers did not invent the priceless boon of individual freedom and respect for the dignity of men. That great gift of mankind sprang from the Creator and not from governments.

Herbert Hoover, America's 31st President, stated it well in his Protection Of Freedom Address:

"The Founding Fathers, with superb genius, welded together the safeguards of these freedoms. They were mostly concerned with the dangers of political tyranny."

Hoover went on to emphasize the founding fathers selected a republic as our form of government.

Montesquieu, a noted historian in the spirit of the laws, classified governments as republics, monarchies and despotisms. "What distinguishes these governments," he wrote, "is their principles of their spirits." "The principle of republics," he claimed, "was virtue, or what is elsewhere called patriotism, the very glue of the ideal political community. The principle of socialism and democracy was despotism."

The United States Army Manual states the Government of the United States is not a democracy but a republic; the word "democracy" nowhere appears in the Declaration Of Independence, in the Constitution of the United States, in Washington's Farewell Address, in Jefferson's Inaugural Address, nor in Lincoln's Gettysburg Address. As applied to our Federal Government, it did not come into general use until Woodrow Wilson's famous pronouncement of World War I, "Make the world safe for democracy." To the credit of thinking people, we still pledge allegiance as follows:

"I pledge allegiance to the flag of the United States of America and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

By asserting the principle that all men are created equal, the nation's founders did not mean that all persons were possessed of, or could be assured, equal mental or physical power. That is a matter which rests in the hands of God and not in the hands of nation builders or in the hands of a political party. What was intended was that every man should have equal rights under the law. The failure to recognize that men are individuals, capable of varying degrees of achievement, inevitably leads to a leveling process degrading to man. Instead of pursuit of excellence, the goal becomes glorification of the mediocre. The selection system enables an individual to attain the full heights of his personal capabilities.

Our founding fathers devised unique restraints on power by the Bill of Rights and a structure of built-in checks and balances. Some of the Colonial States declined to ratify the Constitution until the Bill of Rights, consisting of the first ten Amendments of the Constitution, was adopted to perpetually preserve the sovereignty of the States.

The slogan, "Tax, spend, elect and control," was the battle cry of the New Deal "Liberals" to accomplish their socialistic programs. The power to tax was the instrument to be used to accomplish these programs. This is clear from the following statement from the book entitled, "Taxation For Prosperity," by Randolph E. Paul, General Counsel of the Treasury and Adviser to United States Treasury Secretary, Henry Morgenthau, Jr.:

"Why do we have a Federal tax system? In answering this question we shall do well to break with tradition. The first item of business is to reject the gospel that taxes are for revenue only. As contemplated they broke tradition and rejected the gospel of levying taxes solely to defray the cost of government and without the consent of the people they adopted the taxing system to be used as an instrument of economic and social control."

The self-proclaimed power of using the taxing system for economic and social control was clearly a flagrant usurpation of power, intended to destroy our Republic and in lieu thereof to establish a collectivist society.

The objectives of the New Deal "Liberals" were portrayed in the editorial page of the Los Angeles Times of December 4, 1953, as follows:

"GOD HELP US ALL

"Here is an excerpt from Harold Ickes' Diary, dated July 16, 1935, when the 'Liberals' were making the United States a fit place to live:

" 'I had an interesting talk with Secretary of War Dern on our way to Jefferson Island. He feels about Red hunting just as I do and thinks it is absurd to deny Communists an opportunity to express themselves or to have a ticket on the ballot. He thinks, as I do, that we are working toward a society of modified Communism, although I believe he would be as unhappy in a Communist state as I. He feels, as I do, that it is better to bend to the wind than be torn from the trunk of the tree and dashed to the ground.' "

Differences between Russia and the United States seem insoluble. Russia says the capitalistic system—with its individual freedom—must be destroyed. We say, our American way of life—freedom for the individual—must be preserved.

Our American system of Government is being challenged by powerful forces inside, as well as outside our borders. It, therefore, behooves us constantly to renew our faith in our system of Government and its ideological concepts.

For too long these powerful forces have been at work to destroy this fundamental principle, the objective being to create an all-powerful state completely controlling the political and economic life of the individual. The philosophy of this movement is founded upon the basic misunderstanding of the proposition that "All men are created equal." While our system guarantees equal rights, nature does not endow men with equal physical or mental ability. The promise to make everybody equal economically, irrespective of the individual's contribution, seems very alluring.

Author Boris Pasternak, in "Dr. Zhivago," observes:

"It has often happened in history that a lofty idea has degenerated into crude materialism. Thus Greece gave way to Rome, and the Russian enlightenment has become the Russian Revolution.

"I think that collectivism was an erroneous and unsuccessful measure and that it was impossible to admit the error. To conceal the failure, people had to be cured * * * of thinking and judging for themselves."

The power that our politicians now have, under our taxing system, of confiscating the earnings of successful individuals is the most effective weapon against our Constitutional human rights.

The mainspring of our material progress has been an idealistic belief in the perfectability of man. The Ten Commandments are addressed to the individual as a self-controlling person, responsible for his own thoughts, words and acts.

The inscription on our coins is "In God We Trust." The Communists proclaim that there is no God because their orbiting satellite encountered no angels. Should we discard our animating ideals and change our coin inscription to "In The State We Trust?" Certain politicians seemingly would have us do so. But, are they the true liberals? Reestablishing the pharaohs is the antithesis of liberalism. It is reaction in its cruelest sense.

Patriots have always taken seriously the oath to defend and protect the Constitution, as well as the oath to tell the truth in court. This is clearly indicated by Washington in his Farewell Address:

"Where is the security for property, for reputation, for life, if the sense of religious obligation deserts the oaths which are the instrument of investigation in courts of justice? And let us with caution indulge the supposition that morality can be maintained without religion. Reason and Experience both forbid us to expect that national morality can prevail in exclusion of religious principle."

That Communists wholeheartedly disagree with Washington's concept of morality is apparent from the following quotation from Lenin:

"We Communists have been accused of having no morals. That is not true. We have a morality that is much higher than that of the bourgeoisie. It does not come from the revelations of a nonexistent God, but from the realities of the class struggle. Everything that helps the Revolution is right, and everything that hinders it is wrong."

The outstanding accomplishments of this great nation are sufficient proof of the wisdom of our forefathers. Are we in danger of losing that freedom? I suppose every free people constantly face that danger.

Cecil B. DeMille, biblical scholar and producer of the movie, The Ten Commandments, said in a speech at the Baylor University on October 12, 1957, entitled, "The Foundation of Freedom":

"How many American children and young people can go through eight, twelve, sixteen or more years of education without hearing any mention of the spiritual or moral values.

"It is tragic that public schools do not require courses in the moral and spiritual heritages of America, just as in reading, English, arithmetic, and such . . . The Bible is the most important book to be studied, which cannot be substituted by any other subject, or interest, or desires, or experience, or money, or material possessions.

"Albert Einstein put it so well: 'Science without religion is lame; religion without science is blind.'

"The principle of the separation of church and state—to which every American is devoted—has never meant and need never mean the exclusion of moral and religious values from education or the exiling of God from education or the exiling of God from our national life.

"If you believe that it does mean that, you must cut out the Declaration of Independence its most potent clause—endowed by their Creator with certain inalienable rights —and when you cut that out, you have cut out the heart that pumps the life blood of liberty through the nation's veins.

"America is an ideal, based upon an idea.

It was the first country in the world ever deliberately founded on an idea—the powerful and revolutionary idea expressed in our Declaration of Independence that all men are created equal and are endowed by their Creator with certain inalienable rights.

"That is the light which America kindled in a world darkened by tryranny and oppression.

"That light was kindled on far-off Mount Sinai, three thousand years ago, in a Burning Bush.

"Is man the property of the State or is he a free soul under God?

"Is man to be ruled by law or by the whims of an individual?

"To those everlasting questions, Pharoah gave the same answer that totalitarianism gives today.

"Communism is not new—it is only a new form of one of the oldest evils in the world.

"Is man a free soul under God?

"We must give the answer Moses gave, if America is to survive, and if human liberty itself is not to perish from the Earth.

"God chose Moses.

"We must choose God.

"That is part of our wonderful, and our terrifying freedom—that we have the choice.

"Moses said: 'Who is on the Lord's side, let him come to me'—and in his arms, as he said it, he held the tablets of the Ten Commandments, written with the finger of God.

"If we would choose liberty, we must choose that law—for the law of God is the only alternative to the lawlessness of tyranny, whether it be the tyranny of a Pharoah or a commissar or the tyranny of our own passions and our own fears.

"If we would choose liberty, we must choose that law—if that is not one of America's ideals, then America is poor indeed, and doomed.

"But if we believe, as the founders of this Republic believed, that the law of God is and must always be an American ideal, then it is worth the giving of the last ounce of our strength, the last drop of our blood, the last breath of our lives."

President Johnson, the founder of the "Great Society," stated that "We are going to take all the money from the 'Haves' and give it to the 'Have nots.'"

The "Liberals" desiring to get more money to spend, adopted the slogan of "Close the loopholes" and "Soak the rich" and carried on a campaign telling the American people that the tax laws are riddled with loopholes that deprive the Treasury of billions of dollars each year, weakening our competitive free enterprise system and undermining the morale of the hard-working wage earner and small businessman to whom tax loopholes are not available.

Stanley S. Surrey of Harvard Law School, who served as Assistant Secretary of the Treasury for Tax Policy Tax Reforms, discovered the myth of tax loopholes, which he called "Tax Expenditures."

The President has threatened to veto the action of Congress if it limits the tax on capital gains to 25 percent, the rate of 1968. He gives as his reason for this that the people who have capital for sale would realize a windfall profit. I think that the President should tell the American people what a "windfall profit" is, because in all history, no one ever said that the wind ever produced a profit. A windfall profit is the same category as the taxable expenditures which is the myth discovered by Surrey, which was nothing but political propaganda.

"No other industrial country has a tax system that is so heavily biased in favor of consumption and against capital formation in a determined attempt to redistribute income.

"Most major countries used a consumption tax as the mainstay of their revenue system; the United States is the only country that does not use such a tax at all at the national level.

"The United States levies a higher corporate profits tax than any other country, although that tax is probably the most economically damaging tax in our system . . . it punishes the efficient producer, restricts industrial expansion, penalizes capital formation, and adversely affects our competitiveness in international trade.

"In summary, the charges that loopholes enable many rich people to escape income taxation while being unavailable to low-income persons is a perversion of truth, political propaganda intended to stir up jealousy, envy, hatred and class warfare. The real goal of such claims is to redistribute income more drastically than is already done from those who earn it to those who yearn it." (*The Growth Of American Government: A Morphology Of The Welfare State*, by Hoover Institution Senior Fellow Emeritus, Roger A. Freeman.)

Our inability to compete in international trade with the capital gains tax of even 25 percent certainly ought to be sufficient reason for eliminating the tax of capital gains entirely. We are now facing a crisis of great magnitude which is indicated by the fact that we now have a national debt of $800 billion, which doesn't include the Federal liability to pay Social Security and public pensions, and we have a national budget of $500 billion and a trade deficit of $27 billion. The dollar today has a purchasing power of only approximately twenty-three cents, which means that the people since 1939 who have paid Social Security will receive a dollar with very little purchasing power. This clearly proves that inflation was caused by our unconstitutional taxing system.

The following excerpt is from an address, "The Future Of Capitalism," by Dr. Milton Friedman, Nobel Laureate Economics, 1976, to the Pepperdine University Associates on February 9, 1977:

"The Trend Toward Collectivism

"The real question is the future of human freedom. The question that I want to talk about is whether or not we are going to complete the movement that has been going on for the past forty or fifty years, away from a free society and toward a collectivist society? Are we going to continue down that path until we have followed Chile by losing our political freedom and coming under the thumb of an all-powerful government? Or are we going to be able to halt that trend, perhaps even reverse it, and establish a greater degree of freedom?

"One thing is clear, we cannot continue along the lines that we have been moving. In 1928, less than fifty years ago, government at all levels—federal, state and local—spent less than 10% of the national income. Two-thirds of that was at the state and local level. Federal spending amounted to less than 3% of the national income. Today, total government spending at all levels amount to 40% of the national income, and two-thirds of that is at the federal level. So federal government spending has moved in less than fifty years from 3 percent to over 25 percent—total government spending from 10 percent to 40 percent. Now I guarantee you one thing. In the next fifty years, government spending cannot move from 40 percent of the national income to 160 percent.

"We cannot continue on this path. The question is, will we keep trying to continue on this path until we have lost our freedom and turned our lives over to an all-powerful government in Washington, or will we stop?

". . . a law which was passed a few years ago requires the Treasury Department to report to the Congress a category called 'Tax Expenditures.' Tax Expenditures are taxes which are not collected from you because of various deductions permitted by the law (such as interest or excess depreciation). The principle is that you are, after all, the property of the U.S. Government, and the U.S. Government lets you keep a little of what you earn in order to be sure that they'll keep you working hard for them. But the rest of it is the property of the U.S. Government. And if the U.S. Government allows you to deduct something from your taxes, it's providing for the expenditure. It's not a right that you have to keep it. It's theirs!"

The following is an excerpt from the "Protection Of Freedom," Herbert Hoover's Address:

"The Socialists prowl of many fronts. They promote the centralized Federal Government, with its high bureaucracy. They drive to absorb the income of the people by unnecessary government spending and exhorbitant taxes. They have pushed our government deep into enterprises which compete with the rights of free men. These enterprises are endowed with exemption from control of State and local governments. Congressional Committees have listed hundreds of these federal activities. But only a drop of typhoid in a barrel of drinking water sickens a whole village.

"Every step of these programs somewhere, somehow, stultifies the freedom, the incentives, the courage, and the creative impulses of our people.

"One of the annoyances of this cult is its false assumption that our nation has never been heedful of the welfare of our people. That we are our brother's keeper was rooted in religious faith long before these fuzzy-minded men were born. Since the foundation of the republic, we have recognized and practiced both private and government responsibility for the unfortunate and the aged; for the education of our youth and the health of our people.

"Moreover, this cult has a host of gimmicks for giving the people's money. Among their ideas is that government should guarantee every citizen security from the cradle to the grave.

"But it is solely the initiative and the labor of the physically able in the prime of life that can support the aged, the young, the sick—and the bureaucracy. And this active earning group requires the pressures of competition, the rewards of enterprise and new adventure to keep it on the job. Even if security from the cradle to the grave could eliminate the risks of life, it would be a dead hand on the creative spirit of our people. Also, the judgment of the Lord to Adam about sweat not being repealed."

The Supreme Court has for more than one hundred years repeatedly held that the Federal Government has no right to tax municipal bonds; but to get around the Constitution, the Federal Government promises to pay a subsidy to the States equal to "35 percent of the interest charges for the first two years, and 40 percent thereafter, less the cost of administration to the Treasury" for the privilege of levying a tax on municipal bonds. Obviously, the funds for the subsidy must, of necessity, come from the pockets of the taxpayers. Taxing of capital gains would merely be a completion of the objectives of the "liberal" democrats to destroy our private enterprise system and our republic.

In 1935, the so-called "new deal" liberals redirected the taxing system from one of raising revenue to an instrument of economic and social control, whereby the taxing system was used to redistribute the income of citizens of this country—principally from those who earn to those who yearn, with an army of government administrators supervising the process and delving into every facet of the individual citizen's life. The disastrous results of this policy pursued over a period of forty years are painfully apparent. The vast social security system is financially unsound, and for 1979 and later years, Congress has imposed harsh increases in already burdensome employment taxes.

The process of redistributing income has actually proceeded to the point where there are more people in our country receiving government checks than those employed in the private sector producing the taxes to pay these expenditures. A recent study by the Ford Motor Company economists show that there are more people (80,000,000) drawing government checks and being supported by taxes in the United States, than there are people working in the private sector (71,000,000) to pay the taxes. Among those supported by your tax dollars, according to the Ford study, were those on welfare and retirement programs, government employees, military personnel and the disabled and unemployed. "A new American majority is being created," the study states, "who are exploiting the fact for their own political and professional purposes." This tremendous burden has had the effect of preventing individual citizens from accumulating savings and capital which are the life blood of our economy and the source of jobs. It is clear that the tax system has made it impossible for the 71,000,000 hard-working citizens to make private investments and it is therefore impossible to attain prosperity necessary to provide adequately for the people on relief, and those with fixed incomes and pensions. Taxing income for distribution in reality, is confiscating capital.

In our modern technological society, the capital investment required to provide a job for just one worker is an extremely large sum. Unless people in the private sector are permitted to keep a reasonable proportion of their earnings so that savings and investments will result, our competitive position in the world with other industrial nations will continue to worsen and jobs which could have been filled by Americans will go to foreign workers supplying imports at considerably lower prices.

The answer to our present problems seems simple. Stop using the power of taxation as an instrument of economic and social control. Recognize that when Americans want jobs, there must be capital investment to provide the employment opportunities. Help with the formation of capital by taking the inequitable burden of extreme taxation off the shoulders of the productive and investing portion of the citizenry.

Above all, Washington politicians should abandon their bias against capital formation and should eliminate all taxes on capital gains, thereby putting our country on the same competitive basis with other industrial nations who have no tax on capital gains.

It is time for our leaders in Washington to return to the principles of conduct enunciate in the American Creed. They should abandon their ill-advised attempts of using the taxing system to promote social programs. If the role of taxation again becomes an instrument for raising revenue, as contemplated by the Constitution, private citizens can again save and invest, inflation can be controlled and the heavy burden of Government at all levels can be reduced to manageable proportions.

All that is necessary is that Washington politicians accept the American Creed and recognize that it is their duty to support the United States Constitution, to obey its laws, to respect its flag and to defend it against all enemies.●

ANNUAL DISCLOSURE OF INCOME, ASSETS, AND LIABILITIES

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. SIMON. Mr. Speaker, for the past 23 years I have been making complete, voluntary disclosures of my income, assets and liabilities.

I released my 24th annual statement this week, and again I want to enter it in the RECORD. It also includes financial disclosures by the members of my personal staff earning over $15,000 a year.

I think these statements are the best way to let our constituents decide for themselves whether we are serving the public interest or some other interest.

SIMON RELEASES 24TH ANNUAL COMPLETE FINANCIAL STATEMENT

WASHINGTON, D.C.—Congressman Paul Simon Tuesday (4-24-79) released his 24th annual complete personal financial statement, including all income, assets and liabilities for himself, his wife and their two children, Sheila and Martin.

In addition, the Southern Illinois congressman released financial statements for members of his personal staff with annual salaries of $15,000 or more.

Simon has been making the voluntary financial statements since 1955, when he entered the Illinois House of Representatives. He followed the practice during eight years in the state House, six years in the Illinois Senate, and four years as Lt. Governor, and continued it after election to Congress in 1974.

As Lt. Governor, he was the first state official in the nation to require similar statements of his staff members, a practice he continued when elected to Congress. Simon is believed to have followed the practice of complete personal financial disclosures longer than any other public official currently holding office in the United States.

Simon's statement lists 1978 income for himself and his wife, Jeanne, totaling $80,917.78. The figure includes his House salary, reimbursement for travel and other expenses, rental income, stock sale, interest and dividend income, honoraria for appearances, book royalties and miscellaneous items. Simon's 1977 income was $73,666.19.

The statement also shows assets (as of Jan. 1, 1979) of $272,480.67 and liabilities of $130,789.18, for a net worth of $141,691.49—contrasting with a Jan. 1, 1978 net worth of $121,445.87.

In addition to statements of income and assets for his children, Simon also listed two gifts he received in 1978 with values greater than $25, a practice he began in 1976.

He noted that he received a book of about $25 in value from the Alaska Coalition and dinner and a football ticket to a Washington Redskins game from a friend, Barry Zorthian.

"Complete financial statements are the best way to deal with conflict of interest situations that may arise during public service," Simon explained.

"They allow constituents to decide for themselves whether an office holder is serving the public interest or some other interest."

The complete Simon financial statement follows, along with financial statements for the following members of his staff: Ray Buss, district assistant; Ray Johnsen, office manager; Terry Michael, press secretary; Vicki Otten, legislative coordinator; Nick Penning, legislative assistant; and Virginia Otterson, West Frankfort office manager.

24TH ANNUAL FINANCIAL STATEMENT

Income of Paul and Jeanne Simon—1978

Salary, U.S. House of Representatives	$57,500.00
U.S. Treasury, official expenses	2,491.25
Rental income, Carbondale home	2,605.00
National Aviation stock sale, 120 shares, 6–13–78 (purchased 1972–78, for a total of $2,384.14)	3,034.60
Ludlow Corporation stock sale, 350 shares, 9–18–78 (purchased 1974, 77 for total of $2,895.75)	2,914.61
Paul Simon for Congress Committee, reimbursement for non-official travel, other non-official business expenses	2,002.24
U.S. Treasury interest on tax refunds	21.86
Book royalties	62.63
Carbondale National Bank, interest	28.62
Citizens Savings & Loan, Silver Springs, Md., interest	25.86
University Bank, Carbondale, interest	3.46
Mobil Corporation, bond interest	8.50
Southern Ill. Development committee, refund	9.60
Terry Michael, repayment of loan	6.00
Gene Callahan, repayment of loan	48.00
Sale of 1974 Chevrolet	720.00
Polish National Alliance insurance, refund	17.45
1978 honoraria and travel reimbursement for appearances:	
Zion Luthern Church, Logootee, Ill	150.00
Education Service Center, Austin, Tex	1,000.00
Knox College	500.00
American Federation of State, County and Municipal Employees	500.00
National School Board Association	500.00
Brookings Institution	300.00
National Town Meeting, Washington, D.C	500.00
University of North Carolina	800.00
WGBH Educational Foundation, Boston	100.00
St. Louis Foreign Language Teachers Assn	274.00
Greenville College (honorarium donated back to college)	200.00
International Harvester	750.00
Lutheran Lay Foundation	631.00
National Assn. of Allied Health Schools	500.00
Illinois Assn. of School Boards	500.00
Illinois Women's Caucus (Jeanne)	174.00
Special income to Jeanne, relating to service on Advisory Committee of the White House Conference on Library and Information Services:	
Travel expenses, conferences in Florida, Louisiana	543.47
Per diem from HEW	875.28
Dividends on stock holdings:	
Adams Express	159.21
AT&T	8.00
Bethlehem Steel	5.00

Borg Warner	37.00
Brunswick	.69
Chrysler	1.70
Crown Zellerbach	11.40
Dreyfus	79.55
Fairchild	6.00
Fruehauf	8.20
Hardees	8.00
Harper & Row	7.20
Lear Siegler	18.00
Ludlow	122.50
Maremont	11.05
Mutual Real Estate Trust	1.25
Massachusetts Inv. Growth	24.90
National Aviation	38.08
National Steel Corporation	5.00
Norton Simon	9.60
Pepsico	11.40
Ralston Purina	6.00
Scott Paper	3.20
Texaco	28.00
United Merch & Mfg	.80
Warner Lambert	4.70
Westinghouse	3.92
Total 1978 income, Paul and Jeanne Simon	80,917.78

Income of children, Sheila and Martin Simon

Sheila: Total of $617.72, including—interest from Citizens Savings & Loan of Potomac, Md., $13.63; interest from United Savings & Loan of Troy, Ill., $27.67; interest from Carbondale Savings & Loan, $4.50; dividends from Ford Motor Co., $3.50, AT&T, $9.00, and Mutual Real Estate Investment Trust, $.50; babysitting income, estimated, $50; interest from Maryland National Bank, $2.77; and Fabric Tree Group, wages, $506.15.

Martin: Total of $492.05, including—interest from Citizens Savings & Loan of Potomac, Md., $1.53; interest from United Savings & Loan of Troy, Ill., $27.52; dividends from Ford Motor Co., $3.50, AT&T, $9.00, and Mutual Real Estate Investment Trust, $.50; lawnmowing income, estimated, $100; and Bressler's Ice Cream Store, wages, $350.

Gifts with a value of more than $25. In 1976, I publicly stated that I would list all gifts with a value of more than $25 as part of my yearly financial statement. The gifts I received in 1978 valued at more than $25 were:

(a) Book, "Alaska, The Great Land," from the Alaska Coalition, about $25.

(b) Dinner, Washington Redskins football game ticket, total value unknown but exceeding $25, from Barry Zorthian.

Net worth statement of Paul and Jeanne Simon, as of January 1, 1979

Assets:	
Bank of Maryland checking account balance	$24.05
House of Representatives checking account balance	414.65
University Bank of Carbondale savings account balance	72.04
Citizens Savings & Loan, Potomac, savings balance	575.03
Carbondale National Bank, savings balance	594.02
U.S. Savings Bonds	768.75
General American Life Insurance, cash value	2,818.89
Polish National Alliance Insurance, cash value	968.90
Congressional Retirement System, cash value	15,635.77
Illinois General Assembly Retirement System, cash value	16,233.00
Residence, 511 W. Main, Carbondale, 1974 purchase price plus improvements that year	40,000.00
Residence, 11421 Falls Road, Potomac, Md., 1974 purchase price	126,000.00
1976, 1977, 1978 improvements to Potomac home	17,254.00
10.2 acres near Makanda, purchased 10–24–78, on which we plan to build a home at some future time	21,500.00
Furniture and presidential autograph collection	15,000.00
1965 Ford Mustang	150.00
1978 Ford Fairmount	3,400.00
Stock holdings with number of shares:	
Adams Express, 162	1,843.56
AT&T, Preferred, 2	90.00
Bethlehem Steel, 5	98.15
Borg-Warner, 20	567.60
Borman's, 8	54.00
Brunswick, 1	12.63
Chock Full of Nuts, 10	43.80
Chrysler, 2	17.26
Crown Zellerbach, 6	185.28
Curtis Publishing, 2	1.32
Dreyfus Fund	2,500.00
Fairchild Industries, 8	216.00
Fairfield Communities	2,043.00
Fruehauf, 4	104.52
Gulf & Western, 1	14.25
Hardees, 40	460.00
Harper & Row, 10	126.30
Lear Siegler, Preferred, 8	349.04
Maremont, 13	234.00
Massachusetts Investors Growth, 33	290.40
Mutual Real Estate, 25 (approx. value)	43.75
National Inds., Preferred, 1	11.50
National Steel, 2	58.00
Norton Simon, 10	165.00
Norton Simon, Preferred, 1	37.00
Pepsico, 12	307.56
Ralston Purina, 12	136.56
Rohr Industries, 3	50.25
Scott Paper, 4	55.00
Texaco, 14	334.32
United M&M, 8	60.00
Warner Lambert, 4	95.00
Westinghouse, 4	66.52
Jet-Lite, 120 (approx. value)	300.00
Mobil debenture bond, 8&½%	100.00
Total assets	272,480.67
Liabilities:	
University Bank of Carbondale, Carbondale house loan	11,511.39
University Bank of Carbondale, personal note	6,179.66
National Bank of Washington, personal note	3,800.00
First National Bank of Collinsville, personal note	7,100.00
F. Hurley, personal note	5,330.00
National Savings & Trust, personal note	18,000.00
University Bank of Carbondale, loan for purchase of 10.2 acres near Makanda, on which we plan to build a home at some future time, purchased 10–24–78	21,500.00
Thomas Fischer III, Pennsylvania, Potomac home note	48,328.00
Weaver Bros. Mortgage Brokers, Potomac home note	9,040.13
Total liabilities	130,789.18
Net worth:	
Assets	272,480.67
Liabilities	130,789.18
Net worth	141,691.49

Assets of children, Sheila and Martin Simon

Sheila:	
AT&T, 2 shares	$121.00
Ford Motor Co., 1 share	42.13
Carbondale Savings & Loan	119 .50
United Savings & Loan, Troy	561.39
Citizens Savings & Loan, Potomac	401.42
Israel Bond	100.00
Maryland National Bank	427.58
Mutual Real Estate Trust, 10 shares	17.50
Total	1,790.52
Martin:	
AT&T, 2 shares	121.00
Ford Motor Co., 1 share	42.13
United Savings & Loan, Troy	558.54
Citizens Savings & Loan, Potomac	30.49
Israel Bond	100.00
Mutual Real Estate Trust, 10 shares	17.50
Total	869.66

STAFF DISCLOSURES SUBMITTED TO CONGRESSMAN SIMON IN APRIL 1979

Ray Buss, District Assistant

1978 income other than government: Rental income, $7,135.

Sources and amounts of indebtedness over $500: Mortgage, Carbondale Savings & Loan, $54,800; mortgage, Mary Licos, $8,500; personal note, Salem National Bank, $13,600; personal note, 1st National Bank & Trust, Carbondale, $3,700; personal note, City National Bank, Murphysboro, $4,500.

Stocks and bonds owned: 101 shares, Occidental Petroleum (in wife Julie's name) $2,000.

Property owned: Apartment house, $115,000; household furnishings, $8,000; Buffy Bear (sheepdog), $115; Brandy (younger sheepdog), $136; Buster (cat), $15; 1975 Dodge, $2,000.

Ray Johnson, Office Manager

1978 income other than government: Rental income, $7,025; Metropolitan Life, interest, $22.76; General American Life, interest, $127.89; Cottonwood Junction, interest, $209.36; Mo. Portland Cement, interest, $507; Perpetual Savings & Loan, interest, $68.86; Wright Patman Congressional Federal Credit Union, interest, $9.49; First Federal Savings & Loan, interest, $87.29; Christ Lutheran Church, interest, $70; General Motors, Inc., dividends, $141.61; Roodhouse Record, dividends, $216; Alpha Portland Cement, dividends, $21.16 (Totaling $8,506.42)

Sources and amounts of indebtedness over $500: Washington and Lee Savings & Loan, $26,852.64; Illini Federal Savings & Loan, $28,136.66.

Stocks and bonds owned: Wright Patman Congressional Federal Credit Union, shares, $168; 175 shares of Cottonwood Junction, $17,500; Series E U.S. Bonds, $768.75; Mo. Portland Cement, bonds, $5,000; 400 shares, Laclede Steel, $4,000; 24 shares, Alpha Portland Cement, $348; 21 shares, General Motors, $1,128.75; Christ Lutheran Church, Orange, California, bond, $1,000. (Totaling $29,913.50)

Property owned: State of Illinois Employees Retirement System, $1,772.01; residence, Arlington, Va., $95,000; home and apartment, Troy, Ill., $30,000; duplex, Troy, Ill., $37,000; household furnishings, $15,000; 1978 Chevrolet, $5,000; 1975 Volkswagen, $1,500. (Totaling $185,272.01)

Terry Michael, Press Secretary

1978 income other than government: Interest, Wright Patman Congressional Federal Credit Union, $118.52; Illinois Coal Miners Political Action Committee, $500 for free-lance writing, designing and laying out brochure.

Sources and amounts of indebtedness over

$500: Auto loan, Wright Patman credit union, $2,505.02.

Stocks and bonds owned: Shares, Wright Patman credit union, $3,500.

Property owned: 1976 Lancia Beta Coupe, $6,000; Congressional retirement system, cash value, $1,765; household goods, $1,000.

Vicki Otten, Legislative Coordinator

1978 income other than government: Americans for Democratic Action, salary from previous job, $6,546.23; dividends, Commonwealth Edison, $120. (Husband, William Henry Barringer, is an attorney with Arter, Hadden and Hemmendinger, practicing international law. The firm is a registered foreign agent for Japan Iron and Steel Exporters Assn. and Banco de Brazil.)

Sources and amounts of indebtedness over $500: Home mortgage, Eastern Liberty Savings & Loan, Washington, D.C., $30,000.

Stocks and bonds owned: 50 shares, Commonwealth Edison, $1,190.

Property owned: Home in Washington, purchased in 1978 for $40,000 with $15,000 in renovations in 1978; 1969 Volkswagen, $600.

Nick Penning, Legislative Assistant

1978 income other than government: Interest, Wright Patman Credit Union, $28.09.

Sources and amounts of indebtedness over $500: Robert Heltzel Co., home mortgage, $44,000.

Stocks and bonds owned: Wright Patman Credit Union shares, $450; Springfield Sacred Heart Credit Union, $40; $25 U.S. Savings Bond for daughter Lisa.

Property owned; 1976 Dodge, purchased for $4,354; Arlington, Va. residence, purchased in 1977 for $49,700.

Virginia Otterson, West Frankfort Office Manager

1978 income other than government: Interest income totaling $3,205.63 from GSA Series E Bonds, Lincoln National Life Insurance Co., First Community Bank of West Frankfort and Bank of West Frankfort; dividend income totaling $1,834.88 from Affiliated Fund, CIPS Co., First Community Bank of West Frankfort, Keystone B1 Fund and Boca Raton National Bank. (Husband, Robert H. Otterson, works for Old Ben Coal Corporation.)

Sources and amounts for indebtedness over $500: None.

Stocks and bonds owned: 34 shares Boca Raton Bank, 2 shares Fidelity Bank, 2 shares Citizens Bank, 600 shares CIPS, 102 shares Keystone B1, 100 shares Roosevelt Investment, 100 U.S. Leasing Warrants, 1660 shares Affiliated Fund, 42 shares First Community Bank, 100 shares Builder Investment, totaling $29,305; GSA Series H Bonds, $10,000; Series E Bonds totaling $12,000; Dreyfus Mutual Fund, tax exempt, $5,000; Merrill Lynch Municipal Investment Trust, $3,100; IC Hospital Bonds, $4,000.

Property owned: Real estate, West Frankfort, $32,000; 4 lots in West Frankfort, $3,300; 1977 Buick, 1979 Chevrolet pickup, 1971 Camaro, $13,500; 1972 travel trailer, $880; household goods, $6,000; 1/5 interest in 40 acres wasteland, Alabama, $800.●

THE CONSTITUTIONALITY OF THE PANAMA CANAL TREATY IMPLEMENTING LEGISLATION: LIMITATIONS ON THE PRESIDENTIAL APPOINTIVE POWER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DORNAN. Mr. Speaker, on Tuesday, the 24th of April, I brought to the attention of this House certain constitutional questions that have arisen during the testimony of Dr. Charles Breecher before the Panama Canal Subcommittee on March 7, 1979. In particular, I called attention to the establishment of the Panama Canal Commission as a U.S. Government agency under article III, paragraph 3, of the Panama Canal Treaty of 1977.

The first major issue that I would like to address today is the question of the impact of article III, paragraph 3 of the treaty on the President's appointive power.

Mr. Speaker, as you know, the appointive power of the President of the United States is vested in the article II, section 2 of the Federal Constitution. The executive officers of the United States are appointed by the President by and with the advice and consent of the U.S. Senate. The limited congressional power over executive appointments applies only to "inferior" officers of the United States, a category that could not possibly encompass the members of a board of a U.S. Government agency such as the Panama Canal Commission. These are, if the words mean anything at all, "superior officers" of the United States. We are now confronted with a development unprecedented in the history of this Republic. We are, by treaty, limiting the President of the United States in his constitutional power to appoint executive officers. If the Panama Canal Treaty of 1977 is implemented by this House, it must be understood that this House will be implementing a provision to limit the appointment of the President over four major offices of the United States to nonresident aliens, persons who are nothing less than representatives of the Government of the Republic of Panama.

Mr. Speaker, this issue was brought to the attention of the Panama Canal Subcommittee by Dr. Charles Breecher. It is essential that Members of this House reflect on the issues that he has raised. I submit a portion of that testimony for your consideration.

TESTIMONY OF DR. CHARLES BREECHER BEFORE THE PANAMA CANAL SUBCOMMITTEE—MARCH 7, 1978

Re Issue 1: What limits can be placed on the appointive power of the President?

It has been a generally accepted rule of American constitutional law that the power to appoint must include not only the right to name, but at least some limited right of selection. A case cited in legal textbooks is People v. Mosher 163 N.Y. 32. The Supreme Court of New York State held that under the State Constitution the Civil Service law saying that the veteran highest on the list had to be appointed was unconstitutional.

While the President's power to appoint civil officers of the United States can be limited by law in many ways, the Supreme Court ruled in Buckley v. Valeo (424 U.S. 1 (1976) that it cannot be usurped by any other Agency. Just how far this Presidential power can be narrowed by law is unsettled, except that "the qualifications may not so limit selection and so entrench upon Executive choice as to be in effect legislative designation." (Chief Justice Taft in Myers v. United States, 272 U.S. 52 (1926)).

A recent Congressional Research Service, Library of Congress Report signed by Martin Rosenblatt, Legislative Attorney, 30 January 1978, concludes: Some choice, however small, must be left to the appointing authority. That's the same rule as in People v. Mosher, cited above. The CRS Report can be found in the Congressional Record. Senate S5660–61, 17 April 1978.

It is interesting and illuminating that this CRS Memo was written in defense of the constitutionality of a provision in Chapter 38 of S1437, the Criminal Code Reform Act. Originally this Chapter provided that three of the seven members of the U.S. Sentencing Commission would be appointed by the Judicial Conference of the United States. This was objected to in the Senate as unconstitutional, in view of Buckley v. Valeo. The provision was then amended that the President would select three of seven members proposed to him by the Judicial Conference. Objections were raised that this still limited the President's appointive power too much, and it was in defense of the amended clause that the CRS memo of 30 January 1978 was written.

It thus appears that the CRS would be satisfied if the President could select three from seven nominees by another agency, or perhaps one from two nominees. It can't be said with assurance that the Supreme Court would go as far as the CRS in allowing the Congress to limit Presidential appointive power. But surely the Court would go no further then the CRS, thus leaving the President with a choice, however limited, because that would mean overruling Buckley v. Valeo. However, under the Panama Canal Treaty of 1977, the President would have no choice whatever, but would have to appoint the Panamanian nominee or nominees in a timely manner. This effectively puts the power of appointment in the Panamanian Government, and is therefore clearly in conflict with the U.S. Constitution.

It would seem appropriate at this point to deal briefly with the relationship of the provisions of the Treaty to the U.S. Constitution and to United States legislation.

The Panama Canal Treaties, to the extent that the provisions are not self-executing, impose an obligation, under international law, on the President to cause to be proposed implementing legislation to the Congress pursuant to the Treaties. As concerns the Panama Canal Commission, a crucial part of the Panama Canal Treaty of 1977, the Treaty is not self-executing, as indeed the language of Art. III states : "called the Panama Canal Commission, which shall be constituted by and in conformity with the laws of the United States" . . .

The foregoing Treaty language, while unobjectionable, is surplusage, because as a United States Government Agency, the Panama Canal Commission can be created by law only. Further, a Treaty has no bearing on the constitutionality of subsequent U.S. legislation pursuant to the Treaty, because a Treaty cannot amend the Constitution of the United States.

The Supreme Court has laid to rest any unfounded doubts on this matter, which were caused in part by a dictum of Justice Holmes in 1920 in Missouri v. Holland, 252 U.S. 416, a case involving migratory birds, and also by discussions referring to the so-called Bricker amendment in the 1950s. In Reid v. Covert, 354 U.S. 1 (1957), Justice Hugo Black, delivering the opinion of the Court, after quoting Art. VI of the Constitution (Supremacy Clause) said:

"There is nothing in this language which intimates that treaties and laws enacted pursuant to them do not have to comply with the provisions of the Constitution. . . . It would be manifestly contrary to the objectives of those who created the Constitution, as well as those who were responsible for the Bill of Rights—let alone alien to our entire constitutional history and tradition—to construe Art. VI as permitting the United States to exercise power under an international agreement without observing constitutional prohibitions. In effect, such construction would permit amendment of that document in a manner not sanctioned by Art. V."

In conclusion, since the President must under the implementing legislation appoint the nominees or nominee of the Panamanian Government in a timely manner, this provision violates Art. II of the U.S. Constitution. It is irrelevant what the Treaty says on this point, because a Treaty cannot amend the U.S. Constitution.●

HOW MUCH IS ENOUGH IN ALASKA?

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. BLANCHARD. Mr. Speaker, this House will face a great land conservation decision in the coming days as we consider the Alaska National Interest Lands Conservation Act. As I said in the days before we voted on H.R. 39 last year, a decision to protect one of the last great wild expanses on Earth is a sound investment for the future of our Nation and its people. This country originated the national park concept in 1872 with the creation of Yellowstone National Park. Today, Yellowstone is one of our most treasured national landmarks, and the national park concept has spread throughout the world.

Under the provisions of the Udall-Anderson substitute to H.R. 39—the version of this critical legislation which has my support, and which I am cosponsoring—232 million acres or nearly two thirds of all the land in Alaska will be open to a wide range of multiple uses: 90 to 95 percent of the State's favorable and high potential oil and gas lands would be open to development; 90 percent of all Alaskan land would be open to sport hunting; only 6 of the 21 million acres of national forest land in the State would be designated as wilderness.

Mr. Speaker, we must ask how much is enough. The misapprehension that among the strong conservation protection of the Udall-Anderson substitute would constitute a closing off or locking away of prime resource lands must finally be dispelled.

I urge my colleagues to consider the figures—consider how much land the Udall-Anderson substitute leaves open, not closed, to commodity development. I further urge my colleagues to consider the alternative to protecting the finest and most fragile northern wildlands: an alternative in which the American people give away the riches of a vast and wild State, leaving nothing but fragments for their grandchildren.

A recent editorial in the Detroit Free Press stated it thus:

> In the public lands of Alaska—but not only in Alaska—economic interests are asserting a right to take every inch they can. They may not frame their claims in those terms; but that is the cumulative effect of the argument over Alaska, the mounting assault on mounting environmental regulations, the perverse insistence on the right to drill, dig, log, and pave even the most fragile or painstakingly assembled blocks of public land. From the point of view of the developers, these are often perfectly sensible and desirable principles to assert; but that does not make them automatically sensible or desirable for the country as a whole to adopt. The fight over the disposition of Alaskan lands is a fight over how much is enough.

Mr. Speaker, I would like to include the full text of this editorial, "Alaska: The Battle for Its Wilderness Is One in Which the Entire Nation shares," Detroit Free Press, March 26, 1979, in the Record:

ALASKA: THE BATTLE FOR ITS WILDERNESS IS ONE IN WHICH THE ENTIRE NATION SHARES

There are some people who think the last good deal we ever struck with the Russians came in 1867, when we bought Alaska for $7 million (the price of 90 minutes worth of imported oil today, just to put things in perspective). But what we were smart or lucky enough to get from the Russians in the 19th Century, we may lose to the exploiters in the 20th. That is what the Alaska debate is all about.

The way we resolve competing claims for the Alaskan lands is of utmost national importance, and not just because we owe generations to come a glimpse of what the world used to look like. That would be justification enough, of course, for preserving some of the most awesome geography on the planet.

But there is another issue: the extent to which the public lands, the public wealth, ought to be exploited for private gain. That question was thrashed out once before in the 19th Century, when it was no contest at all: The exploiters won hands down. But we were a young country then, young and hungry and in a hurry, a very few people on a large and rich continent, and right up until the closing years of the century there was something like a national consensus that the faster we tore up the country for the wealth it held, the better off we would be.

Things have changed. Economic development is as important as ever, but we have added new values to our view of things. A majority of Americans no longer look at a tree as so many board feet of lumber, or an obstacle to be knocked down. The more urbanized, technologically sophisticated and divorced from the land we become, the more important it seems to us to have some portion of that land set aside for recreation, contemplation, and the simple knowledge that it is there, one piece of the planet banked for the future. Call those values aesthetic, or emotional or even spiritual; but they are widely and deeply held.

In the public lands of Alaska—but not only in Alaska—economic interests are asserting a right to take every inch they can. They may not frame their claims in those terms; but that is the cumulative effect of the argument over Alaska, the mounting assault on mounting environmental regulations, the perverse insistence on the right to drill, dig, log and pave even the most fragile or painstakingly assembled blocks of public land. From the point of view of the developers, these are often perfectly sensible and desirable principles to assert; but that does not make them automatically sensible or desirable for the country as a whole to adopt.

The fight over the disposition of Alaskan lands is a fight over how much is enough. When Congress gets down to the task of deciding parcel by parcel what should be done with them, it may be difficult to sort out the conflicting claims. But it ought to be obvious that lands that are set aside—"locked up," if you really insist—can be unlocked later on, and meanwhile both the wealth and the beauty will be intact; but lands that are immediately stripped and disfigured will be lost forever. If we are going to make errors in the carving up of Alaska, we would do better to err on the side of preservation—the more so because the decisions we make there will reverberate through dozens of other battles, for decades to come. ●

ALASKA LANDS—PART VI

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DINGELL. Mr. Speaker, the Breaux-Dingell Substitute to H.R. 39 is a most rational legislative approach to the Alaska lands problem. Not only have major conservation and sportsmen organizations expressed their support for the bill, but there is a growing concern with labor organizations that the Udall-Anderson substitute is contrary to the interests of working people. I have received letters of support from labor organizations for the Breaux-Dingell substitute. I was most impressed with the letters of two such organizations in support of this proposal which I insert into the Record.

The letters follow:

Laborers' International Union of North America, AFL–CIO–CLC,
Washington, D.C. April 23, 1979.

To All Members of the U.S. House of Representatives.

Dear Representative: Legislation designating national interest lands in Alaska will soon be considered by the House of Representatives. The Committee on the Interior and the Committee on Merchant Marine and Fisheries have both reported bills which we support. On behalf of the General President, Officers and Members of the Laborers' International Union, I urge your support for the principles embodied in these bills.

The Committee's bills, often referred to as the Huckaby (Interior) and Dingell/Breaux (Merchant Marine) bills, classify 120 million and 148 million acres respectively for environmental purposes in Alaska.

Our support for these bills rests on four primary considerations:

Energy.—The committee's bills recognize the importance of determining, in an environmentally sound fashion, the onshore oil and gas potential of Alaska. They would ensure that Congress have the right to decide the manner in which these resources would be produced after adequate exploration of promising areas.

Timber.—The Huckaby and Dingell/Breaux bills protect over 2000 timber related jobs in Southeast Alaska by assuring an allowable cut of 520 million board-feet. These bills close over one quarter of the Tongass National Forest, but protect existing jobs.

Minerals.—Alaska's mineral deposits represent an alternative to our continued dependence on imported raw materials. Development of rich deposits of copper, nickel, molybdenum and other minerals will create thousands of jobs in the lower 48 states. The committee's bills permit exploration and development while protecting environmental values.

Environment.—The bills of both committees offer adequate protection for all of the "crown jewels" of Alaska. They increase the wilderness system by over 250 percent. The bills judiciously classify millions of acres in recognition of the spectrum of values that make up the national interest including recreation and environmentally compatible development.

The classification of Alaskan lands as embodied in the Huckaby and Dingell/Breaux bills represents sound judgment. By providing for energy and mineral exploration with environmental safeguards and by protecting existing jobs and recognizing job potential these bills represent the best course to take in the national interest.

We urge your support for the committee's bills and the rejection of any substitute.

Sincerely yours,

JACK CURRAN,
Legislative Director.●

MARITIME TRADES DEPARTMENT,
Washington, D.C., April 30, 1979.

To All Members of the U.S. House of Representatives.

DEAR REPRESENTATIVE: The Alaska National Interest Lands bills will soon reach the House floor. The Maritime Trades Department, AFL-CIO, thinks it important for Members to review exactly what the "national interest" is in regard to these lands which belong to all Americans—not just the extreme environmentalists. Obviously, many of the areas in question deserve to be set aside in a pristine state. It is also clear that resource rich areas should be open for development, that hunting areas be kept open for hunters, and that areas that offer recreational opportunities be developed appropriately. Accordingly, the "national interest" encompasses a spectrum of values all of which must be weighted in casting a vote on this issue.

The extreme environmentalists have, unfortunately, tried to equate the "national interest" with wilderness. Under their self proclaimed criterion, if a bill has a lot of wilderness, the national interest is served.

However, a lot of wilderness is a relative thing. The Interior Committee or Huckaby bill increases the wilderness system by 265 percent; the Merchant Marine Committee or Dingell/Breaux bill increases wilderness by over 280 percent. Nonetheless, these measures have been branded "unacceptable" by the extreme environmentalists.

The bills reported by the two Committees take a realistic approach to the concept of the "national interest." The measures protect 120 million and 148 million acres respectively providing more than adequate environmental protection for the "national interest." All major mineral finds and critically important oil and gas areas are excluded from wilderness and park areas; this permits environmentally compatible development. Important sport hunting areas are kept open and this has led major sportsmen's organizations to support these bills. Lastly, the Committee bills deemphasize wilderness and permit developed recreation to occur in a greater number of areas. This is the type of balance needed to satisfy the diverse national interests in Alaska.

Accordingly, the Maritime Trades Department, AFL-CIO, consisting of 43 national and international AFL-CIO unions representing over 8,000,000 members, urges you to support the work of the Committees and reject the Udall-Seiberling substitute which equates the national interest with wilderness.

Sincerely,

PAUL HALL,
President,
(Mrs.) JEAN F. INGRAO,
Executive Secretary-Treasurer.●

CHANGING THE SUBJECT FROM TAXES TO DECONTROL

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. VENTO. Mr. Speaker, this excellent essay by Ellen Berman, executive director of the Consumer Energy Council of America, provides some very good reasons why the President should not lift the controls on oil prices. Ms. Berman also suggests several alternative strategies which are realistic and viable enough to deserve our attention and consideration. I share this article with my colleagues, because it reminds us in a very convincing way that the windfall profits tax is not the only issue. Perhaps it is time to change the subject from taxes to decontrol, and to begin dealing with the sensitive and difficult questions Ms. Berman raises.

The article follows:

WHY DECONTROL WOULD NOT WORK

(By Ellen Berman)

In an effort to reduce America's increasingly alarming dependence on foreign oil, President Carter proposes to remove the federal price controls that now apply to two-thirds of all domestic petroleum output. Decontrol would push the price of this oil to the OPEC cartel price—theoretically discouraging consumption and stimulating domestic oil production. Decontrol is estimated, however, to cost consumers up to $16 billion a year in higher prices for such essentials as gasoline and home-heating oil. And that enormous sum would go directly into the coffers of the major multinational oil companies. Before we fork over these billions, we need to ask some hard questions.

For our $16 billion expenditure, how much will decontrol reduce oil imports and increase domestic production? Even the White House claims decontrol will achieve only a negligible increase in domestic oil production, some 660,000 barrels per day by 1985 out of 20 million barrels per day of total U.S. consumption, just 3 percent above current use—not much help in cutting imports. Estimates by the Congressional Budget Office are even lower. And recent history suggests there might be *no* rise in production at all: Between 1972 and 1978, domestic oil prices jumped a dramatic 179 percent, yet U.S. petroleum output actually declined.

Will higher prices encourage conservation? The CBO estimates that by 1985 decontrol, at best, would reduce current levels of energy consumption by only 1.7 percent—again not much of a savings for $16 billion in higher fuel bills. Energy price hikes, in fact, have had little conservation effect to date: Home heating oil prices shot up 184 percent since the embargo, yet consumption actually *rose* 17 percent. The painful truth—abstract economic theory to the contrary notwithstanding—is that energy is so vital a commodity that price manipulation is not a sensible way to achieve conservation. Trying to solve our energy problems by sharply escalating prices is an invitation to economic and social catastrophe.

And how fairly would these higher costs be shared? Skyrocketing energy prices have already bitten cruelly into the fixed budgets of the elderly and the poor; inadequate home heating and cooling caused the deaths of several dozen elderly persons last year alone. The average poverty family now spends $1,100 of its meager $3,300 annual income on energy; that figure will rise to over $1,400 under President Carter's decontrol plan. The White House contends the poor and elderly would get a whopping $100 of special help from the proposed windfall-profits tax, but lesser seers than Jimmy the Greek know that even this half-hearted gesture will be further eviscerated. The oil companies beat it before; their favorite senators and representatives are already wheeling up their multimillion dollar artillery to do it again.

Nor will inequities be confined to the poor and elderly; the beleaguered middle class will not only see its own energy bills jump precipitously, but will foot the national bill for decontrol's damaging side effects—more welfare, greater medical costs and more support for aging parents who can no longer make ends meet.

Finally, what about inflation? Decontrol makes a shambles—or a sham—of the anti-inflation program President Carter calls his No. 1 priority. How can the president expect the public to believe in a program that sanctions exorbitant increases in essential commodities while asking workers to limit salary increases to 7 percent?

The president's proposal for decontrol is a singularly ineffective, inequitable and inflationary approach to our energy problems. If decontrol is not the answer, what is? A combination of imaginative programs and policies that require strong leadership and disciplined public response.

First, the White House should immediately place oil and gas prices under the anti-inflation guidelines, since there is no justifiable reason for treating them differently from all other basic necessities. And Congress should extend the expiration date of controls on crude oil so that producers are signaled emphatically that the United States will no longer accede to every ransom demand.

Second, the conservation measures outlined in the president's speech—enforcing the 55-mph speed limit; redirecting excess electric generating capacity from utilities now dependent on oil to non-oil fired generators; efficiency standards for buildings; mandatory thermostat settings and reductions in unnecessary lighting—will yield savings greater than those alleged from decontrol, yet will cost absolutely nothing.

Finally, the government should move to assert its control over the most critical sector of our national economy, rather than abdicating this control to foreign governments and to major multinational corporations, which, after all, have no public accountability and no underlying responsibility for the public welfare.

It should limit the amount of oil we may import. This might not even require rationing—because we survived the embargo without it—but even rationing could be tolerated if the public felt the burdens were equitably shared. Oil imports should be channeled through a federal import purchasing authority so that our massive buying power can be used *en bloc* to bargain with the OPEC cartel. And a federal fuels corporation charged with developing all or a portion of our vast energy resources on public lands would end our exclusive reliance on the private oil companies.

The alternatives suggested would give the nation an energy policy that is effective, non-inflationary and, most important, fair to all citizens. With this program, the president can build the confidence and credibility he needs. And this program, unlike decontrol, would work.●

ALASKA LANDS LEGISLATION MYTHS RELATING TO OIL AND GAS RESOURCES

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. HUCKABY. Mr. Speaker, some proponents of the Alaska lands bill introduced by Congressmen UDALL and ANDERSON claim that under their legislation, the vast preponderance of Alaska's energy resources would be available for exploration and development. Today, I am inserting in the CONGRESSIONAL RECORD an analysis prepared by geologists of the State Department of Natural Resources. These experts make it clear that the existing data base will not support the assertions made by proponents of the

Udall bill. One memorandum prepared by the DNR geologists concludes:

> Thus, a statement such as "95% of the energy resources of Alaska lie outside proposed D-2 boundaries" is inaccurate, misleading, incomplete, and incorrect, unless the author has some statistically correct means of concomitantly stating how sure, or how unsure he is of his estimate. If he cannot make this important qualification, his statement is not only meaningless, but a distortion of the truth.
>
> To my knowledge no study has been conducted on Alaska lands and is available to the public which would enable one to state categorically that "95% of the energy resources of Alaska lie outside various proposed D-2 boundaries."

Mr. Speaker, I commend the accompanying memoranda to the Members of this body, and I believe that the analysis contained therein is but one more reason for supporting the Interior and Merchant Marine Committee bills and for opposing the Udall-Anderson substitute.

MEMORANDUM

STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS,

April 17, 1979.

To: John Katz, Assistant to the Governor.
From: Ross G. Schaff, State Geologist.
Subject: Resource Estimations.

The attached description and analysis prepared by Gar Pessel is in response to your question regarding the validity of statements which quantify resource values relative to distribution of different types of land categories in Alaska. This is not an easy question to answer without some understanding of the degree of uncertainty involved in resource estimates, especially petroleum, natural gas, and minerals.

Because of the degree of uncertainty involved when dealing with estimates of subsurface resources, one must always qualify a resource estimate for a given area by some form of statistical certainty or uncertainty through a range of values. Otherwise one simply makes incorrect statements.

Thus, a statement such as "95% of the energy resources of Alaska lie outside proposed D-2 boundaries" is inaccurate, misleading, incomplete, and incorrect, unless the author has some statistically correct means of concomitantly stating how sure, or how unsure he is of his estimate. If he cannot make this important qualification, his statement is not only meaningless, but a distortion of the truth.

To my knowledge no study has been conducted on Alaska lands and is available to the public which would enable one to state categorically that "95% of the energy resources of Alaska lie outside various proposed D-2 boundaries".

MEMORANDUM

STATE OF ALASKA, DEPARTMENT OF NATURAL RESOURCES, DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS,

April 17, 1979.

To: Ross G. Schaff, State Geologist.
From: G. H. Pessel, Petroleum Geologist.
Subject: Requested Description of Resource Estimation Methods.

Estimates of the amounts of resources of various kinds have become a very important part of the controversy surrounding the D2 legislation and disposition of various Alaskan lands. Misunderstanding of the meaning of resource estimates and their implications has caused some problems. The following discussion is a brief overview of resource estimation technique, along with some of the problems and implications of using resource estimates in land planning decisions.

An understanding of the uncertainty in resource estimates is important in making rational decisions about the disposition and use of lands. The statistical methods of resource estimation currently in use do much to provide the necessary understanding, but the policy or decision maker who uses such resource estimates must reflect on the nature of the information being provided.

Resource estimation techniques, particularly in areas where little or no exploration has taken place, can involve the use of some very sophisticated statistical methods in order to take into account the high degree of uncertainty inherent in such estimates. Most laymen can understand intuitively that an estimate for the amount of oil and gas within an area where no drilling has taken place is subject to a large degree of error. However, the degree of uncertainty in such estimates is often not made obvious, and few laymen have much of an understanding of the amount of error that might actually exist. Also, if the resource estimates for two areas differ greatly in certainty, a comparison of those two areas is difficult.

The degree of uncertainty related to a resource estimate is absolutely essential to understanding and using that estimate. If, for instance, only a single number is given as an estimate, the user has no way of knowing whether the estimate describes an almost certain event, or is subject to a wide range of possibilities. An understanding of a comparison of the resources of the Prudhoe Bay area with the resources of the Arctic National Wildlife Range (ANWR) is not possible if the resource estimates are given as single numbers. The area around Prudhoe Bay has over one hundred wells and abundant seismic data to provide a data base for estimating the resources, while ANWR has no wells and no seismic data. It is intuitively obvious that a resource estimate for ANWR is subject to a great deal more uncertainty than an estimate for Prudhoe Bay. Although this example involves two rather extreme cases, the fact is that the data base for resource estimation in various areas of Alaska varies tremendously in quantity and quality, and that the degree of certainty about resource estimates for these areas must vary widely.

For similar reasons, ranking areas as to their relative importance for resources, a method used by DNR in recent years, may not provide an entirely satisfactory method for land use decisions. This method provides only a single number to describe the relative importance of the resources in an area. Such information is useful, but provides only a very partial and limited understanding of the issue. The ranking does not tell the user what the distribution of resources is among the various areas. For example, does area 2 have twice the resources of area 4, or what? Is the first "percentile" in this system twice as important as the second? How sure are we that area 98 is really better than area 99, or even 105? The ranking system provides no answer to these questions. All the ranking system really says is that, in the opinion of the available experts, area 1 is more important than area 2, and so on, with absolutely no indication of how sure the experts are of this opinion, and very little idea as to how much more important area 1 is than area 2. The use of "percentiles" to describe areas in this ranking system is statistical nonsense. The system has some obvious limitations in its usefulness.

Methods of resource estimation do exist for providing the necessary information about uncertainty in resource estimates. Such methods appear to be complex, but the underlying concepts are actually very simple, and the information provided is readily useable by a layman who has taken the time to understand its meaning.

The mathematical expression of uncertainty about a statistical event, such as the occurrence of resources, is conventionally given on a chart known as a cumulative distribution function. The name sounds imposing, but it is merely a visual presentation of the amounts of resources that might occur plotted against the probability of their occurrence. The complex method of arriving at such a curve is not easy to describe without getting into statistical theory, but it is sufficient to say that many factors have an effect on the estimate of the resources in an area, and each of these factors has a certain degree of uncertainty.

The estimation method merely combines all of the factors and their corresponding uncertainties mathematically, and the result is the cumulative distribution function or curve. Such a process amounts to a simulation or model of the real world, and it is important to remember that such models are not perfect. Such models are continually being refined in an effort to obtain better estimates.

An example of a cumulative distribution curve is given in Figure 1 (attached). The curve expresses the probability that the resources exceed a certain value. For example, this particular hypothetical curve shows that a 30 percent probability exists that the resources are greater than 6 billion barrels. Of most interest to the layman is the fact that this type of curve gives a range of the possible resources in an area, along with the probability of their occurrence. In other words, it portrays the uncertainty existing in the estimate. An overall consideration of our example shows that the estimate places the resources of this hypothetical area between 3 and 20 billion barrels of oil. The user should note that the upper limit of the resources (20 billion barrels) is the maximum amount of oil that can be imagined to exist in this area if all the factors were favorable. This last point has some important implications that we will discuss later.

The usefulness of these curves can be readily understood by comparing the curves from two areas having a great difference in the information base on which the estimates are made, such as Prudhoe Bay and ANWR.

The curve for ANWR (hypothetically—we have not made such an estimate) might look very much like the curve in Figure 1, except that the lower limit would probably be very close to 0, rather than 3 billion barrels. The curve for Prudhoe Bay (again, hypothetically) might show a lower limit of about 9.1 billion barrels, and an upper limit of about 9.8 billion barrels. These two hypothetical curves are shown in Figure 2 (attached). In essence, the curves show that we are much more certain of the amount of oil in Prudhoe Bay than we are in ANWR, a fact that should be obvious. The curves simply quantify the uncertainty in a very understandble form.

The problem with using such distribution curves is that the resource estimates are no longer a single number, and the decision makers usually want very much to be able to say that one area is twice as good as another, or some similar type of comparison. Such glib comparisons do not make good statistical sense, but many laymen may feel quite uncomfortable with the wide spread in the probalistic type of resource estimates. Actually, the curves provide the decison maker with a very flexible tool for making decisions. However, one major point of understanding is involved. Although the distribution curves show a spread of possible resource values, one must remember that the real world has only *one* finite value. The decision maker is therefore put in the position of a gambler trying to assess the odds that a certain event will take place. The curves provide him with a method of assessing those odds, and making decisions on a sound statistical basis.

Certain aspects of the curves deserve some discussion. The potential of an area includes the most optimistic part of the curve, and this fact has some important consequences. The best occurrences of resources, be it oil and gas or minerals, are very unusual events in a statistical sense. For this reason, the explorationist is looking at the tail end of the resource estimate curve as a guide to the potential of a given area. If the amount of potential resource is high, even though the probability of its occurrence is low, the explorationist will regard such an area with great interest. The decision maker, therefor, must also take into account that part of the curve in order to realistically compare the resource potential of one area with anther. The fact that a large potential resource has an extremely low probability of occurrence should not lead the decison maker into dismissing the resources of an unexplored area as having too low a chance of existing to matter. Large resource occurrences are very unusual statistical events, and they occur within trends where the various factors that make them possible have some chance of happening.

The type of decision to be made will have a great effect on which part of such a curve will be of most importance to the decision maker. If, for example, we are looking at the amount of oil that the nation can count on from Alaska for the purposes of energy resource planning, we would look at a very conservative point on the curve, i.e. one that has a very high probability of occurrence. However, if we are trying to decide about the amounts of resources that *might* be found if certain areas were left open to exploration, we must look at the tail end of the curves, where the maximum potentials might be expected. In other words, the distribution curves give the policy or decision maker a very versatile tool for making decisions, but only if used in a rational manner.

One important point to note in looking at resource estimates for an area is the fact that the resources will not be distributed homogeneously throughout the area. Deposits in nature are distributed in such a way that large deposits are not only unusual events, but most of the economic resources will be concentrated in the largest deposits. This fact has some important implications to the decision maker. If 10 percent of an area is withdrawn from exploration, it cannot be said that only 10 percent of the resources are involved. If a blind withdrawal of 10 percent is made, it has a chance (10 percent) of withdrawing one or more of the largest deposits, and if it does, then 50 percent or more of the resources might be taken. Thus, the insistence of industry that land be left open to exploration is not entirely simple greed, but based on the knowledge that random withdrawals may well preclude the discovery and development of most of the resources.

A sound knowledge of the uncertainty involved in resource estimates is very useful in understanding some of the issues involved in the current D2 battle. Statements about the relative amounts and importance of resources are a major part of the debate. Obviously, the uncertainty should be a crucial part of the issue. We can look at statements about how much of the resources are affected by the withdrawals with a great deal of skepticism, unless the speaker is willing to qualify his statement properly.

The key to using resource estimates, particularly in areas where little exploration has taken place, is to remember that the estimates are only estimates, and that statistical uncertainty plays a major role in the use of the estimates. Decisions in this condition are perfectly acceptable, but the one making the decision must realize that this is, in purest terms, a gamble. The uncertainty inherent in the resource estimate for a particular area will dictate how much of a gamble any particular decision might be. Industry routinely commits huge investments on the basis of such information, generally with success in the long run, because they understand the nature of such decisions. However, many laymen may find the fact that we are dealing with probabilities rather than hard facts a bit uncomfortable, especially when faced with the often sweeping range of possibilities seen in typical resource estimates.●

AFFIRMATIVE ACTION DOES WORK

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. STARK. Mr. Speaker, I would like to call attention to remarks by Ms. Ruth B. Love, superintendent of the Oakland Unified School District, entitled "Affirmative Action Can Work!"

The Oakland Unified School District has been extremely successful in instituting exemplary affirmative action policies in employment, school construction contracts, and procurement and purchasing. I congratulate the Oakland Unified School District for their success in instituting these highly commendable programs.

The remarks follow:

AFFIRMATIVE ACTION CAN WORK!

(By Ruth B. Love)

Good morning. It's a great pleasure to be here with the delegates to the Tennessee Conference on Minority Employment and your distinguished guests. Though I flew all night to be here, I somehow feel as if I'm home—together with "family" who share my absolute determination to establish in this country a society of equal opportunity.

That's an impressive phrase—"a society of equal opportunity"—and as the people in this room know only too well, we're a long way from achieving it.

Together, over the past 25 years, we've overcome some of the more obvious barriers to equal opportunity—through the "Brown" decision of the Supreme Court in 1954, the Civil Rights Act in 1964, the Voting Rights Act in 1965, and the Open Housing Act in 1968. These were significant milestones on the long journey.

But now we're discovering that this race is not a sprint—but a marathon, and that we're still a long way from the finish line. We know now that we must keep on running, no matter how tired we get, because, in many ways, the course of the 80's will be even more demanding than that of the 60's and 70's.

When our pace slows, as it sometimes must, and we feel discouraged, maybe it will help us to remember that others have traveled this way before us—that there are some precedents for our struggle.

When Moses led his people out of Egypt, there was great exultation at their escape from slavery. But the people soon discovered that it was a long way to the promised land—that they'd have to keep their faith, build their spiritual and physical strength, and conquer many enemies before they arrived.

Crossing the desert was clearly as much a challenge as crossing the Red Sea had been.

And that is where we are now in the struggle for equal opportunity. We are in the heart of that desert—and the oasis seems to be drying up fast.

Last year in this country we saw a tax cut that favored the affluent. We saw congress virtually destroy a national urban policy, severely weaken the Humphrey-Hawkins bill, and ignore the need for welfare reform.

There's not much manna in our wilderness either. Recession seems like a real possibility this year, and as Vernon Jordan puts it, "When this economy sneezes, black America gets pneumonia." Minority unemployment has already taken on frightening proportions. According to the latest government statistics, joblessness among black young people has reached 35 percent. In my city of Oakland, that figure is 42 percent.

And there's a storm brewing in our desert too. Bakke was the first dark cloud, and now the Weber case is looming on the horizon. In California, we refer to this latter case as the "son of Bakke," because it, too, if affirmed, will further chip away at equal opportunity.

So here we are—caught in the uncomfortable middle. We minorities are not slaves in "Egypt" anymore, but we can't see the promised land yet either. But it is there. We know it's there, and we've got to keep on heading in the right direction.

Sometimes that direction isn't so easy to find—after all, the ancient Hebrews took forty years to cover a distance that can be walked in 12 days—but we do have some guideposts, and I'd like to tell you something about how we are following those markers in our school district.

The Oakland unified school district has a total of 100 schools, 23 children's centers, with approximately 53,000 students in regular programs and more than 10,000 in preschools, adult education, and other special programs. About 68 percent of our students are black, about 16 percent are white, 7 percent are Asian, 7 percent are of Hispanic origin, with the small balance coming from other ethnic groups. We have three different affirmative action policies: Employment, school construction contracts, and procurement and purchasing.

You may have suspected that a district with a black woman as its superintendent would have a strong affirmative action policy—and we do. With our plan, we have moved toward achieving a staff which reflects the composition of our student body and of the city of Oakland—and we have been, if you'll forgive me for saying so, extremely successful.

Since 1973 we have increased the percentage of minority representation in virtually every category of classified and certificated employees, even though this has been a period of declining enrollment and, as a result, of declining opportunities for new employment. Our teaching staff is now 49 percent minority, and our classified personnel are 58 percent minority.

In my opinion, this progress is due to the eight factors in our affirmative action program.

First, the basic criterion for all hiring and promotion in our district is competence. Our primary responsibility is to provide our children with the best possible teachers and support staff—and we never forget that purpose.

Secondly, we recognize, to quote our written policy, that "It is in the best interest of the students to be exposed to a diverse staff to provide them with experiences which will help them accept the concept of living in a pluralistic society."

To achieve this end, we have what I would call, if it were not such a dangerous word these days, very specific goals. We are aiming to achieve approximate parity with the ethnic composition of the city of Oakland as measured by a 1975 census. With these figures to guide us, we know exactly where we're heading, and we'll know when we get there.

The third element that accounts for our program's progress is that it is wholeheartedly backed by our top level administrators. It was approved unanimously by our board of education and, of course, has my complete support.

Fourth, our affirmative action officer reports directly to me, not to an intermediary personnel director, though he works with the managers of all departments.

Fifth, our district has an active affirmative action committee composed of classified and certificated personnel and of community members who help to review and monitor the program and make suggestions for improvement. And they don't hesitate to alert us to inequities.

Recently this group examined our district's job descriptions and found that, in some cases, more competence was required than was necessary to do certain jobs—so they helped to hammer out more reasonable qualifications.

For example, in some laboring jobs which called for applicants to read and write English, they asked that the requirement be only to read adequately for job safety. This recommendation—and many others like it—have not reduced competency on the job at all, but they have broadened the labor pool we can draw from.

Sixth, our affirmative action officer keeps accurate, up-to-date figures to monitor our progress in hiring and promotion of minorities. He prepares quarterly reports which show ethnic representation in our staff and among applicants. If we find that some group has few job seekers, we call community or county organizations which represent that group and encourage their members to apply for available positions.

We don't just wait for people to come to us for employment. We also actively go to them. We do not just comply with the requirements to advertise positions in places where they will be seen by minority people, we aggressively look for new means of recruiting competent people who will help us achieve a diverse work force.

The seventh reason for progress is Oakland has a well-defined procedure for implementation of affirmative action on three levels—(A) in processing staff requests for new personnel or for promotions of existing employees; (B) in hiring; and (C) in assigning new employees. At all of these points in the employment process, the affirmative action officer is directly involved—and he has real clout. At times, he or I find it necessary to remind our staff "not to change the rules in the middle of the game." And we do not hesitate to do so.

For example, if a number of people apply for a teaching job, and the school selects a person who does not contribute to the diversity of their staff, our affirmative action officer has the power to come in and examine the situation. Depending on the circumstances, he can and does suggest re-advertising the position, or even hiring another equally qualified applicant who will also give the school a more representative staff.

Incidentally, this policy does not work in favor of traditional minorities, because in some cases it is important for a predominantly minority school to add a white teacher.

The eighth and final aspect of Oakland's affirmative action hiring program is a workable grievance procedure. With our well thought-out plan, we don't have many grievances—but they do come, and they are taken seriously.

For example, recently a young woman insisted that she suffered sex discrimination in applying for a gardener's job. The affirmative action officer and I both found her complaint valid; she was hired, and she's doing a great job.

By the way, this procedure is also useful in dealing with Title IX student complaints. A few months ago it was very effective in helping a girls' track team acquire equal practice time with their male counterparts.

Besides adhering to these eight principles in our own affirmative action program, we have also worked closely with the EEA in 1971–72 and with CETA since 1973. Through those years we have provided jobs for about 500 previously unemployed people with funds from these two programs, and more importantly, we have transitioned approximately 200—or more than 40 percent—of these employees into regular unsubsidized district positions.

Lay-offs are a thornier problem than hiring. There, we're bound by state laws to honor seniority first—yet when it comes to transferring or consolidating certificated positions we are now allowed to give affirmative action precedence over seniority—at least a step in a new direction.

Of course our affirmative action plan goes far beyond hiring—in fact it permeates every aspect of our district's program, inside and outside of classrooms—from eliminating racism in textbooks and tests, to providing equal access to facilities for the handicapped.

PURCHASING AND PROCUREMENT

A particularly important affirmative action application is in the area of purchasing, where we have a two-pronged approach. On items which will cost more than $10,000, sealed bids must be presented to the board of education—and of course the order goes to the lowest bidder—but prior to the bid deadline, we work with minority vendors on a one to one basis to explain the process, to make the complex requirements clear.

When we are dealing with quotes, covering items under $10,000, we require that at least one minority contractor be invited to participate. We are also able to select competitive quotes from minority contractors even if they are not quite as low as others. The pay-off of this procedure is that we've found the more we work with minority contractors, the more competitive their bids are becoming.

Before the affirmative action purchasing program began just a year ago, on April 1, 1978, minority contractors and vendors got 2½ percent of district business. They now get 17 percent a month—and our goal is 25 percent. And in a district which spends $10 to $12 million a year, that's a lot of dollars. This is a very significant area because school districts will always need basic supplies, equipment and materials.

SCHOOL CONSTRUCTION

School construction is another area where there is a serious affirmative action plan. We are constructing 31 new schools under our earthquake safety program totaling $73 million—and our plan requires that 25 percent of the total dollars on each job go to minority contractors and that 25 percent of every work force be minority workers. To date, some 30.6 percent of our sub-contracts have gone to minorities. This means $12,843,663 to 109 minority contractors. Some 56 percent of the work force is minority, thus helping to decrease unemployment. Yet let me assure you that this road has been rocky. We have had lawsuits and counter-lawsuits. But thus far, this district policy has prevailed. Now, one has to be innovative and pragmatic about these lawsuits.

Now I've told you the good news—but that's not the whole story, even in Oakland where we have made gains. First, it is difficult to make the kind of changes which such policies demand. One is reminded of Machiavelli's words, "There is nothing more difficult to carry out, more perilous to conduct, or more uncertain in its success, than to initiate a new order of things." Secondly, it is easier to alter behavior than to change attitudes. Feelings of rigidity and prejudice die hard.

At this time, we still do not have adequate minority representation among classified managers—at present, they represent only about 28 percent of the people in this category, and we do not have enough internal training programs to help employees move up the ladder. But here, too, there is promise, because fully 75 percent of the supervisory positions—one step down—in our classified staff are held by minorities.

Among principals, assistant principals and deans, the picture is even brighter. More than 65 percent of the people in these positions are minorities.

Perhaps the most discouraging aspect of our affirmative action picture is in the most vital area of all—among our students. No matter how we work to provide them with classrooms free of racism and sexism, with role models of every racial and ethnic background in teaching and other school jobs, with equality of opportunity in every way we can imagine—when they leave us, they are confronted with the bitter reality that things "out there" really haven't changed much.

It is still a terrible struggle for many of our students to continue their educations, to get jobs, to find decent housing or receive adequate medical care or legal advice—the list goes on endlessly and discouragingly.

But we refuse to be discouraged, to give up the struggle against these powerful negative forces.

Instead we are fighting on two fronts—first by urging the community around us—with every means at our disposal—to adopt affirmative action policies similar to those practiced so successfully by the school district. And secondly, until we succeed in changing the larger world—we're striving to give our students the tools they need to make it—even against the odds. Therefore, we have made academic excellence our chief priority. Regardless of where the students live, their ethnic background or economic status, we expect them to achieve and perform.

We agree with psychologist Kenneth Clark that "if a child feels he is uneducable, then he becomes uneducable." So the message we're giving our students is that they can achieve and that we expect them to achieve.

But we don't give them that message through rhetoric: we give it to them through programs which make them stretch their mental, physical, social and moral capabilities. Just as with our affirmative action hiring program, in every area of student life, we set standards, and we expect them to be met. We have three primary goals:

1. Children who complete the third grade will be able to perform basic skills.
2. A program of intervention will be provided for children who are or who fall behind grade level expectations in basic skills.
3. Graduates will possess the academic resources for higher education/advanced training or a marketable skill.

Academically, our students participate in a three-way learning contract, along with parents and staff members. For each group, the requirements are clearly spelled out.

For example, parents are asked to provide a quiet place for their students to study each night and to make sure that their children attend school regularly.

Students are asked to do their homework, behave properly and come to school on time.

And teachers are asked to make sure students are taught academic and vocational skills.

Students, parents and teachers are also kept well-informed about the district's proficiency standards—specific skills that should be learned at each grade level—many of which are included in the new exams which all California students must now pass in order to receive a high school diploma.

This firm emphasis on competence and responsibility has paid off. At the end of last year, our students in every grade showed substantial gains, on standardized tests, in both reading and math. And our graduating seniors were awarded more than $3 million in scholarships and aid to continue their education. Our students who make significant progress are inducted into the distinguished hall of scholars.

We are expecting more and getting more from our students in other areas too. Our vandalism reduction program has resulted in a 35 percent decrease in expenses for repairing malicious damage this year. And our two-month-old anti-truancy campaign seems to be keeping many more students in school where they can build the strengths that will help them combat the past and present effects of discrimination.

We believe that motivation is a critical factor in a student's learning process. So we provide local and national role models to visit with them.

So we—our staff and our students—are taking responsibility for sending better qualified graduates into society—but we continue to insist that the society do its part too.

As people deeply concerned with affirmative action, we must speak out, at every opportunity, on certain pivotal subjects in the confused post-Bakke era.

We must continue to remind our peers in business and industry, in the professions and in our colleges and universities, that as Edmund Burke put it, "the only thing necessary for the triumph of evil is for good men to do nothing."

We must be sure they know that there is still one white attorney for every 680 whites—and one black attorney for every 4,000 blacks; one white physician for every 649 whites, one black physician for every 5,000 blacks; and one Chicano physician for every 20,000 Chicanos; one white dentist for every 1,900 whites and one black dentist for very 8,400 blacks; that less than one percent of all engineers and chemists are black; that the poorest group by far in our country is the native Americans, whose unemployment rate is almost four times the national average.

We must remind employers and admissions officers that competency should never be measured strictly by numbers—that job qualifications often bear little relation to job requirements.

We must point out the overt and subtle discrimination that many people would rather ignore, remind them that for years some unions have had "affirmative action" plans open only to members' sons, that inner city schools sometimes do not even offer classes required for entrance to some colleges, that $\frac{1}{3}$ of all Americans living below the poverty line are black, though blacks constitute only 11 percent of the population.

In the Bakke and Weber cases, the institutions concerned have not, for obvious legal reasons, admitted to "prior discrimination" as a rationale for their present affirmative action efforts. So it is up to us who care to point out again and again that prior and present discrimination is real and that minorities have not made progress at the expense of whites.

Most importantly, we must remind majority America that this is their fight too—that minority people have a real contribution to make to the strength and vitality of this society—that to create a workable plan for survival in the new world that is arising around us, a world which is qualitatively different from that of our parents and grandparents, we need input from people of different backgrounds, with different priorities and different approaches.

As a Nation, we have seen effective affirmative action policies designed for farmers, for veterans, for manufacturers through protective tariffs—all kinds of advantages given to threatened individuals or entities to enable them to survive and compete.

Today, in spite of some very real gains, minority America is threatened—threatened with poverty, unemployment, disproportionate crime and major illness—and it is in the interest of all Americans to support our struggle to overcome these threats—to free us to make the contributions we can and want to make to this country, to allow us to reach that far-off promised land of full equality of opportunity.●

MUNICIPAL CAPITAL ASSISTANCE ACT OF 1979

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Ms. OAKAR. Mr. Speaker, I am introducing a bill entitled the "Municipal Capital Assistance Act of 1979." This bill provides a practical and viable solution that addresses the continuing deterioration of the basic infrastructures of many of our cities and towns across the Nation. This bill not only focuses on the urgent needs of restoration of the underlying capital stock of our localities; namely, our water systems, our bridges, our sewer systems and our roads, but attacks this critical and expansive problem in a unique and innovative fashion. It is clearly our responsibility to recognize and preserve the arteries indispensable to the vital functioning of local economies. I firmly believe, Mr. Speaker, that this bill would achieve this end. My able colleague, the Honorable WILLIAM S. MOORHEAD, chairman of the Subcommittee on Economic Stabilization, has been the leader in recognizing the long-range dangers of this continued neglect and has been the innovator of this program. I am very proud to serve on this subcommittee.

The Municipal Capital Assistance Act of 1979 would authorize grants on $25 billion principal amount of bond issues over 5 years, or $5 billion a year. These grants will take the form of a debt-service grant. Such a grant is a financing device that is not now used. Briefly, it is a contract between the Federal Government and the local government, whereby the Federal Government agrees to pay a stated portion of the total principal and interest on long-term bonds to finance the work of restoring old, deteriorated infrastructure.

The Federal payments would be spread over the life of the bonds with a maximum of 20 years and a minimum of 10. The bond issues would be normal, tax-exempt local debt. I wish to stress, Mr. Speaker, that the 25 percent Federal participation figure used in my bill is subject to some flexibility. As hearings progress on this legislation, we may be inclined to revise the participation percentage to more adequately fit the needs of our communities. The Treasury will administer the program.

Mr. Speaker, it is far more cost effective to restore existing structures than to be faced with the prospects of total replacement. It becomes increasingly more obvious that a systematic strategy at the national level be designed for the repair and rehabilitation of the network of infrastructures which are on the decline in our cities and towns across the Nation. I trust my colleagues will join with me in support of this legislation.

The material follows:

H.R. —

A bill to authorize the Secretary of the Treasury to make annual contributions to local governments to defray a portion of the long-term debt incurred by such local governments to finance projects to preserve and restore certain facilities

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Municipal Capital Assistance Act of 1979".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby finds that—

(1) there is an urgent need for capital expenditures by local governments to preserve and restore the basic infrastructure which is essential to the functioning of any local economy; and

(2) while the municipal bond market is operating satisfactorily as a source of capital for local governments, the current level of debt service of many local governments limits their willingness and ability to incur substantial additional debt.

(b) It is the purpose of this Act to provide annual contributions to local governments to assist such local governments in acquiring the capital necessary to carry out projects to preserve and restore such basic infrastructure.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "applicant" means any local government which submits an application under section 4;

(2) the term "debt service" means the total amount of principal and interest payable with respect to any long-term debt;

(3) the term "facility" means any road, bridge, or water or sewer system;

(4) the term "local government" means—

(A) any city, county, town, parish, village, or other general purpose political subdivision of a State; and

(B) any special district, public purpose corporation, or other limited purpose political subdivision of a State;

(5) the term "long-term debt" means any debt security—

(A) on which the interest is exempt from taxation under section 103 of the Internal Revenue Code of 1954; and

(B) which matures in a period of not less than 10 years and not more than 20 years;

(6) the term "Secretary" means the Secretary of the Treasury;

(7) the term "State" means any of the several States or the District of Columbia; and

(8) the term "United States" means the several States and the District of Columbia.

SEC. 4. (a) The Secretary of the Treasury is authorized to enter into annual contribution contracts with any local government to defray a portion of the debt service for any long-term debt incurred with respect to any project which satisfies the requirements of subsection (b). Any local government which desires to receive payments pursuant to an annual contribution contract may submit an application to the Secretary in accordance with the provisions of subsection (c).

(b) Annual contribution contracts may be entered into under this section only with respect to projects—

(1) which will preserve, reconstruct, or restore any road, bridge, or water or sewer system;

(2) which will not extend any such facility; and

(3) which will not involve any mass transportation system.

(c) Any application submitted by a local government under this section shall be in such form and be submitted in accordance with such procedures as the Secretary shall require and shall—

(1) describe the current condition of the facility involved;

(2) describe the preservation, reconstruction, or restoration work proposed to be carried out with respect to such facility;

(3) state the annual operating costs or maintenance and repair costs for such facility;

(4) state the estimated annual operating costs or maintenance and repair costs for such facility after the completion of the work described in paragraph (2);

(5) state the estimated replacement cost of such facility;

(6) contain a detailed description of the long-term debt proposed to be incurred to finance the work decribed in paragraph (2); and

(7) provide such additional information as the Secretary considers necessary to carry out the provisions of this Act.

(d)(1) The Secretary may award an annual contribution contract to any applicant which meets the requirements of this section. In awarding such annual contribution contracts, the Secretary shall give priority to those projects—

(A) which involve facilities which are in urgent need of restoration in order to avoid the total replacement of the facility involved;

(B) which will result in the largest savings in annual operating costs or other costs;

(C) which will significantly contribute to the economic development or reduce the economic decline of the area in which the applicant is located; and

(D) which upon completion will serve or benefit the largest number of persons.

(2) The total amount of each annual contribution contract shall equal 25 percent of the debt service for the long-term debt involved. Such amount shall be paid in annual payments based upon the number of years during which such long-term debt is outstanding. Each such annual payment shall be in an amount equal to 25 percent of the debt service payable on such long-term debt for the year involved.

(3) The amount of all annual contribution contracts entered into by the Secretary for any fiscal year with applicants from any State shall not exceed an amount which bears the same ratio to the total amount appropriated to enter into annual contribution contracts under this section for such fiscal year as the population of such State bears to the population of the United States.

(4) The amount determined under paragraph (3) with respect to State for any fiscal year may be exceeded by an amount not greater than 10 percent of such amount in any fiscal year, except that during the following fiscal years in which appropriations are available under this Act, the Secretary shall reduce the amount available to applicants from such State by an equal amount.

(e) Each annual contribution contract shall contain such terms and conditions as the Secretary considers necessary—

(1) to assure that all amounts paid pursuant to an annual contribution contract shall be applied toward payment of the debt service of the long-term debt involved; and

(2) to protect the interests of the United States.

SUSPENSION OF THE ISSUANCE OF ANNUAL CONTRIBUTION CONTRACTS

SEC. 5. (a) Beginning on the first day of any calendar quarter, the Secretary may suspend the issuance of annual contribution contracts if the Secretary finds that there is congestion in the municipal bond market. The Secretary may make such a finding only if he determines that the current yield on securities on which the interest is exempt from taxation under section 103 of the Internal Revenue Code of 1954 has risen substantially relative to the current yield on securities which are of a comparable maturity and credit rating and on which the interest is subject to taxation under the Internal Revenue Code of 1954.

(b)(1) Any suspension under subsection (a) shall be effective for a period determined by the Secretary, except that such period shall not exceed one year.

Such suspension may be extended by the Secretary for additional periods, each of which shall not exceed one year, if—

(A) not less than 90 days before the beginning of such additional period, the Secretary makes the determination specified in subsection (a) and transmits a notice to the Congress informing the Congress of the Secretary's intention to extend such suspension for such additional period; and

(B) during the 90-day period preceding the beginning of such additional period, the Congress does not adopt a concurrent resolution stating in substance the disapproval of the Congress with such suspension for such additional period.

REGULATIONS

SEC. 6. The Secretary is authorized to prescribe regulations to carry out the provisions of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. (a)(1) The Secretary is authorized to enter into annual contribution contracts providing 25 percent of the debt service for long-term debts in the principal amount of $5,000,000,000 for each fiscal year beginning with the fiscal year ending on September 30, 1980, and ending with the fiscal year ending on September 30, 1984.

(2) With respect to any fiscal year in which the Secretary suspends the issuance of annual contribution contracts pursuant to section 5, subject to paragraph (3), all amounts appropriated for such fiscal year to enter into annual contribution contracts shall remain available until expended.

(3) During any fiscal year, the Secretary may not enter into annual contribution contracts providing 25 percent of the debt service of long-term debts in principal amount of more than $5,000,000,000.

(b) The authority to enter into annual contribution contracts shall be effective for any fiscal year only in such amounts as may be provided in advance in appropriation Acts.

EFFECTIVE DATE

SEC. 8. This Act shall take effect on October 1, 1979.●

ALASKA LANDS—PART IV

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DINGELL. Mr. Speaker, throughout my active involvement with the Alaska lands issue, I have come to the realization that rational and well-framed legislation wins the support of the true conservationists and sportsmen. I firmly believe that the Breaux-Dingell substitute achieves that goal.

I would like to submit for the RECORD some examples of the growing support this legislation has received from conservationists and sportsmen across the country. This is particularly evident with the constituency of the National Wildlife Federation with the letters and telegrams that I have received from the State affiliates of that organization.

The letters follow:

MIDDLETOWN, VA.

Hon. JOHN D. DINGELL,
House of Representatives,
Washington, D.C.

The New York State Conservation Council Inc., the 400,000 member affiliate of the National Wildlife Federation cannot support the Udall-Anderson version of the Alaska Lands bill. We urge your support for the Breaux-Dingell substitute of the Alaska Lands bill.

ROBERT E. YOUNG,
President, New York State Conservation Council.

PADEN CITY, W. VA.

Hon. JOHN D. DINGELL,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: The West Virginia Wildlife Federation, Inc., is in support of H.R. 3651 Breaux-Dingell bill.

Sincerely,

EDWIN CRITES,
President.

Hon. JOHN DINGELL,
U.S. House of Representatives,
Washington, D.C.

The following mailgrams transmitted to the entire Kansas delegation, House of Representatives, April 30, 1979.

The Kansas Wildlife Federation urges your support for H.R. 39, Breaux-Dingell bill. We urge you to oppose the Udall-Anderson bill.

TED CUNNINGHAM,
Executive Director, Kansas Wildlife Federation.

COLUMBUS, OHIO.

Hon. JOHN DINGELL,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: Ohio Sportsmen-Conservationists support the Breaux-Dingell proposal (MMF H.R. 39). Following message sent today to each Ohio Congressman:

The Alaskan Lands decision is extremely important to all Americans particularly sportsmen and conservationists. There has been a tremendous struggle in the Congress to develop the best possible legislation to resolve the many complex issues involved. The Breaux-Dingell proposal (MMF H.R. 39) is the very best legislation developed thus far, and Ohio sportsmen-conservationists urge you to support it to the fullest. We are opposed to the Udall-Anderson substitute measure as not being in the best interest of all Americans.

We are interested to learn your views on this matter and how you propose to vote.

DAVID R. WARNER,
Chairman, National Affairs Committee.

OWENSBORO, KY.

Hon. JOHN DINGELL,
House of Representatives,
Washington, D.C.

The League of Kentucky Sportsmen support MMF Dingell-Breaux version of H.R. 39.

JOSEPH L. COOMES,
President,
League of Kentucky Sportsmen.

MIDDLETON, VA.

Hon. JOHN DINGELL,
House Office Building,
Washington, D.C.

Sent following to all twenty-four Illinois U.S. Representatives. Urge vote against H.R. 3651 and support Breaux-Dingell version H.R. 39.

R. W. KEHN,
President, Illinois Wildlife Federation.

JACKSON, MISS., *April 25, 1979.*

Hon. JAMIE L. WHITTEN,
House of Representatives,
Washington, D.C.

DEAR MR. WHITTEN: We believe the Breaux-Dingell substitute amendment to the H.R. 39 Bill, developed by the Merchant Marine and Fisheries Committee, is the best approach to the Alaska Lands Legislation.

We support hunting as a key wildlife management tool and are concerned over the precedent which an extremist Alaska Lands bill would present for the future of game management on all Federal lands.

This organization, representing sportsmen and conservationists throughout the State, urges your support for the Breaux-Dingell proposal and your opposition to the Udall-Anderson substitute.

Sincerely yours,
EDWARD G. SULLIVAN,
President.

VIRGINIA WILDLIFE FEDERATION,
Virginia Beach, Va., April 24, 1979.

Re Breaux-Dingell substitute amendment to H.R. 39.

DEAR CONGRESSMAN DINGELL: This letter was forwarded to the Senators and Congressmen of Virginia.

As you know, the Virginia Wildlife Federation represents a cross section of sportsmen in the Commonwealth of Virginia, and we have been concerned for some time about the Alaskan situation regarding preservation of many millions of acres there.

We have followed this situation with a great deal of interest and we find now that the Merchant Marine and Fisheries Committee has come up with what we consider to be a reasonable alternative to this situation.

We find that this substitute amendment is compatible to the thinking of the Virginia Wildlife Federation as it addresses recreational access, management, the enhancement of fish and game resources, subsistence, traditional use and life styles, recreational pursuits, hunting, fishing, trapping, habitat protection and conservation.

We therefore strongly recommend that you support the Breaux-Dingell Substitute Amendment to HR-39.

Very sincerely yours,
WALTER J. LEVERIDGE,
President.

FAIRBANKS, ALASKA.

Hon. JOHN DINGELL,
Rayburn Building,
Washington, D.C.

The Alaska Wildlife Federation strongly support the Breaux-Dingell version of H.R. 39 as the best Alaska lands legislation.

PETE BUIST,
Alaska Wildlife Federation and
Sportsmans Council.

AUSTIN, TEX.

Hon. JOHN D. DINGELL,
Rayburn House Office Building,
Washington, D.C.

As a State affiliate of the National Wildlife Federation, this organization wholeheartedly agrees with your views on the Alaska land proposal for future game management and the use of the hunter in good game management practices. We do appreciate all your efforts, and wish you much success.

CECIL REID,
Executive Director,
The Sportsmens Clubs of Texas.

TACOMA, WASH.

Hon. JOHN D. DINGELL,

Urge your support of Breaux-Dingell amendment to H.R. 39.

WASHINGTON STATE
SPORTSMANS COUNCIL. S S C ●

AUTHORITY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. PAUL. Mr. Speaker, no one better understands the free market, and why it is superior to all forms of compulsion, than the great Leonard E. Read, president of the Foundation for Economic Education in Irvington-on-Hudson, N.Y.

Recently he wrote about authority—the authority of the truth and the authority of the club.

I would like to bring this truly wise man's words to the attention of my colleagues.

The article follows:

AUTHORITY: TO BE EMBRACED OR REJECTED?

(By Leonard E. Read)

Authority intoxicates,
And makes sots of magistrates;
The fumes of it invade the brain,
And make men giddy, proud, and vain.
—Samuel Butler

There are two opposed types of authority. There is, first, the kind of authority conveyed by the unvarnished truth to receptive minds; the second is symbolized by the club—naked force. The former gains the assent of the will; it is voluntary cooperation. The latter overrides the will; it is antagonistic and coercive. I like the old theological vocabulary which would label the one, heavenly, the other, hellish; it is the contrast between (a) the Source of Truth, and (b) the forcible imposition of nonsense.

There is only one Source of Truth: Infinite Consciousness—Creation. There are, however, many subsidiary sources, namely, those seers, past and present, who have surpassed the mill run of us in their ability to intercept the wisdom of Divine Omnipotence. Whenever we seek enlightenment, we can learn from them just as they have learned from The Source. Indeed, if we fully realize our potentialities, we may become helpful subsidiaries ourselves, and the source of light to other seekers.

The above aspirations would be extremely difficult to achieve, if not impossible, without a minimal coercive authority. I refer to a government strictly limited to inhibiting all destructive human actions, leaving everyone free to act creatively as each chooses. Our freedom depends upon such a defensive force against the coercive acts of others.

The above are authorities we should embrace. Now to the object of this thesis—the authorities we should reject.

The English stateman, Lord Acton (1834–1902), a distinguished liberal in the classical sense and a devout Roman Catholic, wrote, "Power tends to corrupt and absolute power corrupts absolutely." This shocking truth was inspired by the infallibility assumed by some of those in the papal hierarchy. It is obvious that no human remotely approaches infallibility. Lord Acton had the courage to pronounce the results: absolutely corrupting to the practitioners thereof. It leads to the forcible imposition of nonsense!

The English poet, Samuel Butler (1612–80), two centuries prior to Lord Acton, saw through the sham of power mongers—authority over the life of others—and beautifully phrased the end results: "Makes sots of magistrates." A sot? "Stupid like a habitual drunkard."

True, no more than a few among the millions of sots would fall into this intellectual gutter were they aware of (1) how it destroys their own lives and (2) the disaster it inflicts on all citizens. Why this inebriation? The answer may lie much deeper than we think. Here is one that deserves reflection.

Bear in mind that whatever shows forth on the political horizon is but an echoing or reflection of the given society's preponderant leadership thinking at the time. If this assessment be correct, then it is today's "thinking" that accounts for the countless sots who presently bedevil our country—those "infallibles" who would cast us in their little warped images. What lies at the root of their "thinking"?

It is inherent in the very nature of man to be led from the what-is toward the what-ought-to-be. Evolution is implicit in the Cosmic Scheme, and mankind today is far more evolved than Cro-Magnon man. The Creation which created us is a magnetic force. It is the first and foremost Law of Attraction.

Who can or cannot be drawn toward this Cosmic Order? Only the receptive. To symbolize the answer, take a handful of particles composed mostly of sawdust and a few iron or steel filings. Place a magnet over the particles and observe that only the filings are drawn to it.

Millions of people in the modern world—symbolized by the sawdust—are not attracted to the Cosmic Magnet. Some of these live aimless lives, but many others are powerfully drawn to the political messiahs who lead the collectivist movements of our time—Marxists and their ilk. A kind of mass hysteria results, and the silly seeds are sown which take root and sprout into "sottish magistrates."

Wrote Plato:

The punishment of wise men who refuse to take part in the affairs of government *is to live under the government of unwise men.*

How shall we define "wise men"? My answer: *The more they know, the greater is their awareness of how little they know.*

Those who grasp this Socratic wisdom concentrate on self-improvement; there is not an iota of be-like-me-ness in their makeup. They would no more think of telling a neighbor how to run his or her life than dictating how Creation should be modified. Intellectually, morally and spiritually, they are the very opposite of the unwise ones who aspire to dictatorial powers. This is another way of saying that they are the opposite of Marxists—socialists.

As a consequence, they are free-market

oriented, believing that all citizens should be free to act creatively as they please.

Presently, with some notable exceptions, we are living under government by unwise men. And the reason is that many of the wise men among us, lacking political aspirations themselves, mistakenly assume that what government does is none of their business. They fail to see what they could and should be doing to limit government to its principled role of keeping the peace with justice to all.

Even the wisest are imperfect. Many have unwisely overlooked the method they should employ: getting so proficient at understanding and explaining the freedom philsophy that others will look to them as mentors. Our wise men have attained their present heights by intercepting Creation's Law of Attraction. It follows that they should apply this Divine Principle at the human level. It has worked for them and it can have a comparable effect on others.

To repeat, what shows forth on the political horizon is but a reflection of the preponderant thinking, be it unwise or wise. What, then, is the role of wise men? *It is neither silence nor reforming the unwise!* Wrote Henry Frederic Amiel (1821–81):

Truth is not only violated by falsehood; it may be equally outraged by silence.

We are further enlightened by Michel E. de Montaigne (1533–92):

Reform only yourself; for in doing that you do everything.

The formula is simple: Let each freedom devotee become so proficient that others will single out these wise men as mentors!

Instead of silence, there will be oral and written explanations sharing with all who seek. The more one shares, the more will he or she be graced with higher grade thoughts. This growth, and it alone, energizes the magnetism that draws others. It is the Law of Attraction at the human level!

And now for the good tidings. Among the seekers will be wise men replacing "sottish magistrates" in governmental offices, statesmen replacing politicians, that is, those who seek truth and not power over a single creative action!

Several of the benefits we can expect:

1. A limited government staffed by statesmen numbering but a tiny fraction of the present political multitude.
2. Inflation will be at an end.
3. No more strikes or tariffs or any other restrictions to creative actions.
4. Free traders, the only ambassadors of good will, replacing politicians as the U.S.A.'s representatives in other nations.
5. All Americans as free to exchange goods and services with those in other countries as with those in our fifty states.
6. A rebirth of the American Miracle and socialism a bygone nightmare!

Let us reject authoritarians and all of their intoxications and corruptions and, instead, heed and abide by the counsel of George Washington:

If, to please the people, we offer what we ourselves disapprove, how can we afterwards defend our work? Let us raise a standard to which *the wise and honest* can repair. The event is in the hand of God.●

CONGRESSMAN QUAYLE REPORTS FINAL TABULATIONS ON 1979 LEGISLATIVE QUESTIONNAIRE

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. QUAYLE. Mr. Speaker, it has been my practice since coming to the House in 1977 to send an annual legislative questionnaire to each household in the 4th Congressional District of Indiana. This has proven to be an excellent means of providing the citizens in northeast Indiana with the opportunity of sharing with me their views on some of the key issues facing our country and the Congress.

This year I had the help of a nonpartisan committee of voters in the District assist me in the drafting of the questions for the poll. Those who took part in the drafting sessions were Dr. Gerald Szymanski, associate professor at Indiana-Purdue University, Fort Wayne; Vivian Lansky, League of Women Voters; Howard Minier, a retired labor leader; Dane Starbuck, a teacher at Elmhurst High School, Fort Wayne; Maggie Gallien, a homemaker; and Dan Coats, my district representative.

More than 10,000 questionnaires have been returned and tabulated this year and I have noted with interest many additional notes, letters and cards which included comments from my constituents. We have received many, many comments on the energy situation as well as the economy and inflation.

Under leave to extend my remarks in the RECORD, I wish to share with my colleagues in the House the final results of this year's poll.

4TH DISTRICT OF INDIANA—1979 LEGISLATIVE QUESTIONNAIRE

(All figures in percent)

1. Do you favor a Constitutional amendment to balance the federal budget, except in cases of national emergency? Yes 82; no 18.

Should there be major reductions in income taxes to stimulate output and increase real income? Yes 74; no 26.

Should federal spending be reduced to accommodate reduced taxes? Yes 87; no 13.

2. What should be the extent of the federal government's involvement in health care? (Select one or more)

a. Comprehensive health insurance	18
b. Low income coverage only	16
c. Over-65 only	33
d. Catastrophic insurance only	38
e. Health Maintenance Organizations	11
f. No involvement	31

3. To what extent should the federal government be involved in agriculture? (Select one or more)

a. Less regulation	52
b. Prices supports at approximately current level	10
c. Price supports at parity	10
d. Set-aside programs	6
e. Expanded export programs to relieve surpluses	51
f. Don't know	16

4. Which energy programs deserve more government attention and funding?

a. Nuclear	36
b. Coal	48
c. Gasohol	47
d. Solar	58
e. Wind	28
f. Oil	16

5. In which of the following areas should the federal government reduce spending? (Select one or more)

a. Education	21
b. Energy	7
c. National defense	17
d. Medicare and medicaid	22
e. Environment	32
f. Farm subsidies	48
g. Foreign aid	82
h. Welfare	65
i. Highways	10
j. Social security	17
k. Veterans' benefits	16
l. Revenue sharing	44

6. Do you favor Constitutionally limiting the terms of office for President? Yes 78; no 22.

Members of Congress? Yes 78; no 22.

Judges? Yes 80; no 20.

Do you favor or oppose the following proposals:

7. Mandatory rationing of gas and other energy fuels in the event of a crisis? a. Favor 58; b. Opposed 33; c. Undecided 9.

8. Taxpayer financing of Congressional elections? a. Favor 16; b. Opposed 76; c. Undecided 8.

9. Mandatory wage and price controls? a. Favor 37; b. Opposed 51; c. Undecided 12.

10. Creation of a separate Department of Education? a. Favor 21; b. Opposed 62; c. Undecided 17.

11. Repeal of the recent social security payroll increases? a. Favor 37; b. Opposed 48; c. Undecided 15.

12. A federal law imposing mandatory deposits on throwaway bottles and containers? a. Favor 57; b. Opposed 34; c. Undecided 9.

13. The SALT II treaty? a Favor 28; b. Opposed 35; c. Undecided 37.

4. Reinstitution of the military draft? a. Favor 53; b. Opposed 32; c. Undecided 15.●

NO NEW JOB PROPONENTS RAISE THEIR HEADS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DANNEMEYER. Mr. Speaker, with the accident at Three Mile Island many individuals who have been opposed to economic growth in this country are raising their voices again in support of a no-new-jobs approach.

Our country depends on plentiful energy supplies to enhance the standard of living for every American. Sufficient energy supplies are particularly important for those at the bottom of the economic ladder. Their hopes for jobs will go unfulfilled if there is not the energy available to support those jobs.

Those who are now arguing against any further development of nuclear energy are the same types who have opposed expanded offshore drilling, opposed decontrol of natural gas, opposed the Alaskan pipeline, opposed reasonable surface mining laws, opposed new oil, gas, and coal leases. They have supported any type of new energy technology that is not yet practical and will provide no substantive amount of energy. The basic theme seems to be: If the energy source and technology exists, oppose it; if it is still in the highly experimental stage, support it and then oppose it when it becomes practical. The same old names keep cropping up: Daniel Ellsberg, Pete Seeger, Benjamin Spock, Ralph Nader, and the list goes on.

The philosophy is that of no new jobs and economic growth. We should not listen to their message of pessimism which only will harm our Nation's future and security. Our emphasis must be encouraging the development of greater energy supplies.●

CONSCRIPTION—ITS TRUE COST

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. PAUL. Mr. Speaker, I wish to call the attention of my colleagues in the House to an article that appeared in the April 24 edition of the Financial Times, published in London and Frankfurt. Mr. Brittan's analysis of the trust cost of conscription is incisive and timely, and I hope that his argument receives the attention it deserves.

Conscription—Its True Cost

(By Samuel Brittan)

There is no such thing as "free" armed forces, any more than there is a free lunch.

The fallacy that conscription (usually called National Service by its advocates) could enable us to have larger armed forces without paying the price rears its head whenever there is an increase in Forces Pay. The notion is not merely morally repugnant in a free society based on voluntary contract rather than force. It is also economic self-deception. Central and local government are planning to spend over £4bn in 1979–80 on house-building and road programmes. What would we say to someone who wanted to cut the cost of this programme at a stroke by £1bn by slashing the wages of construction workers and compelling them to remain at their posts? Quite apart from this being an abhorrent idea, the cost to society of using workers to build roads and houses, rather than engage in alternative activities, would be no less. We would simply have fiddled the books to produce a paper saving. The Armed Forces are no different.

The issue has come to the fore because of the recent pay award to the Armed Forces. The full amount estimated by the Pay Review Body, to bring service pay into line with pay in civilian life, would be £433m per annum. Part of this sum is simply the general going rate of pay increases. The "relativity increase" is 17½ per cent. The Armed Forces are estimated to be about 10 per cent below target strength. With service pay totalling about £1.8bn per annum before the latest increases, the combined cost of paying the relativity increase and bringing the Forces up to strength would be over £500m. To recruit an extra 10 per cent on top of this at the proposed pay scales would bring the total increase up to £700m to £800m; and if pay had to rise further to stimulate recruitment the full extra cost could rise towards £1bn.

Would it be cheaper to obtain the extra forces required by conscription? The answer is that it would be more costly in any meaningful use of the word "cost." Let us suppose that by some system of selective conscription, we could obtain an increase of 20 per cent in the Armed Forces personnel by paying out an extra £500m instead of £1bn. This would not exhaust the true cost of the increase. To this would have to be added the difference between what each serviceman is paid and what he would have to be paid to do the job voluntarily.

We can be absolutely sure *a priori* that this will be higher not lower, than the £1bn which the voluntary system might require. Volunteers are by definition those who find military service most attractive relative to other opportunities. Conscription would bring in a random selection of people, some of whom would have to be paid far higher sums to enlist voluntarily—either because their productivity in civilian life was higher, or because they particularly disliked service discipline and conditions. As far as these people are concerned conscription is a tax paid in forced labour.

Normally money spent is a good rough and ready indicator of costs. But if a big change is made in the rules of the game, using money as a measuring rod becomes positively misleading and we are thrown back on fundamentals. There are other examples where money spent by the Exchequer is a highly misleading guide to true national costs. For instance a switch from farm subsidies to import levies does not save the nation anything. A typical family simply pays in higher shop prices instead of in taxes, and in real world examples such as the CAP, the true cost is actually greater.

One of the things which put me off British free market economists in my university days is that although they were very upset about the interference with personal choice involved in say a ban on imported refrigerators, they had much less to say about the far larger interference with choice of occupation and way of life involved in compulsory national military service. It was only when I learned that Milton Friedman had made the "draft" the one issue on which he had personally lobbied Senators and Congressmen that I started to treat market economists with respect.

There are those who argue that compulsory service, whether of a military or civilian kind, would be "good" for young people. They are the enemies of liberalism; and their arguments are analogous to those advocates of economic planning who say that individual citizens are not the best judge of their own interest. But let such authoritarians at least argue their case openly and not take refuge behind bogus economics.●

DR. GEORGIA B. BOWMAN

HON. E. THOMAS COLEMAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. COLEMAN. Mr. Speaker, I would like to share with you and my colleagues my pleasure in recognizing, as she retires, the tremendous contribution of Dr. Georgia B. Bowman, of Liberty, Mo. For 32 years, Dr. Bowman has been a distinguished faculty member of my alma mater, William Jewell College. Holding an undergraduate degree from William Jewell, Dr. Bowman furthered her educational accomplishments by receiving the B. J. degree from the University of Missouri, the A.M. degree from Iowa State University, and the Ph. D. from the University of Iowa.

Dr. Bowman's work at William Jewell has gained her the recognition and respect of her colleagues and the many students whose lives she influenced in a positive way. Dr. Bowman has long been active in numerous professional organizations and in 1967 became the only woman ever elected president of Pi Kappa Delta, the largest collegiate speech honorary in America. In 1975, Dr. Bowman was national editor of the Forensic, Pi Kappa Delta's scholarly journal. While her honors are many and richly deserved, her most lasting contribution will have its memorial in the lives of the students to whom she has been teacher, counselor, mentor, and friend. William Jewell has been the better for Dr. Bowman's contributions and will not be quite the same as she leaves. We salute her as a person who mastered the art of a productive life and know that she will apply to her retirement years the same creativity that has marked her years at William Jewell College.●

VOICE OF DEMOCRACY STATE SCHOLARSHIP WINNER

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. CLINGER. Mr. Speaker, for the past 32 years, the Veterans of Foreign Wars have sponsored the Voice of Democracy scholarship program. High school students from all over the country submit speeches based on the strength and beauty of the United States of America. The speeches are judged on their content, originality, and structure. Five national scholarships are awarded, totaling $22,500 with the first place winner currently receiving a $10,000 scholarship to the school of his/her choice.

This year I am proud to announce that Jacqueline Benn, one of my constituents from Emlenton, was selected as the Pennsylvania State winner. Her speech, which follows, is based on this year's theme, "Why I Care About America." It reflects the ideas of a young American who is truly proud of her beloved country.

The speech follows:

Why I Care About America

(By Jacqueline Benn)

Our country is called the Great American Melting Pot and indeed it is. All the ingredients needed in the recipe for a strong nation are available for use. A powerful, but not too powerful government, technology, resources, and most important of all, people. Intelligent, involved people who are willing to take the mixture from the pot and bake it into a nation with a firm common foundation no matter how different their ancestry may be. Here I am, part of this concoction and proud to be part of it, explaining why I care about America.

By being born an American I had a very lucky break from the start. I was not born in a country of tyranny where human rights and the human factor are overruled by a total concern for state. Here we feel the state was created for the people, not the people created for the state. I know that I am more important than a computer telling executives how to increase the productivity of a field of grain. The computer holds much information and is valuable, but can it use ingenuity and creativity? No. I can. So that I may use my creativeness to the fullest, I need an education. Through education I can use my abilities to better my own future and that of my nation. My nation offers me free education when I am young and helps to continue my learning later. America offers education to all people that they may pursue their happiness enriched with knowledge. Education is an essential part of the recipe for a strong nation.

As an American citizen, I am guaranteed many rights. I am guaranteed protection from the warfare of other nations and also from danger within my country. I am guaranteed my right to the pursuit of happiness.

Happiness for me is a career in music, because I live in America I know I will not be forced to relinquish music to serve the state at its whim.

In the Bill of Rights I am guaranteed many things: My privacy is assured, I have been promised a speedy and public trial if ever I need one, I cannot be thrown into jail on a charge that has not been proved. The constitution is a huge part of the recipe for a strong nation. With all the rights promised to me how can I possibly be so ungrateful as to not care about America?

It is said that nothing in this world is free. I've been given my rights as an American citizen, therefore, I must pay. Responsibility is the payment. I must accept my responsibilities with open arms, not grudgingly. One of my major responsibilities is to vote when I reach 18. I should be aware of what is happening around me so that I will be qualified to make a wise choice when I vote. I should be willing to get involved in community affairs and government. I should be prepared to fight for what I believe, and not say, "I am only one person. How can I possibly change anything?" Most important of all is my responsibility to consider how I will make my mark so I can benefit future generations of Americans. These are only a few of my responsibilities to the country that has granted me so many rights.

Our country has a truly magnificent past. If ever I feel doubtful of this, all I must do is open a history book. The ingredients to the recipe of a strong nation are there: government, technology, resources, and people. The final ingredient is me and the love I feel for America.●

THE 12TH ANNIVERSARY OF SPANISH-LANGUAGE GUERRA

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. HOLLENBECK. Mr. Speaker, the primary language of more than 4 million people across our Nation is Spanish. In the Hudson County area of New Jersey which I represent in the Congress, the Nation's second largest concentration of Spanish-speaking people make their home. As such, I am acutely aware of the special difficulties which Spanish-speaking residents daily face due to their language barrier. All public officials in our area must make an extra effort to develop sound channels of communication with these individuals and to convey information about benefits and services to which they are entitled.

On May 6, the Guerra newspaper is celebrating its 12th anniversary of publication. On this occasion, I wish to recognize the responsible contributions of this Spanish-language newspaper over the years to providing Spanish-speaking residents with accurate news reports in their primary language. The Guerra functions to reduce communication barriers between English- and Spanish-speaking people and has, truly, contributed to harmony and understanding in our area.

I congratulate Guerra Editor Luis Suarez on the 12th birthday of this successful publication with a weekly circulation that has grown to more than 15,000. It is indeed a pleasure to have the opportunity to express my appreciation for the dedication of the Guerra to assuring that our Spanish-speaking residents receive comprehensive reporting of local, State, national and international events.●

EULOGY TO ROGERS C. B. MORTON

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. BOB WILSON. Mr. Speaker, I join in mourning the loss of our former colleague, Rogers Clark Ballard Morton.

Much has already been said about his greatness—he was one of God's giants who never forgot the little men around him. Much has been said about his remarkable politicial acumen which led him to the leadership of his political party and to the envious record of having served as a senior Cabinet officer in two different Presidencies.

But I would like to talk about the Rog Morton that I knew as a friend of many years, and perhaps reveal some facts about his personality and his accomplishments that are not known by many here.

Rog was always an innovator. As president of a leading flour company, he developed what first became known as Ballard Biscuits—those little pats of biscuit dough sold in paper rolls at your market. You take them home, and presto you have delicious biscuits. They are now under the Pillsbury label, which company took over Ballard and put Rog on the board of directors.

Always a lover of water and boats, Rog helped develop the Navy P.T. boats although later an ungrateful Navy would not take him because of his size and the Army got his talented leadership in World War II.

I remember during his time in Congress that he worked with the boatmen on the Chesapeake Bay to develop a unique combination pleasure boat and workboat he called the "Oystercatcher," named after a Chesapeake bird species that live in the tall trees around his beautiful home on the Wye River on the eastern shore. I was with him when he picked out one of those straight tall trees for the keel of his boat. Even to the day of his death he was involved with his beloved boats, handcrafting them with a partner in buildings near his Wye River home, a magnificent mansion where Francis Scott Key once lived.

As a Congressman, Rog Morton introduced the first legislation to protect the estuaries of our country. He was a coauthor with me of legislation calling for a National Oceanographic Agency, which was the first such legislation leading to today's NOAA.

There is one little political vignette involving Rog, which I would like to leave with you today. It involves the nomination of Richard Nixon for President in Miami Beach in 1968 where Rog Morton was his very talented and successful floor manager.

At Nixon's request I had polled the Republican Members of Congress as to their choice for Nixon's Vice-Presidential running mate. John Lindsay, who had recently been elected mayor of New York City was the leading candidate in this private poll, and I quietly brought the results to Miami Beach to be presented, as Mr. Nixon had requested, at the meeting held the morning after his nomination. The meeting was called at 8 o'clock at the Hilton Hotel, and the Republican leadership was there ready to help our newly nominated candidate choose his running mate.

As I walked in, I was told privately that the choice was down to one of two Republican Governors, with the probability of being Gov. Spiro Agnew of Maryland, who had recently won in a fluke election featured by a Democratic anti-civil-rights candidate and a colorless Republican former county manager later known as "Spiro who?"

In shock, I followed Odie Fish, chairman of the State chairman's association, and Gerald Ford, minority leader of the House, in recommending John Lindsay. Mr. Nixon was white-faced and the Southerners there were livid—but I had done what Mr. Nixon asked me to do.

As the meeting progressed, it was apparent that the Southerners would bolt the party if Lindsay were chosen—so I made a passionate but unconvincing speech to Mr. Nixon urging him "if we have to choose somebody from Maryland, why not choose Rog Morton? Agnew is as wooden as a cigar store Indian and will be a drag on the ticket—Rog Morton is a dream candidate. I've seen him campaign. Men love him, the women love him, the kids love him—even the dogs love him. Choose Rog Morton and you'll win overwhelmingly." Senator George Murphy supported me, but the die was cast. Agnew was chosen primarily because of a deal made months before to get him to desert Nelson Rockefeller and support him.

The rest is history. But I can't help thinking how much better off we'd all have been with this big kindly man we talk about today as Vice President instead of Agnew. Yes, Mr. Speaker, our Nation has lost a giant—a tall tree has fallen in the forest. But the memory of Rogers Morton will linger on with those of us who knew him—and in the pages of history of the country he loved and served so well.

My wife, Shirley and I extend our deepest condolences to Anne and to their children. They can be happy, we know, in having shared their giant with all of us.●

FACTS ON ALASKA LAND

HON. MILLICENT FENWICK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mrs. FENWICK. Mr. Speaker, the interest of my constituents in the Alaska lands and their unanimously expressed support for the Udall-Anderson bill, suggests the inclusion of these facts in the RECORD:

Ninety-five percent of all Alaska land which has been cited as "favorable" or "high potential" for oil and gas development is either not included in the conservation system units or is in refuges where development could still take place.

Sixty-five percent of all Alaska land with mineral potential would be open to mineral development.

Ninety percent of all Alaska land is unaffected by Udall-Anderson as regards hunting. And more would be allowed if the State or Federal agency, or the private owners, thought it well to do so.

We have ravaged natural resources and the balance of nature in too much of America already. Never again can this Nation hope for such a chance to preserve great forests and wilderness as a heritage for our posterity.•

PEACE CORPS SHOULD STAY IN ACTION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

• Mr. LEHMAN. Mr. Speaker, shortly before the Easter recess, I voted "present" on the amendment to remove the Peace Corps from ACTION. I would like to take just a moment to explain my vote.

On the afternoon of the vote, ACTION Director Sam Brown was to testify before the Foreign Operations Subcommittee on the Peace Corps' fiscal year 1980 budget request, and I had planned to ask him his views regarding the best location for the Peace Corps. Unfortunately, the vote came before I had the opportunity to question Mr. Brown.

We did discuss the issue later in the afternoon, and, as a result, I would have voted against the amendment. Whatever the real or perceived faults of Mr. Brown and his agency, he and Mary King, ACTION's Deputy Director, made several excellent points and convinced me that the Peace Corps should stay within ACTION.

The argument against making the Peace Corps independent of any other bureaucratic framework is simple—cost. Many of the organizational functions, including recruitment and training of volunteers, now carried out by or with ACTION would have to be independently done and separately funded.

The arguments against including the Peace Corps with the rest of our foreign assistance activities—in IDCA or AID—are a bit more complex but equally compelling.

The Peace Corps cannot function effectively unless it has the acceptance and support of the host countries. Being in ACTION has two results which help encourage other nations to accept our volunteers. First, there is a clear separation from the other foreign assistance agencies, which are widely perceived to have intelligence functions. Second, there is a clear connection with an agency which is engaged in volunteer programs to combat domestic poverty, and, thus, there is no implied condescension when we offer volunteers to less developed countries; we are doing the same thing at home.

Finally, there is the intangible but crucial factor of volunteer spirit. Volunteers are special people, and a separate Peace Corps is vital to maintaining their idealism. Mr. Brown and Ms. King mentioned the case of Switzerland, which merged its volunteer sending program into its other foreign assistance programs. The result of this "institutionalization" was that the volunteer spirit was lost and the move was a failure. To me, this is the most persuasive argument of all. Because it relies on volunteers and not people whose careers are in development, the Peace Corps has much more in common with ACTION's volunteer programs than with any of our other foreign assistance programs.

Mr. Speaker, it may be that, as the President recently suggested to Senate leaders, the Peace Corps should have more autonomy within ACTION. I would support legislation or Executive orders to bring that about, but I will not support moves to remove the Peace Corps from ACTION.•

GASOHOL

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

• Mr. GRASSLEY. Mr. Speaker, as an Iowa farmer, few things are as important to me as a cash corn crop. So it is probably no surprise that the prospect of using Iowa corn in gas tanks around America is an idea I fully support. Of course I am talking about "gasohol," the mixture of 90 percent gasoline and 10 percent grain alcohol which is powering more automobiles around the country every month. Over 5 million gallons of gasohol were sold in my State of Iowa in February, and sales are expected to reach 10 million gallons by July.

As most Iowans have known for years, and as folks all around the country are finding out during each day of the current energy crisis, there are many advantages in using gasohol. It can be burned in any internal combustion engine, and gasohol has a higher octane rating than its no-lead component. Gasohol burns even cleaner than no-lead gasoline, and studies show that gasohol-fueled vehicles average about 5 percent better mileage than gasoline-fueled vehicles.

Further, Mr. Speaker, there are many advantages in making our Nation's major industry—agriculture—an energy producing system. The alcohol in gasohol is produced from renewable agriculture resources, providing an additional market for our farmer's products. Just about any vegetable product containing starch or sugar can be used in making the alcohol for gasohol. At a time when the Nation's taxpayers are paying our farmers not to fully produce under the acreage restriction program, does not it make sense to fully produce our corn and other crops so they can be turned into gallons and gallons of motor fuel. Another key point to be remembered here, Mr. Speaker, is that for every pound of alcohol produced, the "gasohol process" also provides 1 pound of high protein animal feed. Finally, the use of this homegrown energy source will not only help our farmers, but it will also lessen our dependence on unreliable foreign sources of fuel and improve our balance of trade.

Consumer acceptance of gasohol has been high, and it is growing in all regions of the country. With soaring prices and uncertainty over future supplies and costs, gasohol—once costly and impractical—is now becoming very attractive. I recently noted that stations in the Washington area are now selling gasohol, and even the President, in his energy message in early April, recognized the positive effects of gasohol in relieving our energy problems and aiding in the plight of our family farm system.

Mr. Speaker, the President noted the need to increase the incentive for production of gasohol by providing the security new investors need. I fully agree that we need more plants for the production of this homegrown fuel. Therefore, I am today introducing legislation which will encourage investment in alcohol producing plants. This bill would exclude from gross income interest on industrial development bonds when the proceeds from those bonds are used to provide facilities for the production of alcohol for use in gasohol. It is my hope that this legislation will offer an incentive for increasing gasohol production so that we "gasoholics" of Midwestern America can continue to spread our message that "sometimes alcohol and driving can mix."•

CLARA OSBORN BOTZUM

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

• Mr. STUMP. Mr. Speaker, Clara Osborn Botzum was recently honored as the second place winner for the National Women Helping Women Award. Clara was nominated by the Women Helping Women Committee of the Soroptimist International of Parker, Ariz.

Clara is well known throughout the State of Arizona for her service in the Arizona House of Representatives, serving from 1942–50; elected again in 1958 and served through 1962.

While serving in the State legislature, Clara continued her project of the proposal for the erection of a steel trussed bridge which would span the Colorado River, connecting California with Arizona at Parker, Ariz.

While serving as secretary to the Northern Yuma County Chamber of Commerce in 1932, Clara began her fight for this bridge which would eventually be approved, but only through Clara's efforts to involve everyone in the State of Arizona, even to the extent of her traveling to Washington, D.C., the Nation's Capital, to personally lobby for this worthy cause.

The Parker Bridge was erected after 40 years of her intense efforts.

On January 5, 1979, the bridge was rededicated and named the Clara Osborn Botzum Bridge, through the efforts of the elected State officials and the approval of the Arizona Department of Transportation.●

THE NINTH DISTRICT ASKS ABOUT ENERGY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report from April 18, 1979, into the CONGRESSIONAL RECORD:

THE NINTH DISTRICT ASKS ABOUT ENERGY

Ninth District residents are doing a lot of thinking about energy these days. As I read my congressional mail and speak personally with people in Southeastern Indiana, I find myself answering the following questions most often:

Is there really a shortage of oil? Yes, in two senses. Our depletable energy resources (such as oil) will not last forever, so over the long term we face a shortage of energy unless we switch to renewable resources (such as sunlight). There is a near-term problem, too. The balance between oil supply and demand world-wide is precarious, and even a small reduction in supply causes trouble. Experts are concerned that low oil reserves and soaring consumption of gasoline could occasion severe shortages of home heating oil this winter and spot shortages of gasoline at the height of the summer driving season.

What can be done to avoid a shortage of oil in the near term? The best thing to do is to conserve oil now, mainly by driving less and obeying the 55 mph speed limit. Over the next few years we should concentrate on advanced techniques of coal combustion and liquefaction, stepped-up oil production from oil fields, and heavier oil and natural gas production offshore and on federal lands.

Will energy prices keep going up? Virtually all of the experts believe that the costs of energy will continue to rise, and that the end of "energy inflation" is nowhere in sight. There is less certainty about the pace of the increases. Unforeseen events (such as the revolution in Iran) make predictions risky, but one major indicator of energy inflation—our oil import bill—could rise as much as 18% this year.

What is the future of atomic power? The future of atomic power is uncertain. Production of nuclear energy may be curtailed, at least in the months ahead, because the recent accident in Pennsylvania has raised serious questions about the safety of nuclear reactors. Before any final decision on the "nuclear option," the hazards these reactors present will have to be carefully assessed and compared with the hazards of other forms of energy production. We should bear in mind that 72 reactors generate 13% of our electricity.

Will solar power help us? Yes. Solar power currently meets less than 1% of our energy needs. That portion could conceivably rise to more than 20% by the end of the century. The federal government will be authorized to spend $844 million on solar power next year, a rise of 17.5% over this year. Experts say that these funds are about as much as our research establishment can absorb.

Why don't we use more coal? We are using 20% more coal today than we used in 1973, the year of the oil embargo, but coal is no panacea. Increased reliance on it would cause air pollution and other sorts of environmental damage. In addition, the mining of coal is dangeraus, and the supply of coal is subject to disruption by strikes.

What role can alcohol fuels play? "Gasohol", a mixture of gasoline and alcohol, can play a significant role. The problem is the high cost of producing alcohol, a renewable resource which comes from farm crops or wood. Congress is trying to lower the cost through tax breaks and research grants all with an eye on the aggressive alcohol fuels program now underway in Brazil. One-fifth of that nation's gasoline may be replaced with alcohol by 1981.

Why hasn't the Alaskan pipeline worked? The Alaskan pipeline has worked. Daily it provides us with 1.2 million barrels of oil, about 6.5% of our average consumption. Experts say that these numbers can be raised slightly without much extra investment. One problem is that Alaskan oil is transported to the West Coast, not to the East Coast or the Midwest where it is needed more. Congress is looking into this problem.

Why don't we retaliate against OPEC by charging high prices for food? The so-called "food weapon" would probably not be very effective. Many OPEC members have small populations, and they could easily get their foodstuffs from our competitors. Moreover, OPEC members might respond to the food weapon with an oil embargo against us. They could afford to do so because world-wide demand for oil is so great.

How can we prevent the oil companies from making excessive profits? The federal government monitors oil company prices, but pricing rules are complex and the enforcement effort lacks manpower. Some of the effort is now being turned over to better-manned state agencies. Also, Congress may consider the President's proposal for a windfall profits tax.

Why don't we relax anti-pollution regulations to save energy? We have already done this in some instances. Automotive emission standards were loosened in 1977. Later actions included a relaxation of the ambient standard for ozone (to permit the burning of more high-sulphur coal in urban areas) and an adjustment of the rule on leaded gasoline (to free up pertoleum distillates which replace lead). Other actions are under consideration.●

BALANCE THE BUDGET NOW

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. PASHAYAN. Mr. Speaker, today I have reintroduced H.R. 3416, a bill that amends the Bretton Woods Agreement Act to require that the budget authority of the Federal Government not exceed its receipts, beginning with fiscal year 1980. As the law now stands, under the act the Congress is required to balance the budget by fiscal year 1981.

Despite the Budget Committee's efforts to reduce the President's proposed deficit from $29 billion to $25 billion for fiscal year 1980, we have neglected to heed the call of the American people that continues to be heard from coast to coast: "Balance the budget now."

Mr. Speaker, it is my sincere hope that Congress will see fit to take the necessary steps to eliminate the staggering double digit inflation that we are currently experiencing. Without the sound fiscal management of balancing the budget, we will have failed in our commitment to the people of this country.●

FAIR BUDGET PROTECTION FOR VETERANS' HEALTH CARE

HON. JIM LEACH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. LEACH of Iowa. Mr. Speaker, I would like to register my strong support for the amendment offered by the distinguished chairman of the House Veterans' Affairs Committee, Mr. ROBERTS, and the ranking minority member, Mr. HAMMERSCHMIDT), to restore adequate funding for VA medical care programs.

Early last December, I was notified by various veterans' organizations that the administration was curtailing staff at VA hospitals and withholding appropriated funds which Congress intended to be used for medical research, partially under the guise of complying with the so-called Leach amendment adopted by this House as part of the Civil Service Reform Act of 1978. That provision—section 311 of the act—calls for an overall limit on employment in the executive branch, leaving broad discretion to the President to establish priorities in complying with the new statutory limitations. In light of Congress' overwhelming support for veterans health care programs, the news of the cutbacks appeared to present a serious challenge to the will of Congress. I promptly wrote to James McIntyre, Director of the Office of Management and Budget, requesting full clarification or verification of the information presented to me. Over 3 months later, on March 30, 1979, I finally received a reply to my letter from W. Bowman Cutter, Executive Associate Director for Budget at OMB. In that letter, Mr. Cutter claimed there had not been substantial cutbacks in VA employment.

In fact, he indicated that the end-of-year positions for fiscal year 1979 would only be 982 lower than the end of the previous fiscal year. Yet in reviewing a copy of a March 27, 1979, letter from VA Administrator Max Cleland, to Chairman ROBERTS, it was revealed that "total reductions in fiscal year 1979 for existing medical facilities were 5,235 end-of-year positions and 5,081 FTEE."

I am told that the vast discrepancies in the figures quoted to me are the result of using actual manpower levels as opposed to authorized levels and due, in part, to the reallocation of employees from existing medical facilities to new facilities. In spite of the confusion which has arisen on this point, there has been, as indicated in a letter to me and my colleagues from the chairman and ranking minority member, testimony from hospital directors, chiefs of staff and chiefs of nursing service that "these severe cuts in personnel and funds are presently causing drastic reductions in quality and quantity of medical treatment for veterans." According to the American Legion, "the bottom line is that veterans are even now being turned away from VA hospitals and clinics—veterans who need and are entitled to care under the legislative mandates that govern VA operations."

Mr. Speaker, I believe Congress must not defer to the administration's set of priorities, but must continue to give full support to veterans medical and health care programs. That commitment is even more important at this time when an extraordinarily large number of World War II veterans will be retiring. The resulting demands on the VA medical care system will challenge the limits of its resources. To economize by diminishing the health care available to these deserving veterans at this point would be an untimely and deeply unfortunate mistake.

While a majority of the Veterans' Affairs Committee and the House, along with many of the veterans with whom I have talked personally, seem to favor reasonable restraint in Federal employment, the delegation of cuts to an area of humanitarian needs cannot be ignored. The budget presented by the administration and the resolution before us fail to adequately provide for the health needs of our veterans. I believe the Roberts-Hammerschmidt amendment to House Concurrent Resolution 107 is essential and urge its adoption.

Thank you.●

PROCLAMATION OF SATURDAY, MAY 19, 1979 AS HEWLETT-EAST ROCKAWAY JEWISH CENTRE-CONGREGATION ETZ CHAIM 30TH ANNIVERSARY DAY

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. LENT. Mr. Speaker, I wish to call to the attention of my colleagues a most significant event taking place in my Fourth Congressional District. On May 19 the Hewlett-East Rockaway Jewish Centre-Congregation Etz Chaim celebrates its 30th anniversary.

Mr. Speaker, this is an event of importance, especially for the communities of Hewlett, Lynbrook, Oceanside and East Rockaway which are served by the centre. Through the past 30 years the centre and its congregation have played an increasingly important role in the spiritual, educational, and social life of these communities.

The 11 men who met in the home of Jacques Levine on Talfor Road, East Rockaway, in the spring of 1949 to lay the foundation for the Hewlett-East Rockaway Jewish Centre little dreamed it would one day be housed in the beautiful Temple which now stands on Main Street in East Rockaway. Indeed, those original founders did not have a formal name or home for the new congregation they were organizing. They simply sought to bring together those who desired to worship on the Sabbath and the high holy days, and to teach their children the heritage of their faith and to study its language and observances.

The founding meetings had an electrifying effect on the community. Within a very short time the founding group of 11 had grown to more than 100. They selected the name "Hewlett-East Rockaway Jewish Community Centre," chose a meeting place and began holding services.

By November of that founding year of 1949, the congregation, under its first President Meyer Tack, had moved to purchase the 3½-acre Tameling estate in East Rockaway. And in May of 1950, the congregation, although less than 1 year old, was conducting an active synagogue center and religious school in its own buildings on its own land. It was obvious that the Hewlett-East Rockaway Jewish Centre had met a deep felt community need.

The phenomenal growth of the congregation continued. By 1955, a new temple building with a prize-winning design by Architect Morris Lapidus graced the Main Street site. In 1960 a new school and gymnasium were completed. The beauty and grace of the new structures, which now stand, were more than matched by the spiritual, educational and communal activities of the centre and its congregation Etz Chaim. They played an increasingly important part in bringing an appreciation of the rich traditions of Judaism to the community. They continue to this day as a growing source of inspiration and spiritual enrichment for the congregation's members and for the entire community they serve.

As a tribute to the centre and its still-growing importance as a solid rock of tradition and religious values for the Hewlett-East Rockaway area, I proclaim Saturday, May 19, 1979 as "Hewlett-East Rockaway Jewish Centre-Congregation Etz Chaim 30th Anniversary Day."

I know my colleagues in the U.S. Congress join me in extending our heartiest congratulations to the members of the congregation, to their Rabbi Stanley Platek, to Executive Director Robert Fox and to the congregation president, Irving F. Shaw, and in extending our warmest wishes for the continued growth of the religious, educational, social, and philanthropic activities of the congregation.●

SALT II: A NEW PERSPECTIVE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. SIMON. Mr. Speaker, I insert in the RECORD a new twist in the SALT debate.

I wish to highlight an article which appeared recently in the Sunday Washington Star. Authored by our former colleague Donald M. Fraser, now Counsel to the Members of Congress for Peace Through Law, MCPL, and MCPL's Senior Fellow for Arms Control, Richard B. L. Creecy, who formerly served as Executive Secretary of the U.S. SALT delegation in Geneva, it seeks to portray how a Soviet citizen would view SALT II. Written as a letter from a Soviet defense expert to a Soviet leader, urging rejection of a SALT Treaty because of the threat it poses to Soviet land-based missiles, it reflects a Soviet citizen's fear of a United States which seems to have more friends than does the Soviet Union; his feelings of isolation and inferiority; and his worries that the Russian motherland might once again experience the devastation of war.

Few Americans stop to consider how the fears and hopes of the people of both Russia and the United States influence the policies their governments pursue toward the other. This article lets us in on the fears of a Soviet citizen concerned that his country's power is eroding. It broadens our perspective significantly; I commend it to the attention of my colleagues:

SALT IS A SELLOUT, IVAN IVANOVITCH

(By Donald M. Fraser and Richard B. L Creecy)

(Donald Fraser, as a Democratic congressman from Minnesota, was a leader of the liberal bloc in the House. He now is counsel to Members of Congress for Peace Through Law. Richard Creecy, former executive secretary of the U.S. SALT delegation in Geneva, is a senior fellow for arms control with Members of Congress for Peace Through Law.

(They dreamed up this letter from a Soviet defense expert to an imaginary high Soviet official called Ivan Ivanovitch.)

DEAR IVAN IVANOVITCH: I write to urge that you abandon the proposed SALT II treaty with the Americans. I know that it is late and the signing of the treaty is imminent, but I feel in my heart that such an agreement will endanger our security. It is a one-sided treaty that threatens to further weaken the Soviet position in the world. After all, we must remember that only the Americans have ever used nuclear weapons against another nation. Surely this is not the time to engage in blind faith.

My concerns go deeper than the proposed SALT treaty itself. In Europe, the Middle East, and especially in Asia, we seem to be losing rather than gaining strength and influence.

Despite our efforts, both Spain and Portugal are firmly in the camp of the West. Spain may even join NATO; and NATO is planning larger defense expenditures.

In Eastern Europe, Romania has refused to comply with our proposal to increase defense spending. This is an example of independence we never used to tolerate, and represents an erosion of our authority among the Warsaw Pact countries.

In the Middle East, Israel and Egypt have just signed a peace treaty. Our billions of rubles in arms for Egypt gained us nothing. Now their president hugs the American president every week. And even in Iran, where the Americans were forced out, we're finding a government unlikely to be responsive to our interests.

In Africa, our position is somewhat better, but it is not yet clear what concrete advantages might flow.

However, it is in Asia that we have suffered the most serious setback. After signing a mutual defense treaty with Vietnam, we suddenly found ourselves isolated in the United Nations when the Vietnamese forces moved into Cambodia. Far more serious was our failure to respond to the Chinese attack on our ally, Vietnam. The Chinese must be laughing up their sleeve at the seeming impotence of the USSR: our overwhelming nuclear superiority did not help us while our ally was being pummeled.

We will pay a high price, as the Chinese will be bolder than ever in their aggressive policies and in their efforts to make common cause with the West.

We now see four nuclear powers arrayed against us and more likely to concert their efforts against us than at any time since World War II.

We should bear in mind combined economic strength of these potential adversaries. The United States, Western Europe and China have a population of about 1.4 billion compared to our own 250 million. Their total economic productivity is over four times that of our own. Even if we count our Warsaw Pact allies, the population ratio is still 3.6 to 1 in their favor, and the gross national product is 3 to 1 in their favor.

Ivan Ivanovitch, my heart is heavy. I outline the overall strategic picture as a preface to my comments on SALT because I think we must beware of considering SALT in a vacuum, ignoring the general framework of geopolitics. We most acknowledge our vulnerability, which is increasing rather than decreasing. And we must recognize our isolation in a world hostile to us politically and close to us geographically. In those terms, the state of our nation is not good. Let me explain.

The proposed SALT II treaty does nothing to curb the American forward-based systems in Europe. What good is it for the USSR to obtain paper limits on American strategic nuclear weapons if there is no corresponding control over the more than 100 Pershing nuclear missiles or the 600 or more tactical aircraft with nuclear bombs based in Europe with which the Americans can strike our homeland? We have no such weapons close to the United States. This kind of one-sided bargaining cannot be defended.

The proposed agreement limiting MIRVed strategic missiles to 1,200 leaves the USSR in a highly exposed position. The projections for nuclear forces by 1985 indicate that 60 percent of the American missiles with MIRVs will be based on submarines—the least vulnerable systems—while 70 percent of our MIRVED missiles will be land-based—the most vulnerable.

Let me cite two scenarios to show how serious this challenge is:

First, a major part of our land-based forces will soon be provided by the 300 "heavy" SS–18s. These SS–18s, which will carry 10 warheads each, will by 1985 represent about half of all our land-based warheads. The Americans could easily destroy all 300 of these missiles using only 7 percent of their strategic nuclear warheads. Since our SS–18s are to the east of our populated areas, this kind of attack could be accomplished without major casualties to our population. This might lead the Americans to conclude that they could strike first and seriously cripple our land-based forces. The Americans could thus achieve a major military advantage and yet avoid an all-out nuclear war by announcing that if we fired any of our remaining missiles, they would fire the balance of their land-based missiles at our remaining military and industrial targets before our missiles could destroy theirs in the silos. We would be helpless to respond.

A second scenario: The Americans could destroy all of our land-based missiles with a preemptive strike. Before 1985 they could easily accomplish this by using their 1,000 land-based missiles plus three Poseidon submarines equipped with their terrible new missiles! Their submarines could also quickly destroy our five heavy bomber bases in that same attack. The Americans would still have over 9,000 bombs and warheads left after that attack!

Two-thirds of our nuclear forces would have been destroyed, leaving us with fewer than 3,000 in our submarines—which the Americans have been able to track far better than we have been able to track theirs. (In fact, we have hardly been able to detect and track the American submarines at all.)

The vulnerability of our land-based forces thus invites a first nuclear strike by the United States.

It may be argued that such a first strike represents only a theoretical possibility, that the Americans would never strike first. For those dreamers who believe the righteous propaganda about the benign nature of Americans, let them only recall that Americans were the first and only nation to use nuclear bombs, and that those were used against cities.

And let those same "trusters" remember that the Americans have consistently refrained from committing themselves to a "no-first-use" policy on nuclear weapons. Finally, don't forget that high American officials have repeatedly stressed that they have targeted at least 200 of our largest cities with their nuclear weapons.

The proposed agreement will make it easier for the Americans to keep track of our land-based forces. We will agree to provide them with the number of each category of our strategic weapons. What's more, we are barred from making any effort to conceal the location of the missiles. Compare our situation to that of the Americans on this point. Most of our missiles are land-based and we must not conceal them. But most of the American missiles are under the oceans for the express purpose of concealing them. Such a lack of even-handedness will be difficult to explain to the Supreme Soviet.

The proposed agreement restricts the capability of our SS–18s, our most important new missiles. Our SS–18s have enough throw-weight to include up to 30 MIRVs on top of each of them. But under the SALT II treaty we cannot place more than 10 MIRVs on a missile, the same number which the Americans are putting on their much smaller Poseidon. Our advantage is surrendered in a poor trade.

The proposed agreement limits warheads on our ballistic missiles without forcing the Americans to accept similar limits on warheads on their cruise missiles. After reneging on their solemn agreement at Vladivostok when President Ford agreed to count all air--to-surface cruise missiles under the 2,400 aggregate, the American negotiators then forced us to agree to permit them to load up to 20 cruise missiles onto each of their long-range aircraft. It is no secret that the Americans are far ahead of us in developing advanced cruise missiles with highly accurate, terrain-following guidance systems. We have now learned that the Americans plan to equip over 150 of their B52s with these new weapons in the next few years, adding over 3,000 warheads to their already enormous nuclear arsenal.

Finally, this agreement, combined with the earlier agreement under SALT I, is forcing major cutbacks in our strategic forces—but not in the American forces. We have already been required under the agreement of May 1972 to reduce our land-based missiles from 1,600 down to 1,400. Under this unfair new treaty we have to reduce our forces still further, eliminating 275 more missiles or bombers.

Ivan Ivanovitch, it is hard for me to understand how our negotiators could end up with an agreement like this. At the outset of SALT I, we presented reasonable proposals which were designed to halt the nuclear arms race, reduce the risk of war, and comply with the Non-Proliferation Treaty. Had the Americans accepted our proposals, both nations would be far better off today. Our proposals were to: Ban all MIRVed missiles; count all forward-based systems; count all British and French strategic nuclear forces (still leaving out the Chinese nuclear forces); ban the deployment of ballistic missile submarines in the Mediterranean; ban all cruise missiles with a range over 600 kilometers.

We lost on all of these issues. Instead, we are being offered a treaty which is one-sided, increases the vulnerability of our land-based forces, requires us to eliminate existing missiles, and fails to give us any protection from the nuclear-equipped American forces in Europe.

This treaty must not be signed! ●

A PERMANENT SOLUTION TO SOCIAL SECURITY ILLS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. VENTO. Mr. Speaker, much sense and nonsense has issued from the various media about the present condition and the future ability of the social security system to provide for its beneficiaries. We have been so inundated with words on this subject which confuse rather than clarify that it is refreshing to have a lucid, informative explanation such as found in the St. Paul Dispatch of April 30, 1979. I am happy to make it available to my colleagues at this point.

A PERMANENT SOLUTION TO SOCIAL SECURITY ILLS

About a year ago Congress announced that it had saved the Social Security system from bankruptcy by passing a bill that sharply increased the payroll tax over the next 10 years.

Two weeks ago the Social Security trustees finished their annual examination of the fund and announced that it was secure for 50 years.

Have we reached Utopia then? Sorry, but the answer is no. Increasing numbers of people in Congress and in the Carter administration are becoming convinced that the fiscal structure set up by last year's bill won't stand up under taxpayer pressure.

The Social Security payroll tax leaped upward this year, to the accompaniment of loud groans. This year's increase was minor compared with those ahead if last year's legislation remains in effect through 1989. By the end of that period, the maximum Social Security tax take will have jumped from this year's total of $1,403.77 to $3,560.70.

This enormous jump is one reason Congress and the administration are so slow to take action against inflation. They are banking on inflated wages making this huge tax increase palatable.

A more realistic group in Washington believes that the public eventually will rebel and force a change. Future working age generations, faced with more retired people to support, won't be able to carry the burden as Social Security is now set up. Department of Health, Education and Welfare statistics show that while they are only 3.1 persons receiving benefits for every 10 workers paying Social Security taxes now, there will be five persons receiving benefits for every 10 workers by 2020.

Public confidence in the system is waning. A survey shows that among workers under age 35, almost half have "hardly any confidence at all" that they will be paid their full benefits when due.

Obviously, Congress cannot sit back in the belief that the problem was solved with last year's tax increase. Something must be done to both restore payroll taxes to a reasonable level and to persuade working people that the system will pay off in the end. The latter may be the more difficult.

Congressional committees are considering three ways of reducing the payroll tax. These are: Imposition of a new tax, the leading candidate being the value added tax (VAT); cutbacks in benefits; financing some benefits from the general fund.

VAT would be no solution at all. It would merely be another hidden tax on the things that people buy. It would strike hardest at people on the lower end of the income scale who must spend every dime they earn.

The other two alternatives both make sense. Over the years, Congress has added a Christmas tree of welfare programs to Social Security, which originally was intended to be a supplementary pension program. These welfare programs should become the property of HEW, which could either merge them with their programs or abolish them.

As for financing Social Security partially from general funds, that was the intent of the people who designed the program in the '30s Congress has been studiously avoiding that option but it is, as the bureaucrats like to say, an idea whose time has come.●

HUD'S GOLDEN DOORS

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. ASHBROOK. Mr. Speaker, after the election of 1978 there was a lot of talk in the media that the voters had sent Washington, D.C., a message regarding their disgust with the squandering of their tax dollars. The leadership of Congress pledged that the 96th Congress would be the first "oversight Congress" in many years. All during the month of December and the early weeks of this Congress there were high hopes expressed that a new era of hardnosed congressional review was to be ushered in. There was even a series of seminars for staff and members to discuss proper procedures in oversight and the best approaches to get to the root of waste and inefficiency.

I am saddened to report that all of the lofty rhetoric and the initial activities have not shown much success so far. Almost daily there are examples showing that the "oversight Congress" is overlooking some astounding examples of waste and incompetence that are happening just down the avenue from us. One very recent example is a set of security doors that have been installed in the Washington office of the Department of Housing and Urban Development (HUD).

It seems that the Secret Service concluded that HUD Secretary Patricia Harris was the "least protected" member of the Cabinet. Overlooking the fact that Mrs. Harris already has two huge, thick, wooden doors leading to her suite which, according to one HUD officer, "the Crusaders couldn't break through," the Service recommended a set of four glass security doors. The half-inch-thick, 9-foot-tall glass doors have already been installed, but the costs keep piling up. Over $4,000 was spent in administrative paperwork, another $3,470 was spent on workmen's overtime, and $3,312 was spent on two desk-sized counters that HUD officials admit will not be used.

The cost also includes $10,000 for an outside contract to design the doors, and $1,000 for lettering. The lettering item is interesting. Initially GSA paid $136 for white lettering on the doors. However, the white lettering "didn't go with the image of a Cabinet Secretary" according to the HUD Deputy Director for Administrative Services. So another $1,000 was spent on goldleaf letters.

The whole project will be rendered useless because the doors are usually open and there are no guards posted by them. Therefore, the taxpayer has just spent a total of $58,000 for four unnecessary doors that are useless anyway. I think this is an outrage. The Department of Housing and Urban Development has, as one of its mandates, the goal of providing quality standards for housing. It also is in existence to supposedly provide low-cost housing. I am wondering if the committees that have oversight jurisdiction will ask the Secretary how these $58,000 doors help provide housing for the poor or assist this Nation's homebuilding industry. Perhaps there is a Goldleaf Relief Act that I have overlooked in my assessment.●

THE AMERICAN EDGE IN NUCLEAR WEAPONS CAPABILITY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. OTTINGER. Mr. Speaker, I would like to commend to the attention of my colleagues the following letter to the editor of the New York Times written by Prof. J. David Singer of the University of Michigan entitled, "The American Edge in Nuclear Weapons Capability." It is not less than frightening to think that each of us can look forward to a tomorrow by the grace of the sanity and restraint of those unknown people who have the powers to unleash the horrors of nuclear war. It is no less than inconceivable that a debate has been reinstituted on whether or not the United States should seek first strike capability. In my opinion, there is no way to prevent a nuclear holocaust once nuclear weapons are first used. Previously, we were the sole possessor of deliverable nuclear weapons, there was some logic then to threaten first use of these weapons to deter any other nation from going to war against us or those whom we perceived to be our allies. The deterrent was then effective, regardless of its morality. Unfortunately, far too much of our nuclear weapons policy is still held over from the days when we were the sole nuclear power.

Today, our use of any nuclear weapons particularly against another nuclear power which has the ability to retaliate in kind, invites our own destruction. We and the Russians have managed a balance of strategic terror in our mutual ability to survive a first strike attack sufficiently to permit us to destroy the other with a second strike. It is under this joyful security blanket that we are able to sleep and dream peacefully each night.

Now, the administration is on the brink of finalizing a SALT II agreement which will provide a framework within which we can take another small step to control the arms race and maintain this precarious, yet precious standoff. As Professor Singer points out, taking this step is vitally important.

The article follows:

THE AMERICAN EDGE IN NUCLEAR WEAPONS CAPABILITY

To the Editor:

During the past several months, the American people have been subjected to a steady dose of propaganda designed to suggest that the U.S. is now behind the U.S.S.R. in nuclear capability, or soon will be. To some extent, the press has helped to perpetuate that judgment, and this is most unfortunate.

At the risk of playing the familiar numbers game that our alarmists so enjoy, let me attempt a brief clarification of the strategic nuclear balance on the basis of Defense Department and other widely accepted current estimates.

Yes, the U.S.S.R. is ahead in missiles by 2,350 to 1,700, but if manned bombers are included to arrive at a total of strategic delivery vehicles, the gap is a somewhat smaller, 2,500 to 2,058.

Too many of our propagandists stop here, as if the number of *delivery vehicles* were a valid indicator of relative capability.

More relevant is the number of *deliverable warheads*, and here the U.S. has an advantage of 9,200 to 5,000. Then there is the notorious "throw weight" figure, which reflects the total tonnage that can be delivered via missiles, and in this the U.S.S.R. holds an advantage of 9,036,000 to 4,326,000 for the U.S. This figure, however, is too crude, and a more valid indicator is that of stockpiled megaton equivalents, in which the Soviet edge is a more modest 5,900 to 3,600. But even this is too crude, as it says nothing about the ability to hit targets. Thus, many analysts use a "lethality index," reflecting total numbers of warheads, their megaton equivalents and their accuracy, and on this index the U.S. has an edge of about 44,800 to 33,500.

One could go on and itemize the estimated results of all sorts of nuclear war scenarios, but my point should be clear. The U.S. is *not* behind the U.S.S.R. in the nuclear strength categories that matter, nor do the current trend lines point toward a reversal of the ratios that would enable the Soviets to launch an effective "disarming first strike." Moreover, the SALT II agreements, despite their very limited scope, will make it impossible for them to achieve such superiority without obvious and easily detected violation of the production bans.

Finally, and most important, I do not suggest that Americans or Russians or any others are more secure with a superiority in deliverable warheads or in an overall lethality score. Both sides today are dangerously overarmed in strategic weapons (conventional weapons are another and equally complex matter), and if both follow current production and deployment plans within the SALT constraints, they will soon be even more dangerously overarmed.

One reason, unfortunately, is that both governments still have people who believe that nuclear wars can be initiated, fought and won, and that having some first-strike components is militarily and politically desirable. In my view, this borders on insanity, and it bodes ill for everyone's security. Nuclear weapons should be looked upon in purely second-strike and retaliatory terms, and the sooner we cut back to the levels needed for that more prudent role, the sooner we can begin the imperative but delicate task of nuclear disarmament.

In sum, it is bad enough that we have all sorts of ill-informed and shortsighted "patriots" in and around the Government today, but let's not make it worse by imprecise reporting that helps to legitimize their fast and loose assertions about the strategic balance.

J. David Singer,
Professor of Political Science.●

ENERGY CONSERVATION AND CORN

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. HARKIN. Mr. Speaker, today I am introducing legislation to mandate the Secretary of Agriculture to offer a commodity loan program for high-moisture corn and grain sorghums comparable to that now being offered on dry grains.

The purpose of the legislation is to further encourage our livestock and dairy farmers to use high-moisture grains as feed. Currently many of these farmers are mechanically drying these feed grains so as to be eligible for the USDA commodity loan program. This bill will eliminate the need to do that and will result in a tremendous savings of energy, primarily in the form of liquified propane gas—LPG—which is now widely used for grain drying. Also, livestock and dairy farmers will be able to improve their efficiency and better able to manage their cash flow if this loan program is made available to them.

Last year, American farmers produced 7.1 billion bushels of corn; 70 percent of which was mechanically dried at an average cost of approximately 10 cents per bushel.

Grain drying by conventional means is very energy intensive. On the average, 1 gallon of LPG dried only 5.9 bushels of corn, while in comparison it takes an average of 8.85 gallons of LPG or equivalent fuel to farm 1 acre of land.

Given this current large commitment of fossil fuel to mechanically dry corn, it is clearly in the national interest for us to effectuate policies to encourage the use of high-moisture grain for livestock feed. Currently 77 percent of all corn is ultimately fed to livestock, but only 7 percent is currently stored as high-moisture grain. If we would have converted 25 percent of the 1978 corn acres into high-moisture grain, it would have saved farmers some $177 million in direct energy costs.

There are many other benefits associated with high-moisture grain than just the fuel savings. High-moisture grain is utilized more efficiently by ruminant animals resulting in a 3- to 5-percent increase in feed efficiency. Also, corn can be harvested earlier which in turn reduces field losses.

I am pleased to report that the USDA has recognized the wisdom of this approach and last year initiated a pilot program in 31 counties in 9 States of offering high-moisture corn and sorghum loans to livestock producers. Based on the experience that the USDA has now gained with this program, I feel it is time to make it available to all livestock farmers so that they may have the same opportunities to participate in the commodity loan program without having to have dry grain to do it.

The text of the bill follows:

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) during any crop year in which the Secretary of Agriculture is carrying out a loan program for dried corn or grain sorghums under the Agriculture Act of 1949, the Secretary of Agriculture shall carry out a comparable loan program for high moisture corn or grain sorghums, as the case may be, under such Act.

(b) Suitable high moisture storage facilities for corn or grain sorghums with respect to which loans are made under the Agriculture Act of 1949 shall include, but not be limited to, conventional or oxygen-limiting tower silos or, in the case of acid-treated corn or grain sorghums, conventional tower or bunker silos.

Sec. 2. The provisions of the first section of this Act shall apply to the 1980 crop of feed grains and subsequent crops.●

NEED TO ADDRESS HUMAN PROBLEMS

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. BRODHEAD. Mr. Speaker, one of the most difficult imperatives of the congressional budget process is reconciling the need to address human problems with the limited resources which are available to do so.

I wish to share with my colleagues a letter on this subject that I received from New Detroit, Inc., a coalition of business, labor, community, and civic organizations which has been effective in working for policies to address human problems in employment, education, job training, health care, nutrition, and other vital areas. I commend the comments of New Detroit's chairman, Frank Hennessey, and its president, Walter Douglas, to the attention of my colleagues:

New Detroit, Inc.,
Detroit, Mich., April 28, 1979.

Hon. William Brodhead,
U.S. House of Representatives,
Washington, D.C.

Dear Congressman Brodhead: As you prepare to consider the first Budget Resolution this week on the House Floor, we would like to share with you our concerns regarding funds for social and welfare programs.

New Detroit, Inc. is an urban coalition of business, labor, community and civic organizations which has worked together since 1967 to address important issues affecting Detroit and its citizens. Our 72 person board of trustees includes some of the country's most prominent corporate and labor leaders. The impact of federal policy and programs on Detroit and other major urban communities has been an area of particular concern for us, as we have seen the pivotal role the federal government plays in the health or weakness of the cities. We have been concerned with both the need for adequate funding of critical social needs as well as insuring that such funds are spent efficiently.

This year, as we follow the budget process in Congress, we find ourselves facing complex issues which have created competing claims among various important programs; all within the context of trying to reduce the deficit, inflation and unemployment. It is undeniably a time of hard budget decisions.

We agree with the President and members of Congress that inflation is an urgent problem. The disadvantaged and the elderly, who reside in the older urban areas in disproportionate numbers are the citizens who are most affected by inflation. In the rush to curb inflation by cutting government spending, however, we see that an unfair burden may be placed on those who can least afford it, and who already suffer the greatest impact of severe economic conditions.

We also feel that the fight to reduce inflation should not diminish the fight against unemployment or Urban Education Programs. The unemployed and poorly educated are a drain on the nation's economy. The efficient use of funds for effective job training and education programs contribute to a healthy economy by converting these citizens to productive taxpayers.

In this time of priority-setting, we are particularly concerned with the budget which serves as the nation's priorities document. The austere funding levels for human services programs currently recommended by President Carter will provide a severe hardship on cities, counties and others charged with the responsibilities of providing for human needs. These are the very least the Congress should approve.

It is clear that economic conditions and fewer resources require everyone to make choices between programs that are beneficial and programs that are imperative. We hope that you will recognize that programs which provide meaningful and fair employment and education for our citizens are not items which the country can afford only when other concerns are met, but are crucial to the nations' well-being at all times.

We would be glad to have the opportunity to discuss these critical budgetary issues with you in person. We personally and the staff of New Detroit are available to share with you our understanding of the special impact of these budget authorizations on Detroit area school and local government programs.

Sincerely,

Frank M. Hennessey,
Chairman.
Walter E. Douglas,
President.●

DR. AGNES L. PALYS HONORED

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. MITCHELL of New York. Mr. Speaker, I am very pleased to learn that 1 of the 17 optometry officers serving on active duty in the Armed Forces has been recognized not only by her colleagues in the services, but also by the honor fraternity of the profession.

I have met a great number of these doctors serving their country by giving quality vision care to the servicemen and women and their qualified dependents and am proud of the work they are doing.

Dr. Agnes L. Palys, who graduated from the New England College of Optometry under the health professions scholarship program, and currently is serving as a captain on the staff at Walter Reed Medical Center, was recognized by Beta Sigma Kappa for scholastic achievements and dedication to serving her patients in the highest honor. Following is an article that appeared on Dr. Palvs in the April 1979 issue of BSK's official publication, the Ocularum.

Dr. Agnes Palys, a member of Beta Sigma Kappa, is an optometry officer in the Army serving as a captain at the Walter Reed Army Medical Center in Washington, D.C. She represents a new breed in the optometric profession, as there are now 17 women optometry officers serving on active duty in the Army, Navy, and Air Force.

Captain Palys received her O.D. degree from the New England College of Optometry under the Army health professions scholarship program. She received high honors in school and was selected for membership in BSK. She is now recognized as a BSK "noteworthy practitioner." She was listed in Who's Who Among College Students, and received a chemistry award from the Chemical Rubber Co.

At age 27, Dr. Palys is already secretary-treasurer of the Armed Forces Optometric Society and chairperson of its membership committee. She is also a member of the American Optometric Association and is working toward being a fellow of the American Academy of Optometry. She is licensed to practice in Maryland and Virginia.

Dr. Palys is a native of Manchester, N.H., and is married to a fellow military officer, Capt. George McLean II, a hospital administrator also stationed at Walter Reed.●

NATIVE AMENDMENTS TO ALASKA LANDS LEGISLATION

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. HUCKABY. Mr. Speaker, today, I am inserting in the CONGRESSIONAL RECORD, in behalf of Congressman YOUNG and myself, a series of amendments to improve implementation of the Alaska Native Claim Settlement Act.

These amendments fit into three basic categories. One set of amendments would resolve a series of technical problems in the Alaska Native Claims Settlement Act or the pending Alaska lands legislation. The second category would perfect Native selection rights under section 14(h) (8) of the Settlement Act. The remaining amendments would effect land exchanges involving the Federal Government, particular Native corporations, and sometimes the State of Alaska.

Most of these amendments have received considerable scrutiny over the last year and a half. This scrutiny involved representatives of the State of Alaska, affected Native corporations, the Department of the Interior, various congressional committees, and the Alaska coalition. In most instances, the amendments have been approved by all of the concerned parties. Many of the amendments were included in the bill reported last year by the Senate Energy Committee. This year, because of procedural problems, the amendments were not included in the Alaska lands legislation reported by the House Interior and Merchant Marine and Fisheries Committees. Most of the amendments also appear in legislation recently introduced by Congressmen UDALL and ANDERSON. Our present package of amendments includes not only all of those contained in Mr. UDALL's bill, but a few others which are strongly supported by the State of Alaska and many other concerned parties. Congressman YOUNG and I strongly support all of these amendments. We are concerned that the Native corporations involved not become the innocent victims of the present conflict over which Alaska land bill should be passed by the House. Two weeks ago, certain Members of Congress asked some of the Native corporations to abandon their longstanding neutrality as a quid pro quo for inclusion of their amendments in a bill which was subsequently introduced. Some corporations wrote equivocal letters endorsing legislation containing their amendments; others refused to respond.

Mr. Speaker, the amendments involved are too important to become the subject of political maneuvering. Hence, with the strong support of the State of Alaska, which has worked long and hard with the affected Native corporations, Congressman YOUNG and I will introduce the amendments printed below during House floor debate on the Alaska lands legislation. No matter what the outcome of that debate, we urge all of you to support these amendments, which will not only benefit the Native corporations involved, but, in many instances, will foster other objectives by improving the patterning of land ownership and management in Alaska.●

FOOD STAMPS AND THE ELDERLY AND DISABLED

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. GONZALEZ. Mr. Speaker, I am very concerned with regard to the impact of the new food stamp regulations that went into effect on March 1. Since that time, I have received letters and calls from a number of my elderly and disabled constituents whose food stamp allotments have decreased greatly and this is very disturbing to me.

It was my understanding when the food stamp program was overhauled in 1977, that the intent was to take care of the poorest of the poor, but from the information I have been receiving, it appears that just the opposite is taking place.

I would like to take a moment and bring to your attention a few of those who have contacted me regarding decreases in their food stamp allotment. One woman who is disabled received supplement security income of $189 per month. Thus, her total income for the year is $2,268. She had been receiving $58 per month in food stamps, but under the new regulations this has been reduced to $20 per month. An elderly couple who are living on $304 a month income from SSI and social security benefits, wrote to say that their food stamps had been cut from $50 to $34. Another couple who received $400 per month in social security benefits and railroad retirement were informed that they are no longer eligible for food stamps.

These are just a sample of those who have contacted me seeking some type of help in retaining their benefits.

While the actual dollar figure lost by these people may seem small, we have to remember that those elderly living on a fixed income carefully budget every single dime that they have. Most of them, unfortunately, have no choice because of the ever increasing cost of the essentials, so any time they lose just a small fraction of their monthly income, they are really hard hit and many will suffer greatly.

Mr. Speaker, I am introducing a bill today that I hope Congress will consider very soon to bring some relief to these elderly and disabled persons. My bill calls for reinstating the shelter deductions and medical and dental expenses in computing incomes for food stamps for those who are age 62 and older or who are recipients of benefits under the supplement security income program. It appears from the letters and calls that I have received, that if these two deductions are reinstated, many of those elderly who have lost benefits under the new regulations, will at least be back to their original benefit levels under the old law. I do not feel that it is too much for the elderly and disabled to ask of Congress to at least bring them back to the standard of living that they enjoyed before March 1 of this year.

We must act soon, however, as each month passes, those affected are finding it harder and harder to keep up and with inflation running at an annual rate of 15.4 percent so far this year, those who can least afford it will be bearing not only the full brunt of our economic situation, but that of our laws and regulations as well.

I know that many of my colleagues have heard from their constituents with regard to this same problem and I am hopeful that within the next month or so action can be taken to reverse this serious problem and we can bring some relief to those affected by the changes in the food stamp law.●

THE ECONOMICS OF THE DRAFT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. PAUL. Mr. Speaker, Dr. Richard Timberlake of the College of Business Administration, University of Georgia, recently published an article on the economics of conscription in the Athens, Ga. Banner-Herald. I would like to include it in the RECORD at this point so that my colleagues, especially those concerned with economy in Government, may have the opportunity to study the article.

ARGUING AGAINST COMPULSORY MILITARY SERVICE

(By Richard Timberlake)

One of the most alarming political developments in recent months is a Congressional initiative that would reimpose a military draft on unsuspecting American youth. This movement is not the result of a popular ground swell. Activists have not picketed in public demanding the end of the Volunteer Armed Forces program and a return to the draft. Rather the Congressional activity for a new draft is the result of a coalition of right-wing militarists, opportunistic politicians, liberal do-gooders and pragmatic imperialists who wish to maintain "potens Americae" in the many areas of the world that serve the interests of the American Imperial Government, but have little to do with the welfare of the American people.

No less than seven bills that would reinstate the draft are in Congressional hoppers. All of them, and indeed any form of military conscription, would impose an onerous tax on a very special segment of the population—young men between the ages of 18 and 24. Not only does such a tax discriminate between young men and young women (although some of the new proposals would make young women equally draftable), it discriminates between young men and old men, and between healthy men and infirm men. Such an act by Congress so much as says to the general public: "We are going to take your healthiest young men, select randomly among them, and impress the selected group into involuntary servitude for a period of from two to four years. These young men will have no choice in the matter. Whether they have an aptitude for military service makes no difference. We take this step because we want our armed forces to be large enough to support an American foreign policy of global intervention, and we do not want the rest of the general public to have to pay the out-of-pocket costs of our overseas adventurisms."

As this interpretation suggests, the issue of the military draft is tied into the breadth and scope of American foreign policy. What this policy is can be seen from the fact that fully one third of the 757,000 Army personnel are stationed overseas; and 70 percent of the "Defense" budget of $128 billion goes toward the defense of European and Asian governments, many of whom are supported by the richest economies in the world.

Yet, the defense of just the United States requires at most 1.25 million personnel. These data imply an existing military force of over two million persons that can have no other function than to impose the will of the American government on uncomplying foreign governments. Europe, for example, is perfectly able to coalesce in its own defense against, say, the eternal bogeyman, Russia, without U.S. support.

The economics of the military draft versus the existing all-volunteer force are simple: The costs of the draft, when all costs are accounted, are much higher than the costs of the all-volunteer force. The all-volunteer method is nothing more than reliance on market factors. The technical size of the defense forces needed is plugged into the market as "demand." Then, pay scales, including fringe benefits, are raised until the proper volume of resources, i.e., "supply," is obtained from the market. No one can complain.

Some additional questions relevant to the argument are these: Is a reluctant draftee—a redundancy because all draftees necessarily are reluctant—more patriotic than a person who volunteers for military duty? If a "mercenary" armed force is undesirable, why pay anything at all to the armed forces? Why, indeed, pay anything to anyone? Why not allow the government to force everyone into involuntary servitude so that all costs are minimized? What's good for one profession should be just as good for another.

Even the out-of-pocket governmental costs associated with the volunteer force are a red herring. According to official estimates of the Army, the additional costs of the all-volunteer Army in 1977 were $216 million—less than 1 percent of the Army's budget for that year. However, the Army also estimated that "most of these (possible) reductions would be offset by new costs associated with a draft." Conscription requires many additional costs not present with a volunteer force. First, draft boards have to be set up. These boards are simply rationing agencies. Instead of gasoline and food, they ration young men's careers and lives largely on the basis of political decisions.

So-called liberals have joined this new draft movement. Only they want to draft young people to go out and do good liberal things, such as cleaning up the environment and eliminating the unemployment that their minimum wage laws and other welfare activities have created.

The new military draft movement is not the result of a popular consensus at the grass roots level. It is imposition from above by a jingoistic coalition of militarists and do-gooders. It violates all the principles of a free society. It runs counter to the spirit of Proposition 13 and is already proscribed by the 13th Amendment to the Constitution, which declares that "neither slavery nor involuntary servitude . . . shall exist within the United States, or any place subject to their jurisdiction.

The intent of this amendment was to free the slaves from private ownership. For a government to pass such an amendment, then to assume for itself the power to impose involuntary servitude over its citizens of any race, is not only illegal; it is public hypocrisy of the highest magnitude.●

INFLATION HURTS MIDDLE AMERICA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. ASHBROOK. Mr. Speaker, every year the Congress goes through its spring orgy of spending more and more of our citizens' tax dollars. This extravagant use of money that people work hard to earn creates severe pressures on local communities and on the family unit. A recent article in the Wall Street Journal provides an excellent picture of what inflation and taxes has done to one small community. I hope my colleagues reflect on how this could be one of the towns in their own districts:

[From the Wall Street Journal, Apr. 23, 1979]

HIGH COST OF PRICES: SOARING INFLATION TAKES PAINFUL TOLL, HURTING FAMILIES AND BUSINESSES—"THANK HEAVENS FOR CHICKEN"

(By Timothy D. Schellhardt)

GALESBURG, Ill.—When his wife retired from teaching 12 years ago, Brooke Stotts expected they would be able to live comfortably on their retirement nest egg.

Inflation has changed his mind. And it has changed the Stottses' living standards—for the worse. "With every new day and month, we give up belonging to music associations, eating out, travel, needed dental work, proper removal of cataracts, and a better place to live," declares the 81-year-old retired Boy Scout executive.

More of the Stottses' savings are going toward just surviving—paying higher rent and food bills plus the myriad of other living costs that continue to rise relentlessly in this farming and manufacturing center of 38,000 in west-central Illinois.

Pocketbook pressures have worsened noticeably in Galesburg since a year ago, when this reporter spent a week assessing the effects of inflation on the people and institutions of author-poet Carl Sandburg's hometown. A return visit finds that the near-double-digit rise in the U.S. cost of living during the past yearis taking a painful toll here, in a community that economists say is a fairly representative place to gauge inflation's effects on Americans' everyday lives.

BANKRUPTCIES AND DIVORCES

Inflation is gnawing at the fiber of family and community life here. Personal and business bankruptcies in the area climbed 17 percent last year from the year before, and they are up another 7 percent so far in 1979. "People don't know they're being squeezed until it's too late," says Barry Barash, an attorney who specializes in family law. Divorces have jumped 28 percent so far this year from last, and family counselors trace many of the marital breakups to financial problems. "A lot of families have been through some severe struggles financially," says Peggyanne Thorne of the Catholic Social Services office. Her caseload this year is running between 75 and 100, up from 50 a year ago.

Inflation's effects are plain to see in many a spot around the softly rolling prairie landscape here. Knox College is closing two landmarks, Alumni and Whiting Halls, because it costs too much to maintain them. Two of the four Amtrak trains that rumble through the city daily are being dropped to reduce losses. The big A&P grocery store has closed because rising labor costs have made it unprofitable. Gasoline stations have blanked out their large price signs because proprietors find they must change their prices—upward—so frequently these days.

Prices of all the basic necessities—housing, food, health care and energy—have climbed sharply here since a year ago. The three-bedroom modular home that Harold Wilson built last year and sold for $38,500 now has a $42,000 price tag. Eighty-year-old Lee Barton's utility bill this winter climbed 19 percent from a year earlier; in February, his gas and electricity bill took 30 percent of his $498 retirement income.

HOSPITAL AND HAMBUGERS

The daily charge for a semiprivate room at St. Mary's Hospital, already up $4 from last year's $89, will have to be raised again soon, says Richard Kowalski, the administrator. Carol Montgomery Eiten's weekly grocery bill is approaching $50, up from $35 a year ago. "Thank heavens for chicken," says the junior-college teacher, who is substituting poultry for beef to feed her husband and herself. "I never thought I'd be charging $1.45 for a hamburger," says Randy Hambleton, owner of Randy's Restaurant and Lounge, discussing effects of higher beef prices.

Price increases have become the talk of the town. "We now talk about inflation every day," says a local merchant who lunches with a group of businessmen at the Elks Club. "We're always talking about prices," says retired postman Leslie Everett at the Salvation Army Center, where 150 or so older citizens eat lunch daily.

However, the anger voiced by many people last year over inflation has generally turned to a frustrated resignation that prices will just continue upward. "Our anger has been replaced by kismet, an apathetic acceptance of inflation," says Louis "Pete" Ubben, a stockbroker.

Galesburg residents say, for instance, that they are resigned to paying at least $1 a gallon for gasoline. The price for unleaded gasoline here already is 84 cents a gallon, up at least 10 cents from a year earlier. Many people expect their utility bills to continue soaring, even though they lower their thermostats and take over conservation steps. Indeed, Illinois Power Co. recently asked for a 14 percent rise in electricity rates and a 6.8 percent natural-gas increase that could go into effect in December.

PAYING, NOT SWITCHING

Grocery shoppers here say they anticipate $2-a-pound hamburger before long, and most say they will pay the price rather than switch. Home buyers don't appear too concerned about rising prices. Mr. Kowalski, the hospital administrator who moved here in January, says he is resigned to paying $90,000 to $110,000 for a house, a range $20,000 above what he had expected.

Although many people don't believe they can stop inflation, they make it clear they intend to take their frustrations out on someone at election time next year. President Carter is their principal target. "It's going to be easy to beat Jimmy Carter in 1980," asserts Richard Johnson, president of Home Savings & Loan Association. "The issue will be inflation and the domestic economy, and it's certainly deteriorated in the past year."

Even a staunch Carter supporter like Christine Sullivan, a 76-year-old retired nurse, has her doubts about the President's leadership. "I like Jimmy," she says, "but at the same time this country is going to the dogs—and going fast. I want him to straighten things out in this country, and he can begin by tackling inflation."

State legislators aren't exempt from criticism as contributors to inflation. Galesburg citizens are irate about a 40 percent salary increase that state senators and representatives voted themselves late last year. The legislators agreed early this year to roll back much of that increase after thousands of taxpayers and President Carter's inflation-fighters had protested, but that hasn't soothed voters around here much. "A lot of those politicians won't get reelected," Mr. Barton predicts.

Galesburg residents express mixed feelings about President Carter's energy proposals. While many are resigned to paying higher prices for gasoline and other fuels, they still aren't happy about the decision to decontrol oil prices. Fears of accelerated inflation are just one reason. Many still aren't convinced that there is an energy shortage in the U.S., and many believe that Mr. Carter's plan will only help domestic oil producers reap bigger profits. Yet they are also anxious to become less dependent on Mid-east oil. "If we don't do anything about it, the Arabs are going to own us," say a reference librarian at the city library.

Double-digit inflation is having its most profound effect on families that are always skirting financial disaster. Many of these are going over the edge, partly because of sky-high energy bills. One factory worker recently filed for bankruptcy with $5,200 of indebtedness. He owed the local electricity company $175. "I see people whose power bills are $150 to $200 a month, and that represents their take-home pay," says Mr. Barash, the attorney.

Both bankruptcies and divorces are becoming so common in Galesburg, he adds, that "there's virtually no stigma to either in this area anymore."

STRAINING FAMILY TIES

Inflation strains family ties, says Peggyanne Thorne, the counselor, by forcing many families to spend more time at home; hidden conflicts tend to burst forth. "Many families, especially in troubled times, don't know how to work together anymore," she says. As a result, marital quarrels proliferate, and discipline problems with children increase. Even a wife's return to work to supplement family income doesn't necessarily ease tensions, the counselor says. "I find few husbands who want to help with housekeeping duties. You end up with a tremendous amount of bickering about division-of-labor disputes," she explains.

Although the trouble may be worst among low-income families, inflation's pinch is clearly hurting families at higher income levels more than it did last year. "We see less of an earnings cushion in our loan applications than a year ago," says Mr. Johnson of Home Savings & Loan. "People have extended themselves with debts of one sort or another to their earnings limit." Harold Wilson, a real-estate man, says home buyers are making smaller down payments than they did a year ago. And, he adds, they are wondering whether they can keep up with the rising costs of owning a house—especially the energy costs.

"A year ago, the first question people generally asked when they looked at a house was, 'What are the taxes?' Nowadays, the first question people ask is, 'How much is the utility bill?' " Mr. Wilson says.

One sizable group of middle-class residents, the Knox College faculty, is suffering more than most from inflation, says James Stephens, the financial vice president. Faculty salaries haven't kept pace with the cost of living. "For the first time in a long time, some faculty members are worried they will have to leave teaching for a higher-paying job in industry or elsewhere," he says.

CHURCHES AND CHARITIES

The college's decision to close its landmark Whiting Hall, currently a women's dormitory, will hurt some faculty families. Some of the displaced students will move into college houses that have been rented to faculty members. Those families will have to find other housing, which is likely to cost much more.

The pinch on middle-income families is hurting churches, charities and other groups that rely on contributions from them. The local Boy Scout organization sees a $24,324 loss this year as gifts from county United Way groups fail to keep pace with inflation. Indeed, United Way contributions are below their level seven years ago.

The Rev. J. T. Moore of the First Christian Church says he recently had to delay paying a $2,000 electricity bill until he got money from one additional Sunday collection. The minister says his members have pledged to give a little more this year than in 1978, but because of inflation, he won't be able to expand the community services the church provides.

Elderly Galesburg residents on fixed incomes, like Mr. Stotts, the retired Scout executive, and his wife, say they feel the effects of rising prices the most. Many increases, like a 25 percent rise this month in local garbage-collection fees and a July 1 increase in Medicare premiums, must be paid, Mr. Stotts notes. As a result, he must trim spending elsewhere. Rather than pay $7 to resole a pair of shoes, a charge that went up $3 in one month, he walked to the nearest trash can "and tossed them in." The Stottses gave up sending Christmas cards last December because postage had climbed so much.

Unexpected and unavoidable expenditures hit the elderly especially hard. Christine Sullivan, the retired nurse, recently felt the jolt of a $450 bill for reroofing her small house and a $28 charge for removing snow from her roof.

People around here notice one highly visible effect of persistent inflation. Increasingly, the cost of living is the theme of Mr. Moore's popular weekly epigrams on his church's outdoor bulletin board.

"There's no place like home if you haven't got the money to go out," read a recent message. "A luxury is anything you want when you haven't got the price," another said. A third: "Living on a small income wouldn't be so hard if you didn't have to keep it a secret." ●

REFINING MONETARY POLICY

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. CARR. Mr. Speaker, I have recently become familiar with the research of Norman P. Obst, associate professor of economics at Michigan State University, whose work on monetary policy has been published in the May 1978 Quarterly Journal of Economics with further results of his research to come in forthcoming issues of that journal. Professor Obst notes that past monetary policy has responded to rates of inflation, rather than to changes in the rate of inflation, with the result that cycles of inflation and recession have been inadvertently created, rather than corrected. I have obtained from Professor Obst a summary of his research, which I commend to the attention of my colleagues in the Congress:

A FEEDBACK RULE FOR MONETARY POLICY

(By Norman P. Obst)

I. INTRODUCTION

The appropriate form of the monetary policy rule is one of the central practical issues separating Monetarists from Keynesians. Milton Friedman advocates a constant rule without feedback for money supply growth. He does so because: 1) it reduces uncertainty; 2) he believes the monetary authority may overreact due to the long and variable lags involved. Keynesians believe the lags are short and predictable so that active policy can be effective.

My research has made two important discoveries: 1) a constant monetary rule, as advocated by Professor Friedman, is a source of economic instability; 2) past activist policy has overreacted because it was guided by incorrect criteria. Current monetary activity seems to be an attempt at a mixture of these two non-activist and activist policies.

The constant money growth rule results in cycles because the inflation rate adjusts slowly. Suppose, for example, the money growth rate is increased to a new higher level. The inflation rate gradually increases to its higher level. Because it moved more slowly than the money growth rate, there will be too much money at the new equilibrium inflation rate. The inflation rate will therefore overshoot its target creating cycles.

Past activist policy has overreacted because it reacted to the wrong stimulus. The money growth rate was reduced at high inflation rates and increased at low inflation rates. Thus the money growth rate reacted inversely to the level of the inflation rate, so that policy remained tight as long as the inflation rate remained high. During our last recession, for example, the money supply growth rate was restricted through the first quarter of 1975 presumably until the three-month inflation rate dropped substantially from its preceding high of 14.2 percent in March of 1974. That recession began with the last quarter of 1973, however, so that monetary policy exacerbated the recession and resulting unemployment.

Current policies appear to be attempting to prevent a recession with expansionary monetary policy while at the same time attempting to reduce the inflation rate, when it is high, with restrictive (or constant) monetary policy. These policies are self-defeating because the expansive monetary policy used to prevent a recession leads to high inflation rates. With the consequent monetary restriction (the money growth rate will eventually be below the money output growth rate) a recession is induced. Thus the economy will suffer ever higher inflation rates until a recession is finally permitted. Both high inflation rates and recession are the inevitable consequence of current policy. What is required is a systematic monetary policy which will lower the money growth rate while it simultaneously provides contracyclical changes to prevent a recession.

III. A SOLUTION

My research has found such a feedback rule for the monetary authority to follow. It is guaranteed to lower the inflation rate through lowering the money supply growth rate. At the same time it is contracyclical and will therefore help prevent a recession. The reasoning behind the rules, in simplified terms, is as follows. To prevent cycles the growth rate of money clearly should be reduced when there is too much money in the economy. But when there is too much money in the economy, the inflation rate increases. (The converse is also true for systematic inflation rate increases.) Therefore, to prevent recessions, the growth rate of money should be reduced when the inflation rate increases (and increased when the inflation rate decreases). Note that changes in the inflation rate (rather than the level) should provide feedback.

If the above feedback policy were followed, the money growth rate would be reduced according to the size of inflation rate increases. Restrictive policy would automatically be followed when the economy begins to reach full capacity since that is when the inflation rate begins to accelerate. Relatively easy policy would occur when the economy begins to weaken since, at that time, inflation rate increases become smaller or turn negative.

IV. A PRACTICAL RULE TO LOWER INFLATION RATES WITHOUT RECESSION

A three month moving average of the seasonally-adjusted CPI inflation rate appears to work well. The Federal Reserve should try to set the next month's seasonally adjusted M–2 percentage growth rate at, say, $-3R+6$ where "R" is the current monthly change in the above CPI average inflation rate, both evaluated at compounded annual rates of change. The number six above will determine the nation's equilibrium inflation rate, and the negative three above determines the degree of contracyclical policy.

V. HOW RECESSION IS AVOIDED

The feedback rule in section IV above prevents a recession by providing automatic stimulus when the economy weakens. One of the first results of a weakening economy is a slowdown in inflation rate increases. A leveling off of the inflation rate would automatically result in money supply increases because "R" would get smaller or turn negative. In 1969, for example, three-month inflation rate increases started to drop beginning in April, substantially before the beginning of the recession during the fourth quarter. Again in 1973 inflation increases started to abate in October, substantially before the large unemployment increases beginning in early 1974.

VI. HOW INFLATION IS REDUCED

A constant money growth rate would occur in the absence of inflation rate changes. Since that constant level can be chosen independently of contracyclical policy, there is no conflict in meeting both objectives of lower inflation rates and contracyclical policy. The equilibrium money growth rate can be reduced to any desired level while still maintaining policy to prevent recession. In a sense, the average money growth rate is an additional policy option. Since the equalibrium inflation rate is determined by that average money growth rate (holding real output growth fixed), inflation reduction can be assured. Thus the problem of how to prevent recession without resorting to an ever-increasing inflation rate is resolved.

VII. CONCLUSION

According to an extension of the rule presented in section IV above, the current M-2 money growth rate (April-May 1979) should be in a range of −.2 to 1.8 compounded annual percentage rate. This represents an easing of policy from the rule's preceding money growth range of −4.3 to −2.3. This easing occurs because the March increase in the three-month inflation rate is lower than the February increase. All of the above figures are obtained by using the range $-3R + 4$ to $-3R + 6$ where the spread from 4 to 6 represents the desired long-run average growth rate of M-2 balances. The current M-2 growth rate is approximately at a 2 to 4 compounded annual percentage rate.

During the next few months the inflation rate will remain high. Inflation rate increases, however, are likely to become smaller or turn slightly negative. As the inflation rate begins this leveling process, the money growth rate should be expanded according to the above rule. Restrictive policy based on the high level of the inflation rate (or constant money growth rate policy) will result in a recession. Increases in the money growth rate should be initiated as soon as the size of inflation rate increases becomes smaller to both avoid recession and reduce the inflation rate.

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SALT AND THE CRISIS IN NATIONAL DEFENSE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DORNAN. Mr. Speaker, we expect tempers to flare on great matters of public policy. The eloquence of denunciation is something that democratic societies are expected to bear in the normal course of political discussion, especially when the nerve endings of the participants have been sorely touched in one fashion or another. It is something we normally will hear from politicians engaged in highly partisan disputes, representatives of various interest groups, or journalists in the general media, writing editorials on a "hot" story. But there is a special tone reserved for the pattern of discussion among the professional or academic journals. It is not likely that we will find strong language in prestigious journals committed to discussions of often esoteric topics, normally beyond the interests of people other than specialists in a particular field. Once in a while, however, there is a marriage of the technical preoccupation of the specialists and the great questions of public policy. So it is with the SALT debate.

I ask my colleagues to consider the general tone of sobriety, seriousness, and professional commitment that is to be found in the prestigious Aviation Week and Space Technology. As a pilot, I have followed its reporting for many years; and I know that other Members of this House, who share aerospace interests, will agree with the observations that I make in reference to the credibility of this great journal. Therefore, I ask you to please take note of the intensity of language that characterizes the lead editorial in the April 23 issue. I have never heard the adjectives "deceptive," or "treacherous" used to describe the policies of a Presidential administration. What could possibly have caused such a dramatic break in Aviation Week's rhetorical pattern? What could have motivated the editors to publish such a violent editorial?

I am afraid I know the answer. The editors feel compelled by a profound sense of public duty; and they have decided to state their case, ever mindful of the reputation of their great journal, in the most unequivocal terms.

I have no more to say on the subject. I commend the prestige and credibility of this journal to your attention and ask, once again, that these warnings now be heeded:

THE DEFENSE CRISIS

After 30 years of enjoying the political and economic advantages of a clear military superiority over the Soviet Union, the United States is entering a dangerous period of crisis that may mortgage its future security for generations to come. In a steady, undeviating, plodding effort, the Soviet Union has now reached a position to attain military superiority in both conventional and strategic nuclear weapons and has set in motion what may be an irreversible trend to change the military balance of power in the world.

Despite all the recent debates on specific weapon systems and their capabilities, it has become crystal clear that the Soviet Union has been engaged in a massive research, development and production program of new generations of weapons on a scale not normally achieved except under full wartime conditions.

At the same time, President Jimmy Carter and his top defense advisers have deceptively concealed the full extent of the Soviet weapons production and deployment from the American people in the hope they can sell the idea that a new Strategic Arms Limitation Treaty (SALT 2) will deter the Soviets from their inexorable goals. President Carter's fanatical desire to conclude a SALT 2 agreement with the Soviets is as far away from the real arms crisis as was his biblical pose in sponsoring an Egyptian-Israeli peace treaty while Iran and the rest of the vital Persian Gulf oil countries are crumbling under relentless Soviet pressure.

INTELLIGENCE POLITICIZED

To try to sell the American people on the false security concept of SALT 2 the Carter Administration has politicized the national intelligence estimates to downgrade the Soviet achievements, squandered more than $600,000 of the taxpayers' money in a bald attempt to peddle SALT 2 snake oil to the citizens of this republic and made crucial concessions to the Soviets in the treaty negotiations that not only jeopardize future U.S. security but that of our NATO allies.

Ever since President Carter backtracked from his original proposal of actual strategic arms reduction to the Soviets early in 1977, his Russian adversaries have diagnosed him as a pushover for their bullying, blustering tactics. Every major concession during the prolonged SALT 2 negotiations has been made by the Carter Administration, not the Soviets. And while these concessions were being forced by the tough realism of Soviet leadership, it also was applying increased military, political and economic pressure against the vital treasure troves of the Western world. The President of Somalia, situated on the strategic Horn of Africa, recently told top-level British officials that Soviet leaders had made it bluntly clear to them when he was their temporary ally that their current policy had two goals:

First, pinch off the oil of the Middle East from the economic systems of the West.

Second, disrupt and deny the mineral resources of Africa on which the Western industrial nations are dependent.

A look at the current globe, pinpointing the areas of Soviet-fomented strife, will indicate how successful they have been. Iran, where the pro-Western Shah has been replaced by the Kalishnokov-armed revolutionary councils. Afghanistan, where a pro-Soviet regime outflanked both Iran and Pakistan. Civil war in Yemen, and Ethiopia astride the Horn of Africa. Guerrilla wars all over Africa where gold, uranium, columbium, copper and other resources vital to Western industry are found. All this is accompanied by a stern Soviet demand that none of these aggressions be related to strategic arms negotiations.

SOVIET SALT AIMS CLEAR

The aims of the Soviets in their SALT negotiations have been clear from the outset:

First, they use the language of the treaties to outlaw or blunt major U.S. technological advantages. SALT 1 wiped out the clear U.S. technical lead in missile defense systems and left the land-based Minuteman IBM force naked and vulnerable to the first strike capability the Soviets will now achieve in 1981. President Carter gave the Soviets their first objective in SALT 2 by unilaterally canceling the B–1 strategic bomber system. The current Soviet technical objectives in SALT 2 is to blunt the full capabilities of the U.S. cruise missile and deny its use to U.S. European allies.

Second, they hope to lull the U.S. into a false sense of security with these treaties and the prime time television fantasies that U.S. presidents spin from them to stimulate unilateral U.S. disarmament below the actual boundaries set by the treaty provisions. Thus President Jimmy Carter has been stalling on deployment of the MX missile, which would be allowed in SALT 2, while the Soviets have been developing a new giant ICBM twice the size of MX and using their SS–18 to throw 14 separate warheads each with sufficient accuracy to wipe out a Minuteman silo.

The treacherous betrayal being orchestrated in SALT and the failure of the Carter Administration to respond to the massive Soviet arms buildup deserves the attention of every American citizen concerned with the future of this country.—Robert Holtz.●

"REFUSENIK: MIKHAIL KREMEN"

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. ERDAHL. Mr. Speaker, I would like to take this opportunity on this the day of Soviet recognition of their nationhood to bring congressional attenion to the plight of Mikhail Kremen and his family. Since 1974, Mikhail Kremen and his wife and two small children have been trying to immigrate from the Soviet Union to join his family and sister in Israel. The following is a statement made by Mikhail Kremen in September of 1975 when he wrote of his plight:

> My family consists of four people: myself Mikhail Kremen, born 1937, my wife, Galina Kremen, born 1941, and two sons, Alexandr, born 1965 and Evgeny, born 1970. By profession, I am a radio-engineer. Until 1972, I worked in a radio plant on telemetry. From 1972 to 1974 I worked as an engineer-adjuster in the starter-adjusting department. My wife worked as a laboratory assistant since 1958.
>
> In 1974 we submitted documents for emigration to Israel, and since then our difficulties concerning work and money began. I had to perform work which had no connection with my specialty—taking care of sewing machines, electrician, photographer. My work as an electrician did not continue for long. "Visitors" came to the plant and told the management: "Whom are you employing? He submitted documents for emigration to Israel." After that, conditions at work were created which compelled me to leave.
>
> Permission for emigration is refused under the pretext "State Security" despite the fact that I never performed really secret work. However, all my appeals to various Soviet agencies remain unanswered.
>
> My parents reside in Israel . . . My sister Sima Grishina and her family live in Israel. Despite all this, and even after the Treaty of Helsinki, we are still unable to reunite our family in the Land of Israel.

And from Israel, Mikhail's parents plead:

> Our son Mikhail has repeatedly applied for this exit visa and each year was refused with the excuse that for 7 years he used to work in a factory which was supposedly essential secret work and he might be in a position to give secrets away. Since 1972 he is not working. We do not know how he supports his wife and his two children aged 10 and 6 years. We know only that the situation is desperate and we as parents want to see our beloved son with his family. We are close to 70 years old and our only wish is to see them before we die . . .
>
> We know that you are trying to help our family and other like ourselves. Please do not desert us and may God bless you and yours for this determination.

Mr. Speaker, since coming to Congress from Minnesota in January, I have been active in the effort to relieve the Soviet abuse of human rights. There are certain fundamental freedoms that we as a Congress must urge all nations to respect. None of us can be totally free when there are other human beings who are not yet free.●

LIFT THE SANCTIONS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. FINDLEY. Mr. Speaker, the United States should lift the economic sanctions against Zimbabwe-Rhodesia and recognize the new government there. The results of the recent elections were extremely encouraging. They demonstrate the determination of the people of Zimbabwe-Rhodesia to achieve democracy and majority rule through a peaceful, internal settlement rather than through violence.

There remain, however, some skeptics about the internal settlement, including President Carter and his top advisers. The arguments they raise were logically and succinctly countered by Chester Crocker, the Director of African Studies at Georgetown University's Center for Strategic and International Studies. Professor Crocker gave his statement to the Subcommittee on Africa of the Foreign Affairs Committee on March 27, 1979. His arguments remain valid and extremely worthwhile.

I urge my colleagues to consider them which are presented in the following exerpt from Professor Crocker's prepared statement:

> A number of arguments are cited as reasons why this option [lift sanctions and recognize the government] is wrong or unwise:
>
> 1. The guerrilla factions of the PF have "earned" a role, perhaps the major role, in running Zimbabwe.
>
> 2. We would be backing the white minority which will retain a substantial influence.
>
> 3. We would be backing the losing side; the internal parties are destined to collapse in the absence of massive US military support.
>
> 4. Our action would invite "retaliation" and trigger the anger of the African States.
>
> 5. We would be inviting the PF to set up a provisional government in conquered territory and to call in major Communist combat forces.
>
> 6. Our action would prolong the war and ensure the destruction of Rhodesia's economic and administrative structure and middle classes.
>
> The assumptions behind these arguments should be carefully examined.
>
> The first argument is, in reality, a partisan judgment which in an ideal world should be made by the people of Rhodesia/Zimbabwe. Regrettably, there is little prospect that they will have an early opportunity to make that judgment, apart from the April election. This does not mean, however, that we should make the judgment for them. If the case is so clear-cut, it is at the least surprising that the Salisbury government's security forces are predominantly black; that these forces are still growing in size through the recruitment of new blacks and PF defectors, and that the PF appears deeply worried about the possibility of Western recognition.
>
> The second argument also prejudges events. While the new Rhodesian constitu-

tion provides extensive minority guarantees, it is by no means certain that the internal African leadership will fail to gain real power, including the power over time to make majority rule as meaningful as it is in other African states. The second argument, in sum, rejects gradual change in favor of the presumed basic structural change that would flow from a PF victory. And it fails to address the likelihood of PF defendence on non-African sources of support as it assumes power. Moreover, there are elements of self-fulfilling prophesy in this line of reasoning: if the internal black government is denied all outside support (except South Africa's), this will enhance the bargaining position of Rhodesia's whites.

The fifth argument, I submit, is little more than an invitation to the PF and the Soviets and their allies to take this course of action if the Congress and the Administration decide to lift sanctions. It sounds rather like we are trying to scare ourselve out of doing something by legitimizing the opposition to it that could arise.

More serious is the fourth argument: that we would trigger a rupture in relations with the African states if we lifted sanctions. It must be conceded that Western governments have done much over the past few years to make such a prospect possible, by tilting so consistently the other way. A major policy reversal usually has its costs. However, I believe that the actual cost would depend above all on the precise circumstances of the shift. If we lift sanctions without conditions, in the face of a low voter turnout at the elections, and with no effort to explain or sell our shift, the reaction is going to be strongly hostile. If we and the British announce in advance that the African states will have no choice but to nationalize our investments or break off relations with us, we encourage exactly such action. But to assume that Western recognition would "alienate Africa" and "drive the Africans into the arms of Moscow" may grossly oversimplify African interests in the conflict. Specifically, it assumes that African states care more about which Africans run Zimbabwe than they do about all other issues. This case is not proven, nor do public pronouncements by African leaders necessarily constitute the final word on the subject.

The crucial judgments center on the third and sixth arguments; in effect, the critics of recognition are saying that the Internal Settlement is not viable and that the internal leaders will lose the war. The critics could be right, but their case is not self-evident. It is possible that the internal nationalists will be unable to deliver the things which the mass of Africans expect, that whites will continue to emigrate and thus weaken the public service and security forces, and that the PF will gain the crucial momentum it so far has failed to acquire. In this scenario, a progressive crumbling of central government authority would ensue, forcing it eventually to sue for terms from one or both fractions of the PF. But before we assume these forecasts to be accurate, we should examine the key variables closely.

First, Western observers of the Rhodesian problem have consistently underestimated the control and staying power of the Salisbury government since independence was seized by Smith in 1965. We did the same thing in September 1976 when former Secretary Kissinger told Smith he could hold on no longer than another 18 months. The current British and American governments are continuing to issue dire forecasts of impending collapse, whether because they believe them or because such forecasts weaken the internal and external supporters of the current government. These forecasts are not warranted by history or the current military balance. The PF's guerrillas are a long distance away from seizing and holding control of any important real estate. Their campaign continues to be directed principally at "soft" targets—isolated farms, mission schools and churches, civil airliners, African civilians in the Tribal Trust Lands and white-owned farms, motorists, hotels, road and rail lines, and the like.

Guerrilla incidents are many; lasting guerrilla accomplishments are fewer in number. Incidents of urban terrorism have occured, along with dramatic but isolated bombings and sabotage. One should expect that incidents will increase, perhaps significantly, in the lead-up to elections. In large areas of the countryside, the government and the guerrillas operate intermittently, frequently at the expense of the civilian populace. The government's administrative presence in many rural areas has been disrupted or abandoned. Tourism in outlying areas such as Victoria Falls and Inyanga has been curtailed. Road travel of any distance is conducted in armed convoys. Food shortages and the spread of animal and human diseases in rural areas are reportedly on the rise. But the ZAPU and ZANU forces continue to avoid the government's own highly mobile forces whenever possible. In some of the Eastern districts there are reports of armed truces between the guerrillas and government troops or the growing number of auxiliaries organized by the internal nationalists. Salsibury retains wide freedom of action to strike against PF infiltration routes and camps in neighboring African states, and these strikes have apparently succeeded in setting back the ZAPU and ZANU effort. Reports from Salisbury indicate that casualties attributable to the war are not escalating, as Western governments contend. The ratio of guerrilla to security force casualties is reportedly rising in favor of the Salisbury authorities.

In sum, Mr. Chairman, if the Administration believes—as Ambassador Young declared last week—that only "massive U.S. military support" could save the internal authorities, I reject that assessment. Rather, I would argue that the current balance is a delicate one with the government continuing to hold the edge in purely military terms. The PF may succeed in disrupting the elections in some parts of the countryside. But Salisbury can probably carry on the struggle for months, if not years, to come.

This leads me to indicate the crucial weakspots of the internal leadership: namely, a progressively stagnating economy and uncertain or shakey morale (both black and white). If sanctions are not lifted and recognition is denied after the elections, I too would place my money on the PF—though only after a protracted struggle which destroys the existing economic and administrative structure. In other words, one faction or another of the PF may win, with a substantial assist from the world community including ourselves. But this is not preordined. When and if that happens, the new African leaders of Zimbabwe will take over in precisely those chaotic conditions which Western officials now predict to occur if we recognize the internal leaders. Moreover, there would be a need, first, to sort out the rivalries and tensions between ZANU and ZAPU, probably through force. On the other hand, it is simply not persuasive to argue that recognition and the lifting of sanctions would not be enough because Salisbury needs the U.S. Army to rescue it. Black and white Rhodesians are waiting for some indication of what they face down the road; if their isolation continues to be almost universal, they will leave or accommodate themselves to ZANU and or ZAPU demands. If recognition is forthcoming, they will be encouraged to continue and to build.

It should hardly need saying that Southern Africa is not Southeast Asia. Yet the parallel continues to be drawn. The position of the Salisbury government has never depended on massive outside forces or vast amounts of indiscriminate firepower and fancy technology. Rather, it depends on appropriate tactics and political intelligence combined with active or passive involvement of many Africans in keeping the system going. The small white minority would have been ousted many years ago if this were not the case.

The advent of a black government will change the picture in two respects. First, it will give blacks something more to fight for, apart from a decent government salary, than they have had up to now. It will also remove the enormous political liability of a minority, racist regime from the backs of the rulers in Salisbury. Second, it will raise a host of new imponderables for the government to deal with, as efforts are made to transform the image of major rule into the reality. With Western economic, political and diplomatic support, there is no reason why the new government could not recoup sufficient initiative to deal from a position of strength with the PF leadership. This, in turn, could permit a broadening of its base. Such Western support should be conditioned on the search for broadened participation and the continuing search for peace. But Western military intervention should not be necessary, except as a deterrent to ward off Communist intervention on a scale not yet seen in Africa.

In conclusion, there are obvious risks in this course of action, principally in our African relationships. But these appear to me preferable to the certainty of expanding disorder in Southern Africa if we walk away from the conflict.●

ALASKA LANDS—PART V

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DINGELL. Mr. Speaker, the proponents of the Udall-Anderson substitute have repeatedly claimed that sportsmen across the Nation are in support of their proposal. I have recevied numerous letters and telegrams which express a contrary point of view. I was particularly impressed by correspondence I received from the Wildlife Legislative Fund of America which I insert into the Record for the edification of my colleagues.

The Wildlife Legislative Fund
of America,
Columbus, Ohio, April 27, 1979.

Hon. John M. Murphy,
Chairman, Committee on Merchant Marine and Fisheries, Longworth HOB, Washington, D.C.

Dear Congressman Murphy: We would like to take this opportunity to correct any misinformation that has been circulated by Congressman Udall and major preservationist organizations supporting his position on the Alaska Lands bill.

The Wildlife Legislative Fund of America strongly supports the Breaux-Dingell bill passed by your Committee on Merchant Marine and Fisheries.

As you know the WLFA is an organization to unite sportsmen and wildlife professionals to protect the heritage of the American Sportsman to hunt, to fish, and to trap and to protect scientific wildlife management practices. In no way does the Udall-Anderson substitute deserve support from any sportsman conservationist during this very critical debate on the future of Alaska Lands.

The anti-hunting organizations are attempting by misrepresentation and by dividing pro-hunting groups to try and gut the Breaux-Dingell bill and reinstate anti-hunting provisions provided for in the Udall-Anderson substitute.

Equally as important are the provisions in the Breaux-Dingell bill which would assure continued state authority over the management of fish and resident wildlife species. Any attempt to weaken state authority to manage resident fish and wildlife would have far reaching implications, much broader than the current Alaska situation.

I want to assure you that American Sportsmen are deeply concerned and are watching the Congressional action under consideration with much apprehension. The future of hunting and trapping in Alaska is at stake as is the very future of hunting and trapping in the rest of the nation.

Sincerely,

JAMES H. GLASS,
President.●

LABOR ORGANIZATIONS TESTIFY ON MULTILATERAL TRADE NEGOTIATIONS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. VANIK. Mr. Speaker, last week, the Subcommittee on Trade of the Committee on Ways and Means held 5 days of hearings on the just-completed Tokyo Round Multilateral Trade Negotiations.

Among the witnesses were representatives of the American Federation of Labor-Congress of Industrial Organizations and the International Association of Machinists and Aerospace Workers. These organizations provided some particularly useful testimony to the committee on areas where the trade laws of the United States need to be improved. I believe that many of the recommendations of these organizations are being included in the bill being drafted by the House and Senate committees. I would like to include summaries of their testimony at this point in the RECORD. I hope that this material will be helpful to Members and their staffs in preparing for consideration of the MTN legislation:

SUMMARY OF THE STATEMENT OF RUDOLPH OSWALD, DIRECTOR, DEPARTMENT OF RESEARCH, AFL–CIO

The AFL-CIO feels that "the impact of these negotiations could be destructive and devastating unless clearly defined implementing legislation is drafted to insure that much beneficial domestic legislation is not abandoned in the belief that a surge of exports will result."

Three overall guidelines were suggested for the implementing legislation. First, the legal implications of the agreements should be clear and specific in order that new laws not affect old ones except where intended. Second, imports from non-market economies should be treated separately from others due to the effect of government control on competition. Third, the term "developing countries" should be defined so as to prevent relatively industrialized nations from taking advantage of special provisions intended for truly poor countries.

Beyond these general recommendations a number of suggestions were offered regarding the specific codes.

Of greatest concern to the AFL-CIO are the Government Procurement and Standards Codes, which could jeopardize the national well-being. As a result, it is recommended that these two codes be renegotiated. Should this prove impractical, it is suggested that the implementing legislation for these codes should be responsive to the following recommendations:

1. The legislation should prohibit non-signatory countries from access to bid on U.S. government procurement, and should limit the bidding of signatures to the specific entities covered by the code.

2. A clear rule-of-origin language should be incorporated so that signatory countries can be the source of supplies for the U.S. market.

3. Specific language should exempt state and local "Buy American" laws.

4. Foreign governments procurement requests should be listed in Commerce Business Daily.

5. The implementing legislation should be for a two-year provisional basis and should provide that it does not go into effect before January 1, 1981, the date indicated in the code.

6. The implementing legislation should spell out the machinery for U.S. withdrawal, which is provided for in the code upon 60 days notice.

7. A special overall legal caveat should assure that the implementing legislation amends existing law only where specific amendments occur and it should clearly state that no other domestic legislation is affected until Congress specifically amends such domestic legislation.

8. Provision should be made that there will be no authorization for the reduction of U.S. product standards nor any retarding of prospective improvement of U.S. standards by this legislation.

9. Upon complaint, all participating countries should be required to make available the records and transactions of their state-owned companies.

STANDARDS

1. The code should not be able to supersede federal or state regulations.

2. The U.S. government should be able to take unilateral action to improve or impose its standards.

3. The test of violation of the code should be the adoption of a standard designed to discriminate against imports—not merely the fact that a standard has the effect of interfering with trade.

The AFL–CIO does not recommend the renegotiation of the Subsidies Code but recommends the following provisions be included in the implementing legislation.

1. The law should have adequate definitions of subsidies and should include a value-added tax as a subsidy.

2. "Injury" should be broadly defined as "more than immaterial or more than inconsequential" and should be based on the "threat of injury" as well as actual injury.

3. "Industry" should be broadly defined to include related products and processes.

4. The amount of duty should be the full amount of subsidy.

5. Unions should have the right to sue.

6. Neither investigations nor countervailing duties should be ended until the subsidy and injury problems are solved.

7. Reasonably available information should be enough to start an action.

8. Both "injury" and "subsidy" should be weighed in reconsideration of countervailing duty orders.

9. Judicial review should be a right for unions as well as other domestic interests.

10. U.S. government should be required to provide information on foreign subsidies and should be required to start actions on its own motion.

11. No rights or obligations created by the code or the legislation should be enforced except as provided by the legislation.

12. Both developed and less developed countries should be given the same tests for unfair trade practices.

13. Availability and reliability of evidence should be specified.

14. Timing should include: continuance of existing orders until proven unnecessary, retroactivity, provisional duties when necessary and a time limit for the assessment.

15. Special provisions for imports from non-market economies should be included.

Mr. Oswald mentioned a number of other issues which he felt required legislative attention:

(1) the U.S. antidumping legislation should be strengthened by speeding up procedures and providing better assurance of relief;

(2) the negotiated abolishment of the U.S. wine gallon method of imported spirits taxation should be dropped from the trade package due to its affects on U.S. labor;

(3) the provisions for importation of foreign-built hovercraft should be abolished;

(4) safeguards procedures should be made faster and more effective;

(5) Government agencies should collect data on barriers to U.S. exports and help take action against such barriers;

(6) GSP should be repealed and special treatment for "developing countries" should be better defined;

(7) licensing code should provide for U.S. licensing of all imports for records purposes;

(8) switch to C.I.F. valuation;

(9) obtain more information on a number of other agreements.

As a total trade package, the AFL-CIO believes the MTN agreements will promote an increase in imports to the U.S. without guaranteeing rights for U.S. exports.

International Association of Machinists and Aerospace Workers (IAM) William W. Winpisinger, President; Dr. Helen Kramer, Assistant to Director of International Affairs:

"We have been arguing for some years that U.S. international trade policies based on the assumptions of free trade cannot protect our national interests in a world dominated by mercantilist trade policies, where international flows of capital and technology can alter comparative advantages practically overnight."

"Our trade policies must combine a carrot and stick approach to induce these countries to accept rules of fair competition."

On subsidies/CVD, the IAM believes that "several provisions . . . represent improvements over the existing GATT articles," but STR should compile public information on foreign subsidy programs, the government should initiate investigations when it obtains data on subsidies, administrative discretion should be limited in discontinuing investigations on the basis of assurances, violations of undertakings should be dealt with through CVDs and other provisional measures, the law should provide that no injury test shall be applied in subsidy cases involving nonsignatory countries, for both dutiable and non-dutiable merchandise. The definition of injury should be the concept applied under the antidumping law since 1/3/75 (i.e., "not immaterial and not insignificant"). Labor unions should have full equality with others in all procedures under the Subsidies/CVD Code. Domestic interests should have "improved rights to be informed of decisions made in the assessment process," and judicial review should be provided.

On government procurement:

(1) Require agencies not included in the U.S. list of covered entities to refuse to accept bids from all foreign suppliers, unless the item is unavailable domestically;

(2) Bids from nonsignatory DCs and from NMEs should be refused, and from other nonsigners waiver conditions should be spelled out in law;

(3) An adequate rules of orgin rule (more than "substantial transformation") should be adopted, preferably 50% value added rule; for contracts granted to U.S. firms under various preference schemes . . . Congress should require that the domestic content be at least 75%;

(4) Appropriate office should be established to manage actions under the code.

On safeguards, IAM support will not be forthcoming unless Title II of 1974 Trade Act improved by—

(1) establishing a fast track procedure;

(2) in considering action under Title II, data should be provided on job loss if import relief denied, information on applicability of trade adjustment assistance, and President should consider importance of maintaining production base and impact on capacity utilization/production costs of import relief.

On Framework Code and Special Treatment for Developing Nations, the IAM urges a system of "graduation" be placed in law and offers recommendations for "triggering" such graduations, the elimination of certain countries from GSP, etc.

On the Standards Code:

(1) "Congress should draft the implementing legislation to ensure that the Code does not provide an avenue for attacking American standards which, in the judgment of the reponsible legislative . . . bodies serve legitimate purposes . . . the implementing legislation should not contain any directives or statements or policy which purport to state how American standard-setting bodies should carry out their responsibilities."

(2) "Injunctions should not be authorized against U.S. standards which a GATT panel has found to violate the Code" rather, the regulatory body which set the standard should have the opportunity to reconsider the standard;

(3) "the legislation should state explicitly that the means of enforcement provided in the legislation is exclusive."

(4) "The legislation should state that it is the sense of Congress that no determination by an international panel is entitled to weight under U.S. law . . ."

(5) Information should be provided on which U.S. laws might be subject to challenge under Standards Code.

On the antidumping law, the IAM endorses proposals offered by AFL-CIO.

The IAM also discusses the need to pursue Trade Act goals relating to adoption of international fair labor standards and to make revisions in border tax adjustments which disdvantage direct tax nations.

"Our final judgment on the trade agreements depends on the effectiveness of the implementing legislation Congress decides to adopt."●

FRACTIONAL RESERVE BANKING GENERATES INFLATION

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. PAUL. Mr. Speaker, Mr. Henry Hazlitt, the great economist and author, has recently written a most illuminating article for The Freeman, the magazine of the Foundation for Economic Education.

My survey of public opinion in the 22d District of Texas shows that 73 percent of the people realize that the dollar is not backed by anything, and that 70 percent would favor a currency backed by gold or silver. That 92 percent correctly pinpointed the Federal Government as the fount of inflation, and 84 percent said increasing the money supply is related to this horrifying problem.

In view of these beliefs, which I most heartily share, I would like to bring Mr. Hazlitt's article to my colleagues attention.

He demonstrates why a fractional reserve system of banking, even when the reserve is gold, inevitably leads to inflation, and what is the only road we can take that will end inflation once and for all.

Inflation is eating away at the foundations of our social order. It is not simply a problem of eroding living standards. It can and must be stopped, by halting the increase in the money supply.

GOLD VERSUS FRACTIONAL RESERVES

(By Henry Hazlitt)

The present worldwide inflation has done, and will continue to do, immense harm. But it may eventually lead to one great achievement. It may make it possible to restore (or perhaps it would be more accurate to say to create) a full 100 percent gold standard.

That could come about in a simple manner. Our government has made it once more legal to hold gold, to trade in gold, and to make contracts in terms of gold. This makes it possible for private individuals to buy and sell in terms of gold, and therefore to restore gold as a medium of exchange. If our present inflation, as seems likely, continues and accelerates, and if the future purchasing power of the paper dollar becomes less and less predictable, it also seems probable that gold will be more and more widely used as a medium of exchange. If this happens, there will then arise a dual system of prices—prices expressed in paper dollars, and prices expressed in a weight of gold. And the latter may finally supplant the former. This will be all the more likely if private individuals or banks are legally allowed to mint gold coins and to issue gold certificates.

But even of the small number of monetary economists who favor a return to a gold standard, probably less than a handful accept the idea of such a 100 percent gold standard. They want a return, at best, to the so-called classical gold standard—that is, the gold standard as it functioned from about the middle of the nineteenth century to 1914. This did work, one must admit, incomparably better than the present chaos of depreciating paper monies. But it had a grave weakness: it rested on only a fractional gold reserve. And this weakness eventually proved its undoing.

NOT ENOUGH GOLD?

The advocates of the fractional gold standard, however, saw—and still see—this weakness as a strength. They contend that a pure gold standard was and is impossible; that there is just not enough gold in the world to provide such a currency. Moreover, a pure gold standard, they argue, would be unworkably rigid. On the other hand, a fractional reserve system, they say, is flexible; it can be adjusted to "the needs of business"; it provides an "elastic" currency.

We will come back to these alleged virtues later, and examine them in detail; but first I should like to call attention to the central weakness of a fractional reserve system: it embodies a long-term tendency to inflation.

Let us begin with a hypothetical illustration. Suppose we have a world in which the leading countries have been maintaining a 100 percent gold standard, that they begin to find this very confining, and that they decide to adopt a fractional gold standard requiring only a 50 percent gold reserve against bank deposits and bank notes.

The banks are now suddenly free to extend more credit. They can, in fact, extend twice as much credit as before. Previously, assuming they were lent up, they had to wait until one loan was paid off before they could extend another loan of similar size. Now they can keep extending more loans until the total is twice as great. The new credit plus competition causes them to lower their interest rates. The lower interest rates tempt more firms to borrow, because the lower costs of borrowing make more projects seem profitable than seemed profitable before. Credit increases, projects increase, and there is a "boom."

So reducing the gold reserve requirement from 100 percent to 50 percent, it appears, has been a great success. But has it? For other consequences have followed besides those just outlined. Production has been stimulated to some extent by lowering the reserve requirement; but production cannot be increased nearly as fast as credit can be. So as a result of increasing the credit supply most prices have practically doubled. Twice the credit does not "do twice the work" as before, because each monetary unit now does, so to speak, only half the work it did before. There has been no magic. The supposed gain from doubling the nominal amount of money has been an illusion.

And this illusion has been bought at a price. Lowering the required gold reserve to 50 percent has enabled the banks to double the volume of credit. But as they begin to approach even the new credit limit, available new credit becomes scarce. Some banks have to wait for old loans to be paid off before they can grant new ones. Interest rates rise. New projects have to be abandoned, as well as some incompleted projects that have already been launched. A recession sets in, or even a financial panic.

And then, of course, the proposal is made that the simple way out is to reduce the gold-reserve requirement once again, so as to permit a still further creation of credit.

THE FEDERAL RESERVE ACT

Historically, this is exactly what has been happening. Space does not permit a detailed review of what has happened in one nation after another, starting, say, after the adoption in England of Sir Robert Peel's Bank Act of 1844. But we can point to a few sample changes in our own country, beginning with the Federal Reserve Act of 1913.

That act set up twelve Federal Reserve Banks, and made them the repositories for the cash reserves of the national banks. The first thing that was done was to reduce the reserve requirements of these commercial banks. Under the national banking system the banks had been classified according to the size of the city in which they were located. They were Central Reserve City Banks, Reserve City Banks, and Country Banks. These were required to keep reserves, respectively, of 25 percent of total net deposits (all in the bank's own vaults), 25 percent of total net deposits (at least half in the bank's own vaults), and 15 percent of total net deposits (two-fifths in the bank's own vaults).

The Federal Reserve Act classified deposits into two categories, demand and time, with separate reserve requirements for each. For demand deposits the act reduced the reserve requirements to 18 percent for Central Reserve City Banks, 15 percent for Reserve City Banks, and 12 percent for Country Banks. In each case at least one-third of the reserve was to be kept in the bank's own vaults. For time deposits the reserve was only 5 percent for all classes of banks.

In 1917, as an aid in floating government war loans, the reserve requirements were further relaxed, to 13, 10, and 7 percent respectively, with only a 3 percent reserve requirement for time deposits. Though the amendment also required that all reserve cash should thereafter be held on deposit with the Federal Reserve Banks, the amount of till or vault cash necessary to meet daily withdrawals was found to be small.

In addition to this lowering of the reserve requirements of the member banks, the Federal Reserve System provided for the building of a second inverted credit pyramid on top of the one that the member banks could build. For the Federal Reserve Banks themselves were authorized to issue note and deposit liabilities against their gold reserves, which were required to total only 35 percent against deposits.

As a result of such changes, if the average reserves held by the commercial banks against their deposits were taken as 10 percent, and the gold reserves held by the System against these reserves at 35 percent, the actual gold held against the commercial deposits of the System could be reduced to as low as 3.5 percent.

What actually did happen is that between 1914 and 1931, total net deposits of member banks increased from $7.5 billion to $32 billion, or more than 300 percent in less than two decades.[1]

These figures continue to grow. Gold reserve requirements were finally removed altogether. In August, 1971, when the United States officially went off the gold standard, the money stock, as measured by combined demand and time deposits plus currency outside of banks, was $454.5 billion. The U.S. gold reserves were then valued at $10.2 billion. This meant that the money stock of the country had been multiplied more than sixty times over that of 1914, and the gold reserve against this money stock had fallen to only 2.24 percent. Put another way, there was then $44 of bank credit issued against every $1 of gold reserves.

EXHAUSTING THE GOLD RESERVE

The situation was actually more ominous than these figures suggest. For under the gold-exchange system of the International Monetary Fund, it was not merely the American dollar, but the total currencies of practically all the nations in the Fund, that were supposed to be ultimately convertible into the U.S. monetary gold stock. The miracle is not that this gold exchange system collapsed altogether in August of 1971, but that it did not do so much sooner.

In short, the fractional gold standard tends almost inevitably to become more and more attenuated, and while it does so it permits and encourages progressive inflation.

When the gold standard is abandoned completely and officially, inflation usually accelerates. This has been illustrated in the more than seven years since August, 1971. At the end of 1978, the money stock, counting both demand and time deposits, had risen to $871 billion—nearly double the figure at which it stood in August, 1971.

But what happens as long as the fractional gold standard is being nominally maintained is that the milder rate of inflation is less noticed, and even many monetary economists are inclined to view it with complacency. This is partly because they have a reassuring theory of what is happening. The amount of currency and credit, they say, is responding to the "needs of business." The loans on which the deposits or Federal Reserve Notes are based represent "real goods." A manufacturer of widgets, for example, borrows a six-month loan from his bank to meet his payroll and other production costs, then when he sells his goods he pays off the loan with the proceeds, and the credit is cancelled. It is "self-liquidating." The money is therefore "sound"; it cannot be over-issued, because it increases and contracts with the volume of business activity.

What this theory overlooks is that while the individual loan may be self-liquidating, this is not what happens to the total volume of credit outstanding. Manufacturer Smith's loan has been repaid. But under the fractional reserve system, the bank, as a result of this repayment, now has "excess reserves," which it is entitled to re-lend. Of course if the bank is fully lent up, even under a fractional reserve system, it cannot extend credit further. But when a substantial number of banks are seen to be nearing this point, pressure comes from all sides—from the banks and their would-be borrowers, and from the government monetary authorities and the politicians who have appointed them—to lower the reserve requirements further. If nothing has gone wrong so far with the existing fractional reserve, indeed, there seems to be no harm in reducing the fraction further. It will permit a further expansion of credit, reduce interest rates, and prevent a threatened business recession.

In sum, to repeat, a fractional-reserve gold system, once accepted, must periodically bring about business and political pressure for a further reduction of the fractional reserve required.

THE HARMFUL CONSEQUENCES

We have now to examine the harm that the system does whether or not the pressure to reduce the reserve requirements is continuously successful.

Let us begin with a situation in, say, Ruritania, which has a fractional-reserve gold standard and a central bank, but in which business activity has not been fully satisfactory. The central bank then either lowers the discount rate, or creates more member-bank reserves by buying government securities, or it does both. As a result, business is encouraged to increase its borrowing and to launch on new enterprises, and the banks are now able to extend the new credit demanded.

As a consequence of the increased supply of money and credit, prices in Ruritania rise, and so do employment and money incomes. As a further result, Ruritanians buy more goods from abroad. As another result, Ruritania becomes a better place to sell to, and a poorer place to buy from. It therefore develops an adverse balance of trade or payments. If neighboring countries are also on a gold basis, and inflating less than Ruritania, the exchange rate for the rurita declines, and Ruritania is obliged to export more gold. This reduces its reserves and forces it to contract its currency and credit. More immediately, it obliges Ruritania to increase its interest rates to attract funds instead of losing them. But this rise in interest rates makes many projects unprofitable that previously looked profitable, shrinks the volume of credit, lowers demand and prices, and brings on a recession or a financial crisis.

If neighboring countries are also inflating, or expanding the volume of their money and credit at as fast a rate, a crisis in Ruritania may be posponed; but the crisis and the necessary readjustment are all the more violent when they finally occur.

THE CYCLE OF BOOM AND BUST

The fractional-reserve gold standard, in short—especially when it exists, as it usually does, with a central bank, a government and a public opinion eager to keep expanding credit to start a "full employment" boom or to keep it going—brings about what is known as the business cycle, that periodic oscillation of boom and bust that socialists and communists attribute, not to the monetary and credit system and central banking, but to some inherent tendency in the capitalist system itself.

I need describe here only in a general way the process by which credit expansion brings about the boom and the inevitable subsequent bust. The credit expansion does not raise all prices simultaneously and uniformly. Tempted by the deceptively low interest rates it initially brings about, the producers of capital goods borrow the money for new long-term projects. This leads to distortions in the economy. It leads to overexpansion in the production of capital goods, and to other malinvestments that are only recognized as such after the boom has been going on for a considerable time. When this malinvestment does become evident, the boom collapses. The whole economy and structure of production must undergo a painful readjustment accompanied by greatly increased unemployment.

This is the Austrian Theory of the trade cycle, which I need not expound here in all its complex detail because that has already been done fully and brilliantly by such writers as Mises, Hayak, Haberler, and Rothbard.[2]

THE WORLD ADRIFT IN TURBULENT SEAS OF PAPER MONEY

My chief concern in this article has been to show that in addition to being the principal institution responsible for bringing about the cycle of boom-and-bust that has plagued the civilized world since the early nineteenth century, the fractional-reserve standard, once its principle of "economizing the use of gold" has been fully accepted, itself encourages an inflation that has no logical stopping place until gold has been "phased out" altogether, and the world is adrift in the turbulent seas of paper money.

In emphasizing this weakness of a fractional-reserve standard, I do not intend to imply that I have solved the baffling problem of creating an ideal money—assuming that that problem is even soluble. An opportunity now exists—for the first time in a couple of centuries—to introduce a 100 percent gold reserve standard. But if sufficient new gold supplies were not regularly available, such a standard could conceivably result over time in a troublesome fall in commodity prices. Moreover, unless there were rigid prohibitions against it, a private no less than a government money would soon tend to become a fractional-reserve standard. And if we allowed this, would we not soon be on the road once more to a constantly diminishing fraction, and at least a constant mild inflation?

I confess I do not have confident answers to these questions. But that does not invalidate my criticisms of a fractional-reserve standard. I should like to point out, incidentally, that expanding the money supply through a fractional-reserve standard—mainly for the purpose of holding down the exchange-value of the individual currency unit and thereby preventing a fall in prices—could also be accomplished under a full gold standard by constantly or periodically reducing the weight of gold into which the dollar (or other unit) was convertible.

Such a proposal was once actually made by the economist Irving Fisher. I am unaware of any economist who accepts such a proposal today. But it is no different in principle from steadily expanding the money supply—under either a paper or a fractional-reserve gold standard—for the purpose of holding down the purchasing power of the monetary unit. Is this a power we would want to trust to the politicians?

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[1] See *Money and Man*, by Elgin Groseclose (University of Oklahoma Press), pp. 215–219.

[2] In addition to large works of these four writers that include discussions of the subject, the interested reader may consult the pamphlet, *The Austrian Theory of the Trade Cycle*, which contains an essay by each of them. (Center for Libertarian Studies, 200 Park Avenue South, Suite 911, New York, N.Y. 10003, $3.00).

As a result of what has already happened, I regret that I cannot join some of my fellow champions of the full gold standard in urging their respective national governments to return immediately to such a standard. I believe such a step at the moment to be both politically and economically impossible. Confidence in the monetary good faith of governments has been destroyed. If any one government were to attempt to return to gold convertibility, at even today's free market price for gold, it would probably be bailed out of its gold within a few weeks.

That is because holders of the currency would doubt not only that government's determination but its ability to maintain that conversion rate. People have seen their governments casually abandon the gold standard, and they are more aware of how slim and insecure the new gold-backing might be against the enormous volume of credit and paper money now outstanding. Gold convertibility of an individual currency could probably now be restored only after a few years of balanced budgets and refrainment from further currency expansion.

Meanwhile, if governments would permit private individuals or banks to mint gold coins and to issue gold certificates, a dual currency system could come into existence that could eventually permit a smooth transition back to a sound gold currency.●

ALASKA LANDS, PART VII

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. DINGELL. Mr. Speaker, I am delighted to report to my colleagues that the largest State affiliate of the National Wildlife Federation has endorsed the Breaux-Dingell substitute to H.R. 39.

The sportsmen and conservationists of the Michigan United Conservation Clubs are well aware that the Breaux-Dingell approach to resource conservation in Alaska is superior to any other proposal offered thus far—especially in terms of providing for a rational conservation policy and in providing optimal recreational opportunities for Alaskans and other Americans.

Especially in my home State of Michigan, conservationists and sportsmen are sensitive to the need to wisely manage resource values. They have expressed this point of view—through the Michigan United Conservation Clubs—by the passage of a resolution in support of the Breaux-Dingell Substitute. I insert this resolution and accompanying letter of endorsement for the edification of my colleagues.

The letter follows:

MICHIGAN UNITED
CONSERVATION CLUBS,
Lansing, Mich., April 24, 1979.

Hon. JOHN D. DINGELL,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN DINGELL: The Michigan United Conservation Clubs shares concern with millions of people for the future of Alaskan lands.

In an effort to convey to you some of our concerns, our Board of Directors has passed the enclosed resolution. We have been trying to follow the rapidly changing legislation. Our concern to date is most closely paralleled to that expressed by the Breaux-Dingell substitute with special emphasis on those points enumerated in our resolution.

Very truly yours,
THOMAS L. WASHINGTON,
Executive Director.

RESOLUTION RE ALASKAN LANDS ADOPTED BY MICHIGAN UNITED CONSERVATION CLUBS

Whereas, Conservationist's everywhere share concern for the protection and conservation of Alaska's abundant natural resources, and

Whereas, the Congress will ultimately determine the use of significant blocks of Alaskan land and the resources therein; and

Whereas, Alaskan wildlife populations provide some of the world's best sports hunting opportunities and contribute greatly to the state economy, and

Whereas, Alaskan minerals comprise significant portions of the nations domestic reserves;

Therefore be it resolved that the Michigan United Conservation Clubs urges that legislation be passed that:

1. Provides regulated sports hunting on all federally managed Alaskan land unless it is shown that hunting would adversely impact the wildlife species found in any area to be closed.

2. Provides that Hard Rock Mining not be permitted on Wildlife Refuges unless it is shown the activity will not be incompatible with traditional uses of the refuge.

3. Provides reasonable access and use of Alaskan Wildlife Resources to Hunters, Trappers and Fisherman.

4. Provides control of subsistance hunting be vested in the State.●

A BOOK TO HELP US REMEMBER

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mrs. SCHROEDER. Mr. Speaker, last weekend marked the 24th anniversary of the American Armed Forces liberation of the Nazi concentration camp in Dachau, Germany. On that day, the world became witness to a horror and catastrophe unprecedented in human history. I would like to mark this solemn anniversay by inserting into the record an article written by a good friend from Colorado, State Senator Dennis Gallagher, which poignantly outlines the story of one survivor and his plea for us not to forget those who disappeared into the ashes.

The article follows:

A BOOK TO HELP US REMEMBER

(By Dennis Gallagher)

Have you ever heard of a book entitled, The Sunflower?

A couple of years ago, I had the privilege and delight to hear Rabbi Manuel Laderman of Denver's Hebrew Educational Alliance review The Sunflower, by Simon Wiesenthal. Over the years, the Hebrew Educational Alliance Men's Club sponsored an outstanding series of book reviews at which Rabbi Laderman, Denver's outstanding book reviewer, has enticed his listeners to read a variety of books written by a broad cross section of authors. The Rabbi also reviewed this important book for a group of my students studying the Holocaust at a Regis College School summer session, some years ago.

The Sunflower unfolds a haunting story which stays with you once you read it. It has stayed with me these years and I wish to share it with you.

Simon Wiesanthal began his life's career as a successful architect in Lemberg, Galicia, an area which shifted back and forth between Poland and Russia in more tempestuous years. The Nazis sent him to a dozen different concentration camps. Simon Wiesenthal lost eighty-nine relatives in the Nazi Holocaust. He saw his own mother rudely pushed into a crowded railroad car with other elderly Jewish women. He later learned that his mother was murdered at the notorious Biezek Camp. In February, 1945, Wiesenthal was released from Mauthausen Camp by American troops. Since then, he has spent his life tracking down the many Nazi war criminals who successfully fled to various hiding places in South America the United States, and across the world. From his office, the Jewish Documentation Center, located in Vienna, he tracks down Nazi war criminals who have yet to answer for their atrocities.

The story of The Sunflower opens with a scene at the work camp in Lemberg. It is not clear whether Weisenthal may or may not have been the actual main character of the story, an architect. We meet Weisenthal's friends, Arthur, a cynic, and another prisoner, Josek. They call Josek "Rabbi" because he refuses to lose his faith that "God must be on leave" because things are so horrible with this world. They share their feelings of hunger, exhaustion, anxiety for family members, and, most of all, humiliation. The prisoners, when marched through the streets to their work detail, are forced to sing obscene songs in front of their former friends and neighbors in the streets of the town. They look searchingly at the eyes of the other townspeople—no eyes will meet theirs. All turn away, afraid to help.

As they march toward their work assignment, Wiesenthal sees a field of Nazi graves. Each grave has a bright sunflower planted and blooming. Our storyteller, who may or thinks to himself that over his grave probably a mass grave, there will be no flowers planted . . . not even a sunflower.

The work gang turns down a familiar street in the town and Weisenthal's mind goes back to his youth to when he attended high school. He remembers anti-semitic student riots of 1936 and how thugs would try to prevent Jewish students from taking the tests as on the Jewish Scholars raised the academic curve too much. He recalls how one young Jewish student was thrown to his death down the stairwell of the school for having dared to take a test on a day which was declared "Day Without Jews."

The prisoners are stopped in front of the old school, converted to a hospital for Nazi soldiers. A nurse comes forward and asked Weisenthal if he is a Jew. Puzzled he nods that he is and she takes him inside to the make-shift hospital. The nurse leads him to the bedside of a gravely wounded Nazi soldier whose head is almost completely covered with bandages. The dying youth extends his hand to the Jewish prisoner. The young Nazi begins to tell his story. The Nazi confesses to Weisenthal that he participated in the burning alive of an entire Jewish village. The Nazi, fearful of his approaching death, bears his soul to the Jewish prisoner. He tells of his early upbringing as a Catholic, how he loved his mother and father, but soon became interested in Hitler's Youth Movement and eventually drifted completely away from his parents and his faith. The Nazi then confesses to Weisenthal that he participated in the burning alive of many hundreds of women, children, and men in a large building into which the people had been packed. The Nazi asked the Jewish prisoner to forgive him. After listening to the Nazi's story for several hours, the Jewish prisoner simply walks from the room without speaking.

There are other parts to the story . . . but The Sunflower is such a special story that it is more than a story. It raises questions—should the Jewish prisoner have forgiven the dying Nazi? Was his action right or moral? What would you have done if you were the Jewish prisoner?

The book includes a symposium offering the opinions of great philosophers, theologians and writers. Constantine Fitzgibbon, an Irish Protestant Theologian, says the Jewish prisoner should have choked the Nazi in the bed where he lay. Martin Marty, noted Lutheran Theologian, says that to forgive too quickly does not allow the criminal to learn from his crime. What would you have done if you were the Jewish prisoner?

This book takes on importance to us to remind us that the Statute of Limitations will expire next year for prosecution of Nazi war criminals. This story serves to remind us that we should not be willing to let any Nazi criminal escape justice . . . we should not be too quick to forgive, lest the world forget the atrocities and the criminal do no true penance for his crimes against humanity.●

WALTER HELLER ON BALANCED BUDGET FALLACIES

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. NEDZI. Mr. Speaker, on March 16, 1979, the Wall Street Journal carried a shrewd and persuasive article, "Balanced Budget Fallacies," by Walter W. Heller, who was Chairman of the Council of Economic Advisers under Presidents Kennedy and Johnson.

Dr. Heller, as usual, makes a lot of sense. Indeed, his is perhaps the best statement available on this currently fashionable issue.

Under leave to extend my remarks in the Record, the article is set forth below:

Balanced Budget Fallacies

(By Walter W. Heller)

In an era of dissatisfaction with big government, high taxes, and stubborn inflation, it is not too surprising that the Gallup Poll shows a six-to-one majority favoring a balanced budget amendment to the Constitution. And it must be strong temptation for elected officials—if they want to be re-elected—to do a Jerry Brown and embrace such a proposal.

But this is one case where the majority is simply wrong—not in seeking some curbs on government, for that is their inherent right in a democracy—but in seeking to do so by putting the federal government in a fiscal straitjacket. This is a clear-cut case where responsible political leadership consists in leading voters out of the valley of error and seeking better and sounder ways to achieve their goals.

Since the major thrust for the balanced budget amendment (and some of its half-siblings) comes from a misinformed public, it may be useful to examine some of the fiscal fallacies that seem to underlie public thinking on this subject.

Fallacy Number One: "Individuals, families and households have to run a balanced-budget—so why shouldn't Uncle Sam?" People forget that typically when they buy a car or a boat, or, most obviously, a house, they are doing anything but running a balanced budget. At times, they run deficits—often huge deficits—relative to current income. So they are asking Uncle Sam to adhere to a rigid and austere standard that they don't observe themselves.

Fallacy Number Two: Closely related to the first fallacy is a second one that runs something like this: "We consumers (homeowners, corporations) pay back our debts, but Uncle Sam just keeps piling up his debts without end."

The surprising—to some even jolting—truth is that in the period since World War II, the federal debt has been the slowest growing major form of debt. As the following table shows, the federal debt today is less than three times the size it was in 1950, while consumer installment debt is nearly 14 times, mortgage debt 16 times, corporate debt 12 times, and state-local debt 13 times.

Even with the unprecedented run-up of federal debt in the face of two recessions in the 1970s, the doubling of that debt since 1970 is just about matched by the rise of state-local debt, while corporations consumers, and homeowners have expanded their debt at a considerably faster rate than Uncle Sam.

Postwar growth of major forms of debt

[In billions of dollars]

Type of debt	1950	1978	Ratio of 1978 to 1950
Consumer installment	$22	$299	13.6 times
Mortgage (1-4 family homes)	45	732	16.3
Corporate (non-fin'cl)	71	834	11.7
State-local	22	[1] 390	13.2
Federal (in hands of public)	217	611	2.8
GNP	288	2110	7.4

[1] Estimated.

Sources: "Economic Reports of the President"; "Economic Indicators"; Federal Reserve System Flow-of-Funds estimates.

None of this is meant to justify the present level of federal deficits or debts nor to suggest that the federal debt poses no problems. But the foregoing figures do serve to put the federal debt in perspective.

Fallacy Number Three: "State and local governments have to live by the balanced-budget rule, so why shouldn't Uncle Sam?"

True, states and localities have to balance their budgets annually, *except for* capital outlays, for which they can borrow. But federal budgetary accounting throws current and capital outlays (as it should) into the same pot. So balancing the federal budget means matching total outlays with current tax revenues, which is quite different from the balanced-budget concept for states and localities.

Let me underscore another decisive difference between state and federal budget impacts: A state or local budget can be balanced by tax hikes or spending cuts without jarring the whole U.S. economy. The federal budget cannot. If the national economy starts to slide, joblessness rises, income and profits fall, and the federal budget automatically goes into deficit as revenues shrink and spending rises. Try to balance it by boosting taxes or forcing cuts in spending, and the result will inevitably be to draw that much more purchasing power out of an already soft and sluggish economy.

This would send the economy into a deeper tailspin, thereby throwing more people out of work, further cutting tax revenues and boosting unemployment compensation, food stamps, and similar entitlement expenditures, thus throwing the budget even more out of whack. A dog chasing its own tail comes to mind.

Fallacy Number Four: "Unlike private and state-local deficit financing, federal deficits are a major, perhaps even the major, source of inflation." Both analysis and evidence fail to support this proposition.

Except where federal deficits pump more purchasing power into an already prosperous or overheated economy, they do not feed inflation. When the economy is slack or in a recession, when there are idle workers and idle plants and machinery to be activated by additional demand for goods and services, tax cuts or spending hikes that enlarge the deficit help the economy get back on its feet.

In other words, there are both destructive federal deficits and constructive deficits, depending on the state of the private economy. What we should seek is fiscal discipline—avoidance of waste, inefficiency, boondoggling and unnecessary government programs—but not at the cost of strangling the federal government in its attempts to serve as a balance wheel for the national economy and an instrument for avoiding that greatest of economic wastes, namely, idle workers, machines and factories.

Even a cursory inspection of the data on deficits and inflation shows little relation between the two, for example:

Milton Friedman reminds us that 1919–20 produced "one of the most rapid inflations" in U.S. history when the budget was running a large surplus, while 1931–33 saw "one of the most extreme deflations we had in history" when "the federal government was running a deficit."

From 1959 to 1965, federal deficits were the order of the day, yet price inflation was little more than 1% a year.

In the face of huge deficits in 1974–76, inflation dropped from over 12% to less than 6%.

Fallacy Number Five: "Well, even if deficits aren't as bad as we thought, the federal budget is out of control, and the only way to get it under control is to slap some kind of a constitutional lid on it."

Once again, the facts run to the contrary. As a proportion of the gross national product, the budget is being reduced from 22.6% in 1976 to 21.2% in 1980. As against 12.2% annual increases in spending for 1973–78, the rise from 1979 to 1980 will be only 7.7%. And according to the Congressional Budget Office staff, President Carter's proposed $531 billion budget for 1980 falls $20 billion short of the amount that it would cost simply to maintain services under current law.

Quite apart from the numbers, the popular clamor for "getting the budget under control" seems to ignore two important facts:

—For the past four years, the Congress has been operating under a new budget procedure that has brought vastly more discipline and responsibility into the budget process. In other words, the mechanism for getting the budget under control is already in place and is working.

—Both the White House and the Congress have heard and heeded the message implicit in Proposition 13, calls for constitutional budget limits, and the like. Whether one likes it or not, budget austerity is the political order of the day.

Fallacy Number Six: "The balanced-budget mandate is a simple, sure-fire way to force the White House and Congress at long last to match spending and tax revenues."

The simple truth is that this simplistic approach is beset with simply prohibitive difficulties of definition, administration and evasion.

A mandate to balance taxes and expenditures first has to define them. Does spending include outlays of Social Security and highway trust funds? (It didn't until 1968.) Does it include lending activities? If not, moving things from expenditures into loan programs would be an inviting loophole. Imagine the Founding Fathers two centuries ago trying to draw a dividing line between "on-budget" and "off-budget" expenditures. No less an authority than House Minority Leader John Rhodes has noted that "it would be so easy to end-run it."

Administering the mandate would be a nightmare. In January each year, the President submits a budget for a fiscal year that ends eighteen months later. Given the unexpected twists and turns of the economy, revenues may well fall below the forecast path. Imagine the scramble to adjust the budget as revenues misbehaved or unexpected shifts occurred in the costs of farm programs. Medicare, cost of living adjustments in Social Security benefits, and so on.

It does not take too much imagination to foresee Congress, caught in the balanced-budget vise, shoving some expenditures off into the private sector (e.g., by requiring private industry to support laid-off workers) or onto consumers by relying more on higher farm price supports and acreage set-asides and less on federal deficiency payments.

So many exceptions, exclusions, and special emergency provisions would be necessary to make the amendment workable that it would no longer be meaningful. The drafters of the amendment would find that they were writing a prescription for congressional action, not a constitutional mandate. A meaningful amendment would not be workable, and a workable amendment would not be meaningful.

Even if some magic formula could be found to hold the government's nose to the balanced budget grindstone, it would be an affront to responsible democratic government to do so. The essence of that government is to adapt economic, social, and other policies to the changing needs of the times and the changing will of the majority. It is the job of the Constitution to protect basic human rights and define the framework of our self-governance. Taking the very stuff of democratic self-determination out of the hands of legislative bodies and freezing them into the Constitution would not only hobble our ability to govern ourselves but dilute and cheapen the fundamental law of the land.

Given that the constitutional approach is unwise, unworkable and unworthy of democratic self-government, one hopes that the White House and Congress will work out a statutory solution that will be responsive to the public will without imposing destructive shackles on their ability to govern.●

ANDREW YOUNG CLARIFIED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. ASHBROOK. Mr. Speaker, I think we all owe Mr. Charles William Maynes a debt of gratitude today. Mr. Maynes, the Assistant Secretary of State for the Bureau of International Organization Affairs, took some time this last weekend to provide an excellent clarification of the remarks of Andrew Young regarding the ayatollah's sainthood potential. In his letter to the editor of the Washington Post, Mr. Maynes provides the full text of the question asked Ambassador Young and his full answer:

Question: From his statements, it appears that Ayatollah Khomeini is not only anti-Christian, and anti-Jewish, but he is also anti-Baha'i. Does this kind of thing, especially being a minister, worry you?

Young: Yes, that does worry me. But my own experience with the press leads me to be very sympathetic and understanding and forgiving of the way people are caricatured by the press. I would be willing to bet that in another year or so—it probably won't take that long—Khomeini will be some kind of saint when we finally get over the panic of what is happening there. He is not a man to be dismissed. I certainly cannot agree with what I hear people say he says. But I don't agree with what people say I say either.

I am thankful that the record is now set straight. I am also glad to know that Mr. Young can assure us that the bloodshed and indiscriminant killing in Iran is something we will all get over in a year or so. It is also comforting to know that the gun-fire we are hearing from Iran is probably just a caricature dreamed up by the media. Sort of like all of those Cuban communist troops in Africa that Andy referred to as having a "stabilizing influence." Those firing squads in Iran and all of that suppression surely does have a stabilizing influence, Andy.●

OIL COMPANY PROFITS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. MINISH. Mr. Speaker, the just-released first quarter, 1979 oil company profit figures follow the trend of previous quarters towards growth in leaps and bounds.

The latest figures vividly illustrate the need for a strong plan to recoup the additional profits sure to be realized as a result of oil price decontrol.

The details of the proposal announced last week by the President reveal a less than adequate plan. It is up to Congress to forge a windfall profits recovery tax that considers the public interest before the oil industry's interests.

At this time I wish to submit for the Record a letter expressing my concerns to Chairman Al Ullman of the Ways and Means Committee:

April 28, 1979.

Hon. Al Ullman,
Chairman,
House Ways and Means Committee,
House of Representatives,
Washington, D.C.

Dear Mr. Chairman: A vigorous windfall profits tax is essential to the protection of the nation's consumers. As it stands now, the President's proposal is too mild and allows unconscionably high oil company profits at the expense of the American public.

This issue represents a basic conflict between oil company interests and the national interest. Congress must not allow the consumers to be the only ones bearing the burden of ever-increasing energy costs.

The oil industry continues to register higher and higher profits. We cannot properly address our energy problems if the oil companies continue to be rewarded for higher prices.

The surest proof of this plan's inadequacy lies in the fact that the oil companies have not opposed it. To meet the truest needs of our constituents we must enact a windfall profits tax with teeth in it.

With kind personal regards, I am.

Sincerely,

Joseph G. Minish,
Member of Congress.●

NIXON PRICE CONTROLLER WRITES SIGNIFICANT ARTICLE

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. SIMON. Mr. Speaker, the most sensible remarks I have heard on the floor on the inflation problem in recent months came our colleague from New York, Sam Stratton.

He talked about the practical experience that we have had with wage and price controls.

The generally accepted doctrine is that wage and price controls were a disaster during the Nixon years and it was of interest to me to read an article in the Washington Post by Jack DuVall who is now a trade association executive here in Washington.

He was Price Commission Enforcement Officer in 1972 and Chief of the Cost-of-Living Council's industry compliance branch in 1973 and 1974.

I hope my colleagues will take the time to read the article.

How Nixon's Wage-Price Controls Turned Into Political Slapstick

(By Jack DuVall)

Regardless of what ideological opponents of mandatory price and wage controls tell you, the fate of the Nixon administration's program does not suggest that controls are bound to fail.

Rather, the Nixon record chiefly illustrates how a president's reelection anxiety and debts to political supporters can turn an economic program into a political sideshow.

There is wide consensus, of course, that the Nixon wage-price controls were slapped on the economy primarily to restrain inflation in the face of an impending election year. It is also widely agreed that they accomplished that immediate end.

This was because in their first 20 months, the controls took the form of a three-month total price and wage freeze, followed by tough firm-by-firm controls in Phase II. Unfortunately, these were succeeded by a flaccid set of altered controls disguised as Phase III and then the "sector-by-sector" decontrol known as Phase IV.

In short, this "economic stabilization program" was itself unstable: Once any phase betrayed signs of working, of being adequately absorbed and honored by business and labor, the administration shook the dice and rolled a new phase.

What would the broadcasting industry's reaction be if the Federal Communications Commission attempted to rewrite its basic broadcast regulations first after three months, then after 17 months, then after eight more months, with a continuous stream of amendments and extemporaneous policy refinements strewn along the trial? Obviously the government would be thought to have gone crazy.

But there is no requirement that a price and wage law be administered as if it were the Gong Show. Was it merely incompetence or a form of inspired slapstick that motivated the Nixon administration to keep fiddling with the controls dial? Alas, the explanation is a sad encouragement to the Watergate freaks who may still be loose; the Nixon administration's special predilection for political self-aggrandizement.

THE PROBELM WAS IT WORKED

Recall, if you will, the golden age of Maurice Stans and his squeeze play on Cleveland shipbuilders, the time of pre-disclosure campaign finance, the time of dirty tricks in New Hampshire snow storms and of passionate concern in the White House basement about what was in the office of Daniel Ellsberg's psychiatrist.

Contemporaneous with this exotic atmosphere was Phase II. To the extent that it was effective, it indeed limited inflation as borne by consumers. Thus its benign impact on Nixon's reelection bid. But to that same extent of effectiveness, the controls had unpleasant side effects on corporate claimants to White House access: the trimming of profit margins and the restraint of price gouging.

Those of us who toiled in the bowels of the Price Commission and the Pay Board in Phase II were often exposed to stories of how the Cost of Living Council—a creature of the White House that was supposed to oversee the other two bodies—was wont to step into IRS investigation or pre-litigation and advise the price hawks and wage wardens to slow down, step back, or even get lost from certain cases.

Big business was no exclusive beneficiary of such actions. This was also the era of hard-hat ceremonies in the Oval Office designed to advertise labor support for the Vietnam war, and on one occasion during Phase II, the International Longshoremen's Association—which was favorably disposed to the president's reelection—had an interest in a shipping rate increase in the port of Philadelphia.

It seems that an Ogden Corporation subsidiary was a shipper doing business in the port, and that its rate increase was under review by the Price Commission. If approved, the increase would trigged a substantial wage boost for the longshoremen. In the midst of this, the White House made it clear to William R. Corson, the Price Commission's director of compliance and enforcement, that the administration took a dim view of any commission action against its Philadelphia friends. Despite their own judgment that the rate increase wasn't in the public interest, commission staff members were constrained to let it be approved.

Cases like this may have been the exception, but they certainly poisoned the rule, and they did nothing for the morale of people in the controls program.

Still, the discomforts of controls felt by Nixon supporters in corporate circles were not unreal and doubtless had cumulative effect. No sooner had the reelection been consummated that November than Phase II was pronouncd dead (in December) and the funeral held (in January). Indeed, the Price Commission and Pay Board were deep-sixed for good riddance, and the Cost of Living Council was anointed as sole guardian of the program.

THE WEYERHAEUSER INVESTIGATION

Another incident, described by Peter Carpenter, former deputy executive director of the Price Commission, may help explain the sudden demise of Phase II. Apparently, George Weyerhaeuser, who had been a donator to CREEP, was dismayed with the way his lumber company—the nation's largest—was being treated by the commission. In the fall of 1972, his firm was suspected of several price violations, including sending American lumber (otherwise price-controlled) to Canada and then importing it as if it were Canadian lumber—at a higher price than the native merchandise could legally command.

The Price Commission ordered an IRS investigation and (perhaps the real sin in White House eyes) told the nation's media that the lumber industry wasn't playing straight with price controls.

So, as Carpenter has related it, Weyerhaeuser suggested to Nixon that the president ought to end official interest in lumber doings and, while he was at it, kill the Price Commission as well.

George Weyerhaeuser denies all aspects of this account. But killing the Price Commission is precisely what Mr. Nixon did, though the aftermath was called Phase III. That interlude, and its successor Phase IV, offered little more than suitable seminar material for John Dunlop, the kindly Harvard professor recruited to preside over their extended fruitlessness.

Investigating business firms for violating price regulations was, at the time, something like boys and girls playing hide and seek. When the little boy finds the little girl behind a tree, his punitive response is usually confined to kissing her, unless he just lets her go.

Well, a good businessman is not easily fooled, and any with a modest endowment of sense surely saw after the installation of Phase III that the Nixon controls no longer meant business. The policy catchword was "voluntary compliance," which was somehow supposed to rise from the breast of industry like the chorus of a great hymn.

In fact, Nixon had conceived this program, as he did so much else, in the service of his politics. When that end was met, he abandoned it to the ineffectuality that any federal program suffers when it is systematically disliked and undermined by the White House staff.

So the disaster of price and wage controls in the Nixon regime was not intrinsic to the concept of controls; it was a product in large measure of the abuse of privilege and the disuse of integrity that were all too prevalent in that administration.

To work, price and wage controls require consistently applied regulations, maintained long enough to permeate the organic routine of the economy, and enforced without favor and without exemption. The truth is, on that basis, you can't say controls didn't work. The fact is they weren't tried.●

NUCLEAR WASTES IN PERSPECTIVE—"A TALE OF TWO WASTES"

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. WYDLER. Mr. Speaker, disposal of nuclear wastes is all too often described as an unprecedented problem, in regard to both its dangers and the time over which it poses a threat. It is clear that this society has been deluding itself on this issue to the extent that the public perception of this problem is all out of proportion to the reality. Yes, nuclear wastes are dangerous, but not any more than many other substances produced in our technological society. Not the least of the other risks we face are from the wastes of another energy alternative, coal, to say nothing of risks from coal mining.

Comparing the risks from nuclear wastes with the risks from coal wastes puts the waste problem in a perspective with which we are all familiar. Dr. Bernard L. Cohen, of the University of Pittsburgh, has provided this perspective in a recent issue of Commentary. He points out that risks from nuclear wastes are less than those from coal, even in the long term, a time frame often erroneously attributed to be of concern only for nuclear wastes.

In earlier publications, Dr. Cohen has also provided other useful comparisons about the risks of nuclear wastes. He showed that, even if ingested, the U.S. annual production of 10-year old nuclear wastes are less toxic than the arsenic used each year in the United States. Much of the arsenic is spread on our food stuffs whereas nuclear wastes are carefully sequestered from people, and risks decrease rapidly with time as a result of radioactive decay.

How long nuclear wastes remain a risk is often presented in a misleading manner. This is another issue discussed by Dr. Cohen in the Commentary article. Commenting on the risk even after many thousands of years, Dr. Cohen shows the risk is then not greatly different from the risk from uranium ore which would remain in the Earth, were it not consumed in the production of nuclear energy. It seems to me setting a goal of waste isolations for a safe thousand years or so makes good sense on this basis.

Unfortunately, these perspectives are muted in the administration position in its much advertised Interagency Review Group (IRG) report on nuclear wastes. Instead, the misleading tone of this report is that risks from nuclear wastes are unprecedented.

Mr. Speaker, I believe that the risks of nuclear wastes deserve our careful assessment, but it is important to place the risks from these wastes in true perspective. What is needed is for the Congress to act responsibly both in enacting nuclear energy legislation and informing the public. I recommend the following excerpts from the article by Dr. Cohen to all my colleagues in the House:

EXCERPTS FROM ARTICLE BY DR. BERNARD L. COHEN ON "A TALE OF TWO WASTES"

It is the disposal of this "high-level waste" that has been attracting so much attention of late. How does this nuclear-waste material differ from the wastes produced from burning coal?

The most spectacular difference between the two is in the amount generated: the quantities of nuclear wastes are some five million times smaller by weight and billions of times smaller by volume. So small are the amounts involved, indeed, that the annual waste from one nuclear plant would fit under a typical dining-room table. Since, moreover, the electricity produced in creating it sells for about $200 million, we could afford to spend up to $2 million to dispose of this material without increasing the cost of electricity by as much as 1 per cent. Cost is therefore no consideration in the disposal problem.

The question of potential danger is more complicated. Both coal and nuclear wastes are toxic—although in terms of overall numbers coal wastes are potentially much more dangerous. Thus, if all the sulfur compounds released by one power plant were inhaled, 300 million people a day could die from them. This is 500 times more than the lethal potential of the nuclear wastes. Such an index of measurement, however, is obviously unrealistic, for it does not take into account the ways in which toxic material can be absorbed by human beings.

One complication is the issue of durability. The dangerous chemicals produced in coal burning generally last for only a few days, whereas nuclear wastes lose their toxicity very much more slowly. (Throughout this discussion, estimates include all the effects added up over time.) Yet the burning of coal may also produce harmful long-range effects. The climatic changes due to carbon dioxide, for example, may last for thousands or even millions of years, and there is evidence that sulfur compounds which eventually settle to the ground are recycled into the air by bacteria metabolism to redo their damage many times over. In addition, small amounts of arsenic, silenium, cadmium, mercury, and so forth are released in coal burning and their toxicity lasts forever.

Another point: when considering the very long-term effects of nuclear waste, it is important to consider the fact that in using nuclear power we are burning up uranium, and uranium is responsible for a significant amount of natural radiation to which mankind has always been exposed. In burning up this uranium, we are saving future lives; it turns out that after 100,000 years or so, the danger averted by doing so exceeds that of the waste. People living then will experience *less* net radiation exposure as a result of our using nuclear power today.

But perhaps the most meaningful comparison between coal-burning and nuclear wastes is in terms of the technology presently available for disposal in each case. For nuclear waste this involves converting the substance produced into rocklike form and burying it deep underground. Here again there need be no fear of large-scale contamination, for the ground is already full of radioactivity from uranium, thorium, potassium, and other naturally radioactive elements, and any radioactivity that might be added in this way would not appreciably increase the total. The danger is that the buried waste might come into contact with ground water, dissolve, and eventually be absorbed into food or water supplies. Such processes, however, take a rather long time physically—typically tens of thousands of years; during the few hundred years when the waste is still highly toxic,* the protection afforded is excellent. With regard to long-term effects, consider the rate at which rock is eroded: in average rock at the depth of waste burial, less than one atom in two trillion escapes and gets into human food or drink each year Thus, one year's buried waste from a single nuclear power plant might eventually cause an average of .001 fatalities.

For coal-burning plants, the best available or near-future technology might be capable of removing 90 per cent of the sulfur emissions, which would then reduce the effects to 2.5 fatalities per year. At this level, nitrogen oxides and smoke would make similar contributions, and, of course, the cancer-causing chemicals would still be unhampered. Altogether, then, it would probably be unrealistic to hope to get the fatality rate below five per year, 5,000 times higher than for the nuclear case.

In summary, nuclear wastes are far less dangerous than coal-burning wastes on every count. They are far less hazardous to dispose of, whether one thinks in terms of traditionally simple and cheap disposal methods or the more sophisticated methods made possible by present and near-future technology.

We suffer 100,000 fatalities each year in the United States from accidents of various sorts, plus ten million disabling injuries, but there has never been a fatality or disabling injury due to nuclear wastes, and there very probably never will be. Yet we are told from all sides that what we should worry about are the dangers of nuclear waste. In the process, we are being deprived of a cheap and abundant source of energy at a time when our nation sorely needs it, and when the consequences of such deprivation may well prove tragic.●

INCLUSION OF SAILORS SNUG HARBOR IN GATEWAY NATIONAL RECREATIONAL AREA

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. MURPHY of New York. Mr. Speaker, today I am introducing legislation to authorize the inclusion of Sailors Snug Harbor on Staten Island, N.Y., into Gateway National Recreation Area which is located in New York and New Jersey.

As one of the authors of legislation creating Gateway, I can assure you that the addition of Sailors Snug Harbor to this area is fully consistent with the goals of the original act signed October 27, 1972. This legislation stated that this traditional "gateway" to America, the Port of New York, was being set aside to "preserve and protect for the use and enjoyment of present and future generations an area possessing outstanding natural and recreational features." Snug Harbor is one of the most outstanding resources in all of New York City and is certainly deserving of this association.

Sailors Snug Harbor was established in the early 19th century by Richard Robert Randall, a sea captain and son of a privateer, who bequeathed the 80-acre site to a trust for the express purpose of caring for retired merchant seamen. For more than a century the facility fulfilled its purpose, closing its doors to its charges only under the pressure of diminished financial resources. The complex, which consists of 27 buildings, was purchased by the city of New York for use as a community educational and cultural center. It has functioned in this capacity since 1976.

Snug Harbor is located in one of the most beautiful settings in all of New York City, if not New York State. Its lush grounds and buildings designed in the Greek revival style prevalent during the early 19th century, sit overlooking the Kill Van Kull River and New York Harbor. For over 100 years the residents and visitors to the facility have been witnesses to the daily parade of activity in this busy port. The thousands that have been attracted to the harbor over the years have come not only to participate in the many educational and cultural activities hosted by the facility, but simply to enjoy the pastoral serenity of the grounds.

The inclusion of Snug Harbor in gateway will accomplish several purposes. It will bestow upon the harbor the national renown it deserves and the prestige of being a part of the National Park System. This national prominence will allow all Americans a greater opportunity to become familiar with the maritime heritage of this country which is brought to life by even a short visit to the harbor. In addition, the association with the National Park Service will give Snug Harbor access to an uninterrupted source of financial resources. As we are all too aware, the city of New York has been trying to cope with severe fiscal problems for the past several years. The city's primary responsibility has been to direct all available funds to the continuation of vital services. As a result of this necessary policy, little financial assistance has been forthcoming for Snug Harbor's needs. New York State has recognized the historical and recreational value of the harbor and recently granted close to $5 million for renovation and restoration of the buildings within the complex. However, a steady source of funding for the mundane, operational costs of the harbor has not appeared. The National Park Service can easily meet this requirement and in return will become a partner in one of the most fascinating and beautiful historical sites this country has to offer.

I urge my colleagues to support this proposal, and I also urge you to visit Sailors Snug Harbor when you have occasion to visit New York City. Your time and effort will be well rewarded by the pleasure of your stay.●

NATIONAL COMMISSION ON LITERACY

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. MILLER of California. Mr. Speaker, I am introducing today legislation to establish a National Commission on Literacy. Illiteracy is a serious national problem. Allowing it to persist, and by most accounts it is increasing, is tantamount to writing off an entire segment of our citizenry who could and who should be enabled to become productive and contributing adults.

To this day, the Bureau of the Census calculates the literacy rate as the percentage of the population 14 years and older who have completed 5 years or more of schooling. Given this standard, literacy in the United States has steadily increased. But as of 1970, UNESCO estimated that 2 million adults in this country still cannot read or write. Recent studies paint a more realistic, if more alarming portrait of adult illiteracy: A Harris poll revealed that 21 million adults cannot read well enough to properly complete applications for such things as drivers' licenses, jobs, or loans. In 1975, the U.S. Office of Education-sponsored adult performance level study reported that 20 percent of the adult population was functionally illiterate—that is, unable to read a want ad, address an envelope, or calculate the change due on a purchase of a specific amount. Another 34 percent of the adult population, about 39 million adults, were found to be barely functional in these basic skills.

During the same year, the National Assessment of Educational Progress was tracking the academic achievement of students in our elementary and secondary schools. Thirteen percent of all 17-year-olds were functionally illiterate. Among black 17-year-olds, 42 percent were not competent to perform specified basic skills; among Hispanic 17-year-olds, 56 percent fell in this category. Regional variations were equally dramatic. Numerous other studies have brought to public light declining achievement levels among elementary and secondary students, high rates of students leaving school before completing the traditional 12 years of education, and disturbingly large percentages of military enlistees who cannot read training manuals geared to a seventh-grade reading level.

Just 2 months ago, another educator made a frightening prediction before a congressional committee: This June, between 10 and 20 percent of the students who graduate from high school will not be able to function at grade levels adequate to hold jobs as a cook, mechanic, or supply clerk. He also anticipated that another 30 to 40 percent of the graduating class will function so marginally that their occupational success will not be assured.

Last week's foresight hearings before the Subcommittee on Elementary, Secondary, and Vocational Education dramatized the current illiteracy problem by setting it in the context of our future educational needs. We listed to noted educational futurists predict that computer literacy will become a new basic in education.

A. J. Lewis noted that—

> Today, a person who cannot read is denied access to vast storehouses of information. In the future, a person who cannot interact with a computer will be denied access to information. Computer literacy will be the next crisis in education.

Without closing the literacy gap for the current generation, how will it be possible for society to adequately prepare for the literacy needs of the future?

State legislatures and State boards of education, during the last 5 years, have responded with uncommon rapidity to the heightened public perception that unacceptably large numbers of high school students—with or without a diploma—are functionally illiterate. In nearly two-thirds of the States, minimum competency testing programs requiring students to perform specific skills before promotion or graduation have been superimposed on the regular education program with little prior assessment of the adequacy of the fundamental instructional program to teach the required skills. And few of these new State programs include an essential remediation component which could guarantee that students failing the tests would be provided more intensive programing geared specifically to meeting literacy needs.

Over the past 15 years, Congress has enacted legislative programs to meet the extraordinary educational needs of both young people and adults. Some critics of these compensatory education programs decry their failure and call for radically altering the programs. Others attribute the erratic success of such programs as title I of the Elementary and Secondary Education Act of 1965 to a failure of implementation at the State and local levels. Neither the adult education program established as early as 1966 nor the right-to-read program of 1972 has ever been given the leadership and support necessary to address literacy in a serious and focused way. Other Federal efforts to combat illiteracy, such as programs administered by the Community Services Administration and the Action Agency, also have suffered from meager resources and limited guidance.

Given the widespread and increasingly serious illiteracy problem in this country, and the history of weak Federal initiatives, the Federal Government must take a leadership role in eradicating functional illiteracy and enhancing the basic educational capacity of children and adults to function productively in the next decades and in the next century. Its role must be a positive and facilitating one, not a shallow programmatic response to allay public concern.

Mr. Speaker, I am proposing an independent national commission to address problems of illiteracy, because the potential gain in human productivity and rewarding life is too great to be lost amidst vested interests and bureaucratic protectorates. We need to bring together the most thoughtful and experienced people from the private sector with representatives of local, State and Federal Government. We must search out successful public and private initiatives at the State and local level to determine where they are located, and how and why they work. Other nations which have successfully waged campaigns to eradicate functional illiteracy also provide indispensable sources of information and expertise for our careful examination. Once identified, the commission will recommend how the Federal Government can facilitate similarly successful initiatives in a way that brings more human resources to bear on the problems of functional illiteracy among young people and adults. The time is long overdue for us to recognize and act wisely to correct the educational neglect of millions of our citizens.●

DAVID OWEN DISCUSSES SOUTHERN AFRICA

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. SOLARZ. Mr. Speaker, I would like to share with my colleagues the following interview with Mr. David Owen, Foreign Minister of Great Britain. The interview was conducted by the Rand Daily Mail of South Africa. I am particularly impressed by Dr. Owen's conviction that the West must persevere in an attempt to achieve a negotiated peace in Rhodesia and that the recent election has not resolved the issues behind this terrible war. Dr. Owens points out that any attempt by South Africa to back its favorite sons in Rhodesia and Namibia will eventually fail. He believes that the future of Western policy depends on continued cooperation with the frontline states in order to insert the U.N. into any arrangements for a transition to independence in Rhodesia and Namibia:

> STANLEY UYS: Do you think the Rhodesian elections this week mean the Anglo-American plan has come to the end of the road, and there is no way now in which it can be revived?
>
> DR. OWEN: No, I don't think so. The Anglo-American plan is based on a few fundamental principles: that to have free and fair elections you must have a ceasefire, that to have a ceasefire you must have a negotiated settlement, and that to have a negotiated settlement, the outcome must reflect the views of all the parties.
>
> That means compromise. No single party will get exactly what it wants, or will acquire dominance over another. The essence of the Anglo-American proposals is that the only way to achieve this, given all the strongly-held views, is to have a neutral administration during the period of the actual election.
>
> That is why the UN was involved, as an authority capable of supervising the elections, which would then automatically receive international recognition, and as a body capable of being interposed between the two forces fighting each other.
>
> We are open-minded. If the parties can agree to a different solution, nobody would be happier than we. What we are committed to is the process of negotiation. The alternative is simple: the two sides fight it out until one wins. That all along has been the choice.
>
> Looking back on the Rhodesian negotiations, do you think there was any alternative to the Anglo-American proposals?
>
> Once Geneva failed, I doubt it. I've always felt Geneva was an opportunity lost. The whole history of Rhodesia is of opportunities lost—at the talks in the railway carriage at Victoria Falls, and on Tiger and Fearless.
>
> The trouble always has been that Mr. Smith has shown himself unwilling at any one time to face the realities of that time. He has always held out for his own white constituents for more than was realistic.
>
> He has never made any secret of his role, which is to represent his white constituents. I have no argument with that. But the wise man will represent the wider interests of his constituents, and what has happened is that he has led them over 14 years downhill all the way, into the most appalling loss of life and guerrilla fighting, all of which was absolutely predictable.
>
> At any stage, on this downhill slope, violence could have been averted, and even now a final fight to the finish can be averted.
>
> Perhaps the last and most crucial opportunity will arise after the internal elections when another attempt will have to be made to get negotiations going again, involving both the internal and external leaders.
>
> So you haven't given up hope yet?
>
> No, I've not given up hope. I think the basic principle of negotiating is the only way forward. The external forces there are now so strong it is not in the interests of the whites, even from a narrow view, to hold out right to the end.
>
> The internal elections will at least give some indication of the relative strength of the internal nationalist leaders.
>
> I see that Bishop Muzorewa is expected to win and that a reasonably high turnout is also expected, though I doubt that the turnout will be as high as the 81 percent poll claimed in the internal elections in Namibia which has not been recognized by the international community.
>
> The real test in Rhodesia will come after the elections: this test will be how soon we can get the internal and external nationalists around the negotiating table.

Do you think Pretoria's open assistance to the Rhodesians in their elections now could lead to South Africa being drawn militarily into Rhodesia?

I think South Africa has decided already to become more involved. I detect a change of attitude.

How far do you think South Africa would go?

Over the past two years of negotiations, a narrow majority in the South African Cabinet seems to have believed that South Africa's best interests would be best served by having an internationally acceptable solution in Rhodesia and Namibia.

I think that now, although possibly they are not irreversibly committed, they are very close to reverting to their previous stance of backing internal settlements in Namibia and Rhodesia, flouting international opinion, and effectively taking the world on, on the borders of Rhodesia and Namibia.

That's a decision they're entitled to take, but I think history will show it is a tragic misreading of the best interests of the South African people, even of the best interests of the minority white population. But no-one can tell for certain.

I've never been one of the totally pessimistic school on the longterm future of South Africa. I've always believed there was a way by which slowly—too slowly for the rest of the world—and gradually South Africa would adjust to world attitudes to apartheid, and it would be possible to secure a negotiated settlement of all the Southern African problems.

There would be different solutions in Rhodesia and Namibia, and a very different solution, no doubt, in South Africa, but nevertheless negotiated. In the case of South Africa, the solution would have to reflect the very much stronger position of the white South Africans.

I have always hoped that the white South African people will see the sense of going that route. It isn't excluded that they will do that, but they may have to learn through taking a wrong turning now over Rhodesia and Namibia.

If they take the right turning and work with the international community over Rhodesia and Namibia—and there is still a chance they might although it's very hard to be optimistic over Namibia now—if they do this, then I believe they will serve their own interests best. Notice that I keep referring to the interests of South Africa. I've always believed in the reality of politics, and the reality of politics is that people and governments don't act against their own assessment of their best interests.

It's no use me debating what I might like the South African Government to do. The crucial task is to devise a policy which makes it possible for South Africans to choose what they consider to be in their interests.

Has it been easier or more difficult to negotiate with South Africa since Mr. P. W. Botha took over from Mr. Vorster as Prime Minister?

It's a little early to tell. If Namibia busts up, then I think we would have the answer to your question. But when I met Mr. Botha, I thought there was a chance he would genuinely work for an internationally acceptable solution in Namibia.

I don't think you can prejudge this question until you see the shape of the decision that comes out of the South African Cabinet on Namibia. Certainly, over the last few months, some of the optimism one had has been dampened.

Everything is soluble, however, given the will. Of course, the problems are difficult—nobody has any illusions about this. The Western Five had to try and reconcile almost the irreconcilable.

But there was always a very narrow path that could be trod that would reconcile the interests of all the people of Namibia—the parties inside and outside, the interests of Swapo outside the country and of South Africa itself. But it requires give-and-take, a measure of compromise, and a certain vision, and over the last few months we have wondered whether that readiness to compromise exists.

Anyone can find difficulties, exaggerate problems, but if you want a settlement people must commit themselves to overcoming these problems, to reducing—not exaggerating—fears, to acting as a negotiating partner, not as a party that stands its distance, blows up every minor issue into a major issue, and feeds suspicion and fear.

The art of statesmanship is to resolve differences. That role is still open to South Africa, but increasingly one wonders whether they are prepared to play that role. The next few weeks may give us the answer.

If the Rhodesia problem is not resolved, and there is a military escalation, will this create genuine dangers of foreign intervention?

Yes, on both sides. If South Africa becomes more deeply involved on the ground in Rhodesia, that would be a serious development.

If Cuban troops were to venture into Rhodesia—they say they won't—or if the frontline states feel forced to turn exclusively to the Soviet Union, then there will be a grave danger that the very issue we have tried to avoid will arise, namely, of making this an east-west polarised issue in Southern Africa.

What the South Africans must recognise is that the West will not line up on their side, and that's a reality the Tory Opposition in Britain will have to face, too, just as much as the rightwing has to face it in other Western countries.

It's inconceivable that the Tories would be able, for any sustained period, to convince the British people they should line up with the policies of apartheid and white supremacy in Southern Africa.

If this is what the Tories intend to do, they will be making as big a foreign policy mistake as they made over Suez, except this time the French will not be there to support them.

Our trade competitors in Western Europe are only too eager to move into Africa to occupy any vacuum that might be created by Britain suffering a setback in Africa following on the adoption of such a policy by the Tories.

You have warned that if the Conservative Party follows the policy outlined by its foreign affairs spokesman, Mr. Francis Pym, on Southern Africa, it will find itself isolated from Western opinion. But in view of the special role Britain has played in the Southern African negotiations, wouldn't a Conservative government's defection from the present line-up seriously undermine the cohesiveness of the West over South Africa, and encourage the white regimes of Southern Africa to go it alone?

History shows that what the Conservatives say in opposition over Rhodesia has been very different from what they do in government. The South Africans, I think, take a realistic view of that.

But just say the Conservatives win the election and take the decisions they have threatened to take—they would have to do this against very strong opposition from the rest of the world—they would not be supported by their eight partners in the European Community, or by the United States.

Even if there was a certain aquiescence—others standing back and letting Britain take the criticism from Africa and the rest of the world—I don't think it would make much difference.

It might lead to a temporary boost of morale in Salisbury, but I don't think it would change the face of the war significantly.

In the Namibian negotiations, the frontline states have put pressure on Swapo and the Western powers have put pressure on South Africa. If a Conservative government lifts British pressure on South Africa will this not be a green light to South Africa to go ahead unilaterally?

It might encourage the South Africans to turn their backs on an internationally supervised solution, but I don't believe it will change the situation. The fighting will go on, Swapo will continue to fight for its views. We have secured Swapo's acceptance that they will put their future to the people of Namibia through the ballot box.

It is a major achievement to get a liberation movement to give up fighting and to trust the ballot box—and to do it in a situation in which the UN would be there, on the ground, not just for the period up to the elections, but also after the elections.

In my view, there is an absolute guarantee that after free and fair elections, none of the frontline states could or would support Swapo bases in their countries, allowing them to resist by arms the results of those elections. It would be absolutely incompatible with their membership of the UN which they prize highly. Here I am thinking particularly of Angola, Botswana and Zambia.

South Africa has never been prepared to recognize what a major achievement this has been—for the frontline states to commit themselves to respecting the results of free and fair elections in Namibia, and to do so within a framework of the UN. This makes it inconceivable they would then flout the results of UN supervised elections.

The magnitude of what has been achieved in Namibia has been underplayed deliberately in South Africa. Instead, we hear all the time about Swapo incidents.

The fact is that, in spite of South Africa deploying vast numbers of troops in Namibia, it is still unable to stop Swapo guerrillas penetrating into Namibia.

This is not going to change if they were to opt for an internal solution. They will still face this problem of endemic guerrilla warfare.

The Democratic Turnhalle Alliance (DTA) showed in the recent internal elections that it was able to command considerable electoral support, and it has every reason to expect it will stand a good chance in UN supervised elections.

Nobody, of course, could predict the outcome of UN supervised elections, and that is how it should be, but it would be a democratic election, which either Swapo or the DTA could win, or the minor parties could hold the balance.

Has any side in the Namibian negotiations been particularly uncooperative?

There is no point in apportioning blame, but the Western Five had the problem of criticisms being leaked to newspapers. We've been criticised by South Africa and Swapo on one hand and by the internal politicians in Namibia on the other, and of course through the South African Press.

There have been limits to how much of this we could reply to. We have had to deal with leakage of a lot of documents. This has tended to confuse the issues.

But I believe when the record of the negotiations is written, it will be seen clearly that the Western Five were acting as honest brokers between what many people thought were irreconcilable forces, but which I firmly believe to be still reconcilable.

I believe these differences in fact are reconciled by the UN proposals and the clarifications by the Secretary-General.

Has the role of the frontline presidents in the Southern African negotiations been a helpful one?

The Western Five have worked with the frontline presidents over Namibia, and this has been the crucial influence on Swapo, while South Africa, as the de facto power, has exercised considerable influence over the parties in Namibia itself.

The crucial frontline states have been the three which actually have Swapo bases on their soil—Angola, Zambia and Botswana—although President Nyerere, as leader of the frontline presidents, has played a key role

The five frontline presidents have been remarkably consistent. Here are three Commonwealth countries and two governments with Marxist backgrounds, yet all are committed to solving the problems of Rhodesia and Namibia through free and fair elections under UN supervision.

This is a remarkable achievement. They have all accepted that, if an election is held, none of the interested parties should control the forces of law and order. This is why they have supported a UN transitional administration group for Namibia and a UN Zimbabwe force for Rhodesia.

If the army and the forces of law and order are not neutral, you allow an election to be manipulated. The frontline presidents accept that, and they want to be sure no single party is dominant in this field.

The Western Five have always insisted on this. Sometimes we have had to stand up to very strong pressure from the Patriotic Front, demanding dominance, and from Swapo, demanding an unfair advantage in the electoral process.

It's not sufficiently understood by whites in South Africa and Rhodesia that the essential safeguard they achieve through internationally supervised solutions and UN involvement is that it is inconceivable there could be any support by any of the frontline states for any liberation movements which wish to continue the fight merely because they have lost an election.

When the going has been rough have you ever felt tempted to chuck it all in?

At times, I must say, it has been tempting for the Western Five just to give up and say, well, there it is—fight it out.

We have not done so because we believe if we can secure negotiated settlements in Rhodesia and Namibia, this will have tremendous influence not just in Southern Africa, but in the whole world.

One school of thought believes South Africa should fix its military borders on the Zambezi River (Rhodesian/Angolan bor- and the Kunene River (SWA/Angolan border). What is your answer?

Take it step by step, looking through white South African eyes. Take a hard-headed, real-politik view of it.

Fifteen, 20 years ago, a small minority of people predicted the collapse of the Portuguese regime in Mozambique and Angola. Ten years ago, a large number of African specialists were making the same prediction.

Then it happened. It was utterly predictable. South Africa decided it would not get involved on the ground in Mozambique, but it did so in Angola, and with extremely adverse consequences. It was forced to pull its troops out of Angola. Then South Africa decided to fight on the Angolan border.

Now again the experts are warning—yes, maybe, you will establish an internal settlement to Namibia, but it will not be accepted by the world community, so the fighting will continue in Namibia. Ultimately, the liberation movements will triumph because without UN elections they will be at the very least supported by the non-aligned countries and by the Soviet Union and its allies. You will be driven out of Namibia. Then you will face a hostile regime right down the South African/Namibian border.

The temporary respite you will gain by maintaining a buffer state in Namibia will be more than outweighed by creating a fierce enemy. Time is gained on one hand, but any chance of peaceful cooperation is lost on the other.

You mentioned that you feared South Africa might decide now to take on all-comers on the Rhodesian and Namibian borders?

South Africa was involved on the ground in Rhodesia but it withdrew from the fighting, presumably because it was afraid of being sucked in.

Now South Africa is being tempted to go back into Rhodesia. All things start in a small way, as the Americans discovered in Vietnam. You can get sucked in very quickly.

Maybe South Africa could sustain the internal regime in Rhodesia for a few years, but it would be in a much better position if it committed itself to serious negotiations. Then at least it would have a chance to sustain a government that had the support of at least the majority of international opinion.

If South Africa commits itself on the ground in Rhodesia—and it has already announced publicly that it will give transport and other assistance in this week's elections—it will be sucked in.

All the African specialists, who were right over Mozambique and Angola, are saying the same thing now: ultimately, the South Africans will have to withdraw, just as the Americans withdrew from Vietnam, just as you withdrew in Angola.

You may buy a little time, but the legacy by then is a government bitterly opposed to South Africa. A liberation movement which has not been involved in armed conflict with South Africa might still oppose Pretoria, but if it has come to power by armed conflict with South Africa, this will determine the extent of its hostility to Pretoria.

The Patriotic Front leaders know South Africa has supported Smith and broken sanctions, but their forces have not been engaged in direct war with South African troops. They may be very suspicious of what South Africa has been doing in the way of aircraft, but as yet they have not encountered South African troops in Rhodesia in a major way, except for a short period.

If this is to happen now, if there is to be direct engagement, then the long-term future for Southern Africa is bleak indeed.

It is only natural for the South African Government to support a regime which it believes will be friendly towards it.

I am not saying South Africa does not have the right to support any government it likes, but a prudent man chooses to support a government with the broadest base possible.

The South African Government until recently seemed to want a negotiated settlement. One fears now it is turning its back on that.

History shows that if you run against this tide of genuine nationalist feeling in Africa, and are seen to be propping up, unfairly and unjustly, the rights of whites, then you will encounter trouble.

White minorities can ask for reasonable safeguards, but they cannot expect to manipulate the structure of power so that they are seen to be cheating the genuineness of the transfer of power to the majority.

You think the Rhodesians are cheating?

Look at the constitution which has been produced in Rhodesia: who controls the military, the civil service, the judiciary? I see a carefully constructed preservation of the status quo, wherever it is possible to preserve it.

There is a widespread feeling in South Africa that because economic sanctions would affect Western economies and black states, they can be disregarded as a factor. Is it as simple as that?

No. Just as it was totally predictable that violence would come to Southern Africa, unless policy adjustments were made, so it is perfectly predictable that sanctions will come to Southern Africa.

The rate at which they come, the way in which they come—nobody can totally predict. Western countries will always try to protect their economies and the jobs of their people. That is understandable, and it may influence the pace, and the manner in which they respond to overwhelming international pressure. But that they will respond—of this there is no doubt.

That is what happened over the arms embargo, which began as a voluntary sanction and was then adopted by more countries, until finally it became mandatory.

Economic and other sanctions will be applied similarly. It will be a slow process, and there will be cheating, and countries will find ways round sanctions. Also the exact time scale will be hard to predict. But sanctions will come, unless there are changes in Southern Africa.

A change of attitude has taken place in the United States. There has been a permanent change of attitude there. It will not matter now whether a Democrat or a Republican becomes president—the pressures on any American president will make it impossible for him to ignore apartheid as it exists in South Africa.

Are the Americans taking a particularly tough line over Southern Africa?

Because of their own problems in the south, the Americans probably are more understanding of the situation of the whites in Southern Africa than anybody else. They understand the time scale, the need for evolutionary change.

Britain, too, will be very understanding. The world, in fact, is more understanding than most white South Africans realize concerning the pace of change, and will not accept is that there should be no change, that South Africa should stand out totally against the world, with its structure of institutionalised racialism inviolate. That is unacceptable.

The world will triumph on this issue, just as it triumphed over the persecution of the Jews. The record hasn't been perfect. The advance has been hesitant at times. But, ultimately, the persecution of anybody on the basis of race has become unacceptable to the world.

The world cannot allow racialism to continue. If it does, racialism will breed explosive tensions, bitterness and violence. Some people say this is ethics. But it has a lot to do with real-politik.

The change may not come for five, 10, even maybe 15 or 20 years, but it will come. A new generation of politicians is coming up who are not prepared to go on with the old compromises of the past. South African leaders may have realised this already in their dealings with some of the younger political leaders in my country and in the United States.

Times are changing. We are not going to put up with the old practices any longer and will be prepared to pay some economic price for our views. We are not just totally out to be bought.

I believe, too, there is a new generation of young white South Africans who are coming increasingly to grips with reality. I believe their voice is starting to be heard in South Africa.●

GEORGE BECKAM LEAVES ALAMEDA CITY COUNCIL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. STARK. Mr. Speaker, George Beckam has served the city of Alameda as an elected official deeply committed to his vision of what Alameda ought to be. He is one of the thousands of local officials who give their time and talent to the task of making their local governments work.

George Beckam has now left office. A two-term limit prevented him from returning to his post as councilman. But he has left behind a legacy of planning and a public career worth emulating. I know that whatever good happens to the city of Alameda, George will deserve some of the credit.

George is a friend. I admire him and the contribution he made to the city of Alameda. We need more George Beckams in public office if local government is to measure up to the problems and opportunities it faces.

The following newspaper article gives a little more background on George Beckam's public career:

[From the Alameda (Calif.) Times-Star]

GEORGE BECKAM BIDS CITY COUNCIL A FOND ADIEU

(By Anita Weier)

"I was worried about what would happen to the little city I'd learned to love. I was not sure that more was better. It didn't seem that 'The City' was responding to what the majority of the people wanted. Probably the only way to control potential overgrowth was to try for a seat on the city council."

George W. Beckam Jr., who will leave the Alameda City Council tonight after 6 years of service to the city, was responding to a question about how he became involved in local politics.

The Beckam family moved here in 1952 and he soon became aware of "large developments and apartment houses . . . which would severely impact the city." So Beckam helped start Alameda Today and Tomorrow, an organization which staged a presentation in the Alameda High auditorium to discuss the issues.

"I'd never seen that large an attendance at a city meeting" he recalled. Beckam, a traffic engineer by calling gave some remarks, and "the applause and cheering shocked me. It did show there were a number of people of similar mind."

He ran for the council on what became known as "The Slate," with Lloyd Hurwitz and current Mayor Chuck Corica. Though there were and are differences of opinion among the three, all ran for office on a platform of limited growth.

Beckam was elected, as well as the other two, and he was re-elected to a two-year term in 1977. He served as vice mayor from 1975 to 1977.

Looking back over his years in office, the council member views with special pride the establishment of a north side park (Buena Vista Park), and the City Goals Study, which he engineered and believes was vital to proper planning and increased citizen participation.

He said he was sorry the Combined Land Use Plan was not completed during his term in office and he regrets that a senior center has not yet been constructed.

As for the most serious problems facing the city in the future, Beckam believes them to be "planning and money."

The immediate money problem is due to Proposition 13, which he thinks pointed out a drastic need for legislative restructuring of the entire funding system of the state. "Bailouts are not the answer," he said. "The State should not overcollect and give it back. I also object to federal bailouts such as Revenue Sharing and Housing and Community Development Act funds, since the money goes to Washington and then comes back in a 70-cent dollar."

However, he stated emphatically that until the system is changed, "Alameda should get every nickel of state and federal money it can."

As for the planning process, Beckam thinks it could be considerably more rapid and consolidated. "I object to seven layers of government saying you have to paint your house purple." As a serious example, he mentioned the fact that he had to get permits from four agencies to replace two worn piles in a dock in back of his Fernside Boulevard home. "John Smith, homebuyer and homeowner, pays a good percentage for paperwork," Beckam said.

He also believes that in general, the answer to most of the city's problems is planning solutions before problems reach the critical level.

However, he thinks it is time for someone else to tackle the "frustrations" of government. Even if a two-term limit did not prevent him from running for office again, he believes he has served "long enough" and that frequent rotation of councilmembers is best.

In addition to retiring from the City Council tonight, in late March he left a post as traffic engineer for Alameda County after 20 years of county employment. So at the age of 57, Beckam is starting a new life in many ways.

However, he will continue to serve as a state examiner for the board of registration for civil and traffic engineers, a service for which he has received a resolution of commendation from the State Legislature.

He also plans to work as a consultant for private companies and public entities in the field of civil and traffic engineering. "I saw one of my clients this morning and as of today I have another client," Beckam reported during his first week of retirement, which he said had been one of the busiest of his life.

Beckam and his wife Virginia plan to continue to live in Alameda, where two of their four offspring also reside.●

PRESERVING THE ALASKAN LANDS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. ALEXANDER. Mr. Speaker, later this week the House will take up legislation to protect the treasures of the public lands of Alaska. I thought I would share with my colleagues a recent editorial from the Arkansas Gazette, our State's largest newspaper, on this subject. I commend it to my colleagues as they assess the impacts of the various versions of the bill that will be presented for consideration.

The editorial follows:

PRESERVING THE ALASKAN LANDS

At the time of statehood in 1959, nearly all of Alaska's lands—about 375 million acres—were federally owned. Subsequently, the state has been given title to 104 million acres and Alaska's native peoples were granted 44 million acres in 1971.

The same bill establishing the Alaska native lands provided for Congress to designate conservation areas in the remaining federal lands and set the deadline for decision on December 18, 1978. When Congress failed to agree on an acceptable bill, however, President Carter exercised his authority under the Antiquities Act of 1906 and designated 17 national monuments covering 53 million acres. He also directed the Secretary of the Interior to provide protection for 39 million more acres in national wildlife refuges.

The idea behind Mr. Carter's sweeping action—reminiscent of President Theodore Roosevelt's grand conservation decisions—was to protect some of the nation's most precious land heritage from the oil, gas and other developmental interests. Some of President Carter's actions, not surprisingly, have been challenged by Alaska interests and a large legal battle looms ahead in the federal courts.

Mr. Carter, however, had hoped by his actions simply to afford the needed protection for these millions of acres of natural wonders until Congress could enact a suitable bill achieving many of the same ends. Where the 95th Congress failed, the hope is that the 96th Congress will respond in an enlightened and progressive way.

Well, if the action of the House Interior Committee the other day is any gauge of what the Congress will do this time around, the matter of Alaska lands protection may have to be left in the President's hands a little longer. The committee has rejected a measure supported by a broad range of conservation organizations and by its chairman, Morris K. Udall of Arizona, and, instead, has sent to the floor by a one-vote margin a bill that would open to oil drilling, mining and timber harvesting millions of acres covered by Mr. Carter's earlier action. The Alaska Coalition, a group seeking to preserve some of the world's most magnificent scenery and valuable wildlife, calls it "one of the worst bills in the history of public land law."

We find it hard to disagree with that assessment. The bill reported out is almost directly contrary to the Alaska lands bills that cleared the House 277 to 31 last year before bogging down just short of compromise with the Senate at session's end. House sentiment then, and we would hope now, is for protecting this precious last frontier from the despoilers instead of accommodating them, as the bill clearing the Interior Committee would do. Congress will never again have the opportunity to save from destruction this expanse of unspoiled wilderness of the kind that once spanned the entire North American continent.

Perhaps Congressman Udall, as committee chairman, holds the key to the Alaska lands issue, at least for this year. He may be able to modify the bill on the floor so that it offers adequate protection but if the prospects are poor, then he should simply see that it doesn't reach the floor. The administration's steps likely will withstand legal attack by those who seek private gain by development of these precious lands. This is especially true of the national monuments created by Mr. Carter under the Antiquities Act. It was similar authority that Teddy Roosevelt used to designate the Grand Canyon as a national monument in 1908.

It remained protected in this manner until Congress, 11 years later, acted on its own to include this spectacular natural feature in the system of national parks.●

QUALITY OF SURGICAL CARE ACT OF 1979

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. MAGUIRE. Mr. Speaker, I am pleased to introduce today the Quality of Surgical Care Act of 1979. This legislation, if enacted, would require medicare and medicaid beneficiaries to obtain a second opinion prior to undergoing elective surgery at no additional cost to the beneficiary. An individual recommended for elective surgery would be provided with the names of physicians who have agreed to render second opinions. If an individual failed to obtain a second opinion and elected to undergo surgery, there would be no Federal reimbursement for the medical procedures associated with the surgery. I believe that such a program is essential to improve the quality of surgical care available to medicare and medicaid beneficiaries and to assist in controlling escalating health care expenditures which now consume 12 percent of every tax dollar.

The problem of unnecessary or excess surgery was the subject of an extensive investigation conducted by the Subcommittee on Oversight and Investigation during the 94th and 95th Congresses. In its report entitled "Surgical Performance: Necessity and Quality," issued in December 1978, the subcommittee found that "unnecessary surgery remains a major national problem which requires urgent and accelerated attention." The subcommittee estimated that there were approximately 2 million unnecessary surgeries performed in 1977 at a cost to the American public of almost $4 billion and approximately 10,000 deaths. I find the standard defense against the claim of unnecessary surgery that uncertainty is inherent in the medical profession not terribly convincing in light of the disease and death associated with these procedures—not to mention the dollar costs.

There are also several indicators which clearly support the concern expressed by the subcommittee over unnecessary surgery and lead me to conclude that surgical practices in this country—and particularly those paid for by the Government—deserve close scrutiny.

The overall rate of surgery in the United States increased 23 percent between 1970 and 1975—a rate which is growing four times faster than our Nation's population.

According to a study of the Federal Employees Health Benefit Plan, twice as many operations are performed on fee-for-service patients as those enrolled in prepaid group practices.

There are tremendous variations in the rates of surgery performed in different geographic locations, and there is no logical explanation for these variations. The overall rate of surgery is 31 percent higher in the Midwest than in the South. In Vermont, for example, the difference between similar communities in the rates of tonsillectomies performed is tenfold. Nationwide there has been decline of 50 percent in the incidence of tonsillectomies performed because the procedure now has questionable therapeutic value. What is the appropriate level of care?

These statistics lead me to conclude that there is a lack of consensus on the value of certain surgical procedures as a means of treating illnesses. On sheer economic grounds, these statistics indicate that there is a need for greater certainty about the appropriateness of surgical procedures paid for by the Government. In testimony before the House Subcommittee on Health and the Environment last April, Dr. Jack Wennberg pointed out that if the higher rates for nine common surgical procedures performed in Maine were the level of care provided nationally, it would cost $6.3 billion to provide these services. In contrast, if the lower rates for these same nine surgical procedures were adopted nationwide, only $2.5 billion would need to be expended.

Existing second opinion programs sponsored by Blue Cross-Blue Shield, Prudential, the big three automobile manufacturers in Detroit, and unions in New York City have demonstrated that 3 out of every 10 individuals, or 30 percent, recommended for elective surgery are advised that surgery is not confirmed as the next treatment step. This high rate of disagreement over the advisability of undergoing surgery has led me to conclude that medicare and medicaid beneficiaries would also benefit from being able to obtain a second opinion.

I believe that a mandatory second opinion program will not only result in an improvement in the quality of surgical care available to medicare and medicaid beneficiaries but will also serve to contain health care costs. To date, the savings realized by existing voluntary programs sponsored by private organizations have been modest, but this is in part attributable to the fact that only 2 percent of eligible individuals have availed themselves of the benefit. For example, the program for elective surgical opinion (PRESSO), the Nation's first large-scale, voluntary program offered by Blue Cross-Blue Shield of Greater New York, has realized savings of a quarter of a million dollars over a 20-month period. A large union in New York, the New York City Employees District Council 37 of the American Federation of State, County and Municipal Workers, estimates that it has realized savings of $2 million from operations not performed on operating costs of $300,000.

In addition, Prudential Insurance Co., the Nation's largest insurance company, after conducting a demonstration program with its employees in northern New Jersey, found the potential for savings which could be realized from a mandatory second opinion program to be sufficiently great that it has proposed a new benefit to State insurance departments which would give group policyholders a 6-percent reduction in their basic monthly premium if they instituted a mandatory second opinion program.

The decision to undergo elective surgery—and 85 to 90 percent of the 20 million surgical operations performed annually in this country can be classified as "elective" or "nonemergency"—is a difficult and disquieting one for the patient, his or her family and friends. I think that it is fair to say that no one wants to have surgery—and yet one is willing to undergo surgery because the surgeon's successes can be dramatic and surgery often results in increased life expectancy and significant improvements in the quality of life.

Unfortunately, all surgery is not successful, and there are risks inherent in any surgical procedure. I believe that the patient has a right to have a more accurate appraisal of the potential benefits and limitations of elective surgical procedures.

If a second opinion confirms the necessity of an operation, I believe that the patient's apprehensions will be substanially alleviated and the patient will feel confident about the proposed surgery and will be more likely to undergo the operation. If, on the other hand, the second opinion is nonconfirming, it might well be that an alternate form of medical therapy is preferable, or that the patient's condition needs further evaluation or that no disease is present. The patient should have the option, of course, of obtaining a third opinion to confirm either the first or second opinion when there is disagreement as to the necessity of performing an operation.

I want to emphasize that this program is aimed at improving the quality of surgical care available to medicare and medicaid beneficiaries. It is normal practice for a physician to consult with another physician about a case if he or she is uncertain about the need to perform an operation—and there are many equivocal cases. I seen no way in which requiring a second opinion could have a detrimental effect on elective surgical care.

This second opinion program is not designed to measure the extent of difference of opinion between physicians or to place a value judgment as to which decision is "better." There already exists a network of physicians standards review organizations (PSRO's) whose function it is to review the professional activities of physicians to determine whether the quality of their services meet professionally recognized standards of care.

This legislation does not represent the intrusion of the Federal Government into yet another sphere of the practice of medicine. It is after all the taxpayer who pays for unnecessary surgical operations. Does it not make sense that if we are going to pay for surgical operations that they at least be advisable?

PROVISIONS OF THE LEGISLATION

My bill would require that medicare and medical beneficiaries obtain a second opinion prior to undergoing elective surgery at no additional cost to the beneficiary. It envisages that there would be an entity within a community—either a professional standards review organization, a local medical society, or an insurance carrier—designated as the referral point for individuals recommended for surgery to obtain the names of physicians in their area who have agreed to render second opinions. The beneficiary would only be given the names of physicians who were board certified specialists; for example, surgeons, internists, with respect to a procedure for that condition, who agreed not to perform the surgery unless specifically requested to do so by the patient and who agreed to accept a set fee established by the Secretary of HEW as payment in full for rendering a second opinion.

It should be noted that there is an exceptions provision in the legislation which would allow the requirement for second opinions to be waived if, for example, there was a physician shortage in an area, or if the procedure were minor.

MEDICARE

Under my bill, medicare beneficiaries who obtained a second, or third, opinion would not have to pay the deductible or the 20-percent coinsurance required under medicare. Medicare would pay 100 percent of the reasonable charge—up to a maximum fee established by the Secretary of HEW—for a second or third opinion rendered by a qualified physician. If a medicare beneficiary failed to obtain a second opinion, the penalty would be no payment for physician services or hospitalization associated with that surgical procedure.

MEDICAID

My bill would provide that under medicaid, the Federal match rate paid to States for second and third opinions be 90 percent. The high Federal match is designed to remove any financial barrier to the availability of a second opinion program under medicaid.

The penalty under the medicaid program would be that unless an individual obtained a second opinion, the Federal Government would not pay for physician services and hospitalization associated with an elective surgical procedure.

I would like to emphasize that under no circumstances would an individual be denied care. It is simply that I believe that our Nation's citizens should not have to pay for procedures which are unnecessary or inappropriate.

I hope that by introducing this legislation, the debate as to how to deal with the problem of unnecessary or inappropriate procedures which are not only costly but also cause disease and death will be rekindled.●

IMAGE VERSUS REALITY OF MILITARY CAPABILITY

HON. BOB CARR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. CARR. Mr. Speaker, our Military Establishment both in and out of Congress has a decided procurement bias which often distorts military priorities giving us a wonderful inventory of sophisticated, high technology weapons which provide the Nation with a veneer of military superiority but which erode readiness and the utility of the capability we think we have bought.

Technology is not an end in itself. Technology alone cannot bail us out of our readiness deficiencies.

Quite simply we have been wasting money by overdesigning some of our weapons which at the same time causes us to underfund and undertrain our personnel in the use of those weapons. If we had unlimited dollars we perhaps could correct this deficiency with more dollars for training. But we do not, nor will we have more tax dollars to do this. The answer is to bring money for technology and training into a better balance.

A thoughtful spokesman for this point of view is C. E. "Chuck" Myers. Mr. Myers a former military fighter and test pilot was the former deputy undersecretary for tactical warfare programs from October 1973 through November 1977. He prepared a paper for the Procurement Subcommittee of the House Armed Services Committee. For the other interested Members I insert his paper:

COMBAT READINESS IMPLICATIONS OF POPULAR REQUIREMENTS AND RECENT PROCUREMENT TRENDS

(By C. E. Myers, Jr.)

During the 1973–74 period, the Secretary of Defense and his staff, in response to concern over the erosion of the tactical air forces and a Congressional backlash against the alarming increase in procurement and operating cost of fighter aircraft, undertook the task of generating USAF and USN acceptance of Light Weight Fighters to serve as the low element in a HIGH-LOW fighter mix. There insued a spirited contest between two factions: (1) those who supported a fighter optimized for visual range air-to-air combat with a restricted mission spectrum, lower cost and minimum support burden and (2) the incumbents of all-purpose, all-weather, unlimited cost, high sophistication.[1] The LWF prototypes, the YF–16 and YF–17, were representative of the aircraft favored by the first faction. The process of "missionization" compromised the performance, cost and size of the Air Combat Fighters (ACF/NACF) which evolved. OSD and the Congress were unable to constrain the "growth" in sophistication.

The YF–17/F–18 growth came as a Navy coup; it was explosive and appeared to be designed to erase the cost difference between it and the F–14 it was meant to compliment. The F–16 "growth" was more subtle; it began by lengthening the fuselage to provide for a comfortable second seat thus creating a volume for other equipments. Thence followed, under the patronage of an Air Force "Configuration Control Committee", a continuous addition of equipment to expand the mission spectrum and "enhance" its basic capability.

The failure within DoD to preserve the original LWF/ACF concept must be borne primarily by the Director, Defense Research and Engineering who, by public law, is charged with the responsibility of "controlling and supervising" the development activity. Mitigating factors appear to have been a genesis of high technology and asylum from operational experience in a chaotic war environment.

Management alternatives to constrain growth and minimize risk were spurned. Instead, the Service plans for sophisticated versions were blessed by the DDR&E, reluctantly approved by other OSD principles.

Growth of Navy and Air Force Fighters was thus sanctified and encouraged in spite of the fact that neither then nor since have the advocates been able to justify multi-mission capability in terms of combat force effectiveness. It is loudly proclaimed necessary but yet to be supported by tangible benefits. The advantages turn out to be purely hypothetical due to the "facts of life" which include: (1) lack of available flying time for training enough pilots to *fully* exploit the myriad of systems, (2) the burden of maintaining the equipment and (3) the degradation of combat utility amid the chaos of war.

The result will inevitably be a collection of "high quality" machines and "low readiness" air forces. And worse, the associated high cost in a budget constrained situation yields a smaller force of low readiness airplanes and pilots. I believe this accurately presents the situation as it is developing today and as was predicted during the debates in 1974.[2]

In his testimony before the HAC on 7/8 February, Dr. Brown pointed out that it is aircraft that are ready that count, not the "hanger queens" that are used to supply parts to keep others flying. He also made it clear that in a constrained budget environment, both force size and readiness are variables. To me, that suggests that if we continue to drive toward higher levels of sophistication, we are destined toward a smaller and less ready force. Is the Congress comfortable with that trend?

In view of the demonstration of ills of the multi-purpose/all-weather syndrome, it seems incredible that responsible military and civilian factions continue to call for increased sophistication in all fighters. Instead, they should be encouraging the design of less sophisticated versions with the hope of lowering cost and reversing the downward trends in equipment/crew readiness and force size.

The really discouraging aspect of it all is that the Congress, while emphasizing the necessity to improve military strength, and in the face of popular demand for decreased spending, continues to be victimized by a technology cartel which conjure new promises and portray deterrence as a contest in technological sophistication unrelated to combat utility, force size and readiness.

In deference to our elected officials and their professional staffs, I would suggest that they should broaden the scope of their hearings and put greater emphasis on determination of force effectiveness. I would caution against decisions being made on tactical air hardware until the committee members/staffs have extracted an accurate assessment of readiness and force erosion prospects for the near term. Further, they should avail themselves of infomation which correctly portrays the expected return-on-investment (ROI) from the promised all-weather, air-to-air and air-to-ground combat capability of proposed versions of existing aircraft.

The measure of ROI should be in terms of combat force effectiveness rather than technological image comparisons with the Soviet Union. It should also include ROI comparisons of alternatives to tactical aircraft for attacking some of the popular all-weather targets as well as a realistic assessment of the war relevance of these target arrays during darkness or in bad weather.

Our objective, as I understand it, is to field a conventional force of such character as to deter a Warsaw Pact attack against NATO. Accumulation and display of expensive equipment is hardly sufficient to convince professional military observers and analysts. The observed activity of our forces is more important in the assessment than hardware inventory. We must display a ready force with sufficient depth and resilience to absorb an attack and hold. Within the constraint of projected budgets, improved readiness and increased depth can hardly be accomplished if the Congress encourages the acquisition of sophisticated equipment in response to popular requirements derived from unproven notions.●

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[1] Webster's Definition of sophistication: characterized by lack of simplicity, refined to the point of artificiality, highly complex.

[2] Defense Secretary's Brown's testimony before the House Appropriations Committee, 8 February 1979. Also the FY 1980 DoD Annual Report, pages 192 and 263/264.

REPORT FROM SOVIET UNION OF WESTCHESTER COUNTY DISTRICT ATTORNEY CARL VERGARI

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

• Mr. OTTINGER. Mr. Speaker, I would like to share with my colleagues a most informative and revealing account of the district attorney of Westchester County, N.Y., Carl A. Vergari's recent trip to the Soviet Union. Mr. Vergari journeyed to the Soviet Union as one of 12 American prosecutors who were invited as guests of Procurator General Roman A. Rudenko to study first-hand the Soviet legal and judicial system. Entitled, "Two Faces of Russian Criminal Justice System—An American View," Mr. Vergari's article goes to the heart of what is so abhorrent about the Soviet legal system—its treatment of "crimes" against the state—crimes consisting of the desire to emigrate to Israel, to practice one's religion free of state control and to think and to believe what one wishes about life and the world around him or her. He says that there are, indeed, remarkably good points to make of the Soviet criminal justice system—specifically its handling of what we call street crime and felonies. But, that same system which keeps criminal acts in the Soviet Union at extraordinarily low levels wreaks havoc on the human rights of Soviet citizens.

It is difficult for most Americans to understand exactly what happens to Soviet refuseniks and to gather information explaining the Soviet legal system's application to dissidents. Mr. Vergari's account explains in simple terms the mechanisms which result in the human rights violations we have all read about and which highlight the overwhelming reasons why we must continue to speak out against these abuses of the constitutional rights we, Americans, hold so precious yet take for granted.

[From the New York Law Journal, Jan. 25, 1979]

TWO FACES OF RUSSIAN CRIMINAL JUSTICE SYSTEM—AN AMERICAN'S VIEW

(By Carl A. Vergari)

On September 11, 1978 a delegation of twelve American prosecutors, officers and members of the National District Attorneys Association, was greeted at the Moscow International Airport by Mr. S. A. Shiskov, a Deputy Procurator General of the Soviet Union and members of his staff. I was a member of that delegation, a guest of the Procurator General of the Soviet Union.

Mr. Shiskov outlined a two-week program that was to include conferences with top officials of the Soviet justice system in Moscow, Leningrad, Tashkent and Samarkand in the Uzbeck Republic of Central Asia, and the lovely Urkanian city of Odessa on the Black Sea. What with jet lag, 15 to 16 hours a day of scheduled conferences and events, and two overnight trips, it was a journey that put to a stern test our stamina as well as our capacities to handle gracefully large quantities of rich food and free-flowing vodka. Numerous toasts proposed in straight vodka and requiring appropriate responses were part of all dinners and luncheons, and at least one welcoming breakfast. The VIP treatment afforded to our delegation was significant because it evidenced the high degree of importance the Soviets were attaching to our visit—the first by American prosecutors.

CONSTANT COMPANIONS

The members of Procuracy who traveled with us and those Procurators who were our hosts in each city were met not only across the conference table but remained our constant companions at meals, sightseeing and cultural events as well. The principal translator and a permanent member of the tour group was a bright young Russian lawyer, Vasilly A. Vlasihin who is employed by the USSR Institute on United States and Canadian Studies in Moscow. Mr. Vlasihin had a year of graduate study at Harvard University School of Law, concentrating on the administration of criminal justice in the United States, the subject of his doctoral thesis now in preparation. His knowledge of both systems and his capacity to translate technical legal terms in both languages overcame any serious communication problem and minimized misunderstandings created by language barriers.

DEDICATED PROFESSIONALS

In spite of the short time frame and the busy schedule we came to know and respect our Soviet colleagues as serious men, lawyers and public officials. They are, as all members of our group generally agreed, well educated and trained lawyers who, under their own laws, do their jobs with earnest good faith and professional competence. It is safe to assume that the Soviet system like our own has its fair share of the lazy, incompetent and corrupt. However, the senior officials we met came across as being dedicated and hardworking pros.

It was from these men that my impressions of the Soviet justice system were formed.

At the outset, I must make it clear that these impressions are strictly my own. The conferences and exchanges are reported from my own recollection as refreshed by copious personal notes. The views are my own. I do not speak for any of my friends in the delegation, much less the delegation as a group or the National District Attorneys Association.

Apart from a cursory reading of the Soviet Constitution, as rhetoric a noble document, certain statutes of interest and Teleford Taylor's work "Courts of Terror", I confess no effort in this report at legal research. Rather what was said, how questions were answered, the attitudes reflected, and the emotions displayed in the give and take of often pointed and, on occasion, heated discussions by the men who run that system constitute the basic material from which my conclusions are drawn. Valid? Yes.

The men with whom we conferred indeed run the system. The office of the Procurator General stands astride not only the justice system but every facet of life within the Soviet Union. In a very real sense the Procurator General of the Soviet Union, Mr. Roman A. Rudenko, is second in personal power only to the President of the Supreme Soviet, Mr. Brezhnev, himself. This power to supervise "the strict legality" of any action by ministries, courts and other agencies of government can be applied without restriction or recourse in cases where the procurator decides that a special state interest is involved, and is the instrument by which the supreme will of the state is imposed on the processes of justice in the Soviet Union. The Office of the Procurator General is the ultimate arbiter on all questions of law, answerable only to the Supreme Soviet.

EFFICIENCY

First, in the interest of fairness and objectivity there is much to be said of a positive nature about the Soviet system, insofar as the handling of routine cases is concerned. One must keep in mind that the system is modeled on the Napoleonic Code and is similar in many respects to those in effect in the countries of Western Europe. It is an inquisitory system of criminal justice radically different in philosophy and concept from our own accusatory and adversary system derived from the English common law.

One can fairly conclude that in the handling of routine criminal cases the Soviet system does deliver to the Soviet people a full range of efficient and effective criminal justice services. Reasonable time constraints in the filing of charges are observed. Defendants receive speedy and open trials by People's Courts composed of one professional judge and two elected lay "People's Assessors" who serve with the judge as the triers of both law and fact. Defendants may be released on bail or personal recognizance and may retain defense counsel of their own choice from the local "collegium" or bar, with fees fixed by law or paid for by the government in the case of indigents.

Since a Soviet criminal proceeding is not a legal contest, but under their system a fact-finding process, the criminal defendant is afforded rights of full discovery of the procurator's file. While a defendant may not refuse to answer questions either during the investigation or at the trial, his refusal or his statement, whether self-incriminatory or exculpatory, is merely one item of evidence in the case on which the Court will base its verdict.

REHABILITATION PROGRAMS

Plea-bargaining does not occur under Soviet law. Sentencing tends to be tougher. The Soviets seem dedicated to the notion that prison sentences should rehabilitate. They can be credited with progressive prison programs such as conjugal visits, compulsory education and technical training, productive employment and pay equal to that received by persons performing comparable work in society. The prison we visited on the outskirts of Leningrad was no doubt a model of its kind. However, my admiration was tempered by a mental picture of prison camps for political prisoners as described in the writings of Russian author Aleksandr I. Solzhenitsyn.

Though we did not receive a clear cut answer on the availability of crime statistics it is apparent that crime rates, particularly violent crimes, are significantly lower than our own. It was reported to us that on September 9, the Saturday night immediately preceding our visit, a total of only 22 street crimes were reported in the cities of Leningrad, Kiev and Moscow with a total combined population of 13.5 million.

Without suggesting that such a measure be adopted or is feasible in the United States, it is interesting to note that strict gun control in the Soviet Union has virtually eliminated the use of firearms in crimes. Handguns are not available under any circumstances to a private citizen in the Soviet Union. Possession of shoulder weapons, rifles and shotguns, is also very severely restricted. While we recognize that the principal motive behind Soviet gun control law is the prevention of any possible counter revolutionary activity the fact remains that only .002% of reported crimes in the Soviet Union were committed with firearms.

CRIME PREVENTION

There is great emphasis on crime prevention. Local procurator's offices are directly involved in extensive community education with regular publication of magazines and newsletters, and frequent radio and television programs. Well supervised and trained "volunteer brigades" of private citizens help police in patrol duties in the vast housing projects that are springing up in all large cities. Volunteer committees of citizens also engage in educational and prevention activities, including community action programs to deal with public intoxication, vandalism and juvenile misconduct. The prohibitions of pornography as well as displays of violence in TV and movies is considered an important part of crime prevention. Educational programs on alcoholism, perhaps the Soviet Union's most serious social problem, are conducted on a nationwide basis as a crime prevention measure. Alcoholics who refuse to undergo educational therapy and treatment and who repeat public intoxication offenses are punished as criminals. Committing a serious crime while under the influence of alcohol can be an aggravating, rather than a mitigating circumstance.

Thus in dealing with routine crime and crime problems, the Soviet Justice system gives the impression of efficiency, effectiveness, the willingness to innovate, and in the context of their own legal system, the face of due process of law

THE SPECIAL CASE

It is in those cases which the office of the Procurator General considers "special" that the Soviet criminal justice system takes on an entirely different face. Where it is believed that a state interest is involved, as in the prosecution of dissidents and Soviet Jews who seek to immigrate, or where the crime is considered political and anti-Soviet, the system can and does become a hard, ruthless and often cruel instrument of oppression. Here "strict Soviet legality" as enforced by the Procurator in special cases, overrides any concept of justice, due process and fundamental fairness. Practices in special cases make a mockery of the right of the presumption of innocence which the new Soviet constitution so bravely claims for all Soviet citizens. This harsh indictment is based primarily on statements made and sometimes painfully drawn from Soviet officials themselves.

The format followed in our meetings was for the Soviet official to deliver an opening talk concerning the work of his own office, department or court, followed by questions from the American delegation. In each session, a number of the questions were friendly and upbeat reflecting a genuine professional interest we all held in the operations of the justice system in a Communist state.

However, it soon became apparent to our Soviet counterparts that the delegation was well informed and had very serious concerns about the prosecution of special cases, dissidents, and the would-be emigres—the so-called Jewish refusniks. Our detailed knowledge of the manner in which such cases are handled and the force with which we pressed our views and sought answers to questions concerning them seemed to take the Soviets by surprise. The opening shots in what was to become a running duel on human rights questions were fired in the first official meeting of the trip—the conference on the morning of September 12 in the Kremlin with Procurator General Rudenko, who gave us two hours and fifteen minutes of his time, of which more than one hour was given over to questions by our delegation. We learned later from one of his deputies that this was unprecedented.

Rudenko, a wily and dedicated Leninist, achieved international prominence as the chief Soviet prosecutor at the Nuremberg trials. His survival of the Stalin purges, the Krushev upheaval, and all the other uncertainties of political life in the Soviet Union to remain at the top in his powerful and important post, testify to his toughness of fiber and keen mind. qualities which came through at the conference. He seemed a little surprised and occasionally nettled by the pointed vigor of the questions on human rights issues—particularly concerning three cases that clearly reflect the manner in which penal laws and the justice system operate to stifle dissent in the Soviet Union. The three cases were the prosecutions of Anatoly Shcharansky, Vladimir and Maria Slepak, and Iosif Begun, all Soviet Jews.

Scharansky, a specialist in computers and applied mathematics, was denied emigration in 1974 on the ground that it was "against State interests", although he was never engaged in sensitive work. As a refusnik he was an active, outspoken critic of government policies. Picked up four times for questioning and warned by the KGB that he would be punished if he persisted in his protests, Scharansky became a marked man. In March, 1977, he was detained for investigation by the procuracy for alleged treasonable activities. In July, 1978, he was indicted, convicted and sentenced.

RAILROADING THE DEFENDANT

That the charges of treason and espionage were not supported under Soviet statutes by the Soviet version of the facts; that the charges were based on tainted, if not incredible, evidence of a KGB plant; that the charge of CIA involvement was publicly denied by the President of the United States and that the sentence of a total of 13 years of imprisonment and exile were excessive were not the only points of concern. Of perhaps greater significance to the American prosecutors than the railroading of one man and reflecting the true nature of the system were the procedures followed in that prosecution.

Scharansky; was taken into custody and detained for some 18 months before being indicted and brought to trial. While Soviet law, on the one hand, requires charges to be filed within 10 days in the case of a person detained without bail, it permits investigative detention by the procuracy for up to 9 months and, with the approval of the Supreme Soviet in "special cases," the period of detention may be extended on a month to month basis indefinitely.

During the period of detention Scharansky was not permitted visits by family or by counsel. Under Soviet law, the office of the Procurator General can deny these privileges and hold a prisoner incommunicado in a special case.

Scharansky was not permitted to hire a lawyer of his own choice—"strictly legal" under Soviet law. In special cases only those lawyers holding a "dopusk," a special permit, are permitted to appear as defense counsel. The dopusk is issued to attorneys cleared by the Procurator General, obviously those who would not embarrass the government by efforts to present an independent, aggressive defense. Lawyers holding a dopusk generally will not take a case unless a defendant is prepared to admit his guilt and seek the mercy of the court. During the trial itself the courtroom was closed to the press and the public, again "strictly legal," since the Procurator General may in special cases limit spectators in any manner he chooses.

What of the courts and the right to appellate review? The fact is that the judiciary is not independent and is subject to supervision by the Procurator General. When a case such as Scharansky's is marked special, a defendant like Scharansky is held for 18 months under investigative detention and the court is handed an indictment, which amounts to a finding of guilt by the procuracy, no other result but a verdict of guilty could obtain. Keep in mind the Procurator General has the right to "supervise the strict legality" of the Court's actions. Mr. Rudenko's comment to questions on Scharansky—all "strictly legal." He defended the sentence as being appropriate and stated it would not be reduced under pressure from foreign groups.

In later sessions, other officials conceded that all the procedures in the Scharansky case were within the powers of procuracy to employ. However, we were begged to understand that such measures were used "very rarely." It was pointed out to them that it was by these cases the quality of justice in the Soviet Union was being judged in the western world.

"HOOLIGANISM"

The prosecution of Vladimir and Maria Slepak, which illustrates the use of the charge of "hooliganism" as a device to create object lessons and stifle dissent, was also put to Mr. Rudenko. Slepak, a radio engineer, resigned a sensitive post in the TV Institute in Moscow in April 1969 in order to clear for eventual emigration. A refusnik, active dissident and another vocal critic of the government, Slepak and his family were subjected to repeated harassments by authoritites. A raid on his apartment, pick ups, interrogations, and imprisonment by police, disconnected phone service, and a 15 day sentence for petty "hooliganism" were part of the program of intimidation. Although his son, Alexander, was permitted to emigrate to Israel with his American wife, Elaine, in 1976, Slepak and his wife Maria, courageously continued their activities as human rights activists. In June 1978, the government came down hard on the Slepaks for having displayed a placard from the window of their eighth floor apartment bearing the message "Let us go to our son in Israel."

The Soviet Penal Statute on acts of "hooliganism" is a catchall for any activity which might be employed as a means to voice public protest against the government. In Article 7 Sub. 1 of the Fundamentals of Criminal Legislation of the USSR titled "Concept of a Grave Crime," "malicious hooliganism" is cited. Other crimes designated as grave in this section include banditry, mass disorders, large scale: open stealing, rape and intentional homicide. For publicly displaying their pathetic plea for freedom, the Slepaks were charged and convicted by the Soviet justice system for committing a "grave crime" in a class with rape and murder.

By any act of open, public dissent Soviet citizens are placed in jeopardy for prosecution at the hands of the government for a crime inimicable to the "whole of the Socialist legal order" (Fundamentals of Criminal Legislation of the USSR Article 1). Thus is the Marxist-Leninist revolution preserved.

For his "grave crime" Vladimir Slepak was sentenced to five years in exile. Maria, whose 3 year sentence was suspended, has joined her husband in that exile. Mr. Rudenko claimed not to know about this case and therefore declined to comment.

"PARASITISM" AS CRIME

Perhaps even crueler in its application than prosecutions for "hooliganism" as an object lesson to those who might be inclined to express anti-Sovet attitudes by the simple act of submitting an application for an exit visa is the prosecution for the crime of "parasitism." Mr. Rudenko was asked about one such case, the prosecution of Dr. Iosif Begun. There are a number of others, but none more clearly illustrates the harsh enforcement of this uniquely Communist crime.

Dr. Begun, an engineer specializing in applying mathematical methods to engineering, applied for an exit visa to emigrate to Israel in April, 1971, but was refused on the stated grounds that he was privy to state secrets. Forced to resign his position, he took jobs as a telephone operator and night watchman, from which he was soon dismissed. Begun, who received financial support from outside sources also endeavored to support himself by private tutoring in Hebrew and mathematics. During the years following his application for an exit visa, Begun became an open fighter for emigration rights, ignoring KGB harassment and intimidation. In March 1977, the government brought charges against this eminent scholar and human rights advocate for parasitism.

Like the statutes defining hooliganism, the parasitism laws are loosely drawn, broad in language, and subject to arbitrary interpretation and enforcement. Parasitism is defined as "systematically engaging in vagrancy or in begging, and also over a long period of time leading a parasitic form of life." (Article 209, Criminal Code, RSFSR) ". . . a parasitic way of life as envisaged by Article 209 must be punished as living by an adult person capable of working for a protracted period (more than 4 months in succession) on unearned income with avoidance of socially useful work." (Resolution Supreme Soviet RSFSR on Procedure for application of Article 209).

SURREALISTIC DISTORTION

In an almost surrealistic distortion of roles, the Soviet government, as the only employer in that nation, denied employment to Begun because of his expressed wish to emigrate and then prosecuted him for being a parasite on a charge of "existing on nonlaborious income". The government refused to take into account his earnings as a Hebrew instructor because the teaching of Hebrew is an illegal occupation in the Soviet Union. Begun's offer of proof of earnings, protests and a one hundred day hunger strike, during which he was force fed, left the procuracy unmoved. He was convicted as a parasite and sentenced to two years of exile in Siberia. After he was released from exile, he returned to Moscow and continued his efforts as a human rights activist. The government struck again. Begun's internal passport and Moscow residency permit had been lifted during his exile. On his return to Moscow, Begun applied for their reissuance. While he was waiting for his application to be processed by another government agency, he was prosecuted by the Procuracy for failing to have a valid passport and residency permit. He was convicted and sentenced to an additional 3 years of external exile which will not expire until May 1981. Others have been prosecuted for parasitism under similar circumstances.

"CATCH-22"

Every citizen of the Soviet Union who wishes to emigrate runs the risk of entrapment in this cruel Catch 22 situation. Application for an exit visa to freedom can result in unemployment and consequent denial of freedom by prosecution for parasitism at the hands of the government which holds both the power to grant permission to leave and to provide suitable gainful employment, rights which the Soviet Union purports to provide to all citizens.

As he did to questions on the Slepak case, Mr. Rudenko declined to comment on the prosecution of Iosif Begun, stating he had no knowledge of the case. However, since all these cases involving prominent dissidents had attracted international attention, it is in the order of things in the Soviet Union that decisions concerning them were made at the very highest levels of the Procuracy, if not the government itself. He knew. We knew he knew. He knew we knew he knew.

These same cases, themes and views were aired at conferences with other top officials. Mr. S. I. Gusev, First Deputy Chairman of the Supreme Court of the Soviet Union, a genial man of judicial mein, was drawn into a detailed discussion on the Slepak case at our meeting in the afternoon of September 12.

He made an attempt to justify the Slepak prosecution by citing certain "aggravating" circumstances. He pointed out that the display of the banner had caused a crowd to gather—a small crowd, true, but nevertheless a crowd. It is reliably reported that there were more plainclothes agents brought in for that purpose in the crowd than area residents.) Further, he stated that there was shouting of obscenities at Slepak—by the crowd, true, but nevertheless shouted obscenities. Then the justice pointed out that there was the throwing of a pot of hot water—at Slepak, true, but nevertheless an act of violence. "Well, your honor, wouldn't that make Slepak a victim of a crime rather than a criminal?" the judge was asked. "No," he responded, "for it was Slepak's conduct which caused the entire disturbance." He further sought to rationalize the harsh prosecution and sentence by arguing that it was necessary to be tough on hooliganism because it generates public disorder and is the origin of other crimes. In fairness to the honorable justice, it must be said that, while he defended his government's action, he did not project any sense of personal conviction in so doing.

THE MINISTRY OF JUSTICE

The next day, September 13, we visited the USSR Ministry of Justice to be greeted by another rather affable and easy mannered Soviet politician, Mr. A. Y. Sukharev, First Deputy Minister. I and others in the delegation felt that certain important concessions were made at this meeting.

Mr. Sukharev, after an exchange on the subject, agreed that in the Soviet Union the right to counsel of one's choice was at best a qualified right since in special cases only government approved lawyers holding the "dopusk" could appear. Also, there was some fencing on the relative powers of the Procuracy, the Ministry of Justice, and the courts. Mr. Sukharev, who claimed that all of these agencies were "equal partners," conceded that the mandate of the procuracy to supervise strict legality in the courts gave them the power to review judicial decisions and hence the ultimate power over the entire justice system.

Most significantly, a concession was made with respect to the Soviet's failure to promulgate and publish clear rules and regulations concerning emigration, in law a fundamental obligation of any administrative agency of government. This problem was discussed with the application for an exit visa of Dr. Benjamin Levitch of Moscow, as the case in point.

Dr. Levitch, one of the outstanding theoretical physicists in the world and a pure scientist of the highest international repute, applied for permission to emigrate to Israel in 1971. This application was denied for state secret reasons. To remove this obstacle to emigration, Dr. Levitch resigned his post as a member of the Academy of Sciences of the Soviet Union, where he had been engaged in extensive research in hydrodynamics.

If Dr. Levitch's particular scientific knowledge was ever the sole property of the Soviet Union, certainly in the passing of over seven years and by the normal advance of world science and technology it would have become universally available. However, no rules or regulations have ever been promulgated to define a state secret, nor has the government ever set a reasonable time period for the life expectancy of a state secret or the procedures whereby one might obtain a determination that the possession of any specific area of scientific knowledge is not unique to the Soviet Union. Mr. Sukharev acknowledged that no such regulations existed, but said the government was "working on them." To those who have followed closely the tortuous and mazy course of Soviet emigration policies, this was the first time that any official had conceded that the government has failed to provide guidelines for emigration.

In the meantime, distinguished world scientists like Dr. Ilia Shostakovsky, Dr. Alexander Lerner, and Dr. Victor Brailovsky remain in academic limbo and live a life of frustration, not knowing when, if ever, their applications will be granted.

Later that day, we were ushered into the handsome conference chamber of the Ministry of the Interior to meet First Deputy Minister B. T. Shumilin and ten or more of his deputies and department heads. Greetings were polite and formally correct. Seating arrangements which found the Soviets lined up on one side of the table and Americans on the other, did not ease a sense of antagonism which pervaded the room. I was seated directly across the table from Mr. Shumilin, a man of linebacker proportions, square ruddy visage, and iron gray hair. Without doubt he had been briefed on our human rights concerns and was ready to do battle.

He read in deliberate fashion from a prepared statement some 20 typewritten pages long describing in great detail the work of his ministry. Each sentence of course, had to be translated into English. This was obviously meant to kill time, since much of what he had to read could have very well been provided to us in a written handout.

Not to be placed on the defensive, he addressed human rights questions in his statement. He claimed that twenty million copies of the so-called "third basket" Helsinki agreement had been printed and distributed free in the Soviet Union. At some length he cited statistics which he offered as evidence of fair, properly administered emigration laws and policies. "One hundred and sixty-eight thousand Jews, a total of eight percent of the entire Jewish population in the Soviet Union, was allowed to leave from 1945 to September 1, 1978. Seventeen thousand Jews emigrated in 1977 and over fifteen thousand so far in 1978. Two thousand two hundred forty-nine, less than 2 percent of the total who applied, were denied visas, and one thousand three hundred thirty-five of these were released in 1977." "The balance will go in time," he said. "When?" he was asked. "In time." At that point, the head of Ovir, the Department of the Interior Ministry, which issues emigration visas, who was seated further down the table, raised fingers to the American opposite him to indicate two or three years.

Shumilin went on to berate the American press for failing to report these positive statistics and for carrying only stories which reflected negatively on the Soviet government suggesting in his tone that we could or should do something about it. Our time with this important official was running out and this one-sided meeting was becoming very tiresome. A member of our delegation then broke in to point out that Americans, including the press, are not really interested in statistics as front page news. In any case he was told the press in America was free to print or not print exactly what it pleases and that his anger with the American press was often shared by American officials, including prosecutors.

The American went on: "Our people and our press care about individuals, not numbers; we are concerned about the special cases, the prosecutions for parasitism and hooliganism; you are judged in American eyes as we American prosecutors may be judged not by the ninety-nine cases we handle properly, but by that critical one in a hundred case where a human being is not treated with justice and fundamental fairness."

Other Americans eager to keep the discussion going started to ask questions. Shumilin, his annoyance ill-concealed, replied that the Soviet government was not going to respond or to give in to outside pressures in the conduct of its internal affairs. Deputy Procurator Shiskov broke in to say we could devote only ten more minutes if we were to keep our evening schedule, which included attending the Moscow circus. Several Americans strongly suggested that the discussion was far more important than the bears on roller skates. We were granted ten more minutes. Further questions involving such Helsinki rights as freedom of religion and cultural expression were met by a rather angry diatribe criticizing outside pressures and President Carter's attempts at interference with purely internal affairs of Soviet government.

The discussion was ended on that note to allow time for a farewell toast—with a choice of vodka or cognac. The liquor and later attempts at cordiality did little to dispell the dejection and negative mood the conference had created. Our good humor was received at the circus not only by the very excellent performance but by simply sitting among fellow human beings who were having a good time. The laughter of children is a great cure for depression.

And so it went. Away from the capital the tension seemed to lift and the mood relax. In the provinces the prosecutors seemed more lawyerlike in their approach and less bureaucratic and political. They were men to whom we could easily relate on professional and friendly basis. Our conferences with them were business like and tended to be shorter, more congenial and less formal in tone than those in Moscow. While we continued to discuss human rights issues and special case prosecutions these matters were handled on both sides in a matter of fact and cordial way. However, we left no doubt in the minds of any Soviet officials that our concerns for human rights were strong and shared by the vast majority of American people.

On Saturday, September 23rd, on the eve of our departure, General Rudenko hosted a farewell banquet in the National Hotel which was attended by prosecutors and judges we had previously met in Moscow, other high government officials and representatives from the American Embassy.

By chance I was seated next to Mr. K. G. Fedoseyev, Deputy Chief, USA Division, Ministry of Foreign Affairs. This urbane and soft spoken career diplomat with 30 years of service in the Soviet Foreign Ministry had been stationed in New York and Washington, D.C. for over ten years and traveled extensively in the United States. We chatted about New York City for which we apparently both share a great fondness.

He asked about my impressions and what I would say about the Soviet justice system back home. I gave him a pointed, capsulized version of this account. He was familiar with Joseph Heller's novel and understood my reference to the Catch 22 in which the Jewish refusniks were caught. He protested that Americans are not getting all the facts and are not objective. He too asserted the usual line that prosecutions of dissidents and refusniks were strictly legal under Soviet law.

I called on his knowledge of the American people and our characteristic strong sympathy for the underdog. "Americans don't give a damn about strict legality. We ask only whether a person is getting a fair deal. Dissidents and refusniks, seen as badly treated underdogs who are being kicked around by a powerful government, have the sympathy of the American people. Soviet officials should not delude themselves that the problem of Soviet Jews is of concern only to Jewish activists and American politicians responding to the desires of powerful Jewish constituencies. As an elected official I can tell you it is a matter of deep concern to all informed Americans. We will go back home and report that we perceived the justice system and law enforcement agencies in the prosecution of special cases, refusniks and dissidents as being instruments of oppression."

"Why," I asked, "does the Soviet government permit this problem to persist and fester? As practical politicians we can't understand why you let that problem of Jewish emigration go on, particularly when your government says that only a few thousand individuals are involved. Let them go, to Israel or the United States, and eliminate this continuing stumbling block to better relations."

"It would create great problems with the Arabs," he replied.

"The world can't buy that, Mr. Ambassador. The total Arab population outnumbers Israelis by better than 40 to 1. Releasing 5, 10, 20, or even a 100,000 Jews would not even begin to cut the tremendous manpower advantages the Arabs enjoy. We can't believe that a powerful nation like the Soviet Union could not quiet their client states in the Arab world on that score."

Our conversation was interrupted by our host the Procurator General who chose to begin his talk at the precise moment when the main course was being served. We sat, hands folded, looking at our steak, while he spoke at length. In addition to polite and correct compliments to us and a few heavy handed digs at the senior American diplomat present, his remarks were a compilation of tributes to the successes of the Leninist revolution and the Soviet people and the usual cliche, calls for peace, friendship and understanding. Significantly, he did support the idea of continued exchanges between justice system officials in our respective countries.

At the conclusion of all the toasts and responses, and after the appropriate farewells were said, we left the banquet, the last official event of visit.

After two weeks of keeping this grueling schedule, hard work with moments of fatigue and tension, I for one felt drained, with no real sense of accomplishment.

But I recalled our first meeting with the gathering of Jewish dissidents and refusniks in a Moscow apartment, and a later meeting with a similar group in Leningrad. Those brave people, who continue their fight for freedom under the constant peril of state reprisal, appeared astounded, delighted and greatly encouraged by the fact that American officials, invited guests of the government, could raise all of these questions with the highest Soviet justice officials. They believe this type of exchange can produce as much in long term human rights benefits as international efforts by nationally prominent political figures.

Shortly after Mr. Rudenko's farewell banquet, some of us met again with Jewish dissidents to fill them in on what had occurred since our first meeting with them. Our spirits were lifted by their warm appreciation and belief that our efforts could very well bring about improvement in their situation.

As the senior American official at the Rudenko banquet pointed out to him, such a meeting until recent times would have been "unthinkable" in the Soviet Union. In terms of exposing working Soviet law enforcement officials to flesh and blood, independently elected, outspoken American prosecutors, measuring their system against democratic concepts of equality of justice and fundamental fairness due process of law, and the ultimate primacy of the rights of the individual over the power of the state was, as a first such occurrence, historic.

It is promised that the exchanges will continue and that our visit will be followed by a visit of Soviet prosecutors to the United States in the Spring of 1979.

They undoubtedly will have tough questions of their own to ask about weaknesses and failures in our own system. In view of our aggressive probing of their sore spots, I look for them to come loaded with ammunition of their own. That's the way it should be. One can hope that a continuing dialogue by people who actually operate the two justice systems will produce a higher quality of criminal justice and greater individual freedom in both countries.●

A COERCIVE "NATIONAL SERVICE"

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. PAUL. Mr. Speaker, an organization called the Committee for the Study of National Service, funded by the Ford Foundation, has come up with the idea that our teenage children are really the property of the Government—or at least they should be.

It is not a new idea. King Cheops put the same idea in practice when he used slave labor to build the pyramids. Nobody needs to be reminded—I hope—about the many similar regimes in the world today.

This old idea has been dressed up in new clothes. The Committee for the Study of National Service is offering the idea of "universal national service." And what about those young Americans who might have something better to do with themselves than please a lot of bureaucrats? Well, no one will be sent to jail, the committee assures us. But a lot of other nasty things are likely to happen to them as punishment for taking the idea of "America, the land of the free" seriously.

Mr. Speaker, Governor Ronald Reagan recently offered some sound thinking on the recommendations of the Committee for the Study of National Service, in his syndicated newspaper column. I ask leave to insert it in the RECORD at this point:

A COERCIVE "NATIONAL SERVICE"

(By Ronald Reagan)

Recently I wrote about an organization called the Committee for the Study of National Service. Sponsored by the Ford Foundation and the Potomac Institute, it has issued at 143-page treatise calling for "National Service" for all young Americans.

I was critical of the idea when it was announced and I noted (from news reports) that the committee had concluded that a million young Americans should be conscripted to work in hospitals, day care centers, schools and so forth to field test the "national service" idea.

Mr. Harris Wofford, a member of the committee, has written to me pointing out that the group did not propose conscription, but "a voluntary National Service with the capacity to provide a million or more youth with opportunities for service." This would amount to about one-third of each age group between 16 and 25.

Mr. Wofford is right that his committee did not propose conscription. What they did propose is the process favored by social engineers and believers in Big Government: rewards for those who sign up and penalties for those who don't.

There is nothing compulsory, after all, about a program that gives special advantages to its recruits (GI Bill-type benefits and government grants-in-aid, for example) or disadvantages to those who don't ("one member," says the report, "jokingly but provocatively suggested a noval sanction: denying a driver's license to anyone who declines National Service"). The report does add that "no member favors sending anyone to jail who refuses to serve." That's reassuring. Step right up, kids. There's nothing compulsory—just coercive.

Tucked in among its 16 recommendations, the committee's report says, ". . . it is not necessary now to decide whether the nation should require such service. During the gradual development of a voluntary system, the idea of mandatory service can be carefully considered."

So much for volunteerism, after all. The overriding interest on the part of this group is that all the nation's social needs be carefully catalogued—by "a public corporation, chartered and funded by Congress"—and young people assigned to whatever task, for a year or two, that the bureaucrats (and the special interest constituencies competing for their favor) decide needs to be done.

The committee's report calls for a rational debate on this subject. Fine. The basic question to be resolved is what kind of society will we have? Will it be one that is made up of millions of individuals who are presumed to be responsible till proved otherwise and who make rational decisions, including decisions which recognize the common good and lead to a desire to help others? Or, will we have a society in which the individual is reduced to the level of a statistic to be manipulated by social engineers with a compulsive need to see total order around them?

The trouble with a free society is that it is untidy. People make choices that may not mesh with what the statisticians see as a "pressing need." Sometimes, heaven forbid, individuals even make decisions that are wrong for themselves.

Though I do not question the sincerity of the folks who made up this committee on "national service" I am afraid their preference for a universal system betrays the underlying assumption that your kids belong to the state, to be assigned as needed. "Universal" according to my dictionary means "of, for, or including all of the whole of something specified." "Universal" service for young Americans means all young Americans and you can't make that happen unless it's compulsory.

The committee longs to "regain a sense of service." I think hundreds of thousands of young Americans active in Scouts, the Y's, 4H, hospital volunteer programs and hundreds of other service projects would doubt that we've ever lost the sense of service.

True, there are plenty of young people who grow up today without that sense of service. The committee says, "Indeed, the problem may even begin in the home, where children are no longer so often required to undertake regular chores and do necessary work in the house, in the yard, or on the farm."

If that's so, then the solution should begin at home. Should we encourage our children to do volunteer work in society? Of course—it is part of pulling one's oar, of maturing. But it is for parents, the community, religion and peers to encourage the spirit of volunteerism. It begins at home, not by the banks of the Potomac.●

PRESIDENT CARTER ADDRESSES NATIONAL ACADEMY OF SCIENCES

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. FUQUA. Mr. Speaker, President Carter addressed the annual meeting of the National Academy of Sciences on April 23. He is the first President to address a convocation of the Academy since John F. Kennedy did so 16 years ago.

In his remarks, the President spoke of a national commitment to basic research, scientific and technological innovation and scientific cooperation among all world nations.

He warns us about the danger of complacency with regard to our own past scientific success and leadership and reminds us of our moral responsibility to use science always for the benefit of mankind.

In this 100th anniversary year of Einstein's birth, we not only pay homage to his work, but also rededicate ourselves to the search for knowledge and its application to resolve the problems of humanity.

I believe the President's remarks are particularly appropriate to these considerations and include them in the text to follow:

REMARKS OF THE PRESIDENT AT THE ANNUAL MEETING OF THE NATIONAL ACADEMY OF SCIENCES

President Handler, distinguished members of the National Academy of Sciences, guests who are equally distinguished in your own field of work, I am indeed pleased to be here.

I know that election to the National Academy is the highest honor that can be paid to a scientist or an engineer in the United States, and I again congratulate all of you.

I understand that in the Soviet Union when someone is chosen to their National Academy of Sciences, his or her salary immediately doubles—(laughter)—and a chauffered car is made available for use. I understand there is a slight difference in our own country. (Laughter) You immediately get a bill for membership dues, and you are pledged voluntarily to give advice to your government free of charge. (Laughter) And I thank you for that.

I am honored to address this distinguished convocation and to join with you in commemorating the one hundredth anniversary of the birth of Albert Einstein.

The National Academy of Sciences was already a thriving institution when Albert Einstein was born. In 1942, soon after taking out American citizenship, Dr. Einstein was elected to this Academy, becoming at once its newest and perhaps its most eminent member. His coming to the United States was a matter of carefully-considered choice. In this respect he was like many thousands of scientists from all over the world—drawn to this country by an atmosphere of intellectual freedom, adventure and hospitality for the pursuit of scientific truth.

That atmosphere has invigorated American life from our nation's beginnings. Scientists-statesmen such as Benjamin Franklin and Thomas Jefferson were among the authors of our own national independence. Their influence helped establish the young American republic as a place where scientific endeavor was not only encouraged but was honored.

We have never deviated from that commitment. And it is significant, I believe, that the Congress and President Lincoln chartered this National Academy of Sciences at the height of our gravest national crisis. In so doing, they demonstrated a deep understanding of the importance of science to the very survival of our Nation.

There is little that we can predict with certainty. But we can be very sure that whatever the future holds, we will be better prepared for it if we pursue a strong national program of support for science and technology. That is why even in this time of budgetary restraint, I have remained firmly committed to such a program.

Scientific enterprise will be a key to our future strength, but we in this room can't take this for granted. In this centennial year, it is well to remember that faith in the future was a notable quality of Albert Einstein. Only an optimist could have undertaken the incredibly ambitious task that Dr. Einstein set for himself: The discovery and the explication of the underlying order of the universe.

Throughout his life, Dr. Einstein sought not only to discover order in the natural world, but also to promote order in the human world.

Einstein the humanitarian has much to teach us, as does Einstein the physicist. He saw the pursuit of science as good in itself; but he also saw that the uses of science are only as good—or as bad—as the moral and political choices that determine those uses. In his own words, and I quote, "Concern for man himself and his fate must always form the chief interest of all technical endeavors—in order that the creation of our minds shall be a blessing and not a curse."

The tree of science is always beautiful, but its fruits can be bitter as well as sweet. Our task is to nourish the tree of science and to attempt as best we can to harvest the fruits that are sweet. And that task must be shared by all of us—scientists, engineers, industrial leaders, educators, and public officials alike.

I hope that science and technology in the United States will continue to be shaped by Einstein's vision of knowledge that keeps the good of human beings always at the forefront.

It is in that context that I want to share with you briefly some ideas and observations about basic research, about a strategy for energy technology; about industrial innovation; about scientific cooperation among nations; and about the role of science in helping to control its own most fearsome offspring, nuclear weapons. I will be very brief.

The last President to address a convocation of the National Academy of Sciences, John F. Kennedy, spoke of basic research in these words: "We realize now," he said, "that progress in technology depends on progress in theory; that the most abstract investigations can lead to the most concrete results; and that the vitality of a scientific community springs from its passion to answer science's most fundamental questions."

One month to the day after President Kennedy spoke those words, he was stricken down by an assassin's bullet and then began a long period of political trauma in our country. But in many ways, those following years were exciting ones in science and technology—years of breakthrough discoveries in molecular biology, particle physics and many other fields, and of technological progress epitomized by the triumphant landing of men on the moon. Yet for scientists, as for so many of the rest of us in politics and other fields, they were also difficult years. American science found itself beleaguered by two very different kinds of anti-intellectualism: on the one hand, by the romantic anti-rationalism of the counterculture and, on the other, by the veiled hostility of a national Administration that distrusted the academic and scientific community.

The latter presented the most serious threat. Federal policy toward science became infected with a simplistic search for a simple fix. Research that seemed to promise a quick payoff was more amply funded, while support of basic research was allowed to decline.

The future of our scientific and technological primacy was put at risk.

I came to office determined to reverse that dangerous, short-sighted trend, and today I reaffirm to you my commitment to basic research—the bedrock of our scientific and technological future.

During the two years of my own Administration, I have proposed increases already of more than 25 percent in Federal funding of basic research. I have asked the Congress to support this increased funding in order to meet the long-term needs of our Nation.

I have also sought to strengthen basic research in the individual Federal agencies. Each agency has been asked to re-examine its own budget request to see how basic research commitments could be strengthened. And we have tried to resolve non-budgetary problems that have inhibited research in our universities—problems of unnecessary government regulation and excessive bureaucratic paper shuffling.

Economists estimate that advances in knowledge have accounted for three quarters of our own country's economic growth in this century. By itself, that is a decisive reason for us to support the basic research that undergirds our technological might. But the value of basic research is even higher and deeper than meeting payrolls and spawning new industries.

The fundamental concern of basic research is the discovery of truth about the natural universe. The search for truth is a central part of what it means to be human.

No issue illuminates our Nation's practical need for science and technology more than the energy problem.

Oil remains by far the most important energy source, and we are in the painful situation of relying on a greedy and unreliable foreign cartel for nearly half the oil we use in this country. As that onrushing river of foreign oil flows into our country, a river of American money flows out, threatening the health of our economy, the stability of our currency, and even the security of our Nation.

Science and technology can change that—but only if we commit ourselves to a national strategy of developing energy alternatives. We have such a strategy—one that will enable us to move away from imported oil and increasingly move toward non-fossil fuels—and I am determined that we will pursue it.

Over the next decade or so, we must rely mostly on existing technologies, but we will pave the way for future progress by fostering conservation, domestic production of oil and gas, greater use of coal, the safety of nuclear plants, and the use of solar power.

From about 1990 through the second decade of the next century, we will pass through a dramatic and sometimes bumpy period of transition. Conservation will be forced upon us, and the mix of our energy resources will change as we turn increasingly toward unconventional sources of fuel.

By the second quarter of the 21st Century, we will have learned to rely on cleaner, essentially inexhaustible sources of energy. The principal candidates include, of course, fusion and such solar technologies as photovoltaics.

We are preparing right now for these stages of our energy future. Our energy research and development is already larger in its program size than those of all our allies combined.

But we must do more. That is why I have proposed the creation of an Energy Security Fund to supplement our normal budget mechanisms. The revenues for this fund will come from a windfall tax on the unearned excess profits that would otherwise go to the oil companies because of the decontrol of oil prices—over and above needed incentives for exploration and production within our country.

The Energy Security Fund will provide relief to those least able to pay for more costly energy, and large sums will go to finance projects that are so important to our energy future—including a regional petroleum reserve, better mass transit, coal and oil shale developemnt, new incentives for solar techniques, and other basic and applied research projects with which many of you are already intimately acquainted.

The Energy Security Fund faces a difficult passage through Congress. But we are making progress because the public supports our proposals. Many of those who only a few weeks ago were dedicated to killing outright the windfall profits tax have now given up on that fight. But the battle is far from over. Their new strategy seems to be to try to hoodwink the American people by passing a windfall profits tax that is in fact a charade—a tax designed primarily to provide loopholes to the oil companies so they will get another $4 or $5 billion in addition to the $6 billion in increased revenues that they would get under decontrol with an honest windfall profits tax proposal passed.

They will try to pass this charade off on the American people as a so-called "plough back" provision. But it isn't a "plough back"; it is a "plough under" and a "kick back," and what is going to be plowed under is the Energy Security Fund with its aid to research and to the poor. And what is going to be kicked back to the oil companies is the money that would go to finance these absolutely necessary programs for the well-being of our country.

I ask for your support in the battle to pass an honest windfall profits tax to finance a real Energy Security Fund for our Nation in consonance with the program that will give greatly increased incentive and greatly increased profits for the oil companies to explore and to discover and to produce additional sources of domestic oil and natural gas.

And I also call on all of you in the scientific and engineering communities to fulfill the trust of the American people by creating the new energy technologies that are so vital to the future well-being of our country.

We need innovation on a broader scale as well, for new ideas in America are central not only to reducing our dependence on foreign oil, but also on our efforts to control inflation, to improve productivity of our workers, to protect the environment, and to ensure the prosperity of the American people.

We tend to think of the inventiveness of American industry as a kind of inevitable birthright, but complacency is the last thing we can afford.

Too many of our industries in this country have gone stale. Innovative industries in countries like Japan and West Germany put too many of ours to shame. Our competitiveness has begun to slip.

The American free enterprise system has always been vigorous enough and able enough and dedicated enough and well-supported enough to prevail. I have no doubt that it still retains those capabilities.

We must nurture an environment in which the new idea and the fresh approach are put to use.

The Federal Government bears a large share of this responsibility. We must change government practices that thwart innovation while enhancing government policies which encourage the development of new products and new processes.

Last year I directed the Secretary of Commerce to begin a major study of industrial innovation. That study, involving some 30 Federal departments and agencies and consultations with industry, labor and the universities and the public, will soon be completed. I look forward to reviewing the recommendations and to acting on them, hopefully with your help.

Many of you in this room today are leaders of American business and industry, and I call on you to emphasize innovation in the companies which you serve. Like Federal support of basic research, industrial development and investment in research, both basic and applied, in new products and new processes is a practical testament of faith in our own future.

Since Kepler's day and before, scientists have been perhaps the most international of all professions in their outlook. In our own time, the explosion of communications and technology has made international scientific communication both easier and more urgent than ever before.

Albert Einstein himself operated on what even then was a very modest budget. He needed little more than a few sharpened pencils and a quiet place to think. But as you know, the task of building upon his work can be much more expensive. Many of the key experiments yet to be done—in both basic and applied technology—are on a monumental scale.

Our choice in the years ahead will be between carrying out the few large projects we can afford on our own as Americans—or by doing many more projects, perhaps even more effectively, in cooperation with other nations.

We must continue to choose cooperation—for reasons that go beyond the considerable benefits of sharing the costs and sharing ideas.

With our traditional friends, scientific and technological cooperation can strengthen existing bonds. With others, who may not be quite so friendly, it can help to bridge political and ideological and cultural divisions.

One of the most important purposes of international cooperation in technology and science is to meet the developing needs of the poorer countries of the world.

The future of the advanced countries is increasingly tied up with that of the developing world. Yet, only about one percent of the world's civilian research and development is devoted directly to the problems of the poorer half of humanity—problems such as poverty, disease, hunger, education, and resource development.

We should be doing more.

A year ago, I proposed the creation of a new Institute for Scientific and Technological Cooperation—to mobilize the talents of the scientists and engineers in this country and in the developing world to address these critical problems. Instead of providing relief, we would aid the third world in building its own corps of development scientists and decision-makers. And we would join them in mutually beneficial projects in agriculture, medicine, industrialization and appropriate energy systems.

The Institute for Scientific and Technological Cooperation has been approved already by the House of Representatives and is now before the Senate for consideration. It needs your full support.

Let me turn now to the use and exploration in space where, as on earth, our purpose is human betterment—material, intellectual and spiritual.

In the coming era, we will reap a good return on the more than $100 billion the United States has invested in space. From platforms in space, we can indeed continue to improve our world.

Every year, satellites make new contributions in such areas as agriculture, environmental monitoring, land use, resource discovery, climatology and communications.

With the advent of the space shuttle, we will have un unmatchable ability to work in space. We will see a flowering of research and industrial activities in space, and we will make quantum jumps in international cooperation, advancing the causes of peace and human development.

Mankind's leap into space has changed human consciousness forever. The era of manned exploration of deep space is still well in the future, but our senses are already penetrating the outer reaches of the solar system and beyond. No one who has seen those breath-taking pictures of Jupiter and its moons sent back from Voyager I could fail to have been surprised and delighted by them.

We can expect many more such surprises, many more such delights, as we probe further into the universe and its mysteries.

And finally, let me say that of all the fruits of science, none is more bitter than nuclear weapons. And of all the responsibilities of nations, none is more urgent than the control of this most terrible menace to our lives and to our civilization.

All of us are thankful that the recent accident at Three Mile Island in Pennsylvania ended without harm to the public. That accident may even have served some positive purpose. It has, of course, led us to redouble our determination to improve the safety of nuclear power. Even more importantly, however, it has reminded us vividly of the dreadful consequences of nuclear war.

We have lived too long with nuclear weapons. We have grown too accustomed to their shadowy presence in our lives. We are too apt to forget what the ultimate horror would be: the instant death of millions and the slow and agonizing death of many millions more; the destruction of the cultural legacy of all mankind; the poisoning of air and soil and water for many dark generations to come.

In an all-out nuclear exchange, the victim would be nothing less than the past, the present and the future of our own human species.

When President Kennedy addressed this body 16 years ago, the Senate had just ratified the most significant step in nuclear arms control until that time: the atmospheric test ban treaty. The SALT II treaty, now nearing completion, is part of the same process—a long, slow progress on gradual steps toward sanity, based on mutual self-interest. And after SALT II, that process will continue with a comprehensive nuclear test ban and then with SALT III.

SALT II will reduce the risk of nuclear war by lowering levels of strategic arms, by containing development of new weapons systems, and by contributing to a more stable political interrelationship between ourselves and the people of the Soviet Union.

Many of the issues involved in assessing the treaty are very complex technically, and the American people will look to the scientific community to help shape an educated public debate.

Many of you devoted much effort to the debate over SALT I, and you played a major role in forming the consensus that developed to support that treaty. Today, I ask for a renewal of that commitment.

If science gave us nuclear weapons, it is no less true that science has given us the extraordinary means of verifying compliance with treaties to control those weapons. In the great SALT II debate which has already begun, the participation of scientists will indeed be crucial.

Albert Einstein also said these words, "The importance of securing international peace was recognized by the really great men of former generations. But the technical advances of our times have turned this ethical postulate into a matter of life and death for civilized mankind today, and made it a moral duty to take an active part in the solution of the problems of peace, a duty which no conscientious man can shirk."

These words were more prophetic than anyone could know, for they were spoken more than a decade before the explosion of the first atomic bomb. I urge you to heed them as we conclude SALT II—the next step towards nuclear arms control and a stronger and more sure worldwide peace.

Americans once had an unquestioning faith in science as a savior. We have grown more skeptical of science, as of so much else in our lives. But we still look to our scientists and to our engineers, our military researchers and to our doctors, to our inventors and to our thinkers, to improve our lives and to improve the lives of our children.

My concern for the state of American science and technology has made our present efforts a keystone in building a new and a more solid foundation for our common future. I look to the members of this academy, to the entire scientific and engineering community, to the Members of the Congress, and to the people of our country, to join these efforts through science for a greater America.

Thank you very much.●

IT'S TIME FOR JANZUS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 1, 1979

● Mr. FINDLEY. Mr. Speaker, with the visit this week of Masayoshi Ohira, Prime Minister of Japan, it is appropriate to call attention to the changing nature of the United States-Japan alliance. During the past two decades, our relationship has evolved from what some termed a "parent-ward" relationship into a full fledged partnership in economic matters. It is time, I feel for a new United States-Japan military partnership.

Protected by U.S. defense guarantees, Japan has been able to grow into an economic giant, spending an extremely low percentage—only 1 percent—of its GNP on defense.

In this regard, a report recently released by the Senate Armed Services Panel stated that Japan should expand its military defense efforts and increase spending for national security.

> Japan needs to address more seriously the problems of national security . . . (It) clearly has the economic potential to assume a substantially greater portion of her defense burden.

The report was critical of Japan's supposed "free ride" on defense, pointing to the sharp contrast in U.S. defense spending of $105.3 billion in 1978, as compared with Japan's defense expenditures of $9.5 billion that same year, Senator Sam Nunn, chairman of the Panel, suggested that Japan examine its defense goals, set priorities, and spend whatever it takes to reach its objectives.

This "free ride" criticism of Japanese defense is not new. Ever since the U.S. economy began experiencing adverse repercussions from Japan's high-economic growth days, critics have levied this charge against the Japanese Government. Yet, more recently, there have been marked changes in Japanese defense policy that the Senate report fails to consider. The Armed Services Panel seems unaware of the change in mood in Japan toward rearmament, and Japan's recognition that a higher profile, more autonomous military posture is needed. The Panel places an unwarranted onus on this important Asian country. Thus, I think it is time that our two Governments seriously consider the integration of Japanese defense capabilities in a revised and revitalized East Asia security system.

The Japanese have become increasingly concerned about American reliability as their senior defense partner since the early 1970's, when the United States began to disengage itself from Southeast Asia. From 1973–77, they witnessed a reduction in the U.S. 7th Fleet from 3 carriers and 29 other ships to 2 carriers and 18 other vessels. Moreover, none of the last three Presidents has really clarified or redefined a U.S. policy doctrine for the Asian/Pacific arena, leaving largely unanswered what specific political or strategic objectives the U.S. might still entertain in the region. The South Korean troop withdrawal, no matter how gradual, has nontheless contributed to the Japanese malaise. The United States rationalizes that Japan is adequately shielded from the Soviet Union or Peoples Republic of China by our protective nuclear umbrella. Yet, as one analyst points out, the eventualities under which the United States would exercise its nuclear capabilities on Japan's behalf, remain ambiguously defined in the United States-Japan Mutual Security Treaty. At the time of Secretary of Defense Harold Brown's visit to Tokyo in July 1977, Japanese officials were reported to be "profoundly disturbed" about the extent of the U.S. guarantee.

In July 1978, Japan issued its fourth white paper on defense which noted that a recent reinforcement of Soviet naval forces in Northeast Asia has become "a factor that cannot be ignored when considering the security of the islands off Asia." The Sino-Soviet competition in the region to woo North Korea and North Vietnam will necessarily augment Soviet military presence in Asia. In late 1978, Vice Minister of Defense Ko Marayama asserted that the United States had only a "limited" capability of defending Japanese sea lanes with the 7th Fleet, and that the U.S.S.R. posed a "direct threat" to Japan's security. The Japanese Government has expressed strong concern in recent days about the Soviet military planes and ships being stationed in Vietnam, regarding them as a potential threat to Japan's supplies of oil being brought from the Middle East. Two Soviet reconnaissance planes have been spotted recently at the airbase at Da Nang and several Soviet ships have been seen entering and leaving Cam Ranh Bay. The Japanese regard the possibility of permanent Soviet bases there as a major new buildup of Russian strength threatening the stability of Asia generally. The Soviet Pacific fleet, they fear, could be used as a tool of political opportunity depending on the relative equilibrium of forces throughout East Asia.

In response to these recent developments, the Japanese Armed Forces, for the first time since World War II, have been ordered to prepare a comprehensive plan for defense of the country against foreign attack. The muted public response to this undertaking is indicative of the swing by national opinion away from its post-war aversion to things military. Central to the plan is to provide for the defense of the straits off Japan used by the Soviet Pacific fleet to reach open seas from Siberian ports.

The announcement of the new study is seen as only one in a series of recent moves by the defense agency and the Government to legitimize and popularize the country's armed forces. In late 1977, the Defense Ministry vastly expanded the geographical area in which Japan's "right to self defense" applied. The Government has also widened the definition of "defensive weapons"—the only type the Japanese are legally entitled to possess—to include just about any weapon, except perhaps strategic bombers and ICBM's. In June 1978, Japanese Defense Minister Shin Kanemaru finalized Japan's decision to purchase from the United States the next generation F-15 fighters and the P3C Orion antisubmarine reconnaissance aircraft.

Later, the defense agency firmed up its decision to purchase Grumman E2C Hawkeyes to establish Japan's first airborne early warning system. This new defense plan will lead to consideration of emergency laws needed for troop movements, base construction, and material procurement. Some also say that when the plan is completed, it may necessitate a basic rethinking of the current idea calling for a "basic defense capability," that is, a qualitative improvement of existing equipment without much quantitative change.

Despite this change in public mood toward rearmament, the Japanese are still acutely aware of their strategic vulnerability. This will preclude their amassing arms on a pre-World War II scale, or even their going nuclear. Even were there to be a loss of faith in the United States or a withdrawal of American guarantees, most analysts point out that Japan's highly concentrated population and industry make the losses that would be sustained in a nuclear confrontation unacceptable and therefore the creation of a second strike pointless and unwise. As nuclear strategist Momoi Makota points out, acquiring nuclear weapons, even a limited capability, would almost certainly guarantee that Japan becomes a target. Thus, it is more for diplomatic purposes than anything else, that Japan continues to hedge on signing the nuclear nonproliferation treaty. Kishida Junnocuke, chief editorial writer for Asahi Shinbun and an expert on nuclear technology, contends that "the proliferation power of Japan is one of our only cards," in bargaining with the United States and other nuclear armed countries. In short, this new defense plan has certainly not ushered in a revival of Japanese militarism. The Japanese are still quite sensitive to the delicate military balance in Northeast Asia, and the dangers they would incur by developing a nuclear capability. There is still no evidence that there will be any change in Japan's nonnuclear policy.

The fact remains that the Japanese have demonstrated their desire to expand their defensive capabilities and assume more global responsibility. In addition to the new defense study, we have been witnessing rising self-confidence in Japanese foreign policy. As mentioned, they have confronted the United States on the Nuclear Non-Proliferation Treaty, preferring to retain their option to develop nuclear energy. In its relations with the Soviet Union, the Japanese have remained adamant about their desire for return of the disputed Kurile Islands. Last year, Japan broke off Soviet-initiated negotiations for a treaty of peace and friendship because a satisfactory agreement on these islands was not included. Likewise, in its relations with the People's Republic of China, Japan stood her ground, refusing to concur in the incorporation of an anti-hegemony clause in the Sino-Japanese Treaty of Peace and Friendship. Finally, in Manila last year, Prime Minister Fukuda committed Japan to several economic cooperative projects with the countries of ASEAN. Contrary to the Senate report, the Japanese have been striving to assert themselves globally and shoulder more of the defense burden.

Rather than continuing to condemn Japan for its free ride, the United States should acknowledge these Japanese initiatives in defense and foreign policy matters. As one analyst points out, "the United States should use this welcome period of quiescense and stability in Asia to construct new and more solid arrangements * * * that will contribute to a long-range pattern of stability in the area."

One alternative suggested by Prof. William Tow is an extended ANZUS which would upgrade Japan's defense role in the Asian Pacific area. The ANZUS treaty, a tripartite agreement, was originally developed by the United States, after Japan's defeat to alleviate Australian/New Zealand fears of a revival of Japanese militarism. However, with the signing of the Japanese Peace Treaty in 1952, it became clear that the primary problem was the security of Japan, rather than security against Japan. Indeed, by 1975, Japan's economic power had come to be perceived by the Australians as a stabilizing element throughout non-Communist Southeast Asia and in the Southwest Pacific.

By entering into ANZUS with U.S. sanctioning, Japan could effectively demonstrate its true interest in becoming an Asian/Pacific defense partner and allay any fears that it might be an expansionist maverick power. Integration of Japanese/ANZUS defense planning through the creation of an equivalent to NATO's SHAPE under American supervision and guidance could achieve a desirable mix of Japanese financial and technological input while merging a controlled Japanese defense presence in the Asian Pacific with that of the United States, Australia, and New Zealand. Such a fusion could be extended to apply to the issues of defense function allocation (that is, control and application of each alliance partner's defense technology, resources, and so forth), weapons standardization, coordination of strategy for military base use, and identification of contingencies requiring specific levels of weapons application—strategic nuclear, tactical nuclear, or conventional weapons usage.

ANZUS and Japanese representatives could meet at regular intervals in order to identify and define Asian Pacific contingency threats and to institutionalize mission and force planning on a mutual, coordinated basis under direction of a JANZUS commander, who, in turn, would report to the member nations' heads of state. ANZUS-Japanese defense cooperation is currently possible because Australia, New Zealand and ultimately, the United States cannot extricate themselves from Asian threats or conflicts that threaten the vital economic, transportation and geopolitical interests of all four countries.

Recent trends in Japanese-Australian relations suggest that Australia would be receptive to an arrangement of this sort. The Japan-Australia Basic Treaty of Friendship and Cooperation signed in 1976 recognized the two countries' "common interest in and great responsibility for the stability of the Asian/Pacific region." However, U.S. auspices is still critical if the latent fears of Japanese militarism are to be allayed. Moreover, it is dubious whether such an alliance without U.S. naval support would have a credible capacity to protect the region.

To conclude, I feel conditions are ripe in all four countries to consider a "JANZUS-type" defense arrangement. Japanese foreign policy has matured considerably since the drafting of the postwar Peace Constitution and the signing of the United States-Japan Mutual Security Treaty. Rather than deride Japanese defense efforts, the United States should now offer active cooperation and assistance in Japan's transition toward greater global responsibility and a more equal defense partnership.●

SENATE—*Wednesday, May 2, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. DAVID PRYOR, a Senator from the State of Arkansas.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Only fear the Lord, and serve Him in truth with all your heart; for consider what great things He hath done for you.—Samuel 12: 24.

Let us pray:

Almighty God, in whose keeping are the destinies of men and nations, grant to each of us clean hands and pure hearts as we pause before Thee. Remove from us whatever obstructs knowing and doing Thy will. Emancipate our souls from sin and doubt and fear. Grant us grace and wisdom sufficient for our tasks. Tune our wills to Thy will. Keep us ever receptive to new insights and open to fresh visitations of Thy spirit. Lead us in the ways of truth and justice. And to Thee shall be the praise and thanksgiving. Amen.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 2, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID H. PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized. Does the Senator seek recognition?

Mr. STEVENS. Mr. President, I yield the minority leader's time to the distinguished Senator from Iowa, who has the first standing order.

ABA FAVORS CARRYOVER BASIS REPEAL

Mr. JEPSEN. Mr. President, the American Bankers Association recently surveyed its membership regarding carryover basis. The overwhelming response was that carryover should be abolished. As the ABA put it:

> No amount of "clean-up" can solve the fundamental problems of carryover basis. It was inadequately considered by Congress and, based upon the experience of our member banks and others involved in the administration of estates during 1977 and 1978, has been a disastrous mistake. No sensible course of action exists other than repeal.

Mr. President, I ask unanimous consent that a summary of a survey by the ABA regarding carryover basis be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF SURVEY OF RESULTS ON DIFFICULTIES OF PROVING BASIS FOR CARRYOVER BASIS PURPOSES

The American Bankers Association urges Congress to repeal carryover basis for a decedent's property and thus return to existing law pursuant to which the basis for such property is easily ascertained and is its estate tax value. No amount of "clean-up" can solve the real and fundamental problems of carryover basis. It was inadequately considered by Congress and, based upon the experience of our member banks and others involved in the administration of estates during 1977 and 1978, has been a disastrous mistake. No sensible course of action exists other than repeal.

A primary reason for urging repeal is that in the real world proof of a decedent's basis during 1977 and 1978 was a serious problem and would continue to be such in the future. The U.S. Treasury Department states that recordkeeping problems for "esoteric assets or careless taxpayers" cannot be used to justify repealing the carryover basis law and returning to prior law in which the income tax basis for property received from a decedent's estate is its estate tax value, making proof of a decedent's basis unnecessary. Apparently without the benefit of any representative sampling of estates of decedents who died while carryover basis was in effect during 1977 and most of 1978, the Treasury Department asserts that "in the majority of cases [proof of basis] present[s] no or minor problems." These statements are at odds with the overwhelming weight of the evidence.

In an attempt to define the nature and depth of the proof of basis problem caused by the carryover basis law, the American Bankers Association requested some of its member banks to report their experiences with the carryover basis law in terms of specific examples of difficulties encountered and cost of time in attempting to comply with the law. Some member banks contacted law and accounting firms to elicit their experiences. Approximately 200 replies were received from around the country, estimated to cover more than 5,000 estates. A 50-page summary of the letters is available but the following excerpts should indicate the extent of the problem created by carryover basis.

The survey indicated there were many reasons for inadequate records. Some were peculiar to the type of asset involved and some were due to events. Checking account records as a source of information were usually available only for a limited period of time. Advancing age and ill health were often cited. Elderly or widowed persons became tired and gave up keeping records. One bank reported a decedent who kept meticulous records, which abruptly stopped five years before her death. The simultaneous deaths of both spouses made the problems difficult if not impossible. In the case of a decedent's incompetency, an individual conservator may have been appointed who threw out records. One bank reported that "we have many conservator accounts in the Bank in which we are missing cost information on securities and due to the incapacity of our ward find it impossible to locate the actual cost data."

Some decedents disposed of their records when they moved to nursing homes, apparently having neither the energy nor the disposition to sift through a lifetime of accumulation on such an occasion, and lacking space in their new homes to keep all their papers. Records were lost in moves. Homes, and records, were destroyed by fire. In one case the decedent's "industrious cleaning lady had discarded his 'necessary' records."

Property was often acquired by inheritance or gift, sometimes many years ago, and assets were often not accompanied by cost data, as in the case of assets acquired by gift, particularly when the gift was less than $3,000 and not required to be reported for gift tax purposes. Gifts by husbands to wives were not commercialized by the transmission of cost data to the wife. Etiquette precluded inquiry as to the cost of gifts received at weddings, anniversaries and other nonbusiness occasions. Gifts created difficult problems because of the need to establish the donor's basis.

When records did not exist, the reconstruction of basis was difficult. An Iowa attorney said:

1. The main source of information for the average decedent is the decedent himself. Because of his death the fiduciary and the lawyer must glean this information from inadequate records or secondary sources which are not reliable and almost impossible to find.

2. The survivors you are ordinarily dealing with are old people whose memory has frequently failed, or some uninformed relative of friend who has little or no knowledge of the background of the asset involved.

A Chicago bank summarized its experience as follows:

After sifting through cost records for many decedents, several factors became readily apparent.

Records for securities:

1. Some kept no records.
2. Most did not understand capital changes (splits, stock dividends, mergers).
3. Most failed to retain dividend reinvestment statements.
4. Many of the sales made during their lifetime had incorrect basis reported in the individual income tax returns.
5. Many of the taxable exchanges (involuntary) went unreported.

Records for real estate (residence):

1. Decedents were not aware that the records from previously owned residences were needed to determine the deferred gain in the basis of the current residence as well as the acquisition date.
2. Most homeowners do not know the difference between capital expenditures and current expenses.
3. Those who kept receipts kept "everything", most of which was unnecesary.

The records we have gone through revealed one important fact—many people do not understand accounting principals well enough to maintain accurate cost records. The frequency of errors was unbelievable.

Deciphering records required time (and expenses). Scribbled notes, perhaps adequate and meaningful to the decedent for purpose of the lifetime capital gains tax, were a mystery to the executor. A Vermont bank observed:

The deluge of unorganized information clearly presented the problem of how much time should be spent in searching for numbers which would, in any event, be inconclusive.

Responses repeatedly referred to the virtual impossibility of ascertaining basis for chattels. One bank reported that in approximately 99% of its estates no basis could be located for chattels. A Philadelphia lawyer reported of a case with 1,700 items valued at $4.7 million and after four months of effort to ascertain basis, it still did not know the basis of three-quarters of the items.

The personal property problem was by no means limited to stamp or coin collections, although the number of reported cases were larger than expected and casts doubt upon classifying such a collection as an "esoteric" asset. A Newark law firm reported a stamp collection of 5,348 stamps appraised at $41,500 for a fee of $3,500.87. The firm estimated the cost of ascertaining basis to be $18,000. When stamps were purchased as a collection, carryover basis virtually forces sale of the whole collection since cost cannot be allocated to determine the basis of each item.

The extent of the problems in determining the basis of marketable securities was surprising. A Wilmington bank reported: "It is our estimation that for approximately 50 percent of the marketable securities in our estate there were no cost clues beyond the certificate date." Since the certificate could have been reissued for a number of reasons subsequent to the acquisition of the securities, the certificate date would not be conclusive of the acquisition date.

Many responses stated that basis was difficult or impossible to obtain for many marketable securities as the following comment exemplifies:

> Often customers keep detailed accounts of the stocks they own, the number of shares owned, and the stock certificates themselves. However, experience has shown that this is not enough. In a recent estate the decedent had kept meticulous records on all dividends paid for the last forty years, but failed to record the acquisition dates or how the stocks were acquired. After many hours of work, it was determined that many of the stocks were received by gift or inheritance. As far as those received by gift, we were unable to go any further and discover what the donor's basis was so the basis to be used was incomplete.

A Mississippi bank referred to an estate having a value of approximately $216,000 of which $171,500 was attributable to 6,533 shares in a corporation. The decedent inherited 7 shares from her husband's estate and later the stock changes as a result of 11 stock dividends, 11 sales, 4 stock splits and 5 mergers or acquisitions. The bank was unable to determine the cost basis of the stock.

A Nebraska bank noted that with local over-the-counter securities the transfer agent records were often incomplete. Some companies destroyed shareholder records after a period of time or, when stock records were automated, recorded preceding years as "one lump sum," thus causing the loss of individual transfers or issue dates. Some transcripts of such records were incomplete, or the company could not supply needed information. Brokerage firm records were unavailable because of bankruptcy, merger, death or the destruction of old records. Some decedents dealt with numerous brokers for periods as long as 40 years, sometimes in four or five states, making the proof problem more difficult.

Determining the basis of residences and other real property was difficult or impossible in many estates. A Minneapolis bank states:

> Almost every estate we have handled involves a homestead problem. That was determining the cost, date acquired, and improvements of the decedent's homestead. I found that if records were available at all, they would be for other investments but not the homestead. In many cases the decedent had sold his house several times and reinvested the proceeds thereby deferring the capital gain. Also, in many cases, there were substantial improvements which are considered "separate property" for which the date and amount paid were unknown.

This experience was confirmed by an Iowa Bank, which said:

> In most every estate it was almost impossible to document the basis of the personal residence due to improvements added over the years of ownership. This problem was more severe where the subject property was gifted to the decedent and the original deed to the donor stated "$1.00 and other considerations" as the purchase price.

In some cases, the property had been in the family for generations, and deeds were sometimes not available. In two reported cases the original date of acquisition by a member of the decedent's family was 1890. In one case the land was given by a grandfather to a grandson. The bank reported:

> When the family members were questioned about how and when the grandfather acquired the property we were told "he probably traded a mule for it", ending our search since there was no way to establish the date of acquisition or cost basis of the mule.

Mineral interests created problems. An Oklahoma City bank said: "In numerous of the estates, determining the cost basis of mineral and royalty interests has all but been impossible." A Phoenix bank reported:

> The decedent had been an oil wildcatter who owned some 25 or 30 parcels of land in Colorado and New Mexico; the ownership being for surface rights only on certain parcels, and both surface and mineral rights on other parcels. The land was acquired through "swaps" with family members, land patents, and likekind exchanges in consideration for consulting expertise, etc. Handshakes aren't recorded, nor were many of the deeds. To date it has taken two lawyers six months just to sort out title. The determination of the decedent's cost basis or even acquisition dates were not possible and legal charges incurred in proving basis would be prohibitive.

A Dallas bank said such interests were "the most troublesome assets" and that their costs were "almost universally unavailable." The bank also noted that based upon court records, this asset constitutes approximately 25% of the value of all estates of $250,000 or more in Dallas County during recent years. One estate included 500 oil and gas interests and a conservative estimate of $15,000 was given to determine the decedent's costs.

Closely-held businesses frequently had proof of basis problems. A Denver law firm described these problems as acute. An Iowa bank said:

> In this state, we have a relatively large number of small closely held corporations. Many of these companies grew over the years with the infusion of assets and cash capital from the principal stockholder(s) and without adequate accounting systems and records. Determining cost basis after the death of the principal stockholder proved to be a most time consuming detective story.

An Iowa attorney stated the experience in many estates: "Tracing the basis of a family corporation stock you go back many years and again find completely inadequate records." Corporate minute books recorded the addition of shareholders, their departure, but not cost figures. Subchapter S corporations involved a constantly fluctuating basis as did partnership interests and problems relating to the "fresh start" rule were troublesome. Negative basis partnership interests were ignored. Their proper treatment was a mystery to all, including the Internal Revenue Service.

The basic problem for business was compounded by long ownership periods, and the fact that the owner intended to sell and had no reason to believe cost basis would become important. With corporate ownership, stock splits, preferred stock dividends, etc. raised problems not present with marketable securities.

The application of carryover basis to farms and ranches presented difficult problems. Its application to equipment and other farm property proved virtually impossible in many cases. The story told by an Iowa lawyer of a 75 year old widow executrix of a deceased "retired" farmer attempting to prove the basis and acquisition date of older equipment should be enough to convince any skeptic that the law was impractical. In an estate of another farmer there were five different categories of hogs, three categories of cattle, four items of breeding stock, nine categories of grain and feed on hand, 52 different items of machinery that had significant value, and at least 25 different items that had small value which were simply grouped. The livestock numbered 517 head, each with a separate carryover basis according to law. This demonstrates the problem of answering the questions: Which of the herd were purchased and which were bred? Which were in existence on December 31, 1976 for purposes of the fresh-start rule? The owner was no longer available to supply this information.

The farm itself was often acquired on a piecemeal basis, in one case in 28 separate acquisitions. When equipment trade-ins were involved, tracing the actual basis was impossible. Appraisals routinely lumped them into one figure. What is to be done when the decedent had depreciated the equipment improperly? Improvements—including irrigation systems, grain bins, sheds, roads—presented the anticipated problems. Problems arose where a farm was purchased, with no allocation of the purchase price being made between the land, improvements (exclusion of the residence) and the residence.

The full summary of the proof of basis problems prepared by the American Bankers Association discusses the additional time and expenses required during the administration of estates due to the carryover basis law.

The extent of the proof of basis problem was greater than anticipated where the Tax Reform Act of 1976 was enacted. As one banker noted, "The years 1977 and 1978 were years of frustration when it came to processing estates."

WHY NOT DIRECT POPULAR VOTE FOR CONGRESS?

Mr. JEPSEN. Mr. President, sometime in the not too distant future, the Senate will be asked to debate Senate Joint Resolution 28, a proposed amendment to the Constitution that provides for the direct popular election of the President and Vice President. Hearings have been held on the subject and individual Members will have ample opportunity to discuss the merits and demerits of the proposed amendment at a future date. But, today, I would like to share with my colleagues an interesting study of the concept of pure majoritarian rule and how, if applied to congressional as well Presidential elections, the makeup of Congress would have been very different than was actually the case in time past. It is interesting to note also that in 2 election years, the Republicans actually received a majority of the raw popular vote but failed to actually take control of Congress.

Those who wish to reform the electoral college system fear the possibility that one could actually receive the popular vote in a Presidential election but fail to become President because he or she failed to receive a majority of the electoral college vote. This is the loaded pistol pointed to our heads, the threat that supposedly necessitates radical constitutional revision.

I for one do not subscribe to this sort of paranoia politics but, for the sake of argument, I am willing to say for the moment that the approach embodied in Senate Joint Resolution 28 is the correct one and one that we should adopt. The question then becomes, if the principle is correct, and the popular-vote/electoral-vote discrepancy is of legitimate concern, then why do we not expand the application of this pure majoritarian principle to include congressional elections as well?

As I alluded earlier in my remarks, it is a reality, not a possibility, that the Republicans failed to take control of Congress in 1910 and 1942, yet they received the majority of the popular vote. If we are to be consistent with regard to our search for the truly idyllic approach to the election process then, it is difficult to argue against across-the-board application of the popular vote theory. It seems to be a simple matter of equity. I leave it to the proponents of Senate Joint Resolution 28 to explain to us why it is that no such provision has been included in the current proposal, and encourage my colleagues to ask them this very simple question.

Mr. President, I ask unanimous consent that the following study be printed in the RECORD at this point.

There being no objection, the study was ordered to be printed in the RECORD, as follows:

Year	Members elected in U.S. House races, 1900–76				Under a system where S.J. Res. 28 principle is applied to congressional elections			
	Dem (percent)	Dem elect	Rep (percent)	Rep elect	Dem elect	Rep elect	Others elect	Total members
1900	45.8	153	50.6	198	160.7	177.6	12.7	351
1902	45.3	178	49.5	207	174.4	190.5	20.1	385
1904	40.0	136	54.4	250	154.4	209.9	21.7	386
1906	41.2	164	50.2	222	159.0	193.7	33.2	386
1908	45.4	172	49.9	219	177.5	195.1	18.4	391
1910	44.6	228	44.3	162	173.9	176.6	39.5	390
1912	43.6	290	31.3	127	181.8	130.5	104.7	417
1914	39.8	231	38.7	193	168.7	164.0	91.9	424
1916	42.4	210	42.3	216	180.6	180.3	64.7	426
1918	41.1	191	46.2	237	175.9	197.7	48.2	428
1920	35.8	132	53.8	300	154.6	232.4	45.0	432
1922	42.5	207	47.6	225	183.6	205.6	42.8	432
1924	41.5	183	51.0	247	178.4	219.3	32.3	430
1926	39.5	195	53.8	237	170.6	232.4	29.0	432
1928	42.3	163	53.0	267	181.8	227.9	20.3	430
1930	44.3	216	50.0	218	192.2	217.0	25.2	434
1932	54.1	313	40.9	117	332.6	175.8	78.4	430
1934	52.8	322	39.9	103	224.4	169.5	31.1	425
1936	55.1	333	38.7	89	232.5	163.3	26.2	422
1938	48.7	262	45.3	169	209.8	195.2	26.0	431
1940	50.7	267	43.7	162	217.5	187.4	24.1	423
1942	45.7	222	48.7	209	196.9	209.8	51.3	493
1944	51.2	243	46.2	190	222.9	200.0	10.1	431
1946	44.5	188	52.4	246	193.1	227.4	13.5	434
1948	50.6	263	43.0	171	219.6	186.6	27.7	434
1950	48.1	234	47.0	199	208.2	203.5	21.3	433
1952	48.1	213	48.2	221	208.7	209.1	16.2	434
1954	52.2	232	46.8	203	227.0	203.5	4.4	435
1956	50.8	234	48.3	201	220.9	210.1	4.0	435
1958	54.8	283	43.4	154	239.4	189.6	8.0	435
1960	54.7	263	44.9	174	239.0	196.2	1.8	435
1962	51.9	259	48.0	176	225.7	208.8	.5	435
1964	57.6	295	42.0	140	250.5	182.7	1.8	435
1966	51.1	248	48.3	187	222.2	210.1	2.7	435
1968	50.6	243	48.1	192	220.1	209.2	5.7	435
1970	53.1	255	44.4	180	230.9	193.1	10.9	435
1972	53.2	243	47.9	192	231.4	208.3	11.6	435
1974	57.1	291	40.5	144	248.3	176.1	10.6	435
1976	55.5	292	42.2	143	241.4	183.5	10.1	435

DOES A BALANCED BUDGET PRECLUDE TAX REDUCTION?

Mr. JEPSEN. Mr. President, although I support a balanced-budget amendment to the Constitution, I have been dismayed recently at the extent to which discussion of a balanced budget has drowned out the movement for tax reduction. Last week, during debate on the budget resolution, I heard it said many times by members from both sides of the isle that tax reduction would jeopardize the goal of balancing the budget in fiscal 1981. On Tuesday, the Wall Street Journal reported that the distinguished chairman of the Finance Committee, Senator LONG, has said that there can be no tax reductions before the next election because the goal of balancing the budget should come before cutting taxes.

In my opinion, tax reduction is a critical need and I see no contradiction in supporting both a balanced budget and tax reduction. I remind my colleagues that the budget may be balanced two ways: By raising taxes or by cutting spending. Unfortunately, the latter approach has been rejected in favor of the former.

Some may respond to this by saying that no tax increases by Congress are even contemplated. Unfortunately, the fact is that explicit tax increases are unnecessary, because inflation increases taxes daily, by pushing people into higher tax brackets. The Congressional Budget Office reports that inflation plus real income growth will increase individual income taxes by $8 billion in fiscal 1980, $18 billion in 1981, $34 billion in 1982, $51 billion in 1983, and $71 billion in 1984, in the absence of tax cuts or indexing.

In other words, the budget will be balanced on the backs of the taxpayers.

A recent editorial in the Wall Street Journal, entitled "The GOP Tax Increase," exactly expresses my feelings on this matter. I ask unanimous consent that the editorial be printed in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE GOP TAX INCREASE

Although the Congress is not yet through with the budget for fiscal year 1980, it is already clear that if the budget is to be balanced, it will be in the future and on the back of taxpayers.

Viewing the actions of his colleagues on the Budget Committee, Senator Orrin Hatch complained that all of their decisions "put the taxpayer last." The Senator has a good case. The first thing the committee did was to decide how much money it wanted to spend; then it simply accepted the level of taxes necessary to pay for it. The balanced budget promised for 1981 is to be achieved not by any cuts in spending, but by automatic real tax increases resulting from inflation pushing people into higher brackets.

The Senate showed it was not of a different mind than the Budget Committee. Senator Proxmire's amendment to reduce spending lost 23–67. Senator Roth's amendment to hold the increase in spending to the same 7% level that President Carter seeks for the private sector was defeated on a 36–56 vote. And Senator Lugar's amendment to prevent a 20% increase in food stamps lost 30–61. Indeed, a large assortment of amendments to hold down spending and taxes went down to defeat this week on the Senate floor. It is true that the Budget Committee cut defense, but the funds were reallocated to social programs.

To its credit the Senate held the 1980 deficit to the $29 billion level sought by the President, down from the current fiscal year. But the reduction in the deficit has not translated into a reduction in new borrowing for FY 1980 because of the growth in borrowings by the off-budget agencies. Thus, the smaller deficit doesn't reduce total federal credit demands.

The route from now to 1981's balanced budget is a scenic one for big spenders, taking them through an additional $81 billion in spending and $114 billion in higher taxes. This is an abrupt turnaround from last October when the Senate overwhelmingly passed the Nunn amendment, which combined Kemp-Roth type tax reductions with spending limitations. In the past six months the spenders have been able to regain ground sufficiently to raise spending over the 1980–82 period by $42 billion above the levels in the Nunn amendment and push up taxes by $68 billion.

Clearly, the tax cutters and spending limiters have lost the initiative. Despite Proposition 13, despite the movement for a constitutional amendment for a balanced budget, despite the clear verdict of November's election, the low-spending, low-tax people are back on their habitual defensive. What accounts for this sudden reversal of their fortunes?

The initiative was lost when Republicans and conservatives stopped talking about lower taxes and returned to their old litany about balancing the budget. As the Democratic majorities are in the process of proving, the budget can be balanced by raising taxes. By putting all their rhetorical eggs in the balanced-budget basket, the Republicans condemn themselves to a somnolent role as tax collectors for the Democrats.

This habitual fate was avoided last year when the Republican Kemp-Roth bill put tax cuts squarely at the center of the political agenda. Having preached and practiced for four decades that deficits are good, the Democrats were in no position to complain about the bill's static-analysis deficits. The issues were clearly drawn: tax cuts for everybody vs. spending increases for special interests; economic growth vs. dependency of federal handouts. Having no ammunition of their own against the Kept bill, the Democrats were forced to pass Senator's Nunn's version of it.

Republican economists, though, were never happy about abandoning their budget deficit emphasis. More imbued with Keynes than they admit, and intent on not admitting past error, they were simply unable to comprehend the notion of stimulating the economy through providing incentives and eliminating deficits by faster growth. After November, they managed to persuade the GOP pols that they had lost in the elections and had better go back to proven tactics, the ones that made them a permanent minority for the past generation. So the GOP has stopped trying to hone an idea that had the Demorats in the corner, has forsaken issues for personality and is going gaga over a flashy Texan who likes wage-price controls. In Congress, meanwhile the Republicans are back to accommodating and have saved the days for the Democratic spenders.

It has been educational, if disheartening, to watch the maneuvering that first defused the tax cut movemenet by turning it into a balanced budget movement, and then turned a balanced budget into a revenue measure. Now we are back to the politics of yesteryear. Taxes will be cut after the budget is balanced. Let's see, that will be the year after the year after next. Meanwhile taxes will rise by $153, billion.

THE MULTILATERAL TRADE NEGOTIATIONS: WHERE DO WE STAND?

Mr. JEPSEN. Mr. President, for the past 5 years, the United States has been negotiating with more than 100 countries on mutual reductions of international trade barriers. The outcome of these negotiations can be enormously important to all businessmen.

Many people in Iowa are directly or indirectly involved with raising beef cattle. If the Japanese, for example, were to raise their quota on the importation of U.S. beef, which presently stands at a mere 3,000 tons per year, this will impact directly on each one of them, in terms of increased sales.

Others may be involved in the manufacture of electronic equipment or other products which are manufactured primarily for the export market. In some way, the multilateral trade negotiations will impact on them, either by opening up new markets in other countries or by letting more foreign goods into the United States.

Because of the importance of these trade negotiations, it is important that we understand what is involved. Now is the time when it is most important for everyone who will be affected by the trade agreement to make known their concerns, because when the package of agreements reach the Congress there will be only one vote—yes or no—and no changes allowed. Thus we will have to look at the total package and ask ourselves whether the United States benefits on balance.

The Multilateral Trade Negotiations Agreement, which will be sent to Congress next month, comes to us at a momentous time. Protectionist sentiment throughout the world is rising and it is expected that this trade agreement may be the last such agreement we will see for a very long time.

Since the basic thrust of the trade agreement is toward opening up world trade, perhaps we ought first to examine the underlying assumptions behind it.

The assumptions are really quite simple. It is assumed that there has been no fundamental change in the theory of free trade, as expounded by Adam Smith, Cobden and Bright, or Henry George. It is assumed that this theory is still correct. And that the United States has more to gain than lose by any further reduction in trade barriers.

In principle, there can be no argument with this position. It is almost self-evident that in the long run everyone must benefit from free trade. Since each nation has different resources and capabilities it stands to reason that the world as a whole will benefit if each nation specializes in producing that which it is best at producing, rather than attempting to be self-sufficient. This is true in the same way that it would be foolish for each individual to try and be self-sufficient rather than specializing in doing what they are best at doing. Thus the most efficient use of world resources is for the United States to concentrate on producing computers and wheat, and for countries like Taiwan to concentrate on manufacturing transistor radios and shoes.

However, in a dynamic economy, with wages and technology always changing, comparative advantage will change and so will fields of specialization. For example, a few years ago Swiss watchmakers dominated the world and the U.S. watchmaking industry struggled. But because of changing technology and growth of the semiconductor industry in the United States, new kinds of electronic watches came into being. Now U.S. watchmakers dominate the world and Swiss watchmakers struggle.

Tariffs and trade barriers are designed to prevent changes in specialization. By raising the prices of foreign goods, they force consumers to purchase more expensive or less desirable domestic goods. This may preserve a home industry, but at the expense of consumers and economic efficiency.

If protectionism is allowed to go too far the cost may be even greater than a simple increase in consumer prices. It may, in fact, lead to a world depression and war. This is exactly what happened in the 1930's when Congress passed the Smoot-Hawley tariff. It proved to be an extremely tragic action.

Because of the large trade surplus the United States had accumulated during the 1920's, as the result of World War I and a vigorously expanding U.S. economy, it was extremely important that our trade barriers be kept down. If we were to prohibit imports by imposing a high tariff then debtor nations would have no way of accumulating dollars with which to pay back their debts. Thus when Smoot-Hawley was passed in 1929 it led almost directly to the stock market crash. As Jude Wanniski of the Wall Street Journal recently wrote:

> The Great Crash of 1929 anticipated the Smoot-Hawley Tariff Act of 1930. The calamitous declines of Monday, October 28, and Tuesday, October 29, followed immediately the collapse of the Senate coalition that had been the last barrier to the tariff.

As soon as foreign nations realized that they could no longer export to the United States, they immediately stopped importing from the United States. This caused the U.S. stock market crash to escalate into a worldwide depression.

Since those darks days of the 1930's there has been a gradual move toward freer and freer trade, beginning with establishment of GATT, the General Agreement on Tariffs and Trade, after World War II. GATT is an integrated set of bilateral trade agreements aimed at the abolition of quotas and the reduction of tariff duties among contracting nations.

Under the leadership of President John F. Kennedy the United States adopted the Trade Expansion Act of 1962, which authorized tariff reductions of up to 50 percent based on reciprocal concessions from other nations. This act led directly to the so-called Kennedy round of negotiations between 1964 and 1967 under the auspices of GATT. The result was an average reduction of 35 percent in duties on industrial products, phased in over 5 years.

Despite rising protectionist pressure the Congress authorized further liberalization of trade barriers with the Trade Act of 1974. This legislation gave the President the power to enter into agreements with other countries that would harmonize, reduce or eliminate tariff or nontariff barriers for a period of 5 years. The subsequent "Tokyo round" of trade talks have led us to the point we are at today.

On January 8, 1979, President Carter announced his intention to sign the multilateral trade agreement arrived at during the Tokyo talks. The President's statement indicates that the major changes will be in the area of nontariff barriers. This stands to reason since the earlier tariff reductions negotiated during the Kennedy round talks and in bilateral agreements have virtually eliminated tariffs as such from being the major barrier to trade. This view is supported by the fact that the decline of the dollar over the past several years may be seen as equivalent to an across-the-board tariff reduction, yet American trade has not increased as expected. This is partly due to the nontariff trade barriers.

Examples of nontariff barriers are widespread. They include outright quotas on imports, export subsidies, licensing requirements, procurement codes that effectively eliminate foreign competition from government purchases, and many others. Codes have been proposed in each of these areas that will reduce or eliminate many of these trade barriers. Thus the agreement will provide the following:

An agreement on subsidies and countervailing duties will limit trade-distorting subsidy practices.

An agreement on safeguards will insure that countries observe international trading rules when temporarily limiting imports that are injuring domestic industries.

An agreement on technical barriers to trade or standards will require countries to use fair and open procedures in the adoption of product standards that affect international trade.

An agreement on government procurement which will increase opportunities for American and other exporters to bid for sales to foreign governments.

An agreement on licensing will reduce the extent to which unnecessary or unduly complicated import licensing requirements impede trade.

An agreement on customs valuation will encourage more uniform methods of appraising imports for the purpose of applying import duties.

These and other agreements that make up the total trade package will affect up to $3 billion in imports. On the other hand, foreign concessions offered to the U.S. amount to $3.8 billion. This does not mean we can automatically expect a $3.8 billion increase in exports. It merely means that some agreement has been reached with regard to products having this value.

It is not altogether clear at this point where agriculture fits into the picture of the trade agreements. In terms of free trade theory it is clearly in the best interest of the United States and, indeed, the world for American agricultural exports to be encouraged. This is because agriculture is one of the most efficient industries in the United States, and American agriculture is the most efficient in the world. Consider these facts:

The number of man-hours required to produce all agricultural commodities has been reduced by a third since 1950; from 15.1 billion man-hours to only 5.2 billion man-hours in 1977. Over the same period, however, total farm output increased by 65 percent. Thus farm output per man-hour has increased by more than 338 percent since 1950. By contrast, productivity in the nonfarm business sector has only increased by 75 percent.

This extraordinary productivity has made American agriculture the wonder of the world. But it has also brought great hardship to American farmers, as they suffer from large surpluses and low prices.

In 1973 American farmers got a taste of prosperity. Net farm income increased 78 percent in 1 year; from $18.7 billion in 1972 to $33.3 billion in 1973. Net income per farm rose to an all time high: $11,813 per year in current dollars and $8,875 in 1967 dollars. The adjusted parity ratio rose to its highest level since the early 1950s.

Unfortunately, the farmers' prosperity was short lived. By 1976 it all fell apart. Net farm income dropped to $18.8 billion in 1976, with net income per farm falling to $6,848 per year in current dollars and $4,016 in 1967 dollars. The parity ratio fell to its lowest level since the Great Depression.

Since 1976 there has been some recovery. Net farm income last year increased by almost 40 percent, but still stands at far below its 1973 high. When the figures are adjusted for inflation a truer picture emerges. Although net income per farm rose to $10,590 last year in current dollars, in real dollars it was 40 percent lower than it was in 1973: $5,420 per farm versus $8,875. Under the circumstances, it is a wonder that farm protests have not been greater than they are. If any other group in society had suffered an income loss of this magnitude the consequences would surely have been far greater.

The reason for the farmers' dilemma is that since 1974 payments by farmers for land, seed, fertilizer, wages, interest, and family living items have gone up much faster than prices received by farmers for their products. Since 1974 prices paid by farmers have increased 33 percent, while prices received by farmers have increased a mere 9 percent.

The only bright spot in this otherwise dismal farm picture is the increase in farm real estate values. Since 1967, average value of land and buildings per acre for farm real estate has increased threefold. Of course, farm debt has also escalated, but nevertheless there has been a substantial increase in proprietor's equities in the farming sector. Unfortunately, this increase in equity can only be translated into cash by either selling the farm or by going further into debt—at a time when interest rates are at a 5-year high. Thus, the critical problem becomes one of cash flow until such time that agricultural profits are again on the upswing. However, in the meantime, many farmers who are already heavily leveraged may be forced out of business entirely; and if farm incomes do not rebound quickly, there may be a collapse of the farm real estate market which may destroy many of those that are left.

Past efforts to increase farm incomes have centered on price supports, land set-aside programs, stockpiling by Government, and measures to increase domestic consumption of food. Unfortunately all such programs have economic costs, either by reducing efficiency, by imposing costs on Government which must be passed on to the taxpayer, or by raising prices for consumers above what they otherwise would have been. Under current economic conditions of rapidly rising consumer prices, declining productivity and taxpayer revolt, none of these consequences can be tolerated.

The only solution to the farm problem that does not have serious adverse consequences is to encourage exports. This is an especially important consideration today, when the United States is suffering from a large deficit in its foreign trade balance. At present, agricultural exports make up more than 20 percent of total U.S. exports. In 1973, the last good year for most farmers, agricultural exports accounted for more than 25 percent of total U.S. exports.

Last year, Congress passed legislation designed to aid agricultural exports. Unfortunately, the administration has done virtually nothing to implement its provisions. The Agricultural Trade Act of 1978 allows the Commodity Credit Corporation to finance commercial export sales of agricultural commodities out of private stocks with short-term credit and to finance sales of its own stocks on long-term credit. It also provides for the upgrading of U.S. agricultural attachés abroad and the establishment of up to 25 U.S. Agricultural Trade Offices abroad. Lastly, the bill created the position of Under Secretary of Agriculture for International Affairs and Commodity Programs, and requires the Secretary of Agriculture to report to Congress yearly on measures taken to increase exports. But, as I said, almost nothing has been done to implement even these limited measures for increasing agricultural exports.

I think that much more can be done and must be done in the export area. Exports translate directly into profits, jobs and a stronger U.S. dollar.

The administration has assured us that careful attention was paid to protecting U.S. interests during the multilateral trade negotiations. I can only take its word for this, since I have not yet seen the trade agreements. I can only say this: I have not decided whether I will vote for this agreement or not. I will keep my mind open, but will look at the agreements with a bias toward Iowa's industries.

RECOGNITION OF SENATOR PRYOR

The PRESIDING OFFICER (Mr. Boren). Under the previous order, the Senator from Arkansas (Mr. Pryor) is recognized for not to exceed 15 minutes.

ROUTE RESTRUCTURING PLAN FOR AMTRAK

Mr. PRYOR. Mr. President, as the Senators are aware, Congress has until May 23 to decide whether or not to disapprove DOT's route restructuring plan for Amtrak—a plan which would discontinue 43 percent of the present system. It is my great hope that the Commerce Committee will reverse its decision of yesterday and report the disapproval resolution as soon as possible, in order that the full Senate will have an opportunity to decide on this extremely important issue.

I would like to take this time to express my opposition to the restructuring proposal. It is premature and shortsighted. Although DOT projects that the reduction will save $1.4 billion—which is only 8 percent—of Amtrak's operating costs over the next 5 years, I ask: What are the real costs? DOT proudly points out that 91 percent of the passengers who would have ridden Amtrak in 1980 would still be served. But, even if this is so, looking 1 year into the future is not sufficient. The picture is changing. What of the not-too-distant future when the energy crunch strikes harder?

Another thing that troubles me is how we can pretend to have a national railroad system if we allow so much of its national character to be destroyed. Only three east-west and three north-south routes would be maintained and the system would serve only a third of the population of this country.

I fail to see the logic of discontinuing a large portion of this important alternate transportation system in the face of coming gasoline shortages. While patronage of the Amtrak system has been less than desirable over the past 7 years, I can say with certainty that this will not always be the case. Americans now rely on the inefficient automobile for 87 percent of intercity travel, and projected shortages simply will not support such continued usage.

The citizens of this country should have the option to choose among various modes of transportation. However, if the DOT proposal is approved, the choice of Arkansas, for example, will be one of nine States left totally without rail passenger service.

Section 4(a) of the Amtrak Improvement Act of 1978 stated that in developing the recommended route system the Department of Transportation should consider "the role that rail passenger service can play in helping meet the nation's transportation needs while furthering national energy conservation efforts." I do not think the DOT plan is in keeping with this directive.

I have seen many different figures comparing the energy efficiency of the various modes. All, however, show that in terms of capability—seat miles per gallon—railroads are far more energy efficient than automobiles or airplanes, and at least comparable to or more efficient than intercity buses.

In addition, trains are the safest way to travel. Amtrak experienced no fatalities last year, as compared to 29 for intercity buses, 654 for domestic airlines, and 34,349 for autos.

I am particularly concerned about what the restructuring proposal spells for the State of Arkansas. Currently, Arkansas is served by one Amtrak line—the Inter-American—running triweekly through the State. We have been fortunate to have this service, and ridership has been steadily on the increase despite deplorable scheduling and operating conditions which I will focus on later. This is not the time to remove this train from Arkansas. Apart from Amtrak, a public mass transit system in the State is nonexistent. Yet the very real threat of gasoline rationing is hanging in the air and $1 a gallon gasoline is fast becoming a reality. The people in Arkansas stand to be greatly hurt by both of these events. Per capita income is relatively low, and the distances which citizens must travel daily just to make a living is great. Arkansas, in fact, has the highest per capita gasoline consumption ratio in the Nation—and I might add that this is of necessity and not because the people are frivolous.

When the crisis hits—when the price of gasoline is beyond the reach of many citizens or restricted to an insufficient amount—the people in Arkansas and the rest of this country must have some alternate means of transportation. Removing Amtrak will put many States one step further from realizing this need.

In addition to the energy situation, I think the Amtrak restructuring proposal ignores several key facts. Among these is the all-important fact that Amtrak ridership is already on the upswing.

Revenues have doubled since the inception of the system in 1971. For the first quarter of 1979, ridership was up 6.6 percent on a national scale. And I would like to point out that the Inter-American has an excellent ridership record.

In January of this year, this train experienced the largest ridership increase of all long-distance trains—up 40.2 percent over January of 1978. For the first quarter of fiscal year 1979, ridership increased 22 percent—all of this despite the fact that out of 26 trains on this line in the month of January, only 1 was on time. If ridership increases under this sort of condition, imagine what it could be under optimal conditions.

The DOT approach fails to "oil Amtrak where it squeaks." The alternatives should be examined and tried before we take any drastic steps. Once eliminated, routes are not easily reestablished. We should address and attempt to correct some of the obvious shortcomings of the system before abandoning it.

Focusing on the Inter-American, I can see several such areas for improvement. For instance, some of the towns Amtrak serves in Arkansas do not even have train stations, and customers are forced to wait beside the tracks in inclement weather for trains which are scheduled for the middle of the night. Some cities do not have ticket agents, and schedules are constantly changed without notice.

Generally, the trains do not run on schedule. The service of the Old Stage Line on the western prairie was more efficient, and Amtrak does not have the Indians to cope with.

When the Inter-American was inaugurated in 1974, it began with a fleet of aged, decrepit equipment. Equipment failures on this route were commonplace—no air-conditioning in the summer and frozen steam pipes in the winter. Ridership and revenues reached an alltime low as a result, and it is not surprising. Finally, the train was outfitted with new Amfleet cars in 1977 and sleeper service was initiated a year later. The record gains in ridership since that time prove that much of the train's poor record was indeed due to poor service. As I mentioned earlier, there is still much room for improvement. And these problems plague much of the rest of the Amtrak system.

As the Amtrak Board of Directors recognized in their mission statement of December 1978:

> No intercity rail passenger system will ever fully capture the potential market in this country until we cure problems associated with poor track, obsolete equipment, inadequate funding, and the like.

One of the goals stated in the Rail Passenger Service Act of 1970 was "to employ innovative operating and marketing concepts to develop fully the potential of modern rail service . . ." Arkansas' experience shows that Amtrak has failed dismally in this area. On the other hand, the experience of the Arkansas Association of Railroad Passengers (ArkARP) offers positive proof that small expenditures for advertising by Amtrak at the local level would have a very significant impact on revenues.

Amtrak has placed no ads in Arkansas newspapers since November of 1976. The Inter-American has been advertised in the State only three times, for less than 10 days of total advertising. Recognizing that Amtrak was not going to promote this train, ArkARP decided that it would. In June, July, and August of 1978, the Association spent a total of only $600 in Arkansas and Texas, and the results were astounding. In Texarkana, for example, the association placed one ad in each Sunday newspaper for the months of June and July. In June, revenues were up 308 percent over the same month a year earlier, and July revenues were increased by 192 percent.

In another marketing effort, the officers of a highly successful promotion group called "Hogtrain" purchased an automatic telephone answering device for the Little Rock Amtrak office. This device alone has been responsible for at least doubling the revenues and ridership at Little Rock since its installation last October.

DOT concedes that equipment and service need to be upgraded on most of the routes, but points to large capital outlay requirements as a deterring factor. However, I think we should recognize two basic points. First, Amtrak is still in its development stages. Second, experience shows that an intercity rail system is not in the nature of a for-profit corporation, but rather a public service.

No major railroad passenger system in the world earns a profit. I do not understand the reluctance to subsidize this mode of transportation when all other modes—highways, air, and water—are heavily subsidized by the Federal Government.

Perhaps the most important of all the considerations is the fact that the public wants Amtrak. Since coming into office in January, I have received scores of letters on Amtrak, and only one or two of these have endorsed the route restructuring proposal.

Two Harris polls conducted in 1972 and 1978 reflect an overall changing public attitude toward Amtrak. A large majority of Americans—60 percent—want improvements in the quality and availability of rail passenger travel for trips 100 miles or more—up from 54 percent in 1972. More than half want the Federal Government to spend more money toward this end. And a Hart Research Associates Study released by DOT in March 1978, shows that 2 out of 5 Americans believe they will be changing their mode of transportation in the next 5 years to more energy-efficient modes. I am sure that if you took another poll today, these figures would be even higher.

When the Rail Services Planning Office held hearings on Amtrak last year in 51 locations across the country, over

95 percent of those represented at the hearings favored maintaining or improving Amtrak service.

I believe we should heed this directive from our constituency. In Arkansas, as in the rest of the country, the energy crisis is a frightening prospect. It is even more so without Amtrak.

Thank you.

The PRESIDING OFFICER. Does the Senator wish to yield back the remainder of his time?

Mr. PRYOR. I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed 10 minutes with statements therein limited to 2 minutes each.

Mr. JEPSEN. Mr. President, if no one desires recognition, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana.

PRIVILEGES OF THE FLOOR—SENATE RESOLUTION 122 AND SENATE RESOLUTION 123

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the following members of the staff of the Senate Committee on Energy and Natural Resources, together with Rick Richard of my staff, be granted the privileges of the floor during the consideration of Senate Resolution 122 and Senate Resolution 123: Daniel Dreyfus, Benjamin Cooper, James Bruce, Michael Harvey, and Marjorie Gordner.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further morning business?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. The Senator from West Virginia.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 72.

The PRESIDING OFFICER. The resolution will be stated.

The second assistant legislative clerk read as follows:

S. RES. 128

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 429, a bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurements of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

Such waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

These authorizations are for additional programs needed for fiscal year 1979.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 429 as reported by the Committee on Armed Services.

Mr. ROBERT C. BYRD. Mr. President, this request has been cleared on the other side of the aisle.

Mr. JEPSEN. No objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia?

There being no objection, the resolution (S. Res. 128) was considered and agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. JEPSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9 a.m. tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. That time can be changed later and may be.

ORDER FOR RECESS UPON COMPLETION OF SENATE BUSINESS TOMORROW UNTIL 10 A.M., MONDAY, MAY 7, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow it stand in recess until the hour of 10 a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

LAW DAY

Mr. ROBERT C. BYRD. Mr. President, I have a brief statement. Yesterday—May 1—was Law Day. Seminars, teach-ins, fairs, lectures and meetings were held around the country—in law schools, colleges, elementary, and secondary schools.

Congress has targeted the Federal judicial system for major reforms. Legislation last year created 152 new Federal judgeships, a long overdue response to the serious backlog in the courts. Last year the Judiciary Committee reported a major overhaul of the Federal criminal code: The product of more than 10 years of intensive study. The Senate passed this legislation, but it did not become law last year.

This year, further changes are under consideration, relating to diversity jurisdiction; to an expansion in the authority of Federal magistrates; an increased Federal assistance to the States to improve small claims courts and other institutions dealing with relatively inexpensive disputes.

Mr. President, the role of the courts in our system of government is unique. Yet problems have developed. I ask unanimous consent that a thoughtful article by Mr. Ronald Goldfarb which appeared in the Baltimore Sun this morning be printed in the RECORD. The article discusses the "law explosion," and briefly explores possible solutions.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, May 2, 1979]

CONTAINING THE LAW EXPLOSION

(By Ronald Goldfarb)

America is in the midst of a law explosion. Increasingly, people are turning to the courts to resolve their disputes and, as a result, the courts are overwhelmed. Case backlogs grow. Judges complain about being overworked. Citizens complain about the costs and delays of litigation. What is to be done?

More (and better) judges would help; but adding judges will not go to the heart of the problem. What needs to be questioned is the necessity of using judges and courts to resolve so many problems which could be arbitrated better elsewhere.

Could there be a redistribution of the work of the courts? What is it judges do uniquely and best, and ought to keep doing? What kinds of cases could they slough?

Legal scholars and planners have begun talking about the need to develop alternatives to the long, costly and difficult trial process. There is wide agreement about the wisdom of developing techniques of arbitration and mediation to replace full-blown trials.

The automobile accident case is a classic example. Courts have been converted into collection agencies by insurance companies which force droves of hapless accident victims into the long and expensive lines at court in order to collect the costs of their car damages and personal injuries. It is the rare case which requires litigation to resolve testy questions of fact or important questions of law.

There are other examples. Divorce and probate are two common cases in point. Divorce arises in about half of all marriages; probate effects everyone. Again, it should not be necessary to endure the delay, costs or personal trauma which plague the trial system to move an estate from A to B, or to decide who gets the grandfather clock or the kids on Christmas. I do not mean to belittle these kinds of contests; I have tried these cases and I know how important and how contentious they can be. But, I also know that it is the unusual case that could not be handied better without a trial than with one. The same can be said about professional malpractice cases, traffic cases and small claims.

There are alternatives to trials. The use of informal neighborhood justice centers, run by citizens, to deal with local relatively minor disputes has been successful in some places. Some special courts could be run by lay judges. Increasingly, ombudsmen are used to mediate institutional disputes, and special masters and referees are being appointed by courts to handle complicated and protracted cases. Arbitration is a relatively quick and easy way to resolve many tendentious battles; here, experts can be assured to cope with complicated and specialized questions.

The more these various administrative techniques are perfected and used, the freer courts can become to deal with the cases that require formal judicial intervention. Which are these?

The cases most requiring judicial intervention are those cases raising constitutional issues and those questioning the operations of government. Ironically, these are the cases which some critics have argued should be beyond the control of the courts. Judges should not have to take over the running of a bad government institution, the argument goes, nor should courts become the forum for political debates by disgruntled citizens. I think that above all else these are the cases which uniquely do call for the action of courts.

To be sure, there are weaknesses and strengths to judicial intervention in the affairs of government. Traditionalists would say that a judge has no right or power to attempt to run a vast executive agency such as, say, a mismanaged poverty program or a condemnable mental institution; that doing so violates the people's right to representative government. To whom, classicists would ask, are judges accountable? Despite good intentions, the judicial power and presence would be overextended and abused in such a case. The role of a judge should be more neutral; he should not take so creative a role in litigation. Lawsuits are to settle private disputes between private parties, not to run departments or programs for needy groups. Courts should fashion remedies carefully, avoiding ticklish enforcement responsibilities.

Activists argue that the rationale for judicia lactivism is not desirability, but necessity. If courts do not prevent illegality in government, where else will citizens have to go to protect their rights? Courts carry out Congress's purposes when they enforce the laws; all the more do courts act in the national interest when constitutional questions are involved. Courts do not reach out to usurp governmental power; they react in extraordinary cases in response to the complaints of aggrieved citizens, and only where the abridgment of vital public rights is involved. These complaints have no other recourse than the courts. The best test of the legitimacy of judicial action, it could be said, is the quality of justice courts administer; and this is the rationale for activism.

So the debate goes. The issue has no answer; it is a historic and confounding dilemma. The subject has surfaced during the last decade because increasingly courts have been drawn into public controversies. "We are witnessing the emergence of a new model of civil litigation," one Harvard professor recently wrote, and "our traditional conception of adjudication and the assumptions upon which it is based provide an increasingly unhelpful, indeed misleading, framework for assessing either the workability or the legitimacy of the roles of judge and court. . . ."

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

STANDBY EMERGENCY BUILDING TEMPERATURE RESTRICTIONS

The ACTING PRESIDENT pro tempore. Under the previous order the Senate will now proceed to the consideration of Senate Resolution 122, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A resolution (S. Res. 122) to approve standby emergency building temperature restrictions (Department of Energy Standby Conservation Plan Numbered 2)

The Senate proceeded to consider the resolution.

The ACTING PRESIDENT pro tempore. Time for debate on this resolution under the statute is limited to 10 hours, which time can be reduced by nondebatable motion. No amendments are in order. No motions to recommit are in order, and no motions to reconsider are in order.

Who yields time?

Mr. JOHNSTON. Mr. President, Senate Resolution 122 provides for the approval of energy conservation contingency plan No. 2, which would place mandatory Federal restrictions on thermostat settings for space heating, space cooling and hot water in nonresidential public buildings. This plan was submitted to Congress by the President on March 1, 1979 under provisions of the Energy Policy and Conservation Act. If approved by each House of Congress before midnight, May 13, 1979, contingency plan No. 2 could be made effective by the President if he finds it necessary to deal with a severe energy supply interruption or to fulfill obligations of the United States under the International Energy Program (IEP), Senate Resolution 122 provides for Senate approval of the President's plan dealing with building temperature restrictions.

The President has indicated that he intends to impose contingency plan No. 2 as soon as the Congress approves it. This plan, according to the Department of Energy, would save the energy equivalent of nearly 600,000 barrels of oil per day, including over 360,000 barrels per day of petroleum. Implementation of building temperature restrictions would make a major contribution toward the petroleum demand restraint pledge made by the President to the IEP nations. The Committee on Energy and Natural Resources has recommended, by unanimous vote, that the Senate approve this plan.

The committee believes that this contingency plan offers substantial savings of energy at relatively low costs to the Federal Government and affected businesses. The steps we ask the American people to take under this plan are reasonable and will provide a significant fraction of the approximately 1 million barrels per day of petroleum that the President has promised the United States would save. I urge the prompt adoption of Senate Resolution 122 by the Senate to accomplish this worthwhile goal.

Mr. President. I ask unanimous consent that the text of contingency plan No. 2, a summary of the Department of Energy analysis of the plan and the recommendation of the Committee on Energy and Natural Resources be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXT OF CONTINGENCY PLAN NUMBERED 2

EMERGENCY BUILDING TEMPERATURE RESTRICTIONS

Prepared by the Department of Energy and transmitted by the President to the Senate and the House of Representatives in Congress assembled, pursuant to the provisions of sections 6261, 6262, 6393(a) and 6422(a) of title 42 of the United States Code.

CONDITIONS OF EXERCISE

SEC. 1. (a) This Plan shall not become effective unless the President:

(1) has found that putting the Plan into effect is required by a severe energy supply interruption or in order to fulfill obligations of the United States under the international energy program; and

(2) has transmitted such finding to the Congress with a statement of the effective date and manner for exercise of the Plan.

(b) This Plan may remain in effect for no more than nine months, and may be earlier rescinded by the President.

DEFINITIONS

SEC. 2. As used in this Plan:

(a) "Covered building" means every building, but excludes residential buildings, hotels and other lodging facilities, hospitals and other health care facilities, and such other buildings and facilities as the Secretary may determine.

(b) "DOE" means Department of Energy.

(c) "Domestic hot water" means hot water which is intended for use in covered buildings for personal hygiene or general cleaning.

(d) "Fuel distributor" means any person who delivers oil or other fuel for use in a covered building.

(e) "In charge of" means to have the care or custody of, or to be entrusted with the management, administration, or direction of.

(f) "Operator" means any person, whether lessee, manager, agent or other person, who is in charge of the heating, cooling or hot water of a covered building.

(g) "Owner" means the person in whom is vested legal title.

(h) "Person" means any individual, corporation, company, association, firm, partnership, society, trust, joint venture, or joint stock company, the United States or any State or political subdivision thereof, the District of Columbia, Puerto Rico, any U.S. territory or possession, or any agency of the United States or any State or political subdivision thereof, or any other organization or institution.

(i) "Public utility" means a publicly regulated utility, whether publicly or privately owned and operated, which is engaged in the sale of electric power or natural gas to end-users.

(j) "Publication" means publication in the Federal Register and any additional notice deemed appropriate by DOE.

(k) "Residential building" means any building in which over 50 percent of the gross square footage is used for residential purposes.

(l) "Secretary" means the Secretary of Energy or his delegate.

(m) "Special equipment" means equipment for which carefully controlled temperature levels are necessary for proper operation or maintenance.

(n) "United States" means any State, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

HEATING AND COOLING

SEC. 3. (a) The owner of a covered building shall, with respect to such covered building:

(1) maintain the thermostat or thermostats controlling the temperatures of areas being heated, at no higher than 65° F. or any other levels which the Secretary determines are reasonable and necessary to reduce energy consumption;

(2) maintain the thermostat or thermostats controlling the temperatures of areas being cooled at no lower than 80° F. or any other levels which the Secretary determines are reasonable restrictions on the use of energy and necessary to reduce energy consumption; and

(3) maintain all thermostats controlling the temperatures of areas being heated or cooled within reasonable tolerances of accuracy.

(b) Notwithstanding paragraphs (1) and (2) of subsection (a) of this section, where a "manufacturer's warranty" requires specific temperature levels for the operation of special equipment, such specified levels are permissible, and if a range is specified, that level within the range is permissible which is consistent with maximum energy savings.

(c) Notwithstanding paragraphs (1) and (2) of subsection (a) of this section, where special environmental conditions are required to protect animal or plant life or materials, such conditions may be maintained.

HOT WATER

SEC. 4. The owner of a covered building shall:

(a) maintain the thermostat or thermostats controlling the temperature of domestic hot water in such covered buildings at a level not in excess of 105° F. or any other levels which the Secretary determines are reasonable restrictions on the use of energy which are necessary to reduce energy consumption; and

(b) maintain all thermostats controlling the temperatures of domestic hot water within reasonable tolerances of accuracy.

(c) Notwithstanding subsection (a) of this section, water temperatures in excess of the level established pursuant to subsection (a) are permissible for water which is the only available source for dishwashing for which health codes require higher sanitizing water temperatures.

REPORTS AND RECORDKEEPING

SEC. 5. (a) The owner of a covered building shall, for such covered building, complete and post in a prominent location of the covered building, within 30 days after the effective date of this Plan, and shall update at such times as the Secretary may require, a Building Owners Certificate certifying compliance with the requirements of this Plan, in accordance with forms and instructions provided by the Secretary.

(b) In addition to the Building Owners Certificate, the owner of a covered building shall keep such records and in such form, and shall submit such reports and other information, as the Secretary may require.

OPERATORS

SEC. 6. Notwithstanding any other provisions of this Plan to the contrary, where the owner of a covered building is not the operator of such covered building, the operator and the owner shall be jointly and severally liable for the execution of owner responsibilities under this Plan.

CUSTOMER LISTS

SEC. 7. Any public utility or fuel distributor shall make available to the Secretary, upon request, information deemed necessary by the Secretary to administer and enforce the Plan.

RELATION TO STATE LAW

SEC. 8. (a) This Plan shall apply to every State (including the District of Columbia, Puerto Rico, or any territory or possession of the United States) and political subdivision thereof and shall preempt any law of any State or political subdivision thereof to the extent that such law is inconsistent with this Plan or any rule, regulation, or order promulgated pursuant to this Plan.

(b) Nothwithstanding the provisions of subsection (a) of this section, the President or his delegate, may, on his own initiative in response to a request for exemption, exempt a State or political subdivision thereof from this Plan and any rule, regulation, or order promulgated pursuant to this Plan, in whole or in part, during a period for which (1) the President or his delegate determines a comparable program of such State or political subdivision is in effect, or (2) the President or his delegate finds special circumstances exist in such State or political subdivision.

(c) A State which seeks an exemption for itself or a political subdivision thereof on the ground that a comparable program is in effect shall submit to the Secretary a request for exemption which shall include (1) a full description of the comparable program, (2) the amount of energy which such program will conserve, (3) the period of time during which such program will be in effect, and (4) such other information as the Secretary may require, and the Secretary shall review the request and make a recommendation thereon to the President, or his delegate.

(d) A State which seeks an exemption for itself, or a political subdivision thereof, on the ground that special circumstances exist shall submit to the Secretary a request for exemption which shall include (1) a full description of the special circumstances, (2) a detailed explanation of why implementation of this Plan, in whole or in part, is not practicable, (3) an estimation of the period of time in which the special circumstances will exist, (4) any alternative energy conservation measures which may be practicable and their expected savings and (5) such other information as the Secretary may require, and the Secretary shall review the request and make a recommendation thereon to the President or his delegate.

(e) For purposes of this section, "comparable program" means a program which deals with the same subject matter as this Plan, which is mandatory, and which conserves at least as much energy in the State or political subdivision thereof as this Plan would be expected to conserve in such State or political subdivision.

ADMINISTRATION PROVISIONS

SEC. 9. (a) The Secretary is authorized and directed to implement, administer (including determination of exceptions), monitor, and enforce this Plan, and to promulgate such additional rules, regulations or orders as are necessary or appropriate.

(b) Section 523 of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6393) shall apply to any rule, regulation, or order having the applicability and effect of a rule as defined in Section 551(4) of Title 5, United States Code, issued under this Plan.

(c) The Secretary may delegate all or any portion of the authority granted to him under this Plan to such officers, departments or agencies of the United States, or to the Governor of any State, as he deems appropriate.

PUBLIC INFORMATION

SEC. 10. The Secretary may collect and disseminate such information in accordance with current law and policy, as he deems appropriate regarding the operation and goals of, and responsibilities under, this Plan.

PENALTIES

SEC. 11. Any person who fails to comply with any provision prescribed in, or pursuant to, this Plan shall be subject to the applicable penalties set forth in sections 524 and 525 of the Energy Policy and Conservation Act (42 U.S.C. 6394, 6395).

REPORT

SEC. 12. The Secretary shall report to Congress and the President, within 60 days after the termination of this Plan, on the operation of the Plan. Such report shall include an estimate of the energy conservation achieved and may include any recommendations deemed appropriate by the Secretary.

SUMMARY OF CONTINGENCY PLAN NO. 2

Description of plan

The plan is designed to reduce energy consumption by placing restrictions on thermostat settings for heating, cooling and hot water in commercial, industrial, and public buildings. Specifically, the plan would mandate a maximum thermostat setting of 65° F. for space heating, a minimum setting of 80° F. for space cooling, and a maximum setting of 105° F. for hot water. Hotels and motels, hospitals, and areas of buildings where specific temperatures are required, for example, to maintain special equipment, or to store foodstuffs, are exempt. Also exempt is hot water used for dishwashing and other uses where health codes require higher temperatures for sanitation.

Fuel savings

Implementation of the plan will result in savings of primary fuels and electricity used for heating, cooling and hot water. The reductions in energy use for heating, cooling and hot water account for 40, 51 and 9 percent respectively of the fuel savings. Exhibit 1 displays primary fuel savings, both at the building site (direct savings) and from reduced generation of electricity (indirect savings) attributable to the measure.

EXHIBIT 1—AGGREGATE FUEL SAVINGS, DIRECT AND INDIRECT

Fuel	Direct	Indirect	Total
Oil (BPD)	113,000	251,000	364,000
Gas (BPDOE)	123,500	81,100	204,600
Coal (BPDOE)	5,200		5,200
Other (BPDOE)		15,000	15,000
Total	241,700	347,100	588,800

Economic impacts

Fuel diverted from heating, cooling and hot water use is made available for other productive uses in the economy. The fuel "saved" by the measure can be viewed as equivalent to a reduction in the shortfall and the response functions mentioned earlier can be used to quantitatively estimate the effect of the measure on national economic indicators.

The direct and indirect oil savings of 364,000 barrels day decrease the impact of a 3 million barrel day short fall by about 12 percent. The 1981 economy would, on the basis of the response functions, experience a 1.1 percent increase in GNP ($22.6 billion in 1977 dollars) and employment would rise by 394 thousand workers. The measure is not expected to have inflationary impacts since the shortfall causes an economic downturn.

The most identifiable group affected by the measure will be employees working in buildings subject to the plan's restrictions. These employees are likely to experience minor discomfort and small losses in productivity. However, after acclimatization and adjustments in, comfort and productivity are expected to return to approximately premeasure levels.

Some electric utilities and fuel distributors may experience revenue losses since the measure reduces demand for fuels and electricity. However, the losses to these two groups may be offset to some degree by sales of the diverted fuels. The measure is not expected to have a significant influence on the degree of competition within affected industries or to place a disproportionate burden on any income class. There are no identifiable impacts that differ across States or regions. Reporting burdens imposed on building owners/operators are not expected to be significant.

Governmental costs associated with this plan are preliminarily estimated to be $8.1 million for 9 months.

Committee Recommendations

The Committee on Energy and Natural Resources, in open business session April 10, 1979, by unanimous vote of a quorum present, recommends that Senate Resolution 122 be approved by the Senate.

The committee understands that the President intends to exercise the authority proposed in contingency plan numbered 2, and is concerned that when this plan is implemented, there be sufficient flexibility to insure that unintended and counter-productive effects are avoided.

For example, the definition of a "covered building" should be interpreted—and the implementing regulations for sections 3 and 4 of the plan written—to prevent any unintended increase in energy consumption caused by the required thermostat settings contained in the plan. In certain instances, for example, in supermarkets, where perishable food is stored, air-conditioning plays an essential role in lowering humidity to prevent the accumulation of frost and ice on refrigeration equipment. Higher humidity levels which would result from thermostat settings contemplated in contingency plan numbered 2 could actually cause increased energy consumption as a result of lowered refrigeration efficiency from frost and ice accumulation.

Lowered thermostat settings may also result in increased energy consumption in certain instances. For example, in large department stores, supermarkets, and shopping centers to a significant extent the building air temperature may be determined by contributions from lighting, exhaust heat from refrigeration equipment or body heat, and energy-consumptive air-conditioning would be required to reduce temperatures to 65° F. The resulting extra energy consumption would be totally contrary to the intent of the energy conservation plan and should be avoided.

The committee also expects that both (1) the discretion to modify required thermostat levels in the plan as set forth in sections 3 and 4 and (2) the Secretary's discretion to exclude buildings from coverage, both be exercised in a flexible manner to insure that special circumstances in certain buildings can be recognized where materials, equipment or processes require unique humidity and temperature settings. Examples of this include buildings housing such diverse activities as computer data processing, frozen food or meat processing, and ammunition loading operations.

A rule of reason should prevail so that the implementation of contingency plan numbered 2 achieves the intended energy conservation without disruption of activities which are critically dependent on thermostat settings outside the limits contemplated in the plan. The committee recognizes that in many instances it will be possible to continue normal economic activity at lower temperatures in winter and higher temperatures in summer. However, there will be individual cases in which extreme worker discomfort—particularly from excessive humidity in summer—may severely reduce performance. The committee intends that the Department in its implementing regulations for the plan provide for appropriate flexibility so that unnecessary economic losses will not occur.

Mr. JOHNSTON. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, today the Senate will vote on the first of a series of standby energy conservation and rationing contingency authorities which have been approved by the Committee on Energy and Natural Resources. I want to extend my thanks and offer congratulations to the chairman of the Subcommittee on Energy Regulation, Senator JOHNSTON, for his highly effective leadership in the very difficult area of mandatory energy conservation. He has chaired the hearings and led discussion in committee business sessions with patience and courtesy, and the success of the committee in reporting so much legislation is due to the spirit of cooperation he created.

I would also emphasize that the committee has cooperated in this manner on a bipartisan basis. Senator HATFIELD and Senator DOMENICI, the ranking minority members on the Subcommittee on Energy Regulation, have both made key contributions to the committee's deliberations and consistently acted in the interest of getting an effective job done.

Mr. President, today the Senate will vote on Senate Resolution 122 expressing the Senate's approval of the President's proposal to restrict thermostat settings in public buildings to conserve energy. According to the Department of Energy this plan will result in the energy equivalent of 589,000 barrels of oil per day in reduced consumption of coal, oil, natural gas, and hydroelectric power. Direct oil savings are estimated at 364,000 barrels per day. The President intends to implement this plan as soon as the Congress approves it. The savings from this plan comprise nearly one quarter of the impact of the administration's response to the international oil crisis caused by the Iranian revolution. I therefore strongly support the prompt adoption of Senate Resolution 122.

Mr. President, in the coming days the committee will bring to the floor Senate Resolution 120, dealing with gasoline rationing and S. 1030, the comprehensive emergency conservation bill, written by Senator JOHNSTON and Senator DOMENICI. I urge the Senate to respond favorably to these initiatives. The world is watching the performance of the United States in its response to the current crisis of tight supply and escalating crude oil prices. The Senate must do its part to assure that this response is effective and credible.

Mr. WEICKER. Mr. President, I ask unanimous consent that Joseph L. Pellegrino of my staff be granted the privileges of the floor during the consideration of Senate Resolution 122 and Senate Resolution 123.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I have cleared this request with the other side. I ask unanimous consent that the time limit be reduced from 10 hours on this measure to 2 hours to be equally divided in accordance with the statutory requirement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT ON S. 123

Mr. ROBERT C. BYRD. Mr. President, on the second resolution to be considered today, if it is called up, I ask unanimous consent that there be a time limitation on that resolution of 2 hours as in the case of the present current measure.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, we are talking about Senate Resolution 123 in the last request. The outdoor advertising?

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. DOMENICI. Mr. President, I submitted a list of staff, a unanimous-consent request for their presence during the course of this discussion in an informal matter, and I assume that is approved. I will not take long. I yield myself 5 minutes.

Mr. President, there can be no doubt that immediately after the embargo, the so-called Arab embargo, the Congress and the American people were shocked into a clear understanding that the United States was, then and there, gravely dependent upon crude oil from foreign countries, at that point in time the so-called Arab cartel.

During the aftermath of that shock, Congress gave to the then President and the Presidents who might succeed him the authority to submit some emergency programs to the Congress which would force conservation of valuable energy by the American people.

As is to be expected in this country, once the embargo was lifted despite the fact that we continued to be dependent and in fact grew in dependence to where we are about 10 percent more dependent today than after the embargo, the fact that there was still plenty of refined product around led the American people and many American leaders to talk a lot and do very little.

Today we have before us the first of what I believe will be a series of conservation measures, rather dramatic in nature, that are going to have to occur because of our continued dependence upon foreign crude oil. I believe there will be, in the next 6 or 8 months, a rather significant shortfall in the international market because of the Iranian situation, and then we will be regularly confronted with a curtailment of supply, a very vulnerable supply line, and very vulnerable countries in terms of the availability of crude oil in the future. The Iranian problem will bring a shortfall of crude oil to the world of somewhere between 1 million and 2 million barrels of crude oil a day, and we will have some very real shortages.

Today we have an opportunity, not the greatest conservation mandate in the history of this country and probably not the toughest one we will have in the foreseeable future, but we have the opportunity, in Senate Resolution 132, to give our President the authority to impose a rather dramatic saving. If it all works out, it would save in excess of 300,000 barrels of crude oil per day by forcing us, across the board, in our public and private buildings, to change our customary habits of having them extremely cool in warm weather and extremely warm in cold weather, and force us to take just a mild dose of heat in summertime and be a little bit cold indoors, in these kinds of buildings, in the winter.

I for one am not sure this is going to be easily enforceable, but it is very measurable. The cost in units of Btu equivalents used by these buildings could easily be monitored. They should be using less rather than more. So I wholeheartedly support this vesting of authority in the President to cause the building temperatures to be changed in our country so that we will take just a little bit of the sacrifice and suffering that our growing dependence and the shortfall of crude are dictating.

I do not think anyone knowing the great problem we face in this Nation would oppose this proposal. There might be some who think there could be better ways; there might be some who think this would constitute unwarranted meddling; there might be some who think it would be difficult to enforce. Let me say to them I understand their objections, but none of this is going to be easy. The American marketplace is complex, and any time we try something of this nature we face objections.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. I yield myself 2 more minutes.

At least this proposal can truly be said to be equitable. Everybody is going to get the same dose of this medicine. It is not like the sort of argument that can be made against the total weekend closure of filling stations, which might indeed hurt one segment of America worse than others. This will affect us all. All our public buildings will have to take this discomfort similarly across the land.

So I support this measure, and urge that the Senate support it and move on to other measures so critical in the energy field.

I yield my good friend from Connecticut such time as he may require.

Mr. WEICKER. Mr. President, I thank the distinguished Senator from New Mexico for granting me this time. I rise to support the legislation before the Senate, both in the sense of building temperature restrictions and the subsequent legislation dealing with advertising lighting restrictions.

Mr. President, as my colleagues know, for almost 5 years I have advocated that this Nation engage in some form of mandatory fuel conservation or, to use the more popular term, rationing. I did so right after the Arab oil embargo. I did so during the course of my own reelection campaign in 1976, and I do so now.

I will support the President in all aspects of what he has submitted to the Congress of the United States. My only comment is that what he has submitted is insufficient. Yet, even being insufficient, some of it will have a hard time passing through this body and through the House of Representatives.

Mr. President, for the last 4 to 5 years we have ignored the very simple law of supply and demand. Whether in terms of production or in terms of conservation, the United States has failed miserably. For whatever hardships would have been involved 4 or 5 years ago, I think it is recognized now that they would have been worth it, both in the sense of having stable supplies and in the sense of having at least a possibility of reduced prices. But they were not imposed then. The opportunity was made available to this body when Senator Mansfield and I stood up and twice offered a mandatory conservation scheme, which was twice rejected by this body. So we are now in the position of just last month having consumed the greatest amount of gasoline in the history of this country, and we are in the position of not producing enough ourselves to meet that increased demand. Therefore, we have the price of energy totally out of hand and we have inflation totally out of hand.

There is only one thing that can be done today to bring down the price and to stabilize supply, and that is conservation. Yes, I have advocated decontrol during that same period of 5 years, but, admitting that the economic theory is correct, I would be the first one to state that the benefits from that decontrol cannot possibly be realized within 2 to 3 years. As to additional production, whether it is production in the sense of fossil fuel or additional production in the sense of alternate sources of energy, solar, geothermal, clean burning coal, or whatever, no benefits can be realized for from anywhere between 2 and 10 years; and, Mr. President, this Nation can ill afford to wait 2 years for the resolution of the crisis which confronts us. Conservation is the only thing which can, in the immediate term, accomplish an action which will tend toward the bringing down of prices and the stabilizing of supply.

Tomorrow, this country should be on a wartime footing when it comes to conservation, not just the measure which the President has sent to us, and which I support, but indeed far more stringent measures.

I realize when that happens the complaints immediately start to flow in, from motel operators, from recreation resort operators, from those in the rural areas not having mass transit available to them, and from those who utilize their automobiles in some aspect of business. But the fact remains, Mr. President, that the way we are going, if brought to its ultimate conclusion, nobody will have the money to take a vacation; nobody will have the money necessary to go ahead and run their farms in the rural areas of this country; nobody will have the money to engage in the various and sundry forms of pleasure driving in the suburbs and in the cities.

This is not a problem to be resolved by the weakest elements of our society. There are those who say, "Well, Senator, we do not like rationing and we should not have it in the United States." I would point out to my colleagues we have had it in the United States, and we have had it for 5 years. We have had what is known as rationing by price. The elderly have been rationed by price.

We have a resolution in front of us which states thermostats shall be no lower than 80 in the summer and no higher than 65 in the winter. Many of the elderly in this country for the past 5 years have had to turn the thermostat down to 50 and 45. That is rationing. That is rationing by price. And the poor of this Nation have not been able to afford any price for gasoline. They have had to get out of their cars, period.

What kind of a generation of Americans is it that takes the crisis and imposes its solution on the weakest elements of our society? Every one of us in this Chamber was brought up on the premise of the better off you are in this country, the more of the burden you take on your shoulders. Not in 1979. The better off you are, the faster you can run away, and we have a Nation running away. That is the reason why there is not one of us in this Chamber today who can predict what the price of oil is going to be tomorrow, next week, or next year.

No one was willing to deliver the toughest message 5 years ago, 4 years ago, 3 years ago, 2 years ago, but just make sure that whatever conservation takes place, takes place among those of our fellow countrymen who do not have political clout. It is a disgrace.

I would suggest that in addition to restrictions sent to the Senate by the President of the United States we clearly develop forms of gasoline rationing tomorrow. I realize there is going to come before this body legislation passed out of the Energy Committee on which I sit which will take that concept, and instead of acting on it right away we will submit to all the States the opportunity for each one of those States to devise their own plans and then to come back to the President. By the time we are through with that process the painful decision has been postponed for another year.

Well, the politics of energy, when we talk of energy in this case, are not cheap. Energy has become very, very dear and expensive in terms of money, in terms of lifestyle, and in terms of what it is that this Nation stands for.

There is benefit to be derived from what it is which is being passed on the floor here today. It really does not have much to do with the number of barrels of oil saved. I believe by administration estimates, as far as the building temperature restrictions are concerned, that possibly between 360,000 and 370,000 barrels per day will be saved. So far as advertising lighting goes, it is 4,400 barrels per day.

Well, that is to the good, but that is not the main point. When this Senate takes action on this legislation, and assuming the fact that it is concurred in by the House, this will be the first act of self-discipline by the United States of America when it comes to energy since the imposition of the embargo 5 years ago.

This is a nation whose politicians issue calls relative to the energy crisis, suggest solutions, which are words and not actions. This is a nation that expects it can talk itself out of the crisis. This is a nation not unlike a drunk walking into a whisky store and asking for a discount on a bottle of booze.

It has not happened and it is not going to happen.

This is a nation which negotiates at the present time on its knees with the Arab States and wonders why the negotiations have no effect.

So there is tremendous value in what is being done here today. It will be an act of self-discipline. When passed by the Senate and the House, and signed by the President, unlike the day that we passed the famous energy bill when the dollar nosedived on foreign markets, when we pass this legislation and this legislation becomes law, I will predict to you the dollar will rise and for the first time in 5 years the OPEC nations will know that they are sitting across the table from somebody who is not kidding.

I compliment those of my colleagues, even though with tongue in cheek some of them somewhat belatedly consented for this legislation before us. The fact is that we are getting it out now. But I think it imperative to point out that this is not enough. We are nibbling around the edge. We are afraid to directly confront the vast majority of the American people and tell them, "You have to participate in the sense of a change of lifestyle if indeed we are to get out of the bind imposed upon us by that embargo of 5 years ago."

That is the toughest message, and it is the message that should have been given years ago. If we had done it years ago, the events in Iran would have been a nonhappening, at least as far as energy is concerned. But at the present time even the slightest slowdown or cutoff of one-tenth of 1 percent of our foreign supplies will throw this Nation into a total recession and panic.

Everybody downplays the issue of Saudi Arabia. Make no mistake about it, they have drastically altered their policies both as to their output and their export. There is the distinct possibility that source of supply would not be available to the United States of America. Is there any responsible public official who has said what would happen if that source of supply were cut off? You would have rationing affecting every American the next day—the next day.

Insofar as the dimensions of the crisis, make no mistake about it. This is fully the equivalent of any wartime threat. The fact that we do not have a shell blow up under our noses does not mean that the ground is not giving way under our feet.

For 5 years, we have addressed this problem philosophically in a partisan way. Republicans—and I do not like to generalize, but I will in this instance—philosophically have been opposed to mandatory conservation. Democrats have philosophically been opposed to decontrol. The net result is that we have had a philosophical thrust and only a philosophical thrust at a time of very real crisis and confrontation with no possibility of either controlling the demand or controlling the supply.

Here we have it. I understand there is going to be some difficulty here with the advertising and lighting restrictions and the argument is going to be made that it is only 4,400 barrels of oil. But its symbolic significance is terribly important.

Mr. TSONGAS. Will the Senator yield?

Mr. WEICKER. Yes.

Mr. TSONGAS. Is it the committee's intention to bring up that other resolution today, or what are the plans, on outdoor advertising?

Mr. WEICKER. The outdoor advertising is coming up today, in response to the Senator's question.

There, Mr President, then, is my historical review, my urging for what sits before us in the present and my predictions for what will happen in the future. I think that every Member of this body, far from paying a political penalty, will be praised by his constituents for giving them the bad news and for once, telling the truth on this issue. I hope that in the votes we take and in the rhetoric, we make it clear to the United States that this is not a manufactured crisis. Whether it is the reduced paycheck or the no job or the prices at the supermarkets, every indication is that this is a very real crisis.

In terms of the quality of life becoming very disastrous, the President, after 3 years, has finally faced up to the decontrol issue. I am sure we shall have debate on this as we move into the future. But here we have the other tough part of the message—conservation, rationing, conservation, rationing, for all Americans—not poor Americans, not elderly Americans, not Americans on fixed income—all Americans having the privilege and the high honor to participate directly on behalf of their country. I thank the Chair.

Mr. JAVITS. Mr. President, will the Senator yield me a few minutes?

Mr. DOMENICI. I am pleased to yield whatever the Senator needs of my time.

Mr. JAVITS. I thank the Senator.

Mr. President, I heard with great interest a good deal of the statement of the Senator from Connecticut. I wish to congratulate him on the spirit he shows respecting conservation. It is very interesting to me, Mr. President, that in this matter which we are discussing today—a high compliance rate will save nearly 600,000 barrels a day of fuel. That is just about half of the most optimistic estimate of what will be saved if we adopt decontrol according to the President's plan. This is just one conservation measure.

My colleague from Massachusetts (Mr. TSONGAS) has already raised questions, as has Senator WEICKER, about the other resolution which will be before us. That is S. 123, relating to a measure that may not save a lot of fuel, but certainly concerns people who realize the crisis we are in and yet see these brilliantly lighted signs all over America, day and night, store windows illuminated when even there are not three people on the street, even in New York City, on Madison Avenue or on Fifth Avenue.

It is the same spirit, Mr. President, that I wish to make a suggestion to my colleagues from Louisiana and New Mexico. I shall put this into the RECORD, but I should like to make a suggestion to them. It is in respect of the matter of controlling temperature in buildings.

It is my understanding that, right now, the Department of Energy sponsors a toll-free telephone line respecting complaints on gasoline pricing at the pump. When, and if this building temperature restriction measure which we are debating takes effect individual citizens will have a great opportunity to observe whether it works or not. I realize that this particular resolution cannot be amended and I could, at an appropriate time, offer a resolution which would effect my suggestion. But I hope very much that that will not be necessary and that, if my colleagues think well of the proposition, as I hope they will, my suggestion might be incorporated in the action they take on providing for the fiscal year 1980 authorization for the Department of Energy. I propose DOE use similar or the same toll-free telephone lines to enable citizens to report respecting covered buildings which they have reason to believe are in noncompliance with the temperature restrictions, either as to heat or as to cold.

We do not want to set Americans spying on each other; I do not approve of that. But we certainly do want to give Americans who feel that there is discriminatory treatment as among different Americans an opportunity to have somebody to tell their story to. That is what we are all about here, in a democratic Government. I would welcome it if my colleagues would be moved to do that.

Mr. JOHNSTON. Mr. President, the Senator from New York has an excellent suggestion. The only difficulty with mandatory building temperature restrictions is the problem of enforcement. If every public building would turn down their thermostats in winter and turn them up in summer, we would save even more energy than is predicted for this measure. The difficulty is one of enforcement. To allow this open line, this toll-free hot line, if you will, will make it much easier to enforce the law. I predict, Mr. President, that with this kind of open line, we are going to find competing retail stores that will be calling up about other stores to insure that they are obeying the law. We are going to have office buildings that do not want their competitors to have an undue advantage.

In short, Mr. President, I think this is an excellent idea. As chairman of the subcommittee, I shall do what is necessary to include this measure, either in report language on the authorization bill or in the bill itself, as is appropriate. I congratulate the Senator from New York for coming up with this really excellent idea.

Mr. DOMENICI. Mr. President, as the ranking Republican, I agree wholeheartedly with the Senator from Louisiana. I hope we carry it out. The toughest part of this approach is going to be the way we are going to be able to enforce it as a nation. I think anything that will maximize its effectiveness should be heralded here today. I commend the Senator for this.

Mr. JAVITS. I thank my colleague. As happens so often in our work, the brains in this case came from Meg Power, my assistant on energy. I should like to give her full credit for it.

Mr. President, I ask unanimous consent that the resolution which I had in mind proposing be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas, the conservation of energy, which will make a significant contribution to the security of the United States and insure adequate fuel supplies to consumers during 1979, will be materially advanced by effective implementation of the Standby Emergency Building Temperature Restriction Plan and,

Whereas, the effective and cost-efficient enforcement of this plan depends on a cooperative effort among the Federal Government, state governments, and building owners, together with substantial assistance from the public,

Be it resolved, that the Senate intends the U.S. Department of Energy, in conjunction with the implementation of contingency plan No. 2 submitted to the Congress on March 1, 1979, and approved by the Senate on May 2, 1979, to establish and widely publicize toll free telephone lines which citizens may use to report covered buildings which they suspect to be in non-compliance with the provisions of contingency plan No. 2.

Mr. JAVITS. Mr. President, I am very grateful to Senate JOHNSTON and Senator DOMENICI for their cooperation.

Mr. DOMENICI. Mr. President, I want to clarify the way I see this taking place. Even though this is an emergency measure under existing substantive law, the approval by this body and by the House will then give to the President of the United States the authority to impose these conditions on our private and public buildings, excluding residences—and I think we understand why; it would be almost impossible to enforce—hotels, hospitals, and obviously, rest homes, where people are convalescing.

Those are the only exclusions.

I agree with my good friend from Connecticut that whether it turns out to save 360,000 barrels, or some major American commitment brings it up to 600,000, with America using 19 million barrels of crude oil a day, this is, while not just symbolic, slightly more than symbolic. But I agree wholeheartedly that it is the first act of discipline or shearing of the shortage, in a sacrifice kind of way, by the American people.

So I urge the President to carry it out forthwith, as soon as the regulations can be published. We understand from hearings that will not be a very difficult act.

I urge him to implement it so that the American people will understand the significance of America's growing dependence on the cartel countries for our source of energy and will understand that it is not going to be a simple proposition to go from dependence to some position up the ladder where at least others in the world will know we are serious about attempting to solve it and where they will see some daylight in terms of America moving toward alternate sources, less dependence, and a growing self-reliance in an area of energy and energy needs.

I just add one other observation. I do not agree, as to how we should carry out the conservation measures, with my good friend from Connecticut because I really do not believe that with 170 million automobiles and trucks on the roads of America—and that is where we are today, more or less—I just do not believe we can have a rationing plan that will work.

I certainly would think that ought to be one of our last efforts. Just imagine, we have a great deal of trouble with 17 million to 18 million social security checks and those that go with that program.

Well, 165 million to 170 million entitlements being mailed around to certified owners of automobiles and then being able to sell and buy stamps, I am just not as confident that would ever work in this country as some are.

But I do believe that such efforts as this one before us, which will point up to the average American that there is a seriousness about this business by the President and congressional leaders, could have much broader ramifications than the 300,000, 350,000, 400,000 barrels we might save under this plan.

I hope we will approve it quickly and the President will implement it as fast as is reasonable.

Mr. JOHNSTON. Mr. President, before yielding to the Senator from Massachusetts I would like to point out, as the report shows, that the Secretary does have discretion in these matters to exclude buildings from coverage where they have special circumstances, where materials, equipment, or processes require unique humidity and temperature settings. Where we have special climatic conditions where the humidity in some areas of the country would require lower settings in summer because of the intense humidity, the Secretary of Energy is directed to use that discretion so as to accommodate a level of comfort.

Mr. President, how much time does the Senator from Massachusetts need?

Mr. TSONGAS. Ten minutes.

Mr. JOHNSTON. I yield 10 minutes to the distinguished junior Senator from Massachusetts.

The ACTING PRESIDENT pro tempore. The Senator from Massachusetts is recognized.

Mr. TSONGAS. I thank the Chair, and I thank the Senator for the time.

Mr. President, I rise in support of the resolution, but let me make a few points clear.

One is that the sentiments expressed by the Senator from Connecticut are also my own. I think, indeed, we are at that point.

I think what we are doing today is important because it is the first thing we have done, but I think it is one of the first of many needed steps.

I have had occasion since I have been here to lecture students on the need for conservation in Senate rooms that were considerably warmer than these temperatures. There is, indeed, a certain missing, if you will, of the point, under those circumstances.

We have lived at 65 degrees and 80 degrees, but we live at 65 degrees in the summer and 80 degrees in the winter. It seems to me that should be turned around.

I think the energy crisis is the most serious issue facing this country. The Senator from Connecticut referred to what would happen if Saudi Arabia, indeed, decided not to give us the crude oil that she has in her ground. The Senator from Connecticut did not follow that through, but I think he would agree that in addition to rationing the next day, that if, indeed, the situation continued in the United States and her Western allies precipitated into a serious economic depression, the United States, as it did in 1973 and 1974, would consider other alternatives. Whether, indeed, they would be carried out may be another matter.

But I think this country, under the wrong set of circumstances and the wrong President would be capable of actions that today would horrify us.

What we need in this country is a change, not in technology. Indeed, the Energy Committee this morning marked out legislation to increase the amount of money for solar, wind, and some other energy sources. But we need to understand that the attitude must change, that the energy crisis is not one of technology, it is one of management, and to bring that change about one needs to change attitudes.

I would hope that change would begin here in what we are doing this afternoon. It is an important first step.

Let me make one final point. I find it intriguing that there is an underlying assumption that to be tough on energy and conservation is somehow to adopt a posture that is politically unpopular. That assumption becomes a self-fulfilling prophecy, the more you try to convince people it is a hoax, the more they will believe it, and the less willing they are to not only adopt important measures, but even to agree we must move in particular directions.

In my 4 years in the House and since I have been here, I voted for every single tough energy measure that has come down the pike. I have seen no political ramifications that were negative from my doing that. Indeed, I think it has been a political advantage.

I think that to generalize, as the Senator from Connecticut did earlier, if those on the other side of the aisle will stop talking about more production of finite resources, or those on this side stop saying it is all a matter of the oil companies' precipitating the crisis, if we would join together and acknowledge the enemy in this case is us, we have to deal with it collectively, I think we will be a lot better off and that the political implications are far less serious than people imagine.

Mr. President, I commend the chairman and the ranking minority member for taking the initiative on this particular resolution. I hope that it passes and we get on to passing the next one on which we may have disagreement.

I thank the chairman for the time.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DOMENICI. How much time does the Senator need?

Mr. WEICKER. Five minutes.

Mr. DOMENICI. I yield the Senator from Connecticut 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I would like to not actually respond, but reaffirm the thoughts expressed by the distinguished Senator from Massachusetts relative to what has been contemplated in the event of oil cutoffs to this Nation.

I remember during the embargo, especially in the latter stages of the embargo, the suggestion that we send the Marines over there to assure our supply of oil.

I hear liberal mention made today, so far as Saudi Arabia is concerned, of U.S. military intervention to assure our supply of oil from that country. I hear this uplifting thought from the United States of America: "Let's make sure that if anybody is giving us the business on oil, we starve them out so far as our supplies of food are concerned."

In the meantime, the solutions that come forth from this Nation are equally uplifting, specifically from the automobile companies. We will postpone the pollution standards, so we can kill a few more Americans, while we save a few gallons of gas and increase profit margins.

We know as well as anybody else that armed intervention is not necessary; starving people to death is not necessary; killing people in this country is not necessary. What is necessary is that each of us take a little piece of that burden on our shoulders, accepting it, and in doing so, guarantee both the stability of supply and, it is hoped, the stability of future prices.

One last comment, Mr. President, relative to the comments of the distinguished Senator from New Mexico, and I appreciate his support over the years.

I want to make clear, as I have said before, that I think much more needs to be done in terms of conservation than what is included in the four points of the President's plan. I have advocated a 6-day week for the automobile. You pick a day of the week when you are not going to drive. Put a color identifiable sticker on your windshield. If you are out driving on that day, you will be arrested. If you have two cars in your family, 2 days for the second car. If you really have benefited from the bounty of this country by having three cars, 3 days a week for the third car.

I have advocated closings of gas stations. That is something we will have coming before us. I have advocated, in the lighting area, going far beyond just turning off advertising lights: You can fly over any major city in this country, and every floor in every office building is ablaze, at 2 and 3 in the morning. For whose benefit?

On the other side of the conservation coin, while we are sitting here and asking for sacrifices, this is the same Nation that says we are going to cut back our commitment to rail service—we want to cut back on Amtrak—right in the middle of the crisis. This is the same Nation in which several States, only 1 week before the Iranian crisis, said, "We don't like the 55-mile-per-hour speed limit, and we're going to contest it." Remember that?

So far as I am concerned, it will be 50 miles per hour. We would save more lives and save even more fuel.

We should be supporting mass transit, both rail and bus, in addition to these various rationing measures which have such an impact on the individual. If we do that for a year, we then can tell OPEC what to do with their product line; and when that day arrives, that is the day the prices come down.

Mr. THURMOND. Mr. President, I rise in support of Senate Resolution 122, a resolution approving Standby Conservation Plan 2, which would place mandatory Federal restrictions on thermostat settings for space heating, space cooling, and hot water in nonresidential public and private buildings. I commend the Senate Committee on Energy and Natural Resources for reporting out this conservation measure.

The primary objective in formulating a standby energy conservation plan is to identify those normal energy demands which can and should be cut back or eliminated on a short-term basis in order to minimize the impact of an energy shortage situation. Since nearly one-quarter of the petroleum consumed in the United States is used for space heating and cooling and the production of hot water, this plan can meet this objective. The result of full compliance with the plan is a reduction in the demand for petroleum products by 340,000 barrels per day within 30 days of implementation.

The plan would require that most nonresidential buildings maintain thermostat settings at no higher than 65° F. for space heating, at no lower than 80° F. for space cooling, and at no higher than 105° F. for hot water intended for personal hygiene and general cleaning purposes. The plan would permit the Department of Energy to establish other reasonable heating, cooling, and hot water temperature levels which it deems necessary in the circumstances. The plan would also require that thermostats be maintained within reasonable tolerance of accuracy in order to insure that actual temperature levels would be consistent with required settings.

This emergency building temperatures plan is a good plan, and I am glad that the President has indicated that he intends to implement it immediately. However, it is only the first step. The Congress must continue to meet the challenges of the energy crisis. We must adopt additional workable and equitable conservation measures, promote increased domestic production, and support the research and development of new energy sources.

Mr. President, I urge my distinguished colleagues to join me in support of this resolution.

The PRESIDING OFFICER (Mr. TSONGAS). Who yields time?

Mr. JOHNSTON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. Mr. President, I yield back the remainder of my time.

Mr. DOMENICI. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on the adoption of the resolution. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

(Disturbance in the visitors' galleries.)

The PRESIDING OFFICER (Mr. Heflin). The Senate will suspend until the Sergeant at Arms has restored order in the gallery.

Mr. ROBERT C. BYRD. So that the Senate can continue its business.

The PRESIDING OFFICER. Order. Let us come to order. Let us have order in the Senate.

Mr. CRANSTON. I announce that the Senator from West Virginia (Mr. Randolph) and the Senator from Indiana (Mr. Bayh) are necessarily absent.

I further announce that the Senator from Maine (Mr. Muskie) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. Randolph) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oregon (Mr. Hatfield), the Senator from Nevada (Mr. Laxalt), and the Senator from South Dakota (Mr. Pressler) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER. Are there any Senators who wish to vote? If so, come forward.

The result was announced—yeas 89, nays 3, as follows:

[Rollcall Vote No. 74 Leg.]

YEAS—89

Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Havakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schweiker
Simpson
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams
Young
Zorinsky

NAYS—3

Armstrong
Lugar
Schmitt

NOT VOTING—8

Baker
Bayh
Hatfield
Laxalt
Muskie
Pressler
Randolph
Stafford

So the resolution (S. Res. 122) was agreed to, as follows:

Resolved, That the Senate approves the contingency plan numbered 2 submitted to the Congress on March 1, 1979.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of Senate Resolution 123, which the clerk will report.

Mr. JOHNSTON. Mr. President, I hope we can have a vote on this fairly quickly.

Mr. DOMENICI. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. It is now. The Senator will proceed.

Mr. JOHNSTON. Mr. President, what is the matter under consideration at this time?

EXECUTIVE SESSION—NOMINATION OF ROBERT J. KUTAK, OF NEBRASKA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION

The PRESIDING OFFICER. Under the previous order, the hour of 12:20 p.m. having arrived, the Senate will go into executive session and proceed to the consideration of Executive Calendar Order No. 69, on which there will be 10 minutes' debate to be equally divided and controlled by the Senator from Nebraska (Mr. Zorinsky) and the Senator from Pennsylvania (Mr. Schweiker), with the vote thereon to immediately follow. The clerk will report the nomination.

The legislative clerk read the nomination of Robert J. Kutak, of Nebraska, to be a member of the Board of Directors of the Legal Services Corporation for a term expiring July 13, 1981.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Louisiana yield to me?

Mr. JOHNSTON. Yes, I will yield.

Mr. ROBERT C. BYRD. Mr. President, for the information of the Senate, immediately upon the disposition of the nomination——

Mr. STEVENS. Mr. President, could we have order?

The PRESIDING OFFICER. Let us have order.

Mr. ROBERT C. BYRD. Immediately upon the disposition of the nomination I shall, at the request of several Senators, call up Calendar No. 100, Senate Resolution to approve standby emergency advertising lighting restrictions. I think that was the matter that Mr. Johnston was about to address himself to.

Mr. STEVENS. Mr. President, will the majority leader yield? There is a time agreement on that which is less than the statutory time. Could we inform the Senate about that?

Mr. ROBERT C. BYRD. Two hours, and I believe Mr. Johnston and Mr. Domenici have indicated that requirement.

Mr. DOMENICI. That is right.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time consumed in this discussion not be charged against the time on the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATION OF ROBERT J. KUTAK, OF NEBRASKA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE LEGAL SERVICES CORPORATION

The Senate continued with the consideration of the nomination.

Mr. ZORINSKY. Mr. President, I apologize to my colleagues for requiring a rollcall vote of this nature at the hour of 12:30 this afternoon.

However, I feel that a precedent needs to be set in the area of advise and consent.

Mr. HELMS. Mr. President, can we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ZORINSKY. Inasmuch as the administration, Dan Tate's office, called me specifically regarding the appointment for a Republican seat on the Legal Services Corporation and asked if I had any objections to the nomination of the reappointment of a Mr. Kutak, I told him I did have objection. Thereupon, the administration sent up the nomination, regardless of my objection.

Of course, the question is why call and ask my opinion at all or any Senator's opinion at all if the administration is going to wholly disregard a recommendation of a Senator of a nomination from his home State?

I realize this is a Republican seat. There are many qualified Republican attorneys not only in the State of Nebraska but in the entire population of 220 million Americans throughout this great Nation of ours.

It is not a matter of whether Mr. Kutak has done anything wrong. I think he is a responsible and a reliable individual. The fact remains that I was consulted as to my thoughts on the presentation of the nomination, and after the administration received my thoughts they totally disregarded them and submitted the nomination to the Senate.

When I was mayor of Omaha, Mr. Kutak, who is in association with a former colleague, Senator Roman Hruska, was the former administrative assistant to Senator Hruska, and currently Senator Hruska serves in the law firm of Mr. Kutak.

The public sentiment in the State of Nebraska is that for the past 40 years there has been a close relationship of that legal firm with the Federal Government, in having an inside track, so to speak, with respect to Federal business. In a day and age when we have a lot of apprehension about the Federal Government and the lack of credibility by the American public, I felt it was time to give another Republican attorney a break in the area of being nominated for this post. There is no shortage of qualified candidates to fill this position. Indeed, the candidate need not even be a Nebraskan, but if the candidate is to be from my home State or from your home State, I would like to have some input into the choice of the nominee, as I would hope you would like to have input into the choice of a nominee from your own State.

I would like to feel that a call from the White House as to a recommendation should mean more than a pro forma charade, which this certainly is.

It is not a new idea. It is a tradition which recognizes the importance of the Senate's duty to advise and consent on Presidential appointments.

I will be greatly appreciative of your support against this nomination when it comes before us for a vote at 12:30. I thank the Chair, and I yield back the remainder of my time.

Mr. WILLIAMS. Mr. President, I am pleased to support the six nominees to the Board of Directors of the Legal Services Corporation, Michael Kantor of California, Robert Kutak of Nebraska, F. William McCalpin or Missouri, Revius Ortique, Jr. of Louisiana, Howard Sacks of Connecticut and Ramona Shump of Kansas. The Labor and Human Resources Committee on March 12, 1979, held a hearing to consider these nominations and each member of the committee had an opportunity to question and discuss the the background and competency of each prospective nominee and to solicit their comments and philosophy of the Legal Services Corporation. The committee then unanimously reported out these nominations.

The Members of the Board of Directors of the Legal Services Corporation are responsible for the policies, practice, and direction of this program which delivers legal services to the poor. All six nominees, two of whom are reappointments to the Board, have demonstrated through their past organizational or community involvements a sensitivity and commitment to the legal needs of the poor. Since the Legal Services program is an independent corporation, it is extremely important that the nominees to the Board have a clear understanding of the mission and purpose of this program. The nominees we now consider in his or her own way have indicated that access to our legal and judicial system for poor persons is critical if justice and dignity are to be provided to the disadvantaged. Their willingness and interest to serve on the Board of the Legal Services Corporation and to provide this type of public service to their country is without question, and I believe they will diligently and competently discharge their responsibilities.

I urge the immediate confirmation of these nominees.

Mr. ZORINSKY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

Mr. SCHWEIKER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Five minutes.

Mr. SCHWEIKER. Mr. President, I rise to support the nomination of Robert J. Kutak to the Board of Directors of the Legal Services Corporation. Mr. Kutak is a distinguished and respected member of the legal profession, and we are honored that President Carter has once again nominated him for this important task.

The Legal Services Corporation is a private, nonprofit organization, established and funded by Congress to insure the provision of civil legal assistance to those otherwise unable to afford an attorney. The Corporation is governed by an 11 member Board of Directors, appointed by the President, with the advice and consent of the Senate.

The majority of the members of the Board of Directors must be members of the bar of the highest court of any State, and no more than six of the members may be of the same political party. The term of the members is 3 years, and no member may be reappointed to more than two consecutive terms immediately following the member's initial term.

The first members of the Corporation's Board of Directors were appointed in 1974. Five new members were appointed by the President and confirmed by the Senate in 1978. In 1979, four new members were also appointed by the President, and two current members were selected for reappointment including Mr. Kutak.

As a current member of the Board of Directors of the Legal Services Corporation, Mr. Kutak has provided an extremely important contribution to its work. He has served as Chairman of the Board's Committee on Regulations, and has offered his considerable legal expertise and sound judgment to the provision of civil legal assistance to the poor.

Mr. Kutak, a partner in the firm of Kutak, Rock, Cohen, Campbell, Garfinkle and Woodward in Omaha, Nebr., has also been an active member of the American Bar Association. He was chairman of the ABA special committee on coordination of judicial improvement, 1974–77, the ABA section on individual rights and responsibilities, 1974–75, and is currently chairman of the ABA special committee on evaluation of professional standards. He was also a member of the ABA's special committee on availability of legal services, 1967–70 and its standing committee on legal aid and indigent defendants.

Mr. Kutak is well known for his outstanding ability and integrity. His valuable time and talents will provide a great contribution to the Legal Services Corporation, and to the citizens of this country.

I might say, Mr. President, that this nomination as well as all the nominations to the Legal Services Administration came out of our committee unanimously, on both sides.

In our review of his nomination it became clear Mr. Kutak deserves the support of the Senate in renomination. I therefore recommend that my colleagues support this nomination.

Mr. President, I yield back the remainder of my time.

Mr. PELL. Mr. President, will the Senator withhold that?

Mr. SCHWEIKER. Yes. I yield to the Senator from Rhode Island.

Mr. PELL. Mr. President, I have nothing against Mr. Kutak, but I am a great believer in senatorial courtesy. I understand that he is personally obnoxious to the Senator from his own State, and I therefore will vote against the nomination.

Mr. HELMS. Mr. President, will the Senator yield me 1 minute?

Mr. SCHWEIKER. I yield 1 minute to the Senator from North Carolina.

Mr. HELMS. Mr. President, I am committed to support this nomination. As I understood, the Senator from Nebraska himself said that he is a competent and capable man. I have a great deal of sympathy for the position in which the Senator from Nebraska finds himself, so I say to the Senator from Nebraska that the Senator from North Carolina does understand his position, and were it not for the commitment, I would move to recommit the nomination. Again I want to reiterate my sympathy with the Senator's position.

Mr. STEVENS. Mr. President, will the the Senator yield me 30 seconds, or whatever time he has left?

Mr. SCHWEIKER. I yield 30 seconds to the Senator from Alaska.

Mr. STEVENS. Mr. President, I want the Senator from Nebraska to be sure I understand his position in this matter. I, too, sympathize with him. But I believe that senatorial courtesy should not apply to a position which does not involve service in the State of the Senator involved. Applying senatorial courtesy in a situation of this kind, I believe, is extending the concept of senatorial courtesy far beyond any degree to which it has ever been applied before, to my knowledge, at least during my 11 years of service in the Senate.

Mr. SCHWEIKER. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Robert J. Kutak, of Nebraska, to be a member of the Board of Directors of the Legal Services Corporation? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oregon (Mr. HATFIELD) and the Senator from South Dakota (Mr. PRESSLER) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

The PRESIDING OFFICER (Mr. LEAHY). Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 60, nays 33, as follows:

[Rollcall Vote No. 75 Ex.]

YEAS—60

Armstrong
Bellmon
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Chafee
Church
Cochran
Cohen
Cranston
Culver
Danforth
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Garn
Glenn
Gravel
Hart
Heflin
Heinz
Helms
Inouye
Javits
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Mathias
McClure
McGovern
Metzenbaum
Nelson
Packwood
Percy
Proxmire
Ribicoff
Riegle
Roth
Sarbanes
Schmitt
Schweiker
Simpson
Stevens
Thurmond
Tower
Tsongas
Wallop
Warner
Williams
Young

NAYS—33

Baucus
Boren
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chiles
DeConcini
Ford
Goldwater
Hatch
Hayakawa
Hollings
Huddleston
Humphrey
Jackson
Jepsen
Johnston
Magnuson
Matsunaga
Melcher
Morgan
Moynihan
Nunn
Pell
Pryor
Sasser
Stennis
Stevenson
Stewart
Stone
Talmadge
Weicker
Zorinsky

NOT VOTING—7

Baker
Bayh
Hatfield
Muskie
Pressler
Randolph
Stafford

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. SCHWEIKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Does any Senator wish to speak or request a separate vote on any remaining nomination?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remaining nominations on the calendar as of yesterday, those that were discussed, be considered en bloc. They run from Mr. Michael Kantor through Ramona Toledo Shump. To make it preeminently clear, these are only the nominees for the Legal Services Corporation.

The PRESIDING OFFICER. Without objection, those nominees shall be considered en bloc and confirmed en bloc.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nominees were confirmed en bloc.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The nominations considered and confirmed en bloc are as follows:

LEGAL SERVICES CORPORATION

Michael Kantor, of California, to be a member of the Board of Directors; F. William McCalpin, of Missouri, to be a member of the Board of Directors; Revius O. Ortique, Jr., of Louisiana, to be a member of the Board of Directors; Howard R. Sacks, of Connecticut, to be a member of the Board of Directors; and Ramona Toledo Shump, of Kansas, to be a member of the Board of Directors.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to the consideration of legislative business.

STANDBY EMERGENCY ADVERTISING LIGHTING RESTRICTIONS

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate, at the request of Mr. JOHNSTON and Mr. DOMENICI, Calendar Order No. 100.

The PRESIDING OFFICER. Without objection, it is so ordered. The resolution will be read by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 123) to approve standby emergency advertising lighting restrictions (Department of Energy Standby Conservation Plan Numbered 3).

The Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROBERT C. BYRD. Mr. President, for the future, I noted the Chair said "without objection." Does this require unanimous consent or, I take it, that a nondebatable motion would be in order if there were an objection?

The PRESIDING OFFICER. A nondebatable privileged motion could bring this matter before the Senate.

Mr. ROBERT C. BYRD. Yes.

Now, Mr. President, with the approval of Senator JOHNSTON and Senator DOMENICI, and I believe others, Senator WEICKER and others, I ask unanimous consent that a vote occur on the resolution at 2 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

Mr. DOMENICI. We did not get the yeas and nays, did we?

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. RIBICOFF). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. JOHNSTON. Mr. President, Senate Resolution 123 provides for the approval of Energy Conservation Contingency Plan No. 3, which would place mandatory Federal restrictions on the use of electricity in advertising lighting. According to the Department of Energy analysis, implementation of this plan would save approximately 4,400 barrels of oil per day, or 0.03 percent of current petroleum use, and would have severe economic impacts on a single, specific group of firms—the owners of illuminated outdoor advertising signs.

The Committee on Energy and Natural Resources has concluded that Contingency Plan No. 3 would impose a disproportionate burden on a single class of firms with little prospect of energy savings. The committee, therefore, recommends that Senate Resolution 123 not be adopted.

The Department of Energy freely admits that the primary impact of advertising lighting restrictions during an energy shortage would be "symbolic." In my opinion, more symbolism is just what we do not need in dealing with energy. If any area of Government policy has been more heavily infected with a preoccupation with form over substance, I would like to know what area that is. Hopefully, the Congress is outgrowing its taste for image over reality.

The firms which make up outdoor advertising industry have voluntarily made significant contributions toward public awareness of our energy problems. To reward this public-spirited response with a heavyhanded Federal prohibition of the very livelihood of these firms is absurd in the extreme. Senate Resolution 123, which would put the Senate on the side of this absurdity, ought to be decisively defeated. Speaking for myself and for the majority of the members of the Committee on Energy and Natural Resources, I urge the prompt consideration and early defeat of this resolution.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TEXT OF CONTINGENCY PLAN NO. 3

EMERGENCY ADVERTISING LIGHTING RESTRICTIONS

Prepared by the Department of Energy and transmitted by the President to the Senate and the House of Representatives in Congress assembled, pursuant to the provisions of sections 6261, 6262, 6393(a) and 6422(a) of Title 42 of the United States Code.

CONDITIONS OF EXERCISE

Section 1. (a) This plan shall not become effective unless the President:

(1) has found that putting the plan into effect is required by a severe energy supply interruption cr in order to fulfill obligations of the United States under the International Energy Program; and

(2) has transmitted such finding to the

Congress with a statement of the effective date and manner for exercise of the plan.

(b) This plan may remain in effect for no more than nine months, and may be rescinded earlier by the President.

DEFINITIONS

Section 2. As used in this plan—

(a) "Advertising sign" means a sign or device which identifies or describes a firm, product characteristic, trademark, or service.

(b) "DOE" means Department of Energy.

(c) "Person" means any individual, corporation, company, association, firm, partnership, society, trust, joint venture, joint stock company, the United States or any State or political subdivision thereof, the District of Columbia, Puerto Rico, any U.S. Territory or possession, or any agency of the United States or any State or political subdivision thereof, or any other organization or institution.

(d) "Secretary" means the Secretary of Energy or his delegate.

(e) "United States" means any State, the District of Columbia, Puerto Rico, or any territory or possession of the United States.

(f) "Window display" means any display of products, merchandise, and/or decorative items which is primarily intended for viewing by individuals through a window or windows on the perimeter of an area where business is transacted.

REDUCTION OF ADVERTISING LIGHTING

Section 3. (a) No person shall:

(1) use electricity for illumination of any advertising sign; or

(2) use electricity for illumination of any window display.

(b) Notwithstanding the provisions of subsection (a)(1) of this section, any commercial, retail or service establishment when open for business may use electricity for illumination of any advertising sign that is essential to direct customers to the open business by identifying it and/or by informing customers of the products or services supplied by it.

RELATION TO STATE LAW

Section 4. (a) This plan shall apply in every State (including the District of Columbia, Puerto Rico, or any territory or possession of the United States) and political subdivision thereof and shall preempt any law of any State or political subdivision thereof to the extent that such law is inconsistent with this plan or any rule, regulation, or order promulgated pursuant to this plan.

(b) Notwithstanding the provisions of subsection (a) of this section, the President or his delegate may, on his own initiative or in response to a request for exemption, exempt a State or political subdivision thereof from this plan and any rule, regulation, or order promulgated pursuant to this plan, in whole or in part, during a period for which (1) the President or his delegate determines a comparable program of such State or political subdivision is in effect, or (2) the President or his delegate finds special circumstances exist in such State or political subdivision.

(c) A State which seeks an exemption for itself or a political subdivision thereof on the ground that a comparable program is in effect shall submit to the Secretary a request for exemption which shall include: (1) a full description of the comparable program, (2) the amount of energy which such program will conserve, (3) the period of time during which such program will be in effect, and (4) such other information as the Secretary may require, and the Secretary shall review the request and make a recommendation thereon to the President or his delegate.

(d) A State which seeks an exemption for itself or a political subdivision thereof on the ground that special circumstances exist shall submit to the Secretary a request for exemption which shall include (1) a full description of the special circumstances, (2) a detailed explanation of why implementation of this plan, in whole or in part, is not practicable, (3) an estimation of the period of time in which the special circumstances will exist, (4) any alternative energy conservation measures which may be practicable and their expected savings, and (5) such other information as the Secretary may require, and the Secretary shall review the request and make a recommendation thereon to the President or his delegate.

(e) For purposes of this section, "comparable program" means a mandatory program which deals with the same subject matter as this Plan, and which conserves at least as much energy in the State or political subdivision thereof as this plan would be expected to conserve in such State or political subdivision.

ADMINISTRATIVE PROVISIONS

Section 5. (a) The Secretary is authorized and directed to implement, administer (including determination of exceptions), monitor and enforce this plan, and to promulgate such additional rules, regulations or orders as are necessary or appropriate.

(b) Section 523 of the Energy Policy and Conservation Act of 1975 (42 U.S.C. 6393) shall apply to any rule, regulation, or order having the applicability and effect of a rule as defined in Section 551(4) of Title 5, United States Code, issued under this plan.

(c) The Secretary may delegate all or any portion of the authority granted to him under this plan to such officers, departments or agencies of the United States, or to the Governor of any State, as he deems appropriate.

PUBLIC INFORMATION

Section 6. The Secretary may collect and disseminate such information in accordance with current law and policy as he deems appropriate regarding the operation and goals of, and responsibilities under, this plan.

PENALTIES

Section 7. Any person who fails to comply with any provision prescribed in, or pursuant to, this plan shall be subject to the applicable penalties set forth in Sections 524 and 525 of the Energy Policy and Conservation Act (42 U.S.C. 6394, 6395).

REPORT

Section 8. The Secretary shall report to Congress and the President, within 60 days after the termination of this plan, on the operation of the plan. Such report shall include an estimate of the energy conservation achieved and may include any recommendations deemed appropriate by the Secretary.

SUMMARY OF CONTINGENCY PLAN NO. 3

Description of plan

This plan would impose restrictions on the use of electricity for illuminating certain advertising signs. Two categories of signs would be affected. The on-premise category includes signs located within the confines of the business establishment. The off-premise category outside billboards and other signs located outside the confines of the business. Illuminated signs essential to (1) direct customers to an open business by identifying it and/or (2) inform customers of a product or service supplied by the open business, are not restricted by this plan.

Summary

The potential oil savings are on the order of four thousand four hundred barrels per day or about 0.03% of present oil consumption.

On a national scale the economic effects resulting from saving 4,400 barrels of oil per day are small. For this reason, no quantitative estimates of these impacts are made. Redistribution of petroleum saved by this measure is expected to result in small increases in GNP, personal consumption, and employment. The effects on inflation are negligible. Impacts on individual regions and states are also expected to be very small. Illumination is important to outdoor advertising firms; therefore, it is likely that this industry will be adversely affected.

Costs of implementing the measure are estimated to be approximately $3.1 million, including the cost of reimbursing the States for functions delegated to them. This estimate is very preliminary and is subject to budget review.

COMMITTEE RECOMMENDATION

The Committee on Energy and Natural Resources, in open business session on April 10, 1979 by majority vote of a quorum present recommends that S. Res. 123 not be approved by the Senate.

The Committee notes that the energy savings predicted for contingency plan numbered 3 are very small in relation to U.S. petroleum consumption. The economic analysis prepared by the Department of Energy estimates that approximately 4,400 barrels of oil per day would be saved if the plan were implemented. This is about 0.03 percent of present U.S. petroleum consumption.

The Committee is also concerned that the impact of contingency plan numbered 3 would fall almost entirely on a single class of firm—owners of illuminated outdoor advertising signs. It is recognized that any mandatory conservation measure dealing with a "single logically consistent subject matter"—a requirement under EPCA—may impose burdens which are not uniform. However, conservation plan numbered 3 does appear to impose a disproportionate burden on this single class of firm with little energy savings in prospect. The Committee recognizes the importance of strictly limiting unnecessary uses of energy in lighting during a time of shortage when public sacrifice is being requested. However, the Committee believes that any plan, to meet minimum requirements of section 521 of EPCA, should deal with energy use in lighting in a comprehensive manner. The Committee finds that conservation plan numbered 3 fails in this regard and that it would not provide an effective standby conservation tool for the President in the event of an energy emergency requiring full mobilization of the Nation's efforts to conserve energy.

Mr. JOHNSTON. Mr. President, the Committee on Energy and Natural Resources turned down the President's request for emergency advertising lighting restrictions by a vote of 13 to 5. I will be very brief in explaining why because it is very clear.

First, it would save only a trivial amount of energy, 0.03 percent of current petroleum consumption: 4,364 barrels of oil per day.

Of that amount, only 364 barrels of oil a day would be saved by restricting the use of lighted outdoor signs.

Mr. President, this clearly and directly violates the Energy Policy and Conservation Act, which is the authority for the President to send down this measure in the first place, because that bill, EPCA, provides that no one segment or part of the economy shall be impacted unequally or inequitably. Section 521 of EPCA so requires, and it requires an across-the-board burden sharing.

The impact of contingency plan No. 3 would not be felt across the board, but would impact totally and completely on one industry, the outdoor sign industry and those industries which depend upon outdoor signs.

Mr. President, also, this would impact upon the one industry that has done more voluntarily to conserve energy than any other industry I know about. The outdoor advertising industry voluntarily has saved 20 percent during the last embargo, has offered to do the same, to invoke the same plan again so as to save 20 percent voluntarily, upon the declaration by the President.

This industry has spent hundreds of thousands of dollars in order to advertise and inform the public of the seriousness of the energy crisis.

Those signs that say, "What next," that show the gas gage with the world in the background, are contributed free of charge by the outdoor sign industry.

So, Mr. President, contingency plan No. 3 is unfair, it is inequitable, it does not save energy, and it penalizes those doing the most voluntarily.

For that reason, the committee by more than 2 to 1 voted it down, and I hope the floor will confirm the committee's judgment.

Let me just say one more word, Mr. President. We have some serious measures for conservation coming to this floor. The one just approved is a serious measure that will save a significant amount of energy, 500,000 to 600,000 barrels of oil a day compared to 4,000 in this measure.

We have a very serious, very far reaching, and we think a very effective means of conserving energy in the form of S. 1030, the Emergency Energy Conservation Act, just reported by the committee yesterday. That bill will be up next week.

Mr. President, let us do something more than try to throw out symbols, symbols that do not mean anything and that are unfair. Let us conserve energy. That is what our committee is about and that is why we are against this present measure.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. BOREN). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I concur wholeheartedly with what the good Senator from Louisiana, the chairman of the committee, has said. I am the ranking Republican, and I have heard most of the conservation testimony along with Senator JOHNSTON.

I agree that of all the users of energy in this country, the one industry that voluntarily has done an admirable job is the outdoor advertising industry.

They have proved to the committee that on their own they have saved 20 percent, using as a target the last full year prior to our hearings.

To me, if everyone in America would do anywhere near as well as they have, we would not be forcing anyone to do anything in this country. We would get our conservation house in order.

In addition, I am impressed, as we have hearings here in the Senate, and I say this because it concerns me greatly, with the lack of initiative by our respective States to cause conservation in their respective cities and communities.

If there is a shortcoming in this Nation, it is that our States have not given their Governors enough authority, and there are very few plans out there by the States that are very effective.

The reason I raise this point is that there is no better example of a situation that ought to be controlled by the respective States, taking into consideration their particular economic and social customs and needs, than this one.

There are some States, Nevada, and I am not from Nevada, but there is no question, in a very legal manner, they are very dependent on outdoor advertising and they ought to decide if they want to cut back 20, 25, or 30 percent, on something very specific to their State.

This would be a perfect thing for a State to do under a State implementation plan for conservation, to take a look and see if this is one that they ought to curtail.

I know there are some who favor giving the President of the United States, in the midst of one of our major economic crises, the authority to shut down in whole or in part some advertising signs around our country, because it would be symbolic.

There are those who will say that we should do symbolic things such as this. I agree with the Senator from Louisiana that we should do the kind of thing we did 35 or 40 minutes ago and force our public and private buildings to adjust their thermostats so we take a little of the sacrifice, a little more heat in the summer, a little more chill in the winter, grow accustomed to a little less waste there. That might save between 350,000 and 500,000 barrels a day.

This proposal would save perhaps 4,000 barrels, if they closed them all down and had no outdoor advertising at all in this country.

I also agree that this would be penalizing one group of Americans instead of all of us. We will all take the burden of the public and private buildings. Every American, in some way or other, uses that kind of building. That is the kind of thing we should do.

I hope the Senate will do as the committee did. By an overwhelming margin, they said:

> We want to give you some authority, Mr. President, but this is a kind of ridiculous one.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. DOMENICI. I will yield in a moment, when I have finished.

I also concur with the Senator from Louisiana when he says that we should not stop with the resolution we agreed to which gives our Nation a thermostat control mechanism by which we will take a little more of the summer's heat and a little more of the winter's chill. We should proceed with some others. I think next week or the week after we will have a bill that will permit the President to have some targets for conservation in many of the products that are in short supply and then ask our States to implement a plan of savings, and if they do not, to impose a national plan on them.

We might find that in some parts of America, they will do more in terms of outdoor advertising than they have done voluntarily by saving 20 percent.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Senator HATFIELD, who is unable to be here at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR HATFIELD

We are very close today to the gasoline lines we had hoped to avoid through the early implementation of conservation programs which would reduce our demand for petroleum products during this period of world supply shortfall. In fact, we are probably too close to do much about it for this summer.

The emergency mandatory conservation plans of the President, now pending before the Congress, are standby authorities we should have had in place years ago. They are required by an act we passed in 1975. In that act, the Energy Policy and Conservation Act, we created a mechanism to provide emergency authority to the President to deal with energy related incidents, yet keep the Congress involved. We were not interested, in that act, in signing over blank checks of authority—hence, the process in which we are now involved of reviewing standby emergency response proposals by the President. Once approved by the Congress they could be invoked in an energy emergency.

In 1975 we were acting with the hindsight afforded by our recent experience with the Arab oil producing nations which embargoed the United States, and with the foresight afforded by our appreciation of the future volatility of that part of the world. Yet we waited through three years of relative calm in the oil world for the submission of the standby emergency response plans that were due within a year. Today the calm is broken by the Iranian revolution and the consequent oil supply disruptions, and we are debating the President's response plans without the luxury of time—the time to be able to say "no" to a particular plan or part of a plan, and still be able to receive a new plan or a modification from the President that could be implemented ahead of the impending crisis. The box we had hoped to avoid is now closing around us.

To say "no" today to these plans is to leave the country without an emergency conservation response capability for many more months. Of course, when the shortage hits at the retail level we will be able to allocate it under the authority of the Emergency Petroleum Allocation Act, and surely the states will be better prepared to deal with the resulting gasoline lines than they were in 1974. But we had hoped to be able to avoid these lines.

Today we have on the Senate floor two of the three conservation plans submitted by the President. The Energy and Natural Resources Committee has recommended that the Senate support S. Res. 122 on Building Temperature Restrictions and oppose S. Res. 123 on Advertising Lighting Restrictions. I recommend that we support both. While the former is practically without controversy, the latter is opposed for reasons that it does not save a significant amount of energy and that its burden falls primarily on one class of firm, those which have outdoor advertising signs. I do not disagree with the fact that its energy impact is largely symbolic, but I would argue that advertising lighting is simply too important a symbol, and signal, to the American public for us to ignore it when we are trying to deal with a serious energy shortage. To allow such lighting to burn needlessly, when the federal government takes mandatory steps to curb other energy use, will certainly be confusing to the public. I do not believe we can afford such confusion, as I believe it is going to be difficult in any case to find many Americans who are willing to accept the idea that the impending shortage is more than an oil-company hoax, without advertising lights reaffirming such suspicions. In short, I believe we must curb advertising lighting during an

> energy emergency if we expect to obtain wide compliance with our other energy saving efforts, and I would point out that nothing in the President's plan restricts a business from using such lighting as is necessary to direct customers to the place of business when it is open, and to inform customers of the products or services supplied.

Mr. TSONGAS. Mr. President, will the Senator yield?

Mr. DOMENICI. I am pleased to yield.

Mr. TSONGAS. Mr. President, the Senator and I agree on some aspects of energy conservation. Let me ask a question, since we obviously disagree on this matter.

Assuming that the citizen of whom the Senator from New Mexico has spoken experiences the winter chill in his home, drives to shop at a department store where he again experiences the winter chill, and on the way back to that recently cooled home sees the outdoor advertising lights blazing away, what kind of impact does the Senator think that has psychologically on that individual's capacity to endure in the name of his Nation and the general collective will?

Mr. DOMENICI. My good friend is absolutely correct. On most of these measures and on solar energy, we agree. I have even heard the Senator speaking about deregulation and getting the Government out of the energy business, and we may end up agreeing on that.

A citizen might feel somewhat disheartened, somewhat chagrined, somewhat doubtful about the sacrifice he is undertaking. However, I honestly believe that we should not be engaged in conservation measures that save little or no energy, simply for the purpose of being able to say that we have done something. They are saving 20 percent already.

If the Governors of the Senator's State and mine want to cut down more, they can certainly seek the authority, where they do not have it, and do it in a more orderly manner than to have the President and the Secretary of Energy in the respective States, trying to find out how much outdoor advertising is adequate, how much is too much.

I believe that this Nation is filled with ingenious, innovative people and that we can find a better way to save energy than by someone in Washington ordering outdoor advertising curtailed.

I agree that symbolically it has some validity, and some people might not feel so good when they are in a public building that is a little colder than usual and see a billboard lit up. But I do not think that should be the test.

Many things are going to occur in our conservation approach that, all of a sudden, are not going to create equity tomorrow morning.

We already have our automobile companies advertising that we are not going to have a big car anymore, so why not buy three little ones? I do not like that either. That is not what we had in mind when we started rationing mileage. One company has now said that every child away in college should have one of their cars. I do not like that, either, when I think of conservation.

This is a big, bold country, and it is going to be hard to bring it all into focus.

Mr. TSONGAS. The Senator admits that it would have a discouraging, disheartening effect on our collective will.

Mr. DOMENICI. Indeed.

Mr. President, I do not believe it would have a more disheartening effect than to hear constantly and repeatedly some of our national leaders imply that the whole problem is the oil companies; that, somehow or other, if we get rid of them, there will be no problem. That is just as disheartening to the American people and as ruinous of any energy policy, potentially, for our country as many other things we are doing, if not the worst.

Mr. TSONGAS. To quote an old New Mexican saying, "Two wrongs don't make a right."

Mr. DOMENICI. That is typically New Mexican, I understand.

I thank the Senator.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, I yield 10 minutes to the distinguished Senator from Connecticut.

Mr. WEICKER. I thank the distinguished Senator from Louisiana.

Mr. President, I support the proposition before the Senate.

I ask my colleagues not to flinch. We have taken one small step in what was passed earlier. This is the second step. Believe me, there are some very important interests that would like to see the defeat of this measure.

I have no doubt that the decision of the Energy Committee is not one that would meet with the approval of the American people. I am quite certain that the American people would have no objection at all to a diminution of nighttime advertising. Obviously, there are sign companies and advertising firms, among others, who have an interest at stake.

However, the defeat of this proposal, to my way of thinking, does not meet what it is that the American people are looking for. I ask my colleagues not to flinch. Yes, this has now become symbolic, in terms of small savings. In terms of what has been mentioned earlier, this is an act of self-discipline; but, most important, now it becomes symbolic in the sense that the Senate is willing to do that which is right, regardless of what various powerful interests say, for the people of this country.

I would like to go ahead, if I had my "druthers." To me, this does not go far enough. I have already mentioned that I think there should be restrictions on the lighting of office buildings between certain hours where no work is going on except the work of cleaning. I believe—someone will correct me if I am wrong—that just the lighting of the two buildings of the World Trade Center in New York is equivalent to supplying the entire city of Columbus, Ohio, with power. Yet, every light is ablaze at 2 or 3 in the morning. Who is this helping?

This is what we have included in this measure—a restriction on the lighting of office buildings between the hours of midnight and 5, or between any other specific hours.

How about night baseball games? Is there any possibility that we might be able to change our lifestyle and go along with Mr. Wrigley's ideas and play a few more day games rather than night games?

I think this is a very important measure. It represents the saving of 4,500 barrel of oil. It involves all the factors I have discussed: An act of self-discipline, the fact that the Senate is going to do what is right regardless of what interests have their ears.

However, the disastrous effect of defeating this proposal is that it means that we have flinched one little step and then we had to start flinching right away. The word will go out to every powerful interest in this country:

> Just make sure you nibble at the rest of the President's energy program. Make sure you nibble to death the windfall profits tax.

This is what is involved here.

I think the American people are quite prepared to make sacrifices as long as we make sacrifices in this Chamber in a political sense, as long as the energy companies make their sacrifices in the terms of what they contribute to the development of alternate sources of energy. But this, indeed, is going to be a matter that should affect each one of us across the board.

To me, it is not so meaningful as to whether or not each one of my colleagues has a parking space on the Capitol grounds, but whether or not he is willing to stand up in this Chamber and do the politically unpopular, and in so doing construct an effective policy that holds the promise of stable supply and lower price.

I realize that is a tough thing to ask of anyone who is up for election in the next round in 1980. But I did it in 1976, and I am here, and here by a bigger plurality than ever before in my career. I am not afraid to say what needs to be said, regardless of any other offices I may run for in the future.

But there will be no effect at all if we listen to the various interests that have ruled our energy policies for too long. As I have indicated, first of all these are the philosophical interests, the Republican and Democratic interests, and the producing interests and the consuming interests and the Southwest's interests and the Northeast's interests. And in the course of all those interests, the American interest has been forgotten.

So I ask my colleagues do not flinch; do not flinch. Pass it. Pass the second step. Insofar as the good intentions of the various States, and with due respect to my good friends from New Mexico and Louisiana, this is the reason why I had clear reservations about their new proposal coming out on gasoline station closings and other mandatory steps.

The States have not done their job and indeed have attempted, the first opportunity, to buck the traces on the Federal 55-mile-per-hour limit. They were doing so just prior to the Iranian crisis.

I hope that by passing this measure we will double the emphasis to the American people as to the seriousness of the crisis, that it is not manufactured, that this is only the second step of more steps to come, which by the time they are all through, will affect every aspect of our society. It is very unfair to stand up here and say, well, this is zeroing in just on these people. Before we are through, if we have done the right job, everyone is going to get hit. When everyone is personally involved, and not until then, then you will have your solution to the energy crisis.

The PRESIDING OFFICER. Who yields time?

Mr. TSONGAS. Mr. President, how much time does the Senator wish to use?

Mr. METZENBAUM. Ten minutes.

Mr. TSONGAS. I yield to the Senator from Ohio 10 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Mr. METZENBAUM. Mr. President, I rise to support the position of the Senator from Connecticut, but in doing so I must say I do it in a little different manner than he does. I support it, because I think that we should take every step possible to indicate our determination to have effective mandatory conservation in this country. No Member of the Senate and no member of the Energy Committee has ever been more supportive of that position than has the Senator from Connecticut. And on many occasions I know it was necessary that we be in a very small minority in order to make our views known.

So I do join him in indicating that I believe we should provide exactly what this original resolution would have called for, and we should indicate our willingness to ban advertising and outdoor lights at night.

But in saying that I must indicate that I think the whole proposition is somewhat of a charade. When the administration was called upon a year ago to back truly effective major mandatory conservation measures the administration turned its back on those of us who indicated our views and concerns.

When we talked about 55 miles per hour speed limits the President says yes, we should have that on a voluntary basis.

You can drive across the highways of any State in the Nation at the moment and find that that voluntarism is not effective, and the only law that we have on the books with respect to that subject is one that provides that if a State does not permit more than 70 percent of the people to violate the law then it will keep intact its interstate highway funds, but up to 70 percent of the people on the highway of any particular State can go more than 55 miles per hour and they will not be jeopardizing that State's interstate highway funds.

What an absurdity. What a laughable proposition, that almost just one car less than 70 percent can go 70, 80, 90 miles an hour and we have no mandatory measures in connection therewith.

About a year or a year and a half ago the Energy Committee of this body was considering and did consider the banning of any auto in this country, the manufacture of any auto, the importation of any auto if it did not come up to a certain number of minimum miles per gallon—16 miles, 18 miles, 19 miles, all the way up to 21 by 1985, starting at 16 in 1980. And this Senate in a contested rollcall vote indicated its strong support for mandatory conservation measures. The House of Representatives had some reservations. And where was the administration? The administration was over in the conference committee lobbying against the mandatory conservation measure saying that it would not mean much, giving us some very complicated model that goes into a computer and telling us it will not save much.

Well, it would have saved, even on their own figures, two and a half times what this bill will save.

This is a charade. This is a make believe. This is a kind of thing that you do for the pizzaz of it in order to advertise to the American people you are doing something while really you are doing very little, and that is where I take issue about this measure, although I support it. It is a nothing.

We had in the Energy Committee a proposal to provide mandatory standards for efficiency of motors. These are motors that are used in industry, and there are literally hundreds of thousands of them, and they consume a tremendous amount of energy and they waste a lot of energy. But the fact is the administration would not support it and we lost it by a very narrow margin in the committee.

Now what do we have? We have some proposal about labeling the efficiency of motors, but the facts are that labeling is not even now being implemented. The administration is involved in an 18-month study of that subject, and recently I was told that out of their 10,000 employees they have 1 employee working on the subject.

We proposed a mandatory conservation measure which would retrofit furnaces in this country and which is being done in Michigan now and has been approved by the Batelle Institute of Columbus, Ohio, a well-respected, well-renown research firm, and there was good support for it in the Energy Committee, and the administration lobbied against it.

So what I say, Mr. President, is the following: There are many other strong conservation measures that we can, should, and would be taking if the administration would put its shoulder to the wheel and join with us in Congress who are prepared to fight for those measures.

And as the Senator from Connecticut states so well, yes, those measures step on someone's toes, those measures are tough, those measures do affect people, but you cannot conserve energy in this country as long if you are not going to step on someone's toes. And it was with a great deal of disappointment that I saw come out of the Energy Committee just yesterday a bill to provide a means for each of the States to come up with an energy plan which would supplement the Federal plan.

But only after we treated one segment of our society differently from some other segments of our society. We had to make an exemption for agriculture and for food processors and for those who grow cotton and for all of the other interests that are involved. Yes, and that includes dog and cat food, too, which get an exemption. But the workingman who has to worry about how he is going to get to work, no exemption for him.

The doctor or nurse who has to worry about how to get to treat patients, no exemption for them. Those who work in the purification plants for water and for other matters that help to make our society a better place to live, no exemption for them.

Mr. President, I stand here on the floor of the Senate today saying that I am supporting the President in this proposal, but I think it is a laughing matter. I think it is so little so late that it is almost unbelievable.

It is time for the President and Congress to bite the bullet, and the people of this country will support all of us. Right now they do not believe the President is providing adequate leadership, and they do not believe that Congress is providing adequate leadership. In the minds of most of the people it is "a plague on both of your houses."

I think, Mr. President, it is time for all of us to take stock and to say we are prepared to enact tough, hard-hitting measures that truly will create some problems but, in the long run, will conserve the energy that we should be conserving, so that in the interim we might go forward and develop those alternate energy resources which, I might say parenthetically, are not being developed under the leadership of the Department of Energy at the present time, but they certainly should be.

I support the measure. I believe it is a charade. I believe it is a drop in the bucket, but in order to be consistent with my view that we ought to have strong mandatory conservation measures, even this little bit I would not turn my back on and, therefore, I urge the Members of the Senate to support the position of the Senator from Connecticut.

Mr. TSONGAS. Mr. President, I yield myself such time as I might consume. I would only indicate to the Senator from Ohio and the Senator from Connecticut that there will come a time when everyone will say they shared your views back in 1979.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TSONGAS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TSONGAS. I yield 2 minutes to the Senator from Maine.

Mr. COHEN. I thank the Senator from Massachusetts for yielding.

I was interested in listening to the debate which has just taken place when emphasis was placed upon how minimal or de minimis the amount of energy saved by this measure would be.

It seems to me we ought to place it in a proper perspective. There is another measure coming up in a few weeks before this body in which I intend to take a very active role. It involves the construction of one of the largest dams in the world, the so-called Dickey-Lincoln hydroelectric project which, over the years, has had great support in this particular Chamber. I hope the Senate will reverse its support for the project this year.

Dickey-Lincoln is a project which, if approved by this body, will cost in excess of $1 billion to build. In the process, some 88,000 acres of prime timberland would be destroyed and, an additional 400,000 acres of land adversely affected, all to produce peaking power for about 2 hours a day. This $1 billion project would save 2.3 million barrels of oil per year.

Pending before this body is a measure which would save half the amount that Dickey would produce. I find it ironic that this body in the past has gone on record as favoring the expenditure of $1 billion to save 2.3 million barrels annually when, in fact, we now have a measure which will save half that without the expenditure or destruction that will be involved in the construction of a massive new dam.

So we have a chance to correct some of the past, I think, misguided policies, and we will have that chance not only today, but in the future as we continue to debate the energy policy for this country.

I thank the Senator for yielding.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 1:35 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEVIN).

The PRESIDING OFFICER. The business before the Senate is agreeing to Senate Resolution 123. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from West Virginia (Mr. RANDOLPH) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from West Virginia (Mr. RANDOLPH) would vote "nay."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER) and the Senator from Oregon (Mr. HATFIELD) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Have all Senators in the Chamber voted?

The result was announced—yeas 24, nays 70, as follows:

[Rollcall Vote No. 76 Leg.]

YEAS—24

Bellmon
Bradley
Bumpers
Byrd, Robert C.
Cohen
Cranston
Hart
Hayakawa
Javits
Kennedy
Levin
McClure
McGovern
Metzenbaum
Nelson
Packwood
Pell
Pressler
Ribicoff
Sarbanes
Stevenson
Tsongas
Weicker
Williams

NAYS—70

Armstrong
Baucus
Bentsen
Biden
Boren
Boschwitz
Burdick
Byrd, Harry F., Jr.
Cannon
Chafee
Chiles
Church
Cochran
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hatch
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Long
Lugar
Magnuson
Mathias
Matsunaga
Melcher
Morgan
Moynihan
Nunn
Percy
Proxmire
Pryor
Riegle
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—6

Baker
Bayh
Hatfield
Muskie
Randolph
Stafford

So the resolution (S. Res. 123) was rejected.

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS, 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 429, which will be stated by title.

The legislative clerk read as follows:

A bill (S. 429) to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Armed Services with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Department of Defense Supplemental Appropriation Act, 1979".

TITLE I—PROCUREMENT

SEC. 101. In addition to the funds authorized to be appropriated under title I of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated during fiscal year 1979 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and other weapons, as authorized by law, in amounts as follows:

(1) For aircraft: for the Air Force, $132,100,000, of which $80,100,000 is authorized to be used only for the United States contribution of its fiscal year 1979 share of the cost of the acquisition by the North Atlantic Treaty Organization of an Airborne Early Warning and Control System (AWACS).

(2) For missiles: for the Navy, $84,900,000.

(3) For naval vessels: for the Navy, $1,450,700,00.

SEC. 102. During fiscal year 1979, the Secretary of Defense is authorized, in carrying out the Multilateral Memorandum of Understanding Between the Ministers of Defense of the North Atlantic Treaty Organization on the NATO E-3A Cooperative Programme, signed on December 6, 1978—

(1) to waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

(A) auditing;

(B) quality assurance;

(C) codification;

(D) inspection;

(E) contract administration;

(F) acceptance testing;

(G) certification services; and

(H) planning, programming, and management services;

(2) to waive any surcharge for administrative services otherwise chargeable; and

(3) to assume in connection with the NATO E-3A Cooperative Programme for fiscal year 1979 contingent liability for—

(A) program losses resulting from the gross negligence of its contracting officers;

(B) identifiable taxes, customs duties, or other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated during fiscal year 1979 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

(1) For the Army, $60,200,000.

(2) For the Navy, $23,000,000.

(3) For the Air Force, $329,000,000.

(4) For the Defense Agencies, $24,000,000.

TITLE III—GENERAL PROVISIONS

SEC. 301. The Secretary of Defense shall submit a written report to the Committees on Armed Services of the Senate and House of Representatives as soon as a decision is made to place the M-X missile and the basing system under full-scale engineering development. He shall include in such report the justification for such decision and all relevant information relied upon in reaching it. Not later than May 9, 1979, in time for such committees' consideration of and action on the fiscal 1980 budget, he shall also provide the committees with a written report stating his best judgment and his preference as to the missile design characteristics and basing system which should be developed. Prior to a final decision and full report to Congress, the Secretary of Defense shall take no action that would preclude the development of the M-X missile with the maximum throw weight and other missile characteristics permitted by strategic arms limitation agreements.

SEC. 302. No funds authorized to be appropriated by this or any other Act may be obligated or expended for the purpose of carrying out the Service Life Extension Program (SLEP) for the aircraft carrier Saratoga unless such program is conducted on the basis of least cost as confirmed by the Comptroller General of the United States in his report to the Congress on September 22, 1978.

A POWERFUL TRIBUTE TO AMERICA

Mr. MATHIAS. Mr. President, on April 26, 1979, our distinguished colleague, Senator JACOB JAVITS, spoke at Ellis Island, N.Y., at a program entitled "Ellis Island Revisited—A Journey of Nostalgia and Remembrance," sponsored by the United Jewish Appeal-Federation of Jewish Philanthropies of Greater New York.

Senator JAVITS' talk on that occasion is one of the most moving and eloquent evocations of America's past and America's principles that I have ever read. I wish every American could read Senator JAVITS' words. While he does not discount the many problems that beset our present, he offers a ringing affirmation of the fact that this Nation still has it in its power to lead the world to a future where "the individual dignity of the individual human being is respected as being as valuable as life itself."

Those who love America and all she means to the world will find Senator Javits' words beautiful.

I consider it an honor to bring these words to the attention of my colleagues. I ask unanimous consent that they be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Remarks by Senator Javits

INTRODUCTION

Mrs. Elaine Winik—Chairperson. In the town of Safed, in Israel, and I never knew this before, there is a little street called Javits Street. A lot of Americans, especially New Yorkers, go by and say, "Oh, isn't that an odd coincidence. That's the name of our Senator." Well, it is not an odd coincidence. The Senator's mother was born in Palestine. From this background and from the Austro-Hungarian background of his father, and from the streets of New York where he grew up, from this culture has come one of the most courageous of men, a man with quiet courage, with a deep sense of justice for the oppressed and endangered of our people and of all people. It is a real honor to introduce the senior senator from New York, Senator Jacob Javits.

Mr. Javits. Thank you very much Elaine Winik; thank you ladies and gentlemen. I'd like to congratulate Elaine and Joyce Cohen, her co-chairman, for this occasion and I would like to join all of you and all New Yorkers in thanking Cecil Andrus and those who assist him, Mr. Stark and the rest of the staff, for making this very touching event possible.

I come here with a catch in my throat, like Elaine did, and I'd like to confine what I shall say to my very personal experience.

I found it very hard to get here today. Somehow or other, the older you get and the more seniority you get in the Congress, and I shall have served longer than any senator from this state in its history on May 4th of this very year, the busier you get. And it will interest you to know that just before I left, the Senate Foreign Relations Committee, of which I have the honor to be the ranking minority member, voted $102 million for refugee assistance to just such people as Elaine spoke of so feelingly, and also voted $25 million, on my motion, for the resettlement of Jews from the Soviet Union in Israel.

But I must say that to be here in these very, very touching halls full of remembrance and nostalgia, as this event was billed, and to be here with so great and distinguished an author who so delights the world and so ennobles our own people as Isaac Bashevis Singer, and with such a great artist as Molly Picon, was well worth the trip even though I have to turn right around and dash back, with the cooperation of the Interior Department and the Coast Guard.

Why is this such a nostalgia thing for me? I qualify, I am a member of the club. My father, as Elaine said, came from the little town of Mielnieza in Galicia in Austria-Hungary in about 1887 and came through Castle Garden, which was the predecessor entry point—it's now called Castle Clinton—in the Battery to Ellis Island. My mother, I believe, came through Ellis Island because she came in 1891 or '92, just about when Ellis Island began to be used.

This is a country of immigrants, but it's a country of immigrants in waves, and each wave had a meaning. The first wave were the fathers of our country, the original settlers who protested against religious intolerance in Britain and in Holland and in other countries and came here. There were Jews too; as you know, they came in the 17th century to New Amsterdam, but it was hardly a wave of immigration.

But the first wave, then, were the fathers, the founders of our country, and they established American freedom and American democracy. And let us never forget, which we tend to forget, that the penalty for losing the Revolutionary War was hanging, not just the loss of your property and not just being unable to do business with the British, but hanging. So every man who signed the Declaration of Independence risked his neck, a pretty heroic proposition.

And then came the wave of German and Irish immigration which fortified Lincoln in holding the Union together. And, again, that is unappreciated too. When you look at the divided Germany and when you look at the divided Korea and other divided places in the world, you get some concept of what it meant to keep the United States together as a strong, vital and great leadership nation.

And then came the third wave, of which so many of you and myself and Elaine and so many others were a part, and that was the wave of ethnic immigration from central and southern Europe, especially from the Pale of Settlement, which we all know so well, from which so many million of Jews came to the United States and to many other countries.

What did it mean? First, it meant human dignity. Yes, Isaac, I agree with you; there was great fear—they didn't know anything about it, and they were probably handled pretty roughly by those who handled these operations. It was not, I assure you, the human rights day that it is today. It was probably pretty rough handling and those 1 or 2 or 3 per cent who were sent back had a pretty tough time of it.

My father told me when he got off the boat he was penniless, literally penniless. He always told a story, which I will repeat because it's such a touching story, of how you had to have a dollar to get into the United States; that was the state of your worldly goods. And somebody, hopefully H.I.A.S., passed a dollar to the first one in line and that first one passed it on to everybody else. There may have been a hundred—they all came in on the same dollar.

So my father used to tell of how on the first three nights that he was here, he slept in a butcher truck on Allen Street until he could find a landsman who would give him some kind of help and some kind of lead. My mother however was a young girl of 19. She came with 2 other stepchildren and a stepfather and her mother, and I guess they were sheltered promptly, at the beginning.

And before I go any further, let me emphasize, because this is a Federation, a U.J.A. event, the enormous part played by the voluntary organizations with these early immigrants. The earliest memory I have as a child is going to visit my mother in Beth Israel Hospital, which was somewhere on the lower East Side then, around Avenue C or D, and not in the lovely quarters that it occupies today. And H.I.A.S. was always a big name in our house. That's one of the activities, as you all know, including the New York Association for New Americans, which is backed by the Federation. And then there were all the settlements: the Henry Street Settlement, the Educational Alliance, the University Settlement to which I went, in which Eleanor Roosevelt, by the way, was a settlement house worker in her early days.

Now what did they come here for? They came essentially, notwithstanding the fear, as I said, for dignity. That's really the key word. There are two words that mean more to Jews than anything else, even life itself. One is dignity, and the other is justice. That's how we're distinguished from the newer faith, from Christians, who preach a newer doctrine, a doctrine of loving kindness, critically important, that's why we speak always of the Judaeo-Christian civilized ethic. But our doctrine was justice, and that's what Jews came here to get. No special breaks, just an even start at the starting line. And they wanted that not only for themselves, but for their children.

My mother, Isaac, never learned to read or write in any language until she was 55 years of age, when she learned to read and write a bit of English in an adult education school in Brooklyn, and I am now one of the greatest patrons of adult education in the Congress, I might add. And her greatest joy as she got older was to ride in the subway from President Street to Manhattan and to be able to read the advertising signs in the subway. This was her great achievement.

So they came for dignity, they came for justice and they came to give their children a chance. And that has been the embodiment of the lives of these immigrants and these walls, every one of them, lives and breathes with that inspiration. Sure they were scared, sure they were ignorant, sure they were superstitious when they came through these halls, but deep in their heart were those sentiments.

I hope very much, and I've just had a little talk with Mr. Mendelsohn, who is an Assistant to the Secretary of the Interior, and I hope very much that some way may be found of restoring Ellis Island into a great national monument which will characterize for the American people the backs and the brains which in this third wave made this country the greatest industrial power and the greatest single political power on earth.

That was the massive population that did it, just at that time. And that it may be signalized in such a way as to be an inspiration down through the ages because these values are as critically important today as they were then.

The only difficulty with our country that I can see, and I am not going to make you a speech today on its difficulties, which are profound and great, the major difficulty of our country which I can see is whether, though we're a young, a vital and a virile people, we are already beginning to lose our zest for life, our zest for setting an example, our zest for leadership and our zest for giving other peoples opportunity and setting them free.

I can tell you that notwithstanding all of our troubles about trade and money and inflation, the fact is that this world will go as we go. True we use ⅓ of the world's resources; that's what we do and that's a pretty big figure, if we don't use it well, because we're only 6 percent of the world's people. But if we use it well, we can liberate the whole world and the spirit which will liberate this world, in terms of its economy, in terms of its society, in terms of its social order, is the spirit which breathes from these walls. Because, my friends, I think today we understand that we're not going to make the Soviet Union a democracy, nor the People's Republic of China, and I think we've gotten over all those hang-ups that believed that the ideal state of society and form of government was our own. I think we're perfectly happy now to have any kind of socialistic state, or other state, which a people might want, with one proviso—that they want it, that *they* want it, and that the individual dignity of the individual human being is respected as being as valuable as life itself. It is these sentiments which spring from these walls.

I feel deeply rewarded, Elaine, to have come today. I really do. It was very tough for me but I feel deeply rewarded. Whatever I may have missed in the Congress today, I hope my constituents will forgive me because it's given me an opportunity, in a rare way, to share in this deep feeling which moves me very deeply and which I know moves you, that here is the making of the American people, the making of the American man and woman.

Thank you very much.

Mrs. Winik. We all know what America has given to the Jewish people. I think we can be very proud of what the Jewish people has given to America. Thank you, Senator Javits.

GASOLINE RATIONING PLAN

Mr. FORD. Mr. President, last Thursday the Senate Energy and Natural Resources Committee reported out the administration's standby gasoline rationing plan by a vote of 9 to 8. I voted "nay" and will vote "nay" on the floor.

We need a standby rationing plan but the one before us is so flawed and inequitable that it poses the possibility of being a real disaster. This plan should be rejected and a new one submitted, one that does not turn our whole economy up-side down, one that is equitable as required by law.

Mr. President, I oppose the plan for many reasons.

It will have a severe adverse effect on rural America.

It will create a second uncontrolled currency with "greenbacks" buying "whitebacks" and adding to inflation.

It will involve huge transfer of payments from one section of the United States to another.

It will completely disrupt the gasoline distribution system with gasoline chasing the coupons and coupons chasing the gasoline.

It will create a two-price system for gasoline—a controlled price at the pump and an uncontrolled price for the right to get to the pump. In effect, this indirectly achieves decontrol of the price of gasoline in the worst possible way benefitting only those who will be selling and speculating in coupons.

Mr. President, on Monday I testified before the Senate Subcommittee on Rural Development on these points. I ask unanimous consent that the text of my remarks to the subcommittee be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Remarks of Senator Wendell H. Ford

Mr. Chairman, I thank the Committee for this opportunity to make a few observations on the Administration's Standby Gasoline Rationing Plan. As you know, both Houses have until May 11th to approve the Plan. The House Interstate and Foreign Commerce Committee has thus far defeated efforts to report out the approval resolution. However, any Member can call it up on the floor and this probably will happen.

Last Thursday afternoon, the Senate Energy and Natural Resources Committee reported out approval by a vote of 9–8. I voted NAY and did so, in no small measure, because of the severe adverse effects that the Plan before us will have on rural America.

The Administration recognizes this "after the fact" and seeks to take care of this by pledged "understandings" to meet some of the admitted gross inequities.

With your permission, I would like to file this correspondence and ask that it be made part of the record. Essentially, the Administration proposes to create by rule large State reserves based on historical state usage. The result would be two, not one, rationing systems—one based on vehicle registration, the other based on usage.

I, for one, feel it would be much better for the President to submit an equitable Revised Plan rather than to march under the banner of "In D.O.E. We Trust". I truly believe that this would be in the best interest of rural America and, in particular, our food supply system.

Distribution of agricultural products, from inputs to the farmer to the processor to the consumer, is an integral part of our nation's food supply system. Continued functioning of this system is dependent upon an adequate and timely supply of gasoline at all points along the food chain. Agriculture must be assured of its full gasoline requirements.

This fact has long been recognized. Ever since the first rationing plan was developed during World War II, agriculture has been given priority in contingency programs. The Emergency Petroleum Product Allocation Act of 1975 provided that "agricultural production" be given the highest level of protection. Accordingly, agricultural users have been allocated 100 percent of their current requirements whenever the regulations are in effect. The National Gas Policy Act which was signed into law last November, gave agricultural production activities priority from curtailments of natural gas.

The Department of Energy's standby gasoline rationing proposal disregards the historic protection given to agriculture. In particular, the plan ignores the distribution and marketing needs of agriculture that are essential to a continued food supply. Rather, D.O.E.'s plan gives supplemental allotments only to on-farm, off-highway uses and doles out coupons to all other agriculture vehicles on the basis of weight, without regard to the mileage actually driven or the type of product being delivered. Needs not met by the allotted coupons could be supplemented by the purchase of additional coupons on the white market.

Obviously such a plan falls severely short of the energy needs of agriculture. The result of decreased fuel supplies for the food system would have a profound impact upon the entire nation. Unless the entire food chain is protected, both the quantity and quality of our food supply will suffer. The farmer must be given assurance, not only that he can run his tractor and irrigation equipment, but that he will receive the necessary fertilizer for his crops, feed for his cattle, or even seed to plant his fields. And once his crop is harvested or his cows milked, his product must be transported to the next processing point before it spoils. Similarly, sufficient fuel supplies are necessary in a timely manner for the processor and the food distributor to insure that a quality end-product can be delivered to the consumer.

Unless such guarantees for agriculture are written into a contingency rationing plan, our nation will be faced not only with a fuel shortage, but a food shortage as well. Right now, farmers are having shortages in supply of diesel fuel.

The deficiencies of the D.O.E.'s proposed plan will hit doubly hard on rural Americans. USDA studies show that the demand curve for agricultural commodities becomes more inflexible as shortages become more severe. Therefore, a decrease in energy supplies to the rural farmer, should it result in reduced output, would prompt necessarily larger increases in food prices at the consumer level.

In addition, rural residents must drive longer distances between points and do not have the transportation alternatives available to people in the cities. Therefore, they will have no choice but to turn to the white market in order to meet their greater needs—and yet there will be fewer people in a position to sell coupons in a rural area than in the city. Where will the needed coupons come from? They will come from a speculative money market and involve huge transfer payments from rural areas to urban areas.

This second currency system is one of the most dangerous aspects of the Plan. These transferable "white backs" will be in competition for "green backs" and will add significantly to our rate of inflation—and inflation hits first and hardest at the goods that rural America must buy.

We will have two prices for gasoline—a controlled price at the pump and an uncontrolled price for the right to get to the pump. In effect this indirectly achieves what many in the Administration advocate—decontrol of the price of gasoline.

Firms which provide basic services to rural regions, such as food for a grocery store, will have to curtail their deliveries to these rural areas, as they will be forced to concentrate on routes with the shortest distance and highest number of customers.

And think of the plight of the small rural bank, with its limited manpower and facilities, that will be forced to deal with a totally new "second currency" of ration coupons—not to mention the farmer who may have to drive 50 miles or more just to pick them up.

We cannot afford to force the agricultural community to compete in a white market with every other user of gasoline, without regard to the urgency of his need. The food system must be assured of a constant supply of gasoline when and where it is needed to meet the full distribution and marketing needs of agriculture.

In summary, the proposed standby gasoline rationing plan is inadequate to meet the needs of rural America during a time when a severe energy shortage will impact upon it the most. Therefore, the proposed plan must be rejected and a new rationing plan put in place which includes the following points:

(1) Any contingency plan must recognize the vital links in the food chain, from farm input to the processor to the consumer, and protect the transportation and marketing needs related thereto;

(2) Any contingency plan must avoid supply disruptions and economic instability in the supply of food to the consumer;

(3) Any plan must recognize that food production is on a biological time clock and cannot wait for coupons that may or may not be available when and where they are needed;

(4) Any contingency plan must distinguish between commercial and discretionary uses of gasoline and consider the social evaluation of the need for the activity to continue during a serious fuel emergency.

ABILITY COUNTS FOR CLYDE T. OGATA OF HAWAII

Mr. MATSUNAGA. Mr. President, I am pleased and very proud to report that Clyde T. Ogata, an outstanding student from the State of Hawaii, has won third prize in the national "Ability Counts" writing contest sponsored by the President's Committee on Employment of the Handicapped and participating Governors' Committees on Employment of the Handicapped.

In his prize-winning essay entitled "A Ramp is a Step Ahead," Clyde pointed out that much progress has been made in removing the physical barriers which prevent handicapped people from achieving economic independence. His study revealed, however, that many psychological carriers remain, particularly in the private sector. Many of the private employers interviewed by Clyde were sympathetic to the needs of the handicapped, but he found that they needed more information about the abilities and capabilities of the handicapped employees, and more assistance in matching up employees and jobs. Clyde also found that in Hawaii alone there are over 100 private organizations established to provide assistance to handicapped people but no cooperation among them. This situation is frequently confusing to the handicapped individual who needs assistance, and Clyde recommended the establishment of a central information facility to refer applicants to the appropriate program.

Mr. President, with the thought that Clyde's essay will be of interest to my colleagues and may inspire additional improvements in programs designed to assist the handicapped, I request unanimous consent to have the text of the essay printed in the Record.

There being no objection, the essay was ordered to be printed in the Record, as follows:

Third Place—A Ramp is a Step Ahead

(By Clyde T. Ogata)

Although they are the largest minority group, most of America's 36 million[1] handicapped have been restricted from participating actively in society because of attitudinal, architectural, communication, and transportation obstacles. These barriers, however, are falling as more and more people become aware of the problems faced by the handicapped. All over America, "ramps" are being built which are enabling the handicapped to move into the mainstream of society.

Throughout the community, life is becoming easier for the handicapped. In the City and County of Honolulu, for example, the City offers the low cost Handi-Van transit system and funds special programs providing recreation and employment for the handicapped. Since 1974 over a thousand wheelchair ramps have been installed on the streets of Oahu, and many more are in the planning stage. The blind and the deaf are also given assistance in the form of emergency alarm signals and building information directories in Braille. The Honolulu International Airport with accessible ramps, restrooms, phone booths, and elevators is practically barrier free.

The University of Hawaii and its community colleges presently provide special services to handicapped students. Through the unique KOKUA[2] program utilizing the services of student volunteers, a friend of mine who is deaf will be able to attend regular classes at the Honolulu Community College. His goal of becoming a graphic artist will soon be achieved because he will be able to "hear" with the help of classmates who volunteer to take notes. With the aid of KOKUA's tutorial, transportation, and transcribing services, handicapped students are being given the opportunity for the education that will enable them to prepare for more meaningful jobs.

On the governmental level, several legislative breakthroughs have been achieved prohibiting discrimination against the handicapped. Section 504 of the "Rehabilitation Act of 1973" states that federally funded programs can neither discriminate nor deny opportunities solely by reason of a person's handicap. In compliance with this mandate and the "Education for All Handicapped Children Act of 1975" which requires free public education for all handicapped children in the United States, Hawaii's Department of Education has begun a mainstreaming program in which handicapped children may attend any public school. Hawaii's Governor George Ariyoshi has signed into law House Bill 1297–77 changing the "Governor's Committee on the Employment of the Handicapped" to the more substantial State Commission on the Handicapped." The Commission can now receive federal grants to expand into research and to plan an information center for the handicapped.

One area, however, in which much more needs to be done is in the sector of private business. In an attempt to obtain more information on the attitudes of businessmen toward the employment of the handicapped, I recently conducted a survey of business and professional leaders at a Honolulu Kiwanis meeting which I attended as president of Farrington's Key Club. While only one-fifth of those surveyed did employ one or two handicapped persons, 90 percent expressed attitudes that showed considerable care and concern. As summarized by one of the respondents, a director in the Chamber of Commerce, Ability, not disability, should be the attitude towards all people."

I also discovered that the majority of the businessmen surveyed would be willing to attend educational seminars familiarizing employers with the handicapped and their capabilities. Some offered practical solutions: One suggested the psychological impact of publicizing the local successes of handicapped employees; another suggested a counseling service to assist employers in matching up handicapped employees with appropriate jobs and to follow through on job placements. On the whole, the results of the survey promised a better future for the handicapped in the area of employment in private business.

In another project revealing attitudes toward the handicapped, two of my classmates and I conducted a wheelchair project in January at the Pearlridge Shopping Center. Contrary to what I had expected, many people seemed to be quite receptive and helpful to my wheelchair-bound classmate. Using parts from his store, a salesman even fixed our wheelchair when it accidentally broke down. He graciously refused when I offered to pay him.

Most handicapped people seem to possess a unique feeling about life. As they see it, life has not dealt them a cruel blow, nor has it singled them out to be pitied, confined, ignored, or enslaved by their handicap.[3] For them life means living independently with self-respect. Two fine examples of this attitude may be observed in the lives of Sally Price and Alfred Los Banos. Sally, a victim of polio, is the community relations coordinator at the Rehabilitation Hospital of the Pacific and is also the chairman of the Mayor's Committee on the Handicapped. Alfred, a paraplegic, is Chief of the Prosthetic and Sensory Aids Unit at the Veterans Administration. They are living happy, productive lives. Sally and Alfred represent the handicapped's promise for tomorrow.

Despite the many "ramps" being built to help the handicapped, much more needs to be done. For example, there are over a hundred private organizations which deal with the handicapped in Hawaii, but, as Sally Price commented, "There is no cooperation among them." Any handicapped person could easily become confused in deciding where to get help. What we need now is a major information center for the handicapped which would maintain communication among these private organizations and refer the handicapped to the programs which would best suit them.

The handicapped still have a long way to go before they will be accepted as just another part of society, but the future holds bright promises. The number of completed ramps will probably double or even triple in the coming years. These achievements can only mean more steps ahead.

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QUORUM CALL

Mr. DECONCINI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL MAGISTRATE ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar order No. 76 with the understanding that there be a 5-minute time limitation thereon and that the time be equally divided between Mr. Thurmond and Mr. DeConcini.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 237) to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of United States magistrates, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate

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[1] Lilly Bruck, *Access: The Guide to a Better Life for Disabled Americans*, p. xvii.

[2] The acronym stands for Kahi O Ka Ulu Ana or the growing place. *Kokua* is a Hawaiian word meaning help.

[3] John Burns, *Komike Ho'ohana*, The Governor's Committee on the Employment of the Handicapped, June 1968, p. 1.

proceeded to consider the bill which had been reported from the Committee on the Judiciary with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Federal Magistrate Act of 1979".

Sec. 2. Section 636 of title 28, United States Code, is amended—

(1) by redesignating subsections (c) through (f) thereof as subsection (d) through (g), respectively; and

(2) by inserting immediately after subsection (b) thereof the following new subsection:

"(c) Notwithstanding any provision of law to the contrary—

"(1) Upon the consent of the parties, a full-time United States magistrate or a part-time United States magistrate who serves as a full-time judicial officer may conduct any or all proceedings in a jury or nonjury civil matter and order the entry of judgment in the case, when specially designated to exercise such jurisdiction by the district court or courts he serves. Upon the specific written request of the parties and with the approval of the district court, any other part-time magistrate agreed to by the parties may exercise such jurisdiction.

"(2) Upon entry of judgment in any case referred under paragraph (1) of this subsection, an aggrieved party may appeal directly to the appropriate United States court of appeals from the judgment of the magistrate in the same manner as an appeal from any other judgment of a district court. In this circumstance, the consent of the parties allows a magistrate designated to exercise civil jurisdiction under paragraph (1) of this subsection to direct the entry of a judgment of the district court in accordance with the Federal Rules of Civil Procedure. Nothing in this paragraph shall be construed as a limitation of any party's right to seek review by the Supreme Court of the United States.

"(3) Notwithstanding the provisions of paragraph (2) of this subsection, at the time of reference to a magistrate, the parties may further consent to appeal on the record to a judge of the district court in the same manner as on an appeal from a judgment of the district court to a court of appeals. Whenever possible the local rules of the district court and the rule promulgated pursuant to section 2072 of this title shall endeavor to make such appeal expeditious and inexpensive.

"(4) Cases in the district courts under paragraph (3) of this subsection may be reviewed by the appropriate United States court of appeals upon petition for leave to appeal by a party stating specific objections to the judgment. Nothing in this paragraph, however, shall be construed to be a limitation on any party's right to seek review by the Supreme Court of the United States.

"(5) The district court shall inform the parties of the provisions of this subsection. The court, however, shall not attempt to persuade or induce any party to consent to a reference of any civil matter to a magistrate under this subsection. Rules of court for the reference of civil matters to magistrates under this subsection shall include procedures to protect the voluntariness of the parties' consent.

"(6) The court may, on its motion, or for good cause shown, vacate a reference of a civil matter to a magistrate under this subsection.".

Sec. 3. (a) Section 631(a) of title 28, United States Code, is amended by striking the last sentence and inserting in lieu thereof the following: "Where the conference deems it desirable, a magistrate may be designated to serve in one or more districts adjoining the district for which he is appointed. Such a designation shall be made by the concurrence of a majority of the judges of each of the district courts involved and shall specifiy the duties to be performed by the magistrate in the adjoining district or districts.".

(b) Section 631(b) of title 28, United States Code is amended—

(1) by inserting "reappointed to" immediately after "appointed or";

(2) by adding the word "or" at the end of subparagraph (1)(A);

(3) by striking the word "or" from the end of subparagraph (1)(B); and

(4) by striking subparagraph (1)(C).

(c) Section 631(b) of title 28, United States Code, is amended by inserting immediately at the end thereof the following new paragraph:

"(5) He is selected pursuant to standards and procedures promulgated by the Judicial Conference of the United States. Such standards and procedures shall contain provision for public notice of all vacancies in magistrate positions and in the case of appointments to full-time magistrate positions for the establishment by the district courts of merit selection panels, composed of residents of the individual judicial districts, to assist the courts in identifying and recommending persons who are best qualified to fill such positions.".

(d) Section 631 of title 28, United States Code, is amended—

(1) by redesignating subsections (f) through (j) thereof as subsections (g) through (k), respectively; and

(2) by inserting immediately after subsection (e) thereof the following new subsection:

"(f) Upon the expiration of his term, a magistrate may, by a majority vote of the judges of the appointing district court or courts, continue to perform the duties of his office until his successor is appointed, or for one hundred and eighty days from the date of the expiration of the magistrate's term, whichever is earlier.".

(e) The Congress suggests that the district courts, in selecting individuals for appointment to magistrate positions, select the best qualified individuals regardless of race, color, sex, religion, or national origin. The Congress notes that members of recognized minority groups and women do not serve in the Federal judiciary in proportion to their ratio of the total population and suggests that due consideration be given all qualified individuals.

(f) Magistrates serving prior to the promulgation of magistrate selection standards and procedures by the Judicial Conference of the United States may only exercise the jurisdiction conferred by section 2 of this Act after having been reappointed under such standards and procedures or after having been certified as qualified to exercise such jurisdiction by the chief judge of the circuit in which the magistrate serves.

(g) Section (c) of this section shall not take effect until thirty days after the meeting of the Judicial Conference of the United States next following the effective date of this Act.

Sec. 4. Section 633(c) of title 28, United States Code, is amended by striking the final sentence.

Sec. 5. Section 604(d)(3) of title 28, United States Code, is amended by adding immediately after the word "magistrates" the following: ", their professional backgrounds and qualifications, and any appeals that may be taken from the decisions of magistrates".

Sec. 6. Section 1915(b) of title 28, United States Code, is amended to read as follows:

"(b) Upon the filing of an affidavit in accordance with subsection (a) of this section, the court may direct payment by the United States of the expenses of (1) printing the record on appeal in any civil or criminal case, if such printing is required by the appellate court; (2) preparing a transcript of proceedings before a United States magistrate in any civil or criminal case, if such transcript is required by the district court, in the case of proceedings conducted under section 636(b) of this title or under section 3401(b) of title 18, United States Code; and (3) printing the record on appeal if such printing is required by the appellate court, in the case of proceedings conducted pursuant to section 636(b) of this title. Such expenses shall be paid when authorized by the Director of the Administrative Office of the United States Courts.".

Sec. 7. Section 3401 of title 18, United States Code, is amended—

(1) by amending subsection (a) to read as follows:

"(a) When specially designated to exercise such jurisdiction by the district court or courts he serves, a United States magistrate shall have jurisdiction to try persons accused of, and sentence persons convicted of, misdemeanors committed within that judicial district.";

(2) by amending subsection (b) to read as follows:

"(b) The magistrate shall carefully explain to the defendant that he has a right to trial, judgment, and sentencing before a district judge in any misdemeanor case, including a petty offense case, and that he also has a right to trial by jury before either a judge or magistrate. A petty offense case, however, shall not be tried before a jury except as guaranteed by the United States Constitution.

"The magistrate shall not try the case unless the defendant first signs a written consent to be tried before the magistrate that specifically waives a trial before a district judge.".

(3) by adding at the beginning of subsection (d) the following:

"A magistrate may impose sentence and exercise all powers under chapter 402 of this title. No such sentence shall include a commitment for a period in excess of the maximum term which could have been imposed on an adult convicted of the same offense.";

(4) by amending subsection (f) to read as follows:

"(f) The district court may order that proceedings in a misdemeanor case be conducted before a district judge rather than a United States magistrate upon the court's own motion or, for good cause shown, upon petition by the attorney for the Government. Such petition should note the novelty, importance, or complexity of the case, or other pertinent factors, and be filed in accordance with regulations promulgated by the Attorney General."; and

(5) by adding at the end thereof the following new subsection:

"(g) A magistrate may exercise all powers of the court pursuant to chapter 403 of this title in the case of a juvenile accused of a violation which would be a misdemeanor, including a petty offense, if committed by an adult. If the violation would be a petty offense if committed by an adult, proceedings pursuant to chapter 403 may be initiated against the juvenile by a violation notice or complaint without the certification of the Attorney General referred to in section 5032 of this title. Any term of commitment or imprisonment imposed upon a juvenile by a magistrate shall not exceed six months.".

Sec. 8. (a) The heading for section 3401 of title 18, United States Code, is amended by striking the words "Minor offenses" and inserting in lieu thereof "Misdemeanors".

(b) The item relating to section 3401 in the table of sections of chapter 219 of title 18, United States Code, is amended by striking the words "Minor offenses" and inserting in lieu thereof "Misdemeanors".

Sec. 9. Rule 11 of the Federal Rules of Criminal Procedure is amended by adding the following new subsection:

"(h) In a case not triable before a United States magistrate under section 3401 of title 18, United States Code, such magistrate may perform the duties of the court under subsections (a), (b), (c), and (d) and accept a plea of not guilty, or upon the consent of the defendant a plea of guilty or nolo contendere.".

SEC. 10. (a) Congress finds that this is the third Act in a little over ten years dealing with the Federal magistrates system; that at the time of the passage of the Omnibus Judgeship Act of 1978 there were one hundred and ninety-six full time magistrates and two hundred and ninety-two part-time magistrates and three hundred and ninety-nine district court judges, indicating that the nationwide ratio of full time magistrates to judges is approximately one to two; that this ratio and the number of magistrates will probably increase because the Omnibus Judgeship Act of 1978 created one hundred and seventeen new district court judges and the jurisdiction of magistrates is substantially increased by this Act.

Since it appears that the magistrate system has become a permanent fixture in the Federal district courts, Congress feels that careful study and consideration from a structural viewpoint is desirable. Therefore, the Judicial Conference of the United States is requested to undertake a study within ninety days after the effective date of this Act and report to Congress its conclusions and recommendations with respect to the following:

(1) Whether the Federal district courts should be uniformly structured as a two-tier trial courts utilizing Federal district judges and magistrates as separate, independent tiers.

(2) What steps should be taken to insure the independence of magistrates in exercising their civil and criminal jurisdiction and to promote the uniformity of the magistrate system throughout the Federal district court system.

(3) Whether a new title such as "Division Judge" or "Associate Judge" should be fashioned to enhance the status and prestige, of the magistrates who are primarily engaged in the trial of cases within their jurisdiction or who serve as full-time judicial officers.

(4) The need for supportive personnel and facilities for magistrates, bearing in mind the differences between part-time magistrates and full-time magistrates.

(5) Whether the civil jurisdiction of magistrates should be fixed or should remain open-ended, and if it should be fixed, what jurisdiction should be entrusted to magistrates.

(6) If fixed civil jurisdiction of magistrates is recommended, procedures by which the jurisdiction may be changed from time to time without long delay.

(7) Whether or not part-time magistrates should exercise jurisdiction in civil cases.

(b) The results of the study directed to be made in accordance with (a) above shall be made available to Congress within eighteen months after the effective date of this Act.

SEC. 11. (a) Section 634(c) of title 28, United States Code, is amended by inserting "legal", immediately after the word "necessary".

(b) Section 635(a) of title 28, United States Code, is amended by inserting "legal", immediately before the word "clerical'.

SEC. 12. Such sums as may be necessary to carry out the purposes of this Act are hereby authorized to be appropriated for expenditure on or after October 1, 1979.

Mr. DECONCINI. Mr. President, I yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, I express my support for S. 237, the Magistrate Act of 1979, which is essentially the same piece of legislation as S. 1613 which passed the Senate during the 95th Congress. This bill makes necessary and beneficial changes in both the civil and criminal jurisdiction of U.S. magistrates. Such expanded jurisdiction for magistrates will lighten somewhat the caseload of Federal district court judges, giving them additional freedom and flexibility to determine how they might spend their time most efficiently.

Since the creation of the magistrates system in 1968, district court judges have continually expanded their use of magistrates as they realized the valuable assistance which magistrates could render. The jurisdiction provisions of the Federal Magistrates Act of 1968 were consciously drawn in general terms to allow this sort of flexibility and experimentation in the utilization of magistrates. Basically, their duties fell into one of three categories. The new magistrates were to exercise the powers and duties previously belonging to the U.S. commissioners, which were predominantly preliminary proceedings in criminal cases. They were allowed to try and dispose of criminal "minor offenses," defined as crimes in which the punishment did not exceed 1 year in prison and/or a fine of $1,000.

Finally, they were to perform "additional duties" to assist district court judges, such as serving as a special master in certain civil cases, conducting pretrial and discovery proceedings, and performing any additional duties "not inconsistent with the Constitution and laws of the United States."

The bill before us, S. 237, builds on the experience in the use of magistrates which we have acquired since 1968, recognizing that the type and volume of cases handled by magistrates have grown. Its provisions proceed logically from what we have learned in this area. This legislation expands the criminal jurisdiction of magistrates to cover all misdemeanors, or crimes involving less than 1 year's imprisonment. In civil cases, the expansion of jurisdiction is more dramatic.

S. 237 would authorize a magistrate to try any civil case upon the free and voluntary consent of the parties involved. Under existing law, magistrates in 48 districts have already tried over 540 civil cases, 121 of which involved jury trials. By clarifying a magistrate's jurisdiction in this regard, S. 237 should eliminate a certain hesitation on the part of many district courts to allow magistrates to exercise such jurisdiction. I believe that increasing the civil and criminal jurisdiction of U.S. magistrates will help to improve access to courts and to reduce expenses for litigants who wish to have their disputes resolved in a Federal forum. For this reason, I supported S. 1613 in the last Congress and currently cosponsor S. 237.

In addition to the jurisdictional provisions of this legislation, I am pleased with its sections regarding the selection of magistrates. Although district court judges will continue to select and appoint them, S. 237 gives the Judicial Conference broad discretion to establish qualifications standards and procedures for the selection of magistrates. Also, my concerns about preserving jury trials in petty criminal cases when constitutionally required were addressed and amended in the version of S. 1613 reported by the Judiciary Committee.

I thank my distinguished colleague from Arizona, Senator DECONCINI, for the fine work which he has done on this bill. I would also like to thank Senator HEFLIN, a newcomer to the Senate but a man with many years of experience in judicial matters, for the very active interest which he took in S. 237 and for the improvements which have resulted from that interest.

Mr. DECONCINI. Mr. President, I am pleased today to bring again before the Senate S. 237, the Federal Magistrates Act of 1979.

Mr. President, I ask unanimous consent that the distinguished Senator and ranking minority member of the Judiciary Committee, the Senator from South Carolina (Mr. THURMOND) be a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DECONCINI. Mr. President, last year the Senate unanimously passed a similar bill, S. 1613, to the one before us today. The House also processed a magistrates bill, but unfortunately, for reasons wholly apart from the merits of the Magistrates Act, the bill was not favorably reported from the conference committee. This year I again introduced the Magistrates Act, and further hearings were held on the bill in March and the bill was reported unanimously with amendments from the Judiciary Committee in mid-April.

The key features of S. 237 are these: First, it would establish more demanding standards and procedures for the appointment of magistrates; second, it would authorize magistrates to enter dispositive judgments in civil cases if designated to do so by the district court and if all parties consent in advance, and third, it would increase slightly the existing authority of magistrates to try less serious criminal cases.

The bill is supported by the President, the Attorney General, the Judicial Conference of the United States, the American Bar Association, and most legal scholars. The passage today of the Federal Magistrates Act of 1979 will be another major step in bringing about a Federal judiciary of the highest quality that is capable of delivering speedy, but reasoned justice. The bill should also go a long way in providing an opportunity for access to the judicial forum for all Americans.

Mr. President, I thank the distinguished Senator from South Carolina for his encouragement in this bill and his efforts to expedite it. Because of its passage last year and the amount of hearings that we had on this matter, and it was necessary to proceed again with 1 day's hearing, we were able to get the bill out.

Also, the chairman of the committee, Senator KENNEDY, was most helpful in seeing that this important piece of legislation be given a priority in the Judiciary Committee, and I express my thanks to the Senator from Massachusetts as well as the entire committee.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. DeCONCINI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is all time yielded back?

Mr. DeCONCINI. I yield back the remainder of my time.

Mr. THURMOND. I yield back the remainder of my time.

Mr. DeCONCINI. I move adoption of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. DeCONCINI. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS 1979

The Senate resumed consideration of S. 429.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I am pleased at the leadership's ability on both sides of the aisle to be able to get this bill up this week. More particularly, this is the supplemental authorization bill for military procurement, which is an additional bill to our regular fiscal year 1979 authorization bill for military procurement.

These items relate to the 1979 budget year and to the supplemental bill, as I have said, and relate to a few subject matters, all of which are important.

Mr. President, the contents of this bill includes the four ships that were being manufactured for Iran that have recently been brought into the picture in an unusual way. The Government of Iran stopped making payments in January and gave notice in late February that they would not pursue the contract any further.

This arrangement is a result of the Foreign Military Sales Act. It is really handled in the legislation of the Foreign Relations Committee and the provisions of it are handled by the State Department. But it gets into this bill because our committee thought we should acquire these ships for our own Navy. They are modern and highly valuable ships and would supplement the forces that we need now in our task forces at sea.

This matter came up for a debate in the consideration of the budget resolution. By a decisive vote the Senate rejected the idea of striking these ships out of this supplemental bill. This bill is actually the primary legislative instrument for the ships, whereas the debate last week was on the budget resolution itself.

I am going to refer here to these items, I hope that this can be followed by the Senator from Texas who is the active valuable minority member of our Armed Services Committee. He is familiar with all of its major phases, and this is a preliminary step, Mr. President, to our entire military authorization program for fiscal year 1980.

Time is rapidly running out when we must have the fiscal year 1980 military authorization bill before the Senate for consideration. The markup will start very soon. It will have to go to the floor and then to conference and then back here for final confirmation. This bill in the meantime has already lost time and should be on its way moving.

I ask unanimous consent that my full statement be printed in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement By Senator John C. Stennis

I would like to make a few preliminary remarks before I discuss the provisions of S. 429, the fiscal year 1979 supplemental military authorization.

In less than two weeks, the Armed Services Committee is required, by law, to report its recommendations to the Senate on the fiscal year 1980 military authorization bill. I make this observation to point out that while it is important to have a full debate on the fiscal year 1979 supplemental, at the same time we must get this legislation behind us so that we can move forward and begin consideration of the fiscal year 1980 bill.

HISTORY OF FISCAL YEAR 1979 SUPPLEMENTAL

There has been considerable confusion over the fiscal year 1979 supplemental and the ships in the bill, so I will describe briefly the background of this legislation.

This supplemental originated with the President's veto of the fiscal year 1979 defense authorization bill primarily because of the inclusion of $2 billion for a nuclear aircraft carrier. After the veto, rather than reopening the bill to extensive revisions as the session was ending, the final defense authorization and appropriations bills were enacted with the carrier omitted. This resulted in a final defense appropriations bill that was some $2 billion below the President's request. During floor debate on the defense authorization bill, I suggested a supplemental bill for Navy ships.

The initial supplemental authorization request included $1.9 billion for military procurement, research and development, and construction. Included in the request was one new construction DDG–993 ship at a cost of $543 million and an FFG–7.

The change of government in Iran resulted in the cancellation of a large number of items of military equipment being purchased by Iran through the foreign military sales program. As a result of this action, certain items of military equipment became available.

The Department of Defense submitted a revision to its FY 1979 supplemental request, deleting some items and adding two DD–993 destroyers, F–16 aircraft, and Phoenix, Harpoon and Standard missiles. As events continued to change in Iran, two additional DD–993s were cancelled. Secretary Brown notified the committee that he would request the other two destroyers in the FY 1980 budget but would stay within the constraints of the original request. In my judgment and that of our committee, we thought the best way to proceed was to buy all four destroyers at once, in the fiscal year 1979 supplemental, at a total cost of $1,353 million.

NEED FOR A STRONG NAVY AND THE IRANIAN DESTROYERS

It is time to move forward in building a strong Navy.

Little progress was made in the late 1960s and early 1970s in providing a strong, capable Navy. We stumbled through the Vietnam war years by putting our defense dollars into other weapons. As a result, the Navy suffered.

Shipbuilding problems in the mid-1970s detracted from significant expansion of shipbuilding programs. Since 1975, over $4 billion has been authorized for cost growth, escalation, and settlement of claims on prior year shipbuilding programs. All major claims have been settled. S. 429 contains $97.7 million to pay the last outstanding claim. Shipbuilding problems no longer block needed shipbuilding expansion.

Finally, there is a lack of consensus among the Navy, the Administration and the Congress on what kind of Navy to build—nuclear vs. conventional, small carrier vs. large carrier, and so on. At one point in the Armed Services Committee, we had four or five different navies under consideration.

I have a more extensive statement on the Iranian destroyers but I would like to make a few points. The Navy needs more ships. These four destroyers are good ships of a type the Navy needs. They are recommended by the Navy and the Administration. The low price and early delivery schedule of these ships far surpass anything comparable. Finally, rejection of these ships would be costly.

COMPATIBILITY WITH BUDGET RESOLUTION

This authorization bill totals some $2.1 billion, about $46 million below the President's request. As a result of the very close timing where the Armed Services Committee reported its bill before the Budget Committee reported the budget targets, I wanted to find out how the bill would compare with the overall budget targets in the Second Concurrent Budget Resolution for fiscal year 1979. Therefore, I asked the Congressional Budget Office to re-estimate the cost impact of S. 429, the Defense Supplemental Authorization Bill as compared with S. Con. Res. 22, the Senate Budget Resolution.

The head of the Congressional Budget Office has written to me showing the overall cost figures which I understand were developed with the assistance of the Department of Defense Comptroller and others. I would like to insert a copy of that letter in the Record at this point.

This letter shows that there is sufficient money in the overall budget resolution as reported by the Senate Budget Committee to accommodate S. 429, including the four DD–993 destroyers, the M–X missile, and other important programs. The money for these programs appears in two different categories, part of which is included in the $127.2 billion budget authority and corresponding outlays figure for the national defense budget category (050). The Iranian trust fund which is currently financing all four ships appears in the international affairs budget category (150). As the Congressional Budget Office letter shows, the budget resolution as passed by the Senate contains sufficient money for all four ships even though some adjustment between categories would be appropriate to reflect the purchase of the ships by the U.S. Navy rather than the Iranian trust fund. The main point, however, is that it would appear that the money is there.

OTHER MAJOR ITEMS IN THE BILL

M–X Missile.—The committee recommends approval of the requested $170 million to start full-scale development of the M–X missile and $20 million for the multiple protective structure (MPS) basing system. In addition, approval is recommended for $75 million to continue studies for alternative basing concepts.

The committee is very concerned over the growing vulnerability of the land-based ICBM forces and believes it imperative for the Administration to decide on and present to Congress as soon as possible a clear plan to address the problem of ICBM vulnerability. A provision in the bill requires a definitive program from the Administration, including the design characteristics and basing mode for the M–X missile, in order to evaluate adequately both the fiscal year 1980 budget request and the anticipated SALT II agreements.

Saratoga Service Life Extension Program.—The committee is recommending a provision that prohibits the use of funds for the purpose of carrying out the Service Life Extension Program (SLEP) on the aircraft carrier *Saratoga* unless the program is conducted on the basis of least cost as confirmed by the Comptroller General.

For the past two years, the committee has expressed concern over the shipyard selection for the first carrier SLEP. The fiscal year 1979 Defense Authorization Act included a provision that prohibits the Navy from taking any action to carry out the SLEP program until a report has been submitted evaluating the cost and other factors entering into the choice of public versus private shipyards.

The committee held a special hearing on this matter. The Senators from Pennsylvania were invited and participated in the hearing as did Senator BRADLEY of New Jersey. A staff summary of the testimony was reprinted in the CONGRESSIONAL RECORD on March 22, 1979.

Two important issues in this matter are cost and Navy and civilian manpower. Studies undertaken by the General Accounting Office and the Navy show a higher cost for accomplishing the SLEP at the Philadelphia Naval Shipyard. GAO concludes that the cost difference would range between $89 and $119 million. The Navy study estimated the difference to be between $36 and $80 million.

For the *Saratoga* SLEP to be undertaken at Philadelphia, will require the present work force to be expanded by 1,600 Navy Civil Service employees and by most of the 1,474 Navy personnel of the ship's crew.

If the *Saratoga* SLEP is undertaken at Newport News, the 2,600 workers no longer needed for the CVN-70 construction would be used. Some 1,200 fewer Navy personnel would be needed. Admiral Hayward testified that of all the non-cost issues, the impact on Navy personnel is the most important. By using fewer Navy personnel at the shipyard, these individuals would be reassigned and their skills would be used in other parts of the fleet. Admiral Hayward noted a dramatic drop in career and first-term retention during periods of carrier overhauls. Data compiled on two carriers showed a 20 percent decline in reenlistments on each carrier. This is especially crucial when the Navy is unable to reach its recruiting and retention goals.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 23, 1979.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services,
Washington, D.C.

DEAR MR. CHAIRMAN: As requested, the Congressional Budget Office has estimated the adjustments to S. Con. Res. 22 that would provide allowances for S. 429, the Defense Supplemental Appropriations Authorization Act of 1979. The principal assumption in our computations has been that the budget authority and outlays included in the budget resolution for a discretionary supplemental in 1979 is based on the President's amended request with the deletion of the two ships. Outlays are assumed to be those estimated by CBO based on the President's request.

The attached table shows the Senate Budget Committee's mark, changes to adjust for S. 429, and new functional totals. The major adjustments are the result of obligational authority for the four ships contained in S. 429 being shifted from the Foreign Military Sales Trust Fund to the Department of Defense and the payment from the trust fund to U.S. contractors for termination costs and to the Government of Iran after all liabilities have been settled.

Sincerely,

ALICE M. RIVLIN,
Director.

IMPACT OF S. 429 ON FIRST CONCURRENT RESOLUTION 22

[In billions of dollars]

	1979	1980	1981	1982	1983	1984
Functional totals Senate Budget Committee mark:						
050:						
BA	127.2	137.8	148.1	157.9	169.0	179.9
O	114.5	124.3	135.8	147.0	157.9	168.0
150:						
BA	12.0	12.0	13.5	12.5	13.9	14.8
O	7.7	7.9	8.0	7.8	8.6	9.0
Changes to adjust for S. 429:						
050:						
BA	+.6	----	----	----	----	----
O	+.3	----	+.1	+.1	----	----
150:						
BA	−.7	−.1	----	----	----	----
O	−.5	----	----	----	+.8	----
Functional totals adjusted for S. 429:						
050:						
BA	127.8	137.8	148.1	157.9	169.0	179.9
O	114.8	124.3	135.9	147.1	157.9	168.0
150:						
BA	11.3	11.9	13.5	12.5	13.9	14.0
O	7.2	7.9	8.0	7.8	9.4	9.0

Mr. STENNIS. For emphasis and summary, I wish to make additional remarks on some of the items.

There is a lot of interest here in the four ships to which I have referred. These four ships, since we can get them are well on their way in construction. If we buy these four DD–993 destroyers, we can get them finished and get them into the fleet, some of them as early as 15 months from now and all of them within 30 months from now. The urgency is that they are already in the process of construction and unless something is done about it, the work will be stopped. The ships will just lie there and start deteriorating. We will be subjecting ourselves, under a contract, to the termination cost which is estimated to run in the neighborhood of $200 million.

If we decide to go that way, then we will have incurred that liability and have no ships at all. They will just be lying there unfinished. So it is unthinkable that we not do something about it.

The committee's position is that we meet this thing head on now and do whatever is necessary to get an advantageous conclusion of the matter, and settle it on that basis.

There is opposition and there was opposition for striking all of them out. I understand there will be an amendment now to cut that back to two ships. Well, if we just provide the two ships, we are not solving the problem. There are four ships in all in the same contract, and we are not doing anything except again postponing a ship program.

Mr. President, I want to point out that for this fiscal year 1979 budget we have already forgone, canceled or proposed to liquidate many shipping items. Last year we found it necessary to defer a Trident submarine. We had an aircraft carrier that was adopted by Congress, and went to the President's desk. It was not in the budget submitted by the President and the President vetoed the bill. But that act of Congress was certainly an effort here to prepare a navy.

We have also had in the original fiscal year 1979 supplemental budget proposal, a DDG–993—to those of us who are familiar with the terms—for $543 million, and that was taken out to make room for the four. We had a frigate in there for $194 million that was taken out to make room for the four. So there is a total deferment, including the Trident, of $3.8 billion for the Navy, for ships for one fiscal year, and that is 1979. If the Trident is not included, the total deferment is $2.9 billion.

This is a classic illustration of those repeated deferments for one cause or another year after year. And that is why our Navy, with its back-breaking job, is becoming less and less able to carry out its functions.

I am not discounting one bit the strength of our Navy. I do not say it is inferior because I do not think it is. I do say, with emphasis, that we are now in the process of putting off and putting off and deferring for one reason or another and not meeting this problem of going on and buying these ships.

It is the first bargain I have ever run across in buying military equipment when we can get these now at a lower cost on the average of $200 million per ship less than they would cost now. So there is a saving of $800 million.

It is estimated that the termination charges that can fall on us would be around $200 million. So there is $1 billion in savings and incurring the possible liability that is riding on the ships. That is what the situation will be if we do nothing about it.

I have been in this matter a good while. There has not been too much coming out of the OMB about ships except to put off and defer and reconsider, and the Navy suffers.

I think we are going to have to have Congress make some more hard judgments about what we think is needed. We made one last year. I am not trying to criticize the President for his veto. That is his constitutional duty if he sees it that way. But I just do not know what chance he had, though, to get into the entire matter, to fully consider it.

But, anyway, to settle the matter last year, I was not willing to just fill that void when they dropped out the carrier. I was just not willing to fill it up with something else because I knew then—and this was long before the Iranian ships arose—that we were going to have to be more diligent in building modern ships for our Navy.

So I insisted that we have a supplemental, if necessary, to give the Navy a chance to reassert its cause. That is why the supplemental is here. There were others who believed that or else it would not have gone that way. Now, as a total surprise, these Iranian ships come along.

Let us not have any doubts about the situation. The budget resolution has enough money in it to take care of the four ships, that is what they will cost us. That is agreed to, and it is reflected in the debate and in every other way.

The bill before us now has the committee's recommendation with the four ships in it. So our position here is as we present this matter. We will have the fullest kind of presentation on the money and every phase. Let us not take a step backward now but go forward and acquire these ships. Then it will fall on us to get the matter before the Appropriations Committee in a favorable way so as to get the money, otherwise we will not get the ships.

So I hope those who really want to build ships that go to sea will authorize them. Then let us see what can be done about getting the appropriations to carry that out. I hope we can go that route. We cannot continue just to build ships on paper by deferring these matters.

Some want to defer it to the fiscal 1980 budget. Well, that is just a paper ship still that you are transferring from one budget to another, and they just do not go to sea. They just stay down there in OMB in one form or another. For my life I cannot see why at the last minute they saw fit to defeat this bill, as to the four ships, in order to save the Navy. It just does not make sense, I submit. We will fully present the facts and figures on this matter tomorrow toward building from steel and iron a fighting navy ship that can go and take its place in the fleet.

Now, there are other items in this measure, Mr. President, that have been largely worked out in the committee. I will mention the M–X missile; we have $265 million in the bill, and certain language that is considered very important. This language has been worked on and is satisfactory, I think, to the entire membership.

There is an item that is reflected in the bill that I will just mention now—the *Saratoga* service life extension program, called the SLEP, which is an abbreviation—I do not like those things. I would rather speak English. I call it the aircraft carrier *Saratoga* rework, extending the life of the carrier program. There is a question of whether it will be done in public or private shipyards.

I pass on now to the other item that might be mentioned. There was an adjustment there of some $460 million, I believe it was, that we took out of this supplemental bill, so far as it being for airplanes, because it was no longer needed. They were planes for Iran, but they were taken over by Israel and the money provided in another program.

We have a table here that shows the research and development programs. I believe that they were all agreed upon as we worked it out. This bill, by the way, has had a tremendous amount of attention. We have some items in here, such as a small amount of family housing for the military, and supplemental pay regarding the pay adjustment. No, excuse me, that comes in the appropriation bill, though it was in the message here.

Mr. President, we do not have any time agreement on this measure, as I understand, but I hope we can get one this afternoon. I will defer now to the Senator from Texas; I hope he sees fit to ask for the floor, which I now yield.

(During the foregoing remarks Mr. Levin assumed the chair.)

Mr. TOWER. Mr. President, I thank the distinguished chairman for his kind words about me, and I, in turn would be remiss if I did not note the splendid leadership job that he has performed in the formulation of and reporting of this bill.

I am pleased to report this bill on behalf of the Armed Services Committee and my distinguished colleague, the chairman of that committee, the senior Senator from Mississippi. Before we proceed to discuss certain significant elements of this bill, S. 429, the supplemental defense authorization bill for fiscal year 1979, it would be useful to review the history of this supplemental.

On August 17, 1978, President Carter vetoed the fiscal year 1979 defense authorization bill, because it included some $2 billion in funds for a nuclear-powered aircraft carrier. I disagreed with the decision made by President Carter then as to the nuclear aircraft carrier, and I disagree with it now. However, this bill contains many important items which provide for the national defense, which I urge that the Senate act expeditiously upon.

When this supplemental request was proposed, it contained certain items which have since been deleted, because of international developments which have continued to have an impact throughout the committee's consideration. The overthrow of the Shah of Iran brought about the cancellation of many defense items that had been ordered. Principally, certain ships, aircraft, and missiles were canceled. This bill provides that some of those ships and missiles be returned to the United States to be used by our own forces and some of those aircraft be sold to another country, principally Israel.

Now I will turn to the committee's recommendations on certain items in this bill. The bill as recommended by the committee totals $2,103,900,000. That is less than $50 million under the request of the President, which was $2,149,680,000. The committee held exhaustive hearings on many aspects of this bill, but two particularly deserve mention.

First, the committee comprehensively reviewed the Department's request for $265 million for the M–X program. The committee came to the belief that it is imperative that the administration decide upon and present to the Congress as soon as possible a clear plan of action to address the problem that we are facing with the vulnerability of our Minuteman ICBM's. To this end, language has been included in the bill by the committee requiring a written report by the Secretary of Defense not later than May 9, 1979, stating his best judgment and preference on the M–X program.

Another item of great interest which the committee reviewed was the purchase for the U.S. Navy of four destroyers ordered by Iran and subsequently canceled after the overthrow of the shah. These four destroyers are needed by the Navy, desired by the Department of Defense, and enthusiastically supported by many members of the committee, including the distinguished chairman. There will be much heard in this debate about these particular ships, but let me advise my colleagues that, having studied this problem in the past, the Navy desperately needs ships and it particularly needs ships of the type that are available to us and which we should take the opportunity to fund in this bill. The fact that the ships are available at a substantial cost savings makes it even more imperative that we take advantage of this opportunity.

I might further note that they would be advanced into the inventory of naval vessels in less than 30 months. I think, considering the growing power of the Soviet Navy, the expanding global capability of the Soviet Navy, it is incumbent on us to actually expand our shipbuilding program, not contract it.

It has been suggested that these ships be taken out of the fiscal year 1980 budget; but there is, in my view, too little allocated for shipbuilding in the 1980 budget as it is. If we pursue the projected shipbuilding programs over the next 5 years, proceeding from the 1980 budget, we will come up with a Navy that will not be capable of meeting the demands that are going to be placed upon it.

In short, we will have fallen below the acceptable risk level in terms of numbers of combatant vessels in the U.S. Navy.

It would not be proper to take these destroyers out of the hide of the Navy, as some have suggested. As a matter of fact, they have already been taken out of the hide of the Navy with the veto of last year's authorization bill, which resulted in the deletion of the aircraft carrier.

Mr. President, I hope that the bill will be adopted by the Senate essentially and fundamentally as it was reported by the Armed Services Committee, particularly with respect to the acquisition of the destroyers and to the mandate of the administration on the M-X missile.

I urge my colleagues to join me in support of this bill. My hope is that we can act on this bill in a timely manner so that the Department of Defense can move forward on these programs.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise in support of the pending bill, S. 429, the fiscal year 1979 defense supplemental authorization bill which totals $2.1 billion.

Mr. President, this bill is the result of President Carter's veto of the nuclear aircraft carrier last year and the resulting loss of about $2 billion in badly needed Defense Department funds.

The administration first requested about $1.8 billion in high priority items, but later amended this request when it became clear that Iran did not want the DDG-993 destroyers presently under construction.

While the amended request only provided for funding of two of these destroyers, the Navy planned to acquire the other two in the fiscal year 1980 bill.

FOUR DESTROYERS SOUGHT

The committee conducted extensive hearings on this unique problem and determined that the best procedure was to procure all four in the supplemental. This decision was based upon Navy testimony that when compared with new procurement, a savings of $200 million could be realized on each ship. Furthermore, these ships will provide an early and needed increase in fleet antiair warfare capabilities.

NEEDED STRATEGIC SYSTEMS

A second and very important part of this bill is funding for Air Force strategic programs totaling $329 million. This includes $190 million to begin full-scale development of the M-X missile and multiple protective structure (MPS) basing system. The committee also provided $75 million to continue studies for alternative basing concepts.

Frankly, Mr. President, I feel the administration has studied this program too much already. The Air Force has now twice recommended the multiple protective structure system to the Defense Department. I am confident Congress would support such a recommendation, as there is great concern about maintaining the survivability and effectiveness of our land-based strategic missile forces.

Last month a group of Senators met with Gen. Richard H. Ellis, commander at the Strategic Air Command in Nebraska, and he also recommended MPS. When asked about the alternative air mobile concept of M-X basing, he said it would cost 50 percent more than MPS and would not be as effective. Thus, despite the recommendations of SALT II advocates that the air mobile would be more verifiable and thus more acceptable to the Soviets, I urge the administration to avoid a more costly and less effective basing of our important land-based deterrent. We should deploy our missiles in a mode designed to assure our own defense rather than one to accommodate SALT II constraints.

Mr. President, this is an important supplemental. It provides for a number of other high priority items. I urge my colleagues to give it prompt and favorable consideration.

● Mr. RIEGLE. Mr. President, I submit for the RECORD my testimony in regard to the Iranian ships, which was delivered before the Defense Subcommittee of the House Appropriations Committee on April 30, 1979.

The testimony follows:

STATEMENT BY SENATOR RIEGLE

Mr. Chairman, I want to thank you very much for giving me the opportunity to discuss with you today the fiscal 1979 supplemental appropriation.

One item—the Administration's request for additional funds to purchase Iranian ships—raises serious questions. I believe it is important that the Congress press those questions.

In my judgment the action of Congress on these ships may very well be the most powerful symbolic message to come out of the budget and appropriations process this year. The decision on this item will reveal whether the Congressional budget process accepts a double standard in which some Federal activities are closely scrutinized to ensure that scarce public resources are used well, but in which other Federal activities are funded as if the supply of taxpayers' money is almost limitless.

During the past six month, the budget process has been a grim and dreary affair. In the effort to hold down Federal spending and reduce the Federal deficit, one program after another has felt the pressure of restraint. One priority after another has suffered funding cuts.

Programs for the poor, assistance to the elderly, aid to hard pressed cities—all have been restrained. Jobs for the unemployed have been cut. So have education programs and health initiatives and many other domestic priorities. The President applied the pressure starting several months ago. Congress has continued the pressure during recent weeks.

I believe this fiscal restraint is necessary to avoid even more painful developments in the economy. I think some of the cuts were undesirable, but, in general, they were necessary. So I voted for restraint.

Nevertheless, the process has been unpleasant. This budget cycle has given us about as grim and as dour a piece of political theater as any we have participated in or witnessed during recent years. The dreariness of the drama has been interrupted only by one remarkable vaudeville act off to one side of the stage—a strange performance in which some $1.35 billion worth of ships and other items have been juggled around in an urgent weapons supplemental.

I would just briefly review the history of this supplemental request. The request first appeared with the President's budget in January—$2.2 billion was requested for 68 items. Members in both Houses of Congress asked why, during a time of fiscal restraint, funding was so urgently needed for these items. Any supplemental, after all, would not be likely to pass Congress until just a few weeks before the start of fiscal 1980.

One item—a DDG-993, an "air-capable" Spruance-class destroyer—seemed particularly out of place. Work on the ship could hardly begin during the remainder of fiscal year 1979 and not one of these ships had been included in the Navy's five-year plan. Where did the urgent need come from?

On February 21, Secretary Harold Brown came before the Senate Budget Committee and testified that the weapons in the supplemental were "very important."

However, hardly a week passed before the Administration submitted a revised supplemental that summarily dropped 42 of those "very important" items. $734 million worth of weapons were removed from the President's request and substituted by various weapons that had been ordered by the Shah of Iran but cancelled by the Bakhtiar government.

Included were two of the four Spruance-class destroyers that had been ordered by the Shah back in 1974. These ships are under construction down in the Litton/Ingalls Shipyards in Pascagoula, Mississippi.

The supplemental took on its third form in March after the Bakhtiar regime fell and the new Iranian government cancelled the order for the other two destroyers. Earlier this month, the Senate Armed Services Committee with the strong support of the Navy, dropped other items in the President's supplemental and included $1.35 billion for all four Iranian destroyers.

Against the background of fiscal restraint and cutbacks across a broad array of Federal programs, the rush to spend on the Shah's ships is simply unacceptable. It is embarrassing when Congress must try to justify defense spending. It is galling when Congress must explain the need for serious cutbacks on other programs.

Questions particularly must be raised about why the U.S. Navy in 1979 should spend $1.35 billion for ships equipped such as those ordered by the Shah back in 1974. The Iranian ships were ordered with the TARTAR air defense system, similar to that of the U.S. Navy's Virginia-class cruisers—the system was originally developed back in the 1950's to defend naval battle groups against attack from the air. As you know, the TARTAR system underwent several design improvements and is now the most sophisticated system actually operating in the U.S. Navy.

However, the ability of TARTAR to provide adequate defense has been overtaken by recent Soviet advances in antiship missile technology and development of the supersonic Backfire bomber.

In fact, in 1975—four years ago—the Armed Services Committee considered a request for a new nuclear cruiser to be equipped with a TARTAR air defense system. Congress refused to authorize that ship. This is what the Armed Services Committee said in its report:

> "The Committee has carefully considered this request and believes it inappropriate to build any ship, and especially a nuclear ship, with a weapons system that is clearly inadequate to meet the projected threat within a relatively short time period after delivery of the ship."

In 1969 the U.S. Navy began development of the much more capable air defense system, AEGIS.

I have been told by defense experts that the defense of a carrier-based battle group would be improved far more by supplying one ship equipped with AEGIS than by supplying one more ship equipped with even the most advanced form of TARTAR. AEGIS is a far more capable weapons control system, but one AEGIS system can coordinate missile launching and control for several TARTAR ships. Therefore, the AEGIS system provides the best expected method for extending the performance of existing TARTAR ships beyond their inherent limitations. As you know, funds have been appropriated to construct the first AEGIS ship. A contract has been signed with Litton/Ingalls to construct that ship in a Spruance-class hull in the Pascagoula shipyards.

Spruance-class hulls have been and are scheduled to be used for numerous U.S. Navy ships. I am convinced that the Iranian Spruance-class hulls offer this Nation a rare opportunity. If we take advantage of that opportunity, the U.S. Navy can get the type of ships it has requested in its five-year plan—and get them faster and at less cost than was recently thought possible.

This could be one of the few pieces of good news that American taxpayers have heard out of the Middle East in recent decades.

However, Fiscal Year 1979 supplemental funds in the amount proposed by the Armed Services Committee are not needed to take advantage of that opportunity. Funds for some of the needed ships are already available elsewhere in the budgets for Fiscal Year 1980 and prior years. In fact, and this is the important point, the Navy has made it clear that if $1.35 billion in supplemental funds are appropriated, that opportunity will be lost. The Navy's bureaucracy intends to take these unexpected funds and solve its own problem the easiest way. Taxpayers will still have to pay full price for the ships that, in its five-year plan, the Navy says it needs. And the Navy will get four extra ships equipped essentially as the Shah ordered them back in 1974.

The Navy is claiming that Congress has only three options. First, they say we could let these ships rust down in Pascagoula—the shipyard would be hurt, taxpayers would lose money and we could be passing up a great bargain.

Second, they say we could finance these ships by cancelling plans for a wide array of high priority weapons systems in 1979 and 1980. Every member of Congress who knows of these other priorities has been led to believe that pressing Defense needs may now be in jeopardy.

Third, the Navy claims we could rush through this fiscal year 1979 supplemental to buy the Shah's ships.

I don't believe any of those options is acceptable.

I am sure there are several more options that should be considered fully by the Congress.

The fact is, there are not four Iranian ships down in Pascagoula. There are sections of fabricated metal, electronic gear and parts of weapons systems. Many components are already on hand, some have yet to be delivered.

In other words, what is available is not four ships, but pieces of four ships. Some of those pieces are not now needed by the United States, and American taxpayers should not have to pay for them. They include extra heavy air conditioning, sand and dust filters. Persian typewriters and other items peculiar to the Shah's order. The cost of storing unneeded components should be borne by the Iranian Trust Fund until the U.S. Navy or another buyer has some use for them.

Other components could be used to provide ships that the Navy is planning to build. The question is: Should these partially assembled ships be completed essentially along the lines desired by the Shah, or should they be completed along lines that are consistent with the U.S. Navy's five-year plan.

Defense analysts have convinced me that there are several responsible alternatives. I believe all four of the Iranian hulls can be used to carry out the Navy's five-year plan more effectively, more quickly and more cheaply than was believed possible just a few months ago. It is very likely that not one dime of fiscal year 1979 supplemental appropriations will be needed to accomplish this.

The four Iranian hulls are numbered DDG 993 through 996.

First, let us consider the hull that is designated DDG–996. This hull is the last of the four to be started. Fabrication began last September and the keel is scheduled to be laid this coming July. Labor progress was only 9% completed as of March 26.

Navy Secretary Claytor has testified before the Senate Armed Services Committee that this ship could be completed as one of 10 advanced AEGIS ships that are scheduled to join the fleet over the next five years. My staff and I have checked with several Navy experts and they know of no reason why the Iranian hull DDG–996 could not also be equipped with the AEGIS air defense system.

The FY 1980 budget request of the President includes $825 million in budget authority for a second AEGIS ship to be built on a Spruance-class hull. The Senate-passed first budget resolution could accommodate those funds. By making use of work completed to date on DDG–996, the U.S. Navy could have that second AEGIS ship faster than otherwise could be possible. I am also told by CBO that, by taking advantage of the Iranian order, the total cost for the AEGIS ship be $100 million less than the $825 million anticipated in the budget.

A second hull is DDG–995. Fabrication was started on that in August 1978. The keel was laid this past February. Labor progress was about 12 percent along on March 26.

Except for a number of items by the Shah, this ship is the same as the DDH–997 for which $310 million was appropriated in Fiscal Year 1978. The DDH–997 is to be built on a Spruance-class Hull. It is to be built in the same shipyard in Pascagoula. It would be equipped primarily for antisubmarine warfare. But as the Navy is now planning to build it, it will be essentially the same as the Iranian DDG–994.

Long lead time items have been ordered for DDH–997, using up about $60 million of the appropriation. But $250 million remains available to take over the Iranian hull and complete it according to a design included in the Navy's five year plan. The Navy would have to reprogram about $65 million from the savings that could be realized by using an Iranian hull for the AEGIS ship included in the Fiscal Year 1980 budget.

A third hull is DDG–993, Fabrication was started in October, 1977 and the keel was laid in June, 1978, Labor progress is 35 percent completed.

The Fiscal Year 1980 budget includes $225 million to upgrade one obsolete DDG–2 destroyer by equipping it with a TARTAR air defense system. Conversion of a DDG–2 would provide a less capable ship than the Iranian destroyer will be. We would need about $315 million to procure the Iranian DDG–993. Therefore, by diverting the $225 million for the DDG–2 conversion and reprogramming funds from other projects, the Navy would get a better ship.

The fourth hull is DDG–994. Fabrication was started in April, 1978. The keel was laid in October of last year. Labor progress was about 18 percent along on March 26. By taking the steps I have indicated above, there would be sufficient funds in the Iranian Trust Fund to continue work on this ship until the Navy could work the ship into its FY 1981 budget or find a foreign buyer, if that is determined to be more in the national interest.

Mr. Chairman, I believe this is a reasonable approach that is sensitive both to the needs of the Navy and the needs of American taxpayers. However, if Congress does not take firm action, the interests of taxpayers will be ignored.

Serious questions have been raised about the Defense Department's management of the Foreign Military Sales Trust Fund, through which these ships are financed. There is strong evidence that the U.S. Government's interests are not well protected and American taxpayers may be left holding the bag—to the tune of hundreds of millions of dollars.

The International Security Assistance and Arms Export Control Act of 1976 provides that foreign governments pay the full amount of procurement contracts into which they enter. However, within the last five months, GAO has discovered accounting errors and inconsistencies amounting to about $1.1 billion. After thousands of staff days were expended in 1977, the Navy still could not explain how over $550 million was spent. This outrageous situation has not received sufficient attention. But now we find that Congress is being rushed to buy billions of dollars worth of weapons—partially to bail out the Iranian Trust Fund. I ask you to join me in finding out what is going on.●

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Tsongas). Without objection, it is so ordered.

SENATE JOINT RESOLUTION 71—NATIONAL HISTORIC PRESERVATION WEEK

Mr. CULVER. Mr. President, today I am introducing a resolution that is being sponsored jointly with the Senator from Maryland (Mr. Mathias), as well as Mr. Johnston, Mr. Leahy, Mr. McGovern, Mr. Percy, Mr. Burdick, Mr. Stevenson, Mr. Pell, Mr. Moynihan, Mr. Wallop, and Mr. Pressler.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I will not object—this matter has been cleared with the leadership on both sides, I understand. I merely would like to put a time limitation on it, so that it will not impinge on the business before the Senate.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STENNIS. Will part of the agreement be that we will immediately return to the Department of Defense supplemental authorizations bill?

Mr. ROBERT C. BYRD. We will do that.

How much time does the Senator require?

Mr. CULVER. Five minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a time limitation of 5 minutes on this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CULVER. Mr. President, I send to the desk a joint resolution declaring the week of May 6, 1979, through May 12, 1979, as National Historic Preservation Week.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

> A joint resolution (S.J. Res. 71) to authorize and request the President to proclaim the week of May 6 through 12, 1979, as "National Historic Preservation Week."

The PRESIDING OFFICER. Without objection, the Senate will proceed to the immediate consideration of the joint resolution; and, without objection, it will be considered to have been read the second time at length.

Mr. CULVER. Mr. President, at one time, historic preservation was considered an effort limited to the identification of revolutionary era battlefields and Presidential resting places. Today, however, an active preservation program can be the means to saving a town's commercial area or housing base. Through efforts such as the "Main Street" program of the National Trust for Historic Preservation, communities have been able to preserve the unique architectural and design features of their region which were once under the shadow of the wrecking ball. By preserving the original downtown areas, these towns have provided an enjoyable and commercially successful atmosphere.

In acknowledging the commercial and economic development aspects of Historic Preservation we must continue to stress the cultural benefits. Americans should never lose sight of the various influences which have combined to form the small towns and cities of our country. In my own State of Iowa, the State historic preservation office has undertaken an extensive survey of family farms to catalog and preserve information about the agricultural way of life in the Midwest. In Dubuque, Iowa, efforts are underway to preserve artifacts and information about the history of Missisippi River commerce in the last century. And in western Iowa, Civil War era artifacts collected from the sunken steamboat the *Bertrand* are being preserved and collected for a museum project in which I have had a long interest.

Efforts such as those in Iowa and similar projects across the country will serve to maintain the physical and cultural history of the United States for generations to come.

Mr. President, I am asking the Senate to encourage Americans to think about Historic Preservation and its benefits during the second week of May this year.

● Mr. JOHNSTON. Mr. President, I am pleased to join the senior Senator from Iowa today in introducing a joint resolution designating May 6, 1979, through May 12, 1979, as National Historic Preservation Week.

Over a decade has passed since the enactment of the National Historic Preservation Act of 1966, landmark legislation which codified the concept of a National Register of Historic Places and broadened the Secretary's mission to include properties of State and local significance in survey and restoration efforts. Today, over 19,000 properties are listed on the Register, compared to about 1,500 in 1969. Even more significant than numbers is the growth in variety of properties listed. In Louisiana, for example, we now have listed working class neighborhoods like the Irish Channel in New Orleans as well as stately mansions, old forts, and prehistoric Indian sites. We are also paying attention to those parts of our past which have shaped our lives today, as reflected in the listing of the St. Charles Avenue streetcar line, Bayou Plaquemine Lock, and Laurel Valley Plantation, the largest surviving sugar plantation representative of Louisiana's agricultural past.

From essentially a piecemeal program designed to preserve single buildings, homes of the rich, battlefields and monuments, the preservation movement has developed into a coordinated strategy aimed at not only preserving the architectural integrity and environment of living neighborhoods representative of our Nation's rich cultural and socioeconomic resources, but also finding new ways to use what we preserve. Exciting and creative efforts are emerging as new strategies and better tools are developed to preserve and interpret our past. These efforts now touch all Americans, for the last decade has also witnessed geographic expansion of the preservation movement beyond urban centers to rural areas and small towns.

Great strides have also been made in expanding those involved in the preservation community. Today we have a movement whose objectives are largely defined and originated at the local level and a movement in which all sectors of the local community participate. This expansion has been heightened as new tools like easements, zoning and tax incentives are developed and used.

It is therefore fitting and appropriate that next week be designated as National Historic Preservation Week. I urge the Senate to approve this resolution and recognize publicly the contribution of preservation programs to improving the environment in which we live as well as our understanding of the past.●

The joint resolution (S. J. Res. 71) was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

S. J. RES. 71

Whereas the preservation of the architectural and cultural heritage of America emphasizes, for present and future generations, many exceptional and distinctive aspects of our past;

Whereas the preservation of historic sites and structures serves to remind Americans of the varied cultural influences and historic forces that shaped our country;

Whereas the restoration and maintenance of structures with historical or architectural significance often permits them to play a continuing, contemporary, contributing role in the lives of their communities;

Whereas it is appropriate to commend imaginative and constructive historic preservation programs: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to proclaim May 6 through 12, 1979, as "National Historic Preservation Week", and to call upon interested groups and organizations and the people of the United States to observe such week with appropriate ceremonies and activities.

Mr. CULVER. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. TSONGAS). The Chair, on behalf of the Vice President, pursuant to Public Law 89–944, appoints the following Senators to the Senate Office Building Commission, in lieu of the Senator from Alabama (Mr. Sparkman) and the Senator from Maine (Mr. Hathaway), resigned: the Senator from Louisiana (Mr. JOHNSTON), chairman; the Senator from Kentucky (Mr. HUDDLESTON); and the Senator from Hawaii (Mr. MATSUNAGA).

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS, 1979

The Senate continued with the consideration of S. 429.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 184

Mr. HARRY F. BYRD, JR. Mr. President, on behalf of myself, Mr. HUDDLESTON, Mr. EXON, and Mr. HELMS, I send to the desk an amendment and ask that it be printed, and I also ask unanimous consent that it be published at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be received and printed, and will lie on the table.

The amendment is as follows:

At the end of the bill add the following new section:

"Sec. 303. The Strategic and Critical Materials Stockpiling Act (60 stat 596; 50 U.S.C. 98–98h) is amended by adding at the end thereof the following:

" 'Sec. 12. Notwithstanding any other provision of law, on and after the date of enactment of this section, the President shall not prohibit the importation from Zimbabwe-Rhodesia into the United States of any material determined to be strategic and critical pursuant to the provisions of this Act, nor shall he prohibit trade in lawful goods between Zimbabwe-Rhodesia and the United States.' "

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESIDENCY REQUIREMENTS OF U.S. ATTORNEYS AND ASSISTANT U.S. ATTORNEYS FOR THE EASTERN DISTRICT OF NEW YORK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed, with a time limitation thereon of 1 minute, to consideration of Calendar Order No. 96.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated.

The legislative clerk read as follows:

A bill (S. 567) to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorneys for the Eastern District of New York to reside within 20 miles of the district.

The bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 545(a) of title 28, United States Code, is amended by striking out "Columbia and the Southern District of New York" and inserting in lieu thereof "Columbia, the Southern District of New York, and the Eastern District of New York".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the report (No. 96–94), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

PURPOSE OF THE BILL

The bill as introduced allows the U.S. attorney and the assistant U.S. attorneys appointed for the eastern district of New York to reside within 20 miles of the district.

STATEMENT

Under section 545(a) of title 28 of the United States Code, U.S. attorneys and their assistants are required to reside in the district to which they are appointed. New York City, however, is the only city in the United States which is divided between two judicial districts, the eastern and southern. Three of the five boroughs of New York City (Brooklyn, Queens, Staten Island and two eastern suburban counties) are in the eastern district of New York; the remaining two boroughs (Manhattan, Bronx and nine northern suburban counties) are in the southern district of New York. Thus, as applied to New York City, the result of section 545(a) is to carve out parts of the city as off-limits to the U.S. attorneys and their assistants who live and work there.

Congress has already recognized the arbitrary effect to applying the residency rule to New York City by allowing U.S. attorneys for the southern district of New York to reside within 20 miles of the district. According to the Department of Justice, the failure to include the eastern district of New York in the 20 mile exemption is not only arbitrary but counterproductive in terms of its recruitment of minorities. An applicant residing, owning or renting in the rent-stabilized areas of the Bronx or Manhattan must relocate in order to accept an appointment to the eastern district of New York. This burden particularly handicaps the less affluent, minority applicant for whom the expense of relocating may prove prohibitive.

S. 567 would correct the problems caused by this inconsistency in the law by including the eastern district of New York within the 20-mile exemption which already applies to the southern district of New York and the District of Columbia. The bill has the approval of the Senators from New York, Daniel Patrick Moynihan and Jacob Javits, and the Department of Justice.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BENTSEN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the special recognition of Senators on tomorrow?

The PRESIDING OFFICER. The Chair advises that there are none.

Mr. ROBERT C. BYRD. I thank the Chair.

I ask unanimous consent that, after the two leaders or their designees have been recognized under the standing order tomorrow, Mr. Bentsen be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session for not to exceed 5 minutes to consider the nominations on the Executive Calendar beginning with "New Reports" on page 2 and going through "Nominations Placed on the Secretary's Desk" in the Coast Guard, Air Force, Army, Navy, and Marine Corps on page 11.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

The second assistant legislative clerk proceeded to read nominations on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the nominations be considered and confirmed en bloc.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

(The nominations confirmed today are printed at the conclusion of today's Senate proceedings.)

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the nominations were confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAJ. GEN. THEODORE JENES

Mr. STEVENS. Mr. President, the Senate has just confirmed the military nominations on the Executive Calendar. Among those confirmed was Theodore Jenes, Commander of the 172d Infantry Brigade, Alaska. I add my congratulations to those of the people in my State on his confirmation as major general. I ask unanimous consent that an editorial from the Monday, April 23, 1979, Fairbanks Daily News-Miner about his promotion be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

ALASKA'S PROMOTION

We extend hearty congratulations to Army Brig. Gen. Theodore Jenes, the commander of Army forces in Alaska, for his recent promotion to major general. In a way the promotion is shared by all of us because it shows Alaska is a two-star command, and an important part of the American defense system.

The Army doesn't pass out second stars lightly to 49-year-old officers at a time when military forces are shrinking and there are a lot of Vietnam-era men around with good combat records and a dedication to career service. General Jenes' promotion clearly puts him among the top men in the Army and his identification with the 49th state is also a clear sign that Alaskan forces are top rate too.

If the local commander is a man who hasn't pinned on a new rank in the past decade or so, and he's only a year away from retirement, that says something about what the Pentagon thinks of your area. If he's a young officer clearly on his way up in the service, like those we've seen among Army and Air Force commanders in Alaska most recently, it's likewise a sign that our area is an important one in the global defense picture.

The 10,000 men and women in General Jenes' command aren't part of a forgotten outpost in the far North. We hope to see more signs of that in the future. We take Alaska's position in the world seriously, and we join with them in congratulating General Jenes for the latest sign that the Army takes Alaska seriously too.

MAJ. GEN. TRELAWNEY ESTON MARCHANT, JR.

Mr. THURMOND. Mr. President, the Senate has just confirmed the nomination of Brig. Gen. Trelawney Eston Marchant, Jr. General Marchant has been promoted from brigadier general to major general. He is the Adjutant General of South Carolina. He is a very able man. He has demonstrated his ability in wartime as well as peacetime. He is with the National Guard. He has done a very fine job, and I am very pleased to see that he is being promoted to major general.

Our State and our Nation are fortunate to have a man of his capacity and his character and his courage as an adjutant general of the State.

● Mr. HOLLINGS. Mr. President, the Senate has approved the promotion of T. Eston Marchant to major general in the National Guard. From years of personal association, I can testify firsthand to General Marchant's character, ability, and dedication.

For over 31 years, Eston Marchant was an active member of the South Caroline National Guard, rising through the ranks to the position of brigadier general. His record of leadership can only be described as outstanding, and the efficiency and dedication with which he accomplished so much have earned him the respect and admiration of people in every corner of our State—so much so, that this last November, his fellow South Carolinians elected him adjutant general. Ours is the only State in the Nation which elects its adjutant general, and that in turn is one reason why the National Guard has been so responsive to all of our people.

General Marchant has a distinguished military background. He joined the Marines in 1942, and served in the Pacific Theater for 3 years, as aide-de-camp to the Chief of Staff of the Third Amphibious Corps, as platoon leader, as commander of a rifle company, participating in the New Georgia, Bougainville, Guam, and Iwo Jima campaigns. His military education includes officer candidate school, reserve officer course, quartermaster course, jungle warfare course, combat-intelligence course, United States Marine Corp. He graduated from the U.S. Army Command and General Staff College.

The military decorations and distinctions which he has earned include the Legion of Merit, Marine Corps Combat Ribbon, Marine Corps Presidential Unit Citation, Navy Unit Commendation with B Device, the Asiatic-Pacific Service Ribbon with three stars, the American Theater Medal, and the Army Reserve Component Achievement Medal. He also holds the Armed Forces Reserve Medal for 30 years and the South Carolina Service Medal, 35 years.

Eston Marchant is a graduate of the University of South Carolina and the University of South Carolina School of Law. In 1967 he was elected to the board of trustees of the University of South Carolina, and from 1970 until 1978, he was chairman of the board of trustees. He did a superb job, and the progress enjoyed by the university during these years was due in no small measure to the dedicated effort which Eston Marchant put into it.

Mr. President, this brief recital only skims the surface of this man's accomplishments. But it does reveal that he is a real leader—in the military, in law, in education, in everything he does. He is one of South Carolina's most distinguished sons. I count myself fortunate to have enjoyed his friendship and to have been the beneficiary of his wisdom and counsel these many years.

Mr. President, I think this is more a case of the promotion seeking the man rather than the man seeking the promotion. I can think of no one who will wear the insignia of major general with more distinction and honor, and it is for this reason that I am pleased with the Senate confirmation of this promotion.●

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER AUTHORIZING COMMITTEES UNTIL MIDNIGHT TONIGHT TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have until midnight tonight to file reports.

The PRESIDING OFFICER. Without objection, it is so ordered.

[Later, the following occurred]:

Mr. ROBERT C. BYRD. Mr. President, earlier, I got permission for committees to have until midnight tonight to file reports. I ask unanimous consent that the time be changed to 8 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PELL). Without objection, it is so ordered.

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS, 1979

The Senate continued with the consideration of the bill.

Mr. BENTSEN. Mr. President, I ask the manager of the bill, the distinguished chairman of the Committee on Armed Services, to permit me at this time to have the consideration of an amendment that I now send to the desk and ask the clerk to report.

The PRESIDING OFFICER. Since the request would take unanimous consent because the order designated the SLEP amendment as the pending order of business——

Mr. TOWER. Mr. President, I ask unanimous consent that the amendment proposed by the Senator from Texas be in order.

Mr. BIDEN. Mr. President, reserving the right to object—and I will not object—we have not agreed that the amendment be brought up at this point. If the managers of the bill will give us 3 more minutes we may withdraw that objection. For the time being, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. TOWER. Mr. President, I was under the impression that this was all right, that the Senators who had an interest would have no objection.

Mr. BIDEN. We have no objection to amendments being discussed but we do have objection to an amendment being called up, which would make it the business of the Senate.

Mr. TOWER. I think it is possible that this amendment can be disposed of by voice vote. The amendment has to do with prolonging the standby status of the Polaris submarine. It does not impact on the SLEP issue at all.

Mr. BIDEN. We withdraw the objection.

Mr. SCHWEIKER. I withdraw my objection.

Mr. TOWER. Mr. President, I renew my request and I ask unanimous consent that the amendment of the Senator from Texas be in order.

UP AMENDMENT NO. 119

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment numbered 119.

Mr. BENTSEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

SEC. . (a) The Congress finds that the Soviet Union's intercontinental ballistic missile capability is steadily increasing and that the United States Minuteman Intercontinental Ballistic Missile is becoming more vulnerable. The Congress further finds that it is essential to the national security of the United States that the Navy's fleet of Polaris submarines should not be deactivated until 1985 and that, until such time, the Navy's entire fleet of Polaris submarines should be maintained in a standby operational status.

(b) None of the funds authorized to be appropriated by this or any other Act may be used for the purpose of standing down or deactivating any of the Navy's Polaris submarines unless such funds are specifically authorized to be used for such purpose by legislation enacted after the date of enactment of this Act.

(c)(1) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") shall begin immediately to transfer all of the Navy's Polaris submarines to a standby operational status and to maintain such submarines in such status at such location or locations as he deems most economical and in the best interest of the national security. Funds made available for operating the Polaris submarines shall be used to transfer such submarines to and maintain them in a standby operational status.

(2) In maintaining the Polaris submarines in a standby operational status, the Secretary shall take appropriate action to insure that (A) each such submarine is maintained so that it is capable of immediate sortie and patrol action in the event of a national emergency, and (B) one full crew for each such submarine is available for service on such submarines at all times.

(3) The Secretary shall take such action as may be necessary to keep repair and maintenance expenditures on the Polaris submarines at a minimum.

(4) The Secretary shall maintain all ten Polaris submarines in a standby operational status until at least six Trident submarines have been constructed and become fully operational.

(d) The Secretary shall prepare and submit to the Congress, at the earliest practicable date, plans, schedules, and cost estimates for transferring the Polaris submarines to a standby operational status and maintaining them in such status during fiscal year 1980 and the five succeeding fiscal years.

Mr. STENNIS. Mr. President, if the Senator will yield to me for a point of explanation for the RECORD. I am delighted to hear there has been an agreement that amendments should not be disposed of, but debated and dropped. We had understood that this matter, the Senator's amendment, had been cleared with those interested in that first point. But now they have agreed to its consideration, so there is no violation or anything like that. I am glad the Senator has been recognized. Let us hear his speech; the committee will be interested in it.

POLARIS SUBMARINE LIFE EXTENSION WILL HELP US THROUGH THE THREAT WINDOW

Mr. BENTSEN. Mr. President, the fiscal year 1979 defense supplemental authorization request has been described as an emergency measure. Fully consistent with this purpose, I am proposing a vitally needed amendment to the fiscal year 1979 defense supplemental which will extend the operational life of our 10 Polaris submarines through 1985. In this time of growing national danger I sincerely believe that we simply cannot afford to discard a costly weapon system well before its useful life has expired. There are many sound reasons for keeping our Polaris force.

Let me explain very briefly some of the considerations that have prompted me to offer this amendment.

Strategic experts generally agree that, beginning as early as 1980, our force of Minuteman intercontinental ballistic missiles (ICBMs) will become vulnerable to a Soviet counterforce, first strike. Minuteman vulnerability can be termed a "threat window." That is the "open window" we have been talking about—a threat window of vulnerability during that period of time which will stay open at least through 1986. Part of the reason why that has come about is because of the delay of the Trident. The Secretary of Defense explicitly acknowledges Minuteman's vulnerability during this period.

Mr. President, given the horror of nuclear war, one cannot charge any nation with seeking to start one, but one has to recognize it as a possibility, and in addition, one must be aware how the perception of power can be utilized for political gain. But only a small fraction of the Soviet ICBM force will soon have the capability to destroy our entire Minuteman force, and this capability will make their threat credible. The Soviet leadership can exploit such a threat. Our military vulnerability to this Soviet threat could neutralize our strategic forces. The Soviets would then be in a position to reap diplomatic and geopolitical advantages merely by posing a credible threat. They will also be able to threaten war at lower levels of violence.

This impending checkmate of our strategic forces is dangerous for the NATO-Warsaw pact theater nuclear balance and the European conventional balance. Additionally, the Soviets might be better able to absorb more Third World nations into their orbit. There is growing appreciation that we face major strategic problems in the 1980's, as we traverse this valley of danger now visible through the opening threat window. Clearly, Mr. President, we must give priority to short term strategies designed to reduce our near-term vulnerabilities as we undertake a long-range program of modernizing our strategic forces, principally the air-launched cruise missile, the Trident submarine and missile, and the MX missile.

Now, Mr. President, let us take a closer look at the implications of Polaris deactivation as proposed by the Navy. It is important to understand that the first Trident submarine, whose class is replacing Polaris, will not be operational until mid-1981. Due to past slippages in Trident production and a slow future Trident production rate, we are scheduled to have only six Trident submarines operational by 1985. The Navy nevertheless plans abruptly and prematurely to deactivate all 10 Polaris submarines up to 4 years before they can be replaced by Tridents.

Moreover, while massive retrofit of Trident I missiles into Poseidon submarines is already underway, retrofit keeps many subs off line each year. The combination of abrupt and premature Polaris deactivation, slow Trident introduction, and SLBM retrofit will severely draw down the numbers of U.S. sea-based missiles and warheads in the early 1980's. Deactivation of Polaris beginning next fall would entail the loss of 160 SLBM's at precisely the time we can least afford it. I do not think it makes any sense to scrap 160 missiles at a time when we need all the deterrence we can muster. An obvious international perception of declining U.S. strength will inevitably result from this loss of SLBM's.

This is dangerous in itself, but doubly dangerous now because of the simultaneous opening of the severe threat window to Minuteman ICBM's beginning in 1980.

Mr. President, if the Senate fails to adopt my amendment and goes along with the Navy's proposal for premature deactivation of Polaris, the United States of America will unilaterally reduce by more than one third the number of deployable SLBM's available to us in the early 1980's—at the time our Minuteman force is most exposed to a Soviet first strike. Instead of our current 656 SLBM's, we could have less than about 400 deployable SLBM's in this dangerous period.

Mr. President, preliminary estimates suggest that my amendment should not cost us anything in 1979. The cost in future years could probably be minimized by keeping Polaris in standby operational status, thereby reducing personnel and operating costs, while retaining operational capability for immediate patrol in time of crisis. Only one crew would be required per submarine.

Mr. President, in urging support for this amendment, I would cite the following considerations:

Most urgently, by bolstering our deterrent posture, keeping Polaris strongly helps to redress the threat window of Minuteman vulnerability, which will open while we are waiting for our cruise missile, Trident and MX programs to come on line. The Navy's proposal for Polaris deactivation is invalid because it was made in anticipation of an earlier rate of Trident availability. Slippage in Trident leaves us more vulnerable during the threat window. We should keep our Polaris force operational to bolster our deterrent posture and carry us through this dangerous period. Keeping Polaris will buy us time for our modernization programs to become operational.

Let me say, Mr. President, that I would like to see the Trident fill in this gap, or the MX, or the cruise missile. But we have neither the capacity nor the funds within the budget limitations that we have passed. Keeping Polaris is a way to buy time, and in comparison with all other options at relatively low cost. I think it would be a major contribution to our strategic posture, providing the perception and substance to continue to give us a retaliatory, deterrent force that will be fully credible.

Polaris extension helps to avoid an extreme drop in deployable SLBM's in the early 1980's, thus boosting Soviet and worldwide perceptions of U.S. deterrent power.

The Polaris force is clearly a potent, significant force. The 10 submarines carry a total of 160 missiles, and with about one megaton equivalent each these are by far our most powerful sea-based warheads. The Polaris force alone is larger than the entire strategic force of either the British or the French, and it is almost as large as the Chinese strategic force.

We have already purchased about 20 years of security and deterrence for the approximately $10 billion already invested in Polaris, and we can probably buy another 5 years of vitally needed deterrence for an acceptable cost. Indeed, it might cost almost as much to dismantle these subs under expensive SALT procedures as to keep them in standby operational status.

While the original design life of both Polaris and Poseidon submarines was 20 years, Poseidon subs are being extended to 25 years, beyond 1985. Poseidon will probably have to be made to last 30 years, through 1990. There is thus good reason to similarly extend Polaris life at least 25 years, to 1985. Our Titan II ICBMs are comparable in age to Polaris, and they too will be extended to 1985. Most of our B-52 force is even older than the Polaris force, yet it will be extended with some modifications at least as late as 1990.

Polaris standby operational status has been demonstrated to be feasible in the short term, because two Polaris subs are already being maintained this way. Moreover, it would be analogous to the way the Soviets operate the largest proportion of their strategic submarine fleet. Most Soviet missile submarines remain in port in standby operational status, with less than one-fourth ever on patrol at any one time. Soviet subs, therefore, need only one crew.

Comparably aged Soviet strategic submarines, the old E, H and G classes, and the earliest Y class subs, have already been extended in service, and will probably still be operational well beyond 1985.

Extending Polaris through 1985 is fully consistent with all known provisions and ceilings of the SALT II treaty. We would in no way be affecting SALT II by retaining Polaris.

Polaris extension provides a cheap but valuable arms control bargaining chip for the projected SALT III negotiations. We should not unilaterally deactivate 160 SLBM's absolutely free, without any reciprocity in Soviet restraint at all. There was no Soviet restraint when we unilaterally deactivated our first generation ICBM's, IRBM's, medium bombers and oldest B–52's in the early 1960's, and we did not use our recent cancellations of our ABM system or our B–1 bomber as SALT II bargaining chips. We should have learned from experience that we must keep operational weapons if we are ever going to induce reciprocal Soviet reductions.

Finally, Polaris extension provides a useful hedge in case SALT II breaks down and the SALT I agreements lapse.

In sum, there are powerful arguments for extending the life of our valuable Polaris submarines. I argued as early as 1972 that our Polaris Poseidon force should be kept as long as possible and should last for 25 to 30 years. I have long stressed that Polaris had strong and enduring capabilities.

Mr. President, America can never allow itself to become No. 2 in overall military capability without suffering irreparable damage to our national security. If our strategic decline continues much longer it will surely be detrimental to our national prestige and political system. As the richest Nation in the world, we can surely afford to regain our strategic strength, and my proposal to retain Polaris is a step in reversing our long strategic decline since 1967. We must strive to preserve an overall military balance with the Soviets, through SALT if possible, but through unilateral defense efforts as necessary.

Mr. President, I reserve the remainder of my time.

Mr. STENNIS. Mr. President, first I commend the Senator from Texas for the work that he has done on this matter. He has dug in and developed some facts here that present a matter that deserves some attention. There is a lot in what he says, in the substance of it. He and I have talked about it to some extent. The senior Senator from Texas (Mr. TOWER), the ranking minority member on our committee, and I have discussed the matter also.

With this modified amendment, I believe it is something that we could perhaps accept until more is known about it. It will give the Navy time and also require them to report. I will yield to the Senator from Texas, if he would express himself on this matter. It is important.

Mr. TOWER. I thank my distinguished colleague from Mississippi and join him in commending Senator BENTSEN for taking the initiative on this matter.

I believe that the amendment, as it has been submitted by Senator BENTSEN, is certainly acceptable from my point of view and I believe acceptable to the minority members.

I would like to note that the situation the Navy finds itself in now is not entirely the fault of the Navy, and the strategic posture that we find ourselves in during the time of this hazardous window that Senator BENTSEN properly refers to. In fact, the Navy is not responsible for all the delays on the Trident. It is not responsible for the delays on the MX. It is not responsible for the cancellation of the B–1, and a number of other things, which combined to create the kind of strategic situation in which we will be that Senator BENTSEN has referred to.

The main concern was that funds that might be used or dedicated to continue to operate the Polaris would represent a drawdown on funds which might be used for other operations the Navy considers to be vital. I think, however, that the way the amendment is couched now certainly makes it acceptable to me. I think the Navy can live with it, whether they entirely like it or not.

Therefore, I would hope that the Senate would endorse the initiative which has been taken by my distinguished colleague and adopt this amendment.

Mr. BENTSEN. I will say to my distinguished friend that we discussed this matter with the chairman of the Armed Services Committee and my distinguished colleague, the Senator from Texas. What we are talking about now is the way to work out the objective and a reasonable compromise in order to get more information regarding the cost of keeping Polaris.

As I understand it, we are talking about an agreement to defer deactivation of any Polaris submarine for 1 year in this piece of legislation, and at the same time to get a study done by the Navy so that we can be better informed in arriving at a judgment as to whether we should defer, for the additional period of time during which the threat window is open, Polaris deactivation.

I firmly believe this is a logical way to go. And seeing a probable extension until 1990 of the Poseidon, I believe, and the B–52 up to that period of time, I do not want to see the unilateral closing down of one of our options.

The original Navy proposal was to deactivate Polaris without any quid pro quo from the Russians, and I do not see any kind of violation of the impending SALT II Treaty in this approach. In addition, this provides another bargaining chip when we get to SALT III, if we get to SALT III. So I think there are a lot of strong reasons for this.

I must say to the chairman and to my colleague from Texas, as one who served on that Armed Services Committee, I enjoyed that service and I found it a great education to me and a great interest to me.

Mr. STENNIS. We thank the Senator. We hope he comes back, too. This is an important matter. It seems to me that we also have to realize the expense of our new weapons. If we were not strong on them, we would have discarded some of the old ones. The Navy has been considering their ships in prior years on that basis. They have been criticized some for it, but I think they did the right thing. I am talking about the ships now.

Last year we had to defer the Trident, but that was not the Navy's fault. It was due to a slowdown at the shipyard factory.

I liked the Senator's presentation of a temporary plan. I would certainly recommend it and accept it.

Mr. WARNER. Will the distinguished Senator from Texas yield?

Mr. BENTSEN. Yes.

Mr. WARNER. I thank the distinguished Senator from Texas for bringing this matter to the attention of the Senate. It is a matter which has been under careful scrutiny by the Subcommittee on Research and Development of the Armed Services Committee, of which I am ranking member. I wish to associate myself with the consensus reached by the two Senators from Texas and concurred in by the distinguished chairman of the Armed Services Committee.

Mr. BENTSEN. I thank my distinguished colleague.

Mr. THURMOND. Mr. President, I rise in support of the modified Bentsen amendment to the fiscal year 1979 Defense Supplemental Authorization bill now before the Senate.

Mr. President, I wish to commend the able junior Senator from Texas, Mr. BENTSEN, for bringing to the attention of this body the need for some action to meet the problem of the vulnerability of our Minuteman intercontinental missiles in the early 1980's.

This proposal recognizes the great value of our Polaris strategic missile submarines and the possibility of keeping them in the force during this period when Soviet advances threaten our land based deterrent. It prohibits any deactivation for 1 year and provides for a study and report by January 1, 1980 as to the feasibility of keeping Polaris in operation or on standby until 1985.

Delays in delivery of the Trident submarine, our new sea-based strategic missile deterrent force; retrofit of the Poseidon submarines; and the Minuteman issue, all combine to make the early 1980's a period when the Soviets may attempt to exert their influence in the world.

Thus, I strongly support the approach recommended by Senator BENTSEN and urge that the amendment be adopted.

UP AMENDMENT NO. 119, AS MODIFIED

Mr. BENTSEN. Mr. President, I send an amendment to the desk in the nature of a substitute.

The PRESIDING OFFICER. The clerk will state the modification. The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes unprinted amendment No. 119, as modified.

Mr. BENTSEN. Mr. President, I ask unanimous consent to dispense with further reading of the modification.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment is so modified.

Mr. STENNIS. Maybe we should have the record show the amendment as modified.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The assistant legislative clerk read as follows:

On page 7, after line 17, insert a new section as follows:

SEC. (303). (a) The Congress finds that the Soviet Union's intercontinental ballistic missile capability is steadily increasing and that the United States Minuteman Intercontinental Ballistic Missile is becoming more vulnerable. The Congress further finds that it is essential to the national security of the United States that the Navy's fleet of Polaris submarines should not be deactivated until the Navy has thoroughly studied all aspects of extending the life of the Polaris fleet.

(b) None of the funds authorized to be appropriated by this or any other Act may be used for the purpose of deactivating any of the Navy's Polaris submarines earlier than one year after the date of enactment of this Act.

(c) The Secretary of the Navy shall prepare and submit to the Congress, at the earliest practicable date a study including plans, schedules, cost estimates, and an evaluation of maintaining Polaris submarines in full operational status or for transferring the Polaris submarines to a standby operational status and maintaining them in such status during fiscal year 1980 and the five succeeding fiscal years through 1985. Such study shall be submitted to the Committee on Armed Services of the House of Representatives and the Senate not later than January 1, 1980.

Mr. STENNIS. Mr. President, as I said, I think the Senator's amendment is worthy. It would be time well spent, and money, too, and we can make a judgment based on those facts.

Mr. BENTSEN. I thank the distinguished chairman of the committee and the ranking minority member for their assistance and their support.

Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. BENTSEN. I move to reconsider the vote by which the amendment, as modified, was agreed to.

Mr. TOWER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S.S. "SARATOGA": SOUND NATIONAL DEFENSE POLICY—OR WASTE?

Mr. WARNER. Mr. President, the Senate will be considering S. 429 tomorrow. I make this statement with respect to that legislation.

Mr. President, as the Senate knows, for 2 years the Committee on Armed Services has been concerned about the procurement costs of the *Saratoga* service life extension program (SLEP). The *Saratoga* SLEP, or modernization, is intended to make the most of our existing carrier fleet and lessen the need to build new aircraft carriers. But what started out as a program that would save money, could wind up wasting $80–$100 million per ship. Over the 10-year life of this projected contract, covering four ships, the loss to the taxpayers could amount to a half billion dollars.

As a result of its examination, the committee has recommended, in the pending bill, language which requires that the *Saratoga* SLEP be carried out on the least cost basis to the United States, as confirmed in the Comptroller General's study. For the Navy and the taxpayers, this language is essential. It will:

First. Prevent the unnecessary spending—that is, waste—of at least $80 million of the taxpayers' dollars per ship;

Second. Prevent a reduction in the operating readiness of the U.S. fleet by the diversion of over 1,100 *Saratoga* crew members to the shipyard labor force;

Third. Insure a sensible labor policy by preventing the use of military labor and new Government employees to displace private sector workers already trained and employed; and

Fourth. Insure the integrity of the Navy shipbuilding procurement process where administration officials have on two occasions overruled the recommendations of senior Naval procurement officers in the normal decision process.

I shall discuss each of these effects in detail.

BACKGROUND

Mr. President, when the Armed Services Committee examined the *Saratoga* assignment, it had to address two simple issues:

First, should the *Saratoga* be assigned to the shipyard that could perform the work at the least cost to the Government and second, should Navy uniformed personnel be used as shipyard workers to make up for shortages of trained Government civilian shipyard workers.

The committee expressed its first concern about the cost of modernizing the *Saratoga* in May of 1977, noting in its report that it was "not convinced that the Navy's current plans represent the least cost approach." At the same time, the committee requested a procurement justification from the Navy which was not forthcoming. Consequently, the Congress, a year later, adopted a provision in the fiscal year 1979 Military Authorization Act to prohibit the assignment of the *Saratoga* to a particular shipyard until the Navy completed a full comparative cost study and submitted it to the Congress.

The purpose of this provision was to ensure that the *Saratoga* modernization be accomplished, in the words of the House Armed Services Committee report, "on a sound economic and businesslike basis."

In addition, the General Accounting Office was requested to undertake a comparative cost analysis of the *Saratoga* SLEP at the two candidate shipyards.

First. Studies show dramatic cost advantage at Newport News.

The Navy cost study found that the additional cost of the *Saratoga* at Philadelphia would be $80 million based on current law and regulation. The Comptroller General found that the additional *Saratoga* costs at Philadelphia would be about $88–$105 million. Cost computations below these amounts ignored either current blue collar wage law or Government-wide retirement cost guidelines.

The legally mandated Navy study was the product of months of professional analysis by shipbuilding engineers, cost analysts, and operating personnel. It represented the unanimous views of the Naval Sea Systems Command, the Navy Materiel Command, and—most importantly—those of the Chief of Naval Operations. The Navy's $80 million figure has been independently confirmed in testimony by the Congress' own cost experts, the General Accounting Office, which had complete access to the Navy data and reviewed the study in all respects. The GAO termed the Navy's $80 million figure the most realistic.

The Committee has received no alternative cost analysis indicating that it would be less expensive to modernize the *Saratoga* at Philadelphia than at Newport News. What the Senate has on the record before it, therefore, is two comprehensive cost studies indicating substantial additional millions to rebuild the *Saratoga* at the Philadelphia Naval Shipyard.

Second. Higher wages and lower productivity are fundamental reasons for additional Philadelphia costs.

Mr. President, it is not surprising that the *Saratoga* cost would be considerably higher at Philadelphia than at Newport News. The cost of the materials to rebuild the *Saratoga* will be the same at either shipyard. It is the difference in the cost of people at the two locations that will cause the higher Philadelphia expense to the Federal Government.

Third. Lower Newport News man-day costs.

The basic labor cost—known as the man-day rate—was determined by the Navy for the *Saratoga* to be $238.93 at Philadelphia and $161.82 at Newport News. I should add that these rates are based on future wage increases that were assumed to be on the order of 50 percent higher at Newport News than at Philadelphia. These *Saratoga* rates are completely consistent with numerous prior studies, including the so-called Booz-Allen study, which in 1977 determined that the man-day rate at Philadelphia was $169 compared to $112 at Newport News.

There are three important factors bearing on the wage rate issue. The first is that, by operation of law, Government blue-collar employees receive higher wage rates than comparable private sector workers in the same geographical area. In 1977 the Navy testified that "wages paid to Naval shipyard (public shipyard) blue-collar workers are as much as 12 percent higher than those paid to private shipyard (private sector) workers in the same geographical area."

The second factor is that the wage rates in the Philadelphia area are higher generally. The result is that the Philadelphia blue-collar Government wage rates currently range from 11 to 32 percent higher than the Government blue collar rates in the Norfolk area for typical jobs in Government Navy yards.

The third factor, Mr. President, which

adds to the wide differential in labor costs, is the Federal retirement system which is more generous and, therefore, more costly when compared to private industry.

Fourth. Higher Newport News Productivity.

Mr. President, in addition to lower labor costs, the Navy recognizes a 15–20-percent productivity advantage at Newport News. Prior comparative studies have shown a productivity advantage at private shipyards over Navy shipyards of more than 20 percent.

Putting the studies aside, however, commonsense would indicate a productivity advantage at Newport News. The proposed work force at Philadelphia will consist of 1,600 new Government employees, who on this day have not even been hired, plus over 1,100 *Saratoga* crew members who will be detailed to the shipyard work force to perform industrial duties for which they have not been trained. This lengthy 2½-year rebuilding job will be performed at a shipyard which has never attempted carrier work of this magnitude and has not worked on a carrier for over a decade.

Newport News, on the other hand, has had long experience in the construction of carriers, as well as their overhaul, and has in place at this time both experienced carrier management and a carrier-trained 2,600-man work force which would carry out the *Saratoga* rebuilding.

There is no way accounting adjustments or assumptions can make this dramatic difference in labor costs disappear. You do not need to be an accountant or a ship engineer or a cost expert to recognize that these differences in labor rates will result in the *Saratoga* costing substantially more at Philadelphia than at Newport News. This is mere commonsense.

Fifth. Attacks on Studies.

Mr. President, despite the thorough and unanimous nature of these Government studies, Deputy Secretary of Defense Duncan nevertheless intervened to overrule the Navy recommendation and assign the *Saratoga* to Philadelphia.

The Deputy Secretary did not repudiate the cost studies. He simply stated that the estimates of total cost were "soft," since the total extent of modernization cannot be predicted in advance. But, the Chief of Naval Operations pointed out that the relative difference in cost of the two shipyards can be expected to remain constant.

Sixth. Graduate student assessment.

One can, of course, argue, as do the Philadelphia proponents, that special exceptions and cost techniques should be used in assessing the costs of the *Saratoga* assignment. I am sure that, if one looked long and hard enough, an accountant could be found who would calculate the figures so that the cost at Philadelphia would appear to be not much more than the costs at Newport News. Indeed, the City of Philadelphia has already done so. They have found a graduate student in accounting at the Wharton School who was able to adjust the figures to show that Newport News had only a small cost advantage. When the GAO corrected the student's analysis for factual errors and omissions, however, the result was a $90 million cost advantage to Newport News.

Seventh. Price Waterhouse assessment.

In the same vein, one of my Senate colleagues sent me a letter from the accounting firm of Price Waterhouse & Co. This letter, containing a number of misleading and incorrect statements, attacked both Government cost studies and suggested a different costing methodology. On the other hand, I have seen an opinion from the accounting firm of Arthur Anderson & Co. that challenges the assumptions of the Price Waterhouse firm.

Mr. President, all these technical arguments over assumptions and accounting methodology are beside the point. There has been no evidence received to suggest that if another eighteen months were spent with a different set of cost assumptions, which would be equally applicable to both yards, there would be any different cost conclusion from that already reached.

Eighth. Military harm of a Philadelphia assignment.

Mr. President, the extra $80–$100 million in cost is but one major problem with an assignment to Philadelphia. The diversion of military manpower to Philadelphia will cause severe harm to the Navy's most valuable resource—its people. The present shipyard work force at Philadelphia is allocated to its other ship overhaul work and cannot handle the *Saratoga*. Accordingly, 2,700 new untrained new workers will be needed. Of these workers, 1,600 must be hired and hurriedly trained before work on the *Saratoga* must begin. However, even after this crash program, a worker shortage of over 1,100 would remain. This shortage can be overcome only by pressing 1,100 sailors from the crew of the *Saratoga* into performing industrial shipyard duties for a period of 2½ years.

A diversion of over 1.100 crew members of the *Saratoga* to substitute for shipyard workers means that they will not be available for duty with the fleet or the assignments for which they have been trained, at considerable taxpayer expense, during the 2½ year *Saratoga* modernization.

The chief of naval operations, both in his report and in testimony before both Houses, has vigorously protested the loss of these combat-trained sailors to the fleet. He has stated categorically that these 1,100 crew members are urgently needed in the fleet, which is already 25 percent below full strength in many of the ratings that would be detailed to the Philadelphia Navy Yard. Over 50 percent of the ratings to be detailed are engineering ratings which, as indicated by Admiral Hayward, are "most critical to fleet readiness at this time."

This personnel action of assigning fighting men as shipyard workers, unprecedented for such a long period of over 2 years, will reduce both the readiness and the capability of the operating fleet. As Admiral Hayward has insisted, "We need them badly elsewhere." The country cannot afford to be so reckless and wasteful with our first-line military personnel. Highly trained engineers, radio operators, technicians and others should not be relegated to shipyard duty which will involve, in many cases, tasks they have never performed or been trained to do.

Mr. President, this prospect makes no sense—especially when the Navy is now confronted with the possibility of creating another carrier fleet for the Indian Ocean which will stretch the Navy's scarce personnel resources even thinner.

Ninth. Hardship and morale.

Mr. President, in addition to the adverse impact on fleet readiness, serious hardship, morale and retention problems will be caused with the assignment of over 1,100 crew members to the Philadelphia work force. Today, Mr. President, without regard to the *Saratoga* issue, the Navy is facing its most serious manpower problem in decades.

The Senate should take note of what the fiscal year 1980 Department of Defense manpower report had to say on the Navy's crisis.

First, on recruiting:

> Navy recruiting goals have been met in only 4 of the past 30 months.

On desertion:

> Desertion rates are at a historically high level, even exceeding wartime rates. Recent measures to alleviate this problem only served to arrest the increase rather than reverse the desertion trend.

On attrition:

> Approximately 30 percent of those people who enlisted for 3 or more years in fiscal year 1978 are expected to leave the Navy before completing 3 years' service. The impact of these losses is not only costly but also results in increased personnel turnover and a dramatic reduction of the carrier-eligible base.

On retention:

> Serious difficulties are being encountered in retaining trained naval personnel to provide for the critical skill requirements of the Navy. A current shortage of 17,000 skilled petty officers with 9 to 16 years of service exists with a consequent degradation of required technical proficiency in the fleet and of the traditional enlisted leadership afforded by such personnel . . .

Will the assignment of the 1,100 *Saratoga* sailors to Philadelphia aggravate or reverse these alarming trends? Here is what Admiral Hayward had to say: Absenteeism is at least 60 percent higher when sailors are assigned even to routine ship overhaul duty. Second, retention problems can be expected to double. It will create a personal hardship for many of the affected crew members. Admiral Hayward stated that:

> For a careerist, a family move to Philadelphia would be a hardship—uprooting from schools, the rigors of moving out and in to a new location. Many personnel in this situation will opt for family separation and retain their families in Mayport increasing expenses . . .

Mr. President, we are now talking about the skilled petty officers, the second and third termers, who are quitting the Navy, as indicated by today's shortage of 17,000. This diversion of manpower is not a means to improve the Navy's serious manpower problems.

As I have already stated, the committee language will protect the operating readiness of the fleet and preclude the serious misuse of trained naval manpower.

Tenth. Wage Earners in the Private Sector Should Not Be Thrown Out of Work in Order To Hire More Government Employees.

As emphatically set forth in the new Civil Service Reform Act, it is not the U.S. policy to increase Federal payrolls. The American people seek less government, not more. As OMB Director James McIntyre recently stated:

> The government's business is not to be in business. Where competitive private industry can do the job, we should look there.

It has never been congressional intent or policy to create public sector jobs by taking the jobs away from people presently employed in the private sector. Moreover, it has never been congressional policy to use military labor to displace trained workers.

As we know, however, in order to modernize the *Saratoga* at Philadelphia, 2,600 new workers—both civilian and military—will have to be added. At the same time, 2,600 workers will be discharged at Newport News. Federal manpower policy is turned on its head when experienced union employees, many of whom have been trained at Government expense, must be discharged in order to hire and train new Government employees to perform the same work.

Eleventh. The Philadelphia Yard Will Continue To Fulfill Its Crucial Role Without SLEP.

The fact that the Philadelphia Naval Yard does not presently have the manpower to take on the complicated new work of carrier modernization is no reflection on the outstanding capability of the Philadelphia shipyard. Similarly, the fact that the Committee language would prohibit assignment of the *Saratoga* at Philadelphia, and hence prevent a 25-percent expansion of that yard, does not mean that the activity of the Philadelphia Naval Yard will be reduced. On the contrary, Philadelphia Navy Yard will continue in its vital and specialized role of overhauling surface ships.

Twelfth. Congress should protect the integrity of the Navy shipbuilding procurement process.

The uniformed Navy in the normal Navy procurement process selected Newport News both on cost and military grounds as the appropriate yard to modernize the *Saratoga*. On two occasions, however, in 1978 and 1979, the senior naval procurement officials were overruled at the highest levels of Government. The committee language will insure the integrity of the procurement process.

CONCLUSION

There can be no justification for a Philadelphia assignment in the face of an additional $80–$100 million cost premium coupled with a reduction in fleet readiness. Sound management of our shipbuilding program cannot tolerate such waste. Procurement decisions must be made on the strictest economic and military grounds. The defense budget cannot tolerate such waste. Our defense needs are too great. Most importantly, the American taxpayer will not tolerate such waste, nor will they forget such waste.

Under any principles of competition and fairness, under any normal procurement procedures, the *Saratoga* would clearly not be assigned to Philadelphia. It is up to the Congress to insist that, indeed, the *Saratoga* assignment is made on a "sound economic and business like basis."

The Senate should extend its unqualified support to the committee position.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, this is all the amendments we can dispose of this afternoon. I have reason to believe that tomorrow by 9 o'clock we will, perhaps, have an agreement on the Saratoga matter, a time limitation, and proceed then to debate it and vote.

Following that, the Senator from Michigan (Mr. RIEGLE) expects to be ready to make a time agreement to vote. The Senator from Virginia (Mr. HARRY F. BYRD, JR.) has in mind a possible amendment, but he is not available at this moment and I do not know yet what he will do about it.

That is all the amendments we know anything about, Mr. President, and we will request these time limitations on amendments as well as final passage tomorrow.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished chairman of the Armed Services Committee for his statement.

SENATOR DANFORTH COMMEMORATES VICTIMS OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, earlier this year Congress passed a resolution designating April 28 and April 29 as days of remembrance of the victims of the Nazi holocaust. In commemorating this event, our distinguished colleague Senator JOHN DANFORTH (Republican of Missouri), preached a poignant and moving sermon at the Washington Cathedral calling on both Jews and Christians to reflect on the meaning of the holocaust "to assure that the holocaust, and nothing like it, can be allowed to happen again." As we all know, Senator DANFORTH is also Rev. DANFORTH—an Episcopal priest—and his insights on this subject are particularly appreciated. He further pointed out that "the time has come for something more than generalized, nonsectarian good feeling" in our efforts to prevent a future holocaust from recurring.

Mr. President, I could not agree more with the honorable Senator from Missouri. If our sense of outrage at the holocaust is to be anything more than a passing emotion, we need to reflect deeper about what this hideous event means to our fundamental beliefs. Senator DANFORTH's call for a reexamination of basic values is an apt and timely statement, and I want to thoroughly commend him for making it.

Mr. President, individual examinations of one's conscience are important. But we in the Senate can do more. This body as a whole has the power to ratify the only international treaty which serves to prevent and punish the horrible crime of genocide. This body has an opportunity to make a concrete political expression of the ideals that Senator DANFORTH has urged upon us.

Mr. President. there could neither be a more fitting tribute to the victims of the past, nor a more sound precaution for the generations in the future, than for the Senate to ratify the Genocide Convention.

Mr. President, I ask unanimous consent that the text of Senator DANFORTH's sermon given at the Washington Cathedral on April 29, 1979, be printed in the RECORD.

There being no objection, the sermon was ordered to be printed in the RECORD, as follows:

SERMON PREACHED BY THE REVEREND JOHN C. DANFORTH

It is a national observance and an interfaith congregation. We commemorate the death of six million Jews. Yet the message which follows is unmistakably Christian in its content. It is delivered by a minister of the Gospel in a Christian Cathedral with the intention of evoking in Christians a response to the Holocaust.

The resolution, enacted by Congress and signed by the President denominates this weekend "Days of Remembrance of the Victims of the Holocaust." Two days were selected, not one—the distinct days of religious observance for Jews and for Christians. The intention of the resolution was to encourage a consideration of the Holocaust from at least two points of view: Jewish and Christian. For if that hideous course of events is never to recur, it is the responsibility not only of Jews as victims to reflect on the meaning of the Holocaust; it is the responsibility of Christians as well. And so, the time has come for something more than generalized, non-sectarian good feeling. The time has come for an examination of the Holocaust in the light of what each of us professes as believing persons.

Yesterday, Jews throughout America had a special occasion to reflect on that set of events which has touched them and their families so tragically. Today is an opportunity for Christians to consider the most fundamental premises of their faith, and on that basis to assure that the Holocaust, and nothing like it, can be allowed to happen again.

The Holocaust must be considered the darkest single period of human history. It had its beginnings in 1933 when Hitler came to power in Germany, and quickly proceeded with the burning of books by Jewish authors and the establishment of a concentration camp at Dachau. By 1938, synagogues were burned and Jewish shops and businesses were pillaged in Germany. In 1938 and 1939, German Jews were imprisoned, and Jews living in conquered eastern Europe were forced into labor camps and sealed into ghettos.

Then the killing began in earnest and on a very large scale. It started in Russia, where highly efficient mobile units followed the advancing German army murdering some one million Jews. Then the death camps went into full operation. Throughout Germany and occupied Europe, Jews were herded into cattle cars and transported to teeming camps where they were exploited, starved and finally exterminated. At Auschwitz, four gas chambers, each capable of holding 2000 persons at a time, were kept busy. Throughout the war, the task of murdering Jews assumed a greater priority to the Nazis than fighting. Trains carrying Jews to concentration camps were deemed more important than trains carrying ammunition to the front. When fuel to incinerate corpses ran out, bodies were piled up in the open air.

In the end, six million Jews had been murdered. One million of them were children. Nearly 90 percent of the Jewish population of Poland was exterminated. It was true genocide. It was a systematic effort to destroy an entire people just because they were a people—they were Jews.

Christians often point out that some of their faith were also victims of the Holocaust, dissenting clergy in particular. This is true, but this was not genocide. Christians were not put to death because they were Christians. Jews were put to death because they were Jews.

There are those who would prefer to reconstruct history—to convince us that the Holocaust was the work of a few demented individuals whose deeds were hidden from the public. What strikes the reader of Holocaust literature is that such a reconstruction of history could not conceivably be true. The fact is that the Holocaust was not a brief and discrete episode carried on by a limited number of people. It was an enormous undertaking, spanning 12 years, and involving thousands, if not hundreds of thousands, of participants. Consider, if you will, the enormous number of persons required to round up six million Jews. Consider the complex logistics of transporting them to death camps. Consider the policing of the ghettos, the mechanics of confiscating property, the building and manning of the camps, the supervision of forced labor. Those who participated in the liquidation of European Jews, those who witnessed it firsthand, and those who heard about it and countenanced it exceed our ability to estimate their number.

For some, the Holocaust has created a classic crisis of faith. Richard Rubenstein put the question very clearly when he asked, "How can Jews believe in an omnipotent beneficent God after Auschwitz?" He stated that "A God who tolerates the suffering of even one innocent child is either infinitely cruel or hopelessly indifferent." Rubenstein's solution to this theological dilemma is to reject the God of History, the God of Abraham, Isaac and Jacob, and to embrace what he calls the "omnipotent nothingness" of existentialism.

But to blame or discredit the God of History for the events of the Holocaust, to dismiss Him as cruel or indifferent, misses the point entirely. The Holocaust was not the doing of God. We cannot escape responsibility by blaming it on Him. It was, instead, the doing of fallen man. Like sin everywhere and in all times, it was wholly inconsistent with God's scheme of things. The Holocaust was the quintessence of sin—the ultimate example of the abuse of human freedom.

It is as old as the beginning of Genesis. God created man good and also free. That is the story of Creation. And the story of the Fall is that we abuse that freedom, rebel against our creator, and war against our brother. The Holocaust testifies not to the cruelty or the indifference of God, but instead it testifies to the profound seriousness, the awful consequences of human sin. Our tendency to evil, yours and mine, is not a trivial matter. It is not a game to be taken lightly. It is an overturning of God's order, for which we are accountable, and which leads, in its extreme manifestation, to Holocaust.

The extreme to which sin was carried by the Nazis creates a sense of nightmarish unreality in our minds. It is difficult for us to comprehend the magnitude of the Holocaust. The vast number of victims and the size and duration of the undertaking tempt us to dismiss the Holocaust as an aberration, wholly unrelated to the world we know. Yet on closer inspection, each arrest, each beating, each confiscation was a separate act, committed at a single moment in time by a responsible individual. The Holocaust was the ultimate extension of sin, but it was sin—the same sin which has been part of human behavior since the fall of mankind—the same sin to which each of us will yield today.

Now let us on this Sunday observance face an uncomfortable fact squarely and frankly. The murder of six million Jews was accomplished by people who, while having reverted to paganism, had been raised in the Christian faith. Their ideology was, of course, hopelessly twisted and insane. But it sprang, somehow, from the traditions of Christianity—in a contorted, grotesque shape, wholly inconsistent with the tenets of our religion.

In the Jewish Historical Museum in Holland, a photograph shows SS officers celebrating Christmas, the birth of our Lord, in the grisly setting of a concentration camp. How, we ask, can it be possible for people to have even a passing acquaintenance with the Christian faith, and at the same time participate in the extermination of Jews? There were, of course, Christian clergy who were imprisoned and killed because their witness to their Lord compelled them to condemn the actions of the Nazi regime. Yet others found no apparent conflict between their own religious tradition and the atrocities they were perpetrating.

It has been said that the most hideous sin is committed in the name of religion. The Holocaust was not the first time Christians have persecuted Jews. In her history of the Fourteenth Century, A Distant Mirror, Barbara Tuchman reports that, "Throughout the century, the church multiplied decrees designed to isolate Jews from Christian society."

In 1348, 11 Jews were burned alive in Savoy, allegedly for poisoning wells. A year later, in Basle, the entire Jewish community was burned to death in a wooden house especially constructed for the purpose. A month later, in Strasbourg, 2000 Jews were taken to a burial ground where those who did not accept conversion to Christianity were burned at rows of stakes. That same year, flagellants killed 6000 Jews at Mainz and 3000 at Erfurt. In 1378 a mob of Christians rampaged through the Jewish quarter of Paris, to the cry of "Noel! Noel!", looting stores, throwing Jews in the river, and subjecting children to forced Baptisms.

Brutally antisemitic activity, perpetrated by persons thoroughly familiar with Christianity, or even worse, in the name of Christianity, is, therefore, not of recent origin. Its roots have been traced to the time of the early church.

Last month, in a lecture at Georgetown University, Cardinal Franz Konig said that "anti-semitism . . . has no basis in theology."

That is the very least that should be said. But it is not sufficient to state the negative—to say that anti-Semitism cannot be based on Christian theology. We must go further and recognize the positive—that the Christian faith excludes the possibility of religious persecution—that religious persecution of any kind is flatly contrary to the most fundamental beliefs of Christianity.

That is precisely why it is appropriate to reflect on the Holocaust in the light of the Christian faith. It is not simply a matter of exhortation to do good and avoid evil. It is not simply a matter of an emotional remembrance and an appeal to treat one another in a more humane manner. Emotions are impermanent. They come and go. Exhortations are forgotten soon after they are made. A commitment not to persecute must be something more than a fleeting whim, emanating from the good feelings of the moment.

Elie Wiesel entitled his moving account of his own dreadful Holocaust experience simply Night. How descriptive that word is. It was, in fact, night. It was the blackest epoch of history, born in the darkest regions of the soul.

St. John said that Christ is the light of men, that the light shines out in the darkness, that the darkness has never been able to overcome that light. As light and darkness are mutually exclusive, so bigotry and persecution cannot coexist with the Christian faith. Those, then, who would celebrate Christmas in an SS quarters in Holland—those who would shout "Noel, Noel" while rampaging through the Jewish quarter of Paris, do so not in the service of Christianity, but in blasphemous contempt for the faith of the church.

At the heart of the Christian ethic is a humble and dedicated acceptance of the relationship we are commanded to have with our neighbors and with our God. These basic principles of our faith were rejected in the 1930's and 1940's. If we are to avoid Holocausts of the future, you and I have an obligation to accept these basic principles today and to act in accordance with them.

First, we are compelled to recognize that all people, no matter who they are or where they are, are the children of God. If they are black or white, old or young, Jew, Christian or non-believer, American, Russian or Chinese, all people are God's people—created by Him and for his purposes, and entitled to our respect—no our love—because they are His. We cannot humiliate, we cannot destroy others because to do so is to destroy the people of God.

Second, we are expressly forbidden to judge or condemn other people. This is a point made not just once or twice, but over and over again in the New Testament. It is a message of humility. It is a recognition that we have not been commissioned to judge others, and that we who profess the Christian faith stand ourselves under the judgment of God. St. Paul put it very clearly: "There is no just man, not one . . . no human being can be justified in the sight of God." St. Paul was not speaking only of the other person—of those who do not believe what we believe. He was speaking of you and of me. The notion that we are somehow better than others and that we are vested with some special commission to impose what we believe on others contradicts the meaning of the New Testament.

Finally, the Christian faith proclaims that the establishment of the Kingdom of God is His work and His alone. The establishment of a new order—a Third Reich—with an idolized fuhrer as its leader is, in its essence, an act of rebellion against God. It is the attempted overthrow of the Kingdom of God and its replacement with another kind of kingdom, claiming absolute allegiance and asserting absolute power over its subjects—even the power to commit mass murder in the name of the state.

It was said by the Nazi war criminals, in apparent self-justification, that they were only following orders. That kind of allegiance to a Fuehrer is not compatible with total allegiance to the Christ. Ultimate commitment cannot be shared. If such a commitment is made to God, it cannot simultaneously be made to any earthly power. That is why totalitarianism—the total claim of the state on the individual—is fundamentally incompatible with the Christian faith. Nazism, with its mass rallies and banners and twisted cross symbol was a parody of religion—a usurpation of the role of the church.

God establishes His own Kingdom by His

own Son, with His own power. That is the faith of the church. To wrest that power from God, to claim allegiance to another kingdom, and to set oneself up as judge of others is to assume the role of anti-Christ.

What, then, can prevent the occurrence of another Holocaust? It cannot be a fleeting mood of kindness nor an exhortation from this or any other public rostrum. It can only be a faith which alone claims our total commitment, with which a holocaust cannot coexist, and which commands us that we are to love the Lord our God with all our hearts, our souls and our minds, and we are to love our neighbors as ourselves.

A BRIDGE FOR AMERICAN BUSINESS TO PUBLIC TRUST

Mr. PROXMIRE. Mr. President, the Rexnord company is one of the leading firms in Wisconsin and in the Nation. It has grown very rapidly over the past few years. It is one of the biggest and best employers in Wisconsin and one of the major exporters in the Nation.

It has been blessed with excellent management for many years. Until recently a dear friend of mine, William Messinger, was Rexnord's chief executive officer. Bill Messinger is retiring. His place has been taken by a remarkable man named Robert Krikorian.

Recently Mr. Krikorian delivered one of the most impressive addresses I have read by an American business leader. In the course of that address he proposed 12 principles to serve as a bridge of mutual trust between business and the public. They could serve as a superb ethical guide for business in its relations with the public.

Mr. President, these principles by an outstanding American business leader should be called to the attention of all Members of Congress.

Mr. President, I ask unanimous consent to have the full text of Mr. Krikorian's speech printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Rexnord Corporate Offices,
Milwaukee, Wis., April 30, 1979.

Senator William Proxmire,
5241 Dirksen Building,
Washington, D.C.

Dear Senator Proxmire: The attached speech was given last Saturday by Bob Krikorian our Vice Chairman and Chief Executive Officer. You were kind enough to react to an earlier summary with your ideas and encouragement. Some of your feelings and ideas were incorporated into the narrative. I'm sure you will enjoy reading it.

We feel this message is vital to all of us as citizens—and look to you for further comment and support.

Sincerely yours,
John A. Bartels,
Director, Public Affairs.

Excerpts From an Address by
R. V. Krikorian

I am devoted to improving our American socio-economic system . . . the greatest system on earth. I am especially an advocate of American business which provides opportunity to all who are willing to apply themselves. While we must recognize that the system is not working for everyone, we must also recognize that the system, itself, is not failing. The lack of education of our young people and our own prejudices and behavior are keeping too many people out of the system. Business people must work to improve the system so that we open the doors of opportunity to every person in our society who seeks entry.

(He gave the business leaders in the audience several suggested ways to build a bridge of understanding between business and society in general.)

1. Acknowledge openly that the primary purpose of business is to serve society. And to do that over a long period of time business must operate profitably.
2. Set company goals and objectives that can be achieved through normal—that is to say ethical—business practice.
3. Be certain that all our communication with employees and other publics reflect the facts clearly, accurately, and fairly.
4. With counsel and care, develop a written code of ethical conduct that will fit as tight at the top as at the bottom of the organization.
5. Outside members of the Board of Directors of our companies must actively monitor performance of management to assure that all company obligations are met both ethically and legally.
6. Don't condone wrongdoing inside or outside your company—don't make excuses for those in business who abuse the system.
7. Seek out, assist and support individuals, companies, educators, or other organizations in their efforts to teach, interpret, or strengthen our system.
8. Increase corporate support to cultural, health, educational and community activities wherever you operate—not just in your headquarters city.
9. Think twice before lining up at the government trough if we're really interested in governmental deregulation.
10. Speak out on the issues! Be involved! Encourage all of your employees to do the same. The needs of our threatened society must transcend our individual or corporate needs.
11. Rethink the effect of your financial messages on the public. Make profit reports less susceptible to mis-interpretation.
12. Provide an open and informative channel of communication with your customers, your critics and all your publics. Provide answers to legitimate questions without unnecessary delay. Keep this bridge open and active—in both directions.

The Bridge to Public Trust

Good morning. Thank you for that very kind introduction.

Please forgive me if I seem to start with a sense of urgency. I recognize two things: our time is very valuable; and my time is all too short for my purposes. Time may be short, in fact, for our American way of life.

To let you know where I'm coming from, I am, first, a very concerned citizen. Like many others, I am frustrated at the urgency of our times, and sometimes angry at the time it takes for us to change. But, apart from my concern, today I am pleased at this chance to level with you. For you are a group of decision-makers representing a unique mix from the American business community.

Why am I concerned? It may help to explain that I am the son of an Armenian immigrant who fled for his life to America to escape the tyranny of an all-powerful centralized government. As my father did, I see the United States of America as the ultimate in potential stability, opportunity, individual liberty and freedom, constantly struggling to develop a more just and equitable society.

As a child, I recall how little our family had, compared with our friends and neighbors. Yet, my father considered himself a rich man, as an American citizen: a roof over his head, some wholesome food; schooling for his children; and, freedom to worship. All of that was more than enough for him. The only thing that bothered him about Americans was that they didn't know what they had, and seemed not to appreciate our political system enough to go to the polls to vote.

After high school, I spent seven years as a tool and die maker. During that time I went to night school to study mechanical engineering. Following my service in the U.S. Navy, during World War II, I was privileged to enter Yale University under the G.I. Bill. I graduated with a degree in industrial administration, and took a job with Rexnord in Milwaukee as a student engineer at the ripe old age of thirty. With a total of $400 to my name, my wife and daughter and I left New Haven for Wisconsin.

Today, with a great deal of help and encouragement from a lot of people, I'm C.E.O. of a company that has grown from $28 million when I started to nearly $1 billion in sales. The experiences I've had are a tribute to the American socio-economic system. The miracle that happend to me has happened to millions of other Americans.

Do most Americans share my enthusiasm for the business system and the views I've expressed? The answer—sadly—is no! And I can understand why many people feel that way. Some of the factors contributing to this feeling are:

High taxes;
High inflation;
High energy costs;
Deficit spending by government, and
Low productivity in the private sector.

All of these things have contributed to the public's feeling that our standard of living is slipping along with our ability to make free choices.

In spite of the appearance of things going from bad to worse, changing the system is not the answer. What does need changing is the behavior of many of us in business and government.

At this stage, let's acknowledge that most Americans look at business as just one other problem. I'm concerned because Americans in sharply greater proportions are expressing very serious doubts about our institutions. They seem paralyzed by the apparent inability of the United States to change its present course. Their biggest headache, clearly is keeping up with inflation. But we must pay attention to the public's perceptions of how business fits into the system. As a dedicated businessman, I'm seriously concerned with their perceptions.

Dr. George Gallup spoke in Milwaukee three weeks ago. He reported that after a nationwide sampling, the majority of Americans grossly overestimate the amount of profits made by American business, vastly underestimate the amount of taxes paid, and simply have no understanding of the magnitude of total people costs represented in every sales dollar.

Arthur White, of Yankelovich, Skelly and White, the well-known public opinion pollsters, underscored public perceptions of business a couple of years ago. He reported that in 1967 the public confidence level in business was at the 70 percent level. Ten years later, 1977, down to 15 percent! That fact seems even more incredible when White cites that 91 percent of all Americans approve of our present economic system, and that 70 percent know that profits are necessary. In fact, the majority indicated that a profit level of twice that business actually makes is fair. Without going further, it's apparent that the public is confused and we are adding to the confusion.

I cannot assume how you respond to such information, but I can freely share my reaction! It is painfully apparent to me that until we are able to convert public perceptions to a more positive view of American business, we will continue to be in deep trouble.

Right or wrong, the public perception of business is that we must be further regulated so that we will operate in society's best interests. Perception is the key word. We can best change public perceptions of business by the way we act.

Before I talk about what actions people should take, let me tell you where I stand as an American citizen and businessman. I believe in the institutions of our country. I believe that our form of government is the finest devised by man . . . mainly because of its system of checks and balances, and because it can be responsive to the desires of our citizens.

And I believe in our institution of business . . . mainly because it has proven to be the best system in the world devised to produce goods and services needed by our society, and thereby, capable of providing a higher standard of living for our people.

I believe in our business system because it is open to all who are willing to commit themselves. It can provide rewards commensurate with responsibility and performance. Most notably, in my view, where generations of a family in other societies are condemned to little improvement in their status, here in America, in one generation, millions of families substantially improve their position in society.

There are those who are now asking, if our system is so good, why do we have so much unemployment in the ranks of the young minorities? And what about discrimination against women?

My response is that those inequities are not due to the shortcomings of the system, but rather are due, in large part, to two things: First, the failure of education to adequately prepare many young people for entrance into the system. Second, we deny entry to the system because of the discrimination that takes place due to prejudice and habitual behavior which we must all struggle to overcome. Those of us who are the beneficiaries of our private enterprise system, should not tolerate the exclusion of any minority from its rewards.

It is important that American business become more efficient. It has to grow and create more jobs. It is essential that we are able to compete more vigorously in the international marketplace. We must be able to improve productivity and prices must come down. How do we accomplish all of the above? We need to attract more capital. To accomplish this, we desperately need American public opinion behind us.

But, the public has for too long read about improper business practices, including price-fixing, bribery, poor product quality, misuse of inside information and violation of laws both here and abroad. Beyond such obvious misdeeds by a few whose actions have tarnished us all, we've done a very poor job of explaining the true purpose of business—to serve society—and it serves most effectively when it is productive, competitive and profitable.

But the public doesn't understand profits. Perhaps we've done a poor job of reporting our earnings. In our search for investment capital and enhancement of our stock prices, we seem unable to resist the temptation to brag about our record profits . . . or that profits rose 130 percent in the latest quarter. Is it any wonder that most Americans believe that business keeps fourteen cents out of every sales dollar, after taxes? That's nearly three times what we actually make.

Not only has the public misunderstood our earnings because of the way we report them, we have also done a poor job reporting many of the good things business is doing. For example, many people don't realize that nearly every non-governmental cultural, educational and health organization depends heavily upon continuing financial support from businesses. On the average, business contributes one percent of pre-tax earnings to these institutions. I would like to propose that we seriously consider doubling this amount as a social obligation to improve community life.

Another criticism of business is that we often appear aloof, remote, unconcerned, negative and resistant to change. We've not responded strongly enough to poor business practices. We've failed to appreciate how crucial the mass media is in shaping public perceptions. And, this will come hard: EEO, OSHA, and ERISA are all examples of governmental regulations demanded by the public because business failed to recognize and react to the legitimate demands of the public.

But before these laws are passed, legislators should seriously consider cost-benefit relationships before final enactment. Our resources are not infinite! Legislators should follow a common practice of business by identifying and fixing the few things that will provide the greatest leverage and, in turn, solve the major parts of the problem. A business cannot waste time or resources or it could go broke and cease to exist. By contrast, government tries to fix everything for everyone all at once. Regulators tend to write down to the most minute detail, creating an administrative nightmare . . . costly in time and resources . . . and fueling inflation.

Each of us must recognize that all costs ultimately are passed on to the consumer and the taxpayer. The costs of material, labor, energy, product liability, and every variety of tax paid by business is inevitably shared with the consumer, our customer. If he decides not to pay these higher costs, then, of course, the business along with jobs will disappear!

Earlier, I related our need for new capital to the public's perception of business, which has resulted in the poor climate for capital formation. Even though our capital gains tax was lowered last year, our 28 percent maximum rate is still among the highest in the world. American productivity, over a 13 year span, increased only about 3¼ percent annually compared with 6 percent in West Germany, and better than 10 percent in Japan. Plant and equipment investment? Proportionately, we spend less than half that of Japan! Why? Let me list some of the reasons:

Our high individual income tax which decreases our savings rate;

Our high tax on capital gains;

Unfavorable depreciation rates;

Government mandated non-productive expenditures; and

Government competition for investment dollars.

Putting these uncomfortable comparisons in a swirling context of burgeoning federal regulation, increased state controls, growing costs of pollution restraints and energy shortage, capital formation appears as an understandably overwhelming challenge.

It is now clear to us all that the current mood of the public will not support an environment conducive to investment in business. Too many Americans doubt that business is prepared to operate in the public interest. Additional governmental regulation is inevitable unless business acts differently.

The public and our institutional critics keep scolding us for our shortcomings, as indeed they should. It is both their right and their responsibility. It is neither useful nor productive to call the criticism unfair. The critical pressure will continue or increase in volume and intensity until we get our act together.

This challenge is a tall one for us, but I am optimistic. We have a bridge of mutual trust to build between business and the public and I have some planks to suggest that we use as the flooring of that bridge. They're substantial planks. They can take a lot of traffic:

1. Acknowledge openly that the primary purpose of business is to serve society. And to do that over a long period of time business must operate profitably.

2. Set company goals and objectives that can be achieved through normal—that is to say ethical—business practice.

3. Be certain that all our communication with employees and other publics reflect the facts clearly, accurately and fairly.

4. With counsel and care, develop a written code of ethical conduct that will fit as tight at the top as at the bottom of the organization.

5. Outside members of the Board of Directors of our companies must actively monitor performance of management to assure that all company obligations are met both ethically and legally.

6. Don't condone wrongdoing inside or outside your company—don't make excuses for those in business who abuse the system.

7. Seek out, assist and support individuals, companies, educators or other organizations in their efforts to teach, interpret or strengthen our system.

8. Increase corporate support to cultural, health, educational and community activities wherever you operate—not just in your headquarters city.

9. Think twice before lining up at the governmental trough if we're really interested in governmental deregulation.

10. Speak out on the issues! Be involved! Encourage all of your employees to do the same. The needs of our threatened society must transcend our individual or corporate needs.

11. Rethink the effect of your financial messages on the public. Make profit reports less susceptible to mis-interpretation.

12. Provide an open and informative channel of communication with your employees, customers, your critics and all your publics. Provide answers to legitimate questions without unnecessary delay. Keep this bridge open and active—in both directions.

That's the list. An even dozen—the beginning of many actions business could take to improve the public's perception of the business community. The unhappy alternatives to such a bridge between business and the public is a wall of excessive control by government on the one hand, to socialism or totalitarianism on the other. The bridge seems far preferable!

I have a suggestion for you. We have used it at Rexnord and I can wholeheartedly recommend it. Its strength is its candor.

With six or eight of your associates, sit down at luncheon or dinner . . . with a respected educator . . . at another time with a leading journalist . . . a consumer activist . . . a government official. The meeting can be on your turf or on neutral ground, but make it a pleasant place with atmosphere conducive to an open exchange of ideas. The agenda? Perceptions of business in general . . . views of the business climate in your community . . . frankly ask what your company can do to improve and maintain strong community support.

On a regular basis, openly and informally conducted, dialogues such as these will establish trust and understanding. We at Rexnord have some effective guides in setting up programs such as this, as well as other citizen action activities. Just drop me a note. I'll be happy to see that you get a set!

You have been gracious with your time and attention. My purpose has been to alert us to what I believe are the realities of a potential national tragedy. A tragedy it would be, if, for want of a bridge that we are capable of building, the precious gift of our socio-economic system were to falter . . . or fail.

SMALL BUSINESS EMPLOYEE OWNERSHIP ACT

Mr. LONG. Mr. President, I am delighted that the Senate yesterday passed by voice vote the Small Business Employee Ownership Act.

This bill (S. 388), was introduced by Senator Donald Stewart of Alabama, and is cosponsored by Senators Baucus, Boschwitz, Cranston, Domenici, Goldwater, Gravel, Hatch, Hatfield, Hayakawa, Heinz, Inouye, Humphrey, Leahy, Levin, Morgan, Nelson, Packwood, Pressler, Riegle, Weicker, and Zorinsky.

It reflects growing congressional initiative toward the broadening of stock ownership and, more importantly, represents a new approach to encouraging employers to provide ownership for their employees.

Historically, all of our legislation to promote employee stock ownership has been in the form of tax incentives.

Many Senators have criticized this approach because of the budget impact any tax incentives necessarily have.

Although I have recognized their concerns, I have felt that employee stock ownership is so critically important a concept that the minimal revenue losses which have been created by these tax incentives were more than justified.

The Stewart bill provides an important new approach to stimulating employee ownership, that of Federal support through loans and loan guarantees to employees who wish to acquire ownership of their companies through employee stock ownership plans or other employee ownership programs.

There can be no doubt that providing employee ownership for small businesses can have a tremendous effect on the profitability of the company because of the increased motivation and productivity which ownership provides for these employees.

I have been conducting a survey of employers who have established employee stock ownership plans, and while the results are not complete, they are certainly impressive. To date, 22 companies have responded to my request for information and they reflect the following:

The number of employees employed by these companies after they established an ESOP has increased by 30 percent.

Their sales volume has increased by 67 percent;

Their sales per employee (productivity) has increased by 38 percent;

Their pretax profits have increased by 125 percent; and

Taxes paid by these companies have increased by 112 percent.

I would also like to congratulate Senator Stewart for the leadership he has provided in the passage of this most important piece of legislation.

This is the very first bill which Senator Stewart introduced upon becoming a U.S. Senator, and I am delighted that it deals with a subject which is so important to me and other Members of Congress.

I am looking forward to working with Senator Stewart for many years to come, both in the areas of providing employee stock ownership and in the many other legislative concepts in which we will find ourselves unified.

SALT II

Mr. THURMOND. Mr. President, an excellent editorial entitled "SALT Needs Careful Study" appeared in the April 24, 1979 issue of the Aiken Standard newspaper in Aiken, S.C.

The publisher, Samuel Cothran, offers a rare insight into the political and practical aspects of this important national security issue. His comments are worthy of the attention of the Senate.

Mr. President, I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

SALT Needs Careful Study

The Carter administration has left us no choice but to conclude that its political commitment to a new strategic arms limitation treaty with the Soviet Union is such that the White House is now prepared to ignore or discount alarming new evidence that the prospective agreement may be fatally flawed.

Consider two recent developments. A current U.S. intelligence study concluded that the Soviet Union probably possesses 1,000 more intercontinental ballistic missiles than are counted under either the SALT I agreement now in effect or the SALT II treaty reportedly close to completion. And Adm. Stansfield Turner, director of the Central Intelligence Agency, has admitted in closed testimony that loss of the two electronic listening posts in Iran will compromise this country's ability to verify Soviet compliance with SALT II terms until 1984, one year before the treaty would expire.

These disclosures are likely to deal a devastating setback to the administration's case for SALT. Yet the president's SALT spokesmen blithely discount the secret stockpile of Soviet missiles as of "little military significance." And, notwithstanding Adm. Turner's reluctant, damaging admission, the administration continues to insist publicly—as Secretary of Defense Harold Brown did—that U.S. verification capabilities are sufficient to detect Soviet cheating on either SALT I or SALT II.

Only political considerations could explain such untenable interpretations in the face of the countervailing evidence.

The Carter administration's cavalier willingness to dismiss a hidden arsensal of 1,000 Soviet ICBMs is mind boggling. This reserve force would give Moscow at least 2,600 ICBMs to fewer than 1,100 for the United States. If these reserve missiles are "militarily insignificant," why would the Soviets build them?

Granted, SALT I and SALT II limit only fixed missile launchers, not the missiles themselves. So, technically, additional missiles are not violations of any existing or prospective arms agreement.

But it is also true that about 350 of the Soviet Union's 1,600 missile-launching silos are equipped to withstand the heat and blast of a launching and can thus be reloaded with new missiles in a matter of hours. Beyond the doubled threat posed by reloadable silos, can the Carter administration afford to ignore the possibility—indeed, the probability—that the Soviets could launch prepositioned, reserve ICBMs from concrete pads whose existence could be easily concealed?

In truth, a secret and uncounted arsenal of Soviet ICBMs could, in a sudden crisis, be quickly deployed with devastating effect on the Soviet-American strategic balance. It would then, of course, be too late to bemoan the yawning gaps in SALT II that permitted the Soviets, legally, to obtain a crushing strategic superiority.

Yet, by the administration's own admission, there is nothing in SALT II that would ban reloadable silos or limit the numbers of strategic missiles the Soviets could build. As we said, it boggles the mind.

As for verification, the revelation that the Soviets possess a concealed stockpile of ICBMs dramatically underscores the dangers inherent in anything less than foolproof safeguards against SALT cheating.

The loss of the listening posts in Iran crippled the critically important monitoring of Soviet missile tests and development. Without this monitoring, there is no way to know, among other things, whether the Russians are packing more warheads into their missiles than would be permitted under SALT II.

These disturbing disclosures are only the most recent in a series of developments that are rapidly eroding the case for SALT II despite the administration's desperate, and at times disingenuous, defense of the prospective treaty.

CONTINUING THE FIGHT AGAINST INFLATION

Mr. THURMOND. Mr. President, as we proceed with our deliberations on the many important issues before us each day on the Senate Calendar, I feel it is extremely important to remind ourselves from time to time that we must keep this Nation's No. 1 problem, inflation, always in the forefront of our thoughts and actions. Many of us in the Senate have expressed our strong sentiments for urgent and decisive actions to battle inflation.

Even though there appear to be some encouraging signs in recent weeks, such as the narrowing of the U.S. foreign trade deficit and some strengthening of the dollar in world money markets, obviously we have not yet done nearly enough. After the unacceptably high 9-percent inflation rate of 1978, we are experiencing increasingly higher rates in the early months of 1979. The latest Consumer Price Index indicates inflation is now running at an annual rate of 13 percent.

Mr. President, American citizens all across this land are feeling the pains of inflation with greater intensity each day that passes. More and more families and businesses are falling behind financially because of the rapidly rising prices they must pay.

The people of this Nation have already expressed their commitment to do whatever is necessary to conquer inflation. They are now seeking leadership that will provide understandable, workable programs for effective actions and positive results.

I am optimistic that inflation can be brought under control, even though it will be a long, hard fight. To conquer inflation, we must continue with a moderately restrictive monetary policy, reduce Federal spending and regulation, provide more incentives to increase investment, and find better methods to counter wage increases with improvements in productivity.

Mr. President, two excellent editorials appeared recently emphasizing these points quite effectively. One, titled "Steps to Stop Inflation," was in the April 30, 1979, issue of Business Week magazine and the other, titled "Settling in With Inflation," was in the April 30, 1979, issue of the Washington Post newspaper.

These articles point to the primary sources of inflationary pressure, such as the increasing Federal budget and deficits, the mismanagement of the money supply, the ineffective energy program, and the continuing drop in productivity coupled with climbing unit labor costs. A major concern expressed is that we not settle in to live with inflation but that we move forward and take the decisive steps to stop inflation.

Mr. President, in order to share these excellent editorials with my colleagues, I ask unanimous consent that they be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

Steps to Fight Inflation

For the past month the Administration's economic strategists have been playing a curious little game apparently designed to make the Federal Reserve choose betweeen taking the blame for inflation and taking the blame for the next recession. Though the President has now called off the dogs . . . the speeches and interviews suggesting that a tougher monetary policy would check inflation have confused an already badly clouded issue.

The fact is that Federal Reserve policy in the past year has been cautious but wise. The Fed has kept the growth of the money supply under firm control, but it has avoided the sort of violent credit crunch that would precipitate liquidation.

The primary source of inflationary pressure has been the federal budget and the programs it finances. The most effective steps toward checking inflation without touching off a crash are steps that the Administration and Congress can take without regard to what the Fed is doing. They include:

Moving swiftly toward budget balance. With the economy at peak levels, the Administration should be slashing spending on state aid, social reforms, and environment. Its aim should be balance now.

Suspending the costly increases in the minimum wage voted by the last Congress. This payoff to organized labor has ratcheted the whole wage structure upward. If the Administration cannot bring itself to ask for repeal of this year's increase, it should at least try to suspend next year's, which is a built-in guarantee of a higher cost and price structure in 1980.

Reforming Social Security to reduce the skyrocketing of benefits and make a cut in payroll taxes possible.

Letting some of the air out of the farm programs. The Administration has not put up enough resistance to the lobbyists for higher sugar and milk supports. It is letting Canada, Australia, and Argentina form a wheat cartel. It has missed the chance to adopt a rational policy on beef imports.

Some of these measures may cost the Administration votes in the 1980 election. If so, President Carter should regard them as the sort of "sacrifices" he is asking the nation to make in order to fight inflation.

Settling In With Inflation

Where's the inflation coming from? The current surge of prices and anxieties tempts people to grasp at the one-sentence explanations and the short, snappy remedies. There's the theory that blames it all on federal deficits. Another view holds that inflation is all due to mismanagement of the money supply. A third attributes it to OPEC and oil prices.

All of those things have contributed to inflation from time to time over the years. None of them is the single crucial source of the trouble. The technical economic analyses never quite reach the heart of the matter. At its present stage, the inflation is rooted mainly in public attitudes. Not only the government but Americans throughout the country want better performance out of the economy than it is capable of giving. They want lower employment and better housing and bigger pensions and faster growth, simultaneously, than the great machine can provide.

Living in a highly organized society, Americans have become skilled at protecting themselves from inflation. The cost of living has risen 10 percent in the past year, and people think it only fair that their incomes should go up 10 percent to compensate them. To the extent that people succeed in recapturing that 10 percent, it will turn up again in the months ahead in somebody else's costs and the inflation will continue.

To keep the inflation rate at zero, every rising price has to be balanced by a falling price somewhere else. When any worker manages to push his wages up faster than his productivity, some other worker's wage has to fall. But most American producers have a ratchet on their prices, and wage cuts are almost unknown. President Carter's wage and price guidelines are a brave attempt to hold everybody to increases that are a little below the inflation rate, to distribute the burden as widely as possible. While the guidelines are better than nothing, they are hardly proving a miracle.

Instead, a rather sinister change is overtaking American attitudes toward money and inflation. It is conventional to say that inflation is extremely unpopular. But as it goes on, more people are responding by borrowing heavily and depending on future inflation to pay their debts. The person who has just bought an expensive house on a 10 percent mortgage is a vote for continued inflation. In that fashion, inflation creates its own constituency.

It would be nice to think that there was some quick, simple adjustment to the economy—some valve down in the engine room—that could suddenly turn off the inflation. But there isn't. An end to inflation will take deep changes in the way Americans think about their society, what it owes them and what they owe it. Those changes will probably come—but at what cost, and to whom? Merely learning to live with inflation does not seem a very promising prospect. As the rate goes up, growth is endangered and, ominously, the economy becomes progressively less stable.

GASOHOL AND CHRYSLER CORP.

Mr. McCLURE. Mr. President, I was extremely pleased to learn today that the Chrysler Motor Corp. will now extend its warranty coverage to include the use of gasohol fuels in all its cars and trucks. This move—which I hope will soon be followed by the other major automobile companies—will certainly add considerable strength to our efforts to promote gasohol.

Chrysler itself reports that their tests on gasohol—90 percent gasoline and 10 percent ethanol—showed no adverse effects on their vehicles and took the step to extend the warranty "to encourage the development and use of alternate fuels." We have known for a long time, Mr. President, that gasohol is indeed safe for vehicles and may, in fact, be better than gasoline.

Mr. President, we are hearing a great deal these days about the excessive dependency of the United States on foreign petroleum imports—and how that dependency has led to the skyrocketed gasoline and oil prices we have all been paying lately. We all recognize that the days of cheap oil and gas are long gone, and while it seems unlikely we can significantly reduce the prices we pay, we are not too late to reduce our dependency on foreign imports.

With changes in Government regulations, the United States could easily put into action its ability to greatly increase domestic oil production. At the same time, the United States has the potential to further decrease its petroleum dependency by committing itself to the long-term, full-scale development of gasohol—a mixture of 90 percent gasoline and 10 percent alcohol.

To illustrate the potential value of gasohol, consider the following:

1. Ethanol (ethyl alcohol) can be made from any fermentable crop, including wheat, corn, barley, potatoes and sugar beets. The crops can be damaged, sprouted or frostbitten, unfit for regular sale or use.
2. Ethanol's mash by-product (after distillation) is high in protein and suitable for animal, and, potentially, human consumption.
3. Gasohol can be burned in any internal combustion engine.
4. Gasohol increases gas mileage—approximately 5 percent using a 90/10 gasoline-alcohol mixture—and has been shown to reduce engine wear. Also, ethanol mixed with regular unleaded gasoline increases the octane rating by approximately four points.
5. Gasohol is a comparatively clean fuel, producing 50 percent less carbon monoxide and 27 percent less hydrocarbon emissions than gasoline. Nitrous oxide emissions are, however, increased by about one-third.
6. Gasohol provides an additional stable market for our farmers. Farmers would be able to produce at full capacity and the increased demand would likely also significantly increase crop prices.
7. Gasohol can help extend our domestic, as well as foreign, fossil fuels; can significantly help our balance of trade, and will help keep our family farmers on the farm.

Sound pretty good? Then let me convince you further.

Opponents of gasohol like to point out that the fuel has a negative energy balance; that is, the energy input to produce gasohol exceeds the energy output of the finished product. Yet, engineering studies conducted by Vogelbusch-Bohler Bros. of America point out just the opposite. As illustrated on the accompanying chart, ethanol produced from both corn and wheat in a modern plant designed solely for motor fuel results in a positive energy ratio of 1.27 and 1.74, respectively.

While a positive energy ratio is important, I might add many feel too much importance is placed on the figure. The energy used to grow a crop (which is used in the energy input figure) would be utilized regardless of whether or not that crop is to be used for food or for fuel. Many feel it is unfair to prejudice alcohol production with mandatory positive energy figures when in fact the same crop used for producing alcohol would likely have been grown anyway.

Opponents of gasohol also like to argue that America could never produce enough alcohol to significantly reduce our oil dependence. The most accepted figure necessary to reduce our gasoline consumption by 10 percent is 10 billion gallons of alcohol, as we now consume about 100 billion gallons of gasoline per year. By applying the 18.2 million (12.1 wheat, barley and sorghum, and 6.1 corn) acres currently in the 1978 USDA set-aside and diversion programing and multiplying by the average yields of 30 bushels and 90 bushels per acre respectively, we could grow an additional 363 million bushels of wheat and 549 million bushels of corn. These figures, multiplied by the 2.5 gallon per bushel ethanol yield, result in total production of 2,280,000,000 gallons, or 22.8 percent of the ten billion gallon goal. Keep in mind this set-aside and diversion land is acreage now being subsidized by taxpayers to sit idle.

In addition to the set-aside and diversion acreages, the United States now maintains surplus wheat and corn stocks of about 1.8 billion bushels, has surplus stocks of potatoes and other crops, has the potential to produce considerable methanol alcohol from our extensive timber resources, and has the capacity to expand farm acreage to lands not now in production, particularly in the West and Southwest. With an assured end market for the commodities, I am convinced the United States could easily meet the challenge of producing at least 10 billion gallons of alcohol per year.

So we know we can produce enough, we know it can be energy efficient, and we know it works. But how much does gasohol cost? Perhaps the best way to illustrate this is to talk about Mr. Dave Fannon, an Alexandria, Va. jobber. In March of this year, Fannon purchased his alcohol from Archer-Daniels-Midland Co., a Decatur, Ill., distiller, for a total cost—including freight and taxes—of $1.69 per gallon. Similarly, his rack price for Citgo unleaded gasoline at the terminal amounted to 48.5 cents, plus 13 cents per gallon tax, for a total of 61.5 cents per gallon.

By using 10 percent alcohol at $1.69 per gallon, the laid-in cost is 71.85 cents per gallon of gasohol. Subtract from this the 4 cent per gallon Federal fuel tax reduction for gasohol, and the price drops to 67.85 cents. Fannon works in 2 cents per gallon for mixing and delivery and sells it to his retail customers for 69.85 cents per gallon. The retailers in turn are selling high-octaine gasohol to the public for 77.9 cents per gallon. By way of comparison, low-octane regular unleaded gas is selling in Alexandria for about 75.9 cents per gallon, while premium is well over 80 cents per gallon.

Obivously, prices vary from place to place throughout the country, so the figures I have presented are not necessarily correct in every case. The point is, however, that gasohol is now price competitive and will be even more so as gasoline prices continue to rise. I might add that many States have either proposed or already adopted short-term gasohol fuel tax reductions which will not only make gasohol a better deal for the customer, but also more attractive for investors.

Despite what I consider overwhelming evidence, some skeptics still persist in mocking gasohol. But as gasohol stations continue to increase in number—from about 240 in November 1978 to over 600 in March 1979—their ranks have steadily declined.

The fact is gasohol will help ease our current gas shortage. Gasohol will reduce our dependence on foreign petroleum and will reduce our trade deficit. Gasohol will help reduce overall auto emissions. Most of all, gasohol will help this Nation's farmers. Indeed, gasohol is America's fuel for the future.

Mr. President, I ask unanimous consent to have printed in the RECORD a table in connection with this subject.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[In Btu's per gallon]

	Corn	Wheat
ENERGY OUTPUT		
Alcohol	84,000	84,000
Feed stock by-product	65,400	80,000
Total, Btu output	149,400	164,000
ENERGY INPUT		
Farming (all)	41,345	17,700
Transportation	2,520	2,520
Nutrients	900	900
Chemicals	250	250
Lubricants	250	250
Alcohol plant processed energy	47,300	47,300
Drying of distillers grains	25,200	25,200
Total, input energy	117,765	94,120
Positive output-input energy ratio	1.27	1.74

EMOTIONALISM AND NUCLEAR POWER

Mr. McCLURE. Mr. President, I am not one to minimize the importance of the recent nuclear incident at the Three Mile Island power plant in Pennsylvania, but I am one who desires to place that incident in a proper perspective.

That perspective has been achieved in a recent article in the Idaho Statesman published in Boise, Idaho. The writer, Steve Ahrens, is not only a well respected political writer, but is known for his objectivity in all his writing and reporting.

I urge my colleagues in Congress to read this article, entitled "Emotionalism Fuels Drive to Destroy Nuclear Power." I think they will find it informative and food for future thought.

Mr. President, I ask unanimous consent that this article from the April 29, 1979, Idaho Statesman be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EMOTIONALISM FUELS DRIVE TO DESTROY NUCLEAR POWER

(By Steve Ahrens)

Just for the sake of argument, let's suppose I have somehow invented a wondrous machine which will make it possible for our society to improve our standard of living beyond our wildest flights of fancy.

It can be used to save lives, to enable us to produce and exchange goods and services all over the country, to create jobs, enrich our educational and recreational opportunities, and in general expand our social horizons past anything the world has ever witnessed.

Yet, as the inventor, I must admit my machine has some drawbacks, too.

For example, mining the raw materials to produce and operate this machine will cause some environmental disturbance. The machine's operation will create some air pollution, which may become a serious problem in certain concentrated population centers.

And the machine has its dangers to operators. While it allows us to do fantastic things our forefathers never dreamed of, accidents involving the use of my machine could kill perhaps 1.8 million people over a 65-year period.

Well, assuming that word of my invention did not cause Ralph Nader to die of apoplexy on the spot, can you imagine his screams of wounded outrage? Can you picture his feverish efforts to keep my machine out of production?

My invention, of course, is hypothetical, but the invention of the automobile is real enough. It is in fact a miracle machine that has become the basis for much of the development of our society, yet at a certain cost in human lives and environmental quality.

The National Safety Council says about 52,000 people died on American highways in 1978, and about 1.8 million since 1913. In other words, our society has paid a price for the use of this invention, but so far apparently considers that the positives outweigh the negatives.

Nuclear power, in its peaceful application, also has miraculous potential. But we are in danger of allowing emotionalism and fear mongering to stifle the development of this valuable tool, and prevent the kind of research that will remove many of the objections to its use.

The paradox of nuclear power is that the main concern is over its safety—yet there has never been a death directly attributable to an accident in a commercial nuclear power generating plant.

(Three workers died on the federal INEL site near Idaho Falls in the early 1960s, but it still is not certain whether that was an accident or sabotage.)

How much safer can an industry be?

If the generation of electricity in nuclear power plants had killed 52,000 people last year, and we were projecting the loss of 53,000 more people this year, then it's an understatement to say we would have a bona fide social argument on our hands as to whether having the energy was worth the loss of life.

Of course, the real concern over nuclear safety is based on two legitimate factors: the potential damage from a nuclear accident, which transcends the consequences of accidents in conventional power plants, and the long life of radioactive materials and wastes.

This concern has been multiplied by a curious juxtaposition of events—the accident at the Three Mile Island nuclear plant in Pennsylvania and release of a movie called *The China Syndrome*, dealing with a fictional nuclear accident.

I would never be so paranoid as to propose that a plant worker was paid to close those safety valves and create a situation so similar to the movie plot that it would draw droves of curious spectators into theaters and cripple the nuclear power industry.

But, many people—reading newspaper headlines in the morning about "Nuclear accident in Pennsylvania," then going to see the movie that night—have begun wondering not how can we improve nuclear safety, but whether we should in fact forget nuclear power production.

The possible consequences for our society of this line of unreasoned thinking are as tragic as the consequences of any potential nuclear accident.

To say we should stop the enormously valuable and necessary use of nuclear power because there are potential dangers is the same as saying we should stop eating because we might get fat and develop some heart problems.

Instead of unconditional surrender, we must through research learn to control the problem in order to maintain the availability of the benefits.

I can't believe a society so technologically advanced that it can split the atom is intellectually incapable of managing the consequences of that feat.

At the moment, it may seem to all of us that progress toward safer handling of nuclear wastes, etc., is painfully or ridiculously slow. But looking back at our time from the vantage point of the future, our children's children may say this was the generation that took the fear factor out of nuclear power.

How much better that we be remembered that way than as the generation whose cowardly refusal to tackle a problem condemned our descendants to energy starvation.

The Three Mile Island event must be kept in context: An accident occurred, but nobody was killed or hurt. Procedures designed to prevent disasters worked. Three Mile Island thus should not become the tombstone for nuclear power.

Instead, the logical and legitimate debate must center on the smaller question of why the accident happened and how it can be prevented from happening again in another nuclear plant—so we can reduce hazards and continue benefiting from nuclear power production.

Friday's temporary closing of nine nuclear plants for safety improvements is an obvious and positive reaction to what happened in Pennsylvania.

Given the perspective of time, we may even discover that the Three Mile Island incident was not as serious as it seemed amid all the excitement of such an unusual occurrence.

In any case, to be frightened away from nuclear power by a movie makes about as much sense as staying out of skyscrapers because of The Towering Inferno, or avoiding luxury liners because of The Poseidon Adventure, or refusing to take the kids to Disneyland because of Earthquake.

China Syndrome made a good movie, but not a convincing treatise on the dangers of nuclear power. Even with the fictional nuclear plant shaking itself to pieces around Jane Fonda's beautiful ears (because of human, not mechanical, error), built-in safety measures worked to shut down the plant without death or injury—except what a trigger-happy SWAT team goon caused.

All the movie "proved" was that you've got to worry about people, not machinery—and I don't have any answers for that problem.

The danger of the movie is that it may distort discussion of the real safety problems associated with current nuclear technology, and unnecessarily delay or stop refinement of a power source that can bridge the gap between today's energy situation and development of an ultimate energy source, such as hydrogen fusion or a safe breeder reactor technology.

If we are to turn our backs on such a plentiful source of energy as nuclear power, that decision must be made on much more rational grounds than a celluloid propaganda piece (which the author admits it was) staged by such avowed nuclear foes as Fonda, Jack Lemmon and Michael Douglas.

Instead of being a source of concern, the nuclear industry's safety record has been little short of amazing. The protection provided by current safety measures gives the industry time to accelerate efforts toward other improvements and to work out ways of dealing with waste storage problems.

As with the automobile, nuclear power has too much to offer our society for us to do less than our best in learning to live with it.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC–1292. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to further the rationalization, standardization, interoperability, readiness, and effectiveness of the land, air, and naval forces of the North Atlantic Treaty Organization countries; to the Committee on Armed Services.

EC–1293. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, a proposed regulation and accompanying economic impact analysis that was issued for comment by the Board on April 26, 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC–1294. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the activities of the Coast Guard for calendar year 1978; to the Committee on Commerce, Science, and Transportation.

EC–1295. A communication from the Under Secretary of Energy, reporting, pursuant to law, that the Department has determined that 1,700 vehicles cannot be added to the Electric and Hybrid Vehicle Project during fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC–1296. A communication from the Secretary of Commerce, transmitting, pursuant to law, its annual forecast of prospects for the Nation's industries; to the Committee on Commerce, Science, and Transportation.

EC–1297. A communication from the Under Secretary of Energy, transmitting, pursuant to law, a report entitled "Export Potential for Photovoltaic Systems," April 1979; to the Committee on Energy and Natural Resources.

EC–1298. A communication from the Secretary of the Interior, transmitting, pursuant to law, its annual report on the Anthracite Mine Water Control and Mine Sealing and Filling Program; to the Committee on Energy and Natural Resources.

EC–1299. A communication from the Secretary of Transportation and the Administrator, Environmental Protection Agency, transmitting, pursuant to law, a report on carbon monoxide intrusion into sustained-use vehicles; to the Committee on Environment and Public Works.

EC–1300. A communication from the Federal Cochairman, Coastal Plains Regional Commission, transmitting, pursuant to law, its annual report covering the period October 1, 1977 to September 30, 1978; to the Committee on Environment and Public Works.

EC–1301. A communication from the Federal and State Cochairmen, Southwest Border Regional Commission, transmitting, pursuant to law, its annual report for fiscal year 1978; to the Committee on Environment and Public Works.

EC–1302. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the 2001 Bryan Tower Building, Dallas, Texas; to the Committee on Environment and Public Works.

EC–1303. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Desalting Water Probably Will Not Solve the Nation's Water Problems, But Can Help," May 1, 1979; to the Committee on Environment and Public Works.

EC–1304. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the administration of the Marine Protection, Research, and Sanctuaries Act, for calendar year 1978; to the Committee on Environment and Public Works.

EC–1305. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, reports prepared by the International Bank for Reconstruction and Development (IBRD) and the Asian Development Bank (ADB); to the Committee on Foreign Relations.

EC–1306. A communication from the Chairman, Tennessee Valley Authority, reporting, pursuant to law, with supplemental information relating to their report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1307. A communication from the Acting Chairman, Commodity Futures Trading Commission, transmitting, pursuant to law, a report relating to the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC–1308. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of financial statements of the Export-Import Bank of the United States for fiscal year 1978; to the Committee on Governmental Affairs.

EC–1309. A communication from the Controller, Boys' Clubs of America, transmitting, pursuant to law, their audited financial report for the year ending December 31, 1978; to the Committee on the Judiciary.

EC–1310. A communication from the Executive Officer, Freedom of Information Officer, United States Environmental Protection Agency, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–1311. A communication from the Acting Administrator, General Services Administration, transmitting, pursuant to law, a report relating to the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC–1312. A communication from the Associate Director, Public Relations, Boy Scouts of America, transmitting, pursuant to law, a report of its proceedings for the year ending December 31, 1978; to the Committee on Labor and Human Resources.

EC–1313. A communication from the Chairman, Equal Employment Opportunity Commission, transmitting, pursuant to law, its annual report for the fiscal year ending September 30, 1976; to the Committee on Labor and Human Resources.

EC–1314. A communication from the Chairman, Board of Directors, Pension Benefit Guaranty Corporation, transmitting a draft of proposed legislation to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled over pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the chairman of the board of directors, Pension Benefit Guaranty Corp., transmitting draft legislation to amend ERISA and the Internal Revenue Code, be jointly referred to the Committee on Finance and Labor and Human Resources.

Mr. STEVENS. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM–197. A concurrent resolution adopted by the Legislature of the State of South Carolina; to the Committee on Governmental Affairs:

"CONCURRENT RESOLUTION

"Whereas, on March 1, 1979, President Carter announced a reorganization plan which will include the creation of a new Department of Natural Resources; and

"Whereas, the Forest Service and portions of the Soil Conservation Service of the United States Department of Agriculture would be transferred to this new department and additionally the business and loan activities of the Farmers Home Administration would be merged into a new development financing program to be handled by the Commerce Department's Economic Development Administration; and

"Whereas, Congress, under the Reorganization Act, has sixty days to reject these proposals or they automatically take effect; and

"Whereas, conservation districts, state soil conservation agencies, land grant universities, and other units of state and local government have closely established working relationships with existing USDA agencies that should not be disrupted by organizational shifting at the national level; and

"Whereas, USDA programs have demonstrated success because of their highly decentralized pattern of administration, one which is designed to be flexible enough to respond to the myriad of natural resource conditions on both public and private lands; and

"Whereas, unless the Congress in examining these proposals is able to ascertain cost savings which are not now readily apparent, which cost savings will increase efficiency and eliminate unnecessary expenses, the members of the General Assembly believe that this reorganization proposal should be rejected by Congress. Now, therefore,

"*Be it resolved by the Senate, the House of Representatives concurring:* That the members of the General Assembly hereby memorialize Congress to reject the reorganization plan of President Carter which would transfer the Forest Service and portions of the Soil Conservation Service and other farm programs from the Department of Agriculture to a new Department of Natural Resources and to other federal departments.

"*Be it further resolved* that copies of this resolution be forwarded to the President of the United States to each United States Senator from South Carolina, each member of the House of Representatives of Congress from South Carolina, the Senate of the United States and the House of Representatives of the United States."

POM–198. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Foreign Relations:

"CONCURRENT RESOLUTION

"Whereas, it is a reprehensible policy that would assume that the moral obligation for the mass murder of over 11,000,000 innocent victims of the "Holocaust" can be eliminated by the passage of time; and

"Whereas, the statute of limitations of the German Federal Republic relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

"Whereas, if such statute of limitations does expire, no investigation of murder, including genocide, committed by Nazi war criminals can be initiated after that date; and

"Whereas, if such statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

"Whereas, crimes of lesser horror than mass murder and genocide are subject to no statute of limitations either in Indiana or in numerous other jurisdictions; and

"Whereas, it is in the interest of all free people that new generations not be allowed to forget the dangers and consequences of the crime of genocide; and

"Whereas, an international campaign to convince the German Federal Republic to eliminate or extend the current statute of limitations has been initiated by a broad base of concerned organizations and individuals: therefore,

"*Be it resolved by the Senate of the General Assembly of the State of Indiana, the House of Representatives concurring:*

"SECTION 1. That the government of the United States urge the German Federal Republic and the legislators of that nation to abolish or extend the statute of limitations relating to Nazi war crimes.

"SEC. 2. That the General Assembly requests that the President and Secretary of State of the United States communicate the contents of this resolution on behalf of the people of Indiana to the following officials of the German Federal Republic: the President, the Chancellor, the Ambassador to the United States, Chief Justice of the Supreme Court, and the national legislators.

"SEC. 3. That the Secretary of the Senate is directed to transmit copies of this resolution to the President of the United States, to the Secretary of State, to the Speaker of the House of Representatives, to the Majority Leader of the Senate, to the Chairman, Senate Foreign Relations Committee, to the National Security Council members, and to each Senator and Representative from Indiana in the Congress of the United States."

POM–199. A resolution adopted by the Legislature of the State of Washington; to the Committee on Governmental Affairs:

"SENATE RESOLUTION

"Whereas, the postmark for the City of Olympia has great historical significance since Olympia is the capital of the State of Washington; and

"Whereas, in an attempt to increase efficiency, the United States postal service is considering terminating the use of the Olympia postmark; and

"Whereas, the praiseworthy goal of increased efficiency conflicts with the less tangible but more important goals of strengthening citizens' ties with their local communities, citizens' pride in their past, and our children's sense of stability and continuity;

"Now, therefore, be it resolved, By the Senate of the State of Washington, That the Senate shares and supports the concern and interest of the present and future citizens of the State of Washington in the continued use of the Olympia postmark; and

"Be it further resolved, That the President of the Senate of the State of Washington immediately transmit copies of this resolution to the mayor of the City of Olympia, Washington, the Postmaster General, the President of the United States Senate, the Speaker of the United States House of Representatives, and each member of Congress from the State of Washington."

POM–200. A joint resolution adopted by the Legislature of the State of Wisconsin; to the Committee on Finance:

"1979 ASSEMBLY JOINT RESOLUTION 44

"Whereas, dairy farming and the cheese industry is crucial to the economic well-being of Wisconsin farmers and citizens; and

"Whereas, domestic cheese producers are at a competitive disadvantage because of higher costs and more stringent production and inspection standards which result in a safer and more wholesome product but also increase the price; and

"Whereas, American dairy farmers and cheese producers are entitled to protection from unfair competition; now, therefore, be it

"*Resolved by the assembly, the senate concurring,* That the Wisconsin legislature strongly urges the congress and President of the United States to restrict cheese imports; and, be it further

"*Resolved,* That duly attested copies of this resolution be transmitted to all members of congress from this state, the President, the secretary of the U.S. senate, the chief clerk of the U.S. house of representatives and the U.S. secretary of agriculture."

POM–201. A joint resolution adopted by the Legislature of the State of North Carolina; to the Committee on Foreign Relations:

"SENATE JOINT RESOLUTION 272

"Whereas, it is reprehensible policy that would assume that the moral obligation for the mass murder of over 11,000,000 innocent victims of the "Holocaust" can be eliminated by the passage of time; and

"Whereas, the statute of limitations of the German Federal Republic relating to Nazi war criminals is scheduled to expire on December 31, 1979; and

"Whereas, if such statute of limitations does expire, no investigation of murder including genocide, committed by Nazi war criminals can be initiated after that date; and

"Whereas, if such statute of limitations does expire, thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice; and

"Whereas, crimes of lesser horror than mass murder and genocide are subject to no statute of limitations either in North Carolina or in numerous other jurisdictions; and

"Whereas, it is in the interest of all free people that new generations not be allowed to forget the dangers and consequences of the crime of genocide; and

"Whereas, an international campaign to convince the German Federal Republic to eliminate or extend the current statute of limitations has been initiated by a broad base of concerned organizations and individuals;

Now, therefore, be it resolved by the Senate, the House of Representatives concurring:

"SECTION 1. The Congress and the President should urge the German Federal Republic to abolish or extend the statute of limitation relating to Nazi War Criminals.

"SEC. 2. Copies of this resolution shall be sent to President Jimmy Carter, Secretary of State Cyrus Vance, to the Clerk of the United States House of Representatives, to the Secretary of the United States Senate, and to the North Carolina Congressional Delegation.

"SEC. 3. The General Assembly requests that the President and Secretary of State of the United States transmit this joint resolution to the following officials of the German Federal Republic: the President, the

Chancellor, and the Ambassador to the United States.

"SEC. 4. This resolution is effective upon ratification.

In the General Assembly read three times and ratified this the 24th day of April, 1979."

POM-202. A resolution adopted by the Legislature of the State of Hawaii; ordered to lie on the table:

"H.R. No. 435

"Whereas, the discovery of rich beds of manganese nodules 600 to 1,000 miles southeast of Hawaii is a matter of significant concern to the United States including Hawaii; and

"Whereas, manganese nodules which are potato-sized metal oxides concretions that have grown on the seafloor, are highly valued for their manganese, copper, nickel, cobalt, and other mineral content; and

"Whereas, the United States currently imports 100 per cent of its cobalt (used in high strength steel alloys), 99 per cent of its manganese (essential in manufacture of steel), 90 per cent of its nickel (used in the manufacture of stainless steel), and approximately 30 per cent of its copper (used in electrical equipment and in plumbing supplies) from foreign sources; and

"Whereas, manganese nodule mining could significantly reduce our nation's dependency on overseas sources and help to reduce our currently unfavorable balance of payments; and

"Whereas, deep sea mining for the nodules would also benefit Hawaii because of Hawaii's proximity to the prospective mining sites and the opportunity to develop a major new manganese nodule industry; and

"Whereas, however, a major impediment to seabed mining has been the question of ownership of the manganese nodules and the regulation of nodule mining; and

"Whereas, while major United States corporations including Kennecott Copper, United States Steel, and Lockheed, among others, have already invested many millions of dollars to design and test prototype mining operations, these corporations are reluctant to continue investing additional funds because of uncertainties regarding the regulation of seabed mining; and

"Whereas, it has been American policy first enunciated by former Secretary of State Henry Kissinger to seek international agreements to regulate seabed use through the United Nations' Conference on the Law of the Sea and the United States has participated in seven successive Law of the Sea Conference since 1973; and

"Whereas, however, a committee called the "Group of 77" (representing the underdeveloped world) has made such extreme demands for the control of seabed mining that no agreements have been possible; and

"Whereas, in December 1978, legislation was introduced in the West German Parliament that would allow German licensing of seabed mining; and

"Whereas, similar American legislation for unilateral licensing of seabed mining was considered in the United States Congress in 1978 and was passed by the United States House of Representatives but was defeated in the United States Senate by just one vote; and

"Whereas, the legislation was designed as an interim measure that would have protected American interests until the United Nations enacted an international treaty; and

"Whereas, Ambassador Elliot L. Richardson, head of the United States delegation to the United Nations' Conference on Law of the Sea had supported the defeated legislation in Congress that would have permitted United States mining companies to proceed with deep sea mining with or without an international treaty because of 'the long lead time required to put expensive mining systems in operation'; and

"Whereas, in view of the need to secure future supplies of essential metals for the United States and to protect American interest regarding manganese nodule mining, there is a compelling national need to go forward with legislation for unilateral licensing of seabed mining; now, therefore,

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, that the Hawaii delegation to the United States Congress is respectfully requested to support any legislation that will enable manganese nodule consortia to proceed with their mining operations; and

"Be it further resolved that certified copies of this Resolution be transmitted to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, each member of the Hawaii delegation to the United States Congress, and to each member of the international consortia involved in seabed mining of manganese nodules."

POM-203. A concurrent resolution adopted by the Legislature of the State of Hawaii; to the Committee on Banking, Housing, and Urban Affairs:

"H.C.R. No. 22

"Whereas, the reserve requirements of the Senate and House bills that are now being considered by the 96th Congress would have far more negative effect upon the banking industry of Hawaii than upon that of any other state; and

"Whereas, Hawaii, by virtue of its great capital needs and its short capital supplies, is less able than other states to stand the impact of having its banks' lendable funds reduced by such reserve requirements; and

"Whereas, a combination of these factors would cause severe hardship on the Hawaiian economy; and

"Whereas, the distance of Hawaii from the mainland United States makes it difficult and unnecessary for banks in Hawaii to integrate their operations into a national banking system; and

"Whereas, the geographic isolation of offshore areas of the United States has been and in many ways still continues to be recognized in the banking laws of the country; now, therefore,

"Be it resolved by the House of Representatives of the Tenth Legislature of the State of Hawaii, Regular Session of 1979, the Senate concurring, that the Congress of the United States is requested to exempt Hawaii's banks from the reserve requirement provision of any Federal Reserve membership legislation which it should pass; and

"Be it further resolved that certified copies of this Concurrent Resolution be transmitted to the Speaker of the House of Representatives, the President of the Senate of the United States, the respective chairmen of the United States Senate and House Banking Committees, and to each member of Hawaii's delegation to the United States Congress."

POM-204. A resolution adopted by the Municipal Council of the city of Newark, N.J., designating the week of May 28 through June 3, 1979, "Vietnam Veterans' Week"; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIBICOFF, from the Committee on Governmental Affairs:

Special report entitled "Activities of the Committee on Governmental Affairs" (Rept. No. 96-112).

By Mr. CHURCH, from the Committee on Foreign Relations, with amendments:

S. 1007. A bill to authorize supplemental international security assistance for fiscal year 1979 in support of the peace treaty between Egypt and Israel and related agreements, and for other purposes (together with additional views) (Rept. No. 96-113).

Mr. CHURCH. Mr. President, in filing the Senate Foreign Relations Committee's report (Senate Rept. 96-113) on S. 1007, the Special International Security Assistance Act of 1979, I ask unanimous consent that a letter from Secretary of State Cyrus Vance to me on the cost of four Middle East wars be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF STATE,
Washington, D.C., April 23, 1979.

Hon. FRANK CHURCH,
Chairman, Senate Foreign Relations Committee, U.S. Senate.

DEAR FRANK: In my testimony before the SFRC on April 10, I was asked a number of questions on the relative costs of peace and war in the Middle East. Answering this sort of question is bound to be very difficult, partly because much of the price paid cannot be translated into economic terms, and even real economic costs are so widely diffused that identifying them is sometimes problematic. I enclose, nonetheless, a study we have done which will help answer some of these questions.

At the same time, I find it hard to discuss the costs of war without making some reference to the terrible human price that had to be paid. It has been estimated that, since 1948, Middle East wars have resulted in more than 115,000 Arab and 40,000 Israeli military casualties. The Lebanese civil war and the Jordan civil war, both of which had their roots in the Arab-Israeli conflict, may have resulted in another 75,000 and 10,000 deaths, respectively. And these figures do not take into account the continuing casualties of terrorism and retaliatory military action.

I hope this helps to support the point that we all know instinctively is true: that war in the Middle East is in any terms enormously more expensive than peace.

Sincerely,

CYRUS VANCE.

COSTS OF WAR IN THE MIDDLE EAST

The almost immeasurable costs of war dwarf the costs of waging peace in the Middle East. It is virtually impossible to capture in a single sum the total cost to the U.S. of the four wars in the Middle East, however, since the indirect costs of war spread out too widely. The problem of looking to the future is even more difficult—one cannot begin to measure the potential costs of a great power confrontation or the effects of disruption of oil production on the U.S. and our major trading partners.

Nonetheless, one can get a sense of the burden the U.S. has shouldered from the following illustrative figures.

Immediately after the 1973 war, the U.S. Congress appropriated $2.2 billion to replace Israeli battlefield losses. Because these were entirely grant funds, the total budgetary impact of that appropriation was greater than that of the package now being presented to Congress in the wake of the Egypt-Israel peace treaty.

Since the 1973 war, Israel has received over $5 billion in military equipment from the U.S. The war forced Israel into a massive military expansion and modernization program. Against the background of a U.S. military supply program that peaked at $85 million following the 1967 war, the U.S. program has risen to $1 billion per year.

The immediate cost to the U.S. economy of the 1973–74 oil embargo alone has been estimated at $15 billion. The cumulative cost since then of higher oil prices to the U.S. is probably in the neighborhood of $300 billion. Even if only one-tenth or one-twentieth of these accelerated price increases could be directly ascribed to the 1973 war and the embargo, it would reflect another $15–$30 billion in war-related costs.

Since nations always need the basic means of self-defense, not all U.S. military assistance to Israel or other Middle Eastern countries is directly caused by the Arab-Israeli wars. But the figure is clearly higher because of the conflict. Over the last 30 years we have provided to Israel $9.9 billion in military assistance, and to Jordan, $.39 billion.

To promote stability in this troubled region, the U.S. contributed over $13 billion in direct economic assistance to the nations of the Middle East, bringing the total of direct U.S. aid to the region to $25.479 billion.

To help persons displaced by the Middle East wars, the United Nations Refugee Works Agency has spent more than $1.6 billion, of which the United States contributed $.8 billion.

It has cost $.8 billion to provide UN peacekeeping forces over the last 30 years, of which the United States contributed almost $.3 billion.

Middle Eastern wars have also profoundly affected the economies of Europe, Japan, and the developing world, as well as the international monetary systems. While we cannot accurately count the costs to the U.S. economy stemming from these disruptions, they certainly influence our economy in very important ways.

This is by no means an exhaustive list of the costs of the four Middle Eastern wars to the U.S., but the total of these items alone comes to something between $55 billion and $70 billion.

By Mr. PROXMIRE, from the Committee on Banking, Housing and Urban Affairs without amendment:

S. Res. 145. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 348, S. 613, and S. 631. Referred to the Committee on the Budget.

By Mr. CHURCH, from the Committee on Foreign Relations without amendment:

S. Res. 146. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1007. Referred to the Committee on the Budget.

By Mr. MELCHER, from the Committee on Energy and Natural Resources with an amendment and an amendment to the title:

S. 967. A bill to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment (Rept. No. 96–114).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. JEPSEN:

S. 1056. A bill for the relief of Artemio C. Santiago, M.D. and Josefina Santiago, husband and wife; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1057. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone, for 10 months the date on which the corporation must pay benefits under terminated multiemployer plans; to the Committee on Finance and the Committee on Labor and Human Resources, jointly by unanimous consent.

By Mr. GRAVEL (for himself, Mr. NELSON, Mr. HATFIELD Mr. HEINZ, Mr. LEAHY Mr. STEWART, Mr. DOMENICI, Mr. LEVIN, and Mr. HART):

S. 1058. A bill to preserve jobs and stabilize communities by facilitating employee or employee-community ownership of concerns that would otherwise close down move out of the community or be sold by existing owners to unrelated outside interests and to promote broadened stock ownership of such concerns through employee stock ownership plans, general stock ownership plans, and other broadened ownership plans, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. STENNIS:

S. 1059. A bill for the relief of Michael Ernst Weiss and Anneliese Weiss, husband and wife, and Peter Weiss, Ole Weiss, Max Weiss, their sons; to the Committee on the Judiciary.

By Mr. CHILES (for himself, Mr. DOMENICI, Mr. CHURCH, Mr. MELCHER, Mr. PRYOR, Mr. STONE, Mr. BRADLEY, Mr. BURDICK, and Mr. GLENN):

S. 1060. A bill to amend the Food Stamp Act of 1977 to provide for a deduction for excess allowable medical expenses for households having a member who is sixty years of age or older; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON:

S. 1061. A bill to amend the Uniform Time Act of 1966 to provide that daylight saving time shall begin each year on the last Sunday in February rather than the last Sunday in April; to the Committee on Commerce, Science, and Transportation.

By Mr. LONG (for himself and Mr. DOLE):

S. 1062. A bill to simplify certain provisions of subtitle F of the Internal Revenue Code of 1954; to the Committee on Finance.

S. 1063. A bill to amend section 453(b) of the Internal Revenue Code of 1954 to simplify the rules relating to certain installment sales; to the Committee on Finance.

By Mr. MORGAN:

S. 1064. A bill to amend and extend title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. McGOVERN (for himself, Mr. DOLE, Mr. MELCHER, Mr. RANDOLPH, and Mr. TSONGAS):

S.J. Res. 70. Joint resolution to establish a Commission on Literacy; to the Committee on Governmental Affairs.

By Mr. CULVER (for himself, Mr. JOHNSTON, Mr. LEAHY, Mr. McGOVERN, Mr. PERCY, Mr. BURDICK, Mr. MATHIAS, Mr. STEVENSON, Mr. PELL, Mr. MOYNIHAN, Mr. WALLOP, and Mr. PRESSLER):

S.J. Res. 71. Joint resolution to authorize and request the President to proclaim the week of May 6 through 12, 1979, as "National Historic Preservation Week"; considered and passed.

By Mr. JACKSON (by request):

S.J. Res. 72. Joint resolution consenting to an extension and renewal of the Interstate Compact to Conserve Oil and Gas; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. JEPSEN:

S. 1056. A bill for the relief of Artemio C. Santiago, M.D., and Josefina Santiago, husband and wife; to the Committee on the Judiciary.

Mr. JEPSEN. Mr. President, today I am introducing a bill for the relief of Artemio C. Santiago, M.D., and Josefina Santiago.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1056

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of paragraphs (14) and (32) of section 212(a) and section 212(e) of the Immigration and Nationality Act, for purposes of such Act, Artemio C. Santiago, M.D. and Josefina Santiago, husband and wife, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the required numbers, during the current fiscal year or the fiscal year next following, the total number of immigrant visas and conditional entries which are made available to natives of the country of the aliens' birth under paragraphs (1) through (8) of section 203(a) of such Act.

By Mr. WILLIAMS (for himself and Mr. JAVITS):

S. 1057. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone, for 10 months, the date on which the corporation must pay benefits under terminated multiemployer plans; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

TERMINATION INSURANCE FOR MULTIEMPLOYER PLANS

Mr. WILLIAMS. Mr. President, I am today introducing legislation to extend, for a period of 10 months, the discretion of the Pension Benefit Guaranty Corporation to guarantee payment of pensions to employees of multiemployer plans which terminate.

This delay is necessary because the period of discretionary coverage is due to end on June 30 of this year.

When the Employee Retirement Income Security Act of 1974 was enacted, multiemployer plans were given a period of discretionary termination insurance coverage—coverage which was to expire on December 31, 1977. At the urging of the PBGC and union and employer groups alike, the Congress in December of 1977 extended this period for an additional 18 months. The extension legislation also directed the PBGC to thoroughly study the problems posed by mandatory insurance for both terminating multiemployer plans and the PBGC under title IV of ERISA, and to report to the Congress recommendations for substantive changes in the law by July 1, 1978.

The PBGC's study was completed last summer, but it is only this week that the administration is forwarding to the Congress its proposed substantive amendments. The time remaining before July 1 is simply too short for Congress to consider and enact changes in this complex and important area of the law.

Indeed, Mr. President, I foresaw this difficulty and tried to speed up the process by urging PBGC Chairman Ray Marshall to present this legislation last November. Unfortunately, I was not successful. Quite clearly, the Congress is not now fully informed, let alone in a position to enact substantive changes in title IV. As a practical matter, we have the same two choices now as we had in the fall of 1977. If we do nothing and let the discretionary coverage period expire on June 30, the PBGC will be required by law to cover any multiemployer plan termination which occurs, thus running the risk of precipitating many terminations, bankrupting the PBGC multiemployer fund, and forcing Congress to legislate in a crisis situation. Or, as I am proposing, we can once again extend the discretionary period to give us time to consider sensible and positive changes that will make termination insurance a workable reality for employees covered by multiemployer plans.

After conferring with many interested and knowledgeable people, in and out of Government, as well as colleagues in the Senate and the House, I have concluded that a postponement of 10 months, or until May 1, 1980, will provide a period of time long enough for Congress to carefully consider the proposed legislation, yet short enough to be sure that this subject is kept on the "front burner." Indeed, I will shortly be announcing hearings on the administration's proposals to be conducted by the Committee on Labor and Human Resources.

Mr. President, I now ask unanimous consent that the text of my extension bill be printed in the RECORD, followed by the correspondence between Senator JAVITS and myself and PBGC Chairman Ray Marshall on this subject.

There being no objection, the bill and letters were ordered to be printed in the RECORD, as follows:

S. 1057

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4082(c) of the Employee Retirement Income Security Act of 1974 (relating to effective dates; special rules), as amended by P.L. 95-214, is further amended—

(1) by striking "July 1, 1979" in paragraphs (1), (2) and (4) and substituting "May 1, 1980" in each such paragraph; and

(2) by striking "June 30, 1979" in paragraphs (2)(B) and (4)(D) and substituting "April 30, 1980" in each such paragraph.

COMMITTEE ON HUMAN RESOURCES,
Washington, D.C., August 22, 1978.

Hon. RAY MARSHALL,
Chairman of the Board of Directors, Pension Benefit Guaranty Corporation, U.S. Department of Labor, Washington, D.C.

DEAR MR. CHAIRMAN: As you know, the Senate Appropriations Committee Report to accompany H.R. 13467, the Second Supplemental Appropriations Bill, 1978, refers to the June 30, 1978 PBGC reports on problems associated with the multiemployer plan termination insurance program and the contingent employer liability insurance program, and directs the Corporation to submit specific legislative recommendations to Congress by no later than November 1, 1978 (S. Rept. No. 95-1061, August 1, 1978, p. 41).

That directive was incorporated in the Report after consultations between the Appropriations and Human Resources Committees, and is perfectly consistent with our views.

We fully recognize the difficulty of presenting an Administration position and recommendations on these complicated issues by November 1, 1978, but given the July 1, 1979 deadline in P.L. 95-214, we believe that it is absolutely necessary to have Administration recommendations as soon as possible. In our view, those recommendations will provide the Congress and the public with a focus for careful, informed debate and discussion.

Receipt of the report on November 1, 1978 will provide enough opportunity for study and consideration before the 96th Congress convenes to enable us to move rapidly ahead beginning early in 1979.

Sincerely,

HARRISON A. WILLIAMS, Jr.,
Chairman.

JACOB K. JAVITS,
Ranking Minority Member.

PENSION BENEFIT GUARANTY CORPORATION,
Washington, D.C., September 19, 1978.

Hon. HARRISON A. WILLIAMS,
Chairman, Committee on Human Resources, U.S. Senate, Washington, D.C.

Hon. JACOB K. JAVITS,
Ranking Minority Member, Committee on Human Resources, U.S. Senate, Washington, D.C.

DEAR CHAIRMAN WILLIAMS AND SENATOR JAVITS: I have given careful thought to your joint letter expressing your views on the need for specific legislative recommendations concerning multiemployer plan termination insurance and contingent employer liability insurance by November 1, 1978.

As you point out, it is absolutely necessary that there be adequate time for study and discussion of Administration proposals in advance of July 1, 1979. You have my personal commitment that PBGC will fully devote its resources to these projects. I do not believe, however, that we can meet a November 1, 1978 deadline. We will make every effort to provide you with our recommendations as soon as possible.

We would, of course, be delighted to provide you with whatever information you may wish to have with regard to technical and factual matters. In this regard, we will continue to give Congressional staff full cooperation in their work of preparing for legislative action.

I want you to know that I sincerely appreciate your expressions of continuing concern relating to the problem of making workers' pensions more secure, because I share that concern. I look forward to continuing to work closely with you to accomplish that objective.

Sincerely,

RAY MARSHALL,
Chairman, Board of Directors.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the bill be jointly referred to the Committee on Labor and Human Resources and the Committee on Finance.

Mr. ROBERT C. BYRD. Mr. President, the joint referral of the bill S. 1057, a bill to amend the Employees Retirement and Income Security Act, to the Finance and Human Resources Committees has been cleared with the chairman of the two committees and with the minority leadership and majority leadership.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, today I am cosponsoring a bill with Senator WILLIAMS which would delay for 10 months the Pension Benefit Guaranty Corporation's—PBGC—mandatory insurance coverage of terminated multiemployer plans under the Employee Retirement Income Security Act of 1974—ERISA. The bill would extend the present date for commencement of mandatory coverage from July 1, 1979, to May 1, 1980.

Although I believe such a delay is necessary under the present circumstances, I am greatly disappointed that the administration has not acted with greater dispatch and urgency in developing its legislative amendments to title IV of ERISA. On August 4, 1977, I introduced the first delay bill for mandatory coverage because of information I had received that a number of financially-troubled multiemployer plans intended to terminate on January 1, 1978, thereby endangering the solvency of the Federal insurance program. January 1, 1978, was the first day when the PBGC would have been required to guarantee the payment of benefits provided under multiemployer plans which terminated. Legislation was enacted in December 1977, delaying mandatory coverage for 18 months until July 1, 1979. The PBGC was instructed to do a comprehensive study of the problem and to report back to the Congress with recommendations on July 1, 1978.

The report which the PBGC submitted to the Congress was comprehensive, but it failed to state the administration's recommendations for making the multiemployer plan termination insurance program workable. In an August 22, 1978, letter to Chairman Marshall, Senator WILLIAMS and I requested that the administration's recommendations be sent to the Congress by November 1, 1978, so that there would be ample time for congressional deliberation on the proposals. Only in late February of this year did the PBGC issue a policy statement containing general recommendations for amending ERISA. It is my understanding that the statutory language will finally be available this week, just 2 months before the July 1, 1979, deadline.

Because of the complexity of the issues, Mr. President, and the short period of time before the July 1 deadline, I must join to propose that the Congress delay for 10 months the date when PBGC's coverage becomes mandatory. I realize that further delay will continue the uncertainty of employees and employers involved with multiemployer plans, but I believe the Congress needs at the most 1 additional year to deal responsibly with the forthcoming legislative amendments. I consider amending the multiemployer plan termination insurance program one of our highest legislative priorities in the 96th Congress, and I urge the administration and my colleagues to give this subject their closest attention.

By Mr. GRAVEL (for himself, Mr. NELSON, Mr. HATFIELD, Mr. HEINZ, Mr. LEAHY, Mr. STEWART, Mr. DOMENICI, Mr. LEVIN, and Mr. HART):

S. 1058. A bill to preserve jobs and stabilize communities by facilitating employee or employee-community ownership of concerns that would otherwise close down, move out of the community or be sold by existing owners to unrelated outside interests, and to promote broadened stock ownership of such concerns through employee stock ownership plans, general stock ownership plans, and other broadened ownership plans, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

VOLUNTARY BROADENED STOCK OWNERSHIP, JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

• Mr. GRAVEL. Mr. President, I am pleased to introduce, along with eight of my colleagues, the Voluntary Broadened Stock Ownership, Job Preservation and Community Stabilization Act. This legislation proposes to address the problem of unemployment generated by plant closings through the establishment of mechanisms to provide employee or employee/community ownership of such firms.

It is becoming clear that plant shutdowns are a major source of unemployment among our Nation's workforce. According to the United Auto Workers, the State of Michigan lost more than 200,000 jobs to plant shutdowns between 1966 and 1976. Since 1960, New England has lost 9 percent of its manufacturing unemployment. Similarly, the Midwest has suffered a loss of 13 percent of its manufacturing employment over the same period. In Watsontown, Pa., last year Zenith decided to phase out 1,000 jobs at the U.S. color TV plant in a community of 5,000 people. Ohio, the scene of another massive shutdown of Youngstown Sheet & Tube affecting 5,000 workers, lost over 10 percent of its manufacturing employment in the same period.

Not only do plant shutdowns create unemployment, but they are exceedingly costly to all levels of government. It has been estimated that the plant shutdown in Youngstown, Ohio, will cost $70 to $75 million in trade adjustment, welfare, general relief, income tax loss, property tax loss, and sales tax loss over the first 3 years.

Finally, shutdowns threaten the social fabric of the affected community in a very basic manner. In conjunction with the loss of employment, there are a variety of consequences such as strains on marriage and family life, increased depression, alcoholism, and alienation, as well as lost confidence, ambition, and self-respect.

Mr. President, one alternative to this situation is employee or employee/community ownership of the firm which is threatened by a shutdown or relocation. Mechanisms such as the employee stockownership plan and the general stockownership corporation provide a free enterprise, community-based solution to the problem of unemployment and economic dislocation, while simultaneously providing an effective means to increase productivity and provide for capital formation and growth.

A very clear example was brought to the attention of the Senate Finance Committee during hearings conducted in July of 1978. South Bend Lathe is a producer of machine tools founded in 1906 in South Bend, Ind. In 1959, the company was acquired by Amsted Industries, Chicago. In the early 1970's, Amsted became disenchanted with South Bend Lathe, due to poor profit performance, and in 1975 was prepared to dispose of the company at substantially less than book value. It appeared that the prospective buyer would liquidate the division and put some 500 employees out of work. At that point, one of the employees, who is currently chairman and president of the company, became interested in the employee stockownership plan concept. Through the assistance of the Economic Development Administration, the employees of the company established a 100-percent employee stockownership plan whereby the employees immediately became the beneficial owners of South Bend Lathe.

From a financial viewpoint, the acquisition has been a resounding success. South Bend Lathe had 3 profitable years after several unsatisfactory ones under the previous owner and showed a 10-percent profit before taxes in fiscal year 1978. The company's ratio has steadily improved and at June 30, 1978, was 3.2 to 1. As of August 1, 1978, average employee earnings had increased by 45 percent since the ESOP was established and each employee currently has an average of about $6,000 in company stock credited to their ESOP account. In terms of employee motivation, the owners testified that worker productivity had substantially improved.

This success story is not limited to the South Bend example. A recent study prepared for the Economic Development Administration by the University of Michigan examined 30 employee-owned companies and found that such companies are significantly more profitable and experience a higher degree of worker productivity than similar non-employee-owned companies. The EDA report also found increased job satisfaction, lower absenteeism, fewer job grievances, and better communication among workers and managers in employee-owned firms.

The legislation I am introducing today would amend title II of the Public Works and Economic Development Act to provide EDA with the authority to guarantee loans made to employee or employee/community groups seeking to purchase their firms when they would otherwise close, relocate, or have a substantial portion of their stock purchased by an unrelated, outside interest. EDA would be authorized to make a continuous study of firms which may become available for employee ownership and the decision to approve Federal loan guarantees would be based upon a feasibility study of the particular situation. Employee or employee/community organizations must show that they will use the money to purchase the company, that the company is viable or will become viable under employee ownership, and that the distribution of ownership shares will not discriminate against lower paid individuals or against any person on the basis of race, sex, religion, color, or national origin. EDA would further be authorized to provide direct loans for the purpose of securing technical assistance during the early stages of the ownership transfer.

The bill authorizes loans and loan guarantees in the amount of 20 percent of the amount of funds available under title III of the National Public Works and Economic Development Act of 1979. It is the intent of the sponsors of this bill that it be part of the development financing portion of that act and that it be within the amount of funding proposed by the President.

Mr. President, to date EDA has made nine loans under its existing title IX program to establish employee stock ownership plans. However, it is my understanding that the legal mandate of the title IX program is to provide assistance to those communities which are impacted by the effects of disasters, defense realinements, or Government regulations. In the interests of promoting broadened capital ownership, I believe it is important to give EDA a clear legislative mandate in this area, and transfer such activities to the title II business development loan program. Under this title, employee ownership would be treated on an equal basis with any other business activity undertaken by the agency.

Mr. President, while this bill addresses the issue of unemployment created by plant closings, it also speaks to the issue of distribution of capital wealth among our Nation's citizens. Current economic practices address the issue of unemployment and lack of income in terms of transfer payments which require the redistribution of capital through the tax system. Under this system, various income groups within the Nation are placed at odds, arguing over the extent to which productive capital should be withdrawn from the private sector to finance the established system of transfer payments. However, the fundamental question of distribution of capital receives little or no consideration. Currently, only 1 percent of the population controls about 25 percent of our wealth and 5 percent of the population controls about 50 percent of our wealth. Despite the existence of a variety of income transfer programs, little headway has been made in terms of economic equality.

As I see it, the key to both economic health and economic equity lies in spreading the ownership of the productive instruments of our society: the corporations. This legislation, through the promotion of employee stock ownership plans and general stock ownership corporations, will provide a first small step in restoring the health of the free enterprise system.

Mr. President, I would like to thank Senator LONG, chairman of the Finance Committee, for his support in the development of this legislation and thank Senator NELSON, chairman of the Senate Committee on Small Business, for his assistance in preparing this bill.

I ask unanimous consent that the text of the bill be printed in the RECORD together with a section-by-section analysis of the legislation.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1058

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Voluntary Broadened Stock Ownership, Job Preservation and Community Stabilization Act."

"FINDINGS AND DECLARATIONS

"SEC. 2. The Congress hereby finds and declares that—

"(1) unemployment is a serious problem that causes grave economic loss and social suffering to the individuals affected, their families, neighborhoods, communities, and the Nation;

"(2) programs of unemployment insurance alleviate some of the economic loss and social suffering of the unemployed and their families, but such programs are under financial and administrative pressure because unemployment is widespread and the resources of the States and the Nation are greatly taxed in order to provide support for such programs;

"(3) unemployment should be prevented whenever possible by strengthening local initiatives and responsibility, and by helping individuals and communities to use their own resources to solve this problem, and the ravages of unemployment should be ameliorated by providing individuals with an ownership base, in stock of their employers and corporation in their community;

"(4) Federal initiatives to reduce unemployment and its effects should be multifaceted, not limited simply to temporary compensation which does not create jobs nor to job training programs where success is often limited, but should include measures designed to prevent the loss of jobs in the first place, and increase the economic independence of our work force from their current wage-earning capacity, thereby reducing excessive pressure on unemployment compensation and job training programs;

"(5) shutdowns, sales to unrelated outside interests, and the resulting outmigration of industrial, manufacturing, business, and agricultural concerns, cause grave social and economic harm to employees, local communities, and the nation, which even maximum attempts to create new jobs and new concerns can never fully repair;

"(6) experience and research demonstrate that in some cases a transfer to employee, or employee-community, ownership, in the case of concerns being shut down or sold to unrelated outside interests, has saved jobs, maintained viable economic enterprises, and strengthened the local economy and the ability of employees and the community to meet their problems, but that numerous obstacles exist that make it difficult to transfer ownership, save jobs, and stabilize communities;

"(7) the current shortage of capital formation, if allowed to continue into the future, will hamper our national economic growth and promote an already serious inflation.

"(8) the present concentration of capital ownership has created too great a disparity between the 'haves' and the 'have nots', causing a growing lack of identity between our individual citizens and the corporations upon which our society depends for economic growth;

"(9) we are incurring an alarming decrease in individual productivity, exacerbating our national inflation, when this productivity might well be increased if employees had an ownership interest in their business and were motivated to produce increased profitability for a 'common' benefit; and

"(10) it is therefore necessary to provide a national program of Federal support through loans, loan guarantees, and technical assistance to avoid plant shutdowns, sales of companies to unrelated outside interests, or the outmigration of such concerns and the resultant loss of jobs in those cases where the successful continued operation of such concerns is feasible, and to promote in those concerns broadened stock ownership by employees.

"STATEMENT OF PURPOSES

"SEC. 3. (a) It is the purpose of this part to save jobs and to stabilize communities through a voluntary program that will facilitate employee, or employee-community, purchases through employee stock ownership plans or other similar means, of concerns that would otherwise be shut down, sold to unrelated outside interests, or moved out of such communities. Such purchases may be accomplished through employee stock ownership plans, general stock ownership corporations, or other approaches which encourage broadened stock ownership in the concerns involved. The purpose of this part will be accomplished by providing—

"(1) information and assistance to employee, or employee-community groups in order that these groups may understand the option encouraged under this part of purchasing their firm;

"(2) technical assistance to such groups for the purpose of evaluating the economic and social feasibility of purchasing the concern and running a successful operation;

"(3) information and assistance to the current owners of the concern regarding the successful management of a potential voluntary transfer of ownership in order to provide maximum benefit to both the current owners and the employee, or employee-community groups;

"(4) technical assistance to the employee, or employee-community, group on financial, engineering, marketing, legal, and organizational aspects of the transfer; and

"(5) loans to the employee, or employee-community, groups to provide funds for technical assistance and loans and loan guarantees to provide funds for startup and operating costs associated with the purchase of the concern.

"(b) It is a further purpose of this part to support the local tax base by maintaining viable concerns, and to test the value of a Government loan guarantee and technical assistance pilot program to help employees and local communities purchase concerns being shut down or moved out of the communities as an alternative to unemployment insurance and other methods for dealing with unemployment.

"DEFINITIONS

"SEC. 4. For purposes of this part—

"(1) the term 'employee stock ownership plan' means a plan described under service 4975(e)(7) of the Internal Revenue Code of 1954, as amended,

"(2) the term 'general stock ownership corporation' means a corporation described under Section 1391 of the Internal Revenue Code of 1954, as amended,

"(3) the term 'Secretary' means the Secretary of Commerce, acting through the Economic Development Administration;

"(4) the term 'employee', when used with respect to a concern, means all full-time employees at that concern, including managerial employees;

"(5) the term 'concern' means any industrial, manufacturing, business, agricultural, or service organization, including any division or subsidiary thereof, conducting operations, whether for profit or not for profit, which provides employment at a location or locations within a community;

"(6) the term 'State' includes, in addition to the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, the Trust Territory of the Pacific Islands, Guam, American Samoa, the Virgin Islands, and the Northern Mariana Islands;

"(7) the term 'resident' means an individual who meets residency requirements for the purposes of voting in a community;

"(8) the term 'community' means the unit of general purpose local government in which a concern is located and any surrounding area designated by the Secretary, as appropriate, in the case of that concern;

"(9) the term 'organization' means, except for purposes of paragraph (5) of this section, any organization of employees of a concern, or of such employees and/or residents of the community, which meets the requirements of section 5 (c) (2);

"(10) the term 'form of ownership and control' means a form under which an organization is: (A) acquired and owned by the employees under an employee stock ownership plan, (B) acquired and owned jointly by the employees and residents of the community through the combination of an employee stock ownership plan and a general stock ownership corporation, or (C) any other similar form of organization or organizations approved by the Secretary which is consistent with applicable State law and the purposes of this Act, and under which an opportunity for participation and ownership is provided to all eligible individuals in conformity with the requirements, as applicable, of section 410 of the Internal Revenue Code of 1954, as amended, and section 1391 of the Internal Revenue Code of 1954, as amended;

"FEDERAL ASSISTANCE TO BROADENED STOCK OWNERSHIP, VOLUNTARY JOB PRESERVATION AND COMMUNITY STABILIZATION PROJECTS

"SEC. 5. (a) The Secretary shall conduct a continuing investigation throughout the States in order to identify concerns which are in danger of ceasing operation or of outmigration and where, in such event, there will result substantial unemployment and economic dislocation to the community. In conducting this investigation, the Secretary shall seek the voluntary assistance of concerns and of appropriate State and local agencies, including assistance, wherever possible, by means of advance notification to the Secretary regarding potential shutdowns or outmigration of concerns. In addition, the Secretary shall conduct a similar program where a concern is available for purchase and the employees, or the employees and the community, wish to acquire it through a form of ownership and control described in this part.

"(b) For the benefit of concerns identified under subsection (a) and employees and communities associated with those concerns, the Secretary, from funds authorized under section 10(a), shall disseminate information regarding the option of transferring ownership of concerns to employee, or employee-community, organizations, and regarding the loans, loan guarantees, and technical assistance available under this part. Such information shall include, to the extent practicable, a description of various forms of ownership and control of organizations which are possible under the law of the appropriate State, the terms of this part, and the Internal Revenue Code of 1954.

"(c)(1) For the purpose of enabling those organizations to assume ownership and operation of an employee or employee-community concern identified under subsection (a) of this section, the Economic Development Administration, acting pursuant to a determination by the Secretary that the use of such funds is within the purposes of this part, from funds authorized under section 10(a) shall provide loans for technical assistance and loan guarantees for startup and operating costs to any organization that has an application approved under section 6.

"(2) In order to be eligible to receive loans, loan guarantees, and technical assistance under this part, an organization shall:

"(A) be incorporated in the State in which the concern is located;

"(B) certify to the Secretary that the form of ownership and control (i) has been adopted by members of the organization after full consideration and deliberation of all options relating to the form of ownership and control available under the laws of the State in which the concern is located, (ii) provides guarantees to individual stockholders of the organization that they will be kept informed on a continuous basis of any change in the distribution of shares held in the concern, insofar as is consistent with State law, (iii) allows for the inclusion of new employees in ownership and participation, (iv) provides to the extent practicable, a method for the acquisition of stock of those no longer associated with the concern for purposes of making that stock available to all the employees of the concern on a nondiscriminatory basis, insofar as is consistent with State law, and (v) complies with the stated purposes of this Act and the requirements of the Internal Revenue Code of 1954;

"(d) For the purpose of enabling employee organizations or employee community organizations to purchase firms which would otherwise close, be sold to unrelated concerns, be relocated, or in which more than 20 per cent of the outstanding stock is available for purchase, the Economic Development Administration, acting pursuant to a determination by the Secretary that the use of such funds is within the purposes of this part, from funds authorized under section 10 (a), shall authorize guarantees of loans to employee organizations or employee-community organizations that have applications approved under section 6 in order to provide equity funding for the purchase of the concern. Loans under this subsection shall be guaranteed to employee organizations or employee-community organizations under such terms and conditions as the Secretary shall arrange. The rate of interest charged for the guaranteed loans shall in no case exceed the prevailing rate, as determined by the Secretary, for loans on similar amounts made under similar conditions to creditworthy borrowers in the community.

"(e) Employee organizations or employee-community organizations may adopt any ownership form they choose, including employee stock ownership plans which are qualified under the Internal Revenue Code of 1954, and further provided that all employees of the concern will be offered an opportunity to participate in the ownership plan, and that employees subject to a collective bargaining agreement will be included in such an offering, unless the union representing the employees in the bargaining specifically waives, in writing, participation in the plan. Loan guarantees may be made for loans made directly to the employee organization or employee-community organization, or to an employee stock ownership trust established under an employee stock ownership plan or to a general stock ownership corporation.

"APPLICATIONS

"SEC. 6. (a) The Secretary may provide loans for technical assistance or loan guarantees for startup and operating costs under subsection (c) to any organization which applies for such assistance, at such times and in such manner as the Secretary shall establish by regulation, if the feasibility study conducted under subsection (b) provides reasonable grounds to expect that the proposed transfer will assure a likelihood of full repayment of any loans made or guaranteed by the Government, and will result in a viable business concern. The Secretary shall provide appropriate assistance to any organization regarding application procedures, elgibility requirements for application, including advice in obtaining financial support for the purchase from other sources, and the amount of funds currently available for feasibility studies, loans, and technical assistance under section 10.

"(b) The Secretary or, at his discretion, any individual, group, or entity designated under contract or agreement with the Secretary, shall conduct a feasibility study of any concern identified under section 5 (a) which is associated with an organization, in order to determine those concerns where a transfer of ownership to an organization may reasonably be expected to achieve results in accordance with the purposes of this part, including the broadening of stock ownership, successful management of financial operations and maintenance of employment. The Secretary shall consult with the organization before selecting an individual, group, or entity to conduct such a feasibility study and shall insure the appropriate participation of the organization in the feasibility study. Each such study shall be completed within sixty days after the Secretary has authorized a feasibility study to be undertaken, and shall consider, with respect to such concern, whether there are reasonable prospects for—

"(1) viable transfer of the long-term ownership of the concern to an employee, or employee-community, organization (either through the creation of a new corporation or through the transfer of ownership within the existing corporation);

"(2) cooperation in the transfer by managerial employees and the likelihood of their continued involvement in the concern after a transfer;

"(3) technical assistance from other organizations or agencies located in the community;

"(4) potential profitability of the concern, based upon available data relating to operations and finances;

"(5) prompt cooperation on the part of the existing owners with respect to the proposed transfer of ownership; and

"(6) major sources of funding for the transfer of ownership, including contributions from employees, residents of the community, financial institutions and any other sources.

"(c) (1) The Secretary shall provide to any organization, whose application under subsection (a) he approves, loans for technical assistance and loan guarantees for startup and operating costs as may be deemed appropriate.

"(2) The Secretary shall establish a reserve fund of 15 percent of the amount of total loan guarantees outstanding as authorized under this Act, pursuant to section 10(b) of this Act.

"(d) Technical assistance under this section shall include—

"(1) information with respect to various forms of ownership and control which are possible under State law and consistent with the terms of this Act and the requirements of the Internal Revenue Code of 1954 (if applicable), and how similar ventures have effected the transfer of ownership of concerns to employee, or employee-community, groups and have operated such concerns successfully;

"(2) information and assistance to the owners of the concern, prior to the transfer, with respect to successful management of the transfer, including assistance relating to disclosure of appropriate information (other than trade secrets or confidential information affecting competition) under an agreement which limits the liability of such owners based on such disclosed information, except for cases of fraud; and

"(3) financial, engineering, marketing, legal, and organizational advice to the organization with respect to the transfer, and the design of the work environment after the transfer, including worker motivation, productivity, job satisfaction, and the improvement in the quality of working life through increased employee participation in decisionmaking.

"(e) Not more than 10 per centum of the amount of any loan or loan guarantee to an organization under this section may be used for necessary consulting services in connection with the creation of such concern, or the operation of such concern after such purchase, including services relating to establishing the form of ownership and control, worker motivation, productivity, job satisfaction and the improvement of the quality of working life through increased employee participation in ownership and decisionmaking.

"NONDISCRIMINATION

"SEC. 7. (a) No person in the United States shall, on the grounds of race, religion color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available pursuant to this part.

"(b) Whenever the Secretary determines that a government or agency thereof has failed to comply with subsection (a) or an applicable regulation, he shall, within ten days, notify the Governor of the State (or, in the cast of a unit of local government the Governor of the State is which such unit is located, and the chief elected official of the unit) of the noncompliance. If within thirty days of the notification compliance is not achieved, the Secretary shall within ten days thereafter—

"(1) exercise all the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000e);

"(2) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(3) take such other action as may be provided by law.

"(c) Upon his determination of discrimination under subsection (b), the Secretary shall have the full authority to withhold or temporarily suspend any payment under this part, or otherwise exercise any authority contained in title VI of the Civil Rights Act of 1964, to assure compliance with the requirement of nondiscrimination in Federally assisted programs funded, in whole or in part, pursuant to this part.

"(d) (1) Any party who is injured or deprived within the meaning of section 1979 of the Revised Statutes (42 U.S.C. 1983) or of section 1980 of the Revised Statutes (42 U.S.C. 1985) by any person, or two or more persons in the case of such section 1980, in connection with the administration of a payment under this part may bring a civil action under such section 1979 or 1980, as applicable, subject to the terms and conditions of those sections.

"(2) Any person who is aggrieved by an unlawful employment practice within the meaning of title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e et seq.) by any employer in connection with the administration of a payment under this part may bring a civil action under section 706(f) (1) of such Act (42 U.S.C. 2000e–5(f) (1)) subject to the terms and conditions of such title.

"APPLICATION OF THE SECURITIES ACT OF 1933

"SEC. 8. In cases where the Secretary determines that the public interest and the purposes of this part will be served, the Secretary may notify the Securities and Exchange Commission that the securities issued by an organization receiving assistance under this part shall be exempt from all the provisions of the Securities Act of 1933, except the provisions of subdivision (2) of section 12, section 17, and section 24 as applied to any willful violation of such section 17.

"REPORT

"SEC. 9. The Secretary shall monitor and evaluate the success or failure of transfers of ownership assisted under this part. The Secretary shall report to the Congress concerning the results of such monitoring and evaluation, and make appropriate recommendations, not later than October 1, 1981, and again not later than October 1, 1985.

"AUTHORIZATIONS

"SEC. 10. (a) (1) Loans and Loan Guarantees are hereby authorized to carry out this Act for fiscal year ending September 30, 1980, and for each of the succeeding six fiscal years in an amount not to exceed twenty per centum of the amounts authorized for such purposes pursuant to Section 308 of the National Public Works and Economic Development Act of 1979.

"(b) In order to establish a reserve fund as specified in section 6(c)(2), there are hereby authorized such funds as may be necessary to appropriate 15 per centum of the amount specified in subsection (a) above for the fiscal year ending September 30, 1980, and such additional funds as may be necessary to maintain a reserve fund at this level.

"(c)(1) Ten per centum of the total amount of funds authorized under subsection (a) are authorized for feasibility studies, technical assistance under section 6(d) (1), (2), and (3) and for administrative costs associated with such studies and assistance.

"(2) The funds appropriated under subsection (c)(1) which are not used for feasibility studies, technical assistance, and associated administrative costs as authorized by paragraph (1) of this subsection shall be placed by the Secretary in the reserve fund established in section 6(c)(2), and may be used to reduce appropriations necessary to maintain the reserve fund in years subsequent to the fiscal year which ends September 30, 1980.".

"SEC. 11. EMPLOYEE STOCK OWNERSHIP PLAN AND GENERAL STOCK OWNERSHIP CORPORATION FINANCING—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954, AS AMENDED.

(a) Section 415(c)(6) of the Internal Revenue Code (relating to special limitation for employee stock ownership plan) is amended by adding at the end thereof the following new subparagraph:

"(c) In the case of an employee stock ownership plan (as defined in clause (i) of subparagraph (B)) which incurs indebtedness or receives an extension of credit for the acquisition of employer securities pursuant to a transaction which utilizes the "prohibited transaction" exemption set forth in section 408(e) of the Employee Retirement Income Security Act of 1974, for purposes of applying the limitation of paragraph (1), to any annual employer contributions to the plan to permit the plan to amortize any indebtedness incurred or extension of credit received for purposes of acquiring the employer stock, the percentage '50 percent' shall be substituted for '25 percent' in subparagraph (B) of paragraph (1)."

(b) Section 404(a) of the Internal Revenue Code is amended by adding at the end thereof the following new paragraph:

"(9) Notwithstanding any limitations set forth in this subsection (a), in the taxable year when paid, if contributions are paid to an employee stock ownership plan (as defined in section 4975(e)(7)) in the manner described in section 415(c)(6)(C) is an amount not in excess of 50 percent of the computation otherwise paid or accrued during the taxable year to beneficiaries under the plan."

(c) Section 1391(c) of the Internal Revenue Code (relating to general stock ownership corporations) is amended by deleting the same in its entirety and substituting in lieu thereof the following:

"(c) ELIGIBLE INDIVIDUALS.—For purposes of subsection (a), the term 'eligible individuals' means an individual who is, as of a date specified in the State's enabling legislation for the GSOC, a resident of the chartering State and who remains a resident of such State between the date and the date of issuance, provided that residents of a political subdivision of a State may be deemed to be the eligible individuals for a particular GSOC if such distinction is warranted by the nature of the GSOC's business and operations and if such distinction is not discriminatory."

(d) The amendments made by this section shall apply with respect to all taxable years beginning after December 31, 1978.

SECTION-BY-SECTION ANALYSIS OF VOLUNTARY BROADENED STOCK OWNERSHIP, JOB PRESERVATION AND COMMUNITY STABILIZATION ACT

Section 1. Title.

Section 2. Findings.

(1) Unemployment is a serious problem that causes grave economic loss and social suffering to individuals, their families and the Nation;

(2) Unemployment insurance program is under financial and administrative pressure and greatly taxes the resources of the Nation;

(3) Unemployment should be prevented wherever possible by strengthening local responsibility and providing individuals with an ownership base in corporations;

(4) Federal initiatives to reduce unemployment should be multifaceted and should be designed to prevent the loss of jobs in the first place;

(5) Shutdowns sales to unrelated outside interests and resulting outmigration of industrial, manufacturing, business and agricultural concerns causes grave social and economic harm to employees;

(6) Experience and research have shown that in some cases employee or employee-community purchase of such concerns can save jobs, maintain viable economic enterprises and strengthen the local economy;

(7) Current shortage of capital formation will hamper Nation's economic growth;

(8) Present concentration of capital ownership has created too great a disparity between the "haves" and the 'have-nots";

(9) Current alarming decrease in productivity could be alleviated by employee ownership;

(10) It is necessary to provide a National program of federal financial assistance to avoid plant shutdowns, sales of companies to unrelated outside interests or the outmigration of such concerns and to promote broadened stock ownership by employees.

Section 3. Statement of purposes.

(a) Purpose is to save jobs and stabilize communities through a voluntary program that will facilitate employee or employee-community purchases through employee stock ownership plans or general stock ownership corporations of concerns that would be otherwise shut down, sold to unrelated outside interests or moved out of such communities. Federal Government shall provide:

(1) Information to employee or employee-community groups about the option offered under this Act;

(2) Technical Assistance to evaluate feasibility of option offered under this Act;

(3) Information to current owners of firm about the option offered under this Act;

(4) Technical Assistance to employee or employee-community groups on aspects of ownership transfer under this Act;

(5) Loans and loan guarantees to employee or employee-community groups to provide funds for technical assistance and startup and operating costs associated with purchase of concern.

(b) Further purpose is to support the local tax base by maintaining viable concerns through federal loans and loan guarantees and to test this problem as an alternative to unemployment insurance (and other methods of dealing with unemployment).

Section 4. Definitions (Self-explanatory).

Section 5. Federal assistance.

(a) Existing EDA offices, working in cooperation with State and Local entities, will identify firms in danger of closing down or relocating and which have a potential for acquisition through a form of ownership described in this Act.

(b) In those cases where firms may be able to be kept in operation profitably, EDA will furnish information about this program to the employees and the community.

(c)(1) Loans for technical assistance and loan guarantees for startup and operating costs may be provided to employee and employee-community organizations that have had an application for funds approved under Section 215.

(2) In order to apply for assistance, an organization must meet the following requirements:

(A) Incorporate under the laws of the State in which the plant is located;

(B) Certify that a form of ownership has been adopted by the members of the organization after full consideration of their alternatives under the State law, certify that the form of ownership insures continuous provision of information to individual stockholders and allows for inclusion of new employees and provides for acquisition of stock of those no longer associated with the firm.

(d) For the purpose of enabling employee or employee-community groups to purchase firms which would otherwise close, be sold to unrelated outside concerns or be relocated or in which more than 20 percent of the outstanding stock is available for purchase, EDA may guarantee loans in order to provide equity funding for purchase of concern. The rate of interest shall not exceed the prevailing rate for loans on similar accounts made for creditworthy purchasers in the community.

(e) Employee or employee-community groups may adopt any ownership form they choose, including employee stock ownership plans, provided they are qualified under the IRS code, provided that all employees are offered an opportunity to participate in the ownership plan, and that employees subject to collective bargaining agreements shall be included in such an offering, unless the union representing such employees waives, in writing, participation in the plan.

Section 6. Applications.

(a) EDA may provide loans and loan guarantees to any organization which applies for assistance, if the feasibility study conducted under subsection (b) provides reasonable grounds to expect that the proposed transfer of ownership will assure the likelihood of full repayment of any government loans or loan guarantees and will result in a viable business enterprise.

(b) EDA will conduct a feasibility study within 60 days after receiving an application to determine whether reasonable grounds exist to expect that the proposed transfer will be successful.

(c)(1) EDA may provide loans and loan guarantees to any organization whose application has been approved.

(2) The Secretary shall establish a reserve fund of 15 percent of the total amount of loan guarantees outstanding as authorized under the Act.

(d) Technical assistance may be provided to eligible organizations under this section.

(e) Not more than 10 percent of the amount of loans or loan guarantees may be used for consulting services in connection with this transfer of ownership.

Section 7. Nondiscrimination.

Section 8. Waiver of Securities Act of 1933.

(a) The section allows the Secretary of Commerce to exempt employee or employee-community organizations from select provisions of the Securities Act of 1933 to facilitate purchase of the plant.

Section 9. Report.

(a) EDA will evaluate the success or failure of the program and report to Congress at the end of two years and again after six years.

Section 10. Authorizations.

(a)(1) Loans and Loan Guarantees are authorized in an amount not to exceed twenty percent of the funds available under Title III of the National Public Works and Economic Development Act of 1979.

(b) Total appropriation to cover loan guarantees shall be 15 percent of the amount specified in section (a).

(c)(1) 10 percent of the appropriated

funds may be used for feasibility studies, technical assistance and associated administrative costs.

(2) Funds appropriated under subsection (b) which are not used for purposes outlined in subsection (c) may be placed in the reserve fund and used to reduce appropriations in future years.

Section 11. Amendments to the Internal Revenue Code.

(a) Amends the ESOP provision of the IRS code to increase the employers' contribution to a leveraged ESOP from 25 percent to 50 percent.

(b) Technical amendment.

(c) Amends the General Stock Ownership Corporation provision of the IRS code to allow a class of stockholders who are smaller than all citizens of a State to be eligible to set up a GSOC.●

● Mr. HEINZ. Mr. President, today I join with my distinguished colleague from Alaska, Mr. GRAVEL in cosponsoring the Voluntary Stock Ownership, Job Preservation, and Community Stabilization Act. This bill would specifically authorize the Economic Development Administration of the Department of Commerce to guarantee loans made to employees or employee/community organizations seeking to purchase their firms when they would otherwise close, relocate, or have a substantial part of their stock purchased by an outside interest. To insure viability, the bill includes provisions that require EDA to perform a thorough feasibility study on each project requesting a large portion of the risk usually associated with such an undertaking.

Employee ownership of business is a growing, and I think desirable, trend in the United States. At least 80 employee-owned companies now exist, ranging in size from 15 or 20 to 15,000 employees. Over 70 percent of these firms were acquired by employees from larger parents who wanted to divest themselves of the subsidiary for one reason or another, frequently simply because the parent corporation felt profit margins were not high enough. Then perfectly sound companies are liquidated or drastically rearranged, very often in small communities that can ill afford the unemployment and economic shifts that always accompany such actions.

But success speaks for itself. None of the above employee-owned firms have gone out of business, and even more impressive, studies have shown that they are 30 percent more productive and 1.5 times as profitable as comparable conventional firms—and all this in the face of absolutely no Government assistance. Additionally employee ownership plans provide many small businesses with a way of using the same dollars for funding growth, innovation, and creating an employee benefit plan. Perhaps most importantly of all, there is always significant improvement in worker satisfaction. So often modernity removes an individual's ability to control his own destiny. This is one small step to give that so important opportunity back, for not only does an employee control his current life, but he works for his future as well through insuring the increased value of his equity in the firm.

Such achievement commands our attention, it demands our support. In place of depressed and dying cities supported only by massive Government outlays, employee-owned firms offer themselves as bulwarks to the free enterprise system where exciting and growing communities are a reality. In place of insignificant productivity gains, we see the dramatic testimony of productivity leaps and bounds. In place of alienation at being left out of the American dream we find people returning to the capitalistic system that made this great country what it is today.

It is gratifying to think that for once we have a bill to support which recognizes a fact that often escapes our deliberations, that America's greatest strength, and, indeed, its continued strength is not government, or size, or power, but people. I am proud to support this bill and urge its earliest consideration.●

By Mr. CHILES (for himself, Mr. DOMENICI, Mr. CHURCH, Mr. MELCHER, Mr. PRYOR, Mr. STONE, Mr. BRADLEY, Mr. BURDICK, and Mr. GLENN):

S. 1060. A bill to amend the Food Stamp Act of 1977 to provide for a deduction for excess allowable medical expenses for households having a member who is 60 years of age or older; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMPS FOR THE ELDERLY

● Mr. CHILES. Mr. President, today I am introducing with Senators DOMENICI, CHURCH, MELCHER, PRYOR, STONE, BRADLEY, BURDICK, and GLENN a bill to assist elderly persons in obtaining more adequate benefits under the food stamp program.

In the 1977 farm bill, the Congress significantly changed the food stamp program by doing away with the purchase requirement and replacing the numerous itemized deductions with four deductions—a standard deduction indexed with the CPI, a shelter deduction, a dependent care deduction, and an earned income deduction.

Only recently were several of these new provisions implemented. As chairman of the Senate Committee on Aging, I have heard from elderly persons throughout the country who have received notices of cutbacks or ineligibility for food stamps. Such notices have caused considerable alarm to these older persons who have relied on their food stamps to purchase groceries and for payment of meals in restaurants, senior centers, and for home-delivered meals.

There are several reasons for these cutbacks. The 30-percent benefit reduction rate causes some decrease in a household's allotment compared to what they received under the former program. The more restrictive shelter deduction caused cutbacks for households with high utility and rent expenses.

But, the chief reason why elderly are receiving stamp reductions is because there is no longer a medical deduction which existed in the former program. It is common knowledge that elderly have far greater medical expenses than most other age groups. Medicare and medicaid often help to alleviate this burden. However, there are numerous health services which are not reimbursable under either program and must be paid out-of-pocket by the patient. Therefore, those elderly with high medical bills are receiving a double blow when faced with extreme medical costs and a reduction in food stamps because there is no longer a deduction for medical expenses.

Let me give you a few examples. Several weeks ago the Senate Committee on Aging held a hearing on "The Effect of Food Stamp Cutbacks on Older Americans" to explore this issue with the USDA, food stamp administrators, and elderly participants. Two of our witnesses, elderly women from Florida and South Dakota, gave the committee a very realistic picture of the effect the cutbacks are having on them. One of the ladies who resides with a disabled sister, had her allotment cut from $90 a month in February to $30 a month in March. The other, who resides with her husband, had a benefit reduction from $83 in February to $10 a month in March. When asked how she was making it, she replied:

> We are not making it. We are beggging money from our children—we have to in order to live, to eat. Like this month there won't be any money for food.

These women are not alone. The Committee on Aging has heard reports from across the country. Officials in the Dade County food stamp office, one of the largest in the country, inform me that of the 18,500 households participating in the food stamp program, 12,000 are being negatively affected by the new provisions. Out of the 12,000 households, 10,000 of them are elderly. In South Beach, out of the 4,200 participating households, 2,400 of them are being negatively affected and 2,300 of them are elderly households. On the average, these households are receiving about a 23-percent reduction in their benefit rate, or about $14 a month.

Mr. President, the congressional intent in the farm bill of 1977 was to focus the food stamp program on the most needy. This has been accomplished to a certain extent. The elimination of the purchase requirement allows the poorest of poor to participate without having to buy their way into the program. In addition, eligibility was limited to the poverty line, thus cutting off the top of the maximum eligibility level.

But it is my belief that we did not intend to reduce so significantly the benefits to the low-income, especially the elderly. Therefore, I am introducing a bill to allow elderly households some relief from the severe cutbacks they have been experiencing.

The bill would allow households having a member 60 years of age or older to receive a special medical deduction for actual medical expenses above $35 a month. Therefore, those people with relatively low medical bills would be able to deduct such expenses within the allowable $65 standard deduction. But those people with high medical expenses who have received no deduction under the new law would be able to deduct these expenses when computing their net income which determines their coupon allotment.

Allowable medical expenses would be

similar to those allowed under the former program. Such costs will include medical and dental expenses; hospitalization or nursing care (including payments by the household for hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home); prescription drugs (including insulin) and other over-the-counter medication when prescribed by a certified medical practitioner; health and hospitalization policy payments (excluding costs of health and accident or income maintenance policies); medicare payments; costs of dentures, hearing aids and prosthetics (including the costs of securing and maintaining a seeing eye dog); eyeglasses prescribed by a physician skilled in eye disease or by an optometrist; reasonable costs of transportation necessary to secure medical treatment or services; and, the costs of maintaining an attendant, homemaker, home health aide, housekeeper or child care services necessary due to age, infirmity or illness.

The Congressional Budget Office informs me that this medical deduction would increase the cost of the program by approximately $33 million. I alerted the Budget Committee during the markup of the first budget resolution for fiscal year 1980 that I intended to introduce legislation to remedy the reduction in benefits to elderly and was assured that there would be room for such an increase of $50 million or less within the approved Budget Committee ceiling for the food stamp program.

Mr. President, we cannot expect our elderly to make up differences lost in benefits and services. Many of them are living on limited incomes from social security and/or supplemental security income (SSI) and are continually faced with inflationary increases in their utility bills, medical expenses and food costs. Working households participating in the food stamp program have a special earned income deduction under this program. Most elderly households do not benefit from this allowance. Therefore, providing elderly households with a special medical deduction recognizes their specific needs and gives them a deduction which they can use.

Anything we can do to ease the burden of our elderly by allowing them to receive a more adequate allotment of food stamps will help to maintain their independence and allow them to live in their own homes where they want to be. I urge my colleagues to join me in giving them that opportunity.

Mr. President, I ask unanimous consent that the text of the bill I am introducing be printed at this point in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1060

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by adding at the end thereof the following: "Households containing one or more members who are sixty years of age or over shall also be entitled to an excess medical deduction for that portion of the actual cost of allowable medical expenses that exceed $35 a month. Such $35 amount, starting on July 1, 1979, shall be adjusted every July 1 and January 1 to the nearest $5 to reflect changes in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor for items other than food for the six months ending the preceding March 31 and September 30, respectively.".

(b) Section 3 of such Act (7 U.S.C. 2012) is amended by adding at the end thereof the following new subsection:

"(q) 'Allowable medical expenses' means payments made for (1) medical and dental care, (2) hospitalization or nursing care (including hospitalization or nursing care of an individual who was a household member immediately prior to entering a hospital or nursing home), (3) prescription drugs (including insulin) and over-the-counter medication when prescribed by a certified medical practitioner, (4) health and hospitalization policy payments (excluding costs of health and accident or income maintenance policies), (5) medicare payments, (6) costs of dentures, hearing aids, and prosthetics (including costs of securing and maintaining a seeing eye dog), (7) eye glasses prescribed by a physician skilled in eye disease or by an optometrist, (8) reasonable costs of transportation necessary to secure medical treatment or services, and (9) costs of maintaining an attendent, homemaker, home health aide, housekeeper, or child care services due to age, infirmity, or illness.".

Sec. 2. The amendments made by the first section shall take effect on the first day of the first month which begins after the date of the enactment of this Act.●

● Mr. PRYOR. Mr. President, I am proud to join my distinguished colleagues on the Senate Special Committee on Aging today in sponsoring this amendment to the Food Stamp Act of 1977. This act was designed to make the food stamp program more efficient to manage, more available and accessible to those low income households who were truly eligible and ultimately, more effective in reducing the incidence of hunger in this country. Today, experience is showing us that many of these and other goals are being achieved.

However, there is one group who is experiencing serious hardships as a result of the changes made in the program. The low income elderly who have excess medical expenses are being hurt by some of the reforms brought about by the 1977 legislation. Many of the low income elderly are having their benefits reduced and some are actually being eliminated from the program.

This is totally inconsistent with the intent of the 1977 act and serves as one more vivid example of how contradictory our policies can be sometimes. We talk about keeping the elderly in their own homes and in the community environment as long as possible—but without the benefit of the nutrition provided through the food stamp program, how are they to survive in an independent setting?

We talk about—because it is common knowledge—the elderly spending a greater percentage of their income for medical expenses and health care than any other group in America. Yet by not considering these excess medical expenses in determining their eligibility for food stamps, we are denying the obvious and creating greater obstacles to independence for older Americans.

Further, we are setting up a vicious cycle that will later come back to haunt us. These excess medical expenses are not considered in determining the eligibility of these elderly to receive food stamps. Their gross income is not reduced to offset these higher medical expenses which means that many of these elderly households receive fewer stamps and others are actually eliminated from the program.

These actions deprive these needy elderly of the very nutrition that will keep them healthy and active and out of doctors' offices, hospitals, and nursing homes where the costs of service will be far greater than that of amending the Food Stamp Act of 1977, to provide benefits to these low-income elderly who so rightfully need—indeed demand—this amendment.

I trust my colleagues will see this need as clearly as our distinguished chairman, Senator Chiles, has outlined it and join us in meeting the needs of this most deserving group of our Nation's people.●

By Mr. CRANSTON:

S. 1061. A bill to amend the Uniform Time Act of 1966 to provide that daylight savings time shall begin each year on the last Sunday in February rather than the last Sunday in April; to the Committee on Commerce, Science, and Transportation.

DAYLIGHT SAVINGS TIME

● Mr. CRANSTON. Mr. President, I am today introducing a bill to extend by 2 months daylight savings time, commencing next year.

This measure would save us 100,000 barrels of oil per day, or approximately 6 million barrels of oil each year. That is a savings of roughly $90 million or more for American consumers.

Under present law, daylight savings time goes into effect on the last Sunday of April each year, and ends 6 months later, on the last Sunday in October.

Under my bill, daylight savings time would begin on the last Sunday in February each year and continue until the last Sunday in October.

In 1973, Congress passed the Emergency Daylight Savings Time Energy Conservation Act authorizing a 2-year experiment with year-round DST beginning in January of 1974.

Because that approach continued daylight savings time through the winter months, requiring children to go to school in the dark, there was considerable opposition to it.

During October of that year, in response to concerns expressed by both the general public and the Department of Transportation, this act was repealed. It was subsequently replaced by Public Law 93-434, to provide for 8 months of daylight savings time beginning with the last Sunday in February and ending the last Sunday in October, just as my bill would do.

This uses daylight savings time when there is more daylight. It does not require children to go to school in the dark.

Studies done by the Department of Transportation and by the National Bureau of Standards have supported the concept of 8 months of daylight savings time.

Public Law 93–434 expired in April 1975, returning us to a 6-month daylight savings time, although in the 94th Congress, the Senate passed by a vote of 70 to 23 S. 2931 which provided for daylight savings time on a 7-month basis.

The House of Representatives failed to enact the 7-month plan and it died at the end of the 94th Congress.

Because of our current great concern for ways to cut energy demand, I believe the time is right for us to take prompt action on this proposal. I believe it will now find more favorable reception in the House. An identical bill was introduced there by Representative Carlos J. Moorhead this week.

I ask unanimous consent that the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1061

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(a) of the Uniform Time Act of 1966 (U.S.C. 260a(a) is amended by striking out "April" and inserting in lieu thereof "February".

Sec. 2. The amendment made by the first section of this act shall take effect at 2 a.m. on the last Sunday of the first February beginning after the date of the enactment of this act.●

By Mr. LONG (for himself and Mr. Dole):

S. 1062. A bill to simplify certain provisions of subtitle F of the Internal Revenue Code of 1954; to the Committee on Finance.

S. 1063. A bill to amend section 453(b) of the Internal Revenue Code of 1954 to simplify the rules relating to certain installment sales; to the Committee on Finance.

Mr. LONG. Mr. President, earlier this year I advised the Senate that I had instructed the staff to begin a review of the Internal Revenue Code in order to clarify and simplify the tax law. I intend to introduce a series of bills over the next several years to accomplish this goal. In this way, we can take a major step in dealing with the complexities and problems within our tax system.

I am introducing today two bills that the staff has prepared pursuant to my instructions. The first bill relates to the simplification of several of the procedure and administration provisions under subtitle F of the Internal Revenue Code. The second bill relates to the simplification and revision of the rules for certain installment sales.

The bill relating to administrative and procedural simplification provides for: First, the payment of interest to a person whose property is wrongfully seized by the Internal Revenue Service, second, the elimination of reporting requirements for certain transfers to exempt organizations, third, the elimination of certain overlapping private foundation reporting, fourth, repeal of the 25-percent penalty for certain jeopardy assessments, fifth, the elimination of certain stock option information reporting to the Internal Revenue Service, sixth, conforming the due date for gift tax and income tax returns and the granting of an automatic extension of time for filing certain gift tax returns when an extension for filing the donor's income tax return is granted, and seventh, the disclosure of manufacturers excise tax information to State tax officials.

In general, the reporting requirement changes eliminate unnecessary furnishing of information by eliminating duplicate requiremets or by repealing requirements for information which are no longer considered to be necessary by the Internal Revenue Service. The change relating to gift tax filing requirements will assist practitioners in avoiding inadvertent penalties for late filing since a taxpayer's obligation to file a gift tax return for the last calendar quarter or year is often ascertained when data for final preparation of the donor's income tax return is assembled. Thus, the provision would improve compliance with the tax law.

The bill relating to simplification of installment sale reporting deals with several problems which have arisen under present law. Generally, under present law, a taxpayer may elect to report gain from the sale of real estate or certain casual sales of personal property for the taxable years in which payments are received. This method of reporting gain is available only if the payments received in the year of sale do not exceed 30 percent of the selling price. In the case of a casual sale of personal property, the selling price must exceed $1,000 for the sale to qualify for installment reporting.

The requirement that no more than 30 percent of the selling price be received in the taxable year of sale has represented a trap for the unwary in many cases where the taxpayer has not had the benefit of proper counseling to qualify for installment reporting. In many other cases, the requirement has caused transactions to be tailored to qualify for installment reporting even though it might be in the best interest of both buyer and seller to have a larger down payment made. The bill would eliminate the 30-percent requirement so that installment reporting would be available for deferred payment sales without regard to the amount received by the seller in the year of sale. However, to eliminate reporting complexities for numerous sales of personal property for relatively small amounts which will qualify for installment sale reporting because of the elimination of the 30-percent requirement, the requirement that the selling price for casual sales of personal property must exceed $1,000 would be increased so that the selling price must exceed $3,000. Generally, in these cases, the relatively small benefit of installment sale reporting does not justify the burden of returning the gain over several taxable years.

Also, present law has been interpreted so that installment reporting is not available unless the sales contract requires two or more payments. As a result, for example, a sale would qualify where the seller received a very small downpayment in the year of sale with the balance due in another taxable year but would not qualify if no downpayment was received with the entire amount payable in another taxable year. In this case, the tax treatment turns on the form of the transaction rather than its true substance. In practice, this requirement has been another trap for the unwary. The bill would eliminate the requirement that there must be two or more payments to qualify for installment reporting.

In addition, the bill would deny installment method reporting for sales between related parties. Under present law, a tax-planning technique involves selling appreciated property on the installment basis to a related party, such as a family trust, and then having the property sold by the related party at little or no taxable gain because the cost basis for the second sale would reflect the entire purchase price under the installment sale. In this situation, the appreciation has been realized within the related party group but gain is recognized for tax purposes only as the related party purchaser makes installment payments to the original seller. Under the bill, this technique could not be used. However, the rule would not apply to stock redemptions qualifying as a sale or exchange since, in those cases, the installment method is not used to obtain a cost basis to offset a subsequent taxable sale by a related party.

Finally, the bill provides that the installment obligation disposition rules cannot be avoided by bequeathing an installment obligation to the obligor. Under present law, some have argued that this technique could avoid having the unreported gain from an installment obligation treated as an item of income in respect of a decedent.

Mr. President, these bills would improve existing law relating to procedure and installment sales by making simplifying changes and by eliminating several deficiencies.

Mr. President, I ask unanimous consent that the text of the two bills be printed in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 1062

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title; etc.

(a) Short Title.—This Act may be cited as the "Subtitle F Revision Act of 1979".

(b) Amendment of 1954 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

Sec. 2. Payment of Interest Where Levy Has Been Wrongfully Made and Money Received By United States

(a) In General.—Section 6343 (relating to release of levy and return of property) is amended by adding at the end thereof the following new subsection:

"(c) Interest.—Interest shall be allowed and paid at an annual rate established under section 6621—

"(1) in a case described in subsection (b)

(2), from the date the Secretary receives the money to the date of return, or

"(2) in a case described in subsection (b)(3), from the date of the sale of the property to the date of return."

(b) Technical Amendment.—Subsection (a) of section 6621 is amended to read as follows:

"(a) In General.—The annual rate established under this section shall be such adjusted rate as is established by the Secretary under subsection (b)."

(c) Effective Dates.—

(1) The amendment made by subsection (a) shall apply to levies made after the date of the enactment of this Act.

(2) The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

Sec. 3. Repeal of Requirement That Transferors of Certain Property To Exempt Organizations Must File Returns.

(a) General Rule.—Section 6050 (relating to returns relating to certain transfers to exempt organizations) is hereby repealed.

(b) Clerical Amendment.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by striking out the item relating to section 6050.

(c) Effective Date.—The amendments made by this section shall apply to transfers after the date of the enactment of this Act.

Sec. 4. Simplification of Private Foundation Return and Reporting Requirements

(a) Amendment of Section 6033.—Section 6033 (relating to returns by exempt organizations) is amended by redesignating subsection (c) as subsection (e) and by inserting after subsection (b) the following new subsections:

"(c) Additional Provisions Relating to Private Foundations.—In the case of an organization which is a private foundation (within the meaning of section 509(a))—

"(1) the Secretary shall by regulations provide that the private foundation shall include in its annual return under this section such information (not required to be furnished by subsection (b) or the forms or regulations prescribed thereunder) as would have been required to be furnished under section 6056 (relating to annual reports by private foundations) as such section 6056 was in effect before the enactment of this subsection,

"(2) a copy of the notice required by section 6104(d) (relating to public inspection of private foundations annual returns), together with proof of publication thereof, shall be filed by the foundation together with the annual return under this section, and

"(3) the foundation managers shall furnish copies of the annual return under this section to such State officials and other persons, at such times, and under such conditions, as the Secretary may by regulations prescribe.

Nothing in paragraph (1) shall require the inclusion of the name and address of any recipient (other than a disqualified person within the meaning of section 4946) of any charitable gift or grant made by the foundation to such recipient as an indigent or needy person if the aggregate of the charitable gifts and grants made by the foundation to such recipient during the year does not exceed $1,000.

"(d) Section To Apply to Nonexempt Charitable Trusts and Nonexempt Private Foundations.—The following organizations shall comply with the requirements of this section in the same manner as organizations described in section 501(c)(3) which are exempt from tax under section 501(a):

"(1) Nonexempt charitable trusts.—A trust described in section 4947(a)(1) (relating to nonexempt charitable trusts).

"(2) Nonexempt private foundations.—A private foundation which is not exempt from tax under section 501(a)."

(b) Public Inspection of Private Foundations' Annual Returns.—

(1) In general.—The first sentence of subsection (d) of section 6104 (relating to public inspection of private foundations' annual reports) is amended to read as follows: "The annual return required to be filed under section 6033 (relating to returns by exempt organizations) by any organization which is a private foundation within the meaning of section 509(a) shall be made available by the foundation managers for inspection at the principal office of the foundation during regular business hours by any citizen on request made within 180 days after the date of the publication of notice of its availability."

(2) Conforming amendments.—Such subsection (d) is amended—

(A) by striking out "Annual Reports" in the heading and inserting in lieu thereof "Annual Returns"; and

(B) by striking out "annual report" each place it appears in the second and third sentences and inserting in lieu thereof "annual return".

(c) Repeal of Private Foundation Annual Reporting Requirements.—Subpart D of part III of subchapter A of chapter 61 (relating to information concerning private foundations) is hereby repealed.

(d) Technical Amendments.—

(1) Section 6034 (relating to returns by trust described in section 4974(a) or claiming charitable deductions under section 642(c)) is amended—

(A) by striking out "section 4947(a)" in subsection (a) and inserting in lieu thereof "section 4947(a)(2)";

(B) by adding at the end of subsection (b) the following new sentence: "This section shall not apply in the case of a trust described in section 4947(a)(1).";

(C) by striking out "Exception" in the heading of subsection (b) and inserting in lieu thereof "Exceptions"; and

(D) by striking out "Section 4947(a)" in the section heading and inserting in lieu thereof "Section 4947(a)(2)".

(2)(A) The first sentence of section 6652(d)(3) (relating to annual reports) is amended to read as follows: "In the case of a failure to comply with the requirements of section 6104(d) (relating to public inspection of private foundations' annual returns), on the date and in the manner prescribed therefor (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause, there shall be paid (on notice and demand by the Secretary and in the same manner as tax) by the person failing to meet such requirement, $10 for each day during which such failure continues, but the total amount imposed hereunder on all such persons for such failure with respect to any one annual return shall not exceed $5,000."

(B) The heading of paragraph (3) of section 6652(d) is amended by striking out "reports" and inserting in lieu thereof "returns".

(3) Subsection (b) of section 6104 (relating to inspection of annual information returns) is amended by striking out "6056,".

(4) Section 6685 (relating to assessable penalties with respect to private foundation annual reports) is amended to read as follows:

"Sec. 6685. Assessable Penalties With Respect to Private Foundation Annual Returns.

"In addition to the penalty imposed by section 7207 (relating to fraudulent returns, statements, or other documents), any person who is required to comply with the requirements of section 6104(d) (relating to private foundations' annual returns) and who fails to so comply with respect to any return, if such failure is willful, shall pay a penalty of $1,000 with respect to each such return."

(5) Section 7207 (relating to fraudulent returns, statements, or other documents) is amended by striking out "sections 6047(b) or (c), 6056, or 6104(d)" and inserting in lieu thereof "subsection (b) or (c) of section 6047 or pursuant to subsection (d) of section 6104".

(e) Clerical Amendments.—

(1) The table of sections for subpart A of part III of subchapter A of chapter 61 is amended by striking out "4947(a)" in the item relating to section 6034 and inserting in lieu thereof "4947(a)(2)".

(2) The table of subparts for part III of subchapter A of chapter 61 is amended by striking out the item relating to subpart D.

(3) The table of sections for subchapter B of chapter 68 is amended by striking out "reports" in the item relating to section 6685 and inserting in lieu thereof "returns".

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

Sec. 5. Repeal of Addition to Tax in Case of Jeopardy.

(a) General Rule.—Section 6658 (relating to addition to tax in case of jeopardy) is hereby repealed.

(b) Clerical Amendment.—The table of sections for subchapter A of chapter 68 is amended by striking out the item relating to section 6658.

(c) Effective Date.—The amendments made by this section shall apply to violations (or attempted violations) occurring after the date of the enactment of this Act.

Sec. 6. Repeal of Requirement That Information Be Furnished to the Service in Connection With Certain Options.

(a) General Rule.—Section 6039 (relating to information required in connection with certain options) is amended to read as follows:

"Sec. 6039. Information Required in Connection With Certain Options.

"(a) Furnishing of Information.—Every corporation—

"(1) which in any calendar year transfers a share of stock to any person pursuant to such person's exercise of a qualified stock option, or

"(2) which in any calendar year records (or has by its agent recorded) a transfer of the legal title of a share of stock—

"(A) acquired by the transferor pursuant to his exercise of an option described in section 423(c) (relating to special rule where option price is between 85 percent and 100 percent of value of stock), or

"(B) acquired by the transferor pursuant to his exercise of a restricted stock option described in section 424(c)(1) relating to options under which option price is between 85 percent and 95 percent of value of stock),

shall (on or before January 31 of the following calendar year) furnish to such person a written statement in such manner and setting forth such information as the Secretary may by regulations prescribe.

"(b) Special Rules.—For purposes of this section—

"(1) Treatment by employer to be determinative.—Any option which the corporation treats as a qualified stock option, a restricted stock option, or an option granted under an employee stock purchase plan shall be deemed to be such an option.

"(2) Subsection (a)(2) applies only to first transfer described therein.—A statement is required by reason of a transfer described in subsection (a)(2) of a share only with respect to the first transfer of such share by the person who exercised the option.

"(3) Identification of stock.—Any corporation which transfers any share of stock pursuant to the exercise of an option described in subsection (a)(2) shall identify such stock in a manner adequate to carry out the purposes of this section.

"(c) Cross References.—

"For definition of—

"(1) The term 'qualified stock option', see section 422(b).

"(2) The term 'employee stock purchase plan', see section 423(b).

"(3) The term 'restricted stock option', see section 424(b)."

(b) Technical Amendments.—

(1) Subsection (a) of section 6652 is amended—

(A) by inserting "or" at the end of paragraph (1),

(B) by striking out paragraph (2) and redesignating paragraph (3) as paragraph (2), and

(C) by striking out "return referred to in paragraph (2) or (3)" and inserting in lieu thereof "return referred to in paragraph (2)".

(2) Section 6678 (relating to penalty for failure to furnish certain statements) is amended to read as follows:

"Sec. 6678. Failure To Furnish Certain Statements.

"In the case of each failure—

"(1) to furnish a statement under section 6042(c), 6044(e), 6049(c), or 6052(b) on the date prescribed therefor to a person with respect to whom a return has been made under section 6042(a)(1), 6044(a)(1), 6049(a)(1), or 6052(a), respectively, or

"(2) to furnish a statement under section 6039(a) on the date prescribed therefor to a person with respect to whom such a statement is required,

unless it is shown that such failure is due to reasonable cause and not to willful neglect, there shall be paid (upon notice and demand by the Secretary and in the same manner as tax) by the person failing to so furnish the statement $10 for each such statement not so furnished, but the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed $25,000."

(c) Effective Date.—The amendments made by this section shall apply with respect to calendar years beginning after 1979.

Sec. 7. Extension of Time for Filing Gift Tax Return for Fourth Calendar Quarter.

(a) General Rule.—Paragraph (1) of section 6075(b) (relating to due date for gift tax returns) is amended to read as follows:

"(1) General rule.—Except as provided in paragraph (2), returns made under section 6019 (relating to gift taxes) shall be filed on or before—

"(A) in the case of a return for the first, second, or third calendar quarter of any calendar year, the 15th day of the second month following the close of the calendar quarter, or

"(B) in the case of a return for the fourth calendar quarter of any calendar year, the 15th day of the fourth month following the close of the calendar quarter."

(b) Extension of Date for Filing Income Tax Return Treated as Extension of Date for Filing Gift Tax Return.—Subsection (b) of section 6075 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

"(3) Extension where taxpayer granted extension for filing income tax return.—Any extension of time granted the taxpayer for filing the return of income taxes imposed by subtitle A for any taxable year which is a calendar year shall be deemed to be also an extension of time granted the taxpayer for filing the return under section 6019 for the fourth calendar quarter of such taxable year."

(c) Technical Amendments.—Paragraph (2) of section 6075(b) is amended—

(1) by striking out "the 15th day of the second month after" and inserting in lieu thereof "the data prescribed by paragraph (1) for filing the return for", and

(2) by striking out "the close of" in subparagraphs (A) and (B).

(d) Effective Date.—The amendments made by this section shall apply to returns for gifts made in calendar years ending after the date of the enactment of this Act.

Sec. 8. Disclosure to State Tax Officials.

(a) General Rule.—Subsection (d) of section 6103 (relating to disclosure to State tax officials) is amended by inserting "32," after "31,".

(b) Effective Date.—The amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

S. 1063

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Simplification of Installment Sales Rules.

Subsection (b) of section 453 of the Internal Revenue Code of 1954 (relating to installment method for sales of realty and casual sales of personality) is amended to read as follows:

"(b) Disposition of Realty and Casual Disposition of Personal Property.—

"(1) General rule.—Income from—

"(A) a disposition of real property, or

"(B) a casual disposition of personal property for a price exceeding $3,000,

may (under regulations prescribed by the Secretary) be returned on the installment method.

"(2) Installment method defined.—For purposes of this subsection, the term 'installment method' means a method in which the income for any taxable year from a disposition is that proportion of the payments actually received in that year which the gross profit (realized or to be realized when payment is completed) bears to the total contract price.

"(3) Subsection does not apply to disposition to related persons.—

"(A) In general.—This subsection shall not apply to a disposition directly or indirectly to a related person.

"(B) Related person defined.—For purposes of this subsection, the term 'related person' means a person bearing a relationship to the person disposing of the property which is set forth in section 267(b) or 707(b)(1).

"(C) Exception for certain redemptions.—Subparagraph (A) shall not apply to any redemption to which section 302(a) (relating to distributions in redemption of stock) or 303(a) (relating to distributions in redemption of stock to pay death taxes) applies.

"(4) Other rules.—

"(A) Subsection does not apply to dispositions of inventory.—This subsection shall not apply to property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year.

"(B) Purchaser evidences of indebtedness payable on demand or readily tradable.—For purposes of this subsection, receipt of a bond or other evidence of indebtedness which—

"(i) is payable on demand, or

"(ii) is issued by a corporation or a government or political subdivision thereof and is readily tradable,

shall be treated as receipt of payment.

"(C) Readily tradable defined.—For purposes of subparagraph (B), the term 'readily tradable' means a bond or other evidence of indebtedness which is issued—

"(i) with interest coupons attached or in registered form (other than one in registered form which the taxpayer establishes will not be readily tradable in an established securities market), or

"(ii) in any other form designed to render such bond or other evidence of indebtedness readily tradable in an established securities market."

Sec. 2. Coordination With Section 691.

The second sentence of section 691(a)(2) of the Internal Revenue Code of 1954 (relating to income in respect of decedents) is amended by inserting "(other than the obligor)" after "or a transfer to a person".

Sec. 3. Effective Dates.

(a) For Section 1.—The amendment made by section 1 shall apply to dispositions made after the date of the enactment of this Act in taxable years ending after such date.

(b) For Section 2.—The amendment made by section 2 shall apply in the case of decedents dying after the date of the enactment of this Act.

● Mr. DOLE. Mr. President, I am pleased to join with the distinguished chairman of the Finance Committee in introducing legislation to simplify the tax code. Tax simplification is something that is desperately needed. The proposals introduced today will help move us along that path.

Mr. President, earlier this year I suggested that the Finance Committee begin a process to review and simplify the tax code. I recognize that such a program is tremendously time consuming. However, if we undertake simplification on a step-by-step basis, making a series of technical changes and improvements as they are worked out, we should be able to bring greater certainty to the tax law at little or no cost to the revenue.

The bills introduced today are the result of staff suggestions which I believe will be supported by the legal community and the Treasury Department. I commend the chairman for his leadership and hope that this is the beginning of more initiatives in the area of tax simplification.●

By Mr. MORGAN:

S. 1064. A bill to amend and extend title V of the Housing Act of 1949; to the Committee on Banking, Housing, and Urban Affairs.

RURAL HOUSING AMENDMENTS OF 1979

Mr. MORGAN. Mr. President, I am introducing today the Rural Housing Amendments of 1979. This legislation reauthorizes the basic housing programs of the Farmers Home Administration and, in addition, makes several significant changes in their operation.

The housing needs of rural America are great. The Bureau of the Census reports that there are some 2 million rural families living in substandard houses. There are millions more in rural areas who live on incomes close to the poverty level, and cannot really afford the cost of decent shelter today.

The programs of the Farmers Home Administration were designed to bring the goal of a decent and affordable home to families living in rural America. While the FmHA has played an important role in improving housing conditions in our smaller communities and nonmetropolitan areas, there is, very clearly, a need to sustain its commitment and improve its efforts. The bill I am introducing today for Senate consideration is designed to strengthen the housing programs of the FmHA. It has been drafted with an equal eye to supporting the efforts of the Congress and the administration to limit Federal spending.

The authorization levels recommended in the bill closely follow those recommended by the administration. There are, however, relatively minor differences in three programs. The mutual self-help housing program, which aids low income families in "do-it themselves" projects would be authorized at $10 million during fiscal year 1980, or $5 million above the administration request. Grants for farm labor housing would be supported at $30 million for the year, compared to $25 million requested by the President. Technical assistance grants to aid local efforts would be supported by an authorization for appropriations of $2.5 million, compared with $1.2 million requested by the administration. I believe these authorizations can be justified even in this year of stringent budget resources.

In addition to extending and reauthorizing existing FmHA loan and assistance programs, the Rural Housing Amendments of 1979 would establish new policies for allocating FmHA assistance, disposing of FmHA-held projects, and providing housing for migrant farmworkers. The bill would, in addition, clarify congressional intent regarding policies governing the prepayment of loans made to construct rental housing, and repeal the present prohibition against FmHA refinancing of new homes.

Under existing law, FmHA programs are directed toward benefiting lower income families. Recent evidence, however, indicates that there has been a drift of benefits from lower to higher income groups. In order to reverse this trend, and to clarify the intent of the Congress, section 3 of the bill would direct the Secretary of Agriculture to target housing assistance to those families with the greatest needs. Such targeting is especially necessary at this time when Federal housing assistance funds are so critically short of meeting needs.

Section 5 of the bill would change FmHA policies in disposing of properties that the agency has acquired through foreclosure. Under the amendment I have proposed, FmHA would be prohibited from selling property for residential purposes unless it meets standards of livability, or is brought up to standard before being occupied. This change in FmHA policy would eliminate the possibility of windfall profits and other abuses in connection with the sale of reclaimed housing in "as is" condition.

Section 6 of the bill would authorize FmHA to assist in building rental housing for migrant farmworkers suitable for seasonal occupancy. Under existing policies, FmHA will not assist in providing housing for migrant farmworkers unless it meets standards for year-round living. The result, all too frequently, has been squalid housing, rather than housing that is safe and sanitary, although not "standard." The amendment would encourage FmHA to tailor the Federal investment to the need, rather than continue a policy of neglect.

Another provision of the bill would clarify congressional intent that FmHA should maintain projects that have been constructed with FmHA aid as housing for low- and moderate-income persons. Section 7 of the bill would make clear that FmHA has the authority to condition the prepayment of loans by rental housing sponsors in order to get reasonable assurances that lower income tenants will continue to have housing and affordable rents during the contractual mortgage term. Without this provision, it is believed that some housing sponsors could, on paying off FmHA below market rate loans, ignore the commitment made to provide needed housing for low- and moderate-income persons. The amendment would enable the Secretary to seek reasonable assurances for a period not to exceed the original mortgage term.

Mr. President, I believe the Rural Housing Amendments of 1979 are important to our rural housing efforts. They will give the Farmers Home Administration better tools to build a better rural housing. I urge my colleagues on the Committee on Banking, Housing, and Urban Affairs in the Senate to consider and support them.

Mr. President, I move that the Rural Housing Amendments of 1979 be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1064

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Rural Housing Amendments of 1979."

EXTENSIONS AND AUTHORIZATIONS

SEC. 2. (a) Section 513(b) of the House Act of 1949 is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each fiscal year ending prior to October 1, 1980".

(b) Section 513(c) of such Act is amended by inserting after "September 30, 1979" the following: ", and not to exceed $30,000,000 for the fiscal year ending September 30, 1980".

(c) Section 515(b)(5) of such Act is amended by striking out "1979" and inserting in lieu thereof "1981".

(d) Section 517(a)(1) of such Act is amended by striking out "1979" and inserting in lieu thereof "1981".

(e) Section 523(f) of such Act is amended—

(1) by inserting in the first sentence after "any such fiscal year," the following: "and there are authorized to be appropriated not in excess of $7,500,000 for the fiscal year ending September 30, 1980,"; and

(2) by striking out "1979" in the second sentence and inserting in lieu thereof "1981".

(f) Section 523(g) of such Act is amended by striking out "for the fiscal year ending September 30, 1979" and inserting in lieu thereof "for each fiscal year ending prior to October 1, 1980".

(g) The second sentence of section 525(c) of such Act is amended by striking out "for the fiscal year ending September 30, 1979," and inserting in lieu thereof "for each fiscal year ending prior to October 1, 1980".

REFINANCING

SEC. 3. Section 501(a)(4) of the Housing Act of 1949 is amended—

(1) by striking out ", and" at the end of clause (B) and inserting in lieu thereof a period; and

(2) by striking out clause (C).

ASSISTANCE ALLOCATION

SEC. 4. Title V of the Housing Act of 1949 is amended by adding at the end thereof the following:

"ALLOCATION

"SEC. 529. Notwithstanding any other provision of law, the Secretary shall assure when providing assistance for housing under this title that, in each fiscal year, at least 30 per centum of the eligible households assisted have incomes below 50 per centum of the national median income, and no more than 15 per centum of the eligible households assisted shall have incomes above 80 per centum of the national median income.".

COMPENSATION FOR DEFECTS PROGRAM

SEC. 5. Section 509(c) of the Housing Act of 1949 is amended by striking out the word "eighteen" the second and fourth places it appears and inserting in lieu thereof the word "thirty-six".

PROPERTY DISPOSITION

SEC. 6. Section 510(e) of the Housing Act of 1949 is amended—

(1) by inserting, ", to repair and rehabilitate such property," after "United States therein"; and

(2) by inserting before the semicolon at the end thereof the following: "; except that the Secretary may not sell or otherwise dispose of such property unless (1) the property meets the plans and specifications established for that type of housing by the Secretary under section 506(a) of this title, (2) the recipient of the property is obligated, as a condition of the sale or other disposition of the property, to meet such standards with respect to the property before such propery is occupied, or (3) such recipient is precluded, as a condition of the sale or other disposition of the property, from using the property for purposes of habitation".

FARM LABOR HOUSING

SEC. 7. (a) Section 516 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(h) Notwithstanding the provisions of subsection (a)(3), the Secretary may, upon a finding of persistent need for migrant farmworker housing in any area, provide assistance to eligible applicants for 90 per centum of the development costs of such housing in such area to be used solely by migrant farmworkers while they are away from their residence. Such housing shall be constructed in such a manner as to be safe and weatherproof for the time it is to be occupied, be equipped with potable water and modern sanitation facilities (including a kitchen sink, toilet, and bathing facilities), and meet such other requirements as the Secretary may prescribe. Such housing shall be located in a safe and sanitary environment with adequate recreation area.".

(b) Section 516(c)(1) of such Act is amended by inserting before the semicolon at the end thereof the following: "; except that in no case may the monthly rental exceed 25 per centum of one-twelfth of the tenant's annual income unless the applicant is receiving assistance under section 521(a)(2)(A) of this title (or has been denied such assistance after making a good faith effort to obtain it) or the tenant is receiving assistance under section 8 of the United States Housing Act of 1937".

PREPAYMENT—LOW INCOME CHARACTER

SEC. 8. (a) The Congress declares that it has been its intent since the enactment of sections 514 and 515 of the Housing Act of 1949 that prepayments or refinancing under section 502(b) of such Act should not operate in a manner which will deprive low- and moderate-income occupants, or potential low- and moderate-income occupants, of rural rental or farm labor housing financed under such sections, of their right to continue residency in that housing upon reasonable terms and conditions.

(b) Section 502 of the Housing Act of 1949 is amended by adding at the end thereof the following:

"(c) When enforcing the provisions of subsection (b) (3) of this section with respect to any loan under section 514 or 515, including any loan made or insured before the date of enactment of this subsection, or when approving the repayment of any such loan before the time when it was originally scheduled to be repaid, the Secretary shall take appropriate action to require the borrower and any successors in interest (1) to continue to use the housing for its original purposes during the remainder of the original repayment schedule, and (2) to give assurance that no person occupying the housing shall be required to vacate because of early repayment. The preceding sentence does not apply where the Secretary determines that there is no longer a need for such housing.".

TECHNICAL ASSISTANCE

SEC. 9. Section 523(b) of the Housing Act of 1949 is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following:

"(2) to make grants to, or contract with, national or regional private nonprofit corporations to provide training and technical assistance to public or private nonprofit corporations, agencies, institutions, organizations and other associations eligible to receive assistance under this section in order to expand the use of authorities contained in this section and to improve performance; and".

RENTAL ASSISTANCE

SEC. 10. (a) The first sentence of section 521(a) (2) (A) of the Housing Act of 1949 is amended—

(1) by striking out "public and private nonprofit owners" and inserting in lieu thereof "the owners"; and

(2) by inserting a comma before "congregate".

(b) Section 521(a) of the Housing Act of 1949 is amended—

(1) by striking out, in paragraph (1) (H), "of loans made" and inserting in lieu thereof "of new loans made in any year"; and

(2) by striking out the second sentence of paragraph (2) (A) and inserting in lieu thereof the following: "Such assistance may be for up to 100 per centum of the units in any farm labor, cooperative, or other rental project assisted under this section. In approving such projects, the Secretary shall give priority to projects in which assistance is provided to 40 per centum or less of the units contained in the project.".

By Mr. McGOVERN (for himself, Mr. DOLE, Mr. MELCHER, Mr. RANDOLPH, and Mr. TSONGAS):

S.J. Res. 70. Joint resolution to establish a Commission on Literacy; to the Committee on Governmental Affairs.

COMMISSION ON LITERACY

• Mr. McGOVERN. Mr. President, today I am introducing legislation to establish a National Commission on Literacy.

Recent studies indicate that over 23 million adult Americans are functionally illiterate. Another 39 million can barely meet the simple reading demands of daily living. These are people who cannot read a want ad, or fill out a job application, or comprehend safety signs in the workplace or warning labels in the home. No estimate can calculate the emotional and economic price exacted by illiteracy.

As a Nation, we pay for illiteracy in many ways, including social programs that treat the symptoms, but hardly ever the cause. Very few current efforts remedy the basic educational handicaps of the illiterate. As a result, there has been little progress in eliminating illiteracy, in freeing Americans from this unnecessary and crippling ignorance.

The Federal Government first acknowledged and addressed adult illiteracy in 1964, in the Economic Opportunity Act, and again in 1966 in the Adult Education Act. Yet, the current Federal response amounts to only $1 for each educationally deprived adult, reaching only 1 percent to 2 percent of those in need.

Fifteen years ago Congress passed the Elementary and Secondary Education Act, subtitled "An Act to Strengthen and Improve Educational Quality and Educational Opportunities." But we are further from quality and equality than we were the year that bill became law. As aid to education has soared, achievement has dropped.

In 1972 Congress reaffirmed its commitment to end illiteracy with the Right to Read program. That program was downgraded this past year after being labeled a failure by its own director.

Many think compensatory education programs have been a billion dollar failure. The General Accounting Office reports that over 50 percent of the children served by title I actually declined in reading skills, while the rest showed no significant gains over their nontitle I peers.

The most distressing sign of our failure is the increasing number of young illiterates who are actually graduating from our high schools. Testifying before the Senate Subcommittee on Education, one educator very recently observed:

> For the first time in the history of our country, the educational skills of one generation will not surpass, will not equal, will not even approach those of their parents.

After 12 years in school, 10 to 20 percent of graduates will not read well enough to become cooks, mechanics, or supply clerks.

We live in a society where earning a livelihood increasingly demands higher and higher levels of literacy. Unless this trend is stopped, the burden of supporting illiteracy will grow heavier. We pay the price for miseducation in unemployment compensation, welfare rolls, drug treatment programs, prisons, and juvenile detention centers. But the greater cost is the waste of a mind and a life—the alienation, frustration, and isolation that results when human communication is restricted to what one can say or hear.

One-third of the unemployed are functionally illiterate. Employers naturally turn down job applicants who cannot take a phone message, follow written instructions, calculate the correct change for a purchase—or fill out a job application. A recent survey of New York City employers confirmed the obvious: The major obstacle in hiring the unemployed is not the absence of specific job skills, but the lack of basic educational skills. These essential deficiencies explain in some measure the increasingly troubling paradox of record unemployment, and, at the same time, a national shortage of skilled workers.

To close this gap, the Joint Economic Committee urged in its 1979 report that manpower training be granted top priority in the new budget. The Wall Street Journal pointed out on October 16, 1978: "Most of the jobless simply aren't qualified for many of the good jobs available." Their lack of qualification is often basic—and so basic skills training must be an important component of any meaningful national full employment strategy.

What happens to the job seeker who is locked out of the job market, or locked into entry level jobs due to functional illiteracy? Many turn to crime. Jerry Caughlan, director of Inmate Services in Philadelphia explains: "These people figure if you can steal a hundred bucks, why slave at a 150 a week job?"

According to Judge Charles Phillips of Florida, "Eighty percent of the new criminals that pass my desk would not be there if they had graduated from high school and could read and write." And Chief Justice Warren Burger concludes that veteran criminals manifest the same educational pathology: "The percentage of inmates in all institutions who cannot read or write is staggering." The rising generation of lawbreakers follows the pattern. A recent study found that 85 percent of our youth who appear in juvenile court are disabled readers; 34 percent of institutionalized juveniles are functionally illiterate.

Illiteracy also weakens the national security. Though the Army has proudly announced the good news that 83 percent of their personnel are now high school graduates, the bad news is that over half of the soldiers in remedial reading classes have earned a high school diploma they can barely read. Since 27 percent of enlistees cannot read their 7th grade training manuals, remedial classes are essential to maintaining a minimally functional army, at the cost of millions of dollars annually.

Illiteracy in the armed services means higher discharge rates, training difficulties, poor performance, and slow promotion. National security literally is on the line when service personnel can hardly read. The Navy, for example, has warned that in an emergency the inability to decode a written message would jeopardize safe and effective naval operations.

One of our worst enemies could well be the incompetence of our own troops. Highly sophisticated weapons become useless or counterproductive in the hands of barely educated soldiers. The Army learned this lesson in the field recently when testing a new, highly accurate antitank weapon. The soldiers in the test repeatedly missed the targets. It was not back to the drawing board for the weapon, but back to the blackboard for the troops.

In desperation, the Army has now turned to comic books. Soldiers learn all about booby traps and land mines from the antics of a talking dog in a comic strip entitled "Don't Blow Up." This move to child-like simplicity hardly inspires confidence in our armed services. The Pentagon's new defense management study cautions that current simplified training techniques could lead to a shortage of qualified men in combat.

A new generation may also be less able to safeguard the country since many young Americans have only the vaguest idea of where it is; a quarter of our 17-year-olds do not know whether New Jersey or Oregon is on the east coast or the west coast. Such ignorance of the physical topography of the land is matched by a dangerous ignorance of our system of government. A recent Gallup Poll uncovered "tremenous political illiteracy" among a group soon to become voters. Almost half of our 17-year-olds are unaware that each State elects two Senators; one in eight believes that the President is above the law. A well-informed citizenry is the foundation and future of our democracy. To have millions outside that process can only weaken our system of government, and give strength to our enemies.

The miseducation of the young does not necessarily reflect a lack of funds. While we perhaps should spend more in some areas, we do spend more on education than all the nations of the world combined, $120 billion last year.

Even with a fairly minimal effort in adult education, for example, we have learned that literacy training can turn tax consumers into taxpayers, saving millions, potentially billions, of Federal and State dollars. The Office of Education reported that in 1 year alone, nearly 108,000 enrollees in literacy training found employment, or better jobs, and almost 18,000 were removed from public assistance rolls. Nineteen States saved $15 million in welfare payments by educating participants off State subsidies.

I believe the causes of our educational decline lie more in a retreat from leadership and a lowering of standards. By raising children on fill-in-the-blanks and multiple choice items, we have turned education into a gamble, and lost. When teachers cut homework in half, when principals reduce basic skill courses by 10 percent, when publishers rewrite textbooks at ever simpler levels, it is no wonder that children learn less.

When students routinely receive A's and B's for merely sitting still at their desks, we should not be surprised that test scores fall as grade point averages rise.

We often blame this deterioration on conditions outside the schools, on a decade of distraction. Yet why is it that Vietnamese refugees in San Diego scored in the 93d percentile on math achievement tests, while their middle class peers scored in the 26th percentile on the very same test? Living in a war-torn country, sitting in a classroom with 75 pupils, did not distract the Vietnamese from learning. If poverty inevitably means poor educational performance, then why is it that the best scoring readers in Chicago are black children from low-income homes where both parents work or one parent resides?

Whatever the causes, the startling facts remain: The National Assessment of Educational Progress reported in 1975 that 13 percent of all 17-year-olds and 42 percent of black and 56 percent of Hispanic 17-year-olds were functionally illiterate.

Yet low achievement is not confined to the traditionally disadvantaged. The latest review of illiteracy in the schools reveals that the achievement level of the brightest students can fall as fast or faster than the average or below-average students. Many intelligent students throw up their hands in exasperation and drop out; one recently explained that "high school wasn't worth finishing." For those who remain in school, 50 percent have raised their hands for more demanding work, according to the latest Gallup Youth Poll.

College and university administrators certainly must agree. They now provide remedial reading courses for one out of four incoming freshmen. Even at the best universities the evidence points to failure on the part of our public educational system to develop adequate cognitive skills. Jean H. Slingerhand, former director of Harvard's expository writing program was "appalled and astonished to find that there were matriculating students at Harvard whose reading and writing skills represented a tremendous obstacle to their success. Things are going to get worse before they get better."

And conditions are getting worse for teachers as well as students. A recent study by the National Education Association reports "a major deterioration in morale among American teachers." Experienced teachers are quitting their jobs in record numbers. Their flight is fueled by an intimidating combination of factors—a breakdown of discipline, a deterioration of the instructional process through the endless introduction of pedagogical gimmicks, an unrealistic expansion of public school responsibilities, and finally, an instinct for self-survival. Physical assaults on teachers now exceed 66,000 annually.

I am convinced by the facts that it is past time for a good hard look at basic education. We know that better results can be achieved with no greater expense. Why should public education not accomplish in 12 years at the cost of $20,000 per pupil, what private schools do in half the time at one-third the cost? In a time of fiscal austerity, finding out why education works in some places and why educational funds are wasted in others represents one of the soundest, most sensible public investments. Education is an investment in people, in growth, and in self-reliance, an investment that brings returns far beyond the four walls of a classroom. Good schools attract homeowners and businesses, promote economic stability, and neighborhood revitalization.

In a very real sense, and in many ways, American prosperity depends on an educated citizenry. How successfully can we conserve energy when 86 million Americans cannot calculate their cars' rates of consumption? How effectively can families fight inflation when 35 million Americans cannot comparison shop for value?

We are on the verge of establishing a separate Department of Education, but before we do that we should examine where education is leading us, and where we want to be led, and by whom. I am not advocating more Federal interference in education. I am not advocating more anything—except more quality. I am advocating an expert investigation with one aim—to learn where we have faltered, and how we can succeed, in raising the quality of basic education.

Mr. President, I ask unanimous consent to have my earlier remarks of September 8, 1978 printed in the Record, at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator McGovern

THE MISEDUCATION OF MILLIONS: THE ALARMING RISE OF FUNCTIONAL ILLITERACY IN AMERICA

Mr. President, it is intolerable, but true, that on International Literacy Day in 1978, America's standing in world literacy ratings is falling sharply. The United States, the first country to provide public education for all, has now been surpassed by the Soviet Union in effectively educating its citizens. According to the United Nations in 1970, the U.S. illiteracy rate was three times higher than that of the Soviet Union; 2 million Americans of at least normal intelligence were illiterate, according to the U.N. count.

In fact, even this estimate of America's illiteracy rate is too low. The results of new and more accurate tests reveal that one out of every five Americans is reading with serious difficulty; they cannot read a newspaper intelligently, understand directions on household articles, or comparison shop for value. But nowhere is the evidence more frightening than among our youth. In 1977, Gilbert B. Schiffman, director of the Federal right-to-read program, reported that—

> At least one out of ten students nearing the end of high school is still not able to do basic everyday reading tasks . . . in certain low socio-economic areas the ratio exceeds one out of five.

Even many prospective teachers are not truly literate. For example, in 1976 one-third of the applicants for teaching jobs failed an eighth grade general knowledge test in Florida. And as the problem worsens, educational agencies do less and less about it, even though study after study continues to document the dimensions of our failure.

According to the national assessment of educational progress in 1974–75:

> Thirteen percent of all seventeen year olds were functionally illiterate.
>
> Forty-two percent of all blacks in that same age group were functionally illiterate.

But even these percentages understate the problem by not including high school dropouts, whose illiteracy rates are very high. The National Institute of Education estimates that "the majority of functionally illiterate students are dropping out of high school before they graduate.".

U.S. STUDENTS BEHIND EUROPEANS

Unfortunately, the problem is not confined to those who drop out or are only hoping for a high school diploma. Incredibly, many college-bound graduates are also borderline literates. Colleges and universities complain that one out of four incoming freshmen need remedial help in reading and writing. The

University of California found that 75 percent of the State's top high school students failed a nationally used English composition test in 1975. And as a group, American students scored considerably lower on achievement tests than students from other industrially advanced nations: 21.7 points lower in math than students in Germany, 25.5 points below students in Japan, and 31 points below British students.

Over the last 14 years, scholastic aptitude test scores have fallen steadily. There has been a 49-point drop in verbal skills and a 32-point drop in math skills. Annegret Harnischfeger and David Wiley found that a significant drop in English course enrollments, 11 percent nationwide and 19 percent in California from 1972 to 1975, along with a drop in basic and practical course enrollments, could account for the lower scores. They suggest that a 10-percent decrease in the total number of classroom hours spent in teaching the fundamentals caused the 10-percent drop in SAT scores. According to this study, and a later study by the college board, other causal factors included the high incidence of absenteeism and a 50-percent cut in homework. Both studies agreed that changes in test material were not responsible for the falling scores, but that softer academic requirements might be. The college board cautioned, however, that no diagnosis was certain: "The truth is that the real causes for this complex change are at present unknown." There is no certain explanation, but there is absolutely no excuses. Every high school graduate in this country should have at least a basic knowledge of the three R's.

Sadly, this is not the case. The problem is chronic and getting worse. And if this trend continues—if illiteracy remains underinvestigated and research tools underdeveloped—an already deteriorating situation will become an educational disaster and a national disgrace.

Therefore, the first step toward ending illiteracy is the most basic one. We lack an operational definition that sets the goals and standards that American education must meet. Lyndon Johnson once said:

> "The answer for all our national problems—the answer for all the problems of the world—comes to a single word. That word is education."

Yet we have not defined even the minimal meaning of education—the threshold at which education makes a meaningful economic and vocational difference for students.

The Federal right-to-read program broadly and vaguely defines the "literate person as one who has acquired the essential knowledge and skills in reading, writing, and computation required for effective functioning in society." In other words, literacy does not mean that one can simply read or write one's name or, at the other extreme, that one can appreciate and understand intricacies of a Faulkner novel. The real meaning of literacy lies somewhere in between. But, as of today, no one has discovered or set its boundaries.

THIRTY MILLION ADULT AMERICANS "FUNCTIONALLY INCOMPETENT"

Dr. Norvell Northcutt, director of the adult performance project, attempts to close this gap by offering a more specific terminology than "functional illiteracy" to describe the increasing lack of basic skills. In defining "functional competency," he draws a mathematical relationship between the mastery of basic educational skills and economic or educational success. Literacy, in his study, is a set of applied skills necessary to survival in a technological society. He defines three levels of functional competence. At the lowest level, the functional incompetent cannot effectively read a want ad, fill out a job application, or perform simple computational tasks. By this standard, 16 percent of whites, 44 percent of blacks, and 56 percent of Spanish surnamed adults—30 million adult Americans—are functionally incompetent. According to another study, 20 million Americans over the age of 16 cannot read well enough to understand a want ad. All too often, economic poverty is due primarily to educational impoverishment.

Employers cannot and will not hire people who can barely read or write. When they do, as the armed services have been learning to their distress, they assume a high risk. An astounding 30 percent of Navy recruits, according to Adm. Hyman Rickover, are a danger to themselves and to costly naval equipment because they lack basic educational skills. One illiterate recruit recently caused $250,000 in damage because he could not read a repair manual; he tried and failed to follow the illustrations.

ECONOMIC COSTS OF LOWER LITERACY

A solid education is the essential foundation upon which a productive life is based. If that foundation is weak or defective, what is built atop it will not be straight or strong, but crooked and near collapse. Young Americans who lack a minimally functional base cannot enter society at the ground level and work their way up. Rather, they swell our unemployment lines; they fill our prisons and our drug treatment centers. Instead of becoming taxpayers, they become tax-eaters, at an annual public cost of nearly $6 billion.

We are ending up with three classes in this society—the very rich, the very poor, and the very taxed. Unless some changes are made soon, the welfare and the unemployment rolls will grow even faster; the divisions will cut even deeper.

Once again, America must pay more in the end for spending less in the beginning. The latest bill for Federal aid to education authorized a meager $47 million for basic skill training. It would make more dollar sense to prevent higher social costs in the years ahead by spending additional money on basic education now. Exorbitant public expenditures for treatment programs have bought insignificant gains. Many young Americans who enroll in vocational or occupational programs find their basic educational skills so deficient that they are unable to profit from job training.

ILLITERACY BARS YOUTHS FROM JOBS

According to a recent survey in New York City, many employers consider the lack of basic educational skills—rather than the lack of specific job skills—to be the decisive obstacle in hiring unemployed inner city youth. Mayor Edward Koch of New York argues:

> "These youths will never be able to successfully function in society unless, along with everything else, they are given remedial education, which can and should be done."

The most recent unemployment statistics show that nearly half of the black youth looking for work cannot find it. Adolph Slaughter of the District of Columbia Manpower Department has graphically explained the educational roots of this unemployment rate:

> "Most of these unemployed don't have the educational skills to impress an employer. They can't speak well, they can't add well enough for you to put them on a cash register. . . . This is a problem here in Washington and in Chicago and New York, all the big cities. . . . They lack educational skills and they need those things to sell themselves. It's just pitiful."

How can it be that after 12 years of schooling so many have learned so little?

The answer is neither simple nor self-evident. It is not primarily the fault of teachers, who on the whole are better educated than ever; they have to cope with many problems that arise outside the schools, but affect performance in classrooms. The cycle of poverty, shattered family lives, overcrowded schools, and teachers who must spend more time disciplining than teaching only begin to catalogue the list of contributing factors. The educational fads that tried to make learning easy rather than certain, the corroding effect of television, a decline in the total number of hours spent in school, and big city schools with a majority of poor students all have added to the large number of unemployable high school graduates we have today. And Federal efforts to stem the tide of functional incompetence have been inadequate and ineffective.

FEDERAL HELP: DECLINING AND MISALLOCATED

In 1965 title I of the Elementary and Secondary Education Act provided Federal assistance to improve the education available to low income, low achieving children. Yet, as the years go by and as illiteracy grows, the funds to combat it shrink. In 1967 the title I program served approximately 7.6 million children at an average level of $378 per child. But in fiscal 1977, only 5.2 million children received assistance at the same average level. This amounts to a 30 percent decrease in real spending.

Equally disturbing is the limited range of title I funds. Only 57 percent of those children who are eligible actually receive assistance. This means that 5 million children suffer from serious deficiencies that go untreated. Furthermore, of those who are helped, over half are not low achievers and nearly two-thirds are not low income.

There are several reasons for this misallocation of resources. One is that the allocaion formula is based upon an outdated 1969 survey which insufficiently reflects the movement of the poor from the rural South to the urban Northeast. By the time new data becomes available, the currently used data will be 13 years old. In the farthest stretch of the imagination, could we see the Defense Department using 13-year-old data to plan military strategy? Yet that is exactly what we are doing with our educational strategy, which will determine the future strength of both our domestic economy and our defense.

Second, the process for distributing Federal dollars often results in less needy schools receiving more funds. The Federal Government allocates money to school districts based on the number of eligible children. The districts, however, may use their discretion in budgeting the money. Paul T. Hill, director of a 1977 study of compensatory education, explains that the "local educational agencies are using the flexibility now provided by the statutes and regulations to deliver services in schools which have relatively low concentrations of low income children." As a result, children whose real needs qualified a school district in the first place to receive Federal dollars may never benefit from a single dime of those dollars.

Third where districts compete for scarce Federal funds, the district which spends the least per child usually receives the most aid. Government policy actually penalizes the district that makes a conscientious effort, even at fiscal sacrifice, to establish and expand remedial programs. The districts that lose such a competition are usually in urban areas where operating costs are higher and the number of poor children is greater.

To compound the irony, title I programs may actually hinder more children than they help. Title I students receive less time in reading and basic skills than nontitle I students. One-fourth of title I students are isolated from the other students which tends to lead to ethnic and racial segregation and tracking. These "pullouts" are more likely to miss some or all of their regular instruction than students who receive title I instruction in their regular classrooms.

Finally, fewer than 1 percent of American high school students benefit from title I, even though it was designed to aid both elementary and secondary schools. Consequently, the child who makes gains in the early years forfeits those gains in later years because funds are not available. The National Institute of Education sums up the situation in 1978:

"The schools are failing to provide the help necessary to decrease the number of functionally illiterate students between the ages of twelve and seventeen."

A 1974 survey of high school students revealed that 89 percent felt the most seriously inadequacy in their schools was that students struggling with math and reading were ignored.

THE TREND TOWARD COMPETENCY TESTING

Many parents concerned about their children's substandard academic achievement have pushed for minimal competency tests. This grassroots movement took the educators and legislators by surprise; but today many States are seriously considering competency testing.

It is astounding that an industry, second only to the military in spending and employment, is subject to little or no systematic checking. Only after students graduate do the inadequacies of their preparation become apparent. However, a few graduates refuse to forget what they did not learn in school. Recently a high school student of normal intelligence sued his school in San Francisco for educational malpractice—he had been awarded a diploma even though he could only read at the fifth-grade level. This is not an isolated case. Such litigation is the first sign of the enlarging perception that schools may be liable for educational failure. The legal counsels of various State offices of education agree that the number of such suits will increase and that increasingly they will succeed during the next 5 years.

Forty-two States have moved toward adopting or developing competency tests, but only five States have completed the task. The majority are a long way from full implementation. States often lack the necessary resources for the development of a reliable and fair testing instrument. Some States complain that it is impossible to achieve a consensus as to what the requirements for high school graduation should be. In order to avoid paralyzing and protracted indecision, to insure that success in one State does not mean failure in another, and to avoid possible racial or ethnic bias in testing, the Federal Government should formulate optional national criteria for competency testing.

Competency testing should not be used, or misused, as a final day of reckoning. The tests should not be misused merely to label a student a failure or a success. Their greatest potential value would be as a tool to diagnose educational problems at all grade levels and to assist and guide teachers in developing prescriptive programs. It is vital to catch and correct basic deficiencies at an early age rather than waiting until the 11th or 12th grades when the difficulties are chronic. By then, time permits just a last ditch effort which will most likely result in a diploma that certifies only attendance, rather than one which reflects achievement and competence.

A PROPOSAL TO ESTABLISH A NATIONAL COMMISSION ON LITERACY

If we continue on our present course, it will mean that we have effectively denied the right to an education to those who need it most. We have closed the door of education behind poor students and the door of opportunity in front of them. No one knows the final answer, but we must begin at least to raise the right issues. I intend to introduce Federal legislation with the following five objectives:

First, the Federal Government should establish an independent National Commission on Literacy. The current educational establishment faces an inherent conflict of interest in attempting to address the problem of illiteracy. An example of the most disheartening kind came in a report for the National Institute of Education in January of 1978 which asserted, with hardly a shred of proof, that illiteracy is largely an aberration and that its high incidence is an exaggeration. The report offers no new research or documentation. To refute the estimates of the adult performance level project, the Harris study and the Educational Testing Service that between 5 and 15 percent of those in the professional or managerial occupations are functionally illiterate, the NIE report relied upon a simple and simple-minded argument:

> Surely one would want to conclude that the functional literacy label had been applied inappropriately to individuals in the professional-managerial class.

Certainly one would want to conclude that, but unfortunately, it is neither logically necessary nor empirically proven. The studies finding relatively high illiteracy rates could be flawed; however, one cannot draw the inference that because they may not be 100 percent accurate, they are 1 percent accurate. The NIE baldly states, but does not even barely show, that because a person has a job, he must be functionally competent at a professional level. Educational authorities agree that many such employees may get by with inadequate basic skills by having others do for them what they cannot do for themselves. At best, they are likely to be minimally competent in a narrow field, with little chance for advancement or change in jobs or careers.

The NIE report also concluded that "few, if any, functional illiterates were actually awarded high school diplomas." Yet recent evidence points to a directly opposite conclusion. It has become apparent that the number of repeaters has been held down artificially by policies of social promotion. Only within the last year have students in Washington area schools been held back when they did not meet minimum requirements for promotion to a higher grade. In that year retention rates rose dramatically; they are now 7 to 70 percent higher in various schools. It is clear that the end of social promotion and the advent of accountability mean that students will no longer have a sheepskin to disguise basic deficiencies. The NIE study unfortunately took that disguise at face value.

It is disturbing that the latest study for the National Institute of Education is an excuse rather than an examination of illiteracy. Too often the related agencies absolve the industry they are supposed to evaluate. The NIE study of illiteracy proves one point above all others—we need an independent commission to study the problem.

Second, the National Commission on Literacy should examine the possibility the desirability, and the content of competency standards. The initial object should be the development of an operational definition of basic literacy: What every young adult, at minimum, needs to know in order to function successfully in American society. It should be emphasized that any Federal aid to education must provide the States with incentives not only to meet these standards, but to surpass them.

Third, the Commission should evaluate current programs and explore possible innovations to raise literacy levels through classroom instruction. The Commission should investigate present Federal and State programs (title I in particular), identifying their strengths, their weaknesses, and their bureaucratic inefficiencies. The extent and the effects of social promotion should also be measured. In light of recent evidence, it seems likely that this policy accounts for the larger number of illiterates graduating from high school today. Finally, the Commission should examine how teachers can make a difference, even in the vast majority of cases where the basic difficulties of students are not the teachers' fault. They should be encouraged to do their best job in teaching basic skills. Teachers should be rewarded for a job well done, not blamed for bad results caused by social problems outside the schools.

Fourth, the Commission should consider alternative solutions outside the traditional school setting. It has been empirically demonstrated that young people make tremendous gains in reading achievement when they are taught job skills and basic skills in unison rather than separately. Educational dollars may be more wisely spent on programs that are more than merely academic.

Jerry Kolker, director of the New York City Department of Employment, reported in 1977:

> I have personally witnessed youngsters with a fifth grade reading level advanced three grades simply because they were not in school, but were in a work situation where they saw a direct relation between the skill they were learning and the need to improve their academic expertise.

Fifth, the commission should analyze the effectiveness of current Federal assistance in combating illiteracy and the effect of different formulas to distribute such funds. It is unacceptable to appropriate enough money to reach only half of those who need help, and then to misallocate even those insufficient funds. At the very least, there should be full funding of currently successful compensatory education and reading improvement programs.

Something is very wrong in American education. No one in education should be scurrying to protect particular professional interests. Public officials and educational leaders should be searching out the causes without fear or favor and with one paramount interest—the effective education of our children. Our children come first. Efforts to improve our country—efforts in health, housing, the economy, and defense—will be depleted if our children are shortchanged in the schools. What good does it do to spend $130 billion a year to defend our Nation militarily in the world when the citizens we seek to protect are ill equipped to function educationally in the world they live and work in every day?

LITERACY COMMISSION

● **Mr. DOLE.** Mr. President, I am pleased to join with the Senator from South Dakota (Mr. McGOVERN) in introducing a Senate joint resolution to establish an independent National Commission on Literacy. I am concerned that the incidence of illiteracy in our Nation has now reached epidemic proportions, and I do not see any solution being put forward to address the declining of literacy among our Nation's citizens.

THE PROBLEM

While it is difficult to know exactly how many persons are illiterate, it is estimated that 20 percent of our adult population is functionally illiterate to the point where it cannot read and understand a want ad or complete a job application. Academic achievement in schools is dropping steadily from year to year, and national performances on standardized tests are also in decline. While once it was simply presumed that each successive generation of Americans would surpass its parents in educational accomplishment, we are now discovering that this trend has been broken.

For the first time, we are seeing signs that today's generation will neither surpass nor even attain the level of education which its parents reached. During the first part of this century, educational achievement grew steadily. After Sputnik, public education was given a tremendous boost, and observers claim that from 1963 to 1965 educational skills across the country were probably at their highest. Now, the Senate Subcommittee on Education has received testimony indicating that of those students graduating from high school this June, only 25 percent will function as well as the 1963 average. In fact, educational achievement has slipped to the performance levels recorded in the late 1940's and early 1950's.

However, the problem extends beyond current students, for many adults were so poorly schooled that they are unable to compete successfully in today's labor market. Nor, are they able to shop efficiently, prepare income tax returns, compute checkbook arithmetic, or advise themselves on new developments in health, dental care, or community problems.

RESULTS OF ILLITERACY

While our entire country suffers when its citizens are not as productive as they potentially could be, it is certain segments within that society which suffer the most abuse. Figures show that illiteracy is several times higher among persons who are unemployed rather than employed. Similarly, illiteracy is higher among minority adults rather than white adults, and persons with low incomes are more drastically affected than those with middle or high incomes.

Mr. President, as I read more about this issue, it becomes very clear that illiteracy discriminates against those persons who would have the most to gain by having good literary skills. It is impossible to evaluate the many ways in which illiteracy drains our economy. And, I am referring to more than to the paradox that as Federal support of education increases, educational achievements decrease. I am talking about the effect on our unemployment rate, I am talking about the effect on families with low incomes who have not enough money for proper health care and nutrition, and I am talking about the effect on our country of undeveloped natural resources.

While the problem and its effects loom large, I see no indication that steps are being taken to address illiteracy. I believe that the National Commission which Senator McGovern and I wish to create would be a beginning step in the endeavor to properly define the problem, determine its causes, and propose appropriate remedies to correct the problem and guard against future occurrences.

Mr. President, in a nation where bigger has often been associated with better, today's resolution may not seem particularly exciting. However, I think that experience clearly reveals that more money is not necessarily the answer and, in fact, in the past may have distracted us from addressing this problem earlier. We assuaged our consciences with the knowledge that we were focusing on education by increased Federal funding and deluded ourselves into thinking that eventually the problem of illiteracy would work itself out.

Mr. President, we cannot continue this charade. Each day's mail delivery reminds me that many Americans cannot write. Simple words are misspelled, subject and verb are not in agreement, and sentences are incomplete. Just as distressing are the wordy, flowery letters which ramble on for pages and are so disjointed and incoherent that I have no inkling what opinion the writer wishes to convey.

I hope that my colleagues in the Senate will take some time to study the incidence of illiteracy, and to acknowledge its effects on our society, our economy, and our Government. I urge the support of this resolution, for I think that a National Commission on Literacy would help to define these problems and recommend what remedies would most effectively combat illiteracy.●

By Mr. JACKSON (by request):

S.J. Res. 72. A joint resolution consenting to an Extension and Renewal of the Interstate Compact to Conserve Oil and Gas; to the Committee on Energy and Natural Resources.

EXTENSION OF INTERSTATE COMPACT TO CONSERVE ENERGY

● Mr. JACKSON. Mr. President, at the request of the Interstate Oil Compact Commission, I am introducing today a joint resolution which would give the consent of Congress to an extension and renewal of the Interstate Compact to Conserve Oil and Gas. The compact was originated by six-member States and consented to by the Congress in 1935. The compact has been extended periodically since that time, with congressional consent for each extension. The most recent congressional consent, given in 1976, expired on December 31, 1978.

The 1976 legislation calls for two reports by the Attorney General. One report, to be prepared biennially, must assess whether the activities of the Compact Commission and the States under the compact have been consistent with the purposes as set out in the compact. The Attorney General has not yet complied with this requirement and we are still awaiting this report.

The Attorney General is also required to report whether the activities of the advisory committees to the Commission and the States "could tend to create or maintain situations inconsistent with the antitrust laws of the United States." This report has been transmitted to Congress. For the information of Senators and other interested persons, I ask unanimous consent that the findings and conclusions of the report along with the text of the joint resolution be printed in the Record.

There being no objection, the report and joint resolution were ordered to be printed in the Record, as follows:

Report of the Attorney General

VI. CONCLUSIONS

Our review of Interstate Oil Compact Commission activities shows an organization well along the way in the process of change. Its original raison d'etre—the promotion of conservation through prevention of physical waste in oil and gas production—has largely been accomplished. All the producing States have conservation laws on the books and regulatory agencies to enforce them to the extent necessary. While continuation of efforts to develop improved conservation methods and techniques is of course necessary, this represents no more than extra fine tuning to an already functional machine. Moreover, the conditions of the energy scene have changed out of all recognition from those existing at the time the Compact Commission was formed. The parameters shaping its original activities make an increasingly imperfect fit for the new times.

In response to these changes the Compact has sought to change as well. It has dropped one of its old committees as no longer necessary. It has become concerned with geothermal resources and environmental protection issues and has established new committees to focus on these subjects, though their relevance to conservation of oil and gas is not apparent. The Compact has also abated its concern for the continuing practical issues of field conservation and regulation, as most of its committees have gradually become merely convenient forums for guest speakers on general subjects of interest to the committee. Study and exchange of views by the regulatory officials and others concerning details of practical day-to-day conservation problems are left to fortuitous hotel lobby conversations, not scheduled on committee meeting agendas.

A corollary to these changes has been a perceptible inflation in standing committee membership rolls. Where in 1968 seven committees had 433 actual members, eight committees now require 508 people. But as the members increase, attendance at Commission meetings remains only a fraction of the total. Committee attendance and participation are often taken as an indicator of a degree of interest in an organization. By that standard attendance figures suggest that IOCC efforts to adapt to new conditions cannot be deemed to be fully successful. And participation, when members do attend, is most often limited to making up an audience for a guest speaker.

As committee effort has gradually declined, it has become clear that a major and increasing part of the actual work done at Compact meetings is accomplished in the process of drafting and adopting resolutions and statements of policy. Moreover, as a broad range of national energy issues has come to the fore in response to a changed environment, these resolutions have come to be addressed almost wholly to Federal Government action on these issues. As our last report stated, many of the subjects addressed have only a remote relationship, if any, to the immediate purpose for which the Compact was formed.

All these factors bear on general questions concerning the extension of the Interstate Oil Compact, and they will be discussed in more detail in our next report under Section 2(a) of Public Law 94–493. They also bear on the question of undue influence on Compact standing committees by their industry members. As we have seen, more industry people are named to IOCC committees than those affiliated with the States represented, and about half of those actually attending meetings are from the industry or associated with it. However, their participation in committee affairs consists in the main in helping to provide an audience for outside speakers. Even where committees are still engaging in independent work activity—the foremost example being the Research Committee—the principal thrust of the effort is not from those involved in the industry. In all such committees, industry influence must be accounted as only modest.

The only exception to this general observation is the Resolutions Subcommittee of the Energy Resources Committee. Here, as in the past, industry personnel and those traditionally associated with the industry form a clear majority over State officials. Yet it cannot be said that the industry representatives unduly influence the thrust of the position papers developed, since, as we have seen, virtually all the influential subcommittee members appear to view issues from the same general perspective.

We have previously reported that such pronouncements, in many of their parts, may well be beyond the scope of the IOCC charter.[1] We have also reported that such activity does not in our view have adverse antitrust impact; it is equated to any organization's right to petition the Government for action in accord with the views of the petitioner.[2]

Though we have recently questioned the continued necessity of any Congressional approval for an organization whose principal activity now lies in such political action, this questioning did not rest on antitrust grounds.[3] Moreover, as noted above, our continuing monitoring of Compact Commission meetings has found no sign that IOCC committees have been used by the oil and gas industry as vehicles for unlawful collusive activity.

Accordingly, for the foregoing reasons, we conclude activities of advisory committees to the Compact Commission do not tend to create or maintain situations inconsistent with the antitrust laws.

S.J. Res. 72

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to an extension and renewal of the Interstate Compact to Conserve Oil and Gas, as amended, from January 1, 1979, until Congress withdraws its consent; that said compact was signed in its initial form in the city of Dallas, Texas, the 16th day of February 1935, by the representatives of Oklahoma, Texas, California, and New Mexico, and at the same time and place was signed by the representatives, as a recommendation for approval to the Governors and legislatures of the States of Arkansas, Colorado, Illinois, Kansas, and Michigan, and which, prior to August 27, 1935, was presented to and approved by the legislatures and Governors of the States of New Mexico, Kansas, Oklahoma, Illinois, Colorado, and Texas, and which so approved by the six States last above named was deposited in the Department of State of the United States, and thereafter was consented to by the Congress in Public Resolution Numbered 64, Seventy-fourth Congress, approved August 27, 1935, for a period of two years, and thereafter was extended by the representatives of the compacting States and consented to by the Congress for successive periods, without interruption, the last extension being for the period from September 1, 1974, to December 31, 1978, consented to by Congress by Public Law Numbered 94–493, Ninety-fourth Congress, approved October 14, 1976. The agreement to amend, extend, and renew said compact effective September 1, 1971, duly executed by representatives of the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Florida, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maryland, Michigan, Mississippi, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Tennessee, Texas, Utah, West Virginia, and Wyoming has been deposited in the Department of State of the United States, and reads as follows:

"AN AGREEMENT TO AMEND, EXTEND AND RENEW THE INTERSTATE COMPACT TO CONSERVE OIL AND GAS

"Whereas, on the 16th day of February, 1935, in the City of Dallas, Texas, there was executed 'An Interstate Compact to Conserve Oil and Gas' which was thereafter formally ratified and approved by the States of Oklahoma, Texas, New Mexico, Illinois, Colorado and Kansas, the original of which is now on deposit with the Department of State of the United States;

"Whereas, effective as of September 1, 1971, the several compacting States deem it advisable to amend said compact so as to provide that upon the giving of congressional consent thereto in its amended form, said Compact will remain in effect until Congress withdraws such consent;

"Whereas, the original of said Compact as so amended will, upon execution thereof, be deposited promptly with the Department of State of the United States, a true copy of which follows:

" 'AN INTERSTATE COMPACT TO CONSERVE OIL AND GAS

" 'Article I

" 'This agreement may become effective within any compacting State at any time as prescribed by that State, and shall become effective within those States ratifying it whenever any three of the States of Texas, Oklahoma, California, Kansas and New Mexico have ratified and Congress has given its consent. Any oil-producing State may become a party hereto as hereinafter provided.

" 'Article II

" 'The purpose of this compact is to conserve oil and gas by the prevention of physical waste thereof from any cause.

" 'Article III

" 'Each State bound hereby agrees that within a reasonable time it will enact laws, or if the laws have been enacted, then it agrees to continue the same in force, to accomplish within reasonable limits the prevention of:

" '(a) The operation of any oil well with an inefficient gas-oil ratio.

" '(b) The drowning with water of any stratum capable of producing oil or gas, or both oil and gas, in paying quantities.

" '(c) The avoidable escape into the open air or the wasteful burning of gas from a natural gas well.

" '(d) The creation of unnecessary fire hazards.

" '(e) The drilling, equipping, locating, spacing or operating of a well or wells so as to bring about physical waste of oil or gas or loss in the ultimate recovery thereof.

" '(f) The inefficient, excessive or improper use of the reservoir energy in producing any well.

" 'The enumeration of the foregoing subjects shall not limit the scope of the authority of any State.

" 'Article IV

" 'Each State bound hereby agrees that it will, within a reasonable time, enact statutes, or if such statutes have been enacted then that it will continue the same in force, providing in effect that oil produced in violation of its valid oil and/or gas conservation statutes or any valid rule, order or regulation promulgated thereunder, shall be denied access to commerce; and providing for stringent penalties for the waste of either oil or gas.

" 'Article V

" 'It is not the purpose of this compact to authorize the States joining herein to limit the production of oil or gas for the purpose of stabilizing or fixing the price thereof, or create or perpetuate monopoly, or to promote regimentation, but is limited to the purpose of conserving oil and gas and preventing the avoidable waste thereof within reasonable limitations.

" 'Article VI

" 'Each State joining herein shall appoint one representative to a commission hereby constituted and designated as the Interstate Oil Compact Commission, the duty of which said Commission shall be to make inquiry and ascertain from time to time such methods, practices, circumstances, and conditions as may be disclosed for bringing about conservation and the prevention of physical waste of oil and gas, and at such intervals as said Commission deems beneficial it shall report its findings and recommendations to the several States for adoption or rejection.

" 'The Commission shall have power to recommend the coordination of the exercise of the police powers of the several States within their several jurisdictions to promote the maximum ultimate recovery from the petroleum reserves of said States, and to recommend measures for the maximum ultimate recovery of oil and gas. Said Commission shall organize and adopt suitable rules and regulations for the conduct of its business.

" 'No action shall be taken by the Commission except: (1) By the affirmative votes of the majority of the whole number of the compacting States represented at any meeting, and (2) by a concurring vote of a majority in interest of the compacting States at said meeting, such interest to be determined as follows: Such vote of each State shall be in the decimal proportion fixed by the ratio of its daily average production during the preceding calendar half-year to the daily average production of the compacting States during said period.

" 'Article VII

" 'No State by joining herein shall become financially obligated to any other State, nor shall the breach of the terms hereof by any State subject such State to financial responsibility to the other States joining herein.

" 'Article VIII

" 'This compact shall continue in effect until Congress withdraws its consent. But any state joining herein may, upon sixty (60) days' notice, withdraw herefrom.

" 'The representatives of the signatory states have signed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States, and a duly certified copy shall be forwarded to the governor of each of the signatory states.

" 'This compact shall become effective when ratified and approved as provided in Article I. Any oil-producing state may become a party hereto by affixing its signature to a counterpart to be similarly deposited, certified, and ratified.

" 'Done in the City of Dallas, Texas this sixteenth day of February, 1935.'

"Whereas, the said 'Interstate Compact to Conserve Oil and Gas' in its initial form has heretofore been duly renewed and extended with the consent of the Congress to September 1, 1971; and

"Whereas, it is desired to amend said 'Interstate Compact to Conserve Oil and Gas' effective September 1, 1971, and to renew and extend said compact as so amended:

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[1] See 1974 Report, pp. 75–76.

[2] Id at pp. 78–79. See, also, the testimony of a Department of Justice official, Donald I. Baker, later Assistant Attorney General, Antitrust Division, in Interstate Compact on Oil and Gas (12th Extension) Hearings Before the Subcommittee on Communications and Power of the House Committee on Interstate and Foreign Commerce, 92nd Cong., 2d Sess. 79–80 (1972).

[3] Statement of Donald L. Flexner, Energy Section, Antitrust Division, Before the Subcommittee on Energy and Power, House Committee on Interstate and Foreign Commerce, Concerning Extension of the Interstate Compact to Conserve Oil and Gas (July 21, 1978).

"Now, therefore, this writing witnesseth:

"It is hereby agreed that effective September 1, 1971, the Compact entitled 'An Interstate Compact to Conserve Oil and Gas' executed within the City of Dallas, Texas, on the 16th day of February, 1935, and now on deposit with the Department of State of the United States, be and the same is hereby amended by amending the first paragraph of Article VIII thereof to read as follows:

"'This compact shall continue in effect until Congress withdraws its consent. But any state joining herein may, upon sixty (60) days' notice, withdraw herefrom.'

and that said compact as so amended be, and the same is hereby renewed and extended. This agreement shall become effective when executed, ratified and approved as provided in Article I of said compact as so amended.

"The signatory States have executed this agreement in a single original which shall be deposited in the archives of the Department of State of the United States and a duly certified copy thereof shall be forwarded to the Governor of each of the signatory States. Any oil-producing state may become a party hereto by executing a counterpart of this agreement to be similarly deposited, certified, and ratified.

"Executed by the several undersigned states, at their several state capitols, through their proper officials on the dates as shown, as duly authorized by statutes and resolutions, subject to the limitations and qualifications of the acts of the respective State Legislatures.

"The State of Alabama.
"The State of Alaska.
"The State of Arizona.
"The State of Arkansas.
"The State of California.
"The State of Colorado.
"The State of Florida.
"The State of Illinois.
"The State of Indiana.
"The State of Kansas.
"The State of Kentucky.
"The State of Louisiana.
"The State of Maryland.
"The State of Michigan.
"The State of Mississippi.
"The State of Montana.
"The State of Nebraska.
"The State of Nevada.
"The State of New Mexico.
"The State of New York.
"The State of North Dakota
"The State of Ohio.
"The State of Oklahoma.
"The Commonwealth of Pennsylvania.
"The State of South Dakota.
"The State of Tennessee.
"The State of Texas.
"The State of Utah.
"The State of West Virginia.
"The State of Wyoming.

Sec. 2. The Attorney General of the United States shall make a biennial report to Congress, for the duration of the Interstate Compact to Conserve Oil and Gas, as to whether or not the activities of the Interstate Oil Compact Commission and of the States under the provisions of such compact have been consistent with the purposes as set out in Article V of such compact.

Sec. 3. The right to alter, amend, or repeal the provisions of the first section of this joint resolution is hereby expressly reserved.●

ADDITIONAL COSPONSORS

S. 623

At the request of Mr. Kennedy, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 623, a bill to provide for the public financing of general elections for the U.S. Senate, and for other purposes.

S. 982

At the request of Mr. Lugar, the Senator from Iowa (Mr. Jepsen) and the Senator from Kansas (Mrs. Kassebaum) were added as cosponsors of S. 982, a bill to amend the Food Stamp Act of 1977 to authorize the Secretary of Agriculture to make fair and equitable reductions in food stamp benefits when insufficient funding is available.

S. 929

At the request of Mr. Jepsen, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of S. 929, a bill to amend title 38 of the United States Code to promote the care and treatment of veterans in State veterans' homes.

S. 967

At the request of Mr. Melcher, the Senator from Idaho (Mr. Church) was added as a cosponsor of S. 967, a bill to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment.

S. 1051

At the request of Mr. Roth, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 1051, a bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for certain educational expenses.

SENATE JOINT RESOLUTION 43

At the request of Mr. Durkin, the Senator from Montana (Mr. Melcher), the Senator from Arizona (Mr. DeConcini), the Senator from Kansas (Mr. Dole), the Senator from Illinois (Mr. Percy), the Senator from Missouri (Mr. Eagleton), and the Senator from Tennessee (Mr. Baker) were added as cosponsors of Senate Joint Resolution 43, to proclaim March 21, 1980, as "National Energy Education Day."

SENATE JOINT RESOLUTION 62

At the request of Mr. Pell, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of Senate Joint Resolution 62, to declare May 18, 1979, to be "National Museum Day."

SENATE RESOLUTION 145—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. PROXMIRE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution, which was referred to the Committee on the Budget:

S. Res. 145

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 348, S. 613 and S. 631. Such waiver is necessary in order that the Secretary of the Treasury may coordinate with the Bureau of the Mint the production schedule and begin the lengthy process of designing and striking the five gold medals called for in S. 348, S. 613 and S. 631. It takes approximately 6 to 9 months for the Bureau of the Mint to manufacture a gold medal of the type envisioned in these legislative proposals, which would be suitable for presentation by the President of the United States.

SENATE RESOLUTION 146—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget:

S. Res. 146

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such act are waived with respect to the consideration of S. 1007, a bill to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel. Such waiver is necessary to allow the authorization of $1,470,000,000 in additional budget authority for fiscal year 1979 for three purposes: (1) $800,000,000 in grant military assistance for the construction of two new Israeli airbases in the Negev Desert; (2) $370,000,000 for foreign military sales credits to Israel and Egypt, and (3) $300,000,000 for additional economic supporting assistance for Egypt.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1978 deadline, because the Treaty of Peace between Egypt and Israel was not signed until March 26, 1979.

The effect of defeating consideration of the supplemental authorization will be to reject an assistance package which is a fundamental aspect of the Egypt-Israel peace treaty. Funds are required as soon as possible to begin construction on the new Israeli airbases which must be completed in 3 years time.

The desired authorization should not delay the appropriations process and will need to be accommodated in an urgent supplemental appropriation. The amount required can be accommodated by the Second Concurrent Resolution on the Budget as amended by the Senate.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS, 1979—S. 429

AMENDMENT NO. 184

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR. (for himself, Mr. Huddleston, Mr. Exon, and Mr. Helms) submitted an amendment intended to be proposed by him to S. 429, a bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes.

(The remarks of Mr. Harry F. Byrd, Jr. when he submitted the amendment appear elsewhere in today's proceedings.)

EXPORT ADMINISTRATION ACT OF 1979—S. 737

AMENDMENT NO. 185

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. STEVENSON (for himself and Mr. Heinz) submitted an amendment intended to be proposed by them, jointly, to S. 737, a bill to provide authority to regulate exports, to improve the efficiency of export regulation, and to minimize interference with the right to engage in commerce.

● Mr. STEVENSON. Mr. President, I submit and send to the desk an amendment to the Export Administration Act of 1979.

I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the text of the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 185

Delete subsections (4) and (5) of section 2, and insert in lieu thereof the following:

"(4) The export of goods or technology without regard to whether it makes a significant contribution to the military potential of individual countries or combinations of countries may adversely affect the national security of the United States."

"(5) The restriction of exports from the United States can have serious adverse effects on the balance of payments and on domestic employment, particularly when restrictions applied by the United States are more extensive than those imposed by other countries."; and

by inserting immediately after subsection (7) of section 2 a new subsection as follows:

"(8) It is important that the administration of export controls imposed for national security purposes give special emphasis to the need to control exports of technology (and goods which contribute significantly to the transfer of such technology) which could make a significant contribution to the military potential of any country or combination of countries which would be detrimental to the national security of the United States."; and

by striking out "(A)" on line 23 of page 3 and inserting "(C)" in lieu thereof; and by striking out "(C)" on line 6 of page 4 and inserting "(A)" in lieu thereof; and by placing the paragraphs within subsection (2) of section 3 in correct alphabetical order in the bill; and by changing all references in the bill to "section 3(2)(A)" and "section 3(2)(C)" to read "section 3(2)(C)" and "section 3(2)(A)" respectively; and by adding the following new subsection at the end of section 3:

"(9) It is the policy of the United States to cooperate with other nations with which the United States has defense treaty commitments in restricting the export of goods and technology which would make a significant contribution to the military potential of any country or combination of countries which would prove detrimental to the security of the United States and of those countries with which the United States has defense treaty commitments."; and

by revising paragraph (1) of subsection (a) of section 4 to read as follows:

"To the extent necessary to carry out the policies set forth in section 2 of this Act, the President, by rule or regulation, may prohibit or curtail the export of any goods or technology subject to the jurisdiction of the United States or exported by any person subject to the jurisdiction of the United States. To the extent necessary to achieve effective enforcement of this Act, these rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person. In curtailing exports to carry out the policy set forth in section 3(2)(C) of this Act, the President is authorized and directed to allocate a portion of export licenses on the basis of factors other than a prior history of exportation."; and

by deleting the last sentence of section 4(a)(2)(A); and by deleting the word "or" on line 24 of page 8 and inserting immediately after the word "production" on the same line, the following:

", or use"; and

by inserting immediately after the word "review" on line 3 of page 9, the following:

"and revise"; and

by striking all that appears on line 6 of page 9 and inserting in lieu thereof the following:

"of insuring that"; and

by inserting the following two new sentences at the beginning of subparagraph (C) of section 4(a)(2):

"(C) Export controls maintained for foreign policy purposes as of the date of enactment of this Act, imposed or subsequently, shall expire December 31, 1979, unless extended by the President in accordance with this paragraph. Such extensions shall not be for a period longer than twelve months."; and

by deleting the word "Whenever" in line 13 on page 10, and inserting in lieu thereof the word "Before"; and by deleting the word "such" in line 16 on page 10, and inserting in lieu thereof the words "his intended"; and by inserting in line 17 on page 10 the words "each of" between the words "to" and "the"; and by inserting in line 14 on page 11 the words "prepare and" between the words "shall" and "maintain"; and by inserting in line 1 on page 12 the words "within the Office of Export Administration" between the words "establish" and "an"; and by deleting the last sentence of section 4(b)(1); and by striking all that appears on lines 17 and 18 of page 12 and substituting the following: "the Secretary of Commerce shall establish at least the following three types of licenses in addition to such other types as the Secretary may deem appropriate:"; and by inserting on line 7 of page 13 the words "to any destination" between the words "export" and "of"; and by striking the period at the end of line 2 on page 18 and inserting the following: "and the Congress is notified that consideration will exceed 180 days."; and by inserting a new paragraph at the end of subsection (C) of section 4 as follows:

"(8) In any case in which the export to controlled countries of goods of technology is controlled in fact by another country or countries to the same extent as by the United States, no condition shall be imposed by the United States with respect to the export of such goods or technology to or from such country or countries,"; and

by inserting at the end of section 4 two new subsections as follows:

"(n)(1) Any United States firm, enterprise, or other non-Governmental entity which, for commercial purposes, enters into an agreement with an agency of a government in another country to which exports are restricted for national security purposes, which agreement cites an inter-governmental agreement calling for the encouragement of technical cooperation and is intended to result in the export from the United States to the other party of unpublished technical data of United States origin, shall report such agreement to the Secretary of Commerce.

(2) The provisions of this subsection shall not apply to colleges, universities, or other educational institutions.

(3) The Secretary of Commerce is authorized to issue such rules and regulations as are necessary to implement the provisions of this subsection.

(o) The Secretary of State, in consultation with the Secretary of Defense, the Secretary of Commerce, and the heads of other appropriate departments and agencies, shall be responsible for negotiations with other countries regarding their cooperation in restricting the export of goods and technologies whose export should be restricted pursuant to Section 3(9) of this Act, as authorized under Section 4(b)(1) of this Act, including negotiations on the basis of approved Administration positions as to which goods and technologies should be subject to multilaterally agreed export restrictions and what conditions should apply for exceptions from those restrictions."; and

by inserting at the end of section 5 a new subsection as follows:

"(c) The provisions of this Act and the rules and regulations issued pursuant thereto shall preempt any law, rule, or regulation of any of the several States or the District of Columbia, and any of the territories or possessions of the United States, or of any governmental subdivision thereof, which law, rule, or regulation pertains to participation in, compliance with, implementation of, or the furnishing of information regarding restrictive trade practices or boycotts fostered or imposed by foreign countries against other countries."; and

by deleting the words "from time to time" in line 12 on page 37; and by deleting the words "or technology" in line 13 on page 38; and by inserting the words: "or whenever he deems appropriate to further the purposes of this Act" after the comma and before the word "the" in line 24 on page 38; and by inserting a comma in line 7 on page 39 after the word "Commerce"; and by deleting all that appears in lines 2 through 7 on page 40 except the word "Nothing"; and by deleting all that appears in lines 5 through 9 on page 42 and inserting in lieu thereof the following: "fined not more than five times the value of the exports involved or $50,000, whichever is greater, or imprisoned not more than five years, or both."; and by striking "$50,000" in line 16 on page 42 and inserting in lieu thereof: "$100,000"; and by striking "five" in line 17 on page 42 and inserting in lieu thereof: "ten"; and by striking "section 4(a)" in line 4 on page 47 and inserting in lieu thereof: "section 4(b)"; and by deleting the last sentence from subsection (d) of section 9; and by deleting subsection (e) of section 9; and by revising section 10 to read as follows:

"Except as provided in section 8(c)(2), the functions exercised under this Act are excluded from the operation of sections 551, 553 through 559, and 701 through 706 of title 5, United States Code, provided, however, that the Secretary of Commerce, where consistent with the purposes of this Act shall provide by regulation for administrative procedures similar to those provided by the aforementioned sections of title 5, United States Code."; and

by revising section 11 to read as follows:

"(a) The Secretary of Commerce shall make an annual report to the President and to the Congress on the implementation of this Act.

(b) Each annual report shall include an accounting of—

(1) actions taken by the President and the Secretary of Commerce to effect the antiboycott policies set forth in section 3(5) of this Act;

(2) organizational and procedural changes instituted and any reviews undertaken in furtherance of the policies set forth in this Act;

(3) efforts to keep the business sector of the Nation informed about policies and procedures adopted under this Act;

(4) any changes in the exercise of the authorities of section 4(a) of this Act;

(5) the results of review of United States policy toward individual countries called for in section 4(a)(2)(A);

(6) evidence demonstrating a need to impose export controls for national security on foreign policy purposes in the face of foreign availability as set forth in section 4(a)(2)(E);

(7) the information contained in the reports required by section 4(g)(2) of this Act, together with an analysis of:

(A) the impact on the economy and world

trade of shortages or increased prices for commodities subject to monitoring under this Act or section 812 of the Agricultural Act of 1970;

(B) the worldwide supply of such commodities; and

(C) actions being taken by other nations in response to such shortages or increased prices;

(8) delegations of authority by the President as provided for under section 4(m) of this Act;

(9) the number and disposition of export license applications taking more than 90 days to process pursuant to section 4(c)(4) of this Act;

(10) consultations undertaken with technical advisory committees pursuant to section 7(c) of this Act, the use made of advice given, and the contribution such committees made in carrying out the policies of this Act;

(11) violations of the provisions of this Act and penalties imposed pursuant to this Act; and

(12) any revisions to reporting requirements prescribed in section 9(d).

(c) The heads of other involved departments and agencies shall fully cooperate with the Secretary of Commerce in providing all information required by the Secretary of Commerce to complete the annual reports."; and

by striking the period at the end of line 17 on page 51 and inserting in lieu thereof the following:

", but not the goods themselves."; and

by revising lines 3 and 4 on page 52 to read as follows:

"coordination with the authority exercised under section 38 of the Arms Export Control Act (22 U.S.C. 2778)."; and

by adding the following new subsection to section 14:

"(c) There are authorized to be appropriated to the Department of State $100,000 for fiscal year 1980 to implement the provisions of sections 3(9) and 4(o) of this Act."; and

by adding a new section at the end of the Act as follows:

"SEC. 17. As of October 1, 1979, the Mutual Defense Assistance Control Act of 1951, as amended (22 U.S.C. 1611–1613d, is superseded."; and

by striking the period at the end of the first sentence of section 4(a)(1) and adding in lieu thereof the following:

", provided that any controls of exports not originating in the United States, beyond those controls in effect on October 1, 1979, may not be imposed unless the conditions of section 202 of the International Emergency Economic Powers Act, 91 Stat. 1626, are met; and

by deleting from lines 19 and 20 on page 7 the following:

"and for foreign policy purposes as prescribed in section 3(2(B) of this Act"; and

by inserting in line 11 on page 8 between the words "subsection" and "may" the following:

"to carry out the purposes as prescribed in section 3(2)(A) of this Act"; and

by deleting all that appears in lines 22 through 24 on page 9, and renumbering the clauses within subparagraph (C) of section 4(a)(2); and

by deleting all that appears in lines 18 through 22 on page 22, and substituting in lieu thereof the following:

"department, agency, or official would recommend approval subject to specified conditions; or (3) recommend to the Secretary of Commerce that the export of such goods or technology be approved."; and

by deleting all that appears in liens 13 through 17 on page 20 and substituting in lieu thereof the following:

"recommend approval subject to specified conditions; or (3) recommend that export of such goods or technology be approved."; and

by deleting all that appears in lines 4 through 8 on page 19 and substituting in lieu thereof the following:

"recommend approval subject to specified conditions; or (3) recommend that export of such goods or technology be approved."; and

by deleting the word "have" in line 14 on page 41 and inserting in lieu thereof the work "are"; and

by deleting the words "become or will imminently become" in line 15 on page 41.

NOTICE OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Committee on Indian Affairs.

The hearing is scheduled for May 15, 1979, beginning at 9:30 a.m., in room 1202 Dirksen Senate Office Building. Testimony is invited regarding S. 751, a bill relating to the relocation of the Navajo Indians and the Hopi Indians, and for other purposes.

For further information regarding the hearings, contact Alan Parker of the committee staff on extension 224–2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, room 6313 Dirksen Office Building, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

Mr. JOHNSTON. Mr. President, I have several unanimous-consent requests here that have all been cleared.

SUBCOMMITTEE ON COMMUNICATIONS OF THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. President, I ask unanimous consent that the Communications Subcommittee of the Committee on Commerce, Science, and Transportation be authorized to meet during the sessions of the Senate today and Thursday, May 3, 1979, beginning at 2 p.m. in order to hold hearings on S. 611 and S. 622, the Communication Act amendments.

SUBCOMMITTEE ON NUCLEAR REGULATION OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. President, I ask unanimous consent that the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, May 3, to mark up authorizations for the Nuclear Regulatory Commission.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate today to consider S. 817, the Canal Zone biological area funding authorization; S. 927, the Smithsonian development planning authorization; S. 994, to authorize reimbursement of States for Federal Election Commission recordkeeping, and other administrative and legislative matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate today to consider speedy trial legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, May 3, 1979, beginning at 2:30 p.m., to hold a markup session on S. 584, legislation to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act.

Mr. STEVENS. There is no objection, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

WHAT THE FLAG MEANS TO CHERYL TANTIMONICO

● Mr. PELL. Mr. President, each generation of Americans faces a changing world community, a new set of social and economic pressures, and a new challenge to solve the problems of its time. In peace or war, each develops its own insights and writes its own page in American history. Yet to each new generation the American flag remains a unique and lasting symbol of the United States of America, a visual embodiment of the timeless spirit of its people.

I would like to share with my colleagues a composition written by Miss Cheryl Tantimonico, an eighth grade student from Warwick, R.I. In expressing what the American flag meant to her, Miss Tantimonico won the annual essay competition sponsored by the Warwick Emblem Club No. 416 as well as the admiration of her teachers and fellow students. I submit her composition for the RECORD.

The composition follows:

WHAT THE AMERICAN FLAG MEANS TO ME

I think that the American flag tells the whole history of the United States. The red stripes are a remembrance to all the people who have died for their country. Also, it is a symbol of the bloodshed that Americans have seen during the wars.

The white stripes on our flag stand for liberty: the liberty that we gained from the British in the American Revolution, and the liberty that minority groups are still trying to get today.

The group of fifty white stars stands for the States. Each State is free and separate, but when in trouble, they unite and become strong.

The blue field stands for the oceans. They help our ships during war, and the water keeps us alive.

To me, the American flag tells exactly what America stands for.

CHERYL TANTIMONICO.●

REMARKS OF SENATOR MATHIAS BEFORE COPE LEADERSHIP MEETING

● Mr. JAVITS. Mr. President, I submit for the RECORD the remarks of our colleague from Maryland, Senator MATHIAS, to the COPE leadership meeting on April 21, 1979.

The remarks follows:

LABOR AND THE 96TH CONGRESS

I am grateful for the opportunity to be here at this COPE Leadership meeting to talk about the kind of relationship I hope the working men and women of America and the 96th Congress will have with each other. I welcome a chance to discuss that. But I hope you won't mind if I stray a little, from time to time, to touch on other problems that trouble me, for which I have no legislative remedy.

One of these is of special concern to COPE. It is the ever-increasing number of Americans who don't vote in national elections. Voter apathy is one of the most fundamental problems we face as a society, yet Congress is powerless to overcome it. Congress can legislate against disincentives to voting. Congress can make it easier to register and to vote. But Congress cannot drag unwilling voters to the polls.

COPE can, and does, do much more to reverse this trend than Congress is able to do. No activity of the labor movement, in my view, is more important than the COPE program to educate people about the issues and the candidates; to teach what it means to be a responsible citizen in a democratic society, and to encourage registration and voting. I congratulate you on that program and am optimistic that some day—soon I hope—your efforts will be crowned with success. But, right now, you still have a tough, uphill battle on your hands.

In the presidential election year 1976, only 54.3 percent of all voting age Americans bothered to go to the polls, as compared to 70 percent in 1964. In non-presidential election years, the voter turnout is even smaller. This downward trend of participation in elections has profound implications for the way we govern ourselves.

One result is obvious. Today, there are many federal officials who were elected, not by a majority of the people they represent, but by quite a small minority of them. President Carter, for example, attained the highest office in the land with the support of less than 28 percent of the voting age population.

That's hardly a broad base of support. And, while it does not excuse, it does help to explain the President's on-again-off-again, uncertain style of leadership. It cannot be easy to step boldly and decisively forward from such an unsubstantial base. And it is surely difficult to forge a national consensus on issues as complex as energy and inflation, when you know that almost half the adults in America either did not care enough to vote in the last presidential election or had too little confidence in the system to believe that their votes would make a difference.

If we are to remain a democratic nation, we cannot afford to ignore voter apathy. It strikes at the heart of our system. Quite aside from the leadership dilemmas it spawns, it holds other dangers for us. The most obvious being that the more narrowly-based a political system is, the more susceptible it is to manipulation by special interests.

Right now the popular base that sustains the most marvelous edifice of democracy ever constructed anywhere in the world is perilously small.

Oliver Wendell Holmes once wrote lyrically about:

> The freeman, casting with his unpurchased hand,
> The vote that shakes the turrets of the land.

I think the time has come to give some turret-shaking power back to the American people. I think they'd take more interest in politics if they felt they had that kind of power. And I think one way to give it to them is by passing legislation to permit public financing of Congressional elections.

And that, my friends, brings us back to what's going on in the 96th Congress.

On March 12, a bill to provide for public financing of Senate elections (S. 632) was introduced in the Senate. I cosponsored this bill which is designed to open up the political process by making it easier for all kinds of people to run for the Senate. The bill would reduce the candidates' dependence on special interest groups and ultimately make the average voter equal to the millionaire in purchasing power at election time. The House Administration Committee last month held five-days of hearings on a similar bill to provide public financing for House elections (H.R. 1).

Despite all these signs of life, I must tell you frankly that I don't think the prospects for passing public financing legislation are very bright. The bald facts is that it will cost money and money is something very few people on the Hill want to talk about these days. As former Senator Norris Cotton used to say:

> The boys are in such a mood that if someone introduced the Ten Commandments, they'd cut them down to eight.

When the cold winds of Proposition 13 fever blew out of California and onto Capital Hill last year, they produced a fever for economy at almost any price. Like voter apathy, Proposition 13 fever is a state of mind for which there is no easy legislative remedy. And it is a highly contagious state of mind.

I got an idea of just how catching Proposition 13 fever is the evening Congress recessed for Easter, when I tuned in a network TV news show just in time to hear one of our most thoughtful commentators congratulate the country because Congress had recessed without passing a single bill that cost the taxpayer money.

That kind of line may get laughs all over America, but it doesn't help answer the most complicated and perplexing question before the Congress: how to bring the budget into balance without destroying the great social and economic and political programs that have been this nation's agenda for so long?

I want to see a balanced federal budget as much as anyone. But I am worried that Proposition 13 fever may induce a delirium which finds us hacking away at important programs with a meat axe, when a paring knife would do. Some of the proposals for balancing the budget that we hear today remind me of a remark Baltimore's late, great journalist H. L. Mencken once made. "For every problem," he said, "there is a solution that is simple, easy and wrong."

My aim in the 96th Congress is to see that we don't buy any of the simple, easy and wrong solutions that are in the wind now. I think this should be your aim too. For example, I don't want to see the budget balanced with money siphoned out of funds for the handicapped, or for education, or health, or OSHA or job training programs. I want to see these programs run as efficiently and effectively and honestly as they possibly can be. But we can't stand by and see them gutted. By all means, let us make economies where we can, but let us not make false or foolish economies.

One of the most foolish and unproductive ways to respond to Proposition 13 pressure for economy in government would be to shortchange programs such as OSHA or medical research. When we passed the Occupational Safety and Health Act of 1970 (P.L. 91-596) after a two-year struggle, 14,300 deaths and 2.2 million disabling injuries were being caused annually by on-the-job accidents. They were costing the economy $16 billion annually. Between 1972 and 1977, industrial fatalities declined about 11 percent and work-caused injuries and illnesses decreased nearly 15 percent. Compared to this record, OSHA's $173 million budget for this year is peanuts. And that's how you should sell OSHA to Congress—sell it as cost-effective, which it is.

Another sure-fire way to bust a budget you're trying to balance is to cut funds for medical research. Can you imagine how long the economy could stand the strain of sending more and more people to the hospital at today's costs?

The figures on cost-effectiveness of preventing disease are impressive. You can almost prove mathematically that for every dollar spent by NIH, society will save $20 in reduced health costs and increased human productivity.

In Maryland, as some of you know, we've got a fine example of cost-effectiveness in the health field in our very successful immunization campaign against measles. In 1976, the State registered 718 cases of measles; in 1977 the number of cases was down, but still too high, at 399 cases. Finally, last year, as a result of the nationwide effort to immunize children initiated by the Center for Disease Control, Maryland registered only 51 cases of measles. This program has more than justified itself in terms of dollars and cents savings. And, when you factor in the human agony avoided, the lowered incidence of birth defects, of deafness and blindness, the savings are literally incalculable.

I would always rather spend a penny to save a dollar, but in its present mood, the Congress shies away from the word "spend" in just about any context. And there's a message here for labor.

Where in the Senate today are the great champions of the broad social, economic and political program that was forged in the crucible of the trade union movement? How many still speak for that program—from civil rights to minimum wage—which was the nation's agenda for so many years?

Paul Douglas is gone. Phil Hart is gone. Humphrey is gone. So is Clifford Case.

In the 96th Congress, the Senate has its second largest freshman class since becoming a popularly elected body in 1914. I saw new faces when I walked into the Senate chamber on January 15th. Almost half of the members of the Senate—48 in all—are serving their first term. Veterans of the battle to legislate that great agenda of social and political issues I spoke of earlier are few and far between. The institutional memory is fading.

The labor movement has never avoided hard truths. It has faced them honestly and come to terms with them realistically, which is one of its great strengths. And we have never minced words with each other, so I'm not going to mince words with you now.

The new composition of the Congress; the weakening of political parties and of party discipline; the growing power of single-issue groups; the declining voter participation in elections and Proposition 13 fever, all are danger signals for you. They warn that politics is in flux. Its destination is unknown. Its course uncharted.

We got a hint of what these developments may mean for labor in the 95th Congress. As usual, George Meany looked the facts in the eye. It wasn't "a very good year for labor on Capitol Hill," he told a convention of the Seafarer's Union last October. "We had a few victories," he said, "but some very severe disappointments."

The most severe disappointment, of course, was the failure of Labor Law Reform. As you know, the Senate debated the bill for 19 days and finally recommitted it to committee, after a filibuster by opponents and six cloture motions failed to limit debate. I supported all six attempts to invoke cloture. And, if it comes to that again, I will do so again.

In this Congress, Labor Law Reform has one new plus going for it but five new minuses. The plus is that when the Senate adopted the rules which will govern its debate during the 96th Congress, it eliminated the possibility for a post-cloture filibuster by amendment. The threat of a post-cloture filibuster is what killed the bill in the 95th Congress, because by the time Labor Law Reform was brought up there was already such a logjam of legislation to be disposed of before adjournment that few people were willing to risk a time-consuming filibuster. So the new Senate rules should work in favor of Labor Law Reform. But that's a very small plus when weighed against five big minuses. Missing from the Senate today are five who voted to invoke cloture in the anti-labor Law filibuster last year.

It's traditional in some places to shoot the messenger who brings you bad news. So before you start taking aim at me, let me read you the very realistic appraisal of this situation the AFL–CIO Executive Council published at its mid-winter meeting:

> "The last two years leave us with no illusions concerning the difficulty of amending the NLRA (National Labor Relations Act) in any way, no matter how modest. But we will fight step-by-step if necessary—to assure that all workers enjoy in fact as well as in theory their rights stated in the law."

From the way things look now, I think it may take a step-by-step fight to get Labor Law Reform through this new Congress. Already we have seen signs of anti-labor and anti-union sentiment on Capitol Hill. As usual, there are legislative proposals to repeal the Davis-Bacon Act, to defer further increases in the minimum wage that were enacted in the 95th Congress and to repeal the Occupational Safety and Health Act, to name just a few.

There is no question that these proposals have gained momentum in the recent past and that they will be harder to hold off during this Congress. It is far easier to defeat a bill than to pass one, and, if we are to avoid paying too high a price in human terms for an austerity budget, labor has got to get the message to the people that important programs are in jeopardy. And you've got to persuade new members of Congress and the uncommitted members of Congress that the social programs labor backs are cost effective.

From the time Teddy Roosevelt handed down the first pro-labor legislative program of any president, the labor movement in this country has gone from strength to strength. The progress has not always been steady. There have been fierce battles and bitter defeats. But, in the end, there has always been progress.

Even in these admittedy difficult days for labor, I believe your progress is assured, if you adopt and preach George Meany's gospel that:

> "The fight on inflation must be on the basis of equality of sacrifice—not on the sacrifice of equality."

I am already firmly committed to that view and I would like to work with you to convince others that it is the only sound approach to solving our economic problems.●

SUSPENDING SERVICE ON THE MILWAUKEE RAILROAD

● **Mr. CULVER.** Mr. President, as an original cosponsor, I want to indicate my support for the resolution to delay any suspension of service by the Milwaukee Railroad for a period of 90 days.

Currently, the Milwaukee operates approximately 1,400 miles of track in Iowa and transports roughly 15 percent of the grain moved by rail. The proposed embargo plan would suspend service over 1,000 miles of this track, including the major grain-hauling route from Spencer to Marquette, Iowa. The May 8 deadline for suspending service would be catastrophic to the farmers and shippers who use this and other Milwaukee lines in Iowa. It simply does not provide sufficient time for them to make plans for moving their grain by other railroads or alternative modes of transportation. Grain elevator operators are left with full bins and no way to ship them to eastern or southern markets on such short notice. The economic loss to operators and customers will be substantial. The Milwaukee has been in bankruptcy for over a year; it should have been able to provide more than 2 weeks notice that it was going to attempt to suspend almost three-quarters of its total system.

The Milwaukee's embargo request also leaves unresolved several legal questions. Under Iowa's innovative rail assistance program, shippers and the State Department of Transportation have loaned the Milwaukee almost $5 million to rehabilitate track. It is still unclear whether the Milwaukee can suspend service along those portions of its line that have been upgraded with State and private assistance.

The Milwaukee also instituted an innovative rail-barge tariff to assure shippers in the western part of Iowa rail cars to move grain to the Mississippi River and then to the Gulf of New Orleans by barge. This program has been a signal success; last year the Milwaukee moved about 2.5 million bushels of grain. This year the program is to be expanded to 15 million bushels. The growth of the program indicates that there is a lucrative market for hauling grain along the Milwaukee track, and I am concerned that shippers who have entered into rail-barge tariff contracts will suddenly be left without access to the Mississippi River.

Mr. President, in the event that the embargo is permitted, the Interstate Commerce Commission (ICC) has the authority to direct other railroads to provide essential service to Milwaukee users for a period of up to 240 days. However, I believe that a postponement of the May 8 deadline is warranted in order for the ICC, shippers, and State and local officials to develop a plan which provides essential service to the maximum feasible number of those dependent upon the Milwaukee for rail service.

This resolution will postpone any suspension of service for a period of 90 days and directs the Secretary of Transportation to provide any emergency funds needed to help maintain Milwaukee operations during this period. This is not an open-ended, long-term Federal "bail-out" of the Milwaukee Railroad, but merely provides additional funds to augment the line's own resources so that more time is available to consider effective solutions to the Milwaukee's financial situation.

Mr. President, this resolution is a prudent, short-term response to a critical situation. It will provide more service to the people of Iowa, who rely so heavily on the Milwaukee, and I urge my colleagues to support it.●

BILL LEE

● **Mr. RIBICOFF.** Mr. President, Bill Lee, a sports columnist and former sports editor of the Hartford Courant, died April 25, 1979. Bill Lee, who was 76 years old, had been a friend of mine since he came to the Courant 40 years ago. Bill Lee will be deeply missed by all who knew him and the many more who read his stories and columns. Mrs. Ribicoff and I are sending our sympathies to Bill's wife, Melva, and other members of his family.

Bill Lee won many Connecticut and national awards for his clear, precise, readable and always interesting sports stories and columns. A plain-spoken, down-to-earth, humble man, Bill Lee loved sports and sportswriting and people. He was the kind of newspaperman books and plays are written about, the kind of reporter who gives his business a good name, the kind of human being all of us were enriched by.

In a lifetime of reading Bill Lee stories and columns, there are many that stand out. Courant sports editor Owen Canfield, who wrote the Courant's obituary on Bill Lee, remembered the column Bill wrote in 1950 about the original Courant building on State Street which was abandoned when the paper opened a new, modern building Bill Lee wrote:

> "The Old Lady of State Street died Saturday night. Having known the old girl, the parting was sweet sorrow. . . .
>
> "The old place on State Street may have been crowded and rancid with cigarette smoke and bad ventilation, but say, let me tell you, it was a place of wonderful stories to write and sweat out and suffer through . . . a place where a man worked with great guys. . . .
>
> "Say, bud, don't ever knock the old place. It was where I met the woman I love and took from the city staff, a gal who was a good reporter but who has been an even better wife and mother.
>
> "Before my time, it was where Mark Twain came puffing up five flights of stairs to the editor's office to poke his head in and roar 'Where's God?' It was where Calvin Coolidge, in 1920, spoke over a dead mike without knowing the Courant's radio station had blown a gasket and was off the air.
>
> "The new place is bright and new and shiny and we can breathe, but don't ever let me hear you knock the old place on State Street.
>
> "I loved it."

Owen Canfield's obituary about Bill Lee is warm, thorough, and true to the Bill Lee we remember. Bill would have liked it. I ask that it be printed in the RECORD.

The obituary follows:

BILL LEE, SPORTS COLUMNIST FOR COURANT, DIES AT AGE 76

(By Owen Canfield)

William J. "Bill" Lee, whose "With Malice Toward None" column has been a morning eye-opener for thousands of readers of The Courant sports pages for 40 years, died Wednesday at St. Francis Hospital and Medical Center. He was 76.

A Brooklyn, N.Y., native, Lee came to The Courant sports department in 1925 after beginning his sports-writing career in high school in Bridgeport. He became The Courant's sports editor in 1939, succeeding the late Albert W. "Bert" Keane.

As a Courant columnist, he was considered one of the country's fairest, most talented and enduring sportswriters.

FOUGHT FOR CIVIC CENTER

He waged a long, sometimes lonely battle for a civic center in Hartford and fought just as hard against legalizing gambling in Connecticut.

He lived to see the civic center built and its press room was dedicated in his name and that of the late sports editor of the Hartford Times, Arthur B. McGinley.

He also watched the advent of legalized gambling in Connecticut with a critical eye and a concerned editorial voice. Lee's sternest objection was that wide-open sports betting would deal a death blow to college and professional athletics, as an underworld element crept in.

Although fiercely criticized for his stand, he never backed away from it.

COLUMN HONORED

Lee's column, which he continued to write four times a week for The Courant after his retirement Jan. 1, 1974, won dozens of awards and prizes. Lee was selected Connecticut Sportswriter of the Year five times, the last time in 1973, by the National Sportscasters and Sportswriters Association.

Capable and at ease with any assignment, Lee's fortes were baseball and boxing.

Lee covered baseball spring training for The Courant from 1939 until 1974. He also covered all but one World Series during that time, and after his retirement, still filed his columns for The Courant from the World Series at Fenway Park in 1975 and his beloved Yankee Stadium in 1976. The only series he missed was the 1944 "city series" between the St. Louis Browns and St. Louis Cardinals.

His boxing background went back to his childhood in Bridgeport. His father, Terry Lee, was one of the state's outstanding referees and Bill began covering world championship bouts when he was less than 20 years old. His first was the featherweight title fight between Johnny Kilbane and Eugene Criqui of France at the Polo Grounds in New York in 1923.

Lee was at his creative best while writing against deadline pressures. His stories of the Muhammad Ali-Oscar Bonavena and the Ali-Joe Frazier fights were selected for publication in "Best Sports Stories" of 1972 and 1973. The book was a compilation of the top sports stories, written on deadline. He had a "feel" for and a far-reaching knowledge of boxing and an ability to excite his readers with his descriptive prose.

From the Ali-Frazier fight at Madison Square Garden he wrote, "Ali nails his man with scores of ripping punches that put lumps all over Frazier's face, but he never had the firepower to slow down the fearsome charge with which Joe attacked from start to finish."

COMPASSIONATE, FAIR

If nerve, knowledge and talent marked Lee as a columnist, compassion and fairness marked him as a man. He ran his domain, The Courant's sports department, with a firm but friendly hand. Young staffers, those who were willing to listen, learned from Lee, who liked to refer to the department as "a newspaper within a newspaper."

Discussing a fight he had double-covered in Springfield with a young reporter one day, the cub innocently admitted, "I didn't see the knockout punch. I was looking at my watch."

Lee put his hand on the young man's arm and said sternly, "There's your lesson. Don't ever take your eyes off the fighters. Ever. What do you think they've got timekeepers for?"

If Lee was aware of his prominence as the state's top sportswriter, it never affected his quiet manner or his insistence that all bases be touched.

DID NOT SLOW DOWN

Though he suffered a heart attack while covering the 1963 spring training, the next year he was back in Florida, working without breaking his routine, John Kershaw, a traveling companion of many years, recalled. "You'd think he'd take it easy down there, sit in the stands, enjoy the sun. But no, he had to climb up into every press box, score every game, get every interview. There's no use trying to change him."

It annoyed Lee when friends would ask, "How was your vacation?" when he returned from spring training.

"That's one of the assignments where I work the hardest," he said, "though, of course, I enjoy it."

The father of four, Lee confided to a friend one day, "There were times when I would stand in front of one of those children's clothing shops down in Florida and look at the window displays and just eat my heart out wishing I could go home."

But home to the much-traveled Lee for almost four decades was wherever spring training was happening, or at a championship fight, a big football game, an important golf tournament, or, in late years, when the Whalers and Celtics played their games in the civic center.

He covered golf from the time of Bobby Jones and was The Courant's golf editor for 15 years before becoming sports editor. He never missed an Insurance City Open (now the Sammy Davis Jr. Greater Hartford Open), and his editorial support of the Jaycees' tournament at Wethersfield was one of the major factors in its growth and solid entrenchment in the Hartford area since 1952. For many years, his spring was not over until he went from Florida's baseball camps to the Masters Tournament in Augusta, Ga.

Until the World Hockey Association moved its Boston franchise to Hartford to be the prime tenant of the civic center, Lee had not been exposed to hockey and seldom wrote about it. Characteristically, he immediately took up a permanent seat in the press box and, though over 70, almost never missed a Whalers game.

Though he struggled with the intricacies of a strange game, his readers quickly learned that Bill Lee was a hockey writer, too. He "wrote the people" in the game and his hockey columns were as strong and entertaining as any of his works.

After retirement, Lee was featured in a half-hour television special on Channel 3 with his old friend, Bob Steele, during which he reminisced about his 35 years as sports editor and said, "I have no regrets in spending my life as a sports writer. I really can't picture myself doing something else."

BEGINS IN BRIDGEPORT

Before joining The Courant 54 years ago, he worked as a city reporter on the Bridgeport Telegram and in the sports departments of the Bridgeport Evening Herald, the Bridgeport Post and the Bridgeport Evening Star. He spent 2½ years as sports editor of the Meriden Journal before joining The Courant under the late sports editor John M. Green.

The credo he followed in life and on the job, he expressed simply to a group of Loomis School students at a noon assembly in October 1950. "Sports are not the most important thing in the world," said Lee. "But you can have a lot of fun in them if you only have faith in yourself."

Among the thousands of columns he wrote, one of the most famous, called "The Old Lady of State Street," was published Oct. 2, 1950. In it, Lee looked back on the original Courant building on State Street, where he had come to work as a young sportswriter a quarter-century before. The Courant had moved to Broad Street two days earlier.

"The Old Lady of State Street died Saturday night," the column began. "Having known the old girl, the parting was sweet sorrow. . .

"The old place on State Street may have been crowded and rancid with cigarette smoke and bad ventilation, but say, let me tell you, it was a place of wonderful stories to write and sweat out and suffer through . . . a place where a man worked with great guys . . ."

Lee concluded the column with, "Say, bud, don't ever knock the old place. It was where I met the woman I love and took from the city staff, a gal who was a good reporter but who has been an even better wife and mother.

"Before my time, it was where Mark Twain came puffing up five flights of stairs to the editor's office to poke his head in and roar 'Where's God?' It was where Calvin Coolidge, in 1920, spoke over a dead mike without knowing The Courant's radio station had blown a gasket and was off the air.

"The new place is bright and new and shiny and we can breathe, but don't ever let me hear you knock the old place on State Street.

"I loved it."

COMMANDED RESPECT

In a career of writing that spanned six decades, Lee knew, talked with and wrote frankly about generations of the nation's greatest sports figures and commanded the respect of athletes, readers and peers.

The late Bill Newell, who worked under Lee from 1939 to 1974 and succeeded him as sports editor, viewed his former boss this way:

"Bill Lee has been an institution in Connecticut for decades, yet he never fully realized how big he was."

Lee, of 100 Rockwell Ave., Bloomfield, leaves his wife, Melva Swartz Lee; three sons, Jeffry V. Lee of Berlin, Gregory P. Lee and William L. Lee, both of Bloomfield; a daughter, Trudy L. Montague of Bloomfield; a brother, Joseph E. Lee of Manchester; two sisters, Marion L. Dyson of Waterbury and Mrs. Catherine L. Jeske of Manchester and five grandchildren. A brother, George V. Lee of Bridgeport, and a sister, Anna L. Williams of Windsor, died earlier.

The funeral will be Saturday at 9:45 a.m. from the Farley-Sullivan Funeral Home, 96 Webster St., Hartford, followed by a mass of Christian burial at 10:30 a.m. in Christ the King Church, Bloomfield. Burial will be in Mount St. Benedict Cemetery, Bloomfield.

Calling hours are from 7 to 9 p.m. today, and 2 to 4 p.m. and 7 to 9 p.m. Friday.

The family suggests memorial gifts to the Greater Hartford Heart Association, 310 Collins Ave., Hartford, or the Caddy Scholarship Fund of the Connecticut State Golf Association, c/o Herbert Emanuelson Jr., 205 Church St., New Haven 06510.●

FEDERAL STANDARDS FOR CONGRESSIONAL REDISTRICTING

● Mr. DANFORTH. Mr. President, recently I received a letter from Taylor Harper, a freshman member of the Alabama Legislature, responding—in no uncertain terms—to a proposal to establish Federal standards for congressional redistricting—S. 596, the Congressional Anti-Gerrymandering Act of 1979, a bill I introduced on March 8 with GARY HART. I understand that Representative Harpers' letter is one among several such letters received by my colleagues from State legislators around the country. His, however, is the first letter I have received, and I think it is worth noting. Like the other writers, Representative Harper says the bill is but another example of Federal intervention in the powers of State governments. However, he goes further and calls the bill an insult to his integrity and intelligence, and urges me to withdraw it.

I, of course, have no intention of withdrawing the bill. In fact, the Governmental Affairs Committee has scheduled hearings on the bill early in June, and matters are proceeding apace toward committee and Senate consideration of this measure. It is my understanding that good progress is being made toward consideration of similar legislation in the House of Representatives.

I am disappointed, if not surprised, by Representative Harper's letter. It is unfortunate that his letter shows no resolve to eradicate the problems which are addressed in my proposal—no recognition or acknowledgment of the evils of gerrymandering—no commitment to the fair and impartial reapportionment of congressional districts, however it is done. Sadly, Representative Harper's letter exemplifies the reasons why I have found it necessary to introduce this legislation.

There appears to be no resolve, no interest, no commitment on the part of State legislatures anywhere to end the practice of gerrymandering. Only one State has trusted the task of congressional reapportionment to a bipartisan commission. With respect to the redistricting of State legislative seats—an issue Senator HART and I do not address in our proposal (a point which may not have been understood by Representative Harper) only a handful of States have seen fit to enact tough antigerrymandering standards. Even then, in at least one State, Colorado, the change came about through an initiative and referendum—not by the action of the State legislature.

But furthermore, speaking as one who considers himself a staunch defender of State sovereignty, I simply reject the notion that congressional redistricting belongs to the unquestioned province of the State legislatures. The Constitution expressly recognizes the interest of the Congress in redistricting, providing, at article I, section 4, clause 1, that—although the States are vested with authority to prescribe the "times, places and manner of holding elections, for Senators and Representatives," the Congress "may at any time by law make or alter such regulations * * *."

According to the Supreme Court in *Smiley* v. *Holm*, 285 U.S. 355, 366 (1932), the power of Congress under this clause "embrace(s) authority to provide a complete code for congressional elections * * * not only as to times and places, but in relation to notices, registration, supervision of voting, protection of voters, prevention of fraud and corrupt practices, counting of votes, duties of inspectors and canvassers, and making publication of election returns; in short, to enact the numerous requirements as to procedure and safeguards which experience shows are necessary in order to enforce the fundamental rights involved." In fact, "Congress may, if it sees fit, assume the entire control and regulation of the election of Representatives." *Ex Parte Siebold*, 100 U.S. 371, 384 (1880).

Furthermore, it should be clear, notwithstanding the long practice of permitting the States to redistrict congressional districts, that there is a substantial Federal interest in how congressional districts are drawn. The laws which are written with the active participation of the Congressmen from Alabama affect the people of Missouri, California, New York, and every other State in the Union. If the congressional districts of Alabama are drawn so as to minimize the voting strength of Alabama's cities, the people of St. Louis, Mo., lose an ally. If districts are drawn so as to minimize the voting strength of Alabama's farmers, the people of De Kalb and Nodaway Counties in Missouri lose an ally. So it is not sufficient for Mr. Harper to say that he and his colleagues in the State legislature want to be left alone. There must be some commitment to fair redistricting.

Finally, Mr. President, I note with interest that Mr. Harper is a freshman legislator who has yet to experience a redistricting battle. His comments might well be contrasted with the remarks of John Schneider, majority leader of the Missouri Senate, who has expressed his support for the concept of antigerrymandering standards. Mr. Schneider is a veteran of several redistricting fights. I was therefore intrigued by his reaction to the Congressional Anti-Gerrymandering Act, as reported in the Columbia, Mo., Missourian of March 9:

> There's a whale of a lot of politics played in redistricting. The way it works now, congressmen get together and cut up a deal among themselves. Then they lean on their state representatives. We usually end up caving in to them and doing it their way.

Mr. President, I commend Senator Schneider on his honesty—and his courage—in making such a statement. He knows, as I do, that such base manipulation of American voters is simply wrong. It should stop.

Representative Harper asks me to think about the long-range implications of my proposal. I have thought about them, Representative Harper, and that is why I am determined to see this bill enacted into law.

Mr. President, I submit for the RECORD the following Taylor Harper's letter.

The letter follows:

> MOBILE COUNTY LEGISLATIVE DELEGATION,
> Mobile, Ala., *April 23, 1979*.
>
> Hon. JOHN DANFORTH,
> *U.S. Senate,*
> *Washington, D.C.*
>
> DEAR SENATOR DANFORTH: The Federal Government and the Federal Judiciary have, over the years, usurped many of the powers of State and Local Government through misguided legislation and court rulings.
>
> Your bill, S. 596, that provides guidelines for State Legislatures to use in reapportionment is another case of Federal intervention.
>
> As a first time member of the Alabama House of Representatives, I strongly protest your proposed legislation as an insult to my integrity and intelligence and I further believe that each State Legislature can reapportion themselves without having instructions from Washington.
>
> I am in hopes that you reconsider and think about the long range implications of your proposed bill and will withdraw it.
>
> Sincerely yours,
> TAYLOR HARPER,
> *House District 105.*●

GOLD COINAGE ACT OF 1979

● Mr. DURKIN. Mr. President, I am delighted to join my distinguished colleague from North Carolina in sponsoring the "Gold Coinage Act of 1979."

Under the Durkin-Helms bill, the United States will for the first time in over 40 years be minting new gold coinage. This will be an exciting development for numismatists and others who appreciate the beauty and stability of fine coinage. It will also provide a convenient yardstick to measure the worth of our paper currency, while at the same time helping to stem the flow of American dollars abroad in search of foreign coinage such as the South African Kruegerrand.

This bill also will lead to a direct profit to the Treasury, providing for at least a 5-percent profit factor on each coin. It seems especially appropriate that while these coins will serve as a hedge against inflation for the individual, the coinage itself will help to reduce inflation by reducing the Federal deficit.

Mr. President, I am delighted to join in sponsoring this measure and commend it to my colleagues for their consideration.●

"WEASEL-WORDS" ON SALT

● Mr. TOWER. Mr. President, in the months to come, this legislative body will undoubtedly be devoting a major part of its time to consideration of the SALT II Treaty which is now being finalized. During the debate over SALT II, we will find ourselves involved in some of the most complex, technological vocabulary this Chamber has ever experienced. Words like megatonnage, circular error probable, throwweight, countermilitary potential, fratricide, and the like will become second nature to many of the Members of the Senate who now know little of these matters. But these technical words will not be the words by which we ultimately evaluate SALT II.

Instead, the SALT II Treaty will be judged by language more laden with subjective interpretations. For example, we will hear the question, is SALT II "adequately" verifiable, with the emphasis less on the word "verifiable" than on the word "adequately." Yet, the very introduction of the word "adequately" by proponents of the SALT II Treaty concedes that the treaty is not "completely" verifiable. Thus, the question becomes, how "significant" is the threat which could emerge as a result of a treaty which is not completely verifiable. This in turn can be answered only by considering what force levels are necessary to maintain "rough" or "essential" equivalence.

However, "rough equivalence" and "essential equivalence" themselves are subject to widely divergent interpretations. Some Members of this body would not believe that the United States was maintaining "essential equivalence" unless we could be certain that we had the same capability as the Soviet Union along the full spectrum of strategic forces and targeting options. Others, on the other hand, believe that a single Poseidon submarine would be sufficient to provide "essential equivalence." For this later group, no amount of cheating by the Soviet Union could be "significant." And for them, no treaty could be "inadequately" verifiable.

Perhaps that is why the President said on April 24, "The treaty must—and will be—verifiable from the day it is signed." His explanation was that "We are confident that no significant violation of the treaty could take place without the United States detecting it." Unfortunately, he also insisted "for the Soviets to develop any kind of significant new missile, they would have to have 20 to 50 test launchings." I had thought that one of the achievements of SALT II is that it would have permitted them only one new ICBM, significant or not. Clearly, we must take everything the Carter administration says about strategic arms with a grain of SALT—pun intended.

In the SALT debate ahead, we should all try to be precise. Still, it is inevitable that our judgments will be delivered by words which are imprecise—words like "adequately," "significance," and "parity." I would only caution that one man's parity is another man's inferiority. We must not let ourselves stray from the most objective evaluation possible through the use of words which may encompass a large number of clearly different meanings. Toward that end, I commend to my colleagues the column by George F. Will, entitled "Weasel-Words on SALT," which appeared in the Washington Post on April 29, 1979, and I ask that it be printed in the Record.

The article is as follows:

"Weasel-Words" on SALT

(By George F. Will)

Speaking to newspaper publishers about SALT II, President Carter said "the treaty must, and the treaty will be, verifiable from the first day it is signed." And: ". . . if there is an effort to cheat on the SALT agreement, including the limits on modernizing ICBMs, we will detect it. . . ."

Both statements are, strictly speaking, incredible. The United States cannot verify, among other things: whether range limits on cruise missiles are violated; whether limits on improvements of Backfire bombers are violated; whether launchers for Soviet medium-range missiles contain long-range missiles; whether SS18s carry more than the permitted 10 warheads; whether the Soviets are testing proscribed new missiles.

The list could be considerably lengthened, but consider the last item. SALT II restricts each side to the deployment of only one "new" type of ICBM, defined as an ICBM more than 5 percent larger or smaller than existing ICBMs, measured in terms of such variables as launch weight and throwweight. Note that "new" refers to attributes other than recentness of development: The Soviets could deploy any number of new missiles with more lethal capabilities as long as they are approximately the size of existing missiles. But even before the loss of facilities in Iran, the United States was unable to make verification judgments as fine as the 5-percent limit requires. More important, the "5-percent solution" does not solve problems of modernization involving, for example, new accuracy or new fuels in old-sized missiles.

The speechwriter who wrote that the treaty must and will be verifiable from the day it is signed should carve into his typewriter this reminder: "Never, ever, use the word 'verifiable' without the modifying adjective 'adequately'." That adjective is the State Department's preferred weasel-word. State says, for example: There could be "some undetected cheating in certain areas," but SALT II is nevertheless "adequately verifiable" because the cheating would "not alter the strategic balance in view of U.S. programs."

Or: "Any cheating on a scale large enough to alter the strategic balance would be discovered in time to make an adequate response." Or: There are "areas of uncertainty" in verification but "not such as to permit the Soviets to produce a significant unanticipated threat to U.S. interests."

Note that the State Department contradicts Carter's suggestion that all cheating can be detected. Note also that the administration's judgment of "adequate" verification is linked to the administration's judgment of a "strategic balance"; of a "significant" threat to U.S. interests, and of an "adequate" response to cheating.

At one point, the speechwriter remembered to insert the blurring adjective "significant': "We are confident that no significant violation of the treaty could take place without the United States detecting it." In February at Georgia Tech, and again to the publishers, Carter said it is deeply significant that under SALT II the Soviets would dismantle 250 strategic weapons (old bombers and obsolete, single-warhead missiles). But the Soviets could surreptitiously deploy, undetected, many more than 250 warheads. Is the former "significant" and the latter not?

Carter's advocacy of SALT II is crippled by the widespread collapse of confidence in his rhetoric. For example, he says the United States is militarily superior. He says this even though the Soviets have 160 divisions and the United States has 16; the Soviets have more than 800 active fleet combatants, the United States 398; the Soviets have 10 times the number of interceptor aircraft; five times the number of tanks; three times the number of attack submarines, two times the number of missile submarines, three times the number of theater nuclear weapons; and, regarding strategic weapons, four times the deliverable megatonnage and 2.5 times the throwweight.

Remarkably, the "arguments of last resort" are Carter's arguments of first resort, including the lamest, most theadbare and most predictable of all the arguments for accommodating Soviet desires: Do it to strengthen the good faction in the Kremlin. Carter says refusal to ratify SALT II would encourage "the most intransigent and hostile elements of the Soviet power structure."

Carter says that if the United States rejected SALT II, "the world would be forced to conclude that America had chosen confrontation rather than cooperation and peace." And, "We would no longer be identified as the peace-loving nation." This is how a great nation assesses its interest?

Given the administration's mind set, all the Soviets need to do to widen their advantage is to keep negotiating SALT agreements. The pressure to reach an agreement is asymmetrical: Public opinion does not matter in the Soviet Union and the Carter administration, by inflaming public opinion about the urgency of SALT agreements in general, puts pressure on itself to make concessions. And once an agreement is reached, the Carter Administration, unlike the Brezhnev administration, frets about what bad thoughts "the world" might be "forced" to think about us if we refuse to ratify an agreement shaped by asymmetrical pressures.

Carter even told the publishers that failure to ratify SALT II as negotiated could lead to "a dark nightmare of unrestrained arms competition." But there cannot be any competition if one side will not compete. Carter told James MacGregor Burns that if SALT II is not ratified, he will abide by the terms anyway, if the Soviets show restraint.

Carter's idea of adequate Soviet restraint is suggested by the fact that, in the face of an unprecedented Soviet buildup, he has: canceled the B1; refused to produce neutron weapons; shut down the Minuteman production line; delayed and deferred MX-missile production; delayed and deferred sea-launched and ground-launched cruise missiles; halved the shipbuilding program; cut production of attack submarines (the United States produces one a year, the Soviets produce eight), etc.

Anyway, just as SALT I "ceilings" only "limited" the Soviets to approximately what they wanted to do, SALT II limits are such that, considering probable Soviet production capabilities and intentions, there is only a small difference, if any, between what they would do with or without SALT II, by 1985.

The gravest objection to this agreement is that it is not serious arms control. A recent headline in The Post proclaimed: "SALT Won't Intensify Arms Race, Carter Tells 3 Senators." Imagine a headline proclaiming: "Hospital Won't Spread Disease." Surely we can, and must, do better.●

BILINGUAL EDUCATION

● Mr. MORGAN. Mr. President, yesterday morning, while I was tied up in the Ethics Committee hearings concerning the charegs against Senator Talmadge, an amendment was added to the Department of Education bill which created an Office of Bilingual Education and Minority Affairs. The purpose of this amendment, as far as I can tell after reading over the debate, had nothing to do with minority affairs, but rather was to create a division with the Department of Education with no other purpose in life but to provide bureaucratic protection to the bilingual education program.

Two quotes make clear the purpose of the amendment. The sponsor of the amendment, Senator DeConcini, said:

> The amendment creates an Office . . . directed primarily toward the bilingual education programs, to be sure they are implemented . . .

Senator Ribicoff, the floor manager of the bill, stated in response:

> The basic purpose of this new Office is in the field of bilingual education. . . . We want to make sure there is no interpretation in this amendment that this is civil rights oriented, but basically education oriented, affecting education programs with an emphasis on bilingual education.

Mr. President, I want to make my opposition to the amendment quite clear. Had I been available to come to the floor, I would have certainly spoken against the amendment and possibly demanded a rollcall vote.

Mr. President, there is no need for me to restate the organizational reasons for opposing the amendment. These were ably presented by the Senator from Connecticut during the debate. My concern with the amendment is philosophical and programmatic.

The very fact that a $160 million Federal program needs special and additional protection within the bureaucracy is a clear indication of how poorly the program has worked, and is a clear sign that the program needs to be completely redesigned or possibly even abolished.

I believe, and I expect, that a majority of Congress and a majority of the American people agree, that the purpose of the bilingual education program should be to help non-English-speaking students to learn English as rapidly as possible so that they can then participate in regular classroom instruction. A properly working bilingual education program—but for the need to help children who have recently immigrated to our country adjust—after a time would become unnecessary, for all children of foreign background will have learned English.

Unfortunately, too many of the people administering the bilingual education programs do not agree with this assessment. They believe that bilingual education should be a maintenance-type program, and not only teach children English, but also to help the children maintain their first language and their separate culture.

I do not think it is appropriate for the Federal Government to be spending the taxpayer's money to fragment the American people or to establish separate cultural system within the United States. Certainly I agree that cultural diversity has proved beneficial to the United States. But those desiring to maintain their own cultures can do so themselves; they have no proper claim on the Public Treasury.

The overemphasis on the maintenance aspects of the program, on the bicultural parts and the foreign language parts, and the corresponding deemphasis on teaching English, as we are now beginning to see, has proved to be an absolute disaster for the children. Report after report after report has been published showing that bilingual education programs are simply not helping children to learn English.

Until recently, immigrants coming to this country forced their children to learn English, go to school, then attend college, get a good job, and so forth. The results of this were astounding. Millions and millions of foreigners from every part of the globe were absorbed by the United States, and became full-fledged citizens, and they, as individuals, and the Nation as a whole, prospered.

The responsibility for these beneficial results lies not with Federal programs or bicultural education, but rather with the hard work by individuals, and the constant pressure which these immigrants placed on their children to learn English.

The failure to teach adequate English can damage a child for life, for that child will never be able to take as active and productive a part in society as possible. It works to both the economic and social disadvantage of the students.

If, for example, these children fail to learn adequate English, they will find it difficult to get into a decent college or university. They will certainly never get into a professional graduate school, nor will they ever be hired by a major corporation or the Federal Government. They will never rise to any supervisory position in anything, for these all require fluent English. They will not be able to fully appreciate American culture or literature, and they will find it difficult to take part in social activities with Americans.

By having a bilingual education program that does not teach students English, we are creating a class of permanent second class citizens, something I consider a horrifying prospect.

The purpose of the amendment by the Senator from Arizona was to provide additional bureaucratic protection to a program that does not work. I understand why Senator RIBICOFF accepted the amendment which, in all fairness, I must admit was a compromise proposal. The Senator from Connecticut was having enough trouble getting the Department of Education bill through the Senate, and he understandably wanted to avoid a divisive fight with colleagues who supported the bill.

However, that is no reason to allow the amendment to remain in the bill. I notice that there is no similar proposal in the House version of the Department of Education bill, and I doubt that one will be approved. I hope that the conferees, should the bill pass the House and go to a conference committee, would use the opportunity to kill that amendment. Should that prove to be impossible, I would at least hope that they delay its implementation until after next summer, when the next major substantive education bill will be before the Senate. At that time we could review the DeConcini amendment as well as the entire bilingual education program.●

TAXING OF INDEPENDENT LOGGING CONTRACTORS

● Mr. DURKIN. Mr. President, I am delighted to cosponsor a bill, S. 987—introduced by my distinguished colleagues, Senators LEAHY and STAFFORD—which will resolve a serious dispute between the Internal Revenue Service and independent logging contractors over the withholding of employment taxes.

In my home State of New Hampshire, the logging industry is crucial to the economy, especially in the heavily forested northern reaches of the State. As we turn more and more to wood energy to avoid the stranglehold of the oil cartel, our loggers will become even more crucial. As they do in Vermont, independent loggers brave numerous hardships in an extremely hazardous profession to carve a living from the land. They use dangerous power equipment during long, cold winters and hot, bug-infested summers to cut timber and provide our pulp, paper, and sawmills with this vitally needed raw material. Without these loggers, all of them small, independent businessmen, the timber supply would disappear and the mills could no longer operate.

Because these mills need a guaranteed source of timber to insure their continued operation, mill operators have for many years negotiated with logging contractors—the middlemen—for specific amounts of timber. These contractors, in turn, arrange with the loggers to harvest the trees and deliver them to the mill.

Although these middlemen are independent of the loggers who actually cut the wood, the IRS ruled several years ago that the contractors technically employed the loggers and were therefore responsible for paying social security and withholding taxes.

These contractors, who had done business with these independent loggers for years and never kept withholding taxes for them, were suddenly faced with huge retroactive payments that virtually assured forcing these much-needed middlemen out of business and into bankruptcy.

The timber industry in New Hampshire and northern New England cannot survive without this arrangement between loggers and contractors that insures a steady source of material for our mills.

The bill I join in supporting today will clarify the status of the independent logging contractor and make certain that this small, independent businessman is never again unfairly and arbitrarily taxed by the IRS. The Tax Act of 1978 provided a temporary solution to this problem by forgiving many of these assessments. This bill will halt once and for all the outrageous assessments by the IRS that have seriously disrupted a vital and traditionally strong part of our rural economy.●

JAMES F. BYRNES

● Mr. HOLLINGS. Mr. President, I rise today to call my colleagues attention to the 100th anniversary of the greatest South Carolinian of modern times, James F. Byrnes. In ceremonies throughout my State, Byrnes will be remembered and honored for his significant contributions.

But South Carolina should not be alone in honoring this great man for his most remarkable contributions were made here in Washington. He was a Member of both Houses of Congress, Associate Justice of the Supreme Court, assistant to the President during the dark days of World War II, Secretary of State during the crucial early years of the postwar era, and Governor of the State of South Carolina.

It was my privilege to know Jimmy Byrnes well and my good fortune to have received his counsel on numerous occasions. I always found him totally dedicated to what he thought was right. He not only believed in service to America, he worked at it. He not only paid homage to the litany of individual initiative and hard work, he practiced it. He not only testified to great love of country, he lived it.

As a Member of the Senate, he was known as someone who could deliver. Although he was by no means the highest in seniority, it was Jimmy Byrnes that President Franklin Roosevelt came to when he had a particularly important piece of legislation to get through Congress. And he usually delivered.

No other man in this century has held the positions of power so well and so humbly as Jimmy Byrnes. He had lived in the arena of great events. Presidents, prime minister, and kings sought his advice. But his wisdom was never exclusively reserved for them. It was given as openly and freely to anyone willing to listen.

I was fortunate to have him as a neighbor and I came to know the personal side of this great man. I learned firsthand about his experiences with the great men and events of his time. It was a true education and an opportunity that I shall always remember with gratitude.

As we pause today to honor Jimmy Byrnes, we should all be proud of his accomplishments and his dedication to his State and Nation. He is truly South Carolina's first citizen.●

SEX EDUCATION AND FEDERAL CONTROL OF SCHOOLS

● Mr. MORGAN. Mr. President, my distinguished senior colleague from North Carolina offered an amendment to the Department of Education bill yesterday which would have imposed certain conditions which had to be met before any public school receiving any sort of Federal assistance could teach any sex education course, whether or not that course was itself federally funded.

Mr. President, I am inclined to believe that schools should obtain parental consent before teaching children in areas that are so extremely socially sensitive. But, decisions of this nature should be made at the local level by local school boards, and not by the Federal Government in Washington. I, for one, have complete confidence in the ability of local school boards, and parents and teachers, to make these decisions without the help of the U.S. Senate.

Mr. President, I remind my colleagues that Congress is as capable of interfering with the local control of schools as are the bureaucrats we always complain about. And, Mr. President, I believe it is equally inappropriate for Congress to interfere with what must be a local matter.

I have fought against the increasing Federal influence in and interference with the public schools throughout my entire career. I have consistently maintained that Federal education subsidies will inevitably erode the power of the local school boards and of States and increase the power of the Federal Government in Washington. The amendment offered by Senator Helms, a man who is usually a staunch opponent of Federal influence in the schools, graphically demonstrates how inevitable this trend is. Unfortunately, it appears that the temptation to use Federal funds as a club to impose requirements on local schools is something few of us can resist.

I voted against the Helms amendment yesterday because it would, by threatening the withdrawal of Federal funds, require that the high school back in my home town teach a certain course in a certain way. This is Federal control of school, pure and simple, and represents everything I have stood against all these years.

In conclusion, I quote two paragraphs from a statement made by the Senator from New York, Senator Moynihan, which very eloquently explains this problem:

> At least we will have a record in which it will be recorded that some of us said that we were commencing the politicization of American education, that we were doing everything that those of us who fought for Federal aid two decades ago vowed never to let happen. Now it is happening right here before us. In typical fashion, our long-standing interest brings the battle back to us, by those who are most committed to local control. Why? Because there is a logic of politics in the American Federal system. It dictates that groups which do not prevail on the level at which an issue first appears raise the level in the Federal system to the next step and then the next, hoping always to find a majority in the Nation where it cannot be found in the region, in the State, or in the community.
>
> It is a denouement of our politics. We can observe in action in the Federal system throughout the course of two centuries. So, on this basis, we may well expect that the school prayer issue, the sex education issue, and any number of other intensely divisive and difficult matters which may arise to come gradually up to one uniform rule. They are, however, matters which . . . we would like to think should be settled locally because such a process makes possible a mosaic of choice.●

COSTLY OUTSIDE ENERGY SOURCES

● Mr. DURKIN. Mr. President, during my tenure in the Senate I have fought long and hard to make New Hampshire and New England less reliant on costly outside energy sources.

One of my specific initiatives to make New Hampshire and New England energy independent is my wood stove tax credit bill. Although Congress last year gave the Secretary of the Treasury authority to extend the renewable energy tax credit to wood heating equipment, the Secretary has not seen fit to do so, and that is why I have recently submitted a bill mandating the adoption of this tax credit.

Adoption of this bill will give New England residents a long-overdue incentive to install wood-burning equipment and take advantage of the vast amounts of cordwood that now go unused in New England.

Studies have shown that as many as 360,000 barrels of imported oil will be saved as a result of this credit. Admittedly, that amount is not large when compared to our total imports of foreign oil, but we must start somewhere, and incentives to develop alternative energy sources such as wood heat systems are a way to begin to break this Nation's addiction to imported oil.

An excellent article recently appeared in the Washington Post about the wood stove tax credit. It recounts the frustrations of one Ohio man in getting Treasury Department approval for the wood stove tax credit, and it accurately recounts some of my frustrations as well.

I ask that this article be printed in the Record.

The article referred to follows:

Justice for the Wood Stove: An Energy Tax Credit for Elbow Grease

(By John Baskin)

Wilmington, Ohio.—My neighbor, Mr. Berger, and I have been attending to the remnants of our respective woodpiles and complaining about the government. We are aware that both of these are old and inexact sciences but we go right on, as the human creature often will in the face of even the most comprehensive adversity.

What the government has done this time is dangle in front of us the carrot of a tax credit, then after a time, remove it, leaving us with the stick. Dan Berger, being a lawyer as well as a countryman, is using words such as "arbitrary" and "capricious" to describe the situation. I like lawyer words myself, so I am seconding Mr. Berger.

This business got underway last year when Congress started bandying about tax credits for people trying to conserve energy in their houses. This was part of the Energy Tax Act, and it was finally signed into law by the president late last fall. The stipulation that most concerned Mr. Berger, and me by proximity since I often have to listen to him, was the one called the "Residential Renewable Energy Source Equipment Credit." I know that this appellation has no rhyme to it and I'd like to call it something else myself but this is a tale of hard facts, and hard facts are found rhythmless in many of their varied manifestations.

Mr. Berger first ran across this provision in his office at the law firm of Paxton and Seasongood where he spends his time when he is not cutting wood or keeping bees. Since he had just installed a woodburning stove in his house in Clinton County, he put a keen lawyerly eye to the provision. What he found was that a man could get a 30 percent tax credit for installing solar, wind or geothermal energy equipment, but nothing for heating his house with wood.

Mr. Berger then did what a man is wont to do when faced with the inherent frivolities of his government: he got mad. He came by to see me because I had just bought a new woodstove (the old one, after seven years, had become arbitrary and capricious), and we sat down in front of it and I listened to Mr. Berger be mad.

"You know what it is?" he said. "Wood ain't sexy. There ain't no romance to wood. Shoot, Africans use wood. Ain't nobody paying no attention. . . ."

The next day, he wrote a letter to the regulation section of the IRS in Washington. "The act," wrote Mr. Berger, "cites direct solar energy, geothermal power and wind power. These three not being the sole renewable sources of energy, Congress added, 'or any other form of renewal energy which the Secretary (of Treasury) specifies by regulation. . . .' It is my position that consistent with the purpose of the act wood is an obvious item for inclusion. . . ."

This is sometimes the way a lawyer talks when he gets mad. He sent this letter to a Mr. Walter Woo, the man who is writing the regulations. Then he sent copies of this letter to 15 wood stove manufacturers. Some of the manufacturers wrote back to Mr. Berger. One or two of them tried to sell Mr. Berger a new wood stove. Some of them followed Mr. Berger's advice and wrote to Mr. Woo.

One of the notable letters received by Mr. Woo was written by Ted Bergstrom, who is president of Thermograte Enterprises, Inc. in Minnesota. Mr. Bergstrom pointed out to Mr. Woo that wood was merely stored solar energy and a renewable resource. He said wood was available to heat a third of the country's homes which, according to his figures, meant nearly $7 billion a year that wouldn't go to the OPEC producers. He told Mr. Woo he did not think the tax incentive for wood stoves would reduce the national treasury because it would be a one time reduction in revenue and from then on, a great saving. Last, Mr. Bergstrom rather slyly mentioned that after years of outrageously expensive development, nuclear power has progressed to the point where it supplies about as much of the country's energy as wood does.

Of course, it might be said that because Mr. Bergstrom is a manufacturer he is lobbying for his own interests, a man with his own stove to polish, so to speak. Mr. Bergstrom, however, is an engineer and inventor, and seems to speak off a platform built on the good footing of unmistakable logic. Logic, though has never been a necessity of a smoothly running bureaucracy. A good bureaucracy is run, like the remainder of the country, on fossil fuels, with all the attendant problems from poor mileage to high emissions.

I had been watching the participants from a good seat in the bleachers, noting serve and return, reams of paper and telephoned words volleyed around the country, and I found myself paying attention out of a kind of perverse regard of the pure mechanics involved. It was the more or less foolish pleasure a man gets from stacking his woodpile in a certain fashion.

I went through the statutes myself, laying up that incapacitated language in as neat a stack as I could, then I put up a pile of the wood burner's facts. Logic seemed to belong to the wood burners, but not a tax credit.

So as not to be accused of hiding my bias under a bushel, let me admit to it: I'm a wood stove man myself, and have been for seven years. I would thus be inclined to err on the wood stove side of things. But the purpose of the tax provisions is to reduce the use of imported fuel. The most immediately available renewal energy source is wood, and that is so for a substantial part of the country. Solar, wind and geothermal power is fine, but it is costly, often complicated, and takes time to install. Mr. Berger paid $550 for his wood stove, installed it in two hours, and reduced the fuel oil he used this winter from 1,400 gallons to 300 gallons.

I've read that in Maine, Vermont and New Hampshire, 18 percent of all households now use wood as a main source of heat. Maine wood burners used up 468,000 cords of wood last year, an amount equal to about 700,000 barrels of oil. Former Sen. Thomas McIntyre, a New Hampshire Democrat who wanted wood stoves listed for the tax credit, said wood each year supplies his state the equivalent of 1.4 million barrels of home heating oil.

It seems that wood stoves were left off the list because the wood burning people weren't organized well enough as lobbyists. This appears reasonable to me, exemplifying the American tradition of the lobbyists' pen being sharper than the splitting maul. I was talking to a fellow down the road about this and he said he was thinking of lobbying for the afternoon nap as an energy-conserving measure, with an appropriate tax credit.

Out here, we're feeling a bit put upon, I think, subsidizing the development of nuclear reactors and watching the oil companies maintain their profits, yet not seeing the same kind of incentives for a man and his house. Being somewhat conservative myself, yet tempered by a strong anarchistic streak, I waver on the issue, thinking incentives be damned, let each man raise his own roofbeams. Then looking at the mess with a distant eye, I finally think incentives should be, like party favors, bestowed kindly all around. Incentives not being bestowed equally in nature, let the government come to God's aid. There's an intended twinkle to that sentence which may not show on the page.

Mr. Berger, meanwhile, has been back on the telephone with the beleaguered Mr. Woo in Washington, he has written his congressman (who is unsympathetic), and talked with the Wood Energy Institute people in Maine. The president of the institute, Andrew Shapiro, says there is an interesting legal issue of whether or not the secretary of the treasury is bound by the Energy Tax Act to expand the list of eligible items.

Mr. Berger thinks the legal issue is clear. "Congress made the statutes," he says, "and the final part of the law-making process is writing the administrative regulations, which clarify and refine the statutes. Because this was a very technical issue, Congress said, 'or any other form of renewable energy which the secretary specifies by regulations . . .' What the heck does this word 'other' mean? They can't just restate the cockamamie statutes. They have to make sense. The secretary has been told by Congress to specify other forms, and he has to do this in a relational manner. 'Other' means wood stoves. In legal terms, to leave out wood stoves is called 'an abuse of discretion.' I call it 'crazy.' "

We were sitting in Mr. Berger's kitchen at the time, and he was getting excited and waving his arms around. Suddenly he stopped and looked at his arm. "What is this?" he said. "Here I am, arguing before the high court and I just put my elbow in chicken bones. My God," This is, of course, the reason why I like to listen to Mr. Berger lawyer: You never know what his tactics will be.

The following day in the Wall Street Journal where the secretary of the Treasury had been urged by taxpayers and at least 41 members of Congress to make wood stoves eligible for the tax credit. But as Mr. Shapiro says, "To date, the Treasury has taken an extremely hostile attitude towards such an expansion . . ." Tax time settles in like an uninvited relative.

Mr. Berger goes on, writing letters, making telephone calls, and staying mad. "I been mad for four months," he told me the other night. He'd just been down and measured what was left in his fuel oil tank. "Down about this much," he said, indicating a minuscule amount. Most of a cord of wood, his fourth, was left in the barn, too. I've never seen an angry man sound quite so pleased.●

OIL PRICES—AND JAMES SCHLESINGER

● Mr. METZENBAUM. Mr. President, "acceptably inflationary" has become the operative term in describing the tremendous increase in oil costs and profits that will be brought about by the decontrol of oil prices. I have to ask, Mr. President, acceptable to whom? Is it acceptable to the American public who must be burdened with an ever-increasing price for home heating oil and gasoline? Is it acceptable to the millions of Americans who are being assaulted by the cruel villain of inflation? Is it acceptable to those of us in the House and Senate who are concerned that the oil companies will make even greater profits, and thereby increase our rate of inflation? I think not, Mr. President. I feel it is only acceptable to the oil companies, and to our "Energy Czar," Dr. James Schlesinger.

An excellent editorial appeared recently in the "Cleveland Plain Dealer" newspaper. The editorial, entitled "Higher Profits In Oil," deals with the psychological effect the recent profit reports of the major oil companies have had on the consumer. I ask that the article be printed in its entirety in the Record.

The article follows:

Higher Profits In Oil

The American consumer has additional reason to be wary of President Carter's plan to decontrol domestic oil prices.

The cause for concern is a report by Exxon Corp., the nation's largest oil company, of sharply higher profits in the first quarter of 1979. Those profits were $995 million, 37.4% higher than they were for the same period in 1978.

This is a shocking statistic to the millions of people who watch gasoline prices at the pump rise steadily toward the $1-a-gallon mark.

Consumers have become resigned to higher prices caused by political upheaval in Iran and greed in the Organization of Petroleum Exporting Countries (OPEC). Whether they can accept—or even understand—rising levels of profits by oil firms that appear to benefit from price trends stimulated overseas may be another matter.

There is trauma enough for the mobile American in noting penny-by-penny, week-by-week increases in gasoline prices, in reading of plans to change gasoline pump meters to register prices of more than $1 a gallon and in being warned of further gouges by OPEC.

The American consumer realizes also that decontrol of domestic oil prices will make gasoline, fuel oil and other petroleum products cost still more. But he is not convinced that this would encourage American companies to produce more oil in this country and thereby reduce America's costly dependence on imports from OPEC nations.

Especially he is not convinced when a study by the Congressional Budget Office finds that decontrol could swell oil companies' revenues by more than $50 billion in less than 2½ years, and when Congress itself shows no great enthusiasm for a Carter proposal to impose a stiff tax on "windfall" oil profits.

Consumer suspicion that decontrol might do little more than further increase oil company profits is reinforced by reports of high earnings such as those by Exxon, even before decontrol gets under way. High profit levels in a leading industry contribute to further erosion of wage-price guidelines. And there goes inflation on another upwards spiral.

Oil companies have powerful friends in Congress. Consumers need the same to examine more closely the disturbing implications of high prices and high profits for oil.

Mr. METZENBAUM. The public is becoming outraged, Mr. President, and they are letting their representatives know. An article written by Mary McGrory describes the feelings of the American public and the concerns of many of my colleagues in both Houses of Congress. I ask that the article entitled, "Carter, Not Big Oil, Raising Prices," which appeared in the April 30 edition of the Toledo Blade be printed in full in the Record.

The article follows:

Carter, Not Big Oil, Raising Prices

It isn't as though Energy Secretary James R. Schlesinger lost Sen. Edward Kennedy's vote on President Carter's new energy policy.

Senator Kennedy has said from the beginning that it's not right to raise prices and then try to get a windfall tax out of the oil companies. He has in fact, co-sponsored with Sen. Henry Jackson, a bill to keep control on oil for another two years.

But Mr. Schlesinger personalized the disagreement and made sure that Senator Kennedy's opposition will have an edge that wasn't there before. Senator Kennedy takes unkindly to being accused of "misleading the American people" and lacking "objectivity" on the issue most important to millions of Americans.

Mr. Schlesinger is given to crushing condescension in dealing with Capitol Hill. It is a trait that maddened Gerald Ford, a man of Congress, and caused him to fire the brainy, overbearing technocrat. Mr. Carter who is not easily patronized, seems to like his only Republican Cabinet member all the better for his manifest ability to raise hackles on Capitol Hill.

Still, Mr. Carter may be sorry that Mr. Schlesinger antagonized Senator Kennedy, because the widely publicized scene of them going at each other stirred the juices of other adversaries of both Mr. Schlesinger and the Administration's easy, two-step energy scheme.

The young Turks in the House are organizing a lobby effort to stop the decontrol effort. They were mildly disturbed to discover two conservative Democrats, both from Ohio, Ron Mottl and Tom Luken, already in their ranks.

The people you might expect—Toby Moffet of Connecticut, Albert Gore of Tennessee, Edward Markey of Massachusetts, Andrew Maguire of New Jersey, and Robert Eckhardt of Texas—are out in front on the fight to change the subject from taxes to decontrol. Their first target is the House Commerce Committee, which could take up the matter as early as next week when the Department of Energy authorization bill comes up.

Many members, including House Speaker Thomas O'Neill, spent their "District work period," as the Easter recess was called, in foreign countries, far from the plaints of their constituents. They could run, but they couldn't hide. The mail and local polls tell them that the President's strenuous attempts to make Big Oil the villain is not playing well in the provinces.

Nor is his contention that decontrol is "acceptably inflationary" being accepted by people facing higher heating-oil bills and pumping at the gas station.

Mr. O'Neill will, as usual play a central role. He is not entirely comfortable, caught between his party chief and his favorite Senator. His home state suffers severely from energy costs and Massachusetts Democrats can be expected to remind him that when a Republican president, Gerald Ford, suggested a "Republican" solution to the problem, that is raising costs, Mr. O'Neill staunchly opposed him.

As a faithful lieutenant of the President, he went along with the bitterly fought decontrol of natural gas, which passed by one vote in the House. The young Turks, who are ever on the watch for lapses in his declared liberalism, are telling him that oil is of much more consequence to many more people.

The guess is that he will not join the rebellion in the House, but can't be counted on to squelch it, either.

Senator Kennedy told Mr. Schlesinger sharply that he was the only person in Washington who thought a serious windfall profits tax was possible.

Senator Jackson is Mr. Schlesinger's most ardent champion on Capitol Hill and they have passed many a pleasant hour swapping technicalities unintelligible to those with less lore. But he seems to have parted company with the secretary on prices and is reported to be rallying his old friends in the labor movement to join him in the fight.

His first obstacle will be Sen. Robert C. Byrd, who will resist bringing up the controversy before May 31, when controls automatically expire.

But if Senator Jackson and company prevail, Mr. Carter could face a repeat of one of the more embarrassing episodes of his presidency—a filibuster against his energy policy led by members of his own party. In 1977, he sent the vice president to silence Sen. Howard Metzenbaum and then Sen. James Abourezk, who were trying to talk decontrol of natural gas prices into oblivion. It wouldn't be that easy to take on Senators Jackson and Kennedy.

Congress would have to be as dumb as Mr. Schlesinger thinks it is to buy the argument that the only question, at issue, is windfall profits. The evidence is that with his inadvertent help it is coming to realize that it is Jimmy Carter who is raisiing prices, not the oil companies.

Mr. METZENBAUM. Mr. President, recent actions by Dr. Schlesinger and the Department of Energy are indicating that there seems to be no change in sight in the proindustry, anticonsumer policies of DOE. Now a proposed rule would allow direct sales of natural gas from intrastate producers and pipelines to end users at prices to be negotiated between buyer and seller—in other words, de-regulation. The measure is proposed in order to permit the intrastate gas surplus—or the so-called gas bubble—to be used to displace oil as a boiler fuel. This plan, Mr. President, is a complete turnaround in the administration's energy policy. Two years ago, this administration argued persuasively that we must take strong steps to conserve what the President and the Secretary of Energy called a precious, nonrenewable source of energy. Now, we are saying we have all of this extra natural gas and we do not know what to do with it, so we will use it as boiler fuel. I want to make it clear, Mr. President, this extra natural gas has not been made available because of increased production under deregulation. This gas was available all the time, but was held back until the price was allowed to rise. When you add this to DOE's planned cutbacks in technology development and energy conservation, it is clear that Dr. Schlesinger is pleased with our energy situation and intends to do nothing to help the consumer.

Mr. President, the people of this country cannot afford this type of energy program. We must have a new plan, a new philosophy and a new Secretary of Energy.●

LEADING TAX PRACTITIONERS OPPOSE REPEAL OF CARRYOVER BASIS TAX REFORM

● Mr. KENNEDY. Mr. President, Members of the Senate should be aware that opposition to the repeal of the carryover basis tax reform is shared by practitioners who actually must implement this law.

The 1976 reform provides that in cases where appreciated property is transferred at death, the heirs must take the prior owner's tax basis in the property—hence the name "carryover basis." A similar rule applies in the case of property transferred by gift. When the property is eventually sold by the heirs, a capital gains tax must be paid on the increased value of the property.

In recent weeks, a major lobbying effort has been carried out to persuade Congress to repeal this reform, on the ground that the measure is too complex.

Recently, I received a letter on behalf of two well-known tax practitioners in this field in New York City, Thomas J. McGrath of Simpson, Thacher, and Bartlett, and Jonathan G. Blattmachr of Milbank, Tweed, Hadley and McCloy.

Mr. McGrath and Mr. Blattmachr are the authors of a recent treatise on carryover basis. In his letter, Mr. McGrath states that carryover basis is no more complicated than many other provisions of the Internal Revenue Code. As he states:

> In point of fact carryover basis is no more complicated than subchapter J of the Code relating to income taxation of trusts and estates, subchapter K relating to the income taxation of partnerships, the relevant sections of the Code relating to private foundations, ERISA, etc. Carryover basis is workable, and, after some degree of "fix up," should be an acceptable choice to correct the present inequity in our taxing system.

In his letter, Mr. McGrath also notes that the lobbyists currently so opposed to repeal of this reform would undoubtedly be arguing strongly for its retention, in spite of the complexity, if the measure were likely to bring a tax benefit, instead of requiring wealthy persons to pay their fair share of taxes.

Mr. President, I am pleased to submit Mr. McGrath's letter and accompanying material for the RECORD.

The material follows:

SIMPSON THACHER & BARTLETT,
ONE BATTERY PARK PLAZA,
New York, N.Y., April 10, 1979.

Hon. EDWARD M. KENNEDY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR KENNEDY: I am the coauthor, with Jonathan G. Blattmachr, of the major tax treatise on carryover basis entitled: Carryover Basis Under The 1976 Tax Reform Act published by the Journal of Taxation in 1977. Having testified before the House Ways and Means Committee on October 17, 1977 and Senator Bryd's Subcommittee of the Senate Finance Committee on October 31, 1977 (Hearings Before the 95th Congress, First Session, at pages 227 et seq. and pages 275 et seq., respectively) our professional credentials and our posture with respect to carryover basis are a matter of public record.

For decades it has been argued that the so-called "step-up in tax cost basis" at death was a serious tax loophole and a major "giveaway" in our system of Federal income taxation. It is without question that the step-up in basis at death created a very substantial inequity among taxpayers so that those who could afford to hold on to appreciated property until death were favored over those who could not hold on to appreciated property until death. I am sure you have heard the classic hypothetical of Mr. A and Mr. B who buy the same security on the same day at the same price through the same stockbroker and the following day decide to sell that stock. On the way to their broker, Mr. A dies before he sells and Mr. B dies immediately after he sells. The fact of the difference in timing of their deaths results in a substantial difference in taxation. Any tax system that created that result required change.

The Congress in 1976 decided that carryover basis was the change to be made. Since then, we have heard nothing but complaints about the complexities engendered by that change. First, I would like to point out that the complexities arise not by virtue of the concept of carryover basis (which has been part of our gift tax law for many years) but, rather, by Congress's desire to create certain adjustments for the benefit of the taxpayer. For example, the Congress decided that taxpayers should receive a "fresh start" as of December 31, 1976. That adjustment which creates the kind of complexity complained of was grafted on to the law solely for the taxpayers' benefit.

We have also heard the hue and cry about the administrative difficulties in ascertaining the decedent's tax basis in the assets included in his estate. The most cogent point made with respect to the complexities and administrative difficulties of carryover basis, albeit perhaps facetiously, was that made by Thomas J. Reese in his testimony before the House Ways and Means Committee on October 6 (at page 102 of the Hearings before that Committee). He suggested that we suspend reality for a moment and make believe that Congress, instead of enacting carryover basis, enacted in its place a reward for those taxpayers who were fortunate enough to die owning appreciated property by providing for a credit against the estate tax of an amount equal to 10 percent of the net appreciation in each carryover basis asset owned by the decedent at the time of his death. It was then suggested by Mr. Reese that it would take the lawyers, accountants and professional fiduciaries a very short period of time in which to ascertain the net appreciation in those assets. The point is obvious: When the work involved generates a credit rather than a tax, we all find the burden of the work acceptable and do-able.

In point of fact carryover basis is no more complicated than subchapter J of the Code relating to income taxation of trusts and estates, subchapter K relating to the income taxation of partnerships, the relevant sections of the Code relating to private foundations, ERISA, etc. Carryover basis is workable, and, after some degree of "fix up," should be an acceptable choice to correct the present inequity in our taxing system.

I take the liberty of enclosing a copy of our statement submitted to the Senate Finance Committee in conjunction with my testimony on October 31, 1977. That statement (beginning at page 9) contains 15 specific proposals for changes to the carryover basis rules. Also, you may wish to peruse the bill (S. 2461) which Senator Hathaway sponsored last year containing very laudable changes which would eliminate in large measure the administrative difficulties of carryover basis.

Respectfully,

THOMAS J. MCGRATH.

SUMMARY OF STATEMENT OF THOMAS J. MCGRATH AND JONATHAN G. BLATTMACHR BEFORE THE SENATE COMMITTEE ON FINANCE FRIDAY, OCTOBER 28, 1977

I. The significant issue is whether carryover basis should be retained or substituted by another form of taxation which would impose a tax on inherent appreciation. Carryover basis can be made to work satisfactorily through modest statutory amendments. It is preferable to either an appreciation estate tax or a capital gains tax at death, both of which may be legally and administratively more complex than carryover and neither of which provides the same equivalent tax treatment for transfers before death and for those after death which carryover provides.

II. A moratorium on carryover is a form of repeal, and unfairly places the taxpayer and advisor in a state of limbo. What is needed now is certainly not delay.

III. Allowing all assets owned at death whose holding period includes December 31, 1976 to receive their estate tax values as their bases will not substantially reduce legal and administrative complexity; also, because all appreciation to death (and not just to December 31, 1976) on such assets would also be "grandfathered", taxpayers will be more prone to hold assets until death. Further, allowing unused capital losses recognized on disposition of assets acquired prior to January 1, 1977 is more significant than grandfathering.

IV. Ten specific clerical changes and five specific substantial changes would make carryover basis simpler to apply and understand.

STATEMENT OF THOMAS J. MCGRATH AND JONATHAN G. BLATTMACHR BEFORE THE SENATE COMMITTEE ON FINANCE OCTOBER 28, 1977

This statement has been prepared by Thomas J. McGrath and Jonathan G. Blattmachr, the authors of a major tax treatise entitled, "Carryover Basis Under the 1976 Tax Reform Act: A Working Guide, With Forms to Estate Planning and Administration" published by The Journal of Taxation. Messrs. McGrath and Blattmachr are practising attorneys in New York City spicializing in probate and trust law. Mr. McGrath is a member of the firm of Simpson Thacher & Bartlett with offices at One Battery Park Plaza, New York, N.Y. 10004. Mr. Blattmachr is associated with the firm of Milbank, Tweed, Hadley & McCloy with offices at One Chase Manhattan Plaza, New York, N.Y. 10005. This statement reflects the views of only Messrs. McGrath and Blattmachr with respect to certain matters relating to the provisions of the Internal Revenue Code of 1954 as amended (herein "IRC") and H.R. 6715 (herein "Technical Corrections Bill of 1977") relating to the carryover basis of property acquired from or passed from a decedent.

INTRODUCTION

We have spent approximately 2,000 combined hours over the last twelve months analyzing and studying not only the new carryover basis sections added by the Tax Reform Act of 1976, e.g. IRC §§ 1023 and 1040, but also the other sections of the IRC affected by this momentous change in our tax laws, such as IRC §§ 303, 306, 1245, 1250 and subchapter K. Over this period of time we have also conferred with members of the Staff of the Joint Committee on Taxation and have provided the Staff with our manuscript in progress.

There is no doubt that carryover basis is very burdensome and imposes heavy tax cost upon our taxpayers. Also, as often occurs with new complex legislation, many serious oversights and administrative problems, unforeseen in the drafting stage, have surfaced since enactment which require immediate correction. All of this, coupled with the slow awakening of the general public to the true impact of carryover basis on the average taxpayer, has created much hue and cry for repeal.

However any rational response must not lose sight of the fact that carryover basis was enacted for two primary reasons: First, the revenue generated by the carryover basis tax offsets the revenue loss occasioned by the general reduction in the amount of estate taxation due to changes to Chapter 11 of the IRC by the Tax Reform Act of 1976. But perhaps more importantly, for decades it has been stated that the so-called "step-up in basis" at death was a serious tax loophole and a major "give-a-way" in our federal income tax system. The purpose of carryover basis was to close that loophole and create greater horizontal and vertical equity among taxpayers so that those who could afford to hold on to appreciated property until death would no longer be favored over those who could not hold on to appreciated property until death.

If the Congress at this stage should conclude that that socio-economic posture was not or is no longer valid and that we should return to prior law, we would whole-heartedly agree. However, it does not appear that reversion to prior law at this stage is a probability. Thus, the real issue today is not repeal of carryover basis and reverting to prior law but rather substituting carryover basis with either an appreciation estate tax, the so-called "AET", or the Administration's proposal of a capital gains tax at death with a possibility of moratorium of carryover basis until that is accomplished.

APPRECIATION ESTATE TAX AND CAPITAL GAINS AT DEATH ARE NOT BETTER ALTERNATIVES TO CARRYOVER BASIS

Therefore, the issues to which we wish to address ourselves are: One, as among the three options (carryover basis, appreciation estate tax and capital gains tax at death) is carryover basis more desirable; and two, can carryover basis be made to work? Our extensive study and analysis indicates without question that through appropriate amendments and regulations, the carryover basis law can be made internally consistent, consistent with other provisions of the IRC and can be administered without undue complications and problems—particularly when compared to other provision of the IRC such as Subchapter J, ERISA, etc.

Furthermore, there is not a doubt in our minds that virtually all of the legal and administrative complications that now exist in carryover basis are inherent in both the appreciation estate tax and the capital gains tax at death. Both proposals would, for example, impose a tax on appreciation between the decedent's basis in an estate asset and the asset's estate tax value. Thus, the greatest administrative burden of all—acquiring basis and related information—will be exactly the same as that under carryover basis. However, under appreciation estate tax or capital gains tax at death, the burden is further exacerbated: Because those taxes would be imposed at death, there will be less time within which to gather the necessary information.

And, of course, both the appreciation estate tax and the capital gains tax at death impose the brand new burden of having to pay the full tax at death, whereas at least with carryover basis, the tax is deferred until the estate asset is disposed of. Assessing the tax at death also creates serious inequities, by imposing the tax at one point in time—death—all of the appreciation (the income subject to tax) is bunched at that moment. What happens if the economy falters the next day and the paper appreciation is not what it was the day before. (Even the estate tax provides the executor with optional valuation dates!) What could be more arbitrary than looking at an unexpected, unforeseen and unfortuitous death as the moment to tax paper profits. Such a notion is contrary to the firmly established principle of our tax system that death is not a taxable event.

Furthermore, additional exceptions to the general application of either an appreciation estate tax or capital gains tax at death are contemplated which will invariably make either of those approaches more complicated than carryover basis. It seems that the proponents of the appreciation estate tax and the capital gains tax at death will urge that farms, closely held business interests and property qualifying for the marital deduction will, in some fashion, be excluded from the application of either of those taxes. A perusal of IRC § 2032A should indicate the types of complexities which will arise in those circumstances. It has even been urged that the carryover basis provisions be applied in those cases where the appreciation estate tax and the capital gains tax at death would not apply. In other words, we would have two different taxing provisions with which to contend.

MORATORIUM SHOULD BE REJECTED

It has been suggested in some quarters that there should be a moratorium on the implementation of the carryover basis provision. The reason given in support of moratorium is that we will have more time to consider the appropriate form of taxation on appreciation. There is no question in our minds but that carryover basis is far superior to either appreciation estate tax or capital gains tax at death. If moratorium is a tactic to be used to substitute carryover basis with some other form of similar taxation it should be rejected. Furthermore, a moratorium is another form of repeal. If the Congress is of a mind to repeal carryover basis and revert to prior law then let us repeal it and not place the taxpayer and the tax adviser in a state of limbo. What is needed now is certainty not delay.

CARRYOVER BASIS CAN BE MADE TO WORK

The basic concept of carryover basis is extremely simple: The estate or beneficiary takes over the decedent's tax basis at death. In that respect it is no more complicated than the general carryover basis concept used for property which is transferred by gift. However, in application of the carryover basis rules, as enacted, both legal and administrative complications arise.

Legal complications arise because of the exceptions from the definition of carryover basis property, exceptions from the operation of the general rule of carryover basis, the special rules provided for in the statute, and the limitations placed on the exceptions and the special rules. Legal complications also arise because of the interrelationship with the carryover basis provisions and other provisions of the IRC and state laws.

The exceptions, special rules and limitations provided for with respect to carryover basis do not seem especially complex compared to many other provisions of the IRC. Nevertheless, certain open questions in the statute do cause substantial complications which must be resolved in order to have carryover basis work.

The non-legal complications are administrative in nature and revolve primarily around the question of how to acquire basis information: Date of acquisition data, capital changes and improvement information and the like.

In most cases, for investment-type assets, such as marketable stocks and bonds and for real estate the information is not difficult to obtain because taxpayers generally keep accurate records for those types of assets.

It seems that the administrative burden most often will be greatest with respect to tangible personal property, especially personal and household effects. We have all heard the stamp collection argument ad nauseam. But the fact is that the carryover basis law provides relief by allowing the executor to select up to $10,000 worth (based on estate tax values) of personal and household effects to have their estate tax values be their bases. While that exception will cover the majority of estate, certain administrative problems still arise. State law may require the executor to make an inquiry if it has anticipated that the decedent's basis is greater than estate tax value even where the aggregate estate tax values of all personal and household effects if $10,000 or less. Moreover, the executor may be faced with competing demands of beneficiaries when more than $10,000 worth of personal or household effects are contained in the estate. The answer perhaps is to expand the exclusion as suggested later.

Carryover basis provisions also appear to cause special problems when closely held business interests and farms are involved and special exceptions or treatment for such circumstances could be provided.

But in all events, it cannot be emphasized strongly enough that both the legal and administrative problems inherent in carryover basis will exist with the alternative forms of tax on appreciation. Reducing the number of exceptions, exclusions, and special rules would decrease the complications for all systems.

There are ten clerical and technical amendments and five substantive changes in the law which we believe, if enacted promptly, would make the carryover basis law adequately consistent, would provide for a feasible, viable method of administering the law both for the taxpayer and the government, and would create a greater degree of fairness.

TEN SPECIFIC PROPOSALS CLERICAL AND TECHNICAL IN NATURE

1. Satisfying Pecuniary Legacies With Appreciated IRC §§1245 or 1250 Property. Specifying which of IRC §§1245 and 1250 (each of which prescribes, in part, that "gain shall be recognized notwithstanding any other provision of this subtitle"), on the one hand, and IRC §1040, contained in the same subtitle, (which prescribes, in part, that the executor who satisfies a pecuniary legacy with appreciated carryover basis property shall recognize gain only to the extent that the fair market value of the property exceeds its estate tax value), on the other hand, controls when appreciated carryover basis IRC §1245 or IRC §1250 property is used to satisfy a pecuniary legacy.

2. Satisfying Pucuniary Legacies With Appreciated IRC § 306 Stock. Specifying which of IRC § 306 (which provides, in part, that the "amount realized" upon disposition shall be treated as gain from the sale of property which is not a capital asset rather than providing for the "recognition" of gain upon disposition) and IRC § 1040 controls when appreciated carryover basic IRC § 306 stock is used to satisfy a pecuniary legacy.

3. Reducing "Amount Realized" Under IRC § 306 For December 31, 1976 Basis. Modifying Section 3(a) of H.R. 6715 to provide that the "amount realized" upon the disposition of IRC § 306 stock is to be reduced by the adjusted basis of the stock on December 31, 1976 (provided that the basis of such stock in the hands of the person disposing of it reflects the basis of such stock on December 31, 1976) whether or not an adjustment to basis under IRC § 1023(h) is to be made. The Technical Corrections Bill of 1977 as passed by the House on October 17 provides for this modification.

4. Changing The Rules for Charitable Income Tax Deductions For Estates And Trusts. Amending IRC § 642(c)(1) to provide for the allowance of a charitable income tax deduction in certain instances in which IRC § 642(c)(1) apparently would not allow a deduction (as in the case where appreciated carryover basis property in the estate must be sold in order to satisfy a preresiduary charitable bequest and where the carryover basis tax on the gain must be borne by the residuary estate) and to provide for the denial of a deduction, in certain other cases, in which IRC § 642(c)(1) apparently would allow a deduction, for amounts of income, attributable to gains carried over from a decedent, paid or permanently set aside for charitable purposes (as in the case where appreciated carryover basis property in the estate must be sold in order to satisfy a non-charitable preresiduary bequest and where the carryover basis tax on the gain must be borne by a charitable residuary legatee).

Consideration should also be given to the question of whether the estate tax charitable deduction would be affected under those circumstances.

5. Satisfying Pecuniary Legacies In Kind With Appreciated Encumbered Property Returned In 706 Encumbered.

Amending IRC § 1040 to provide for the purposes of that section that the fair market value of appreciated carryover basis property used to satisfy a pecuniary legacy is to be diminished by any mortgage on or indebtedness with respect to such property whenever the property has been included in the gross estate diminished by such mortgage or indebtedness in order to ensure that property which has not, in fact, appreciated from the time of death (although included in the gross estate net of any mortgage) will not trigger gain.

6. Determining Net Appreciation For Encumbered Property. Amending IRC § 1023 to provide that the adjustments to basis under IRC § 1023 (c), (d), (e), and (h) are to be computed by reducing the adjusted basis by any mortgage on or indebtedness in respect of property if the property has been included in the gross estate diminished by such mortgage or indebtedness so that the accurate amount of net appreciation is used in making the adjustments to basis.

7. Specifying Which Property Is Not Subject To A Tax. Clarifying how the determination of what property is deemed not subject to a tax within the meaning of the IRC § 1023(f)(4)(A) is to be made. This is one of the most perplexing and important open questions. An alternative solution would be to allow the adjustment for estate taxes to be made even for marital or charitable deduction property (either with or without a corresponding reduction in the estate taxes adjustment for other property).

8. Specifying Whether Death On The Distribution By The Executor Constitutes A Taxable Disposition If Liabilities Exceed Basis. Specifying whether the change of ownership from the decedent at death to his estate or beneficiaries or the distribution from the executor to a beneficiary of carryover basis property constitutes a disposition for income tax purposes if liabilities with respect to such property exceed its basis at the time of death or of such distribution.

9. Clarifying Purpose Of Fresh Start Minimum Basis. Modifying Section 3(c)(1)(A) of H.R. 6715 to specify that the minimum basis adjustment is an alternative "fresh start" adjustment and is not to be made before application of the adjustment under IRC § 1023(h)(1) or IRC § 1023(h)(2) as the words "the adjusted basis of such property immediately before the death of the decedent shall be treated as being not less than" in the bill might indicate.

10. Reducing IRC § 306 Stock Ordinary Income For IRC § 1023 Adjustments Made. Amending IRC § 306 to provide that the "amount realized" upon disposition shall be reduced by the adjusted basis of IRC § 306 stock after all adjustments to basis under IRC § 1023 and provide further that the amount of ordinary income otherwise recognized under that section be reduced by such adjusted basis before reducing the amount of capital gain income otherwise recognized under that section.

FIVE SPECIFIC PROPOSALS SUBSTANTIVE IN NATURE

(1) Allowing Fresh Start For Purposes Of Loss And Allowing The Fresh Start Minimum Basis For All Tangibles. One provision which causes considerable legal complications, administrative burdens and inequitable results is that the adjustment provided to basis under IRC § 1023(h) (the "fresh start adjustment") is available only for purposes of determining gain. The consequence of this limitation is that the estate and subsequent beneficiaries must keep track of two sets of bases for each asset entitled to a tentative fresh start adjustment. Further, by adjusting to an asset for fresh start, each subsequent adjustment to the basis of that asset is thereby reduced. If the asset is then sold at a loss, the fresh start adjustment is eliminated but the other adjustments are not increased. Additional complexity is introduced if the asset is sold at neither gain nor loss.

The lack of equity inherent in limiting the fresh start adjustment only to cases of gain, and the legal and administrative complications which arise by virtue of that limitation, simply cannot be justified by any extra tax revenue that may be generated because of it. The fresh start adjustment should be available whether the asset entitled to it is disposed of at a gain or a loss.

Moreover, in order to avoid the costly burden of ascertaining basis information which is, in many cases, difficult to determine with respect to tangible personal property, we would recommend that the concept of the fresh start minimum basis adjustment (as proposed in Sec. 3(c)(1) of the Technical Corrections Bill) be expanded to cover all tangible personal property including that property whose holding period does not include December 31, 1976. Because the adjustment would relate back to that date there would be virtually no revenue loss, in most cases, by allowing such an adjustment of convenience for all tangible personal property.

It has been seriously urged by certain groups that the fresh start adjustments to basis be eliminated entirely and replaced with the "grandfathering" of all assets where the adjusted basis in such assets immediately before the death of the decedent reflects the adjusted basis of those assets on December 31, 1976. Such assets would be excluded from the definition of carryover basis property and would receive a step-up in basis at death under IRC § 1014. We believe that such a change would perpetuate the so-called "lock-in" which is contrary to the Congress' stated purpose for enacting carryover basis. Furthermore, while the grandfathering of assets held on December 31, 1976 would provide substantial tax relief for certain taxpayers, it would not reduce in any meaningful way the administrative burdens under carryover basis because all taxpayers would be required to inventory all assets owned by them on December 31, 1976. But, more importantly, such a proposal would, in our view, cut across one of the most important changes we believe should be made in the present law: allowing an unused capital loss to be carried forward after death. (See Item (5), *supra*.) In our view, allowing unused capital losses to be carried over after death whether those losses were incurred prior to January 1, 1977, and whether those losses were incurred as a result of the disposition of assets after January 1 which were acquired prior to January 1, 1977 is significantly more important than grandfathering.

(2) Providing For An Adjustment To Basis For The Marginal Increase In Federal And Estate Tax Attributable To Net Appreciation. As presently drafted, the adjustment to basis for federal and state estate taxes under IRC § 1023(c) is made for the average amount of such taxes attributable to the net appreciation. Providing for the adjustment at the marginal increase in estate taxes attributable to net appreciation seems to supply a more equitable result when one compares this approach to disposition prior to death and the income tax paid during lifetime is, in fact, subtracted from the "top" of the estate tax bracket not the average.

Moreover, by converting to a marginal adjustment, at least in some circumstances (though clearly a minority of cases) the problem of the changing adjustment because of a change (for example, on audit) in the taxable estate will be avoided.

(3) Modifying The $60,000 Minimum Basis Adjustment. The $60,000 minimum basis adjustment should be eliminated entirely and replaced with a simple exclusion of $60,000 worth of assets (based on estate tax value) from the definition of carryover basis—similar to the $10,000 personal and household effects exclusion now provided for under IRC § 1023. A corollary to this change would be the elimination of the $10,000 personal and household effects exclusion. This would provide greater relief for modest estates from the administrative burdens of carryover basis.

(4) Modifying The Relationship Between IRC § 306 Stock And IRC § 303 Redemptions. The Congress has determined to provide itself relief from ordinary income dividend treatment when a redemption occurs within the provisions of IRC § 303. There is no corresponding redemption provision for stock ownership during lifetime. Thus, allowing a redemption of IRC § 306 stock to qualify under IRC § 303 would not create an inconsistency with property disposed of before death, especially when one considers the policy decision made by the Congress to provide relief when stock is redeemed to pay for taxes and expenses. We, therefore, recommend that a redemption of IRC § 306 stock be afforded capital gain treatment by allowing a qualifying redemption of such stock under IRC § 303.

We also strongly urge that because of the impact of carryover basis, IRC § 303 be amended by increasing the amount of a qualifying distribution to include income taxes generated as the result of a qualified redemption under IRC § 303.

(5) Allowing A Capital Loss Carry Forward After Death. The oft heard argument in support of carryover basis was that under prior law a taxpayer was "locked-in" to holding assets until death because of the automatic step-up in basis under IRC § 1014. Thus, with the introduction of carryover basis, taxpayers would be more willing to dispose of appreciated assets and realize the gain which would have to be realized by his estate or beneficiary ultimately in any event. However, now the "lock-in" argument applies with equal force with respect to assets which have depreciated in value. In other words, under present law, if a taxpayer realizes a loss upon disposition of an asset which might otherwise be carried forward, but the taxpayer dies, that loss cannot be carried forward to his estate or beneficiaries. Therefore, a taxpayer may be less willing to dispose of a depreciated asset before death. Instead he might hold on to the asset until death, have his estate dispose of it and then have the loss carried forward to his beneficiaries under IRC § 642(h).

In order to avoid this newly created "lock-in of losses", a reasonable corollary to carryover basis would be to permit a taxpayer's unused capital losses to be carried over to his estate and his beneficiaries. Such a rule would also create a closer degree of fairness and equity in the application of carryover basis.

CONCLUSION

We believe that if the technical and substantive changes recommended are made, and regulations are promptly issued, carryover basis can work and does not have to be an undue administrative burden to the fiduciary, the lawyer or the taxpayer.

In all events, we would urge retention of a modified carryover basis approach rather than the adoption of an appreciation estate tax, or a capital gains tax at death.

Respectfully submitted on behalf of Thomas J. McGrath and Jonathan G. Blattmachr.●

BANKRUPTCY OF MILWAUKEE RAILROAD—S. 967

Mr. MELCHER. Mr. President, the Energy and Natural Resources Committee has permission to file a report on S. 967 this evening by 8 p.m. The matter is of an urgent nature. It is an emergency bill dealing with the bankruptcy of the Milwaukee Railroad.

It is the intention of the Energy Committee to hopefully ask for a consent tomorrow to bring up the matter because of the pending judicial matter in Chicago on Friday of this week.

The facts are that a request will be made of the Federal district judge handling the bankruptcy on that date to discontinue service on over 7,000 miles of the Milwaukee Railroad as of May 8.

We find that the urgency of the matter is so great that the Energy and Natural Resources Committee on Monday of this week held a hearing on S. 967 and acted today to report the bill by a vote of 14 to 0.

I make these comments at this time to alert the Senate to the emergency nature of this bill and to ask for consideration of it at the Senate's earliest opportunity.

Mr. STEVENS. Mr. President, I am a member of the Energy Committee and did hear the portion of the consideration today that the Senator from Montana mentions.

I mention and feel constrained to mention that the rules require not only the printed report but 3 days after reports are received.

Now, we may be able to secure a waiver of the 3-day rule concerning that bill, but I doubt seriously that we can secure a waiver of having the report available.

So I urge the Senator from Montana to do his utmost in having that report printed so Members can see it and see the implication of it.

The monetary implications of the bill have been deleted. I support the Senator's objectives, but I just do not want him to run unsuspectingly into objection tomorrow that we cannot remove if the report is not printed on the desk tomorrow.

I hope somehow it can be done overnight.

Mr. MELCHER. I appreciate the very pertinent remarks of the Senator from Alaska. He has been most kind and cooperative in the Energy Committee on expediting the bill. I have the report in my hand now to be filed now, and I will ask the Government Printing Office to make sure it is printed No. 1 priority tonight and that the report is available very early in the morning tomorrow.

ORDER OF PROCEDURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, may I inquire of the Chair as to how many special orders we have for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. Only one order, the junior Senator from Texas for 15 minutes.

ORDER FOR RECOGNITION OF SENATOR DANFORTH TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the Senator from Texas on tomorrow morning, Senator DANFORTH be recognized for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF THE PENDING BUSINESS TOMORROW—S. 429

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the completion of the orders for recognition of Senators tomorrow, the Senate resume consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER THAT TIME OF THE TWO LEADERS TOMORROW BE REDUCED TO 3 MINUTES EACH

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders on tomorrow be reduced to 3 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 9 o'clock tomorrow morning.

The two leaders will be confined to 3 minutes each, under the order entered earlier today.

Following that, Mr. BENTSEN will be recognized for not to exceed 15 minutes, after which Mr. DANFORTH will be recognized for not to exceed 5 minutes, after which the Senate will resume its consideration of the pending business.

There will be rollcall votes tomorrow on amendments and/or motions in relation to the defense supplemental authorization, and it is hoped that the Senate will complete action on this bill tomorrow. It could be a fairly long day. It is only Thursday of the week, and by staying in session long enough, if need be, I would hope the Senate would complete action, and the Senate would go over until Monday.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STENNIS. I think the prospect is that we will have agreements to vote in the morning, and that will move the bill right along, and we should be able to finish the bill sometime beyond mid-afternoon tomorrow, if everyone comes and stays and listens to the arguments.

Mr. McCLURE. Mr. President, will the Senator yield on that point?

Mr. ROBERT C. BYRD. I yield.

Mr. McCLURE. We find some difficulty in coming and staying and listening to arguments, while we are in committee and staying and listening to markups.

Mr. STENNIS. That is a good point. Tell it to the leader.

Mr. McCLURE. I think we will be able to accommodate it tomorrow, but it is a problem.

Mr. STENNIS. It is a great problem.

Mr. ROBERT C. BYRD. Mr. President, that about sums up the program for tomorrow. There may be other matters taken up if cleared for action.

RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 9 a.m. tomorrow morning.

The motion was agreed to, and at 6:03 p.m., the Senate recessed until 9 a.m., Thursday, May 3, 1979.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 2, 1979;

LEGAL SERVICES CORPORATION

Michael Kantor, of California, to be a member of the board of directors of the Legal Services Corporation for a term expiring July 13, 1981.

Robert J. Kutak, of Nebraska, to be a member of the board of directors of the Legal Services Corporation for a term expiring July 13, 1981.

F. William McCalpin, of Missouri, to be a member of the board of directors of the Legal Services Corporation for a term expiring July 13 1981.

Revius O. Ortique, Jr., of Louisiana, to be a member of the board of director of the Legal Services Corporation for a term expiring July 13, 1981.

Howard R. Sacks, of Connecticut, to be a member of the board of directors of the Legal Services Corporation for a term expiring July 13, 1981.

Ramona Toledo Shump, of Kansas, to be a member of the board of directors of the Legal Services Corporation for a term expiring July 13, 1981.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officers under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Freddie Lee Poston, [redacted]FR, U.S. Air Force.

Lt. Gen. Marion L. Boswell, [redacted]FR, U.S. Air Force, for appointment as Senior U.S. Air Force member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

Lt. Gen. George G. Loving, Jr., U.S. Air Force, (age 56), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

IN THE ARMY

The following officers for appointment in the Adjutant General's Corps, Army National Guard of the United States, under the provisions of title 10, United States Code, sections 593(a) and 3392:

To be major general

Brig. Gen. Willie Leo Scott, [redacted].

Brig. Gen. Trelawney Eston Marchant, Jr., [redacted]

To be brigadier general

Col. James Herbert Jones, [redacted].

Col. Frank Jose Schober, Jr., [redacted].

The following-named officers for temporary appointment in the Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major general

Brig. Gen. William E. Read, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Arter, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward C. Peter, II, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Stan R. Sheridan, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Nathaniel R. Thompson, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Louis C. Wagner, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. James S. Welch, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Drake Wilson, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Orlando E. Gonzales, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. William E. Cooper, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Duard D. Ball, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Herriford, Sr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Allen H. Light, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. John B. Oblinger, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Patrick M. Roddy, [redacted], Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. James H. Patterson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Theodore G. Jenes, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard W. Anson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Thomas F. Healy, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. William K. Hunzeker, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert M. Elton, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Emmett Paige, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Schweitzer, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Dwight L. Wilson, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. William H. Fitts, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Harold I. Small, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Harvey D. Williams, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. John W. Hudachek, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Albert N. Stubblebine, III, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Clarence E. McKnight, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Carl E. Vuono, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Jack A. Walker, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

Brig. Gen. Charles W. Dyke, [redacted] Army of the United States (lieutenant colonel, U.S. Army).

The following-named officers for appointment in the Regular Army of the United States to the grade indicated, under the provisions of title 10, United States Code, sections 3284 and 3306:

To be brigadier general

Brig. Gen. William E. Read, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert Arter, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Edward C. Peter, II, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Stan R. Sheridan, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Nathaniel R. Thompson, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. William E. Cooper, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Harvey D. Williams, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. James S. Welch, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. William K. Hunzeker, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. William H. Fitts, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Herriford, Sr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Drake Wilson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Albert N. Stubblebine, III [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Clarence E. McKnight, Jr., [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. James H. Patterson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard W. Anson, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Emmett Paige, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Orlando E. Gonzales, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Allen H. Light, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Robert L. Schweitzer, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. Duard D. Ball, [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Theodore G. Jenes, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Harold I. Small, [redacted] Army of the United States (colonel, U.S. Army).

Brig. Gen. John B. Oblinger, Jr., [redacted], Army of the United States (colonel, U.S. Army).

Brig. Gen. Dwight L. Wilson, [redacted] Army of the United States (colonel, U.S. Army).

Maj. Gen. Louis C. Menetrey, [redacted] Army of the United States (colonel, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. George Samuel Blanchard, [redacted], (age 58), Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Eugene Joseph D'Ambrosio, [redacted], (age 57), Army of the United States (major general, U.S. Army).

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Thomas Matthew Rienzi, [redacted], (age 60), Army of the United States (major general, U.S. Army).

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be general

Lt. Gen. Edward Charles Meyer, [redacted] Army of the United States (major general, U.S. Army).

Brig. Gen. Alton Harris Harvey, [redacted], Army of the United States (colonel, Judge Advocate General's Corps, U.S. Army), for appointment as the Judge Advocate General, U.S. Army, as major general, Judge Advocate General's Corps, in the Regular Army of the United States and as major general, Army of the United States, under the provisions of title 10, United States Code, sections 3037, 3442, and 3447.

Brig. Gen. Hugh Joseph Clausen, [redacted], Army of the United States (colonel, Judge Advocate General's Corps, U.S. Army), for appointment as the Assistant Judge Advocate General, as major general, Judge Advocate General's Corps, in the Regular Army of the United States and as major general, Army of the United States, under the provisions of title 10, United States Code, sections 3037, 3442, and 3447.

IN THE NAVY

Adm. Maurice F. Weisner, U.S. Navy, (age 61) for appointment to the grade of admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Vice Adm. Frederick C. Turner, U.S. Navy, (age 55) for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

IN THE MARINE CORPS

Gen. Robert H. Barrow, U.S. Marine Corps, to be Commandant of the Marine Corps with the rank of general for a term of 4 years, pursuant to the provisions of title 10, United States Code, section 5201.

IN THE COAST GUARD

Coast Guard nominations beginning Wayne R. Gronlund, to be lieutenant commander, and ending John W. Winslow, to be commander, which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

IN THE AIR FORCE

Air Force nominations beginning James M. Abel, Jr., to be first lieutenant, and ending Stephen F. Young, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 9, 1979.

Air Force nominations, beginning Keith C. Abbott, to be second lieutenant, and ending Peter J. Zarate, to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on April 9, 1979.

IN THE ARMY

Army nominations beginning Charlie A. Beckwith, to be colonel, and ending June Sekiguchi, to be captain, which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

Army nominations beginning William R. Allen, to be lieutenant colonel, and ending Charles J. Zaloudek, to be lieutenant colonel, which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

IN THE NAVY

Navy nominations beginning William R. Applegate, to be captain, and ending Gary W. Reash, to be chief warrant officer, W–2, which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

Navy nominations beginning Donald E. Abram, to be captain, and ending Erleian Wardlow, to be commander, which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

Navy nominations beginning Patricia D. Schneider, to be lieutenant, and ending Cham W. Louie, to be lieutenant (j.g.), which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

Navy nominations beginning Philip J. Aarons, to be lieutenant (j.g.), and ending Jennifer L. Jones, to be lieutenant (j.g.), which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

Navy nominations beginning Robert A. Beach, to be ensign, and ending Joseph E. Binard, to be commander, which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

IN THE MARINE CORPS

Marine Corps nominations beginning Thomas E. Adams, to be first lieutenant, and ending Thomas A. Reynolds, to be chief warrant officer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of April 2, 1979.

Marine Corps nominations beginning Ronald C. Andreas, to be colonel, and ending Charles P. Erwin, to be captain, which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

Marine Corps nominations beginning Peter J. Aagard, to be second lieutenant, and ending Alan M. Womble, to be second lieutenant, which nominations were received by the Senate on April 12, 1979, and appeared in the CONGRESSIONAL RECORD of April 23, 1979.

HOUSE OF REPRESENTATIVES—*Wednesday, May 2, 1979*

The House met at 3 p.m.

Rabbi Laurence A. Kotok, North Country Reform Temple, Glen Cove, N.Y., offered the following prayer:

אלהינו ואלהי אבותינו

Our God and God of all generations. God of peace and understanding, source of life and blessing.

We stand this day torn between conflicting emotions, between sorrow and joy. Sorrow as we have just observed Yom HaShoa—the day of memorial for the 6 million Jews and 5 million Christians who were the victims of the holocaust. And yet we feel joy as today we celebrate Israel Independence Day, this the 31st anniversary of the State of Israel reborn out of the ashes and destruction of the holocaust.

We pray this day that our world will never again allow the horror of the holocaust. That Israel and her people may experience the blessings of peace and security, shared within the community of democratic ideals and dreams.

May we as members of a world community have the strength and understanding to not only speak of peace, but truly take an active role in the creation of peace.

We pray that these United States will continue to be a beacon of hope and peace, and that we might have the fortitude and commitment to sacrifice and to strive for that freedom that allows peace to exist in our world.

כן יהי רצון

Thus may it be so. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 2774. An act to authorize appropriations for fiscal years 1980 and 1981 under the Arms Control and Disarmament Act, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 210. An act to establish a Department of Education; and

S. 532. An act to continue the work of the President's Commission on Pension Policy to develop a national retirement income policy in the United States, and for other purposes.

The message also announced that the President pro tempore, pursuant to Public Law 93-379, appointed Stephen S. Boynton, from private life, to the District of Columbia Law Revision Commission.

And that the Presiding Officer, on behalf of the minority leader, pursuant to Public Law 93-379, reappointed Marion Edwyn Harrison to the District of Columbia Law Revision Commission.

RABBI LAURENCE A. KOTOK

(Mr. AMBRO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AMBRO. Mr. Speaker, it is my great privilege and pleasure this afternoon to introduce Rabbi Laurence A. Kotok to my colleagues here in the House of Representatives. Rabbi Kotok is the spiritual leader of the North Country Reform Temple in Glen Cove, N.Y.

A native of West Orange, N.J., Rabbi Kotok received his B.A. degree from Rutgers University in 1967. He then attended Hebrew Union College in Cincinnati where he received his ordination and an M.H.L. degree in 1972. He served as an assistant rabbi in Temple Sinai in Roslyn Heights, N.Y., before coming to the North Country Reform Temple in 1974.

Active in the Long Island religious community, Rabbi Kotok is the incoming president of the Long Island Association of Reform Rabbis, vice president of the Long Island Board of Rabbis, chairman of the Glen Cove Jewish Presidents Council, and a board member of the National Religious School Committee of the Union of American Hebrew Congregations' Commission of Jewish Education, among many other affiliations.

Rabbi Kotok has a long history of involvement in the social concerns of the secular community dating back to his student days and continuing to the present time. Since coming to Long Island, he has immersed himself in the totality of the community, serving first as the vice president of the Roslyn Ministerial Association, and then as president of the Glen Cove Inter-Agency Council—an umbrella agency for numerous social action and human needs organizations—as a board member of the Senior Health and Counseling Inter-Agency Council, on the Glen Cove Community Development Advisory Board, just to name a few. In all of these positions, Rabbi Kotok has worked with unceasing and selfless dedication to add dignity and hope to the lives of the less fortunate citizens of his community.

Mr. Speaker, there is not a Member of this House who is not aware that today we celebrate the 31st anniversary of the modern State of Israel. That celebration, both joyous and solemn, has been fittingly initiated this afternoon by Rabbi Kotok's meaningful and inspiring invocation. I know that as the session unfolds, many of my colleagues will join me here on the House floor to commemorate this auspicious occasion and to wish a hearty "Mazel Tov" to our good friends in Israel during this birthday celebration.

At this moment, as we begin the day's session, I am proud, on behalf of all of the Members of the House of Representatives, to welcome Rabbi Kotok, his charming wife, family, and the members of his congregation to our midst.

PERMISSION FOR PERMANENT SELECT COMMITTEE ON INTELLIGENCE TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the Permanent Select Committee on Intelligence be permitted to sit tomorrow during consideration under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, is the gentleman going to mark up any legislation, or will it just be hearings?

Mr. BOLAND. If the gentleman will yield, we will be in the process of marking up legislation.

Mr. ROUSSELOT. This is pretty important, the budget resolution. Is it essential to do it then?

Mr. BOLAND. If the gentleman will yield, one of the problems, I will say to my colleague, the gentleman from California, is all the other members sit on various committees, they are about ready to get into markups, and we are going to have a very difficult time bringing our bill to the floor in a timely fashion unless we get permission. We would not do it except under extraordinary circumstances, and this is really an extraordinary circumstance.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

☐ 1505

TELEVISING OF PROCEEDINGS ON THE FLOOR OF THE HOUSE OF REPRESENTATIVES

(Mr. HALL of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HALL of Ohio. Mr. Speaker, the historic decision of the House of Representatives to permit live telecast of its proceedings has the potential for restoring trust in government by allowing the public to see for itself the manner in which this institution functions. I believe it will also create a more informed electorate, which is the basis of our secure American democracy. Today, the functions of government are so complex that we must seek to promote direct citizen involvement, or risk alienation of large segments of the American populace.

However, these positive results of an informed, active electorate cannot be achieved unless these proceedings are made available on a regular basis to our constituents. For this reason, today I would like to commend the public and cable television outlets across the United States which are now providing this valuable service to their viewers. Mr. Speaker, today marks the inauguration of such service in my district. I sincerely hope that my constituents will avail themselves of this service. I am certain that their active interest and increased knowledge will aid me greatly in the performance of my duties.

ARTICLE BY DR. BARRY COMMONER ON THE SUBJECT OF ENERGY

(Mr. WEAVER asked and was given permission to address the House for 1 minute.)

Mr. WEAVER. Mr. Speaker, we are constantly told by energy experts that our choice for the next 25 years to meet energy needs lies between coal and nuclear. For those who wish an alternative that works, I commend an excellent analysis of our energy situation by Dr. Barry Commoner in the April 23 and 30 issues of the New Yorker magazine. Dr. Commoner sets forth a thorough energy program based on the many solar energy forms which, with natural gas, can and should, beginning now, starting today, give us a clean, stable independent energy program to meet all our needs.

DECISIVE LEADERSHIP ROLE OF THE UNITED STATES IN ZIMBABWE-RHODESIA

(Mr. ICHORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ICHORD. Mr. Speaker, I have no constituency interest in what goes on in Rhodesia other than human rights and the fact that I happened to have gone to Rhodesia a number of years ago and saw how utterly inept and foolish the policy of this administration, and for my Republican friends, the policy of the last administration, toward Rhodesia really is.

I hope the House will forgive me, Mr. Speaker, when I say I told you so, because I have told this body time and time again that Bishop Muzorewa had the support of the overwhelming majority of the blacks in Rhodesia. The elections have shown that it was even less in my percentages.

I have lost every time, Mr. Speaker, on every amendment I have proposed in regard to Rhodesia except one time. The only thing I can say is when, oh, when, President Carter, when, oh, when, Secretary Vance, when, oh, when, Andy Young, will you change your minds and admit you are wrong?

Mr. Speaker, for the past few years, I have attempted to impress upon this administration an accurate portrayal of the situation in Rhodesia, now Zimbabwe-Rhodesia, I stressed that the situation was one demanding an internal solution and called upon the administration to give up its policy of obvious bias in support of the Patriotic Front.

In the past 10 days, we have witnessed the successful execution of the internal settlement agreed to in March of 1978. Elections have been held and a black majority government is on the verge of being installed. The voter turnout of 64 percent exceeded all expectations and dwarfs the meager 35-percent turnout in our 1978 congressional elections.

In the past, I attempted to impress on my fellow Members that Bishop Muzorewa enjoyed majority support among the blacks of Zimbabwe Rhodesia and that neither Nkomo nor Mugabe stood a chance of gaining power through the democratic process. Today that assessment is validated with Muzorewa's party, the United African National Council, taking 51 of the 72 black seats in the new Parliament, 71 percent, a mandate most American politicians just dream about. This mandate assures that Bishop Muzorewa will be the first black Prime Minister of Zimbabwe Rhodesia.

The time has come, Mr. Speaker, for the United States to acknowledge the choice of the people of Zimbabwe for the ballot box instead of bullets and bloodshed. It is time also to acknowledge our past errors in policy and recognize this new government of Zimbabwe. I am disturbed, however, that there are forces at work attempting to perpetuate our past errors and preclude our recognition of this democratically elected government and the lifting of sanctions. Mr. Speaker, such action is unthinkable. Are we saying that we condone Britain's past colonialism and must now await their action? Are we saying that we do not support the principle of free and fair elections? Are we saying that the wrong side won the election and that our real loyalties rest with the Marixst oriented Patriotic Front?

Mr. Speaker, the free world awaits our answer to these questions. While in the past the road in Zimbabwe was wide and we could survive walking down the middle, that road has narrowed with the success of the internal settlement and any attempt to stay in the middle will only result in being hit from both directions. It is now time for the United States to be decisive and take a leadership role—the rest of the world and, in particular, the free, western alined nations of Africa await our action.

☐ 1510

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. ICHORD. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Speaker, I want to join with the gentleman. The gentleman absolutely was right and if the gentleman was watching television last night, the gentleman would have seen that a former distinguished Under Secretary of State, Mr. George Ball, shares the gentleman's views about Rhodesia and expressed them very eloquently. The gentleman was right before his time.

Mr. ICHORD. Mr. Speaker, I appreciate the gentleman's comments.

THE LATE HONORABLE E. C. TOOK GATHINGS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ALEXANDER. Mr. Speaker, I take this time today to advise, that is with a great sense of personal loss, that our friend and former colleague, E. C. Took Gathings, died this morning in West Memphis, Ark. As those who have served with him will recall, he was a member of this body from 1939 to 1968, after which he chose to retire from public life.

I succeeded Took and while we were of a different age and generation, I feel that I knew him well, because I followed his tracks around the first congressional district where the people he served for 30 years knew him and loved him. He earned a reputation for hard work, for dedicated service, for honesty, for integrity, and above all for loyalty to his country, his State, and to the people that elected him to Congress.

He was, indeed, a gentleman who deserved the respect of all those who had the opportunity to serve with him.

This morning he was addressing a community group pleading for their support of a port authority in the city of West Memphis where he lived. So he died as he lived, serving the people that he loved.

ANOTHER LEGAL VICTORY FOR COURAGEOUS JACOBO TIMERMAN IN ARGENTINA

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, recent releases report another legal victory for a noted victim of oppression, Jacobo Timerman, the courageous former editor and publisher of Argentina's leading newspaper, La Opinion.

An Argentine appeals court has asked the ruling military junta to show cause why Mr. Timerman should not be released from the house arrest, under which he is forced to live under the round-the-clock supervision of four or five policemen.

As you have heard me relate in this

well on previous occasions, Jacobo Timerman has languished either in prison or under humiliating and intolerable house arrest ever since he was dragged from his home and jailed without charge in April of 1977. During all of this time the ruling military government in Argentina, has been unable, despite constant investigation, to find any evidence of any offense—political or criminal—with which to charge Mr. Timerman.

Their only concession, if it can be called that, was to remove him from prison and place him under house arrest. This occurred after I visited with Jacobo in January of 1978 and wrote to the Junta to demand his release.

Through all of this, this man, who once championed the cause of justice and the rule of law, has fought for his freedom through the legal process. He has fought and won every legal battle. Even a military tribunal cleared him of all implications in crime and the Supreme Court of Argentina, in July of last year, found absolutely no ground for his retention.

Yet, the military rulers, who claim their dictatorship is necessary to restore and preserve law and order, continue to ignore the findings, rulings, and orders of the Argentine courts.

Hopefully and prayerfully, the military rulers will respond to this latest court order by obeying it, thereby establishing themselves as civilized and law abiding governors.

□ 1515

WHY THANK THE SOVIET UNION?

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute.)

Mr. ASHBROOK. Mr. Speaker, the American people have been so brainwashed by the media and their leaders that we are in danger of losing sight of elementary basics in dealing with the Communist world. No better example could have been given than the interview with Aleksandr Ginzburg on last night's "MacNeil and Lehrer Report." Usually, they are several notches above other fawning television news personalities but even they failed to comprehend the man, the system he opposed and our relationship with the Communist world.

Speaking through an interpreter, Mr. Ginzburg responded to the noncomplex questions with direct and thoughtful statements. On one occasion he was asked a question which inferred that we should thank the Soviet Union for releasing him. He gave it a quick, short shrift.

Nonplused, his TV host repeated the question, as if he were a State Department prompter. Flat out, Mr. Ginzburg said:

> I don't know why you would want to thank the Soviet Union for doing something like this.

Obviously lost on the questioner was the fact that his guest was a Russian who loved his country, a man exiled from his home not by his own choice, a displaced person with a family remaining there subject to the not so gentle mercies of those brutal tyrants, whose iron hand he had personally felt.

He went on to say:

> We were used as flesh to be traded.

So much for tying to paint the Soviet Union as merciful and deserving of our praise.

TEXANS SPEAK OUT ON INFLATION AND TAXES

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PAUL. Mr. Speaker, recently, I sent a long and complicated questionnaire of over 50 queries to the people of the 22d District. Over 13,000 responded, which my colleagues have told me is an extremely large number. Even simple, short surveys usually only get 6,000 or 7,000 answers.

But I am not surprised. Texans have always shown an interest in what the Federal Government is doing to our country.

Despite all the economic myths so prevalent in Washington, the people of my district correctly blamed the Federal Government for inflation, affirmed that increasing the money supply is related to inflation, and called for a dollar backed by gold or silver. They understand that our dollar now is backed by nothing more than the promises of politicians.

The people also call for a drastic tax cut, and are willing to cut Government programs to finance it. All in all, Mr. Speaker, a show of economic wisdom we would do well to emulate.

Here are the results:

(1) Do you believe the Federal Government is responsible for inflation? Yes 92%. No 5%. Don't know 3%.

(2) Is increasing of the money supply related to inflation? Yes 84%. No 7%. Don't know 9%.

(3) According to your understanding, is the dollar now backed by anything? Yes 17%. No 73%. Don't know 10%.

(4) Do you favor a dollar backed by gold or silver? Yes 70%. No 17%. Don't know 13%.

(5) Do you think inflation will be much worse a year from now? Yes 81%. No. 8%. Don't know 11%.

(6) Do you favor a Constitutional amendment to limit taxation? Yes 72%. No 21%. Don't know 7%.

(7) Should Federal taxes be cut substantially? Yes 84%. No 7%. Don't know 9%.

(8) Would you be willing to cut government programs to lower taxes? Yes 92%. No 4%. Don't know 4%.

(9) Do you favor a Constitutional amendment to balance the budget? Yes 69%. No 16%. Don't know 15%.

Ominously, the people agree that inflation will be much worse a year from now. And they will be proven right, unless we stop our constant increasing of the money supply—which is inflation, an inflation that will mean the end of our free society and our Constitution, unless it is stopped.

JUSTICE DELAYED IS JUSTICE DENIED

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, when will the House deal with the matter of the gentleman from Michigan who stands convicted of 29 felonies?

Sixty-two days ago the majority leader told us that this matter would be dealt with within 60 days.

We were asked to wait for a report from the Ethics Committee before taking any floor action.

Well, the Ethics Committee has finished its initial report. It sets out 18 substantive violations of the House rules.

But when will it ever be brought to the floor?

Those of us who demanded that the House consider this matter immediately were countered by contrary arguments in the name of alleged fairness.

But how has the gentleman from Michigan responded to this?

While the Ethics Committee has investigated his case, his lawyers' chief defense is that the committee has no jurisdiction over the matter.

They have even submitted hundreds of pages of motions to this effect.

And in the midst of all this delay, he has reportedly asked the taxpayers to pay for his lawyer's bills, and he has voted on issues involving all our constituents.

Mr. Speaker, we must settle this issue without delay.

We must remember the time-honored maxim of law that "justice delayed is justice denied."

APPOINTMENT AS MEMBERS OF COMMITTEE ON HOUSE RECORDING STUDIO

The SPEAKER pro tempore (Mr. Foley). Pursuant to the provisions of 2 U.S.C. 123b, the Chair announces without objection, that the Speaker appoints as members of the Committee on the House Recording Studio the following Members on the part of the House:

Mr. Rose of North Carolina;
Mrs. Boggs of Louisiana; and
Mr. Dornan of California.

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. Giaimo).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 392, nays 5, answered "present" 8, not voting 29, as follows:

[Roll No. 107]

YEAS—392

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lederer
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Ullman
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—5

Burlison
Lloyd
Mitchell, Md.
Scheuer
Wilson, Bob

ANSWERED "PRESENT"—8

Anthony
Bereuter
Boner
Hall, Ohio
Hutto
Kostmayer
Van Deerlin
Watkins

NOT VOTING—29

Bedell
Burton, John
Chisholm
Coughlin
Courter
Crane, Daniel
Crane, Philip
Davis, S.C.
Dellums
Diggs
Dougherty
Eckhardt
Edwards, Okla.
Evans, Ga.
Ford, Mich.
Fountain
Gaydos
Hubbard
Johnson, Colo.
Leach, Iowa
Lehman
Leland
Long, La.
McKinney
Moorhead, Calif.
Murphy, Ill.
Pursell
Udall
Williams, Ohio

☐ 1535

Mr. ROBERT W. DANIEL, JR., changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

☐ 1540

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole House on the State of the Union rose on Tuesday, May 1, 1979, the concurrent resolution, House Concurrent Resolution 107, was considered as having been read and open to amendment at any point. Pending was an amendment offered by the gentleman from Illinois (Mr. SIMON) and a substitute amendment offered by the gentleman from Alabama (Mr. EDWARDS).

AMENDMENT OFFERED BY MR. SOLARZ TO THE AMENDMENT OFFERED BY MR. SIMON

Mr. SOLARZ. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

> Amendment offered by Mr. SOLARZ to the amendment offered by Mr. SIMON: In the matter relating to the appropriate level of total new budget authority increase the amount by $225,000,000;
>
> In the matter relating to the appropriate level of total budget increase the amount by $220,000,000;
>
> In the matter relating to the amount of the deficit increase the amount by $220,000,000;
>
> In the matter relating to Function 850 increase the amount for budget authority by $200,000,000; and increase the amount for outlays by $200,000,000.
>
> In the matter relating to Function 450 increase the amount for budget authority by $25,000,000; and increase the amount for outlays by $20,000,000.

☐ 1545

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. SOLARZ).

Mr. CHARLES H. WILSON of California. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my friend, the gentleman from California.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I appreciate my friend yielding.

PARLIAMENTARY INQUIRY

Mr. CHARLES H. WILSON of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state the parliamentary inquiry.

Mr. CHARLES H. WILSON of California. Mr. Chairman, if the Simon amendment affects the spend-out rate for the national defense category, No. 050 in fiscal year 1980; therefore, if it is adopted, does that mean that any further amendments to the national defense category for fiscal year 1980 would not be in order?

The CHAIRMAN. The Chair would like to advise the gentleman from California (Mr. CHARLES H. WILSON) that on a previous budget resolution the distinguished gentleman from Missouri (Mr. BOLLING) in occupying the chair ruled on a similar question. The Chair will paraphrase a portion of the ruling on that occasion as follows:

> While it is not in order to amend merely that portion of a pending text which has already been changed by amendment, an amendment changing not only the amended portion but also parts of the original text not yet amended would still be in order.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I thank the Chair.

Mr. SOLARZ. Mr. Chairman, I call this the born again targeted fiscal assistance amendment.

You will recall that yesterday we adopted the Mattox amendment by the narrow margin of only 14 votes, thereby knocking out of the Simon amendment the $250 million for targeted fiscal assistance.

My amendment would restore to the Simon amendment, not the $250 million which was eliminated by the Mattox amendment, but the bare bones figure of only $200 million.

In order to pass the scrutiny of the Parliamentarian, and to make sure that this amendment would be ruled in order, we also added another $25 million for the disaster loan portion of the Simon amendment, increasing that category from $920 to $945 million.

We debated this issue at some length yesterday; but for those Members who were not here during the debate, let me briefly summarize the main points which I think need to be made on behalf of this vitally important fiscal relief program for depressed communities all over our country.

The first point is that targeted fiscal relief is only available to those local governments which have unemployment rates of 6½ percent or higher and, indeed, 70 percent of the communities receiving targeted fiscal assistance have unemployment rates in excess of 8 percent. This means that wherever these funds are going, we can be confident that they are going to communities that are desperately in need of them.

The second point I want to make is that, despite the suggestions that were made on the floor yesterday, this is not a New York program. It is a national program. Indeed, 85 percent of the local governments which will be receiving targeted fiscal assistance if this amendment is adopted are local governments other than those located in New York.

The third point is that this is not, despite once again the suggestions that were made on the floor yesterday, a big city program. It is a program designed to help not only large urban centers, but small rural counties as well. Indeed, 40 percent of the local governments that will be receiving these funds have populations of 25,000 or less.

☐ 1550

The fourth point is that the adoption of this amendment does not determine the final outcome of the issue. To those Members who are still undecided about whether countercyclical revenue sharing makes sense, I would point out that the adoption of this amendment merely preserves the possibility that the relevant authorizing committee will subsequently adopt and report out the legislation.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. Mr. Chairman, if this amendment is adopted, those Members who are still not convinced of the merits of this program will still have ample opportunity to vote against it if and when it is reported out by the relevant authorizing committee. But if this amendment is defeated today, it will politically preclude the possibility of the authorizing committee reporting out the legislation so that the full House can ultimately work its will.

Finally, let me say that the Simon amendment is a very carefully constructed package. It has almost $628 million for the purchase of two ships for the Navy that were originally designed for Iran; it has $650 million for food stamps; it has $920 million for disaster loans; and it will, if this amendment is adopted, also have $200 million for targeted fiscal assistance.

There are some Members who want the ships, but do not care about the food stamps, there are other Members who want the disaster loans, but do not care about the ships, but there are also Members who care about this targeted fiscal assistance and who very well may not be prepared to support the Simon amendment if this is not included in it.

So I would urge the Members to support this amendment so that we can restore this carefully constructed package to more or less its original shape, because without the kind of broad coalition behind this amendment which it originally had, there is a very good chance the whole amendment will go down to defeat.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On request of Mr. OBERSTAR, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my friend, the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I strongly support the gentleman's action, and I commend him for offering the amendment.

I think this restoration of funds is vital for the health and the economic livelihood of our Nation's cities and smaller communities, such as those in the area I represent in northern Minnesota. As for those areas—and they are many—they have not shared in the Nation's general prosperity. They need this kind of assistance to keep them together. They need the help that has been forthcoming over the last few years from the revenue sharing program. It is a sensible program; it kicks in when the economy demands, and it dwindles down when the country is prospering. This is the kind of program that is needed in many parts of the country.

Mr. Chairman, this kind of legislation and this kind of funding is going to return prosperity and jobs to those areas of the country that need it the most.

The need for fiscal relief among distressed communities is urgent and severe.

While national economic conditions have improved substantially, not all areas have shared in this economic recovery. For many parts of the country, the recession is not over; and predictions are that the economy may deteriorate in the coming year.

Last year Congress heard many arguments to the effect that the Nation's economic woes were over. Indeed, the fiscal condition of State and local governments had improved markedly from the time of the 1974–75 recession and the national unemployment rate was the lowest it had been in some time.

As a result, opponents of the countercyclical revenue sharing bill were successful in arguing that there was no longer any justification for continuing this program, and, consequently, this program went down to defeat in the closing days of the 95th Congress. Some went so far as to herald 1978 as the year marking the end of the urban crisis.

But the truth is that the urban crisis is not over in many of our cities—it continues and is likely to intensify if the gloomy predictions about an economic downturn in the latter part of the year are borne out.

The recession has not ended in many of the older, industrial urban areas and the more isolated counties of this country. It certainly is not over in the cities of Newark, St. Louis, Chicago, Oakland, and El Paso which continue to have unemployment rates in excess of 9 percent. Nor is it over in the 14 States which had jobless rates greater than 6 percent during the last two quarters of 1978.

Nor is the jolt of the 1975 recession over in those State and local governments which continue to face the difficult task of meeting high demands for services from the diminished tax base of a stagnant or declining economy. While the economic recovery relieved much of the fiscal strain on State and local government, it was not evenly distributed.

According to projections by the National Governor's Association, for example, only three States—Alaska, California and Texas—accounted for over half the $5.5 billion operating surplus for State governments in 1978.

The fiscal problems of local governments also result more often from long-run changes in economic activity and population movement than from cyclical shifts in the economy. Indeed, the problems of local governments may be more related to high levels of sustained unemployment than changes in the jobless rate. On the revenue side, these local governments suffer from declines in their various tax bases as industry and people leave. On the expenditure side, the pressure for spending does not necessarily decline with shifts in population and employment. The cost of maintaining existing physical capital does not decline proportionately with population. Often, more must be spent on bridges and streets, police and fire protection. In short, the remaining population often needs more public services per capita than those who left.

The need for this legislation among healthier governments also is significant. It would provide fiscal insurance for State and local governments in the event of an economic downturn. While the administration forecasts only a gentle downturn in the economy by the fall, other major economic forecasters have issued much gloomier predictions.

Chase Econometrics, for example, expects a negative growth rate (in terms of real economic growth) to begin in the second quarter of this year and continue through the third and fourth quarters.

Chase also predicts the unemployment rate to average 6.6 percent in 1979 and reach 7.4 percent by the end of the year. Data Resources, Inc. (DRI) predicts a negative growth rate for the third and fourth quarters and an average 1979 unemployment rate of 6.5 percent. DRI anticipates that rate to rise to 7.1 percent by the end of the year.

If these predictions hold true and there is a recession, a reduction in funding of the countercyclical programs would more severely affect the older, urban areas as well as the rural counties of this Nation.

I, therefore, urge you to support the amendment to the funding for a countercyclical fiscal assistance program in fiscal 1979.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, let me see if I understand the gentleman's amendment. I want to understand the gentleman's amendment.

How does the amendment differ from what was voted on yesterday?

Mr. SOLARZ. Mr. Chairman, the gentleman has asked a very important question. The difference between my amendment and the Mattox amendment yesterday is that the Mattox amendment knocked out $250 million for targeted fiscal assistance. My amendment puts back $200 million for targeted fiscal assistance, which means that even if it is adopted, there will be $50 million less for targeted fiscal assistance than the amount originally contained in the Simon amendment.

Mr. KAZEN. Then let me ask the gentleman this further question:

How would that money now be distributed? Would it be on the same basis the additional $50 million would have been distributed?

Mr. SOLARZ. Presumably it would be distributed in precisely the same way, because the ultimate distribution would be contingent on the legislation that came out of the Committee on Government Operations.

Mr. KAZEN. So depending on the contingencies, it would be distributed in the same manner?

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(On request of Mr. REGULA, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 3 additional minutes.)

Mr. SOLARZ. Mr. Chairman, I want to assure the gentleman from Texas (Mr. KAZEN) that as to the formula and the percentages for the distribution of these funds, my amendment will be precisely the same as it would have been if the Mattox amendment had been defeated yesterday and we had left the original $250 million in the Simon amendment.

Mr. KAZEN. Mr. Chairman, I thank the gentleman.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Ohio.

☐ 1555

Mr. REGULA. I have a couple of questions. In view of the fact that the gentleman has reduced the total amount, would the assumption be that the eligible cities would simply get a smaller amount under the present formula that is being contemplated?

Mr. SOLARZ. That is the assumption behind the amendment.

Mr. REGULA. About how many cities in the United States would the gentleman anticipate would be eligible?

Mr. SOLARZ. My understanding is that there is somewhere in the vicinity of 1,200 local governments that will be presumptively eligible for this assistance, based on a formula which requires them to have an unemployment rate of 6.5 percent or higher in order to qualify for these funds. And of the communities which are eligible, I might point out, 40 percent of them are local governments that have populations of 25,000 or less.

Mr. REGULA. Also, I have one further question.

This would be money for only fiscal 1979, so that this would expire on September 30, of this year; is that correct?

Mr. SOLARZ. This amendment is an amendment to the Simon amendment which in turn is an amendment to the third budget resolution for fiscal 1979. So it has no application whatsoever to fiscal 1980.

Mr. REGULA. Would the gentleman agree, then, that what we are talking about is an annualized rate, since this would probably have to be distributed in less than a quarter remaining after there would be some authorizing legislation? In effect, the gentleman is talking about an annualized rate of $800 million?

Mr. SOLARZ. I think that would be a question that would be addressed more appropriately by the authorizing committee. I would not want to include at this time the opportunity for them to shape the formula in order to get the maximum use of these funds.

Mr. REGULA. In any event, would the gentleman agree that it would have to be used in fiscal 1979, so that September 30 would be the outside date for the distribution of this funding?

Mr. SOLARZ. I think, so far as the gentleman's observation goes, it is correct.

Mr. REGULA. I thank the gentleman.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to associate myself with the gentleman's remarks on this amendment. It is one which not only applies to New York, but it is very important to California. It applies to distressed cities throughout the country. I think it is well worth the while for us to keep the commitment we have made to cities throughout the country to aid them in the high unemployment rate. So I support the gentleman's position.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding.

Mr. Chairman, I want to make just two quick points.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(On request of Mr. SIMON and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Yesterday I was asked on the floor about the number of jobs, and last night I was advised by the Treasury Department it would be 20,000 to 25,000 jobs.

I would say to my colleagues in the committee that this is a little like buying a fire engine in a small community or in a big community. No one can say just when it will be needed, no one can say where it will be used precisely. But like the fire engine it would be wise to have this amendment for use in economic fires. I commend the gentleman for his amendment.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend yielding to me, and I also appreciate the colloquy in which we engaged yesterday on this very important issue of how to really assist New York.

Is the gentleman aware of the fact that the budget resolution accepts a higher unemployment rate in its economic projections for both the fiscal years 1979 and 1980; in fact, it suggests an increase in unemployment in its economic projection of 6.4 percent, up from 5.7 percent.

Mr. SOLARZ. I think the gentleman is correct.

Mr. KEMP. So then, what I see happening is that we are adopting a budget resolution that, on the one hand, builds into the economy higher levels of unemployment and lower rates of economic growth and, on the other hand, countercyclical spending as an answer to the higher unemployment caused by this budget resolution.

It seems to me counterproductive economic policy and very poor politics to say to the American people, "Please accept higher unemployment as necessary to squeeze inflation out of the private sector of the economy, then when the lost jobs result as the economy is slowed down then Congress triggers higher levels of spending and thus higher taxes on New Yorkers.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(On request of Mr. HORTON and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from New York.

☐ 1600

Mr. HORTON. I thank the gentleman for yielding.

As I understand the amendment, what the gentleman is trying to do is make it possible that the Government Operations Committee, which is the authorizing committee, will have an opportunity to work its will on legislation which is now pending before the committee. Is that correct?

Mr. SOLARZ. That is exactly what I am trying to do. I think it is important for those Members who may have reservations about this program to realize that even if the Government Operations Committee should report legislation out embodying targets of fiscal assistance, they will still have an opportunity to vote against it when it comes up on the floor.

If this amendment is defeated, however, it will politically preclude the Government Operations Committee from even considering this legislation.

Mr. HORTON. I think that is a very important point to make; that is that there is no authorizing legislation. We are not spending any money by this amendment. All the gentleman is doing is making it possible for the committee to act on the legislation and exercise its will. Then the full House will have an opportunity to act on the legislation later. It was pointed out when we were in the process of the last few days of the session last year, and when we appeared before the Rules Committee about 12 o'clock on Saturday night, when we adjourned on Sunday, when we were trying to get a rule, and later we did get a rule, that there is a question with regard to unemployment in the level throughout the country, because it has come down to about 6 percent. But there are areas, there are pockets of unemployment substantially in excess of 6 percent.

Some of the cities that I refer to are not only New York, but Buffalo, N.Y., which has, I think about 9 percent unemployment, which would benefit from this particular legislation.

There are other cities such as Baltimore.

Mr. BROOKS. Mr. Chairman, I rise in opposition to the amendment.

The Simon amendment, as we discussed yesterday, is a sweetener to pass the budget. We understand that. Now this is another scoop of sugar in that same cup of tea. I do not believe we need two dips of sugar. We are going to get too fat.

It seems some folks just will not take no for an answer.

Here we have a program that was dead and decently buried with honor yesterday. It has run its appointed course. It was phased out September 1978.

We planted the tombstone a little deeper yesterday. Now here comes another attempt to roll away that stone and hope for resurrection to bring this dead dog back to life. I do not know how much more can be added to the amendment.

We have been over the ground again and again. No matter how much you change the dollar amounts, you come out at the same place.

The countercyclical program was a temporary program that stopped when it was supposed to stop, by law.

Even when this program was running, it did not do the job it was supposed to do, unless you believe that the only thing Congress is supposed to do is shovel money.

If that is our job, we are doing pretty good at that, just shoveling away.

Those of you who believe in the sunset approach to legislation should be lining up to cast your vote against this amendment. It is a perfect example of the way sunset is supposed to work.

□ 1605

It worked last year. You cannot bring the sun back and have it set again. The countercyclical program was enacted with a built-in termination date. While in operation, the GAO made an extensive study of it. The GAO issued a series of evaluation reports, just the kind of thing all sunset bills floating around here call for. Every one of those reports said that the countercyclical program was not meeting the goals Congress had set for it, and it should not be renewed in that form.

They call it something different now—targeted fiscal assistance—but a rose is a rose and a snake is a snake. It does not matter what you call it, there have been no changes in the basic program. It relies on unreliable unemployment figures and other data that have little or no relationship to a city's financial condition.

If you believe in sunset; if you believe in any kind of limited, tiny amount of fiscal responsibility; if you believe that the Federal Government should not be serving as a city council for communities across the land; if you believe that we should try and cut down on unnecessary, unjustified Federal expenditures like our people want us to do, then you will vote against this amendment.

Now, I will not say it will be the end of this fight, but I want you to think about this. The Federal Government now—you, through activities and legislation here—have kindly, graciously, thoughtfully, encouragingly, voted out $16 billion for economic development assistance programs, and that is not counting another $7 billion for general revenue sharing. That makes a total of $23 billion that we are now giving to cities and communities for economic development. It is not like we are being niggardly. We are being pretty gracious, pretty generous. How much do they want to get out of the Federal Treasury?

Now, I think that people who have been getting those golden eggs, they just do not want to see that goose cooked, and they will probably be back here with their shovels trying to dig it up again. They have been on it, they have been mainlining it. But, let us be consistent. We allowed this program to die in September 1978 by law. We kept it buried yesterday. I ask you not to dig it up again.

Mr. MATTOX. Mr. Chairman, I move to strike the requisite number of words.

Members, I have heard of a cat having nine lives, but I will be doggoned, this is the first time I ever heard of a dog named countercyclical having nine lives. They are asking us to revitalize that dog and give him another bit of life.

I know that they have been working on you. The vote was not even finished yesterday before they started working to change it. I know they put a lot of pressure on you to change your votes, but I hope you will not. I hope you will stick by your convictions. I know they have been telling you all kinds of things, getting out a chart and saying, "You are going to get this little bit."

I think that my colleague from Ohio a moment ago pointed out a very important concept, that this $200 million that they are talking about on an annualized basis is a continuing program at the rate of $800 million—$800 million.

□ 1610

This program ended last July—last July—and they are asking the Members to revive it. There are some cities that did not believe that it ended. They went on and stuck it in their budget, and we see the Representatives from some of those cities standing up here hollering and screaming and trying to get this saved because their city council saw fit to stick it in their budget. But they had plenty of warning. They knew it was a temporary program. The program died, but they placed great faith in their Members of Congress trying to continue this program.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Is there any guarantee that the money in this add-on of $250 million will go to cities in distress?

Mr. MATTOX. There is absolutely no reason to even know where this money might go. The reason is the chairman of the authorization committee stood right here in front of us and told us that the program is dead. They are trying to kill the program off; trying to keep it from passing. Certainly we ought to respect that chairman's attitude and opinion about the operation of his own committee. We do not know where it might go. There is no way to tell. As a matter of fact, this program has never been a House program. It has been a Senate program, and the Senate even saw fit to bury it. It saw fit not to even include it in their resolution, and here we are trying to take their child and keep it alive.

Mr. ROUSSELOT. If the gentleman will yield further, then all the arguments that have just been made that it is going to distressed cities is not so?

Mr. MATTOX. The administration has run this thing up and down like a yo-yo. There is no telling how much money is going to be in it or where it is going to go. We do not know how much money they are going to take from some other program and combine it with this program, and we should be very much aware that they might find some money in some other program and stick it in this one.

Mr. ROUSSELOT. If the gentleman will yield further, what about the smaller cities? Is there any guarantee that the smaller cities will receive these funds?

Mr. MATTOX. If the current proposed legislation is passed it is guaranteed they will not get any money.

Mr. ROUSSELOT. Will not get any money?

Mr. MATTOX. Will not get any money. The smallest communities are cut out entirely.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from New York.

Mr. WYDLER. I thank the gentleman for yielding.

There is no guarantee anybody will get anything. Is it not a fact that before any money is distributed under this authorization, there is going to have to be a bill brought to the floor of the House and considered by the Members of the House and voted on by the Members of the House? Is it not a fact that before we know what the bill is, that will have to take place? Is that not a fact?

Mr. MATTOX. I think the gentleman has made a good point, but I think there is an additional point that ought to be made. The additional point that ought to be made is this: This first budget resolution sets some targets, and those targets are being looked at by the American people. They are looking at us to determine whether or not we are really serious about all these campaign promises and all these campaign pledges about balancing this budget. They are looking to us to see whether we are really serious. They are looking at the bottom line. We can have a bunch of other rinky-dinky votes that do not count. This is a vote that really counts.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MATTOX. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. WYDLER. Reserving the right to object, Mr. Chairman, I notice that the gentleman in the well is from Texas. Of course, there have been a great many allegations here on the floor of the Committee to the effect that a great many Members who speak in favor of this particular program are from New York. I think it is a little bit strange that we see so many Members from the State of Texas who are opposed to it. I would like to point out to the other members of the committee, so that they get it clearly in their minds, why that is. The reason is because the State of Texas has a tremendous surplus and does not have any problem that this program is supposed to deal with.

The CHAIRMAN. Does the gentleman from New York (Mr. WYDLER) object to the request for an extension of time?

Mr. WYDLER. No, but I reserve the right to object, Mr. Chairman.

The source of that surplus, Mr. Chairman, is the profits that are being made in the State of Texas through the sale of oil to the rest of our Nation. The other Members of the House and the Committee should be well aware of what the source of that surplus is. It is from them that this money comes. So I think everybody in the House should think about the States that need help and why they are opposing this particular amendment as well as those who seem to need the help and want it.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas for additional time?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. MATTOX) for 3 additional minutes.

□ 1615

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Chairman, did not the Committee on the Budget kill this budgetary authority when they met and brought this first bill out?

Mr. MATTOX. That is right, Mr. Chairman. We took this out in the Committee on the Budget.

Mr. BROOKS. Mr. Chairman, might I say I want to thank my friend from New York (Mr. WYDLER) for appreciating Texas but, you know, Texas was a beneficiary under revenue sharing and under countercyclical, and they deserved neither, and they should not be getting it and I have opposed it, fought with my mayors, fought with my Governors. I am not in favor of it whether they are or not. I want you to know it was not without some cost. The reason I oppose it is because on principle it was not good for this country, it was not a good way to operate, I do not agree with this formula, I think it is a backward way to operate, I think it is unfair, unreasonable, unwarranted, unwise, and I think that it should not apply to Texas or to New York.

Mr. MATTOX. Mr. Chairman, let me make one last point before I yield further.

Members, I wish you would take a look at the Solarz amendment. I wish you would look at it because there is something very, very important and very significant about it. On the third line down here it says, "In the matter relating to the amount of the deficit, the deficit is increased by $220 million."

I want you to understand something. He is asking to borrow $220 million for this dog. You know as well as I do, you do not want to go back home and tell your people that you borrowed $220 million to pass this legislation. I daresay the people of New York do not want you to do that. Go borrow $220 million to dole out? That is not what they want. They want you to balance this budget. I know you have heard it. I have said it again, and let us do it now.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, I would like to make the point that less than 10 percent of the revenues of Texas State government come from oil and gas taxes. The great difference between Texas and New York is that people in New York pay their garbage collectors twice what we can afford to pay beginning schoolteachers in Texas.

We also have an amendment in our constitution which requires that we not spend more than we take in in the form of taxes.

I thank the gentleman for yielding.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. MATTOX was allowed to proceed for an additional 2 minutes.)

Mr. ALBOSTA. Will the gentleman yield, Mr. Chairman?

Mr. MATTOX. I yield to the gentleman from Michigan.

Mr. ALBOSTA. I thank the gentleman for yielding.

I would like to rise in support of the amendment. This is the first opportunity I have taken to get up here before this body and speak.

I represent the third largest congressional district east of the Mississippi River. I would also like to point out to every one of my colleagues that I do not have a single city or county within my district, that I know of, whose unemployment rate is below the rate of the rest of the Nation. I have counties in my district with unemployment rates running as high as 16 to 18 percent as listed by the Michigan Employment Security Commission not by somebody's trumped up figures. I am sure they are accurate or at least relatively accurate.

I also want to point out to you that this district lies in Michigan and it is not in New York. I do not believe because you are from one State or another that any particular program should or should not apply to you. However, Mr. Chairman, if the State of Texas, which gets back about $1.28 on every dollar it sends into the Federal Government, one way or another, in the State of Michigan we only receive about 60 cents on every dollar we pay into the Federal Government, and I believe I have every right to get up here and ask my colleagues to vote for the Solarz amendment because we need it in Michigan. We may need it in New York and there may be spots in Texas which also need it, but I know for sure that my district needs it.

I want you to be assured of one thing, I believe very strongly in revenue sharing and I believe it is the proper way to apply Federal Government money to solve problems in States.

□ 1620

The local people have the decision-making power and in this particular area I believe it is the best policy because when we sit here in Washington we do not always know every single problem that those State and local units of government may have.

Let me tell you, I have many of them. I have chemical companies that have moved out of my area. I have vast amounts of chemicals that are deposited in waste disposal sights, and people's well water is being destroyed and they may not be able to use it. I think that is very important to consider.

I would happy to yield to the gentlewoman from Maine.

Mrs. SNOWE. Mr. Chairman, I move

to strike the requisite number of words. I rise in favor of the amendment.

Mr. Chairman, I just would like to clarify a few points. I think a lot of issues have been raised here today and I think there has been some confusion. As a member of this subcommittee, the Government Operations Committee, it is the Intergovernmental Relations Committee, we have not had an opportunity to consider the policies involved in the countercyclical program.

I became concerned when I examined the administration's program as to how they were distributing the money.

I think the gentleman from New York (Mr. WYDLER) was absolutely correct. No one knows at this point where the money is going until it is authorized. Then the subcommittee can consider the policy as to where the money is going.

I might add, the administration's proposal inequitably distributed the money. I was concerned because I have areas in the State of Maine that have pockets of unemployment to the tune of 20 percent. Yet those communities did not qualify under the administration's proposal; so in response to that, I submit to the counterproposal which I am in hopes if we do get the authorization today that our subcommittee would consider it.

It will fairly and equitably distribute this money so that rural communities can get some assistance, too.

I think that those of us who are concerned as to where the money is going should have input into the subcommittee's workings and deliberations; so I would hope that we would support the amendment.

Mr. EDGAR. Mr. Chairman, will the gentlewoman yield?

Mrs. SNOWE. Yes, I would yield.

Mr. EDGAR. Mr. Chairman, I would like to commend the gentlewoman for her comments about this particular piece of legislation and in support of this amendment.

It seems to me that we are not talking about countercyclical revenue sharing. We are talking about a targeted program that is going into areas of distress.

As the gentlewoman has suggested, there are communities in rural America and urban America that have high levels of unemployment.

It seems appropriate in this budget not to pass a countercyclical amendment that would provide billions of dollars, but to provide $200 million of targeted assistance into those communities of need.

I commend the gentlewoman for her statement.

Mr. EDGAR. Mr. Chairman, I am concerned about the fate of the countercyclical fiscal assistance program. As you well know, the House Budget Committee's recommendation would reduce the funding for a targeted fiscal assistance program aimed at distressed communities from $400 million to $150 million. After voting to support the proposal in 1980, the committee reversed itself and voted to cut out fiscal assistance funds for fiscal 1979. Today, we have the opportunity to restore $200 million of these funds to the first concurrent budget resolution.

The need for fiscal relief among distressed communities is urgent and severe.

While national economic conditions have improved substantially, not all areas have shared in this economic recovery. For many parts of the country, the recession is not over and predictions are that it is going to get worse.

This thesis goes against conventional wisdom. Last year, we in Congress heard many arguments to the effect that the Nation's economic woes were over and, indeed, the fiscal condition of State and local governments had improved markedly from the time of the 1974–75 recession and the national unemployment rate was the lowest it had been in some time.

As a result, opponents of the countercyclical revenue-sharing bill were successful in arguing that there was no longer any justification for continuing this program, and, consequently, this program went down to defeat in the closing days of the 95th Congress. Some went so far as to herald 1978 as the year marking the end of the urban crisis.

But the truth is that the urban crisis is not over in many of our cities—it continues and is likely to intensify if the gloomy predictions about the economic downturn in the latter part of the year are borne out.

The recession has not ended in many of the older, industrial urban areas and the more isolated counties of this country. It certainly is not over in the cities of Newark, St. Louis, Chicago, Oakland, and El Paso which continue to have unemployment rates in excess of 9 percent. Nor is it over in the 14 States which had jobless rates greater than 6 percent during the last two quarters of 1978.

Nor is the jolt of the 1975 recession over in those State and local governments which continue to face the difficult task of meeting high demands for services from the diminished tax base of a stagnant or declining economy. While the economic recovery relieved much of the fiscal strain on the State and local governments, it was not evenly distributed.

According to projections by the National Governor's Association, for example, over half the $5.5 billion operating surplus for State governments in 1978 was found in only three States—Alaska, California, and Texas.

The fiscal problems of local governments also result more often from long-run changes in economic activity and population movement than from cyclical shifts in the economy. Indeed, the problems of local governments may be more related to high levels of sustained unemployment than changes in the jobless rate. On the revenue side, these local governments suffer from declines in their tax bases as industry and people leave. On the expenditure side, the pressure for spending does not necessarily decline with shifts in population and employment. The cost of maintaining existing physical capital does not decline proportionately with population. Often, more must be spent on bridges and streets, police and fire protection. In short, the remaining population often needs more public services per capita than those who left.

The need for this legislation among healthier governments also is significant. It would provide fiscal insurance for State and local governments in the event of an economic downturn. While the administration forecasts only a gentle downturn in the economy by the fall, other major economic forecasters have issued much gloomier predictions.

Chase Econometrics, for example, expects a real negative growth rate to begin in the second quarter of this year and continue through the third and fourth quarters. Chase also predicts the unemployment rate to average 6.6 percent in 1979 and reach 7.4 percent by the end of the year. Data Resources Inc.—DRI—predicts a negative growth rate for the third and fourth quarters and an average 1979 unemployment rate of 6.5 percent. DRI anticipates that rate to rise to 7.1 percent by the end of the year.

If these predictions hold true and there is a recession, a reduction in funding of the countercyclical programs would more severely affect the older, urban areas and the more isolated counties of this Nation.

I, therefore, urge you to support the amendment to the funding for a countercyclical fiscal assistance program in fiscal 1979.

The CHAIRMAN. Does the gentleman from Michigan (Mr. ALBOSTA) seek additional time?

Mr. ALBOSTA. No, Mr. Chairman.

The CHAIRMAN. The Chair now recognizes the gentleman from Connecticut (Mr. GIAIMO), the chairman of the Committee on the Budget.

Mr. GIAIMO. Mr. Chairman, I think everyone is familiar with the issue here. I really think that we know what is at stake and know what should be done here. I, therefore, ask unanimous consent to limit further debate on the pending amendment to 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. STRATTON. Mr. Chairman, reserving the right to object, I have been on my feet since the gentleman from New York (Mr. SOLARZ) introduced his amendment. I would like to have the opportunity to speak for 5 minutes, and I wonder if the gentleman would begin his unanimous-consent request at the conclusion of those remarks.

If that is done, I will withdraw my reservation of objection.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment end in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Chairman, I reserve the right to object.

Mr. LATTA. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

The Chair recognizes the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the

amendment offered by my very able and articulate colleague, the gentleman from New York (Mr. SOLARZ). It is no secret that the gentleman and I do not always agree on our foreign policy toward Rhodesia, or on the number of submarines or aircraft carriers that we ought to have; but I speak this afternoon in an unusual capacity; namely, as the dean and chairman of the New York congressional delegation.

I realize that it is unusual that one so young and so vigorous should be in that distinguished position, but I am trying to carry out my responsibilities as best I can.

☐ 1625

What we have tried to do in the New York delegation this past year has been to bring a sense of comity to it, and some understanding of the fact that although we have upstate areas and downstate areas, we also have a large number of common concerns. If the great city of New York, which is not always popular in my upstate district, any more than it is in other areas of the upstate section, is faced with financial problems, it really means that the taxpayers of the upstate area are also going to be involved in paying the taxes needed to meet those responsibilities.

So this year, I think with a good deal of success, the members of the New York delegation have worked together to support those pieces of legislation which they feel benefit the State of New York as a whole.

I would point out to my colleagues that on yesterday, when the Mattox amendment was before us, all but 4 of the 39 Members of the New York congressional delegation, Republicans as well as Democrats, voted against the Mattox amendment. It was an issue, as the gentleman from New York (Mr. HORTON) pointed out before, that affects not only the city of New York but also Buffalo, Syracuse, Albany, Amsterdam, and other New York State communities as well.

Mr. Chairman, when the chips are really down in this body, the same attempt at comity ought to apply and in fact does apply to this whole House. It does not really do us any good in creating useful legislation to have the Northeast and the Midwest battling heatedly against the Southwest and the Sun Belt. We always have our opportunities for giving a little dig to one or another section of the country. But when we are dealing with an important matter—and the budget resolution is certainly one of the most important pieces of legislation that we are called upon to vote on in this body—we ought to put some of these petty, parochial concerns aside and begin to face up to the problems of the Nation as a whole.

It is no secret to those of us who have been in this body for a few years that the budget resolution is never an easy thing to pass. It is always difficult to get a majority for any budget resolution. And it takes a lot of time, too. The effort that was undertaken yesterday by the gentleman from Illinois (Mr. SIMON), in offering his amendment, was to try to recognize that in the austere budget with which we have been presented there were certain basic, fundamental concerns of a great many Members of this body that were not being adequately taken care of. And without such consideration the austere budget might just never get passed.

Those of us who are concerned about defense for example, felt there was not enough money in the budget for defense. We tried yesterday but we failed. And those Members from the Northeast and the Midwest, those areas where we have had the greatest economic decline, have been concerned about the problem of economic decline and unemployment. Mr. SIMON felt there was an urgent need to recognize those concerns to get support for an adequate budget resolution.

Those from the "breadbasket" of the West it was recognized, felt an urgent need for more disaster loans.

So the gentleman from Illinois (Mr. SIMON) put together a package that would recognize some of these major unfulfilled needs, in the hope that in so doing we could get together and pass a budget resolution which would be good for the country and which would command majority support. We did not win the battle for more ships or more weapons yesterday; but that does not necessarily mean that we are going to take a walk. But somebody with a dedication to the needs of our unemployment areas might take a walk if the funds in the Simon amendment to targeted assistance were left out.

The CHAIRMAN. The time of the gentleman from New York (Mr. STRATTON) has expired.

(By unanimous consent, Mr. STRATTON was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman, I want to commend the gentleman from Michigan (Mr. ALBOSTA) for his remarks earlier because he clearly pointed out that this is not just a New York piece of legislation. There are a lot of other cities and small communities in Maine, in Michigan and elsewhere that are also suffering from excessive unemployment and that deserve to be taken care of in a responsible budget resolution.

☐ 1630

Of course, Texas does not have to worry about unemployment. They are doing very well down there. Business has been moving rapidly from the Northeast to the Sun Belt of the Southwest—from New York to Texas, in fact. We recognize that. But Texas has other concerns which this Congress has taken care of. When the chips are down, this House has recognized those needs of Texas.

So, I think it is about time for us to get together and recognize that there are also important and urgent problems in the great Northeast as well as in other parts of the Nation. And, unless we are willing to concede that fact to those who represent those communities, we are going to have a very long and very tough time in passing any kind of budget resolution here this year.

Mr. RODINO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am joining my distinguished colleague from New York in offering this amendment because I believe that the financial hardships afflicting communities across this country demand our immediate attention.

Mr. Chairman, the countercyclical assistance program—which is targeted to help those areas that are most in need—was not intended to end until the effects of the national recession and the high unemployment it brought were alleviated in our communities.

Mr. Chairman, right now there are many municipalities which have not yet recovered from these effects. Because this House failed to act on this program last October, thousands of communities were forced into two unwelcome positions: Either eliminate local government jobs and reduce essential services, or raise property taxes in order to meet the mounting costs of these services. Since October, massive layoffs have occurred across the country. For example:

Atlanta lost more than 100 jobs;

Baltimore has drastically cut its school crossing guard program;

Buffalo has laid off over 230 laborers;

Newark cut 441 municipal jobs, including 200 police officers;

Chicago has eliminated over 400 jobs, and been forced to sell 315 acres of city property that was scheduled for housing development;

Cleveland laid off 400 police and fire officials, and Cincinnati has had similar problems;

El Paso has cut 146 jobs and put a freeze on hiring; and

St. Louis has cut all city programs, and many other cities and towns are experiencing similar difficulties.

The abrupt cancellation of countercyclical aid not only has disrupted the lives of thousands of individual workers and their families, but also has seriously threatened the lives of whole communities because of the curtailing of essential services such as fire, police, health clinics, and drug treatment centers.

Mr. Chairman, the countercyclical aid program which would be funded through the budget authority granted by this amendment is trimmed down to the bone. I urge my colleagues to act responsibly and give the Government Operations Committee the opportunity that our legislative process demands to consider this legislation which is so desperately needed by our communities.

☐ 1635

Mr. KEMP. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, my opposition to this amendment is predicated upon a separate and distinct issue from that discussed so far in this debate.

Up until now, the debate in this Chamber has centered primarily on the idea that more spending is a means of encouraging prosperity. Unfortunately that is a faulty premise and the basic cause of the distress felt in northeastern cities and States.

Inflation and high taxes cause slow

economic growth and unemployment and these are the cause of the distress not only in the Northeast, but throughout the country. So far, today, and more importantly in this budget resolution, we are only talking about the demand side of inflation. No one has addressed the problem of the supply side of the inflation equation, the production side—the side dealing with our high rates of taxation and regulation which impede higher levels of savings, investment, and production.

Obviously, a budget that restrains the runaway growth of Federal spending is vital in our efforts to reduce the runaway growth of spending that leads to excessive creation of money.

But equally important and most often neglected is the other side of the inflation equation, Mr. Chairman, which is too little production and a decline of supply. This budget resolution attempts to balance the Federal budget by 1981 off the backs of the people and the private sector of the economy by raising taxes on the American people. That, to me, is an extremely misguided economic policy. Higher taxes on workers and savers will ultimately cause even slower growth and more unemployment.

The distress in this country, I would say to my colleagues in the Northeast, is caused by this heavy burden of taxes, matched with a high rate of inflation and its getting worse in terms of strangling the incentives so necessary to economic growth.

If we look at a recent issue of Money magazine, and the recent debate about the "Sun Belt" versus "Frost Belt," we find evidence that the area of the country that has the most extreme amount of distress is that of the Northeast and it is no coincidence the Northeast has the highest rates of taxation on its people, by and large.

Buffalo, N.Y., was mentioned. Buffalo, N.Y., per capita, has the third largest burden of tax of any of the 30 or so major cities in the United States of America. In other words, of all cities in America, Buffalo residents, per capita, pay the third highest amount of taxes.

New York City is first, Boston is second, Buffalo third, Washington, D.C., for instance is seventh or eighth. These are according to U.S. Labor Department statistics and should tell us something about the counterproduction of very high taxes on producing men and women.

As I said, this budget resolution, Mr. Chairman, attempts to balance the budget by raising taxes on all the American people at a time when they can ill afford to have the type of tax increase that will take out of their hard-earned income the money that is simply to be redistributed to other parts of the country and to other people. Since New Yorkers per capita have on the average higher nominal incomes, they will pay higher taxes. This budget resolution accepts high rates of unemployment as a means of slowing down the economy and fighting inflation. Then we are asked to turn around when unemployment goes up and increase Federal spending. The cycle has been going on for nearly three decades and it is primarily due to the erroneous premise that spending is the road to prosperity.

☐ 1640

The budget resolution is attempting, as I said earlier, to balance the Federal budget in 1981 by raising taxes by $46 billion in the next 2 years. That is totally unacceptable economically and tragic news to the American people. Buffalo, New York, mentioned by one of my colleagues from a neighboring city, the already high tax burden means something like this, a $15,000 to $17,000 factory worker who, a single man or woman, working in New York State, already is in the 50 percent marginal tax bracket at some point during the year when you consider the Federal income tax burden, the State income tax burden in New York, plus the additional social security withholding taxes on employees and employers. Fifty percent tax rates are unnecessary in that they do not raise revenue effectively and what is worse they strangle initiative and cause friction between labor and management.

It is intolerable to suggest that we can raise taxes as our way out of inflation, high taxes, taking away savings, investment, and incentive for people to meet their own needs, acts as an impediment to economic growth and jobs for our people.

I would suggest, Mr. Chairman, that this Congress address itself not just to the demand side of inflation by attempting to hold down the runaway growth of Federal spending, but we ought to do something dramatically and immediately to encourage the supply side, the production side, the employment and the savings side in order to find the real solution to this dilemma of high inflation and low economic growth. Full employment without inflation is the most immediate and overriding national goal of this Member and I suggest that spending and monetary restraint coupled with lower tax rates on labor and capital is the only real and lasting way to do it.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I will be glad to yield to my friend and colleague from Rochester, N.Y.

Mr. HORTON. Mr. Chairman, I appreciate the gentleman yielding. I do not disagree with the arguments he is making, but the point we are talking about is whether to provide the authority for the Committee on Government Operations to act.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. Horton and by unanimous consent, Mr. Kemp was allowed to proceed for 3 additional minutes.)

Mr. HORTON. We are asking the Congress now to make the decision to permit the Government Operations Committee to act and exercise its will on countercyclical or fiscal assistance. In the last Congress the arguments were made that there was no need for this type of fiscal assistance because the unemployment in the country had come down to 6 percent. But, the point I made was that there are still cities and areas that need to have assistance and that many areas have unemployment of well over 6 percent, in some cases 9 to 10 percent and over. This is direct assistance from the Federal Government to the areas of high unemployment.

Mr. KEMP. We are running out of time.

Mr. HORTON. I will get more time if the gentleman needs it. The point is, there are cities and areas in the country exclusive of New York City that have very high unemployment. Buffalo happens to have, about 9 percent.

Mr. KEMP. I agree it is intolerable and no one works as long and as hard as this Member in addressing this tragic problem.

Mr. HORTON. Detroit, Mich., is over 9 percent; Baltimore is over 9 percent. The point is that we are trying to get assistance to those areas of high unemployment. If Members vote against this amendment, they are cutting us off at the pass because then we cannot have the countercyclical program and there will be no opportunity for the authorizing committee to act.

☐ 1645

Mr. KEMP. Let me reclaim my time because I want to answer the gentleman with two points. No. 1, the premise upon which his argument is based is in my eyes wrong because it assumes that more Federal spending will cure unemployment. My second point of departure with my friend is, that the taxes to finance countercyclical assistance will hurt New Yorkers the most. This budget resolution raises unemployment in the country from 5.7 to 6.4 percent. That is a 700,000 increase in unemployment in this country which amounts to an increase of 1,500 or 1,600 people unemployed in each congressional district of the country.

This budget is accepting higher unemployment but I do not. I believe we should have policies designed to create full employment without inflation. Trying to spend our way to prosperity is something that will not work. It has not worked for New York City; it has not worked in Great Britain; it has not worked in New York State.

Mr. HORTON. If the gentleman will yield. If we carry his argument further, what the gentleman is saying also. he is opposed to revenue sharing also. I do not agree with that. I think there should be some way to get money back to the State and locality directly from the Federal Government with few strings.

The trigger that has been used for countercyclical is unemployment, and what I am saying is if we vote against the Solarz amendment, we are saying that this Congress is not going to authorize any countercyclical assistance for areas where there is high unemployment.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Kemp was allowed to proceed for 1 additional minute.)

Mr. KEMP. The gentleman suggests that a vote against countercyclical assistance for New York is a vote against programs designed to create employment. I would answer in two ways: No. 1, more spending will not solve unemployment in New York or anywhere. No. 2, I will vote to reduce the tax rates at the Federal level which will do more to put money back into the hands of hardworking New Yorkers, encourage enterprise, provide more savings and more investment, and ultimately do more for New York than any other part of the country. It is New Yorkers whose taxes are going to be increased to finance the countercyclical program. My people in Buffalo, frankly, cannot stand a tax increase at this point in their lives and I will not participate in such counterproductive economic policies.

I supported revenue sharing primarily in the past to reduce the Federal controls and Federal paperwork that was strangling our cities and municipalities. I even voted for temporary assistance to New York City under President Ford and President Carter, but temporary programs should not be used to cure the very real ills that exist in the Northeast caused by inflation and too high taxes.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

I just wanted to take this opportunity to call the attention of the House to how successfully the new dean has been able to get the New York delegation to agree.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will each be recognized for 45 seconds.

(By unanimous consent, Messrs. Mitchell of Maryland, Stratton, Danielson, and Giaimo yielded their time to Ms. Holtzman.)

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. Holtzman).

☐ 1650

Ms. HOLTZMAN. Mr. Chairman, this amendment has nothing to do with revenues nor has it anything to do with taxes. The whole question before this Committee is where the money will be spent. The issue before us is the fact that most of the Nation has recovered from the recession but there are places in this country that have not. The question before us is whether we are going to say to the people in those pockets of high unemployment, those areas where people have not been able to find jobs, "That is just too bad, we are going to ignore you."

Are we not as a Nation going to say that we are concerned about areas of high unemployment and we are going to help those cities which are impacted by high unemployment.

This is not an issue of balancing the budget. Only $200 million is involved here, less than one-third of 1 percent of the entire budget.

I would say this is a matter of national concern. The fiscal distress of our major cities creates a drag on the entire economy. Also, the people in these cities pay taxes to the Government of the entire United States and for programs other places in this country. They are entitled to attention and a fair share of the Federal spending as well.

Further, let me just point out to my colleagues that in the past the budget resolution has accommodated the countercyclical program. In the past the House of Representatives has said in its budget resolution that we do not want the national prosperity to pass by certain areas of the country and we do not want areas of the country with high unemployment to be ignored. That is the sole issue here. Let us include the countercyclical program in the budget resolution, let us let the committees that have the legislative responsibility have the opportunity to take care of those areas of need.

The CHAIRMAN. The Chair now recognizes the gentleman from New Jersey (Mr. Guarini).

Mr. GUARINI. Mr. Chairman, yesterday, our debate centered around New York and its involvement with countercyclical aid. Parochialism took root and many towns and cities across our land were forgotten. Our vote was 212 to 198.

My distinguished colleagues, I am reminded of the first simple words in the preamble to our Constitution: "We the people of the United States * * *." The reference was not to New York, Pennsylvania, or Georgia, but to all the people—a nation of one people.

Collectively, we have a national commitment to making our government work, as one people, together. When one part of us hurts, agonizes, suffers, we all hurt, agonize, and suffer. Our sensitivities are not just to the people of our region, but to all the regions of this country. If the people of the South have floods, the people of the North are concerned and involved. And so it should be where there is urban deterioration and high unemployment in the North.

Further, our Constitution goes on to say "in order to form a more perfect Union." God only knows, we do not have a perfect union, nor perhaps will we ever have one. There are inequities and some injustices and perhaps there always will be. But when you are concerned about the welfare of the needy, the handicapped, our senior citizens, if there is to be error, if in your heart you feel there is inequity in the distribution of our national moneys, I urge you to err on the side of compassion and understanding. There is not one man or woman in this House who could not in good conscience vote for targeted urban aid to put help where it is desperately needed.

Consider, if you will, the circumstances of our times. It is acknowledged that the poor and unemployed live in large part in our older, central cities. They are concerned with the bare necessities—food on the table, clothing, shelter, and fuel. The strain on these people because of inflation and unemployment is greater than elsewhere in our Nation.

By voting for this amendment, you are targeting badly needed help. History has proven that the people of our central cities have been generous in their contributions to this country. The central cities which nurtured our American heritage ask for your vote now. It may seem little but when one is in need, it will go a long way.

The CHAIRMAN. The Chair now recognizes the gentleman from Ohio (Mr. Brown).

Mr. BROWN of Ohio. Mr. Chairman, I am trying to figure out why anyone would support this bill. Let us just look at the reasons which have been offered. First, the formula does not measure fiscal distress. As a matter of fact the late administrator of the Bureau of Labor Statistics, Julius Shishkin, used to say that available figures on unemployment cannot do that accurately down to the community level in most instances. Besides that, the program does not create jobs. It is not required to create jobs. Recipient cities can spend it on anything they want to spend it on. The Sun set on this program when it died last September. Let us leave it dead. The program was a proven failure. The GAO has confirmed that to us and GAO is our own research arm on the effectiveness of programs.

This program is biased in Ohio, as I see it, in favor of cities which make low tax efforts as against those communities that make high local tax efforts. One community in my district benefits. It is the most dynamic community and the one that has the highest increase in employment. This amendment is a bummer. We ought to be against it.

☐ 1655

(By unanimous consent, Mr. Volkmer yielded his time to Mr. Fountain.)

The CHAIRMAN. The Chair now recognizes the gentleman from North Carolina (Mr. Fountain).

Mr. FOUNTAIN. Mr. Chairman, this is a classic example of the irresponsible type of program which the voters objected to in this country. This program was rushed through the House in 1976 through a back door Senate amendment without any House hearings as an emergency anti-recession measure.

Now, even though it came through that way, the program expired last year. It died a natural death, just as the sponsors intended when the unemployment rate fell to a rate of 6 percent.

The bill came before our subcommittee, the same type of legislation. We killed that legislation. The President got it enacted over in the Senate. They sent it back over here tacked onto the House Ways and Means Committee crop dusters bill, which had only a number and title, since the crop dusters provisions had already been enacted into law in a Senate bill, and the Committee on Rules voted the bill out and placed it on the calendar for action. It was never taken up however. So the law expired as originally intended. This is not revenue sharing. It is money ill-distributed. It is legalizing revenue thievery. It goes to those who need it least and does not go to those who need it most. In fact, if it should ever become law, all of us would have a hard time explaining to some of our poor communities how the well-off got funds.

There is nothing to show what the formula would be. I can assure you that if it comes before our committee, we will probably come out with the same type of report, unless someone can come up with justification for adding this additional money to revenue sharing.

We are now getting approximately $7 billion a year in revenue sharing through September of next year. I understand that has been knocked out of the Budget Control Act for the States. I hope we can put that back in, because that is an entitlement program; but we do not need to pile this so-called targeted money on top of revenue sharing. This in my opinion is a fiscally irresponsible proposal and it ought not to even go to the appropriate committee for further consideration.

I therefore sincerely ask you to vote against the amendment, which is a waste of taxpayers money and will be distributed very inequitably, as I pointed out yesterday.

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, I just point out to the Members of the Committee, this is a program the House has authorized on numerous occasions. It is a bill for a program that has done a lot of good for a lot of our communities across the Nation. Many of them have participated in the past because they had severe problems. True, the number of communities is dropping because their problems are being solved; but many of the communities still have the serious problems and still need the help.

I appeal to the few Members that have an open mind on this issue at this point to consider fairly what this now very reduced and small program might mean in the way of help to those places in our country that still suffer from very high unemployment and vote in favor of the amendment.

The CHAIRMAN. The Chair now recognizes the gentleman from Idaho (Mr. (SYMMS).

Mr. SYMMS. Mr. Chairman, I rise in opposition to this amendment for the reason that if one were to go to the doctor and keep getting treated for a certain ailment and continue the treatment and the treatment makes the patient worse, you would either get a new doctor or the doctor would change the treatment.

Now, we have had years and years of experience in watching this program of trying to drink ourselves sober by Government programs and spending and the people in the streets of America know good and well that these programs are not working. You can look at the Britainization of Great Britain; now, America, you can look at the expansion of Government in this country as the tax rates and the tax share of the Government has gone up. Taxes and inflation are beating the incentives out of the American people.

If we want to do something to solve unemployment in this country, we need to return to the incentive system. I urge a "no" vote.

The CHAIRMAN. The Chair now recognizes the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. Mr. Chairman, I yield to my friend, the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, there is a widespread misconception about the targeted financial assistance program which I would like to clear up so that it can receive fair consideration. The idea has gotten about that this is a narrow, limited purpose program that will benefit only a few areas. Unfortunately, this has deterred many Members whose districts and States both need and would receive aid from supporting the bill.

Mr. Chairman, in fact this is a program that would provide assistance to a wide variety of areas and jurisdictions. It is an equitable program. It distributes funds to local communities who need it, as measured by objective criteria. These communities are large and small. They are both rural and urban. And they are located in all areas of the country—east and west, north and south. The program is specifically designed to aid local governments that are experiencing persistent high unemployment and financial distress regardless of their size or location.

This is not an east coast bill. Consider the following figures which are based on the Treasury Department figures for fiscal year 1979: Assuming a funding level of $250 million, the Southern States would receive $38 million, or 15 percent of the total. The Midwestern States would receive 40 million, or 16 percent of the total funds. And the States of the West would receive 74 million, or a full 29 percent of the funds. Thus, over 60 percent of the total program funds would go to localities away from the east coast.

Nor is this a big city bill. Consider that 40 percent of the recipient governments under this program have populations of 25,000 or less—there is no population requirement. These communities receive over 10 percent of the total funding although they contain less than 5 percent of the Nation's population.

In per capita terms, funding to rural and urban areas compare very favorably. In fact, counties and towns of under 25,000 population do much better than counties and towns that are more populous. Note the following breakdown of per capita grant amounts for communities of 25,000 population and under as compared to communities of 100,000 population and above:

	25,000 and under	100,000 and over
Counties	3.07	0.99
Cities	3.56	3.58
Towns	3.07	.49

Clearly, then, this program does not discriminate against either rural or small communities, but rather aids them in a manner commensurate with the relative magnitude of their problems.

It should also be noted that although some States do not do well as a whole under this program, because they are in generally good economic condition, specific communities that are distressed within those States do receive appropriate assistance. Here are three examples. The State of Oklahoma, with a statewide unemployment rate of only 3.7 percent, receives a total of $192,000 under the program. Yet, Latimer, which has a local unemployment rate of 12.4 percent, receives a grant that amounts to $4.25 per capita, well above the national average. Similarly, North Carolina, with a statewide unemployment rate of only 3.9 percent, receives a total of $875,000, while Hoke County, with a local unemployment rate of 10 percent, receives a per capita grant of $3.80. Finally, the State of Wisconsin, with a statewide unemployment rate of 5.2 percent, receives total funding of $1.4 million, while Forest County, with an unemployment rate of 12.9 percent, receives a grant of $53,265, which amounts to $6.14 per capita. This program is highly targeted to needy communities, and responsive to local variations in need and condition, regardless of size or location.

I will not argue that the allocation mechanism in the proposed bill is perfect, and that there are absolutely no inequities. However, it is clear that the basic design and purpose of the program are equitable. The details of the allocation formula and the eligibility provisions certainly can be modified, and I might support particular changes. However, the program itself is both necessary and desirable, it would benefit a large number of localities throughout the Nation, and would meet a clearly defined need. It certainly deserves the opportunity for a complete and deliberate hearing in the authorizing committee and by the total membership and I, therefore, urge you to vote to include funding for it in the budget resolution.

Mr. SOLARZ. Mr. Chairman, three brief points.

First, this is a national program. It is not a New York program; 85 percent of the local governments receiving these funds have nothing to do with New York City.

Secondly, it is not just a big city program. It is a program for large urban areas, as well as for small rural counties. Indeed, 40 percent of the local governments receiving funds under targeted fiscal assistance have populations of 25,000 or less.

Finally, if this amendment is adopted it will reduce the deficit by $30 million, compared to what it would have been if the Simon amendment had been adopted without the funds subtracted by the Mattox amendment.

The CHAIRMAN. The Chair now recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, certainly this vote will be a real test of the sincerity of this House toward reducing

Federal expenditures in this House toward reducing Federal expenditures in this budget. If we jump through the hoop and reverse ourselves today on this vote, and everybody realizes what has happened, the House will definitely show its insincerity. Today they come back with a slightly smaller increase than was in the Simon amendment on yesterday. If this process is to be repeated, it will send a clear signal to the American people that we really do not mean what we say, that this budget process is a farce, that we will undo tomorrow or next week or next month any reductions we might make. They were adding on $250 million yesterday without hardly batting an eye, it was defeated, but here they come back within the sight of 1 day and ask the House to reverse itself and add $200 million to a program that this House itself refused to extend last September 30.

I think this is the height of irresponsibility and the Solarz amendment should be defeated.

☐ 1700

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

All time has expired.

The question is on the amendment offered by the gentleman from New York (Mr. SOLARZ) to the amendment offered by the gentleman from Illinois (Mr. SIMON).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 224, noes 197, not voting 13, as follows:

[Roll No. 108]

AYES—224

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Brinkley
Brodhead
Burton, John
Burton, Phillip
Carney
Carr
Carter
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
Courter
Danielson
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Del.
Evans, Ga.
Fary
Fazio
Ferraro
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Gonzalez
Goodling
Gray
Green
Guarini
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jenrette
Johnson, Calif.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lent
Lloyd
Lowry
Luken
Lundine
McCloskey
McDade
McEwen
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pepper
Perkins
Peyser
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Zablocki
Zeferetti

NOES—197

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Bouquard
Breaux
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Byron
Campbell
Cavanaugh
Chappell
Cheney
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Ind.
Fascell
Fenwick
Findley
Flippo
Fountain
Frenzel
Frost
Fuqua
Gibbons
Gingrich
Glickman
Goldwater
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hansen
Harsha
Hefner
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Hillis
Hinson
Holland
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Hopkins
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McCormack
McDonald
Madigan
Marriott
Martin
Mattox
Mica
Michel
Miller, Ohio
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Pashayan
Paul
Pease
Petri
Pickle
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whittaker
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wylie
Young, Alaska
Young, Fla.
Young, Mo.

NOT VOTING—13

Butler
Conyers
Coughlin
Crane, Philip
Hubbard
Johnson, Colo.
Leach, Iowa
Long, La.
McKay
Marlenee
Murphy, Ill.
Rose
Santini

☐ 1715

The Clerk announced the following pairs:

On this vote:

Mr. Long of Louisiana for, with Mr. Butler against.

Mr. Conyers for, with Mr. Philip M. Crane against.

Messrs. LIVINGSTON, HAMMERSCHMIDT, and MICA changed their vote from "aye" to "no."

So the amendment to the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SYMMS TO THE AMENDMENT OFFERED BY MR. SIMON

Mr. SYMMS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SYMMS to the amendment offered by Mr. SIMON: In section 6(a):

In the matter relating to the appropriate level of total new budget authority decrease the amount by $515 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $465 million;

In the matter relating to the amount of the deficit decrease the amount by $465 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $465 million;

In section 6(b):

In the matter relating to Income Security decrease the amount for budget authority by $515 million; and decrease the amount for outlays by $465 million.

Mr. SYMMS. Mr. Chairman, members of the committee, I think we should go back and have a look at the Food Stamp Act that passed the House in 1977. The gentleman from Georgia (Mr. MATHIS), at that time put a cap on the food stamp program. That cap was $6,159 million.

☐ 1720

At that time the arguments were presented to the House both pro and con on the purchase requirement, and the House decided at that time to eliminate the purchase requirement. Some of us made the point at the time that there would be less discipline of the food stamp program, and people would start coming onto the program in droves. But those who favored the purchase requirement elimination said, No, we will add another section to the bill that will take care of a standard deduction, so we will eliminate several thousand people from the program. Although there may be some new ones coming on, there may be some others off, so we may be able to live within this budget.

At that point in time, remember, the cap was set at $6,159,000,000. The Committee on the Budget put in a figure of $6,024,000,000, which is below the Agriculture Committee's original cap. The Simon substitute adds $650 million to the

Budget Committee Authorization, so we have a total of $6,674,000,000 under his substitute.

The amendment that I am offering is actually a compromise between the position of the Committee on the Budget and the position of the Simon amendment, because what we have done is reduce the cap or the appropriation level for this year, the budget authorization, to $6,159,000,000.

There is one point here that I think should be noted by the Members, and that is that there is $338 million in unobligated carryover from fiscal year 1978, carried forward. So it is not as though this program is not adequately funded

What is the actual fact of what is happening? Mrs. Carol Foreman of the Department of Agriculture, who is running this nutrition program, has implemented the sections of the Food Stamp Act that have liberalized the program to the point that we have in excess of 1 million new recipients coming onto food stamps per month. This I think the Members of the House should know. We anticipated it. We made predictions this would happen, some of us in the minority who opposed the elimination of the purchase requirement, but we could probably still live with this new 1 million additional people per month and stay within the original $6,100,000,000-plus, except for one problem. The Department of Agriculture has not fully instituted section 5 of the bill which deals with the standard deduction requirement, the net income cutoff at the poverty level, and so forth—all of the cutting provisions. If the cutting provisions were being implemented now by the Department of Agriculture, they could still live within this budget and not be putting Mr. Simon into the position where he would be coming in here and asking for these millions of dollars.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I will be happy to yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

Is it the gentleman's understanding that although thousands of new people have been added to the food stamp rolls——

Mr. SYMMS. Millions. Millions. At the rate of in excess of 1 million a month are now being added.

Mr. KELLY. Millions. Does the gentleman also understand that thousands of elderly have been disqualified because of the change in the law that did not permit them to deduct their medical costs?

Mr. SYMMS. I think that is a correct statement, yes.

The CHAIRMAN. The time of the gentleman has expired.

☐ 1725

(On request of Mr. Kelly and by unanimous consent Mr. Symms was allowed to proceed for 2 additional minutes.)

Mr. KELLY. Mr. Chairman, will the gentleman yield further?

Mr. SYMMS. I yield to the gentleman from Florida.

Mr. KELLY. Does the gentleman also take the position if the gentleman's amendment is approved, that this would constitute a base upon which the law could be changed and reinstate the elderly who were disqualified because of the change in the food stamp law last year?

Mr. SYMMS. I am not sure that is completely correct, but the gentleman has a point. The way the Department of Agriculture is administering the law that passed the Congress in my opinion, they are now out of bounds, they are illegally operating the law. They have instituted the law in a bastardized fashion. They have put part of it into effect, that part which liberalizes the program and they have reduced some other people or even eliminated them from the program. What they are doing is allowing those people to get into the program but not in full compliance with other provisions of the act. What is happening, it is just an explosion of numbers and numbers of people going onto the program, and if the administration would implement the standard deduction and other in some provision, then what the gentleman is talking about, those elderly citizens would not be in trouble, or so much trouble. In addition, the July program adjustments will help alleviate this problem.

They are not implementing the law, they are not implementing the law as it was passed by the Congress.

Mr. KELLY. Mr. Chairman, would the gentleman yield further?

Mr. SYMMS. I yield again to the gentleman from Florida.

Mr. KELLY. Two things have happened. We have increased the cost of the food stamp program and we have decreased the eligibility of the elderly. This would reduce the cost back down to where it was and now if we can requalify the elderly we will have the law back on a stable basis as it existed before. Is that not the gentleman's position?

Mr. SYMMS. That is right, in part at least.

Mr. MARKS. Mr. Chairman, would the gentleman yield?

Mr. SYMMS. I will be happy to yield to the gentleman from Pennsylvania.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Marks and by unanimous consent Mr. Symms was allowed to proceed for 2 additional minutes.)

Mr. MARKS. Will the gentleman again yield, Mr. Chairman?

Mr. SYMMS. I yield to the gentleman from Pennsylvania.

Mr. MARKS. My question is this, you make a statement that many people have come onto the food stamp program. My question is, be that as it may, is there any reason to believe these people should not be on a food stamp program since they must meet all the other requirements everyone else has to meet? What is wrong with that?

Mr. SYMMS. I think the problem is, I do not remember how the gentleman from Pennsylvania (Mr. Marks) voted when we considered the cap here on the floor but this Congress voted for a cap on the food stamps. We sent a new program to the Department of Agriculture. One part of the bill liberalized the program. The other part of the bill was going to change the income eligibility provision and it would read so that the people who were to be put on the food stamp program would have a new standard deduction. "Income standards of eligibility shall be" and so on and so forth.

The department has not yet instituted the new income provision. All they are now doing is opening it up. Katy bar the door. Where we have more and more people getting on a program in excess of 1 million people a month, to the point that if we continue at this rate by the time this food stamp program runs to the end of its course under present law we will have 25 percent of the American people on food stamps. I do not think that is the intention of the Congress, I do not think that is the intention of the Members of this body who voted for that food stamp cap and if we do not correct it here today, Mrs. Foreman will be able to continue on her course of liberalizing the program and not doing anything about those people who may or may not be eligible. I think the gentleman from Florida (Mr. Kelly) makes a very good point. Some senior citizens who may need the food stamps are being taken off.

☐ 1730

Mr. MARKS. Mr. Chairman, will the gentleman get around to answering my question; that is, are the people that are coming on the food stamp program not entitled to be on it; is that what the gentleman is telling us?

The CHAIRMAN. The time of the gentleman from Idaho (Mr. Symms) has expired.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, much of what my colleague, the gentleman from Idaho says, is correct. We did change the standards in the last session. We said that for a family of four, income dropped $1,200 on eligibility; we said if you own a luxury car, you are no longer eligible for food stamps. We said students who are not seeking work at least half time are not eligible for food stamps; so we reduced the amount of benefits that a great many people received.

In the State of Oregon—I was just talking to my colleague, the gentleman from Oregon (Mr. AuCoin)—89.7 percent of the elderly and disabled received smaller benefits.

In Florida, the gentleman from Florida (Mr. Kelly) was on the floor before, 55 percent received less.

In New Hampshire, 80 percent.

In Maine, 75 percent.

But if the Symms amendment is adopted, in the months of July, August, and September, those who are receiving food stamp benefits right now will be reduced by another one-third of the benefits they are now receiving.

I would point out that one-third of those who are receiving food stamp benefits right now are the elderly and the disabled, people who really do need these benefits.

Now, why do we have to go above the cap? We made these changes in the law and more people came on and became eligible.

No. 2, we have had food inflation, in part because of legislation, my colleagues, that we have passed.

Finally, and this is very interesting, among those who have come on and taken advantage of the program now, because they do not have to buy food stamps, are the very poorest, the people who really need it the most.

I hope you saw the story in the New York Times and the Washington Post which said just in the last week that of all the Government programs, this one of food stamps in raising the nutritional level of the people of this Nation has been among the finest programs this Nation has ever had.

I know of the abuses—and we hear about those abuses—but not the good things when people get benefits who would otherwise not get benefits.

I simply ask that we permit the Agricultural Committee, under the capable leadership of our colleague, the gentleman from Washington (Mr. FOLEY), permit that committee to modify the cap.

Let us permit people who need food, the very sustenance of life, let us permit them to have what they need and deserve.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I would be pleased to yield to my colleague, the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman very much for yielding; but I think the point that needs to be made here to the membership of the committee is that the Symms amendment adds $135 million to what the gentleman himself did in the Budget Committee.

What I am trying to do is get this in line with what the Agricultural Committee sent downtown.

Now, our revenue estimates and numbers of people coming on was not too inaccurate. What happened was that the administration of this thing has put section 8, elimination of the purchase requirement, which made it easier for people to get on, into effect immediately. They had not put section 5 into the bill. They have not yet implemented regulations to put section 5 on the rolls. If they do that right now, that reads:

> Participation in the food stamp program shall be limited to those households whose income and other financial resources held singly, jointly, or in joint ownership are determined to be substantially limiting.

And so on, to actually tightening up the standard deduction so that some of those people who could, in fact, be in the mainstream of the economy and have an incentive, if you will, to get back into the mainstream of the economy and be producing instead of on the receiving end of it, would be doing so.

The way we are doing it, this thing is self-defeating and there is no incentive for Mrs. Forman at the Department of Agriculture to put the law on the books the way this House passed it.

What I am saying, I said on the House floor that it would cost 2 billion more dollars if this passed and I did not even realize how close I would be at the time, because I thought maybe if they do institute section 5 of this law, that they would tighten it up.

□ 1735

They have not done that. What they are doing is worse, and we are opening it up. It is the biggest disincentive for work that I can imagine.

Mr. SIMON. Mr. Chairman, I would simply respond to my colleague, the gentleman from Idaho (Mr. SYMMS), by saying that I have confidence in him and I have confidence in the members of the Committee on Agriculture that they can put a package together that will safeguard the taxpayers of this Nation but at the same time see that people who need food get food. I cannot believe that we would move in a direction other than seeing to it that people who need food get food.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, the General Counsel of the Department of Agriculture, Sarah Weddington, gave this ruling—and I believe it was in October of 1977—to Ms. Carol Foreman, and her legal opinion is:

> However, section 8(a) could not be implemented in advance of section 5 since it is determined section 1 relating to household incomes is determined by section 5.

That is their own lawyer's recommendation, and I think that is exactly what they are doing. So the taxpayers of the United States are being asked to make 25 percent of the people of the United States of America eligible for food stamps, and I cannot believe that the gentleman in the well, the gentleman from Illinois (Mr. SIMON), or any of the Members in this House believe that that is any intention that was ever had by this Congress, that we would make 25 percent of the people of this country eligible for food stamps. It is outrageous to the taxpayers.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. SIMON) has expired.

(On request of Mr. FOLEY, and by unanimous consent, Mr. SIMON was allowed to proceed for 5 additional minutes.)

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the distinguished gentleman from Washington.

Mr. FOLEY. Mr. Chairman, the gentleman from Idaho (Mr. SYMMS) is not, as the saying goes, precisely correct. On March 1 of this year the Department of Agriculture required all States that implement the food stamp program to State agencies to implement all the provisions of section 5.

There are 6 million case files involved in the review and implementation of section 5, which sets up standard deductions and reduced eligibility levels. The States are proceeding, under a 120-day period permitted by the Department of Agriculture, to effect all 6 million case files.

Now, if it were not true that some States had not made very substantial progress in implementing these reduced eligibility levels and standard deductions, it would not be true today that about 80 percent of the caseload of the State of New Hampshire has already been reduced, it would not be true today that 55 percent of the State of Florida has already been reduced, as the constant complaint of many Members from those States would indicate, and it would not be true that 72 percent of the benefits of the State or Oregon have been reduced under the 1977 bill.

Indeed, Member after Member has been taking the well calling for repeal of portions of the 1977 food stamp bill that set tight eligibility levels and installed standard deductions. The Committee on Agriculture is going to be holding hearings next week on this question of the cap for 1979, and shortly thereafter it is going to be holding hearings on the 1980 cap, at which time I am sure that in the committee or on the floor Members are going to be offering amendments. I would predict that there will be amendments to relieve the Department of Agriculture of the responsibility of cutting back, as the 1977 bill has required in certain areas, particularly with respect to the elderly and with respect to the disabled. I make that daring prediction here with some confidence that it will be proven true.

Just as Members from both sides of the aisle yesterday rightly voted, in my judgment, to increase the funds for the meals on wheels program—and I would point out that program costs several times as much for every meal delivered for the elderly as the food stamp program does—just as they rightly did that, I hope they will rightly see that we have the latitude in the Committee on Agriculture, of which the gentleman from Idaho (Mr. SYMMS) is a subcommittee ranking member, to look at this issue and bring our best judgment to this House for its decision.

All the Simon amendment does is give the committee and the House the flexibility to make these judgments without an advance judgment preempting both the committee structure and the eventual action of the House on this question.

Mr. Chairman, I would very seriously urge all members of the committee to make this possible. Even those members of our committee who have been the proponents and the leaders in placing this cap on the expenditures—and I refer to the gentleman from Georgia (Mr. MATHIS)—believe that the committee should adopt the amendment offered by the gentleman from Illinois (Mr. SIMON) to give our committee the opportunity to make the judgments that are necessary.

□ 1740

Mr. SIMON. I thank the gentleman from Washington.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding.

Mr. Chairman, I concur with my chairman. I would say one quick thing. There is a very, very serious food price inflation in this country. There is no question what we are going to do. Even if we raise the cap, some people are not going to be able to eat very well and are not going to be eligible for food stamps. Most people who use food stamps are not frauds. They are people who need them desperately. I do not know if the cap should be raised or not. But I do not think the people who need the food stamps to survive should have this option taken away from them right now. I think the committee should have the opportunity to review the merits. I support the gentleman in the well.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

Mr. Chairman, I want to stress the fact that, as a member not only of the Committee on the Budget, but as a member of the subcommittee that will be looking into this issue, that I want to plead with the House to give us the flexibility. We frankly do not know what all of the facts are right now. The 1977 amendments had been implemented on a haphazard basis. We do not have all of the facts right now. We anticipate we are going to have to go beyond the cap but, frankly, we do not have the information. The administration is going to come before the committee next week to testify. At that time we can determine whether indeed the cap ought to be removed or not, and if it is, under what conditions. It is going to have to come back to the floor. Those who oppose it will have the opportunity to vote against it. What I am saying is: Do not take away the ability of the subcommittee and of the committee to look at this issue very carefully, to make some very careful judgments that impact on the people of this country.

Mr. SIMON. I thank the gentleman for his comments.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. Simon) has expired.

(On request of Mr. Symms and by unanimous consent, Mr. Simon was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I am sure the Committee on the Budget must have given this some consideration, and it is worthy to mention that the Committee on the Budget came before the full committee here with the recommendation that it be some $135 million lower than the original Mathis amendment, based on our estimates at that time in the Committee on Agriculture of how much revenue would be required to pay for the food stamp program.

Why, all of a sudden, are we being confronted with an additional one-half billion dollars plus? Why was this not considered by the committee?

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, I will be pleased to respond to that.

The fact is that the administration, at the time we dealt with this, had no idea how much would be involved here in going through the cap. We have all kinds of different figures as to what exactly is going to be needed in going through the cap.

Mr. SYMMS. The gentleman has made my case.

Mr. PANETTA. Give the committee the opportunity to look at the facts. If we vote against increasing it here, we do not have that flexibility.

Mr. SYMMS. I am adding $135 million plus $338 million as a carryover from last year.

Mr. MATHIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is with some reluctance that I rise to oppose the amendment offered by the gentleman from Idaho, but I want to associate myself very strongly with the remarks of the gentleman from Washington, the distinguished chairman of the Committee on Agriculture, relative to where we are.

As the principal author of the cap that was placed on the food stamp bill in 1977, I think it is important that we look at exactly where we are going, exactly what process we are in today. Really this is a debate concerning a lot of sound and fury signifying nothing, because whatever is done here today, in terms of passing the Simon amendment, is going to be subject to further action by the Committee on Agriculture and by this House and by the Committee on Appropriations and by this House.

So, what we are doing and what we are asking in asking the Members to oppose the Symms amendment is simply to say, "Give the Committee on Agriculture an opportunity to look."

I cannot tell the Members which side of raising that ceiling I am going to come down on, because I frankly do not know. I am not sure a case can be made by the Department of Agriculture that additional funds are needed for fiscal year 1979 or for fiscal year 1980. We do not know. The gentleman from New York (Mr. Richmond) has scheduled hearings on May 9 and 10 for the purpose of hearing from the Department and other witnesses as to what should be done next relative to raising the ceiling.

I can say and will say again to the gentleman from New York that I am going to oppose any efforts to take that ceiling off. I think we need to keep that ceiling on because the purpose of that amendment in 1977 was to focus debate on food stamps, and we are doing that today. In that sense of the word, it has been a successful amendment. But I do not think we can come in on this budget procedure and say that we are going to absolutely place a ceiling on what we might find on May 9 or 10 that we need.

So, I urge the Members to defeat the Symms amendment. Let us take a look at it when the gentleman from New York comes out with his hearings, when it comes before the full Committee on Agriculture.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MATHIS. I yield to the gentleman from California.

□ 1745

Mr. ROUSSELOT. I thank the gentleman for yielding. I remember very well when the Agriculture Committee was here in 1977 telling us if we would vote for that bill, we would tighten up on all this mismanagement, confusion, and now, the gentleman is standing here today saying we do not know because the Department of Agriculture does not know.

Mr. MATHIS. I would say absolutely no such thing, if I can reclaim my time. What I am saying is we do not know at this particular point. We will know on May 9, when the gentleman from New York holds these hearings. We will know when the full Agriculture Committee has an opportunity to work its will.

All I am suggesting to the gentleman is we ought not to put ourselves in a box from which there is no escape at this particular process.

Mr. ROUSSELOT. There are only 5 months left in fiscal year 1979.

Mr. MATHIS. The gentleman is right.

Mr. ROUSSELOT. I cannot believe, since the Appropriations Committee appropriated $5.8 billion, and that money has not run out yet, that we suddenly need an extra authorization when there is an unexpended balance in that account. Why is it we never talk about unexpended balances in social programs but only in the defense programs. There is an unexpended balance of $338 million carried over from 1978. Why do we need more authorization on top of that?

Mr. MATHIS. If I could reclaim my time, I would say we do not know at this point what the unexpended amount is going to be.

Mr. ROUSSELOT. You know what it is for 1978. It is in the Budget Committee report. It is about $338 million.

Mr. MATHIS. We know what it is. I am not satisfied, I would say to my friend from California, with the way this program has been administered. There is no more severe critic of the food stamp program than the gentleman from Georgia.

Mr. ROUSSELOT. And the gentleman from Idaho (Mr. Symms).

Mr. MATHIS. We are probably equal in our criticism in the way the program has been administered. I would say this is not the place where we should be making this kind of decision. We need to wait until we have had time for an opportunity to examine the case the administration is going to try to make to the gentleman's subcommittee and then make that decision.

Mr. ROUSSELOT. If I can say to my colleague from Georgia, if he would yield.

Mr. MATHIS. I would be delighted to yield.

Mr. ROUSSELOT. My colleague from Illinois is asking in his resolution to add $600 million to the mismanagement, confusion, change of rules and regulations above and beyond the committee.

Mr. MATHIS. The gentleman from California knows full well that money is not about to be appropriated today. The ceiling must be lifted by an authorization bill coming to the floor of this House. The gentleman also knows that.

Mr. ROUSSELOT. Yes, sir, but we also specifically set a ceiling in the 1977 Agriculture Act and subsequent authorization legislation.

Mr. FOLEY. If the gentleman would yield to me.

Mr. MATHIS. I yield to the distinguished chairman, the gentleman from Washington (Mr. FOLEY).

(At the request of Mr. FOLEY and by unanimous consent, Mr. MATHIS was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. The $338 million which the gentleman from California refers to is a carryover from 1978. It is also, a carryover, most of it, from 1977.

Mr. ROUSSELOT. Still a carryover.

Mr. FOLEY. Still a carryover.

The Department implemented the provisions passed by this Congress eliminating the purchase requirement which added about 1½ million new recipients to the program in the months of January and February.

Also, in 1977, we estimated that food inflation in the period between then and the end of fiscal year 1979 would be about 18 percent. It has, in fact, been much higher.

The combination of higher number of people in the program and the much higher food price inflation has made the difference in the cap estimates of 1977 estimated program needs today. The gentleman from Georgia (Mr. MATHIS) very carefully drafted the spending cap in 1977, and although not all favored a spending cap, the Mathis cap levels were not, I think, at the time they were considered, at all unreasonable by most members of the committee when the cap was put in place.

We did not foresee the level of food inflation. We did not foresee the number of people coming on the program would come as quickly as they did when the regulations were changed.

There is a strong view that the later months will show some decline in that rate of increase, but the fact of the matter is that if we do not take action to raise the cap this year, it will be necessary, under opinions of the Department of Agriculture legal staff and the General Accounting Office, to make pro rata across-the-board reductions of all food stamp recipients, irrespective of age or circumstances everywhere in the country by about one-third, beginning in July or, if we wait until August, by about one-half or, if we wait until September all benefits will be cut for all recipients for that month.

□ 1750

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(By unanimous consent Mr. MATHIS was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. Or, if we wait until September we probably have to stop all food stamp benefits for 1 month until the new fiscal year begins.

Now, the House of Representatives will have a choice to make on a number of occasions this year as to whether it wants to enforce that existing cap. It will because legislation is required to lift it or modify it. It will because it is necessary to do that for 1980. It will because the supplemental appropriation bill will come before this House. It will because the appropriations bill for 1980 will come before this House. There will be three or four occasions when the gentleman will have an opportunity to vote on this question. All we ask today is that the House allow the flexibility for the House to make its judgment on those occasions when that arises.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. MATHIS. I yield to the gentleman from California.

Mr. ROUSSELOT. The problem with what my good colleague from Washington has said is that this amendment relates to 1979, and we have only 5 months to go in that fiscal year. The gentleman is asking for extra unnecessary obligations in this particular authorization that he does not need. As a matter of fact, the Budget Committee made that determination by a vote. Mr. SIMON had to add that when he got to the floor in his current amendment.

Mr. KELLY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I notice that during the course of this dialog that those who were willing to send to the Agriculture Committee the flexibility did not give any reason why they should send flexibility instead of a message. I submit that the message that ought to go to the Agriculture Committee is that the cap will be as provided in the Symms amendment, because the American people have told the Members of this Congress that they want the cost of welfare and the cost of operating this Government to go down, and that the food stamp program is A number 1 on the public's hit list. So, that would be one reason not to send the committee flexibility, but to send it the message that there is a cap, and this is what it will be.

I was aghast when the gentleman from Georgia suggested that we send the flexibility, because as I remember, when they had the flexibility they refused to pass the amendment that he authored to set the cap. They would not do it then, and they will not do it now, because I think that this is the tradition that they have. The gentleman from Georgia had to come to the floor of the House to get the cap passed in the first place.

There are two things that need to be done with this legislation. One of them is to reduce the cap to the levels at least as low or lower than those in the gentleman's amendment. The second thing is that we need to reduce the amount of food stamps and the welfare costs that are going to those who are able to work, and reinstate the conditions that will permit the elderly, those who really need the assistance, to be reinstated so that they can participate in the program; in other words, so we can start giving the assistance to those that need it and take it away from those who do not need it so that they will be inspired to go back to work, and direct some flexibility by sending a message that the Congress representing the people of the United States, want a reduction in the cost of Government in order to stop inflation.

□ 1755

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I will be happy to yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I think the one point that is being used here in the debate, and I am sure sincerely, by the gentlemen from Illinois, Washington, and Georgia is that we are witnessing rising prices in food. The CBO, the Congressional Budget Office, reports that it is not rising food prices that is causing us to break out and blow the lid out. The problem is that Miss Foreman has piecemeal applied the law. In other words, she has liberalized the law in every place that the Agriculture Committee gave her.

Mr. KELLY. I would like to respond to that. It is true the price of food has gone up and those who are on welfare are having to pay more for food, but for people who have to get up in the morning and go to work every day the price of food goes up too, as well as their taxes due to inflation and Government spending. What we need to do is to start thinking of those who work at least as much as we do those who do not work. I know it is a novel suggestion, but let us considerate it.

Mr. SYMMS. If the gentleman will yield further, I would like to make the point that section 5 of this bill that passed the Congress is the part that would restrict and tighten up and get some of the people who would not be eligible off food stamps. That has not been implemented yet. Section 8 which liberalized the program eliminated the purchase requirement system. We have got a million people a month coming on the program. It is an absolute disincentive against work, production, and thrift in this country. It is outrageous. We have got a chance today to send her a message, and I do not believe it is going to mean that anybody is going to be starving. What it means is that she is going to have to get on the ball down at the Department. It was their program to eliminate the purchase requirement. I hate to say, "I told you so." We made the argument here and effectuated it the way the law was written, because Members of Congress did not vote for that bill. They were told it was going to eliminate the numbers of people and not expand the program. Now that we are getting to it, what has really happened is that the program is being ballooned out of proportion. More people are getting on. No one is being kept off, and everybody knows where it will end.

Mr. KELLY. I thank the gentleman.

Mr. SYMMS. Mr. Chairman, debate over food stamp program costs always revolve around three factors—unemployment rates, program participation projections and food price projections. All of these elements are important factors in the cost equation, and for estimating purposes it is possible to derive a fairly reliable dollar value for a percentage point change in either direction. This is a well-known fact within the income security community, and I do not challenge the significance of these factors in projecting program costs. However, there is another very significant element in the equation, that of program mismanagement; which is accounting for between $700 million and $1 billion annually.

To never hold the Department accountable for benefits issued in error is unconscionable, and to allow them to transfer the blame for the high error rates to the States is just as unconscionable. Most States want to run the program well, and given an effective tool; that is, the regulations, they could do so. However, the impact of the new regulations I have seen to date is "to grant the most benefits possible with the least hassle possible." "Recipient declaration" is the order of the day, home verification is no longer used, et cetera.

Also, it is a well-known fact that the Department never experiments on its own with any money-saving provisions. During debate in the Agriculture Committee this spring, I draw attention to the fact that just by reducing error rates, implementing recoupment provisions, and beginning to count the overlap of food stamp-child nutrition benefits, it is possible to achieve a savings of over half a billion dollars, according to CBO estimates.

Even more significant than the Department's failing to implement on its own initiative any program tightening provisions is the fact that the Department right now is engaged in willful disregard of the provisions of Public Law 95-113 and is implementing only the program liberalizing provisions. This fact, and this alone, is forcing a consideration of lifting the cap for fiscal year 1979. Specifically, I submit this piecemeal implementation of the 1977 Food Stamp Act is illegal, is in flagrant disregard of the mandate of the act, and is an out-and-out deceit thrust upon the Congress.

Some of our colleagues in the other body just last week laid the blame for this so-called crisis to unemployment increases and food price escalation. I submit, and CBO agrees, that rising unemployment is not a factor in the 1979 figures and is only projected to come into play for fiscal year 1980. Further, I submit that it is not increased food prices which force the issue in fiscal year 1979 calculations, though current food prices are higher than estimates projected in 1977, as the built-in inflation factor in the cap more than compensates for this increase. Rather, it is increased participation from the elimination of the purchase requirement that is forcing this issue.

This so-called crisis we confront results from nothing other than an out-and-out political decision on the part of higher ups in the Department to implement the liberalizing provisions of the programs without implementing concurrently the cutting provisions. As a matter of fact, the whole implementation schedule is done with a great degree of political astuteness in that the elimination of the purchase requirement was implemented first on January 1 of this year and the predicted tremendous increase in the caseload began immediately, giving us an additional 2.5 million add-on in January and February alone.

Second, the provisions which might have any cutting back impact were timed to be effective March 1 so that those disadvantaged would begin their letter-writing campaign just as the appropriations process was getting in full swing. My staff and CBO agree that at most, the number cut off will not exceed 625,000, a number which will not in any way offset the millions we see coming on. The cutoffs are not unexpected; they are coming about as a result of the so-called reform which the 95th Congress opted for overwhelmingly based upon the recommendations of the Carter administration. Were the provisions implemented concurrently, perhaps some of the hoped-for reform might be achieved. However, for political reasons, the Carter administration has chosen to ignore the intent of its own Congress.

You will perhaps recall that during the 2-year consideration that culminated in the 1977 Food Stamp Act, elimination of the purchase requirement (EPR) was considered simultaneously with income eligibility factors contained in section 5, and never as an isolated factor. Section 8(a) of the act reads:

> SEC. 8(a) The value of the allotment which State agencies shall be authorized to issue to any households certified as eligible to participate in the food stamp program shall be equal to the cost to such households of the thrifty food plan reduced by an amount equal to 30 per centum of the household's income as determined in accordance with section 5 of this Act, rounded to the nearest whole dollar. . . .

This language clearly mandates that the value of the coupon allotment shall be equal to the cost to the household of the thrifty food plan reduced by an amount equal to 30 per centum of the household's income, as determined in accordance with section 5 of the act. However, the Department has an implementation schedule for section 5 running from March 1 through July 1. As usual, the Department's records do not allow for an accurate reading on the actual subdivisions in compliance, but it is reasonable to assume that some will not have complied even by July 1.

The fact is, the Congress never envisioned piecemeal implementation of the act, and all estimates (CBO, USDA, and committee) were based on concurrent, not piecemeal, implementation of all provisions.

I have evidence here in my hand to the effect that Assistant Secretary Carol Foreman doubted herself the legality of proceeding to implement the act in a piecemeal fashion. She asked the USDA Office of General Counsel for an opinion on the legality of such piecemeal implementation, and OGC responded in an October 26, 1977, opinion, that, indeed, such action was not legal, noting especially that the House report accompanying the act made special reference to the fact that the "* * * relationship of EPR to the adoption of the standard deduction is particularly significant and important." Going further, the opinion states:

> Section 8(a) could not be implemented in advance of section 5.

The opinion noted that several Members of Congress had made reference to the fact that EPR might be implemented first, but they held that "we do not consider that such remarks can be accepted as overriding the statutory language." I ask unanimous consent to include the entire text of this opinion in my remarks.

Apparently, Carol Foreman does not hold the opinions of her own Office of General Counsel in any greater esteem than she holds the intent of Congress in statutory mandate, for despite the fact that she was armed with such opinion, she proceeded to direct a piecemeal implementation schedule. Confronted with a fait accompli, the OGC 1 year later was asked to revise its thinking and this time ruled that—

> While not free from legal doubt, we believe there is a reasonable legal basis for the position that the revised schedule is consistent with the concurrent implementation requirements of the Act. . . .

I ask unanimous consent to insert the entire opinion in my remarks.

During the Senate consideration last week, Senator DOLE noted some of the program tightening aspects of the 1977 legislation. I insert his remarks:

> Under the 1977 food stamp bill, the net income eligibility limits were reduced by $1,200 yearly for a four-person family. The net income was placed in the poverty level. Anyone whose net income did not fall beneath the limit simply was ineligible to participate.
>
> That is a pretty good requirement. It was a change in the right direction and answers the justified criticism of many in the Congress and many Americans that we had to do something to tighten up the program.
>
> We enacted stronger work requirements, a job search requirement was mandated, and strict immediate penalties for fraud were also written into the program. . . . The itemized deduction which had long been subject to abuse was replaced with a monthly standard deduction. As a work incentive, there was allowed a 20 percent disregard for work-related expenses, and a combination child-care/shelter care deduction for working families or families in regions with severe weather conditions, respectively.

It is true, just as he states, that the net income eligibility limits for a four-person household were reduced by $1,200 yearly, but this is not in total effect yet.

Net income was placed at the poverty level, but is not in total effect by the Department implementation schedule. Stronger work provisions were enacted and a job search requirement was mandated, but the regulations for these provisions are not even targeted for publication yet. The itemized deductions which had long been subject to abuse were replaced with the standard deduction in section 5 provisions, but these are still more of the provisions not "selected" for implementation. I do not challenge the distinguished Senator from Kansas on his detailing of the program tightening provisions encompassed in the legislation; I simply submit that the willful delay in the implementation of these provisions is the one cause for the so-called budget crisis.

The bottom line impact of this illegal piecemeal implementation is that, if no economies are effected in the remaining 5 months of fiscal year 1979, such illegal action will necessitate more funds; whereas, without piecemeal implementation, the program could operate without additional funds.

I want to point out the fact that this matter of willful maladministration of this program is a matter well within the perview of the Department for correction and the consequences for failure should not be carried on to the taxpayer in this process or in any other manner. It should be stressed here and now that those interested in improved administration are not insensitive to the problems of the poor; rather, they are seeking assurance that the methods devised in the best judgment of the Congress are allowed to take place, fully. In addition, those seeking better administration also have in mind a concern for some equity for the taxpayer who so generously supports this program.

If the taxpayer were asked today whether he wanted to vote the additional $650 million contained for food stamps in the Simon substitute and thereby allow for the willful departmental disregard of congressional intent, or whether he opted to comply with the intent of Congress, as expressed in the 1977 Food Stamp Act, and stay within the spending ceiling imposed by the Congress, I strongly suspect he would opt for the latter course of action. I agree with Senator LUGAR's contention that the only reason such increases are continually granted, all in the name of entitlement insuring benefits, regardless of appropriations ceilings, is that the public does not perceive what is going on. He is so correct in his contention that if the American public did perceive it, they would be totally disenamored with this idea; and, I think, the time of reckoning is near. The time is not too far off, I predict, when we will face up to the fact that we no longer have more dollars to apply to problems. Perhaps that will not be so bad in that we will be forced to focus on the quality of the benefit rather than the dollar value of it. Perhaps then the Congress will be forced to address the savings which could be achieved if one benefit level, with like eligibility criteria, were derived for the multiplicity of domestic food assistance programs. I strongly feel that if the public perceived that the same school lunch is paid for, in some cases, several times over, they would not long tolerate such action. Additionally, if it is true, as Ms. Foreman contends, that—

> Only 10 percent of the families spending at this level (cost of the thrifty food plan) for food received 100 percent of the Recommended Daily Allowances for the basic nutrients, and only 50 percent of the families even received two-thirds of the RDA's.

Then that fact alone should indicate to Ms. Foreman that the application of dollars to the problem has not been too successful. Perhaps if there are no more dollars to apply to the problem, then Ms. Foreman's packet of nutrition education materials for recipients will be something thicker than the ⅛-inch packet of printed materials, for an audience one-half of which cannot read.

The Department seems so totally committed to income transfer with complete disregard for nutrition benefit. Once all the income transfer that can take place, actually does, there is hope I think, that there will be other areas of concern for the Department, like enhancing the nutritional benefits for its feeding program recipients. I am informed that Ms. Foreman decided to willfully ignore the nutrition education provisions of the 1977 act to "test alternatives other than the one-on-one approach" she was directed to heed.

My colleagues, the bottom line is that a vote for any amendment is a vote to assure adherence to congressional intent and to live within the congressionally imposed ceiling. A vote against my amendment is a vote to give a sign of approval to the Department to continually ignore legislatively mandated intent and wilfully disregard the best wisdom of the Congress in meeting the needs of its constituency.

The material follows:

Food Stamp Program—Elimination of Purchase Requirement

To Carol Tucker Foreman, Assistant Secretary, Food and Consumer Services:

This responds to your informal inquiry as to whether a regulation could legally be issued pursuant to the Food Stamp Act of 1977 eliminating the purchase requirement in advance of implementing any of the specific provisions of that Act.

It is our opinion that such action would be legally objectionable.

The Food Stamp Act of 1964 required the imposition of a purchase requirement, except in the case of households with income of less than $30 per month. Section 7(b). The Food Stamp Act of 1977 does not contain this requirement; instead, in section 8(a) it provides:

"The value of the allotment which State agencies shall be authorized to issue to any households . . . shall be equal to the cost to such households of the thrifty food plan reduced by an amount equal to 30 per centum of the household's income, as determined in accordance with section 5 of this Act . . . The Secretary shall, six months after the implementation of the elimination of the charge for allotments and annually thereafter, report to Congress the effect on participation and cost of this elimination."

Section 5 of the Act contains specific provisions regarding determination of income not contained in the 1964 Act, including a standard deduction. The House Report (H.R. 95–464 at 241) notes that the ". . . relationship of EPR to the adoption of the standard important."

Section 1303(a) of the Food and Agricultural Act of 1977 provides that:

"The Secretary of Agriculture shall implement the Food Stamp Act of 1977 as expeditiously as possible consistent with the efficient and effective administration of the food stamp program. The provisions of the Food Stamp Act of 1964, as amended, which are relevant to current regulations of the Secretary governing the food stamp program, shall remain in effect until such regulations are revoked, superseded, amended, or modified by regulations issued pursuant to the Food Stamp Act of 1977."

We are of the opinion that under this authority the Secretary may implement parts of the Food Stamp Act of 1977 in advance of others. Accordingly, we are of the view that section 8(a) could be implemented concurrently with section 5. However, section 8(a) could not be implemented in advance of section 5 since by its terms section 8(a) requires that the value of the allotment shall be based on household income as determined in section 5.

Aside from section 8(a), we find no provision in the Food Stamp Act of 1977 which would serve as authority for a regulation eliminating the purchase requirement, and do not believe that such elimination could be bottomed on the lack of a purchase requirement in the new Act. We are mindful that several Senators and Representatives indicated on the Senate and House floors, at the time of consideration of the conference recommendations, that elimination of the purchase requirement could be implemented in advance, but we do not consider that such remarks can be accepted as overriding the statutory language. (See S. 14570–85, Cong. Rec., Sept. 9, 1977; H. 9544–9552, Cong. Rec., Sept. 16, 1977).

Sarah Weddington,
General Counsel.

Implementation Schedule for Final FS Regulations

To Carol Tucker Foreman, Assistant Secretary:

The attached Food Stamp Program regulations implementing the Food Stamp Act of 1977, delivered to this office on October 10, 1978 are approved for legal sufficiency.

However, the revised implementation schedule raises some legal issues. Our October 26, 1977, memorandum to you noted that advance elimination of the purchase requirement (EPR) under authority of section 8(a) of the Food Stamp Act of 1977, would require the concurrent implementation of the section 5 household income definition.

While not free from legal doubt, we believe there is a reasonable legal basis for the position that the revised schedule is consistent with the concurrent implementation requirements of the Act. The revised schedule treats EPR as the first step in the transition phase which implements within one to three months, both EPR and the section 5 income definition, and, we believe, can be considered the beginning of the implementation process under the requirements of the 1977 Act.

Harold M. Carter,
Acting General Counsel.

Mr. MATHIS. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I would be glad to yield to the gentleman from Georgia.

Mr. MATHIS. I thank the gentleman for yielding. I want to associate myself to a degree with the remarks made by the gentleman from Idaho (Mr. SYMMS). We are not sure at this point what all the factors are that have caused the Department to run out of money. I am convinced that part of it may very well be maladministration. I think that may be true, but this is not the place for that.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. MATHIS, and by unanimous consent, Mr. KELLY was allowed to proceed for 2 additional minutes.)

Mr. MATHIS. If the gentleman would continue to yield, I would simply say this is not the place for that debate to occur. We should do it in the committee. We should bring that new authorization bill back to the floor and let the full House work its will. What we do here today is not going to have any bearing whatsoever on the final outcome. We do not know what the facts are. Let us wait until the facts are in, and then I may very well be joining my friend, the gentleman from Florida (Mr. KELLY), and my friend, the gentleman from Idaho (Mr. SYMMS), in opposing a lift in this ceiling. I do not know. Let us wait and find out what the facts are.

Mr. KELLY. If the gentleman will let me regain my time, does the gentleman not agree, based upon his experience as a leading member of the Committee on Agriculture, that he would certainly be convinced that we need to send a message to the committee that this Congress wants the cost of the food stamp program to be reduced, consistent with the ability of the American taxpayers to pay for it.

Mr. MATHIS. If the gentleman will yield again, I agree completely with the gentleman, but I do not want to send a message to the people of this country who are deserving of food stamps that this Congress is going to turn their heads and agree with the gentleman.

Mr. KELLY. If I could regain my time, I do not really think that is our problem. I think our problem is to try and help the deserving people who go to work and pay their taxes. I do not think anyone is charging that the people on welfare are being mistreated; in the present state of our Nation it is the taxpayers we should be worrying about.

Mr. MATHIS. I agree completely with what the gentleman is saying, but I do not want to be a party to cutting off or attempting to cut off the people of this country who deserve, need, and must have the assistance, with their income, that can be provided and is being provided by food stamps. I am not going to punish them for the sins of those who do abuse the program.

Let us defeat the Symms amendment.

Mr. KELLY. Mr. Chairman, I yield back the remainder of my time.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to call to the attention of my colleague, the gentleman from Illinois, (Mr. SIMON), the fact that one of the problems in the Department of Agriculture has been that Ms. Foreman tried to begin to implement the 1977 act in piecemeal fashion. Implementation was begun without No. 1, the establishment of clear income eligibility standards. No. 2, without the establishment of clear standard deductions. No. 3, without the establishment of work requirements; and No. 4, a job search provision.

□ 1800

Now those precautionary elements were not implemented all at once as the General Counsel of Agriculture advised Ms. Foreman on October 6, 1977. They were not implemented, even though, as the memorandum on this subject that the General Counsel wrote to Ms. Foreman indicates, they were supposed to be implemented. The memorandum reads: "Do not attempt to implement the act of 1977 without having just a few of these things that I have mentioned in place." They were not in place.

Some of them, for instance, the fraud provisions, are not fully implemented right now.

What the gentleman from Idaho, as as an active member of the Committee on Agriculture is trying to bring up, is the reason that explains why the Committee on the Budget did not add $600 million more, and that is because there is more than adequate authorization for the remaining 5 months for 1979 for this program. I repeat there is more than adequate amounts in the appropriation.

In the name of prudence, however, my colleague from Idaho has added another $139 million, just to make sure that no deserving person is eliminated from the program.

My colleague from Georgia admits that the major problem is that the act of 1977 has not been properly implemented. That is exactly the point. I see my colleague from Connecticut, the chairman of the committee, nodding his head yes. He is right. The mandates of the 1977 Agriculture Act have not been carried out.

You do not need the $600 million. If the Assistant Secretary would merely implement those provisions that were called for in the 1977 act, we would not need 1 dime more.

Let me ask my good colleague from Illinois, because I know he is a dedicated member of the Committee on the Budget, why he did not add this $600 million if it was so essential prior to having it leave the committee.

Mr. SIMON. Mr. Chairman, if my colleague would yield, I know that he is as alert and as attentive a member of the Committee on the Budget as anyone.

If the gentleman will recall in our discussions it was pointed out that we may very well need an addition because representatives of the Department of Agriculture contacted us, representatives of the Department of Agriculture came to my office and I assume they came to other offices.

Mr. ROUSSELOT. Where were they prior to the hearings of the Committee on the Budget?

Mr. SIMON. This was during the hearings of the Committee on the Budget, saying expenses were running much more than they anticipated, that they were going to have some very real needs, and we are here now in response to those needs.

Mr. Chairman, if the gentleman will yield further, as far as the first part of the gentleman's allegation is concerned, I think the gentleman from Washington answered that in part by saying in fact, what was mandated by the gentleman from Georgia (Mr. MATHIS) and his subcommittee has been effective and they have in fact, done that.

Mr. ROUSSELOT. Mr. Chairman, let me interrupt briefly. All of the precautionary elements that were included in the 1977 act have not been implemented. That is part of the problem. Why did not the Budget Committee add it during the markup 3 weeks ago?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be happy to yield to the gentleman from Connecticut.

Mr. GIAIMO. Let me say, I am not a great fan of the food stamp program.

Mr. ROUSSELOT. We are not arguing that, Mr. Chairman. We are talking about the implementation of the 1977 act.

Mr. GIAIMO. Mr. Chairman, I would like to see this program tightened up. I have spoken to that effect in the past and I certainly will do so again, when we get food stamp legislation on the floor. I recognize that there were a whole host of reforms which were to have taken place.

Mr. ROUSSELOT. And they have not.

Mr. GIAIMO. Many of them have not as rapidly as one would wish.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. GIAIMO and by unanimous consent Mr. ROUSSELOT was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Will the gentleman yield further?

Mr. ROUSSELOT. Mr. Chairman, I certainly will yield to the chairman of the Committee on the Budget.

Mr. GIAIMO. Mr. Chairman, many of the reforms have not been implemented as rapidly as one would wish.

Mr. ROUSSELOT. Or that the General Counsel of the Department of Agriculture would wish, Mr. Chairman. I have the memorandum here.

Mr. GIAIMO. Yes, Mr. Chairman, the General Counsel also, but they have been implemented in varying degrees as the gentleman from Washington (Mr. FOLEY), the chairman of the Committee on Agriculture, indicated earlier.

□ 1805

So that we could say, keep the cap on, do not give them any additional money, make sure that they implement completely the reforms which they are supposed to do. We have that option. We can do that.

The Committee on Agriculture is going to have to determine the wisdom of that. They are going to have to come out with legislation. As the chairman of the committee told us, there would have to be implementing legislation from his committee. There will have to be a supplemental appropriation from the appropriating committee; however, if we do not make provision for that in the ceilings here, there can be no legislation, because that would violate ceilings and be subject to a point of order.

Let us wait and see what the Agriculture Committee comes out with and then the gentleman from California and I can fight together to make sure that the ripoffs are removed from the program, make sure that food stamps go to really needy Americans. We can do that. I promise the gentleman I will help.

We were told after the Budget Committee markup by reliable sources starting with the chairman of the Committee on Agriculture and others on the committee, that if we did not make this money available that the food stamp program mainly because of inflation, not because they failed to implement the reforms, but mainly because of the high cost of food, the program would be compelled to either prorate food stamps to needy people or to terminate them totally sometime this summer.

Now, I, for one, want to hold the line on Federal spending wherever possible; but I am not going to stand here and say I am for putting a cap on this program, which would mean that some needy Americans are going to go without food stamps sometime in July and August.

That is what is at stake here; so let us give the Committee on Agriculture the opportunity to find out what the true needs are, and report back to us.

Mr. ROUSSELOT. Mr. Chairman, let me respond quickly to the gentleman about the issue of inflation. According to the Congressional Budget Office in our committee report, they have stated that the inflation factor for the food stamp program is about $100 million.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, the Congressional Budget Office estimated that the inflationary impact on this program was roughly $100 million; so the gentleman (Mr. SYMMS) covers that in his amendment that is now before us. That is, there is a $139 million add-on to the committee level by the gentleman from Idaho; so the gentleman more than covers the inflationary aspect.

What I am saying to my distinguished chairman and to the others is that the gentleman's committee properly voted this out originally. There was more than enough time for the Agriculture Department to comment.

I would now like to reemphasize the fact that the reason that certain people in the Agriculture Department are now panicking is that many phases of the 1977 act, which the gentleman from Washington thought would be put in place and are not now all in place, would more than adequately cover for the remaining 5 months the problem, any potential problem, of exceeding the cap. We do not need to raise the authorization level $600 million. I think the $139 million more than covers, that the gentleman's amendment includes, more than covers the escalating cost of foodstuffs. The $100 million was estimated by the CBO, that more than covers it.

Now, let me quote from the memorandum by the General Counsel of the Agriculture Department to Ms. Foreman responding to her request about implementation of the 1977 act.

The General Counsel said:

> This responds to your informal inquiry as to whether a regulation could legally be issued pursuant to the Food Stamp Act of 1977, eliminating the purchase requirement in advance of implementing any of the specific provisions of that act.
>
> It is our opinion that such action would be legally objectionable.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 1 additional minute.)

□ 1810

Mr. ROUSSELOT. Mr. Chairman, the memorandum continues:

> It is our opinion that such action would bo legally objectionable.

Now, what has happened? The Agriculture Department has not followed the requests of Congress in the act to properly implement these mandates, and there are several provisions, including the jobs part, that have not been implemented. These actions alone could easily solve the problem of not exceeding the cap that was set by the Agriculture Department.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, the gentleman knows of those job requests in the legislation, that they are only supposed to be in five or six different locations.

Mr. ROUSSELOT. Yes, but they are important to the act.

Mr. RICHMOND. The gentleman also knows that it took a solid effort to put together the new food stamp legislation.

Mr. ROUSSELOT. Those parts the gentleman is describing are only the pilot programs.

Mr. RICHMOND. The gentleman knows the USDA did the best job it could do in getting the program going properly.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

Mr. RICHMOND. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, just to finish with this point, all we ask right now is this: Let us vote down the Symms amendment, and let the authorizing committee make a just decision based on the facts, and then let the House work its will.

The gentleman from Idaho (Mr. SYMMS) is restricting us to the same amount of dollars that were voted in the original 1977 bill.

We know that because of inflation and because we have very poor people who are coming into the program through the elimination of the purchase requirement we now need to reassess our original estimates. Let us not believe the gentleman from California(Mr. ROUSSELOT), who says we have $300 million left. We do not have $300 million left.

We have been trying to administer this program as carefully and as efficiently as possible, but let us understand that food stamps are the finest form of supplementary nutrition for working poor people. Food stamps are for working poor people, old people, infirm people. According to statistics collected by the Food and Nutrition Service of the Department of Agriculture the majority of food stamp recipients are elderly, disabled, or children in single-parent families. Sixty percent of food stamp households have no liquid assets at all and nearly two-thirds of food stamp households do not own a car or other vehicle.

If I may take an additional minute of my colleague's time let me remind you just how poor the overwhelming majority of participants of the program are:

Over half of all households have incomes of less than $300 a month or $3,600 a year.

Three-fourths of the households have incomes of $400 or less a month—$4,800 a year.

Less than 3 percent have monthly incomes which exceed $750 a month—$9,000 a year—and none of these households are less than four people.

Six-tenths of 1 percent have incomes in excess of $1,000 a month—$12,000 a year—and all are households of seven or more people.

Does this body right now want to force us to reduce the benefits to working poor people and old people from 33 cents a meal down to 22 cents a meal during the last 3 months of this year?

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will try to be brief. When I first came to this Congress in 1971, I attended a meeting that was sponsored by the leadership in my party at that time. The leader at that time said to my class: "One thing you've got to remember is that the House of Representatives is the House of the people. It's where the people's needs have to be answered, and you have to use your judgment as the best way to answer and solve the people's problems."

I do not think that situation has changed one bit since then, my leader at that time, was Gerry Ford, he made that statement to me. It was a very true statement.

I find it very difficult today as I listen to the Agriculture Department being ripped apart and hear statements made that the law is not being enforced. I hear Members say, "We've got to get to the people who are working and protect them because they are paying for all these other things."

In reality, what we are talking about here are thousands and thousands of our people from all the States who are going without adequate food because of the cuts that have taken place since March 1.

I would love to take my good friends, the gentleman from Idaho and the gentleman from California, and others, out on the streets and let them see some of the elderly people who are getting $17 a month since March 1 for food stamps, people whose total income in many cases is under $200 a month.

I attended a hearing where people came and were in tears in front of the microphone, telling how they were suffering because of the cuts in the food stamp program. They were telling us they cannot live; they are in desperate need of help.

☐ 1815

Anyone who says the Agriculture Department has not implemented this change should talk to these people, because they have implemented the change. I urge my colleagues at this point, let us not fight the Agriculture Department. Let us not make some arguments on what a committee did do or did not do or who enforced something or who did not enforce something. Let us go along with the Committee on Agriculture at this time, with the chairman of the committee, and give them the opportunity to act and, I hope, act in the right way, in responding to the needs of the people of our country. That is what we are supposed to be doing here, and we have a chance to do it right now.

I hope this amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. SYMMS) to the amendment offered by the gentleman from Illinois (Mr. SIMON).

The question was taken; and on a division (demanded by Mr. SYMMS) there were—ayes 34, noes 65.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 276, not voting 12, as follows:

[Roll No. 109]

AYES—146

Abdnor
Albosta
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Bevill
Broomfield
Brown, Ohio
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Ind.
Fenwick
Findley
Frenzel
Gibbons
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hammerschmidt
Hance
Harsha
Hillis
Hinson
Holt
Hopkins
Hyde
Ichord
Ireland
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McDonald
McKay
Madigan
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Petri
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wyatt
Wylie
Young, Alaska
Young, Fla.

NOES—276

Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Chisholm
Clay
Cleveland
Clinger
Coelho
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Emery
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Jenrette
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, Md.
Lowry
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—12

Bolling
Conyers
Coughlin
Crane, Philip
Davis, S.C.
Hansen
Hubbard
Johnson, Calif.
Johnson, Colo.
Long, La.
Murphy, Ill.
Rose

☐ 1830

The Clerk announced the following pairs:

On this vote:

Mr. Philip M. Crane for, with Mr. Johnson of California against.

Mr. Hansen for, with Mr. Conyers against.

Mrs. FENWICK changed her vote from "no" to "aye."

Mr. DIXON and Mr. FOUNTAIN changed their vote from "aye" to "no."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1835

AMENDMENT OFFERED BY MR. VOLKMER TO THE AMENDMENT OFFERED BY MR. SIMON

Mr. VOLKMER. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. VOLKMER to the amendment offered by Mr. SIMON:

On page 1, line 3, reduce the amount "$2,223,000,000", by $292,000,000.

On page 1, strike the following:

In the matter relating to Function 050—National Defense increase the amount for budget authority by $528,000,000 and increase the amount for outlays by $135,000,000.

In the matter relating to Function 150—International Affairs decrease the amount for budget authority by $336,000,000; and decease the amount for outlays by $315,000,000.

Mr. VOLKMER. Mr. Chairman and members of the committee, I offer this amendment to focus on the one area of this amendment offered by the gentleman from Illinois (Mr. SIMON). If all the parts of the amendment are looked at separately there is for sure one part that should not be contained in that amendment.

☐ 1840

Mr. Chairman, we have here a provision that provides for basically a bailout by adding additional funds to the budget for additional taxpayers' money in order to buy two destroyers, two of the four destroyers that the Ayatollah of Iran says that they no longer want.

Now, Mr. Chairman, we have to remember there are four of these destroyers, not just two. There are two in this budget, but if we look close we will find the other two in the 1980 budget; so we have four of them all told, but we are only addressing two of them at this time.

Now, these destroyers, as has been said during earlier debate and I think has been recognized, do not meet the specifications and requirements for our own destroyers. They were built for the Government of Iran.

Now, one question that I have tried to answer myself satisfactorily and have been unable to do so is what exactly are we going to do with these destroyers once we acquire them?

I suppose the answer would be retrofit them at some additional expense so that they do meet our specification requirements.

The next question that I have is since the Defense Department is able to assimilate or take in the other two destroyers in the 1980 budget without making any other additional funds necessarily available, in other words there is that much slack in their budget, then why not, since we do have money in the pipeline in the Defense Department in excess of the amount of money that is needed here, why cannot these two destroyers be so taken care of within the present 1979 budget or if necessary within the 1980 budget?

Why do we have to ask for additional funds, funds from our taxpayers, and I have heard it on this floor several times this afternoon and yesterday about the people that are paying these taxes and where the money is going.

Now, the money is presently in the trust fund for foreign assistance from the country of Iran to pay for these; so what it basically amounts to is that when we buy these destroyers with our funds, Iran will get its money back, except for perhaps some offsets due to some retrofits that may be required.

Now, I believe that there is no deficiency within our present structure of defense for destroyers. We presently, as I understand it, and maybe I can be corrected by the Committee on Armed Services, have on line or under contract or under obligation a total of 31 new destroyers, not all being built this year; but approximately 10 or 11 of this class are being constructed this year with the money that has been appropriated.

I just do not see the need to add this additional budget authority to the defense budget in order to acquire these two destroyers. If we so desperately need these destroyers and we need to bail out the Ayatollah of Iran in order to keep his friendship, which I question whether we have anyway, but in order to keep in his good graces to do so and return the money to him, I say that if the Defense Department, if the Pentagon, if the U.S. Navy says that these are so all-important that we have to have them, then find the money within that slush fund that they have in excess money in the pipeline that exists at the present time.

As I understand it, in excess of over $20 billion is there, unobligated, uncontracted for, previously appropriated.

I do not see why the Congress, this House, should in any way provide for these additional taxpayer funds.

I would say that if the Pentagon wants to so it, then let them do it with existing funds, as they propose to do with the two other destroyers in 1980.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. VOLKMER) has expired.

(At the request of Mr. DOWNEY, and by unanimous consent, Mr. VOLKMER was allowed to proceed for 2 additional minutes.)

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I would like to commend the gentleman on his statements, but I think more importantly for consideration on this particular amendment is a concern that some of us who have served on the Committee on Armed Services and who serve on it presently have with respect to the Navy's budget.

It is clear that the Navy among the three services is the most inefficient and wasteful in terms of its procurement positions. If we are concerned about the size of the Soviet Navy, the fact that the Soviet Navy has gone from a basically coastal navy to a blue water navy, we should also be concerned about the way that we have countered this threat. The way we have proceeded to counter it is by buying more and bigger ships, as opposed to more and more less vulnerable smaller ships.

The point that the gentleman makes about, No. 1, the fact that we do not need these additional DD963 class destroyers, when in fact we could purchase more surface effect ships, more cruise missile carriers, is an important point.

□ 1845

The fact is that these big ships are taking away dollars from the smaller ships and the effort is misdirected. If we want to have a military argument, I think that is the best military argument I could make or the gentleman could make.

The fact that we do not need more 963's is apparent on its face. Even if we want to spend the money, let us not spend it on some big old battlewagons. Let us spend it on smaller cruisers and missile carriers and ships that are not as vulnerable as the old class 60 destroyers.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I would be glad to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I have asked the gentleman to yield to me because in his statement I think he said that the money or some portion of this money would be returned to the ayatollah.

Mr. VOLKMER. Yes, that is correct.

Mr. MITCHELL of Maryland. That seems to me to be at odds with what I heard yesterday when it was said that none of the money would go back to Iran.

Obviously, I oppose the whole proposition. I associate myself with the gentleman's remarks, but I would like to get some clarification.

Mr. VOLKMER. Mr. Chairman, if I am in error, I would like to have it aired on the floor.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. VOLKMER) has expired.

(On request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. VOLKMER was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, I would be glad to yield to the gentleman from Connecticut (Mr. GIAIMO) for a correction if there is a correction to be made.

Mr. GIAIMO. Mr. Chairman, I thank the gentleman for yielding.

I do not think it was stated yesterday that the money was going back to Iran. I do not think it was stated with absolute certainty as to what would happen to the money. Let me state what I understand from the Secretary of Defense and from the administration.

Mr. MITCHELL of Maryland. Mr. Chairman, I really wanted an answer, and I cannot hear the gentleman's response.

Mr. GIAIMO. Mr. Chairman, let me make it clear.

As I understand it, the money would be reimbursed to the foreign military sales account out of Navy funds. That was the fund into which Iran paid. That is the fund which was drawn down to pay for their ships. That is the fund which the U.S. Navy, if it buys these two ships, would reimburse, that is foreign military sales account.

That money would sit there for an ultimate determination, and nobody knows for sure what would happen to it at this point. We must remember there is a great deal more money in that account involving Iran, and it has not been resolved as yet as to what will happen. I am told, for example, that it could well be used to pay claims of the U.S. Government or of U.S. citizens against Iran. It could be used for other purposes.

We are not certain. I have confidence that it will be handled properly and wisely in our interests.

Mr. VOLKMER. Mr. Chairman, in answer to the gentleman, I would like to say that from what I have heard, the money may not go directly back to Iran but will be used to give credit to Iran, or it may be go back directly to Iran.

Mr. MITCHELL of Maryland. Mr. Chairman, if the gentleman will yield briefly, I think it is wrong for us to proceed and approve this action. We ought to vote it down by voting for the Volkmer amendment, until we get a greater degree of certainty as to what the final disposition will be.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, the difficulty with that is that we might have to wait 10 or 15 years to resolve the question.

Mr. MITCHELL of Maryland. I do not mind that at all, I will say to the gentleman from Connecticut.

Mr. SIMON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, perhaps no one has said it better on the floor of the House than the gentleman from Florida (Mr. BENNETT). Yesterday, on an amendment offered by my colleague, the gentleman from California (Mr. CHARLES H. WILson), our colleague, the gentleman from Florida (Mr. Bennett) got up here and said, "I want to make sure that we have every penny we need for defense but not 1 penny more than we need for defense."

I think that is what all of us want, and the question is: how do we get there?

The gentleman from New York (Mr. Downey) said a little earlier that we need smaller ships, and here in fact we have ships that are substantially smaller than some of the carriers and some of the other ships that are being asked for. We have about twice as much naval tonnage as the Soviet Union, though not as many ships. What we are doing here, if we take advantage of this, is to save approximately $200 million per ship and move us toward a smaller-ship Navy.

□ 1850

When you can save $200 million per ship, I suggest we ought to think about doing it. In addition, if we do not go ahead, the contract is between the U.S. Government and Litton. It is not between the Government of Iran and Litton. And we have to pay termination costs, and to pay termination costs of about $208 million. We have carriers. Those carriers operate in a flotilla. I am in no sense a military expert, but ideally, I understand, part of that flotilla ought to be six destroyers. We now have less than three destroyers, on the average, with these flotillas. The gentleman from Missouri—and he is my friend—who has offered this amendment has said that Iran will get this money. I would like to back up what the chairman of the committee has said, and let me read one sentence from a memorandum from the Secretary of the Navy:

> In view of many complex legal relationships involved in these matters that will take a long time to untangle, it seems unlikely, as a practical matter, that Iran could in the foreseeable future recover any amounts maintained in the trust funds.

What do we do if we defeat this amendment then? We do not save the United States a penny, so far as I can see. We miss an opportunity to save some money. We do not deprive Iran of any money. Since the U.S. Government has a memorandum of understanding on this matter with the Government of Iran, we embarrass our country, we do not do ourselves any good in any sense.

I hope and trust that the amendment will be defeated.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Maine.

Mr. EMERY. I thank the gentleman for yielding, and I would like to commend the gentleman from Illinois for a most excellent statement in respect to these four ships.

The fact of the matter is that by amending away the funds necessary to purchase two of these ships, we are punishing the Navy for inefficiency. We are not going to improve the quality of our shipbuilding or our planning. This situation comes to the Congress because of an unfortunate international situation that we had very little control over. If the Government of Iran had not changed, had not made the decision that it no longer wished to purchase the four ships, we would not be here today, nor would we have an opportunity to get four ships which this Navy needs. The fact of the matter is, as the gentleman pointed out, this is not a question of Iran. It is a question of a contract which exists between Litton Industries in Pascagoula and the U.S. Government. So really we are contracting for these ships now ourselves. If we do not pick them up, we are going to certainly have to pick them up some time in the future, because there are four ships in various states of completion. One of them, I think, is something like 23-percent complete, and one is somewhat less. One of them is less than 10-percent completed. So we are going to cause for ourselves severe workload problems in Pascagoula.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. Simon) has expired.

(On request of Mr. Emery and by unanimous consent, Mr. Simon was allowed to proceed for 2 additional minutes.)

Mr. EMERY. If the gentleman will yield further, certainly we are going to be facing some very severe problems in our shipbuilding program, not only for those four destroyers, which are still going to be in Pascagoula, regardless of whether we are going to buy them this year or not, but we are going to find, in effect, in our shipbuilding program, whether we are talking about taking money away from an aircraft carrier, whether we are talking about DD-2 conversions, which enables them to get a more useful life, whether we are talking about completing our Trident force, or 688's, or frigates, or maybe even paying some enlisted people in retirement benefits, the money is going to have to come out of some program unless we have an increase either in this fiscal year or in some supplemental. So I think we have to do it now in order to plan our expenditures.

Mr. SIMON. If I can just add, one of our additional costs—because our contracts with Litton are on a cost plus basis, and we have other contracts with them—they are going to have to lay off 3,000 people if we do not go ahead, and we will have to increase the cost of other items, because they assume overhead costs on a per capita basis.

□ 1855

Mr. DOUGHERTY. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I am pleased to yield to the gentleman from Pennsylvania (Mr. Dougherty).

Mr. DOUGHERTY. I thank the gentleman.

Perhaps I can add some insight into what happens to this funding since I asked the Department of Defense, when they appeared before the Seapower Subcommittee, what happened to the money if we bought these two destroyers.

The Department of Defense testified that the trust fund is not adequate to meet all of the drawdowns by American contractors on the total Iranian contract.

The total Iranian contract went beyond just these four destroyers. What was told to me by the Department of Defense in cross-examination was that, when we buy these two ships, the money we pay in purchasing them will go back to the trust fund.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. Simon) has expired.

(At the request of Mr. Dougherty and by unanimous consent Mr. Simon was allowed to proceed for 2 additional minutes.)

Mr. DOUGHERTY. The money will go back in the trust fund to be used to pay off other contractors, American contractors, for other items which have also been canceled. So, in effect, according to testimony by the Department of Defense, none of these funds will go back to Iran. They will all stay in the United States.

The second thing, if I could, the gentleman made a comment about these destroyers being inadequate. In testimony before the Seapower Subcommittee, the Navy said they were very pleased to have the opportunity to get these destroyers, that they were not inadequate, that they were advanced destroyers, something that the U.S. Navy could use.

I thank the gentleman for yielding.

Mr. SIMON. If I could just add, they contain the Tartar program, which I understand, next to the Aegis, is the most up to date we can have.

Mr. VOLKMER. Will the gentleman yield?

Mr. SIMON. I am happy to yield to the gentleman from Missouri (Mr. Volkmer).

Mr. VOLKMER. I thank the gentleman.

Is it not true that the Defense Department has included the other two destroyers in the 1980 budget without asking for any additional money?

Mr. SIMON. That is correct. The Navy has agreed that they will eat the other two destroyers as part of their 1980 budget.

Mr. VOLKMER. With the money they have, they cannot buy the other two if they want them so bad?

Mr. SIMON. That is correct. That is my understanding. I have every reason to believe that is accurate.

Mr. VOLKMER. They can eat those two in the 1980 budget? They have already got some slack. How much more slack are they going to have?

Mr. SIMON. My understanding is we are talking about a very sizable amount here that is needed.

Mr. VOLKMER. Out of a $120-some billion budget, nobody can find another $315 million?

Mr. EDWARDS of Alabama. Will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Alabama (Mr. Edwards).

Mr. EDWARDS of Alabama. Partly in answer to that question, the Defense Department programed one such destroyer and a frigate in its fiscal 1979 supplemental to be purchased new.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. Simon) has again expired.

(At the request of Mr. Edwards of Alabama and by unanimous consent, Mr. Simon was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. The destroyer they planned to purchase is virtually identical to the one we are now able to buy, because the Iranian situation would have cost $540 million, and we are saving $200 million on not buying the ship they were getting ready to order by being able to pick up this one, on that one ship. They are substituting the second destroyer for the frigate that they also had programed in the fiscal 1979 budget.

If I may also, if the gentleman will yield further, the question was raised as to whether it would have to be spent, if we acquire these ships to, in effect, Americanize those ships. The amount of money that would have to be spent to Americanize the ships is worked into the equation which gives us the $200 million savings. This is not a cost over and above the cost that they are talking about.

Finally, if I may, this is not, I say to the gentleman from Maryland, a bailout of Iran. We are simply buying the position of Iran, putting the money that Iran has spent on these ships back into the trust fund, and picking up the contract for the balance with the contractor. The money that goes back into the trust fund will be used in all of the other many purchases which have been canceled by Iran to work out all of the credits and liabilities and finally come down to a bottom line in the trust fund. Once that number is decided, and I agree with the gentleman from Connecticut, it may be 10 or 15 years from now, then if there are any claims by this country against Iran—for example, damage to our Embassy or other things of that type—we will have access to those funds to pay those claims.

☐ 1900

The guessing is that Iran will not get a dime, but if they do, it will be after all these other claims have been paid.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. Lloyd and by unanimous consent, Mr. Simon was allowed to proceed for 2 additional minutes.)

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague from California.

Mr. LLOYD. I thank my colleague for yielding. I wish to comend my colleague on his statement. I would add that no matter how we do it, the Navy is woefully short of ships. This is an opportunity to fill out, not with the largest type, but with a ship that would be very useful today. I think that not to seize the opportunity at this time is utter folly.

Mr. Chairman, I congratulate the gentleman from Illinois on his comments.

Mr. SIMON. I thank the gentleman.

Mr. HARKIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, here we have a very clear-cut vote on where we are going to place our priorities in this Congress. On the one hand, we either cut the money for food stamps; on the other hand we can cut the money for two destroyers, outdated, outmoded, ordered by another government other than ours.

On the one hand, we have food stamps, and all the data shows that over 95 percent of all those who receive food stamps have liquid assets of less than $1,500—95 percent of them. Over one-half of the homes of those who could get food stamps have gross incomes of less than $3,600; and yet a great proportion of this body wants to cut out those food stamps. Cut abuses, yes, I will support that, but not cutting out stamps to those who need them.

On the other hand, we have two destroyers which by every measure I have seen and studied says that they are outdated, outmoded, really cannot be used, not ordered by our Government but ordered by the Government of Iran. And yet, we are going to pick them up. I do not care what anybody says, it is a bailout of the Government of Iran.

The only question we have to ask is, Are these the kinds of ships the U.S. Navy would order, were they ordering ships now? The answer is no, they would never order these ships.

What is going to happen to this money? We have heard a lot of talk back and forth, and I guess the last word was, "Well, maybe Iran will get some of this money to their credit." Even on the sole basis of human rights, I do not think we ought to be doing this. I do not think we ought to be giving anything to Iran until they shape up on human rights. They went from bad to bad, from Shah to Ayatollah. So, just on the basis of human rights I do not think we ought to bail them out.

If, as the gentleman from Illinois says, it is possible in this country for another country to order two ships to be built by private contractors in this country, and if that government then reneges then our Government has to pick up the tab, then I would suggest that we ought to hire some new lawyers to start negotiating these contracts with other countries.

These are the kinds of things that our constituents cannot understand. I cannot understand this, either. We have to swallow these ships that we do not want and do not need, that were ordered by another government. The Department of Defense right now has in its unobligated account—I do not know how much money, but I hear over $20 billion in the unobligated, and in both the unexpended and unobligated account over $80 billion. If they really want those ships, let them take the money out of that.

Finally, I opened the Washington Post yesterday, and there was a story about the Shah called The Shah Amid the Mysteries of Paradise. The Shah and his whole entourage is staying in a great big hotel in the Bahamas, on Paradise Island. I guess it was he who ordered these ships. He is having a tough time finding a place to stay. It is said that he has billions of dollars. If he wants the ships, let him pay for them; let him buy the ships and he can convert them into floating palaces and he can float around the world for the rest of his days.

☐ 1905

Mr. VOLKMER. During the discussion with the gentleman from Alabama, who is now or who was a few minutes ago in the back of the Chamber, and the gentleman from Illinois at the time was in the well, the gentleman from Alabama was saying how much we could save because, as I understand his words—he is here; perhaps he can correct those words—his words were to the effect that the Navy had on line and on order one destroyer that it was going to build in 1979 at a cost of $541 million. If they had that and they had the budget authority, and they had the money for that, that is more than is needed for these two ships that they already have, so why do they need this additional money? They do not. That is what I have been saying. They got it in 1979. This is just an add-on to be used. Who knows what it will eventually be used for? Who knows what this money will be used for?

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. I thank the gentleman for yielding.

The gentleman from Missouri (Mr. Volkmer) misunderstood the gentleman from Alabama. What I said was that in the fiscal 1979 supplemental, which the President sent to the Congress, there was one new DD993 that was requested of the Congress, and if the Congress approved the supplemental that the President sent over here, then it would cost about $540 million to buy that ship.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Harkin was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Alabama. If the gentleman will yield further, what I said was that instead of having to buy a new ship from the keel up for about $540 million, we could buy these ships for $200 million less than that.

Mr. EMERY. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Maine.

Mr. EMERY. I thank the gentleman for yielding.

There are a couple of points I would like to make. First of all, I think I probably agree with the position that the gentleman would take, that maybe it was not terribly wise for us to sell those four destroyers to Iran in the first place. I probably would not have supported that, but the fact that the destroyers were initially contracted for and now that the contract has been terminated, we still have four destroyers in various states of construction in Mississippi. Something has to be done with those ships. Whether we buy them or whether they sit there and rust is going to make a very great difference, because either we take them now or we will have to pay the price later, and I would much prefer to see them in our own Navy than someone else's navy anyway.

There is one other point I would like to make, if the gentleman will yield further to let me finish. That is about the quality of these ships. First of all, the ships are planned to carry the Tarter D antiaircraft missile system. This is an excellent system.

Mr. HARKIN. It does not have the Aegis system.

Mr. EMERY. Aegis is not ready yet. When it is available, it will be put on other ships at great expense. Aegis doubles the cost of the 963-class destroyers. The Tarter D is not the equivalent of the Aegis, but, nevertheless, it is a cost-effective system which can be used for a great many applications in the high threat area. The Aegis is a Cadillac. The Aegis is an excellent system, but the Tarter D system is also a very good system—not quite a Cadillac—but one that the Navy can use very well.

Mr. HARKIN. Let me ask the gentleman, does he know for certain whether or not our Government or the Department of Defense have tried to sell our ships maybe to a couple of other countries that could use them, that may need that kind of technology that is on that ship which we do not need? Have we actually tried to sell them someplace else?

Mr. EMERY. I cannot think of a government that needs those ships any more than ours.

Mr. HARKIN. Evidently Iran needed them. There may be some other countries in the situation of Iran.

Mr. EMERY. I would rather keep them for ourselves than sell them to any other country.

Mr. HARKIN. Again I say if we are interested in cutting budgets, let us do it by prioritizing. To my way of thinking, it would be to keep food stamps going to poor people and not buying ships that are outdated and outmoded that we get hooked into buying. I think our taxpayers deserve having our Government spending to go to something else other than swallowing these two ships.

Mr. BENNETT. Mr. Chairman, I move to strike the requisite number of words.

I would like to clear up a few points about these ships. These ships are good ships. We do need them. We can get them cheaper than we can ever get a ship like them at any time in the future. So they are real bargains, and they are going to go by us if this amendment passes and we are not going to be able to get them.

It is a futility to be speaking of the Shah wanting to turn these ships into palaces. He could, if he wanted to, but these ships are available to us to get real cheap, something that we need, and it would be a terrible waste of money in the field of buying ships if we do not buy these ships.

□ 1910

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentlemen yield?

Mr. BENNETT. I yield to the gentleman from Alabama.

Mr. EDWARDS of Alabama. Much has been said about the Aegis system ships which will be coming on line 5 or 10 years from now.

Mr. Chairman, it is true is it not, I ask the gentleman who is chairman of the Subcommitee on Seapower of the Committee on Armed Services, that there is no intention of having every destroyer equipped with an Aegis system. An Aegis system will not only operate the fire control system from its own ship but it will also control the systems on various destroyers that do not have the Aegis system which are in the same fleet. Is that not correct?

Mr. BENNETT. That is correct.

Another thing with regard to Aegis, there was testimony before our committee that the third and fourth of these ships could be equipped with Aegis if we wanted to do that. It would not be cost effective to do it on the first and second. It would cost too much money to put them on, but the third and fourth have not gone so far that they could not have the Aegis put on if they wanted it. I do not think they need to be put on because as you say we are not going to have that many Aegis ships and we are going to build ships to better fit the Aegis.

Mr. DOUGHERTY. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Pennsylvania.

Mr. DOUGHERTY. Is it not true that if we do not buy the ships, it is the Navy that is on line because it is the Navy that has made the contract for the construction of these ships?

Mr. BENNETT. Absolutely. It is not the Shah of Iran, it will be the U.S. Navy and the U.S. Treasury that will be caught.

Mr. DOUGHERTY. Mr. Chairman, what I am trying to get on the record is the fact that the contract with Pascagoula is a contract from the U.S. Navy and is not a contract from Iran. Therefore, if we default on the contract it would seem to me Pascagoula could sue the U.S. Government because the Government is the contractor.

Mr. BENNETT. Under the contracts they would have a right to go against the U.S. Government.

Mr. DOUGHERTY. So, Mr. Chairman, in effect, all the conversation about the Shah and about Iran being responsible is simply not correct?

Mr. BENNETT. That is correct. You are correct.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I will yield briefly to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to this amendment. I think the case has been made eminently clear here that we can use these ships. They are good ships. The Navy can use them, and we will save some money by buying them this way rather than ordering them directly. We debated this at great length yesterday, and we debated it at great length today. I think we all understand what the issue is. I would hope we could vote on this.

Mr. BENNETT. Mr. Chairman, I am certainly not making a choice between these ships and food stamps. I voted for food stamps. I did not vote to start the program because I thought it was going to take us down a road we could never get off or afford. I thought we should have a combination of food stamps under welfare, not a separate system. Nevertheless, the program is here now and I think the food stamp program should be sustained. I voted for the food stamp program in the previous vote on this today. As far as I am concerned I make no such choice between food stamps and ships. I think these are excellent ships, I think they should be acquired by the U.S. Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri (Mr. VOLKMER) to the amendment offered by the gentleman from Illinois (Mr. SIMON).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. VOLKMER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 88, noes 325, not voting 21, as follows:

[Roll No. 110]

AYES—88

Atkinson
AuCoin
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Bonior
Bonker
Brooks
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Daschle
Dellums
Dixon
Dodd
Downey
Drinan
Early
Edgar
Edwards, Calif.
English
Erdahl
Evans, Ind.
Fenwick
Florio
Ford, Tenn.
Fowler
Garcia
Gephardt
Gibbons
Glickman
Gore
Gramm
Harkin
Hefner
Holtzman
Jacobs
Kastenmeier
Kildee
Kostmayer
Lent
McHugh
Maguire
Markey
Mattox
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Minish
Mitchell, Md.
Moffett
Murphy, Pa.
Myers, Pa.
Nolan
Oberstar
Ottinger
Paul
Pease
Pickle
Pursell
Rahall
Rangel
Ratchford
Richmond
Rosenthal
Sabo
Schroeder
Seiberling
Shannon
Sharp
Stark
Stokes
Studds
Vanik
Vento
Volkmer
Walgren
Weaver
Weiss
Wydler
Yates

NOES—325

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Boner
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Foley
Forsythe
Fountain
Frenzel
Frost
Fuqua
Gaydos
Giaimo
Gilman
Gingrich
Ginn
Goldwater

Gonzalez
Goodling
Gradison
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harris
Harsha
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mavroules
Mazzoli
Mica
Michel
Mineta
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Panetta
Pashayan
Patten
Patterson
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Quayle
Quillen
Railsback
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—21

Anderson, Ill.
Bolling
Conyers
Coughlin
Crane, Philip
Davis, S.C.
Diggs
Ford, Mich.
Hansen
Hawkins
Hubbard
Johnson, Colo.
Kelly
Long, La.
Lujan
Mollohan
Murphy, Ill.
Pepper
Rose
Runnels
Thompson

□ 1925

Mr. GARCIA changed his vote from "no" to "aye."

So the amendment to the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1930

Mr. EDWARDS of Alabama. Mr. Chairman, I move to strike the requisite number of words.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I rise in support of the substitute to the Simon amendment to the budget resolution which would restore the $1.5 billion to national defense for fiscal year 1979. This $1.5 billion, which allows for the Department of Defense supplemental bill, is urgently needed. Let me stress that this is not an add-on to defense; it is, rather an attempt to prevent a further cut in defense as proposed by the Budget Committee. The amendment I ask you to support would bring budget authority to the level agreed to by Congress in the second budget resolution. That level is already a billion and a half dollars below the first budget resolution for 1979 and the President's original request.

The claim that the defense program supplemental is not needed or is not urgent is incorrect. For almost a year and a half, Congress has tried to complete action on the fiscal year 1979 defense program. But because of debates over which programs were of highest priority, the President and Congress have delayed this action.

Now we have settled on which fiscal year 1979 programs are most urgent. These include:

MX missile research and development and other top priority R. & D. efforts;

The U.S. fiscal year 1979 share of the NATO airborne early warning and control system cooperative program, signed by NATO Ministers of Defense on December 6, 1978;

Procurement of two Navy destroyers, which were diverted from the Government of Iran, at a large cost savings to the United States, a buy which needs to be made now to avoid contract termination costs, and other costs associated with production line disruption; and

Procurement of other badly needed items such as electronic countermeasures equipment.

These programs are needed now. If we continue to put them off, not only will we incur cost increases, but important defense requirements for fiscal year 1980 will have to be put off so that we can fund last year's programs. In addition, we will have left the fiscal year 1979 defense budget at a comparatively low level at a time when the President has committed us to 3 percent real growth.

Therefore, I urge you to support a budget which contains this very important defense supplemental.

Mr. EDWARDS of Alabama. Mr. Chairman, I hope that this will not start a whole new debate.

My purpose here is to discuss very briefly what the substitute is about, since, as I understand it, there are no more amendments to the Simon amendment at the desk.

If that is true, then the next business in order would be to vote on my substitute to the Simon amendment. My substitute strikes all of the Simon amendment except the defense portion, and it increases the defense portion some $800 million. It buys two destroyers, and it provides other funds requested by the administration in the fiscal 1979 supplemental for some R. and D., procurement and other items that are in that supplemental that we debated yesterday.

It is my argument that the needs of the defense of this country should not become intertangled with the questions of increasing food stamps and the countercyclical aid request that has been up here today; that we ought to let defense rise or fall on its own, and we ought to let the balance of the Simon amendment rise or fall on its own.

So I have, by my substitute, attempted to separate out the defense portion of this fiscal 1979 supplemental under the budget authority.

I would just briefly point again to this chart, which shows relative investment by the United States and the Soviet Union in defense weapons systems, planes, tanks, ships, and all the rest.

You can see, simply by looking at the chart, what has happened over the years as the Soviet Union has moved to the fore in its investment in these types of expenditures.

So I would hope, Mr. Chairman, that we could approve the substitute, at which time it would then be in order for the Simon amendment, less the defense portion of the amendment, to be reoffered on the floor and voted on.

I thank the Members for their indulgence.

□ 1935

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would briefly remind everyone that this Edwards of Alabama substitute which is presently up for vote is basically what we voted on yesterday when we voted down the Charles H. Wilson of California amendment, which would have added about $800 million in defense spending to the $700 million which is presently in the Simon amendment, making a total of $1.4 billion for defense.

We voted no yesterday; we voted not to add the additional money which is in the Edwards of Alabama substitute. We voted to stay with the figure which was in the Simon amendment of money for the two ships. In addition to that, however, the Edwards of Alabama substitute would knock out all of the money for the other programs in the Simon amendment.

The Edwards of Alabama substitute would knock out the countercyclical money; it would knock out the SBA disaster loan money; it would knock out food stamp money; it would knock out nutrition money for elderly citizens; it would knock out everything. So I urge the Members to vote down the substitute amendment.

Mr. EDWARDS of Alabama. Mr. Chairman, will the gentleman yield very briefly?

Mr. GIAIMO. I yield.

Mr. EDWARDS of Alabama. Mr. Chairman, what the gentleman says, in effect, is true, but it does not preclude the reoffering of the Simon amendment without the defense portion in it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. EDWARDS) as a substitute for the amendment offered by the gentleman from Illinois (Mr. SIMON), as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. EDWARDS of Alabama. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 141, noes 269, not voting 24, as follows:

[Roll No. 111]

AYES—141

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Breaux
Brown, Ohio
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Cleveland
Coleman
Collins, Tex.
Corcoran
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erlenborn
Findley
Flippo
Fountain
Frenzel
Gingrich
Goldwater
Gradison
Gramm
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Harsha
Hillis
Hinson
Holt
Hopkins
Huckaby
Hyde
Ichord
Ireland
Jeffries
Jenkins
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Levitas
Lewis
Livingston
Loeffler
Lott
Lungren
McClory
McDonald
Madigan
Marlenee
Marriott
Martin
Mattox
Mica
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Myers, Ind.
Nelson
Nichols
O'Brien
Pashayan
Quayle
Robinson
Roth
Rousselot
Royer
Rudd
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Taylor
Thomas
Treen
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Young, Alaska
Young, Fla.

NOES—269

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Cavanaugh
Clausen
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Dicks
Diggs
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Goodling
Gore
Grassley
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Hutto
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lent
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Moorhead, Pa.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Stratton
Studds
Swift
Synar
Tauke
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—24

Anderson, Ill.
Bolling
Chisholm
Conyers
Coughlin
Crane, Philip
Davis, S.C.
Dixon
Ford, Mich.
Hansen
Hubbard
Johnson, Colo.
Leach, Iowa
Long, La.
Lujan
Mollohan
Murphy, Ill.
Rhodes
Rose
Runnels
Schroeder
Slack
Steed
Thompson

☐ 1950

Mr. WILLIAMS of Ohio changed his vote from "aye" to "no."

So the amendment offered as a substitute for the amendment as amended, was rejected.

The result of the vote was announced as above recorded.

☐ 1955

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. SIMON), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SYMMS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 235, noes 177, not voting 22, as follows:

[Roll No. 112]

AYES—235

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Brown, Calif.
Burton, John
Burton, Phillip
Carney
Carter
Clausen
Cleveland
Clinger
Coelho
Conte
Corman
Cotter
D'Amours
Danielson
Davis, Mich.
Derrick
Derwinski
Dicks
Diggs
Dingell
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Calif.
Emery
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Fithian
Flood
Florio
Foley
Ford, Mich.
Fowler
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hanley
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hutto
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Lederer
Lehman
Lent
Livingston
Lloyd
Lott
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Pa.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Scheuer
Seiberling
Shannon
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stangeland
Stewart
Stratton
Studds
Swift
Thomas
Traxler
Treen
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—177

Abdnor
Archer
Atkinson
AuCoin
Badham
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Bevill
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clay
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
de la Garza
Deckard
Dellums
Devine
Dickinson
Dixon
Dornan
Early
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Ind.
Fenwick
Findley
Flippo
Ford, Tenn.
Forsythe
Fountain
Gibbons
Gingrich
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Grisham
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hance
Harkin
Harsha
Hillis
Hinson

Holland
Holt
Hopkins
Hughes
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jones, N.C.
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Leland
Levitas
Lewis
Loeffler
Long, Md.
Lujan
Lungren
McClory
McDonald
Madigan
Marriott
Martin
Mattox
Michel
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Nichols
Nolan
O'Brien
Pashayan
Paul
Pease
Pickle
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stanton
Stark
Stenholm
Stockman
Stokes
Stump
Symms
Synar
Tauke
Taylor
Trible
Vander Jagt
Volkmer
Walker
Wampler
Watkins
Weaver
Whitehurst
Whittaker
Wilson, Bob
Wilson, C. H
Winn
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—22

Anderson, Ill.
Bolling
Conyers
Coughlin
Crane, Philip
Davis, S.C.
Frenzel
Fuqua
Hansen
Hubbard
Johnson, Colo.
Jones, Okla.
Long, La.
Marlenee
Mathis
Mollohan
Murphy, Ill.
Rose
Schroeder
Slack
Steed
Thompson

☐ 2005

Mrs. BOUQUARD changed her vote from "no" to "aye."

Messrs. SPENCE, BETHUNE, and HAMMERSCHMIDT changed their vote from "aye" to "no."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

☐ 2010

PARLIAMENTARY INQUIRY

Mr. MITCHELL of Maryland. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MITCHELL of Maryland. Mr. Chairman, House Concurrent Resolution 107 is a little different from the other budget resolutions that we have handled in the past in that a portion of it focuses in on fiscal year 1979 budget, and another portion focuses in on fiscal year 1980 budget. I have a substitute amendment which I want to offer to House Concurrent Resolution 107 which embraces both 1979 and 1980. We have just finished Mr. SIMON's amendment which dealt specifically with 1979.

I want to make sure that there will be nothing to preclude me from offering my amendment at some later point in this debate.

The CHAIRMAN. The Chair would like to advise the gentleman that, as he knows, the concurrent resolution is open to amendment at any point. The gentleman's amendment in the nature of a substitute would be in order providing that another amendment in the nature of a substitute was not adopted. If another amendment in the nature of a substitute has not been adopted, the amendment offered by the gentleman from Maryland (Mr. MITCHELL) would be in order.

Mr. MITCHELL of Maryland. I thank the Chair.

PERSONAL EXPLANATION

Mr. PEPPER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, on rollcall 110 I was unavoidably absent. If I had been present, I would have voted "no."

AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. HOLTZMAN: In the matter relating to the appropriate level of total new budget authority decrease the amount by $8,113 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $2,705 million;

In the matter relating to the amount of the deficit decrease the amount by $2,705 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $2,705 million;

In the matter relating to Function 050 decrease the amount for budget authority by $3,351 million; and decrease the amount for outlays by $1,177 million.

In the matter relating to Function 250 decrease the amount for budget authority by $10 million; and decrease the amount for outlays by $3 million.

In the matter relating to Function 270 decrease the amount for budget authority by $3,393 million; and decrease the amount for outlays by $1,131 million.

In the matter relating to Function 300 decrease the amount for budget authority by $76 million; and decrease the amount for outlays by $25 million.

In the matter relating to Function 350 decrease the amount for budget authority by $102 million; and decrease the amount for outlays by $34 million.

In the matter relating to Function 400 decrease the amount for budget authority by $520 million; and decrease the amount for outlays by $174 million.

In the matter relating to Function 450 decrease the amount for budget authority by $75 million; and decrease the amount for outlays by $25 million.

In the matter relating to Function 550 decrease the amount for budget authority by $188 million; and decrease the amount for outlays by $63 million.

In the matter relating to Function 700 decrease the amount for budget authority by $128 million; and decrease the amount for outlays by $43 million.

In the matter relating to Function 800 decrease the amount for budget authority by $90 million; and decrease the amount for outlays by $30 million.

Ms. HOLTZMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

☐ 2015

Mr. BAUMAN. Reserving the right to object, I would ask the gentlewoman, I understand her amendment goes to removing all unobligated balances or some of them; is that correct?

Ms. HOLTZMAN. Not all of them.

Mr. BAUMAN. Does that include the $12 billion or so that are lying around in international lending institutions, and if not, why not?

Ms. HOLTZMAN. This is a reservation of objection?

Mr. BAUMAN. It surely is, unless we want to hear the whole amendment.

Ms. HOLTZMAN. I would be happy to explain the amendment, if the gentleman will permit me to.

Mr. BAUMAN. I reserve the right to object only to ask the gentlewoman from New York whether this goes to the removal of unobligated balances in a number of categories and whether it includes international lending institutions.

Ms. HOLTZMAN. I would say to the gentleman that this does not include any guarantee or loan guarantee program, or any moneys reserved for pensions in any agency.

Mr. BAUMAN. I thank the gentlewoman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

Mr. ROUSSELOT. Reserving the right to object, I know that we discussed before the Budget Committee unobligated balances. Was there a reason that gentlewoman did not include it for foreign aid, category 150?

Ms. HOLTZMAN. I would say to the gentlemen from California (Mr. ROUSSELOT) that the amendment, as I said to the gentleman from Maryland (Mr. BAUMAN), excludes all agencies which do not have unobligated balances and excludes all items which in effect are for pension plans, guarantees, and loan guarantees, and loan guarantee programs. I would be more than happy to discuss the particular agencies involved. That is the general principle of the amendment.

Mr. ROUSSELOT. I thank the gentlewoman.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

Mr. BAUMAN. I further reserve the right to object.

Ms. HOLTZMAN. Mr. Chairman, I withdraw the unanimous consent request.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk concluded reading the amendment.

Mr. BAUMAN. Mr. Chairman, I reserve a point of order against the amendment.

Ms. HOLTZMAN. Mr. Chairman, this amendment is designed to deal with the problem that I raised last year dealing with the issue of unobligated balances. What happens is that many agencies come to the U.S. Congress annually during the appropriations process and say, "Please appropriate money for us," and the Committee on Appropriations does that. But then the agencies do not manage to obligate that money during that year. They do not manage to spend it. They do not manage to sign a contract for its use. What happens is that the agencies come back the next year, despite the fact that they have moneys built up in the pipeline, and the year after that, and the year after that, and they accumulate literally billions in the pipeline.

☐ 2020

I would tell my colleagues that the total of unobligated balances in 1979 across all of the agencies of Government was $44 billion. The amount estimated for fiscal year 1980 is going to be $54 billion. I think you would agree that something is wrong with the fiscal management of our Government when we are accumulating constantly increasing amounts in a pipeline.

The purpose of my amendment is very simple. It cuts across the board 15 percent from the moneys accumulated in the pipeline. It does not treat any agency any differently based on the purpose of the agency, it just says to the agencies, "Start dealing with your money in a much more rational, reasonable manner."

Excluded from this 15-percent cut are all funds within an agency that have been set aside for pensions. Many agencies have funds set aside for pensions and this in no way affects that.

Not included in the 15-percent cut are reserves for loan guarantee programs.

Basically all that would be affected by this amendment is 15 percent of the moneys that would go for procurement, primarily.

I would say that this is a simple, modest and reasonable amendment. It does not entirely cut out unobligated balances, it just starts sending a signal to the agencies:

> Do a better job in estimating when you come to the Congress, do a better job in spending and we will not give you large new increases until you spend the amount you have already been given.

It starts out on a very modest basis, only a 15-percent cut.

I would say during the last Congress when I offered a similar amendment there seemed to be broad support on the floor of the Congress but I withdrew the amendment because I was told on the second budget resolution when the Committee on Appropriations has already begun to take action, it is too late. The time to do it is on the first budget resolution. I would tell the gentleman and the ladies of the House this is the time to do it, this is the time for us to send a message, especially when we are confronted with a concern on the part of the taxpayers for fiscal responsibility and fiscal prudence. To accumulate over $54 billion in unobligated balances is not a sign of fiscal prudence. I do not know how we can go back to the taxpayers and say we are managing our budgetary processes reasonably and prudently when we continue to permit these large unobligated balances to build up.

I hope this amendment will be adopted.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I will be happy to yield to the gentleman from California.

Mr. JOHN L. BURTON. I commend the lady on her amendment. However, I do wonder why she is so modest. What is the total amount, about $7 billion?

Ms. HOLTZMAN. Mr. Chairman, the total amount my amendment would cut is $8 billion in budget authority and $2.7 billion in outlays so that this amendment will reduce the budget deficit by $2.7 billion, without actually impairing any programs. It is a simple, modest, reasonable amendment.

Mr. JOHN L. BURTON. Mr. Chairman, I am in support of the gentlewoman's amendment. I just wish it went further. At a future time I shall offer an amendment which will go further toward unobligated balances and hopefully we can use it to balance our Nation's budget.

Mr. VOLKMER. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I will be happy to yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I too commend the gentlewoman for bringing this to the attention of the House.

I would like to pursue the matter just a little further to find out, if we can, how did we ever get ourselves in this position?

The CHAIRMAN. The time of the gentlewoman has expired.

(On the request of Mr. VOLKMER, and by unanimous consent, Mr. HOLTZMAN was allowed to proceed for 3 additional minutes.)

Mr. VOLKMER. Will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, how did we get ourselves in this position, where we have to do this type of thing, rather than being in a position where we in Congress can hopefully manage the whole idea?

Ms. HOLTZMAN. Mr. Chairman, I am not sure how we got ourselves in this position, but I think now is the time, especially because of the concern about the need for reasonable and prudent spending, now is the time to begin to get hold of this problem.

My amendment does not wipe out unobligated balances.

☐ 2025

My amendment just takes a modest 15 percent from unobligated balances and says, just make a start here. It will not undermine any program. The agencies can go forward; but it seems to me before we give any agency large additional amounts, we ought to ask them to start looking at the moneys they have already in the pipeline for spending.

I just give you an example of the agencies that would be affected:

The Department of Defense; Tennessee Valley Authority; Environmental Protection Agency; Department of Transportation; Department of Energy; Department of HEW; Veterans' Administration; Department of Agriculture; and a host of others.

I think it is a modest, small, beginning. Perhaps the agencies will take the responsibility upon themselves once we do something here to begin to correct the problem.

Mr. VOLKMER. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Missouri.

Mr. VOLKMER. They still have 85 percent of this, more than this, available in 1980. We are only talking about 1980.

Ms. HOLTZMAN. That is correct; the moneys that they cannot spend.

Mr. VOLKMER. Right; as I understand, the gentlewoman said that in 1980, if we do not do this at all, we will have in the pipeline for all the agencies $54 billion.

Ms. HOLTZMAN. That is right.

Mr. VOLKMER. Fifty-four billion?

Ms. HOLTZMAN. That is correct.

Mr. VOLKMER. So actually, if we said well, no, we will cut it back and give you the money you intend to use for 1980, we will not only have a balanced budget, but we would also have a surplus; would we not?

Ms. HOLTZMAN. Not quite.

Mr. VOLKMER. Mr. Chairman, I commend the gentlewoman. She has shown great leadership in this area.

Mr. CONABLE. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I would be happy to yield to my colleague, the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I appreciate what the gentlewoman is trying to do. I am sure there is some sloppy practice in the carryover of unobligated funds, but I would like to ask, what about the situation in Defense where, for instance, Congress has usually made the decision to buy a full aircraft carrier, instead of a third of an aircraft carrier. We do not save any money by obligating funds, by appropriating the funds a third at a time if it is a 3-year project. In fact, you get a much better picture of what the cost of something is going to be.

Now, is it not foolish to fall back on appropriating for a third of an aircraft carrier each year for 3 years?

Ms. HOLTZMAN. I would say to the gentleman, there may be some circumstances in which an agency cannot legitimately obligate all the funds. That is why my amendment only goes to 15 percent. It does not cut out all the unobligated balances. It just starts with a modest 15 percent.

Let me also say to the gentleman, if the Defense Department or any other agency comes to the Congress for appropriations, it is because they are saying we can sign the contract for spending the money this year. If they cannot sign the contract in that year, they should not be coming for an appropriation; but certainly there is plenty of room within the Defense Department and in other agencies to deal with it.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has again expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Ms. HOLTZMAN was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I would be happy to

yield to my colleague, the gentleman from California.

Mr. ROUSSELOT. I thank the gentlewoman for yielding.

I find the gentlewoman's amendment very intriguing and I am tempted to vote for it, because I think the gentlewoman has made an attempt to address the issue with which we have talked about a great deal in the Budget Committee, unobligated and unexpended balances.

Was there some reason the gentlewoman avoided the functions of international affairs education, and income security, because there are very substantial amounts in the pipeline there?

Ms. HOLTZMAN. Mr. Chairman, I would say to the gentleman that when I went over this matter, it seemed to me that there were, in fact, unobligated balances in the State Department. When we examined them, it turned out on my analysis, perhaps the gentleman has some additional information, that the funds were, in fact, pension funds, loan reserves or loan guarantees.

As a policy matter I did not attempt to cut in this amendment any pension funds, any loan guarantees, any loan reserves, or any loan guarantees; so to the extent that such an item is involved, I will say to the gentleman it was a deliberate attempt not to touch any such program, whether it was in the State Department or in any other agency.

Mr. GIAIMO. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I would be delighted to yield to my distinguished chairman.

Mr. GIAIMO. Mr. Chairman, did I understand the gentlewoman to respond to a question from the gentleman from Missouri (Mr. VOLKMER) that these unobligated balances would have an impact on the deficit?

Ms. HOLTZMAN. The gentleman said that he thought this would wipe out the deficit.

Mr. VOLKMER. Mr. Chairman, no, I did not say that.

Ms. HOLTZMAN. But, well, in any case, there is no question in my mind that the deficit would not be wiped out.

Mr. GIAIMO. Mr. Chairman, if the gentlewoman will yield further, if that is so, if these funds are unobligated, is it not correct that they would have no effect, they would not be outlays and they would have no effect.

Ms. HOLTZMAN. My understanding from the staff analysis is that they would have an impact on the deficit this year.

Mr. GIAIMO. If they are unobligated, I will say to the gentlewoman, they would not be spent out and would not affect the deficit.

□ 2030

Ms. HOLTZMAN. Mr. Chairman, I can tell the committee chairman that my Budget Committee staff was the one that reviewed this amendment, and if we cut out the unobligated balances, we do actually cut the deficit.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to my colleague, the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding again.

There is roughly $12 million to $15 million in the category of International Affairs, which is category 150. Now, I know by looking at the committee reports that that amount of $12 billion is not all pensions. So actually the obligations committed in there are no different than in the Defense Department.

We can have that much less flowing in as new obligatory authority as easily in this area or this category as we can in the Defense Department. So the mystery to me is why did the gentlewoman did not really include these other important categories.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

(On request of Mr. ROUSSELOT, and by unanimous consent, Ms. HOLTZMAN was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. So, Mr. Chairman, if the gentlewoman will yield and if I may repeat, it is not all pension funds that would be affected.

Ms. HOLTZMAN. No; it may also be loan guarantees, loan reserves, and the like.

Mr. ROUSSELOT. But in many cases those have not been fully committed here in the unobligated balances.

Ms. HOLTZMAN. Mr. Chairman, the gentleman may be correct, but we just, as a matter of policy, excluded all moneys that were set aside with respect to loan guarantees, whether it is in this department or any department, and there are several departments involved.

Mr. ROUSSELOT. Mr. Chairman, I think in all fairness the gentlewoman really missed a good opportunity to apply the principle—and it is one that I think is very good—of trying to tighten up on the unobligated balances. The gentlewoman missed several functional categories that really are wide open for discussion on really reducing those unexpended balances.

What did the gentlewoman do on income security?

Ms. HOLTZMAN. That is the Department of Health, Education, and Welfare.

Mr. ROUSSELOT. That is the biggest jump in this budget, by the way. As the gentlewoman knows, income security jumps from $161 billion to $183 billion.

Ms. HOLTZMAN. Most of the money there concerns social security, and trust funds were excluded from this amendment.

Mr. ROUSSELOT. As the gentlewoman knows, the social security trust fund will not be required to go up $20 billion in order to cover the increases for cost of living. So for some reason did the gentlewoman avoid that area, too?

Ms. HOLTZMAN. We excluded trust funds for social security for obvious reasons. The gentleman, I am sure, would not have advocated otherwise.

The CHAIRMAN. Does the gentleman from Maryland (Mr. BAUMAN) insist on his point of order?

Mr. BAUMAN. No, I do not, Mr. Chairman.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong opposition to the amendment to reduce certain unobligated balances by 15 percent. If I understand the amendment correctly, it impacts primarily on the balances in three categories of Government programs, the nature of whose operation and funding system, specified by the Congress, inevitably results in unobligated balances.

The largest of three categories is construction and land programs which will have about $28 billion in unobligated balances in fiscal year 1980. The next largest is procurement programs with about $19 billion and the third is research and development programs with about $1 billion. Construction and land programs involve land acquisition and improvement and construction of facilities. Balances are attributable to the nature of these activities where budget authority is provided to be used over a number of fiscal years. The full advance funding policy which Congress requires, so that we know in the beginning what projects will cost, applies to most such major construction projects and leads to some of the balances. Of the $28 billion involved in these programs, however, approximately $16 billion is related to the Tennessee Valley Authority and primarily reflects nothing more than an increase in their authority to borrow money for construction programs. Congress does not typically enact such authority piecemeal. It grants the authority in blocks, and the borrowing and expenditures occur as good program management requires. Thus, when first enacted, the authority appears on the books as an unobligated balance.

With respect to procurement programs, the unobligated balances are associated with the acquisition of capital equipment such as aircraft and ships. These balances are due to the relatively long leadtime required for the procurement and to the application of the congressionally advocated full funding policy. Full funding has the effect of setting a limit on the size of the specific program or project. This approach discloses to the Congress the estimated full cost before the work actually begins. The unobligated balances does not represent unused cash sitting around. It is a bookkeeping entry associated with sound congressional management of program costs. The money is not actually drawn from the treasury until expenditures are required for authorized programs for which appropriations have occurred.

With respect to research and development, the unobligated balances are associated with test, design, and evaluation in energy, physical, biomedical, and environmental sciences, defense, and space flight. Balances occur in these programs because it is difficult to predetermine the exact time or resources required to meet program objectives. Here, again, good management requires that program administrators have flexibility in the timing of expenditures for programs for which authorization and appropriations have occurred.

In short, unobligated balances are the inevitable result of essential management practices in specific types of programs, where the alternative would be a waste of Federal funds. In every case, the unobligated balances are provided for programs for which authorizations and appropriations have been enacted, and to reduce such unobligated balances would simply create havoc with program management, inevitably resulting in increased cost to the taxpayers. The amendment should be defeated.

□ 2035

Let me say further that there is no question that in many instances there are too many unobligated balances sitting around in various accounts. Congress does direct itself to this problem. I know the Appropriations Committee does constantly. It may well be that we should direct ourselves to this problem a bit more and try to get the unobligated balances down. But I submit you cannot do it here in this budget resolution.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. SOLARZ. I thank the chairman of the Committee on the Budget for yielding.

Mr. Chairman, I think this is a very critical point.

Is it true that these unobligated balances consist, in effect, of nothing more than paper entries?

Mr. GIAIMO. Bookkeeping entries.

Mr. SOLARZ. Yes.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(On request of Mr. JOHN L. BURTON and by unanimous consent, Mr. GIAIMO was allowed to proceed for 4 additional minutes.)

Mr. SOLARZ. If the gentleman will yield further, if for argument sake, you have $10 billion in unobligated funds in a particular function, that does not mean that there is $10 billion actually in a bank account somewhere——

Mr. GIAIMO. That is right.

Mr. SOLARZ (continuing). Sitting idly by, waiting to be used.

Mr. GIAIMO. The gentleman is correct.

Mr. SOLARZ. It simply means that there is an entry on a piece of paper saying, in effect, that that function has the authority to draw $10 billion on the Treasury as they expend funds for programs which have already been approved; is that not correct?

Mr. GIAIMO. That is absolutely correct.

Mr. SOLARZ. So to the extent, then, that these unobligated funds are for projects and programs which the Congress has already approved, would it not also be true that a 15-percent cut across the board in unobligated balances is the functional equivalent, among other things, of a 15 percent across-the-board cut in the current budget, since we are simply cutting moneys out for programs we have already approved?

Mr. GIAIMO. Exactly. Because the only way you can address yourself to this problem in the budget resolution is to actually cut budget authority for programs which the gentlewoman's amendment does. For example, it decreases function 050, which is the defense function, by $3.5 billion. It decreases function 270, which is energy, I believe, by $3.3 billion. It makes no reduction in function 600, which is income security. It makes selective reductions across the board in various functions.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Mr. Chairman, we have unobligated balances that are in the pipeline because the contract is signed. I think the gentleman from New York (Mr. CONABLE) addressed himself to that. We also have unobligated funds that have been stored up for years that do not save us money on new equipment, because we buy that new equipment at the present price out of funds that, according to my good friend here, are not even in the bank account drawing interest.

□ 2040

I see nothing wrong with cutting the level of money that our taxpayers have to pay this year, in telling some department, "Take the money the taxpayers paid last year, the year before, the year before, the year before, and spend that."

Last year, when I had an amendment, I think, that wiped them all out, the chairman said that was not the time to do it, and let us do it cautiously.

Here you have a 15-percent cut in slush funds, if you will, that are sitting there that are not in a pipeline, unobligated moneys they have not even signed a contract to obligate the spending level. How are you going to go back and tell your people you want them to pay that much more in taxes this year rather than have them let their past taxes pay for the expenditures? Am I not correct?

Mr. GIAIMO. No, the gentleman is not correct.

Mr. JOHN L. BURTON. I think I am. I thank the gentleman for yielding.

Mr. GIAIMO. The gentleman is entitled to his thoughts.

Mr. JOHN L. BURTON. Will the gentleman tell me where I was wrong. Will the gentleman tell me where there are unobligated funds that are not in the pipeline.

Mr. GIAIMO. I yield no further, Mr. Chairman.

The gentlewoman would cut from function 500, $20 million.

Mr. JOHN L. BURTON. Out of how much of unobligated funds?

Mr. GIAIMO. It would cut it out of $3.4 billion.

Mr. JOHN L. BURTON. $400,000 out of $3.4 billion. That "ain't" much.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words.

I rise to support the position of our committee chairman and also to draw the attention of the Committee to the fact that this amendment is not simply limited to unobligated balances. While this entire debate has focused only on unobligated balances, the fact is that a portion of this amendment says that there shall be a decrease in the amount of outlays of $1.1 billion for function 050, which is defense, and likewise a decrease in function 270, which is energy, for outlays in the amount of $1.131 billion; therefore, this amendment not only provides for a reduction in the unobligated balances, but also provides for a very substantial reduction in defense outlays and in energy outlays.

For those reasons, in addition to the reasons presented by the distinguished chairman of the committee, I urge the defeat of that amendment.

Mr. SOLARZ. Mr. Chairman, I rise to strike the requisite number of words.

I wonder if my good friend from Brooklyn, the author of the amendment, might yield for a question or two.

I have a copy of the amendment here. I see a whole list of reductions for the different functions contained in the amendment, both with respect to budget authority and with respect to budget outlays.

I do not see anything in the actual language or text of the amendment which refers in any way, shape, manner, or form to unobligated balances. So I wonder if the gentlewoman could let us know what the relationship between her amendment is and the unobligated amounts for these functions.

Ms. HOLTZMAN. The same relationship, I would tell my good friend from New York, between the gentleman's earlier amendment to add money for countercyclical aid and the function to which it was added; namely, that the legislative history here is clear that the intent of this amendment is to take the funds from unobligated balances only and to address that matter only. It is the same problem with respect to any issue the gentleman raises including the amendment the gentleman had before him, which the House voted on previously.

There is nothing in the language of the amendment that said "countercyclical" or "targeted fiscal assistance," but it was perfectly clear to every Member of the House and part of the legislative history of the action that that is what was done.

□ 2045

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from California.

Mr. ROUSSELOT. Does the gentlewoman also intend that unexpended balances be cut?

Ms. HOLTZMAN. Will the gentleman yield?

Mr. SOLARZ. I yield.

Ms. HOLTZMAN. No, this amendment does not touch matters for which contracts have been signed. This does not touch unexpected balances. This amendment reaches only to moneys for which the agency has not had an opportunity to sign a contract. It does not reach any moneys for which contracts have already been signed.

Mr. SOLARZ. If I can reclaim my time just for a moment, assuming for the purposes of argument that the legislative history which the gentlewoman has established would be sufficient to effectuate the purposes of the amendment if it were adopted, let me say that one of the reasons that I am nonetheless against it is precisely because, when we appropriated money in the past, we appropriated it for specific programs and projects. Once they are approved we have a policy of fully funding these projects at the time they are adopted.

It may take several years to actually use the money previously appropriated, but the point is that the Congress has approved that particular program or that particular project once the money for it is appropriated. If this amendment were to be adopted, what we would be doing is taking a 15-percent across-the-board cut out of programs Congress has already approved. That, it seems to me, is a meat ax approach, and I would be just as much against it as I would be if an amendment were offered to the budget resolution taking a 15-percent across-the-board cut out of all the programs and projects in this resolution.

I think, if we want to cut out money for a particular function, there ought to be a justification for eliminating the programs in that particular function. There may be a lot of projects and programs that we approved last year, or 2 years ago, or 3 years ago, for which there are still unobligated balances, and if the gentlewoman or any other member of the committee wants to come forward with an amendment that cuts out the unobligated funds for a particular program on the grounds that the program is no longer needed or necessary, and if that argument makes sense, I think we should support it, but to come before us and say that we are going to cut all the unobligated balances by 15 percent, even though we previously approved those projects or programs, no matter how important they may be, seems to me to be, although offered with the best of intentions, fiscally irresponsible.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield further?

Mr. SOLARZ. I yield.

Ms. HOLTZMAN. I would say that to permit a situation where for years—and perhaps the gentleman does not realize this—but unobligated balances have been growing for many years in many agencies across the board, that to permit this process to go on untouched is the height of fiscal irresponsibility.

The CHAIRMAN. The time of the gentleman from New York has again expired.

(By unanimous consent Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. I want to say to my very good friend from Brooklyn, who has been following this issue very closely, and more so than any other member of the Budget Committee has been successful in focusing attention on it, that she was successful in persuading the Budget Committee to adopt an amendment which is included in this budget resolution requiring all of the authorizing committees to take a critical look at these unobligated balances and to determine, to the extent to which it may be possible, how to reduce them in the future. That, it seems to me, is a much more sensible approach to the problem because if the authorizing committees take a look at it, and in their judgment there are particular programs which ought to be cut back, then they can come forward and make the appropriate recommendations.

□ 2050

But the gentlewoman is short-circuiting by this amendment the very procedure which she persuaded the Committee on the Budget to adopt.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. Yes, I yield to the gentlewoman.

Ms. HOLTZMAN. I thank the gentleman for yielding.

I think the gentleman makes a very good point. Unfortunately, the report language adopted by the Committee on the Budget requiring the committees of Congress to examine this problem does not go into effect for fiscal year 1980; it goes into effect for fiscal year 1981.

Remember, this is only the first budget resolution. It is not binding on the Appropriations Committee, but it gives a clear and loud signal that we want the Appropriations Committee to look at this matter very carefully. If the committee comes back, I will say to my good friend, the gentleman from New York, and they say, "Well, we really cannot cut 15 percent in this program; we can only cut 3 percent in the agency," in HUD, let us say, "but we can cut 25 percent in the Department of Transportation," that is something else. But I think we ought to be sending a signal in this budget resolution to begin looking at this problem and to begin cutting out moneys from these pipelines that have not been obligated.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. SCHULZE, and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. I thank the gentleman from New York for yielding.

I am sure the distinguished gentlewoman from New York would not want to intentionally mislead the Committee. If I heard her correctly, she said her amendment touches only unobligated balances. I would ask the gentleman from New York, a member of the committee, is it not a fact that this amendment is not limited to unobligated balances, but this amendment clearly also reduces outlays. It says it reduces outlays by 1.117 in defense and by 1.131 in energy and other areas. Therefore, this is not limited to unobligated balances?

Mr. SOLARZ. That is exactly how I read it. But in fairness to the gentlewoman from New York, I understand her to be saying that the legislative history behind this amendment makes it clear that it is supposed to apply only to unobligated balances.

Ms. HOLTZMAN. If the gentleman will yield, that is right. It only applies to unobligated balances, and the reason is, the staff says, the consequence of cutting the moneys from the pipeline.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it seems to me that this amendment proceeds from a fundamentally mistaken view as to why we have these unobligated carryover appropriations. Our typical garden variety appropriation is a 1-year appropriation which a department is required to obligate within that fiscal year, and, if it does not do so, the appropriation lapses. This from time to time produces those unseemly end-of-the-fiscal-year rushes to obligate funds. As a result of that, Congress from time to time consciously decides to have multiyear or no-year appropriations; namely, appropriations which will not lapse at the end of a particular fiscal year. That is done as a result of a conscious decision on the part of Congress that that is a more efficient way to spend the Federal dollar and will save the taxpayers money, and that is why these unobligated funds exist. It seems to me that to try to strike out at these with an across-the-board 15 percent, or any percent, cut simply fails to recognize the reason these things have come into existence, and that is a decision that this is the more economical way to proceed rather than the more costly way. If there are cases where experience proves it is not more economical, then I think we ought to identify those cases and deal with them. But I think we ought to understand that we got in this posture not because anyone was wasting money and became careless with the Federal dollar, but because people decided instead that the multiyear or no-year appropriation, which did not lapse after a year, was the most efficient way to get the best value for the Federal buck.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. GREEN. I yield to the distinguished gentleman from Arizona.

Mr. RHODES. I thank the gentleman for yielding.

I congratulate the gentleman on the statement he has just made. I think he has told it just exactly the way it is.

As a former member of the Committee on Appropriations, I am certainly aware of the fact that whenever the Committee on Appropriations does its work, it considers unobligated balances, and it uses those unobligated balances sometimes to offset, if there are not needed any more requested appropriations.

The gentleman is absolutely correct in

saying that most of these unobligated balances are there because the Congress has approved the project, or whatever it may be that is entailed. It is given a no-year appropriation because it is aware of the fact that obligation cannot occur within 1 year. So this money is not found money at all, and it is not lost money. It is money that is waiting for a specific purpose and will be used for that purpose, and if it is not, the Committee on Appropriations knows exactly how to take care of it, and it will.

☐ 2055

Mr. GREEN. I thank the distinguished minority leader for confirming my views on the subject.

Mr. JOHN L. BURTON. Mr. Chairman, I move to strike the last word. I will try to straighten out everyone on this issue.

The distinguished gentleman from California (Mr. Rousselot) talked about unexpended funds. Those are funds for which you have a contract that you know you are going to buy something with but you just have not paid them yet. Those funds help the Federal Government because you may decide to purchase an item at the present time with present dollars which will not be eaten up by inflation.

You tell me how unobligated funds that were appropriated 5 years ago that are now worth 50 percent what they were before are helping the Federal Government save money. You go back and tell your taxpayers why you are going to charge them some $20 billion in taxes rather than telling the Pentagon to spend the $20 billion they have been storing up over the years and over the years and over the years that are not obligated, that were appropriated 5 years ago that they will spend them.

If they are going to buy a cruiser they make a contract for the cruiser and they may obligate the money but not spend it. We are not talking about that. We are talking about money just sitting there unobligated and not spent which has been sitting there in some cases for over 4 or 5 years.

The Congress made that decision. Everybody knows that Congress never made a mistake. People on this side of the aisle know Congress never made a mistake. That is why they try to undo every program that has been passed since this side has been in the majority, because Congress cannot make a mistake. I do not believe what I am hearing.

It is a 15-percent cut and what we are saying to them is that there are cuts in outlays. We are saying instead of taking it from the taxpayers' dollar here or adding it to the ever-growing deficit that fuels the fires of inflation, that eats at us all and most cruelly it hits the poor and the elderly, take it out of those petty cash slush funds that the department has.

I will give you a good chance a little bit later to deal with it. I am going to give you a balanced budget. You can go home and explain to your folks that you could not touch that unobligated fund, that Congress voted it and Congress has never made a mistake, and you may say, "I do not want you to balance your budget, I want the Pentagon and Jim Schlesinger who can spill more money in a day than the Pentagon drinks in a week, to have these unobligated funds." This is a very modest approach that gives a signal and it does a lot of cutting in outlays because it says, "Spend the money you have in the kit, do not take it from our taxpayers or do not take it from our children and do not mortgage our children's children's future."

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I will be happy to yield to my friend from Bakersfield.

Mr. THOMAS. Thank you.

Mr. Chairman, I appreciate the clarification of the gentleman from California. I wish the gentleman would give me further clarification, using the analogy of the gentlewoman from New York (Ms. Holtzman), on the money in the pipeline.

Mr. JOHN L. BURTON. This does not touch the money in the pipeline. That is unobligated.

Mr. THOMAS. You would call those unexpended funds in the pipeline?

Mr. JOHN L. BURTON. This does not touch those.

Mr. THOMAS. These are unobligated?

Mr. JOHN L. BURTON. That would be, if you decided to buy an aircraft carrier and you were paying for it in stages you would have money in the pipeline for a direct purpose. This is money that is unobligated and I do not know why they got it. It might have been to fight the Vietnam war when they thought we would go back in 1974.

Mr. THOMAS. Mr. Chairman, have we any idea of the percentage of the unobligated funds that sit there for the time that you estimated, the 4 or 5 years?

Mr. JOHN L. BURTON. No, I do not. I know there is over $22 billion in the Pentagon this year and I think in the pipeline unexpended funds, the gentleman from California (Mr. Rousselot) probably knows better than I, in the range of $50 or $60 billion in funds that are obligated but unexpended.

Mr. THOMAS. I am interested in the unobligated funds you talked about in terms of their sitting there for 4 or 5 years. What percentage of the approximately $54 billion that the lady from New York (Ms. Holtzman) mentioned are there sitting there for periods up to 5 years?

Mr. JOHN L. BURTON. I am only talking about the Pentagon. I do not refer to the total Government picture. How much the Pentagon had last year, I am sure maybe the Committee on the Budget could speak to that but they do accumulate over the years. I did not say there had been $20 billion there since last year. There is enough to balance the budget with them this year and you will all get a chance to vote on that one.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I will be very happy to yield to my colleague from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding.

Mr. JOHN L. BURTON. Mr. Chairman, it is a distinct pleasure to yield to my colleague from California.

Mr. ROUSSELOT. Mr. Chairman, first of all the reason I questioned the gentlewoman from New York (Ms. Holtzman) about unexpended balances, I want to read to you from the committee report what that means.

☐ 2100

It means the amount of budget authority unspent.

The CHAIRMAN. The time of the gentleman from California (Mr. John L. Burton) has expired.

(By unanimous consent, Mr. John L. Burton was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, the definition is the amount of budget authority unspent and still available for conversion to outlays in the future; the sum of the obligated and unobligated balances. That is a direct quote from the committee report.

The reason I asked if the gentlewoman was addressing that issue in her resolution is that I genuinely believe, having served on the Budget Committee, that some of those amounts are, in fact, excessive and have accumulated far beyond what is needed.

So I regret to hear the gentlewoman did not include in her definition of what she was trying to reduce, unexpended balances, because I think in many cases we have given authority to spend far beyond what is really needed in appropriations to which the gentleman from Arizona (Mr. Rhodes) referred.

Mr. JOHN L. BURTON. Mr. Chairman, if I can reclaim my time, then I will be happy to yield for the gentlewoman to answer; but there is nothing to preclude my friend from going a little bit farther in this.

We talk about balanced budgets. If there is enough money sitting around in the bureaucracies to balance the budget without cutting into this year's social programs, it is inconceivable to me why they are doing it.

I yield to the gentlewoman from New York (Ms. Holtzman) to answer the gentleman's question, if that is what the gentleman wants.

Ms. HOLTZMAN. Mr. Chairman, I thank my colleague for yielding.

I would say to my friend, the gentleman from California, that I am sure the gentleman is correct. There might be some contracts that have already been entered into that may not be completed, and that too should be reviewed.

I would say to my friend, we are having a hard enough time getting our colleagues to understand the seriousness of the problem of unobligated funds. I think if we can address that first, we can then perhaps delve into the other matter.

Mr. ROUSSELOT. If the gentleman will yield further, that is really authority that is far beyond being used and many times is not being used. Yet those balances can be obligated and additional outlays made. We need to tighten up on it.

Mr. JOHN L. BURTON. Mr. Chairman, if I can recapture my time for 10 seconds, it is never the right time to do anything to the budget.

The CHAIRMAN. The time of the gentleman from California (Mr. JOHN L. BURTON) has again expired.

(At request of Mr. VOLKMER, and by unanimous consent, Mr. JOHN L. BURTON was allowed to proceed for 3 additional minutes.)

Mr. JOHN L. BURTON. Mr. Chairman, before I yield, I just would like to say we are going to hear it on every amendment, that it is never the time to do it if you are doing it to the budget.

We ought to give the gentleman from Connecticut (Mr. GIAIMO) double pay for having to deal with the problem, because the process seems to be impossible.

Mr. Chairman, I thank the gentleman.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I would like to pursue the point a step further that the gentleman from New York and the gentleman from Connecticut were addressing just a little while ago on this; that is that it did not actually reduce the deficit, because was it or was not the money actually in the bank or was there a draw on it or was it on paper?

Mr. JOHN L. BURTON. It would reduce it, because you reduced outlays by spending what you have in the bank and not taking it out of the taxpayers and adding it to the deficit.

Mr. VOLKMER. Which means you cannot go to the Treasury and draw out that kind of money; is that not correct?

Mr. JOHN L. BURTON. It is unobligated and if it is there, it is my assumption that as the gentleman from New York says, they have a $10 billion draw, they can draw it out.

Mr. VOLKMER. Mr. Chairman, if the gentleman will yield further, the last question I have, this does not address that, but I think it is very important that we realize, what if at this time all these agencies within the year 1980 would go to the bank and make that draw, go to the Treasury and make that draw?

Mr. JOHN L. BURTON. We would have a lot of money.

Mr. VOLKMER. Would we have enough money, or would we have to increase the public debt?

Mr. JOHN L. BURTON. No; I do not believe we would have to increase the public debt. We are increasing the public debt by voting for a deficit, rather than using moneys that our people have already paid in that the agencies are not using. If they go in and put a claim on this money, I do not believe it would increase the debt, unless they have got it in certificates of deposits somewhere claiming interest.

Mr. VOLKMER. But it would just cut back on their right to take the draw off the Treasury; is that not correct?

Mr. JOHN L. BURTON. Mr. Chairman, I was trying to raise this discussion to a level of dignity it does not deserve.

□ 2105

It really does not matter. The way we can reduce the deficit is by reducing the outlays and have them go into effect in unobligated fund accounts and spend some of the money on this year's activities if they have not spent it in years past. That, I think, is a better idea than mortgaging my daughter's grandchild's future by having a huge national debt, and she thinks it is a better idea, too.

Mr. VOLKMER. So do I.

AMENDMENT OFFERED BY MR. CHARLES H. WILSON OF CALIFORNIA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MS. HOLTZMAN

Mr. CHARLES H. WILSON of California. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. CHARLES H. WILSON of California as a substitute for the amendment offered by Ms HOLTZMAN: In the matter relating to National Defense for fiscal year 1980, strike out the amount specified for new budget authority and insert in lieu thereof "$137,808,000,000".

In the matter relating to National Defense for fiscal year 1980, strike out the amount specified for outlays and insert in lieu thereof "$125,070,000,000".

Increase the aggregate amounts in the first section (other than the amount of the recommended level of Federal revenues and the amount by which the aggregate level of Federal revenues should be decreased) accordingly.

Mr. CHARLES H. WILSON of California. Mr. Chairman, I believe the gentleman from Connecticut (Mr. GIAIMO), the gentleman from New York (Mr. SOLARZ), the gentleman from Pennsylvania (Mr. SHUSTER), and the gentleman from New York (Mr. GREEN) have all explained the fallacy of this theory that has been going around the floor as far as unobligated funds are concerned.

My amendment affects only the national defense function for fiscal year 1980 but affects both budget authority and outlays.

Briefly, what my amendment does is give the House an opportunity to raise the national defense function to a figure closer to the President's request rather than have to accept the arbitrary $3 billion reduction proposed by the Budget Committee.

The President's proposal called for $138.2 billion in budget authority and $126.0 billion in outlays for the defense budget for fiscal year 1980.

The Budget Committee resolution as reported would reduce that to $135.2 billion in new budget authority and $123.9 billion in outlays.

My amendment would provide for $137.8 billion in budget authority and $125.1 billion in outlays.

The difference between my amendment and the President's request is as follows:

In budget authority, my amendment provides for a 20-percent absorption of the cost of the Government pay raise. This is a reduction of $435 million. Thus, in rounded figures, my amendment provides for budget authority of $137.8 billion.

In outlays, my amendment provides for the 20-percent pay absorption plus a $500 million reduction to conform with the Congressional Budget Office outlay reestimates. Thus, my amendment provides for fiscal year 1980 outlays in rounded terms of $900 million below the President's request.

Mr. Chairman, my amendment is simple. It allows the House an opportunity to reject the unrealistic reductions in the national defense function proposed by the Budget Committee without changing other functional categories.

I believe the Budget Committee cut is unrealistic, because the effects of inflation have been underestimated. In addition, the budget presumes some reductions which the Congress is not likely to accept—such as the wholesale reduction of the naval reserves and the so-called reform of the salary system for Wage Board employees.

Personnel costs are pretty well fixed. If less funds are available we cannot reduce pay rates. Therefore, the effects of inflation are going to show up by cutting the muscle of defense—by forcing reductions in procurement of needed weapon systems and in military research and development. The truth is that the budget, even with the optimistic inflation estimates of the administration, was bareboned. In the Navy, it provided for fewer new aircraft than were lost through attrition last year; 103 new aircraft compared to 107 lost through attrition.

The President has made a commitment to real growth in the defense budget. We need a sustained period of real growth if the Soviets are not to achieve overwhelming superiority. With the cut proposed by the Budget Committee, I do not believe we could realistically expect to achieve real growth at all.

I think we should send a signal to the Soviet Union and to the American people that we are not going to let our relative defense capability be reduced.

I urge the adoption of my amendment.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we have been through this before with the defense figures. This is for the 1980 budget. It would add $2.6 billion in budget authority to the recommendation of the Committee on the Budget, and I urge the defeat of the amendment.

□ 2110

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to ask the gentleman from California (Mr. CHARLES H. WILSON) this question: As I understand it, then, the gentleman's amendment strikes everything in the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN), except function 50, which is defense, and that dollar amount adds to the committee resolution about what the President recommended?

Mr. CHARLES H. WILSON of California. $400 million less than what the President recommended. But it does strike.

Mr. ROUSSELOT. So if we voted for the amendment offered by the gentleman from California (Mr. CHARLES H. WILSON), we would be striking all of the

Holtzman amendment and adding to the defense function.

Mr. CHARLES H. WILSON of California. That is right.

Mr. ROUSSELOT. The gentleman's substitute strikes all of that, and adds only to defense?

Mr. CHARLES H. WILSON of California. That is right.

AMENDMENT OFFERED BY MR. JOHN L. BURTON TO THE AMENDMENT OFFERED BY MR. CHARLES H. WILSON OF CALIFORNIA AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MS. HOLTZMAN

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment to the amendment offered as a substitute for the amendment.

The CHAIRMAN. The Clerk will report the amendment to the amendment offered as a substitute.

PARLIAMENTARY INQUIRIES

Mr. GIAIMO. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GIAIMO. Mr. Chairman, may I know what the proceedings are at the present time?

The CHAIRMAN. The Chair will advise the gentleman from Connecticut (Mr. GIAIMO), the chairman of the Committee on the Budget, that we have before the committee the amendment offered by the gentleman from California (Mr. CHARLES H. WILSON) as a substitute for the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN), and the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

Mr. JOHN L. BURTON. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHN L. BURTON. Mr. Chairman, the original amendment was an amendment offered by the gentlewoman from New York (Ms. HOLTZMAN)?

The CHAIRMAN. The gentleman is correct.

Mr. JOHN L. BURTON. The amendment offered by the gentleman from California (Mr. CHARLES H. WILSON) was an amendment offered as a substitute for the amendment?

The CHAIRMAN. The gentleman is correct.

Mr. JOHN L. BURTON. My amendment is an amendment to the amendment offered by the gentleman from California (Mr. CHARLES H. WILSON) as a substitute for the amendment.

The CHAIRMAN. The gentleman from California (Mr. JOHN L. BURTON) is in order with an amendment to the substitute.

Mr. GIAIMO. Mr. Chairman, is the gentleman from California (Mr. JOHN L. BURTON) offering an amendment?

The CHAIRMAN. The gentleman from California is offering an amendment.

Mr. GIAIMO. Mr. Chairman, I would like to make a point of order against the amendment.

The CHAIRMAN. The Clerk will have to first report the amendment before the gentleman from Connecticut can raise his point of order.

The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON to the amendment offered by Mr. CHARLES H. WILSON of California as a substitute for the amendment offered by Ms. HOLTZMAN: Strike all after line 1 and insert:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $510,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $586,255,609,000.

(3) the appropriate level of total budget outlays is $510,567,609,000.

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero and

(5) the appropriate level of the public debt is $863,372,609,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,372,609.

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $112,974,000,000;

(B) Outlays, $101,686,000,000.

(2) International Affairs (150):

(A) New budget authority, $12,932,000,000;

(B) Outlays, $8,223,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,622,000,000;

(B) Outlays, $5,475,000,000.

(4) Energy (270):

(A) New budget authority, $19,999,609,000;

(B) Outlays, $7,821,609,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,781,000,000;

(B) Outlays, $11,820,000,000.

(6) Agriculture (350):

(A) New budget authority, $4,929,000,000;

(B) Outlays, $5,350,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,560,000,000;

(B) Outlays, $3,195,000,000.

(8) Transportation (400):

(A) New budget authority, $19,708,000,000;

(B) Outlays, $18,184,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,303,000,000;

(B) Outlays, $7,348,000,000.

(10 Education, Training, Employment and Social Services (500):

(A) New budget authority, $32,453,000,000;

(B) Outlays, $31,454,000,000.

(11) Health (550):

(A) New budget authority, $58,079,000,000:

(B) Outlays, $53,813,000,000.

(12) Income Security (600):

(A) New budget authority, $217,332,000,000;

(B) Outlays, $183,100,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,290,000,000;

(B) Outlays, $20,804,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,306,000,000;

(B) Outlays, $4,433,000,000.

(15) General Government (800):

(A) New budget authority, $4,424,000,000;

(B) Outlays, $4,331,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,499,000,000;

(B) Outlays, $6,489,000,000.

(17) Interest (900):

(A) New budget authority, $56,000,000,000;

(B) Outlays, $56,000,000,000.

(18) Allowances (920):

(A) New budget authority, $854,000,000;

(B) Outlays, $831,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19,800,000,000;

(B) Outlays, —$19,800,000,000.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bills and no resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) of the Budget Act for fiscal year 1980 shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. In 1979, each standing committee of the House of Representatives shall report by July 1 to the House of Representatives its recommendations and the status of its actions with respect to new spending authority including all legislative savings, and other reforms, targeted by the first concurrent resolution on the budget for the fiscal year ending on September 30 of that same year. This report shall include any additional legislative savings which the committee believes should be considered by the House in the House in the programs for which such committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to all possible legislative savings for the programs for which the committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives an estimate of the unobligated (and unexpended) balances of budget authority, an analysis of the extent to which such unexpended or unobligated balances could reasonably be reduced, and what steps, if any, have been or are being taken to reduce such balances.

SEC. 6. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $458,485,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,000,000;

(2) the appropriate level of total new budget authority is $555,659,000,000;

(3) the appropriate level of total budget outlays is $492,820,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of eco-

nomic conditions and all other relevant factors is $34,335,000,000; and

(5) the appropriate level of the public debt is $830,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

(b)—

(1) National Defense (050):

(A) New budget authority, $125,468,000,000;

(B) Outlays, $113,817,000,000.

(2) International Affairs (150):

(A) New budget authority, $11,576,000,000;

SEC. 6. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $458,485,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,000,000;

(2) the appropriate level of total new budget authority is $555,659,000,000;

(3) the appropriate level of total budget outlays is $492,820,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $34,335,000,000; and

(5) the appropriate level of the public debt is $830,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

(b)—

(1) National Defense (050):

(A) New budget authority, $125,468,000,000;

(B) Outlays, $113,817,000,000.

(2) International Affairs (150):

(A) New budget authority, $11,576,000,000;

(B) Outlays, $7,640,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,357,000,000;

(B) Outlays, $5,151,000,000.

(4) Energy (270):

(A) New budget authority, $7,227,000,000;

(B) Outlays, $7,338,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,770,000,000;

(B) Outlays, $11,245,000,000.

(6) Agriculture (350):

(A) New budget authority, $8,283,000,000;

(B) Outlays, $5,918,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,844,000,000;

(B) Outlays, $2,917,000,000.

(8) Transportation (400):

(A) New budget authority, $19,212,000,000;

(B) Outlays, $17,137,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,062,000,000;

(B) Outlays, $9,001,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $32,604,000,000;

(B) Outlays, $29,995,000,000.

(11) Health (550):

(A) New budget authority, $52,904,000,000;

(B) Outlays, $49,409,000,000.

(12) Income Security (600):

(A) New budget authority, $193,717,000,000;

(B) Outlays, $161,096,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $20,386,000,000;

(B) Outlays, $20,211,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,163,000,000;

(B) Outlays, $4,179,000,000.

(15) General Government (800):

(A) New budget authority, $4,237,000,000;

(B) Outlays, $4,159,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,476,000,000;

(B) Outlays, $8,602,000,000.

(17) Interest (900):

(A) New budget authority, $52,429,000,000;

(B) Outlays, $52,430,000,000.

(18) Allowances (920):

(A) New budget authority, $699,000,000;

(B) Outlays, $693,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$18,120,000,000;

(B) Outlays, —$18,120,000,000.

Mr. JOHN L. BURTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

Mr. GIAIMO. I reserve the right to object, Mr. Chairman, and I shall object.

Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The Clerk will continue reading the amendment.

The Clerk continued reading the amendment.

□ 2115

Mr. SOLARZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

PARLIAMENTARY INQUIRY

Mr. ASHBROOK. Mr. Chairman, reserving the right to object, under the reservation, could I propound a parliamentary inquiry?

The CHAIRMAN. Would the gentleman state his parliamentary inquiry.

Mr. ASHBROOK. Mr. Chairman, as I understand it, the statute that calls or sets up the budget, the authority under which we consider the budget, requires that amendments be consistent and mathematically correct.

I am asking a parliamentary inquiry of the Chair, not having the amendment in front of this gentleman, how can I know whether or not a point of order would lie?

The CHAIRMAN. The gentleman may reserve a point of order until he has examined the amendment.

The gentleman from Connecticut has reserved a point of order and will probably insist upon it.

Mr. ASHBROOK. Not on that basis, I might add, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. SOLARZ) that the amendment be considered as read and printed in the RECORD?

There was no objection.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Connecticut (Mr. GIAIMO) insist upon his point of order?

Mr. GIAIMO. I do, Mr. Chairman. I raise the point of order against the amendment on the ground that it is not germane to the Wilson amendment, which addresses itself to one function, national defense, and this addresses itself far beyond that; and, therefore, it is not germane.

In addition, I do not have a copy of the amendment before me, but I am advised via the hearsay route that it is not mathematically consistent.

Mr. JOHN L. BURTON. Then the gentleman ought to fire his staff.

Mr. GIAIMO. Consequently, it is not in order.

Mr. JOHN L. BURTON. I would like to be heard, Mr. Chairman.

The CHAIRMAN. The Chair would be glad to hear the gentleman from California.

Mr. JOHN L. BURTON. First of all, the figures I have were from the gentleman's staff. I am sure they gave the correct figures. It was the budget that has appeared in the RECORD of 2 days ago with only the augmentation of the $265 million that the Budget Committee stalwartly stood up against. It raises the amount of outlays by the veterans' figures.

It raises the amount of obligation authority by the veterans' figures and increases the amount of offset moneys to make sure we have a balanced budget by getting $265 million from Jimmy Schlesinger in his unobligated funds.

It is my understanding that the Charles H. Wilson amendment although it only addressed itself to defense, it, by the language, inferred all that was in the amendment of the gentlewoman from New York, by striking that. It struck every section of the Holtzman amendment.

If I am not germane here, certainly I am germane to the Holtzman amendment and will offer my amendment to the Holtzman amendment in the nature of an amendment to the Holtzman amendment, if that be the necessary case.

□ 2120

The CHAIRMAN. The Chair is ready to rule upon the point of order of the gentleman from Connecticut (Mr. GIAIMO).

The subtitle offered by the gentleman from California (Mr. CHARLES H. WILSON) deals only with the national defense functional category for fiscal 1980. The amendment thereto offered by the gentleman from California (Mr. JOHN L. BURTON) deals not only with defense but with several other functional categories and is more general in scope.

Therefore, the amendment of the gentleman from California (Mr. JOHN L. BURTON) is not germane and the point of order is sustained.

AMENDMENT OFFERED BY MR. JOHN L. BURTON TO THE AMENDMENT OFFERED BY MS. HOLTZMAN

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON to the amendment offered by Ms. HOLTZMAN: Strike all after line 1 and insert:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional

Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $510,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

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(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $ zero and

(5) the appropriate level of the public debt is $863,372,609,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,372,609.

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

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(A) New budget authority, $12,932,000,000;
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(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,622,000,000;
(B) Outlays, $5,475,000,000.
(4) Energy (270):
(A) New budget authority, $19,999,609,000;
(B) Outlays, $7,821,609,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,781,000,000;
(B) Outlays, $11,820,000,000.
(6) Agriculture (350):
(A) New budget authority, $4,929,000,000;
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(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,560,000,000;
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(8) Transportation (400):
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(B) Outlays, $183,100,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,290,000,000;
(B) Outlays, $20,804,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,300,000,000;
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(A) New budget authority, $4,424,000,000;
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(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,499,000,000;
(B) Outlays, $6,489,000,000.
(17) Interest (900):
(A) New budget authority, $56,000,000,000;
(B) Outlays, $56,000,000,000.
(18) Allowances (920):
(A) New budget authority, $854,000,000;
(B) Outlays, $831,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$19,800,000,000;
(B) Outlays, —$19,800,000,000.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bills and no resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) of the Budget Act for fiscal year 1980 shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. In 1979, each standing committee of the House of Representatives shall report by July 1 to the House of Representatives its recommendations and the status of its actions with respect to new spending authority including all legislative savings, and other reforms, targeted by the first concurrent resolution on the budget for the fiscal year ending on September 30 of that same year. This report shall include any additional legislative savings which the committee believes should be considered by the House in the programs for which such committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to all possible legislative savings for the programs for which the committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives an estimate of the unobligated (and unexpended) balances of budget authority, an analysis of the extent to which such unexpended or unobligated balances could reasonably be reduced, and what steps, if any, have been or are being taken to reduce such balances.

SEC. 6. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $458,485,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,000,000;

(2) the appropriate level of total new budget authority is $555,659,000,000;

(3) the appropriate level of total budget outlays is $492,820,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $34,335,000,000; and

(5) the appropriate level of the public debt is $830,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

(b)—

(1) National Defense (050):
(A) New budget authority, $125,468,000,000;
(b) Outlays, $113,817,000,000.
(2) International Affairs (150):
(A) New budget authority, $11,576,000,000;
(b) Outlays, $7,640,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,357,000,000;
(B) Outlays, $5,151,000,000.
(4) Energy (270):
(A) New budget authority, $7,227,000,000;
(B) Outlays, $7,265,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,770,000,000;
(B) Outlays, $11,245,000,000.
(6) Agriculture (350):
(A) New budget authority, $8,283,000,000;
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(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,844,000,000;
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(A) New budget authority, $32,604,000,000;
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(A) New budget authority, $52,904,000,000;
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(15) General Government (800):
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(B) Outlays, $4,159,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,476,000,000;
(B) Outlays, $8.602,000,000.
(17) Interest (900):
(A) New budget authority, $52,429,000,000;
(B) Outlays, $52,430,000,000.
(18) Allowances (920):
(A) New budget authority, $699,000,000;
(B) Outlays, $693,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$18,120,000,000;
(B) Outlays, —$18,120,000,000.

Mr. SOLARZ (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

Mr. GIAIMO. Mr. Chairman, I reserve a point of order against that amendment also.

The CHAIRMAN. Is there objection to the request of the gentleman from New York (Mr. SOLARZ) dispensing with the reading of the amendment?

There was no objection.

The CHAIRMAN. The gentleman from California (Mr. JOHN L. BURTON) is recognized for 5 minutes.

Mr. ROUSSELOT. Mr. Chairman, a point of order. Is it too much to ask for a copy of the amendment?

Mr. JOHN L. BURTON. It is in the Record.

The CHAIRMAN. The gentleman knows that is not a point of order.

The gentleman from California (Mr. John L. Burton), is recognized for 5 minutes.

Mr. JOHN L. BURTON. I will give it to the gentleman. It is in the Congressional Record. All he has to do is use the $265 million figure of the veterans by increasing obligations and outlays to the veterans, increasing total outlays and obligations by that amount, and then he decreases the Department of Energy by $265 million.

Here is a good chance to vote for a balanced budget without cutting into this year's programs at all. We utilize the balanced budget in the figures that the committee had of a deficit of, I believe, some $24.9 billion, for which we are to be complimented.

We utilize the unobligated funds, not those that are obligated and unexpended, but the unobligated funds that have been sitting around in the Department of Defense. We utilize portions of unobligated funds from the Department of Energy, and we increase revenues by $3 billion by repealing the foreign tax credit for oil companies where the oil companies, instead of paying royalties, which they could then have deducted as just a business expense, call these credits and then pay a foreign tax credit.

This amendment was passed a few years ago in the Senate, but it was dropped in the House because we have a nongermaneness rule. All of us are concerned about deficits, all of us are concerned about balanced budgets. It would be very easy to utilize this as a means of balancing the budget as opposed to even under the Latta substitute, which would bring us in with a deficit.

Now, I have talked to my people, and instead of election year gimmicks and tax cuts, they would rather see the balanced budget. Here, we can balance the budget without cutting programs, without even cutting programs of the Department of Defense.

☐ 2125

All we are saying is, dip in your kitty and use that money that your taxpayers and my taxpayers have been paying for years, and spend that. I think it is an excellent opportunity. Again, it deals only with unobligated funds and assumes an additional $3 billion worth of revenue. If the Members want to go home without having voted for a balanced budget, they can try to do it, but I happen to know that each and every day that we are here, the great and glorious Governor of the State of California, Edmund G. Brown, Jr., has people in these galleries watching us.

I would say this, if my good friend, the gentleman from California (Mr. Rousselot) who has offered a balanced budget that I have supported on many occasions, cuts into programs that help people, cuts into programs that help cities, and cuts some of the fat out, it also could have such a recessionary impact that conceivably we could find ourselves in a deficit position at that time. I would say the safest way of balancing the budget is doing it with tax dollars that have been paid in the past but not used by the bureaucrats. It is for that reason that I offer this amendment.

The figures add up, according to my calculations, because the only change made was the 265 figure that we took as a budget buster by the gentleman from Texas (Mr. Roberts) and those were figured in.

The CHAIRMAN. Does the gentleman from Connecticut (Mr. Giaimo) insist on his point of order?

Mr. GIAIMO. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

POINT OF ORDER

Mr. GIAIMO. The gentleman's amendment is a substitute for the entire resolution; the Holtzman amendment is not. It touches on matters not dealt with in the Holtzman amendment, namely, changes for fiscal year 1979. It is, therefore, not germane to the amendment of the gentlewoman from New York (Ms. Holtzman).

Second, it is still not mathematically consistent according to the provisions of House rule XXIII.

Mr. JOHN L. BURTON. Mr. Chairman, may I respond. My amendment does not affect 1979. My amendment makes four changes in the restatement of the committee's position. If it is found that this would be out of order, I would just have to take a sharp pencil and start cutting some of those out.

I would challenge the chairman on the statement as to where the numbers are mathematically incorrect, because I got the numbers by obtaining them from his staff.

Mr. GIAIMO. I am delighted that the gentleman is challenging me.

Mr. JOHN L. BURTON. I want the answer, yes.

Mr. GIAIMO. The gentleman will get the answer. I notice that with increasing frequency the statement is made that the figures were obtained from the Committee on the Budget staff. The figures that the gentleman asked for earlier were obtained from the Budget Committee staff, but they contemplated, in later action by the gentleman, taking into cognizance some other committee amendments which were coming down the road, which were added, and which the gentleman does not add.

Mr. JOHN L. BURTON. Yes, I do. They are added in pencil.

Mr. Chairman, I ask to be heard on the point of order. If the gentleman had listened, which I guess he did not, when he insisted that the resolution be read, he would have found that the copy read included the $265 million changes made by the veterans' bill.

The CHAIRMAN (Mr. Natcher). The Chair is ready to rule on the point of order made by the gentleman from Connecticut (Mr. Giaimo).

The amendment offered by the gentlewoman from New York (Ms. Holtzman) deals only with fiscal year 1980 targets. The amendment thereto offered by the gentleman from California (Mr. John L. Burton) deals not only with 1980 but with fiscal 1979 revisions and contains other language. The amendment is not germane to the Holtzman amendment. The Chair so rules and sustains the point of order.

The question is on the amendment offered by the gentleman from California (Mr. Charles H. Wilson) as a substitute for the amendment offered by the gentlewoman from New York (Ms. Holtzman).

RECORDED VOTE

Mr. CHARLES H. WILSON of California. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 188, noes 209, not voting 37, as follows:

[Roll No. 113]

YEAS—188

Abdnor
Ambro
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Boggs
Boner
Bouquard
Breaux
Brinkley
Brown, Ohio
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Flippo
Fountain
Fowler
Frost
Gilman
Gingrich
Ginn
Gonzalez
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hefner
Hillis
Hinson
Holt
Hopkins
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lujan
Lungren
McClory
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Michel
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Neal
Nelson
Nichols
O'Brien
Pashayan
Perkins
Price
Quillen
Railsback
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Stump
Symms
Taylor
Thomas
Treen
Trible
Vander Jagt
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Young, Fla.

NAYS—209

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Boland
Bonior
Brademas
Brodhead
Brooks
Broomfield
Broyhill
Burlison
Burton, John

Burton, Phillip
Carr
Cavanaugh
Chisholm
Coelho
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erdahl
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flood
Florio
Foley
Ford, Tenn.
Forsythe
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Glickman
Goldwater
Goodling
Gore
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Petri
Peyser
Pickle
Preyer
Pritchard
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Stark
Stewart
Stokes
Studds
Swift
Synar
Tauke
Traxler
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Waxman
Weaver
Weiss
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Wylie
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—37

Anderson, Ill.
Badham
Bedell
Bolling
Bonker
Bowen
Brown, Calif.
Clay
Conyers
Coughlin
Crane, Philip
Davis, S.C.
Diggs
Fish
Ford, Mich.
Frenzel
Fuqua
Hubbard
Johnson, Colo.
Jones, Okla.
Kastenmeier
Levitas
Long, La.
Miller, Calif.
Mollohan
Murphy, Ill.
Quayle
Rose
Schroeder
Slack
Staggers
Thompson
Ullman
Williams, Ohio
Wilson, Bob
Wydler
Young, Alaska

☐ 2140

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Ms. HOLTZMAN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electornic device, and there were—ayes 79, noes 317, not voting 38, as follows:

[Roll No. 114]

AYES 79

Addabbo
AuCoin
Beard, R.I.
Bedell
Benjamin
Bingham
Bonior
Brodhead
Burton, John
Burton, Phillip
Carr
Cavanaugh
Coelho
Collins, Ill.
D'Amours
Daschle
Dellums
Derrick
Derwinski
Dodd
Downey
Early
Edwards, Calif.
Evans, Ga.
Evans, Ind.
Fenwick
Fithian
Ford, Tenn.
Garcia
Goodling
Gray
Guarini
Hall, Ohio
Hamilton
Harkin
Heckler
Holtzman
Hughes
Jacobs
Kildee
Kostmayer
Leland
McHugh
McKinney
Maguire
Markey
Mikulski
Mikva
Miller, Ohio
Mitchell, Md.
Moffett
Murphy, Pa.
Nolan
Nowak
O'Brien
Patten
Pursell
Rahall
Rangel
Richmond
Rodino
Russo
Seiberling
Shannon
Sharp
St Germain
Stark
Stokes
Studds
Traxler
Udall
Vanik
Vento
Volkmer
Walgren
Weaver
Weiss
Wolpe
Yatron

NOES 317

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, Tenn.
Beilenson
Bennett
Bereuter
Bethune
Bevill
Biaggi
Blanchard
Boggs
Boland
Boner
Bonker
Bouquard
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Devine
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Fary
Fascell
Fazio
Ferraro
Findley
Fisher
Flippo
Flood
Florio
Foley
Forsythe
Fountain
Fowler
Frost
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Huckaby
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mineta
Minish
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Treen
Trible
Van Deerlin
Vander Jagt
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wright
Wyatt
Wylie
Yates
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING 38

Anderson, Ill.
Badham
Bolling
Bowen
Brown, Calif.
Chisholm
Clay
Conyers
Coughlin
Crane, Philip
Davis, S.C.
Diggs
Fish
Ford, Mich.
Frenzel
Fuqua
Hubbard
Johnson, Colo.
Jones, Okla.
Kastenmeier
Levitas
Long, La.
Miller, Calif.
Mollohan
Murphy, Ill.
Quayle
Rose
Rosenthal
Roybal
Schroeder
Slack
Staggers
Thompson
Ullman
Williams, Ohio
Wilson, Bob
Wydler
Young, Alaska

☐ 2200

Mrs. FENWICK changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROBERTS: In the matter relating to Veterans Benefits and Services for fiscal year 1980, strike out the amount specified for new budget authority and insert in lieu thereof "$21,300,000,000".
>
> In the matter relating to Veterans Benefits and Services for fiscal year 1980, strike out the amount specified for outlays and insert in lieu thereof "$20,814,000,000".
>
> Increase the aggregate amounts in the first section (other than the amount of the recommended level of Federal Revenues and the amount by which the aggregate level of Federal revenues should be decreased) accordingly.

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979 had come to no resolution thereon.

PROVIDING FOR THE SPONSORSHIP BY THE NATIONAL PARK SERVICE OF FOUR NATIONAL SYMPHONY ORCHESTRA CONCERTS

Mr. YATES. Mr. Speaker, I send to the desk a concurrent resolution, House Concurrent Resolution 114, and ask unanimous consent for its immediate consideration. I have cleared it with the majority leader and the minority leader.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain the purpose?

Mr. YATES. Mr. Speaker, if the gentleman will yield, the purpose of this resolution is to permit the National Symphony Orchestra to play its concerts, which are scheduled on 4 days starting on May 30 and continuing each day thereafter on a night certain, under the same conditions as the service orchestras under the law that permits that.

☐ 2005

Under the present law they can do that.

Mr. ROUSSELOT. I think it is a worthwhile purpose.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois (Mr. YATES)?

There was no objection.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 114

Whereas, the National Symphony Orchestra has expressed a desire to perform free concerts on the United States Capitol Grounds for the entertainment of the citizenry of our Nation; and

Whereas, these performances would be similar to those presently given by the service bands under authority of 40 U.S..C 1391; Now therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the National Park Service shall be permitted to sponsor a series of four National Symphony Orchestra concerts on the Capitol Grounds during 1979, such concerts to be free to the public and arranged not to interfere with the needs of Congress, under conditions to be provided by the Architect of the Capitol.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

IMPROVEMENT OF EXPORT OPPORTUNITIES FOR SMALL BUSINESS CONCERNS

(Mr. SKELTON asked an was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SKELTON. Mr. Speaker, as we continue today to consider the budget resolution, we are all focusing on the critical state of our economy.

In this regard, I have long felt that our economy suffers tremendously because of the present imbalance of trade between our Nation and our neighbors in the world. What has baffled me, however, is the amazingly insignificant role U.S. small business plays in eliminating our trade deficit. Smaller businesses and farms remain this country's major untapped resource for improving our balance of trade.

Today, Mr. Speaker, I have introduced a bill which attempts to advance exporting opportunities among these businesses. My bill, the "Small Business Export Improvement Act of 1979" would pool information on overseas markets—now scattered in various Government agencies—into a single data source. It would be publicly accessible at any of the Small Business Administration's 107 offices nationwide. Not only does the bill direct SBA's Administrator to designate an export expert in each of the 10 Federal regional offices, it also makes available to U.S. economic offices overseas, information on small business export capabilities.

It is the intent of this bill to bring more small businesses and farms into the export marketplace. By reaching out to these business operators, helping them cut through redtape and get their products directly to overseas buyers, we will be providing a useful and much needed service, not only to the small businesses located in all of our districts but also to our present economic situation.

I hope each of my colleagues in the House considers joining me in sponsorship of this measure. A copy of this bill follows:

H.R. —

A bill to amend the Small Business Act to improve export opportunities for small business concerns, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Export Improvement Act of 1979".

PURPOSES

SEC. 2. The purposes of this Act are to improve exporting opportunities for small business concerns by providing for—

(1) the sharing between various Federal agencies of information on export markets and opportunities,

(2) the availability of such information to small business concerns, and

(3) the availability of information at diplomatic and consular missions of the United States on products and services provided by small business concerns which are available for export.

SHARING OF EXPORT INFORMATION BETWEEN FEDERAL AGENCIES; AVAILABILITY OF EXPORT INFORMATION

SEC. 3. (a) The Small Business Act (15 U.S.C. 631 et seq.) is amended by redesignating sections 16 through 21 as sections 17 through 22, respectively, and by inserting after section 15 the following new section:

"SEC. 16. (a)(1) Not later than June 1, 1980, the Administrator shall establish a program which provides for a computerized facility for the collection, storage, and retrieval of export information developed by the Administration or provided to the Administration by the Secretary of Commerce, the Secretary of State, or the Secretary of Agriculture.

"(2) The Secretary of Commerce, the Secretary of State, and the Secretary of Agriculture each shall provide, in accordance with such program, such export information as the Administrator shall require. All export information stored in the facility under paragraph (1) shall be available to the Department of Commerce, the Department of State, the Department of Agriculture, and the Administration.

"(3) The Administrator shall, on a regular basis (but not less often than once during each calendar quarter), prepare and publish a report—

"(A) which identifies specific opportunities for the exportation of products or services provided by small business concerns, and

"(B) which contains such other export information determined by the Administrator to be useful to small business concerns in evaluating the feasibility of utilizing such opportunities.

Export information so published shall be available at the national, regional, and local offices of the Administration for distribution to small business concerns.

"(4) The Administrator shall designate one individual in each regional office of the Administration whose sole duties shall be—

"(A) to collect information on products and services which are provided by small business concerns in the region and which may be available for export,

"(B) to inform small business concerns in such region of the availability of export assistance from the Administration, and

"(C) to perform such other duties as the Administrator determines to be appropriate to carry out the purposes of this subsection.

"(5) For purposes of this subsection, the term 'export information' means information relating to—

"(A) specific opportunities for the exportation of products and services provided by small business concerns,

"(B) specific products and services provided by such concerns which are available for export and the names and addresses of small business concerns providing such products and services,

"(C) economic conditions abroad which the Administrator determines are appropriate to the evaluation of export opportunities for products and services provided by such concerns, and

"(D) restrictions by the United States or by foreign countries with respect to the exportation to such countries of products and services provided by such concerns.

"(b)(1) The Administrator shall provide information to the Secretary of State, the Secretary of Commerce, and the Secretary of Agriculture on the availability of specific products and services which may be provided abroad by small business concerns.

"(2) Each Secretary who receives information under paragraph (1) on a product or service shall transmit such information to employees of such Secretary at each diplomatic or consular mission of the United States located in the area of the world to which the Administrator determines such product or service may be exported.

"(3) All information transmitted under paragraph (2) to any diplomatic or consular mission of the United States shall be available for distribution to potential foreign consumers of such products and services.

"(c) On request by any small business concern which provides any product or service which the Administrator determines is available for export, the Administrator shall—

"(1) translate for such concern any advertising brochure on such product or service into each major commercial foreign language for which such concern requests a translation, and

"(2) provide export information with respect to such product or service."

(b)(1) Subsection (d) of section 20 of such Act is amended by striking out "section 20(c)" and inserting in lieu thereof "section 21(c)".

(2) Subsection (g) of section 20 of such Act is amended by striking out "section 20(f)" and inserting in lieu thereof "section 21(f)".

REMARKS OF SENATOR CHARLES McC. MATHIAS, JR., BEFORE THE COPPIN STATE COLLEGE SEMINAR

(Mr. MITCHELL of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. MITCHELL of Maryland. Mr. Speaker, on April 23, 1979, Senator CHARLES McC. MATHIAS, JR., addressed the fine activities which Coppin State College in Baltimore, Md., is about to undertake in connection with its establishment of a baccalaureate degree program in occupational safety and health. I am delighted to submit, for my colleagues' review, the Senator's remarks before the Coppin State College seminar on "Reflections of Occupational Safety and Health Education and Training In the Academic Structure."

I am delighted to be here to help launch Coppin State College's new program in Industrial Safety and Hygiene. I am always glad to be associated with an organization that moves out boldly to meet the future and that's what you are doing here today.

There is a very interesting organization in Menlo Park, California called the Institute for the Future which devotes itself exclusively to charting the uncharted paths of tomorrow. I would like to read you what they say about the future, because the needs they identify are the very needs you are addressing.

They write:

". . . (W)e live in a period of rapid and vast change. As change quickens in tempo and widens in sweep, the risks and opportunities that confront us call increasingly for expanded efforts to lead the course of events, rather than be led by them. An awareness of the future has thus become more important to the present than ever before, and the responsibility of those in private and public life who hold the public trust has now grown to include an obligation to shape their decisions as fully as possible by such an awareness."

The curriculum we are here to discuss today has been shaped by such an awareness. It will actually train students for jobs that are yet to be filled and, indeed, in most cases for jobs that are yet to be created. As of January 31, 1979, the Occupational Safety and Health Administration (OSHA) budget office reported that 61 authorized positions for health inspectors remained unfilled. And a current study predicts that government and industry may need to hire more than 500 trained health professionals annually from 1981 through 1985. Yet, only 75 to 100 college graduates who enter the job market each year are qualified for these jobs.

In addition, if OSHA continues to press companies for safer working conditions, industry's annual needs could jump to 590 between 1981 and 1990. Meanwhile, it is estimated that demands for industrial hygienists may soon outstrip the supply by a ratio of five-to-one. And, of course, a professional hygienist needs two or three technicians on the job.

So what we see here is a very bright job picture. But just compare that picture with these facts:

"There are now more than one million young people in this country under 22, who have left school and are not working:

In Maryland unemployment between the ages of 20 and 24 hovers around 11 percent statewide and 14 percent in the Baltimore Metropolitan area, and

Among non-whites of the same age group in Maryland, the percentage of unemployed is much higher—about 24 percent statewide and 32 percent in the Baltimore Metropolitan area.

It's obvious from these figures that somewhere along the line we've failed a lot of our kinds. It seems to me that this failure goes back a long way. Over the past 200 years, this country shifted from an agrarian to an industrial society, but our educational system was late in detecting the trend and still hasn't responded adequately to the changed nature of our society and the new demands of our economy.

As Lyndon Baines Johnson astutely pointed out some years ago:

"We have entered an age in which education is not just a luxury permitting some . . . an advantage over others. It has become a necessity without which a person is defenseless in this complex industrialized society."

In offering a Baccalaureate degree program in occupational safety and health, you here at Coppin State, are looking the future straight in the eye and you are giving young people the opportunity to equip themselves for it. You are giving them the defenses they need to deal with the complex industrialized society Lyndon Johnson described.

When you do this you are doing something else, perhaps even more important. You are giving them liberty. Fifteen years ago when we passed the great Civil Rights Act of 1964, we thought we had broadened liberty for the American people and we did. We broadened it. But we didn't really bring liberty to anyone. What we thought was opportunity, a greater opportunity for liberty. But what good is a legal right if you don't have the money to make good on that right? Of what value is equal access legislation if you can't buy a meal, because you don't have a job to make the money to buy a meal?

In the Congress we can legislate the right to do a job, but that's a pretty hollow right unless there are jobs available and unless the people who need them are equipped to do them.

In these days of high unemployment, when college graduates are pounding the streets looking for decent jobs, industrial hygiene is a wide-open field and the pay is good. It's still a relatively unknown field too, which is why you deserve so much credit for staking out a claim to it.

Of course, it's not quite as unknown as it was 26 years ago when Howard L. Kusnetz, now Shell Oil's manager for safety and health, told his fiancee's uncle that he earned his living as an "industrial hygienist". The uncle just nodded. But later that evening, he sidled up to the prospective bride's father and asked in a whisper: "How come you're letting your daughter marry a man who cleans toilets in a factory?"

Industrial hygiene has come a long way since then even if it still isn't exactly a household term. But I hope that by the time you're finished here today the entire Baltimore Metropolitan community—representatives of labor and industry alike—will know what an industrial hygienist is and that Coppin State is training them.

William E. McCormick, Managing Director of the American Industrial Hygiene Association, says that the number of people now being trained in this field is not enough even to replace the number who retire or die each year. This is really shocking when you consider how important the work is.

The Occupational Safety and Health Act of 1970 (P.L. 91–596), which we finally passed after a two-year struggle, was aimed at reducing both the 14,300 deaths and the 2.2 million disabling injuries caused annually by on-the-job accidents. It was also aimed at the unknown number of illnesses and deaths resulting from or complicated by toxic substances, or noise encountered at the work place.

Today everyone is looking for ways to cut costs and balance the budget. And everyone points the finger at government. But few people stop to reflect how much these work accidents and deaths cost the economy every year. The year we enacted P.L. 91–596, they cost the nation $16 billion.

That is just an enormous sum to lose out of the economy in a year. The waste in human terms is tragic and incalculable.

Compared to $16 billion down the drain, OSHA's $173 million budget for this year is a drop in the bucket. The entire federal budget for education in FY '79, in fact, falls almost $4 billion short of what we lose in occupational health and safety related accidents.

From 1972 to 1977, with the passage of P.L. 91–596, industrial fatalities declined about 11 percent and work-caused injuries and illnesses decreased nearly 15 percent. That's an improvement but we've got to do a lot better than that.

What is being done here at Coppin State convinces me that we can and will do better. You are pioneering in a field that not only offers great opportunity for jobs but that also promises very real job satisfactions. It is a wonderful thing to know that what you do could mean the difference between life and death to many workers, or between a healthy, vigorous life and a half-life brought on by crippling disease.

More than 100 years ago Prime Minister Benjamin Disraeli pointed out to the British people that:

"The health of the people is really the foundation upon which all their happiness and all their power as a State depend."

This is as true today as it was then. The people who graduate from the program we are launching today at Coppin State will have the power to bestow the precious gift of good health. And you will have given them that wondrous power.

I congratulate you and wish you well in this important endeavor.●

PANETTA BILL PROVIDING ESTATE TAX RELIEF TO FAMILY FARMERS

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, last week I introduced legislation to provide much-needed estate tax relief to farm families. By providing an exemption for small- and moderate-sized farms that continue as family-run operations for 15 years beyond the death of a decedent, my bill would help to preserve the institution of family farming in our Nation.

At this point in the RECORD, I would like to insert my bill, H.R. 3720:

H.R. 3720

A bill to amend the Internal Revenue Code of 1954 to exempt certain farm property from the estate tax

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to gross estate) is amended by inserting after section 2032A the following new section:

"SEC. 2032B. EXCLUSION OF CERTAIN FARM PROPERTY.

"(a) GENERAL RULE.—If—

"(1) the decedent was (at the time of his death) a citizen or resident of the United States, and

"(2) the executor elects the application of this section with respect to all qualified farm property and files the agreement referred to in subsection (e)(2),

there shall be excluded from the value of the gross estate a portion of the value of qualified farm property, as determined under subsection (b).

"(b) AMOUNT OF EXCLUSION.—The portion of the value of qualified farm property which shall be excluded from the gross estate under subsection (a) shall be determined in accordance with the following table:

"If the value of qualified farm property is: The exclusion is:
Not over $250,000—the value of qualified farm property.
Over $250,000 but not over $300,000—$250,000 plus 85% of the excess over $250,000.
Over $300,000 but not over $350,000—$292,500 plus 60% of the excess over $300,000.
Over $350,000 but not over $400,000—$322,500 plus 30% of the excess over $350,000.
Over $400,000 but not over $450,000—$337,500.
Over $450,000 but not over $500,000—$337,500 minus 35% of the excess over $450,000.
Over $500,000 but not over $550,000—$320,000 minus 70% of the excess over $500,000.
Over $550,000 but not over $835,000—$285,000 minus 100% of the excess over $550,000.
Over $835,000—$0.

"(c) VALUE OF QUALIFIED FARM PROPERTY.—For purposes of this section, the value of qualified farm property is the value of such property which is included in gross estate under this part (without regard to this section or section 2032A).

"(d) DEFINITION OF QUALIFIED FARM PROPERTY.—For purposes of this section, the term 'qualified farm property' means qualified real property as defined in subsection (b) of section 2032A, other than qualified real property to which paragraph (2)(B) of such subsection applies.

"(e) ELECTION; AGREEMENT.—

"(1) ELECTION.—

"(A) IN GENERAL.—The election under this section shall be made not later than the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof), and shall be made in such manner as the Secretary shall by regulations prescribe.

"(B) ELECTION NOT ALLOWED IF ELECTION MADE UNDER SECTION 2032A.—No election may be made under this section with respect to an estate if an election has been made with respect to such estate to have the value of any portion of qualified real property determined under section 2032A(a).

"(2) AGREEMENT.—The agreement referred to in this paragraph is a written agreement signed by each person in being who has an interest (whether or not in possession) in qualified farm property to which an election under this section applies consenting to the application of section 2032A(c) with respect to such property.

"(1) APPLICATION OF ADDITIONAL TAX.—For purposes of applying subsection (c) of section 2032A, any amount excluded from gross estate under this section shall be treated as an amount by which the value of qualified real property is decreased under section 2032A(a).

"(2) VALUE OF INTEREST IN QUALIFIED FARM PROPERTY FOR PURPOSES OF ADDITIONAL TAX.—In determining the value of an interest in qualified farm property for purposes of section 2032A(c), the portion of the amount excluded under this section for qualified farm property which shall be allocated to such interest shall be an amount which bears the same relation to such amount excluded, as the value of such interest (determined without regard to this section or section 2032A) bears to the value of all qualified farm property similarly determined."

(b) The table of sections for part III of subchapter A of chapter 11 of the Internal Revenue Code of 1954 is amended by inserting after the item relating to section 2032A the following new item:

"Sec. 2032B. Exclusion of certain farm property."

SEC. 2. (a) Subparagraph (D) of section 2032A(b)(1) of such Code is amended to read as follows:

"(D) such real property is designated in the agreement referred to in subsection (d)(2), or, in the case of qualified farm property with respect to which an election is made under section 2032B, in the agreement referred to in subsection (e)(2) of such section."

(b) Paragraph (3) of section 2032A(b) of such Code is amended by inserting "or section 2032B" after "without regard to this section" each place it appears.

(c) Subsection (c) of section 2032A of such Code is amended by adding at the end thereof the following new paragraph:

"(8) CROSS REFERENCE.—

"For additional amounts treated as amounts subject to tax under this subsection, see section 2032B(f)(1)."

(d) Paragraph (1) of section 2032A(d) of such Code is amended to read as follows:

"(1) ELECTION.—

"(A) IN GENERAL.—The election under this section shall be made not later than the time prescribed by section 6075(a) for filing the return of tax imposed by section 2001 (including extensions thereof), and shall be made in such manner as the Secretary shall by regulations prescribe.

"(B) ELECTION NOT ALLOWED IF ELECTION MADE UNDER SECTION 2032B.—No election may be made under this section with respect to an estate if an election has been made with respect to such estate under section 2032B"

SEC. 3. Paragraph (6) of section 2032A(e) of such Code is amended to read as follows:

"(6) MATERNAL PARTICIPATION.—

"(A) IN GENERAL.—Material participation shall be determined, subject to subparagraph (B), in a manner similar to the manner used for purposes of paragraph (1) of section 1402(a) (relating to net earnings from self-employment).

"(B) LIMITATIONS WITH RESPECT TO FARMS.—For purposes of this section, no individual shall be considered to have materially participated in the operation of a farm during any period unless—

"(i) more than one-half of the net income of such individual during such period is attributable to the operation of such farm, and

"(ii) the principal residence of such individual is located on or near such farm, as determined by the Secretary, during such period.

"(C) PRINCIPAL RESIDENCE.—For purposes of this paragraph, the determination of whether or not a dwelling unit is a taxpayer's principal residence shall be made under principles similar to those applicable to section 1034, except that no ownership requirement shall be imposed."

SEC. 4. The amendments made by this Act shall apply to estates of decedents dying after December 31, 1979.

CARGO SECURITY

(Mr. PICKLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PICKLE. Mr. Speaker, on March 19, I placed in the CONGRESSIONAL RECORD an unsigned report on cargo crime at John F. Kennedy Airport in New York. The report traced allegations of sham unions, organized crime influence, and general lax security standards at JFK over the years. I will not repeat the article here, but note that the allegations were very serious.

On April 11, my office received a letter with attachments from Mr. Edward J. McGowan, executive director of the Airport Security Council, of Forest Hills, N.Y. The Airport Security Council is an industry created group that is given the mission of combating cargo theft crime at the New York area's three major airports—JFK, La Guardia, and Newark.

Mr. McGowan protests strongly that the material I placed in the RECORD was "a sad piece of work" with rehashed "shopworn, never documented allegations." The insertion report was said to have been compiled by the staff of a congressional task force.

The gist of his letter, however, is that beyond the allegations, the amount of theft at JFK is being combated effectively by the airlines and the Security Council. He states that the real figures for cargo theft at JFK are no more than 37.5 cents per $100 of revenue.

Attachments he sent to me state that the cargo theft prevention program at JFK resulted in a drop in theft as compared to the situation before the Council was created.

I guess the big question is what is my opinion on all this since I am the one pushing for legislation to combat cargo theft.

As with most things in life, I think that the truth is a little bit of both. I do not question Mr. McGowan, nor the Security Council. I know that they are working hard, and are implementing measures to increase security.

At the same time, I do not believe that the picture at JFK is nearly as rosy as Mr. McGowan paints.

But we do not know the answers to

these opposing views. If we could get some good congressional hearings on the problem, and focus on the legislation I have introduced in one form or another for the past 8 years, then maybe better judgments could be made by Members of Congress.

For example, Forbes magazine recently ran a cover story, a signed article, about cargo theft, which is generally counter to Mr. McGowan's views and those of industry. The main point of the Forbes article is that theft is a "business as usual" affair. I would ask that the Forbes article of April 16, 1979, be placed in the Congressional Record. After reading the Forbes article, one should find it clear why I would welcome Mr. McGowan's testimony so that the facts could all speak for themselves:

THE GAME WHERE NOBODY LOSES BUT EVERYBODY LOSES

(By Richard Phalon)

He had parked at the far end of the truck stop and was checking the tires on the side of the trailer away from the diner when they jumped him. There were three of them and he knew better than to fight back as they hustled him into the car. It was four hours later, a little after 3 a.m., when the police made a routine swing through a parking lot downtown, less than a dozen miles away. The cops found him hand-cuffed to the steering wheel of a stolen Chevy. His eyes were still taped, but otherwise he was okay. The three hoods were gone, the trailer was gone, and so was its $60,000 load of highly negotiable blue jeans.

The scene was Jersey City, N.J., but it could have been Miami, St. Louis, Houston, Los Angeles or Anywhere, U.S.A. A happening so frequent that hijacks like it are known in the trade as "give ups"—just one more statistic in the evolution of property crime as one of the nation's biggest and fastest growing industries.

Crime an industry? Well, consider this: Projecting the Department of Commerce's 1975 and 1976 figures to 1978, Forbes estimates that theft of various kinds of cost U.S. business $40 billion last year. If our figures are correct the cost has been increasing at a compound rate of 15 percent a year. Add to this a probable $4 billion a year in personal property stolen from individuals and you have a business that compares in size with the U.S. steel industry.

The theft industry employs tens of thousands of people in its direct work and many thousands more indirectly—insurance adjusters, private guards, extra policemen hired to deal with the public's sporadic concern over crime. Its depredations are, on the one hand, a cost of doing business and, on the other, a means for lightly scrupled businessmen to gain an edge on their law-abiding competitors. In a sense it is like the unnecessary surgery that is so prevalent today: a ripping off of one group for the benefit of another group, with the cost diffused throughout society as a whole via medical insurance.

That diffusion seems to be the major reason the American public has become so relaxed about the growing incidence of nonviolent crime. Through the insurance mechanism everybody contributes to a pool to compensate the victims. Thus, the victims get off lightly, the thief makes out well and the insurance company makes a sale. Insurance costs big money, though, and so does security. Most of the burden is simply passed on to the public in the form of higher prices—a businessman must recoup his costs, after all, or go out of business.

Thus, the growing theft industry is a major source of rising prices—what the economists call "inflation." (Yes, crime rates do impact prices, just as pollution control, taxes and politically powerful farmers do.) And if something is stolen, you might just as well kiss it good-bye. According to the FBI's Uniform Crime Reports, no more than one out of every five burglaries or thefts is "cleared" by arrests. Recoveries run to less than a third of all property reported stolen, and of those arrested, only 59 percent are convicted. "The odds against getting caught are very long, and the odds that a thief will do time are even longer still," says Eric A. Seiff of the State of New York Commission of Investigation (SCI). "It's a low-risk, high-profit business." And he might have added: largely untaxed.

The rising tide of crime has created a strange kind of symbiosis. Law enforcement agencies, for example, are developing a kind of vested interest in crime. The more horrendous the statistics become, the bigger their operating budgets. The security industry has a vested interest, too. Demand for everything from the simple rent-a-cop business on out to the most sophisticated electronic gear is booming to the point where the industry is now grossing about $2.3 billion a year.

The insurance companies are doing all right, too. Since 1973 premiums written on inland marine coverage, attached to goods moving in transit, have shot from roughly $950 million to better than $1.4 billion. The amount of money spent on home owners coverage (fire, burglary, theft and liability packages) has climbed from $3 billion to better than $5.2 billion in what is basically a cost-plus business. There have been a few rough patches. Commercial burglary and theft insurance, for example, has traditionally been one of the industry's steadily profitable lines. Some underwriting losses began to show in the mid-Sixties, but they helped to trigger a spate of rate increases and higher deductibles that pushed the line well back into the black.

Some of the quantum jump in property crime rates is related to the spread of drug addiction. Many of those arrested for theft or burglary have also been busted for narcotics offenses, but the junkies are being crowded out of a business where the really big scores are increasingly made by professionals.

"When I started out in this business as a young officer in 1946," says James O. Golden, director of the Criminal Conspiracies Division of the Law Enforcement Assistance Administration (LEAA), "a burglar was a burglar. You could usually identify him by his m.o. Now they've become more sophisticated.

Signs of that sophistication show in the series of major thefts that have rocked the art world. It takes a certain amount of savvy to defeat a security system in the successful Topkapi-like raid made on San Francisco's M.H. deYoung Memorial Museum, for example, and even more savvy to figure out how four unmistakably hot 17th-century Dutch paintings can be worked into legitimate or quasi-legitimate distribution channels. There are increasing signs of sophistication, too, in the ways whole consignments of goods are being stolen to order.

It's seasonal, just like legitimate business," says one FBI man. "Two months before Christmas, you know they're going to start hitting things like kids' walkie-talkies and other kinds of tops, clothing and liquor." In the spring it's air conditioners and lawn mowers, and year-round high-value, easy-to-dispose-of items such as stereo and color TV sets, furs, meat and foodstuffs.

The LEAA estimates that organized crime—known as "LCN" or La Cosa Nostra in the trade—figures in about 25% of all theft. Individuals identified as "soldiers" in crime families keep cropping up in stolen stocks, bonds and currency cases, for example, that require a certain amount of expertise to engineer.

Equally, of course, a lot of the crime that never gets into the statistics is amateur stuff that seems penny ante, but probably totals in the billions. Shoplifting, for example. Schools are forever getting ripped off. Tape recorders, computers, typwriters, musical instruments, photographic equipment and clothing are all fair game.

Hospitals get hit pretty hard, too. Interns about to depart for private practices steal stethoscopes and other equipment. Nurses and other staffers take home towels and sheets. Bank clerks in hock to bookies or the finance companies simply walk off with cash. A vault teller, for example, slipped $168,000 in a brown paper bag past a security guard with the explanation that he was taking his pet rabbit to the vet.

The Department of Commerce insists that the rip-off of business by employees has reached "epidemic" proportions. "Businessmen mistakenly assume that most inventory losses are caused by shoplifters when actually employees account for the major portion of inventory shrinkages," this government agency maintains.

Inventory shrinkage is a polite term for losses that may run, again by Commerce Department estimate, to more than $6 billion a year. A lot of that $6 billion is stolen strictly for home consumption—impulse purchases, as it were. Some of the swag gets redistributed through street peddlers, however, and some of it is small-scale opportunism at work, like the television sets that get hawked across the bar at your friendly corner saloon. Much inventory shrinkage, however, is orchestrated by highly skilled hands. "What we're seeing," says Eric Seiff, "is not so much organized crime as crime that is organized."

The focus is on goods in transit or cargo stored at major redistribution centers like John F. Kennedy International Airport in New York City and the sprawling Conrail freight yards across the Hudson in South Kearny, N.J. More high-value air freight funnels into JFK than into any other airport in the world. The 2-mile-long Conrail installation, the biggest piggyback operation in the world; logs in an average of more than 300 loaded trailers or containers a day. There have been serious efforts to beef up security at both places, but many law officials say JFK and the Kearny yards are still vulnerable to the heavy pressures that surround any major freight center. "Where there's honey, you've got to expect flies," shrugs one official.

Some of the flies are employees who are in a position to know what's moving in and out of a terminal, and who are paid to finger anything that looks good. As nearly as anyone can tell from the reports that have surfaced so far, insiders were crucial to the $5.9 million currency and jewelry heist at Lufthansa's JFK terminal that investigators are still trying to crack. Some of Conrail's heavy pilferage problems appear as well to have internal roots, law enforcement officials say.

The finger man is a small but important cog in what Eric Seiff calls a "substantial and efficient market for the distribution of stolen property." The outward signs of how efficient the market is show clearly in the FBI's uniform crime statistics—

high theft rates, low arrest rates, low recovery rates. The real key to the market, though, is the fence. It's his job to turn stolen goods into cash by funneling them back into the legitimate trade channels—sometimes directly, sometimes by acting as a middleman for seemingly legitimate businessmen.

Take the classic hijack, or "give up." A truckload of color TV sets moves out of a secure yard like Conrail Kearny on its way to a regional distribution warehouse. The word filters out to a brokertype fence who arranges for the driver to take a long coffee break at a particular truck stop. During the break somebody else—who might have been paid $50—appears, drives the load to another location and disappears. Not long afterward a couple of satellite drivers pull up in smaller trucks, strip the trailer clean and are on their way to appliance dealers a couple of hundred miles away—usually before the hijacked trailer has been located and often even before the theft has been reported.

The dealers who patronize the fences know—or should know—that they're handling hot merchandise because the stuff has been sold to them at maybe a third of wholesale. They are usually insulated from the police by a Chinese Wall of invoices and other phony paperwork. Once the new shipment gets mixed with legitimate inventory, it is almost invisible to the prosecutorial eye. In the same way there are "cut outs" at every step of the crime. Nobody knows anybody else. There is no "smoking gun" to be found, no overt act. As for the merchandise, one Sony TV set or one Betamax is hard to distinguish from another.

The fences operate in the shadows. They are managers and marketers whose job is to store, transport and sell goods bought from their "suppliers" at anywhere from 10% to 30% of retail. Some law enforcement officials think of the fence as a kind of "invisible hand" that directs thievery against one type of merchandise or another by putting a premium on particular kinds of goods.

Most fences, law enforcement officials say, are becoming specialists—a trend that explains why more and more theft seems to be prepetrated on command. The growing sophistication of the underworld is just one more reflection of the fact that outlaw man is economic man, too. Thus, many fences concentrate on high-value items—jewelry and coin collections, for example, or CB radios and stereo sets.

Typically, branded goods fetch better prices than unbranded goods. That may be, as criminologist Marilyn E. Wash notes, because specialization tends to be characteristic of the legitimate businessman, "who handles either only those stolen items that he is familiar with in his legal enterprise, or only fast-moving items, such as entertainment equipment and firearms."

The stress is on fast turnover. The fence helps to shield his suppliers from the law by providing them with a drop where merchandise can be quickly disposed of. By taking the goods off his suppliers' hands, he reduces their exposure. The fence's ability to store things and move them into the pipeline is a form of risk insurance that is factored into the price he pays, along with other risk-reward considerations, such as the resale value of the time needed to resell it and how traceable it is. Fencing, says one LEAA study, "requires many of the same distribution capabilities encountered in legitimate business."

Many fences, in fact, are legitimate businessmen or at least try to cultivate the appearance of legitimacy. They operate from behind many fronts. "Businesses frequently reported as active in fencing," the LEAA says, "include restaurants and bars, moving and transfer companies, antique dealerships, new and used auto dealerships, furniture and appliance stores, jewelry stores, coin and gun shops and realty companies."

Theft is so pervasive that it's hard to say, anymore, where the line gets drawn between the good guys and the bad guys. Many fences operating under legitimate cover, says the LEAA, often try to curry favor with cops, prosecutors and judges by selling to them at deep discount. Some fences operate with a virtual grant of immunity from the police as a tradeoff for information on who is stealing what—information that help improve the clearance record of burglary squads, whose "productivity" is often judged on the number of arrests they make. Law enforcement officials like Eric Seiff argue that crime wouldn't be such a big growth business if legitimate business didn't have a big stake in it. "Stolen goods on the shelves," he says, "mean bigger profit margins."

One insight into how willing seemingly legitimate businessmen are to nibble at stolen goods emerges from an experiment the SCI ran recently with the help of a pair of "informants"—one posing as a fence, the other as thief-fence. The focus was the wholesale health- and beauty-aids market (everything from cosmetics to cold tablets) in New York City.

The sell operation started with the informants offering 17 wholesalers a good buy on supposedly stolen quantities of Clairol Nice n' Easy hair coloring, Revlon's Charlie cologne, and Burlington Mills panty hose.

The scenario called for the informants to announce right up front that they were peddling hot merchandise. The tapes show that they did so. Here's the way a telephone call with one prospective buyer went.

Informant: Hello, Eddie, this is. . . .

Eddie: From who?

Informant: Uh, from Nice 'n Easy. D'ya remember?

Eddie: Yeah, where the helluvya been?

Informant: Uh, been trying to make another contact.

Eddie: Yeah, you get it?

Informant: I've been able to get a driver who has a guy on a platform who's stealing it, so I've got five pieces for ya.

Eddie: Five cases?

Informant: Yeah.

Eddie: An' what numbers?

Over a period of five months, Eddie's firm and 16 others were offered deals. Nine of them actually made buys and two others indicated a willingness to buy up to a trailerload of the stuff. Nobody turned an offer down on the grounds that the goods were stolen. The propositions that fell through did so either because the wholesaler was already overstocked with the product or couldn't find a buyer for it.

Entrapment? The SCI started with a working hypothesis that "seemingly legitimate businessmen play a crucial role in the redistribution of stolen property." And certainly the price was right: $35 to $45 a case on Nice 'n Easy, for example, or about 15 percent to 35 percent below wholesale. Some of the buys were for cash, no invoice required; others were paid for by check, invoice required.

When SCI accountants descended upon the informants' unwitting clients, they found some rather eclectic record-keeping habits. Nice 'n Easy. In some instances there was no record at all of a cash outlay or a purchase. In others the paperwork was rudimentary—invoices with torn billheads that reflected quantities and prices but no product names, no seller's identity.

In the accountants' view, the off-the-books transactions carried a whiff of unreported income and possible tax fraud, violations common throughout the underworld which cost state and federal treasuries untold billions. Phony or incomplete invoices are part of the pattern, too. "A lot of these guys throw up a facade of paper. They know prosecutors won't be able to get behind it because they don't have accountants on their staffs, or because it's just too time-consuming to try to penetrate."

Few really big fences ever do time, partly because prosecutors often have difficulty establishing that an individual knew he'd bought stolen goods. It's particularly hard to make the chain of proof stick when even the presumed owner can't distinguish hot inventory from legitimate goods. A shipment of beef, once it's removed from the identifying cartons, looks much like another. The same is true of lobster tails, clothing without labels, precious metals that have been melted down, jewelry that has been cut up or stripped of its setting, or any of the hundreds of high-value items that pop up on the hit lists. Even TV sets that carry serial numbers are hard to identify, law enforcement officials complain. The numbers are there not for inventory control but to help dealers keep track of repairs done under warranty.

The trade knows exactly how hard it is to prove knowledge of stolen goods. Eric Seiff likes to talk of the sales manager for a women's sportswear wholesaler who pushed the "Who, me?" defense to absurdity. The cops picked up the manager in Manhattan after he'd bought 200 raincoats from a friend. The transfer began after the manager's son rented a truck and parked it by a diner. While the son lingered over his coffee, two individuals got into the empty truck and drove off. When they came back some time later—*voila*, the vehicle was loaded with the promised rain gear.

The sales manager, says Seiff, steadfastly denied suspecting the coats were stolen even though he conceded: (a) that his friend was in the business of selling cigars rather than waterproofs; (b) that the manufacturer's label had been removed from the coats; (c) that payment had been made in cash at the diner; (d) that a time and method of delivery had not been agreed upon when the deal was negotiated; and (e) that the raincoats changed hands at a place unconnected with either man's place of business. Unusual billing and delivery methods like this are typically explained away by a seller's need to keep the source of his merchandise hidden and prevent competition for suppliers.

Proof of guilty knowledge is so difficult to establish that legitimate-seeming businesses caught with the goods typically have little trouble plea-bargaining their way out of trouble. One of the wholesalers tripped up in a buy operation run by Eric Seiff's investigators, for instance, had been charged with fencing—in another case—a shipment of pharmaceuticals that went astray. He was permitted to plead guilty to disorderly conduct instead and got off with a $150 fine. Many judges, in fact, tend to look upon receiving stolen goods as an offshoot of white-collar crime. The consequence is that fences, when they are caught, generally get much easier treatment than the thieves they service.

Deterrents that don't deter are one of the reasons fences and their suppliers alike are flourishing. The LEAA has demonstrated, though, that concentrated effort can put many thieves (and some fences) behind bars. Five years ago local police, with the help of LEAA money and equipment, began running a series of more than 60 undercover "sting" operations in 39 cities. The concept, presumably named after the popular motion picture with an eye to maximum publicity exposure, is simple enough: It takes a thief to catch a thief.

Freighted with concealed videotape and sound equipment, the cops set up bogus fencing operations and spread the word that they were willing to pay top dollar for good merchandise. In New York City, for example, the "UCC Co." (flatfoot humor for undercover cop) and eight similar ventures pulled in a total of $8.3 million worth of stolen property in four years' time.

A lot of the swag recovered was the usual: cameras, jewelry, guns and stolen government checks [bought at 10 cents on the dollar]. But a couple of new automobiles turned up [bought for $250 apiece], as did a couple of Frederic Remington bronzes valued at a total of $100,000. The Buffalo, N.Y. police, in another sting operation, picked up a Rembrandt valued at $250,000 that had been stolen six years earlier from the Bonnat Museum in Bayonne, France.

Sting operations around the U.S. have so far resulted in 4,600 arrests and—thanks to the hard evidence of videotape—an extraordinarily high conviction rate of 90%. The effect may only be short term, but LEAA contends that property crime has dropped visibly in at least one-third of the sting cities.

The sting gambit is a response to the often-voiced complaint that traditional police methods don't contain crime. The police have management problems of their own. Their primary mission is to deal with the muggings, assaults, rapes, murders and other street crimes that make up only 6% of all reported crime. That job absorbs most of the manpower, leaving a corporal's guard to cope with the property crimes that make up the great preponderance of reported crime.

The rationale behind that deployment is basically political. "The emphasis is on fighting violent crime because that's where the societal passion is," says Eric Seiff. "Theft is underpursued because the tendency is to fight the fire that's right in the front hall."

What's the answer? Law enforcement officials say that business could help them, and itself, with product markings and serial numbers—to make it easier to prove that goods have been stolen.

But the real problem goes deeper than serial numbers, down to the very nature of modern society. We live in an era when the civil rights of individuals are much respected and violent punishment to protect society is in disrepute. At the same time we live in a society so affluent, so prolific, that theft tends to get shrugged off. You might cut off a thief's hand in an older, poorer society for stealing the tools with which a man earns his living or the bread that feeds a family. But a TV set or trailerload of raincoats?

So nonviolent theft is tolerated and the coat is accepted as just one more element in the steady and little-understood upward trend in prices called inflation. As Walt Kelly's Pogo said: "We have met the enemy and he is us."●

□ 1520

INTRODUCING BILL PROVIDING FOR PLACEMENT OF STATUE OF PRESIDENT EISENHOWER IN HALL OF STATUES

(Mr. SEBELIUS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEBELIUS. Mr. Speaker, I am introducing a bill today which will provide for placement of a statue in the Hall of Statues of Dwight David Eisenhower, General of the Army and our 34th President. Since the State of Kansas now has two statues on display in the Hall of Statues, it will be necessary to remove one of them for that of President Eisenhower. I do this believing President Eisenhower more fully embodies the spirit of my great State than either of the two individuals now displayed in the Hall of Statues collection.

Dwight Eisenhower came from humble beginnings in the small town of Abilene in central Kansas to become one of our Nation's most distinguished military officers and its much beloved 34th President. The son of David and Ida Eisenhower, Dwight Eisenhower attended public school in Abilene and went on to graduate from the Military Academy at West Point in 1915. From there Eisenhower was assigned ot the 19th Infantry at Fort Sam Houston, Tex., advanced through the grades to lieutenant colonel, commanding the Tank Corps School at Camp Colt, Gettysburg, Pa., during World War I, became the Assistant Executive Officer in the Office of the Assistant Secretary of War between 1929 and 1933. He was then assigned to the Office of Chief of Staff until 1935 when he became assistant to Gen. Douglas MacArthur in the Philippines. He left that post in 1940 to become Chief of Staff of the 3d Division and later the IX Corps. In 1941, he became Chief of Staff of the 3d Army and when World War II began, went on to distinguish himself as Commander in Chief of the allied expeditionary forces in Northwest Africa and Supreme Commander of the allied expeditionary forces in the land, sea, and air invasion of Normandy. With the war's end, Eisenhower became commander of the occupation force in Germany in 1945 and later that year, was named Chief of Staff, U.S. Army, a post he held until 1948.

Eisenhower left the military in 1948 to become president of Columbia University and was called back into service temporarily as Supreme Allied Commander in Europe, to forge the defense forces of the North Atlantic Treaty nations.

In 1952, Eisenhower resigned from the Army upon becoming the Republican Party's nominee for President and subsequently, our 34th President, elected in November of 1952 and reelected in 1956.

Eisenhower retired to his farm in Gettysburg in 1961 with his wife of 45 years, Mamie Doud Eisenhower, at which time he authorized several prominent books on his Presidential experiences and remained active in the Republican Party. President Eisenhower died in 1969 and was laid to rest at his boyhood home of Abilene.

Mr. Speaker, it is because Dwight David Eisenhower was so deeply loved and respected among all who knew him, that I wish to see him further honored by placing his statue in the Hall of Statues. As a more recognizable figure, a statue of President Eisenhower would better typify Kansas and its people at their best. President Eisenhower would more readily call to our memories the qualities the citizens of Kansas are so noted for.

In order to continue to do honor to Mr. Glick, his statue, under my bill, would be returned to the State of Kansas for appropriate display in the State, hopefully in its own capitol where his accomplishments might be more fully recognized by those more familiar with our State's history.

IMPROVED WEATHER FORECASTING

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. WINN. Mr. Speaker, I rise today to bring a serious problem to the attention of my colleagues. I refer to the death and destruction caused by tornadoes and other severe storms.

Less than a month ago, our newspapers and newscasts were filled with first-hand pictures of the killer tornadoes which swept through Texas and Oklahoma. Since Easter, we have had daily reports of rampaging rivers fueled by heavy downpours from sudden and severe spring storms.

Should the Federal Government, given the number of deaths and the huge property damage figures, turn its back on the victims of these storms when it has at hand, access to technologies which could help alleviate some of this burden? Can we say that people who live in the vicinity of the Three Mile Island nuclear plant are more important than those who have lost the lives of loved ones to the tornadoes in Wichita Falls, Tex.?

As far as I am concerned, the answer to both questions is a resounding "no."

On April 12, I wrote President Carter to ask that he use the powers of his office to appoint a special commission to explore what avenues the Government can take with regard to improved weather forecasting. In my letter, I pointed out that technology improvements, such as the Doppler radar and satellite sensing techniques, are rapidly becoming available and could provide tremendous assistance in this field.

We have a marvelous opportunity at our fingertips; yet, we find ourselves in the position of reducing Government support for ongoing efforts to further develop these technologies. In our desire to cut the Federal budget, we must not forget the Government's number one priority—to insure the safety and health of our citizens.

In joint hearings last year before the Science and Technology Committee's Subcommittees on Space Science and

Applications and Environment and the Atmosphere, Allen Pearson, director of the National Severe Storms Forecast Center in Kansas City, illustrated some of the improvements he felt were possible in the future and their payoffs. I quote from his statement:

> There will be continued improvement in our ability to forecast tornadoes and severe thunderstorms as our computer resolution improves through the use of a finer mesh grid in our models.
>
> The introduction of Doppler radar could give us up to 30 minutes lead time for major tornado development and 5 to 10 minutes for mini tornadoes . . .
>
> Satellite imagery will be sent directly to aircraft in flight for severe thunderstorm avoidance and warning messages will be delivered to county seats via satellite.

These improvements would not happen overnight. But they may be possible provided we establish the proper funding priorities within the Federal budget.

As this Congress proceeds along the path toward responsible government, I intend to follow through on my efforts to seek a Federal commitment to development of high technology which can prevent many of these needless deaths. I want to know, as well, if there is some way we can minimize the property damage.

Therefore, I will seek hearings before the Science and Technology Committee, and I hope to have the opportunity to conduct an onsite assessment of the actual damage which has occurred this spring.

Mr. Speaker, I am including for the RECORD a copy of my letter to President Carter. I sincerely hope that my colleagues will join me in this effort of compassion and concern for the victims of these natural disasters.

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 12, 1979.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As you know, tornadoes and severe storms have hit the Southwest and Midwest sections of our country with a brutal force in the last few days, leaving behind some 60 deaths, hundreds of injuries, and hundreds of millions of dollars worth of property damage. This is a matter of grave concern to all of us, and I believe you will agree that it is our joint responsibility to provide more efficient and effective systems capable of warning people in the paths of these killer storms to take shelter.

Technology improvements, such as the Doppler radar and satellite sensing techniques, are rapidly becoming available to us. These systems can, and will, provide early detection, and if adequately funded, could make significant improvements in the speed and accuracy of our weather forecasting. Yet, because of budget cuts, the government is in the position, at this time, of reducing its support for our ongoing efforts.

How can we justify these cuts when we know that tornadoes, hurricanes and other severe storms leave death and destruction in their wake? Severe storms are phenomena which occur every year. They are not something we can correct by tightening up safety standards or by issuing licenses. I believe they should get the same attention from the government that nuclear accidents get.

Since there are ways in which we can protect the lives of our people, I feel it is incumbent upon the government to use its resources to make this technology available on as broad a scale as possible. I intend to seek Congressional hearings on this matter, and I urge you to use the powers of your office to appoint a special commission to explore the many possible avenues the government can take. By taking these storms seriously, I believe we can alleviate much of the heartbreak these catastrophic acts of nature bring about.

Most sincerely,

LARRY WINN, Jr.,
Member of Congress.

MORGAN MURPHY, SR.

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, it is with a sad heart that I rise in tribute to Morgan F. Murphy, Sr., a dear and close friend of mine for 35 years, who died recently after a long and distinguished career in the electric utility industry and who was a dedicated civic leader in the city of Chicago. His son, the Honorable MORGAN F. MURPHY, is our colleague serving as the Congressman from the Second District of Illinois.

Morgan Murphy served with the Commonwealth Edison Company a total of 46 years, becoming executive vice president in the year 1962, chairman of the executive committee in 1964, and the company director in 1965. He also worked as a director of the Central National Bank of Chicago as well as a consultant at the Talman Federal Savings and Loan Association.

Between 1960 and 1973, Mr. Murphy served on Chicago's Police Board, contributing through the years as a vice president and then as a president. During the years 1966–73, his civic activities included leadership of the summer jobs for youth program under Mayor Richard Daley.

A dedicated layman in the Roman Catholic Church, Morgan Murphy was a St. Xavier College life trustee, a member of the lay board of advisers of Mercy Hospital, and a trustee of the Cancer Research Foundation at the University of Chicago. Pope Pius XII made him a Knight of St. Gregory in 1957.

The long and productive life of Morgan Murphy, Sr. is characterized by his love of people, and his life was a splendid and inspiring example, making his record of accomplishment one that is most commendable. Mrs. Annunzio and I extend our deepest sympathy to his wife, Anne, his three daughters, Jane Holmes, Mary Rita Stump, Sister Carol Ann, R.S.M. and his three sons, MORGAN, JR., Reverend John Michael, and Bernard, as well as their families.●

ALASKA LANDS

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. STEWART) is recognized for 5 minutes.

● Mr. STEWART. Mr. Speaker, during the Easter recess I met with several of my constituents who were and are very concerned about the use of public lands in the State of Alaska. I was impressed by their concern, their interest and their knowledge. These individuals fully support a Federal policy which would preserve these lands for posterity.

I must confess that the corporate lobbyists who have been into my office here seem to be more concerned about what may be termed as "enlightened self-interest." However, I think that in some instances the interest of this group is not very enlightened and is more selfish than not.

I think, from my limited vantage point, there is a clash between an increase in corporate profit masked under the guise of national interest, and the real national interest as exemplified in the stated concerns of my constituents, both those with whom I met and those who have taken the time to write to me to say, as one of my constituents did:

> Future generations should have the opportunity to appreciate this magnificent country. The resources . . . should be kept in reserve. If they are ever urgently needed, they can then be tapped at a later date. Unspoiled wilderness is a resource of at least equal value to many Americans.

Another one of my constituents wrote to say:

> Having once vacationed in Alaska, I acquired the feeling of awe and delight as I experienced the splendors of this Alaskan wilderness. . . . I feel that it's vitally important for us to maintain some area of wilderness, even if just as a legacy to pass on to future generations.

Another constituent wrote:

> We want you to know that as you consider your vote on the future 'Udall-Anderson' bill . . . you have strong hopes here at home from many people that 'Alaska can yet be saved.' Wilderness, true wilderness, must be especially precious to Illinoisans since we have so little wild land of our own.

This is but a sample of some of the letters which I have received from my constituents in support of H.R. 3651.

Mr. Speaker, I have cosponsored H.R. 3651, sponsored by the distinguished gentleman from Arizona, Mr. UDALL, and the distinguished gentleman from my own State of Illinois, Mr. ANDERSON. I urge my colleagues to support the bill.

At this point in the RECORD, Mr. Speaker, I am inserting an editorial from the Chicago Sun-Times of April 19, 1979:

SAVING ALASKA WILDERNESS

Unspoiled millions of acres of Alaskan wilderness are up for grabs again in Congress, and developers are rubbing their hands at the front-runner bill.

Temporarily, about a third of the state is protected from development until Congress decides its fate. The first step this year on Capitol Hill was ominous: a House bill, narrowly passed in committee, that would hurt Alaska's matchless wildlife and wilderness areas in several ways.

It would open to possible oil exploration 2 million acres of a coastal wildlife range that is the primary calving ground of the country's only large caribou herd—and spectacularly scenic, even for Alaska. Unlike most of the state, the transition from mountain to coast (with the Beaufort Sea to the north) is compressed into a relatively compact area.

Developers are after this tract despite the fact that more than 90 per cent of Alaska's high-potential oil and gas areas are available to them.

The bill also would open almost 20 million acres of national park to hunting by designating it (ironically) as a "preserve." Alaska's Rep. Don Young (R.) backs this move because, said his press secretary, the hunters' "impact is negligible. They don't go in there with machineguns."

In addition, or rather subtraction, the bill guts the conservation plan backed by President Carter and Interior Sec. Cecil D. Andrus by reducing the amount of park wilderness—the strictest form of protection—by 14.5 million acres and the amount of wildlife refuge by 20 million acres.

Opponents of the administration bill argue that keeping so much of the state under federal control infringes on Alaska's rights. Yet the state was given 104 million acres of its choice of federal land when it joined the Union—the largest such grant in our history.

That argument is further weakened by the fact that the amount of land to be preserved is almost identical in both the developers' bill and the conservationists' bill. The question is the degree of protection: How much will be wilderness, or park, or refuge.

Rep. Young's aide is typical of those who can't understand why so much land should be designated as wilderness. "That means no cabins, no roads, no planes, nothing," he said. "It's just a blind love affair with wilderness for the sake of wilderness."

He is so right. In a world where almost every patch of stunning natural beauty has been soiled and spoiled by humans, we need a small corner where polar and grizzly bear, ox and snow geese still rule.

We need that more than shotguns or expressways or motels.●

FEDERAL UNEMPLOYMENT COMPENSATION

The SPEAKER. Under a previous order of the House the gentleman from Connecticut (Mr. COTTER) is recognized for 10 minutes.

● Mr. COTTER. Mr. Speaker, today I testified before the Public Assistance and Unemployment Compensation Subcommittee of the Committee on Ways and Means on my bill to delay an increase of the unemployment tax to 18 States which have not repaid unemployment compensation loans borrowed in recent years from the Federal Unemployment Compensation Trust Fund.

I know a number of my colleagues whose States will be subjected to this penalty on January 1, 1980, are interested in this delay, and I have included my testimony and supporting documents for their reference at this point in the RECORD:

STATEMENT OF WILLIAM R. COTTER

Mr. Chairman, members of the committee:

With all the problems that face our committee, I hesitate to add another to your list or to mine.

As many of you may be aware, during the recession of the 70s, which was accompanied by record-high unemployment, many states were not able to meet their unemployment compensation claims.

These States had to borrow from the Federal Unemployment Compensation Trust Fund to meet these unemployment compensations. My own State had the dubious distinction to be the first to borrow in 1972.

Some 26 States were forced to borrow from the Federal Government and 18 still have outstanding loans. The amount these 18 States still owe is considerable—over $5 billion according to my latest information.

You may remember that States have 3 years to repay their entire "loan". If a State does not do so within this 3-year period, it suffers a loss of credit against its U.S. unemployment compensation tax 3/10 of 1 percent for each year the loan remains unpaid. I look at this loss of credit as a "penalty tax" since all States pay the same Federal tax.

In 1975 Congress realized that the imposition of this additional tax would harm States who were still struggling from the recession. The Congress wisely provided deferral of the penalty and again in 1977 extended this deferral until December 31, 1979.

Realizing that there were other problems with the unemployment compensation system as well, the Congress established a national commission on unemployment compensation. This commission has taken a preliminary look at the State borrowing issue and there is some support for the idea that the State liabilities for extended benefits be fully funded from the Federal Treasury. Such a provision would reduce the State loans from $5 billion to approximately $3 billion.

This idea is not without controversy, I know; and in a period of tight budget considerations, early action on a $2 billion item will not be fast in coming

However, in the meantime, 18 States face increased unemployment compensation taxes.

It seems prudent that this deferral be continued for 2 years until January 1, 1983, so that the Congress has ample opportunity to act on the final recommendations on the unemployment commission in an orderly manner.

I would not press this issue of deferral now but for the fact that the Carter administration has assumed these "penalty taxes" as revenue in their future budget projections. If these taxes are imposed, State employers will be faced with an additional $500 million in 1981 and almost $1 billion in 1982.

I know that these States, including my own, have an obligation to repay their loans and I am happy to report to the subcommittee that my State has repaid over $110 million but it still retains a liability of over $410 million. The imposition of the penalty tax would significantly increase the unemployment compensation taxes in my State by approximately $40 million next year and almost $60 million the following. Connecticut's total revenue for unemployment compensation for this year will be $172 million, so you can see the size of a burden the imposition this penalty tax will impose on my State. According to my best information, these following States and jurisdiction will suffer a similar "penalty tax": District of Columbia, Minnesota, Massachusetts, Rhode Island, Michigan, Puerto Rico, Delaware, Alabama, New York, Connecticut, New Jersey, Pennsylvania, Vermont, Illinois, Arkansas, Montana, and Maine.

I would, therefore, Mr. Chairman, ask the subcommittee to act favorably on H.R. 2109 which extends deferral until January 31, 1983.

INSERT TO TESTIMONY OF HON. WILLIAM R. COTTER, MAY 2, 1979

Title IX of the Social Security Act authorizes loans to help states pay unemployment compensation when their unemployment compensation funds have been depicted.

As the subcommittee knows, taxable payroll tends to be low when demand for benefits is highest. Therefore, if there were no u.c. loan provision in the Internal Revenue Code, adverse economic conditions could create a situation in which the need for benefits outstripped the state's revenue resources.

The basic law (Sec. 3302(c) of the Internal Revenue Code of 1954) provides not only for loan repayments, but also for penalties to be imposed if repayment is delayed after a specified time period. The penalty, an increase in federal unemployemnt taxes for employers, is effective if the state has not made full repayment by November 10 of the year which begins on the second January following the date the loan was made.

The law levies an unemployment tax of 3.4 per cent on employers and then forgives 2.7 per cent if the state has an approved unemployment compensation law. Because all states have such a law, the effective federal tax is 0.7 per cent. Revenue from this tax is used to pay both the federal and state administrative costs for the program, to create the loan fund and to finance the federal share of the additional benefits paid in periods of high unemployment.

Section 3302(c) provides that when a state has not repaid its loan within the specified period, the federal employer tax for that state will be increased by 0.3 per cent and that additional increases of the same amount will be added for each subsequent year the loan remains unpaid.

This provision should be unnecessary when high unemployment is a temporary problem. The state should be able to get on its feet quickly and repay the loan without a significant drain on its resources. In 1975, however, Congress recognized that the states still in debt to the federal Treasury were facing a continuing unemployment problem. With high joblessness, their u.c. funds were still depleted and their businesses too pressured to absorb an additional federal tax.

A temporary provision therefore was added to the Emergency Compensation and Special Unemployment Assistance Act of 1975 (P.L. 94–45) to postpone the penalty tax until January 1, 1978, but only in those states where the Secretary of Labor found "appropriate action with respect to the financing of its unemployment programs so as substantially to accomplish the purpose of restoring the state's unemployment account in the Unemployment Trust Fund and permitting the repayment within a reasonable time of any advances."

In 1977 the President signed P.L. 95–19 which provided for an additional two-year deferral until December 31, 1980 and in the Fall of 1977 the U.S. Department of Labor tightened the conditions for eligibility for deferral. Among other conditions, the Secretary must certify that the state must not borrow from the Federal Treasury for the next six months of the reporting date.

H.R. 2109

A bill to amend the Internal Revenue Code of 1954 to delay the provision which increases the unemployment tax to States which have not repaid unemployment compensation loans under title XII of the Social Security Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the last sentence of section 3302(c)(2) of the Internal Revenue Code of 1954 (relating to reduction in credits against unemployment tax) is amended by striking out "January 1, 1980" each place it appears and inserting in lieu thereof "January 1, 1983".

SEC. 2. The amendment made by this Act shall not apply in the case of any State unless the Secretary of Labor finds that such State meets the requirements of section 110 (b) of the Emergency Compensation and Special Unemployment Assistance Extension Act of 1975.

TABLE A.—ADVANCES TO STATES FROM THE FEDERAL UNEMPLOYMENT ACCOUNT

[In millions of dollars per calendar year]

States	1972	1973	1974	1975	1976	1977	Through Jan. 31, 1979	Repayments	Total outstanding
Connecticut	31.8	21.7	8.5	203.0	137.0	75.0	37.0	103.5	410.5
Washington		40.7	3.4	50.0	55.3			149.4	0
Vermont			5.3	23.0	9.2	10.3		1.4	46.4
New Jersey				352.2	145.0	141.7	96.0	40.0	694.9
Rhode Island				45.8	20.0	9.0	31.0	3.7	102.1
Massachusetts				140.0	125.0				265.0
Michigan				326.0	254.0	53.0			624.0
Puerto Rico				35.0	22.0	18.2	13.5		88.7
Minnesota				47.0	76.0	49.0		20.0	152.0
Maine				2.4	12.5	8.0	13.5		36.4
Pennsylvania				173.8	379.1	373.3	261.0		1,187.2
Delaware				6.5	14.0	16.1	10.4		47.0
District of Columbia				7.0	26.6	25.4	8.4	2.9	64.5
Alabama				10.0	20.0	26.7		29.7	27.0
Illinois				68.8	446.5	243.3	187.9		946.5
Arkansas					20.0	10.0		10.5	19.5
Hawaii					22.5			22.5	0
Nevada					7.6			7.6	0
Virgin Islands				2.5	5.6	2.8			10.9
Oregon					18.5			18.5	0
Maryland					36.1	26.5		62.6	0
Ohio						1.9		1.9	0
Florida					10.0	32.0		42.0	0
Montana					1.4	7.9	1.2		10.5
New York						155.8	180.0		335.8
Total	31.8	62.4	17.2	1,493	1,854.9	1,285.9	839.9	516.2	5,068.9

TABLE B.—STATES WITH OUTSTANDING TITLE XII LOAN BALANCES

Date		Amount	Date		Amount
December 1975	Alabama	$427,000,000.00	January 1976	Nevada	0
January 1976	Arkansas	19,500,000.00	January 1975	New Jersey	$694,928,000.00
March 1972	Connecticut	*410,497,355.63	February 1977	New York	335,750,000.00
November 1975	Delaware	47,000,000.00	March 1977	Ohio	0
November 1975	District of Columbia	*64,466,698.71	February 1976	Oregon	0
April 1976	Florida	0	October 1975	Pennsylvania	1,187,295,925.00
January 1976	Hawaii	0	April 1975	Puerto Rico	88,700,000.00
December 1975	Illinois	946,500,000.00	February 1975	Rhode Island	102,074,000.00
September 1975	Maine	36,400,000.00	February 1974	Vermont	*46,375,619.79
March 1976	Maryland	0	April 1973	Washington	0
April 1975	Michigan	624,000,000.00	July 1975	Virgin Islands	10,905,000.00
April 1975	Massachusetts	265,000,000.00			
July 1975	Minnesota	152,000,000.00	Total outstanding loans as of Dec. 31, 1978		5,068,876,688.13
April 1976	Montana	10,484,089.00			

TABLE C.—REPAYMENT OF LOANS OUTSTANDING

[In millions]

				State repayment—Current law				
		Voluntary loan repayment date [1]		Estimated collection due Jan. 1, 1981 (0.3 percent rate)	Year loan repaid (liability year) (current law)	Estimated State tax rate (percent)		
State	Loan outstanding Dec. 31, 1978 (1)	Beginning (2)	Ending	(3)	(4)	1978 (5)	1981[2] (6)	Year loan repaid (per col. (4)) (7)
Connecticut	$410.5		After 1984	[3] 37	1985	3.0	2.93	4.73
Vermont	46.4	1979	After 1984	[3] 5	1984	3.2	2.59	4.39
New Jersey	694.9	1981	1983	53	1985	3.9	3.54	4.74
Rhode Island	102.1		After 1984	[3] 11	1984	2.9	3.52	5.32
Massachusetts	265.0	1979	1981	35	1983	3.7	3.88	5.08
Michigan	624.0	1979	1980	50	1984	4.2	3.45	4.95
Puerto Rico	88.7	1981	1984	6	1984	3.0	2.96	4.46
Minnesota	172.0	1979	1981	26	1983	2.5	2.06	3.26
Maine	36.4	1981	1984	6	1983	3.3	3.08	4.28
Pennsylvania	1,187.2		After 1984	76	1984	3.3	2.91	4.41
Delaware	47.0		After 1984	3	1984	2.7	2.47	3.97
District of Columbia	64.5		After 1984	[3] 10	1983	2.7	2.17	3.67
Alabama	27.0	1979	1979	18	1981	2.5	1.72	2.32
Illinois	946.5	1983	After 1984	70	1984	3.2	2.22	3.72
Arkansas	19.5	1979	1980	7	1981	2.2	1.95	2.55
Montana	10.5	1979	1980	4	1981	3.1	2.38	2.98
New York	335.8	1981	1984	80	1982	3.4	3.22	4.12

[1] Assumes State maintaining funds equivalent to 1 year's benefit cost (used fiscal year 1979) before utilizing excess to repay outstanding loan. Based on Department of Labor estimates for revenues and outlays.

[2] 5-year average (1974–78).

[3] 0.6 percent.

TABLE D.—CARTER BUDGET—ESTIMATED FUTA REPAYMENTS (CURRENT LAW, CREDIT REDUCTIONS)

[In millions of dollars]

State	1981	1982	1983	1984	State	1981	1982	1983	1984
District of Columbia	10	15	20	[1] 26/20	New Jersey	49	106	170	245
Minnesota	24	51	82	115/15	Michigan	50	101	152	207
Massachusetts	34	69	106	145/56	Illinois	69	139	212	287
Rhode Island	11	17	22	29	Pennsylvania	72	152	240	336
Maine	5	11	18	24/2	Vermont	2	5	7	10
Puerto Rico	6	13	20	27	Montana	3	7		
Delaware	3	7	11	14	Arkansas	6	13		
Alabama	18	37/25							
New York	80	160	240/95		Total	[2] 478	[2] 959/947	[2] 1,430/1,287	1,555/1,338
Connecticut	36	56	75	95					

[1] Bottom number for loan, remainder to trust fund.

[2] Potential delay in revenue receipts if recoupment provisions are further delayed.

Status of the Federal Unemployment Account—Jan. 31, 1979

Balance in FUA—Jan. 1, 1979		$424,734,563.29
Repayments—January 1979		157,014,424.13
FUA funds available for loans—January 1979		581,748,987.42
Title XII advances January 1979		
Balance in FUA—Jan. 31, 1979		581,748,987.42
January 1979 advances		

Rate of first loan is indicated for each State in the left column—page 2.

State employers are paying additional FUTA taxes to reduce outstanding loan balances (title XII, section 1202).

Indicates the following:

Reduced employer credits and title XII repayments

Title XII repayments:		
Minnesota		$20,000,000.00
Washington		137,007,884.99
Reduced employer credits:		
District of Columbia	$6,428.17	
Vermont	110.97	
Total reduced employer credits		6,539.14
Total reduced employer credits and repayments—Jan. 31, 1979		157,014,424.13
Total repayments transferred to FUA—Jan. 31, 1979		157,014,424.13

Prepared by the Tax Administration Group, Unemployment Insurance Service, Jan. 31, 1979.

TABLE E.—*Connecticut's unemployment statistics, January 1968–February 1979*

	Seasonally adjusted yearly average (percent)
1968	3.8
1969	3.9
1970	5.8
1971	8.4
1972	8.5
1973	6.2
1974	6.1
1975	9.2
1976	9.4
1977	7.0
1978 [1]	5.0
January 1979 [1]	5.6
February 1979 [1]	5.5

[1] In January 1978, the procedures for compiling unemployment statistics changed in accordance with a Federal mandate. Therefore, it is difficult to compare these unemployment rates with those preceding this period.●

WILL LOCALITIES LOSE OUT UNDER NEW CENSUS CRITERIA?

The SPEAKER. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

● Mr. WOLFF. Mr. Speaker, I would like to take just a few minutes to bring a very important issue to the attention of my colleagues. On March 16, the Subcommittee on Census and Population, under the able leadership of Congressman ROBERT GARCIA, began reviewing the new criteria for designating metropolitan statistical areas. Last August, I brought this matter to the attention of the Members of the House of Representatives. At that time, it was learned that the Office of Federal Statistical Policy and Standards—OFSPS—was considering removing the designation of a "standard metropolitan statistical area"—SMSA—from a number of areas in the country. Parts of my district in Nassau and Queens Counties were included in the areas that would have been affected. Needless to say, there was great public outcry against the proposal. After a series of meetings with congressional and local leaders, as well as letters to the President from many of the Members of Congress, the original proposal was appropriately put to rest. In its place emerged a modified version which was felt to be much more acceptable than the original.

The story does not stop here, however. Public hearings were held by the Department of Commerce. The Agency heard testimony from local and State officials as well as congressional leaders. The leaders raised a number of issues which if not adequately resolved, could have an adverse impact upon their particular areas.

The Department of Commerce has proposed eliminating the current designation of a "standard metropolitan statistical area" or SMSA. A number of new areas would be given the designation of a "primary metropolitan statistical area" or PMSA. These new PMSA's, for the most part, would replace the current SMSA's.

As you know, the current designation of an SMSA is used for a wide range of applications in both the public and private sector. There is the real and imminent danger that many of the programs administered and funded by the Federal Government could be hampered by the proposed rule change. A report published by the Office of Federal Statistical Policy and Standards states that—

> Over the last two decades, SMSA's have been widely used by Federal agencies, not only as a statistical unit, but also for planning and program administration.

A number of Federal programs which are targeted to metropolitan areas specify the use of the SMSA designation as a benchmark for eligibility. Changes in the criteria, for example, could make it difficult for other of my colleague's districts to secure assistance under the community development block grant program because the formulas for the allocation and the distribution of Federal dollars are dependent on data collected within the boundaries of an SMSA. Therefore, changes in the criteria could distort the data.

On January 29, I introduced two bills which specifically address the concerns I have previously mentioned. Since that date, over 30 Members from both sides of the aisle have joined in support of the legislation. The bill has also been endorsed by a number of State and local government officials as well as by a number of organizations including the Long Island Association of Industry & Commerce, the Alliance of Minority Group Leaders Inc. of Long Island, and the Tri-State Regional Planning Commission, which is the planning organization for the interstate urban region of Connecticut, New Jersey, and New York.

H.R. 1612 requires the Department of Commerce to submit to Congress a statement as to the effects that this proposed rule would have on the economy. The Department of Commerce would be prohibited from implementing this rule until after the economic impact statement is submitted. The report shall include the projected direct and indirect effects the proposed rule would have on inflation, employment, small business, State and local governments, and regional development. I think it is important to note here that the Commerce Department has determined that this rule does not fall under the authority of Executive Order 12044. Section 3 of the order requires an agency head to prepare an economic impact analysis for those regulations that would have a "significant impact" on the economy. I think it is quite interesting that the Secretary has determined this proposed rule as not being significant when in fact it could have a great impact upon the eligibility for Federal funds and economic development.

H.R. 1613 would assure localities located within a primary metropolitan statistical area of receiving the same statistical data and would retain their eligibility for the same Federal programs they qualified for prior to the rule change. The bill contains three basic provisions. The first assures that PMSA's would receive the same comprehensive statistical data presently provided to SMSA's. The second provision would guarantee Federal program eligibility for newly designated PMSA's if it were determined that the jurisdiction would have been eligible if the criteria had not changed. The final provision would prevent a reduction in Federal funding to a PMSA. This provision only applies to reductions in funds caused by the changes in statistical designation. I, along with the cosponsors, feel that this legislation will successfully lessen any harmful repercussions of the proposed rule. Without these legislative assurances, a number of the areas in the country could lose much needed business investment and Federal dollars.

The Office of Federal Statistical Policy and Standards has proposed a 5-year-hold-harmless provision of their own with the intent of protecting any areas which may lose their Federal grant eligibility as a result of the criteria change. The OFSPS plans to implement this through policy directives, interagency discussions, and other means. Although this action shows great sensitivity and awareness to the problem, I strongly feel that the administrative remedy, in this particular case, is not enough. For any administrative remedy to be fully effective, all of the executive agencies must review the existing formulas of eligibility to determine the impact of the rule in their particular programs. This effort should be spearheaded by the agency charged with the responsibility of coordinating the implementation of Government activities and assuring agencywide cooperation of policy directives, the Office of Management and Budget.

OMB has an instrumental role to play if agency wide compliance of a hold harmless provision is to be expected. However, OMB has not expressed a desire to become an active participant in this matter. In fact, OMB has refused to testify before the Subcommittee on Census and Population, even after the insistence of Chairman GARCIA. I see OMB's role as essential. Since the office has chosen to stay separated from this matter, I must question the effectiveness of any administrative alternative.

Another problem with any administrative remedy is that it may represent only a short lived solution. There are no guarantees that the assurance of one administration will be upheld by the next. Eligibility for a Federal program should not be contingent on whether or not an administration decides to abide by previously given assurances, especially assurances that were made to protect areas from changes in a statistical measure.

Finally, I was quite disturbed to learn that no comprehensive study or analysis exists which measures the impact of the rule on all of the Federal programs that in some way use the SMSA definition in their programs. The only report that has come to my attention has been published by the Office Federal Statistical Policy and Standards. This report, however, only contained a partial list of the OFSPS. The report included only those programs classified as "better known" by the OFSPS and did not fully include all of the programs administered by the Federal Government. I hope the subcommittee will continue to review the proposed criteria with the intention of securing a more detailed analysis of all of the Federal programs to determine the programs could be affected and what that effect will be. This should be completed before any revisions are finalized.

There is no doubt that the changes proposed by OFSPS could have adverse consequences on local areas. Because of the possible disruption involved in changing at this point, I would like to see everything remain as is. The present criteria should be retained. Current SMSA's should remain SMSA's. In light of the questions raised by this issue, I urge all of the Members of the House to contact their local officials to solicit their comments on the proposed rule change and to forward these comments to Chairman GARCIA. Finally, I hope you will join in support of H.R. 1612 and H.R. 1613 by cosponsoring the legislation.

COSPONSORS OF H.R. 1612

Jerome Ambro, William Clay, William Dannemeyer, Brian Donnelly, Thomas Downey, Robert Garcia, William Goodling, Robert Lagomarsino, William Lehman, Jerry Lewis, Joe Moakley, Jerry Patterson, Carl Pursell, Frederick Richmond, Patricia Schroeder, Bruce Vento, C. W. Young.

William Carney, Baltasar Corrada, Charles Diggs, Jr., Robert Dornan, James Florio, Benjamin Gilman, Harold Hollenbeck, Raymond Lederer, Norman Lent, Andrew Maguire, Richard Ottinger, Donald Pease, Charles Rangel, Robert Roe, Gene Snyder, John Wydler.

COSPONSORS OF H.R. 1613

Jerome Ambro, William Clay, William Dannemeyer, Brian Donnelly, Thomas Downey, James Florio, Benjamin Gilman, Harold Hollenbeck, Robert Lagomarsino, William Lehman, Andrew Maguire, Richard Ottinger, Donald Pease, Charles Rangel, Robert Roe, Gene Snyder, John Wydler.

William Carney, Baltasar Corrada, Charles Diggs, Jr., Robert Dornan, Dante Fascell, Robert Garcia, William Goodling, Thomas Kindness, Raymond Lederer, Norman Lent, Joe Moakley, Jerry Patterson, Carl Pursell, Frederick Richmond, Patricia Schroeder, Bruce Vento, C. W. Young.●

EXPORT TASK FORCE ARTICLE NO. 7: THE GOVERNOR OF ARKANSAS TESTIFIES BEFORE THE HOUSE FOREIGN AFFAIRS COMMITTEE

The SPEAKER. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 30 minutes.

● Mr. ALEXANDER. Mr. Speaker, as you know, the House Foreign Affairs Committee is presently debating amendments to the Export Administration Act of 1969. Yesterday, Governors of three States testified before the committee urging Congress to streamline the export licensing process to stimulate American business activity abroad and reduce inflationary pressure at home.

The three Governors, Georgia's George Busbee, Washington's Dixie Lee Ray, and Arkansas' Bill Clinton stated that the current licensing process poses a threat to State trade efforts.

Arkansas' Gov. Bill Clinton noting our State's interest in expanding our foreign trade said:

> Congress should state unequivocally its policy that export trade by U.S. citizens be given high priority and not be restrained . . .

Governor Clinton's testimony exemplifies the South's new attitude toward the export of American goods and services to the world. Arkansans and Americans are realizing that jobs and economic prosperity are directly related to our ability to export our products to foreign markets.

The following is Governor Clinton's testimony before the Foreign Affairs Committee and I recommend it highly to my colleagues:

TESTIMONY OF GOV. WILLIAM CLINTON

Dear Mr. Chairman, Arkansas has a long history of concern and support for international transactions and Congress' independent responsibility to shape national decisions affecting our relations with other countries. We have long depended on agricultural exports as the backbone of our economy. In 1977 exports in this area approached a billion dollars, accounted for over 37 percent of our agricultural sales, and placed us as the eleventh largest agricultural exporter in the country. Manufactured exports are now aproaching 700 million dollars, and the state has a very active program to encourage both existing industry and new industry to make overseas sales a significant part of their economic base. We believe, along with other states, that substantial export sales will allow our companies to shift production from domestic markets during domestic recessionary periods and thus dampen downswings in our state economies. A further indication of our commitment to expanded export trade is Congressman Alexander's service as chairman of the House Export Task Force.

Our commitment to expanded exports, like that of many other states, prompted me to support fully the work of the Governors' Committee on International Trade and Foreign Affairs, chaired by Governor Busbee. Work of that committee regarding export licensing has convinced the Governors that the current export licensing process is a significant impediment to planned growth of our export industries, especially in the high technology area. Federal actions to date give us reason to believe these impediments will become even greater deterrents to the many medium and small size companies we are now encouraging to enter export markets.

Our concerns about the current export licensing process are many. The current state of the bill now before you, however, is not a vehicle for a full discussion of all the reforms we feel are necessary. I will thus identify only five substantive changes which we feel should be included in the present bill in order to make at least some progress toward reform. Governor Ray has already discussed these reforms in general terms.

First, Congress should state unequivocally its policy that export trade by U.S. citizens be given a high priority and not be restrained except when (1) such controls are absolutely necessary to achieve fundamental military security and foreign policy objectives, (2) will clearly achieve such objectives, (3) are administered consistent with basic standards of due process, and (4) are not retained unless their efficacy is annually established in detailed reports available to both the public and the Congress.

Second, in granting the executive branch authority to make basic policy decisions concerning the countries and products to be subject to detailed licensing requirements, Congress should require annual review of such decisions. This review should give interested government agencies and other potentially affected parties an unqualified opportunity to submit their views as to the efficacy of such policies in furthering Congressional policy. The executive branch should have the burden of proof of demonstrating for each major category of control is essential. They should be required to show the benefits derived by the nation in furtherance of military security and foreign policy objectives exceed the costs these controls pose both on the government and other affected parties, including exporters and the states in which they reside.

Third, delegations of authority to the executive branch to decide individual license applications should require observance of minimal due process standards. Final actions should include precise statements on the statutory policies furthered by the decision, the specific circumstances which necessitate denial or deferral, and the availability and timing of appeals. In the event an applicant feels an executive branch agency has not complied with these due process standards, the law should give him immediate and unequivocal recourse to the courts or other impartial entities that will insure these decisional standards are observed.

Fourth, the delegation of authority to both make rules and license individual exports should require agency observance of particular time schedules for decisions at various levels and establish procedures for insuring that these decisions reflect Congressional policy objectives. Records of compliance with these requirements should be kept and detailed reports filed with the Congress so that in the event changes are necessary, the record will indicate clearly where and when they are needed. No new monitoring or reporting requirements should be authorized by Congress unless there is a clear showing by the administration that (1) such requirements are necessary to achieve the Act's policies and (2) the costs that these requirements impose upon both the government and the business community are essential and less than the benefits derived. These showings will suppress government action which has an unnecessary inflationary impact on our economy.

Fifth, whenever the general delegations of authority and the associated substantive and procedural requirements are not to be followed because of determinations made by the President, these waivers or exceptions should be determined by the President, personally, and these waivers should bear his signature.

As I noted earlier, other significant reforms are justified by testimony given this Committee, but we believe it is imperative that those amendments just enumerated should be incorporated into the bill submitted to the full House. The text of these amendments are appended and senior members of the staff advisors to the Governors' Committee on International Trade and Foreign Affairs will be available after this testimony to work with your staff on their incorporation into the draft bill.

Before commenting generally on the process by which these reforms were defined, I wish to encourage the Committee to consider seriously the Governors' recommendations for decision-making through interagency committees by majority vote. In our opinion, the delays and uncertainty that now shroud the licensing process are inherent in the consensus approach employed by the government to make decisions involving issues within the jurisdiction of two or more agencies. Where disagreements exist among agency participants, our recommendations for majority decision-making will (1) speed up resolution of hard cases, (2) increase the sense of individual agency responsibility, (3) place a special burden of proof on the denying agency by requiring it to specify its grounds for action, and (4) facilitate prompt appeal to the President for ultimate resolution of conflicting policies. Both Congress and the courts employ this approach without adverse effect; it is being incorporated into some decisional mechanisms for handling policy issues within the new MTN structure; and is employed informally even within the executive branch in areas like pension reform. Many senior officials of the federal government, including Dean Rusk, George Ball, Bill Clements, and my fellow Governor from Washington, are all on record in support of adopting this concept. The collective judgment of such individuals should not be dismissed lightly by this Committee. We feel strongly that this decisional approach should be adopted, including the strict time limits proposed, on at least a trial basis for one year. The Act could authorize the President to terminate compliance with the provisions at the end of that time if he finds it has not produced a marked improvement in efficiency and effectiveness of the licensing process. Should the committee wish to consider the proposal at this time, our staff advisors can provide the necessary language and information about where it should be incorporated within the present bill.

Having specified the amendments we feel are basic to meaningful reform, I shall comment generally on the process which led to construction of the bill now before you.

Since 1976, the Senate and House have held numerous hearings on general and specific defects of the current Act and its implementation. The General Accounting Office has prepared two extensive reports on the inadequacies of the present system. The Department of Commerce itself has done internal studies which disclose many deficiencies. Our committee is completing extensive studies which indicate that the licensing process has significantly affected our competitiveness in world markets. These studies, some of which have been submitted to your subcommittee, document in detail the current decisional process and expose the redundancy of action within agencies and the conflict of action between agencies which has produced many delays and denials we believe are unnecessary. These studies and all the work presented to the House and Senate are the foundations for our reform proposals. These proposals have been reviewed by many people knowledgeable in the realities of business and government at the technical as well as the policy levels. We have no evidence other than unsupported assertions by interested parties that our reforms will not produce the expected benefits. In fact, we feel there is substantial empirical evidence both here and abroad that they will produce such benefits.

We now have more than twenty years of experience with broad delegations of power to the President to restrain the international commerce in the pursuit of national security, foreign policy and short supply objectives. No one contends these objectives ought not be pursued. The record does not support depriving the government of the use of licensing controls to achieve these objectives under certain circumstances. Conversely, the record does demonstrate that the bureaucracy exercising this delegated power must be held accountable in a meaningful way to both the Congress and the industries and states most affected by their actions. If this accountability is not assured, government impediments to export expansion will increase at the very time when such expansion is critical to maintenance of our leadership position in world affairs.

The record is clear that the executive branch will not on its own restrain use of these controls, because it does not bear the burden of these controls while it gains the benefits of their application. The states and the industries within them that now engage or hope to engage in exports do bear these burdens. Only the Congress, as our representative, can redress this problem. Through legislation you can establish the criteria for determining the distribution of benefits and burdens. You can establish procedures for administrative agency action which comports with Constitutional principles and thus maintains the public's confidence. You have done so on many occasions with regard to domestic commerce, despite bitter conflict among diverse interests. We encourage you to do the same regarding export licensing. We believe that the broad proposals contained in H.R. 3154 and the specific proposals appended to this testimony will be a move in that direction.●

NEW ECONOMIC GROWTH IN ASIA

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. CHARLES H. WILSON) is recognized for 5 minutes.

● Mr. CHARLES H. WILSON of California. Mr. Speaker, recently, Forbes magazine, a distinguished and well respected business publication, printed an article on the rapid economic rise of South Korea.

According to author Norman Pearlstine—

> Within a dozen years, this formerly dirt poor nation expects to have an economy as large as France's is today. That would make it one of the world's ten largest economies.

I think the material would be of interest and value to my colleagues in the Congress:

HOW SOUTH KOREA SURPRISED THE WORLD

(By Norman Pearlstine)

When the price of oil was abruptly jacked up from $3 a barrel to almost $12 in 1973, the U.S. responded by exporting dollars to pay the bill, the Japanese by exporting TV sets and automobiles and the Republic of Korea by exporting 100,000 human beings to build cities and port facilities in the Middle East. By such bootstrap methods did this poor but developing economy overcome the oil shock and, while other developing economies stagnated or lost ground, resume an economic growth rate that has replaced Japan's as the wonder of the world.

The hows and whys of the Korean miracle—and the lessons to be drawn from it—may be the least covered major economic story of the decade.

It was only three years ago that the prestigious Brookings Institution published an exhaustive study, titled *Asia's New Giant*, that explained how Japan had come from nowhere to rival America's economic prowess. Meantime, Asia was quietly spawning a second industrial power—South Korea. Brookings has not gotten to South Korea yet, but it probably will. Within a dozen years this formerly dirt-poor nation expects to have an economy as large as France's is today. That would make it one of the world's ten largest economies. South Korea is already producing a substantial share of the world's textiles, shoes and electronic equipment. It will soon challenge America, Japan and Europe in basic industries like steel, autos and shipbuilding.

South Korea is not the only developing country that is banging on the developed world's doors. Taiwan, Hong Kong and Singapore in Asia, Mexico and Brazil in Latin America, and Spain and Yugoslavia in Europe are also industrializing quickly. But nowhere have goals been more ambitious nor the achievement more substantial than in South Korea. A combination of strong leadership, good planning and hard work have overcome an absence of natural resources to keep real gross national product growing at about 10 percent a year since 1961, while manufacturing has risen about 17 percent a year. After World War II, South Korea, a onetime colony of Japan, was among the world's poorest places. But with growth rates like these, it could not stay poor forever. Its per capita income, which at $82 was roughly the same as mainland China's in 1961, rose to $1,242 last year, at least three times China's level. Total exports, which have risen an incredible 40 percent a year since 1961, reached $12.7 billion last year. Significantly, one-third of them went to the U.S., with which South Korea had a $1 billion trade surplus. South Korea "is perhaps the best example in the world of how trade can propel a nation toward prosperity," says Bank of America President A. W. (Tom) Clausen.

Signs of progress are everywhere. In Seoul, the bustling capital, pneumatic drills, earth movers and pile drivers combine to create a constant din. The city's 8 million citizens consider a 60-hour work week routine, and move at a pace that makes Tokyo's legendary workaholics seem in slow motion. In rural towns metal roofs and television antennas have replaced the scenic but leaky thatched roofs of a decade ago. New factory cities have sprung up—like Ulsan, where a new auto plant operates around the clock trying to reduce a several-month domestic backlog for shiny Korean automobiles.

All this is taking place within a system that sets its goals from the top but encourages private enterprise to carry them out. If it is not capitalism as we know it, neither does it bear any resemblance to socialism. Whatever it is, the Korean system works and is already generating business enterprises of global proportions and global ambitions.

Kang Jin-Ku, president of the giant Samsung group's electronics subsidiary that makes television sets and other consumer products, says its 1978 sales of $300 million include exports of $100 million. He is one of many Korean businessmen predicting sales and export increases of at least 50 percent in 1979. Does he worry about competition from Japan, Taiwan or elsewhere? Not nearly so much as he fears "the fierce competition from other Korean companies." Confirming South Korea's emergence as an industrial power, record numbers of foreign bankers have been streaming in—about 40 foreign banks have branches or representative offices, triple the number three years ago—offering money at bargain rates undreamed of in the early 1970s. Economic planners are trying to restrict 1979 real growth to 9 percent (to help slow inflation), but privately they concede it is likely to grow by about 11 percent.

Does the typical South Korean have an easy or affluent life? Not yet—perhaps he never will. Kim Yung Gee, a 27-year-old auto assembler at the Hyundai Motor Co. in Ulsan, 200 miles south of Seoul, heads for the factory gate at 7 a.m., leaving his wife and two small children behind in a cramped, company-subsidized two-room apartment. Forty minutes later he is at his post on the assembly line, ready to endure noise, dust and fumes that would keep an OSHA inspector busy writing reports for a month. Kim works 10 to 12 hours a day, six and sometimes seven days a week. In return, he makes about $3,500 a year. That's above average for Korean workers but much less than auto workers around the world typically make. Kim knows that compared with most citizens of the Third World, he is fairly well off. Considering the economic depths from which the country emerged, he is fortunate indeed.

Although the rate of export growth will fall below 20% a year as the economy expands, total shipments are expected to reach $50 billion a year by 1986. Unlike the Japanese, who chalk up massive trade surpluses, the Koreans say overall trade will remain roughly in balance. South Korea has already begun to tear down some of its import barriers and has pledged itself to achieve full-scale import liberalization much faster than Japan has. In 1978, for example, the country imported 70,000 tons of beef—as much as its much larger and richer neighbor Japan did in 1977. "Imports keep our domestic companies competitive, are anti-inflationary, and help give us the capital goods we need to expand our own productive capacity," says Park Pil-soo, assistant minister for trade and commerce in South Korea's Ministry of Commerce and Industry. In 1986 South Korea's textile and electronics industries will still be important, accounting for exports of $10 billion and $9 billion a year, respectively. But machinery exports will also total $10 billion by 1986 as the nation begins to move toward more sophisticated, skill-intensive manufactured goods. Auto production, for example, which totaled only 200,000 units last year, is set to increase tenfold by then, well above Italy's present production, with more than half the new cars being exported. Many of these high-level exports will come from Changwon, a new city on Korea's southern coast, where more than 100 machinery factories will rise between now and 1981.

With only 37 million people, South Korea will never be as big or as varied an economic power as Japan, which has three times its population. Still, by continuing to grow at 10% a year, it expects GNP to rise to $385 billion in current prices by 1991 and two-way trade to total $280 billion.

Are these goals realistic? It is hard to find Korean government officials or businessmen who think they won't be met. "The targets for 1968 and beyond are very good," says Chung In Yung, chairman of Hyundai International Inc., an affiliate of the Hyundai group, which is finishing construction of a $500 million machinery plant in Changwon. Chung says his own company, which has technical tie-ups with General Electric, will have sales of $5 billion a year by 1986. Does that seem absurdly high for a company that expects sales of just $700 million this year? Look again. Two years ago annual sales were only $100 million.

All that is pretty impressive for a country that only 25 years ago was reeling from the devastation of the Korean War, in which almost 10% of its population (and 34,000 Americans) were killed. Despite massive infusions of U.S. aid, the economy was going nowhere under then-president Syngman Rhee. People were so poor they ate the bark off trees to keep from starving.

It is no coincidence that South Korea first began to take off in 1961, the year a young general named Park Chung Hee seized power in a military coup.

Park says that in 1961 "I felt as if I had been given a pilfered household or bankrupt firm to manage." There was little in Korea's culture or its 4,300-year history to suggest its people would accept rapid industrialization. Korea was a Japanese colony from 1910 to 1945, and for three years after World War II what is now South Korea was controlled by U.S. occupation forces. Because of gross mismanagement industrial production fell sharply during the occupation, and it all but ceased from 1950 until the end of the Korean War in 1953. After the war Syngman Rhee was preoccupied with domestic politics and stressed defense at the expense of economic development. His rabid anti-Japanese feelings limited ties with Korea's most logical trade partner, and his obsession with reunification of North and South Korea got in the way of industrial growth.

It wasn't that Park, a soldier, was less aware than Rhee of the menace from the north. But in contrast to his predecessor, Park reasoned that a strong economy is critical to a strong defense—that soldiers and guns were useless without steel and machinery. Recognizing that Korea's Confucian traditions revere government service, Park relied heavily on the bureaucracy to implement his economic policies. In July 1961, little more than a month after taking power, Park centralized planning activities in a newly established Economic Planning Board and, to show the importance attached to planning, made its head the nation's Deputy Prime Minister. The EPB head still meets formally with the government's other economic ministers and with the foreign minister at least twice a week to discuss economic policies, and informally with the same men on Saturday mornings at an "Economic Ministers' Roundtable." Disputes among the ministers may be referred to Park himself or to economic officials within the Blue House, Park's executive office building. Park is not the kind of ruler who relegates economic decisions to subordinates.

Leadership alone, of course, is not enough. Although the economy was a shambles when Park came to power, South Korea had already developed many conditions that made fast growth possible, given proper leadership. Few Koreans had any power during the prewar colonial period, but many of them benefited from watching the Japanese, says Sakong Il, the Korea Development Institute's research director. "Given a chance, they were ready to run their own businesses." In addition, the Korean War's destruction, together with thorough land reforms imposed in the years before it, did much to eliminate the elitist social structure that has hobbled so many other countries' development efforts. Most important, Park found himself in charge of a well-disciplined, literate people ready to go to work. (Education has always been important. A crash program in place since the end of the Korean War has pushed the adult literacy rate above 90%, making it one of the highest in the developing world.)

Certain attitudes got in the way. For example, merchants had little status in traditional Confucian society. Park succeeded in elevating entrepreneurs—especially entrepreneurs who export—to something close to national heroes. Once a month he personally presides over an "Export Promotion Meeting" in which top government officials discuss economic policies and problems with the business community. At a lunch that follows, businessmen are often able to remove bureaucratic bottlenecks through direct discussions with the President. Contrast this with the situation in so many of the less-developed countries, where businessmen are vilified and the bureaucracy permitted to harass them at every turn.

Consider the fanfare and ceremony surrounding Export Day, an annual event that has taken on huge importance in Korean society. As the Seoul City Band plays the "Export Promotion Song," thousands of businessmen and workers fill an auditorium draped with slogans proclaiming "Nation-Building Through Export" and "Think Exports First." Following an elaborate ceremony, the nation's most successful exporters and workers in export industries are awarded "industrial-merit medals" and gold, silver or bronze pagoda-like trophies called "Export Towers." Traditionally, President Park bestows the awards himself. Competition for the towers is fierce, with companies juggling their books as much as possible to increase the amount exported. Last year's winner of the largest trophy: Hyundai Heavy Industries, which exported goods worth $738 million in the 12 months before Export Day.

The nationalistic South Koreans bristle whenever their economic strategies are described as mere copies of Japan's. (Although the two nations have extensive trade ties, age-old cultural enmities continue. The Japanese look down on the Koreans as country hicks or uncivilized barbarians, and the Koreans like nothing better than one-upping the Japanese.) Nonetheless, it is clear that many South Korean economic policies and practices have been imported directly from Japan. Korea's Ministry of Commerce and Industry is patterned closely after Japan's Ministry of International Trade and Industry. Its recently established General Trading Companies (GTCs) are deliberate copies of Japan's giant trading houses like Mitsui and Mitsubishi. Its five-year plans, heavily emphasizing exports of manufactured goods, bear many similarities to Japan's highly successful "income doubling" growth plan of the 1960s.

But it would be a mistake to carry the analogy too far. It is not for nothing that the exuberant Koreans are sometimes called "the Irish of the Orient." They are very different indeed from the diffident Japanese. And often similar forms can mask distinctly different substance. The term "Japan Inc.," for example, connotes a government-business partnership in which policy reflects consensus between equals. But "Korea Inc." means something very different. In South Korea the government sets the policies and businessmen follow. In this way, then, South Korea is an unusual blend of free enterprise and state direction.

The government's strongest weapon is its control of credit. Whereas large Japanese industrial groups often have their own banks and get funds from them, Park confiscated all privately held banks soon after taking power. Although Park has vowed that he'll keep them out of the hands of Korea's big industrial groups—aides say he think's Japan's industrial groups are too powerful for that country's own good—top economic officials say that most of the country's commercial banks will make share offerings to the public in the early 1980s. Control, however, is likely to remain in the government's hands for years to come.

Businessmen complain about government favoritism in awarding major projects. "It is more important to be a good lobbyist than a good manager," says one official in the Samsung group, whose firm has often lost out to other big groups in bidding for government projects. In candid moments some government officials acknowledge that close ties with President Park can sometimes swing a deal. But they insist no company is ever awarded a major project unless the government is convinced it can do the job. That, they say, is what distinguishes Park from Rhee, his predecessor, and from many heads of developing countries.

Some of President Park's closest economic advisers say that he is more comfortable dealing with bureaucrats and military men than with entrepreneurs. They say he spends as much time as he does with businessmen because he realizes that Korea's continued growth depends upon them. Those businessmen he is close to tend to share his rural, poor background and to be hard-charging types willing to take risks for their companies and their country. No one more closely fits that description that Chung Ju Yung, who heads the $4 billion (sales) Hyundai group of companies. Like President Park, Chung came from a poor farm family. When Chung was 18 he left home and walked to Seoul, where he sought his fortune. After holding a series of menial jobs, he saved and borrowed enough to establish an auto repair and trucking company, and in 1947 he founded the Hyundai Construction Co. In the early 1970s he decided to build South Korea's first big shipyard after the government indicated it wanted to become a shipbuilding power. Chung says he almost gave up on the yard when he had trouble lining up needed foreign financing. But he redoubled his efforts and finally got the funds after Park urged him on, saying Chung "shouldn't only try the easy things."

Forbes recently caught up with Chung at his sprawling Hyundai shipyard, which now employs more than 32,000 men building anything that floats—from cargo ships to tankers to semisubmersible drilling rigs. Although it was 10 p.m. Sunday and Chung had been out for more than 16 hours inspecting every corner of the yard, the 63-year-old chairman was wide awake and ready to talk. Nibbling on an occasional peanut but passing up the abalone, shrimp and other delicacies placed before him, Chung brushed aside any suggestion that South Korea might not reach its ambitious export goals for the lears to come. Like many Koreans, however, he expressed bitterness about his country's mounting trade deficit with Japan, which rose to $3.3 billion last year. "We should be exporting as much to Japan as we import," he complained. But the Japanese discriminate against Korean products, he added.

Japanese restrictions, while serious, are only one of the problems the South Koreans face in trying to meet their ambitious targets. The South Koreans say they are shooting for only 2 percent of the world's exports by 1986. But that is almost twice their present level, and in certain industries, such as textiles and shoes, their exports account for a far larger percentage of world trade. As a result, the U.S. and other industrialized nations have already imposed strict protectionist measures against 43 Korean export items, including television sets, textiles and shoes.

The South Koreans have been trying to diversify their export markets, selling more to the developing world, and they hope that the heavy industry products they are gearing up to produce won't be so susceptible to protectionism. Hyundai Motor, for example, now sells autos in more than 40 countries, but not in the U.S., Japan or most of Europe. The trouble is that many developing countries have limited foreign exchange, making it hard for them to import goods in massive quantities. The Japanese, too, have dreamed of selling more products to the less-developed world and depending less on the U.S. and European markets, but progress has been slow.

So, hedging their bets, the South Koreans are trying to upgrade the quality of their exports, since most protectionist measures restrict volume but not value or price. Lee Dong Chan, chairman of the Kolon group, a major textile firm, says, for example, that by increasing the quality and the price of his goods he can boost dollar sales yearly by 25 percent through 1986 with only a 10 percent annual increase in volume. By doing so, he says, Kolon and other Korean textilemakers can keep their goods a cut above the low-cost stuff beginning to pour out of the developing countries in Southeast Asia.

Inflation and higher costs in South Korea could ultimately cause the country's manufacturers as many problems as protectionism might. Since 1960, South Korea's inflation has been at a rate of about 17 percent a year. South Korean wages have increased by about 30 percent a year over the past four years. But Korean wages are still well below those of Japan and other developed nations. College graduates with an engineering degree can make as much as $7,000 a year with the largest Korean companies, but apprentices in textile and electronics factories still make less than 70 cents an hour, including housing and other fringe benefits. Besides, higher wages have one important benefit: They help create the domestic demand needed to get some new industries, such as autos, off the ground.

Although tension between North and South Korea remain high, most foreign businessmen investing in the South don't seem very concerned about the possibility of renewed fighting between the two countries. If anything, they say that the recent normalization of relations between the U.S. and China, which is North Korea's most important ally, should lead to an improvement in relations between the two Koreas. What does worry foreign investors and thoughtful South Koreans, however, is President Park's failure to designate a likely successor or to establish the political processes necessary to assure an orderly transition should he die or leave office. The 61-year-old president is in good health and gives no indication that he plans to leave office anytime soon. But should he die unexpectedly, South Korea could be faced with a period of anarchy or uncertainty which, even if brief, could lift the risk of North Korean intervention in South Korean affairs.

"It is important to understand that the Korean Miracle isn't a triumph of *laissez-faire* but results from a pragmatic, nonideological mixture of market and nonmarket forces," says KDI's Sakong II, who, along with Boston University Professor Leroy P. Jones, has just completed a book on business-government relations in South Korea. [That book, which explains the development of South Korea's entrepreneurs, should be of special interest to other developing countries interested in spurring economic growth.] As South Korea's economy expands, many businessmen—including supporters of President Park, such as Hyundai's Chung Ju Yung—have begun to call for less bureaucratic control and for more reliance on the free market. South Korea's new Deputy Prime Minister and Economic Planning Board head, Shin Hyon-hwack, seems to support such moves, but it will be difficult for the bureaucracy to give up the power it has enjoyed for so long. President Park, however, has so far shown an almost uncanny ability to know when to lay hands on the economy and when to lay off, and there are some indications that he is beginning to favor less government control and more power for the business community.

There is probably no country in the world that can react to an emergency as fast as South Korea or is more willing to correct a mistake in planning once it is recognized. Typical was South Korea's response to the 1973 oil crisis and the 1974 world recession. Within three months of the OPEC price hike, the government had announced a detailed plan for fuel conservation. It subsequently hatched a comprehensive plan to get most of that money back by promoting exports and construction activities in the Mideast. It also increased foreign borrowings sharply to cover an increase in its trade deficit. As a result, real gross national product continued to grow at 7 percent or more in 1974 and 1975. In 1976, after the recession ended, it grew at 14.2 percent, thanks largely to a 56 percent spurt in exports.

That kind of determination makes South Korea a model for other less-developed countries, who prefer to sit around blaming their problems on U.S. "imperialism," on multinational company rapacity or on a lack of raw materials. It is also what makes South Korea's future look so favorable.●

HOSPITAL COST CONTAINMENT

The SPEAKER. Under a previous order of the House, the gentleman from Tennessee (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Tennessee. Mr. Speaker, health care costs have been rising at an intolerable rate, imposing a severe burden on the American taxpayer. According to a recent Harris survey, high health costs rank third in the top four problems about which the American people have the greatest concern. The House now has an opportunity to strike a major blow against inflation in the health care industry by passing legislation providing for strong hospital cost containment measures in the event cost escalation continues.

Last week the Ways and Means Health Subcommittee, on which I serve, reported an amended version of H.R. 2626, the Hospital Cost Containment Act of 1979. This bill would curb these escalating costs and save the American people more than $55 billion over the next 5 years. H.R. 2626 recognizes the hospital industry's own voluntary control program but, by including standby mandatory controls, provides us the means to move quickly in the event that the voluntary effort fails.

There are several points of contention regarding the issue of hospital cost containment which promise a lively debate in the upcoming weeks. However, I would like to lay to rest a serious misunderstanding regarding H.R. 2626. The charge has been made that revenue controls would place a ceiling on the volume of care and would create de facto controls on medical practice, although hospitals have no legal authority to restrain physician-ordered care. I believe this statement is misleading. The bill under consideration imposes only an overall limit on the rate of increase in hospital revenues. It does not dictate how or what services should be performed. Therefore, while decisions to add new services will have to be evaluated very carefully in light of the need for cost savings, the Government, through passage of this bill, will not be regulating the practice of medicine. Much of the past growth in hospital outlays represents waste, inefficient management and unneeded services or increased intensity of care with no marginal benefit for the patient. Under this bill, hospitals will simply have to exercise the same careful management of limited resources as other businesses.

Mr. Speaker, I urge my colleagues to study the Hospital Cost Containment Act very carefully. I truly believe it is one of the most positive things we can do to fight inflation.●

INTRODUCTION OF SUBTITLE F REVISION AND INSTALLMENT SALE REPORTING SIMPLIFICATION

The SPEAKER. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 15 minutes.

● Mr. ULLMAN. Mr. Speaker, today I am introducing a bill containing several amendments to the procedure and administration provisions of the Internal Revenue Code. The amendments are designed to improve the operation and administration of our tax laws.

Hopefully, a bill of this type will stimulate interest in making other changes in the future to simplify the tax law for taxpayers, practitioners, and the Internal Revenue Service.

This bill provides for: First, the payment of interest to a person whose property is wrongfully seized by the Internal Revenue Service; second, the elimination of reporting requirements for certain transfers to exempt organizations; third, the elimination of certain overlapping private foundation reporting; fourth, repeal of the 25-percent penalty for certain jeopardy assessments; fifth, the elimination of certain stock option information reporting to the Internal Revenue Service; sixth, conforming the due date for gift tax and income tax returns and the granting of an automatic extension of time for filing certain gift tax returns when an extension for filing the donor's income tax return is granted; and seventh, the disclosure of manufacturers' excise tax information to State tax officials.

In general, the reporting requirement changes eliminate unnecessary furnishing of information by eliminating duplicate requirements or by repealing requirements for information which are no longer considered to be necessary by the Internal Revenue Service. The change relating to gift tax filing requirements will assist practitioners in avoiding inadvertent penalties for late filing since a taxpayer's obligation to file a gift tax return for the last calendar quarter or year is often ascertained when data for final preparation of the donor's income tax return is assembled. Thus, the provision would improve compliance with the tax law. Of course, interest charges would be imposed for the extension period.

Today I am also introducing a bill to simplify the tax rules for reporting gain under the installment method for sales of real estate and certain personal property.

Under present law, a taxpayer may elect to report gain from the sale of real estate or certain casual sales of personal property for the taxable years in which payments are received. Generally, this method of reporting gain is available only if the payments received in the year of sale do not exceed 30 percent of the selling price. In the case of a casual sale of personal property, the selling price must exceed $1,000 for the sale to qualify for installment reporting.

The requirement that no more than 30 percent of the selling price be received in the taxable year of sale has represented a trap for the unwary in many cases where the taxpayer has not had the benefit of proper counseling to qualify for installment reporting. In many other cases, the requirement has caused transactions to be tailored to qualify for installment reporting even though it might be in the best interest of both buyer and seller to have a larger downpayment made. The bill would eliminate the 30-percent requirement so that installment reporting would be available for deferred payment sales without regard to the amount received by the seller in the year of sale.

However, to eliminate reporting complexities for numerous sales of personal property for relatively small amounts which will qualify for installment sale reporting because of the elimination of the 30-percent requirement, the requirement that the selling price for casual sales of personal property must exceed $1,000 would be increased so that the selling price must exceed $3,000. Generally, in these cases, the relatively small benefit of installment sale reporting does not justify the burden of returning the gain over several taxable years.

Also, present law has been interpreted so that installment reporting is not available unless the sales contract requires two or more payments. As a result, for example, a sale would qualify where the seller received a very small downpayment in the year of sale with the balance due in another taxable year but would not qualify if no downpayment was received with the entire amount payable in another taxable year. In this case, the tax treatment turns on the form of the transaction rather than its true substance. In practice, this requirement has been another trap for the unwary. Numerous controversies have arisen because taxpayers have attempted to characterize sales not qualifying for the installment method as incomplete or open transactions reportable when the payments received exceed the basis of the properties sold. The bill would eliminate the requirement that there must be two or more payments to qualify for installment reporting.

In addition, the bill would deny installment method reporting for sales between related parties. Under present law, a tax-planning technique involves selling appreciated property on the installment basis to a related party, such as a family trust, and then having the property sold by the related party at little or no taxable gain because the cost basis for the second sale would reflect the entire purchase price under the installment sale. In this situation, the appreciation has been realized within the related party group but gain is recognized for tax purposes only as the related party purchaser makes installment payments to the original seller. Under the bill, this technique could not be used. However, the rule would not apply to stock redemptions qualifying as a sale or exchange since, in those cases, the installment method is not used to obtain a cost basis to offset a subsequent taxable sale by a related party.

Finally, the bill provides that the installment obligation disposition rules cannot be avoided by bequeathing an installment obligation to the obligor. Under present law, some have argued that this technique could avoid having the unreported gain from an installment obligation treated as an item of income in respect of a decedent.

Mr. Speaker, the bill would improve the installment sale provision by simplifying it and by eliminating several of its present deficiencies.●

SENIOR CITIZEN EMPLOYEES HONORED

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

● Mr. PEPPER. Mr. Speaker, at a time when our elderly population is increasing in numbers and living healthier lives, it is always heartwarming to hear of employers who recognize and reward the dedicated service of their elder employees.

Recently, I was delighted to receive a testimonial of an employer's most commendable attitude toward his company's senior employees. Mr. Raymond A. Ross, Jr., president of the Miami-based Ross Corp., has made it a practice to honor his senior employees and their wives at an awards dinner held annually. On this occasion, the senior employees are presented with an inscribed plaque as a lasting reminder of the company's appreciation for their efforts in behalf of the company.

This gracious gesture is demonstrative of Mr. Ross' commendable attitude toward senior citizens; his recognition of the value of the skills and expertise that seniors can bring to his organization; and of his loyalty to those in his employ who serve well. I hope Mr. Ross' fine actions will serve as an example to other employers in this country who have flourished through the service of their elder employees.

I would like to share with my colleagues at this time a letter I received from Mr. Joseph Kinsler, a senior employee with the Ross Corp. who expresses so eloquently his appreciation for his employer's action on behalf of senior employees. I would like to have this letter and my letter of commendation to Mr. Ross inserted in their entirety at this point in the Record:

—

Ross Oil,
Miami, Fla., January 25, 1979.
Senator Claude Pepper,
51 S.W. 1st Avenue,
Miami, Fla.

Dear Senator Pepper: I feel that, being one of your many admirers in your fight for Senior Citizen Rights, the following short story might be used as an example for other employers. Five years ago I applied for a part time position in the Credit Department of The Ross Corporation, a young and growing organization, headed by a young, vibrant, intelligent President, Raymond A. Ross, Jr.

Mr. Ross had made it a practice to hold a dinner once a year for the employees and their wives which he called an "Awards Dinner".

The purpose of this letter is to tell you how I felt when I was called up to the podium to accept a beautifully inscribed plaque showing his appreciation for my efforts, and how he feels about the usefulness of the senior citizen. Five other senior citizens, in other capacities, were similarly honored. We were overwhelmed.

Senator, I would appreciate your remarks in a reply letter so that I can show my appreciation to Mr. Ross in writing.

Very truly yours,
Joseph Kinsler.●

—

Congress of the United States,
House of Representatives,
Washington, D.C., January 31, 1979.
Mr. Raymond A. Ross, Jr.,
The Ross Corporation,
Miami, Fla.

Dear Mr. Ross: I have just received a letter from Mr Joseph Kinsler, one of your employees, telling me about your practice of holding a dinner once a year for your employees and their wives which you call an Awards Dinner; and upon the occasion of your last dinner, of your calling him and five other senior citizens to the podium to be honored with a beautifully inscribed plaque showing your appreciation of their efforts in behalf of your company.

I am delighted, as Chairman of the House Committee on Aging, to have such a testimonial of your most commendable attitude toward senior citizens; your recognition of their dedicated service; their integrity; their sense of responsibility; their loyalty to your organization. I will, unless you object, put in the Congressional Record Mr. Kinsler's letter to me telling about this fine action on your part as a commendable example of what we feel other heads of companies in this country should do in recognition of their elder employees. I will also insert my letter to you, if that is agreeable with you.

I warmly commend you upon your cooperation with the national policy recognizing the right of qualified elderly people to continue to work as long as they are qualified to do so, and in non-Federal service, at least until the age of 70. If you are in Washington some time, I would be most pleased to have you come and visit with me.

Warm regards, and
Very sincerely yours,
Claude Pepper,
Member of Congress.

PERSONAL EXPLANATION

The SPEAKER. Under a previous order of the House, the gentleman from Massachusetts (Mr. Drinan) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, due to an early afternoon commitment at the White House, I was unavoidably absent from the House yesterday during rollcall No. 105, a recorded vote on the Wilson of California amendment to the first budget resolution. Had I been present for the vote on this amendment—which provided for a substantial increase in outlays and budget authority for defense and a decrease in outlays and budget authority for international affairs—I would have voted "no."●

LOOK HERE, MR. CARTER

(Mr. DEVINE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. DEVINE. Mr. Speaker, I do not often agree with columnist Jim Bishop, however, he recently wrote an article entitled, "Look Here, Mr. Carter" which was particularly targeted at the performance—or nonperformance—of the President.

Bishop obviously researched well to come up with these specific examples, and all of our colleagues should share the information he has made available:

Look Here, Mr. Carter!

Political watchers are tired of waiting for the president to take the nation over Niagara Falls on a raft of toothpicks. He's going to break our necks running for the Nobel Peace Prize. He grins; we sweat.

Never in the history of the republic have we had a president who tries so ardently to settle everyone else's problems but can't do a darned thing at home. He who has spent two years fighting inflation can't get the account books straight at the peanut warehouse.

He began, you will recall, by telling Brazil and Russia and other nations how to administer human rights inside their borders. Jimmy Carter horrified his own State Department. He was advised to mind his own business.

Taiwan was cut adrift. Little Vietnam invaded Cambodia, Big China invaded Vietnam. The Soviet Union viewed recognition of China as a plot against her. After a few months, we didn't know who we were rooting for. The president didn't either.

At home he didn't start to campaign for the Equal Rights Amendment until it was lost. It required 18 months for the president to order Hamilton Jordan to wear a tie in the White House. There is the faint dank odor of the loser about a man who hits Congress with a bushel of bills the first few days he is in office.

Give him A-plus for intentions. He means well, as Neville Chamberlain meant well. As Edward Benes fought for the right. As Herbert Hoover murmured: "Don't worry about a depression. This country is sound."

He has twisted and tweaked Israel and Egypt into signing a treaty. Every thinking person in the world hopes it will work. The New York Times poll shows that 73 percent of the people think it will not, and that a like number of Americans resent our having to pay the bill for peace.

If it brings peace, it was worth the money and 10 times it. Still, I suspect that Carter imposed that treaty on Israel. He jammed it down Begin's throat. If it sticks there like a chicken bone, Israel will find an excuse for disgorging it.

This man Begin, who heard our president pledge United States' friendship and loyalty to Israel forever and ever actually allowed Carter to be his mediator of peace. This is like having a quarrel with your wife and calling her lover in to straighten it out.

It wasn't until after the treaty was signed—with Camp David hugs and kisses all over again—that Egypt's foreign minister protested a letter of intention signed by the United States about what it would do to anyone who violated Israeli's borders. Cyrus Vance was so embarrassed that the best he could manage was to offer a similar letter to Egypt.

Begin got what he wanted. Egypt is now friendless. Israel has fractured the Arab bloc of states. Do not minimize it; this is a great bloodless victory. Egypt is broke. Swift new F-16 fighters will go to Israel; slower F-4s to Egypt.

Now that peace is assured, both sides want more weapons. Israel has her oil supply guaranteed for 15 years by America—a nation that is closing the pumps on its own people. Meanwhile, the Arabs hike the price of oil 9 percent. They do to us economically what they could not do militarily.

When the revolt began in Iran, all we had to do was keep our mouths shut. It's their revolt. But the White House publicly announced that we backed the shah. In Afghanistan, the American ambassador was assassinated, and the best this powerful country could do was send a note.

At home, Mr. Carter stands firmly behind affirmative action, which means that we honkies will pay for the cruelties of slaveholders of past centuries. Our jails are jammed, our kids can't spell; the stock market is as ticklish as a frightened virgin, and he talks of a SALT agreement.

Our government announces that corporate profits are up 26 percent, corrects itself to 16 percent, and we breathe a sigh of relief. What's so good about 16 percent? The American housewife is robbed blind at the supermarket. Soon, they will weigh a scallion by the gram. We who work pay billions in taxes to millions of loafers who sit on their behinds.

Good intentions were never sufficient. Carter took office saying that he knew little about Washington and that he would balance the budget. Never have we paid so dearly for an apprenticeship. Never have we been so deeply in hock.

Take my word for it: that is not a light you see at the end of the tunnel. That's an express train . . .●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Solomon) to revise and extend their remarks and include extraneous material:)

Mr. Ashbrook, for 15 minutes, today.

(The following Members (at the request of Mr. Rahall) to revise and extend their remarks and include extraneous material:)

Mr. WEAVER, for 10 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. FORD of Michigan, for 5 minutes, today.
Mr. VANIK, for 10 minutes, today.
Mr. STEWART, for 5 minutes, today.
Mr. STACK, for 5 minutes, today.
Mr. COTTER, for 10 minutes, today.
Mr. WOLFF, for 5 minutes, today.
Mr. ALEXANDER, for 30 minutes, today.
Mr. CHARLES H. WILSON of California, for 5 minutes, today.
Mr. FORD of Tennessee, for 5 minutes, today.
Mr. ULLMAN, for 15 minutes, today.
Mr. PEPPER, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. ZABLOCKI, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. CHARLES H. WILSON of California, and to include extraneous material notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $869.

(The following Members (at the request of Mr. SOLOMON) and to include extraneous matter:)

Mr. RINALDO.
Mr. YOUNG of Alaska.
Mr. RITTER in five instances.
Mr. MCKINNEY.
Mr. PAUL in five instances.
Mr. SYMMS in three instances.
Mr. GRASSLEY.
Mr. MYERS of Indiana.
Mr. HOLLENBECK in two instances.
Mr. ASHBROOK in three instances.
Mr. DERWINSKI.
Mr. MOORHEAD of California.
Mr. LAGOMARSINO in three instances.
Mr. DORNAN in two instances.
Mr. EVANS of Delaware.
Mr. ANDERSON of Illinois.
Mrs. SMITH of Nebraska.
Mr. CLAUSEN.

(The following Members (at the request of Mr. RAHALL) and to include extraneous material:)

Mr. WOLFF in three instances.
Ms. OAKAR in five instances.
Mr. PATTERSON in two instances.
Mr. MAVROULES.
Mr. SCHEUER.
Mr. DASCHLE.
Mr. MINETA.
Mr. MCDONALD in five instances.
Mr. EDGAR.
Mr. HAWKINS.
Mr. SHANNON.
Mr. MOORHEAD of Pennsylvania.
Mr. AMBRO in two instances.
Mr. WON PAT.
Mr. DRINAN in five instances.
Mr. FAUNTROY.
Mr. COTTER.
Mr. SWIFT in two instances.
Mr. EARLY.
Mr. DIXON.
Mr. EVANS of Georgia in five instances.
Ms. SCHROEDER.
Mr. STEED.
Mr. FAZIO.
Mr. MAGUIRE.
Mr. RANGEL.
Mr. MOFFETT.
Mr. GEPHARDT.
Ms. MIKULSKI.
Mr. STOKES.
Mr. RAHALL.

ADJOURNMENT

Mr. RAHALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 10 minutes p.m.), the House adjourned until tomorrow, Thursday, May 3, 1979, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1463. A letter from the Acting Director, District of Columbia Department of Labor, transmitting the annual report for calendar year 1978 on activities under the District of Columbia Unemployment Compensation Act, pursuant to section 313(c) of title 46, District of Columbia Code; to the Committee on the District of Columbia.

1464. A letter from the Acting Chairman, Commodity Futures Trading Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1465. A letter from the Governor, Farm Credit Administration, transmitting a report on the administration's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1466. A letter from the Chairman of the Board of Directors, Tennessee Valley Authority, transmitting a supplement to the Authority's annual report for calendar year 1978 on its activities under the Government in the Sunshine Act, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1467. A letter from the Chairman, National Park Foundation, transmitting the 1978 annual report of the Foundation, pursuant to section 10 of Public Law 90-209; to the Committee on Interior and Insular Affairs.

1468. A letter from the Secretary of Commerce, transmitting the annual report on her Department's activities during fiscal year 1978 under the Fair Packaging and Labeling Act, pursuant to section 8 of the act; to the Committee on Interstate and Foreign Commerce.

1469. A letter from the Secretary of Health, Education, and Welfare, transmitting a report that his Department made no grants under section 27 of the Toxic Substances Control Act or under section 301 of the Public Health Service Act during calendar year 1978; to the Committee on Interstate and Foreign Commerce.

1470. A letter from the Secretary, Interstate Commerce Commission, transmitting notice that the Commission is unable to render a final decision in docket No. 37020. Increased Minimum Weights With Increased and Reduced Rates on Eastbound Transcontinental Lumber and Related Articles, within the specified 7-month period, pursuant to 49 U.S.C. 10707(b)(1); to the Committee on Interstate and Foreign Commerce.

1471. A letter from the Secretary of Transportation, transmitting the annual report for calendar year 1978 on Coast Guard activities under title II of the Ports and Waterways Safety Act of 1972, pursuant to section 203 of the act; to the Committee on Merchant Marine and Fisheries.

1472. A letter from the Secretary of Commerce, transmitting the annual report of the Economic Development Administration for fiscal year 1978, pursuant to section 707 of the Public Works and Economic Development Act of 1965, as amended; to the Committee on Public Works and Transportation.

1473. A letter from the Federal Cochairman, Coastal Plains Regional Commission, transmitting the 11th annual report of the Commission, covering fiscal year 1978, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

1474. A letter from the Acting Administrator of General Services, transmitting to the previously approved prospectus proposing the construction of an annex to the Post Office-Courthouse Building in Miami, Fla., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1475. A letter from the Chairman, Board of Directors, Pension Benefit Guaranty Corporation, transmitting a draft of proposed legislation to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans; jointly, to the Committees on Education and Labor and Ways and Means.

1476. A letter from the Comptroller General of the United States, transmitting a report on the Navy's strategic communications systems (PSAD-79-48A, May 2, 1979); jointly, to the Committees on Government Operations and Armed Services.

1477. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Export-Import Bank of the United States for fiscal year 1978, pursuant to section 106 of the Government Corporation Control Act; jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

1478. A letter from the Comptroller General of the United States, transmitting a report on the saline water conversion program (CED-79-60, May 1, 1979); jointly, to the Committees on Government Operations and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HARRIS: Committee on Post Office and Civil Service. H.R. 2805. A bill to make technical and conforming changes to the financial disclosure provisions in the Ethics in Government Act of 1978; with amendments (Rept. No. 96-114, Pt. I). Ordered to be printed.

Mr. DANIELSON: Committee on the Judiciary. H.R. 2805. A bill to make technical and conforming changes to the financial disclosure provisions in the Ethics in Government Act of 1978; with amendment (Rept. No. 96-114, Pt. II). Ordered to be printed.

Mr. DANIELSON: Committee on the Judiciary. S. 869. A bill to amend section 207 of title 18, United States Code; with amendment (Rept. No. 96–115). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ARCHER:

H.R. 3874. A bill to amend the Internal Revenue Code of 1954 to waive in certain cases the residency requirements for deductions or exclusions of individuals living abroad; to the Committee on Ways and Means.

By Mr. ASHLEY (for himself, Mr. Stanton, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Gonzalez, Mr. Hanley, Mr. Fauntroy, Mr. Patterson, Mr. LaFalce, Mr. AuCoin, Mrs. Spellman, Mr. Blanchard, Mr. Evans of Indiana, Mr. Lundine, Ms. Oakar, Mr. Vento, Mr. Watkins, Mr. Garcia, Mr. Lowry, Mr. Wylie, Mr. McKinney, Mr. Kelly, Mr. Evans of Delaware, Mr. Green, Mr. Leach of Iowa, Mr. Bethune, and Mr. Ritter):

H.R. 3875. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. COELHO (for himself and Mr. Pashayan):

H.R. 3876. A bill to amend title XVI of the Social Security Act to provide that an alien may qualify for supplemental security income benefits only if he both is a permanent resident of the United States and (unless he becomes blind or disabled after his permanent residence begins) has also continuously resided in the United States for at least 5 years; to the Committee on Ways and Means.

H.R. 3877. A bill to amend the Immigration and Nationality Act to change certain criteria for determining whether an alien is deportable as a public charge, to provide for the investigation by the Attorney General of aliens receiving public assistance, to make affidavits of support for immigrants enforceable, and for other purposes; jointly, to the Committees on the Judiciary and Ways and Means.

By Mr. CORCORAN:

H.R. 3878. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition and fees to provide a higher education for himself, his spouse, or his dependents; to the Committee on Ways and Means.

By Mr. DELLUMS (by request):

H.R. 3879. A bill to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. FINDLEY:

H.R. 3880. A bill to make use of a firearm to commit a felony a Federal crime where such use violates State law, and for other purposes; to the Committee on the Judiciary.

By Mr. HALL of Texas:

H.R 3881 A bill to amend the Federal Meat Inspection Act to allow the interstate movement of all meat food products which are processed by federally inspected establishments and which are derived from meat which has been slaughtered or processed at certain State-inspected establishments; to the Committee on Agriculture.

By Mr. JONES of Tennessee:

HR. 3882. A bill to establish an Office of Rural Health within the Department of Health, Education, and Welfare, and to assist in the development and demonstration of Rural Health Care Delivery Models and Components; to the Committee on Interstate and Foreign Commerce.

By Mr. KILDEE (for himself, Mr. Ford of Michigan, Mr. Brodhead, Mr. Nedzi, Mr. Diggs, Mr. Dingell, Mr. Vander Jagt, Mr. Blanchard, Mr. Conyers, Mr. Traxler, Mr. Wolpe, Mr. Bonior of Michigan, Mr. Albosta, Mr. Davis of Michigan, Mr. Carr, Mr. Pursell, and Mr. Sawyer):

H.R. 3883. A bill to provide for the issuance of four postage stamps to commemorate Walter Philip Reuther and other American labor leaders; to the Committee on Post Office and Civil Service.

By Mr. MINETA:

H.R. 3884. A bill to amend the Internal Revenue Code of 1954 to provide for payment by the Government of all reasonable litigation expenses to prevailing taxpayers in legal action; to the Committee on Ways and Means.

By Mr. MINISH:

H.R. 3885. A bill to establish an Energy Company of America, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce, Interior and Insular Affairs, Science and Technology, and Ways and Means.

By Mr. PAUL:

H.R. 3886. A bill to repeal the Credit Control Act of 1969; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3887. A bill to amend the Internal Revenue Code of 1954 to exempt certain additional aircraft museums from Federal fuel taxes and the Federal tax on the use of civil aircraft and for other purposes; to the Committee on Ways and Means.

By Mr. PEPPER:

H.R. 3888. A bill to provide for grants to localities for their reasonable humanitarian and administrative expenses related to the presence of illegal aliens within their jurisdictions; to the Committee on the Judiciary.

By Mr. ROSENTHAL (for himself and Mr. Conyers):

H.R. 3889. A bill to amend the Internal Revenue Code of 1954 to provide for judicial review of certain interpretations of the Federal tax laws; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 3890. A bill to amend the Internal Revenue Code of 1954 to repeal the provisions requiring withholding of tax on certain gambling winnings; to the Committee on Ways and Means.

By Mr. SATTERFIELD:

H.R. 3891. A bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions; to the Committee on Ways and Means.

By Mr. SATTERFIELD (for himself, Mr. Roberts, Mr. Hammerschmidt, Mr. Edwards of California, Mr. Montgomery, Mr. Danielson, Mr. Wolff, Mr. Mottl, Mr. Hefner, Mr. Hall of Texas, Mr. Applegate, Mr. Leath of Texas, Mr. Boner of Tennessee, Mr. Gramm, Mr. Mica, Mr. Daschle, Mr. Coelho, Mrs. Heckler, Mr. Hillis, Mr. Abdnor, Mr. Guyer, Mr. Hansen, Mr. Sawyer, Mr. Grisham, and Mr. Lee):

H.R. 3892. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to contract for the furnishing of private health care to veterans when such health care is authorized by a Veterans' Administration physician as necessary for the treatment of medical emergency, to authorize the Administrator of Veterans' Affairs to provide outpatient medical services for any disability of a veteran of World War I as if such disability were service-connected, to extend the authorization for certain expiring health care programs of the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. SEBELIUS:

H.R. 3893. A bill to provide for the substitution of the statue of George Washington Glick in the Hall of Statues of the Capitol of the United States with a statue of Dwight D. Eisenhower to be donated by the State of Kansas; to the Committee on House Administration.

By Mr. SEIBERLING:

H.R. 3894. A bill to provide coverage under the Federal old-age, survivors, and disability insurance system for all Members of Congress and other officers and employees in the legislative branch of the Government; to the Committee on Ways and Means.

By Mr. SKELTON:

H.R. 3895. A bill to amend the Small Business Act to improve export opportunities for small business concerns, and for other purposes; to the Committee on Small Business.

By Mrs. SMITH of Nebraska:

H.R. 3896. A bill to provide that no regulation establishing a unifrom reporting system for a type of health care institution shall be effective until 120 days after a regulatory analysis for the regulation, or a determination that such an analysis is not required, has been made under Executive Order 12044, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. SOLARZ (for himself, Mr. Pease, Mr. Long of Maryland, Mr. Bonker, and Mr. Dixon):

H.R. 3897. A bill to authorize the President to waive the prohibitions on assistance to Uganda for the fiscal year 1979 if he determines that the Government of Uganda does not engage in a consistent pattern of gross violations of internationally recognized human rights, and that such assistance would further the foreign policy interests of the United States; to the Committee on Foreign Affairs.

By Mr. TAYLOR:

H.R. 3898. A bill to amend title 5, United States Code, to extend certain benefits to former employees of county committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. ULLMAN (for himself and Mr. Conable):

H.R. 3899. A bill to amend section 453(b) of the Internal Revenue Code of 1954 to simplify the rules relating to certain installment sales; to the Committee on Ways and Means.

H.R. 3900. A bill to simplify certain provisions of subtitle F of the Internal Revenue Code 1954; to the Committee on Ways and Means.

By Mr. WYDLER:

H.R. 3901. A bill to provide that the proceeds of any windfall profits tax on domestic oil production shall be used to reduce the national debt; to the Committee on Ways and Means.

By Mr. QUILLEN:

H.J. Res. 319. Resolution authorizing the President to proclaim the month of November 1979 as "National REACT Month"; to the Committee on Post Office and Civil Service.

By Mr. ZABLOCKI (for himself, Mr. Broomfield, Mr. McDonald, Mr. Symms, Mr. Fazio, Mr. Reuss, Mr. Flood, Mr. Findley, Mr. Myers of Pennsylvania, Mr. Leath of Texas, Mr. Derwinski, Mr. Stratton, Mr. Ginn, Mr. Carter, Mr. Hughes, Mr. Roe, Mr. Bethune, Mr. Whitehurst, Mr. Lagomarsino, Mr. Winn, Mr. Spence, Mr. Duncan of Tennessee, Mr. Burgener, Mr. Dornan, Mr. Horton, Mr. Butler, and Mr. Treen):

H.J. Res. 320. Joint resolution to authorize and request the President to issue a proclamation designating June 8, 1979 through June 14, 1979, as "MacArthur Memorial Week"; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON of Illinois (for himself, Mr. Burgener, Mr. Butler, Mr. Carter, Mr. Coelho, Mr. Collins of Texas, Mr. Conable, Mr. Corcoran, Mr. Coughlin, Mr. Emery, Mrs. Fenwick, Mr. Frenzel, Mr. Gingrich, Mr. Green, Mr. Horton, Mr. Hyde, Mr. Jeffries, Mr. Lott, Mr. Lagomarsino, Mr. Marlenee, Mr. Solomon, Mr. Stangeland, Mr. Walker, Mr. Winn, and Mr. Whittaker):

H. Res. 247. Resolution to amend the Rules of the House of Representatives for the purpose of strengthening its oversight capabilities and its ethics investigative procedures, and of making the proceedings of its committees more open and accountable; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself and Mr. Gephardt):

H. Res. 248. Resolution to amend rule X of the Rules of the House to require that each committee other than the Committees on Budget and Appropriations establish an oversight subcommittee; to the Committee on Rules.

H. Res. 249. Resolution to amend rule X of the Rules of the House of Representatives to require each committee to formulate and approve an oversight agenda and timetable at the beginning of each Congress, and to require the Committee on Government Operations to hold hearings on such plans, and, after consultation with the majority and minority leadership of the House, to publish such oversight plans together with its recommendations for coordination; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Findley, Mr. Gephardt, and Mr. Glickman):

H. Res. 250. Resolution to amend rule X of the Rules of the House of Representatives to permit the House, by appropriate resolution, to direct the Committee on Standards of Official Conduct to undertake an investigation of alleged misconduct on the part of any Member, officer, or employee of the House, and to require the committee to file a written report on its findings and recommendations whenever it has undertaken an investigation; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Carr, Mr. Findley, Mr. Symms, and Mr. Van Deerlin):

H. Res. 251. Resolution to amend rule X of the Rules of the House of Representatives to limit all committees, except the Committee on Appropriations, to no more than six subcommittees; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Findley, Mr. Glickman, Mr. Jeffords, and Mr. Symms):

H. Res. 252. Resolution to amend rule XI of the Rules of the House to require each committee to keep a verbatim transcript and written summary of all committee legislative and investigative action, and to make them available for public inspection subject to certain conditions; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Findley, Mr. Gephardt, Mr. Jeffords, Mr. Simon, and Mr. Symms):

H. Res. 253. Resolution to amend rule XI of the Rules of the House to prohibit proxy voting in committees; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Findley, Mr. Gephardt, Mr. Glickman, Mr. Jeffords, Mr. Symms, and Mr. Van Deerlin):

H. Res. 254. Resolution to amend rules XI of the Rules of the House of Representatives to require that all committee and subcommittee meetings be open to the public with only limited exceptions; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Findley, Mr. Jeffords, and Mr. Symms):

H. Res. 255. Resolution to amend rule XI of the Rules of the House to require that a majority of the members of a committee shall constitute a quorum for the transaction of business; to the Committee on Rules.

H. Res. 256. Resolution to amend rule XI on the Rules of the House to permit any member of a committee to demand a rollcall vote on any question in that committee, to require a rollcall vote on reporting any measure or recommendation, and to require publication in the report of the names of those voting for and against reporting the measure or recommendation; to the Committee on Rules.

By Mr. ANDERSON of Illinois (for himself, Mr. Findley, Mr. Glickman, Mr. Jeffords, and Mr. Symms):

H. Res. 257. Resolution to amend rule XXVIII of the Rules of the House to require that a transcript be kept of all conference committee meetings, that transcripts of all open meetings be made available for public inspection, and that all conference committee meeting transcripts be available for inspection by Members of the House; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 3902. A bill for the relief of Michael Angelo Sammut; to the Committee on the Judiciary.

By Mr. HUBBARD:

H.R. 3903. A bill for the relief of Dr. Jaime Bon Tiu and his wife, Eve Coo Tiu; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 20: Mr. Stack, Mr. Hutto, Mr. Studds, and Mr. de la Garza.

H.R. 117: Mr. Edwards of Oklahoma, and Mr. Rudd.

H.R. 209: Mr. Whitehurst, Mr. Won Pat, Mr. McDonald, Mr. Derwinski, and Mr. Dan Daniel.

H.R. 598: Mr. Young of Alaska.

H.R. 1041: Mr. Evans of Delaware, and Mr. Blanchard.

H.R. 1437: Mr. Dornan and Mr. Paul.

H.R. 1798: Mr. Stack, Mr. Hutto, Mr. Hughes, Mr. Oberstar, Mr. Donnelly, and Mr. de la Garza.

H.R. 1959: Mr. Clinger.

H.R. 2035: Mr. Stack, Mr. Hughes, Mr. Dingell, Mr. de la Garza, and Mr. Bowen.

H.R. 2043: Mr. Stack, Mr. Hughes, Mr. Hutto, Mr. de la Garza, Mr. Breaux, and Mr. Bonker.

H.R. 2218: Mr. Stack, Mr. Hutto, Mr. Hughes, Mr. Oberstar, Mr. Lowry, Mr. de la Garza, and Mr. Bonker.

H.R. 2279: Mrs. Holt.

H.R. 2463: Mr. Young of Missouri and Mr. Roybal.

H.R. 2653: Mr. Oberstar, Mr. Bonior of Michigan, Mr. Broyhill, Mr. Evans of Indiana, Mr. Price, Mr. McHugh, Mr. Bevill, Mr. Bereuter, Mr. Hughes, Mr. Peyser, Mr. Wolff, Mr. Downey, Mr. Luken, Mr. Rangel, Mr. Hollenbeck, Mr. McKinney, and Mr. Leach of Iowa.

H.R. 2792: Mr. Wolff and Mr. Nolan.

H.R. 2975: Mr. Oberstar.

H.R. 3057: Mr. Brown of California, Mr. Clinger, Mr. Duncan of Tennessee, Mr. Edgar, Mr. LaFalce, Mr. Murphy of Pennsylvania, Mr. Moakley, Mr. Nolan, Mr. Rahall, Mr. Vento, Mr. Weiss, and Mr. Stokes.

H.R. 3058: Mr. Brown of California, Mr. Duncan of Tennessee, Mr. Edgar, Mr. LaFalce, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Rahall, and Mr. Stokes.

H.R. 3059: Mr. Brown of California, Mr. Clinger, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Rahall, and Mr. Stokes.

H.R. 3060: Mr. Brown of California, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Rahall, Mr. Stokes, and Mr. Vento.

H.R. 3061: Mr. Brown of California, Mr. Clinger, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Rahall, and Mr. Stokes.

H.R. 3062: Mr. Brown of California, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Rahall, and Mr. Stokes.

H.R. 3063: Mr. Brown of California, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Rahall, Mr. Stokes, and Mr. Vento.

H.R. 3106: Mr. Rinaldo.

H.R. 3292: Mr. Seiberling, Mrs. Spellman, Mr. Jeffords, Mr. Conable, Mr. Emery, Mr. Stack, and Mr. de la Garza.

H.R. 3460: Mr. Pepper, Mr. Rangel, Mr. Mottl, Mr. Duncan of Tennessee, Mr. Roe, Mr. Bafalis, Mr. Frenzel, Mr. Lott, Mr. Kindness, Mr. Grassley, Mr. Sebelius, Mr. Stark, Mr. Nolan, Mr. Simon, Mr. Stangeland, Mr. Ertel, Mr. McCormack, and Mr. Rinaldo.

H.R. 3687: Mr. Rose, Mr. Skelton, Mr. Leach of Louisiana, and Mr. Heftel.

H.R. 3789: Mr. Steed.

H.J. Res. 275: Mr. Forsythe, Mr. Traxler, Mr. Stokes, Mr. Corcoran, Mr. Holland, Mr. Lee, Mr. Evans of Georgia, Mr. Young of Alaska, Mr. Gilman, Mr. Leach of Louisiana, Mr. Buchanan, Mr. Erdahl, Mr. Gephardt, Mr. Dornan, Mr. Addabbo, Mr. Vento, Mr. Garcia, Mr. Ichord, Mr. Young of Missouri, Mr. Carter, Mr. Madigan, and Mr. Lederer.

H. Con. Res. 58: Mr. Ambro, Mr. Archer, Mr. AuCoin, Mr. Barnes, Mr. Brodhead, Mr. Corcoran, Mr. Derwinski, Mr. Dornan, Mr. Drinan, Mr. Evans of the Virgin Islands, Mr. Flood, Mr. Forsythe, Mr. Frost, Mr. Garcia, Mr. Glickman, Mr. Gray, Mr. Green, Ms. Holtzman, Mr. Lagomarsino, Mr. Lent, Mr. Mathis, Mr. Mineta, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Nolan, Mr. Ottinger, Mr. Pepper, Mr. Rangel, Mr. Rousselot, Mr. Solarz, Mr. Stokes, Mr. Waxman, Mr. Weiss, Mr. Whitehurst, Mr. Winn, Mr. Wolff, Mr. Rosenthal, and Mr. Leland.

H. Con. Res. 78: Mr. Richmond, Mr. Edwards of California, Mr. Rosenthal, Mr. Mitchell of Maryland, Mr. Johnson of Colorado, Mr. Forsythe, Mr. Long of Maryland, Mr. Aspin, Mr. Conyers, Mr. Ottinger, Mr. Vento, Mrs. Schroeder, Mr. Downey, Mr. Hughes, Mr. Beilenson, Mr. McHugh, Mr. Weiss, Mrs. Spellman, Ms. Holtzman, Mr. Bedell, and Mr. Harkin.

H. Con. Res. 85: Mr. Corcoran.

H. Con. Res. 92: Mr. Richmond, Mr. Dornan, Mr. Beilenson, Mr. Fazio, Mr. Jacobs, Mr. Rodino, Mr. Mitchell of Maryland, Mr. Pepper, Mr. Bailey, Mr. Murphy of Pennsylvania, Mr. Bingham, Mr. Barnes, Mr. Moakley, Mr. Drinan, Mr. Edwards of California, Mr. Corman, Mr. Lehman, Mr. Studds, Mr. Whitehurst, Mr. Ottinger, Mr. Forsythe, Mr. Sabo, Mr. Gephardt, Mr. Mineta, Mr. Pickle, Mr. Kogovsek, Mr. Hughes, Mr. Frenzel, Mr. Vento, Mr. Burgener, Mr. Gray, Mr. Horton, Mr. Wolpe, Mr. Stack, Mr. Long of Maryland, Mr. Weiss, and Mr. Solarz.

H. Res. 106: Mr. GOLDWATER and Mr. LELAND.

H. Res. 219: Mr. EVANS of the Virgin Islands.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 107

By Mr. ANDERSON of California:

—Page 10, add after line 5 the following new section:

SEC. 7. (a) for the calendar year 1979 the report from the Committees on Appropriations of the House of Representatives and the Senate accompanying any general appropriation bill making an appropriation for any purpose shall contain a statement specifying the amount of any sums which were appropriated for such purposes more than two years before the date the report is submitted to either House and which remain unobligated.

(b) It shall not be in order for the House of Representatives or the Senate to consider any such general appropriation bill if the report from the appropriate Committee on Appropriations does not comply with subsection (a).

—Page 10, add after line 5 the following new section:

SEC. 7. (a) for the calendar year 1979 the report from the Committee on Appropriations of the House of Representatives and the Senate accompanying any general appropriation bill making an appropriation for any purpose shall contain a statement specifying the amount of any sums which were appropriated for such purposes more than two years before the date the report is submitted to either House and which remain unobligated.

By Mr. JOHN L. BURTON:

—Strike all after line 1 and insert:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $510,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $585,990,609,000;

(3) the appropriate level of total budget outlays is $510,302,609,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero and;

(5) the appropriate level of the public debt is $863,372,609,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,372,609.

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocation of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $112,974,000,000;
(B) Outlays, $101,686,000,000.

(2) International Affairs (150):
(A) New budget authority, $12,932,000,000;
(B) Outlays, $8,223,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,622,000,000;
(B) Outlays, $5,475,000,000.

(4) Energy (270):
(A) New budget authority, $19,999,609,000;
(B) Outlays, $7,821,609,000.

(5) Natural Resources and Environment (300):
(A) New budget authority, $12,781,000,000;
(B) Outlays $11,820,000,000.

(6) Agriculture (350):
(A) New budget authority, $4,929,000,000;
(B) Outlays, $11,820,000,000.

(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,560,000,000;
(B) Outlays, $3,195,000,000.

(8) Transportation (400):
(A) New budget authority, $19,708,000,000;
(B) Outlays, $18,184,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $8,303,000,000;
(B) Outlays $81,454,000,000.

(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $32,453,000,000;
(B) Outlays, $31,454,000,000.

(11) Health (550):
(A) New budget authority $58,079,000,000;
(B) Outlays, $53,813,000,000.

(12) Income Security (600):
(A) New budget authority, $217,332,000,000;
(B) Outlays, $183,100,000,000.

(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,035,000 000;
(B) Outlays, $20,549,000,000.

(14) Administration of Justice (750):
(A) New budget authority, $4,306,000,000;
(B) Outlays, $4,433,000,000.

(15) General Government (800):
(A) New budget authority, $4,424,000,000;
(B) Outlays, $4,331,000,000.

(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $6,499,000,000;
(B) Outlays, $6,489,000,000.

(17) Interest (900):
(A) New budget authority, $56,000,000,000;
(B) Outlays, $56,000,000,000.

(18) Allowances (920):
(A) New budget authority, $854,000,000;
(B) Outlays, $831,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19,800,000,000.

(B) Outlays, —$19,800,000,000.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bills and no resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) of the Budget Act for fiscal year 1980 shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. In 1979, each standing committee of the House of Representatives shall report by July 1 to the House of Representatives its recommendations and the status of its actions with respect to new spending authority including all legislative savings, and other reforms, targeted by the first concurrent resolution on the budget for the fiscal year ending on September 30 of that same year. This report shall include any additional legislative savings which the committee believes should be considered by the House in the programs for which such committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to all possible legislative savings for the programs for which the committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives an estimate of the unobligated (and unexpended) balances of budget authority, an analysis of the extent to which such unexpended or unobligated balances could reasonably be reduced, and what steps, if any, have been or are being taken to reduce such balances.

SEC. 6. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $458,485,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,000,000;

(2) the appropriate level of total new budget authority is $555,659,000,000;

(3) the appropriate level of total budget outlays is $492,820,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $34,335,000,000; and

(5) the appropriate level of the public debt is $830,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

(b)—

(1) National Defense (050):
(A) New budget authority, $125,468,000,000;
(B) Outlays, $113,817,000,000.

(2) International Affairs (150):
(A) New budget authority, $11,576,000,000;
(B) Outlays, $7,640,000,000.

(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,357,000,000;
(B) Outlays, $5,151,000,000.

(4) Energy (270):
(A) New budget authority, $7,592,000,000;
(B) Outlays, $7,338,000,000.

(5) Natural Resources and Environment (300):
(A) New budget authority, $12,770,000,000;
(B) Outlays, $11,245,000,000.

(6) Agriculture (350):
(A) New budget authority, $8,283,000,000;
(B) Outlays, $5,918,000,000.

(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,844,000,000;
(B) Outlays, $2,917,000,000.

(8) Transportation (400):
(A) New budget authority, $19,212,000,000;
(B) Outlays, $17,137,000,000.

(9) Community and Regional Development (450):
(A) New budget authority, $8,062,000,000;
(B) Outlays, $9,001,000,000.

(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $32,604,000,000;
(B) Outlays, $29,995,000,000.

((11) Health (550):
(A) New budget authority, $52,904,000,000;
(B) Outlays, $49,409,000,000.

(12) Income Security (600):
(A) New budget authority, $193,717,000,000;
(B) Outlays, $161,096,000,000.

(13) Veterans Benefits and Services (700):
(A) New budget authority, $20,386,000,000;
(B) Outlays, $20,211,000,000.

(14) Administration of Justice (750):
(A) New budget authority, $4,163,000,000;
(B) Outlays, $4,179,000,000.

(15) General Government (800):

(A) New budget authority, $4,237,000,000;

(B) Outlays, $4,159,000,000.

(16 General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,476,000,000;

(B) Outlays, $8,602,000,000.

(17) Interest (900):

(A) New budget authority, $52,429,000,000;

(B) Outlays, $52,430,000,000.

(18) Allowances (920):

(A) New budget authority, $699,000,000;

(B) Outlays, $693,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$18,120,000,000;

(B) Outlays, —$18,120,000,000.

By Mr. KEMP:

—In section 1: In the matter relating to the recommended level of Federal revenues decrease the amount by $7,800,000,000;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased increase the amount by $17,400,000,000;

In the matter relating to the appropriate level of total new budget authority decrease the amount by $6,100,000,000;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $6,100,000,000;

In the matter relating to the amount of the deficit increase the amount by $1,700,000,000;

In section 3:

In the matter relating to Education, Training, Employment and Social Services (500) decrease the amount for budget authority by $2,900,000,000; and decrease the amount for outlays by $2,900,000,000.

In the matter relating to Income Security (600) decrease the amount for budget authority by $3,200,000,000; and decrease the amount for outlays by $3,200,000,000.

In section 6(a):

In the matter relating to the recommended level of Federal revenues increase the amount by $400,000,000;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased increase the amount by $6,000,000,000;

In the matter relating to the appropriate level of total new budget authority decrease the amount by $1,400,000,000;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $1,400,000,000;

In the matter relating to the amount of the deficit decrease the amount by $1,800,000,000;

In section 6(b):

In the matter relating to Income Security (600) decrease the amount for budget authority by $1,400,000,000; and decrease the amount for outlays by $1,400,000,000.

By Mr. SYMMS:

—In the matter relating to the appropriate level of total new budget authority increase the amount by $2.9 billion;

In the matter relating to the appropriate level of total budget outlays increase the amount by $800 million;

In the matter relating to the amount of the deficit increase the amount by $800 million;

In the matter relating to the appropriate level of the public debt increase the amount by $800 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $800 million.

In the matter relating to National Defense increase the amount for budget authority by $2.9 billion; and $800 million the amount for outlays by $800 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $1 billion;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $200 million;

In the matter relating to the amount of the deficit decrease the amount by $200 million.

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million.

In the matter relating to International Affairs (150) decrease the amount for budget authority by $1 billion; and decrease the amount for outlays by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $200 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to International Affairs (150) decrease the amount for budget authority by $200 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to International Affairs (150) decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Energy (270) decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $300 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $200 million;

In the matter relating to the amount of the deficit decrease the amount by $200 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million.

In the matter relating to Energy (270) decrease the amount for budget authority by $300 million; and decrease the amount for outlays by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to Natural Resources and Environment (300) decrease the amount for budget authority by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Natural Resources and Environment decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $300 million;

In the matter relating to Natural Resources and Environment (300) decrease the amount for budget authority by $300 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by zero;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $500 million;

In the matter relating to the amount of the deficit decrease the amount by $500 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $500 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $500 million;

In the matter relating to Agriculture (350) decrease the amount for outlays by $500 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to Commerce and Housing Credit decrease the amount for budget authority by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $500 million;

In the matter relating to Commerce and Housing Credit (370) decrease the amount for budget authority by $500 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $200 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $200 million;

In the matter relating to the amount of the deficit decrease the amount by $200 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million;

In the matter relating to transportation decrease the amount for budget authority by $200 million; and decrease the amount for outlays by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $800 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $300 million;

In the matter relating to the amount of the deficit decrease the amount by $300 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $300 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $300 million;

In the matter relating to Transportation (400) decrease the amount for budget authority by $800 million; and decrease the amount for outlays by $300 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $200 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million;

In the matter relating to Transportation decrease the amount for budget authority by $200 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $800 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Community and Regional Development (450) decrease the amount for the budget authority by $800 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Education, Training, Employment and Social Services (500) decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million.

In the matter relating to Community and Regional Development (450) decrease the amount for budget authority by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Community and Regional Development (450) decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Health (550) decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $300 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $200 million;

In the matter relating to the amount of the deficit decrease the amount by $200 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million.

In the matter relating to Health (550) decrease the amount for budget authority by $300 million; and decrease the amount for outlays by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $500 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $300 million;

In the matter relating to the amount of the deficit decrease the amount by $300 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $300 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $300 million.

In the matter relating to Education, Training, Employment and Social Services (500) decrease the amount for budget authority by $500 million; and decrease the amount for outlays by $300 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $200 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $200 million;

In the matter relating to the amount of the deficit decrease the amount by $200 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million.

In the matter relating to Education, Training, Employment and Social Services (500) decrease the amount for budget authority by $200 million; and decrease the amount for outlays by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $25 billion;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $1.4 billion;

In the matter relating to the amount of the deficit decrease the amount by $1.4 billion;

In the matter relating to the appropriate level of the public debt decrease the amount by $1.4 billion;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $1.4 billion.

In the matter relating to Education, Training, Employment and Social Services (500) decrease the amount for budget authority by $2.5 billion; and decrease the amount for outlays by $1.4 billion.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $200 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Education, Training, Employment and Social Services (500) decrease the amount for budget authority by $200 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $300 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $300 million;

In the matter relating to the amount of the deficit decrease the amount by $300 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $300 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $300 million.

In the matter relating to Health (550) decrease the amount for budget authority by $300 million; and decrease the amount of outlays by $300 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $600 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $600 million;

In the matter relating to the amount of the deficit decrease the amount by $600 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $600 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $600 million.

In the matter relating to Income Security (600) decrease the amount for budget authority by $600 million; and decrease the amount for outlays by $600 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $150 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $150 million;

In the matter relating to the amount of the deficit decrease the amount by $150 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $150 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $150 million.

In the matter relating to General Purpose Fiscal Assistance (850) decrease the amount for budget authority by $200 million; and decrease the amount for outlays by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to General Government decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $500 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Administration of Justice (750) decrease the amount for budget authority by $500 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $300 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $300 million;

In the matter relating to the amount of the deficit decrease the amount by $300 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $300 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased decrease the amount by $300 million.

In the matter relating to Income Security (600) decrease the amount for budget authority by $300 million; and decrease the amount for outlays by $300 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $200 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $200 million;

In the matter relating to the amount of the deficit decrease the amount by $200 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million.

In the matter relating to Income Security (600) decrease the amount for budget authority by $200 million; and decrease the amount for outlays by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $200 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $200 million;

In the matter relating to the amount of the deficit decrease the amount by $200 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $2.2 billion;

In the matter relating to Income Security decrease the amount for budget authority by $2.2 billion.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Income Security (600) decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $200 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $200 million;

In the matter relating to the amount of the deficit decrease the amount by $200 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million.

In the matter relating to Income Security (600) decrease the amount for budget authority by $200 million; and decrease the amount for outlays by $200 million.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $1.1 billion;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $1.1 billion;

In the matter relating to the amount of the deficit decrease the amount by $1.1 billion;

In the matter relating to the appropriate level of the public debt decrease the amount by $1.1 billion;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $1.1 billion.

In the matter relating to Allowances (920) decrease the amount for budget authority by $1.1 billion; and decrease the amount for outlays by $1.1 billion.

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $100 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to the amount of the deficit decrease the amount by $100 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $100 million.

In the matter relating to Allowances (920) decrease the amount for budget authority by $100 million; and decrease the amount for outlays by $100 million.

H.R. 111

By Mr. ZABLOCKI:

—Page 103, strike out line 16 and all that follows through line 5 on page 104 and insert in lieu thereof the following:

SEC. 108. DEFENSE OF THE CANAL.—In time of war in which the United States is engaged, or when, in the opinion of the President, war is imminent, the Administrator of the Panama Canal Commission shall, upon the order of the President, comply with such directives as the United States military officer charged with the protection and defense of the Panama Canal may consider necessary in the exercise of his duties.

Page 91, in the table of contents, amend the item relating to section 108 to read as follows:

108. Defense of the Canal.

—Page 112, strike out lines 10 through 19 and insert in lieu thereof the following:

SEC. 127. PRIVILEGES AND IMMUNITIES OF CERTAIN EMPLOYEES.—The Secretary of State shall from among persons recommended by the Panama Canal Commission determine, and shall maintain and from time to time furnish to the Government of the Republic of Panama, the list of those officials and other persons who shall enjoy the privileges and immunities accorded under Article VIII of the Panama Canal Treaty of 1977.

H.R. 2805

By MR. PREYER:

Section 8(a) is amended to read as follows:

(a) Section 103(f) is amended to read as follows:

"(f) In order to carry out their responsibilities under this title, the designated committee of the House of Representatives, and the designated committee of the Senate, shall develop reporting forms and may promulgate rules and regulations."

Section 8 is amended by adding at the end thereof the following new subsections:

(v) Section 101(e) is amended by striking out "and" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and", and by adding after paragraph (2) the following:

"(3) in addition to any officer or employee covered under paragraph (1) or (2), any other employee of any Member, officer, or committee designated for purposes of this section by that Member, officer, or committee."

(w) Section 107 is amended by striking out "and" at the end of paragraph (15), by striking out the period at the end of paragraph (16) and inserting in lieu thereof "; and", and by adding at the end thereof the following:

(17) "committee" means any committee of the Senate or House of Representatives or any subcommittee of any such committee or any joint committee of Congress or any subcommittee of any such joint committee.

EXTENSIONS OF REMARKS

THE SOVIET MOOD: ONE OF WAR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. McDONALD. Mr. Speaker, the Soviet mood since our political defeat in Vietnam has been one of rising optimism based upon the "correlation of forces" as they put it. Her recent adventures have been successful in Angola, Ethiopia, and Afghanistan. Certainly the changed situation in Iran contains many pluses for the U.S.S.R. and great potential for further Soviet gains. Militarily, the U.S.S.R. has pulled well ahead of the United States in all except one or two categories of weapons. Her outlook reflects these gains and she is flexing her muscles. This new mood was discussed in a recent column by Michael Novak that appeared in the Washington Star of April 14, 1979, and should be read by everyone who doubts we are entering a most dangerous period in our history.

[From the Washington Star, Apr. 14, 1979]

THE SOVIET MOOD: "ONE OF WAR"

(By Michael Novak)

A pseudonymous American living in Moscow has contributed a most important new insight into the decline of the West as seen from Russia.

Writing in the March 31 issue of The New Republic, "Robert Herr" reports on a multitude of conversations he has had with ordinary Russians over the last several months. All predict an imminent war with the United States, in which "Soviet military power will crush the new flabby American military."

"The mood within the Soviet Union," Herr writes, "is clearly one of war." The "Russians perceive a weakness in America." A political information officer told him "how certain he was that in the next decade his country would be at war with either China or America. We should go to war sooner rather than later, he said, for if we wait another 10 years China may acquire the technology to beat Russia."

This Soviet officer wore jeans; he loved Stevie Wonder and American rock. "It's a shame to think that your country will be destroyed," he said. "Without America, this country would really be a prison. Such a shame."

Roy Medvedev, the famous physicist, told Mr. Herr that "the Soviet Union is moving in one direction—toward the strengthening of our military might . . . Our country is a military machine. We are continuing now as we did in World War II . . . We won because our system allowed the spending of colossal resources for one purpose alone—military strength . . . Americans are fools. They come to Russia, stay in our hotels, eat in the restaurants and find out that everything here is badly run . . . Then they return to the United States with the conclusion that since Russia can't run a hotel, it can't build a rocket either. They don't realize that we put everything into rocketry, that the government doesn't care whether or not anything is left over for the population . . . Americans cannot keep up with this kind of a system."

Medvedev added: "Nixon couldn't beat tiny Vietnam because the country was too divided to win a war. We sent a few thousand troops down to Angola and we took over the place in just a few weeks."

Mr. Herr confesses that before he went to the USSR, he held views like those officially expressed by the early Carter administration, especially by U.S. SALT negotiator Paul Warnke, specifically "that the Soviet Union was ruled by responsible, conservative office-holders who would not risk their privileges with an expansionist foreign policy. It seemed absurd at that time to think in terms of the old bipolar world . . . But Russians have taught me that such notions as East versus West, however much the West may wish them to disappear, are still thriving in the East."

For those of us who are not experts, it is hard to know who is right about Soviet intentions.

Sen. Daniel Patrick Moynihan, in a brilliant, if loosely constructed speech at the Naval Academy on March 22, cited the White Paper of the British Defense Ministry, which points out that "the Communist bloc has a 50 per cent edge over NATO in submarines, a 30 per cent edge in surface ships, three times as many tanks and heavy guns, and more than twice as many fixed-wing tactical aircraft—well beyond what can be considered necessary for purely defensive purposes."

Most of my friends, I find, are not aware of the actual amounts the U.S. has been spending on arms. Moynihan points out that we have not built a new strategic missile launcher since 1967. Half of our defense budget goes for salaries and personnel costs. Another 35 per cent goes for maintenance of facilities. Only about $9 billion goes for strategic nuclear forces. For arms and ammunition, expeditures total barely $20 billion.

By contrast, the Soviets spend far more than we do, a far larger proportion of their resources, and do not count most personnel costs in their military budget.

Perhaps—let us all hope—there will not be war. Yet in our national psyche, the mass media thrive on images of disaster. Our minds may say peace, but our imaginations are saying disaster.

Leonid Brezhnev is very ill. By the early 1980s, when Soviet power in virtually every sphere will exceed ours, even though there will still be a rough balance of ultimate terror, the Soviets will have a new government.

What sort of government will it be? It probably will be younger. "Very possibly," Moynihan points out, "it will be a government of uncertain or at least untested legitimacy, a government that might well desire a test of strength." Its power in relation to ours will be at an all-time favorable point.

The next eight years promise to be the most dangerous the United States has ever gone through. In 1962, when the Soviets had only 60 to 70 truly strategic weapons, while we had about 2,000 missiles and bombs, the Soviets did not hestitate to put missiles in Cuba. Now that they have parity, and even superiority in many respects, will they be more timid? They may well calculate that to delay is the more dangerous course.

After 15 years of anti-war feeling, it is difficult for the public to face new realities. Such a turn was required once before, at the beginning of World War II. This time, we will not have the luxury of suffering a surprise attack and months of early defeats.

It is more than irony that peace is obtained by preparation for war. It is a moral responsibility.●

ALASKA LANDS LEGISLATION—GOVERNOR HAMMOND'S LETTER

HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. HUCKABY. Mr. Speaker, today I am inserting in the CONGRESSIONAL RECORD a letter recently transmitted to Members of the House by Alaska Gov. Jay Hammond. In the letter, Governor Hammond urges us to support the Alaska lands bills reported by the House Interior and Merchant Marine and Fisheries Committees and to oppose the legislation sponsored by Congressmen UDALL and ANDERSON. I believe that the Governor has made a persuasive case, and commend his letter to the Members of this body and to others interested in a sound resolution of the Alaska lands issue:

STATE OF ALASKA,
Washington, D.C., April 30, 1979.

DEAR CONGRESSMAN: This letter is written to urge your support for the Alaska lands bills reported by the House Interior and Merchant Marine and Fisheries Committees, and your opposition to legislation sponsored by Congressmen Udall and Anderson.

Unfortunately, the Alaska lands issue has become clouded in misinformation and innuendo. The issue is not one of environment versus development or concerned citizens juxtaposed against interests.

The Interior Committee (Huckaby) and Merchant Marine Committee (Breaux-Dingell) bills are very strong environmental measures. Each bill would more than double the size of certain Federal Conservation systems, would designate several parks and wildlife refuges larger than many states, and would protect important scenic and wildlife resources throughout Alaska.

In fact, the Merchant Marine Bill contains slightly more wilderness acreage and the Interior bill slightly less than that recommended by the Carter Administration, and the Merchant Marine legislation would designate significantly more wildlife refuge acreage than would either the Udall-Anderson or Carter Administration proposals. Further, the Merchant Marine bill exceeds by approximately 35 million acres the total amount of land which would be designated or redesignated by the Carter Administration, and contains 9 million acres more than the Udall bill. (While certainly not determinative, all of the pending bills exceed by a very wide margin the 80 million acre ceiling which the 91st Congress, in balancing the various competing interests, authorized the Secretary of the Interior to study for permanent conservation designation. A Udall amendment calling for a 100 million acre study—the Merchant Marine bill would designate 127 million acres of new units—was defeated on the House floor.)

At the same time, the Interior and Merchant Marine Committee bills address other important Federal interests and State concerns. Both bills help to satisfy Alaska's entitlement under the Statehood Act—an unfulfilled Federal promise made over twenty years ago—and to insure the future viability of the State's economy—another objective of the Statehood Act. While some effort was

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

made, the Udall-Anderson bill demonstrably does not achieve these purposes.

In addition, the Interior and Merchant Marine bills facilitate the environmentally-sensitive assessment of Alaska's oil and gas and other mineral resources. In view of recent events in the mid-East and elsewhere, such an asssessment and resulting development, when compatible with other Federal objectives, seems only prudent. Moreover, carefully-planned assessments now could avoid panicky, unplanned efforts as mineral shortages become more acute. While the Udall-Anderson bill does contain certain cosmetic language, it does not provide for the assessments which are so necessary. Further, contrary to certain assertions which have been made, the existing data base is simply not adequate to support a conclusion that the vast preponderance of Alaska's energy resources would be available for development under the Udall-Anderson bill.

The Interior and Merchant Marine bills are based on a compromise measure put together last year by the Carter Administration and key Congressional representatives, with the exception of one member of the Alaska Congressional delegation. Some persons have claimed that the compromise never existed. Others, while admitting that a compromise was formulated last year, say circumstances have changed due to Presidential imposition of 56 million acres of national monuments. I firmly believe that a compromise did exist and that while bureaucratic designations may have changed, the resources which require protection have not. Therefore, as recognized by the two House Committees which have so carefully studied and deliberated on the Alaska lands issue, passage of legislation based on the compromise—in fact, the Merchant Marine bill is an even stronger environmental measure—would facilitate achievement of a carefully balanced solution to this extremely complex matter.

While some Alaskans support the Udall-Anderson bill or urge that we pursue an exclusive judicial remedy, the vast majority support the enactment of a reasonable and balanced Alaska lands bill. This sentiment was voiced in a resolution enacted by the State Legislature earlier this year. The resolution asks from the Congress only that which the responsible representatives of any State would request. In brief, we ask that any Alaska lands legislation contain provisions to: (1) fulfill Alaska's entitlement under the Statehood Act; (2) provide needed access across conservation system units; (3) insure continuing State management of resident fish and wildlife; (4) remove high value commodity resources from the boundaries of overly restrictive conservation units within which even the most environmentally responsible development would be precluded; (5) assure traditional Alaskan uses at existing levels; and (6) require administrative forebearance from the imposition of additional conservation withdrawals after the enactment of comprehensive legislation.

It is my judgement and that of the Alaska Congressional delegation that the Udall-Anderson bill simply does not satisfy these basic objectives. While the Udall bill does contain provisions which purport to deal with these matters, the treatment, by and large, is totally inadequate. For the sake of brevity, I have refrained from including a detailed analysis of the acreage, resource, and management considerations which have led me to these conclusions. However, much of the data and analysis upon which my conclusions are based are set forth in the majority reports filed by the Interior and Merchant Marine Committees and in a short comparative analysis which you will receive today.

Most Alaskans recognize that important Federal conservation interests are involved in the Alaska lands legislation. We believe that Alaska is large enough and diverse enough to accommodate these interests without jeopardizing the economic viability of Alaska or the nation, or imposing a "permit" lifestyle on our citizens. To accomplish these objectives, certain overly-simplistic solutions and misconceptions must be abandoned. Thus, the Alaska lands legislation should be viewed for what it is—an extremely complex series of issues which are not susceptible to black and white solutions.

The legacy that I would leave behind as Governor is that, working cooperatively with the Federal government, we have established a careful balance between environmental protection and national resource development. A too-heavily weighted Federal thumb on either side of the scale would jeopardize future accomplishment of the other objective. In my opinion, the Interior and Merchant Marine bills best strike this balance. On the other hand, the Udall-Anderson bill represents a giant step backward in sound resource management and in Federal-State relationships.

Thank you for your consideration of this correspondence. If you have any questions, please call me or my Special Counsel, John W. Katz (202) 624-5858.

Sincerely yours,

JAY S. HAMMOND,
Governor.●

TAX OVERDOSE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PAUL. Mr. Speaker, under leave to extend my remarks in the Record, I include the following:

TAX OVERDOSE

A CPA in Brazoria County, Texas, mentioned to me how horrified he was by the high taxes his middle-class clients paid this year.

Direct payments to Washington are only the beginning; total government expenditures—Federal, State, and local—equal more than half of personal disposable income (a more realistic measure than GNP). And that's not even counting the tax of inflation.

The church only asks 10 percent of our income. Even serfs in the Middle Ages only had to work for the local baron 25 percent of the time.

We don't realize the level of taxation, because we think only in terms of the amounts that we pay directly. But much of the price of everything we buy is taxes. There are more than 100 taxes on a loaf of bread, for example. Government takes far more than the farmer, the baker, or the supermarket.

The biggest tax increase in peacetime U.S. history took place in 1977, when Congress jacked up Social Security payroll taxes by $277 billion over 10 years. Employees saw the first results in the higher FICA deductions last January. These deductions from paychecks will increase, but thanks to government profligacy, they may not be enough to ensure the stability of Social Security.

The trustees of the Social Security system issued a report 2 weeks ago that, in the words of the Wall Street Journal, had to "struggle rather hard to sound optimistic. The system remains sound, it said, but well, there could be a few problems, like maybe some cash shortages about 1983."

These looming troubles are caused primarily by inflation, which is a deliberate policy of the Federal Government. By increasing the money supply to fund lavish spending, Washington devalues the worth of every dollar held by the people.

The Social Security system is also harmed by the Administration's deliberate slowdown of economic growth. This mistaken attempt to cure inflation without cutting needless spending only succeeds in raising unemployment.

A 1978 Harris poll revealed that over 40 percent of Americans had "hardly any confidence at all" that they would receive Social Security benefits.

I believe Social Security will pay these benefits; but how much will the inflated dollars buy for retired Americans?

To ensure that retired Americans get Social Security pensions that are worth something, and that younger Americans aren't taxed unfairly to pay for them, we need some serious reforms. The most important are: 1) Stopping government inflation; 2) Cutting Federal spending massively; and 3) Instituting tax and regulation policies that encourage economic growth.

Will Congress find the courage to adopt these reforms? That is the big question of the 1980's.●

CARTER TRANSIT BUDGET FAILS TO KEEP PACE WITH INFLATION

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. EDGAR. Mr. Speaker, in his proposed budget for fiscal year 1980, President Carter, proposed no increase whatsoever in spending for public transportation. As a result of inflation, this 1980 budget request has $400 million less buying power than the present 1979 transit budget has. In a time of energy shortages, our commitment to transit is actually shrinking.

This dilemma hits Philadelphia particularly hard. The Pennjerdel Corp., a business group representing the three-State Philadelphia metropolitan area, recently wrote to me to explain the problem. I share this letter with my colleagues and in particular draw your attention to the accompanying chart, which shows clearly the inadequacy of the national commitment to public transit over the past 2 fiscal years:

APRIL 24, 1979.

Hon. ROBERT W. EDGAR,
U.S. House of Representatives,
House Office Building,
Washington, D.C.

DEAR BOB: Under the Administration's budget for FY 1980, SEPTA could have a $13,232,183 shortfall in Federal operating assistance for public transportation. The entire Commonwealth could have an $18,079,096 shortfall. In addition, funds for capital transit programs could be significantly reduced.

This federal operating assistance, begun in 1974, along with support from State and local governments and reasonable fare structures, has reversed the negative trend of transit ridership that has existed since 1945. In many cities, ridership is now over the peak experienced during the 1973 oil embargo.

After two years of analysis and compromise, the Surface Transportation Assistance Act of 1978 authorized funding levels which were barely adequate. The current FY 1979 appropriation and the Administration's proposed FY 1980 budget fall short of even these reduced authorized levels for capital improvements and operating subsidies—a total reduction of $236 million for FY 1979 and $336 million for FY 1980. These reductions could result in a 10–20 percent increase in fares and/or substantial cutbacks in transit services.

Our support for increased federal funding to the level authorized may seem incongruous as we struggle to bring the federal budget under control, but the benefits of funds spent for public transit are vital to the nation in many ways—in energy conservation, in greater access to job opportunities, in a cleaner environment, in revitalization of our urban areas, and most important, in providing mobility to millions of our citizens who have no alternatives—the young, the old, and the economically disadvantaged.

We urge your support for an increase in the FY 1980 Section 3 and Section 5 budget appropriations to the levels originally authorized by Congress in 1978. In addition, we enlist your support for a FY 1979 supplemental appropriation to bring Section 3 and Section 5 levels up to the authorized level.

Sincerely,

THACHER LONGSTRETH,
President.

STATUS OF TRANSIT ASSISTANCE

[Millions of dollars]

	Fiscal year 1979			Fiscal year 1980 proposed			
	Authorization	Appropriation	Shortfall	Authorization	Budget	Shortfall	Cumulative shortfall
Sec. 3:							
Capital	1,299.4	1,225.0	74.4	1,332.4	1,225.0	107.4	181.8
Planning	75.6	[1] 53.5	22.1	77.6	53.8	23.8	45.9
Total	1,375.0	1,278.5	96.5	1,410.0	1,278.8	131.2	227.7
Sec. 5:							
Basic	850.0	850.0		900.0	850.0	50.0	50.0
2d tier	250.0	150.0	100.0	250.0	150.0	100.0	200.0
Bus capital	300.0	300.0		300.0	300.0		
Rail	115.0	75.0	40.0	130.0	75.0	55.0	95.0
	1,515.0	1,375.0	140.0	1,580.0	1,375.0	205.0	345.0
Total shortfall			236.5			336.2	572.7

[1] Of this amount, 28.5 was actually in the sec. 3 appropriation and 25 was in the sec. 5 appropriation.

Estimates of the American Public Transit Association. ●

U.S. AGREEMENTS AND COMMITMENTS IN THE MIDDLE EAST

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. HAMILTON. Mr. Speaker, the extent of the United States' deep involvement in the Middle East and in peace efforts to try to achieve a comprehensive settlement of the Arab-Israeli conflict is a matter of interest to all Members.

At the time of the conclusion of the recent Egyptian-Israeli peace treaty, I asked the Department of State some questions regarding the treaty and our involvement in the Middle East. Several of the questions I posed in my letter of March 9, 1979, have been answered in hearings before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs.

The State Department did, in a letter of April 26, 1979, offer a useful and concise summary of U.S. agreements and commitments undertaken in connection with the Egyptian-Israeli peace treaty. I would like to bring this correspondence to the attention of my colleagues.

The letters follow:

WASHINGTON, D.C., *March 19, 1979.*

Hon. CYRUS R. VANCE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Last week, Ambassador Atherton briefed Members of the Committee on Foreign Affairs concerning the recenty concluded Egyptian-Israeli peace treaty.

Several crucial questions were not answered during that meeting and I believe that they need to be addressed.

1. What understandings, assurances or other agreements, written or unwritten, did the United States enter into as part of these recent treaty negotiations?

Are there any secret, written or unwritten, understandings associated with the agreements reached other than the security assurance to Israel?

2. What is the precise nature of the security assistance currently being discussed with the Israelis?

What obligations will the U.S. undertake?

Will this assurance resemble a defense pact?

Will the United States have any base or military facilities access in Israel?

Will aid commitments or access to specific sophisticated arms be included in these assurances?

Do you foresee roughly $1 billion in FMS credit for Israel for the foreseeable future?

3. Is any security commitment or assurance with Egypt involved?

What other assurances or understandings are under discussion or have been agreed to?

4. With the final negotiations and implementation of a treaty, what will be the force and effect of those agreements concluded in 1975 as part of the Sinai II negotiations?

Is there any future requirement associated with these recent negotiations for the United States to coordinate, consult or seek to concert its policies in the region with Israel?

5. Do you feel the United States now retains full flexibility to determine its policies on the Palestinian issue as United States interests deem necessary?

6. What is the precise nature of the aid commitments the United States made?

What do you estimate to be the costs of the new Negev air bases?

Based on these figures, do you foresee annual aid levels for Israel and Egypt in the neighborhood of $4 billion for the coming few years?

7. Mr. Secretary, the oil agreement reached with Israel is a 10-year commitment.

Is that also the time frame for other understanding and agreements reached?

8. Will Saudi Arabia continue to aid Egypt?

If not, do we have any commitment to make up to Egypt the other aid revenue it has lost?

9. You discussed unilateral gestures on the West Bank and in Gaza which the Israelis have agreed to undertake.

What moves have they agreed to?

What have we suggested?

Did we suggest any policy on settlements as a significant gesture?

If not, why not?

10. I understand that the 1975 agreement on oil with Israel will be renewed. The question is: What is our precise obligation?

Are we to make up any Israeli shortfall as Israel determines it?

Are we only to make up for lost Sinai wells?

Under what circumstances would oil produced domestically here have to be exported to Israel?

I would appreciate an early reply to these questions.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

WASHINGTON, D.C.,
April 26, 1979.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEAR MR. CHAIRMAN: A number of the questions contained in your letter of March 20 have now been answered through testimony and communications received by the Committee, and further answers will, of course, be provided in today's session. I thought it might be useful, however, to describe briefly the agreements and commitments undertaken by the United States in connection with the Treaty of Peace between Egypt and Israel. Documents expressing all such agreements and commitments have now been received by the Committee.

The principal undertakings may be summarized as follows:

First, in direct connection with the Peace Treaty package, the United States has made the following commitments to both Egypt and Israel:

We have assured them of our readiness to participate fully in all stages of the West Bank and Gaza negotiations;

In the event of an actual or threatened treaty violation, we will, on request of one or both parties, consult with the parties and take such other action as we may deem appropriate and helpful to achieve compliance with the Treaty.

The United States will perform aerial monitoring of the Sinai arrangements during the withdrawal period as requested by the parties; and

We will try to arrange through the UN for the permanent stationing of the international personnel called for under the Treaty, but, should this fail, the President will be prepared to take those steps necessary to ensure an acceptable alternative multinational force.

The assurance concerning United States participation in the West Bank and Gaza negotiations is reflected in the joint letter from President Sadat and Prime Minister Begin to President Carter. The other commitments mentioned above are set out in President Carter's March 26 letter to both leaders.

Second, in addition to the foregoing assurances made to both parties, we have entered into certain bilateral undertakings with each of them, subject of course to substantive and procedural requirements of the United States laws.

ISRAEL

The bilateral undertakings with Israel are set out in Secretary Brown's letter to Minister of Defense Weizman, the Memorandum of Agreement concerning assurances, and the Memorandum of Agreement concerning oil. The principal undertakings set out in Secretary Brown's letter are the following:

We will provide managerial, technical and financial assistance in the construction of two airbases in the Negev for Israel, including a grant of $800 million. This undertaking is elaborated through two implementing agreements relating to the construction project and its financing;

We will provide $2.2 billion in loans to meet other military relocation costs or equipment purchases over a three year period; and

We are prepared to approve the sale of substantial quantities of equipment for the modernization of Israeli armed forces and to accelerate the F-16 aircraft delivery schedule.

The first Memorandum of Agreement with Israel is to a substantial extent an elaboration of the United States' assurance to the parties, described above, undertaking in the event of an actual or threatened violation of the Treaty of Peace to consult with the parties and to take such other actions as we deem appropriate. Our principal undertakings under that memorandum can be summarized as follows:

We will take appropriate measures to promote full observance of the Treaty of Peace;

We will consult with the parties and take such remedial measures as we deem appropriate in the event of actual or threatened Treaty violation;

We will provide support we deem appropriate for Israeli responses to Peace Treaty violations and will, in cases threatening Israel's security, be prepared urgently to consider special measures;

We will support the Peace Treaty regime for navigation and overflight of the Strait of Tiran and Gulf of Aqaba;

We will oppose UN actions we judge to affect the Peace Treaty adversely;

We will try to be responsive to Israel's military and economic assistance requirements; and

We will take steps to prevent transfer of U.S. supplied weapons to third parties for use in armed attack against Israel.

The Memorandum of Agreement also confirms that existing U.S. agreements with and assurances to Israel are not affected by the conclusions of the Treaty of Peace, with enumerated exceptions.

In the Memorandum of Agreement with Israel concerning oil, the United States and Israel agree to conclude an agreement providing, in essence, that the United States will assure that Israel obtains oil to meet its needs, should Israel be unable to secure its oil needs through normal procedures, for a period of 15 years, including the existing five year oil supply arrangement. All costs incurred by the United States will be reimbursed by Israel.

EGYPT

Our bilateral assurances to Egypt are reflected in Secretary Brown's letter to Defense Minister Ali relating to military assistance, which provides that:

We are prepared to expand our sales to Egypt of military equipment and services and to finance at least a portion of those sales;

The President is prepared to recommend sale of $1.5 billion in such equipment and services during the next three years, with FMS financing at specified terms; and

We are prepared in general to sell military items listed in the classified attachment to the Brown letter.

In addition, while we have made no specific commitment to Egypt on economic aid levels, we did make clear our intent to seek $300 million in economic support fund assistance for Egypt to supplement our existing aid.

All of the undertakings and assurances described above have been concluded in the form of Memoranda of Agreement and letters. They are not mutual security or mutual defense treaties or security guarantees. They do not commit the United States to take any particular action in response to treaty violations or other events.

The undertakings in the President's letters to President Sadat and Prime Minister Begin are made expressly subject to United States constitutional processes. The undertakings in the Memorandum of Agreement concerning assurances are, in essence, to consult, to consider a variety of responses to a demonstrated violation of the Peace Treaty, and to take such remedial measures as the United States alone deems appropriate. While the language of the Memorandum is far short of security guarantee language, the Memorandum nonetheless also contains an express qualifier subjecting it to United States constitutional processes and laws.

Paragraph 5 of the Memorandum deals with our diplomatic posture in the United Nations and reserves to the United States the judgment whether a proposed action or resolution might adversely affect the Treaty of Peace. Paragraph 6 relating to economic and military assistance is a general statement of intent expressly subject to Congressional authorization and appropriation processes. Paragraph 7 reflects existing requirements under the Arms Export Control Act, requirements we would wish to meet even were they not legislatively mandated.

The substance and form of the commitments in Memorandum of Agreement concerning assurances thus are of the nature traditionally concluded in executive understandings and agreements.

The United States assurance to Israel on oil is expressly subject to an undertaking to seek such additional statutory authorization as may be necessary. It reflects an understanding that those implementing actions involving U.S. crude, rather than U.S. good offices or efforts to arrange Israeli access to foreign crude, are dependent upon U.S. statutes.

These United States commitments and undertakings have played an important role in assisting both Egypt and Israel to accept the risks of the momentous step they have taken. We have tried to draw these documents carefully to meet the important practical, political and psychological requirements of the situation while avoiding excessive commitments by the United States. We have also endeavored to assure that the undertakings of the United States were made subject to Congressional action and oversight.

Sincerely,

DOUGLAS J. BENNET, JR.,
Assistant Secretary for Congressional Relations.

NEMIR REUNION—TYPICALLY AMERICAN

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PICKLE. Mr. Speaker, I am pleased to call your attention to an unusual family reunion that will be held in Washington, D.C. on May 3, 4, 5, and 6 with over 150 persons in attendance who are descendants and relatives of the 6 Nemir brothers and 1 sister who came to the United States during the period 1895 to 1910, seeking a new life in a country where freedom from persecution is the cornerstone of the American way of life.

The first Nemir reunion was held in my district in Austin, Tex. Each of the six Nemir brothers settled in Texas, and their sister settled in Nebraska. Austin and nearby cities were very attractive to the brothers because of their desire to have their children educated in a university city. In fact, I am told that there has been at least one member of the Nemir family in attendance at the University of Texas practically each year over the past 50 years.

The first family reunion began as a memorial to these courageous brothers who, with one exception, came to the United States at ages not yet out of their teens. And the reunions have continued with emphasis on the family unit, gathering together to visit and to know each other as families.

Mr. Speaker, across America today the effort to establish family ties and roots is more pronounced than ever before. Years ago some members of a family would get together for a small and quiet reunion, limited primarily to the immediate area of their residence. Today people want to know where their roots have spread, where their cousins and uncles and aunts might live across this wonderful land. It is a compliment to the Nemir family that they have been forerunners of this phenomena. For years they have held their reunions, and they know exactly from whence they have come. Because of this pride of ancestry they have made better citizens, and in turn have made a distinct contribution to our country. I know what this contribution has meant to my own 10th district, and I can multiply that same advantage for the United States, and even internationally, as I view the expansion of this family.

Four generations of the Nemir family will be in attendance for a 4-day program here in Washington, D.C. this week. At the conclusion of each reunion, the assembled group votes to accept one of the invitations offered by the families present to act as general chairman for the next reunion. At their family reunion meeting in Guatemala City in 1977, the invitation offered by Albert and Mary Lou Nemir of Arlington, Va., to have the reunion in Washington was accepted. A special luncheon will be held this Friday on Capitol Hill as a highlight of this year's reunion, and I am honored to have been asked to participate in it with all the members of this great family. Relatives will be attending from all sections of the United States, as well as Guatemala, Brazil, Lebanon, and Canada. The wide spectrum of representation throughout the United States is illustrated by the long list of those who will be in attendance:

NEMIR REUNION—TYPICALLY AMERICAN

FROM TEXAS

Austin: Mrs. Stuart Nemir, Sr., Dr. and Mrs. Stuart Nemir & Family, Mr. and Mrs. Charles Nemir & Family, Mrs. Pam Nemir, Mr. and Mrs. Roy Harris & Family, Mrs. Paul A. Speer.

Navasota: Mrs. Paul Nemir, Sr., Mr. Robert Nemir & Son.

Sweetwater: Mr. Gordon Nemir & Family, Mr. Robert Nemir & Family.

Gorman: Mr. Billy Don Nemir & Family.

Corpus Christi: Mrs. Cecil Agnes Redford.

Houston: Mrs. Margaret Lanier & Daughter.

FROM CALIFORNIA

San Francisco: Mr. David Nemir, Mr. Donald Nemir.

Orange: Mr. and Mrs. Dan Jacobs, Mr. Sam Elias and Judge Betty Elias, Mr. and Mrs. Frank Jacobs.

Carmel: Mr. and Mrs. Ray Travis.

La Habra: Mr. and Mrs. Joe Abood.

Belleflower: Mr. and Mrs. Lester Murty.

Cypress: Mrs. Jean Nama.

No. Highland: Mrs. Beverly Jacobs and Family.

FROM NEBRASKA

Wood River: Mr. and Mrs. Jake Jacobs, Mr. and Mrs. Leo Gehle.

FROM NEVADA

Las Vegas: Mr. and Mrs. James Curry.

FROM ARKANSAS

Little Rock: Mr. and Mrs. Ralph Nemir, Mr. Bill Nemir.

FROM NEW YORK

Brooklyn: Dr. Rosa Lee Nemir Audi, Mrs. Elaine Macken & Family.

Fayetteville: Mr. and Mrs. Alfred Audi & Family.

Syracuse: Joe and Nick Bassila.

FROM VIRGINIA

Arlington: Mr. and Mrs. Albert Nemir, Mr. Fred Nemir.

Alexandria: Mr. Lewell Nemir, Mrs. Diane Nemir.

FROM MARYLAND

Cheverly: Mr. and Mrs. Charles Walker & Family.

Hagerstown: Dr. and Mrs. Michael Nemir.

FROM PENNSYLVANIA

Media: Dr. and Mrs. Paul Nemir & Family.

Erie: Mr. and Mrs. David Nemir.

Havertown: Mr. and Mrs. Sam Atlee.

FROM WASHINGTON, D.C.

Mr. Ralph Wood Nemir.

FROM MASSACHUSETTS

Roslindale: Mr. Frank Burns and Daughter Susan.

Hanover: Mr. and Mrs. Edward Abraham.

West Roxbury: Mr. and Mrs. Christopher Stamas.

Dedham: Mr. and Mrs. Albert Abraham.

Manchester: Mr. and Mrs. Wm. Brauneis.

Dover: Mr. and Mrs. Alfred Leon.

Westwood: Mr. and Mrs. Robert Leon.

Canton: Mr. and Mrs. Vicent Banks.

Holliston: Mr. and Mrs. John Greeley.

Franklin: Mr. and Mrs. Wm. Conway.

FROM MISSOURI

Maryland Hts.: Mr. and Mrs. E. Tripp.

FROM ILLINOIS

Carbondale: Mrs. Lily Badr & Family. Mr. Albert Badr.

FROM CONNECTICUT

Sto: Mrs. Nina Baxter.

So. Windsor: Mr. and Mrs. Robert Edleman.

FROM MICHIGAN

Lansing: Mary Courey, Mr. and Mrs. Emile Alhaddad, Mr. and Mrs. Abe Gamel.

Kalamazoo: Robert A. Soloman & Family.

Ann Arbor: Nadim Nimeh.

FROM GUATEMALA

Guatemala City: Mr. and Mrs. Elie Gharzouzi, Mr. and Mrs. Khalil Musa.

FROM CANADA

Verdum—Quebec: Mrs. Nawal Namey.

FROM BRAZIL

Sao Paulo: Mr. and Mrs. Kamel El Jamal & Family, Samira & Keid El Jamal, Oneila Bertz and Farid Wakin.

Manaus: Mr. and Mrs. Youssef El Jamal.

FROM LEBANON

Beirut: Mr. and Mrs. Charles Malik, Mr. Kamel Bassila, Mrs. Ellen Badre.

Mr. Speaker, it is my honor and pleasure to bring this outstanding family to the Congress attention. I know our entire body would want to join me in saluting them and wishing them well. May the Nemir family thrive and prosper to enjoy many, many more family reunions like the one they celebrate in our Capital City in 1979.●

NATIONAL COUNCIL AGAINST COMPULSORY SERVICE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PAUL. Mr. Speaker, the campaign to reimpose involuntary servitude upon America's young people has come out into the open.

A number of Members of both House and Senate are sponsoring or supporting legislation to reimpose compulsory registration on all 18-year-olds. It is no secret that compulsory registration is the indispensable first step to the reimposition of conscription.

Some sponsors are looking forward to military conscription only. Others envision a universal system of compulsory service, where every young person would be required to spend 1 or more years of his or her life doing what the Federal Government thinks is in the national interest.

Fortunately, opposition to such schemes has begun to mount. The American Civil Liberties Union, the National Interreligious Service Board for Conscientious Objectors, and Students for a Libertarian Society have made their voices heard in opposition. A National Council Against Compulsory Service has been formed, whose support, interestingly, comes from both the Left and Right of the conventional political spectrum. I ask leave to include at this point the council's first public announcement of September 4, 1978. As one who strongly opposes any plan to impose forced labor upon America's young people, I hope the council grows rapidly in strength and influence.

NATIONAL ORGANIZATION LAUNCHED TO COMBAT INVOLUNTARY SERVITUDE PROPOSALS

WASHINGTON.—The much-despised military draft may be coming back, dressed in a new package—but a new national organization has been launched to mobilize public opinion against it.

The policy of the new National Council Against Compulsory Service is simple: "to oppose compulsory national service, whether universal or selective, military or non-military, in the United States." The Council sees signs of increased pressure toward a new Federal conscription program which, unlike the military draft which expired in 1973, would compel every 18-year old, male and female, into either military or civilian service for a period of one or two years. The idea has been advanced, at one time or another, by prominent Democrats like Andrew Young, Governor Hugh Carey of New York, Congressman Morris Udall, and particularly Senator Sam Nunn (D-Ga.), who chairs the Senate subcommittee on armed services manpower and personnel. Prominent Republicans Nelson A. Rockefeller and John B. Connally have also advanced the idea.

President Carter has suggested that he would prefer a comprehensive national service program over a reinstatement of the military draft. His reference to "the moral equivalent of war" in his April 1977 energy message indicates that the President is familiar with William James' celebrated 1910 pamphlet advocating national conscription for all American youths "to knock the childishness out of them" and bring about "socialist equilibrium".

Four forces are combining to promote a new program of involuntary servitude, says the Council:

Concern about the costs and problems of the All-Volunteer Force, including the racist concern that the volunteer army is becoming "too black".

The persistence of youth unemployment, which could be alleviated if four million 18 year olds were removed from the labor market by forced conscription.

The desire of some politicians to mobilize millions of young people at government expense to deal with any number of real and imagined social ills.

The belief of some people that everyone's life really belongs to the government, which should order its citizens around in the name of efficient planning and progressive social engineering.

The Council argues against any program of compulsory national service on a number of grounds:

1. It is prima facie unconstitutional. While it has been settled (in 1917) that the Federal government has the power to conscript men into the armed forces in time of war or national emergency, the proposed compulsory service programs clearly violate the 13th Amendment's prohibition of involuntary servitude.

2. The cost of supporting approximately four million 18 year olds in national service would run anywhere from $19 billion (Action estimate, 1975) to $38 billion (Richard Cooper, 1977, RAND, high estimate) to $50 billion

(Defense Department AVF Transition Paper, 1976) per year.

3. Within the framework of compulsory service, an additional compulsory technique must be employed to ensure that enough men and women, with the proper qualifications, choose the armed forces.

4. Dealing with the problem of refusal to serve—by possibly hundreds of thousands of youth who think they have better things to do than submit to a totalitarian youth program—will inevitably lead to a GULAG-style chain of "reeducation camps".

The Council's first activity will be to poll all candidates for the 96th Congress to ascertain their views on the All Volunteer Force and proposals for compulsory national service. The Council will also work to gain public understanding of the implications of compulsory national service for a free society, especially among young people.

Council Chairman is John McClaughry of Concord, Vermont. His opposition to compulsory service dates back to 1964 when he prepared testimony against the draft for the Republican National Convention, and drafted remarks against the draft for Presidential candidate Barry Goldwater. In 1967 he was a special aide to Sen. Mark Hatfield (R-Ore.) with responsibility for the Senator's legislation to phase out the draft. From 1973 to 1975 he served as a member of the National Voluntary Service Advisory Council, appointed by President Nixon, and he is currently a member of the National Commission on Neighborhoods, appointed by President Carter. Mr. McClaughry is a Major in the U.S. Marine Corps Reserve.

Present Board members of the Council are Alan W. Bock, Warren Hoover, John C. Topping Jr., Jarrett Wollstein, David Boaz, and Mark Bloomfield.

The Council is in the process of forming a National Advisory Council of distinguished Americans who oppose compulsory service. Among those who have accepted invitations are:

Bruce K. Chapman, Secretary of State of Washington, author of "The Wrong Man in Uniform".

Ron Paul, M.D., Lake Jackson, Texas; Member of Congress 1975-76; Secretary of Labor in the Conservative Caucus-sponsored "Citizens Cabinet", 1977.

Dr. Murray Rothbard, economist and historian, Polytechnic Institute of New York, Brooklyn.

Karl Hess, Kearneysville, West Virginia, writer and welder.

Kirkpatrick Sale, New York City, author and historian of Students for a Democratic Society (SDS).

Headquarters for the Council are at 800 18th Street NW, Washington, D.C. 20006, phone 202-347-7141.●

EIR STANDARDS FOR BOARDING HOMES

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, the urgent need for establishing standards in the operation of boarding homes for the elderly has again been demonstrated by the death of 10 elderly persons in a fire in Connelsville, Pa. In testimony before the House Select Committee on Aging, one of our most distinguished Pennsylvania State legislators, Representative Joseph Rhodes, Jr., has stated the situation with great clarity. I would like to bring this testimony to the attention of my colleagues, and insert this very excellent statement at this point in the RECORD:

TESTIMONY OF REPRESENTATIVE JOSEPH RHODES, JR.

My name is Joseph Rhodes. I represent the 24th Legislative District in the Pennsylvania House of Representatives. The issue of Boarding Homes is not new to me. The bodies and the fires change, but the problem remains the same.

For five years I have asked the question over and over again: How many must die? How much abuse, malnourishment and downright crass exploitation must there be before we deal with the problem of boarding homes in Pennsylvania and in this nation? How much is enough?

The Connelsville fire wasn't the first fire we've had in Pennsylvania since I began trying to pass legislation in our state that would license and regulate boarding homes for the elderly and handicapped. Two years ago twelve people died in a Philadelphia boarding home fire. Connelsville wasn't unique; more than anything it exemplifies the problem.

On March 31st of this year ten boarders were killed in a fire at Mrs. Marietta's home in Connelsville, Pennsylvania, a few miles south of Pittsburgh. The home was your typical boarding home. Thirteen people were living in a two story, single family, frame dwelling. Every room except the kitchen had been turned into a bedroom. Five people slept on cots in the basement. At least one person slept in a crawl space in the attic.

Of the ten who died, nine were over the age of 65, ranging from 68-85. Most of the residents were referred there by the county, either through the state hospital or the county nursing home.

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And matters are even worse that I have reported them here today. Because we have no comprehensive licensing law in effect, the grim hell holes that are the worst boarding homes flourish; and for precisely the same reason the good homes, the homes run by people who want to do right by their residents, and know what is right, are steadily being driven out of business. We have a boarding home nightmare in Pennsylvania: the good homes are being closed and the hell holes prosper.

Why haven't my colleagues acted to end this bad dream? For a lot of reasons. One reason is that we have a band aid program in Pennsylvania under our Department of Labor and Industry. Almost as a halfhearted guilt gesture, L & I moved into the boarding home regulation vacuum and began spot enforcement of what they call "Special Occupancy Boarding Home Rules and Regulations". But this band aid enforcement is done only on complaint, is limited in its regulatory area to the physical structure and only involves a tiny percentage of the total boarding home stock in Pennsylvania. Around 400 inspections are conducted annually and there are over 10,000 boarding homes in the state.

But the band aid L. & I. program is not the main reason that the Pennsylvania General Assembly has dodged this issue fire after fire, death after death, abuse after abuse. The real reason we have sat on our tails is the same reason you in the Federal congress have. Boarding homes are a convenient place to dump discarded old people that have to be somewhere and to license and regulate these homes would mean added costs. It would cost us to deliver the health care and social service that these citizens need. It's not fashionable any more for government to deliver services. The system we have created needs that one last level of *non-care* where we can dispose of all those sick old people that we can't, or won't, help. That's why the General Assembly hasn't done anything and that's why the Congress has passed such ridiculous and vicious answers to this problem as the Keys amendment.

Every state needs a comprehensive boarding home licensing and regulation act. But only the truly courageous ones will pass such acts in the congressional vacuum that you allow to exist. If the states are to act, if we are to have the laws our citizens have a right to have, then Congress must enact laws which create incentives for us to do so.

The Keys amendment approach of penalizing the residents of these boarding homes is totally in the wrong direction. We need changes in the Medicare and Medicaid regulations to allow residents of state licensed boarding homes to be eligible. We need your help in paying for a competent inspection system. And most important, the residents of licensed personal care boarding homes will need more than $221 a month to live on.

There are those who will give lip service to the senior citizen but who will whisper that we can't afford to lift the boarding home rug from atop our discarded old people. I say, tell that to the dead of Connelsville.●

H.R. 1776

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. MAVROULES. Mr. Speaker, because of the growing dissatisfaction in our country with Federal regulatory practices, H.R. 1776, the Administrative Rule Making Reform Act of 1979, promises to be one of the most significant bills we will consider this session.

Rules and regulations bear directly upon all of us, governing our activities, affecting our pocketbooks—ruling our lives. Today they are receiving an uncommon amount of notoriety, as the Nation struggles with inflation, our most serious problem. Without question, inflation requires sacrifices from everyone, including big Government, and if certain of its rules are more harmful than beneficial, more of a financial burden than an aid, they should be eliminated.

Those of us who cosponsored H.R. 1776 did not do so to cripple or destroy regulatory agencies and the rules they generate. Across the Nation, those we represent want us to put the Federal Government on an even keel, making it more manageable, more responsive to the people it was intended to serve. While they are justified in demanding this, we would be doing them a great disservice if we struck out blindly at all regulatory agencies, and all rules and regulations.

Our own history is full of examples of uncontrolled big business, serving no master but itself. Certainly, few Americans desire a return to the days when a drug company, for example, could sell any product, no matter how harmful, make any claims it wished for that product, no matter how false, all without fear of punishment or prosecution. The abolition of all Federal regulations would clearly cause far more problems than it would solve.

Of course, no one has seriously suggested such a drastic step. But in our zeal to help the consumer, the taxpayer, the businessman, large and small, we must remind ourselves that many agencies and regulations do serve a useful purpose and social end. Although some are outdated, useless, or simply foolish, many are, in a word, necessary—buffer zones between the constituent and big Government or big business, safeguards against the infringement of the rights of all Americans.

The regulatory agencies, in their present state, are far from perfect. Our constituents sense this, they know that Government is too big, the bureaucracy too much of a maze, and many Federal regulations too heavy a cross to bear. There is, however, a very real need for many of these agencies, and we must not cripple them in the name of reform.

But here is the rub. Neither can we stand back, and allow the present trend to continue. If we do nothing, Federal regulations will continue to mushroom, until nearly every aspect of our lives is governed by a rampaging monster, made of Federal paperwork.

Shortly, we will be engaged in a discussion of the merits of H.R. 1776. We have a responsibility to our Government and our constituents to strike a balance between the harmful extremes I have noted. Overregulation is a plague on our economy, and our Government, but we must treat this illness without killing any of the patients.●

IMPORT RELIEF IMPROVEMENT ACT OF 1978

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. RINALDO. Mr. Speaker, last year, I introduced the Import Relief Improvements Act of 1978. This bill was in direct response to the lack of import relief currently available to U.S. industries.

One of the main intentions of the Trade Act of 1974 (Public Law 93-318, 88 Stat. 1978 (1975)) was "to provide adequate procedures to safeguard American industry and labor against unfair or injurious competition and to assist industries, firms, workers, and communities to adjust to changes in international trade flows * * *," (section 2(4) of the Trade Act of 1974, 19 U.S.C. 2102(4)). In furtherance of this purpose, Congress provided, in sections 201 to 203 of the act, for the expanded use of import relief. Such relief is to be given in those instances in which the U.S. International Trade Commission determines that an article is being imported into the United States in such increased quantities that it is a substantial cause of serious injury, or the threat thereof, to the domestic industry.

Of immediate concern has been the evolution of Presidential action or inaction following an affirmative decision on import relief by the Commission under section 201. Under the Trade Expansion Act of 1962, the President was authorized to give import relief when an affirmative decision was rendered by the Commission. As a result of only being authorized to act, the President often linked the use of the escape clause provisions with other foreign policy considerations. Part of the congressional intent behind the enactment of the Trade Act of 1974, however, was to take our international trade policy out of the foreign policy context, a connection that often fostered lax enforcement of our international trade law. Consistent with this, Congress passed the 1974 act requiring that the President provide import relief following an affirmative decision by the Commission. This intent was emphasized in the Senate report on the bill as finally reported. Speaking of section 202 it states:

> This section would require the President to implement import relief or, if the Commission finds that adjustment assistance offers a viable alternative to import relief, to direct that expeditious consideration be given petitions for adjustment assistance. That relief ought not to be denied for reasons that have nothing whatever to do with the merits of the case as determined under U.S. law. In particular, the Committee feels that no U.S. industry which has suffered serious injury should be cut off from relief for foreign policy consideration. (S. Rep. 93-1298, 93d Congress, 2d session, 124.)

Similarly, section 337 of the Tariff Act of 1930, which declares unlawful injurious or anticompetitive unfair practices in the importation of articles into the United States, was strengthened by the Trade Act of 1974 to require that the U.S. International Trade Commission, not the President, determine whether the section is being violated, subject to judicial review. Further, the Commission was given the authority to issue remedial orders directed at such illegal practices, subject to possible disapproval by the President for policy reasons. These amendments were designed to promote objectivity in the administration of the international trade policies of the United States as established by Congress.

In spite of the intent of Congress, the President has repeatedly denied import relief to deserving U.S. industries on the basis of foreign policy considerations and in fact disapproved a remedial order of the U.S. International Trade Commission under section 337 of the Tariff Act of 1930, as amended, directed at unfair trade practices in the importation of welded stainless steel pipe and tube.

These actions by the President indicate a far greater need for congressional review of Presidential action in regulating commerce with foreign nations, an area which is specifically committed to the authority of Congress by the Constitution. My legislation enables Congress better to exercise this important responsibility.

The principal feature of my bill is to provide for congressional disapproval, by resolution of either House of Congress, of action by the President under sections 202 and 203 of the Trade Act of 1974 which differs from the import relief recommended by the International Trade Commission, and action by the President to set aside remedial orders of the Commission under section 337 of the Tariff Act of 1930. Present law requires a concurrent resolution of both Houses of Congress to disapprove action by the President under sections 202 and 203, and provides no opportunity for congressional review of action by the President to set aside Commission orders under section 337.

Mr. Speaker, I plan to reintroduce this legislation shortly and will be soliciting cosponsors on this bill. I urge my colleagues to join me in pressing for reform of our trade laws, and in urging passage of the Import Relief Improvements Act of 1979.●

UNIFORM FEES FOR DOCTORS

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PAUL. Mr. Speaker, Dr. Hans Sennholz, chairman of the economics department at Grove City College, is not only one of our best economists, he is also one of our most eloquent.

Recently he wrote about the problems generated by government controls on medical care in Private Practice magazine, and I would like to bring his erudite remarks to my colleagues' attention:

UNIFORM FEES FOR DOCTORS

(By Hans F. Sennholz, Ph. D.)

It is difficult to fathom the motives of the health care planners who would put the federal government in charge of our health care services. But we may ponder the effects their revolutionary proposals, if realized, would have on this vital profession.

As part of a sweeping national health insurance plan the Carter administration is considering an HEW proposal that would require doctors throughout the country to accept uniform fees and salaries. The plan would begin in 1983 and be put into effect in several stages over a period of years. In other words, the Carter administration is proposing to impose comprehensive controls on the prices of medical services rendered by American physicians. It does not matter by what name it may call such controls—"negotiated rates," "bargained rates," "social rates," or even "free rates"—they will be coercive rates that are enforced by an army of new regulators armed with the power to impose fines and prison sentences. In this respect the health care profession will become a "public utility industry" under the careful supervision of a "public health commission."

The fate that befalls our doctors concerns us all. If the government can regiment this vital profession, it can lay its heavy hand on many other industries and professions. If doctors lose their freedom, how long can the other professions expect to retain theirs? The dentists, druggists, teachers, writers, attorneys, bankers, stock brokers, businessmen, etc.? If government control of health care is in the social or national interest, how can we oppose government control over food, clothing, housing, transportation, education—in fact, over every aspect of our lives?

FREE PRICES ARE PRODUCTION SIGNALS

The advocates of government force in economic matters are deplorably ignorant of the inevitable effects of such force. In the competitive enterprise system prices, wages and fees direct economic service and production.

They are the essential signals that provide guidance and direction to our labors. Through judgments of value and expression of price, the people, i.e. customers, clients or patients, decide what is to be produced and in what quantity and quality; where it is to be produced and by whom; what service is to be rendered and its quantity and quality, etc.

The fee-setting process is a pricing process in which all members of society participate. Through buying, or abstention from buying, through cooperation and competition, the millions of consumers (patients) ultimately determine the price structure of the profession and the allocation of income to all individuals.

When government sets prices and rates by force it causes effects that tend to be undesirable, even from the point of view of those who fixed the rates. Government orders and prohibitions deprive the patients of their central position in the profession. They compel doctors to obey government orders rather than the value judgments and price signals of patients.

A uniform fee is some type of average fee for various medical services. Determining such a fee opens the floodgates for countless controversies and ugly quarrels not only about the averages themselves, but also about the numerous differentiations between various professional services. All interested parties will want to be heard in endless public hearings, to dicker and bicker, to propose and oppose until, in sheer exasperation, the commissioner for health care, the secretary for HEW, or the president of the United States will impose his rates. Of course, the courts will then be called upon to review the legality and equity of his decrees. In the meantime, the industry will be paralyzed by charges and countercharges, by conflict and strife, by investigations and prosecutions of those who are violating the orders. In the end, every politician will be involved in health care controversies, and countless bureaucrats will swarm about the industry to ensure compliance with the regulations, threatening and prosecuting the violators. Thousands of attorneys will find new employment in guiding and defending the accused. And yet, this system is supposed to lower the costs and improve the quality of national health care!

PRICE CONTROLS CAUSE SHORTAGES

Our knowledge of the functions of the pricing process also points up many other undesirable effects of government intervention. Free prices equate the demand for, and the supply of, goods and services. At the free market price or fee, everyone willing to sell can sell, and everyone willing to buy can buy. Surpluses or shortages are inconceivable where market prices continuously adjust supply and production to the demand exerted by the consumers (or patients).

Wherever government by law or decree endeavors to lower prices, shortages inevitably result. The artificial prices cause the supply to decline and the demand to rise. Whether the artificial prices are imposed by emergency or wartime controls, by international agreement or price stops, by wage stops or rent stops, or by just fee averaging—and whether they are laid on manufacturers, oil producers, merchants or physicians—they engender shortages and thereby impoverish the consumers.

A uniform fee may be an average fee which, for many physicians, lies below the level of their customary fees. That is, the national rate system may forcibly lower all fees above the uniform rate, which will cause shortages in the affected services.

There are many reasons for the fee differential. Some medical services are better than others and therefore bring forth a greater patient demand and higher fees. To reduce such fees to uniform levels is to reduce the quality of services to average levels or overcrowd the waiting rooms of those better physicians. If the reduction is considerable, the waiting time for service tends to be prolonged considerably. In extreme cases, and as often occurs in countries with nationalized health are systems, the waiting time provides its own remedy when the patient finally recovers on his own or expires waiting for help.

Some fees are higher than the average because, for a number of reasons, the professional services are exceptionally scarce. The climatic conditions may be undesirable, as, for instance, in the Arctic and Antarctic. To lower medical fees to uniform levels in such places would probably eliminate all services. Who would want to practice medicine on the Northslopes of Alaska and charge uniform fees for house calls to an oil drilling crew?

Undesirable environmental and working conditions may warrant rates and fees above the average. We admire the physicians who often risk life and limb practicing medicine in high crime areas. Surely there are fewer of them in our city slums than in safe and comfortable surroundings, which explains why the former generally enjoy higher fees and incomes than the latter. To establish uniform rates is to reduce the quality and quantity of services in those slums and to make conditions worse than they are. The uniform fee provision of the proposed national health insurance plan, which was supposed to improve health care conditions—especially for the poor and underprivileged—will actually worsen the conditions of the neediest and intensify the headaches of the planners.

The uniform fee plan seems to be built on the erroneous notion that medical services consist of uniform units of professional labor that are rendered uniformly to all patients regardless of price. Lowering a fee to a uniform level, therefore, may vex the physician, but not affect the quality of his service. The fallacy of this assumption will become apparent immediately upon adoption of the uniform fee plan. Where government is the health care provider for millions of Medicare and Medicaid patients, many physicians will seek to compensate their losses of fee income through greater quantities of lesser services, which in turn will bring forth more accusations, investigations and prosecutions by the planners and commissioners in charge. More health care scandals will make the headlines of the daily news, condemning physicians for fee violations and illegal charges. Their motives and morals will be censured, especially by the self-proclaimed spokesmen of the medical good.

The national health insurance plan contains many other features that will revolutionize the health care profession. Upon adoption it will make medicine a political game and make politicians its owners, coaches and umpires. Two kinds of men generally succeed in this kind of game: men without principle, but great adaptability, and men without adaptability, but of one principle—obedience to their superiors.●

RELIGIOUS FREEDOM

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PAUL. Mr. Speaker, the Internal Revenue Service has made some disturbing decisions that erode religious freedoms. Recently, the National Association of Evangelicals called upon Congress to reverse these decisions, and to examine carefully two bills that would harm our churches.

I would like to call NAE's resolution to the attention of my colleagues by inserting it in the RECORD.

RELIGIOUS FREEDOM

On May 15, 1974, Mr. Justice Blackmun said in his dissent from the U.S. Supreme Court's decision in the American's United case: "I am disturbingly aware of the overwhelming power of the Internal Revenue Service." Mr. Blackmun then expressed his concern about "the hazards of vesting in the Commissioner virtually plenipotentiary power over philanthropic organizations." He pointed out that the provision in the tax code for 501(c)(3) organizations was "obviously not designed to raise money." He observed that the Commissioner "is properly vested with broad powers to prescribe all needful rules and regulations for the enforcement of tax laws" and lamented the fact that his power is now being used to the detriment of eleemosynary institutions in the enforcement of public policy unrelated to the collecting of taxes.

Notwithstanding this expression of concern and tacit appeal to the Commissioner to exercise restraint in the use of his awesome power from a member of the highest court in the land, the IRS continues to propose and adopt one regulation after another that seriously erodes First Amendment rights. Some examples:

1. In a regulation defining an "integrated auxiliary," the Commissioner assumed the prerogative of determining the mission of the church, which the government has traditionally declined to do under the First Amendment. This action was taken against the protests of representatives from virtually the entire religious community of the United States who argued that such action involves the government in excessive entanglement in church affairs.

2. Last year the Commissioner adopted a ruling which severely restricts the publication of voting records of political candidates by church groups.

3. On February 13, 1979, the Commissioner published a revised version of a proposed procedure which will allow the IRS to revoke the tax-exempt status of private church schools for failure to maintain a racial balance which satisfies the ideals of the Commissioner. This notwithstanding the fact that the school may have a publicly announced and advertised nondiscriminatory racial policy with minority students enrolled and minorities serving as board and faculty members.

In addition to these disturbing infringements upon the religious freedom of our churches and church-related activities by IRS, the last two Congresses have attempted to enact at least two pieces of legislation that would seriously erode the freedom of religious rights guaranteed by the First Amendment. These are:

1. The Charitable Contribution Disclosure Act which has already been reintroduced in the 96th Congress as H.R. 825. This would open church records to government inspection at the whim of those charged with the enforcement of the Act.

2. The Lobby Disclosure Act which is also pending in the 96th Congress as H.R. 81 and H.R. 1979. This would make it vitually impossible for church groups to contact their legislators or influence public policy without assuming an excessive administrative burden and register as a lobbyist.

The National Association of Evangelicals is alarmed by these developments which jeopardize our religious freedom. The power to tax is the power to destroy, and there is usually no practical relief from a bad IRS ruling or regulation. As Justice Blackmun has indicated, because of the time consuming delays and insurmountable costs in any endeavor to effectuate corrective action, the cure in most cases is worse than the disease.

Therefore, the NAE calls upon each member of Congress to carefully consider the adverse impact that the Charitable Contribution Disclosure Act and the Lobby Disclosure Act would have upon all philanthropic organizations and churches in particular. We also call again upon evangelical organizations to adopt principles and practices of self-regulation as assurance against the abuses which have prompted the Charitable Contribution Disclosure Act and the Lobby Disclosure Act. We further request Congress to enact legislation that will clearly stipulate the limits of power which the Commissioner of IRS may use against tax-exempt groups in the enforcement of social policy as distinct from the collection of taxes.●

HEALTH CARE COSTS: A SURVEY OF PROBLEMS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 2, 1979, into the CONGRESSIONAL RECORD.

HEALTH CARE COSTS: A SURVEY OF PROBLEMS

The rising cost of health care has slowly become one of the most serious domestic problems facing the nation. Many Hoosiers talk to me about the problem practically every time I am in the Ninth District. They are worried that it may soon be beyond their means to pay for basic health care for themselves and their families.

The statistics show that these Hoosiers have reason to be concerned. The nation's annual health care bill reached $163 billion in 1977, up from $26 billion in 1960. The average American paid out $737 for health care in 1977, as compared to $142 in 1960. These rises—627 percent and 520 percent respectively—were far in excess of the rise of 105 percent in overall consumer prices which took place during the same period. More troubling yet is the projection that health care could cost the nation $310 billion in 1983, an average of $1,357 for each American. These figures mean that 9.3 percent of the gross national product will be committed to health care in that year, as opposed to only 5.2 percent in 1960. Health care expenditures of that magnitude could distort national priorities as they fueled inflation and diverted scarce resources away from other purposes. Moreover, as health care expenditures rise, one must ask whether Americans are getting their money's worth. Today, most experts believe that the quality of health care is not rising in proportion to its cost.

The causes of sharply higher health care costs are many, and they vary in importance by geographical region, quality of care, and other factors. Some of the higher cost is surely due to general price inflation. As the costs of medical equipment, labor, and construction move up, doctors, hospitals, and other providers of care must raise their prices to offset the increases. Higher cost is also a consequence of technological advances in medicine and improvement in the quality of care. Modern medical miracles have saved or improved countless thousands of lives, and they have been welcomed by nearly everyone in spite of the price that is paid for them. However, some of the rise in health care costs is not due either to simple inflationary pressures in the economy or to technological advances in medicine. Higher costs are built into the very structure of the health care system.

One of the principal problems is the role of the third-party payer, the insurance company or government agency which covers many health care expenses. Third-party payers pick up 70 percent of all expenses at present, with government carrying 42 percent of the burden. The absence of an out-of-pocket payment by the patient at the time service is rendered tends to make health care seem less costly than it is. The result is greater demand for health care, which leads to higher price. Another major problem is the relation between supply and demand in the health care sector. This part of the economy is unusual in that those who control the supply—physicians and other health care professionals—also determine much of the demand. Since patients are seldom in a position to know what treatment they should have, doctors alone have a say in the spending of 70 cents of every health care dollar. As the patient's advocate, the health care professional feels obliged to recommend the best available treatment. Again, the results are greater demand and higher price.

Experts in medical economics point to many other inflationary features of the health care system. The "excess capacity" of the system is just one, and it is most apparent in hospitals. It has been estimated that efficient hospitals in a given health planning region should have about 80 percent of their beds filled on the average, yet data on the typical community hospital show that it filled only 74 percent of its beds in 1977. More than 100,000 excess beds nation-wide cost hospitalized patients $2 billion per year. Unused medical equipment and idle health care professionals are also part of the picture. Excess capacity may be seen as a problem in the distribution of health care resources. In many inner cities, small towns, and rural areas, the highest quality health care is hard to obtain at any price. However, an abundant supply of health care resources in prosperous urban neighborhoods, suburbs, and large towns does not lower prices there in spite of the lower demand.

No discussion of health care costs would be complete without mention of two fundamental attitudes that have influenced the growth and character of the health care system. The first is that any expenditure is justified for the sake of good health. We can understand this attitude from a personal point of view but, from the point of view of society in general, health care must be seen as one priority among many, with limits on the resources that can be committed to it. The second attitude is that health care is intended to cure illness, not prevent it. Just how deeply rooted this attitude is can be seen in the emphasis of our national health care policy: federal payments for treatment have been 25 times greater than federal payments for prevention. As far as the federal government is concerned, the old saying "An ounce of prevention is worth a pound of cure" has been forgotten. We might make better progress against rising health care costs if we remembered it.●

PHYSICIANS—CHOICE VICTIMS OF THE WELFARE STATE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

○ Mr. McDONALD. Mr. Speaker, one of the constantly recurring themes in the debate over the need for national health services, is that doctors somehow make too much money so they need to be controlled by the state in order to keep the price of health care down. This, of course, is an appeal to greed and envy. People who support such views would not want to, nor are most of them capable of successfully completing the years and years of rigorous schooling required, while working as an intern for long hours at low pay in order to become a doctor. But since doctors generally earn above average wages among professionals, they stand out and have become a target. However, to follow the path of England would be disastrous and result in poorer health care, not better health care for Americans. Therefore, I commend to the attention of my colleagues the following article on this subject, which appeared in Private Practice on November 1978 by Dr. Hans Sennholz.

PHYSICIANS—CHOICE VICTIMS OF THE WELFARE STATE

(By Hans F. Sennholz, Ph. D.)

The direction of all true progress is toward greater individual freedom. It enables us to be what we ought to be and to do what we ought to do. Void of freedom, what would virtue be?

And yet, in our lifetime society has steadily moved in the direction of political power. Responsibilities have gravitated toward government, and individual freedom has retreated. Social progress is measured by the number of laws and regulations that envelop individual action.

The advocates of this social order ignore the fact that every benefit bestowed by government brings misfortune to someone. Without a single source of income and wealth of its own, government can only distribute what it seizes from some of its citizens. Every penny spent by government is taken out of the pockets of someone who earned it. Every new program must reach into more pockets in order to finance the new transfer. The welfare state, which is so popular with its many millions of beneficiaries, is a redistribution state that deprives millions of victims of their earnings.

Physicians are among the primary victims of social programs and transfer. The growing concern about medical care in recent decades has made the profession highly productive, which propelled doctors' incomes to levels above those of many other professionals. But this very concern about medical care has brought government to the fore with an army of inspectors and regulators. Because medical care is of great public interest government officials are assuming control. Some even favor a nationalized health service that would make physicians direct employees of the state.

PUBLIC OR PRIVATE?

The noisy defenders of the public interest are not very consistent in their critique of private interest. If it were true that only government defends the public interest, government would need to assume control over all economic activity. Butchers, bakers, and bartenders, all would be suspect of their private interests and would need to be managed by public officials. Every detail of our economic lives would have to be controlled to afford complete protection from the evils of private interest. However, such conclusions deny reality. History teaches that man lives under wretched conditions—in poverty, misery, and ill health—wherever economic freedom is lost.

Physicians are choice victims of the transfer process because they are highly productive individuals with better-than-average incomes. As such they become the targets of envy and covetousness. They are said to have a greater ability to pay and bear the burden of "needed social services." Obviously these services constitute forced redistribution from more productive citizens to those with more political clout.

TAXATION AND INFLATION

The favorite instruments of redistribution are taxation and inflation. It is estimated that Americans with an average income of $12,000 a year now pay 42% of their earnings in taxes. If the average American pays 42%, the steep tax progression aimed at higher incomes surely puts a physician in a much higher bracket. His federal income tax bracket may go to 50%, to which he must add such minor taxes as Social Security taxes, state income taxes, local income taxes, real estate taxes, sales taxes, excise taxes, and finally the taxes that are embodied in the price of every product he buys. We are convinced that most physicians lose more than one-half of their incomes to various tax collectors.

While taxation seizes current income, inflation robs thifty physicians of the savings they have accumulated despite the heavy tax burden. Inflation inflicts serious losses on Keogh plans, profit-sharing plans, and other savings devices. Most physicians are deplorably ignorant in monetary matters, which makes them easy victims of inflation. Like so many other members of the middle class, they prefer to invest their savings in monetary instruments, which are so easy to accumulate and hide in safety deposit boxes. They make regular payments to their retirement plans, which promise dollar payments in the distant future. They buy annuities and other life insurances, which are denominated in dollars. In every case, they are basing their investment decisions on the utterly unrealistic assumption that the future returns of their present investments will be paid in present dollars.

During the last 10 years of inflation most physicians have lost at least half of their savings. To the outside world this general impoverishment is not always visible. After all, their levels of consumption may have remained the same—their homes and furnishings, cars and boats—and their children still attend college. But their wealth has diminished greatly as inflation eroded the purchasing power of their savings.

Inflation is no mysterious disease plaguing an innocent society. It is a willful policy of government finance that covers budgetary deficits with newly created money. It is the inevitable outcome of ever greater demands for government benefits that are no longer covered by taxes. As such it is a redistribution device that finances government spending by silently draining off monetary savings. When seen in this light, physicians who by tradition and training hold their savings in monetary form, are choice victims of the transfer state.

Contemporary society demands ever more and better medical services, but is reluctant to pay for them. The hue and cry about soaring medical care costs is directed primarily at rising physicians' incomes, which flow from the rising demand. The transfer society is not willing to tolerate much unequal distribution, and therefore expects government to correct it. Taxation and inflation are the tools of redistribution that pull physicians back to more tolerable levels.

WHAT TO DO?

A highly productive physician thus finds himself in a rather frustrating position. Society eagerly seeks his services which seems to afford him the opportunity to earn more. But before he can rejoice about his good fortune, society rudely denies it through taxation and inflation. The net effect is an expanded medical care industry financed to a large extent by the very profession that renders the service. It was accomplished with a great deal of philosophical casuistry and, above all, financial ignorance on the part of its victims.

Most physicians are vaguely aware of the situation. But they are at a loss about the possible solutions. Some try to get ahead of the game by endorsing ever more programs of public health care and getting in line for a fair share of the funds. They are endorsing the principle of redistribution in the hope that they will be net beneficiaries in the end. Many noble souls are persuaded to participate in the game for the sake of better health and greater happiness of their patients to whom, after all, they dedicated their lives. They are beginning now to wonder whether the redistribution actually can achieve the stated goals. But many physicians openly resent the ingenious redistribution that makes them the favorite victims of the process. They are embarking upon parttime business ventures in order to blunt the impact of confiscatory taxation. And they are learning to escape the ravages of inflation through investments in non-monetary form, such as real estate, gold and silver, jewelry, art, etc.

We are convinced that redistribution through politics has more deleterious effects than desirable benefits. It creates social and political conflict as it divides society into antagonistic classes: the beneficiaries and the victims. It rarely achieves what it set out to accomplish, which generates frustration and disappointment and thereby plants the seeds of social radicalism. But above all, it undermines the moral and political foundation of individual freedom, which is essential to human dignity.●

TESTIMONY CONCERNING THE DRAFT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PAUL. Mr. Speaker, recently I testified before the Military Personnel Subcommittee of the Committee on Armed Services concerning the draft. Since this issue is getting more and more attention, I would like to insert my statement into the RECORD:

ORAL TESTIMONY OF SENATOR RON PAUL

Mr. Chairman: Thank you very much for this privilege of testifying before your subcommittee.

I was a member of the United States Air Force and the Air National Guard between the years 1963 and 1968 and have always had a keen interest in maintaining a strong military defense. I am concerned today more with understanding the rights involved with regard to involuntary service than with the specifics on the different pieces of legislation presented concerning the draft and compulsory national service.

First I would like to address my comments toward compulsory national service. The assumption is that the young, age 17 to 24, owe a segment of their lives to their country. This assumption is based on the supposition that rights come from the State and are not natural. It also assumes that life itself is a privilege and not something that we are absolutely entitled to.

In order to be consistent, the conservatives who support involuntary service must grant to the liberals the fundamental basis on which all transfer payments are made: That the productive efforts of some individuals are to be the prey of others who are less productive. Once this is granted, the conservatives have no defense against the liberal notion that the more productive have an obligation and therefore must be compelled to care for those who won't work or can't work.

The liberals who support national service, however, grant to the conservatives that life should be controlled by the State and therefore that controlling personal conduct—as so many conservatives prefer—is a prerogative of the State. Under these conditions, civil liberties become elusive, if not impossible to maintain.

The Committee for the Study of National Service notes that there is "a need to cure apathy and self-centeredness" through such activity as National Service.

Consistent liberals and dedicated conservatives should reject this notion on principle and to be consistent they must also reject the notion that the State has the right to use a young person's life in any manner whatsoever. If this is not done, one must concede that the State can establish all standards of personal conduct as well as transfer wealth from the productive to the non-productive in an arbitrary manner.

The dedicated planner, the interventionist, the moral do-gooder sees National Service as useful. However in accepting this, he must necessarily label himself a statist.

If one assumes that the young owe a certain portion of their lives to the State, why can't we carry this argument to its fullest and make the program "a progressive National Service" as we do with the progressive income tax? Under these circumstances the older citizen, the wealthier citizen, in a pre-retirement age, who has never served his country before ought to be asked to perform this service prior to drafting the young. This must be done without the draftee receiving any outside income and must be done at modest sacrifice. The businessman, the banker, the professional man must be asked to give up his important position in society and join the National Service Team by planting trees, raking leaves, and carrying bed pans. If one argues that National Service is a worthy venture, it is only consistent to argue that those who have received more, and for a longer time, owe more to their Nation and must be asked to serve before the young are forced to forfeit their efforts to acquire education and training for skills that will provide for their future. For when the young are asked to give up their education and training, they must do this at total sacrifice and loss of monetary gain, not unlike the loss that would be bestowed on the middle-aged person who would have to leave his secure position in society if we had progressive National Service. Since this would be in the area of National Service rather than military activity, the age argument could not be used against "drafting" the older citizens.

The absurdity of all this is quite clear. The need to reject the notion of any type of compulsary National Service is obvious.

However, I maintain that citizens of a free country owe no legal debt whatsoever to the State.

As for the moral obligation that one has to his country, I submit that freedom grants the privilege of not sacrificing ourselves to the nebulous "whole," i.e., to society, or the Nation; for the definitions of debt and service and societal needs are of necessity arbitrary and it becomes impossible to construct a system which is fair at all.

In a free society there are two ways we can return benefits to the whole. One is through voluntary and charitable means. This Nation has a fantastic record in this regard. We have been willing to donate billions of dollars annually both in money and time. Also the benefits that one bestows on society by being productive in a free society is something impossible to prevent as, for example, an individual builds an industry for his personal gain. The workers who receive the jobs and consumers who receive the products benefit manyfold. However these benefits are bestowed on society in a non-compulsory way and in a manner compatible with the basic precepts of individual freedom.

Dr. Milton Friedman's opinion of the draft is worthy of our consideration:

"A military draft is undesirable and unnecessary. We can and should man our armed forces with volunteers as the U.S. has traditionally done except in major wars.

"My interest (in the draft) has been on two grounds. First, and most obvious, because conscription is such a blatant and serious restriction on individual freedom. The most extreme form of compulsory servitude now practiced in the U.S. Second, because public acceptance of a strong armed force seems essential to maintain the freedom of the U.S. Conscription undermines that acceptance and has played a major role in bringing the military into the low public estate to which it has fallen.

"In the course of my involvement in this issue I have come into contact with many other persons concerned with the draft—both in favor of it and opposed to it. I have observed many persons initially in favor of the draft change their opinions as they have looked into the argument and studied the evidence. I have never observed anyone who was initially in favor of a volunteer force reverse his position on the basis of further study. This greatly enhances my confidence in the validity of the position I have taken."

Registration must be equated with the draft. The two cannot be separated. The mere fact of registration means that drafting and the use of lives is just around the corner.

A strong defense need not include a draft. The Founding Fathers defended a strong defense but none advocated standing armies. They saw standing armies as a threat to freedom domestically and as likely to get our country involved in unnecessary wars. Recent history both in Korea and Viet Nam bear this fear out. The fact that the Revolutionary War was fought without a National draft is of utmost significance.

If a nation is free and morally and spiritually strong, the people will provide an adequate military for national defense.

A draft will not substitute for, nor create, a morally and spiritually strong nation. Force cannot overcome apathy. The people must think their society worth defending. If they do not—no matter how much force and compulsion used—it won't matter on the long run for the survival of a free nation.

A draft may be beneficial in maintaining a strong Army and contributing to military power, but it is incompatible with protecting the foundation of liberty.

Patriotism is a must in a free nation and a free nation cannot survive without it; but patriotism cannot be instilled in the young by drafting them to be used in no-win wars such as Viet Nam and Korea.

Freedom cannot be preserved with involuntary servitude. The two are incompatible.

It is out of frustration with the lack of patriotism that we all seek desperately for an answer. The problem is that both conservatives and liberals have lost the love and understanding of liberty.

It does not surprise me that both liberals and conservatives today support compulsion in a feeble attempt to preserve liberty. No legislation can instill the desire to serve our nation. This can only be achieved by understanding, education, and recognition of a natural will to be free, nurtured by leaders willing to fight for freedom in the legislative process while rejecting the temptation to compel personal standards for others and not succumbing to the demands of special interest groups who seek special protection and transfer of wealth by force through taxation and inflation. It is a rebirth of a spirit to first want to be free and second to want to protect that freedom that is so eagerly sought after by all of us.

A drift towards and a persistence in the use of compulsory service must of necessity lead to a totalitarian state.

Our Constitution prohibits involuntary servitude and the Declaration of Independence has declared to all mankind that we are endowed by our Creator with the inalienable rights of life and liberty. With this heritage, the draft and compulsory national service are unacceptable.

It is not coincidental that we are threatened more every day with personal and economic control of our lives in this century and at the same time have generally accepted the notion of compulsory service.

We live in an age where rifles, bayonets, and foot soldiers cannot compete and should not be expected to compete with the masses of China.

It is time that we made our defenses capital-intensive and not labor-intensive. All we need to do is compare the small number of farmers who with proper capital investments are able to outproduce the masses who are involved in agriculture in China. With 3% of our population we produce more than we need. 80% of the population in China produces food and they are not able to feed themselves. The same principle can be applied to military needs. I long for the day when we recognize that what we need is a small, well-trained, sophisticated military.

It will not be a surprise to me to see the rejection of my ideas and hopes for a modern military defense. However, the most compelling reason that the draft and compulsory service must be rejected is practical. It just won't work. We have not left behind us the age of bitterness that surrounded us with Viet Nam. The drug culture that started in the drafted army of the 1960s is still with us. The bitterness that has resulted over the 55,000 who obeyed the law and were killed and the hundreds of thousands who were wounded along with the fact that amnesty was granted to the lawbreakers is something that will not be soon forgotten. If we reinstitute the draft all we need to do is have a skirmish in South Africa and all the conservatives will leave for Canada; if we have a draft and a skirmish breaks out over the defense of Taiwan, the liberals will defect. Another reason why the draft will not work is because under today's emphasis of "equal rights" the girls will be required to serve along with the boys—a fact that will add only friction to the situation. In practical terms the draft is no longer a reasonable option.

I have stated three main reasons for the rejection of the Draft and compulsory national service. One was based on the moral grounds; that our lives are our own and not our government's; another on the fact the Constitution prohibits involuntary servitude and lastly for the practical reasons that a draft no longer is a realistic alternative.

What we need today is to build a new nation morally. Until that time comes we must be satisfied with a solution that is less than perfect. We must realize that we are not capable, morally, physically or monetarily of defending any other nation than our own. We must seriously consider bringing our troops home. We must be convinced that the security necessary to monitor the enemy can be achieved through space technology rather than literally sitting on the borders of Russia and China. We must be willing to accept advanced technology and above all be willing to pay the salaries necessary to attract trained people into the military.●

THE SLOW MURDER OF THE AMERICAN INTELLIGENCE COMMUNITY

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. McDONALD. Mr. Speaker, for some years now what is called the "intelligence community" in Washington, D.C., has been under attack. Some of the attackers want to destroy the community, some want to modify it, and still others want to reform it. The selection of Adm. Stansfield Turner for the top intelligence job of directing CIA was thought by some to be a wise move by President Carter. A no-nonsense naval officer could bring tough administrative qualities to the position and get the job done, it was thought. However, this has not been the case.

Admiral Turner has gone ahead with planned purges of professionals, slanted intelligence, and interferred in the intelligence process in order to please the President. Turner has also accented technical intelligence to the exclusion of human intelligence collection. He has cut back at the desk level where in the final analysis all intelligence has to be evaluated and contributed to the ever-growing glut of technical intelligence, unevaluated and, therefore, unuseable to the people who need it in both Washington, and the field. The Armed Forces Journal of March 1979 described this situation in stark detail. The "intelligence community" problems it mentions are not new. The lack of coordination among intelligence agencies will remain. The withholding of vital intelligence from those who really need to know will continue. The overemphasis on technical intelligence and the diminished emphasis on human intelligence collection will continue. However, the new element is how much worse the present Director of the CIA has made all these problems. The article follows:

THE SLOW MURDER OF THE AMERICAN INTELLIGENCE COMMUNITY

(By Benjamin F. Schemmer and the Journal editorial staff)

Stansfield Turner is administering the coup de grace to the slow murder of the National Intelligence Community. The initial hope of many intelligence analysts in 1977 that he would replace investigations with reform, and political interference has with objectivity and high quality analysis, faded in 1978 into discouragement—and often into contempt.

Turner's willingness to politicize intelligence, his priority for self-advancement, preference for technology over people, and his single-minded focus on centralizing control of the intelligence budget and collection activities has destroyed morale within the Central Intelligence Agency, led hundreds of key CIA personnel to resign, and has prompted far more to "retire in place." White Turner has done some useful work to continue cutting back CIA's once bloated operations staff and to reform the Intelligence Community administratively, that progress has been more than offset by damage he has done to its Human Intelligence (HUMINT) collection capabilities, to CIA's integrity and independence, and—most important—to the quality of its product.

Administration sources admit that more than 250 CIA professionals put in their papers during the first pay period of January, and rumors have gone as high as 600. Further, these resignations include such personnel as Sayre Stevens, Deputy Director of the National Foreign Assessments Center (NFAC); Dick Cristenson, Chief Office of Regional & Political Analysis; Vince Heyman, Chief of CIA's Operations Center; John Blake, the Deputy Director for Administration; and Ernie Olne, the Agency's chief Iranian analyst. And at press time, AFJ learned Anthony Lapham, CIA's General Counsel, had also resigned and will be leaving in April for "personal reasons."

Some of CIA's massive resignations are the legitimate result of deadlines imposed by retirement incentives (because senior officials reached the "high three" level, having served three years in the highest pay grade counted for retirement), and because new government-wide conflict of interest regulations (resulting from the Ethics Law of 1978) soon would have made it impossible for many to find an outside job. But far too many resignations symbolize the fact that the Intelligence Community has given up hope that Turner and the Carter Administration will ever provide effective leadership and reform. Several of the department officials told Turner candidly that they were leaving because of his pervasive interference in intelligence reporting—in areas where he had neither intellectual depth or expertise, and in which he overrode expert opinion with his own judgement.

This broad dissatisfaction with Turner occurs among personnel the nation needs most to keep, the intellectual cadre that is the brain of the American Intelligence Community. The professionals Turner has disenchanted are not "cold warriors," special or "black" operations executives, or counterintelligence officers. The firing of Operations Director William Wells, and the firing, retirement, or reshuffling of 820 operations personnel in Turner's 1977 "Halloween Purge" had already removed most of that cadre from the Community, a reform that former CIA Director William Colby had proposed earlier in a form that made even more drastic cuts than Turners.

The men who are now rejecting Turner and the present senior management structure that the Carter Administration has brought to Intelligence, are men who quietly fought pressure from a parade of CIA Directors to give the Rostows, Kissingers, and Brzezinskis intelligence analysis which was tailored to their policies of the moment on Vietnam, Cambodia, SALT II, Angola, and Iran.

These analysts and managers are also men who stayed on when the Community's best positions were given to "operators" who had little understanding of modern collection and analytic methods. In fact, for all the sound and fury of Turner's actions, this conflict between the operations and analysis aspects of CIA's work is still one of the agency's most pressing problems. Despite Turner's purge, the operations managers still believe they are best qualified to interpret events—especially politico-military events, and they still control the access to sensitive source reporting which allows them to play one-upmanship with the analysts they are supposed to support.

THE PROFESSIONALS CAN STICK IT OUT NO LONGER

There are limits to any man's dedication. CIA's intelligence professionals are men who stuck it out through investigation after investigation and director after director, who warped and twisted their reporting to provide "intelligence to please," who stayed through the collective public destruction of their private reputation. They kept silent as "post mortem" after "post mortem" blamed "intelligence" for policymakers' unwillingness to hear the facts in crisis after crisis. By guilt through association, they took the blame for the excesses of other CIA branches in special operations and terrorism.

They stuck it out because of pride, the unique intellectual excitement of intelligence gathering and analysis, and their hope that the Intelligence Community would eventually get the reforms needed to make their work effective. But successive blows have eroded their commitment. Few can maintain that commitment much longer.

Those who resigned this January—rather than "stack arms," mentally and spiritually—were turned off when Turner, in December, put money before integrity and joined the "double-dippers" he had previously denounced. Those who stayed now face pay increases too small to keep up with inflation, but more work because Turner ignored analytic personnel needs to buy more technical collection assets—in spite of the fact the Community lacks the analytic manpower to process its existing "take." They have worked for two years under a director who systematically hamstrung or ignored HUMINT, and whose priority are reflected in the fact that the entire US intelligence community now has only 20 to 40 analysts covering *all* of Africa, and roughly half that number for *all* of South America.

UNDER THE CARTER ADMINISTRATION, THE NATIONAL INTELLIGENCE COMMUNITY'S SENIOR MANAGEMENT ANSWER TO, "WHY NOT THE BEST?" IS "HERE ARE THE WORST."

Ironically, such CIA professionals originally shared the hope Stansfield Turner and the Carter Administration would end management structures that had become a political filter between intelligence and the user. They were joined in these hopes by many professionals in the National Security Council (NSC) staff, State Department, National Security Agency (NSA), and Defense Intelligence Agency (DIA).

Stansfield Turner became DCI with unique and wide-ranging, bi-partisan support from the Senate and House Committees on intelligence. There was a general belief that the reforms begun under President Ford would receive far more impetus and effectiveness under President Carter. Working analysts and career professionals had been surprised and impressed with the fact that George Bush had not politicized CIA, as many had expected. They welcomed the Ford Administration's emphasis on improving the "fusion" of all sources of intelligence; its effort to improve the circulation of their work by ending the over-classification and elitism of a code word system that excluded many users; its emphasis on improved quality and analysis rather than machines; and its effort to improve the dialogue between intelligence users and producers. They expected even more from the election of President Carter, from his campaign emphasis on excellence and reform, and from what they hoped would be a new sensitivity to the third world and an end to Kissinger's *de facto* censorship.

In only two years. Turner and the Administration have crushed these hopes. Turner has emerged as an egotist—his main concern is the advance of his own authority, a search for cabinet level rank, direct influence over the President, and the maximum possible control over the Community's people, budgets, and collection technologies. He has taken advantage of Harold Brown's re-organization of defense intelligence (See Box) to grab authority over military-related systems and DoD's analytic capabilities (which President Ford had firmly denied the CIA). Turner's idea of "reform" has been to clamp an even tighter political hand over intelligence than gripped it under Nixon, to rewrite National Intelligence Estimates and reports to suit his own views—or needs.

Turner would have succeeded in colocating DIA with CIA—thus, eliminating the risk of a second opinion—if it had not been for last minute FY80 budget cuts.

His ploy would bring increased economies by sharing computers, printing etc. Few were fooled by this attempt that would delay a much-needed CIA consolidation by two years. The proposal also flew in the face of environmental problems.

George Bush was regarded as charming but somewhat "cautious" or "weak" Director of Central Intelligence, who could do nothing to protect intelligence from Henry Kissinger or obtain the results of Kissinger's international discussions; but at least he won respect for trying to protect the CIA from politicization. Turner has come across as a willing agent who has tailored analysis to support the NSC and other Administration hierarchies when it seemed likely to enhance his own power and career.

It is hard to overestimate the twin impact of Turner's failure to seek real improvements in the quality of the product, and his constant interference in key estimates. No previous DCI has spent more time intervening in major National Intelligence Estimates and reports. For example, Turner massively intervened in NIE 11–14 on the Warsaw Pact. In spite of his NATO background, his intervention was inept, and he has shown little intuitive understanding of the users' problems and needs in using threat data to plan NATO forces. His intervention in the Intelligence Community's analysis of Iran led to that NIE being overtaken by events. He has done nothing to "stimulate" the "A team," "B team," debate over Soviet strategic forces that became public during the Ford Administration. His willingness to hold up a study of Soviet arms sales (embarrassing to architects of Carter's arms transfer policy) still rankles; he did nothing to contribute to or improve the superb Army-DIA analysis of the North Korean buildup; and his impact on the recent analysis of the balance in the Middle East has drawn anything but praise.

A BROAD COLLAPSE OF LEADERSHIP WITHIN THE INTELLIGENCE COMMUNITY

The problem goes much deeper than the DCI.

Brzezinski has proved no better at using the Intelligence Community than Kissinger; he is equally unwilling to listen to warning or to intelligence which disagrees with his "pre-conceived notions" or policies. He is perhaps even less sensitive to the problems of the third world, and has shown little interest in improving the depth and quality of the analysis provided to the President. He has totally failed to encourage "fusion" between intelligence, State Department, and defense attache reporting.

When Ambassador William Sullivan sent a critical EXDIS message reporting on a meeting with the Shah of Iran—in which the Shah indicated his departure was imminent—neither Brzezinski nor Turner got it to the Agency's Iranian analysts or appropriate defense intelligence personnel. Defense Secretary Harold Brown had to *order* one of his staff to obtain a copy of Sullivan's message, and that had to be done by "covert" means.

Turner's personal staff and key appointees have managed to shake things up without shaking them down. His nominee to manage CIA's analytic effort, Robert Bowie, was regarded as a "burnt out case" at Harvard. He has done nothing to change his reputation for ineffectiveness since coming to the Agency. Yet, Turner has resisted advice from both inside and outside the Community to fire him.

Turner's now largely departed "gang of eleven" naval staff officers did a great deal to enhance Turner's powers in the in-Intelligence Community Staff, and to develop an organization that strengthened his personal authority. Their main heritage, however, was to give the impression Turner had built up his own personal "Savak." They did almost nothing to enhance the quality of intelligence reporting and analysis—except disrupt the effort already under way, and replace it with a largely ineffective systems analysis staff called PAID (Product/Performance Assessment Improvement Division) under economist Alton Quanbeck. It has yet to correlate intelligence collection priorities with costs or resources.

Although State's INR (Intelligence & Research) has kept its high reputation—perhaps because its close ties to state's policy staff give it some immunity from Turner and the NSC—there has been no improvement in relations between senior policy levels at State and the Intelligence Community. EXDIS, LIMDIS, and codeword still make "fusion" between the policymaker, intelligence, and embassy a mockery, and "country teams" a practical joke. Many career professionals still manage to communicate—but they do so in spite of the system and not because of it.

DoD's intelligence reorganization has accomplished little—except the loss of DoD's budget battle with Turner. The only hopeful sign in defense intelligence is that the Services are quietly boosting their own intelligence activities to improve support to tactical commanders to compensate for DIA's weakness. If Turner finally does manage to move DIA to the CIA compound, there may be few DIA professionals left to fret over the disruption.

In fact, the only two senior intelligence officials who have earned a reputation for competence during the Carter Administration are National Security Agency Director Vice Admiral B. R. Inman, and Turner's Deputy, Frank Carlucci. Admiral Inman's very competence, however, may have the indirect impact of making signal intelligence (SIGINT) collection and analysis even stronger at the expense of integrated SIGINT, PHOTINT, and HUMINT analysis. He also has been sharply inhibited from doing any analysis by the ground rules of NCID 1/6, and by Turner's desire to control all analysis released outside the Community.

Similarly, Carlucci has been cast in the role of a typical Vice President. Hurner has called the shots, and Carlucci has had little power. He has however, impressed the Community. Most analysis who have had any contact with Carlucci are very favorably disposed; many wish privately he were Director.

IF YOU CANNOT BAFFLE THEM WITH ——— CONFUSE THEM WITH COMMITTEES

The new organization of the National Intelligence Community has been no more reassuring to intelligence professionals than the Community's leadership. The original thrust behind Turner's intelligence plan reorganization seems to have been geared to win him Cabinet status as DCI, to make him the sole channel of authorized intelligence reporting to the President and NSC, to obtain control over most of DoD's intelligence assets, to get full power over intelligence tasking and collection, and to wield far strong and more centralized budget authority.

Fortunately, the re-organization finally approved by President Carter showed more restraint and balance, but it was scarcely one of the Administration's triumphs. Any list of its features still has a rather monotonous emphasis on Turner—and little on quality. The centralization-decentralization argument is, after all, as old as civilization: The question is, what a given approach will accomplish? In this case, the answer seems to have been more power to the DCI, and more committees.

In fact, the list of "new" committees is as long as it is hauntingly familiar. The old "40 Committee" is now the Operations Advisory Group. The President's Foreign Intelligence Advisory Board, (PFIAB), has been disbanded. While scarcely a source of consistent wisdom and intellectual courage, PFIAB was at least an outside body of distinguished citizens beholden to no one—including the DCI and the President. It never achieved its potential, but at least it was capable of objectivity in the intelligence review process. It has been replaced by an echo which is even weaker. This is a "Review Panel" which lacks the strength of a suitable bipartisan mix of leading academics and figures from the private sector. It appears to focus on the NIEs, and not the overall intelligence effort.

It is also composed of William Leonhard, Bruce Palmer, and Klauss E. Knorr—all with little experience in intelligence. These are competent challenge Turner; probe into the balance of analytic activity, collection, and budgeting; or ask the right questions unless coached by their employers.

There is a "new" Intelligence Oversight Board in the White House to keep the Community honest. Although its mission is still unclear, and one wonders whether such a board will have much impact on any abuses committed by a strong Administration policy official. The last set of abuses was, after all, more the result of Henry Kissinger than any member of the CIA.

Most of the other committees are familiar variations on a theme. For example, there is a NSC Policy Review Committee (Intelligence), but its end effect may be to give officials like Brzezinski more ability to put a policy cast on the allocation of intelligence resources, without providing the advantages of old Board of National Estimates advantage of focusing on the product. The National Foreign Intelligence Board replaces the U.S. Intelligence Board as the senior management group in the community but again the role of DCI is strengthened. Turner has done little to have this advisory group of the community's best experts assist him in the solution of knotty problems.

Collection management committees and staffs are restructured under a National Intelligence Collection Tasking Staff. This staff seems to have been intended to give the DCI more control over DoD, but its Collection Tasking Center has had difficulty getting organized. Congress gave Turner only half the personnel he wanted (and he was lucky to get that).

It also suffers from the general pressure to retain many of the Community's vast proliferation of old committees. As a result many of the old committees—particularly those dealing with collection—were retained.

The much touted National Intelligence Collection Tasking Center, under retired Army Lt. Gen. Frank Camm, again gave Turner enhanced power and has so far been anything but effective. In fact, several senior intelligence officials regard its attempt to get started as a disaster. As a result, the management of collection to meet national needs is still without management and direction—an ineffectual blend of technology and machines; too budget-oriented, and too tightly compartmentalized. Turner's ruthless emphasis on centralization under his own authority seems to have worsened the log jam in translating collection into analysis, rather than ease it.

What is missing from the Intelligence Community's new organization and mix of new and old committees is substance. The new organization does not give the analyst or professional better assurance that he will have the resources to do his work well, or that he can be independent or objective. There is no decoupling of policy and intelligence. There is only "lip service" emphasis on improving the product. Above all, the Community remains over-compartmented and isolated from both the user and data gathered by the policymaker, State, the defense attaches and military advisory teams, various embassies, and other branches of government. There are no new initiatives to tie together intelligence and the broad range of non-intelligence reporting in the government.

The power is there, but not the purpose.

MACHINES AND THINGS BEFORE PEOPLE AND THOUGHT

There is no improvement over past emphasis on advanced collection technology, compared with analyzing what is collected. To the extent that Stansfield Turner has accomplished something as DCI, it lies in his long overdue (but hardly original) pruning of CIA's operations staff. Even here, however, he has done considerable harm to the Agency's HUMINT capabilities, while doing far too little to end the rigidities in its focus CIA's objective is still the old cold war priority, "recruit against the Soviets." Hence, no matter what country it operates in, the Agency still tends to concentrate on the USSR to the detriment of reporting on that country and its increasing defense power, our allies, and the Third World. Turner has continued, or increased, funding priorities for better SIGINT, and PHOTINT systems nets. The result is that the Community devotes far too little of its budget and manpower to analysis.

There are too few analysts in CIA and DIA to give intelligence the quality and depth it needs.

Out of the roughly $5 billion the US spent on direct intelligence activities in FY79, too much went to hardware. According to various reports, NSA got about $2.5 billion for SIGINT collection ($3.5 billion; if a one-time spurt for new hardware is included); the Air Force got billions more for the National Reconnaissance Office and PHOTINT: all of DIA including its key analytic functions, got $350 million; State's INR got $20 million; CIA's entire analytic and HUMINT effort enjoyed less than half of the Agency's $1 billion budget; and the entire CIA effort to analyze foreign science and technology is only $120 million. Although such unclassified data are in error, they give a feel for the over-emphasis on technology. Turner also ignores the billions more being spent on technology for "intelligence related" activities and the integration of tactical efforts with national means.

Nothing effect has been done to cope with the problems of the National Reconnaissance Office and National Security Agency. They collect far more material than can be processed effectively, than to try to collect even more; that no amount of pictures and intercepts can speak for themselves; or that it is ultimately human intelligence which provides key insights into motives and intentions.

HAROLD BROWN'S PRIVATE DISASTER AREA

Major problems remain in the intelligence activities still largely under DoD's control. While the Defense Department has placed a useful new emphasis on tactical intelligence, the inter-relationships between US efforts collection, indications and warning, command control, and crisis management have show little substantive improvement.

Too little progress has taken place to ensure a militarily effective SALT II verifications capability to many major weaknesses in the US strategic warning and trans-attack conflict management system, or to see that hardware is translated into an effective crisis management capability. The best that can be said is that DIA is attempting to create a plan for an integrated DoD indications and warning system.

The new Deputy Under Secertary of Defense for Command, Control, Communications, and Intelligence has a wonderful mission on paper, but its emphasis has been almost solely on technology. In spite of the words behind the acronym, the "I" in the ODUSD (C^3I) is little more than a microdot.

The lack of an effective organization in

DoD—for which Defense Secretary Brown must take personal responsibility—has left coordination between the CIA, NRO, DIA, NSA, and Service intelligence branches is as bad as ever. Its management is the worst in the community.

THE CONTINUED WEAKNESS OF MILITARY AND TACTICAL INTELLIGENCE

If anything, today's military commander may have even less *de facto* access to the national intelligence Community's heavily centralized assets than he did before Turner and Brown. To quote a former DIA official who has observed the operation of the current system, "Military operators keep screaming they want data for time-sensitive military requirements—the old use of national assets for tactical needs—yet there is a vast wealth of data coming in, but nobody knows how to assimilate and fuse it to make any sense out of it."

"The philosophy (theology) is that we operate these assets in peacetime to be ready for war, but the survivability of many of these assets in a wartime environment is highly questionable. Some skeptics point up that there will be more vans and antennae on the European battlefield than tanks . . .

"There is still a lot of duplication and no one is willing to get at it. Military commands still exercise strong prerogatives. DoD appears incapable of managing its assets. In fairness, Turner can only go so far.

". . . The real issue is that when the commander doesn't get effective national support, he goes to his own limited assets and he wants everything, usually gets something, and doesn't have enough personnel to work the problem—hence a mediocre effort having little substantive contribution. While his assets have been pruned, there is still a tendency to want to do a lot of things badly, rather than a few things well."

At the theater level, there have been some real improvements in the overall C^3I support of NATO. However, the National Command Authority (NCA), the National Military Intelligence Center (NMIC), and the World-Wide Military Command and Control System (WWMCCS) are far off schedule and are performing not with the effectiveness they should.

It is little wonder they are not tied together well. Deputy Defense Secretary Duncan, who heads the World Wide Military Command and Control System Council, has yet to attend one of its meetings!

CIA NEEDS A MANAGER, NOT A PROPHET

CIA has had so many directors since Watergate that it might suffer more from a new boss than a bad one. But Stansfield Turner has become so serious a liability that he must go. The analysts and managers won't take much more of Turner, and the lack of intelligence on Korea and Iran just gave the nation a brutal lesson than it needs better intelligence than he can produce.

Most of Turner's personal coterie should go with him. The President must clear this particular deck to win the broad community support he needs to develop effective intelligence.

The problem is not that complex or embarrassing: the community would certainly accept Frank Carlucci, and Turner could be "promoted"—perhaps to head the Selective Service System.

But the problem goes much further than simply replacing the DCI. Other intelligence posts need strong leadership as well, and the community needs reforms Turner seems incapable of implementing effectively.

The new DCI must stop trying to be the Community's best analyst on every issue and its "filter" to the President. He must, instead, become the manager who helps it communicate to and with the user. The Community needs a quality oriented manager, not a senior prophet.

The DCI must be decoupled from line authority over CIA. The Agency should be an independent source of analysis, not an extended staff and "hobby" for the DCI.

CIA needs to be decoupled from direct and indirect interference by the NSC and policy level. Its independence needs careful review, possibly guarded by an outside body under the President.

DIA must either be reformed or given a mercy killing. Ideally, it needs a strong and adequate leader, re-vitalization of its middle echelon management, and independence from the Joint Chiefs of Staff and Service interference. This may even mean civilianizing its management under the Secretary of Defense.

The effort to de-compartmentalize intelligence must be given strong, new impetus. "Codeword" classification needs to virtually be eliminated, as do the barriers between intelligence analysts, policy analysts, and State Department and Defense personnel.

The government's information management system needs major restructuring to ensure "fusion" of the data held by intelligence, policy makers, the State Department, Defense, and other agencies. The US does not simply need good political intelligence; it needs good political information.

"Fusion" is also desperately needed at the country level. Intelligence, State Department personnel, AID officials, US military commands, and military advisory teams must feed Washington, and be fed by it, through a common system. Today's farce of "country teams" must be made into a truly effective system which is not sabotaged by abuse of special reporting chains like "LIMDIS" and "EXDIS"—or hamstrung because an ambassador may insist on unity of view. Dissenting politico-military opinions need to get to Washington.

"HUMINT" must be revitalized and given new importance. Far too little of the modern world can be understood from PHOTINT or SIGINT. A major reprogramming of intelligence resources may be necessary to provide adequate coverage of our Allies and the Third World.

Some say the operations side of intelligence needs to be decoupled from MUMINT. It may even need an operations executive who is physically and bureaucratically decoupled from the CIA. This would (a) free the Agency of the "stigma" of operations, (b) half the destructive tendency to orient HUMINT solely towards the USS and Bloc, and (c) provide a basis for blending the CIA HUMINT effort, the Attache system, and Embassy staffs into a true country information team. It would also provide a basis for greatly improved analytic professionalism by allowing regular rotation of CIA and DIA analysts to HUMINT collection into the countries upon which they are supposed to be expert.

But what is needed most is management and direction of Intelligence Community priorities. Agencies should satisfy requirements levied upon them, or get their assets reduced if they can't do the job. In this respect, above all, the Intelligence Community's Human Resources Committee has been a force.

Defense intelligence needs a zero-based review by an outside body, focused on improving its management and capabilities rather than maximizing expenditures on new machines and technology.

The dying effort to tie intelligence to measuring the balance through net assessment should be revitalized and made part of the NSC staff. Serious consideration should be given to revitalizing the old Board of Estimates concept, but giving it a net assessment focus with stronger representation from outside the Intelligence Community.

Above all, the Administration must make a new beginning by emphasizing the untainted quality of the product, preserving its objectivity, and on providing the human resources the Intelligence Community needs. All three are lacking under Stansfield Turner, and American intelligence is slowly dying because of it.●

EUROPE'S EDUCATION MINISTRIES: AN EXAMPLE TO AVOID, NOT IMITATE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. ASHBROOK. Mr. Speaker, when Vice President MONDALE announced this year's version of the administration's proposal for a Cabinet-level Department of Education 2 months ago, the emphasized that America is "the only major industrial democracy" which does not have a national ministry of education.

Unfortunately, Mr. MONDALE did not talk about the historical background of this American uniqueness. He did not acknowledge that our educational system has provided more intellectual variety and stronger safeguards for cultural and religious pluralism than Europe's precisely because we have not had a single national agency setting policy for schools in every city and town. He did not mention that the original roots of the European education ministries often involved political ideologies like extreme nationalism, not just academic excellence.

If Mr. MONDALE and other advocates of an American ministry of education were to study the history of German education in the 1930's, I think they would lose a lot of their enthusiasm. They would learn that Germany never had a national education ministry until the Nazis created one in their drive for totalitarian uniformity.

I would urge Mr. MONDALE and his allies to take a look at George Kneller's 1941 study of "The Educational Philosophy of National Socialism." Here are some key passages, which make me more certain than ever that the Carter-Mondale national education ministry should be defeated:

> It is important to note first of all that until 1934 Germany had never had a national ministry of education, control being left to the various state ministries of church affairs and education, or departments of education in the state ministries of the interior. Until 1934 Bernhard Rust was minister only for Prussian education; it was not until that year that he acquired his present title of Reichsminister of Education, an office representing the fusion of several departments to form the Reich and Prussian Ministry for Science, Education and Folk-Training.
>
> Since 1934 the control of education has been more and more centralized in the ministry at Berlin, so that virtually every school, formal or informal, is now subject to centralized jurisdiction.
>
> Even in the realm of parent-teacher organizations (*Schulgemeinde*) the Ministry of Education finds itself an active sponsor as a result of the law of October 24, 1934. The purpose of the Schulgemeinde is, as would be expected, to unify in an advisory way the educational activities of the school, the home, and state youth. That the Schul-

gemeinde carries with it a great deal in the way of being an adult education project may be readily acknowledged, as well as the considerable power it is able to exert, under official leadership, for National Socialist welfare. There is no evidence that parental participation in schoolwork necessarily lowers the prestige of the teacher. Teacher authority over pupils is guaranteed both in and out of school, where the parent is not in immediate control. Teachers are youth leaders as well as classroom managers. The dignity and authority of their office demand strict obedience and respect from pupils, with no toleration of undue parental criticism. Actually, school discipline is a part of youth training, the teacher expecting to find immediate and ready support from all school authorities in the administration of disciplinary cases.

The German school thus becomes a part of the system of national popular education, its task being to fashion youth to National Socialism along with the other educational institutions previously mentioned. Its guiding principles are standardization, coordination, and authoritarianism. Unity of purpose, aims, and administration has resulted in a program of intellectual training which is practically the same for the youth of the smallest hamlet to the youth of the metropolis, while the teacher finds himself just as well off, economically at least, wherever he teaches. Virtually all ideas and functions are official and emanate from the Department of Education in Berlin. There is almost complete federalization of all phases of the administration of schools, including type of instruction, type of school, curricula, salaries, examinations, and building programs. "Local option" is permitted only in matters of very minor importance. This unified control of education is a great boon to the commentator, for a reasonably accurate view of this functional philosophy may be had from almost a single authoritative source. The official publications of the Department of Education are very complete in their exposition of the philosophy and administration of the schools. It goes without saying that they are the final word.

Mr. Speaker, parents and taxpayers back home are concerned about centralization of educational authority. Federal intervention has brought forced busing, dictation of local school hiring practices and mandated quotas. We need less of that rather than more.●

A TRIBUTE TO MS. LOIS E. MAGLIETTO

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. COTTER. Mr. Speaker, I would like to take this opportunity to acknowledge the dedicated contributions Ms. Lois E. Maglietto has made to the field of education in the city of Hartford and in the State of Connecticut.

As a member of the Hartford public school system for 32 years, Ms. Maglietto is being commemorated by those who have recognized her immeasurable contributions as an educator. For the past 34 years, she has demonstrated her leadership qualities as an active participant in the field of education. She has been president of the Hartford Teachers League, president of Classroom Teachers of the State of Connecticut, and president of the Association of Childhood Education. Ms. Maglietto has been a pioneer in the field of teaching English to non-English-speaking students. She is the founder and president of Teachers of English to Speak Other Languages and is the supervisor of the Teachers to English Speakers of Other Languages.

I would like my colleagues to join with me in congratulating Lois Maglietto for her well-deserved commemoration as an established leader in the field of education.●

DISTRICT OF COLUMBIA COMMUNITY LAW FAIR, MAY 5, 1979

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. FAUNTROY. Mr. Speaker, on Saturday, May 5, 1979, a Community Law Fair is being sponsored at Judiciary Square, 4th and 5th Streets between E and F Streets NW., 9 a.m. to 5 p.m. The objective of the law fair is to create an exciting, educational and entertaining opportunity for the entire District of Columbia community to obtain a greater understanding of all vital aspects of the governmental process.

The theme of the Community Law Fair is "Our Changing Rights." Law Day each year by joint resolution of Congress and Presidential proclamation is an occasion for "rededication to the ideals of equality and justice under the law." It is not a day set aside only for lawyers, but a day established by Congress to encourage each person to think about the central role of the law in our everchanging society. The Council of the District of Columbia in recognition of this occasion is declaring the week of April 29 through May 5, 1979 as "Community Law Week."

Among the many activities of the law fair will be five mock trials, an unofficial legislative session of the District of Columbia Council, presentation by the mayor of the District, a quiz on the District of Columbia amendment, final rounds of a $1,500 college scholarship speech competition for high school students, final judging of a junior high and grade school poster contest, a lawyer's arcade, and much more.

The skillful planning and development of the Community Law Fair has been done by a dedicated group of volunteers. The chairperson of this group is Ms. Karen Sherman, whose untiring efforts have steered the group to unimagined heights. Ms. Sherman is an energetic and commited servant of the public. She deserves our praise. Other members of the group who also deserve our praise include: Sari Marmur, Landen McCall, Deborah Green, Mary Eva Candon, Claudia Booker, Tony Taylor, Herbert Reid, Johnny Barnes, Matthew S. Watson, Wayne Moore, J. Daniel Johnson, Ken Colburn, Pat McGuire, Honorable John M. Ferren, Larry Polansky, Gregory Mize, Francis Smith, Wade Henderson, Julian Wilhelm, Doreen Thompson, John Turner, and Dawn V. White.

I encourage all Members of Congress to join me at the law fair.●

HANDGUN VIOLENCE CLAIMS 685 IN MARCH

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. DRINAN. Mr. Speaker, deaths caused by the misuse of handguns rose to an all-time high for the year during the month of March. This unnecessary and tragic loss of life cannot be allowed to continue unchecked. Handgun violence demands strong action by the Congress. More and more people are beginning to realize that some sort of legislation is absolutely essential if we are to confront a problem that continues to grow worse as each month passes.

Mr. Speaker, two national polls were released in 1978 which reflected the growing awareness among the American people about the problem. Both the Harris survey and the Cambridge report confirmed that popular support for intelligent handgun control was at an all-time high. The Cambridge poll noted: 85 percent favor a crackdown on illegal handgun sales and 84 percent favor requiring the registration of all handguns at the time of purchase or transfer of a gun.

Numerous bills have been introduced in the 96th Congress to resolve handgun misuse. Now is the time to educate ourselves. Now is the time to take the necessary steps to pass effective legislation.

In a recent bulletin published by Handgun Control, Inc., it has been revealed that 685 media-reported deaths occurred during the month of March as a result of handgun violence. I urge my colleagues to join with me in this effort to stop the spread of the misuse of handguns. The Handgun Control, Inc., report follows:

ALABAMA (17)

Steven Chandler, Arab; Freddy Chaney, Birmingham; Jeff Davis, Birmingham; Walter Davis, Birmingham; Thomas Ferguson, Florence; Logan Garner, Huntsville; Neil Grantham, Elba; George Harris, Birmingham; Alfred Jackson, Mobile; Edward Miller, Huntsville; Sammy Morris, Elba; James Parker, Prattville; K. N. Sexton, Gadsden; John Turner, Mobile; Lonnie Weaver, McIntosh; T. L. William, Boaz; Margaret Worley, Andalusia.

ARIZONA (5)

Caryle Carnahan, Tucson; Franklin Hutson, Phoenix; Kelly Nix, Tucson; Charles Shultz, Phoenix; Emilio Yberra, Eloy.

ARKANASA (20)

Richard Corbell, Little Rock; Adrian Esparza, Hot Springs; Charles Everett, Little Rock; Tilton Foster, Camden; Kenneth Garner, Emmet; Grealing Gilmore, Little Rock; Larry Gilmore, Little Rock; Frank Hannah, Hot Springs; Debrah Harp, Little Rock; Danyella Harp, Little Rock; Terry Hatchett, Little Rock; Herman Jones Jr., Little Rock; George McElroy, Hot Springs; Clay Moore, Piggott; Leo Schumacher Jr., Fayetteville; Wanda Stouts, Little Rock; Alonzo Williams, Camden; Willie Williams, Lewisville; Wanda Wilson, Tempe.

CALIFORNIA (110)

Donald Aldrete, Colton; Earl Anderson, Hemet; Linda Anderson, Hemet; Alfredo Armijo, Long Beach; Marcia Ballinger, Stockton; William Ballinger, Stockton; Benavidez, Gabriel, Hayward; Irving Boening, Los Angeles; William Bosak, San Francisco; Maceo Britton, Los Angeles; Jinx Brockway, San Luis Obispo; Ronald Buck, Oxnard; Peter Camacho, Riverside; Steven Castleman, Sonora; Ronald Chelius, Sacramento; Freda Claxton, Hesperia; Merle Claxton, Hesperia; Shirley Cornelius, Los Angeles; Jorge Correa, Fullerton; Donna Coselman, Coachella; Ronald Diaz, Riverside; Harold Dockins, Inglewood; Donald Dominy, Santa Monica.

Arnulfo Escobedo, Fresno; Roman Euriel, Long Beach; Louise Flanagan, Coachella; Theodore Gallardo, Riverside; Daniel Garcia, Los Angeles; Sandra Gibson, Los Angeles; James Gilliand, San Jose; Arthur Glow, Los Angeles; Beatrice Glow, Los Angeles; Alan Grote, Watsonville; Gary Hall, Menlo Park; George T. Hambaugh, Santa Ana; Dale Hicks, Downey; Richard Hidalgo, Salinas; Hazel Holland, Porterville; Jimmie Ingram, Oakland; Guillermo Izaguirre, Los Angeles; Bill Jacinto, Mentone.

Cruz Jasso, Indio; Elaine Johnson, Los Angeles; Kris Johnson, San Francisco; Paul Knutson, Santa Monica; Bobby Lamonte, Los Angeles; Michael Leonard, Los Angeles; Ye-Chen Lin, Los Angeles; Leslie Lizarraga, Los Angeles; Vina Maglio, Imperial; Eseban Manzo, Los Angeles; Ahmad Mashni, Los Angeles; William Mathers, Pleasant Hill; Claude McCrimmon, Compton; Edward McGee, Oakland; Carlos Mendez, San Francisco; Cary Miller, San Diego; Salador Montes, Los Angeles; Peter Morillo, Sr., Hemet.

Eber Osborn, Gerber; Jackie Palomares, Los Angeles; Raymond Pinotti, San Francisco; Donald Poland, Clearlake; Louie Ponce, Santa Ana; Gary Porter, Pomona; Mike Prokes, Modesto; Majorie Rice, San Leandro; Ervin Richardson, Los Angeles; Danny Rodriguez, Fresno; Victor Rodriquez, South Gate; James Roy, Marysville; Yu Sall, Los Angeles; Beverly Sheets, Los Banos; Georgia Sherouse, Richmond; Otis Sims, Richmond; David Smith, Los Angeles; Shannon Spear, Santa Barbara.

Robert Stone, Valleno; James Sturgeon, Mentone; Michael Sturgeon, Mentone; Corinna Teniente, Brawley; Juan Jose Torres, Montebello; Marie Trudeau, Los Angeles; Susan Van Meerbeke, San Rafael; Roger Van Schaik, San Francisco; Jimmy Vargas, Jr., Porterville; Tommy Vaugher, Los Angeles; Carl Vitch, Hayward; L. C. Walker, Los Angeles; James Wasem, Sr., San Diego; Charles Wideman, Camarillo; Charles Williams, Fresno; Charles Wimberly, Redlands; Tom Winkel, Fremont.

Irene Wright, Marysville; Tsai-Shen Yang, Los Angeles; Yen-Yi Yang, Los Angeles; Larry Zeretzke, San Diego; Alma Zuniga, El Rio; Unidentified male, 3/12/79, San Francisco; Unidentified male, 3/13/79, Fresno; Unidentified male, 3/9/79, Stockton; Unidentified female, 3/1/79, San Rafael; Unidentified male, 3/11/79, Redlands; Unidentified male, 3/19/79, Barstow; Unidentified male, 3/13/79, Carson; Unidentified male, 3/28/79, Los Angeles; Unidentified male, 3/5/79, Felton.

COLORADO (15)

Dale Albertson, Denver; Carl Cremer, Denver; Phyllis Elliot, Boulder; David Freeman, Boulder; Paul King, Walsenburg; Charles Macy, Denver; Kirt Oliver, Denver; Phillip Oliver, Canon City; Carol Pierson, Denver; William Proctor, Lakewood; Hugh Pyle, Denver; Patricia Quintana, Denver; William Smith, Greeley; Gary Wagner, Denver; Kenneth Woods, Craig.

CONNECTICUT (3)

Donald K. Doty, Newtown; Phyllis Gemza, Monroe; Steven Phillips, New Haven.

DELAWARE (1)

David Loockerman, Bridgeville.

DISTRICT OF COLUMBIA (7)

Angela Jones; Richard Magruder; Carl Metheny; Calvin Oliver; Joe Ollie; Blain Pitts; Edward Wanzer.

FLORIDA (25)

Christopher Bater, Melbourne; Johnny Brown, Pompano Beach; Michael Eishen, Sebring; Charles Franklin, S. Palm Beach; Stephen Fraser, Panama City; Jose Guiterrez, Miami; J. M. Haddon, Tallahassee; Dale Hicks, South Gate; Waldemar Istchenko, St. Petersburg; Anthony Mangiameli, Miami; Robert Meadows, Fort Lauderdale.

Theophilus McCloud, Gifford; Bob Murphy, Miami; Joseph Perchitti, Miami; Henry Taylor, St. Augustine; Theodore Tetrovsky, Miami; Henry Tribit, Miami; Elvin Vann, Wewachitcha; Edward Wharton, Fort Pierce; unidentified male, 3/7/79, Miami; unidentified male, 3/26/79, Miami; unidentified male, 3/1/79, Orlando; unidentified male, 3/25/79, Daytona Beach; unidentified male, 3/12/79, Fort Lauderdale.

GEORGIA (20)

Rose Barker, Savannah; Richard Boyd, Marietta; Charlie Cochran, Atlanta; Charlene Daffron, Lawrenceville; James Graham, Marietta; Linda Jernigan, Vidalia; Charles Johnson, Pembroke; Camilla Jones, Atlanta; Evelyn Kinlaw, Savannah; Leroy McDaniel, Atlanta; Dennis Moore, Lawrenceville; Johnny Rease, Gray; Alma Rupert, Atlanta; James Simmons, Macon; George Upson, Milledgeville; James Williams, Sylvester; Lewis Williams, Cairo; Manfred Wuttie, Atlanta; Bob Zachry, Atlanta; unidentified male, 3/30/79, Atlanta.

IDAHO (2)

Joseph Brink, Moscow; Larry Park, Rexburg.

ILLINOIS (9)

Donald Ewing, Chicago; Mike Grayson, Chicago; Kathy Harvat, Chicago; Bobby Johnson, Chicago Heights; Ignace Kholl, Chicago; Vernon Ladendorf, Des Plaines; Rodney Norris, Chicago; Domingo Perez, Chicago; unidentified male, 3/4/79, Chicago.

INDIANA (11)

Richard Armstrong, Three Oaks; George Maler, Zionsville; Joyce Miller, Richmond; Robin Mussleman, Logansport; Scotty Mussleman, Logansport; Booker T. Seats, Indianapolis; Nancy Shanks, Logansport; Tom Shanks, Logansport; Wardell Smith, South Bend; Guy Squibb, Indianapolis; John Wall, Sr., Logansport.

IOWA (7)

Carl Golhofer, Kingsley; Orlen Gregg, Shenandoah; Wilma Gregg, Shenandoah; Teresa Jones, Des Moines; Harold Kirkpatric, Des Moines; Kathleen Metter, Emmetsburg; William Saloky, Jr., Iowa City.

KANSAS (5)

Hubert Crane, Coffeyville; James Duffy, Sharon Springs; Hal McHenry, Olathe; Mary Sims, Wichita; Unidentified male, 3/27/79, Parsons.

KENTUCKY (18)

William Asher, Louisville; Scott Ballard, Louisville; Eloise Bouland, Paducah; William Bouland, Paducah; Hollis Frye, Franklin; Odus Griffith, Harlan; Michael Grubb, Wurtland; Ronald Kennedy, Stanford; Jay McCarter, Knoxville.

James Neal, Somerset; Leonard Owen, Somerset; Gary Parks, Richmond; Robert Settles, Louisville; Joseph Sprauer, Louisville; Harold Tarpley, Nashville; Leroy Todd, Lexington; Kendall Young, Louisville; Leon Williams, Louisville.

LOUISIANA (26)

Clifford Alexander, Franklin; Patsy Anthony, Loranger; Michael Azemaux, Gray; Wilmer Billow, Lake Charles; Bernard Burd, Napoleonville; Verna Coleman, Baton Rouge; Michael Duria, New Orleans; Tyrone Gaines, New Orleans; Cynthia Goudeau, Grant Parish; Clayton Grim, Layfayette; Larry Halliway, Shreveport; Valetter Harris, New Orleans; William Hawkins, New Orleans.

Rickey Horton, Shreveport; Fred Hudson, Winnsboro; Kayla Kite, Leesville; Mary Mitchell, Lake Charles; Viola Savant, Lake Charles; James Shannon, New Orleans; Joshua Shaw, New Orleans; Janice Stanley, Baton Rouge; Douglas Taylor, Livingston; Earl Theriot, New Orleans; Willie Veal, New Orleans, Walter Williams, Baton Rouge.

MARYLAND (17)

Lawrence Cunningham, Oxon Hill; Mark Dorsey, Baltimore; Robert Ernst, Rockville; William Evans, Baltimore; Jimmie Garris, Baltimore; Jody Keels, Baltimore; Gizella Kelly, Anne Arundel; Willard Kelly, Anne Arundel; Gary Lambert, Baltimore; Roy McGee, Easton; Ernest Pauling, Baltimore; Jerry Robinson, Baltimore; John Spencer, Baltimore; Theresa Tillman, Baltimore; Gregory Wilkes, Baltimore; unidentified male, 3/26/79, Muscoy; unidentified male, 3/28/79, Baltimore.

MASSACHUSETTS (1)

James White, Charlestown.

MICHIGAN (18)

Raynard Alexander, Detroit; Richard Armstrong, Benton Harbor; Carrist Brasswell, Detroit; Mary Clark, Flint; Richard Daisy, St. Joseph; Bernard Fell, Detroit; James Fitzsimmons, Detroit; George Griffore, Saginaw; Edward Journey, Detroit; Alvin Kyle, Detroit; Allen Manross, Detroit; Rolland Thibodeau, Detroit; Theresa Travics, Detroit; Wayne Travics, Detroit; Charles Turner, Detroit; Joseph Wegener, Saginaw; unidentified male, Muskegon Heights.

MINNESOTA (7)

William Blackwell, St. Paul; Rethia Henderson, Minneapolis; Russell Poor, Minneapolis; Jennifer Spillman, Moorhead; Marsha Spillman, Moorhead; Gerald Witt, Dodge Center; unidentified woman, Minneapolis.

MISSISSIPPI (9)

Helen Cruise, Jackson; James Cruise, Jackson; Jerry Cruise, Jackson; Charles Gray, Greenville; Donald David Kingery, Hattiesburg; Opal Mitchell, Iuka; Harry Phillips, Hattiesburg; Bobby Smith, Raleigh; Sam Williamson, Gulfport.

MISSOURI (17)

Darrell Bailey, Kansas City; Kenneth Boyd, St. Louis; Mack Brindley, St. Louis; Anthony Butler, Marshall Thomas Carney, St. Louis; William Cochrane, Everton; Michael Emery, Nevada; Gardon Galemore, Charleston; Jackie Gideon, Galena; James Hoskins, St. Louis; Ruby Lewis, St. Louis; Noland Neal, Houston; Jacqueline Shipley, Venice; Virgil Thompson, St. Louis; Roger Wise, St. Louis; Robert Whitworth, Pleasant Hill; Unidentified woman, 3/26/79, St. Louis.

MONTANA (2)

Clark Myrick, Wolf Point; Helen Davies, Butte.

NEBRASKA (5)

Randy Grandorff, Crofton; Rose Hollertz, Elm Creek; Arlene Lemmer, Elm Creek; Ivan Lemmer, Elm Creek, Jimmy Phillip, Omaha.

NEVADA (11)

Ron Chelius, Carson City; Evelyn Colon, Las Vegas; Robert Connerton, Las Vegas; James Harbin II, Las Vegas; Curly McGowen, Las Vegas; Bill Tyner, Las Vegas, Gary Wommacott, Las Vegas; Unidentified male, 3/8/79, Las Vegas; Unidentified male, 3/21/79, Las Vegas; Unidentified male, 3/23/79, Las Vegas; Unidentified male, 3/27/79, Las Vegas.

NEW HAMPSHIRE (1)

Dorothy Cameron, Pelham.

NEW JERSEY (4)

Elbert Hayes, Newark; Curtis Hill, Newark; Michael Russo, Chambersburg; Richard Santos, Clifton.

NEW MEXICO (10)

Juan Bustomante, Las Cruces; Jesus Garcia, Grants; Arthur Holguin, Albuquerque; Pondora Johnson, Albuquerque; Donald Roach, Hobbs; Patrick Sullivan, Grants; Moises Valdivia, Santa Fe; Jimmy Vigil, Taos; Jeff White, Albuquerque; Unidentified male, Milan.

NEW YORK (15)

Daniel Baker, Olean; Richard Brownstein, Buffalo; Laura Dee, New York City; Edward Grudzinski, Long Island; Karen Grudzinski, Long Island; Walter Grudzinski, Long Island; Robert Heightman, Westchester; Becky Kilmer, Olean; John Maier, Long Island; Leonard Palmisano, Queens; Irving Perler, New York City; John Rivera, Queens; Theressa Smith, New York City; Clarence Teabout, Schenectady; Unidentified male, Buffalo.

NORTH CAROLINA (16)

John Alston, Louisburg; Delvin Bryant, Washington; Kenneth Cook, Greensboro; Sheppared Darden, Mount Olive; Pete Davis, North River; George Travis, High Point; Victor Dozier, Currituck County; Donnie Durham, Mebane; Samuel Grant, Wilmington; Frederick Holiday, Durham; Randy Johnson, High Point; Alvin Sisk, Morganton; Gary Sharpe, Asheboro; David Thornburg, Southern River; George Williams, Franklinton; James Woody, Gastonia.

OHIO (39)

John Adams, Toledo; Dennis Bennington, Walnut Hills; Francine Burt, Cincinnati; Bonita Byrd, Columbus; John Byrd, Columbus; Harold Carter, Cleveland; Renee Cottingham, Cleveland; William Dawe, Toledo; Goodwin Duncan, Cleveland; Raymond Durr, Columbus; Luke Easter, Cleveland; Ronald Estelle, Toledo; Alexandra Fine, Cincinnati; Wayne Hand, Columbus; Tony Hazzard, Cleveland; Derrick Hood, Cleveland; Marie Jackson, Cleveland.

George Jefferson, Columbus; Theodore Jenkins, Cleveland; Timothy Ketcham, Toledo; James Mack, Toledo; Taylor Maynard, Columbus; Robert Moore, Cleveland; Mary Pelton, Toledo; Clayborn Pinkins, Cleveland; James Prichett, Cleveland; Joan Rist, Cleveland; Peter Sadlon, Cleveland; Rodney Schafer, Landcaster; Robert Seiffert, Walnut Hills; Phillip Smith, Columbus, Paul Smothers, Toledo; Robert Story, Cleveland; Margaret Thomas, Cleveland; Maicion Williams, Cleveland; Douglas Wolters, Cleveland; Unidentified female, Cleveland.

OKLAHOMA (17)

J. D. Brown, Enid; Ceci Corbet, Elk City; Roger Doscher, Oklahoma City; Chris Jondahl, Guthrie; James McNaughton, Tulsa; Glenn Moore, Duncan; Orville Parks, Tulsa; Steve Reece, Yale; Wilma Rousseau, Okmulgee; Gary Seaborn, Oklahoma City; Steven Snyder, Elk City; Kenneth Stutzriem, Norman; Charles Thompson, Tulsa; Pamela Tollett, Tulsa; Newell Waldren, Oklahoma City; Unidentified male, 3/28/79, Oklahoma City.

OREGON (5)

Charles Boynton, Portland; Steven Clore, Portland; Boyd Grogan, Portland; Irene Grogan, Portland; Clifford Murphy, White City.

PENNSYLVANIA (24)

Alan Cosey, Waynesboro; Frank Darrell, Uniontown; William Davis, Philadelphia; Rebecca Forgue, Duvall; Wayne Forgue, Duvall; Harry Harper Jr., Pittsburgh; Marilyn Hill, Williamsport; Dennis Hogue, Shenango; Eugene Hopkins, Pittsburgh; Margaret Khalil, Pittsburgh; William Lear, Pittsburgh; Cheryl Lees, Butler.

Anthony Menginie, Philadelphia; Peter Morales, Philadelphia; Dennis Nabried, Philadelphia; Joseph Nedley, Philadelphia; Dennis O'Drain, Philadelphia; Sheila Radick, Pittsburgh; Gregory Richardson, Philadelphia; Charlotte Russell, Pittsburgh; Al Shelby, Philadelphia; Charles Stottlemeyer, Harrisburg; Robert Stout, Huntington; Cynthia Wells, Mount Airy.

RHODE ISLAND (1)

Suzanne Girouard, Providence.

SOUTH CAROLINA (14)

Hilton Blackmon, Fort Stockton; William Catoe Jr., Columbia; Filip Diaz, Big Spring; William Farr, Columbia; Glenn Fulmer, Columbia; Mary Hillis, Spartanburg; Billy Jones, Greenville; Linda Jones, Greenville; Kenneth Kearse, Norway; Elizabeth Livingston, Clinton; Vonnie Mattison, Greenville; Tracy Owens, Columbus; Charles Snider, Charlestown; Bryan Wilson, Columbia.

TENNESSEE (37)

Gregory Battle, Nashville; Joseph Batts, Tullahoma; Pauline Bledsoe, Sweetwater; George Callaway, Knoxville; Forest Campbell, Memphis; Charles Cannon, Memphis; Charles Clayborrks, Franklin; W. C. Collier Jr., Nashville; Kenneth Crawford, Kingsport; Elix Davis, Memphis; Richard Ecart, Nashville; Joy Eslick, Lynchburg; Delia Etheridge, Louisville; George Gerdom, Manchester; Lonnie Green, Cookeville; Russell Hammer, Greenville; Joseph Harris, Memphis; Tommy Hinson, Memphis.

Otto Jackson, Chattanooga; Paul T. Jones, Knoxville; Phillip Kelley, Memphis; Janice Leaher, Bradley; Michael Matthews, Memphis; Randall Osteen, Trenton; Lyman Pew, Memphis; Gary Pippins, Chattanooga; Robert Schultz, Nashville; Eugene Shropshire, Newport; William Stickland, Memphis; Howard Tanner, Memphis; Harold Tarpley, Nashville; Robert Vadniais, Nashville; Donna Sue Webb, Kingston; Andrew Wheeler, Morristown; Henry Williams, Memphis.

TEXAS (64)

Jackie Breedlove, San Antonio; Roy Brewer, Fort Worth; Gary Brooks, McKinney; Clarence Brown, Corrigan; Reginald Brown, Houston; John Carter, Austin; Dwayne Chappell, Fairfield; Arthur Cooper, Houston; Quida Sue Daniel, Abilene; Mary Davis, Houston; Walter Dewalt, Houston; Jerry Gallimore, Cameron; Daniel Grischenke, Houston; James Gross, San Benito; Paul Herrin, Arlington; Benny Howard, Fort Worth.

James Hunt, Longview; Judith Hyatt, Belton; Sheila Johnson, Belton; Brad Jones, Austin; Burl Jones, Lubbock; Clifford Kennan, Houston; Susan Kilgore, Fort Worth; Jesse Kindle, Houston; Jimmy Lamar Sr., Rose City; Tom Lester Jr., Houston; R. D. Lillard, Waco; James Lloyd, Houston; George McClung, Dallas; Dean Miller, Galveston; Mike Mills, Commerce; Donald Osborn, Houston; Wesley Price, Strawn.

Charles Pullen, Houston; Larry Robertson, Fort Worth; Charles Rogers, Fort Worth; Joyce Rogers, Odessa; Donna Rousseau, Austin; Serenity Rousseau, Austin; Shemeria Rousseau, Austin; Fred Rucker II, Denison; Henry Salonen, Houston; Celestina Sanchez, Rotan; Herbert Sanders, Greenville; Carlos Sandoval, San Antonio; Guy Sansom, Dallas; Oksoon Sansom, Dallas; Barry Schroeder, Houston; Wade Smith, Texarkana.

Henry Solonen, San Antonio; William Stanley, San Antonio; Henry Sustaita, Houston; Brian Swartz, Austin; Roy Taylor, Dallas; Ronald Valentine, Houston; John Vincent, Amarillo; Jack Waldon, Mineola; Larry White, Houston; Lonnie Williams, Dallas; Larry Wilson, Galveston; Jackie Young, Dallas; unidentified male, 3/6/79, Dallas; unidentified male, 3/14/79, Ranger.

VERMONT (1)

Unidentified male, 3/30/79, Morristown.

VIRGINIA (32)

Linda Butler, Manassas; Nathaniel Dixon, Norfolk; Tommy Fuller, Haysi; Newell Grant Jr., McKinley; Ceaser Hackney, Charlottesville; John Hamlin III, Herndon; Edward Holbrook, St. Paul; Joseph January, Richmond; Jeffrey Koontz, Wytheville; Billy Lamb, Alexandria; Raymond Leneave, Richmond; Donald Mayhew, Richmond; Ernest Owens, Richmond; Daniel Parker, Norfolk; Stephen Patterson, Fairlawn; Lee Paul, Alexandria; Herbert Poston, St. Paul; Sandre Procter, Fairfax.

John Rush, Charlottesville; John Short, South Hill; Harvey Smith, Petersburg; Beverly Speaker, Alexandria; Winston Speaker, Alexandria; Daren Sullivan, Dumfries; Iasal Thompson, Saltville; Jamie Walters, Blacksburg; Alexander Wilson, Suffolk; Genevieve Wray, Roanoke; Leonard Wright, Stuart; unidentified male, 3/4/79, Martinsville; unidentified male, 3/21/79, Henrico County; unidentified male, 3/27/79, Triangle.

WASHINGTON (10)

Ivy Brown, Seattle; Harry Church, Jr., Seattle; Tracy Clark, Seattle; Elmer Feist, Seattle; Carl Harford, Olympia; Aaron Kronbeck, Seattle; John Orren, Pasco; Phoelia Pleasant, Seattle; Glennwood Quinn, Seattle; John Waldron, Seattle.

WEST VIRGINIA (1)

Troy Canterbury, Holden.

WISCONSIN (7)

Mark Goyke, Hudson; Gifford Orr, La Cross; La Vonne Orr, La Crosse; Maurice Thomas, Milwaukee; Michael Meyer, Glendale; Gilbert Williams, Racine; unidentified female, 3/12/79, Fond Du Lac.

LATE ADDITIONS

James Ricks, Dumas, Arkansas; Irma Arrendondo, Fresno, Calif.; Warren Burgess, Fresno, Calif.; Julian Young, San Jose, Calif.; Page Isom, Columbus, Ohio; Eunice Jones, Columbus, Ohio; Ervin Pierce, Chattanooga, Tenn.; Paul Wann, Chattanooga, Tenn.; James Smith, Ennis, Texas.

Note: the above have been incorporated into the figures for individual states where appropriate.●

A TRIBUTE TO MRS. ELVIRA LIESEGANG

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. HOLLENBECK. Mr. Speaker, this weekend I will join my friends and neighbors in Rutherford, N.J., in paying tribute to one of our most distinguished citizens, Mrs. Elvira Liesegang. Mrs. Liesegang, who will soon celebrate her 90th birthday, is recognized for her contributions and years of service to the community.

A resident of Rutherford since 1923, Mr. Liesegang has earned the respect and admiration of citizens of Rutherford for her untiring work for the betterment of the community. Her "trips of the month" to historical, cultural and recreational sites in the area are popular regularly scheduled events for many Rutherford residents.

Mrs. Liesegang's interest in government is evidenced by her many years of service as a Bergen County Committeewoman. She is currently vice-chairman of her party's municipal committee and honorary vice president of its' local club.

Mrs. Liesegang is one of those very rare individuals whose busy schedule can always be expanded, somehow, to accommodate yet another community service project. I am proud to offer her my congratulations on this much-deserved recognition.●

AWARDS BY THE ROTARY CLUB

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. WOLFF. Mr. Speaker, I recently had the opportunity to attend a very special event in my district which I would like to call to the attention of the Congress. I refer to the Flushing Rotary Charitable Trust Humanitarian Awards to community agencies program sponsored by the Rotary Club of Flushing.

The Flushing Rotary Charitable Trust was created to assist nonprofit community agencies that are dedicated to a finer quality of life for the citizen and community. The awards at the recent event were made possible through the generosity and the commitment of two outstanding citizens, Kurt and Trude Weishaupt. These two remarkable citizens have risen above the hate and destruction that overwhelmed their youth in Nazi Germany and have led a life filled with love and concern for their fellow men and women. In the late President Kennedy's inaugural address, he called upon our Nation's citizens to:

> Ask not what your country can do for you, ask what you can do for your country.

Clearly, the unceasing efforts and inexhaustible energy of Kurt and Trude Weishaupt on behalf of their community and neighbors epitomizes this courageous call to honor.

This trust and program demonstrate the principles and the year-round dedication of the Flushing Rotary. The stated objectives of the Rotary reflect the highest ideals of our great country. Those objectives are: To encourage the ideal of service; to promote community betterment and high standards in business and professions; to develop fellowship; to advance international understanding and peace.

I congratulate the officers, trustees, and members of the Rotary Foundation for such a worthwhile program and enclose, for the attention of the Congress, a list of the recipients of awards for this year:

RECIPIENTS OF AWARDS

ANIBIC—Polaroid & 4 cassette recorders.

Arthritis Foundation—Patient assistance program.

A.S.P.C.A.—Expansion of facilities.

Aurora Concept—Building program.

Bayside High School—Career guidance material.

Benjamin N. Cardozo High School—Telebinocular.

Booth Memorial Medical Center—Ambulance.

Booth Memorial Scholarship Fund—Educational.

Cancer Care—Direct patient assistance.

Community Baptist Church—Youth education.

Daytop Village—Arts & crafts workshop.

Flushing Boys Club—Athletic equipment.

Flushing High School—Student guidance book.

Flushing Hospital—Prosthesis program.

Flushing Rotary Charitable Trust—Funding.

Francis Lewis High School—College guidance materials.

Grand Street Boys Association—Youth activities.

Holy Cross High School—Cassette duplication machine.

Lighthouse for the Blind—Senior summer program.

Macedonia Day Care Center—Summer program.

March of Dimes—Medical research.

Multiple Sclerosis Society—Audio-visual cassette.

ORT—Technical training.

P.A.L. 109th Precinct—Athletic equipment.

P.A.L. 111th Precinct—Athletic equipment.

Queens Borough Hill Athletic Assn.—Youth athletic development.

Queens Child Guidance Center, Flushing—Parent-child workshop.

Queens Mental Health Center—Publication of Queens Directory.

Red Cross Queens Chapter—Resuscitation training.

Rotary Gift of Life Project—Childrens cardiac surgery.

St. Agnes High School—Career guidance program.

St. Andrew Avellino R. C. Church—Youth Ministry Program.

St. Francis Prep.—Band uniforms.

Temple Beth Sholom—Religious scholarship.

St. Mary's Hospital for Children—Playground equipment.

The Salvation Army, Astoria Corps—Scholarship fund.

Shield Institute of Flushing—Recreational equipment.

Soc. Prevention of Cruelty to Children—School training film.

Temple Beth Jacob—Community Center.

Temple Beth Sholom—Religious scholarships.

United Jewish Appeal/Federation

Y.M.C.A., Flushing—Athletic equipment.

Y.M.H.A., Flushing—Retarded adolescent training.●

THE FATEFUL ILLUSIONS OF SALT II

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. SYMMS. Mr. Speaker, I wish to submit to the RECORD an article from the May 1977 issue of Reader's Digest written by Ralph Kinney Bennett entitled, "The Fateful Illusions of SALT II." This article covers some very important points about the SALT process which are seldom mentioned and some severe problems with the treaty presently under consideration. Ralph Bennett brings out that fact that this arms control agreement is meaningless because it only counts launchers, and not missiles or warheads. As Mr. Bennett and Paul Nitze have said at different times, this focusing on limiting launchers will not stop the arms race. And slowing the arms race was the whole purpose of SALT. Since SALT will be one of the most, if not the most important issues that the Congress will deal with this decade, I ask my colleagues to read this article; and I urge the Senators who will be voting on this treaty to weigh carefully all these seldom-mentioned inadequacies in the treaty. The article reads as follows:

THE FATEFUL ILLUSIONS OF SALT II

(By Ralph Kinney Bennett)

Stretching the length of the Soviet Union, from the Carpathians in the west to the Stanovoi Range in the east, is a deadly constellation of concrete—1500 intercontinental-ballistic-missile silos. About once a month, an SS-17 or SS-18 is test-fired from one of them. Then from a huge underground "hold building," another missile is drawn to refill the silo.

How many ICBMs are in these underground buildings? We don't know. How many additional missiles are hidden in the vast Soviet landmass? Again, we don't know.

For more than six years now, the Strategic Arms Limitation Talks designed to fashion the SALT II treaty between the United States and the Soviet Union have produced a thick smog of political rhetoric and mystifying mathematics. When you penetrate this mist, you encounter two grave facts:

1. SALT II would not limit the number of missiles and nuclear warheads in the Soviet arsenal. Contrary to the impression fostered by our government it would merely limit launchers, the devices from which missiles are fired. Accordingly, nuclear-weapons limitation, the primary objective of the United States when it entered the talks, is not in the agreement.

2. Despite our satellites, radars and other electronic sensing devices, we have been unable to determine the true size of the Soviet strategic missile force. Thus, accurate, unimpeachable data, the very basis for a rational agreement of any kind, are missing from SALT II.

In the light of these facts, the American people, through their Congress, must seriously question whether an arms agreement should, or even can, be made with the pathologically secretive Soviets.

HIDDEN STORY

Common sense dictates that the most important factors in assessing Soviet strategic strength are the number and characteristics (range, accuracy, destructive power) of their missiles and warheads. From the outset of SALT negotiations, however, it became clear the Soviets would not share any such information. And, since it has been impossible by satellites and other technical means to gain complete, accurate knowledge, we have been forced to rely on imperfect and sometimes erroneous intelligence estimates.

A satellite camera cannot see through the roof of a missile plant. Furthermore, the Soviets often move missiles out of their factories at night, and in random batchs, to frustrate estimates of their rate of production. And the four principal Soviet missile works—at Moscow, Gorki, Dnepropetrovsk and Bisk—are frequently hidden by thick cloud cover.

So, our common sense gave way to a curious kind of convenience. Since ICBM silos are extensive constructions not easily concealed, U.S. intelligence began counting launchers instead of missiles. "The primary currency of the [SALT] negotiations became limits on the number of launchers, not limits on missiles or their characteristic," says former SALT negotiator Paul Nitze. "This has proved to be the wrong currency."

Just how wrong can be judged by examining the evolution of Soviet missile forces. In recent years, 1200 Soviet ICBM's have been removed from their silos and replaced by more sophisticated models. Western intelligence sources puzzle over what happened to those 1200 "old" missiles. Satellite photographs reveal no trace of where the ICBMs were taken. (Between 200 and 300 have been fired in mass training exercises.) Some may still be nearby, in the huge factory-like buildings at each of the 26 ICBM complexes. Others may be in extensive underground installations the Soviets are known to have been building since World War II.

The 1200 replaced missiles are only part of the hidden story. An ICBM must be periodically removed from its silo for maintenance, such as replacement of worn guidance gyroscopes (constantly spinning inside the missile). For this reason, Russian ICBM complexes keep a "maintenance float" of extra missiles. In addition, there is a "pipeline float"—missiles to replace damaged or malfunctioning ICBMs. These extras could constitute another 2000 operational ICBMs beyond the 1200 replaced missiles.

BEWARE A "BREAKOUT"

The possibility of such hidden missiles raises the question of what the Soviets plan to do with them. A close examination of Soviet capability and strategic doctrine provides a sobering clue.

When American ICBMs are launched, equipment in their silos is heavily damaged by takeoff blast. Skilled construction crews would need six weeks to repair a Minuteman silo to fire another missile. This is accepted because of our belief that a nuclear war would be one great, fiery "spasm" with no second round.

The Soviets have a decidedly different view: A nuclear war is to be fought and *survived*—no matter how destructive. The U.S.S.R. therefore emphasizes the *re-use* of missile launchers. The latest Soviet missiles are encased in a canister with a compressed-gas generator. The gas pops the missile out of the silo *before* the engines ignite to send the missile on its way, leaving the silo undamaged. With this "cold-launch" technique—an American idea once turned down by our Defense Department, then picked up by the Soviets—U.S. missile experts estimate that the Soviets could launch a second ICBM from the same silo in as little as two hours after the first.

When our negotiators brought up the reload-refire matter in the SALT II talks, the Soviets agreed not to develop, test or deploy a "rapid" reload system—but only after insisting that their launchers did not fall into this category. Nevertheless, satellite and other intelligence indicates that about half of Soviet silos have been or will be fitted with cold-launched missiles (SS–17s, SS–18s and newer ICBMs now being developed).

Many defense analysts are deeply concerned that the potential hidden storehouses of Soviet ICBMs, backed by up this refire capacity, may enable the U.S.S.R to achieve a "breakout"—a sudden deployment of weapons that, as the Congressional special subcommittee on SALT put it, "could quickly tip the strategic advantage" in their favor.

ADDED WORRIES

Even by the conservative estimates used in SALT II, the Soviets will have at least 7000 thermonuclear warheads by 1985. Breakout could suddenly add many more. The United States stopped production of enriched uranium for nuclear weapons in 1964, hoping the Russians would follow suit. Instead, the Soviets increased production and continue it today.

And, though our atmospheric sensors give us a general idea of Soviet nuclear-weapons-material production, without their coöperation we have no exact knowledge of how many warheads they are stockpiling. One highly placed intelligence source in Washington says, "Altogether there could well be twice as many warheads in the Soviet arsenal as our SALT negotiators believe will be deployed."

An added worry is the SS–16 ICBM. The Soviets have used two stages of this large missile to create a smaller, mobile one—the SS–20. Although a protocol to SALT II would prohibit deployment of a mobile ICBM system before 1981, at least 100 SS–20s have already been deployed.

The Soviets claim this is an "intermediate-range" ballistic missile, poised mainly against NATO forces in Europe, but one group of these missiles has been spotted in the center of the Soviet Union at an apparent ICBM installation. And analysts are wary of Soviet claims that the SS–20 is not of intercontinental range. Our monitoring indicates that when the Soviets tested it they loaded on 1000 pounds of ballast. If this unnecessary weight was eliminated, the missile could easily be of ICBM range.

And the SS–16 itself is a subject of concern. Many SS–16 first stages were built, then disappeared. These first stages could be quickly mated to the two stages that make up the SS–20, thus throwing another large ICBM into the strategic balance at some crucial moment. Moreover, an SS–16—in fact, all Soviet ICBMs—need not be fired from a silo. They could be launched from virtually any pre-surveyed (for guidance) site, even from inside a building with a false roof.

How many SS–16s and SS–20s are there? We don't know.

CAT-AND-MOUSE GAME

The Soviets can precisely gauge our missile force simply by attending appropriations hearings on Capital Hill, reading the aerospace press or looking at easily obtained maps showing the nine Air Force bases where our ICBMs are located. By contrast, trying to learn about a new Soviet missile involves imprecise, long-range detective work.

For the most part, we rely on radar tracking of test firings and the reading of intercepted telemetry—the flow of electronic information sent back to the ground by the missile itself. Experts further attempt to get a "thumbprint" of a new missile by analyzing the type of silo, cranes and service vans at a launch site. But the uncooperative Soviets play cat-and-mouse with us by disguising equipment, encoding the telemetry coming from a missile and even hiding its true flight characteristics by adding or subtracting weight.

Our detective work has recently become even more difficult. The sale of the operational manual of our KH–11 satellite to the Soviets by a CIA employe has enabled them to take steps to elude the satellite's photographic and electronic sensing equipment. And the U.S. pullout from Iran, where we operated an extensive array of radar and sensing devices, has severely hampered eavesdropping on prime Soviet test ranges.

Intelligence analysts are proud of our surveillance technology, but they feel we may have been oversold on it by those eager to promote arms control. Some spy-satellite cameras can pick out objects the size of a pie plate. But the cameras can't penetrate darkness or clouds. And in covering the huge Soviet landmass, satellite analysts must look where they think they will find something. In the mid-1970s the Russians constructed four gigantic radar installations, possibly the largest in the world, near the Arctic Circle. It was two years before our satellites detected all of them, and then only after a tip from a defector.

Vast numbers of such Soviet military installations have been spotted by satellites, but remain shrouded in mystery. More than 150 heavily guarded, Pentagon-size structures, obviously of high military value, have been pinpointed all over the Soviet Union. But what goes on inside them?

The limitations of our surveillance systems make many experienced intelligence analysts incredulous at the smooth assurances of the State Department and the Arms Control and Disarmament Agency that we will be able to "verify" SALT II.

RAGING CONTROVERSY

The Administration says SALT II is the "centerpiece" of American foreign policy, an important step in stopping the "arms race" while preserving strategic "equivalence." But SALT II critics point to the steady decline of U.S. strategic strength and the dramatic growth of Soviet power that have accompanied the protracted negotiations. They see the lack of true constraints in the treaty and the concomitant American trend of unilateral arms limitation (cancellation of the B–1 bomber, delay of the MX missile) as ensuring the Soviets, within the next half decade, the capacity to destroy our ICBM force while using less than half of their missile force.

Yet the real problem with SALT lies outside the treaty—in the great unknown concerning true Soviet ballistic-missile and warhead production. It seems almost inconceivable that the United States has allowed so many years of negotiations (and U.S. concessions) to go by without obtaining the most rudimentary information from the Soviets about their missile production. A rational revelation of their strategic inventory—and the certain means of confirming the figures—should have been the premier and absolutely non-negotiable demands of the United States. Unless that great unknown is pierced, SALT II limitations on "launchers" are meaningless, and neither an elaborate treaty nor the interest of Moscow in true "peaceful coexistence" can be counted upon.●

FIRST STEPS TOWARD PROTECTING THE AMERICAN PEOPLE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. GEPHARDT. Mr. Speaker, recently, our colleague, IKE SKELTON, of Missouri, delivered an address to a Kansas City emergency preparedness luncheon. Mr. SKELTON spoke at length about our need for a strong civil defense for our Nation. I recommend the reading of this address by our colleague from Missouri to the Members of this body:

FIRST STEPS TOWARD PROTECTING THE AMERICAN PEOPLE

President Carter has announced that this Administration has recognized that civil defense is an element of the strategic balance, and that it can serve to enhance deterrence and stability—in conjunction, of course, with our strategic offensive forces. Mr. Jody Powell said at a press conference last November that while the Administration does not see civil defense as a crash program, it would "involve a moderate increase in funds over the next several years to give us a . . . greater capability to protect larger numbers of our population, in the event that deterrence fails."

That was the good news. There is other, more recent news, however, which seems to me to be less good. That is the message contained in the President's Budget.

The request for civil defense is for $108.6 million. Now that is a real increase over the current, FY 1979 level of $96.8 million. It is indeed a "real growth" increase of 6 to 7 percent over inflation. And that, I suppose, could also be considered good news, in a year of the utmost fiscal stringency. But let us be very clear that the current FY 1979 budget level—of around 45 cents per capita—is the smallest amount the United States has invested in civil defense since the program began in 1951. So a 6 or 7 percent increase over that token level still amounts to tokenism.

Whatever became of the $145 million program we heard of in the press last December? Is the Administration indeed committed to an orderly, deliberate improvement in our civil defense posture, to "enhance deterrence and stability," or has that commitment been aborted?

In this context, it seems to me that the responsibilities of the Congress are quite clear. I believe the Congress should proceed as follows:

We should carefully consider the arguments for and against civil defense.

We should consider the hazards we may face in the next decade, and the role of civil defense in our Nation's strategic posture.

We should consider the views of the American people.

If we conclude that the President's decision was sound—that our people need and deserve more than a token level of civil defense—we should make it crystal clear to the President and the Executive Branch that we can no longer make do with token civil defense, and that the $108.6 million request for FY 1980 makes sense *only* if it is the first small increment of an austere but sensible program.

We should examine carefully the new initiatives contemplated in the proposed civil defense budget for FY 1980, and recommend and support those additional initiatives we believe to be necessary.

We should approve H.R. 2704. This is the Skelton bill that gives civil defense a purpose and direction with the necessary funding.

I would like to discuss my reviews on the issues I have just outlined.

First, as to the need of civil defense, it seems to me clear beyond the slightest doubt that the United States cannot continue in the 1980's as we have done hitherto—leaving our population virtually naked and unprotected should the unthinkable occur and deterrence fail—by accident, miscalculation, or unintended escalation.

It is certainly true that no nuclear weapon has been detonated in anger since 1945, and we all trust and pray that none ever will be so detonated. But we all know too that the strategic environment today and in the future is not what it was in the 1950's, the 1960's, or until recently.

America is no longer the world's paramount nuclear power. We have arrived at an age of strategic parity, or rough equivalence.

Professor Samuel Huntington, Director of the Harvard Center for International Affairs, and until last summer a member of the National Security Council staff, put the case for civil defense in simple and direct terms in recent testimony to Senator Proxmire's Committee on Banking, Housing, and Urban Affairs:

"In Soviet military thinking, the threat to commit suicide does not constitute meaningful deterrence. Effective deterrence has to involve not only the ability to inflict damage on the enemy, but also the ability to limit damage to oneself.

* * * * *

"By their words and actions, the Soviets have shown that they believe civil defense to be a critical element in deterrence. Given their belief, whether warranted or not, in * * * civil defense, they can only perceive the United States as being weaker for the absence of such a program.

"In an age of strategic parity, the greater the vulnerability of American society, the less the credibility of the U.S."

These views by Professor Huntington, in my judgment, do no more than state the obvious. Who could dissent from these propositions, embodying, in my view, only simple prudence?

Some can and do dissent. At the same January 1979 hearings, Mr. Paul Warnke, until lately Director of U.S. Arms Control and Disarmament Agency, stressed that in his opinion, civil defense could make no meaningful contribution to the survival of a nation subjected to nuclear attack.

Obviously, the Soviet leaders feel a concern for their people and industry. Should we not spend a fraction of their investment to modestly improve the protection of our own people in the event the unthinkable occurs?

What, then, are the views of the American people? I submit that they are sound and sensible, and that both the Congress and the Executive Branch would do well to be guided by these views.

A survey of my constituents in the Fourth Congressional District of Missouri, and a recent national survey conducted for DCPA, are to the same effect: the American people want civil defense and indeed—and I think this is a tragic irony—they believe their government is making provision for their protection far beyond what is the fact of today.

About 80 percent of the people oppose the idea that we should do away with civil defense. The irony is in this: the average estimate is that we are spending $1 billion annually for civil defense, or ten times the actual level. And when asked what we should spend, the average response was that we should spend even more—$1.6 billion per year.

It is thus very clear that the American people continue strongly to favor civil defense, and believe we should do even more than they (mistakenly) believe we are now doing. It seems to me that we should all take heed of these views of our people, and give them the most careful consideration.

Let me now turn to what can be accomplished with the $108.6 million contained in the President's Budget for FY 1980. I do not have available the details of the civil defense program proposed for FY 1980, but it is clear that 6 or 7 percent real growth will not allow a great deal more to be done than is being done today, and that is very little. It is my understanding that, in general, FY 1980 would be devoted to getting ready to accelerate crisis evacuation planning and related programs in FY 1981—assuming, of course, that the Administration is indeed serious about effecting orderly improvements in civil defense over the next several years, and does not propose quietly to "walk away from" civil defense in FY 1981.

Last summer I introduced an amendment to the Department of Defense Appropriation Authorization Act for 1979, which directed that DCPA make a study of the feasibility of providing improved protection for people living near the prime targets for nuclear attack represented by our strategic nuclear retaliatory forces. My own District in Missouri contains nearly all of the Whiteman Air Force Base complex of Minuteman silos, and nationwide there are something like 8 or 10 million people who live in the vicinity of intercontinental missile complexes, SAC bomber bases, or ballistic missile submarine ports.

These strategic offensive forces are of course the basis of our nuclear deterrence posture, and thus of the most critical importance to our nation and indeed the Western world. But at the same time, if deterrence should ever fail, it is obvious that the people living near these installations would be the first to suffer the horrifying destruction of thermonuclear weapons. Indeed, they might be the only ones, if escalation control worked and the conflict was confined to counter-military strikes.

It therefore seemed to me that since the people living near our deterrent military forces stand at special risk, we should investigate what kinds of special protection might be provided for these people—what would be the costs and the payoffs of alternative approaches. The study is now available. It says if civil defense is to be effective in the high risk areas it must be improved. The work you are doing here today is one small, but important step in that direction. Let us look at the types of protection people in HIGH RISK areas need.

The DCPA study outlines four ways to provide protection for the population of high-risk areas. These methods are:

1. Current civil defense.
2. Crisis relocation, a method by which residents of high risk areas re-locate to areas of low risk, or host areas.
3. Expedient shelters, shelters made by residents during a crisis.
4. Blast shelters.

Blast shelters are defined by the study as highly effective for the high risk areas given any amount of warning time, but are also the most expensive form of protection. Blast shelters, built during peacetime, would cost about $300 per person. Current civil defense outlay per person per year is 45 cents.

So, in a nutshell here is the dilemma. Blast shelters would be the the most effective in High Risk areas . . . such as the one in which we live . . . but, they cost too much. People and Congress aren't ready to invest such a large sum of money into civil defense. The next best tool is evacuation or crisis relocation. However, it is much less effective because of the problems associated with it. But for what we can afford . . . evacuation is the best we can get.

Another area is one I believe to be of the greatest importance. It has to do with training and educating our people on the facts of life and of survival in the nuclear age. DCPA's training program and apparatus was reduced to next to nothing several years ago because of declining budgets, and the best they have been able to do lately is to offer a minimal level of training for State and local civil defense staffs, a few conferences for public officials, and a modicum of training for a mere skeleton of a cadre of radiological defense personnel. Essentially nothing is being done in the area of public education, although this was a program of significant size in the 1960's. This was before the decline of civil defense as a result of theories of mutual assured destruction, or of mutual vulnerability—theories which Soviet leaders do not espouse.

The lesson of the Berlin and Cuban crises of the early 1960's is clear: When our people perceive an increased possibility of nuclear war, they quite understandably and sensibly want to know what they could do to protect themselves and their families should the worst occur.

The blunt and unpleasant fact is that should tensions escalate, we are almost totally unprepared to provide the survival information and education our people would demand. Therefore, I believe the FY 1980 civil defense program should be expanded to provide for a start in FY 1980 on rebuilding a training structure that could meet the demands of the American people for survival education should tensions begin to rise. What you are doing here today is one example of what should be happening nationwide.

One suggestion is that if we rebuild a structure that educates high school or junior high school students on civil defense subjects on a year-by-year, peacetime basis, the same cadre of trained school teachers could provide training for adults, as the demand increased in a developing crisis. There may be other options as well—perhaps to establish a cadre of instructors through the American Red Cross, or police and fire departments. Another possibility is to place in telephone books in the high risk areas several pages of information about such things as where to evacuate . . . how to build expedient fallout and blast shelters . . . how to survive after an attack . . . and similar types of information that would be at your fingertips. Sweden is already doing this. Whatever the best approach or combination of approaches, I feel strongly that we should get on with it in FY 1980.

Finally, I would like to see H.R. 270 become law. This bill, which I introduced, gives civil defense a purpose and direction. It also makes it part of this nation's strategic defense planning. In addition, my bill will provide a 7 year funding plan for civil defense so that it can meet these goals.

In conclusion, may I leave these thoughts with you:

Civil defense is a critical national requirement for the 1980s. One may view it as helping to enhance deterrence—as the President has—or as prudent insurance for national survival should the unthinkable occur, or both. Regardless of the rationale, this country can afford no longer to gamble with the survival of scores of millions of our people.

No program at a level of $100 million can provide either insurance or enhanced deterrence. The minimum modest program, relying primarily on crisis evacuation to save millions, will cost an average of something over $200 million annually.

I would like to commend each of you here today for your interest in this very important topic. Civil defense is important to this nation. It is important to you. It is important to the industry of our country. My purpose today has been to discuss the weaknesses, the strengths and the hoped for direction of civil defense. At times my talk was bleak . . . but I simply want to tell the truth. The bright side is this . . . there is hope. We can have a strong civil defense. We can protect millions of people and much of our industry if we simply understand what to do. I want to thank the state civil defense office for the fine work they are doing with today's project and in other areas.●

NO LEADERSHIP IN WHITE HOUSE TO FIGHT INFLATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. ASHBROOK. Mr. Speaker, for over 2 years we have heard the Carter administration's pugilistic shrill against inflation, against excessive Government spending, against an exorbitant national debt. But more often than not, we find only a lightweight President shadowboxing. A significant case in point is the Davis-Bacon Act. For years mounting evidence has demonstrated the inflationary impact of this depression-era measure. Congress own General Accounting Office has recently corroborated this fact. Last Friday, April 27, it released Report No. HRD 79-18, entitled "The Davis-Bacon Act Should Be Repealed." In this lengthy study, the GAO canvasses the history, the administration, and impact of this act. Interestingly enough, the problems with Davis-Bacon arise largely in the manner in which the Department of Labor has administered it over the years.

Where has the administration been on this issue? Out to lunch. It has proposed not one legislative change to rectify the problems with Davis-Bacon. It has not supported efforts to obtain even oversight hearings. Worst of all, it has done nothing administratively to eliminate or alter the taxpayer-gouging regulations.

Why has the administration done nothing? The answer is simple. It has been cowered once again by the labor leader. In an informative article in the May 15 issue of Forbes Magazine, Fern Schumer notes how the AFL–CIO and the Department of Labor have joined forces to resist any changes in this law. The author most charitably concludes that the Carter administration "is talking anti-inflation but behaving ambiguously." A more apt description of Mr. Carter is that he "dances like a bee and stings like a butterfly."

I commend the Forbes article for your review and ask that it be inserted in the RECORD at this point:

The article follows:

FIGHTING WORDS IN WASHINGTON

(By Fern Schumer)

Big labor is in the habit of coming before the Democratic Congress asking for, as A.F. of L. founder Sam Gompers would put it, "more." But the unions haven't been very successful recently, even losing the big one last year for labor law "reform"; this year they have even been put on the defensive.

At issue is the Davis-Bacon Act, a Depression-era law sacred to the unions because it pushes up wages on federally funded projects. That law insists contractors pay the "prevailing" rates as determined by the Department of Labor, which often enough are the union rates, even if they aren't prevailing.

Earlier this year the Carter Administration in a peacemaking effort with the AFL–CIO formally gave up its effort to change Davis-Bacon. But like indigestion, the effort to change Davis-Bacon keeps gurgling up. The unions are running scared: The fight is "heating up," says the AFL–CIO Building and Construction Trades Department, as it starts a "protect our paychecks" drive.

The 1931 law was aimed at protecting construction workers by discouraging federal job contractors from cutting wages to win contracts, or, as the unions put it, blocking "fly-by-night, cutthroat competitors who swoop down to undercut community standards." However, today even nonunion construction labor usually earns wages that are high by the standards of any community.

What particularly bothers builders is the way the Labor Department figures the prevailing wage, its "30-percent rule." If the department finds 30 percent of the workers in an area getting one wage, that's what it figures as the prevailing wage—and usually that's the high union rate.

In a critical draft report, the General Accounting Office (GAO) pegs the burden of Davis-Bacon on taxpayers at $715 million a year: about $200 million for contractors' cost in paperwork, $15 million for the Labor Department's administrative costs, and $500 million for inflated wages. The GAO says the Labor Department overpriced about 40 percent of the projects, adding one-half of 1 percent to the government's cost of construction.

Take, for example, the little town of Dickson, Tenn., over 50 miles west of Nashville. The federal government helped pay for a water treatment plant expansion. The Labor Department ordered the local contractor to pay the Nashville union scale, so a laborer who usually makes $4.25 an hour got $8.75.

On a median strip of highway I–66 outside Washington, D.C., the Labor Department ruled unskilled laborers must get $9.68 an hour, over twice the usual rate. Why? Washington's Metrorail *may* someday run down the median, so the rate must match other subway projects, the Department says, although this is nearly double the rate paid for similar highway work. The builder, the State of Virginia, is appealing.

Conservative Congressmen are still trying to change the Davis-Bacon Act. "What gets me so damned mad," says Representative Thomas M. Hagedorn (R–Minn.), "is that the Carter Administration all say off the record how terrible this act is, it's a nightmare. But because they're trying to get organized labor's support, they let the act continue."

Hagedorn and other congressmen have already introduced legislation this year to repeal Davis-Bacon. Senator John Tower (R-Tex.) has introduced legislation to shield specific federally assisted programs from its provisions.

There's also a possibility of administrative changes in the methods used to calculate the so-called prevailing wages.

But any change, legislative or administrative, will be difficult to slip past the unions. President Robert A. Georgine says the Building and Construction Trades Department of the AFL–CIO "has no intention of permitting this law to be emasculated. Those who would repeal these laws would adamantly oppose restricting the profits of contractors, yet they propose to restrict the wages of workers. If cutting personal income is such an effective weapon in fighting inflation, let them start with Henry Ford's $900,000 a year. Start with those who have a lot, before they nickel-and-dime workers to death."

Ignoring the Carter Administration's professed concern for the federal deficit, the Department of Labor has thrown itself squarely behind the unions.

The Labor Department has already issued a lengthy rebuttal to the GAO draft report denying that Davis-Bacon is inflationary and defending it as the protector of construction workers' living standards, claiming that repeal could mean "wage exploitation" for women and minorities in the building trade unions. Tampering with the Davis-Bacon Act can be dangerous, as Lester Fettig discovered. Fettig, who headed the Office of Federal Procurement Policy (OFPP) under the Office of Management & Budget, was critical of Labor Secretary Ray Marshall's administration of prevailing wage laws like Davis-Bacon. Mr. Fettig is no longer with the government.

However, the GAO isn't giving up. It plans to refute the Labor Department's partisan report. Meanwhile, Davis-Bacon isn't the only problem for labor in Washington. The Administration is going to try to nibble at compensation levels of federal workers by adding fringe benefits—which are far higher for government jobs than private industry—to the comparisons between federal and private pay levels. Those comparisons are used to figure government pay levels; who gets more, public or private workers, is still being argued, but there's little doubt what the taxpayers think. Whether the Administration will have the courage to fight to the end is uncertain.

The winds in Washington are blowing two ways these days. For the first time in years, there is a genuine concern with the size of the federal budget and with the inflationary impact of high federal wage standards and one-sided labor laws. But there are equally strong interest groups—consumer, business, labor—that push the other way. As for the Carter Administration, it is talking anti-inflation but behaving ambiguously.●

MINIMUM COST INVOLVED IN EGYPTIAN-ISRAELI TREATY

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. DERWINSKI. Mr. Speaker, the Southtown Economist is a daily publication serving the southern portion of the city of Chicago and the southwest suburban area. In an editorial in that publication's April 20 edition, emphasis is placed on the minimum cost involved in the Egyptian-Israeli Peace Treaty, which was largely a result of the U.S. diplomatic initiative.

In my judgment, the editorial is a thoughtful and objective summary of this situation, and I insert it at this point for the Members' attention:

PRICE OF PEACE CHEAP COMPARED TO COST OF WAR

In a time of aroused public concern about government spending, a large, imprecisely known number of Americans have been stunned to learn the U.S. tab for the Egyptian-Israeli peace treaty will be about $5 billion.

"Carter didn't negotiate that agreement. He bought it," said one acid commentator. Many congressmen report that their constituents are voicing their worries, not to say their opposition, about how much the treaty will cost the U.S. And Senate Republican leader Howard Baker of Tennessee says he has not decided whether he will support or oppose the administration's peace package.

Such discontent is understandable. It would be pleasant indeed if the U.S. investment in the Middle East could be confined to the president's time and effort in negotiating peace treaties between Arabs and Israelis. But harsh international realities and U.S. self-interest permit no such easy course.

The real issue, which President Carter has resolved and asks the Congress and the country to endorse, is how much better to spend $5 billion in waging peace than to pay the much higher cost of another war between Israel and Egypt. A cornerstone of American foreign policy, about which there is little debate in this country, is the U.S. commitment to the survival of Israel. When that survival was threatened during the so-called Yom Kippur War in 1973, the Nixon administration had to strip the U.S. arsenal in NATO to sustain Israel against overwhelming Arab armies supplied with the most sophisticated Soviet weapons.

Precise figures for this military rescue operation carried out by air are difficult to come by, but they were enormous. Moreover, the Arab oil embargo that was occasioned by the 1973 war and the resulting four-fold increase in oil prices have cost the U.S. untold billions of dollars. Another Middle Eastern war would surely exacerbate this already-binding energy situation for us—the cost of which we can be certain would far exceed $5 billion.

To be sure, the Egyptian-Israeli peace treaty is no guarantee against another war in the Middle East. The new Arab alliance of Iraq, Syria, and Jordan could try again to destroy Israel, but the absence of Egypt's massive manpower from this lineup greatly enhances the improbability of an all-out conflict.

A realistic recognition of this fact by the militant Arabs is the reason they are so furious with President Anwar Sadat—why Arab foreign and economic ministers meeting in Baghdad, Iraq, are considering what sanctions to impose against Egypt and indeed, how to overthrow the Sadat government.

Thus, in concluding a peace agreement with Israel, Egypt has isolated itself from its Arab allies. Caught between such enmity and the Soviet menace, President Sadat must seek shelter under the U.S. umbrella alongside Israel, which has long been ostracized by European and African nations intimidated by their dependence on Arab oil.

Some of the U.S. grants and loans are required to implement the treaty, such as replacing Israeli military bases in the Sinai. Some offer aid needed especially by Egypt's developing economy. Ironically, much of the president's peace package is designated for military assistance—to strengthen Israel and Egypt, which together constitute the only real bulwark against Soviet expansion in the Middle East.

The case for investing $5 billion for peace between Egypt and Israel is so persuasive that we have no doubt that the basic wisdom of the American people will support congressional approval. If we could, with such telling effect, convert our devastated enemies, Japan and Germany, into strong allies by aid programs, how much greater reason have we now to help our staunchest friends in the troubled Middle East.●

FOREIGN TAX CREDITS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. ROSENTHAL. Mr. Speaker, since October 1977, the Commerce, Consumer, and Monetary Affairs Subcommittee of the Government Operations Committee, which I chair, has urged the President to revoke the foreign tax credits claimed by U.S. petroleum companies.

These credits have been created by "bending the law" through private Treasury-IRS rulings. This is accomplished by ruling that a royalty levied abroad is a "creditable" foreign income tax and not a royalty payment. Sophistry and political motives, not tax law, have determined these rulings.

In 1976, for example, the Secretary of State requested the Secretary of Treasury to consider in the determination of such rulings the State Department's objective of furthering petroleum production in OPEC countries. After these private tax rulings were made public and upon reconsideration, Treasury-IRS have had to revoke several as they were based on improper interpretations of U.S. tax laws.

The magnitude and impact of foreign tax credit rulings have cost this Nation dearly. They have increased American dependence on OPEC oil production, caused a direct loss to Treasury in excess of $10 billion and siphoned off billions in domestic oil production and domestic employment.

IRS Commissioner Kurtz stated in the subcommittee hearings that, despite the seriousness of the issue, tax credit rulings involve technical legal questions of statutory interpretation rather than questions of legislative tax policy.

Therefore, administrative action by Treasury-IRS, not new legislation, is needed to revoke improper tax credit rulings. The public has no recourse if Treasury-IRS wishes to make a "devil's pact" with the multi-international oil companies and the OPEC nations by refusing to reconsider and revoke such rulings.

In House Report No. 95–1240, entitled "Foreign Oil Tax Credits Claimed by U.S. Petroleum Companies," the House Government Operations Committee examined this matter in depth, and concluded the following in section IX, private actions:

> There is inherent imbalance in IRS' handling of tax rulings and administration involving major issues. When the Government rules erroneously against a taxpayer, that taxpayer quite naturally can plead his case to either the Tax Court or the U.S. district courts. However, when Treasury and IRS err in favor of a taxpayer or fail to effectively administer any provision of the tax code, the general public has no recourse to correct the damage. Moreover, errors in favor of one segment of an industry or the economy may place a competing sector at a competitive disadvantage, but that sector will have no remedy to correct the damage.
>
> For example, allowing tax credits for foreign royalty payments labeled as an income tax provides added incentive to explore and produce abroad at the expense of domestic production. Multinational petroleum companies have naturally invested their limited capital in those areas where they achieve the highest rate of after-tax return. To the extent that foreign tax credits in lieu of royalty deductions benefit these companies, the Government is providing an incentive to invest in OPEC countries which is not provided for domestic operations. In fact, according to State and Treasury memoranda, the 1976 Indonesian ruling denying creditable treatment to that country's levy on oil production caused a significant deferral of exploration capital from Indonesia to other countries. Thus, it is evident that without these credits, companies will make their production and exploration decisions on the basis of which areas have the greatest economic and productive possibilities—influenced less by the economic distortions of tax advantages.
>
> Furthermore, these credits place solely domestic producers who are not internationally integrated at a competitive disadvantage vis-a-vis multinationals. The latter are granted credits for what are really normal business expenses which are not available to domestic producers.
>
> In June 1974 Tax Analysts and Advocates and the owner of a small independent petroleum production company brought an action seeking a declaratory judgment that the 1955 and 1969 IRS foreign tax credit rulings were unlawful and asking for an injunction requiring the Service to withdraw them. Tax Analysts and Advocates has over 175 members, most of whom are tax professors and practitioners. One of its stated goals is to ensure that the IRS does not grant special interest groups unduly favorable tax treatment beyond that which the Service may lawfully provide. The District Court for the District of Columbia concluded that both petitioners lacked standing as Federal taxpayers because they had suffered no judicially cognizable injury. It went on to state that although one petitioner who owned a small domestic oil producing facility suffered injury in fact as a competitor dealing in oil extraction and production, he had no standing to sue because he could not be eligible for foreign tax credit benefits himself. The Supreme Court refused to review the opinion. Thus, the court's position is that a party, regardless of damages suffered, who would not be eligible to benefit from rulings under

a particular section of the Tax Code, has no standing to object to the erroneous administration of the tax laws despite the added financial burdens and deficits caused thereby. Consequently, IRS decisions which may add to Treasury revenues can be reviewed by the courts, but a decision which loses revenues cannot be reviewed.

Accordingly, the committee concluded in Finding No. 7:

> A taxpayer has standing to contest any IRS decision which results in a larger tax obligation for him. However, citizens have no legal standing to challenge a possibly erroneous IRS decision which decreases another taxpayer's tax obligation despite the fact that the erroneous decision may place the citizen's business in a competitive or other disadvantage, or may cost the Treasury revenue.

The committee recommended that the law—

> * * * be amended to allow private citizens standing to obtain judicial review before U.S. District Courts of Treasury and IRS rules and regulations pertaining to other taxpayers if they place that citizen or taxpayer's business in a competitive or other disadvantage, or cost the Treasury revenues.

Today, along with Representative JOHN CONYERS, I am introducing a bill that implements the recommendation in House Report No. 95-1240, entitled "Foreign Tax Credits Claimed by U.S. Petroleum Companies." This legislation redresses the existing discrimination in IRS foreign tax credit rulings, provides relief to domestic industries that have been placed at a competitive disadvantage as a result of foreign oil tax credits, and will work to eliminate these egregious tax credits that have systematically undermined the creation of a self-sufficient, equitable, and pro-consumer American energy policy. I urge my colleagues to support this effort to eliminate this unwarranted tax advantage and incentive to OPEC countries.●

POLISH CONSTITUTION DAY—1979

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. HOLLENBECK. Mr. Speaker, on this day 188 years ago Poland adopted its first democratic constitution. I firmly believe that this was an inspiring and momentous event not only for the people of Poland, but for the entire world. It must be remembered that Poland adopted this constitution only a few years after our own democratic Nation was founded. At that time, such freedoms as detailed in the Polish Constitution were almost unknown in most parts of the world. The Polish Constitution of 1791, the French Constitution of 1792, and the American Constitution are among the great landmarks in the growth and development of constitutional law the world over.

Mr. Speaker, on this anniversary observance of Polish Constitution Day it is impossible to omit a reference to today's Poland, which is a far cry from what all patriotic and liberty loving Poles had hoped it to be. They had dreamed, prayed, and worked for a liberated, free, and independent Poland. We all know that since the treacherous events at the end of the last war, these Poles have not known true freedom.

Despite all of the outrages suffered by the heroic Polish people at the hands of their Communist oppressors, these dauntless souls cling to their noble ideals as outlined by the Constitution of 1791. I am proud to join with Americans of Polish heritage in expressing support for the strong and unwavering desire of the Polish people that Poland once again be free to decide its own national destiny.●

FALSE STEREOTYPES ABOUT THE BLIND

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. GRASSLEY. Mr. Speaker, with all of the problems arising out of the accident at the Three Mile Island nuclear power facility, it is extremely embarrassing that the Chairman of the Nuclear Regulatory Commission chose to describe the actions of officials as, "like a couple of blind men staggering around making decisions." These unfortunate comments are typical of the false stereotypes which have kept blind men and women from fully enjoying American social and economic life. The National Federation of the Blind has done a great deal to reduce public misunderstanding about blindness and the capability of the blind to become productive members of our society. I am pleased to insert in the RECORD a resolution from the National Federation of the Blind denouncing the insensitivity of Chairman Hendrie's remarks and calling upon the Nuclear Regulatory Commission to become a model employer of the blind.

The resolution follows:

DEMAND APOLOGY FROM NUCLEAR REGULATORY COMMISSION

Whereas, the official transcript of the Nuclear Regulatory Commission (NRC) held on March 30, 1979, quotes NRC Chairman, Joseph M. Hendrie, as saying: "It's like a couple of blind men staggering around making decisions," in describing the actions of officials in dealing with problems at the 3-Mile Island Nuclear Power Generating Facility; and

Whereas, Chairman Hendrie's statement demonstrates his personal ignorance and represents the traditional false stereotypes about the helpless and incompetent blind; and

Whereas, the principal problem faced by blind men and women not actively participating in the mainstream of American life is the lack of understanding about blindness which exists resulting in widespread discrimination against the blind; and

Whereas, Chairman Hendrie's statement can only serve to erode further the public attitude about blindness with the result that it will reduce the chances of full participation in the social and economic life of this country; and

Whereas, Chairman Hendrie's gross insensitivity is amplified by his high public office;

Now, therefore, be it resolved by the representation of the National Federation of the Blind assembled in Washington, D.C., April 29, 1979, that we demand a public apology by Chairman Joseph M. Hendrie, accomplished by a public commitment to off-set the negative impact of his remarks by establishing the goal of making the Nuclear Regulatory Commission a model employer of blind persons at all levels.●

BOB KLITZKIE: CARRYING THE TORCH FOR GUAM

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. WON PAT. Mr. Speaker, we all know that the recent Boston Marathon was an exciting event which featured 8,000 contestants. But one of the most amazing stories about the race has yet to be told nationally. It deals with a most dedicated marathon runner who I am fortunate to call a friend and constituent, Robert Klitzkie of Guam.

Shortly after the prestigious race, Bob Klitzkie came to my Washington office to fill us in on his exciting participation in that event. In keeping with his usual low-keyed style and humility, Bob said little about himself, but left us with a sense of pride in this impressive man who came 9,000 miles just to run 26.2 miles in the streets of Boston.

Needless to say, it takes a lot of stamina to run 26.2 miles, especially in his speedy time of 3:25:06 minutes. But, those of us who have come to know and respect Bob Klitzkie are not surprised. From the first, he has made his mark in Guam as a dedicated man who places a high premium on being the best that he can be.

Bob came to Guam as a teacher and in this capacity, he was, true to his history, one of the best around. But he wanted more out of life than teaching could give him and he went on to law school. When he returned to Guam, he gave the practice of law his full attention and today stands out as one of the territory's premier attorneys.

In recent years, Bob became interested in marathon running, mostly he says, to keep his weight down and to give him exercise. Now, marathon running in Guam's tropical climate may never be a major island pastime. But Bob Klitzkie has shown all of us what can be done by a man who is determined to be the best in whatever he attempts.

To my knowledge, no one from Guam has ever carried the torch in Boston of local marathon runners. With his remarkable time in the Boston Marathon, Bob Klitzkie has set a record of personal achievement that we all can be proud to have for our island. He has done a great job and he deserves recognition for attempting a challenge that only the most dedicated of runners ever attempt.

I wish him the best of good fortune in the years ahead. I doubt that anyone who saw Bob run in the Boston race wearing his gold mesh shirt with the Guam seal proudly emblazoned on his shirt front will ever forget this wonderful athlete who came from, perhaps, farther away to be the world's best long distance runners. I think we shall hear more of Bob Klitzkie in marathon races of the future and Guam can be justly proud that he carries our name across the finish line in the best of style and sportsmanship.

Mr. Speaker, for the Record, I would like to include at this point a copy of a recent article about Bob's amazing achievement which appeared in a recent edition of the Pacific Daily News.

The article follows:

BOB KLITZKIE: CARRYING THE TORCH FOR GUAM

(By Victor Nygard)

Guam's Robert Klitzkie was one of almost 8,000 runners who followed Bill Rodgers to the finish line in the Boston Marathon yesterday.

While defending champion Rodgers set a new American record in the famed event, Klitzkie shaved almost two minutes off his own previous best marathon time, while finishing somewhere around the middle of the snaking throng.

Klitzkie, a 40-year-old Agana lawyer, finished the prestigious race in three hours, twenty-five minutes, and six seconds—almost two minutes better than his December time of 3:26.53 in Honolulu when he qualified for the Boston Marathon.

The Boston race is his fifth marathon event. He has competed in two Guam marathons, and was chairman of this year's, though he did not run in it.

"I think I ran very well," said Klitzkie during a telephone interview following the race. "I finished somewhere around the middle of the pack, though the race results won't be published for some time, there were so many runners."

He described the course as fast with rolling hills. "I had to be careful not to charge the hills and lose my pace."

Klitzkie, who ran in his gold mesh shirt with the Guam seal on the chest, said that the crowd that lined the Boston, Mass. streets included several blaring bands, numerous people offering liquids and fruits, with many onlookers leering from rooftops.

The only warm people were the runners as temperatures stayed around 40 degrees and steady rain drenched those not already wet from their own sweat.

"My finishing time does not tell the whole story," said Klitzkie, because he did not even reach the starting line for 10 minutes after the race began, then picked up the lost time and bettered his time for the 26.2 mile distance.

"It took me two minutes to find out that the race had even started, I was so far back in the pack."

Klitzkie is the first local runner from Guam to compete in the annual Boston Marathon.

Rodgers finished the 83rd running of the race in 2:10.13.●

SALUTE TO GUIDO L. VALENTINE

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. AMBRO. Mr. Speaker, next month a most dedicated and selfless educator will retire after 30 years of service to the children of Farmingdale, N.Y., one of the loveliest communities in my Long Island congressional district.

Guido L. Valentine, who is now principal of the Mill Lane Junior High School, formally will end three decades of work in behalf of future generations of Americans. A teacher of industrial arts, history, and mathematics, a guidance counselor and guidance director, formerly an assistant principal, Guido has earned the love and the respect of thousands of students and parents for his tireless efforts to impart that most precious of gifts—education.

In addition to his academic achievements, which include several advanced degrees from a number of universities, he helped organize the Farmingdale Youth Council and later served as its assistant director. Guido Valentine also served as director of adult education and on the high honors award program for Newsday, our excellent Long Island daily newspaper.

A decorated war hero and flier, he was shot down over North Africa, captured and imprisoned in the infamous Stalag 17, where he had the great distinction of serving as coleader of the "Nuisance Committee for the Great Escape." For his heroism, Guido was awarded the Air Medal with four oak leaf clusters. He was twice cited by his Nation for parachute landings under hostile fire.

Mr. Speaker, on the occasion of his retirement, I ask each of my colleagues to salute this outstanding American, patriot, war hero, civic leader, father and husband, educator. His life stands as a testimonial to exemplary service to our great Republic and its people.●

CYPRESS CITIZENS OF THE YEAR

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PATTERSON. Mr. Speaker, the effective operation of our law enforcement agencies is dependent on citizen cooperation, participation behind the scenes and the commitment of the officers on the force. These combined efforts enable our local police to carry out their difficult job of protecting our communities. The city of Cypress and the Cypress Public Safety Employees Association have selected the following three people for recognition of service during 1978 and I am pleased to present their names and contributions to my colleagues:

EUGENE J. KOMROSKY, OFFICER OF THE YEAR

Officer Komrosky has been selected by his fellow officers as the 1978 Officer of the Year for his service in the field. Officer Komrosky has been employed by the city of Cypress since 1973 and is presently serving in the field operations division as a patrol officer for all new recruits.

JAMES O'DONOGUE, CITIZEN OF THE YEAR

James O'Donogue was selected as Citizen of the Year for his assistance in a surveillance operation. Mr. O'Donogue worked with the Cypress police by making his store available for an undercover operation which resulted in the arrest of two cat burglars, who had been responsible for over 100 burglaries in late 1978. As a result of this arrest, several thousand dollars worth of stolen property was recovered.

SANDRA LEE LOWREY, EMPLOYEE OF THE YEAR

Sandra Lee Lowrey has been employed by the city of Cypress since 1975. Her dedication to the job and involvement beyond the call of duty has brought her this recognition by her coworkers and friends.

These three individuals are an asset to all of us for they have contributed much to our community. The honors bestowed on each of them were hard earned and well deserved. I ask my colleagues to join me in recognizing their contributions to the community of Cypress.●

A TRIBUTE TO DR. BURTT HOLMES, A NATIONAL GOOD VISION AND GENERAL HEALTH CARE LEADER

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. EARLY. Mr. Speaker, it is a great pleasure for me to pay tribute to an outstanding citizen of my district, Dr. G. Burtt Holmes, of Worcester, Mass. Dr. Holmes was elected president of the American Optometric Association at the organization's 81st annual congress in New Orleans, La., in July 1978 after 6 years of service on the AOA board of trustees and now leaves office after making significant contributions to his profession and the visual welfare of the Nation.

During his year as president, the AOA launched an extensive and unprecedented national consumer communications program to inform the public of the need for good vision care.

Dr. Holmes' administration also developed a significant practice administration course for doctors of optometry to increase the efficiency of their practices for the public.

Under his leadership the AOA successfully fought for Federal legislation of benefit to partially sighted persons, health care research, potential health care professionals from economically disadvantaged backgrounds, and cost-effective delivery of health care—all issues of great concern to the Congress.

In addition, during his year, Dr. Holmes' organization was able to reduce the malpractice insurance premium for optometrists by 18 percent, countering the trend in malpractice insurance premiums for other health care professionals particularly with a continually increasing number of States permitting optometrists to utilize drugs.

A graduate of the Massachusetts College of Optometry, Dr. Holmes has served as secretary of the college's board of trustees. He was also director of the Comprehensive Health Planning Council of Central Massachusetts. He has also served as a member of the American Optometric Foundation's board of directors.

Dr. Holmes is a past president of the Massachusetts Society of Optometrists and the New England Council of Optometrists. He is a Fellow of the American Academy of Optometry.

In recognition of his contribution to health care, Dr. Holmes was recently elected to the board of trustees of the National Health Council, an esteemed organization of health care leaders.

I congratulate Dr. Holmes on a year of success as president of the American Optometric association and wish him well as he continues as a leader within America's health professions.•

AMTRAK SERVICE

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

• Mr. RAHALL. Mr. Speaker, I am again thankful for this opportunity to express my views and the feelings of my constituency regarding the proposed 46-percent reduction in Amtrak service.

Since the introduction of the Secretary of Transportation's proposed plan, I have been deluged by telephone calls and letters urging my assistance to obtain disapproval of the plan. A plan which will leave many rural and urban areas without passenger train service during this critical stage in our energy conservation efforts.

On February 1, I introduced House Resolution 93, a resolution calling for the disapproval of the final recommendations for the basic route system of the National Railroad Passenger Corporation. Since its introduction 22 Members have cosponsored it while 6 similar resolutions have been introduced. What these resolutions express are the voices of over 75 Members of Congress who representing their constituency deserve the opportunity to cast a vote on this crucial matter.

Mr. Speaker, as each day passes our energy outlook grows dimmer and dimmer. Experts are already predicting that the expected gains from increased energy exploration under decontrol will not result in a significant reduction in our dependence on foreign sources of energy. Reports continue to surface concerning the energy efficiency of the trains, with the Secretary of Transportation claiming that it would be cheaper for the taxpayers to purchase plain tickets for the passengers aboard many of the present train routes. I believe that we are on the verge of a new era in transportation policy in this country. Our unstable and unpredictable energy future may very well change the way we chose to move about our country. Innovative, efficient rail passenger service should play an integral part in this transition. Yet, under the proposed plan 46 percent of an already operating system will not be available for expansion or improvement.

We as Members of Congress have the opportunity to keep this vital link of a complete, fuel efficient transportation system operating. I urge my fellow Members to contact the Subcommittee on Transportation and Commerce so that we all can determine the future of rail passenger service for the American public.•

NATIONAL HAWK WATCHING WEEK

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

• Mr. RITTER. Mr. Speaker, today I submitted to the House of Representatives legislation to designate the first full week in October of each year as "National Hawk Watching Week."

Birds of prey, sometimes known collectively as hawks or diurnal raptors, number 35 species in North America. All belong to the order Falconiformes which includes vultures, condors, ospreys, kites, hawks, eagles, harriers, caracaras, and falcons. While birds of prey are now protected by Federal law, they were shot, trapped, or poisoned by hunters, ranchers, farmers, game managers, and other persons until earlier this century, in the belief that such "control" of predatory birds would benefit hunting, farming, or other economic interests. That such beliefs were incorrect is now well documented in scientific and conservation literature.

It is now known that birds of prey are vital ecological components of the wildlife communities and ecosystems in which they live. They help remove weak, sick, diseased, or at times overabundant numbers of wildlife from ecosystems. Thus, birds of prey are major components of the so-called balance of nature.

Today public attitudes regarding birds of prey are changing to appreciation and understanding. For example, upwards of 150,000 people now actively participate in hawk watching every autumn—and in spring at a few locations—at migration lookouts located on major raptor flyways scattered from California to Maine, and from Minnesota to Florida and Texas. In addition, 1 million or more bird watchers, nature photographers, and other outdoor enthusiasts also watch hawks and other birds of prey occasionally as opportunities occur. While much of the activity is recreational, a good deal of scientific research is also being conducted on hawk migrations and other aspects of birds of prey.

The objectives of the House joint resolution I have today introduced include the following:

First. To gain national exposure of the American public to the importance of birds of prey in wildlife communities.

Second. To gain increased national support for understanding and appreciation of birds of prey as a magnificent wildlife resources.

Third. To gain Federal support for recreational hawk watching as an alternative to continuing the illegal shooting of birds of prey in some parts of the United States.

Fourth. To provide a useful education-conservation tool for schools that include birds of prey as teaching units on their lists of science offerings.

Fifth. To gain widespread support for the need to preserve and protect unique hawk migration lookouts as major wildlife monitoring stations where vital wildlife data is collected for use by scientists, wildlife conservationists, and other interested persons.

Mr. Speaker, I am pleased to present this resolution before the House for its consideration and hope that my colleagues will see fit to enact this legislation expressing our support for those who find pleasure observing the beauty of nature through hawk watching.•

THIS IS THE TIME FOR PRAYER AMENDMENT

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

• Mr. ASHBROOK. Mr. Speaker, I am certain that every Member of this body is aware of the events that transpired when the disinguished Senator from North Carolina (Mr. HELMS) attempted to amend the Department of Education bill to restore the right to conduct voluntary prayer in our Nation's public schools. The opponents of the Senator's amendment cried that his was a bad amendment which would kill a good bill. To the contrary, Mr. Speaker, the Senator offered a good amendment to a terrible bill.

Once the amendment was agreed to, it did not take too long before the leadership was able to twist enough arms to bring about a turn of events. The managers of the bill were able to convince enough Members of that body to reconsider the vote and subsequently attach it to a bill which everybody agreed stands no chance of being adopted in the House of Representatives, a political compromise to bail out politicians who wanted to have it both ways.

I applaud the efforts of the Senator from North Carolina to reverse this outrageous Supreme Court decision. I have introduced legislation in each succeeding Congress since the decision to limit the jurisdiction of the Supreme Court and of the district courts to enter any judgment, decree, or order, denying or restricting, as unconstitutional, voluntary prayer in any public school. I reintroduced such a bill, H.R. 1173, on January 22 of this year.

Mr. Speaker, in light of the honorable action taken by many Members of the Senate on the original Helms amendment, I intend to encourage all of my colleagues to join me in sponsoring this legislation. Within the next day or so, each Member of the House will receive the complete text of this bill. I would urge my colleagues to peruse it carefully and join me in this effort. This is yet another issue in which the citizens of the United States, given the opportunity to vote, would overwhelmingly support this legislation.

In his remarks on the floor of the Senate, Mr. HELMS made a brilliant point on behalf of this legislation. He said:

> This morning as we joined with the Chaplain of the Senate, Dr. Elson, in prayer, as we do each day the Senate is in session, I could not avoid the irony that while we in the Senate begin our day's activities by asking God's blessing on our efforts, the Supreme Court has effectively denied this same right and privilege to millions of schoolchildren across this Nation.

Mr. Speaker, this irony should be apparent to all of us. In light of the initial support of this measure, I believe that the time has come to make a concerted effort to reverse this unjust court decision. I urge all of my colleagues to join me.●

GEN. ROBERT J. DIXON, MAN OF THE YEAR

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. AMBRO. Mr. Speaker, from time to time, each of us in this Chamber has an opportunity to join in honoring one of those truly outstanding Americans who have served our Nation brilliantly in war and peace.

On Friday, one such individual will be recognized in my Long Island, N.Y., congressional district for almost four decades of military and civilian service to our great Republic.

Gen. Robert J. Dixon is to be honored as "Man of the Year" by the H. H. Arnold chapter of the Air Force Association at the Huntington Town House, in Huntington, L.I.

General Dixon is now president of the Fairchild Republic Co. and in that capacity, among his other responsibilities, he is in charge of the company's A-10 attack plane program for the U.S. Air Force, a unique and most effective "tank killer" in the world. Fairchild is producing this plane below cost and ahead of schedule—and this is one of the few programs of this kind in the entire Nation that we can say that about.

In his present role, General Dixon is continuing a lifetime of work dedicated to guaranteeing that America's defense capability is second to none.

A retired, four-star Air Force General, he served as Commander of the Tactical Air Command following numerous high-level U.S. Air Force and Defense Department position. General Dixon is a combat pilot with more than 6,000 flying hours in World War II, the Korean war and Vietnam conflict. Among his many decorations are the Distinguished Service Cross, Distinguished Flying Cross, Bronze Star, Purple Heart and Legion of Merit.

The H. H. Arnold chapter of the Air Force Association, which is located in Syosset, N.Y., also in my congressional district, has shown perception and wisdom in selecting this fine American as its "Man of the Year."●

A TRIBUTE TO RICHARD S. FITZGERALD

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. ANDERSON of California. Mr. Speaker, the sunny beaches of southern California are known throughout the country as popular places of fun, relaxation and great beauty. Like few other natural resources, they add enormously to the value of the area, making it an enjoyable and exciting place to live and work. In addition, each year millions of people visit these great attractions, some from across the Nation and others from around the world. Today, I would like to give recognition to someone known by few of these people, but an individual who has been greatly responsible for making these areas available and usable year after year. The person I speak of is Richard S. Fitzgerald, the retiring director of the Los Angeles County Department of Beaches.

On May 4, 1979, the South Bay Chapter City of Hope will hold a testimonial dinner honoring Dick Fitzgerald for his outstanding service as beach department director for the last 10 years and for all he has done as a contributing citizen in the South Bay community.

His tenure with the county of Los Angeles produced many noteworthy accomplishments. Among these are the unification of all Los Angeles and Santa Monica beaches within the county operation, and the opening of new beaches to the public in Malibu, the south bay and Palos Verdes Peninsula areas.

Prior to holding the position of beach department director, Dick served as manager for the Torrance and the Redondo Beach Chambers of Commerce. In Redondo Beach, his talents contributed to the success of many events and programs including the Redondo Beach Round Table, the Sister City Committee, the Tournament of Roses program, and the International Surf Festival. With the Torrance Chamber of Commerce his efforts helped win the All-American City honor. He was instrumental in making the Coordinating Council and Sister City Committees positive forces in the south bay area.

In addition to his work with the Chambers of Commerce and the county of Los Angeles, Dick Fitzgerald has been continually involved in civic affairs, often taking on a leadership role. He is incorporator and past president of the Town Affiliation Association. He has served as president of the El Segundo 20-30 Club, and board of regents chairman of the Western Institute for Organizational Management at Santa Clara University.

His effective leadership in these and other organizations has won him wide recognition. Resolutions written in this man's honor have come from such diverse places as the California State Assembly and the cities of Ensenada and La Paz, Mexico.

Mr. Speaker, an accomplishment-filled career in either the private or public sector can bring great satisfaction to an individual. Richard Fitzgerald is one person who can certainly reap this benefit from both worlds.

My wife, Lee, and I join the friends of Dick Fitzgerald in congratulating him for his admirable service to the South Bay community. We also wish his wife, Betty and their children Diane, Michael, Barbara, Janene and Marlene, the best of success and happiness that the future can bring.●

A NEW FEDERAL MASTER PLANNER FOR THE NATION'S CAPITAL

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. McKINNEY. Mr. Speaker, this month, Mr. Reginald Griffith assumes new duties as the Executive Director of the National Capital Planning Commission. Briefly stated, Mr. Griffith will be the master planner for Federal development and design in the National Capital region.

Mr. Griffith comes to his new post with high credentials. An MIT educated city planner, Mr. Griffith has conscientiously served since 1975 as a mayoral appointee to the National Capital Planning Commission.

Mr. Speaker, in the evolving home rule era of planning and development in the Nation's Capital, Mr. Griffith's new assignment will often command all the Solomonic judgment and negotiating ability he can muster, in order to fairly balance local needs with Federal interests. Mr. Griffith appears professionally prepared for the challenge and I extend my sincere wishes for his success.

In conclusion, Mr. Speaker, I would like to include, for the RECORD and interest of my colleagues, as follows, the text of a Washington Post article of April 26, by reporter Paul Hodge, outlining the background and career progress of Mr. Griffith:

LONG ROAD BRINGS PLANNER TO THE TOP

(By Paul Hodge)

Picking the worms out of a flour barrel in a Harlem grocery store when he was 11 was the first job held by Reginald Griffith, the Washington area's new chief federal planner.

Between the worms and Washington lay a long route that took Griffith to prestigous architectural and planning firms in Boston and New York, the Massachusetts Institute of Technology, building Army missile bases in Germany, a fellowship in Africa. That and other experience made him "the outstanding choice" among more than 40 candidates for the $47,500-a-year job as executive director of the National Capital Planning Commission.

"Even if we had found him in San Francisco he would have been our first choice," said David Childs, an architect and chairman of the 55-year-old federal planning agency. "But here we have a man who already sits on the commission and understands it, has had national experience and is totally knowledgeable about local things."

Griffith, 38, was named to the career Civil Service post by Childs and two candidate-selection committees and will assume his duties in mid-May.

He was appointed to the commission in 1975 by then Mayor Walter Washington and has been its vice chairman since then until he resigned earlier this month when he learned of his appointment. The first black to hold a high position with the planning agency, which protects the federal interest in the Washington area, he succeeds Charles H. Conrad, who retired in February after a career of almost three decades with NCPC.

Reg Griffith, who has had his own city planning and architectural firm here since 1970, did not see much of a future when he lived in a "bucket of blood hole" in Harlem with his sister and mother. His mother was born in Panama, after her family moved from Trinidad and Barbados.

He was told he had no chance of getting into the prestigious Brooklyn Technical (High) School, which Griffith said had only 60 blacks among its 6,000 students. But he applied and took exams and "somehow" got in. It was one of many turning points.

After abandoning an uninviting career as a grocery store worm picker, Griffith took a job as a stock boy in a 5-and-10-cent store to help support his family. While promotions and, later, the promise of becoming the chain's first black store manager were tempting, he decided to try for a job in industrial design. He loved drawing, he said, and was taking technical art courses at Brooklyn Tech.

Starting at the top, Griffith went to downtown Manhattan and applied to Henry Dreyfus, "whose firm controlled perhaps 40 percent of the industrial design market in America," ranging from the design of telephones, clocks and vacuum cleaners to television sets. He was given a job as office boy, "at less money than I was making" in the 5-and-10, began studying at Pratt Institute at night and soon found himself "at another turning point in my life."

He was now also accepted as a design apprentice at Dreyfuss and was "working late one night when Dreyfuss called me into his office. We talked for four or five hours * * * his time was extremely valuable and here I was the office boy, but he was a phenomenal man, as considerate to the elevator operator and the boy at the newsstand as he was to corporate executives," said Griffith.

"It turned out we'd gone to the same Harlem schools, P.S. 10 and P.S. 157, and we talked frankly about his being Jewish and my future as a black and Roman Catholic."

Dreyfus suggested Griffith think about additional schooling "and I applied to MIT and got a scholarship . . . which Dreyfuss may have had something to do with," although Griffith never knew.

Although Griffith began at MIT by studying architecture, he finished as a city planner after being drafted into the Army Corps of Engineers and studying housing problems in West Africa on a traveling fellowship. His wife, Linden, accompanied him to Africa but returned home after their first child was born in Nigeria. A dietician with a master's degree from Johns Hopkins, she later became his partner when Griffith opened his own firm.

When he returned to this country, Griffith was hired by Edward Logue, "probably the premier developer in this country," and worked in the Boston slums as a planner. In 1967 he was called by Washington's Walter Fauntroy, who was then organizing the nonprofit Model Inner Cities Community Organization.

It was "a community-based organization with its own planning staff. It had never been done before," said Griffith. He headed MICCO's staff of 26 and helped plan much of the downtown urban renewal in Washington "before it (MICCO) went out of business after four or five years," Griffith said.

Griffith then began teaching regional planning at Howard University and opened his own firm, Griffith Associates, which is helping design the master plans for Boston's Logan Airport and for Atlantic City and is helping prepare a proposal for the $400 million Capitol Gateway housing development south of the Capitol.

Because he also has been doing many local planning and architectural jobs, Griffith intends to resign from his firm to avoid conflict of interest.

He said recently he hopes that as NCPC's top staff official he will be able to "promote the federal interest and at the same time to take an active role in working closely with the city."

Griffith serves on the board of Georgetown Day School, which his two children attend, and lives in the same Anacostia house, in the Congress Heights section, which he and his family bought when they came to Washington in 1967. He said because of his new job he may have to cut back on reading science fiction, painting and handball, which he enjoys.

But he plans to continue his community work.

"I love people. I've been helped all my life by people, black and white, rich and poor, any number of good people. And I guess because people have helped me that's what we're geared up to do," he commented.●

U.S. BORAX ONLY WANTS TO MINE ITS CLAIMS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, on Monday, Congressman JOHN SEIBERLING inserted a statement in the CONGRESSIONAL RECORD which made charges relating to U.S. Borax's efforts to expose the Udall-Anderson substitute as an antidevelopment bill. The statement contains inaccuracies and distortions which misrepresent what U.S. Borax has argued ever since April 1978.

What U.S. Borax has argued is simple. They have said:

First. It is impossible to mine in a wilderness area or a national mounnment. Other mining companies have learned this lesson after having been shut out of wilderness areas and parks across the country. Only multiple use designation of South Misty Fjord will allow U.S. Borax to mine.

Second. Attempts to "mandate" U.S. Borax into a national monument or wilderness area cannot work because the fundamental intent of both land classifications is to preserve an area by blocking commercial development. Clauses in the acts which provide for legal protection of valid existing rights guarantee only a legal nightmare, as access uncertainties and surface use restrictions leave a mining company with only ownership of the claims and no means to economically extract the ore.

Third. Mandated roads, minor amendments to the Wilderness Act, and offers to "exclude" a portion of the Misty Fjords area cannot solve the problem, because they fail to overcome the inherent conflict beween restrictive use classification and mining. On numerous occasions, the company has publicly stated that it was not a party to the "20,000 acre proposal" offered by Congressman SEIBERLING.

Fourth. U.S. Borax has no intention of exploring the rest of South Misty Fjords, and intends to drill only the area generally surrounding its claims. This is obviously true, as the company has agreed to language which withdraws all of Misty Fjords from further mineral entry.

Representatives of U.S. Borax, including its president, met with Congressman SEIBERLING in February and reiterated these same points that they argued last year. The company's position was explained again in a letter to Mr. SEIBERLING dated March 27, 1979. Mr. SEIBERLING has yet to answer. Instead, he continues to argue that U.S. Borax is on a drilling expedition in all of Misty Fjords, and because the company disagrees with his interpretation of the "protections" offered in the Udall-Anderson substitute, he charges that they are distorting the facts.

The dominant resource of South Misty Fjords is molybdenum. A careful review of the "protection" clauses of the Udall-Anderson substitute, and an examination of the experience that other companies have had in wilderness areas and parks in the United States, clearly indicates that only multiple-use designation for this area will allow the claims to be mined. Writing compromises that attempt to weaken clauses in various acts whose fundamental purposes are to prevent commercial development cannot work.

The only solution is to support the Huckaby and Breaux-Dingell bills, which allow for the orderly development of the U.S. Borax mine under existing environmental law.●

A MESSAGE FROM PANAMA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. DORNAN. Mr. Speaker, today, a statement was brought to my attention of considerable gravity from the leader of the democratic opposition in Panama. President Arnulfo Arias, long recognized as the illegitimately deposed leader of Panama's democratic forces, has declared that the implementing legislation that is being considered by this House does not remove, but aggravates misunderstandings between the United States and Panama.

Former President Arias further observes that the current dictatorial regime has undermined the economy of the nation, and that the fear of political persecution still hangs heavy over the opposition.

Mr. Speaker, I know that I speak for many of my colleagues when I express my own deep desire for a new and peaceful and cooperative relationship with the Republic of Panama. Those of us who opposed the Carter-Torrijos treaties do not necessarily believe that the United States can or should simply return to the arrangements of 1903. We need a new relationship with Panama, a new era of friendship and cooperation with the people of Panama. In order to do that, and, at the same time, satisfy the legitimate interests of the United States, we must look forward to a new treaty concerning the operation and the administration of the Panama Canal.

In light of the fact that we will soon be deliberating upon the implementing legislation, I thought that Members of the House of Representatives would appreciate reading President Arias' remarks.

STATEMENT FROM DR. ARNULFO ARIAS, LAST CONSTITUTIONAL PRESIDENT OF THE REPUBLIC OF PANAMA

1. The implementation bills of the Panama Canal treaties are being completed at a critical time in panamanian history, when there are no genuine democratic institutions, freedom of expression, nor the most basic inalienable rights of the citizenry.

2. As I predicted on October 18, 1977 while in exile in Miami, Florida, the proposed implementation bills have developed large areas of misunderstandings, doubts and double interpretations in Panama as well as in the U.S.A. This could scuttle them and plant the tragic seeds of discord. We should avoid an internal confrontation in both countries as well as between both nations.

3. Panama must first reestablish the democratic process and its institutions, all public freedoms, guarantees to the citizenry with their political and human rights fully protected.

4. It is essential to bring the Panamanian house to fiscal and economic order. The irresponsible dictatorship has left Panama in virtual bankruptcy. Recent economic reports have confirmed the chaotic abysm of financial affairs. Private investment continues at a stand-still. Complete lack of confidence and fear of persecution persists in a system where one man arbitrarily makes all the decisions in the executive, the legislative, and the judicial. Hundreds of thousands of millions of dollars belonging to the people of Panama have been wasted and stolen. More than one half of the income of Panama is pledged to service foreign debts and the situation will become steadily worse. Public funds have been spent only whenever they could be channeled into the pockets of a corrupt tyranny. The Canal could bring some improvement, but its benefits will be wasted and stolen just as in the past ten years.

5. Implementation of the treaty under the existing system is a fraud on the people of Panama. It will only serve to prolong the life of a leftist regime ready to mortgage the Canal. Panama has a dictatorship without any representative authority that violates human and political rights, and has led Panama into moral and fiscal bankruptcy.

Dr. ARNULFO ARIAS M.●

AWARD OF MERIT FOR BOY SCOUT LEADERS

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PATTERSON. Mr. Speaker, the role of the Boy Scouts of America in the guidance and leadership of our youth is well known throughout our country. Working behind the scenes to make the scouting program effective are many committed adults who believe in the precepts of the scouting program and work to keep them a part of the American tradition.

The Ahwahnee District of the Orange County Council, Boy Scouts of America has selected six of its adult leaders for the "Award of Merit," the highest honor available.

Harvey Packard, assistant scout master, troop 581 of Anaheim and the assistant roundtable commissioner.

Barbara Mayer, leader troop 699 and a committee member.

Donald Berryman, committee chairman, troop 1151 and assistant cub master, pack 125.

Richard Martin, troop committee member and scouting chairman for the Ahwahnee Distrtict.

Clayton Olson, scout master, troop 424.

George Bennett, scout master, troop 526.

These fine leaders have each spent between 4 and 19 years working with the scouting program and our local youth.

Mr. Speaker, I am pleased to bring the names of these fine leaders of the local scouting program to your attention and to ask my colleagues to join with the Ahwahnee District in honoring them for their dedication, leadership and service to the Boy Scouts of America. Each of them has truly earned the honor of "Award of Merit."●

CAMPAIGN FINANCING

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. LAGOMARSINO. Mr. Speaker, I would like to insert in the RECORD for the benefit of my colleagues, the following editorial on campaign financing, which appeared in the Santa Maria Times on Tuesday, April 3:

CAMPAIGN FINANCING

Taxpayers are being polled again, in a sense, on whether they want their tax dollars used to help pay campaign expenses of political candidates. Your 1978 federal income tax return asks whether you wish $1 of your tax payment used to subsidize presidential election campaigns.

Congress provided for the voluntary check-off following the 1972 election. In 1976, this system provided $74 million.

But only 27 percent of the taxpayers chose to check off $1 for that purpose; 73 percent refused or didn't brother with the check-off at all.

Despite this poor showing of public support, a powerful bloc of leaders in the House of Representatives, supported by President Carter and organized labor, wants similar legislation enacted to benefit candidates for the House of Representatives and costing taxpayers an estimated $52 million plus $2 to $3 million in administrative expense.

HR 1, the House bill, sometimes is known as "the Speaker's bill" because of its strong backing by House Speaker Thomas P. (Tip) O'Neill, D-Mass.

Under the proposal, a limit of $150,000 would be placed on the amount that could be spent on a single House campaign, and the government would match individual contributions of $100 or less, up to $60,000.

For years proponents have claimed that corporations, organized labor and other interest groups exert excessive influence on legislators because of large contributions. They propose taxpayer financing, coupled with a limit of spending, as the answer.

However, the Federal Election Commission (FEC) has shown in an interim report that these groups are not the main source of campaign funds.

The FEC information not only reveals that individual contributions comprise about two-thirds of the funds raised but the corporate-backed Political Action Committees (PACs) contributed only 4 percent of the total.

According to the FEC, the 1,921 candidates for House and Senate seats in 1978 raised $198.5 million for their campaigns. But only $8.8 million—or about 4 percent—came from corporate-backed PACs, the real target of the legislation. Organized labor kicked in $9.4 million, and PACs of all kinds gave $31.2 million, or only 16 percent of the total.

One must probe deeper for the true reason behind this special interest legislation. While it slaps a lid on campaign spending, it places no restriction on the congressional perquisites, or "perks," that give incumbent members of Congress about $1 million worth of possible campaign aid during their two-year terms in the form of free mailings, travel expense, paid office staffs and use of government facilities. These, in effect, give them a $1 million head start over challengers, even though incumbents and challengers alike are held to the $150,000 limit. It also helps explain why 95 percent of the House members seeking re-election were successful in 1978.

Challengers, of course, receive no "perks." The Times, therefore, asks, why should taxpayers' funds be used to hamstring their right to seek public office? ●

TESTIMONY OF THE SAN JOSE AIRPORT DIRECTOR

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

Mr. MINETA. Mr. Speaker, I want to share with my colleagues the testimony delivered on May 1, 1979, before the Aviation Subcommittee of the House Committee on Public Works and Transportation which was delivered by Mr. Pat Farlin, acting director of the San Jose Airport in San Jose, Calif.

The Aviation Subcommittee, as many of my colleagues are aware, has been studying the issue of aviation noise and its impact on our citizens as well as its impact on the continued development and expansion of our aviation network.

I believe that Mr. Farlin's statement fairly and accurately describes the difficulties of coping with the problem of aviation noise from a local perspective. I further believe that this statement makes a compelling case for the Federal Government not to back off of its federally mandated noise emissions standards. We must not allow any delay or waiver from compliance with the FAA's noise standards for airplanes—so-called FAR–36—or airport operators around this country, like Mr. Farlin in San Jose, will never be able to deal with noise on the ground.

I commend this testimony to my colleagues attention:

TESTIMONY OF RAYMOND P. FARLIN, ACTING DIRECTOR OF AVIATION, SAN JOSE MUNICIPAL AIRPORT, CALIFORNIA

Mr. Chairman and Members of the Subcommittee: As Acting Director of Aviation for the City of San Jose, California, I am responsible for the maintenance, operation, and development of San Jose Municipal Airport, which provides facilities to accommodate the air service needs of the more than one million people residing in the South San Francisco Bay Area. Today San Jose's Municipal Airport accommodates approximately 40 percent of the more than eight million annual air passengers generated by its primary air trade area. The remaining 60 percent must use the more distant San Francisco International Airport. San Jose's ability to provide facilities to serve its community has been constrained by the effects of aircraft noise.

Prior to 1969 Airport Staff was directed and encouraged to develop the air service capabilities of the Airport and to secure certificated scheduled air service. Our efforts were successful and air passenger growth was phenomenal. Between 1965 and 1970 the number of airlines serving San Jose grew from one to six, and annual air passenger volume increased by almost 1400 percent from apapproximately $109,000 to $1.6 million.

But with the air service growth came the noise and the outcry of citizens living in the Airport vicinity. Since 1969 every attempt to provide airport facilities to serve the community has met solid opposition. Opposition now ingrained in decisions by the City Council. The last addition to Airport terminal facilities was completed in 1972. Since then four additional trunk-level carriers have inaugurated service at San Jose, and annual passenger volume has increased by over 113 percent to 3.4 million. The airlines operate from inadequate facilities and within a curfew that limits operations to the eighteen hours between 6 a.m. and midnight. Airport Staff has worked diligently with the airlines, general aviation, the FAA, and the community to develop and implement aircraft operating and traffic management procedures to minimize the residential areas impacted by aircraft noise. A program was started in 1967 to purchase residential-use land in the most severely impacted areas. Enactment of California law establishing Airport noise standards in 1972 involved installation and operation of a noise-monitoring system at a cost of over $136,000. An additional $39,000 has been expended during the last year to expand and upgrade its capabilities. Annual operating costs associated with the system are $32,000.

The referenced California noise law established a timetable under which California airports must eliminate perceived noise within a boundary designated as the 65 CNEL (Community Noise Equivalent Level) by January 1, 1986. This noise boundary or contour is determined by weighting average noise by factors reflecting the time of day or night involved with greater weights applied to operations between 7 p.m. and 7 a.m. The State standards include suggested alternatives for use in abating noise. They include:

1. Encouraging use of the airport by aircraft classes with lower noise level characteristics and discouraging use by higher noise level aircraft classes;

2. Encouraging approach and departure flight paths and procedures to minimize the noise in residential areas;

3. Planning runway utilization schedules to take into account adjacent residential areas, noise characteristics of aircraft and noise-sensitive time periods.

4. Reduction of flight frequency, particularly in the most noise-sensitive time periods and by the noisier aircraft;

5. Employing shielding for advantage, using natural terrain buildings, et cetera; and

6. Development of a compatible land use within the noise impact boundary.

An informal curfew mentioned earlier has been implemented in conjunction with the airlines serving San Jose that encourages use by newer, quieter aircraft classes.

San Jose has implemented procedures involving aircraft operating procedures and traffic management, thereby reducing noise impact to the extent possible. Runway utilization methods of abating noise have been implemented to the extent possible consistent with air safety. Noise shielding methods have not been employed due to the airport's configuration, lack of available land area and negligible benefits possible.

The land-acquisition program implemented in 1967 has resulted in expenditure of over $11 million for purchase of residential property and resident relocation associated with 230 parcels through June of last year. Current forecasts to convert remaining residential-use land within the 75 CNEL contour total $51 million in 1978 dollars. Cost of acquiring noncompatible land between the 70 and 75 CNEL contours is estimated to be over $16 million and involves 242 dwelling units. An additional $225 million would be required to acquire all 4,189 nonconforming parcels out to the forecast 65 CNEL contour. Once again these amounts are in 1978 dollars.

San Jose has actively participattd in airport industry and congressional efforts to reduce aircraft noise at its source. In our opinion any relief realized from legislation and/or regulations that reduce aircraft noise will reduce the cost of providing this nation with an integrated airport system. Not only the costs to airport operators and users but to the citizens forced to tolerate aircraft noise or relocate. In San Jose's case this involves over 5,000 dwelling units and over 176,000 citizens.

San Jose is presently involved in an in-depth study of community needs for airport facilities and services versus environmental concerns. The one-half million dollar study is partially funded under a federal airport planning grant and has included full public involvement and participation since its beginning. This approach was selected after our last experience with an airport development program resulting in a moratorium on further facility expansion. In 1972 the airport through use of qualified consultants presented a five-year capital improvement program to satisfy demonstrated airport facility needs. The report considered social, environmental, and economic impacts that would result from the program. Public opposition was so concentrated that the City Council not only rejected the program but declared a moratorium on *any* air carrier growth at San Jose until environmental impacts were measured and compliance with governmental standards achieved.

The in-process study forecasts the noise contours generated by air carrier aircraft operations necessary to accommodate an annual passenger volume of 4.2 million enplaned passengers in 1997. The passenger demand forecast is, in my opinion, conservative when compared with the fact that the airport's trade area presently generates in excess of 4.2 million enplanements. The air carrier operation forecast assumes compliance with FAR Part 36 by all air carrier aircraft by 1986. If this is not realized, development beyond needs to serve 1987 demands will not be undertaken. If federal regulations or statutes permit delays in compliance, efforts will no doubt be started to increase curfew restrictions at San Jose. San Jose, California, and the nation needs federal assurances that aircraft noise will be reduced.

Last week I learned of efforts undertaken in the United States Senate to propose an amendment to Senate Bill 413 granting a permanent waiver from Part 36 noise regulations to two-and-three engined aircraft used in air carrier service. Such an issue is of the utmost importance to San Jose because 95 percent of the air carrier operations at San Jose are by such aircraft. We have taken the time to analyze the impact of such a waiver on San Jose.

During 1977 San Jose accommodated 51,020 operations by two- and three-engine air carrier aircraft (95 percent of total air carrier operations). If those aircraft had met Stage 2 noise-emission criteria established by FAR Part 36, the 65 CNEL contour would have been reduced significantly. A map displaying that reduction is attached to the testimony submitted to you today. The reduction involves 1,350 acres including 1,471 residential use land parcels. At an estimated 1978 cost of $75,000 per parcel to purchase and relocate residents, San Jose's noise abatement program would be reduced by more than $110 million. But more importantly, more than 1500 families would be able to continue residence in their neighborhood under aircraft noise levels that are tolerable.

I am very pleased that no such waiver has been promoted in the House of Representatives.

I have tried to convey to you the impact and result of aircraft noise on communities and Airport Management charged with responsibility to bring about an equitable solution at the local level. If San Jose is to continue to provide an airport to serve air transportation needs in today's environment, it must convert a substantial amount of land surrounding the Airport to nonresidential uses. Without assurances and support from Congress our only alternative is to restrict air service to the community.

In closing I would like to support Congressman Mineta's proposed bill H.R. 3547, because it provides assistance to airport operations in achieving their noise compatibility programs and supports efforts to grant relief to those citizens impacted by existing levels of aircraft noise.

I hope, Mr. Chairman, that my comments and those of other representatives of the airport industry will aid you and your committee in fashioning a program that abates the negative effects of our splendid air transportation system. In addition, I want to thank you for the opportunity to relate San Jose's experience.

MOROZ DESCRIBES JAIL

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. RITTER. Mr. Speaker, all Americans rejoiced at the unexpected freedom for five men who were released this weekend from the horror of Soviet prisons. While so many others who have dared to stand up for liberty and justice are still far beyond the reach of freedom, we can nevertheless feel gladness that, at least for a handful, the long nightmare of Soviet oppression is over.

One of the five who were freed is a man whose name has become synonymous with the undying independent spirit of the Ukrainian people, Valentyn Moroz.

His story will become a modern day legend that will give hope and pride to the imprisoned people of the Ukraine for many years to come. The story of Valentyn Moroz is not only important to the Ukrainian people—it is a story every American should learn well and never forget. By understanding the sacrifices made by this remarkable patriot, we will all gain a new appreciation of how precious a thing freedom really is.

Following is the article from the New York Times of May 1 that tells the story of Valentyn Moroz:

MOROZ DESCRIBES JAIL

(By Selwyn Raab)

Jersey City, April 30.—With his right leg twitching nervously, Valentyn Moroz described today how he survived 14 years in Soviet prisons for advocating Ukrainian independence. It was a tale, he said, of forced feedings, beatings, solitary confinement for months in freezing cells and, finally, an attempt by the authorities to have him declared insane.

Mr. Moroz, one of five political prisoners released by the Soviet Union last Friday in exchange for two Soviet employees of the United Nations who were found guilty of espionage in the United States, said he owed his survival to his belief in Ukrainian independence and in God. "To be able to endure prison life in the Soviet Union you must be a strong personality and know what you want—I want an independent Ukraine," the 43-year-old history teacher explained.

He said the exchange of prisoners would be a boon to thousands of dissidents imprisoned in the Soviet Union and would encourage others to speak out "because it decreases their chances of being thrown behind bars."

The human-rights campaigns in the United States and in other Western countries are "obviously having tremendous success in pressuring Moscow," to release political prisoners, Mr. Moroz said at a news conference here sponsored by the Ukrainian National Association.

Two weeks before his release, and at a time when he was unaware of imminent freedom, Mr. Moroz said he was told by an official of the K.G.B., the Soviet secret police, that many more dissidents were to be released soon. The K.G.B. official said, according to Mr. Moroz, that the releases would be effected "in light of the Olympic Games" that will be held next year in Moscow.

Speaking in Ukrainian through an interpreter, Mr. Moroz said that Western nations underestimated the strength of movements in the Ukraine and in the Baltic states—Estonia, Latvia and Lithuania—for separation. Although he acknowledged that reliable statistics were impossible to obtain, he estimated that 50 percent of Soviet political prisoners were Ukrainian.

Describing himself as "a Ukrainian nationalist and a traditionalist conservative," he said that as a youth he was a member of the Young Communist League in the Ukraine and then graduated from Lvov University. Arrested in 1965 at the age of 29, he was sentenced to four years for anti-Soviet agitation. Nine months after his release he was arrested again on the same charge and sentenced to 14 years in what he termed concentration camps.

Asked for a description of his almost 14 years in prison, he replied: "Imagine a small room with the temperature 33 degrees below zero Centigrade outside. There's always frost on the walls inside and you have nothing but a thin prison uniform. You can't sleep because of the cold. After days of no sleep hallucinations set in. The K.G.B. doesn't have to resort to physical torture to make a person do what he wants."

Mr. Moroz said he was beaten frequently by guards and was once set upon and stabbed severely by a nonpolitical prisoner.

In 1974, he related, he was in K.G.B. Camp No. 1 in the Mordovian Autonomous Republic southeast of Moscow, and when the authorities refused to transfer him to a better facility in the Ukraine he went on a hunger strike for almost five months. Three years later, while at the same prison, his notebooks were confiscated and he was denied visits by his family. Because of these measures, he said, he went on a second hunger strike, this time for 68 days. During both strikes he was force-fed by intravenous injections, he added.

BASIS FOR INSANITY RULING

After the second hunger strike, Mr. Moroz said, an effort was made to have him declared insane; he credited protests in the United States and Canada by Ukrainian groups with having saved him from being transferred to a prison for the insane. "Psychiatrists in the Soviet Union tell you plainly that having different political views is reason enough to be considered insane," he said.●

UNSPOILED LANDS FOR ALL AMERICANS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. RANGEL. Mr. Speaker, at the 1977 annual convention of the National Association for the Advancement of Colored People, a resolution was passed declaring that "an enduring resource of wilderness is needed by Americans of all races and economic backgrounds." I have cosponsored this year's H.R. 39, the Alaska National Interest Lands Conservation Act, because it is a good example of a wilderness bill that will benefit Americans in many ways. Built upon that legislation, the Udall-Anderson substitute is a carefully refined and modified version of H.R. 39 and I lend my full support to its passage.

The NAACP resolution recognizes that many young people in our Nation—especially children from innercity districts such as my own—grow into adulthood without experiencing the beauty of the great outdoors. Wilderness should be a part of the heritage which belongs to all Americans, and we can only achieve this goal through the full protection of Alaska's Federal lands. Reflecting this belief, the NAACP resolution advocates preservation of a "resource pool"—unspoiled wilderness lands needed by all Americans, regardless of their racial or economic backgrounds. It is extremely appropriate to protect significant areas where wildlife can find refuge, where natural processes which scientists are just beginning to understand can continue unhindered, and where we can save untrampled land for future generations. The lands proposed for preservation in the Udall-Anderson substitute are public lands belonging to all Americans, rather than to special interests. They must, therefore, be protected if we are to afford all Americans the heritage which rightly belongs to them.

The group of Americans who perhaps will benefit most directly are rural Alaskans—including Eskimos, Indians, Aleuts, and others—who depend upon the land for subsistence purposes. The report on H.R. 39 issued last year by the Committee on Interior and Insular Affairs stressed that hunting and fishing are still the cornerstone of the culture of many rural Alaskans and that the option to continue and preserve their way of life should rest firmly with these people. Under the Alaska Native Claims Settlement Act of 1971, from which the Udall-Anderson substitute has grown, the land rights of the Native villages have first priority in Alaska.

Furthermore, on other public lands designated as "national interest" conservation units, the needs of those who practice a subsistence lifestyle will be protected. Great pains were taken to work out a subsistence provision for the bill which balances the needs of people dependent on subsistence living with the need to protect wildlife resources as well as the interests of the Federal and State governments. Through this provision, the Udall-Anderson substitute rightfully recognizes the importance of maintaining our Nation's cultural diversity.

The Udall-Anderson substitute is crucial because it offers us our last opportunity to save America's remaining wilderness. For years pristine lands have been sacrificed in order to accommodate expanding national production. Because resource exploitation required mining, clearcutting, and development of these lands, America's wilderness resource has dwindled until, today, we are faced with a startling scarcity of unspoiled land. We must seize this opportunity to protect our last frontier and in doing so fulfill a moral obligation to future generations, since the weight of our decision will fall most heavily upon them.

The Udall-Anderson substitute is so important to all Americans because it strikes a proper balance between conservation and development. These goals, which traditionally have been pitted against each other, complement each other in the Udall-Anderson substitute. Recognizing America's need for energy development, this bill provides for responsible leasing of suitable Federal lands in Alaska for oil and gas exploration. It does not attempt to "lock up" all of these lands; rather, it balances consideration of the Nation's need for minerals, oil, gas, and timber with the equally important need to protect our irreplaceable wilderness resource.

Mr. Speaker, I give my support to the Udall-Anderson substitute and would like to include in the Record the text of the resolution on wilderness resources as passed by the 68th annual convention of the NAACP, meeting in St. Louis, Mo., from June 27 to July 1, 1977:

NAACP 68TH ANNUAL CONVENTION RESOLUTIONS XVII MISCELLANEOUS

Whereas, "wilderness" can be defined as land which retains its primeval character without permanent human improvements, untrampled by man, and is affected primarily by the forces of nature;

Whereas, the qualities and benefits of an enduring resource of wilderness is well known for its opportunities in providing for primitive recreation, preservation of a "resource pool" unaffected by man;

Whereas, America's wilderness resource is dwindling at an astonishing rate through resource exploitation such as mining, clear-cutting, and development;

Whereas, an enduring resource of wilderness is needed by Americans of all races and economic backgrounds, especially minorities and the poor living in the inner cities;

Whereas, many young people born in the inner city grow into adulthood without experiencing the enjoyment of the great American outdoors;

Therefore be it resolved that the National Association for the Advancement of Colored People support endeavors to set aside more land areas to be designated as wilderness areas; and urge Congress to expand wilderness areas.●

PRESIDENT CARTER'S ENERGY PROPOSALS

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. EVANS of Delaware. Mr. Speaker, I first want to commend President Carter for focusing his attention on a problem which threatens the very security of this Nation—our dependence on foreign oil.

This country now imports nearly half our petroleum needs every day, compared to 36 percent before the 1973–74 oil embargo. Almost all of this imported oil comes from areas of the world which are unstable and could erupt at any moment, with disastrous consequences for our economy. Most of the Persian Gulf oil travels through the Straits of Hormuz, where the shipping channel is only 8 to 10 miles wide. One terrorist action could easily close this strait, and with it our fragile pipeline of Mideast oil.

It is therefore important that our Nation make a crash effort to reduce our foreign dependence. This will be accomplished in two equally important ways: by conserving existing supplies and by developing new sources of energy within the United States. Today, I wish to make a few observations regarding the President's recent proposals, keeping in mind these twin requirements.

DECONTROL

The President has just submitted the legislative language on decontrol, and the Congress must insure that his programs will be workable and accomplish what he says they will. Therefore, I must reserve judgment on the specific legislation until these questions are satisfactorily answered. However, I do support the concept of decontrol.

Decontrol of oil prices is a politically difficult question. But it must be faced. No energy decision from now on will be easy. Prices are going to go up for oil and gasoline, whatever we do. Decontrol may allow us to use the revenue derived from these higher prices to help develop more sources of energy, instead of having these dollars lost forever to the American economy as is now the case.

Federal price controls, while politically attractive, have failed to solve the basic underlying need for greater conservation and more production. In fact, Federal controls have made our energy problems worse. By keeping oil and gasoline prices artifically low, they have encouraged waste, and have discouraged conversion to alternative sources of energy, such as coal and solar power.

Americans today are driving at a record rate. We are using 5 percent more gasoline today than last spring, at a time when we should be using 5 percent less. Voluntary conservation efforts have been a failure. Rationing would cost the taxpayers at least $2 billion a year for more Federal bureaucrats, and would create hardships throughout our economy. Week-end closings of gasoline stations would not save any significant amounts of energy, would make the problem worse by encouraging hoarding, and would place a disproportionate burden on States like Delaware which depend heavily for jobs on the tourist industry.

In short, it appears that the only short-term solution to our energy problem is decontrol.

European countries which have lived with gasoline prices over $1.50 a gallon for years have proven that high prices will encourage conservation. Further, as West Germany has shown, high energy costs can be compatible with strong economic growth. One of the prime reasons why the U.S. dollar's value has declined so dramatically is the fact that other industrialized nations of the world do not believe that we are serious about reducing our energy demands. Perhaps decontrol will be that signal, and lead to a restoration of confidence in the American economy.

Finally, decontrol will encourage greater exploration for new oil in this country. Companies will have the incentive to drill deeper, to extract reservoirs previously considered unprofitable, and to take greater economic risks in offshore areas.

WINDFALL PROFITS

However, we cannot allow the oil companies to reap exorbitant profits from decontrol. No person or company should profit unnecessarily from the energy misfortune of this country.

I am sure that the Ways and Means Committee will have much to say about the mechanics of any windfall profits tax. For me, there are several questions regarding the windfall profits tax which remain unanswered. For instance, will some of the revenues which are plowed back into the development of new energy sources be exempt from this additional tax? One of the purposes of the windfall profits tax should be to encourage greater domestic exploration, and I believe it is essential that any proposed tax take into consideration the revenues which are used solely for the production or development of new energy-related activities.

MASS TRANSIT

I am extremely pleased that the President included mass transit in his energy package. For too long, we have allowed our mass transit systems in this country to deteriorate to the point that it is no wonder no one rides them. I urge that, instead of building new, high-cost systems like subways, we direct our resources to refurbishing projects such as the Northeast corridor rail network, and our intracity bus systems. People will use mass transit if it is fast, safe, convenient, and clean. America's system often meets none of these requirements. That needs correcting now.

SOLAR ENERGY

Mr. Speaker, I also support an expanded program of solar energy research and development. This year the Federal Government will spend about $650 million on solar energy. In addition, the marketplace is just now beginning to feel the stimulation of the solar energy tax credit which I supported in the last Congress. These tax credits will provide a direct subsidy of up to $2,200 for persons who utilize solar technology and I am hopeful that this initiative will be the catalyst for the development of new and cost-effective solar systems. Unfortunately, however, solar energy is not yet ready to replace on a significant scale other forms of energy. But it is important that the Government give it all the assistance we can. We must transform our reliance from depletable energy sources to renewable forms, such as solar, wind, and geothermal energy. Solar is safe, clean, and secure from foreign intervention and I hope the President will give solar energy the kind of leadership it definitely needs.

COAL PRODUCTION

I was, however, disappointed that the President did not mention any new proposals with respect to coal.

Coal is this Nation's most plentiful fossil fuel resource. Yet at the present time, 10 percent of this Nation's coal-workers are laid off. In Appalachia, 10,000 miners have been idled since last summer. Despite all the rhetoric from the Carter administration about switching to coal, its percentage of usage has increased less than 1 percent since 1973.

A recent Government action points up exactly why we have failed to utilize more coal. In Greenwich, Conn., the Environmental Protection Agency successfully moved to force ConRail to switch from using coal in the electric generators to using imported oil—at the very time the President of the United States was calling for a reduction in our imports.

Congress must reexamine the environmental controls it has placed on coal usage under the Clean Air Act. In viewing this Nation's overriding energy problems, a new balance must be achieved.

NUCLEAR POWER

The President did not mention anything about nuclear power. With the incident at Three Mile Island a recent memory, it is not surprising that public officials want to make like an ostrich and bury their heads in the sand when nuclear power is mentioned.

The Three Mile Island mishap has already begun to force Government to review the safety process connected with nuclear power programs. We must make absolutely sure that everything humanly possible is being done to make present and future nuclear plants safe.

However, we must not overreact to Three Mile Island. If nuclear power was discarded as a source of energy, how would the lost power be replaced? How much would it cost? If we used coal, what would be the environmental and health damage? A coal-fired plant the size of Three Mile Island would emit 35,750 tons of sulfur per year. Is that acceptable? If we replace nuclear plants with oil, then utility costs which are now too high for most people would increase by $3 billion, with more increases as the price of oil went up. Is that acceptable? ●

AMERICA'S SECURITY CHALLENGE

HON. TOM STEED

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. STEED. Mr. Speaker, the Chairman of the Joint Chiefs of Staff, Gen. David C. Jones, delivered a measured and concise analysis of our defense policy last Friday night. General Jones spoke in the district I represent, appearing at the 70th annual dinner of the Altus, Okla., Chamber of Commerce.

What he said regarding weaponry and defense posture has vital significance for all of us, and I am, therefore, entering the text of his remarks in order to share with my colleagues what I think is the best summary treatment of the Nation's most vital problem that I have heard. His remarks, enthusiastically received by his audience in Oklahoma, follows:

ANALYSIS OF OUR DEFENSE POLICY

(By Gen. David C. Jones)

Ladies and Gentlemen, it's a pleasure to be with you this evening. We have long considered Altus to be an Air Force town and deeply appreciate your support of the Air Base and a strong national defense.

I welcome the opportunity to share with you my perspective on the security challenges we face and what needs to be done about them.

Last summer, when President Carter swore me in as Chairman of the Joint Chiefs of Staff, I stated that the challenges that lie ahead for the American people could well be among the most serious this country has ever faced. As time passes, I am more concerned than ever with the severity of these challenges. And I am more than a little apprehensive about the pace, direction and strength of our responses.

For a variety of reasons, we have tended over the years to disbelieve the evidence of slowly gathering clouds on the horizon. Somehow we seem to become distracted by complacency and by the more immediate concerns of the moment.

Not even the oil embargo of 1973 could awaken us other than momentarily, and we continue to consume—and waste—natural resources as if they were limitless. A few months ago, I stated that Americans have not faced up to the fact that the days ahead will carry us inexorably from plenty to pinch to crunch. In a very short time we have moved from plenty to pinch, and the long term prognosis is grim. But still we do not recognize the economic difficulties and the potential for conflict this problem will bring.

Another concern: For many years, American industry has been the model for the world—efficient, modern, innovative. It could pay relatively good salaries because of our high productivity. But now we have an aging plant and our productivity increase has been outstripped by Western Europe and Japan.

Because of this decline in relative productivity, our balance of trade in low-technology goods is very unfavorable. Our favorable balance in high-technology industries, including high-technology agriculture, has long helped to offset our deficits, but even here we see some adverse trends.

U.S. patents are down. Investments in innovation, invention, research—the slow yeast of future prosperity—have been deferred, delayed and reduced in many areas. Risk capital investments are declining. We are spending 25% less of our gross national product on research and development in America than we did 15 years ago.

All of these problems—resources, productivity, technological slow-down—need our priority attention. If we do not come to grips with these and other critical issues, the strength of our nation will continue to erode.

These problems would be difficult to solve even if we lived in a benign world. But as all of you know, we do not have a benign world. It's a world of instability, rising nationalism, and increasing internal turmoil. Iran is only the most recent case; there is potential for similar turmoil in many places on the map.

People in the world are demanding greater equity in the division of natural resources. There are growing appetities and diminishing resources on this small planet of ours. Some nations are not economically viable. There will continue to be political vacuums and turmoil.

Last month, for example, I was part of a senior delegation which discussed a number of security issues with leaders in several Arab countries. I returned from that trip more concerned than ever about prospects for instability in that part of the world, where U.S. vital interests are so deeply engaged.

On the plus side, regional leaders were reassured by our ability to move large amounts of materiel to the area so quickly when South Yemen invaded North Yemen. They were deeply impressed by the quality of our equipment, the professionalism of our people, and our ability to project tailored forces to distant trouble spots where mutual interests were being threatened by aggression.

Nevertheless, it was clear to me that the Middle East-Persian Gulf area has potentially incendiary problems and military force alone won't be a panacea. Religious, tribal, and ideological differences, uneven distribution of wealth, inherent tensions between strong traditions and ambitious modernization—these and many other currents of turmoil could explode into violence in any number of places and in ways difficult to forecast or control.

President Carter deserves great credit for his personal diplomacy in bringing together the two sides and clearing the way for an Israeli-Egyptian peace treaty. This historic achievement is a major breakthrough toward stability and peace in the Middle East over the long term. Even so, all of us recognize that the treaty does not eliminate existing tensions among nations in the region, and we will continue to face many difficult diplomatic hurdles in the days ahead.

In a world such as this, there would be more than enough problems to occupy our attention even if there were no global competition from the Soviet Union. However, this Soviet competition is a fact of international life and, for more than a decade, it has been assuming an increasingly ominous character. Its most worrisome feature from my viewpoint is the steady, relentless, single-minded concentration on building offensive military power.

The direction and momentum of this growth, far out of proportion to any rational calculation of their defense needs, gives me cause for deep concern. They have had to impose considerable sacrifices on their people to achieve this capability and this undoubtedly has contributed to many of their problems.

It is predicted they will have almost zero growth in total GNP in the early 1980's. In addition to a creaking economy, they are plagued by chronic agricultural shortages, requiring expensive imports. They are a net exporter of oil today, but there are some who predict they will become a net importer of oil in the 1980's. Even if these predictions are wrong, it's clear that they will have to invest a lot of capital and gain access to advanced technology to lift the oil from the tundra and from very deep wells in the Caucasus.

They have many social problems. The mild shortage in their work force today is predicted to become quite severe in the 1980's. They also have a shift coming in their ethnic and nationality mix, which is likely to bring on increased social tensions.

Abroad, things aren't all roses for the Soviet Union, either. They feel very acutely the pressure of a billion Chinese at their back door. They have seen the need to deploy large and very expensive forces along the Chinese border—including about one-fourth of the total divisions of the Soviet Union.

Even in Eastern Europe, their dominance is not assured—at least without the threat of repressive measures. I'm sure they have long memories of Hungary, Poland, East Germany and Czechoslovakia and they must know the seeds of dissension are there. Around the world, they have few true friends. Opportunists, hangers-on, yes, but mainly fair weather friends.

In assessing our relative power positions, it is clear that the Soviet Union is not an economic superpower. The United States is far stronger economically than the USSR and, if you expand the comparison to East versus West—including Japan among the Western allies—the differences are even greater.

Similarly, the Soviet Union is neither a political nor a technological superpower. The Soviet brand of Marxism does not have the appeal it had immediately after World War II and despite some remarkable technical achievements, the Soviets are still heavily dependent on the West for modern technology.

There is only one aspect of national power that gives them superpower status: their military potential. The bulk of Soviet influence is derived from their ability to project power and I believe it is for this reason they have given such high priority to their military. It is also the reason the Soviets have very little incentive to moderate their military buildup, for this buildup has brought the rewards of greater influence in the world.

Despite their manpower problems, they maintain more than 4,000,000 men under arms; despite serious economic problems, it is estimated they are devoting 11 to 13 percent of their gross national product to the military . . . and there are serious and respected analysts who say that is substantially underestimated.

Since the early 60's, they have been increasing the resources devoted to the military by about 4 to 5 percent annually in real terms. In contrast, we are devoting less to defense today than we did in the early 60's.

The Soviet efforts have resulted in a substantial shift in the balance between the East and West. A few years ago, the West had a lead in military capabilities. Today we have an uneasy balance; each side has its advantages and its vulnerabilities. But the trends are very adverse for the West. In my judgment, there is insufficient genuine concern about the future. I believe we will see a more assertive and self-confident Soviet Union in the days ahead, willing to take increased risks.

This time of year, budget time, we in the military are frequently accused of rattling our swords in order to get more money out of Congress. The implication is that we overestimate the threat to further our self-interests.

Unfortunately, the Soviets have generally done more than we expected. Since the early 1960's, the estimates of growth in Soviet military capability have been underestimated far more than overestimated. The greatest underestimations have been those concerning strategic nuclear forces, the most destructive and dangerous area of military capability. For many years, the Soviets have been outspending us on strategic nuclear forces by a factor of between two and three to one. They have built the most destructive force in the history of the world.

Their greatest increase in capability has occurred since the signing of SALT I and we don't see any evidence of slackening effort on their part.

They are deploying three new intercontinental ballistic missiles, including the very large SS-18 which can carry up to 10 high-yield warheads and deliver them with great accuracy. They are deploying new sub-launched ballistic missiles and new sub-launched ballistic missile submarines. They are continuing with the deployment of the Backfire bomber which has capability for intercontinental missions, although it is being deployed for theater and naval missions. In addition, they have a number of new or modified ICBMs under development, as well as research and development in many other areas of strategic offensive capability.

Much of their military writing expresses a doctrine which treats nuclear war as thinkable and they are not only building their offensive forces, but are giving great attention to command and control, civil defense, air defense, and all the other elements needed to fight a nuclear war.

On the other hand, our efforts have been moderate. We have considered nuclear war as unthinkable and have generally directed our efforts toward deterrence, with the underlying presumption that a failure of deterrence would lead to a spasm war. Our force improvements have been limited—some improvements to the MINUTEMAN, development of cruise missiles which will be deployed on our aging bomber force in the 1980's, and a modernization program for our submarine-launched ballistic missile force.

There is no question that the Soviet buildup and modernization of their strategic forces have out-paced ours by a considerable margin and continue to do so.

What is emerging is a Soviet force with two-thirds of its capability in fixed intercontinental ballistic missiles, with many thousands of high-yield warheads of great accuracy. Consequently, we face an increasing vulnerability of our intercontinental ballistic missile force, to the extent that the Soviets may well believe that they can achieve a strategic advantage in the 1980's.

What would this mean for us? Although the Soviets are improving their war-fighting capability, I do not believe they intend to have a nuclear war with the United States. I believe they will seek to avoid a nuclear exchange which would cause widespread devastation in both countries.

There are some who would say, "If that's true, then an imbalance is unimportant." Or to put it another way, "Once each side has an assured capability to destroy much of the economic base of the other side, you have equality regardless of numbers, and numbers become unimportant. Anything beyond a certain level is overkill. And this means a strategic balance is very stable."

If you incline toward that view, then you are likely to be so enamored with the process of SALT that the substance of SALT gets overlooked. According to this view:

Talking to the Soviets and then coming to an agreement is much more important than what is in the agreement.

Relative capabilities beyond a certain point are not important and it is folly to do much more.

The only rational reason to put more money into defense or to build a new weapon system is to "buy off the hawks" to gain this support for SALT.

I believe such an approach is quite flawed because, in my view, our strategic forces serve a much broader purpose than preventing an out-of-blue attack on Washington or Chicago. If we were an island unto ourselves, maybe such an approach would be feasible and practical, although I doubt it. But we are not an island. We live in a very interrelated and inter-dependent world. And the Free World looks to the United States to balance the Soviet Union, particularly in intercontinental strategic weapon systems.

I would be very concerned about any real or perceived imbalance in strategic forces. Any such imbalance would have a profound effect on the decisions and options available to leaders in Washington and Moscow and on the perceptions and alignments of other nations of the world.

If you look back to the Cuban missile crisis, we had nuclear superiority as well as a local conventional advantage. Nonetheless, the Soviets had enough intercontinental capability to put weapons down on our major cities and to kill millions of Americans, yet they backed down.

We face the danger of foreseeable situations in which the positions could be reversed. The Soviets have, in areas of proximity to the Soviet Union, substantial conventional advantages. If they were to couple those advantages with an overall strategic advantage, a more assertive and self-confident leadership in the Soviet Union, and an encroachment on U.S. interests, I believe the risk could be very great.

Arms control negotiations can help in maintaining the balance, but only partially. Agreements can establish a framework, but negotiations are not an end in themselves. We in the Joint Chiefs of Staff have long supported arms control negotiations and we have advocated reductions even greater than those likely to be achieved in SALT II. We hope that, in the future, there will be further reductions—reductions that will be made on an equitable basis.

It would not be appropriate for me to comment on the specifics of SALT II. We have stated that we reserve our judgment until there is an agreement at hand, and as of today, there are still some issues to be resolved.

Frankly, whatever the technical pros and cons of the agreement itself, my broader concern is how SALT will be viewed by the American people. No arms control agreement will solve all our strategic problems and, in any event, we have to recognize that the trends I've described today will determine the balance at least until the mid-1980's. If SALT were to become what one former high government official characterized as a tranquilizer, these trends could well become irreversible.

Regardless of what happens on SALT, I see no alternative to increasing our investments in strategic weapon systems. With an equitable SALT agreement, it should be less than without agreement. But in any event, we will have to spend more on strategic forces. Of particular importance is a commitment to a program for a survivable intercontinental ballistic missile.

Although the Soviet strategic nuclear buildup has been most dramatic, they have by no means been neglecting the other elements of their military power. For example, the former clear-cut US lead in theater nuclear capability has been overtaken by the Soviets, particularly in view of their deployments of long-range systems such as the mobile, MIRV'd SS-20 missile. This is a particularly worrisome problem in Europe given the current state of essential equivalence in US-USSR strategic forces and substantial Warsaw Pact numerical superiority in conventional forces.

Regarding general purposes forces, there isn't time to cover the full spectrum of Soviet modernization, but the key point is this: while extending the lead in numbers, mass and firepower which they have always enjoyed, they have also been systematically overtaking many of the offsetting qualitative advantages we have relied on to maintain a balance. They have been modernizing across the board—armor, artillery, an ocean-going surface and subsurface Navy, and a new Air Force with extensive range and offensive capability.

Clearly the military trends favor the Soviet Union and if allowed to continue could result in an increasingly unstable and dangerous world. To counter this buildup, I am not suggesting that we should embark on a crash program. What I am suggesting—and have suggested to my civilian superiors—is that the United States has the material and moral resources to arrest and reverse the dangerous military trends discussed earlier, and that we will need to increase our defense spending in the years ahead, particularly in the area of strategic forces. I believe that, by demonstrating strong resolve, we can force the strategic competition with the Soviet Union away from the military sphere and toward areas where the risks of violence are less and the incentives for negotiated force reductions are greater.

I emphasiz that we have the resources to reverse these trends. But in order to marshal them properly, I believe the nation must avoid the twin dangers of divisiveness and complacency which can paralyze resolute action. We must recapture the cohesiveness of will and purpose which guided us to greatness and must overcome the deadly presumption that, somehow, we'll be able to muddle through without any sacrifices or tough choices.

The future calls for clear vision, united purpose and steadfast determination on the part of all Americans. I know I can count on the people of Altus and Oklahoma to continue to do their part. Thank you for your attention and good night.●

THE CONSTITUTIONALITY OF THE PANAMA CANAL IMPLEMENTING LEGISLATION—THE REMOVAL OF EXECUTIVE OFFICERS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. DORNAN. Mr. Speaker, yesterday, I once again brought to the attention of this House the testimony of Dr. Charles Breecher, an expert on constitutional law, concerning treaty limitations on the President's power of appointment. I believe that a fairminded analysis of that testimony will reveal the unconstitutionality of the treaty limitation. I have never heard of any constitutional lawyer or theorist of our politics who would agree that the Constitution could be amended by treaty. But that, apparently, is what the Congress will do if it implements article III, paragraph 3 of the Panama Canal Treaty of 1977.

For the benefit of my colleagues, I would like to bring to their attention a second major constitutional issue: the treaty's limitation on the removal power of the President. I would ask my colleagues to give this matter their closest attention:

THE TESTIMONY OF DR. CHARLES BREECHER BEFORE THE PANAMA CANAL SUBCOMMITTEE, MARCH 7, 1978

Re Issue 2: What limits can be placed on the President's power to remove civil officers?

Except for the limitations on the President's right of removal contained in the Constitution itself (Art. III, Sec. 1 re: judicial appointments), the President's right of removal seems to be closely linked to his power of appointment. It may seem superfluous to consider here at length what limitations on the Presidential removal power the Congress might impose by law, because the Treaty provisions require that the President should not have any removal powers at all with regard to the Panamanian members of the Canal Commission. The President, according to the Treaty and the implementing legislation, cannot remove Panamanians except with the consent of the Republic of Panama, and must remove them at Panamanian request. Accordingly, the power of the President to remove would be usurped by the Panamanian Government. The Treaty Summary prepared by the Department of State underlies that removal at the initiative of the United States can take place only "after obtaining the concurrence of the Panamanian Government."

While the removal power is not specifically mentioned in the U.S. Constitution, it has been adjudicated by the Supreme Court in Myers v. United States, 272 U.S. 52 (1926), Humphrey's Executor v. United States, 225 U.S. 602 (1935), Wiener v. United States, 357 U.S. 349 (1958), and Morgan v. TVA, 312 U.S. 701 (1941).

It results from these Supreme Court decisions that under the U.S. Constitution, the power of the President to remove executive officers is absolute and cannot be restricted in any manner. Congress may restrict Presidential removal power only for quasi-judicial or quasi-legislative officers. The implementing legislation gives the President the right of removal, at his discretion for the U.S. members of the Panama Canal Commission, so it regards the members of that Commission as executive officers.

None of the decisions cited lends any support to the thesis contained in the Panama Canal Treaty of 1977 and in the implementing legislation that the President's removal power may be restricted to the point where he cannot remove for any reason, except with the consent of a foreign Government. Nor can any basis be found in the U.S. Constitution to lodge the removal power de facto in anyone other than the President. U.S. legislation could not for instance provide that the President must remove if so requested by the Senate. How then could a law provide that the President must remove a civil officer of the United States if so requested by the Republic of Panama?

H.R. 111 corrects this particular constitutional defect by providing unrestricted removal power for the President for all members of the Panama Canal Commission. H.R. 111 also provides for Senate advice and consent to appointments, the next constitutional issue raised against H.R. 1716. However, H.R. 111 does not correct the three other constitutional defects mentioned.

Even more important, by correcting certain constitutional defects as is mandatory under the U.S. Constitution for U.S. legislation, H.R. 111 of necessity violates the Panama Canal Treaty of 1977. This has the serious consequence that it vitiates all the rights granted to the U.S. by Panama under the Treaty, because these rights can be exercised by the United States only through the Panama Canal Commission constituted as ordained in the Treaty.

There is no way to square this circle. Unless the Treaty is amended while there is still time, either the U.S. Constitution or the Treaty must be breached by the implementing legislation.●

MCPL NUCLEAR ALERT SERIES: II

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mrs. SCHROEDER. Mr. Speaker, last week my colleague JOHN SEIBERLING, of Ohio, initiated the MCPL nuclear alert series by inserting in the RECORD a New York Times editorial on aid to Pakistan and on the chances of nuclear proliferation on the subcontinent.

This past weekend, the New York Times had two excellent news analyses in its Week in Review section, which I wish to insert as the next step in the MCPL series.

These pieces tell all too well the difficulties encountered in the fight for nonproliferation. The first, by David Burnham, explains the development of the arguments of arms control advocates over recent years and expresses specific reasons for continuing optimism. The second article, by David Binder, brings us back to the cold, unpleasant reality: Pakistan has successfully managed to elude international controls and has developed its own uranium enrichment plant.

We in Congress must lead an international debate on nuclear nonproliferation. The Nonproliferation Treaty, the present safeguards of the International Atomic Energy Agency, and voluntary limitations on the export of plutonium are not sufficient restrictions by which the international community can monitor—let alone halt—nuclear proliferation. Unless the world community recognizes this, and acts accordingly, we risk self-destruction.

Following are two articles from the New York Times of April 29, 1979:

HOLDING THE LINE ON THE BOMB

(By David Burnham)

WASHINGTON.—During most of the past 25 years, the United States has campaigned to persuade the other nations of the world to buy American nuclear reactors to generate their electricity.

The American sales pitch promised a first generation of reactors, using slightly enriched uranium for fuel, that would produce electricity at far less cost than coal or oil. The construction and operation of the reactors, especially by the less developed nations, would also provide glittering certificates of technological competence.

But the final American promise was even more heady. With the construction of facilities to extract plutonium from the uranium used in the first generation of reactors and the gradual development of what the engineers call the liquid metal fast breeder reactor, each nation could guarantee itself energy self-sufficiency because the breeder would create more plutonium than it burned.

But in the last few years, an increasing number of critics have said the American sales campaign included an unstated threat: The adoption of plutonium would substantially increase the number of nations that possessed nuclear weapons or would be able to arm themselves with such devices in a matter of days or weeks.

Perhaps even more threatening, the worldwide shipment of plutonium inherent in the general use of the breeder reactor could provide terrorist groups an opportunity to arm themselves with atomic bombs.

Though a few American officials and members of Congress had been raising the prospect of nuclear proliferation for more than a decade, it was not until the end of the Ford Administration that proliferation became a central concern to the Government.

But reversing the direction of such a longstanding policy, especially one that promised so many benefits to so many nations, is extremely difficult.

"We're obviously very far from a total success," said Representative Jonathan Bingham, for many years a critic of the Government's drive to encourage the rapid growth of nuclear power and the related development of the breeder reactor.

"But the President and Congress," Mr. Bingham continued, "have recently achieved some progress in persuading the other nations of the world about the acute problems which would result if plutonium becomes a general article of commerce in world trade."

"It is not a totally black picture," said Charles N. Van Doren, the Deputy Assistant Director for Non-Proliferation in the United States Arms Control and Disarmament Agency. "Though we certainly don't have all the answers to controlling proliferation, at the same time we don't have any alternative but to try."

Concerned officials have mounted two separate but related efforts to prevent the proliferation of nuclear weapons beyond the six nations that have exploded nuclear devices—the United States, Great Britain, the Soviet Union, France, China and India—and a seventh nation believed to possess atomic bombs, Israel.

The first approach is the nonproliferation treaty under which the signing nations agree not to acquire or manufacture nuclear weapons, to place all their nuclear facilities under an international inspection system and not to export nuclear materials to any other nations who has not agreed to international safeguards.

While 110 nations have signed the treaty, a number of important countries, including India, France, China and Israel, have not. The treaty has other shortcomings. The organization responsible for making the required inspections is the International Atomic Energy Agency. By its own admission, these inspections are so infrequent that a nation bent on violating the treaty in many instances would have time to build nuclear weapons before the diversion of nuclear materials would be spotted by the inspectors.

"The treaty is not sufficient, but it is indispensable," commented Mr. Van Doren.

The second line of defense is an American campaign designed to persuade the rest of the world to halt the move to plutonium, at least until much better methods are devised to make sure that none of it is diverted to atomic bombs.

Partly because about 460 reactors are now operating or under construction in at least 48 different countries, nonproliferation concerns have stirred waves of anguish among engineers, utility executives and government officials throughout the world. The pain has been especially acute in countries such as Japan and France who have long looked to nuclear energy, especially the breeder reactor, to reduce their dependence on imported oil.

To raise the credibility of its appeal, the United States has halted development of an experimental breeder reactor on the Clinch River in Tennessee and indefinitely deferred plans to extract plutonium from fuel rods used in the 72 conventional reactors in the United States.

The United States also has encouraged the organization of the nuclear supplier nations to limit the export of equipment used to extract plutonium from fuel rods or enrich uranium to weapons grade.

Though no authorities in Congress or the State Department believes the driving forces of proliferation are now contained, they point to several particular developments as reasons for hope.

Efforts to establish a nuclear-free zone in Latin America appear close to success. The treaty establishing this zone obligates the signing nations to refrain from manufacturing or acquiring nuclear weapons, and prohibits the stationing, installation, storage or testing of such weapons on any of the territories it covers.

A technological approach to slowing proliferation has been found for most of the hundreds of research reactors which for many years have been fueled with highly enriched uranium that could be used to make bombs. Several nations have learned how to fuel the research reactors with uranium that would be almost impossible to use for the production of weapons.

Under pressure from President Carter, 40 nations and four international groups have joined in a two-year study of the hazards of proliferation. The International Nuclear Fuel Evaluation, as this study is called, is attempting to find ways of minimizing the risks associated with growing accessibility of plutonium and high-enriched uranium.

According to a recent study by Michael Brenner, an associate professor at the School of Public and International Affairs of the University of Pittsburgh, President Carter's move "to stop the spread of nuclear materials having weapons potential is perhaps his administration's most venturesome foreign policy initiative." But whether this or any administration can overcome the diplomatic, economic and security imperatives to carry the development of nuclear power to its next stage remains an open question.

How Pakistan Ran the Nuke Round the End

(By David Binder)

Washington.—Early last autumn Frank Allaun of the British Labor Party rose in Parliament to raise a question about the export to Pakistan of some equipment called "inverters" by a company called Emerson Electric. He suggested in a reserved way that the equipment would help Pakistan to manufacture a nuclear weapon.

By so doing, Mr. Allaun lifted a corner of the blanket of secrecy that is usually lowered whenever the spread of atomic weapons-making capability is concerned. That blanket is held down not only by the aspirants to the nuclear warfare club, but also by the handful of countries who already possess atomic weapons.

Mr. Allaun's question raised alarms in Washington, New Delhi, Paris, Peking, Moscow and all the other capitals where the spread of nuclear weaponry is regarded with doomsday concern. It also launched an international sleuthing operation, one result of which was the announcement by the United States early this month that Pakistan was preparing to make an atomic bomb and therefore should not receive further economic or military aid.

For, by implication, Mr. Allaun raised the prospect that any government with the will, the knowhow and the money could assemble a nuclear weapons factory despite all the solemnly agreed international treaty prohibitions, simply by shopping around for the parts of a do-it-yourself kit.

Behind the disclosure in Parliament lay the finding by British authorities that Pakistan had purchased 30 inverters, or high-speed motor drives, from Emerson Electric early in 1977 through a West German contractor and was seeking to purchase 100 more through a Welsh intermediary called Weargate. The ostensible destination, Emerson had been informed, was a textile mill in Pakistan. London authorities intervened when they determined that the inverters were not of a type used in textiles, but rather of the kind employed by the British Atomic Energy Commission.

Nuclear specialists concluded the inverters were destined for centrifuges which must spin at twice the speed of sound to separate the fissionable isotope uranium 235 from ordinary uranium. Thousands of such units are linked to form "cascades" producing weapons-grade uranium.

Last September the British Ministry of Energy asked Emerson to halt production of the second inverter order and stop the sale. The company immediately complied.

Nucleonics Week, an international publication, declared in its Oct. 12 issue: "Pakistan may be about to complete gas centrifuge systems for the enrichment of uranium for military purposes." By this time a new kind of espionage operation was under way, staffed in part by professional agents from the traditional intelligence agencies, but also by the science-trained government officials whose task it is to monitor untoward developments worldwide in the rapidly burgeoning international nuclear trade. Eventually the search spread to half a dozen countries, including the United States, where Pakistani agents had been shopping for the pieces essential to their bomb kit—often using front or dummy organizations. Ultimately the focus was narrowed to four European countries in which suspicious Pakistani purchases had been made. These were West Germany, Britain, the Netherlands and Switzerland.

A crucial clue developed last winter when a Dutch engineer, attending the 22d annual general conference of the International Atomic Energy Commission at its headquarters in Vienna, flashed to some amazed Indian scientists a photocopy of an enormous Pakistani order for "martenistic aging steel," an alloy so hard and strong and expensive that it is fit mainly for jet plane engines and gas centrifuges. Pakistan doesn't make much in the way of jet engines. At that same Vienna meeting, Munir Ahmad Khan, chairman of Pakistan's Atomic Energy Commission, declared his Government was going ahead with its "entire nuclear program," including a power plant at Chashma that would depend on enriched uranium.

Listeners recalled that in 1976, under the late Prime Minister Zulfikar Ali Bhutto, Pakistan had already made one stab at acquiring nuclear weapons technology by contracting to buy a plant for reprocessing spent atomic fuel from France. Reprocessing is one main route toward obtaining weapons-grade atomic material—uranium enrichment is the other.

It took the United States until last August to persuade France to postpone delivering the reprocessing facility to Pakistan indefinitely. While the international sleuths were duly attentive to Mr. Khan's somber forecast, it was the Dutch engineer's disclosure that made their ears ring. The steel alloy, together with the inverters for heightening electric frequencies and speeding centrifuge processes, meant only one thing: a Pakistani A-bomb.

Further probes disclosed that a Pakistani commercial mission based first in Brussels and now in Bonn had gulled a number of suppliers with the tale that the materials they sought were for a textile mill. Among those who fell for this line was the West German concern, Team Industries, located in Leonberg-Eltingen near Stuttgart, which processed the first inverter contract for Emerson Electric.

Intelligence agencies, including West Germany's B.N.D., Britain's S.I.S., the C.I.A. and the Dutch Binnenlands Veiligheidsdienst (B.V.D.), cooperated in developing still more leads, among them the discovery that a leading Pakistani nuclear scientist, educated in the Netherlands at Leuwen and Delft, had been allowed to familiarize himself with the secret gas centrifuge process for enriching uranium at the Dutch-British-West German plant in Almelo on the Dutch-German frontier.

Finally, a well-placed Arab informant indicated that Pakistan had secured financing for an enriched uranium plant, costing upward of $30 million, from Libya's Col. Muammar el-Qaddafi, who has long sought a "Moslem bomb." As recently as last October, one of Colonel Qaddafi's principal aides, Maj. Abdul Salam Ahmed Jalloud, was in Pakistan renewing pledges of aid for nuclear projects.

Pakistan's uranium enrichment plant is reportedly at the town of Kahuta, southwest of Rawalpindi and not far from Pakistan's small research reactor center.

American officials engaged in monitoring nuclear proliferation sadly acknowledged that Pakistan has eluded not only the elaborate controls set up by the International Atomic Energy Commission, but also the newer export restrictions of the Nuclear Suppliers Conference, which was founded by seven atomic exporting countries after the Indian explosion on May 18, 1974, and now has 15 members.

While regretting that the Pakistanis found and exploited gaping holes in nuclear export control laws, one American official said he took consolation in the heightened consciousness of the perils of proliferation raised by the suppliers' conference. He couldn't prove it, he said. But this new awareness may have made it possible to find out about the Pakistani caper sooner—before a nuclear test, which experts think is still at least five years away—rather than afterward.●

EULOGY, ROGERS C. B. MORTON

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. CLAUSEN. Mr. Speaker, it was with a feeling of great personal loss that I learned of the passage of Rogers Morton, my dear friend and colleague. While attending his funeral in Easton, Md., I reminisced certain aspects of his public life.

Rog and I were sworn in together as Members of the 88th Congress in 1963 and I was fortunate enough to appreciate at firsthand some of the most memorable qualities that he was known for during his career in the Congress.

In particular, Rog preceded me as a member of the Interior Committee which he was elected to his first year. He served as a ranking minority member of the Subcommittee on Territories and was a well-known advocate of environmental concerns. In addition, through his membership on the Merchant Marine and Fisheries Committee, he was instrumental in insuring that the beauty of the Chesapeake Bay, which he was especially fond of, be protected.

Rogers was also a highly valued party leader. In 1969 he served as chairman of the Republican National Committee, and later served as President Ford's campaign manager and Cabinet adviser during his Presidency.

His Interior Committee experience prompted President Nixon to appoint him as the Secretary of the Interior in 1971. During his 4 years there he made several significant decisions, including approving the permit for the Alaska pipeline and the sale of offshore leases in the Atlantic, both of which are increasingly important due to our domestic situation.

Mr. Speaker, needless to say, the Congress and our Nation have suffered a great loss in the death of Rogers C. B. Morton. His motivation, leadership, and evenhanded regard for business and the environment are qualities that we in the Congress should emulate. But it is Rog's enthusiasm, integrity, and most of all, his very special friendship, that I will miss most of all.

Rog Morton was a giant of a man but he really stood tall in the forest of great men this Nation has produced. Intelligence, integrity, dedication, and determination to achieve excellence were all qualities that those of us who knew him as a close and intimate friend will always remember.

Rogers Morton has left this country much richer for the time he devoted to his legislative and administrative efforts. Above all, during his service as Secretary of the Interior he left a legacy of conservation monuments that will cause us to remember our good friend forever.●

OPEN HOUSE AMENDMENTS

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, today I am reintroducing the Open House Amendments of 1979, a package of 10 House rules reforms, with a bipartisan group of 32 cosponsors. I originally introduced this package of reforms on April 4, 1979, as House Resolution 204. The amendments are designed to strengthen our oversight and ethics procedures, put a cap on subcommittee proliferation, and make our committee system more open and accountable through more open committee meetings and records, banning proxy voting and requiring a majority quorum for the transaction of business, making it easier to obtain rollcall votes in committees and require the publication of final votes on reporting a measure in the committee report, and requiring verbatim transcripts to be kept of conference committee meetings.

Mr. Speaker, while this package has been referred to the Committee on Rules, 9 of the 10 amendments would amend House rules X and XI and thus fall within the jurisdiction of the new Select Committee on Committees as well. While the major responsibility of that select committee will be to suggest a more rational alinement of our committee jurisdictions, it is also charged under House Resolution 118 with studying and making recommendations on "committee rules and procedures." As I have mentioned previously, I was extremely disappointed that the select committee has been prohibited by House Resolution 118 from making any direct recommendation to the House on such things as the number of subcommittees. One of my amendments goes directly to that issue by prohibiting all committees except appropriations from having more than six subcommittees. The select committee may offer a recommendation on this to the respective party caucuses, for what that is worth. I would hope when the select committee's product reaches the Rules Committee we could deal with this growing problem through an amendment to the House rules, as it should be. Despite the Democratic Caucus attempt at the beginning of this Congress to reduce subcommittees by limiting Democratic Members to no more than five subcommittee assignments, our 22 standing committees have 148 subcommittees in this 95th Congress, down only three from the last Congress. In addition, our two permanent select committees, Aging and Intelligence, have four subcommittees each, the same as last year. This Congress has thus far been more restrained than the last Congress in creating other select committees—only two have been approved, while one has been defeated by the House and another by the Rules Committee. Nevertheless, 12 of our permanent standing committees, other than Appropriations, have more than six subcommittees, something which I think can and should be improved on if we are to make our work more manageable in this House.

Mr. Speaker, at this point in the RECORD I include a summary of my open House amendments together with a list of the cosponsors:

SUMMARY OF OPEN HOUSE AMENDMENTS OF 1979

SEC. 1. *Oversight Subcommittees*—Each committee other than Appropriations and Budget having more than 20 members would be required to establish an oversight subcommittee.

SEC. 2. *Oversight Agendas*—Each committee would be required to formally develop and adopt an oversight agenda and timetable at the beginning of each Congress and submit it to the Government Operations Committee within 60 days of the convening of the Congress. The Government Operations Committee would be required to hold hearings on these oversight agendas and, after consultation with the majority and minority leadership, publish the agendas together with its recommendations for coordination within 90 days after the convening of the Congress. The Government Operations Committee would also be required to assess the oversight activities reported by each committee at the end of each Congress and publish its evaluation.

SEC. 3. *Ethics Investigations*—The Committee on Standards of Official Conduct would be required to issue a report on any investigation it has undertaken. The House may direct an investigation by a resolution reported from the Rules Committee or by a resolution called up by any Member who has filed a complaint if the Committee does not vote to investigate it within 15 days after receipt of the complaint.

SEC. 4. *Subcommittee Limitation*—Each standing committee, other than Appropriations, shall establish no more than 6 subcommittees.

SEC. 5. *Public Access to Committee Records*—Each committee shall keep a verbatim transcript of all legislative and investigative action which shall be made available for public inspection unless it involves matters which would endanger the national security or violate any law or rule of the House. A separate summary would also be kept of all committee action which would also be available for public inspection.

SEC. 6. *Proxy Voting Ban*—No vote could be cast by proxy in committee.

SEC. 7. *Open Committee Meetings*—All committee meetings would be open to the public unless a committee majority votes to close a meeting for national security, personal privacy, or international budgetary or personnel reasons.

SEC. 8. *Quorum Requirement*—A majority of a committee would constitute a quorum for the transaction of any business, including the markup of legislation.

SEC. 9. *Committee Voting*—A rollcall vote could be demanded on any question by any member of the committee, and would be mandatory on reporting any measure or matter and the results of such a vote would be published in the committee report.

SEC. 10. *Conference Committee Transcripts*—A verbatim transcript would be kept of all conference committee meetings with the consent of the Senate conferees. The transcripts of all open meetings would be available for public inspection, and all transcripts would be available for inspection by House Members.

COSPONSORS OF OPEN HOUSE AMENDMENTS OF 1979

Cosponsors of all 10 amendments:

Mr. Burgener, Mr. Butler, Mr. Carter, Mr. Coelho, Mr. Collins, Mr. Conable, Mr. Corcoran, Mr. Coughlin, Mr. Emery, Mrs. Fenwick, Mr. Frenzel, Mr. Gingrich, Mr. Green, Mr. Horton, Mr. Hyde, Mr. Jeffries, Mr. Lott, Mr. Lagomarsino, Mr. Marlenee, Mr. Solomon, Mr. Stangeland, Mr. Walker, Mr. Winn, and Mr. Whittaker.

Cosponsors of some of the amendments:

Mr. Carr, No. 4.

Mr. Findley, No. 3, No. 4, No. 5, No. 6, No. 7, No. 8, No. 9, No. 10.

Mr. Gephardt, No. 1, No. 2, No. 3, No. 6, No. 7.

Mr. Glickman, No. 3, No. 5, No. 7, No. 10.

Mr. Jeffords, No. 5, No. 6, No. 7, No. 8, No. 9, No. 10.

Mr. Simon, No. 6.

Mr. Symms, No. 4, No. 5, No. 6, No. 7, No. 8, No. 9, No. 10.

Mr. Van Deerlin, No. 4, No. 7.●

FARM LAND PROTECTION ACT

HON. ALLAN BYRON SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. SWIFT. Mr. Speaker, I think there are few among us who would argue that one of the richest and most important heritages we have in this country is our agricultural land. Yet, each year between 2 and 3 million acres of that land are being converted from agricultural to nonagricultural uses, which threatens our future ability both to provide food for ourselves and to meet increasing world demand.

Recognizing the seriousness of this problem, a number of my colleagues and I have recently introduced a bill, H.R. 2551, to indicate the Federal interest in helping to preserve agricultural land. We believe strongly that it is in the national interest to try to avoid conversion of this prime, irreplaceable resource to their uses.

My colleagues and I are aware of the strong emotions surrounding the issue of Federal presence in land use decisions. On the one hand there are those who consider any Federal moves in this regard as tantamount to the beginning of communization leading to a socialist state. On the other hand are those interested parties who are so concerned about the loss of our agricultural land resources that they may be misled into a false sense of security in thinking that this bill is a panacea bringing immediate solutions to their problems.

The Federal Government does not, and absolutely should not, have any direct interest or role in the decisions involved in the land use planning process. That rightfully belongs with State and local governments, and, in fact, H.R. 2551 specifies that nothing contained in it should be construed to authorize the Federal Government to in any way diminish existing authority of the various and local governments respecting land use, zoning, et cetera. But, what the Federal Government does have an interest in is providing information to the Government units that are responsible for management and planning. One purpose of this bill, then, is to establish a committee that will gather and analyze the kind of government to make informed, rational choices about the future of agricultural land.

A further point to consider is that the Federal Government has itself often been the culprit in encouraging changes from agricultural to nonagricultural uses of land. Another purpose of the bill is to insure that the Federal role will be carefully examined in any instances where conversions are licensed by or require approval by a Federal agency.

Mr. Speaker, I have several rural counties in my district for which this bill promises no immediate relief. The study program incorporated in this bill requires at least 50 percent local matching money. Only large counties with strong tax bases will be able to participate in a demonstration program.

But I believe these problems are important enough and serious enough that this legislation is necessary to point us in the right direction. Only when we have appropriate information and demonstrated methods of protecting the incredible wealth we have in agricultural land will we be able to do so effectively and at a reasonable cost. My congressional district has an interest in the long-term effects of this legislation. The action we have taken in introducing H.R. 2551 is only the beginning of a long process. Mr. Speaker, I submit that it is already past the time for this kind of approach.●

ALASKA MINERAL PRODUCTION UNAFFECTED BY STRONG CONSERVATION BILL

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. PATTERSON. Mr. Speaker, the Alaska National Interest Lands Conservation Act, soon to be voted on by the House, is an issue of tremendous significance for all the people of our Nation. My office in recent days has received numerous letters and phone calls from constituents who have taken this landmark issue to their hearts. They clearly perceive that our great northern wildlands in Alaska, from the island-studded southeastern straits to the velvet tundra of the North Slope, belong to each and every one of us.

They clearly perceive that it is our duty as stewards of this great land to protect and preserve it for future generations to come. They clearly perceive that to do this we need a strong and potent Alaska lands bill.

The Udall-Anderson substitute to H.R. 39, now cosponsored by some 80 Members of the House, is such a bill. The other versions before us do not share the vision of an evermore valuable wilderness heritage in Alaska. These versions do not provide solid protection for these lands. They do not balance our Nation's need for both economic resource development and natural resource preservation, as does the Udall-Anderson substitute.

I hope my colleagues will join me in supporting the Udall-Anderson substitute as an act of farsighted stewardship unsurpassed in our Nation's history.

Alaska lands legislation has become an emotional issue, but as Members of the House, we are responsible for edging through emotional arguments and for evaluating only the rational arguments based on facts.

One particularly emotional contention that is widely circulating is that the Udall-Anderson substitute freezes the development of Alaskan hardrock minerals. This argument has no factual foundation and I hope my colleagues will not allow it to sway their judgment.

The impact of the Udall-Anderson bill on both the State and national hardrock mineral supply will be negligible. Wherever possible, the conservation unit boundaries in the Udall-Anderson bill have been drawn purposely to exclude key deposits. As a result, most of Alaska's potential mineral deposits are outside of the conservation units. The Udall-Anderson substitute, in fact, requires a continuing geological assessment on all public lands in Alaska, including conservation system units. We will thus know, in years to come, where all of Alaska's mineral deposits lie.

Let us look at the claim that the legislation withdraws some 70 percent of lands rated highly favorable for mineral occurrence by the U.S. Bureau of Mines. This number is apparently derived from an analysis made by a single Alaskan geologist—an official of the Alaska Miners Association and an active lobbyist against a strong Alaska lands bill—at the request of the Federal-State Land Use Planning Commission.

According to a subsequent comprehensive U.S. Geological Survey report, however, over 60 percent of Alaska's land with metallic mineral potential is outside of the conservation units. Here is how Assistant Secretary of the Interior for Energy and Minerals, Joan M. Davenport described the USGS study:

> The reports represent the collective knowledge of a team of 25 Geological Survey scientists. The assessment is the best yet available of Alaska's mineral resources and no comparable analysis summarizing mineral potential has been published before or since.

The national mineral perspective is even more revealing. The USGS has estimated that the Udall-Anderson substitute would affect only 7 percent of the known U.S. domestic hardrock mineral deposits. When the spectacularly high cost of developing these deposits in Alaska is factored in, even this statistic overstates the real impact of the legislation on mineral production.

The cost of exploring, developing, and producing these Alaskan minerals, in fact, is the real clamp on Alaska's mineral industry. According to the Bureau of Mines, the cost of mining in Alaska is 1.5 to 2.76 times the cost in other States. The mining industry itself reports:

> The State is riddled with mineral deposits which, if found elsewhere in the country would be developed without question. Here, the ore has to be rich enough to pay the enormous costs of getting it out. (Alaska Industry, June 1978.)

What then would the impact of the Udall-Anderson substitute be? The Federal-State Land Use Planning Commission concludes that—

> Prospective restrictions (on mining on national interest lands) will not have a major impact on Alaskan development or national mineral supplies.

Furthermore, the Commission agrees with an industry commissioned study that—

> It is generally agreed upon that Alaska minerals are not necessary to meet strategic demands of the United States.

Because of the high environmental and social costs of mining in Alaska—a process that invariably includes new roads, milling facilities, trucking depots, and townsites—we must be careful to restrict these activities to those areas with the most valuable mineral deposits. Fortunately, the Udall-Anderson substitute has drawn the conservation system unit boundaries to exclude major mineral deposits. It is only logical, in the interests of the magnificent parklands, wildlife refuges, and wilderness areas we are seeking to preserve, that we focus exploration and development on favorable lands outside these areas. I urge my colleagues to join me in voting for the balanced approach to the Alaska lands issue—the Udall-Anderson substitute.●

COL. MICHAEL KOVATS DE FABRICY

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Ms. OAKAR. Mr. Speaker, on May 11, 1979, Hungarians around the world will be observing the 200th anniversary of the death of Col. Michael Kovats de Fabricy, a Hungarian officer who led American colonists in battle against the British at Charleston, S.C., on May 11, 1779. Col. Michael Kovats de Fabricy commanded the Pulaski Legion in this battle and gave his life in defense of Charleston, an example of personal heroism and sacrifice which inspired the colonial defenders of Charleston to resist and defeat the British attack. Celebrating this anniversary is a good way of reminding ourselves how our country's War of Revolution could not have been waged successfully without the service and leadership of such European military officers as Colonel de Fabricy who willingly gave their time—and in many cases, their lives—to the cause of American independence.

I am happy to join with all Hungarian Americans today in commemorating the death of Col. Michael Kovats de Fabricy on May 11, 1979. This is especially gratifying to me because I represent an area of Cleveland, Ohio, which has the largest Hungarian-American population in the United States. To mark this historic occasion, I am proud to submit into the CONGRESSIONAL RECORD the following resolution honoring the 200th anniversary of the death of Col. Michael de Fabricy.

The resolution is as follows:

RESOLUTION

Whereas, Colonel Michael Kovats de Fabricy, as a free man and a Hungarian, having offered his sword to further the cause of the American colonies, was commissioned by George Washington and led the cavalry of Pulaski's Legion against the British along the Eastern Seaboard for two years; and

Whereas, Colonel Kovats proved himself "most obedient unto death" as stated in his letter of inquiry to Benjamin Franklin, colonial diplomatic agent in the French Court, as he fell while leading his men against the nearly 4,000 British regulars besieging Charleston, South Carolina, on May 11, 1779, and prevented the British from taking the City; and

Whereas, the courage and bravery of the gallant Hussar officer were gratefully recognized by his men as they buried him near where he fell, noted by his commander George Washington in a letter to the esteemed Marquis de Lafayette, memorialized in Charleston by a marble tablet at the battleground and in a monument in the City Hall garden as part of city Bicentennial festivities.

Now, Therefore, Be It Resolved that the Board of Commissioners of Cuyahoga County, Ohio, does declare Friday, May 11, 1979 to be

"MICHAEL KOVATS DE FABRICY DAY"

in and throughout all of Cuyahoga County, and, further, urges all citizens to join members of the Hungarian and Polish-American communities in honoring this founding father of the U.S. Cavalry and a hero in the War of Independence.

CUYAHOGA COUNTY COMMISSIONERS.●

MAKING COLLEGE COSTS EASIER TO BEAR: A COMMONSENSE APPROACH TO GUARANTEED STUDENT LOANS

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. MAGUIRE. Mr. Speaker, last week I introduced H.R. 3769, the Fair Access to Higher Education Act of 1979, a bill designed to strengthen the guaranteed student loan program without throwing the baby or the Federal budget out with the bath water. Today I address the intended effects of this act in more detail. As I noted yesterday, Chairman Williams will soon introduce a similar bill in the Senate, and some explanation is needed to understand the merits of both bills in this complicated loan area.

At a time of soaring college costs, Federal austerity, and administration proposals to cut back directly funded student assistance, loans are the most sensible and attractive way to bridge the gap between grants, family resources, and college expenses—for assuring qualified students economic access to the school of their choice. The guaranteed student loan program can help reach this goal without busting the Federal budget, since each dollar of taxpayers' money currecently supports up to 10 loan/dollars in privately funded GSL aid.

Unfortunately, private lenders must be willing to make such loans, and students must be able to find willing lenders. Barriers designed into the GSL program have driven many lenders—a group which includes savings and loan institutions, credit unions, insurance companies, and pension funds as well as commercial banks—to refuse or limit their participation. Because of redtape, loan servicing costs, defaults, and other program constraints, only about 10,000 of the 18,000 eligible lenders actively make guaranteed loans. Moreover, many of these hold down their yearly amount of GSL's and exclude so-called high-risk students—freshmen, halftime or vocational students, out-of-State residents, and those whose families have not maintained a banking relationship.

The result has been State-to-State variation in loan availability, discrimination against certain categories of students, and a program whose promise has not been completely fulfilled. In many States where effective guarantee agencies have built strong links with lenders, almost any student who needs a GSL can get one. In the 11 States without guarantee agencies, or other places where lenders must rely on the cumbersome Washington-based federally insured (FISL) part of the program, the chance of getting a needed loan is more ethereal.

Mr. Speaker, this list of program flaws is not new. There is wide agreement that ragged loan availability is one of the issues which must be dealt with this reauthorization year. There is also agreement that the issue list should include:

Excessive debt burdens due to rigid repayment schedules and the lack of any way for students to consolidate multiple obligations,

Government costs due to GSL subsidies and defaults, and

The complexity of getting, making, and servicing GSL's.

What is new is the way people are talking—seriously talking—about sweeping away a tested system whose major kinks have been eliminated over the last 15 years. What is new are the proposals for another massive Federal bureaucracy that would directly control all loans from Washington. First came the Tuition Advance Fund Act (TAF), which would have excluded freshmen and halftime students from loan aid, encouraged overborrowing, committed the Federal Government to expenditures of up to $10 billion the first year and $85 billion afterward, and imposed direct limits on tuition and enrollment to control the explosion in college prices it would have caused. Next came Senator BELLMON's national student loan bank bill (NSLB), which would have cost $65 billion to create a self-sustaining Washington loan agency, and would have given the Internal Revenue Service direct power to interpret and enforce education law by treating defaulted loans as delinquent taxes. Now the Office of Education is floating the idea of two new loan programs, both of them centralized in Washington, both ultimately capitalized on a direct basis by the Federal Government.

Mr. Speaker, none of these grand schemes to build a loan Versailles takes account of the fact that the present delivery system is generally working well. Both the number of loans made and the loan dollars disbursed by the private sector under this program have increased 10 to 25 percent each year since 1975, and the number of GSL's estimated for fiscal year 1980 by the Congressional Budget Office will likely jump from 1.13 million nationwide to at least 1.6 million—a hefty increase of 71 percent.

None of these sweepaway plans deal with the $7.6 billion in outstanding GSL's—not to mention the $3 billion in outstanding national direct student loans (NRSI's)—which will need servicing for the next 10 to 15 years, whatever we change tomorrow. None of them includes a meaningful role for the 39 State guarantee agencies, which insure 80 percent of all loans made and are the program's most important source of competence, creative management, and responsiveness to local needs. And none of them effectively addresses the impact on college tuition or grants of universal entitlement to loans. Commonsense and economics tell us that where every college student can get a $2,000 loan every year, hard-pressed colleges will raise their price to capture some of that money. That is especially true in these times of declining enrollment and uncontrollable cost increases due to faculty bargaining and other factors. Commonsense and experience also tell us that where every student is entitled to an annual loan, desirable increases in Federal and State grants will be undercut, if not displaced, by that loan money. This is especially likely in view of proposition 13 and the current Federal/State budget crunch.

Besides these defects—and there are more—these proposals would inevitably disrupt the current flow of loan funds, reducing access over the short run. And they would repeal the Higher Education Amendments of 1976, which made a deliberate decision to decentralize GSL's away from the Federal Government due to the State agencies' superior performance.

Mr. Speaker, there is another way of dealing with the real problems in the GSL program—uneven loan availability; heavy burdens on students and their families; defaults and other costs. There is a way to handle these problems without junking a system that has been steadily improved, without disrupting loan-based college access or leaping all the way to universal entitlement. That way is a gradual approach which builds on the strengths of the existing systems, and fine tunes it to deal with identified problems, and avoids radical surgery without better proof the patient is fatally sick. That way is the Fair Access to Higher Education Act of 1979.

Mr. Speaker, the Fair Access Act will strengthen the GSL program by building on the 39 State guarantee agencies and other proven mechanisms for loan delivery in ways that will sharply increase private loan funds—especially loan funds for college students from mid- and lower income families—without creating more headaches than it cures. It will therefore help deliver on the promise of last year's Middle Income Student Assistance Act (MISAA). As we know, MISAA established universal eligibility for Government-backed GSL's, but did nothing to increase either available loan funds or any student's chance of getting a loan.

The act will also:

Raise the annual and lifetime GSL limits, on a graduated basis;

Provide an effective way for college aid officers to coordinate loans with other assistance;

Increase students' certainty of getting GSL's, and relieve them of the need to trot from bank to bank until a loan is obtained;

Remove the cause—perceived risk—of lender discrimination against certain categories of students; and

Provide a systematic rather than knee-jerk way to reduce loan defaults, before as well as after default occurs.

More importantly, the act will avoid any grant displacement or upward tuition push by stopping short of entitlement and by limiting loans to a reasonable portion of need-based assistance or attendance costs. It will leave "reasonable" to be defined by the committees responsible for coordinating aid reauthorization as a whole. And it will address three major causes of GSL default—inability to find mobile students, heavy early repayments, and overlapping loan burdens—by allowing:

Lenders to use Federal or State repayment services, operated by Internal Revenue or State guarantee agencies, which remove the risk of nonpayment and reduce their costs;

Students to elect flexible repayment, based on their adjusted gross income, through these services;

Students to further elect to meet their loan obligation through regular withholding by their employer; and

Students to consolidate multiple GSL's and NDSL's.

Better yet, the act will provide these benefits at little or no extra cost to the Government per loan. According to recent analyses, its provision to accrue and compound the 7 percent inschool interest payments will likely save the Government between $13 million and $22 million, making available about 100 million to 200 million more private dollars in new loans. That provision would also channel more loans to mid- and lower income students. And there will be efficiency savings as well.

Best of all, the act will not impose another series of Washington-based regulatory changes like those which have driven lenders away and hurt loan-based college access in the past. Instead it adopts a commonsense approach by creating optional supplements to the GSL program, from which students, lenders and State agencies can choose in accord with their needs.

This act recognizes that a nationwide program need not—and probably should not—mean nationwide uniformity for the diverse postsecondary makeups of our 50 States. It will build on familiar elements of the GSL program, leaving students free to get and repay needed loans more easily, lenders free to minimize loan costs and risks, and State agencies free to respond better to local concerns. It will provide flexibility and efficiency for a program which has been strangling in redtape.

Mr. Speaker, this act is the result of a concern with college costs that began with my introduction of H.R. 10870 in 1975. It is also the result of months of staff work with student groups, education associations, financial aid officers, State agencies, and outside experts. It is a greatly improved version of last year's Capital Availability for Higher Education Act, which I coauthored with the late Bill Steiger. CAHE essentially dealt with flexible repayment and use of the Federal tax system to operate an inexpensive risk-free repayment service. The Fair Access Act responds to comments on the earlier bill, further limits the role of the IRS, and goes on to afford lenders and students:

Better access to secondary markets, to further increase loan funds;

Loan refinancing, at the student's election;

Lender referral and loan processing services;

Limited direct loans for needy cases, if referral does not produce a private loan; and

Fairer treatment where students return to school halftime.

I think it fair to say—and the words are other peoples', not mine—that this act is the most carefully thought out student loan measure in years. It does not address such broader issues as the quality of the postsecondary education that almost 2 million students will borrow to pay for next year. Nor does it address school tuition refund policies—a prime cause of defaults by midyear dropouts. Nor does it address deceptive recruiting by certain universities and proprietary schools. Those issues should be resolved by better HEW audits and stricter institutional eligibility for all Federal funding, but must not be allowed to distort general loan policy. The act does, however, provide a vehicle for resolving them in this comprehensive reauthorization cycle. And in the loan context its provisions will sharply improve the GSL program—without the disruption and uncertainty that have accompanied some improvements in the past.

Mr. Speaker, the Fair Access Act has already generated wide interest and support in the postsecondary community. I want to thank my cosponsors for their support and note my conviction that their ranks will quickly grow. The cause of real, quick, nondisruptive relief for college students and their parents has too much steam to be derailed.

I ask unanimous consent that several newspaper articles dealing with excessive GSL repayment burdens, the need for flexible repayment and increased access to loans, the current tuition squeeze on middle-income families, and the potentially severe adverse effects of MISAA on real loan availability, be reprinted in the RECORD.

[From the New York Times, Nov. 13, 1977]

NEW HEAT ON LOAN DEFAULTERS

(By Robert Reinhold)

WASHINGTON.—After seven years in and out of Columbia University, Linda A. Setlech was graduated last May. She left with a brand-new B.A. in English literature—and student-loan debts totaling nearly $10,000.

By August, confused over how much she owed, to whom she owed it and when she was supposed to start paying, and finding that her degree qualified her for nothing better than a low-paying job as a clerk-stenographer in Peoria, Ill., she was declared in default by Bankers Trust Company. The bank demanded that the State of New York make good its guarantee of the loan.

As it happens, Miss Setlech—who says she is willing to try to make payments totaling about $140 a month even though she can scarcely afford winter clothing—is trying to work out a plan to avert default and its consequences. Her take-home pay is only about $300 a month.

Her situation suggests in part why so many former college students across the country are failing to repay the loans they eagerly accepted years earlier to get through college. The problem has reached such proportions nationally that Government agencies, colleges and banks, which had been fairly lenient until now, are resorting to unusually harsh tactics to recover their money.

Every month, for example, New York State sends a computer tape of its defaulters over to TRW Credit, a national credit bureau. This might mean that a former student who ran out on a loan in New York would have trouble buying a car on credit in California, or getting any other kind of credit.

The Federal Office of Education, which has suffered default on one of every six loans it guaranteed, recently threw in the towel and turned over $430 million in bad debts to private collection agencies. The Department of Health, Education and Welfare subsequently learned, to its embarrassment, that 316 of its employees, including one high-level civil servant earning more than $33,000 a year, were on the default list.

Last summer the default rate here reached the point that local banks refused to give any more loans, leaving many a hopeful student stranded. One defaulter was a dentist with two offices in the Washington area.

At the same time, many students have raised countercomplaints. They say they are confronted with such a bewildering array of loans and grant programs, with different limits, interest rates and repayment schedules that the system almost invites default, especially at a time when college-taught skills are not very marketable.

An unusually high default rate was almost certainly to be expected. Loans are often made to 18-year-olds and 19-year-olds with no prior credit record to serve as a guide. Moreover, many debtors say later they did not even realize that the papers they had agreed to as freshmen were legally binding promissory notes that would saddle them with substantial monthly payments for many years after graduation.

Even those who understand the obligation do not always realize how heavy it will be. There is apparently no legal requirement that students be informed in advance of what the monthly payments will be. For example, the notes Miss Setlech signed with Bankers Trust in New York gave no clue that she would ultimately have to pay the bank about $70 a month for 10 years.

[From the New York Times, July 6, 1978]

Students Debt Rise Stirs Fear

(By Edward B. Fiske)

Half of this fall's freshmen at four-year private colleges will owe an average of $5,000 when they graduate in 1981, and by 1986 "that figure may triple," the Student Loan Marketing Association estimates.

With tuition costs rising faster than most scholarship funds, undergraduates are taking out more and larger loans to finance their educations.

Medical school students frequently begin practicing with debts as high as $40,000. While most have an earning level that makes this debt easily manageable over a period of years, educators and others fear that students will not be able to go into such fields as public health.

"Such debts will be manageable by those physicians who enter the more lucrative kinds of practice, but they will surely discourage many from seeking some of the less financially rewarding practices which so badly need filling today," said Jerry Lewis, president of the National Medical Fellowships Inc.

EFFECT STILL UNMEASURED

Economists have begun to ask whether such student indebtedness is also having an effect on consumption patterns, while others wonder about the possible effect of large "negative dowries" on marriage among young people.

Underlining these concerns is the broad social question of whether Federal tuition and policies of the last two decades, designed to promote access to higher education for millions of low-income students, have come to work against their purpose.

Considering the magnitude of student debt, surprisingly little data are available on lending and borrowing patterns and their consequences. "We're getting a very late start on something that is very important," said Kurt Kendis, a policy analyst at the Higher Education Research Institute of the University of Pennsylvania.

Students can obtain federally backed loans on highly favorable terms. Interest rates on some are as low as 3 percent a year, and payments on principal and interest do not begin until nine months after graduation.

$17.8 BILLION DISPERSED

Since 1959, when the first Federal loan program began with $9 million, the Government has disbursed $17.8 billion in student assistance, $7.2 billion of which is outstanding. Current disbursements are estimated at $1.6 billion under the Guaranteed Student Loan Program and $600 million under the National Direct Student Loan Program.

These figures do not include such private arrangements as the "parent loans" that many colleges offer to the parents of middle-income students.

The default rate in Federal student loans has become a major political issue in the last year or so, and the United States Office of Education has initiated a strenuous effort to find defaulters and force them to repay. At a recent conference sponsored by the Student Loan Marketing Association, Leo Kornfeld, who is in charge of the effort, said collections had increased to $15 million this year from less than $1 million in previous years.

Educators cite numerous reasons for student debt levels, beginning with inflation. There seems to be general agreement that scholarship funds, family contributions and the ability of students to earn income by working do not always increase as rapidly as tuitions and other costs, and this leaves borrowing as the only way to cover expenses.

"LESS GRANT MONEY" NOW

At the graduate level, a major factor is the decrease in Federal research grants and, therefore, of student fellowships. "There's less grant money out there than there was seven or eight years ago," said Alexander G. Sidar Jr., of the College Scholarship Service. "The burden is shifting to loans."

Social changes, including an increased sense of independence among young people, are also regarded as factors. "An intergenerational shift of responsibility from the parent to the student generation has taken place to a greater degree than is commonly recognized," said Robert H. Strotz, president of Northwestern.

The Rev. Timothy Healy, president of Georgetown University, suggested that students were becoming increasingly sophisticated about the effects of inflation, and recognized that "in an inflationary economy, a debt is an investment."

Educational finance experts doubt that much can be done to stem the tide of growing student indebtedness, but they are beginning to push for a number of changes that would minimize its negative effects.

GRADUATED REPAYMENT URGED

One is to lengthen the 10-year pay-back schedule of Federal loans. Another is to allow for graduated repayment schedules that would take into account the fact that students right out of college are usually not earning as much as they will be a few years later.

"Why should a student who will be paying back $7,000 over a decade have to come up with $60 or $70 month the first year after school?" asked Edward A. Fox, president of the Student Loan Marketing Association.

Mr. Strotz has proposed consolidating the Federal loan programs into a single program with varying ceilings and repayment schedules that would be "sensitive to borrowers income."

Father Healy predicts that, if the repayment schedules are not improved, the issue will be raised in the courts. "If some kid from a minority background comes out of law school and is offered a Supreme Court clerkship at $12,000 or $14,000 a year and can't accept it, he could very well file suit on the ground that he was deprived of professional advancement and prospective earnings because of an unrealistic repayment schedule," he said.

[From the Chronicle of Higher Education, April 9, 1979]

Rising Costs Do Pinch Mid-Income Families, ACE Study Finds

(By Jack Magarrell)

WASHINGTON.—Middle-income families have good reason to complain about the increasing burden of college costs, a report by the American Council on Education indicates.

Several earlier studies, particularly one by the Congressional Budget Office, cited economic data to show that although the cost of higher education had been rising, family incomes had been rising even faster.

The implication was that parents today are selfish and unwilling to make the financial sacrifices that families once made to send a child to college.

The Budget Office report was quoted last year by opponents of increased federal financial aid to college students and their families.

The report's findings ran counter to the message that members of Congress were receiving through political channels: that middle-income families were more hard-pressed than they had been five or ten years ago to pay the bills for their children's higher education.

The message was sufficiently strong that Congress last fall increased federal financial aid for students from higher-income families, raising the income limit for Basic Educational Grants from $15,000 to $25,000 and completely eliminating the income ceiling for subsidized student loans.

The relative burden of college tuition on middle-income groups is being debated again this year as Congress considers renewal of federal financial-aid legislation. Proponents of tax credits for tuition payments also are trying to revive their proposal after a narrow defeat last year.

"SOMETHING WRONG WITH DATA"

"Experience teaches," said Carol F. Van Alstyne, chief economist of the American Council on Education, "that if the data do not correspond with public perceptions of economic phenomena there is usually something wrong with the data."

In the case of the Budget Office study, Ms. Van Alstyne argued, data were selected and interpreted in a way that would "minimize the possibility of finding a middle-income crunch."

The Budget Office study reported that between 1967 and 1976, college costs had risen about 75 per cent while median family income had gone up about 79 per cent.

Ms. Van Alstyne, in her analysis, was critical of both figures:

The reported increase in college costs was misleading, she said, because it lumped together tuition at all kinds of institutions and included costs of room and board as well as tuition.

The reported increase in family income was misleading because it did not reflect the rapid increase in taxes that has limited the growth of aftertax income.

If room and board are included in calculations of college expenses, the trends in tuition costs tend to be masked, the A.C.E. economist said.

People have expenses for room and board whether they are college students or not, she noted. While costs of living on a campus may vary slightly from institution to institution, a majority of college students do not live there anyway, she added.

Tuition charges alone for all types of institutions rose more than 94 percent, Ms. Van Alstyne said.

Although the Budget Office report did give separate figures for private and public institutions, tuition increases varied markedly within each sector, according to the type of institution, the A.C.E. analysis said.

For all public institutions the average tuition increase from 1967 to 1976 was 94.3 percent, but for universities it was 89.1 percent; for four-year colleges, 112.7; and for community colleges, 165.3.

During the period of comparison, taxes rose at a much faster rate than before-tax incomes, the A.C.E. analysis said. While the before-tax increase in median income for families with dependents 18 to 24 years old was 78.8 percent, the after-tax increase was estimated at 66.8 percent.

FAMILIES UNWILLING TO PAY

The Congressional Budget Office report showed the median income in 1976 was $12,199 for all families, $14,164 for families with dependents 18 to 24 years old, and $18,384 for families with 18-to-24-year-old dependents in college.

Families with children in college showed a greater increase in median income than those with children of the same age but not in college, according to the Congressional report.

A survey last year by the College Entrance Examination Board found that 54 percent of all families surveyed were unwilling to make any contribution toward their children's college expenses. Even among families with incomes above $30,000, one-eighth indicated they were unwilling to make any contribution, according to the study.

RECENT GROWTH IN COSTS, TAXES, FAMILY INCOME

Following are percentage increases in family income, taxes, and college costs reported for the period 1967–76:

Median family income before taxes

[In percent]

All families	+79.1
With dependents:	
aged 18 to 24	+78.8
With dependents:	
18 to 24, in college	+87.3
Taxes paid by average family of four:	
Federal income tax	+103.9
Social security tax	+185.9
State and local taxes	+152.5
Total taxes	+135.4
Median family income after taxes With dependents:	
aged 18 to 24	+66.8
Tuition and required fees:	
Public universities	+ 89.1
Private universities	+104.6
Public four-year colleges	+112.7
Private four-year colleges	+ 92.5
Public two-year colleges	+165.3
Private two-year colleges	+ 81.6
All public institutions	+ 94.3
All private institutions	+ 97.7
Tuition, required fees, room, and board:	
Public universities	+ 72.9
Private universities	+ 90.5
Public four-year colleges	+ 86.0
Private four-year colleges	+ 79.4
Public two-year colleges	+103.2
Private two-year colleges	+ 70.5
All public institutions	+ 76.1
All private institutions	+ 84.0

SOURCE: American Council on Education.●

CONGRESS MUST CONTINUE TO SUPPORT OUR VETERANS

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Ms. MIKULSKI. Mr. Speaker, I would like to join my colleagues in supporting Representative ROBERTS' amendment to the budget. Mr. ROBERTS' amendment, which increases the budget authority and outlays in the veterans' function of the budget by $265 million, is of vital importance if the veterans in this country are to continue to receive the benefits and the quality health care that is due to them.

Without Representative ROBERTS' amendment, the Veterans' Administration hospitals in this country will have to cut back their personnel by more than 8,000 positions, which would lead to a substantial reduction in the quality of care received in those hospitals. This is of particular concern to me since there are four VA health facilities in the Baltimore area. This amendment will also enable Congress to pass a bill, soon to be reported by the Veterans' Affairs Committee, which would grant an 8.3 percent cost-of-living adjustment to service-connected disabled veterans and their dependents.

The majority of veterans in our country are World War II veterans and most of them are in their late fifties. It is estimated that by 1985 half of the 621,000 veterans in the State of Maryland will be over 60 years of age. The VA is going to have to make changes in their health care systems to best accommodate this generation of veterans who will be requiring increased and different health related services. With these facts in mind, we in Congress cannot allow budget cuts in veterans programs.

I urge my colleagues not to forget our veterans who have given so much to our country. We must not let them down when they need us—we must support Representative ROBERTS' amendment to restore funding to veterans programs in the budget.●

A SALUTE TO THE SOUTHWEST HIGH SCHOOL PATRIOTS IN MACON, GA.

HON. BILLY LEE EVANS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. EVANS of Georgia. Mr. Speaker, I would like to call the attention of my colleagues to the outstanding achievements of the Southwest High Patriots basketball team in Macon, Ga.

For the past 9 years the Southwest High School basketball teams have compiled astronomical records which distinguish the Southwest Patriots. Under the coaching of Donald Richardson the teams have won 224 games and lost only 28, won four State championships in the last 5 years, and went undefeated this basketball season with 28 victories. This year the Patriots accomplished their only unaccomplished goal, the pinnacle of high school basketball, the prominence of being elected the No. 1 high school team in our great Nation.

Mr. Speaker, I would like to intimate the distinctive character of this team for it depicts the quality traits of southwest teams and an excellent model for high school students and players. Prior to this past season, 27 players went to college, some to genuine stardom. Over the years the players actively participated in civic and community activities. This year's team has an academic average of 2.4 on a 4-point system. Coach Richardson not only emphasizes excellence in play on the basketball court but he emphasizes excellence and the significance of academic achievement, character, and the development of individuals to their fullest potential to be contributing citizens to our country.

Mr. Speaker, apart from the superb basketball played by the Southwest Patriots, I would like to take this opportunity to cite that under the direction of Superintendent Paul Hagerty, Complex Principal W. C. Whitley, and Building Principal Harold Perdue, the Southwest High School goes beyond this achievement. I also salute the contribution this school makes to academic attainment.

Mr. Speaker, I salute the Southwest High School basketball record and accomplishments. This feat of being elected as national champions for this year is a tribute to Coach Donald "Duck" Richardson—a signal achievement.●

NATIONAL BLOOD PRESSURE MONTH

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. MOORHEAD of California. Mr. Speaker, May is National High Blood Pressure Month. It is estimated that 60 million Americans have hypertension of one degree or another. It is related to heart attacks, heart failure, strokes, cardiovascular disease and kidney failure.

These ailments cost America many lives, many lost hours, many dollars and much despair. The idea behind National High Blood Pressure Month is to alert our citizens to the dangers of hypertension, thereby allowing them the opportunity to avoid the traumas and tragedy of the disease.

While I have always been aware of the good done by this type of recognition program, I have a particular interest in National High Blood Pressure Month this year because of a very special program being carried on in the city of Burbank.

For the first time ever in the United States, Burbank will attempt during May to provide blood pressure screening for its entire population of 86,000. Supported by local business, the testing is free to residents. The city council has urged everyone to take advantage of the opportunity to use the computerized testing equipment, judged by Stanford University and Johns Hopkins Medical School to be extremely reliable.

With health care costs being a vital concern to all of us, a program which stresses prevention is welcome. It will save dollars but far more importantly, it will preserve health and save lives.

I salute the city of Burbank, the supporting businessmen, the testing firm and the participating residents, and recommend that we all take heed, as they have, of the sage truism that prevention of illness is vastly preferable to the cure of illness.●

LOS ANGELES TIMES URGES IMPROVED ALASKA LANDS BILL

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. HAWKINS. Mr. Speaker, since the House will be considering the question of proper classification and management of lands in Alaska in the next few days, I thought it would be of interest to my colleagues to read a recent editorial printed by the Los Angeles Times, entitled "The Magnificence Belongs to All."

In the 95th Congress, the House overwhelmingly voted for a sound, balanced bill that set aside for future generations the greatest treasures of land, while allowing for appropriate growth and development in the State of Alaska. Unfortunately, the Senate did not act on the issue, and the administration acted to impose protective classifications on the areas which would have been covered by the House version of the bill. In particular, President Carter's designation of 17 key areas as national monuments put into permanent form the national park system units which would have been designated by enactment of the House-passed bill.

This year, the Committee on Interior and Insular Affairs and the Committee on Merchant Marine and Fisheries completed their consideration on a refined version of last year's House-passed bill—with troubling results. The Huckaby and Breaux-Dingell substitutes pose several problems, and as a result I believe the better way to deal with the issues of proper protection of the land, with adequate opportunity for development, is by support of the Udall-Anderson substitute, which will be offered during floor debate.

I urge all of my colleagues to read the attached editorial from the Los Angeles Times, and to consider its contents when we consider the Alaska National Interest Lands Conservation Act of 1979.

Text of editorial follows:

[From the Los Angeles Times, Mar. 4, 1979]

THE MAGNIFICENCE BELONGS TO ALL

> The Carter Administration and other supporters of legislation to preserve 110 million acres of virgin Alaskan lands as national parks, wildlife refuges and wilderness lost a significant battle in Washington late last week.
>
> The House Interior Committee, by a margin of one vote, cut 20 million acres from the total, leaving the vast tracts open for oil drilling, mining and timber harvesting. One of the areas that would lose federal protection would be the only Alaskan habitat of the last surviving herd of porcupine caribou, numbering more than 120,000.
>
> The committee vote was on an amendment by Rep. Jerry Huckaby (D-La.), who made the outrageous argument that the country "is on the brink of World War III," and must have full access to Alaska's natural resources to insure its survival.
>
> But the more telling pressure on the committee was brought by oil lobbyists, whose clients want to explore the potential of an area in northern Alaska that includes the caribou refuge. It amounts to only a tiny fraction of the acreage that Huckaby wants to throw open, but, once the door was ajar, all 20 million acres were up for grabs.
>
> Huckaby's amendment amounts to a substitute for a Carter Administration measure that was being carried by Rep. Morris K. Udall (D-Ariz.), who also chairs the Interior Committee.
>
> The 20 million acres in question are not in immediate danger, because they are among the lands withdrawn from development by actions of President Carter and Interior Secretary Cecil D. Andrus late last year. But future administrations could lift many of the restrictions.
>
> Udall is considering a counterattack. The next hearing is before the House Merchant Marine and Fisheries Committee, which is even more prodevelopment than is the Interior Committee.
>
> But there is strong support for the Administration's proposals on the floor, where they won overwhelming approval at the last session, only to die in the Senate.
>
> Udall could move to substitute his own measure for Huckaby's on the floor, and there would be little risk in such a tactic because there is little chance that Carter would sign Huckaby's totally unacceptable version if it did prevail. Or, Udall could use his considerable influence to kill the bill that got out of his own committee over his opposition.
>
> Either way, the Alaska wilderness will be safe for a while longer. Sooner or later, Congress will have to enact—and Alaskan politicians and developers will have to accept—a reasonable concept for the protection of one of the world's most magnificent scenic resources.
>
> If it is not to be this year, it can wait. But, sooner or later, prodevelopment forces must come to realize that the land is not their exclusive domain to exploit as they will. It belongs to all Americans, not just to those in the northernmost state.●

HOW I WOULD HAVE VOTED

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. DIXON. Mr. Speaker, as the leadership and the balance of the House were informed, I was absent on official business Wednesdav, April 25, Thursday, April 2, and Monday, April 30. So that mv colleagues, my constituents and the general public may be aware of my position on recorded votes in the House, I would like to indicate how I would have voted on the three House rollcalls taken during this period.

On House rollcall No. 101, on agreeing to the conference report to H.R. 2285, Council on Wage and Price Stability reauthorization, I would have voted "yea."

On House rollcall No. 102, on H.R. 3354, naval petroleum and oil shale reserves authorization, fiscal year 1980, I would have voted "yea."

On House rollcall No. 103, on House Resolution 234, funding for the Select Committee on Committees, I would have voted "yea." ●

ALASKA BILL LEAVES ENOUGH LAND FOR STATE NEEDS

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. DASCHLE. Mr. Speaker, as the House prepares to debate the fate of federally owned wildlands in Alaska, it is instructive to look at how Alaska residents will fare under the Alaska national interest lands legislation. After careful study and analysis, it is clear that the Udall-Anderson substitute to H.R. 39 will not retard Alaska's chances for a viable and self-sufficient economy.

Under the Alaska Statehood Act, the Congress gave the new State of Alaska an unprecedented grant of 104.6 million acres of land, an area the size of California, plus approximately 45 million acres of tide and submerged lands. This was by far the largest and richest statehood land grant in our Nation's history, representing a staggering one-third of all land ever granted to all States combined.

To date, the State of Alaska has selected 100.2 million acres of its statehood grant. These selections encompass much of the most habitable and economically valuable lands in the State. With 75 million acres of its entitlement selected, the State of Alaska's Department of Natural Resources in 1977 reported:

> The existing state selected lands provide a wide ranging balance of resource lands which can be used to support the Alaskan economy. In many cases, state selections have high-graded lands for particular resource potentials. This is exemplified by our selection at Prudhoe Bay for oil and gas resources and our selection of much of the best agricultural land in the state in the Matanuska, Susitna, and Tanana River valleys.

Those 75 million acres contain a giant share of Alaska's economically valuable resources. For example, they include over 70 percent of the prime agricultural lands in the State and such opulent oil deposits as Prudhoe Bay. Alaska has since selected an additional 25 million acres of valuable land and has assured itself an economic future based on a resource-rich land base. Clearly, congressional intent in the Alaska Statehood Act that the new State be provided a sound economic base has been realized.

Nonetheless, the State is now attempting to gain part of its remaining entitlement from the national interest lands—the new national parks, wildlife refuges, national forests, wild rivers, and wilderness being proposed by the Udall-Anderson substitute for H.R. 39, on which we will soon be voting. With a gleam in their eyes—not unlike that in the eyes of most every frontier settler—the development interests in Alaska are coveting roughly 10 million acres of Federal land slated for preservation as national interest lands.

Giving these lands to the State, as the Huckaby and Breaux versions of H.R. 39 propose, would create thorny inholdings within the proposed conservation system units. These State inholdings would threaten the integrity of the units, create severe management problems, and ultimately require reacquisition by the Federal Government. The cost to taxpayers, needless to say, will be enormous.

What is most disturbing is that none of this need happen. The State—without conflicting with any of the Udall-Anderson substitute land proposals—has a pool of over 50 million acres of unreserved Federal lands from which to choose. As the Honorable MORRIS K. UDALL, coauthor of the Udall-Anderson substitute, which I support, so accurately stated last year:

> We can set aside the last remaining vast areas of wilderness and wildlife habitat to meet our obligations to present and future generations, and yet be responsible and flexible enough to assure that there are other lands to explore and develop, with care and sensitivity, to meet our material needs, too. The tide of modern technological development is about to sweep over Alaska. The discovery of oil at Prudhoe Bay a decade ago is only the most obvious of a whole rash of developments now underway or being readied for implementation. All this is causing rapid change in the Alaskan lifestyle. Not in our generation, nor ever again, will we have a land and wildlife conservation opportunity approaching the scope of importance of this one. This time, given one great last chance, let us strive to do it right.●

CATTLE PRODUCER HAS STORY TO TELL CITY CONSUMER

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mrs. SMITH of Nebraska. Mr. Speaker, there continues to be too much misunderstanding between the farm producer and the city consumer. The consumer gets a break on food prices when the farmer or rancher does not receive the cost of production for his commodities. There should be some disposition on the part of the consumer, therefore, to be more understanding when the pendulum swings the other way as it does on rare occasions for farm producers. Meatless Wednesdays and beef boycotts strike back unfairly at the wrong people. The producers have a right to a profit, too.

A recent letter from a farm constituent of mine, Mr. Lynn Polhemus of Holdrege, Nebr., explains why year after year of below-cost-of-production prices can take their toll and force a livestock producer to take a step he and his family do not want to take.

I think my colleagues will be interested in Mr. Polhemus' letter. I submit it for the RECORD at this point:

APRIL 20, 1979.

Hon. VIRGINIA SMITH,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSWOMAN SMITH: In reference to the meatless Wednesday, I do have a comment. My wife and I run a hundred head cow herd, carried their calves and bought an additional eighty or ninety head. Run them until they were two years old.

We also farm 400 acres of irrigated corn, take care of 1200 acres of pasture fence and rented additional corn stalks for winter feed.

Now the point of this letter is to tell a story to the city people. This year we had a debt of $300,000 at 10 percent interest, which had accumulated over 40 years of raising calves at below cost. We were offered a chance to cut down this debt this spring and ease off the labor, which has been taking its toll all too early. We carefully weighed this, the meatless Wednesdays, the meat boycott of not too long ago, took the easy way out and sold the whole works.

We ask no sympathy nor expect any gifts, but when a profit comes once every eight to ten years, we don't expect to be clobbered by the public from making a profit. One year in ten does not an incentive make.

Thank you for listening to this.

Sincerely yours,

LYNN POLHEMUS.●

SPORTSMEN, HUNTERS, AND THE ALASKA LANDS BILL

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. FAZIO. Mr. Speaker, in the interests of clarifying one of the issues which may affect Member's decisions on the Alaska lands bill shortly to come before us I would like to bring the following letters between myself and Congressman UDALL to the attention of my colleagues:

WASHINGTON, D.C.,
April 23, 1979.

Hon. MORRIS UDALL,
Chairman, House Interior Committee,
Longworth House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: A number of sportsman hunters in my district have contacted me expressing concern over language in the Alaskan Wilderness Bill giving priority to subsistence uses on public lands over the consumptive uses in the taking of fish and wildlife. I would very much appreciate it if you would have a member of your staff inform me as to what is the estimated impact of such a policy on sportsman hunters in the lower 48 states. I am enclosing a copy of a Habitate Owners Alliance newsletter which has accompanied some of the letters for your information.

Thank you for your consideration of this request.

Best regards.

Sincerely,

VIC FAZIO,
Member of Congress.

COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS,
Washington, D.C., April 26, 1979.

Hon. VIC FAZIO,
House of Representatives, Longworth House Office Building, Washington, D.C.

DEAR VIC: Many thanks for your recent letter pertaining to sport hunters in your district expressing concern regarding language in the Alaska lands bill giving priority to subsistence uses on the public lands.

Frankly, I do not envision an impact on waterfowl hunters in the lower 48, since language in the bill tracks current State law and policy. The bulk of subsistence uses occurs now on Native (private) and State lands. Applying the same policy to public lands will assure that State law enforcement and fish and wildlife management programs will be coordinated throughout the State. Further, the situation in Alaska is unique in that many rural people still depend on a subsistence lifestyle for survival just as rural people in the West a hundred years ago depended on these resources. Fish, particularly salmon, total some 85 percent of the current subsistence uses in Alaska. The intent of the language is to assure that, in the event a shortage should ever occur, those rural people who require fish and wildlife to meet survival dietary needs will receive priority. Not all subsistence users will meet this strict criterion.

I cannot foresee the future, of course, but change is occurring very rapidly in rural Alaska and it seems to me that as rural Alaskan people become more dependent on a cash economy, fewer and fewer will be dependent on subsistence resources and even fewer would qualify under our priority system. To conclude that taking of fish and wildlife by rural people will cause the sport hunter in the lower 48 to face restrictions in the future seems to me to be stretching the point a bit.

I am sure that sport hunters will agree that the key to maintenance of viable wildlife populations is protection and management of wildlife habitats. Thus, I believe that an issue of extreme importance to your constituents is the preservation of prime wildlife habitats as national wildlife refuges in Alaska. The Udall-Anderson substitute which we will be offering when the Alaska lands matter comes to the House floor in the near future is the only bill which will assure the proper protection (not only in size of units but in management direction) for those critical wildlife habitats on which myriad wildlife species depend and which are included in the National Wildlife Refuge System in our substitute. This is especially true of the great "waterfowl factories" of the Yukon Delta, Yukon Flats and in interior Alaska along the Yukon River which furnish waterfowl to all four flyways in the lower 48 states and, indeed, other continents. While the other bills list most of these same areas they do not provide necessary wildlife habitat protection which is required to insure continued wildlife utilization and productivity since they permit a number of incompatible developments and uses which are at cross purposes with wildlife habitat protection and, thus, future wildlife survival.

For example, it is essential that the calving grounds of our last large free-roaming caribou herd, located on the coastal plain of the Arctic National Wildlife Range, be protected in a natural condition. Caribou and other wilderness wildlife, such as polar bear require an unimpacted environment in order to survive. The coastal plain also is heavily utilized by migratory waterfowl, particularly snow geese which nest in the Soviet Union and winter along the East Coast and California. The Udall-Anderson substitute proposes this area as wilderness, but the Huckaby and Breaux alternatives propose to open the coastal plain for oil and gas exploration.

For your information, the National Wildlife Federation, the country's largest sportsmens organization strongly supports the Udall-Anderson substitute.

If I can help to explain further the complex Alaska lands situation, around which a large amount of misinformation has been circulating, please ask.

Sincerely,

MORRIS K. UDALL,
Chairman.●

STATEMENTS AND REMARKS ON RHODESIA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following statements are a partial reproduction of remarks made by Ambassador Young in a town meeting in Washington, D.C., and comments on those statements by the Rhodesian Information Office. I think the summary raises serious questions about how well informed Ambassador Young is of the Rhodesian developments since the Government there consented to the elections.

The summary follows:

Some Statements Made by Ambassador Young

Ambassador Young. We have not opposed the sending by Congress of those observers, we have just said that the Administration chooses not to send observers. Part of the reason is that to us, I think, it is very clear that this cannot be a democratic election because there has been no exercise of the freedom of speech, not only for those members of the liberation movements, but white members within the country of Rhodesia had not had an opportunity to use the news media to give their point of view about the election.

The two major groups in the society that fostered the liberation movements almost a decade without violence and for the last few years with violence—it is prohibited to even mention their names anywhere in the country in print. They are not able to take part in this election.

Comment. It is quite untrue to say that there has been no exercise of free speech in the period leading up to the April elections. There is freedom of assembly and expression for all parties that are peacefully contesting the elections. Political meetings and rallies are held continuously, and all parties have access to the media.

One of the first actions of the Executive Council after it took office was to lift the ban on all political organisations, including the internal wings of the Patriotic Front. At the same time, the leaders of the Patriotic Front were invited to return in peace, take their places in the Executive Council and participate in the first elections and in the peaceful transfer of power to the black majority. They spurned this invitation and vowed to increase their terrorist attacks and to disrupt the elections by making every polling booth their target.

Because the internal wings of the Patriotic Front were actively assisting the terrorists operating in the country, the Executive Council, in carrying out its prime duty of protecting the population against terrorism, had no alternative but to reimpose the ban. In doing so the Executive Council made it clear that if the Patriotic Front wished to participate peacefully in the electoral process the ban would immediately be lifted. This invitation has been repeated on a number of occasions, but has been rejected by the Patriotic Front leaders. Nevertheless, the offer still stands.

Ambasador Young. There is a war going on where about 80% of the country is under martial law. I would seriously question our ability to protect observers involved in travelling around that country or guarantee their safety. I don't think that, whatever happens in the election, it will stop the war. And the President's policy has attempted first of all to bring about a cease-fire, to create conditions where all the parties might be involved in an election under UN supervision rather than an election conducted by Mr. Ian Smith, a regime which is still considered illegal by the British Government.

Comment. The Rhodesian government does not doubt its ability to afford protection not only to election observers but to voters and voting places. The safety of foreign observers will be given priority, and special escort arrangements will be made. There is a pattern of terrorist violence. It is directed almost exclusively against soft and unprotected targets.

Given the determination of the Soviet and Cuban patrons of the Patriotic Front to put their clients into power in Zimbabwe Rhodesia it is accepted that the elections will not end the war. There is a very firm expectation, however, that elections will substantially reduce the war by consummating the majority rule process set in train by the agreement of March 3, 1978. Many of the men with the guns have already come over to the argument side as auxiliary forces. More can be expected to follow after the elections. That expectation would, of course, be greatly enhanced if there were indications of western support for the electoral process. Many captured terrorists have said that they only continued fighting because the Salisbury government was receiving no support from the west. The March agreement deserves to be given a chance. No other initiatives have succeeded.

At a meeting at the State Department last October Rhodesia's Executive Council appealed to the British and American governments to call for a cease-fire in advance of the all-party conference they had agreed to attend without pre-conditions. The Anglo-American representatives replied that they would convene a conference as a matter of urgency. No conference has been convened because the leaders of the Patriotic Front refuse to attend except on their own terms.

Ambassador Young. Now, I would like to just mention here that it is not true that the Patriotic Front has refused to agree to elections under UN supervision. They have agreed to elections under UN supervision. They have disagreed to elections under Smith's supervision. But for two years now they have said to us that if there are UN supervised elections, they will respect the cease-fire and participate in those elections. It has been Ian Smith, the Reverend Sithole and Bishop Muzorewa that have refused to accept UN supervision of elections in Rhodesia.

Comment. The facts are quite otherwise. A statement by ZAPU (Nkomo) in Lusaka in the last few days is an eloquent comment on the ambassador's suggestion that the Patriotic Front are willing to contest U.N. supervised elections. Responding to Secretary Vance's statement of March 17 calling for U.N. supervised elections, a ZAPU spokesman said the Anglo-American efforts are "patently absurd" and that ZAPU "dismisses them with the contempt they deserve".

In a statement issued on March 21 the Rhodesian government pointed out that the question of international observers to monitor the elections was discussed fully at the Washington meeting on October 20, 1978. The verbatim record shows that Acting Secretary Newsom said there was general agreement that there should be international observers to testify to the impartiality of elections, and that United Nations observers would have the greatest international credibility. In reply, the Executive Council confirmed that U.N. observers, or any other international observers, would be welcome at the first general election to be held on the basis of universal suffrage. That remains the position of the Executive Council today, and the Council hopes that the American and British governments will not only send their own observers, but will urge the United Nations to send observers to monitor the April elections.

Extract From An Interview With Ambassador Young

(Appearing in the February Issue of the Inter Dependent, journal of the United Nations Association)

Ambassador Young. Only neo-fascists in this country would be willing to support the neo-fascism of the Smith regime.

Comment. There is a New York based organization called Freedom House which every year conducts a survey of comparative freedoms around the world under the headings of political rights and civil liberties.

In its last (1978) survey Freedom House evaluated the state of freedom in 157 countries. Rhodesia rates at least as high as 95 countries on political rights and 99 countries on civil liberties. It rates higher than most African countries on both counts, and of the so-called "frontline states" (Angola, Botswana, Mozambique, Tanzania and Zambia) it rates higher than all except Botswana.●

ENERGY ESSAY WINNER

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. MYERS of Indiana. Mr. Speaker, it is with great pleasure that I announce to my colleagues the winner of the 1979 high school essay contest in my congressional district, Miss Catherine Dana Armer. Cathy is a senior student at Bloomington High School South in Bloomington, Ind. Her essay "U.S. Energy Policy—Which Way To Go?" exemplifies the ability of America's youth to understand our current energy dilemma and to offer worthwhile solutions.

I congratulate Cathy on her good work and submit for the Record her winning essay:

U.S. Energy Policy—Which Way To Go?

(By Catherine Dana Armer)

The present chaos in Iran ending oil shipments to the U.S., the rocky American-Mexican negotiations over Mexican oil, spiralling costs of gas and oil in the U.S., the power and unpredictability of OPEC, and the appalling fact that many Americans still do not believe the U.S. has an energy problem give substance to President Carter's declaration that there is a "horrible conglomeration of confusion in the energy field." The U.S. does have a shortage of energy which grows daily. Although there is a patchwork energy plan in existence, the country needs a coordinated, comprehensive and effective energy program soon.

We must act quickly. By the year 2005, there will be six million people on the earth, and Americans will need 2 to 5 times as much energy. A failure-proof program needs to be developed and put in effect immediately. As President Carter said in his 1977 address to the nation, "By acting now we can control our future instead of the future controlling us."

So far, there are three widely accepted plans: conservation, reliance on the law of supply and demand, and development of alternative energy sources. Each has its own special problems. Conservation, cutting down on consumption, is proposed but not very promising. As Paul Stern, a psychologist, notes, "Organisms normally do not forego a large individual reward in order to avoid a small share of delayed punishment." Many people feel the government has no right to tell them what to do. In addition, conservation programs in the past have failed, such as World War II gas rationing which was costly and promoted black market activities. A coupon plan for gasoline conservation would be terribly expensive to administer and enforce.

A second possible solution is to subscribe to the capitalistic principle of supply and demand and let the problem take care of itself. In short, if prices are allowed to increase naturally through diminishing supply and growing demand, people will conserve and generate greater interest in developing new forms of energy. "The fact is that higher prices do result in more efficient use," writes John C. Sawhill, former head of the Federal Energy Administration. According to Jeff McAfee, chairman of Gulf Oil Corporation, the U.S. must "return to a near marketplace energy economy in which, for the most part, economics determines fuel choice, supply development, and the emergence of new and improved technologies."

However, there are others who disagree. For example, the authors of The Energy Policy in the U.S. argue that:

"In an economic system where concentrated oil companies own large shares of alternative oil sources, and where the petroleum supply lives or dies at the whim of foreign governments, it is difficult to believe that textbook laws of supply and demand will operate in rational ways."

In particular, the entire structure may be rendered helpless by upheavals such as that experienced during the Arab oil embargo.

A third solution is to develop alternative sources. Coal, oil, natural gas and nuclear power are the four most important fuel sources in the United States. However, domestic oil and gas supply almost three-fourths of America's total energy consumption. This is far too much. Domestic oil production in the U.S. has been falling six percent a year, and imports have been doubled in the last five years. We must decrease our dependence on oil, especially foreign supplies, by finding alternative sources of energy.

Coal could be this alternative. The U.S. has enough recoverable coal to last about 400 years at today's consumption rate. The present National Energy Plan encourages use of coal, although conversion for industry and homes is not yet practical on a wide scale and environmental objections must be resolved. Another possibility is nuclear power. According to Franklyn M. Branley, nuclear energy "could fill all the requirements of the entire world, and it could do this for a billion years." Nuclear energy would allow us to conserve other fuels for purposes to which they are uniquely suited, to significantly reduce air pollution, and to end our heavy reliance on foreign energy sources. However, safety aspects of nuclear power and the extreme expense of nuclear power plants block immediate development.

Other potential energy alternatives include solar energy, geothermal power, oil shale extraction, burning solid wastes, wind power and magnetohydrodynamics, each having advantages and disadvantages. Of these unperfected technologies, solar energy is perhaps the best known and most amenable to development in the future. There also has been successful energy experimentation with gasohol, seed corn and hydroelectric power, but so far none of these offer satisfactory replacements for our heavy dependence on gas and oil.

The three plans—conservation, supply and demand, and new alternatives—are all based on idealistic assumptions, but we must be practical. The core problem in the U.S. energy program is lack of concentrated and coordinated efforts. Presently, we have an abundance of contradictory and confusing regulations. There are too many energy-controlling departments and agencies on the federal and state levels of government. These groups interfere and hinder each other and obviously are not getting the job done. On the federal level we have the Department of Energy, the Department of Interior, the Environmental Protection Agency, the Coal Mine Health and Safety Administration, the Organization for Economic Cooperation and Development, the Energy Research and Development Administration, and other agencies along with the numerous state offices that may delay or ban certain types of energy, control local zoining and citing, and so forth.

In other words, the present situation is a counter-productive tug-of-war. The Department of Energy on one side wants to develop new energy resources and the Environmental Protection Agency on the other side blocks progress in order to protect the environment. The Coal Mine Health and Safety Administration promotes safety standards which makes coal hard to mine while simultaneously the National Energy Plan is encouraging conversion to coal. In fact, there are so many regulatory groups, energy producers are confused and complain they don't know when decisions are made or who has the authority to make them. This confusion places the U.S. in jeopardy of delaying needed energy policies and resource development until it is *too* late. If we could get all these groups working in one direction, then something might be accomplished. This is a critical first step in solving our energy problem.

As a three-part suggestion for achieving this coordination goal, we need to convene a national task-force of representatives of the federal agencies involved with energy, and prominent others doing research on energy (such as university scientists, oil and gas company experts, public utilities representatives). These people would be charged with the task of working together in one direction to produce a unified, comprehensive, practical energy plan for the country. This is not only the most sensible approach to solving today's energy problems, but it also would be voluntary and cost free.

The second part of this plan would be to stress voluntary conservation while the task-force is working. Conservation would be a way of buying time, "—time needed for a thorough searching and balanced investigation of all possible energy supply alternatives, including the complete costs of their environmental and safety impacts." Conservation would be voluntary because enforcement efforts would probably cost more than the money saved by conservation itself.

A third part of the plan is that the federal government should simultaneously continue supporting the investigation and development of new energy sources within the U.S. to reduce our dependence on oil and other supplies from abroad. This activity would contribute to the task-force deliberations and would ultimately be guided by the task-force energy plan.

In view of today's energy problems and the failure of past efforts to solve these problems, it is apparent that there must be a new plan. Logically, this plan should unite all the objectives and activities of present agencies and groups concerned with energy matters. Instead of working against each other, they should work together to accomplish a goal which will influence the life of every future American. While this plan is being developed, implementation of voluntary conservation measures to buy time and development of new sources would continue, making problems more solvable and the transition to new practices easier. The U.S. does indeed need a new comprehensive and practical energy policy, and this is the most sensible way to achieve it. Not only would this approach contribute to a realistic and sound plan concerning energy, it also would insure that such a plan is acceptable to special interest groups and the American public as a whole. This three-part plan will take some concentrated time and effort but realistically, this is the best way—through compromise and cooperation—to solve the U.S. energy problem.●

THE PRICE OF DOMESTIC PETROLEUM

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. SCHEUER. Mr. Speaker, earlier today I voted at the meeting of the Committee on Interstate and Foreign Commerce for a motion to extend the period before the President would be required to remove Federal controls on the price of domestic petroleum.

Mr. Speaker, I support a tax on the excess profits which will be reaped by the oil companies when they are permitted to charge the OPEC prices for American petroleum. Extending the period during which the President could retain the controls would give him, and the Congress, better leverage to pass an effective excess profits tax. If the current timetable remains unchanged, oil companies could mount opposition to an excess profits tax with no concern that their opposition would prejudice the deregulation they covet.

We are not dealing with deregulation of the price of crude oil nor have we done so in recent years. The question we discussed this morning was the U.S. regulation of a fraction of the oil this country uses. More than one-half of the petroleum we use is controlled—both as to prices and supply by OPEC. We do entirely too little to try to deregulate—or effectively to weaken—that system of controls.

Six months ago, as we were adopting the comprehensive energy package, I urged that the Department of Energy take some aggressive steps designed to weaken OPEC's power over us. I then stated:

> The newly discovered oil now being developed, and lifted in the North Sea and China also enormously augments the supplies available to us and to our allies during periods of emergency. And without going into details today, there is a large potential for additional oil production at competitive costs in many parts of the world, South America (Venezuela, Argentina), North America (Canada), and parts of Africa.
>
> There is enough oil—and enough countries who have oil and who need money to fund urgently needed economic and social development programs—to make far stronger attempts to develop a competitive international market in oil durable and practicable. This might well reduce the monopoly price of oil by $4 to $6 per barrel, resulting in total world savings on the order of $50 to $60 billion per year.
>
> This would have an enormous beneficial impact on the economies of many non-oil-producing industrialized and developing countries, including many very poor ones, and bring about significant decreases in the rates of inflation and unemployment.
>
> A creative and aggressive U.S. international oil policy would afford us and the other oil-consuming nations greater flexibility and credibility in negotiating with the Middle Eastern oil producers.

Currently, their petroleum resources are indeed essential to us and must be kept out of the control of radical revolutionary expansionists who are threatening the Persian Gulf from Syria, Iraq, Ethiopia, and Yemen.

Inhibiting this Soviet-supported expansion is in the interests of the Middle East oil producers as well as those of the United States. But the point remains that the Middle East is not a region on which our national security should depend so firmly as it now does.

Americans should pay for energy at its replacement price. This would serve to encourage making more effective use of what we burn. In countries where gasoline prices are based on replacement costs, one does not see the profligate American pattern of transportation and energy waste—oversized, overpowered automobiles, driven with only one occupant at excessive speeds to marginal destinations. In countries where the retail price of energy is based on replacement costs, we do not see office buildings with summer air-conditioned temperatures so low that office workers must wear sweaters while at work while in winter shoppers carry their coats in overheated retail stores.

I support conservation and I support realistic retail prices for petroleum which would not only encourage conservation but also provide incentives for the development of alternative nonfossil fuel energy sources. So long as gasoline and other petroleum products have an artificially low price, we discourage greater development and use of solar, tidal, wind, geothermal, biomass and other renewable fuels and more effective uses of coal and shale oil.

Americans are more than willing to absorb fair measures of discomfort as the price of implementing a realistic energy policy over a reasonable period of time. To date, I am distressed, however, that no such agenda has been developed or presented to us for our consideration.

I voted for an extension of the period for mandating U.S. regulation on U.S.-produced petroleum because it will provide us with time to move ahead for development of that agenda. The days of unlimited energy at diminishing prices—like the free lunch—are a myth of the past. We need a policy and program which is not based on that transparent myth.●

A CONCERN FOR THE FUTURE OF THE UNITED STATES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following is a letter from a 16-year-old constituent, Mr. Terrence Schriver, who lives in Lompoc, Calif. I am submitting it to the CONGRESSIONAL RECORD because it vividly demonstrates that there are youngsters who are vitally concerned about the future of the United States.

As we in Congress address the various issues which concern our country, I think that we should always try to remember that we are molding a world which people of Terrence's generation will inherit. I hope we do not let them down.

1117 NO. ORCHID STREET,
Lompoc, Calif., March 9, 1979.

Hon. ROBERT J. LAGOMARSINO,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. LAGOMARSINO: I have read the newspapers lately and am gravely concerned with the economy of our country and what inflation is doing to us. I have my future in front of me and am alarmed at the costs of products in the markets. Will I be able to support myself tomorrow, much less a family!!! There seems to be no end to prices going higher and higher.

A couple of weeks ago, I worked a high school economic problem involving the quantity of money to support a man and wife in an apartment with minimum allowance for clothes and entertainment. The total came to approximately $800 per month. This was a reasonable estimate with virtually no surplus. Help was given to me by my neighbors and parents. They are not heavy spenders but plan for the "rainy days." And then I realize that adding for U.S. and state income tax, plus Social Security, I must have an income of $13,000–$14,000 a year. This is difficult to visualize if you should get married upon high school graduation.

Mr. Congressman, you hold the future of our country, along with the other Representatives and Senators. We need your support in controlling the expenses of our Government. Many federal programs cost more money than we, as a nation can afford, with our current taxes. For example, many people who are young adults could work if they wanted to; however, they find reasons to receive unemployment or welfare not to mention accepting food stamps. We keep spending more than we take in. The help we need is reducing our Government expenses. Can you do that?

At age 16, I am not old enough to personally know your background in Government. I have been told by many that you are one of the best Representatives in our U.S. Congress and that is not limited to California. We need your support, Mr. Congressman. Help us keep America for what it is so we can have good, honest goals to reach for, when we become adults.

I have often heard that a pencil is the strongest tool we citizens have. I am putting it to use by writing you. A bit of encouragement for the "pencil" use, is a letter to you to fulfill a requirement for the Citizenship in the Nation Badge for the Boy Scouts of America. Help me, to the best of your ability, to have faith in this pencil.

Very truly yours,
TERRENCE W. SCHRIVER.●

TITLE IX INFORMATION SHEET—CHRONOLOGICAL BACKGROUND

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. SHANNON. Mr. Speaker, title IX, the Educational Amendment Act of 1972, provides that—

> No person in the United States shall, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance. * * *

In the past 7 years, title IX has worked, not perfectly, but well, increasing opportunities for girls and women to participate in all kinds of educational programs including sports and athletic activities at schools and universities throughout the country.

The question of funding for the enforcement of title IX and of possible amendments allowing exemptions to raise important issues. For my colleagues' information I wish to share this material from the Association of Intercollegiate Athletics for Women:

TITLE IX INFORMATION SHEET

CHRONOLOGICAL BACKGROUND

1. 1972—Congress enacted Title IX of the Education Amendments prohibiting sex discrimination in any program or activity sponsored by the recipient of federal financial assistance, which means virtually every post-secondary institution in the country.

2. 1974—Congress adopted the Javits Amendment which directed HEW to issue Title IX regulations including intercollegiate atheltic programs with "reasonable provisions considering the nature of particular sports."

3. July of 1975—the HEW Title IX regulations, including provisions on athletics, became effective after congressional review. Congress rejected the NCAA's contention that the Title IX regulations should be rejected because they made no distinction between revenue and non-revenue producing programs.

4. 1975–77—Congress refused on five separate occasions to exempt revenue producing sports from Title IX coverage. The Tower bill (S. 2106) was the subject of Senate hearings in 1975.

5. December 1978—HEW released a proposed policy interpretation, which explicated, but did not change the 1975 regulations. The policy interpretation permitted an institution to get the benefit of a presumption of compliance if:

(1) with respect to present participants, it demonstrated

(a) that average per capita expenditures for male and female athletes were substantially equal in "financially measurable" areas (e.g., scholarships, recruitment, equipment and supplies, travel, per diem, and publicity) and if not, that the disparities were the result of non-discriminatory factors (e.g., differential in cost of equipment, insurance, scope and level of competition), and

(b) that in "nonfinancially measurable" areas (e.g., facilities, competitive and practice opportunities, coach:student ratio, medical and training services and facilities) male and female athletes are provided *comparable* benefits and opportunities.

(2) with respect to future developing interests and abilities that an institution demonstrates established procedures and standards for:

(a) increasing women's sports programs and number of participants

(b) elevating scope of competition for women

(c) publicizing sport opportunities for women.

An institution may choose not to take advantage of the presumption of compliance and instead demonstrate that it is providing equal athletic opportunity as required by the Title IX regulations.

EFFECTS OF TITLE IX ON INTERCOLLEGIATE ATHLETIC PROGRAMS—1973–78

1. Participation of women has doubled—women account for 30 percent of all collegiate student-athletes.

2. Women's intercollegiate athletic programs receive 16 percent of the total intercollegiate athletic budget and 21 percent of the athletic scholarship budget.

3. Title IX has not injured the men's intercollegiate athletic program. The number of sports for men has not diminished; the number of male athletes has risen slightly; the number of coach/support personnel has risen significantly; and the average men's intercollegiate budget increased almost 65 percent between 1970–77.

4. The Title IX regulations and policy interpretation will not damage men's big-time football programs particularly since HEW has allowed ample latitude for costs associated with event management and other legitimate disparities in expenditures between men's and women's programs.

5. Compliance with the Title IX policies would mean about 20 percent of the intercollegiate athletic budget would go to women's sports.

LEGISLATIVE ACTIONS WHICH COULD THREATEN TITLE IX

1. S. 519 (Helms) to be considered as amendment to the bill creating Department of Education—Senate debate scheduled April 23, 1979.

2. Riders to 1979 HEW Appropriations bill to prevent HEW from using money to enforce Title IX in the area of athletics (not yet offered).

3. Amendments to exempt athletics, football or revenue producing sports from Title IX coverage (not yet offered).

4. Unnecessary congressional review of HEW final Title IX policy interpretation—not required because HEW policy interprets regulations, not the statute, as General Education Provisions Act (GEPA) requires.●

COMMEMORATION OF ISRAEL'S 31ST ANNIVERSARY

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. MOFFETT. Mr. Speaker, today marks the 31st anniversary of the independence of the State of Israel. It is the first time in her history that Israel can enjoy the celebration while at peace with her neighbor, Egypt.

While the newly signed peace treaty will not mean the end to all Israel's conflicts with surrounding states, it does give us a moment to stop and reflect on the enormous achievements of this small country.

In 31 years, Israel has made the desert bloom. Although only 25 percent of Israel's land is arable, every effort is being made to use each acre and each drop of water. At present, farmers in the Negev Desert are growing export crops with salty water. In this and many other fields of desert agriculture, Israel is doing pioneering work and research and development.

Scarce natural resources have also spurred Israel to take a leading role in the development of solar and alternative energy sources. Israel is the largest per capita user of solar power—one in five homes is fitted with solar heating or refrigeration systems.

Research and technical development of methane production, tidal and ocean wave power usage and other innovative energy sources has flourished in Israel's educational and scientific centers. In only 31 years, this small country has acquired a worldwide reputation for its Technion, the Weizmann Institute, and its other distinguished learning institutions. It is estimated that one person in three is a student in Israel.

The dedication and commitment of Israel's settlers is almost legendary. Many came to the Middle East as refugees from persecution and as survivors of the Holocaust. Indeed, they continue to arrive from all over the world. Israel's settlers picked up the pieces, and braved staggering political, military, and geographic odds to establish a remarkable, dynamic democracy.

The tasks that still lie ahead for Israel are enormous. But her record of endurance and dedication give us unlimited hopes for her future.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meeting schedule for Thursday, May 3, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 4

9:00 a.m.
*Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, proposed Small and Independent Business Protection Act.
457 Russell Building

*Labor and Human Resources
To hold oversight hearings on the applicability and enforcement of sandstone and gravel mining operations under the Federal Mine Safety and Health Program
4232 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
To hold oversight hearings on the testing provisions of the Toxic Substances Control Act of 1976.
235 Russell Building

Governmental Affairs
Intergovernmental Relations Subcommittee
To resume hearings on S. 252, proposed Anti-Arson Act.
6202 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Rural Housing Subcommittee
To hold hearing on proposed legislation authorizing funds for fiscal year 1980 for all existing rural housing programs.
5302 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To continue hearings on S. 262 and 755, bills to require that all Federal agencies conduct a regulatory analysis before issuing regulations, and to require the use of less time-consuming procedures to decide cases.
3302 Dirksen Building

Joint Economic
To receive testimony on the employment-unemployment and price data situation for April.
318 Russell Building

MAY 7

9:00 a.m.
Armed Services
Research and Development Subcommittee
To mark up, in closed session, S. 428, authorizing funds for research, development, test and evaluation programs for the Department of Defense.
224 Russell Building

9:30 a.m.
*Finance
Energy and Foundations Subcommittee
To hold oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
2221 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To hold hearings on S. 677 and 678, bills to provide for improvements in the structure and administration of the Federal Court system.
2228 Dirksen Building

Select on Ethics
To resume hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs

Business meeting to mark up proposed authorizations for fiscal year 1980 for international affairs programs under the Department of Treasury and proposed authorizations through fiscal year 1984 for programs under the Export Administration Act.

5302 Dirksen Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Governmental Affairs

To resume hearings on S. 333, to strengthen Federal programs and policies for combating international and domestic terrorism.

3302 Dirksen Building

Special on Aging

To hold oversight hearings on the implementation of home-care services for older Americans.

1318 Dirksen Building

Joint Economic

To resume hearings to examine the rate of price and wage inflation when combined with stagnant consumer demand and high unemployment.

6226 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Select on Small Business

To hold oversight hearings on the implementation of the small business timber set-aside program.

424 Russell Building

MAY 8

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for economic development and regulation services for the Government of the District of Columbia.

1114 Dirksen Building

8:30 a.m.

Select on Small Business

To continue oversight hearings on the implementation of the small business timber set-aside program.

424 Russell Building

9:30 a.m.

Environment and Public Works

To resume markup of pending calendar business.

4200 Dirksen Building

*Governmental Affairs

Energy, Nuclear Proliferation and Federal Services Subcommittee

To resume hearings on the Federal Government's responsibility for radiation protection.

3302 Dirksen Building

Judiciary

Constitution Subcommittee

To hold joint hearings with the Subcommittee on Improvements in Judicial Machinery on S. 678, proposed Federal Courts Improvement Act, S. 295, proposed Judicial Tenure Act, and S. 522, proposed Judicial Council Amendments and Discipline Act.

318 Russell Building

Judiciary

Improvements in Judicial Machinery Subcommittee

To hold joint hearings with the Subcommittee on Constitution on S. 678, proposed Federal Courts Improvement Act, S. 295, proposed Judicial Tenure Act, and S. 522, proposed Judicial Council Amendments and Discipline Act.

318 Russell Building

Select on Ethics

To continue hearings on the investigation, of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.

1202 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.

1223 Dirksen Building

*Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Business meeting to mark up S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.

5302 Dirksen Building

Commerce, Science, and Transportation

Business meeting on pending calendar business.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

To resume markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).

2221 Dirksen Building

Governmental Affairs

To hold oversight hearings on the implementation of the Reorganization Plan No. 2 of 1978, the Civil Service Reform Act, and to discuss the work of the Merit Systems Protection Board with emphasis on the activities of the Office of the Special Counsel.

4230 Dirksen Building

10:30 a.m.

*Judiciary

To resume markup of S. 300, proposed Antitrust Enforcement Act.

2228 Dirksen Building

2:00 p.m.

*Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

*Commerce, Science, and Transportation

Communications Subcommittee

To resume hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

MAY 9

8:00 a.m.

Appropriations

District of Columbia Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the Government of the District of Columbia.

1114 Dirksen Building

9:00 a.m.

Governmental Affairs

Energy, Nuclear Proliferation and Federal Services Subcommittee

To continue hearings on the Federal Government's responsibility for radiation protection.

357 Russell Building

9:30 a.m.

Environment and Public Works

To continue markup of pending calendar business.

4200 Dirksen Building

Judiciary

Improvements in Judicial Machinery Subcommittee

To resume hearings on S. 677 and 678, to provide for improvements in the structure and administration of the Federal Court system.

2228 Dirksen Building

Select on Small Business

To resume markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.

424 Russell Building

*Select on Ethics

To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.

6226 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.

1223 Dirksen Building

*Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

To continue markup of S. 593, proposed Elderly and Handicapped Act, S. 740, proposed Homeownership Opportunity Act, and S. 745, Housing and Community Development Amendments.

5302 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nomination of Patricia A. Goldman, of the District of Columbia, to be a Member of the National Transportation Safety Board.

S-146, Capitol

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Finance

To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).

2221 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold oversight hearings on the National Academy of Science report on saccharin and food policy programs.

4232 Dirksen Building

Joint Economic

To resume hearings to examine the rate of price and wage inflation when combined with stagnant consumer demands with high unemployment.

5110 Dirksen Building

11:00 a.m.

*Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

2:00 p.m.

*Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

MAY 10

9:30 a.m.

*Energy and Natural Resources

To hold hearings on S. 685, proposed Nuclear Waste Policy Act.

3110 Dirksen Building

Environmental and Public Works

To continue markup of pending calendar business.

4200 Dirksen Building

Judiciary

Improvements in Judicial Machinery Subcommittee

To continue hearings on S. 677 and 678, to provide for improvements in the structure and administration of the Federal Court system.

5110 Dirksen Building

Select on Ethics

To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.

1202 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.

1223 Dirksen Building

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.

1224 Dirksen Building

Banking, Housing, and Urban Affairs

Business meeting, to mark up proposed authorizations for fiscal year 1980 for rural housing programs, flood insurance programs, and crime and riot insurance programs.

5302 Dirksen Building

Finance

To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).

2221 Dirksen Building

Governmental Affairs

Energy, Nuclear Proliferation and Federal Services Subcommittee

To continue hearings on the Federal Government's responsibility for radiation protection.

3302 Dirksen Building

Judiciary

To hold hearings on proposed legislation relative to regulatory reform.

2228 Dirksen Building

10:30 a.m.

Judiciary

To resume hearings on S. 961, proposed Speedy Trial Act Amendments Act.

1318 Dirksen Building

2:00 p.m.

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russel Building

2:30 p.m.

Governmental Affairs

Governmental Efficiency and the District of Columbia Subcommittee

To hold hearings on proposed reform of the pension systems for the District of Columbia's police officers, firefighters, teachers, and judges.

S-146, Capitol

MAY 11

10:00 a.m.

Banking, Housing, and Urban Affairs

Business meeting, to mark up pending calendar business.

5302 Dirksen Building

*Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

2:00 p.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.

235 Russell Building

MAY 14

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 968, to expedite processing of applications from Midwestern residential, agricultural, and industrial consumers for crude oil transportation systems.

3110 Dirksen Building

Select on Small Business

To resume hearings on the effect of Government regulations on the production and utilization of coal.

6226 Dirksen Building

10:00 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on the roles of women in health and science.

4232 Dirksen Building

MAY 15

9:30 a.m.

Select on Small Business

To continue hearings on the effect of Government regulations on the production and utilization of coal.

4232 Dirksen Building

10:00 a.m.

Appropriations

Interior Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.

1223 Dirksen Building

Banking, Housing, and Urban Affairs

To hold joint hearings with the Committee on Governmental Affairs on S. 332, proposed Consolidated Banking Regulation Act.

3302 Dirksen Building

Governmental Affairs

To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs on S. 332, proposed Consolidated Banking Regulation Act.

3302 Dirksen Building

2:30 p.m.

Select on Intelligence

To receive testimony on alleged Soviet electronic surveillance in the United States.

5110 Dirksen Building

MAY 16

10:00 a.m.

Commerce, Science, and Transportation

To hold oversight hearings on the status of conserving the salmon and steelhead fish stocks in the State of Washington.

235 Russell Building

Energy and Natural Resources

Business meeting on pending calendar business.

3110 Dirksen Building

Governmental Affairs

To resume hearings on S. 262 and 755, bills to require that all Federal agencies conduct a regulatory analysis before issuing regulations, and to require the use of less time consuming procedures to decide cases.

3302 Dirksen Building

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on the roles of women in health and science.

4232 Dirksen Building

11:00 a.m.
Selection Small Business
To hold hearings on the nomination of Paul R. Boucher, to be Inspector General, Small Business Administration.
424 Russell Building

2:00 p.m.
Select on Ethics
To resume hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
6226 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 18

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 100, to provide a deduction for expenses incurred by the replanting of trees by the timber industry and environmental groups, and S. 394, to provide that certain authors and artists be considered employees of certain corporations under specified contracts.
2221 Dirksen Building

10:00 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

MAY 21

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Milwaukee railroad system.
235 Russell Building

2:30 p.m.
Finance
Health Subcommittee
To hold hearings on the provisions of home health benefits under the Medicare and Medicaid programs.
2221 Dirksen Building

MAY 22

9:30 a.m.
*Energy and Natural Resources
To resume hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Select on Small Business
To hold hearings on the availability of investment capital to small businesses.
424 Russell Building

MAY 23

8:00 a.m.
*Veterans' Affairs
To hold oversight hearings on employment programs administered by the Department of Labor.
6226 Dirksen Building

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the activities of the banking system.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings to explore the status of efforts by the Environmental Protection Agency and Department of Justice to enforce Federal environmental requirements.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the implementation of mental health policy programs.
4232 Dirksen Building

MAY 24

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 506, proposed Fair Housing Amendments Act.
2228 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings to explore the status of efforts by the Environmental Protection Agency and Department of Justice to enforce Federal environmental requirements.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the implementation of mental health policy programs.
4232 Dirksen Building

MAY 25

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

Joint Economic
To resume hearings on the Consumer Price Index figures, and on inflationary trends.
345 Cannon Building

JUNE 6

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 870, proposed GI Bill Amendments Act, S. 830, to eliminate the State's required payment in the educational assistance allowance program provided for veterans, and S. 881, to provide for the protection of certain officers and employees of the VA assigned to perform investigative or law enforcement functions.
6226 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

JUNE 7

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

JUNE 12

9:00 a.m.
*Veterans' Affairs
To hold hearings on S. 689, proposed Veterans' Disability Compensation and Survivor Benefits Act.
6226 Dirksen Building

JUNE 19

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

JUNE 20

9:00 a.m.
*Veterans' Affairs
To hold hearings on S. 759, to provide for right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
6226 Dirksen Building

JUNE 21

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

JULY 12

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.
6226 Dirksen Building

CANCELLATIONS

MAY 4

9:30 a.m.
Environment and Public Works
To mark up pending calendar business.
4200 Dirksen Building

HOUSE OF REPRESENTATIVES—*Thursday, May 3, 1979*

The House met at 11 a.m.

The SPEAKER. Today our chaplain is an old friend who served this body so faithfully for so many years. We welcome back now as a guest chaplain our friend, Dr. Edward G. Latch, former Chaplain, U.S. Congress.

Former Chaplain, Dr. Edward G. Latch, D.D., offered the following prayer:

Trust in the Lord with all your heart, and do not rely on your own insight.—Proverbs 3: 5.

Eternal God, our Father, in this hallowed moment we pause in Your presence that with receptive minds and responsive hearts we may be led by You through the hours of this day.

Endue us with the mind to know Your will that we may do justly, love mercy, and walk humbly with You as we seek to promote the welfare of our people and all people. Give to us a love for the truth, an enthusiasm for what is right and good, and adoration to You which makes us strong, holds us steady, and keeps us serene amid the difficult duties of these demanding days.

In the spirit of Him who calls us to do our work will we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 108. An act to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes;

S. 388. An act to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies where the companies would otherwise be closed, liquidated, or relocated and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration;

S. 413. An act to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, to provide assistance to aircraft operators to aid them in complying with noise standards, and for other purposes;

S. 567. An act to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorney for the Eastern District of New York to reside within twenty miles of the district; and

S.J. Res. 71. Joint resolution to authorize and request the President to proclaim the week of May 6 through 12, 1979, as "National Historic Preservation Week."

The message also announced that the Senate had passed a resolution of the following title:

S. RES. 122

Resolved, That the Senate approves the contingency plan numbered 2 submitted to the Congress on March 1, 1979.

The message also announced that the Senate disagreed to Senate Resolution 123 entitled "Resolution to approve standby emergency advertising lighting restrictions (Department of Energy Standby Conservation Plan Numbered 3)."

And that the Vice President, pursuant to Public Law 89–944, appointed Mr. JOHNSTON (chairman), Mr. HUDDLESTON, and Mr. MATSUNAGA to be members of the Senate Office Building Commission in lieu of Mr. Sparkman and Mr. Hathaway, resigned.

PERMISSION FOR SUBCOMMITTEE ON SCIENCE, RESEARCH, AND TECHNOLOGY, OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY DURING 5-MINUTE RULE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that the Subcommittee on Science, Research, and Technology of the Committee on Science and Technology be permitted to sit today even though the House is in session under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON AVIATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT THIS AFTERNOON DURING 5-MINUTE RULE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Aviation of the Committee on Public Works and Transportation may have permission to sit this afternoon during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

FINANCIALLY TROUBLED HOSPITALS

(Mr. RICHMOND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHMOND. Mr. Speaker, many of our Nation's hospitals are in the midst of a crisis which, if not solved soon, could force closings throughout the country.

Each year, many hospitals located in and around transitional neighborhoods suffer unbearable operating deficits as they continue to treat undocumented aliens, the working poor, and others who are unable to pay for essential medical services because they are not covered by Blue Cross, medicare, or medicaid.

For example, the Brooklyn Jewish Hospital, located in the Crown Heights/Bedford-Stuyvesant community in my district, incurs an intolerable operating loss of $5.4 million a year, and in New York City, the estimated annual loss is at least $15 million for undocumented aliens.

I recently introduced two bills, H.R. 3628 and 3629, which would provide Federal relief for financially troubled public and private nonprofit hospitals. I urge my colleagues to join in sponsoring these much-needed bills.

☐ 1105

URGING THAT ECONOMIC AND MILITARY AID TO TURKEY BE WITHHELD

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, shortly the House of Representatives is going to be asked to provide additional moneys for military and economic support for Turkey.

As the Members are probably aware, the Turkish Government is now blocking the entry of Greece into NATO, even though it is the express wish of the United States that they again become part of that alliance.

I have today informed the Prime Minister of Turkey, Mr. Speaker, that in my opinion the House of Representatives, will not act favorably on any support, economic or military, for Turkey unless they move ahead with allowing the Greek Government to enter the NATO alliance and unless they take positive steps on the Cyprus situation. I think it is time the Congress again reassert itself on this issue and deny any further aid until these situations have been clarified.

INTRODUCTION OF LEGISLATION REPEALING A SPECIAL CONGRESSIONAL PRIVILEGE

(Mr. HOLLAND asked and was given permission to address the House for 1

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

minute and to revise and extend his remarks.)

Mr. HOLLAND. Mr. Speaker, today I am introducing legislation to amend the Internal Revenue Code of 1954 to the extent that it contains a special tax deduction for Members of the Congress. The amendment I am offering to the Code simply repeals what has been called a special congressional privilege.

I believe this matter merits as much public attention and as much attention of this House as the recent attention given to the parking spaces at the National Airport, and I call on the Committee on Ways and Means to bring this bill back to the House soon.

ANNOUNCEMENT OF SHOWING OF FILM DEPICTING CARIBOU HERD IN ALASKA

(Mr. SEIBERLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SEIBERLING. Mr. Speaker, this afternoon and tomorrow afternoon, at 2, 3, and 4 p.m., at 1324 Longworth Building, which is the committee room of the Committee on Interior and Insular Affairs, there will be shown a film which was on NBC television last year dealing with the caribou herd in the Arctic National Wildlife Range. This film shows some absolutely stunning and incredibly beautiful shots of this magnificent herd, the last great caribou herd in North America, and it shows some of the beautiful scenery in which the herd has its annual migration.

Mr. Speaker, this involves one of the key issues in Alaska lands bill that is coming up for a vote next week, and I urge those who are concerned about the protection of this herd and the beautiful, fragile Arctic wilderness to come and see this film. It is important that we be able to visualize that in the Alaska lands legislation, we are not dealing with mere lines on a map, but one of the most splendid parts of our Nation's wilderness heritage, and the wildlife and people who depend on it. You will find this film an enjoyable experience as well as an informative experience.

□ 1110

DUE PROCESS IS DUE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, on March 1, 1979, the chairman of the Committee on Standards of Official Conduct of our House stated in no uncertain terms that he felt there was certainly a good chance for it to be handled within 30 or 40 days, almost certainly within 60 days.

We all believe in due process, but there comes a time when the process is due, to conclude that is. This is the 63rd day since the matter was referred to committee.

A convicted felon, CHARLES DIGGS, is still voting as a Member of the House and this is nothing less than an insult to the dignity and esteem in which the Members of the House are held by the public.

The Democratic leadership of the House has a clear responsibility to expeditiously conclude the deliberations of the Committee on Standards of Official Conduct and permit all of the Members of the House to vote on the ultimate question; namely, shall a convicted felon be permitted to serve in the House of Representatives having refused to abstain from voting while his case was pending on appeal.

CARTER TRANSBUS DECISION HURTS ACCESSIBILITY FOR HANDICAPPED

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, the Carter administration's $27 million transbus program to design a fully accessible bus has turned into one more Carter fiasco—an utter and complete failure. Not one single manufacturer, either domestic or foreign, chose to bid on building this federally mandated bus. This is not only an embarrassment to the Carter administration, but it is a cruel hoax on the elderly and handicapped of America.

Last year, I authored an amendment to the Surface Transportation Act calling for a reevaluation and inservice test of the transbus mandate to be carried out by the National Academy of Engineering. My concern centered on responsible testimony that the specifications could not be met.

One manufacturer, for example, reported that even its suppliers refused to bid because of the Federal design specifications. That company said the requirements were unusual or impossible within the framework of the procurement. The Carter administration chose to ignore this testimony, and because of strong and persistent lobbying by the administration, my amendment was dropped on the House floor.

The Carter administration's decision to go ahead with this mandate not only demonstrated their unifocal vision on this subject, but was cruelly misleading to those elderly and handicapped who rely on public transportation. This deception seriously set back the cause of better accessibility for the elderly and handicapped.

Now the administration is calling for an "independent scientific review panel" to look into the mandate—which is precisely what my amendment provided for a year ago.

Later this month, our Public Works and Transportation Committee will again hold hearings on the whole area of technology development and procurement policy. Perhaps the Carter administration will pay more attention this time.

A CRUSE OF OIL

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I rise to address the plight of the home heating oil consumer. They are being buffeted at every turn. First, the refiners have once again raised the price of home heating oil. Then the OPEC nations announced their devastating price increase. The Iranian situation curtailed supplies, thus further driving up prices. Now, President Carter is decontrolling oil without coupling it with his purported windfall profits tax.

What does all this mean? It means that the approximate 20-percent increase in the price of oil is not a plateau or a peak, but rather a constantly accelerating upward slope.

The New England region is particularly hard hit. New England has virtually no internal oil supplies. It must rely heavily on expensive imported oil for approximately 80 percent of its oil needs. Because of the harsh winters, New England, with only 6 percent of the population, pays for 25 percent of all home heating oil in the United States.

In order to right these wrongs, I am introducing a bill to provide a refundable tax credit for the home-heating-oil consumers. This credit will cover 25 percent of the annual oil bill paid by homeowners, up to a maximum of $200. The credit will be reduced by 1 percent of the consumer's income over $15,000 adjusted gross income, so that the credit will aid only those people for whom it is essential. Under this bill the poor and disadvantaged will be eligible for the rebate even if they pay no income taxes.

The Senate passed similar legislation in the 95th Congress.

The House also passed comparable legislation in the 95th Congress. However, since the passage was linked to the passage of a crude oil equalization tax, the legislation was dropped. Now, with decontrol invoked, this legislation is essential. It has been introduced in the Senate, its time has come to be introduced in the House.

There are many New Englanders who must make decisions between essential goods and services—between heating and eating.

If the legislation which I propose today is passed, the needy home-heating-oil consumer will be insured oil necessary for his most basic needs.

REV. EDWARD G. LATCH, D.D.

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, the guest chaplain this morning who offered the opening prayer is a guest of the House today. However, he is certainly no stranger to most of the membership of this body. All of those Members who have served in the 95th Congress, and before, know Dr. Latch well and respect him highly. Since Dr. Latch decided last year to retire from his responsibilities here, he has had some slight health problems. He has had operations. We are proud and happy to see him looking well and hardy here today. We do miss him very much, but he has left us in the very good hands of his successor, Chaplain Ford. We do wish the Reverend Dr. Latch much success, good health, and happiness in the future, and we hope that he will return often to visit his many, many friends here in this body.

Thank you for coming here today and your continued prayers.

□ 1115

MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT

(Mr. PERKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PERKINS. Mr. Speaker, I am introducing by request, for myself, Mr. ULLMAN, and Mr. GIBBONS, a bill entitled "the Multiemployer Pension Plan Amendments Act of 1979" submitted to Congress by the Pension Benefit Guaranty Corporation. This legislation is intended to revise the statutory rules for implementation of automatic plan termination insurance for multiemployer plans.

Approximately 8 million men and women are participants in such plans in industries as diverse as mining, construction, entertainment, food processing, and maritime trades.

Due and careful consideration must be given to developing a sound legislative program which guarantees the pension benefits of retirees and future retirees.

● Mr. ULLMAN. Mr. Speaker, at the request of the administration, I am joining my colleagues Messrs. PERKINS and GIBBONS in introducing the "Multiemployer Pension Plan Amendments Act of 1979." This proposal represents the Pension Benefit Guaranty Corporation's legislative policy recommendations with respect to the guarantee of pension benefits under terminated multiemployer plans. I am confident that the Committee on Ways and Means will give these legislative recommendations careful and timely consideration with a view toward arriving at a positive and constructive multiemployer plan termination insurance program.●

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole House rose on Wednesday, May 3, 1979, pending was an amendment offered by the gentleman from Texas (Mr. ROBERTS).

The Chair now recognizes the gentleman from Texas (Mr. ROBERTS).

Mr. ROBERTS. Mr. Chairman, my amendment would increase the Budget Committee's recommendation for veterans' benefits and services by $265 million in budget authority and outlays for fiscal year 1980. Adoption of my amendment is essential if we are to continue the current level of benefits and services for our Nation's veterans. It should be understood by my colleagues that the amendment I propose is not for new programs or increased levels of care. The amendment is necessary to offset inflation for veterans who draw monthly benefits because of service-connected disabilities.

In addition, my amendment would restore, to a degree, many of the personnel reductions that are being imposed on the Veterans' Administration by the Office of Management and Budget.

If my amendment is not adopted, the Committee on Veterans' Affairs cannot favorably report to the House a bill to provide an 8.3 percent cost-of-living adjustment in monthly benefits payable to service-connected disabled veterans without exceeding the targets contained in the first concurrent resolution.

The resolution, as reported by the Budget Committee, would require the Committee on Veterans' Affairs to terminate current education, training, and burial benefits payable to certain veterans before it could proceed with a cost-of-living increase in monthly payments.

Second, the Veterans' Administration is now in the process of closing more than 4,000 hospital beds and reducing personnel by almost 7,000 during this current fiscal year. In addition, there will be a further reduction in medical care personnel of more than 1,800 in fiscal year 1980.

This is being done even though last year Congress provided funds in VA's appropriation bill that would have increased staffing in fiscal year 1979 by approximately 2,375 full-time positions. Rather than increase staffing as proposed by Congress, the Office of Management and Budget directed the Administrator to proceed to severely reduce the staff in VA hospitals and to use the additional funds appropriated by Congress to help offset the Federal pay raise that became effective October 1, 1978.

These reductions have placed great hardships upon hospital directors and chiefs of staff, nurses, and other patient care personnel who have the responsibility of treating and caring for veterans who are eligible for such treatment. During recent hearings, the committee documented that these personnel reductions and bed closings are adversely impacting on both the quality and quantity of care being provided by the Veterans' Administration to our Nation's veterans. Hundreds of veterans are being denied any treatment at all, especially on an outpatient basis.

Many are unable to receive nonprescription medicines and drugs as a part of their treatment on an outpatient basis. I am sure my colleagues are beginning to hear from veterans who have complained about the situation and I would suggest to you that these complaints will be increasing during the coming months as more beds are closed and more personnel are lost.

Mr. Chairman, the $265 million we are requesting in this amendment is far below the amount the committee felt necessary. I realize there may be some who would be critical in their comments that we should be asking for more.

Certainly the agency could use a higher level of funding; however, I realize during this period of budget austerity we must ask all departments and agencies to do a little bit more with a little bit less money. Even if the Roberts amendment is adopted, the Veterans' Administration will have to tighten its belt; however, I am satisfied funds contained in the amendment, if used for the purposes for which they are intended, will sustain us through the next fiscal year.

In summary, so there will be no misunderstanding as to the use of the funds included in my amendment, let me suggest the main areas on which the committee will be able to move if my amendment is adopted.

The committee will recommend an 8.3 percent cost-of-living adjustment in compensation and DIC payable to eligible service-connected disabled veterans and their survivors.

The committee will be able to report to the Congress a bill that would provide psychological readjustment counseling for Vietnam veterans. This legislation is a high priority with the administration and is strongly supported by veterans organizations. Many Members of Congress have expressed their support for the measure.

The committee will be able to report to the Congress a bill that would provide a cost-of-living adjustment in the subsistence allowance paid to service-connected disabled veterans under the vocational rehabilitation program. During the last 2 years inflation has taken away some of the assistance we have provided these veterans. In addition, we will not only be able to educate and rehabilitate the veteran, hopefully, the legislation will provide him with a job as well.

Approximately $150 million is for 7,412 health-care personnel. We will be able to restore personnel losses that have occurred in almost every VA hospital throughout the country during this fiscal year and further reductions will not be necessary in fiscal year 1980.

Finally, Mr. Chairman, the amendment would allow an additional $105,000 for the restoration of seven personnel that were cut from the American Battle Monuments Commission in fiscal year 1979.

There is no reason for me to say anything further regarding my amendment. The remarks made Monday by the gentleman from Mississippi, the Honorable G. V. SONNY MONTGOMERY, clearly established the need for the amendment. The basic question is whether the Congress will continue to provide an adequate level of benefits and services for all veterans who are eligible for such benefits and services. My amendment will assure veterans that we shall continue to care for those who were called to defend our Nation during time of war.

Mr. Chairman, I hope my amendment is adopted, and I urge my colleagues to support it.

□ 1120

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I will be happy to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I appreciate my chairman yielding to me, and would like to take this opportunity to thank the chairman of the Budget Committee, the ranking member on the minority side, the other members of the Budget Committee and the staff for considering this amendment which my chairman has offered.

Let me say to my colleagues that part of the $265 million in this amendment, around $108 million, will go to assure that the service-connected veteran will get a cost-of-living increase effective October 1, 1979. The service-connected veteran is the fellow who fought in the different wars and was wounded, and this is our chief obligation to take care of these decorated veterans. So, $108 million of the $265 million will go to service-connected veterans for a cost-of-living increase. We have no choice.

Mr. Chairman, I think we should have a unanimous vote in support of the amendment our chairman has offered.

Mr. ROBERTS. I thank the distinguished subcommittee chairman, the gentleman from Mississippi.

The CHAIRMAN. The time of the gentleman from Texas (Mr. ROBERTS) has expired.

(By unanimous consent Mr. ROBERTS was allowed to proceed for 3 additional minutes.)

Mr. HEFNER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from Texas, our committee chairman, and also with those of the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MOTTL. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Ohio, chairman of the Subcommittee on Special Investigations.

Mr. MOTTL. Mr. Chairman, I rise in support of this amendment, because I think we must keep faith with our Nation's veterans to whom we are all deeply indebted, and would like to congratulate our outstanding chairman for his great leadership in offering this important amendment.

This amendment is intended to allow medical and other benefits to continue at current levels. In the medical program, the amendment provides funds to ward off cutbacks that include 70 beds and 56 jobs at VA hospitals in my own Cleveland area. Also, the amendment allows for a cost-of-living adjustment in various benefits received by service-connected disabled veterans and eligible dependents.

I know that every Member here today is concerned with keeping spending under control, and recognizes that we must make some hard choices on the fiscal 1980 budget. Yet I cannot help but believe that compared to many Federal spending areas, veterans' programs clearly stand out as a Federal function that we have a moral duty to preserve and protect from insensitive and excessive budget-cutting.

I commend the chairman for his leadership in this area, and I urge adoption of this amendment.

□ 1125

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I will be happy to yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

I just want to congratulate the gentleman for the restraint that I believe he has shown in this instance this year. As he knows, the issue that was raised in last year's budget created considerable pain on all sides of the question, and I do think that the gentleman has been most restrained in his course this year, and I appreciate it very much.

Mr. ROBERTS. I thank the gentleman. I am sure he is aware that some of us have been the subject of some resolutions condemning us for not doing enough. We do appreciate it. We try not to do more than we ought to or we think we can afford.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to the gentleman from Kentucky.

Mr. PERKINS. I thank the gentleman for yielding.

I wish to compliment the distinguished gentleman from Texas (Mr. ROBERTS) for offering a timely amendment. I personally feel that he has exercised good judgment in offering this amendment. It is somewhat constrained and certainly does not increase this budget resolution to any degree, and he in good faith could offer an amendment much higher for the purposes that he has stated this money will be expended for. The gentleman is entitled to the commendation of all the Members for taking care of these service connected veterans.

Mr. ROBERTS. I thank the distinguished Chairman.

Mr. Chairman, I yield back the remainder of my time.

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as ranking member of the House Veterans' Affairs Committee, I rise in support of the Roberts amendment to the first budget resolution. It restores a very much needed $265 million in budget authority and outlays to the Veterans' Administration budget.

Restrictions in last year's VA budget are already curtailing medical care for veterans. Added to personnel cutbacks now proposed, the VA hospital system will have to operate with almost 8,000 fewer staff personnel than were employed in fiscal year 1978.

Veterans organizations are up in arms, and rightly so, because of the continuing decline of the VA medical program.

In addition to the medical care cutbacks, the Budget Committee recommendation means we will be financially unable to provide the 8.3-percent increase in compensation for service-disabled veterans, their dependents, and survivors.

Mr. Chairman, the Roberts amendment seeks only to hold the line in a steadily deteriorating situation. I strongly support it and urge its adoption.

This amount is required to provide, among other items, an 8.3-percent increase in compensation payments. Considering the present rate of inflation, I am sure you agree that 8.3 percent is a modest increase for the most deserving category of citizens in this Nation.

It may appear that the Budget Committee has allowed funds for this increase, but this presumes enactment of legislation that has been often rejected before. While the committee's report adds $577 million for the compensation increase, it subtracts $50 million by assuming the denial of burial benefits for certain veterans.

Terminating flight training and correspondence school programs under the GI bill shows up as another $58 milion. These two proposals add up to $108 million that can come from only one place—

the $577 million set aside for that 8.3-percent compensation increase.

Mr. Chairman, it is highly unlikely that the House Veterans' Affairs Committee would report a bill to deny death benefits to non-service-connected veterans, based on means. This runs counter to the entire history and rationale of benefits for those who give military service to a democratic society.

Neither is the House Veterans' Affairs Committee likely to act favorably on the proposal to terminate flight training and correspondence school education. Similar proposals have been submitted by the administration in years past without gaining acceptance. Committee members can see no justification for taking from Vietnam-era veterans a benefit that has been used to advantage by veterans of earlier wars. The completion rate for flight training, 76 percent, is higher than that for resident vocational courses, 65.5 percent. Many veterans with family responsibilities have found that correspondence courses offer the only opportunity for increasing their skills while holding down full-time jobs.

While the justifications I have cited for the Roberts amendment are compelling enough, the steady deterioration of the Veterans' Administration medical care system should override any objection to approving the additional budget allowance.

The Veterans' Administration, under direction of the Office of Management and Budget, has cut more than 7,000 positions from the staff of its hospitals and clinics during the present fiscal year. Beds now stand empty, not for lack of patients, but for lack of staff to care for them. The Budget Committee's recommendations will make this bad situation worse by requiring the reduction of another 1,650 staff positions.

The situation has become so bad in some localities that veterans are being turned away from VA hospitals and sent to city and county hospitals, only to be returned to the VA because they are veterans.

Mr. Chairman, I cannot accept a budget that requires veterans seeking medical care to play hide-and-seek in a game where they are always "it." I do not believe our colleagues will accept it either.

Mr. Chairman, I urge all members to consider the special service we asked of America's veterans, then I ask them to vote in support of the Roberts amendment to the budget resolution.

Mr. QUILLEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Texas (Mr. ROBERTS).

Mr. Chairman, I urge support of the amendment offered by the chairman of the Committee on Veterans' Affairs, the distinguished gentleman from Texas (Mr. ROBERTS). I support reduction in the Federal deficit but not by breaking faith with America's veterans and not by rendering inadequate the health care provided to our veterans. That is what the President's budget cuts will do, and that is what this budget resolution will do.

Last year Chairman ROBERTS offered an amendment to the first budget resolution restoring funds the President wanted to cut in the Veterans' Administration hospital budget. The amendment carried by an overwhelming margin, and the funds were restored.

Despite this clear expression of the Congress contained in public law, the administration directed that the funds not be spent for hospital personnel, and the money was misdirected to help absorb the Federal pay raise of last October. Now, on top of that outrage, we are being asked to support further, deeper cuts in the VA hospital budget.

If we do not approve the Roberts amendment, we are going to see havoc in our VA hospitals. Even now, because of last year's reductions, there are hospitals closing down entire wards, medication and drugs being denied, and veterans in need of proper medical attention being turned away. This is a disgrace, and we have got to make it clear that the Congress is not going to permit this dreadful situation to grow even worse.

The present situation is critical. If we support the President and the budget resolution funding level, it is going to produce a genuine crisis. The American veterans ask us for our support. Let us keep faith with them.

Mr. WIRTH. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I will not use the full 5 minutes. I only wanted to point out to the members of the committee the very careful work done by the gentleman from Texas (Mr. ROBERTS) and his colleagues. We face an extremely difficult task of trying to demonstrate restraint across the board in every one of the functions within the budget, and it was my privilege in particular to meet with the gentleman from Texas, Mr. ROBERTS, and chairman of the Committee on the Budget, to hammer out this amendment. I want at this point to register for the record and for my colleagues the great sensitivity and care taken by the gentleman from Texas (Mr. ROBERTS). I thank him very much.

□ 1120

Mr. HILLIS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, once again, it is time for those having the honor of serving on the Veterans' Affairs Committee to come before the House to request adequate funding for our Nation's veterans.

For the third time in as many years, the President has sought to either cut or not adequately fund the VA's Department of Medicine and Surgery. Yet our Nation's veteran population is ever growing while the quality of VA medical care is steadily declining.

As has been stated before, over 5,000 positions will have been lost to the Department of Medicine and Surgery during fiscal year 1979 alone, with an additional 1,900 loss programed for fiscal year 1980. Mr. Speaker, to allow this erosion to continue is unconscionable.

In Indiana alone, we are scheduled to lose 111 beds and 94 personnel during fiscal year 1979—at a time when the World War II veteran is approaching the age when he will need the VA facilities more than ever.

When our veterans were serving their country in its time of need, no one said, "by the way, we may change the rules after the game has started."

Who will now tell our veterans that since they have been successful and not a burden upon their Nation, they are no longer entitled to the burial benefits earned in service to their country?

Mr. Chairman, I do not believe I can be classified as a wanton spender. In fact, I applaud the President's attempt to curb our Nation's inflation. However, to economize with the health and well-being of our veterans is hardly cost-effective.

I urge each of my colleagues to reflect for a moment on the significance of continued closings of hospital beds and what will happen to the VA medical system. I am confident they will then enthusiastically support the amendment of the distinguished chairman of the Committee on Veterans' Affairs.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. HILLIS. I will be happy to yield to the distinguished minority leader.

Mr. RHODES. I thank the gentleman for yielding and I congratulate him on the statement he has made and I congratulate the gentleman from Texas on the introduction of this amendment.

I think it is important to note that the Republican substitute which will be offered hopefully later today by the gentleman from Ohio (Mr. LATTA) contains this amount in this function. In other words, we have anticipated that the Veterans Administration would need more than is proposed in the resolution offered by the majority side and if the Republican substitute is adopted it will be tantamount to accepting the Roberts amendment, I do intend to support the Roberts amendment.

Mr. HILLIS. I thank the distinguished majority leader for his contribution and yield back the balance of my time.

Mr. SATTERFIELD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I bow to no one in commitment to reduced expenditures and to the concept of balance in our Federal fiscal actions. Because of that, I speak on behalf of any amendment to increase the size of this budget resolution with some reluctance, but I do so in this case out of conviction that there are few instances where such action merits so high a priority as that of a grateful nation to provide to our Nation's veterans, especially those who have incurred service-connected disabilities, the best possible medical care. Without this amendment we will condemn them to something else.

In setting employment levels for fiscal year 1980, the administration has placed an unfair burden upon the Veterans' Administration. Except for reductions in the Panama Canal Zone, for obvious reasons, the Veterans' Administration was singled out in the proposed 1980 budget for a reduction of 1,884 full-time equivalent-employee positions, a number exceeded only by the Defense and Agriculture Departments.

The alarming aspect of this action lies in the fact that most of the eliminated employees are personnel involved with the VA medical program.

But that is only a part of the story. The 1,884 FTEE positions to be eliminated in 1980 are in addition to 2,375 FTEE positions previously eliminated, including 1,500 FTEE positions which the last Congress directed the VA to restore. It failed to do so, I might add, using funds appropriated for that purpose to pay salary increases which unfortunately had been underfunded. Subsequently, the Veterans' Administration targeted an additional 3,581 FTEE positions for elimination in 1979.

Mr. Chairman, absent this amendment, the level of funding for VA personnel for fiscal year 1980 will result in a total elimination of 7,840 FTEE positions in the VA, nearly all of whom are employees in the medical program.

It is a fact, Mr. Chairman, that the budget resolution before us does restore $150 million and I congratulate Chairman GIAIMO and his committee for that fact. I feel compelled to observe, however, that these funds will be utilized by legislation presently under consideration in committee which will address serious needs of veterans, especially Vietnam veterans who have been waiting already too long for some of the programs involved, such as readjustment counseling, preventive health care and treatment and rehabilitation for drug and alcohol abuse.

The pending amendment includes $149 million to restore all but 428 of the FTEE positions to which I have referred. We believe restoration of these positions is essential if we are to avoid serious and irreparable damage to the VA medical program. The amendment would also provide an additional $8 million to compensate, in some degree, for the real reductions suffered by the VA prosthetics research program resulting from straight line appropriations at a time of inflating costs during the past several years.

It should be clearly understood that we are not seeking restoration of all the funds needed in the VA medical program. We seek only those funds which we consider to be of the highest priority. Even though this amendment passes, the VA will be left with no funds in 1980 to reimburse non-service-connected veterans, who cannot afford the cost of transportation to a VA hospital or other facility for treatment; no funds to continue the 1-year presumptive service-connected dental treatment for discharged service-connected veterans.

Of even greater importance, is a fact that the pending amendment leaves unchallenged for the present, the deletion of $165 million which, it is alleged, could be received from private third party payors. There is virtually no prospect that these payments could occur during 1980. First of all, receipt of third party payments would require specific legislation which has been rejected repeatedly in recent years.

Furthermore, such a proposal would raise serious constitutional questions involving private insurance contracts. Finally, it should be understood that even if such a bill were to pass, and assuming that the constitutional questions could be successfully addressed, which I doubt, there would remain a serious doubt that any such payments would find their way into the coffers of the VA during fiscal 1980. The denial of these funds, which we will have to address sooner or later, will have the effect, therefore, of imposing a $165 million, across-the-board cut in the VA medical program.

Mr. Chairman, I urge the approval of this amendment.

□ 1135

Mr. BONER of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SATTERFIELD. I will be glad to yield to the gentleman from Tennessee, if I have time.

Mr. BONER of Tennessee. Mr. Chairman, I wish to associate myself with the remarks of the chairman of our committee, the gentleman from Texas (Mr. ROBERTS).

Mr. Chairman, I wish to thank the very able chairman of my committee for offering this amendment. The proposal has the support of those of us who serve on the House Veterans' Affairs Committee because we feel that we must not allow the Office of Management and Budget to permit the excellent health care system we have established for our deserving veterans to be dismantled. If this amendment is not adopted I am fearful there will be another 5,000 bed reductions, with the appropriate personnel reductions, next year.

I would like to take a moment to explain to my colleagues in Congress why this amendment is so critical. First, if we report a cost-of-living adjustment in compensation and DIC rates paid to service-connected disabled veterans and their survivors we will exceed our first concurrent budget resolution target by $577 million. This 8.3-percent increase is necessary; I support it, and I will work for its passage. In addition, we would exceed our budget target if we, as expected, report a cost-of-living adjustment in the assistance allowance payable under the vocational rehabilitation program for service-connected disabled veterans. I am certain the majority of the Members of Congress favor this legislation in that it does not establish any new programs but simply provides a cost-of-living adjustment in order to offset the current double-digit inflation we are all facing.

Second, last year when the administration submitted its budget request to the Congress for fiscal year 1979, Congress took issue with the administration's planned reduction of 1,500 full-time permanent positions within the Veterans' Administration's medical program and the closing of 3,132 beds. You should recall that the Budget Committee accepted the administration's position which prompted our Veterans' Affairs Committee chairman to offer an amendment to the budget resolution last year to restore the necessary funds to continue the operation of those beds. In addition, funds were included to increase outpatient staff and staffing of new medical facilities by some 875 people. That amendment last year carried by an overwhelming vote and funds were included in the Veterans' Administration budget for last year to carry out the clear intent of the Congress of the United States.

The Office of Management and Budget completely disregarded the wishes of the Congress and directed the Veterans' Administration not to use the additional money for personnel. Instead, the Administrator was told that the funds appropriated specifically for the Veterans' Administration's medical personnel and research must be used to help absorb the Federal pay raise that became effective October 1, 1978. Thus, at the beginning of the current fiscal year, the Veterans' Administration proceeded to close 3,132 beds and begin a reduction of 1,500 staff positions. To make matters worse, the committee learned that on or about January 29, 1979, the Chief Medical Director informed all Veterans' Administration hospital directors that they must cut back an additional 3,581 positions by September 30, 1979. Because this reduction was not imposed until midway into the second quarter of the fiscal year, in order to attain the required personnel ceiling, the hospitals lost another 1,895 positions. Therefore, the total loss of personnel in existing facilities during 1979 will be in excess of 7,000.

Mr. Speaker, last Friday Chairman ROBERTS and ranking minority member HAMMERSCHMIDT sent a letter to each Member of Congress explaining their reasons for offering this vital amendment. I agree with those arguments and, therefore, I urge every Member of Congress to support this amendment.

Mr. ABDNOR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the distinguished chairman of the Committee on Veterans' Affairs. I will not take much time for I believe that the case has been made. These funds are essential. The administration has taken a meat-ax approach to management practices.

Most of the funds included in this amendment will go to restore personnel cut from the staffs of our hospitals and clinics. These are coming at a time when the need for their services is more important than ever. Eevery day I receive letters from veterans who have been turned away from needed care and treatment. They are shuffled back and forth between local and Veterans' Administration facilities. This ping-pong form of care is no way to treat those who have served this country faithfully in times of need.

The administration told the committee that they have more than enough people and money to serve our veterans population without the quality or quantity of care being diminished.

When the Congress received the President's budget in January, the Veterans' Affairs Committee immediately began to review the fiscal year 1980 request. It did not take long to realize that the administration's approach left existing programs woefully short on funding. There was not enough money available to provide an adequate cost-of-living increase for our service-connected disabled. Programs were slashed everywhere we looked. The hospital system was left crippled.

While we reviewed the budget, the Administrator, Mr. Cleland, and the chief medical director, Dr. Crutcher, told us that these reductions would be no problem. Care would not suffer. In fact, they implied that the administration's action would improve the quality of care. The very next day three hospital directors, two chiefs of staff, and two chief nurses, testified that the picture was not as "sweet" as we were led to believe. They cited shortfalls in staff, closing of beds, and failing care. The distinguished chairman and the ranking minority member, Hon. JOHN PAUL HAMMERSCHMIDT, have given the specifics. I will not dwell on it.

We then asked the Budget Committee to restore the needed funds. They added some, but it is not enough. This is the day of budget conscientiousness. I have always been budget conscious. It is not something new. I do not rise often to ask the House to spend more money.

However, I do believe that it is time we looked at this situation very carefully.

The VA hospital system is hurting. It is the beginning of the end if we do not act. We cannot stand idly by as the administration seems intent on letting the system fall by the wayside. I urge you to join me in supporting this amendment.

Mrs. HECKLER. Mr. Chairman, will the gentleman yield?

Mr. ABDNOR. I certainly do yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. Mr. Chairman, I rise in strong support of the Roberts-Hammerschmidt amendment to restore $265 million above the level of funding recommended by the Budget Committee for veterans' programs of medical care and compensation in fiscal 1980.

The major portion of this amount we on the Veterans' Committee are seeking, some $150 million, provides for the retention of some 2,100 beds in Veterans' Administration hospitals throughout the country and some 1,884 critically needed medical care personnel.

The distinguished gentleman from Texas (Mr. ROBERTS), who is chairman of our committee, and the distinguished gentleman from Arkansas (Mr. HAMMERSCHMIDT), the ranking minority member, have fully and carefully documented the sharp and drastic cuts the administration is implementing throughout the VA hospital system.

Our medical care system stands to lose some 8,000 personnel during the past 2 years alone and about 5,000 beds. The magnitude and suddenness of these shocking and traumatic losses on the VA medical care system is unprecedented and stupefying.

Billy Hightower, national commander of the Disabled American Veterans, has stated with precision and clarity in a letter to me what this amendment is intended to accomplish. Says Commander Hightower:

> This money is not intended to fund new or expanded programs, but simply to enable the VA to continue to provide the same level and extent of services that presently exist.

Also included in this total $265 million amendment is $8 million for a program that is the very heart of the VA medical system—the research function.

The research program is critical to the system of medical care because research must continue to progress, to advance to move forward without interruption.

Research is a continuous activity which propels the VA medical care system and keeps that system vital and responsive to medical care needs. Mr. Chairman, research cannot be permitted to stagnate, because if research stagnates the entire system of medical care stagnates as well.

Recently two VA researchers won Nobel Prizes for their dynamic, pioneering, and exciting work.

The research program is one of the soundest investments of the taxpayers' money that Congress can make.

I, therefore, strongly and emphatically urge my colleagues to adopt this critically important amendment so that the current level of medical care provided to veterans, their widows, and orphans simply can be maintained.

Mr. BOB WILSON. Mr. Chairman, will the gentleman yield to me?

Mr. ABDNOR. I yield to the gentleman from California.

Mr. BOB WILSON. Mr. Chairman, I thank the gentleman for yielding.

I rise in support of the Roberts amendment.

Mr. Chairman, I am deeply concerned about the first concurrent budget resolution that we are considering—specifically the provisions it contains that affect the health care of our Nation's veterans.

According to the President's fiscal year 1980 budget, there would be a reduction overall of 2,100 beds and 1,884 personnel at medical facilities throughout the country. Despite specific congressional instructions against such reductions, 3,132 beds and 1,500 full-time permanent positions were cut back last year, and the Administrator has informed hospital directors that they must cut back an additional 3,581 positions by September 30, 1979.

While I fully share the desire of the President to keep expenditures at the lowest possible level, I cannot concur in this particular budgetary priority. During the past decade, millions of Americans were shocked by press reports of outdated facilities and inadequate medical attention being provided in some VA hospitals. Since that time, Congress has devoted considerable time and money to upgrading the level of care and staffing in our VA hospitals; in some cases, we are just now starting to see real progress.

It would be a tragedy to cut back funding for VA medical care at this time. The losers in this budgetary flimflam will be our Nation's disabled veterans, who are entitled to and deserve the finest quality medical care.

I, therefore, fully support the amendment by my distinguished colleague from Texas to increase budget authority for veterans benefits and services to assure that VA hospitals throughout the country will not be required to reduce personnel by more than 8,000. Our veterans deserve our support. We must give it to them.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this increase of $265 million on a $21 billion veterans budget is a reasonable increase. It is one over which we differed with many of the members of the Veterans' Affairs Committee.

It is easy to find areas of difference as to what the adequate and exact amount should be in a budget of the magnitude of $21 billion; but I want to commend the chairman of the committee, the gentleman from Texas (Mr. ROBERTS), and the ranking minority member, the gentleman from Arkansas (Mr. HAMMERSCHMIDT), the gentleman from Mississippi (Mr. MONTGOMERY), the gentleman from Virginia (Mr. SATTERFIELD), and others with whom we met on frequent occasions trying to work out these differences. We tried to arrive at what would be a proper estimate for the needs of the veterans, having regard to the constraints, the special constraints put upon us this year with the extra special effort which everyone is making to hold down spending.

☐ 1140

Mr. Chairman, I want to commend these gentlemen, because they have been very understanding. They have tempered their demands; they have tempered their requests as to what they felt they would truly need to meet the needs of the veterans.

I think this is a good compromise figure. I think it is one that should be supported, and I want to thank the gentlemen for the hours which they devoted to this effort, working with us and with our staffs to arrive at an amicable and understanding accommodation in this matter.

Mr. FLORIO. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New Jersey.

Mr. FLORIO. Mr. Chairman, I thank the gentleman for yielding, and I would associate my remarks with those who have expressed support for the Roberts amendment. I certainly concur that the Roberts amendment is desirable.

I would like to say that my colleague, the gentlewoman from Baltimore, Md. (Ms. MIKULSKI), and I have prepared an amendment which we are prepared to offer should there be a necessity to offer it. Our amendment is drafted to restore the budget authority and outlays to design and construct the Veterans' Administration hospitals which are currently planned for Baltimore, Md., and Camden, N.J.

The Committee on the Budget has proposed that construction of these facilities be deferred. We do not regard that as an appropriate posture.

The committee's resolution eliminates $143 million in budget authority and $7 million in budget outlays requested by the President in fiscal year 1980 to construct the Baltimore and Camden Hospitals.

The amendment which we are prepared to offer, sponsored by the gentlewoman from Maryland (Ms. MIKULSKI) and I, would increase budget authority by $30 million and outlays by $7 million. This would give construction authority for the two hospitals during fiscal year 1980 and would help insure that planning and design of the hospitals is in fact maintained on schedule.

Last year the Subcommittee on HUD-Independent Agencies of the Committee on Appropriations of the House in fact reviewed the Camden project, with which I am intimately familiar, and made a commitment to go forward. The Congress followed the recommendation of the subcommittee and enacted legislation requiring the administration to continue work on the Camden facility.

The administration is now firmly behind this project and has requested the Congress to appropriate $67.8 million for fiscal year 1980 to construct the Camden hospital. These moneys represent the balance of the total construction cost of $75.3 million.

Mr. Chairman, this facility is needed, and I know my colleague, the gentlewoman from Baltimore, Md. (Ms. MIKULSKI), feels equally strongly about the Baltimore facility.

Ms. MIKULSKI. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentlewoman from Maryland.

Ms. MIKULSKI. Mr. Chairman, we have a moral obligation to the men who fought on Pork Chop Hill and the Mekong Delta, and now I think we need to have a financial obligation, particularly in terms of health care.

In terms of the Veterans' Hospital at Baltimore, Md., the Congress has already appropriated $13 million for the planned construction of the Baltimore VA Hospital. We have appropriated money for architectural work and site construction, and now we should move forward with these additional funds. The VA hospital replaces an obsolescent facility which was planned for long-term care and never has been adequate for acute care.

Mr. Chairman, I think the need speaks for itself, and if we could come to some type of agreement, I would be happy to withdraw the offering of the amendment.

Mr. GIAIMO. Mr. Chairman, I believe we can reach an agreement. I can assure the gentleman from New Jersey (Mr. FLORIO) and the gentlewoman from Maryland (Ms. MIKULSKI) that there is no provision within this budget resolution which would preclude the appropriation of fiscal year 1980 construction funds for the Baltimore and Camden Veterans' Administration Hospitals.

I would refer the Members to page 143 of the committee report.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Mr. Chairman, some of the Members felt and the committee felt that we could remove the $143 million in budget authority and the $7 million in outlays which the gentleman from New Jersey (Mr. FLORIO) and the gentlewoman from Maryland (Ms. MIKULSKI) both mentioned, because it was their opinion that they did not believe these two hospitals were ready for appropriation and funding.

In fact, the committee report says this:

> The recommendation reduces the President's request for major construction . . . to defer construction of two VA hospitals.

Then it says:

> It is questionable whether funds for the two hospitals can be obligated in fiscal year 1980.

The report goes on and says this:

> An examination of recent budgets reveals that the Veterans Administration has consistently failed to meet its planned annual level of obligations for major construction projects. For example, in fiscal year 1977 VA obligated $189 million for hospital construction. Its original budget plan, however, had called for $406 million in obligations.

The report then continues as follows:

> Similarly, in fiscal year 1978, the VA budget plan called for obligations of $430 million, but the actual obligations were $150 million. For fiscal year 1979, the initial plan anticipating $369 million in obligations has been reduced to $211 million. For fiscal year 1980, the VA plans obligations of $486 million, a level never before achieved. As a result of the substantial shortfalls in obligations, the unobligated balances in construction funds have increased from $270 million at the end of fiscal year 1976 to a projected $909 million at the end of fiscal year 1979.

□ 1145

What that tells us is this: As I said in the beginning, there is nothing in this budget resolution which would prohibit the appropriation for those two hospitals. There is plenty of obligated money in the account. The Committee on Appropriations has obligated up to the amount of the available money. And since we are making this legislative history here, I would say that, since there is plenty of money available, if the Committee on Appropriations sees fit to appropriate for these two hospitals, there would be nothing in this budget resolution which would prohibit or preclude the funding of those two hospitals.

Mr. FLORIO. Mr. Chairman, if the gentleman will yield, on the basis of that representation, and feeling that this Congress and now the administration has a commitment, made a commitment to go forward, we would be inclined to withdraw the amendment upon the representations made by the gentleman.

Mr. GIAIMO. Mr. Chairman, I thank the gentleman from New Jersey (Mr. FLORIO) and the gentlewoman from Maryland (Ms. MIKULSKI).

● Mr. BIAGGI. Mr. Chairman, I wish to lend my full support to the Roberts amendment. Again, we point to a segment of America's population which has not fared well in the budget process and which will fare even worse in the 1980 budget unless we act positively today. I refer of course, to the veterans of our Nation.

Already in this fiscal year, more than 3,000 beds and 1,500 full-time positions in VA hospitals have been terminated. This has created untold hardships in all VA hospitals. The President's fiscal year 1980 budget does nothing more than exacerbate the situation. It calls for a further reduction of 2,100 beds and 1,884 personnel.

For my home areas of New York, the cuts have and will continue to be especially disproportionate.

In the Bronx VA Hospital—98 beds and 99 personnel would be lost.

In the Brooklyn VA Hospital—60 beds and 81 personnel would be lost.

In the New York City VA Hospital—66 beds and 83 personnel would be lost.

Other major cuts are proposed for VA hospitals in upstate New York. The simple fact is—the need for quality veterans health care is increasing, while the dollars available to provide it are decreasing.

I serve on the House Select Committee on Aging. I am aware that the numbers of elderly veterans are growing at a rapid rate—far faster than the capacity of the VA hospital system to care for them. This is not to fault the system—only the resources that are provided to it. There is a crying need for skilled nursing and intermediate care for our World War I and early World War II veterans. We cannot provide it now and will be less able to in the future.

As I have said on repeated occasions—I endorse the President and the Congress plan to keep Federal spending in line. However, I must challenge those cuts which go to reduce vitally important human services.

Another way to put it—it was wrong for us to abandon veterans in their time of need. They served their Nation; the Nation should serve them. I urge support for the Roberts amendment. Its objective is to restore lost moneys—not add large new sums. It is reasonable and deserves passage.●

● Mr. WOLFF. Mr. Chairman, I rise today in support of the amendment by the distinguished chairman of the Veterans' Affairs Committee, the Honorable RAY ROBERTS. I do so, not with a sense of accomplishment or victory, but with great concern. For, while the chairman has labored with great energy and dedication for this worthwhile amendment, it is, indeed, unfortunate that the modest sum we are fighting to acquire cannot give veterans the type of new, innovative assistance that is necessary and essential for their education, training, and well-being. Rather, this amendment provides the bare minimum for the veteran. This amendment, merely, insures that VA hospitals will not have to cut back their personnel by more than 8,000 slots and would enable Congress to pass a bill that I was an early cosponsor of, which would grant a 8.3-percent cost-of-living adjustment to service-connected disabled veterans and their dependents.

Mr. Chairman, I have stood on this floor on many occasions to speak to the need for fiscal responsibility and economic restraint. However, it would be sad and disheartening if the Congress allowed the sincere and real concerns of the American people for budget reforms to jeopardize those meaningful education, training, and health care programs that are well earned by our Nation's veterans. That is why I proudly reintroduced legislation this session to permit Vietnam veterans who were discharged during the height of the Vietnam era to acquire meaningful employment and viable career training through their earned GI bill entitlements notwithstanding the 10-year time period normally limiting use of such veterans' benefits.

Throughout my tenure in the Congress, I have devoted myself to the concerns and need of veterans and their dependents. I call upon the 96th Congress to shoulder the responsibility, that they have not yet met, to truly make this session of Congress: the veterans' session.●

● Mr. CLAUSEN. Mr. Chairman, let me take this opportunity to commend the gentleman from Texas (Mr. ROBERTS) and the gentleman from Arkansas (Mr. HAMMERSCHMIDT) for their leadership in developing the Roberts amendment to the budget resolution.

The Roberts amendment will restore parity to the budget of the Veterans' Administration and allow it to continue to carry out its programs in the coming fiscal year.

I strongly support the addition of these $265 million in order to maintain the programs of the VA at current levels and to anticipate legislation that we hope will be approved by the Veterans' Affairs Committee of the House in the near future.

I am confident the Congress will not permit reductions in the degree of service the Nation provides its veterans and their families and I am hopeful the Roberts amendment will be overwhelmingly approved to demonstrate our commitment.●

● Mr. CAVANAUGH. Mr. Chairman, I rise in strong support of Chairman ROBERT's amendment to provide an additional $265 million in budget authorities and outlays for veterans' benefits and services in the fiscal year 1980 budget.

It is, indeed, a deplorable state of affairs which requires that every year the chairman of the Veterans' Affairs Committee come before this body to plead for the funds needed to maintain an adequate system of health and educational benefits for this Nation's veterans.

I am appalled by the administration's funding requests for veterans' programs as submitted to the Congress in its proposed fiscal year 1980 budget, and I am deeply disappointed that the Budget Committee has asked for such minimal increases of 0.3 percent in authority and 0.7 percent in outlays over those the administration requests. If this Nation is to remain committed to its longstanding obligation to provide adequate health care for its veterans who risked all in service to their country, this body must act to insure that adequate funding is available to meet that obligation.

It is eminently clear to me that in this time of increasing need for the services and benefits provided by the VA, such a static level of funding as that proposed by the administration and supported by the Budget Committee will result in a substantial decrease in those services and benefits available to the veteran. This is a situation which I find totally unacceptable.

Of particular concern to me is the situation as it currently exists within the State of Nebraska. As a result of the past actions of the Office of Management and Budget and the Veterans' Administration, the VA Hospital in Omaha has been forced to reduce its staff by 51 full-time employees this year; in Lincoln, 24 staff positions are being lost; in Grand Island, 11. A total of 58 beds will be lost in Nebraska this year as a result of these staff reductions, at a time when more beds will be needed to accommodate the World War II veterans coming on line for services.

While there is little that the Congress can do to rectify these past actions by the administration, we can act now to insure the necessary funding to provide these services and benefits for our veterans in the future. Passage of Chairman ROBERTS' amendment will assure the veterans of this Nation of the Congress' deep and sincere commitment "to care for him who shall have borne the battle," and I urge every Member of this body to bear in mind that commitment when voting on Chairman ROBERTS' amendment.●

● Mr. ANDERSON of California. Mr. Chairman, I strongly support the amendment being offered to the veterans' portion of the first concurrent resolution on the fiscal year 1980 budget, by my friend Chairman RAY ROBERTS.

There are 30 million good reasons why we should increase this part of the budget. That is how many veterans we have in this country.

Of special concern to me today is the administration's proposal to cut 8,000 employees from veterans hospitals. Our hospital in Long Beach would be reduced by 300 beds.

Because many veterans can afford no other hospital care, we must not go back on the promises we made to these men when they first entered the service of their country.

There are two particular groups which would be hurt by the proposed reductions in Long Beach. First, my district has one of the largest proportions of senior citizens of any in the country. Among these constituents are the veterans most in need of hospital care, the older veterans.

Also, although it seems only yesterday that we ended American involvement in Vietnam, we are already seeing an increased need for hospital care by the veterans of that war.

The other benefit of this amendment will be to enable us to pass the proposed 8.3 percent cost-of-living increase for service-connected disabled veterans and their dependents. I will certainly support this increase when it is presented to the House.

I hope my colleagues will support the amendment being offered by Chairman ROBERTS.●

● Mr. CORRADA. Mr. Chairman, I rise in support of the amendment offered by Mr. ROBERTS, to increase budget authority and outlays in the veterans' functions of the budget by $265 million.

The amount of money requested is to enable the VA to continue to provide at the same level and extent, that is, the level of quality and quantity of VA services that presently exist. This comparatively modest sum is not to fund new or expanded programs.

We cannot deny the veterans what they are asking for and legitimately deserve. We owe to them a large debt and they should not suffer as a result of the administration's action. There is a legitimate desire on the part of the President and of the Congress to hold down Federal expenditures, but I do believe that we should look to other Federal programs instead of the VA programs for putting into effect the ongoing mood for austere measures.

If this amendment is not passed we would also be denying the modest cost-of-living increase in the benefits to service-connected disabled veterans, their dependents, widows, and orphans.

I have received a innumerable letters from my constituents whom are badly in need of this increase and I also believe that many of you have also received similar requests. They have my sympathy and support and I will not let them alone with their plights.

I urge you to vote in support of Mr. ROBERTS' amendments. We have to give assurance to the veterans of this nation that we will not allow more cuts in the VA medical, benefits and services programs.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ROBERTS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PANETTA

Mr. PANETTA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PANETTA: In the matter relating to the appropriate level of total new budget authority reduce the amount by $1 billion;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $1 billion;

In the matter relating to the amount of the deficit reduce the amount by $1 billion;

In the matter relating to the appropriate level of the public debt reduce the amount by $1 billion;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $1 billion.

In the matter relating to Allowances (Function 920) reduce the amount for budget authority by $1 billion; and reduce the amount for outlays by $1 billion.

Mr. PANETTA (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PANETTA. Mr. Chairman, I am introducing this amendment on behalf of the gentleman from Missouri (Mr. GEPHARDT) and the gentleman from Colorado (Mr. WIRTH). It is targeted at what we think is waste in Government in several specific areas that have repeatedly been the subject of concern by the Congress, by reports from the GAO, by commission after commission, namely, the areas of Government travel, of filmmaking, of paperwork, and other general expense areas of Government.

This amendment would reduce function 920, Government allowances, by $1 billion. It is not aimed at one department or at one agency. It is designed to send the message to all agencies and to all departments and to the appropriate committees of the Congress that important savings can be made that do not impact on the basic missions and responsibilities of Government—savings that have been pointed out repeatedly, time and time again, but have failed to get implemented.

What are some of these areas? In the area of Government travel. In two significant GAO reports that were issued last year, it was concluded that the Government is failing to take advantage of potential savings in travel. In fiscal year 1980, the Federal Government will spend about $7.9 billion to transport people and things. From 1974 to 1978, this expenditure has gone up almost 40 percent. It is estimated that there are approximately 8 million Government-financed trips a year, and that has been calculated to show that on the average there are almost 20,000 Federal Government employees in the air every day, not counting non-Government employees traveling on Federal grants or contracts.

The issue here is not one of whether transportation is necessary or not. Obviously, it is. And obviously it is important. But there is simply no evidence that legitimate areas of savings are being explored. There is no evidence, according to the GAO, that the Federal Government is taking advantage of discounts being offered by commercial carriers, such as supersaver fares, night coach, group or excursion fares. There is no evidence, according to GAO, that agencies have explored potential savings in the transportation of goods or in purchasing rather than leasing Government vehicles. The GAO estimates that there could be a savings of $5.5 million just implementing that one area of savings.

Despite the criteria issued by the President and the Office of Management and Budget to control unnecessary travel, evidence discloses that 15 percent of the trips sampled should not have been taken, based upon these criteria.

□ 1150

Indeed, although there are restrictions on first-class travel, there are no records, and there are no reports being kept that reflect just exactly how much first-class travel is going on or how much has been reduced.

Mr. Chairman, there are bills in both the House and in the other body that would reduce Federal travel by $500 million, one by the gentleman from Kansas (Mr. GLICKMAN), and provide procedural safeguards to see that proper management is used in buying Federal travel benefits. At a time when the Secretary of Energy is urging the American public to conserve and cut back, indeed, it should be pointed out that the Department of Energy is raising its travel budget by almost $4 million this year, this reduction, I think, sets an important example.

In the area of filmmaking, an important report was done by the program "60 Minutes," which indicates that this is another ripe area for reduction. Almost $600 million is being spent on making films on endless subjects. While many films produced by the Federal Government possess educational value, there are many abuses, and one need only look at some film titles to come to that conclusion. Such as one film entitled, "How to Succeeed with Brunettes," or "The Sanitary Design for Drinking Fountains," and others.

Again, the point is that at a time when we are cutting back on other programs, many of which aim at people, we ought not to exempt this area of Government spending from scrutiny and control. We believe a reduction in the vicinity of even $200 million could certainly be made here.

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

(By unanimous consent, Mr. PANETTA was allowed to proceed for 5 additional minutes.)

Mr. PANETTA. To continue, Mr. Chairman, lastly the area of Government expenses relating to paperwork consulting services, supplies, printing, paperclips, expenditures that approach almost $100 billion a year. The Commission, just one example, the Commission on Federal Paperwork estimated that the cost to the Federal Government of paperwork alone is $43 billion per year.

And the Commission also concluded that a "substantial portion of this cost is unnecessary."

I do not think that there is any question but that savings of anywhere from $200 to $300 million could be obtained in this area alone. We have had commissions. We have had GAO reports. We have had hearing after hearing, and we hear the rhetoric every day on this floor about waste and inefficiency. This is an opportunity to send a message directly to the Government agencies and departments and to the appropriate committees of the Congress, that now is the time for action, now is the time to begin to implement some of these savings that are so important to our overall effort to gain control of Federal spending. I would urge your support for this amendment.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I would be pleased to yield to the gentleman from New York.

Mr. SOLOMON. I am very interested in your amendment, but being a new Member in this House and not being that familiar with the budget process, is any reduction in travel or filmmaking included for the U.S. Congress in your amendment?

Mr. PANETTA. It is not included here. We are dealing solely with the area of Government allowances.

Mr. SOLOMON. Well, it just seems to me that we would also include the U.S. Congress. It seems to me that in the early part of the session, we, in this body, increased the operating costs of every single committee in this House anywhere from 15 percent to 2,000 percent. We have also installed this elaborate filmmaking and color television processes that we have in this Chamber, and it seems to me that we ought to be incorporating in your amendment cuts in our own congressional budget (instead of increases) so that we could show a little fiscal responsibility and show that the Congress is also setting an example by tightening its own belt as well as asking the rest of the Government and the American people to live within their means.

Mr. PANETTA. I understand and share the gentleman's concern. I think we will have plenty of opportunities in dealing with the legislative appropriations bill to make those revisions. What we wanted to deal with here was specifically the area of Government expenses where there are a number of reports that indicate that vital savings are not being accomplished.

Mr. Chairman, I yield back the balance of my time.

□ 1155

Mr. GEPHARDT. Mr. Chairman, I rise to speak in favor of the amendment.

Mr. Chairman, it was a pleasure for me to work with the gentleman from California (Mr. PANETTA), and the gentleman for Colorado (Mr. WIRTH), in the development of this amendment. I would like to speak first about the mechanics of it and how it works, and perhaps direct a little different answer to the last question that was asked by the gentleman from California.

This is a reduction in the 920 account, which is allowances. The reason we have cast this amendment in this fashion is to allow the Appropriations Committee to look at each dollar, each function, and each area, and within the general guidelines that we have set down in the legislative history in this amendment to try to find the kinds of economies that we are asking for. I would say to the Members that these kinds of economies might indeed be found in the legislative branch as well as in the executive departments and functions.

I look at this amendment a lot like the voluntary hospital cost containment program. I say that because in the past year or 2, because of all the attention that has been paid to the voluntary cost containment program, administrators of hospitals all over the country have become sensitized to the need to tighten up, to cut waste, to cut extravagances that are not needed. In fact, that program has reduced the increase in hospital costs from over 15 percent now down to 13 and maybe even 12 percent a year. I submit to the Members that if the Appropriations Committee through this amendment begins to tighten down on the executive branch and on all the branches of our Government, that we can achieve these kinds of savings, many of which were explained by the gentleman from California.

We spend $8 billion on transportation; half a billion dollars on audiovisual; half a billion dollars on public information and advertising. The U.S. Government is one of the top 20 advertisers in the United States. It is right up there with Coca-Cola and Procter & Gamble.

We spend $1.52 billion on printing; $51 million on supplies and purchases; half a billion on management and consulting contracts. I have here to my left about 20 or 25 GAO reports, all of which talk about economies that can be effected.

Some of them are: Better Use of Currency and Foreign Account Reports by Treasury and IRS Needed for Law Enforcement Purposes; Better Management of Spare Equipment will Improve Maintenance Productivity and Save the Army Millions: Need for Improvement in Small Business Administration's Financial Management; Savings Available by Contracting for Medicaid Supplies and Laboratory Services; Fragmented Management Delays Centralized Federal Cataloging and Standardization of 5 Million Supply Items; More Effective Federal and State Cash Management Would Increase Interest Income of Unemployment Trust Fund; The Department of Defense's Continued Failure to Charge for Using Government-Owned Plant and Equipment for Foreign Military Sales Costs Millions.

These are all reports that go to the questions that we have brought up. The gentleman from California talked about the fact that we make a lot of films that probably do not need to be made. I am sure we are all aware of management consultant contracts that are handed out that maybe do not need to be handed out at the end of the year. I am sure we are aware that the data processing equipment that has been brought by many departments is not creating new efficiencies, but indeed is costing us money.

We could go on and on about various area where savings could be found. The conclusion that we have to draw is that we need to give incentive in a year of austerity, in a year when we need to cut Government spending, in a year in which we need to demonstrate to the American people that we are tightening the belt. We need to give that incentive so that when fical year 1980 has ended we can see that some of the wasteful expenditures for supplies, management contracts, travel, and advertising are ended.

Mr. BETHUNE. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Arkansas.

Mr. BETHUNE. Mr. Chairman, this sounded good to me until the gentleman likened it to the hospital cost containment program. Does the gentleman have in mind forcing austerity on these departments by cutting out the amount of money they receive, or does he anticipate that we would be setting up some bureaucratic mechanism to find places to find money?

Mr. GEPHARDT. No, I would suggest to the gentleman that the parallel I drew is not exact.

☐ 1200

We would effect these savings by taking the money away. But by asking our Appropriations Committee to find these savings through reports that have already been issued, through studies that have already been made, would make these savings with the departments where, indeed, they should be made. I am not suggesting that we should be setting up some bureaucracy to try to make these savings. I think they are there. I think our appropriations committees are well capable of doing it and will do it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GLICKMAN, and by unanimous consent, Mr. GEPHARDT was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I thank the gentleman for yielding. I wish to compliment the gentleman.

I have offered legislation which cuts the travel by a half billion dollars. I have received about 30 cosponsors. Several things are made abundantly clear to me. Very few Federal agencies, and, in fact, this Congress, take advantage of cut rates in terms of preplanning, in terms of a lot of things that can be done to economize that we tell the American people to do but the Government does not take advantage of. There is an abundance of areas in this system of government in which we operate where that can happen, and a little bit of mandatory controls on their cost-cutting measures would be a helpful thing. I applaud the gentleman. I just hope that the amendment is put into fruition by the appropriations committees. But I think that the gentleman has offered something here that is very realistic.

Mr. GEPHARDT. I thank the gentleman for his statement and for his initiatives in this area.

AMENDMENT OFFERED BY MR. GRASSLEY AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. PANETTA

Mr. GRASSLEY. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. GRASSLEY as a substitute for the amendment offered by Mr. PANETTA: In the matter relating to the appropriate level of total new budget authority reduce the amount by $1,100,000,000;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $1,100,000,000;

In the matter relating to the amount of the deficit reduce the amount by $1,100,000,000;

In the matter relating to the appropriate level of the public debt reduce the amount by $1,100,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $1,100,000,000.

In the matter relating to allowances (920) reduce the amount for budget authority by $1,100,000,000; and reduce the amount for outlays by $1,100,000,000.

Mr. GRASSLEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GRASSLEY. Mr. Chairman, the amendment now at the desk provides for a $1.1 billion cut to be divided among four areas in the budget. The amendment, if adopted, would mandate reductions of: $200 million for Federal employee overtime pay; $200 million to reflect a 1 percent decline in the number of Federal employees, not through terminations or a reduction in force, but rather through normal attrition; $200 million for production of films, videotapes, and television programs; and $500 million in Federal expenditures for travel.

This amendment is identical to a measure offered by Senator HATCH last week when the other body was considering its first concurrent budget resolution for fiscal year 1980. Forty-one Senators voted in favor of this commonsense way of trimming wasteful—and I want to emphasize that this is some of the budget fat we have heard so much about—wasteful Federal spending. It is my intention to ask for a recorded vote on this amendment.

Adoption of this $1.1 billion reduction would leave function 920 with a negative balance. The budget resolution as reported set this function's budget authority at $854 million and outlays are $831 million. These sums would be apportioned to the various functions to pay for increases in Federal employee compensation. My amendment mandates that the savings would be similarly distributed.

Let me briefly discuss each of the four spending areas that this amendment impacts.

The General Accounting Office has checked into the amount of overtime pay received by Federal employees and concluded that the executive branch spent more than $1½ billion for overtime pay in fiscal year 1977. A December 21, 1978, report concluded, among other things, that—and I quote:

> Certain deficiencies in agency control systems which permit overtime abuse to occur appear to be widespread.

It seems to me that the Congress now has the opportunity to demonstrate its concern with this significant problem. Such an expression ought to be sufficient to prompt the executive departments and agencies to trim $200 million—or a little over 13 percent of fiscal 1977's overtime payments—from their fiscal year 1980 needs. Adoption of this amendment would provide the incentive needed for the executive branch to implement better personnel management policies. Current practices, which allowed 500 Justice Department employees to collect nearly $5 million in overtime should not be tolerated.

My amendment's second area of concern pertains to the total number of Federal employees. On October 26, 1978, President Carter sent a memo to the heads of executive departments and agencies urging such persons to, and I quote:

> Limit the number of new full-time permanent employees in your agency to not more than 50 percent of the new vacancies occurring after October 25, 1978.

This Presidential directive was followed by OMB Bulletin No. 78-2 on October 27, 1978. Herein the President stated that his 1980 budget would reflect his desire to limit Federal employment. Unfortunately, the administration budget request, as submitted to the Congress, does not put these brave words into practices.

Others have calculated that Mr. Carter's one new employee for two vacancies proposal would bring about a 1.5-percent reduction in the size of the Federal work force through attrition. I want to help the President achieve his October objective. My amendment, however, is more modest—conservative if you will. Trimming $200 million from the budget functions would bring about a mere 1 percent reduction in the size of the Federal work force. I want to play it safe which is why my amendment is foregoing the additional one-half of 1 percent, or $100 million saving.

My third area of concern is with the amount of taxpayer subsidized travel taking place. A Senate Budget Analysis System report on the President's budget recommendations for fiscal year 1980 shows that the administration requested $7.9 billion to move persons and things. My amendment would trim $500 million from the amount the Government spends on moving people and things. This is, in light of recent investigations and documented revelations, a very modest proposal.

The amount Uncle Sam spends on travel has, of late, come under congressional scrutiny. The other body's Legislative Branch Appropriations Subcommittee has documented a pattern of waste, abuse and fraud. During the course of that subcommittee's hearings on the matter, it was ascertained that the Consumer Cooperative Bank Self Help Development Agency had requested the tidy sum of $512,000 to defray travel expenses during fiscal year 1980. This figure, if divided up among the number of permanent full-time employees of that agency, would come to $7,900 per worker. The Economic Development Agency appears to be a relative model of restraint; its travel expenses for 1980 will be only $2,000 per employee.

The GAO has, in reports issued July 21, 1978 and February 28, 1978, suggested that money is being wasted by Federal agencies. It concluded, and I quote:

> Millions of dollars have been spent unnecessarily on commercial air travel.

To add a personal touch to this saga, on March 22, 1979, the New York Times chronicled the tale of a certain assistant administrator of the Environmental Protection Agency. This gentleman found it necessary to have his secretary accompany him on no less than eight trips between December 1977 and June of last year—all this in spite of the fact that EPA clerical help was available at most of the destinations. There are two possible conclusions. The first is that the EPA's field office help are not particularly adept at taking dictation and typing. The second is that the American taxpayer is being ripped off.

Suffice it to say that my amendment, especially with regard to Federal employee travel, could not be reasonably construed as incorporating a meat-axe approach. Its adoption will simply reduce the number of Federal employees in the air on a given day from 22,000 to 18,000. The amendment is in accord with a 1977 GAO finding that 17 percent of all trips taken by Federal employees are not necessary.

This amendment's final area of concern is with the $500 to $600 million the Federal Government spends on movies, videotapes, and the like. The rationale and authority for much of what I am seeking to do can be found in an April 1978 report entitled "Summary of Findings and Recommendations on Federal Audiovisual Activities." This study was prepared under contract to the Office of Telecommunications Policy. I doubt that any of my colleagues could read this document without being outraged and appalled.

The report states that the Federal Government is now believed to be the proud owner of nearly $2 billion worth of production facilities and equipment. A more precise figure is not possible because, and I quote:

> Since equipment is arriving virtually every week (half a dozen facilities were visited where employees were in the process of unpacking new cameras and videotape recorders) it is impossible to develop an accurate count of the number of government television studios in the Washington area.

We just do not know how many films have been made or are in production at present. In fiscal year 1976, 19 civilian agencies reported producing 1,215 motion pictures, 1,870 television titles, and 1,753 audio and mixed media presentations to the Office of Management and Budget. The figures given to OMB by the various agencies are, however, incomplete and inaccurate. A check of one agency revealed that the agency's expenditure was, in reality, nearly double that reported to OMB. The agency office responsible for reporting to OMB simply had no knowledge of the existence of motion pictures produced by another agency office.

Another Federal agency spent $120,000 on a film that after 1 year in circulation was shown a grand total of 139 times. Each showing of this masterpiece cost $836 based on production costs alone. I suppose that this is better than another bureaucracy that spent $125,000 on a film and promptly lost it. The report concludes that—

> There is no record of where the film went or whether anyone saw it.

I would like to caution my colleagues against believing that we are getting a good return on the money being spent. The titles of films produced by the Federal Government include classics like "Making an Occupied Bed," "Sponge Treasures From the Sea," "The Great American Fish Story," and the always popular "How To Succeed With Brunettes."

One enterprising Federal agency, desirous of communicating with 250 people in a moderate-sized city, proposed a series of television public service announcements. The audio was to be done in the Vietnamese and Laotian languages. This proposal reached the departmental level before anyone even considered whether television stations would give air time to a foreign language announcement or whether these 250 individuals would be watching television.

The reason why I am offering this amendment is perhaps best summed up by the following excerpt from page 9 of section III of the Office of Telecommunications Policy study. I am afraid that the type of thinking, which is graphically portrayed below, is all too common in the executive branch:

> There is a fairly consistent pattern of equipment purchases, and general audiovisual production, done at the end of the fiscal year, with money left in agency budgets. The clearest, most straight-forward example, was found in an agency where the Public Affairs officer acknowledged stockpiling proposals during the year, for varying costs, to provide a selection for the agency head who asked, "What do you have that might cost x-number of dollars before we have to turn back the money?

My amendment is simple and straightforward; the areas of potential savings are well documented. The facts and evidence which have come to light are so bizarre that even some of the more sensational periodicals would want verification. But I have no reason to believe that the GAO or Office of Telecommunications Policy would have any reason to be less than honest and factual.

Over the years we fiscal conservatives have been faulted for harboring an obsessive concern with the amount of Federal spending while ignoring how it is spent. This was supposed to be the "Oversight Congress." I suggest that we practice what we preach. My amendment shows how and where millions of dollars can be saved with absolutely no decline in the quality or quantity of services delivered to the American people.

Millions of dollars can be saved if only we will apply ourselves to the task before us. I urge adoption of the amendment.

□ 1205

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Colorado.

Mr. WIRTH. I would like to qualify the gentleman's amendment. I do not think those of us who offered the amendment on this side would have any problem with the gentleman's amendment.

First of all, you are limiting this to function 920, is that not the case?

Mr. GRASSLEY. Mr. Chairman, that is correct.

Mr. WIRTH. Mr. Chairman, second, would the gentleman agree if we were to accept the 10-percent higher figure of $1.1 billion suggested by the gentleman, versus $1 billion we had suggested, that the cut would also include cuts to be made by the Committee on Appropriations supplies, which had not been included in the language of the gentleman's amendment and had been included in ours?

We cannot line-item in this resolution as the gentleman knows, but in terms of the general thrust of what the House might be doing in this amendment, and as a general suggestion to the Committee on Appropriations, supplies would also be included in the category suggested by the gentleman from Iowa.

Mr. GRASSLEY. I have identified these areas that I have suggested to you based upon the amendment that was offered in the other body and because of many of the same GAO reports that the previous speaker had mentioned that I have studied as well, and I came to that conclusion not because of disagreement with your goals but because to offer something compatible with what might come out of conference committee.

Mr. WIRTH. Mr. Chairman, I think ours would be compatible with that. We would like to make sure that reference to supplies was included. There some $52 billion in outlays for procurement in the budget, and we thought that a less than 1 percent belt tightening in that area would also aid the cutting back of function 920 by the billion plus dollars suggested by both of our amendments.

□ 1210

Mr. GRASSLEY. Mr. Chairman, I appreciate what the gentleman from Colorado is saying. Within the leeway of what the Committee on Appropriations can do, as long as they take the directive from this budget process, that is satisfactory to me; but I think we ought to touch these other areas where here has been known abuse and also to help the President accomplish his goal. That is very important as far as I am concerned. But, I do agree with the gentleman from Colorado that my amendment can accommodate a cut in supply expenditures as the Panetta amendment does.

Mr. PANETTA. Mr. Chairman, will the gentleman yield to me?

Mr. GRASSLEY. Yes; I yield to the gentleman from California.

Mr. PANETTA. Mr. Chairman, as I understand the gentleman's amendment, it basically picks up the primary areas included in my amendment, which totals out to a billion dollars in reductions.

Mr. GRASSLEY. Yes, 1 billion.

Mr. PANETTA. One billion dollars. The gentleman added an additional $100 million to that figure. The gentleman's figure is $1.1 billion; is that correct?

Mr. GRASSLEY. Yes; based on the $200 million category for overtime pay.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GRASSLEY) has expired.

(At the request of Mr. PANETTA, and by unanimous consent, Mr. GRASSLEY was allowed to proceed for 2 additional minutes.)

Mr. GRASSLEY. Mr. Chairman, let me emphasize for the gentleman, $200 million for overtime pay, a 13-percent reduction in that.

Two hundred million for a 1-percent reduction in the work force through attrition.

Two hundred million dollars for film making, and $500 million for travel out of the $7.9 billion travel budget.

Mr. PANETTA. Mr. Chairman, if the gentleman will yield further, I think the gentleman basically picks up the primary areas that we are concerned with. Obviously, there is discretion here with regard to the Appropriations Committee. We are trying to send a message by virtue of these amendments.

I think that is the important issue that is involved here, a message to the Government agencies involved and a message to the appropriations commitee that they try to implement this.

With regard to the additional $100 million, I certainly have no objection to that being included in the Panetta amendment.

Mr. GRASSLEY. Mr. Chairman, would the gentleman from California accept my amendment?

Mr. PANETTA. I would be pleased to accept the gentleman's amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. Yes, I will yield.

Mr. ROUSSELOT. Mr. Chairman, that is what I was going to ask, since the author of the amendment (Mr. PANETTA) has accepted the gentleman's conceptual reductions; I was going to ask how much difference there was between the two. There is not that much. Evidently the Appropriations Committee can handle whatever details need to be handled. I compliment the gentleman, Mr. GRASSLEY, for his substitute.

I think both of the gentlemen are to be complimented for bringing this important issue to the floor. Sometimes it may seem small, but a billion here and a billion there, as we have heard, does make a difference.

I compliment both gentlemen in their effort.

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman from California for accepting this amendment.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I would like to join the gentleman from California, Mr. ROUSSELOT, in commending the gentleman in the well and the gentleman from California (Mr. PANETTA), for introducing this amendment. This is a part of the Republican substitute that we will be offering later on today, hopefully, and certainly we accept the amendment. I think it is a good amendment and should be adopted.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. GRASSLEY. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I thank the gentleman for yielding. Once again, I just want to make sure that as we write the language on this that we are all in agreement. There are a variety of categories in function 920.

The CHAIRMAN. The time of the gentleman from Iowa (Mr. GRASSLEY) has again expired.

(At the request of Mr. WIRTH, and by unanimous consent, Mr. GRASSLEY was allowed to proceed for 1 additional minute.)

Mr. WIRTH. Mr. Chairman, if the gentleman will yield further, I want to be sure in the language that we are all in agreement it is up to the Appropriations Committees to apply this out of $1.1 billion in function 920 across the various agencies. That is not our role in the budget resolution; the Appropriations Committee does that, specifically taking into account travel, overtime, supplies and so on.

Mr. GRASSLEY. Mr. Chairman, the gentleman is right and I agree with him.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa (Mr. GRASSLEY) as a substitute for the amendment offered by the gentleman from California (Mr. PANETTA).

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment, offered by the gentleman from California (Mr. PANETTA), as amended.

The question was taken; and the Chairman announced that the ayes appear to have it.

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The Chair will count. Thirty-two Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1220

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Connecticut (Mr. GIAIMO) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 403, noes 3, answered "present" 2, not voting 27, as follows:

[Roll No. 115]

AYES—403

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Treen
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—3

Diggs
Green
Weiss

ANSWERED "PRESENT"—2

Bonior
Gonzalez

NOT VOTING—26

Ambro
Bonker
Broyhill
Burton, Phillip
Conyers
Dingell
Drinan
Garcia
Gray
Harsha
Hillis
Hinson
Hubbard
Jenrette
Long, La.
Lujan
Marks
Murphy, Ill.
Nolan
Rose
Rosenthal
Runnels
Santini
Williams, Ohio
Wilson, C. H.
Wydler

☐ 1240

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ROUSSELOT: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $515,000,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,000,000,000;

(2) the appropriate level of total new budget authority is $593,831,000,000;

(3) the appropriate level of total budget outlays is $515,000,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero; and

(5) the appropriate level of the public debt is $863,900,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,900,000,000.

SEC 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $132,283,000,000;

(B) Outlays, $123,975,000,000.

(2) International Affairs (150):

(A) New budget authority, $12,647,000,000;

(B) Outlays, $6,000,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,498,000,000;

(B) Outlays, $5,151,000,000.

(4) Energy (270):

(A) New budget authority, $19,695,000,000;

(B) Outlays, $7,338,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,500,000,000;

(B) Outlays, $11,245,000,000.

(6) Agriculture (350):

(A) New budget authority, $4,929,000,000;

(B) Outlays, $5,350,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,394,000,000;

(B) Outlays, $2,917,000,000.

(8) Transportation (400):

(A) New budget authority, $19,274,000,000;

(B) Outlays, $17,600,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,120,000,000;

(B) Outlays, $7,348,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $31,739,000,000;

(B) Outlays, $30,000,000,000.

(11) Health (550):

(A) New budget authority, $56,801,000,000;

(B) Outlays, $50,400,000,000.

(12) Income Security (600):

(A) New budget authority $211,823,000,000;

(B) Outlays, $176,962,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,300,000,000;

(B) Outlays, $20,814,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,211,000,000;

(B) Outlays, $4,300,000,000.

(15) General Government (800):

(A) New budget authority, $4,327,000,000;

(B) Outlays, $4,200,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,356,000,000;

(B) Outlays, $6,489,000,000.

(17) Interest (900):

(A) New budget authority, $53,880,000,000;

(B) Outlays, $53,880,000,000.

(18) Allowances (920):

(A) New budget authority, $854,000,000;

(B) Outlays, $831,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19,800,000,000.

(B) Outlays, —$19,800,000,000.

☐ 1245

Mr. ROUSSELOT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROUSSELOT. Mr. Chairman, this is the day that many people in this country have been waiting for. Today is the day we can present the American people with positive proof that we are serious about restraining excessive growth in government.

This substitute amendment, for which I ask support, restrains growth in government for this coming fiscal year 1980 to an increase in expenditure levels of $22 billion up to $515 billion. This substitute, many of us believe, offers a rational increase, and indeed a more appropriate amount of increase in comparison with the committee resolution.

What does this resolution do?

The Rousselot resolution:

Balances outlays with anticipated revenues at $515 billion for fiscal year 1980 by restraining increases in spending.

In comparison, the Budget Committee recommends a deficit of $24.9 billion.

Sets outlay levels either at or above last year's levels, or at levels recommended by the Budget Committee.

Provides for a net tax cut of $10 billion. This is roughly equivalent to a gross tax cut of $16 billion before revenue reflows from an expanding economy. Reflows are likely to be even higher after the tax cut because of the positive effects lower tax rates have on economic growth.

Employs an inflation estimate of at least 8.5 percent, whereas the committee believes inflation will be 7.1 percent. Inflation is now increasing at over 10 percent per year. If it exceeds 10 percent next year, and a tax cut is not enacted, then an inflation-recession (stagflation) is virtually guaranteed.

Reduces the size of the public debt to $863.9 billion from $888.8 billion, the committee's recommendation. The debt will still increase by $33.9 billion, however, due to the expenditures of off-budget agencies ($12 billion), and due to the growth in surplus Federal trust funds ($21.9 billion) which are invested in newly created Treasury securities.

Recognizes the unexpended and unobligated Federal fund balances that have been accumulating while the bureaucracies try to figure out how to spend the money which has been authorized. By the end of fiscal year 1980, $101.3 billion in unobligated funds will have accumulated for the various bureaucracies to spend. In addition, $166.3 billion will have accumulated in pension reserves. Total unobligated balances equal $267.6 billion. The Federal bureaucracy will not starve under the Rousselot substitute.

Takes into account waste and fraud in the Government which is encouraged by excessive Federal spending. According to the Justice Department, fraud may be costing the government as much as $25 billion per year. Fiscal belt-tightening will encourage the Federal agencies to be more careful with the people's money.

The Members of this House—that branch of the U.S. Government which has the responsibility to control the Nation's purse strings—have been making promises of fiscal responsibility back home. Now is the time for a promise to become a vote—and a commitment to fiscal responsibility.

The underlying economic model from which the Rousselot balanced budget revenue estimate is derived is a closer approximation to reality than the Budget Committee's model. The Rousselot estimate of target revenue levels for the 1979 fiscal year was set at $464 billion—this estimate has been substantially validated by the rate at which revenues are actually flowing in.

COMPARISON

The facts speak for themselves. Fiscal year 1979: Rousselot revenue estimate, $464. Budget Committee revenue estimate, $443.3. Current OMB estimate, $461.8.

According to OMB, revenues will total at least $461.8 billion by the end of fiscal year 1979. In comparison, the majority's resolution, which this House accepted last year, was an astonishing $18.5 billion off the mark with a target set at $443.3.

The Rousselot balanced budget substitute estimates a nominal growth of 12 percent—a more realistic figure than the Budget Committee's estimate of 9.4 percent.

In supporting the Rousselot balanced budget substitute—and voting for it and not the majority resolution—you will honestly have the right to say to your constituents that you voted to balance the Federal budget for fiscal year 1980.

☐ 1250

The balances for outlays and anticipated revenues are at $515 billion for the fiscal year. This is in comparison with the Committee on the Budget, which has a deficit of $24 billion, although, as a result of the amendment just agreed to, that is reduced by $1,100 million. I will make sure that our amendment complies with that. In a few minutes we will again offer to this substitute the Gephardt-Panetta-Grassley amendment so that it can conform to the amendment on which we have just voted.

This sets the outlay levels above the 1979 expenditures by about $22 billion. It provides for a net tax cut of about $10 billion. We cannot legislate here today what any tax cut will be. That has to be left to the Committee on Ways and Means and the House at a later date. But on the basis of what we now know and what we know will happen in the election year of 1980, on the basis of what has happened in the past and what happened last year, my anticipated tax cut would be a gross reduction of about $16 billion. That is about thge same as our tax cut of 1978.

But that would not go in place until January 1, 1980, so there would be only 9 months in which we would have to consider a tax cut. That is why I say it is a net tax cut of about $10 billion.

Basically, the difference between my resolution and that of the committee's, other than restraining increases—and I will go into that in a moment—is the inflation rate estimates for 1980. The committee estimates would believe 7.1 percent inflation rate. My amendment contemplates 8.5 percent. The Members will recall that last year, when we had the same budget discussion, in my resolution I suggested a higher rate of inflation than did the committee. My perception of that, considering what happened in the entire economy, is far nearer correct than the committee was the last year in the 1978 resolution.

Let me repeat, the committee is now suggesting an inflation rate of 7.1 percent. My suggestion is that the inflation rate will be 8.5 percent, and I base that on the real world. The only way we can achieve an inflation rate of 7.1 percent in 1980 is to have the inflation rate reduced right now from last month's rate of, say, 12 or 13 percent. It would immediately have to come down to about 7 percent next month in order to achieve the committee's goal. By the time we even get to the 1980 fiscal year, in October of this year, we would have to immediately achieve a reduction in inflation. That just isn't happening.

I do not believe realistically that that will happen. So I have estimated figures that are the same as or very similar to the Wharton econometric model which is shown in the committee report on page 27. The committee and the President's expectations are the most unrealistic. Let me review those various projections:

Inflation—Change in CPI:						
House Budget Committee	9.0	7.7	6.7	7.7	8.2	7.1
President's Budget		7.5	6.4	......	8.2	6.7
Congressional Budget Office		8.2	7.6	......	8.6	7.8
DRI		8.7	7.3	......	8.9	7.6
Chase		8.9	6.9	......	9.4	7.3
Wharton		9.1	8.2	......	9.2	8.3

The CHAIRMAN. The time of the gentleman from California (Mr. Rousselot) has expired.

(By unanimous consent, Mr. Rousselot was allowed to proceed for 5 additional minutes.)

Mr. ROUSSELOT. Inflation, as we know—we saw it last week in the headlines—has averaged over 10 percent for the last 12 months, and in the last 3 months it has reached either 11 or 12 percent and in one month 13 percent. There is no way that we have turned that around in this amendment, or in the real world of government. My belief is that it is more realistic to have an 8.5 percent rate, and that does affect revenues.

So under my resolution the projection is that the revenues would reach $525 billion by the end of fiscal year 1980, and, therefore, with a net tax cut beginning in January of 1980, which I surely believe we will impose on the basis of several things that have occurred, we would then have a net expenditure level of $515 billion.

☐ 1255

Additionally, this would automatically, by reducing the level of expenditures. In the Rousselot resolution we of course reduce an important item in the budget expenditure side in the interest charge function. Those Members who have complained, very correctly, about the high cost of Government lending, debt securities and then being sold in the marketplace, should be pleased because we will be able to reduce the interest charge by almost $2 billion, because we will not need to add some $23 to $24 billion of new add-on debt to our Treasury.

If the Members will check the sheet that I sent to each Member's office, they will see it reduces the interest charge requirement from $56 billion in the committee recommendation to $53,800 million in the Rousselot resolution.

There are other areas where we can clearly restrain increases in budget expenditures. In only one functional category have I gone below last year's 1979 expenditure level unless the committee has so designated.

Let me review those functional categories:

[Dollar amounts in millions; fiscal years]

	1980 House Budget Committee	1979 2d Concurrent Resolution (Revised)	1980 Rousselot substitute	Rousselot increase/ (decrease) over prior year
Revenues	$507, 800	$458, 485	$515, 000	$56, 515
Budget authority	608, 418	555, 659	593, 831	38, 172
Outlays	532, 730	492, 820	515, 000	22, 180
Deficit	24, 930	34, 335	0	0
Public debt	888, 800	830, 000	863, 900	33, 900
050—National defense:				
Budget authority	$135, 263	$125, 468	$132, 283	$6, 815
Outlays	123, 975	113, 817	123, 975	10, 158
150—International affairs:				
Budget authority	12, 932	11, 576	12, 647	1, 071
Outlays	8, 223	7, 640	6, 000	(1, 640)
250—General science, space, and technology:				
Budget authority	5, 622	5, 357	5, 498	141
Outlays	5, 475	5, 151	5, 151	
270—Energy:				
Budget authority	20, 138	7, 592	19, 695	12, 103
Outlays	7, 960	7, 338	7, 338	
300—Natural resources and environment:				
Budget authority	12, 781	12, 770	12, 500	(270)
Outlays	11, 820	11, 245	11, 245	
350—Agriculture:				
Budget authority	4, 929	8, 283	4, 929	(3, 354)
Outlays	5, 350	5, 918	5, 350	(568)
370—Commerce and housing credit:				
Budget authority	7, 560	5, 844	7, 394	1, 550
Outlays	3, 195	2, 917	2, 917	
400—Transportation:				
Budget authority	19, 708	19, 212	19, 274	62
Outlays	18, 184	17, 137	17, 600	463
450—Community and regional development:				
Budget authority	$8, 303	$8, 062	$8, 120	$58
Outlays	7, 348	9, 001	7, 348	(1, 653)
500—Education, training, employment, and social services:				
Budget authority	32, 453	32, 604	31, 739	(865)
Outlays	31, 454	29, 995	30, 000	5
550—Health:				
Budget authority	58, 079	52, 904	56, 801	3, 897
Outlays	53, 813	49, 409	50, 400	991
600— Income security:				
Budget authority	217, 332	193, 717	212, 551	18, 834
Outlays	183, 100	161, 096	177, 227	16, 131
700—Veterans benefits and services:				
Budget authority	21, 035	20, 386	20, 572	186
Outlays	20, 549	20, 211	20, 549	338
750—Administration of justice:				
Budget authority	4, 306	4, 163	4, 211	48
Outlays	4, 433	4, 179	4, 300	121
800—General government:				
Budget authority	4, 424	4, 237	4, 327	90
Outlays	4, 331	4, 159	4, 200	41
850—General purpose fiscal assistance:				
Budget authority	6, 499	8, 476	6, 356	(2, 120)
Outlays	6, 489	8, 602	6, 489	(2, 113)
900—Interest:				
Budget authority	56, 000	52, 429	53, 880	1, 451
Outlays	56, 000	52, 430	53, 880	1, 450
920—Allowances:				
Budget authority	854	699	854	155
Outlays	831	693	831	138
950—Undistributed offsetting receipts:				
Budget authority	−19, 800	−18, 120	−19, 800	(1, 680)
Outlays	−19, 800	−18, 120	−19, 800	(1, 680)

For instance in the income security category the committee has jumped the expenditure level of outlays in 1979 from $161 billion to $183 billion, which is better than a $20 billion jump. I have suggested an expenditure outlay of $177 billion, which is an increase of $16 billion over last year.

So that action does not starve any area in income security. It does accommodate the natural cost-of-living increases that will occur in social security benefits, et cetera. A $16-billion increase in the income security I believe is more than adequate to cover that important area of expenditure which is now the largest in our budget area.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has again expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 4 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, let me make one more comment, and then I will be glad to yield to the chairman, the gentleman from Connecticut (Mr. GIAIMO).

I have tried, also, to take into account what the General Accounting Office, the Justice Department, and others, have said, that there are obvious areas of fraud in many programs, there are obvious areas of waste that can be trimmed by just not increasing expenditure levels as rapidly as the committee budget does. According to the Justice Department, fraud may be costing the Government this year as much as $25 billion a year, and I have tried to distribute that saving across the several income areas functional categories that are before us in this Budget Resolution based on my belief that when there is too much money lying around, we invite fraud abuse.

So I hope my colleagues will study these figures as they are compared for you with the committee resolution, this year's expenditure levels, 1979, and then the Rousselot-suggested levels of expenditure and revenues as they are shown in this chart before us. Let me quickly review those aggregates:

ROUSSELOT BALANCED BUDGET SUBSTITUTE AMENDMENT TO 1ST CONCURRENT RESOLUTION, FISCAL YEAR 1980

[Dollar amounts in millions; fiscal years]

	1980 House Budget Committee	1979 2d Concurrent Resolution (Revised)	1980 Rousselot substitute	Rousselot increase/ decrease over prior year
Revenues	$507, 800	$458, 485	$515, 000	$56, 515
Budget authority	608, 418	555, 659	593, 831	38, 172
Outlays	532, 730	492, 820	515, 000	22, 180
Deficit	24, 930	34, 335	0	0
Public debt	888, 800	830, 000	863, 900	33, 900

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished chairman, the gentleman from Connecticut.

☐ 1300

Mr. GIAIMO. I take this time just so we get a clear understanding of what the gentleman is doing here today. Now the gentleman is suggesting a tax cut in the neighborhood of $10 billion.

Mr. ROUSSELOT. Actually, it is a gross tax of $16 billion, but it would not go in place until January of 1980. So that is a net tax reduction of $10 billion for 1980.

Mr. GIAIMO. For the purposes of fiscal year 1980, it would be $10 billion?

Mr. ROUSSELOT. That is correct.

Mr. GIAIMO. That is because the fiscal year overlaps with the calendar year.

Mr. ROUSSELOT. That is correct. I do not frankly think the Ways and Means Committee would act probably until early next year, but my belief is it will be retroactive to January 1, 1980.

Mr. GIAIMO. The gentleman is saying that we are going to lose $10 billion in revenues; from the $57.8 billion in revenues, we lose $10 billion.

Mr. ROUSSELOT. I project gross revenues at $525 billion on the basis of an 8.5 inflation rate. So I would call it a saving of $10 billion that would remain in the pockets of the 96 million working people of the country.

Mr. GIAIMO. Let us do it my way.

Mr. ROUSSELOT. All right.

Mr. GIAIMO. Then I will understand it more clearly, and I think we will arrive at the same point.

The gentleman is saying that with his proposal and with his revenue cut in the neighborhood of $10 billion, we are going to wind up with a net increase in revenues of $515 billion.

Mr. ROUSSELOT. Yes. But a gross increase of revenues to $525 billion.

Mr. GIAIMO. The gentleman is saying that this $515 billion in revenues will be the net revenues after we reduce revenues by the amount of the tax cut of about $10 billion.

Mr. ROUSSELOT. That is correct.

Mr. GIAIMO. So that the total revenues under the gentleman's proposal would be gross about $525 billion.

Mr. ROUSSELOT. That is correct.

Mr. GIAIMO. I assume that the gentleman's argument is twofold: One, that a tax cut in revenues will generate greater activity in the economy.

Mr. ROUSSELOT. Yes.

Mr. GIAIMO. And that we will get the Roth-Kemp-type growth that we hear so much about these days.

Second, I suspect the gentleman is saying that, because of higher inflation, that will generate higher revenues, also.

Mr. ROUSSELOT. Yes. Let me comment just additionally on that. I think it is also on the basis of our tax cuts that we just put in place and voted on late in 1978, that have now gone in place. The loss of revenues in that case have not been even as great as were anticipated. A tax cut is a stimulus to the whole economy, far more than we receive when we increase Federal Government spending.

Mr. GIAIMO. What the gentleman is saying is that, by cutting taxes, we—it is like the old lady that made the cookies. The more you make, the more you get. The more you cut taxes, the more money you are going to wind up with in revenues.

Mr. ROUSSELOT. You increase the whole tax base, that is correct and stimulate the economy to that degree. The result is more revenues after about 9 months to a year.

Mr. GIAIMO. I understand. Now, at the same time what the gentleman is saying is that we are going to cut outlays, perhaps from $532.7 to $515.

Mr. ROUSSELOT. Projected outlays for 1980. right.

Mr. GIAIMO. And which is a $515 billion outlay figure, which is a drastic cut.

The CHAIRMAN. The time of the gentleman from California (Mr. Rousselot) has expired.

(At the request of Mr. Giaimo and by unanimous consent, Mr. Rousselot was allowed to proceed for 4 additional minutes.)

Mr. GIAIMO. The gentleman is saying that that would be a decrease of $17, almost $18 billion in outlays.

Mr. ROUSSELOT. From the committee's recommendation of projected increases of $38 billion, yes.

Mr. GIAIMO. Or projection. Now our economists tell us what the effect of cutting $18 billion out of the economy would do.

Mr. ROUSSELOT. Out of the Federal expenditures. That does not mean out of the whole economy except as new taxes.

Mr. GIAIMO. Right. The effect of cutting $18 million in Federal spending out of the economy would have a very serious effect on the economy. I am told by our economists that the gentleman does not project that in his revenues. What you do when you cut revenues, you have a twofold effect. The reduction of revenues, obviously to some degree, stimulates the economy.

Mr. ROUSSELOT. About 40 percent recoup.

Mr. GIAIMO. We differ over the percentage.

Mr. ROUSSELOT. Many economists generally agree it is 40 percent recoup from a tax cut.

This tax cut will be needed just to offset the $16 to $20 billion increases in personal income taxes and social security taxes that will arise because of inflation, now increasing at the rate of 10 percent per year and the real growth. Total nominal economic growth—inflation plus real—at 12 percent, my prediction, will push up tax revenues to $525 billion, on paper. In actuality, however, revenues will not reach this level because "taxflation" a consequence of the steeply progressive tax code and increases in social security taxes, is more likely to strangle the economy, and send it straight into a recessionary tailspin. In the process, revenues will drop, not coincidentally, to the Budget Committee's recommended level of $507.8 billion. With a tax cut, however, revenues are likely to flow in at the $515 billion level.

Granted, with a $7.7 billion cut from the Budget Committee's outlay target of $537.7 billion, we could balance the budget "on paper" at $525 billion. But in dynamic, real life terms, the rising oppressive tax burden that will occur as inflation continues unabated will overwhelm the economy and cause a recession. The tax base will shrink, and tax burdens will become even more oppressive since more revenue will have to be raised from a smaller tax base. Unemployment will rise, by say a percentage point, and the cost to the Government in foregone revenues will be in the neighborhood of $15 billion dollars.

In addition, increased outlays for social services will be in the neighborhood of $5–7 billion. The total cost for balancing the budget on the backs of the taxpayers could be as high as $22 billion in lost revenues, in dynamic terms. The net amount of revenues under this scenario will be in the $503 to $507 billion range, just as the House Budget Committee predicts.

To avoid a recession, we must provide for a tax cut. Since 1980 is an election year, support for one is virtually assured, and therefore a tax cut should be factored into our static revenue estimates. Higher unemployment and a shrunken tax base can be avoided; inflation can be controlled, and the budget can be balanced, if we follow the recommendations of the Joint Economic Committee which, in its "consensus" annual report, called for renewed emphasis on increasing the productive capabilities of our economy through more hospitable tax rates. Lower tax rates will encourage greater supply; higher tax rates will discourage it.

We can reduce inflation by increasing productivity—this we can all agree on. But in order to increase productivity we must have a tax cut. Simultaneously, and of equal importance, we must balance the Federal Budget to give the capital markets a chance to operate free of existing, stifling, Government competition for scarce investment funds. The evidence is now pouring in and it is telling us that excessive deficits have actually crowded out our capital-starved firms in their quest to expand their production opportunities. The growth of our capital stock has diminished to less than 3 percent per year, whereas in the mid-1960's it grew at almost 5 percent per year.

Mr. GIAIMO. It does to a degree stimulate the economy and result in additional revenues if the economy is held in a healthy position.

Mr. ROUSSELOT. That is correct. And our judgement is on the basis of past tax cuts, that the whole economy is put in a more healthy position.

Mr. GIAIMO. The economists also will tell us, however, that when you have a drastic reduction in the economy as a result of $18 billion in reduced Federal outlay, there is a downward pressure, which is not reflected in the gentleman's figures for revenues, and that even if we took your figures, if we took your estimate of the economic assumptions, the economists tell us that the deficit would not be zero, as you did, if you increased revenues via the tax cut and reduced outlays by $18 billion.

☐ 1305

They tell us that the deficit would be, not zero, but there would be a $10 billion deficit remaining; in addition to which——

Mr. ROUSSELOT. They say there is no recoup at all? Those must be economists who do not know history in this country or other countries.

Mr. GIAIMO. There is some, but not as much as the gentleman is claiming. I wish it were that easy. I would join with the gentleman, but it is not.

Mr. ROUSSELOT. I would look forward to the gentleman joining me. Especially when he looks at the history or the Kennedy tax cut in 1964–65.

Mr. GIAIMO. Declining GNP and declining employment, that is the risk.

Mr. ROUSSELOT. Let me say to the gentleman that there are many economists, as he knows, who disagree with what he has just said. I can find just as many that say that a reduction in Federal outlays, Federal spending, especially when it is, at such high levels at the projected levels of the committees—a reduction or restraint in increases in those expenditures is every bit as stimulating to the economy in general because there is less demand in the marketplace for so much deficit financing.

For instance, the gentleman's own report shows that last year the turnover requirement of the Treasury to finance old debt and to finance new debt involved close to $400 billion. This has to have an effect on private borrowing. Now, when we do not spend at such a high level, such as the projected $532 billion figure, but at a lesser level of $515 billion, we reduce the requirement. The chairman considers this to be destimulatory. I think I can show, with no new deficit, that we can reduce the requirement of the Treasury to go out and borrow so much. Consequently local governments, which may have other projects for which they sell bonds, and the private sector when it goes to finance for capital formation and other things, have far more capability of entering that market and utilizing private funds to expand production. The Federal Government, however, which in all cases, as we know, as you know and I know, does not produce anywhere near the jobs or the genuine stimulus is outborrowing the private sector. Most of that money that the gentleman is talking about, that extra $17 billion or $18 billion, that he wants to add to Federal expenditures does not properly stimulate the private economy.

The CHAIRMAN. The time of the gentleman from California has again expired.

(By unanimous consent Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. That extra burden of Federal expenditures does not really stimulate the economy as much as it puts a tremendous burden on the taxpayers additionally.

Large deficits have contributed to our high rates of inflation because when the Federal Reserve increases its holdings of Treasury IOU's, this is tantamount to the printing of fresh money. Now, as a time when the money supply is growing out of control, at rates which are entirely inconsistent with a stable price level, another large deficit is the last thing the economy needs in its fight against inflation.

Unfortunately, the Budget Committee has refused to understand the underlying causes of inflation. While it has been busy trying to get its own inflation estimates as close as possible to the President's estimates, the financial markets have been telling us all that inflation will be 9 to 10 percent for most of next year. To verify this, just open up the Wall Street Journal and look at the yields on 1-year notes.

The proposed $16 billion tax cut as our tax cut that we passed in 1978, begins to leave more money in the pockets of the taxpayers. They do not have so much deducted from their payroll checks. They have the ability to make the decision as to whether to invest, to save or spend on consumer goods. It gives each individual more of the decisionmaking power, and history shows with the Kennedy tax cut and with the other tax cuts we have had, and we have now had some 12 in the last 15 years, that there is a stimulus to the economy, not a downturn. That is the belief of many well known economists.

Mr. GIAIMO. That is my point as to the gentleman's stimulus. He is talking about both by virtue of a tax cut and by virtue of higher inflation.

Mr. ROUSSELOT. I think mine is more realistic on the basis of history, especially the last 5 years.

Mr. GIAIMO. It is not a matter of being realistic, but the point is this: Of higher inflation, of revenues as a result of tax cuts, result in additional outlays as the gentleman well knows; increased outlays brought about by inflation.

Mr. ROUSSELOT. Federal outlays, the gentleman is talking about?

Mr. GIAIMO. Federal outlays. Federal outlays are clearly increased by virtue of higher inflation. Witness the fact that we have had to add $4 billion or more to interest payments.

Mr. ROUSSELOT. That is because of deficit financing.

Mr. GIAIMO. It is because of higher inflation.

Mr. ROUSSELOT. It is also because of deficit financing, the huge increase of deficit financing.

Mr. GIAIMO. I do not want to argue with the gentleman. My point is merely this: The gentleman's higher estimate of inflation and tax cut which brings in additional revenues will result in increased outlays which are not reflected in his outlay figure.

□ 1310

Mr. ROUSSELOT. Which outlays?

Mr. GIAIMO. Which outlays?

Mr. ROUSSELOT. Yes.

Mr. GIAIMO. All outlays affected by inflation. Interest is a classic example. Our programs like social security, veterans' payments, all of our payments which are triggered by the inflation rate, the pay of the employees of the Government, or of the retirees.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 5 additional minutes.)

Mr. ROUSSELOT. Let me comment. The difference between the Rousselot resolution and the gentleman's is, I address myself better to the problem of interest costs than the gentleman does, because he creates at the beginning of fiscal year 1980 a $23 to $24 billion deficit, which requires almost $2 billion in new interest that the Government will be required to pay on that add-on debt. I eliminate most of that. We may argue how much.

Again, let me repeat for my colleagues, a basic lesson in economics: Large deficits have also contributed to our high rates of inflation because when the Federal Reserve increases its holdings of Treasury IOU's, this is tantamount to the printing of fresh money. Now, at a time when the money supply is growing out of control, at rates which are entirely inconsistent with a stable price level, another large deficit is the last thing the economy needs in its fight against inflation.

Some on the Budget Committee have refused to understand the underlying causes of inflation. While it has been busy trying to get its own inflation estimates as close as possible to the President's estimates, the financial markets have been telling us all that inflation will be 9 to 11 percent for most of next year.

The money supply is still growing too fast. The Federal Reserve's figures, which have been showing declining money supply growth rates, are actually much higher when adjusted to recapture things like repurchase agreements which corporations use to earn interest overnight on their funds. These types of financial arrangements have not been incorporated into the money supply figures released by the Federal Reserve.

Mr. GIAIMO. If the gentleman will yield further, I do not think he and I differ in what we are trying to accomplish.

Mr. ROUSSELOT. Absolutely not. We both wish to reduce inflation, increase productivity, restrain wasteful Government spending, balance the budget, reduce the tax burden, and get Government off the taxpayers' back.

Mr. GIAIMO. I think where we differ is that the gentleman has stimulated the revenue side of the budget to get the deficit down, but he has not taken into cognizance the effect of that higher stimulus because of higher inflation and a tax cut on the increased outlays which he will bring about. They are not reflected in his outlays. In fact, he has an $18 billion outlay reduction.

Mr. ROUSSELOT. From the gentleman's projected outlays?

Mr. GIAIMO. Yes.

Mr. ROUSSELOT. But it is $22 billion over what we spend in fiscal year 1979, which I say accommodates the inflation factor in the Government spending area. That is my point. It does accommodate a lower rate of inflation in Government spending, 4.6 percent to be exact.

Mr. GIAIMO. Will the gentleman yield further?

Mr. ROUSSELOT. Certainly.

Mr. GIAIMO. I thank the gentleman for yielding.

All I can say is I wish that we were able to do what the gentleman is trying to do by cutting taxes and reducing outlays, but I am afraid that if we go that route, we are going to increase inflation. We are at the same time going to slow down the economy. We are at the same time going to raise the unemployment rate and slow the growth of the GNP, and the result would be disastrous and there would not be a balanced budget.

Mr. ROUSSELOT. There is an important factor in inflation, as the gentleman knows, and that is increased Government spending. Government spending of this magnitude is a drag on the economy. The Rousselot substitute is an improvement. So I reduce that additional drag that the committee tries to place on the economy.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I will address this later, but I think one point should be clarified. As the distinguished chairman continues to talk about inflation, I think it should be noted for the Members here in the House that, technically speaking, a definition of inflation is that caused by the expansion of the money supply the volumetric expansion.

Mr. ROUSSELOT. That is the major cause of inflation.

Mr. SYMMS. That is the major cause of inflation and inflation is caused by two sources: One, Government, and the other one counterfeiters. What we are talking about here is reducing expansion, so the end result probably would be we would have lower interest rates, increased confidence in business activity, increased confidence in reinvestment, and less competition at the loan window for our citizenry.

Mr. ROUSSELOT. The gentleman makes an excellent point. There is nothing we can do here unless we change the laws to impose some kind of restriction on the increase of the money supply that is the province of the Federal Reserve Board. We can, however, address the first point the gentleman made and that is the role the Government has in increasing inflation—Government actually reduces output because so much of it is wasteful. With the money supply rising and output declining because of Government expenditures, we get more inflation. This is where I disagree with my distinguished colleague. He somehow thinks by revving up Federal expenditures, we improve inflation, and that we improve somehow the economy. That has not proved to be the fact. It is for this reason that I say that my substitute is more responsible than the committee's recommendation. The inflation factor in the majority committee's resolution of only a 7.1-percent increase in Government expenditures is too low because with increased Government spending excessive Government spending, we are bound to have more inflation.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Florida.

Mr. NELSON. I thank the gentleman for yielding.

Of the $7.2 billion that you assume in increased revenues, what portion of that is allocable to the increase in inflation and what portion allocable to the tax cut?

☐ 1315

Mr. ROUSSELOT. Actually when you take an inflation rate and apply it to revenues when you are trying to calculate what the revenues will be, and we are estimating here, the Rousselot amendment assumes an 8.5-percent inflation ratio and about a 12-percent real increase in nominal income.

The main factor is, I do not think the committee's inflation factor rate is sufficiently adequate. Let me give you a little history on this.

The Government revenues would go to $525 billion under an economic assumption of an inflation rate of 8.5 percent.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Now let me explain what happened this fiscal year 1979 as a result of the economic assumptions made by my resolution in the spring of 1978 for fiscal year 1979:

Comparison

The facts speak for themselves.

Fiscal year 1979: Rousselot revenue estimate, $464. Budget Committee revenue estimate, $443.3. Current OMB estimate $461.8.

According to OMB, revenues will total at least $461.8 billion by the end of fiscal year 1979. In comparison, the majority's resolution, which this House accepted last year, was an astonishing $18.5 billion off the mark with a target set at $443.4.

So for the current fiscal year my projections were more realistic than the committee's.

It is not a very precise science to look at the difference in the two projected revenue figures by themselves.

Mr. NELSON. Mr. Chairman, if the gentleman will yield, I am trying to get a concept of the gentleman's $7.2 billion increase, how much you contribute to a tax deduction or a tax decrease and how much you are attributing to the inflation factor.

Mr. ROUSSELOT. Mr. Chairman, the reason it is not very effective to argue just the $7.2 billion difference here between my revenues and the committee's revenues is because there are other factors, both a tax cut and the inflation rate. I think you must take them both into account. You cannot be quite that precise, determining how much each factor applies to the $7.2 billion difference in the revenue figures. In the committee estimate there is no tax cut as you know. We did have a tax cut in 1978.

To answer your question, the $7.2 billion difference between my budget outlays or revenues and the committee is a combination factor of a tax cut and an inflation factor of 7.1 percent by the committee and 8.5 percent inflation rate in the Rousselot resolution.

My estimate is that about 82 percent of the $7.2 billion difference is attributable to inflation. About 18 percent is attributable to real growth.

Without a tax cut we will have at least 10–11 percent inflation and only 2 percent or less real growth. On the other hand without a tax cut we will lose almost $22 billion in revenues. With a tax cut we will have inflation of 8.5 percent and real growth of 3½ percent to 4 percent.

The CHAIRMAN. The time of the gentleman has again expired.

(On the request of Mr. EDWARDS of Oklahoma and by unanimous consent Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. EDWARDS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from Oklahoma.

Mr. EDWARDS of Oklahoma. I thank the gentleman for yielding.

I wanted to make a point of something I heard on the floor that I did not want to let pass unanswered.

As I heard the chairman of the committee in his response to the gentleman from California, he referred to a figure which I think was $1.8 billion as being removed from the economy. I believe the important point to remember is the money is not being removed from the economy, it is being removed from Federal spending and is left in the private sector. It is still in the economy. It is the private sector which is the part of the economy which creates growth and new jobs.

Mr. ROUSSELOT. Mr. Chairman, the gentleman makes an excellent point, much more precisely and exactly than I did when I was trying to discuss it with my colleague (Mr. GIAIMO).

Mr. SYMMS. Mr. Chairman, would the gentleman yield?

Mr. ROUSSELOT. I would be glad to yield to my colleague from Idaho, a strong force-market advocate.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

I wanted to complete a point with regard to expanded confidence. I would imagine that if the gentleman's amendment were to pass here this afternoon that the stock market would take a rapid rise up, the dollar would go up on foreign exchange markets around the world, there would be renewed confidence in the United States of America if people thought the Congress of the United States was once and for all going to put its house in order.

Mr. ROUSSELOT. Mr. Chairman, that is exactly what happened with proposition 13 on the California State level. There were dire predictions made including those by my senior Senator (Mr. CRANSTON). That we would have drastic cuts in Government services. We are not even cutting on the basis of what our Governor had to do on the basis of proposition 13. We are just restraining increases in this Federal budget resolution.

☐ 1320

The real world says this will happen and it will be a signal to the private sector, as the gentleman says. They will be encouraged and stimulated to move to create new jobs, to encourage more savings people will have, more money in their pockets to move with; so I encourage my colleagues to support this fiscally responsible and stimulative resolution.

Mr. LUNGREN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague, the gentleman from California (Mr. LUNGREN).

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(By unanimous consent, Mr. ROUSSELOT was allowed to proceed for 2 additional minutes.)

Mr. LUNGREN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, is the gentleman aware of the report that has come out of the State of California, the government in the State of California, that chronicles the fact that for the first time in many, many years in the State of California, in the year of proposition 13, we had one of the healthiest increases in jobs we ever had?

Mr. ROUSSELOT. That is correct. Unemployment went way down; the number of jobs being created by the private sector went way up. The gentleman is correct.

Mr. LUNGREN. And that the rate of increase in job growth in California for 1978 was 6.2 percent.

Mr. ROUSSELOT. Right, an impressive increase.

Mr. LUNGREN. And that puts it within the top 10 for the first time in many, many years.

Mr. ROUSSELOT. The gentleman is very correct, and the economists, the same solid economists my colleague was talking about, many of them attribute that to the clear signal in proposition 13 and a new confidence that the private sector is the place where most of the jobs are developed and a reduction in government burdens.

Mr. LUNGREN. And that the rapid growth of jobs in the State of California was primarily in the private sector, despite the well-known antibusiness attitude of the government of the State of California at the present time.

Mr. ROUSSELOT. Mr. Chairman, I think the gentleman makes an excellent point. And has reenforced further the reasons for supporting this substitute resolution.

PERFECTING AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer a perfecting amendment to the text of the concurrent resolution (H. Con. Res. 107).

The Clerk read as follows:

Perfecting amendment offered by Mr. WYLIE: Strike out sections 1 through 5 and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $507,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $582,832,000,000;

(3) the appropriate level of total budget outlays is $507,144,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $656,000; and

(5) the appropriate level of the public debt is $863,214,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,214,000,000.

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $134,263,000,000;

(B) Outlays, $122,975,000,000.

(2) International Affairs (150):

(A) New budget authority, $9,932,000,000;

(B) Outlays, $5,223,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,422,000,000;

(B) Outlays, $5,275,000,000.

(4) Energy (270):

(A) New budget authority, $18,338,000,000;

(B) Outlays, $6,160,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,151,000,000;

(B) Outlays, $11,220,000,000.

(6) Agriculture (350):

(A) New budget authority, $4,429,000,000;

(B) Outlays, $4,850,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,310,000,000;

(B) Outlays, $2,945,000,000.

(8) Transportation (400):

(A) New budget authority, $15,458,000,000;

(B) Outlays, $16,934,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,003,000,000;

(B) Outlays, $7,045,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $25,653,000,000;

(B) Outlays, $24,654,000,000.

(11) Health (550):

(A) New budget authority, $53,079,000,000;

(B) Outlays, $48,813,000,000.

(12) Income Security (600):

(A) New budget authority, $215,732,000,000;

(B) Outlays, $181,500,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,570,000,000;

(B) Outlays, $20,814,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,223,000,000;

(B) Outlays, $4,183,000,000.

(15) General Government (800):

(A) New budget authority, $4,223,000,000;

(B) Outlays, $4,130,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,495,200,000;

(B) Outlays, $6,489,000,000.

(17) Interest (900):

(A) New budget authority, $54,000,000,000;

(B) Outlays, $54,000,000,000.

(18) Allowances (920):

(A) New budget authority, $246,000;

(B) Outlays, $269,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authortiy, $19,800,000,000;

(B) Outlays, $19,800,000,000.

SEC. 4. In accordance with section 301(b) (1) of the Budget Act, no bills and no resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) of the Budget Act for fiscal year 1980 shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. In 1979, each standing committee of the House of Representatives shall report by July 1 to the House of Representatives its recommendations and the status of its actions with respect to new spending authority including all legislative savings, and other reforms, targeted by the first concurrent resolution on the budget for the fiscal year ending on September 30 of that same year. This report shall include any additional legislative savings which the committee believes should be considered by the House in the programs for which such committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to all possible legislative savings for the programs for which the committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives an estimate of the unobligated (and unexpended) balances of budget authority, an analysis of the extent to which such unexpended or unobligated balances could reasonably be reduced, and what steps, if any, have been or are being taken to reduce such balances.

Mr. WYLIE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

(By unanimous consent, Mr. WYLIE was allowed to proceed for an additional 5 minutes.)

Mr. WYLIE. Mr. Chairman, this resolution we are considering today is a target resolution.

Now, I think our target for fiscal year 1980 should be a balanced budget.

A little while ago, there was an amendment adopted which would reduce outlays by $1.1 billion by the gentleman from Iowa.

My amendment accommodates that reduction of $1.1 billion and it also accommodates the amendment which was offered by the gentleman from Texas (Mr. ROBERTS) in the amount of $265 million for veterans benefits; so in order to accommodate that in my resolution, and I will say to my colleagues that the only difference between the resolution which was printed in the CONGRESSIONAL RECORD on Monday and the one which we have now is a surplus of $656 million which I suggest can be redistributed to any program which the Budget Committee might want to redistribute it to.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly?

Mr. WYLIE. I would be glad to.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding.

I would like to also say that in the substitute resolution that I just submitted, I did accommodate the increase of the gentleman from Texas (Mr. ROBERTS) in the veterans amendment on which we voted previously and I know that is what my colleague Mr. WYLIE has done in his amendment.

Mr. WYLIE. Fine. I am glad the gentleman from California cleared that up.

I might say I will support the amendment in the nature of a substitute offered by the gentleman from California if my perfecting amendment fails.

☐ 1325

I do feel that I have a better amendment than does the gentleman from California (Mr. ROUSSELOT), obviously, or I would not have offered it; I would have just gone ahead and supported his amendment. We differ, in that the amendment offered by the gentleman from California (Mr. ROUSSELOT) calls for an inflation rate of 8.5 percent. Now, I am a little more optimistic than that, and I accept the analysis of the inflation rate of the Committee on the Budget; they suggest it might go down as much as 7.1 percent. I hope it does, and I think that if we balance the budget or call for a balanced budget, indeed the inflation rate might go even lower than that. But I have accepted the premise on which the budget resolution of the Committee on the Budget was drawn.

I also accept the committee's figure on the revenue level of $507 billion, 800 million. I differ from the gentleman from California (Mr. Rousselot) in that regard. He anticipates $525 billion in revenues, which I think is not realistic.

The gentleman from California (Mr. Rousselot) also provides for a $10 billion tax cut. I think that we need to balance the budget first before we talk in terms of a tax cut.

So these are important differences which we have as far as our approach to balancing the budget is concerned, but we are both committed to the goal of balancing the budget for fiscal year 1980, and we both think it is very, very important to the people of this country.

Mr. Chairman, I will say to my colleagues that we live in a democracy, and in a democracy we as the Representatives should listen to the people. There is no doubt that most Americans want a balanced budget.

First we had proposition 13 in California. Now 30 States have asked for a Constitutional Convention, and we will have one unless Congress acts to balance the budget first. An act of Congress is better, in my judgment, because we can accommodate fiscal policy or make fiscal policy more manageable, and there may be times when we will need to vote a budget deficit in order to stimulate the economy. I submit that this is not one of those times.

As I say, my perfecting amendment would call for a surplus in the budget of $656 million for fiscal year 1980, and I intend that the budget be balanced and suggest that the surplus be redistributed. My budget would be balanced by reducing spending to the level of revenues as anticipated by the resolution of the Committee on the Budget. That figure, as I understand it, is based on a 7.1-percent inflation rate, as I have indicated.

Mr. Chairman, in preparing this resolution today to balance the budget, I have had one of the most frustrating and yet one of the most rewarding experiences I have had since coming to Congress. Any Member who has not gone through the experience or the process of attempting to balance the budget ought to do it sometime. Any Member ought to do it just once. A Member who does that will find out that it will be very enlightening and will also find there are a lot of skeletons in the budget, as indicated a little while ago by the gentleman from California (Mr. Panetta) and the gentleman from Iowa (Mr. Grassley). But, as I say, it is a very enlightening and uplifting experience.

The argument will be made that by reducing the budget of the commitee by $23 billion or $24 billion or $25 billion, whatever is needed to balance the budget, this could result in too great a shock to the American economy and it could lead to a recession. I have given serious thought to that and have talked to economists from my position on the Committee on Banking, Finance and Urban Affairs and from my position on the Joint Economic Commitee. Of course, no one would want this result, but I submit that the opposite effect would occur.

Last month we had an inflation rate of 13.1 percent on an annualized basis. If we were to use a 10-percent inflation rate, which is far too much as far as I am concerned, today's dollar will be worth only 39 cents in 10 years. One hundred dollars worth of goods today will cost consumers an incredible $259 in 10 years, and at the 10-percent level, which, as I said, is less than we are experiencing at the present time, the rate being 13.1 percent, $71 worth of groceries would cost $478 in but 20 years.

Now, at a 6-percent rate, which the administration says is tolerable and which is its goal, a dollar set aside for a pension today by a 30-year-old will be worth only 10 cents at age 65.

That dramatizes the problem we now face as a Nation and which the people of this country well understand. That is why they are calling for a constitutional amendment to balance the budget, because they do not want us to continue to vote budget deficits. I feel that since this is only a target resolution, as I said before, the budget ought to be balanced this year, and if there are signs of a recession, we can always modify the budget later on.

□ 1330

We can modify it by the process of a resolution which I have introduced which would call for a balanced budget except in time of war or a declaration of economic necessity by a vote of two-thirds of the House and two-thirds of the Senate.

History argues against a recession following a balancing of the budget. In 1948, West Germany went through a balanced budget process, and within 1 year inflation was brought under control and West Germany was launched on its prosperous expansion of today. France had the same result in 1958, history will record. On the other hand, history is replete with examples where governments have failed to meet the problem of inflation, and disaster has followed.

The late George Santayana once said it best:

> Those who cannot remember the past are condemned to repeat it.

And he recalls the Weimer Republic experience when inflation became rampant and the rise of Hitler followed.

The horrible depression which hit the United States following 1929 came after an inflation period of 11 percent. So 13 percent is intolerable; 10 percent is intolerable. And in 1953, in our own country, we stopped inflation by balancing the budget.

Now to get specific as to where I would make some of the cuts if we balanced the budget. First of all, if we balanced the budget, we can right off of the top eliminate $2 billion in interest payments alone. There are 2,874,462 Federal employees as of the end of October 1978. A reduction of Federal employees of 1 percent would save $400 million, and we lose that many employees every year by attrition. So if we do not rehire to fill those positions, we could have $400 million. In other words, put a cap on it.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Wylie) has expired.

(On request of Mr. Rousselot, and by unanimous consent, Mr. Wylie was allowed to proceed for 4 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. The gentleman's resolution calls for an expenditure level of roughly $507 billion?

Mr. WYLIE. $507,800 million.

Mr. ROUSSELOT. And the gentleman has included the amendment that was just passed, the Panetta-Grassley-Gephardt amendment; is that correct?

Mr. WYLIE. I have, yes, sir.

Mr. ROUSSELOT. So the gentleman's amendment now has a surplus?

Mr. WYLIE. That is correct. $656 million.

Mr. ROUSSELOT. So when somebody tries to argue against the gentleman's amendment, you have what we call a rather substantial contingency fund of $656 million?

Mr. WYLIE. That is correct.

Mr. ROUSSELOT. Because of previous action, the gentleman has accepted that overwhelming vote.

Mr. WYLIE. That is correct. I appreciate the gentleman's clarification and his contribution.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Mr. Chairman, obviously, we are not in agreement on the matter of whether or not we are heading toward a recession, but as I tried to point out on the floor when we first started this debate on the present budget resolution, we anticipate that there will be an increase in unemployment. Mr. Miller of the Federal Reserve has further indicated that he intends to keep interest rates high. On the unemployment situation, 10 economists who serve on Time's board of economists have indicated that they expect 1 million Americans to be unemployed by December of this year. We are further confronted with the fact that, although we are improving the balance of trade deficit in America, it is still very, very sluggish, and the dollar is still weak. We just propped it up. All of those factors, it seems to me, come into some sort of confluence, and we have that problem, together with the inevitability of recession.

The reason I asked the gentleman to yield to me is that the impact of those factors will take place 6 months, 8 months, maybe a year from now, and by balancing the budget, it seems to me, we merely set the stage in which to facilitate the entrance of those bad apples on our economic system.

□ 1335

Mr. WYLIE. I am glad the gentleman asked that question, because I think a balanced budget resolution right now would have the opposite effect. I think it would restore confidence, one, in our ability to balance the budget as far as the people of the United States are concerned. I think it would restore confidence as far as people over the rest of the world are concerned. They have seen what happens in other countries when a deficit budget becomes a way of life and what happens when a balanced budget comes into effect.

So, I think it would have the opposite effect of propping up the dollar. I might say that in my resolution I call for a reduction in the amount of money which would go overseas through international affairs appropriations, et cetera, and that would have the effect of keeping some of the dollars at home, which would have the effect also of reducing the balance of payments deficit, which, I think, is very desirable.

On the other hand, I think that by releasing some money to the private sector and by getting the Federal Government out of the private sector through the business of managing the public debt all of the time and crowding out the private sector that jobs would actually be created in the private sector.

May I say, I agree with the gentleman from California in this regard, that if we could balance a budget and free up some real dollars, if you please, dollars which are not being put into the marketplace through the intervention of the Treasury to finance the public debt or through running off printing press dollars, that we could, in fact, as I say, stimulate the private sector and increase employment.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. WYLIE) has expired.

(At the request of Mr. MITCHELL of Maryland, and by unanimous consent, Mr. WYLIE was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I will yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I did not know whether the gentleman had completed his entire response. It seems to me this House has got to face a very difficult situation. I am sure the Members will agree with me.

The point is, we do not know whether the economic sequence that the gentleman suggests will follow if, indeed, this balanced budget resolution is passed.

Frankly, I do not know whether the economic factors that are laid out will guarantee a recession. I think that they will. It seems to me the course of wisdom for this House is not to take that precipitous step that the gentleman and his colleague are suggesting when there is area for reasonable doubt as to where the economy is going.

Mr. WYLIE. Well, we do not know. There is an area for reasonable doubt. That is precisely why I say we ought to try balancing the budget for a change. A budget deficit has not worked.

This is a target resolution, as I explained at the beginning, and as a target, we ought to have a balanced budget.

Now, if it has the effect of causing the economy to slow down and unemployment does increase, then we can come back in a second budget resolution, which we will have, or in a third budget resolution, like the one which we voted on for fiscal year 1979 as an amendment to this one. We can stimulate the economy in areas through a temporary deficit if that is indicated.

I submit that that ought to be by a two-thirds vote of both the House and Senate, so everybody will know exactly what we are doing.

But this is only a target resolution. I say, by golly, let us try it. We have not tried it before. Maybe it will stimulate the economy so it will have the opposite effect from what the gentleman fears. I think it will. I think history shows that it will.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I am happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. I think my colleague's response is an excellent response and as far as the concerns of our colleague from Maryland, there may be some doubt as to what happened would we get the direction of the Wylie or Rousselot amendment. I do not think there is any doubt in the country where we are going and what is happening and the direction we are heading now.

Mr. HAWKINS. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from California (Mr. HAWKINS) is recognized for 5 minutes.

□ 1340

Mr. HAWKINS. Mr. Chairman, I think we are now witnessing an exercise in budget balancing under the disguised slogan, "balance the budget."

Mr. Chairman, I think we should understand what this is, because the implication is being given that a balanced budget is going to lower the taxes of the people. That is the implication that was given in proposition 13 in California, and to some extent that was true but overall the people may suffer. I think we do not have that genuine assurance in the present proposals that are being made. There is an attempt to say that by 1980 we are going to balance the budget, and we are going to do it largely through reducing outlays, and in doing so we are not going to hurt anyone.

We have not had any demonstrations today that that is absolutely true or that taxes are going to be lowered. We have some suggestion that it is going to be based on a tax relief in the neighborhood of a net $10 billion, but we do not know who is going to be helped by that tax relief. We had one in 1978, one which should have been vetoed, and some of us tried to get the President to veto it. This tax bill put into the pockets of some individuals more money—not the average individual who, it is being implied, is going to be helped in ths instance—but it helped those who needed the help the least.

That is exactly what we are going to get through such a proposal as this. As a result of the 1978 Tax Act, what happened? Investments did go up. Certainly, people invested. Corporate figures invested, because they were getting good breaks. We had liberalized the corporate tax and we gave them liberal taxation on capital gains.

What happened? Investments in 1980 went up by 6.1 percent, but at the same time the public outlays did not go up; wages and salaries did not go up, and we had an imbalance by the overemphasis on investments. As a result of that, we had the greatest corporate profits in 1980 that we have had in several decades, and they are continuing, as the headlines in the newspapers will tell the Members. That is exactly what is going to happen under this so-called balanced budget proposition. We will still have that imbalance growth in the economy that hurts everybody, including corporate entities in the long run.

There has been no indication of what the growth would be under this proposal, whether it is intended that the economic growth of the country is going to be increased or decreased. Obviously, under this formula it would have to be decreased not only because of the public outlays decreases but also private consumption.

The gentleman from California has said that we are going to use $25 billion in waste and fraud to offset reductions in outlays. Well, the people who today are engaged in fraud are going to continue under this proposal it may be assumed. The reductions in outlays are going to come off the backs of the poor, the disadvantaged, and even the moderate-income groups.

It has been said that stocks are going to go up if this proposal is passed. That is absolutely true. That is what happened in 1929. Stocks did go up on the basis that we were going to balance the budget, prosperity was going to continue, and all the other baloney that was being spread at that time, and we had the worst recession we have ever had largely because of unbalanced growth. It has been said that we had 10 tax reductions across the board in the last decades, and that is true. But, we have also had five recissions. Each recession has been worse and inflation has also been worse.

Reduced outlays, as has been suggested, have nothing at all to do with the current inflation rate. The inflation rate today is not due to excessive demand. It is due to administered price economy. As the demand decreases, prices stay up, because there are certain groups that are in a position to manipulate prices in such a way that the demand has nothing to do with them. So, we can reduce outlays even more than what has been suggested, but we are going to end up with the same problem. So, I say that this proposal is a proposal for disaster.

□ 1345

It is immoral in the sense that it implies a tax reduction which is not going to take place and it implies a reduction of the inflation rate which it has nothing to do with.

The CHAIRMAN. The time of the gentleman has expired.

PERFECTING AMENDMENT OFFERED BY MR. GRASSLEY TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROUSSELOT

Mr. GRASSLEY. Mr. Chairman, I offer a perfecting amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Perfecting amendment offered by Mr. Grassley to the amendment in the nature of a substitute offered by Mr. Rousselot:
>
> In the matter relating to the appropriate level of total new budget authority reduce the amount by $1,100,000,000;
>
> In the matter relating to the appropriate level of total budget outlays reduce the amount by $1,100,000,000;
>
> In the matter relating to the amount of the deficit reduce the amount by $1,100,000,000;
>
> In the matter relating to the appropriate level of the public debt reduce the amount by $1,100,000,000;
>
> In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $1,100,000,000.
>
> In the matter relating to Allowances (920) reduce the amount for budget authority by $1,100,000,000 and reduce the amount for outlays by $1,100,000,000.

Mr. GRASSLEY (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. WYLIE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from Ohio will state his parliamentary inquiry.

Mr. WYLIE. The gentleman from Iowa (Mr. GRASSLEY) is offering an amendment to the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT), as I understand it.

The CHAIRMAN. The gentleman is correct.

Mr. WYLIE. That would be voted on before my perfecting amendment?

The CHAIRMAN. No. The perfecting amendment offered by the gentleman from Ohio (Mr. WYLIE) to the concurrent resolution would be voted on first.

Mr. WYLIE. That was my understanding, Mr. Chairman. My amendment includes the amendment offered by the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, I am offering the perfecting amendment to the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

The CHAIRMAN. The gentleman from Ohio (Mr. GRASSLEY) is offering the perfecting amendment to the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT). The perfecting amendment to the main resolution offered by the gentleman from Ohio would be voted on first.

Mr. WYLIE. I thank the Chairman.

Mr. GRASSLEY. Mr. Chairman, this is exactly the same amendment as the Grassley substitute for the Panetta-Gephardt amendment that was adopted by the House, and it should not take any more discussion.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly?

Mr. GRASSLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. This Grassley-Panetta-Gephardt amendment was passed overwhelmingly just a few minutes ago.

Mr. GRASSLEY. That is right.

Mr. ROUSSELOT. I wanted to be sure that the Committee understood that I more than willingly voted for it and accepted it. What will happen now is there will in effect be a contingency fund of about $1,100 million in the Rousselot resolution.

I support the amendment.

Mr. GRASSLEY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Ohio (Mr. WYLIE).

The question was taken; and (on a division demanded by Mr. WYLIE) there were—ayes 27, noes 25.

RECORDED VOTE

Mr. SOLARZ. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 134, noes 275, not voting 25, as follows:

[Roll No. 116]

AYES—134

Albosta
Ambro
Archer
Ashbrook
Badham
Bafalis
Barnard
Beard, Tenn.
Bennett
Bereuter
Bethune
Broomfield
Brown, Ohio
Burgener
Byron
Campbell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Emery
Erdahl
Evans, Ind.
Findley
Forsythe
Gingrich
Goldwater
Goodling
Grassley
Grisham
Guyer
Hagedorn
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Horton
Huckaby
Hyde
Ichord
Jacobs
Jeffries
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lee
Lent
Lewis
Loeffler
Lott
Lujan
Lungren
McClory
Madigan
Marlenee
Marriott
Martin
Mattox
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Myers, Ind.
Neal
O'Brien
Pashayan
Paul
Petri
Pursell
Quayle
Quillen
Railsback
Ritter
Robinson
Roth
Rousselot
Rudd
Santini
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stump
Symms
Tauke
Taylor
Treen
Vander Jagt
Walker
Wampler
Weaver
Whittaker
Wilson, Tex.
Winn
Wylie
Young, Fla.

NOES—275

Abdnor
Addabbo
Akaka
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Butler
Carney
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gore
Gradison
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holland
Holtzman
Hopkins
Howard
Hughes
Hutto
Ireland
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rostenkowski
Roybal
Royer
Runnels
Russo
Sabo
Satterfield
Scheuer
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Thomas
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
White
Whitehurst
Whitley
Whitten
Williams, Mont.
Wilson, Bob
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—25

Boggs
Bonker
Breaux
Broyhill
Carr
Carter
Conyers
Drinan
Gonzalez
Hubbard
Jeffords
Jenrette
Livingston
Long, La.
Michel
Murphy, Ill.
Nolan
Rose
Rosenthal
Seiberling
Udall
Watkins
Williams, Ohio
Wilson, C. H.
Wydler

□ 1400

The Clerk announced the following pairs:

On this vote:

Mr. Breaux for, with Mr. Rosenthal against.
Mr. Michel for, with Mrs. Boggs against.
Mr. Wydler for, with Mr. Conyers against.
Mr. Livingston for, with Mr. Carter against.

Messrs. MILLER of California, MATHIS, HOPKINS, LONG of Maryland, ENGLISH, EDWARDS of Oklahoma, and SHELBY changed their vote from "aye" to "no."

Mr. KRAMER changed his vote from "no" to "aye."

So the perfecting amendment was rejected.

The result of the vote was announced as above recorded.

□ 1405

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

PARLIAMENTARY INQUIRIES

Mr. SOLARZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SOLARZ. Mr. Chairman, if I were to withdraw my request to speak at this particular time on the Rousselot amendment in the nature of a substitute, would a vote then be in order on the Grassley amendment to the Rousselot amendment in the nature of a substitute?

The CHAIRMAN. The gentleman is correct.

Mr. SOLOMON. Mr. Chairman, I have an amendment at the desk which I think would precede the vote on the Rousselot amendment in the nature of a substitute.

The CHAIRMAN. Is the gentleman's amendment a perfecting amendment to the resolution?

Mr. SOLOMON. To the basic resolution, yes, Mr. Chairman.

The CHAIRMAN. The Clerk will report the amendment.

PERFECTING AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. SOLOMON: In section 1: In the matter relating to the appropriate level of total new budget authority reduce the amount by $2,400,000;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $2,400,000;

In the matter relating to the amount of the deficit reduce the amount by $2,400,000;

In the matter relating to the appropriate level of the public debt reduce the amount by $2,400,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $2,400,000.

In section 3: In the matter relating to Function 800, General Government, reduce the amount for budget authority by $2,400,000; and reduce the amount for outlays by $2,400,000.

□ 1410

Mr. SOLOMON. Mr. Chairman, earlier this afternoon the gentleman from California (Mr. PANETTA) and I engaged in a colloquy on his amendment which, as you all know, was substituted with the Grassley amendment, which reduced Government spending in the general Government appropriations by $1,100 million. That was for travel, filmmaking, and a potpourri of items.

I know that that amendment passed by a vote of 419 to 3.

We were all very anxious to show that we are fiscal conservatives and that we are going to balance the Federal budget. Almost everybody voted for it.

But I asked the gentleman from California (Mr. PANETTA) at that time if that included the U.S. Congress budget in his cuts. He told me, no, it did not; that that would come under a different category.

Mr. Chairman, I have introduced this amendment because I think you all recall back in the early part of the session, after we all come back from campaigning for election and reelection and promising the taxpayers in this country that we were going to act fiscally responsible, that we immediately set a horrible example by increasing all of the funding resolutions in this House of all of the congressional committees from anywhere from 15 to 2,000 percent. That is the kind of example that we showed the American people in this country.

I have heard people stand on this floor and talk today, saying that the people are saddled with unbearable inflation, inflation that is caused by this Congress, with unbearable heating bills and gasoline bills because the price of oil has gone from $3 a barrel in 1973 to $15 and $20 a barrel today, and yet, we stand here and do nothing to set an example ourselves.

My amendment is very simple. It simply cuts back all those funding increases from 15 percent to 2,000 percent back to the recognized 7-percent increase that President Carter is asking every one of the American people to accept. I think that everybody should support this amendment the same as we did a few minutes ago when we cut all other Government agencies.

Mr. Chairman, it is a very small cut of only $2,400,000. It simply shows, as we all have said before, the intent of the Congress, to limit increases in spending of the U.S. Congress to no more than 7 percent, the same amount we are asking working Americans to accept. I think it deserves the support of everyone in this House.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. SOLOMON. Yes, I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

The gentleman's amendment is to the base resolution.

Mr. SOLOMON. Yes.

Mr. ROUSSELOT. I think my amendment also accommodates your amendment.

Mr. SOLOMON. My amendment goes further than yours and reduces the appropriation by $2,400,000.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I would be glad to yield to my colleague from Wisconsin.

Mr. OBEY. I just wanted to inform the gentleman that, although he said that this matter would not come up later this afternoon, he is in error in that it will be contained in my amendment, which will be following.

Mr. SOLOMON. I would just like to ask the gentleman from Wisconsin, would that be an individual amendment? I do not believe it would.

□ 1415

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from New York (Mr. SOLOMON).

The question was taken; and on a division (demanded by Mr. SOLOMON) there were—ayes 71; noes 63.

So the perfecting amendment was agreed to.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Iowa (Mr. GRASSLEY) to the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. GRASSLEY) there were—ayes 137; noes 13.

So the perfecting amendment to the amendment in the nature of a substitute was agreed to.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the Rousselot balance-the-budget amendment. As I understand it, the major justification for this palpably pernicious proposition is that it will presumably enable us to get a much better handle on inflation. I doubt that there is a Member of this House, or a person in the country, who does not share the concerns of my very good friend from California over the tremendous increases which we have experienced in the course of the last several months in the cost of living. And if, in fact, a demonstration could be made that this effort to balance the budget would result in a significant decrease in the cost of living, I think some persuasive arguments could be made on its behalf.

□ 1420

But when one analyzes what the economic impact of the Rousselot amendment actually is, assuming its adoption, it turns out that it would result in a decrease in the cost of living of approximately one-tenth of 1 percent. Since the average American family spends about $17,000 a year, the adoption of this amendment, and a reduction of one-tenth of 1 percent in the rate of inflation, would save the average American family in a reduced cost of living the grand and magnanimous total of approximately $17.

What is the price that we would have to pay in domestic programmatic terms if we were to adopt this amendment, given the extent to which it would obligate us to reduce outlays for the fiscal year 1980 budget by about $17 billion?

Mr. ROUSSELOT. Will the gentleman yield at that point just briefly?

Mr. SOLARZ. I will be happy to yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I know the gentleman wants to be correct. We are increasing the expenditure level of 1979 by $22 billion, so what we are really doing in comparison to the committee amendment is just restraining the increase in Government spending.

Mr. SOLARZ. The gentleman would agree that in comparison to the committee's resolution there is a reduction of $17 billion in outlays?

Mr. ROUSSELOT. From the gentleman's and the Budget Committee's proposed huge increase; yes, there is a containment.

Mr. SOLARZ. So the question is, what are the domestic and programmatic consequences of such a reduction? Depending on whose economic assumptions we use, whether they are the economic assumptions of the gentleman from California or the economic assumptions built into the committee's resolution, it would result in an increase in unemployment of anywhere from between 300,000 to 1.5 million jobs. It would result in a decline in the gross national product of anywhere from between $20 to $90 billion. In programmatic terms, the adoption of the Rousselot amendment would very possibly result in the elimination of cost-of-living increases for the recipients of social security. It could cripple the medicare and medicaid programs. It could result in substantial decreases in Federal aid to education. It could result in significant cuts in the budget for energy research and development.

Mr. LEVITAS. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Georgia.

Mr. LEVITAS. I thank the gentleman for yielding.

I am most interested in the statement the gentleman is making about the consequences of this amendment. I have listened as best I could to the debate. Where does the gentleman get these figures and these cuts? How are they developed? What is the source? Is that what the gentleman from California said he would cut as a result of this amendment?

Mr. SOLARZ. If I can reclaim my time, the gentleman can make whatever points he would like to. In response may I say that the gentleman's amendment provides for reductions in both budget authority and outlays in virtually every category except defense in the budget resolution for 1980. What I was trying to suggest was that, given the magnitude of the outlay reductions in the different functions, particularly in function 600 which is income security; function 550, which is health; and function 500, which is education, training, employment, and social services, the programmatic reductions which would be necessary to effectuate that reduction in outlays could very well require a cut in all of the programs which I have just mentioned. But above and beyond the programmatic and economic consequences domestically, the adoption of the Rousselot amendment could have catastrophic consequences internationally, because by completely eliminating the third budget resolution for 1979, it would knock out in one fell swoop the supplemental appropriation, among other things, for the Middle East. I am sure every Member of this House knows that as a result of the efforts of our own country, we managed to facilitate the most significant breakthrough in the search for peace between Israel and the Arabs in the last three decades.

□ 1425

To the extent that the willingness and ability of Israel and Egypt to enter into the peace treaty which was signed on the lawn of the White House only several weeks ago was a function of our willingness to come forward with additional amounts of aid for them, to enable Israel to rebuild and reestablish its airbases and defense line in the Negev after the withdrawal which it is obligated to undertake from the Sinai, and to provide Egypt with the wherewithal to reestablish an adequate defense as a result of the cutoff of Soviet aid which it has experienced in the last several years, the viability of the treaty might be seriously undermined. Were we now to adopt the Rousselot amendment, the budget authority to provide these desperately needed resources to Israel and Egypt would no longer be available and a situation would develop where if Israel went ahead with the peace treaty, withdrawing from Sinai but without the additional American help it needs to rebuild its airbases and defense line in the Negev, it would either have to go bankrupt in the process or it would be obligated to repudiate the terms of the treaty.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent Mr. SOLARZ was allowed to proceed for 1 additional minute.)

Mr. SOLARZ. I would say in conclusion that as admirable as are the intentions of my friend from California, the domestic and international programmatic and economic, political, and diplomatic consequences of the adoption of his amendment would be simply unacceptable.

On the one hand, we would have a reduction of $17 in the amount of money each family would have to spend due to the reduction of one-tenth of 1 percent in the rate of inflation, but on the other hand we would have to cut back all sorts of domestic and international vitally needed programs.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I will yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding. First I would like to correct the gentleman regarding the international functional category. I have taken the authorization figure of the Committee on Foreign Affairs, about $12.6 billion, almost as it appeared in the committee authorization.

I will try to speak to the Israel issue, because I am sure the gentleman did not intend to imply that I suggested reducing that. I did not.

That is the zinger the gentleman has given us and it is not true. I wanted to make sure my colleague from New York understands that. It is his judgment, not mine.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words and I will speak in opposition to the amendment in the nature of a substitute.

I wish to direct the attention of the Members to this chart. What the gentleman from California (Mr. ROUSSELOT) proposes here is to increase the $508 billion in revenues to $515 billion. He is going to do that in two ways. Built in here is a $10 billion tax cut. He is saying that by having a $10 billion tax cut and because he estimates higher inflation he is going to get about $525 billion in revenues. When you reduce the $10 billion you come out with $515 billion. That is nice work if you can get it. The only trouble is it is not the best economics in the world and it will not work. The gentleman from New York (Mr. KEMP) and others claim if you cut revenues you are going to get such a generation of activity in the economy that you are going to get greater revenues. You surely are.

Greater revenues, however, do several things.

Revenues brought about by increased inflation and a tax cut, first of all, cause greater outlays. The more revenues you generate, the higher your inflation goes and the more interest you pay on the national debt. Witness the fact we had to revise the 1979 budget for that reason.

Also, there are payments which are triggered by the inflation rate. Payments to retirees, pensioners, payments to social security recipients, payments to veterans, payments to a host of other people. That is not taken into account by the gentleman from New York (Mr. KEMP).

□ 1430

Not only that, but the committee recommends, as does the President, outlays in the neighborhood of $532 billion. The gentleman from California is going to cut them by $17 billion. So the gentleman is not taking into account the reverse effect or the negative effect which a reduction is going to have on the economy. It is going to slow down the economy, which is going to mean that outlays will be driven up for unemployment compensation, welfare, and the other payments which take place when we have a slowdown in the economy.

So while it sounds good, even if we use the economic assumptions of the gentleman from California (Mr. ROUSSELOT), there will be a deficit if we cut taxes and generate a stimulus, and higher inflation, and have this huge reduction in outlays. According to estimates of the economic models and the economists that we have consulted, not just our own economists, but a host of them by their economic assumptions, we would have a deficit not of zero, but $10 billion, plus we would have a slowdown in the economy. We would have a high unemployment rate and a downturn in the GNP.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. Not at this point.

I will say to the gentleman from New York, I will yield in a moment, if you use our economic assumptions, which are not as high on inflation as the gentleman is assuming and without a tax cut, we would still have a deficit. We would have a deficit, I believe, of $17 billion; so we would not get what we are trying to get, which is a zero deficit.

We would have a raging inflation, a downturn in the economy and dreadful harm to people who depend upon Federal programs for a host of activities, including defense, and all the other needs of people, caused by $17 billion reduction in outlays.

Now, it sounds good. We are going to be told that if we cut taxes massively we will sustain such a vital growth in the American economy the likes of which we have never seen. It is a nice theory. It has been promulgated by some, but it has been repudiated by almost every respected economist in the land, irrespective of party or political position.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. GIAIMO was allowed to proceed for 4 additional minutes.)

Mr. GIAIMO. Mr. Chairman, I yield to the gentleman from New York (Mr. KEMP), my good friend.

Mr. KEMP. Mr. Chairman, I appreciate that.

I would like to ask the gentleman before the House, what is the economic assumption of the House Budget Committee about the increase in taxes in 1979 and 1980?

Mr. GIAIMO. I would have to go back to my table and refer to the book there. I believe it is seven point something.

Mr. KEMP. Can someone help the gentleman out?

Mr. GIAIMO. What was the gentleman's question?

Mr. KEMP. What economic assumption is the predicate for the House Budget Committee's estimate of an increase in taxes for fiscal year 1979 and fiscal year 1980?

Mr. GIAIMO. I do not have that figure here.

Mr. KEMP. Does it not assume a large increase in taxes for fiscal year 1979 and fiscal year 1980?

Mr. GIAIMO. Yes, it does.

Mr. KEMP. So the question is not just whether or not we are going to keep taxes the same, it is a question whether they are going to go up more or less.

Does the gentleman assume that an increase in taxes on the American people is going to benefit the U.S. economy?

Mr. GIAIMO. Am I suggesting an increase in taxes? I am not aware that I am.

Mr. KEMP. The gentleman suggested that the predicate upon which the House Budget Committee has made its economic assumptions is a $17 billion to $20 billion increase in aggregate taxes in fiscal year 1979 and another $22 billion in fiscal year 1980. Is that going to be to the benefit of the U.S. economy?

Mr. GIAIMO. I think the gentleman is talking about the effect of inflation on the revenues of the country.

Mr. KEMP. Whatever.

Mr. GIAIMO. That is not a tax increase.

Mr. KEMP. Is that not a tax increase?

Mr. GIAIMO. I do not call that a tax increase.

Mr. KEMP. Oh, all right.

Mr. GIAIMO. That is where we have a confusion.

□ 1435

Mr. KEMP. That really is confusing, because to the American people that is an increase in taxes in the aggregate and in their marginal tax rates; yes or no?

Mr. GIAIMO. Mr. Chairman, I do not consider that the normal term we use when we talk about tax increases. If the gentleman wants to call it a revenue increase, I will agree with him.

Mr. KEMP. From whom is it going to come?

Mr. GIAIMO. From the taxpayers, like everything comes from the taxpayers.

Mr. KEMP. I thank the gentleman.

Mr. GIAIMO. Nothing comes free.

Mr. KEMP. If in fact the gentleman suggests there is going to be a revenue increase—and I will use his terminology—does he think that is going to augur the benefit of the U.S. economy, and can we afford higher taxes in fiscal year 1979 and fiscal year 1980, yes or no?

Mr. GIAIMO. I am not going to confuse revenue increases brought about by growth in the economy and inflation with tax increases. I know the gentleman is trying to equate them as being identical, but I am not going to fall for that ruse. Let us talk about one or the other.

Mr. KEMP. We have to talk about one or the other.

Mr. GIAIMO. Fine. Let us do that.

Mr. KEMP. Are our people in Connecticut, New York, and around the country going to pay higher taxes in 1979 or lower taxes in 1979?

Mr. GIAIMO. They will pay the taxes at the prevailing rates. Now, what the gentleman is trying to say is that because of inflation they will be driven up into higher tax brackets.

Mr. KEMP. I thank the gentleman.

Mr. GIAIMO. And they will end up paying more taxes. That is academic. I do not think anyone misunderstands that. We know that. That is the reason why there most likely will be a tax cut in 1981.

Mr. KEMP. Two years from now. But not in 1979?

Mr. GIAIMO. In 1979 it is a little too late for a tax cut.

Mr. KEMP. We should increase taxes in 1979?

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from California. It is nice to see the gentleman in the sunshine.

Mr. JOHN L. BURTON. It is good to be back and not out of order.

Maybe the gentleman from Connecticut (Mr. GIAIMO) could explain this. As I understand the Rousselot amendment and also the theory behind Kemp-Roth-Laffer, it is that taxes and revenues are going to increase by virtue of their program. Is that not one of their assumptions?

Mr. GIAIMO. Mr. Chairman, I do not know. I would rather the gentleman would ask them.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(On request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. GIAIMO was allowed to proceed for 3 additional minutes.)

Mr. JOHN L. BURTON. But, Mr. Chairman, if the gentleman will yield further, is that not one of their assumptions? As I understand it, one of the theories of the balancing of the Rousselot budget—and I do not think it has as much merit as my balanced budget amendment—is that a tax cut will somehow stimulate the economy, causing increased revenues; is that not a fact?

Mr. GIAIMO. That is what his argument is.

Mr. JOHN L. BURTON. So increased revenues is increased taxes. So I do not understand the gentleman from Buffalo, N.Y., saying what he did about what they are proposing.

Mr. GIAIMO. It is the gentleman from California (Mr. ROUSSELOT) who is proposing the increase.

Mr. JOHN L. BURTON. I know, but the gentleman from Buffalo, N.Y., has the theory that cutting taxes increases revenue, and that makes it a tax increase.

Mr. GIAIMO. Yes, but it is not the gentleman from Buffalo, N.Y., who wants to increase taxes and inflation, as does the gentleman from California.

Mr. JOHN L. BURTON. Yes, but the taxes would be increased under this proposal, as I understand it, and under the Kemp proposal it reduces taxes but increases revenue for taxes.

Mr. KEMP. Mr. Chairman, the gentleman is confused.

Mr. JOHN L. BURTON. Why? Does the gentleman think we have not been confused?

Mr. KEMP. Mr. Chairman, I would like to ask the gentleman from Connecticut (Mr. GIAIMO) if he would yield so I can explain to the gentleman from California (Mr. JOHN L. BURTON) the difference between revenues and tax rates.

Mr. JOHN L. BURTON. I thought the chairman of the committee did that very well.

Mr. KEMP. Mr. Chairman, would my friend, the gentleman from Connecticut, yield?

Mr. GIAIMO. I yield briefly.

Mr. KEMP. Mr. Chairman, I appreciate that.

I would simply say to the gentleman from California (Mr. JOHN L. BURTON), who is confused over the difference between tax rates and tax revenues, that the gentleman from California (Mr. ROUSSELOT) and I and others have opposed marginal tax rate increases, drawing a big distinction between tax revenues and tax rates. At lower marginal income tax rates, we can reap more revenue because the higher rate becomes a barrier to savings and production.

Mr. JOHN L. BURTON. Who pays the taxes?

Mr. KEMP. Mr. Chairman, would the gentleman give me the courtesy of finishing my point? This is most unfortunate.

Mr. Chairman, would the gentleman yield?

Mr. GIAIMO. Yes, I yield to the gentleman from New York.

Mr. KEMP. At a lower marginal income tax rate, we can raise more revenue by encouraging that part of the economy upon which the whole tax system is based, which is production.

If we have a declining production base, if we have a declining rate of savings, a declining rate of productivity, and a declining rate of investment, that discourages the level of production in the economy, and we lose revenue; we can not gain revenue. I think it is quite obvious today in America that the high marginal tax rates on savings, investment, and production, as well as enterprise have reduced the growth of our economy, and, therefore, we are losing revenue.

☐ 1440

It is upon this theory, not the gentleman's Keynesian theory, that we base our economic arguments.

Mr. GIAIMO. By "the gentleman," I assume the gentleman is referring to the gentleman from California?

Mr. KEMP. Yes.

Mr. JOHN L. BURTON. If the gentleman will yield, I do not even know how to spell "Keynesian."

AMENDMENT OFFERED BY MR. JACOBS TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ROUSSELOT

Mr. JACOBS. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

> Amendment offered by Mr. Jacobs to the amendment in the nature of a substitute offered by Mr. Rousselot: Decrease the amount of outlays for Natural Resources and Environment for fiscal year 1980 by $330,000,000.
>
> Decrease the aggregate amounts in the first section (other than the amount of the recommended level of Federal Revenues and the amount by which the aggregate level of Federal revenues should be decreased) accordingly.

Mr. JACOBS. Mr. Chairman, like the rest of the committee, I have been fascinated with the theoretical discussion that was foregoing. That was on theory; this is concrete. This deals with the public works section of the budget resolution. The President, when he came in office, declared war, I think it is fair to say, on the water projects of this country, and claimed that there was a great deal of pork-barrel waste in them.

The gentleman from Ohio (Mr. Regula) and my friend, the gentlewoman from Maryland (Mrs. Holt), said in their separate views, I believe, to this very budget resolution, that over the past several years the budget resolutions have been highly simulative and well-larded with pork-barrel appropriations.

What this amendment does is simply cut the President's request for the water projects by 10 percent. They have been quite right, in my opinion, called pork-barrel appropriations.

This amendment, in effect, simply calls for boiling off or frying off about 10 percent of the grease in the pork. That is all it does.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana (Mr. Jacobs) to the amendment in the nature of a substitute offered by the gentleman from California (Mr. Rousselot).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. JACOBS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment to the amendment in the nature of a substitute was rejected.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment in the nature of a substitute offered by the gentleman from California (Mr. Rousselot).

Mr. Chairman, the statement has been made in this Chamber several times this year to date by the esteemed majority leader—I see the gentleman is here now—that taxation without representation is tyranny. There are more than a few people in this country who now say that taxation with representation is tyranny. And the reason that the people of this country have come to that conclusion is quite simple. Since 1963 this country, this Government, has been engaged on an experiment that does not work. And the experiment says you can spend your way into prosperity with borrowed money. The proponents of that theory in the 95th and in the 94th Congress have demonstrated some of the most irresponsible fiscal activities that this Republic has seen. They have managed to spend more than $240 billion that we do not have, that in effect we are telling our children and our grandchildren and our great-grandchildren that "if it is ever paid, you have the privilege of paying for what we do." And the American people are sick of it.

☐ 1445

A simple explanation for inflation is that when the money supply grows at a rate greater than the increase in goods and services, you get inflation.

Since 1972, the increase in goods and services has increased 14 percent to date. The increase in the money supply is 37 percent.

My friends, that is the reason for the inflation. It is that printing press running over there. The only difference between New York City, a bankrupt city, and the U.S. Government, is a printing press. Were it not for that printing press printing worthless dollars, we would be out of business.

So, the question we have to make up our minds on today is whether we have the courage to take a very modest step of reducing the proposed outlays for 1980 by $17.7 billion. You would think it is a major step.

You know, it is not often that Members of the other body so eloquently state a point. But a Senator, not of my party, made a statement the other day that I think deserves our attention because it forcefully sets forth what is involved. This is the Senator from Wisconsin (Mr. Proxmire). He says:

> I would oppose a balanced budget if this country were in a depression.
>
> I would oppose a balanced budget if this country were in a recession.
>
> I would oppose a balanced budget even if we were not in a recession if economic growth were stagnant, if we were growing at less than three percent, the budget should not be balanced.

Then he goes on to say:

> None of those conditions are present.

He concluded with this statement. Listen to this:

> I submit that if we cannot move to a balanced budget now, we are not ever likely to do so without the kind of constitutionally mandated restraint on the budget that most of us deplore.

The point is this. If we do not have the political courage to balance this budget, we are going to add fuel to the fire which has caused 30 States in this country to beat down the door of this Capitol saying to this Congress, "Get your fiscal house in order."

So those of us in this room, who are inclined to speak for the people who they claim will suffer the most from this cut in spending, should bear in mind that we are enhancing the movement to require a balanced budget by constitutional amendment if we do not approve this balanced budget proposal.

One last point on this issue: There is a man in Wales. He voted today in the election, I would guess. He is an emigrant from Greece. His name is Vassili Theophalides. His father emigrated from Cyprus to Wales some years ago.

He was asked how he, as a member of the Labor Party, was going to vote in the English election today. He says this:

> Jim Callaghan let the prices and taxes go way up. I work hard but I don't take home much more pay than those welfare people living on the dole.

The CHAIRMAN. The time of the gentleman from California (Mr. Dannemeyer) has expired.

(At the request of Mr. Latta and by unanimous consent, Mr. Dannemeyer was allowed to proceed for 2 additional minutes.)

Mr. JACOBS. Will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Indiana.

Mr. JACOBS. I offered an amendment a few moments ago to cut $400 million in pork barrel spending and I asked for a rollcall vote, and less than 20 people stood. Will the gentleman say whether he stood for a rollcall vote?

Mr. DANNEMEYER. I think that there were many of us who stood on that issue.

Mr. JACOBS. Did the gentleman stand?

Mr. DANNEMEYER. I have been supporting budget cuts almost without exception.

Mr. JACOBS. I just want to say to the gentleman that is the reason we are printing those dollars beyond production at this time, because when it comes down to specifics, we cannot get 20 people to stand up on the minority side or the majority side to do some real cutting.

Mr. DANNEMEYER. The gentleman will have his chance, I think, to stand up in a few moments.

□ 1450

I would guess in closing that Vassili Theophalides voted for Mrs. Thatcher in the election today, even though he is a member of the Labor Party. The American people have figured out that even though promises have been made year after year after year, that we would benefit by the spending because the other guy would have to pay for it, we are running out of "other guys" and we, all of us, no matter what our station in life, have to pay for this spending either in inflation or in taxes.

Mr. KOSTMAYER. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I wish the gentleman would answer the question put to him by the gentleman from Indiana (Mr. Jacobs). Did he stand with us a moment ago in order to vote on cutting the public works budget?

Mr. DANNEMEYER. I think the question has been fully answered. The gentleman also will have a chance to stand.

Mr. KOSTMAYER. I do not think the gentleman answered the question. With all due respect, did the gentleman from California stand when he had the opportunity to cut the budget? If he did not, why not?

Mr. DANNEMEYER. I have answered the question.

Mr. KOSTMAYER. Will the gentleman answer my question?

Mr. DANNEMEYER. I think I have answered the gentleman's question.

Mr. KOSTMAYER. Is it yes or no?

Mr. DANNEMEYER. I think I have answered the gentleman's question.

Mr. KOSTMAYER. Is it yes or no?

Mr. WEAVER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are on a spending binge in this Nation. The spending binge entails both public and private sectors. That is why I have a vote on the budget of the U.S. Government, and I am voting to cut, because I believe that, as with any binge, most of the money is wasted. I would like to see this money go to good, productive causes, but it is being wasted and I will vote, therefore, to cut. And, I will vote across the board to cut, and I will vote the meat-ax approach because, in my opinion, whenever we come up with anything specific to cut there is never a majority in this House to do it.

But, I would like to point out that I do not and we do not have a vote in the private sector, and there is just as much of a spending binge going on there as in the public sector. When the car companies come in and tell us that they anticipate spending $80 billion on adjustment of their cars and still cannot meet gas efficiency standards by 1985, when outside is a car that possibly gets 84 miles per gallon, because a couple of mechanics in a garage figured it out, and our car companies cannot do it with $80 billion, then something is terribly wrong with the investment part of this Nation.

I would like to point out that all capital investment is not good. The billion dollars that went into Three Mile Island lowered productivity of this Nation. It is not producing electricity. The productivity of this Nation is shockingly low, falling every month, and this is creating inflation in this Nation just as much as spending in the public sector is causing inflation.

Both are causing inflation, but it is malinvestment in the private sector as well as malspending in the public sector that is causing it. I point out the car companies and Three Mile Island as examples. We had better start investing money both in the public and private sector on the technologies and uses and productivity that count for today, and get away from this horrendous resource.

□ 1455

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Missouri.

Mr. ICHORD. I appreciate the gentleman's yielding. I trust that he will vote for the Rousselot amendment.

Mr. WEAVER. I am certainly voting for the Rousselot amendment. May I point out that the Rousselot amendment raises taxes, actually raises taxes from the committee's recommendations, and I think that is a good idea in this time, and it balances the budget, and I think that is a good idea, too.

Mr. ICHORD. I think the gentleman has made it clear that because we all have our preferences in spending—I have my preferences in spending; the gentleman from Oregon (Mr. Weaver) has his preferences in spending; the gentleman from California (Mr. Rousselot) has his preferences in spending—we all want to cut spending but in someone else's area or district. The point we have made here is that we will never balance the budget until we constitutionally restrict spending by the Federal Government.

Mr. WEAVER. I will tell the Members this House cannot do it of itself. We are going to have to have a constitutional amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

I just want to make sure that my friend, the gentleman from Oregon (Mr. Weaver), is aware of the fact that the Rousselot amendment calls for a $600 million reduction in the natural resource area.

Mr. WEAVER. No.

Mr. DICKS. Yes, it does.

Mr. WEAVER. I interrupt the gentleman and reclaim my time to say that the figures that I am talking about are on the chart right here.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

I really know and I am aware of how anxious we are to vote, but I have to take to the well to try to explain, if I can, what this kind of vote would mean and what cuts across the board would mean.

Everyone is suffering a little bit because of inflation and a whole lot of other factors, but because our economic system is not perfect—it cannot be perfect; it is made by us, therefore it cannot be perfect; it is not God-made—because it is an imperfect instrument, there are those who are suffering and suffering disproportionately, not because of any weakness of their own, not because they want to be receiving funds from these various agencies. They are there and they are in their condition simply because this economic system does not function perfectly. That is it.

What worries me most about this kind of approach is not what we are going to do to those people. That does give me a great deal of concern in this context. I bleed for them every day, but what concerns me the most is what are we doing to the psyche of this Nation? What are we doing to ourselves in terms of what we came into being to be, what our ideals are?

We have said it so many times. We have heard it said so many times. We have seen and read the words so many times. There written on that statue in New York harbor:

> Give me your tired, your poor, your huddled masses yearning to breathe free.

That is America. That is the America that I know about, where there was compassion and caring and sharing with people who through no fault of their own found themselves in desperate circumstances. That is the kind of country that I thought I was a part of.

But here we are, caught up in a kind of insanity that says, "Yes, let us cut government spending, and I agree that it ought to be cut." But it is going further than that: "Let us cut in such a fashion that we hurt one group of people more than any other group. Let us cut in a fashion so that we hurt those who cannot possibly help themselves in a system that is dysfunctioning."

Yes, I am upset. I am upset, because I did not expect the Members of this House to behave in this fashion. All that I hear is what the people want. "They want us to knock out all these programs."

Mr. Chairman, our responsibility is greater than that. We are not here in this Congress to merely be a flag waving in the wind, responding to whatever the currents are at the moment. If that were true, there would still be slavery in this country. If that were true, we would never have a Civil Rights Act. If that is all our responsibility is, to just stand up and be a barometer, then I do not think this House ought to exist.

We have another responsibility. True our responsibility is to reflect the will of our people, the mood of our people, but is also to educate our people and provide leadership.

All of you, I accuse you blatantly, every one of you who will dare to come up and say, "Let us balance the budget," without any consideration for those who are going to be further crushed by your not providing leadership. If you just simply say, "This is what we want; this is what they want; I have got to do it"; without attempting to explain to people why these circumstances arise, you are not fulfilling your duty as Members of this House.

☐ 1700

Go ahead. Vote it the way you want. However, remember when you do that you might not be breaking any laws, but you are breaking something fine and decent that has been a part of this America, and that is compassion for the poor.

Mr. NELSON. Mr. Chairman, I move to strike the requisite number of words.

Will the gentleman from California, the author of the amendment, take the microphone and let me yield to him on a question? We did not have a chance to talk about this here. I refer to the matter of defense.

I saw one sheet that said there was no cut in defense. I am looking at a comparison here. I see there is about a $3 billion cut in budget authority on defense from what the committee has recommended.

Mr. ROUSSELOT. Mr. Chairman, that is correct. The authority but not outlays. The outlays are the same as from the committee.

Mr. NELSON. As one who has been quite concerned about the amount of money in this budget for defense and one who in the committee supported each of the amendments that caused us to go higher on defense, I have been concerned that the priorities as set out by the President in requesting $138 billion for defense, and I am talking about authority as opposed to outlays, the administration-requested $138 billion. Therefore, the particular amendment of the gentleman from California is actually about $6 billion less.

Can the gentleman from California speak to the priorities of the defense of this country?

Mr. ROUSSELOT. Mr. Chairman, I will be delighted to speak to the point if the gentleman will yield.

Mr. NELSON. I will be delighted to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, first, the authority as you know is substantially different than the outlays. I have not attempted to touch the outlays that the committee has. We debated that yesterday, as the gentleman knows.

There were several attempts to increase it. Because those votes were voted down, had those passed I probably would have adjusted it according to the will of the House, but they did not pass. I would tell the gentleman that I believe I voted for one of the amendments to increase the purchase of the boats, but the committee, I believe, its position on outlays, which the real bottom line, because that is the thing which determines what our deficit will be for this year, it is not authority, my belief is we should stick with the committee until that is amended.

Mr. Chairman, if the gentleman wants to offer an amendment to my substitute that is fine, but it is my belief we had several votes yesterday and the position of the committee was pretty much the same.

By the way, the outlays comprise a $10 billion increase over last year, 1979, and authority is a $6 billion increase under my resolution and I think that is adequate.

Mr. NELSON. I thank the gentleman for responding, Mr. Chairman. My concern is that the one place that budget authority really means something is in the defense budget, because of the long lead items that we have to go through in procurement in preparing for the Nation's defense. I submit that I am very concerned with the amendment of the gentleman from California (Mr. ROUSSELOT) where there would even be a cut of some $6 billion under what the President has recommended as necessary for the defense of this Nation.

Mr. ROUSSELOT. Mr. Chairman, I believe it is about $4 billion in authority.

Mr. NELSON. Mr. Chairman, the President requested $128.2 billion in budget authority for defense. The amendment of the gentleman from California (Mr. ROUSSELOT) is $132.2 billion. That seems like about $6 billion to be in budget authority.

Mr. ROUSSELOT. Mr. Chairman, we debated this yesterday. If the gentleman from Florida feels that is important, were that passed would the gentleman support the amendment?

Mr. NELSON. Do you mean the increase?

Mr. ROUSSELOT. No; I mean the whole amendment.

Mr. NELSON. The amendment of bringing the budget authority up to the President's recommendation in defense?

Mr. ROUSSELOT. Yes.

Mr. NELSON. I would be much more inclined. My concern is that gets away from your intent, because your intent is to balance the budget.

Mr. ROUSSELOT. No: it does not because my outlays are $132 billion which is exactly what the committee voted. I did not change outlays.

If the gentleman is concerned about authority, he wants to increase that, wants to offer an amendment and put it before the House I have no objection to voting on that.

Mr. NELSON. Mr. Chairman, I thank the gentleman.

☐ 1505

Mr. ROUSSELOT. Mr. Chairman, I have no objection to voting on that.

Now, let me tell you, a $6 billion increase in authority is a very substantial amount. It is not a minor amount. I think we will find that the Defense Establishment will be more accommodated by that substantial increase of $6 billion in authority.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I must underscore one point that seems to have been avoided. Throughout the session of the current Congress we have been debating the issue whether or not there is a need for an amendment to be engrafted upon the U.S. Constitution to balance the budget, or whether we need such a statutory mechanism. Throughout that same debate the answer given us by a number of the people who serve on the Budget Committee, and particularly its chairman, is that we have a mechanism available to us. They tell us we do not have to have a fundamental change in our laws to provide a way to balance the budget.

These gentlemen were, of course, correct in their estimate; but I think that gives special importance to the amendment now pending.

This is the only mechanism available to the Congress of the United States to set budget priorities at the beginning of the year and once again in September.

The Rousselot amendment offers the proper legislative vehicle on which we can cast our votes in favor of a balanced budget.

Now, all of my colleagues to the left and to the right, to the north and to the south, who campaigned last fall on less spending, less government, less taxes, have within a few moments on a rollcall vote a chance to honor their specific pledges made repeatedly on the stump.

This is the vote that will allow us to balance the budget of the United States and to remove the burden, not just from the middle class, but from the poor; to ease that greatest of all scourges, the burden of inflation and taxation. So if you support reduced taxes, if you wish to bring the economy back to health, if you wish to remove from our economic system one of the most pernicious and damaging influences, too much government, a government taking too much from the taxpayers, then this is the vote.

So do not worry about a constitutional amendment. Do not worry about a statutory change. Do not worry about two earlier votes in which the House came close to tying a balanced budget to the debt limit. Here and now is the vote. If you support this amendment you can say, "I honored the pledge. I voted for what is best for all Americans, not any specific group, but all Americans."

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, let me just comment quickly to my chairman. The gentleman evidently has forgotten the headline of last week that says, "Inflation in the past 12 months has been 10 percent," 10 percent, not 7.1 percent, as the gentleman's committee recommended.

My amendment suggests that the calculation for inflation is 8.5 percent, which I think is far more realistic than the 7.1 percent and that does contribute to the increased revenues for the Federal Government.

Mr. KEMP. Mr. Chairman, I move to strike the requisite numbers of words.

Mr. Chairman, everyone has motives and they are sometimes unclear to others; but given the fact that we each represent the interests of about 500,000 people, I think we should at least grant each other higher motives than those granted by one of the previous speakers, who suggested that those who disagreed with him are guilty of idiocy, insanity, throwing old people out into the snow, and hurting the poor.

I do not mean to belabor the point, but simply to address the gentleman sincerely and suggest a new way of looking at this problem that might shed some light on the gentleman's perspective, although I consider him to be of great sincerity and great honesty to the people he represents.

I want to go back to the point in the colloquy in which I was engaged with the gentleman from Connecticut and the gentleman from California, suggesting the difference between marginal income tax rates and tax revenues.

I say to my friend, the gentleman from California (Mr. Rousselot), I do not say this in a pejorative fashion, but I am sorry we are just talking about aggregate taxes, not tax rates. I vote for the gentleman's amendment, not because I believe it is perfect, but because it is the best of the available alternatives, being a convincing refutation of "demand management" policies.

Not all tax cuts are created equally

☐ 1510

One way to point out the difference to my friend, the gentleman from Maryland (Mr. Mitchell), is to suggest that there are two bridges from south Jersey into Philadelphia across the Delaware River. One is the Betsy Ross Bridge, which charges 55 cents, and the other is the Tacony-Palmyra Bridge which charges 10 cents. Believe it or not, the information from the Burlington County Bridge Commission is that the bridge that charges 10 cents raises far more revenue at a lower toll—in fact, it is the busiest drawbridge in the world—than does the Betsy Ross Bridge at 55 cents, because it has more traffic.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. KEMP. Mr. Chairman, I wish the gentleman would just let me finish my point.

Mr. THOMPSON. The gentleman has forgotten a third bridge.

Mr. KEMP. Mr. Chairman, I will be glad to yield in just a minute. Let me make my point, and I will be glad to yield to the gentleman from New Jersey (Mr. Thompson).

The point is this—I will ask the gentleman, would he turn around so he might hear this, and then I will be glad to yield to him.

Mr. THOMPSON. Mr. Chairman, I thought the gentleman was looking into the camera. I am not so interested.

Mr. KEMP. Mr. Chairman, I think this point is so serious that I am not going to respond in kind.

I simply want to say that the difference in economic toll determines the trade or the commerce or the travel or the ability of people to engage in economic traffic, which ultimately might mean more revenue at a lower rate. We cannot lower the rate to zero, because obviously there is no revenue at a zero toll, tariff, or tax rate.

But it is also obvious that if we set the toll too high, we might discourage traffic or commerce or trade or industry or work or production, and ultimately lose revenue.

Now, President Kennedy proposed in 1963 to reduce all of the steep income tax rates in America by 30 percent in 1½ years. If we look at the statistics on revenues that flowed into the U.S. Treasury, we find he raised in all tax brackets except the lowest more revenue at lower rates, because people were encouraged to take their money out of shelters and loopholes and less efficient uses of capital resources, into the productive equity market.

There was financing for new businesses from workers' savings, and new businesses created new jobs. New jobs meant new taxpayers, and more taxpayers meant a higher level of production and more revenue at lower rates.

If we just take the 91-percent bracket that was lowered to 70 percent in 1964–65, I can show the Members that at lower rates of taxation there was an 80.4-percent increase in the amount of revenue in the top-income tax bracket because of higher levels of economic activity, and an average of 36 percent in revenue more than predicted at all levels.

The point is that there is a difference between rates and revenues, and some of us share the idea that lower tax rates would mean a higher level of economic growth. We want it for the same reason the gentleman from Maryland (Mr. Mitchell) should want economic growth. Like my own heavily taxed State of New York, the gentleman's constituency depends upon a growing, expanding economy in America. The premise upon which the Congressional Budget Office has been operating is that more demand will lead to production. There are some in this House who believe that more supply, more incentive, and more jobs will accomplish our goal.

The CHAIRMAN. The time of the gentleman from New York (Mr. Kemp) has expired.

(On request of Mr. Mitchell of Maryland, and by unanimous consent, Mr. Kemp was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. KEMP. I will be glad to yield to my friend, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, these are the only comments I wanted to make: No. 1, I do not think I am uneducated in the field of economics. I have heard that theory advanced time and time again. I think I know just about as much economics as any Member of this House.

The second observation I wanted to make is that the theory which the gentleman is now describing has been known to some of us for many, many decades. It is known as the trickle-down theory of economics, and it does not work for the poor.

Mr. KEMP. Mr. Chairman, I appreciate the gentleman's leaving me enough time to suggest that this would not trickle down to the American people; it would cascade. It would be a flood.

This Nation is being asphyxiated by high tax rates and government regulations on the production and supply side of our economy, and it is time that we use fiscal policy to stop just talking about demand and aggregates and all these Keynesian macroeconomic theories and start talking about higher production, more savings, and more incentive to invest. I would just suggest that putting more Federal Reserve money out into the economy and stimulating demand is really a maneuver that is going to lead ultimately to the deterioration of the economy, of the gentleman's constituency and the whole U.S. economy.

I would suggest that if we put it to a vote of the American people, black and white, the American people would be saying that they want reduced tax rates, more incentive, more work opportunities, more production more opportunities for more people, and not having more money thrown out into the U.S. economy by a Federal Reserve that is trying to monetize the debt.

☐ 1515

One word transcends color, geography, and every other artificial difference in our society, and that word is incentive. If we concern ourselves about incentive, we will put America back on the road to prosperity—to some real prosperity, not the inflation we have seen.

Mr. KRAMER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Rousselot amendment.

I do not intend to take this body's time needlessly and rehash plowed ground. But most of us in this room who are new to this body campaigned on the issue of a balanced budget and fiscal responsibility, and the reason that we did that is because we felt that the people in our areas were hurting. They are having a very difficult time simply making ends meet. They cannot balance their checkbooks at the end of the month and they cannot meet their monthly obligations. Some of us have returned to our districts since the election and have taken the time to walk the streets of our precincts, and I have been one who has done that. And, almost uniformly, regardless of what kind of door you go to and regardless of what kind of neighborhood it is, the random selection of people are telling us that inflation, the inability to make ends meet, is what is killing them. For the first time, I think, in many, many years, more than ever before, they are attributing that inflation in some unsophisticated way to too much Government spending and too much Government involvement. I campaigned for a constitutional amendment to balance the budget because after my experience in the State legislature and, I guess, my experience with human nature, I have concluded that legislative bodies do not have the internal discipline to make the hard choices to balance the budget without some external mechanism being placed upon them requiring them to do so. I guess that is the issue in front of us with the Rousselot amendment. I still feel the same way. It is easy to talk in terms of generalities, but when you get down to specifics, as we have seen here today, the job becomes a lot tougher. I suggest that perhaps there is still some hope that we can indeed deal with specifics. But I think the only way we are going to be able to do that is if we indeed take the path of the higher good, and that is to require ourselves to be disciplined in a way that we know we cannot be unless we have instituted the framework that requires us to be disciplined.

That is what the Rousselot amendment will be doing. I hope, as unspecific as it is, that we can respond by its passage. If we cannot respond favorably to an amendment as general in its terms as this, then there is no other alternative but a constitutional amendment. I feel that, with inflation running as it is now at 14 percent, we cannot afford not to do something about it. We simply cannot afford to endure another 15 years like the preceding 15 years.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

I would like to have my colleague, the gentleman from California (Mr. Rousselot) stand up, so that I may engage in colloquy with him. Although I am, like the preceding speaker, a freshman in dealing with this for the first time, I believe that all of us—freshmen and nonfreshmen alike—who may not have been here a little earlier when the gentleman from California (Mr. Rousselot) was explaining some things, may benefit from some of those early expressed thoughts.

First of all, some of the comments made by the chairman of the committee seem to suggest that the economic assumptions, upon which the gentleman from California (Mr. Rousselot) predicates this amendment, are in error and will be proven to be in error. On that I would like to ask my colleague, the gentleman from California (Mr. Rousselot), whether this is the first time he has done it—which we know it is not—and what his track record has been, in terms of his past projections of outlays and Government revenue?

□ 1520

Mr. ROUSSELOT. They have been closer to right than the committee. Let me give you an example. Fiscal year 1979, the Rousselot revenue estimate was $464 billion. The committee's was $443 billion. The OMB says it will be $461 billion for the year 1979. Such has been the case for the last four or five times.

Mr. LUNGREN. Does that include the estimates on inflation?

Mr. ROUSSELOT. Estimates on inflation, on employment and many things.

Mr. LUNGREN. Does the gentleman from California recall what the projected inflation rate by the Budget Committee for the second concurrent resolution for fiscal year 1979 was?

Mr. ROUSSELOT. My recollection is that it was about 6.7.

Mr. LUNGREN. It was 6.7?

Mr. ROUSSELOT. Yes.

Mr. LUNGREN. What was the actual rate of inflation?

Mr. ROUSSELOT. The actual rate, we know, is running—you could not fairly say—if you take the second concurrent resolution passed last fall, and we have only had several months since then, but for the past 12 months, it has run at 10 percent. For the last 3 months, it has run from 11 to 13 percent, so they were obviously way off. My estimate is 8.5 percent, which I think is a far more rational estimate than the committee's, which is 7.1.

Mr. LUNGREN. I thank the gentleman.

The point I am trying to make in all this is that those of us who have not faced this question before ought not to be misled by some statement that suggests that what we are going to vote on is somehow based on inaccurate information or inaccurate assumptions. In fact, it is based on assumptions and a track record that is far better than the committee which is bringing us the regular resolution in this matter.

So the question should not be, are the assumptions of the gentleman from California (Mr. Rousselot) proper. As a matter of fact, his assumptions might be too generous in this case, saying we are going to have 8.5 percent inflation when most of us know it is going to be somewhat higher. But the question should be, Are we going to commit ourselves to a balanced budget?

Someone suggested a little earlier if you figure out what it means to every family, it does not mean much of anything.

Robert Frost once said:

> A journey of a thousand miles begins with the first step.

The fact of the matter is this House has refused to take the first step at any time in the last decade. This step, although faltering it may be, is at least a first step; and it is a step forward instead of a step backward.

I would like to know where everybody who happened to be campaigning on a balanced budget—and I heard many of them because I happened to campaign against one of the former Members here—where are they now when we have this opportunity to vote? Are you going to go home and explain to your people that somehow, some way the gentleman from California (Mr. Rousselot) did not have proper economic facts? The fact of the matter is he has better economic facts than the committee.

So the question is, do you want a balanced budget, or do you not?

Do you want some cutting in all these areas, or do you not?

Are you going to go home and tell the American people that, yes, we are serious about this—that we are willing to take some cuts in spending growths? With this amendment, we are telling ourselves to try and accept only a 4½ percent increase.

So far, what have we done in this House? We have said we can increase committees spending as much as 2,600 percent, because somehow we are exempt from what the American people have to live with.

If you really think that, then go to the voters and say that same thing when you are running for reelection in 1980. Tell them exactly how you are voting today. Tell them that that is how you believe. Tell them we cannot possibly have—we cannot possibly have—a balanced budget, even when it means we are going to have $22 billion more in spending for the next fiscal year than we had for the current fiscal year.

If you can sell that to your constituents, perhaps you deserve to come back here, but you will not represent the American people in a responsible fashion. You cannot tell us here that somehow we are going to have some economic revitalization without Government doing its part.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on the Rousselot amendment in the nature of a substitute and all amendments thereto end in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. Giaimo)?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was granted will be recognized for 30 seconds each.

(By unanimous consent, Mr. Mitchell of Maryland and Mr. Danielson yielded their time to Mr. Peyser).

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Chairman, as we conclude this debate, I would like to do one thing, if I may.

If the gentleman from California (Mr. Rousselot), does not mind, I would like to, since this is my time, take this down for a moment, because I think we are beyond the figures.

□ 1525

I have listened to figures shouted from one side to the other. Everybody is saying, "We cut this, we raise this. Someone is going to lose this, someone is going to get more."

Once again we come down to a very basic principle here. I heard some new Members say, "I ran on getting a balanced budget, and I will vote for a balanced budget."

I am a new Member this year, and I ran against a balanced budget, totally against a balanced budget, and I will continue to run against it. As a matter of fact, my colleague from New York, from Buffalo, came into my district to tell my people about the balanced budget, and they evidently did not believe it.

Yes, and we are dealing with the issues of this country, and everybody has to vote his or her conscience here. If one really believes that we can balance the budget and provide the kinds of programs for education, for health, the basic fabric holding so much of our country together today in these troubled times, if one thinks one can eliminate those things completely and keep this country together, obviously that is one's vote. But, I say let us get away from figures now and think of our people, all of our people, not just one segment or one part of the country, but everywhere.

We have got to pass a budget that is meaningful and that will help all our people. I urge defeat of this amendment.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from California (Mr. ROUSSELOT), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 186, noes 214, answered "present" 1, not voting 33, as follows:

[Roll No. 117]

AYES—186

Abdnor
Ambro
Anderson, Calif.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Brown, Ohio
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fithian
Forsythe
Fountain
Fowler
Gingrich
Ginn
Glickman
Goldwater
Goodling
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Heckler
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Huckaby
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
Madigan
Marlenee
Marriott
Martin
Mathis
Mattox
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Neal
Pashayan
Paul
Petri
Pickle
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Weaver
White
Whitehurst
Whittaker
Wilson, Bob
Wilson, Tex.
Winn
Wyatt
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—214

Addabbo
Albosta
Alexander
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conable
Conte
Corman
Cotter
D'Amours
Danielson
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Ertel
Fary
Fascell
Fazio
Ferraro
Fish
Fisher
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hughes
Jeffords
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Lederer
Lehman
Leland
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nowak
Oberstar
Obey
Ottinger
Panetta
Patten
Fatterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Steed
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weiss
Whitley
Whitten
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Yates
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Burton, John

NOT VOTING—33

Akaka
Anderson, Ill.
Andrews, N. Dak.
Bonker
Broyhill
Carter
Conyers
Crane, Philip
Downey
Drinan
Evans, Ga.
Flippo
Gaydos
Hubbard
Jenrette
Long, La.
Michel
Moorhead, Pa.
Murphy, Ill.
Nichols
Nolan
O'Brien
Oakar
Rose
Rosenthal
Simon
Stark
Stewart
Treen
Watkins
Williams, Ohio
Wilson, C. H.
Wydler

□ 1545

The Clerk announced the following pairs:

On this vote:

Mr. Carter for, with Mr. Akaka against.

Mr. Philip M. Crane for, with Mr. Stark against.

Mr. Michel for, with Mr. Simon against.

Mr. Williams of Ohio for, with Mr. Rosenthal against.

Mr. Wydler for, with Mr. Moorhead of Pennsylvania against.

Mr. McDONALD changed his vote from "no" to "aye."

So the amendment in the nature of a substitute, as amended, was rejected.

The result of the vote was announced as above recorded.

□ 1545

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. OBEY: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $494,730,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $513,770,000,000;

(3) the appropriate level of total budget outlays is $494,660,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $70,000,000; and

(5) the appropriate level of the public debt is $863,800,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,800,000,000.

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $83,563,000,000;
(B) Outlays, $110,335,000,000.
(2) International Affairs (150):
(A) New budget authority, $6,332,000,000;
(B) Outlays, $6,673,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $4,309,000,000;
(B) Outlays, $4,425,000,000.
(4) Energy (270):
(A) New budget authority, $19,443,000,000;
(B) Outlays, $7,390,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $5,348,000,000;
(B) Outlays, $10,576,000,000.
(6) Agriculture (350):
(A) New budget authority, $3,741,000,000;
(B) Outlays, $4,517,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,522,000,000;
(B) Outlays, $3,165,000,000.
(8) Transportation (400):
(A) New budget authority, $15,158,000,000;
(B) Outlays, $16,412,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $5,628,000,000;
(B) Outlays, $6,903,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $26,118,000,000;
(B) Outlays, $28,363,000,000.
(11) Health (550):
(A) New budget authority, $54,942,000,000;
(B) Outlays, $51,389,000,000.
(12) Income Security (600):
(A) New budget authority, $212,662,000,000;
(B) Outlays, $173,890,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $20,260,000,000;
(B) Outlays, $19,909,000,000.

(14) Administration of Justice (750):
(A) New budget authority, $1,682,000,000;
(B) Outlays, $3,557,000,000.
(15) General Government (800):
(A) New budget authority, $4,199,000,000;
(B) Outlays, $4,151,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $5,809,000,000;
(B) Outlays, $5,974,000,000.
(17) Interest (900):
(A) New budget authority, $56,000,000,000;
(B) Outlays, $56,000,000,000.
(18) Allowances (920):
(A) New budget authority, $854,000,000;
(B) Outlays, $831,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$19,800,000,000;
(B) Outlays, —$19,800,000,000.

Sec. 4. In accordance with section 301(b)(1) of the Budget Act, no bills and no resolutions providing new budget authority or providing new spending authority described in section 401(c)(2)(C) of the Budget Act for fiscal year 1980 shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 301(c), until Congress has completed action on that bill or resolution, or both.

Sec. 5. In 1979, each standing committee of the House of Representatives shall report by July 1 to the House of Representatives its recommendations and the status of its actions with respect to new spending authority including all legislative savings, and other reforms, targeted by the first concurrent resolution on the budget for the fiscal year ending on September 30 of that same year. This report shall include any additional legislative savings which the committee believes should be considered by the House in the programs for which such committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to all possible legislative savings for the programs for which the committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives an estimate of the unobligated (and unexpended) balances of budget authority, an analysis of the extent to which such unexpended or unobligated balances could reasonably be reduced, and what steps, if any, have been or are being taken to reduce such balances.

Sec. 6. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $458,485,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,000,000;

(2) the appropriate level of total new budget authority is $555,659,000,000;

(3) the appropriate level of total budget outlays is $492,820,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $34,355,000,000; and

(5) the appropriate level of the public debt is $830,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

(b)—
(1) National Defense (050):
(A) New budget authority, $125,468,000,000;
(B) Outlays, $113,817,000,000.
(2) International Affairs (150):
(A) New budget authority, $11,576,000,000;
(B) Outlays $7,640,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,357,000,000;
(B) Outlays, $5,151,000,000.
(4) Energy (270):
(A) New budget authority, $7,592,000,000;
(B) Outlays, $7,338,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,770,000,000;
(B) Outlays, $11,245,000,000.
(6) Agriculture (350):
(A) New budget authority, $8,283,000,000;
(B) Outlays, $5,918,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,884,000,000;
(B) Outlays, $2,917,000,000.
(8) Transportation (400):
(A) New budget authority, $19,212,000,000;
(B) Outlays, $17,137,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,062,000,000;
(B) Outlays, $9,001,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $32,604,000,000;
(B) Outlays, $29,995,000,000.
(11) Health (550):
(A) New budget authority, $52,904,000,000;
(B) Outlays, $49,409,000,000.
(12) Income Security (600):
(A) New budget authority, $193,717,000,000;
(B) Outlays, $16,096,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $20,386,000,000;
(B) Outlays, $20,211,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,163,000,000;
(B) Outlays, $4,179,000,000.
(15) General Government (800):
(A) New budget authority, $4,237,000,000;
(B) Outlays, $4,159,000 000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,476,000,000;
(B) Outlays, $8.602,000,000.
(17) Interest (900):
(A) New budget authority, $52,429,000,000;
(B) Outlays, $52,430,000,000.
(18) Allowances (920):
(A) New budget authority, $669,000,000;
(B) Outlays, $693,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, $18,120,000,000;
(B) Outlays, —$18,120,000,000.

Mr. OBEY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. OBEY. Mr. Chairman, I hope the House will bear with me. This is such a complicated amendment that I do not have a lot of copies of the details of the amendment available, and it will take some time to explain it.

This amendment is the third amendment today which purports to balance the Federal budget. However, it is different than the preceding two amendments in a number of respects.

I offer the amendment not because I think it makes good policy, because I do not. I am offering it because we have heard over and over in the last few months from both sides of the aisle and from various areas of the country that the Federal budget should in all years, regardless of circumstances, be balanced. And yet, strangely, very few who have made that point have actually gone beyond generalizing to describe a program-by-program—not function-by-function but a program-by-program way, precisely how the budget would be balanced in order to achieve that goal.

I thought that somebody ought to lay out exactly those results. And since no one else has done it, I decided I would.

It will take me some time here today, but I would like to explain in detail how we might do it. I am not trying to suggest by this exercise that a balanced budget ought to be adopted this year. I am not trying to suggest that in some years it should not, because it clearly should be balanced in some years. I am simply trying to go through this exercise to bring into focus the debate on whether there should be a year-in-year-out, without-exception balancing of the Federal budget.

This amendment tries in the most honest and direct way I know how to describe and spell out exactly what would happen if we were to have a balanced budget this year.

□ 1550

This amendment is distinguished from the other two amendments today, in that I tried to approach it in a practical and philosophically neutral way which ignores my own program biases and in a way which recognizes the facts of life about the legal obligations that the Government has in the way of contracts on many of these programs and recognizes the facts of life in the way many of these programs work.

I tried to follow three principles in drawing up this balanced budget: Number one, that we ought to approach it totally through reductions in spending, because I believe that that is what most people back home really think we are talking about when we talk about balancing the budget. So, I have assumed that increases in rates of taxation are not likely.

Second, I have assumed that Congress is not likely to require that payments to individuals, such as social security retirement benefits, veterans pensions, and so forth, will be significantly cut. While some small savings could be made in those areas, I do not think the Congress would require proportionate cuts in these programs.

Third, I have tried to assure that, no one area of Federal spending should be singled out for a disproportionate share of cuts. Congress is not going to pass a budget which is balanced at the expense of gouging the Pentagon only. It is not going to pass a balanced budget by hacking away only at domestic programs. A balanced budget can be achieved only if you have belt tightening everywhere, and that is what this amendment does. It cuts every single program in the budget.

The first problem one encounters when you try to do that is that people start losing jobs. With this proposal, more than one-half million Federal employees would be fired, as well as 300,000 CETA employees, and probably in the neighborhood of 1 million employees of Federal contractors would also lose their jobs. Virtually all will be out of work for at least some period of time. That means an overall drag on the economy and a drop in Federal revenues.

The CHAIRMAN. The time of the gentleman from Wisconsin (Mr. OBEY) has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 5 additional minutes.)

Mr. OBEY. CBO says that revenue losses under this amendment will therefore range between $13 billion and $18 billion. Therefore, it is necessary, in the real world, if you are going to eliminate a $25-billion deficit, to actually cut at least $38 billion in spending, and that is what this does.

The budget is divided, basically, into five categories. About $209 billion go to payments for individual programs like veteran payments, social security, et cetera. I think we would have a devil of a time making even the cuts that we are proposing in this amendment, which amount to about $6.1 billion, but I want to point out where they come from.

If you vote for this amendment, you will be voting to put a cap on Social Security cost-of-living increases of approximately 7 percent, following the President's wage and price guidelines. That is done under the theory that no one would be exempt from some cut.

The food stamp program, which is supposed to provide an individual with no income 100 percent of the minimum nutritional diet developed by the Department of Agriculture would be reduced by $1.3 billion. We would be providing such individuals with only an 80-percent necessity in terms of minimum nutrition. That means that the average participant would see a cut from 33 cents per meal to 26 cents per meal.

☐ 1555

I invite you, the next time you go over to the Capitol Hill Republican Club or the Democratic Club for lunch, to keep that fact in mind.

The Federal Government has no control over the tax rates which States impose on employers for unemployment benefits or the level of benefits which States provide under unemployment compensation.

We only collect the tax imposed by the States. This amendment would reduce the maximum number of weeks which individuals could draw unemployment benefits under normal circumstances from 26 weeks to 20. That would save $2 billion.

This amendment would require a change in the medicare law, increasing the deductible for outpatient services from $60 to $70. All told from payments to individuals, we would cut $6.1 billion.

When you subtract payments to individuals and interest on the debt from next year's spending, you are left with about $277 billion in the budget. Nearly 30 percent of that goes to the States. Slightly over 47 percent goes to defense and international affairs, and around 23 percent is represented by federally run domestic programs.

This proposal cuts each of those program areas proportionately.

The second category in the budget is the amount of money which goes to grants to States and local governments. That amount in this resolution is about $83 billion or about 30 percent of Federal spending which does not go for payments to individuals or to interest. Some of the most unpopular programs in the budget are in this category. The budget contains, for instance, $5.6 billion for AFDC. This amendment cuts that in half.

That would mean a reduction in benefits of about $27 per child, per month, in the average State, and as much as $50 per child in some of the high-benefit States.

In addition, if you vote for this amendment, you will be voting to cut CETA jobs by one-half.

You will be voting to cut summer youth jobs by one-half.

You will be voting to eliminate all sewage treatment grants in the budget.

Under housing, you will be voting to eliminate all new housing, all new housing starts in public housing construction and all new rent subsidies.

Medicaid is the largest State grant program in 49 of the 50 States. The Feds contribute to the States on a sliding scale. Mississippi is reimbursed 78 percent of its costs, down to California and New York, which only receive 50 percent of their costs in reimbursement from the Feds.

We cut that Federal reimbursement in this amendment by six percentage points, saving $1.3 billion.

If States do not pick up those cuts, the following reductions in medical care would be likely to occur. Optical and dental care might have to be eliminated. Payment for drugs would be severely restricted. States could limit the number of hospital days covered, making hospitals and doctors and local charities absorb the cost of hospitalization which continued after that period.

In addition, we would cut LEAA in half.

Nearly one-half million kids would lose services under title I of ESEA designed to improve basic learning skills.

The highway budget would be cut by about half a billion dollars. That amounts to 2,000 miles of roads.

Vocational education would be cut by $35 million.

Title XX social services would be cut by $360 million, and in addition to those specific program cuts, about 90 other federally run programs——

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 5 additional minutes.)

Mr. OBEY. To continue, Mr. Chairman, in addition about 90 other State-aid programs would be cut by about 7½ percent across the board. All told, State and local grant programs would be cut by $9.6 billion.

The third category in the budget we have is federally run programs, programs actually run by the Feds themselves. They amount to $62 billion in Federal spending, considerably less than programs that are run by the States, but we cut this section just as much as we cut State-grant programs. Since the budgets of a great many of these programs like the FBI, the Bureau of Labor Statistics, the Weather Service, satellite tracking stations, the National Labor Relations Board, and the Customs Service are almost entirely made up of salaries and personnel expenses, the only way significant reductions in spending can be achieved in this area of Government is through personnel reductions. My amendment exempts the Internal Revenue Service and the Social Security Administration from those cuts on purely economic grounds. Reducing personnel in either agency would probably result in lost revenue and increased mispayments and a larger rather than smaller deficit.

In addition to specific programs cuts throughout this area, we cut all personnel in the Federal Government by 10 percent, or rather, we cut all personnel costs by 10 percent.

However, there is a catch, because in order to do that, because of the separation costs which you have any time you fire a Federal employee, we would be required, in fact, if we wanted to reach a balanced budget under this proposal, to fire not 10 percent but 20 percent of the people now working for the Federal Government in all nondefense areas. That would result in a one-fifth cut in the number of weather stations, a 6,100 cut in the number of forestry rangers. Many of you will be saddened to learn that there will be a 310 reduction in the number of OSHA inspectors. The number of antitrust actions brought by the Government will be cut by 38 because of a reduction in lawyers at the Justice Department and Federal Trade Commission. We cut Federal judges and we cut the U.S. Park Service, the Geological Survey and the Department of Energy.

☐ 1600

That would save about $2.2 billion. There are still more than $5 billion in cuts which would have to be made in federally run domestic programs, so we have eliminated under this amendment—and I say "we," incidentally, because this amendment is being offered on behalf of myself and the gentleman from Missouri (Mr. GEPHARDT). So, in addition, we would cut out everything at ACTION except three small programs for the elderly, which themselves are cut back.

Water projects: The President proposed 26 new projects for the coming year. The committee proposed that 13 survive. We have eliminated those 13. In addition, we have cut eight additional water projects including the Tombigbee water project, the Central Arizona project, the Central Utah project, the Red River project, the Applegate project, the Hillsdale project, the Atchafalaya project, and the famous Russell Dam. That saves $494 million.

The Federal Government supports the majority of medical research done in the United States and a major portion of all medical research done in the world. Most of that is at the National Institutes of Health in Bethesda. For 1980, we have terminated all funding for new grant applications.

Our competitive advantages in competing with Germany, Japan, and other industralized countries on world markets has become increasingly dependent on our ability to protect new technologies. An important factor in the increasing sophistication of American technology has been the National Science Foundation. Unfortunately, their research efforts would be cut in half.

The rapidly accelerating cost of college instruction would put the cost of a college education beyond many middle and lower income families if it were not for Federal student assistance programs, primarily basic educational opportunity grants. This fall, more than 2 million qualified students will receive grants which will average slightly less than $1,000 in size. The amendment will cut BEOG's by $650 million or roughly $250 per grant.

In addition, at NIH we are required to eliminate all funding for all new grant applications in fiscal year 1980. We are also required to reduce the BBOG grant for every eligible student in the country by about $250 per student.

Railroads: They have been taking an increasing share of the Federal budget. This amendment would eliminate all new starts on improving the Northeast corridor, and cut Amtrak routes by 60 percent, or 17 percent beyond the cut proposed by the administration. It cuts funding for the U.S. Railway Association in half.

In the area of the space program, I assume that since we have spent $7 billion on the Space Shuttle, we do not want to throw that money away. We would have to make our space cuts in other areas, so we cut $600 million from the space science program, cutting that in half.

We would also limit agricultural price support payments to no more than $15,000 to any farmer, which would have $300 million.

After we have made all those cuts there are still major federally funded programs where we would have to cut to achieve the required amount necessary to balance the budget. We need to cut about a billion dollars more in this area, and we divide that evenly across all other programs so that we would have a 5-percent cut in program level all across the Federal Government in addition to the 10-percent personnel cut.

At the Veterans' Administration, that cut would amount to a $475 million cut in health care programs. It would mean cutting contract care of veterans by half, closing 20 Veterans Administration hospitals and losing more than 8,000 beds in remaining hospitals. It would mean that we are required to turn away 300,000 veterans in medical care every year.

All told, in the federally run program category we cut about $7 billion.

The next category is defense and foreign affairs, which has over $130 billion in the budget. Knowing how popular foreign aid is, we have eliminated all new funding for foreign aid.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(By unanimous consent Mr. OBEY was allowed to proceed for 4 additional minutes.)

Mr. OBEY. We have eliminated all new funding from foreign aid with the exception of the Middle East. We cut the funding for Israel and Egypt by only 25 percent.

☐ 1605

That leaves more than $13 billion to come out of defense. While we have cut civilian personnel by 20 percent, we did not believe that we could responsibly do that in the area of actual fighting personnel, so we have reduced that effort to half of the cut required in other government personnel areas. That means in effect that we would have to cut out approximately 210,000 men—or roughly 5 divisions. We would also have to cut all new procurement, knocking out the requested 24 Navy F–14's, the 15 Navy F–18's, the Air Force B–52 modifications, 144 A–10's, 6 F–15's, 175 F–16's, and 145 Army Blackhawk helicopters, to name a few.

O. & M. would be reduced by $5 billion including 12 major installation closings. Outlays for research and development would be cut by $3.75 billion or more than one-third. That would impede development of the MX, the Trident II missiles, and other weapons systems.

That adds up to $38 billion in cuts, but we still have a problem.

I would like to ask this question. Does anybody here honestly think that none of the 2 million people whom we would fire in this resolution would be collecting unemployment compensation? We know they would, and that means that we would have to add at least $3.5 billion in pay-outs for unemployment compensation. In addition to that, we know that there would be many other people who would be off unemployment after 20 weeks. How many of them would wind upon AFDC, on medicaid, on food stamps, or would retire early to collect social security? We honestly do not know. So, therefore, there is no allowance in this resolution even though one would be necessary to take into account those real economic facts of life.

I doubt that anyone on this floor agrees with the priorities expressed in this amendment. As I have said, I do not myself. There are places where if we had to, each of us could cut more deeply in order to shelter some of the areas of the budget. I myself would like to cut more deeply in some areas in order to do that, but what I have tried to do here is to present this as straight as I can. I have tried to show what we would actually have to do this year if we were to actually balance the budget on a program-by-program basis, rather than simply referring to some general term like "unobligated balances," which really obscures what we mean, or rather than just referring to functional categories, which are understood by virtually no one outside this room. And as much as we all would like to see the Federal budget in surplus, and at the same time see the tax burden eased, we owe it to ourselves and even more to our constituents to spell out exactly what the consequences of those cuts are in specific programs instead of vague slogans on bureaucratic terms.

It is true if we balance the budget this year, we could have a surplus of significant size in the out years, provided that the economy holds up. But we would have some years, if the economy did not hold up, when we would have to make wrenching cuts in the nature of the size I have presented here today in order to balance the budget.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. OBEY was allowed to proceed for 3 additional minutes.)

Mr. OBEY. For example, in 1974 if we had had a balanced budget, we would have had to cut the budget next year by larger amounts than I am providing in this resolution this afternoon because of the erosion in economic strength in 1975 when revenues dropped by $28 billion in 1979 dollars. All of us who lived through 1975 know that that would have been a stupid thing to do. But if we are in fact chained to the idea that every year, regardless of economic circumstances, we must have a balanced budget, then we have to face up to what would have meant in a year which we all vividly recall and the real question we face after we go through this entire exercise is where do we come out in economic terms?

☐ 1610

I am not an economist. I have often heard it said that if you laid every economist in the world end to end * * * it would be a good thing. But the fact is that we asked the Congressional Budget Office to look at these questions and come up not with my estimates but with their estimates of what would happen in the economy should you adopt this kind of amendment. Here is what they say:

The gross national product would fall by $55 or $60 billion eliminating all real growth.

Unemployment would jump on a yearlong average by almost a full percent.

And inflation would be cut by only one-tenth of 1 percent.

So why have I gone through this exercise? I have done it first of all to show what the real impact would be on each Federal program of cuts significant enough to balance the budget for this year. As I said, I am not trying to say a balanced budget is by definition a bad idea. In many years it is a good idea.

Mr. Chairman, I am simply trying to show that this year the effort would be wrenching and it would be destructive if we are to get beyond the categories and really look at what happens.

I hope this exercise will encourage people to look beyond the magic bullet solution.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

(By unanimous consent Mr. OBEY was

allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, I hope it will encourage people to look beyond the magic bullet solution which one group or another always seems to have for the economic problems we have in this country and take the real actions necessary to achieve budget responsibility.

Mr. Chairman, I have a problem. I am not a true believer in any pet theory of economics. I do not know what works sometimes and I admit that. I just try to look at facts and decide to what conclusions those facts would lead any reasonable person. I have tried to lay out what those facts would be in this budget resolution in hope that some other people might take a look at it.

The way you balance the budget is not by some mechanistic approach. The way you balance the budget is to reassert congressional will to have adequate oversight over programs that have outlived their usefulness or are not providing sufficient service for dollars expended. The way you balance the budget is to look at it on a program-by-program basis and make some hard decisions, and that is what I am giving you the opportunity to do.

Mr. FASCELL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I thank the gentleman for this factual presentation made with respect to the necessity of the reduction of expenditures which would be required to achieve a balanced budget for the fiscal year.

I listened very carefully but I did not understand that the gentleman referred to any repayment of the national debt of $830 billion. Am I correct?

In addition to the economic consequences to which the gentleman referred and in addition to all the budget cuts that would be required, it would have one-tenth of 1 percent impact on inflation reduction and we still would not have reduced the national debt by $1.

Mr. OBEY. Mr. Chairman, the gentleman is correct. In fact it might still be difficult to get balance because of economic circumstances.

Mr. FASCELL. In other words, Mr. Chairman, the budget the gentleman presents does include payment on the debt. That is the carrying charge on the debt?

Mr. OBEY. That is correct.

Mr. FASCELL. Mr. Chairman, I have one other question. I did not get the full amount that the gentleman stated in dollars in terms of the budget he presented. In the category of payments to States it ran to 30 percent of the total amount; is that correct?

Mr. OBEY. Mr. Chairman, it is 30 percent of the amount after you exclude payments to individuals.

Mr. FASCELL. Mr. Chairman, would the gentleman be able to give me some idea of the amount? In other words, if all payments to States would be eliminated, would that be enough to do the job?

□ 1615

Mr. OBEY. We could balance the Federal budget and have some money to spare if we would simply return Federal grants to State and local governments to their 1975 levels.

Mr. FASCELL. Mr. Chairman, I thank the gentleman.

Mr. STUDDS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I have the attention of the gentleman from Wisconsin?

Do I understand the gentleman to have indicated that the net result, were the gentleman's amendment to be adopted and become law, and were the budget to be balanced according to it, in terms of its impact on inflation there would be an annual reduction of approximately one-tenth of 1 percent?

Mr. OBEY. That is the assessment made by the Congressional Budget Office. That is correct.

Mr. STUDDS. I think that is something we need to look at and think about very, very hard. Just to put that into context, the gentleman will recall that we just learned that last month the Consumer Price Index rose at an annual rate of 12 percent. That is 120 times higher, if my arithmetic is correct, than the rate of reduction projected by the CBO with respect to this amendment.

Let me further point out that leading that jump in the CPI index last month at a rate far exceeding the average of 12 percent were energy prices, which if I recall rose somewhere around 16 or 17 percent at at an annual rate last month.

Now, just let me ask those who would have this Nation believe that the answer to inflation lies in balancing the Federal budget to contemplate the likelihood that if we do all those horrible things that the gentleman from Wisconsin's amendment suggests, we might be lucky enough to reduce inflation at an annual rate of one-tenth of 1 percent.

Let me also ask those who preach balancing the budget and also come to the American people and argue for decontrol of energy prices to think a little bit about those two figures.

Last month the inflation in this country was rising at an annual rate of approximately 12 percent, 120 times higher than the reduction that might be effected were we able to balance the Federal budget, led by energy prices at a rate substantially higher than the 12 percent, and all of this prior to decontrol.

Mr. OBEY. Well, if the gentleman will yield further, the CBO figures show to any person who really wants to evaluate the CBO figures, the conclusion is obvious. That conclusion is simply that inflation is caused by a wide variety of factors, government spending of which is only one.

Mr. STUDDS. Mr. Chairman, I agree with the gentleman. I think the gentleman has done an enormous service and I commend him.

Mr. VOLKMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to inquire also of the gentleman from Wisconsin, one of the figures I was trying to make clear when I was listening to the gentleman's presentation as to how the gentleman arrived at the Federal revenue figure of $494,730,000,000 in light of the figures that I have seen consistently from low figures of around $502 billion all the way up to $515 billion. This is the lowest I have seen since we have looked at anybody's amendment on the budget.

Mr. OBEY. People would have been laid off and that has a depressing economic effect.

Mr. VOLKMER. I agree. I have heard the discourse that there is some. This is basically based on the question, too, how many people will be laid off, how much unemployment will result as the result of other people being laid off in the Government as to the loss of revenue and then supposedly on the amount of unemployment that would have to be paid out; is that not correct?

Mr. OBEY. Well, the answer to that is that if we are all going to be honest, none of us really know. All we can say is that we know for certain we are going to lose half of our CETA employees, half a million Government jobs, approximately 1 million people who work for private firms who have business with the Government. In addition to that, you have the rippling effect through the economy which is undefinable. I do not pretend to quantify that.

Mr. VOLKMER. Mr. Chairman, does the gentleman have, not now, but I would personally like to see a copy of the estimate where we get the 1 million people laid off in private enterprise as a result of the reduction in Government spending.

I would like to see that estimate and what they base that on, if I can at a later date, not necessarily now; but that is a part of it that intrigues me.

Mr. OBEY. Well, I do not know what point the gentleman is making. We cut about $40 billion to $45 billion in contracts and grants with the Federal Government. That is bound to result in a reduction in unemployment.

□ 1620

Mr. VOLKMER. Mr. Chairman, is the gentleman looking also at what the rest of the economy may be doing as far as either replacing any of that within the economy as it presently exists or as far as the growth of the economy is concerned?

Mr. OBEY. No. unlike some other Members of the House, I do not profess to know that, and I believe there are very few human beings in this country who really do know that.

Mr. VOLKMER. I agree with the gentleman on that, but it appears to me a lot of what the gentleman has told us here in this long period of time is based on that premise, and it is basically a matter of opinion.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. VOLKMER) has expired.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment in the nature of a substitute.

Mr. Chairman, I am aware that there is an implied message in this amendment, and that is that it is not an easy thing to balance the budget without creating havoc with the economy and without creating havoc with many worthwhile programs, whether they be military programs, transportation programs, education and training programs, income security programs, or veterans' programs, all of which will suffer. I think we must vote down this amendment.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Wisconsin (Mr. OBEY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 2, noes 376, answered "present" 2, not voting 54, as follows:

[Roll No. 118]

AYES—2

Hefner
Mottl

NOES—376

Abdnor
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carr
Cavanaugh
Chappell
Cheney
Chisholm
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rostenkowski
Roth
Roybal
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Zablocki

ANSWERED "PRESENT"—2

Ambro
Rousselot

NOT VOTING—54

Addabbo
Akaka
Albosta
Andrews, N. Dak.
Ashbrook
Brown, Calif.
Broyhill
Burton, John
Burton, Phillip
Carter
Clausen
Conyers
Crane, Daniel
Crane, Philip
Derrick
Diggs
Downey
Drinan
Duncan, Oreg.
Evans, Ga.
Flippo
Flood
Gaydos
Hubbard
Ichord
Jenrette
Lloyd
Long, La.
Luken
Michel
Moorhead, Pa.
Murphy, Ill.
Nichols
Nolan
O'Brien
Quayle
Rose
Rosenthal
Royer
Rudd
Scheuer
Schroeder
St Germain
Stark
Stump
Traxler
Treen
Watkins
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wydler
Young, Mo.
Zeferetti

☐ 1635

Messrs. McCLOSKEY, JACOBS, LAGOMARSINO, and WALGREN changed their vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

☐ 1640

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: Strike out line 17, page 5, through line 2, page 6.

Mr. WHITTEN. Mr. Chairman, the Committee on Appropriations has been in session for weeks now having daily hearings in 13 subcommittees. It has been my privilege to be chairman of that committee only for a few months. I cannot claim credit for this, but the record, Mr. Chairman, shows that for the last 35 years the bills reported by the Committee on Appropriations over which it had control have been below the budget. I was not chairman at that time, but I state that here to show that the Committee on Appropriations as such has been holding down expenditures. During the lengthy hearing process this year 393 of our colleagues have appeared before these subcommittees to testify in support of the measures that are important to the areas which they represent.

Mr. Chairman, this amendment simply strikes from the resolution section 4 which begins on line 17 of page 5. Section 4 would require that all bills providing spending authority as defined in the Budget Act could not be enrolled and sent to the President until after the second concurrent resolution on the budget and perhaps until after final congressional action on a reconciliation bill had been completed. If the budget resolution was not completed on schedule, as happened last year, financial chaos could occur throughout the Government.

Much more than appropriation bills would be affected.

Section 4 would apply to any bill from any authorizing committee containing contract authority, the budget authority for which was not provided for in advance, and it would apply to any bill which contained any entitlement provision regardless of how much it might be. And it would apply to all appropriation bills. It would affect many committees of the House.

For example, a major authorization bill such as one from the Armed Services Committee might contain an entitlement provision that was a very minor part of the bill—yet the entire bill could not be enrolled and sent to the President because of section 4.

Section 4 would create chaos in the regular authorization and appropriations process which is the basic underpinning of the Budget Act itself.

Section 4 is not only dangerous and unworkable, but it contains a very basic flaw in that it would not even allow a continuing resolution to be sent to the President until the Congress got untangled. This omission could bring the Government to a standstill.

Mr. Chairman, I mentioned the chaos which would obtain in the congressional budget process by inviting delays in processing the regular spending bills.

The spending bills would be subjected to unnecessary uncertainties and massive delays will occur in scheduled markups, full committee action, House and Senate consideration, and conference action.

For instance in the Appropriations

Committee, we have virtually completed hearings on the regular bills for fiscal year 1980. We are beginning the process of subcommittee markup which we planned back in late January and early February. On May 30 we have planned to begin our two-a-day full committee meetings. About June 13 we have planned to begin to bring the appropriation bills to the House.

This week we have markup sessions on two bills in the subcommittees. Here is the tentative schedule we had laid out for the weeks ahead in order to operate within the intent of the Budget Act:

MARKUP SESSIONS

WEEK OF MAY 7

May 8, D.C. subcommittee markup.
May 9, SJCJ subcommittee markup.
May 10, Public Works subcommittee markup.
Treasury-Postal Service subcommittee markup.
Labor-HEW subcommittee markup.
May 11, Transportation subcommittee markup.

WEEK OF MAY 14

May 15, HUD subcommittee markup.
May 17, Military Construction subcommittee markup.

WEEK OF MAY 21

May 22, Foreign Operations subcommittee markup.

WEEK OF MAY 28

May 30, Agriculture full-committee markup.
May 31, SJCJ full-committee markup.
Foreign Ops., full-committee markup.

WEEK OF JUNE 4

June 4, Labor-HEW full-committee markup.
Interior subcommittee markup.
June 5, HUD full-committee markup.
Legislative full-committee markup.
June 6, Public Works full-committee markup.
Military Constr. full-committee markup.
June 7, Treasury, Postal Service full-committee markup.
Transportation full-committee markup.
D.C. full-committee markup.

WEEK OF JUNE 11

June 12, Rules Committee as required.
June 13, Public Works, floor.
June 14, HUD, floor.
Legislative, floor.
June 15, Treasury, Postal Service, floor.

WEEK OF JUNE 18

June 18, Foreign Ops., floor.
June 19, SJCJ, floor.
D.C., floor.
June 20, Agriculture, floor.
Military Constr., floor.
June 21, Labor-HEW, floor.
Interior, full-committee markup.

WEEK OF JUNE 25

June 27, Interior floor.

☐ 1645

Mr. Chairman, if section 4 remains in this resolution, it is my view that there is just no reason for us to proceed with this rigorous schedule in the Appropriations Committee if bills cannot be finalized, enrolled, and sent to the President until about the first of October. Too much uncertainty would be injected. And I feel other committees might take the same view.

And what about the many, many Members of this House who have appeared before the Appropriations Committee to explain the needs and problems of their people and areas they represent? As I mentioned, at latest count, there have been 393 individual appearances or instances in which Members have submitted statements about matters pending before us. Will it be that their time has been wasted because of the delays and uncertainties which this section 4 causes?

I would point out also that by holding all the bills at the enrolling room and sending them to the President at one time, the executive would be afforded an unprecedented opportunity to pick and choose between individual bills he may wish to veto. The Congress would be left in a disadvantageous, if not altogether unworkable position—particularly if the Congress adjourned immediately after passing the budget resolution and was placed in a pocket veto situation.

Further, Mr. Chairman, I would remind Members that one of the purposes of the Budget Act was to promote greater efficiency in the Government through the timely passage of the spending bills. Holding spending bills at the enrolling room would be counterproductive to the orderly administration of all Federal programs by the executive branch. It would delay the apportionment process required by the Antideficiency Act thereby increasing unnecessarily the uncertainties as to funding levels for Federal programs. This would cause inefficiencies in program administration and thereby defeat one of the meaningful purposes of the Budget Act.

I note that section 4 applies only to half of the budget. This provision continues the unfortunate tendency of the Budget Committee to concentrate on only the spending side of the budget and not the equally important revenue side.

Mr. Chairman, not only is section 4 dangerous and unworkable, it is unnecessary. A reconciliation can be accomplished without holding spending bills at enrolling desk for periods of weeks and months. The Budget Act fully provides for such a process.

This section 4 also raises fundamental questions as to its purpose. If its purpose is to undertake to control the budget by making last minute ill-considered changes in appropriation bills, it misses the mark by a mile. As I previously discussed, the appropriation bills over the years have not been the budget busters. In fact, Mr. Chairman, I would point out that in only 1 year—just 1 year—since World War II has the action of the Congress, through the recommendations of the Appropriations Committee on spending items within its jurisdiction, been over the President's budget requests. In 34 of the last 35 years, actions of Congress on appropriations recommendations have been under the budget. So the traditional authorization and appropriation process has served the Congress and the Nation well.

At this point, Mr. Chairman, I ask unanimous consent to include a table which documents this RECORD:

CONGRESSIONAL ACTION ON APPROPRIATION BILLS 1935–78

REGULAR ANNUAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATION BILLS, COMPARISON OF ESTIMATES AND AMOUNTS ENACTED

Calendar year	Estimates	Amounts enacted	Difference (plus or minus)
1935	$7,405,677,168	$7,273,590,211	−$132,086,957
1936	8,867,777,018	8,703,324,109	−164,452,909
1937	7,398,054,123	7,164,817,513	−233,236,610
1938	8,438,993,688	8,574,087,321	+135,093,633
1939	9,529,433,294	9,719,258,467	+189,825,173
1940	13,878,150,964	14,614,752,845	+736,601,881
1941	53,768,037,027	55,325,771,373	+1,557,734,346
1942	141,056,140,932	143,868,481,527	+2,812,340,595
1943	115,041,366,395	110,634,660,785	−4,406,705,610
1944	63,513,471,020	61,257,906,152	−2,255,564,868
1945	62,453,310,868	61,042,345,331	−1,410,965,537
1946	30,051,109,870	28,459,502,172	−1,591,607,698
1947	33,367,507,923	30,130,762,141	−3,236,745,782
1948	35,409,550,523	32,699,846,731	−2,709,703,792
1949	39,545,529,108	37,825,026,214	−1,720,502,894
1950	54,316,658,423	52,427,926,629	−1,888,731,794
1951	96,340,781,110	91,059,713,307	−5,281,067,803
1952	83,964,877,176	75,355,434,201	−8,609,442,975
1953	66,568,694,353	54,539,342,491	−12,029,351,862
1954	50,257,490,985	47,642,131,205	−2,615,359,780
1955	55,044,333,729	53,124,821,215	−1,919,512,514
1956	60,892,420,237	60,647,917,590	−244,502,647
1957	$64,638,110,610	$59,589,731,631	−$5,048,378,979
1958	73,272,859,573	72,653,476,248	−619,383,325
1959	74,859,472,045	72,977,957,952	−1,881,514,093
1960	73,845,974,490	73,634,335,992	−211,638,498
1961	91,597,448,053	86,606,487,273	−4,990,960,780
1962	96,803,292,115	92,260,154,659	−4,543,137,456
1963	98,904,155,136	92,432,923,132	−6,471,232,004
1964	98,297,358,556	94,162,918,996	−4,134,439,560
1965	109,448,074,896	107,037,566,896	−2,410,508,000
1966	131,164,926,586	130,281,568,480	−883,358,106
1967	147,804,557,929	141,872,346,664	−5,932,211,265
1968	147,908,612,996	133,339,868,734	−14,568,744,262
1969	142,701,346,215	134,431,463,135	−8,269,883,080
1970	147,765,358,434	144,273,528,504	−3,491,829,930
1971	167,874,624,937	165,225,661,865	−2,648,963,072
1972	185,431,804,552	178,960,106,864	−6,471,697,688
1973	177,959,504,255	174,901,434,304	−3,058,069,951
1974	213,667,190,007	204,012,311,514	−9,654,878,493
1975	267,224,774,434	259,852,322,212	−7,372,452,222
1976	282,142,257,093	282,537,694,665	+395,437,572
1977	364,867,240,174	354,025,780,783	−10,841,459,391
1978	348,504,086,701	337,859,466,730	−10,644,619,971

Source: Appropriations, budget estimates, etc.

My friends, practically all the debate on this resolution and the attitude of the Members has indicated that we have been voting for or against individual programs. I am fearful that many Members have completely forgotten the macroeconomic purpose of the Budget Act. That purpose can be stated simply—by establishing overall spending and tax targets—and I would emphasize overall—the economy and the people would be better served.

There was absolutely no intention in the creation of the Budget Act that it would disintegrate into the kind of line item debate we have seen here in the last few days.

And to make matters worse, the line items have absolutely no meaning. First of all, the first budget resolution provides overall targets—just targets and not ceilings. Ceilings are not established until the second budget resolution is adopted sometime in September.

And at no time do the individual line items have any meaning in deterring the actions of the House on appropriation items.

Not only does it seem foolish and unnecessarily painful to subject Members to the kinds of votes we have had the last 2 days, but more importantly, it detracts from the basic purpose of the Budget Act which was to establish overall targets of spending and taxation.

During the first day of debate on this resolution, I made brief reference to several matters associated with procedures on the budget resolutions which deeply concern the Committee on Appropriations and no doubt other committees of the House. For the record, I would like to amplify on these concerns.

First, we are greatly distressed about the increasing tendency of the Budget Committee to construct their recommendations for overall aggregate targets on the basis of individual program line items. This is clearly evident from the procedures followed in the recent markup session of the Budget Committee and from the reports of the Budget Committee. And it has been evident from the debate and amendments on this resolution.

The drafters of the Congressional Budget Act specifically designed the budget resolution mechanism to avoid the practice of considering individual line items in drafting concurrent resolutions on the budget. I invite Members to review the history of the Budget Act—the reports of the Joint Committee on Budget Control which provided a foundation for the Rules Committee in considering this legislation and the report of the Rules Committee itself.

From such a study it is clear that the objective of the budget control legislation is to establish overall budget policy in terms of broad national priorities—with respect to taxes, spending, deficits, and surpluses, and the functional targets within the budget. To accomplish the objectives of budget control, the legislation adopted a mechanism whereby the Congress would approve two concurrent resolutions on budget totals. The first concurrent resolution establishes tentative legislative targets on budget totals before detailed congressional action on tax and spending alternatives. The second concurrent resolution establishes legislative ceilings on budget totals only after the Congress has had an opportunity in the traditional manner to consider decisions having budgetary impact. It was recognized that such decisions could not be properly made until detailed hearings on specific progams were held by the Appropriations Committee and by the other committees of the Congress.

In recognizing the utility of the appropriations process during the drafting of the legislation, the Congessional Budget Act preserved and enhanced the appropriations process which has consistently demonstrated its effectiveness as a means of budget control. The drafters of the Budget Act had studied the record of the Congress in actions on appropriations bills and on other bills providing spending authority.

They noted the figures which I cited earlier, that in only 1 year since World War II had the appropriations bills been over the budget and then by a relatively small sum. They also noted that in the 5 fiscal years preceding the report of the Joint Study Committee on Budget Control that Congress in its actions on appropriations bills reduced the requests of the administration for new budget authority by $30 billion. They also found, however, that during this same period, Congress approved in legislative bills other than appropriations bills, budget authority which exceeded the budget estimates by slightly over $30 billion.

The point I make on these procedures, Mr. Chairman, is that while line item recommendations in the budget resolution process have no actual effect, they obscure the overall macroeconomic responsibilities of the Budget Committee and needlessly duplicate the hearings and deliberations that are the responsibility of the authorizing and appropriating committees. Decisionmaking concerning specific line items and progams is a responsibility of the Congress to be achieved through the regular authorization and appropriations process. Mr. Chaiman, I strongly urge and the Appropriations Committee urges that the markup of and the contents of reports on concurrent resolutions on the budget be confined to the purposes set forth in the act. I am afraid we are losing sight of the basic objectives of the Budget Act.

ENTITLEMENTS

Mr. Chairman, another matter which we believe Members of the House must keep in mind is the question of controllability. It has not been adequately considered in this debate.

If the Congress is ever going to exercise adequate control over the spending side of the budget, we are going to have to come to grips with what we call entitlements.

Entitlement authority is defined in the Congressional Budget Act as spending authority—

> * * * to make payments, including loans and grants, the budget authority for which is not provided for in advance by appropriation acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law.

Involving primarily payments for individuals, entitlement programs have escalated in the past decade to the point where this year they constitute over 75 percent of the uncontrollable outlays and 55 percent of the total gross budget outlays. The growth in entitlement programs is evidenced when compared with 10 years ago when they constituted 64 percent of the uncontrollable outlays and only 40 percent of the total budget.

Mr. Chairman, this trend should be alarming to Members of this House, and others concerned with problems of budget control.

INDEXED PRICE INCREASES

Mr. Chairman, another extremely serious problem which must be reviewed in connection with controllability involves escalator or price-increase provisions. In recent years, the enactment of legislative provisions providing for benefits under entitlement programs to increase automatically has had an enormous adverse impact on the ability to control the budget.

With the exception of Federal pay, all such adjustments become effective automatically without the requirement of any current action by Congress. All major entitlement programs involving payments for individuals are now affected by price indexes. About 58 percent of the budget authority this year involve programs which are adjusted automatically by price indexes.

The impact of these adjustments in any one fiscal year differs by program because of variances in effective dates and escalation percentages. However, if it is assumed, for example, that a 7-percent adjustment was in effect for all the subject programs uniformly over a 12-month period, the increased cost would be in excess of $20 billion. In other words, through these escalator clauses, additional inflation is added to match inflation—or double inflation—and one can see that is worse than no cure.

It should be obvious to nearly everyone concerned that we cannot ever hope to beat inflation simply by keeping up with it, by increasing expenditures. You do not beat inflation by simply adding to it.

Mr. Chairman, the Appropriations Committee has been aware of some of these problems concerning controllability and I have this week sent to each member of the committee a recently completed report on this subject. This study was initiated at my request and was conducted by the committee's special professional staff. We are continuing to study this whole matter because the committees and the Congress cannot ever exercise control if large segments of the budget are ignored. We must look at the entire budget and not isolate our attention to that shrinking portion of the budget presently classified as controllable.

I have called the attention of the House to some of these matters earlier, Mr. Chairman, but because of the nature of the measure presently before the House, our problems with getting a rein on the budget, the rampant inflation prevalent in the country today, and our deteriorating dollar, I felt they were worthy of additional review. We are going to have to come to grips with this matter if we are going to get a handle on inflation.

Mr. Chairman, I offer these observations because of their pertinence to the resolution before us and the problems associated with budget control which some understandably do not always keep in the forefront of their thinking.

The Budget Act, while far from perfect, is the only available mechanism the Congress has with which to deal with our overall budget problems. But in my judgment, the process cannot even begin to work if we are saddled with the unacceptable provisions of section 4 before us now.

I urge approval of my amendment striking section 4 from the resolution.

□ 1645

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SIMON and by unanimous consent Mr. WHITTEN was allowed to proceed for 2 additional minutes.)

Mr. SIMON. Will the gentleman yield to me?

Mr. WHITTEN. I will yield to my colleague.

Mr. SIMON. I would call the attention of the Members to what the distinguished chairman of the Committee on Appropriations had to say. I opposed this in committee. I think it is a wrong move for two reasons. No. 1, the record of the Committee on Appropriations is that they are abiding without exception by what we have mandated through the Committee on the Budget so it is not necessary.

No. 2, you not only restrict the Committee on Appropriations but you restrict the executive branch of the Government in knowing where they stand and what they can do and I think unnecessarily, and unwisely, so I hope that we go along with the motion of the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I thank my colleague.

Mr. CONABLE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman and my colleagues, this measure, section 4 of the bill before us, is intended to try to improve the procedures of the budget process which many of us will acknowledge has institutional frailties.

We have not had the need up to this point to go through a difficult reconciliation process. Let me explain what that is.

The first budget resolution is completed in the spring. The Committee on Appropriations and the various legislative committees then do their respective parts of the legislative process.

On Sepember 15 we pass the second budget resolution which is a binding resolution and which, fortunately, has always been within the scope of the first budget resolution.

However, if we were in a position where we had to cut back on appropriations measures or other authorizing legislation that had been enacted between the first and the second budget resolutions, in order to arrive at the binding second part of the process, we would find ourselves in some embarrassment if some of those bills had already gone to the White House for signature. The President then would become a part of this joint resolution process, which is the domain of the Committee on the Budget.

No one asks for disruption of the Committee on Appropriations. The Committee on Appropriations, as the chairman quite rightly points out, is a very busy committee doing its work in an orderly fashion, hearing from many witnesses and putting together the respective appropriations bills in accordance with the wishes of the members and the wishes of the House.

□ 1650

That process would go unchanged in any way. The only difference under section 4 of the bill before us is that once it had been completed, once we had had our conference with the Senate, once all the resolution of the outstanding issues had been completed, the bill would be held and not sent to the President until completion of the second budget resolution.

In other words, we would not have the complication of Presidential signatures putting into law measures that later have to be reconciled.

Now, this was contemplated, may I say, Mr. Chairman, at the time the Budget Reform Act was passed. As a matter of fact, the House version of the Budget Reform Act said that appropriation bills or bills involving a trust fund as described in such-and-such a section shall be held and not enrolled or sent to the President pending conformance with the final concurrent resolution on the budget and enactment of the budget reconciliation bill, except in the case of a bill which contains new budget authority and budget outlays resulting therefrom that are not in excess of the new budget authority and budget outlays provided therefor in the related functional categories in the most recently adopted concurrent resolution on the budget.

The Senate objected to this provision; so instead, the final Budget Reform Act said:

> The first concurrent resolution on the budget may also require a procedure under which all bills or resolutions providing new budget authority or providing new spending authority—

And so forth.

In other words, the original Budget Reform Act set up a provision whereby we could do this if we saw fit to do it. It provided an option within the control of the Budget Committee.

Now, holding the bills at the desk will not slow down the work of the Appropriations Committee. Everyone will know what is in those bills, and when we have passed the second concurrent budget resolution we will then know whether or not reconciliation is necessary. The reconciliation process will be a great deal easier if the President is not involved in it, having signed into law previously matters that then become subject to reconciliation under the Budget Reform Act.

It seems to me that it makes eminent good sense to try to simplify the procedure.

Now, there are arguments against it and there is no doubt that it will cause a problem if the Budget Committee does not do its work in timely fashion. It will cause a problem if the reconciliation process becomes a protracted one, but in that event, anyway, we are going to be in trouble.

The chairman of the Appropriations Committee points out that it may get in the way of continuing resolutions.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

(By unanimous consent, Mr. CONABLE was allowed to proceed for 3 additional minutes.)

Mr. CONABLE. Mr. Chairman, continuing resolutions do not become a problem until after the fiscal year begins and it begins after the date of the second concurrent resolution; so it seems to me this could speed up our reconciliation process a great deal, because it would be a matter only between the Members of Congress and not between Members of Congress and the President, who may have signed some appropriations into law if we send the bills as soon as they are passed to him before the second concurrent budget resolution and who, therefore, may be involved in the process in a way that greatly complicates reconciliation.

Now, Mr. Chairman, we have not had to go through reconciliation yet. I hope we never do. I think the Appropriations Committee is every bit as responsible a committee as there is in this or any legislative body that I know; but given the fiscal pressures on this country, given the dramatic changes that are possible in the economy, it becomes entirely possible that one of these years we are going to face reconciliation and find ourselves in a mess because a portion of the appropriation bills have been signed into law and a portion of them have not.

At that time I am afraid, Mr. Chairman, we are going to skew the whole process in ways that may not result in an objective assessment of where we ought to be cutting back during the reconciliation process, simply because of the complications of dealing with the White House on it. Under the proposed change the White House will know what we have passed. They will know what has come out of conference. They will know what is being held at the desk here awaiting the completion of the second concurrent resolution on the budget; so do not worry about lack of information because of the delay. If the noncompletion of the bill by Presidential signature results in undue lobbying, that probably will be a problem for the President, not for us, because every congressional step will be completed except the possible reconciliation process.

□ 1655

I hope, Mr. Chairman, that my colleagues will consider this as a possible reform of the Budget Reform Act. Unfortunately, because of the manner in which it is brought up, it can be effective only for this year, but it seems to me entirely possible this year could be one of those years in which we face reconciliation, and we ought to try to find ways of improving the procedure through this type of limited adjustment in the procedures we have followed up till now so we will not find ourselves in a mess at some later period.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the distinguished minority leader.

Mr. RHODES. Mr. Chairman, I thank the gentleman for yielding, and I believe he has made a very important statement.

The distinguished chairman of the Committee on Appropriations brought up the fact that if this title remains as it is, the Committee on Appropriations might be inhibited from bringing a continuing resolution to the floor, and I think, if the situation is as the gentleman says it is, that would be a fatal defect.

Can the gentleman from New York (Mr. CONABLE) address himself to that argument?

Mr. CONABLE. Mr. Chairman, a continuing resolution does not become an issue until the fiscal year begins. The fiscal year begins after the time for the second concurrent budget resolution and the reconciliation process.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will not take all of my 5 minutes. I simply want to urge the Members of the House to support the Whitten amendment.

In my judgment the resolution has two fundamental problems. No. 1, I think the date of the fiscal year is irrelevant. The fact is that if we do not have agreement on a reconciliation process, if the Congress gets hopelessly tied up at that point, we do need to have a continuing resolution, and the way I read the language in section 4, we would be precluded from sending that to the President.

That would mean untold chaos in the administration of virtually every Government program which remained unfunded.

Second, I would suggest that this program is a prescription for lengthening the congressional session, because it insures that if there is any argument over vetoes, those arguments will in fact not be brought to a head until the end of the session or just before the end of the fiscal year. I think that makes it impractical.

I recognize that there is in a certain sense an appeal to this amendment because of the orderliness which it appears to bring to the appropriation process, but in fact I think it will delay conflict and put the Congress at a great disadvantage vis-a-vis the President.

Mr. DICKS. Mr. Chairman, will the gentleman yield to me?

Mr. OBEY. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, is it not also true that every authorization bill that has any entitlement at all in it would also have to be held until after September 15? This would mean not just 13 appropriation bills but literally it could mean dozens of other bills that have minor entitlement provisions, including the armed services bill, as I understand it.

Mr. OBEY. My understanding is that if it does have an entitlement provision, that would be the case. I must say I am not certain on that point.

Mr. CONABLE. Mr. Chairman, if the gentleman will yield, I would just like to point out that any bill of that sort would apply, of course, to the succeeding fiscal year which has not begun at that point.

It is not as though we were putting this in the safe and holding it away from public knowledge until that point. The only issue is the Presidential involvement in the process up to that point.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, is it not true that under the reconciliation process the Committee on the Budget can direct the Committee on Appropriations to go back and make cuts in appropriations bills that have already been signed into law? It seems to me that gives us all the power we need to insure that we have to meet the second concurrent resolution.

What we are doing is going to create a situation where literally the final decision on maybe 25 or 30 bills will get down to the point where we are trying to adjourn the Congress and go home. I think that is going to ruin the whole budget process.

Mr. CONABLE. What I want to point out is that unless we do something of this sort, the reconciliation process itself is going to extend the session considerably longer than it would run otherwise.

Mr. OBEY. Mr. Chairman, if I may reclaim my time, I would simply like to say that the gentleman is certainly correct on that point, but I would rather run the risk of that happening in 1 year out of 5 than run the risk of this other process happening every year, year after year.

This is not a question of what happens with the Committee on Appropriations. This, in my judgment, is what happens to the relative institutional power of the Congress vis-a-vis the President.

□ 1700

Mr. CONTE. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. CONTE was allowed to proceed for 5 additional minutes.)

Mr. CONTE. Mr. Chairman, I rise in support of the amendment which would strike section 4 from the first budget resolution for fiscal 1980.

Section 4 requires that bills and resolutions, including continuing resolutions, which provide new budget authority or entitlements, shall be held, and not enrolled, until Congress has completed action on a second budget resolution for fiscal 1980, sometime in early September.

Congress would then consider a reconciliation resolution, which could make any changes in any spending bill or resolution which has passed conference, but not been enrolled.

Mr. Chairman, section 4 is profoundly misconceived.

It would create absolute chaos in the legislative process, and in the executive branch, and add to the public perception of the Congress as an institution which is unable to conduct its business in a timely, orderly, and rational manner.

It would create substantial pressures on Congress for additional spending, and provide the President with a strategic advantage in imposing his priorities at the expense of the priorities established by the Congress through its budget and appropriations process.

And it would increase the possibility of payless paydays for Federal employees.

I would like to discuss these points individually with my colleagues.

First, section 4 is unnecessary because there is no reason to expect that a significant reconciliation will be needed, before the fiscal year begins, in connection with the second budget resolution.

Since World War II, appropriation bills have been below the President's requests in every year but one. Since the passage of the Budget Act, appropriation bills have never been above the congressional budget.

Pressures on spending have occurred—as in the current fiscal year—after the beginning of the fiscal year, when changes in economic conditions and spending reestimates affect receipts and outlays.

These are painful problems for Congress under the Budget Act, but they cannot and will not be solved by a reconciliation process before the fiscal year begins.

Changes in budget and spending authority, if needed, can be made in a timely, orderly, and selective manner through a reconciliation bill which rescinds appropriations, and makes other necessary changes in law.

Second, section 4 would lead to the wasteful and inefficient use of resources in the executive branch. It is completely inconsistent with a major objective of the Budget Act, which was early action on spending legislation, so that executive agencies could plan their use of funds, and carry out those plans through the orderly application of the apportionment process.

Under section 4, the executive agencies could not plan the apportionment or obligation of funds, and the inevitable result would be additional waste and inefficiency.

Third, section 4 would create massive pressures on the Congress for additional spending until the second budget resolution has been passed. If we pass our appropriation bill on schedule, and they are held for enrollment pending changes by a reconciliation resolution, pressure groups and special interests would descend like a cloud of locusts on this Congress, lobbying for special treatment for their programs.

Accordingly, if section 4 is passed by the House, I would urge Chairman WHITTEN and my colleagues on the Appropriations Committee to defer action on appropriation bills until the second budget resolution has been passed.

This would also cause substantial confusion and chaos, but would at least protect the taxpayers from a 3-month open season for lobbyists.

Make no mistake about it.

A vote to retain section 4 is a vote for a 3-month open markup on appropriation bills by every pressure group and special interest that can fly, ride, or walk to Capitol Hill.

Fourth, section 4 dramatically increases the prospects for payless paydays for Government employees, if the President decides to veto an appropriation bill.

Think about it for a moment.

Under section 4, during the 3 weeks after we return from the August recess:

Congress would have to consider a reconciliation resolution, which would amount to a reconsideration of every piece of spending legislation passed during the preceding 9 months.

The President would have to consider every piece of spending legislation passed during the previous 9 months, and decide to veto or approve.

Congress would have to reconsider any bill vetoed, and override the veto, pass a different bill, or pass a continuing resolution.

What happens if the President vetoes one or two bills?

Do we prepare a continuing resolution for the entire Government, and send that to him as part of the package?

Do we send him separate continuing resolutions for each appropriation bill he might veto?

Do we try to work out a continuing resolution in the 3 or 4 days left after consideration of the reconciliation resolution, and after the President has signed or vetoed bills, handling issues like abortion in the process?

Finally, section 4 would concede to the President a major political advantage in establishing his program priorities, instead of those passed by the Congress.

Congress now establishes its spending priorities through the congressional budget process and the appropriations process. The legislation which enacts those priorities is sent to the President individually, and he is never presented with the entire "congressional program" in one package.

Section 4 would do just that. The President would have the entire congressional spending program on his desk, and could effectively "item veto" individually pieces of legislation which do not agree with his program priorities.

We worked long and hard to establish the present budget and appropriation process—to provide Congress with an equal role in the determination of budget totals and program priorities.

Are we willing to surrender this precious congressional prerogative, reduce the legislative and executive process to a shambles, and subject ourselves and the taxpayers to 3 months of high-pressure lobbying on a reconciliation bill which probably would not be needed anyway?

It does not make sense to me, and I urge a vote for the amendment, and to strike section 4.

☐ 1705

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am happy to yield to my leader.

Mr. RHODES. I thank the gentleman for yielding.

The point which I think is most impressive is the fact that this budget process has been in operation for some years now. There never has been a reconciliation. I personally cannot believe that there will be. I cannot help but recall the old saying, "If it ain't broke, don't fix it." I am afraid that that is exactly what we are trying to do.

Mr. REGULA. Will the gentleman yield to me?

Mr. CONTE. I yield to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. I thank the gentleman for yielding.

I think there is one deficiency in this, if we are going to speak to the whole budget process. That is that section 4, as it appears in the resolution, does not deal with the question of tax expenditures or, in effect, the revenue side. We do not give as much attention to that in debating the budget process, but in the final analysis, the revenue side is equally as important as the expenditure side, or the outlays.

Mr. CONABLE. Mr. Chairman, will the gentleman yield to me?

Mr. CONTE. I yield to the gentleman from New York.

Mr. CONABLE. That is not included in section 310 of the Budget Reform Act. I have complied with the provisions there in praising this amendment.

Now, Mr. Chairman, if the gentleman will continue to yield, I acknowledge that perhaps there have been some risks taken in treading on the turf of the Appropriations Committee, judging from the cries of outrage that have emanated from both sides of the aisle here. I do not think it is the prerogative of the Congress, but of the Appropriations Committee, that is being threatened here. I do not understand why the Appropriations Committee feels this is interference with their function because their function remains exactly as it is. The only difference is their bills are not sent to the President until after the reconciliation process.

Now, what the gentleman is saying is that no reconciliation is possible, and that is all I am trying to prevent. We were talking about the possibility of reconciliation last year, and we were met with the argument from members of the Appropriations Committee that you cannot reconcile because some of these things have been signed into law by the President; and therefore, it is going to be very difficult to handle.

Now, you cannot have it both ways. We have got to decide if the budget process is going to work or if we are going to leave things exactly as they are and run the risk of not being able to do anything about a process that could get out of control, given the state of the economy.

Mr. CONTE. I want the gentleman from New York to know—and I spoke with him privately, and I am very sympathetic to what he is trying to do—I am not upset about walking on our turf. I am upset about the chaos it could cause here in the House. I want all my colleagues to know this. Can you imagine those 13 appropriations bills on that desk for 3 months up there?

☐ 1710

You are going to be lobbied to death by every single group in the country. It is bad enough now as it is. We take the heat.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(At the request of Mr. DICKS and by unanimous consent, Mr. CONTE was allowed to proceed for 1 additional minute.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, it is not just the Appropriations Committee. I think this is important for people beyond the Appropriations Committee to understand. We are also talking about holding up every single bill that has a provision providing for entitlements. That means almost every authorizing committee in the House, and particularly the House Ways and Means Committee. So, this is a much broader proposal directed, not just at the Appropriations Committee, but almost every committee of the entire Congress.

I do not think that point has been adequately made.

Mr. CONTE. There is the other possibility. Next year is election year, and all 13 bills will go down there; and if the President pocket vetoes about six bills, they may have to call this Congress back into a special session to handle the situation. I want the Members to think about that.

Mr. DICKS. We will have December and January sessions.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I want to commend the Chair for the orderly way in which he has conducted this debate, and to commend all of the Members of this body for their work here, for what I think is a very meaningful debate on the budget and on the various aspects of it. We are not finished yet. We are going to have to continue, I believe, next week before we can adopt the budget for the U.S. Government. That is as it should be. Certainly, we should devote all the time necessary when we come to spending $532 billion of the public's money.

Now, this issue before us is one that is very serious in nature, but it is not a life-or-death matter either way. I think we should not overreact. I do not think that we are going to tie our hands dreadfully if we adopt this amendment. I do not think the Appropriations Committee is going to be harmed in any way if this provision is adopted. The committee is going to continue its work on its bills as usual, but those bills are going to be held for enrollment after the second budget resolution and/or the reconciliation process is completed.

The President is not going to have any greater powers by virtue of this. He can veto each appropriation or entitlement bill as it is sent down to him. It is not correct to say that almost every bill would be affected, because most bills do not have entitlements in them. Most bills are authorizing in nature, and call for an appropriation.

Those bills that have entitlement provisions in them that would be affected, but let us go back to the history of this. The chairman of the Appropriations Committee sat on the original committee which wrote the Budget Act; I was not on it. They thought—those gentlemen and ladies—wrote in a provision, section 301(d) of the Budget Act. This section says, and I will paraphrase, all bills requiring appropriations or entitlements shall not be enrolled until the concurrent resolution required to be reported under section 310(c) has been agreed to, and if the reconciliation bill or resolution is required or contemplated, not until Congress has completed action on that bill or both, and any other procedure which is considered necessary to carry out the purposes of this act. What did those gentlemen intend by this?

□ 1715

I believe that what they intended was for us in Congress to get a better control over spending, to get a better picture of where we were in the fiscal year. That is what they intended with the Budget Act when they framed it. The theory, I believe, was that in September after we adopted the Budget Act, we would then know whether we had to cut and trim, or conceivably to add to expenditures or to revenues. We would have the whole ball of wax before us when we made these judgments and decisions. At that time when we had made that determination and decision, we could send down the bills to the President. I do not think this would do violence to the authorizing committees.

I do not think it would do violence to the appropriating committees. But I do think this: I think that the drafters and the authors of the Budget Act had the purpose in mind to try to get better control over spending. I think we have been getting better control over spending these past 5 years. We should think about this legislation whether we act on it today or whether we delete it today and study it at length and during this year. Perhaps the appropriating committee and the Budget Committee and some of the big entitlement committees could get together and see if it could be worked out in a reasonable, rational, amicable fashion.

As the Members know, it is not in the resolution passed by the other body. The other body apparently does not want to have this type of legislation, and I do not think it is essential to our budget process that we have it included in this resolution. I do think that we should go along with the authors of the Budget Act, and I think we should try to understand what the authors of the act had in mind when they were trying to make provision for a more orderly process whereby we expend the people's money.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding.

I think the chairman has made a very fair statement. I want to say that I have great respect for him.

Is it not true that he has jurisdiction over the Budget Act?

Mr. GIAIMO. No.

Mr. DICKS. The gentleman does not. Is it the Committee on Rules?

Mr. GIAIMO. The Committee on Rules.

Mr. DICKS. The Committee on Rules would have to hold hearings on this? It is not within the gentleman's authority to change this or hold hearings?

Mr. GIAIMO. The Committee on Rules has jurisdiction over the Budget Act. The Budget Act specifically gives the Committee on the Budget the option to adopt this particular language which the gentleman seeks to strike.

Mr. CONABLE. If the gentleman will yield, for this year only.

Mr. DICKS. If the gentleman will yield further, the committee staff advises me that there are between 20 and 30 entitlement bills passed every year. If we combine that with 13 appropriation bills——

Mr. GIAIMO. That is 33 out of several thousand pieces of legislation. That is what I meant when I said most do not have entitlements.

Mr. DICKS. I wanted to correct the record.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I would like to thank the gentleman for his statement also. I hope the House will try this procedure out and will not turn tail and run simply because of allegations that it might cause some chaos. We might have very severe chaos if we have to reconcile and have a hodgepodge of passed and unpassed bills to do the reconciling with. This is another tool of fiscal discipline available to the House at a time when fiscal discipline is of increasing concern. It seems entirely appropriate to try out the process.

I thank the Chairman for his statement.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

Would the gentleman agree that both the Budget Act as well as any language here should speak to the question of tax expenditures as well as outlays?

Mr. GIAIMO. They should.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ROBERTS, and by unanimous consent, Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Texas.

Mr. ROBERTS. I thank the gentleman for yielding.

I want to commend the distinguished gentleman on the evenhanded, fair way he has handled all of the things that we have had to go through in a day or two. I do not know what it does to the veterans' situation. We have probably more entitlements, I am sure he would say, than any other group. I do not know what it would do to us, but when he says it is fair, let us let it go, and if we have to put it in, we can put it in an entitlement. But throughout this whole thing I have never seen a fairer, more honest and more capable leadership, and I appreciate it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. BAUMAN, and by unanimous consent, Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Just out of curiosity, I wanted to ask the chairman of the Committee on the Budget why this provision and the next section, section 5, are in this resolution at all. These are matters that are in the original jurisdiction of the Committee on Rules. As I understand it, the Budget Act contemplated that changes in the procedures would be submitted by resolution or recommendation of the gentleman's committee to the Committee on Rules, where full hearings could have been held and the consequences weighed in all of their facets and then reported to the House for action separately from the budget process. I realize this only applies to 1 year, but the next section has some fundamental provisions that do, in my view, place requirements on all other committees of the House.

□ 1720

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. CONABLE. As to section 4, the issue before us at this time, the original Budget Act specifically gives the Committee on the Budget the right to adopt this procedure if they wish. In other words, it is not a change in the Budget Act which, as the gentleman suggests, would be the province of the Committee on Rules.

Mr. BAUMAN. Mr. Chairman, however the next section most assuredly does fall into that category. Requiring various reports of all the committees of the House by a certain date.

Mr. CONABLE. I have no intention of debating section 5 at this point. Section 4, however, is specifically covered by the Budget Act. That is all I care to address my remarks to.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment

offered by the gentleman from Mississippi (Mr. WHITTEN).

The amendment was agreed to.

● Mr. RANGEL. Mr. Chairman, I seriously question the priorities of the first budget resolution which we are today considering. A budget resolution which clearly zeros in on those who are economically crippled, which takes advantage of those of our citizens who are most in need, yet who are the least able to exert the political pressure necessary to prevent erosion of the programs which affect their day-to-day existence. By holding real growth in Federal outlays from fiscal year 1979 to fiscal year 1980 to 0.8 percent, the first budget resolution has crippled many essential programs.

Programs such as CETA title VI countercyclical jobs have been reduced from 358,000 jobs currently to 200,000 jobs by the end of fiscal year 1980. Yet the administration's own estimates predict unemployment rates of 6.2 percent by the end of fiscal year 1980 which would require 465,000 countercyclical jobs.

Similarly, countercyclical assistance, which targets assistance to local governments when local unemployment rises over 6.5 percent would be reduced for fiscal year 1980 while the supplemental appropriation needed for fiscal year 1979 was not even included.

Summer youth employment programs which are so critical in supplementing the incomes of the young and providing them with their first job experiences while at the same time keeping them off the streets and out of trouble have been reduced.

By cutting housing funds from $30.1 billion in fiscal year 1979 to $27 billion in fiscal year 1980, there will be a drop of over 60,000 new units for low-income families. At a time when many inner city residents are being pushed out of their homes because of a return to the city by the middle class, housing for low-income families is becoming scarcer and scarcer. To cut the housing budget even further at this time can only serve to make a difficult situation even worse.

Probably the most critical decision for poor people in the first budget resolution is the inadequate funding of the food stamp program. With food prices rising some 10 percent a year, outlays of $6.973 billion for fiscal year 1980 are insufficient to cover the needs of all those who are eligible for the program—a program which provides the most basic of human needs, food. In a nation as wealthy as the United States, it would be a national disgrace if we were unable to feed every American, especially when we are exporting food to other nations in order to feed their hungry.

Mr. Chairman, the human needs amendment proposed by my colleague PARREN MITCHELL would modestly increase funding in programs which respond to the needs of our poor while at the same time reduce fiscal year 1980 budget deficits by $2.5 billion. By directing the House Ways and Means Committee, upon which I serve, to generate $1 billion in additional revenues for fiscal year 1979 and $4 billion in fiscal year 1980 sufficient reductions in tax expenditures could be realized in order to achieve the goals of the human needs amendment.

In the area of energy alone, there are several steps we could take which would fund the human needs amendment. As we all have heard, oil companies experienced astronomical after-tax profits during the first quarter of 1979. One of the ways these profits are maximized is through the significant tax advantages currently enjoyed by the oil companies—advantages which are not provided for other businesses. Currently, oil companies are permitted to take tremendous tax deductions for intangible drilling costs; these are costs which cover such things as fuel, repairs, hauling expenses, supplies, and so forth. Because they are presently allowed to deduct these costs in the first year, oil companies are provided with a substantial tax write-off. If we were to eliminate this practice for developmental wells only, as opposed to exploratory wells, we could raise over $2.1 billion in 1980. There is no reason why significant tax advantages should be given for already proven reservoirs of oil where drilling carries no risk.

Independent oil companies enjoy another unreasonable tax advantage in the guise of depletion allowances. Currently, this tax deduction is based on the selling price of a barrel of oil rather than the actual cost, per barrel, of securing the lease to produce such oil. By allowing deductions in excess of cost depletion, we are giving independent oil companies an unreasonable offset against their taxable income. Eliminating this advantage would increase revenues in 1980 by $1.265 billion.

Reinstating the 1-percent excise tax on manufacturers of trucks and cars is yet another step which should be taken. This would impose the cost of petroleum use on those who are utilizing it in the least efficient manner. By reinstating this tax we could raise $1.25 billion.

We could also pick up nearly $5 billion by eliminating the investment tax credit for public utilities. It is absurd to encourage the development of electrical generating facilities, and thus lose revenues, when electric utilities already admit that we have excess generating capacity. Rather, we should be encouraging the use of coal and gas where they provide practical alternatives to electric power.

Beyond the area of energy there are many areas where our current taxing policies decrease revenues without producing any benefits.

The repeal of DISC, the Domestic International Sales Corporation provision which provides subsidies for companies which export goods, would provide $1.2 billion annually. DISC does little to increase our foreign exports, as was intended, and only acts as a costly subsidy to exporters. A similar proposal would be the elimination of the current $500 million annual deferral on foreign earnings.

Finally, I would like to propose the elimination of the current deduction for State and local sales taxes. Sales taxes are an extremely regressive form of tax since their burden falls most heavily upon the poor. Elimination of this deduction would encourage State and local governments to resort to the more equitable progressive income tax. Since less than 35 percent of taxpayers itemize their returns, elimination of this tax would remove the unreasonable economic advantage enjoyed by the well-to-do who do itemize.

I urge all my colleagues to think very carefully before they vote for a budget resolution which will increase our military expenditures while simultaneously decreasing real spending on social needs. As I have shown, there are many real tax reforms which, if instituted, would result in significant new revenues and a more equitable tax policy. It is important that we pass the Mitchell human needs amendment, if for no other reason than to prove we have not lost our compassion for those who are less fortunate. Why is it that when politicians stand up and complain about today's economic problems, they do not blame outrageously high prices and profits? They do not blame tax loopholes that funnel millions to the rich. Instead, they claim the country is suffering because we have chosen to feed and shelter the poor, to help them get jobs so they can become self-sufficient. I would like you all to consider this when you cast your vote on the first budget resolution.●

● Mr. HAMMERSCHMIDT. Mr. Chairman, I would like to compliment my good friend and colleague, Mr. BIAGGI, and offer my strong support for the passage of his amendment to increase funds for the Older Americans Act nutrition program by $75 million in budget authority and $30 million in outlays.

The nutrition projects funded under the Older Americans Act have received national acclaim because of the impact they have made on the lives of thousands of older persons. The congregate meal sites provide not only nutritious meals, but also go a great distance toward reducing isolation.

In the Comprehensive Older Americans Act Amendments of 1978, Congress increased the authorization level for the congregate nutrition program to $350 million for fiscal year 1979 so that thousands of elderly people who are not able to participate in the program could do so. Although the nutrition programs are serving about 550,000 older Americans, there are 800,000 on waiting lists. In some cases, older people have been on waiting lists for as long as 2½ years.

For the first time, a separate authorization for home-delivered meals was included in the amendments of 1978 so that the "frail elderly" who are homebound would be able to receive nutritious meals. At present, only 56,000 of an estimated 2 to 3 million homebound elderly receive home-delivered meals under the Older Americans Act. Private groups serve another 60,000. Those in rural areas have an even more difficult time receiving services because 89 percent of the private home-delivered meals programs are located in urban areas.

If we allow these vital nutrition programs to remain at the fiscal year 1978 funding level provided by the continuing resolution, we will not be able to expand the program to serve additional elderly people, and we will actually deprive many elderly people who are already benefiting from the program. In my own State of Arkansas, over 40,000 older persons were served meals under the nutrition program. According to our acting State director, just to maintain this current level of service would require a 10-percent increase in funding.

The correspondence I have received from the elderly people in my district confirms my belief in the worth of the nutrition programs, and in closing I would just like to share a few lines from a letter that I received.

> I am writing you in regards to the nutritional program we have been favored with and wish to continue with. There are approximately 47 to 50 meals sent out and about 50 meals eaten at the dining hall. These people are receiving the only balanced meal of the day. Many are not able to cook the meals and others not able to purchase them. So, it is imperative that we continue this program.●

● Mr. CLAY. Mr. Chairman, the President's budget proposal, which is now our responsibility to act on, demonstrates a flagrant disregard and neglect for our Nation's poor and minority communities. When we voted for Jimmy Carter to hold the highest office in the land, he promised to treat the poor, the weak, the elderly, and the disabled with respect, compassion, and love. He campaigned on a platform which promised to place a priority on domestic and social programs. The poor and minority people in our country believed him. They delivered Jimmy Carter to the White House. And now, Jimmy Carter appears to have forgotten who his friends are. He has turned his back on those who are most in need.

President Carter's budget recommendations for fiscal year 1980 are clearly a reaction to the economic environment which holds deficit spending as the cause of inflation. In response to this growing movement, Carter has set out to balance the budget, even at the expense of the poor. Jimmy Carter has permitted himself to be pulled along with this political tide.

In a drastic attempt to reduce the budget, the President has recommended cuts in our Nation's day care, housing, employment opportunities, social security, nutrition, health care, and other vital programs. The very social programs we have fought so long and hard to develop, Jimmy Carter now proposes to reduce. When I examined the President's proposed budget and looked at the allocations for those programs designed to benefit the poor and disadvantaged American, I was disheartened and disillusioned. If we allow the President's proposed budget to be enacted, without restoring the vital allocations needed for social and domestic programs, we can expect a severe impact on the poor and minority communities across our Nation.

To demonstrate his commitment to a restrained budget, President has reduced social and domestic program expenditures by about $11 million. At the same time, he has also proposed to increase the resources of the American economy to NATO defense by 3 percent. In effect, he has taken $11 million away from vital domestic programs and added $10 billion to military programs.

I do not agree with this method of "balancing the budget." We must not be lax in our work on this budget proposal. Our Nation's poor have every right to leadership and representation. If President Carter chooses to overlook these Americans, our responsibility is clear. We must stand up to the President and exercise our commitment to the needs and interests of less fortunate Americans.●

AMENDMENT OFFERED BY MR. MATTOX

Mr. MATTOX. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. MATTOX: In the matter relating to the appropriate level of total new budget authority reduce the amount bp $3,673,000,000;
>
> In the matter relating to the appropriate level of total budget outlays reduce the amount by $1,196,000,000;
>
> In the matter relating to the amount of the deficit reduce the amount by $1,196,000,000;
>
> In the matter relating to the appropriate level of the public debt reduce the amount by $1,196,000,000;
>
> In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $1,196,000,000.
>
> In the matter relating to energy reduce the amount for budget authority by $407,000,000; and reduce the amount for outlays by $136,000,000.
>
> In the matter relating to Natural Resources and Environment, reduce the amount for budget authority by $525,000,000; and reduce the amount for outlays by $77,000,000.
>
> In the matter relating to Commerce and Housing Credit, reduce the amount for budget authority by $1,087,000,000; and reduce the amount for outlays by $29,000,000.
>
> In the matter relating to Community and Regional Development, reduce the amount for budget authority by $500,000,000; and reduce the amount for outlays by $50,000,000.
>
> In the matter relating to Education, Employment Training and Social Services, reduce the amount for budget authority by $400,000,000; and reduce the amount for outlays by $150,000,000.
>
> In the matter relating to Health, reduce the amount for budget authority by $235,000,000; and reduce the amount for outlays by $235,000,000.
>
> In the matter relating to Income Security, reduce the amount for budget authority by $276,000,000; and reduce the amount for outlays by $276,000,000.
>
> In the matter relating to Veterans Benefits and Services, reduce the amount for budget authority by $93,000,000; and reduce the amount for outlays by $93,000,000.
>
> In the matter relating to General Purpose Fiscal Assistance, reduce the amount for budget authority by $150,000,000; and reduce the amount for outlays by $150,000,000.

Mr. MATTOX (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. EDWARDS of Alabama. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. EDWARDS of Alabama. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk continued the reading of the amendment.

Mr. GIAIMO (during the reading). Mr. Chairman, I again ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. MURTHA) having assumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979 had come to no resolution thereon.

GENERAL LEAVE

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the amendment offered by the gentleman from Texas (Mr. ROBERTS).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

CAMPAIGN REPORTING FOR CARTER QUERIED

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. SENSENBRENNER. Mr. Speaker, today I am introducing a bill to extend the statute of limitations for violations of the Federal Election Campaign Act from 3 to 5 years.

I feel this legislation is necessary for several reasons.

First. The FEC has a terrible track record when it comes to completing audits. The FEC still has not completed the audit of President Carter's campaign committee reports for the general election. The statute of limitations may run out before the audit is completed.

Second. To assure the public that adequate time will be available to discover and enforce violations of the FECA.

Third. Recent newspaper reports have revealed that the FEC has many internal problems; a staff turnover of 25 percent per year, low morale, an absence of

CPA's on their audit staff, a disbanding of a 15 member investigative staff, to name a few. How can an effective job of enforcing the FECA be done in the wake of these and other serious problems.

Fourth. An extension of the statute of limitations would allow Special Counsel Paul Curran to conduct an independent investigation of President Carter's campaign committee.

Newspaper reports, of which I will make a part of the RECORD, have revealed that Ken Gross, an FEC Assistant General Counsel who was hired 2 years ago to advise FEC auditors on their work, was plucked from the Atlanta law firm of Robert Lipshutz, who is presently White House Counsel, and served as treasurer of Carter's campaign committee. Bill Oldaker, General Counsel of the FEC, was quoted as saying—

> I would think that Lipshutz had something to do with the (his) hiring.

[From the New York Times, Apr. 29, 1979]

CAMPAIGN REPORTING FOR CARTER QUERIED

Special to The New York Times

WASHINGTON, April 28.—The trustee overseeing the business interests of Gerald Rafshoon while he serves as President Carter's adviser on the news media has, in a series of interviews, expressed doubt about the accuracy of financial reports filed with the Federal Election Commission by the committee that handled Mr. Carter's 1976 primary campaign.

In question are hundreds of thousands of dollars spent by the Rafshoon advertising agency in buying advertisements for the Carter campaign in key primary states at a time when Federal matching funds were cut off and the campaigns of Mr. Carter's Democratic rivals were losing ground.

$645,000 CREDIT REPORTED

The reports filed by the Committee for Jimmy Carter were prepared under the direction of Robert J. Lipshutz, now White House counsel. The reports show that the Rafshoon agency extended as much as $645,000 in credit, including $211,000 for television time that had to be purchased with cash at a time when the agency itself was having financial difficulties.

William J. Stack Jr., an Atlanta lawyer who became trustee of the Rafshoon agency when Mr. Rafshoon joined the White House staff last July, has insisted that the agency advanced no cash to the campaign.

"Either they're wrong or I'm wrong," Mr. Stack said when shown copies of the campaign reports in an interview in Atlanta.

Well-placed Government sources say that a Federal grand jury in Atlanta has obtained Mr. Rafshoon's records and that transactions in that period will be scrutinized by Paul J. Curran, the special counsel appointed by the Department of Justice to investigate whether funds from bank loans to the Carter family peanut warehouse were diverted to his campaign.

Mr. Lipshutz has said the Carter campaign records filed with the commission, prepared with the help of the Arthur Anderson accounting firm, are "absolutely accurate." Ronald D. Eastman, the attorney who represented the campaign committee in the election commission audit, has declined, however, to make available any records that were not selected in the random audit. These are the bulk of the campaign records, now stored at the Georgia State Archives in Atlanta.

QUESTIONS REFERRED TO TRUSTEE

Mr. Rafshoon has referred all questions about his agency's part in the primary campaign to Mr. Stack, who explained that his role was to shield Mr. Rafshoon from distractions from his White House duties. Mr. Slack has also been negotiating the sale of the agency.

After being questioned for weeks, Mr. Stack said he would ask his own accounting firm to review the Rafshoon agency's campaign-related documents, which he said he has not seen himself although he has questioned employees about agency policy.

The Federal Election Commission's audit took 29 months to complete and was released this month. Members of the commission and its staff have said that Mr. Rafshoon was never asked in the audit how his agency had been able to extend credit to the Carter campaign because the commission's policy is not to query third parties unless a compliance action is in the making.

AGENCY KNOWN TO GIVE CREDIT

Federal law forbids extensions of credit to candidates by a corporation unless it occurs in the normal course of business. According to industry sources, advertising agencies normally do not give credit to political campaigns, but former employees said the practice was not unusual at the Rafshoon agency.

The Carter campaign filed monthly financial reports during the primary campaign, then submitted a complete set of amended monthly reports three days after Mr. Carter was elected.

In the critical months of March, April and May 1976, when a Supreme Court decision temporarily cut off Federal matching funds, the original campaign reports showed that the campaign's debts to the Rafshoon agency went from $149,073 at the end of March to $320,210 in April and to $243,330 in May.

The amended campaign reports contended that the campaign's debt to the Rafshoon agency grew from $176,010 in March to $350,349 in April to $645,997 in May 1976. The amended documents reported that the obligations dated to August 1975.

In a series of interviews with The New York Times over a period of weeks, Mr. Stack has said the agency might have extended credit to the campaign for production costs but had a strict rule against advancing cash to purchase media time.

However, the campaign committee's amended reports show payments in July and August on past debts to the Rafshoon agency that included $211,190 earmarked for "television time," although some of the original campaign reports had described these as payments for television production costs.

Mr. Stack has said that not all of the "debts and obligations" shown on the Carter campaign's report reflected real debts to the Rafshoon agency.

In May, he said, the $645,997 debt consisted of about $243,000 in production costs and about $400,000 for advertising the Rafshoon agency planned to buy and had billed to the committee but did not actually purchase until June.

The campaign records show that the campaign paid the Rafshoon agency only $250,000 on those obligations in June. The remainder was paid in July and August.

QUESTIONS OF STATION CREDIT

It is not clear how the Rafshoon agency was able to underwrite television production costs for the campaign. Mr. Rafshoon said at the time that he was able to obtain credit from his own suppliers.

Recent interviews with two principal suppliers, WTCG, an Atlanta television station, and the Magus Corporation, a Philadelphia film company, disclosed that WTCG insisted on cash on delivery and that the Rafshoon agency usually paid Magus within 30 days.

At the same time the Rafshoon agency was extending credit to the campaign, it was experiencing financial difficulties of its own.

According to Mr. Stack, four clients of the agency went bankrupt in 1975 and their creditors attempted to hold the Rafshoon agency responsible for their debts. One of them was Camelot Entertainment, a movie company that declared bankruptcy in Florida in December 1975.

The Rafshoon agency received a $30,000 loan from its bank, the National Bank of Georgia, to pay trade accounts on Dec. 31, 1975. On April 19, 1976, the bank approved a $155,000 line of credit to the agency to pay off the $30,000 note and pay legal fees and claims arising from the Camelot bankruptcy.

Two independent directors of the bank asked by the Securities and Exchange Commission to determine whether the proceeds of the Rafshoon loans were channeled to the Carter presidential campaign said Mr. Stack had furnished them with detailed records of disbursements and trade creditors in connection with Camelot that "adequately account for all disbursements by N.B.G." Mr. Stack had made those documents available to the New York Times.

The maximum borrowed under the line of credit, according to the documents, was $50,514.

In 1975, the Carter campaign also set up an account at the main office of the National Bank of Georgia, and Federal Election Commission records show it was a relatively small account.

[From the New York Times, Apr. 30, 1979]

CARTER INQUIRY IS EXAMINING DELAY IN BANK'S TRANSFER OF LOAN FUNDS

A lag occurred between the time Billy Carter has said Carter's Warehouse repaid a peanut loan to the National Bank of Georgia in 1976 and the time the bank passed the money on to other banks that were holding pieces of the Carter loan.

This would have left about $1 million from the Carter repayment money in N.B.G.'s hands for four months in the spring and early summer of 1976, interviews and records indicate.

This lag is being studied by Paul J. Curran, the special counsel to the Department of Justice, in his investigation to determine whether any of the warehouse money was diverted to Jimmy Carter's Presidential campaign. The investigation has expanded to include the handling of the loan funds by both the warehouse and the bank, which was controlled then by Bert Lance, a friend of the Carters and later Budget Director in the Carter Administration.

CRUCIAL TIME FOR CAMPAIGN

Carter campaign records involving the bank were recently released by the Federal Election Commission, showing what one campaign official later called irregular transactions in the same period, a crucial time financially for the Carter forces.

The records also show for the first time some involvement of the bank in the campaign's news media expenditures, but they leave the extent of that involvement unclear.

Billy Carter, who managed the warehouse business while his brother Jimmy sought the Presidency, has said in a series of interviews that he repaid the bulk of the $2.2 million peanut loan to the National Bank of Georgia by April 1976.

In late 1975, the National Bank of Georgia had sold off $1.5 million of the peanut loan to three small banks in southern Georgia. Paul S. Penn Jr., executive vice president of the Commercial State Bank of Donalsonville, which was the lead bank in the Carter loan participation, said that the N.B.G. repayments to his bank started on Jan. 30 but that most of the money was not paid until the late spring and summer, including a final payment of $850,000 on July 14.

Mr. Penn said his bank had expected to be paid back as peanuts were shelled at the Carter Warehouse but that he had no complaints about the payment schedule. He also said that the F.B.I. had picked up records relating the Carter loan participation earlier this year.

BILLY CARTER EXPECTS SUBPOENA

Billy Carter, who has told associates he expects to be subpoenaed soon by Mr. Curran, met with lawyers and personal advisers in Washington on Thursday.

The President's brother has said he knows of no diversion of peanut loan funds to his brother's political campaign. He has also stressed that he does not know how the loan funds or bookkeeping were handled at the National Bank of Georgia. According to a friend, Billy Carter spent Thursday night at the White House "catching up on things with his brother."

The Federal Bureau of Investigation has already discovered bookkeeping problems at the bank involving the Carter loans, including the existence of a private ledger that was kept by the bank official handling the loan and that varied at times with official bank records.

But Robert P. Guyton, the president of the bank, while saying that the Carter peanut loan had been poorly managed, also said that his inspection of bank records showed no diversion of warehouse loan funds to the campaign.

RAFSHOON AGENCY ACCOUNTS

In addition to the Carter business and campaign accounts, the bank held accounts for Gerald Rafshoon and his advertising agency and made loans to both the Carter business and the Rafshoon agency.

One unusual campaign transaction involving the bank and the Rafshoon agency that was shown in election commission records concerned two separate wire transfers totaling $15,000 in late April and early May 1976. The funds were from a campaign account in Texas to the Rafshoon agency for television time but were coded in the campaign records to a campaign account at the bank.

The commission records, however, offer no other explanation for how the National Bank of Georgia campaign account was involved in the transaction. When other campaign funds from out-of-state banks were transferred to the Rafshoon agency for television advertising, the transactions were coded to the television time account.

* * * * *

FUNDS EARMARKED FOR BANK

In another unusual case, campaign records show that a $1,000 check was sent from a Utah campaign account to the bank in May 1976 to reimburse the bank for television expenses in the campaign. The campaign records, however, do not show why the bank was being reimbursed.

A spokesman for the bank said he was unable to account for the $1,000 check, though bank records show a separate wire transfer of $1,000 from Utah into the Rafshoon account at the bank on the same day. That wire transfer is also reflected on campaign records.

The bank spokesman said the check to the bank must be an example of "sloppy bookkeeping" by the campaign, since he was sure the bank would not have spent its money for campaign expenses.

If the bank advanced or spent its own money in the campaign, or made a loan outside the normal course of business, it would be a violation of Federal banking laws as well as campaign reporting requirements.

AUDIT BY ELECTION BODY

Records on the bank-related expenditures were submitted by the Carter campaign for a random audit conducted by the Federal Election Commission. The commission did not seek to inquire further into the bank's role in the media expenditures; nor did it seek to expand the audit to look at other N.B.G.-related media transactions.

The Carter campaign relied for loans on other Atlanta banks, even though Mr. Lance was the only banker within Jimmy Carter's inner circle.

The campaign's main accounts were kept at the Fulton National Bank of Atlanta. In addition, Fulton National and another Atlanta bank, Citizens and Southern National Bank, lent about $1 million to the financially starved campaign in the spring of 1976.

Campaign records show that the National Bank of Georgia never lent any money to the campaign and had only one, relatively small, campaign account. That account was designed exclusively for mail solicitations, according to Paul Hemmann, who was administrator of the Carter primary campaign.

TRUSTEE DISPUTES TIMES ARTICLE

ATLANTA, April 29.—A Georgia lawyer today denied disputing President Carter's 1976 campaign finance reports and accused The New York Times of falsely reporting that Gerald Rafshoon's advertising agency had advanced Mr. Carter's campaign as much as $645,000 in credit during March, April and May of 1976.

William J. Stack, who is trustee of the agency while Mr. Rafshoon serves as Mr. Carter's news media adviser in the White House, said he had told a team of Times reporters that he would have an explanation of conflicts in the financial reports by Thursday. He said the newspaper had refused to wait, publishing a front-page report today because it felt some Washington reporters were closing in on their story.

Editors of The Times said today that the article was accurate as reported.

[From the Washington Post, Apr. 30, 1979]

CRITICISM OF FEC SPREADING AS '80 CAMPAIGNS NEAR

(By Fred Barbash)

The Federal Election Commission, created in 1975 to bring integrity to campaign financing, got off to a rocky start. Its regulations, when formulated, were often unintelligible. It was understaffed with inexperienced people. It wasn't even certain who it was trying to protect, politicians or the public.

Today, as the 1980 election campaigns near, little has changed.

Item: Though it now regulates a $400 million industry called campaign finance, the FEC does not have a single certified public accountant on its auditing staff.

Item: Elmo Allen, the lead auditor on the recently completed audit of President Carter's primary campaign, quit last month, complaining that the agency has badly flubbed what little of the audit it has completed and that it is simply incompetent to examine adequately campaign finances. "I just believe that those people don't know what the hell they're doing," Allen said in an interview.

Item: An April staff memo to the commissioners specified 27 steps needed to prepare for the 1980 campaigns and dates by which these steps were to be taken. Twenty of the 27 dates had long since passed. At the same time, more than $3 million has already been raised by 1980 presidential candidates.

Item: A planned revision of the rules governing campaign finance disclosure has never occurred. There was so little guidance to candidates in the 1976 election that the FEC felt it could not hold the Carter campaign, for one, accountable for thousands of dollars in inadequately documented expenditures.

Item: Staff turnover is now about 25 percent annually, much higher than most government agencies. Morale, concedes FEC Chairman Joan D. Aikens, is low among many employees "in every division." Complaints of "cronyism" in hiring and promotion, which have contributed to low morale, resulted last September in the formation of an employees union at the FEC.

Criticism of the agency is starting to spread. "There are severe administrative weaknesses over there," says Bob Moss, chief counsel for the House Administration Committee, which oversees the FEC.

"Our concern goes beyond the normal resentment" expected of members of Congress toward the agency set up to watch over their campaigns, Moss added. "There have just been too many blunders. If a secret vote were taken in Congress today, the FEC would be disbanded."

"We realize we are going to be criticized," said the FEC's Aikens. "But a lot of it is unjust and unfair. It has been very difficult to build a staff. There is very little experience in how to administer the law." She said she is confident that the agency can handle the 1980 campaigns.

Commission staff director Orlando Potter was not so confident when asked the same question. "I couldn't say I'm unqualifiedly comfortable" about the situation, he said.

Beyond the specific problems, there are questions about whether the FEC, which is supposed to regulate the behavior of politicians, isn't in fact regulated by them and for them. Some of the questions arise out of the basic structure of the agency as created by Congress.

The commissioners are appointed according to party affiliation. There are three Republicans, Aikens, Max Friedersdorf and Vernon W. Thompson, and three Democrats, Robert O. Tiernan, Thomas E. Harris and John W. McGary.

The commissioners commonly intervene in the formulation of advisory opinions by staff lawyers, according to general counsel William Oldaker, and "say how they want them to come out in a certain way."

Somewhat less than half the FEC hires, according to a rough estimate by commission director Potter, have prior "connections" with politicians, generally members of Congress.

One example is Kenneth A. Gross, an assistant general counsel hired two years ago to advise auditors on the legal aspects of their work, including the Carter campaign audit. He was plucked from the Atlanta law firm of Robert Lipshutz, White House counsel and treasurer of the Carter campaign. "I would think," says Oldaker, "that Lipshutz had something to do" with the hiring.

Commission audits are conducted under unusual secrecy, though this is not required by law, under the philosophy that "anything you might do might affect an election," according to Oldaker.

During the 2½ years it took to complete the audit of the Carter primary campaign, the FEC clamped a lid of secrecy on all information pertaining to the audit, refusing to explain the delay or any other aspect of the examination. It cited the law creating the FEC, claiming that it prohibited the agency from discussing campaign audits in public.

Last week, however, after months of protests by news organizations, the commission changed its policy and decided that it may discuss audits in open meetings. The general counsel advised the commission that there never was a legal requirement that it be done in secret.

Finally, as a matter of policy, the agency created in the wake of Watergate makes a point of not going out and looking for wrongdoing.

Oldaker disbanded a 15-member investigative staff, saying there "wasn't enough work for them to do," and arguing that it was preferable to rely on the filing of complaints. Meanwhile, a sample audit by the FEC of the 1978 congressional races found that 40 percent of the campaigns accepted illegal contributions.

Another factor contributing to criticism of the FEC is the fact that the agency still hasn't completed audits of four 1976 presidential campaigns, including Carter's.

In March, the FEC finished the audit of Carter's primary campaign, after a 2½-year effort. But the long delays and complaints about the quality of the audit have subjected the agency to new scrutiny.

The audit found only minor and technical violations of disclosure provisions in the Carter primary campaign. As a result, repayments totaling about $8,000 were required.

There is no evidence that there were anything other than minor infractions by the campaign. In an interview, Allen, the head auditor for the Carter audit who resigned last month, suggested that the commission simply was not equipped to find anything else.

"I just believe that these people [the auditors] don't know what the hell they are doing," Allen said, "It was a standard joke—that people didn't know what they were doing."

Allen said that some of those doing the Carter audit "never had had any audit training. We had some very inexperienced people on it."

"In addition," he said, "the FEC is very understaffed. We didn't have half the people we needed for the job."

As a result, he said, there were periods of up to a month's duration in which only one or two persons were working on the audit and other times when no one was.

Staff director Potter said in an interview that "audit staff strength has been a problem. We've had a lapse there we've been hard put to make up." Experienced CPAs, he said, are unwilling to work at the government's pay scale. But he defended the capabilities of the 30 or so auditors now employed by the FEC.

"We don't have anything to apologize for. I think they are very able people."

Potter also defended the hiring two years ago of Lipshutz's law associate, Gross, as assistant general counsel in charge of audits. He and Oldaker said that while Gross did not formally disqualify himself from decisions relating to the Carter audit, he did not make "decisions" pertaining to it.

Oldaker said Gross' only role in the Carter audit was to advise him of precedents from prior audits when questions came up.

Oldaker said of Gross, "I can't remember how he got here. I would think that Lipshutz probably had something to do with it."

He said he definitely remembered Lipshutz's name being used by Gross as one of his references. Gross, through a commission spokesman, declined to be interviewed.

"I assure you," Potter said, Gross' "lineage was made perfectly clear to all members of the commission" at the time he was hired.

According to some agency employes and former employes, the FEC has crippled itself with its own hiring policies.

"It seemed as though some people were here not by virtue of their performance but according to how well connected they were," said Philip Kellett, a paralegal specialist in the FEC and president of the independent union organized there last September. "A common complaint is that there is cronyism" in hiring and promotion, he said.

All of this was denied by general counsel Oldaker.

The FEC is now more than just a regulatory agency. In the 1976 elections it dispensed more than $50 million in public funds to help finance presidential campaigns. Now Congress is considering extending public financing to congressional races, which would further add to the FEC workload.

There is concern among supporters of public financing that the agency's current weakness could undermine support for public financing and also concern about whether the agency could handle the new load should the legislation pass.

The House Administration Committee, according to Moss, is planning extensive oversight hearings on the FEC in June in hopes of getting to the bottom of the agency's problems before it is swamped by the events of 1980.

A TOTAL OF 155 MEMBERS NOW SUPPORT H.R. 1

(Mr. MIKVA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MIKVA. Mr. Speaker, on the first day of the session, I introduced on my behalf and on behalf of 130 cosponsors, H.R. 1, a bill to provide for partial public financing of House general election campaigns.

In 3 months since then, a coalition of special interest PAC's and right-wing groups, who fear they will lose influence if H.R. 1 is enacted, have unleashed a massive onslaught of misrepresentations and distortions in an effort to discredit this crucial reform. In addition, the Federal Election Commission testimony for the House Administration Committee grossly exaggerated the administrative requirements and the costs of H.R. 1.

The FEC has subsequently drastically reduced its cost estimates; however, the barrage of misrepresentations regarding H.R. 1 resulted in a rash of press reports that prospects for enactment of public financing are fading.

I am pleased to announce, Mr. Speaker, like the reports of Mark Twain's death, these reports of the demise of H.R. 1 have been greatly exaggerated. The hearings have served the purpose of hearings—namely, to identify areas where the proposal can be strengthened. That process is already underway and it will continue when the committee begins its markup sessions in May. H.R. 1 will be stronger for having undergone such critical examination.

In addition, popular support for public financing continues to grow. A recent Gallup poll—released April 2—reveals that 57 percent of Americans support total public financing with a ban on all special interest contributions—a system far more extensive and far more costly than the partial public financing system proposed by H.R. 1.

However, the best evidence of continued strong support for public financing is the fact that 25 additional Members have asked to be listed as cosponsors for H.R. 1. This makes a total of 155 Members who are now sponsors of H.R. 1.

Mr. Speaker, I request that the bill H.R. 1 be ordered reprinted with the names of all 155 cosponsors listed thereof.

Following are the names of the 25 additional sponsors of H.R. 1.

ADDITIONAL SPONSORS

1. Mr. Ambro.
2. Mr. Bonker.
3. Mr. Buchanan.
4. Mr. John Burton.
5. Mr. Carr.
6. Mr. Dodd.
7. Ms. Ferraro.
8. Mr. Florio.
9. Mr. Gray.
10. Mr. Guarini.
11. Mr. Johnson of California.
12. Mr. Johnson of Colorado.
13. Mr. Kastenmeier.
14. Mr. Kildee.
15. Mr. LaFalce.
16. Mr. McKinney.
17. Mr. Marks.
18. Mr. Mattox.
19. Mr. Mitchell of Maryland.
20. Mr. Pursell.
21. Mr. Russo.
22. Mr. Stack.
23. Mr. Wolff.
24. Mr. Wright.
25. Mr. Zablocki.

□ 1725

JAMES ROBERT BURNOTTE—HANDICAPPED AMERICAN OF THE YEAR

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. PANETTA. Mr. Speaker, I would like to take a few moments to tell my colleagues about one of the most extraordinary individuals I have ever had the pleasure of meeting.

This week, the President's Committee on Employment of the Handicapped is honoring James Robert Burnotte of Creston, Calif., as the Handicapped American of the Year for 1978. It is an honor that he truly deserves.

In 1968, Jim was injured by a 35-mm artillery shell in Vietnam. The injury left him with no legs, no left arm, and blind in his right eye.

Yet, despite the grave nature of his handicap, Jim has established a record of accomplishment that has surpassed all reasonable expectations. In a remarkable demonstration of determination and perserverance, Jim has gone on to become an accomplished horseman, water skier, scuba diver, swimmer, and mountain climber.

For Jim, this has not been the first battle against seemingly unbeatable odds. At the age of 6, he contracted polio, and was told by his doctors that he would never walk or ride a horse again. The doctors were wrong.

As impressive as his personal accomplishments have been, however, Jim is being honored this week for his efforts on behalf of other handicapped individuals, those whom Jim describes as "less fortunate" than he.

Along with several members of his family, Jim runs a nonprofit recreation ranch for the disabled in Creston known as Rancho Kumbya. He has designed a special saddle to enable amputees to ride horseback, and over the last 5 years he has taught more than 600 physically and mentally handicapped persons many of the skills that he himself has learned.

Those who visit Rancho Kumbya do so free of charge. Operating expenses are covered strictly by private donations, and when those fall short, out of Jim's own pension. His only compensation is the knowledge that he has helped these people begin to realize their true potential as human beings and to recapture a sense of pride and self-esteem.

I think that we can all learn from the determination, compassion and perseverance that have characterized Jim Burnotte's life and career, and I am sure that my colleagues will want to join me in offering Jim our most heartfelt congratulations and best wishes on this important occasion.●

ASIAN/PACIFIC AMERICAN HERITAGE WEEK—A REALITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York, (Mr. Horton) is recognized for 60 minutes.

● Mr. HORTON. Mr. Speaker, for the first time in the Nation's history, the Congress and the President have set aside a week to pay tribute to Americans of Asian/Pacific heritage. On October 5, 1978, President Carter signed Joint Resolution 1007, which I introduced with my distinguished colleague, Norman Mineta.

Alongside Americans of European, African, and Latin descent, Americans of Asian/Pacific heritage helped build an America founded on democracy, free enterprise and strength. Their talents and ability have influenced America in science, the arts, industry, government and commerce. Each Asian ethnic group has contributed in its own way to this country's development.

As we celebrate the true purpose of Asian/Pacific American Heritage Week, I want to note some recent outstanding Asian/Pacific Americans who have contributed to our country: My colleagues in the House, Norman Mineta, Antonio Won Pat, Daniel Akaka, Robert Matsui, and in the Senate, Daniel Inouye, Spark Matsunaga, S. I. Hayakawa, Nobel prize recipients in physics, Chem Ning Yang and Tsung Dao Lee, world famous architect, I. M. Pei, Governor of Hawaii, George Ariyoshi (Ari-yo-she), former Senator Hiram Fong of Hawaii and former Representative Patsy Mink, to mention a few.

The United States is made up of people of diverse ethnic origins. Individually and collectively they have contributed to the greatness and prestige which our Nation enjoys. Until October 5, when the President signed our resolution, the contributions and talents of Americans of Asian/Pacific heritage had not been recognized nationally.

In our past history, official and unofficial policy and custom openly discriminated against these Americans. Through the enactment of legislation amending our immigration, employment, education and housing laws, we have made significant strides to correct past inequities. With these legislative advancements, the attitudes of Americans toward its citizens of Asian/Pacific ancestry have improved.

My colleague Norman Mineta and I felt America owed these citizens something more. Our efforts resulted in the introduction of House Joint Resolution 1007 on June 30, 1977. Similar legislation was introduced by Senator Daniel Inouye and Senator Spark Matsunaga on July 19, 1977. I am pleased to say that prior to its adoption by the House of Representatives that 233 of my colleagues joined Congressman Mineta and me in sponsoring the resolution.

As a result of the able and untiring assistance of the many Asian/Pacific organizations we gained congressional and presidential approval of this resolution. Although each group and organization played a key role, I would like to acknowledge specifically the National Coalition for an Asian/Pacific American Heritage Week Proclamation chaired by Jeanie F. Jew, who originated the idea, and the Asian/Pacific American Congressional Staff Caucus, chaired by Ruby G. Moy, who implemented our efforts. Congressman Mineta and I and all those who celebrate this week owe a debt of thanks to them.

I hope my colleagues in the House and Senate, as well as Americans across this land, will join me in actively participating in Asian/Pacific American Heritage Week.●

● Mr. DANIELSON. Mr. Speaker, the first Asian/Pacific American Heritage Week, which the President has proclaimed pursuant to a resolution which I sponsored, is being celebrated this week under the sponsorship of a prominent organization of my constituents of the 30th Congressional District of California. That group is CAAMP, or Citizens for Asian Americans of Monterey Park.

Americans are commemorating Asian/Pacific American Heritage Week during the first 10 days of May 1979 as a national event. Significantly, May 7, 1979, will mark the 136th anniversary of the arrival of the first Japanese in America, enriching the heritage of all of us with their great culture and significant contributions to our society. May 10, 1979, will represent the 110th anniversary of the magnificent contribution of the Chinese to the building of our Nation's railroads, and their subsequent contributions throughout the fabric of American life. And the contributions of our Filipino and Japanese Americans to the development of west coast agriculture, and Korean successes in retail businesses, further attest to the solid and constructive ways in which Asian/Pacific Americans have been involved in our economy.

This commemorative week, as we all should be aware, will enhance our recognition of the many contributions of the over 4 million Americans of Asian/Pacific heritage. We as a culturally pluristic society have benefited from their efforts and achievements in education, science, research, architecture, medicine, law, the creative and fine arts, literature, in the business world, and throughout all strata of American life.

Mr. Speaker, I wish to point out that CAAMP will present, on Sunday, May 6 in Mark Keppel High School auditorium, "An Asian Pacific Festival of Song and Dance." Included in their program will be the music and traditional dances of China, Japan, the Philippines, Korea, Cambodia, and Laos. It promises to be a cultural feast. The supporting groups for this festival are: Monterey Park Sister City Association, Alhambra School District, the Art and Culture Commission of Monterey Park, City of Monterey Park-Recreation Department, East Los Angeles College-Community Service Department, and Southern California Chinese Youth Association. I might also add that many other public-spirited citizens have contributed to this event.

In addition, the Sumitome Bank in Monterey Park will again donate cherry trees, 10 of them, to be planted in Nachi Garden at Sequoia Park in Monterey Park. The East Los Angeles Gardeners Association have kindly consented to assist in the renovation of Nachi Garden, along with help from members of the Monterey Park Sister City Association.

Mr. Speaker, these are but a few of the activities marking the first national Asian/Pacific American Heritage Week in my 30th Congressional District. You may have surmised, between the lines, the pride I feel in representing such a wonderful, talented, and involved constituency. Their community spirit and civic dedication is a constant source of strength to me. I ask you, Mr. Speaker, and my colleagues to join me in congratulating all of the many community-minded citizens of Monterey Park for their efforts in commemorating the first national Asian/Pacific American Heritage Week in such a magnificent way.●

● Mr. MINETA. Mr. Speaker, tomorrow marks the beginning of the first Asian/Pacific American Heritage Week.

Throughout this great land, thousands of individuals who can trace their ancestry to countries and territories in the Pacific contribute daily to the growth and vitality of this Nation. They have been continuing to work to become a part of a nation which has been generous in the extension of its opportunities to people from all over the world. Since the early days of this country, Asian/Pacific Americans have strengthened the vitality of the American family and competed effectively and productively in the commercial enterprises of this Nation. Their contributions to all areas of this country's development—social, scientific, economic, cultural, and political—have been outstanding. Asian Americans contributed mightily to the opening up of the West in the 19th century. They provided significant manpower for the incredible task of building a transcontinental railroad—a major event in the history of the United States. They worked as farm laborers, in canneries and lumber mills, in the California gold mines, on ranches, sugar plantations in Hawaii, as seamen in coastal shipping and in many other fields.

The history of Asian Americans has been one of challenges met head on, of barriers overcome, of ideas forged into substance. As we celebrate our achievements during Asian Pacific Heritage Week, we must remind ourselves of this history and not shy away from the challenges that still confront our Nation.

America has been called the melting pot of the world. While we have opened our Nation in an unprecedented fashion to the people from throughout the world, the free society of which we are all a part has permitted a continuation of the cultural and social heritage of our citizens' ancestral homes. So, rather than "the melting pot of the world," this country is really more like tapestry with yarns of different fabrics and colors, interwoven to bring strength to the total tapestry of our country, and yet, with its differing colors—vivid and strong. All of us then have an obligation to preserve the ethnic identities which are the essence of America.

Mr. Speaker, it is my hope that Heritage Week will foster an increased national awareness of the history and contributions of Asian and Pacific Americans and will instill a renewed sense of pride among citizens of Asian and Pacific ancestry. In this way, we will have taken a large step toward achieving true understanding among all ethnic groups in our society which can only come about through a deeper sense of appreciation of our differences.●

● Mr. LOWRY. Mr. Speaker, Executive Order No. 9066, signed by President Franklin D. Roosevelt on February 19, 1942, forced Americans of Japanese ancestry to give up freedoms guaranteed to all Americans by the U.S. Constitution. Without having been charged with a crime, without trial or conviction, without any indication of anything other than loyalty to this country's war effort, thousands of Japanese Americans were arbitrarily detained in camps. Homes and businesses had to be abandoned. Families and friends were torn apart. The scars of this terrible injustice remain today.

With the focus on human rights throughout the world it is imperative that we acknowledge this disregard for the human rights of our own citizens. I fully support current efforts to develop legislation for redress for Japanese American citizens who have suffered because of this shameful period in our national history.

It is with great honor that I submit for the Asian and Pacific American Heritage Week special order this article by Ron A. Mamiya. Mr. Mamiya is an attorney in Seattle, Wash., and is a third-generation Sansei whose parents were held in detention camps. He is past chairman of the legislative Subcommittee of the National Redress Committee of the Japanese American Citizens League (JACL).

NO CRIME, NO TRIAL, NO REDRESS

(By Ron A. Mamiya)

On Feb. 19, 1942, a few months after the United States entered into World War II, President Franklin D. Roosevelt issued Executive Order 9066. By that order, some 120,000 persons of Japanese ancestry—70,000 of whom were U.S. citizens—were summarily deprived of liberty and property and ordered out of their homes, off the Pacific Coast, and into concentration camps.

Without any evidence of misconduct or disloyalty, and without even a pretense of a trial, the Pacific Coast area "Nikkei" (Japanese-Americans) were uprooted en masse and imprisoned. Their crime: Japanese ancestry. U.S. citizenship, age, loyalty and innocence of wrongdoing did not matter.

This episode, the "Evacuation," was one of the worst blows to constitutional liberties that the American people have ever sustained. Many Americans find it difficult to understand how such injustices could have occurred in a democratic nation. However, such mass expulsion and incarceration of Americans did happen here in Seattle.

My parents were both born and raised in Seattle and are U.S. citizens by that birthright. They were among the thousands of local victims of the evacuation and concentration camps. In 1942, my father was 19 years old, a freshman at the University of Washington and was forced to terminate his education in order to comply with the evacuation order. My mother was 17 years old and was separated from her mother and father for the entire duration of the war.

The evacuation of my parents and some 120,000 other Japanese-Americans meant forced abandonment of their homes, education, jobs, businesses and property for an average of three years behind barbed wire, overlooked by guard towers.

In the meantime, my uncle along with hundreds of Nikkei volunteers and draftees was a member of the all-Nisei 442 Regimental Combat Team, which fought in Italy, the Battle of the Bulge and elsewhere. He fought for the American freedom which his parents, my parents and no Japanese-American enjoyed.

In bringing this American tragedy to public attention, a few still are unable to understand that the U.S. government attempted to hold persons of Japanese ancestry in America responsible for the acts of the Japanese government. The vast majority of the persons imprisoned had never been to Japan and were, in fact, U.S. citizens.

Additionally, many are not aware that no person of Japanese ancestry was ever charged with, nor convicted of espionage or sabotage. The fact that the Japanese-American population was no threat to "national security" was well documented by the F.B.I., U.S. Naval Intelligence and a special investigatory report ordered by the president prior to Dec. 7, 1942.

Furthermore, in 1943 the administration admitted to the U.S. Supreme Court that we were not security risks. It just was impossible for Japanese-America to have its cry heard when such injustices were preceded by 50 years of racial hatred toward an ethnic minority.

Thirty seven years later, the American public is beginning to recognize the cruel indignities which were perpetrated against the Amercans of Japanese ancestry. On the Pacific Coast, the scene of the massive evacuation of 1942, the mayors of the major Nikkei population centers are demonstrating their recognition. The following are excerpts from a letter by Seattle's Mayor Charles Royer to Tom Bradley, Mayor of Los Angeles. Similar letters were sent to the mayors of Portland and San Francisco.

"Both of our cities broke faith with the Japanese-Americans during World War II. We ignored the fact that the Japanese who had attacked Pearl Harbor were the enemies of Japanese-Americans, just as they were the enemies of all Americans. We called Nikkei "Japs" and encouraged their evacuation to concentration camps and went so far as to say they would not be welcomed back to our cities after the war. . . .

"The people of our nation never before and never after have turned so violently against a mass of their own citizens and violated the humanitarian spirit of equality that has always been the moral basis of American law, American pride, and American decency."

We may never be able to fully appreciate the extent to which persons of Japanese ancestry in America have suffered and continue to suffer as a result of this tragic moral lapse. However, recognition of the evacuation must be one step in our continuing efforts if we are to preserve American freedom and democracy.

President Gerald R. Ford rescinded Executive Order 9066 Feb. 19, 1976, exactly 34 years after its promulgation. He said:

"An honest reckoning must include a recognition of our national mistakes as well as our national achievements. Learning from our mistakes is not pleasant, but as a great philosopher once admonished, we must do so if we want to avoid repeating them."

As a professed leader in civil and human rights throughout the world, the United States must take action to correct its own "mistakes."

This can only be done when the U.S. government, either through Congress or through its courts, publicly declares that the wartime uprooting and imprisonment of Japanese Americans was totally without justification and awards the victims of this outrage proper and reasonable redress.

Redress for the injustices will never heal the wounds nor erase the scars which the Japanese-Americans still bear. But it will serve as a warning to all Americans that American ideals of equality, pride and freedom are vulnerable to the tyranny our nation was founded to conquer; and that we must never forget this black page of American history.●

● Mr. PANETTA. Mr. Speaker, it is my pleasure to join in this commemoration of Asian/Pacific American Heritage Week.

The contribution of Asian and Pacific Americans to our society has been truly astounding. Overcoming the effects of long-time discrimination, Asian and Pacific Americans have been responsible for great advances in science, culture, government, and other intellectual pursuits. Their accomplishments in these areas are well known, and they deserve tremendous admiration and respect.

In addition, I believe Asian and Pacific Americans provide a fine example of the ability of our Nation to absorb people with different cultural backgrounds. Even while making these great contributions to American society and overcoming the discrimination of the past, Asian and Pacific Americans have managed to hold on to their own traditions and cultural values and forge a strong bond between old and new, between East and West. In my view, this is an ideal model for all of us to look up to.

Again, Mr. Speaker, I wish to express my pleasure at having this opportunity to honor Asian and Pacific Americans. This is indeed a distinguished occasion for this House.●

● Mr. EDWARDS of California. Mr. Speaker, I would like to take this opportunity to express my delight over the decision of Congress and the President to designate the week of May 4–10 as Asian/Pacific American Heritage Week. I welcome this opportunnity to recognize the myriad of contributions from Americans of Asian/Pacific heritage. From the first moment their diaspora led to their introduction to the North American continent, they have provided a very valuable element to our society. Asian and Pacific Americans arrived at our western shores when this Nation was still in its formative stages and helped to shape our country into the laudable Nation in which we live today. The strength of our Nation derives from its multiracial character, and the continuing efforts of our Asian/Pacific citizens reflect this.

An increased awareness of the history and culture of this segment of our society will help us all to develop a greater understanding and appreciation for the diversity of our Nation. It is important that all Americans recognize their contribution. Even more important though, is that those citizens who are of Asian/Pacific descent appreciate their heritage and behold it with the dignity it merits.●

● Mr. HUGHES. Mr. Speaker, I would like to join with my many colleagues in paying tribute to the 4 million Americans of Asian and Pacific descent who live in the United States.

Ethnic pride has always been a strong force in our Nation's history. Each group of new arrivals to the United States has brought with them a rich and varied past that only enhances the American way of life.

Although small in numbers when compared to other groups of immigrants to the United States, the Asian and Pacific Americans have made many significant contributions that belie their numbers.

Their contributions to the arts and medicine are particularly noteworthy. Two outstanding Asian Americans who come quickly to mind are I. M. Pei, the architect of the new east wing of the National Gallery of Art here in Washington, D.C., and the young, innovative and brilliant conductor of the Boston Symphony Orchestra, Seiji Ozawa. The Nation Institutes of Health division of the National Eye Institute is fortunate enough to have the services of the noted biochemist, Dr. Kinoshita. Dr. Murayama has made great strides in the area of sickle-cell anemia.

We owe countless innovations in the electronics and scientific fields to the genius of Asian Americans. Certainly, the United States Congress is a better institution for the election of many fine Representatives and Senators who come from Asian backgrounds such as former Senator Hiram Fong and former Representative Patsy Mink who served the State of Hawaii so ably during their time in Washington.

It is fitting, indeed, that by congressional action and Presidential proclamation that the week of May 4–10 has been designated as Asian/Pacific American Heritage Week. It is a time that we can recollect the many outstanding things that Asian and Pacific Americans have done for the United States and to salute them for their full participation in American life. They deserve this official recognition and I am glad that it has finally been done.●

● Mr. MATSUI. Mr. Speaker, as a land of immigrants, we are all related by blood or culture to a foreign land. We have been blessed by this heritage of many people—the diversity of religions, social customs, folkways, esthetic values. Asian/Pacific American Heritage Week provides a brief moment to honor those citizens whose ancestors journeyed thousands of miles across the Pacific Ocean in search of a dream, who raised their families in this new land, who strove to make alien communities their hometowns, and who fought in war for the very preservation of their new land.

My ancestors, like so many others before them, came because America offered hope and opportunity. This was a new nation where dreams of freedom and prosperity were unhindered by an ancient feudal system and abject poverty. Here a man was free from the repressions of an older, more structured society, free to pursue his potential worth. In America, a man was not destined to follow his father into poverty, but could advance beyond his station. Faith in the dream served as the touchstone of my forefathers' character.

But reality was not easily carved from those dreams. The language, the customs, the way of life were all strange. They took whatever jobs they could find; they dug mines into the Earth, worked long days in the fields, and sweated in factories. Alien land laws, employment restrictions, discriminatory immigration statutes were their initial reward.

Adherence to a much greater faith in the basic ideals of America allowed my ancestors to persevere. A much greater determination to establish their rights to full equality and justice allowed them to prevail. As their American-born descendent, I am the witness to the reality of their dream. Today we celebrate the triumph of a people.●

● Mr. SENSENBRENNER. Mr. Speaker, as we pay tribute to Asian-Pacific Americans and the many contributions they have made to our growth as a nation, we should also remind ourselves that this minority has been and continues to be discriminated against by many in this country. This is especially sad in light of their tremendous accomplishments in architecture, medicine, law, government, and whatever other fields they have entered.

The beginnings of Asian-Pacific Americans in this country were far from auspicious. Their hard work, so much a part of their culture, was responsible for the first transcontinental railroad here. In return for that effort, they received treatment that was nothing less than despicable.

These honorable people persisted, though they found few friends and many enemies. Perhaps that is a major reason that Asian-Pacific Americans have frequently clustered together, to keep their culture alive and to stand against those who did not understand or accept them as a people.

The treatment Asian-Pacific Americans received during World War II is another black chapter in our history. Though these people had come here to start new lives and escape oppression just as our Founding Fathers had, they were herded into detention camps like cattle because they were unjustly feared.

The culture of Asian-Pacific Americans is one we could do well to emulate in many ways. Their strong families, belief in themselves and their abilities, and their work ethic have enriched our whole society and contributed to our strength as a nation.

But rather than emulate these creative, energetic people, we still discriminate against them, in ways both subtle and not. The best way we could thank these people for their contributions is to simply recognize them for what they are—fellow Americans—and treat them that way.●

● Mr. PRITCHARD. Mr. Speaker, the week of May 4–10 has by congressional action and Presidential proclamation been designated as Asian/Pacific American Heritage Week. Asian and Pacific Americans have made important contributions to all facets of American life, but this is particularly true of my home district of Seattle, Wash.

Asian and Pacific immigrants to America, like other immigrants before them, faced a rocky road in early Seattle. In early 1886, anti-Chinese demonstrations exploded into riots in Chinatown, with several losing their lives. The national tragedy of the internment of Japanese-Americans during World War II had a disastrous effect on Seattle, with many of our citizens interned in Idaho and Arizona "camps." Housing and other hardships were suffered by Asian and Pacific Island peoples, and the Filipino people in particular.

Today, the people of Seattle welcome the new immigrants of Southeast Asia to their shores. The Vietnamese, Cambodians, Malaysians, Thais, and Laotions are once again proving the importance of the Asian and Pacific American heritage to Seattle and the entire Nation.

I commend the designation of Asian/Pacific American Heritage Week, Mr. Speaker, and I am proud to participate in this special order honoring their contribution to America.●

FIRST CONCURRENT RESOLUTION ON FISCAL YEAR 1980 BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, while the first concurrent resolution for the 1980 budget may offer precious little restraint on Federal spending, there are several areas where the committee's report suggests spending fewer tax dollars and follows Republican recommendations to trim the excessive requests of the Post Office and Civil Service Committee.

In dealing with the major recommendations of the majority members of our committee, the Budget Committee has acted in a responsible and reasonable fashion by turning aside a package of legislative largesse that could have added upwards of $4 billion to the budget.

In the area of Federal employee pay increases, the Budget Committee recommendation assumes a 5.5-percent pay cap for 1980. This is in line with the President's budget and follows the minority views of our committee. The majority members of the Post Office and Civil Service Committee had sought to enlarge the pay increases proposed for Federal civilian and military personnel on October 1 by a whopping $3 billion, and the Budget Committee has included no funds beyond the estimated $3.25 billion for a 5.5-percent increase.

In the area of saving money by modernizing the pay setting process for Federal blue collar employees, the Budget Committee endorses proposals for reform of this pay system that have long been sought by Republicans. The majority members of our committee rejected these proposals out-of-hand and added $105 million in their budget recommendations, funds which the Budget Committee has not included in the first concurrent resolution.

The Budget Committee report points out—on page 58—that this is the fourth year that a President has recommended substantive change to current wage board pay mechanisms. The committee report also says:

> The present law provides higher wages to Federal blue collar workers than comparable private sector blue collar workers, which is contrary to the local prevailing wage principle. It also results in higher pay raises for blue collar workers than general schedule and uniformed military personnel.

In the category of adding fringe benefits to those already enjoyed by Federal employees, the Budget Committee has again adopted the minority position by not including funds to finance increases in the Government contribution to health and life insurance programs or to liberalize retirement benefits.

The Budget Committee's report does not include approximately $325 million to increase the Government's share of the Federal employees health benefits premium as requested by the majority of our Committee. As the Budget Committee notes—

> The modification in each employee's premium would be small (from 60 to 75 percent to be paid by taxpayers), while the aggregate cost to the Federal Government would be substantial.

No additional liberalizations of civil service retirement and life insurance programs in fiscal year 1980 are assumed by the Budget Committee. Indeed, the Report notes—

> In this year of fiscal austerity, it is inappropriate to liberalize Federal employee benefits, particularly when studies by the Congressional Budget Office have concluded that Federal employee fringe and retirement benefits are more liberal than those representative of the private sector.

In these major areas of Post Office and Civil Service Committee responsibility, Mr. Speaker, it is obvious that the Budget Committee's report was guided in substantial part by the views of the minority members.●

THE AMERICAN PUBLIC WANTS A STRONG ALASKA BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. Weaver) is recognized for 10 minutes.

● Mr. WEAVER. Mr. Speaker, our actions in the next few days on the Alaska National Interest Lands Conservation Act will be remembered for many generations to come. More than ever, I am convinced that the people in my district, the people of Oregon, and the people of the entire Nation want a strong Alaska lands bill.

They want to preserve the waterfowl habitat at Yukon Flats. They want to save the Porcupine caribou herd on the Arctic North Slope. They want to protect Admiralty Island, Misty Fjords, and the rest of the fine wilderness in Southeast. They want to preserve the more than 4,000 miles of wild and scenic rivers carving the Alaskan landscape.

The people of this Nation want a strong and potent Alaska lands bill that will give real and lasting protection to these last choice samples of our wilderness heritage.

The people of this Nation, I am convinced, expect us to fulfill our role as legislators, as stewards, and as visionaries. By supporting the Udall-Anderson substitute to H.R. 39 we have the opportunity to live up to the expectations of the American people.

While it is clear what the people do want, it is also clear what they do not want. I cannot agree more with my colleague Phillip Burton's assessment of the type of legislation the people of our Nation do not want—the Huckaby substitute to H.R. 39, which squeaked through the Interior Committee earlier this year. Since I believe this elcquent analysis, which appeared in the dissenting views of the Interior Committee report, is educational, I ask unanimous consent that it be placed in the Record at this point.

Additional Dissenting Views of Phillip Burton

REPORTED BILL MAKES TRAVESTY OF THE LEGISLATIVE PROCESS

The supporters of the Huckaby Substitute have presented it in this Report as the "work product" of the "Ad Hoc Conference" of last October.

Put baldly, this means that the one-vote majority of this Committee has accepted—and now asks the full House to accept—as the "work product" of the last Congress, a bill:

Never subjected to hearings before this Committee;

Not introduced until February 15th of this year (two days after this Committee's last hearing on the Alaska National Interest Lands legislation);

Never approved by any Committee of the other body;

Never debated and never subjected to a vote by the full Senate; and

Never approved by any Conference Committee.

Given that legislative history, one may fairly ask just what standing an "Ad Hoc Conference" or its "product" ought to have. To claim that such a "product" was "nearly enacted" is an affront to regular legislative procedure.

The Rules of the House do not provide for any procedure entitled an "Ad Hoc Conference." Yet, by capitalizing on those three words, the one-vote majority of the Committee seeks to lend an aura of procedural legitimacy to this Huckaby Substitute.

The authors of this report assert that a bill never subjected to so much as an hour of hearings in the Committee is somehow a "work product" the House should now acknowledge and respect.

They seek to argue that the *deliberate delaying strategy* of Alaska's Senators should now be honored and implemented—on their terms.

They ask the House to now accept wholesale cuts in the features of the historic bill the House passed overwhelmingly last year—cuts they sought to dictate in a hurried. closed-door discussion during the final three days of the last Congress.

They ask the House to accept the provisions of a greatly weakened bill, when Alaska's Senators pursued a deliberate policy of delay and filibuster to keep the majority of the Senate from adopting amendments strengthening the Senate Energy and Natural Resources Committee's bill—as I am confident the Senate would have done.

In short, they ask the House to repudiate its historic conservation achievement of last year by approving a substitute bill sponsored by one of the 31 Members who voted against H.R. 39 on final passage on May 19, 1978.

I say "no."

"No" to "ad hoc conferences"—to any fruits of such ad hoc conferences or any other irregular procedures.

"No" to bullying by a tiny majority of the other body who fear the decisions of their own colleagues following free and open debate.

"No" to the provisions—virtually every provision—of this Huckaby Substitute:

"No" to its cuts of 6.6 million acres of National Parks the House approved just one year ago and which are now existing National Monuments.

"No" to cutting the newly-protected Misty Fjords National Monument in half.

"No" to deleting 31 million acres of national wildlife refuges as compared to the bill the House approved last year.

"No" to opening up 2.7 million acres in the Yukon Flats National Monument—threatening sensitive wetland breeding and nesting grounds for literally tens of millions of migratory waterfowl.

"No" to imposing an oil exploration program on the calving grounds of our last large caribou herd—when we have not even begun to exhaust the nearly 95 percent of Alaska's best potential oil lands which lie totally outside this area.

"No" to the Huckaby Substitute's wholesale attack on America's last, greatest wilderness expanses.

I say "no" to this entire ill-conceived, anti-democratic, closed-door bill—language drafted by a few very tired staff members in the midnight hours of the final days of the 95th Congress—and never reviewed by any participating House member.

The Alaska National Interest Lands Conservation Act that the House passed last year was not all that we sought. I have gone along with compromises and concessions far beyond what I believe is desirable.

No more.

The tactics and rhetoric of those who selfishly oppose the Udall-Seiberling bill are shabby and disreputable.

This bill was not "nearly enacted" last year, and I pledge every means available to see that nothing like this Huckaby bill is ever enacted.

Senator Ted Stevens said it all—perhaps a little more candidly than we realized—in an interview published in the magazine Alaska Industry in December 1978. By his deliberate delaying strategy, not only was the House denied final Senate action on the

House-passed bill, but the House was also denied a full, free, and open conference of the two bodies to resolve their differences. In fact, said Senator Stevens, "we have a track record of having stopped a bill that *most people in Congress felt contained excessive concessions to us.*" (Emphasis added)

Exactly right. H.R. 39 as passed by the House last year did contain excessive concessions. In the process the House was asked to "compromise a little now; compromise a little at the next step; keep on compromising." My attitude of generosity to the needs and concerns of Alaskans is not diminished, but my willingness to act upon those attitudes has been undermined by the provincial and self-serving attitude and tactics of the Alaska delegation.

I urge my colleagues to reject legislative blackmail and to support a truly strong, truly balanced, truly protective Alaska lands bill: an "Alaska National Interest Lands Conservation Act" worthy of that title.

Nothing less should be expected of us by our constituents today or by their children's grandchildren—who will live in the world we leave them and value even more highly then we can foresee this last great wilderness on our federally-owned lands in Alaska.

PHILLIP BURTON.●

POLISH CONSTITUTION DAY—1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, today, May 3, is the anniversary of an event of momentous significance in the history of the people of Poland. It was on this day, 188 years ago, that Poland adopted its first democratic constitution. On Saturday May 5, the Polish National Alliance will sponsor Chicago's annual Constitution Day Parade and it will be my pleasure and honor to participate in this event.

The magnificent parade in downtown Chicago will consist of over 100 bands, marching units, and floats and will include thousands of marchers many of whom will wear beautiful costumes native to Poland. Also many dignitaries representing business, labor, and civil organizations too numerous to mention will also take part in the occasion. The theme of this year's parade is the 200th anniversary commemoration of the heroic death of Gen. Casimir Pulaski in America's Revolutionary War.

General Pulaski gave his life in the Battle of Savannah for the cause of freedom and last year, I contacted the White House, the Postmaster General and the Citizens Stamp Advisory Committee to urge the issuance of a commemorative stamp in his honor. I am glad to say that a commemorative postal card will soon be issued in tribute to the great contributions made to our Nation's liberty by this Polish freedom fighter.

Mr. Speaker at this point in the RECORD I wish to insert the 2-day program taking place in Chicago in commemoration of Poland's May 3, 1791, Constitution. The program follows:

SATURDAY MAY 5, 1979

PROGRAM AT REVIEWING STAND, CLARK AND WASHINGTON STREETS—12 NOON

Welcome: Mrs. Helen M. Szymanowicz, Vice President, Polish National Alliance, General Chairman, Poland's Constitution Day.

National Anthems: Mr. Bogdan Parafinczuk, accompanied by U.S. Naval Training Center Band, Great Lakes, Illinois.

Parade narrator: Mrs. Helen M. Szymanowicz.

Parade director: Larry Rzewski.

PROGRAM AT RICHARD J. DALEY CENTER—1:30 P.M.

Welcome: Mr. Roman Kolpacki, Commissioner District 12, Polish National Alliance.

Invocation: Most Reverend Alfred L. Abramowicz, DD., Auxiliary Bishop, Vicar General.

Master of Ceremonies: Hon. Aloysius A. Mazewski, President Polish National Alliance; President Polish American Congress.

Remarks: Honorable James R. Thompson, Governor, State of Illinois.

Remarks: Honorable Jane Byrne, Mayor, City of Chicago.

Greetings: Hon. Joseph A. Drobot, President, Polish Roman Catholic Union of America.

Greetings: Mrs. Helen Zielinski, President, Polish Women's Alliance.

Principal address: Honorable Dan Rostenkowski, member of Congress.

Benediction: The Rt. Rev. Joseph K. Zawistowski, Bishop, Western Diocese, Polish National Catholic Church.

Conclusion:

SUNDAY, MAY 6, 1979

Assembly for Solemn Mass: 10:00 a.m., Holy Trinity School Hall, 1123 Cleaver St.

March to church: 10:15 a.m., to Holy Trinity Church, 1118 Noble Street.

Solemn Mass: 10:30 a.m., Rev. Casimir Tadla, C.R., Pastor, Principal Celebrant; Rev. Mitchell Pawelko, C.R., Co-Celebrant; Rev. Casimir Czaplicki, C.S.C., Co-Celebrant and Homilist.

Executive Committee: Helen M. Szymanowicz, Chairman; Roman Kolpacki, Commissioner Dist. 12, PNA; Genevieve Wesolowski, Commissioner Dist. 12, PNA; Kazimierz Musielak, Commissioner Dist. 13, PNA; Kazimiera Pytel, Commissioner Dist. 13, PNA.

The May 3 Constitution not only serves the Polish people as a symbol of progressive government under the democratic principles of human dignity and honor, but serves as well those men and women the world over who are ceaselessly striving toward the goal of freedom from any coercion, be it coercion of the body or of the spirit.

It was through the Constitution of May 3, 1791, that Poland stepped out of medieval times and emerged as a land of limited monarchy with a constitutional government. Tragically, however, only 4 years after the adoption of the Constitution, Poland was partitioned and conquered by several powerful and autocratic neighbors.

Thus, the exemplary ideals promulgated in the infant Constitution came only to represent the aspirations of a people who desired to be free and not the reality in which they found themselves. The lofty principles embodied in that Constitution such as "All power in civil society should be derived from the will of the people," came to be cherished in the hearts of Poles and men of good will everywhere as goals for which to work and struggle as long as persecution and injustice oppressed mankind.

A statement by the Polish National Alliance entitled, "The May 3d, 1791 Constitution" follows:

THE MAY 3RD, 1791 CONSTITUTION

To the Poles and their descendants May 3rd is a national holiday—for it bestows upon the Poles a priceless heritage and humanitarianism, tolerance and a democratic precept conceived at a time when most of Europe lived under the existence of unconditional power and tyranny exemplified by Prussia and Russia.

Poland's parliamentary system actually began at the turn of the 15th Century, but a series of defensive wars, internal stesses, outside influences, widespread permissiveness and excessive concern for the rights of dissent brought Poland to the brink of disaster and anarchy in the 19th Century. Urgently needed reforms became imperative.

The May 3rd, 1791 Constitution was the first liberal constitution in Europe and the second in the world, after the Constitution of the United States.

Following the American pattern it established three independent branches of government—executive, legislative and judiciary. Throughout the constitution runs a philosophy of humanitarianism and tolerance, such as liberty to all people—rule by majority—secret ballot at all elections—religious freedom and liberty.

In terms of democratic precepts, the May 3rd Constitution is a landmark event in the history of Central and Eastern Europe.

Mr. Speaker, in spite of the adversity which characterizes much of Polish history, the indomitable spirit of the Polish people has been and will continue to be a beacon light of inspiration to those who treasure the concept that the individual himself should have the right to make and pursue his own destiny without interference from tyrants.

As Americans of Polish ancestry all over the country commemorate the 188th anniversary of Polish Constitution Day, I am proud to join with the tens of thousands of Polish-Americans in my own city of Chicago in a tribute to those who have struggled and are continuing to struggle in order to transform into reality the noble ideals expressed in the Polish Constitution of May 3, 1791.●

OLDER AMERICANS MONTH MAY 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. COTTER) is recognized for 10 minutes.

● Mr. COTTER. Mr. Speaker, the month of May has been designated as Older Americans Month by President Carter. I think it is indeed fitting and appropriate that we commemorate the contributions America's senior citizens have made to our society. It also is appropriate that we set this time aside to recommit ourselves to ensuring that all older Americans enjoy a dignity and quality of life sufficient to make their retirement years rewarding and meaningful.

The observance of Older Americans Month provides us with an opportunity to salute the continuing contributions of so many of our senior citizens. In Connecticut, as all across this country, senior citizens are freely giving their time to serve as foster parents, counselors to struggling small businesses, and providers of a wide range of services to the least fortunate in our society. We praise them for their efforts.

Unfortunately, the economic difficulties of recent years have placed a special burden on our senior citizens. Increasing utility costs, rising energy bills, and skyrocketing food prices have combined to diminish the ability of many of our older Americans to sustain even a modest standard of living.

The 95th Congress recognized the needs of our senior citizens. We took the difficult, but necessary step to guarantee the fiscal integrity of the social security system. Through the Comprehensive Older Americans Amendments of 1978, we improved the community-based social service delivery system for the aged. And with the passage of the Revenue Act of 1978, we provided persons age 55 and older a once-in-a-lifetime exclusion from tax on all profits up to $100,000 on the sale of principal residences.

The problems of our senior citizens will grow in importance as the aged population increases. Currently, approximately 23 million Americans are over 65 years of age. By the year 2000, this number will reach 31.8 million. This shift ultimately will intensify the pressures on Government to assure our senior citizens a decent life and a proper standard of living.

Growing old is not a partisan issue. It is a matter that concerns all of us. It is a matter which demands the continual recognition and concern of the Congress and the Nation. During this Older Americans Month let us pledge bold and imaginative support on behalf of bettering the lives of our senior citizens.●

FOOD STAMPS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. Stack) is recognized for 5 minutes.

● Mr. STACK. Mr. Speaker, the new food stamp regulations which took effect on March 1, do not take into consideration what may be the most devastating expense the elderly and disabled face—medical care. A bill, H.R. 2663, which I introduced on March 6, permits medical and shelter care deductions for those households composed entirely of persons who are age 62 or older, or who are recipients under title XVI of the Social Security Act.

I recently received a moving letter from a 79-year-old gentleman in Ohio supporting my bill, which I would like to share with you today:

April 20, 1979.

Dear Mr. Stack: Your H.R. 2663 bill will feed millions who will lose 60% of their food stamps July 1, 1979.

I am a 100% permanently disabled veteran (housebound) who gets a small VA pension and a smaller SS pension monthly.

I had a severe heart attack July 3, 1978—hospital for 24 days—then a pacemaker implanted. Medicare paid only 62% of the hospital charges so we have to pay $500, which we don't have.

Our gas bills past few months have been $88—$92—$93—$75—$65—and water rates advanced here 27% on April 1, 1979.

My wife, who is 77, also had a severe heart attack from the stress and strain of my 3 year illness and was in hospital 10 days.

I called welfare office here and my $68 food stamp allowance will be cut to $22 which will not buy our milk.

Secy. Califano has a $40,000 chef and a $40,000 body guard and chauffeur. Pres. Carter said on TV recently he had his grocery bill for one month and it was $16,000 for one month, yet my food stamps will be taken away from me—a veteran who served his country 3 times. This deal is horrible. Pres. Kennedy said years ago 17 million people went to bed hungry.

July 1, 1979 40 million go to bed hungry.

J. F. Zubrod.

Mr. Speaker, I think Mr. Zubrod articulates the perception of the elderly poor and the handicapped that the Food Stamp Act of 1977 simply means that we, as a nation, are indifferent to their needs—that Americans are more concerned with so-called fiscal austerity than with compassion—I urge my colleagues in the House to reassure all of the Mr. Zubrods that such is not the case—that Americans still care and will act to provide an adequate diet for the elderly poor and the handicapped.●

VIEWS ON THE TOKYO ROUND MULTILATERAL TRADE NEGOTIATIONS: SUMMARIES OF TESTIMONY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 10 minutes.

● Mr. VANIK. Mr. Speaker, during the past week, the Subcommittee on Trade of the Committee on Ways and Means has held extensive public hearings on the just-concluded Tokyo round multilateral trade negotiations.

The MTN is a massive trade agreement, completed in Geneva, Switzerland, on April 12, after over 5 years of hard negotiations. The Congress will soon be called on to consider legislation approving and implementing the various international agreements negotiated among our trading partners.

The testimony which we have been receiving has been very useful, and I would like to enter some additional summaries of last week's hearings in the Record at this point. I hope that this material will be useful to the Members in evaluating this important and complex agreement.

Semiconductor Industry Association, George M. Scalise, Vice President, Advanced Micro Devices, Inc.

The MTN does not address many particular problems of high technology industries.

Testimony concentrates on the problems facing a rapidly changing, high technology industry composed of small companies due to state-subsidized foreign competition. Of particular concern is the Japanese effort to achieve preeminence in advanced electronics:

If at any point a foreign competitor can break this innovative chain, the injury may be irreparable. The technology needed to advance to the next stage would be inhibited if profits necessary to finance R&D are siphoned off by the foreign-owned competitors . . . research and development is the key to success in the semiconductor industry. Some products may be obsolete long before any subsidy or dumping violation could be determined and the sanctions implemented.

SIA recommends improved use of "threat of future injury" provisions in trade laws, need for equal access to markets for high technology industries, and that Japan-US not conclude the Government Procurement Code until Japan has "in fact" opened up its markets for high technology products. They also urge quick resolution of cases, careful monitoring of any assurances, and the right of private cause of action against foreign manufacturers for violations of our trade laws.

National Tool, Die & Precision Machining Association And Business Legislative Council, Frank Wilstrom

Testimony concentrated on problems created for small business by the Government Procurement Code:

The MTN "would repeal, for all practical purposes: (1) The Buy American Act under which foreign companies must underbid U.S. firms by 12% to obtain Federal Procurement Contracts; (2) The Labor Surplus Procurement Program. . . .

"Our estimate is that we are talking about five to six billion dollars in small and minority business procurement contracts—not the 300 to 400 million as Mr. Strauss has speculated."

"If the door is shut to big business by the elimination of the Buy American Act, considerable subcontracting to small or minority business by large business or by government will be lost."

Testimony also noted that small business has little chance to successfully bid on foreign government proceurement contracts.

"Unless the MTN is amended to correct these two inequities (repeal of Buy American and of labor surplus set-aside), we urge you to vote against its adoption."

California-Arizona Citrus League, Wm K. Quarles, President

"The citrus industry is pleased overall with the prospect of these concessions." Testimony notes the progress with Japan, but stresses the need to obtain MFN in trade in citrus products with the EC.

"Section 301 must be modified to insure that the pending cases are prosecuted and resolved with in a reasonable time, preferably not to exceed one year."

Wometco Enterprises, Inc. & Buffalo Broadcasting Co., Sheldon Cohen, of Cohen, & Uretz

"Where U.S. border broadcasting services are concerned, the negotiations have not been successful in eliminating a major nontariff barrier to trade in U.S. broadcasting services. Specifically, we are referring to the tax law of Canada, known as Bill C–58, which denies deductibility for cross-border advertising directed primarily towards a market in Canada."

"We urge the incorporation of this Committee's amendment to section 301(a)(2) into the Trade Act and adoption of report language indicating clearly that broadcasting services are covered by section 301."

Summary of the Statement of the American Imported Automobile Dealers Association

The Association supports the non-tariff agreements but believes that with respect to the automobile sector, the negotiations have failed to achieve the negotiating objective of eliminating artificial distortions to trade.

The negotiated 16 percent tariff reduction to 2.5 percent ad valorem on imported cars is considered by the Association to be an insufficient decrease, which fails to reflect the worldwide integrated nature of the automobile industry. Because many domestic and imported automobiles contain components manufactured in a variety of countries, the AIADA feels that import tariffs in this area are unnecessary and ineffective in curtailing imports. In any case, the Association points out that recent record profits for U.S. automobile manufacturers do not indicate a need for import protection. The Association suggests that imported automobiles be permitted to enter the U.S. duty free, in order that imports from all countries may be put on equal footing with those from Canada, which already enjoys duty free treatment for its automobile imports to the U.S. If such a duty abolition cannot be achieved, the AIADA recommends that the 16 percent negotiated duty reduction be implemented in one stage to prevent unnecessary small reductions and delays.

Another concern of AIADA is the perceived failure of the American MTN negotiators to conclude the "chicken war"; a confrontation resulting in a 16.5 percent penalty duty imposed by the U.S. in 1965 on automobile trucks valued at $1000 or more to retaliate against the higher import fees on poultry imposed by the EEC. AIADA believes that this duty could have been eliminated, if U.S. negotiators had not linked its abolition to extraneous issues. In any case, it is suggested that the basic 8.5 percent ad valorem duty on automobile trucks, an issue not connected with the "chicken war" should have been reduced at the MTN. The AIADA urges that the President utilize his negotiating authority extending to January 1, 1980 to seek the reduction of these duties.

The AIADA strongly supports the content of the non-tariff barrier codes negotiated at Geneva. Specifically, the Association applauds the Trade Subcommittee's adoption of the material injury standard as part of the countervailing duty implementing legislation and cautions the Subcommittee to beware of the efforts of protectionist interests to undercut the Codes agreed to in Geneva.

Summary of Testimony: Millers National Federation (MNF)

The Millers' National Federation (MNF) expressed its support of the MTN agreement and believes the Subsidies Code to be of "Greatest importance" to U.S. agriculture. The MNF made the following two recommendations regarding the EEC's subsidization of the wheat flour industry:

(1) That the United States invoke Section 301 of the Trade Act of 1974. Specifically, the Subcommittee on Trade should specify that pending Section 301 cases are not to be adversely affected by proposed changes to that Section and that such cases be taken up by STR in the order in which they were filed.

(2) That the United States deploy the procedures available under the proposed Subsidies Code for pursuing the removal of the EEC's export subsidy on wheat flour.

Statement of West Mexico Vegetable Distributors Association by Patrick F. J. Macrory, Arnold and Porter

Mr. Macrory summarized his testimony in the following passages:

"The Treasury Department is currently conducting an investigation under the Antidumping Act which, for the first time, requires it to apply Section 205(b) of the Act (the cost of production provision, added in 1975) to imports of perishable produce. To apply the provision in a way that would require each individual shipment of imported perishable produce to be sold at above its full cost of production would be contrary to common sense and the economics of produce growing.

"The inability to control short-term output, coupled with the perishable nature of the product and the substantial price fluctuations dictated by market conditions, require the grower to sell whenever he can recover more than the costs of harvesting and marketing. To forbid access to foreign producers when market prices are below full cost, while at the same time U.S. producers are free to continue selling below cost whenever the market so requires, would be highly discriminatory. It would also hurt consumer interest, by reducing supply and increasing prices. The effect of such a ruling might well be to effectively prohibit all imports of perishable produce."

Summary of Statement: NCBAA

Representatives of the National Customs Brokers and Forwarders Association of America (NCBAA) generally supported the American Importers Association testimony on the various codes and focused on two subjects: (1) the importance of retaining the F.O.B. method of customs valuation; and (2) the need to have Presidential proclamations that announce changes in duties which become effective on merchandise exported on or after the date of proclamation.

In contrast to the F.O.B. system which NCBAA considers the most fair for all parties involved, C.I.F. discriminates against small business importers "who must pay high freight rates on small shipments. Whereas large importers buying identical articles from the same country pay low freight rates for such items as cargo shipments." Further, the C.I.F. system also discriminates against inland states. Finally, NCBAA believes that a change to the C.I.F. method "would require compensation to our trading partners which would entail a whole new round of tariff-cutting negotiations."

The Association notes the existence of importing uncertainty because "merchandise on the high seas can be subject to different duty treatment with no warning to the parties involved with the transporation." Thus, they recommend that the proclamations become effective only on merchandise exported on or after the date of the proclamation. They continue:

In those instances where the President is prohibited by law from issuing a proclamation in such a manner, he should publish 30 days in advance of the issuance of a proclamation his intent to issue such a proclamation. This would enable businessmen to conduct their operations without the threat of economic loss because of duty status change.

Summary of the Statement of George C. Prill, Consultant to the Aerospace Industries Association of America and the General Aviation Manufacturers Association

Mr. George C. Prill testified in support of the MTN agreements. Mr. Prill is confident that the U.S. aerospace industry can look forward to better opportunities for long range planning resulting in expanded exports, the creation of both more jobs for the industry and more business for thousands of industry suppliers. The U.S. aerospace industry supports the MTN agreements and stresses the need for implementing legislation providing for a strong, flexible system for industry participation in the monitoring, enforcing, consulting, and amending process that will follow the MTN agreements.

Mr. Irwin Schneider, Imperial Arts Corporation

Mr. Schneider's testimony was basically that due to the "inadequate" and "misleading" announcement of STR hearings regarding duty on imported dinnerware, his company was denied the opportunity to express their views. To his knowledge, the results of those hearings and the proceedings afterwards was a proposal to increase the duty on dinnerware from Japan from 11 percent to 48 percent.

If this is the case, he argued, this 400 percent duty increase is not only contrary to the spirit of the negotiations and the Trade Act of 1974, but also unfair to his company. He further stated that such a change was unjustified:

"The particular variety of dinnerware that we import from Japan is not even made in this country. It is not dumped by the Japanese. It is not subsidized by the Japanese. It is fairly exported by them and fairly imported by us and it hurts no one."

Summary of the Statement of George A. Watson, Executive Director, the Ferroalloys Association

The Association strongly objects to the duties agreed upon at the MTN by the United States.

The Association believes that the U.S. has become the focal point for world ferroalloy imports as a result of our unilateral Kennedy Round tariff concessions, our extension of GSP, and our decreases in the *ad valorem* equivalent of specific duties caused by the Administration's choice of the *ad valorem* tariff conversion year. The result has been 51% industry import penetration inducing U.S. plant closings, exported jobs, adversely affected industry earnings, greater trade deficits, and increased dependence upon potentially uncertain foreign sources of ferroalloys. Under these circumstances, the Association believes that ferroalloys should have been excluded from duty cuts in the Tokyo round. Those that the industry did in fact receive are expected to be harmful. Mr. Watson feels that the ferroalloy industry was sacrificed at the negotiations, permitting the U.S. to assume the status of the world's only essentially unprotected ferroalloy market.

The Ferroalloys Association strongly objects to amending the U.S. CVD statute to conform to many aspects of the Subsidies/Countervailing Duty code negotiated in Geneva. Specifically, the Association would deplore any amendment to the U.S. countervailing duty statute requiring an injury determination for dutiable products. If an injury test is in fact added, the industry would oppose an amendment permitting a subsidies investigation to be dismissed in its initial stages on injury grounds. In any case, the Ferroalloys Association believes that any requirement that injury be proven "material" would undermine the effectiveness of the countervailing duty statute.

Because of the devastating impact GSP imports have had on its industry, the Association recommends enactment of H.R. 3344—

a bill to add ferroalloy products to the list of products statutorily exempt from GSP. If passage of this bill is not forthcoming, the Association recommends Congressional amendment of the Trade Act's GSP provisions to withdraw GSP from countries to which countervailing duties are assessed. It is believed that such changes would discourage the abuse of GSP benefits.●

INTRODUCTION OF BILL TO AMEND TITLE IV OF ERISA TO POSTPONE AUTOMATIC TERMINATION INSURANCE COVERAGE FOR MULTIEMPLOYER PENSION PLANS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. THOMPSON) is recognized for 5 minutes.

● Mr. THOMPSON. Mr. Speaker, I am introducing for myself, Mr. ASHBROOK, Mr. ERLENBORN, and Mr. ULLMAN, a bill to amend section 4082(c) of title IV of ERISA to defer until May 1, 1980, the effective date of automatic termination insurance for multiemployer pension plans.

The termination insurance program was established in 1974 to guarantee the benefits of retirees and workers in pension plans which terminate with insufficient assets to pay benefits. We gave the pension benefit guaranty corporation the discretion to guarantee benefits in terminating multiemployer plans on a plan by plan basis. At the present time we are living under the gun of a July 1, 1979, deadline, at which time, if we do not defer, automatic termination insurance will go into effect for such plans. We have good reason to believe that automatic coverage under the present statutory rules will encourage plans to terminate, with potentially tragic consequences for millions of pensioners and future retirees.

The Pension Benefit Guaranty Corporation has proposed a comprehensive revision of the statutory rules under which automatic coverage would be implemented. The Corporation's legislative proposal is being introduced today by request by the respective chairmen of the Committee on Education and Labor and the Committee on Ways and Means, and Mr. GIBBONS.

The proposal is complex and lengthy, it will affect the pension benefits of some 8,000,000 retirees and working men and women. In the House it must be considered by the Committee on Ways and Means as well as by the Committee on Education and Labor, and in the Senate by Senate Finance and Senate Human Resources. Deferral of the effective date of automatic coverage to May 1, 1980 will permit us to give the proposed rules and any alternative proposals the thorough going and careful consideration required to develop a sound legislative program. In the other Chamber, Senators WILLIAMS and JAVITS have also introduced a bill to defer automatic coverage until May 1, 1980.

Mr. Speaker, I trust that my colleagues will join me in support of this simple deferral bill so that we may avoid placing in jeopardy the benefits of so many workers and ultimately the health of our economy.

The deferral bill follows.

H.R. 3915

A bill to amend Title IV of the Employee Retirement Income Security Act of 1974 to postpone for 10 months the date on which the corporation must pay benefits under terminated multi-employer plans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 4082(c) of Title IV of the Employee Retirement Income Security Act of 1974 (relating to effective dates; special rules) as amended by P.L. 95–214, is further amended—

(1) by striking "July 1, 1979" in paragraphs (1), (2) and (4) and substituting May 1, 1980 in each such paragraph; and

(2) by striking "June 30, 1979" in paragraphs 2(B) and 4(D) and substituting "April 30, 1980" in each such paragraph.●

INTRODUCTION OF THE NATIONAL ALCOHOL FUEL AND FARM COMMODITY ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, today I am introducing a measure entitled "the National Alcohol Fuel and Farm Commodity Act of 1979." This bill is essentially identical to H.R. 2153, which I introduced last February 15 and which has since been cosponsored by over 35 of my colleagues, and simply makes a few refinements and improvements in the original language.

The National Alcohol Fuel and Farm Commodity Production Act would encourage our Nation's farmers to produce to their maximum potential, while adhering to strict conservation practices, and would authorize the Federal Government to earmark a significant portion of farm production for use as feedstocks for the widespread production of alcohol fuel. In other words, national agricultural policy would be substantially transformed from its present orientation toward paying farmers not to produce in order to raise prices, to paying them to produce as a means of increasing our domestic supply of liquid fuels. The result would be a badly needed additional market outlet for agricultural commodities plus a valuable addition to the Nation's liquid fuels supplies.

The proposal would also provide loan guarantees for the construction of alcohol fuel production facilities. It is my hope that once a significant number of facilities are on line and converting surplus farm produce to alcohol fuel, the Federal Government will be able to withdraw from its traditional, and expensive, commodity price support activities.

At this point, I would like to briefly outline the refinements I have made in this legislation.

Because a substantial increase in the production of alcohol fuels has a significant leadtime—we simply do not have the facilities available at present for this effort—I have modified the language in H.R. 2153 to provide for a gradual phase-in of the program spelled out in the bill.

While I am committed to the immediate construction of alcohol production facilities, I feel it is necessary to first draw down our existing commodity surpluses as feedstocks for these new plants before encouraging farmers to produce at maximum levels in the absence of sufficient conversion facilities.

Another refinement that has been made in the legislation is the inclusion of all agricultural commodities under the Secretary's control—wheat, sugar, grain sorghum, just to name a few—in the eligibility for alcohol plant feedstock supply. The bill thus provides discretionary authority to the Secretary to make these stocks available as demand dictates at prices to be mutually agreed upon between the Secretary and the plant operators. It does not take a great deal of imagination to envison the considerable benefits such an approach affords the American taxpayer: Instead of the Federal Government being forced to maintain huge stores of various commodities that in many cases are in danger of spoiling and in all cases constitute substantial storage costs, it can release these stocks in an orderly fashion to plants as they come on line to be transformed into a very valuable product—alcohol for use as fuel.

The revised bill would also direct the Secretary to "sell back" the acquired commodities under the mandated feed grain portion of the bill at a price equivalent to 80 percent of the existing established price rather than the initial 50-percent figure. This change was catalyzed primarily by information we have received in the past several months from experts in ethanol production who have indicated that the feedstock price can be much higher than the 50-percent level and still allow plants to operate profitably.

Related to this change is an increase in the mandated established price for corn when the full production program comes into effect as of the 1982 crop year. Taking into account the inevitable cost of production increases that will occur by then, I have changed the established price from $2.50 per bushel to $2.75 per bushel. I feel that this is reasonable and that the combination of the two changes will still allow the overall budgetary implications to be favorable.

Finally, the original language has been revised to direct the Secretary to undertake an 18-month study of the various uses, and the optimum approach to the marketing of the byproducts that result from the production of ethanol. At present, the most important of these byproducts is the dried distillers grains, which are a very valuable source of high protein that have been shown to be almost twice as efficient in terms of protein feeding efficiency for ruminant animals; for example, cattle. The worldwide demand for protein is great and it increases astronomically each year; the bill would direct the Secretary to identify the potential uses and markets for this valuable byproduct—one use that shows particular promise is the transformation of the byproduct into a very high protein concentrate suitable for human consumption.

Mr. Speaker, our country is facing a crisis situation in terms of energy supply, availability and price. Right now Midwestern farmers are experiencing alarming shortages of diesel fuel. In my district in northwest Iowa, 80 to 90 percent of the tractors—without which there will be no crop—run on diesel, and there is a strong likelihood that many farmers will not be able to complete spring planting for lack of fuel.

The diesel situation demonstrates the immediacy of the energy problem, and the mid- to long-term prospects of energy availability and pricing are nothing short of dismal. We as a nation and as lawmakers can no longer afford the luxury of struggling from one ad hoc solution to the next in search of stopgap answers to our mounting energy crisis. It is time that we come up with some innovative responses to the challenges that face us.

I believe that the National Alcohol Fuel and Farm Commodity Production Act constitutes such a response. While it is not a panacea for our energy problem—it has the potential of meeting only a basic percentage of our total liquid fuel needs—it does offer an opportunity to demonstrate our resolve to achieve energy independence by establishing the foundation for a comprehensive alternative fuels supply strategy. And further, it is "do-able." It is not "pie-in-the-sky" rhetoric. The proposal could be implemented tomorrow, at little or no cost to the taxpayer.

The National Alcohol Fuel and Farm Commodity Production Act offers a means of reducing our dangerous dependence on foreign sources of oil by doing what it does best: put its technological, entrepreneurial and physical resources to work in a way that will generate productivity and employment nationwide. The likely benefits to the U.S. economy from its ripple effects are incalculable.

In closing, Mr. Speaker, I would just like to mention that three subcommittees of the House Agriculture Committee have scheduled hearings on H.R. 2153 for May 15 and 16. I think that these hearings will further demonstrate the proposal's potential for addressing both our energy dilemma and the troubled state of our farm economy.

I strongly hope that my colleagues will give this legislation their serious consideration.●

INTRODUCTION OF SCHOOLS OF EDUCATION ASSISTANCE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WEISS) is recognized for 5 minutes.

● Mr. WEISS. Mr. Speaker, today I am introducing the Schools of Education Assistance Act of 1979. This bill is a response to the Federal Government's responsibility to teachers who provide a necessary and vital service to our Nation.

There exists within the field of education a curious paradox. In 1977, of all those individuals who graduated from our Nation's colleges and universities with teaching degrees, 18 percent were either unemployed or underemployed. In real numbers, this translates into 38,340 individuals.

Yet, while these trained professionals were unable to find meaningful employment in their field, there were substantial shortages of qualified individuals in some areas of education and the social services, both in the public and private sectors. This legislation will address this paradox.

In 1978 there were 1,240 colleges and schools or departments of education. In 1959, there were only 1,150 such facilities. While the number of schools producing teaching professionals has increased, the number of elementary school students will have decreased by approximately 6 million. This figure represents a 16-percent decrease between the years 1969 and 1982. While the demand created by elementary schools is decreasing, there is a companion increase in the demands for continuing and cooperative education.

The need for this legislation is further demonstrated by the rapidly increasing need for educational and human service personnel in industry, business and bilingual education. Not to be forgotten also are the needs of those older Americans who have spent a lifetime of service to this country. We cannot now turn our backs on their demands to maintain them as vital and productive members of our society. This can be accomplished by providing the adult education programs which are necessary. This legislation provides the vehicle for doing so.

Additionally, over 42 percent of the women today with children under age 6 work. One study estimates that this number will go as high as 55 percent by 1990. These figures indicate a greatly increasing need for child care facilities staffed by competent individuals. This creates a potential market for educators with the appropriate training. We must consider the needs of this increasing number of women who are constituting a greater portion of our active labor force. Mr. Speaker, it is time for the Congress to acknowledge its role in this area, and take appropriate action. This legislation will accomplish this by providing the necessary assistance to schools of education to adjust their programs, enrollments, and professional outputs in answer to these overwhelming concerns.

This bill will provide grants-in-aid during the next 5 years to assist schools of education in retraining faculty and diversifying the educational opportunities offered to students in undergraduate professional programs. Mr. Speaker, this bill will also prevent any unnecessary and costly duplication of programs by providing the necessary support for schools to collaborate in coordinating their objectives. This will also provide for the most efficient and expeditious use of personnel and facilities. In doing so, a special emphasis will be created which will attract particular segments of the student population, confident in the fact that they will be welcomed by an expanded job market when they graduate.

Further, this bill would finance demonstration projects to determine the best way to achieve its goals. It would direct the Department of Health, Education, and Welfare to review curriculum conversion problems, educational diversification, graduate placement and intercollegiate planning. The Department would be responsible for reviewing financing to schools of higher education and report to the Congress in 1981 with recommendations for the Federal role in this area.

Mr. Speaker, this legislation will help our educators and educational institutions respond to new and increasing opportunities, while coping with our current problems. It serves as a continuation of the Federal role undertaken two decades ago, beginning with the National Defense Education Act of 1958. It is our response to a national paradox which must be dealt with.

Mr. Speaker, I ask that the text of the Schools of Education Assistance Act of 1979 be printed in the RECORD.

H.R. 3918

A bill to provide grants to schools of education, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Schools of Education Assistance Act".

STATEMENT OF FINDINGS AND POLICY

SEC. 2. (a) The Congress finds that—

(1) rapid shifts in the population of the United States have resulted in great pressures upon schools of education of institutions of higher education and complicated their role in preparing elementary and secondary schoolteachers;

(2) rapid shifts of population have resulted in reduced public school enrollments and a surplus of qualified elementary and secondary schoolteachers;

(3) the surplus of qualified elementary and secondary schoolteachers has resulted in significant unemployment and underemployment among individuals seeking to render public service in the teaching field;

(4) the unused capacity of recently trained and imminent teachers can be wisely directed to new and developing areas of education and public service;

(5) diversification and rededication would promote the national interest by enhancing the available pool of individuals trained in education and available for community service work in a time of rapid economic change.

(b) It is the purpose of this Act to provide grants to schools of education for a limited period of time for the purpose of achieving diversification and redirection of education programs for elementary and secondary schoolteachers in order to make maximum use of human resources in the field of education and public service.

DEFINITIONS

SEC. 3. As used in this Act—

(1) The term "Commissioner" means the Commissioner of Education.

(2) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(3) The term "institution of higher education" means any such institution as defined in section 1201(a) of the Higher Education Act of 1965.

(4) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law.

(5) The term "school of education" means any school, department, college, program, or other identifiable unit specializing in the education of elementary and secondary schoolteachers, which is a part of an institution of higher education, or which is an institution of higher education.

(6) The term "State" includes in addition to the several States of the Union, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

GRANTS AUTHORIZED

SEC. 4. (a) The Commissioner shall, in accordance with the provisions of this Act, make grants to schools of education for the fiscal year 1981 and for each of the four succeeding fiscal years.

(b) The Commissioner shall assure equitable distribution among the States in making grants to schools of education under this section.

(c) No grant may be made under this section unless an application is made to the Commissioner at such time, in such manner and containing or accompanied by such information, as the Commissioner may reasonably require.

USES OF FUNDS

SEC. 5. Payments made to schools of education under this Act may be used for—

(1) the retraining of members of the faculty of such schools of education to provide courses of study for training elementary and secondary schoolteachers to teach in programs of career education, education of gifted and talented children, education of handicapped individuals, community education, adult education programs and other related education programs;

(2) the provision of training and orientation projects for members of the faculty of schools of education designed to prepare the faculty to teach and train personnel to work in conjunction with personnel who carry out projects under the Comprehensive Employment and Training Act, and under title VIII of the Higher Education Act of 1965, relating to cooperative education, and similar programs related to education and training of individuals to prepare for the workplace;

(3) the establishment of new projects to prepare elementary and secondary schoolteachers to work in a variety of social service activities;

(4) the establishment of new projects to prepare elementary and secondary school teachers to work in a variety of business, industrial, public, and private school settings;

(5) the development and operation of associations of schools of education for the purpose of developing curricula and courses of study to be offered at some of the schools of education and available to all of the member schools in the association;

(6) the provision of model projects within the school of education to carry out any of the activities described in clauses (1) through (4) of this section; and

(7) the training of educational personnel who will specialize in the implementation of the urban policy of the United States.

MODEL PROJECTS

SEC. 6. (a) The Commissioner is authorized to make grants to schools of education for the fiscal year 1981 and for each of the four succeeding fiscal years to carry out model projects for the purposes set forth in section 5 of this Act.

(b) No grant may be made under this section unless an application is made to the Commissioner, at such time, in such manner and containing or accompanied by such information as the Commissioner may reasonably require.

PLANNING GRANTS

SEC. 7. (a) The Commissioner is authorized to enter into agreements with associations or consortia of schools of education for planning programs designed to help member schools of the association or consortium to diversify and redirect programs and curricula of the member schools of education.

(b)(1) The Commissioner shall develop criteria for determining the regions of the country in which associations and consortia of schools of education are to be established.

(2) No association or consortium may receive a grant in excess of $200,000 in any fiscal year under the provisions of this section.

(c) No cooperative agreement may be entered into under this section unless an application is made to the Commissioner, at such time, in such manner and containing or accompanied by such information as the Commissioner may reasonably require.

FUNCTIONS OF THE ASSISTANT SECRETARY OF EDUCATION

SEC. 8. In order to contribute to carrying out the policy of section 2 of this Act the Assistant Secretary of Education shall—

(1) develop, in cooperation with the fund for the improvement of post-secondary education established under section 404 of the General Education Provisions Act, a plan for the diversification and redirection of courses of study for elementary and secondary school teachers especially designed to use the skills of such teachers to provide social services described in section 5;

(2) provide for technical assistance designed to encourage magnet schools of education; and

(3) conduct a thorough study of the financing of higher education with special consideration of the future needs of such schools of education and the resources available to train elementary and secondary school teachers.

The Assistant Secretary shall prepare and submit a report of the study conducted under clause (3) of the previous sentence, together with recommendations for additional legislation, to the Committee on Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives not later than January 2, 1981.

RESEARCH AND EVALUATION

SEC. 9. The Commissioner shall reserve not more than 5 per centum of the amounts appropriated in each fiscal year under section 10 or not more than $1,000,000, whichever is greater, to carry out the provisions of this section. From the amounts reserved under the preceding sentence the Commissioner shall carry out either directly or by way of grant, contract, or other arrangements a program of research activities designed to contribute to carrying out the policy of this Act, and to carry out evaluation of programs assisted under sections 4, 6, and 7.

AUTHORIZATION OF APPROPRIATIONS

SEC. 10. (a) There are authorized to be appropriated $10,000,000 for the fiscal year 1981 and for each subsequent fiscal year prior to October 1, 1986, to carry out the provisions of section 3 of this Act.

(b) There are authorized to be appropriated $10,000,000 for the fiscal year 1981 and for each succeeding fiscal year ending prior to October 1, 1986, to carry out the provisions of section 6 of this Act.

(c) There are authorized to be appropriated $2,500,000 for the fiscal year 1981 and for each fiscal year ending prior to October 1, 1986, to carry out the provisions of section 7 of this Act.●

NATIONAL SCLERODERMA WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing a resolution to authorize the President to issue a proclamation designating the week of February 3–10, 1980, as National Scleroderma Week.

Scleroderma is a painful and debilitating disease that attacks the skin and multiple organs of the body. In its most serious form scleroderma can strike the esophagus, intestines, lungs, heart, or kidney, causing fibrosis, inflamation, and atrophy of normal functioning tissues. Localized scleroderma causes hardening and thickening of the skin, particularly of the hands and fingers, along with painful ulcerations.

There are several reasons for which I believe it is necessary that we enact this resolution.

First, this disease affects some 300,000 people. A full 80 percent of these cases are women of childbearing age. In addition, the full total could be significantly higher, because misdiagnosed cases are common.

Second, the cause of scleroderma is unknown, and there is no cure for the disease. Therefore, much work must be done in order to overcome its destructive effects.

Third, not nearly enough attention has been focused on this disease, and the result is a shortage of funding for research into a possible cure. I believe a National Scleroderma Week would bring the attention to this disease that is needed to find a cure and would lend comfort to its hundreds of thousands of victims.

Mr. Speaker, I am acquainted with many of the individuals who are afflicted with scleroderma, and I want my colleagues to know that this is not a group of people that does nothing and merely expects the Federal Government to come to its aid. The victims of scleroderma are organized and are deeply involved in the attempts that are underway to find a cure for the disease. All they are asking is that the American people and the Congress be made aware of the disease and the need to conquer it.

I cannot overemphasize the importance of studying and finding a cure for scleroderma, and I strongly believe enactment of this resolution will greatly speed up the process. I urge my colleagues to support this effort.

The following is the text of the joint resolution:

H.J. Res. 321

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating February 3 through 9, 1980, as "National Scleroderma Week", and calling upon the people of the United States to observe such week with appropriate ceremonies and activities.●

WAYS AND MEANS COMMITTEE SHOULD HAVE TIME TO REEVALUATE EARNED INCOME CREDITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

● Mr. CAVANUGH. Mr. Speaker, the Tax Reform Act of 1976 provided that certain individuals can be eligible for earned income credits when preparing their Federal tax returns. In Public Law 95–600, the Revenue Act of 1978, the Congress made the availability of the earned income credit permanent. I supported that action because I feel that it is an appropriate way for the Federal Government to assist lower income taxpayers.

It has recently come to my attention, however, that in passing Public Law 95–600 the Congress also mandated that all employers offer their eligible employees the opportunity to elect to receive, on a pro-rated basis, the value of the earned income credit as an advanced payment in each payroll period. All employers must make this opportunity available to their employees for remuneration paid after June 30 of this year.

The costs to employers to provide the advanced payment of the earned income credits to their employees may be excessive. I have received several communications from employers in my district who indicate that: First, in the case of a large banking institution the cost of rewriting the computer program will be between $15,000 and $20,000, second, in the case of contracting an electrical engineer cost will be approximately $1,000, and third, in the case of a life insurance company it will cost between $900 and $1,500 for each of their different payrolls. I am also aware that the U.S. Chamber of Commerce estimates that it will cost in the neighborhood of $3,000 for them to reprogram their payroll.

I am a firm supporter of the earned income credit and support the concept of the advanced payment, but I would hope that the House Ways and Means Committee could review the compliance cost to the Nation's employers of providing the advanced payment of the EIC so that we can be confident that the benefits conferred will not be outweighed by the costs involved.

I am today introducing legislation which seeks to postpone the effective date of the requirement that employers provide the option to their employees to receive the advance earned income credit payment beginning on July 1 of this year. My legislation would delay the implementation for 18 months which will allow the Ways and Means Committee to reevaluate, as I have previously mentioned, and also provide employers with a more reasonable opportunity to include the advanced payment option in their payroll programs. I am informed that most employers are likely to update their payroll programs in any given 18-month period and the change necessary to incorporate the advanced payment for the earned income credit can be added with much less cost during a regular reprograming effort. Based on the figures that I have received from my constituents, it is apparent that the cost could be in the hundreds of millions of dollars or more nationwide. One reason that we may not have received more comments in our congressional offices on the cost impact of the advanced earned income credit payment is that these requirements are normally routed directly to the programing division which makes the change and advises management of the cost after the fact. I think that it would be unfortunate for us to recognize the problem after the fact when the costs could be tremendous further adding to inflationary pressures and the costs of doing business. We are all becoming more aware of the ever increasing cost impact of Federal regulations on the private sector.

I urge the Ways and Means Committee to review my legislation as quickly as possible and perhaps incorporate it in the Technical Corrections Act when it comes before the full committee so that we can nip this situation in the bud and insure that we will not have egg on our face and a Golden Fleece Award in our hands later in the year.●

WINDFALL PROFIT TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, today I am introducing the Crude Oil Windfall Profit Tax Act of 1979. This bill embodies the administration's proposed windfall profit tax on oil producers and royaltyholders.

President Carter has announced that he will use his existing authority to phase out price controls on crude oil starting June 1. The phaseout will be completed by September 30, 1981, when the President's existing price control authority expires. The President's decision to lift controls makes it absolutely essential that Congress act quickly to pass a windfall profit tax.

Because of the need for expeditious action on the tax, the President has agreed to the separation of his energy proposals into two stages. The first stage will be limited to the windfall profit tax and establishment of an energy trust fund into which the proceeds from the windfall tax will be deposited. The second stage will be the specification of the precise purposes for which money may be expended from the trust fund, the enactment of those spending programs, tax credits designed to encourage energy conservation and production, programs to alleviate the burden of high oil prices on low income people and changes in the foreign tax credit for oil extraction.

This bill will be the vehicle for the first stage of the energy legislation. The hearings of the Ways and Means Committee, which begin May 9, will be limited to matters germane to this bill. The Ways and Means Committee plans to act on this bill and then to move as quickly as possible to the second stage. The administration plans to submit its detailed recommendations on the second stage at this later time. This schedule represents the best way of assuring speedy enactment of the legislative part of the President's energy program.

The bill I am introducing embodies the administration's proposal, with some technical amendments. This will be the starting point for the Ways and Means Committee's action, although the committee is by no means committed to the specific tax rates or exemptions in the administration's proposal. I will look carefully at the available data on the profitability of the oil industry and the effects of various kinds of windfall profit taxes on oil production before deciding whether the tax should be stiffened.

The windfall profit tax is an excise tax on domestically produced crude oil. The tax will fall on a barrel of oil at the wellhead, not at the gas pump. Because U.S. producers cannot raise the price of their oil above that of imported oil, the windfall profit tax will not be passed on to consumers as higher prices, but instead will reduce profits of oil producers and royaltyholders. It is the decision to lift price controls which will raise prices to consumers—by about 5 cents a gallon. The tax will take back some of that revenue from oil producers so that the money can be used for energy conservation and development.

Crude oil produced in the United States would be taxed under one of three tiers. The tier 1 tax rate would equal 50 percent of the difference between the actual selling price of the oil and the current ceiling price of lower tier oil—old oil—adjusted for inflation. Lower tier ceiling prices now average just under $6 a barrel. The tier 2 tax rate would be 50 percent of the difference between the actual selling price of the oil and the current ceiling price of upper tier oil—new oil—adjusted for inflation. These ceiling prices now average about $13 a barrel. The tier 3 tax would equal 50 percent of the difference between the actual selling price of the oil and the price at which oil of that quality and location would have been sold had the average price for oil—over the range of quality differentials—been $16, adjusted for inflation. The $16 base represents what the U.S. oil price would be if the price increases announced by the OPEC cartel last December had gone into effect without any surcharges or market disruptions. The administration's proposal included a flat $16 base regardless of quality.

Oil taxed at the first tier rate would be lower tier oil which is released to the upper tier under the administration's price decontrol program. The first tier tax rate would phase out by June 1983 because oil produced in excess of a decline curve would be released to the second tier. That decline curve would generally equal production on a property in the 6 months ending March 31, 1979, reduced by 1½ percent per month in 1979 and 2 percent per month thereafter.

The second tier tax rate would apply to oil that is now upper tier oil plus oil released from the first tier to the second tier by reason of the decline curve. The second tier would include the marginal wells, which the administration is releasing to the upper tier more rapidly than other lower tier oil. The second tier of the tax would be phased into the third tier between 1986 and 1990.

The third tier tax rate would apply to stripper oil, incremental oil produced from tertiary recovery projects, and newly discovered oil. After 1990, it would apply to all oil except oil produced north of the Arctic Circle, which would be exempt from any tax. This tax would be permanent.

The bill also would reduce gross income for purposes of computing percentage depletion by the amount of the windfall profit subject to tax.

The windfall profit tax would be treated as a deductible expense under the regular individual and corporate income taxes.

Finally, the bill would establish an energy trust fund and put into it the revenue raised by the windfall profit tax. It makes no determination about the purposes or programs for which money may be expended from the trust fund. Spending from the trust fund would have to be determined according to the usual authorization and appropriations process. My personal judgment is that the American consumer will not object to paying more at the gas pump if he believes that the money is being used to solve the energy problem.

The administration estimates that the revenue increase resulting from the windfall profit tax and the change in percentage depletion—allowing for the deductibility of the windfall tax under the income tax—will be $0.5 billion in calendar year 1980, $1.5 billion in 1981, and $1.7 billion in 1982.●

THE CHRYSLER DECISION AND REVERSE FREEDOM OF INFORMATION ACT LAWSUITS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, on April 18, 1979, the Supreme Court issued a decision in Chrysler against Brown, the first reverse Freedom of Information Act (FOIA) lawsuit to be heard by the Court. As chairman of the subcommittee with legislative responsibility for the Freedom of Information law, I would like to explain to my colleagues what I think this complex ruling means and what it portends for open access law in general.

The Chrysler case arose when an FOIA request was made of the Office of Federal Contract Compliance Programs (OFCCP) for copies of equal employment opportunity reports filed by Chrysler Corp. The company sued to enjoin release, arguing that the reports contained information that was exempt from disclosure under exemption four of the FOIA. The fourth exemption covers "trade secrets and confidential business information obtained from a person and privileged or confidential." Lower courts found that some of the requested Chrysler Corp. data fell under the fourth exemption, but the third circuit decided that the contract compliance office had the legal discretion under the freedom of information law to release the EEO reports notwithstanding the exemption.

Chrysler appealed to the Supreme Court contending that, first, the exemptions of the FOIA are mandatory and that information coming within an exemption must be withheld by an agency; second, that a submitter of information to the Government could sue to enjoin disclosure either under the FOIA or under the Trade Secrets Act (18 U.S.C. 1905)—a criminal law that prohibits the disclosure by Government employees of certain categories of private information except where authorized by law; third, that agency regulations permitting release of FOIA-exempt records were not by themselves sufficient legal authority for such disclosures; and fourth, that a reverse-FOIA lawsuit should be decided de novo by the courts rather than relying on the record developed by the executive agencies.

In rejecting Chrysler's first argument, the Supreme Court strongly reaffirmed that the basic objective of the FOIA is public disclosure. The Court held that Congress did not design the FOIA exemptions as mandatory bars to the disclosure of exempt information. This conclusion was urged in the July 20, 1978, report of the Committee on Government Operations entitled "Freedom of Information Act Requests for Business Data and Reverse FOIA Lawsuits" (H. Rept 95–1382).

The Court also rejected Chrysler's second argument, holding that no private right of action to enjoin disclosures exists under either the Freedom of Information Act or the Trade Secrets Act. This does not mean, however, that those who submit information to the government are without any remedy to seek court review of an agency decision to release that information. The Court formally sanctioned reverse-FOIA suits for the first time and found that a cause of action for review of agency disclosure actions arises under the Administrative Procedure Act. These rulings also mirror the recommendations of the Committee on Government Operations report.

The Court broke new ground in its interpretation of the effect of the Trade Secrets Act on agency discretion to release information exempt from disclosure under FOIA. The Trade Secrets Act makes it a crime for a Federal employee to disclose specified categories of business information except where the disclosure is authorized by law. Under the approach taken by the Court, the issue that had to be decided was what constitutes authority under the Trade Secrets Act for disclosure of information.

The Court rejected Chrysler's argument that only a statute could authorize the disclosure under 18 U.S.C. 1905. It also rejected the Government's contention that both the FOIA and the housekeeping statute (5 U.S.C. 301) gave agencies authority to make disclosures of exempt information that fell within 18 U.S.C. 1905. Instead, the Court decided generally that although agency regulations could authorize the release of information, the regulations must be based on a grant of legislative authority. Also, the regulations must have been adopted in accordance with the substantive rulemaking provisions of the Administrative Procedure Act.

Applying these principles to the Chrysler case, the Court decided that the disclosure regulations of OFCCP that authorized the disclosures were lacking. OFCCP's legislative authority to issue regulations was not deemed specific enough to permit the issuance of disclosure regulations for confidential business records. Also, its present regulations had not been adopted in accordance with the proper provisions of the Administrative Procedure Act and were, therefore, interpretative rather than substantive.

Since the lower courts had not specifically addressed the issue of the scope of 18 U.S.C. 1905, the Chrysler case was remanded to the lower court for a determination whether the disputed documents are covered by the prohibition of Trade Secrets Act. As a result, the Court did not fully decide Chrysler Corp.'s fourth argument, the scope of review issue, although it did indicate that de novo review was an extraordinary remedy and was not appropriate in this case.

What does this decision tell us about freedom of information law in general? First, and perhaps most important, the ruling clearly endorses the reverse-FOIA lawsuit. It is crucial to the protection of legitimate business confidentiality interests that there be a method for judicial review of agency decisions to disclose. There is now no doubt that a cause of action lies under the Administrative Procedure Act.

Second, the basic objective of the FOIA—public access to Government documents—has been underscored. Since the exemptions are not mandatory, agencies may continue to release documents when there is no legitimate policy reason for withholding them, even though the material falls within an exempt category of the disclosure act. This is in keeping with the Attorney General's May 1977 directive that agencies will only be represented by the Justice Department in FOIA litigation when they can show that the disputed document is both legally exempt and would cause "demonstrable harm" if publicly released. The limitations on permissive disclosure suggested by the Court apply only to the fourth exemption. If a Federal department determines that a document falls under the fifth exemption dealing with interagency memoranda for example, it should still release the document absent a legitimate reason for withholding.

Third, it is too early to fully assess the effect of the decision on the disclosure of business documents. Depending on how the lower courts interpret the Trade Secrets Act, it may be that fewer business documents will be released in the future by OFCCP and possibly by other agencies as well. However, since OGCCP appears to be the only agency that regularly releases exempt business information as a matter of agency policy, any limitations on disclosure that result from Chrysler may fall most heavily on OFCCP. I note that more reverse-FOIA lawsuits involve EEO documents that any other type of information.

Finally, I would like to comment on one sentence of the opinion that has already given rise to comment and concern. On page 9 of the slip opinion, the Court stated:

> But the congressional concern was with the agency's need or preference for confidentiality; the FOIA by itself protects the submitters' interest in confidentiality only to the extent that this interest is endorsed by the agency collecting the information.

I take this to be a simple restatement of the Court's holding that the exemptions are permissive and not mandatory. I do not read this sentence to mean that agencies may ignore the confidentiality interests of submitters. Where those interests are legitimate and are not outweighed by other factors, agencies should continue to withhold sensitive business documents as they have in the past, using the yardstick of substantial competitive harm.

Where do we go from here? The recommendations for legislative changes to the FOIA contained in the Government Operations Committee's July 1978 report were contingent on a failure by the Supreme Court to resolve the reverse-FOIA issues in Chrysler with sufficient clarity. On the whole, the Chrysler decision does not appear to require any immediate congressional response. The effects of the ruling will vary from agency to agency and it may be some time before those effects are apparent. If a particular agency finds that its disclosure policies are unduly restricted by limitations in present law, it may decide to seek specific disclosure authority from the Congress in the future.

While immediate congressional action is not required, there is nevertheless a need to codify the reverse-FOIA cause of action and to resolve some of the complex issues of jurisdiction and venue that arise in these lawsuits. I anticipate that the Subcommittee on Government Information and Individual Rights will conduct hearings on this subject in the fall. At that time, the subcommittee will also examine the response of the agencies to the changes in procedure recommended in House Report 95-1382.●

GENERAL LEAVE

Mr. MINETA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of the special order today by the gentleman from New York (Mr. HORTON), on the subject of the Asian-Pacific American Heritage.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. WILLIAMS of Ohio (at the request of Mr. RHODES), for today, May 3, and tomorrow May 4, on account of official business.

To Mr. DRINAN (at the request of Mr. WRIGHT), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SHUMWAY) and to revise and extend their remarks and include extraneous matter:)

Mr. GOLDWATER, for 5 minutes, today.
Mr. CORCORAN, for 5 minutes, today.

(The following Members (at the request of Mr. LOWRY) to revise and extend their remarks and include extraneous material:)

Mr. WEAVER, for 10 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. COTTER, for 10 minutes, today.
Mr. BONER of Tennessee, for 5 minutes, today.
Mr. STACK, for 5 minutes, today.
Mr. VANIK, for 10 minutes, today.
Mr. THOMPSON, for 5 minutes, today.
Mr. BEDELL, for 5 minutes, today.
Mr. WEISS, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. CAVANAUGH, for 5 minutes, today.
Mr. ULLMAN, for 5 minutes, today.
Mr. PREYER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. HAMMERSCHMIDT, on House Concurrent Resolution 107, in the Committee of the Whole today.

(The following Members (at the request of Mr. SHUMWAY) and to include extraneous matter:)

Mr. GINGRICH.
Mr. GRADISON in two instances.
Mr. RUDD.
Mr. SYMMS.
Mr. SHUSTER in three instances.
Mr. DERWINSKI in two instances.
Mr. FINDLEY.
Mr. DORNAN in two instances.
Mr. PAUL in three instances.
Mr. QUAYLE.
Mr. COURTER.
Mr. DANNEMEYER in two instances.
Mr. COUGHLIN in two instances.
Mr. ROUSSELOT in four instances.
Mr. BOB WILSON in three instances.
Mr. MILLER of Ohio in three instances.
Mr. WAMPLER.
Mr. BAUMAN in 10 instances.
Mr. ERDAHL.
Mr. PETRI.

(The following Members (at the request of Mr. LOWRY) and to include extraneous matter:)

Mr. DINGELL in 10 instances.
Mr. BAILEY.
Mr. KILDEE in three instances.
Mr. MAZZOLI in two instances.
Mr. WOLFF.
Mr. GRAY.
Mr. RANGEL.
Mr. BLANCHARD.
Mr. VENTO.
Mr. GAYDOS.
Mr. TRAXLER.
Mr. OTTINGER.
Mr. RICHMOND.
Mr. WON PAT.
Mr. CORRADA.
Mr. EDGAR in two instances.
Mr. VAN DEERLIN.
Mr. LUKEN.
Mr. HAWKINS.
Mr. UDALL.
Mr. MAGUIRE in five instances.
Mr. PEYSER.
Mr. FOUNTAIN.
Mr. CAVANAUGH.
Mr. SANTINI.
Mr. MATSUI.
Ms. MIKULSKI in five instances.
Mr. FARY.
Mr. ZABLOCKI in three instances.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 108. An act to amend the Truth in Lending Act to facilitate compliance by simplifying the requirements imposed under that act, to facilitate administrative enforcement of that act, and for other purposes; to the Committee on Banking, Finance and Urban Affairs;

S. 388. An act to promote the ownership of small businesses by their employees and to provide a means whereby employees can purchase their companies where the companies would otherwise be closed, liquidated, or relocated, and to assure that firms owned wholly or partly by their employees are eligible for all forms of assistance from the Small Business Administration; to the Committee on Small Business; and

S. 567. An act to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorneys for the eastern district of New York to reside within 20 miles of the district; to the Committee on the Judiciary.

ADJOURNMENT

Mr. LOWRY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 29 minutes p.m.), the House adjourned until tomorrow, Friday, May 4, 1979, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1479. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend titles 10 and 37, United States Code, relating to the appointment, promotion, separation, and retirement of members of the Armed Forces, and for other purposes; to the Committee on Armed Services.

1480. A letter from the Administrator of Veterans Affairs, transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1481. A letter from the General Counsel, Department of Energy, transmitting notice of various meetings related to the international energy program to be held May 8–10, 1979, in New York, N.Y.; to the Committee on Interstate and Foreign Commerce.

1482. A letter from the State and Federal Cochairmen, Southwest Border Regional Commission, transmitting the first annual report of the Commission, covering fiscal year 1978, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

1483. A letter from the Comptroller General of the United States, transmitting a report on health maintenance organizations (HRD–79–72, May 1, 1979); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 3577. A bill to amend the National Advisory Committee on Oceans and Atmosphere Act of 1977 to authorize appropriations to carry out the provisions of such act for fiscal years 1980 and 1981, and for other purposes; with amendment (Rept. No. 96–116). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PERKINS (for himself, Mr. Ullman, and Mr. Gibbons) (by request):

H.R. 3904. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. BEDELL:

H.R. 3905. A bill to authorize the Secretary of Agriculture to guarantee loans for the construction and operation of alcohol fuel plants, to provide for the sale of agricultural commodities for the operation of such plants, to amend the Agricultural Act of 1949 with respect to the set-aside program for feed grains, and for other purposes; to the Committee on Agriculture.

By Mr. BIAGGI:

H.R. 3906. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. BLANCHARD:

H.R. 3907. A bill to amend the Internal Revenue Code of 1954 to permit an exemption of the first $5,000 of retirement income received by a taxpayer under a public retirement system or any other system if the taxpayer is at least 65 years of age; to the Committee on Ways and Means.

By Mr. CONTE:

H.R. 3908. A bill to amend the Internal Revenue Code of 1954 to provide tax relief to residential users of refined petroleum products; to the Committee on Ways and Means.

By Mr. DANIELSON (for himself and Mr. Harris):

H.R. 3909. A bill to amend section 12 of the Contract Disputes Act of 1978; to the Committee on the Judiciary.

By Mr. GREEN:

H.R. 3910. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for real estate taxes imposed on tenants; to the Committee on Ways and Means.

By Mr. HOLLAND:

H.R. 3911. A bill to amend the Internal Revenue Code of 1954 with respect to certain trade or business expenses; to the Committee on Ways and Means.

By Mr. PEYSER:

H.R. 3912. A bill to provide for the same standard mileage rate to be used in determining the amount of income tax deductions for charitable and medical uses of automobiles as is used in determining the amount of income tax deductions for business uses of automobiles; to the Committee on Ways and Means.

By Mr. SENSENBRENNER:

H.R. 3913. A bill to amend the Federal Election Campaign Act of 1971 to extend the period of limitations applicable to prosecutions under such act from 3 years to 5 years; to the Committee on House Administration.

By Mr. STARK (for himself, Mr. Harris, Mr. Fauntroy, Mr. McKinney, and Mr. Moffett):

H.R. 3914. A bill to amend the National Capital Transportation Act of 1969 to increase amount authorized for the District of Columbia share of the cost of the rapid transit system of the National Capital Region; to the Committee on the District of Columbia.

By Mr. THOMPSON (for himself, Mr. Ashbrook, Mr. Erlenborn, and Mr. Ullman):

H.R. 3915. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 10 months the date on which the corporation must pay benefits under terminated multiemployer plans; to the Committee on Education and Labor.

By Mr. WAXMAN (for himself, Mr. Preyer, Mr. Maguire, Mr. Walgren, Mr. Gramm, Mr. Leland, Mr. Murphy of New York, Mr. Carter, and Mr. Lee):

H.R. 3916. A bill to extend for one fiscal year the current authorization of appropriations for programs of assistance under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, and the Drug Abuse Office and Treatment Act of 1972; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (for himself, Mr. Preyer, Mr. Maguire, Mr. Luken, Mr. Walgren, Mr. Gramm, Mr. Leland, Mr. Murphy of New York, Mr. Carter, Mr. Stockman, Mr. Lee, and Mr. Broyhill):

H.R. 3917. A bill to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WEISS:

H.R. 3918. A bill to provide grants to schools of education, and for other purposes; to the Committee on Education and Labor.

By Mr. ULLMAN:

H.R. 3919. A bill to impose a windfall profit tax on domestic crude oil; to the Committee on Ways and Means.

By Mr. CORMAN (for himself and Mr. Bafalis):

H..R 3920. A bill to amend the Unemployment Compensation Amendments of 1976 with respect to the National Commission on Unemployment Compensation, and for other purposes; to the Committee on Ways and Means.

By Mr. BEARD of Rhode Island:

H.R. 3921. A bill to establish a Federal Office on Domestic Violence, and a Federal Council on Domestic Violence, to provide grants for the assistance of victims of domestic violence, and for training programs, and for other purposes; to the Committee on Education and Labor.

By Mr. BREAUX:

H.R. 3922. A bill to repeal the carryover basis provisions added by the Tax Reform Act of 1976; to the Committee on Ways and Means.

By Mr. BROOKS (for himself, Mr. Preyer, Mr. Drinan, Mr. Weiss, and Mr. Butler):

H.R. 3923. A bill to amend chapter 25 of title 44, United States Code, to extend for 2 years the authorization of appropriations for the National Historical Publications and Records Commission, and for other purposes; to the Committee on Government Operations.

By Mr. CAVANAUGH:

H.R. 3924. A bill to amend the Revenue Act of 1978 to delay until December 31, 1980, the effective date of the provision providing for advance payment of the earned income credit; to the Committee on Ways and Means.

By Mrs. FENWICK (for herself, Mr. Simon, Mr. Edgar, Mr. Rousselot, Mr. Findley, and Mr. Stockman):

H.R. 3925. A bill to amend the Itnerstate Commerce Act to encourage lower food transportation costs and a more efficient transportation system; to the Committee on Public Works tand Transportation.

By Mr. HAGEDORN:

H.R. 3926. A bill to amend laws relating to housing and community development with respect to labor standards; to the Committee on Banking, Finance and Urban Affairs.

By Mr. LEVITAS (for himself, Mr. Johnson of California, Mr. Harsha, Mr. Abdnor, and Mr. Livingston):

H.R. 3927. A bill to amend the National Visitor Center Facilities Act of 1968, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. LUJAN:

H.R. 3928. A bill to amend the Act of November 8, 1978 (92 Stat. 3095) to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico; to the Committee on Interior and Insular Affairs.

By Mr. MARLENEE:

H.R. 3929. A bill to amend title 28, United States Code, to require that the United States reimburse defendants for the costs incurred in the defense against any civil action filed by the United States on behalf of any Indian or Indian tribe; to the Committee on the Judiciary.

By Mr. MOORHEAD of Pennsylvania (for himself, Mr. Ashley, Mr. Blanchard, Mr. Garcia, Mr. Green, Mr. Hinson, Mr. Hubbard, Mr. LaFalce, Mr. Lundine, Mr. McKinney, Ms. Oakar, Mr. Reuss, Mr. Shumway, Mr. Vento, and Mr. Wright):

H.R. 3930. A bill to amend the Defense Production Act of 1950 to extend the authority granted by such act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PAUL:

H.R. 3931. A bill to amend the coinage Act of 1965 to provide that coins and currencies of the United States, including Federal Reserve notes and circulating notes of Federal Reserve banks and national banking associations, shall be legal tender only for the payment of Federal taxes, duties, and dues; to the Committee on Banking, Finance and Urban Affairs.

By Mr. PETRI:

H.R. 3932. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the interest on deposits in certain savings institutions; to the Committee on Ways and Means.

By Mr. SYMMS (for himself and Mr. Hansen):

H.R. 3933. A bill to define and clarify terms used in that patent from the United States dated June 29, 1911, granting certain lands to the State of Idaho; to the Committee on Interior and Insular Affairs.

By Mr. PANETTA:

H.J. Res. 321. Joint resolution to provide for the designation of February 3 through 9, 1980, as "National Scleroderma Week"; to the Committee on Post Office and Civil Service.

By Mr. BLANCHARD (for himself, Mr. Brodhead, and Mr. Green):

H. Con. Res. 115. Concurrent resolution expressing the sense of the Congress that the United States should recognize Jerusalem as the capital of Israel, and that the U.S. Embassy in Israel should be relocated to Jerusalem; to hte Committee on Foreign Affairs.

By Mr. BENNETT:

H. Res. 258. Resolution to provide for the printing of additional copies of the "Ethics Manual for Members and Employees of the U.S. House of Representatives"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

147. By the SPEAKER: Memorial of the Legislature of the State of North Carolina, relative to Nazi war criminals; to the Committee on Foreign Affairs.

148. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to Federal assumption of public assistance programs; to the Committee on Government Operations.

149. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to the cost of home fuel oil in the Northeast; to the Committee on Interstate and Foreign Commerce.

150. Also, memorial of the Legislature of the State of Wisconsin, relative to cheese imports, to the Committee on Ways and Means.

151. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to international drug trafficking; jointly, to the Committees on Foreign Affairs, the Judiciary, and Ways and Means.

152. Also, memorial of the Senate of the Commonwealth of Massachusetts, relative to creation of a congressional commission to investigate the status of members of the Armed Forces still listed as missing in action in Southeast Asia; jointly to the Committees on Foreign Affairs and Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STARK introduced a bill (H.R. 3934) for the relief of John H. R. Berg, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1: Mr. Ambro, Mr. Bonker, Mr. Buchanan, Mr. John L. Burton, Mr. Carr, Mr. Dodd, Ms. Ferraro, Mr. Florio, Mr. Gray, Mr. Guarini, Mr. Johnson of California, Mr. Johnson of Colorado, Mr. Kastenmeier, Mr. Kildee, Mr. LaFalce, Mr. McKinney, Mr. Marks, Mr. Mattox, Mr. Mitchell of Maryland, Mr. Pursell, Mr. Russo, Mr. Stack, Mr. Wolff, Mr. Wright, and Mr. Zablocki.

H.R. 20: Mr. Evans of the Virgin Islands.

H.R. 160: Mr. Hinson, Mr. Jenrette, Mr. Wampler, Mr. Rhodes, and Mr. Winn.

H.R. 786: Mr. Shannon and Mr. Moffett.

H.R. 789: Mr. Miller of California, Mr. Rosenthal, and Mr. Beilenson.

H.R. 792: Mr. Markey and Mr. Roybal.

H.R. 958: Mr. Nolan, and Mrs. Spellman.

H.R. 1603: Mr. Wyatt, Mr. Daschle, Mr. Andrews of North Carolina, and Mr. Frost.

H.R. 1900: Mr. Whittaker.

H.R. 1980: Mr. Railsback, Mr. Cheney, Mr. Albosta, and Mr. Grisham.

H.R. 2035: Mr. Bauman.

H.R. 2043: Mr. AuCoin.

H.R. 2156: Mr. Barnes, Mr. Beard of Rhode Island, Mr. Bedell, Mr. Beilenson, Mr Blanchard, Mr. Bonior of Michigan, Mr. Brodhead, Mr. Phillip Burton, Mr. Corman, Mr. Cotter, Mr. D'Amours, Mr. Dellums, Mr. Dodd, Mr. Drinan, Mr. Edgar, Mr. Edwards of California, Mr. Ford of Michigan, Mr. Gibbons, Mr. Gephardt, Mr. Guarini, Mr. Harris, Mr. Hughes, Mr. Jenrette, Mr. Mikva, Mr. Mollohan, Mr. Rangel, Mr. Simon, Mr. Studds, Mr. Udall, Mr. Vento, Mr. Williams of Montana, Mr. Wolpe, and Mr. Weiss.

H.R. 2191: Mr. Solarz.

H.R. 2461: Mr. Lehman, Mr. Walgren, Mr. Murphy of Pennsylvania, Mr. Pepper, Mr. Conyers, Mr. Florio, Mr. Richmond, Mr. Corrada, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Nolan, Mr. Beard of Rhode Island, Mr. Gore, Mr. Edwards of California, Mr. Kildee, Mr. Markey, Mr. Drinan, Mr. Downey, Mr. Dixon, Mr. Bedell, Mr. Scheuer, Mr. Gray, Mr. Bonior of Michigan, Mr. Roe, Mr. Stark, Mr. Weiss, and Mr. Gilman.

H.R. 3099: Mr. Nowak.

H.R. 3238: Mr. Martin.

H.R. 3292: Mr. Bauman.

H.R. 3757: Mr. Evans of the Virgin Islands,

H.J. Res. 209: Mr. Alexander, Mr. Ambro, Mr. Andrews of North Dakota, Mr. Ashbrook, Mr. Bafalis, Mr. Benjamin, Mr. Bowen, Mr. Brodhead, Mr. Brown of Ohio, Mr. Burgener, Mr. Goldwater, Mr. Hance, Mr. Hollenbeck, Mr. Howard, Mr. Hutto, Mr. Ichord, Mr. Jenrette, Mr. Jones of Tennessee, Mr. Kelly, Mr. Kindness, Mr. Kogovsek, Mr. Kramer, and Mr. Petri.

H. Con. Res. 83: Mr. Blanchard, Mr. Collins of Texas, Mr. Corrada, Mr. Dornan, Mr. Dougherty, Mr. Downey, Mr. Erdahl, Mr. Flood, Mr. Hughes, Mr. Kildee, Mr. Lagomarsino, Mr. McDonald, Mr. Ottinger, Mr Roe, and Mr. Solarz.

PETITIONS, ETC.

Under clause 1 of rule XXII,

116. The SPEAKER presented a petition of the Teaneck Democratic Municipal Committee, Teaneck, N.J., relative to wage and price controls; to the Committee on Banking, Finance and Urban Affairs.

SENATE—*Thursday, May 3, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable Howell Heflin, a Senator from the State of Alabama.

PRAYER

The Reverend Orris E. Kelly, major general, Chief of Chaplains, U.S. Army, offered the following prayer:

Let us pray:

O Father, we are deeply aware of Your presence. You come to us through unfathomable silences. You disturb us with Your truth; You test us with our inner conflicts; You confront us with the needs of others. We listen. We seek. We hear.

Grant us a steady faith, O God, so that we will not fall victim to anxiety, fear, and confusion. Give us a sense of dignity and worth to hold perspective in accomplishing great deeds. Help us to seek the eternal in the midst of the transient and contingent. Grant us Your spirit of love that we might delight in service.

Hear us, O Father, we pray. Amen.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 3, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

STANDBY GASOLINE RATIONING PLAN

Mr. ROBERT C. BYRD. Mr. President, next week the Senate will consider the administration's standby gasoline rationing proposal. This plan, required under the Energy Policy and Conservation Act of 1975, is intended as a means of allocating gasoline in the event of a serious interruption in the supply of oil to this country. Primarily, such a plan would go into effect if something comparable to another OPEC embargo were to be imposed against the United States.

Considerable criticism has been leveled against this standby plan in the last few weeks. For the most part, complaints have focused on the allocation of gasoline based on average gas consumption. The charge has been made that rural and Western States, which consume higher-than-average amounts of gasoline, will suffer in comparison to urban drivers from the Midwest and Northeast. Under such a system, those who must travel greater distances to get to work or for business or recreational purposes could be placed at a disadvantage.

In response to this concern, the administration has assured Members of Congress that States like West Virginia, which might be shortchanged under such a system, will receive the necessary additional gasoline. In the event of a severe gasoline shortage, I have confidence that this, or any future administration, would make every effort to eliminate such inequities. But we must also bear in mind the circumstances under which such dramatic action would be taken.

The disruption of oil supplies from Saudi Arabia or any other major oil source would inevitably cause serious economic dislocation. All of us would be affected, no matter what kind of rationing plan is adopted. That threat to our economic and national security, Mr. President, is what the energy crisis is all about.

I have had serious reservations about the gas rationing proposal. But I believe that a standby plan must be put in place as soon as possible—one that is fair and one that gets the job done. We cannot say that there is an energy crisis, on the one hand, and then fail to make the tough, and sometimes painful decisions necessary to meet that situation. Congress will have another opportunity to judge the merits of any plan in the event implementation is required. In the meantime, I believe we must face up to the realities before us and take the steps necessary to assure our Nation's energy security.

Mr. President, I yield the floor.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized.

OPPOSITION TO PROPOSED STANDBY RATIONING AUTHORITY

Mr. STEVENS. Mr. President, it is not often that I disagree with my good friend, the distinguished majority leader, but I must take issue with the proposal of the President to grant to the executive branch authority to impose standby rationing plans.

Under existing law the President could send up a rationing plan should we have another embargo. The idea of giving him authority that would require a veto of both Houses of Congress in the event he wants to impose it really is delegating legislative authority to the President.

We cannot be Pontius Pilate as far as gas rationing is concerned. It is not something the American public wants. It is not something they need, and it is not something the crisis requires. The crisis really requires that the administration put its action where its mouth is as far as the regulatory process is concerned. The surface mining regulations, which are holding up the production of coal, have not been approved; the strip mining regulations have not been approved; the coal leasing regulations have not been approved; the clean air regulations have not been approved.

We produced last year 5 percent less coal than we did the year before. That 5 percent less coal converts into more barrels of oil per day than the rationing plan would affect.

We have plenty of energy in this country if the bureaucracy will just get off its duff and get the job done.

I think it is unfortunate that we are being faced now, and we are being faced with intensive administration lobbying, to try to get the President more power.

As I say—and I say with great kindness to my friend from West Virginia—the last time this happened to me was when President Nixon's people came to me and said, "We must have standby authority to impose wage and price controls." Of course, they said, it would never happen, he would never use that authority, no, never use that authority unless we had a crisis of such proportions that we had to have it in order to control inflation.

We went out of town for the August recess, and 8 days later he imposed wage and price controls, and the battles we are having now over decontrol of oil stem from President Nixon's action in 1971.

To give the President more power, which is really the power of Congress to begin with is, as I said, trying to play Pontius Pilate with the American public over the energy crisis and I, for one, think we should oppose it.

RECOGNITION OF SENATOR BENTSEN

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Texas is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me a few minutes?

Mr. BENTSEN. I yield, with the understanding that this not be taken out of my time.

Mr. STEVENS. Mr. President, I yield to the Senator from West Virginia the remainder of my time, which I do not have.

The ACTING PRESIDENT pro tempore. There is no time remaining for the two leaders under the previous order.

Mr. BENTSEN. Can we have unanimous consent——

Mr. ROBERT C. BYRD. Mr. President, will the Senator just yield me 2 minutes?

Mr. BENTSEN. I would be delighted to yield 2 minutes.

Mr. ROBERT C. BYRD. I thank the Senator.

STANDBY GASOLINE RATIONING PLAN

Mr. ROBERT C. BYRD. Mr. President, Mr. Carter is doing exactly what Congress directed him to do under the law passed by Congress in 1975—the Energy Policy and Conservation Act.

The law directed the President to send a proposal to Congress. They are almost 2 years late in sending it. That is my criticism. They sent up these plans late. But they were told by the Congress to send up these plans, and the President is abiding by the law in doing this.

This is a proposal for standby authority. Under the same law, Congress gets another bite at the cherry. If the standby authority is approved, and then the President, under some extreme circumstances, decides that he must implement it, then it is again brought before Congress, and one House in that instance can veto implementation of the President's plan.

So let us remember that Congress passed this law, and the President is submitting his standby authority plans to Congress in accordance with our directive, and we get another chance if indeed that plan must be implemented later.

Nobody wants gasoline rationing. I do not want it. But we cannot say there is an energy crisis, on the one hand, and then turn down the President's standby authority request, on the other. That is my judgment.

I agree with what the distinguished Senator from Alaska has said about bureaucratic regulations on coal, and I will join with him another day on that.

I thank the distinguished Senator from Texas for yielding.

THE CHANGING WORLD OF FREE TRADE

Mr. BENTSEN. Mr. President, throughout the post-World War II period, the United States has based its strategy for security and global stability primarily on geopolitical considerations. We have been concerned in the first instance with countering our traditional rivals, particularly the Soviet Union, on the chessboard of international politics and power relations.

Without discounting the patent Soviet strategic menace to the United States, it has nevertheless become apparent that today the threat to our future as the most powerful and prosperous nation in the world is as much economic as geopolitical.

In the early postwar era, the United States of America was the supreme, unchallenged factor in every aspect of the world power equation. We were the only nation to control nuclear weapons. Our economic infrastructure emerged from the war stronger than ever. Our gross national product was greater than that of the rest of the world combined. We held virtually all of the world's only functioning monetary reserve—gold. We had no significant dependence on any country or group of countries, while many nations were dependent on us.

Today, strategic superiority has clearly become a thing of the past and there is legitimate debate about the degree to which we retain even parity with the Soviet Union. There can be no debate, however, about the dramatic shift in our economic posture with respect to the world, or the extent to which we have receded from a position of dominance to one of interdependence and vulnerability.

It would, of course, be unrealistic to pretend that the United States could, or should, continue to dominate the world economy in 1979 as we did in 1948. We long ago recognized this fact and, for both selfish and altruistic reasons, made a conscious effort to improve the quality of life and encourage economic expansion throughout the world.

A major postwar concern of the United States was to foster economic growth and political stability in Western Europe and Japan, regions which ironically have become our major competitors in the international marketplace. In Europe, the Marshall plan was a particularly bold and farsighted effort to contain the spread of Soviet influence by establishing democracy and prosperity as an attractive alternative to communism. Our postwar policies were also characterized by generous programs of foreign assistance and an overt willingness to permit our friends and acquaintances to protect their shattered economies while according them relatively free access to ours.

As part of our effort to win the friendship and respect of countries devastated by war and influence less developed nations to resist the spread of communism, trade policy became an important form of aid. Unilateral trade concessions were willingly and knowingly granted for essentially political purposes.

Our postwar approach to international trade and assistance was founded on the premise that "the rising tide lifts all boats," and its corollary, "What's good for the global economy is good for the United States. We'll get our share."

Convinced of the validity of the rising tide thesis and encouraged by its apparent success, an entire generation of American policymakers became conditioned to accept uneven rules of the game in financial and trading arrangements with the rest of the world. If political benefits were achieved at an economic cost, if we got the short end of the stick in a negotiation, there was still plenty to go around and no cause for alarm.

Other nations, in turn, became accustomed to U.S. generosity at the negotiating table, to the extent that they now appear incredulous or even outraged when we attempt to bargain in essentially our own self-interest.

For at least a decade after the war, the United States could afford to make economic, trade, and aid decisions on a political rather than economic basis. Today all that has changed. The past 30 years have seen shifts in the relative political and economic influence of nations more dramatic than at any time in the 20th century. We have been slow to recognize and respond to these changes, particularly as they relate to our trade relationships.

We have been slow to appreciate that factors beyond our control, such as the breakdown of the colonial system, the rapid spread of technical production skills to Second and Third World countries, the proliferation of multinational corporations, the rise of economic nationalism, state ownership of industrial enterprises, and the control of major reserves of world mineral and energy resources by Third World countries, have helped fashion a world economy that bears little if any resemblance to that which existed immediately after World War II.

In a very fundamental sense, and in a relatively short period of time, the United States has moved from a tradition of essential self-sufficiency into an era of international interdependence. Our adjustment to date has been neither very easy nor very successful.

Once the major creditor to the world, the foreign-held debt of the United States today is larger than that of all countries combined. We are heavily dependent on foreign sources for almost all important minerals, many of them essential to our continued prosperity. In 1950 the United States produced 88 percent of the oil it consumed, and cheap energy was a key to our economic success. Today we import nearly 50 percent of our petroleum and will pay nearly $50 billion a year for the privilege.

In 1971 we ran our first trade deficit in 50 years. Between 1971 and 1976 we had an accumulated trade deficit of $13.3 billion. In 1977 we doubled that figure with a single-year deficit of $26.5 billion. In 1978 our deficit rose to $32 billion—$12 billion with Japan alone—and this trend can only be reversed by substantive changes in our approach to trade.

U.S. production today is a declining proportion of world output. In 1965 the United States generated 14.3 percent of the world's exports, and took 11.8 percent of world imports. In 1977 our share of world exports was down to 10.7 percent while we increased our import position to 13.6 percent.

According to Department of Commerce data, U.S. export growth has averaged 7 percent annually since 1974, while imports have simultaneously averaged an annual growth rate of 13.5 percent.

A recent study by the National Association of Manufacturers suggests that there was no real U.S. export growth in 1977—a year of relatively high domestic growth—but imports increased by 12 percent.

The U.S. share of free world exports declined from 18.2 percent in 1960 to 11.8 percent in 1977.

Our domestic rate of productivity increase, a key indicator of our economic performance and potential, is the lowest of any industrialized democracy and is only one-eighth the figure for Japan.

During the past 5 years the Japanese yen has appreciated by almost 75 percent, and the German mark by 67 percent, while the dollar has depreciated. With oil prices based on dollars, the changing ratio for the mark and yen relative to the dollar has helped Germany and Japan curb inflation while ours has increased.

Our economy is expanding and inflating, sucking in vast quantities of imported commodities and finished goods. We absorb nearly half of all world production and a substantial share of all world exports—but we find ourselves increasingly unable to market successfully our products abroad. We are no longer paying our way in international trade.

In assessing the dramatic changes that have occurred in the world economy over the past 30 years, changes that have generally worked to our disadvantage, the tendency in this country has been one of self-flagellation while foreign leaders have taken conspicuous pleasure in lecturing us on our faults. We have seen in this country a tendency to despair and an assumption that we are headed downhill into a period of very slow growth and inevitable loss of world leadership.

Any such attitude is unwarranted, defeatist, and dangerous. The economic crisis we confront today—and it is indeed a crisis—is largely of our own making and we clearly have the power to redress it. Rather than retreat into despair and self-doubt, we must attempt to understand the root causes of our problems and take appropriate steps to restore this country to its traditional position of economic preeminence.

One basic cause of our economic difficulties is our failure to adjust traditional, historically successful trade and economic policies to the current realities of the international marketplace. In many respects, the United States still approaches questions of trade with that splendid spirit of munificence and good will that served us so well in the first two decades after the war but is sadly and dangerously out of place today.

There is no longer any fat for us in the international trading system; it is in the fire. To the extent that we delude ourselves by continuing to believe that the world of trade is that of years long past, we run the risk of destroying our economic credibility and strength.

I have been a consistent advocate of the freest possible trade between nations throughout my career in public life. The world of free trade, however, rests on a cliche, which is that free trade must be fair trade, and all parties must abide by the rules. Today, the global economic scene is characterized by intense economic competition among countries with completely different political institutions and sharply contrasting national economic objectives. Trade between nations is becoming an increasingly carnivorous activity, and the traditional free trader has all the advantages of an antelope in a world of lions.

Startling changes in international economic trends and trading practices call into question the continued relevance of historical free trade doctrine. There is strong evidence that the "rising tide" of the world economy is no longer rising and, as that tide ebbs, there is a good chance that many U.S. boats could end up on the beach.

After a sustained postwar period of rapid global economic growth, the prevailing trend lately has been in the direction of global economic stagnation. Slower growth and higher rates of unemployment in many areas have resulted in keen competition for international markets, and the emergence of aggressive, self-promoting mercantilism in many industrialized and resource-rich countries.

In order to maximize the share of world resources available to its citizens, governments have joined hands with their industry—the United States being a notable exception—to enhance the competitive position of individual nations or sustain inefficient state-controlled economic enterprises. As ecopolitics has come to replace geopolitics as a paramount concern in many states, a policy of encouraging export earnings and discouraging foreign competition has become a tacit, but essential element of national policy among most of our trading "partners."

Of the 20 largest firms in Western Europe, half are wholly or predominantly state-owned. With the vast resources of the state behind them, firms like British Steel can afford to lose over $800 million a year because they receive more than $1 billion in Government support.

As Hugh Menzies pointed out recently in Fortune magazine, state-controlled companies now produce 8 percent of the non-Communist world's oil, 40 percent of its copper, and 33 percent of its iron ore and bauxite. In manufacturing, they turn out 54 percent of the steel, 35 percent of the polyethylene, and 20 percent of the automobiles.

State-controlled companies are also making headway in areas of high technology, frequently by robbing American expertise. The British National Enterprise Board, for example, is building a state-owned company in the United States in order to hire away top American scientists in one of our most rewarding technologies—semiconductors. It is difficult to believe that this technology, once purchased, will not be transferred to Britain where it can be nurtured with Government support and eventually turned against the United States.

Our international competition in the field of civil aviation is entirely government-owned or controlled. The international consortium that produces the A-300 airbus has a guaranteed market of state-controlled national airlines and, with government backing, is in a position to offer attractive purchasing arrangements.

The American petrochemical industry, which has been a major and effective exporter of chemical products, will obviously become a tempting target for developing nations with vast deposits of oil and gas, and substantial surplus capital to invest. We can expect to see many of these countries use American technology to establish their own state-supported and financed petrochemical industries which will be able to sell at a loss in an effort to drive private corporations out of the market.

These same nations have united in cartels to control the price and availability of raw materials essential to the economies of the industrialized nations. The major consuming nations have proved unwilling or unable to develop a concerted response, with the result that the OPEC states have been able to play them off against each other, further increasing cartel leverage. The implications of this situation for "free trade" among nations are all too apparent.

In coming years, America could well become vulnerable in even our strongest areas of technological superiority. Stanley Harman has noted that the government-industrial establishment known as Japan Inc. has targeted the computer and softwear market for penetration in coming years. Japan Inc. has encouraged the cartelization of its computer manufacturers to maximize resources, has protected this fledgling industry, and provided funds to finance joint research and development. By way of contrast, Mr. Harman notes that the continuing antitrust case of the United States against IBM is now entering its 10th year.

In the intensely competitive environment of international trade, with its web of special relations between the public and private sectors, the United States of America is the only nation where business and government tend to operate in an adversary relationship. We make it difficult for American firms to form consortia to bid on international contracts. We do not have a Department of Trade to encourage our exports. We lack even a coherent, well-developed policy of export promotion. It remains difficult for our manufacturers to obtain timely and effective relief from unfair foreign competition like dumping and subsidies. The simple act of obtaining an export permit is frequently a costly, time-consuming experience.

It is rapidly becoming apparent that, if left unattended, our international trade problems could lead to our undoing. No nation, not even one as fundamentally strong and prosperous as ours, can long endure a hermorrhage of dollars running at $30 billion per year. The impact on domestic inflation, on the strength of our currency, and on the level of confidence in our economic system is obvious and alarming.

The crisis of trade is upon us. Our ability to respond effectively, creatively, and hopefully in concert with the international community is one of the most urgent and important tasks facing American policymakers. We can no longer afford simply to forecast an improvement and hope it comes about.

1979 will clearly be a year in which trade issues, and particularly the MTN, will be high on the list of congressional priorities. Foreign governments have been quick to learn the pressure points of the American political system. They hire the right public relations firms and take out full-page ads in our media to assure us that their markets are open and they are bending over backwards to help with our trade problems. One wonders how these governments would react if we took out such ads in their press and merely listed the corresponding prices of exported items in their country and ours.

In the months to come, we will hear a great deal about the dangers of "protectionism," which could lead to "retaliation" and precipitate a global trade war. "Don't forget what happened in 1929" and frequent references to the Hawley-Smoot tariff will be the order of the day. Members of Congress who suggest that we must, if necessary, be prepared to take unilateral measures to protect domestic industries and the integrity of our economy will be branded with the scarlet P of protectionism and incur the opprobrium of free-traders worldwide.

For many years the United States has been a leading apostle of free trade. We are not without protectionist provisions, but more than any other nation we have opened our markets to foreign competition, even when it hurts. To a remarkable degree, we have practiced what we have preached in our approach to international trade. Unfortunately, this free market commitment is genuinely embraced by relatively few of our trading partners.

The ideal world of free and fair trade does not exist today and there is little reason to believe it is just around the corner. The practice of free and fair trade seems, in fact, to be on the decline worldwide.

The Multilateral Trade Agreements, ably and artfully negotiated by Ambassador Strauss, should eventually represent a marginal improvement in world trading relationships, but they represent neither the immediate nor the ultimate answer to our problems with trade. Many of the advantages contained in the MTN are either ephemeral—since the negotiations, by definition, are a zero sum game in which we give as much as we receive—or will not be realized for years to come. Our trade problems are of such a magnitude and urgency that the MTN, in and of itself, does not constitute an adequate remedy, and I believe those who have negotiated it would concur in this conclusion.

If we are to succeed in the area of international trade, we must recognize that there are irreconcilable, probably permanent, economic and political differences between countries and regions that need not be a barrier when mutually advantageous trade is possible but can nevertheless serve to distort traditional trade doctrines. We must begin today to shift our emphasis from a global approach to a long series of pragmatic, toughly negotiated trade and monetary arrangements based on a realistic concept of our own self-interest.

We might well begin this process with a close look at our trading relationship with Japan, our staunchest friend and ally in Asia. During the period 1968–78 the United States had an accumulated global trade deficit of $54.3 billion, $40.8 billion of it—or 75 percent—with Japan. We have had a balance-of-trade deficit with Japan every single year since 1965.

It would be difficult to refute the assertion that there is a glaring asymmetry in United States-Japanese trade. During the past 6 months I have frequently voiced my concern about this problem and suggested that a $12 billion trade deficit with any nation is intolerable and, regardless of its ultimate causes, cannot be permitted to continue.

One obvious and certainly preferable way to restore some semblance of balance to this relationship would be for the Japanese to purchase more from this country. If it is impossible or impractical for the Japanese to buy more from us, then we must be prepared to purchase less from them. I can see no good reason for the United States of America to commit economic hara-kiri on the altar of a bogus free trade relationship, and I believe this position has substantial support in the Congress and among the American public.

This country, with its historical commitment to the freest possible trade, its leadership role in GATT and world financial institutions, its enormous market for world exports, and its current trade crisis, has every right to demand equal access to world markets as an essential precondition to continuing "free trade." We can no longer afford to accept situations in which our domestic markets are more permeable than those of our competitors. Where inequality exists, other nations must either remove restrictions or be prepared to confront offsetting measures in this country. If such a position is parochial, then there is an inherent logic in parochialism that cannot be denied.

There is substantial and frequently legitimate concern in this country about nontariff barriers to trade. In an era of cutthroat economic competition, any discussion of this matter immediately becomes charged with controversy, and fingers are pointed in all directions. The issue is further clouded by the fact that a nontariff barrier, by its very nature, is difficult to document. A recalcitrant, committed bureaucrat can be a formidable obstacle to free trade.

In recent years, our resentment over nontariff barriers has tended to focus on Japan. There is broad agreement that discriminatory Japanese trade practices must be exposed and abolished. There are differences of opinion over the extent to which this concern is legitimate and justified, but the reasons for its existence are not hard to discern.

I sincerely welcome, I am encouraged by news this morning that President Carter and Prime Minister Ohira have reached long-term agreement on economic issues. This is the stuff of which successful state visits are made. But it is also important to understand that we have heard these assurances before, most recently in January 1978, and they have not been effective. They have not worked. After Prime Minister Ohira leaves Washington, after the flags are down, after the banquets are over, we shall still have important work to do as we attempt to establish our trading relationship with Japan on a basis of equity.

In 1976 we had a $5.3 billion trade deficit with Japan. We were alarmed. We sought and received assurances that the Japanese would act to redress the situation. In 1977 the deficit rose to $8 billion, and our protests resulted in the Strauss-Ushiba agreement, which would theoretically relieve the problem. Last year our trade deficit with Japan rose to $12 billion, and it became apparent that we are making progress backward, all assurances to the contrary.

In addition, many American firms find it inordinately difficult to do business in Japan, despite the fact that the Japanese Government, in response to our protests, has taken steps to delete some of its overtly protectionist legislation. There nevertheless exists within the American business community, and on the part of many independent observers, the distinct impression that the Japanese—who quite correctly attach extreme importance to their performance in international trade—have for a variety of largely sociological reasons, woven a cocoon of frustrating and frequently impenetrable nontariff barriers around their economy in order to protect domestic industries and discourage imports. Thus, together with the unusually cozy relationship between the Japanese Government and corporate conglomerates—Japan Inc.—causes many people to question the extent to which one of our major trading partners is playing by the rules of the game.

In response to this concern, the point is frequently made that the United States does not try hard enough to export to Japan, that we are gradually losing our share of the Japanese market to our international competitors. To the extent that we are indeed a declining factor in Japanese purchases from abroad—the point can be argued both ways—this may well be attributable to the fact that countries such as the EC members are hardly reluctant to bring substantial and apparently successful pressure to bear on the Japanese and demand greater access to their markets.

The recent report by the Common Market's Executive Commission contains startling evidence of European discontent over Japanese trade policies and surpluses. The tenor of the report and its derogatory references to the Japanese people are, in my opinion, entirely uncalled for and out of place. It quickly becomes apparent, however, that the European nations—whose trade deficit with Japan is only $6.8 billion compared to our figure of $12 billion—are more than prepared to threaten retaliation in no uncertain terms unless the Japanese take prompt action to redress the situation. It is apparently not out of place in Europe to recommend consideration of "certain measures which would reduce in a significant manner—though not in a sufficiently important way to spark a worldwide trade war—Japanese imports into the European Community."

I fully appreciate the importance of trade and friendship between the United States and Japan. I frankly admire Japan's ability to compete internationally and think we could learn from the way the Japanese manage their economic affairs. I recognize that the Japanese Government has stated it is prepared to work with us to resolve our trade problems.

None of this, however, detracts from the basic fact of an enormous, ongoing bilateral trade deficit with Japan which, despite evidence of short-term improvement, gives every indication of continuing far into the future.

I believe we have a right and an obligation to cast some light on the reasons underlying our trade problems with Japan and other nations such as South Korea, Taiwan, Singapore, Indonesia, and Hong Kong, with whom we have a combined deficit nearly as large as with Japan. I believe we must determine what can be done to resolve these trade problems, multilaterally if possible, unilaterally if necessary.

Last December I asked the General Accounting Office to undertake an analysis of Japanese trade policy for the Joint Economic Committee to determine, on a case study basis, the extent to which Japanese nontariff barriers constitute obstacles to American exports. During the summer, after the June economic summit in Tokyo, I plan to hold comprehensive hearings in the JEC on United States-Japanese trade and the results of the GAO study.

At a time when Japan is running huge trade surpluses and we have a deficit of over $30 billion, I think we should know why:

We are unable to conclude an agreement on Government procurement with the Japanese that would permit American firms full access to bids on orders worth over $3 billion annually placed by the Nippon Telephone and Telegraph Corp. The Japanese are consciously and steadfastly protecting a significant market in which we are particularly competitive. It is not by accident that the NTT purchases only four-tenths of 1 percent of its equipment from abroad. If the Japanese are unwilling to eliminate this overtly protectionist restriction, which has assumed important symbolic overtones, then one must question their willingness to help us address common trade problems.

The Japan Tobacco & Salt Public Corp., with a monopoly on the $7.5 billion tobacco market, marks up the price of American cigarettes by 350 percent, rendering them uncompetitive with Japanese cigarettes; and prohibits American brands from advertising in Japanese language publications.

The Japanese have a "high yen measures law" enabling the Government to underwrite any losses incurred by eligible exporters as a result of the rise in value of the yen, thereby negating the equilibrating forces, including the famous J-curve effect, that are supposed to bring our trade back more nearly into balance.

The cheapest color television set available to the Japanese consumer sells for $600 while an American consumer can buy an equivalent Japanese set in this country for about half that price.

The Japanese public is forced to pay $45 per pound for beef, when American producers could put quality beef on the Japanese market for a small fraction of that cost.

The Japanese make product approval inordinately difficult and time consuming for foreign competition and frequently refuse to accept testing data done outside the country. A review of cases pending before the Joint United States-Japan Trade Facilitation Committee provides clear evidence of the degree to which testing procedures and standards based on design rather than performance criteria inhibit the flow of U.S. goods into the Japanese market.

Japan, which produces no grapefruit, nevertheless retains strict quotas—despite recent concessions—on the importation of American grapefruit and juice.

Why Japan, having established a $12 billion trade surplus with this country, balks at the expedited lowering of tariffs, previously agreed to, on computers, semiconductors, and color film.

This is merely an illustrative list of the sort of questions that must be answered in a dispassionate, unbiased manner if we are to understand and better manage our trade problems with Japan.

As we strive for symmetry in United States-Japanese trade at the highest possible level and insist on the elimination of Japanese nontariff barriers, it is important to understand that we are not seeking confrontation with Japan.

We are, however, prepared to insist that Japan, which has become a ranking world economic power, accept the responsibilities that inevitably accompany that status. The sort of insular, siege mentality that characterizes the Japanese approach to international trade was understandable in the wake of World War II, but is grossly out of place for a major world trading power in an era of interdependence.

Probably more than any other nation, Japan benefits from international trade and has a vested interest in preserving its access to world markets, particularly that of the United States. Japan also benefits from the global stability and sense of security that is a direct result of our willingness to devote a substantial portion of our wealth to the defense of the free world. The Japanese reap the advantages of the American security blanket but contribute virtually nothing to the cost of this effort, and spend 1 percent of their gross national product on defense. The comparable figure for the United States is 5 percent.

Despite the existence of a $12 billion trade deficiit in 1978, it is clear that Japan is not the sole source of our trade problems. It would be wrong and self-defeating to attempt to export the blame for our economic difficulties. There are some nasty scars on our back, but many of our trade wounds are self-inflicted. They result from our past patterns of generosity, tolerance in negotiations, a radically altered international economic environment, and longstanding domestic economic policies urgently in need of reform. The United States will not become truly competitive in the international marketplace until we put our own economic house in order.

There are important measures we can and must take to protect our domestic producers and encourage American exports without doing violence to the current system of international trade. We should be prepared to act promptly to insure that American industry has adequate protection against predatory trade practices. We can no longer tolerate situations in which foreign competitors utilize unfair trade practices to rout and destroy a domestic industry, such as television, and remain immune from punishment until they have achieved their objective.

Existing fair trade laws need not be enforced in a protectionist manner, but they should be enforced and improved to make enforcement more timely and effective. There is reason to believe that Congress will take appropriate action in this area in the context of MTN implementing legislation.

It is hardly enough, however, to provide effective relief from those who do not play by the rules of trade. We must, at the same time, make a concerted effort to awaken the American business community to the importance of exports, provide appropriate incentives and support for export activities, and do away with the adversary relationship between government and business that marks this Nation as unique in the international community and cripples our trade potential.

Ever since World War II, the major concern of our economic policy has been to maintain an adequate level of demand in the system. This year's JEC annual report, which for the first time in 20 years was endorsed by all committee members, points out that the time has come for a fundamental reorientation in our economic strategy. The JEC reports suggests that the supply side of the economy should be our major area of concern and points out that policies which expand our capacity to produce goods and services more efficiently are the most effective way to deal with our current economic problems.

We face a capital formation crisis of major proportions in this country, primarily because our tax policies for the past 30 years have punished savings and investment while encouraging consumption. Our approach to capital investment for the modernization of our productive capacity and for research—both of which have an important bearing on export potential—has retarded our ability to compete internationally.

Productivity growth in our economy is far from satisfactory, and increased by only 0.8 percent in 1978. Our rate of productivity growth for the decade 1966–76 was only 2.2 percent, a decrease of

45 percent from the previous 10 years. During the same period, productivity in Japan has grown by an annual rate of 8.9 percent, and we are seeing the results in our balance of trade. While it is true that U.S. productivity levels remain above those of our competitors, recent trends are alarming and hardly auger well for our future performance in international trade. We must take immediate steps to improve productivity in our economy; tax incentives for investment and liberalized schedules for depreciation would certainly be steps in the right direction.

Effective anti-inflationary policies, including decreased levels of government spending as a portion of gross national product, are obviously a prerequisite to improved performance in international trade. Our continuing problems with inflation erode much of the competitive advantage we should expect to enjoy from appreciation of currencies such as the yen and the mark. Chronic inflation renders many U.S. products noncompetitive in foreign markets and debases the value of our currency.

Finally, at a time when the Minister of Trade is frequently the second most important figure in the government of our competitors, potential U.S. exporters deserve the support and encouragement that would be provided by a Department of Trade and Investment along the lines proposed by Senators RIBICOFF and ROTH and recently endorsed by the Senate Finance Committee. With international trade becoming an increasingly competitive and important ingredient in national prosperity, there is a transparent need for a branch of Government with a mandate to assist and encourage our export performance.

To the extent that we can control inflation, reduce Government spending, increase productivity, and encourage savings and investment domestically, we shall inevitably enhance our ability to compete successfully in international markets. This is a challenge we are prepared to accept.

At the same time, we must continue to insist that the markets of our trading partners be demonstrably as open as ours, in practice as well as in theory. Our friends must understand that the United States of America, by far the world's largest consumer of world exports, will no longer tolerate huge, long-term balance of trade deficits, regardless of their ultimate cause. If such dislocations are inherent in the international trading system, then it may be time to take a new look at the system. It may be time to search for realistic, workable alternatives to "free trade" that will make this and other nations less susceptible to the rigors of ecopolitical competition between nations and blocs of nations.

In a world of perfectly free and perfectly competitive international trade, "free trade" might well deliver the benefits traditionally claimed for it, just as—given the conditions of a vacuum—a feather will fall as rapidly as a lead pellet. In the ideal world of free trade, we would have every nation doing what it does best, free to export its achievements or abundance, and import its requirements. The globe would become a single economic entity, with all countries contributing to the benefiting from interdependence. In conjuring up these images, one can almost hear the sails of the clipper ships snap to the wind as we savor the benefits of triangle trade.

Unfortunately for this glorious global vision, our trading relationships are not conducted in the vacuum of theory. Rather, we are doing business, with a notable lack of success, in a real world of deficits and surpluses, cartels, government control of industry, widely divergent national objectives, and cleverly disguised protectionist attitudes and policies.

We need a trade policy that is fully consistent with these realities. We need fundamental reforms in domestic economic policy that will render us more competitive in international trade. We must kindle an awareness of the magnitude of our trade problems and the importance of export performance. We must work with our trading partners to eliminate inequities in the current system and, if we are unsuccessful in this effort, we must be prepared to consider alternatives to the doctrine of free trade that has been the hallmark of our international economic policy for so many years.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 2 minutes of his 5, and I assure him he will not suffer thereby?

Mr. DANFORTH. I am happy to.

Mr. ROBERT C. BYRD. Mr. President, I compliment the Senator from Texas on his well-reasoned speech. He has pointed out that in 1978, our imports from Japan amounted to about $24.5 billion, while our exports to Japan amounted to about $12.9 billion, making a trade deficit of about $12 billion. He pointed out that this trade deficit amounted to something like, I believe, $5 billion in 1976, $8 billion in 1977, and now, $12 billion in 1978. I just want to state that among the imports from Japan in 1978 are the following by value: $5 billion in passenger cars; $2.5 billion in steel; $800 million in motorcycles; $300 million in videotape records—and I have two or three of them—$450 million in textiles; $1.5 billion in other electronic products. In each category, the value of imports was higher in 1978 than in 1977.

The figures on coal, which is not only produced in my State but in many other States in the Union, are another example of the problem. Japan has cut drastically its purchases of U.S. coal. U.S. coal shipments to Japan between 1974 and 1978 dropped from 28 million to something like 11 million tons. So what the Senator from the State of Texas has said and what I am saying, is that we must put our own economic house in order and industry must get its act together. Industry must not be overly burdened by inhibiting Government regulations.

As the Senator pointed out, there is a pressing need for reciprocity in our trade relations. Trade must be a two-way street; increases in Japanese purchases of U.S. products need to balance our purchases from Japan. Without such action, sentiment will continue to grow in this country against a high level of imports from Japan. That is not what we want. What we want is a two-way street. The Japanese know very well that this trade imbalance is not only hurting the United States, but, in the final analysis, is hurting the world economy and eventually it will hurt the Japanese themselves.

Along this same line, I hope that the Congress and the President will give serious attention to creation of a Cabinet-level Department of International Trade. I have introduced a bill to this effect, and so has Senator RIBICOFF. Such a department will pull together the fragmented and often inconsistent Government programs intended to promote the U.S. trade position.

Mr. BENTSEN. I thank the distinguished majority leader.

I think the leader's statement reflects the general sentiment of this Congress. I think the Japanese Government would make a serious mistake if they thought otherwise. We have had assurances from time to time, and I hope that what has been said this morning in the papers of the agreement between the Prime Minister of Japan and the President of this country can come to fruition. What concerns us is that we have had these assurances repeatedly from year to year and we are looking for the final results.

Mr. TOWER. Will the distinguished majority leader yield?

The ACTING PRESIDENT pro tempore. The Senator from Missouri has control of the time.

Mr. DANFORTH. A parliamentary inquiry, Mr. President: How much time do I have?

The ACTING PRESIDENT pro tempore. The Senator has 1 minute.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time thus far taken and 1 minute by the Senator from Texas (Mr. TOWER) not be charged against Mr. DANFORTH's time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. TOWER. I thank the Senator from Texas for saying what should have been said today while the Japanese Prime Minister is in this country and for the reinforcing comments made by the distinguished majority leader. I want to comment on what the majority leader said about the impact on the whole world.

What is happening now impacts on the status of the dollar as the reserve currency of this world. Therefore, it is a matter that we are not only concerned about from a domestic standpoint, but from the standpoint of international monetary stability. I thank the Senator from Texas for his initiative in this and I thank the distinguished majority leader.

Mr. BENTSEN. I thank the distinguished majority leader and the Senator from Texas.

S. 1065—TAX CREDIT ON CORPORATE GIFTS FOR BASIC RESEARCH

Mr. DANFORTH. Mr. President, what I am about to say, I think, fits in very well with my ally in trade matters (Mr. BENTSEN). He and I have worked very closely together with the Senate Committee on Finance on matters relating to international trade.

On March 21, 1979, I introduced S. 700, a bill to provide American businesses a 10-percent tax credit for research and development expenditures. The purpose of that measure is to help U.S. businesses retain the competitive edge in technology that they have historically held in the world marketplace. It also should help to turn around the disturbingly sluggish rate of productivity gains in our economy—a major problem which hampers our ability to increase living standards and which contributes to high rates of inflation.

The target of S. 700 is what is commonly called "applied" research, that is, research intended to lead directly to the creation of profitable products. There is another kind of research, so-called "basic" research, which also plays a major long-term role in technology development and productivity improvements. Basic research refers to the search for fundamental knowledge—knowledge which may or may not lead to commercial applications.

The purpose of the bill I am introducing today together with Senators JAVITS and MOYNIHAN is to encourage more spending on basic research. It would do so by providing a tax credit to corporations which give to colleges and universities grants earmarked for basic research. The tax credit would be equal to 25 percent of the gift.

Basic research is currently funded by the private sector, foundations, and the Federal Government—the Federal share being in excess of two-thirds of the total. U.S. businesses finance approximately 14 percent of basic research (down from 35 percent in 1954), an amount which represents only 4 percent of all corporate R. & D. spending. There is widespread disagreement over whether or not the Federal Government is spending enough on basic research. Although that subject is not the focus of this proposal, certain data on Federal research spending adds useful perspective to the larger issue involved.

Direct Federal spending on R. & D. has barely kept pace with inflation since 1963. In constant (1976) dollars, Federal R. & D. spending is not appreciably higher in 1979 ($13.8 billion) than it was in 1963 ($13.6 billion), and has never been higher than the 1967 level of $16.5 billion. I ask unanimous consent that the attached table on Federal R. & D. spending be printed in the RECORD at this point. It is adapted from Special Analyses, Budget of the U.S. Government, fiscal year 1980.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

RESEARCH AND DEVELOPMENT

(Federal spending 1963–present)

(Dollars in billions)

Year	Total	Adjusted* total
1963	12.5	13.6
1964	14.2	15.3
1965	14.6	15.5
1966	15.3	15.7
1967	16.5	16.5
1968	15.9	15.3
1969	15.6	14.2
1970	15.3	13.2
1971	15.5	12.8
1972	16.5	13.2
1973	16.8	12.6
1974	17.4	11.8
1975	19.0	11.8
1976	20.7	12.1
1977	23.9	13.2
1978 est	26.2	13.2
1979 est	29.4	13.8
1980 est	30.6	13.5

*CPI=100 in 1967.

Mr. DANFORTH. Mr. President, there is other evidence of no growth in R. & D. spending. Data collected by the National Science Foundation show the following:

In 1964, R. & D. spending constituted 3 percent of GNP. In every year since then, R. & D. spending, as a percent of GNP, has declined. In 1977 it stood at 2.2 percent, and the National Science Foundation Board projects that it will fall to 2 percent of GNP by 1985.

In constant dollars, 1977 outlays were actually 4 percent below 1967 spending levels (this is in contrast to the fact that between 1961 and 1967 R. & D. outlays increased at an annual rate of 6 percent).

There has been no growth in R. & D. since 1968 when measured by the number of scientists and engineers engaged in R. & D. activity.

Meanwhile, our international trading rivals are increasing the share of their economies that they are spending on research and development. In recent years, both Japan and West Germany have outspent the United States (as a percentage of GNP) in nondefense R. & D. Another measure of this trend is patents. U.S. patent rights awarded to foreign interests increased 91 percent between 1966 and 1976; currently 37 percent of all U.S. patents issued annually are awarded to foreign entities.

Is this lag in R. & D. spending just a temporary phenomena? Not according to the Treasury Department's international trade expert, Gary Hufbauer. Testifying before a congressional hearing in 1978, he stated:

> I think the erosion (of U.S. technological innovation) has, in a sense, just begun. Given the normal course of events, unless there is some fundamental change, it will probably increase in the years to come.

What does this tell us? Corrective action is required immediately. On the basis of available information, it seems unlikely that the Federal Government will provide any significant new infusion of funds into basic R. & D. At the same time, there is no reason to believe that corporations are going to risk their profits (and the wrath of their shareholders) on basic R. & D. in the absence of additional incentives.

That is where this proposal comes in. By providing a tax incentive for corporate giving to universities, we would recognize the key role that universities already play in basic research, (colleges and universities conducted 54 percent of the basic research in our country in 1977) and also tap a significant new source of funds. Under this proposal, all results of basic research conducted with these contributions would be available to the public in general. This assures that commercial opportunities resulting from such research will be realized.

It is important to note that the bill is written in a way which prevents corporations from diverting normal gifts to universities and charities into basic research gifts. This will assure that the proposal does no harm to other worthy organizations which have traditionally benefited from corporate largesse.

Taken by itself, the provision will not solve the country's balance of trade problem, nor will it turn around the troubling stagnation in productivity increases in our economy. It does, however, represent a reasonable, constructive step in getting our economy back on track toward long-term, balanced growth.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1065

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. BASIC RESEARCH CREDIT

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits) is amended by inserting after section 44C the following new section:

"Sec. 44D. Basic Research Credit

"(a) In the case of a corporation, other than an electing small business corporation (as defined in section 1371), there shall be allowed a credit against the tax imposed by this chapter for the taxable year an amount equal to 25 percent of—

(1) the excess of the qualified basic research contributions for the taxable year over the average qualified basic research contributions, reduced by

(2) the excess of the average charitable contributions over the charitable contribution for the taxable year.

"(b) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number of letter designation than this section, other than credits allowable by sections 31, 39 and 43.

"(c) Definitions.—For purposes of this section—

(1) Qualified basic research contribution.—The term 'qualified basic research contribution' means an amount of cash paid during the taxable year for which a deduction is allowed under section 170 to an educational organization (other than a primary or secondary school) and which is required as a condition of the transfer, to be used exclusively for scientific basic research.

"(2) Average qualified basic research contributions.—The term 'average qualified basic research contributions' means one fourth of the sum of the qualified basic research contributions made by the taxpayer during the four preceding taxable years.

"(3) Average charitable contributions.—The term 'average charitable contributions' means one fourth of the sum of the deductions allowable under section 170 to the taxpayer (other than qualified basic research contributions) for the four preceding taxable years.

"(4) Charitable contributions.—The term 'charitable contributions' means the amount of deduction allowable under section 170 to the taxpayer (other than deductions allowable for qualified basic research contributions).

"(5) Scientific basic research.—The term 'scientific basic research' means fundamental research in the physical sciences the results of which are freely available to the general public.

"(d) Special rules.—

"(1) Controlled group of corporations.—For purposes of this section, all members of the same controlled group of corporations shall be treated as one corpration to which this section applies. In any such case, the credit (if any) allowable by this section to each such member shall be its proportionate contribution of qualified basic research contributions giving rise to such credit. For purposes of this paragraph, the term 'controlled group of corporations' has the meaning given to such term by section 1561(a), except that—

"(i) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(ii) the determination shall be made without regard to subsection (a)(4) and (e)(3)(C) of section 1563.

"(2) Adjustment for certain acquisitions, etc.—Under regulations prescribed by the Secretary—

"(i) Acquisitions.—If a taxpayer acquires the major portion of a trade or business of another person (hereinafter in this clause referred to as the 'predecessor') or the major portion of a separate unit of a trade or business of a predecessor, then, for purposes of applying this section for any year ending after such acquisition, the qualified basic research contributions and the charitable contributions of the taxpayer shall be increased by so much of the qualified basic research contributions and the charitable contributions paid by the predecessor with respect to the acquired trade or business as is attributable to the portion of such trade or business acquired by the taxpayer.

"(ii) Dispositions.—If—

"(I) a taxpayer disposes of the major portion of any trade or business of the taxpayer or the major portion of a separate unit of a trade or business of the employer in a transaction to which subparagraph (i) applies, and

"(II) the taxpayer furnishes the acquiring person with such information as is necessary for the application of subparagraph (i), then, for purposes of applying this section to any year after such disposition, the amount of qualified basic research contributions and charitable contributions paid by the taxpayer during periods before such disposition shall be decreased by so much of such qualified basic research contributions and charitable contributions as is attributable to such trade or business or separate unit.

"(3) Tax-exempt organizations.—No credit shall be allowed under this section to any corporation (other than a cooperative described in section 521) which is exempt from income tax under this chapter."

(b) Technical and Conforming Amendments.—The table of sections for Subpart A of Part IV of Subtitle A of the Code is amended by inserting after Sec. 44C the following:

Sec. 44D. Basic Research Credit.

Sec. 2. Effective date

(a) General rule.—The amendment made by section 1 of this Act shall apply to taxable years beginning after December 31, 1979.

(b) Transitional rule.—For taxable years beginning before January 1, 1984, the average qualified basic research contributions shall be determined by dividing the sum of qualified basic research contributions made in preceding taxable years beginning after December 31, 1979, by the number of such preceding taxable years.

Mr. DANFORTH. Mr. President, I am happy to yield to the Senator from Montana.

Mr. MELCHER. Mr. President, I want to join in the remarks that have been made by the junior Senator from Texas, the majority leader, the senior Senator from Texas, and the Senator from Missouri, and commend them on getting at the basic problems of international trade and our relationship, in particular, with Japan.

The junior Senator from Texas spoke about the almost carnivorous attitudes of some of our trading partners. I would like to point out that one of the problems we have with Japan in our trade is to hopefully make them greater eaters of meat, hopefully greater eaters of American beef.

I well recall the sop that was thrown to us in our trading with Japan in the slight increase in the allowable amount of beef that would be imported into Japan almost a year ago and the comment that was made at that time that that was like going from one skinny little hamburger per Japanese citizen to the equivalent of one Big Mac per year, per citizen of Japan.

In a country where beef sells at about $6 a pound for hamburger and $14 a pound for a piece of sirloin steak, it seems to me we are being very reasonable in asking Japan for a little greater interest in purchasing some of the American beef.

Again I commend all the Senators involved in these remarks and join with them in their very astute observation.

I thank the Senator for yielding.

Mr. ROBERT C. BYRD. Mr. President, did the Senator have all the time he needed?

Mr. DANFORTH. Yes. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator.

DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATIONS, 1979

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the pending business, S. 429, which the clerk will state by title.

The assistant legislative clerk read as follows:

Calendar No. 62 (S. 429) a bill to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the armed forces, and for other purposes.

The Senate resumed the consideration of the bill.

The ACTING PRESIDENT pro tempore. What is the will of the Senate?

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UP AMENDMENT NO. 120

Mr. HEINZ. Mr. President, I offer an amendment to the pending bill. Very simply, my amendment states, in effect, in amending section 302, that no funds be authorized for the purposes of carrying out the service life extension program for the aircraft carrier *Saratoga* unless that funding decision is based on three factors; namely, first, cost, as determined by GAO and other relevant studies; second, considerations of national security; third, such other factors as the Secretary of Defense deems critical.

Mr. President, I send the amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania (Mr. Heinz) proposes an unprinted amendment numbered 120.

Mr. HEINZ. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 7, line 11, strike lines 11–17 and insert in lieu thereof the following:

Sec. 302. No funds authorized to be appropriated by this or any other Act may be obligated or expended for the purpose of carrying out the Service Life Extension Program (SLEP) for the aircraft carrier Saratoga unless such program is to be conducted on the basis of cost, considerations of national security, and such other factors as the Secretary of Defense considers appropriate.

UP AMENDMENT NO. 121

Mr. BIDEN. Mr. President, I ask that my perfecting amendment, which is at the desk, be called up and be considered at this point.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Delaware (Mr. BIDEN), for himself and Mr. WILLIAMS, Mr. SCHWEIKER, Mr. BRADLEY, Mr. HEINZ, and Mr. ROTH, proposes an unprinted amendment numbered 121 to unprinted amendment numbered 120.

Mr. BIDEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On line 2 of the amendment, beginning with the word "may", strike all that follows and insert in lieu thereof the following:

"may be obligated or expended for the purpose of carrying out the Service Life Extension Program (SLEP) for the aircraft carrier Saratoga unless such program is conducted on the basis of cost, as determined by the Comptroller General of the United States in his report to the Congress on September 22, 1978, and as determined in such analyses as the Secretary of Defense considers appropriate; and on the basis of such other factors, including considerations of national security, as the Secretary of Defense considers appropriate. The Secretary of Defense shall inform in writing the Congress of the reasons for any decision pursuant to this section to obligate or expend funds for carrying out the Service Life Extension Program."

Mr. BIDEN. Mr. President, the perfecting amendment I have sent to the desk, in essence, does not change the effect of the amendment of the Senator from Pennsylvania (Mr. HEINZ).

Over the past several weeks, my colleagues and I have expressed a great deal of concern about section 302 of S. 429, the defense supplemental authorization bill. Section 302 contains a provision about the service life extension program, which will be referred to today throughout this debate as the SLEP program, a Navy modernization plan for four *Forrestal* aircraft carriers.

SLEP is scheduled to begin next year, and my colleagues, who are vitally interested in our Navy fleet readiness, are as concerned as I am that the SLEP program begin on time. We believe that section 302 of the defense supplemental as it is now worded will cause serious delay in this important modernization program, and that this section inadvertently sets an undesirable precedent for the Department of Defense and its ability to award important defense contracts. That is why we are moving to amend S. 429.

Section 302, which was introduced as an amendment to the Armed Services Committee fiscal year 1979 supplemental, states that no funds shall be authorized for SLEP unless the program is carried out "on the basis of least cost as confirmed by the Comptroller General of the United States in his report to the Congress on September 22, 1979."

What I and my colleagues from Pennsylvania, New Jersey, and Delaware are attempting to do today is to change that language. We find that there are objectionable aspects of that provision, and the most objectionable is the notion that defense contracts should be awarded solely according to the determinations of GAO. We consider this language to be precedent-setting and ill-advised. It suggests that the Department of Defense does not have adequate resources available to make careful and well thought-out decisions based on cost, national security, and other appropriate factors.

Mr. President, my distinguished colleagues and I respect the fine work of the Comptroller General, and we heartily endorse the emphasis on cost as an important consideration in granting Federal contracts to public and private concerns. We do not dispute the notion of fiscal prudence intended by the authors of section 302; but we strongly disagree with the intimation that the GAO should have the final word on defense cost estimates and that cost alone should be the determining factor in defense policy. That is why we offer the amendment to modify section 302.

This amendment is offered on behalf of myself and Mr. WILLIAMS, Mr. SCHWEIKER, Mr. HEINZ, Mr. BRADLEY, and Mr. ROTH.

Our amendment is mindful of the attention that rightfully should be placed on cost, as indicated by the authors of section 302, but it broadens the language to allow the Secretary of Defense to consider such other important factors as national security when selecting sites for programs like SLEP. This language will provide the Department of Defense with the discretionary allowances necessary to factor in all critical considerations in awarding SLEP.

As my colleagues who follow Navy matters closely are aware, the service life extension program will add 5 years to the normal 30-year life of our aircraft carriers. Work is scheduled to begin on the first of four carriers, the *Saratoga*, in October of 1980.

The long process of selecting a site to perform the SLEP program began in the Ford administration. The Navy, after carefully examining the merits and drawbacks of public yard candidates, recommended that SLEP be carried out at the Philadelphia Naval Shipyard, a public yard with a fine record of on-time cost completion within the budget.

In 1978, the Department of Defense announced its decision, confirming the Navy's recommendation to send SLEP to Philadelphia. This decision was made correctly within the Department and did not require any particular congressional improvement or involvement. The Department of Defense is eager to begin preparing for the work at hand; yet, it has been stymied by obstructionist legislative efforts to reverse the Department's decision.

The 1979 Defense Authorization Act, passed last year, contained a provision which effectively placed a moratorium on any effort by the Department of Defense to implement its decision. Now, as the moratorium is about to expire, we are subjected to yet another obstruction, this time under the guise of concern over cost.

Mr. President, I am concerned, as my colleagues are, about our national economic problems, and I think we all take seriously the task of making Federal expenditures as lean and trim as possible in order to improve our national economic health. But the way in which section 302 tries to present the cost argument about SLEP simply is not acceptable. The provisions ask that we, the Members of this distinguished body, accept the GAO assessment of the Navy's "Class F" cost estimate as a final and binding determination.

Mr. President, as a member of the Budget Committee, I must say that "Class F" budget estimates are the lowest form available. They contain up to 25-percent margin of error and simply are too tentative to be accepted as firm or accurate figures.

Why is "Class F" the best available for SLEP? Because the work package has not been and cannot be accurately defined until the *Saratoga* is examined and measured more closely. This work cannot be done until designers from the selected shipyard are assigned to the ship to begin preparing for the major work ahead.

I have other serious problems about the significance of the GAO study mentioned in section 302. My main objection already has been stated: it is a dangerous precedent and an abdication of responsibility to place important defense decisions into the hands of GAO.

Furthermore, there are some objections that must be raised about the circumstances under which GAO conducted the study. The Comptroller General himself in a letter of transmittal with his report to Congress last September, conceded that "as requested, GAO did not follow its usual procedure of obtaining written comments on this report from agency officials."

In addition, the GAO staff made on-site investigations at the Newport News Shipyard, but not—I emphasize "not"—at the Philadelphia yard.

While I have often admired the work of the GAO, I think my distinguished colleagues should be aware of the unusual and, my characterization is, questionable circumstances under which the report mentioned in section 302 was written. I say questionable not in terms of anyone's integrity, but questionable rather, in terms of in whether it was a proper way to proceed and a reasonable thing to rely upon.

The very report we are asked to accept as the final word on where SLEP should be performed is, I believe, in itself flawed for one major reason: they never even looked at Philadelphia.

Mr. President, there are many issues to be discussed today, and my colleagues, Senators BRADLEY, HEINZ, SCHWEIKER, WILLIAMS, and ROTH, will be here to discuss them in more detail. I hope we can pursue a useful and constructive explanation of the issue here today. I simply wanted to highlight what I consider to be the real issues at stake in section 302, and to offer the amendment which my distinguished colleagues and I think best resolves the dilemma in which this provision places the Department of Defense.

I urge my colleagues to support our amendment which restores the Department of Defense's authority that it has always had, and that it should continue to have.

Mr. President, our amendment accepts the basic Warner/Byrd language amended to the committee bill and adds to it language which permits the Secretary of Defense to consider, in addition to the GAO study, "such other analyses which the Secretary of Defense considers appropriate and on the basis of such other factors, including consideration of national security, as the Secretary of Defense considers appropriate."

Mr. President, it is a very reasonable amendment. Obviously, every author of an amendment believes his amendment is a very reasonable amendment, but I think this is a very reasonable amendment. How can my distinguished colleagues from Virginia argue against an amendment which merely allows the Secretary of Defense the authority he has and should have to consider all facts, including costs, and including the GAO study—note we do not except the GAO study from this consideration—it includes it—in making his decision on military procurement issues?

Mr. President, I will yield the floor very shortly when I complete this statement and then reserve some time. But, Mr. President, one more important point should be made at this time.

The Secretary of Defense, in a letter to me yesterday on this question in response to a request from me, said, and I would like to ask the staff to make that letter available to my colleagues from Virginia, maybe put a copy on every desk here:

> To fulfill his statutory responsibility properly, the Secretary of Defense must be able to exercise his judgment on the basis of all the available information that he considers to be relevant. I believe that is a dangerous precedent to constrain the judgment of the Secretary of Defense in the execution of his responsibility by requiring him to act as another appointed official has determined."

Mr. President, this is the real issue at stake this morning.

We will hear a lot of argumentation today about the cost and fiscal responsibility. I suggest that that is somewhat of a subterfuge of the real question. The real question is who is to decide the basic question of national defense, GAO or the Secretary of Defense?

My colleagues I notice are ready to speak on this, and I will yield very shortly, but I should point out to you that we do not yield on the question of whether or not it is substantially cheaper to go to Virginia, to the navy yard in Virginia.

You will hear argument today that I think is persuasive and will, hopefully, carry the day, that GAO's study is a flawed study and that subsequent analyses done indicate that the cost savings alleged by my friends from Virginia are not as large or as significant as they rightfully suggest that they are.

We will also argue today, Mr. President, with, I hope, some persuasion that there are a number of other reasons why the Navy's decision, the Defense Department's decision, to have the *Saratoga* aircraft carrier refurbished at the Philadelphia Navy Yard should be sustained. It relates to national defense questions such as whether or not the public yards, which Congress in its wisdom years ago decided were an essential element to maintain our national security readiness and preparedness, should not, in fact, be the place where such a job is done.

You will also hear arguments from our side relating to the ability of the Philadelphia yard to deal more specifically with repair as opposed to the Virginia site's ability to deal with the construction of totally new facilities.

You will hear a number of us discussing the question of cost overruns and comparing the effectiveness and the timeliness of the job done by the two yards in competition here.

You will also hear us, hopefully, discuss the question of work excellence and efficiency, the labor record of both yards, and you will also hear us discuss the question of, as I say, cost overruns, the lengthy litigation that has been taking place in the Virginia yard, the public yards' experience in modernization and overhaul, the manpower training, and all the other important issues related to Navy work of this kind.

Mr. President, let us not be fooled by legislative sleight of hand. Section 302 as amended to the committee bill before us today forces the Secretary of Defense into one option and one option alone. Mr. President, that is not discretionary authority, that is a straitjacket.

Again, Mr. President, my distinguished colleagues and I today offer an amendment which indeed instructs the Secretary of Defense to make his decision on the basis of cost as determined by the Comptroller General—and as determined in such analyses as the Secretary of Defense considers appropriate—including considerations of national security—is it possible, Mr. President, that my colleagues could seriously take issue with the Secretary of Defense's ability or interest in weighing all such factors? Need we really fear a completely informed decision by the man charged with statutory responsibility for the national defense? I hope, Mr. President, this body will not take so radical and unwarranted an action by allowing the legislative language of my distinguished colleagues from Virginia to be approved absent the words of reason we offer in amendment today.

The distinguished cosponsors of my amendment and I have even gone one step further, Mr. President. Our amendment instructs the Secretary of Defense to "inform in writing the Congress of the reasons for any decision" taken regarding the *Saratoga* SLEP. There will be no secrets, Mr. President, as to how the Secretary of Defense makes his decision on this program. Our amendment instructs him to report to the Congress in black and white regarding the factors he has considered in reaching his decision.

Mr. President, our amendment today puts more constraints on the Secretary of Defense than I can recall we ever have before. We should not, we must not radically alter the Secretary's role as my distinguished colleagues from Virginia would have us do.

Mr. President, I urge my colleagues to support the amendment I have today introduced on behalf of myself and my distinguished colleagues, Senators WILLIAMS, SCHWEIKER, HEINZ, BRADLEY, and ROTH. To do less would establish an unwise and unreasonable precedent.

I ask unanimous consent to enter into the RECORD the following letters from individuals whose background and experience make their observations of the service life extension program particularly worthwhile for the consideration of my colleagues:

First, a letter I received yesterday from Secretary of Defense Brown.

Second, a letter from Deputy Secretary of Defense Duncan to Chairman STENNIS of the Armed Services Committee.

Third, a letter from Norman Friedman, senior researcher for mobilization and carrier design at the prestigious Hudson Institute, to Senator HEINZ.

Fourth, a letter from the former editor of "Jane's Fighting Ships," Norman Polmar, to Senator HEINZ.

Fifth, a letter from former Chief of Naval Operations Zumwalt to Senator HEINZ.

Sixth, a letter from Congressman WILLIAM GRAY III, secretary of the Congressional Black Caucus.

Seventh, a Navy document outlining the chronology of events within the Department of Defense with regard to selecting a site to carry out the service life extension program.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF DEFENSE,
Washington, D.C., May 2, 1979.

Hon. JOSEPH R. BIDEN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BIDEN: This is in response to your request for my views on S. 429, the Defense Supplemental Authorization for 1979. The Department believes it is very important that this legislation be enacted promptly because of the extremely important programs that depend on this Bill.

As you know, the Bill contains a number of programs dealing with the development of our strategic weapons, including: the accelerated development of the MX missile; the preliminary development of survivable basing modes for MX; and a variety of cruise missiles and related aircraft programs. These programs are vital if we are to maintain essential equivalence in the strategic balance with the Soviets. The Bill also includes the requested Iranian destroyers at a favorable price as well as the NATO AWACS. Our Allies have acted on the AWACS and it is now up to us. The favorable momentum now under way would be seriously jeopardized if Congress failed to act promptly.

In the light of the need to move ahead quickly, I wish to take this opportunity to reiterate my view that the Service Life Extension Program (SLEP) needs to be initiated as soon as possible. The delay to this point has already adversely affected the intended benefits of this program. I hope that the dispute over the location of the U.S.S. *Saratoga* SLEP can be settled as soon as possible so that work can begin promptly.

I also wish to take this opportunity to express my strong concern over one issue now being discussed in the Supplemental. That has to do with the proposition that the decision on the SLEP be made by me on the basis of only one analysis merely because that analysis was "confirmed" by the Comptroller General. The Comptroller General is not charged with statutory responsibility for the national defense, as is the Secretary of Defense.

Nor does the Comptroller General have the range of advice that is necessary to make fully informed decisions on defense matters. To fulfill his statutory responsibility properly the Secretary of Defense must be able to exercise his judgment on the basis of all the available information that he considers to be relevant. I believe that it is a dangerous precedent to constrain the judgment of the Secretary of Defense in the execution of his responsibility by requiring him to act as another appointed official has determined.

Sincerely,

HAROLD BROWN.

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., January 25, 1979.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: On April 14, 1978, the Secretary of the Navy determined that the Service Life Extension Program (SLEP) on the USS SARATOGA would be performed at the Philadelphia Naval Shipyard. In response to Congressional concerns pertaining to that decision, Section 811 of the FY 1979 Appropriation Authorization Act (PL 95–485) directed that a "comprehensive least cost approach study" be conducted which would compare the cost of carrying out carrier SLEP programs at public versus private shipyards, and also to evaluate such other factors that should be taken into account in making the decision.

The requested study, the letter of transmittal of that study to the Secretary of the Navy from the Chief of Naval Operations, and the Secretary of the Navy letter of transmittal of these to me are submitted herewith. A similar study is still underway for the DDG–2 class destroyer.

The study indicates that the *Saratoga* SLEP would be somewhat less costly if performed at the private Newport News yard rather than Philadelphia, but as the letters from the Secretary of the Navy and the Chief of Naval Operations indicate, cost factors should not be conclusive.

The work to be performed in a SLEP is difficult to plan and project; the exact scope cannot be determined until actual systems are removed and examined during the overhaul. For this reason, projected SLEP costs would have to be considered "soft" estimates. In my judgment the cost differences indicated in the study should not be controlling.

Associated with the "softness" of the estimates, I would cite two specific areas of concern.

(1) At either shipyard the addition of the *Saratoga* SLEP would permit management to allocate overhead cost on a broader base. This advantage to Philadelphia Naval Shipyard has been calculated by the Navy to be $44 million. In other words, this amount of cost avoidance would be realized on other currently projected Navy work when the Philadelphia work base is enlarged by the addition of the *Saratoga.*

The similar advantage to Newport News is calculated to be $8.2 million, offering a potential net advantage of $25.8 million to Philadelphia. However, as pointed out by the Chief of Naval Operations, because of the uncertainties associated with these figures, they were not used in the study.

(2) Newport News was considered in the cost study to have a 15–20 percent worker productivity advantage when compared to Philadelphia. This projected advantage was derived in part from a productivity comparison of submarine overhaul work done at both a private (Newport News) and a public yard (Bremerton). While the comparison is interesting, it is not, in my judgment, a definitive analogy for a carrier SLEP comparison.

We also considered issues of potential shipyard congestion, availability of facilities, serious pending labor controversies at Newport News, and the advantage of maintaining an additional East Coast yard with carrier SLEP and overhaul capability.

In summary, we continue to feel that the Philadelphia Naval Shipyard is the logical place to perform the *Saratoga* SLEP and that the cost study and other non-cost factors considered have not provided a sufficient basis on which to change the decision the Secretary of the Navy made last April.

Finally, as the Secretary of the Navy's letter makes clear, it is most important that the SLEP proceed on the October 1980 schedule upon which the Navy's operational planning has been based.

Sincerely,

C. W. DUNCAN, Jr.

HUDSON INSTITUTE,
CROTON-ON-HUDSON, N.Y.,
February 15, 1979.

Hon. JOHN HEINZ,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: I am writing you to express my concern for the future of the U.S. Naval Shipyard at Philadelphia, should that yard not be chosen for the carrier modernization (SLEP) program. I believe the problem is, fundamentally, that too often we are concerned only with the most economical peacetime, non-crisis U.S. shipbuilding industry structure, whereas in war or even in a serious crisis, the same industry would be badly overloaded.

Our naval power is founded very largely on our carrier force, which I believe is and will continue to be an effective vehicle for sea control and for offensive operations. A carrier is extremely difficult to sink, but is far less difficult to damage to the point of requiring shipyard work. It follows that to some considerable extent the viability of the carrier force in any prolonged conflict depends upon our ability to refit damaged carriers for sea in the shortest possible time; such refits may often require graving dock facilities of precisely the sort required either for SLEP or for new carrier construction. They come outside the orderly cycle of peacetime carrier refits and thus cannot be accommodated by a yard structure reduced to the bare bones of peacetime requirements. Note, too, that in a period of tension, our inability rapidly to repair our large ships makes us extremely vulnerable to accidental or intentional damage inflicted upon them: they are so few in number that the immobilization of one carrier or even one fast replenishment ship for any length of time may be a serious blow to us. Several must always be inactive while they undergo regular maintenance; we need not lay ourselves open to further deep cuts in the operational force due to ill-considered peacetime economies.

Many studies show that carriers in company reinforce each other synergistically; a large enough naval force, for example, may be viable in the face even of the most powerful Soviet counter, Soviet naval Air Forces operating in large numbers. However, a task force of four or five carriers, which might well play a vital role in a NATO war, can be mounted only if the rapid refit facilities in the United States can expedite normal refits in progress and easily handle emergencies. That may not be the case should Philadelphia lose its skilled personnel, incident to the loss of the SLEP program.

Historically, refit, repair, and modernization have been the province of the naval shipyards, not merely because of their expertise and economy, but far more because they were maintained as a mobilization base against emergency requirements. Such a base is per se inefficient in peacetime terms, but it is also absolutely necessary in war. To some extent it is the military equivalent of life insurance, and we neglect it at our peril. Of course the base for expansion provided by the yards is also the base for an expansion of our naval building program.

The desirability of such an expansion is clearly beyond the scope of this letter, although I am forced to remark, as a citizen, that it troubles me for a nation as dependent on the sea as we are to lose the will to spend what is necessary to maintain a clearly superior navy. As a contract naval analyst, I have had the opportunity to observe the steady progress of the Soviet fleet, as it has grown in numbers and in unit quality. Our reaction has been to buy fewer units of individually higher quality—which in turn means fewer keels laid each year, and fewer U.S. yards in operation. Unfortunately in war a great advantage often goes to the side which can deploy greater numbers; our basic national situation, positive use of the sea lanes, in itself requires numbers greater than those required by the Soviets to execute their type of strategy. We may not now wish to build a more numerous fleet, but every time we prune away a yard, we make any shift to a more numerous fleet far slower and far more painful, e.g., in a future period of greatly increased world tension.

I write all of this as a private citizen; it does not reflect the views of the Hudson Institute nor those of any DoD or Navy office which may have sponsored my work in the past. However, you should know that these views are informed by over five years of analytic experience, much of it Navy-oriented, and much of it devoted to the question of just what shape a future crisis or war might take. Other studies undertaken for the Navy and for DoD have included an assessment of U.S. vs. Soviet mobilization, and a study of the evolution of U.S. aircraft carriers.

Once more, I hope that SLEP will serve to strengthen our shipbuilding base, not further erode it.

Sincerely yours,

NORMAN FRIEDMAN,
Professional Staff.

ALEXANDRIA, VA.,
February 27, 1979.

Hon. H. JOHN HEINZ III,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Further to our discussions concerning the Navy's aircraft carrier modernization program, also known as SLEP, I have undertaken extensive research and given considerable thought to the subject.

First and foremost, the aircraft carrier is a vital element of U.S. diplomatic leverage and military capability. With respect to the latter, Vice Admiral James Doyle, the Deputy Chief of Naval Operations (Surface Warfare) has succinctly stated:

"When the U.S. Navy is compared to the Soviet Navy, it is the sea based airpower of the U.S. carrier force which is the measure of difference between the two fleets and which provides the U.S. Navy with its current slim margin of maritime superiority."

Indeed, the Soviets appear to understand this situation as they have recently begun construction of a third 40,000-ton aircraft carrier of the Kiev class and there have been reports of a 60,000-ton Soviet "flattop" in the offing.

Thus, it is imperative that the *Saratoga* SLEP decision be made immediately. The program is already behind schedule when one considers the shipyard lead time to prepare for such an effort.

The several delays in initiating the *Saratoga* SLEP have been caused, in part, because of the question of which shipyard should undertake the project, the Newport News Shipbuilding & Dry Dock Company in Virginia or the Philadelphia Naval Shipyard.

NEWPORT NEWS

There are good and valid reasons for awarding the *Saratoga* SLEP to Newport News:

1. Newport News is the nation's largest shipyard and, in many respects, the nation's best.

2. Newport News, having built eight "super" carriers and conducted numerous overhauls, is thoroughly familiar with large carrier design and work on such ships.

3. The proximity of Newport News to Navy housing in the Norfolk area and other personnel-related factors can facilitate the use of naval personnel during the SLEP.

However, there appear to be several valid reasons for not assigning the *Saratoga* SLEP to Newport News:

1. The Newport News yard is currently suffering a strike that could severely affect costs of work done in the yard. In comparison, Philadelphia NSY is government owned, with pay raises strictly in accord with the President's anti-inflation guidelines. In addition, the strike could affect the already poor record of Newport News in meeting schedules.

2. Several major projects at Newport News are significantly behind schedule, including both surface warships and submarines. For example, the only aircraft carrier now being built in the United States, the *Carl Vinson* at Newport News, is already one and one-half years behind schedule (based on estimated delivery at time of start of construction).

Similarly, all nuclear attack submarines under construction at Newport News are behind schedule; the last to be completed, the *Birmingham* was almost two and one-half years behind schedule. The last to be laid down in 1978, the SSN-712, is only one year behind schedule, but it is so early in her construction that one is hesitant to use that as a final figure (total construction time of an SSN should be four years, hence the magnitude of the schedule slippage at this time is most significant).

When one considers that Newport News is the nation's only yard today capable of constructing large aircraft carriers or nuclear-propelled surface ships, and one of two that are engaged in building nuclear-propelled submarines, the proposal to add the *Saratoga* SLEP to the yard's burden becomes most questionable.

3. During the past decade or more it has been demonstrated that shipyards building or overhauling nuclear ships generally give them priority over conventional ship work, resulting in increased costs and schedule slippage for the latter. Newport News currently has one nuclear missile cruiser, one nuclear aircraft carrier, and nine nuclear attack submarines under contract. Delays at the other nuclear submarine yard and other factors increase the probability that Newport News will receive more nuclear submarine work. Thus, the *Saratoga* SLEP probably would not receive the priority at Newport News that the Navy's carrier situation requires.

4. The Carter Administration has requested a 60,000-ton CVV-type aircraft carrier in the Fiscal Year 1980 budget. This ship, if approved by the Congress, would almost certainly have to be built at Newport News. Since Congress approved a larger, CVN-type carrier in FY 1979 (which President Carter rejected), it appears likely that a compromise carrier of some type will emerge in the FY 1980 budget.

5. The Newport News cost estimate for the *Saratoga* SLEP is below that of the Philadelphia NSY. Obviously, private and government yards use different accounting systems, the current strike at Newport News may result in a cost change, and the *Saratoga* being the first conversion of that magnitude for a large, post-war carrier tend to make all cost estimates questionable.

6. During the past few years Newport News has had severe differences with the government over shipbuilding cost claims. These led to the Newport News leadership, at one point, stating that the yard would not finish ongoing Navy work. The yard has made it very clear that civilian contracts would get priority over naval work, if the yard were given a choice. Naval programs—including SLEP—cannot be subjected to such situations any more than abolutely necessary.

7. Finally, there is the strategic consideration of large (i.e., carrier-capable) facilities on the East Coast. At this time only three shipyards on the Atlantic coast can accommodate aircraft carriers, Newport News, Norfolk NSY, and Philadelphia NSY. The possibility of a single natural or military disaster in the Norfolk-Newport News area could deny all carrier handling facilities unless Philadelphia were also available.

PHILADELPHIA

There are good and valid reasons for awarding the *Saratoga* SLEP to the Philadelphia Naval Shipyard:

1. Philadelphia is a government-owned yard and is thus not subject to the types of strikes that occur at private yards.

2. During the past few years the Philadelphia yard has established an outstanding record of work excellence and efficiency. This has been especially true for surface combatants (cruisers, destroyers, and frigates). This may be due, in part, to the yard not handling nuclear construction or overhauls.

3. Philadelphia has a good record for meeting overhaul/conversion schedules, including highly complex missile ships.

4. Naval shipyards do not construct ships, but perform modernization and overhaul work. This type of work is generally apportioned 70 percent for naval yards and 30 percent for private yards, although the latter is currently increasing slightly. Thus, we should preserve the naval shipyards' capability for overhaul and conversion. Newport News already has this capability by virtue of existing overhauls and new construction. Providing the SLEP at Philadelphia will insure this capability also exists at an East Coast naval shipyard.

5. The geographic location of Philadelphia provides a strategic advantage, separating it from Norfolk and Newport News, the other East Coast carrier-capable yards. The Philadelphia capability for carrier work will provide a hedge against natural or military disaster.

6. During the past decade three naval shipyards have been closed (New York, Boston, San Francisco). The only other East Coast naval shipyards, at Charleston and Portsmouth, are heavily committed to submarine work. There will be increasing pressure in the future to further reduce shipyards, with Philadelphia, not being nuclear capable, a prime candidate for closure. Also, Philadelphia is not adjacent to a naval base/homeport complex, as are Portsmouth and Charleston. However, to maintain a defense mobilization capability, and to help cope with the backlog of ship overhauls, and support the new, highly complex ships joining the fleet, Philadelphia must be maintained. During the next few years, the *Saratoga* SLEP will both help to justify continuation of the shipyard, and provide it with the work force and capabilities to support the future U.S. Fleet.

There is however, some rationale for not employing Philadelphia for the *Saratoga* SLEP:

1. A shortfall in yard workers. Mr. Carter, however, in June 1967, did state that he envisioned an increase in the shipyard work force by some 2,000 personnel.

2. Philadelphia is not adjacent to a major naval complex, increasing the problems for naval personnel assigned to the ship during the SLEP. (In general, ship overhauls are very frustrating activities for ship crews.)

3. The size and complexity of the SLEP if assigned to Philadelphia may detract from the priority given to other shipyard efforts.

Thus, the issues involved in SLEP selection are considerable and significant. My own evaluation leads me to believe that although there are some problems in undertaking the *Saratoga* SLEP at Philadelphia, the nation's interests would best be served by undertaking the work at Philadelphia.

I would be pleased to discuss this subject further with you or your staff. But I would again stress that the decision must be made now * * * the nation's interests will not be served by any further delay of this issue.

With all good wishes,

Yours sincerely,

NORMAN POLMAN.

MILWAUKEE, WISC.,
February 14, 1979.

Hon. H. JOHN HEINZ III,
U.S. Senate
Washington, D.C.

DEAR SENATOR HEINZ: I have been asked to comment on the Navy's proposed Service Life Extension Program.

I am not familiar with the specific workload situation at Philadelphia Naval Shipyard or the Newport News Drydock and Shipbuilding Co.

I am deeply concerned about the importance of preserving the remaining public shipyards. Now that the U.S. Navy is no longer a two-ocean Navy in wartime and lacks the capability to insure victory, we are undoubtedly going to take major losses and major damage early in a war. Public shipyards, with their capability to preserve vital repair skills, will be essential. Now that the odds of victory are about one in three, in significant cases, a rapid repair capability of public shipyards might make the difference and add the margin necessary to prevail.

Therefore, I would want in each case where a ship is being considered for overhaul in a private or a public shipyard, to look first to whether the assignment to the public shipyard is necessary in order to preserve vital skills for war.

Sincerely,

E. R. ZUMWALT, Jr.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 2, 1979.

Hon. JOSEPH R. BIDEN, Jr.,
Hon. BILL BRADLEY,
U.S. Senate,
Washington, D.C.

DEAR SENATORS BIDEN AND BRADLEY: As Secretary of the Congressional Black Caucus, which has a deep concern about the severe unemployment problem which plagues our nation's urban centers, I very much welcome the efforts by you and your colleagues to preserve the integrity of the Navy's decision to overhaul the U.S.S. Saratoga in Philadelphia.

The assignment of the SLEP program to the Philadelphia Naval Shipyard will mean thousands of new jobs for a city and a region which have been devastated by military base closings in the past decade. These job losses have compounded an already severe unemployment problem in Philadelphia and the Delaware Valley—an unemployment problem which strikes even harder and more tragically in the black community.

Within the past two years, Philadelphia's unemployment rate has remained in the 8 to 9 percent range, compared to a 6 percent range for Newport News. City officials estimate that the loss of the Saratoga would mean an additional government burden of $79 million annually just in unemployment compensation and food stamps alone.

According to Navy officials, Newport News enjoys a nearly 100 percent employment rate in skilled shipbuilders and ship repair workers. The President of the private shipyard in Newport News has stated as recently as last week that his yard anticipates no layoffs in 1979, and that the workforce at the yard should remain stable.

Conversely, in Philadelphia we have a labor market surplus of skilled workers to perform the SLEP overhauls.

I hope you will be successful in demonstrating to your colleagues that the loss of the Saratoga would have a tremendously negative impact on the Greater Delaware Valley; and that regardless of such impact, the decision to assign the SLEP program to the Philadelphia Naval Shipyard was made on merit.

Enclosed is a copy of my recent comments in the House on the Saratoga overhaul. Please feel free to use them in whatever form you find helpful.

Sincerely,

WILLIAM H. GRAY III,
Member of Congress.

WHO IS STEALING THE "SARATOGA"?

Mr. GRAY. Mr. Speaker, the early months of the 96th Congress have seen a debate over where the U.S.S. *Saratoga* should be overhauled.

In late 1976, during the Ford administration, the Navy indicated its plan to perform the overhaul at the Philadelphia Naval Shipyard. I would be more than happy to share with my colleagues a copy of the Navy papers to document this fact.

The documentation is important, Mr. Speaker, because a few of our colleagues have made the *Saratoga* overhaul a political issue by alleging, without foundation, that the Carter administration is sending the *Saratoga* and its 3,000 jobs to Philadelphia as a "payoff" to compensate for the closing of the Frankford Arsenal.

Nothing could be further from the truth, Mr. Speaker. Certainly the Philadelphia congressional delegation is anxious to help replace the jobs lost due to previous base closings. This is a goal which we would expect the administration and every Member of the House and Senate to share, no matter what city or State is affected.

But the fact remains that the recommendation to assign the *Saratoga* to Philadelphia was made on the merit of which shipyard could perform the job most effectively in terms of cost, performance, and defense security.

I am aware that we have heard a great deal about less cost at Newport News, according to a GAO report.

But we should be aware, Mr. Speaker, that this same report has been widely discredited. It was designed in advance to show only one conclusion. It did not take into account the millions upon millions of dollars in cost overruns—costs paid by the taxpayer—which have plagued Newport News' naval work; it did not take into account the tremendous time delays which the Navy has encountered at Newport News; and it did not take into account the fact that the Philadelphia Naval Shipyard—and not Newport News—has been a successful track record in major overhaul work of the type needed on the *Saratoga*.

I might add that independent studies since the GAO's report of last year have shown little or no cost difference between Philadelphia and Newport News.

If any of us, Mr. Speaker, are asked to vote on this issue on the floor of this House or in committee, I would urge us to become familiar with all of the facts of the case, and not just the political hyperbole. I commend to the attention of my colleagues the following commentary on this issue from the Philadelphia Inquirer of April 24, 1979, and I invite my colleagues to discuss the questions it raises with me or with Mr. MYERS of Pennsylvania, who has so ably directed Pennsylvania's efforts to provide information to us regarding the *Saratoga*:

"ANOTHER DESPERATE TRY TO STEAL THE SARATOGA

"There seems to me no limit to how far the congressman who represents Newport News, Va., will go in bizarre efforts to reverse the U.S. Defense Department's sound decision to send the aircraft carrier *Saratoga* to Philadelphia for overhaul. His current strategy, absurd on its face, is to deprive the Defense Department, the White House, and the Congress of any voice in the decision and let it be made by the U.S. General Accounting Office.

"Rep. Paul S. Trible, a second-term Republican doesn't say it in those words, of course. He is trying to attach to a fiscal 1979 supplemental defense appropriations bill a rider that would prohibit expenditure of funds for the *Saratoga* overhaul "unless such program is to be conducted on the basis of least cost as confirmed by the Comptroller General of the United States in his report to the Congress on Sept. 22, 1978."

"That is the date of the notorious and discredited GAO report, formally issued by the comptroller general, which concluded that the *Saratoga* could be overhauled at the Newport News Shipbuilding and Dry Dock Co., a private yard, for up to $105 million less than the work could be done at the Philadelphia Naval Shipyard. The study was based on faulty assumptions—regarding labor costs, for example—and failed to give proper accounting to some items, including overhead costs. An analysis of the GAO report by the Wharton School at the University of Pennsylvania pointed out numerous deficiencies and concluded there would be no significant cost differential between Newport News and Philadelphia.

"Moreover, the GAO report did not give adequate, or any consideration to several important factors other than cost. As a matter of prudent defense policy it is desirable to maintain and improve ship overhaul capabilities at the Philadelphia Navy Yard, which has an excellent record for ontime, within-budget performance, and not to become overly reliant on the Newport News yard which has an infamous record of cost overruns and late deliveries. Additionally, there is a question whether Newport News, with construction work already committed or in prospect, would be able to initiate the *Saratoga* overhaul in 1980 as scheduled and follow through with overhaul of three other carriers in a total of eight years.

"Disregarding all such considerations, Rep. Trible is still trying to keep the carrier work from going to Philadelphia even though that was the Navy's original choice and it was confirmed by the Defense Department after the GAO report was issued. The Newport News congressman has failed thus far to have his rider approved by the House Armed Services Committee but has succeeded, with the help of southern colleagues, in getting it approved by the Senate Armed Services Committee as an attachment to supplemental defense appropriations.

"The Trible proposal has enticing language in the 'least cost' phraseology, which is deceptive in the absence of any firm evidence that there is significant difference in the cost factor between Newport News and Philadelphia. Rep. Trible, who requested the GAO study in the first place, is trying to hoodwink Congress and the Executive Branch into abandoning their own responsibilities and granting blank-check acceptance of the findings of the GAO, which is not accountable to voters.

"The Trible rider should be rejected by the Congress as part of the 1979 supplemental defense appropriations or on any other bill to which it might be attached. Philadelphia has been chosen by the Navy for the carrier overhaul work, that decision has been approved by the Defense Department, and the work should proceed in Philadelphia on schedule."

CV–59 CLASS SERVICE LIFE EXTENSION PROGRAM (SLEP) SHIPYARD SELECTION CHRONOLOGY

1. March 13, 1976. CNO ltr Ser 00/500807 to CHNAVMAT. Conceptually approves SLEP. Tasks CHNAVMAT to provide Class Improvement Plan (CIP) and POA&M.

2. July 23, 1976. NAVSEA ltr 936M:HOB 4700 Ser 277–936 to CNO. Responds to above tasking. Recommends PHILA NSY (Para 4). NAVMAT endorsement attached.

3. February 14, 1977. NAVSEA msg 142017Z to PHILA NSY states letter being prepared assigning PNSY as CV SLEP planning support yard.

4. February 14, 1977. NAVSEA ltr 0731/GCC 4720 Ser 74/073 to PNSY. Designated PNSY as planning support yard.

5. March 2, 1977. OP–90 Memo Ser 090X/81647 (4 Apr 1977) reports results of 2 March CEB for SLEP. Shipyard selection held in abeyance pending further analysis to be reviewed at follow-on CEB.

6. March 17, 1977 NAVSEA Memo SEA–94/BWC/lt 4710 Ser 59 to CNO provides analysis of shipyard capabilities in response to CEB tasking PNSY met all criteria. Attached are NAVMAT endorsement and supporting data memoranda from OP–04 and OP–04.

7. May 24, 1977, Congressional press release, "Navy yard picked for Rebuilding 'SARATOGA' . . ." Associated articles from the PHILA Inquirer and New York Times are attached.

8. May 26, 1977, NAVSEA msg 261326Z to PNSY modifying msg of 23 May in assigning PNSY as planning and training yard.

9. May 27, 1977, Press Query No. 0936 response originated by NAVSEA and amended by OP–04 (OP–04 memo atached).

10. June 16, 1977. Presidential letter to Congressman Eilberg promises increase in ceiling points in PNSY.

11. June 21, 1977. OP–90 Memo Ser 090X/C190XB (28 June) reports results of 21 June CEB for SLEP. No shipyard decision was made pending decision on ceiling points.

12. August 19, 1977. CNO Memo Ser 00/000371 to SECNAV concerning SLEP yard selection. Stated in para 4—that problems ensuing without required increase in ceiling points preclude SLEP in PNSY.

13. October 21, 1977. CV SLEP portion of CVN budget hearings. Includes pros and cons for PNSY and Newport News.

14. October 31, 1977. NAVSEA 1tr 942C/JIK 4720 Ser 77 to CNO (OP–55) outlines pier and drydock availability at Newport News. No new construction conflict for first SLEP CV.

15. November 8, 1977. Paper prepared by NAVSEA–071 (CAPT Fink) concerning CV SLEP alternatives effect on PNSY end strength. The two alternatives from 16 Sept CEB which involves PNSY are basis of analysis. Recommends first SLEP at Newport News.

16. November 10, 1977. NAVSEA 1tr 942 CB/JIK 4720 Ser 62–942C to CNO. NAVSEA recommends Newport News as SLEP execution yard. NAVMAT endorsement attached.

17. April 5, 1978. Point Paper submitted to SECNAV concerning SLEP Shipyard Assignment.

18. April 6, 1978. Paper prepared by ASN (MRA&L) for SECNAV concerning shipyard assignment emphasizing cost and workload.

19. April 12, 1978. Memorandum from CNO to SECNAV with proposed statement for the press concerning shipyard selection announcement.

20. April 14, 1978. Pyatt (ASN (MRA & L)) Memorandum to SECNAV.

21. April 17, 1978. Paper prepared for SECNAV explaining the elimination of other public yards for SLEP.

22. May 2, 1978. Paper prepared by NAVSEA in response to Congressman Leggett's (D–CA) inquiry re: NNEWS ability to handle SLEP and new construction.

23. May 3, 1978. CV SLEP Plan. Paper prepared principally by OP–04 for wide distribution setting record straight on shipyard end strength.

24. April 24, 1978. Message CNO to CHNAVMAT assigning NSY Phila as execution yard (CONFIDENTIAL).

I yield to the Senator from Pennsylvania.

Mr. SCHWEIKER. I will let the Senator finish.

Mr. BIDEN. No, go right ahead.

The PRESIDING OFFICER (Mr. WILLIAMS). The Senator from Pennsylvania is recognized.

Mr. SCHWEIKER. Mr. President, I rise in support of the amendment offered by the Senator from Delaware. On March 22, 1979, the Senate Armed Services Committee adopted an amendment to the fiscal year 1979 defense authorization supplemental which places the wisdom of the General Accounting Office above that of the U.S. Navy and the Congress in deciding critical defense questions. The amendment states that only cost considerations as seen by GAO can be used to determine where the strategically important service life extension program (SLEP) of the U.S.S. *Saratoga* will be undertaken. The amendment allows no room for the Navy or the Congress to consider national security obligations, treaties, fleet readiness, including activities which might adversely affect or delay scheduled commencement and completion of SLEP and other defense interests.

This amendment puts Congress in the position of legislating defense contracts, and I have great trouble to see a precedent set so that every time a defense authorization bill comes up we are going to authorize that a specific private company receives a defense contract.

Believe me, if that is the way we are going to conduct military procurement into this country, we are in for some very, very serious problems.

It is inconceivable to me that we would authorize contracts on the floor of the Senate—specifying private companies—as a matter of legislative policy. It seems to me rather logically and rather soundly that these decisions belong in the Department of Defense. That is why we have a Department of Defense. That is what the procurement process is all about. That is exactly what the establishment over in the Pentagon is designed to do.

If we are going to, in essence, usurp that right in this one instance, set a precedent, and then expect any Senator to come to the floor and say, "Hey, I want to specify a contract in this particular situation," I think we are opening a Pandora's box in terms of undermining and undercutting our military procurement procedures.

I have discussed the real implications of this amendment with my colleagues and have raised many serious questions about who makes decisions in the United States about defense matters. Is it the Congress? Is it the Department of Defense? According to the amendment adopted by the Committee on Armed Services, it is somebody at GAO, somebody who is assigned to do a study.

Subsequently, on April 26, the Fourth U.S. Circuit Court of Appeals issued an injunction to prevent the Navy from beginning *Saratoga*-SLEP. This injunction was sought by Congressman PAUL TRIBLE, who is attempting a last-ditch effort to force the U.S. Navy to undertake *Saratoga*-SLEP at the Newport News Shipyard, which is located in his congressional district.

Mr. President, I cite the above two occurrences as background because I think these types of delay tactics are becoming the rule, rather than the exception, whenever the U.S. Navy attempts to assign a major ship repair project to the Philadelphia Navy Shipyard. Since I came to the House of Representatives in 1961, I have continually had to face up to efforts to scuttle projects for this strategically important Government-owned year. As a matter of fact, it was not too many years ago that there was some discussion about closing the yard altogether.

However, the Philadelphia Navy Shipyard remains open today. Its solid work record is undisputed. During the Vietnam War, in 1968, this shipyard was the site of a major overhaul on the U.S.S *Saratoga*, the very ship now at issue, and she later served with distinction off the coast of Vietnam.

When the Philadelphia Navy Shipyard undertakes a job for the U.S. Navy, it performs within the set guidelines and on time. Significantly, over the past 4 years, this yard has completed the overhaul of 49 ships, averaging 264 days or 9 months ahead of schedule.

In the case of *Saratoga*-SLEP, which is designed to extend the life of this aircraft carrier from 30 to 45 years, as early as 1976—nearly 3 years ago—high ranking Navy officials were recommending that this project, which is vitally important to the U.S. Navy fleet, be undertaken at the Philadelphia Navy Shipyard.

So this amendment is no spur of the moment, spontaneous action. As early as 1976, Navy officials were recommending that the *Saratoga* be overhauled and repaired at the Navy shipyard at Philadelphia, and not at Newport News.

In 1978 the decision to proceed with this project at Philadelphia was again confirmed. And lastly, as the result of a rider to the fiscal year 1979 Defense Authorization Bill, the Navy restudied their earlier decisions and again concluded that Philadelphia was their No. 1 choice.

That is about three instances in 4 years, or 3½ years, that the Defense Department and the Navy Department have said, "We want to repair the ship in Philadelphia."

Mr. President, to fully understand the alternatives involved in making a decision on this project, I feel it is necessary to review other factors which support the Navy's decision to select the Philadelphia Navy Shipyard over the Newport News Yard.

On September 28, 1978, the Library of Congress issued a report, which they researched at my request, reviewing cost overrun claims submitted by the Newport News Shipyard to the Navy. Since 1973, nearly $1 billion in claims were submitted. I was astounded when I learned what this shipyard, which is proposed to receive this contract under this bill, has demanded nearly $1 billion since 1973.

At the same time Newport News was submitting these high cost overrun reimbursement requests, high ranking Navy officials, such as Admiral Rickover, were questioning the validity of these claims.

In 1978, in testimony before the House Appropriations Subcommittee on the Department of Defense, Navy officials found that Newport News—

> Has employed dubious techniques to inflate (its) claims. Specific examples of claims items which may constitute violations of fraud . . . (are) misleading statements, omissions of facts, (and) statements that are demonstrably untrue.

"Demonstrably untrue." A direct Navy quotation from Admiral Rickover, the man who probably knows more about Navy shipbuilding than any other man alive today.

Furthermore, Navy officials testified that the Newport News Shipyard, by claiming exaggerated cost overrun claims, was able to report to its stockholders its highest profits in history, even though it was losing large sums on its commercial shipbuilding programs. The Navy testified further that Newport News lost more than $85 million on three liquefied natural gas carriers before it undertook a "bookkeeping ploy" using excessive cost overrun claims to mislead its stockholders and the public at large into believing it is a profitable shipyard.

This is the U.S. Navy making these claims about Newport News Shipyard, the same shipyard to which we are talking about awarding this contract.

Specifically, Newport News has submitted exaggerated cost overrun claims to cover up losses in its commercial operations.

It is as plain as the nose on my face that this is what has been happening. This is a very strong allegation, obviously, and when an individual like Admiral Rickover says it, there is truth to it, and we ought to pay some attention to it. It has substance.

Furthermore, it is the U.S. taxpayer who is being asked to subsidize this losing commercial shipbuilding operation, and it is the same taxpayer who is being deceived into believing this shipyard can overhaul the U.S.S. *Saratoga* for less than the Philadelphia Naval Shipyard. These gross misconceptions cannot remain hidden from the public.

Mr. President, on October 25, 1978, I wrote Navy Secretary Claytor requesting copies of all Admiral Rickover's letters and memorandums outlining his claims of alleged fraud by the Newport News Shipyard.

Some I have just quoted to you, and some are a matter of committee record in the U.S. Congress, which is where I got them, right from the committee record book.

Secretary Claytor responded on November 20, 1978, stating:

> (The) letters and/or memoranda you requested, however, cannot be provided. In connection with current legal proceedings they have been made available to the Department of Justice in accordance with Navy regulations. Since the allegations contained therein are currently under active investigation, the documents themselves are not available for release.

You do not have to be a genius to understand what has happened here. Admiral Rickover has made some very serious claims about fraud, conversion, misrepresentation, and skulduggery. They are so serious that the Navy Department will not let me have them now, because the Department of Justice is investigating them. A current Justice Department investigation is underway, and the Secretary is limiting me from talking about it, except for what is a matter of record; and rightly he should. But is seems to me we ought to say, "Let us not give this aircraft carrier to that yard, in view of its past performance."

Mr. President, it should be obvious the U.S. Government has serious problems with the Newport News Yard. This shipyard seeks grossly inflated cost overrun reimbursements. Its supporting documentation for these claims is under Department of Justice investigation. But in spite of these problems, we are being asked to send a $500 million plus project to this yard.

But in spite of these problems, we are being asked here today—no questions asked, with no decisionmaking option, to cut out the Secretary of the Navy from the decisionmaking process.

As I stated earlier, over the past 4 years, the Philadelphia Navy Shipyard has an admirable on-time-delivery-rate. Newport News, on the other hand, is just the opposite. Since 1975, Newport News has averaged a 630-day-delay on each new ship delivered.

Mr. President, we are talking here about a 1½- to 2-year delay on every ship Newport News builds for the Navy. Every ship. A good example of this delay is currently in the Newport News Shipyard, right now. It is the aircraft carrier, *Carl Vinson*, named for a very distinguished former Congressman. I served under Representative Vinson as a member of the House Armed Services Committee; he was a great Congressman and a great man. That ship is 1½ years behind schedule at the Newport News Navy Shipyard.

I do not have to tell you how that affects costs. Every day of delay adds thousands of dollars to the costs; and when you talk about hundreds of days of delay, or even years, you are talking about costs, costs, costs, costs, costs.

So I think, Mr. President, we should take a look at all these factors, and particularly at the record, because I think it speaks for itself.

These facts which I have cited about the Newport News Shipyard all have a bearing on our national defense. Presently, many of our defense strategists feel our fleet of aircraft carriers is already spread too thin. In recent months the President has ordered an aircraft carrier into the Indian Ocean, and there is serious thought about permanently assigning a new fleet, the 5th fleet, in this area. Any such move would place further demands on our already depleted carrier numbers.

In light of these strategic demands, our Nation cannot afford to unnecessarily tie up an aircraft carrier in drydock for 1 to 2 years longer than planned.

In fact, the Secretary of the Navy is nervous about being allowed to proceed now because if we do not proceed now we will not have an aircraft carrier available for Mediterranean service to stabilize fleet readiness when he needs it. So he was upset by the lawsuit that I mentioned a moment ago by our colleague in the other body because it would hinder fleet readiness. He is upset about a few weeks. Can you imagine what it would be like if it is held up 1½ to 2 years?

Saratoga-SLEP needs to be completed on schedule, not 1 or 2 years late. Philadelphia has proven it can do the job properly and on time.

Mr. President, on January 29 and February 9, 1979, Deputy Secretary of Defense Duncan and Secretary of the Navy Claytor testified before the Senate Armed Services Committee on the Department of Defense decision to overhaul the U.S.S. *Saratoga* at the Philadelphia Navy shipyard.

I want to say in fairness to my good colleague, Chairman STENNIS, he has been very fair about allowing those of us who have an interest here to sit in on some of his committee hearings, to have an opportunity to question some witnesses. He has treated it very evenhandedly, very fair. I thank the distinguished Senator and chairman of the committee that I used to serve on for at least hearing us out, for giving us an opportunity to participate in their committee process.

I want to make it clear that I think we have been treated fairly in terms of individuals and fairly treated in terms of being given our chance, just as we are being given our chance here on the floor.

One of the significant issues discussed during the hearings was whether it would be less expensive to overhaul the *Saratoga* at the Newport News shipyard in Virginia, in light of a 1978 General Accounting Office favoring that yard.

Secretary Duncan testified that cost estimates for this project are "soft" and should not be controlling in making the decision on where to overhaul the *Saratoga*. He stressed that other pressing national implications must be considered, such as the strategic value of a capable public shipyard on the east coast to perform emergency overhaul work on aircraft carriers and other essential ships in the U.S. fleet.

What he means is, very simply, that obviously if you close all the public shipyards, you will have no Navy yard base in case of an emergency, which we need for readiness. Contracting work is hit or miss, and you never have the stability at private yards that you have at public yards. That is the point he was making.

I would like to have included at the end of my statement a copy of a study prepared by William Lanen, accounting department, the Wharton School, University of Pennsylvania. This report is a critique of the GAO study, pinpointing deficiencies in GAO's review of the estimated costs of the overhaul project. Significantly, the Wharton study criticizes GAO for failing to consider an estimated $27 million savings in overhead costs at the Philadelphia yard.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SCHWEIKER. Mr. President, I want to take a minute to talk about that study. This has to be the worst study GAO has ever done. It is called a class F study.

So we know what a class F study is, it means that class A is better, class B is better, class C is better, class D is better, class E is better, but class F is next to last.

It is not accurate or reliable and its figures are soft. That is what class F means.

It probably should be "Class X" because they do not include overhead in the study.

I took accounting in college, and the first thing that you learn is to account for overhead. If you do not have overhead you do not have accounting. How can the GAO make a study and say, "This is an accurate study," and say they cannot estimate overhead so they are not putting it into the study? They are ignoring $27 million of costs favorable to Philadelphia.

The Navy study made it clear that there was $27 million favorable to Philadelphia in overhead. It is very simple. We are now paying for a certain amount of overhead in a public yard like Philadelphia. So when you add a ship to it, you do not have to incrementally increase your cost very much because the overhead is fixed and already there. It does not cost as much. But when you give it to a private contractor, he charges all of his overhead directly to the taxpayers.

The study showed there is a $27 million difference between the two. Newport News would cost something like $44 million in terms of its overhead, and the overhead in Philadelphia would be $27 million less than that.

I cannot emphasize this point too much. How on earth can we even say we have a study, a fair study, an evenhanded study, a balanced study, an equitable study, when one of the biggest items is not even in the study? That is overhead, and it is in Philadelphia's favor. It is $27 million in its favor.

While we are on the subject, let me mention two other things in this particular class F study. It said, "Well, we can estimate labor cost."

That is an interesting thing because after they estimated labor cost there was a prolonged strike over the fact that they had low labor rates at Newport News. In fact, we all know about the steelworkers' election in contention. The rates at Newport News can only go one way—up, up, up.

So the study was based on old labor

rates which are long since obsolete, and yet they estimated those. Instead of saying. "Well, labor strife is uncertain. We cannot estimate it," they put a factor favorable to Newport News on labor costs and then deny a $27-million favorable factor to Philadelphia on the basis that they cannot estimate overhead.

They made another estimate in their study which is interesting, which is sort of a one-way street. They estimate that since Newport News pays a corporate profits tax, they will get some money from that. Since the Philadelphia Navy Yard does not pay corporate tax, we will be deficient by x millions of dollars.

Well, it is great if Newport News makes money, but GAO did not read the balance sheet because Newport News has lost significantly on its commercial shipbuilding operations.

What is the first thing a businessman does? I used to be a businessman myself. He offsets the gain against the loss. Newport News, with its losses in commercial work, will not be paying any corporate taxes. They will be writing them off.

So here are three things in this great study we have before us. They estimate the things they can estimate which are in favor of Newport News. They estimate labor, even though they were way off base because a strike developed and a preliminary union election recognition was won by the steel workers, which is obviously going to increase labor costs way beyond what they estimated in the study.

That is the basis on which we are awarding the contract today, on the basis of labor rates that are obsolete and out of date.

Second, we are assuming that Newport News is going to make a lot of money and, therefore, they are going to pay corporate taxes. That strikes against Philadelphia, too.

You heard Admiral Rickover, that they are inflating their public shipbuilding costs to make up for their losses. That is from Admiral Rickover.

So it is pretty clear. The two factors favorable to Newport News, they can estimate. Labor rates they can estimate, and also corporate profits. But lo and behold, they cannot estimate overhead, $27 million. It is just incomprehensible to me that we can call anything a study that says "We cannot figure out overhead." That, to me, is the gross inequity and unfairness of this whole situation.

So the critique that the Wharton School of Business, or its accounting group, made was the very point that I am making here today. It questions GAO's decision to estimate Federal income taxes lost if Newport News did not perform the overhaul work, and it questions GAO's assumption of productivity differences between the two yards, which are unsupported by both the GAO and the Navy analysis.

Let me tell you how they figured productivity, because that it the basis on which it is said that Newport News is more productive, and can do it cheaper than Philadelphia. How did they do it? They went out to the west coast, out to the Bremerton yard, in Washington State, and said, "That yard is rather typical, we will use those figures." Do they use the Bremerton yard figures and say, "Hey, that is typical, we'll use those criteria." They did not use the Philadelphia yard. They said, "That is good, Bremerton, we will use that," so Newport News gets it, because they say it has x dollars better productivity.

I do not know what Bremerton, Wash., has to do with this fight. It has nothing to do with it. That is why this is a class F study.

Although testimony from the Department of Defense stresses it is not possible to predict the actual cost to overhaul the *Saratoga*, it is clear the differences between the two shipyards do not approach the figure cited by GAO.

In fact, Wharton School's study goes on to say that the best estimates seem to indicate the cost differences, if any—if you really want to give us an honest count and not one that is loaded against us—are negligible.

Subsequently, the nationally respected accounting firm, Price Waterhouse and Co., released its review of cost estimates to perform this strategically important aircraft carrier overhaul program. I would ask unanimous consent that this review also be printed at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SCHWEIKER. Significantly, Price Waterhouse emphasizes that "estimates of the costs of the work at this point in time are highly uncertain," confirming Deputy Secretary of Defense Duncan's conclusion when he affirmed the Department of the Navy's selection of the Philadelphia yard.

Price Waterhouse feels earlier estimates by the General Accounting Office and the Navy fail to determine the true out-of-pocket expenses to the Department of the Navy to undertake *Saratoga*-SLEP. This outstanding accounting firm concludes the "Navy and GAO studies fail to deal properly with the comparison of overhead cost because they fail to distinguish between the accounting techniques of full cost allocation and actual spending."

This gets a little complicated, but let me see if I can explain it, because I think it is very important.

The theory that the GAO used for their study, even if it was fair and even if they included items like overhead, which they did not—but even if they had—was a technique called cost accounting. Frankly, cost accounting is great for business, but it is not too significant for measuring what taxpayers pay, because there is another technique called incremental accounting. In a nutshell, incremental accounting means: How much extra money do you have to put out of pocket if you build a ship here instead of building a ship there?

To us, that is the only question. That is what these appropriations bills are all about: How much extra money do we have to put in a supplemental appropriation bill, and I serve on the Appropriation Subcommittee for Defense, how much does it cost the taxpayers? That is, the incremental difference between what we are spending now and what it costs to build the ship here and what it costs to build the ship there. The problem is that they did not use incremental accounting. That is what Price Waterhouse's objection to it is, because if they had used incremental accounting, the first thing they would have looked at is overhead, because overhead would mean we do not have to pay as much to Philadelphia. That is in place, that is there, that is in being. So it does not cost much. But it does cost a terrific amount to have Newport News set up a line because they will write it off. They wrote off $900 million worth in the last 5 years. They do not even have to write it off fast. They wrote it off so fast that Admiral Rickover thought it was fraudulent. But they write it off and bill the Navy.

Then, of course, we litigate for years and years. We just passed a bill here a little while ago to pay some of those cost overruns for Newport News, after the fact. We did not pay the whole $900 million, but we paid a certain percent.

The GAO study did not even consider that. So the point is that the incremental system is what we have to pay out of pocket to put the carrier in Newport News or put the carrier in Philadelphia. The cost accounting is a very studied technique and usually done fairly, but not in this case, which, at least from a business standpoint, gives you one perspective. But it does not relate to the taxpayer, because the taxpayer only pays what the difference is in terms of extra money.

That is where the basic fault is in the GAO study.

Mr. President, these faulty estimates do not recognize that Philadelphia Navy shipyard's overhead will increase only fractionally when compared with the overhead cost increase at the Newport News Shipyard should it receive *Saratoga*-SLEP. Price Waterhouse—and they put their name on their report—estimates Newport News' overhead for *Saratoga*-SLEP, "to approximate 90 to 100 percent of direct labor."

Mr. President, I strongly feel when you consider the facts of the case, the controversy surrounding *Saratoga*-SLEP clears considerably. The amendment my distinguished colleagues from Pennsylvania, New Jersey, Delaware, and I are offering specifies that the cost of *Saratoga*-SLEP be considered by the Secretary of Defense before he directs the Navy to proceed with the project. The amendment also allows the Secretary of Defense to consider other tangibles, such as our national security, our treaties, and other obligations relating to national security, fleet readiness, and so forth, before making a final decision.

Is not that the way it ought to be? Is not that what procurement is all about? Is not that why we have a Secretary of Defense? We do not have one to have the Congress say, "Hey, build a ship here, we order you to build a ship here." What is their role and responsibility if it is not to do just what this amendment says to do?

Mr. President, I feel strongly that when the Senate considers the facts of the case, the *Saratoga*-SLEP controversy will come out in a way that I think is evenhanded and fair. The amendment my distinguished colleagues and I are offering tries to do that in a very fair and evenhanded way.

Let me just sum up, Mr. President, by saying very simply, all we want is a fair count. If you are really going to say, "Let's award a ship on the basis of cost," please include the overhead. I do not know how you can even begin an accounting study without including the overhead. And please do not throw in things like labor rates that are even more unpredictable than overhead, when they favor one particular shipyard.

And do not figure corporate profits when the book and annual reports show they lost money on their shipbuilding operation. And please do not throw out other things like $900 million of cost overruns, which are even now under Justice Department scrutiny, and even a top Navy admiral, Admiral Rickover says may be fraudulent. He could not be more direct. We all know Admiral Rickover is very outspoken, and also is straight as an arrow and means what he says. That is why this investigation is underway even now, the outcome of which we do not know. So take all these things into consideration.

We feel the Secretary of Defense ought to make this determination, not the Congress, not GAO.

I hope the Senate, in its wisdom, will see fit to support our amendment.

EXHIBIT 1

A CRITIQUE OF THE GAO REPORT "EXTENDING THE SERVICE LIFE OF AIRCRAFT CARRIERS—WHERE SHOULD THE WORK BE DONE"

ABSTRACT

At the request of the City of Philadelphia, I undertook a review of the GAO report criticizing the Navy's original cost comparison study leading to the selection of the Philadelphia Naval Shipyard (PNS) to overhaul the Saratoga. The purpose of my review of the GAO study was to evaluate the methods and assumptions used in their report.

As a result of my review, I have identified the following flaws and apparent inconsistencies in the GAO study:

The use of improper cost analysis techniques;

The inconsistent application of techniques;

The use of data without objective evidence.

The following specific limitations of the GAO report were particularly important in influencing their results:

The assumption of productivity differences between Philadelphia and Newport News;

The (incorrect) consideration of corporate taxes;

The failure to address the relative uncertainty in the cost estimates at Newport News.

Based on estimates described in the report, I conclude that if the cost analysis in the GAO report was redone to reflect all of the above comments, the difference in cost estimates reported between the two possible locations would be $3.9 million instead of $88.9—$105.6 million reported in the GAO study.

I. INTRODUCTION AND SUMMARY

On September 22, 1978, the General Accounting Office (GAO) issued a report conerning their review of a cost analysis prepared by the U.S. Navy on the Service Life Extension Program (SLEP) for the Forrestal Class Carriers. As an agency of Congress, GAO undertook the study at the request of Rep. Paul Trible and Sen. Harry F. Byrd, Jr., both of Virginia. The GAO review "disclosed . . . differences in assumptions, inconsistencies, and errors in the Navy's cost study" (GAO, p. ii).[1] At the request of Rep. Trible and Sen. Byrd, the GAO did not solicit written comments from the Navy.

I also understand that in the preparation of their report, GAO visited Newport News and Navy offices in Washington but did not visit the Philadelphia Naval Shipyard. The purpose of this present analysis is to review the GAO study for adherence to generally accepted cost analysis methods. Since the GAO reviewed "the Navy's methodology . . . for reasonableness and consistency . . ." (GAO, p. ii), I have also considered the consistency (reasonablenes being difficult, if not impossible, to assess objectively) of the assumptions used in the GAO analysis.

On the basis of my analysis (discussed in detail below) I find that the GAO analysis contains some improper applications of cost analysis methods, apparently uses inconsistent assumptions in estimating comparative costs, and uses important cost-related factors for which no objective evidence is provided. (The reason for the qualifier "apparently" in the findings is that, perhaps because of proprietary information, insufficient data are given to recreate precisely the original analysis.)

In almost every instance, the flaws identified below lead to an overstatement of the difference between the costs of performing the SLEP at the two alternative locations: Newport News Drydock and Shipbuilding Company (NNS) and the Philadelphia Naval Shipyard (PNS).

An unfortunate result of the lack of documentation is that the magnitude of the errors cannot be accurately assessed with assurance. I have attempted, however, to estimate the approximate size of the errors. To do this, I was forced to make a number of assumptions. The assumptions used and the methods applied to derive the alternative cost comparisons are fully described in this report. To the extent that the assumptions I have used are inaccurate, the reader may substitute alternatives.

The estimated cost comparison correcting for the limitations of the GAO report is $494.4 million for PNS and $490.5 million for NNS. Thus, I find a difference between the NNS and PNS alternatives of $3.9 million while the GAO report showed a difference of either $88.9 million or $105.2 million depending on the assumptions used. Considering the uncertainty in the actual scope of work and the cost factors, a difference of $3.9 million (less than 1% of the total) cannot be considered significant.

In addition to the quantifiable limitations of the GAO report described above, several important topics, such as the relative uncertainty of the cost estimates at NNS compared to PNS and the inclusion of fixed overhead at PNS were either ignored or dealt with incorrectly in the GAO report.

As with both the Navy and GAO analyses, the numbers presented in this report cannot, in any way, be considered cost estimates for budget purposes. First, as noted in the previous studies, there is a great deal of uncertainty about the required level of effort as well as the cost factors themselves. (In fact, I understand that a new cost study has been prepared by the Navy.) Second, I have the disadvantage of not having access to the individual cost factors. In addition, I have generally restricted this review to the cost analysis itself and have not explicitly considered many of the "other factors" which led the Navy to select Philadelphia in its original analysis.

The assumptions, methods, and sources I have used in this analysis are discussed in more detail in the following sections. To understand fully the basis of my findings and to determine the merits of my results, the reader is encouraged to review carefully these sections. Section II contains a discussion of the original Navy analysis and the GAO review. In Section III, I critique, in some detail, the GAO review. In Section IV, my derivation of the quantitative magnitude of the errors is presented.

II. REVIEW OF THE PREVIOUS ANALYSES

Before considering the limitations of the GAO review of the Navy analysis, it is important to understand exactly what steps were followed both in developing the estimates of costs by category (done by the Navy) and the subsequent adjustments (performed by the GAO). In this section, I describe my understanding of the steps followed. Because I did not have access to either the individuals responsible for the analyses or to the documents used, the process as I understand it may not reflect accurately the actual process followed.

A. Cost categories

For purposes of reviewing the GAO analysis, it is convenient to use the cost categories used in the Navy analysis and also by GAO. For both the PNS and NNS alternatives there are five common categories. These are: basic shipbuilder conversion and contract modification; projected escalation; reserve for program growth; government-furnished equipment (GFE), services and tests; and military personnel. In addition, there is a category for corporate taxes lost for the PNS alternative and contract administration for the NNS alternative.

The category which contains most of the cost is the basic shipbuilder construction and contract modification (BSC). Included are the costs of the labor, materials and overhead used in the project and allowances for changes to the original scope of work.

Projected escalation includes the difference in cost increases after the contract award date. Thus, as I understand it, the labor cost included in the BSC category is found by multiplying the estimated total number of civilian labor days by the rate per labor day expressed in month-of-contract award date dollars. Over a period of 28 months (the estimated duration of an overhaul for a single carrier) it is likely that some of the rates will increase.[2] The difference between the actual rate and the month-of-award rate is multiplied by the number of labor days in each month.

Reserve for Program Growth is a category included by the Navy because of the difference between past estimates of the cost of the SLEP and current estimates (GAO, p. 10).

The category for GFE includes the cost of supplies and services for the SLEP provided directly by the government. Military personnel includes the costs of military labor required for the SLEP and is composed of base pay and allowances, medical cost, messing subsistence, retirement/severance, permanent change of station (PCS) travel, personnel services, command and administration, quarter and berthing, miscellaneous bonuses, training and special schools, insurance, recruit and reenlistment costs, and death gratuity (Navy, Encl. 4).

For the PNS alternative, an additional category of corporate taxes lost is included. This category is intended, evidently, to reflect the fact that having the work done at PNS will mean that payments that would have gone to NNS will not and, therefore, no taxes on that amount will be paid.[3] For the NNS alternative, there is an additional category for contract administration. Since the functions covered by these costs are logically included in the overhead rate for the PNS alternative, this category is relevant only for the NNS alternative.

Footnotes at end of article.

B. GAO criticisms of the Navy analysis

The criticisms made by GAO with respect to the Navy analysis can be classified into two types. First, there are criticisms with the way the estimates in each of the cost categories were derived. Second, there are criticisms about allegedly relevant cost categories that were omitted.

With respect to criticisms of the first type, GAO proceeds to take each of the categories under consideration in turn. For the BSC category, GAO further classifies its criticisms into the three parts (labor, material, and contract modification) that make up BSC. For the labor portion, GAO makes three separate points. First, since the Navy analysis assumes that military personnel will perform 395,000 of the required direct labor days at PNS but not at NNS, GAO reduced the (civilian) labor accordingly at NNS. Second, GAO objects to the use by the Navy of bid rates for projecting labor costs at NNS instead of actual rates. Finally, although the expected date of contract award is February, 1980, the Navy evidently used rates estimated for March, 1980, but then applied escalation rates to them as if they were February rates. The net result of these adjustments is that the cost estimated for NNS is reduced by $86.6 million from the Navy's original estimate.

For material costs, GAO states that "the Navy's estimate was overstated by $11.2 million at Newport News and $10 million at Philadelphia because (1) it included profit at Philadelphia . . . and double profit at Newport News and (2) it included some mathematical errors" (GAO, pp. 8–9). Unfortunately, GAO did not specify how much of the error was attributable solely to the inclusion of profit. Nor is it clear that the error on profit is complete. GAO notes that the Navy, in its material estimate, had a basic package which accounted for 60 percent of the total (GAO, p. 8) but that they only reviewed the estimate of the other 40 percent. What's not clear is whether the errors include any erroneous profit included in the basic package.

Apparently, the Navy estimates contract modification costs by applying a fixed factor to the civilian labor and materials estimate. Further, Navy policy is evidently to apply a 4 percent larger factor for the lead ship (GAO, p. 9). GAO criticizes the Navy for (a) not including the 4 percent factor although the Saratoga is the lead ship and (b) for applying the factor to the estimated cost for labor and material at NNS to derive estimates of contract modification costs at both PNS and NNS. This resulted in an adjustment to PNS costs of $11 million (an increase) and to NNS costs of $1.9 million (also an increase).

As a result of these adjustments, estimated BSC costs at PNS increased by $1 million and decreased by $95.9 million at NNS.

Because projected escalation is dependent on part of the BSC costs, GAO adjusted the Navy's estimate for this category by decreases of $0.6 million at PNS and $13.6 million at NNS.

GAO objects to the manner in which the reserve for program growth is estimated in the Navy analysis. They delete the entire amounts in this category for both alternatives. In the case of GFE, GAO did not review the amounts since they were the same at both locations and would not, therefore, affect the comparison (GAO, p. 11).

When the Navy estimated military personnel costs it used costs denominated in 1977 dollars (GAO, p. 11). GAO adjusted these costs to 1980 using a 6 percent rate of growth. In addition, the added military personnel costs for NNS reflect the use of 395,000 military labor days assumed by GAO to reflect the use of equal amounts of military labor at both locations. The effect of these two adjustments is to increase estimated costs at PNS by $15.9 million and at NNS by $45.9 million.

The Navy estimated corporate taxes lost for the PNS alternative by applying the actual tax to revenue ratio for Tenneco (the parent company of NNS) to the revenues that would be earned by NNS if selected for the SLEP. GAO adjusted the estimate of this cost to reflect adjustments to the BSC and Projected Escalation categories described above.

The GAO did not criticize the estimated contract administration cost for the NNS alternative.

In addition to the criticisms of the estimated costs for the individual cost categories, GAO claims the Navy should have also considered (GAO, p. 12):

Costs to modify existing facilities, etc.;

Hiring and training costs;

Relocation and housing costs for military personnel; and

State and local taxes foregone.

Finally, GAO notes that the Navy used a factor for retirement pay of 14.1% while GAO and OMB believe that a higher factor is appropriate.

C. Summary of the GAO review

The criticisms of GAO concerning each of the individual cost categories are quantified in Table 1. In the next section, I consider the GAO report in qualitative terms.

TABLE 1

[Dollar amounts in millions]

Location: Cost element	Amount included in Navy study [1]	GAO adjustment	Revised estimate [2]
Philadelphia with wage board reform:			
Basic shipbuilder conversion and contract-modification allowance	$363.0	$1.0	$364.0
Projected escalation	30.8	−.6	30.2
Reserve for program growth	4.2	−4.2	
Government-furnished material, services, and test	67.0		67.0
Military personnel	69.7	15.9	85.6
Corporate taxes lost	19.3	−5.1	14.2
Total	544.0	7.0	561.0
Philadelphia without wage board reform:			
Basic shipbuilder conversion and contract modification allowance	376.6	2.6	379.2
Projected escalation	31.9	−.6	31.3
Reserve for program growth	4.5	−4.5	
Government-furnished material, services and test	67.0		67.0
Military personnel	69.7	15.9	85.6
Corporate taxes lost	19.3	−5.1	14.2
Total	569.0	8.3	577.3
Newport News:			
Basic shipbuilder conversion and contract modification allowance	374.0	−95.9	278.1
Projected escalation	51.6	−13.6	38.0
Reserve for program growth	3.4	−3.4	
Government-furnished material, services, and test	67.0		67.0
Military personnel	39.7	45.9	85.6
Contract administration	3.4		3.4
Total	539.1	−67.0	472.1

[1] Assumes (1) a ship's crew of 1,474 military personnel at Philadelphia and 300 military personnel at Newport News and (2) the crew does 395,000 labor days of work at Philadelphia and none at Newport News.

[2] Assumes a ship's crew of 1,474 military personnel at both locations.

Source: (GAO, p. 5).

III. CRITIQUE OF THE GAO STUDY

It has been said that the outcome of a benefit-cost analysis depends on who is doing the analysis. While surely overstated, this recognizes an unfortunate fact. Economic science is not sufficiently far advanced that cost analyses (or more generally, cost-benefit analyses) can be completed without questions about the methods employed (the data, of course, will always be subject to question). Still, there are broad areas of agreement about what is relevant to the measurement of the costs of an activity. The purpose of this section is to identify areas of the GAO report that (a) apply cost analysis methods incorrectly, (b) apply assumptions in a seemingly inconsistent manner, or (c) use data without reference to supporting evidence.

Before going into the detailed analysis, the reader is reminded that this review was conducted without discussing the issues raised below with those in GAO responsible for the preparation of their report, nor with any attempt to verify the consistency of the methods employed by either GAO or the Navy with relevant government regulations. Thus, I have relied solely on two documents: the Navy analysis and the GAO report.[4]

In Part A, I discuss, in a very brief way, generally accepted cost analysis principles that are particularly relevant to this study. This will establish the baseline from which this review is prepared. In Part B, I focus on those limitations in the GAO analysis which affect the cost estimates contained in the GAO report. Part C contains a discussion of other issues raised in the GAO review. Finally, the limitations identified are summarized in Part D.

Footnotes at end of article.

A. Methodological background

When a cost analysis (or, equivalently, a benefit-cost analysis) is performed for an organization, the goal of the analysis is to determine the impact of alternative courses of action on the well-being of the organization. When the organization of interest is a private firm, it is generally the case that profits (properly defined) are an adequate measure of well-being. Thus, in conducting a cost analysis (an analysis which measures the costs of achieving the same objectives by different means) one attempts to identify that alternative course of action which leads to the minimum cost to the organization.

When the organization is the Federal government, the question of whose costs become more difficult to answer. For example, if the Navy must choose between NNS and PNS for the SLEP, should it consider only the costs directly incurred by it? Most (but perhaps not all) analysts would say no because such an approach would ignore costs borne by other departments of the Federal government. It is clear that how the appropriate organization is defined will have an important bearing on the outcome of the analysis.

The current approach, as reflected in the two SLEP analyses, is to consider the Federal government as the appropriate unit for analysis. That is, the costs to be included in the analysis are those incurred directly by the Federal government. Support for this position is far from unanimous. For example, it can be argued that the appropriate organization is "society." If this approach were applied to the SLEP analysis, the results would be altered considerably. The reason lies in what costs would be included under the societal cost concept. No longer could they be measured simply as payments from the U.S. Treasury. Rather, costs would be measured in terms of their value in best alternative use (i.e., their opportunity cost). For private organizations, the opportunity cost of a one dollar outlay is almost always equal to one dollar. For society as a whole, however, there are several ways in which opportunity cost and monetary outlays diverge in value.

While the position that views the relevant organization as society has theoretical merit, I have not analyzed the GAO report from the societal perspective because current governmental practice is to take the cost-to-the-government view. It would, therefore, not be fruitful to criticize an analysis when the fundamental definition of the organization of relevance was different.

B. Limitations affecting the cost estimates of GAO

In this part, those limitations of the GAO review which directly affect the cost estimates are discussed. I will proceed by considering each of the cost categories in turn.

1. Basic Shipbuilding Construction (BSC)

The costs in the BSC category include labor, material, and contract modification costs. With respect to labor cost, recall that GAO was critical of the original Navy analysis for three reasons: the use of military labor at PNS but not at NNS; the use of bid rates rather than actual labor rates; the use of March, 1980, rates rather than February, 1980, rates.

In discussing the use of bid rates versus actual rates, GAO states "We agree that for budget purposes when a specific shipyard may not have been identified for work, it may be reasonable to estimate future labor and overhead rates using composite rates for the industry. However, in this case, (1) Newport News was identified, (2) the Navy said a cost plus incentive fee type contract would be used, and (3) actual labor and overhead rates for Newport News were available for making projections. Therefore, we believe that projections of actual Newport News rates should have been used." (GAO, p. 7).

At this time, it is, of course, not possible to determine what the actual labor and overhead rates at NNS will be in 1980. However, it is not obvious that GAO's method of forecasting rates is superior to the Navy's. To establish superiority of the GAO approach would first require evidence that the period January, 1975–December, 1977 (the period from which GAO forecasted NNS rates) was a "normal" period at NNS. The fact that actual rates at NNS during that particular three year period were lower than the Navy's projections (based on bids over a seven year period) is not evidence of superiority. A big factor would be the type of work done during the period 1975–1977 at NNS. Even if overhauls were completed, it would be important that they be of the same level of complexity as expected for the SLEP. Also, the Navy is attempting to forecast to 1980, not 1975, and different forecast procedures are often used when forecasting on a short-term or long-term basis. Without evidence that the Navy method consistently overestimates costs at NNS, it is not clear that the GAO method ought to be substituted for the Navy method.

In connection with this, the question of unionization at NNS is appropriate. Apparently, there is some possibility that wage rates at NNS will be affected by such activity which would not be reflected in the rates for the 1975–1977 period used by GAO for forecasting labor rates. Since this information is available, it should have been included in the analysis just as the information about the particular location.

The question of the proper approach to the use of the 395,000 military labor days at NNS is more difficult. To the extent that the substitution of 395,000 military labor days for a like amount of civilian labor days represents a feasible (i.e., practical) alternative at NNS, it should be included in the cost estimates. However, there again is evidence (since we know the site of the alternative location is NNS) that, perhaps, the use of a full 395,000 military labor days may not be a realistic alternative at NNS. Specifically, on page 20 of their report, GAO indicates that NNS would not intend to make use of the ship's crew to the extent planned at PNS. The extent to which NNS could be "forced" to use the full 395,000 military labor days is unclear. However, it is possible that insistence on the use of the full 395,000 may affect other NNS costs (for example, by altering the composition of the civilian labor force).

With respect to the use of military personnel, GAO makes the (valid) point that the cost to relocate and support military personnel should be considered. It would be expected that this cost would be lower where support facilities for the military are already available. Unfortunately, I am not aware of the level of support facilities at either location.

The final point concerning labor costs is productivity. It is, at best, unfortunate that the GAO report does not make clear in the section of the report where the adjusted cost estimates are given, that the use of the same number of direct labor days at both PNS and NNS implicitly assumes a difference in productivity of 12–13%. Since the number of man-days at NNS includes supervision while supervisory costs are included in overhead rates at PNS, equal productivity at both locations would mean that the number of labor days at NNS should be 12–13% higher. Because labor costs are such an important part of total costs, a factor that large can have a substantial impact. Yet, curiously, in neither the Navy study nor the GAO review is there any evidence presented to support such a productivity differential. Even if a productivity difference exists, it would be an incredible coincidence that it just happens to result in the same number of "direct labor days" being required for both locations. In addition, it isn't stated in the GAO report whether their trade-off of civilian labor for military labor at NNS takes account of the alleged productivity difference.

I have no specific comments on material costs. For contract modification costs, the Navy used a lower rate for the Saratoga than Navy guidance because of the nature of the proposed work. GAO, on the other hand, used the higher factor "because the Navy budget guidance states that the standard factors for lead and follow-on ships should be used unless there is historical program data that would justify a variance and no such data existed" (GAO, p. 10). This comment is particularly odd given the evident GAO preference, expressed in the quotation above on bid and actual rates, for the use of additional information available for specific analyses. In this case, the additional information is the technical nature of the program.

2. Projected Escalation

The category for projected escalation is intended to include price increases of the period of the contract. To the extent that the price increases are due to inflation and not to changes in relative price, this category is not necessary for a cost analysis since the analysis can be conducted in real terms. Notice that I have not discussed the discount rate or present value concepts. The reason is that I understand the incurrence of costs to follow the same pattern under both alternatives. The reason why the NNS alternatives are costed using February, 1980, rates and the PNS alternative costed using October, 1980, rates is that the date of contract award has to be eight months earlier for the NNS alternative for reasons of procurement. If the pattern of cost incurrence is the same for both alternatives, then the results, when discounted, will yield the same answer as the non-discounted costs. (Of course, the proper approach would be to estimate the actual cash flows for both alternatives and discount them appropriately).

3. Reserve for Program Growth

My understanding of this category is that it is intended to include an allowance for alteration in the work plan for the overhaul. However, the amounts included in the original Navy analysis were not (according to the GAO) satisfactorily supported. This category is not intended to include cost overruns. Because of this, I would agree that no amounts should be included in this category.

4. Government Furnished Equipment (GFE)

GAO did not modify the cost estimates for GFE since the amounts for both the PNS and NNS alternatives were the same. While that, of course, is not a satisfactory reason to not alter the costs, there is no reason to suspect that the costs would be different for either location (with the possible exception of transportation costs).

5. Military Personnel

GAO adjusted the Navy's estimate of military personnel costs to make them commensurate with the other costs in the study. In addition, the number of military labor days for the NNS alternative was increased (see Part B.1 above). Because the costs should be expressed in equivalent dollars, I agree with that adjustment. The appropriateness of the additional military personnel at NNS was discussed above.

6. Corporate Taxes Lost

Simply put, this is not a relevant cost and, therefore, should be excluded from the analysis. There are several ways of viewing corporate taxes that lead to the conclusion they are not relevant. Given the assumptions made in the Navy and GAO analyses, the reason is that the resources freed up at NNS as a result of performing the SLEP at PNS will be used for other tax-generating activities.

6. Contract Administration

The final cost category considered is contract administration. Like GAO, I did not see any reason to adjust the costs estimated in this category.

C. Other considerations

In this part, I discuss some limitations with the GAO analysis which do not directly appear in the discussion of the individual cost categories. There are four basic topics considered: wageboard reform; state and local taxes; experience with specific contractors; and overhead.

1. Wageboard Reform

In both the Navy and GAO analyses, two separate cost estimates are provided for the PNS alternative. The reason for this is that there is uncertainty about the growth of wageboard salaries between the present and the start of the SLEP. Thus, if Congress should approve wageboard reform, the growth in government civilian salaries would be lessened.

In the present analysis, it is important to distinguish between two decisions and the consequent costs. The two decisions of relevance are (1) should wageboard reform be adopted and (2) where should the SLEP be performed. The decision to adopt, or not adopt, reform has a certain set of costs. One of the costs of not adopting wageboard reform has a certain set of costs. One of the costs of not adopting wageboard reform is exactly the difference in cost of performing the SLEP at PNS under "higher" or "lower" wages. These are costs of the wageboard reform decision and should not be considered in the decision about the location of the SLEP work.

2. State and Local Taxes Foregone

GAO, in a section on other factors, argues that the loss in state and local taxes caused by the performance of the SLEP at PNS ought to be considered one of the costs of the PNS decision because "other Federal support may be required to compensate State and local governments for the lost tax revenues (GAO, p. 12). This is incorrect. If the government should decide to transfer money to State and local governments, that decision is separate from the SLEP decision. Carried to its logical conclusion, this argument would imply that no government project costs anything since to not undertake a project may mean that the government may be required to compensate individuals and firms for lost salaries and revenues.

3. Experience with Specific Contractors

Throughout the analysis, GAO notes that when considering specific alternatives the additional information available should be used. I agree. One piece of information available in the case of NNS is the history of claims made against the U.S. I am not attempting to assess the validity of the claims. Rather, I want only to point out that the estimates of costs associated with the NNS alernative may be considerably more uncertain than the costs associated with the PNS alternative if for no other reason than the expected legal costs arising from the selection of NNS have to be higher for the NNS alternative.

4. Overhead

As noted in Part A above, the approach taken in the Navy and GAO analyses is one of cost to the government. It is important, therefore, to insure that the labor rates for PNS do not include any fixed overhead which would not, by definition, be affected by the performance of the SLEP. Since OMB guidance appears to be one of "full-costing," I suspect that the PNS rates do include such fixed overhead.

Related to the issue of fixed overhead is the question of shift differential and overtime pay. These costs, which I suspect are included in the labor rate at PNS, should properly be considered a cost of scheduling decisions and not "charged" to a specific job.

D. SUMMARY OF CRITICISMS

To summarize my criticism of the GAO study, the following points have been made in this section:

The assumption of productivity differences, though large, is not supported in either the GAO or Navy analysis;

The use of actual instead of bid rates may not be appropriate;

The substitution of military labor for civilian labor on an apparently one-to-one basis would be inconsistent with the assumption of productivity differences;

GAO argues for using budgetary guidance for contract modification but not for bid rates versus actual rates;

GAO incorrectly includes corporate taxes lost in its analysis; and

GAO fails to address any differential uncertainty between the cost estimates for the two locations.

In the next section, I attempt to quantify the impact of some of these limitations on the cost comparison.

IV. Quantifying the effect of the criticisms of section III

In this section, an estimate of the magnitude of the errors and limitations of the GAO analysis described in the previous section will be derived. There is a basic caveat that must be made explicit at the beginning of this section. The estimates in this section were developed with no knowledge of cost factors other than those contained in the Navy analysis and the GAO review.

Thus, the results of the section may be significantly affected by the extent to which the assumptions made do not accurately reflect actual cost factors. Hopefully, however, the assumptions and methods used to derive the estimates are sufficiently detailed so that the reader may substitute what are considered to be more accurate factors to derive alternative estimates.

In Part A, the basic approach to the quantification is explained. In Part B, the individual cost components making up BSC are estimated. Finally, in Part C, the total effect is estimated.

A. THE APPROACH TO ESTIMATION

There are two possible approaches to estimating the impact on costs correction of the items noted in Section III would have. First, each item could be analyzed separately and, depending on the reader's reaction to the relevance of each limitation, a total effect could be estimated. Second, the total cost analysis could be recast (not redone) with changes made reflecting all the comments at one time.

In this analysis, the second approach has been taken. The reason is simply that there is a sufficient degree of interdependence among the cost categories to make the first approach unworkable. (An exception, of course, is the effect of excluding corporate taxes lost). Thus, in Part C of this section, only one set of revised estimates is given. Again, they are set out in sufficient detail so that the interested reader may revise the estimates.

It cannot be emphasized too strongly that the new cost comparisons I set forth below are not estimates of the costs which will be incurred as a result of selecting a particular alternative. Rather, the numbers can serve only as an indication of the relative cost of each alternative.

B. ESTIMATING INDIVIDUAL COMPONENTS OF COST

In this part, the estimates of individual cost components at both PNS and NNS are derived. The goal of the section is to develop a cost comparison as it would look if done to conform to the criticisms of Section III.[3]

Recall from Section II that apparently contract modification costs are estimated by applying a fixed factor to the sum of labor (including overhead) and material. Also, from Section III, it is apparently the case that (a) the amount included in contract modification in the Navy analysis was the same for both the PNS and NNS alternatives, and (b) that GAO applied a "four percent larger" factor in their analysis.

If my interpretations are correct, then it can be shown (see the Appendix) that the "factor" for contract modification is 9 percent. That is, for every dollar of labor or material, the Navy adds 9 cents for contract modification. For the lead ship, a "four percent" larger factor would be 13.36 percent (i.e., 1.09 x 1.04 − 1.00). Since GAO states that the contract modification estimate is based on labor and material at NNS (GAO, p. 9), the amount included for contract modification for both alternatives in the Navy analysis must have been $30.9M ($374M–$374M/1.09) and the total labor and material at PNS would have been $332.1M ($363M–$30.9M).

If the labor rate used by the Navy was $200 per civilian labor day[6] and the number of civilian labor days was 1,045,000 (33,000 × 28 mos. × 1.13) then total labor cost would have been calculated as $209 M (1.045 million days at $200 per day). This implies a materials cost of $123.1M ($363−$209−30.9).[7] Correcting for the $10M error noted by GAO, materials (excluding profit) are 113.1M. Assuming a 6% growth rate, material cost in February, 1980, dollars must have been $108.8M (113.1/1.04).

Suppose the profit rate on materials is 10%. Then materials cost for the NNS alternative in the Navy analysis would have been $130.9M ($108.8 × 1.1 + 11.2). Using this and the contract modification, it appears that labor costs for NNS were about $212.2. In the GAO report, total labor and material costs are estimated to have been $245.3M ($278.1/(1.09) (1.04)). If materials cost were $119.7M ($130.9−$11.2), then labor costs were $125.6M ($245.3−$119.7).

Recall that GAO reduced labor costs at NNS for two reasons: first, they evidently allowed for 395,000 military days of labor to substitute for civilian labor and, second, they used actual rates, which were 85–90% of bid rates. Using this information, I estimate that the daily labor rate used in the Navy analysis for NNS was $172 and the number of civilian labor days in the Navy analysis was about 1,233,000 for NNS.[8]

The next factor to estimate is the military daily rate. To do this, consider the increase of 395,000 labor days for NNS and the adjustment for year dollars at PNS. Thus, the ratio of 1980 to 1977 costs is (from GAO, p. 5), $85.6/$69.7 = 1.23. Then, to restate the revised military personnel cost at NNS before the addition of any military direct labor gives, 1.23 × $39.7 million = $48.8 million. (This assumes, of course, that the increase was the same for all grade levels). The addition of 395,000 military labor days resulted in an increase of costs of $85.6 − $48.8 = $36.8 million. Therefore, the estimated daily rate for military direct labor is $93 ($36.8 million/395,000 days).

Given these cost factors, it is now possible to derive alternative costs for each of the alternatives for the performance of the SLEP. This is done in the following part.

C. ADJUSTED COST COMPARISONS

The purpose of this part is to combine the criticisms of the GAO report detailed in Section III above with the estimated cost factors derived in the previous part to develop a revised cost comparison for the cost of the SLEP at the alternative locations. As noted above, there has been no attempt to quantify individually the effects of each of the limitations of the GAO report. Rather a total effect is to be found in the revised cost comparisons

In the adjusted costs, it is assumed that a total of 1,440,000 direct labor days are required for the performance of the SLEP on the Saratoga. At PNS, 395,000 days will be performed by military labor and 1,045,000 days of civilian labor will be required.[9] At NNS, it is assumed that, first, an additional 1,045,000 civilian labor days will be required, reflecting equal productivity. In addition, 100,000 extra days will be required, reflecting

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Footnotes at end of article.

the difference in military labor. At NNS, 295,000 military labor days are assumed (see the discussion in III.B above).

Given these factors and assumptions, the revised cost comparison for the two alternatives is shown in table 2. As shown in the table, the costs for the two alternatives, given the inaccuracy of the cost factors, are not significantly different. This is especially true when account is taken of the fixed overhead (improperly) included in the PNS costs and the greater uncertainty which probably affects the cost estimates for NNS.

In any event, it is apparent that correction of the errors and limitations in the GAO analysis can significantly alter the results.

TABLE 2.—*Adjusted cost comparison*

[Millions]

Cost Category	Philadelphia	Newport News
Civilian labor	$204.8	$195.8
Material	108.8	119.7
Contract modification	28.2	28.4
Total BSC	341.8	343.9
GFE	67.0	67.0
Military Personnel	85.6	76.2
Contract Administration	0	3.4
Total	494.4	490.5

APPENDIX

In this Appendix, how the estimates of the contract modification costs and the labor rates and days at NNS were derived.

Let X be labor plus material and r the contract modification factor at NNS in the Navy analysis.

Then:

$$Xr = \$374 \qquad (1)$$

Since GAO adjusts labor and material and uses a four percent larger factor, we have also:

$$(X - 97.8)\,r(1.04) = 278.1 \qquad (2)$$

Solving (1) and (2) for r gives 1.09 or a contract modification percentage of 9%.

To find the number of labor days, L, and daily rate, R, used in the Navy analysis for NNS, we know, first:

$$LR = \$212.2$$

and

$$(L - .395)\,\frac{.875}{1.005}R = \$125.6$$

Solving for L and R gives:

$$L = \$172$$
$$R = 1{,}233{,}000$$

REFERENCES

U.S. Department of the Navy, Letter dated June 7, 1978, with enclosures.

U.S. General Accounting Office, "Extending the Service Life of Aircraft Carriers—Where Should the Work Be Done?", September 22, 1978.

FOOTNOTES

[1] Complete references are given at the end of this report.

[2] Whether due to general price increases or changes in relative prices, all changes will evidently be included in Projected Escalation.

[3] See Section III. B. below.

[4] These two references are given at the end of the report.

[5] Note that I am attempting to recast the GAO cost comparison to reflect the criticisms of their report. Thus, the results I obtain must be compared to their study, not to any current analysis.

[6] In October, 1980, dollars.

[7] Again, these are October, 1980 dollars.

[8] See Appendix.

[9] To put things in equivalent dollars, the labor rate at PNS will be assumed to be $196 ($200/1.02) where a 3.4% growth rate has been assumed. (See Navy, encl. 1).

EXHIBIT 2

MARCH 6, 1979.

Mr. THATCHER LONGSTRETH,
President, Penjerdel Corp.,
Philadelphia, Pa.

DEAR MR. LONGSTRETH: In accordance with your request, we have read certain documents relating to the allocation of work to be performed under the U.S. Navy's Aircraft Carrier Service Life Extension Program (SLEP). These documents are listed in the accompanying index. We did not have the opportunity to examine the supporting data underlying these documents, and, accordingly, we are not in a position to comment upon the propriety of the data and accuracy of the compilation of the information presented. Furthermore, because the cost comparisons are based upon assumptions and estimates, the reliability of which are dependent upon future events and transactions, we, as independent accounts, can express no opinion upon the fairness of the cost comparisons.

However, we observed two matters of overriding significance which must be considered in attempting to draw a conclusion from the differing opinions presented in the several documents listed. The first of these is that the estimates of the costs of the work at this point in time are highly uncertain and, therefore, of very limited value. Secondly, the methodology employed in preparing the estimates is not appropriate for the purpose of measuring the effect on the government budget of the alternative decisions to allocate the SLEP work.

The many comments on the uncertainty of the cost estimates including (1) the very tentative nature of the preliminary evaluation of work content, (2) the uncertainty of manpower requirements, (3) difficulties in measuring productivity differences, and (4) the problems of predicting future labor rates and other costs, in the aggregate constitute a set of circumstances which make current attempts at estimating with precision impossible. While the degree of error in the present estimates cannot now be determined, it appears that the possible range of errors far exceeds the difference between the estimated costs in the two locations. Given the significance of these uncertainties, it appears that the attempts which have been made to refine certain aspects of the estimates to a high degree are of little or no practical value in supporting a decision.

In our opinion, the methodology employed in preparing the comparative estimates is inappropriate for the purpose of measuring the relative cost advantage to the government of the alternative allocation decision. The cost estimates follow the principle of full costing or fully distributed cost. The effect upon the defense budget will be measured by spending, not by cost accounting. The allocation decision will result in an incremental cost to the government, that is to say, an additional cost over and above those costs already expected to be incurred by the government. No attempt has been made to estimate the incremental costs involved in the allocation decision, and the general relationship of shipyard fixed and semi-variable overheads to labor costs indicates that such an approach could produce a significantly different set of estimates from those now being reviewed. Furthermore, it appears that the analysis prepared by the Navy and reviewed by the GAO does not follow the requirements of currently effective OMB Circular A-76 which requires the use of incremental costing techniques.

In summary, the several cost estimates prepared by the Navy and reviewed by the General Accounting Office are highly uncertain, subject to a very wide possible range of error, and more important, do not provide a comparison of the difference in government spending that would result from the allocation decision. Furthermore, the data presented in the several studies is insufficient for the purpose of estimating the incremental costs which represent government spending. If an analysis were to be prepared on a sound incremental cost basis, without altering other aspects of the Navy estimates, it could be expected that the estimated costs in the Philadelphia Naval Shipyard would be substantially reduced because of the relative large amounts of fixed overheads which are included in its estimated costs. The preparation of comparative cost estimates using incremental cost analysis techniques would require more information than that set forth in the existing studies. This information may not be readily available. Given the time constraints, therefore, it appears that if an allocation decision on the SLEP work is to be made at this time, the decision may have to be based on factors other than cost. The attached memorandum sets forth in more detail background information and selected comments from the various documents.

Yours very truly,

PRICE WATERHOUSE & CO.

INDEX OF DOCUMENTS REVIEWED

a. Original U.S. Navy Report, *CV (Aircraft Carrier) Service Life Extension Program (FY-81 Program) Cost Comparison Ratios (Public Yard Cost/Private Yard Cost)*, undated.

b. *Extending the Service Life of Aircraft Carriers—Where Should the Work be Done?*—Report by the Comptroller General, U.S. General Accounting Office, September 22, 1978.

c. William N. Lamen, Wharton School of Business, University of Pennsylvania, *A Critique of the GAO Report "Extending the Service Life of Aircraft Carriers—Where Should the Work be Done?"*, January 3, 1979.

d. City of Philadelphia, *Summary and Analysis of GAO Report*, undated.

e. City of Philadelphia, *Briefing Paper for U.S.S. Saratoga Modernization Meeting*, undated.

f. Wharton Econometric Forecasting Associates, Inc., *SLEP Multiplier Analysis with the Philadelphia Quarterly Econometric Model*, November 30, 1978.

g. W. N. Lamen, Data Required to Assess the Limitations of the GAO Report, January 17, 1979.

h. U.S. Navy, *CV Service Life Extension Program (SLEP) Least-Cost Approach Study*, January 23, 1979.

COMMENTS ON COST COMPARISON STUDIES FOR THE U.S. NAVY AIRCRAFT CARRIER SERVICE LIFE EXTENSION PROGRAM

UNCERTAINTY OF COST ESTIMATES

The uncertainties in the cost studies may be classified into four types, as follows:

1. Uncertainty of the exact work to be done.
2. Uncertainty in the amount of labor required to accomplish the work at each shipyard where productivity differences may result in different amounts of required labor.
3. Uncertainty as to future values of the labor rates at each shipyard where, again, there may be differences.
4. Uncertainty as to the future value of other relevant cost factors where there are differences in the two shipyards.

One may be inclined to discard item 1. above on the assumption that the total level of work to be done (before considering productivity differences) does not differ between the two shipyards and, therefore, this can be excluded from the analysis. The total level of work, however is relevant to the alternatives analysis, because other relevant cost factors are related to the total level of effort.

The four types of uncertainties listed above form a chain which possesses a multiplier effect. If, for example, a confidence level of eighty percent is associated with each of the four types of uncertainties, the resultant confidence level in the total cost differences is the product of the confidence levels of the four types, or approximately forty percent. This is not to suggest that these numbers are the actual confidence levels associated with any cost estimates, this is intended for illustrative purposes only.

If, however, one were to assume that eighty percent was a reasonable confidence level to use for each type of cost above, the total estimated cost could be off by as much as plus or minus $200 million, or a range of $400 million around an estimate of $500 million. Recall that the level is important to the value of other relevant costs.

More importantly, the uncertainty associated with the estimated differences between the two shipyards in productivity or wage rates could result in a substantial uncertainty associated with the estimate of the total differences, again by a multiplier effect.

QUOTES ON THE UNCERTAINTY OF THE COST ESTIMATES

Selected comments on the uncertainties of the cost estimates, taken from the study reports and from testimony before Congress, are provided below.

1. "The above estimates and resulting ratios were developed by the Navy not by the two industrial sources being compared. The indicated differences in cost are not within the accuracy of the current class F quality estimates. A class C budget quality estimate for the first CV SLEP will be available for the fiscal year 1981 budget submission to the Congress. A budget quality cost estimate is dependent upon physical inspection of the ship and development of detailed work packages. In this matter, the scope of both the modernization and extensive overhaul work packages will become more accurately defined. This in turn will permit more accurate pricing of the labor and material requirements than is currently possible." (Source: Original Navy cost study, page 1.)

2. "Total costs cannot be determined with any degree of accuracy at this time and could be off by millions." (Source: GAO Report, page ii.)

3. ". . . actual costs for the service life extension program could vary considerably from the Navy's estimates." (Source: GAO Report, page 2.)

4. "The work to be performed in the SLEP is difficult to plan and project; the exact scope cannot be determined until actual systems are removed and examined during the overhaul. For this reason, projected SLEP costs would have to be considered 'soft' estimates." (Source: Deputy Secretary of Defense Duncan's transmittal letter of the revised Navy cost study, 1/25/79, p. 1.)

5. ". . . The estimated cost advantage at Newport News . . ., however, is very soft. This is true not only because the work package at this time is necessarily poorly defined, but also because determination and quantification of the productivity advantage at Newport News over Philadelphia is uncertain and there may be additional dollar savings at Philadelphia over those at Newport News in cost avoidance due to broader allocation of overhead." (Source: Secretary of the Navy Claytor's transmittal letter of the revised Navy cost study, 1/25/79, p. 1.)

6. "The work package is being developed and is not sufficiently well-defined for shipyards to bid. The estimates used in this revised study remain primarily class F quality based on an incompletely defined work package. A more definitized work package will not be available until May 1979; however, the relative cost difference between the shipyards is not expected to change." (Source: Chief of Naval Operations Haywood's transmittal of revised Navy cost study, 1/25/79, p. 1.)

7. "As pointed out in the basic correspondence, fee estimates are class F in quality." (Source: Headquarters Naval Material Command transmittal of revised Navy cost study, 11/27/78, p. 1.)

8. "A $3 million nominal allowance for CV SLEP-related facilities and other related one-time costs at Newport News has been included. This is based on the Newport News estimate provided to GAO of $2.5 million in 1978. This figure has not been validated." (Source: Naval Sea Systems Command CV SLEP Least Cost Approach Study, 1/15/79, Enclosure 2, p. 2.)

9. "The basis of these estimates is clearly not rigorous." (Source: Naval Sea Systems Command CV SLEP Least Cost Approach Study, 1/15/79, Enclosure 5.)

10. "It should be recognized that the amount of projected cost impact is extremely sensitive to future workloads which seems to always change considerably from the initially forecasted levels." (Source: Naval Sea Systems Command CV SLEP Least Cost Approach Study, 1/15/79, Enclosure 7.)

11. "The estimates of both yards are soft because of unreasonable uncertainties that we cannot rely on them alone." (Source: Secretary of the Navy Claytor's testimony before the Senate Armed Services Committee, 2/9/79.)

INCREMENTAL VS. FULL COSTING

Full costing or fully distributed costing refers to the identification and measurement of all costs, including fixed costs, variable costs, and costs which are a mix of the two.

Incremental costing is the identification and measurement of costs which vary with volume or costs which are different under two alternatives.

Full costing is appropriate in private industry, in financial reporting, in pricing, and in budgeting. In government, full costing is appropriate in the same areas, but is used primarily in budgeting and in estimating the cost of some action or program.

Incremental costing is appropriate in private and public sectors in alternatives analysis, i.e., choosing between competing alternatives.

The objective of any cost analysis must be clearly defined. Usually it is to estimate a cost or to choose between competing alternatives. The objective determines the appropriate cost method. Too often, it is easy to attempt to use full costing for both cost estimating and alternative analysis. If done, this approach fails to recognize that there may be some costs which will be incurred regardless of the alternative chosen. These must be excluded to avoid the incorrect assumption that these costs will be avoided if the particular alternative is not chosen.

Non-avoidable costs in a shipyard alternatives decision consist primarily of fixed costs. Fixed costs can be subdivided into three broad categories: (1) physical capacity, represented by buildings, machinery, furniture, etc., (2) organizational capacity, represented by management, supervisory, and staff personnel, and (3) financial capacity, represented by working capital and other financial resources.

The Navy-commissioned 1972 Booz Allen "Study of the Relative Costs of Ship Construction, Conversion, Alternation, and Repair in Naval and Private Shipyards" (this study was cited by Comptroller General Staats in his statement before the Senate Armed Services Committee) states:

"It can be shown that, when the true incremental cost of performing a specific type and amount of ship work in a Naval shipyard, taking account of transition costs and a realistic work-load pattern, is less than the projected total private shipyard price for the same work, the greater economic benefit to the government will probably result from the assignment of the work to the Naval Shipyard."

Given that the objective of all of the studies is to compare the effect upon the defense budget of performing the Saratoga SLEP work either in Newport News or at the Philadelphia Naval Shipyard, then a proper cost comparison would measure the differences between the Newport News contract price and the incremental cost which would be incurred if the Philadelphia Naval Shipyard is chosen.

The Newport News contract price will include direct materials, direct labor, overhead, and profit. The Philadelphia Naval Shipyard will incur direct material, direct labor, and some increase in variable overhead. The fixed overheads of the Philadelphia Naval Shipyard are already committed in defense budgets. The level of variable overhead spending in other Naval Shipyards may be affected by the allocation of Naval work.

The overhead costs are significant in the cost comparisons. The Newsport News overhead rate is estimated to approximate 90% to 100% of direct labor. The Philadelphia rate is probably higher because of the classification of certain supervisory costs as overhead (which appropriately reflects the Navy's ongoing commitment to maintain adequate supervisory strengths for emergency situations).

The Navy and GAO studies fail to deal properly with the comparison of overhead costs because they fail to distinguish between the accounting technique of full allocation and actual spending.

Mr. HEINZ. Mr. President, first, I compliment my colleague from Pennsylvania on an absolutely outstanding analysis of the GAO report and its considerable failings. I think he has laid out very clearly the many complexities of the accounting problem clearly enough so that everybody can understand the differences between incremental cost accounting and the so-called full cost accounting used by the GAO.

I shall not elaborate on that exposition. I find it excellent in every respect and I believe all of us think that Senator SCHWEIKER has done an outstanding job in that regard.

Mr. President, I want to address some additional issues and one in particular that I believe is equally fundamental to the confusion of the GAO.

That fundamental issue, Mr. President, is the question of whether, as section 302 of the bill does, we should take national security decisions and responsibilities right out of the hands of the Secretary of Defense and put them into the hands of an unelected bureaucrat who is neither responsible to the people nor even to the President of the United States, like the Secretary of Defense is.

The Secretary of Defense is accountable. Harold Brown was selected by the President of the United States, and the people of this country elected the President of the United States. President Carter obviously deemed Secretary Brown to be most capable of handling our defense and the burdens and responsibilities that position entails.

The President selected Dr. Brown not because he wanted a cutrate defense, or Defense Establishment that weighed only costs and paid no attention to benefits. He did not select him because he simply wanted an accountant to run the Pentagon.

He selected him because he wanted a competent individual with good judgment to whom he could trust the security of every man, woman, and child in this Nation.

I think in Secretary Brown the President has selected, and this very body, the U.S. Senate, has confirmed, a competent, capable, and experienced Defense Secretary, selected someone who is competent to oversee and run the most sophisticated and complex Military Establishment of any country in the world, and probably within the history of mankind.

I think just about every Member of this body would agree with what I have said, whether or not they agree with every single decision that Harold Brown makes.

One is forced to wonder, then, if our Secretary of Defense has been silent on the issue before us. Does Secretary Brown have an opinion of the language that Senator BIDEN has proposed, or that I have proposed?

The answer, Mr. President, is that Secretary Brown has, indeed, spoken. We received a letter from him yesterday, May 2. In commenting on this issue, the Secretary of Defense, Harold Brown, says, and I quote:

> I also wish to take this opportunity to express my strong concern over one issue now being discussed in the supplemental. That has to do with the proposition that the decision on the SLEP be made by me on the basis of only one analysis merely because that analysis was "confirmed" by the Comptroller General. The Comptroller General is not charged——

I emphasize "not charged."

> with statutory responsibility for the national defense, as is the Secretary of Defense. Nor does the Comptroller General have the range of advice that is necessary to make fully informed decisions on defense matters. To fulfill his statutory responsibility properly, the Secretary of Defense must be able to exercise his judgment on the basis of all available information that he considers to be relevant. I believe that it is a dangerous precedent to constrain the judgment of the Secretary of Defense in the execution of his responsibility by requiring him to act as another appointed official has determined.

Mr. President, that is from the Secretary of Defense. He urges us not to constrain him. He says that the Comptroller General simply does not have the range of advice necessary to make a fully informed decision on this matter. It is a dangerous precedent and the Secretary is absolutely right.

I might add that the President has never proposed to make Elmer Staats, however good some may think he may be, the Secretary of Defense. The Congress has not proposed to give Mr. Staats access to CIA materials. We have not given him access to top security defense analyses. He does not have access to expert military analysis which shapes the decisionmaking and the policy analysis of the Pentagon.

In fact, Mr. Staats admits as much. In a letter received by me this morning from the Comptroller General, he says with respect to his study of Newport News and the Philadelphia Naval Shipyard, and I quote:

> It did not say that because of this advantage the program should necessarily be redirected from Philadelphia to Newport News. We recognize very well that there are other considerations besides cost.

Mr. President, that is Elmer Staats. That is the Comptroller General of the United States. That is the person whose organization is being used as the sole determinant of a very important national security decision. Yet, the head of that organization says, and I repeat it again, because I think it is very meaningful:

> We recognize very well that there are other considerations besides cost.

Mr. President, I do not think anybody would seriously propose to make the Comptroller General of the United States the Secretary of Defense. I do not think that anybody would consider that proposal seriously for a moment. Yet, of course, that is what the section of the bill, section 302, really does, and it is a dangerous precedent.

We simply cannot ignore the critical security factors which are and have been inherent in every decision that the Secretary of Defense must render.

Many have responded that we cannot separate such decisions from economic considerations, and that is correct. That is proper. There should be and there must be cost limits, and those limits must be a part of the decisionmaking process.

Much has been made, consequently, of the GAO study I referred to a moment ago, the study which purported to show the cost savings of upward of $80 million by awarding the aircraft carrier *Saratoga* to the Newport News Shipyard.

I do not want to reiterate what Senator SCHWEIKER has said, so I just want to bring out one or two points.

We should take note, for example, that at Congress' specific direction, the Navy did restudy its original *Saratoga* decision in the light of the September 1978 GAO report.

That restudy, which was completed in January of this year, concluded that the difference in cost between the two yards would be 6.4 percent, a $37 million difference. But even that cost estimate, which had been refined as a result of the GAO study—not as a result of political factors, but as a result of the GAO study—did not take into proper account the overhead costs which were mentioned a moment ago, which might run at Newport News 90 to 100 percent of the direct labor costs, as estimated by a well-respected public accounting firm. If you took the overhead figures into account, my understanding is that you might wipe out that entire $37 million; you might even get a cost factor in favor of Philadelphia.

Let us take a look at a second point: The next figure submitted by the Navy includes a factor for corporate taxes lost and State and local taxes lost if the award is not made to Newport News, because the Philadelphia Naval Yard, obviously, being on Government property, does not pay corporate taxes and local taxes. But, surely, with a firm that has had a history of cost overruns and tremendous losses, that could not possibly be a relevant factor in comparing actual direct costs between the two yards. There are certain other costs not considered by the GAO. They are very hard to measure, but they are real nonetheless.

Since 1969, Newport News has submitted claims to the Government for more than $1 billion—$1,055,870,343, to be exact; 39.7 percent of the original contract prices for Navy work it has done. That is what we are talking about. Almost a 40-percent cost overrun on everything involving Navy work.

Not only are settlement costs a burden to the taxpayer, but also, they do not begin to take into account the legal costs to the Navy or anybody else. Hence, again, the taxpayer is going to pay through the nose when cost overruns are involved and they are not taken into account.

Just in the last 5 years, claims from Newport News, totaling $872 million, have been higher than the total planned cost of the 2½ years of the service life extension program overhaul of the *Saratoga*. Nowhere—I repeat, nowhere—in the GAO report are these factors broken down for accountability; nor in the GAO report was any careful cost analysis given to the time factor.

Since 1975, the Philadelphia Navy Shipyard has overhauled 49 ships, at a net 264 days ahead of schedule. In stark contrast, Newport News has averaged a 630-day delay on each new ship being delivered. Think of it. That is 2 years on every ship—2 years, at a time when we are having double-digit inflation and when the Newport News yard has a history of cost overruns, whether it is an inflationary period or not. So Senators can guess how much—beyond any cost accounting study anybody does—a shipyard in Newport News is going to run over. The answer is a ton, and it is going to cost the taxpayers a ton if the Secretary of Defense is not permitted to weigh all those factors.

I do not want to dwell on every aspect of these costs. I think it is fair to say that not one person has been able to gage with total accuracy the amount of work which will be found necessary once the *Saratoga* is opened up. Rehabilitation repair work is inherently complicated and involves uncertainties. Accountants have looked at what they feel the figures are likely to be, and we have the benefit of two Navy studies, two GAO studies, and two private studies. I suppose nobody can agree fully on anything except the inexact nature of the task.

Therefore, I should like to turn our attention to some factors other than the surfeit of cost reports the Secretary of Defense might want to review in making his decision.

Let us make no mistake: His mission goes well beyond cost accounting. It is not enough for the Secretary of Defense to have a sharp pencil and go to bed after he has worn the nub down a little. He has to match costs with benefits. He must consider other factors bearing on our national security. He must weigh them to achieve the maximum benefit for every dollar spent. We cannot ignore the importance of this deliberative and analytical process to guarantee our national security, which is the benefit we ask the Secretary of Defense also to have in mind.

One factor which the Secretary of Defense could ill afford to ignore in trying to decide on what he wants to achieve for our national defense is our own Congressional Budget Office. In its 1976 report on U.S. Naval Force alternatives, the Congressional Budget Office report discussed our national shipyard capacity. In particular, the report noted that—

> Major private shipyards undertaking naval construction in the past have tended to shy away from taking new naval work because of the greater profitability, simplicity, and freedom from oversight involved in work on commercial vessels.

Testimony before the Senate Armed Services Committee corroborated this phenomenon at the Newport News Shipyard, where, less than 6 years ago, Tenneco indicated that it wanted no more Navy business.

The CBO report goes on to suggest that to ease constraints on future shipbuilding, Congress should give serious consideration to additional capability at public shipyards—"given the need for additional shipbuilding capacity and the rising costs of commercial shipbuilding."

Surely, no one here believes the Secretary can ignore the impact of his decision on public shipyard capacity and capability and what that will mean for our Navy. Through the four wars our Navy has been involved in in this century, it has always relied upon the public yards. The yards have served whenever called upon, and they have served well. To determine that future Navy decisions will not be based on experience or future capacity projections is fraught with peril and at best naive. Not even the GAO has made any pretensions, as I mentioned a moment ago, about its competence to assess this factor.

The Secretary of Defense, at this time, must evaluate carefully what vulnerabilities would be imposed upon our Navy by losing still another Navy carrier-capable shipyard—the last carrier-capable public yard on the east coast outside of the Newport area. U.S. naval power is based primarily on our carrier force, which is, and, I believe, will continue to be our most effective basis for sea control and offensive operations.

A carrier is almost impossible to sink, but it is subject to extensive damage. It follows that to the degree to which we can refit damaged carriers in a conflict in the shortest possible time, our Navy will be that much stronger and a more reliable threat to Soviet aggression, whether it be in the Mediterranean or the Indian Ocean. But, Mr. President, a decision to remove carrier repair capability from a yard which the Navy has not hesitated to send emergency aircraft carrier repairs unquestionably reduces the viability of our carrier force. Our carriers now are so reduced in numbers that any further weakening of their viability as a strong deterrent must be weighed with a heavy price by the Secretary of the Navy.

It is impossible for me to conceive that any decision on SLEP could be addressed without taking this issue into account.

The CBO report also cites the Navy's decision, as directed by Congress, to rely on naval shipyards for refit, repair, and modernization. This reliance has been made not solely on the basis of expertise and cost, but also to assure that we maintain these yards as mobilization bases against emergency requirements.

This base for emergencies is the same base which we will have to call on to expand our naval shipbuilding program to meet the threat of Soviet naval expansion. I need not, after all, remind my colleagues that there are no private yards in the Soviet Union. When the Soviet navy has needs, they are the priority. There is no need for Soviet military leaders to be concerned about private shipbuilding contracts having priority or Soviet military needs; there is no need for Soviet military leaders to be concerned about union strikes or labor unrest, nor about lengthy litigation with private shipyards. As a result, it is unthinkable that our Secretary of Defense should not want to carefully weigh these factors. It is still more unthinkable that this Congress would take away from the Secretary his ability to consider such factors.

Mr. President, I am also deeply troubled by one other factor. We are a nation dependent on the freedom of the seas. Half our oil, for example, is imported, shipped by sea. That means half the gasoline, half the fuel oil, half the diesel fuel, half the heating oil, the fuel for our oil-fired powerplants, for our military needs, and the like all come in by sea. Yet some would have us forgo the willingness to make hard decisions to maintain a superior navy to protect those sea lanes.

Now, the Soviet Union, make no mistake about it, understands the situation. They have recently begun construction of one new *Kiev*-class carrier, and there are rumors of an even larger carrier about to commence. Thus, at a time when our Navy is, by everyone's admission, at a low ebb, and the Senate is considering language which would indicate to the Soviets that we are more concerned about artificial cost accounting conventions than military capability, I do not think we want to demonstrate to the Soviet Union how little we are concerned about the viability of our future naval capacity. Only if we want to undermine the confidence in our Navy would anyone really suggest that.

So I suggest we cannot—I repeat cannot—meet Soviet expansion with such a shortsighted policy as proposed in section 302 of the committee bill.

Lastly, Mr. President, let me say that I am dismayed that many false economics have been permitted to enter into a national security decision. I am afraid that the existing language, which is clearly to the benefit of one specific shipyard, would affirm a willingness to go to any length to save money even at the expense of our national security.

Well, we could build and maintain an inexpensive Navy. We could have aircraft carriers which, when rolled over, said "Made in Hong Kong." We could simply get rid of the security apparatus and thousands upon thousands of Defense Department employees whose job it is to make our security and Military Establishment second to none. We could rely on the Comptroller General to make all our military procurement decisions. Why, we could even ask him to buy .22-caliber bullets instead of .50-caliber machinegun bullets, which could save a lot of money. Think of it, we could really save in defense if we would do something like that. But think of what would become of our Nation.

Mr. President, we are a people of foresight, character, and resolve, and we are not given to the cheapest or simplest alternatives.

What we want is the best alternative. We have created a Government, a decisionmaking process, a Secretary of Defense, a Secretary of the Navy in this instance, to insure that our decisions are arrived at in a manner which reflects our characteristics of the country, and what is of most benefit to the country relative to the costs.

I submit that to summarily discuss and ignore that condition, as section 302 now does, would irretrievably reflect a loss of our leadership in the free world.

Mr. President, I want to be very clear with everyone in this room. I support the Biden amendment to the Heinz amendment. I think it sets out to do exactly the same thing. I think it does it just as well, if not better. I ask unanimous consent that my name be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRADLEY. Mr. President, first I would like to express my appreciation to the honorable chairman of the Committee on Armed Services for graciously cooperating with us fully throughout the deliberation of this matter on the Senate floor.

Mr. President, there should be no question in our minds that the matter at hand—the program to extend the service life of four of our Nation's aircraft carriers—is a matter of great importance to our national defense. This program, known as SLEP, will extend the operational life of four *Forrestal*-class carriers for 15 years beyond their normal 30-year span. As you know, sea-based air power is one of the key advantages our Navy enjoys over the Soviet navy.

SLEP allows the Navy to maintain its carrier capability in the most cost effective manner, by reducing the need to build expensive new carriers.

To assure that the Navy has the carriers it needs on line and ready for duty, there can be no further delays in the commencement of work on the first of the ships slated for SLEP improvement—the U.S.S. *Saratoga*. As Secretary of the Navy Claytor has stressed:

> Slippage will have a serious adverse impact not only on our sea-based readiness, but on our ability to carry out carrier deployment commitments in the 1980s.

The military's choice for the work has been stated time and again to be the Philadelphia Naval Shipyard in the New Jersey-Pennsylvania-Delaware region. In light of this, Secretary Claytor has said:

> I urge that in the interests of our overall national defense, no further objections be raised to moving ahead promptly with this work in Philadelphia.

To do otherwise, in his words:

> Could result in the forced cancellation of SLEP for the foreseeable future.

Mr. President, section 302 proposes to reverse the military's decision on spurious grounds and by questionable legislative directives. As you know, it requires the Secretary of Defense to make the SLEP contract decision on the *Saratoga* on the basis of just one study of relative costs. This sets a regrettable legislative precedent and will result in unnecessary and wasteful delay in the SLEP program.

Mr. President, the overhaul of the *Saratoga* is already some 20 months overdue, and the expected starting date in October is already in serious jeopardy. The Congress today must take action which will permit the Navy to proceed with its intended revitalization plans immediately. It is our responsibility to assure that this country will have those carriers available on time. Meeting the demands of emergency in times of conflict is the special advantage of our public yards. It is an advantage we must consciously maintain and fortify.

It has long been recognized that the ability to perform swift and effective renovation on our carrier force is an essential element of our naval power. This is because the primary danger to a carrier in wartime is not that it will be sunk or destroyed, but that it will be damaged to the point of requiring shipyard refurbishment. Therefore, it is particularly important that we have a viable and ready national facility able to quickly refit those carriers hobbled by war and send them out to complete their missions. SLEP-type work is precisely the kind that may be required to resuscitate war-damaged ships. Moreover, without practice in SLEP-type work, and without maintenance of its special repair facilities, the navy yard's ability to do its excellent damage repair work in critical periods will deteriorate.

It is during times of war that we will appreciate decisions made during times of peace to build our national resources—for that is precisely what a naval yard is—a vital national resource. We should not permit ourselves to succumb to facile, unreliable promises of cost savings at the peril of sacrificing the powerful revitalization function of a navy shipyard. We risk finding ourselves extremely vulnerable to even small degrees of damage suffered by our ships during times of conflict. With a limited number of carriers available, the temporary immobilization of just one or two carriers could place us at a severe disadvantage. We should not deliberately make ourselves vulnerable in this way.

Just as repair work has been the special mission of navy shipyards, new construction has been the domain of the private yards. It is Navy policy to have 70 percent of modernization and repair work in public yards and reserve new construction for private yards. This policy recognizes the essential defense function of repair work. Navy yards must have a mobilization capability ready to meet emergency demands. This is a sound economic as well as strategic policy. It is one that we ought to continue. Adm. Elmo Zumwalt, Jr., a former Chief of Naval Operations, has argued that for refitting work, public yards should be favored:

> Public yards, with their capacity to preserve vital repair skills, will be essential . . . in significant cases, a rapid repair capability of public shipyards might make the difference and add the margin necessary to prevail.

Today there are only three shipyards on the Atlantic coast with aircraft carrier capabilities. Two are in Virginia; the third is the Philadelphia yard in the tri-State area. If Philadelphia is eliminated, a single natural or military disaster could leave us without a repair capability in the Northeastern portion of the Atlantic coast.

The judgments of our military decisionmakers have resulted in superior repair skills and facilities in the Philadelphia Naval Shipyard. But there is yet another compelling national security reason for preferring the Philadelphia yard for the SLEP work. Philadelphia is a repair yard for conventional ships. It does not have the competing priorities of new construction or nuclear ship construction and improvement.

Newport News engages primarily in new construction and has a special capability in nuclear ships and submarines. Norman Polmar, the former editor of Jane's Fighting Ships, has made this telling observation in connection with Newport News:

> During the past decade or more it has been demonstrated that shipyards building or overhauling nuclear ships generally give them priority over conventional ship work, resulting in increased costs and schedule slippage for the latter. Newport News currently has one nuclear missile cruiser, one nuclear aircraft carrier, and nine nuclear attack submarines under contract. Thus, the Saratoga SLEP probably would not receive the priority at Newport News that the carrier situation requires.

The implication of this difference in priorities is that awarding SLEP contracts to a yard with new construction and nuclear priorities could delay work on the *Saratoga* and result in the reduction of Navy readiness.

Another security consideration is the Philadelphia yard's outstanding record of on-time delivery. A strong national defense requires that we keep as many carriers "on line" as possible. Philadelphia has the performance record which attests that it is the yard best able to do this. In 1977–78, it completed 19 projects. Nine were delivered on schedule; eight were finished ahead of time. The yard averaged a completion time of nearly 1 week early. In striking contrast, Newport News has averaged a delay of 21 months over the last few years. All nuclear attack submarines currently under construction in Newport News are behind schedule and the only aircraft carrier now being built there, the *Carl Vinson*, is already more than a year and a half behind schedule. Is this the performance record we want to rely on to assure the readiness of our limited supply of Navy carriers?

While ontime delivery is a critical factor in a defense procurement decision, it is only the first of many performance advantages enjoyed by Philadelphia. The amendment to the defense supplemental concerning SLEP calls for a decision on the basis of least cost as determined by the GAO study.

But neither this, nor any other study to date, has considered the deplorable record of cost overruns at Newport News. This yard submitted more than $870 million in cost overruns since 1973. In fact, I understand that the $50 million it reports in profits for last year can be traced to the $57 million it charged the Navy in cost overruns for that year. Philadelphia is a well-run public yard which keeps its contracts within budget.

Contrary to what has been suggested by the Senator from Virginia, it is Philadelphia that has better access to the skilled labor required for SLEP work. Industry studies indicate that Philadelphia, southern New Jersey, and Delaware are more than able to satisfy the yard's demand for skilled labor. Newport News, on the other hand, has had a chronic problem in obtaining skilled employees. In fact, the shortage of skilled personnel has been an important factor in delaying the delivery of two aircraft carriers and four guided missiles in the last 3 years.

Philadelphia also enjoys excellent labor relations. Since 1975, there have been no strikes, slowdowns, or large labor turnovers. The record at Newport News is far less stable.

Philadelphia boasts an overall safety program second to none, particularly in connection with the handling of asbestos. This is a primary consideration in the SLEP work.

As I mentioned before, Philadelphia has the facilities and experience for repair work. The yard has specialized in overhaul since 1967 and according to the Navy has prime facilities for SLEP activity. Newport News is devoted almost exclusively to new construction and has a special capability with nuclear-propelled surface ships and submarines. Its facilities are tailored to its specialities. To do the SLEP work Newport News will have to convert the operation of one of its commercial yards from new construction to repair work. This conversion may well be done with the help of a tax deduction of unknown cost to taxpayers.

There is a last bit of information that speaks to the Pen-Jer-Del area's special fitness to do the *Saratoga* work. The Philadelphia yard did the overhaul of the *Saratoga* in 1969. It finished the job on time and with such excellence that the work earned the reputation of a model project.

All these reasons argue forcefully that the choice of location for the SLEP of the *Saratoga* must be informed by a full consideration of national security factors and performance factors. It is the misconceived intention of the section 302 amendment to force the Secretary of Defense to make this decision in total disregard of any security or performance factors.

There may be arguable differences on the merits of each shipyard as measured by an array of cost performance and national security standards, but there should be agreement on two points: First, it should not be the policy of Congress to award contracts by legislation, and second, it should not be the policy of Congress to require that a single cost study from the Comptroller General dictate this Nation's defense policy to the Secretary of Defense. Clearly this is not the proper spirit for decisions affecting our national security.

I made my deep concern on this point clear in my statement in the RECORD on April 23. The primary responsibility for national defense rests with the Congress, the President, and the Secretary of Defense. We do ourselves a grave disservice if we do not permit our defense leadership to draw on the full array of information and resources available to them and to take into account all relevant factors bearing on our security.

There are other serious deficiencies in the GAO study.

However, the most striking failure is the study's employment of an inappropriate methodology for measuring the cost of the SLEP work to the Government.

Senator SCHWEIKER has spoken well to this point and I will not elaborate further.

Given the singular consensus on the undependability of the cost estimates, it would be the height of folly to permit a decision with clear national defense consequences to rest solely on the basis of one study.

As the Secretary of Defense said just today in a letter distributed to all Members of the Senate:

> In the light of the need to move ahead quickly, I wish to take this opportunity to reiterate my view that the Service Life Extension Program (SLEP) needs to be initiated as soon as possible. The delay to this point has already adversely affected the intended benefits of this program. I hope that the dispute over the location of the U.S.S. SARATOGA SLEP can be settled as soon as possible so that work can begin promptly.
>
> I also wish to take this opportunity to express my strong concern over one issue now being discussed in the Supplemental. That has to do with the proposition that the decision on the SLEP be made by me on the basis of only one analysis merely because that analysis was "confirmed" by the Comptroller General. The Comptroller General is not charged with statutory responsibility for the national defense, as is the Secretary of Defense. Nor does the Comptroller General have the range of advice that is necessary to make fully informed decisions on defense matters. To fulfill his statutory responsibility properly, the Secretary of Defense must be able to exercise his judgment on the basis of all the available information that he considers to be relevant. I believe that it is a dangerous precedent to constrain the judgment of the Secretary of Defense in the execution of his responsibility by requiring him to act as another appointed official has determined.

Mr. President, following the Secretary of Defense, I urge the adoption of our amendment to section 302.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, first I would like to take a moment to applaud my colleague from New Jersey for his most complete analysis of the question before us. The question is, of course, the way the decision should be made on the selection of the shipyard or navy yard to do the SLEP work on the *Saratoga*.

His statement was concise, forceful, and persuasive. I am proud to join my colleague in all of the presentation that he just made, with eloquence.

Those of us who support the Biden amendment which is now pending have all looked to the chairman of the Armed Services Committee and offer our thanks for the great fairness with which we have had an opportunity to develop our positions, and for having the time to develop them, including the opportunity to be heard in committee. We are grateful to our good friend, the senior Senator from Mississippi, the most respected chairman of the Armed Services Committee.

As we all know, within the bill—and it came through an amendment—there is a provision which directs the selection of the shipyard that would be designated to do the SLEP work on the *Saratoga*. It is clear in the bill that it can go only one way. That is based on a General Accounting Office analysis which has been analyzed so thoroughly here on the floor and found to be so completely false.

In our debate, those of us who support the Biden amendment, which modifies the Heinz amendment, or our spokesmen, have, of course, directed the Senate's attention to all of the factors which are wrong in the GAO report. We have all directed the attention of the Senate to the capabilities of the Philadelphia Navy Yard and the feeling of the Defense Department and the Navy Department that the navy yard should be the selected yard. Our approach is not to have the Senate select the yard, but our approach is, through this amendment, to let that selection be directed to where it should be made, the Department of Defense. That is exactly what the Senate will have to decide, whether the Department of Defense makes the decision on who does this ship, or should the General Accounting Office decide who does this ship.

Mr. President, I hope we can move on to hear any argument in opposition to the Biden amendment so that we can proceed to a vote on this question, which is so very simple: Should we at this time amend this bill to direct the Secretary of Defense to make a national security decision on the SLEP work of the *Saratoga*.

This matter involves the Department of the Navy's decision to commence an aircract carrier service life extension program (SLEP), overhauling and modernizing four *Forrestal*-class carriers. This important program will extend the normal 30-year life of each carrier for an additional 15 years. It is a program recognized as vitally needed.

The first of the carriers to be overhauled, the U.S.S. *Saratoga*, is already in a state of disrepair. SLEP work on the *Saratoga* is scheduled to begin in October, 1980.

In July 1976, during the Ford administration, the Navy recommended that the SLEP work be performed at the Philadelphia Naval Shipyard. In April 1978, the Department of the Navy under the present administration confirmed the Navy's recommendation. Since that decision was made, however, representatives of the Newport News Shipbuilding and Dry Dock Co., of Newport News, Va., have made every effort to reverse the Navy's decision, and to have the work performed at Newport News.

Most recently, an amendment has been included in S. 429, the 1979 DOD supplemental authorization bill, which takes the decisionmaking responsibility out of the hands of the Department of the Navy, the Department of Defense, the President and the Congress, and places it solely in the hands of the General Accounting Office.

I am referring to title III, section 302 of the bill, which calls for selection of the SLEP site to be based on "least cost as confirmed by the Comptroller General of the United States in his report to the Congress on September 22, 1978."

This is an unacceptable amendment. While the GAO is a reputable and efficient agency, it would be unwise, and a dangerous precedent, to give it sole authority to make a decision involving national defense. As the one who is responsible for the future of our carrier fleet, the Secretary of the Navy must be allowed to make this decision based on a full range of military and technical information, as well as cost information, which he has at his disposal. It would be a serious intrusion on the statutory responsibility of the Secretary to deny him his essential decisionmaking authority.

There is also a second important reason why this amendment is unacceptable—it is based on incomplete and unreliable cost data. I would certainly agree that the issue of cost is important and should be considered seriously. But the GAO cost study on the *Saratoga* SLEP has some major flaws.

In addition to the GAO study, which analyzed the original cost study done by the Navy, a second Navy study has been done, and two critiques of the GAO report have been prepared, one by economists at the Wharton School of Finance and Commerce, and one by Price, Waterhouse and Co. These studies and analyses all reach the conclusion that total costs cannot be determined with any degree of accuracy at this time and could be off by millions.

In fact, the Navy study is rated as only a "Class F" study, five grades below the "Class A" study which should be required if cost is to be the controlling factor.

In addition to this fundamental problem in determining total cost, the GAO report makes a fundamental methodological mistake in determining relative costs. The critique prepared by William Lanen of the Wharton School and the analysis performed by Price, Waterhouse and Co. both criticize the cost accounting methods used by the GAO.

In summarizing his critique, Mr. Lanen of the Wharton School cites three very important factors. They are that the report "contains some improper applications of the cost analysis methods;" that the GAO "apparently uses inconsistent assumptions in estimating comparative costs;" and that the agency "uses important cost-related factors for which no objective evidence is provided."

The analysis of the GAO report prepared by Price, Waterhouse and Co. is especially critical of the costing methods used by the GAO in its review of the first Navy cost study. I would like to quote the Price, Waterhouse summary:

> In our opinion, the methodology employed in preparing the comparative estimates is inappropriate for the purpose of measuring the relative cost advantage to the government of the alternative allocation decision. The allocation decision will result in an incremental cost to the government, that is to say, an additional cost over and above those costs already expected to be incurred by the government . . . such an approach could produce a significantly different set of estimates from those now being reviewed.
>
> Furthermore, it appears that the analysis prepared by the Navy and reviewed by the GAO does not follow the requirements of currently effective OMB circular A–76 which requires the use of incremental costs techniques.
>
> In summary, the several cost estimates prepared by the Navy and reviewed by the General Accounting Office are highly uncertain, subject to a very wide possible range of error, and more important, do not provide a comparison of the difference in government spending that would result from the allocation decision.

Let me give you just one example of the kinds of fallacies in the GAO report. As explained by Deputy Secretary of Defense Duncan; and I am paraphrasing his remarks:

At either Philadelphia or Newport News, the addition of the *Saratoga* SLEP would result in a reduction of overhead costs allocated to other Navy projects by spreading them over other Navy projects scheduled at the same shipyard. This reduction is estimated to be $44 million at Philadelphia and $18.2 million at Newport News. This factor alone would reduce comparative costs between Philadelphia and Newport News by $25.8 million, but it was not included in the report because of the inexact nature of these figures.

In addition, the Navy studies and GAO report do not take into account that Newport News recently filed nearly $1 billion of overrun claims. Thus, the alleged cost advantage of Newport News assumes that the shipyard will be profitable and pay income tax. But the profit attributed to Newport News for 1977 is based on millions of dollars accrued as income as the result of cost overrun claims against the Navy.

Mr. President, earlier today the Senator from Pennsylvania had printed in the RECORD the critique and abstract prepared by William Lanen of the Wharton School of Finance. I ask unanimous consent that the analysis and its covering letter done by Price, Waterhouse and Co. be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAMS. Mr. President, I would like to emphasize again, the importance of basing such a crucial decision on a wide range of factors—particularly national defense—and not solely on cost. In his January 25, 1979 letter to Senate Armed Services Committee Chairman JOHN STENNIS, Deputy Secretary of Defense C. W. Duncan discussed the Department's consideration of noncost factors which weighed heavily in making the final selection.

Secretary Duncan stated that the Department "also considered issues of potential shipyard congestion, availability of facilities, serious pending labor controversies at Newport News, and the advantage of maintaining an additional east coast yard with carrier SLEP and overhaul capability."

The Navy has reported that Philadelphia has one of the best laid out facilities in the country for carrier overhaul and repair work, and has specialized in overhaul work since 1967. The Newport News facility is designed primarily for new construction, and would therefore have to undergo expensive adjustments.

The Philadelphia yard also has an excellent ontime delivery record, during 1977–78, the Philadelphia yard completed 19 projects, 8 of which were early and 9 on time. Philadelphia has delivered its ships an average of nearly a week early. Of the 38 overhauls it has performed since 1975, it has a net of 264 days ahead of schedule.

In sharp contrast, however, Newport News has a significantly poor ontime completion record. For the past several years, Newport News has netted an average of 630 days late on each new ship being delivered—an astounding 21-month delay.

Because of the necessity for completing the SLEP on each carrier within the 28-month drydock period allotted, Philadelphia's far superior ontime delivery record is an important factor supporting the Navy's decision.

Finally, I would like to emphasize, as Secretary Duncan emphasized in his January 25 letter, maintaining the Philadelphia Naval Yard as a viable and fully prepared public shipyard is essential to the well-being of our naval fleet in a time of national emergency. The improved public yard capability which will be provided at Philadelphia will insure an important additional factor of flexibility and readiness for our Atlantic Fleet. As Admiral Zumwalt recently stated in a letter to Senator HEINZ.

> I am deeply concerned about the importance of preserving the remaining public shipyards. . . . Public shipyards, with their capability to preserve vital repair skills, will be essential. . . . In significant cases a rapid repair capability of public shipyards might make the difference and add the margin necessary to prevail.

Mr. President, in protecting and maintaining this country's invaluable carrier fleet, the Secretaries of Defense and of the Navy must be allowed the discretion of selecting a site which best serves the needs of the Navy and our national defense. After carefully weighing all relevant factors, they have chosen the Philadelphia Naval Shipyard. I believe it is time to allow the Navy to proceed with its work in Philadelphia.

EXHIBIT 1

PRICE WATERHOUSE & CO.,
Philadelphia, Pa., March 6, 1979.

MR. THATCHER LONGSTRETH:
President, The Penjerdel Corp.
Philadelphia, Pa.

DEAR MR. LONGSTRETH: In accordance with your request, we have read certain documents relating to the allocation of work to be performed under the U.S. Navy's Aircraft Carrier Service Life Extension Program (SLEP). These documents are listed in the accompanying index. We did not have the opportunity to examine the supporting data underlying these documents, and, accordingly, we are not in a position to comment upon the propriety of the data and accuracy of the compilation of the information presented. Furthermore, because the cost comparisons are based upon assumptions and estimates, the reliability of which are dependent upon future events and transactions, we, as independent accountants, can express no opinion upon the fairness of the cost comparisons.

However, we observed two matters of overriding significance which must be considered in attempting to draw a conclusion from the differing opinions presented in the several documents listed. The first of these is that the estimates of the costs of the work at this point in time are highly uncertain and, therefore, of very limited value. Secondly, the methodology employed in preparing the estimates is not appropriate for the purpose of measuring the effect on the government budget of the alternative decisions to allocate the SLEP work.

The many comments on the uncertainty of the cost estimates including (1) the very tentative nature of the preliminary evaluation of work content, (2) the uncertainty of manpower requirements, (3) difficulties in measuring productivity differences, and (4) the problems of predicting future labor rates and other costs, in the aggregate constitute a set of circumstances which make current attempts at estimating with precision impossible. While the degree of error in the present estimates cannot now be determined, it appears that the possible range of errors far exceeds the difference between the estimated costs in the two locations. Given the significance of these uncertainties, it appears that the attempts which have been made to refine certain aspects of the estimates to a high degree are of little or no practical value in supporting a decision.

In our opinion, the methodology employed in preparing the comparative estimates is inappropriate for the purpose of measuring the relative cost advantage to the government of the alternative allocation decision. The cost estimates follow the principle of full costing or fully distributed cost. The effect upon the defense budget will be measured by spending, not by cost accounting. The allocation decision will result in an incremental cost to the government, that is to say, an additional cost over and above those costs already expected to be incurred by the government. No attempt has been made to estimate the incremental costs involved in the allocation decision, and the general relationship of shipyard fixed and semi-variable overheads to labor costs indicates that such an approach could produce a significantly different set of estimates from those now being reviewed. Furthermore, it appears that the analysis prepared by the Navy and reviewed by the GAO does not follow the requirements of currently effective OMB Circular A–76 which requires the use of incremental costing techniques.

In summary, the several cost estimates prepared by the Navy and reviewed by the General Accounting Office are highly uncertain, subject to a very wide possible range of error, and more important, do not provide a comparison of the difference in government spending that would result from the allocation decision. Furthermore, the data presented in the several studies is insufficient for the purpose of estimating the incremental costs which represent government spending. If an analysis were to be prepared on a sound incremental cost basis, without altering other aspects of the Navy estimates, it could be expected that the estimated costs in the Philadelphia Naval Shipyard would be subsantially reduced because of the relative large amounts of fixed overheads which are included in its estimated costs. The preparation of comparative cost estimates using incremental cost analysis techniques would require more information than that set forth in the existing studies. This information may not be readily available. Given the time constraints, therefore, it appears that if an allocation decision on the SLEP work is to be made at this time, the decision may have to be based on factors other than cost. The attached memorandum sets forth in more detail background information and selected comments from the various documents.

Yours very truly,

PRICE WATERHOUSE CO.

INDEX OF DOCUMENTS REVIEWED

a. Original U.S. Navy Report, *CV (Aircraft Carrier) Service Life Extension Program (FY–81 Program) Cost Comparison Ratios (Public Yard Cost/Private Yard Cost)*, undated.

b. *Extending the Service Life of Aircraft Carriers—Where Should the Work be Done?*—Report by the Comptroller General, U.S. General Accounting Office, September 22, 1978.

c. William N. Lamen, Wharton School of business, University of Pennsylvania, *A Critique of the GAO Report "Extending the Service Life of Aircraft Carriers—Where Should the Work be Done?"*, January 3, 1979.

d. City of Philadelphia, *Summary and Analysis of GAO Report*, undated.

e. City of Philadelphia, *Briefing Paper for U.S.S. Saratoga Modernization Meeting*, undated.

f. Wharton Econometric Forecasting Associates, Inc., *SLEP Multiplier Analysis with the Philadelphia Quarterly Econometric Model*, November 30, 1978.

g. W. N. Lamen, Data Required to Assess the Limitations of the GAO Report, January 17, 1979.

h. U.S. Navy, *CV Service Life Extension Program (SLEP) Least-Cost Approach Study*, January 23, 1979.

COMMENTS ON COST COMPARISON STUDIES FOR THE U.S. NAVY AIRCRAFT CARRIER SERVICE LIFE EXTENSION PROGRAM

UNCERTAINTY OF COST ESTIMATES

The uncertainties in the cost studies may be classified into four types, as follows:

1. Uncertainty of the exact work to be done.

2. Uncertainty in the amount of labor required to accomplish the work at each shipyard where productivity differences may result in different amounts of required labor.

3. Uncertainty as to future values of the labor rates at each shipyard where, again, there may be differences.

4. Uncertainty as to the future value of other relevant cost factors where there are differences in the two shipyards.

One may be inclined to discard item 1. above on the assumption that the total level of work to be done (before considering productivity differences) does not differ between the two shipyards and, therefore, this can be excluded from the analysis. The total level of work, however is relevant to the alternatives analysis, because other relevant cost factors are related to the total level of effort.

The four types of uncertainties listed above form a chain which possesses a multiplier effect. If, for example, a confidence level of eighty percent is associated with each of the four types of uncertainties, the resultant confidence level in the total cost differences is the product of the confidence levels of the four types, or approximately forty percent. This is not to suggest that these numbers are the actual confidence levels associated with any cost estimates, this is intended for illustrative purposes only.

If, however, one were to assume that eighty percent was a reasonable confidence level to use for each type of cost above, the total estimated cost could be off by as much as plus or minus $200 million, or a range of $400 million around an estimate of $500 million. Recall that the level is important to the value of other relevant costs.

More importantly, the uncertainty associated with the estimated differences between the two shipyards in productivity or wage rates could result in a substantial uncertainty associated with the estimate of the total differences, again by a multiplier effect.

QUOTES ON THE UNCERTAINTY OF THE COST ESTIMATES

Selected comments on the uncertainties of the cost estimates, taken from the study reports and from testimony before Congress, are provided below.

1. "The above estimates and resulting ratios were developed by the Navy not by the two industrial sources being compared. The indicated differences in cost are not within the accuracy of the current class F quality estimates. A class C budget quality estimate for the first CV SLEP will be available for the fiscal year 1981 budget submission to the Congress. A budget quality cost estimate is dependent upon physical inspection of the ship and development of detailed work packages. In this matter, the scope of both the modernization and extensive overhaul work packages will become more accurately defined. This in turn will permit more accurate pricing of the labor and material requirements than is currently possible." (Source: Original Navy cost study, page 1.)

2. "Total costs cannot be determined with any degree of accuracy at this time and could be off by millions. (Source: GAO Report, page ii.)

3. ". . . actual costs for the service life extension program could vary considerably from the Navy's estimates." (Source: GAO Report, page 2.)

4. "The work to be performed in the SLEP is difficult to plan and project; the exact scope cannot be determined until actual systems are removed and examined during the overhaul. For this reason, projected SLEP costs would have to be considered soft estimates." (Source: Deputy Secretary of Defense Duncan's transmittal letter of the revised Navy cost study, 1/25/79, p. 1.)

5. ". . . The estimated cost advantage at Newport News . . ., however, is very soft. This is true not only because the work package at this time is necessarily poorly defined, but also because determination and quantification of the productivity advantage at Newport News over Philadelphia is uncertain and there may be additional dollar savings at Philadelphia over those at Newport News in cost avoidance due to broader allocation of overhead." (Source: Secretary of the Navy Claytor's transmittal letter of the revised Navy cost study, 1/25/79, p. 1.)

6. "The work package is being developed and is not sufficiently well-defined for shipyards to bid. The estimates used in this revised study remain primarily class F quality based on an incompletely defined work package. A more definitized work package will not be available until May 1979; however, the relative cost difference between the shipyards is not expected to change." (Source: Chief of Naval Operations Haywood's transmittal of revised Navy cost study, 1/25/79, p. 1.)

7. "As pointed out in the basic correspondence, fee estimates are class F in quality." (Source: Headquarters Naval Material Command transmittal of revised Navy cost study, 11/27/78, p. 1.)

8. "A 3 million nominal allowance for CV SLEP-related facilities and other related one-time costs at Newport News has been included. This is based on the Newport News estimate provided to GAO of $2.5 million in 1978. This figure has not been validated." (Source: Naval Sea Systems Command CV SLEP Least Cost Approach Study, 1/15/79, Enclosure 2, p. 2.)

9. "The basis of these estimates is clearly not rigorous." (Source: Naval Sea Systems Command CV SLEP Least Cost Approach Study, 1/15/69, Enclosure 5.)

10. "It should be recognized that the amount of projected cost impact is extremely sensitive to future workloads which seems to always change considerably from the initially forecasted levels." (Source: Naval Sea Systems Command CV SLEP Least Cost Approach Study, 1/15/79, Enclosure 7.)

11. "The estimates of both yards are soft because of unreasonable uncertainties that we cannot rely on them alone." (Source: Secretary of the Navy Claytor's testimony before the Senate Armed Services Committee, 2/9/79.)

INCREMENTAL VS. FULL COSTING

Full costing or fully distributed costing refers to the identification and measurement of all costs, including fixed costs, variable costs, and costs which are a mix of the two.

Incremental costing is the identification and measurement of costs which vary with volume or costs which are different under two alternatives.

Full costing is appropriate in private industry, in financial reporting, in pricing, and in budgeting. In government, full costing is appropriate in the same areas, but is used primarily in budgeting and in estimating the cost of some action or program.

Incremental costing is appropriate in private and public sectors in alternatives analysis, i.e., choosing between competing alternatives.

The objective of any cost analysis must be clearly defined. Usually it is to estimate a cost or to choose between competing alternatives. The objective determines the appropriate cost method. Too often, it is easy to attempt to use full costing for both cost estimating and alternative analysis. If done, this approach fails to recognize that there may be some costs which will be incurred regardless of the alternative chosen. These must be excluded to avoid the incorrect assumption that these costs will be avoided if the particular alternative is not chosen.

Non-avoidable costs in a shipyard alternatives decision consist primarily of fixed costs. Fixed costs can be subdivided into three broad categories: (1) physical capacity, represented by buildings, machinery, furniture, etc., (2) organizational capacity, represented by management, supervisory, and staff personnel, and (3) financial capacity, represented by working capital and other financial resources.

The Navy-commissioned 1972 Booz Allen "Study of the Relative Costs of Ship Construction, Conversion, Alternation, and Repair in Naval and Private Shipyards" (this study was cited by Comptroller General Staats in his statement before the Senate Armed Services Committee) states:

"It can be shown that, when the true incremental cost of performing a specific type and amount of ship work in a Naval shipyard, taking account of transition costs and a realistic work-load pattern, is less than the projected total private shipyard price for the same work, the greater economic benefit to the government will probably result from the assignment of the work to the Naval Shipyard."

Given that the objective of all of the studies is to compare the effect upon the defense budget of performing the Saratoga SLEP work either in Newport News or at the Philadelphia Naval Shipyard, then a proper cost comparison would measure the differences between the Newport News contract price and the incremental cost which would be incurred if the Philadelphia Naval Shipyard is chosen.

The Newport News contract price will include direct materials, direct labor, overhead, and profit. The Philadelphia Naval Shipyard will incur direct material, direct labor, and some increase in variable overhead. The fixed overheads of the Philadelphia Naval Shipyard are already committed in defense budgets. The level of variable overhead spending in other Naval Shipyards may be affected by the allocation of Naval work.

The overhead costs are significant in the cost comparisons. The Newport News overhead rate is estimated to approximate 90 percent to 100 percent of direct labor. The Philadelphia rate is probably higher because of the classification of certain supervisory costs as overhead (which appropriately reflects the Navy's ongoing commitment to maintain adequate supervisory strengths for emergency situations).

The Navy and GAO studies fail to deal properly with the comparison of overhead costs because they fail to distinguish between the accounting technique of full cost allocation and actual spending.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, we have had a good and fine presentation, by the preceding speakers who would amend the committee amendment regarding this special work on the *Saratoga*.

From former years, I have a remembrance of several times this age-old question coming up, particularly on overhaul and repair. Now it comes up again with reference to a modernization program—a contest between a Federal, that is, a public shipyard or a private yard.

I know in the appropriations bills from time to time we have had riders or limitations on appropriations items, even more so than in the Armed Services Committee. There have been various efforts to compare the costs. That has been developed from the viewpoint this morning.

One time I made a special visit to a public or Federal shipyard just to get the feel and the contrast. Then I understood better why we should keep those Federal yards, particularly as a reserve with a capability and know-how in cases of emergency as well as for other reasons.

I have no adverse feeling toward a Federal yard, even though we are fortunate in having a private yard in my own State.

I will just not tolerate in my mind any unfavorable comparison that way.

This matter came into our committee and was rather thoroughly discussed by the Navy, who presented their points. They had already made the decision to go to the Philadelphia yard. It was thoroughly presented and discussed. We notified all Senators who wanted to be notified. The first Senator we notified was the Senator from Pennsylvania, Senator SCHWEIKER, who was once a member of our committee and who is now on the Appropriations Committee.

So the matter was discussed back and forth including the discussion on these dollar figures. An $89 million difference was estimated by the General Accounting Office itself, which has proven to be capable in these fields, even though they cannot be experts in all fields. It was adopted on that basis. I emphasize that it was not any hasty decision. It was not anything adverse, or trying to be adverse to Philadelphia yards; not in the least.

That was the judgment and that was the vote of the committee. It was based on authentic and, you might say, unquestioned, impartial figures. That is enough to make a difference.

There was some consideration given about the crews, the convenience, and the changes, and they had their weight. But I think the money matter was what decided the issue.

I appreciate very much the attitude of the Senators, all of them, about being willing to have a real discussion of this matter. If anything came up that we could not get a vote, we would pass by that and go on to something else.

That is the background of this amendment, the way I see it, Mr. President. I hope that the amendment, as worked out by the committee, will prevail.

I am glad to yield the floor now. I shall yield to the Senator from Texas or Senator BYRD.

Mr. HARRY F. BYRD, JR. We can wait until the Senator from Texas comes in.

(Senator STEWART assumed the chair.)

Mr. WARNER. Mr. President, I have just talked to my distinguished colleague from Texas. We have agreed, subject to Senator STENNIS' concurrence, after he speaks, that the senior Senator from Virginia will speak, and then Mr. TOWER.

Mr. HARRY F. BYRD, JR. Would the Senator from Texas like to proceed now?

Mr. TOWER. I thank the distinguished Senator.

Mr. President, I rise in support of the committee position. I think this matter was carefully considered by the committee. I believe the professional Navy prefers that the work on the *Saratoga* be done at Newport News. I think the committee considered every aspect of this. I urge that the Senate support the committee position.

Mr. HARRY F. BYRD, JR. Mr. President, first, I want to say to the Senator from Mississippi and the Senator from Texas that I appreciate their giving the committee's position on this important matter. I also commend my colleagues on the other side of this issue, who have taken a position contrary to that of the committee and that of the Senator from Virginia. I think it has been a good discussion this morning.

I do not feel it is necessary or desirable to condemn any shipyard in order to justify my support for the committee amendment. I should like to read into the RECORD precisely what the committee amendment states.

Section 302 on page 7, line 11:

No funds authorized to be appropriated by this or any other Act may be obligated or expended for the purpose of carrying out the Service Life Extension Program (SLEP) for the aircraft carrier *Saratoga* unless such program is conducted on the basis of least cost as confirmed by the Comptroller General of the United States in his report to the Congress on September 22, 1978.

That is the committee amendment. That is the amendment which was approved by the committee and which is being sought to be knocked out on the floor of the Senate today. The charge has been made this morning in the debate that this would specify a specific yard in the question of letting contracts. Mr. President, this does not specify any contract or any company. What it does say is that this modernization program for aircraft carriers be conducted in whatever yard can best serve the interests of the taxpayers by performing the work for the least cost.

Aircraft carriers are getting so very expensive these days that it is important, I think, that the Government give prime consideration to the cost of these vessels and that they be constructed and, in this case, modernized, at whichever yard, whether it be a public yard or private yard, can do the work effectively, efficiently, and at the least cost. Certainly, the Newport News Shipbuilding & Drydock Co. at Newport News, Va., has the longest record of efficient construction of ships, perhaps, of any shipyard in the world. When Secretary McNamara was Secretary of Defense, he told the Armed Services Committee on various occasions that, in his judgment, the Newport News Shipbuilding & Drydock Co. is the most efficient shipbuilding yard in the United States and perhaps in the world.

Mr. President, Congress mandated a GAO study to determine which shipyard could modernize our aircraft carriers, specifically the *Saratoga*, for the least cost. The GAO study was issued on September 22, 1978.

That study shows—I refer now to page 3, roman III—that it would cost between $88.9 million and $105.2 million less to do the work at Newport News.

The Navy conducted studies also and it made various assumptions. As a result of the varying assumptions, it came up with a cost increase for the Philadelphia Yard vis-a-vis the Newport News Yard of $80 million. Under a different assumption it would be $54 million, and under a third assumption it would be $37 million. But in either case, in any case, the Navy report shows it will be far more costly to modernize the aircraft carrier *Saratoga* at Philadelphia than it would be at Newport News.

The GAO in its more recent testimony before the Senate Armed Services Committee said that the $80 million figure per ship estimated by the Navy, of the three figures I have just cited and which were cited by the Navy, that the $80 million figure is the more realistic additional cost if the work is done at Philadelphia as compared to Newport News.

Mr. President, I think in this time of great inflation, at this time of increased and accelerated Government spending, at this time when the taxpayers and the general public are more deeply concerned than ever before, if I judge their attitude accurately, that the Congress of the United States be aware of the cost of various governmental programs and that the Congress seek to have the work done, not only on this program, but on all programs, at the least possible cost to the American taxpayer.

It was mentioned by one of my colleagues this morning that the whole emphasis of this amendment, approved by the committee, is one seeking to save on defense, one seeking to have a cheap navy.

One of my colleagues said that it could be done perhaps more cheaply in Japan, if we wanted to get into the least cost aspect.

Mr. President, that implies that the Newport News shipyard is not a competent shipyard to undertake this work. It implies there would be inferior work done there when the whole record of that shipyard shows that such is not the case.

I do not know of any witness that has come before the Armed Services Committee in recent years who has condemned the craftsmanship of that shipyard.

Another colleague mentioned that a former chief of naval operations has advocated that the work be done in a public yard; namely, the Philadelphia yard.

But let us see what the present Chief of Naval Operations has to say about the matter.

The present Chief of Naval Operations is a top military man insofar as the Navy is concerned in the Department of Defense. In his letter to the Senate Armed Services Committee dated January 23, 1979, Admiral Thomas B. Hayward, the Chief of Naval Operations, had this to say as paragraph 10 of his letter. I will read paragraph 10:

> 10. Despite the large cost difference in favor of Newport News, cost alone still is not controlling. Decisions of this nature seldom take into account other less tangible factors, particularly those affecting our naval personnel. They should not be overlooked in this instance. Since two-thirds of all Atlantic Fleet carriers are already homeported in Norfolk, far less turbulence to our people will result from a decision favorable to Newport News. Likewise, the ability to conduct the majority of the SLEP with over 1,100 fewer naval personnel who can avoid the rigors of a lengthy shipyard environment is also of paramount importance, to say nothing of the advantage accruing to our better use of these scarce manpower assets elsewhere in the Fleet.

This is the Chief of Naval Operations talking. He is concerned, not just about the cost, he is concerned about that also, and he points out that there is tremendous cost differential, but he said that that is not the only reason that the work should be done in Newport News.

He speaks, as, indeed, I think the Chief of Naval Operations should speak, of the importance to the service as a whole and the effect on the personnel of the service.

He points out, also, in what I have just been reading, that these manpower assets can be much better used by the Navy elsewhere than if they have to be used, if this amendment is stricken, in Philadelphia.

I continue now from the Chief of Naval Operations' letter to the committee:

> Taken in aggregate with all the other relevant factors, such as ability of Newport News to take all four SLEP ships without interference with other Navy work, lesser demand for both military and civilian manpower and preservation of critical CV skills, and severe limitations on the Navy's civilian end strength, cost lends strong support to reversing the earlier decision, and assigning CV SLEP to Newport News.

His last sentence:

> Accordingly, I conclude that on balance the first CV SLEP should be assigned to Newport News.
>
> T. B. Hayward,
> *Admiral, U.S. Navy,*
> *Chief of Naval Operations.*

The Chief of Naval Operations certainly is not going to recommend a shipyard that would perform inferior work. The Chief of Naval Operations certainly is not going to recommend a shipyard to provide a cheap Navy. The Chief of Naval Operations is interested in getting the best possible ship at the least possible cost.

Mr. President, to get back to the figures, the Navy, by its own study, admits that the work can be done at far less cost at Newport News than it can be done at Philadelphia. The General Accounting Office puts the figure at somewhere between $18 million and $105 million as the differential in cost.

Let us take the $80 million figure, which is used in both the Navy report and the GAO report. If we take the $80 million figure, it means that the additional funds required to perform the work at Philadelphia would consume the total income taxes paid by 64,000 American families with a taxable income of $15,000 a year.

Mr. President, why should 64,000 American families have their taxes utilized to perform this work at a Navy yard, where the cost to the taxpayers would be $80 million more than if it were done at another yard? I do not think Congress should overlook that. These families in the $15,000 bracket are among those who are being hurt greatly by the inflation we have today, and these families should be given great attention by Congress.

I say again that it takes the total income taxes paid by 64,000 families to make up the difference in cost between doing the work at the shipyard in Virginia as compared to doing the work in the shipyard in Philadelphia.

Mr. President, at this point, I yield to my distinguished colleague and friend from Virginia, Senator Warner.

Mr. WARNER. I thank the Senator.

Mr. President, I now yield the floor to the distinguished Senator from Iowa (Mr. Jepsen).

The PRESIDING OFFICER. Does the Senator from Virginia yield for a question?

Mr. WARNER. Mr. President, I yield the floor to Mr. Jepsen, to make a statement in opposition to the pending amendment.

The PRESIDING OFFICER. The Senator from Iowa is recognized in his own right.

Mr. JEPSEN. Mr. President, I firmly support the Armed Services Committee language on requiring that the *Saratoga* be rebuilt at the least cost to the American taxpayer. This language is essential to protect the best interest of the taxpayer and the best interest of the U.S. Navy.

I shall not only vote to support the language but will vigorously oppose any efforts to weaken its effect.

I would like to refer briefly to several issues of this shipyard assignment question which I find very alarming.

LACK OF ANY CONSIDERATION FOR PRIVATE SHIPBUILDING MOBILIZATION BASE

It is a matter of record that on two occasions the civilian officials have attempted to overrule the recommendation of the senior Navy shipbuilding officials on the shipyard assignment. To me, the failure of those who would do the overruling to treat the entire Nation's shipyard assets as a whole in terms of both the Nation's mobilization base and the needs of the private shipbuilding industry is most disturbing.

The private shipbuilding industry in this country is disappearing—at an alarming rate. In 6 short years, the 130,000 employees in the private shipyards will be reduced by 60,000—all to be laid off because of lack of work. Commercial shipbuilding is almost non-existent. The Navy's shipbuilding program, which has been severely cut back, in 6 short years will support only 6 shipyards, as compared to the 12 yards now capable of doing Navy work.

The hearings contain no evidence that this serious issue was even addressed by those directing the *Saratoga* decision. It has however, been a part of the decision-making process of the Armed Services Committee.

Recently the Director of the Budget reaffirmed a 20-year standing Government policy when he said:

> The government's business is not to be in business. Where competitive private industry can do the job, we must look there.

COMMITTEE LANGUAGE IS ESSENTIAL TO REJECT AN UNJUSTIFIED EMPLOYMENT POLICY

Mr. President, those who would overturn the recommendation of the Chief of Naval Operations on the *Saratoga* assignment propose an employment policy on the *Saratoga* assignment which this Congress should emphatically reject.

First, it is proposed that 1,600 new Federal employees be added to the Federal payroll. The policy of the Congress, Mr. President, as evidenced in the so-called Civil Service Reform Act passed last year and in other measures, is to reduce wherever possible, not increase, the Federal payroll.

It is interesting, Mr. President, that the pending fiscal year 1978 manpower budget request contains no Federal blue-collar civilian positions for the SLEP program. Obviously, what happened was that the high-level administration decision to assign the *Saratoga* to Philadelphia was made after the fiscal year 1980 budget was already completed and put to bed, so to speak, in early January of this year. As the record indicates, the Department plans to obtain these positions by the use of the emergency authority under which the Secretary of Defense may exceed by 1¼ percent the statutory numerical civilian strength limitations.

Second, Mr. President, the 1,600 new Government workers yet to be hired and trained will displace an even greater number of private workers already hired and trained in carrier work and already on the job at Newport News now constructing carriers. These Newport News employees without SLEP will be laid off due to the declining work load of the yard.

I would add, Mr. President, that over half of these workers are black Americans, many of whom were trained at Government expense.

In all of the Federal job creating programs of which I am aware, it has been made clear that Federal jobs should not be created at the expense of displacing private workers. This Congress should go on record as opposing the policy of increasing Federal employees for the purpose of displacing American working men and women already on the job in the private sector.

Next, Mr. President, as the record shows, over 1,100 of the *Saratoga* crew members will be assigned for 2½ years to rebuild the *Saratoga*—all because of the fact that 1,600 is the maximum number of the new Federal blue-collar employees who can be hired and trained in time to start the work on the *Saratoga* when it enters dry dock on October 1, 1980.

Mr. President, the Senate should go on record, in an emphatic fashion, to oppose the use of military labor as a substitute for private workers. Insofar as I know, the laws and policies of this country have been that the job of our men in uniform is to man the equipment and fight the wars. It is the job of the civilian economy, with civilian workers, to produce, construct, and rebuild the weapons and items needed for our national defense.

It is my understanding that the assignment of these 1,100 men for a 2½-year period for shipyard labor is unprecedented. There have even been serious problems where a much smaller number of men for much shorter periods have participated in shipyard overhauls. What is the objective of all this, Mr. President? There has been no military judgment or finding that this alternative is necessary. On the contrary, the Chief of Naval Operations, both in testimony and in his written memo printed in the hearings, argues forcefully against the use of these *Saratoga* crewmen as shipyard labor—both because of the adverse impact on the readiness of the fleet and because of the severe hardship and morale problems which would be imposed on the men involved.

CREATION OF JOBS AT PHILADELPHIA—THE REASON FOR CIVILIAN RECOMMENDATIONS

Mr. President, a careful reading of the hearings leads to only one conclusion as to the reason behind overturning the recommendation of the Chief of Naval Operations. The reason was to create new government jobs at Philadelphia. The President, in his June 1977 letter printed in full in the hearings, made the commitment to create an additional 2,000 jobs at the Philadelphia Naval Yard 3 years later, in 1980.

The Vice President made an announcement in April 1978 stating that the *Saratoga* Philadelphia assignment would create an additional 2,600 jobs at Philadelphia and further linked this action with his ill-fated 1976 campaign pledge to prevent the closing of the Frankfort Arsenal.

CONCLUSION

Mr. President, the price for the creation of these jobs is too high. It is too high in terms of the additional $80–$100 million. It is too high in terms of military readiness impact on the U.S. Navy. It is too high in terms of morale, hardship and expense to be imposed on the affected *Saratoga* crewmen. It is too high in terms of permitting new government workers and military labor to serve as substitutes for the private American working man and woman.

The Senate should support without reservation the committee's recommendation on this matter.

I yield back the floor to the distinguished Senator from Virginia (Mr. WARNER).

The PRESIDING OFFICER (Mr. BRADLEY). The junior Senator from Virginia.

Mr. WARNER. I thank the Chair.

Mr. President, I wish to thank my distinguished colleague from Iowa. He participated in the hearings as a member of the Committee on Armed Services of the Senate. He has also brought with him to that committee and to the Chamber a lengthy experience of his own in wearing the uniform of the armed services of the United States and, therefore, is particularly qualified to address those most persuasive arguments in this case relating to military manpower.

Mr. President, I think the leadership has afforded the proponents of this amendment as well as the opponents of the amendment full latitude this morning to consider all pertinent factors. I wish to express my appreciation to the leadership for allowing a full deliberation on this issue which is so vital not only to the American taxpayer but to national defense.

Rather than go back over these arguments, I am hopeful that my colleagues have carefully examined the analyses that I have prepared carefully over the past weeks and inserted in the RECORD on the dates of March 22, April 30, and resting on the desks today in the current RECORD is another very careful point-by-point recitation of all the issues in this debate.

I am hopeful that cool heads will prevail over heated rhetoric, and I stress this, that facts will control this decision as opposed to politics.

The Committee on Armed Services of the Senate examined the witnesses, cross-examined the witnesses, and went over all of the issues we have discussed in this Chamber this morning, and following that deliberation and consideration and bringing together on these issues lengthy experience of the members of that committee, they decided upon the amendment which is contained in the committee report in the bill before the Senate, and I am, therefore, urging my colleagues eventually to adopt that bill as written.

Mr. President, there were numerous references by my distinguished colleagues from Pennsylvania, my distinguished colleagues from Delaware, to Adm. Hyman Rickover. It was my privilege to serve with that distinguished naval officer for over 5 years in the Department of Defense as Under Secretary and Secretary of the Navy

Upon hearing the use of his name in the statements made, I went to that telephone in this Chamber and telephoned Admiral Rickover and said:

> Admiral, here is what is being stated in reference to the matter pending before the Senate.

In the style that is well known of that distinguished American, he replied cryptically and succinctly as follows:

> Senator WARNER, I instructed my staff, as I have myself, to stay the hell out of this case, and I am not involved. It is not my job.

I have the admiral's number right here should any of my colleagues wish to call him, and I think that should dispense with the references made to that distinguished naval officer this morning.

Mr. President, I would like to proceed to certain areas that I felt have not received full consideration, and areas in which I again, drawing upon my lengthy experience in the Department of the Navy, feel I am qualified to address and amplify.

First, the Philadelphia Naval Shipyard presently has no work force to handle the proposed SLEP program. A 2,600-man labor force must, therefore be created, and because of an inability to recruit more than 1,600 new Federal Government employees, over 1,100 of the *Saratoga* crew must be assigned as approximately 40 percent of the work force at Philadelphia.

Newport News, on the other hand, has in being a completely trained 2,600-man civilian—and I stress civilian—work force available to start work the moment the *Saratoga* docks at Newport News.

Under the administration plan, these private employees will be laid off to make room for the new Government employees at Philadelphia at a time when every Member of this Senate and every citizen wishes we would take steps to curtail the growth of the Federal Government.

Now to a very, very strong and persuasive point set forth by a man whom I know very well, the Chief of Naval Operations: It was my privilege as Under Secretary to have the current Chief of Naval Operations as my naval aide, and I have watched this distinguished officer rise through the ranks from captain to four-star admiral until today he is Chief of Naval Operations.

He unwaiveringly before the committee, under the most intense cross-examination, fought hard for his men. The fleet is presently 25 percent below full strength in many of the skilled ratings, the same skilled ratings that would be detailed to the shipyard should this vessel ever go to Philadelphia.

The 2½-year diversion of 1,100-plus urgently needed and highly trained *Saratoga* crew members to perform industrial shipyard work will further reduce the readiness of the U.S. operating fleet. Admiral Hayward, the Chief of Naval Operations, has vigorously protested this diversion, as was his duty as a sailor.

Over 50 percent of the ratings to be detailed to the shipyard are engineering skills which, Admiral Hayward has stated, are "the most critical to the fleet leadership at this time." He concludes:

> We need them badly elsewhere in America's fleet.

One of the greatest problems confronting the armed services today, and particularly the Navy, because of the deployment of ships away from families and friends, is that of residence. The reassignment from the fleet of over 1,600 combat sailors to the Philadelphia shipyard will just drive them out of the Navy. Absenteeism increases 60 percent when crews are detailed to even the most routine of overhaul duties. The Navy's desertion rate is already historically high, exceeding even its rates in wartime.

Again, Admiral Hayward stated, "For a career man, a family move to Philadelphia would be a hardship."

Mr. BIDEN. Mr. President, representing part of the Delaware Valley area as I do, I object to the Senator's references to the hardship of living in Philadelphia. I just wanted to have the RECORD show that.

Mr. WARNER. Mr. President, I will yield the floor for this somewhat unanticipated interruption. Go ahead. Would you care to clarify your remark? You did not have your speaker on at the time. Would you care to use your speaker?

Mr. BIDEN. Yes, I will. Is the Senator suggesting it is a hardship to live in Philadelphia? I thought that was what he said. I was just curious about it.

Mr. WARNER. Well, Philadelphia is widely known as—what is it, the City of Brotherly Love? What is that quotation?

Mr. BIDEN. That is correct. I am just curious; I wanted to know what the Senator was saying, that is all.

Mr. WARNER. I am not here to knock Philadelphia. As a matter of fact, as the distinguished Senator from Philadelphia knows, during my tenure as head of the Nation's Bicentennial, we tried to make Philadelphia the focal point of that historic event. But today we are addressing the lives, the futures, and the careers of sailors aboard the U.S.S. *Saratoga* whose families are living from somewhere in the proximity of Newport News on down to Mayport, Fla.

I think it will be a hardship on those men and those families should this ship be sent to Philadelphia, requiring the retention of over 1,100 sailors, not only a hardship on the families, but a hardship on the fleet, which needs those fine ratings at sea today. That is the point.

Mr. BIDEN. I thank the Senator.

Mr. WARNER. I believe and I suggest to my distinguished colleagues that this is the first time in the history of the Navy that so large a group, 1,100 crewmen, will be sent to a shipyard for labor duty for 2½ years. Ordinarily, when crews are required to perform shipyard work, it is for the normal short periods of overhaul and repair work, but not for a period of 2½ plus years.

Now, the *Saratoga* crew, by receiving substantially less compensation than the civilian shipyard coworkers doing the same jobs, will in effect subsidize the Philadelphia yard by an estimated $73 million. So states the GAO. And, Mr. President, at a time when this Nation is struggling with the problems of unemployment, this decision bears on that critical issue, and bears overwhelmingly on minority individuals.

With the creation of the new work force at Philadelphia to consist of 1,600 new Government employees and over 1,100 *Saratoga* sailors, making a total of 2,600, trained private sector employees, free enterprise employees, at Newport News will be turned out onto the streets with no work. Fifty percent of those are anticipated to be black—black individuals who have worked hard to acquire the skills and the training to perform this type of work. The use of military labor and the creation of new Federal jobs as a substitute for the on-the-job private sector, already trained employees, is indefensible.

On April 20, 1979, the National Conference of Black Mayors—representatives of the whole of America, 171 municipalities—protested the result of the assignment of the USS *Saratoga* to Philadelphia, because they recognized the loss of jobs for the people that they represented, and they are on record today as urging the Members of the U.S. Senate and the whole of the Congress to reject this decision.

Mr. President, I wish to conclude in a very succinct manner by stating point by point the reasons for my colleagues, who will soon enter these doors and I am confident will reject the pending amendment, to do so.

The Biden amendment will eliminate the least cost requirement and, in effect, authorize the *Saratoga* decision to be made on whatever grounds the Secretary of Defense chooses.

The Biden amendment should be rejected because:

First. This amendment clearly rejects the considered judgment of the Senate Armed Services Committee, a decision made only after 2 years of consideration including full committee hearings.

Second. Superficially, this amendment appears to require the elements of cost and national security as factors in any SLEP decision. In fact, the amendment would allow the Secretary of Defense to ignore cost considerations and to make a decision on whatever grounds he considers appropriate.

Third. Approval of this amendment would be an abdication of congressional responsibility, in effect, mandating by statute a predetermined administration commitment to Philadelphia.

Fourth. A vote for the Biden amendment is a vote for a Philadelphia assignment; a vote for wasting $80 to $100 million of the taxpayers' money; a vote for using uniformed military personnel for other than vitally needed fleet duty; a vote for worsening the Navy's severe manpower problems; a vote for more Government at the expense of private workers; a vote for political involvement in the military procurement process.

Fifth. The Armed Services Committee has the expertise and the experience to make the sound judgment on the *Saratoga*. The facts are in; the evidence is compelling. The committee has made a decision based on all relevant information. The Senate must now decide whether to confirm or to repudiate the committee's judgment.

Mr. THURMOND. Mr. President, the Senate Armed Services Committee has made a thorough investigation of the issues involving the overhaul of the *Saratoga* aircraft carrier and subsequent carrier overhauls.

As a member of the committee, I joined a majority of my colleagues in supporting the Byrd amendment which required that this work be done at the shipyard which offered the most economical price as determined by the General Accounting Office.

As the Members know, the administration wants this work done at the Philadelphia shipyard. However, the Navy study shows a cost difference of about $80 million in favor of Newport News, Va. The GAO study estimated Newport News could do the work for about $100 million less.

Mr. President, I am also persuaded by another key factor which I consider most important. That issue is the requirement that if the work is done at Philadelphia, as proposed by the administration, it would be necessary to assign 1,200 Navy military personnel to the project. This would be in addition to the requirement to train 1,600 new civilian personnel at Philadelphia.

My interest in this area of personnel turbulence prompted me to pose a question on this subject to the Chief of Naval Operations, Adm. Thomas Hayward, during the February 13, 1979 hearings. Here is my question and his answer:

> Senator THURMOND. Admiral Hayward, you indicated in previous testimony a number of personnel problems would result from the Philadelphia assignment. I believe these points included:
>
> 1. Less turbulence with Norfolk homeporting;
>
> 2. The avoidance of shipyard rigors for *Saratoga* crewman; and,
>
> 3. The ability to use the skilled *Saratoga* crew elsewhere in the fleet.
>
> How would this differ if the *Saratoga* job is performed at Philadelphia?
>
> Admiral HAYWARD. The rationale for all three points lies in the fact that there will be nearly 1200 more personnel on board *Saratoga* if overhauled in Philadelphia because they cannot do the job with a smaller crew. Overhauling in Newport News will afford the reassignment of those 1200 personnel throughout the Navy which is fundamentally undermanned. With 1200 less personnel on board, personnel turbulence inherent in life at an industrial activity is minimized. Twelve hundred fewer personnel

> will be subjected to the hardships of the shipyard which include:
>
> Family separation or a short term move.
>
> Difficult interface of responsibilities for equipment repair.
>
> Industrial facility inconveniences attendant with a ship's tear-down and resulting loss of shipboard hotel services, messing and berthing.
>
> Most of those 1200 personnel will be trained and experienced operators whose skills are needed to better operate other fleet units.

Mr. President, besides the cost savings involved here, I attach great weight to this personnel issue. It is well illustrated in the question and answer I have just quoted. Because we are short on carriers now, these men have to pull long duty periods at sea. It is simply not fair to place an added burden on them for what appears to be fulfillment of a political promise by the Vice President of the United States.

Further, these men who would have to man the *Saratoga* in Philadelphia are needed in other positions throughout our presently undermanned Navy. This is another critical point worthy of great consideration.

Mr. President, I urge the Senate to reject this amendment. We must proceed in the most economical manner possible in all defense matters. This can be no exception.

Mr. DOLE. Mr. President, the Senate today has considered SLEP, the service life extension program, which will extend by 5 years the life of four *Forrestal* class aircraft carriers. The SLEP program scheduled to begin in 1980, will will enable the Navy to count on 12 deployable carriers at least up to the year 2000. This program is, therefore, of great importance to our national defense.

Mr. President, for 2 years now Congress has been concerned with the cost and other implications associated with the shipyard assignment of the *Saratoga*—the first to undergo the service life extension program. I must note, however, that as far back as 1976, the Navy recommended selection of the Philadelphia Shipyard as the site for this program, and this decision was formally announced last spring. Since this decision was made, a dispute has developed that has touched on many issues: private versus public shipyards, cost, naval morale and national security. All these are important issues, and I commend my colleagues on both sides of the issue for providing this body indepth analysis of this very important national issue.

AMERICA'S BEST INTEREST

Mr. President I can readily appreciate why my distinguished colleagues from Virginia would like to see the service life extension program be performed at Newport News. By the same token, I can also understand why my distinguished colleagues from Pennsylvania and surrounding States would like to see SLEP performed at the Philadelphia Navy Shipyard.

Mr. President, I am fully aware that the General Accounting Office has recommended that the SLEP program be performed at the Virginia Newport News Shipyard. However, the idea of rewarding a major defense contract solely on the basis of one study, is questionable. I am quite aware of other "least cost" studies—which have determined Philadelphia to be the least costly site. So I would suggest to my colleagues that cost is simply not the only issue here, in the sense that it is impossible to determine the absolute least cost because figures are "soft" and because there are conflicting cost studies.

Mr. President, I dislike having to make my decision on this very close question because of differing views of colleagues I respect. I have, therefore, chosen to look at the broad picture, which ultimately reflects the needs of this country and also the most appropriate action to be taken in the best interest of this Nation. Consequently I am supporting the amendment of my colleague from Pennsylvania, Senator HEINZ.

Mr. WARNER. Mr. President, I move to lay on the table the Biden amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. MOYNIHAN). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table. The yeas and nays have been ordered, and the clerk will call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

Mr. ROTH. Mr. President, I would ask——

The PRESIDING OFFICER. The motion is not debatable.

Mr. ROTH. I ask the Senator from Virginia to withold his motion.

Mr. WARNER. Does the Senator feel it would be sufficient to articulate it, or is it necessary to put this in writing?

The PRESIDING OFFICER. The Chair repeats that debate is not in order, the yeas and nays having been ordered.

Mr. ROTH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ROTH. The calling of the roll has not taken place yet; would it not be proper?

The PRESIDING OFFICER. The calling of the roll has not commenced, but even so, debate is not in order.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent that 2 minutes be given to the Senator from Delaware.

Mr. WARNER. I would not object to that, Mr. President, but the distinguished Senator from Texas has suggested the absence of a quorum.

The PRESIDING OFFICER. Will the Senators attend to the Chair? There is a difficult parliamentary situation we are trying to resolve. First, let me ask, does the Senator from Texas——

Mr. TOWER. Mr. President, I ask unanimous consent——

The PRESIDING OFFICER. Does the Senator withdraw his request for a quorum?

Mr. TOWER. I do.

Mr. President, I ask unanimous consent that the Senator from Delaware be permitted to proceed for 2 minutes.

The PRESIDING OFFICER. Is there objection? No objection is heard. The request is granted. The Senator from Delaware.

Mr. ROTH. I thank the Chair.

I regret, because of the fact that the Finance Committee is holding a markup session, that I have not been able to attend the floor proceedings throughout this morning. However, I do want to rise in strong support of the coalition amendment offered by my colleagues from Pennsylvania, New Jersey, Delaware and myself.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROTH. Mr. President, I share the feelings of my distinguished colleagues from Pennsylvania, Delaware, and New Jersey on the Secretary of Defense's authority, expertise, and discretion in deciding this issue. I also agree that other considerations, such as national security, should be raised.

In my judgment, one of the principal issues we are debating today is cost—the cost of overhauling the aircraft carrier *Saratoga* and its three sister ships. In an era of tight budgets and the need for a stronger national defense, we all agree the overhaul contract for our four Forrestal-class aircraft carriers should be awarded on the basis of cost as well as other factors—cost to the taxpayer and cost to our national security.

Our amendment insures the Navy's overhaul of the *Saratoga* is conducted on the basis of all cost studies—not merely a single incomplete study by GAO, as the language of this bill presently requires.

We are seeking to amend the current language in section 302 of this bill. This was insisted upon in markup of this legislation in the Armed Services Committee. This current language in section 302 would require the *Saratoga* overhaul program to be awarded solely on the basis of initial least cost estimates—but only as confirmed by one cost study—a study done by GAO.

Now, if this were a perfect world—if national defense decisions could be made solely on cost estimates by GAO, exclusive of all other cost information and technical and military information available—I should be happy with the current language in this bill.

Sadly, the real world does not make the GAO the exclusive font of wisdom on defense contracts. Just as we in this body do not abdicate our oversight responsibility when it comes to Defense Department cost estimates, we also do not abdicate that responsibility to our own in-house accountants, whether they be from GAO, CBO, OTA, or wherever. In short, we make cost decisions on the basis of all cost data—not one incomplete GAO report.

Let me point out how this one GAO report ignores the complete, long-range perspective on costs on which we should really be deciding this issue.

The overhaul of the U.S.S. *Saratoga* and the other three carriers is part of the Navy's service life extension program. The cost is estimated to be $500 million per ship, or approximately $2 billion for all four ships. SLEP is scheduled to begin in October 1980, and work on the first ship is anticipated to take 28 months.

Planning for this program has been going on for over 3 years. During the Ford administration in 1976, the Navy initially recommended the Philadelphia navy yard for overhauling the *Saratoga*. Again in April 1978, the Secretary of the Navy determined that the SLEP program for the *Saratoga* should be performed at Philadelphia rather than Newport News. Still a third time, in January of this year, the Secretary of Defense reaffirmed the decision in favor of Philadelphia after the Navy had completed a second comprehensive least-cost study. This study had been required by an amendment to the 1979 Defense authorization bill, sponsored by Representative TRIBLE of Virginia.

It is important to review the other cost factors which the Department of Defense considered in arriving at its decision—but which the language in this bill excludes from all consideration. Among the factors considered by the Navy are:

Excellent on-time completion record and adherence to contract cost at Philadelphia, as well as the high quality of overhaul work done;

One billion dollars in cost overruns at Newport News, criticized in testimony by Adm. Hyman Rickover before various Senate committees in 1976, 1977, and 1978. I ask unanimous consent that a summary of Admiral Rickover's testimony be printed in the RECORD at the end of my statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ROTH. Combined labor-management difficulties at Newport News; potential of future shipyard congestion at Newport News; national security advantage of having Philadelphia as an active carrier repair yard.

Mr. President, these are only a few of the factors the Navy and the Department of Defense have considered over the last 3 years of decisionmaking on the *Saratoga* contract. Over 40 months of cost analysis and management evaluation entered into the decision of award SLEP program to Philadelphia. In short, the Navy and the Department of Defense have not made their decision in a vacuum—and neither should we.

But the language in this bill would require just that—a decision in a vacuum.

My friend the junior Senator from Virginia told us in his RECORD statement Monday, and I quote:

> All of the relevant facts regarding the *Saratoga* have been presented. All that remains is for the Congress to decide whether, pursuant to section 302, the program will be conducted on a least-cost basis . . .. or whether the program will be conducted on a drastically more expensive and wasteful basis.

I agree completely, Mr. President—one of the questions is cost, and all the relevant facts must be presented to the Senate in order to answer that question. But section 302 of this bill. does not accomplish this goal. Instead, it would exclude all cost considerations save those confirmed by one GAO report.

Mr. President, it is not prolonged and repetitive second-guessing of the Department of Defense by this body that disturbs me about the whole *Saratoga* controversy. After all, oversight is our constitutional prerogative and duty, and I would rather see more congressional oversight and less spending legislation than the other way around.

No, the language disturbs me because it makes a mockery of our oversight duty itself. By including only those cost factors favorable to Newport News and excluding all others, section 302 turns a reasonable debate over cost into a parochial sham.

Reasonable persons may differ in their interpretations of the wealth of cost data considered by the Navy and the Department of Defense on this issue; but reasonable persons cannot differ that the ultimate decision must be made on the basis of all cost data—not some preselected narrow data chosen precisely because it favors one side over another.

What do we get if we buy section 302 and the GAO study, to the exclusion of all other factors?

The GAO study was requested by Senator BYRD and Congressman TRIBLE in 1978, shortly after the Navy recommended Philadelphia for the SLEP program. The GAO study, actually only a critique of the Navy's first least-cost study, was completed in September 1978 with no opportunity for prior DOD or Navy comment.

GAO concluded there was a cost advantage at Newport News of $88.9 to $105.2 million. However, a Wharton School of Finance study completed January 3, 1979, differed sharply with the GAO report. The Wharton study found less than a $3.9 million difference in favor of Newport News—statistically insignificant difference in cost estimate terms.

In addition, Price Waterhouse & Co. performed an analysis of the GAO study. Price Waterhouse was highly critical of GAO concluding, and I quote:

> The methodology employed in preparing the (GAO) estimates (was) not appropriate for the purpose of measuring the effect on the Government budget of the alternative decisions to allocate the SLEP work.

If we buy the GAO study we get just one cost study out of several on this issue—and an incomplete, disputed study at that.

On the other hand, what do we get if we buy the amendment my colleagues and I are offering?

We get all the cost factors cited by the Department of Defense and the Navy over the last 3 years, whether they favor one yard or the other;

We also get all national security factors considered by DOD and the Navy, as well as other like non-cost factors. An example of a national security factor is provided by Elmo Zumwalt, Jr., former Chief of Naval Operations. Admiral Zumwalt commented on the SLEP program, in the case of war, and I quote:

> Public shipyards, with their capacity to preserve vital repair skills, will be essential . . . Therefore, I would want in each case where a ship is being considered for overhaul in a private or public shipyard, to look first to whether the assignment to the public shipyard is necessary in order to preserve vital skills for war.

Finally, yes, we get the GAO report, blemishes and all. We are ecumenical where the current section 302 is parochial.

Mr. President, I am going to end my statement where I began—at cost. Cost is the issue.

Last year Congress expressly determined the *Saratoga* contract should be assigned on the basis of two basic values: "Fairness and competition."

This year, I ask my colleagues to consider these two values again in deciding the *Saratoga* cost issue—fairness in considering all relevant cost factors in assigning the SLEP program, and full and open competition between Philadelphia and Newport News on the merits for the *Saratoga* contract.

The American taxpayers deserve no less than the language of our amendment—and much more than the current language.

I urge my colleagues to support the coalition amendment, and I yield the floor.

EXHIBIT 1

HEARINGS ON THE CONTRACT DISPUTES ACT OF 1978

On June 14 and June 20, 1978, Senate hearings were held in connection with the proposed Contract Disputes Act of 1978. The following are excerpts and quotes from these hearings. Numbers in parentheses refer to specific page citations in Contract Disputes Act of 1978, Joint Hearings Before the Subcomm. on Federal Spending Practices and Open Government of the Comm. on Government Affairs and the Subcomm. on Citizens' and Shareholders' Rights and Remedies of the Comm. on the Judiciary, 95th Cong. 2nd Sess. 1978).

Admiral H. G. Rickover testified that—

Newport News has outstanding claims of $743 million. (35)

Newport News has charged the Government with delays and cost overruns caused by Newport News' own productivity problems. (28)

Although Newport News has lost large sums in its private commercial contracts, it did not make additional claims as it does on its contracts with the Navy. (7) (9) (38)

Newport News has threatened work stoppages knowing that the Navy cannot remove partially completed ships.

A report was submitted by Admiral Rickover to appropriate Naval authorities regarding Newport News claims to be investigated for possible violations of fraud or false claims statutes. (32)

Newport News' claims reveal

Statements which are demonstrably untrue;

Statements apparently designed to mislead;

Withholding of documents which would disprove allegations of Government responsibility;

Alleged Government responsibility for costs which are the Newport News' responsibility under the contract;

Claims for costs which have been reimbursed;

Claims for costs which have not or will not be incurred (37); and

Newport News has informally told the Navy it will not sign any more contracts which require it to certify their claims. (37)

Paul Andrews, an attorney, testified that—

The Navy decided to award only $2.9 million to Newport News on a claim for $90.4 million relating to two nuclear submarines. (299)

HEARINGS ON SHIPBUILDERS' CLAIMS

On June 7 and 25, 1976 and December 29, 1977, the Subcommittee on Priorities and Economy in Government of the Joint Economic Committee of the United States Congress held hearings on various claims filed against the U.S. Navy by shipbuilders, including Newport News Shipbuilding and Drydock Co. (Newport News). The following are excerpts or quotes from these hearings. Numbers in parentheses refer to specific page citations in "Economics of Defense Procurements: Shipbuilding Claims," Hearings Before the Subcomm. on Priorities in Government of the Joint Economic Comm., 94th Cong., 2nd Sess. and 95th Cong., 1st Sess. (1976–1977).

Admiral H. G. Rickover testified that—

Newport News has submitted $894 million in claims, set forth in 64 volumes. (8)

Newport News refuses to certify that its claims are "current, accurate and complete"—Navy procurement regulations require this certification. (5) (24)

When Newport News did certify a $142 million claim, a revised claim almost double this amount was submitted just before the Navy made partial payment—Newport News refused to certify the higher claim—certain computations for the new claim had been made prior to the submission of the original, certified claim. (20)

When there are disputes with the Navy, Newport News

Airs its complaints before the press; (6)

Uses its contacts with senior Defense Department and Navy officials; (107) (124)

Threatens withdrawal from the shipbuilding program; (6)

Threatens to stop work, e.g. On February 16, 1976, Newport News submitted a $221 million, 16 volume claim relating to the carriers *Nimitz* and *Eisenhower* and the next day the company president, Mr. John P. Diesel, wrote to the Navy intimating the company would stop work on the carrier *Vinson* until the claims were resolved. (6)

In mid-1975, Newport News stopped work on a nuclear powered cruiser, CGN–41—construction was only resumed under court order. (6)

Delays and extra costs have primarily been caused by Newport News' failure to hire sufficient skilled workers as required by the contracts. (10) (21)

Newport News has made numerous dubious claims

$25,000 to $35,000 per employee for recruiting and training expenses to replace employees Newport News said the Navy had hired away from them. (11) (12)

$100 million for decreased worker productivity allegedly caused by Government delays even though delays were caused by lack of skilled workers. (14) (16)

Double charging for costs of compliance with Federal environment laws by including the costs as overhead and as individual claims.

$200,000 claim was filed for the addition of 124 valves where most of the valves were required by original drawings and contract specifications, revisions were issued by the shipbuilder, and the shipbuilder assured the Navy that this was not a contract change.

Claims that charge late Government progress payments at prime rate financing costs even though these claims exceed actual borrowings. (180)

Newport News has charged for claims previously settled a $20 million claim by Newport for 134 weeks delay in building two submarines included a 66-week period for which Newport News had granted a prior claim release and an extension on the delivery date. (18)

Attempts in April 1976 to settle the $1.3 billion claims of Litton, Newport News, General Dynamics and National Steel failed when Litton and Newport News turned down the maximum offer. (108)

Newport News' claim for $151 million relating to the nuclear cruisers *U.S.S. California* and *U.S.S. South Carolina* was settled for only $44.4 million. The Navy found no entitlement to more than $100 million of the ceiling price claimed. Newport News still made a profit on this claim. (109) (112) (125) (188) (202)

Despite a $26 million profit on two carriers, Newport News filed a $221 million claim. (182)

The processing of claims by Newport News has required 43 Navy personnel to spend 44,000 man hours. (198)

William R. Caldwell, a former Newport News official, testified that—

Newport News submitted a 2½ year construction schedule for the 636 class submarines when it knew the average construction period was 3 years—Government changes and other delays, such as strikes by suppliers, were used to cover up Newport News' inefficiency. (27) (28) (30) (32)

"the yard . . . is ripping off the Government pure and simple". (27)

Newport News' claims include exaggerated, unsupported or inaccurate figures. (33)

Senator PROXMIRE stated—

Newport News' claims in particular cannot stand up to rigorous examination (36)

Newport News has taken "extraordinary" action by appealing directly to senior Navy officials. (93)

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. FORD). The Senator from New York.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that I be allowed to speak for 2 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MOYNIHAN. I thank the Chair and I thank the chairman of the Armed Services Committee.

Mr. President, I would like to make a point to the alarming issue at stake here which seems to me to be carefully set forth by the Secretary of Defense in his letter to Senator BIDEN, which is on our desk. That question explicitly before us is, will the Secretary of Defense be able to make defense decisions? That is what is at issue here. What more direct proposition could we have from the Secretay of Defense than that he should? It is an elemental principle of the military, and indeed of any area of Government, that someone should be responsible, that his name or her name should be known, and the lines of responsibility should be clear.

There is all too much evasion and avoidance of these matters in the American Government.

Here we have a letter from the Secretary of Defense saying:

> I am responsible for the United States Navy and I will be responsible for the maintenance of its ships. And I will be responsible for deciding where they are to be built, where they are to be repaired, and where they are to be refitted.

That is my idea of the way the Secretary of Defense should speak. It is my understanding of what this Senate would desire a Secretary of Defense to say to it. It seems to me elemental at this moment that we should support the Secretary of Defense and support the amendment of the Senator from Delaware who proposes to do exactly that. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion to table. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Rhode Island (Mr. PELL), and the Senator from Florida (Mr. STONE) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER. Have all Senators voted?

The result was announced—yeas 33, nays 59, as follows:

[Rollcall Vote No. 77 Leg.]

YEAS—33

Armstrong
Bentsen
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cochran
Cohen
Danforth
Durenberger
Exon
Garn
Glenn
Goldwater
Hatfield
Hayakawa
Heflin
Helms
Hollings
Humphrey
Jackson
Jepsen
Kassebaum
Long
McClure
Nunn
Simpson
Stennis
Stevenson
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NAYS—59

Baker
Baucus
Bellmon
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Cannon
Chafee
Chiles
Church
Cranston
Culver
DeConcini
Dole
Domenici
Durkin
Ford
Gravel
Hart
Hatch
Heinz
Inouye
Javits
Johnston
Kennedy
Laxalt
Leahy
Levin
Lugar
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Packwood
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stevens
Stewart
Talmadge
Tsongas
Williams
Young

NOT VOTING—8

Bayh
Eagleton
Huddleston
Mathias
Muskie
Pell
Stafford
Stone

So the motion to lay on the table UP amendment No. 120 was rejected.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Delaware.

Mr. BIDEN. Mr. President, I move the adoption of the Biden amendment.

The PRESIDING OFFICER. All in favor——

Mr. BAKER. Mr. President, I ask for the yeas and nays—I withdraw the request, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 121) of the Senator from Delaware.

The amendment (No. 121) was agreed to.

Mr. BIDEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEINZ. I move to lay that motion on the table.

Mr. WARNER. I ask for the yeas and nays.

Mr. HEINZ. The motion comes too late.

Mr. President, the motion pending is——

The PRESIDING OFFICER. Would the Senator wait until he is recognized, and, when he is recognized, he can speak.

The question is on the motion to table the motion to reconsider, and the Senator from Virginia asked for the yeas and nays.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. A rollcall is in progress. Debate is not in order.

Mr. STENNIS. I suggest it is necessary we have a statement as to the issue. The confusion and the noise——

The PRESIDING OFFICER. The question is—if the Senate will come to order, the Chair will state the question.

It is on the motion to table the motion to reconsider the vote by which the Biden amendment to the Heinz amendment was agreed to.

Mr. BIDEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIDEN. If the Senators would like the motion to reconsider tabled, their vote is "aye," correct?

The PRESIDING OFFICER. The Chair does not interpret and the debate is not in order because a rollcall is in progress.

The clerk will continue to call the roll.

The second assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. Would the clerk suspend, and the Senate come to order? Let us take our seats and clear the well.

The clerk may proceed.

The second assistant legislative clerk resumed and concluded calling the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from New York (Mr. MOYNIHAN), the Senator from Rhode Island (Mr. PELL), and the Senator from Florida (Mr. STONE) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "yea."

Mr. STEVENS. I announce that the Senator from Maryland (Mr. MATHIAS) is necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD), is absent due to illness.

The PRESIDING OFFICER. Are there any Senators who have not voted?

The result was announced—yeas 52, nays 39, as follows:

[Rollcall Vote No. 78 Leg.]

YEAS—52

Baucus
Bellmon
Biden
Bradley
Bumpers
Burdick
Cannon
Chafee
Chiles
Church
Cranston
Culver
DeConcini
Dole
Domenici
Durkin
Ford
Gravel
Hart
Heinz
Inouye
Javits
Johnston
Kennedy
Laxalt
Leahy
Levin
Lugar
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Nelson
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stewart
Talmadge
Tsongas
Williams
Young

NAYS—39

Armstrong
Baker
Bentsen
Boren
Boschwitz
Byrd, Harry F., Jr.
Byrd, Robert C.
Cochran
Cohen
Danforth
Durenberger
Exon
Garn
Glenn
Goldwater
Hatch
Hatfield
Hayakawa
Heflin
Helms
Hollings
Humphrey
Jackson
Jepsen
Kassebaum
Long
McClure
Nunn
Packwood
Simpson
Stennis
Stevens
Stevenson
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NOT VOTING—9

Bayh
Eagleton
Huddleston
Mathias
Moynihan
Muskie
Pell
Stafford
Stone

So the motion to table the motion to reconsider the vote by which Mr. BIDEN's amendment (UP 121) was agreed to was agreed to.

Mr. STENNIS. Mr. President, there is some uncertainty here as to just what the status of the situation is. I think it is necessary that a little time be made to check it out and a memorandum prepared in writing. So for that purpose I suggest the absence of a quorum—which I hope will be short.

Mr. ROBERT C. BYRD. Mr. President, will the Senator withhold?

Mr. STENNIS. If it is necessary.

Mr. ROBERT C. BYRD. There is a need for Senators, a good many Senators, to be elsewhere for a little while, and the two votes we have that have disturbed them a bit. I wonder if it would be possible for us to agree that there will be no more rollcall votes, say, at least for 45 minutes or until 2 o'clock? Would that be agreeable?

Mr. STENNIS. Reserving the right to object, Mr. President, the day is running and we have not gotten anywhere near the end—perhaps of this first amendment—and there are other important amendments, too. I think if we take out 45 minutes, frankly, the psychological effect would be to make it very hard to be assembled, and we ought to try at least a shorter period, say, of 5 minutes.

Mr. ROBERT C. BYRD. Mr. President, I am not suggesting to the distinguished chairman that we not be in session. But I wonder if we could assure our colleagues that there will not be any more rollcall votes, say, for 30 minutes?

Mr. STENNIS. Well, reserving the right to object—and I will not necessarily object—I would like to know if Senator RIEGLE is here. There he is—and if this disposes of the matter, which is important in itself, the one we have had up, the Senator and I agreed that we would try to be ready to proceed with his amendment. May I ask him to respond?

Mr. RIEGEL. Yes, if the Senator will yield, we are ready to proceed, and I would certainly give assurance that for the next hour we will not have a vote. I do not desire to disturb anybody.

Mr. STENNIS. Yes.

The PRESIDING OFFICER. Will the Senator from Mississippi suspend? The Chair would like to state that we cannot go to the Riegle amendment because we have a pending amendment before the Chamber at this time.

Mr. STENNIS. Well, we could, perhaps, get unanimous consent. There has been a general understanding that if this could not be disposed of we would make room for another amendment.

Mr. BIDEN. Mr. President, reserving the right to object, with regard to the understanding, the understanding was that we would proceed with this in a good faith effort to pursue it, and I would object to laying this aside at this point to take up another amendment. We have had two overwhelming votes on this issue. The tactics on the opposite side are dilatory and we are not going to at this point——

Mr. STENNIS. Mr. President, the Senator can reserve his right to object, of course, but we will have to bring it to an end. I can agree to no rollcalls so far as I am concerned. The Senator from Texas may have a thought on this.

Mr. TOWER. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. I am not aware of any dilatory tactics adopted by anyone here. I am just trying to bring it to an early conclusion. We are just trying to accommodate the request of the distinguished majority leader not to have any vote, and I am perfectly prepared to postpone any votes until 2 o'clock. There may be an amendment in the interim that can be adopted by voice, and perhaps it cannot, but in any case we can delay the vote at that time.

Mr. STENNIS. Mr. President, I hope the manager of the bill is not forced to agree to no votes until 2 o'clock and, at the same time, object to proceeding with anything except the present amendment. If we are going to take a recess here for voting, let us move over to another amendment and see if the situation cannot be clarified in writing and move along.

Mr. BIDEN. Mr. President, reserving the right to object, I would respectfully suggest that we have a short quorum call for 5 minutes. Our side would agree to no votes prior to 1:30, and the chairman of the full committee will agree that we may be able to settle it in a quorum call in the next 5 minutes. We do not know what our friends are suggesting.

Mr. STENNIS. Withdraw your request.

Mr. ROBERT C. BYRD. Mr. President, I have not made any request so I do not have anything to withdraw. I was merely exploring the possibility, but I have no request.

Mr. STENNIS. Mr. President, with the expectation then of asking that the quorum call be withdrawn after 10 minutes, I suggest the absence of a quorum.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

UP AMENDMENT NO. 122 TO UP AMENDMENT NO. 120

Mr. WARNER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from Virginia (Mr. WARNER), for himself and Mr. BYRD of Virginia, proposes an unprinted amendment numbered 122 to unprinted amendment No. 120.
>
> In lieu of the language proposed to be inserted by the Senator from Pennsylvania, insert the following:
>
> SEC. 302. No funds authorized to be appropriated by this or any other Act may be obligated or expended for the purpose of carrying out the Service Life Extension Program (SLEP) for the aircraft carrier Saratoga unless such program is conducted on the basis of least cost as confirmed by the Comptroller General of the United States in his report to the Congress on September 22, 1978, or unless the President determines, and so certifies in writing to the Congress, that the national security interest of the United States requires that such programs not be conducted on the basis of least cost.

Mr. WARNER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I ask that the Senator from Virginia be recognized for a proposal.

The PRESIDING OFFICER The Senator from Virginia is recognized.

Mr. HARRY F. BYRD, JR. Mr. President, the pending amendment is one which was earlier offered by the two Senators from Virginia. The amendment would do this: It would keep the language of the committee amendment. That language would remain the same as it was reported by the committee, but at the end of that committee amendment, the following words would be added:

> Or unless the President determines, and so certifies in writing to the Congress, that the national security interests of the United States requires that such program not be conducted on the basis of least cost.

What the pending amendment would do, Mr. President, is provide that the work on the *Saratoga* shall be done at whatever yard can do it at the least cost to the taxpayers unless—unless—the President of the United States determines, and so certifies in writing, that the national security interests of the United States require that it be conducted on a basis other than least cost. This, it seems to me, would meet the objections of those opponents who have said during debate that the GAO report it not adequate or appropriate grounds for making the determination. This would leave it up to the Commander in Chief if, in his judgment, the work should be done at a more costly yard rather than at the yard which would provide for the least cost.

So it seems to me this is a reasonable, appropriate compromise.

While I prefer the original language, this is a compromise proposal. I hope it will be considered favorably by the Senate because, after all, we are dealing with tax funds. We are dealing with some $80 million of additional costs, What that $80 million means is that it takes the entire income tax paid into the Treasury by 64,000 American families earning $15,000 to make up that $80 million of unnecessary cost.

I hope the amendment offered by Senator WARNER and myself will be adopted.

Mr. STENNIS. Mr. President, as I understand it, the parties closest to these amendments have agreed we will vote at 2, and following that, 10 minutes to the side, I ask unanimous consent, Mr. President.

Mr. BIDEN. Reserving the right to object——

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. Let me state it. I ask unanimous consent that each proponent and opponent now have 10 minutes to the side.

Mr. BIDEN. Between now and 2 oclock?

Mr. STENNIS. That is right. Now and 2 o'clock, debate will have been concluded and we will proceed to a vote.

Mr. BIDEN. Mr. President, I reserve the right to object only to point out we started at 25 of with the Senators from Virginia already speaking 5 minutes. So I would respectfully suggest that the proponents of the amendment speak until 12 minutes of 2, we speak from 12 of to 2, and vote at 2 o'clock.

I so move, if the Senator would agree to that.

Mr. STENNIS. Well, ask for unanimous consent.

Mr. BIDEN. Yes, I ask for unanimous consent.

Mr. STENNIS. All right, I modify my request to that extent, Mr. President.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I understand now that we will vote, the Chair will order it when the time comes, and we will divide the time.

The PRESIDING OFFICER. The Senator is correct.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, this has been a very difficult morning for our colleagues in the Senate.

Mr. STENNIS. Mr. President, will the Chair insist on quiet? Not order, just quiet, so we can hear what these people say.

The PRESIDING OFFICER. The Senator's point is well taken. The Senate is not in order.

The Senator from Virginia.

Mr. WARNER. Mr. President, as I stated, this has been a difficult pattern of votes for my colleagues in the Senate. Those of us on the Armed Services Committee have been familiar with this problem for some time.

I cited those portions of the RECORD that in the days previous to today I have put in a careful point-by-point analysis of the issue.

I listened this morning attentively to the persuasive arguments of the proponents of this amendment and in a spirit of conciliation I drew this amendment now pending before the Senate.

It clearly meets the principal points raised by the proponents; namely, that the responsibility for the procurement of the weapons systems be placed upon the Commander in Chief of the Armed Forces, the President, and those to whom he wishes to delegate responsibility.

All of the questions, the manpower, whether, in fact, it is proper in the interest of national defense at a time when we are short on sailors in the fleet to send them to Philadelphia. He can address that issue and come back to the U.S. Senate and the House in writing and justify his findings.

The President advocates that we should fight inflation and find means to provide cost savings within the Government. We have a clear controversy on this question of whether or not there is $80 to $100 million per ship of a potential added cost to the American taxpayer. The President will have the benefit of all those studies and, again, come back and report to us his reason for accepting or rejecting the conflicting viewpoints.

Mr. President, this amendment is truly in the spirit of meeting all of the major points raised in this lengthy debate and I strongly urge upon my colleagues that this be adopted.

I thank the Chair.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I am moved by the Senator from Virginia's spirit of conciliation and I appreciate it.

I would like to make several very brief, but very important points.

First of all, to recite what the Senator from Virginia just said. He said that this amendment clearly places the procurement policy and decisions on the Commander in Chief of the United States and those whom he may delegate.

Let me point out, this amendment precludes, as a matter of law, the President of the United States from being able to delegate that decision. It says that the President must certify. It does not say, as our amendment does, that the Secretary of Defense make that decision. It says the President of the United States. Therefore, he cannot delegate. It takes away the power to delegate.

The second thing I would like to point out, citing the recent speech by the junior Senator from Virginia, he said that there is a clear controversy here as to whether or not there is an $80 million discrepancy between Virginia and Philadelphia.

That is absolutely correct. But the Senator's amendment, maybe unwittingly, does do the following. It does not acknowledge that there can be a controversy. It says, and it only says, that the GAO figures would state that there is, in fact, a discrepancy of $80 million which prevails.

It does not say that the President can take the GAO study, and other studies, and then make a decision. It says that the President must say, "I will get the GAO study (and the GAO study indicates an $80 million difference) and I concluded in spite of that GAO study that we are going to send it somewhere else for national defense."

We call that where I come from "a curve ball."

It does not allow that to be done, other studies to be taken. In fact, it precludes them from being taken into consideration.

I would like to point out three other things it does, if I may.

This amendment requires the President of the United States to get into the business of assigning defense contracts with a specific location designated.

It seems to me the President of the United States has people that have an obligation to make those decisions. The President is busy enough, this or any other President, without getting into a siting requirement for defense contracts.

Second, if this amendment were adopted, it assumes that the GAO study is the definitive study.

The fact of the matter is that we rejected that contention.

We want to make a good faith effort to consider the cost, which the Heinz-Biden amendment does. But this says the GAO is definitive.

We reject that. We disagree with that. We think it is a fallacious statement, a fallacious argument, and a fallacious study. It requires us to turn completely 180 degrees on that question and accept it.

Third, this amendment is offered in the spirit of being a just slightly innocuous amendment. The policy assumption here is that GAO can determine defense contracts unless the President of the United States of America makes a judgment to the Congress in writing that the GAO should not be followed.

What are we making GAO? GAO is not in the business of siting defense contracts, and this amendment put GAO in just that position.

This is what some of my colleagues might call, in previous debates, a "pernicious" amendment. It does not go to the spirit of the Heinz language as amended by Biden. It does not remedy any of the fundamental flaws in the existing amendment in the committee bill.

I respectfully urge that my colleagues reject this amendment and not assume, if they are going to vote for it, that it is even remotely compatible with what the Senator from Delaware and his five colleagues have been arguing this morning on the floor.

Mr. HEINZ. Mr. President, will the Senator yield?

Mr. BIDEN. I yield.

Mr. HEINZ. I thank the Senator from Delaware for yielding.

Mr. President, I concur in each of the points made by the Senator from Delaware. I think the amendment is extremely dangerous and pernicious.

To emphasize that point, if you carefully read this amendment, which is supposed to be a compromise amendment, you find that it is anything else but. The amendment says that if the President is not going to do what the GAO recommends and decides to make a judgment, any other judgment, not based on the GAO study, as part of the judgment, half is already made by this amendment. No matter what he says, this amendment tells him that he has to say, no matter what, because it is a matter of law, any other judgment must include the stipulation that the program is not going to be conducted on the basis of least cost, even if he has a half dozen other studies disproving, to everybody's satisfaction, the General Accounting Office study.

Mr. President, that is an absurd straitjacket—to force the President of the United States to say, even it is not true, simply because he disagrees, or the Secretary of the Navy disagrees, or any of the naval departments disagree with the GAO, because they know it is wrong—nonetheless, we force the President of the United States to say, "Even if it is not true, I did not do it on the basis of least cost." That is what this amendment does.

Mr. President, I suggest that it is ridiculous on its face.

Mr. SCHWEIKER. Mr. President, I think the Senator from Delaware and the Senator from Pennsylvania have summed up the issue very well.

I will not prolong the matter, except to say that if I ever saw a Catch 22 amendment, this is a Catch 22 amendment. It rivals the proverbial "When did you stop beating your wife?"

If the President certifies that national security dictates that the job should go to Philadelphia, then he is wasting a lot of money, according to this amendment. He could not, of his free will and accord, determine that Philadelphia might be comparable in cost. That has been the whole thrust of our argument this morning.

As Price Waterhouse & Co. and the Wharton School study indicated, it would be comparable in cost, and there is not a least-cost shipyard.

We did make a counter offer to the distinguished Senator from Virginia and said, "If you would not presume where the least cost is, we would be glad to accept the certification of national security as determined by the President." They chose to reject that. We should set the record straight by meeting on middle ground and trying to work out a compromise.

I do not see why anybody should be put in the position of saying they can choose the contract and the place, "but if you pick here, you have to certify that is the most expensive place to award the contract." What kind of procurement policy is that? I think it is unfair and is a gross burden on the President. He is damned if he does and damned if he does not, by this straitjacket.

Mr. HEINZ. Mr. President, the Senator makes an outstanding point. If the President decides to send this to Newport News, rejects the GAO study and says that study is inaccurate, and decides, on national defense considerations, to send it to Newport News, because Philadelphia Harbor is blocked by an act of God, or there is an earthquake, he has to certify that Newport News would be the highest cost alternative. That is what this amendment would say, if he invokes national security considerations, no matter which yard he chooses.

The Senator is right in saying that it is a Catch 22. It is so bad that it is a Catch 222. [Laughter.]

Mr. WARNER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes.

Mr. WARNER. I yield 1 minute to the Senator from Mississippi.

Mr. STENNIS. Mr. President, in spite of some splendid arguments and comparison here with the yards on other points, the figures that the committee had before it and acted on, about the relative cost, have not been shaken seriously. They are still solid testimony and evidence and are worthy of being acted on. That is the position that the Senate committee had then and what we have now, after having reconsidered it. I hope the vote will sustain the committee position.

Mr. WARNER. Mr. President, I yield to the distinguished Senator from Texas.

Mr. TOWER. I thank the Senator from Virginia.

Mr. President, stripping away all the rhetoric, what is going to happen is that the ship is going to go to Philadelphia. We know that. All we are asking is that the President certify in writing that it is in the interest of national security that it go there. That is all.

The President has indicated that he wants it to go there. The Vice President and his staff have made some rather strong indications around here that that is where they want it to go. We want it to be clarified in writing.

There is nothing to prevent the President from taking issue with the GAO figures if he certifies his reason in writing. He can say they are no good, and he can cite other cost figures to prove the efficacy of his position. So this does not prevent the ship from going to Philadelphia. We know that is where it is going. We just want the President to tell us why.

Mr. BRADLEY. Mr. President, will the Senator yield?

Mr. WARNER. Not on my time. I want to retain the last minute or so.

The PRESIDING OFFICER. The proponents have 1 minute remaining.

Mr. WARNER. I yield to the Senator.

Mr. BRADLEY. Mr. President, I simply want to reiterate to my colleagues an excerpt from the letter received today from the Secretary of Defense. He says:

> The Comptroller General is not charged with statutory responsibility for the national defense, as is the Secretary of Defense. Nor does the Comptroller General have the range of advice that is necessary to make fully informed decisions on defense matters.

Mr. President, that is the entire issue. Should a GAO study determine where this contract is awarded, or should the Secretary of Defense determine this? Our amendment rests that responsibility clearly on the shoulders of the authority who should make the decision.

Mr. WARNER. Mr. President, I am honored to have the last word on this matter.

With all due respect to the Senator from Texas, I still believe that the President of the United States, once he examines the record, is going to make the right decision on behalf of the American taxpayers and in the interest of national defense.

This is what the President has said:

> No aspect of the government will be sacred nor sacrosanct. All of it will be very carefully examined, including the Defense Department, where I will make sure that every dollar is carefully assessed and where we have the greatest return on the money that we spend.

All I ask is for the President to live up to his statement of November 27, 1978. I thank the Chair.

The PRESIDING OFFICER. The time of the proponents has expired.

Mr. BIDEN. How much time do I have remaining?

The PRESIDING OFFICER. The opponents have 26 seconds.

Mr. BIDEN. I thank the Chair.

I hate to have the last word in light of the fact that my friend thought he had the last word, but I would like to point out for the record and for my colleagues that the Heinz amendment does ask the President to take those considerations of cost into effect. It does suggest to the President of the United States that he live up to that agreement. It does allow him that and requires him to do that. It will be done, and I am done.

The PRESIDING OFFICER. All time has expired.

Under the previous order, the hour of 2 o'clock having arrived——

Mr. STENNIS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered.

Under the previous order, the hour of 2 o'clock having arrived, the question is on agreeing to the amendment, in the nature of a substitute, of the junior Senator from Virginia (Mr. WARNER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

The PRESIDING OFFICER (Mr. EXON). We will suspend with the rollcall until the Senate comes to order. Will Senators please take their seats. Will they please clear the well and take their seats.

The clerk will continue the call of the roll.

The legislative clerk continued with the call of the roll.

The PRESIDING OFFICER. For the second time in a row the Senate must be called to order by the Chair. I know this is a highly partisan vote and there are strong feelings on both sides of this issue but we must have the Senate in order so that we can properly call the roll.

Will the Senate please be in order or I will ask the Sergeant-at-Arms to take over. I ask the Senators to please take their seats so that we can continue with the rollcall. I hope you will cooperate with the Chair.

The clerk will continue to call the roll.

The legislative clerk concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from INDIANA (Mr. BAYH), the Senator from MISSOURI (Mr. EAGLETON), the Senator from Rhode Island (Mr. PELL), the Senator from Illinois (Mr. STEVENSON) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from Rhode Island (Mr. PELL) would vote "nay."

Mr. STEVENS. I announce that the Senator from New Mexico (Mr. DOMENICI), the Senator from North Carolina (Mr. HELMS) and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

I further announce that, if present and voting, the Senator from North Carolina (Mr. HELMS) would vote "yea."

The PRESIDING OFFICER. The Chair announces that we are 6 minutes and 53 seconds over time. I am about to announce the vote.

Is there any Senator in the Chamber who wishes to cast his vote?

The result was announced—yeas 41, nays 50, as follows:

[Rollcall Vote No. 79 Leg.]

YEAS—41

Baker
Bentsen
Boschwitz
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Cochran
Cohen
Danforth
Durenberger
Garn
Glenn
Goldwater
Hatfield
Hayakawa
Heflin
Hollings
Humphrey
Jackson
Jepsen
Johnston
Kassebaum
Long
Lugar
McClure
Nunn
Packwood
Percy
Pressler
Simpson
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Weicker
Zorinsky

NAYS—50

Armstrong
Baucus
Bellmon
Biden
Boren
Bradley
Burdick
Chafee
Chiles
Church
Cranston
Culver
DeConcini
Dole
Durkin
Exon
Ford
Gravel
Hart
Hatch
Heinz
Huddleston
Inouye
Javits
Kennedy
Laxalt
Leahy
Levin
Magnuson
Matsunaga
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Nelson
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Stewart
Tsongas
Williams
Young

NOT VOTING—9

Bayh
Domenici
Eagleton
Helms
Mathias
Muskie
Pell
Stafford
Stevenson

So Mr. WARNER's amendment (UP No. 122) was rejected.

Mr. HEINZ. Mr. President, I move the adoption of the Heinz-Biden amendment.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Pennsylvania to the amendment of the Senator from Delaware. The Chair recognizes the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I move the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment (Putting the question).

The amendment was agreed to.

Mr. BRADLEY. I move to reconsider the vote by which the amendment was agreed to.

Mr. BIDEN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair recognizes the Senator from Mississippi.

Mr. STENNIS. I thank the Chair.

Mr. President, I am going to yield in just a few moments to the Senator from Delaware.

Mr. President, the Riegle amendment is planned to be taken up next. The author is here to ask for the floor. We are prepared to reach a time agreement on the consideration of that amendment. I do not think we will have any trouble on that.

The PRESIDING OFFICER. I am sorry to interrupt the Senator from Mississippi. Will the Senate please once again come to order so that we can hear the distinguished Senator from Mississippi? Will Senators please take their seats?

The Senator from Mississippi.

Mr. STENNIS. Mr. President, I will make this quite brief. I will say that the Riegle amendment will now be presented by its author under an agreed time. The Senator from Delaware had asked to be recognized for 1 minute. I hope I can yield to him for 1 minute without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President. I just want to take this occasion to cite for the RECORD where the credit belongs in large part as a consequence of the effort of the Senators from Delaware, Pennsylvania, and New Jersey.

I would like to publicly thank Paul Laudicina and Ellen Laipson, of my staff, who did such a great job; Frank Shafroth, of Senator HEINZ' staff; Linda Banghart and Darryl Anderson of Senator WILLIAMS, staff; Paul Cooksey, of Senator SCHWEIKER's staff, and Larry Baskir and Ava Feiner of Senator BRADLEY's staff, Chris Warner, of Senator ROTH's staff. We have kept them up late and long. I want to thank them.

I would also like to thank my colleagues from Virginia for the gentlemanly way in which they proceeded. Most of all I thank the chairman of the Armed Services Committee for his gracious consideration and his patience, and on occasion, his mild coercing to keep this thing moving.

Mr. STENNIS. I thank the Senator.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

AMENDMENT NO. 182

(Purpose: To reduce the authorization of fiscal year 1979 supplemental appropriations for Navy ship procurement to delete additional funds for two of the four Iranian destroyers)

Mr. RIEGLE. Mr. President, I have an amendment at the desk and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

> The Senator from Michigan (Mr. RIEGLE) for himself, Mr. CRANSTON, Mr. EXON, Mr. LEVIN, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. PRESSLER, and Mr. TSONGAS, proposes an amendment numbered 182.
>
> On page 4, line 20, strike "$1,450,700,000" and insert "$822,700,000".

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STENNIS. Will the Senator yield?

Mr. RIEGLE. I will yield to the majority leader first.

Mr. ROBERT C. BYRD. I will be glad for the Senator to yield to the Senator from Mississippi.

Mr. STENNIS. I was going to ask if the Senator could have a colloquy with the Senator from West Virginia as to time.

Mr. RIEGLE. We have had an opportunity to discuss this between ourselves. I believe if we had 2 hours to each side, 4 hours in total, it would be satisfactory. I do not know that we will need that much time. I hope we could settle it before the end of that time. I have had several requests for time on my side. I think that request would be reasonable.

Mr. STENNIS. Mr. President, I have conferred with the Senator from Texas, and we think this is a very reasonable request. We join with the Senator from Michigan with the hope that we might be able to finish it in less time. I do not know of any amendments to the amendment. It will just be an up or down proposition, so far as I know.

Mr. TOWER. Reserving the right to object, is the Senator from Michigan aware of any amendments to be offered to his amendment?

Mr. RIEGLE. No, I am not aware of any on either side. I would just say, in responding, that I hope that if no amendments arise, we could have a straight up or down vote on the amendment at the appropriate time.

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable with the distinguished chairman (Mr. STENNIS)——

Mr. STENNIS. Yes. Mr. President, reserving the right to object, and I shall not object, so far as the Senator from Mississippi knows now, with the exception that I have mentioned, that will be all the amendments. The exception is that we can settle the matter here with a colloquy, I am sure, rather than have to deal with amendments. The amendment of the Senator from Virginia is up for consideration. Whether or not he will offer an amendment, I do not know. He does not seem to be here at the moment and I hope he will decide soon. If he does not offer it, the Riegle amendment, plus a colloquy, is all that I know of.

TIME-LIMITATION AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, if it is agreeable, then, with Mr. STENNIS, Mr. RIEGLE, and Mr. TOWER, I ask unanimous consent that there be a 4-hour time limitation on the amendment by Mr. RIEGLE, to be equally controlled and divided in accordance with the usual form. As the parties themselves indicate, it may very well be that that much time will not be needed, but that is the request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank all Senators.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. STENNIS. Mr. President, may we have quiet? This is an important amendment and the membership will want to hear it. We can move along faster if we have quiet.

The PRESIDING OFFICER. The suggestion of the Senator from Mississippi is well taken. Once again, the Chair asks the Senators to take their seats so we can proceed with the orderly business of the U.S. Senate on this important matter.

The Chair recognizes the Senator from Michigan.

Mr. RIEGLE. I thank the Chair.

Mr. President, first, I am offering this amendment today in behalf of myself and several cosponsors, including Senators CRANSTON, EXON, LEVIN, METZENBAUM, MOYNIHAN, PRESSLER, and TSONGAS. I shall willingly add any others that are persuaded to become cosponsors before we get to a vote later this afternoon.

The amendment that we are offering today relates to four Iranian ships that are being requested in the supplemental that is before us now. Many Members will recall that we debated this issue when we were handling the budget resolution.

So everyone understands where we start from, the budget that was adopted by the Budget Committee, in the 1979 supplemental, assumed no moneys for the purchase of Iranian ships. We had a very long debate in the Budget Committee about it. I had offered an amendment to delete any money from the 1979 supplemental for Iranian ships, and that amendment carried. So, in the Budget Committee, we removed from the 1979 supplemental the amount of money that would be needed to purchase the two Iranian ships that were requested by the President.

When we got to the Senate floor, a controversy arose that is complicated, because it gets into the inner workings of the Budget Committee. Where I offered my amendment in the Budget Committee, I moved to strike out the money for four ships. I suspected that if we did not do that, what would happen is exactly what did happen; namely, the Armed Services Committee would come to the Senate with a supplemental request to buy not two ships but four ships. In any case, the first budget resolution that has passed the Senate assumes no money for Iranian ships.

I realize that it is not until the Appropriations Committee decides exactly how the money is to be spent, that we actually have a chance to vote on specific line items. In terms of the intent of the Budget Committee, I think it is fair to say that the Budget Committee addressed this issue at great length. We debated it probably longer than any other single item in the budget, and the Budget Committee decision was to leave no money in the 1979 supplemental budget for Iranian ships.

Now, we find that we have before us a request for Iranian ships and, as a matter of fact, for four of them. I think that is an unreasonable request. I think that providing extra funding for these ships is not our best alternative for solving this problem. Later, I shall suggest a course of action that I think is less expensive, and does a better job of meeting the Nation's defense needs. I think there are ways to solve this problem that the American public will feel a good bit better about than simply spending money to buy four ships as ordered by the Shah of Iran back in 1974.

I should briefly review the history of the Iranian ships for those who may not recall exactly how this issue comes before us.

In 1974, the Shah of Iran ordered four *Spruance* class destroyers that are built in the Ingalls Shipbuilding Division of Litton Industries. These ships were ordered with heavy air-conditioning and certain other special features that were unique to the desires of Iran.

With the downfall of the Shah of Iran, the Bhaktiar government moved to cancel the order for two of the ships. Then the successor government canceled the order for the remaining ships. So, now, Iran has informed the United States that they no longer want these four ships. They do not intend to pay anything more on them.

So, four hulls are under construction in Pascagoula, Miss., and they are in various stages of completion. The hull that is farthest along in construction is about 40 percent completed, the one that is the least far along is about 10 percent completed. We do not have four ships in Pascagoula, we have pieces of four ships. We still have a great deal of flexibility about how to take advantage of the work that has been done on these hulls and complete them in a way that would best suit the interests of the United States—what would best suit our own future defense requirements.

There are several problems. First, the ships were ordered back in 1974, and they will be equipped with a technology that is not the most advanced now becoming available to the U.S. Navy. These ships will take some time to complete and, therefore, we are building them for the future. However, they will be equipped with the Tartar air defense system. Tartar was introduced into the fleet in the early 1960's and has undergone substantial improvement over the years. In its most recent form, Tartar is the most advanced air defense system now available in the fleet. However, the system has inherent limitations that make it unable to adequately defend against the most recent Soviet airship weapons. The Navy since 1969 has been developing a far more sophisticated, and more effective air defense system, called Aegis. The first Aegis ship is now scheduled to be built in the Pascagoula Shipyards of Litton/Ingalls.

(During the foregoing remarks, Mr. Boren assumed the chair.)

As long ago as 1975, the Senate Armed Services Committee considered a request for a nuclear frigate which was to be equipped with the Tartar air defense system that was ordered by the Shah.

The Armed Services Committee, under the chairmanship of my good friend from Mississippi, in 1975 flatly refused that request from the Department of Defense.

This is what the Armed Services Committee said in its report to the Senate on that issue at that time, and I quote the committee, as follows:

> The committee has carefully considered that request and believes it inappropriate to build any ship—

I emphasize that, "to build any ship"—

> and especially a nuclear ship with a weapon system that is clearly inadequate to meet the projected threat within a relatively short time period after delivery of the ship.

That was the Senate Armed Services Committee speaking to us in a professional way 4 years ago, and advising us it was inappropriate to build any ship with a weapon system that is clearly inadequate to meet the projected threat within a relatively short time period after delivery of the ship.

What has happened since?

In the intervening years, the Soviet Union, our principal international adversary, has made enormous strides in the development of their offensive weapons capability.

They have new missiles that move at greater speeds. They have the supersonic Backfire bomber. In response, we need to advance our defense capabilities exactly as the committee urged us to do 4 years ago, and so we have.

The new Aegis system is a vast improvement.

As a matter of fact, an Aegis ship will not only be able to control its own missiles, it will also be able to assist nearby Tartar ships, to make them outperform their own inherent limitations.

So, the sooner we can bring an Aegis ship on line, the safer will be our fleet.

But, if we accept the recommendation of the Armed Services Committee to take these ships essentially as ordered by the Shah of Iran, we will be missing a golden opportunity to complete at least one of these hulls as an Aegis ship—and get that Aegis ship 6 to 12 months earlier than would otherwise be possible and at a savings of $75 million to $100 million.

The Navy is in an awkward position since these orders were canceled. It is still not completely clear what the arrangements we have with the new Government of Iran or what authority the Defense Department has to continue production on these ships.

But despite the ambiguity of the relationship with the new Government of Iran, despite some problems in the Iranian trust account, from which the money must come to build these ships, the Navy has continued with its construction program. It has continued to spend money. It is drawing down the Iranian Military Sales Trust Fund account. Now that account is very close—very close—to a point where there may not be enough money left to allow the project to terminate. There would not be enough to liquidate the damages and pay up all the bills due, provide the Litton Co. with the profit they would have earned on the portion of the ships already built, provide for the payments of the workers that would be laid off, and so forth.

I do not know whether there is enough money in the account, or not. I have asked GAO to try to find out. We have had great difficulty on this. I have a whole fist full of the reports, talking about the inadequacies of the accounting and handling of the foreign military sales trust fund.

Several hundred million dollars worth of expenditures have been made, without a clear record as to what the money was spent on.

So we have serious problems in that area.

In any event, we have to decide what we do. We cannot continue to just keep spending this account down to a zero.

There are several possibilities. The Armed Services Committee is suggesting that we just buy the ships essentially as is and, in a sense, quickly bail out the country of Iran.

That would cost us quite a bit of money, something on the order of $1.35 billion. Of this extra appropriation about $570 million would go to the country of Iran. We would buy out the part of the ships they have already paid for. Money would leave the United States and go to the Iranians. In addition, we would obligate ourselves to pay the rest of the cost to build these ships.

That is the option the committee has recommended. Frankly, I think it is a poor option. I do not think it is justified. I think it is wasteful. It is wasteful not only for the reason the Armed Services Committee used 4 years ago, but also because the Navy itself in its recent 5-year plan made provision for no ships of this exact sort.

So the Navy, after having omitted the need in their 5-year plan for ships of this sort, finds itself in the awkward position of claiming that these ships, which they had not previously asked for, are such hot items that they have to be requested in an urgent supplemental.

I think the Navy sees a chance to get four free ships. If we approve this supplemental, the Navy will get four extra ships by going around the normal budget process, because supplementals are not subjected to the same kind of pressures, the same kind of competitive give and take, with other items the Navy might want or that other branches of the service might want.

So it is not hard for me to see why, for that reason alone, the Navy would want these ships.

Quick, new appropriations would also solve their problem of possible deficiencies in the Iranian trust fund. I think that is an issue that one of these days will blow up anyway, quite frankly, and it is time that it does. I think the GAO has given us strong warnings of mismanagement in that program.

That problem will be put aside at least for a while if we accept the recommendation: Buy the four ships, because that will put enouh money back in the Iranian account that it will hide that problem at least for a while, and it will go away at least for a few months, until somebody or something causes it to come to the surface again and we have to deal with it. I do not think that is the way we should deal with this matter. We should be much tougher about the mess in the trust fund and get to the bottom of it. I think we should do so sooner rather than later.

Some people have said that unless we buy these four ships essentially as is—just close our eyes, swallow hard and write the check for $1.3 billion—then these four hulls will sit down there in Mississippi and rust. That is not the case, and we should not let ourselves be told that. I want to make it clear to everyone here, to the two Senators from Mississippi and to the President, that that is not my intention. I do not want to see those ships sit down there and rust. I think that is a way of trying to stampede us into thinking that the only alternative is buying the four ships.

Another avenue is open to us, and it is the avenue we should take. By doing some intelligent reprograming, we can turn this problem into something of benefit to the United States. But we have to put our thinking caps on to figure out the best way to do that. If we are smart about it, we can transform these four hulls into ships that have been included in the Navy's 5-year plan. Funds to do so have already been provided for in current budgets and previous budgets. These new appropriations are unnecessary. If we are willing to think creatively we can get ships that meet our genuine military needs, and we can save ourselves a lot of money and time.

Our amendment today would strike from S. 429, authorization for two of the four ships. I am frank to say that I think we actually should strike out all four, and we find ways to solve this problem without laying on additional spending.

However, after consulting a number of my colleagues, I would reduce the authorization for two. That would be of great benefit to the country. Later on downstream, in the appropriation bill, we can take a closer look at the best way to finance the other two. I am not sure what we will do at that point. I think it is possible to absorb these four ships within our existing plans. But, for today, the Senate should authorize two of these ships, but not the other two.

The Senator from Oklahoma (Mr. Bellmon) was in the Chamber a little earlier; and although he is not a cosponsor of the amendment, he discussed in the Budget Committee the notion that we should provide for two ships in the supplemental and then allow the other two ships to be absorbed in future years. Others before me have floated this idea, and today I find it a reasonably attractive one.

I also want to share with the Members a letter I received today from John White, Deputy Director of OMB, who writes in the absence of OMB Director McIntyre. He has addressed a letter to me, and this is the text of the letter:

> The Senate is about to consider S. 429, a bill to authorize appropriations for fiscal year 1979 for procurement and other purposes. This letter is to advise you of the Administration's position on the procurement of destroyers previously ordered by the Government of Iran.
>
> S. 429 would authorize the procurement of all four ships in the 1979 budget. For addressing the U.S. Navy's need for all four ships, Senator Stennis and the Armed Services Committee are to be commended. While the Administration agrees that all four ships are needed, we believe that only two ships should be included in the 1979 programs. The other two can be financed with 1980 appropriations. The Administration, therefore, would support an amendment which would reduce the number of destroyers in S. 429 from four to two.

I say, parenthetically, that that is exactly what our amendment at the desk would accomplish.

The letter then goes on:

> We favor the procurement of the other two destroyers with 1980 appropriations.

I ask unanimous consent to have the letter printed in the Record, and anybody who wants a copy of it is welcome to have it.

There being no objection, the letter was ordered to be printed in the Record, as follows:

> The Senate is about to consider S. 429, a bill to authorize appropriations for fiscal year 1979 for procurement and other purposes. This letter is to advise you of the Administration's position on the procurement of destroyers previously ordered by the Government of Iran.
>
> S. 429 would authorize the procurement of all four ships in the 1979 budget. For addressing the U.S. Navy's need for all four ships, Senator Stennis and the Armed Services Committee are to be commended. While the Administration agrees that all four ships are needed, we believe that only two ships should be included in the 1979 programs. The other two can be financed with 1980 appropriations. The Administration, therefore, would support an amendment which would reduce the number of destroyers in S. 429 from four to two. We favor the procurement of the other two destroyers with 1980 appropriations.
>
> In summary, the Administration places a high priority on obtaining all four ships. These ships would greatly enhance the Navy's capabilities and they can be obtained at an attractive price. We believe, however, that it would be prudent to buy two of them in 1979 and two in 1980.

Mr. RIEGLE. Mr. President, I do not totally agree with the administration. For that matter, there are even different ideas among the sponsors of the amendment about the details of how appropriations should be made for these hulls. However, John White speaking for the OMB and speaking for the President of the United States, supports the amendment that is at the desk.

Defense analysts have convinced me that there are several responsible alternatives. I believe all four of the Iranian hulls can be used to carry out the Navy's 5-year plan more effectively, more quickly and more cheaply than was believed possible just a few months ago. It is very likely that not one dime of fiscal year 1979 supplemental appropriations will be needed to accomplish this.

The four Iranian hulls are numbered DDG–993 through DDG–996.

First, let us consider the hull that is designated DDG–996. This hull is the last of the four to be started. Fabrication began last September and the keel is scheduled to be laid this coming July. Labor progress was only 9 percent completed as of March 26.

Navy Secretary Claytor has testified before the Senate Armed Services Committee that this ship could be completed as one of 10 advanced Aegis ships that are scheduled to join the fleet over the next 5 years. My staff and I have checked with several Navy experts and they know of no reason why the Iranian hull DDG–996 could not also be equipped with the Aegis air defense system.

The fiscal year 1980 budget request of the President includes $825 million in budget authority for a second Aegis ship to be built on a *Spruance*-class hull. The Senate-passed first budget resolution could accommodate those funds. By making use of work completed to date on DDG–996, the U.S. Navy could have that second Aegis ship faster than otherwise could be possible. I am also told by CBO that, by taking advantage of the Iranian order, the total cost for the Aegis ship would be $100 million less than the $825 million anticipated in the budget. And that that Aegis ship could join the fleet 6 to 12 months earlier than would otherwise be possible.

A second hull is DDG–995. Fabrication was started on that in August 1978. The keel was laid this past February. Labor progress was about 12 percent along on March 26.

Except for a number of items ordered by the Shah, this ship is the same as the DDH–997 for which $310 million was appropriated in fiscal year 1978. That DDH–997 is to be built on a *Spruance*-class hull. It is to be built in the same shipyard in Pascagoula. It would be equipped primarily for antisubmarine warfare. But as the Navy is now planning to build it, it will be essentially the same as the Iranian DDG–994.

Long leadtime items have been ordered for DDH–997, using up about $60 million of the appropriation. But $250 million remains available to take over the Iranian hull and complete it according to a design included in the Navy's 5-year plan. The Navy would have to reprogram about $65 million from the savings that could be realized by using an Iranian hull for the Aegis ship included in the fiscal year 1980 budget.

A third hull is DDG–993. Fabrication was started in October 1977 and the keel was laid in June 1978. Labor progress is 35 percent completed.

The fiscal year 1980 budget includes $225 million to upgrade one obsolete DDG–2 destroyer by equipping it with a Tartar air defense system. Conversion of a DDG–2 would provide a less capable ship than the Iranian destroyer will be. We would need about $315 million to procure the Iranian DDG–993. Therefore, by diverting the $225 million for the DDG–2 conversion and reprograming funds from other projects, the Navy would get a better ship.

The fourth hull is DDG–994. Fabrication was started in April 1978. The keel was laid in October of last year. Labor progress was about 18 percent along on March 26. By taking the steps I have indicated above, there would be sufficient funds in the Iranian trust fund to continue work on this ship until the Navy could work the ship into its fiscal year 1981 budget or find a foreign buyer, if that is determined to be more in the national interest.

Mr. President, I believe this is a reasonable approach that is sensitive both to the needs of the Navy and the needs of American taxpayers. However, if Congress does not take firm action, the interests of taxpayers will be ignored.

In laying out this particular scenario, I want to calm the fears of my friend from Mississippi whom I heard mention his great concern that we not simply walk away from this project and leave these hulls to rust down in the shipyard in Mississippi.

No one intends that. That is not necessary. That is not the course we ought to follow. The course we should follow is the course of reprograming, of finding a way to turn this problem to our advantage, to change the ships into the kinds of ships we actually need. In the course of doing so we could save ourselves a lot of money that we do not have.

I want to say to my friends who are listening, unless we take this step, we are going to add over a half-billion dollars to the deficit for 1979. I realize all the attention now is focused on the 1980 deficit, but it should not be. The 1979 deficit is actually more important to us, because that is the one that is occurring to us right now, and we can do something about it.

But I want to urge my colleagues not to surrender to scare talk that says that we have to move in and spend $1.35 billion, that we have to take the four ships as they are, that we have to quickly bail out the Iranian trust fund. That is not the intelligent answer. It is not the cost-effective answer. It is not the way to provide the best defense for the United States. I do not think that is the way the American people want us spending their money. This is exactly the kind of waste that occurs when we try to move too quickly, when we try to solve a mistake, solve a problem, by piling on another problem.

I will just say finally that my colleagues who joined me in cosponsoring this amendment may well have different ideas as to how to make use of these four hulls. We do not all agree on that, and it is not necessary that we do so. Therefore, you may well hear others present different solutions to this problem, because clearly it could be solved in several different ways.

What we are together on is claiming that it does not make sense, in an urgent supplemental, to blindly go ahead and buy four of these Iranian ships as they are presently configured. That is why the amendment proposes to reduce the supplemental authorization from four ships to two. That is what Defense has requested, that is what OMB has requested, and I hope that will be the action the Senate decides to take.

I reserve the remainder of my time.

Mr. STENNIS. Mr. President, on my time, will the Senator yield?

Mr. RIEGLE. Yes, I yield.

Mr. STENNIS. Just for a few minutes. Mr. President, this is on my time.

The Senator has referred to a letter of May 3 from Mr. John T. White, Deputy Director, addressed to the Senator from Michigan. That is the letter that the Senator was quoting from, is it not?

Mr. RIEGLE. Yes.

Mr. STENNIS. Mr. President, let me say that our committee has worked on this matter diligently, on the supplemental bill since the first defense request in January and on these Iranian ships. We filed this supplemental bill about 30 days ago. Last week there was a discussion on these ships when the budget resolution was before us. When the attempt was made to knock them all out, the Senate voted over 2-to-1 against that course.

Now this matter is set here for today. I have never been given any notice, intimation, or anything else that the Budget Bureau was complaining, now, about these four ships that have been recommended in our bill. There was not any courtesy, there was not any notice, there was not any consideration whatsoever by the Budget Bureau.

I say, Mr. President, there is a time when a man gets enough and a group gets enough. These matters have to be worked on day and night, month after month, year after year. We went to work, and in the light of our efforts what the Senator has said, I think, has been downright insulting.

We have direct testimony here from the Secretary of the Navy about these ships, what they will cost, and how the money will be handled. This is at no time a bailout for Iran, and Senator, it is just ridiculous I say with all respect to you, to be talking about a bailout for Iran. It is not in this matter at all, I say, after a microscopic examination.

Then we went to the Secretary of Defense, and he is no peewee, you can bet on that, in scientific matters or financial matters. The man's grasp of these things is amazing. I am going to read you a letter on what he said about the four ships, just what the committee is asking for today. I will cover all this in my presentation, but I just wanted to mention this letter now. It is also dated today, May 3.

I heard a rumor yesterday, late yesterday afternoon, as I remember, that the White House or the administration was backing up and getting up support for the Senator's amendment. They had not mentioned anything to me. I do not expect any special attention out of them, except what goes with common courtesy, representing the committee, I called a gentleman at the White House, and he said "Yes, that was right, that the matter was being worked on by the Budget Bureau."

Well, I am not one to run around and cry. But I have no doubt—this is a legislative body—that if we can get the facts before this body, I have no doubt how the majority of us are going to vote. Of course, it is a real job, now, to get the facts before the Senate. I am going to quote administration people as to the need, the time element, and everything else.

Maybe 10 days ago, when the motion was to kill all this "junk" that you refer to almost in those terms—all of this is going to be contradicted, and contradicted sharply, and fought all the way. If we can get this truth message over as to what the committee intended to do and what it planned to do, I have no doubt about the outcome.

I do not think the Senator has knowingly connived with anybody in connection with the facts, and I want to say that with great emphasis. But somebody somewhere is wrong, and they are contradicting each other right and left.

I have made up my mind that I am going to fight this battle on the legislative side. This is a warning to me, too, on matters in the future, that we have got to go out all the way. I will have to follow this thing all the way through: Authorization now, conference later, bring it back here, follow up, then, in appropriations, and back and forth all year. So I want to get the true word as to who I am dealing with and what their position is going to be, because this is a repudiation of what everybody in the Pentagon in positions of responsibility had told us over and over again. Now here comes this little half page letter here that the committee knew nothing about. It was not dated until today, at least, and it shows up here in debate. I do not know how far we can go in correcting it, but we are going as far as we can.

I appreciate that the Senator yielded to me to get in that matter about the letter.

Mr. RIEGLE. Let me say to my friend the chairman of the committee, for whom I have great friendship and regard, as he knows—we have had, I think, a great number of opportunities over the last 2 years to talk and think on a number of matters, so that the fact that we may disagree on this in no way means there is any personal difference between us. I do not want anything I say as to my feelings about the issue to be construed in that light.

Mr. STENNIS. Yes; I appreciate your sentiments. I am making no attack on you. That is not the case.

Mr. RIEGLE. I know; and I want to make it just as clear that I am not, either. I do not think there is any reason, purpose, or good value in personalizing it, and it is not my intention to do so.

Before yielding to my friend from Nebraska, who has asked me to yield, I want to observe that the letter we have here from OMB, I say to the chairman, I think lays it out very hard and straight.

I cannot speak to the question of what communication goes on back and forth with the administration, because I am not aware of it, so I cannot speak to it. But I think the significance of this statement by the Office of Management and Budget, which has to ride herd on all of the Government—it certainly has to ride herd on the military side, it has to ride herd on Health, Education, and Welfare, and all the departments of Government—they have taken a look at this thing, and in their best judgment they have decided that it would be a mistake to rush through these four items in a supplemental, and they have taken a position against it, and I must say I welcome their support.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. RIEGLE. In a moment I will be happy to yield. I promised to yield to the Senator from Nebraska, and I yielded to the chairman; I feel I ought to do that before I engage in another colloquy. But I will be happy to yield after the Senator from Nebraska has a chance to make his comments.

In any event, we have here OMB expressing their judgment.

It obviously does not make the chairman of the committee happy and it may not make others happy. But I do not think it is their job to try to make people here happy. I think it is their job to try to express an independent judgment, and I think they have done that. I believe they are right. We are going to have to argue about it on the merits, and I believe it is appropriate that we should do that. That is why we have to bring these things to the floor. I believe in due course we will.

I yield 5 minutes to the Senator from Nebraska.

Mr. EXON. I thank my colleague from Michigan.

Mr. President, I want to make a very brief comment and maybe try to sum up what this is all about, at least as a freshman Member of the Senate views it. One of the great things about the Senate is that we meet in committees, we meet here on the floor, we discuss issues, and we try to come to some general consensus.

As just a brief background for the Record, I have never been convinced that these four Iranian ships were necessary to the defense of the United States of America, and particularly with regard to their being given to our naval forces.

I opposed that in the Armed Services Committee on which I serve, and I think my good friend, the chairman of that committee knows, that I was in good conscience on that. I did not agree with the Armed Services Committee when we voted to put four Iranian ships in the supplemental appropriation.

I also happen to serve on the Budget Committee, and I opposed the inclusion of two or four or whatever we came out with—there is some confusion on that—from the Budget Committee.

I do not believe that the four ships are necessary to our defense. I want to say now that I am running up the white flag. I yield to the superior knowledge of my distinguished colleagues on the Armed Services Committee and my colleagues in the Senate who did defeat us, as the chairman of the Armed Services Committee has just said on the floor a few moments ago. We were defeated very soundly in our attempt to knock out two or four ships, whatever the case might be.

Therefore, I am ready to say, "Okay, let us compromise."

It seems to me that the amendment which has been offered by my colleague from Michigan is indeed an ideal compromise that, hopefully, would satisfy all of the various divided people who have different ideas on these four ships.

Just to summarize, let me say that if the Senate adopts, as I hope they will, the recommendation which has been made by the Senator from Michigan, the four Iranian ships would be disposed of in this manner: First, we would purchase two ships in the supplemental 1979 budget, which was the original intent, which was originally considered by the Armed Services Committee.

We would also then buy another ship out of the 1980 budget that the administration has agreed to.

The fourth Iranian ship then would be paid for out of funds which were appropriated back in 1978 that have never been expended.

Therefore, the net result of this has been all four Iranian hulls would be put to good use, the Aegis ships get to the fleet sooner and cheaper than otherwise, and in the process we have $628 million in the supplemental 1979 budget.

We would also not have to increase the fiscal 1980 budget as presented to the Congress by the administration.

Last but not least, I do share the concern that I know my friend from Mississippi has as chairman of the Armed Services Committee in not being advised by the administration. Nevertheless, it seems to me that the amendment being offered is one that should legitimately meet all of the goals of most if not all of the Members of the Senate, and save money in the process. I yield back any remaining time.

Mr. RIEGLE. I thank the Senator for his comments, for his support, and his leadership on this issue.

Does the Senator from Michigan desire time?

Before yielding 15 minutes to my colleague from Michigan, let me say what a pleasure it is to be able to yield to my colleague from Michigan. I appreciate very much the work he has done on this issue.

(Mr. MELCHER assumed the chair.)

Mr. LEVIN. I thank my colleague from Michigan. I rise in support of his amendment.

This amendment reflects the position which a number of us took in the Armed Services Committee. I refer this body to additional views which I filed, which are attached to the Armed Services Committee report.

The amendment before us provides that we should authorize completion of two of the four Iranian Tartar hulls in 1979, instead of authorizing four as requested by the Senate Armed Services Committee.

We are not here deciding "whether" to proceed to complete them but "how" we proceed to complete them. That question—"How we proceed to complete these hulls?"—has some major implications for our budget.

First, let me say that we debated and argued this question back and forth in the Armed Services Committee. It was a good, healthy, long debate, and whatever the outcome of the debate here the result will be that we will complete, at least I hope it will be that we will complete, these four hulls.

I rise in support of this amendment as one who voted against the effort to delete all four hulls from the 1979 budget resolution which we voted upon the other day. But I firmly believe that we should build only two in the 1979 authorization and do the other two in 1980 as the President proposes.

First, let us be clear as to what the administration request is, or what the Department of Defense request is.

On April 25, 1979, I received a letter from the Deputy Director of OMB, John P. White, supporting the "two and two" approach, two in the 1979 supplemental, and two in the 1980 budget, which would be a revised 1980 budget submitted by the President. I quote briefly from that letter before making it a part of the RECORD.

The letter reads in part:

> Our proposed method of financing is two ships in 1979, as requested in the amended 1979 supplemental of February 28, and two ships in 1980. A revised 1980 budget request will be provided which includes the purchase of two destroyers in 1980.
>
> While it would be possible to fund all four ships in 1979, likely congressional reductions in our 1979 supplemental request and our other priorities in that package make it inappropriate to include all four ships in 1979, and the Administration would oppose such a proposal.

That letter was written on April 25, 1979.

Mr. President, I ask unanimous consent that the entire letter be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C.,
April 25, 1979.

Hon. CARL LEVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEVIN: The President has requested that I respond to your inquiry concerning the four Iranian destroyers. As you know, the Administration desires to see these ships purchased for the U.S. Navy.

Our proposed method of financing is two ships in 1979, as requested in the amended 1979 supplemental of February 28, and two ships in 1980. A revised 1980 budget request will be provided which includes the purchase of two destroyers in 1980.

While it would be possible to fund all four ships in 1979, likely congressional reductions in our 1979 supplemental request and our other priorities in that package make it inappropriate to include all four ships in 1979, and the Administration would oppose such a proposal.

Thank you for your inquiry. If we can be of further assistance, please let us know.

Sincerely,

JOHN P. WHITE,
Deputy Director.

Mr. LEVIN. The administration request for the completion of two of these hulls in 1979 is embodied in the Riegle amendment. That is what we will be voting on. I believe it makes more sense than to authorize four in 1979 for both military and budgetary reasons.

First of all the military reasons: The two ships that we propose to authorize in the 1979 supplemental, and which would be left in that supplemental if the Riegle amendment were adopted, are a substitute for two other ships that were in the original 1979 budget authorization. They are a substitute for two ships. They are not simply added onto the original supplemental.

These are capable ships. That is the first point. Tartar-D ships are capable ships. In fact, one Tartar-D ship was in the original administration supplemental request.

It is true, as has been stated, that these ships were not in the 5-year plan that was prepared by the Navy, but that 5-year plan is not written in concrete. That 5-year plan changes from time to time.

For instance, the 1977 plan predicted two attack submarines would be built in 1979 and 1980.

The next year, the shipbuilding program for those years projected only one attack submarine for 1979 and one in 1980.

For another example, the fiscal year 1977 plan showed that no AEGIS ships would be built in fiscal year 1978 and two would be purchased in fiscal year 1979. The next year, the 5-year plan was changed to one AEGIS ship in 1978 and none in 1979.

For another example, the fiscal year 1979 plan proposed two Trident missile submarines in 1982; the next year, the plan proposed only one Trident submarine. So the 5-year plan is not the absolute mark of what should be included in the budget.

The Navy has assured us, and there is other good evidence, that these Tartar-D ships are capable, useful ships, and it is appropriate that we authorize their completion.

Not only are these ships capable, but they give us capability at a good price. The original 1979 supplemental DOD budget, in fact, contained two ships which were deleted when the first two of these Iranian hulls were added by the administration. One of those original two ships was a new Tartar-D destroyer and one was a frigate, at a total cost of $737 million. Finishing two of these ships, these ships originally intended for Iran, in 1979 instead of a newly begun Tartar-D ship, which was in the original supplemental, and the frigate will save us $12 million. We will be substituting two ships with greater capability than the two ships for which they were substituted, and we will save $12 million to boot.

I think it is abundantly clear, from all the evidence presented by the Navy, that the two ships which we would be funding if this amendment were adopted have more capability than the Tartar-D ship and the frigate ship for which they were substituted. The Tartar-D ship certainly has greater capability than the frigate. Substituting an additional Tartar-D ship for the frigate means a much better AAW—antiair warfare—platform. The Tartar-D ship is larger and faster than the frigate and it has an AAW missile system that the frigate lacks.

The Tartar-D ship has a more capable hull-mounted sonar, so it is a better antisubmarine vessel than the frigate. It further has a larger gun, larger missile magazines, and significantly more "growth" room to allow incorporation of new systems developed at a later time to meet new threats.

The Congressional Research Service of the Library of Congress has contrasted a Tartar-D ship with a frigate. I ask unanimous consent that this analysis by the Library of Congress be printed in the RECORD in full at this time.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

COMPARISON OF TARTAR-D SHIP WITH FRIGATE

FFG 7 class guided missile frigate. This class ship is currently in production at Bath Iron Works and at Todd Shipyards at a cost of 194 million dollars per ship. (See enclosed extracts from Janes for configuration.) Smaller, and with less speed and engineering redundancy than the DD 963 class variants this class has a smaller gun (76 mm vice 5 inch) a less capable hull mounted sonar, a less capable AAW fire control system (MX 92 vice TARTAR-D) and significantly less space and weight reservation for future capability growth.

Mr. LEVIN. Militarily, the two ships which we should proceed to build, the ships which were ordered by Iran, have greater capability than the two ships for which they were substituted, which originally appeared in the supplemental fiscal year 1979 budget. The question then comes: Why not build all four ships? Why not authorize all of them in the supplemental budget? The answer is that two of the four ships have not met the test to which we submit all purchases of this Government—whether they are more valuable than other priorities of this Nation that are left out. Two of the ships, the two which would continue to be authorized under the Riegle amendment, met that test, because they were substituted for two other ships, in the same breath giving us more capability and saving us millions of dollars in the process. The President has told us, in effect, that he can do the same for the other two ships in fiscal year 1980.

Mr. President, we should let the President do exactly that, because the budget is not an abstraction. The budget is a way of resolving competing priorities of this Nation. The question is not whether the two ships we would leave authorized are capable and useful. The question is not whether the two ships left for 1980 authorization are capable and useful, because, indeed, they are. The question is, what are we going to substitute them for, and we must make that judgment if we are going to try to keep fiscal balance in this Congress.

Let me give one example of how, in the 1980 budget, we can achieve fiscal responsibility, fiscal balance, while, at the same time, making use of these two hulls.

At least one of the two two hulls could be made into an Aegis ship. It makes eminently good sense to do so, because the 1980 budget already has a new Aegis ship in it. If we finish one of the last two Iranian hulls as an Aegis ship, it will cost us $725 million for that ship. But if we start from scratch and build a new Aegis ship, not using one of these hulls, it will cost us $825 million.

In other words, if we substitute two of these ships in the 1980 budget, instead of pouring all four of them into the supplemental 1979 authorization, we shall save $100-plus million.

I believe that the last two ships can meet the budget test, dollar for dollar. But I think that they can only meet that test if we allow the President and the administration to work them into the 1980 budget with the same sense of priorities, the same sense of budget limitations, as the administration has worked the first two of those hulls into the 1979 supplemental. They will not pass that priority test if we simply add them to the supplemental. They can pass that test if we allow the President to work on them in the 1980 budget and, hopefully, to make at least one of them an Aegis ship in the process.

That is the substance of the additional views which I filed with the Armed Services Committee report. While I cannot subscribe clearly, Mr. President, to the reasons why five of the other members of the Armed Services Committee voted against the amendment adding two more ships to the 1979 supplemental, making a total of four ships, the context of our debate in the Armed Services Committee makes it very clear that that was the reason for the vote.

If we adopt this amendment proposed by Senator RIEGLE, we will reduce the 1979 supplemental defense budget by $628 million. It will keep the fiscal year 1979 supplemental defense budget within the Senate Budget Committee's budget mark for the relevant function, the national defense function.

The amendment will not weaken us militarily. It will permit at least one of the last three ships to be built in the most modern configuration, which is the Aegis configuration.

By the way, it is probable that only one of those four hulls can be built in that configuration.

It is true that we cannot afford to build all Aegis ships within reasonable budget complements Tartar-D and that the continuation of a Tartar-D shipbuilding program is complementary to our proposed Aegis ship program.

These are the reasons, Mr. President, that I voted against the deletion of all four ships from the 1979 budget resolution. These are also the reasons, Mr. President, that I believe we should build two in 1979, as proposed by the administration and as proposed by this amendment, and then get on with the job of fitting the other two in the most modern configuration possible within budget constraints in the 1980 budget. So the question is not "whether," but "how." This amendment makes it possible for us to do it in a budgetarily sensible way.

Before I sit down, I want to commend our chairman, with whom I have had such a pleasurable first few months in office. He has been a grand person to work with. I know that that relationship is something I am going to be cherishing over the years and I look forward to it with a great deal of relish.

I thank the Chair.

Mr. STENNIS. Mr. President, I thank the Senator. I yield myself 15 minutes on this amendment.

Let me again emphasize that I am not referring to anyone in a personal way, but the record ought to show, Members ought to know. Remember that on the question of two or four or none, our friends were here before us just a few days ago, saying that all four Iranian ships ought to be cut out lock, stock, and barrel. The whole deal was a foul ball in a way, and all of them should be taken out, that is, under the budget resolution.

The facts were fully developed, but arguments were gone over and the Senate voted 26 in favor of the Riegle amendment and 62 against the Riegle amendment.

Now they come back within the last 10 days and they make a strong argument for two ships. They all come under the same contract. There is no way to divide that contract up. There is an obligation by the U.S. Government in it. There is an opportunity in it.

Now they come in, in the last few minutes. I am going to plead here for the legislative branch of this Government to chart a course that it thinks the most logical on this subject, especially, after it has been gone over and voted on. Some have had to change their position from none to two, and then maybe four.

So we have a letter here. I will read that sentence. Mr. White goes on in that letter dated today and he sums up this way:

> In summary, the administration places a high priority on obtaining all four ships.

Now, these bad ships, antiquated ships, discussed last week are the same ships we are talking about today. The military is circumventing the processes of the budget and trying to grab everything that was not nailed down.

Mr. White is talking both ways here—somebody is. He says:

> They place high priority on obtaining all four ships.

I do not know as much about this as Mr. White and the rest of them, but I have been here longer. I have lived longer with these problems, and if they want four ships, the idea is to back a bill that has four ships in it. That is the way to get what we are after in legislation.

There may be something there they do not like or approve of, but if they want four ships, back the bill that has four ships in it. Do not strip two of them out and leave me and my associates without any latitude whatsoever, to work hard and go over and beg and plead to get something out of the fine people in the House. I have dealt with them many times, many years, on authorizations. Then to come back with no leeway at all and go the same process here on the appropriations, because there will only be two authorized I will be limited unless we can get it changed.

Then go to conference and come back and no telling what we get.

I will say that it is going to be hard either way. I say that to the administration now, if we want two ships, or four ships, start out by backing a bill that has the ships in it and go to work at every other level.

Instead of that, what I can face? Everytime I turn around at conference or going to a meeting, I am confronted by someone, that is trying to lobby against my position, someone from the White House. I do not know how to carry on that way. Two ships, four ships, no ships. What does the administration say?

Now, again, with all deference to our friends, the ones that have worked on this committee the longest, year after year, they are almost solid for the ships—four of them. They did not know they would have to deal with it. They will have to deal with this contract. It is a valid contract.

The Federal Government is going to have to pay, but they have a chance now to get a bargain out of it. They are, in effect, proposing to let it run on and on as to the last two. Maybe after the contract has stopped for a while and termination costs have been incurred and people have been unnecessarily laid off, then maybe the Budget Bureau will finally approve something that will enable us to settle for those last two ships and get the benefit of them.

So the train that is carrying the four ships is moving now. It is moving here in the Senate. If they mean what they say here, that should be backing it up instead of getting up schemes and plans. And not even the courtesy to notify the committee—I am not talking about a discourtesy to the chairman, but to the whole committee.

Secretary of the Navy Claytor has been here. Secretary Brown of the Department of Defense has been here. The outstanding Chief of Naval Operations, Admiral Hayward, has been here. They have been before our committee and testified in open hearings. Here is the record.

They have all said, "Give us these ships. We need them. We need them now." They were talking about four ships.

Where are we going to go to find anyone that knows any more about it than these men? They do not write our record. We have to write it. But if we want the facts of life, my friend from Michigan, someone surely has fed him some stuff that has no iota of truth in it, according to an insertion of his in the RECORD here a day or two ago. I just read some of it a minute ago. He talks about the decorations and all that were in there, that suited the taste of the Iranian admirals, for a considerable part of the money. They are not going to get a dime out of that. That is all stricken off and stricken out. We are not paying even for removing it or changing such things as the Iranian typewriters.

I understand that. There is nothing to all that. We are not using that money. That is another matter that has been gotten out, but it will not pay them a dime, not a dime.

I have never seen any enthusiasm at the Budget Bureau for ships—including the preceding administrations. We have been fighting these battles for years and years.

Let me emphasize this to my colleague, for fiscal year 1979, there has been taken out already, $3.8 billion for ships, in one way or another. Ships that have fallen by the wayside. A Trident had to be deferred. We dropped it out. We had to last year.

We put in a nuclear carrier. If the Senator will give me his attention, I know something about this. The nuclear carrier is the only kind of carrier that we could get enough votes for. We put it in the bill. The Constitution says the President can pass on it. He said he would veto it and he looked at me first. I said:

> You needn't look at me, that's your constitutional duty.

If he saw it that way, he could veto it. I am not critical, of course.

But it went out; $2.1 billion there, dropped out of the regular 1979 bill.

The fiscal year 1979 supplemental already has taken out of the new construction DDG–993 for $543 million. That is what these are, too. That was going to cost us $543 million, before it was taken out. The frigate for $194 million was dropped. The Senator need not check up on this. It is right.

So $3.8 billion for 1979 already has been taken out of the budget. The Senator's amendment would take out $628 million, for these Iranian destroyers.

So I appeal to my colleagues: Let us get together on something—we are already together on the vote last week—and drive right on down the legislative road. Let us get the best we can out of these conferences and let it go on to the White House. I believe the President will sign it. Time is already running out with reference to buying ships.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. STENNIS. I should like to finish this point.

For years and years, I have heard the cry, "The big money for the ICBM." We have paid it out, we have the system, and we are going to have a better one. It will cost many more billions of dollars. The Soviets have one they can fire on us and destroy us. As long as we are prepared in that field, I feel they are not going to attack us in that area. Whatever threat is in Western Europe, NATO, I believe we have a handle on it and we are going to continue to support that—not just throw away money, but support it.

The field in which I think we are vulnerable is in the sea, in various areas of the world, including the Indian Ocean and Africa. I do not believe the Russians are as tall as we are. They are behind us in technology but they are closing that gap.

We need ships, and I have already indicated the ones we have been turning down for one reason or another. If we get them, and get them in a hurry, we will have to override the OMB. I am not talking about the President. I believe he knows far more about it than they do. I never have had much support about ships from the OMB. That is where we are vulnerable, as certainly as night follows day.

However this vote comes out, it is just one vote. I am on my way with one small contribution in this field of trying to build up a modern Navy. No admiral has scared me about anything. I have suddenly realized some areas in which we are losing out.

I yield briefly to the Senator.

Mr. RIEGLE. I thank the Senator for yielding.

I want to be sure that I am right on the numbers. The request that the committee is making to the Senate exceeds the budget resolution; does it not?

Mr. STENNIS. No. Does the Senator mean the Bellmon-Muskie resolution?

Mr. RIEGLE. Is not the request put forward by the Senator from Mississippi something slightly more than $2 billion?

Mr. STENNIS. Let us not be mistaken. We are within the budget figure requests that were sent to us.

Mr. RIEGLE. I am talking about the budget figure that was approved by the Budget Committee and by the Senate.

Mr. STENNIS. I think not. I am virtually certain of that.

Mr. TOWER. We are almost $50 million below.

Mr. STENNIS. That is right. The Senator from Oklahoma is here, and we will ask him. He is on that committee.

Mr. RIEGLE. If I am not mistaken, I think you are asking for about $2.1 billion, and I think the supplemental approved as a part of the budget was about $1.5 billion. Therefore, I think you are substantially over the budget.

Mr. STENNIS. They approved the total budget figure. They approved this figure and they told me so.

The PRESIDING OFFICER (Mr. STEWART). The Senator's time has expired.

Mr. STENNIS. I yield myself 1 minute.

Well, it will take me longer than that to read this. We have been over it very carefully. The Senator from Oklahoma is here.

Mr. THURMOND. Mr. President, will the Senator yield me 5 minutes?

Mr. RIEGLE. Mr. President, will the Senator yield, on my time?

Mr. STENNIS. I told the Senator from Texas I would yield the floor.

Mr. RIEGLE. Will the Senator yield on my time?

Mr. STENNIS. I yield.

Mr. RIEGLE. As I recall the debate we had the other day on the budget. I offered my amendment to reduce the dollar amount available even further, and that was not approved. The Senator from Mississippi at the time considered an amendment to expand the budget authority in order to accommodate full funding of S. 429. I believe he elected not to do so. I think he will find that the amount of money approved within the budget for the supplemental is about $1.6 billion. I believe this request exceeds that by something in excess of $600 million, and that is what I am correcting.

Mr. STENNIS. We are within our total now. Senator MUSKIE and Senator BELLMON told me that in the cloakroom—that the final thing we settled was within their bill.

Mr. RIEGLE. Can I find out——

Mr. STENNIS. I do not know what the Senator can find out. He has been told a lot, as I have. But we know better than to make a mistake or to be careless on an amendment like that. We are within the figure.

Mr. THURMOND. Mr. President, will the Senator yield me 5 minutes?

Mr. STENNIS. The Senator from Texas is here.

Mr. TOWER. Mr. President, let me respond to this, to try to clear this up.

We will be within the budget ceiling for 1979 if these ships are included.

In fact, there is a matter of Iran already having made partial payments via the foreign military sales trust fund: A net of $714 million in fiscal 1979. A net of $172 million in fiscal 1980 will be transferred from Function 050 to the foreign military sales trust fund in function 150. In fiscal year 1979, budget authority in function 150 will be reduced by $954 million as funds to be obligated by trust fund pursuant to their eligibility in function 050.

That, according to Alice Rivlin, brings us under the budget ceiling.

Mr. RIEGLE. If I understand what the Senator has said, he is proposing to take money from other budget years and move it into 1979. Is that the thrust of what he has said?

Mr. TOWER. No. In effect, you are transferring funds from function 050 to function 150.

Mr. RIEGLE. I say to the Senator from Texas that what we will have to do in order to settle this is this—and the Senator from Oklahoma is in the Chamber: If we look at the totals that were approved as part of the budget resolution, the figure was approximately $1.6 billion. If I correctly understand what the Senator is proposing here—perhaps I misunderstand it—he is requesting $2.1 billion in budget authority and therefore it is $628 million above what was in the budget resolution.

Mr. TOWER. It is under the overall budget authority, and this is on the authority of Mrs. Rivlin, of the Congressional Budget Office.

If you look at the figures, you will find part of them involve a transfer of funds from 050 to 150.

Mr. THURMOND. Mr. President, will you yield me 5 minutes?

Mr. TOWER. Five minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. THURMOND. Mr. President, the Senate is familiar with the issues posed in the Riegle amendment which would delete from the fiscal year 1979 Defense Supplemental Procurement bill, S. 429, two of the four Iranian DD-993 destroyers.

Therefore, my purpose today will be merely to stress again what I consider to be the key points in this debate. First, it is a question of cost savings and budget considerations, and second, it is a question of the operational need by our Navy for more surface combatant ships.

COST SAVINGS AND BUDGET

Mr. President, the case on the cost savings is sound if we purchase these four ships we can save $200 million per ship. I repeat, we will save $200 million per ship. If these contracts are terminated, the expenses which would fall on our Government would be about $200 million, thus we have about $1 billion involved in this issue.

The savings by taking over these contracts on these particularly constructed ships are substantial. We are presented with an opportunity to greatly increase the strength of our surface combatant force at a bargain basement price and I feel we should seize it.

As for the budget considerations, the opponents of the committee bill favor postponing until the fiscal year 1980 defense bill the purchase of two of these ships. If that viewpoint prevails, we will greatly reduce the Navy ship buy for fiscal year 1979.

The Senate must consider that last year we deleted a Trident submarine from the budget and added a nuclear aircraft carrier which was later vetoed. Thus, the fiscal year 1979 defense program was over $2 billion short of even the spending favored by the administration. As a result, the Navy was shortchanged in fiscal year 1979. So when the 1979 supplemental was first offered, it included several needed ships in recognition of this fact.

However, once the unique situation involving the Iranian ships developed, the committee deleted two ships valued at $543 million to make room for the DDG-993 destroyers. Furthermore, there is no room in the fiscal year 1980 budget to add two of the Iranian ships as proposed by supporters of this amendment.

Thus, I think the committee was correct when it voted by 11 to 6 to include all four of these ships in the supplemental.

OPERATIONAL NEED FOR MORE SHIPS

Mr. President, the Senate must also consider the operational requirement for these ships. The 5-year ship plan of the current administration is only one-half that of the Ford administration. Our ship levels are low and these destroyers are badly needed.

The Navy has testified that these DDG-993's would bring critically needed anti-air, anti-submarine and anti-surface warfare capabilities to the battle group. They have virtually the same weapons systems as the *Virginia* class nuclear cruisers.

The weapons suite for the DDG-993's is the Tartar D fire control system, the same as on the nuclear cruisers. It is the latest in digital technology until the new Aegis system arrives.

Mr. President, in conclusion I would summarize by saying that the cost savings are irrefutable, the place for these four ships is this supplemental, not the fiscal year 1980 budget, and the need for more surface combatant ships in the Navy cannot be denied by anyone. I, therefore, urge that the Senate reject this amendment.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Washington.

Mr. JACKSON. Mr. President, over the course of my years in the Senate, I have taken the floor many times to express my strong belief in the importance to the safety and future of the United States of a strong up-to-date Navy. In recent years, my remarks have been occasioned by a growing conviction that our position on the seas is being increasingly and dangerously challenged. During the last decade, as World War II vintage ships were retired and shipbuilding programs were kept to a minimum, the U.S. Navy experienced a dramatic reduction in the size of its fleet. In 1968, the United States had unquestionable control of the oceans and a fleet of 976 ships. In 1979, we have only 457 vessels and our naval leaders have begun to speak of a "bare margin of superiority" and a tenuous one at that.

Simultaneous with this reduction in the naval presence and sea-keeping capabilities of the U.S. Navy has been a remarkable expansion in Soviet maritime power. The Soviets have, through a massive investment in shipbuilding facilities and procurement of combat ships, transformed their Navy from a coastal fleet to one with blue water and world-wide capabilities. The dangerous implications of this development—especially when combined with declining numbers of American warships—should be clear to us all when our national security and the well-being of our economy is so directly tied to free and complete access to and use of the world's oceans. Notwithstanding the clear peril thus posed to a nation reliant on sea-borne imports of critical raw materials and transoceanic links to its allies, the threat to U.S. control of the seas has become formidable and is growing more so with each passing day.

In this connection, Mr. President, I should like to point out that the Persian Gulf has become the critical hot spot, shall we say, for the entire allied world. Sixty percent, Mr. President, of all the oil available for import to the nations of the West must pass through the Straits of Hormuz in the Persian Gulf—60 percent of all the oil available for import to Western Europe, North America, and Japan must pass through those straits.

I point out to you, Mr. President, that we find ourselves stretched so thin in the Indian Ocean that the Soviets could well muster a clear superiority of forces in that critical area at a time when we could face a cutoff of oil to this country and to our allies.

Today the Senate has an unusual opportunity to take positive steps to counter this threat and to reverse the current trend toward U.S. maritime weakness. Bearing in mind that in recent years on average only 12½ ships per year were actually constructed, we have a chance to augment by nearly 33 percent the annual construction rate of combat ships by our direct and timely action. Considering the Navy's need for ships this is ample justification for Congress to authorize and fund procurement of the DDG's previously sought by Iran. And there is an additional compelling reason for doing so—these ships can be acquired at a savings of more than $200 million per ship.

In view of the pressing requirement for additional warships—and notably for those with the built-in flexibility of these DDG-993's to perform a wide range of missions—I am convinced we should not let slip the opportunity to procure them at these substantial savings. I support the Armed Services Committee's recommendation to acquire all four ships in the supplemental authorization bill, S. 429, which is before us.

I strongly urge my colleagues to oppose, as I do, the motion by the Senator from Michigan aimed at reducing the funds in the fiscal year 1979 supplemental budget resolution available for the procurement of these destroyers.

It is very clear, Mr. President, to those of us who sat through the hearings, that the administration favored procuring all four ships in fiscal year 1979. We have letters from the Secretary of Defense, the Secretary of the Navy, the Chief of Naval Operations which take this position.

Mr. President, I have been around here a few years, but I have never seen such an amateurish operation. When OMB sends a letter to my good friend—and I respect his views—the Senator from Michigan, stating they want two ships for this particular supplemental and two for the fiscal year 1980 budget, I point out that the way you normally do business in this institution is to get in touch with the chairman of the committee. I ask the distinguished chairman of the committee whether he was aware of the position taken by OMB until this statement was read on the floor?

Mr. STENNIS. Well, I heard a rumor yesterday afternoon that OMB was shopping around for somebody to support the idea of an amendment. About nightfall I called the White House and got a reply back later that OMB was working on the idea of the two ships. I did not see the letter and did not get a letter from them. I did not get a telephone call or anything.

Mr. JACKSON. That is my point—the chairman of the Armed Services Committee was never informed of this change in the administration's position by letter or otherwise.

Mr. STENNIS. Not until now, not until the Senator from Michigan read the letter. I am certain of that.

Mr. JACKSON. Mr. President, I have tried to help the President. Last year, I spent some 18 months day and night getting an energy bill through. But I must say that if the President wonders why he may have problems in this body, and the other body, I think he ought to make sure that some of the people on the White House staff, including the OMB, understand how this Government works, how it functions, how you get things done.

I must say that in all the time that I have been here, I have never witnessed such discourtesy to the chairman of a committee in the handling of committee business. If you want to disagree with the committee's action, that is one thing; we all go through that. But there are certain rules of courtesy that are generally observed, and I would hope the President would pay particular attention to what has occurred here, because that is the wrong way to do business with the U.S. Senate and to do business with Congress.

I hope this amendment will be rejected. We have been talking all the way through here about four ships. This talk about putting two of them in now and two of them in later is a bit of monkey business. The people who have the responsibility for doing this job, the Secretary of Defense, the Secretary of the Navy, and the Chief of Naval Operations have dearly expressed their positions to the committee. Mr. President, the way the departments of this government are normally run is that they are in touch with the White House. I presumed all the way through that the White House knew—or should have known—the position of the Secretary of Defense and his subordinates.

Mr. STENNIS. Why, yes.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. JACKSON. Surely. I do not have time, but——

Mr. RIEGLE. On my time. I would like to ask, was there ever any time when the President of the United States, in any budget request that he made to Congress, asked for four ships?

Mr. JACKSON. I do not know, but——

Mr. RIEGLE. Let me tell you. The answer is no. I serve on the Budget Committee, and there was no such request for four ships. So what OMB has said is absolutely consistent with what the White House has said all the way through.

Mr. JACKSON. Let me ask the Senator—he has served in both the House and the Senate, and so have I—do not the rules of common courtesy require that when you make a fundamental change in policy is it not the decent thing to do to let the Chairman of the committee know what you are doing?

Certainly the Secretary of Defense, the Secretary of Navy, and the Chief of Naval Operations supported all four ships; if there was a departure from that, should not the Armed Services Committee have been directly and officially notified?

Mr. RIEGLE. Let me say, on my own time again, I do not know how the Secretary of the Navy got out of step with the President and OMB.

Mr. JACKSON. I am not criticizing you.

Mr. RIEGLE. No, I understand; but I do not think the fact that the Navy Department is taking a position different from what the President and OMB are taking ought to be blamed on the President and OMB. Maybe it ought to be blamed on the Navy.

Mr. JACKSON. No, but we are talking about the Secretary of Defense—forget about the Navy for the moment—and when he speaks, surely he speaks for the President. You cannot run a government unless you have some kind of general understanding in that regard. That is the way the Government functions.

Mr. RIEGLE. I would just say to the Senator that I think in a matter of this sort, it is the Office of Management and Budget that has to pull all the rest together.

Mr. JACKSON. Well, they have got a bunch of amateurs over there. You know that.

Mr. STENNIS. Mr. President, let me answer that. I have no evidence that the President ever knew a thing in the world about this matter here. I do not blame him, because I just do not know. But I know what OMB is doing. If they get a chance to shoot down a ship, they shoot it down. That has been my experience.

Mr. RIEGLE. Mr. President, if the Senator will yield, let me read directly what this letter here says. Let me quote this letter of April 25, another letter from John White of OMB. This letter is addressed to Senator Levin, on the same matter. He starts out by saying that the President had requested that he respond to the inquiry of the other Senator from Michigan concerning the four Iranian destroyers. So it sounds to me as if the President is very much in the circle of communication here.

I think the burden of proof has to lie with anyone who is talking here about expanding what the President in his previous request has asked for. I am not aware of any budget request——

Mr. JACKSON. Will the Senator yield?

Mr. RIEGLE. In just a moment.

Of any budget request that has come before the Budget Committee from the administration asking for four ships.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes, I yield.

Mr. JACKSON. Where has OMB been? The committee reported out the bill some time ago. Since we reported it out, the Secretary of Defense has taken a position contrary to that expressed by OMB. If OMB knows anything about running the Government of the United States and acting for the President, I would think OMB would instruct the Secretary of Defense. You know, you just cannot have people going off like a bunch of Roman candles in all directions.

I have been chairing the Committee on Energy for a difficult period, and I have insisted that we understand what the position of the administration is. Once I know what it is, I respect that position. I may disagree, but I do think it is very important that we have some coordination of responsibility and duty here. That is what I am trying to say right now.

The Senator from Michigan was unaware, I assume, of the position taken by the Secretary of Defense, and I am sure he was not aware that the OMB had not notified the chairman of the Armed Services Committee.

Mr. RIEGLE. Well, I want to read this one letter into the Record. Then I will yield the floor, reserving my time. Let me make this letter a part of the

RECORD. It is dated April 25, 1979. I think the chairman of the committee will want to hear this letter. It was addressed to my colleague from Michigan, Senator LEVIN, and it reads as follows:

> The President has requested that I respond to your inquiry concerning the four Iranian destroyers. As you know, the Administration desires to see these ships purchased for the U.S. Navy.
>
> Our proposed method of financing is two ships in 1979, as requested in the amended 1979 supplemental of February 28, and two ships in 1980. A revised 1980 budget request will be provided which includes the purchase of two destroyers in 1980.
>
> While it would be possible to fund all four ships in 1979, likely congressional reductions in our 1979 supplemental request and our other priorities in that package make it inappropriate to include all four ships in 1979, and the Administration would oppose such a proposal.
>
> Thank you for your inquiry. If we can be of further assistance, please let us know.
>
> Sincerely,
>
> JOHN P. WHITE,
> *Deputy Director.*

This letter starts out by saying, "the President has requested that I respond to your inquiry," and they make it very clear that to take the four ships in 1979 would be inappropriate. I do not know how the Secretary of the Navy goes off on his own and takes a position like this. I do not think that is a responsible position to take. but let us not be stampeded because he comes down here and does not have his signals straight with his own Administration.

Mr. STENNIS. Well, I think we are talking about an issue in the budget resolution that we have already settled by a 2 to 1 vote.

But these statements here, letters and everything else, are just full of recommendations about the four ships. He comes on in here with this letter written today that I never have seen until you brought it out. I wish you had shown it to me about noon. I know you thought I had a copy anyway.

Mr. RIEGLE. I did.

Mr. STENNIS. Yes.

Mr. RIEGLE. Let me say to the Senator if I had known he had not seen the letter, I would surely have given him a copy.

Mr. STENNIS. Yes; I certainly believe you.

Now I would like Senator TOWER or Senator BELLMON to seek the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BELLMON. Mr. President, will the Senator yield me 5 minutes?

Mr. STENNIS. Yes.

Mr. BELLMON. Mr. President, I would like to comment upon this matter up from the perspective of the Budget Committee. This is a complex matter, but I hope I can bring it into focus.

The fact is that, in spite of everything that has been said here, it is simply too early for the Budget Committee to determine whether or not the fiscal 1979 defense authorization bill is or will be inconsistent with the budget resolution that the committee reported to the Senate and which the Senate has approved. We will not be able to determine this until after we come out of conference with the House Budget Committee, at which time the fiscal year 1979 target level will be formulated and after this action has been approved by the Congress, as a concurrent resolution.

Then we will have to see how the funds are allocated in the Appropriations Committee. The resolution of these defense items in the appropriations process is the key issue so far as compliance with the budget resolution is concerned. There are nearly $2 billion in other fiscal year supplementals included in the Senate-passed revision of the fiscal year 1979 second budget resolution associated with pay. Lower appropriations for these supplementals could counter any overage associated with the weapons appropriations. It may be that after we have seen how these supplemental funds are apportioned in the Appropriations Committee that the Senate Budget Committee will find it necessary to bring objection to the floor on the ground that the appropriations exceed the budget resolution.

Mr. President, the fact is there are three supplementals that deal with this subject, one a weapons supplemental of $2.1 billion, a pay supplemental of $1.7 billion, and, third, the subsistence supplemental of $0.2 billion.

So it may turn out that if the Appropriations Defense Subcommittee appropriates the full amount for pay and subsistence there will not be enough for these four destroyers. If it turns out that the Appropriations Committee decides they want to appropriate less for pay and less for subsistence, they could make room for all the weapons in the authorization bill which is before us. So we will have to wait and see.

At this point, then, there is no basis to believe that the Defense Appropriations Subcommittee will exceed the Budget Committee's assumptions. I am a member of that subcommittee and I will certainly do whatever I can to make certain that whatever action we take is compatible with the budget resolution approved by the Senate.

Therefore, Mr. President, at this time I oppose the Riegle amendment on the ground that these ships should be allowed during the authorization process, and the time to make the decision is after the Appropriations Committee has decided whether or not they are going to fully fund the pay raise of $1.7 billion and the subsistence supplemental of $0.02 billion. I do not support the view that this authorization bill is incompatible with the Senate-passed budget resolution. It is simply too early to tell. I do not expect that it will be in excess of the Senate budget resolution, but if it does turn out after the appropriations process is completed that it is, I will join in opposing such appropriations.

Mr. President, the request by President Carter for supplemental funds for national defense in fiscal year 1979 has been surrounded by more than the usual amount of debate and confusion. I hope to clear up some of the confusion.

There is no confusion about what we are being asked to do, today. The bill the Armed Services Committee has reported out is quite specific. Among other things, we are being asked to authorize—and I emphasize that word "authorize" for the benefit of those in the galleries that may not have realized that there is a difference between authorization" and "appropriation"—the Navy to buy four destroyers. I believe that it is in the national interest to authorize the Navy to buy those four destroyers. Here are my reasons. According to the committee report, we can expect that of the $1.5 billion authorized for the purchase of the four destroyers, about $800 million can be expected to be spent in fiscal year 1979. Although there are certain items relating to national defense whose outlays in fiscal year 1979 are not yet known with precision, and we have not conferred with the House regarding a figure for the fiscal year 1979 revised budget resolution, as well as I can tell, the authorization for these four destroyers and the expected outlays in fiscal year 1979 for them will not "bust the budget."

Now, Mr. President, about the debate surrounding the President's request. There never was much confusion in the amount he requested in his defense supplemental. It was about the amount that Congress cut out to make room for the nuclear carrier in the fiscal year 1979 defense authorization, about $2 billion. After President Carter vetoed that fiscal year 1979 defense authorization bill, because that carrier was included, we passed the bill again, minus the nuclear carrier, and hence, minus $2 billion.

The President must have set some kind of record in getting a defense supplemental request up here to us. It included just what you would have expected, namely, the items that were cut to make room for the nuclear carrier. It was for $2 billion.

Then the Shah took his vacation, and Iran canceled a contract with the Federal Government for two destroyers, the keels of which had already been laid down. Also canceled was a contract for a number of F-16 fighter planes. So the President changed his defense supplemental request to us. He now wanted the two Iranian destroyers for the U.S. Navy and the F-16 fighter planes for the U.S. Air Force.

Since the new Government has taken over in Iran, Iran canceled the contract for the other two destroyers which the Federal Government was going to sell them. The Armed Services Committee took that fact into account and in the present 1979 defense supplemental authorization bill, as well as in the letter they send the Budget Committee for the revised second concurrent budget resolution, there were four destroyers and no F-16 fighter planes.

What I have been concerned with all along, Mr. President, is how badly the Navy really wanted these 4 destroyers. When this matter came before the Budget Committee, I wrote to the Secretary of the Navy and asked him why the Navy was not willing to rearrange budget requests already agreed to so as to buy these ships if there was a legitimate need and if they were such bargains. Secretary Claytor, in replying to my question, made the case that the Navy had done just that.

I ask unanimous consent that a copy of the correspondence between Secretary Claytor and me be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BELLMON. The Navy had been allowed by President Carter to include in the initial fiscal year 1979 defense supplemental a request for authorization to buy a destroyer and a frigate which were intended to partially offset the nearly $2 billion of ship construction funds that Congress had approved—for the nuclear carrier—but which President Carter had vetoed. These two ships are no longer requested, but the two destroyers made available by the first Iranian canceled contract are.

The issue before us is what we want to do about the four destroyers that we—the Federal Government—have contracted for, which are under construction, which the Iranians do not want, and which our Navy wants and needs. I believe the Navy has made a good case and that the ships—all four of them—should be authorized. We can decide at the appropriate time how to provide the appropriation needed.

I am not arguing that the full $2 billion that was cut from the fiscal year 1979 defense authorization to make room for the nuclear carrier be restored. But I am concerned about our naval strength. If Congress cannot force upon President Carter a nuclear carrier that the Navy needs and wants, then let us provide four "windfall" destroyers which President Carter will accept and which the Navy needs and wants. If anything must be cut from this fiscal year 1979 defense supplemental, then it should be something other than the four destroyers.

EXHIBIT 1

U.S. SENATE,
Washington, D.C., April 12, 1979.
Hon. W. GRAHAM CLAYTOR, Jr.
Secretary of the Navy,
Department of the Navy,
Washington, D.C.

DEAR SECRETARY CLAYTOR: My conversation with you and Senator Stennis on April 10 regarding the issue of the Iranian DDG–993 destroyers contained in the fiscal year 1979 defense supplemental request prompts me to expand upon my views.

First, let me make it clear that I fully appreciate the merits of the ships under discussion. I realize that they would be highly capable as additions to our carrier fleet defense forces. I also realize that the opportunity exists to acquire these ships at a relatively low price. I have no opposition to the DOD's desire to obtain these ships as priority items.

However, DOD priorities, in my view, are precisely what are at issue here. I understand the DOD's wish to take advantage of the situation which makes these ships available. But, I believe that it should be willing to reorder its budget priorities and reprogram existing appropriations or revise future requirement schedules in order to take advantage of this opportunity.

I do not feel that I am proposing anything new or unreasonable. The Congressional policy of full funding major weapons system is sound and provides maximum Congressional control. However, according to figures prepared by the Office of the Assistant Secretary of Defense (Comptroller), total DOD unobligated balances will have risen from $12.6 billion in 1975 to approximately $22.1 billion by September, 1979. The question is not whether balances are needed but whether the level of appropriations provided is higher than can be used in a timely manner. If they cannot be used in a timely manner, can some of the funds be redirected towards new or unanticipated requirements?

The appropriations process can be used to make lapsing funds and unobligated funds available for higher priority programs. Funds used for such contingencies have generally run around $600 million annually during the last several years. Additionally, DOD reprogramming of prior year appropriations has averaged more than $1.0 billion over the past 7 years. If the case for these additional ships is as compelling as you have led me to believe, then it seems to me that you and your associates have full justification for reprogramming prior year balances to fund these ships.

I have always supported a strong defense budget in Congress and I hope to continue doing so. However, the DOD should be willing to make hard choices regarding force priorities. The realities of our budgetary resources make such choices unavoidable. The DOD should be able to use existing funds to obtain these ships. I hope that this is the route which the DOD will take.

Sincerely,

HENRY BELLMON.

THE SECRETARY OF THE NAVY,
Washington, D.C., April 13, 1979.
Hon. HENRY BELLMON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BELLMON: Thank you so much for your helpful letter of April 12. I will try to deal with the points you have presented.

The fundamental issue you raise is whether, in view of the need for and availability of these ships at what are genuinely bargain prices, the Navy and DOD should not be willing to buy them within existing budgets and develop appropriate trade-offs accordingly. In other words, you point out that it seems reasonable, if the Navy wishes to take advantage of this opportunity, to buy these ships by reprogramming or by deferring or cancelling other programs of less priority.

The fundamental answer to this is that we have already done this. Because of the veto of the initial 1979 appropriations bill and its reenactment without the nuclear powered aircraft carrier the Navy lost almost $2 billion of ship construction funds that had been approved by the Congress; in fact, substantial SCN requests in the original 1979 budget had been eliminated by the Congress to provide funding for the CVN. Because it was not possible due to existing time constraints to include in the reenacted 1979 appropriations bill substitute ships for the vetoed CVN, it was generally understood that these would be taken care of in a supplemental bill.

While the first supplemental request that was accordingly forwarded to the Congress did not include as much shipbuilding as we in the Navy had sought, it did include a DDG–993 at $543 million and a FFG at $194 million. The DDG–993 was identical in practically all respects to the four DDG's being constructed for the Iranian Navy. Later on, when events in Iran made two of these ships available, a substitute supplemental request was forwarded to the Congress asking that these two Iranian DDG's be substituted for the two ships originally requested, at a cost of approximately $300 million per ship instead of over $500 million that a new identical DDG would have cost to acquire under a new contract.

Under these circumstances we believe that the proposed acquisition of the Iranian ships is in lieu of of the Navy's ships that would have been included in the FY 1979 Appropriations Act had there been time to do that following the President's veto of the original bill. We have in effect already more than bought these two ships by eliminations from last year's shipbuilding program. Under these circumstances it would not be appropriate to attempt to fund these ships by eliminating still other ships or other programs that the Navy so badly needs.

I turn now to the question of unobligated balances.

As you recognize in your letter, the existence of unobligated balances does not mean that the funds are not required to complete the programs requested of and approved by the Congress. However, as you note in your letter, these balances have grown in four years by some $9.5 billion, which does raise the question of whether this may be a symptom of our not being able to use the funds appropriated in a timely manner. If that were the case, as you point out, the Congress could, as it had in the past, reapply the fallow amounts at both its own and our instigation.

I do not feel, however, that the growth of $9.5 billion in unobligated balances should be so construed. Of this amount, $.5 billion relates to the $.5 billion provided in the FY 1979 Appropriations Act under the heading "Foreign currency fluctuations, Defense." I hope, for reasons I am sure are apparent, that this amount never is obligated, although I am sure it will as we balance our books at the end. Another $1.4 billion relates to unperformed orders at our industrially funded activities. As such, it is a technical accounting mechanism required to produce a correct reflection of workload backlog at these activities. The procurement accounts make up $7.0 billion of the increase with the balance of $.6 billion being spread over the other myriad military pay, retired pay, operations, research, construction, housing and various trust fund accounts. Accordingly, I will focus my comments on the growth of unobligated balances in the procurement accounts.

It makes good management sense not to obligate all the funds provided by Congress in full-funding the procurement appropriations in the first year of availability. Some of the components of a weapon system have relatively short lead-times as compared to the end item. It would not make sense to order them, pay for them, and hold them in inventory long before they are needed. Technical and cost factors are such that better results can be obtained by deferring contracting to the point dictated by lead-time. When one considers that ships sometimes take well over 5 years to deliver (where $2.5 billion of the $7.0 billion growth occurred) and that aircraft take about three years to deliver (where $2.2 billion of the $7.0 billion growth occurred), this concept can be readily understood.

What also must be understood, however, is that this dramatic growth in procurement unobligated balances of $7.0 billion was paralleled by a growth in the level of the procurement account appropriations from about $16 billion annually to about $31 billion, a growth of $15 billion annually over the same time period. Thus unobligated balance growth can be said to have been driven by the growth in program dollars (most of which is attributable to inflation). What is of note is that also in the same time period, unobligated balances as a percentage of the amounts available to us for obligations (TOA) for procurement have declined from 50.7 percent to 50.4 percent. I would therefore conclude that the level of appropriations being provided is not higher than can be used in a timely manner. Rather the large dollar values of our unobligated balances are a function of full-funding large dollar value programs and executing these programs using good management common sense.

While I cannot agree, therefore, that we have not made choices in priorities and that we have existing fallow funds that would enable us to acquire these ships, I join you in your desire for a strong defense budget. I trust we can continue to have your support and your confidence that we are managing our Defense resources to maximize the Country's return on the Defense dollar. If I can provide any further information that may be of assistance, please let me know.

I am also enclosing for your information a memorandum on various aspects of the proposed acquisition of Iranian DDG ships that I have prepared at the request of Senator Muskie.

With best wishes,

Sincerely,

W. GRAHAM CLAYTOR, Jr.

Mr. STENNIS. Will the Senator yield for a question?

Mr. BELLMON. I yield.

Mr. STENNIS. The Senator has been very clear and convincing. The Senator has said that as far as the authorization bill is concerned, this is within the figures of the budget resolution.

Mr. BELLMON. Mr. President, I am trying to say that that answer will depend on what the Appropriations Committee does. At this point in time we cannot say that this bill is over the budget resolution.

Mr. STENNIS. But the authorization figure is not to be condemned. However, the committee will take a look at what the Appropriations Committee does, and then it will be determined. That is what the committee is for, to look at the appropriations figures.

Mr. RIEGLE. Will the Senator yield on my time?

Mr. BELLMON. Yes.

Mr. RIEGLE. I have in front of me a statement about the impact of this supplemental. In function 050 for 1979 it clearly does involve an increase over what would be budgeted. It involves an increase in authorization of $600 million. It involves an increase in outlays of $300 million.

Those are clear increases to the figures we approved for that function, for the 050 function.

One can argue that things can be moved around in different ways, but if we are going to live within the limits that we tried to establish for function 050, obviously we would have to reduce this request by that amount, would we not?

Mr. BELLMON. The Senator is correct. Function 050 (national defense) is over by the amount he mentioned. But it is also true that the function 150 (international affairs) would be under by perhaps as much as $75 million or $85 million.

Mr. RIEGLE. To take that, the transfer to 150 is not really money that we get to keep. Somebody might say that is an offset, but it is just temporary because that goes into the Iranian account and then that money goes out of the Iranian account. Over a period of time, $580 million will go to Iran's credit—either back to them in a dollar payment or as an offset against other bills that they owe us.

The thing that concerns me here is that the credit alleged for function 150 is really an illusion—it is just temporary. That money in fact gets paid out over a period of time, and no one knows what time. I cannot get a clear answer to that. The point is that that money is earmarked to go to other people, either to defense contractors or to Iran. So the notion that we are somehow saving money here I think is a false idea. We are not saving money. It will be drawn out at a later time.

Mr. BELLMON. If I may respond, the Senator may be entirely right. However, I must stress once again that, insofar as the budget resolution is concerned, we must wait until the Appropriations Committee has acted before we can determine whether there is a violation. If it turns out that the levels appropriated for defense are in violation of the budget figures, we will have to raise a point of order at that time.

Mr. RIEGLE. If I may, let me just make one other point at this time. I do not want anybody to be confused about the action that was taken in the Budget Committee.

The Budget Committee clearly voted to provide no money for Iranian ships in fiscal year 1979.

Mr. BELLMON. If the Senator will yield, I am not sure that is quite accurate. The Budget Committee provided a total number of dollars and it is up to the Appropriations Committee to decide what to do.

Mr. RIEGLE. I am not addressing what the Appropriations Committee might or might not do. I am simply saying that in the Budget Committee we addressed this issue, we voted on it, and we voted to provide no money for Iranian ships. The Senator will remember that vote because he was one of the people who voted in the majority. The vote was 11 to 9 to provide no money in the supplemental for the specific items of Iranian ships. Is that part not correct?

Mr. BELLMON. Well, that is the interpretation of the Senator from Michigan. All we were voting on was a sum of dollars. The Budget Committee does not, as the Senator knows, earmark the money. We are not a line item committee. We just recommend a sum of dollars. After the Appropriations Committee has worked their will the Budget Committee will determine whether or not the appropriation is in line with our resolution. All we can do is blow the whistle on the total amount appropriated.

Mr. RIEGLE. I appreciate that point, but in terms of the budget document itself, and the Senator is more familiar with this than I am, on page 319, on Vote No. 121 it is titled motion to delete Iranian ships from supplemental and 050 national defense, motion agreed to 11 to 9, 9 nays. It states the Senator as one of the yeas, for which I am grateful. But the fact of the matter is there was no doubt in anybody's mind what the dollars were that were being deleted and what their purpose was. I think the Senator will agree on that point.

Mr. BELLMON. There is no question about the dollars. But the Senate Budget Committee does not say to the Appropriations Committee what the money is to be used for. That is their prerogative.

Mr. RIEGLE. I understand. But I think at the same time it was clear that it was the intent of the Budget Committee to reflect itself in opposition to money for Iranian ships. We discussed it and voted on it and the vote was 11 to 9 in favor of not making money available for that purpose. In fact, we knocked the money out, did we not?

Mr. BELLMON. We did reduce the supplemental by $600 million. You see, if we approve the request of the Armed Services Committee as it is before us, they are asking for an amount that is greater in that function than the amount that we budgeted. So they are coming in here, right now, with a request that exceeds our budget total for that function.

I hope the Senator will see my point, because, in terms of this function 050, which we voted on and established a dollar ceiling for, they are now coming along and asking, in that function, for a dollar figure that is substantially higher, because they have included the Iranian ship that the Senator and I and the others voted not to include.

(Mr. BURDICK assumed the chair.)

Mr. BELLMON. Mr. President, there is a basic difference here. It is true that the Budget Committee, in the process of arriving at a figure, considered various ways in which funds can be used. But there is no precedent for the Budget Committee saying to the Appropriations Committee or the Armed Services Committee that these dollars must be used in any certain way. Our only police power, if you want to refer to it that way, is over the total. So long as the Appropriations Committee comes in with an appropriations bill that observes the budget resolution as far as the total dollars is concerned, no violation of the budget resolution would exist even though the bill may have a different content than the Budget Committee assumed.

Mr. RIEGLE. Let me say, in addition, to the Senator from Oklahoma, if he looks at function 050, which we voted on, he will find that the proposal before us is for a dollar amount that exceeds the dollar amount that the Budget Committee approved for that function to the extent of $600 million in budget authority. That breaks the budget in terms of the money being requested for that function. I do not think there is any question about it.

Mr. BELLMON. But that matter, again, has to wait until the Appropriations Committee has acted. The Budget Committee cannot make a final decision until then.

Mr. RIEGLE. I agree with that, but in terms of the authorization, the authorization request exceeds the budgeted amount in that function, does it not? The Senator would not disagree with that, I believe.

Mr. BELLMON. As I said earlier, until the Senate and House Budget Committees have been in conference and have recommended a final defense figure for the fiscal year 1979 revised resolution, and until the Appropriations Committee has allocated a sum to the Defense Subcommittee, the Budget Committee cannot determine that the budget resolution is being exceeded. The Appropriations Committee seems to have ample flexibility in functions 050 and 150 to fit within our resolution. Until they bring us back the bill, I do not believe we can raise an objection on the basis of our budget action.

Mr. RIEGLE. Let us not put it in terms of raising an objection. But the budget resolution addresses not only totals but also the distribution of those totals among national priorities. That is why we spend so much time considering and voting on functional totals. The Senate passed a third budget resolution just the other day and it established a total for function 050 defense. And the fact is that if S. 429, as reported from the Armed Services Committee is fully funded, it would cause the function 050 ceiling for fiscal year 1979 to be breached—by about $600 million.

Mr. STENNIS. Will the Senator yield to me for a question?

Mr. RIEGLE. I shall in a moment, but I do not want the Senator from Oklahoma and me to disagree. If he does not agree with that point, maybe he can persuade me that I am wrong in my understanding. If not, I should like to establish that basic point, at least.

Mr. BELLMON. Will the Senator state his point again?

Mr. RIEGLE. We established in the Budget Committee, and in the budget resolution as it was voted by the Senate a ceiling for the 050 function for 1979. As a matter of fact, the request that is now before us exceeds that amount just if fully funded, would cause that function 050 ceiling to be exceeded by $600 million. I grant that this is an authorization and not an appropriation, but the authorization request exceeds by $600 million the figures that we elected to put in the budget for this function.

Mr. BELLMON. The Senator is correct in the narrow sense. It is also true that the Appropriations Committee, in their crosswalk provisions, will have ample room between functions 050 and 150 to make adjustments sufficient to deal with this supplemental.

Mr. RIEGLE. I think the Budget Committee has a role to play in setting congressional priorities in these matters.

Mr. TOWER. Will the Senator yield on that point?

Mr. RIEGLE. I will in a moment.

The Budget Committee must make an important, independent appraisal of funding among national priorities. That is not to say we do it perfectly, but I think the Budget Committee makes a conscientious effort.

What is important here is that the Budget Committee, in looking at this, established a ceiling figure for this function 050. Now we have before us a supplemental request that would exceed the ceiling that we established in the third budget resolution. The entire Senate ratified that. That ceiling would be exceeded by about $600 million.

That is very troubling to me. I am not sure that it is sufficient just to leave it to the Appropriations Subcommittee or the authorizing committee to decide this matter, especially when, in many respects, they are sort of one and the same. I think it has to get a broader review.

I think our responsibilities as Budget Committee members and as Senators require us to get into this issue more deeply than, maybe, we otherwise would. I think that is an important part of the consideration.

Mr. BELLMON. Mr. President, philosophically, there is probably a great deal of merit to what the Senator from Michigan has said and I shall not take issue with him. But the fact is that here, at this moment, we are debating the merits of the four ships. The decision as to whether or not they fit in with the budget resolution will have to be made after the Appropriations Committee has acted. If it fits within that, the Budget Committee cannot oppose the appropriation on that basis, nor can we now oppose the supplemental on the basis that there is no room. It depends on how the money is divided up.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. STENNIS. Mr. President, I shall be very brief, because I believe we are probably at the point where both sides could yield back time and we could serve the convenience of the Members of the Senate by bringing this matter to an early vote.

I think the question here, fundamentally, is what will the naval posture of the United States be 10 or 15 years hence? This is an enormously important question.

Actually, what the Senator from Michigan proposes to do is reduce the funds available for shipbuilding, and he proposes to reduce them at a very, very critical time, when we find our naval capability challenged by the growing global might of the Soviet naval capability. In fact, if you couple these ships along with those that will be authorized in fiscal year 1980, assuming that these ships are authorized in the supplemental, we will, based on present projections, still fall below option 2 in sea plan 2000. Admiral Holloway has testified that option 2 is the minimum that we can do and still maintain an acceptable risk in terms of the challenge to our naval power.

General Haig has noted in a recent address that the Soviets already have the capability of interdicting the sea routes from the Persian Gulf to Western Europe and the United States by air.

Secretary of Defense Brown has said we should have a naval force in the Indian Ocean.

What a terrible time to reduce the size of the fleet, or the projected size of the fleet, just at a time when we find ourselves enormously dependent on external sources for energy and the vital necessity of keeping the sea lanes open.

After all, in a few short years, we will not be able to fight more than one naval engagement at a time. We really ought to be expanding in our shipbuilding program, not contracting that program, but expanding on it, rather.

At this particular time, the Senator from Michigan and his friends propose to reduce the size of the United States Navy and jeopardize the vital sea lanes over which most commerce flows that is of vital concern to the United States, indeed essential to our survival.

I would simply like to read what Admiral Hayward said in his testimony before the committee on the 28th of March:

> I have not thus far addressed the question of Soviet naval capabilities, which I dealt with at some length in my posture statement. I know you are familiar with the trends in that area, and their very unsettling implications—particularly when measured against the projected U.S. Navy posture post-1985. As I testified before this committee earlier, the trends projected by the current five-year shipbuilding plan forecast an inevitable decline in the size of the Navy, commencing in the mid-1980's.

So, let us understand, Mr. President, that those who vote for the Riegle amendment are voting to reduce the American naval capability and jeopardize our ability to perform our naval missions in the eighties and in the nineties.

Mr. President, I yield 3 minutes to the Senator from Mississippi (Mr. COCHRAN).

(Mr. BAUCUS assumed the chair.)

Mr. COCHRAN. I thank the Senator for yielding.

Mr. President, I must rise in opposition to the amendment that is before the Senate. In doing so, I want to first congratulate the members of the Armed Services Committee and especially my good friend and distinguished colleague from Mississippi (Mr. STENNIS) for the work that has been done in trying to come to grips with some degree of immediacy with a problem we have now, this year.

The amendment is suggesting to the Senate that we postpone consideration of part of a problem we have now. Ships are under construction at a shipyard here in the United States. Unfortunately, they cannot be sold to the parties who originally contracted to buy them.

That is not a problem that is going to come up next year. It is a problem that is before us now.

I am suggesting that if we wait until next year, or some later time, for some Members to come up with an alternative which is not now before the Senate to help solve this problem, that we are placing in jeopardy at least 2,000 jobs of shipyard workers here in the United States, as well as not taking advantage of an opportunity that is available to us now to help improve the quality and integrity of the U.S. Navy.

I am strongly suggesting, Mr. President, that we reject the amendment because there is no other feasible alternative that has been presented to the Senate to deal with this problem that we have now.

I thank the Senator for yielding.

Mr. RIEGLE. Mr. President, let me just take about 3 or 4 minutes, if I may, at this time.

First of all, let me say to my friend from Texas that I could not disagree more strongly with the comments he made earlier, the suggestion that somehow this is going to weaken the defense posture of the United States. I really think that is absolute nonsense.

When we voted on this issue a week ago, we voted to take out four ships, not two ships as we are voting today. Let me state some of the people who last week voted with us to take out all four ships. One was Senator GOLDWATER, certainly not a softie on defense, not a person that would vote to weaken the United States. He voted against all four ships. He is a member of the Armed Services Committee. He knows a little bit about defense.

We had the Senator from Delaware (Mr. ROTH), also not somebody with a reputation for being soft on defense. He voted with us to take out all four ships.

So what we are coming back with today is an effort to try to resolve this thing in a reasonable fashion. But the Armed Services Committee wants it all. They want to spend money we do not have for a plan that does not make sense, and the administration itself concedes it does not make sense.

That is why we have these letters here today from OMB, and there were letters in existence before today.

There was never a time when this administration asked for four ships in 1979. It is a waste of money if we go this way.

I concede, yes, it will provide more business for the shipyard down there. They will end up with more ships. I can see why the Navy would want these free ships. That is not surprising. They will take free ships. I am sure the Air Force would take some free jets if we were willing to provide them. I am sure all services are willing to take free weapons.

But I do not know where that money will come from. We will have to raise the deficit to pay for these ships.

Let us not kid people about it. Let us not mislead the American people. These are not free ships. It is clear who finally picks up the tab. We will have to pick up the tab. We will have to pick it up.

We can talk about the number juggling from one account to another, but anybody that wants to track this through will find out that in the end it is more money out of the pocket of the United States and the taxpayers of the United States. In the end, some money will go back to Iran. Those are the hard facts in the case.

To suggest that the people, who vote to try to make an intelligent use of these ships, to turn them into modern ships and the kind of ships we need, are somehow undercutting the defense of the United States is an outrageous charge.

I think the Senator from Texas knows better. He knows better than to make that charge, and when he makes that charge, he makes it against everyone who voted the last time.

Of the 26 Senators, none of us might say we took pleasure in opposing the Senator from Mississippi, the chairman of the committee, because he is a friend of all of us. So the 26 people that voted that way took no pleasure in their vote. But they voted that way, or at least this Senator did, because I am convinced that to go for all four ships in 1979 is a waste of money because we will be building the wrong kind of ships.

We could go into executive session in the Senate and talk about exactly what the military capabilities are of a Tartar ship versus an Aegis ship. If we could get the Members in to talk about this. If this data were not classified, we could make it clear to American citizens, we could help them understand the difference in technology. There is no comparison. An Aegis ship moves us ahead. It is relevant to the threat we are facing now and in the future.

If we accept my amendment, we can have an Aegis ship faster and cheaper than we otherwise would have it. If we follow the recommendation of the Armed Services Committee, we squander that opportunity and slow down delivery of an Aegis ship. An Aegis ship is better than the ships ordered by the Shah. There is no person here who has offered a whit of evidence to the contrary.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. RIEGLE. In a moment.

If we accept the recommendation of the Armed Services Committee, we are going to pump out four more ships from this shipyard. But they will not be the kind of ships we really need. We have laid out a proposal today to reprogram them to fit the work that needs to be done.

I do not want these ships to be wasted. There is a way to reprogram these and conform the parts of ships to fit into the 5-year plan. Senator EXON has laid out a plan. Senator LEVIN has laid out a plan. I have laid out a plan. As a matter of fact, OMB has a plan. The administration has a plan. The only ones I find who are bent on going ahead and building the ships that the Shah ordered are the people on the Armed Services Committee; and, by the way, that was not unanimous.

I have to say to the five people on the committee who voted against the majority vote that that was not an easy vote for them. We all know the facts of life. That is a hard vote to cast, and the fact that they were willing to cast it shows that there is legitimate doubt even among the people on the Armed Services Committee.

If we could put this to a referendum, I do not think you would get additional money for any of these ships, let alone two. As a matter of fact, if we ever get this story outside this Chamber, there may not be one additional drive for any of these ships. But that is not the proposal we are making today.

We are offering to come halfway. We are offering to authorize two ships, and then we can debate this thing and go into the appropriations process. But, no, the committee wants it all, and they want to break the budget in this function.

I sat through the budget hearings, and I know how much we authorized. It is not a matter of guesswork. It is in the budget documents. You are going to exceed that 050 function if you approve the request of the Armed Services Committee. Our amendment conforms to the budget amounts authorized in committee and by the Senate, if it is adopted.

Those are the basic issues, and I feel strongly about the matter. I do not want the people of Michigan being asked to pay for things we do not need. I do not want to see our defense less than it should be. We are trying to work out things that are complicated. We can reprogram. We can complete these bills according to our real needs. If we are going to pass up a chance to complete one of these ships as an Aegis ship, we should have our heads examined, especially if we can get it 6 to 12 months sooner and at less money.

The Armed Services Committee, in their own committee report, told us that we should not build a single additional ship of any sort with a Tartar system; and this committee and the members sitting here, who served on it at that time, signed that report and sent it to Congress. Now, 4 years later, they are saying, "We didn't mean that. We want you to disregard that. The situation has changed." Baloney. The situation has not changed with respect to the technology except that our situation has gotten more adverse. The Russians have made greater advances. The need to get Aegis on line is greater than it was before.

The Armed Services Committee was right 4 years ago and they are wrong today. If they would just read their own report and be consistent with the finding they made then, we could get this job done for less money and have more defense capability.

Those are the basic issues in this case. I do not know whether we are going to succeed in getting them out of here. We may waste the money and get less for it in defense capability. I hope that is not what we are going to do.

Mr. STENNIS. Mr. President, I will not detain the Senate more than 2 or 3 minutes.

The argument here falls flat on its face, in objecting to a destroyer that costs a little more than $300 million because it is not an Aegis. I cannot imagine these people in the Budget Bureau recommending the Aegis when that alone costs $450 million.

So those are arguments that are honestly made, but they are false in fact. They are not based on fact.

Here are the Navy figures. Numbers of ships are not the only thing. For the 10 years in the 1960's, 336 new ships were funded. In the 1970's, that dropped to 155, and in the 1980's projections show it will drop to 134.

How in the world are we going to take care of the new situations with which we are confronted? We are talking about four ships now that are real ships. They have the steel; they have the firepower; they go to sea. The Senator has talked about paper ships that are fixed up and talked about and written about by OMB. They never get to sea. They never get a money request. They never get built. They fall by the wayside, one way or another.

Mr. President, this is not funny business; this is not play stuff. Let me read, briefly, from the statements of those who know best. You cannot make our committee or its chairman the issue here. It has to do with the needs of the Navy. Let us see what Secretary of Defense Brown said to Chairman PRICE of the House committee on April 30 of this year:

> Because of unusual circumstances, they can be acquired at a very favorable price—

He is talking about those ships:

> at a savings of some $200 million for each ship.

No one had a gun at his head when he wrote that. No one had a gun at Representative PRICE's head, either.

I read further from Mr. Brown's statement:

> We should seize the opportunity—

The opportunity for what?

> to supplement our seapower with shooting ships and defensive ships at a saving of $200 million.

What did Secretary Graham Claytor say along the same line?

> That they are obsolete, which has also been suggested to me, is just nonsense.

I will not read the rest. That was from a statement before the Armed Services Committee on April 5, 1979. The man is not given to loose talk, and he is one of the most knowledgeable men with whom I have ever dealt.

What did Under Secretary of Defense Perry say?:

> Had I known when we submitted the supplemental that the F-16 would go to Israel and third and fourth ships would be available, I would have recommended that we include those four ships instead of the F-16's in the supplemental. That would have been my recommendation.

That illustrates how fast the facts were changing, beyond our control and their control. Here is the man pouring out his best opinion, in his role as Under Secretary of Research and Development. They do not come any better.

The admiral, under his responsibility and speaking for the military uniformed Navy, said to us at a formal hearing, open session:

> I think there is a strong unanimity—

Among the navy people who make the decisions—

> that we should be getting those four ships.

That is a good, solid, hard, firm recommendation. It is not disputed by anyone—not even the letter the Senator has which is dated today. He said the ships are good. In effect, he says they need them and they want the four of them—all four, he said.

The Senator let him down terribly after having read his recommendation. He said they would greatly enhance the Navy's capability and that they can be obtained at an attractive price:

> We believe it should be prudent to buy two of them in 1979 and two in 1980.

We have some judgments on that. It has got to run this legislative race all over Capitol Hill besmirched and attacked and waylaid, at every turn.

Now, listen, it is time to act, and let us vote for these ships that go to sea, and we can argue those that are on paper later.

Mr. President, I yield the floor.

Mr. RIEGLE. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Michigan has 29 minutes remaining, and the Senator from Mississippi has 62 minutes.

Mr. STENNIS. We are ready to yield back the time whenever the Senator is ready.

Mr. RIEGLE. Let me yield myself 5 minutes. I want to make a couple of points here that I think require some clarification for the record.

I have here, let me say to the chairman of the committee, the committee's report on this authorization. On page 6, under the Navy, I read here the second paragraph:

> By amendment two of the Iranian destroyers were requested as a substitute for one guided missile frigate and one guided missile destroyer with similar capability that had originally been requested. The Navy planned to acquire the remaining two destroyers as part of the fiscal year 1980 authorization request.

I do not understand his surprise at the administration's position. This is the committee's report as of today.

I do not see why there is a mystery. The administration until now, and consistently, has said they only want two ships in the fiscal year 1979 supplemental. Their position has been absolutely consistent.

So, I just do not understand. Perhaps the Committee on Armed Services wanted to convince itself that there was a request there for four ships. But there was none from the Carter administration, not in any of their formal requests that I can see as part of this record or, as a matter of fact, part of your own record.

How is one to interpret this language in the report? What does this mean if it does not mean they were asking for two ships and not four?

Mr. STENNIS. Does the Senator wish me to respond to that?

Mr. RIEGLE. Yes.

Mr. STENNIS. When this report was filed, Mr. President, and the date shows here, these changes had not been occurring. There had not been notice, I think, at that time that the second of the four ships was going to be returned—just about that time. We had not had hearings. These quotations we have been giving here and everything occurred after this report was filed, so there is nothing inconsistent with truth in this report when it was filed.

Mr. TOWER. Mr. President, will the Senator yield?

Mr. STENNIS. Yes. The Senator from Michigan has the floor.

Mr. TOWER. I have in hand a letter dated April 20, 1979, to the Honorable ROBERT C. BYRD, majority leader, signed by Harold Brown, the Secretary of Defense, and I will read two sentences:

> There is no doubt in my mind that it is very much in the interest of the United States national security to acquire all four ships.

The bottom line is:

> Should the Congress decide within the level of the overall fiscal year 1979 supplemental request to rearrange priorities so as to fund all four. I believe I could support that view.

Mr. STENNIS. Yes, and there you are.

Mr. TOWER. That is from Secretary Harold Brown.

Mr. RIEGLE. I am not surprised to hear the Secretary say that. But he does not run the administration. Of course, he would take four ships if we give them to him. I would be delighted if somebody here would, out of their own pockets, decide to pay for the things and give them to the Navy Department. That would be fine.

But that is not what you are proposing. You are proposing to dock the taxpayers for these things. That is why there is not a single other group that I can find, that is asking for this—other than the Defense Department which I think wants to please the committee, and the committee which wants to please the Defense Department.

OMB is not asking for it; the President is not asking for it; the Budget Committee is not asking for it. I do not see anybody else asking for it. It is obvious, I think, where the push is coming from.

I just do not know why it cannot be worked out, why we cannot go ahead and reprogram here. Why can we not make the ships conform to the 5-year plan?

Mr. STENNIS. Will the Senator yield for a question, Mr. President, it is not a personal question? Does the Senator favor as many as two of the ships now on their merits?

Mr. RIEGLE. I beg the Senator's pardon.

Mr. STENNIS. Does the Senator favor the ships, two of them, on the merits?

Mr. RIEGLE. Let me say what I said earlier. We are at the authorization stage. We are not at the appropriations stage. We are not at the stage of trying to work out our differences on whatever we pass with whatever the House passes. We are at the authorization stage, and at the authorization stage I am prepared to authorize the money that is necessary for two ships. I have indicated that I believe additional appropriations will not be necessary, and I have stated how I think those ships could be reprogramed and where we could come out ahead of the game.

Mr. STENNIS. May I ask why did the Senator change his mind from last week?

Mr. RIEGLE. Well, I do not think that I have changed my mind from last week, quite frankly. Last week, when we were talking about the budget resolution, I felt that the reprograming could be accomplished without any supplemental. I still believe that. But on this bill, if the committee succeeds here, we will be locked into buying four ships all of them equipped with the Tartar system. We are going to miss an opportunity, and that is the problem.

I might say in addition to the Senator that my position has not been that this Nation should not take advantage of the four hulls. That is very clear from what I said before, and it is in the RECORD.

Let me also say that I do not want to work any undue hardship on this shipyard or any worker or anybody involved in this project. That is not my intent.

The Senator from Mississippi expressed concern about laying off the workers. I have the same concern. That is why I want to see us work ourselves out of this situation.

But let me note that this is an awfully expensive way to protect some jobs. If we accept the Armed Services Committee's request here and just take it on faith, we are going to end up spending $675,000 per job. That is a lot of money. I want to keep these folks working. I think we can keep them working if we are willing to reprogram. But we just cannot keep spending money we do not have for ships that were never asked for and which are not the most up-to-date ships. That is the issue before us, and that is why the administration has made itself clear on this.

You can ridicule the OMB as much as anybody here wants to, and OMB has taken some hard punches here from people on the other side of the issue. But it is their job, as I see it, to try to hold spending under control. They are right to urge a way to adapt within our plan to make use of these hulls. And the American taxpayers should encourage OMB in that effort.

I hope that would be the course the Senate would take. It would be consistent, it makes good sense, it solves the problem of the Senator from Mississippi, and I hope the Senate will choose to vote that way.

Mr. STENNIS. Mr. President, we are prepared to yield back our time if the Senator is willing to yield back his time.

Mr. RIEGLE. I am prepared to yield back the remainder of my time.

Mr. STENNIS. All right, Mr. President, we yield back the remainder of our time.

Mr. RIEGLE. Mr. President, on the amendment I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the Riegle amendment occur at 5:30 p.m. today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, does any other Senator seek recognition?

Mr. CRANSTON. Yes.

Mr. ROBERT C. BYRD. I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I ask unanimous consent to proceed for 6 minutes on the bill.

The PRESIDING OFFICER (Mr. CULVER). Without objection, it is so ordered.

SUPPLEMENTAL IN SEARCH OF A MISSION

Mr. CRANSTON. Mr. President, I rise in opposition to the supplemental defense authorization request for fiscal year 1979 before the Senate today.

Everyone in Congress is well aware of the occasional need for supplemental appropriations. This supplemental, however, arose not from need, but from the President's veto of the defense bill for fiscal year 1979 because it contained about $2 billion for a nuclear-powered CVN class aircraft carrier not requested by the administration.

I supported the President's veto and the $2 billion resulting lower level of funding for fiscal year 1979. But now we are faced with an administration supplemental request to bring up the fiscal year 1979 defense budget level to the amount originally planned.

The supplemental thus is the result of a search for a mission. The supplemental as originally requested contained a literal potpourri of 70 items ranging from $300,000 to $543,000,000. When the Shah of Iran's government fell and the new Government of Iran made known its plans to cancel contracts with U.S. companies for weapons systems, the Defense Department quickly dropped a number of these items to accommodate the purchase of these Iranian items by the United States. The ready vehicle of a supplemental already before congressional committees provided an instant solution to the problem. The decision was taken quickly with little time for consideration of other available, possible, or negotiable solutions to the problem of Iran's cancellations.

The 55 F–16's canceled by the Shah of Iran are an example. Funds for these planes were requested in the supplemental and not deleted even when the administration considered plans to make them available to Israel.

I support the committee's decision to delete the funds for the Iranian F–16's because such F–16's can now be used to speed up delivery to Israel. The U.S. F–16 procurement program will, of course, continue.

Similarly, the administration's request for funds to purchase the Iranian destroyers was made, I believe, without adequate exploration of other countries' potential interest in the ships or of whether the United States should modify the ships to make them conform better to the planned U.S. Naval Fleet.

The other Iranian items requested in the supplemental should have been forced to compete with items in the fiscal year 1980 defense budget request. It is difficult to judge their priority and merit relative to other defense programs in the separate and urgent context of the supplemental.

My second main objection is that funds are requested to accelerate the MX missile and basing operations in the absence of any firm plan for these systems by the administration.

I do not believe Congress should be asked to commit itself to accelerated research and development at this stage of uncertain decisionmaking. In fact, it was the Defense Department's original plan to request supplemental funding for MX only if the basing difficulties were resolved. Dr. Perry, Under Secretary of Defense for Research and Engineering stated last year:

> We do have significant technical difficulties with the multiple aim point basing system. . . As long as uncertainty exists, we are not in a position to recommend to the Congress to proceed with the full scale development program. *If we can get those technical issues resolved early in fiscal year 1979*, we would propose to come to the Congress with a supplemental request at that time. . ." (Senate Armed Services Committee, FY '79 hearings, Pt. 8, p. 5518.) (Emphasis supplied.)

The technical difficulties with the post-trench basing modes have not been resolved, yet funds for the MX are included in the supplemental. And the Congress does not yet have the Defense Department's recommendation concerning what system, if any, should be put under full-scale engineering development, as is reflected by title III, section 301 of the committee bill. I do not criticize the Defense Department for this.

The issue of Minuteman vulnerability is a complex one to which both the Congress and the administration have given much attention over the years. In fact, as far back as fiscal year 1977, the Senate Armed Services Committee highlighted the necessity for attention to this problem with its requirement that the administration submit a comprehensive review of the future of ICBM's in our strategic forces.

Given the state of uncertainty regarding the ICBM program, the effect of congressional approxal of the MX funds in the supplemental would be to accelerate the date of the initial operating capability of the first squadron of missiles by a maximum, if at all, of only 3 to 6 months, depending on the basing mode chosen and assuming that a decision is made in the near future.

I do not believe the theoretical prospect of decreasing Minuteman vulnerability or the indefinite plans for the ICBM program will be significantly remedied by such a small speeding up at the large cost of $265 million. The main effect of the supplemental request has been to add to the panic about the vulnerability of our ICBM's. An issue of its importance and potential costs deserves the most prudent, unhurried and careful decisionmaking possible. I believe that the rush for a commitment to an undetermined new ICBM in an undetermined new basing mode through the supplemental has obscured the fact that we have time to consider alternatives to our current ICBM force because we have hedged our strategic deterrent well with highly ready and survivable submarine and bomber weapons. And, we are proceeding with the development of the cruise missile, the backfit of Trident I missiles on our Poseidon force, and deployment of new Trident submarines.

While the Department of Defense searches for answers to the question of Minuteman vulnerability, the Congress should not be asked to accelerate the MX program. The Senate should await information such as that requested in title III, section 301 of the supplemental bill, and consider the issue in the context of the fiscal year 1980 defense request.

In sum, Mr. President, I urge the Senate to reject this unnecessary supplemental request. Congress will have set a poor precedent if it funds the nonurgent items in this supplemental request. And, I fear, a precedent will be set for yearly supplementals aimed at keeping defense budgets to the levels requested by the administration rather than at the levels approved by Congress.

Mr. TOWER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Montana.

Mr. BAUCUS. Mr. President, I am concerned as we discuss this bill as to siting options for B-52 squadrons, tankers, and so forth. As everyone knows, the Department of Defense has recently announced its base closures and partial shutdowns across the country in an effort to promote efficiency in our Air Force and military capability.

At the same time, we are all very worried about the increase in the Soviet threats, their backfire bomber capability, and certainly the SLBM threats in the Soviet Union being pointed in our direction.

It seems to me that we should be more concerned with the North American air defense in our country.

It is for that reason that I am concerned about an Air Force study to redeploy B-52's and tankers and all the strategic bomber missions that the United States has. I am hopeful that the Air Force, after completing this study, which I believe is now being conducted on this question, that is to enhance the efficiency and capability of our Air Force strategic bomber deterrent, will furnish the study to the Armed Services Committees in both the House and the Senate.

I would like to ask our distinguished chairman whether it is his understanding that the study is being undertaken and whether a copy of that study will be referred to us.

It is my assertion that the northern tier States, the inland States, are better candidates for redeployment of B-52's. The present locations of B-52's on the coast make them much more vulnerable.

I think as we look down the road in the months and years ahead it will be incumbent upon all of us to redeploy those planes further inland. It is my hope that the northern tier States will be prime candidates.

I ask the chairman of the Armed Services Committee if that is his understanding. If so, I will be very happy to hear it.

Mr. STENNIS. The Senator has raised an important issue and the committee shares his concern that the question of future basing of our B-52 force be thoroughly studied. This is particularly true as we begin to add cruise missiles to our B-52 force. The Air Force informs me that the Strategic Air Command and the Air Staff are currently engaged in a comprehensive study of exactly the issues that the Senator from Montana raises. I am informed by the Air Force that this study will be completed in June of this year.

I would like for the Senator from Texas, who is familiar with this matter, to present any remarks he has.

Mr. TOWER. I will join with my chairman in what he has said regarding this matter while agreeing with the Senator from Montana.

Mr. STENNIS. The committee will be happy to request copies of this study. We will be glad to make a copy of the study available to the Senator from Montana.

Does that meet the question raised by the Senator?

Mr. BAUCUS. Yes, it does. Our concern is that we cannot spend all the dollars we would like to spend, and, therefore, we want to be as efficient as possible. At first glance, it seems that redeployment and better deployment of our B-52's, tankers, and cruise missiles associated with B-52's further inland would be in our best interests. They would be more secure and they would be more efficient. I would hope when the study is completed it will so indicate.

Mr. MELCHER. Will the Senator yield?

Mr. BAUCUS. I yield to my distinguished colleague, the senior Senator from Montana.

Mr. MELCHER. I thank my colleague for yielding. I also want to join with him in ascertaining the facts in the situation to which he has referred.

Mr. BAUCUS. I thank the Senator.

Mr. STENNIS. Mr. President, I understand that this colloquy will dispense with the necessity of the amendment that the Senator had in mind.

Mr. BAUCUS. The Senator is correct. It was my earlier intent to offer an amendment. It is my understanding that, since the study has already being undertaken, it would be superfluous or redundant to offer an amendment at this time. Now that we have an understanding that the study is being done, that suffices, as far as I am concerned.

Mr. STENNIS. Mr. President, I ask unanimous consent that a letter from Charles C. Blanton, major general of the U.S. Air Force, to Mr. John C. Roberts, general counsel of our committee, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE AIR FORCE,
Washington, May 3, 1979.

Mr. JOHN C. ROBERTS,
General Counsel, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. ROBERTS: Regarding the attached proposed amendment, the Strategic Air Command and the Air Staff are currently studying alternative basing options for strategic aircraft, including ALCM carriers. This study which will be completed this summer will include all pertinent aspects of aircraft basing such as environmental, operational and construction requirements.

Also, the Air Force recently completed a study which addressed the "air mobile" basing option for the M-X ICBM. The study included a survey of potentially useable military and civil airfields for aircraft basing should this option be selected. This study is available to the Congress upon request.

Because of the above mentioned study efforts we do not believe the proposed amendment is necessary.

CHARLES C. BLANTON, *Major General, USAF Director, Legislative Liaison.*

The PRESIDING OFFICER. The hour of 5:30 having arrived, the vote previously agreed to, by unanimous consent, on the Riegle amendment will now occur. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Texas (Mr. BENTSEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Missouri (Mr. EAGLETON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Louisiana (Mr. LONG), and the Senator from South Dakota (Mr. McGOVERN) are necessarily absent.

I further announce that the Senator from Maine (Mr. MUSKIE) is absent on official business.

I further announce that, if present and voting, the Senator from North Dakota (Mr. BURDICK) would vote "yea."

Mr. STEVENS. I announce that the Senator from Arizona (Mr. GOLDWATER), the Senator from Pennsylvania (Mr. HEINZ), and the Senator from Maryland (Mr. MATHIAS) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

The PRESIDING OFFICER (Mr. NUNN). Have all Senators in the Chamber voted?

The result was announced—yeas 32, nays 56, as follows:

[Rollcall Vote No. 80 Leg.]

YEAS—32

Biden
Bradley
Church
Cranston
Culver
DeConcini
Exon
Gravel
Hatfield
Javits
Kassebaum
Kennedy
Leahy
Levin
Magnuson
Metzenbaum
Moynihan
Nelson
Pell
Pressler
Proxmire
Pryor
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Stevenson
Tsongas
Weicker
Williams
Zorinsky

NAYS—56

Armstrong
Baker
Baucus
Bellmon
Boren
Boschwitz
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Danforth
Dole
Domenici
Durenberger
Durkin
Ford
Garn
Glenn
Hart
Hatch
Havakawa
Heflin
Helms
Hollings
Humphrey
Inouye
Jackson
Jepsen
Johnston
Laxalt
Lugar
Matsunaga
McClure
Melcher
Morgan
Nunn
Packwood
Percy
Randolph
Roth
Schmitt
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Young

NOT VOTING—12

Bayh
Bentsen
Burdick
Eagleton
Goldwater
Heinz
Huddleston
Long
Mathias
McGovern
Muskie
Stafford

So, Mr. RIEGLE's amendment (No. 182) was rejected.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I know of no other amendments. We can have third reading and a quick rollcall.

The PRESIDING OFFICER. Are there further amendments?

Mr. TOWER. Third reading, Mr. President.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. STENNIS. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I would like to commend members of the Committee on Armed Services, and especially the committee's chairman, the Senator from Mississippi (Mr. STENNIS), for the fine work they have done in reviewing the administration's request for authorization of supplemental defense funds.

The committee, in its consideration of our defense posture, took pains to see that the suggested amounts met the criteria of a lean and tough defense structure, to see that our forces are neither fat nor frail, and that in providing for today, we have not mortgaged tomorrow.

Toward these ends, the committee's recommended total is $46 million below that of the administration's amended request. This is in keeping with the austere budget guidelines the Senate has stressed.

I am pleased to see that the committee took a serious look at our strategic programs, and has suggested a funding program for research and development on the new MX missile that would give us alternatives in the way we deploy this potentially important missile. It is my hope that the alternatives will respond to possible future vulnerability of our ICBM force. The committee calls on the administration for a plan of action that addresses potential ICBM vulnerability, and I endorse that call.

In a step related to the MX, the committee recommends funds that will permit the Trident II missile to share some common features with the MX missile. This is a move that is wise both in its cost-consciousness and in the flexibility it can bring.

Similarly, the committee has recommended funding for the NATO AWACS program, a unique multinational undertaking that will bolster our defenses and those of our allies in Europe. I believe very strongly in the need for us to cooperate with our allies in the revitalization of NATO through the long-term defense program (LTDP).

Finally, it is a measure of the difficulty of the problems faced by the committee that substantial adjustments had to be made to reflect two major world events: The change of governments in Iran and the Israeli-Egyptian Peace Treaty.

These changes and others, I am sure, will be closely reviewed by the full Senate. The committee and its able chairman have faced the tough questions and have suggested very solid answers for our consideration.

Mr. HATFIELD. Mr. President, the fiscal year 1979 defense supplemental is a classic example of the wasteful and destabilizing program requests I have come to expect from the Department of Defense. This supplemental is a procedural sham. There is no national emergency or matter of urgency which would merit rushing the items in the Armed Services bill through the Congress.

Supplemental requests are to provide for items which were somehow not foreseen during regular fiscal year hearings or items which would be adversely affected by waiting for the next fiscal year's normal budgetary process. As Representative PATRICIA SHROEDER has put the argument in her dissenting view of the House Armed Services Committee's report:

> Such sketchy data can be accepted only if there is an emergency. There is not. So let us handle these requests the way they should be handled—in next year's budget hearings.

The House Budget Committee has decided that the funds to be authorized in the defense supplemental are not necessary at this time. I urge my colleagues to join in this view and reject the defense supplemental.

It is imperative that we halt the momentum for a counterforce strategic nuclear capability. Central to this counterforce strategy is the MX missile. This missile is the answer to the Pentagon's latest scare tactic—the vulnerability perception gap.

The vulnerability argument is based on theory, not reality. Developing a counterforce capability is irrelevant to the vulnerability problem and at the same time greatly increases the probability for irrational decisions on both sides, decisions which will be made in a lesser of evils syndrome. The total Minuteman force is only hypothetically vulnerable to what is termed a disarming strike, because to destroy it would require a technically perfect attack.

Even if the theoretical accuracy of Soviet missiles is improved, serious operational factors detract from the ability to execute a perfect strike. Anomalies produced by curvature of the Earth, atmospheric conditions in the area of impact, and fratricide, all contribute to the conclusion that no rational Soviet military commander would risk the devastation of his country on the basis of his confidence in applying a devastating first strike on U.S. ICBM's.

In view of the fact that no one has ever tested a perfectly orchestrated nuclear attack involving some 2,000 warheads, the probability of failure is very high and its consequences immeasurably grave for the attacker. Furthermore, Soviet planners can never discount the possibility that U.S. missiles will be launched in time to leave only empty silos over which Soviet reentry vehicles would detonate uselessly.

Instead of reinforcing an image of self-confidence, those who commit themselves to the dance of vulnerability alarmism degrade our strategic image. A vote for MX is a vote of confidence for those who would not be satisfied even if a brilliant design for security through invulnerability were found. The vulnerability perception gap of the 1970's is no more real than the bomber gap of the 1950's or the missile gap of the 1960's.

Which brings me to the central point of the decision we face today. The Senate is being asked to give the green light for full-scale engineering development of the MX missile. Even if one assumes that the current vulnerability hypothesis is accurate, I am convinced that MX will prove to be the most inappropriate response to the problem.

At the heart of this issue is counterforce. Whether the question is one of U.S. vulnerability to a Soviet first strike or Soviet perceptions of a U.S. first-strike capability, the move toward counterforce on both sides provides a dangerous illusion of security. The Pentagon's apparent belief that we can develop the capability to fight and possibly win a nuclear war promises to put a hair trigger on the nuclear arsenals of both nations.

Beyond the implications for verification and the breeding of mistrust that the preferred MPS basing mode presents, the missile itself has extensive assured countersilo capability. The MX is not simply a replacement for Minuteman, or an answer to the vulnerability question. It will be designed to deliver more reentry vehicles of higher yield with a projected accuracy of within 300 feet of their target.

Consequently, each warhead on the MX will be able to destroy enemy silos with close to 100 percent certainty. When both nations possess this kind of assured silo kill capability, the pressure to launch first in order to save one's own land-based ICBM's during crisis situations will be great.

We are moving headlong toward a dangerous strategic paranoia. Every crisis, in the Middle East or elsewhere, will carry with it the heightened threat of a nuclear exchange.

Even if you accept the vulnerability myth, there are comparatively inexpensive nondestabilizing alternatives that can deal with the problem of vulnerability. And yet, to my knowledge, there has not been a congressional inquiry into cost-effective substitutes for the MX missile.

Because the expertise for review of such systems almost inevitably resides primarily with those who are interested in the deployment of such a system, a more thorough congressional review would be expected. One alternative is to plant explosives around ICBM's that would detonate just prior to the time when an incoming warhead would hit the silo. This would send a cloud of debris into the air and prevent the warhead from functioning properly. Another alternative is to install radar altimeter jammers which would confuse the fusing mechanisms of incoming warheads and reduce the ability for a perfect hit.

Neither of these options would protect ICBM's with 100 percent certainty. But the key element here is that the confidence of the attacker to be able to destroy the entire land-based ICBM force would be fundamentally weakened.

A third solution to the potential problem of ICBM vulnerability would be to shift all land-based ICBM's to our submarine force. Elimination of land-based ICBM's would obviously remove the targets for the Soviets and thus remove the problem of ICBM vulnerability.

Without ICBM's to attack, the Soviets could not fire their ICBM's selectivity against them. The ambiguities now espoused as to whether or not a limited Soviet strike would cause the President to retaliate would be eliminated. If the Soviets attacked U.S. cities, the result would be destruction of Soviet cities and the deaths of millions of Soviet citizens.

The very essence of the multiple protective structure (MPS) basing mode is concealment against satellite observation. Unless concealment is successful, the Soviets would know which hole had the missile. Under MPS there would be no way of knowing whether only 1 hole or 10 had actual missiles in them. What also must be considered are the consequences of the Russians following in our footsteps. If the Soviets were to deploy a system similar to MPS, we could no longer count the number of Soviet ICBM's. Soviet deployment of a mobile system is quite likely, since ICBM vulnerability is an even more serious problem for them.

A MPS-type system would be far less difficult for the Soviets to put in place. They have almost unlimited uninhabited land areas, no public environmental groups to placate, and much better capability to employ deception. Moreover, verification is a much more serious problem for the United States than for the Soviet Union. A Soviet move in this direction would, in the long run, present us with a much more serious security problem than we have today. Long-term SALT limits would almost certainly be foreclosed, and before long the assumption would be made that every Soviet hole really does contain a missile.

MPS is said to be made feasible by SALT. Because it will limit Soviet warheads to an estimated 9,000, SALT II will manage the arms race by making it safe for the mobile MX. Having more targets than the Soviets have accurate warheads is said to deter the Soviets from attempting to launch a first strike. In reality, the advantage lies with the offense because the cost per reliable warhead is less than the cost per additional shelter.

Some authoritative estimates put this ratio at 4 to 1 in favor of the attacker. If SALT II is not ratified, or if it breaks down, the result will be particularly advantageous to the Soviets because of their ability to turn out missiles for make-work projects. And yet, without even knowing if there will be a SALT II agreement, we are asked to move ahead on the MX. I reject the view that I must vote for SALT to prevent MX from igniting a new, more exotic, arms race. The Members of this body should refuse to perpetuate the bargaining chip syndrome which justified the MIRV and which now, largely because of the implications of MIRV, is being used to speed development of MX.

Although the SALT I interim agreement did not explicitly prohibit the development of mobile missiles, the U.S. appended a unilateral statement that it "would consider the deployment of land-based mobile launchers * * * inconsistent with the objectives of the agreement." Is the SALT process moving us forward toward arms control when SALT II allows each side to deploy one new ICMB? No; it is pulling us in a regressive direction.

The fiscal year 1979 defense supplemental constitutes a dangerous step toward giving both nations the choice of either using their weapons or losing them in crisis situations. Moreover, the illusion of security through invulnerability threatens to cause the total collapse of deterrence.

THE PURCHASE OF IRANIAN DESTROYERS AND OTHER WEAPONRY

I would also like to make some brief comments on the portion of this bill which is directed toward the purchase of weaponry for the U.S. inventory because of the cancellation of Iranian weapon purchases. I would suggest to my colleagues that they find the time to analyze the myopic view which characterized American foreign policy toward Iran. On the surface it may appear that we are voting on whether or not to rescue the Defense Department from a contractual bind. The truth is that we are being asked to vindicate U.S. foreign policy toward Iran.

In supposed deference to national security, U.S. policy looked the other way when the Shah and his secret police spread terror and fear. It was national security which inspired the Congress to approve billions of dollars of sophisticated weaponry to the Shah. This occurred with the full knowledge that large portions of government revenue would be diverted away from the poor and the hungry—the ultimate source of Iran's revolution. The halls of this Government abounded with praise for the Shah and his contribution to stability and security in the Middle East.

The illusionary perception that we can forever maintain an international squad of deputy sheriffs by providing them with blank orders for American weaponry continues virtually unchallenged.

One day, and it may not be far into the future, we shall all awaken to see President Marcos' regime in the Philippines overturned by a political entity understandably hostile to the United States. We will lose a forward base in the Philippines and furthermore, we will hand over our bases to his successors. This ritualistic offering of our most sophisticated weapons to unstable regimes, as with Vietnam and Iran, has only resulted in the loss of those arsenals—to the forces of change. Maintaining the power of dictators may bring ephemeral contributions to the national interest, but as we have seen, it will ultimately be turned against us.

At a time when the overwhelming sentiment of the American people is to hold back on excessive spending, this supplemental request is grounded on unjustified programs. President Carter's veto of the nuclear-powered aircraft carrier should have released badly needed funds for human needs or tax relief. We have slashed funds for elderly feeding programs, housing assistance, health assistance and other programs directed at meeting the real needs of our citizens. And yet faced with these needs and with demands for balancing an overblown budget, we rush to insure the programs of the Department of Defense are denied not a dime. I strongly recommend a "no" vote on the defense supplemental.

Mr. President, I have been encouraged by the public response to my efforts to show that SALT II does not slow the arms race, but rather, accelerates it in those areas not covered by the treaty. I have written an article which summarizes this view and ask unanimous consent to have it printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SIGNING SALT II WON'T END THE ARMS RACE

(By MARK O. HATFIELD)

Scientists recently reported a discovery that has inspired both awe and fascination. Frozen in the volcanic ashes of an African mountain they found the footprints of ancient man dating back to the dawn of human reasoning.

The timing of the discovery had more than a passing irony. For even as we view the first lonely steps of ancient man, the modern world strains mightily to find an international framework aimed at somehow preventing a thermonuclear war and putting an end to the struggles of 3.6 million years of human history.

The second Strategic Arms Limitation Treaty is offered as the most recent effort between the United States and the Soviet Union to deal rationally with humankind's new-found power to destroy civilized life on the planet. But thus far debate on the merits of SALT II has been severely limited to two views.

Opponents of the treaty argue that it should be rejected. SALT II gives away far too much strategic advantage to the Soviets, they claim, while locking the United States into a position of inferiority.

Supporters of the treaty, while admitting its limitations, argue that a rough nuclear balance will be achieved which will ensure a sense of international stability. This feeling of strategic parity, they argue, will enhance the prospects for peace in an age constantly shadowed by the threat of nuclear war.

I reject both of these views. The debate on SALT II thus far has been so limited that it does a disservice to the people's right to know the true dangers that will likely face both the United States and the Soviet Union in the decade ahead even if the treaty is ratified.

Central to my concern is this fact: We have approached a time in history when we must demand of both governments that real controls over their burgeoning nuclear arsenals be implemented now. SALT II falls dramatically short of this objective. We must therefore consider stronger measures before a new explosion in weaponry and an alteration of strategic doctrine—scheduled to occur with or without the passage of the treaty—pushes us beyond the already dim prospects for lessening the modern world's reliance on the "balance of terror."

To understand the weakness of SALT II it is essential to recognize the quantum growth in weaponry that has occurred on both sides since the SALT process began a decade ago.

In 1972, when the SALT I treaty was signed, the United States had 4,600 nuclear warheads and the Soviets had some 2,100. Today, both sides have doubled the size of their arsenals. The United States has some 9,000 warheads aimed at Soviet targets, the Soviets have increased their number to 4,000. This does not include the tens of thousands of tactical nuclear weapons both sides have placed in Europe and elsewhere. The United States alone now has the explosive power equal to more than 615,000 bombs the size of the one that devastated Hiroshima in a matter of seconds. The Soviet Union has an arsenal of similar destructive power.

Recent polls show that a vast majority of Americans want to reduce the size of these arsenals. They believe, according to the polls, that the SALT II treaty may accomplish that purpose.

But the reality of the arms race is far more ominous. By 1985 (the end of SALT II), U.S. warheads are again projected to increase to some 10,154, plus from between 2,000 and 3,600 cruise missiles. The number of Soviet warheads is expected to increase to 8,124. Moreover, the size of each bomb will increase.

The combined destructive power of this explosion in modern weaponry is staggering: Perhaps the equivalent of 2 *million* Hiroshima bombs by 1985. The high warhead/launcher limits under SALT II not only allow for this growth in the arms race, in a real sense they *compel* the increase by giving official sanction to the inevitable effort by both sides to crowd the ceiling limits by 1985.

Where has this march to arms left us? Are we more secure? To oversimplify—in 1945, the United States was essentially invulnerable to attack. Today, our entire urban population can be destroyed in less than an hour.

The growth in the number of warheads alone is a serious destabilizing factor in the arms race. Even more troublesome, however, are major technological advances in weaponry again allowed under SALT II, which are fundamentally changing nuclear doctrine. Advances are being made by both sides, but those envisioned by U.S. strategists for the years ahead are particularly dramatic.

The MX missile, carrying eight to 10 warheads, each of 250 kilotons in destructive force (equal to 18 Hiroshima bombs), to within 600 feet of their target; the air-launched cruise missile, carrying a 200-kiloton warhead to within 100 feet of the target; the advanced strategic air-launched missile; a supersonic version of the cruise missile; the Trident II submarine-launched missile, with a range of 6,200 miles, each with a payload of 15 150-kiloton warheads, and accuracy to within 600 feet, three times more accurate than the present Poseidon missile.

These and other advances in nuclear weapons technology are a result of a new, highly dangerous dimension of strategic policy. These weapons are known to defense strategists as "hard target, prompt, counterforce weapons." They are the product of a new thrust of strategic thinking that, above and beyond the "mutual assured destruction" doctrine that has governed strategic policy for 20 years, we need the capacity to fight and win limited nuclear wars.

This move toward a "war fighting" capability is said to improve the president's flexibility in responding to a nuclear attack. As the scenario goes, if the Soviets launch an attack on U.S. land-based ICBM's, the president will then be in the position of having to choose between unleashing the entire American nuclear arsenal or doing nothing at all. In this way, say the proponents, we can avert the total destruction of society by increasing the number of less destructive options the President has with which to retaliate.

The danger of the development of the counterforce doctrine on both sides cannot be overemphasized. The enormous technical uncertainty of achieving a perfect, very large-scale nuclear attack on ICBM's on the first try is more than enough to dissuade an adversary from attempting, in the words of Defense Secretary Harold Brown, such a "cosmic throw of the dice." Since there has never been a nuclear exchange, no one knows if it is possible to keep one limited. Strikes and counterstrikes could go on for weeks, claiming tens of millions with each blow. For the military planners of either side to become comfortable with the idea that a limited nuclear war is possible is a dangerous gamble at best and a suicidal pact at worst.

Moreover, each party will be under intense pressure during crises to pre-empt the other by launching a first-strike attack. As these counterforce weapons are deployed in the immediate years ahead, every international flashpoint, such as a threat to the oil fields of Saudi Arabia or an outbreak of violence similar to the 1973 Mideast war, would carry with it a heightened danger of a nuclear war. This is complicated by the fact that U.S. officials have consistently refused to renounce the first use of nuclear weapons.

Opponents of the treaty make much of the fact that U.S. land-based missiles may be vulnerable to a "counter-force" Soviet first strike by the mid-1980s. These same opponents consistently fail to mention that the Soviet land-based missile force will be at least as vulnerable by the mid-1980s to a theoretical U.S. first strike. Moreover, only about half of the total U.S. nuclear arsenal is on our land-based force. The rest is aboard the virtually invulnerable U.S. submarine fleet, and on Strategic Air Command bombers. By contrast, fully 80 per cent of the Soviet arsenal is on their land-based missiles.

The development of counterforce capability breeds a strategic paranoia within the defense communities of both the United States and the Soviet Union. The result will mean that the massive arsenals of both nations will be put on a hair trigger in the decade ahead. The wide limits of the SALT II treaty not only allow for the development of counterforce weaponry—they virtually mandate it.

Rapid increases in warheads, missile accuracy, space-war technology and the move toward a counterforce doctrine means that we will be facing seven conspicuously dangerous years if SALT II is ratified. The greatest danger in this for those concerned about a reduction in our dependence on nuclear arsenals is that these technological breakthroughs, combined with the vast increase in warheads, will outstrip our ability to negotiate effective controls over them in the years ahead under SALT III.

The SALT II treaty brings us to a crossroads in the brief history of mankind's efforts to deal reasonably with the power to destroy itself. The great danger in blindly joining the ritualistic dance of praise around the very limited accomplishments of the SALT II treaty is that the greater goal, true arms control, will be lost amid the temporal rite. Because if one accepts the tentative gains of SALT II, one must also be prepared to accept what it, by fiat, will sanction in new strategic doctrine and weapons development.

The alternative is to move directly into SALT III negotiations and force the SALT process to meet headon the enormous challenge that confronts us. We should require both governments to begin discussions immediately on mutual comprehensive test ban treaties, stricter limits on warheads, and other options aimed at slowing the rush to embrace new, complex technologies and strategic doctrine.

We have approached a point of historical convergence and two paths confront us. One alternative is to continue the illusion of arms control which will ensure a far more dangerous future for ourselves and our children. The other is to insist that negotiators and officials of both nations be held to far stricter controls over burgeoning nuclear arsenals and changing strategic doctrine.

The choice will not be easy. But the footprints of ancient man, struggling to right himself at the dawn of our awakening, speaks something of our silent obligation to history.

Mr. PROXMIRE. Mr. President, I oppose the fiscal year 1979 supplemental authorizations bill not only due to its contents but due to the faulty assumption contained therein that it responds to an emergency situation. This bill is nothing more than a hardware wishlist designed to fill the gap created by the President's veto of the fiscal year 1979 military procurement authorization bill last year.

In terms of public policy and arms control, this may be the worst bill to come before the Senate in a generation. I simply do not remember any other bill with so many controversial, unjustified programs. It is as if all the worst case procurement problems were stuffed in one place so that they could be brushed aside quickly.

Every mangy, flea-bitten old dog that could not find a home is in this bill. Here is a bill that should not be passed even if the Senate were trying to increase the deficit and add to the national debt. It will not increase our military strength. It will enfeeble our military force. But to engage in this outrageous extravagance at a time of recordbreaking inflation and in the face of a huge deficit and an already overgrown Federal Government is ridiculous.

What are the objectionable items? The list is lengthy. It begins with the U.S. NATO AWACS commitment of $80.1 million. If ever there were a situation in which the Europeans should pay for a system designed for their own defense, this is it. With the European NATO countries only contributing as low as 2.6 percent of their GNP on defense while the United States contributes 4.9 percent, clearly our allies could and should do more in their own support.

In the shipbuilding account, there is an addition of two DDG–993 destroyers for a total of four and a price of $1.35 billion. Frankly, I believe that all these ships should be substituted for existing 5-year plan hulls instead of added on top of the current shipbuilding schedule.

Then there is the continuing saga of the cost growth claims—the cost overruns—of the shipbuilders. The taxpayers are being asked this year to spend another $97.7 million for nothing. Not one ship, not one gun or missile, not one change in schedule, no increase in the defense of this country will flow from this bailout. Only the contractor is smiling.

Under the Air Force section, we see an accelerated MX proposal coupled with language designed to force the Secretary of Defense to commit to a basing mode prior to completion of the SALT debate. The $265 million in this supplemental is badly misplaced. Of all the current generation of defense systems under development, the MX poses the most dangerous threat to arms control and fiscal integrity. It may be the seed of doubt that makes impossible any SALT III treaty since it complicates verification procedures before a reasonable expectation of solution.

The Armed Services Committee has continued to show a disinclination to fund requests for the cruise missile program. The advanced air launched cruise missile request was cut from $10 million to zero. It appears as if the committee retains its bias in favor of a manned penetrating bomber in lieu of the cruise missile program, and this action reflects that perception.

Even if the substance of this bill was acceptable, Mr. President, I would still feel compelled to vote against it for the administration has not made the case that this is an emergency. Hardware supplementals traditionally have been brought to the Senate with the presumption that they are required due to some dire set of circumstances that could not have been anticipated. Such is not the case with this supplemental. Congress had an opportunity to accept the President's request for additional NATO related items in the aftermath of the veto last year but did not. We need not now pass this bill simply to replace the $2 billion that was created by the elimination of the aircraft carrier. Perhaps it is a bureaucratic imperative that funding fills any gap, but this is an affront to the taxpayer who is being asked to bear increasingly great financial burdens.

In short, this is the wrong bill and the wrong time. It should be defeated.

Mr. RIEGLE. Mr. President, I want to make a comment or two, and I will not delay the Senate.

I simply wish to indicate that I am going to vote against the defense supplemental because I think it is not justified. The Iranian ships are probably the clearest example of that.

I thank and commend the 32 or 33 colleagues who voted against the Iranian ships. It was a hard vote, I know, for everybody who cast it.

The only other point I make is this: By the time this supplemental finally gets through the process of conference, adjusted with the House, and so forth, and comes back, and we act on it, we essentially are going to be in the next fiscal year. The notion that this is an urgent supplemental and that somehow or other, we can accomplish something meaningful by the time we finish—I think we are kidding ourselves. We really should be evaluating these requests in terms of the fiscal 1980 requests from the Defense Department.

For that reason, among others, I intend to vote against the package.

Mr. ROBERT C. BYRD. Mr. President, there will be no further rollcall votes tonight. There will be rollcall votes on Monday.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from North Dakota (Mr. Burdick), the Senator from Missouri (Mr. Eagleton), the Senator from Kentucky (Mr. Huddleston), the Senator from Louisiana (Mr. Long), the Senator from South Dakota (Mr. McGovern), and the Senator from Florida (Mr. Stone) are necessarily absent.

I further announce that the Senator from Maine (Mr. Muskie) is absent on official business.

I further announce that, if present and voting, the Senator from North Dakota (Mr. Burdick), would vote "yea."

Mr. STEVENS. I announce that the Senator from Pennsylvania (Mr. Heinz) and the Senator from Maryland (Mr. Mathias) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER (Mr. Tsongas). Is there any Member in the Chamber who has not voted and wishes to do so?

The result was announced—yeas 77, nays 12, as follows:

[Rollcall Vote No. 81 Leg.]

YEAS—77

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin

Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hayakawa
Heflin
Helms
Hollings
Humphrey
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Matsunaga
McClure
Melcher

Morgan
Nunn
Packwood
Pell
Percy
Pressler
Pryor
Randolph
Ribicoff
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Talmadge
Thurmond
Tower
Wallop
Warner
Williams
Young
Zorinsky

NAYS—12

Cranston
Exon
Hatfield
Kennedy

Metzenbaum
Moynihan
Nelson
Proxmire

Riegle
Stevenson
Tsongas
Weicker

NOT VOTING—11

Bayh
Burdick
Eagleton
Heinz

Huddleston
Long
Mathias
McGovern

Muskie
Stafford
Stone

So the bill (S. 429), as amended, was passed, as follows:

S. 429

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Supplemental Appropriation Authorization Act, 1979".

TITLE I—PROCUREMENT

Sec. 101. In addition to the funds authorized to be appropriated under title I of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated during fiscal year 1979 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, and other weapons, as authorized by law, in amounts as follows:

(1) For aircraft: for the Air Force, $132,100,000, of which $80,100,000 is authorized to be used only for the United States contribution of its fiscal year 1979 share of the cost of the acquisition by the North Atlantic Treaty Organization of an Airborne Early Warning and Control System (AWACS).

(2) For missiles: for the Navy, $84,900,000.

(3) For naval vessels: for the Navy, $1,450,700,000.

Sec. 102. During fiscal year 1979, the Secretary of Defense is authorized in carrying out the Multilateral Memorandum of Understanding Between the Ministers of Defense of the North Atlantic Treaty Organization on the NATO E–3A Cooperative Programme, signed on December 6, 1978—

(1) to waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control System (AWACS) program office:

(A) auditing;
(B) quality assurance;
(C) codification;
(D) inspection;
(E) contract administration;
(F) acceptance testing;
(G) certification services; and
(H) planning, programing, and management services;

(2) to waive any surcharge for administrative services otherwise chargeable; and

(3) to assume in connection with the NATO E–3A Cooperative Programme for fiscal year 1979 contingent liability for—

(A) program losses resulting from the gross negligence of its contracting officers;

(B) identifiable taxes, customs duties, or other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Sec. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Appropriation Authorization Act, 1979, funds are hereby authorized to be appropriated during fiscal year 1979 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

(1) For the Army, $60,200,000.
(2) For the Navy, $23,000,000.
(3) For the Air Force, $329,000,000.
(4) For the Defense Agencies, $24,000,000.

TITLE III—GENERAL PROVISIONS

Sec. 301. The Secretary of Defense shall submit a written report to the Committees on Armed Services of the Senate and House of Representatives as soon as a decision is made to place the M–X missile and the basing system under full-scale engineering development. He shall include in such report the justification for such decision and all relevant information relied upon in reaching it. Not later than May 9, 1979, in time for such committees' consideration of and action on the fiscal 1980 budget, he shall also provide the committees with a written report stating his best judgment and his preference as to the missile design characteristics and basing system which should be developed. Prior to a final decision and full report to Congress, the Secretary of Defense shall take no action that would preclude the development of the M-X missile with the maximum throw weight and other missile characteristics permitted by strategic arms limitation agreements.

SEC. 302. No funds authorized to be appropriated by this or any other Act may be obligated or expended for the purpose of carrying out the Service Life Extension Program (SLEP) for the aircraft carrier Saratoga unless such program is conducted on the basis of cost, as determined by the Comptroller General of the United States in his report to the Congress on September 22, 1978, and as determined in such analyses as the Secretary of Defense considers appropriate; and on the basis of such other factors, including considerations of national security, as the Secretary of Defense considers appropriate. The Secretary of Defense shall inform in writing the Congress of the reasons for any decision pursuant to this section to obligate or expend funds for carrying out

SEC. 303. (a) The Congress finds that the Soviet Union's intercontinental ballistic missile capability is steadily increasing and that the United States Minuteman Intercontinental Ballistic Missile is becoming more vulnerable. The Congress further finds that it is essential to the national security of the United States that the Navy's fleet of Polaris submarines should not be deactivated until the Navy has thoroughly studied all aspects of extending the life of the Polaris fleet.

(b) None of the funds authorized to be appropriated by this or any other Act may be used for the purpose of deactivating any of the Navy's Polaris submarines earlier than one year after the date of enactment of this Act.

(c) The Secretary of the Navy shall prepare and submit to the Congress, at the earliest practicable date a study including plans, schedules, cost estimates and an evaluation of maintaining Polaris submarines in full operational status or for transferring the Polaris submarines to a standby operational status and maintaining them in such status during fiscal year 1980 and the five succeeding fiscal years through 1985. Such study shall be submitted to the Committees on Armed Services of the House of Representatives and the Senate not later than January 1, 1980.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STENNIS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President——

Mr. ROBERT C. BYRD. Mr. President, has the bill been passed?

The PRESIDING OFFICER. Yes.

Mr. ROBERT C. BYRD. Has a motion to reconsider been tabled?

The PRESIDING OFFICER. Yes.

Mr. STENNIS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 429.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. I ask unanimous consent that the bill, as amended, and passed, be printed in full.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I yield the floor.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 116.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 145) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 348, S. 613, and S. 631.

The resolution was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 348, S. 613, and S. 631. Such waiver is necessary in order that the Secretary of the Treasury may coordinate with the Bureau of the Mint the production schedule and begin the lengthy process of designing and striking the five gold medals called for in S. 348, S. 613, and S. 631. It takes approximately six to nine months for the Bureau of the Mint to manufacture a gold medal of the type envisioned in these legislative proposals, which would be suitable for presentation by the President of the United States.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration, en bloc, of Calendar Order Nos. 110, 111, and 112.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk proceeded to state the first bill.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the titles be dispensed with. They all appear on page 12 of the Legislative Calendar; Senators can read them for themselves.

The PRESIDING OFFICER. Without objection, it is so ordered.

GOLD MEDALS TO WIDOW OF HUBERT H. HUMPHREY; JOHN WAYNE AND THE FIRST TRANSATLANTIC BALLOONISTS

Mr. PROXMIRE. Mr. President, 2 days ago the Committee on Banking, Housing and Urban Affairs reported favorably three legislative proposals authorizing the issuance of gold medals to certain individuals. These special medals would be presented by the President of the United States on behalf of the Congress.

Mr. President, the first bill: S. 348—would award gold medals to the first transatlantic balloonists, Ben Abruzzo, Maxie Anderson, and Larry Newman in recognition of their successful 6-day flight across the Atlantic Ocean.

The second proposal: S. 613—would award a gold medal to the widow of Hubert H. Humphrey in recognition of the distinguished service which her late husband gave to the U.S. Government and to the people of this country.

The third measure: S. 631—would award a special gold medal to actor John Wayne in recognition of his distinguished career as an actor and for his service to the Nation.

Mr. President, the committee agreed, by poll, to report these bills with two amendments. The first amendment would increase the amount authorized to be appropriated to $15,000 for the manufacture of each gold medal. Based on information received by the committee from the Bureau of the Mint, it now costs between $12,000 and $15,000 to produce a gold medal of the type authorized in S. 613—S. 631 and S. 348.

The second amendment would revise subsection (b) concerning the authorization of bronze duplicates for sale to the general public. The present language of this subsection appears to follow the provision found in private medal proposals where use of the Mint's facilities is authorized by the Congress to manufacture medals for private, nonprofit organizations on a reimbursable basis.

REGULATORY IMPACT STATEMENT ON S. 348, S. 613, AND S. 631

Mr. President, on May 1, 1979, the Committee on Banking, Housing and Urban Affairs reported favorably S. 348, S. 613, and S. 631. All three legislative proposals would authorize the issuance of special gold medals to certain individuals on behalf of Congress.

Mr. President, a Senator has inquired as to whether or not a regulatory impact statement has been filed with respect to S. 348, S. 613, and S. 631. It has not. Through an oversight, the reports filed by the committee with these three bills did not include a regulatory impact statement, as required by rule 29.5 of the Standing Rules of the Senate.

Mr. President, in accordance with rule 29.5 of the Standing Rules of the Senate, the committee does not consider that enactment of S. 348, S. 613, and S. 631 would have any regulatory impact.

AUTHORITY FOR A GOLD MEDAL TO BEN ABRUZZO, MAXIE ANDERSON, AND LARRY NEWMAN

The Senate proceeded to consider the bill (S. 348) to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman, which had been reported from the Committee on Banking, Housing, and Urban Affairs with amendments as follows:

On page 2, line 3, strike "15,000" and insert "$45,000";

On page 2, beginning with line 15, strike through and including page 3, line 2, and insert in lieu thereof the following:

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is hereby authorized to present, on behalf of the Congress, to Ben Abruzzo, Maxie Anderson, and Larry Newman, transatlantic balloonists, one gold medal each of appropriate design in recognition of their distinguished feat as aviation pioneers. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck three gold medals with suitable emblems, devices, and inscriptions to be determined by the Administrator of the National Aeronautic and Space Administration with the concurrence of the Commission on Fine Arts, subject to the approval of the Secretary of the Treasury. There are authorized to be appropriated not to exceed $45,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AUTHORITY FOR A GOLD MEDAL TO MRS. HUBERT H. HUMPHREY

The Senate proceeded to consider the bill (S. 613) authorizing the President of the United States to present a gold medal to the widow of Hubert H. Humphrey, which had been reported from the Committee on Banking, Housing, and Urban Affairs with amendments as follows:

On page 1, line 3, after "That" insert "(a)";

On page 2, line 6, after the period, insert "There are authorized to be appropriated not to exceed $15,000 to carry out the provisions of this subsection.";

On page 2, beginning with line 9, strike through and including line 21, and insert in lieu thereof the following:

"(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale."

On page 3, at the beginning of line 4, insert "(c)";

So as to make the bill read:

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, That (a) the President is authorized to present in the name of Congress, an appropriate gold medal to Mrs. Hubert H. Humphrey, in recognition of the distinguished and dedicated service which her late husband gave to the Government and to the people of the United States. For such purposes, the Secretary of the Treasury shall cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary. There are authorized to be appropriated not to exceed $15,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AUTHORITY FOR A GOLD MEDAL FOR JOHN WAYNE

The Senate proceeded to consider the bill (S. 631) to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to John Wayne, which had been reported from the Committee on Banking, Housing, and Urban Affairs with amendments as follows:

On page 2, line 8, strike "$5,000" and insert "$15,000";

On page 2, beginning with line 10, strike through and including line 22, and insert in lieu thereof the following:

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

On page 3, at the beginning of line 5, insert "(c);

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the President of the United States is authorized to present, on behalf of the Congress, to John Wayne, a gold medal of appropriate design in recognition of his distinguished career as an actor and his service to the Nation. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There are authorized to be appropriated not to exceed $15,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this Act are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

Mr. GOLDWATER. Mr. President, I want to thank the distinguished majority leader and the distinguished Senator from Wisconsin (Mr. Proxmire) for the prompt action on this bill, which indicates the desire of the Senate to strike a gold medal to commemorate the life of John Wayne.

I have known John Wayne since 1928, when he was a student at USC and I was a student at the University of Arizona, and we belonged to the same Greek letter fraternity.

Mr. President, this man believes in America. Throughout his motion picture career, he has dedicated his entire life to America, and I believe I am safe in saying that the American people have a affection for John Wayne such as they have had for very few people in the history of this Nation.

Again I thank the majority leader and Senator Proxmire for having expedited this matter, because Mr. Wayne is not in the very best of health.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider, en bloc, the votes by which these measures were passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. I yield now to the Senator from New York (Mr. Moynihan), with the understanding that I not lose my right to the floor.

The PRESIDING OFFICER. The Senator from New York is recognized.

SENATE RESOLUTION 149—THE LONGEVITY OF SENATOR JAVITS

Mr. MOYNIHAN. Mr. President, for myself, Mr. Robert C. Byrd, Mr. Baker, Mr. Mathias, and Mr. Dole, I submit a resolution and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

A resolution (S. Res. 149) relative to the length of service of Senator Jacob K. Javits in the United States Senate.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered, and the Senate will proceed to its consideration.

Mr. MOYNIHAN. Mr. President, today marks a milestone in the life of my revered senior colleague. It is characteristic of him that, the Senate having completed its day's business, he is rushing off to other matters, and I will forebear from addressing the Senate at length as I had intended on this matter, and simply point out that he has served longer than any other Senator from New York.

Senator Javits has treated me with matchless courtesy and a graciousness. I would like to note my abiding respect for his service, which stretches over a period of more than three decades.

Mr. President, I ask unanimous consent to have printed in the Record a gracious letter from our Vice President, the presiding officer of the Senate; an equally fine statement by our entire delegation from New York on this occasion; and finally, a long list of the major legislative accomplishments of Senator Jacob K. Javits of New York, who has, among other things, been the sponsor of and in large measure responsible for every civil rights act that has passed the U.S. Senate in the 20th century.

There being no objection, the material

was ordered to be printed in the RECORD, as follows:

THE VICE PRESIDENT,
Washington, D.C. May 3, 1979.

Hon. JACOB K. JAVITS,
U.S. Senate,
Washington, D.C.

DEAR JACK: It is with the greatest pleasure that I take this opportunity to congratulate you on the anniversary of your service in the Senate, longer than any other Member from the empire state. This milestone is a tribute to you and to your insightful, intelligent and dedicated good works on behalf of people in need, not just in New York but in the U.S. and throughout the world. It is they who are most grateful for your many accomplishments.

Those of us who have had the privilege to serve with you in the Senate will always be thankful for your wise counsel and outstanding leadership.

Warmest personal regards,

Sincerely,

FRITZ.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 3, 1979.

Hon. WALTER MONDALE,
President, U.S. Senate.

DEAR MR. PRESIDENT: We, the undersigned Members of the U.S. House of Representatives, are pleased to note that our distinguished colleague Jacob K. Javits is about to achieve yet another milestone in his long career of public service. Tomorrow, he will become the longest serving Senator from the State of New York, having held office a total of 22 years, three months and 25 days in the United States Senate. As fellow New Yorkers, it is an anniversary which we can justifiably be proud to commemorate.

The considerable accomplishments of New York's senior Senator are well-known. He is now in his 32nd year of consecutive elected office, including service in the House from January 1947 through 1954, and as New York State Attorney General in 1955 and 1956. He began his Congressional career when Harry Truman was in the White House, and has worked with major political, social and cultural leaders in the United States and abroad since that time.

His legislative record includes work on the Civil Rights Acts of 1957 and 1964, the Voting Rights Act, amendments to the 1965 Social Security Act establishing Medicare, the Urban Mass Transportation Act, pension reform, education aid to handicapped children, the National Cancer Act and creation of the Peace Corps, the Job Corps and the National Foundation for the Arts and Humanities. He has been outstanding in his roles dealing with the Comprehensive Employment and Training Act, the Summer Youth Employment Act and his proposed National Bank for Community Conservation. In his current position of ranking Minority Member on the Senate Foreign Relations Committee, Senator Javits has exercised influence in such matters as the War Powers Act (which he authored) and in bringing peace throughout the world.

We are pleased to extend our congratulations to him on this day.

Sincerely,

Samuel S. Stratton, John W. Wydler, S. William Green, Thomas J. Downey, Jerome A. Ambro, Norman F. Lent, John W. Wydler, Lester L. Wolff, Joseph P. Addabbo, Benjamin S. Rosenthal, Geraldine Ann Ferraro, Mario Biaggi, James H. Scheuer, Shirley Chisholm.

Stephen J. Solarz, Frederick W. Richmond, Leo C. Zeferetti, Elizabeth Holtzman, John M. Murphy, S. William Green, Charles B. Rangel, Ted Weiss, Robert Garcia, Jonathan B. Bingham, Peter A. Peyser, Richard L. Ottinger.

Hamilton Fish, Jr., Benjamin A. Gilman, Matthew F. McHugh, Samuel S. Stratton, Gerald B. Solomon, Robert C. McEwen, Donald J. Mitchell, James M. Hanley, Gary A. Lee, Frank Horton, Barber B. Conable, Jr., John J. LaFalce, Henry J. Nowak, Jack Kemp, Stanley N. Lundine.

MAJOR LEGISLATIVE ACCOMPLISHMENTS OF SENATOR JACOB K. JAVITS

1947—Amendment to the Public Health Service Act establishing the National Heart Institute.

1948—Displaced Persons Act.

1949—National Housing Act—Basic law providing federal assistance for slum clearance and urban renewal programs as well as federally financed public housing.

1957—Civil Rights Act.

1958—National Defense Education Act; Temporary Unemployment Compensation Act.

1959—Labor-Management Reporting and Disclosure Act.

1960—Civil Rights Act; International Health Research Act.

1961—Area Redevelopment Act; Establishment of US Travel Office; Peace Corps Act; Juvenile Delinquency and Youth Offenses Control Act.

1962—Amendment to Drug Act requiring patient's consent to drug experimentation; Self-employed Individuals Tax Retirement Act.

1963—Higher Education Facilities Act (Fed. guarantees for college dorms, etc.)

1964—Civil Rights Act of 1964; Urban Mass Transportation Act; Economic Opportunity Act—section establishing Job Corps; National Arts and Cultural Development Act; Establishment of Fire Island National Seashore; Amendment providing funds for Equal Employment Opportunity Commission.

1965—Amendment to Social Security Act Establishing Medicare Program (also—Older Americans Act); Voting Rights Act, including amendments barring poll tax in federal elections and providing literacy tests in Spanish; National Foundation on the Arts and Humanities Act—established the NEA and the NEH; Revision of the 1952 Immigration and Nationality Act; Higher Education Act—authored various amendments.

1966—Establishment of Historic Properties Preservation Program; Elementary and Secondary Education Act—various amendments; Amendment to Allied Health Professionals Personnel Training Act providing grants for nursing education; Amendment to Higher Education Act requiring facilities for handicapped in all assisted institutions; Clean Water Restoration Act.

1967—Clinical Laboratories Improvement Act (A Public Health Services Act Amendment); Age Discrimination in Employment Act.

1968—Omnibus Crime Control and Safe Streets Acts (Sections and Amendments); Housing and Urban Development Act (Various sections); Amendment to Public Health Service Act establishing a National Eye Institute; Handicapped Children's Early Education Assistance Act; Gun Control Act (various sections).

1969—Federal Coal Mine Health and Safety Act (various sections); Section of Foreign Assistance Act establishing Overseas Private Investment Corporation (OPIC); Amendment to DOD appropriation of 1970 prohibiting use of funds to finance introduction of ground troops into Laos or Thailand.

1970—Section of Voting Rights Act Amendments reducing voting age to 18 in federal, state and local elections; Comprehensive Drug Abuse Prevention and Control Act (Various sections including establishment of Commission on Marijuana and Drug Abuse) Occupational Safety and Health Act (Various sections); Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970; Termination of Tonkin Gulf Resolution.

1971—Wagner-O'Day Act Amendment establishing committee to regulate commodities produced by blind and handicapped (Act here after known as Javits-Wagner-O'Day Act—amended in 1973); Emergency Employment Act; National Cancer Act; Foreign Assistance Act Amendment declaring military aid to Cambodia is not a commitment for that nation's defense.

1972—Equal Employment Act; National Sickle Cell Anemia Control Act; Black Lung Benefits Act; Consumer Product Safety Act; 26th Amendment—giving 18 year olds the right to vote; S. Res. 112—Female Pages.

1973—Amendment to Federal Highway Act authorizing use of highway trust fund for urban mass transporation systems; Amendment to DOS Authorization cutting off use of funds to finance US military in Vietnam, Laos or Cambodia unless specifically authorized hereafter by Congress; War Powers Act; Comprehensive Employment and Training Act; Health Maintenance and Resources Development Act.

1974—Legal Services Corporation Act; Employees Retirement Income Security Act (ERISA).

1975—Seasonal Loan Act; (NWC); Japan-US Friendship Act.

1976—Education for all Handicapped Children Act; Genetic Disease Act (Part of Heart, Lung and Blood Research Training and Genetic Diseases Act); Int'l Security Assistance and Arms Export Control Act; Developmentally Disabled Assistance and Bill of Rights Act (Bill of rights for mentally retarded). Government in Sunshine Act.

1977—Youth Employment and Demonstration Projects Act; Extension of Export Administration Act—including prohibition of US citizens participation in Arab boycott.

1978—Age Discrimination in Employment Act Amendment (raises mandatory retirement age from 65 to 70); Resolution to extend ERA ratification period; NYC Loan Guarantee Act; Amendment (Javits-Case) to lift US embargo on Rhodesia once fair elections have been held and good faith effort made to reach solution with outside guerilla forces.

Mr. ROBERT C. BYRD. Mr. President, there is no objection to the immediate consideration of the resolution, naturally. I ask unanimous consent that there be a time limitation of 5 minutes, to be equally divided and controlled by Senator MOYNIHAN and Senator BAKER.

The PRESIDING OFFICER. Without objection, it is so ordered.

Several Senators addressed the Chair.

Mr. MOYNIHAN. Mr. President, I yield 1 minute to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I, too, want to join my colleague, the Senator from New York, in paying tribute to one of the truly outstanding legislators in the history of the U.S. Senate.

On a more personal note, the Senator from New York served here in the Senate with my older brother, Jack Kennedy, and served as a colleague of my brother, Bob, who took such pride in representing the people of New York when he served in the U.S. Senate.

I know I could speak for them as I speak for myself in saying that there are few men and women who have served in this body, who have made such a special contribution to this body and to our country. Senator JAVITS is a man of enormous wisdom, an outstanding legislator, a man of extraordinary compassion for all the people of this country.

This institution has been well served by his service.

So, Mr. President, it gives me great personal pleasure to join in honoring one of the most outstanding men who has been sent to the Senate—not merely from New York—not merely in this century—but from the Nation and since the Senate began its deliberations.

Tomorrow, Senator JACOB K. JAVITS will have been a Member of this body for 22 years, 3 months, and 25 days. This is longer than any Senator from New York has ever served in the Senate. And JACK JAVITS today, after all those years, and the great years of public service which preceded them, retains all the vigor, all the commitment, all the qualities of mind and body, which he had when he first joined this body.

Mr. President, Senator JAVITS has left a great mark on this body and on this Nation's laws. Three pieces of legislation that have been shaped by JACK JAVITS have had particular national importance. In 1964, the distinguished senior Senator from New York was instrumental in creating the coalition which saw passage of the Civil Rights Act of that year—an act which has done more to fulfill the promise of equal opportunity in all phases of American life than any action since the 14th amendment. In 1973, JACK JAVITS drafted the War Powers Act, which limits the commitment of American troops in a foreign country without a declaration of war. And in 1974, JACK JAVITS helped give the American worker one of the most important measures of protection since passage of social security, ERISA. Under that act some 40 million workers saw their pensions protected for the first time from the flukes of circumstance or mismanagement.

JACK JAVITS and I have worked closely together on the Labor and Human Resources Committee, and especially on the Health Subcommittee, which I chair and where, for many years, Senator JAVITS was the ranking minority member. In these years, Senator JAVITS has made a mighty contribution to the health of this Nation. It is difficult to select only some of these measures for mention, but these show the breadth and depth of Senator JAVITS' concerns: The National Cancer Act of 1971; the Drug Abuse Office and Treatment Act of 1972; the National Sickle Cell Anemia Control Act of 1972; the Emergency Health Personnel Act of 1972; the Sudden Infant Death Syndrome Act of 1974; the Lead-Based Paint Act of 1974; the National Research Act of 1974, which established the Commission for the Protection of Human Subjects of Biomedical and Behavioral Research; the Health Professions Educational Assistance Act of 1975; the Health Maintenance Organization Act of 1975; and the Medical Devices Regulation Act of 1976. I know that JACK is particularly pleased with his work on the developmentally disabled assistance and Bill of Rights Act of 1976.

Mr. President, JACK JAVITS is a wise, compassionate, and active voice in this body. I congratulate him on his great service here.

Mr. PROXMIRE. Will the Senator yield?

Mr. MOYNIHAN. I will yield first to the Senator from California.

Mr. CRANSTON. I thank the Senator for yielding.

I am delighted to join in noting the remarkable contribution of Senator JAVITS to the life of our country and to the work of the Senate.

I have known our friend from New York for far longer than the time he has been in the Senate.

We came together first in the cause of our mutual interest of peace on Earth. We have worked on that inside and outside the Senate.

Senator JAVITS has been a great leader not only on international but domestic issues, always showing compassion and concern for those who need help and assistance, but also showing concern about the cost effectiveness of programs.

He is a remarkable man who has provided great leadership on great issues and paid a great attention to detail, leaving his mark on bill after bill that passed through this body in a fine way, exemplifying the best that a Senator can give to the Senate and to our people.

Mr. MOYNIHAN. Mr. President, I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I believe we all know how Senator JAVITS has stood on civil rights, on jobs, and on so many other things. But I can recall many times the truly great moments in the Senate in the 21 years I have been here have featured his remarkable mind and great ability in so many areas.

At the time he came here, he was the outstanding intellect in the Senate, or one of the two or three outstanding intellects. He has contributed greatly to this body. He has contributed greatly to its intellectual excellence and has brought a great degree of compassion and understanding to the Senate.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I am honored and to join my friends from New York and West Virginia in offering this resolution of appreciation and admiration for our distinguished colleague from New York, Mr. JAVITS, on this memorable milestone in his career.

Tomorrow he will have served in the Senate longer than any of his predecessors from the State of New York. That is a special achievement, indeed, because the quality of public service and the vigor of political competition in New York are special, as well.

The tradition of public service has been a particularly rich one in New York, and out of that tradition have come some of the most talented, most revered, most beloved, most influential men and women in the history of American politics.

Our colleague and friend JACK JAVITS has not only lived up to that great tradition; he has enriched it. His absolute brilliance, his prodigious energy, his surpassing commitment to the service of his people, and the progress of his country have made him an incredibly useful and uniquely respected man in public life.

The length of his service, which we celebrate today, has made his contribution all the more remarkable.

For 22 years, 3 months, and 25 days, he has been among the Senate's—and the Nation's—most ardent and eloquent champions of social progress and international comity.

It is my hope, and that of all his friends here, that the Nation will have the benefit of his wisdom, his compassion, and his enormous talents for many more years to come.

Mr. President, I yield 30 seconds to the Senator from North Carolina.

Mr. HELMS. Mr. President, I remember election night of 1956 when sufficient returns were in from the State of New York to make it obvious that State attorney general Javits had been elected to the U.S. Senate.

The victory statement by Senator-elect JAVITS was televised across the country, and I recall my reaction that this was one of the most articulate men I had ever heard.

It never occurred to me that evening, or for years thereafter, that I would one day serve in the Senate with him, and sit beside him at meetings of the Foreign Relations Committee.

But it has happened, and I consider it a privilege to know this man. He and I have differed on various issues, and we have agreed on others. He is unfailingly a gentleman. He is a prodigious worker for the things in which he believes. He is always fair. He is a man of his word. Even when we are on opposite sides, the adversary relationship is nevertheless meaningful to me.

I congratulate my friend from New York on having reached the milestone of which we take note today. He has made a record which surely will always be a source of pride for him. I am among his many friends who are proud of him for his many notable achievements.

Mr. BAKER. Mr. President, I yield 30 seconds to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I do not intend to go on and on concerning this matter. I remember the day that Senator JAVITS came to this body from the lower House. I have served with him through all these years.

I do not think any two Members of this body has disagreed with each other politically and philosophically more than we have, but we have always done it in a friendly way. I admire that quality in him even more than his intellect and his ability to get things done, the fact that you can disagree with him in a friendly way.

I wish him many, many more years of happiness and success in this body or wherever he chooses to go.

Mr. BAKER. Mr. President, I yield 15 seconds to the Senator from Connecticut.

Mr. WEICKER. Mr President, even though the Senator from Connecticut is one who was raised in the city of New York and Long Island, believe me it is one thing to know of a legend and another thing to serve with one.

JACK JAVITS has had more guts than any Member on this side of the aisle, indeed, maybe in the entire Senate, in bringing the human element not only into the politics of my party, but I believe into the whole Senate.

Mr. THURMOND. Mr. President, I want to congratulate the able senior

Senator from New York, Senator JAVITS, who will tomorrow have served in this body longer than any other Senator from New York State. For having set this new record—22 years, 3 months, and 25 days—it is, of course, evident that his service has been distinguished.

Not only has he served his constituency well but he has, on numerous occasions, captured nationwide attention for the strong stands he has taken on matters of importance to the country.

Mr. President, Senator JAVITS, who has particular expertise in matters of economics and foreign affairs, has fought hard in the committees and on the floor of this Senate for some of the pressing issues of our time. Moreover, he has traveled over the countries of the world and has acquired a depth of knowledge immensely valuable to our deliberations.

Although we often differ in political philosophy concerning matters coming before the Senate, our differences have always been accompanied with respect. I consider him not only a colleague, but a friend and I am highly pleased to join in congratulating him for the record he has set as a Senator from his State.

● Mr. HATFIELD. Mr. President, it is a pleasure to join with my colleagues to honor the distinguished and vital career of the senior Senator from New York, my friend, JACK JAVITS.

I have been in the Senate over a decade and have had the rare experience of watching firsthand my distinguished colleagues' mastery of the wide variety of issues that face the decision of the Senate year in and year out. JACK JAVITS' greatest gift is a driving sense of curiosity and intellect combined with the commitment to see his views prevail in law. I have seldom seen a colleague more capable of grasping the relevency of an issue and to argue it forcefully.●

● Mr. MATSUNAGA. Mr. President, I rise to join my colleague, the junior Senator from New York (Mr. MOYNIHAN) in congratulating the senior Senator from New York (Mr. JAVITS) who has now served longer in the Senate than any other Senator from the great State of New York in the more than 200-year history of our beloved Nation.

First elected to this body in 1956 after serving four terms in the U.S. House of Representatives, JACK has been reelected three times. Having worked with him in this body for 2½ years, I can readily understand why he is still clearly No. 1 in the hearts of his constituents. His dedication to good government, his active role in the development of a national arts and humanities program, and his devotion to human rights are but a few examples of why he is one of the most respected Members of the Senate, on both sides of the aisle.

The people of New York can be rightfully proud of their senior Senator and all Americans are fortunate to have had his selfless service for so long a period. I wish for him many more years of effective tenure in the U.S. Senate.●

● Mr. SCHWEIKER. Mr. President, over the past 22 years, the United States has gone through an infinite amount of changes as the center of an evermore increasingly complex, technological, and populated world. These changes have been reflected in the makeup and workings of the U.S. Senate. But given all the changes of the past two decades in this body, one man has remained to survive and even conquer. We salute today JACK JAVITS, a man who accurately reflects the strength and fighting spirit of the State he represents. As one who has worked closely with Senator JAVITS on a number of issues, I take pleasure in honoring him on this occasion and offer my heartfelt respect and admiration for his accomplishments of the last 22 years. His has been an exciting and unique political career. He has contributed much to his State, his country and his world. We are proud of him.●

● Mr. STENNIS. Mr. President, I warmly join in the praise and compliments to the Senator, JACOB JAVITS, of New York, for his long years of diligent service to the country and application of his great talents in search of sound policies and solutions to our problems in the Senate and in the Nation.●

● Mr. DOMENICI. Mr. President, I would like to associate myself with the complimentary remarks made here today concerning our distinguished colleague, the senior Senator from New York (Mr. JAVITS).

We have all learned much from him, far too much to describe here today. He has taught many in this Nation that the policy of the repression of ideas cannot work and never has worked. The Senator has argued that the alternative to it is the long, difficult road of education. To this, Senator JAVITS has been committed during his entire career.

The Senator has insisted that this Government is the people's Government, made for the people, made by the people, and answerable to the people.

He has worked to insure that America will insist upon maintaining in practice those ideals which she has always professed.

And he has fought to secure a government devoted to the general interest of all, not the special interests of the few.

Mr. President, learning what is true in order to do what is right is the summing up of Senator JAVITS' entire career.

I can say with complete candor that I, myself, am the greater for having had the privilege of his friendship. I look forward to many more such years.

Thank you, Mr. President.●

● Mr. DOLE. Mr. President, history is made almost daily in this Chamber. But rarely is it as personally rewarding as the milestone we mark today. For today, it is our honor to congratulate our distinguished colleague, JACK JAVITS, on becoming New York's longest serving Senator.

Senatorial courtesy has long since bestowed the word "distinguished" before each of our names. In JACK JAVITS' case, it belongs as if part of his birth certificate. In a State rich with tradition, blessed with towering leaders for over two centuries, his name stands with the highest. For nearly a quarter century he has brought to our deliberations a passion for justice, a keen and probing intelligence, and the conviction Amerca, like the teeming city from which he hails, is great because of her diversity.

When the history of the Senate is written, this past quarter century will be remembered for Members like Dirksen, Johnson, GOLDWATER, Scott, Humphrey, and JACOB JAVITS.

I am most pleased to join my colleagues in honoring my fellow Republican, JACK JAVITS, on this occasion.●

● Mr. YOUNG. Mr. President, I welcome this opportunity to pay some well-deserved tribute to one of the ablest and most respected and effective Members of the Senate during all the 22 years he has served here. Twenty-two years, I understand, is longer than any other Senator from the State of New York has served in the U.S. Senate. That in itself is a great record.

JACK JAVITS has one of the keenest minds of any Senator in my time and is considered one of the very best lawyers. If he had chosen to pursue his law practice, he undoubtedly would be receiving several times the remuneration that he receives in salary as a U.S. Senator. It is fortunate that he chose to serve his State and Nation in this capacity rather than pursuing a more lucrative private law practice.

JACK JAVITS' great ability, coupled with a warm personality and his reputation as a tireless worker, has made him an unusually effective member of the U.S. Senate. I wish to salute him on this very important day honoring his long years of dedicated public service.●

● Mr. RANDOLPH. Mr. President, JACOB JAVITS, our cherished friend in this body, completes as of tomorrow the longest continuous service of any Member who has represented the Empire State. It has been my privilege to work closely with the articulate and able legislator in the Labor and Human Resources Committee. We have sponsored legislation together which has aided the handicapped, assisted the workers of our Nation, and created a climate and understanding for the resolution of critical social problems.

We have toiled without partisanship to bring into being workable and sometimes visionary programs for people. I know from this personal experience that the distinguished senior Senator from New York is constant in his commitment to finding solutions to the difficulties which confront our country. Senator JAVITS, I salute you on this unparalleled career.●

● Mr. SIMPSON. Mr. President, I appreciate sharing a moment of this important time in the life of the senior Senator from the State of New York. I express this tribute from one of the least populous States in the Union to a man from one of the most populous States—a man whose heart and intellect match the size of his State.

My father, Milward L. Simpson, served in the U.S. Senate with this man and it is my distinct honor to share that privilege. He has shown me great kindness and wise counsel in my early days in this body. I respect him greatly.

He has a remarkable record, indeed—23 plus years serving the people of his beloved State in the U.S. Senate—and I might add, not a bad record for what we might refer to in Wyoming as an endangered species—a Republican in New York.

He brings a rare and real touch of class to this great institution.

It is my deep personal pleasure to share in this occasion.

Thank you for the opportunity for expression.●

Mr. PERCY. Mr. President, no colleague have I felt closer to, no colleague has been a greater friend through the years, and no colleague do I hold in greater esteem than Senator Javits.

He is one of the most diligent Senators whom we have had in the U.S. Senate, and certainly the period he has reached in his career now, for which we pay great tribute to him, comes at a time when he seems to be continuing to grow. I have never seen anyone who has the capacity to carry the workload, and who has the capacity to continually grow in the body of knowledge that he possesses, the way he is able to present it, the way he quickly synthesizes it and comes to the heart of a problem and then express it and then fight for his particular point of view.

He is a man of absolutely ceaseless energy. He makes all of us almost tired to consider the load he carries, and I know that his athletic prowess—probably along with myself one of the greatest lovers of swimming in the Senate—is such that he still swims in the House pool virtually every day because it is a much bigger pool, much bigger than this tiny pool we have in the Senate.

He was a distinguished Member of the House, beloved by his colleagues there, and beloved by his colleagues in the Senate.

He is a Senator who has utter devotion to this country, to human rights, and peace in the whole world. This thought of human rights, peace, and devotion to country and to humanity dominates his work in the U.S. Senate.

He is a marvelous representative of his State of New York. He is, of course, of urban background and origin, and understands cities and their problems as well as any man or any person whom I have ever known. But he also looks after the rural interests of New York, just as many of us who have large urban areas in our States must school ourselves in the problems of rural communities and suburban communities as well. But the people of New York can be proud of the service he has rendered to them for so many years and the service that he will continue to render, we hope, for many years to come.

I have considered him one of the great lawyers whom I have ever known. I think every year the U.S. Senate and the people of America receive invaluable aid. If you could pay for the value of the service he renders in the legal field alone it would be a tremendous amount. He would be one of the highest paid lawyers in the United States if in private practice today. So we receive a tremendous bargain in Senator Javits.

But, most of all, he is a wonderful colleague, a wonderful friend, a man of honor and distinction, and I am happy to join with my colleagues today in paying tribute to him on this record that he has achieved in serving in the U.S. Senate longer than any other U.S. Senator from the great State of New York.

Mr. BAKER. Would the distinguished majority leader be inclined to have further statements supplied for the Record?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senators may have until 8 o'clock this evening to supply statements for the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I want to join in paying tribute to the distinguished senior Senator from New York, who has now served in this Body longer than any Senator in the history of the Empire State.

Jacob Javits is noted not just for the length of his service in the Senate, however, but for the high quality of that service. He has consistently provided leadership in matters both foreign and domestic. His lengthy tenure on the Committee on Foreign Relations has been marked by a continuing concern and dedication to the best foreign policy and security interest of the United States.

Similarly, he has made significant contributions through his service on the Committee on Labor and Human Resources through which he has worked steadily and successfully to help meet the health, education, and welfare needs of the people of his State and the Nation.

Therefore, I want to salute the senior Senator from New York for his outstanding service in the Senate and his skillful leadership so often exhibited in this Chamber.

Mr. BAKER. Mr. President, I ask unanimous consent that the distinguished Senator from Maryland (Mr. Mathias) may be shown as a cosponsor of this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

JACOB JAVITS—A SYMPHONY OF ENERGY

Mr. HATCH. Mr. President, in the highly charged, yet amiable atmosphere in which we labor as Members of the U.S. Senate, it is very difficult to single out from our ranks members of particularly outstanding achievement. The diversity and the regional differences and similarities of our country are reflected in the personalities and character of 100 Senators, and it is difficult if not impossible to work comparisons.

Having said this, I join the unanimous judgment of my colleagues in celebrating my friend and committee colleague, Jacob K. Javits, as a symphony of energy, and an example of the dedication and industry which are characteristic of the ideal of a Senator. While all of us share differences on single items of policy, we also join the common effort to do what is best for our country.

We join in attempting to do this, a task only made possible by virtue of the experience and willingness of those who are more senior among us to offer advice and counsel at crucial moments. This is not to say that the advise and counsel of Jake Javits is always correct, or at least we are not always in accord, but whether one is temporarily "on" or "off" the legislative team captained by Jake Javits on any particular measure, one always comes away from the legislative battle benefited because of the sheer power of association with a very good and great man. I am proud of my association with Senator Javits, with whom I serve on the Labor and Human Resources Committee. He has served the Empire State of New York proudly as the longest tenured Member of this distinguished body, and I join my other colleagues in paying tribute to my good friend.

Mr. BAKER. Mr. President, I yield 30 seconds to the Senator from Idaho.

Mr. CHURCH. Mr. President, I join in the accolades that are being paid to the distinguished Senator from New York. I consider it my good fortune that at this time, when I serve as chairman of the Senate Foreign Relations Committee, I should have as the ranking member on the Republican side a man with the skills and the seasoning of Senator Javits, of New York.

He has enabled the committee to not only function smoothly but in the best traditions of bipartisan foreign policy.

I lean on him very heavily and I am very glad he is there.

I congratulate him heartily on this distinction of having served longer representing his State in the U.S. Senate than any former Senator in the history of the country.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 149) was agreed to.

The preamble was agreed to.

The resolution with its preamble reads as follows:

S. Res. 149

Whereas Jacob K. Javits entered the Senate on January 9, 1957, and will, on May 4, 1979, have served as United States Senator longer than any predecessor from the State of New York,

Whereas Jacob K. Javits has brought to his duties in the Senate an unequaled intelligence, inexhaustible energy, and unfailing grace; and

Whereas his mastery of the legislative arts has given historic laws to the Nation and profound inspiration to his colleagues; and

Whereas his service as ranking minority member of two Senate standing committees has established a new standard of diligence and competence: Now, therefore, be it

Resolved by the Senate of the United States, That, the Senate, on the occasion of Jacob K. Javits having become the longest serving Senator in the history of the State of New York, does commend him for his outstanding contributions to the Congress and to the people of New York and the people of the United States, and that the Senate does express to him its best wishes and its continuing high regard.

Mr. JAVITS. Mr. President, may I have 30 seconds?

First, let me yield to Senator Williams.

A SPECIAL TRIBUTE TO SENATOR JAVITS

Mr. WILLIAMS. Mr. President, it is a great privilege for me to participate in this informal celebration commemorating the achievement of my good friend and colleague, Jack Javits, who has served longer in this body than any Senator in New York history.

I have admired Senator Javits for so very long. I remember vividly when I was a student at Columbia Law School and Jack Javits was a Congressman. I had the temerity to take a seat beside him at a coffee counter near the Columbia campus in the late 1940's and I expressed to him my appreciation for his work in Congress. My appreciation has continued and gathered many dimensions since then.

While this is certainly a milestone to be noted, all of us know full well that his career is marked far more by his achievements than by his longevity. The years of service take on their full import only when one considers what he has meant to this body, his State, and to the Nation.

As chairman of the Senate Committee on Labor and Human Resources, it has been my particular pleasure to have worked closely with him on so many issues of great import to the people of the United States—pension reform, age discrimination, occupational safety and health, day care, bilingual education, public service jobs, pregnancy disability. Obviously, time permits me only to list a few; a few from just a single area of interest of a man who has been involved in so many legislative activities.

Mr. President, I think that we all feel our lives have been enriched by his friendship. This body has been enabled by his presence. Our Nation has benefited immeasurably from his unceasing and productive efforts.

JACK, I know the time ahead will be marked with continued achievement and grace and I know that we all will cherish the wisdom you have brought to our efforts and the persistence with which you have tackled problems that eluded many before you.

Happy anniversary.

Mr. President, my appreciation of Senator JAVITS is equaled, perhaps exceeded, by a professional staff member, who has worked with and observed both Senator JAVITS and me over many years. I ask unanimous consent to have printed in the RECORD the thoughts of my wife Jeanette.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

As Senior Professional Staff Member on the Committee on Labor and Human Resources for the past 16 years and one whose experience began as a secretary to the late Senator Hubert H. Humphrey, in 1957—a career of 22 years, I wish to congratulate Senator Javits on another milestone in his truly outstanding legislative career.

I have closely observed him in subcommittee, full committee sessions, managing a bill on the floor, and there isn't a keener, more sensitive mind.

Chairmen and Ranking Minority Members usually work together effectively. I do not believe there has been a more compatible and hard-working team than that of Chairman Harrison A. Williams and Ranking Minority Member Jacob Javits.

When two Senators one from New York and one from New Jersey passed the first Comprehensive Coal Mine Health and Safety Act in 1969—people wondered why when they had no coal miners in their states.

They toured migratory farm camps together. They saw people neglected, and suffering, not in the mainstream of the American way of life, and forsaking easy political gain, did something about it.

Their efforts are legendary, for working people, for the elderly, for the handicapped, for those disinherited and for those who suffer unfair discrimination, and now are public laws because they care about people.

Senator Javits is truly a legend in his time, and how important for others to know that New York has given to the nation one of its greatest sons—a statesman, a man of principle, integrity, and service to his nation.

I am privileged and deeply touched to add my personal comments to a man who has always been a friend and an inspiration to me. I consider it one of the greatest privileges of my life to have been able to serve him. May all his days be filled knowing there are many who are deeply grateful for his friendship, his inspiration and his wisdom. I am but one.

Mr. BOSCHWITZ. Mr. President, I have not spoken before on the floor, but I believe it is particularly appropriate that I do so in honor of Senator JAVITS. He encouraged me to run for the Senate in the summer of 1977.

I have listened to him debate a number of times. Of the many people I have listened debate, I do not believe I have heard on the floor of the Senate such brilliance on such a wide variety of subjects as with Senator JAVITS.

It is particularly a privilege for me to serve here in the Senate with Senator JAVITS.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I am deeply moved. I feel very, very gratified that the Lord has spared me to have come to this service after so many illustrious men from my State. I hope very much that as time goes on that will include women, that it will include people of every minority—and our State has been rather good about that. Mr. President, I would be derelict in my duty to my friends if I did not say that I owe everything to this House and to those who are in it.

As a politician, when you ask me a question all the gears whirl around and I come out with an answer.

That is what this House has done for me. So, it is the greatest deliberative body in the world. It is exciting, it is innovative. The interesting fact is that, while Congress may stand in very low esteem in the public polls, individual Members of the Senate and individual Members of Congress always rank two and three times that percentage when it gets down to the person. It is the people who show their love and their gratification.

So, Mr. President, I thank all my colleagues. My family—my children, my wife—will remember this all their lives. And I will, for as many years as the Lord gives me. But beyond everything else, I thank our system and I thank this House.

[Applause, Senators rising.]

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RAILROAD REORGANIZATION ENERGY IMPACT REDUCTION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to consideration of Calendar Order No. 115.

The PRESIDING OFFICER. The clerk will state it by title.

The legislative clerk read as follows:

A bill (S. 967) to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Railroad Reorganization Energy Impact Reduction Act of 1979".

SEC. 2. Congress finds that—

(1) the embargo requested by the trustee of the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company would discontinue vital freight operations by the railroad in all of Washington, Montana, Idaho, North and South Dakota, and in parts of Illinois, Iowa, Missouri, Wisconsin, Kentucky, Michigan, and Indiana comprising over seven thousand miles of track or approximately 75 per centum of the Milwaukee system;

(2) such an embargo would result in the loss of thousands of jobs by railroad workers and other workers dependent upon uninterrupted rail service;

(3) continued operation of the Milwaukee Railroad is essential to present and future coal transportation in the area and that without such coal transportation, powerplants in the region would not have sufficient quantities of coal; and

(4) continued operation of the Milwaukee Railroad is also essential to further the national policy established by Congress in the Power Plant and Industrial Fuel Use Act of 1978 to rehabilitate coal-carrying railroads.

SEC. 3. Congress should consider emergency measures, consistent with budget recommendations requesting that the rail assistance required under the Power Plant and Industrial Fuel Use Act of 1978 be implemented, to avoid the substantial damage to the economy of the region and the Nation which would occur if the proposed embargo were implemented.

SEC. 4. The Secretary of Energy shall immediately conduct an assessment of present and potential coal hauling needs in the area served by the Milwaukee Railroad and report his findings to Congress within thirty days of the date of enactment of this Act.

Mr. McCLURE. Mr. President, did the Senator ask unanimous consent that we proceed to the consideration of this bill?

Mr. ROBERT C. BYRD. Yes.

Mr. McCLURE. I wonder if that could be conditioned, as the Senator from Montana and I have discussed, upon the condition that an amendment dealing with section 3 of the bill, removing the language in that section to put in the purposes section, rather than the findings, and the addition of the word "rail" in another place would be the only amendments in order on that bill.

Mr. ROBERT C. BYRD. Mr. President, I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MELCHER. Mr. President, S. 967 was reported out of the Committee on Energy yesterday by a unanimous vote of 14 to 0, after a hearing on Monday of this week. The reason for rapid action on the bill is that there is no time to waste concerning the bankruptcy case of the Milwaukee Railroad. It has been in bankruptcy for more than a year, but only a few days ago, the trustee of the Milwaukee handling the bankruptcy announced that on May 4—that is tomorrow—he will request of the court that on May 8, next week, operations over more than 7,000 miles of the Milwaukee lines be brought to an abrupt halt.

We were very much surprised at the announcement and, while we have had grave concerns about the future of the Milwaukee and the reorganization of the Milwaukee in the bankruptcy court, we were not aware that the trustee would make such a precipitate request.

An April 10, on behalf of several Senators and myself, I introduced a bill directing the Department of Energy to show its concern about the coal-hauling potential of the Milwaukee. It hauled 10 million tons of coal in 1978. It is a significant amount hauled from the western mines of Montana and North Dakota to midwestern electric generating plants. The potential for the Milwaukee and the potential increase of coal mining in the Fort Union coal deposit of Montana, Wyoming, and North Dakota is projected by the Department of Energy to triple by 1985. There are only two railroads that serve that area and the Milwaukee is one of them. Without it, the Burlington Railroad is the only railroad in the area leaving it in a dominant position of monopoly.

Last year, the coal mined in that area had a shortfall of over 10 million tons in available transportation. Recognizing that, S. 967 as originally introduced would direct the Department of Energy to be not only concerned about the impact in reduction of coal transportation service in the area should the Milwaukee not continue in operation, but would also authorize funds for the lease or purchase of rail cars and equipment that would be made available to the Milwaukee Railroad to continue hauling coal.

Mr. President, I ask unanimous consent that a letter to the committee from the Congressional Budget Office on this matter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HON. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act, the Congressional Budget Office has reviewed S. 967, the Railroad Reorganization Energy Impact Reduction Act of 1979, as reported by the Senate Committee on Energy and Natural Resources, May 2, 1979.

The bill directs the Department of Energy (DOE) to conduct a study of the coal hauling needs of areas presently served by the Milwaukee Railroad. Based on information supplied by DOE, it appears that this study will cost approximately $20,000.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. MELCHER. At the hearing held on Monday of this week, witnesses from the Department of Energy, from the Interstate Commerce Commission, and from the Department of Transportation all voiced concern about the trustee's request for discontinuance of service on May 8. We found it necessary, however, to streamline this bill to the extent that it could be quickly brought up on the floor, express the concern of the Congress, and pass ahead of the May 4 hearing in the Federal court in Chicago tomorrow. I shall appear at that hearing to report our actions here in the Senate. To assure rapid passage, we have dropped certain parts of the bill. We now have before us a bill that deals with congressional findings expressing the concern of Congress for the continuation of the operation of the Milwaukee for all of its rail services in terms of freight, not only for coal but for other commodities such as grain, lumber, cement, and other goods; the impact that the discontinuance of service on over 7,000 miles of line would have on the thousands of employees that are involved must be stressed to the court; and the uncertainty of shippers in the area who are seeking freight service in this situation proposed by the trustee to chop off three-fourths of the Milwaukee lines.

In addition, the bill now before us will direct the Department of Energy to make an assessment of the coal-hauling needs by railroads and report to Congress in 30 days. This bill represents only a first step by the Senate. It says to the court we are determined to keep the Milwaukee operating and there are more actions of help coming.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MELCHER. I ask unanimous consent for an additional 5 minutes.

Mr. ROBERT C. BYRD. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERT C. BYRD. Mr. President, I ask to be recognized.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Now I yield to the Senator from Montana.

Mr. MELCHER. I thank the Senator.

Mr. President, the bill requires that within 30 days, an assessment will be made by the Department of Energy and a report to Congress as to the present impact of the loss of rail service for hauling coal and the potential railroad coal hauling needs of the area. We have an amendment that is at the desk. It was recommended by the Commerce Committee, and I shall offer it in behalf of myself and Senator MCGOVERN.

I ask unanimous consent that Senator MCGOVERN may be added as a cosponsor of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MELCHER. I yield to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from West Virginia has the time.

Mr. ROBERT C. BYRD. No, Mr. President, each Senator has 5 minutes under the order for morning business.

Mr. McCLURE. Mr. President, I rise in support of this legislation and in support of the amendments which the Senator from Montana will offer, because I think it is important for us to keep in context what it is and what it is not that we are going to try to do.

Senator MELCHER's efforts to assist the producers and users of coal, farm products, timber, and manufactured goods carried by the Milwaukee Railroad are a tribute to his leadership on this important issue to the Northwest.

Emergency measures are indeed required to keep raw materials and manufactured products flowing on the 9,800 miles of Milwaukee rail lines. The proposed embargo or abandonment of 7,000 miles of this trackage will severely affect rail transportation services from Missouri to Washington.

S. 967 mandates that Congress consider emergency measures to address the proposed rail abandonment. In addition, the bill requires the Department of Energy to immediately study the coal hauling needs in the area served by the Milwaukee Railroad. These measures are necessary to insure the continued economic well-being of the regional economy and rail services in the Northwest.

The expedited route of S. 967 was necessary to alert the Federal district court in Chicago of intense congressional interest in this matter. We should note for the record that our haste precipitated a printing error in the committee report. The bill was reported unanimously from committee, 14 yeas, 0 nays. All recorded votes should be yeas, rather than a split between yeas and nays as shown in the report.

Continued, timely efforts by the Federal courts, Interstate Commerce Commission, Departments of Transportation and Energy, and the railroads themselves, are important to keep our northwestern rail services in place and economically viable. S. 967, the Milwaukee Railroad bill represents a big step in this direction.

Mr. President, I reserve the remainder of my time.

Mr. BAUCUS. Mr. President, I commend my colleague from Montana for acting expeditiously here. Very recently, the trustee in bankruptcy proceedings of the Milwaukee Railroad has announced his intention of abandoning about three-quarters of the rail trackage of the Milwaukee Railroad.

We are now faced with the problem where we have to quickly act to take measures to keep Milwaukee going. The Milwuakee Railroad, Mr. President, is essential to the Northwest. In future years, we are going to be in a position where we do haul more agricultural products, where we want to haul coal in the Northwest to Far Eastern markets, both coal and agricultural products.

In addition to that, we all know diesel fuel will rise, energy costs increase in our country, and rail transportation, as we look back 10 or 15 years from now, will be even more important than it seems to be at this time.

We, unfortunately, have to act quickly. We are caught in a time squeeze. The hearing is tomorrow. We do not have the opportunity to have hearings on stronger bills, to take more definite corrective action.

But I wish to commend my colleague from Montana for acting very quickly and expeditiously. This should serve notice on the trustee tomorrow that we in the Senate are not only concerned, but in the future we will take even stronger action to keep rail service strong in our country.

I thank the Senator for his action in this regard.

Mr. MELCHER. Will the Senator yield?

Mr. BAUCUS. I yield to the Senator.

Mr. MELCHER. I thank my colleague.

UP AMENDMENT NO. 123

Mr. President, I call up the amendment, first of all, the one identified by Senators MELCHER and McGOVERN, and ask it be considered.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER), for himself and Mr. McGOVERN, proposes unprinted amendment numbered 123:

On page 5, line 22, delete the period and insert in lieu thereof the following "; and

(5) that it is imperative that the Secretary of Energy examine every way in which the Power Plant and Industrial Fuel Use Act of 1978 can be implemented to alleviate this crisis; and

(6) that emergency measures should be considered to avoid the substantial damage to the economy of the region and the Nation which would occur if the proposed embargo were implemented."

On page 5, delete line 23 through line 25 inclusive, and on page 6 delete lines 1 through 4, inclusive.

On page 6, line 5 delete "(4)" and insert in lieu thereof the following, "(3)".

Mr. MELCHER. Mr. President, that is the amendment I spoke of that was recommended by the Commerce Committee and I ask for its immediate adoption.

The question is on agreeing to the amendment.

The amendment (UP No. 123) was agreed to.

UP AMENDMENT NO. 124

Mr. MELCHER. Mr. President, I also have two shorter amendments. I ask that the one dealing with just the word "railroad" be read.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Montana (Mr. MELCHER) proposes an unprinted amendment numbered 124:

On page 6, line 6, insert the word "railroad" after the word "potential."

Mr. MELCHER. Mr. President, the reason for this word is to make sure the study conducted by the Department of Energy concerns itself with surface transportation. It comes in the form of a clarifying amendment, and I ask for its immediate adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (UP No. 124) was agreed to.

Mr. MELCHER. Finally, Mr. President, we have a technical amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. We do not have it.

Mr. MELCHER. I withdraw that. That is a title amendment and it should come later.

I think we are ready for a third reading.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 967

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Railroad Reorganization Energy Impact Reduction Act of 1979".

SEC. 2. Congress finds that—

(1) the embargo requested by the trustee of the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company would discontinue vital freight operations by the railroad in all of Washington, Montana, Idaho, North and South Dakota, and in parts of Illinois, Iowa, Missouri, Wisconsin, Kentucky, Michigan, and Indiana comprising over seven thousand miles of track or approximately 75 per centum of the Milwaukee system;

(2) such an embargo would result in the loss of thousands of jobs by railroad workers and other workers dependent upon uninterrupted rail sevice;

(3) continued operation of the Milwaukee Railroad is essential to present and future coal transportation in the area and that without such coal transportation, powerplants in the region would not have sufficient quantities of coal;

(4) continued operation of the Milwaukee Railroad is also essential to further the national policy established by Congress in the Power Plant and Industrial Fuel Use Act of 1978 to rehabilitate coal-carrying railroads;

(5) that it is imperative that the Secretary of Energy examine every way in which the Power Plant and Industrial Fuel Use Act of 1978 can be implemented to alleviate this crisis; and

(6) that emergency measures should be considered to avoid the substantial damage to the economy of the region and the Nation which would occur if the proposed embargo were implemented.

SEC. 3. The Secretary of Energy shall immediately conduct an assessment of present and potential railroad coal hauling needs in the area served by the Milwaukee Railroad and report his findings to Congress within thirty days of the date of enactment of this Act.

The title was amended so as to read:

A bill to recognize the critical rail transportation in the Northwest due to the proposed embargo of service on the Milwaukee Railroad and recognizing the need for expedited consideration of congressional action.

Mr. MELCHER. Mr. President, is the title amended?

The PRESIDING OFFICER. Yes.

Mr. MELCHER. Mr. President, I thank the leadership on both sides and my colleague in the committee (Mr. McCLURE) for their cooperation.

I point out that this is only the beginning of action by the Senate and by the Congress in terms of helping the Milwaukee Road. We will be looking for more positive and greater action to follow this.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MELCHER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NEW MORALITY

Mr. HATCH. Mr. President, we now live in times when many of the values that we have held in high esteem seem to be falling by the wayside. The morality of our society has become more and more permissive. There has been many names given to this new attitude, one that comes quickly to mind is the "new morality." I am one man that has been saddened by this change. I find nothing wrong with these basic values. Most distressing has been the change in our attitude toward what has become known as "foul language." In my day we called them four letter words, although all of them did not have four letters, we knew what they were and that they were not acceptable in the usage of the English language. I have always felt that we were fortunate to have a language such as ours that is replete with so many forms of words that one would not have to revert to "swearing" to get his point across.

This basic change in attitude has been noticed by our children. They only attempt to imitate the actions of their parents, and if the adults of this generation choose to use foul language, then so too will the children. Many have commented on this issue, but nobody seems ready to take on the problem. Well I think that someone has finally decided to rise to the task. In this morning's Washington Post Richard Cohen has devoted his column to this subject. Entitled "Go Ahead and Swear, It Only Costs Money," this short piece describes the attempts of an elementary school principal in Arlington to eliminate the use of such language among her students. I commend Ms. Camay Brooks, the principal of Ashlawn Elementary School in Arlington for her efforts. It is my hope that they will be repeated in schools all over this country.

Mr. President, I ask unanimous consent that the above mentioned article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GO AHEAD AND SWEAR, IT ONLY COSTS MONEY

(By Richard Cohen)

The school is composed of brick and glass and occasional notices of things lost—a cat, a book and things like that. The floors are polished and the children in the classroom are quite and outside on the street the dogwoods are in bloom. Behind a closed door, in conference with a parent, the principal sits, a lady in a tan pantsuit—sweet and experienced and up to something new. She fines kids who use dirty words.

The principal smiles. Her name is Camay Brooks.

"Have you fined anyone yet?"

She shakes her head. "No," she says. "Not yet."

Sometime before spring vacation, the children of the Ashlawn Elementary School in Arlington came home with one of those notes mimeographed in blue ink. It said something about the year book and something about the fair and something about the math workshop and then something about dirty words:

"Please note that we are making a real attempt to 'clean up' our language in and around the school. We have established a system of 'fines.' The teacher or another responsible adult may report any child who is using foul language but children may not report each other.

"The fines will be flexible and within the child's earning capacity.

"We do hope that these fines will not have to be imposed."

And then there was something about kindergarten registration.

And then a parent called me. It was a parent with no name, although surely a woman from the sound of her, and a member of the American Civil Liberties Union from what she said. She said this was an outrage. What, after all, is a dirty word? She supplied some of which I remember one—bitch. She said it means female dog, which indeed it does. It is a fact. It is also a fact that not since 1853 has a child referred to a female dog as a bitch, and with the exception of the word grooving, which is currently used among my son's circle of friends to mean, ahem, sexual intercourse, most of the time we know a dirty word when we hear one.

In fact, a small cheer went up inside me at the sheer capriciousness of what Mrs. Brooks was contemplating. It is, of course, probably illegal to fine a child—a violation of more codes than you can think of, not to mention the United Nations Declaration of Human Rights—but it is the first example in a long time of a principal acting as a principal and not a school chaplain. In the old days, which was before the late 1960s, principals ruled all they surveyed. They had the unquestioned right to do with a child as they might want—even sell one into slavery, providing the right form was filed and a note sent home with an older brother.

Back to Ashlawn. The principal, Brooks, is talking of fines running as high as $5. She says she will give the children the option of working off their fines, or paying them. She got the idea, she said, when visiting a ghetto neighborhood in Baltimore and heard the children there talking about how you could be fined for breaking the law—doing this or doing that. They uttered the word fine with something approaching awe and since the children in the generally affluent Ashlawn school have yet to draw a fine, who is to say they don't have the same reverential view?

Not me. It's hard to argue that if you're a kid a fine will set you back some and you'll learn, as we all had to, that you have to pay for what you do—or what you say. But there is more here than that and it goes to the notion—a very American one at that—if you have the money you can buy your way out of trouble. This is not a lesson that needs to be learned by corporations that do exactly that sort of thing or to criminals who do that one way or the other or, say, to Spiro Agnew, who, having corrupted his office and stolen from the taxpayers, paid a fine and went on his way.

This is, in fact, a basic American rule. It is incorporated in the order; expounded frequently from the bench by lots of judges, that the convicted can either pay a fine or go to jail as if the two are equal. It is the rationale behind the ubiquitous parking ticket in which both the rich and the poor pay the same fine for breaking the same law—the poor may be punished severely, the rich hardly at all. This is maybe why people scream bloody murder when their car is towed. They have to pay in time as well as money to get it back. Time is something we all have in equal amounts and it is scarce.

So maybe the kids are learning this lesson and maybe they're learning the lesson Mrs. Brooks intended. No matter. In the end it's the same. The kids from Baltimore see a fine from their vantage point and the richer kids of Arlington see it from theirs. But any way you see it, it comes down to the same thing.

If you have the money, you don't have to do the time.

SICK HOSPITALS

Mr. HATCH. Mr. President, the argument on nationalizing health care is turning into one of the epic debates in our republic's history. The forces on both sides are tenacious and determined, and they are generating a great deal of emotional heat. The Wall Street Journal's, April 3, editorial "Sick Hospitals" adds some light to the argument, and I accordingly commend it to the attention of my colleagues.

The Journal takes issue with the President's proposal of a 9.7-percent "cap" on hospital cost increases. It rejects his argument that this will somehow raise money to pay for a $10 billion to $15 billion expansion of Government insurance coverage in 1983. It points out that many hospitals are already in financial trouble, and that the most obvious item of "waste" in their expenditures is the burden of regulation, which in New York State for example have amounted to 25 percent of total hospital budgets. Hospitals are being strangled, the editorial concluded, but the response of those doing the strangling is simply to tighten the garotte, urging the government to take over what they have rendered the private sector incapable of operating.

As usual, the Journal's editors are analyzing the problem from a strict economic standpoint. They see health care as a commodity like any other, to be most efficiently allocated through the price mechanism. The key problem is that when consumers are spending someone else's money—because their health care is financed through various socially-progressive redistribution programs—there is no incentive for them to worry about price, and consequently for the hospitals to worry about cost. This is a problem universally acknowledged, because the evidence of the British National Health Service and our own Veterans' Administration is too strong to be denied. What the Journal is now pointing out, however, is that there is no bureaucratic solution to the problem, and that all attempts to date to find one have just made the situation worse.

I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Sick Hospitals

As the 1980 elections approach, it would be hard to find a better reflection of broader American political tensions than the issue of rising hospital costs.

Their sharp increases have fueled the demand for national health insurance, which in turn has been at the center of the private sector-public sector struggle throughout the postwar era. But just when the U.S. is asking itself how much further it wants government health insurance to go, Britain is asking itself if it has gone too far, having damaged both health care quality and fiscal stability.

Jimmy Carter, faced with Teddy Kennedy's challenge, is trying to finesse the issue. He proposes a 9.7%-a-year "cap" on hospital cost increases. He says capping payments will somehow raise more money to help pay for a $10 billion to $15 billion expansion of government insurance coverage in 1983.

All of which, it seems to us, raises some core issues about the American economy and polity.

The United States is already well advanced towards a system of "free" hospital care, meaning that over 90% of costs have been socialized through public and private insurance schemes. Without doubt, this has lowered cost restraints. Costs also have been pushed up by general inflation, the predations of malpractice lawyers and federal Hill-Burton Act policies that have encouraged overexpansion.

But the thing that is least understood, and yet has the most bearing on the present political debate, is the fact that government "cost containment" efforts themselves have contributed to rising costs. They have damaged the financial structure of hospitals and saddled the public with wasteful bureaucracy. For Mr. Carter to say that he will buy more health care with further "cost containment" is a little like proposing to make cheese go further by giving more to the mice.

The most perverse form of containment has been the limitations applied since 1975, under the 1972 Social Security amendments, to Medicare and Medicaid reimbursements to hospitals. As administered by HEW, these limits hold reimbursements at, and sometimes below, the direct costs of services. If the hospital is to generate any surpluses, they have to come from somewhere else. Since Blue Cross reimbursements are also limited, that means that hospitals must try to get what surpluses they can from charges to commercial insurers and private patients, which has sharply raised charges to such payers.

The annual analysis of hospital costs made by accountants Touche Ross & Co. shows hospitals making ever larger allowances for reimbursement shortfalls. And as their charges to private patients rise, they are incurring higher bad debt losses. The combination of allowances and bad debts rose to 18.6% of total patient revenues in the 1977 Touche Ross survey, up from 17.9% in 1976.

Well-endowed hospitals, such as New York's Columbia Presbyterian, have dipped into endowment funds to meet shortfalls, but this is hardly an attractive solution. It erodes funds intended to support advances of medical technology.

Other hospitals have worse troubles. Richard J. Oszustowicz, a health care administration professor at the University of Minnesota, says many are resorting to borrowing to meet working capital needs (a syndrome reminiscent of the one that put New York City in the soup). The Touche Ross survey shows that interest costs climbed fastest, at 18%, of any single hospital cost in 1977.

The Touche Ross analyst, Robert F. Rosenstiel of Los Angeles, finds the outlook bleak on the basis of his look at the 135 representative hospitals covered by the 1977 survey. "With the present rate of inflation," he writes, "income from operations can hardly be expected to provide sufficient funds either for the replacement of equipment and facilities or for expansion. In fact, even routine maintenance has been deferred in significant amounts."

HEW's answer to all this would be that the whole purpose of the controls is to force hospitals to reduce "waste." But a careful look at hospital cost sheets reveals that the primary source of waste is not maladministration or technological "frills" or "overutilization" of hospitals by patients and physicians. It is a massive overlay of federal, state and local regulation that makes hospitals one of the nation's most regulation-burdened industries.

In New York State, with a particularly manic set of state regulators, a recently released survey based on 1976 results, found hospitals ruled by no fewer than 164 regulatory agencies, including 40 at the federal level. The costs inflicted by these agencies amounted to 25% of total hospital budgets, or a statewide average of $38.86 per patient day. The Hospital Association of New York State, which did the survey, says the costs have risen further since 1976. New York State now has price controls similar to those of Connecticut, Maryland and a few other states, for example. HEW, according to the American Hospital Association, promulgates from 650 to 750 new or revised regulations affecting hospitals each year.

Some hospital regulation is of the type that afflicts all industry, OSHA rules and minimum wage legislation, for example. But ever since the big surge of Medicare and Medicaid demand pushed hospital charges up in the late 1960s, hospitals have been subjected to a whole series of "cost containment" laws, all of which have generated substantial costs to hospitals and taxpayers with, at best, dubious results. Federal and state governments have applied these measures to try to hold down soaring Medicare and Medicaid costs.

There has been "certificate of need" regulation, along public utility lines, to try to make hospitals prove they need a new piece of equipment before acquiring it. Health Planning Agencies try to analyze the need for hospitals themselves, often creating rather than reducing planning confusion. Perhaps the biggest failure has been Professional Standards Review Organizations, set up under a seven-year-old federal law. The PSROs, expensively staffed with doctors and served with hospital paperwork, are supposed to second-guess decisions by other doctors on matters that affect hospital costs, such as whether to operate on a heart patient. Even HEW has admitted that the PSROs have failed to save money, but they're still around.

The reasons why regulatory failures are not scrapped are instructive. The political thrust for such efforts derives from a knowledge by their advocates that health care cannot be fully nationalized in this country until some way is discovered to control health care costs. The experience with direct government operation of VA and public health hospitals has shown that to be the route to gross inefficiency. And it is difficult to destroy the decisionmaking powers of doctors short of conscripting them.

But despite such failures, it still is argued by Senator Kennedy and HEW bureaucrats that government control of health care must be extended. They insist that when the government finally obtains full control of hospitalization insurance, it will finally be able to hold down costs. They are not deterred by the failure of national health systems elsewhere to control costs and maintain quality. In Britain, private health care is returning to vogue for this reason.

Mr. Carter is trying to deal with these conflicts and pressures with his proposed "cap." But as the above analysis suggests, it is unlikely that the cap can generate anything but added regulatory costs. Moreover, it will be patently unfair, penalizing the nation's best hospitals—the ones that have been the most efficiently managed, that provide teaching services and that offer the most advanced technological services. Working capital problems will be further aggravated, bringing about financial collapse for some hospitals. Medical advancement will show. Patients will not get more for less, as the administration implies. They will get less for more.

We can think of few areas where the effect of federal intervention has been more counter-productive. And yet the surest way for its advocates to succeed is through destruction of the present system, which is well underway. The hospital cost issue is a reflection of a larger problem that we have not yet begun to solve.

"FOOLS WITH INITIATIVE," BY SIMON LEYS

Mr. HATCH. Mr. President, from time to time, shafts of light strike even the most unlikely places. An example is this analysis of U.S. policy toward China by the noted European Sinologist, Simon Leys. It appeared in the imaginative New Republic magazine of March 10, 1979, much to the editors' credit.

Dr. Leys essentially makes three points. First, he says that the United States had no vital interest in formally recognizing China, since it could obtain everything it wanted without it, whereas the Chinese absolutely required U.S. support and could not afford to quibble about such luxuries. This advantage the United States threw away. Second, he argues that recognizing Peking came at the worst possible time for the burgeoning democracy of Taiwan, since it gave hard-liners an excuse to cancel the election scheduled for last December. Third, he points out that the compulsive need of U.S. politicians for television spectaculars aimed at their domestic constituencies inevitably undermines rational diplomacy.

I ask unanimous consent that Dr. Leys' article be printed in the RECORD for the benefit of my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOOLS WITH INITIATIVE

(By Simon Leys)

The establishment of diplomatic relations with Peking was long overdue. It should have been done as early as 1949. Not to have done it at that time was a mistake. Mistakes can become a source of new obligations which should not be lightly discarded. In old fashioned ethics, when a wealthy gentleman made a poor girl pregnant, he was supposed at least to support the mother and child, and the prospect of a brilliant marriage with some heiress could not suddenly free him from his moral obligation. The early American mistake of siding with Chiang Kai-shek against a majority of the Chinese people, against history and against common sense, eventually bore one entirely unexpected fruit: modern, dynamic Taiwan with its thriving 17 million people who, at this stage, do not have the slightest desire to become subjects of the People's Republic and who should be guaranteed the right to pursue their own separate destiny as long as they deem fit.

The United States thus had to reconcile two contradictory demands: the demand of common sense, which was to recognize Peking, and the demand of conscience, which is to protect the people of Taiwan. This seemingly intractable contradiction was quite satisfactorily solved in practice. A triangular relationship progressively evolved among Washington, Taipei and Peking in a way that smoothly and efficiently met the basic requirements of all three parties. The main interest of the United States—and of world peace—would have been to preserve this balance.

The "normalization" which Carter so rashly and irresponsibly improvised destroyed a precious equilibrium and introduced dangerous instability. The Soviet Union has been needlessly provoked, Peking has been foolishly emboldened and Taipei feels cornered and pushed toward desperate and ominous decisions. An element of unpredictability thus has been injected at once on all sides. In this respect, the Chinese adventure in Vietnam, which is but a beginning, was a direct outcome of Teng Hsiao-ping's surrealistic American experiences: having gauged to its full measure the naiveté, malleability and incoherence of Carter and his Asian experts, Teng felt confident enough to launch this frightful gamble, at the risk of jeopardizing his modernization plans and of presenting the Soviet Union with a golden pretext for the military strike it has dreamed of launching for the last 12 years.

These frightening developments are all the more consternating because they were perfectly avoidable. "Normalization" could have been achieved in far safer conditions if it had been worked out more cautiously and at a slower pace. It even could have been postponed without any real harm. The two main purposes for which Peking is seeking closer relations with the United States are (1) protection against the Soviet menace, and (2) modernization of China.

These two objectives, both of which deserve American sympathy and support, were already essentially secured within the framework of the already existing *de facto* relations. If Peking wished to upgrade the relationship and insisted on adorning it with full ambassadorial paraphernalia, it should have paid the price. In particular, it should have provided guarantees about the security of Taiwan. All that Washington had to do was to sit tight and wait. Peking had no other option. It cannot mend its fences with the Soviet Union: the Sino-Russian conflict, deeply embedded in history and determined by permanent factors of political geography, lies beyond the reach and control of modern statesmen. And Peking cannot cancel the modernization drive without committing political suicide. Peking thus had to accept either a continuation of the *de facto* relationship, or "normalization" on American terms.

What Carter proudly announced to the nation at the end of last year was in fact that he had given away, without any compensation, this unique bargaining advantage enjoyed by the United States. In exchange, he had obtained nothing, and he seemed very pleased with it. The reasons for this incredible *marché-de-dupes* are manifold. There is the pathological psychology of a compulsive achiever who, unable to understand the old wisdom of Kipling's law that "most of the things in the world are achieved by judicious leaving alone," is further driven into frantic activity by a show-business-oriented society. Judicious leaving alone achieves many things in the world, but not newspaper headlines and TV spectaculars. The irresponsibility of Carter's political advisers and China experts also contributed. Give an academic the delusion that he may play an historical role and you can turn any decent scholar into a public hazard. As the Russian proverb says: "to have a fool is bad, but to have a fool with initiative is worse." For all the expertise displayed in Carter's China policy, it could as well have been designed by Shirley MacLaine. One small example: from Nixon's Shanghai communique to Carter's "normalization" communique, in the Chinese language versions, the Chinese managed a decisive verbal escalation without provoking any reaction on the American side: the phrase "the US *acknowledges* the Chinese position on Taiwan" thus became "the US *admits* the Chinese position on Taiwan." Apparently no one was able, or bothered, to read the Chinese text!

The precise timing of Carter's China initiative has led to much speculation among independent China observers. Since it occurred at the exact moment when it could inflict *the most grievous damage* to Taiwan's political life, the Chinese on Taiwan find it hard to accept the notion that this might have been purely coincidental. Taiwan is by no means a democratic country. Over the years, however, the democratic trend has grown in strength, even finding an echo within a certain fraction of the Kuomintang itself, among some younger and more enlightened members of the leadership. Though still represented by only a minority within the party, this democratic tendency, supported by a majority of the population and better attuned to the reality of modern Taiwan, had time on its side and was promised eventual victory.

A most crucial step in that direction was the national elections, due for late December of last year. In contrast with earlier perfunctory elections, this time the electoral campaign was developing in a way that impressed even Taiwan's most severe critics. The political debate was free, bold and thorough; many non-party and opposition candidates were fairly sure to win to the utter dismay of the Kuomintang die-hards. And then, as victory was practically within the reach of so many of these champions of democracy, came Carter's announcement: a godsent opportunity for the old conservatives, who immediately decreed a state of emergency, cancelled the elections and even arrested several leading opposition personalities. Why could Carter not wait just a few more days? Was it a plot? Was it callousness? Was it ignorance? Though unbelievable to the Chinese, the ignorance seems, alas, to be the correct explanation. Carter's China think tank was not aware that there was an election campaign approaching its climax in Taiwan. The US government spends millions of dollars for the gathering of intelligence. And yet unfortunately, it did not possess the information that you and I obtain every day for a few cents, simply by buying the newspaper. In a world where democracy is already on the wane, Carter thus unwittingly destroyed, with one mighty blow, this precious and fragile attempt at developing one new democracy in Asia.

Reflecting upon this singular achievement of a man who, without doubt, is lofty-minded and utterly honest, one nearly comes to regret the time when American politics were in the hands of mere crooks.

"SOUTH AFRICA: WHAT IS BLACK?" BY XAN SMILEY

Mr. HATCH. Mr. President, the United States takes an interest in southern Africa for reasons of domestic politics as well as international strategy. But our knowledge of the situation is not great. Sometimes, it even seems as if our efforts to learn more are counterproductive, because we insist on applying inappropriate concepts from our own experience. This is what lies behind much of the administration's prescription for the area.

One aspect of the complex reality of Africa is illustrated by an excellent article by Xan Smiley, which appeared in the New York Review of Books of April 19, 1979. Smiley is the editor of the fortnightly paper Africa Confidential, based in London. He is a journalist who writes so dispassionately that even notorious idealogues like myself—and, on the other side, the New York Review Of Books—can read his work without apoplexy and with profit, whether or not we agree with his conclusions.

In this article, Smiley points out that Steve Biko, the leader of the Black Conscious Movement whose death caused so much controversy here and in South Africa, belonged in the tradition of black South African politics represented by the Pan-Africanist Congress—PAC—rather than its rival, the African National Congress—ANC. That is, Biko favored an "exclusivist" black racial nationalism in which there was no role for white liberals, let alone South Africa's numerous other races. By contrast, the ANC tradition has been multiracial and integrationist, and it has generally favored the assimilation of blacks into modern society rather than a revival of their tribal heritage. Paradoxically, according to Smiley, this has meant that the ANC has increasingly fallen under the influence of Moscow-line white South African Communists.

Biko's views were certainly understandable, given the profound differences between white and black cultures in Africa. Similar thinking has motivated the expulsion of thousands of East Indian immigrants from the independent African states. But it is a position considerably more radical than Biko's white admirers have admitted, influenced as they were by his personal charm and the fact that he had not thought out all the implications of his ideas.

Robert Sobukwe, the former leader of the PAC, two of whose children are in the guardianship of our U.N. Ambassador, Andrew Young, also came from this "exclusivist" political tradition.

Smiley's conclusion is particularly thought provoking. For both "exclusivists" and nowadays for the ANC, he says, the open society as we know it in the West is anathema. But he adds that the Afrikaaners, whose solidarity the "exclusivists" have always admired and whose policies they in a sense echo, may well be more compatible with this than we realize: "Perhaps the Afrikaaner heirs of Verwoerd, rather than the English speakers who say they are ready for 'equal rights for all' " will turn out to be the sole white tribe to survive.

Americans would be well advised to concentrate on keeping our global enemies out of this strategic part of the world, and letting its inhabitants continue to resolve their differences through the complex process of racial diplomacy upon which they have actually been engaged for some hundreds of years.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOUTH AFRICA: WHAT IS BLACK?

It is a stark indication of black nationalism's tortuous crawl toward an independent South Africa that the question of how to regard whites opposed to apartheid still—after thirty years—engenders more rancor within nationalist circles than does the conduct of whites defending the laager itself. The gulf between the multiracial African National Congress (ANC) and the "exclusivist" Pan-Africanist Congress (PAC) has never been wider nor the differences more bitterly divisive. Both movements were outlawed in 1960 and forced into exile or underground. Since then, the realization by the leaders that violence is now the surest method of contesting white rule has prompted them to seek arms from conflicting international camps—thus further increasing the risk of factional war, should the white citadel start to crumble.

Many of the leaders of ANC and PAC have been put out of political action: the ANC president, Nelson Mandela, is serving a life sentence on Robben Island. The PAC leader Robert Sobukwe, who died last year, spent the final seventeen years of his life in prison or under "restriction." The two organizations are now primarily exile movements, based in such African countries as Angola, Zambia, Mozambique, and Tanzania. They are kept alive largely by funds from outside South Africa, often from global or African rivals.

The roots of discord between ANC and PAC reach deep into the past and reflect a gap between two utterly different schools of thought. As Gail Gerhart describes it in her finely charted navigation down the twisted and often murky channels of South African nationalism, the essential issues have remained the same at least since World War II, and extend beyond the history of rivalry between ANC and PAC right through to the uprising in Soweto and the stand taken by Steve Biko before he was killed. The problem has in no manner been resolved by the spread of "black consciousness," in the form advocated by Biko and others. Moreover, the gap between the two schools of thought has been widened not only by tactical differences—over how to rid South Africa of its present rulers—but also by sharply divergent visions of what postapartheid South Africa should be.

From its inception in 1912, ANC was a reformist party led chiefly by members of the emergent black professional class—often teachers, lawyers, clergymen—who demanded advancement for blacks into white society, but who hardly questioned the essential values of white society itself. It was argued that the decency of "good" whites, especially liberals and those active in the churches, would surely be able to instill "common sense" into white society as a whole, and would persuade white government gradually to open economic and political avenues to blacks, as "equal partners." Integration was the ANC aim. And in the words of the first ANC president, Rev. John Dube, "race co-operation must be the watchword." Reformism was slowly abandoned in the face of steadily increasing repression by white governments after 1948, but a heavy strain of liberalism remained within ANC at least until it was banned in 1960. Even as late as 1957, Secretary-general Walter Sisulu was remarking optimistically that Afrikaner Nationalism had "passed the high water mark." There was still the presumption that true change must be generated within the white political forces.

Even after 1960, integration remained the cornerstone. When it became clearer, especially after the advent in 1948 of the first Afrikaner government under Daniel Malan, that whites were actually tightening the reins of power at the expense of blacks (and indeed of Coloureds and Indians too), ANC had begun to look toward extra-legal tactics—such as the Defiance Campaign of 1952, and strikes. But it remained fiercely opposed to violence until the early 1960s. In particular, it continued to deplore any incitement of racial hostility to further the aims of nationalism. When the ANC president, Chief Albert Luthuli, received the Nobel Peace Prize in 1960, he emphasized as ANC's proud-est achievement that, despite the provocation of white society, ANC had steadfastly refused to drum up popular support by inciting racial enmity.

On the other hand, the overriding aim of the "Africanist" bloc, which slowly evolved into the separate PAC, has been to resuscitate black pride without recourse to help from white liberals. PAC has never allowed for the advocacy of multiracial "partnership" as expressed by the early ANC leaders. PAC demands total power for blacks alone: only after the collapse of the white power structure may society be reconstituted to include those whites willing to remain in an essentially black country.

As far back as the early 1940s, the birth of an Africanist bloc within ANC had become apparent, largely as a protest against cautious leadership. The most vocal early Africanists were members of the impatient and energetic ANC Youth League, formed inside the ANC fold, under the magnetic leadership of Anton Lembede, an intense and vivid figure, the pioneer of what later became known as black consciousness. He was the first in a line of exclusivists that extends through Robert Sobukwe and on to Biko himself.

The driving fear of Lembede and his Africanists was that the ANC leadership had been seduced by liberal white mentors into becoming the unwitting victims of a stifling white paternalism. The Africanist hostility to white "well-wishers" did not stop at the liberals. Lembede believed no less strongly that Marxism, as articulated by whites, was equally capable of stunting the growth of black pride and self-confidence and was just as likely to undermine the black will to grasp power. Thus began an important tradition among orthodox black nationalists of enmity toward Marxism. The antagonism exists today.

While the mainstream of ANC remained intent on proving that blacks were potentially as capable as whites, professionally and in government, Lembede rejected the entire assumption of the continuing presence of whites in South Africa. Above all, he rejected the norms of white society, to which blacks—he argued—were sycophantically aspiring. Instead he demanded a resurgence of black culture.

In his search for ways to create a new sense of black brotherhood, Lembede was drawn even to the writings of the future Afrikaner prime minister Hendrik Verwoerd, who as editor of *Die Transvaler* glorified the achievements of the Afrikaner *volk*. As Gerhart writes, "Lembede saw nothing wrong with quoting certain ideas of Hitler and Mussolini with approval." He looked to the tribal heroes of the South African past and studied several vernacular languages.

He tried to evoke admiration for a tribal past uncontaminated by the white man's values. Noting—as did Biko after him—what he saw as the ingrained religiosity of the black African people, he told the independent churches to incorporate elements of traditional African religion within the Christianity imported by whites. "Nationalism should itself," he declared, "be pursued with the fanaticism and bigotry of religion, for it is the only creed that will dispel and disperse the inferiority complex which blurs our sight and darkens our horizon." The main body of ANC followers—and especially its white adherents—was quick to condemn such beliefs as "inverted racism." Sobukwe and other nationalists invariably faced the same charges. It was Biko who was best at deflecting them.

ANC has always paid official homage to black culture, yet its political activities have remained most attractive to those black Africans who strive to attain a "modern Western lifestyle"—but find themselves balked by the system. Romanticizing the tribal past ran counter to the entire ethos of ANC. "The whole idea of 'African culture,'" explains Gerhart, "smacked of beads and blankets and primitivism, and they wanted to have nothing to do with it." Lembede, who died in 1947, when he was thirty-three, did manage to use ANC's Youth League to nudge ANC from its generally cautious, reformist position, but he failed to turn it away from multiracialism.

Far from it. Soon after his death, there ensued a crucial series of changes inside ANC that would have wholly divorced him from the movement and which eventually resulted in the Congress Alliance—a broad multiracial front, in which ANC was the key organization and which embraced Indians, Coloureds, and radical whites. Ironically, the changes began with the brutal Durban riots of 1949, when fighting between Indians and blacks left 137 dead. A couple of years later, in order to avoid such violence between the communities, leaders of ANC and the South African Indian Congress (SAIC) launched a Joint Planning Council to foster cooperation between the groups. Other sectarian movements were brought in. By 1954 a broad alliance had blossomed and encompassed the South African Coloured People's Organisation (SACPO) and the white Congress of Democrats. When the Communist Party of South Africa, whose leadership was dominated by whites, was outlawed in 1950 many Marxists began to look to ANC as the best forum for political activity. In addition, a number of leaders in SAIC were also communists. The concept of multiracial cooperation was given substance. But Lembede's nightmare—multiracialism in harness with communism—had come true.

Such a shift was anathema to the Africanists. What particularly incensed them was the endorsement by ANC of the "Freedom Charter," drawn up in 1955 with the encouragement of the Congress Alliance. The most contentious clause was: "South Africa belongs to all who live in it." To the Africanists, that was blasphemy. To them, South Africa—or Azania, to use the later terminology of PAC—belongs only to the indigenous black inhabitants, to whom all the land must be restored.

To the ANC leadership, the new connections with other groups led to welcome organizational improvements, not to mention financial assistance. ANC could point to its Defiance Campaign of 1952, based on a Gandhian model of civil disobedience, which sent ANC membership soaring upward and heralded a more militant phase of opposition. The campaign had been jointly planned by black and Indian leaders.

The Africanists, however, were convinced that the price was too great: the blacks' own liberation battle was being waged by "foreigners" whose real aim was to keep control—in whatever guise—over the blacks. The Africanists reserved special hostility for communists, who, they argued, had begun to permeate and warp the nationalist movement. Lemebede had condemned communism partly because, as with many like-minded orthodox colleagues, his religious training set him against a philosophy that appeared to play down man's spiritual nature. It was part of the Africanist catechism that materialism was the disease of the white man, and political creeds that laid stress upon material equality seemed somehow unwholesome.

At the same time, despite the growing emphasis on egalitarianism that understandably arose within ANC along with Marxist participation, the Africanists insisted that ANC as a whole was taking on a more elitist hue. Many of the Africanist leaders had rural backgrounds, in contrast to what they depicted as the slick urban flavor of ANC. Africanists said they stood for the "sons of the soil." They said that the Congress Alliance meant that ANC leaders were losing touch with the masses by consorting with "tea-drinkers in smart Johannesburg suburbs." Trips to Eastern Europe were drawing black leaders even further from the people. Despite its universal claims, Marxism—according to the Africanists—was another religion of the white man. To counter charges of narrow black chauvinism, the Africanists began to extol the Pan-Africanism of Nkrumah and other rising Continental leaders.

The main reason for the Africanists' rejection of Marxism was not so much hostility to Marxist theory itself but rather the fact that its chief South African exponents happened to be white or Indian. Gerhart also argues that ANC—certainly up until its 1960 banning—was not taken over by white communists, despite the decision to cooperate with them. The Africanists (and later PAC) stuck to their fundamental objection to communism: that white communists, just as much as white liberals, prevent blacks from achieving the psychological freedom that is the prerequisite to nationhood. Biko made the same charge against the radical white students in 1968.

Despite deep differences within ANC, it was not until 1959 that PAC formally broke away as a separate movement, with Sobukwe as first president. Since the days of Lembede, Africanism had been modified under the shrewd guidance of the less flamboyant Ashby Mda, but it was Sobukwe who made the concept "respectable" through his articulate advocacy of what later developed into the Black Consciousness Movement. He himself, like Steve Biko, was always courteous and often friendly to the whites with whom he came into contact. He emphasized the "positive" aspects of black consciousness and black pride, and insisted that "anti-white-ism" was not the mainspring of PAC. But Sobukwe spurned the ANC line that "the system" alone should be the object of hatred. "We do not hate the European because he is white," he said. "We hate him because he is an oppressor." But he went on, "It is plain dishonesty to say I hate the *sjambok* [the whip] and not the one who wields it." He began to dilute the exclusivist purity of traditional Africanism, especially with regard to the rights of the whites after independence. But a white journalist, reporting on PAC's inaugural convention, more cynically described the ambiguities of the new approach: "All who give their allegiance to Africa are African, but some Africans are more African than others."[1] More charges of preaching "reverse apartheid" were brought against PAC by the ANC multiracists.

PAC's main counter to such accusations was to assert that it would be more effective than ANC in bringing change. PAC failed to substantiate this claim, for its organizational resources were much slenderer than those of ANC. Within a year of its foundation, PAC did, however, manage to set up the "Pass Campaign," in which blacks were encouraged to defy the law that they carry passbooks in order to legally "stay in white areas." The result, in March 1960, was the killing at Sharpeville of sixty-seven blacks, mostly as they ran away from Verwoerd's police.

Within months, both ANC and PAC were banned. Heightened vigilance and savage repression by the government sent the nationalist movements reeling into a state of disarray and quiescence from which they have still to recover. Thus the only real—and unintended—success of PAC was, through the grim statistics of the massacre, to publicize the nature of apartheid to the outside world. In the early 1960s, the entire leadership of ANC and PAC was banned, imprisoned, or forced into exile.

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[1] P. Rodda in "Africa South," July–September 1959.

Tactically, PAC counted on "the spontaneity of the people" and held other optimistic revolutionary notions ill-suited to the needs of a long drawnout struggle. Two months after the Pass Campaign was over, thousands of blacks were lining up for new passbooks to replace the ones they had burned. Organization for sustained opposition was wanting. Even Robert Sobukwe overestimated the readiness of the masses to respond to his call. Once he was jailed, leadership passed to Potlako Leballo, whose impulsive character has provoked a series of divisions within PAC right up to the present day. In 1963, an unhappily timed boast from his haven in the British-administered enclave of Lesotho that *Poqo*, the PAC military wing, was about to unleash a wave of violence indirectly led to the arrest of 3,000 *Poqo* activists in South Africa. The movement carried out a few killings and provoked brutal repression. PAC had propagated black power as an idea, but failed to give it reality.

In its drive for "separate development" in all walks of life, the Afrikaner regime made all mixed-race political organizations illegal. In 1968, even the multiracial Liberal Party had to dissolve. By that time, the white-dominated English-speaking National Union of South African Students (NUSAS) had become the sole mixed-race opposition group that could both include radicals and survive.

It was then that the figure of Steve Biko swept onto the scene. Educated at a Roman Catholic school in Natal, he entered the "non-European" section of the Durban medical school in 1966 at the age of nineteen and soon became a prominent student leader. He carefully avoided identifying himself with either ANC or PAC, though his elder brother had been arrested as an activist of PACs *Poqo* in 1963. Biko expressed a vague wish that the two older movements and the group that emerged out of his own Black Consciousness Movement (BCM) should unite. Nevertheless, there is no doubt that he falls squarely in the category of orthodox nationalists, epitomized by Lembede, Mda, and Sobukwe.

As a leading member of the white-dominated National Union of African Students, Biko came to the same conclusion as his nationalist predecessors: however well intentioned—or guilt-ridden—were white liberals, blacks could only achieve freedom on their own. "The biggest mistake the black world ever made," he said, "was to assume that whoever opposed apartheid was an ally." So in 1968 he founded the exclusively black South African Students' Organization (SASO), which became the chief purveyor of the gospel of black consciousness.

Much of his message echoed that of Lembede, with updated borrowings from American black nationalist rhetoric of the 1960s. He banned the South African official term "non-white," with its degrading negative, from the black consciousness vocabularly. The white English-speaking liberal became the butt of much abuse, both angry and humorous. Above all, Biko attacked the assumption that integration must be the goal of anyone opposed to apartheid.

"For the liberals, the thesis is apartheid, the antithesis is nonracialism, but the synthesis is very feebly defined. They want to tell the blacks that they see integration as the ideal solution. Black Consciousness defines the situation differently. The thesis is in fact a strong white racism and therefore the antithesis to this must, ipso facto, be a strong solidarity amongst the blacks on whom this white racism seeks to prey. Out of these two situations we can therefore hope to reach some kind of balance—a true humanity where power politics have no place."

At the same time as he tried to reinvest the word black with a fresh dignity, he broadened the term black consciousness to embrace all groups outside the pale of well-to-do white South Africa. "Being black is not a matter of pigmentation—being black is a reflection of a mental attitude." Being black, as Gerhart summarizes his view, is "status more than color." But, like Lembede and Sobukewe, Biko would not avoid a certain ingenuousness when charged with racism: "One cannot be racist unless one has the power to subjugate."

Nevertheless, as is well known, Biko harbored little personal animosity to whites. Indeed, in the exclusivist tradition, he confessed to an admiration for the way the Afrikaners—once themselves in a sense an oppressed minority—had preserved their own cultural energy. His contempt was directed more against the English-speaking liberal, with a "passport in the back pocket," enjoying the fruits of privilege until the time would arrive for the scuttle "home." Still, it was from white liberals that Biko received much of his encouragement, publicity, and even some of his movement's financial assistance. By far the best selection available of Biko's essays and speeches has been compiled by a liberal Anglican priest, Father Aelred Stubbs.

The collection shows that, beyond the immediate aim of restoring pride and psychological freedom to the black man, Biko's explicit political views were visionary, mild, and vague. He conjured up the prospect of an "African communalism" that would eschew both capitalism and socialism. He said he "appealed to the masses," but the Black People's Convention (BPC), the front that was set up in 1972 by SASO and the Black Consciousness Movement, was confined largely to students, intellectuals, and churchmen. Biko was far from radical. Nor was he a populist who envisioned a rising of the rural poor. Defending his SASO colleagues after they were put on trial in 1975, he said, "Rural folk are essentially the kind of people you cannot politicize through the introduction of politicial debate because of their hand to mouth existence."

His few statements for the BPC on the redistribution of property are scarcely drastic. He made an ill-defined appeal for "an African middle way"—the standard jargon of laissez-faire African governments—and he talked of a "judicious blending of private enterprise and state participation." He had little patience with the schematic class analyses of the kind undertaken by ANC. He scoffed at the thesis that "the struggle is a class struggle rather than a racial one. Let them go to Van Tonder [the typical Afrikaner farmer] in the [Orange] Free State and tell him this."

Yet Biko's ideas did not go beyond the revival of black consciousness. His theorizing on the utopian black society of the past that will be resurrected in the future draws more on fantasy than on history.[2] He reveres Africans' "deep concern for each other. . . . We are not a suspicious race. We believe in the inherent goodness of man. We enjoy man for himself. We regard our living together not as an unfortunate mishap warranting endless competition among us but as a deliberate act of God to make us a community of brothers and sisters jointly involved in the quest for a composite answer to the varied problems of life. Hence in all we do we always place Man first and hence all our action is usually joint community-oriented action rather than the individualism that is the hallmark of the capitalist approach. We always refrain from using people as stepping stones."

He goes on to quote the "humanism" of Zambian President Kenneth Kaunda: "Africans . . . experience a situation rather than face a problem. By this I mean they allow both the rational and non-rational elements to make an impact upon them, and any action they may take could be described more as a response of the total personality to the situation than the result of some mental exercise."

Pursuing such "African concepts" as Kaunda's, he said: "I cannot help feeling that more time should be spent in teaching man and man to live together and that perhaps the African personality, with its attitude of laying less stress on power and more stress on man, is well on the way to solving our confrontation problems." The ideas are amiable—but as meaningless as Kaunda's "humanism" is to the Zambian peasant who sees the corruption and mismanagement of government driving his country to economic ruin.

Stubb's compilation vividly illustrates the strengths and weaknesses of Biko's work. He was certainly a clear and persuasive advocate of the meaning and necessity of black consciousness, as in this impromptu answer to the defense lawyer during the SASO trial:

Soggot. Now, the concept of Black Consciousness, does that link up in any way with what you have just read?

Biko. Yes, it does.

Soggot. Would you explain briefly to His Lordship that link-up?

Biko. I think basically Black Consciousness refers itself to the black man and to his situation, and I think the black man is subjected to two forces in this country. He is first of all oppressed by an external world through institutionalized machinery, through laws that restrict him from doing certain things, through heavy work conditions, through poor pay, through very difficult living conditions, through poor education, these are all external to him, and secondly, and this we regard as the most important, the black man in himself has developed a certain state of alienation, he rejects himself, precisely because he attaches the meaning white to all that is good, in other words he associates good and he equates good with white. This arises out of his living and it arises out of his development from childhood.

When you go to school for instance, your school is not the same as the white school, and *ipso facto* the conclusion you reach is that the education you get there cannot be the same as what the white kids get at school. The black kids normally have got shabby uniforms if any, or no uniform at school, the white kids always have uniforms. . . . Now this is part of the roots of selfnegation which our kids get even as they grow up. The homes are different, the streets are different, the lighting is different, so you tend to begin to feel that there is something incomplete in your humanity, and that completeness goes with whiteness. This is carried through to adulthood when the black man has got to live and work.

Yet he remains essentially a propagandist, an intuitive debater, a catalyst for ideas, a charismatic and sensitive leader. His own exemplary organization of clinics and self-reliance projects after he was banned to his remote home town showned that he could also practice what he preached—yet many of his ideas were a jumble of well-worn platitudes borrowed from African utopian ideologues—Sékou Touré, Franz Fanon, Kaunda, and so forth.

But Stubbs's selection of Biko's writings, some of them harsh and strident, is tenderly offset by a personal memoir which, however effusively, describes the softer, gentle side of Biko's nature. For, despite his glittering performance as a speaker, Biko was a humble man, imbued with a religious feeling handed down from a devoted and devout mother. The correspondence between Stubbs and Biko conveys the humanity that fed Biko's distaste of "power politics," despite his own skill at them.

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[2] See especially "Some African Cultural Concepts" (chapters 8 of *I Write What I Like*).

Part of the reason for the BCM's effectiveness was the inability of the authorities to connect Biko to a particular political creed. That is largely because Biko found it convenient to play on the cultural and quasi-religious aspects of black consciousness. Before he was brutally killed in 1977, while naked and manacled, Biko had been banned from all political activity in 1973, and had been detained and arrested many times—but he had never been convicted. He was remarkably adroit in keeping his movement alive. It has indeed been argued by radical black critics of Biko that he pandered to "the system." His accent on a separate black identity did, after all, dovetail nicely with some of the key tenets of apartheid. At first, as Biko himself pointed out, some thought the Black Consciousness Movement was playing into the hands of the Afrikaners. Biko was certainly nimble at manipulating the rules. It was, in the end, a tactical triumph that he achieved what he did within the walls of apartheid.

That is well shown by Millard Arnold's faithful transcription of the 1976 SASO trial, where Biko spent four and a half days defining black consciousness and the aims of the BPC and SASO. He displays his humor, both kind and angry, his quick wit and intelligence. He ran rings around the state prosecutor and magistrate. Yet much of his philosophical lecturing, legal quibbling, and semantic bickering was designed not for posterity, but simply to defend his own colleagues in the dock.

As Stubbs observes: "One could not imagine Trotsky or Lenin being at home with [Biko and his colleagues]. Herein lay the weakness of the movement: it was too much the movement of an idea; too little a ruthless, organized force. Its weakness, yes; but also its ultimate strength! Being the movement of an idea, almost a mood, it was, and is, extraordinarily infectious." Gerhart notes similar limitations to Biko's black consciousness, which "for all its success in helping to arouse Africans to a new sensitivity to oppression, is in the end primarily a transitional philosophy, aimed at overcoming the psychological handicaps which have crippled Africans politically for so long. Its constructive potential, and that of African national ideology generally, will almost certainly prove too limited once a more searching analysis of political and economic problems becomes an urgent requirement."

Biko, then, put the people "in the mood" but gave them no working strategy for the future. That, after all, is what the exile movements should be planning. Much of the energy that erupted in Soweto in June 1976 had been channeled and inspired by Biko's movement. In the end, however, the Afrikaner government was shaken—but hardly moved. It is a sobering reminder that the one scheme that could have materially damaged the white bastion—a call, a few months after the riots, to urban employees to stay away from work—was a failure. Biko himself had to admit that the BCM had embraced mainly students, intellectuals, and churchmen. A trade union wing of the Black People's Convention had been formed, under the label of the Black Allied and Workers' Union (BAWU), but it had failed to build any muscle. Coloureds and Indian workers proved unwilling to risk losing their few privileges within their own unions for the sake of a broader black unity.

While the trade unions have remained badly organized and—to use Biko's term—"unconscientized," it remains possible, paradoxically, that the ideology of black nationalism may yet be engendered in the Bantustans, the tribal reservations which amount to 13 percent of South African land and which the government insists the blacks should regard as their home. Gerhart admits that, despite the official contempt of Biko and of the exile movements, Chief Gatsha Buthelezi of the Kwazulu Bantustan is now the most powerful spokesman for a black ideology within South Africa. Among acknowledged nationalists, there is a distinct ambivalence toward him. He stands condemned by many for agreeing to use the Bantustan platform and is accused, too, of nurturing tribalism and divide-and-rule. But he insists that his *Inkatha* movement, which now claims over 120,000 paid-up members, already extends beyond the Zulus, and itself condemns the Bantustan idea wholeheartedly.

Yet, as we have seen, it had long been the policy in some PAC circles to evoke the tribal past, to stir up pride that may later be channeled into a broader national consciousness. And many former Zulu adherents of Chief Luthuli, the late ANC president, may now have switched allegiance to Buthelezi. Bantustans could unwittingly become the Achilles heel of the apartheid system. The "black islands" of Lesotho and Swaziland, along with Botswana on the perimeter of South Africa, in some respects are not far removed from Bantustans; yet these formerly British-administered enclaves are now harboring anti-apartheid nationalists. The Bantustans could become the haven for a fifth column of nationalists within the system.

If Gerhart raises the question of the Bantustans, she is disappointingly reticent about the progress of the main exile movements within the last ten years. Indeed, throughout her book, informative and well-researched as it is, there is the academic's reluctance to speculate or to make value judgments, though, like almost all white writers on South Africa, she is clearly unsympathetic to Leballo's brand of PAC nationalism. She ably explores the nuances of the two main movements until 1960 and explains why blacks were so receptive to black consciousness in the late Sixties. But she fails to examine a number of key questions, especially concerning the position of the Communist Party within ANC.

This topic is, after all, the greatest source of nationalist discord. Was the Congress of Democrats, for instance, a simple front for the Communist Party, as some of its former members have now claimed? Why has the CP followed so strong a pro-Moscow line? Why have South African communists not experimented with theories of Afrocommunism, in parallel with recent Eurocommunist ventures? What power do communists actually have in ANC decision-making today? Is there any evidence, as recent defectors from ANC insist, that Moscow is deliberately trying to "hijack" ANC?

After most of Gerhart's book was already complete, there was a further important split within ANC—on the same contentious issue of whites and communists within the movement. ANC's financial indebtedness to Moscow is said to be increasing. White communists like Joe Slovo are said to have a major part in formulating ANC policy. As in most exile movements committed to underground violence, there are reports that the armed wing may be drifting out of the grasp of its political controllers. Both movements are preparing for guerrilla war, but one gets the sense that the troops are being led from very far behind the lines.

PAC has been even more seriously weakened by splits, mostly caused by personality clashes at the top. China gives it lukewarm support. In recent years there have been hints that the US may look to PAC and other orthodox nationalists as a counter to the pro-Moscow ANC. Andrew Young continues to be the guardian of two of Sobukwe's children. Much is made of Leballo's supposed anticommunism (anti-whiteism?) and his brief period working for the US Information Service in Johannesburg. The black consciousness trade union movement BAWU is being heavily financed from America. Is the US preparing to place its bets in what is a complex game with high stakes?

African leaders who have gained power on the orthodox nationalist ticket—Kenyatta's Kikuyu nationalism, Senghor's *negritude*. Mobutu's *authenticité*—have tended to welcome the growth of a capitalist economy, and have on the whole been cordially supported by Western capital. But it would be foolish for the US to interpret South African nationalism according to an East/West ideological yardstick or on the assumption that orthodox black nationalism is "pro-Western."

At present, the PAC-black consciousness strain of nationalism is probably more susceptible to the allure of Western interests. Yet the xenophobic undercurrent within the same movement may encourage resistance to all outside influence. Attempts by outsiders to control either movement could easily backfire. In ANC, the growth of a radical authoritarian leadership, especially among whites hostile to Western capital, may possibly strengthen ties with Moscow. But that tendency is and will be opposed within the movement by the old reformist traditions of Luthuli and perhaps by Nelson Mandela himself, who is said to want ANC to accommodate many points of view within its fold.

The only consensus discernible among both exile movements and the black consciousness groups is that liberalism is dead. Whether or not they are accepted within nationalist movements, only whites of an authoritarian bent can find a part to play today, on either side of the Limpopo—whether they are tycoons in some black African countries or Marxist ideologues in others. Liberalism appears as obnoxious to the philosophers of black nationalism as it is to the Marxists. The free press, parliamentary democracy, and other such pillars of liberalism are seen as fripperies of the cosseted white mentality, alien to the traditions both of precolonial society and of twentieth-century authoritarian egalitarianism.

There was an old adage that Afrikaners either voted Nationalist—i.e., proapartheid—or communist. Liberalism has little place in Afrikaner political culture. When blacks take power, perhaps the Afrikaner heirs of Verwoerd and Vorster, rather than the English-speakers who say they are ready for "equal rights for all," will turn out to be the sole white tribe to survive.

HOW ACCUSED MASS MURDERER GOT SECURITY CLEARANCE

Mr. HATCH. Mr. President, I took the testimony on the Judiciary Committee last year criticizing the Freedom of Information and Privacy Acts of this country. Law enforcement leader after law enforcement leader came in and testified concerning the deleterious effects of those bills and the interpretations thereof. Recently, Mr. M. Stanton Evans wrote a most interesting article concerning these bills by framing their inadequacies within a particular and specific example, notably that of John Wayne Gacy, the accused mass murderer. I recommend the article of M. Stanton Evans as not only good journalism but accurate dissemination of information.

Mr. President, I ask unanimous consent that the article entitled "How Accused Mass Murderer Got Security Clearance," by Mr. Stanton Evans, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW ACCUSED MASS MURDERER GOT SECURITY CLEARANCE

(By M. Stanton Evans)

The episode in which accused mass murderer John Wayne Gacy was photographed with Rosalynn Carter last year in Chicago becomes increasingly bizarre.

Checking with Secret Service, FBI and local police officials produces a round-robin of confusing explanations, at the end of which lies the disclosure of yet another gaping hole in our internal security defenses. In view of Gacy's status as a previously convicted criminal, it seems incredible that he could get so close to the President's wife. The fact that he did so suggests a security lapse of huge dimensions.

The explanation offered by the Secret Service is that the guest list at the Chicago function was checked against a computerized file of criminal offenders known as "Current Crime Histories," maintained by the FBI. Since Gacy's name did not appear, he was approved to attend the function, and showed up wearing an "S" in his lapel, denoting the fact of official clearance.

But Gacy had been convicted of the crime of sodomy 10 years before in Iowa. Why, then, did not his name appear on the computerized compilation? The initial answer suggested by the Secret Service was that authorities in Iowa must have failed to send the relevant data to the FBI. If the information had been provided by the local officials, it would have shown up in the national dossier.

Police officials in Iowa, however, vehemently deny this. A spokesman for the Iowa Highway Patrol points out that finger prints and other data on criminal defendants in the state are sent to the FBI not once, but three times: First, at the time of booking. Second, when the suspect is logged into the county jail. And third, in the event of conviction, when he enters the state penitentiary at Animosa. All three of these phases would have applied to Gacy.

This tossed the ball back to the FBI. There a spokesman finally explained the mind-boggling loophole that allowed John Gacy to slip through, and could do the same for countless potentially dangerous individuals. This spokesman pointed out that the FBI maintains two different kinds of information systems on criminal defendants: The CCH, which is computerized, and the Identification System, which is maintained on a manual basis.

It turns out that only the second of these is comprehensive, including all known suspects and offenders from all 50 states. The computerized system contains data from only 13 states, although efforts are afoot to convert the rest of the country to this more rapid system. Which means that a check including the CCH, but not including the ID system, would omit offenders and suspects from almost three-quarters of the states in the Union.

This is exactly what happened in the case of Gacy. Since his arrest and conviction did not occur in one of the states plugged into the CCH computer, his name did not show up in the Secret Service inquiry. There simply wasn't time, the Secret Service explained, to check out the more extensive ID system, which often can take weeks to complete. As a result, Gacy received security clearance.

That the First Lady was in serious danger from Gacy may be doubted, although the episode must be unsettling to her and to the President. Nor is the incident a particular knock at the Secret Service, which has an exemplary record and must work with the technology at hand, often in a very brief time span. The point is rather that this outlandish episode reveals an enormous gap in our security precautions: A system that coughs up information on only 13 states is not merely absurd, but potentially dangerous to the people the Secret Service is trying to protect.

Moreover, the FBI informs us that even when the manual data are converted to computer, they will include only reasonably current cases and "serious" crimes, both of which are highly subjective determinations and could still leave a lot of loopholes in the system. And given the recent proclivities of the Justice Department, it is more likely that the loopholes will be there than not. One can't help reflecting, in fact, that the recent "civil liberties" warfare against all forms of internal security has created an atmosphere in which absurd confusions such as the Gacy-Mrs. Carter case are bound to multiply, unless some countervailing action is attempted. Among the remedies which suggest themselves:

(1) Congress should immediately review this episode to insure that similar *faux pas* do not develop in the future. Much better coordination of information is obviously needed among state authorities, the FBI, and the Secret Service, who in the present case appeared to have very different notions of what the existing data systems are capable of doing, and how they are supposed to do it.

(2) In particular, Congress should move to insure the more rapid conversion of the manual ID system to the computer system; if additional funding is needed to expedite the process, such funding should be provided. As part of this effort, Congress should also review the standard of currency and seriousness that are being used by the Justice Department to determine which individual suspects or offenders are to be omitted from the computerized system.

(3) Pending completion of the conversion process, Congress, the Secret Service and the FBI should insist that dignitaries protected by the Secret Service be scheduled into close-proximity meetings with randomly selected people only with sufficient lead time to permit a check of the ID system files maintained by the FBI.

AID TO PAKISTAN

Mr. HATCH. Mr. President, on April 6, 1979, the U.S. Government informed the Government of Pakistan that the United States is cutting off economic and military aid because Pakistan is secretly building a uranium enrichment plant capable of producing the material for an atomic bomb. This decision will affect about $85 million in economic development assistance and a small, almost insignificant military training program. The legal basis for the cutoff has been the Public Law 95–242 that is designed to halt nuclear weapons proliferation.

According to well-informed State Department officials and the Washington Post, the U.S. Government had been informed some months ago by reliable intelligence sources that a secret uranium enrichment plant is under construction in Pakistan. As a result, officials of our Government had a number of high-level talks with their Pakistani counterparts. The fate of the secret plant is said to have been among the highest priority items for discussion by Deputy Secretary of State, Warren Christopher, in his March 1 and 2 visit to Pakistan. On his visit, Mr. Christopher tried to persuade the Government of Pakistan to place the facility under international inspection and safeguards. His proposition was rejected on the grounds that India has refused to allow international inspection of its facilities that produced the material for its 1974 successful nuclear test. Thus, the ending of the economic aid to Pakistan is a direct result of the failure of diplomatic efforts launched by our Government.

Reacting to the decision of our Government, Mr. Khalid Ali, the spokesman of the Pakistani Embassy, said that, and I am quoting from his statement:

> The U.S. action is unfair and discriminatory, for no aid cutoff has been applied to India despite its nuclear explosion and its uninspected facilities.

In conclusion of his statement Mr. Ali categorically denied allegations that Pakistan is seeking atomic weapons. Furthermore Mohammed Ziq ul-Haq recently proposed a joint India-Pakistan declaration renouncing the manufacture of atomic weapons and placing all nuclear facilities of both countries under international inspection. Thus far, no answer has been received from Indian Prime Minister Morasju Desai. In my personal opinion it would be highly unlikely that India would accept such an appeal. So much for the background facts which have been set out in detail in fairness to both Governments.

Mr. President, may I be allowed to question the wisdom and practicability of this decision. Even ignoring statements made by Pakistani officials and fully accepting the American version the determination of economic aid is indeed unfair and discriminatory. I am convinced that our Government is fully aware that other countries, who receive U.S. aid, pursue the same nuclear road as Pakistan. Yet to retaliate against one while ignoring the others is contrary to basic foreign policy principles of this country. I also have grave doubts as to whether the cutoff will lead to a stoppage of alleged irregular activities by Pakistan. I personally cannot recall a single case in which such a measure had the desired effect. On the contrary, it always had a counterproductive effect on the relations of the countries involved. Particularly, in light of recent developments in this Islamic world, this decision is bound to be viewed as directed against the interests of that block. Moreover, the insensitivity of the American Government will again be focused upon and be damaging to our best interests. There is no point in repeating the well-known developments in Afghanistan, in Iran, and in other countries surrounding Pakistan. I merely wish to point out the strategic importance of Pakistan in terms of existing Soviet expansionism. The decision to cut off aid to Pakistan will surely make it turn to the Soviets for assistance. In that event the administration has only itself to blame.

As an aside, I cannot help but note the timing of the cutoff decision coming so soon after the tragic execution of Zulfatir Ali Bhutto. While the act of execution itself is condemnable, I do not believe that our country has any role to play in the internal affairs of a sovereign state.

In conclusion, I wish to remind the administration that government is the art of trying to solve problems and politics is the art of trying to attain power. History teaches that the two meet sometimes, but not often. In the case of this administration, it appears to me that they never meet.

THE MX—A DESTABILIZING DEVELOPMENT

Mr. PROXMIRE. Mr. President, the proposed new Air Force missile allowed under the terms of the SALT II Treaty, the MX, poses arms control and fiscal problems of the greatest magnitude. Not only does its land-based mode open up verification questions, which could complicate if not make impossible any SALT III Treaty but its dramatically improved accuracy undoubtedly will cause the Soviet Union to view it as a first strike weapon. The perception of first strike is a destabilizing element in the nuclear calculus which would give rise not only to first strike countermeasures but also such dangerous doctrines as launch on warning.

For all of the technological improvements embodied in the MX itself, the Air Force has still not found an answer to the basing mode question. A land-based MX, in shell-game mode, would require as much land as the State of Connecticut, would have severe environmental impact, and could be easily countered by an increase in Soviet warheads. An air basing mode would not be guaranteed sufficient time to deploy, would have political and public problems with perceptions of the dangers to populated areas, and would impose costs even more monumental than the costs of a land-based launching system.

The cost of the MX system is a formidable obstacle in itself. Recent estimates go as high as $30 to $50 billion, and will only continue to rise. In a time when we simply cannot afford extravagance, our combined force of submarine, aircraft and land missiles, with the future addition of the cruise missile, make the MX a luxury that cannot be afforded.

Finally to build the MX as a trade for the acceptability of SALT II and future arms limitation is the grossest form of hypocracy. The MX only serves to escalate the arms race and decrease the deterrent effect of strategic balance.

Mr. President, many of these points are clearly summarized in a newsletter prepared by SANE, an organization dedicted to arms control and rational military policies. I ask unanimous consent to have printed in the Record the SANE newsletter.

There being no objection, the newsletter was ordered to be printed in the Record, as follows:

MX: A Threat to Peace

What It Is: The MX ("Missile Experimental") is an intercontinental ballistic missile (ICBM) under research and development by the Air Force. According to current plans, the MX would carry between six to ten 350-kiloton nuclear warheads—each 23 times as powerful as the Hiroshima bomb, each capable of hitting within 140 yards of its target.

WHAT IT MEANS: TO THE ENVIRONMENT

Pentagon strategists want to deploy the MX in a mobile fashion in order to make the missiles harder to target. But so far they haven't been able to decide on a basing mode. Most of the alternatives which have been proposed would have devastating environmental consequences.

An early idea was to shuttle the missiles back and forth on underground tracks—a sort of military Metro. The "trench" basing mode would have scarred the Western landscape with up to 5,000 miles of 21-foot-deep trench.

Then the Pentagon planners came up with the notion of digging twenty holes for each missile and moving them around in a large-scale version of the old-fashioned "shell game." As many as 4,000 holes might have to be dug, requiring a hunk of land as big as the State of Connecticut. According to the Air Force's own Environmental Impact Statement, the "shell game" basing mode would cause substantial soil erosion, air pollution and wildlife disruption.

A more recent idea is to fly the MX around on airplanes, launching the missiles from parachutes in mid-air. With this "air-mobile" basing mode, which would involve more populous areas than any of the others, would come serious problems. According to an Air Force Environmental Impact Statement, these include: noise pollution, a sharp increase in demand for electrical power, and "perceptions" of danger to the public safety.

WHAT IT MEANS TO THE ECONOMY

Research and development of the MX have already cost the American taxpayer $450 million. Present requests for funding through the end of fiscal year 1980 will shoot up the cost to a billion dollar total.

If completed, it would be the most expensive missile system in history. The estimated cost—for several hundred missiles—excluding the usual Pentagon cost overruns—is over $40 billion.

The costly MX program will exacerbate the negative economic impact of decades of high military spending. As the largest single form of government expenditure (excluding social security), arms spending is a chief cause of high personal income taxes. Arms building programs like the MX also fuel inflation by siphoning off scarce resources into non-productive purposes, and by condoning waste and cost overruns.

WHAT IT MEANS TO OUR SECURITY

The MX Missile represents a quantum leap in accuracy and firepower over its predecessor, the Minuteman III. As such, it poses a first strike knockout threat to Soviet strategic forces, 75 percent of which are deployed in fixed silos. Realizing this disadvantage, Russian leaders might be inclined—during a crisis—to panic and "launch on warning," firing their missiles before they can be hit. The whole basis of nuclear deterrence—our only real protection against nuclear war—would thus be undermined.

The pinpoint accuracy of the MX will give the Pentagon an unprecedented nuclear first strike capability. The MX has become the linchpin in the new "war-fighting" scenarios being developed by nuclear strategists.

Also, the MX missile would enable Pentagon strategists to wage so-called "limited nuclear war"—against Soviet conventional forces in Europe, or even in response to perceived Soviet gains in the Middle East, in East Asia, or in Third World nations.

The mobility of the MX also endangers the future of Strategic Arms Limitation (SALT) talks between the US and the Soviet Union. Because the MX missiles will either be hidden underground or flown in planes, it will be impossible for the other side to count them by satellite reconnaissance or other current means of verification. With verification difficult or impossible, MX deployment could scuttle the entire arms control negotiation process.

WE DON'T NEED THE MX

Its proponents in the Air Force and elsewhere contend that the MX is essential to our security. They claim that Soviet missile improvements in accuracy and power will make our present land-based missile force (composed primarily of the Minuteman series) vulnerable to attack by the mid-1980's. But this theory is based on worse-than-worst case assumptions of American weakness and Soviet might.

The strength of our nuclear deterrent does not rest exclusively on our land-based missile force. It is a triad arrangement of land-based missiles, nuclear-armed submarines and manned bombers. Even if—and this is a highly improbable scenario—the Soviet Union were able to knock out all of our land-based missiles in a surprise attack, we could still respond with a devastating counter-attack launched from our bombers and submarines.

Nuclear overkill on both sides has reached staggering proportions. According to the *Bulletin of the Atomic Scientists*, we can now destroy every major Soviet city 50 times over. (They can do the same to us 20 times over.)

Under these circumstances, we clearly *do not* need the proposed MX nuclear missile for our national defense.

REFLECTIONS OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, Elie Wiesel, chairman of President Carter's Commission on the Holocaust and Vice President Mondale recently commemorated the holocaust and the horrors of genocide at a special ceremony on April 24.

It is appropriate today to reflect on these touching remarks, to keep in mind the disturbing implications of the holocaust that we might otherwise choose to forget.

Mr. President, many find it difficult to reconcile the holocaust with a world that God created. We question, we doubt, because we cannot understand. But how can anyone explain evil of such magnitude? Or comprehend so much pain and anguish? Mr. President, in the words of Elie Wiesel, "One cannot conceive of Auschwitz with or without God."

What was the holocaust? An end, or a beginning? Turning-point or watershed, the event has altered man's perception of himself; it has affected the human condition immutably. Mr. President, it has shown that the unthinkable can become real.

And what about man? Mr. President, who can understand the calculated deprivation of the killers? Or the indifference of the onlookers? When the Jews were able to leave Europe, how many countries were willing to accept them? Mr. President, the truth is that after the war the Jewish people were condemned and forgotten.

The words of Mr. Wiesel are poignant. We agree with him and nod our heads in sympathy. But Mr. President, have our actions reaffirmed these empty, easily spoken words? Elie Wiesel believes that we have learned our lesson: That the opposite of love is not hatred, but indifference. But I wonder if in fact we have.

For 30 years, Mr. President, this Senate has failed to act. Mere ratification of the Genocide Convention would represent a small, yet significant remembrance to the victims of the holocaust. Yet this Senate has refused to pledge its support. Mr. President, what is memory if not a response to, and against, indifference? Let us remember today, let us remember for their sake, and for ours. Let us, Mr. President, ratify the Genocide Convention.

Mr. Pesident, I ask unanimous consent that Mr. Elie Wiesel's remarks be printed in the Record.

There being no objection, the remarks were ordered to be printed in the Record, as follows:

The Holocaust: Beginning or End?

Mr. President, Mr. Vice President, Mr. Speaker, Leaders and Members of the House and the Senate, Distinguished Guests:

Allow me to tell you a story.

Once upon a time, faraway, somewhere in the Carpathian mountains, there lived a small boy, a Jewish boy, whose dreams were filled with God, prayer and song.

Then one day, he and his family, and all the Jews of his town, were rounded up and exiled to a dark and evil kingdom. They arrived there at midnight. Then came the first separation, the first selection.

As the boy stood with his father, wondering whether his mother and sisters will come back, an inmate came to tell them the truth; this road led to the final destination of the Jewish people; the truth was there: in the fire, the ashes, the truth was in death. And the young boy refused to believe him; it had to be a lie, a nightmare perhaps, this could not be happening, not here, not now, not in the heart of civilized Europe, not in the middle of the twentieth century. Father, said the boy: If this were true, the world would not be silent. . . . Perhaps the world does not know, said the father. And father and son walked on, part of an eerie nocturnal procession, toward mysterious flames of darkness.

Thirty-five years later—almost to the day—the same Jewish boy stands before you with a deep sense of privilege, to remind our contemporaries that in those times of anguish and destruction, only one people—the Jewish people—were totally, inexplicably abandoned—only one people were simply, cynically handed over to their executioners.

And we, the few survivors, were left behind to bear witness and tell the tale.

But before doing so, allow me, on behalf of your Commission on the Holocaust and its Advisory Board, to thank you, Mr. President, for summoning our Nation—and all nations—to keep their memory alive.

We also wish to express our profound gratitude to all the distinguished guests and national leaders for being here today at this unprecedented assembly, responding to this call for remembrance. No other country, and its government, besides Israel, has issued or heeded such a call, but then Israel is a case apart. Israel's commitment to memory is as old as its history itself.

On my first night in the camp, which was the last for most of my friends, my family, my relatives, my teachers, I wrote:

"Never shall I forget that night, which turned my life into one long night, seven times cursed and seven times sealed. Never shall I forget that smoke. Never shall I forget the little faces of the children whom I saw being thrown into the flames alive beneath a silent blue sky. Never shall I forget that sky."

Never shall I forget those flames which murdered my hopes forever.

Never shall I forget that nocturnal silence which deprived me, for all eternity, of the desire to live.

Never shall I forget those moments which murdered my soul and turned my dreams into dust, into smoke. . . . Never shall I forget these words even if I am condemned to live as long as God himself.

But Mr. President and friends—what does one do with such memories of fire—with so many fragments of despair? How does one live in a world which witnessed the murder of one million children and remained world?

Those of us who were there are haunted by those whose lives were turned into ashes, by those whose cemetery was the sky.

Terror-stricken families hiding in ghetto-cellars. Children running with priceless treasures: a potato or two, a crumb of bread. Endless lines of quiet men and women on their way to mass graves, reciting the Kaddish, the prayer for the dead, over themselves. Teachers and their pupils, mothers and their infants, rabbis and their followers, rich and poor, learned and illiterate, princes and beggars—all pushed inexorably toward death. Father, says a young boy, is it painful to die? Must I die? Think of something else, answers the father. Think of tomorrow.

Treblinka and Ponar, Auschwitz and Babi-Yar, Majdanek and Blezec: What happened? Did creation go mad? Did God cover his face? Did the Creator turn against his creation? Did the God of Israel turn against the people of Israel? The question everyone asked upon arrival inside the gates was: What does it all mean? Was there a design, a secret pattern?

We didn't know, we still don't. How can anyone explain evil of such magnitude? How can anyone comprehend so much pain and anguish? One cannot conceive of Auschwitz with or without God. But what about man? Who can understand the calculated deprivation of the killers? The indifference of the onlookers? When Jews did have a possibility of leaving Europe, how many countries were there ready to accept them?

What was the Holocaust: an end or a beginning? Prefiguration or culmination? Was it the final convulsion of demonic forces in history? A paroxysm of centuries-old bigotry and hatred? Or, on the contrary, a momentous warning of things to come?

Turning-point or watershed, it produced a mutation on a cosmic scale, affecting all possible areas of human endeavor. After Auschwitz, the human condition is no longer the same. After Treblinka, nothing will ever be the same. The Event has altered man's perception and changed his relationship to God, to his fellow man and to himself. The unthinkable had become real. After Belsen, everything seems possible.

Admittedly, I belong to a traumatized generation, hence I speak of my people, the Jewish people. But when I, as a Jew, evoke the tragic destiny of Jewish victims, I honor the memory of all the victims. When one group is persecuted, mankind is affected. Still, for the sake of truth, we must remember that only the Jewish people's extermination was an end in itself. Jewish victims, stripped of their identity and of their death, were disowned by the whole world: they were condemned not for what they did or said, but for who they were: sons and daughters of a people whose suffering is the most ancient in recorded history.

Every occupied nation, every underground movement received help from London, Washington or Moscow. Not the Jews: they were the loneliest victims of the most inhuman of wars. A single air-drop, a single rescue mission would have proved to them, and to the enemy, that they were not forgotten. But, Mr. President and friends, the truth is that they were forgotten.

The evidence is before us: the world knew and kept silent. The documents that you, Mr. President, handed to the Chairman of your Commission on the Holocaust, testify to that effect. Actually, pictures of Auschwitz and Birkenau had reached the free world much earlier. Still, when the Hungarian Jews began arriving there, feeding the flames with ten to twelve thousand persons a day, nothing was done to stop or delay the process. Not one bomb was dropped on the railway tracks to the death factories. Had there been a similar Joint Session of Congress then, things would have been different for many Jews. . . .

And yet, and yet when the nightmare lifted, there was no hate in the hearts of those who survived. Only sadness. And, paradoxically, hope, hope as well. For some reason they were convinced that out of grief and so much suffering a powerful message of compassion and justice would be heard and received. They were convinced that the Messiah would come and redeem the world. They were convinced that, after Auschwitz, people would no longer yield to fanaticism, nations would no longer wage war, and racism, antiseminitism and class humiliation would be banned forever, shamed forever.

Little did we know that, in our lifetime, we would witness more wars, new racial hostilities, and an awakening of Nazism on all five continents. Little did we know that, in our lifetime, books would appear in many languages offering so-called "proof" that the Holocaust never occurred, that our parents, our friends did not die there. Little did we know that Jewish children would again be murdered, in cold blood, by killers in Israel.

The survivors advocated hope, not despair. Their testimony contains neither rancor nor bitterness. They knew too well that hate is self-debasing and vengence self-defeating. Instead of choosing nihilism and anarchy, they chose to opt for man. Instead of setting cities on fire, they enriched them. Many went to rebuild an ancient dream *of* Israel *in* Israel; they all chose to remain human in an inhuman society, to fight for human rights everywhere, against poverty everywhere and discrimination, for humankind, always.

For we have learned certain lessons. We have learned not to be neutral in times of crisis, for neutrality always helps the aggressor, never the victim. We have learned that silence is never the answer. We have learned that the opposite of love is not hatred, but indifference. What is memory if not a response to, and against, indifference?

So let us remember, let us remember for their sake, and ours: memory may perhaps be our only answer, our only hope to save the world from the ultimate punishment, a nuclear holocaust.

Let us remember, let us remember the heroes of Warsaw, the martyrs of Treblinka, the children of Auschwitz. They fought alone, they suffered alone, they lived alone, but they did not die alone, for something in all of us died with them.

Mr. PROXMIRE. Mr. President, I yield the floor.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business continue as long as any Senator wishes to speak, and that Senators be limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 10:07 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 114. Concurrent resolution authorizing concerts by the National Symphony on Capitol Grounds.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1315. A communication from the Acting Secretary of the Army, transmitting, pursuant to law, a report stating that the Secretary of Defense has determined that the transportation of approximately 900 Weteye bombs from the Rocky Mountain Arsenal, to Tooele Army Depot, Utah, is necessary in the interests of national security; referred to the Committee on Armed Services.

EC-1316. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "An Unclassified Version of A Classified Report entitled 'The Navy's Strategic Communications Systems—Need For Management Attention and Decisionmaking' "; referred to the Committee on Armed Services.

EC-1317. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend titles 10 and 37, United States Code, relating to the appointment, promotion, separation, and retirement of members of the armed forces, and for other purposes; referred to the Committee on Armed Services.

EC-1318. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the recommendations of the President to designate as wilderness approximately 9.9 million acres of National Forest System lands; referred to the Committee on Energy and Natural Resources.

EC-1319. A communication from the Federal Cochairman and the State Cochairman of the New England Regional Commission, transmitting, pursuant to law, the annual report of the New England Regional Commission for fiscal year 1978; referred to the Committee on Environment and Public Works.

EC-1320. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report of the Economic Development Administration for fiscal year 1978; to the Committee on Environment and Public Works.

EC-1321. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, a report on the development and utilization of capital saving technology in the activities of the Multilateral Development Banks; to the Committee on Foreign Relations.

EC-1322. A communication from the Administrator, Veterans Administration, transmitting, pursuant to law, a report on the Veterans Administration Repatriated American Prisoners of War records system; to the Committee on Government Affairs.

EC-1323. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of Financial Statements of the Pension Benefit Guaranty Corporation for the Fiscal Year Ended September 30, 1977," May 3, 1979; to the Committee on Governmental Affairs.

EC-1324. A communication from the Secretary of Commerce, transmitting a draft of proposed legislation to clarify the status of nonappropriated fund personnel at the United States Merchant Marine Academy; to the Committee on Labor and Human Resources.

EC-1325. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Health Maintenance Organizations: Federal Financing is Inadequate But HEW Must Continue Improving Program Management," May 1, 1979; to the Committee on Labor and Human Resources.

EC-1326. A communication from the President, Legal Services Corporation, requesting passage of legislation authorizing continuation of the legal services program after the end of fiscal year 1980; to the Committee on Labor and Human Resources.

EC-1327. A communication from the Chairman, National Commission on Libaries and Information Science, transmitting, pursuant to law, its seventh annual report; to the Committee on Labor and Human Resources.

EC-1328. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "How Can Workplace Injuries Be Prevented? The Answers May Be in OSHA Files," May 3, 1979; to the Committee on Labor and Human Resources.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-205. A concurrent resolution adopted by the Legislature of the State of North Dakota; to the Committee on the Judiciary:

"Senate Concurrent Resolution No. 4018

"Be it resolved by the Senate of the State of North Dakota, the House of Representatives concurring therein:

"That we respectfully propose an amendment to the Constitution of the United States and call upon the people of the several states for a convention for such purpose as provided by Article V of the Constitution, the proposed Article providing as follows:

"ARTICLE —

"Section 1. The president shall submit, at the beginning of each new Congress, an annual budget for the ensuing fiscal year setting forth in detail the total proposed expenditures and the total estimated revenue of the Federal Government from sources other than borrowing. The president may set new revenue estimates from time to time. Expenditures for each two-year period shall not exceed the estimated revenue except in time of war or a national emergency declared by the Congress. The provisions of this Article shall not apply to the refinancing of the national debt; and

"Be it further resolved, that copies of this resolution be forwarded by the Secretary to the legislatures of the several states."

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of May 2, 1979, during the recess of the Senate, the following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on the Budget, without amendment:

S. Res. 145. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 348, S. 613, and S. 631.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 120. A resolution to approve the standby gasoline rationing plan (Department of Energy Standby Gasoline Rationing Plan Numbered 1) (together with minority views) (Rept. No. 96-115).

By Mr. CHURCH, from the Committee on Foreign Relations, with an amendment:

S. 586. A bill to authorize appropriations for the Department of State, International Communication Agency, and Board for International Broadcasting for fiscal years 1980 and 1981, and a supplemental authorization for State for fiscal year 1979, and for other purposes (Rept. No. 96-116).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. Res. 147. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 586. Referred to the Committee on the Budget.

S. 1019. A bill to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

Benjamin W. Heineman, Jr., of Illinois, to be an Assistant Secretary of Health, Education, and Welfare.

(The above nomination from the Committee on Finance was reported with the recommendation that it be confirmed, subject to the nominee's commitment to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DANFORTH (for himself, Mr. Javits, and Mr. Moynihan):

S. 1065. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit to corporations for contributions for basic research; to the Committee on Finance.

By Mr. PERCY (for himself and Mr. Heinz):

S. 1066. A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology equipment; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BENTSEN (for himself, Mr. Ribicoff, Mr. Dole, Mr. Moynihan, Mr. Roth, and Mr. Danforth):

S. 1067. A bill to amend the Trade Act of 1974 in order to authorize the President to designate any country which is a member of the Organization of Petroleum Exporting

Countries as eligible for the tariff preferences extended to developing countries under title V of such Act if the President determines that such designation is in the national economic interest and the Congress does not disapprove the designation; to the Committee on Finance.

By Mr. DOLE:

S. 1068. A bill to amend title XVI of the Social Security Act to maintain for an additional three years the current program of services for disabled children receiving SSI benefits; to the Committee on Finance.

By Mr. BAUCUS:

S. 1069. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of cooperative electric and telephone companies; to the Committee on Finance.

By Mr. PERCY (for himself, Mr. Cranston, Mr. Bellmon, Mr. Cannon, Mr. Ford, Mr. Hatch, Mr. Hayakawa, Mr. Huddleston, Mr. Laxalt, Mr. Matsunaga, Mr. Nunn, Mr. Roth, Mr. Schweiker, Mr. Thurmond, Mr. Young, and Mr. Zorinsky):

S. 1070. A bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residence to have a sponsor who will contract to support him for three years, or to have other means of support; to the Committee on Finance.

By Mr. HELMS (for himself and Mr. Morgan):

S. 1071. A bill to preclude the Secretary of the Interior from acquiring certain lands by condemnation for purposes of the Cape Lookout National Seashore; to the Committee on Energy and Natural Resources.

By Mr. WILLIAMS:

S. 1072. A bill to amend the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. KENNEDY:

S. 1073. A bill to amend Public Law 85–445 to authorize and request the President to proclaim annually the seven-day period beginning June 1 as "National Safe Boating Week"; to the Committee on the Judiciary.

S. 1074. A bill to amend the Small Business Act to strengthen significantly the role of small, innovative firms in federally-funded research and development, to promote their formation and growth, and to promote a higher level of innovation and productivity in the Nation's economy; to the Select Committee on Small Business.

By Mr. KENNEDY (for himself, Mr. Javits, Mr. Randolph, Mr. Riegle, Mr. Metzenbaum, Mr. Eagleton, and Mr. Williams):

S. 1075. A bill to revise and reform Federal law applicable to drugs for human use, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WILLIAMS (by request) (for himself, Mr. Long, and Mr. Javits):

S. 1076. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

By Mr. HEINZ:

S.J. Res. 73. A joint resolution to designate "National Hawk Watching Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DANFORTH (for himself, Mr. Javits, and Mr. Moynihan):

S. 1065. A bill to amend the Internal Revenue Code of 1954 to provide an income tax credit to corporations for contributions for basic research; to the Committee on Finance.

(The remarks of Mr. Danforth when he introduced the bill appear earlier in today's proceedings.)

By Mr. PERCY (for himself and Mr. Heinz):

S. 1066. A bill to direct the Secretary of Commerce to carry out a global market survey with respect to American-made solar energy technology equipment; to the Committee on Banking, Housing, and Urban Affairs.

SOLAR GLOBAL MARKETING SURVEY ACT

Mr. PERCY. Mr. President, I am introducing today a bill directing the Secretary of Commerce, in consultation with the Secretary of Energy, to conduct a global market survey to determine potential foreign markets for American solar technology equipment. The countries to be surveyed are non-Western, non-Communist members of the less developed world. I am very pleased that Senator Heinz is cosponsoring this legislation with me.

There has developed over the past several years, in response to the energy crisis, a small but significant domestic solar technology industry. This industry is just beginning to meet the energy needs of a number of businesses and homes in the country, and has received official encouragement in the form of tax credits, rebates, and grants. However, little has been done to help this growing industry penetrate potential foreign markets.

The export industries of other nations, notably France, Israel, Germany, and Australia, are prospering, particularly in their sales to members of the less developed world. A global market survey, providing information and guidance on the possibilities that exist within this potentially huge market, could be the impetus for U.S. firms to begin competing effectively in the export of solar technologies.

The development of such an export industry would have a salutary effect upon our economy. First, it would reduce the unit cost for solar technology domestically as the industry expands to meet foreign demand, thereby making it a more attractive energy alternative for Americans. Moreover, in the years to come, a growing export market for solar technology equipment would have a positive impact upon our balance of payments deficit.

More indirectly, this bill could have an effect on the energy paths taken by the less developed countries. Many of these nations, because of the exorbitant price of oil and natural gas, are abandoning fossil fuels and looking to nuclear power to solve their energy needs. This trend greatly increases the probability of nuclear weapons proliferation. I believe that many of these nations look to nuclear power as a solution to their energy problems because they are not sufficiently convinced or aware that there may be safe, environmentally benign, renewable energy alternatives available. A global market survey resulting in a burgeoning American solar export industry could provide these nations with economically viable alternatives to nuclear power.

This legislation was developed in cooperation with the Department of Commerce and has its full endorsement. This bill would not create any additional bureaucracy or launch a new program. It would, instead be incorporated into an existing program within the Commerce Department which already does global market surveys for other targeted American industries.

Nor would this bill result in additional significant spending by the Federal government. The Commerce Department estimates that the entire cost of this survey would be $950,000 and the bill would authorize an outlay of that amount. The potential benefits resulting from this survey would far outweigh this modest expenditure.

In conclusion, Mr. President, because this bill would help our domestic solar industry penetrate foreign markets, provide developing nations with an energy alternative and do this without creating additional bureaucracy or entailing large expenditures, I urge my colleagues to join with me and give this bill the widespread support it merits.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1066

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Solar Global Marketing Survey Act".

Sec. 2. The Secretary of Commerce, in consultation with the Secretary of Energy, shall conduct a global market survey, as part of the program carrying out such surveys, to determine countries to which solar energy technology equipment manufactured in the United States might be exported. Such survey shall be completed not later than September 1, 1981.

Sec. 3. There is authorized to be appropriated not to exceed $950,000 to carry out the provisions of this Act.

● Mr. HEINZ. Mr. President, along with the Senator from Illinois (Mr. Percy) I am today introducing a bill identical to H.R. 3401, which was introduced by Congressman James Jeffords in the House of Representatives, on April 3, 1979. This bill, I believe, will make an important contribution to our Nation's goal of establishing the United States in the premier position in the field of renewable technologies in general and solar energy in particular. The Japanese, the French, the Israelis, and the Germans, among others, have been aggressively moving ahead in worldwide marketing of solar energy technology. If we do not move quickly to establish our position in the world market, we may well find ourselves shut out of a potentially profitable area, one which our technological superiority would naturally entitle us to a leadership role.

In order to help identify for American industry, particularly small businesses who comprise the majority of firms engaged in solar technology, what the international market actually is today for these technologies, Congressman JEFFORDS inquired of the Department of Commerce whether a global marketing survey ought to be undertaken.

The response of the Commerce Department was gratifying. Not only did the Department examine the feasibility of such a project, it developed the outline of what the project would entail, including which countries to focus on at various stages, how long it would take, and how expensive it would be.

As a result of the encouraging correspondence with the Commerce Department, Senator PERCY, Congressman JEFFORDS and I have decided to introduce a simple measure to direct the project, which is estimated to take about 2 years, to begin as soon as possible.

I ask unanimous consent to have printed in the RECORD the Commerce Department letter to Congressman JEFFORDS, along with their project proposal. I urge my colleagues to consider this proposal carefully and to join with me in sponsoring this worthwhile endeavor.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF COMMERCE,
Washington, D.C., February 24, 1978.

Hon. JAMES JEFFORDS,
House of Representatives, Washington, D.C.

DEAR MR. JEFFORDS: Thank you for the letter of February 8 addressed to Nilsson S. Bassett of our Bureau outlining your interest and that of Senator Percy in having the Department of Commerce undertake a Global Market Survey of solar energy technologies and related equipment. I am replying separately to Senator Percy.

The Department is interested in undertaking the project. We believe that the survey you have suggested would result in valuable information and guidance for the industry, should uncover and quantify new markets for U.S. solar energy products and that we have the necessary expertise on board to develop and manage such a survey. If funds are made available for the project, the Bureau of Export Development would initiate a contract for conducting on-site market research in 20 to 25 developing countries as outlined in the enclosure, "A Proposal for Conducting Foreign Market Research for U.S. Solar Energy Technologies and Equipment." The contractor would be a U.S. firm well qualified in U.S. solar technologies and marketing research and analysis. The contract would also provide a competitive assessment of foreign capabilities in solar energy equipment, e.g. Japanese and German firms.

The market research reports would serve as a basis for publication of a Global Market Survey for distribution to appropriate U.S. firms. The enclosed sample survey on "Computers and Peripheral Equipment" is similar to that proposed for the U.S. solar equipment industry but of course, the latter would be much more comprehensive. In addition to this summary document, the complete basic research reports also will be made available to the industry.

Since it is unlikely that any contractor has sufficient staffing to conduct simultaneous research in all countries it is the intent to conduct the research serially and distribute the country marketing information to industry as processed. The initial distribution would be made approximately 14 to 16 months after project start, and all 25 countries would be complete within 24 months of start.

Total implementation cost of the project would be approximately $920,000. Although our Global Market Surveys ordinarily cost approximately $200,000 each, this project cost, based on our experience and inputs from reputable U.S. research and consulting firms, will be at the higher range for the following reasons:

a. It is deemed essential to contract with a highly qualified, technically competent U.S. firm because of the necessity of obtaining current expertise in U.S. solar technology and industry capabilities which is relatively nonexistent overseas. Accordingly, salaries and travel expenses will greatly exceed those of indigenous contractors.

b. The critical need to provide a thorough competitive technology assessment requires that research be carried out on-site in the competing countries, an additional cost not normal to Global Market Surveys.

We have been in contact with the Department of Energy in the course of developing this proposal and have received their highest interest and cooperation. As a result, we are convinced that the proposed market research would serve several of their information needs as well as those of other Government agencies, e.g., AID and Ex-Im Bank. Accordingly, if the project is activated, we would most assuredly solicit the input of all interested agencies.

If we can provide any information or be of further assistance, please contact me.

Sincerely,

W. DEAN MORAN,
Deputy Assistant Secretary,
for Export Development.

A PROPOSAL FOR CONDUCTING FOREIGN MARKET RESEARCH FOR U.S. SOLAR ENERGY TECHNOLOGIES AND EQUIPMENT

PROJECT OBJECTIVE

To provide foreign-marketing information that will guide and assist the U.S. solar energy equipment industry in developing its exports and to serve as a basis for planning a Commerce export promotion program for the industry.

PROPOSED PROJECT—FOREIGN MARKET RESEARCH FOR THE U.S. SOLAR ENERGY TECHNOLOGIES INDUSTRY

It is proposed that a U.S. market research contractor, experienced in solar energy technology be selected through the competitive bidding system. It is recommended that the market research task be undertaken in two phases, as later described, for the following reasons:

1. The research task is market development in nature relating to new and advanced technologies for use in developing countries. To insure optimum informational and reporting results it would be illogical to complete the research in 20 to 25 countries without a review of the results in early stages. Also, the possibility should not be overlooked that negative conclusions may be reached. We would want to evaluate the research results early in the project to determine whether a modification in the approach is necessary.

2. The most reputable research and consulting firms in this country indicate a dearth of qualified researchers in this field. Therefore, implementing an effective simultaneous research effort in more than a few countries may be difficult. Conducting the research and releasing it in groupings of 5 to 8 countries would be a rate that most qualified research firms could meet.

TENTATIVE PROJECT PHASING

1. Develop market research specifications

2. Advise and award market research contract

3. Monitor contractor's effort through the following stages:

Phase I

a. Contractor makes an in-depth assessment of foreign competitive technologies and export activities (e.g. Japan, Germany).

b. Contractor conducts research in 6 tentatively selected country markets: Brazil, Egypt, India, Indonesia, Iran, and Saudi Arabia.

c. Phase I research is evaluated for responsiveness to U.S. industry's needs and to determine whether modification of approach should be made to provide most effective result.

Phase II

Contractor will continue research talks in following groupings performed serially (tentative selections).

Israel, Kenya, Niger, Nigeria, Senegal, Sudan, Tanzania, and Turkey.

b. Colombia, Costa Rica, Ecuador, Guatemala, Mexico, Peru, and Venezuela.

c. Malaysia, Pakistan, Philippines, Taiwan, and Thailand.

4. Publication of the "Global Market Survey" will begin on the completion of Phase I and will continue incrementally as research reports are received in Phase II.●

By Mr. BENTSEN (for himself, Mr. RIBICOFF, Mr. DOLE, Mr. MOYNIHAN, Mr. ROTH, and Mr. DANFORTH):

S. 1067. A bill to amend the Trade Act of 1974 in order to authorize the President to designate any country which is a member of the Organization of Petroleum Exporting Countries as eligible for the tariff preferences extended to developing countries under title V of such act if the President determines that such designation is in the national economic interest and the Congress does not disapprove the designation; to the Committee on Finance.

OPEC EXCLUSION AMENDMENT

● Mr. BENTSEN. Mr. President, together with Senators, RIBICOFF, DOLE, MOYNIHAN, ROTH, and DANFORTH, I am introducing legislation today that would amend the 1974 Trade Act so as to give the President discretionary authority to grant GSP treatment to OPEC member states if he determines that such action would be in the national economic interest. The legislation also provides the opportunity for a congressional override, within 30 legislative days, of any such Presidential determination.

I recognize that there is not a great deal of sympathy in this country for the policies and practices of OPEC. Nevertheless, it is a basic fact of international life that this Nation must be prepared to deal with OPEC members on a wide range of important economic and political matters. Several OPEC nations, such as Venezuela, Nigeria, and Saudi Arabia are important to American foreign policy for reasons entirely unrelated to energy. It stands to reason that we should endeavor to improve our bilateral relations and our bargaining position with these states, removing obstacles to cooperation wherever possible and justified.

I have long felt that the 1974 Trade Act provisions denying GSP treatment to OPEC states are ill advised since they do not differentiate between states that boycotted us in 1973 and those which did not. The current prohibitions are categorical; they have proven ineffective as "punishment," and in some instances they serve to retard rather than to advance our foreign policy objectives. For these reasons, I have previously introduced legislation that would remove the flat ban on GSP treatment for nonboycotting states such as Venezuela, Nigeria, Indonesia, Ecuador, and Iran.

My proposal this year goes further. It would give the President discretion (subject to congressional disapproval) to offer GSP treatment to any OPEC member state. It is unlikely, but not inconceivable, that at some time the President might find it is in our national interest to offer GSP to a state that boycotted us in 1973. I think he should have that policy option in a rapidly changing international economic environment. At the same time, we should understand that the potential benefits of GSP are most attractive to friendly, nonboycotting states such as Venezuela.

In considering this legislation, it is important to understand that the prohibition on GSP treatment for OPEC states would remain in force unless the President determined, on a case-by-case basis, that an exception would be in the national economic interest. In the event of such a determination, Congress would reserve the right to override if it felt the President's decision was unjustified or contrary to our best interests.

This proposal, Mr. President, has broad support within the Finance Committee. It is intended to correct unnecessarily restrictive legislation, enhance the President's ability to conduct trade negotiations, and provide the administration with an additional bargaining chip to use in dealing with important OPEC states, including some of our friends in this hemisphere. I sincerely hope the Senate will concur in this assessment and accept the proposed amendments to the 1974 Trade Act.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1067

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The last paragraph of section 502(b) of the Trade Act of 1974 (19 U.S.C. 2462(b)) is amended to read as follows:

"(bb) (1) Paragraphs (2), (4), (5), and (6) of subsection (b) shall not prevent the designation of any country as a beneficiary developing country under this section if the President determines that such designation will be in the national economic interest of the United States and reports such determination to the Congress with his reasons therefor.

"(2) If the President designates a country described in subsection (b)(2) as a beneficiary developing country under this section, and if, before the close of the 30-day period beginning on the day on which the report of the designation is delivered to the House of Representatives and to the Senate, the two Houses adopt, by an affirmative vote of a majority of those present and voting in each House, a concurrent resolution of disapproval under the procedures set forth in section 152, then the designation of that country under this section shall have no force or effect.".

SEC. 2. PROCEDURE FOR DISAPPROVAL RESOLUTION.

(a) Paragraph (2) of section 152(a) of the Trade Act of 1974 (19 U.S.C. 2192) is amended—

(1) by striking out "and" at the end of subparagraph (A),

(2) by striking out the period at the end of subparagraph (B) and inserting in lieu thereof a semicolon and the word "and", and

(3) by adding at the end thereof the following new subparagraph:

"(C) in the case of a resolution referred to in section 502(bb), with the phrase 'the action taken by the President under section 502 of the Trade Act of 1974'.".

(b) Subsection (c) of section 152 of such Act (19 U.S.C. 2192) is amended by adding at the end thereof the following new paragraph:

"(3) In applying paragraph (1) in the case of a resolution related to section 502(bb), '10 days' shall be substituted for '30 days'.".

(c) Section 154 of such Act (19 U.S.C. 2194) is amended—

(A) by striking out "or 407 (a) or (b)" in subsection (a) and inserting in lieu thereof "470 (a) or (b), or 502(bb)", and

(B) by adding at the end thereof the following new subsection:

"(c) For the purpose of section 502(bb), the 30-day period referred to in such section shall be computed by excluding the days excludible under subsection (b) for purposes of the sections referred to in that subsection.".●

By Mr. DOLE:

S. 1068. A bill to amend title XVI of the Social Security Act to maintain for an additional 3 years the current program of services for disabled children receiving SSI benefits; to the Committee on Finance.

DISABLED CHILDREN'S PROGRAM

● Mr. DOLE. Mr. President, during the Easter recess, I had the opportunity to travel to Europe, where I participated in a series of meetings relevant to the SALT II treaty. Following those discussions, I paid a visit to the small Italian village of Castel D'Aiano. It is a site of special significance to me, a place where memory and gratitude reside side by side.

It was near Castel D'Aiano, on April 14, 1945, that I received battlefield wounds which inducted me permanently into the community of handicapped men and women. Since that day holds such meaning for me, I have made it a custom to address the Senate each year on or about April 14, on an issue of pressing importance to America's handicapped. Ever since my maiden speech before this body, a decade ago, I have noted an increasing concern for the rights as well as the needs of the disabled. This is a welcome trend. But it is only a trend, not yet an accomplished fact.

Mine was a very serious injury. Paralysis was partially overcome due to excellent medical care. I was fortunate. But many other persons have not had such good fortune. Many have received medical services that are barely adequate.

In fact, early, appropriate medical attention can greatly reduce the effects of disability. Knowing this as I do, and committed as I am to making the future brighter for millions of disabled Americans, I am today introducing legislation to reauthorize the SSI disabled children's program scheduled to expire at the close of this fiscal year.

The legislation I introduce today amends title XVI of the Social Security Act. It would extend for 3 years the current program of preventive services, referral, and case management for disabled children who receive SSI benefits.

HISTORY

When the supplemental security income program for the aged, blind, and disabled was first enacted, it required that each handicapped person applying for benefits would be referred to the State vocational rehabilitation agency. However, because it is inappropriate to refer children to vocational rehabilitation services, they were simply left uncovered by any such provision. In 1974, recognizing this inadequacy, I introduced legislation which would have provided for disabled children receiving benefits to be referred to the appropriate health, social, or educational agency. While it makes no sense to refer children to vocational rehabilitation services, it does seem infinitely practical to refer them to services which will be of benefit.

Early intervention has long since been established by the medical profession and experts in the field of child development as the best, if not the only way to preclude the possibility of a childhood disability from developing into a lifelong and irreversible handicap. When treatment is given to young children, very often the effects of their disability can be minimized, and then the child can receive instruction and treatment which will allow him to function almost normally.

I am pleased that in 1976 a provision almost identical to that which I proposed earlier was adopted and became part of the SSI program.

CURRENT LAW

Under the 1976 provision, $30 million is appropriated annually to the disabled children's program. The money is distributed to each State based on its number of children under 7 years of age. The money goes for counseling disabled children and their parents; establishing individual service plans for prompt referral to medical, educational, and social services; monitoring those plans and providing those services which would allow a child to benefit from later educational training, or would allow him a greater degree of self-sufficiency.

Because of programs which already benefit school age handicapped children, only those children 6 years of age or younger are able to receive medical, social, developmental and rehabilitative services. An exception is made if children from 7 to 15 have not attended public school and could benefit from such services. In addition, State plans must provide for the referral of children from ages 7 through 15 so that all SSI children will be assured of receiving those benefits which they are intended to receive.

DISABLED CHILDREN'S PROGRAM IN KANSAS

Presently, 800 children in Kansas are receiving services under this program. Children below the age of 7 have received such services as specialized developmental training, and various health services including dental and therapy treatment. In addition, money has gone for the removal of architectural barriers, and to a support base for alternatives to institutionalization. The Kansas Department of Health and Environment reports that in the first year of implementation, over 50 percent of the eligible children were receiving coordination and monitoring of services under an individualized service plan.

Kansas has found that the disabled children's program has often made a vital difference in the State, in part because of the scarcity of title XX funds, because of limitations in title XIX, and because of the unavailability of vocational rehabilitation services to children under age 16. Taken together, these factors mean that without the special programs, disabled children are placed at high risk due to inadequate and fragmented services. The disabled children's program has demonstrated that it provides quality, comprehensive service, and I feel that it should be continued.

THE NEED

I cannot state strongly enough how imperative it is that disabled children have access to early, professional treatment. Such attention may mean the difference between a future life of self-sufficiency and one of dependency on family and society. Although I believe the merits of the program are reason enough for its continuation, I might also add that it is cost-effective. A little bit of treatment at this stage can often mean continued treatment during the adult years is unnecessary.

CONCLUSION

Mr. President, the concept behind my bill is quite simple, and I think readily accepted by those who are concerned with this program. Because little time remains in which to enact this legislation, it is my hope that the Finance Committee will move hastily to insure that the disabled children's program will be continued for another 3 years. Because of my own experiences, I know the priceless value of prompt treatment and the lasting results it can achieve. I would like to know that all handicapped individuals could have this type of treatment, and think it is particularly imperative that we approve this legislation to guarantee that right to children. I appreciate the support which my colleagues in both the House of Representatives and the Senate have demonstrated for this program in the past, and trust that their support continues. Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1068

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1615 of the Social Security Act is amended by redesignating the second subsection (c) as subsection (e), and by striking out "October 1, 1979" in paragraph (1) of such subsection (e) and inserting in lieu thereof "October 1, 1982".●

By Mr. BAUCUS:

S. 1069. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of cooperative electric and telephone companies; to the Committee on Finance.

TAX EXEMPT STATUS OF RURAL ELECTRIC COOPERATIVES

● Mr. BAUCUS. Mr. President, Congress assisted the initiation and development of rural electric cooperatives nearly 50 years ago. Since that time, cooperatives have improved dramatically the quality of life in rural America. Cooperatives flourished because privately owned utilities who brought necessary services to urban areas, could not or would not supply the needs of remote rural areas.

Rural cooperatives provide reliable electric service at a reasonable price. Profit is not their goal. Many of the major technological changes and cost cutting measures developed over the past several decades have been initiated by small rural co-ops.

Today, there are more than 1,000 electric cooperatives in this country operating in 46 States. Rural electric cooperatives provide service to 25,000,000 people and service more than 50 percent of the land area of the United States. Co-ops have become an integral part of rural life and continue to provide opportunities for planned development and reasonable growth.

Recent rulings by the Internal Revenue Service have attempted to take away a portion of the cooperatives' tax exempt status and have placed uncertainty and an unreasonable financial burden on many cooperatives.

For this reason, I am introducing legislation which was introduced several weeks ago in the House of Representatives by Representative ALBERT G. GORE, JR., which will preserve the tax exempt status which Congress initially established for cooperatives and will help keep rural utility rates at reasonable and affordable rates. This legislation provides that certain income from nonmember electric utilities will not be taken into account in determining the electric cooperatives tax-exempt status.

This legislation is intended to reverse an IRS policy which has had the effect of discouraging power sharing arrangements. During the course of the 95th Congress, a similar measure for telephone cooperatives was enacted into law. This legislation would give electric co-ops the same tax exempt treatment. The second part of this legislation would reinstate traditional IRS tax treatment of income from pole rentals and telephone directory advertisements.

The bill would alter recent IRS rulings which concluded that income from pole rentals and "yellow page" advertisements were not related to co-op business endeavors and thus not exempt from taxation.

Since the adoption of the Rural Electrification Act, the internal revenue laws have provided that an electric cooperative can qualify for tax exempt status if at least 85 percent of its revenues consist of amounts collected from its members.

This insures that the special tax status will be granted only to cooperatives engaged primarily in serving their members while allowing them some flexibility for income generated by nonmember activities. This provision has been interpreted to encourage power sharing arrangements between member and nonmember utilities.

If, during peak hours, a member utility was asked to sell power to an adjoining nonmember utility, these revenues could be offset when later it was necessary for one to purchase peak power from the other. This practice has encouraged the full use of regional electric capacity and prevented costly overbuilding of electrical capacity.

During the course of an audit of an Iowa cooperative last year, the IRS in an interim ruling stated that an electric cooperative may no longer offset its nonmember power sales from its peaking purchases. This, if an electric cooperative sells power to a nonmember utility, and those revenues put the cooperative beyond the 15-percent limit, the co-op would no longer qualify for tax exempt status.

In light of the energy dilemma confronting America today, this is a very unwise and shortsighted ruling. For a small increase in tax revenue, the IRS will frustrate energy conservation goals and discourage efficient utilization of electrical capacity.

The National Energy Act passed by the 95th Congress requires power sharing, wheeling, and pooling arrangements between utilities. This act reflects a purpose—which I fully support—of encouraging full utilization of power from less expensive energy sources like coal and hydro and discouraging the use of costly peaking capacity from oil.

If allowed to continue, the IRS interim decision will almost mandate that cooperatives place a wall around their borders and build their own capacity without regard to cost or the capacity of neighboring power facilities.

This course of action would most definitely add to consumer utility bills and would result in numerous adverse social, economic, and environmental impacts.

As I mentioned, the 95th Congress passed similar legislation which corrected this same inequity with regard to telephone cooperatives. In that instance, the IRS was attempting to include nonmember income revenue gained from reciprocal telephone call arrangements between member and nonmember utilities.

That 1974 IRS ruling could preclude all telephone cooperatives from qualifying for tax exempt status and was clearly contrary to congressional intent. This conclusion is equally valid in the case of electric cooperatives.

In order to provide service for the greatest number of rural Americans at the lowest possible costs, electric and telephone cooperatives have entered into reciprocal agreements to share the cost of their utility poles.

Joint use minimizes costs and encourages efficient use of right-of-way. Under the Rural Electrification Act, cooperatives in many areas were the first to build poles, and thus over the years have received income from telephone cooperatives for the rental of right-of-way. This pole rental revenue is not sufficient in terms of overall electric cooperative income, and IRS has traditionally treated pole rentals as business-related income and thus nontaxable.

Last year, the IRS shifted this long standing policy and will begin taxing pole rental income.

It is apparent that the IRS believes the joint use of poles is not related to the purpose and goals of rural co-ops. Under the Rural Electrification Act, the purpose of cooperatives is to provide wide-ranging, low cost service. One of the means to achieve this goal is to share the cost of putting up utility poles. The rental revenue received, by an electric co-op, is money that the telephone co-op would normally have to spend on putting up its own poles. The revenue is not unrelated to the purpose of the co-op—it is essential to the purpose. The result of this IRS ruling would lead to duplication of utility pole placement. The IRS ruling seems to be encouraging this practice.

Telephone cooperatives receive income from directory advertisements. The IRS has ruled that income from "yellow page" advertisements is not related to the telephone cooperative purpose and, therefore is taxable.

This legislation would alter IRS tax treatment of related business income such as pole rentals and directory advertisements. The legislation would exclude those activities from unrelated business income which are customarily provided by rural telephone and power companies. This legislation will insure that IRS will tax only those activities, for example, investment income, which are properly taxable and unrelated to cooperative activities.

Mr. President, the revenues derived from these rulings would be small in the aggregate, but they will be a significant cost for individual electric and telephone cooperatives.

It is my hope that the Congress will move expeditiously in the consideration of this legislation.●

By Mr. PERCY (for himself, Mr. Cranston, Mr. Bellmon, Mr. Cannon, Mr. Ford, Mr. Hatch, Mr. Hayakawa, Mr. Huddleston, Mr. Laxalt, Mr. Matsunaga, Mr. Nunn, Mr. Roth, Mr. Schweiker, Mr. Thurmond, Mr. Young, and Mr. Zorinsky):

S. 1070. A bill to provide a 3-year residency requirement for aliens receiving supplemental security income benefits and to require every alien admitted for permanent residence to have a sponsor who will contract to support him for 3 years, or to have other means of support; to the Committee on Finance.

WELFARE ABUSE BY NEWLY ARRIVED ALIENS

Mr. PERCY. Mr. President, a gaping loophole in the social security law is costing American taxpayers over $70 million a year in payments to newly arrived aliens in five of the most heavily alien-populated States in the country.

The aliens who receive these payments have entered this country legally. They are supposed to be supported by sponsors—relatives or friends who agree to be financially responsible for their well-being. But the loophole in the law allows them to collect supplemental security income payments shortly after entering the United States, thus shifting responsibility for their financial situations from themselves and their sponsors to the taxpayers.

It is important to note that this problem does not involve illegal aliens. That is a separate problem. The issue here concerns legal aliens, who because of a loophole in the current law, are eligible for supplemental security income (SSI) payments 30 days after arrival in this country, and their sponsors, who have not honored their promises.

Here is how the system works: Thirty days after entering the United States as a permanent resident, an alien can go to the nearest social security office and, under the law, apply for an SSI pension. The alien can begin collecting payments of $189.40 shortly thereafter.

The SSI program, with outlays of over $6 billion, is designed to aid the Nation's aged, blind, and disabled. An individual may receive up to $189.40 a month in SSI benefits, a couple $284.10 a month. Few Americans would dispute the need for this program, which cares for those who are unable to work because of age or disability.

But we should not condone abuse of this program by legal aliens and their sponsors. Many of the legal aliens receiving SSI are eligible because their sponsors have not honored their affidavits of support. These agreements, a required condition of entry for the alien without a job or personal means of support, are intended to insure that the alien will not become a public charge after entry and many aliens gain admittance to this country because a sponsor files an affidavit of support in which he promises to keep the alien off public assistance. Yet the courts have ruled that these affidavits are nothing more than moral obligations, and are not legally binding. In many cases, the sponsor reneges on his promise to support the alien. The alien then is eligible to apply for and receive welfare. In fact, many sponsors actually urge the aliens to apply for benefits, even when they are financially able to support the alien.

Documented evidence indicates that the problem is widespread. In a 1978 study conducted in five States, the U.S. General Accounting Office (GAO) found that aliens legally admitted for permanent residence received $72.3 million annually in supplemental security income (SSI) benefits. Over 37,000 legal aliens were identified by the study as receiving benefits within 5 years of their arrival in this country. Ninety-six percent of these aliens—over 36,000—began collecting SSI within 3 years of their arrival, with 63 percent—over 23,000—collecting payments within 1 year of entry. Follow-up inquiry has shown that many of the cases were outright abuses, and the GAO informs us that the abuses continue to this day unabated.

Examples of the abuse abound:

A 65-year-old alien, mother of an Illinois resident who had filed an affidavit of support on her behalf, applied for SSI before even arriving in the United States.

In California, a 64-year-old alien began collecting SSI within 4 months of arrival in the United States, even though his daughter had promised to support him. She earned $25,000 a year and listed assets of over $125,000.

An alien in Rochester, N.Y., began collecting SSI 4 months after arrival because of a disabling disease contracted before arrival in the United States.

Thus, Mr. President, I am today reintroducing proposals, previously submitted to the 95th Congress, to eliminate this abusive loophole. I am especially pleased that the distinguished Senator from California, Mr. Cranston, has agreed to be the principal cosponsor of this measure. Joining us in cosponsoring this legislation is a bipartisan group of Senators, including: Senators Bellmon, Republican of Oklahoma, Cannon, Democrat of Nevada, Ford, Democrat of Kentucky, Hatch, Republican of Utah, Hayakawa, Republican of California, Huddleston, Democrat of Kentucky, Laxalt, Republican of Nevada, Matsunaga, Democrat of Hawaii, Nunn, Democrat of Georgia, Roth, Republican of Delaware, Schweiker, Republican of Pennsylvania, Thurmond, Republican of South Carolina, Young, Republican of North Dakota, and Zorinsky, Democrat of Nebraska. Congressman Donald Pease, Democrat of Ohio, is sponsoring similar legislation in the House.

The measure offers a two-pronged solution which I believe is fair to both the immigrant and to the American taxpayers, whose numbers include thousands of law-abiding legal aliens. The bill would: First, create a 3-year residency requirement for the SSI program; and second, make a sponsor's affidavit of support legally enforceable.

Establishment of a residency requirement would eliminate much of the abuse that exists in the SSI program today. GAO figures indicate that 96 percent of the aliens found to be receiving benefits in the survey—over 23,000—began collecting SSI within 3 years of their admittance to the United States. Experts agree that nearly all of these aliens qualify because of age or previous disability, not because of disabilities incurred after arrival in the United States. A 3-year residency requirement would effectively eliminate much of the abuse that exists today, and would deter future abuse of the program.

Action to strengthen the affidavit of support is much-needed. Documented evidence indicates that many of the aliens on SSI are sponsored. This legislation will make the affidavit a legal agreement, enforceable in a court of law. If, in the future, a sponsor reneges on his promise of support, this measure will make it possible for the alien or the Government to initiate a suit against the sponsor. In this way, both the alien and the Government can be assured of the strength of a sponsor's commitment to them.

Aliens who become blind or disabled after arrival are not covered by the measure. Political refugees are exempt from the bill's provisions.

This legislation is not intended to be antialien, nor is it meant to limit immigration. American immigration policy has traditionally been structured to admit aliens who will contribute to the betterment of our society. Indeed, America enjoys a unique position in the world with its history of accepting immigrants fleeing persecution or seeking legitimate economic advancement. Our guidelines have also aimed to reunite families whenever possible. I strongly believe in these goals, and feel that they should remain the cornerstone of our immigration policy.

The overwhelming majority of our legal immigrant population is law-abiding and is not looking for any handout. In no way is this measure intended to harm their status or image. Unfortunately, the abuses by some aliens and their sponsors reflect badly on upstanding aliens, who are a strong and vital force in our society. They do not seek any welfare assistance; they want nothing more than to become American citizens.

Rather, this measure is intended to be antiabuse. I believe that a sponsor should live up to his promise to support the alien, which was the precondition for the alien's admission to the country. Rip-off of our welfare system by aliens and their sponsors contributes to the already high cost of Government. At a time when our country's public assistance system is overburdened, it is not fair to the taxpayers—including millions of law-abiding legal aliens—that some legal aliens should receive instant pensions because their sponsors refuse to support them. This measure provides a fair and equitable solution to the problem and would end an abuse which has already cost Americans too much.

I am pleased that the Senate Permanent Subcommittee on Investigations, of which I am the ranking minority member, has launched a formal inquiry into the abuse. The subcommittee's study will serve to further detail the problem as it exists today, with an emphasis on examining specific abuses occurring throughout the country.

I remain very concerned about regulations proposed by the Department of Health, Education, and Welfare on May 16, 1978, which would extend eligibility for SSI payments to illegal aliens. I was outraged at this intended action, which ignores the entire legislative history of the SSI program. This history clearly indicates that program benefits should not be extended to illegal aliens. Consequently, in July 1978, Senator Eastland—then chairman of the Judiciary Committee, charged with overseeing immigration matters—and I sent a letter to HEW Secretary Califano expressing our dismay at the action's blatant disregard of congresssional intent. Today, 8 months later, I have heard nothing from him on this controversial problem.

This bill which I am introducing today is one of my top personal priorities, and I will push strongly for its swift enactment during this Congress. Four key Government agencies—the Department of State, the Social Security Administration in the Department of Health, Education, and Welfare, the Immigration and Naturalization Service in the Justice Department, and the General Accounting Office—have recommended legislation to curb this large-scale abuse. State and local officials have also voiced support for corrective measures. Among those contacting me on the issue were: Arthur Levitt, the distinguished former Comptroller General of the State of New York; Charles Bates, commissioner of the Department of Social Services of Westchester County, N.Y.; and the Maui, Hawaii County Council.

If approved by Congress and strictly enforced by the President, this approach will lift the burden of responsibility for an alien's support from the shoulders of the American taxpayers and place it squarely where it belongs—on the sponsor who pledged his financial assistance.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1070

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that (a) (1) section 1614 (a) (1) (B) of the Social Security Act is amended to read as follows:

"(B) is a resident of the United States, and is either (i) a citizen, or (ii) an alien lawfully admitted for permanent residence, or otherwise permanently residing in the United States under color of law (including any alien who is lawfully present in the United States as a result of the application of the provisions of section 203(a) (7) or who has been paroled into the United States as a refugee under section 212(d) (5) of the Immigration and Nationality Act) and who has resided in the United States for the period totaling three years immediately preceding the month in which he applies for benefits under this title. For purposes of clause (ii), an alien shall not be required to meet the three-year residency requirement if (I) such alien has been lawfully admitted to the United States as a refugee as a result of the application of the provisions of section 203(a) (7) or has been paroled into the United States as a refugee under section 212(d) (5) of the Imigration and Nationality Act, or has been granted political asylum by the Attorney General, (II) the support agreement with respect to such alien under section 216 of the Immigration and Nationality Act is excused and unenforceable pursuant to subsection (c) of such section, or (III) such alien is blind (as determined under paragraph (2)) or disabled (as determined under paragraph (3)) and the medical condition which caused his blindness or disability arose after the date of his admission to the United States for permanent residence. For purposes of the preceding sentence, the medical condition which caused his blindness or disability shall be presumed to have arisen prior to the date of his admission to the United States for permanent residence if it was reasonable to believe, based upon evidence available on or before such date of admission, that such medical condition existed and would result in blindness or disability within three years after such date of admission, and the medical condition which caused his blindness or disability shall be presumed to have arisen after such date of admission to the United State for permanent residence if the existence of such medical condition was not known on or before such date of admission, or, if the existence of such medical condition was known, it was not reasonable to believe, based upon evidence available on or before such date of admission, that such medical condition would result in blindness or disability within three years after such date of admission.".

(2) The amendment made by paragraph (1) shall apply only with respect to aliens applying for supplemental security income benefits under title XVI of the Social Security Act on or after the date of the enactment of this Act.

(b) (1) Chapter 2 of title II of the Immigration and Nationality Act is amended by adding at the end thereof the following new section:

"SUPPORT OF ALIENS

"SEC. 216. (a) No alien shall be admitted to the United States for permanent residence unless (1) at the time of application for admission an agreement described in subsection (b) with respect to such alien has been submitted to, and approved by, the Attorney General (in the case of an alien applying while outside the United States), or (2) such alien presents evidence to the satisfaction of the Attorney General or Secretary of State (as may be appropriate) that he has other means to provide the rate of support described in subsection (b). The provisions of this section shall not apply to any alien who is admitted as a refugee under section 203 (a) (7), paroled as a refugee under section 212(d) (5), or granted political asylum by the Attorney General.

"(b) The agreement referred to in subsection (a) shall be signed by a person (hereinafter in this section referred to as the 'immigration sponsor') who presents evidence to the satisfaction of the Attorney General or Secretary of State (as may be appropriate) that he will provide to the alien the financial support required by this subsection, and such agreement shall constitute a contract between the United States and the immigration sponsor. Such agreement shall be in such form and contain such information as the Attorney General or Secretary of State (as may be appropriate) may require. In such agreement the immigration sponsor shall agree to provide, as a condition for the admission of the alien, for the full three-year period beginning on the date of the alien's admission, such financial support (or equivalent in kind support) as is necessary to maintain the alien's income at a dollar amount equal to the amount such alien would receive in benefits under title XVI of the Social Security Act, including State supplementary benefits payable in the State in which such alien resides under section 1616 of such Act and section 212 of the Act of July 9, 1973 (Public Law 93-66), if such alien were an 'aged, blind, or disabled individual' as defined in section 1614(a) of the Social Security Act. A copy of such agreement shall be filed with the Attorney General and shall be available upon request by any party authorized to enforce such agreement under subsection (c).

"(c) (1) Subject to paragraphs (3) and (4), the agreement described in subsection (b) may be enforced with respect to an alien against his immigration sponsor in a civil action brought by the Attorney General or by the alien. Such action may be brought in the United States District Court for the district in which the immigration sponsor resides or in which such alien resides, if the amount in controversy, is $10,000 or more (or without regard to the amount in controversy if such action cannot be brought by any State court), or in the State courts for the State in which the immigration sponsor resides or in which such alien resides, without regard to the amount in controversy.

"(2) Subject to paragraph (4), for the purpose of assuring the efficient use of funds available for public welfare, the agreement described in subsection (b) may be enforced with respect to an alien against his immigration sponsor in a civil action brought by any State (or the Northern Mariana Islands), or political subdivision thereof, which is making payments to, or on behalf of, such alien under any program based on need. Such action may be brought in the United States District Court for the district in which the immigration sponsor resides or in which such alien resides, if the amount in controversy is $10,000 or more (or without regard to the amount in controversy if the action cannot be brought in any State court), or in the State courts for the State in which the immigration sponsor resides or in which such alien resides, without regard to the amount in controversy.

"(3) The right granted to an alien under paragraph (1) to bring a civil action to enforce an agreement described in subsection (b) shall terminate upon the commencement of a civil action to enforce such agreement brought by the Attorney General under paragraph (1) or by a State (or political subdivision thereof) under paragraph (2).

"(4) The agreement described in subsection (b) shall be excused and unenforceable against the immigration sponsor or his estate if—

"(A) the immigration sponsor dies or is adjudicated as bankrupt under the Bankruptcy Act,

"(B) the alien is blind or disabled from causes arising after the date of admission for permanent residence (as determined under section 1614(a) of the Social Security Act),

"(C) the sponsor affirmatively demonstrates to the satisfaction of the Attorney General that his financial resources subsequent to the date of entering into the support agreement have diminished for reasons beyond his control and that he is financially incapable of supporting the alien, or

"(D) judgment cannot be obtained in court because of circumstances unforeseeable to the alien at the time of the agreement.

"(d) (1) If an agreement under subsection (b) becomes excused and unenforceable under the provisions of subsection (c) (4) (C) on account of the sponsor's inability to financially support the alien, such agreement shall remain excused and unenforceable only for so long as such sponsor remains unable to support the alien (as determined by the Attorney General), but in no case shall the agreement be enforceable after the expiration of the three-year period designated in the agreement. The sponsor shall not be responsible for support of the alien for the time during which the agreement was excused and unenforceable, except as provided in paragraph (2).

"(2) (A) If the Attorney General determines that a sponsor intentionally reduced his income or assets for the purpose of excusing a support agreement, and such agreement was excused as a result of such reduction, the sponsor shall be responsible for the support of the alien in the same manner as if such agreement had not been excused, and shall be responsible for repayment of any public assistance provided to such alien during the time such agreement was so excused.

"(B) For purposes of this paragraph the term 'public assistance' means cash benefits based on need, or food stamps.".

(2) The table of contents for chapter 2 of title II of the Immigration and Nationality Act is amended by adding at the end thereof the following new section:

"Sec. 216. Support of aliens.".

(3) Section 212(a)(15) of the Immigration and Nationality Act is amended by inserting before the semicolon the following: ", or who fail to meet the requirements of section 216".

(4) The amendments made by this subsection shall apply with respect to aliens applying for immigrant visas or adjustment of status to permanent resident on or after the first day of the fourth month following the date of the enactment of this Act.

CLOSING DOWN THE "INSTANT PENSION" LOOPHOLE

● Mr. **CRANSTON**. Mr. President, I have joined with my colleague from Illinois (Mr. Percy) to introduce legislation to enforce certain provisions of the immigration law concerning aliens who become public charges.

The immigration law requires as a condition of entry for immigrants who will not be self-supporting that they have a sponsor. Usually the sponsor is an immediate relative already living in the United States. The law also requires the sponsor to promise that the immigrant will not become a public charge.

The law, however, also permits a newly arrived immigrant to obtain supplemental security income (SSI) benefits within 30 days of entry into the country. And the courts have interpreted the sponsor's promise of support as a mere moral obligation.

This state of affairs makes it possible for some newly arrived immigrants to apply for so-called instant pensions for which they have made no direct contribution to our Nation in any way.

It is not fair to our taxpayers that certain aliens should receive benefits which they have not earned when a sponsor who has financial resources reneges on his promise of support.

The General Accounting Office discovered and reported to Congress these types of abuses taking place as a result of the loophole in the law:

A 64-year-old immigrant in Sunnyvale, Calif., applied for and received SSI benefits within 4 months of arrival in the United States even though his daughter had promised to support him as a condition of entry and had an income of over $25,000 and assets worth over $130,000.

Three months after entering the United States a couple in San Francisco received monthly benefits of $338 despite the fact that their son-in-law signed an affidavit of support.

GAO estimated 12,000 aliens living in California who received SSI benefits with less than 3 years residency at a cost of about $30 million.

Although the abuse is not widespread, it results from a loophole in the law which should be closed and it is costing taxpayers some $70 million in only five States surveyed by GAO.

Essentially, our bill forces the sponsor to live up to his promise to support the immigrant he has sponsored into the United States.

First, the bill sets a 3-year residency requirement for all who seek to apply for SSI benefits.

Second, the bill makes the sponsor's promise enforceable by the courts.

The bill is designed to uphold the integrity of the social security system's SSI program. The bill will assure that a sponsor who is financially able will fulfill his promise of support or face a court judgment for the amount expended by public agencies on behalf of the immigrant he sponsored.

Faced with these enforceable responsibilities sponsors are not likely to enter into deceitful arrangements to bilk the taxpayer.

Since the bill is aimed only at those who abuse the system it waives the residency requirements for aliens who become blind or disabled after arrival due to unforeseen causes or upon a determination by the court that the sponsor's support agreement is unenforceable.

In addition, the sponsor can be relieved of the support agreement in case of death, bankruptcy, unforeseen changes in financial circumstances, or other hardships such as illness.

Political refugees are exempted from the bill.

Our bill represents a very reasonable approach to the problem of unfair instant pensions for newly arrived immigrants. It will not work a hardship and will not discourage honest sincerely motivated citizens from seeking to reunite their families whose members may be living in scattered lands around the world. But it will stop the rip-off artist.●

By Mr. WILLIAMS:

S. 1072. A bill to amend the Interstate Land Sales Full Disclosure Act; to the Committee on Banking, Housing, and Urban Affairs.

INTERSTATE LAND SALES FULL DISCLOSURE ACT AMENDMENTS

● Mr. **WILLIAMS**. Mr. President, today I am introducing a bill to amend the Interstate Land Sales Full Disclosure Act (ISFLDA) by providing increased protection for consumers and a reduction in unnecessary regulation for developers.

As the sponsor of the original legislation in this area, in 1968, I believe that much has been done in the past 10 years to curb the worst abuses in the land sales industry.

Over the years, however, a number of weaknesses in the regulatory process created by ILSFDA have been brought to public attention. For example, the industry has pointed out a number of areas where the act or HUD enforcement has created unnecessary regulatory burdens, especially on the small businessman whose activities are primarily local and who cannot easily comply with expensive and complex regulatory requirements. Additionally, we have heard from consumer groups and concerned Government agencies that there are clearly areas of the law which need to be tightened to improve the usefulness of registration and disclosure, and to better prevent fraud and deception of the consumer.

In the last Congress, both Houses held extensive hearings on land sales legislation. The Senate passed legislation reducing regulation and creating a series of new exemptions for developers. I believed at that time, and I continue to believe, that legislation simply addressing the question of regulatory reform and developer exemptions would still leave unfinished a number of areas requiring congressional scrutiny particularly the question of consumer protection and safeguards. The conference on last year's housing and community development legislation recognized the need for a broader approach to remedial legislation and, accordingly, limited its action on land sales to enacting one new year exemption for municipal homesites.

The legislation I am introducing today proposes a comprehensive reform of the land sales law. It would simplify administration and compliance and, at the same time, improve the protections and remedies available to consumers.

Mr. President, this legislation is substantially the same as legislation introduced by my distinguished counterpart on the House side, Representative LUD ASHLEY, the chairman of the House Subcommittee on Housing.

Although there are some differences between the two bills primarily in the sections dealing with civil penalty powers, and the certification of substantially equivalent State laws—I believe Representative ASHLEY and I have reached basic agreement on how that act should be revised. Working together, I believe Representative ASHLEY and I have developed a common approach to comprehensive reform of the land sales law which can be approved in this Congress.

Mr. President, I would like to briefly describe the major provisions of this legislation.

The threshold size of a development that comes within jurisdiction of the Federal law would be increased from 50 to 100 lots. This change would exempt approximately 50 percent of all subdivisions from Federal regulations requiring registration and disclosure. In my judgment, it would go a long way toward accomplishing the often-voiced complaint that the Federal law unduly and unnecessarily burdens the small business person. Other exemptions would also be provided for developers whose annual sales are minimal. The maximum lot size covered by this act would be increased from 5 to 40 acres.

Simplification of the overlapping registration and disclosure requirements often imposed on a developer by Federal and State laws would result from the new procedures the bill would establish. This process would require HUD to review each State's disclosure laws and certify those States whose laws and compliance processes are substantially similar to Federal law. Where a State's law is certified by HUD, the developer would only have to complete a State property report. The State report would become the Federal report. If a State is not certified, then the HUD report would be the only one used.

In order to protect against high-pressure sales techniques, a 21-day right of rescission would be created allowing a prospective purchaser to carefully consider his decision to buy and back out for any reason during that time.

To insure that a purchaser's rights and equities are adequately protected, any contract must provide for a notice and cure procedure in event of purchaser's default, and must provide for a default process that is limited to proven damages where at least 15 percent of the purchase price has been paid. Contracts without this provision would be revocable by the purchaser for 2 years.

The purchaser's legal remedies for a breach by the seller would be improved by allowing actions for specific performance, and allowing recovery of attorney's fees.

The purchaser's statute of limitations provisions would be revised to run for 3 years from the date of discovery of a violation of the act, and to allow 5 years for actions to be brought for violation of statement of record and property report requirement.

The Secretary of HUD would be given cease and desist powers to help prevent serious abuses by developers such as fraud that cannot be prevented simply by suspending the developer's statement of record.

The Secretary would have authority to impose civil penalties for violations of the act. This becomes a much more workable and reasonable tool for enforcement than criminal penalties.

A parens patriae provision would be included, which would allow State attorneys general to undertake civil actions under the Federal land sales law to protect their State's citizens against injury caused by violations of the Federal law.

Mr. President, I introduce this legislation today at the end of a series of hearings in the Housing and Urban Affairs Subcommittee which addressed the question of reform of the interstate land sales law and made clear that this is an area which is still subject to fraudulent and deceptive practices by some developers. It also made clear that there are many honest developers who can and will comply with a reasonable scheme of regulation.

In our hearings, we heard the views of affected industry groups, of Federal and State regulators, and of consumer groups. While, of course, we had widely differing viewpoints on some provisions of the legislation, I was pleased to see a broad spectrum of support for many of the provisions of this proposed legislation.

I believe this bill is a strong step in the direction of effective and fair regulation of interstate land sales. It represents both regulatory relief for small developers, and better remedies and protections for consumers. The need for these reforms was clearly demonstrated in our hearings.

I ask unanimous consent that the text of this bill, along with a section-by-section analysis, be printed at this point in the RECORD.

There being no objection, the bill and analysis were ordered to be printed in the RECORD, as follows:

S. 1072

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DEFINITIONS

SECTION 1. (a) Section 1402 of the Interstate Land Sales Full Disclosure Act is amended—

(1) by redesignating paragraphs (4) through (10) as paragraphs (5) through (11), respectively; and

(2) by striking out paragraph (3) and inserting in lieu thereof the following new paragraphs:

"(3) 'subdivision' means any land which is located in any State or in a foreign country and is divided or is proposed to be divided into fifty or more lots, whether contiguous or not, for the purpose of sale or lease as part of a common promotional plan;

"(4) 'common promotional plan' means a plan, undertaken by a single developer or a group of developers acting in concert, to offer lots for sale or lease. Where such lots are offered for sale by such a developer or group of developers acting in concert, and such lots are contiguous or are known, designated, or advertised as a common unit or by a common name, such lots shall be presumed, without regard to the number of lots covered by each individual offering, as being offered for sale or lease as part of a common promotional plan;".

EXEMPTIONS

SEC. 2. Subsections (a) and (b) of section 1403 of the Interstate Land Sales Full Disclosure Act are amended to read as follows:

"(a) Unless the method of deposition is adopted for the purpose of evasion of this title, the provisions of this title shall not apply to—

"(1) the sale or lease of any improved land on which there is a residential, commercial, condominium, or industrial building, or the sale or lease of land under a contract obligating the seller or lessor to erect such a building thereon within a period of two years;

"(2) the sale of evidences of indebtedness secured by a mortgage or deed of trust on real estate;

"(3) the sale of securities issued by a real estate investment trust;

"(4) the sale or lease of real estate by any government or government agency;

"(5) the sale or lease of cemetery lots;

"(6) the sale or lease of lots to any person who acquires such lots for the purpose of engaging in the business of constructing residential, commercial, or industrial buildings or for the purpose of resale or lease of such lots to persons engaged in such business; or

"(7) the sale or lease of real estate which is zoned by the appropriate governmental authority for industrial or commercial development or which is restricted to such use by a declaration of covenants, conditions, and restrictions which has been recorded in the official records of the city or county in which such real estate is located, when—

"(A) local authorities have approved access from such real estate to a public street or highway;

"(B) the purchaser or lessee of such real estate is a duly organized corporation, partnership, trust, or business entity engaged in commercial or industrial business;

"(C) the purchaser or lessee of such real estate is represented in the transaction of sale or lease by a representative of its own selection;

"(D) the purchaser or lessee of such real estate affirms in writing to the seller or lessor that it either (i) is purchasing or leasing such real estate substantially for its own use, or (ii) has a binding commitment to sell, lease, or sublease such real estate to an entity which meets the requirements of subparagraph (B), is engaged in commercial or industrial business, and is not affiliated with the seller, lessor, or agent thereof; and

"(E) a policy of title insurance or title opinion is issued in connection with the transaction showing that title to the real estate purchased or leased is vested in the seller or lessor, subject only to such exceptions as may be approved in writing by such purchaser or the lessee prior to recordation of the instrument of conveyance or execution of the lease, but (i) nothing herein shall be construed as requiring the recordation of a lease, and (ii) any purchaser or lessee may waive, in writing in a separate document, the requirement of this subparagraph that a policy of title insurance or title opinion be issued in connection with the transaction.

"(b) Unless the method of disposition is adopted for the purpose of evasion of this title, the provisions of this title requiring registration and disclosure (as specified in section 1404(a)(1) and sections 1405 through calendar year;

"(1) the sale or lease of lots in a subdivision containing less than 100 lots not otherwise exempt under this section;

"(2) the sale or lease of up to 12 lots of a subdivision which are sold or leased, or both, in any calendar year if not more than 12 lots are sold or leased, or both, from that subdivision in such calendar year and if not more than 12 lots have been sold or leased, or both, from that subdivision in any previous calendar year;

"(3) the sale or lease of lots in a subdivision if each noncontiguous part of such subdivision contains not more than 10 lots, and if each purchaser or lessee has made a personal, on-the-lot inspection of the lot purchased or leased, prior to signing of the contract or agreement to purchase or lease;

"(4) the sale or lease of lots in a subdivision, all of which are 40 acres or more in size; or

"(5) the sale or lease of a lot which is located within a municipality or county where a unit of local government specific minimum standards for the development of subdivision lots taking place within its boundaries, when—

"(A) (i) the subdivision meets all local codes and standards, and (ii) each lot is either zoned for single family residence or, in the absence of a zoning ordinance, is limited exclusively to single family residences;

"(B) (i) the lot is situated on a paved street or highway which has been built to standards applicable to streets and highways maintained by the unit of local government in which the subdivision is located and is acceptable to such unit, or, where such street or highway is not complete, a bond or other surety acceptable to the municipality or county in the full amount of the cost of completing such street or highway has been posted to assure completion to such standards, and (ii) the unit of local government or a homeowners association has accepted or is obligated to accept the responsibility of maintaining such street or highway, except that, in any case in which a homeowner association has accepted or is obligated to accept such responsibility, a good faith written estimate by an independent professional engineer of the cost of carrying out such responsibility over the first 10 years of ownership or lease is provided to the purchaser or lessee prior to the signing of the contract or agreement to purchase or lease;

"(C) at the time of closing, potable water, sanitary sewage disposal, and electricity have been extended to the lot or the unit of local government is obligated to install such facilities within 180 days. For subdivisions which do not have a central water or sewage disposal system, rather than installation of water or sewer facilities, there must be assurances that an adequate potable water supply is available year-round and that the lot is approved for the installation of a septic tank;

"(D) the contract of sale requires delivery of a warranty deed (or, where such deed is not commonly used in the jurisdiction where the lot is located, a deed or grant that warrants at least that the grantor has not conveyed the lot to another person and that the lot is free from encumbrances made by the grantor or any other person claiming by, through, or under him) to the purchaser within 180 days after the signing of the sales contract;

"(E) at the time of closing, a title insurance binder or a title opinion reflecting the condition of the title shall be in existence and issued or presented to the purchaser or lessee showing that, subject only to such exceptions as may be approved in writing by the purchaser or lessee prior to the recordation of the deed or execution of lease, marketable title to the lot is vested in the seller or lessor, and where there is no warranty of title from the grantor in the deed, an owner's policy of title insurance is issued in connection with the sale;

"(F) each purchaser or lessee has made a personal, on-the-lot inspection of the lot purchased or leased, prior to signing of the contract or agreement to purchase or lease; and

"(G) there are no direct mail or telephone solicitations or offers of gifts, trips, dinners, or other such promotional techniques to induce prospective purchasers or lessees to visit the subdivision or to purchase or lease a lot.".

REQUIREMENTS RELATING TO THE SALE OR LEASE OF LOTS

SEC. 3. Section 1404 of the Interstate Land Sales Full Disclosure Act is amended to read as follows:

"REQUIREMENTS RELATING TO THE SALE OR LEASE OF LOTS

"SEC. 1404. (a) It shall be unlawful for any developer or agent, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce, or of the mails—

"(1) with respect to the sale or lease of any lot not exempt under section 1403 (a) or (b)—

"(A) to sell or lease any lot unless a statement of record with respect to such lot is in effect in accordance with section 1407;

"(B) to sell or lease any lot unless a printed property report, meeting the requirements of section 1408, has been furnished to the purchaser or lessee in advance of the signing of any contract or agreement by such purchaser or lessee; or

"(C) to display or deliver to any prospective purchaser or lessee of a lot advertising and promotional material which is inconsistent with that information required to be disclosed in the property report; or

"(2) with respect to the sale or lease, or offer to sell or lease, any lot not exempt under section 1403(a)—

"(A) to employ any device, scheme, or artifice to defraud;

"(B) to obtain money or property by means of any untrue statement of a material fact, or any omission to state a material fact necessary in order to make the statements made (in light of the circumstances in which they were made) not misleading, with respect to any information pertinent to the lot or subdivision;

"(C) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser; or

"(D) to represent that roads, sewers, water or electric service, or recreational amenities will be provided or completed unless the contract of sale or lease provides that such services or amenities will be furnished or completed within a reasonable time.

"(b) Any contract or agreement for the sale or lease of a lot not exempt under section 1403 may be revoked at the option of the purchaser or lessee until midnight of the 21st day following the signing of such contract or agreement, and such contract or agreement shall clearly disclose to the purchaser or lessee this option to revoke.

"(c) In the case of any contract or agreement for the sale or lease of a lot for which a property report is required by this title and the property report has not been given to the purchaser or lessee in advance of his or her signing such contract or agreement, such contract or agreement may be revoked at the option of the purchaser or lessee for 2 years from the date of such signing, and such contract or agreement shall clearly disclose to the purchaser or lessee this option to revoke.

"(d) Any contract or agreement which is for the sale or lease of a lot not exempt under section 1403 and which does not provide—

"(1) a legally sufficient and recordable description of the boundaries of the lot;

"(2) that, in the event of a breach of the contract or agreement by the purchaser or lessee, the seller or lessor (or successor thereof) will provide the purchaser or lessee with written notice of such breach and of the opportunity, which shall be given such purchaser or lessee, to remedy such breach within 30 days after the date of the receipt of such notice; and

"(3) that, if the purchaser or lessee loses rights and interest in the lot as a result of a breach of the contract or agreement which occurs after the purchaser or lessee has paid 15 percent of the purchase price of the lot, excluding any interest owed under the contract or agreement, the seller or lessor (or successor thereof) shall refund to such purchaser or lessee any amount which remains after subtracting (A) the amount of damages incurred by the seller or lessor (or successor thereof) as a result of such breach as determined in a judicial proceeding, from (B) the amount paid by the purchaser or lessee with respect to the purchase price of the lot, excluding any interest paid under the contract or agreement,

may be revoked at the option of the purchaser or lessee for 2 years from the date of the signing of such contract or agreement, and any such contract or agreement shall clearly disclose to the purchaser or lessee this option to revoke.

"(e) Upon the revocation of a contract pursuant to subsection (b), (c), or (d) and upon the tender of an instrument divesting the purchaser or lessee of his or her rights and interests in the lot, such purchaser or lessee shall be entitled to all money paid by him or her under such contract or agreement. In addition, where the seller or lessor provided the financing of the sale or lease through a separate agreement, all obligations of the purchaser or lessee under the financing agreements shall, upon revocation, be cancelled.".

CERTIFICATION OF SUBSTANTIALLY EQUIVALENT STATE LAW

SEC. 4. Section 1409 of the Interstate Land Sales Full Disclosure Act is amended to read as follows:

"CERTIFICATION OF SUBSTANTIALLY EQUIVALENT STATE LAW

"SEC. 1409. (a) (1) A State shall be certified when the Secretary determines—

"(A) that, when taken as a whole, the laws and regulations of the State applicable to the sale or lease of lots not exempt under section 1403 require the seller or lessor of such lots to disclose information which is substantially equivalent to or greater than the information required to be disclosed by section 1408; and

"(B) that the State's administration of such laws and regulations provides, to the maximum extent practicable, that such information is accurate.

"(2) In the case of any State which may not be certified under paragraph (1) because its laws and regulations do not require disclosure of all the information required to be disclosed by section 1408, such State shall be certified when the Secretary determines—

"(A) that, when taken as a whole, the laws and regulations of the State applicable to the sale or lease of lots not exempt under section 1403 provide sufficient protection for purchasers and lessees with respect to the matters for which information is not required to be disclosed by such laws and regulations; and

"(B) that the State's administration of such laws and regulations provides, to the maximum extent practicable, that (i) information required to be disclosed by such laws and regulations is accurate, and (ii) sufficient protection for purchasers and lessees is made available with respect to the matters for which information is not required to be disclosed. "(b) Where the Secretary has certified a State under subsection (a), the Secretary shall accept for filing under sections 1405 through 1408, and declare effective as the statement of record and property report, disclosure materials found acceptable, and any related documentation required, by State authorities in connection with the sale or lease of lots located within the State. The acceptance of a filing under this subsection does not preclude the Secretary from exercising the authority conferred by subsections (d) and (e) of section 1407.

"(c) Where the Secretary has not certified a State under subsection (a), the property report described in section 1408 shall be used in lieu of any State disclosure document delivered to purchasers.

"(d) The Secretary shall periodically review the laws and regulations, and the administration thereof, of States certified under subsection (a), and may withdraw such certification upon a determination that such laws, regulations, and the administration thereof, taken as a whole, no longer meet the requirements of subsection (a).

"(e) Nothing in this title may be construed to prevent or limit the authority of any State or local government to enact and enforce any law, ordinance, or code with regard to the sale of land not in conflict with this title. In administering this title, the Secretary shall cooperate with State authorities charged with the responsibility of regulating the sale or lease of lots which are subject to this title.".

CIVIL LIABILITIES

SEC. 5. Section 1410 of the Interstate Land Sales Full Disclosure Act is amended to read as follows:

"CIVIL LIABILITIES

"SEC. 1410. (a) A purchaser or lessee may bring an action at law or in equity against a developer or agent if the sale or lease was made in violation of section 1404(a). In an action authorized by this subsection, the court may order damages, specific performance, or such other relief as the court deems fair, just, and equitable. In determining such relief the court shall take into account, but not be limited to, the following factors: the contract price of the lot; the amount the purchaser or lessee actually paid; the cost of any improvements to the lot; the fair market value of the lot at the time of sale or lease; and the fair market value of the lot at the time such lot was purchased or leased.

"(b) A purchaser or lessor may bring an action at law or in equity against the seller or lessor (or his or her successor in interest) to enforce any right under subsection (b), (c), or (d) and subsection (e) of section 1404.

"(c) The amount recoverable in an action authorized by this section may include, in addition to matters specified in subsections (a), and (b) interest, reasonable attorneys' fees, independent appraisers' fees, and travel and court costs.

"(d) Every person who becomes liable to make any payment under this section may recover contribution, as in cases of contract, from any person who, if sued separately, would have been liable to make the same payment.".

LIMITATION OF ACTIONS

SEC. 6. Section 1412 of the Interstate Land Sales Full Disclosure Act is amended to read as follows:

"LIMITATION OF ACTIONS

"SEC. 1412. (a) No action shall be maintained under section 1410 with respect to any violation of section 1404(a) unless brought within 3 years after discovery of the violation upon which it is based or after discovery should have been made by the exercise of reasonable diligence. In no case shall any such action be brought under section 1410 with respect to any violation of section 1404 (a)(1) more than 5 years after the last payment has been made pursuant to the contract of sale or lease.

"(b) No action shall be brought under section 1410 with respect to subsection (b), (c), or (d) of section 1404 more than 3 years after the revocation of the contract or lease, notwithstanding delivery of a deed to a purchaser.".

CEASE-AND-DESIST ORDERS

SEC. 7. Section 1415 of the Interstate Land Sales Full Disclosure Act is amended by adding the following new subsections at the end thereof:

"(e) Whenever the Secretary has reasonable cause to believe that any developer or agent is engaged in any act or practice which would violate the provisions of section 1404 (a)(2) and the Secretary determines that such act or practice is likely to cause harm to purchasers or lessees, the Secretary may issue and serve upon such developer or agent a complaint stating the charges in that respect and containing a notice of a hearing, at a time and a place therein fixed. Such hearing shall be on a date at least twenty days and not more than forty-five days after service of such complaint. The developer or agent shall have the right to appear at the place and time so fixed and show cause why an order should not be entered by the Secretary requiring the developer or agent to cease and desist from the act or practice as so charged in such complaint. Notwithstanding the preceding sentence, if the developer or agent fails to file an answer and intention to appear within fifteen days after service of the complaint and notice, such developer or agent shall be deemed to have waived the right to a hearing and the Secretary may issue an order to cease and desist. The Secretary shall issue a decision within ten days after any hearing, and any order issued to cease and desist shall be effective upon service on the developer or agent.

"(f)(1) Whenever the Secretary has reasonable cause to believe that the violation specified in the complaint served upon a developer or an agent pursuant to subsection (e) of this section is likely to cause immediate and substantial harm to purchasers or lessees, the Secretary may issue a temporary order requiring the developer or agent to cease and desist from any such violation or failure to comply. Such order shall become effective upon service upon the developer or agent, and, unless suspended by a court in proceedings authorized by paragraph (2) of this subsection, shall remain effective and enforceable pending the completion of the administrative proceedings pursuant to the complaint and notice, or if an order to cease and desist is issued against the developer or agent pursuant to subsection (e), until the effective date of any such order.

"(2) Within ten days after any developer or agent has been served with a temporary order to cease and desist, such developer or agent may apply to the United States district court for the judicial district where the developer or agent is located, or to the United States District Court for the District of Columbia, to determine whether such order was arbitrary, capricious, or an abuse of discretion, or whether the order was issued in accordance with the procedures established by law. The sole effect of any order of the court will be only to suspend the effectiveness of the temporary order to cease and desist pending completion of the administrative proceedings pursuant to the complaint and notice served upon the developer and agent under subsection (e) of this section.".

CRIMINAL PENALTIES

SEC. 8. Section 1418 of the Interstate Land Sales Full Disclosure Act is amended to read as follows:

"CRIMINAL PENALTIES

"SEC. 1418. Any person who willfully violates any provision of this title, or any rule or regulation prescribed pursuant to this title, or any cease-and-desist order issued under subsection (e) or (f) of section 1415, or any person who willfully, in a statement of record filed under, or in a property report issued pursuant to, this title, makes any untrue statement of a material fact or omits to state any material fact required to be stated therein, shall upon conviction be fined not more than $10,000 or imprisoned not more than five years, or both.".

CIVIL PENALTIES; PARENS PATRIAE; REPORTS

SEC. 9. The Interstate Land Sales Full Disclosure Act is amended by redesignating sections 1419 through 1422 as sections 1422 through 1425, respectively, and by inserting the following new sections after section 1418:

"CIVIL PENALTIES

"SEC. 1419. (a) Any person who violates any provision of this title, or any rule or regulation prescribed pursuant to this title, or any cease-and-desist order issued under subsection (e) or (f) of section 1415, shall be subject to a civil penalty, in a determination by the Secretary after opportunity for a hearing on the record, of not to exceed $5,000 for each such violation. Each separate offense shall constitute a violation and, in the case of a continuing offense, each day shall constitute a separate violation. Any determinaton of the Secretary shall be subject to review only as provided in section 1411.

"(b) Any penalty assessed pursuant to this section may be collected in an action brought by the Secretary in any district court of the United States. In any such action the validity and appropriateness of the final determination imposing the penalty shall not be subject to review.

"(c) The amount of such penalty, when finally determined, shall be covered into the United States Treasury.

"PARENS PATRIAE ACTIONS

"SEC. 1420. (a)(1) Any attorney general of a State may bring a civil action in the name of such State, os parens patriae on behalf of individuals residing in such State, in any district court of the United States having jurisdiction of the defendant, to secure monetary or injunctive relief as provided in this section for injury sustained by such individuals by reason of any violation of section 1404. The court shall exclude from the amount of monetary relief awarded in such action any amount of monetary relief—

"(A) which duplicates amounts which have been awarded for the same injury; or

"(B) which is properly allocable to—

"(i) individuals who have excluded their claims pursuant to subsection (b)(2) of this section; and

"(ii) business entities.

"(2) The court shall award the State as monetary relief the total damage sustained as described in paragraph (1) of this subsection and the cost of the action, and, in its discretion, the court may include reasonable attorney's fees in the cost of the action.

"(3) The court may, in its discretion, award reasonable attorney's fees to a defendant, and such court shall award such fees to a defendant upon a finding that the State attorney general has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.

"(b)(1) In any action brought under subsection (a)(1) of this section, the State attorney general shall, at such times, in such manner, and with such content as the court may direct, cause notice thereof to be given by publication. If the court finds that notice given solely by publication would deny due process of law to any person or persons, the court may direct further notice to such person or persons according to circumstances of the case.

"(2) Any individual on whose behalf an action is brought under subsection (a)(1) may elect to exclude from adjudication the portion of the State's claim for monetary relief attributable to such individual by filing notice of such election with the court within such time as specified in the notice given pursuant to paragraph (1) of this subsection.

"(3) The final judgment in an action under subsection (a)(1) shall be res judicata as to any claim under this section by any individual on behalf of whom such action was brought and who failed to give such notice within the period specified in the notice given pursuant to paragraph (1) of this subsection.

"(c) An action under subsection (a)(1) shall not be dismissed or compromised without the approval of the court, and notice of any such proposed dismissal or compromise shall be given in such manner as the court directs.

"(d) In any action under subsection (a)(1) of this section, in which there has been a determination that a defendant committed any violation of section 1404, damages may be proved and assessed in the aggregate by statistical or sampling methods, or by such other reasonable system of estimating aggregate damages as the court in its discretion may permit without the necessity of separately proving the individual claim of, or amount to, persons on whose behalf the action was brought.

"(e) Monetary relief recovered in an action under subsection (a)(1) shall be distributed in accordance with a procedure which, as the district court determines, will afford each individual a reasonable opportunity to secure his appropriate portion of the monetary relief. Any monetary relief which remains after the distribution described in the previous sentence shall be deemed a civil penalty by the court and deposited with the State as general revenues.

"(f)(1) Whenever the Attorney General of the United States or the Secretary has brought an action under this title, under any rule, regulation, or order issued thereunder, or under any other Federal law with regard to a violation which is also a violation of this title or such rule, regulation, or order, and such Attorney General or the Secretary has reason to believe that any State attorney general would be entitled to bring an action, under this section, based substantially on the same alleged violation of Federal law, he shall promptly give written notification thereof to such State attorney general.

"(2) To assist a State attorney general in evaluating the notification described in paragraph (1) or in bringing any action under this section, the Attorney General of the United States or the Secretary shall, upon request by such State attorney general, make available to such State attorney general, to the extent permitted by law, any investigative files or other materials which are or may be relevant or material to the actual or potential cause of action under this section.

"(g) For purposes of this section, the term 'State attorney general' means the chief legal officer of a State, as defined in section 1402(9), or any other person authorized by State law to bring actions under this section, except that such term does not include any person employed or retained on—

"(1) a contingency fee based on the monetary relief awarded under this section; or

"(2) any other contingency fee basis unless the amount of the award of a reasonable attorney's fee to a plaintiff is determined by the court under subsection (a)(2) of this section.

"REPORT TO CONGRESS

"SEC. 1421. The Secretary shall prepare and submit to the Congress on March 1, 1981, and biennially thereafter a report on the administration of this title, and its impact upon the land development industry and purchasers and lessees of undeveloped land. Such report shall include but not be restricted to the analysis of—

"(1) consumer and industry complaints and their resolution, with particular emphasis on the impact of various statutory and regulatory exemptions;

"(2) the effect the State certification has had in encouraging States to provide protection to purchasers of undeveloped land; and

"(3) efforts by the Secretary to simplify registration and disclosure procedures.

The report shall also contain such legislative recommendations as the Secretary deems advisable.".

EFFECTIVE DATE

SEC. 10. The amendments made by this Act become effective 90 days after the date of enactment of this Act.

SECTION-BY-SECTION SUMMARY

DEFINITIONS

Section 1 of the bill would provide a new definition of "subdivision" and a separate definition of the term "common promotional plan." Existing law combined these two definitions.

EXEMPTIONS

Section 2 would revise Section 1403 of the Act to create two categories of exemptions, as opposed to the present single category of complete exemptions.

Section 1403(a)—The first category would restate the existing complete exemption from the Act for certain types of subdivisions. These include improved land, sales of indebtedness secured by mortgages and securities issued by real estate investment trusts, sales by governments, cemetery lots, or sales to persons in the real estate business.

Section 1403(b)—the second category of exemptions would be limited to exemption from the disclosure and registration, but not the fraud, provisions of the Act.

Section 1403(b)(1) would provide that the maximum size of a subdivision which is exempt from the disclosure and registration requirements is increased from 50 to 100 lots.

Section 1403(b)(2) would exempt developers who sell 12 or fewer lots per year regardless of the number of lots ultimately sold.

Section 1403(b)(3) would exempt scattered site subdivisions where no part of the subdivision has more than 10 lots and an on-site inspection is made.

Section 1403(b)(4) would exempt subdivisions containing lots all of which exceed 40 acres in size rather than 5 acres.

Section 1403(b)(5), the regulated jurisdiction exemption would be revised in several respects. To be exempt lots (1) would not need to be located on a paved public street or highway but only on a paved street or highway, (2) the street would have to be built to standards applicable to those maintained by the local government and must be acceptable to the local government and (3) a homeowner's association as well as a local government would be able to accept responsibility for maintenance of the street or highway. If a homeowner's association rather than the local government is responsible, a good faith written estimate, by an independent engineer, of the cost of such maintenance over the first ten years of ownership must be provided to the purchaser.

As an alternative to a warranty deed, where warranty deeds are not commonly used in the jurisdiction, a seller may utilize a deed or grant that warrants at least that the grantor has not conveyed the lot to another person and that the lot is free from encumbrances made by the seller.

At the time of closing, a title insurance binder or a title opinion must be in existence. Where there is no warranty of title in the deed, title insurance must be issued.

The purchaser, rather than the purchaser or spouse, must make an on-site inspection. The existing provision with regard to direct mail or telephone solicitations, and offers of gifts, trips, dinners and similar promotional items is retained.

Existing exemptions for the sale of real estate pursuant to a court order or when there has been an on-site inspection would be deleted.

REQUIREMENTS RELATING TO THE SALE OR LEASE OF LOTS

Section 3 would revise Section 1404 of the Act and would more clearly create two categories of prohibited practices.

Section 1404(a)(1) would specify prohibited practices related solely to the sale of lots in subdivisions which were not exempt from this title and for which registration and disclosure are required: Lots covered under this paragraph may not be sold unless a statement of record is in effect, or unless a property report is furnished prior to signing the contract of sale; the display or delivery to prospective purchasers of advertising or promotional material which is inconsistent with information which must be disclosed in the property report is prohibited.

Section 1404(a)(2) would specify prohibited practices for all subdivisions covered by the Act, including those specified in Section 1403(b) as exempt from the registration and disclosure requirements section:

The existing prohibition against the use of any device, scheme or artifice to defraud would be retained.

With respect to any information pertinent to the lot or subdivision, the making of an untrue statement of a material fact or any omission to state a material fact necessary in order to make statements made not misleading would be prohibited.

Any transaction, practice or course of business which would operate as a fraud or deceit upon a purchaser would be prohibited.

The practice of representing that roads, sewers, water, electric service or recreational amenities will be provided or completed without stipulating in the contract of sale that such services will be provided or completed would be prohibited.

Section 1404(b) would provide a 21 day "cooling off" period from the date the contract is signed, during which a purchaser may revoke a contract of sale.

Section 1404(c) would establish a two-year limitation on the time in which a purchaser who has not received a property report may revoke his contract of sale. The contract must provide this right.

Section 1404(d) would provide that within two years a purchaser may revoke a contract for the sale of a nonexempt lot where the contract does not provide: (1) a legally sufficient and recordable description of the lot. (2) that, in the event of a breach by the purchaser, the seller will provide written notice of such breach, with a 30-day opportunity to remedy the breach, and (3) that after a purchaser has paid 15 percent of the purchase price of the lot, a seller must refund to the purchaser, any amounts paid (excluding interest) over the seller's actual damages.

Section 1404(e) would provide that upon revocation and tender of an instrument divesting himself of his interest in the lot, the purchaser is entitled to all money paid under the contract. In addition, any separate financing agreement with the seller would be cancelled.

CERTIFICATION OF SUBSTANTIALLY EQUIVALENT STATE LAW

Section 4 of the bill would revise the existing provisions of the Act with respect to cooperation with state authorities and require the Secretary to certify substantially equivalent state laws.

Section 1409(a)(1) would provide that a state shall be certified when the Secretary determines that the laws and regulation of the state applicable to nonexempt lots in that state require disclosure substantially equivalent to, or greater than, that of this Act, and the state administration of these laws and regulations provides, to the maximum extent practicable, that such information is accurate.

Section 1409(a)(2) would provide an alternative means of certification when the state's laws and regulations and administration with respect to matters for which information is not disclosed provide sufficient protection for purchasers.

Section 1409(b) would provide that when a state is certified the disclosure materials accepted by the state shall be acceptable for for filing under this Act.

Section 1409(c) would provide that where a state's law has not been certified by HUD, the HUD property report will be used in lieu of any state disclosure document.

Section 1409(d) would provide the periodic review of certified states and the withdrawal of certification when appropriate.

Section 1409(e) would provide that this provision is not intended to prevent or limit the authority of states or local governments to enforce laws not in conflict with the Act and would require cooperation with state authorities.

CIVIL LIABILITIES

Section 5 of the bill would revise existing Section 1410 of the Act.

Section 1410(a) would restate the right of a purchaser or lessee to bring a civil action for violation of the provisions of Section 1404(a). Relief could include specific performance.

Section 1410(c) enumerates certain costs which may be recovered in such suits, including attorneys' fees.

Section 1410(d) restates the right to contributions which a party liable under this section may utilize against other persons.

LIMITATION OF ACTIONS

Section 6 of the bill would revise existing Section 1412 of the Act regarding the statute of limitations.

Section 1412(a) would provide that actions maintained under Section 1410(a) must be brought within three years after discovery of violations was or should have been made. It would further limit suits with respect to violations of Section 1404(a)(1) to five years after the last payment has been made pursuant to the contract of sale.

Section 1412(b) would limit actions brought because of a breach of the revocation provisions of the Act to three years after revocation.

CEASE AND DESIST ORDERS

Section 7 of the bill would amend Section 1415 of the Act to provide the Secretary of HUD with authority to issue cease and desist orders.

Section 1415(e) would provide that whenever the Secretary has reasonable cause to believe a developer is engaged in an act or practice which would violate the provisions of Section 1404(a)(2) regarding fraud and other misrepresentations and that such act or practice is likely to cause harm to purchasers, the Secretary may order a hearing, on notice, with respect to issuing a cease and desist order.

Section 1415(f)(1) would provide that when the Secretary has reasonable cause to believe the violation is likely to cause immediate and substantial harm to purchasers, a temporary restraining order requiring the developer to cease and desist may be issued.

Section 1415(f)(2) would provide an appeal process for a developer served by a temporary order to cease and desist.

CRIMINAL PENALTIES

Section 8 of the bill would increase the maximum fine under the criminal penalties provision of the Act from $5,000 to $10,000.

CIVIL PENALTIES; PARENS PATRIAE; REPORTS TO CONGRESS

Section 9 of the bill would add new sections creating civil penalty and "Parens Patriae" provisions, and requiring biennial reports to Congress.

Section 1419 would allow the Secretary of HUD to impose a civil penalty of up to $5,000 per violation, for violations of the Act, or regulations or orders issued under the Act.

Section 1420(a)(1) would provide that any attorney general of a State may bring a civil action on behalf of individuals residing in such State in a U.S. District Court to secure monetary or injunctive relief for violations of Section 1404 (registration, disclosure and fraud provisions).

Section 1421(a)(2) would provide that the court shall award the State damages and costs and may award reasonable attorneys' fees.

Section 1421(a)(3) would provide that the court may award attorneys' fees to a defendant upon a finding that a State Attorney General has acted in bad faith, vexatiously, wantonly, or for oppressive reasons.

Section 1421(b)(1) would provide that the State Attorney General shall publish notice of such actions by publication or as prescribed by the court.

Section 1421(b)(2) would provide that any individual on whose behalf an action is brought may elect to exclude himself from such action by filing a notice of such election.

Section 1421(b)(3) would provide that the final judgment in an action brought under this section shall be *res judicata* as to a claim of an individual on behalf of whom such action was brought who failed to give notice to exclude himself from the action.

Section 1421(c) would provide that no action under this section shall be dismissed or compromised without approval of the court.

Section 1421(d) would provide that damages may be proved by statistical or sampling methods or such other reasonable method of estimating as the court permits.

Section 1421(e) would provide each individual his appropriate portion of monetary relief; and the balance would be deposited with the state.

Section 1421(f)(1) would provide that whenever the Attorney General of the United States or the Secretary of HUD brings an action, based on substantially the same alleged violation on which a State Attorney General would be entitled to bring an action under this section, he shall give notice to the State Attorney General.

Section 1421(f)(2) would provide that the U.S. Attorney General or Secretary of HUD make available to the State Attorney General relevant investigative files and materials in order to assist the State's efforts.

Section 1421(g) would define "State Attorney General" as the chief legal officer of a State or other persons authorized by State law to bring action under this section, but excludes persons employed or retained on a contingency fee basis.

REPORT TO CONGRESS

Section 1422 would be added to the Act to require a biennial report to Congress by the Secretary on the administration of the Act and its impact upon the land development industry and purchasers and lessees of undeveloped land.

EFFECTIVE DATE

Section 10 would provide that the amendments are effective 90 days after enactment.●

By Mr. KENNEDY:

S. 1073. A bill to amend Public Law 85–445 to authorize and request the President to proclaim annually the 7-day period beginning June 1 as "National Safe Boating Week"; to the Committee on the Judiciary.

NATIONAL SAFE BOATING WEEK

Mr. KENNEDY. Mr. President, today I am introducing a bill proposed by Secretary of Transportation, Brock Adams, which authorizes a change in National Safe Boating Week from the week which includes July 4 to the 7-day period beginning June 1, as proclaimed annually by the President.

Secretary Adams believes—and I agree—that National Safe Boating Week should take place at the beginning of June in order to reach the American boating public with the message of safe boating as they begin their summer activities. By drawing national attention to the need for safe boating practices earlier in the season, additional lives can be spared and a substantial amount of personal injury and property damage avoided throughout the summer period.

As someone who loves boating and whose family spends a great deal of time on boats, I recognize the critical need for educating the American boating public about the importance of safe boating practices. Boating safety awareness programs have already succeeded in improving boating safety. According to the Coast Guard's boating statistics, boating fatalities have decreased between 1971 and 1978 from 20.2 to 9.14 per 100,000 boats. Hopefully by holding a National Safe Boating Week at the beginning of the boating season, the number of boating fatalities can be even further reduced.

I ask unanimous consent that the text of bill and the letter from Secretary Adams be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1073

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law 85-445 (72 Stat. 179) is amended by striking "week which includes July 4" and inserting in lieu thereof "seven day period beginning June 1".

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., February 21, 1979.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a proposed bill

"To amend Public Law 85-445 to authorize and request the President to proclaim annually the seven day period beginning June 1 as 'National Safe Boating Week'."

The proposed bill authorizes a change in "National Safe Boating Week" from the week which includes July 4 to the seven day period beginning June 1, as proclaimed annually by Presidential proclamation.

Public Law 85-445 (72 Stat. 179) was originally enacted in June, 1958. The purpose of that Act was to bring to the attention of the American boating public the importance of safe boating practices. Today, millions of additional Americans are participating in boating activities. However, almost three quarters of the American boating public never receive any formal training in safe boating practices.

It is important to reach the American boating public with the message of safe boating as they begin their summer activities. Our experience since 1958 has shown that the proclamation of "National Safe Boating Week" during the week of July 4 is not as effective as it could be if proclaimed earlier in the boating season, because a large percentage of the boating public has already been boating for several weeks prior to that time. By drawing national attention to the need for safe boating practices earlier in the season, additional lives can be spared and a substantial amount of personal injury and property damage avoided throughout the summer period.

It is recommended that the proposed legislation be enacted by Congress.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of the proposed legislation to Congress.

Sincerely,

BROCK ADAMS.

By Mr. KENNEDY:

S. 1074. A bill to amend the Small Business Act to strengthen significantly the role of small, innovative firms in federally funded research and development, to promote their formation and growth, and to promote a higher level of innovation and productivity in the Nation's economy; to the Select Committee on Small Business.

SMALL BUSINESS INNOVATION RESEARCH ACT

Mr. KENNEDY. Mr. President, I am introducing today the Small Business Innovation Research Act, which is designed to strengthen technological innovation and promote increased productivity in the Nation's economy. A 1977 OMB report on small firms and Federal research and development concluded that the ability of the United States to innovate for commercial and defense purposes was in "serious decline." The report also stated that—

> While astonishing achievements have occurred since World War II, there is now considerable evidence that (U.S.) product innovation has either leveled off or declined.

The rate of productivity growth in the United States now lags behind most of our competitors in the world economy. At the same time, we are suffering from unemployment, inflation, and a large negative balance of payments.

Many of these problems result in part from a lack of new innovation to keep our economy abreast, if not ahead, of other industrialized economies. According to a recent Department of Commerce study, both the U.S. share of patents filed worldwide and the number of U.S. patents awarded to U.S. citizens have dramatically decreased in the last decade. That finding, together with the decline in the number of new innovative technology-based companies and the reduction by 50 percent in the U.S. worldwide lead in productivity, clearly demonstrates that there is a serious decline in innovation in the United States.

This decline in technological innovation poses a major threat to the quality of our lives. It represents a decline in U.S. industrial might, a loss of jobs, and a decrease in our standard of living. Today, we often find foreign technology running circles around our domestic industries: Overseas industries often use more advanced technology, foreign manufacturers are often first to introduce new features, new energy technology is often applied more quickly in other countries.

The low rate of technological innovation and new high technology firm formation in the United States is even more significant in view of the findings of a study by Data Resources, Inc. The study shows high technology companies growing nearly three times as fast as lower technology firms, while increasing their productivity growth rate nearly twice as fast as the lower technology firms. The rate of inflation in higher technology companies is lower because of this productivity growth rate. Of great significance is the finding supported by many studies that high technology firms create jobs at a much greater rate than lower technology companies.

Among the innovative or high technology companies, there is mounting evidence that small business firms far surpass large firms in the rate and efficiency of innovation and in job creation. The 1977 OMB report found that "firms of less than 1,000 employees accounted for almost one-half of the major innovations during 1953-73." Numerous other studies have shown similar results. The study also found that "firms of less than 1,000 employees have a ratio of innovations to R. & D. employment which is approximately four times greater compared to firms with more than 1,000 employees." Independent inventors and small business firms have been responsible for inventions such as insulin, titanium, dacron polyester fiber, automatic transmissions, the ballpoint pen, the helicopter, and many others.

The same OMB report found that small firms are far more cost effective, with a cost per scientist or engineer of only half as much as large firms. Numerous other studies substantiate the outstanding contribution of innovative small business firms to our Nation's economy. For example, the House Subcommittee on Antitrust, Consumers and Employment's study "Employment of the Fortune 1,000 and Total U.S. Civilian Labor Force" indicates that small businesses were responsible for 96 percent of the jobs created in the private sector in the period from 1969 to 1977; the Fortune 1,000 top industrial corporations accounted for only 4 percent of the jobs created in the same period.

In view of the vital need for innovation, productivity growth and new employment opportunities—and the striking record of small businesses in this area—it is alarming that only 3½ percent of the Federal research and development budget is awarded each year to small business firms. In light of the more favorable record of small business with respect to innovation and cost efficiency, it is long past time for the Nation to establish programs and incentives to increase the small business share of Federal R. & D. awards. In concluding that small, particularly new, enterprises occupy the critical role in innovation of linking ideas and innovation to the marketplace, a 1978 joint hearing of House and Senate Small Business Committees found that:

> The market linking function of small enterprises, their problems and potential, should be receiving the very highest priority treatment in the Nation's effort to encourage and strengthen technological innovation.

In 1975, I introduced legislation that resulted in the National Science Foundation being required to award 7½ percent of the budget for its research applied to national needs program to small business. Subsequent NSF appropriation acts have incrementally increased this percentage to 12½ percent. In meeting those requirements, NSF established a program known as small business innovation applied to national needs. This three-phase program has as its main purpose the reserving of a specific amount of money for award to small innovative firms to promote greater utilization of their capabilities in NSF research and development and to convert the results of their research to technological innovation in the private sector.

First phase results from this program are very encouraging in terms of small firm response and quality of research performed.

The bill I am introducing today will amend the Small Business Act to establish small business innovation research programs, similar to the NSF program, throughout the Federal Government. The bill I am introducing requires each executive agency having an annual R. & D. budget of more than $100 million to establish a small business innovation research (SBIR) program where one-half of 1 percent of its 1980 R. & D. budget and 1 percent of its subsequent year R. & D. budgets would be reserved for award to small business firms specifically in connection with its small business innovation research program. In fiscal year 1980, approximately $137 million would be channeled to small business. In subsequent fiscal years the total amount would approximate $275 million.

The money would be spent by each agency for projects suitable to the SBIR program and that would fulfill the agency's R. & D. plans. Therefore, funds beyond the normal R. & D. budgets are not required for the SBIR programs. The SBIR programs would differ from normal small business set-asides in several significant ways. First, the funds would be specifically reserved for small business on a continuing basis, thereby eliminating the question of whether the contracts awarded with these funds should go to large or small business and giving Federal technical and procurement officials the responsibility and incentive to promote competition among small firms for these R. & D. contract awards. Second, the continuity of the program will encourage participation by existing small firms and will promote the establishment of additional highly innovative small firms.

Third, the bill calls for a simplified acquisition process for the program with SBIR requests for proposals being standardized throughout the Federal Government. Instead of being faced with a dozen different, highly complex, 100 plus page, requests for proposals, the small business person will only have to deal with one or two standard format, simplified, 20 page solicitations. The small businessperson's initial response likewise will be simple and of a few pages instead of the complex, expensive, several hundred page proposal that is now often required.

The SBIR programs will be phased to take a basic idea or concept to the production stage. The first phase solicits small feasibility research proposals to determine the practicability of an idea. These first phase efforts are funded by the Government for about $25,000 each. Phase II is limited to firms successfully completing Phase I and is for the principal research effort to develop a new product or process. The second phase efforts are also funded by the Government for about $250,000 each. The third and final phase, which is carried out with venture capital or other private funds, is for follow-on development effort to pursue commercial objectives that will justify continued private sector investment. The SBIR program will provide a major link between the basic idea and the point where it is developed sufficiently to be of interest to venture capitalist and other financing sources. Much has been written about the very real shortage of venture capital, especially for small businesses. Some studies have concluded that a good part of the venture capital problem is the lack of good ideas that are developed into viable proposals. The SBIR program would directly address this problem.

The bill also requires the SBA to develop an information program to actively seek out qualified small firms and promote the SBIR program. Additionally, SBA would have the responsibility of regularly reporting to Congress on the program.

I urge my colleagues to join me in supporting this legislation.

By Mr. KENNEDY (for himself, Mr. JAVITS, Mr. RANDOLPH, Mr. RIEGLE, Mr. METZENBAUM, Mr. EAGLETON, and Mr. WILLIAMS):

S. 1075. A bill to revise and reform Federal law applicable to drugs for human use, and for other purposes; to the Committee on Labor and Human Resources.

DRUG REGULATION REFORM ACT OF 1979

Mr. KENNEDY. Mr. President, I rise on behalf of myself and Senators JAVITS, RANDOLPH, RIEGLE, METZENBAUM, EAGLETON, and WILLIAMS to introduce the Drug Regulation Reform Act of 1979.

Mr. President, the hearings held by the Senate Subcommittee on Health and Scientific Research between 1973 and 1978 revealed several fundamental flaws in our knowledge about drug use and our system of regulating drugs in the United States.

First, we have hardly any understanding of how approved drugs are used in practice in this country. Information on adverse reactions, long-term risks, unanticipated benefits, and potential new uses is woefully inadequate.

Second, neither the patients nor the physicians who use drugs have sufficient objective information about those drugs.

Third, rational prescribing practices are frustrated by a variety of marketing abuses engaged in by the pharmaceutical industry.

Fourth, the drug investigation and approval process is too unpredictable during its investigational stage and too rigid during its approval stage.

Fifth, it takes too long to market many drugs.

Sixth, the public is excluded from participating in the drug regulation system, a phenomemon which undermines the credibility of the Food and Drug Administration.

THE NEED FOR NEW KNOWLEDGE

Mr. President, it is now well established that our knowledge of how drugs are used is inadequate. Our ignorance can be demonstrated by the controversy that surrounds the number of deaths due to adverse drug reactions. One study suggests 20,000 deaths per year. Another estimates 30,000 annual deaths. Several researchers feel these statistics dramatically underestimate the problem: They feel a range of 60,000 to 140,000 annual deaths is more accurate. How many Americans do, in fact, die—how many do, in fact, become ill—due to adverse reactions to approved prescription drugs? What do these adverse drug reactions cost in dollars? The information we have is simply insufficient to answer such basic, important questions.

Or consider the studies which show that doctors may often prescribe either the wrong drugs or drugs where none are needed. One study showed that 77 percent of antibiotic use was either questionable or irrational. Another study revealed that 52 percent of antibiotic therapy either involved the wrong dose, the wrong drug, or the absence of need for any drug. How many drugs are prescribed inappropriately? How frequently does this happen? Today, we do not know.

Deprived of information about the use of both individual approved drugs and approved drugs in general, physicians are hampered in their efforts to improve their prescribing practices. The FDA, meanwhile, must attempt to regulate approved drugs in the dark.

THE NEED FOR PATIENT AND PHYSICIAN INFORMATION

Another problem arises from the fact that patients and doctors do not receive proper information about approved drugs. Most patients today are hopelessly uninformed about what drugs really do and cannot do. They therefore make excessive and irrational demands for drug treatment when they see their doctors. At the same time, their doctors often do not receive complete and objective information about the benefits and risks of particular drugs. To the extent that doctors lack complete and balanced information, their capacity to prescribe correctly suffers.

THE NEED TO CURB MARKETING ABUSES

A third problem results from some of the marketing practices of the pharmaceutical industry. We expect doctors and pharmacists—and they expect themselves—to make decisions on the basis of the facts, not on the basis of extraneous influences. But up until 1974, it was common practice for the industry to provide physicians and pharmacists with gift catalogs. If a certain quantity of specifically designated drugs were prescribed or dispensed, bonus points were given to the professional. Those bonus points could then be exchanged for gifts selected from the catalogs. Gifts included color televisions, bicycles, radios, and a wide assortment of personal items. One major manufacturer offered physicians a "freezer-full of meat" in exchange for the use of the company's vaccine. Other companies provided paid-in-full vacations for physicians and their families in order to indoctrinate the doctor about a particular company's products. A family might receive a Caribbean cruise in return for the professional's listening to lectures about a specific company's products for several hours a day.

When former industry detailmen testified before Congress in 1974, they stated that they spent an average of 10 minutes with the doctor and used that time to give a hard sales pitch in which side effects were minimized. In order to gain access to physicians and pharmacists, the detailmen gave small gifts to their nurses, secretaries, and receptionists.

Perhaps most disturbing of all was the detailmen's account of how routine prescription surveys are carried out. These involve routine inspection of pharmacists' prescription records. By doing this, the detailmen learn which doctors are prescribing which drugs. Armed with this information, they are able to target individual doctors for intensive salesmanship.

Finally, the industry acknowledged dispensing over 2 billion samples annually to physicians and pharmacists in an effort to get them to use specific products.

WHAT THE DRUG REGULATION REFORM ACT OF 1979 WOULD ACCOMPLISH

The Drug Regulation Reform Act of 1979 seeks to close the drug information gap. The act pursues this goal in several ways.

First, it would increase our stock of information about the actual use, long-term risks, unanticipated benefits, and potential new uses of individual approved drugs by requiring drug companies, in certain situations, to conduct post-marketing surveillance and further scientific investigations. This information would be supplemented by the research which a new National Center for Drug Science would be authorized to undertake. In addition, an annual, across-the-board review of drug experience in the United States would be prepared by the national center.

Second, the act would transmit more drug information to patients and doctors—and in a more objective manner. Patients would be entitled to receive "patient package inserts" which describe drug benefits, risks, and precautions. Only if a patient's doctor decides that such information is itself harmful, or in a limited number of other situations, could such information be withheld. The doctors themselves would receive balanced written summaries of the benefits and risks associated with the use of all prescription drugs. In addition, doctors would receive a comprehensive index of all prescription drugs, organized by diagnostic and therapeutic categories, and stating which drugs are therapeutically equivalent.

Third, the act would permit doctors and other health professionals to receive more education regarding the use of approved drugs under the auspices of the National Center for Drug Science.

Finally, the act would protect doctors from distorted data and from irrelevant influences such as free gifts and unrestricted free drug samples.

THE NEED TO MAKE DRUG INVESTIGATIONS MORE PREDICTABLE

Today, Mr. President, drug companies seeking approval of their products feel they must guess which investigations, protocols, and methods FDA will require before it considers whether a drug is safe and effective. In short, the drug investigative process is unpredictable. Everybody—patients, companies, and the FDA—suffers from the delay, expense, and tension fostered by this lack of responsibility.

The Drug Regulation Reform Act of 1979 makes the drug investigation process far more predictable. Companies would be encouraged to ask FDA about the acceptability of their investigations, protocols, methods, and results, and FDA would be required to provide advice. The act would also require that written—and binding—investigational guidelines be prepared by FDA. Finally, the act sets up a procedure for resolving scientific disputes between drug companies and FDA.

THE NEED TO MAKE THE DRUG APPROVAL PROCESS MORE FLEXIBLE

While the investigational phase of developing a new drug now involves far too much uncertainty, the approval phase suffers from the opposite problem: excessive rigidity. Today, Mr. President, whenever a new drug is brought before FDA, the agency can only make one of two choices. It can approve the drug for unrestricted, unmonitored, virtually permanent use. Or it can disapprove the drug. Not surprisingly, certain drugs which ought to be approved, but which also need to be limited in some fashion, are kept off the market for long periods of time by cautious FDA employees.

The Drug Regulation Reform Act of 1979 gives FDA the flexible approval authority it needs. If a drug would be unsafe if approved for all settings, but safe if used in a restricted setting such as a hospital, FDA could approve the drug and limit its use to hospitals. If a drug offers considerable benefits but also poses substantial risks, FDA could approve the drug and require that its risks be monitored or studied. If a drug now seems to be safe and effective, FDA could approve it with the knowledge that, should further tests show it to be unsafe or ineffective, taking it off the market would be much more easy.

THE NEED TO EXPEDITE THE MARKETING OF NEW DRUGS

Mr. President, we have all heard about the "drug lag." Whether it exists, and if so what its causes are, are hotly debated topics. But whatever each of us concludes about the "drug lag" and its potential causes, we all agree that new drugs should be marketed as soon as their safety and effectiveness can be demonstrated. In recent years, under Commissioner Donald Kennedy, FDA has made substantial progress in speeding up the marketing of new drugs. The Drug Regulation Reform Act of 1979 would further expedite the marketing of new drugs.

First, companies will be able to save time and cut costs during the investigational phase of drug development as the investigational process itself becomes more predictable. Second, many drugs will be allowed on the market more quickly—with conditions—as a result of the flexible approval powers given to FDA. Finally, I want to mention the provision which deals with "breakthrough drugs." This would allow life-saving drugs with unique therapeutic advantages to be marketed after a preliminary finding of effectiveness had been made—but before all required studies of effectiveness have been completed.

OPENING UP THE DRUG APPROVAL PROCESS

The final procedural problem I want to discuss, Mr. President, is the fact that members of the public are excluded from participating in drug regulation decisions. Today, participation is limited to the drug company that makes a drug and the FDA. It is a "closed world."

The Drug Regulation Reform Act of 1979 would open up the drug approval process. The public would gain access to a summary of each company's new drug application. Any individual or group—whether it be Ralph Nader or the National Cancer Society, a university professor or a researcher at the National Institutes of Health—would be entitled to comment on the application and participate in any hearing FDA holds. The public would also be able to participate in certain post-approval regulatory decisions.

MISCELLANEOUS

Mr. President, while the act focuses primarily on the creation of a better drug information system and improvements in the drug investigation and approval process itself, it would also change current law in several additional ways. Let me briefly outline the most significant of these changes:

To reduce patient health risks, FDA would be granted authority, in a limited number of circumstances, to require that patients give their informed consent before using a particular prescription drug or to restrict the distribution of the drug itself.

The existing batch certification requirement, which now applies only to insulin and antibiotics, would be extended to all drugs but subjected to explicit statutory limitations.

The existing distinctions between "grandfathered," old and new drugs—which create substantial confusion and regulatory difficulty—would be phased out.

In the area of enforcement, the "strict" criminal liability standard embodied in the Park decision would be replaced by a "negligence" standard. At the same time, the prohibition against the submission of false, misleading, or incomplete data to FDA would be strengthened; drugs, like devices, would be made subject to FDA's "embargo" power; the power to issue subpenas would be granted to FDA; and violations of the Food, Drug, and Cosmetic Act would be made punishable by the imposition of civil penalties.

The absolute ban on the export of unapproved drugs would be lifted. Instead, such drugs could be exported under a permit system if the foreign government requested them, the drug companies in question supplied benefit/risk information, and FDA determined that no public health hazard would result.

The FDA, which now has no status in law, would be given a statutory charter. The FDA Commissioner would be appointed by the President with the advice and consent of the Senate.

CONCLUSION

Mr. President, in the 17 years since Congress revised the Food, Drug, and Cosmetic Act, we have learned that the day-to-day use of drugs is surrounded by confusion and uncertainty. We have also learned that the public, the drug companies, and FDA all suffer from regulatory procedures which are unnecessarily unpredictable, inflexible, slow, and closed.

The Drug Regulation Reform Act of 1979 will substantially improve the use of drugs by generating more information about approved drugs and by transmitting that information to patients and doctors in a balanced manner. The act will rationalize the drug approval process by making it more predictable at the investigational end, more flexible at the approval end, more expeditious throughout, and open to the public. Finally, the act will make other needed changes in the law.

Mr. President, the Subcommittee on Health and Scientific Research has scheduled hearings on drug legislation in 2 weeks—on May 17 and 18. Accordingly, I ask unanimous consent that a summary of the legislation introduced today be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE DRUG REGULATION REFORM ACT OF 1979

I. SUMMARY OF THE DRUG REGULATION REFORM ACT OF 1979

The Act does not replace, across the board, the drug provisions of the Federal Food, Drug, and Cosmetic Act.

Rather, it selectively amends current law in order to implement a limited number of new drug policies.

Hearings on drugs and the Food and Drug Administration which the Senate Subcommittee on Health and Scientific Research held between 1973 and 1978 pointed repeatedly to several fundamental defects in our drug regulation system:

First, we have hardly any understanding of how approved drugs are used in practice in this country. Information on adverse reactions, long-term risks, unanticipated benefits, and potential new uses is woefully inadequate.

Second, neither the patients nor the physicians who use drugs have sufficient objective information about those drugs.

Third, rational prescribing practices are frustrated by a variety of marketing abuses engaged in by the pharmaceutical industry.

Fourth, the drugs investigation and approval process is too unpredictable during its investigational stage and too rigid during its approval stage.

Fifth, it takes too long to market many drugs.

Sixth, the public is excluded from participating in the drug regulation system, a phenomenon which undermines the credibility of the Food and Drug Administration.

To correct these major defects, and in order to make a small number of other needed policy changes, the Drug Regulation Reform Act of 1979 has been introduced.

II. MAJOR DIFFERENCES BETWEEN LAST YEAR'S BILL AND THIS ACT

Last year, in collaboration with the FDA and Members of the House Subcommittee on Health, Senators Kennedy, Nelson, Javits, Williams, Randolph, Pell, Cranston, Hathaway, Eagleton, and Riegle introduced a bill (S. 2755) which would have replaced our current drug regulation system with a substantially different system. As introduced, the bill was over 225 pages. It replaced, overhauled, modified, or revised virtually every drug-related provision of the Federal Food, Drug, and Cosmetics Act.

The cornerstone of the new approach was the "monograph." This provided that every approved drug would be covered by a written set of standards, to be called monograph. Individual companies seeking to market the drug would have to demonstrate that their products met the standards set forth in the monograph, as well as a set of uniform standards applicable to all drugs. The companies would then be issued product licenses.

The most basic difference between S. 2755's approach and the Drug Regulation Reform Act of 1979 is that the monograph system is dropped. Instead, this year's Act leaves the existing New Drug Application (NDA) system in place.

Other important provisions in S. 2755 which the new Act omits include:

Giving the first company that makes the drug a five-year period of exclusive use before other companies which have done no testing can get licenses.

Preventing the states from imposing additional labeling and packaging requirements without FDA approval.

In both cases, current law would remain unchanged under the new Act.

Finally, there are some things which S. 2755 did not do which the new Act would do. The most significant of these is the additional responsibility given to the National Center for Drug Science to "conduct an ongoing program of drug science policy research." This would involve reviewing, and making recommendations with regard to, such matters as drug innovation and development, problems inherent in risk/benefit analysis, and the need to accelerate the overall drug approval and utilization process.

II. AN OUTLINE OF THE PROVISIONS OF THE ACT

Note: This part explains, without regard to the actual order of the sections in the Act, the provisions of the Act.

A section-by-section analysis was felt to be confusing, since many individual sections deal with disparate issues and since it is often necessary to consider separated sections together to understand their meaning. Thus, instead of a section-by-section analysis, this outline of the Act has been provided.

A. Improving our understanding of drugs

1. Instituting a Coherent System for Evaluating Approved Drugs.

a. Post-Marketing Surveillance

The single most important feature of the Act sets up procedures and standards under which prescription drugs may be subjected to post-marketing surveillance.

At the time a drug is approved, no hearing is required before surveillance is imposed, and the Secretary must require surveillance unless he determines it is not necessary or useful. In other situations, a hearing must be afforded and the burden is reversed, i.e., surveillance would only occur if the Secretary decided it was necessary and useful.

Both the situations where surveillance would be required, and the methods by which it would be conducted, would be defined in regulations which the Secretary must establish. The Joint Commission for Prescription Drug Use, Inc., must be allowed to review and comment on such regulations before the Secretary promulgates them.

The drug company which secured approval of a drug would bear the cost of post-marketing surveillance. Where two companies are marketing the drug, they would share responsibility for conducting surveillance. Any surveillance requirement must be reviewed by an advisory committee and expires (with the possibility of renewal) after five years.

b. Further Scientific Investigation

The Act also authorizes the Secretary to require the conduct of post-approval scientific investigations in situations where a prescription drug (1) is known or may be expected to produce an adverse effect, or (2) is known or may be expected to be used for unapproved purposes.

At the time a drug is approved, no hearing is required in order for the Secretary to require further investigations. In other situations, a hearing must be afforded.

The drug company which secured approval of the drug must bear the cost of any investigation. Where two companies are marketing the drug, they would share the cost of investigation. Any investigation requirement must be reviewed by an advisory committee.

c. Special Safety/Effectiveness Research Program

The overwhelming majority of the work dealing with drug safety and effectiveness will be carried out by drug companies, academic investigators, and government researchers.

In a very limited number of cases, however, research gaps will occur. To fill those gaps, the National Center for Drug Science would be authorized to "conduct and support research" to facilitate "breakthroughs in drug science research" and to investigate the safety and effectiveness of approved drugs.

d. Drug Experience Assessment Report

Both post-marketing surveillance and further scientific investigations will generate more and better information about the effects of specific drugs.

The drug experience assessment report, which the new National Center for Drug Science must publish annually, would provide the public health professionals, and government agencies with an across-the-board review and analysis of drug use in the United States. A discussion of adverse effects and unanticipated reactions must be included in the report, as well as recommendations for improving drug use in this country.

2. Disseminating Objective Information about Approved Drugs.

a. Patient Package Inserts

The Act would assure patients a written summary of the benefits and risks associated with use of each drug—in most cases. The summary—or patient package insert—would also describe precautions to be taken, methods for dealing with adverse reactions, and information regarding proper administration and storage. The summary must be prepared in a readable manner.

A patient can be denied access to a patient package insert only (1) by the patient's doctor, if the doctor decides that a health hazard is posed by the insert; (2) where the patient is in a hospital; (3) when an emergency occurs; or (4) where the patient gets the drug in the doctor's office.

In addition, pharmacies would be required to display a book containing the patient package inserts of the 100 most frequently sold prescription drugs.

b. Physician Information: Drug Summaries, the Drug Index, and the Training Program of the National Center.

Doctors, too, would be assured an objective summary of the benefits and risks associated with use of each prescription drug. The summary would be required to cover indications, contraindications, and side effects.

In addition, doctors (and other health professionals) would receive an index of all prescription drugs, organized by diagnostic and therapeutic categories and stating which drugs are therapeutically equivalent. This index would be prepared privately but in accordance with regulations established by the Secretary; however, if private organizations failed after three years to publish or distribute the index in a manner that complied with the regulations, responsibility for preparing the index would be taken over by the Secretary.

Finally, the Act recognizes that doctors and other health professionals can make intelligent use of the information they receive only insofar as they have been trained to use it. The conventional training of doctors and others in the area of clinical pharmacology and clinical pharmacy is often inadequate. To correct this, the National Center for Drug Science would be authorized to help medical and other schools to improve their clinical pharmacology and clinical pharmacy programs.

c. Risk Notification

In the event that FDA finds that a drug presents a "substantial risk of illness or injury" and that notification affords "an effective means to eliminate or reduce the risk," the Act would authorize FDA to order such notification.

d. Education Program

The Act clarifies FDA's authority to educate the public and health professionals about drug benefits, risks, and proper use.

In addition, the Act makes explicit FDA's authority to inform the public, doctors, pharmacists, and others as to which drugs meet the same standards of identity, strength, quality, purity, stability, and bioavailability, and are therapeutically equivalent.

e. Safeguards Against Distorted Data and Irrelevant Influences

Providing doctors with objective information is useful to the extent that such information is not undermined by misleading data or extraneous influences.

Thus, to safeguard the flow of objective information, the Act requires that advertising be accurate; that comparative advertising be supported by substantial evidence; and that the first (and most influential) "run" of advertising material be cleared in advance by FDA.

In addition, the Act prohibits drug companies from giving gifts over $5 to doctors, pharmacists, and others for the purpose of influencing them to buy particular drug products. The distribution of free drug products is also curtailed.

Finally, to prevent drug companies from "targeting" doctors for high-pressure sales campaigns, the Act restricts access to the doctor/patient information contained in prescriptions. However, legitimate research—including statistical surveys—is permitted.

3. Improving the Capacity of Doctors and Other Health Professionals to Use Information.

Objective information about drugs is useful to doctors and other health professionals to the extent they are properly educated and trained to use it. One function of the National Center for Drug Science is to raise the general level of understanding of drugs among doctors and others.

A. Grants to School

The National Center would be authorized to make grants to schools of medicine, osteopathy, dentistry, podiatry, nursing, and pharmacy; and to training centers for allied health professions; for the purpose of establishing new programs and expanding existing programs of training in clinical pharmacology and clinical pharmacy.

Similar grants could be made for continuing education and demonstration projects.

B. Traineeships and Fellowships

The National Center would be authorized to make grants to schools for the provision of traineeships in the areas of clinical pharmacology and clinical pharmacy. The Center could also provide fellowships directly to doctors and others to undertake research.

B. Creating a more rational drug approval process

The bill would not dramatically later the current drug approval process. It would, however, modify that process in several respects.

1. Public Participation.

a. Public Access

The Act would require that the public be notified, via the Federal Register, that a drug application has been filed with FDA. Any member of the public would then be able to inspect and copy a summary and portions of the application, but FDA would still be able to protect trade secrets.

The public would also be informed, again via the Federal Register, of any hearing FDA decides to hold. This applies to any hearing on the drug itself as well as to any hearing at which post-marketing surveillance and other special requirements are considered.

b. Public Comment and Advocacy

The Act encourages members of the public to comment on any drug application. They may also request a hearing. The public may participate in any drug approval hearing the FDA holds, as well as any hearing at which post-marketing surveillance and other special requirements are considered.

Since most members of the public cannot afford to hire a professional advocate, the Act authorizes—and provides reimbursement for—public-interest groups that demonstrate the appropriateness of their participation in any proceeding. Lawyers' fees (up to a certain amount) as well as expert witness fees and other costs may be reimbursed by FDA.

2. Greater Predictability.

The Act includes several provisions designed to reduce the uncertainty and increase the predictability of the drug approval process.

First, it encourages drug companies to seek advice from FDA about their testing plans, protocols, and methods, and the acceptability of their results. It then requires FDA to provide advice.

Second, the Act requires FDA to spell out drug testing guidelines on which companies may rely and which FDA must follow.

Third, the Act sets up a procedure for resolving scientific disputes between drug companies and FDA.

3. More Expeditious Decisions.

The provisions which make the drug approval process more predictable (described above) will also serve, on the whole, to expedite FDA decisions.

In addition, the drug approval process should generally be speeded up as a result of the post-marketing surveillance provision. The reason for this is that FDA personnel will, on the whole, be more willing to approve a drug once they know that they have the legal authority to continue to evaluate it afterwards.

The process should also generally be speeded up by the "limited distribution" and informed consent provisions. The Act permits FDA to restrict the distribution of a prescription drug within specified limits, if FDA finds that the drug cannot otherwise be found safe and effective. The Act further allows FDA to require that patients give their informed consent to use of a prescription drug in cases where FDA finds the drug poses a serious risk. These provisions should serve to expedite the process. FDA personnel will generally be more willing to approve drugs which pose substantial risks once they know they have the authority to reduce such risks by limiting distribution or requiring patients' informed consent prior to use.

Finally, the "breakthrough drug" provision should be noted. This would allow lifesaving drugs with unique therapeutic advantages to be approved before adequate and well-controlled studies of their effectiveness have been completed. The "breakthrough drug" provision will thus allow a special category of drugs to be marketed substantially sooner.

C. Miscellaneous changes

While the Act focuses primarily on the areas of information and process, it contains a number of provisions designed to improve other aspects of current law.

1. Limited Distribution and Informed Consent.

In the discussion of how the Act expedites the drug approval process, these provisions have already been mentioned. It should be noted, of course, that the protection of the public health is the primary reason for authorizing FDA to limit the distribution of certain prescription drugs or to require patients' informed consent to the use of certain prescription drugs.

2. Breakthrough Drugs.

Again, in the context of explaining how the Act would expedite the process, the breakthrough drug provision was mentioned. It should be clear, however, that the primary reason for this change is also to improve the public health by permitting seriously ill patients with no therapeutic alternatives to use drugs which appear effective but whose effectiveness remains to be fully demonstrated.

3. Batch Certification.

The Act repeals existing batch certification provisions that apply only to insulin and antibiotics and substitutes a batch certification provision that applies to all drugs. Unlike current law, however, the Act limits FDA's authority to require that individual drug batches be approved by the agency. Only if there is reason to believe that batches will fail to meet pharmacopoeial standards, and that such failure poses a public health risk, can FDA take action. The Act limits any batch certification requirement to three years, but the requirement may be renewed. Finally, the Act explicitly permits the FDA to exempt a particular facility or manufacturer from the general requirement.

4. Stronger Drug Investigation Procedures.

The Act strengthens the provisons of existing law which govern drug investigations. Specifically, the Act requires patients' informed consent to all investigational use of drugs except in medical emergencies; authorizes FDA to protect the confidentiality of patient records and to safeguard other patient rights; and allows FDA to assure the maintenance and submission of complete and accurate investigational information.

In situations where a very small number of people suffer from a rare disease, and in other instances, the economics of the drug industry may deter all companies from doing the research and development needed to produce badly needed drugs. At the same time, the priority-setting process within the private nonprofit research community, the academic research community, and the government research community may also prevent the allocation of funds for the purpose of developing such "orphan" drugs.

Accordingly, the Act authorizes the National Center for Drug Science to "conduct and support research . . . for the development of drugs for diseases and other conditions of low incidence . . . [if] there is either no or minimal research of a similar nature being conducted outside of government or by other agencies of government."

6. Elimination of Grandfathered/Old/New Drug Distinctions.

Today, there are not only over-the-counter and prescription drug classifications, but there are grandfathered drugs (not generally recognized as safe and effective, but subject to the 1906 Act, and therefore not subject to section 505), old drugs (generally recognized as safe and effective and therefore not subject to section 505), and new drugs (not generally recognized as safe and effective and therefore subject to section 505). The grandfathered/old/new drug distinction creates substantial confusion and regulatory difficulty. Moreover, it means that some drugs have never been tested scientifically for safety and effectiveness nor explicitly found to be safe and effective, while other drugs have been so tested and found safe and effective.

The Act provides that, except for over-the-counter drugs which have successfully gone through the OTC drug review process—established by Congress—prior to a date 1½ years after the Act is signed, all drugs not approved under section 505 must, within stated periods of time, be scientifically tested and explicitly found to be safe and effective under the procedures and standards of section 505.

7. Enforcement Changes.

The Act seeks to balance more equitably the relationship between the drug companies and FDA.

On the one hand, it eliminates the feature of current law (embodied in the Park decision) which holds a drug company official criminally liable for committing a prohibited act regardless of the official's actual knowledge, duty to know, or intent. The "strict" standard is replaced by a "negligence" standard.

On the other hand, the bill strengthens the prohibition against submitting false, misleading or incomplete data to FDA; permits FDA to "embargo" allegedly adulterated or misbranded drugs for 20–30 days; allows FDA to suspend a drug's approval if the drug poses an "unreasonable risk of illness or injury to any segment of the population"; gives FDA subpoena power; and subjects violators to civil penalties.

8. Advisory Committees.

The Act explicitly authorizes FDA to establish advisory committees. Each advisory committee must have at least five members. At least one-third of the members must reflect the interests of consumers or patients, but each committee shall also reflect the interests of health care providers and scientists.

9. Definitions of "Safe" and "Effective."

The Act, in defining "safe" and "effective," basically codifies the standards FDA now uses. With the inclusion of the public in the agency's decision-making process, it was felt necessary to clarify in this manner the standards the agency applies.

10. New Export Policy.

Current law prohibits the export of all unapproved new drugs. This prohibition, designed to protect foreign patients, has two hidden counterproductive consequences.

First, it prevents foreign countries from importing from the United States a drug which deals with a purely local disease and—because of that fact—was never tested in the United States nor submitted to FDA for approval.

Second, it prevents foreign countries from importing from the U.S. a drug whose benefits outweigh its risks in *that* country but whose benefit/risk ratio is unacceptable in *this* country and was thus disapproved.

The Act thus contains an export provision which allows unapproved drugs to be exported under a permit system if the foreign country explicitly requests the drug, the drug company provides it with benefit/risk information, and FDA determines that the export poses no public health hazard.

11. Statutory FDA.

Today, the federal agency which protects our food and drug supply, the Food and Drug Administration, has no formal status in law. It is purely an administrative structure. Technically, it can be dismantled at any time. Its Commissioner is accountable only to the head of the Department of Health, Education, and Welfare.

The Act gives FDA a statutory charter. It defines the agency's powers and duties. It sets forth the laws FDA must administer.

Finally, the Act establishes in law the position of FDA Commissioner and requires that the person named to that position be appointed by the President, with the advice and consent of the Senate.

Mr. JAVITS. Mr. President, today I am joining with Senator KENNEDY and others of my colleagues in the introduction of the Drug Regulation Reform Act of 1979, the main purpose of which is to improve the system by which safe and effective pharmaceuticals are developed, reach the marketplace and are appropriately used by physicians and patients.

I am pleased to state that this bill is the result of a constructive process of careful deliberation which began in the last Congress when the Health Subcommittee spent considerable time studying the complex and important issues involved in the many drug regulation reform measures placed before it.

This bill represents a composite of what I consider the best features of both Senator KENNEDY's bill of last Congress and of my own bill. It was my hope when I introduced my bill in the last Congress that there could, in fact, be such a joinder of important concepts.

We have been able to join together because we share a common understanding of the public policy objectives we wish to achieve. They are:

First. Create a more open decision-making process with effective participation by interested members of the public;

Second. Establish criteria for making important scientific and public policy decisions and inform the public of the criteria and the reasons why these decisions are made;

Third. Increase the scientific capability of the agency;

Fourth. Simplify and expedite the operation of the agency's procedures governing the premarket testing of innovative drugs;

Fifth. Assure the protection of human subjects of experimentation during the testing of drugs;

Sixth. Encourage innovation and the development of new and important drugs;

Seventh. Provide a means of assuring the prompt availability of new lifesaving drugs, without weakening the safeguards for safe and effective drugs;

Eighth. Grant public access to non-trade secret safety and efficacy information supplied to the agency;

Ninth. Provide authority for post approval surveillance and testing of approved drugs to assure that drugs are safely to be used;

Tenth. Eliminate collateral influences on the physician's prescribing decisions; and

Eleventh. Provide consumers and patients with basic information about the prescription drugs they use in order to enhance their ability to make informed decisions.

As with many Federal responsibilities which are critical to the health and well-being of our citizens, the drug regulatory process cannot be changed in one "fell swoop." Incremental change must occur to improve the process but only with careful protections for the public health.

Among the many lessons we learned and insights we gained through the subcommittee process of the last Congress, the most important one for me was the realization that the field of drug science policy is in its infancy. There were few, if any, studies or analyses of major consequence. As we progressed through the hearings, debates, and markup sessions, we were exploring new and important policy questions which have profound implications. Yet, we were unable to get any real assistance in identifying and measuring those implications. It is clear to me that we are now developing a blueprint from which the foundation of a new field of policy analysis can be built.

We have therefore limited this bill to those provisions for which there is sufficient information, analysis, and support. The more complex and controversial proposals of last Congress have been dropped. However, this bill would establish a drug science policy unit in the Department of Health, Education, and Welfare to assist in the study of those other important matters.

Although the bill which we are introducing today is less inclusive than the recodification of the entire drug law which the administration proposed, it is an important and realistic measure which, if enacted, would provide for better and more informed decision-making by patients, physicians, drug manufacturers, the FDA, and the Congress.

By Mr. WILLIAMS (by request) (for himself, Mr. LONG, and Mr. JAVITS):

S. 1076. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans; to the Committee on Labor and Human Resources, jointly, by unanimous consent.

MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1979

Mr. WILLIAMS. Mr. President, at the request of the administration, I am today introducing legislation to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 regarding insurance provided by the Pension Benefit Guaranty Corp. for pension benefits of employees covered by multiemployer plans which terminate. Senator LONG, the distinguished chairman of the Committee on Finance, and Senator JAVITS, my esteemed colleague and former ranking minority member of the Committee on Labor and Human Resources, join with me in introducing this legislation by request, in recognition of the importance of Congress proceeding with all deliberate speed and care to resolve the problems which presently plague the multiemployer plan termination insurance program.

As you know, Mr. President, I have also just introduced legislation to postpone until May 1, 1980, the date on which the termination insurance program will apply in the case of every terminating multiemployer plan. When I introduced that bill, I explained that the delay was necessary to give Congress sufficient time to consider and enact changes in title IV of ERISA that would insure a workable and efficient termination insurance system for terminating multiemployer plans.

Events and developments that have occurred since 1974 have shown that the present termination insurance system under ERISA seems to be working reasonably well for single employer plans, but does not work well for multiemployer plans. Indeed, the present insurance program system may actually be counterproductive as far as multiemployer plans are concerned. The Pension Benefit Guaranty Corp., has spent the better part of the last 2 years studying problems in the program and its board of directors, with the concurrence and support of the administration, now is recommending a series of substantial changes which are embodied in this proposed legislaton.

Congress, of course, now must consider these recommendations. The postponement I have proposed will give sufficient time for a full and complete airing of opinions on this important subject, so that we can take action with the assurance that we have heard the views of all interested members of the public, and have carefully assessed all options. In that regard, I will shortly announce hearings by the Labor and Human Resources Committee on this subject generally and on the bill containing the administration's recommendations.

Mr. President, I ask unanimous consent that the text of the bill, and an explanatory statement and section-by-section analysis prepared by the Pension Benefit Guaranty Corp., be included in the CONGRESSIONAL RECORD immediately following my remarks, and that the bill be referred jointly to the Committee on Labor and Human Resources and the Committee on Finance.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 1076

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Sec. 1. This Act may be cited as the "Multiemployer Pension Plan Amendments Act of 1979."

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Sec. 2. The Table of Contents is as follows:

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TITLE I—AMENDMENTS TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 101. Amendments to Title IV of the Employee Retirement Income Security Act of 1974.
Sec. 102. Multiemployer guarantees; aggregate limit on guarantees.
Sec. 103. Termination—multiemployer plans.
Sec. 104. Withdrawal liability; mergers and transfers of assets or liabilities; plan reorganization; financial assistance; benefits after termination; enforcement.
Sec. 105. Premiums.
Sec. 106. Annual report of plan administrator.
Sec. 107. Contingent employer liability insurance.
Sec. 108. Transition rules and effective dates.

TITLE II—AMENDMENTS TO TITLE II OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT

Sec. 201. Amendments to Title II of the Employee Retirement Income Security Act of 1974.
Sec. 202. Minimum funding requirements.
Sec. 203. Excise taxes.
Sec. 204. Deductibility of employer liability payments.
Sec. 205. Minimum vesting requirements.
Sec. 206. Definition of multiemployer plans.
Sec. 207. Related technical amendments.

TITLE III—AMENDMENTS TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 301. Amendments to Title I of the Employee Retirement Income Security Act 1974.
Sec. 302. Definitions.
Sec. 303. Minimum vesting requirements.
Sec. 304. Minimum funding requirements.

TITLE IV—RELATED TECHNICAL, CONFORMING AND CLERICAL AMENDMENTS

Sec. 401. Technical amendments.
Sec. 402. Conforming amendments.
Sec. 403. Clerical amendments.

SEC. 3. FINDINGS AND DECLARATION OF POLICY.

(a) The Congress finds that multiemployer pension plans have accounted for a substantial portion of the increase in private pension plan coverage over the past three decades; that the continued well-being and security of millions of employees and their dependents are directly affected by these plans; that multiemployer plans have a substantial impact on interstate commerce and are affected with a national public interest; that the special features of multiemployer plans make them particularly susceptible to industry declines or employer withdrawals, which may result in a substantially increased funding burden for the remaining employers that can adversely affect labor-management relations; that economic problems in some industries supporting multiemployer plans make plan continuation highly uncertain; that the determination of the extent to which an industry can afford to continue full support for all obligations of a multiemployer plan is, in the first instance, best made through the process of collective bargaining; and that even the termination of a few multiemployer plans could have a serious financial impact on the plan termination insurance program, causing increases in multiemployer plan premiums that could be so high as to precipitate additional multiemployer plan terminations.

(b) The Congress further finds that the current multiemployer plan termination insurance provisions are unlikely to achieve their objectives of protecting plan participants against benefit losses and encouraging the growth and maintenance of multiemployer pension plans, and that it is desirable, to avoid encouraging employer withdrawals and termination of multiemployer plans and to contain the potential costs of the termination insurance program within reasonable bounds, to revise the current program to enhance the financial soundness of such plans and to place primary emphasis on plan continuation.

(c) It is hereby declared to be the policy of this Act to protect the interests of participants and beneficiaries in financially distressed multiemployer plans and to encourage the growth and maintenance of multiemployer plans by: authorizing the opportunity for plan reorganization for plans in a financially precarious position; restructuring the guarantee of pension benefits under multiemployer plans to provide equitable protection for plan participants within acceptable cost levels; revising the multiemployer plan termination insurance program to make plan insolvency the only insurable event; revising the termination rules to require that contributions to a plan continue although vesting and benefit accruals cease, revising the minimum funding standards applicable to multiemployer plans to assure that contributions are generally sufficient to pay vested benefits; requiring an employer that withdraws from a multiemployer plan to fund a reasonable share of the plan's unfunded vested obligations; revising the definition of a multiemployer plan to avoid administrative uncertainties; revising the rules governing multiemployer plan mergers and transfers of assets or liabilities to facilitate appropriate mergers and transfers, and revising the multiemployer plan premium structure to assure adequate financing for the multiemployer plan termination program.

TITLE I—AMENDMENTS TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 101. AMENDMENTS TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Whenever, in this title, an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of Title IV of the Employee Retirement Income Security Act of 1974.

SEC. 102. MULTIEMPLOYER GUARANTEES; AGGREGATE LIMIT ON GUARANTEES.

The following new sections are inserted after section 4022:

"Benefits Guaranteed—Multiemployer Plans.

"SEC. 4022A. (a) The corporation shall guarantee the payment of all nonforfeitable pension benefits (other than benefits becoming nonforfeitable solely on account of the termination of a plan) under the terms of an insolvent multiemployer plan to which section 4021 applies, in accordance with this section.

"(b)(1)(A) Under this section, a benefit that has been in effect under a plan for less than 60 months before the plan termination date is not guaranteeable by the corporation, and a benefit that has been in effect under a plan for less than 60 months before the first day of the plan year for which an amendment reducing the benefit was taken into account for purposes of section 4243 is not guaranteeable by the corporation.

"(B) Each portion of a benefit is treated as a separate benefit under this paragraph.

"(2) For purposes of this section—

"(A) the date a benefit under a plan is first in effect is the later of the date on which the documents establishing or increasing the benefit were executed, or the effective date of the benefit or benefit increase;

"(B) if a benefit under a plan is based on a participant's compensation, the benefit in effect for at least 60 months is determined without regard to increases in compensation that have been in effect for less than 60 months;

"(C) the time benefits or benefit increases have been in effect under a successor plan includes the time they were in effect under a previously established plan; and

"(D) in the case of a plan to which section 4021 does not apply on September 3, 1974, the time periods referred to in this section are computed beginning on the first date on which section 4021 does apply to the plan.

"(c)(1) Except as provided in subsection (g), a participant's or beneficiary's benefit guaranteed by the corporation with respect to a plan is the product of—

"(A) 100 percent of the accrual rate up to $5 plus 60 percent of the lesser of—

(i) $15 or

(ii) the accrual rate, if any, in excess of $5, times

"(B) years of credited service.

"(2) For purposes of this section—

"(A) the accrual rate is the amount determined by dividing the participant's or beneficiary's base benefit by the participant's years of credited service;

"(B) 'base benefit' means a participant's or beneficiary's monthly benefit described in subsections (a) and (b) that is—

"(i) no greater than the monthly benefit that would be payable under the plan at normal retirement age in the form of a life annuity, determined under regulations of the corporation; and

"(ii) determined without regard to any reduction under Code section 411(a)(3)(E); and

"(C) years of credited service include all of the participant's years of service (as defined in regulations of the corporation) that are taken into account to determine accrued benefits under the plan, without regard to Code section 411(a)(3)(E).

"(d) In the case of a benefit that has been reduced under Code section 411(a)(3)(E), the corporation guarantees the lesser of that reduced benefit or the amount determined under subsection (c).

"(e) The corporation does not guarantee benefits under a multiemployer plan that, under subsection 4022(b)(6), would not be guaranteed under a single-employer plan.

"(f)(1) No later than five years from the date of enactment of this section, and at least every fifth year thereafter, the corporation shall determine and report to Congress on the multiemployer premiums needed to maintain the basic-benefits guarantee levels described in subsection (c).

"(2)(A) If the report described in paragraph (1) indicates that a multiemployer premium increase would be necessary to support the existing basic-benefits guarantee levels, the corporation shall submit to Congress the revised schedule of multiemployer benefit guarantees that would be necessary in the absence of a premium increase approved in accordance with section 4006(b).

"(B) Any report and proposed revised guarantee schedule under this paragraph shall be submitted to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives, and to the Committee on Finance and the Committee on Labor and Human Resources of the Senate, by March 31 of any calendar year in which Congressional action under this paragraph is requested. If a premium increase is not approved, the revised guarantee schedule shall go into effect on the first day of the second calendar year following the year in which the revised guarantee schedule was submitted to Congress.

"(3)(A) If the report described in paragraph (1) indicates that basic-benefits guarantees can be increased without increasing the basic-benefit premium rate for multiemployer plans under this title, the corporation may recommend an increase in those guarantees.

"(B) The corporation shall transmit a description of any proposed schedule of increases in multiemployer basic-benefits guarantees under this paragraph to the Committee on Ways and Means and the Committee on Education and Labor of the House of Representatives and to the Committee on Finance and the Committee on Labor and Human Resources of the Senate. The proposed increase shall go into effect as approved by Congress by a concurrent resolution.

"(C) The succeeding subparagraphs of this paragraph are enacted by Congress as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in subparagraph (D). They shall supersede other rules only to the extent that they are inconsistent therewith. They are enacted with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any rule of that House.

"(D) For the purpose of subparagraph (E) of this paragraph, 'resolution' means only a concurrent resolution, the matter after the resolving clause of which is as follows:

"That the Congress favors the proposed increased multiemployer basic-benefits guarantee limits transmitted to Congress by the Pension Benefit Guaranty Corporation on ——————.", the blank space therein being filled with the date on which the corporation's message proposing the increase was delivered.

"(E) The procedure for disposition of a resolution shall be the procedure described in section 4006(b)(4)-(7).

"(g)(1) The corporation is authorized to guarantee the payment of such other classes of benefits under multiemployer plans, and to establish the terms and conditions under which those other classes of benefits are guaranteed as it determines to be appropriate.

"(2) Notwithstanding paragraph (1), no later than 18 months after the effective date of this provision, the corporation shall propose regulations to establish a supplemental program to guarantee benefits under multiemployer plans that would be basic benefits except for the limitations in subsection (c). Supplemental guarantees under this paragraph may be offered on any terms and conditions, and may include any limitations with respect to plans or benefits covered, or means of program financing, that the corporation determines are necessary and appropriate for a feasible supplemental guarantee program that is consistent with the purposes of this title. To the extent specified in the regulations of the corporation under this paragraph, those regulations supersede the requirements of sections 4245, 4261 and 4281, and the reqirements of Code section 411(f).

"(3) Any benefits guaranteed under this subsection shall be treated as nonbasic benefits for purposes of this title.

"Aggregate Limit on Benefits Guaranteed.

"Sec. 4022B. Notwithstanding sections 4022 and 4022A, no person shall receive from the corporation for basic benefits with respect to a participant an amount, or amounts, with an actuarial value that exceeds a monthly benefit in the form of a life annuity commencing at age 65 equal to the amount determined under section 4022(b)(3)(B) at the date of the last plan termination. For purposes of this section, the receipt of benefits under a multiemployer plan receiving financial assistance from the corporation is considered the receipt of amounts from the corporation to the extent prescribed in regulations of the corporation, and the date a multiemployer plan, whether or not terminated, begins receiving financial assistance from the corporation is considered a date of plan termination.".

Sec. 103. Termination-Multiemployer Plans.

The following new section is inserted after section 4041:

"Termination-Multiemployer Plan.

"Sec. 4041A. (a) Termination of a multiemployer plan under this section occurs as a result of—

"(1) the adoption of a plan amendment that provides that participants will receive no credit for any purpose under the plan for service with any employer after the date the amendment is adopted;

"(2) the withdrawal of every employer from the plan, within the meaning of section 4201(b); or

"(3) the adoption of an amendment to the plan that causes the plan to become a plan described in section 4021(b)(1).

"(b)(1) The date on which a plan terminates under paragraph (1) or (3) of subsection (a) is the later of date the amendment is adopted or effective.

"(2) The date on which a plan terminates under paragraph (2) of subsection (a) is the earlier of—

"(A) the date on which the last employer withdraws, or

"(B) the first day of the first plan year for which no employer contributions were made under the plan.

"(c) The plan administrator of a terminated multiemployer plan shall, except as provided in subsection (e)—

"(1) limit the payment of benefits to vested benefits under the plan as of the date of termination, and

"(2) cause benefits attributable to employer contributions, other than death benefits, to be paid only in the form of an annuity, unless the plan distributes its assets in satisfaction of all vested benefits under the plan.

"(d) The plan administrator of a terminated plan from which every employer has withdrawn shall reduce benefits and suspend benefit payments in accordance with section 4281.

"(e) In the case of a plan that terminates under paragraph (1) or (3) of subsection (a), the rate of employer contributions under the plan for each plan year beginning on or after the plan termination date shall equal or exceed the rate of employer contributions under the plan in effect on the day before the plan termination date, unless the corporation approves a reduction in the rate based on a finding that the plan is or soon will be fully funded.

"(f)(1) The plan administrator of a terminated plan may authorize distribution of the present value of a participant's entire nonforfeitable benefit attributable to employer contributions, other than a death benefit, if the distribution does not exceed $1,750. The corporation may authorize the payment of benefits under the terms of a terminated plan other than vested benefits, or in lump-sum amounts greater than $1,750, if it determines that the payment is in the interest of the plan's participant's and beneficiaries generally and does not unreasonably increase the corporation's risk of loss with respect to the plan.

"(2) The corporation may prescribe reporting requirements for terminated plans, and rules and standards for the administration of terminated plans that the corporation deems appropriate to protect the interests of the plan's participants or to prevent unreasonable losses to the corporation.

Sec. 104. Withdrawal Liability; Mergers and Transfers of Assets or Liabilities; Plan Reorganization; Financial Assistance; Benefits After Termination; Enforcement.

Title IV is amended by redesignating subtitle E as subtitle F and adding after subtitle D the following new subtitle:

"Subtitle E—Special Provisions for Multiemployer Plans

"Part 1—Employer Withdrawals

"employer withdrawals

"Sec. 4201. (a)(1) Except as provided in subsection (c), an employer that withdraws from a multiemployer plan is liable to the plan for the amount determined under subsection (d), and shall pay the liability, plus interest, in accordance with subsection (e).

"(2) The plan administrator shall determine the liability of a withdrawn employer in accordance with subsections (c) and (d), and shall notify the employer and collect the liability in accordance with subsections (e) and (f).

"(b)(1) For purposes of this section, except as provided in paragraphs (2), (3), (4) and (6), an employer withdraws from a multiemployer plan when the employer—

"(A) permanently ceases to have an obligation to contribute under the plan, or

"(B) permanently ceases all covered operations under the plan.

"(2)(A) For purposes of this section, in the case of an employer required to contribute under a plan only for work performed in the building and construction industry, withdrawal occurs only as described in this paragraph.

"(B) A withdrawal occurs under this paragraph when an employer ceases to have an obligation to contribute under the plan but continues to perform work in the plan's jurisdiction of the type for which contributions were previously required. For this purpose, an employer that resumes such work within 5 years from the date the obligation to contribute under the plan ceases, and does not renew the obligation, is treated as continuing such work if, at the time of the resumption, other employers have an obligation to contribute under the plan.

"(C) A plan may be amended to provide that a withdrawal occurs under this paragraph when a long-term contributor ceases to have an obligation to contribute under the plan. For this purpose, a 'long-term contributor' is an employer that has contributed under the plan for a number of plan years as specified by the plan equal to, or greater than, the minimum number of years of service required for any participant to earn a vested pension benefit under the plan.

"(3) A withdrawal of an employer under this section does not occur solely because an employer ceases to exist by reason of a change in corporate structure described in section 4062(d), if the change causes no interruption, in fact, in employer contributions to or obligations under the plan.

"(4) A withdrawal of an employer under this section does not occur solely because an employer suspends contributions under the plan during a labor dispute involving its employees.

"(5) For purposes of this section—

"(A) an obligation to contribute is an obligation arising under one or more collective bargaining (or related) agreements, or an obligation to contribute arising as a result of a duty under applicable labor management relations law; and

"(B) an obligation to pay liability under this section or to pay delinquent contributions is not considered an obligation to contribute.

"(6) The corporation may prescribe in regulations the circumstances under which an employer has withdrawal liability when there is a substantial reduction in the employer's contributions under the plan. Any regulations of the corporation under this paragraph may prescribe appropriate notice requirements and the way in which liability is determined under subsection (d) for such partial withdrawals.

"(7) For purposes of this section, in the case of a withdrawal—

"(A) under paragraph (1), if the cessation occurs during a plan year for which the employer makes no contributions under the plan, the date of the withdrawal is the last day of the plan year for which the employer made a contribution under the plan; and

"(B) under paragraph (2)(B), the date of the withdrawal is the date the employer's obligation to contribute under the plan ceased.

"(c)(1) An employer that withdraws is not liable to the plan if the amount determined under subsection (d) is less than the greater of—

"(A) $25,000, or

"(B) 0.75 percent of the plan's unfunded vested liabilities, determined as of the last day of the plan year ending prior to the date of withdrawal, but not exceeding $100,000.

A plan may be amended to provide for a dollar amount lower than $25,000 or a percentage lower than 0.75 percent, or to provide that this paragraph does not apply.

"(2) A plan may be amended to prescribe rules consistent with the interests of plan participants, beneficiaries and contributing employers for reducing or waiving an employer's withdrawal liability to the extent the employer's obligations with respect to the plan, other than outstanding obligations under subsection (e), are assumed by another employer.

"(d)(1) Except as otherwise provided in this subsection, the amount of an employer's liability under this section equals the product of—

"(A) the plan's unfunded vested obligations as of the end of the plan year ending prior to the date of the withdrawal, multiplied by

"(B) a fraction—

"(i) the numerator of which is the total amount required to be contributed by the employer under the plan for the last 5 plan years ending prior to the date it withdraws, and

"(ii) the denominator of which is the total amount contributed under the plan by all employers for those plan years plus any employer contributions owed with respect to earlier periods that were collected in those plan years, less any amount contributed by an employer that withdrew from the plan under this section during those plan years unless the employer was exempt from liability under subsection (c)(2).

"(2) For purposes of this part, 'unfunded vested obligations' means the present value of all vested benefits under the plan, determined under regulations of the corporation based on the requirements of Code section 412, less the sum of—

"(A) the value of plan assets as of the end of the plan year, determined under regulations of the corporation based on the requirements of Code section 412, plus

"(B) the value, determined under regulations of the corporation, of any outstanding withdrawal liability claim for which demand has been made under subsection (e) by the end of the plan year.

"(3) The corporation may prescribe in regulations—

"(A) a procedure by which a plan may, by amendment, adopt an alternative method for determining an employer's liability under this subsection, subject to the approval of the corporation based on its determination that adoption of the method by the plan would not significantly increase the risk of loss to the corporation; and

"(B) standard approaches for alternative methods that a plan may adopt under subparagraph (A), for which the corporation may waive or modify the approval requirements of this paragraph.

Any alternative method shall provide for the allocation of all of a plan's unfunded vested obligations among employers contributing under the plan.

"(4) In the case of a transfer of liabilities to another plan incident to an employer's withdrawal, the amount determined under this subsection shall be reduced in an amount equal to the present value, as of the effective date of the transfer, of the unfunded vested obligations transferred.

"(5) For purposes of subsection (d)(1)(B)(i), the total amount required to be contributed by an employer for the last 5 plan years ending prior to a withdrawal includes amounts required to be contributed for those plan years by a predecessor employer to the extent that employer's liability to the plan under this section was reduced because of subsection (b)(3) or (c)(2).

"(6) In the case of a withdrawal following a merger of multiemployer plans, paragraph (1) shall be applied in accordance with regulations of the corporation except that, if a withdrawal occurs in the first plan year following a merger of multiemployer plans, liability under this section shall be determined as if each of the multiemployer plans had remained separate plans.

"(e)(1) As soon as practicable after an employer withdrawal, the plan administrator shall notify the employer of the amount of the liability and the schedule of liability payments, determined under this subsection, and shall, consistent with subsection (f), demand payment in accordance with the schedule.

"(2) Except as provided in paragraphs (6) and (7), an employer shall pay the liability determined under subsection (d) over a period of years in annual amounts, including accrued interest on the outstanding principal, equal to the greater of—

"(A) the average of the employer's required annual contributions under the plan for the 3 plan years preceding the date of withdrawal, or

"(B) the amount necessary to amortize the employer's liability (plus accrued interest) in equal annual installments over a period of 15 years, until fully amortized.

"(3) Each amount determined under paragraph (2) shall be payable in 4 equal installments due quarterly, or at other intervals specified by plan rules.

"(4) Withdrawal liability (plus accrued interest) shall be payable in accordance with the schedule set forth by the plan administrator under paragraph (1), beginning no later than 60 days after the date of demand.

"(5) Interest shall be charged from the date of the withdrawal at rates based on prevailing market rates for comparable obligations, in accordance with regulations of the corporation.

"(6) The employer shall be entitled to prepay the outstanding amount of its withdrawal liability, plus accrued interest, in whole or in part, without penalty.

"(7) A plan administrator may require immediate payment of the outstanding amount of an employer's withdrawal liability, plus accrued interest, in the event of a default. For purposes of the section, 'default' means—

"(A) the failure of an employer to make, when due, any payment under this subsection, if the failure is not cured within 60 days after the employer receives written notification from the plan administrator of the failure, and

"(B) any other event defined in rules adopted by a plan that indicates a reasonable likelihood that an employer will be unable to pay its withdrawal liability.

"(8) A multiemployer plan may adopt rules consistent with this Act or other terms and conditions for satisfaction of an employer's withdrawal liability.

"(f)(1) An employer that has withdrawn from a multiemployer plan shall, within 30 days after a written request from the plan administrator of the plan, furnish such information as the plan administrator reasonably determines to be necessary to enable him or her to comply with the requirements of this section.

"(2) Before the plan administrator demands payment under subsection (e), he or she shall give the employer a reasonable opportunity to identify any inaccuracy in the determination of its withdrawal liability or the schedule of payments, and to furnish any additional relevant information. The plan administrator shall, upon request, make relevant plan records reasonably available to the employer for inspection and copying.

"(3) After a reasonable review of any specific matter raised by the employer, the plan administrator shall notify the employer of his or her decision, the basis for the decision, and the reason for any change in the determination of the employer's liability or schedule of liability payments.

"(g)(1) No plan rule or amendment authorized under this section may be applied with respect to liability for a withdrawal that occurred before the date that the rule or amendment was adopted, without the employer's consent.

"(2) All plan rules and amendments authorized under this subsection shall operate and be applied uniformly with respect to each employer, except that special provisions may be made to take into account the creditworthiness of an employer.

"(h) The corporation may, by regulation, require the plan administrator of a multiemployer plan to provide notice to the corporation when the withdrawal from the plan by any employers has resulted, or will result, in a significant reduction in the amount of aggregate contributions under the plan by employers.

"(i)(1) The prohibtions provided in section 406 do not apply to any action taken under this section.

"(2) Payments of liability under this section are not considered contributions for purposes of this section.

"APPROVAL OF AMENDMENTS

"SEC. 4202. If a plan amendment authorized by section 4201, other than an amendment authorized by section 4201(d)(3), is adopted more than 18 months after the effective date of this section, the amendment shall be effective only if the corporation approves the amendment, or, within 90 days after the corporation receives notice of the amendment from the plan administrator, fails to disapprove. The corporation shall disapprove an amendment only if it determines that the amendment creates an unreasonable risk of loss to plan participants or the corporation.

"DETERMINATION OF UNFUNDED VESTED OBLIGATIONS

"SEC. 4203.(a) For purposes of this part, a plan's determination of its unfunded vested obligations for a plan year is presumed correct unless a party contesting the determination shows by a preponderance of evidence that—

"(1) the actuarial assumptions and methods used in the determination were, in the aggregate, unreasonable (taking into account the experience of the plan and reasonable expectations).

"(2) the plan's actuary made a significant error in applying the actuarial assumptions or methods, or

"(3) the plan administrator's determination with respect to the value of an outstanding withdrawal liability claim was unreasonable.

"(b) In the case of a determination under section 4101 made on behalf of a plan prior to the effective date of final regulations relating to an element of the determination, if the corporation finds that the determination was reasonable, the fact that an element of the determination was not consistent with subsequent final regulations is not evidence that the determination was unreasonable.

"PART 2—MERGER OR TRANSFER OF PLAN ASSETS OR LIABILITIES

"MERGER OR TRANSFER OF PLAN ASSETS OR LIABILITIES

"SEC. 4421. (a) The plan administrator of a multiemployer plan shall notify the corporation of a proposed merger with, or a transfer of plan assets or liabilities to, another plan at least 90 days before the effective date of such a merger or transfer. The corporation may exempt de minimis mergers or transfer from the requirements of subsections (a), (c), (d), or (e).

"(b) A participant's or beneficiary's accrued benefit under a multiemployer plan may not be decreased as a result of a merger with, or a transfer of assets or liabilities to, another plan.

"(c) A multiemployer plan may not merge with another multiemployer plan if the reorganization index for the merged plan would reasonably be expected to exceed the reorganization index for any of the separate plans for the first plan year following the effective date of the merger.

"(d) A multiemployer plan may not transfer assets or liabilities to another multiemployer plan if the reorganization index of either plan for the first plan year following the effective date of transfer would reasonably be expected to increase as a result of the transfer.

"(e)(1) A multiemployer plan may transfer assets or liabilities to a single-employer plan in accordance with this subsection.

"(2) Except as provided in paragraphs (3) and (4), a multiemployer plan that transfers assets or liabilities to a single-employer plan shall be liable to the corporation if the single-employer plan terminates within 60 months after the effective date of the transfer. The amount of liability shall be the lesser of—

"(A) the excess of the plan asset insufficiency of the terminated single-employer plan over 30 percent of the net worth of the employer that maintained the single-employer plan, determined in accordance with section 4062 or 4064, or

"(B) the present value on the effective date of the transfer of the unfunded benefits transferred to the single-employer plan that were guaranteed under section 4022.

"(3) A multiemployer plan shall not be liable to the corporation as provided in paragraph (2) if, within 90 days after the date of the notice required under subsection (a) (or any extended period to which the corporation and the plan administrator agree), the corporation determines that the interests of the participants and the corporation are adequately protected.

"(4) A multiemployer plan shall not be liable to the corporation as provided in paragraph (2) if, in the case of a transfer of liabilities that accrued under a single-employer plan that merged with the multiemployer plan, the present value of liabilities transferred does not exceed the present value of the liabilities that accrued before the merger, and the value of the assets transferred is substantially equal to the value of the assets that would have been in the single-employer plan if the employer had maintained and funded it as a separate plan under which no benefits accrued after the date of the merger.

(5) The corporation may make equitable arrangements with multiemployer plans that are liable under this subsection for satisfaction of their liability.

"(f)(1) A plan to which liabilities are transferred in accordance with this section is a successor plan for purposes of sections 4022 and 4022A.

"(2) Benefits under a single-employer plan to which liabilities are transferred in accordance with this section are guaranteed under section 4022.

"(g)(1) A multiemployer plan may not transfer assets or liabilities unless the plan sponsor of the plan to which assets or liabilities would be transferred agrees to the transfer.

"(2) In the case of a transfer described in subsection (e)(4), paragraph (1) is satisfied by the advance agreement of the employer that will be obligated to contribute to the single-employer plan.

"ASSETS TRANSFERABLE

"SEC. 4222. (a) A transfer of assets from a multiemployer plan to another plan shall comply with asset-transfer rules adopted by the multiemployer plan that—

"(1) include prudent protections for the interests of the multiemployer plan's participants and beneficiaries.

"(2) do not unreasonably restrict the transfer of plan assets in connection with the transfer of plan liabilities, and

"(3) operate and are applied uniformly with respect to each proposed transfer, except that the rules may provide for reasonable variations in light of the potential financial impact of a proposed transfer on the multiemployer plan.

"(b)(1) The corporation may, by regulation, prescribe specific standards consistent with this Act for the content and application of asset-transfer rules adopted under this section.

"(2) Regulations of the corporation under this subsection may—

"(A) require the approval of the corporation for multiemployer plan asset-transfers, and

"(B) exempt de minimis transfers of assets, and transfers pursuant to written reciprocity agreements, from the requirements of this section.

"(3) Plan rules authorizing asset-transfers consistent with the requirements of section 4221(e)(4) satisfy this section.

"PART 3—REORGANIZATION

"REORGANIZATION STATUS

"SEC. 4241. (a) A multiemployer plan is in reorganization for a plan year if the plan's reorganization index is greater than zero.

"(b)(1) For each plan year, a multiemployer plan's reorganization index equals the excess of—

"(A) the vested liabilities charge (determined without regard to accrued benefit reductions under section 4244 that are first effective in the plan year) over

"(B) the charges determined under Code section 412(b)(2) minus the credits determined under Code section 412(b)(3)(B).

"(2) For each plan year, the vested liabilities charge equals the amount that would be necessary to amortize a multiemployer plan's unfunded vested liabilities in equal annual installments—

"(A) over 10 years, to the extent attributable to persons in pay status, and

"(B) over 25 years, to the extent attributable to all other participants.

In determining unfunded vested liabilities, plan assets shall first be allocated to vested liabilities attributable to persons in pay status.

"(3) At the election of the plan administrator, the determination of unfunded vested liabilities for purposes of paragraph (2) may be based either on a valuation performed for the plan year or a valuation performed for any of the 4 preceding plan years, adjusted to reflect—

"(A) subsequent changes in benefits under the plan, and

"(B) events that substantially increase the plan's unfunded vested liabilities, if the plan administrator knew or should have known of those events by the earliest of the effective dates of any collective bargaining agreement providing for employer contributions under the plan that is in effect in the plan year for which the determination is made.

"(4) For purposes of this part, 'unfunded vested liabilities' means the excess of the present value of vested benefits under the plan over the value of the assets of the plan, without regard to outstanding claims for withdrawal liability.

"(5) For purposes of this part, 'person in pay status' means a participant or beneficiary who, at any time during the plan year, received an early, normal or disability retirement benefit or a death benefit related to a retirement benefit, and, to the extent provided in regulations prescribed by the Secretary of the Treasury, a person entitled to those or similar benefits under the plan.

"(c) Under a plan in reorganization, the present value of a participant's nonforfeitable benefit attributable to employer contributions (other than a death benefit) may not be distributed if the value exceeds $1,750, unless the corporation approves the payment of benefits under the terms of the plan in greater lump sum amounts, based on the corporation's determination that the payment is in the interest of the plan's participants and beneficiaries generally and does not unreasonably increase the corporation's risk of loss with respect to the plan.

"(d) No terminated multiemployer plan is in reorganization after the date on which the last employer withdraws from the plan within the meaning of section 4201(b).

"NOTICE OF REORGANIZATION

"SEC. 4242. (a) The plan administrator of a multiemployer plan that is in reorganization shall, in accordance with regulations of the Secretary of the Treasury, notify—

"(1) plan participants and beneficiaries,

"(2) each employer that has an obligation to contribute under the plan (within the meaning of section 4201), and

"(3) each employee organization that, for purposes of collective bargaining, represents plan participants employed by an employer, that the plan is in reorganization and that accrued benefits under the plan may be reduced, or an excise tax may be imposed on employers, if contributions to the plan are not increased.

"(b) The Secretary of the Treasury may prescribe additional or alternative requirements for assuring that the interested parties receive appropriate notice that a multiemployer plan is or may be in reorganization, are adequately informed of the implications of reorganization status, and have reasonable access to information relevant to a plan's reorganization status.

"FUNDING REQUIREMENTS FOR PLANS IN REORGANIZATION

"SEC. 4243. (a)(1) Each multiemployer plan shall satisfy the minimum contribution requirement for each plan year that it is in reorganization. A plan satisfies the minimum contribution requirement for a plan year if it does not have a reorganization deficiency for the plan year.

"(2) For any plan year in which a plan is in reorganization, the plan's accumulated funding deficiency under section 302(a) equals the plan's reorganization deficiency.

"(3) A reorganization deficiency for a plan year is the excess of—

"(A) the minimum contribution requirement over

"(B) contributions and withdrawal liability payments made under the plan.

"(b)(1) For purposes of this part, a plan's minimum contribution requirement for a plan year is an amount equal to the lesser of—

"(A) the plan's vested liabilities charge or

"(b) the plan's vested liabilities charge multiplied by a fraction—

"(i) the numerator of which is the plan's current contribution base for the plan year and

"(ii) the denominator of which is the plan's valuation contribution base.

"(2) Notwithstanding paragraph (1), if the vested liabilities charge is less than the plan's cash-flow amount for a plan year, the plan's minimum contribution requirement for the plan year is the amount determined under paragraph (1) if "cash-flow" amount, is substituted for 'vested liabilities charge' wherever that terms appears in paragraph (1). For purposes of this paragraph, a plan's cash-flow amount is the total amount of benefits payable under the plan, plus the plan's administrative expenses, for the plan year, less the value of available plan assets determined under regulations prescribed by the Secretary of the Treasury.

"(c) For purposes of this part, for a plan year—

"(1) Except as provided in subsection (d), a plan's valuation contribution base is its current contribution base for the plan year for which the valuation used to determine unfunded vested liabilities under section 4241(b) was performed, adjusted, in accordance with regulations of the Secretary of the Treasury, for a contribution base reduction caused by a strike or lockout, or by unusual, peculiar and non-recurring events, such as fire, earthquake or severe weather conditions and

"(2) a plan's current contribution base is the number of contribution base units with respect to which contributions were received by the plan for that plan year, determined in accordance with regulations of the Secretary of the Treasury.

"(d)(1) For purposes of subsection (a), the plan administrator of an overburdened plan shall apply an overburden credit against the plan's reorganization deficiency for a plan year (determined without regard to this subsection).

"(2) A plan is overburdened, for a plan year, if—

"(A) pay status participants under the plan constitute at least 50 percent of the plan's extended participant group; and

"(B) the rate of employer contributions under the plan equals or exceeds the greater of the rate for the preceding plan year or the rate for the plan year prior to the first year that the plan was in reorganization.

"(3) The amount of the overburden credit for a plan year is the product of—

"(A) one half of the average benefit paid, multiplied by

"(B) the overburden factor for the plan year.

"(4) For purposes of this subsection—

"(A) 'pay status participants' means persons in pay status under the plan (within the meaning of section 4241(b)(4)) and, to the extent prescribed in regulations of the Secretary of the Treasury under this subsection, inactive participants (within the meaning of section 4244(e));

"(B) 'extended participant group' means all plan participants plus all other persons with respect to whom an employer has an obligation to contribute under the plan, within the meaning of section 4201(b)(5);

"(C) the average benefit paid is the amount determined by dividing the total covered benefit payments made under the plan by the number of persons in pay status under the plan for the plan year;

"(D) a covered benefit payment is a benefit payment at the level that would have been payable under the plan if the plan had been amended, effective the first year the plan was in reorganization, to reduce accrued benefits to the extent permitted by section 4244;

"(E) the first year that a plan is in reorganization is the first plan year that the plan was in reorganization that was not followed by three or more consecutive plan years that the plan was not in reorganization; and

"(F) the overburden factor for a plan year is the excess of pay status participants over all other persons in the extended participant group.

"(5) Notwithstanding any other provision of this subsection, a plan is not eligible for an overburden credit for a plan year if the Secretary of the Treasury finds that the plan's current contribution base for the plan year was reduced, without a corresponding reduction in the plan's unfunded vested liabilities attributable pay status participants, as a result of a change in an agreement providing for employer contributions under the plan. For purposes of this paragraph, an employer withdrawal within the meaning of section 4201(b) does not impair a plan's eligibility for an overburden credit, unless the Secretary of the Treasury finds that a contribution base reduction described in this paragraph resulted from a transfer of liabilities to another plan in connection with the withdrawal.

"(e) Notwithstanding any other provision of this section, for any plan year in which a multiemployer plan is insolvent, within the meaning of section 4245, 'valuation contribution base' means the valuation contribution base for the plan year preceding the first plan year in which the plan is insolvent.

"(f) In the case of a multiemployer plan in reorganization, 'minimum contribution requirement' shall be substituted for 'minimum funding standard' and 'standard' wherever they appear in section 303(a).

"(g) A multiemployer plan shall have no reorganization deficiency in the plan year beginning on the effective date of this section, or in the 2 subsequent plan years, provided that the plan is not amended after the date of enactment of this section to increase benefits with respect to service prior to the date the amendment is adopted, if the rate of employer contributions under the plan is increased above the contribution rate for the last plan year before the effective date of this section—

"(1) by at least 7 percent for the plan year beginning on the effective date of this section;

"(2) by at least 14 percent for the first plan year beginning after the effective date of this section; and

"(3) by at least 21 percent for the second plan year beginning after the effective date of this section.

"ADJUSTMENTS IN ACCRUED BENEFITS

"Sec. 4244. (a)(1) Notwithstanding sections 203 and 204, a multiemployer plan in reorganization may be amended, in accordance with this section, to reduce or eliminate accrued benefits attributable to employer contributions that, under section 4022A(b), are not guaranteeable by the corporation.

"(2) An amendment reducing benefits under this section or under Code section 412(c)(8) may be taken into account under section 4243 for a plan year if the amendment is adopted and effective no later than 2½ months after the end of the plan year, or within such extended period as the Secretary of the Treasury may prescribe in regulations under Code section 412(c)(10).

"(b) Accrued benefits may not be reduced under this section unless—

"(1) notice has been given in accordance with section 4242, except that notice satisfies this subsection if given at least 6 months before the first day of the plan year in which the amendment reducing benefits is adopted;

"(2) in accordance with regulations of the Secretary of the Treasury—

"(A) reductions in accrued benefits of inactive participants are substantially proportionate to the reductions in other accrued benefits subject to reduction under subsection (a),

"(B) other benefits attributable to employer contributions and the rate of future benefit accruals are reduced at least to an extent equal to the reduction in accrued benefits, and

"(C) the accrued benefit of a participant or beneficiary is reduced only by reducing the benefit level, not by changing the benefit form or the requirements that the participant or beneficiary must satisfy to be entitled to the benefit; and

"(3) the rate of employer contributions for the plan year in which the amendment becomes effective and for all succeeding plan years in which the plan is in reorganization equals or exceeds the greater of—

"(A) the rate of employer contributions for the plan year in which the amendment becomes effective, or

"(B) the rate of employer contributions for the plan year preceding the year in which the amendment becomes effective.

"(c) A plan may not recoup a benefit payment that is in excess of the amount payable under the plan because of an amendment retroactively reducing accrued benefits under this section.

"(d)(1) No benefit of a participant or beneficiary may be increased with respect to prior service under a plan that has been amended to reduce accrued benefits under this section unless the plan is amended to restore the accrued benefit levels that were in effect before the benefit reduction. For purposes of this subsection, 'prior service' means service before the later of the date a plan amendment increasing benefits is adopted or first becomes effective.

"(2) If a plan is amended partially to restore previously reduced accrued benefit levels, the benefits of inactive participants must be restored in at least the same proportion as other accrued benefits that are restored.

"(3) No benefit increase under a plan may take effect in a plan year in which an amendment reducing accrued benefits under the plan, in accordance with this section, is adopted or first becomes effective.

"(4) A plan is not required to make retroactive benefit payments with respect to that portion of an accrued benefit that was reduced and subsequently restored under this section.

"(e) For purposes of this part, 'inactive participant' means a person in pay status under the plan or a person entitled to deferred vested benefits under the plan who is not in covered service under the plan.

"(f) The Secretary of the Treasury may prescribe rules under which, notwithstanding any other provision of this section, accrued benefit reductions or benefit increases for different participant groups may be varied equitably, to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support of plan benefit obligations.

"INSOLVENT PLANS

"SEC. 4245. (a) Notwithstanding sections 203 and 204, benefit payments (other than basic benefits) under an insolvent multiemployer plan that exceed the resource benefit level shall be suspended in accordance with this section, unless an alternative procedure is prescribed by the corporation in connection with a supplemental guarantee program established under section 4022A(g)(2).

"(b) For purposes of this section, for a plan year—

"(1) a multiemployer plan is insolvent if—

"(A) the plan is in reorganization, and has been amended to reduce accrued benefits to the level at which they are guaranteeable under section 4022A(b), and

"(B) the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year, as determined under subsection (d);

"(2) 'resource benefit level' means the level of monthly benefits determined under subsections (c) and (d) to be the highest level that can be paid out of the plan's available resources;

"(3) 'available resources' means the plan's cash, marketable assets, contributions, withdrawal liability payments and other earnings, less reasonable administrative expenses and amounts owed the corporation under section 4261(d); and

"(4) 'insolvency year' means a plan year in which a plan is insolvent.

"(c)(1) The plan sponsor of a plan in reorganization shall determine and certify the plan's resource benefit level for each insolvency year, based on the plan sponsor's reasonable projection of the plan's available resources and benefit payment obligations.

"(2) The suspension of benefit payments above the resource benefit level for a plan year shall, consistent with regulations of the Secretary of the Treasury, apply in substantially uniform proportions to the benefits of all persons in pay status under the plan (within the meaning of section 4241(b)(4)), except that the Secretary of the Treasury may prescribe rules under which benefit suspensions for different participant groups may be varied equitably, to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"(3) Notwithstanding paragraph (2), a plan sponsor may not determine and certify a resource benefit level for a plan year that is below the level of basic benefits, unless the payment of all benefits other than basic benefits is suspended for that plan year.

"(4) If, by the end of an insolvency year, the plan sponsor determines that the plan's available resources in that year could have supported benefit payments above the resource benefit level for that year, the plan sponsor shall cause the excess resources to be distributed to the participants and beneficiaries who received benefit payments from the plan in that insolvency year, in accordance with regulations of the Secretary of the Treasury. For purposes of this paragraph, 'excess resources' means available resources above the amount necessary to support the resource benefit level, but no greater than the amount necessary to pay benefits for the plan year at the benefit levels under the plan.

"(5) If, by the end of an insolvency year, any benefit has not been paid at the resource benefit level, amounts up to the resource benefit level that were unpaid shall be distributed to the participants and beneficiaries, in accordance with regulations of the Secretary of the Treasury, to the extent possible in light of the plan's total available resources in that insolvency year.

"(6) Except as provided in this subsection, a plan is not required to make retroactive benefit payments with respect to that portion of a benefit that was suspended under this section.

"(d)(1) As of the end of the first plan year that a plan is in reorganization, and at least every 3 years thereafter (unless the plan is no longer in reorganization), the plan sponsor shall compare the value of plan assets (determined in accordance with section 4241(b)) with the total amount of benefit payments made under the plan for that plan year. Unless the plan sponsor determines that the value of plan assets exceeds 3 times the total amount of benefit payments, the plan sponsor shall determine whether the plan will be insolvent in any of the next 3 plan years.

"(2) If, at any time, the plan sponsor of a plan in reorganization reasonably determines, in light of the plan's recent and anticipated financial experience, that the plan's available resources are not sufficient to pay benefits under the plan when due for the next plan year, it shall certify that the plan will be insolvent, no later than 3 months before the insolvency year.

"(3) The plan sponsor of a plan in reorganization shall determine and certify the resource benefit level for each insolvency year no later than three months before the insolvency year.

"(e)(1) If the plan sponsor of a plan in reorganization determines, under subsection (d)(1), that the plan may be insolvent in the next 3 plan years, the plan sponsor shall notify the Secretary of the Treasury, the corporation and the parties described in section 4242(a) of that determination, and inform the parties described in section 4242(a) that if insolvency occurs certain benefit payments will be suspended, but that basic benefit will continue to be paid.

"(2) The plan sponsor of a plan in reorganization shall notify the Secretary of the Treasury, the corporation and the parties described in section 4242(a) of the resource benefit level determined and certified for each insolvency year, no later than 2 months before the first day of that insolvency year.

"(3) In any case where the plan sponsor anticipates that the resource benefit level for an insolvency year may not exceed the level of basic benefits, the plan sponsor shall notify the corporation at least 6 months before the first day of that insolvency year.

"(4) Notice required by this subsection shall be given in accordance with regulations prescribed by the Secretary of the Treasury, except that notice to the corporation shall be given in accordance with regulations prescribed by the corporation.

"(f)(1) If the plan sponsor of an insolvent plan for which the resource benefit level is above the level of basic benefits anticipates that, for any month in an insolvency year, the plan will not have funds sufficient to pay basic benefits, it may apply for financial assistance from the corporation under section 4261.

"(2) A plan sponsor that has determined and certified a resource benefit level for an insolvency year that is below the level of basic benefits shall apply for financial assistance from the corporation under section 4261.

"PART 4—FINANCIAL ASSISTANCE

"FINANCIAL ASSISTANCE

"SEC. 4261. (a) If, upon receipt of an application for financial assistance under section 4245(f) or section 4281(d), the corporation verifies that the plan is or will be insolvent and unable to pay basic benefits when due, it shall provide the plan financial assistance in an amount sufficient to enable the plan to pay basic benefits under the plan.

"(b)(1) Financial assistance shall be provided on such conditions as the corporation determines are equitable and appropriate to prevent unreasonable loss to the corporation with respect to the plan.

"(2) A plan that has received financial assistance shall repay the corporation on reasonable terms consistent with regulations of the corporation.

"(c) Pending determination of the amount described in subsection (a), the corporation may provide financial assistance in such amounts as it deems appropriate in order to avoid undue hardship to plan participants and beneficiaries.

"(d) When assistance to a plan is provided under this section in response to an application under section 4245(f)(1) or a comparable application under section 4281(d), if the plan's resource benefit level for the following plan year exceeds the level of basic benefits, the assistance shall be repaid no later than 180 days after the last day of the plan year for which the assistance was provided.

"PART 5—BENEFITS AFTER TERMINATION

"BENEFITS UNDER CERTAIN TERMINATED PLANS

"SEC. 4281. (a) Notwithstanding sections 203 and 204, the plan administrator of a terminated multiemployer plan to which section 4041A(d) applies is authorized to and shall amend the plan to reduce benefits, and is authorized to and shall suspend benefit payments, as required by this section.

"(b)(1) The present value of vested benefits under the plan, and the value of the plan's assets, shall be determined and certified in accordance with regulations of the corporation as of the end of the plan year during which section 4041A(d) became applicable to the plan, and every year thereafter.

"(2) For purposes of this section, plan assets include outstanding withdrawal liability claims, within the meaning of section 4201(d).

"(c)(1) If, according to the determination under subsection (b), the present value of vested benefits exceeds the value of the plan's assets, the plan administrator shall amend the plan to reduce benefits under the plan such that the plan's assets are sufficient, as determined and certified in accordance with regulations of the corporation, to discharge when due all of the plan's obligations with respect to vested benefits.

"(2) Any plan amendment required by this subsection shall—

"(A) reduce benefits only to the extent necessary to comply with paragraph (1);

"(B) reduce or eliminate accrued benefits only to the extent those benefits are not guaranteeable by the corporation under section 4022(b);

"(C) comply with the rules for and limitations on benefit reductions under a plan in reorganization, prescribed in section 4244, except to the extent the corporation prescribes other rules and limitations in regulations under this section; and

"(D) take effect no later than 6 months after the plan year for which it was determined that the present value of vested benefits exceeded the value of the plan's assets.

"(d)(1) Benefit payments (other than basic benefits) under an insolvent plan to which this section applies that exceed the resource benefit level shall be suspended, in accordance with this subsection, unless an alternative procedure is prescribed by the corporation in connection with a supplemental guarantee program established under section 4022A(g)(2).

"(2) For purposes of this subsection, for a plan year—

"(A) a plan is insolvent if it has been amended to reduce benefits to the extent permitted by subsection (c) and the plan administrator certifies that the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year; and

"(B) a plan's resource benefit level and available resources are determined in accordance with section 4245.

"(3) The plan administrator of an insolvent plan to which this section applies shall have the powers and duties of the plan sponsor of an insolvent plan in reorganization, under section 4245, except that regulations governing the plan administrator's exercise of those powers and duties under this section shall be prescribed by the corporation, and the corporation may, by regulation, prescribe alternative notice requirements that assure that plan participants and beneficiaries receive adequate notice of benefit suspensions.

"(4) Except as provided in section 4245(c), a plan is not required to make retroactive benefit payments with respect to that portion of a benefit that was suspended under this subsection.

"PART 6—ENFORCEMENT

"CIVIL ACTIONS

"SEC. 4301. (a)(1) A plan fiduciary, employer, plan participant or beneficiary, adversely affected by the act or omission of any party under this subtitle with respect to a multiemployer plan, or an employee organization that represents such a plan participant for purposes of collective bargaining, may bring an action for appropriate relief, legal, equitable or both.

"(2) Notwithstanding paragraph (1), this section does not authorize an action against the Secretary of the Treasury.

"(b) In any action under this section to compel an employer to pay withdrawal liability, in addition to the unpaid liability plus interest the court may award an equal amount as liquidated damages, payable to the plan.

"(c) The district courts of the United States have exclusive jurisdiction of an action under this section without regard to the amount in controversy, except that state courts of competent jurisdiction have concurrent jurisdiction over an action brought by a plan fiduciary to collect withdrawal liability.

"(d) An action under this section may be brought in the district where the plan is administered or where a defendant resides or does business, and process may be served in any district where a defendant resides, does business or may be found.

"(e) In any action under this section the court may award all or a portion of the costs and expenses incurred in connection with such action, including reasonable attorney's fees, to the prevailing party.

"(f) An action under this section must be brought within 6 years after the date on which the cause of action arose.

"(g) A copy of the complaint in any action under this section shall be served upon the corporation by certified mail. The corporation may intervene in any such action.".

"PENALTY FOR FAILURE TO PROVIDE NOTICE

"SEC. 4302. Any person who fails, without reasonable cause, to provide a notice required under this subtitle or any implementing regulations shall be liable to the corporation in an amount up to $100 for each day that such failure continues. The corporation is authorized to bring civil action against any such person in the United States District Court for the District of Columbia or in any district court of the United States within the jurisdiction of which the plan assets are located, the plan is administered or a defendant resides or does business, and process may be served in any district where a defendant resides, does business or may be found."

SEC. 105. PREMIUMS.

Section 4006 is amended by—

(1) striking out subsection (a) and inserting in lieu thereof the following:

"(a)(1) The corporation shall prescribe such schedules of insurance premium rates and bases for the application of those rates as may be necessary to provide sufficient revenue to the fund for the corporation to carry out its functions under this title.

"(2) The corporation shall maintain separate schedules of rates and bases for—

"(A) basic benefits guaranteed by it under section 4022 for single-employer plans,

"(B) basic benefits guaranteed by it under section 4022A for multi-employer plans,

"(C) non-basic benefits guaranteed by it under section 4022 for single-employer plans, and

"(D) non-basic benefits guaranteed by it under section 4022A for multiemployer plans.

"The corporation may revise such schedules whenever it determines that revised schedules are necessary. In order to place a revised schedule described in subparagraph (A) or (B) in effect, the corporation shall proceed in accordance with subsection (b)(1) and such schedule shall apply only to plan years beginning more than 30 days after the date on which Congress approves such revised schedule by a concurrent resolution.

"(3) The annual premium rate payable to the corporation by all plans for basic benefits guaranteed under this title is—

"(A) in the case of each single-employer plan, for plan years beginning on or after January 1, 1978, an amount equal to $2.60 for each individual who is a participant in such plan during the plan year; and

"(B) in the case of each multiemployer plan, for plan years beginning on or after the effective date of this paragraph, an amount equal to—

"(i) $1.00 for each participant, for the first plan year;

"(ii) $1.40 for each participant, for the second plan year;

"(iii) $1.80 for each participant, for the third plan year;

"(iv) $2.20 for each participant, for the fourth plan year; and

"(v) $2.60 for each participant, for the fifth plan year, and for the succeeding plan years.

"The corporation may prescribe in regulations the extent to which the rate described in subparagraph (A) applies more than once for any plan year, to an individual participating in more than one plan maintained by the same employer, and it may prescribe regulations under which the rate described in subparagraph (B) will not apply to the same participant in any multiemployer plan more than once for any plan year.

"(4) The corporation may prescribe alternative schedules of rates and bases for basic benefits guaranteed by it under sections 4022 and 4022A based on the risks insured by the corporation in each plan.

"(5)(A) In carrying out its authority under paragraph (1) to establish schedules of rates and bases for non-basic benefits guaranteed under sections 4022 and 4022A, the premium rates charged by the corporation for any period for non-basic benefits guaranteed shall—

"(i) be uniform by category of non-basic benefits guaranteed,

"(ii) be based on the risks insured in each category, and

"(iii) reflect the experience of the corporation (including reasonably anticipated experience) in guaranteeing such benefits.

"(B) Notwithstanding subparagraph (A), premium rates charged to any multiemployer plan by the corporation for any period for supplemental guarantees under section 4022A (g)(2) may reflect any reasonable considerations that the corporation determines to be relevant.";

(2) striking out "coverage" in paragraph (1) of subsection (b) and "(B) or (C)" in that paragraph and inserting in lieu thereof "C" or (D)";

(3) striking out "Committee on Labor and Public Welfare" each place that it appears in subsection (b), and inserting in lieu thereof "Committee on Labor and Human Resources"; and

(4) adding at the end thereof the following new subsection:

"(c) Except as provided in subsection (a)(3), the rate for all plans for basic benefits guaranteed under this title with respect to plan years ending after September 2, 1974 is—

"(1) in the case of each plan that was not a multiemployer plan in a plan year, an amount equal to one dollar for each individual who was a participant in such plan during the plan year; and

"(2) in the case of each plan that was a multiemployer plan in a plan year, an amount equal to fifty cents for each individual who was a participant in such plan during the plan year.

"The rate applicable under this paragraph for the plan year ending before September 1, 1975, is a fraction of the rate described in the preceding sentence, the numerator of which is the number of calendar months in the plan year, which end after September 2, 1974 and before the date on which the new plan year commences and the denominator of which is 12."

SEC. 106. ANNUAL REPORT OF PLAN ADMINISTRATOR.

Section 4065 is amended by—

(1) striking the "and" in paragraph (1); and

(1) striking the "." in paragraph (2), in-

serting in lieu thereof "; and", and inserting after paragraph (2) the following:

"(3) information with respect to a multiemployer plan that the corporation determines is necessary for the enforcement of subtitle E, and requires by regulation, which may include—

"(A) a statement certified by a multiemployer plan's enrolled actuary of—

"(i) the present value of all vested benefits under the plan as of the end of the plan year, and

"(ii) the value of the plan's assets as of the end of the plan year, and

"(B) a statement certified by the plan administrator of a multiemployer plan of each outstanding withdrawal liability claim and its value determined under section 4201(d) as of the end of that plan year, and as of the end of the preceding plan year."

"SEC. 107. CONTINGENT EMPLOYER LIABILITY INSURANCE.

Section 4023 is repealed.

Subtitle F—Transition Rules and Effective Dates

SEC. 108. TRANSITION RULES AND EFFECTIVE DATES.

Section 4082 is amended by—

(1) redesignating section 4082 as section 4401;

(2) striking out subsection (d) and inserting in lieu thereof the following new subsection:

"(d) Notwithstanding any other provision of this title, benefits guaranteed under subsection (c) may not be reduced below the level at which those benefits would be guaranteed under section 4022A, applied as of the date of plan termination."; and

(3) striking out subsection (e) and adding in lieu thereof the following new subsections:

"(e)(1) Except as provided in paragraphs (2) and (3), the amendments to this Act made by the Multiemployer Pension Plan Amendments Act of 1979 are effective on the date of enactment of that Act.

"(2) Section 4201, relating to withdrawal liability, is effective February 27, 1979.

"(3) Sections 4241–4245, relating to multiemployer plan reorganization, are effective, with respect to each plan, on the first day of the first plan year beginning on or after the earlier of—

"(A) the date on which the last collective bargaining agreement providing for employer contributions under the plan, which was in effect on the date of enactment of the Multiemployer Pension Plan Amendments Act of 1979, expires, without regard to extensions agreed to after the date of enactment of that Act, or

"(B) three years after the date of enactment of the Multiemployer Pension Plan Amendments Act of 1979.

"(f) The treatment of obligations imposed under section 4063 with respect to withdrawals from multiemployer plans shall be prescribed in regulations of the corporation.".

TITLE II—AMENDMENTS TO TITLE II OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

SEC. 201. AMENDMENTS TO TITLE II OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

Whenever, in this title, an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of Title II of the Employee Retirement Income Security Act of 1974, unless otherwise indicated.

SEC. 202. MINIMUM FUNDING REQUIREMENTS.

Section 1013(a) is amended by—

(1) striking out "(40 plan years in the case of a muntiemployer plan)" each place it appears in section 412(b) of the Internal Revenue Code of 1954, as amended;

(2) striking out "(20 plan years in the case of a multiemployer plan)" each place it appears in section 412(b) of the Internal Revenue Code of 1954, as amended;

(3) adding at the end of section 412(b) of the Internal Revenue Code of 1954, as amended, the following new paragraphs:

"(6) Amortization of certain charges and credits.—In the case of a multiemployer plan described in section 414(f)(4)—

"(A) any amount described in paragraphs (2)(B)(ii), (2)(B)(iii), or (3)(B)(i) of this section that arose in a plan year beginning before [the date of enactment of this Act] shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the year in which the amount arose;

"(B) any amount described in paragraphs (2)(B)(iv) or (3)(B)(ii) of this section that arose in a plan year beginning before [the date of enactment of this Act] shall be amortized in equal annual installments (until fully amortized) over 20 plan years, beginning with the year in which the amount arose;

"(C) any increase in past service liability that arises by the end of the third plan year beginning after [the date of enactment of this Act] and results from a plan amendment adopted before [the date of enactment of this Act] shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the year in which the increase arises; and

"(D) any increase in past service liability that arises by the end of the second plan year beginning after [the date of enactment of this Act] and results from a group of participants' changing from a lower benefit level to a higher benefit level under a schedule of plan benefits that—

"(i) was adopted before the [the date of enactment of this Act] and

"(ii) was effective for any plan participant before the beginning of the first plan year after [the date of enactment of this Act] shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the year in which the increase arises.

"(7) Withdrawal liability. For purposes of this section any amount received by a multiemployer plan in payment of all or part of an employer's withdrawal liability under section 4201 of the Employee Retirement Income Security Act of 1974, as amended, shall be considered an amount contributed by the employer to or under the plan. The Secretary may, by regulation, prescribe additional charges and credits to a multiemployer plan's funding standard account to the extent necessary to prevent withdrawal liability payments from being unduly reflected as plan benefits that—
advance funding for plan liabilities."; and

(4) adding after section 412(i) of the Internal Revenue Code of 1954, as amended, the following new subsections:

"(j) Multiemployer Plan Reorganization.

"(1) MULTIEMPLOYER PLAN IN REORGANIZATION.—For purposes of this section and sections 411 and 4971, a multiemployer plan is in reorganization for a plan year if its reorganization index is greater than zero. For any plan year in which a multiemployer plan is in reorganization, the plan's accumulated funding deficiency under subsection (a) equals the reorganization deficiency.

"(2) REORGANIZATION DEFICIENCY.—A reorganization deficiency for a plan year in which a multiemployer plan is in reorganization is the excess of—

"(A) the minimum contribution requirement over

"(B) amounts considered contributed by the employer to or under the plan for the plan year.

"(3) MINIMUM CONTRIBUTION REQUIREMENT.—For any plan year in which a multiemployer plan is in reorganization, the minimum contribution requirement is an amount equal to the lesser of:

"(A) the plan's vested liabilities charge for the plan year, or

"(B) the plan's vested liabilities charge for the plan year multiplied by a fraction—

"(i) the numerator of which is the current contribution base for the plan year and

"(ii) the denominator of which is the valuation contribution base.

"(4) Notwithstanding paragraph (3), if the vested liabilities charge is less than the plan's cash-flow amount for a plan year, the plan's minimum contribution requirement for the plan year is the amount determined under paragraph (3) if 'cash flow amount' is substituted for 'vested liabilities charge' wherever that term appears in paragraph (3). For purposes of this paragraph, a plan's cash flow amount is the total amount of benefits payable under the plan, plus the plan's administrative expenses, for the plan year, less the value of available plan assets determined under regulations prescribed by the Secretary.

"(5) DEFINITIONS.—

"(A) REORGANIZATION INDEX.—For each plan year, a multiemployer plan's reorganization index equals the excess of—

"(i) the vested liabilities charge for the plan year (determined without regard to any accrued benefit reductions under section 411(e) that are first effective in the plan year) over

"(ii) the charges determined under subsection (b)(2) minus the credits determined under subsection (b)(3)(B).

"(B) VESTED LIABILITIES CHARGE.—For each plan year, the vested liabilities charge equals the amount that would be necessary to amortize a multiemployer plan's unfunded vested liabilities in equal annual installments—

"(i) over 10 years, to the extent attributable to persons in pay status; and

"(ii) over 25 years, to the extent attributable to all other participants.

In determining unfunded vested liabilities, plan assets shall first be allocated to vested liabilities attributable to persons in pay status.

"(C) At the election of the plan administrator, the determination of unfunded vested liabilities may be based either on a valuation performed for the plan year or on a valuation performer for any of the 4 preceding plan years, adjusted to reflect—

"(i) subsequent changes in benefits under the plan, and

"(ii) events that substantially increase the plan's unfunded vested liabilities, if the plan administrator knew or should have known of those events by the earliest of the effective dates of any collective bargaining agreement providing for employer contributions under the plan that is in effect in the plan year for which the determination is made.

"(D) UNFUNDED VESTED LIABILITIES.—For purposes of this subsection, 'unfunded vested liabilities' means the excess of the present value of vested benefits under the plan over the value of the assets of the plan.

"(E) VESTED BENEFIT.—For purposes of this subsection, 'vested benefit' means a benefit with respect to which a participant has satisfied the age and service requirements for entitlement under the terms of the plan, whether or not the benefit may be reduced by subsequent plan amendment or as a result of a condition subsequent that has not occurred.

"(F) PERSON IN PAY STATUS.—For purposes of this subsection and section 411(f), 'person in pay status' means a participant or beneficiary who, at any time during the plan year, received an early, normal or disability retirement benefit, or a death benefit related to a retirement benefit, and, to the extent provided in regulations prescribed by the Secretary, a person entitled to those or similar benefits under the plan.

"(G) CONTRIBUTION BASE.—

"(i) CURRENT CONTRIBUTION BASE.—A plan's current contribution base for a plan year is the number of contribution base units with respect to which contributions were received by the plan for that plan year, determined in accordance with regulations prescribed by the Secretary.

"(ii) VALUATION CONTRIBUTION BASE.—Except as provided in paragraph (8), a plan's valuation contribution base for a plan year is its current contribution base for the plan year for which the valuation used in determining unfunded vested liabilities was performed, adjusted in accordance with regulations prescribed by the Secretary for a contribution base reduction caused by a strike or lockout, or by unusual, peculiar and nonrecurring events, such as fire, earthquake or severe weather conditions.

"(6) Credit for overburdened plans.—

"(A) CREDIT.—An overburdened plan shall apply an overburden credit against the plan's reorganization deficiency for a plan year (determined without regard to this paragraph).

"(B) OVERBURDEN TEST.—A plan is overburdened, for a plan year, if—

"(i) pay status participants under the plan constitute at least 50 percent of the plan's extended participant group; and

"(ii) the rate of employer contributions under the plan equals or exceeds the greater of the rate for the preceding year or the rate for the plan year prior to the first year that the plan was in reorganization.

"(C) AMOUNT OF CREDIT.—The amount of the overburden credit for a plan year is the product of—

"(i) one half of the average benefit paid, multipled by

"(ii) the overburden factor for the plan year.

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) 'pay status participants' means persons in pay status under the plan (within the meaning of paragraph (5)(F)) and, to the extent prescribed in regulations of the Secretary under this paragraph, inactive participants (within the meaning of section 411(e));

"(ii) 'extended participant group' means all plan participants plus all other persons with respect to whom an employer has an obligation to contribute under the plan, within the meaning of section 4201(b)(5) of the Employee Retirement Income Security Act of 1974, as amended;

"(iii) the average benefit paid is the amount determmined by dividing the total covered benefit payments made under the plan by the number of persons in pay status under the plan, for the plan year;

"(iv) a covered benefit payment is a benefit payment at the level that would have been payable under the plan if the plan had been amended, effective the first year the plan was in reorganization, to reduce accrued benefits to the extent permitted by section 411(e);

"(v) the first year that a plan is in reorganization is the first plan year that the plan was in reorganization that was not followed by three or more consecutive plan years that the plan was not in reorganization; and

"(vi) the overburden factor for a plan year is the excess of pay status participants over all other persons in the plan's extended participant group.

"(E) INELIGIBILITY FOR CREDIT.—Notwithstanding any other provisions of this paragraph, a plan is not eligible for an overburden credit for a plan year if the Secretary finds that the plan's current contribution base for the plan year was reduced, without a corresponding reduction in the plan's unfunded vested liabilities attributable pay status participants, as a result of a change in an agreement providing for employer contributions under the plan. For purposes of this subparagraph, an employer withdrawal within the meaning of section 4201(b) of the Employee Retirement Income Security Act of 1974, as amended, does not impair a plan's eligibility for an overburden credit, unless the Secretary finds that a contribution base reduction described in this subparagraph resulted from a transfer of liabilities to another plan in connection with the withdrawal.

"(7) REDUCTION OF ACCRUED BENEFITS.—In determining the minimum contribution requirement for a plan year, the vested liabilities charge may be adjusted to reflect a plan amendment reducing benefits under subsection (c)(8) or section 411(e), provided that the amendment is adopted and effective no later than 2½ months after the end of the plan year, or within such extended period as the Secretary may prescribe in regulations under subsection (c)(10).

"(8) INSOLVENT PLANS.—For any plan year in which a multiemployer plan is insolvent (within the meaning of section 411(f)), 'valuation contribution base' means the valuation contribution base for the plan year preceding the first plan year in which the plan is insolvent.

"(9) VARIANCE FROM THE MINIMUM CONTRIBUTION REQUIREMENNT.—In the case of a multiemployer plan in reorganization, 'minimum contribution requirement' shall be substituted for 'minimum funding standard' and 'standard' wherever they appear in subsection (d)(1).

"(10) TRANSITIONAL RULE.—A multiemployer plan shall have no reorganization deficiency in the plan year beginning on the effective date of this subsection or in the 2 subsequent plan years, provided that the plan is not amended after [the date of enactment of this Act] to increase benefits with respect to service prior to the date the amendment is adopted, if the rate of employer contributions under the plan is increased above the contribution rate for the last plan year before the effective date of this subsection—

"(A) by at least 7 percent for the plan year beginning on the effective date of this subsection;

"(B) by at least 14 percent for the first plan year beginning after the effective date of this subsection; and

"(C) by at least 21 percent for the second plan year beginning after the effective date of this subsection.

"(11) EFFECTIVE DATE.—This subsection is effective, with respect to a plan, on the first day of the first plan year beginning on or after the earlier of—

"(A) the date on which the last collective bargaining agreement providing for employer contributions under the plan that was in effect on [the date of enactment of this Act] expires, without regard to extensions agreed to after [the date of enactment of this Act], or

"(B) three years from [the date of enactment of this Act].

"(k) Certain terminated multiemployer plans. This section applies, with respect to a terminated multiemployer plan to which section 4021 of the Employee Retirement Income Security Act of 1974, as amended, applies, until the date on which the last employer withdraws from the plan, within the meaning of section 4201 of that Act."

SEC. 203. EXCISE TAXES.

Section 1013(b) is amended by—

"(1) adding at the end of section 4971(c)(1) of the Internal Revenue Code of 1954, as amended, the following new sentence: "For purposes of this section, for any plan year in which a multiemployer plan is in reorganization, the accumulated funding deficiency equals the reorganization deficiency determined under section 412(j)(2)."; and

(2) adding at the end of section 4971(d) of the Internal Revenue Code of 1954, as amended, the following new sentence: "In the case of a multiemployer plan in reorganization, the same notice and opportunity shall be provided to the Pension Benefit Guaranty Corporation."

SEC. 204. DEDUCTIBILITY OF EMPLOYER LIABILITY PAYMENTS.

(a) Section 1013(c)(1) is amended by striking out "." at the end of section 404(a)(1)(A)(iii) of the Internal Revenue Code of 1954, as amended, inserting in lieu thereof ",", and adding the following:

"(iv) an amount paid by an employer under section 4062, 4063, 4064 or 4201 of the Employee Retirement Income Security Act of 1974, as amended.".

(b) Section 4081(a) (of title IV of the Employee Retirement Income Security Act of 1974) is amended by—

(1) redesignating the text of section 404(g) of the Internal Revenue Code of 1954, as amended, as paragraph (1) of section 404(g);

(2) striking out "or 4064 of the Employee Retirement Income Security Act of 1974" in section 404(g)(1) of the Internal Revenue Code of 1954, as amended, (as redesignated), and inserting in lieu thereof, ", 4064 or 4201 of the Employee Retirement Income Security Act of 1974, as amended,"; and

(3) adding the following new paragraph in section 404(g) of the Internal Revenue Code of 1954, as amended:

"(2) Controlled group deductions. In the case of a payment described in paragraph (1) made by an entity that is liable because it is a member of a commonly controlled group of corporations, trades or businesses, within the meaning of subsection (b) or (c) of section 414, the fact that the entity did not directly employ participants of the plan with respect to which the liability payment was made shall not affect the deductibility of a payment that otherwise satisfies the conditions of section 162 (relating to trade or business expenses) or section 212 (relating to expenses for the production of income).".

SEC. 205. MINIMUM VESTING REQUIREMENTS.

Section 1012(a) is amended by:

(1) adding at the end of section 411(a)(3) of the Internal Revenue Code of 1954, as amended, the following new subparagraphs:

"(E) CESSATION OF CONTRIBUTIONS UNDER MULTIEMPLOYER PLAN.—A participant's right to an accrued benefit derive from employer contributions to or under a multiemployer plan shall not be treated as forfeitable solely because the multiemployer plan provides that benefits accrued as a result of service with the participant's employer before the employer was required to contribute to the plan may not be payable if the employer ceases contributions to the multiemployer plan.

"(F) REDUCTION AND SUSPENSION OF BENEFITS BY A MULTIEMPLOYER PLAN.—A right to an accrued benefit derived from employer contributions to or under a multiemployer plan shall not be treated as forfeitable solely because—

"(i) the plan may be amended to reduce benefits under subsection (e) or under section 4281 of Employee Retirement Income Security Act of 1974, as amended, or

"(ii) benefit payments under the plan may be suspended under subsection (f) or under section 4281 of Employee Retirement Income Security Act of 1974, as amended.";

(2) striking out "and" in subparagraph (E) of section 411(a)(4) of the Internal Revenue Code of 1954, as amended;

(3) striking out "." in subparagraph (F) of section 411(a)(4) of the Internal Revenue Code of 1954, as amended, inserting in lieu thereof "; and", and adding the following new subparagraph:

"(G) In the case of a multiemployer plan, years of service—

"(i) with an employer after that employer has withdrawn from the plan, or, to the extent permitted by regulations of the Secretary, after a partial employer withdrawal, within the meaning of section 4201 of the Employee Retirement Income Security Act of 1974, as amended, and

"(ii) with any employer under the plan after the termination date of the plan under section 4048 of the Employee Retirement Income Security Act of 1974, as amended.";

(4) striking out "section 412(c)(8)" in section 411(d)(6) of the Internal Revenue Code of 1954, as amended, and inserting in lieu thereof, "subsection (e), section 412(c)(8), or section 4281 of the Employee Retirement Income Security Act of 1974, as amended"; and

(5) redesignating section 411(e) of the Internal Revenue Code of 1954, as amended, as subsection (g), and inserting the following new subsections:

"(e) Multiemployer Plans in Reorganization.

"(1) Notice of Reorganization.—

"(A) IN GENERAL.—The plan administrator of a multiemployer plan that is in reorganization, within the meaning of section 412(j), shall, in accordance with regulations of the Secretary, notify—

"(i) plan participants and beneficiaries,

"(ii) each employer that has an obligation to contribute under the plan, within the meaning of section 4201 of the Employee Retirement Income Security Act of 1974, as amended, and

"(iii) each employee organization that, for purposes of collective bargaining, represents plan participants employed by such an employer, that the plan is in reorganization and that accrued benefits under the plan may be reduced, or an excise tax may be imposed on employers, if contributions to the plan are not increased.

"(B) OTHER NOTICE REQUIREMENTS.—The Secretary may prescribe additional or alternative requirement for assuring that the interested parties receive appropriate notice that a multiemployer plan is or may be in reorganization, are adequately informed of the implications of reorganization status, and have reasonable access to information relevant to a plan's reorganization status.

"(2) AUTHORITY TO REDUCE BENEFITS.—A multiemployer plan in reorganization may be amended, in accordance with this subsection, to reduce or eliminate accrued benefits attributable to employer contributions that, under section 4022A(b) of the Employee Retirement Income Security Act of 1974, as amended, are not guaranteeable by the Pension Benefit Guaranty Corporation. An amendment reducing benefits under this subsection or under section 412(c)(8) may be taken into account under section 412(j) for a plan year if the amendment is adopted and effective no later than 2½ months after the end of the plan year, or within such extended period as the Secretary may prescribe in regulations under section 412(c)(10).

"(3) RESTRICTIONS ON BENEFIT REDUCTIONS.—Accrued benefits may not be reduced under this section unless—

"(A) notice has been given in accordance with paragraph (1), except that notice satisfies this paragraph if given at least 6 months before the first day of the plan year in which the amendment reducing benefits is adopted;

"(B) in accordance with regulations of the Secretary—

"(i) reductions in accrued benefits of inactive participants are substantially proportionate to the reductions in other accrued benefits subject to reduction under paragraph (2),

"(ii) other benefits attributable to employer contributions and the rate of future accrual are reduced at least to an extent equal to the reduction in accrued benefits, and

"(iii) the accrued benefit of a participant or beneficiary is reduced only by reducing the benefit level, not by changing the benefit form or the requirements that the participant or beneficiary must satisfy to be entitled to the benefits; and

"(C) the rate of employer contributions for the plan year in which the amendment becomes effective and for all succeeding plan years in which the plan is in reorganization equals or exceeds the greater of—

"(i) the rate of employer contributions for the plan year in which the amendment becomes effective, or

"(ii) the rate of employer contributions for the plan year preceding the year in which the amendment becomes effective.

"(4) RECOUPMENT PROHIBITED.—A plan may not recoup a benefit payment that is in excess of the amount payable under the plan because of an amendment retroactively reducing accrued benefits under this subsection.

"(5) BENEFIT INCREASES UNDER MULTIEMPLOYER PLANS IN REORGANAZATION.—

"(A) RESTORATION OF PREVIOUSLY REDUCED BENEFITS.—No benefit of a participant or beneficiary may be increased with respect to prior service under a plan that has been amended to reduce accrued benefits under this subsection unless the plan is amended to restore the accrued benefit levels that were in effect before the benefit reduction. For purposes of this subparagraph, 'prior service' means service before the later of the date a plan amendment increasing benefits is adopted or first become effective.

"(B) UNIFORMITY IN BENEFIT RESTORATIONS.—If a plan is amended partially to restore previously reduced accrued benefit levels, the benefits of inactive participants must be restored in at least the same proportions as other accrued benefits that are restored.

"(C) BENEFIT INCREASES IN YEAR OF BENEFIT REDUCTIONS.—No benefit increase under a plan may take effect in a plan year in which an amendment reducing accrued benefits under the plan, in accordance with this subsection, is adopted or first becomes effective.

"(D) RETROACTIVE PAYMENTS.—A plan is not required to make retroactive benefit payments with respect to that portion of an accrued benefit that was reduced and subsequently restored under this subsection.

"(6) For purposes of this susbection and section 412(j), 'inactive participant' means a person in pay status under the plan or a person entitled to deferred vested benefits under the plan who is not in covered service under the plan.

"(7) VARIATIONS IN BENEFIT ADJUSTMENTS.—The Secretary may prescribe rules under which, notwithstanding any other provision of this subsection, accrued benefit reductions or benefit increases for different participant groups may be varied equitably, to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"(8) LUMP-SUM PAYMENTS UNDER PLANS IN REORGANIZATION.—Under a plan in reorganization, the present value of a participant's nonforfeitable benefit under a plan in reorganization attributable to employer contributions (other than a death benefit) may not be distributed if the value exceeds $1,750, unless the Pension Benefit Guaranty Corporation approves the payment of benefits under the terms of the plan in greater lump sum amounts, based on the Corporation's determination that the payment is in the interest of the plan's participants and beneficiaries generally and does not unreasonably increase the Corporation's risk of loss with respect to the plan.

"(f) Insolvent Plans in Reorganization.

"(1) SUSPENSION OF CERTAIN BENEFIT PAYMENTS.—Benefit payments (other than basic benefits) under an insolvent multiemployer plan that exceed the resource benefit level shall be suspended in accordance with this subsection, unless an alternative procedure is prescribed by the Pension Benefit Guaranty Corporation in connection with a supplemental guarantee program established under section 4022A(g)(2) of the Employee Retirement Income Security Act of 1974, as amended.

"(2) DEFINITIONS.—For purposes of this subsection, for a plan year—

"(A) a multiemployer plan is insolvent if—

"(i) the plan is in reorganization, and has been amended to reduce accrued benefits to the level at which they are guaranteeable under section 4022A(b) of the Employee Retirement Income Security Act of 1974, as amended, and

"(ii) the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year, as determined under paragraph (4);

"(B) 'resource benefit level' means the level of monthly benefits determined under paragraphs (3) and (4) to be the highest level that can be paid out of the plan's available resources;

"(C) 'available resources' means the plan's cash, marketable assets, contributions, withdrawal liability payments and other earnings, less reasonable administrative expenses and amounts owed the Pension Benefit Guaranty Corporation under section 4261(d) of the Employee Retirement Income Security Act of 1974, as amended;

"(D) 'basic benefits' means benefits guaranteed by the Pension Benefit Guaranty Corporation under section 4022A of the Employee Retirement Income Security Act of 1974, as amended, without regard to subsection (g) of that section; and

"(E) 'insolvency year' means a plan year in which a plan is insolvent.

"(3) Benefit payments under insolvent plans.—

"(A) DETERMINATION OF RESOURCE BENEFIT LEVEL.—The plan sponsor of a plan in reorganization shall determine and certify the plan's resource benefit level for each insolvency year, based on the plan sponsor's reasonable projection of the plan's available resources and benefit payment obligations.

"(B) UNIFORMITY OF BENEFIT SUSPENSIONS.—The suspension of benefit payments above the resource benefit level for a plan year shall, consistent with regulations of the Secretary, apply in substantially uniform proportions to the benefits of all persons in pay status under the plan (within the meaning of section 412(j)(4)(E)), except that the Secretary may prescribe rules under which benefit suspensions for different participant groups may be varied equitably, to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support for plan benefit obligations.

"(C) Notwithstanding subparagraph (B), a plan sponsor may not determine and certify a resource benefit level for a plan year that is below the level of basic benefits, unless the payment of all benefits other than basic benefits is suspended for that plan year.

"(D) EXCESS RESOURCES.—If, by the end of an insolvency year, the plan sponsor determines that the plan's available resources in that year could have supported benefit payments above the resource benefit level for that year, the plan sponsor shall cause the excess resources to be distributed to the participants and beneficiaries who received benefit payments from the plan in that insolvency year, in accordance with regulations of the Secretary. For purposes of this subparagraph, 'excess resources' means available resources above the amount necessary to support the resource benefit level, but no greater than the amount necessary to pay benefits for the plan year at the benefit levels under the plan.

"(E) Unpaid benefits.—If, by the end of an insolvency year, any benefit has not been paid at the resource benefit level, amounts up to the resource benefit level that were unpaid shall be distributed to the participants and beneficiaries, in accordance wih regulations of the Secretary, to the extent possible in light of the plan's total available resources in that insolvency year.

"(F) Retroactive payments.—Except as provided in this paragraph, a plan is not required to make retroactive benefit payments with respect to that portion of a benefit that was suspended under this subsection. "(4) Plan sponsor determinations and certifications.—

"(A) Triennial test.—As of the end of the first plan year that a plan is in reorganization, and at least every 3 years thereafter (unless the plan is no longer in reorganization), the plan sponsor shall compare the value of plan assets (determined in accordance with section 412) with the total amount of benefit payments made under the plan for that plan year. Unless the plan sponsor determines that the value of plan assets exceeds 3 times the total amount of benefit payments, the plan sponsor shall determine whether the plan will be insolvent in any of the next 3 plan years.

"(B) Certification of insolvency.—If, at any time, the plan sponsor of a plan in reorganization reasonably determines, in light of the plan's recent and anticipated financial experience, that the plan's available resources are not sufficient to pay benefits under the plan when due for the next plan year, the plan sponsor shall certify that the plan will be insolvent, no later than 3 months before the insolvency year.

"(C) Certification of resource benefit level.—The plan sponsor of a plan in reorganization shall determine and certify the resource benefit level for each insolvency year no later than three months before the insolvency year.

"(5) Notice requirements.—

"(A) Impending insolvency.—If the plan sponsor of a plan in reorganization determines, under paragraph (4)(A), that the plan may be insolvent in the next 3 plan years, the plan sponsor shall notify the Secretary, the Pension Benefit Guaranty Corporation and the parties described in subsection (e)(1) of that determination, and inform the parties described in subsection (e)(1) that if insolvency occurs certain benefit payments will be suspended, but that basic benefits will continue to be paid.

"(B) Resource benefit level.—The plan sponsor of a plan in reorganization shall notify the Secretary, the Pension Benefit Guaranty Corporation and the parties described in subsection (e)(1) of the resource benefit level determined and certified for each insolvency year, no later than 2 months before the first day of that insolvency year.

"(C) Potential need for financial assistance.—In any case where the plan sponsor anticipates that the resource benefit level for an insolvency year may not exceed the level of basic benefits, the plan sponsor shall notify the Pension Benefit Guaranty Corporation at least 6 months before the first day of that insolvency year.

"(D) Regulations.—Notice required by this paragraph shall be given in accordance with regulations prescribed by the Secretary, except that notice to the Pension Benefit Guaranty Corporation shall be given in accordance with regulations prescribed by the Corporation.

"(6) Financial Assistance.—

"(A) Permissive application.—If the plan sponsor of an insolvent plan for which the resource benefit level is above the level of basic benefits anticiaptes that, for any month in an insolvency year, the plan will not have funds sufficient to pay basic benefits, it may apply for financial assistance from the Corporation.

"(B) Mandatory application.—A plan sponsor that has determined and certified a resource benefit level for an insolvency year that is below the level of basic benefits shall apply for financial assistance from the Pension Benefit Guaranty Corporation.".

Sec. 206. Definition of Multiemployer Plan.

Section 1015 is amended by striking out section 414(f) of the Internal Revenue Code of 1954, as amended, and inserting in lieu thereof the following new subsection:

"(f) Multiemployer plan—

"(1) 'Multiemployer plan' means a plan—

"(A) to which more than one employer is required to contribute,

"(B) which is maintained pursuant to one or more collective bargaining agreements between one or more employee organizations and more than one employer, and

"(C) which satisfies such other requirements as the Secretary of Labor may prescribe in regulations.

"(2) For purposes of this subsection, all corporations, trades or businesses (whether or not incorporated) that are under common control within the meaning of subsections (b) and (c) of section 414 are considered a single employer.

"(3) Notwithstanding paragraph (1), a plan is a multiemployer plan on and after its termination date under section 4048 of the Employee Retirement Income Security Act of 1974 if the plan was a multiemployer plan under this subsection for the plan year preceding its termination date.

"(4) For any plan year which begins before the effective date of this paragraph, the term 'multiemployer plan' means a plan described in this subsection as in effect before that date.".

Sec. 207. Related Technical Amendments.

(1) Sections 1021(b) and 1015 are amended by striking out the last sentence of sections 401(a)(12) and 414(e) of the Internal Revenue Code of 1954, as amended, respectively, and inserting in lieu thereof—

"The preceding sentence does not apply to any transaction to the extent that participants either before or after the transaction are covered under a multiemployer plan to which title IV of the Employee Retirement Income Security Act of 1974 applies."

(2) Section 2003(a) is amended by—

(A) striking out "or" in section 4975 (d)(12) of the Internal Revenue Code of 1954, as amended;

(B) striking out "." in section 4975 (d)(13) of the Internal Revenue Code of 1954, as amended, and inserting in lieu thereof "; or", and adding the following new paragraph:

"(14) any transaction under section 4201 of the Employee Retirement Income Security Act of 1974, as amended.".

TITLE III—AMENDMENTS TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 301. Amendments to Title I of the Employee Retirement Income Security Act.

Whenever, in this title, an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of title I of the Employee Retirement Income Security Act of 1974.

Sec. 302. Definitions.

Section 3 is amended by striking out paragraph (37) and inserting in lieu thereof the following:

"(37)(A) The term 'multiemployer plan' means a plan—

"(i) to which more than one employer is required to contribute,

"(ii) which is maintained pursuant to one or more collective bargaining agreements between an employee organization and more than one employer, and

"(iii) which satisfies such other requirements as the Secretary of Labor may prescribe in regulations.

"(B) For purposes of this paragraph, all trades or businesses (whether or not incorporated) that are under common control within the meaning of section 4001(c)(1) are considered a single employer.

"(C) Notwithstanding subparagraph (A), a plan is a multiemployer plan on and after its termination date if the plan was a multiemployer plan under this paragraph for the plan year preceding its termination date.

"(D) For any plan year which begins before the effective date of this subparagraph, the term 'multiemployer plan' means a plan described in this paragraph as in effect from September 2, 1974 until the effective date of this subparagraph.".

Sec. 303. Minimum Vesting Requirements.

Section 203 is amended by—

(1) adding at the end of subsection (a)(3) the following new subparagraph:

"(E) A participant's right to an accrued benefit derived from employer contributions to or under a multiemployer plan shall not be treated as forfeitable solely because the multiemployer plan provides that such benefits accrued as a result of service with the participant's employer before the employer was required to contribute to or under the plan may not be payable if the employer ceases contributions to the multiemployer plan.";

(2) striking out "and" in subsection (b)(1)(E); and

(3) striking out "." in subsection (b)(1)(F), inserting in lieu thereof "; and", and adding the following new subparagraph:

"(G) In the case of a multiemployer plan, years of service—

"(i) with an employer after that employer has withdrawn from the plan, or, to the extent permitted by regulations of the Secretary of the Treasury, after a partial employer withdrawal, within the meaning of section 420; and

"(ii) with any employer under the plan after the termination date of the plan under section 4048.".

Sec. 304. Minimum Funding Requirements.

(a) Section 301 is amended by adding at the end thereof the following new subsection:

"(c) This part applies, with respect to a terminated multiemployer plan to which section 4021 applies, until the date on which the last employer withdraws from the plan, within the meaning of section 4201."

(b) Section 302 is amended by—

(1) striking out "(40 plan years in the case of a multiemployer plan)" in subsection (b) each place it appears;

(2) striking out "(20 plan years in the case of a multiemployer plan)" in subsection (b) each place it appears; and

(3) adding the following new paragraphs in subsection (b):

"(6) In the case of a multiemployer plan described in section (3)(37)(D)—

"(A) any amount described in paragraphs (2)(B)(ii), (2)(B)(iii), or (3)(B)(i) of this section that arose in a plan year beginning before the effective date of this paragraph shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the year in which it arose;

"(B) any amount described in paragraphs (2)(B)(iv) or (3)(B)(ii) of this section that arose in a plan year beginning before the effective date of this paragraph shall be amortized in equal annual installments (until fully amortized) over 20 plan years beginning with the year in which it arose;

"(C) any increase in past service liability that arises by the end of the third plan year beginning after the date of this paragraph and results from a plan amendment adopted before the effective date of this paragraph shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the year in which the increase arises; and

"(D) any increase in past service liability that arises by the end of the second plan year beginning after the effective date of this paragraph, and results from a group of participants' changing from a lower benefit level to a higher benefit level under a schedule of plan benefits that—

"(i) was adopted before the date of enactment of this paragraph and

"(ii) was effective for any plan participant before the beginning of the first plan year after the date of enactment of this paragraph shall be amortized in equal annual installments (until fully amortized) over 40 plan years, beginning with the year in which the increase arises.

"(7) For purposes of this part, any amount received by a multiemployer plan in payment of all or part of an employer's withdrawal liability under section 4201 shall be considered an amount contributed by the employer to or under the plan. The Secretary of the Treasury may, by regulation, prescribe additional charges and credits to a multiemployer plan's funding standard account to the extent necessary to prevent withdrawal liability payments from being unduly reflected as advance funding for plan liabilities.".

TITLE IV—RELATED TECHNICAL, CONFORMING AND CLERICAL AMENDMENTS

SEC. 401. RELATED TECHNICAL AMENDMENTS

(a) Whenever in this subsection an amendment is expressed in terms of an amendment to a section or other provision, the reference is to a section or other provision of title IV of the Employee Retirement Income Security Act of 1974.

(1) Section 4001 is amended by—

(A) inserting "(other than a multiemployer plan)" after "more than one employer" in paragraph (2) of subsection (a);

(B) striking out "; and" in paragraph (6) of subsection (a), and inserting in lieu thereof "or section 4022A other than under section 4022A(g);";

(C) striking out "." in paragraph (7) of subsection (a) and inserting "or 4022A(g);";

(D) adding the following new paragraphs to subsection (a):

"(8) 'Code' means the Internal Revenue Code of 1954, as amended;

"(9) 'vested benefit' means a benefit with respect to which a participant has satisfied the age and service requirements for entitlement under the terms of the plan, whether or not the benefit may be reduced by subsequent plan amendment or as a result of a condition subsequent that has not occurred;

"(10) 'withdrawal liability' means an employer's liability to a multiemployer plan under section 4201, and 'withdrawal liability payment' means a payment under section 4201(e);

"(11) 'reorganization index' means the amount determined under section 4241(b);

"(12) 'insolvent', with respect to a multiemployer plan, means the condition described in section 4245(b) or 4281(d)(2); and

"(13) 'plan sponsor' means the plan sponsor as defined in section 3(16)(B).";

(E) redesignating subsection (b) as subsection (c)(1) and adding the following new subsection:

"(b) The corporation may, by regulation, prescribe definitions for any terms used in this title."; and

(F) adding the following new paragraphs (2), (3) and (4) of subsection (c) (as redesignated):

"(2) For purposes of this title, unless otherwise indicated, any plan that is not a multiemployer plan is considered a single-employer plan.

"(3) For purposes of this title, unless otherwise indicated, contributions or other payments are made under a plan for a plan year if made within the period prescribed under Code section 412(c)(10).

"(4) For purposes of subtitle E, 'Secretary of the Treasury' means the Secretary of the Treasury or his or her delegate."

(2) Section 4003 is amended by—

(A) striking out "determine whether any person has violated or is about to violate" in subsection (a) and substituting in lieu thereof "enforce"; and

(B) striking out "redress violations of" in subsection (e)(1) and inserting in lieu thereof "enforce".

(3) Section 4007 is amended by inserting at the end of subsection (a) the following: "The corporation may waive or reduce premiums for a multiemployer plan for any plan year during which such plan receives financial assistance from the corporation under section 4261.".

(4) Section 4021(a) is amended by inserting in the last sentence "unless otherwise specifically indicated" before "a successor plan".

(5) The following new section is added after section 4022B:

"Plan Fiduciaries.

"SEC. 4023. Notwithstanding any other provision of this Act, a fiduciary of a plan to which section 4021 applies shall discharge his or her duties with respect to the plan in accordance with the standards prescribed by this Act, and in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of this Act."

(6) Section 4042 is amended by—

(A) striking out "such small" in the last sentence of subsection (a) and inserting in lieu thereof "terminated";

(B) redesignating subsection (b) as paragraph (1) of subsection (b), and inserting the following new paragraph (2);

"(2) Notwithstanding any other provision of this title—

"(A) upon the petition of a plan administrator or the corporation, the appropriate United States district court may appoint a trustee in accordance with the provisions of this section if the interests of the participants would be better served by the appointment of the trustee, and

"(B) upon the petition of the corporation, the appropriate United States district court shall appoint a trustee proposed by the corporation for a multiemployer plan that is in reorganization, or a multiemployer plan to which section 4041A(d) applies, unless such appointment would be adverse to the long-range interests of the participants generally.

"The corporation and plan administrator may agree to the appointment of a trustee without proceeding in accordance with the requirements of this subsection."

(C) striking out "and" in the first sentence of subsection (c) after "interests of participants" and inserting in lieu thereof "or";

(D) striking out 'further" wherever it appears in subsection (c) and inserting in lieu thereof "unreasonable";

(E) striking out "and" in paragraph (1)(A)(iv) of subsection (d), redesignating paragraph (1)(A)(v) as paragraph (1)(A)(vi), inserting "and" at the end of paragraph (1)(A)(vi) (as redesignated), and inserting after paragraph (1)(A)(iv) the following new paragraph:

"(v) in the case of a multiemployer plan, to reduce benefits or suspend benefit payments under the plan, give appropriate notices, amend the plan, and do other acts required or authorized by subtitle E;";

(F) inserting after paragraph (1)(A)(vi) (as redesignated) of subsection (d) the following new paragraph:

"(vii) to require the plan administrator, any contributing or withdrawn employer, and any employee organization representing plan participants to furnish any information with respect to the plan that the trustee may need in order to administer the plan."

(G) striking out "allocation requirements of section 4044" in paragraph (1)(B)(i) of subsection (d), and inserting in lieu thereof, "requirements of this title";

(H) striking out ", except to the extent that the corporation is an adverse party in a suit or proceeding" in paragraph (1)(B)(iv) of subsection (d);

(I) striking out "and" subparagraph (B) of subsection (d)(2);

(J) striking out "." in subparagraph (C) of subsection (d)(2), inserting "," in lieu thereof and adding the following new subparagraphs:

"(D) each employer that is or may be liable to the plan under section 4201,

"(E) each employer that has an obligation, within the meaning of section 4201(b), to contribute under a multiemployer plan, and

"(F) each employee organization that, for purposes of collective bargaining, represents plan participants employed by an employer described in subparagraphs (C), (D) or (E).".

(7) Section 4044 is amended by—

(A) inserting "single-employer" before "defined benefit plan" in subsection (a);

(B) inserting "single-employer" before "plan occurring during" and before "plan occurring after" in subsection (c); and

(C) inserting "single-employer" before "plan may be distributed" in paragraph (1) of subsection (d).

(8) Section 4048 is amended by—

(A) redesignating section 4048 as section 4048(a), and inserting "of a single-employer plan" after "date of termination"; and

(B) adding the following new subsection (b):

"(b) For purposes of this title, the date of termination of a multiemployer plan is—

"(1) in the case of a plan terminated in accordance with the provisions of section 4041A, the date determined under subsection (b) of that section; or

"(2) in the case of a plan terminated in accordance with the provisions of section 4042, the date agreed to between the plan administrator and the corporation (or the trustee), or, if no agreement is reached, the date established by the court."

(b) Whenever in this subsection an amendment is expressed in terms of an amendment to a section or other provision, the reference is made to a section or other provision of title I of the Employee Retirement Income Security Act of 1974.

(1) Section 208 is amended by striking out the last sentence and inserting in lieu thereof the following:

"The preceding sentence does not apply to any transaction to the extent that participants either before or after the transaction are covered under a multiemployer plan to which title IV of this Act applies."

(2) Section 403 is amended by—

(A) striking out "title" in subsection (a)(1) and inserting in lieu thereof "Act";

(B) striking out "4042 and 4044" in subsection (c)(1) and inserting in lieu thereof "4041A, 4042, 4044 and 4261"; and

(C) inserting in subsection (c)(2)(A) "or a payment under section 4201" after "in the case of a contribution".

(c) Section 3002 of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary of the Treasury shall consult with the Pension Benefit Guaranty Corporation with respect to any proposed or final regulation authorized by section 411(e), 411(f) or 412(j) of the Internal Revenue Code of 1954, as amended, or by sections 4241–4245 of this Act, before publishing any such proposed or final regulation.".

Sec. 402. Conforming Amendments.

(a) Section 4005 is amended by—

(1) striking out the second sentence of subsection (a) and inserting in lieu thereof the following:

"One of the funds shall be used in connection with basic benefits guaranteed under section 4022, one of the funds shall be used with respect to basic benefits guaranteed under section 4022A, one of the funds shall be used with respect to non-basic benefits, if any are guaranteed by the corporation under section 4022, and the remaining fund shall be used with respect to non-basic benefits, if any are guaranteed by the corporation under section 4022A.";

(2) inserting after "4022" in subsection (b)(2)(A) "or 4022A".

(3) striking out subparagraph (B) of subsection (b)(2) and redesignating subparagraphs (C), (D) and (E) as subparagraphs (B), (C) and (D), respectively.

(b) Section 4007 is amended by striking out the second sentence of subsection (a).

(c) Section 4022 is amended by—

(1) inserting "—Single-Employer Plans", after "Benefits Guaranteed" in the caption;

(2) inserting "single-employer plan" before "plan which terminates" in subsection (a), striking out "." at the end of subsection (a) and adding in lieu thereof, "in accordance with this section.";

(3) striking out "8" in paragraph (1) of subsection (b) and inserting in lieu thereof "(7)"; and

(4) striking out paragraph (5) of subsection (b) and redesignating paragraphs (6), (7) and (8) as paragraphs (5), (6) and (7), respectively.

(d) Section 4041 is amended by—

(1) striking out "by Plan Administrator" in the caption and inserting in lieu thereof "—Single-Employer Plan",

(2) inserting "single-employer" after "termination of a" in subsection (a), and

(3) striking out subsection (g).

(e) Section 4046 is amended by—

(1) inserting after "4022" in paragraphs (2) and (3) "or 4022A";

(2) inserting before "benefits" in paragraphs (2) and (3) "basic"; and

(3) striking out "4022(b)(5)" in paragraph (3) and inserting in lieu thereof, "4022B".

(f) Section 4061 is amended to read as follows:

"The corporation shall pay benefits under a single-employer plan terminated under this title subject to the limitations and requirements of subtitle B of this title. The corporation shall provide financial assistance to pay benefits under an insolvent multiemployer plan subject to the limitations and requirements of subtitles B, C and E of this title. Amounts guaranteed by the corporation under sections 4022 and 4022A shall be paid by the corporation out of the appropriate fund."

(g) Section 4062 is amended by striking out "plan (other than a multiemployer plan)" in subsection (a) and inserting in lieu thereof, "single-employer plan (other than a plan to which more than one employer contributes)";

(h) Section 4063 is amended by—

(1) inserting after "makes contributions" in the first sentence in subsection (a), "(other than a multiemployer plan)", and

(2) inserting after "of a plan" in the second sentence of subsection (d), "(other than a multiemployer plan)".

(i) Section 4064 is amended by inserting after "plan under which more than one employer makes contributions" in subsection (a), "(other than a multiemployer plan)".

(j) Section 4066 is amended by inserting after "more than one employer", "(other than a multiemployer plan)".

Sec. 403 Clerical Amendments.

Section 1 of the Employee Retirement Income Security Act of 1974 is amended by—

(a) inserting "—single-employer plans" before the "." at the end of "Sec. 4022. Benefits guaranteed.".

(b) inserting after Sec. 4022, the following: "Sec. 4022A. Benefits guaranteed-multiemployer plans." and "Sec. 4022B. Aggregate limit on benefits guaranteed."

(d) striking out "Sec. 4023. Contingent liability coverage." and inserting in lieu thereof "Sec. 4023. Plan Fiduciaries";

(d) striking out "Sec. 4041. Termination by plan administrator.", and inserting in lieu thereof, the following: "Sec. 4041. Termination—single-employer plan.";

(e) inserting after Sec. 4041, the following: "Sec. 4041A. Termination-multiemployer plan."

(f) redesignating subtitle E as subtitle F and adding after subtitle D the following:

"Subtitle E—Special Provisions for Multiemployer Plans.

"Part 1—Employer Withdrawals

"Sec. 4201. Employer withdrawals.

"Sec. 4202. Approval of amendments.

"Sec. 4203. Determination of unfunded vested obligations.

"Part 2—Merger or Transfer of Assets or Liabilities

"Sec. 4221. Merger or transfer of assets or liabilities.

"Sec. 4222. Assets transferable.

"Part 3—Reorganization

"Sec. 4241. Reorganization status.

"Sec. 4242. Notice of reorganization.

"Sec. 4243. Funding requirements for plans in reorganization.

"Sec. 4244. Adjustments in accrued benefits.

"Sec. 4245. Insolvent plans.

"Part 4—Financial Assistance

"Sec. 4261. Financial assistance.

"Part 5—Benefits After Termination

"Sec. 4281. Benefits under certain terminated plans.

"Part 6—Enforcement

"Sec. 4301. Civil actions.

"Sec. 4302. Penalty for failure to provide notice.

(f) deleting subtitle F (as redesignated) and inserting in lieu thereof the following:

"Subtitle F—Transition Rules and Effective Dates.

"Sec. 4401. Transition rules and effective dates.

Washington, D.C.,
May 1, 1979.

Hon. Walter F. Mondale,
President of the Senate,
U.S. Senate,
Washington, D.C.

Dear Mr. President: Enclosed for consideration by the Senate is proposed legislation recommended by the Pension Benefit Guaranty Corporation relating to the regulation and insurance of multiemployer pension plans. This proposed legislation implements the Corporation's legislative policy recommendations that were submitted to the appropriate committees of the Congress on February 27, 1979.

Also enclosed are a section-by-section analysis of the proposed legislation and an explanatory statement.

Under current law the Corporation's obligation to pay guaranteed pension benefits under terminated multiemployer plans is scheduled to become mandatory on July 1, 1979. In light of the significance of this proposed legislation, Congress may want to defer the date of that mandatory program for a brief period while this proposed legislation is under consideration.

The Office of Management and Budget has advised that there is no objection to the submission of this proposed legislation to the Congress, and that its enactment would be consistent with the Administration's objectives.

Sincerely,

Ray Marshall,
Chairman, Board of Directors.

Multiemployer Legislative Proposal Explanatory Statement

This bill contains proposals for strengthening multiemployer plans and for revising the termination insurance program for multiemployer plans.[1] The proposals cover the following areas:

I. Withdrawal of an Employer.
II. Minimum Funding Standards.
III. Plan Reorganization.
IV. Guarantees.
V. Premiums.
VI. Mergers and Transfers.
VII. Definition of Multiemployer Plan.

The bill would revise the nature and consequences of plan termination of a multiemployer plan. Plan termination is discussed in the context of plan reorganization.

I. Withdrawal of an Employer § 4201.[2]

Cessation of contributions to a multiemployer plan by an employer can be harmful to the plan, the remaining employers and the insurance program. Unless a withdrawing employer is required to compensate the plan, the remaining employers—and potentially, the insurance program—will have to fund the portion of past service costs that the withdrawn employer was funding.

This bill would generally require a withdrawing employer to continue funding its fair share of the plan's vested liabilities through payment of withdrawal liability to the plan.[3] The plan administrator would be required to determine the amount of a withdrawing employer's liability, under which a substantial reduction in conlect the liability in installments.

SUMMARY OF THE RULES

1. Definition of Withdrawal; Special Construction Industry Rule; Special Rules Exempting Employers from Liability.

A withdrawal would occur upon the complete cessation of a contributing employer's obligation to contribute[4] under a multiemployer plan or the cessation of all of an employer's covered operations.[5]

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[1] The bill also would repeal section 4023 of ERISA. (See Section IX of this Explanatory Statement.)

[2] Section references are to ERISA, as it would be amended by this bill, except where noted otherwise.

[3] For purposes of the withdrawal rules, two or more businesses under common control (whether or not incorporated) are considered a single employer.

[4] An obligation to contribute is an obligation arising under one or more collective bargaining agreements, or an obligation arising as a result of applicable labor management relations law.

[5] The bill would give the PBGC authority to prescribe in regulations the circumstances under which a substantial reduction is contributions by an employer would result in withdrawal liability.

Under a special rule applicable to an employer that contributes to a multiemployer plan only for work performed in the building and construction industry, a withdrawal would occur if the employer continues to perform work of the type covered by the plan in the geographical area covered by the plan. A plan would be permitted to modify the special rule for construction employers by imposing liability on a withdrawing employer that is a "long-term contributor," regardless of whether the employer continues to work in the area. Under this modification, a plan could adopt rules that impose liability on a construction employer that ceases its obligation to contribute to the plan after it has made contributions for a period specified by the plan equal to or longer than the minimum period required for any participant to acquire a vested right to a benefit under the plan.

A withdrawing employer would be liable to the multiemployer plan. However, a plan may be amended to provide rules that waive liability when a withdrawing employer's obligations are assumed by another employer, *e.g.*, in the event of a sale of a business where the purchaser assumes the seller's obligation with respect to the pension plan. It is expected that such rules would not allow a waiver where the purchaser could not reasonably be expected to be able to meet the funding burden it has assumed.

Moreover, a withdrawing employer would not be liable for amounts of withdrawal liability that do not exceed the greater of $25,000 or 0.75 percent of the plan's unfunded vested liabilities, but not exceeding $100,000. However, a plan could be amended to eliminate the de minimis exemption or to limit its application by providing for a lower dollar amount than $25,000 or a lower percentage than 0.75 percent.

2. Amount of Withdrawal Liability.

The amount of a withdrawing employer's liability under the bill would be a proportionate share of the plan's total unfunded vested obligations (as of the end of the preceding plan year). The proportionate share is based on the ratio of the withdrawing employer's required contributions in the 5 plan years preceding the withdrawal, to the total plan contributions made in that 5-year period by employers that are in the plan at the end of the period. This method allocates the full amount of the plan's unfunded vested obligations. The bill also would give PBGC authority to prescribe in regulations alternative methods for allocating withdrawal liability and rules under which plans could adopt their own allocation methods. For example, allocation by direct attribution of unfunded liabilities to individual employers might be appropriate in a plan where an employee works for only a few employers during the years he or she participates in the plan. The bill would require any alternative method to allocate the full amount of the plan's unfunded vested obligations.

For purposes of computing withdrawal liability, a plan's total "unfunded vested obligations" equals the present value of all vested benefits, less the value of plan assets and the value of outstanding withdrawal liability claims.

The amount of withdrawal liability would be reduced by the amount of any unfunded vested liabilities transferred to another plan in connection with the withdrawal.

For example: An employer contributing to a multiemployer plan withdrew from the plan. In the 5 plan years preceding the withdrawal, the employer was required to contribute $15,000. Total contributions made during that period by all employers that were still contributing to the plan at the end of that period were $150,000. As of the end of the plan year preceding the withdrawal, the plan had $400,000 in unfunded vested obligations ($1,000,000 total vested liabilities less $600,000 assets).

The employer's allocable share of the plan's unfunded vested obligations is $40,000, computed as follows:

$400,000=$400,000×$15,000/$150,000

Application of De Minimis Rule to Example: The de minimis amount of withdrawal liability is the greater of:

(i) $25,000 or

(ii) 0.75 percent of the plan's unfunded vested obligations, not to exceed $100,000.

0.0075 ($400,000) = $3,000

The de minimis rules does not exempt the employer from withdrawal liability because $40,000 exceeds both $25,000 and 0.75 percent of the unfunded vested benefits. Therefore, the plan administrator must assess $40,000 against the employer.

APPLICATION OF TRANSFER RULE TO EXAMPLE

The employer has arranged with the plan for a transfer of liabilities and assets allocable to its active employees to another plan, coincident with the withdrawal. The transfer in this example involves $75,000 of vested liabilities and $45,000 in assets, or a net transfer of $30,000 of unfunded vested liability.

The employer is assessed net withdrawal liability of $10,000 which corresponds to $40,000 of unfunded vested liability allocated to the employer, adjusted for the transfer of $30,000 of unfunded vested liability from the plan.

3. Payment of Withdrawal Liability.

A withdrawn employer would be required to pay its withdrawal liability in quarterly installments in an annual amount, including interest, equal to the withdrawn employer's average annual required contributions for the 3 years preceding the withdrawal liability in equal annual installments over 15 years, whichever is greater. Interest, based upon prevailing market rates for comparable obligations (determined under PBGC regulations), would accrue from the date of withdrawal.

A plan could also provide other terms and conditions for payment. However, it could not require an employer to make total annual payments in excess of the annual payment specified in the bill, except that a plan administrator could accelerate payment of the outstanding amount of the liability in the event of a default. Withdrawal liability payments (and all other employer liability payments under Title IV) would be fully tax deductible in the year in which they are made.

4. Enforcement.

The plan administrator would be responsible for identifying withdrawals, for computing and notifying the withdrawing employer of the total amount of liability and the schedule of payments, and for collecting each payment. If the employer fails to make a required payment within 60 days of the date it is due, the plan administrator would be able to sue to collect the full amount of withdrawal liability in state court or in federal district court. To assist collection in any such action, the plan's determination of unfunded vested obligations will be presumed correct unless a preponderance of the evidence shows that it was unreasonable or erroneous. (§ 4203) A court could also award double damages, *i.e.*, an additional amount equal to the amount of the withdrawal liability plus interest. (See also Section VIII of this Explanatory Statement for PBGC's enforcement powers.)

5. Effective Date.

The revised withdrawal rules would be effective for withdrawals that occur on or after February 27, 1979, the date the PBGC submitted its Recomendations to the Congress for Revising Multiemployer Plan Termination Insurance.

II. Minimum Funding Standards—§§ 302, 4243.

The current minimum funding standards for multiemployer plans do not assure that a plan will have sufficient funds to pay benefits when due because they permit a plan to defer the funding of pension costs far into the future. As a result of this deferral of costs a plan may be faced with the need to greatly increase its contribution rate in order to fund deferred liabilities and to pay benefits even in the absence of a decline in the plan's contribution base. The effect is exacerbated if the plan's contribution base declines so that fixed costs must be spread over a smaller number of active employees.

The bill would strengthen the funding standards for multi-employer plans and also would protect plans in reorganization that are overburdened with an excessive number of retirees and separated vested participants from escalating costs. (Funding for plans in reorganization is discussed in III below.)

SUMMARY OF THE RULES

The minimum funding standards under ERISA would remain the same under this bill except for the following changes:

1. Amortization of Past Service Liabilities and Experience Gains and Losses.

Prospectively, the bill makes the maximum amortization periods for funding liabilities in a multiemployer plan the same as those applicable to a single employer plan.

a. *Past Service Liabilities*—§ 302.

Unfunded past service liability of plans established on or after the date of enactment of the bill and any increase in unfunded past service liability that results from a plan amendment increasing benefits that is adopted on or after that date must be amortized over 30 years (instead of 40 years).[6]

b. Experience Gains and Losses.

An experience gain or loss—including a shortfall gain or loss—that occurs in or after the first plan year following enactment of the bill must be amortized over 15 years (instead of 20 years).

2. Minimum Contribution Requirement (MCR)—§ 4243.

The bill would establish an additional funding standard that applies to a multiemployer plan in reorganization. (A plan would be in reorganization when its reorganization index, described in Part III below, is greater than zero.) This requirement is designed to operate in situations in which the current minimum funding standards are inadequate in view of the financial condition of the plan to assure sounder financing.

The MCR is computed anew for each plan year that the plan is in reorganization. It would require that the negotiated contribution rate be sufficient to produce contributions equal to the "vested liabilities charge," if current levels of employment under the plan continued. The vested liabilities charge is the sum of: (1) the amount necessary to begin amortizing, over 10 years, the unfunded vested liabilities for benefits in pay status; and (2) the amount necessary to begin amortizing, over 25 years, the remaining unfunded vested liabilities.[7] Since the MCR is recomputed each year, as the funding of a plan improves the MCR will decrease.

For purposes of the MCR, unfunded vested liabilities in pay status would be computed by subtracting the value of plan assets from the value of vested liabilities in pay status. Remaining unfunded vested liabilities would be computed by subtracting the value of remaining assets, if any, from the value of the vested liabilities not in pay status. The effect of this rule is to reduce the amount of liabilities that must be funded over the shorter time period.

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[6] Certain previously scheduled benefit increases could be amortized over 40 years.

[7] If a plan's current payment obligations exceed the vested liabilities charge, a special rule would require the plan to use the current payment figure instead of the vested liabilities charge to compute the plan's MCR for the plan year.

For example, a plan in reorganization has plan assets of $1,000. The plan has total vested liabilities of $10,000 of which $7,000 is attributable to benefits in pay status and $3,000 is attributable to benefits not yet in pay status. The unfunded vested liabilities in pay status would be $6,000, computed by subtracting the $1,000 of plan assets from the $7,000 of vested liabilities for benefits not yet in pay status would be $3,000 since there are no remaining assets to allocate to this group of benefits. The vested liabilities charge for the plan year would be the sum of (1) the amount necessary to begin amortizing $6,000 over 10 years, plus (2) the amount necessary to begin amortizing $3,000 over 25 years.

For purposes of the MCR, and for all Title IV purposes, vested benefits would include all benefits for which participants have met the plan's age and service requirements, even if the benefit may be reduced as a result of a plan amendment or condition subsequent. For example, benefits which can be reduced later because of the withdrawal of an employer but which are otherwise vested are included in vested benefits, as are early retirement supplements in pay status. However, benefits that have been reduced already as a result of an employer withdrawal are not treated as vested benefits for MCR purposes.[8]

To enable the parties to determine the funding requirement for the period of an agreement at the time they negotiate, the MCR for any plan year may be based on an actuarial valuation for that plan year or any one of the four preceding plan years, adjusted for any plan amendments changing benefits and for any increases in the plan's unfunded vested liabilities that became evident before the effective date of the collective bargaining agreement that has been in effect the longest when the unfunded vested liabilities for the plan year are determined. Such an event, for example, would be a facility closing that results in vesting of additional early retirement benefits and a corresponding increase in the plan's unfunded vested liabilities.

The bill provides a mechanism to assure that a decline in a plan's contribution base during the typical term of a collective bargaining agreement does not result in an excise tax for a funding deficiency, so that the parties would not be forced to reopen negotiations in order to adjust the contribution rate to meet the MCR. Under the bill, total payments to the plan for the plan year (including contributions for normal cost) are compared to the lesser of the vested liabilities charge or an adjusted vested liabilities charge. The adjusted vested liabilities charge is equal to the vested liabilities charge multiplied by the ratio of the number of base units for which contributions were received in the current plan year ("current contribution base") to the number of base units for which contributions were received in the valuation year ("valuation contribution base"). The valuation contribution base can be adjusted for any reduction in contributions as a result of a strike or lockout, or unusual, peculiar and non-recurring events, such as fire, earthquake or severe weather conditions. Thus, the MCR would be:

$$\text{MCR} = \text{Vested liabilities charge} \times \frac{\text{Current contribution base}}{\text{Valuation contribution base}}$$

For example, a multiemployer plan in reorganization has a vested liabilities charge of $100,000 and a current contribution base of 95. The number of base units for which contributions were received in the valuation year was 75, as a result of a strike which cut off all contributions for a 3 month period. The valuation contribution base, adjusted for the strike, is 100. The MCR for the current plan year is therefore $100,000 × 95/100 or $95,000.

The bill contains two rules to allow an orderly transition to the minimum contribution requirement. Multiemployer plans in reorganization would be required to meet the minimum contribution requirement for the first plan year following the earlier of:

(1) The date on which the last collective bargaining agreement providing for employer contributions under the plan that was in effect on the date of enactment expires, without regard to extensions agreed to after the date of enactment, or

(2) Three years from the date of enactment.

This rule would generally avoid the need for a multiemployer plan to make adjustments during the term of agreements in effect on the date the new law is enacted.

The bill also contains a second transition rule for plans in reorganization to avoid requiring dramatic increases in contributions during the first plan year that the MCR becomes effective and in the two subsequent plan years. A multiemployer plan in reorganization will be considered to satisfy the MCR if the rate of employer contributions is increased by at least seven percent for each of the first three plan years that the MCR is in effect.

Example of MCR Transition rules: For a multiemployer plan that is in the second year of a three-year collective bargaining agreement when the bill is enacted, the minimum contribution requirement and other reorganization provisions would become effective for the first plan year following expiration of the collective bargaining agreement. Assume that the MCR applies to the plan beginning in that first plan year, that the contribution rate under the plan for the preceding plan year was $1 per hour worked and that the MCR would require an increase to $1.12 that first plan year, $1.20 the second year and $1.30 the third year. Under the seven percent rule, the plan will be considered to satisfy the MCR if the contribution rate is increased at least 7% above the plan's $1 base contribution rate in that first plan year and in each of the next 2 plan years, *i.e.*, to $1.07 the first year, $1.14 the second year and $1.21 the third year.

The seven percent transition rule will apply only if a plan is not amended after the date of enactment to increase past service benefits. For example, a multiemployer plan increases past service benefits after enactment of the bill and is in reorganization and therefore affected by the MCR during the transition period. The plan will be required to satisfy the full MCR, i.e., without regard to the seven percent rule.

3. Withdrawal Liability—§ 302.

For purposes of the funding standards (funding standard account or MCR), withdrawal liability payments received in a plan year are treated as plan contributions for that plan year. In this way the remaining employers are not forced to increase their contributions to pay for benefits that withdrawn employers are funding. It is intended that withdrawal liability payments be treated in a way that would assure that the parties are not faced with a funding deficiency or forced to reopen negotiations during the period of a contract because a reasonably expected withdrawal liability payment is not received. Withdrawal liability payments, and other employer liability payments under Title IV, are tax deductible without regard to the limits on deductibility of plan contributions.

III. Plan Reorganization—§§ 4241–4245.

Plan reorganization is designed to identify plans in financial difficulty and to require financially troubled plans to take corrective action to improve the balance between promised benefits and contributions. The bill would provide such plans relief from funding standards in the form of "overburden credits" and would provide financial assistance (loans) from the PBGC when a plan in reorganization is unable to pay benefits at the guaranteed level. It would also provide financial assistance on a similar basis to terminated plans that become insolvent.

SUMMARY OF THE RULES

1. Reorganization Index—§ 4241.

A plan would be in reorganization if its "reorganization index" is greater than zero. A plan's reorganization index for a plan year is equal to the excess of the vested liabilities charge over the net charges to the funding standard account. Thus a plan is in reorganization for any plan year in which the MCR "controls" its funding.

Existing provisions for funding waivers and amortization extensions would be available to a plan in reorganization.

2. Overburden Credit—§ 4243.

A plan in reorganization which is overburdened with retirees and separated vested participants would be entitled to an "overburden credit" to be applied to reduce any funding deficiency, if actual contributions and withdrawal liability payments are not adequate to satisfy the MCR. A plan is overburdened if the number of individuals in pay status ("pay status participants")[9] exceeds the number of employees working under agreements which require contributions to the plan. Thus, a plan could not qualify for an overburden credit simply by excluding active employees from the plan.

The overburden credit applies only if the rate of contributions for the plan year equals or exceeds the greater of: (1) the rate for the preceding year or (2) the rate for the plan year prior to the first year that the plan was in reorganization.[10] Thus, if a plan in reorganization reduces its contribution rate below the rate in effect for the plan year before reorganization, it would not be eligible for an overburden credit. Similarly, if a plan increases its rate of contributions in reorganization, it would be eligible for an overburden credit for a plan year only if the rate of contributions in that plan year was at least as high as the contribution rate for the preceding plan year.

The amount of the overburden credit for a plan year is computed as follows:

One-half of the average covered benefit payment for the plan year times the number of pay status participants in excess of the number of active employees ("overburden factor").

The average covered benefit payment is the average level of benefit that would be in pay status for the plan year if the plan had been amended, effective the first year it was in reorganization, to reduce accrued benefits to the maximum extent permitted in reorganization, i.e., to the "phased-in" (guaranteeable) level.

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[8] Suspension of benefit payments because of a cash shortage is not an amendment of a plan and thus would not reduce vested benefits for purposes of Title IV.

[9] The bill would authorize the Secretary of the Treasury to promulgate regulations that would include certain separated vested participants in a plan's pay status participant group.

[10] If the Secretary of the Treasury finds that the plan's contribution base has been reduced without a corresponding reduction in the plan's unfunded vested liabilities for pay status participants, the plan is not eligible for an overburden credit.

For example: A plan in reorganization has had the same contribution rate every plan year beginning with the year before the plan entered reorganization. The number of pay status participants exceeds the number of active employees. Therefore, the plan satisfies both the contribution rate test and the overburden test for eligibility for an overburden credit.

The plan has an MCR of $50,000. Actual benefit payments equal $65,000. If the plan had been amended to reduce benefits to the phased-in level effective the first year the plan was in reorganization, benefit payments would be only $60,000 ("covered benefit payments"). There are 20 individuals in pay status, so that the average covered benefit is $3,000 per year. The number of pay status participants exceeds the number of active employees by 10. The amount of the overburden credit is ½ of $3,000 times 10, or $15,000. The required total of contributions and withdrawal liability payments is therefore $50,000 minus $15,000 or $35,000.

3. Benefit Reductions; Revised Phase-in Rules—§§ 4244, 4022A.

A plan in reorganization could be amended at any time to reduce accrued benefits derived from employer contributions to the "phased-in" (guaranteeable) level, provided 6 months notice has been given to all interested parties.

The ERISA rules for phasing in the guarantee for benefits under new plans or benefit improvements would be changed for multiemployer plans. (§ 4022A) Instead of a one- to five-year period for phase-in there would be a 5-year cliff phase-in. No part of a benefit would be guaranteeable for the first 5 years. After 5 years, the entire benefit or benefit increase would be phased-in. For compensation-based benefits, increases in compensation that have not been in effect 5 years would be disregarded. Phase-in of a benefit increase would stop once the plan is terminated.

A plan in reorganization may be amended to eliminate all or a portion of non-phased-in benefits. A partial reduction of non-phased-in benefits must meet the following requirements:

(1) reductions in the accrued benefits of retirees and separated vested participants must be substantially proportionate to the reductions in other accrued benefits;

(2) other employer-funded benefits and the rate of future accruals must be reduced at least to the same extent as benefits already accrued;

(3) reductions must be effected by changes in benefit amounts, not changes in form or requirements for entitlement to a benefit; and

(4) benefits already paid may not be recouped.

Certain restrictions would apply to benefit increases in plans that reduce accrued benefits:

(1) past-service benefit increases could not be granted until all reduced benefits have been restored;

(2) benefits of retirees and separated vested participants would have to be restored in at least the same proportions as other reduced benefits; and

(3) benefits could not be increased in a year in which benefits are being reduced.

When benefits are restored the plan would not be required to make up missed payments.

The Secretary of the Treasury would be authorized to prescribe rules for differential benefit cuts and increases that reflect different contribution rates for different groups of participants.

EXAMPLE OF THE REORGANIZATION RULES

A plan in the first year of reorganization has a vested liabilities charge of $10,000 and an adjusted vested liabilities charge of $9,000. In order to satisfy the MCR at the current benefit level, contributions would have to be increased $2,000 from $7,000 to $9,000. If the plan has an overburden credit of $1,000, the amount of contributions required to avoid a funding deficiency would be reduced from $9,000 to $8,000. The plan thus has to increase contributions $1,000 or reduce benefits sufficiently to satisfy the funding standards at the reduced benefit level.

Assume that the plan is amended to reduce a portion of its non-phased-in benefits, *i.e.*, benefits that have been in the plan less than 5 years as of the beginning of the plan year for which required contributions are being computed, so that the MCR is reduced to $7,500 and the amount of contributions required to avoid a funding deficiency is reduced to $6,500 (or $7,500 minus the $1,000 overburden credit). Thus the plan would not have to increase contributions; however, it could not use the overburden credit to reduce the contribution rate.

4. Insolvent Plans—§ 4245.

A multiemployer plan would be "insolvent" if it were in reorganization and had reduced benefits to the phased-in level, but did not have sufficient available resources (cash, marketable assets, contributions, withdrawal liability payments and other earnings, less reasonable administrative expenses) to make benefit payments due during the plan year. The bill would require the plan sponsor of an insolvent plan to set a reduced level of benefits for a plan year based on estimated available resources ("resource benefit level"), but not below the guaranteed level. Benefit suspensions must be substantially proportionate for all individuals affected. A resource benefit level would be determined separately for each year a plan is insolvent. In general, all available resources must be distributed by the end of a plan year.

The rules would require plan sponsors to certify as to insolvency and to give prior notice within a prescribed period, to the PBGC and interested parties, of impending insolvency and possible benefit suspensions.

The plan administrator must notifiy PBGC when available resources are not sufficient to pay guaranteed benefits. PBGC would provide the financial assistance needed to pay those benefits under terms and conditions that are equitable and appropriate to protect the insurance program from unreasonable loss.[11] For plans experiencing only a short-term cash shortage, the financial assistance would have to be repaid 6 months after the plan year for which it is provided (§ 4261).

The MCR for an insolvent plan would be computed by using the same valuation contribution base as for the plan year preceding the time the plan became insolvent. The effect is to insulate the parties to an insolvent plan from the need to increase the contribution rate when the plan is insolvent as a result of declines in the plan's contribution base. (§ 4243) *For example:* A plan in reorganization became insolvent in plan year 19X1. The plan's valuation contribution base in 19X0 was 500,000 hours worked. Its actual contribution base declined as follows from plan year 19X0 to plan year 19X5:

[Thousands of hours worked]

Plan year:	*Contribution base*
19X0	500
19X1	450
19X2	400
19X3	375
19X4	350
19X5	300

In plan year 19X5 the plan's vested liabilities charge is $500,000. The adjusted liabilities charge is $300,000 computed as follows: $500,000 × Current contribution base/valuation contribution base (i.e., valuation contribution base in year prior to insolvency = $500,000 × 300/500 = $300,000.

Using the valuation contribution base for the plan year preceding the date of insolvency as the valuation contribution base for 19X5 results in a lower adjusted vested liabilities charge than would result if the plan were to use a valuation contribution base that reflects the plan's decline in the years 19X1 through 19X5. If the plan in this example had a contribution rate of $1 per hour worked in 19X0 and did not increase the contribution rate even though the number of hours worked declined in the period 19X1 through 19X5, the plan would receive contributions of only $300,000 in 19X5 (or $1 per hour worked X 300,000 hours worked). Nevertheless, the plan would not have a funding deficiency in 19X5 because of the special adjustment in the vested liabilities charge for an insolvent plan. Thus the special definition of valuation contribution base for an insolvent plan insulates such plans from having to increase contributions because of declines in the plan's contribution base.

5. Terminated Plans—§§ 4041A, 4281.

The bill would revise the nature and consequences of termination for multiemployer plans. Under the bill, plan insolvency, not plan termination, would become the insured event.

The bill provides that a multiemployer plan generally would terminate as a result of either:

(1) adoption of an amendment that ends crediting of additional service for any purpose under the plan (including vesting); or

(2) withdrawal of all employers from the plan.

Termination would not involve an allocation of assets as under ERISA or a transfer of the plan to the PBGC. Instead a terminated plan would continue as a non-terminated plan for certain purposes. A terminated plan would be required to meet minimum funding standards as long as any employer remains in the plan. (§ 301(c)) However, the parties would not be permitted to reduce the contribution rate in effect on the day before plan termination until plan liabilities are fully funded. A terminated plan to which employers are contributing can qualify for reorganization and overburden credits on the same basis as a non-terminated plan. (§ 4041A)

If all employers withdraw from a plan, neither minimum funding nor the reorganization rules apply. The plan administrator would compare the value of vested liabilities to the value of plan assets. For this purpose, withdrawal liability claims are considered plan assets. If the value of vested liabilities exceeds the value of plan assets, the plan administrator would be required to amend the plan to reduce vested liabilities by eliminating non-phased-in benefit increases, so that the resulting lower benefits are equal in value to the plan's assets.

If plan resources become insufficient to pay the phased-in level of benefits in pay status in a terminated plan—whether or not there are any employers still contributing to the plan—the plan administrator would be required to suspend benefits on generally the same basis as a non-terminated plan in reorganization. Such an insolvent terminated plan also would be eligible to receive financial assistance on the same basis as a non-terminated plan in reorganization (§ 4281)

IV. Guarantees—§ 4022A.

The bill would restructure the guarantee for multi-employer plans. More modest guarantees are necessary because claims are highly uncertain even under a program that draws on insurance funds only in the event of plan insolvency. A reduced guarantee is also necessary to create a stronger disincentive for the bargaining parties to let a plan fall into insolvency

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[11] The purpose of providing PBGC financial assistance in the form of loans is to assure that the insurance program bears only necessary claims costs. The terms and conditions of the PBGC financial assistance program therefore would not establish a precedent for other federal government loan programs.

SUMMARY OF THE RULES

The guarantee for each participant is based on a service-related formula designed to provide maximum protection for modest accrual rates. Under the formula the PBGC guarantees a benefit equal to 100% of the first $5 per month of the accrual rate per year of credited service plus 60% of the next $15 per month per year of credited service. This corresponds to a maximum guaranteed monthly benefit of $350 for a participant with 25 years of service and $462 for a participant with 33 years of service.

The guarantee is determined by dividing a participant's years of credited service under the plan into his or her phased-in, nonforfeitable benefits to determine the accrual rate. The guarantee formula is then applied to the accrual rate. For example: A participant has a phased-in nonforfeitable benefit of $300 per month and 15 years of service. The accrual rate is $300 ÷ 15 = $20 per month per year of service. One hundred percent of $5 per month plus 60% of $15 per month = $14. Multiplying the $14 accrual rate by 15 years of credited service, the participant has a guaranteed benefit of $210 per month.

The minimum is designed so that a low wage worker with 20 years of service (which is the approximate average for retirees) will have sufficient income, when combined with Social Security, to maintain his or her standard of living after retirement.

The guarantee is based on benefit levels equal to a life annuity payable at the normal retirement age under the plan, so other forms of benefits would first be converted into an equivalent life annuity and only amounts up to the benefit level payable at normal retirement age would be taken into account. The benefit is determined without regard to a multiemployer plan's right to disregard certain past-service benefits.

In addition, the Corporation would be obligated to propose a program to guarantee basic-type benefits above the limits. Additional guarantees might be economically feasible for plans that are in sound condition, and a number of such plans may be interested in securing additional benefit protection for their participants. The Corporation's proposal must be made not later than 18 months after the effective date of the revisions contained in the bill.

V. Premiums—§ 4006.

ERISA requires multiemployer plans to pay an annual termination insurance premium of 50 cents per participant. An increased premium is needed to support the mandatory insurance program under the bill. It is estimated that a premium of $2.60 per participant will be sufficient to support the program's guarantees on a fiscally sound basis.

Based on PBGC's model of the multiemployer plan universe, the likely range of claims for reorganization assistance is between $177 million and $313 million. These costs cover all necessary PBGC payments to provide guaranteed benefits to all plans projected to become insolvent over the next 20 years. The corresponding range of premiums is between $2.29 per plan participant and $3.79 per plan participant. The premium rates include an estimated $.25 in administrative expenses and $.14 to provide guaranteed benefits under multiemployer plans covered during the discretionary period.[12] The lower figure assumes that contributions are increased the full amount needed to meet funding standards; the higher figure limits the contribution increase necessary to meet funding standards to seven percent per year.

SUMMARY OF THE RULES

The bill provides that the premium increase be phased-in over 5 years beginning with the first plan year after enactment. The premium rate in that plan year is $1.00 and it increases by 40 cents in each of the next four plan years.

Phasing in the premium increase would ease the impart of the change on plan funds available to provide benefits. The graduated approach would supply adequate income to meet PBGC's cash requirements if and only if the change to plan insolvency as the only insurable event is adopted.

VI. Mergers and Transfers—§§ 4221, 4222.

ERISA does not provide specific statutory rules for mergers and transfers involving multiemployer plans. Instead, it gives the PBGC authority to apply to multiemployer plans the rules for non-multiemployer plans, to the extent PBGC determines appropriate. ERISA contains a test to assure that funded benefits are not diluted by a merger or transfer of assets and liabilities. If this test were to be applied to multiemployer plans, PBGC believes that it would, as a practical matter, prevent mergers and transfers involving multiemployer plans because of the administrative burdens it would impose on plans.

SUMMARY OF THE RULES

The bill would require the plan administrator to notify the PBGC of a proposed merger or transfer. Mergers or transfers of assets or liabilities among multiemployer plans would be subject to two restrictions. First, a participant's accrued benefit may not be decreased as a result of the merger or transfer. Second, a merger would not be permitted if the reorganization index for the merged plan would be worse than the premerger reorganization index of any plan involved in the merger. Similar restrictions would apply to transfers of assets of liabilities among multiemployer plans.

For Example, Plan A is considering a merger with each of Plans B and C. The reorganization index of each of the three plans and of each of the resulting merged plans are shown below (figures in thousands of dollars):

		Prior to merger		After merger	
	Plan A	Plan B	Plan C	Plan AB	Plan AC
(1) Vested liabilities charge	100	100	100	200	200
(2) Net charges to funding standard account	110	90	80	200	190
(3) Reorganization index (excess of (1) over (2))	0	10	20	0	10

The merger of Plan A with Plan B would be permitted because the reorganization index of the resulting Plan AB is not greater than the index of either Plan A or Plan B before the merger. The merger of Plan A with Plan C would not be permitted because the reorganization index of the resulting Plan AC is greater than the index of Plan A before the merger.

A special set of rules would govern the transfer of liabilities from a multiemployer plan to a single-employer plan. These rules are designed to protect the single-employer insurance system from having multiemployer liabilities deliberately shifted to it. In general, a multiemployer plan would be liable to the Corporation if a single employer plan to which the multiemployer plan transferred liabilities, terminates within 5 years of the transfer. The amount of liability is the loss sustained by the Corporation or, if less, the unfunded liabilities transferred that are guaranteed under the single employer program. The multiemployer plan would not be liable if the Corporation determined at the time of the transfer that the interests of participants and the Corporation are adequately protected by the terms of the transfer and the financial strength of the transferee plan sponsor. Also, the bill would provide special rules in the case of a transfer out of a multimeployer plan of assets and liabilities attributable to a pre-existing single-employer plan that had merged into the multiemployer plan. To protect participants, liabilities transferred to a single employer plan are covered immediately under the single employer plan termination insurance program.

The transfer of multiemployer plan assets to another plan would be governed by fair, prudent and reasonable plan rules, subject to Corporation regulations. (§ 4222)

VII. Definition of Multiemployer Plan—§ 3.

ERISA divided collectively bargained plans to which two or more employers contribute into two classes, based in part on whether any employer makes more than a specified percentage of the contributions for a plan year. This division creates uncertainties and administrative problems, since for example, a plan's status can be affected by events outside its control, such as a decline in contributions by some employers together with an increase in contributions by another. A revised definition is therefore needed.

SUMMARY OF THE RULES

The bill would define a multiemployer plan for purposes of ERISA for plan years after the effective date of this bill, as a plan maintained pursuant to a collective bargaining agreement to which two or more employers contribute, which satisfies any other standards prescribed by the Secretary of Labor. This definition eliminates the uncertainty and difficulty of a plan unintentionally slipping in and out of multiemployer plan status. It also prevents plans from changing status merely by a plan amendment.

The bill would transfer to the minimum vesting standards the exception to those standards that is currently accorded multiemployer plans with respect to permissible reductions for service with a withdrawn employer before that employer's entry into the plan. (§ 203) Under ERISA, that exception is included as part of the definition of multiemployer plan.

VIII. Enforcement—§§ 4301, 4302.

Under the bill, the PBGC would retain its present authority to enforce the provisions of Title IV of ERISA, as amended by this bill. The bill would impose a civil penalty payable to the PBGC of up to $100 a day for failure to file any notice required by the bill with respect to withdrawal liability, mergers and transfers of assets or liabilities, plan reorganization, financial assistance and benefits after termination.

The bill also would provide that a plan fiduciary, employer, plan participant or beneficiary (or employee organization representing such participant or beneficiary) who is adversely affected by any party's action or failure to act with regard to withdrawal liability, mergers and transfers of assets or liabilities, plan reorganization, financial assistance, or benefits after termination may bring an action in federal district court. A court may award the prevailing party the costs of litigation, including reasonable attorney's fees. The Corporation would receive a copy of each such complaint and would be authorized to intervene in any action. In the case of failure to pay withdrawal liability to a plan, a court may award double damages to the plan.

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[12] After enactment, the level of guarantees in the bill generally would apply to plans covered by PBGC during the discretionary period.

IX. Repeal of Section 4023 of ERISA—§ 4023.

On July 1, 1978, the PBGC reported to the Congress on the status of efforts to structure a contingent employer liability insurance (CELI) program. The report explored the practical and theoretical problems with the CELI concept under current law. Continuing program development efforts since publication of that report have reinforced the Corporation's conclusion that the establishment of a CELI program that meets the current statutory design is neither feasible nor desirable. While work toward the development of statutory alternatives continues, there is concern that retention of the current CELI provisions may foster misconceptions about Title IV employer liability. The bill therefore would repeal Section 4023 of ERISA, the CELI provision.

THE MULTIEMPLOYER PENSION PLAN AMENDMENTS ACT OF 1979

Sec. 1. Short title.

This section designates the Act as the Multiemployer Pension Plan Amendments Act of 1979.

Sec. 2. Table of contents.

This section sets out the table of contents.

Sec. 3. Findings and declaration of policy.

This section states the Congressional findings that underlie the Multiemployer Pension Plan Amendments Act, and the policy of the Act.

TITLE I—AMENDMENTS TO TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 101. Amendments to ERISA.

This section states that the provisions of Title I of this Act are amendments to Title IV of the Employee Retirement Income Security Act (ERISA).

Sec. 102. Multiemployer guarantees; aggregate limit on guarantees.

This section describes the benefits that are guaranteed by the Pension Benefit Guaranty Corporation ("PBGC" or the "Corporation") under a multiemployer plan that is covered under Title IV of ERISA. It provides that nonforfeitable pension benefits (except those that become nonforfeitable solely as a result of plan termination) under a covered insolvent multiemployer plan are guaranteed if they have been in effect for 5 years before the plan's termination, or for 5 years before a plan year with respect to which the benefits were reduced under the new multi-employer plan reorganization provisions. If a benefit under a plan is compensation-based, increases in compensation that have been in effect for less than 5 years are disregarded. The 5-year period is measured from the later of the adoption or effective date of the benefit (or benefit increase), and time periods under predecessor and successor plans are "tacked." Periods after enactment of ERISA, but before a plan was covered under Title IV of ERISA, are disregarded. (ERISA § 4022 A(a),(b))

The total amount of a participant's guaranteed benefit under a plan is determined by multiplying the full accrual rate up to $5, plus 60 percent of the lesser of $15 or the accrual rate in excess of $5, by the participant's year of credited service. The accrual rate is determined by dividing the participant's "base benefit" by his or her years of credited service. The base benefit is the monthly nonforfeitable pension benefit in effect for at least 5 years, but no greater than the monthly benefit payable at normal retirement age in the form of a life annuity. Years of credited service are all of the participant's years of service used to determine accrued benefits under the plan. Reductions in past service benefits, permitted under a multiemployer plan if there is a cessation of employer contributions (the "past service disregard"), are ignored in determining the base benefit and years of credited service. (ERISA § 4022A(c))

The guaranteed benefit of a participant whose benefit under the plan has been reduced as a result of application of the past-service disregard is the lesser of that reduced benefit, or the guaranteed benefit calculated without regard to the reduction. (ERISA § 4022A(d)) The limitations on PBGC's guarantee of accruals while a plan is not tax-qualified, applicable to single-employer plans under section 4022(b)(6) of ERISA (as amended), are incorporated in the multi-employer guarantee provision. (ERISA § 4022A(e))

The PBGC is required to report to the Congress every 5 years on the premiums needed to support this basic-benefit guarantee level. If a premium increase would be necessary to support the existing guarantee level, the PBGC must submit the revised guarantee schedule that would be necessary in the absence of a premium increase to the House Education and Labor and Ways and Means Committees, and to the Senate Finance and Labor and Human Resources Committees. The revised guarantee schedule goes into effect the beginning of the second calendar year following the year in which it was submitted unless Congress approves a premium increase, by concurrent resolution. Similarly, if an increase in the level of basic-benefits guarantees can be supported by current premiums, the corporation may submit a schedule of increased guarantees to the designated committees. The increases would go into effect if approved by Congress, following the same procedure specified for congressional consideration of PBGC premium increases. (ERISA § 4022A(f))

The PBGC is required, within 18 months after enactment of the new law, to propose regulations setting forth a supplemental guarantee program for benefits that would be basic benefits except for the accrual-rate guarantee limitations. The supplemental guarantee program may be offered on any basis that the Corporation determines is feasible, and the coverage would be treated as non-basic coverage for Title IV purposes. PBGC may also guarantee other non-basic benefits under multiemployer plans. (ERISA § 4022A(g))

New ERISA section 4022B restates the existing limits on the total amount that an individual can receive from PBGC. It provides that no person may receive from the PBGC, with respect to a participant, an aggregate amount of benefits in excess of the ceiling on guaranteed benefits under single-employer plans, as in effect at the date of termination of the last plan with respect to which the individual had a right to guaranteed benefits. For purposes of this rule, the receipt of benefits from a plan receiving financial assistance from the PBGC is, to the extent provided in PBGC regulations, considered the receipt of benefits from the PBGC, and the date that the plan begins receiving financial assistance from the PBGC is considered a termination date.

Sec. 103. Termination—multiemployer plans.

This section establishes a new ERISA section 4041A, governing termination of a multiemployer plan. Under subsection (a), a multiemployer plan generally would terminate as a result of (1) the adoption of an amendment that ends crediting of additional service for any purpose under the plan, (2) the withdrawal of every employer from the plan, or (3) the adoption of an amendment that causes the plan to become an individual account plan. Subsection (b) provides that if a multiemployer plan terminates by amendment, the date of termination is the later of the date the amendment is adopted or effective. Under that subsection, if a plan terminates by withdrawal of all employers, the date of termination is the first day of the first plan year for which no employer contributions were made.

In general, a terminated multiemployer plan can only pay benefits vested under the plan as of the date of termination. Benefits with a present value greater than $1,750, other than death benefits and benefits attributable to employee contributions, can be paid only in the form of an annuity unless the plan can satisfy all vested benefits under the plan. (ERISA § 4041A(c)) The PBGC may permit benefit payments other than vested benefits, or lump sum payments greater than $1,750, if such payments are in the interests of plan participants and do not unreasonably increase the Corporation's risk of loss. The Corporation may also prescribe reporting requirements and other rules for the administration of terminated multiemployer plans. (ERISA § 4041A(f))

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relations law. (ERISA § 4201(b)(5)) Suspension or a temporary discontinuance of employer contributions, such as occurs during a labor dispute, is not a withdrawal. (ERISA § 4201(b)(4), e.g.) A technical cessation of a company's legal obligation, resulting from certain changes in the company's corporate structure, does not constitute a withdrawal if employer obligations under the plan are not, in fact, interrupted. (ERISA § 4201(b)(3))

The PBGC may, by regulation, prescribe rules under which an employer has withdrawal liability where there has been a substantial reduction in contributions. These partial withdrawal rules may include appropriate notice requirements. (ERISA § 4201(b)(6))

ERISA section 4201(b)(2) establishes a special concept of "withdrawal" for employers that contribute solely for work performed in the building and construction industry. A withdrawal occurs when such an employer ceases to be obligated to contribute under the plan but continues to perform work in the plan's jurisdiction, of the type for which contributions were previously required. For this purpose, resumption of such work within 5 years, without a renewal of the contribution obligation, is treated as a continuation of work. In addition, a plan may be amended to impose withdrawal liability on a "long-term contributor" regardless of whether the employer continues to work in the plan's jurisdiction. A "long term contributor" is defined as an employer that contributes for a period specified by the plan that is at least as long as the period of service required for a participant to earn a vested pension benefit under the plan.

ERISA section 4201(c) establishes two exceptions to the general rule that all employers that withdraw from a multiemployer plan are liable to the plan. First, an employer is not liable for *de minimis* amounts of withdrawal liability, defined as amounts up to the greater of $25,000 or 0.75 percent of the plan's unfunded vested obligations (not exceeding $100,000). A plan can be amended to reduce the $25,000 or the 0.75 percent, or to provide that the *de minimis* rule does not apply. Second, a plan may provide that withdrawal liability is reduced or waived to the extent that the withdrawing employer's obligations under the plan are assumed by another employer.

ERISA section 4201(d) sets forth the rules for determining the amount of an employer's withdrawal liability. In general, the liability is a proportionate share of the plan's "unfunded vested obligations." Unfunded vested obligations are the excess of the present value of vested benefits over the value of plan assets and outstanding withdrawal liability claims. A withdrawing employer's share of these obligations is based on the ratio of that employer's required contributions, for the 5 plan years prior to withdrawal, to the contributions made by all employers in those years (excluding contributions of employers that withdraw during that period, other than employers that are exempt from liability because their obligations under the plan have been assumed by other employers). The corporation is authorized to approve alternative methods for determining withdrawal liability, but any method must provide for the allocation of all of a plan's unfunded vested obligations among contributing employers. Withdrawal liability is offset by the value of unfunded vested obligations transferred to another plan, incident to the withdrawal. Where a withdrawal occurs after a merger of multiemployer plans, withdrawal liability will be determined in accordance with PBGC regulations, except that liability for a withdrawal within 12 months of a merger is determined as if the plans had remained separate plans.

An employer that withdraws from a multiemployer plan owes the plan the entire amount of its liability, plus interest. However, the employer is entitled to extended payment terms in accordance with ERISA section 4201(e). Except for a voluntary prepayment, or acceleration in the case of a default, the liability is payable in quarterly installments in an annual amount, including interest, equal to the greater of the employer's average annual required contributions for the 3 plan years preceding withdrawal or an amount required to amortize the employer's liability, plus interest, fully in equal annual installments over 15 years. Interest, based on prevailing market rates and determined under PBGC regulations, accrues from the date of withdrawal. A default occurs when a withdrawn employer fails to make a liability payment when due if such failure is not cured within 60 days of receipt of written notice of the failure. Plan rules may define default to include other events indicative of an employer's inability to pay its withdrawal liability. Plan rules may also provide for other payment terms and conditions. Plan rules and amendments regarding withdrawal liability must be applied uniformly to each employer, except that the plan may distinguish among employers based on creditworthiness. Plan liability rules and amendments cannot be applied retroactively to an employer that withdrew before they were adopted, without the employer's consent.

ERISA section 4201(f)(1) is designed to permit the plan administrator to obtain the information needed to satisfy its obligation under section 4201. Under that section, a withdrawn employer must furnish the plan administrator with pertinent requested information. On the other hand, before demanding payment of the withdrawal liability, a plan administrator is required to provide the withdrawing employer with a reasonable opportunity to identify inaccuracies in the liability determination and in the payment schedule. (ERISA § 4201(h)) PBGC may, by regulation, require a plan administrator to notify PBGC of withdrawals that significantly reduce employer contributions. (ERISA § 4201(1))

Approval of amendments—ERISA § 4202:

Plan amendments authorized by the withdrawal liability provisions, adopted more than 18 months after those provisions become effective, must be submitted for PBGC approval. The PBGC is authorized to disapprove an amendment only if it determines that the amendment creates an unreasonable risk of loss to plan participants or the PBGC.

Determination of unfunded vested obligations—ERISA § 4203:

New ERISA section 4301 creates a cause of action to collect withdrawal liability. To assist in the collection, the plan's determination of its unfunded vested obligations is presumed correct unless it is shown by a preponderance of the evidence that the actuarial assumptions and methods used in the determination were unreasonable, that a significant error was made in their application, or that the plan administrator's determination of the value of an outstanding withdrawal liability claim was unreasonable. (ERISA § 4203(a)) A special rule is provided for withdrawal liability determinations made prior to the issuance of final regulations. If the PBGC finds the plan's method of determination reasonable, the fact that some element of the determination is inconsistent with subsequent final regulations is not evidence that the determination was unreasonable. (ERISA § 4203(b))

PART 2—MERGERS AND TRANSFERS

Merger or transfer of plan assets or liabilities—ERISA § 4221:

Under ERISA section 4221(a), a plan administrator is required to notify the PBGC at least 90 days before the effective date of a proposed multiemployer plan merger or transfer of assets or liabilities. As under current law, a participant's accrued benefit under a multiemployer plan may not be decreased as a result of a merger or transfer to another plan. (ERISA §4221(b)) A merger is not permitted if the reorganization index for the merged plan would exceed the reorganization index of any plan involved in the merger. (ERISA § 4221(c)) Similarly, a multiemployer plan is not permitted to transfer assets or liabilities to another multiemployer plan if the reorganization index of either plan would increase as a result. (Section 4221(d))

Special rules are provided in ERISA section 4221(e) for the transfer of assets or liabilities from a multiemployer plan to a single-employer plan. In general, the multiemployer plan has a secondary contingent liability to the PBGC if the single-employer plan terminates within 5 years of the transfer without enough assets to satisfy guaranteed benefits. The multiemployer plan is liable to PBGC for the greater of (1) the difference between the terminated single-employer plan asset insufficiency and the sponsoring employer's liability to PBGC or (2) the present value, on the effective date of the transfer, of the unfunded guaranteed benefits transferred. A multiemployer plan has no contingent liability if the Corporation has approved the transfer. A special rule waives contingent liability where a transfer involves essentially only the assets or liabilities attributable to a single-employer plan that had previously merged with a multiemployer plan.

Any plan to which liabilities are transferred is a successor plan, for guarantee purposes, and benefits under a single-employer plan to which liabilities are transferred are guaranteed under the single-employer termination insurance program. (ERISA § 4221(f))

Assets Transferable—ERISA § 4222:

The amount of assets transferable from a multiemployer plan to another plan is governed by plan rules that, subject to regulations of the corporation, must be fair, prudent and reasonable.

PART 3—REORGANIZATION

Reorganization Status—ERISA § 4241:

This section provides that a multiemployer that is financially troubled, as indicated by a specific funding test (reorganization index), is "in reorganization." A plan is in reorganization for a plan year if its reorganization index, calculated without regard to benefit reductions in that year, exceeds zero. (ERISA § 4241(a))

The plan's reorganization index is the excess of its vested liabilities charge over "net" charges to its minimum funding standard account. The vested liabilities charge is the amount necessary to amortize the plan's unfunded vested liabilities in equal annual installments over 10 years, to the extent attributable to persons in pay status, and over 25 years, to the extent attributable to other participants, allocating assets first to vested liabilities attributable to persons in pay status. (A person is "in pay status" for this purpose if, during the plan year, he or she received a normal, early or disability retirement benefit, or a related death benefit, or—to the extent prescribed in Treasury regulations—was entitled to those or similar benefits.) "Unfunded vested liabilities" are defined as the excess of the present value of vested benefits under the plan over the value of plan assets. Outstanding claims for withdrawal liability are not treated as plan assets for this purpose. The plan administrator may use a valuation of unfunded vested liabilities for the plan year in question or for any of the four preceding plan years, adjusted to reflect subsequent benefit changes and events that substantially increased the plan's unfunded vested liabilities, if the plan administrator knew or should have known of them by the earliest of the effective dates of any agreement providing for employer contributions under the plan that is in effect in the plan year for which the determination is made. (ERISA § 4241(b))

A plan in reorganization may not distribute a nonforfeitable benefit attributable to employer contributions (other than a death benefit) with a present value in excess of $1750, unless distribution is approved by the PBGC on a finding that it is in the interest of participants and beneficiaries generally and does not unreasonably increase the PBGC's risk of loss. (ERISA § 4241(c))

A terminated multiemployer plan is not in reorganization after the last employer withdraws from the plan. (ERISA § 4241(d))

Notice of Reorganization—ERISA § 4242:

This section imposes a general requirement upon the plan administrator of multiemployer plan to notify plan participants, employers that are obligated to contribute under the plan, and the unions that represent the participants, that the plan is in reorganization and accrued benefits may be reduced, or an excise tax imposed on employers, if contributions are not increased. The notice must be in accordance with regulations of the Secretary of the Treasury, who may prescribe additional or alternative requirements for notice and access to relevant information.

Funding Requirements for Plans in Reorganization—ERISA § 4243:

This section establishes a minimum contribution requirement (MCR) for a multiemployer plan for each plan year that it is in reorganization. The minimum contribution requirement supersedes the ERISA minimum funding requirement, for a multiemployer plan in reorganization. A plan satisfies the MCR if it does not have a reorganization deficiency for the plan year, i.e., if contributions and withdrawal liability payments under the plan equal or exceed the MCR. ERISA § 4243(a))

The MCR is, generally, the lesser of the plan's vested liabilties charge, or that charge adjusted for declines in the plan's contribution base. The charge is adjusted by multiplying it by the ratio of the plan's current contribution base to the plan's valuation contribution base, where, generally, the current contribution base is the contribution base for that plan year, and the valuation contribution base is the contribution base for the plan year for which the valuation used to determine unfunded vested liabilities was performed (adjusted for strikes, lockouts, and certain non-recurring events). If the vested liabilities charge is less than a plan's benefit payments and expenses (less available assets) for a plan year (the "cash-flow amount"), the MCR is computed by substituting the cash-flow amount for the vested liabilities charge. For an insolvent plan, the valuation contribution base is the plan's valuation contribution base for the plan year preceding insolvency. (ERISA § 4243(b), (c), (e))

The plan administrator of an "overburdened" plan, i.e., a multiemployer plan in reorganization in which people in pay status and—to the extent provided in Treasury regulations—other inactive participants ("pay status participants") constitute at least half of the plan's "extended participant group" and under which the employer contribution rate equals or exceeds the greater of the rate for the preceding plan year or for the plan year before the plan was first in reorganization, must apply an overburden credit against the plan's reorganization deficiency. (The extended participant group is all plan participants plus all other employees for whom employer contributions under the plan are required.) The amount of the overburden credit—which is computed separately for each plan year—is the product of one-half of the "average benefit paid" times the "overburden factor." The "average benefit paid" is the total amount of benefit payments that would have been made for the plan year if the plan had been amended effective the first year the plan was in reorganization to reduce accrued benefits to the maximum permissible extent, divided by the number of people in pay status under the plan. For purposes of this rule, the first year that a plan is in reorganization is the first year in reorganization that was not followed by 3 or more consecutive years out of reorganization. The "overburden factor" is the excess of pay status participants over other members of the plan's extended participant group. (ERISA § 4243(d))

An overburden credit is not available to a plan if the Secretary of the Treasury finds that the plan's contribution base was reduced, without a corresponding reduction in its unfunded vested liabilities for persons in pay status, as a result of a change in an agreement providing for employer contributions under the plan. An employer withdrawal would not affect a plan's eligibility for the credit, unless the withdrawal was accompanied by a transfer of plan liabilities that resulted in a reduction described in the preceding sentence. (ERISA § 4243(d)(5)) A plan in reorganization may apply for a minimum funding waiver under the current procedures. (ERISA § 4243(f))

A transitional rule provides that a plan has no reorganization deficiency, in the first 3 years after the reorganization provisions are effective, if the plan is not amended after the date the new law is enacted to increase past-service benefits, and if the rate of employer contributions is increased over the rate for the last plan year before the effective date of the reorganization sections, by at least 7, 14 and 21 percent for the first, second and third plan years, respectively, in which the reorganization provisions apply. (ERISA § 4243(g))

Adjustments in Accrued Benefits—ERISA § 4244:

This section provides that, notwithstanding ERISA's vesting rules, a multiemployer plan in reorganization may be amended to reduce or eliminate accrued benefits attributable to employer contributions that are not guaranteeable by PBGC under ERISA section 4022A(b) because they have not been in effect at least 5 years. A benefit reduction under this section may be taken into account for a plan year for funding purposes if it is made within 2½ months after the end of the plan year (or within any extended period for making contributions, under Code section 412(c)(10)). (ERISA § 4244(a))

Benefit reductions are authorized by this section only if: notice is given to the participants, and to their employers and unions, at least 6 months before the plan year in which the reduction is adopted; reductions in accrued benefits of inactive participants are substantially proportionate to the reductions in other accrued benefits subject to reduction; other benefits attributable to employer contributions and the rate of future benefit accruals are reduced at least to an extent equal to the reduction in accrued benefits; and the accrued benefit of a participant is reduced only by reducing the level of the participant's benefit, not by changing the benefit form or the requirements that the participant must satisfy to be entitled to the benefit. In addition, the rate of employer contributions for the plan year in which the amendment becomes effective and for all succeeding plan years in which the plan is in reorganization must equal or exceed the greater of the rate of employer contributions for the plan year in which the amendment becomes effective, or the rate of employer contributions for the plan year preceding the year in which the amendment becomes effective. (ERISA § 4244(b))

Special rules are prescribed in Section 4244(c) for benefit increases and restorations. No benefit of a participation or beneficiary may be increased with respect to past service under a plan that has reduced accrued benefits while in reorganization, unless the plan is amended to restore the accrued benefit levels that were in effect before the reduction. In addition, if a plan is amended partially to restore previously reduced accrued benefit levels, the benefits of inactive participants must be restored in at least the same proportions as other accrued benefits that are restored. Finally, no benefit increase under a plan in reorganization may take effect in a plan year in which an amendment reducing accrued benefits is adopted or first becomes effective.

A plan may not recoup a benefit payment that is in excess of the amount payable under the plan because of a retroactive reduction in accrued benefits, and a plan is not required to make retroactive benefit payments with respect to that portion of an accrued benefit that was reduced and subsequently restored. (ERISA § 4244(b)(4), (c)(4)) An "inactive participant" is a person in pay status, or a separated participant with deferred rights. (ERISA § 4244(e)) The Secretary of the Treasury is authorized to prescribe rules under which accrued benefit reductions or increases may be varied equitably for different participant groups, to reflect variations in contribution rates and other relevant factors reflecting differences in negotiated levels of financial support. (ERISA § 4244(d))

Insolvent plans—ERISA § 4245:

In addition to benefit reductions authorized under ERISA section 4244, benefit payments above the "resource benefit level" must be suspended under an insolvent multiemployer plan, in accordance with this section, unless PBGC prescribes different rules in connection with a supplemental guarantee program. In no event may payment of basic benefits guaranteed by PBGC be suspended. (ERISA § 4245(a))

A multiemployer plan is insolvent, for a plan year, if it is in reorganization and has been amended to eliminate accrued benefits that have not been in effect at least 5 years, if the plan's available resources are not sufficient to pay benefits under the plan when due for the plan year. The resource benefit level is the level of monthly benefits reasonably projected to be the highest level that can be paid out of the plan's "available resources," which are defined as the plan's cash, marketable assets, contributions, withdrawal liability payments and other earnings, less reasonable administrative expenses and certain amounts owed to PBGC. (ERISA § 4245(b))

As of the end of the first plan year that a plan is in reorganization, and at least every 3 years thereafter (unless the plan is no longer in reorganization), the plan sponsor must compare the value of plan assets with the total amount of benefit payments made under the plan for that plan year. Unless the plan sponsor determines that the value of plan assets exceeds 3 times the total amount of benefit payments, the plan sponsor must then determine whether the plan will be insolvent in any of the next 3 plan years. (ERISA § 4245(d)) If the plan sponsor reasonably determines, in light of the plan's recent and anticipated financial experience, that the plan will be insolvent, it shall certify the plan's insolvency—and set a resource benefit level—no later than 3 months before the insolvency year. (ERISA § 4245(b)(1), (d))

Several special rules govern benefit suspensions in an insolvent plan. The suspensions must apply in substantially uniform proportions to the benefits of all persons in pay status, except that Treasury regulations may provide for equitable variations, similar to the permitted variations in reorganization benefit reductions or increases. (ERISA § 4245(c)(2)) A resource benefit level may not be set below the level of basic benefits guaranteed by PBGC, unless the payment of all benefits other than those basic benefits is suspended. (ERISA § 4245(c)(3))

If, by the end of an insolvency year, the plan sponsor determines that the plan's available resources in that year could have supported benefit payments above the resource benefit level for that year, the plan sponsor must distribute the available resources above the amount necessary to support the resource benefit level (but no greater than the amount necessary to pay benefits for the plan year at the benefit levels under the plan) to the participants and beneficiaries who received benefit payments from the plan in the insolvency year, in accordance with Treasury regulations. If, by the end of an insolvency year, any benefit has not been paid at the resource benefit level, amounts up to the resource benefit level that were unpaid must be distributed to the participants and beneficiaries, in accordance with Treasury regulations, to the extent possible in light of the plan's total available resources in that insolvency year. However, a plan is generally not otherwise required to make retroactive benefit payments with respect to that portion of a benefit that was suspended. (ERISA § 4245(c))

Various notices are also required. If the plan sponsor determines that the plan may be insolvent in the next 3 years, the plan sponsor must, in accordance with Treasury and PBGC regulations, notify the Secretary of the Treasury, the PBGC and the parties entitled to reorganization notice, and inform them that if insolvency occurs certain benefit payments will be suspended, but that benefits guaranteed under section 4022A will continue to be paid. The plan sponsor must also notify those parties of the resource benefit level for each insolvency year, no later than 2 months before the first day of that insolvency year. Finally, in any case where the plan sponsor anticipates that the resource benefit level for an insolvency year may not exceed the level at which benefits are guaranteed under section 4022A, the plan sponsor must notify the PBGC at least 6 months before the first day of that insolvency year. (ERISA § 4245(e))

The section requires that a plan sponsor that has determined and certified a resource benefit level for an insolvency year that is lower than the level of basic guaranteed benefits apply for financial assistance from the PBGC under section 4261. In addition, if the plan sponsor of an insolvent plan for which the resource benefit level is above the guaranteed level anticipates that, for any month in an insolvency year, the plan will not have funds sufficient to pay guaranteed benefits, it may apply for financial assistance from the PBGC. (ERISA § 4245 (f))

PART 4—FINANCIAL ASSISTANCE

Financial Assistance—ERISA § 4261:

This section describes the procedure under which the PBGC provides financial assistance to support guaranteed benefit payments under a multiemployer plan. If, after receiving an application for financial assistance, the Corporation verifies that the plan is or will be insolvent and unable to pay basic benefits when due, the PBGC shall provide the financial assistance needed to pay those benefits, under terms and conditions that are equitable and appropriate to protect the insurance program from unreasonable loss. Pending determination of the amount needed to pay basic benefits, the Corporation may provide such financial assistance as it deems appropriate to avoid undue hardship to plan participants and beneficiaries. Financial assistance is repaid on reasonable terms consistent with PBGC regulations. For plans experiencing only a short-term cash shortage, the financial assistance must be repaid 6 months after the plan year for which it is provided.

PART 5—BENEFITS AFTER TERMINATION

Benefits Under Certain Terminated Plans—ERISA § 4281:

This section provides for the reduction of accrued benefits and the suspension of benefit payments under a terminated multiemployer plan from which all employers have withdrawn. The plan administrator is required to compare the value of plan assets (including outstanding withdrawal liability claims) with the present value of vested benefits under the plan, annually, and amend the plan to reduce benefits to the level at which the assets are sufficient to support the vested benefits. Such an amendment is required to take effect no later than 6 months after the plan year in which vested benefits exceed plan assets. Vested benefits and plan assets are valued in accordance with PBGC regulations. (ERISA § 4281(b), (c))

Accrued benefits can be reduced by plan amendment only to the extent necessary for plan assets to support vested benefits. Only benefits that are not guaranteeable by the PBGC can be reduced or eliminated by plan amendment. Benefit reductions in a plan from which all employers have withdrawn are required to conform to the rules for, and limitations on, benefit reductions for a plan in reorganization, unless the PBGC prescribes other rules or limitations, by regulation. (ERISA § 4281(c))

If a multiemployer plan from which all employers have withdrawn is insolvent, the plan administrator is required to suspend benefit payments above the resource benefit level (but not below the basic-benefits guaranteed level). The plan administrator has the other powers and duties of a plan sponsor of an insolvent plan in reorganization, except as provided in PBGC regulations. A plan from which all employers have withdrawn is insolvent if the plan has reduced benefits to the extent permitted by this section and available resources are not sufficient to pay benefits during the plan year. A plan's resource benefit level and available resources are determined, for purposes of this section, in accordance with the rules for insolvent plans in reorganization. (ERISA § 4281(d))

PART 6—ENFORCEMENT

Civil Actions—ERISA § 4301:

This section provides that a plan fiduciary, employer, plan participant or beneficiary (or employee organization representing such participant or beneficiary) adversely affected by any party's action or failure to act under Subtitle E of ERISA has a cause of action, for which the U.S. district courts have original jurisdiction, without regard to the amount in controversy. An action is not authorized under this section, however, against the Secretary of the Treasury. (ERISA § 4301(a), (c))

The federal courts' jurisdiction is generally exclusive, except that a plan fiduciary can sue to collect withdrawal liability in state as well as federal court. (ERISA § 4301(c)) Venue, in federal court, is in the district where the plan is administered or where any defendant resides or does business. Service of process runs nationwide. (ERISA § 4301(d))

Where there has been a failure to pay withdrawal liability, a court may award double damages, payable to the plan. (ERISA § 4301 (b)) The prevailing party in any action under this section may be awarded all litigation expenses, including reasonable attorneys' fees. (ERISA § 4301(e)) There is a 6-year statute of limitations for suits under this section. (ERISA § 4301(f)) The Corporation must be served with the complaint in any action under this section, and is authorized to intervene in any such action. (ERISA § 4301(g))

Penalty for Failure to Provide Notice—ERISA § 4302:

This section imposes a civil penalty of up to $100 per day, payable to PBGC, for failure to provide a notice required under Subtitle E of ERISA or the implementing regulations.

Sec. 105. Premiums.

This section revises section 4006 of ERISA to clarify the present premium structure, establish new premium schedules for basic benefits guaranteed under multiemployer plans, and modify some of the guidelines within which the PBGC is authorized to prescribe risk-based premium schedules.

The PBGC is authorized to establish insurance premium schedules for each of the four categories of insurance coverage to be provided by the Corporation under Title IV. These categories are: (1) basic benefits guaranteed for single-employer plans, (2) basic benefits guaranteed for multiemployer plans, (3) non-basic benefits guaranteed for single-employer plans, and (4) non-basic benefits guaranteed for multiemployer plans. This section retains the current requirement that any basic-benefits premium schedule changes prescribed by the Corporation must be approved by Congress by a concurrent resolution, before the change is effective. (ERISA § 4006(a) (2))

This section provides for a graduated increase in the basic-benefits premiums for multiemployer plans. For the first plan year beginning on or after the effective date of the new law, those premiums will be $1.00 for each participant; for the second plan year, $1.40; for the third plan year, $1.80; for the fourth plan year, $2.20; and for the fifth plan year and all succeeding plan years, $2.60. Section 4006(a) (3) retains the current annual premium of $2.60 per participant for single-employer plans. These premium schedules are to remain in effect until different schedules prescribed by the Corporation and approved by the Congress become effective. The section authorizes the PBGC to prescribe premium schedules relating to basic benefits guaranteed for multiemployer or single-employer plans, based on the risks insured by the Corporation. (ERISA § 4006(a) (4))

The section includes guidelines for non-basic-benefits premium schedules that are identical to those in the existing law, except that the PBGC is given additional discretion with respect to the premiums for supplemental guarantees for basic-type benefits under multiemployer plans. (ERISA § 4006(a) (5))

ERISA section 4006(c) contains the original premium schedules for basic benefits guaranteed under multiemployer and single-employer plans.

Sec. 106. Annual report of plan administrator.

This section amends section 4065 of ERISA to authorize the PBGC to require, by regulation, that a plan administrator of a multiemployer plan include in the plan's annual report to PBGC any information that the Corporation determines is necessary for the enforcement of new Subtitle E of ERISA. The regulations may require, among other things, that the plan administrator file: (1) a statement certified by the plan's enrolled actuary showing the value of vested benefits under the plan and the value of the plan's assets, and (2) a statement certified by the plan administrator showing the value of outstanding withdrawal liability claims.

Sec. 107. Contingent Employer Liability Insurance.

This section repeals ERISA section 4023, relating to contingent employer liability insurance.

Subtitle F—Transition Rules and Effective Dates.

Sec. 108. Transition rules and effective dates.

This section amends Title IV of ERISA by adding a new Subtitle F, entitled "Transition Rules and Effective Dates." Subtitle F contains the present section 4082 of ERISA, renumbered as section 4401 and amended to provide that, with certain exceptions, the amendments to ERISA made by the Multiemployer Pension Plan Amendments Act of 1979 (the "Act") are effective as of the date of enactment of the Act. The withdrawal liability rules, in section 4201, are effective February 27, 1979, the date PBGC recommended the policy of imposing such liability. The multiemployer plan reorganization rules, in sections 4241–4245, are effective on the first day of the first plan year beginning after the earlier of: (1) the date on which the last collective bargaining agreement providing for employer contributions under the plan that was in effect on the date of enactment expires, without regard to extentions agreed to after the date of enactment, or (2) three years after the date of enactment of the Act. (ERISA § 4401 (e))

For those multiemployer plans that terminate before the date of enactment of the Act, if PBGC grants discretionary coverage, guaranteed benefit payments may not be reduced below the level at which the benefits would have been guaranteed under the new multiemployer guaranteed benefit rules, in section 4022A, applied as of the date of plan termination. (ERISA § 4401(d))

Any obligations imposed under the existing section 4063 of ERISA for a substantial employer withdrawal from a multiemployer plan will be treated in accordance with PBGC regulations. (ERISA § 4401(f))

TITLE II—AMENDMENTS TO TITLE II OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 201. Amendments to title II of ERISA.

This section provides that the provisions of Title II of this Act are amendments to Title II of ERISA, which amended the Internal Revenue Code of 1954, as amended (the "Code").

Sec. 202. Minimum funding requirements.

Under this section, ERISA section 1013(a) is amended to include in Code section 412 the same funding requirements for a plan in reorganization that are added to Title IV of ERISA (section 4241 and 4243). (Code § 412(j)) Section 1013(a) as also amended to change, prospectively, the Code section 412 amortization periods for funding multiemployer plan past service liabilities and experience gains and losses.

In general, any increase in a multiemployer plan's unfunded past service liability that arises after the date of enactment of this legislation must be amortized over 30 years, and any multiemployer plan experience gains or losses arising after that date must be amortized over 15 years. Any past-service liabilities of multiemployer plans (as defined under current law) that arose before the date of enactment, and any increases in past service liability that arise as a result of an amendment adopted before the enactment date and effective by the end of the third plan year beginning thereafter, may be amortized over 40 years. An increase in past service liability that results from a group of participants' changing from a lower benefit level to a higher benefit level in a schedule of benefits under a plan by the end of the second plan year after enactment may be amortized over 40 years, if the schedule was adopted and effective with respect to any plan participant before the beginning of the first plan year after the date of enactment. (Code § 412(b))

Section 1013(a) is amended to provide, in Code section 412, that withdrawal liability payments received by a multiemployer plan are considered employer contributions for funding purposes. Additional charges and credits to the plan's funding standard account may be required, under Treasury regulations, to the extent necessary to prevent withdrawal liability payments from being unduly reflected as advance funding for plan liabilities. (Code § 412(b)(7))

Finally, section 1013(a) is amended to amend Code section 412 to provide that the minimum funding requirements apply to a terminated multiemployer plan to which Title IV of ERISA applies until the date on which the last employer withdraws from the plan. (Code § 412(k))

Sec. 203. Excise taxes.

This section amends ERISA section 1013 (b), to amend Code section 4971 to provide that, for a multiemployer plan in reorganization, the excise tax sanction for a violation of the minimum funding standards is imposed with respect to the plan's reorganization deficiency. In addition, the PBGC would be notified before the imposition of the tax under this Code section, with respect to a plan in reorganization, and given an opportunity to comment and effect compliance with the funding standards.

Sec. 204. Deductibility of employer liability payments.

This section amends ERISA sections 1013 (c) and 4081(a), to amend Code section 404 to permit an employer to deduct withdrawal liability payments, and other employer liability payments under Title IV of ERISA, without regard to the amortization requirements generally applicable to the deductibility of plan contributions. A special rule is added to codify that an entity that is liable under Title IV of ERISA because it is a member of a commonly controlled group may deduct its liability payments even though it did not directly employ participants of the plan with respect to which the liability payments were made.

Sec. 205. Minimum vesting requirements.

This section amends section 1012(a) of ERISA to amend the minimum vesting requirements in Code section 411 to include the rule, currently in Code section 414(f)(1)(D), that permits a multiemployer plan, when an employer ceases contributions, to disregard benefits accrued as a result of service with the employer before the employer was required to contribute to the plan. (Code § 411(a)(3)(E)) ERISA section 1012(a) is also amended to amend Code section 411 to incorporate the substantive rules for benefit adjustments and suspensions under plans in reorganization that are added to Title IV of ERISA, and to permit those benefit modifications, and the similar modifications called for in Title IV of ERISA under a multiemployer plan from which all employers have withdrawn. (Code § 411(a)(3)(F), (d)(6), (e), (f))

ERISA section 1012(a) is also amended to amend Code section 411 to provide that, for purposes of determining a participant's nonforfeitable interest in his or her accrued benefit attributable to employer contributions, a multiemployer plan may disregard all years of service (1) with an employer after that employer has withdrawn from the plan, and (2) with any employer under the plan after the date of plan termination under ERISA section 4048. (Code § 411(a)(4)(G))

Sec. 206. Definition of multiemployer plan.

This section revises the definition of the term "multiemployer plan" in Code section 414(f), as added by ERISA section 1015. Under the revised definition, for plan years beginning after the date of enactment of the new law, a multiemployer plan is a plan to which more than one employer is required to contribute, which is maintained under one or more collective bargaining agreements between one or more employee organizations and more than one employer, and which satisfies such other requirements as the Secretary of Labor may prescribe in regulations. For purposes of this definition, trades or businesses under common control are considered a single employer. Under a special rule for terminated plans, a plan is a multiemployer plan after its termination date if it was a multiemployer plan under the revised definition for the plan year preceding its termination date.

Under this section, for plan years prior to the effective date of the revised definition, a plan is only a multiemployer plan if it satisfies the current definition.

Sec. 207. Related technical amendments.

This section contains two technical amendments. The first is designed to accommodate statutory rules in Title IV of ERISA relating to plan mergers and transfers of plan assets or liabilities. It amends ERISA sections 1015 and 1021(b), to amend Code sections 401(a)(12) and 414(l) to provide that the limitations on plan mergers and transfers contained in those sections do not apply to any transaction to the extent that participants either before or after the transaction are covered under a multiemployer plan to which Title IV of ERISA applies. The second technical change amends ERISA section 2003(a) to amend Code section 4975 to exempt transactions under ERISA section 4201, relating to employer withdrawal liability, from the prohibited transaction rules of Code section 4975.

TITLE III—AMENDMENTS TO TITLE I OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Sec. 301. Amendments of Title I.

This section states that the provisions of Title III of this Act are amendments to Title I of ERISA.

Sec. 302. Definitions.

This section amends section 3(37) to define a multiemployer plan in the same manner as under amended ERISA section 1015 (Code § 414(f)).

Sec. 303. Minimum vesting requirements.

This section amends section 203 in the same manner that section 1012(a) (Code § 411(a)(3)(E)) is amended, adding, as an exception to the minimum vesting standards, the right that is currently accorded multiemployer plans with respect to permissible benefit reductions for service with a withdrawn employer before that employer's entry into the plan. This section also modifies the nonforfeitability rules as the parallel Code rules are modified (Code § 411(a)(4)(G)) to permit service after multiemployer plan termination, or employer withdrawal, to be disregarded for vesting purposes.

Sec. 304. Minimum Funding Requirements.

This section amends section 301 to provide that a terminated multiemployer plan to which Title IV applies is required to meet ERISA's minimum funding standards as long as any employer remains in the plan. (This amendment corresponds to the amendment to ERISA section 1013, adding Code section 412(k).) The section also amends section 302 to reflect the same amortization periods for multiemployer plans, and the same funding treatment for withdrawal liability, that are set forth in amended ERISA section 1013 (Code § 412(b)).

TITLE IV—RELATED TECHNICAL, CONFORMING, AND CLERICAL AMENDMENTS

Sec. 401. Related technical amendments.

This section contains technical changes to ERISA that are necessary to accommodate the substantive changes made by the Multiemployer Pension Plan Amendments Act of 1979.

Section 4001 (relating to definitions) is amended to define certain terms used in the multiemployer provisions (vested benefit, withdrawal liability, reorganization index, insolvent), and to allow certain convenient references. Section 4003 is amended to clarify PBGC's authority to enforce Title IV. Section 4007 (relating to payment of premiums) is amended to permit the Corporation to waive or reduce premiums for a multiemployer plan that is receiving financial assistance from the Corporation. A new section 4023 clarifies that a plan fiduciary is required to act in accordance with standards prescribed by ERISA and in accordance with plan documents insofar as the documents are consistent with ERISA.

Section 4042 (relating to plan termination at PBGC's initiative) is amended in a number of ways. The current provision for court appointment of a trustee if the interests of the plan participants would be better served by such appointment, in section 4041(g), is moved to section 4042(b), and a provision is added requiring court appointment of a trustee upon PBGC's petition, for a multiemployer plan in reorganization or from which all employers have withdrawn, unless the appointment would be adverse to the participants' interests. In all cases a trustee can be appointed by agreement between PBGC and the plan administrator. Section 4042(c) is amended to clarify the standard for involuntary, court-ordered plan termination. Section 4042(d) is amended to authorize an appointed trustee to do the acts required or authorized by new Subtitle E, to require specified parties to furnish the information needed by the trustee to administer the plan, and to expand the list of interested parties that must receive notice of termination proceedings.

Section 4044 (relating to allocation of plan assets) is amended to limit its application to single-employer plans, and section 4048 (relating to termination dates) is amended to incorporate the multiemployer plan termination date rules set forth in new section 4041A.

Section 208 (relating to mergers, consolidations and transfers) is amended in the same manner as the amendments to ERISA sections 1015 and 1201(b), amending Code section 401(a)(12) and 414(l), and section 403 is amended to include necessary references to certain new provisions of Title IV, and to allow return of mistaken withdrawal liability payments on the same basis as mistaken contributions.

Section 3002 of ERISA is amended to require the Secretary of the Treasury to consult with PBGC before publishing any proposed or final regulations authorized by the new provisions relating to multiemployer plans in reorganization.

Sec. 402. Conforming amendments.

This section contains the minor changes in Title IV necessary to conform to the substantive provisions of law made by the Multiemployer Pension Plan Amendments Act of 1979.

Sec. 403. Clerical amendments.

This section amends section 1 of ERISA (the table of contents) to reflect changes in Title IV.

Mr. JAVITS. Mr. President, I am joining Senators Williams and Long today in cosponsoring by request the administration's proposed Multiemployer Pension Plan Amendments Act of 1979. The bill would redesign the multiemployer plan termination insurance program presently provided for by the Employee Retirement Income Security Act of 1974 (ERISA).

I want to emphasize that my cosponsorship of this measure is by request and should not be interpreted as support for the provisions contained in the bill. The administration's proposals are complex, sweeping, and innovative, and I will therefore require additional time to study the bill before making a judgment on its merits.

On May 2, Senator Williams and I introduced S. 1057, which would delay for 10 months the Pension Benefit Guaranty Corporation's mandatory insurance coverage of terminated multiemployer plans under ERISA. S. 1057 would give the Congress until May 1, 1980, to deal with the administration bill being introduced today.

I believe that time is of the essence for redoing the multiemployer plan termination insurance program, and I will devote myself to passing an improved insurance program which will be feasible as well as equitable.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the bill be jointly referred.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

If not, it is so ordered.

By Mr. HEINZ:

S.J. Res. 73. Joint resolution to designate "National Hawk Watching Week"; to the Committee on the Judiciary.

● Mr. HEINZ. Mr. President, today it is my pleasure to introduce legislation designating "National Hawk Watching Week." On behalf of my distinguished colleague from Pennsylvania, Congressman Don Ritter, and myself, I take this opportunity to urge the passage of this legislation which will allow the first full week in October of each year to be designated as "National Hawk Watching Week."

Past public attitudes toward hawks and other birds of prey have generally been that of fear. Ignorance of the vital part that predators play in ecological communities led people to attempt to eliminate hawks by shooting, poisoning, and trapping. We are now much more aware of the importance of the interrelationships of all living things and the need to protect various species. In addition, many gain considerable enjoyment in observing hawks and other birds of prey in their native habitat.

The creation of National Hawk Watching Week would focus public attention on the value of birds of prey in wildlife communities and stimulate support for the preservation of important hawk migration lookouts. It would also direct the public toward the esthetic appreciation of these splendid birds and away from the illegal shooting of them which continues to be prevalent in some areas. In addition, it would encourage schools to include birds of prey teaching units in their science curriculums.

I ask unanimous consent that the text of this joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 73

Whereas hawks and other birds of prey are vital ecological components of the wildlife communities and ecosystems in which they live; and

Whereas public attitudes regarding birds of prey are changing to one of appreciation and understanding; and

Whereas over a million Americans are birdwatchers who regularly observe hawks and other birds of prey every autumn at migration outlooks located on major raptor flyways scattered from California to Maine, and from Minnesota to Florida and Texas: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled;

That the week commencing with the first Sunday in October of each year is designated as "National Hawk Watching Week", and the President of the United States is authorized and requested to issue a proclamation calling upon individuals to observe such week by considering the importance of birds of prey in wildlife communities.●

ADDITIONAL COSPONSORS

S. 12

At the request of Mr. Dole, the Senator from Minnesota (Mr. Durenberger) was added as a cosponsor of S. 12, the Tax Indexation Act.

S. 43

At the request of Mr. Hatch, the Senator from Tennessee (Mr. Baker), the Senator from Montana (Mr. Baucus), the Senator from Minnesota (Mr. Boschwitz), the Senator from Nevada (Mr. Cannon), the Senator from Mississippi (Mr. Cochran), the Senator from Minnesota (Mr. Durenberger), the Senator from Utah (Mr. Garn), the Senator from Arizona (Mr. Goldwater), the Senator from California (Mr. Hayakawa), the Senator from South Dakota (Mr. McGovern), the Senator from North Carolina (Mr. Morgan), the Senator from Illinois (Mr. Percy), the Senator from South Dakota (Mr. Pressler), the Senator from Connecticut (Mr. Ribicoff), the Senator from Delaware (Mr. Roth), the Senator from Texas (Mr. Tower), the Senator from Massachusetts (Mr. Tsongas), the Senator from Virginia (Mr. Warner), and the Senator from Connecticut (Mr. Weicker) were added as cosponsors of S. 43, the National Ski Patrol System Recognition Act, a bill to promote safety and health in skiing and other outdoor winter recreational sports.

S. 90

At the request of Mr. Church, the Senator from New Jersey (Mr. Bradley) was added as a cosponsor of S. 90, a bill to amend title XVI of the Social Security Act to permit States to replace supplementary payments with vendor payments on behalf of residents of certain facilities, and for other purposes.

S. 112

At the request of Mr. Dole, the Senator from Utah (Mr. Hatch) and the Senator from Florida (Mr. Stone) were added as cosponsors of S. 112, a bill to repeal carryover basis.

S. 231

At the request of Mr. Bentsen, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of S. 231, to amend the Internal Revenue Code to provide for larger tax deductions for depreciation.

S. 235

At the request of Mr. Church, the Senator from North Dakota (Mr. Burdick), the Senator from Rhode Island (Mr. Pell), and the Senator from West Virginia (Mr. Randolph) were added as cosponsors of S. 235, a bill to amend titles II, VII, XI, XVI, XVIII, and XIX of the Social Security Act, and for other purposes.

S. 377

At the request of Mr. Ribicoff, the Senator from Florida (Mr. Chiles) was added as a cosponsor of S. 377, the International Trade and Investment Reorganization Act of 1979.

S. 575

At the request of Senator Hatch, the Senator from Nebraska (Mr. Zorinsky) was added as a cosponsor of S. 575, the Freedom From Quotas Act of 1979.

S. 624

At the request of Mr. McClure, the Senator from Louisiana (Mr. Johnston), the Senator from New Mexico (Mr. Domenici), and the Senator from Michigan (Mr. Levin) were added as cosponsors of S. 624, a bill to allow electric vehicles to be included in the calculation of Corporate Average Fuel Economy Standards (CAFE).

S. 654

At the request of Mr. Goldwater, the Senator from Oklahoma (Mr. Boren) was added as a cosponsor of S. 654, a bill to remove residency requirements and acreage limitations applicable to land subject to reclamation laws.

S. 683

At the request of Mr. Cohen, the Senator from Wisconsin (Mr. Nelson) was added as a cosponsor of S. 683, a bill to establish the North Country National Scenic Trail located in portions of New York, Pennsylvania, Ohio, Michigan, Wisconsin, Minnesota, and North Dakota, as a component of the National Trails System.

S. 736

At the request of Mr. Dole, the Senator from Hawaii (Mr. Matsunaga) was added as a cosponsor of S. 736, the Employment Tax Act of 1979.

S. 875

At the request of Mr. Schmitt, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 875, the Earth Resources Information Corporation Act of 1979.

S. 890

At the request of Mr. McClure, the Senator from Utah (Mr. Garn), the Senator from Iowa (Mr. Jepsen), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of S. 890, a bill to amend the Internal Revenue Code of 1954 in order to tax excess petroleum industry profits, to encourage investments in the expansion of domestic energy supplies, and to create an incentive tax credit for research and development of new or expanded energy sources.

S. 956

At the request of Mr. Heinz, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 956, the Benjamin Franklin National Memorial Assistance Act.

S. 967

At the request of Mr. Melcher, the Senator from South Dakota (Mr. McGovern) was added as a cosponsor of S. 967, a bill to reduce the impact of the reduction of energy resources resulting from bankruptcy or abandonment.

SENATE JOINT RESOLUTION 23

At the request of Mr. Matsunaga, the Senator from Washington (Mr. Magnuson) was added as a cosponsor of Senate Joint Resolution 23, relating to the publication of economic and social statistics for Americans of East Asian or Pacific Island origin or descent.

SENATE JOINT RESOLUTION 63

At the request of Mr. Chafee, the Senator from North Carolina (Mr. Helms), the Senator from Utah (Mr. Garn), and the Senator from Alaska (Mr. Stevens) were added as cosponsors of Senate Joint Resolution 63, to designate the year of 1979 as the "Food for Peace Year."

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. Schweiker, the Senator from Utah (Mr. Garn) was added as a cosponsor of Senate Concurrent Resolution 24, expressing the sense of the Congress on the nonenforcement of sanctions against Zimbabwe Rhodesia.

SENATE RESOLUTION 147—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original resolution, which was referred to the Committee on the Budget:

S. Res. 147

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 586, a bill to authorize appropriations for the Department of State, International Communication Agency, and Board for International Broadcasting for fiscal years 1980 and 1981, and a supplemental authorization for State for fiscal year 1979, and for other purposes. Such a waiver is necessary to allow the authorization of $104,910,000 in additional budget authority for fiscal year 1979 for migration and refugee assistance. The amount previously authorized for this purpose, $116,536,000, has proven inadequate to fund the United States Refugee Program. The Administration has requested an additional $104,910,000 in budget authority to finance this program.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1978, deadline, because of the unexpected increases in the flow of refugees from the Soviet Union, Eastern Europe, and Asia.

The effect of defeating consideration of the supplemental authorization will be a disruption of the U.S. Refugee Program.

The desired authorization will not delay the appropriations process and will need to be accommodated in a supplemental appropriation.

SENATE RESOLUTION 148—SUBMISSION OF A RESOLUTION OF DISAPPROVAL OF WEEKEND CLOSING OF GASOLINE STATIONS

Mr. HEINZ submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. Res. 148

Whereas, President Carter's proposal to close gasoline stations on weekends would encourage drivers to maintain greater quantities of gasoline in their tanks, further aggravating the drawdown of gasoline reserves; and

Whereas, this proposal will encourage drivers to adopt tank-topping practices to avoid running out of gas during restricted sales periods; and

Whereas, tank-topping practices and limited hours will lead to long lines at gasoline stations which will result in the wasting of large quantities of gasoline, offsetting any projected savings; and

Whereas, this proposal will place a particular burden on rural Americans who do not have access to mass transit alternatives; and

Whereas, closing gasoline stations on weekends will severely disrupt the tourism and recreation industries on which the economies of many regions of the country depend;

Therefore, be it resolved that it is the sense of the Senate that Standby Conservation Plan No. 1, as amended, not be approved by the Senate; and that the President submit to the Congress within 60 days alternative conservation plans.

GASOLINE STATION CLOSINGS

● Mr. HEINZ. Mr. President, 2 months ago President Carter proposed three standby mandatory conservation plans to Congress. The first of these proposed to restrict gasoline sales during weekends as part of an overall effort to reduce oil consumption. The resolution I am introducing today expresses as the sense of the Senate, opposition to this proposal because it would exacerbate rather than alleviate our current gasoline shortages. Restricting hours would encourage tank-topping practices, place an unreasonable burden on rural residents who do not have a mass transit alternative, and devastate the tourism and recreation industries on which many regions of the country are economically dependent. I urge my colleagues to stand firm against the proposal to close gasoline stations on weekends.

Mr. President, every consumer remembers the frustrations of waiting in long lines at gasoline stations during the 1973 oil embargo. The President's proposal would extract the same premium from consumers today. The costs would be measured in time and gasoline unnecessarily wasted while individuals waited to fill-up immediately before and after restricted hours. It is clear that shortening gasoline station hours will change consumers buying patterns, but it will do little to alter their consumption habits.

Simply put, closing gasoline stations on weekends is the crudest, most ineffective and unfair form of rationing that could be proposed. Rural residents and individuals who depend on the tourism and recreational industries for their economic livelihood would be severely disadvantaged. On the other hand, this proposal offers no incentive to those in cities who have mass transit alternatives to use them.

Mr. President, I believe that the people of this country are willing and able to do their most to conserve energy wherever possible. However, implementing a program such as the President has proposed which will penalize all consumers, even the most energy conscious, can only disillusion those who have made sacrifices and encourage those who have not to continue their wasteful ways. Constructive conservation options do exist, and I hope my colleagues will reject the President's proposal and support my call for constructive alternatives.●

SENATE RESOLUTION 150—SUBMISSION OF A RESOLUTION RENAMING THE BIG STONE WILDLIFE REFUGE AS THE "LEM KAERCHER NATIONAL WILDLIFE REFUGE"

Mr. DURENBERGER submitted the following resolution, which was referred to the Committee on Environment and Public Works:

S. Res. 150

Whereas, it was due to the initiative, commitment, perseverence, and persistence of Mr. Lemuel Kaercher of Ortonville, Minnesota that the facility commonly known as the Big Stone National Wildlife Refuge was authorized, funded, and developed;

Whereas, thousands of residents of the area have respectfully expressed an urgent interest and petitioned to have the facility named after Lem Kaercher;

Whereas, Lem Kaercher has been cited by three Governors of the State of Minnesota and two Governors of South Dakota for his accomplishments, and was named and honored by Minnesota as "Water Conservationist of the Year";

Be it Resolved: by the Senate of the United States that the Department of Interior is authorized and directed to rename the Big Stone National Wildlife Refuge in Minnesota to be henceforth known as "the Lem Kaercher National Wildlife Refuge."

Mr. DURENBERGER. Mr. President, I rise to submit a resolution renaming the Big Stone Wildlife Refuge to be known as the Lem Kaercher National Wildlife Refuge.

It would be appropriate to grant the wishes of the thousands of people in the area of Big Stone County, Minn., who have expressed an interest and petitioned to have the Big Stone Wildlife Refuge changed to be known as Lem Kaercher National Wildlife Refuge. The facility which has come to be such a beloved part of the landscape of western Minnesota would not exist except for the initiative, commitment, perseverence, and persistence of Lemuel Kaercher.

The refuge is superimposed on the Big Stone-Whetstone project of the Corps of Engineers in western Minnesota, near Ortonville. This is a flood control project for which some 85 percent of the benefits and a similar share of the costs were allocated to improvement of habitat of wildlife, principally waterfowl.

When the corps completed its feasibility study of the Big Stone-Whetstone project in the early 1960's, it was judged to be a needed and desirable project—but it died. The Bureau of the Budget, to whom the feasibility report was sent for clearance, had zero intention of approving it for consideration by the Congress. The Bureau did not like the precedent which would be set of approving a flood control project with such a high and nonreimbursable cost allocation to wildlife.

Mr. President, that is when Lem Kaercher went to work.

In a diplomatic but powerfully persuasive manner, Lem kept after the Budget Bureau, especially the then Chief of its Natural Resources Division, until he accomplished what was regarded as a small miracle at the time. The Bureau cleared the project for favorable consideration by Congress.

But Lem Kaercher did not rest on those laurels. He bird-dogged the authorization bill through Congress. He still did not quit—he went through the whole difficult and agonizing process once again as the principal and almost sole pusher at the Budget Bureau and in the Congress to get the money appropriated for the project. Once again, Mr. President, he overcame the odds and was successful.

In all my years of contact with State and Federal Government, I have never met a more effective plain citizen pleader of a cause than Lem Kaercher. No one had more perserverence; no one was more pleasant in advocating his cause with the executive and legislative branches; no one was less awed by officialdom; no one was more self-sacrificing.

As publisher of a small town weekly newspaper, the Ortonville Independent, Lem was not a wealthy man. Yet he spent thousands of dollars of his own funds for dozens of trips to Washington to support his favorite project—and a project that was dear to the hearts of environmentalists, conservationists, and sports- and recreation-minded individuals, in that beautiful part of our State and Nation. Without question, Lem Kaercher should have the National Wildlife Refuge named after him as his thousands of friends desire. The Federal Government should grant the people this wish—a memorial which is so richly deserved—to brighten the late years of this great citizen—Lem Kaercher.

AMENDMENTS SUBMITTED FOR PRINTING

TELEPHONE RECORD PRIVACY ACT AMENDMENT—S. 622

AMENDMENT NO. 186

(Ordered to be printed and referred to the Committee on Commerce, Science, and Transportation.)

Mr. TOWER submitted an amendment intended to be proposed by him to S. 622, a bill to amend the Communications Act of 1934 in order to encourage and develop marketplace competition in the provision of certain services and to provide certain deregulation of such services, and for other purposes.

● Mr. TOWER. Mr. President, I am submitting today an amendment to a bill now pending before the Commerce, Science, and Transportation Committee to amend the Communications Act of 1934, S. 622, to add a new title entitled the Telephone Record Privacy Act of 1979.

The Telephone Record Privacy Act would assure the confidentiality of telephone billing records by requiring a subpena or other judicial order prior to the inspection of the telephone records by an officer, employee, or agent of the U.S. Government. Currently, customers of telephone and telegraph companies have no legal protection against the disclosure of their billing records to government authorities.

The Supreme Court recently left standing a court of appeals decision that journalists have neither a fourth nor fifth amendment right to advance notice of subpenas to telephone companies of the journalists' telephone billing records. (*Reporters Committee for Freedom of the Press*. v. *American Telephone and Telegraph Company*, No. 76–2057 (D.C. Cir., Aug. 11, 1978); *cert. den.*, No. 78–774 (Mar. 5, 1979)) This follows earlier case law holding that customers of banks have no standing to contest the production by the banks of depositors' records. (*United States* v. *Miller*, 425 U.S. 435 (1976)) The Right to Financial Privacy Act of 1978 which passed Congress on November 10, 1978 as title XI to Public Law 95–630 corrected this problem for customers of financial institutions by requiring the agency demanding the record to give prior notice to the bank customer and by providing the customer with standing in court to contest the production of the documents. The Privacy Protection Study Commission recognized that telephone toll records are one example of areas of recordkeeping that may be deserving of protection. The pertinent observations of the Commission on the subject follow:

> In several areas of its inquiry the Commission attempted to identify records about an individual kept by third parties in which it believes the individual should have a legitimate expectation of confidentiality—a right to expect that such records or the information in them would not ordinarily be disclosed without his consent. The Commission found that certain financial insurance, and medical records fall in this category.[32] The Commission also believes that other areas of private activity, which could not be studied as carefully, create records outside the possession of the individual which deserve protection, one example being telephone toll records.
>
> While toll records are not analogous, as checking account records are, to "private papers" within the meaning of the Fourth Amendment, they provide independent documentation of communications which, before the telephone, were considered uniquely private in character.[33] Indeed, our present legal system severely restricts access to the contents of such communications.[34] Since the mere fact of communication is often as revealing as the content, the Commission believes that toll records should be protected as well. The American Telephone and Telegraph Company has, in fact, already taken a step in that direction by refusing to disclose toll records in all but a few instances unless a subpoena commands it.[35] Moreover, telephone toll records are but one example of areas of record keeping that may be deserving of protection but into which the Commission did not have time to delve. (*Personal Privacy in An Information Society; The Report of the Privacy Protection Study Commission*, July, 1977, p. 356)

Current practice of the Bell System was outlined by H. W. William Caming of the American Telephone & Telegraph Co. as follows:

> In this connection, as we have repeatedly stated to the Congress, the Federal Communications Commission, and our customers, it has been longstanding Bell System policy to guard against the unauthorized disclosure of information relating to the existence or contents of any telephone conversation. We treat toll billing information pertaining to our customers with the utmost confidence, divulging it only pursuant to valid legal process. We believe this reflects the intent of Congress and the thrust of the law, as well as sound policy.
>
> By way of background, toll billing records are corporate records maintained by each Associated Operating Telephone Company in the ordinary course of business as necessary substantiation for the charges billed to customers. The records consist primarily of toll billing statements, and records of operator-assisted calls and automatic billing data used in the preparation of such statements. These records generally contain the date, time of day, duration of the call, number and telephone exchange called, and the tariff charge for each toll call. They also list credit card, collect and other charges outside the local calling area, and charges for directory advertising and telegrams.
>
> The records are generally kept for a fixed period of time, to serve the needs of the business and conform to statutory and regulatory requirements. They are normally destroyed as a matter of business routine at the conclusion of the prescribed retention period, usually six months.
>
> These records, maintained for all subscribers, contain no information concerning the contents of any telephone conversation nor, with the limited exception of certain collect and person-to-person calls, the identities of the actual parties participating therein.
>
> Prior to March 1974, it was the policy and practice of all Bell System Companies to disclose toll billing information upon receipt of a subpoena duces tecum (such as that of a court of competent jurisdiction, a grand jury or a Congressional committee) or an administrative summons (from the Internal Revenue Service, for example) valid on its face. Additionally, about half of our Companies released such records upon "demand of other lawful authority," such as a letter of demand, generally on official stationery, signed by the principal prosecuting attorney of a State or principal political subdivision thereof or by a law enforcement officer of command rank (usually captain or higher), stating that specific existing toll billing information for a specified period of time was required in conjunction with an ongoing criminal investigation.
>
> When, however, official copies of subscriber toll billing records were to be introduced in any legal proceeding, such as at a trial or before a grand jury, it was the practice of all Bell System Companies, as a matter of policy, to release such original records only upon receipt of a subpoena, administrative summons or court order valid on its face.
>
> The Federal Communications Commission's Common Carrier Bureau had in 1973

Footnotes at end of article.

carefully reviewed the restrictions voluntarily imposed by the Bell System upon disclosure of its toll billing records and found them more stringent than was required under Section 605 of the Communications Act of 1934 and judicial decisions thereunder.

The confidentiality of our customers' communications was further strengthened when, in the course of our continuing review of these matters, the procedures were revised effective March 1, 1974 to provide that no Bell System Company will release customer toll billing records except under subpoena, administrative summons or court order valid on its face. Thus, as a matter of policy, these records are no longer disclosed pursuant to other lawful demand.

In addition, customers are automatically notified within twenty-four hours after the receipt of a subpoena or summons for toll billing records relating to them, except in those circumstances where a legislative committee or law enforcement agency seeking such records requests nondisclosure by certifying that notification could impede and obstruct its official investigation or interfere with enforcement of the criminal law.

Also, our procedures require, as a result of a recent further refinement, that written notification shall automatically be given to all subscribers at the expiration of certification.

Thus, in all instances subscribers are automatically notified of the release of their toll billing records, either within twenty-four hours after receipt of process, or within five business days after the expiration of any periods of certification. In each instance, the notification contains all pertinent information, including the name of the party subpoenaing the records.

An exception to the foregoing policies is made in the instance of national security. In such cases, the records are provided only upon specific written request of the Director of the Federal Bureau of Investigation, or of an Associate Director or Assistant Director, for such information, as a necessary investigative technique under the Presidential power to protect the national security against actual or potential attack or hostile acts of a foreign power, to obtain foreign intelligence information deemed essential to the security of the United States, or to protect national security information against foreign intelligence activities, in connection with an investigation of organizations or individuals suspected to be agents of or in collaboration with a foreign power. Notification is not provided to the customer.

Bell System policy regarding the disclosure of its toll billing records strikes, we believe, a proper balance under existing law. It reflects our traditional concern for and society's growing insistence upon preserving the privacy of communications. It recognizes too our obligations to comply with the mandates of lawful process and not to unduly impede official investigations, whether criminal or legislative in character. (Statement of H. W. William Caming on behalf of the American Telephone and Telegraph Company before the United States House of Representatives Committee on Interstate and Foreign Commerce, Subcommittee on Communications, June 22, 1977.)

Mr. President, the Telephone Record Privacy Act of 1979 would give customers of telephone and telegraph companies the same protection Congress gave bank depositors in 1978. It tracks very closely the provisions of the Right to Financial Privacy Act of 1978. Although the policies adopted by the Bell System are commendable and provide a large degree of protection and confidentiality for the records of Bell's customers, there is a need for reasonable Federal standards governing the production of toll records in response to demands of Federal agencies.

Mr. President, I ask unanimous consent that the text of the amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 186

TITLE IV—TELEPHONE PRIVACY

SHORT TITLE

Sec. 401. This title may be cited as the "Telephone Record Privacy Act of 1979".

DEFINITIONS

Sec. 402. For the purposes of this title, the term—

(1) "customer" means any person or authorized representative of that person who is subscribing or has subscribed to the services of a communication common carrier;

(2) "communication common carrier" shall have the meaning given to "common carrier" in section 153(h) of title 47 of the United States Code;

(3) "toll records" means tickets, lists, or other detailed records of individual calls or messages, telegrams and similar messages, and messenger service charges, whether or not used as a basis for billing to customers.

CONFIDENTIALITY OF RECORDS—GOVERNMENT AUTHORITIES

Sec. 403. Except as provided by section 404 (c) or (d), no Government authority may have access to or obtain copies of, or the information contained in the toll records of any customer from a communication common carrier unless the toll records are reasonably described and—

(1) such toll records are disclosed in response to an administrative subpena or summons which meets the requirements of section 405;

(2) such toll records are disclosed in response to a search warrant which meets the requirements of section 406;

(3) such toll records are disclosed in response to a judicial subpena which meets the requirements of section 407; or

(4) such toll records are disclosed in response to a formal written request which meets the requirements of section 408.

CONFIDENTIALITY OF RECORDS—COMMUNICATION COMMON CARRIER

Sec. 404. (a) No communication common carrier, or officer, employee, or agent of a communication common carrier, may provide to any Government authority access to or copies of, or the information contained in, the toll records of any customer except in accordance with the provisions of this title.

(b) A communication common carrier shall not release the toll records of a customer until the Government authority seeking such records certifies in writing to the communication common carrier that it has complied with the applicable provisions of this title.

(c) Nothing in this title shall preclude any communication common carrier, or any officer, employee, or agent of a communication common carrier, from notifying a Government authority that such carrier or officer, employee, or agent has information which may be relevant to a possible violation of any statute or regulation.

ADMINISTRATIVE SUBPENA AND SUMMONS

Sec. 405. A Government authority may obtain toll records under section 403 pursuant to an administrative subpena or summons otherwise authorized by law only if—

(1) there is reason to believe that the records sought are relevant to a legitimate law enforcement inquiry;

(2) a copy of the subpena or summons has been served upon the customer or mailed to the last known address of the customer on or before the date on which the subpena or summons was served on the communication common carrier together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records or information concerning your toll records held by the communication common carrier named in the attached subpena or summons are being sought by this (agency or department) in accordance with the Telephone Record Privacy Act of 1979 for the following purpose:

If you desire that such records or information not be made available, you must:

"1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that you are the customer whose records are being requested by the Government and either giving the reasons you believe that the records are not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the records.

"2. File the motion and statement by mailing or delivering them to the clerk of any one of the following United States district courts:

"3. Serve the Government authority requesting the records by mailing or delivering a copy of your motion and statement to:

"4. Be prepared to come to court and present your position in further detail.

"5. You do not need to have a lawyer, although you may wish to employ one to represent you and protect your rights.

If you do not follow the above procedures, upon the expiration of 10 days from the date of service or 14 days from the date of mailing of this notice, the records or information requested therein will be made available. These records may be transferred to other Government authorities for legitimate law enforcement inquiries, in which event you will be notified after the transfer."; and

(3) 10 days have expired from the date of service of the notice or 14 days have expired from the date of mailing the notice to the customer and within such time period the customer has not filed a sworn statement and motion to quash in an appropriate court, or the customer challenge provisions of section 410 have been complied with.

SEARCH WARRANTS

Sec. 406. (a) A Government authority may obtain toll records under section 403(3) only if it obtains a search warrant pursuant to the Federal Rules of Criminal Procedure.

(b) Not later than 90 days after the Government authority serves the search warrant, it shall mail to the last known address of the customer a copy of the search warrant together with the following notice:

"Records or information concerning your toll records held by the communication common carrier named in the attached search warrant were obtained by this (agency or department) on (date) for the following purpose: You may have rights under the Telephone Record Privacy Act of 1979.".

(c) Upon application of the Government authority, a court may grant a delay in the mailing of the notice required in subsection (b), which delay shall not exceed 180 days following the service of the warrant, if the court makes the findings required in section 409(a). If the court so finds, it shall enter an ex parte order granting the requested delay and an order prohibiting the communication common carrier from disclosing that records have been obtained or that a search warrant for such records has been executed. Additional delays of up to 90 days may be granted by the court upon application, but only in accordance with this subsection. Upon expiration of the period of delay of notification of the customer, the following notice shall be mailed to the customer along with a copy of the search warrant:

"Records or information concerning your toll records held by the communication common carrier named in the attached search warrant were obtained by this (agency or department) on (date). Notification was delayed beyond the statutory 90-day delay period pursuant to a determination by the court that such notice would seriously jeopardize an investigation concerning .
You may have rights under the Telephone Record Privacy Act of 1979.".

JUDICIAL SUBPENA

Sec. 407. A Government authority may obtain toll records under section 403 pursuant to judicial subpena only if—

(1) such subpena is authorized by law and there is reason to believe that the records sought are relevant to a legitimate law enforcement inquiry;

(2) a copy of the subpena has been served upon the customer or mailed to the last known address of the customer on or before the date on which the subpena was served on the communication common carrier together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records or information concerning your toll records which are held by the communication common carrier named in the attached subpena are being sought by this (agency or department or authority) in accordance with the Telephone Record Privacy Act of 1979 for the following purpose:

If you desire that such records or information not be made available, you must:

"1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that you are the customer whose records are being requested by the Government and either giving the reasons you believe that the records are not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the records.

"2. File the motion and statement by mailing or delivering them to the clerk of the Court:

"3. Serve the Government authority requesting the records by mailing or delivering a copy of your motion and statement to

"4. Be prepared to come to court and present your position in further detail.

"5. You do not need to have a lawyer, although you may wish to employ one to represent you and protect your rights.

If you do not follow the above procedures, upon the expiration of 10 days from the date of service or 14 days from the date of mailing of this notice, the records or information requested therein will be made available. These records may be transferred to other Government authorities for legitimate law enforcement inquiries, in which event you will be notified after the transfer."; and

(3) 10 days have expired from the date of service or 14 days from the date of mailing of the notice to the customer and within such time period the customer has not filed a sworn statement and motion to quash in an appropriate court, or the customer challenge provisions of section 410 have been complied with.

FORMAL WRITTEN REQUEST

Sec. 408. A Government authority may request toll records under section 403 pursuant to a formal written request only if—

(1) no administrative summons or subpena authority reasonably appears to be available to that Government authority to obtain toll records for the purpose for which such records are sought;

(2) the request is authorized by regulations promulgated by the head of the agency or department;

(3) there is reason to believe that the records sought are relevant to a legitimate law enforcement inquiry; and

(4)(A) a copy of the request has been served upon the customer or mailed to the last known address of the customer on or before the date on which the request was made to the communication common carrier together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records or information concerning your transactions held by the communication common carrier named in the attached request are being sought by this (agency or department) in accordance with the Telephone Record Privacy Act of 1979 for the following purpose:

"If you desire that such records or information not be made available, you must:

"1. Fill out the accompanying motion paper and sworn statement or write one of your own, stating that you are the customer whose records are being requested by the Government and either giving the reasons you believe that the records are not relevant to the legitimate law enforcement inquiry stated in this notice or any other legal basis for objecting to the release of the records.

"2. File the motion and statement by mailing or delivering them to the clerk of any one of the following United States District Courts:

"3. Serve the Government authority requesting the records by mailing or delivering a copy of your motion and statement to

"4. Be prepared to come to court and present your position in further detail.

"5. You do not need to have a lawyer, although you may wish to employ one to represent you and protect your rights.

If you do not follow the above procedures, upon the expiration of 10 days from the date of service or 14 days from the date of mailing of this notice, the records or information requested therein may be made available. These records may be transferred to other Government authorities for legitimate law enforcement inquiries, in which event you will be notified after the transfer."; and

(B) 10 days have expired from the date of service or 14 days from the date of mailing of the notice by the customer and within such time period the customer has not filed a sworn statement and an application to enjoin the Government authority in an appropriate court, or the customer challenge provisions of section 410 have been complied with.

DELAYED NOTICE—PRESERVATION OF RECORDS

Sec. 409. (a) Upon application of the Government authority, the customer notice required under section 405(2), 406(c), 407(2), 408(4), or 412(b) may be delayed by order of an appropriate court if the presiding judge or magistrate finds that—

(1) the investigation being conducted is within the lawful jurisdiction of the Government authority seeking the toll records;

(2) there is reason to believe that the records being sought are relevant to a legitimate law enforcement inquiry; and

(3) there is reason to believe that such notice will result in—

(A) endangering life or physical safety of any person;

(B) flight from prosecution;

(C) destruction of or tampering with evidence;

(D) intimidation of potential witnesses; or

(E) otherwise seriously jeopardizing an investigation or official proceeding or unduly delaying a trial or ongoing official proceeding to the same extent as the circumstances in the preceding subparagraphs.

An application for delay must be made with reasonable specificity.

(b)(1) If the court makes the findings required in paragraphs (1), (2), and (3) of subsection (a), it shall enter an ex parte order granting the requested delay for a period not to exceed 90 days and an order prohibiting the communication common carrier from disclosing that records have been obtained or that a request for records has been made, except that, if the court finds that there is reason to believe that such notice may endanger the lives or physical safety of a customer or group of customers, or any person or group of persons associated with a customer, the court may specify that the delay be indefinite.

(2) Extensions of the delay of notice provided in paragraph (1) of up to 90 days each may be granted by the court upon application, but only in accordance with this subsection.

(3) Upon expiration of the period of delay of notification under paragraph (1) or (2), the customer shall be served with or mailed a copy of the process or request together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records or information concerning your toll records which are held by the communication common carrier named in the attached process or request were supplied to or requested by the Government authority named in the process or request on (date). Notification was withheld pursuant to a determination by the (title of court so ordering) under the Telephone Record Privacy Act of 1979 that such notice might (state reason). The purpose of the investigation or official proceeding was .".

(c) When access to toll records is obtained pursuant to section 414(c) (emergency access), the Government authority shall, unless a court has authorized delay of notice pursuant to subsections (a) and (b), as soon as practicable after such records are obtained serve upon the customer, or mail by registered or certified mail to the last known address of the customer, a copy of the request to the communication common carrier together with the following notice which shall state with reasonable specificity the nature of the law enforcement inquiry:

"Records concerning your toll records held by the communication common carrier named in the attached request were obtained by (agency or department) under the Telephone Record Privacy Act of 1979 on (date) for the following purpose:
Emergency access to such records was obtained on the grounds that (state grounds).".

(d) Any memorandum, affidavit, or other paper filed in connection with a request for delay in notification shall be preserved by the court. Upon petition by the customer to whom such records pertain, the court may order disclosure of such papers to the petitioner unless the court makes the findings required in subsection (a).

CUSTOMER CHALLENGE PROVISIONS

Sec. 410. (a) Within 10 days of service or within 14 days of mailing of a subpena, summons or formal written request, a customer may file a motion to quash an administrative summons or judicial subpena, or an application to enjoin a Government authority from obtaining toll records pursuant to a formal written request, with copies served upon the Government authority. A motion to quash a judicial subpena shall be filed in the court which issued the subpena. A motion to quash an administrative summons or an application to enjoin a Government authority from obtaining records pursuant to a formal written request shall be filed in the appropriate United States district court. Such motion or application shall contain an affidavit or sworn statement—

(1) stating that the applicant is a cus-

tomer of the communication common carrier from which toll records pertaining to the customer have been sought; and

(2) stating the applicant's reasons for believing that the toll records sought are not relevant to the legitimate law enforcement inquiry stated by the Government authority in its notice, or that there has not been substantial compliance with the provisions of this title.

Service shall be made under this section upon a Government authority by delivering or mailing by registered or certified mail a copy of the papers to the person, office, or department specified in the notice which the customer has received pursuant to this title. For the purposes of this section, "delivery" has the meaning stated in rule 5(b) of the Federal Rules of Civil Procedure.

(b) If the court finds that the customer has complied with subsection (a), it shall order the Government authority to file a sworn response, which may be filed in camera if the Government includes in its response the reasons which make in camera review appropriate. If the court is unable to determine the motion or application on the basis of the parties' initial allegations and response, the court may conduct such additional proceedings as it deems appropriate. All such proceedings shall be completed and the motion or application decided within 7 calendar days of the filing of the Government's response.

(c) If the court finds that the applicant is not the customer to whom the toll records sought by the Government authority pertain, or that there is a demonstrable reason to believe that the law enforcement inquiry is legitimate and a reasonable belief that the records sought are relevant to that inquiry, it shall deny the motion or application, and, in the case of an administrative summons or court order other than a search warrant, order such process enforced. If the court finds that the applicant is the customer to whom the records sought by the Government authority pertain, and that there is not a demonstrable reason to believe that the law enforcement inquiry is legitimate and a reasonable belief that the records sought are relevant to that inquiry, or that there has not been substantial compliance with the provisions of this title, it shall order the process quashed or shall enjoin the Government authority's formal written request.

(d) A court ruling denying a motion or application under this section shall not be deemed a final order and no interlocutory appeal may be taken therefrom by the customer. An appeal of a ruling denying a motion or application under this section may be taken by the customer (1) within such period of time as provided by law as part of any appeal from a final order in any legal proceeding initiated against the customer arising out of or based upon the toll records, or (2) within 30 days after a notification that no legal proceeding is contemplated against the customer. The Government authority obtaining the toll records shall promptly notify a customer when a determination has been made that no legal proceeding against the customer is contemplated. After 180 days from the denial of the motion or application, if the Government authority obtaining the records has not initiated such a proceeding, a supervisory official of the Government authority shall certify to the appropriate court that no such determination has been made. The court may require that such certifications be made, at reasonable intervals thereafter, until either notification to the customer has occurred or a legal proceeding is initiated as described in clause (A).

(e) The challenge procedures of this title constitute the sole judicial remedy available to a customer to oppose disclosure of toll records pursuant to this title.

(f) Nothing in this title shall enlarge or restrict any rights of a communication common carrier to challenge requests for records made by a Government authority under existing law. Nothing in this title shall entitle a customer to assert the rights of a communication common carrier.

DUTY OF COMMUNICATION COMMON CARRIER

SEC. 411. Upon receipt of a request for toll records made by a Government authority under section 405 or 407, the communication common carrier shall, unless otherwise provided by law, proceed to assemble the records requested and must be prepared to deliver the records to the Government authority upon receipt of the certificate required under section 404(b).

USE OF INFORMATION

SEC. 412. (a) Toll records originally obtained pursuant to this title shall not be transferred to another agency or department unless the transfering agency or department certifies in writing that there is reason to believe that the records are relevant to a legitimate law enforcement inquiry within the jurisdiction of the receiving agency or department.

(b) When toll records subject to this title are transferred pursuant to subsection (a), the transferring agency or department shall, within 14 days, send to the customer a copy of the certification made pursuant to subsection (a) and the following notice, which shall state the nature of the law enforcement inquiry with reasonable specificity: "Copies of, or information contained in, your toll records lawfully in possession of   have been furnished to   pursuant to the Telephone Record Privacy Act of 1979 or the Privacy Act of 1974.".

(c) Notwithstanding subsection (b), notice to the customer may be delayed if the transferring agency or department has obtained a court order delaying notice pursuant to section 409 (a) and (b) and that order is still in effect, or if the receiving agency or department obtains a court order authorizing a delay in notice pursuant to section 409 (a) and (b). Upon the expiration of any such period of delay, the transferring agency or department shall serve to the customer the notice specified in subsection (b) above and the agency or department that obtained the court order authorizing a delay in notice pursuant to section 409 (a) and (b) shall serve to the customer the notice specified in section 409(b).

(d) Nothing in this title shall be construed to prohibit any supervisory agency from exchanging examination reports or other information with another supervisory agency. Nothing in this title shall be construed to prohibit the transfer of a customer's toll records needed by counsel for a Government authority to defend an action brought by the customer. Nothing in this title shall be construed to authorize the withholding of information by any officer or employee of a supervisory agency from a duly authorized committee or subcommittee of the Congress.

EXCEPTIONS

SEC. 413. (a) Nothing in this title shall be construed to prohibit the disclosure of any toll records or information which is not identified with or identifiable as being derived from the toll records of a particular customer.

(b) Nothing in this title shall be construed to prohibit examination by or disclosure to any supervisory agency of toll records or information in the exercise of its supervisory, regulatory, or monetary functions with respect to a communication common carrier.

(c) Nothing in this title shall be construed to prohibit the disclosure of toll records in accordance with procedures authorized by the Internal Revenue Code.

(d) Nothing in this title shall be construed to authorize the withholding of toll records or information required to be reported in accordance with any Federal statute or rule promulgated thereunder.

(e) Nothing in this title shall be construed to apply to toll records sought by a Government authority under the Federal Rules of Civil or Criminal Procedure or comparable rules of other courts in connection with litigation to which the Government authority and the customer are parties.

(f) Nothing in this title shall be construed to apply to toll records sought by a Government authority pursuant to an administrative subpena issued by an administrative law judge in an adjudicatory proceeding subject to section 554 of title 5, United States Code, and to which the Government authority and the customer are parties.

(g) Nothing in this title (except sections 404, 417, and 418) shall be construed to apply to toll records sought by a Government authority in connection with a lawful proceeding, investigation, examination, or inspection directed at the communication common carrier in possession of such records or at a legal entity which is not a customer.

(h) Nothing in this title (except sections 415 and 420) shall be construed to apply to any subpena or court order issued in connection with proceedings before a grand jury.

(i) Nothing in this title shall be construed to apply to toll records sought by the General Accounting Office pursuant to an authorized proceeding, investigation, examination or audit directed at a Government authority.

SPECIAL PROCEDURES

SEC. 414. (a) (1) Nothing in this title (except sections 415, 416, 417, 418, and 421) shall be construed to apply to the production and disclosure of toll records pursuant to requests from—

(A) a Government authority authorized to conduct foreign counter- or foreign positive-intelligence activities for purposes of conducting such activities; or

(B) the Secret Service for the purpose of conducting its protective functions (18 U.S.C. 3056; 3 U.S.C. 202, Public Law 90-331, as amended).

(2) In the instances specified in paragraph (1), the Government authority shall submit to the communication common carrier the certificate required in section 404(b) signed by a supervisory official of a rank designated by the head of the Government authority.

(3) No communication common carrier, or officer, employee, or agent of such communication common carrier, shall disclose to any person that a Government authority described in paragraph (1) has sought or obtained access to a customer's toll records.

(4) The Government authority specified in paragraph (1) shall compile an annual tabulation of the occasions in which this section was used.

(b) (1) Nothing in this title shall be construed to prohibit a Government authority from obtaining toll records from a communication common carrier if the Government authority determines that delay in obtaining access to such records would create imminent danger of—

(A) physical injury to any person;

(B) serious property damage; or

(C) flight to avoid prosecution.

(2) In the instances specified in paragraph (1), the Government shall submit to the communication common carrier the certificate required in section 404(b) signed by a supervisory official of a rank designated by the head of the Government authority.

(3) Within 5 days of obtaining access to toll records under this subsection, the Government authority shall file with the appropriate court a signed, sworn statement of a supervisory official of a rank designated by the head of the Government authority setting forth the grounds for the emergency access. The Government authority shall

thereafter comply with the notice provisions of section 409(c).

(4) The Government authority specified in pragraph (1) shall compile an annual tabulation of the occasions in which this section was used.

COST REIMBURSEMENT

SEC. 415. Except for records obtained pursuant to section 404(d) or 413 (a) through (i), or as otherwise provided by law, a Government authority shall pay to the communication common carrier assembling or providing toll records pertaining to a customer and in accordance with procedures established by this title a fee for reimbursement for such costs as are reasonably necessary and which have been directly incurred in searching for, reproducing, or transporting books, papers, records, or other data required or requested to be produced. The Federal Communications Commission shall, by regulation, establish the rates and conditions under which such payment may be made.

JURISDICTION

SEC. 416. An action to enforce any provision of this title may be brought in any appropriate United States district court without regard to the amount in controversy within 3 years from the date on which the violation occurs or the date of discovery of such violation, whichever is later.

CIVIL PENALTIES

SEC. 417. (a) Any agency or department of the United States or communication common carrier obtaining or disclosing toll records or information contained therein in violation of this title is liable to the customer to whom such records relate in an amount equal to the sum of—

(1) $100 without regard to the volume of records involved;

(2) any actual damages sustained by the customer as a result of the disclosure;

(3) such punitive damages as the court may allow, where the violation is found to have been willful or intentional; and

(4) in the case of any successful action to enforce liability under this section, the costs of the action together with reasonable attorney's fees as determined by the court.

(b) Whenever the court determines that any agency or department of the United States has violated any provision of this title and the court finds that the circumstances surrounding the violation raise questions of whether an officer or employee of the department or agency acted willfully or intentionally with respect to the violation, the Civil Service Commission shall promptly initiate a proceeding to determine whether disciplinary action is warranted against the agent or employee who was primarily responsible for the violation. The Commission after investigation and consideration of the evidence submitted, shall submit its findings and recommendations to the administrative authority of the agency concerned and shall send copies of the findings and recommendations to the officer or employee or the representative of the employee. The administrative authority shall take the corrective action that the commission recommends.

(c) Any communication common carrier or agent or employee thereof making a disclosure of toll records pursuant to this title in good-faith reliance upon a certificate by any Government authority shall not be liable to the customer for such disclosure.

(d) The remedies and sanctions described in this title shall be the only authorized judicial remedies and sanctions for violations of this title.

INJUNCTIVE RELIEF

SEC. 418. In addition to any other remedy contained in this title, injunctive relief shall be available to require that the procedures of this title are complied with. In the event of any successful action, costs together with reasonable attorney's fees as determined by the court may be recovered.

SUSPENSION OF STATUTES OF LIMITATIONS

SEC. 419. If any individual files a motion or application under this title which has the effect of delaying the access of a Government authority to toll records pertaining to such individual, any applicable statute of limitations shall be deemed to be tolled for the period extending from the date such motion or application was filed until the date upon which the motion or application is decided.

GRAND JURY INFORMATION

SEC. 420. Toll records about a customer obtained from a communication common carrier pursuant to a subpena issued under the authority of a Federal grand jury—

(1) shall be returned and actually presented to the grand jury;

(2) shall be used only for the purpose of considering whether to issue an indictment or presentment by that grand jury, or of prosecuting a crime for which that indictment or presentment is issued, or for a purpose authorized by rule 6(e) of the Federal Rules of Criminal Procedure;

(3) shall be destroyed or returned to the communication common carrier if not used for one of the purposes specified in paragraph (2); and

(4) shall not be maintained, or a description of the contents of such records shall not be maintained by any Government authority other than in the sealed records of the grand jury, unless such record has been used in the prosecution of a crime for which the grand jury issued an indictment or presentment or for a purpose authorized by rule 6(e) of the Federal Rules of Criminal Procedure.

REPORTING REQUIREMENTS

SEC. 421. (a) In April of each year, the Director of the Administrative Office of the United States Courts shall send to the appropriate committees of Congress a report concerning the number of applications for delays of notice made pursuant to section 409 and the number of customer challenges made pursuant to section 410 during the preceding calendar year. Such report shall include: The identity of the Government authority requesting a delay of notice; the number of notice delays sought and the number granted under each subparagraph of section 409(a)(3); the number of notice delay extensions sought and the number granted; and the number of customer challenges made and the number that are successful.

(b) In April of each year, each Government authority that requests access to toll records of any customer from a communication common carrier pursuant to this title shall send to the appropriate committees of Congress a report describing requests made during the preceding calendar year. Such report shall include the number of requests for records made pursuant to each section of this title listed in the preceding sentence and any other related information deemed relevant or useful by the Government authority.

(c) The Securities and Exchange Commission shall not be subject to the provisions of this title for a period of 2 years from the date of enactment of this title.●

THE DEPARTMENT OF DEFENSE AUTHORIZATIONS, 1980—S. 428

AMENDMENT NO. 187

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. HARRY F. BYRD, JR. (for himself, Mr. HUDDLESTON, Mr. EXON, and Mr. HELMS) submitted an amendment intended to be proposed by them, jointly, to S. 428, a bill to authorize appropriations for fiscal year 1980, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test, and evaluation for the Armed Forces, and to prescribe the authorized personnel strength for each active duty component and of the Selected Reserve of each Reserve component of the Armed Forces and of civilian personnel of the Department of Defense, and to authorize the military training student loads, and for other purposes.

(The remarks of Mr. HARRY F. BYRD, JR., when he submitted the amendment appear elsewhere in today's proceedings.)

DIRECT POPULAR ELECTION OF THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES—SENATE JOINT RESOLUTION 28

AMENDMENT NO. 188

(Ordered to be printed and to lie on the table.)

Mr. DOMENICI submitted an amendment intended to be proposed by him to Senate Joint Resolution 28, a joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States.

● Mr. DOMENICI. Mr. President, there is general agreement that the electoral system needs revision. Specific antiquated provisions allow electors not to be bound to vote for the candidate receiving a majority of the vote in their State and allowing the House of Representatives to decide the election in case of a tie vote, with each State receiving one vote.

The greatest agitation in favor of reforming the electoral system is that 14 Presidents have been elected by less than 50 percent of the votes cast.

Being President, the leader of our Nation, is a difficult enough task. In order to exercise the leadership expected of the office, a President must have the popular support of the people. Those decisions and programs of a President with a popular mandate are perceived as being the will of the people and are received by the Congress and media as so. Such a President is clearly seen as speaking for the Nation.

Recognizing this fact, 80 percent of the population has expressed a desire for an electoral system which would insure that the President of the United States be elected by a majority rather than a plurality of the voters. And that the President be elected directly by the people and not electors.

Such a system would be ideal.

However, the system envisioned in Senate Joint Resolution 28, the direct election of the President, does not do what the people expect it to do. In fact, it would produce aberrations in excess of what we have experienced to date.

The proposed constitutional amendment states that in the election of the President and Vice President, the pair of candidates which received the largest plurality of the vote, if such total is at least 40 percent, would be elected. There would be a runoff between the two candidate pairings receiving the highest vote totals, should no pair receive 40 percent.

In other words, under this proposed system it would be possible to elect a President who would receive merely 40 percent of the vote. This is clearly a result less favorable than exists under the present system. It would also inevitably insure a third candidate in every election and diminish our two-party system into splinter group politics.

By comparison, what about the three times in the last century under the present system when the popular vote loser ended up in the White House? In 1824, the popular vote was fractured four ways; no one could validly claim he was robbed at the ballot box. In 1888, an election with widespread vote cheating on both sides, the raw vote difference between the two candidates was minute. The electoral college prevented a potential deadlock.

Only in 1876 was the decisive winner among voters, Samuel Tilden, denied the Presidency, and he would have won the electoral college if, after the election, the Republicans had not brazenly used Federal troops to change the outcome in key Southern States.

It has been 100 years since the electoral college triggered a political crisis, and that was the result of massive fraud. In the meantime, it has saved us considerable grief.

While both proponents and opponents have rationalized contentions on the effect of this legislation, questions such as impact on large versus small States, urban versus rural representation, minority representation, and others, I believe the major question is the most important.

Will this proposal provide a better system for insuring a President elected by the majority of the voters? The answer is that it will not.

Mr. President, James Madison in No. 38 of the Federalist points out that the establishment of the Constitution was not a national, but rather a Federal act; that the House of Representatives was national in character, and the Senate Federal; that the Executive power would be derived from a compound source, the electoral college.

Alexander Hamilton further explained that the office of elector was established because people were not sufficiently informed about candidates from other areas of the country (Federalist No. 68). Therefore, while I may disagree with Alexander Hamilton because, in this modern age of instant communications, there is no need for the office of elector, I still agree with Madison that the President must be elected by the States in a Federal, national system as we have now. It is in this spirit I submit this amendment, which:

Eliminates electors and allows for direct certification to the Congress by the States of election results and vote totals.

Maintains the system that each State has electoral votes equal to the number of representatives in the Congress.

Maintains that the winner gets all the electoral votes.

Lessens the possibility of a President being elected by a minority. If no candidate receives an electoral majority, or there is a tie, then the candidate with the largest nationwide popular vote is elected.

This would eliminate the most critized problems of the electoral college without drastically changing the system.

Thus, the people would in fact have direct election, and Madison's system, which has served us well, would be preserved.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY, NUCLEAR PROLIFERATION AND FEDERAL SERVICES

● Mr. GLENN. Mr. President, I wish to announce hearings that will be held by the Subcommittee on Energy, Nuclear Proliferation and Federal Services of the Committee on Governmental Affairs.

On Tuesday, May 8, 1979, at 9:30 a.m., the subcommittee will hold a hearing on radiation protection: Research and regulatory issues. The hearing will be held in 3302 of the Dirksen Senate Office Building.

On Wednesday, May 9, 1979, at 9 a.m., the subcommittee will continue hearings on radiation protection: Emergency planning. This hearing will be held in room 357 of the Russell Senate Office Building.

On Thursday, May 10, 1979, at 9:30 a.m., we will resume hearings on radiation protection: Research and regulatory issues. These hearings will take place in room 3302 of the Dirksen Senate Office Building.

If you have any further questions regarding these hearings please contact the subcommittee staff at 4-2627.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider the Department of Energy authorization bill and the Moody experimental auto.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to consider the jurisdiction of the DOE budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate today, beginning at 2 p.m. to consider legislation which has a budget impact in fiscal year 1980 and must be reported by May 15 under the Budget Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DAVIS-BACON: THE STANLEY STEAMER OF THE HOUSING INDUSTRY

● Mr. GARN. Mr. President, I have long been an opponent of excessive Government regulation and an advocate of regulatory reform. Therefore, I was pleased to learn of President Carter's Executive Order No. 120244, issued March 23, 1978. The Executive order dealt with "Improving Government Regulations." It was a directive to all executive departments and agencies "to adopt procedures to improve existing and future regulations."

Again, that Executive order was issued in March of 1978. That was over 1 year ago, and I am sorry to say that there is precious little evidence that the executive branch took President Carter very seriously. I am all for giving things a chance to get going, but after 1 year there just has not been any significant regulatory reform. There have been spot, superficial changes here and there, but nothing that suggests any kind of ongoing general review and revision of existing regulation. If there had been I would not have had to be here making this statement, or would President Carter have had to announce once more his intention to revise existing regulation as part of his inflation program. The process would have already been underway, the inflationary impact of the regulations already eliminated, or on the mend.

Particularly telling is the fact that many of the most glaring kinds of regulatory waste are still on the books, unamended. I refer particularly to the Davis-Bacon Act and the regulations issued under its authority. Yet, Mr. President, by President Carter's own guidelines for regulatory revision, Davis-Bacon should head the list for repeal.

Permit me to quote from section 4 of the Executive order. This is the section dealing with the review of existing regulations.

In selecting regulations to be reviewed, agencies shall consider such criteria as:

> (a) The continued need for the regulation;
> (b) The type and number of complaints or suggestions received;
> (c) The burdens imposed on those directly or indirectly affected by the regulations;
> (d) The need to simplify or clarify language;
> (e) The need to eliminate overlapping and duplicative regulations; and
> (f) The length of time since the regulation has been evaluated or the degree to which technology, economic conditions or other factors have changed in the area affected by the regulation.

Mr. President, by every one of these six criteria the Davis-Bacon Act is in need of attention.

The act is anachronistic. It was modeled for a situation that has long ago ceased to exist. It was passed in the depths of the depression, 48 years ago, when conditions were far different from what they are today. Indeed, the need today is for ending the distortions and inflationary consequences of the Davis-Bacon Act. It often results in unrealistically high wage levels, increases building costs, and causes unemployment, particularly among minority groups and youth. What was once intended to deal with a specific problem during severe economic sickness is now impeding the achievement of economic health. The only continued need here is for repeal of the act.

As for the second point on the list of criteria, I do not imagine that there are many of my colleagues who have not received pleas for the repeal of one aspect or another of Davis-Bacon. The Labor Department was swamped not long ago with complaints about Davis-Bacon following an article on the act published in Reader's Digest. Former Chairman of the Council of Economic Advisers, Walter Heller, Charles Schultze, Paul McCracken, and Alan Greenspan have all recognized the economic effects of Davis-Bacon and called for action. Arthur Burns, while Chairman of the Federal Reserve Board, called for repeal of the act, and the current Chairman, G. William Miller, has not been unsympathetic to this view. In 1978 the Congressional Research Service issued a study that noted in part, that Davis-Bacon "is inflationary, because it results in Federal and federally assisted construction costing more than other contracts." Most recently, an unpublished report by the General Accounting Office noted in detail the costs and inefficiencies of Davis-Bacon, recommending "that the Congress repeal the Davis-Bacon Act."

The third point on the list of criteria is the most telling, and it, too, argues for termination of these restrictions. Total estimated dollar costs of the act range from $175 million to $6 billion annually. Not all of the costs, however, are monetary. What are the social costs of the increased unemployment among youth and minorities caused by Davis-Bacon? Last July I introduced an amendment to the Housing and Community Development Act Amendments of 1978 that would have exempted neighborhood-based self-help redevelopment projects from some of the rules issued under the Davis-Bacon Act. I had learned of complaints from all across the country about the closing down of these neighborhood self-help projects because the people involved could not meet the requirements that for each one of them working on their own housing—and these were often unskilled and otherwise unemployed individuals—they were required by the Davis-Bacon regulations to hire frequently as many as six highly paid journeymen. They could not possibly meet the requirement, and so they were shut down. How do you measure the cost of those lost opportunities for work, training, low-cost housing, and most of all personal pride in personal achievement?

As for the language of the regulations and the procedures promulgated under the act, one of the great problems that has plagued the administration of the act from its very beginning has been the determination of just what exactly is meant by "prevailing wage." The GAO report noted the difficulty that the Labor Department had in determining just what was meant and stated that Labor Department procedures:

> * * * provide no assurance that the rates stipulated actually prevail for corresponding classes of workers on similar private construction projects in the locality.

Thus the GAO report also states:

> After nearly 50 years, Labor has not developed an effective program to issue and maintain current and accurate wage determination, and it may be impractical to ever do so.

Added to this are problems with defining the communities in which prevailing wages are to be calculated and applied, the problems with job classification, and other problems of definition.

Part of the argument for the obsolescence of Davis-Bacon is that its basic purpose is now served by other legislation. The act was the first law establishing minimum wages for non-Federal employees. Since then, various minimum wage laws have been enacted to insure that employees receive adequate incomes. While carrying some of the same costs as minimum wage laws, Davis-Bacon overlaps and duplicates them.

The last point on President Carter's list of criteria has already been addressed. Davis-Bacon was created for a different era, for different problems than are faced today. While I am not suggesting that all things become obsolete with time, it is clear that some things do outlive their usefulness. I have shown just briefly some of the tremendous costs of Davis-Bacon. It is the Stanley Steamer of the housing industry. It was not a very good idea in the first place; it is misapplied machinery. No doubt it causes a lot of steam, but it does not get you very far very fast. It burns up a lot of resources that can more efficiently be used, but it keeps the wood stokers in business.

It has been over 10 years since Davis-Bacon was overhauled. Maybe it is finally time that we junk it.●

CALIFORNIA RELATIVE VALUE STUDIES

● Mr. NUNN. Mr. President, the Permanent Subcommittee on Investigations has released a study prepared for it concerning the California Relative Value Studies (CRVS), which is published by the California Medical Association (CMA), and the relationship between the CMA and the California Physicans' Service (CPS).

The CRVS is a listing of descriptors of available medical procedures with nonmonetary units to show the relative value of one procedure to other procedures. The CRVS is intended to provide standardized terminology for medical services so that physicians and the Government agency or other third-party payor can identify with precision the services performed. The unit values are intended to serve as a guide to individual physicians in determining their respective fees and as a guide to Government agencies and insurance carriers in determining their commitments and in evaluating physician claims under various health care programs.

The CPS, which was created by CMA, operates the California State Blue Shield plan and is one of the Nation's largest processors of claims against federally-financed health programs.

The study was prepared for the permanent subcommittee on investigations by two members of the General Accounting Office staff who were detailed to the Subcommittee to assist in a staff inquiry undertaken pursuant to the Subcommittee's responsibility to investigate the economy and efficiency of Government activities, including Federally-funded health programs.

The study report does not contain formal conclusions or recommendations since the inquiry was solely factfinding in nature. However, the study report does suggest a number of significant issues and questions which properly should be considered by the congressional committees and Federal agencies with substantive responsibility and expertise in the area of health care programs. Therefore, the study report is being sent to various agencies and congressional committees for their consideration and such action as they may deem appropriate.

The subjects of the study and other interested persons may obtain copies of the study report from the subcommittee's offices at 101 Russell Building, Washington, D.C. 20510.●

A BALANCED FEDERAL BUDGET

● Mr. GOLDWATER. Mr. President, as the Members know, I support wholeheartedly the idea of a constitutional amendment to require a balanced Federal budget. However, I am aware of the fact that this approach, while sound, could be quite a lengthy endeavor. It might take several years for such an amendment to obtain the necessary ratifying action in the States. And there is a question in my mind whether the drive for fiscal responsibility in the Federal Government can afford that much time. This problem has been approached, and I believe very soundly, in testimony before the House Judiciary Subcommittee on Monopolies and Commercial Law by Arthur F. Burns, former chairman of the Federal Reserve Board. He suggests that the Congress enact a budget balancing statute that could be put in force immediately to provide a basis for action while a proposed constitutional amendment is submitted to the States. If nothing more, Burns claims such a statute would do a lot to calm inflationary expectations that now plague the economy.

Mr. President, because of its importance I ask that Mr. Burns' statement to the House Subcommittee be printed in the RECORD.

The material follows:

STATEMENT ON THE PROPOSED CONSTITUTIONAL REQUIREMENT OF A BALANCED BUDGET

I appreciate the opportunity to participate in the deliberations of this distinguished Committee on the wisdom of a constitutional amendment requiring a balanced Federal budget.

In your recent address at the National Governors' Conference, Mr. Chairman, you spoke with moving eloquence of the need for calm and rational examination of the facts and issues surrounding the proposal for a constitutional requirement of a balanced budget.

Let me state at the outset that I favor the principle of such a constitutional requirement, but that I am also mindful of the practical difficulties that attach to this proposal. I therefore welcome your counsel of care, reason, and caution.

I have watched with gerat concern the rapid growth of government spending in our country. Last year total government expenditures at the Federal, State, and local levels amounted to 36 percent of the dollar value of our Nation's entire production of goods and services, in constast to 30 percent in 1960, 20 percent in 1940, and only about 10 percent in 1929. These inroads of government on the private sector reflect to a significant degree an explosion of Federal spending on social programs—health, education, income security, veterans benefits, community development.

The upsurge of Federal spending has added heavily to the taxes of productive and hard-working people, but it has made little dent on such major social ills as urban blight, poor public schooling, youth unemployment, crime in the cities, and reliance on governmental support as a way of life.

I have also watched with dismay the increasing tendency of the Federal government to finance its expenditures by borrowing. Not only has our government placed burdens on taxpayers that weakened their incentives to work, save, and invest; our government has also proved itself incapable of limiting the cost of its programs to the amount it was prepared to raise in taxes. Over the past quarter century the Federal budget has been in balance in only four years, and the size of the deficits has increased sharply during the past decade. When a government persistently runs deficits, it keeps pumping more money into the pocketbooks of people than it takes out of their pocketbooks. That, unhappily, is the way a serious inflation is typically started and later nourished.

The strength of our nation's economy and the stability of our social and political system depend fundamentally on the vitality of the private sector. In view of my belief that excessive government spending is weakening our private sector, I have long had a deep interest in fiscal reform. For example, I embraced eagerly the concept of zero-base budgeting, because I expected substantial governmental economies to be derived from it. I regret to say that these expectations have been disappointed. I later became an enthusiastic advocate of proposals that culminated in the Congressional Budget Act of 1974. That act has certainly resulted in more thorough and better integrated consideration of budgetary matters by the Congress, but I believe that it has curbed only marginally the propensity of our Federal government to practice deficit finance. These and other disappointments have made me skeptical about the likelihood that other proposals—such as sunset legislation or systematic Congressional review of government loan guarantees—will of themselves correct the governmental bias toward more spending and borrowing.

The proximate causes of this governmental bias are quite clear. In general, spending programs are more popular with people than higher taxes. The potential beneficiaries of a spending program are often a numerical minority, but they have a stronger incentive to keep informed, to organize, and to lobby for their favorite program than those who bear the cost have to oppose it. The rising cost of political campaigns and the concurrent proliferation of fund-raising committees put intense pressure on legislators to vote for spending programs favored by such groups. We may, in fact, be entering an era in which governmental processes are overwhelmed by the naked demands of increasingly well-organized and effective interest groups. It is this concern that has led me to look with favor on even peremptory devices for offsetting the existing bias toward larger Federal spending and borrowing.

A constitutional requirement of a balanced budget is certainly a peremptory measure. But our country is in the midst of an inflation that has already weakened the confidence of people in government and in our country's future. The inflation is being fed by widespread and growing expectations that rapid inflation will continue. An inflationary psychology is now raging in our country. I do not think that our inflation can be brought under control without changing this psychology. A constitutional requirement of a balanced budget would indeed be drastic therapy; but this or some other decisive measure may well be needed to assure the American people that our governmental bias toward spending and borrowing is being effectively offset and that they therefore can look forward once again to a dollar of stable purchasing power.

Proposals for a constitutional requirement of a balanced budget inevitably raise difficult questions. It has been pointed out, for example, that such a requirement would put the government in a straitjacket—that it would make it impossible to cope adequately with national emergencies such as war or economic recession. That is indeed a serious difficulty; but I believe that it can be reasonably met by providing, as do various of the resolutions before this Committee, that the balanced budget requirement can be suspended by, say, a two-thirds majority of each house of Congress. Such a stipulation would enable the Congress to authorize a deficit of any magnitude at any time if the national need is sufficiently clear.

To the charge that dispensing with simple majority rule would be anti-democratic, I can only answer that ours is a constitutional government. After all, a bill that is supported by less than two-thirds majority of the Congress cannot become law if the President disapproves. Nor can a bill passed by an overwhelming majority of the Congress and approved by the President remain the law of our land if the Supreme Court judges it to be unconstitutional. Nor does a bare majority of the Congress suffice to change our Constitution. The two-thirds requirement of which I speak thus has ample precedent in our form of government, and its extension to the fiscal area may well strengthen the very stability of our society that the Constitution seeks to preserve.

Critics of a constitutional requirement for a balanced budget also point out that budgetary plans made by Congress can easily go awry because the economy may fail to generate revenues on the expected scale, or because the costs of entitlement programs exceed estimated magnitudes, or because interest rates on the public debt run higher than anticipated, or because of other, unforeseen developments.

Such difficulties are, of course, inherent in the governmental process; but they again can be met by devices that allow some flexibility. For example, a small unplanned excess of spending over revenues—up to, say, 2 per cent of the prescribed expenditure—could be treated as conforming to the balanced budget requirement. Further, if the overspending exceeded a permissible figure such as 2 per cent, it could be treated as an outlay in the next fiscal year unless the Congress, by a two-thirds majority of each house, voted either to "forgive" the deficit or to direct that all or some part of it count as an outlay spread over a number of following years. In short, as the resolution submitted by Congressman White recognizes, a constitutional amendment could allow flexibility in handling failures of budgetary estimation and yet substantially protect the budget against the bias of excessive spending and borrowing.

Some students have raised other objections to a constitutional requirement of a balanced budget that I also find less troublesome than they do. One such objection is that a balanced budget will not of itself prevent excessive growth of government, since the increased spending could be financed by higher taxes. Another objection is that a balanced budget may itself be inflationary, and that in any event Federal budget deficits are not the sole cause of inflation.

I readily grant the validity of such criticisms of a balanced budget requirement, but I do not regard them as decisive. In the first place, a balanced budget is not a panacea and it would be naive to so regard it. Second, resistance to higher taxes is a typical response of both our citizenry and the Congress. In recent times, opposition to higher taxes has become more intense, and that is likely to continue in the foreseeable future. I therefore feel confident that a balanced-budget requirement would serve as a powerful constraint on government spending. Third, however much I might deplore higher taxes, I cannot argue against the principle that the Congress should raise the taxes needed to finance any new spending that it deems desirable. And fourth, while I agree that persistent Federal deficits are not the sole cause of our inflation, they are in my judgment the major cause. If this source of inflation were eliminated or substantially reduced, our nation's chances of returning to a reasonably stable price level would be immensely improved.

I come finally to the most serious objection that has been raised against a constitutional requirement of a balanced budget, namely, that the Constitution is a brief document of fundamental principles governing our free society, and that even if we permitted it to become a textbook on public finance there would be no way of preventing novel fiscal devices that ran counter to the spirit of a balanced budget. For instance, Congress could decide that the balanced-budget requirement should henceforth constrain operating expenditures, but not capital outlays. Or to cite another example, the Congress might establish a Public Works Authority that could issue debt obligations to the public on which the Treasury would guarantee payment of both principal and interest. The possible range of such fiscal innovations seems endless and they could lead to dubious governmental practices besides frustrating the balanced-budget requirement.

I find it hard to reject or to refute argumentation along these lines. The best answer I have been able to contrive is that the constitutional amendment should provide that definitions in existing law of key fiscal concepts—such as budget authority, budget outlay, appropriation, revenue, or the public debt—could be changed only by a two-thirds majority of both houses of Congress. I feel uncertain, however, about the practical implications of this answer, and I therefore would want to see the movement toward a constitutional amendment proceed cautiously.

My best advice to this Committee is as follows: First, that the Committee recommend that the Congress go on record as supporting the principle of a constitutional requirement of a balanced budget. Second, that you undertake a thorough study of how the requirement of a balanced budget has worked in practice in States that impose such a constraint in their constitutions. Third, that this Committee recommend to the Congress a balanced-budget statute that might embody practical provisions along some such lines as I have suggested in my evaluation of a constitutional amendment. Fourth, in the event that a balanced-budget bill is enacted, that this Committee provide for an annual review of experience under such legislation with a view, say three years from now, of moving that act—or some modification of it suggested by experience—onto the path of a constitutional amendment.

The course of action that I am recommending to this Committee is, I feel, a prudent course. It argues, in effect, that just as a troublesome bias in our nation's fiscal policies has been demonstrated by experience, so we should also be guided by experience in an attempt to move toward a constitutional remedy. Not all proponents of a constitutional requirement will be pleased by the step-by-step approach that I have suggested, but they too must recognize that ratification of a constitutional amendment may take several years. The time lost now in submitting a proposed amendment to the States may be made up later if a statutory requirement of a balanced budget works out satisfactorily. Moreover, if such a statute were adopted this year, it might do more to calm the inflationary expectations that are now plaguing our economy than a Congressional call for a constitutional amendment that would involve our 50 States in prolonged debate without necessarily reaching a positive result.

In closing, may I express the hope that all members of the Congress will ponder closely the issues surrounding the momentous proposal for a constitutional requirement of a balanced budget that this Committee is now conscientiously addressing.●

HERBERT ORDRE REID, SR. HONORED BY THE WASHINGTON BAR ASSOCIATION

● Mr. GRAVEL. Mr. President, during the past decade that I have had the honor of being a Member of the U.S. Senate, I have noticed that the Congress repeatedly turns to a select group of scholars when we are struggling with difficult and critical constitutional issues. One such person, whom I, among others, have repeatedly turned to is Herbert O. Reid, Sr., the distinguished senior professor of constitutional law of the well-known Howard University School of Law.

Over the years Herb Reid has repeatedly responded to our numerous requests to appear as an expert constitutional witness before Committees of both Houses of the Congress. When we in the Congress strayed from the path of the Constitution, as in the case of the expulsion of Adam Clayton Powell from the House of Representatives, Herb Reid was there to remind us of our obligations and duties. Just last year he assisted us in our deliberations on the question of full voting rights for the District of Columbia. Some years ago Herb Reid was a major architect of my legal position before the courts in defense of executive branch efforts to strip away the protections of the speech and debate clause and to reduce the scope of Congress informing function. Hopefully in the years to come Herb will be as generous with his time and talent.

Recently, Herbert Reid, Sr. was honored by the Washington Bar Association as its 1979 law day recipient of the Charles Hamilton Houston Medallion of Merit. To understand the significance of this award one must appreciate the history and tradition of Charles H. Houston as a role model for America's black lawyers and the list of distinguished black lawyers who have received this coveted medallion.

Dean Houston single-handedly converted the Howard University School of Law into a laboratory for social justice in the United States. During his tenure at Howard he brilliantly trained the team of lawyers whose job it would be to right so many of America's wrongs. It was Houston who planned the great legal challenges to "separate but equal" education in our schools and universities. It was Houston who planned much of the intellectual and legal positions that eventually brought down the racial barriers to equal employment, housing, and educational opportunities in America. I could go on for some time, but I believe former Justice William O. Douglas said it best when he called Charlie Houston "one of the top 10 advocates to appear before (the) Court in my 35 years."

Other recipients of the Houston Medallion of Merit include Hon. Thurgood Marshall; Hon. Spottswood Robinson III; Hon. William B. Bryant; Hon. Joseph Waddy, Jr. Dr. James M. Nabrit, Jr.; Oliver W. Hill; Dean Wiley Branton; Hon. William H. Hastie; and George E. C. Hayes. Each of these men has distinguished themselves by their brilliance, their dedication to justice, and the rule of law. They constitute, in effect, a black attorney's hall of fame. Any American, black or white, would be proud to be in their company.

For most of us such closeness to legal excellence is a dream. For Herb Reid that dream became a reality on April 27, 1979. I wish to take this opportunity to join so many others in congratulating Professor Reid and saluting him after 32 years as one of America's great lawyers and social engineers.

Mr. President, in closing I would like to call to the Senate's attention the tribute to Herbert Ordre Reid, Sr., that was presented on the occasion of his receipt of the Charles Hamilton Houston Medallion of Merit and ask that it be printed in the Record.

The tribute follows:

Tribute to Herbert Ordre Reid, Sr.

On the occasion of the presentation of the Charles Hamilton Houston Medallion of Merit for 1979 by the Washington Bar Association.[1]

The career of Herbert Ordre Reid, Sr., stands as a model to any lawyer to emulate in any nation of the world in the area of the advocacy for and the defense of the poor or forgotten. Professor Reid is the distinguished Charles Hamilton Houston Professor of Law at Howard University School of Law. It is therefore fitting that the Washington Bar Association honor this son of justice whose mighty arm has "struck many a hard, clean blow for liberty."

In 1947, Herb Reid, as he is referred to by his friends, joined the Howard University School of Law faculty. Since 1947, Herb Reid has been a dedicated teacher of law at "The Law School." Two years prior to joining the Howard Law faculty, Professor Reid received his law degree from Harvard Law College. As a professor of law at the law school, Professor Reid has had some influence on virtually every student matriculating at Howard Law School during the past thirty-two years. These students have been graduated and have carried to the bench and bar and to Federal, state and local governments, corporate board rooms and to foreign lands the notion "that law is a tool for social engineering." That law is a tool for social engineering was the philosophy of Charles Hamilton Houston which has survived the test of time in large measure because Professor Herbert Ordre Reid, Sr., incorporated this theme in his teaching.

Professor Reid has been one of the few among law teachers in this nation to initiate litigation and defend persons whose civil rights hung in the breach.

He has participated, counselled, or offered advice in nearly every major law suit touching the lives of Black Americans in the past twenty-five years, including *Bolling* v. *Sharpe*,[2] which was the District of Columbia school desegregation case decided in 1954 with the landmark *Brown* v. *Board of Education of Topeka, Kansas*.[3] He also argued *Powell* v. *McCormack*,[4] the case in which the 1969 Supreme Court ruled that Congressman Adam Clayton Powell had been unconstitutionally excluded from the 90th Congress when Powell was denied the right to take his seat in the House of Representatives. Professor Reid served as counsel in *Ruiz* v. *Delgado*[5] while teaching for a year at the University of Puerto Rico where the judge-prosecutor system was held unconstittuional. The result of his participation in *Dixon v. Alabama*[6] is referred to in most administrative law texts. In *Dixon*, the court held that prior to expulsion of students from a state college for participating in civil rights demonstrations, a hearing was constitutionally mandated. His participation in *Adams* v. *Richardson*[7] has historical significance because the court, in referring to his brief, agreed that black colleges have made a significant contribution to America and continue to produce most of the black professionals entering the workforce.

Most recently, Professor Reid participated in perhaps the two most important cases since Brown: *Bakke* v. *Board of Regents of California*[8] and *Weber v. Kaiser Aluminum*.[9] Needless to say, Professor Reid has seen affirmative action come full circle. But through it all—he has never retreated from the philosophy that Black Americans must press for relief from racism at every level of government by all systemic methods available. His philosophy speaks for itself.

That philosophy was expressed well in an article written by Professor Reid in 1951 where he asserted that Blacks will gain their liberty if allowed to exercise their right to vote. He stated:

"It is apparent that Negroes have secured the least amount of protection in the enjoyment of their civil rights at the state and local levels in those states in which they have been limited in their right to vote. . . . If [the right to vote] is intelligently exercised . . . there will be a corresponding increase in protective civil rights legislation." 20 J. Negro. Ed. 436, 449 (1951)

And so it was.

In 1973, while Acting Dean of the Howard University School of Law he wrote a memorandum to the law faculty expounding his philosophy and the purpose of Howard University and the Howard Law School in America. Professor Reid stated,

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Footnotes at end of article.

"Howard University, with its great tradition of educational service and contribution to the equality of the life of the republic, is ample evidence of the University's faith in the American system. The University, and particularly the Law School, is committed to the 'Rule of Law' if it guarantees freedom for minorities, the poor and the forgotten."

Professor Reid's vision predicted the outcome of the *Bakke* decision for it was in the brief he filed on behalf of the National Medical Association and others in which he argued that ". . . it is constitutionally permissible for a state medical school to use as criteria for selection, among qualified applicants . . . factors such as . . . race . . ." Indeed, a majority of the United States Supreme Court agreed. So important was the brief that Professor Reid filed in *Bakke*[10] that on November 18, 1978, during the keynote of Associate Justice Thurgood Marshall dedicating the James A. Cobb Moot Court Room at Howard Law School—Mr. Justice Marshall stated:

"I will tell anybody, and I will dispute anybody who does not agree, that the brief filed by Herb Reid in the Bakke case was the best brief." Text of Speech Vol. 8, No. 2 *The Barrister*, 1–5–79, at 3.

Whether Professor Reid's legal acumen was used to represent the Black Panthers; defend the Hanafi Muslims; represent the late Julius Hobson, Sr., in his suit against the D.C. School Board for equal educational opportunities for poor and Black children; or preside over the dismissal hearings of the Superintendent of Schools—Professor Reid has met each challenge with an exceptionally high decree of distinction and dedication. Even tonight, as he receives this Medallion of Merit, he serves as counsel to Marion Barry, Mayor of the District of Columbia.

What marks the measures of a man or woman? Where are our leaders of today? Who is leading the race and protecting it against the gains made by others at the risk of life and limb? Herb, your burning love for justice and your quest for pure legal existence more than qualify you to be the 1979 recipient of the Charles Hamilton Houston Medallion of Merit presented by the Washington Bar Association.

FOOTNOTES

[1] Prepared by and read at the captioned occasion by Wiley Austin Branton, Dean Howard University School of Law, the 1978 recipient of the Charles Hamilton Houston Medallion of Merit.

[2] 349 U.S. 483.

[3] Id.

[4] 395 U.S. 486.

[5] 359 F. 2nd 718.

[6] 186 F. Supp. Rev. 294 F. 2d 150 Cert. den. 82 S. Ct. 368.

[7] 480 F. 2d 1189.

[8] 98 S. Ct. 2733.

[9] 563 F. 2d 216, U.S. appeal pending.

[10] J. Clay Smith, Jr., was co-counsel with Mr. Reid on the brief.

TRIBUTE TO SENATOR JAVITS

● Mr. SCHMITT. Mr. President, JACOB JAVITS, in his 22 years in the Senate, has made more contributions to this country than most people can achieve in a lifetime. He is a man who values independence, determination, and selflessness and whose fighting courage has been seen more than once on the Senate floor. We are glad and fortunate to have someone like JACK JAVITS in the U.S. Senate.

More often than not JACK becomes "our lawyer" on the floor. Anyone who argues points of law with him never doubts who is right. JACK JAVITS knows the law, he knows the Senate, he knows New York, and he knows his country. I am proud to have begun my Senate service with him and his assistance.●

JOSEPH R. WILLIAMS RETIRES AS PRESIDENT OF TOBACCO ASSOCIATES

● Mr. TALMADGE. Mr. President, on March 10, 1979, Joseph R. Williams retired as president of Tobacco Associates after a long and distinguished career with that organization and earlier with the U.S. Department of Agriculture.

It has been my pleasure to know and work with Joe Williams for many years in the interest of the tobacco industry, which is of vital importance to the economy of my State and to the Southeast. On the occasion of his retirement, a banquet was given in Mr. Williams' honor in Raleigh, N.C.

One of those in attendance at the banquet was Fred W. Voigt, chairman of the Georgia Agricultural Commodity Commission for Tobacco, and a lifelong friend and associate of Mr. Williams.

Mr. Voigt has written an excellent article about Joe Williams and his many contributions to the American tobacco industry, which was published in the Tobacco Farmer. I ask that this article be published in the RECORD as further tribute to Mr. Williams.

The article follows:

A TRIBUTE TO JOSEPH R. WILLIAMS

On Friday, March 9th, 1979, our friend and long time associate Joe Williams officially retired as President of Tobacco Associates. The night before, March 8th, a reception and banquet was given in his honor at the Sheraton Crabtree in Raleigh, North Carolina. For this occasion the convention hall was filled to capacity with wellwishers from all segments of the tobacco industry. These included state and national elected officeholders, executives of our domestic tobacco manufacturing companies and export dealers, government officials, members of state and national public agencies, and a host of farmer friends from many states.

On March 9th he was again honored and addressed by Governor James B. Hunt of North Carolina and United States Senator Robert Morgan of North Carolina. Both these gentlemen paid the highest compliments possible to Joe Williams for his many constructive contributions to the tobacco industry.

We tobacco growers of Georgia and Florida will always be indebted to Joe Williams. It was Joe who was in the midst of the development of our present tobacco farm program during all of its formative years of trial and error.

Joe was born in Yadkin County, North Carolina and early in life became concerned about the problems of the tobacco farmers of his day.

Throughout his life his devotion to the people of the soil has never wavered, and his desire to improve the economic circumstances of tobacco growing folks became an all-consuming crusade. No matter what happened to the tobacco problem under discussion, Joe's first concern was always the effect of the solution on his growers. He considered all of America's tobacco growers his constituents, and he always supported them with all the force, and conviction, and power of his being.

Joe has served the American tobacco industry in many capacities. His first service was as chief clerk of the Yadkin County office of the Agricultural Adjustment Administration which administered our first federal farm programs. After four years in this position he became a staff member of the North Carolina Farm Bureau Federation as Assistant Executive Secretary where he served for six years.

In 1946 he was named Executive Secretary of the Winston-Salem Tobacco Board of Trade. He served in this position for nine years and then moved to Washington as Deputy Director of the Tobacco Division in the Agricultural Stabilization and Conservation Service of the United States Department of Agriculture. Two years later he became Director of the Division.

A series of overseas assignments with the Foreign Agriculture Service of the United States Department of Agriculture followed. He served as Agricultural Attache or Officer, in Brussels, Belgium; Salisbury, Rhodesia; and Ankara, Turkey. These assignments gave him broad, first-hand experience with tobacco trade problems all over the world, and he learned much about many types of tobacco and how they were grown and used.

In 1968 he was honored by the Foreign Agriculture Service with a Certificate of Merit for "sustained above average performance" of his duties.

In the early part of 1969 he became Associate Director of the Tobacco Division of the Foreign Agriculture Service. In 1971 he retired from this position and became President of Tobacco Associates.

As President of Tobacco Associates since 1971 he served the flue cured tobacco growers with distinction and unselfish devotion. He has been a true leader for all of us in every sense of the word. His tireless efforts on behalf of the tobacco growers of our country is an example of total dedication and commitment to every one of us. Joe was one of the first to recognize and publicize the interdependence of all segments of the tobacco industry, and his efforts always reflected this basic philosophy.

To those of us who have known and worked with him, Joe has been an inspiring personality. He is never too busy or too tired to give freely of his wise counsel and advice, and he is always glad to share his vast tobacco knowledge with anyone he can help. His enthusiasm for his work is contagious, and he is gifted with a mild-mannered art of persuasion.

With each new assignment in Joe Williams' fabulous career his understanding of the world's tobacco industry increased, and today he is considered the foremost authority in his field. His advice is sought by many people in high places in government and industry all over the world. To know this man is to admire him, and we also know that in retirement his love for the tobacco industry will always remain an integral part of his life and interest.

Joe's wife is the former Garnett Kelly of Yadkin County, North Carolina. They have two daughters, Ms. Phyllis Hart of Winston-Salem, and Miss Joanne Williams, an attorney with the Atomic Energy Commission in Gaithersburg, Maryland.

America's tobacco growers, as well as the total tobacco industry salutes you Joe for your unselfish life of service to all of us. We know and respect you as a fine southern gentleman whom we have never heard say an unkind word about another. Cicero once said, "Men resemble the Gods in nothing so much as in doing good to their fellow creatures." You fit this description perfectly.

May your well-deserved retirement have many years of good health, peace, and contentment for you and your loved ones is the wish of your countless friends from all walks of life.●

PICES: PACIFIC INTERNATIONAL COMMISSION FOR EXPLORATION OF THE SEAS

● Mr. GRAVEL. Mr. President, the passage of the Fishery Conservation and Management Act of 1976 created an increased awareness of the economic potential of the ocean territory which lies off America's shores. In the few short years since the 200-mile Act was signed into law, interest in the numerous aspects of the new fishery conservation zone has grown steadily greater.

This new interest has resulted in accelerated activity on many fronts. The National Oceanic and Atmospheric Administration (NOAA) has been reorganized to give greater importance to its oceanic responsibilities. NOAA's budget has seen a significant increase. Foreign fishing off the U.S. coast has been dramatically and consistently on the decrease while the interest and participation of the American fishing industry in the offshore fishing grounds has been constantly on the upswing. Construction of fishing vessels throughout the country is proceeding at a fever pitch.

Fisheries development initiatives are proceeding apace. Senate Resolution 50 passed some weeks back, forcing the Office of Management and Budget to release $6 million earmarked for various fisheries development projects around the country. A fisheries development task force is presently assembling for the executive branch a comprehensive statement of Government policies, objectives, and anticipated involvement in the area of fisheries development. Some form of fisheries development legislation should appear this legislative session as a result of the recommendations of the task force.

In addition to the foregoing activities, there is a further initiative that is underway in the realm of oceanic affairs. It involves an attempt to coordinate oceanic research and the exchange of marine scientific data in the North Pacific. It has acquired the acronym PICES: Pacific International Council for the Exploration of the Seas.

THE BEGINNING

It was in Tokyo at an ocean policy seminar in November 1977 that I suggested that the time seemed ripe for the creation of "an international consortium of the nations of the North Pacific for the collection and exchange of fisheries and other oceanic data."

From that suggestion enough interest was generated that a convocation of American and Canadian scientists and academicians was held in March 1978, in Seattle to discuss the PICES proposal. Those in attendance reached general agreement that the idea was meritorious and a followup meeting with increased participation and an enlarged agenda was scheduled.

The second meeting took place in Seattle in January of this year and included representatives of Japan and the Soviet Union as well as the United States and Canada. Again, strong support was voiced for the necessity of the kind of forum which PICES would provide for the cooperative gathering and exchange of scientific data relating to the North Pacific Ocean.

GENERAL PURPOSE

The two Seattle meetings also served as working sessions for the discussion of the specific purposes and activities appropriate for PICES. The consensus of opinion was that the organization should focus on fisheries, oceanography and marine pollution as central issues for examination. Although there is a considerable amount of energy and resources now directed at these issues on a national or even a bilateral basis, coordination and expansion of the existing activities in a multilateral forum would redound to the mutual benefit of all participant nations. Consolidation of duplicative activities and orchestration of multinational research projects would result in the collection and availability of an increased amount of data for all, with a possible net decrease in research costs for each. The economies of scale would work to the advantage of each country involved.

One aspect of fisheries the PICES organization believes it should not address is that of fisheries management. Since 200-mile legislation has been enacted in all of the North Pacific nations, the PICES members are convinced that the Fisheries Management Councils which were created by that legislation are the proper fora for the resolution of fisheries management questions. The role that PICES might play in this regard would be confined to that of a repository of marine information which would be available to any Fisheries Management Council if the Council should request it.

SPECIFIC APPLICATIONS

In addition to the numerous general and large scale benefits the PICES proposal can provide, an organization of this nature has valuable potential for providing information which would be useful in the solution of more specific problems as well.

The principal example of how the PICES information would be used for a specific purpose is in the area of fisheries development off the Alaskan coast. At present the Federal Government through the National Marine Fisheries Service, the State of Alaska and numerous private fish harvesters, processors, and marketers are investigating the economic feasibility of participation in the long-ignored North Pacific bottom fishery.

One important element of the overall fishery development scenario is the need for more basic information on the several species targeted for commercial utilization. The Japanese and Soviets have fished for these underutilized species off the Alaskan coast for a number of years and they possess a great deal of information that would be of value to a potential entrant to the new bottom fishery. Such rudimentary data as migratory patterns, monthly catch statistics, population sizes, and general characteristics of stock behavior would be immensely useful to an American fisherman just entering this new fishery.

A second area where a facilitated exchange of fisheries data would be beneficial is among those involved in the activity of aquaculture. With the increased interest is artificial salmon propagation among the nations of the North Pacific, better cooperative data exchange is essential. All of the nations of PICES are currently using the same oceanic body as their oceanic "pasture land." The pooling of aquacultural information could help identify common problems and provide guidance for the formulation of a united-front approach to solving them.

A third situation where PICES could make a significant contribution to a specific need involves the bowhead whale dilemma. At the crux of this issue lies the simplistic question, "How many whales are there?" Since no one seems to know with a high degree of certainty, a cooperative effort under the auspices of PICES could help provide critical statistical evidence on such vital concerns as rate of recruitment, migration routes, life expectancy, and population strength.

These three examples provide ample illustration of the practicality of the PICES idea. In addition to the broad government-to-government usefulness of PICES, the organization could also serve as a valuable source of information for individuals with interests as diverse as the skipper of a bottomfish trawler, the manager of an aquaculture facility or the captain of an arctic whaling boat.

CONCLUSION

The idea of a Pacific International Council for the Exploration of the Seas seems to be one which has finally come of age. Heightened awareness of the ever-increasing interdependence among nations coupled with the growing reliance upon the oceans to meet the expanding nutritional needs of a hungry world make a multilateral forum for the collection and distribution of ocean-related information a virtual necessity. Ignorance and international competition in the North Pacific will result in the disruption and ultimate destruction of invaluable marine resources. The creation of PICES, on the other hand, can provide a forum where cooperation and mutual self-interest ensure that the health and continued productiveness of the marine resources of the North Pacific are protected and the wealth of resources existing there are utilized in the best interests of all.●

REDUCING IMPACT AID MEANS INCREASING PROPERTY TAXES

● Mr. CHURCH. Mr. President, recently Dr. Jim Parsley, superintendent of schools for the Idaho Falls, Idaho, School District No. 91, testified before the Senate Appropriations Subcommittee on Labor, Health, Education, and Welfare in support of impact aid. I request that his remarks be printed in the RECORD at the conclusion of my statement.

Local schools are funded almost exclusively through property taxes. There should be no mistake about this, Mr. President: Any reduction in Federal impact aid means increasing local property taxes. The American people, especially my fellow Idahoans, have made their outrage over high property taxes perfectly clear at the polls.

Dr. Parsley states the case for impact aid exactly:

1. The Federal Government is a non-taxpaying major employer.
2. That a "gap" is caused by the removal of the value of federal installations from the local tax rolls and that this "gap" must be made up by the local taxpayers unless some other type of Federal support is obtained.
3. That impact aid funds are directed at the child being educated; and
4. That the program is the least costly of all federal programs to administer and that it is a direct cash payment to involved school districts.

Over two-thirds of Idaho is owned by the Federal Government. Federal impact aid, Mr. President, is compensation for the loss in local property taxes that this withdrawal from local tax rolls engenders. What Congress considers maintaining appropriations for impact aid, the real question is: Should Congress vote an increase in local property taxes?

The Idaho Falls School District No. 91 presents this situation perfectly. Its community is the major population center for the U.S. Department of Energy's Idaho National Engineering Laboratory, including the U.S. Navy's large reactor training program. INEL has had 51 nuclear reactors built at the facility, and many thousands of Naval graduates. It is a major factor in the area's economy, but naturally it is located relatively remotely from its larger residential sections. The region is basically agricultural, yet INEL's payroll and plant is manifoldly greater than the total value of all farm products sold.

The administration's proposal last year, eliminating "cross-country" payments under impact aid, would obviously have been disastrous for Idaho Falls, and it was firmly rejected by Congress. This year's administration proposal, elimination of "B" student payments, is more typical of the year-by-year reduction rhetoric whose defeat has become an annual congressional ritual.

This year, Mr. President, the ritual has greater political meaning. Again, the real question is whether Congress should vote an increase in local property taxes by slashing impact aid. The American people have already voted their answer, and Congress must cast the same course: Rejection of impact aid reductions equals rejection of high property taxes.

The statement follows:

BACKGROUND AND FEDERAL IMPACT

It is indeed an honor and a privilege to speak to you this afternoon concerning the importance of continued support for Public Law 874 and Impact Aid funds. To acquaint you with Idaho Falls, let me tell you that our region is home for the U.S. Department of Energy's Idaho National Engineering Laboratory, formerly known as the National Reactor Testing Station. This facility was established in 1949 as a site where nuclear reactors, allied plants and equipment could be built, tested and operated to determine that the atom could be safely used to genrate electric power. The community of Idaho Falls is the third largest city in the State of Idaho with an estimated population of 62,500 in Bonneville County and approximately 45,000 within the city limits of Idaho Falls. Located on the Snake River Plain, Idaho Falls has historically been an agricultural region with a total market value of all agricultural products sold of $58,425,000. Major crops in order of their importance are: potatoes, grains, cattle, dairy products, sugar beets, and other miscellaneous agricultural produce.

INEL has had fifty-one (51) nuclear reactors built at the facility, more than any other one location in the world. The Nation's major reactor power concepts; pressurized water reactors, boiling water reactors, and also, nuclear propulsion plants for the U.S. Navy were prototyped at INEL. Currently, the Department of Energy has several top priority energy programs underway at INEL. These consist of:

Water Reactor Safety; Materials and Fuels Testing; Naval Propulsion, Fuels Reprocessing; Advanced Reactor Development; Geothermal Electric Applications; Coal and Hydro-electric Projects.

In addition, the U.S. Navy graduates some 2,000 personnel annually from its Reactor Training Program at the INEL. Due to the nature of the research conducted at INEL, the operations site is approximately 50 miles from the community of Idaho Falls. INEL is located on a desert plateau with an elevation of 4,865 feet, underlain with beds of lava rock.

Department of Energy INEL programs currently require more than 9,000 (in 1979) employees. About 350 are DOE federal employees. Most of the others are employed by four DOE operating contractors; Allied Chemical Corporation, Argonne National Laboratory, EG&G Idaho, Inc., and Westinghouse Electric Corporation. Engineering degrees are held by more than 1,000 employees More than 500 hold degrees in science, mostly physical sciences. About one employee in three has a college degree.

Estimated INEL payroll during the fiscal year (1979) is $186 million. Additional expenditures spent for procurements brought the total INEL financial impact for Idaho to an estimated $224.7 million. By comparison, it should be noted that INEL's annual payroll is 3.18 times larger than the area's total market value of all agricultural products sold.

It is apparent from the foregoing that much of the Nation's future as it relates to solving the energy problem will depend upon answers being researched at the INEL. Figure I illustrates the INEL employment history and projections to 1984. As can be seen from this illustration, over 9,000 personnel are currently employed at INEL in both operations and in construction of new facilities.

Figure II illustrates INEL construction funding history and projections to 1984, again highlighting that a significant amount of construction will continue to enlarge the operations at INEL.

It is therefore evident that INEL has caused a significant impact upon the local community and that the Federal Government is, by far, the major economic force within the community.

THE IMPORTANCE OF IMPACT AID FUNDS

Last year, the Idaho Falls School District received $487,838 from Public Law 874 entitlements. Nearly all of the District's entitlement is by virtue of the "Out-of-County" provisions of Category 'B'. Because of the nature of the research conducted at INEL and because of the geography of county lines, most of INEL, including, Test Area North, Central Facility, C.P.P., TRA, ARA, NRF, and EBR2 are located outside of Bonneville County in the largely unpopulated Butte and Jefferson counties. INEL personnel daily commute by bus, from the community of Idaho Falls to the Nuclear Testing facilities.

To acquaint you with the Idaho Falls Schools, let me tell you that the District is located in the city of Idaho Falls and the rural area south and west of the city. The District has 18 school facilities of which 12 are elementary schools, 3 are junior high schools, two are senior high schools and one is a school for students with severe learning disabilities. Present enrollment in the school district is approximately 9,200 students. District 91 is the 4th largest district in the state, containing 4.75 percent of Idaho's total student body enrollment. Idaho's four largest districts are: Boise, Pocatello, Meridian and Idaho Falls. Together these four districts contain over 27 percent of the State's total pupil enrollment.

Out of the 115 school districts, the Idaho Falls District ranks 87th in per pupil costs in Idaho: an average cost per pupil of $1,058 as compared to a state average of $1,110. At the present time, there is a pupil/teacher ratio in the District of 25.6 to one at the elementary school level and 23.3 to one at the secondary level. Overall, the ratio is 24.5 to one. The average teacher salary in the school district is $13,842. The District, today, has 53 teachers less than it had in 1968 and pupil/teacher ratios have remained fairly constant over the last decade. The highest teacher ratio experienced by the District was in 1976 following failure of the annual override election. (Special Maintenance and Operations levy) That year, pupil/teacher ratio reached 27.2 to one. The second lowest ratio achieved by the District was in 1973 when staffing reached 24.7 to one.

Idaho's schools receive five million dollars in Impact Aid funding at the present time. The three districts most affected by Impact Aid funding are Mountain Home, Idaho Falls, and Pocatello in that order. President Carter's budget message, if approved by Congress, will cause an additional reduction to Idaho's schools in the amount of $2.8 million in lost revenue. Proposed elimination of Category 'B' students would impact certain districts much more substantially than others. Idaho Falls would be the hardest hit with an additional loss of approximately $500,000 in revenue. This money is presently used to provide for basic education services through the General Fund. It should again be emphasized that even with Federal Impact Aid, our District ranks below the average per pupil expenditure in the State of Idaho.

SCHOOL FUNDING IN IDAHO

School funding in Idaho is currently facing an unprecedented challenge, in that, Idaho voters approved a 1 percent Property Tax Initiative nearly identical to California's Proposition No. 13. Voters approved this measure in November, despite the fact that Idaho currently ranks 50th in the Nation in per pupil expenditure and 44th in the Nation in expenditures in the classroom. (Source: Idaho State Department of Education)

The Idaho State Tax Commission estimates that $125 million will be lost to the State's tax supported institutions as a result of passage of the 1 percent Initiative. It should also be pointed out that Idaho's entire General Budget for FY 1978 is $325 million. It is estimated that the Initiative could cause as much as a 44 percent reduction in the property tax sources which go to fund public education. As this testimony is being given, it appears that the Idaho Legislature will defer implementation of the Initiative until January 1, 1980, thereby, temporarily softening the impact upon education until that date.

According to the Idaho State Tax Commission, potential dollar loss to the Idaho Falls School District in 1980 as a result of the 1 Percent Initiative will be $2,082,311. As a school district with a ten and one-half million dollar budget, we are facing the possible loss of two and one-half million dollars in operating revenue. Two million dollars of this loss is by way of the potential loss through the 1 Percent Initiative and and one-half million results from the Administration's proposal to eliminate Category 'B' funds. Clearly, the spectre of a 24 percent budget reduction, when added with a cost of inflation which is near ten percent, will spell economic havoc for the Idaho Falls School District in the immediate future.

In light of the school funding crisis as it exists in Idaho, I would like to underscore the importance of the PL 874 funds to the Idaho Falls School District. The District has approximately 36 teaching positions funded by this revenue source and despite the Impact Aid entitlement, our District continues to rank below the State's average per pupil expenditure. The Impact Aid program, in my opinion, is very logical in its application, in that, funds are directed at the child being educated.

During Monday of this week, the Board of Trustees of the Idaho Falls School District took action to place 120 teachers on probationary status due to the present funding crisis only partly related to the current uncertainty of PL 874 funds. I would stress the importance of Congressional support for continuation of the Impact Aid program and specifically, continued support for the "Out-of-County" Category 'B' provision which comprises most of our District's present Impact Aid entitlement.

SUMMARY

In summation, let me again highlight our very deep and abiding concern regarding developments of the past several weeks affecting Public Law 874. As you are aware, the President's recent budget message proposes to delete the entire Category 'B' portion of PL 874 at a fiscal savings of approximately $500 million. This reduction would eliminate the entire TIER II level of PL 874 for fiscal year 1980. The President's proposal would retain only Category 'A', which relates to Impact Aid to those localities where a military base is housed.

While we are very cognizant of the enormous pressure for economies in the Federal budget due to aftershocks of the alleged "taxpayer revolt", retention of the Impact Aid program would appear to be of vital importance to the people of Idaho.

The GSA now shows that over two-thirds of Idaho is owned by the Federal Government. As you well know, the Federal Government does not pay property taxes on its land and, therefore, a State such as Idaho is at a considerable economic disadvantage with such large Federal ownership, in that, the tax base is severely limited. Impact Aid funding has been directed to the Nation's public schools since 1950 on the premise that:

1. The Federal Government is a non-taxpaying major employer.

2. That a "gap" is caused by the removal of the value of Federal installations from the local tax rolls and that this "gap" must be made up by the local taxpayers unless some other type of Federal support is obtained.

3. That Impact Aid funds are directed at the child being educated; and,

4. That the program is the least costly of all Federal programs to administer and that it is a direct cash payment to involved school districts.

It is evident that the Federal Government has made a significant impact upon the Idaho Falls community and that the INEL facility is the major economic force in the region. It is equally apparent that Impact Aid is of vital importance to the region's school districts, particularly in light of the large Federal ownership of land in Idaho and current school funding crises.

I feel the need is clear and, therefore, urge the Congress to retain the "Out-of-county" Category 'B' provision of PL 874 and to fully restore funding levels.

I very much appreciate the opportunity to testify before this Committee and wish you well in your future deliberations.

That, Mr. Chairman, concludes my remarks.●

EMERGENCY CONSERVATION PLAN NO. 3

● Mr. SASSER. Mr. President, I voted against the Department of Energy's Emergency Conservation Plan No. 3 yesterday, and am pleased that this measure was rejected by the Senate by a vote of 24 to 70.

While I support the concept of standby conservation plans, I believe that plan No. 3, which related to advertising lighting, was flawed for a number of reasons.

First, the amount of energy saved by this plan would have been a mere trickle in comparison to the flood of our oil imports—less than 5,000 barrels out of 20 million barrels of oil consumed each day.

Second, the impact this plan would have on the sign industry and the nearly 5 million small businesses nationwide which depend on sign advertising is significant. Indeed, these signs are central to the survival of many small businesses. Studies of the impact of temporary curtailments of sign lighting in the past conducted in Tennessee have shown that retail businesses experienced reduced sales, below the break-even point, during periods of sign black-out.

The uncertainty created in these businesses by the standby controls would make long-range planning difficult and could result in reduced employment and investment.

Third, this plan was ill-advised because it would have singled out a single sector of the economy for special sacrifice. Especially considering the limited energy saving from the plan, it is unfair to impose such a burden on a small industry.

We all realize the need to use energy wisely, and small business retailers are no exception. Given the freedom to choose, they will be able to find ways to create energy savings equal to or greater than the energy consumed by their signs. I am confident that they will do their part in the event of an energy emergency and let their customers know they are making this contribution.●

HOW GOOD A MARKET WILL CHINA BE?

● Mr. CHURCH. Mr. President, in conjunction with my recent visit to the People's Republic of China as chairman of the Foreign Relations Committee, a private trade delegation including business and agriculture leaders also visited the PRC. In our meetings with Chinese officials, it was emphasized that agriculture continues to be the No. 1 priority in Chinese development plans. And it is precisely the expertise in agriculture which the American farmer can lend, both in terms of production and technology, which will find the best market opportunities in China today. In this regard, a recent article from the Idaho Farmer-Stockman summarized the current agriculture market in China in hopeful but cautious terms. Mr. President, because of the timeliness of this article, entitled "How Good a Market Will China Be?", I ask that it be printed in the RECORD.

The article follows:

HOW GOOD A MARKET WILL CHINA BE?

(By Jay Richter)

Although there are sure to be occasional disappointments—like a recently announced cancellation of a previously announced wheat purchase—there's little doubt that the People's Republic of China is in a shipping mood for a lot of agricultural goods and know-how.

As of mid-March, the record books showed that the U.S. had sold over $500 million worth of agricultural products to China. Furthermore, USDA is saying that by year's end, the total could reach $1 billion, a new record.

Secretary of Agriculture Bob Bergland seems to exude some of this general optimism over U.S./Chinese trade prospects. In a March statement before the Senate Subcommittee on Foreign Agricultural Policy, he referred to the rapid growth of our economic and political relationships with China as "perhaps the most significant development of the past year for U.S. agriculture and its supporting industries.'

However, he quickly inserted a note of caution, stating that there's a tendency to size up the Chinese market by multiplying whatever you have to sell by a billion eager consumers.

"That makes for heady speculation," he concluded, "but it is not being realistic."

In earlier remarks, the Secretary had indulged in some "heady speculation" of his own:

"We know that an annual one pound per capita increase in the consumption of chicken would mean China would have to grow or buy an additional 32 billion bushels of corn and soybeans each year," he noted. "We also know that a one pound per person increase in pork consumption would create a demand for an additional 75 million bushels of corn and soybeans annually."

Virginia Smith, Congresswoman from Nebraska, has done some of the same type of figuring with wheat:

"If Chinese wheat consumption were to increase by one pound per week, which is about one-half a loaf of bread, it would add 770 million bushels to worldwide demand," she said.

(Current consumption, figured on a raw production basis, is around 2 pounds a week. In the U.S., we eat almost 3.1 pounds a week.)

Perhaps such speculation isn't to far fetched. For one thing, the Chinese have announced goals to upgrade their national diet. Like that of many other developing countries, it is still low in calories and animal protein. Grains provide close to 80% of the calories. Meat consumption, at about one ounce a day, is very low compared with U.S. standards.

Animal protein is just not all that available in China. Fish and poultry are in chronic short supply. Eggs are rationed; beef is scarce. Hogs have been mainly kept on the side, traditionally valued as much for their manure production as their meat.

But changes may well be in the making. When a U.S. delegation, headed by Secretary Bergland, visited China last November, the Chinese indicated a definite interest in increasing livestock production. In particular, they say they're looking to develop large, specialized swine and poultry operations near urban areas. Also, they're talking about pasture renovation and improvement.

The US is also taking a hand in building a Chinese market through USDA's cooperator program. For example, a shipment of 760 breeding hogs was recently flown from the Midwest to Shanghai for Mainland herds.

First time ever, for such a transport. The theory is that if livestock production in China is improved, demand for grains will follow.

And the statistics are already encouraging. China's grain imports so far this year are at all-time highs, despite record harvests of its own last year.

Nevertheless, Dawson Ahalt, Acting Chairman of USDA's World Food and Agricultural Outlook and Situation Board, has referred to the People's Republic as "probably the biggest question mark in the prospects for the food importing countries of the developing world." The two main uncertainties in counting on Mainland China as an export market, he points out, are "to what extent the Chinese will attempt to upgrade diets and whether they will continue to turn heavily to foreign trade for their food needs, as they have recently."

The Chinese themselves have been saying they plan to import 10 to 11 million tons of grain during 1978-79, with half or more of that amount from the U.S. USDA analysts are projecting the final total to be higher—13 million tons. If that is reached PRC grain imports would achieve a new high, topping the 1977-78 record by 50%.

USDA figures the breakdown will be 9 million tons of wheat, 4 million of corn. The U.S. portion had already mounted to 3 million tons of wheat and 3 million of corn sold or contracted for, as of March.

Ahalt noted that the Department was "surprised" at the amount of corn the Chinese have bought, and that a good half of it is being fed to livestock. (Previously, most corn has gone for human consumption in China.)

"We believe this reflects basic policy changes which are encouraging," he stated.

But lest hopes get too high, USDA cautions that China, like its Communist neighbor, the Soviet Union, could continue to be an erratic market. A look at the record shows China buying $80 million of U.S. agricultural exports in 1975; $44,000 in 1976 and $67 million in 1977. Soviet Union purchases show a similar pattern. A five-year bilateral grain agreement, due to expire after 1980, has brought more order and balance to our grain trade with the Soviets. But we have no such agreement with the Chinese, an absence which some feel is a mistake.

Minnesota Congressman Tom Hagedorn is one of those pushing for such an agreement. His reasons: "With the normalization of relations with China, it now appears that Mainland China will eventually become a major customer of U.S. feed grains and an important buyer of wheat. A bilateral purchase agreement with China would make it possible for our U.S. farmers to have more predictable and stable markets."

The fact remains, too, that most of the other major agricultural suppliers to China—our competitors—do have trade agreements that guarantee them a chunk of the Chinese market during the next few years.

The Australian Wheat Board, for instance, has negotiated its second long-term agreement with China, calling for 7.5 million tons to be delivered during 1979–81. Argentina has agreed to ship China 3 million tons of wheat and corn during the same period. In February, Canada signed an agreement to ship 8.4 to 10.5 million tons of wheat to China over a three-year period beginning this coming August. And as of last June, the European Community made a general trade agreement with China.

Besides competition from other countries, there are admittedly some additional possible snags in cashing in on a promising Chinese market.

Chief among these is China's ability to finance rapid import expansion. Its own exports have lagged the past few years. And its star product—inexpensive cotton textiles and clothing—has run into problems from threatened garment industries in the U.S. and other Western nations.

Of course, an untapped trading potential is China's oil resources, which the country has hinted are large. However, how soon these resources can be extracted is another matter.

Therefore, if China is going to import the industry and agricultural goods it has hinted at, it's going to have to go into debt. The fact that the country is not already heavily in debt is a big plus.

Some sources see that the Chinese will need to borrow $30 billion or more by 1985 to finance their ambitious plans. As of 1978, the Chinese debt stood at a mere $1 billion.

We've extended the Chinese credit eligibility under our Commodity Credit Corporation. However, they haven't come asking yet, and there's a slight hitch, anyway—we don't have any provisions in the U.S. budget for such credit.

Administration officials have indicated the administration's intention to ask Congress for most-favored-nation-trade treatment of the PRC. Eligibility for the Chinese to obtain credit from the Export-Import Bank also probably will be sought by the White House.

There's one last problem in counting our exports to China of grains, soybeans and cotton before they materialize. That's the fact that in China's thrust to modernize, such imports will be vying with other agricultural goals such as purchase of farm equipment and technology. Also, industrial needs—steel, factories, transportation methods—will be in keen competition.●

HYDROELECTRIC POWER

● Mr. DURKIN. Mr. President, one of the greatest untapped energy resources in this Nation today is hydroelectric power.

In New Hampshire, New England and the rest of the United States, there are literally thousands of dams which could be producing electric power and reducing our absolute dependence upon OPEC oil and nuclear energy.

In times past these facilities were the cornerstone of power production in this country. During the post-World War II era, however, most of the small dams were abandoned in favor of much larger, more centralized powerplants as America's energy needs grew dramatically. Now, with the price of oil at an alltime high and nuclear safety in serious question, these small-scale hydroelectric dams have become very attractive sources of clean and efficient energy. Hydroelectric stations can be returned to service at a tiny fraction of the cost of building a nuclear or conventional powerplant and begin moving us toward energy self-sufficiency.

Because of my interest in developing small-scale hydroelectric projects, I was delighted to see a pamphlet on developing hydroelectric dam potential that was recently published by the Community Services Administration. This booklet is intended to inform communities about this energy source and how it can best be developed.

Mr. President, I ask that the text of this booklet be printed in the Record.

The text is as follows:

Developing Small Hydroelectric Dam Potential

Energy we are told, is the nation's number one priority. The economic health of the United States depends upon a reliable, inexpensive energy supply. Consumers are urged to conserve energy by riding in carpools, turning thermostats down in the winter and up in the summer, and using fewer electrical appliances. But is conservation enough?

Several alternatives to expensive oil are available which in the long run are less expensive and just as efficient as oil. These energy sources include such everyday fixtures as the sun, wind, and water.

One source of energy on which America's prosperity was based 150 years ago is still readily available: the moving waters of our rivers and streams. This energy source is substantial in volume since more than half of it has not yet been developed. It is renewable, unlike oil, coal and uranium, and will not pollute the air. If existing dams are used, there will be a minimal impact on the environment. The purposes of this brochure is to inform local governments, legislators, Community Action Agencies (CAA's), Community Development Corporations (CDC's) and other community organizations about this energy resource: what it is, why it should be developed, where it can be found, and what issues need to be addressed before starting.

Simply speaking, hydroelectric plants using small dams produce electric power with turbine-generator units driven by flowing water. A typical small hydro site looks very much like the illustration below [not printed in Record]. The dam structure itself may be earthen, wood, or concrete. Two important considerations in evaluating potential energy production are the amount of water flow through the penstock of the dam and the distance between the level of water surface and the turbine (known as the "head"). The basic equipment necessary to produce electricity includes the dam, the penstock or pipe which conveys the water from above down to the turbine-generator units, and the turbine-generator units themselves.

Low income people would have much to gain from a source of energy whose cost could be guaranteed not to rise. The Federal Energy Administration's Household Energy Expenditure Model for 1973–1975 showed that households with less than $3,400 in disposable income spent 10 percent of their income on electricity. On the other hand, households between $10,500 and $15,200 spent only 2 percent on electricity. Since those persons with low incomes use electricity primarily for essentials, they do not usually have the option of cutting back on their use of electricity in order to reduce their electricity bills. Therefore, if current projections of increased costs for fossil fuel are valid, the poor stand to suffer the most by higher electricity costs. Hydropower, as one source of electricity which is immune to rising fuel costs, could be a significant factor in maintaining constant future electricity costs for those low-income communities located near hydro sites.

These facts point to a substantial, potential role for Community Action Programs (CAPs) in small hydro development as part of our efforts to ease the impact of high energy prices on low-income persons. The Economic Opportunity Act amendments of 1974 give the Community Services Administration the authority to "establish procedures and take other appropriate action necessary to ensure that the effects of the energy crisis on low-income persons, the elderly, and the near-poor; are taken into account in the formulation and administration of programs related to the energy crisis."

What benefits could result from CAP involvement in the search for alternate energy supplies? The Franklin County Commission Action Corporation in Massachusetts is one CAP which sees many benefits to low-income communities. One of the most important may be the feeling of being in control of rising costs which comes from the ability to mobilize local resources in response to the energy crunch. Developing small hydro sites can afford CAPs the opportunity to cooperate with local government leaders and industry for the economic betterment of the community as a whole. The Franklin County Community Action Corporation found that as a result of this cooperation, private utility companies became more willing to undertake feasibility studies on hydro sites themselves.

But there are more tangible benefits from developing this abundant, non-polluting energy resource, especially in the area of employment opportunities. Several communities, especially in New England where the cost of electricity is extremely high and many old dams exist, are looking into the possibility of refitting existing dams to produce electrical power. The town of Nashua, New Hampshire, with federal aid, plans to develop two dams to provide electricity for its high school, library, fire station, public works garage, and some street lights. City officials are estimating that savings from just one of the dams could be more than $100,000 a year.

The town of Springfield, Vermont is planning to form a municipal utility, take back the eletric power franchise from the Central Vermont Public Service Corporation, buy the latter's installations, and build a $57 million, six-dam hydroelectric peaking-power system. As a consequence, they will save about 30 percent of their present outlay for electricity.

The town of Turners Falls, Massachusetts is also attempting to "municipalize" in order to set up their own publicly owned utility. Hydropower could serve as a source of peaking-power for this system. It is believed that this move would "serve to control and rein in the cost of electricity." In Massachusetts, however, there are legal impediments to municipalizing in the form of 1929 legislation guaranteeing electric monopoly systems the right to maintain their systems unless they elect to sell.

The importance of hydropower in being able to ensure a source of electricity at stable prices, to produce energy or energy products which can be marketed, and to create jobs, would seem to indicate the necessity of ensuring that the possible benefits of such development be targeted to those who stand to lose the most from higher energy prices: low-income communities.

Good hydro sites are everywhere—from Alaska to Florida and from Hawaii to Maine. The U.S. Army Corps of Engineers estimates that there are 50,000 small dams in the United States. According to the Federal Energy Regulatory Commission, only about 1,400 of these dams have been developed to produce power. If only 10 percent of these 50,000 small dams were even partially developed, we could save the energy equivalent of 180 million barrels of oil every year. Potential small hydropower resources include:

1. River sites where sufficient hydraulic capacity exists and where powerhouses and related structures exist or can be erected economically.
2. River sites where small dams are to be built for purposes such as flood control, navigation, irrigation, or recreation.
3. Existing structures on irrigation or water supply canals.
4. Tidal basins.

Emphasis in the past few decades in the construction of dams to produce hydroelectric power has been on very large structures to produce a vast amount of electricity for huge, centralized, regional transmission systems like the Grand Cooley Dam or Boulder Dam. These systems, along with thermal generating facilities using oil, gas, or coal, could produce electricity economically for the largest number of consumers. The obvious question is why the recurrence of interest in small hydroelectric facilities has blossomed, not only at the federal level, but at state and local levels as well.

The equally obvious answer, of course, is the astronomical leap in oil and gas prices since 1973 oil embargo. Coupled with this are increasing pressures from environmentalist leading to regulations of the coal industry and large hydroelectric, as well as nuclear and thermal, power plants. Fears of diminishing reserves of fossil fuels, which replaced the small hydropower facilities in the early part of the century, have fostered plans for a national energy policy emphasizing both conservation and the development of new sources of energy.

Hydropower as an alternate energy source is receiving much interest because it is renewable, non-polluting, and can be decentralized. Smaller dams face little or no opposition on the basis of environmental considerations—a factor making them particularly attractive. Utilizing water, as a renewable resource, also fits conservation criteria.

On April 20, 1977 President Carter submitted his comprehesive energy plan to Congress. Small hydropower development was specifically addressed:

"New or additional hydroelectric generating capacity at existing dams could be installed at less than the cost of equivalent new coal or nuclear capacity. Many of these sites are small, but could generate 3 to 5 megawatts, and are located near major demand centers currently dependent on imported fuel oil. Installation of additional generating capacity at existing sites could conceivably add as much as 14,000 megawatts to the nation's generating potential."

The accompanying fact sheet stated that the President had directed the Corps of Engineers to report on the potential for additional hydropower installations at existing dams throughout the country—especially at small sites. The U.S. Army Corps of Engineers' Institute for Water Resources prepared a 90-day study entitled "Estimate of National Hydroelectric Power Potential at Existing Dams." The study, which included large and small dams, concluded that the potential hydroelectric capacity at all existing dams was 54,600 megawatts—equivalent to the capacity of 55 nuclear power plants. In addition, the study described constraints which inhibit the full development of hydropower at existing dams and contained recommendations for further federal action.

Federal interest in small hydro received an impetus from another source: the collapse of the Teton Dam. In 1977, $1.6 million in fiscal year 1977 funds were reprogrammed by ERDA to set up small demonstration plants at the three dams at Idaho Falls which were damaged as a result of the collapse of the Teton Dam. Meanwhile, Congress appropriated $10 million for FY 1978 to set up a small hydro program in the Department of Energy.

In September 1977, DOE sponsored a seminar on small hydropower at Durham, New Hampshire. Two other similar seminars were sponsored at Lansing, Michigan and Idaho Falls, Idaho. DOE's present program includes studies on institutional and economic questions as well as money for feasibility studies and demonstration projects. For fiscal year 1979, DOE's budget for this program will be $28 million.

Along with DOE's program to encourage small hydro development, the Federal Energy Regulatory Commission is investigating ways to shorten the licensing procedure required for private developers of small hydro. The Federal construction agencies, the U.S. Army Corps of Engineers and the Bureau of Reclamation, are both initiating programs on hydroelectric power generation at small dam sites.

Before beginning the redevelopment of small hydro sites, the potential developer should be aware of several issues which stand between the commitment to and actual production of electricity from small dams.

FINANCING AND OTHER REGULATORY REQUIREMENTS

The Federal Energy Regulatory Commission (FERC) is authorized to license non-federal developments that (1) occupy in whole, or in part, lands of the United States; (2) are located on navigable waters of the United States; (3) utilize surplus water or waterpower from a government dam; and (4) affect the interests of interstate commerce. Unfortunately, using standard FERC procedure, 12 to 15 months is required to issue a license for a small scale hydro development. If an environmental impact statement is required, the procedure would take another ten months. This procedure has become extremely complex over the years as a result of requirements of the Federal Power Act and other legislation enacted by Congress. At the federal level, relevant statutes include the National Environmental Policy Act, the Fish and Wildlife Coordination Act, the Endangered Species Act, and the Wild and Scenic Rivers Act. FERC has decided to deal with licensing problems by attempting to reduce the time required to obtain a license for small hydro developments. A "short form" license application exists for hydro sites with a dam height less than 25 feet, a reservoir of less than 10 acres, and a capacity of less than 1,500 kilowatts. This short form lessens the descriptive information needed, reduces the details required on maps and drawings, and simplifies the requirements for complying with the National Environmental Policy Act.

The situation is made even more confusing by the varying requirements for licenses at the state level. In general, it is usually necessary to check at the state level with the appropriate environmental agency, the public service board (regulating utilities), the water resources agency, and the fish and wildlife agency.

ENVIRONMENTAL CONSIDERATIONS

There is fairly widespread agreement among governmental and environmental representatives that the rehabilitation of existing small dam sites poses almost no threat to the ecology or environment. Because of their small physical size and relatively non-polluting operation, these hydro facilities should not be a threat to plants or mammals near the site. The question of fish passage seems to be the one area of major concern. Solutions to this problem could include methods incorporated into the dam structure such as fish ladders or fish elevators.

FINANCIAL CONSIDERATIONS

CAAs, CDCs and local community development agencies may very well have a distinct advantage in the redevelopment of small scale hydropower with their access to special funds. The ability of municipalities to finance such redevelopment is enhanced by tax exempt revenue bonds. The long-term interest on these bonds is generally at least two (2) full percentage points below corporate bonds. The redevelopment of hydropower sites is no respector of wealth or social status. If a site is attractive to a high income developer, it may be even more attractive to low-income communities.

At this time all private development of small hydropower sites is intimately tied to economic development. That is to say, a site will be dedicated to a specific user of the power. To redevelop a site merely to sell power to a local utility is the least effective use of such a site and least economically attractive. A site, to be attractive, should be used as a source of power for a new or expanded industry. Such an industry would have the additional benefit of being able to provide new jobs. Should CAPs or CDCs become involved, it could use a site for the specific purpose of establishing a minority or small business. Such organizations would be tied to the needs of the nearby low-income community.

Generalized statements about the feasibility of small hydro sites nationwide are impossible as each site offers distinct opportunities and problems. However, small private entrepreneurs have already made attempts to redevelop small sites. They are finding them attractive. Low-income and community organizations should find these sites even more attractive.

Assuming that a possible small hydro dam site is located near an interested community, how does a community begin the process of redeveloping the site to produce electricity? As a preliminary step, an assessment must be made of the adequacy of the water flow, the condition of the dam structure and related equipment and the possible consumers of the power subsequently produced. Before making a more costly outlay for a formal feasibility study, a local community can carry out a rather thorough preliminary assessment of these factors to see if a formal study is worth undertaking. A manual on how to make such preliminary assessment will be available shortly from the Community Services Administration, 1200 19th Street, N.W., Washington, D.C. 20506, Attention: Energy Programs. In addition much basic information is probably available on the particular dam from various State and Federal agencies. At the state level, agencies which can be contacted include the State Water Resources Department and the State Energy Agency. The U.S. Army Corps of Engineers has district offices throughout the nation which may have useful information. A list of these offices with addresses and phone numbers appears on the following page.

With this basic information in hand, a non-professional could make an assessment of whether or not to proceed to the formal study of the feasibility of a retrofit. After this decision, a professional engineer must be involved for the actual feasibility study. This study will include an assessment of the following factors, among others: economic feasibility, structural integrity of the dam, evaluation of the condition of the electrical and mechanical equipment, environmental impacts of redeveloping the site, and evaluation of possible consumers for electricity produced. The results of this study can be made available to the Federal Energy Regulatory Commission for licensing of the dam, as well as, to funding agencies and banks.●

IDAHO VOICE OF DEMOCRACY

● Mr. CHURCH. Mr. President, for the fourth time in 32 years, a young Idahoan is among the national winners in the Veterans of Foreign Wars annual Voice of Democracy Essay Contest. Joining the ranks of past Idaho victors is Joyce Ann Fehringer, a high school senior from the community of American Falls.

All Idahoans can take pride in Miss Fehringer's success and the excellent essay she has written. As a national winner myself in the American Legion's Oratorical Contest many years ago, I am always especially pleased when other young Idahoans communicate the respect and reverence we in Idaho have for our country and our Constitution in the fine fashion of Miss Fehringer.

Miss Fehringer's essay, Mr. President, is full of the hope of youth, and the American dream itself. She has stated it so simply, and so well:

> I care about America because America has cared about me . . . America is simply the expressed values of a group of individuals who know the true wonders of freedom, of freedom that not only protects the bindings of other powers, but a freedom that helps to expand and augment hope within its people.

It would be well, Mr. President, for all of us to weigh her watchwords, which have been paramount for our past and should be guideposts for our future, and I ask that the entirety of Miss Fehringer's essay be printed in the Record.

The essay is as follows:

Why I Care About America

I care about America because America has cared about me. America has given me a name, a home, and the chance to be me. America claimed me as a its child on the day I was born. It raised me through childhood and gave me an education. America encouraged me to drive forward and to strive for the utmost, to be what I wanted to be. America has given me the chance to prove to the world that I am who I am; that I am anything I want to be. But America doesn't force me to be anything that I am not.

But what is America? Who is America? America is simply the expressed values of a group of individuals who knew the true wonders of freedom, of freedom that not only protects from the bindings of other powers, but a freedom that helps to expand and augment hope within its people. When the founding fathers united so many years ago, they were only men with a common desire to declare their independence from the rest of the world. To rid the chains that bound them to the rule of other countries. It was these men and their great work that set forth the rudiments for our nation's way of life.

Then, soon after, with the adoption of the Bill of Rights, we as Americans were accepted as individuals with a need to outwardly express ourselves. We were encouraged to grow and to challenge our government, our way of life. Now we are welcomed to become a part of that government.

America and all its rights to freedom have made its men a strong people. For a man is only what he believes in and his beliefs are what make him a man.

Although the Constitution was drafted to be a restricted governmental power, the power it provides is magnificent, for now the power lies within its people. And with a love for their government, the people cannot be stifled. They will march forward, proud and contented. They will defend their country for it is truly only an expression of themselves. They will defy any hurdle that troubles their way.

So many men have died for our country and for me. They gave their lives for what they believed in and for what they wanted me to have a chance to be. To these men and their loyalty to my country I owe my life. It is for these men and any fellow American, that I live my life for, because as Americans we are all one.

I care about America because America has cared for me. It's given me my name, my home, my chance in life, but most of all America has given me pride in myself and my country.●

THE NOMINATION OF JAMES M. STONE TO BE CHAIRMAN OF THE COMMODITY FUTURES TRADING COMMISSION

● Mr. BOSCHWITZ. Mr. President, last week the Senate Committee on Agriculture, Nutrition, and Forestry considered the nomination of Mr. James M. Stone for the position of Chairman of the Commodity Futures Trading Commission. The committee reported the nomination favorably, with one dissenting vote.

That one vote, Mr. President, was mine. It simply escapes me how a person without substantial background and experience in commodities or the commodity futures trading system can be expected to have any appreciation for the details and complexities of this very sensitive business.

In fact, I am persuaded that the Commodity Futures Trading Commission Act of 1974 recognizes that. The law specifically provides that in nominating Commissioners, "the President shall seek to establish and maintain a balanced Commission, including, but not limited to, persons of demonstrated knowledge in futures trading or its regulation and persons of demonstrated knowledge in the production, merchandising, processing or distribution of one or more of the commodities or goods and articles, services, rights, and interests covered by this act."

This litany of criteria causes me to believe that we truly do have a responsibility to draw upon persons of the background and experience so described if we are to expect the Commission to function in the best interests of the public.

Mr. Stone has not suggested for 1 minute that he possesses any of the demonstrated knowledge called for in the act. Indeed, it is inescapable that he does fall in that very narrow category of those "not limited to" such knowledge, background, and experience. Why are we to suppose such criteria were written into the law if they were not to carry very heavy weight—particularly when the position in question is that of Chairman of the CFTC.

For that reason, the Senator from Minnesota, for one, cannot understand why the administration sent forth the nomination of this particular person when there are doubtless hundreds of persons throughout the country that do have a substantial background in the commodities trading system and in the commodities traded.

Mr. President, we are speaking of a trillion and a half dollar a year business, vitally important to the economic health of the Nation. The Commission has been beset by one problem after another from its very inception, and the idea of nominating a very young person, with virtually no experience—not to mention one who has never ventured west of the Charles River and the Boston Common—borders on the irresponsible. Mr. Stone just cannot have an appreciation for and an understanding of the complexities of the commodities traded and of the intricacies of the futures system upon which so much of the prosperity of our agricultural section depends.

Now, I am familiar with the argument that the President has a right to name persons of his persuasion to major positions of policy in various Government agencies. But the Senate does have the responsibility to advise as well as consent to such nominations, and in this instance I feel compelled to exercise my privilege of advising against the nomination.

It is my understanding that the President did assure the committee that there would be a continuity of leadership, background, and experience on the Commission by sending forth the nomination of Mr. Read P. Dunn, Jr. some 18 hours before the Stone nomination was to be considered by the committee. No doubt it did so because it knows that the feeling I express here today is widely shared by a number of Senators—from both sides of the aisle, I might add.

I further understand that Mr. Stone has been confirmed by the Senate, and is waiting to be sworn in. Despite the apprehensions I have noted above, I wish Mr. Stone good luck in meeting this challenge.●

THE WISDOM OF THE CONSTITUTIONAL CONVENTION METHOD

Mr. HELMS. Mr. President, last February the Committee on Ways and Means of the California Assembly conducted hearings on the questions involved regarding a State legislature's call for a convention to propose an amendment to the Constitution under article V.

One of the constitutional scholars who addressed the committee was John T. Noonan, Jr., professor of law at the University of California at Berkeley. Professor Noonan is editor of the American Journal of Jurisprudence and author of numerous books, including Persons and Masks of the Law.

In his testimony, Professor Noonan punctured many of the myths surrounding the calling of a convention and he concluded:

> A method sanctioned by Lincoln, by Hamilton, by Madison, by Washington and Franklin, and by all the makers of the Constitution, and invoked from time to time by every state, is indeed a workable, useful, and wise way of keeping our Constitution a living instrument of the people.

Mr. President, I commend Professor Noonan's statement to my colleagues and ask that it be printed in the RECORD.

The statement follows:

THE CONVENTION METHOD OF CONSTITUTIONAL AMENDMENT: ITS MEANING, USEFULNESS AND WISDOM

(By John T. Noonan, Jr.)

One of the great American innovations at the founding of our Republic was a Constitution which could be amended. At the time "it was heresy to suggest the possibility of change in governments divinely established and ensured."[1] To provide in the written instrument itself for change was to take the position in advance that experience would show defects, that change would sometimes be desirable and good, and that the people of the next generation or the twelfth generation later could be as wise and trustworthy as the founding fathers themselves.

THE MEANING OF THE METHOD

Two methods of amendment were provided. One was dependent on the initiative of Congress, the other on the initiative of the States. The methods were intended to be parrallel ways of changing the Constitution. In Madison's words in *The Federalist* the Article on Amendments "equally enables the general and the State governments to originate the amendment of errors."[2] It was recognized that those in power in the national government might have a disinclination to give up any of their prerogatives, so that it was particularly necessary to leave open the initiative of the States; and so Hamilton pointed out in his Final Plea for Ratification in *The Federalist*, the second method of Amendment had been provided in order that Congress would be under a "peremptory" duty to call a convention when two-thirds of the States made application for one.[3]

You have been told that the second method of amendment provided by Article V of the Constitution is unworkable; that it is "shrouded in legal mystery of the most fundamental sort," that it is full of "fundamental uncertitudes," that it will lead to confrontations between branches of government of "nightmarish dimensions," and that its invocation will lead to trauma for the country.[4] Reading these prophecies of doom, I have been reminded of what an inveterate Tory might have pronounced in 1789 as our new Constitution was launched. Every word—legal mystery, fundamental incertitudes, confrontations between branches of government—could have been used and would in some sense have been true; but what distrust of popular government it would have been to act on such gloomy guesses! What distrust it shows today both in the wisdom of the founding fathers who gave us Article V and in ourselves to predict that we cannot safely use the second great mode of amendment offered by our Constitution.

The principal objection offered to the convention method is that a Convention may be a runaway body enacting Amendments on all kinds of matters not within its call. In the most flamboyant expositions of this danger it is even suggested that the Convention could repeal the Bill of Rights. Is there anything at all to such fears? The language of the Constitution is clear. Congress is to call a Convention on the application of the legislatures of the States. Congress is not free to call a Convention at its pleasure. It can only act upon the States' application; and if it can only act upon their application it cannot go beyond what they have applied for. If they apply for a Convention on a balanced budget Congress must call a Convention on a balanced budget. It cannot at its pleasure enlarge the topics. Nor can the Convention go beyond what Congress has specified in the call. The Convention's powers are derived from Article V and they cannot exceed what Article V specifies. The Convention meets at the call of Congress on the subject which the States have set out and Congress has called the Convention for.[5]

This understanding of the Article is confirmed by both Madison and Hamilton. Madison says explicitly that the national and State governments have equal powers of amendment.[6] It is obvious that the powers are very unequal if the national government can propose individual amendments but the States can only propose amendment of the whole Constitution. If Congress can propose one amendment at a time, so can the States. Hamilton is, if anything, even more explicit. He says in so many words that every amendment "would be a single proposition and might be forwarded singly. There would then be no necessity for management or compromise, in relation to any other point—no giving or taking. The will of the requisite number would at once bring the matter to a decisive issue. And consequently, whenever nine, or rather ten States, were united in the desire of a particular amendment that amendment must infallibly take place."[7] There is absolutely nothing in this authoritative exposition that suggests that the States can only call a general Convention where the whole Constitution will be on the table to be bargained over. What is contemplated and assured by Article V is entirely different: two-thirds of the States agree on an amendment and "that amendment must infallibly take place."

There are no mysteries here, no fundamental incertitudes unless one is not willing to trust Congress and the Convention it calls to act lawfully and constitutionally. Of course one can always imagine bad men usurping the functions of a Convention as bad men could act as usurpers in Congress or the Executive Branch or the Judiciary. But the Constitution is not addressed to men of bad will. It is addressed to the great law-abiding American people. It assumes that responsible people will act in accordance with what the Constitution provides. If they do so, there can be no runaway Convention.

It has been argued to you by Professor Charles Black of Yale that States can *only* call general Conventions, that any lesser and more specific call is void. Professor Black is wiser than the legislatures of all the States which have acted under Article V in this century. All of them, according to his theory, have done vain acts. I cannot believe that only Professor Black knows what the Constitution means. I cannot believe that Congress or the Supreme Court would adopt his ingenious and unique exposition, which defies Hamilton and Madison's contemporaneous expositions of the meaning.

It has been argued to you by Professor Gerald Gunther of Stanford that not bad men but reasonable men could expand the subject of the proposed Amendment to include matters remote from the intention of the proposers. I do not doubt the ability of lawyers—and lawyers are preeminently reasonable men!—to connect one subject with another: they are trained in the art of showing seamless webs, just as they are trained in taking such webs apart. But Professor Gunther's sagacious argument goes too far. If, with a show of reason, almost any topic can be linked with any other topic, a limited Convention is never possible. In a subtle form Professor Gunther's argument restates Professor Black's position: only general Conventions may be asked for by the States. But this conclusion, contra Hamilton and Madison, is to leave the States helpless to mandate action by Congress on the specific grievances.

The proper answer to Professor Gunther, therefore, must be that while reason can connect all things, when a Convention is called on a specific subject, all those subjects which are tangential and remote from the main issue must be eschewed by the Convention delegates. It is not beyond human wit to draw lines or beyond human sense to observe them. If the delegates wander, Congress need not transmit their wanderings. If irrelevancies are appended by a Convention, the States need not ratify them. If the States vote on matters not within the scope of the call, the Supreme Court can strike the surplusage. There is a triple check, a triple lock, of Congress, States, and Court. These bodies are surely competent to confine a Convention to the matter on which it was asked to act. The Convention is as safe and stable an instrument of governmental power as any other of the great institutions set up by the Constitution on a fundament of trust in the people.

THE USEFULNESS OF THE CONVENTION METHOD

The usefulness of the States' application for a Convention may be doubted because in fact a Convention has never been called. Is application for a Convention merely a way for a State legislature to blow off steam, harmlessly, without effect? In the almost two hundred years of our constitutional history there have been over 300 such applications by the States; every State has made at least one.[8] No doubt some of the applications were fulminations in the air without result. But at least three of the topics addressed by application were made the subjects of amendments by Congress—the limitation of presidential tenure to two terms; the repeal of Prohibition; and the direct election of Sen-

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Footnotes at end of article.

ators. It is fair to say that in each case the expression of the will of the States for a Convention was a factor contributing to congressional action; and that in the case of the direct election of Senators the application for a Convention was a critical factor.[9]

For a decade Congress had refused to amend the Constitution to take from the State legislatures the power to elect Senators. The reform threatened a power bloc in the Senate. The House had proposed the amendment several times. But the Senate each time killed it by referral to a committee. In 1906, twelve states met and planned concerted action to apply for a Convention.[10] The number of States calling for a Convention rapidly mounted toward the requisite two-thirds. In 1911 the proponents of reform laid the States' petitions before the Senate. It was at this juncture that Senator Heyburn of Idaho, whom Professor Laurence Tribe invokes as a constitutional authority, opined that a Convention could "repeal every section" of the Constitution. Heyburn was one of the diehard reactionaries, trying to scare off the needed change. But by 1911 thirty States had applied for a Convention on direct election. In 1912 the retrograde Senate surrendered and Congress proposed the Seventeenth Amendment.

The lessons are clear: A reform that strikes at the power of Congress may only be adopted if effective pressure is generated by the States. The way of generating effective pressure is the way provided by the Founding Fathers—application by the legislatures of the States for a Convention.

THE WISDOM OF THE CONVENTION METHOD

You have heard testimony that it would "trivialize" the Constitution to propose an amendment requiring a balanced budget.[11] I am surprised at what your witness viewed as trivial. No one, I should suppose, regards the Sixteenth Amendment as setting up a trivial tax. It is very hard to understand how an Amendment dealing with the limits of governmental expenditures is more trivial than an Amendment granting one form of taxing power. It is evident to most people that the limits of governmental finance are fundamental to the economic stability of the nation and are as properly a subject of constitutional concern as any specific form of taxation.

You have also been advised that a Convention would cause national trauma. In that warning I hear the voices of those supremely content with the country as it is, who, if they do not believe the Constitution is divinely established, at least have for the present system sentiments of satisfaction which they do not want disturbed by any democratic action of the people. To them the best answer, perhaps, lies in the words of Abraham Lincoln speaking at a time of grave national peril and giving his First Inaugural Address:

"I fully recognize the rightful authority of the people over the whole subject [amendment of the Constitution], to be exercised in either of the modes prescribed in the instrument itself, and I should, under existing circumstances, favor rather than oppose a fair opportunity being afforded the people to act upon it. I will venture to add that to me the convention mode seems preferable, in that it allows amendments to originate with the people themselves; instead of only permitting them to take or reject propositions originated by others, not especially chosen for the purpose, and which might not be precisely such as they would wish to accept or refuse . . ."[12]

A method sanctioned by Lincoln, by Hamilton, by Madison, by Washington and Franklin, and by all the makers of the Constitution, and invoked from time to time by every state, is indeed a workable, useful, and wise way of keeping our Constitution a living instrument of the people.

FOOTNOTES

[1] Roger Merriam. *The Written Constitution and the Unwritten Attitude* (1931) 6.

[2] *The Federalist*, number 43 (Madison).

[3] *Ibid*, number 85 (Hamilton).

[4] Laurence Tribe, *Statement before the Ways and Means Committee of the Assembly*, February 1, 1979 at 12 and 14.

[5] See the conclusions of the Special Constitutional Convention Study Committee of the American Bar Association, *Amendment of the Constitution* (1974) p. 17. Among the members of this committee reaching this unanimous conclusion were Judge Sarah Hughes of the Federal District Court and Dean Albert Sacks of Harvard Law School. The same conclusion is reached by Professor Paul G. Kauper of the University of Michigan Law School, "The Alternative Amendment Process: Some Observations," 64 *Michigan Law Review* 903 at 912 (1968) and by Note, *Harvard Law Review* 85 (1974) 1612 at 1629.

[6] *The Federalist*, no. 43 (Madison).

[7] *Ibid*. no. 85 (Hamilton).

[8] ABA Special Constitutional Convention Study Committee, *Op. cit*. at 69.

[9] See Edward S. Corwin and Mary Louise Ramsey, "The Constitutional Law of Constitutional Amendment," 26 *Notre Dame Lawyer* (1951) 185 at 196.

[10] ABA Committee, 72.

[11] Tribe, *Statement* at 3.

[12] Abraham Lincoln, First Inaugural Address, March 4, 1861, Lincoln, *Collected Works*, ed. Roy P. Basler (New Brunswick: Rutgers University Press 1953) 4, 269–270.●

CARRYOVER BASIS: IDEA WHOSE TIME TO DIE HAS COME

Mr. WALLOP. Mr. President, I wish to speak to the issue of the carryover basis provisions of the income tax law. I cannot recall when a particular piece of tax legislation, supposedly enacted in the name of tax "equity," has caused such a storm of protest from the very sector that was supposedly receiving inequitable tax treatment before we passed the provision. Nor can I recall anyone complaining about the old law nor anyone demanding relief or "equity." I ask my colleagues: How many of your constituents complained about the "step-up" in basis approach used in prior law? Mr. President, I dare to say that there were no complaints. There were no rallies nor petitions demanding a change to the carryover basis because carryover basis is without a constituency. Who, then, in face of the avalanche of complaints about carryover basis, favors the change? The Treasury Department. Was carryover basis adopted because of the revenue impact? No. The Treasury gave testimony before the Finance Committee in March of this year and said that revenue was not the primary concern. Why then is Treasury so insistent? "Equity" cries the Treasury. They continually cite the example of two taxpayers who die immediately after one of them has sold stock, while the other has died owning stock. They claim it is inequitable that if two taxpayers who have made different decisions concerning their assets are run over by a truck, the assets in their estates will receive different bases for income tax purposes. The Treasury completely ignores the fact that the taxpayers are not in the same financial position. Yet this is the example that Treasury uses over and over again. Let me say, Mr. President, that the taxpayers I talk to are more concerned about getting hit by that truck than they are by any equity argument concerning carryover basis. Judging by the mail in opposition to carryover basis, I suspect that the truck that is doing all the damage is a Treasury truck. Regardless of this, I have not found a single constituent who is willing to stand in front of that truck in order to take advantage of the so-called loophole of prior law.

The principle of carryover basis can be attacked on many grounds including administrative problems, technical drafting difficulties and basic policy and philosophical considerations. Most commonly we hear about the horrendous administrative nightmares for everyone involved, including the IRS, executors, and heirs.

For example, in testimony given before the Ways and Means Committee a representative of the Chicago Bar Association testified that the time which professionals will be required to devote to determine the carryover basis of assets owned by a decedent will increase the fees of the professionals by as much as 50 percent.

Furthermore, that the computations of carryover basis will consume greater amounts of time than will the preparation of the estate, inheritance, and income tax returns, combined. Who will pay for all of the extra paperwork and detective work involved in carryover basis? The widow, the children. And, of course, this assumes that the decedent kept accurate, detailed records of his assets throughout his life and that these records are available, and comprehensible, to the executor or administrator.

But the problems of recordkeeping under the carryover basis law is not restricted solely to the taxpayer. Apparently, the Internal Revenue Service not only cannot administer the carryover basis provisions, but neither can it comply with the carryover basis provisions.

I understand that the original carryover basis law required the executor to supply carryover basis information both to the heir and to the Internal Revenue Service. The law required him to do this under penalty of fines up to $5,000.

However, I am told that up to now the Internal Revenue Service has indicated that it does not have the capacity to store this information, nor the capability to retrieve it in any meaningful manner. Therefore, the IRS has announced that it will not require any meaningful carryover basis information to be filed with it. Mr. President, it seems incredible to me, that any system that is too burdensome for the Internal Revenue Service to handle should be imposed on unwitting executors under the penalty of fine.

Mr. President, the technical, legal, drafting difficulties with carryover basis I leave to those more expert in the area. But I am told, by those very experts, that there are substantial, perhaps even insoluble problems, with the carryover basis provisions. For instance, Treasury has no solution for the "negative basis" problem, nor is there agreement on how the system should operate in a community property State.

Mr. President, I think this much is clear. That as of today, after over 2 years of work, the Treasury cannot produce a bill with specific provisions that can make the principle of carryover basis work. Treasury is committed to a principle, and it does not want to be confused with the facts. The Treasury is determined to force a square peg into a round hole. Their proposal to exempt 98 percent of the estates from this tax provision is not an acceptable solution; rather, it is demonstrable evidence that the provision cannot effectively be applied to a broad base. If the step-up in basis under prior law was so inequitable or such a loophole, why does the Treasury propose to allow 98 percent of the population to escape? Do not people with estates under $175,000 get hit by trucks? In truth, this 98 percent figure is very misleading. Can we now tell 98 percent of the population that they need not keep records? Unfortunately we cannot because no one knows today whether or not they will be governed by the carryover basis law when they die 10 or 20 years from now.

The Treasury is disturbed because under prior law, two taxpayers would pay different amounts of tax because of what the Treasury calls an "accident of timing." This seems a very strange position for the Treasury to take.

The timing of financial transactions, whether it be for the sale of stock or the sale of a business or a gift to charity is a recognized, legitimate tax consideration. If two taxpayers put in their orders to sell stock at the same time, but due to the vagaries of either the broker or the U.S. mails, one man's stock is sold at a quarter of a point higher or lower than the other, that would be an accident of timing. Yet, in that situation, the IRS would be the first to say that those transactions deserve different tax results. And so, if two taxpayers have intentionally chosen different paths to get to their financial goals, why should they be treated the same when at a particular point in time they are in different financial situations? One has opted for liquidity or safety by selling his stock, while the other has chosen to continue to keep his money at risk. How much time must pass between the deaths of the two taxpayers before the Treasury is willing to recognize a difference in their financial positions? An hour? A day? A month? Why should the taxpayer who has opted for the benefits of liquidity be treated the same as the taxpayer who has opted to ride the roller coaster of the stock market?

The Treasury Department, in testimony given before the Finance Committee, seemed to base their defense of carryover basis on the fact that individuals who die with capital assets receive a different treatment than those who die without capital assets. Yet, it has been a longstanding policy in this country to encourage capital investment through preferential tax treatment of capital gains. Is carryover basis the first shot of a Treasury assault on all capital gains preferential treatment? Is carryover basis the first step toward a capital gains tax to be imposed not on the recognition of gain, but on the involuntary act of dying?

Mr. President, the concept of carryover basis, which was never examined by Congress before it was enacted, has been tested in the marketplace and it has failed. Let us consider the concept of carryover basis as a noble experiment that did not work. Carryover basis is an idea whose time to die has come.●

ORDER FOR RECESS UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of morning business, the Chair recess the Senate over until 12 noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday next, the Senator from Wisconsin (Mr. PROXMIRE) be recognized for 15 minutes, following recognition of the two leaders.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORITY FOR COMMITTEES TO REPORT BILLS UNTIL 5 P.M. FRIDAY, MAY 4

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that committees may have authority to report bills until 5 p.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, the Chair will recess the Senate at the completion of morning business.

Do I have an understanding that no other business will be called up tonight with the exception of one concurrent resolution which the minority leader is going to call up? I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

RHODESIAN SANCTIONS AND CONGRESSIONAL RESPONSIBILITY

Mr. HARRY F. BYRD, JR. Mr. President, the time has come to lift the economic embargo against Rhodesia.

Majority rule elections in Rhodesia began on April 17, 1979, more than 2 weeks ago, and the results have been widely reported and extensively analyzed.

Nearly 65 percent of the voting age black population of Rhodesia voted approval of the internal settlement worked out between white Rhodesians and representatives of the black population led by Bishop Abel Muzorewa.

This is nearly double the percentage who voted in congressional elections in the United States last year.

Bishop Muzorewa won a decided victory over his opponents and captured an absolute majority in the Rhodesian Parliament for his party, the African National Council. Other black African parties won seats in the new parliament. Twelve seats have gone to the Zimbabwe-African National Union and nine seats to the United National Federal Party.

Under an agreed transfer of power between white Rhodesians and black Rhodesians, Bishop Muzorewa will soon be installed as the first black prime minister of a new majority-ruled Zimbabwe-Rhodesia.

These elections are a commendable and almost unique example in the history of Africa of a voluntary transfer of power from a white-dominated government to a black-dominated government. The electoral process by which this transfer was accomplished has itself received minute and careful scrutiny and a generally favorable reaction.

Certainly, the elections exceeded all standards prevalent in other African nations, most of which do not permit any political activity whatsoever.

The time has come to lift sanctions against Rhodesia.

The question presented is simple: Will the United States support Soviet-inspired terrorism by blockading a moderate pro-Western black African government, or will the United States give democracy a chance in Africa by permitting trade with a friendly, and popularly elected government?

The alternatives to the government of Bishop Muzorawa are the Marxist-oriented, Soviet-backed terrorists.

A choice is inescapable. Zealots at the State Department have made clear their intention to support tacitly a war of terrorist aggression by continuing the participation of the United States in an effort to destroy the economy of a friendly people. To me, that choice is unacceptable and irresponsible.

In my view, the Senate and the Congress are obligated to act to correct the inaction of the President, which, by continuing economic sanctions, threatens the survival of a friendly nation and supports the cause of Soviet-directed terrorism.

If this policy of inaction is continued, if sanctions against Zimbabwe-Rhodesia are not lifted, then it will be merely a matter of time before a pro-Soviet police state will be established in Zimbabwe-Rhodesia, and a great experiment in African democracy will end. That is the plain fact of the matter, and it is indisputable.

The United States has been the acknowledged champion of democracy throughout the world. Countless millions seeking freedom and self-rule have looked to this country for hope and for example. That includes, I believe, most of the 6 million black Rhodesians as well as the white minority.

AMENDMENT NO. 187

Mr. President, I send to the desk an amendment to S. 428, the 1980 defense authorization bill. The amendment reads as follows:

"SEC. . The Strategic and Critical Materials Stockpiling Act (60 Stat 596; 50 U.S.C. 98-98h) is amended by adding at the end thereof the following:

"SEC. 12. Notwithstanding any other provision of law, on and after the date of enactment of this section, the President shall not prohibit the importation from Zimbabwe-

Rhodesia into the United States of any material determined to be strategic and critical pursuant to the provisions of this Act, nor shall he prohibit trade in lawful goods between Zimbabwe-Rhodesia and the United States.".

This amendment is being offered by the Senator from Virginia, the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Nebraska (Mr. EXON), and the Senator from North Carolina (Mr. HELMS).

The PRESIDING OFFICER. The amendment will be received.

Mr. HARRY F. BYRD, JR. Mr. President, this is an amendment to the 1980 defense authorization bill. The Committee on Armed Services will mark up S. 428, the defense authorization bill, next week. The bill should be before the Senate within a reasonable time.

Mr. President, I ask unanimous consent that the amendment be printed and that it be printed at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill add the following:

"SEC. —. The Strategic and Critical Materials Stockpiling Act (60 Stat. 596; 50 U.S.C. 98–98h) is amended by adding at the end thereof the following:

"SEC. 12. Notwithstanding any other provision of law, on and after the date of enactment of this section, the President shall not prohibit the importation from Zimbabwe-Rhodesia into the United States of any material determined to be strategic and critical pursuant to the provisions of this Act, nor shall he prohibit trade in lawful goods between Zimbabwe-Rhodesia and the United States.".

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that an editorial published in the Wall Street Journal of today, Thursday, May 3, dealing with this subject, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

IS CONGRESS SERIOUS?

Congressional liberals have been lecturing us all these years on the Imperial Presidency. Now that the Rhodesian question is coming up we will find out if they are really sincere about Congress protecting its own prerogatives, or if all the yak was just directed at particular Presidents and particular policies.

In 1978 Congress passed the Case-Javits amendment to the Foreign Assistance Act, requiring the President to lift the sanctions against Rhodesia once the Rhodesian government made a good faith effort to negotiate with the guerrillas and held free and fair elections. There can be little doubt about the intent of the Congress, and, although there has been some carping about the fairness of the Rhodesian elections, the fact of the matter is that they came out as fair as anyone had expected and, indeed, fairer than some of our own.

Now all of a sudden we are hearing the argument that Congress shouldn't be involved in the matter at all. But it has been all along. It was Congress that passed the UN Participation Act of 1945 which gives the President permission to impose sanctions. In 1971 Congress passed the Byrd amendment which expressed the Congress's concern by removing some of the sanctions imposed when Rhodesia broke away from Britain. In 1977 Congress decided it was time to put some pressure on Ian Smith and overturned the Byrd amendment. Last year with the Case-Javits amendment Congress saw fit to go further than the Byrd amendment and remove sanctions altogether once Rhodesia had an elected black government.

Mr. Smith had no trouble reading the intent of the U.S. Congress. The Rhodesian whites voted themselves out of power, and the blacks voted themselves in. Clear enough to everybody but the administration. Somehow the President just can't seem to read the intent of the Congress.

Now Congress is faced with the task of making its intent stick. It has its opportunity in an amendment to the Defense Supplemental Authorization Act for 1979, a bill now before the Senate. The amendment brought by Senators Harry Byrd, Huddleston and Exon prohibits the President from continuing the sanctions against Zimbabwe-Rhodesia. We hope the Congress takes its own prerogatives more seriously than the State Department has taken the fledgling democracy in Rhodesia.

Mr. McCLURE. Mr. President, not only do I have respect and admiration for the Senator from Virginia, but also I support the statement he has made.

Mr. HARRY F. BYRD, JR. I thank the Senator.

GASOHOL

Mr. McCLURE. Mr. President, yesterday on the floor of the Senate, I announced that the Chrysler Motor Corp. had extended its warranty coverage to include the use of gasohol fuels in its cars and trucks. I have subsequently learned—and am equally happy to announce—that the General Motors Corp. has also taken this very important step of acknowledging gasohol as a safe-effective, and acceptable alternative fuel.

As I mentioned yesterday, I am hopeful the other major automobile manufacturers, both domestic and foreign, will follow the lead of General Motors and Chrysler. Their acceptance of gasohol can do nothing less than strengthen the role that gasohol is destined to play in the future of this country; which is to provide a clean, efficient, and renewable fuel that will ultimately help reduce our dependency on foreign petroleum and, just as important, provide additional markets and higher prices for this Nation's farmers.

Mr. President, I firmly believe gasohol is one of America's fuels of the future, and this body must follow the lead of these two major automakers and take every reasonable step to stimulate and hasten the growth of a U.S. gasohol industry.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. McCLURE. I yield

Mr. PERCY. I would like to commend my distinguished colleague from Idaho for his remarks on gasohol and for the leadership he has shown in this field.

Senator Carl Curtis was also a great believer in gasohol.

I have been very disappointed to see the budget cut by a half milion dollars for gasohol research in the agricultural research facility in Peoria, Ill. Congressman BOB MICHEL and I are working together to see that those funds are restored.

I cannot imagine that we would not do everything possible to move ahead in research to bring down the costs of gasohol, the use of gasohol.

I have used it in my car. We have over 50 stations, I believe, now selling gasohol in Illinois, and it is a practical way to solve this problem of energy and to reduce our dependence on incoming, imported petroleum.

So I commend my distinguished colleague and fully support every effort we can make in this direction.

Mr. McCLURE. I thank the Senator from Illinois.

You know, back in the 1920's this was something that was being done on a rather broad scale. I did it with my car in the 1940's when I was a student in college. It is not something that is new. It is only the inertia of Government that prevents it from being a much more effective substitute in the fuel market today.

I thank the Senator for his comments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NEED FOR A MUSLIM-JEWISH DIALOG

Mr. PERCY. Mr. President, I wish to draw the attention of my colleagues to an important article by my friend Philip M. Klutznick, president of the World Jewish Congress. In this article, which appeared in the Christian Science Monitor of April 30, 1979, Mr. Klutznick calls for a Muslim-Jewish dialog to build a "modern-day intercultural appreciation between Muslims and Jews." He suggests that, in the interest of peace, "Jews and Muslims must now use their best instincts to foster mutual respect" from which can flow understanding and acceptance.

I think that this is a very significant initiative from one of the great leaders of the world Jewish community, and I am hopeful that it will encourage a movement toward Muslim-Jewish reconciliation.

I ask unanimous consent that Mr. Klutznick's article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A JEWISH LEADER'S CALL FOR DIALOG WITH MUSLIMS

(By Philip M. Klutznick)

For too many people "peace" is thought of as a politicized term—something sought by politicians, something achieved by diplomacy.

Yet "peace" in its real sense is the achievement of a social and cultural state of successful human interaction. It is a concept rooted in the traditions and values of the world's great religions and philosophies.

Nations and religious groups within nations manifest hostility and engage in conflict when they feel threatened, abused, or deprived. Yet too often these time-bound perceptions have proved historically invalid—the tears and misery all in vain. Too often we look back with sorrow and regret.

Jews and Muslims have experienced a peculiar form of estrangement throughout most of this century. A similar religious heritage, the common forefather Abraham, and shared Semitic roots have not overcome political aspirations perceived to be antagonistic.

The conflict that developed between Zionism and Arab nationalism, and then between Israel and the Arab states, has permeated the entire framework of Islamic-Jewish relations worldwide. The schism has taken on such absurd dimensions that leaders of the Muslim Brotherhood in Egypt—partly reacting with emotional confusion to the recent Egyptian-Israeli treaty—have declared "Muslims and Jews can never coexist."

This is a doctrine of despair and defeat. That we, Muslims and Jews, together with Christians, are all "people of the book" has been lost from their consciousness.

The irony, of course, is that religious extremists on both sides are guided by such warped interpretations of their own holy books that they have turned the humanistic teachings of their spiritual heritage into license for chauvinistic zealotry and nihilism.

True Jewish tradition, however, is replete with expressions of human brotherhood and social tranquility. In the Gittin Tractate of the Talmud (61A) we are instructed that "the Gentile poor are to be supported together with the Jewish poor, and the Gentile sick visited together with the Jewish sick, and the Gentile dead buried with the Jewish dead, in the interest of peace."

The era of intercultural cross-fertilization in medieval times produced like-minded and complementary religious and intellectual work. Cooperation between Islam and Judaism was assumed. Maimonides and Alfarabi are often seen by Westerners as part of the same tradition.

And the great teacher Rabbi Johan of Gerondi in the Iggeret Teshuvah provided a vision quite relevant to today's needs. "And Jews must pick out select men who will impose peace, who will be able to run and enforce peace among men," he taught. "And these select men should be capable of modifying and conciliating men and imposing peace."

President Sadat has shown all of us, from whatever religious background, what courage and vision can mean when exerted on behalf of political reconciliation and human welfare. Prime Minister Menachem Begin's forthcoming response has demonstrated that previously intractable deadlocks can be overcome. And President Carter has exhibited the finest traditions of his faith in his determined pursuit to steps toward peace.

The political dialogue between Israel and the Arabs, now in embryo and whatever its adequacy in participation and outlooks, desperately needs to be supplemented by building modern-day intercultural appreciation between Muslims and Jews.

By making such a plea I do not intend to support this or that concept of what is required for "peace" in the Middle East or this or that strategy for achieving it. Nor will I attempt here the exceedingly important task of defining the institutional relationships that need to be created to pursue this goal of Muslim-Jewish dialogue.

Rather, I simply mean to suggest that Jews and Muslims must now use their best instincts to foster mutual respect. From such a beginning can flow understanding and acceptance.

Throughout the past decade, the World Jewish Congress has pursued a stimulating and productive dialogue with Christianity. Working with the World Council of Churches, Jewish and Christian leaders learned to understand each other's fears and aspirations, to respect each others moral values, and to appreciate the profound linkages that exist between them.

Just last month I led a delegation of two dozen Jewish leaders in a historic meeting with Pope John Paul II—a meeting which symbolizes the new relationship that has been achieved through the joint purposeful efforts of the Vatican and the Jewish community.

A dialogue between leaders of Islam and leaders of world Jewry should be an urgent priority. We need to re-create the bonds that have existed before. And the "comprehensive peace" which politicians speak of requires such a firm foundation for its realization.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE R, S, T, U, AND V, 96TH CONGRESS, 1ST SESSION

Mr. BAKER. As in executive session, I ask unanimous consent that the injunction of secrecy be removed from a Tax Convention with the United Kingdom (Executive R, 96th Congress, 1st session); amendments to the Intergovernmental Maritime Consultative Organization Convention (Executive S. 96th Congress, 1st session); the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries (Executive T, 96th Congress, 1st session); and the Maritime Boundary Settlement Treaty and the Agreement on East Coast Fishery Resources with Canada (Executives U and V, 96th Congress, 1st session); all of which were transmitted to the Senate today by the President of the United States.

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages of the President are as follows:

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Convention between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Estates of Deceased Persons and on Gifts, signed at London on October 19, 1978. For the information of the Senate, I also transmit the report of the Department of State with respect to the Convention.

The Convention would replace the estate tax convention with the United Kingdom which was signed at Washington on April 16, 1945, and has been in force since 1946. It would apply in the United States to the federal gift tax, the federal estate tax, and the federal tax on generation-skipping transfers. In the United Kingdom it would apply to the capital transfer tax. The Convention is similar in principle to the United States estate tax convention with the Netherlands, which was signed at Washington on July 15, 1969, and entered into force in 1971, and to the United States model estate and gift tax convention published by the Department of the Treasury in 1977.

The general principle underlying the Convention is to grant to the country of domicile the right to tax estates and transfers on a worldwide basis. The Convention also permits a credit for tax paid to the other country in which certain property was taxed on the basis of its location. The Convention would provide rules for resolving the issue of domicile.

The Convention would enter into force on the thirty-first day after instruments of ratification are exchanged and would have effect in the United States with respect to estates of individuals dying and transfers taking effect after that date.

I recommend that the Senate give early and favorable consideration to the Convention and give advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *May 3, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to acceptance, amendments to the Convention on the Intergovernmental Maritime Consultative Organization, signed at Geneva on March 6, 1948, which were adopted on November 14, 1975 and November 17, 1977, by the Assembly of the Intergovernmental Maritime Consultative Organization (IMCO) at its ninth and tenth sessions. I transmit also, for the information of the Senate, the report of the Department of State describing the amendments, their purpose, and effect.

Support for these amendments will contribute to the demonstrated interest of the United States in facilitating cooperation among maritime nations. To that end, I urge that the Senate give early and favorable consideration to these amendments and give its advice and consent to their acceptance.

JIMMY CARTER.

THE WHITE HOUSE, *May 3, 1979.*

To the Senate of the United States:

I am pleased to transmit the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries for advice and consent to accession. The Convention was signed in Ottawa on October 24, 1978, by nine parties, not including the United States, and subsequently entered into force on January 1, 1979.

The Convention creates a successor organization to the International Commission for the Northwest Atlantic Fisheries (ICNAF) established by the International Convention for the Northwest Atlantic Fisheries, done at Washington, February 8, 1949 (the ICNAF Convention). The United States withdrew from the ICNAF Convention effective December 31, 1976, because it was inconsistent in several ways with the establishment of the extended fishery management authority of the United States under the Fishery Conservation and Management Act of 1976. The United States subsequently participated in the negotiation of the successor Convention. Its provisions are completely consistent with the provisions of the Act.

Under this Convention, the United States will receive and provide scientific data, participate in the planning and coordination of research activities, and have available a multilateral scientific council to review scientific studies and hypotheses pertaining to fish stocks in the Convention Area. United States adherence to the Convention will facilitate continuity of the data base established and accumulated over a period of 27 years under the ICNAF Convention. In addition, the United States will be able, if desirable, to request and receive scientific advice related to fisheries subject to its exclusive management jurisdiction. Finally, the United States will have an opportunity for membership in the Fisheries Commission, the body responsible for conservation and management of fisheries in the Regulatory Area, defined as the part of the convention area beyond the fishery conservation zones of the Contracting Parties, should its vessels wish to participate in such fisheries.

I transmit also for the information of the Senate the report of the Secretary of State with respect to the Convention.

I urge the Senate to act favorably at an early date on this Convention.

Jimmy Carter.

The White House, *May 3, 1979.*

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, two separate but closely related treaties with Canada: the Treaty between the Government of the United States of America and the Government of Canada to Submit to Binding Dispute Settlement the Delimitation of the Maritime Boundary in the Gulf of Maine Area, and the Agreement between the Government of the United States of America and the Government of Canada on East Coast Fishery Resources. Both Treaties were signed at Washington on March 29, 1979, and they will enter into force together upon exchange of instruments of ratification.

I also transmit for the information of the Senate the report of the Secretary of State with respect to these Treaties.

These Treaties will make an important contribution to good relations between the United States and Canada by resolving, in a way that is fair to both Parties, a vexing dispute over fisheries and the maritime boundary in the Atlantic which was brought to the fore when both countries extended fisheries jurisdiction to 200 nautical miles in 1977.

The maritime boundary settlement treaty provides for the delimitation of the maritime boundary in the Gulf of Maine Area by a Chamber of the International Court of Justice or, if such a Chamber cannot be constituted in accordance with the wishes of the Parties, by an *ad hoc* Court of Arbitration. Resolution of the maritime boundary by impartial dispute settlement has proved necessary because the two countries have not been able to agree upon the location of the maritime boundary in the Gulf of Maine Area.

The fisheries treaty contains provisions for the conservation, management and utilization of fish stocks of mutual interest off the east coast of both countries. Detailed entitlement shares for various fish stocks are set forth in the agreement, with the shares subject to review every ten years. A joint fisheries commission will be established to implement the agreement, and dispute settlement mechanisms will be included as part of the institutional framework to resolve differences that might arise in the interpretation or implementation of the agreement.

I believe that these treaties are in the best interests of the United States. The fisheries treaty protects United States interests in the important fisheries on Georges Bank; and settlement of the boundary will facilitate development of the non-living resources of the continental shelf. Further delay in resolution of these issues would be detrimental to conservation of the fishery resources and could lead to serious irritants in United States relations with Canada.

I recommend that the Senate give early and favorable consideration to these treaties and give its advice and consent to their ratification.

Jimmy Carter.

The White House, *May 3, 1979.*

AUTHORIZATION FOR CONCERTS BY THE NATIONAL SYMPHONY ORCHESTRA ON CAPITOL GROUNDS

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 114, and I ask for its immediate consideration.

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 114, a concurrent resolution authorizing concerts by the National Symphony Orchestra on Capitol grounds, which was read twice by its title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The resolution was agreed to.

The preamble was agreed to.

SENATOR RIBICOFF'S DECISION NOT TO RUN FOR REELECTION

Mr. BAKER. Mr. President, the Senate has today received some most unwelcome news. The distinguished Senator from Connecticut (Mr. Ribicoff) has announced his intention not to seek reelection to the Senate at the end of his current term.

For 16 years, Abe Ribicoff has served in this body with a rare combination of courage and grace, dignity and diligence. He has won the respect of all who have served with him for his keen intelligence, his consummate legislative skill, his devotion to justice, his compassion, and his wise and honest counsel.

Mr. Ribicoff and I have became good friends in the years of our mutual service here, and so I have personal reasons for regretting his decision today, reasons which go beyond the professional recognition that the Senate and the Nation are about to lose one of the finest public servants it has been my privilege to know.

We have not always agreed on everything. It seems at times we rarely agree on anything. And I frankly hope that his successor will see the light of Republican doctrine more clearly than my friend has seen it, and will let it guide his or her way as my friend has consistently declined to do.

But partisan differences aside, with the retirement of Abe Ribicoff we are losing an abundance of expertise and experience which have served the Nation well. Mr. Ribicoff's service here, and his previous service in the House of Representatives, as Governor of Connecticut, and as Secretary of Health, Education, and Welfare, have made him virtually a walking encyclopedia of useful governmental and political information.

We are grateful that there are many months remaining in his present term. We will have a long time to pay appropriate tribute to him, and we will likely need it all.

Mr. KENNEDY. Mr. President, the distinguished Senator from Connecticut announced his retirement today.

I learned of Abe Ribicoff's decision not to seek reelection with deep regret.

We came to the Senate together in 1962, and he has been one of my closest friends ever since.

Blessed with great ability and wisdom, he has used his talents well in the service of his State and Nation. Over the years, he had not just one career, but a series of outstanding careers, as Congressman, as Governor, as Secretary of HEW under President Kennedy, and for the past 17 years as one of the finest Members of the Senate. He has earned whatever retirement he seeks—but few of us expect the Nation to be denied his service in the future.

As a Senator, he won the uniform high respect of his colleagues by virtue of his extraordinary ability to perceive the long run interests of the Nation amid the competing passions of the time. He will be remembered by all of us as a colleague who was both loved and listened to, a skillful leader on all the sensitive issues of foreign and domestic policy we faced together.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I have no further business to transact, and I see no other Members who indicate that they have any. Might I inquire of the Chair if he will determine whether there is any further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

RECESS UNTIL MONDAY, MAY 7, 1979

Mr. BAKER. Mr. President, if there be no further business to be transacted, I move that the Senate stand in recess until Monday, May 7, 1979, at 12 noon.

The motion was agreed to; and at 7:09 p.m., the Senate recessed until Monday, May 7, 1979, at 12 o'clock noon.

NOMINATIONS

Executive nominations received by the Senate May 3, 1979:

THE JUDICIARY

Amalya L. Kearse, of New York, to the U.S. circuit judge for the second circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

Henry A. Politz, of Louisiana, to be U.S. circuit judge for the fifth circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

Mary M. Schroeder, of Arizona, to be U.S. circuit judge for the ninth circuit, vice a new position created by Public Law 95–486, approved October 20, 1978.

DEPARTMENT OF JUSTICE

Peter J. Wilkes, of Illinois, to be U.S. marshal for the northern district of Illinois for the term of 4 years, vice Harvey N. Johnson, Jr., deceased.

IN THE ARMY

Lt. Gen. Edward Charles Meyer, [redacted], Army of the United States (brigadier general, U.S. Army), for appointment as Chief of Staff, United States Army, in the grade of general, under the provisions of title 10, United States Code, sections 3034 and 3066.

EXTENSIONS OF REMARKS

VANPOOLING

HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. EDGAR. Mr. Speaker, in his recent energy message the President called on Americans to conserve gasoline by commuting to work by public transportation or by forming carpools and vanpools.

The Congress has been ahead of the administration on both of these issues. The Surface Transportation Assistance Act of 1978 authorizes significant amounts of new funding for public transportation, and a Federal carpool and vanpool policy was enunciated for the first time.

This evening I will be discussing vanpooling with the National Center for Administrative Justice, which is interested in reform of the legal and regulatory environment in which vanpools must operate. I submit for the RECORD here these remarks on vanpooling for those who would like to learn more about this innovative and promising technique to save energy and to improve the utilization of our transportation system:

NATIONAL CENTER FOR ADMINISTRATIVE JUSTICE: VANPOOLING—AN EMERGING COMMUTE-TO-WORK OPTION

(Remarks of Representative ROBERT W. EDGAR)

I am pleased to be here and I would like to thank the National Center for Administrative Justice for convening this conference to discuss the regulatory and operational problems of vanpooling. Most conferences in Washington seem to be focussed on the Congress; often, the intention is to whip up sentiment for some new spending program. By contrast, this conference deals with a topic—the topic of Vanpooling—where federal spending programs aren't all that important. While federal technical assistance could be very helpful in promoting the start-up of new vanpool programs around the country, once organized, Vanpools are self-sufficient. The key to promoting the use of Vanpooling probably rests with reforming the regulatory and legal environments in which they must operate. This, I understand, is the focus of this conference—and I think it is a very appropriate one.

As background, let me examine with you some of the things the federal government has done to promote Vanpooling. After several years of effort, I believe that the federal laws we needed to promote vanpooling essentially are in place. I am proud of the role I played last year in developing and introducing Section 126 of the Surface Transportation Assistance Act of 1978.

This section did the following:

First, funds allocated to States under the federal-aid primary, secondary, and urban system highway programs now may be used for carpool and vanpool projects if the States so choose. We have eliminated the connotation that carpools and vanpools are "demonstration projects." Carpool and vanpool promotion now can be an ongoing component of State transportation programs.

Second, Section 126 exempted interstate Vanpools from regulation by the Interstate Commerce Commission. Some public transportation unions argue against the granting of this exemption, but—wisely I think—Congress ignored the advice and recognized the inappropriateness of such regulation.

Third, Section 126 declared to be National Policy that special efforts should be made to promote commuter modes of transportation which conserve energy, reduce pollution, and reduce traffic congestion. To my knowledge, this is the first time that this sensible policy has been enunciated within the highway statutes. Section 126 further directs that the Secretary of Transportation assist public and private employers and employees who wish to establish carpooling and vanpooling programs. The Secretary also is instructed to assist State and local government in removing legal and regulatory barriers to carpooling and vanpooling.

Fourth, Section 126 authorizes $1 million in FY 1979 and $1 million in FY 1980 for use by the Secretary of Transportation in deferring the Department of Transportation's internal costs in promoting vanpooling and in providing technical assistance on regulatory problems that impede expansion on Vanpooling.

In addition, $3 million in FY 1979 and $9 million in FY 1980 is made available to the Secretary for grants-in-aid to States, local public bodies, and metropolitan planning organizations for the purpose of establishing and promoting Carpool and Vanpool programs. These funds are not intended to defer the cost of vehicle acquisition or to cover the normal operating expenses of Vanpools. This is purely technical assistance money, to be used for such activities as matching riders with other riders, evaluating the viability of specific vanpool proposals, and so forth. For further guidance on the intent of this program, I draw your attention to remarks I inserted into the CONGRESSIONAL RECORD on September 27, 1978.

As you know, Carpooling and Vanpooling programs are self-sustaining. Participation fees for Vanpools cover vehicle amortization, operating, and maintenance expenses. The federal role is limited to promotion of the mode by dissemination of information and technical assistance. Grants-in-aid are available to M.P.O.'s and other public bodies to assist in the promotional effort. I expect that many M.P.O.'s and many States will be interested in Vanpooling as a result of the Clean Air Act amendments, which require consideration of various shared-ride and transportation control strategies to reduce pollution. The Environmental Protection Agency estimates that each Vanpool reduces atmospheric pollutants by 1.8 tons annually. Vanpooling must be looked upon by cities as an essential component of any program with a goal of reducing vehicle miles travelled.

Section 126 is now law, but some of the financial aid provisions have, unfortunately, not been implemented. The $1 million authorized for the internal use of DOT in dealing with regulatory issues, (. . .) and the $9 million authorized for grants-in-aid, have not been appropriated. This funding will draw-down the highway trust fund, but first an action of the Appropriations Committee is required. The Carter Administration did not request these funds in its FY 1980 budget. Last month I testified before the Transportation Subcommittee of the House Committee on Appropriations to urge that they appropriate these funds, and I believe that the Committee will act favorably on this request. On the one hand, the President has exhorted the public to form Vanpools and Carpools, and on the other hand his budget planners have refused to ask for the extremely modest amounts of money authorized to promote such efforts. This hypocrisy must end.

If we get an appropriation, and if DOT follows through with the clear intent of Congress in passing Section 126, I believe that the Congressional role in the effort to promote Vanpooling will be over. Attention now must turn to the State and local level and to regulatory questions. I hope this Conference can be helpful to the DOT and to others in assessing the regulatory problems we face.●

MacARTHUR MEMORIAL WEEK

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

● Mr. ZABLOCKI. Mr. Speaker, on June 8, 1979, a commemorative statue of Gen-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

eral of the Army Douglas MacArthur will be unveiled in Milwaukee, Wis., highlighting a week of celebrations to commemorate the distinguished General MacArthur and his forebears. I am introducing today a joint resolution authorizing and requesting President Carter to proclaim that same week, June 8, 1979 through June 14, 1979 as "MacArthur Memorial Week."

Gen. Douglas MacArthur's stamina and drive in leading our forces in World War II depicted his dedication to serving his country. While he was a controversial leader in some respects, few citizens I believe would doubt his courage, love of country, and excellent leadership traits. We can learn from the many examples he set in standing up for his values and in serving our Nation so valiantly.

Mr. Speaker, this year marks the 80th anniversary of Douglas MacArthur's entry into the U.S. Military Academy at West Point. Accordingly, citizens and veterans' organizations will join the Milwaukee County Historical Society in paying tribute to the esteemed General and his family. We are deeply honored that Mrs. Jean MacArthur, the General's widow, will be in Milwaukee on June 8 to unveil the 9½-foot statue which was designed by Robert Dean, nationally-known artist and West Point graduate.

The citizens of Milwaukee, and Wisconsin, are proud that General MacArthur considered Milwaukee his home. His father and grandfather also contributed importantly to the State of Wisconsin and to our Nation. Judge Arthur MacArthur served as Wisconsin's Lieutenant Governor and as second Wisconsin circuit court judge from 1858 to 1869. Lt. Gen. Arthur MacArthur, his son, was awarded the Medal of Honor for bravery in action at Missionary Ridge, November 25, 1863.

Mr. Speaker, it is a privilege for me to introduce this resolution today to authorize President Carter to proclaim "MacArthur Memorial Week" so that all our citizens may pay tribute to these outstanding Americans.●

GOP SUPPORTS BALANCED ALASKAN LANDS BILL

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. SHUSTER. Mr. Speaker, I am today inserting into the CONGRESSIONAL RECORD a copy of the Republican Policy Committee statement supporting the passage of H.R. 39, the Alaska National Interest Lands Conservation Act.

The Republican Policy Committee, which I am honored to chair, strongly endorsed the passage of the Alaska lands bill as reported by the Committee on Interior and Insular Affairs or the Committee on Merchant Marine and Fisheries. The Policy Committee opposes the passage of the Udall substitute which was recently introduced and does not have the approval of the legislative committees concerned with this issue.

The text of the Policy Committee statement is as follows:

H.R. 39—ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT

The Alaska National Interest Lands Conservation Act is one of the most sweeping environmental measures to be considered by the Congress of the United States. It also represents the classic confrontation between environmental interests and viable economic interests.

The Republican Policy Committee supports the passage of H.R. 39, the Alaska National Interest Lands Conservation Act as reported by the Committee on Interior and Insular Affairs or the Committee on Merchant Marine and Fisheries (the Huckaby and Breaux-Dingell bills). The Policy Committee opposes the passage of the Udall substitute which proposes large land set asides for environmental special interests without legislative hearings and Committee approval.

Alaska is America's last great frontier. The State of Alaska encompasses land and inland water areas of some 375 million acres, an area one-fifth the size of the continental United States. Its vast natural resources remain largely undiscovered and undeveloped.

What is the "national interest" in the vast Alaska landscape and its accompanying resources for the United States in the late 20th Century? For environmentalists, the "national interest" represents the last opportunity to preserve intact a significant portion of this nation's wilderness heritage—a legacy that has disappeared almost entirely or exists only in comparatively small portions in other states. For Alaskans and economic interests these same lands are perceived to contain resources and economic opportunities that may be unavailable unless a significant portion of these "national interest" lands are kept open to multiple use and development rather than held hostage to lost opportunities by wilderness preservation.

H.R. 39 proposes the designation of 120 to 148 million acres of new parks, refuges, forests, wilderness, and wild and scenic rivers for environmental purposes. The land designations made in this legislation dwarf previous designations such as the creation of the National Forest System and the designation of Yosemite and Yellowstone National Parks. This legislation will double the size of the National Park System and nearly quadruple the size of the National Wildlife Refuge System and the National Wilderness Preservation System. The land designations in this legislation will affect the availability of wildlife, recreational, and mineral resources of the State for decades to come. It will significantly impact the State of Alaska and this nation's future economic potential.

H.R. 39 affects from 33 to 40 percent of the land acreage in Alaska. It creates (a) 20 million acres of parks and monuments, (b) 12 to 22 million acres of land preserves, (c) 1 to 5 million acres of national recreation areas, (d) 45 to 88 million acres of wildlife refuges, (e) 1.5 million acres of wild and scenic rivers, (f) adds 3 million acres to existing national forests, (g) establishes 2 to 3 million acres of conservation areas, and (h) designates a total of 51 to 54 million acres as wilderness. In effect, the land set aside in H.R. 39 is equal to the land area along the eastern seaboard of the United States stretching from Maine to North Carolina.

The Republican Policy Committee believes that H.R. 39, as reported, represents a balanced approach to the allocation of lands in Alaska in the "national interest." It preserves intact a significant portion of this nation's wilderness heritage and preserves options for natural resource development. H.R. 39 permits major existing mineral discoveries to proceed to development and subjects the finest onshore oil and gas area in Alaska to thorough study and analysis. It maintains the present level of productivity for the timber industry, thereby preserving jobs.

H.R. 39 also deals equitably with other important interests by facilitating completion of the Statehood land grants and recognizing the rights of other users of the public lands by permitting more sport hunting and more opportunities for recreation development in Alaska.

The Udall substitute does not provide this balanced approach to allocating Alaska lands in the "national interest." The Udall substitute proposes designating 140 million acres of Alaska for environmental uses and severely restricting State and economic uses. For example, it precludes oil and gas assessment and possible development of one of the most significant oil and gas areas in Alaska and the USA. This proposal prohibits mineral development in two of the seven major mineral discoveries in Alaska and statutorily closes future hard rock mineral development in Alaska by including nearly 70% of the mineral provinces rated "highly favorable" by the U.S. Bureau of Mines in units prohibiting mining. The Udall substitute also severely reduces the timber harvest in southeast Alaska through wilderness designations which threatens the loss of 2,000 jobs. It effectively denies the State of Alaska rights to lands previously selected by the State and closes approximately 30 million acres to sport hunting.

By comparison, H.R. 39 as favorably reported by the two House Committees provides a balanced approach to two competing interests. In striking that balance, H.R. 39 is predicated upon legislation considered and agreed to in the 95th Congress as a reasonable compromise. H.R. 39, therefore, represents the considered judgment of two House Committees and two Congresses.

At a time when United States dependence on the importation of important minerals, oil, and natural gas is increasing at an unprecedented rate and with significant economic consequences to this Nation, it makes sense not to preclude resource development where compatible with environmental interests.●

SALVATION ARMY ASSOCIATION TRIBUTE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. OTTINGER. Mr. Speaker, on Thursday evening, May 3, the Salvation Army Association of New Rochelle will honor Capt. Thomas Wilson and June Schetterer at the Beach and Tennis Club in New Rochelle, N.Y. The association is celebrating its 90th year of service to the New Rochelle community and will also be holding a service of rededication on Sunday afternoon.

Captain Wilson has been the commanding officer of the Salvation Army in New Rochelle since September 10, 1978. Prior to that time, he served in Maine, Ohio, Kentucky, New Jersey, Vermont, and upstate New York. Since his arrival in New Rochelle, he has been quite active in a number of civic groups and organizations. Presently he is serving on the executive committee of the Inter-religious Council and is a member of the Council of Social Services, a member of the Huguenot Lions Club, and a past secretary of the New Rochelle Lions Club. He has hosted memorial services for veterans each May, served as Marshal in the annual Thanksgiving Day Parade, and has assisted many groups with their productions of the musical "Guys and Dolls." Captain Wilson was born and raised in Lima, Ohio, and has the distinction of being the first bachelor to be appointed commanding officer in New Rochelle.

June Schetterer has been a member of the Advisory Council of the New Rochelle Salvation Army since 1960, and she was one of two recipients of the Westchester County Advisory Board Volunteer of the Year Award several years ago.

Mrs. Schetterer has been a resident of New Rochelle since 1948 and has been associated with New Rochelle's newspaper, the Standard Star for 30 years. During that time, she has covered nearly every beat and has been involved with most of the major events in the city as a staff member. Over the years, her byline has appeared on news stories, feature stories, and on the columns, "Viewpoint," "Everybody's Corner," and in recent years "What's Going On." She has been the religion editor for 29 years and was honored for her contributions to the religious community several years ago. Long active in the community, Mrs. Schetterer has served on the board of trustees of the New Rochelle Humane Society, the survey committee of the New Rochelle Council of Churches, and the Project Fund Committee.

Mrs. Schetterer and the other members of the citizens advisory board help raise and administer funds and offer advisory help to the officers in charge of the corps. The fundraising was even more visible in the days before the Community Chest and the United Fund were created. Since their development, the Salvation Army has become an active agency with them.

Some of the city's most prominent citizens have served on the board, in more recent years called the Advisory Council. Mrs. Ashton M. Tenney, elected a life member, has served on the board since 1935. The late Mrs. W. B. Gozman, another life member, had served as voluntary secretary for more than 30 years. After her death, the council created an annual award to be given in her memory to the best camper at Ashford Hills, a former Salvation Army camp. Gifts of equipment were also given to the camp in her memory. The funds come from the Salvation Army Association of New Rochelle which is made up of "Friends of the Army."

Founded here only 9 years after the first Salvationists had arrived in New York City from England, the Salvation Army continues to provide the same type of services.

When there is a multiple fire alarm in the area to which New Rochelle firemen respond, the Salvation Army loads up its canteen from White Plains and serves refreshments to weary firefighters. Police, confronted with transients in trouble who have committed no crime, send them to The Salvation Army. Lodging is found for them or funds given to them to help reach their destination. Clothing and other essentials are found for families made homeless by fire. Food is provided needy residents at Thanksgiving and toys and other gifts are given at Christmas when food baskets are also provided.

Over the years, and especially during the depression and war years, funds were hard to come by. Now as a member of the United Way, the Army is restricted in its fundraising. But never since its resurgence in 1922 has it ceased its public service because its purse was light.●

CONGRESS HOUSE CRIMINAL

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. GINGRICH. Mr. Speaker, each day this session, a convicted felon has been voting on the floor of the House. Over 2 months ago, we were promised the Committee on Standards of Official Conduct would expeditously consider this case. Now we find the committee has only reached the stage of considering preliminary motions. On May 16, the committee will vote on a motion to dismiss the case, made by our colleague, Mr. DIGGS.

Presuming the committee turns down that motion, it will be at least the end of the month before a disciplinary hearing can even be scheduled. Delay in our system destroys respect for the law, just as having a convicted felon voting on our legislation laws destroys respect for the law.

This is the week of Law Day—a bitter irony as our colleague Mr. BETHUNE pointed out May 1. In a free society, we must depend upon respect for the law. Occasions like Law Day encourage that respect—but they do no good so long as Congress fails to discipline its own House criminal.

I would like to share with the Members an editorial with this title, from the Fort Lauderdale News, April 9, 1979:

CONGRESS HOUSE CRIMINAL

Congress criminal member may not be in prison yet, but neither is he home free. A congressional ethics committee last week took steps that could lead to the ouster of Rep. Charles Diggs from the House.

The ethics committee voted unanimously to file 18 misconduct charges against the Michigan Democrat, convicted last year on 29 felony counts of mail fraud and federal payroll padding.

Diggs is appealing the conviction and that's kept him out of prison—where he faces a three-year sentence.

But the conviction hasn't kept him out of the House. In fact, it hasn't even kept him from voting.

A group of Republicans asked the full House to expel him, but the matter instead was sent to the ethics committee. At the time, it seemed as if the House might be sidestepping the embarassing matter.

But the committee has shown that it doesn't intend to sit on the matter. The committee probably will conduct public hearings to discipline Diggs. That would bring the congressman's criminal misdeeds before the public's eyes again.

Diggs repeatedly has made it clear that he thinks he has a place in Congress. Congress should now, in turn, make it very clear that it disagrees.●

TWO PERCENT LOCAL AIR PLAY PROPOSAL FAVORED

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. BAILEY. Mr. Speaker, James F. O'Leary, a resident and businessman of the 21st Congressional District of Pennsylvania, has brought to my attention the 2-percent local air play proposal which he would like to see incorporated into the new Communications Act.

After consideration of this proposal, I favor its spirit and respectfully request that the following resolution—adopted by the city of Pittsburgh on May 8, 1978—and petition—submitted to the Honorable LIONEL VAN DEERLIN in May of 1978—be noted:

Whereas, the City of Pittsburgh is known for its support of the ARTS; and

Whereas, the City of Pittsburgh has, both within its boundaries and in adjacent communities, an abundance of musically talented artists and a more than adequate amount of individuals and businesses that are dedicated to the necessary supportive services such as recording studios, producers and independent record companies, theatrical booking agents and publishers; and

Whereas, the Council of the City of Pittsburgh wishes to lend its support by encouraging major local radio stations to air quality locally produced musical products in a meaningful commercial manner equivalent to that of a record charted nationally, and on a national label; and

Whereas, the House of Representatives of the United States Congress is currently in the process of revising the Communications Act; and

Whereas, the Honorable John Dent has endorsed a petition from Pennsylvania residents which has been presented to the appropriate subcommittee asking for this particular local access.

Now, therefore, be it resolved that the Council of the City of Pittsburgh supports the efforts of Congressman Dent and the petitioners and respectfully requests and urges the Honorable Lionel Van Deerlin, Chairman, Communications Subcommittee, to incorporate the spirit of the petition into the Communications Act, which is to be resolved.

Those persons supporting the petition sent to the Honorable LIONEL VAN DEERLIN requested that the committee consider offering legislation that would require publicly licensed radio stations to air a minimum of 2 percent (collectively totaled over a period of time, such as 1 year, so as to allow for temporary lack or abundance of good locally produced product) of musical programing that is produced and recorded, at least in part, locally; for example, within a 100-mile radius of each station's service area. The petition reads as follows:

> We believe that the precedent for this type of legislation has already been accepted by the general public, enacted by Congress, and enforced by the F.C.C., in the television industry; thus effectively preventing total television viewing content from being monopolized by the major networks, et al.
>
> Further, we believe that all of the good and proper reasons brought forth for the necessity of legislation in the television situation are quite pertinent to the radio situation, some of which are: to bring greater diversity to the general public; to foster a broad spectrum of ideas and opinions; to prohibit monopolistic practices and to foster and encourage local talent and related industries (musicians, singers, writers, talent agents, record producers, management personnel, music publishers and recording studios, etc.), thus the free enterprise system itself.
>
> This suggested change would not or should not affect the proper right of a radio station to select a product within the chosen musical programing format of each station, and with the selection of a particular product still the sole and exclusive domain of each station, thus there would be no violation of the intent and purpose of Title 47/US Code, section 326.
>
> It is our strong belief that the net result (of this suggested legislation) would be firmly in the public interest.●

A TRIBUTE TO SOL AND ADA URBACH

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. COURTER. Mr. Speaker, it is a privilege to call to the attention of my colleagues Sol and Ada Urbach, of Hunterdon County, N.J. Sol and Ada are extraordinary people who came to New Jersey 28 years ago. They came to America to pick up the shattered pieces of their lives. Sol and his family were sent to Nazi concentration camps—only Sol was spared. Ada and her family spent the war at forced labor in the frozen waste of Siberia.

Sol is a carpenter, so he started building things and he was a credit to his craft. But moreover Mr. Speaker, he built more things with his heart and his integrity of conscience than he did with his hands and his tools. Sol and his wife Ada have built a monument—a monument to liberty, justice, and the freedom of thought and religion. Sol and Ada have been tireless workers for the political and religious State of Israel. Under Sol's strong direction Hunterdon County is one of the top per capita Israel bond communities in the Nation. The Urbachs were selected to represent Hunterdon County at the Special Israel Bond Prime Ministers Conference held in Israel. They have been instrumental in the establishment of a chair at Yeshiva University for the study of holocausts. Sol has also been very generous with his talents and energy to many local organizations including the YMCA, the Lions Club, and the chamber of commerce.

Sol and Ada Urbach are a credit to their family, their community, and their heritage. It is my privilege to call them my friends and neighbors. On May 6, 1979, they are being honored by the Flemington Area Committee-State of Israel Bonds. It is an honor they richly deserve. I will be with them on that special day and I want to honor them today in the U.S. Congress.●

LOUIS RUKEYSER IN SUPPORT OF TAX INDEXING

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. COUGHLIN. Mr. Speaker, now that the American people have been hit simultaneously with their 1978 tax bills and the news that the rate of inflation for the first quarter of 1979 is equivalent to an annual inflation rate of 13 percent, many are beginning to understand how the Federal Government—for all its hand-wringing about inflation—is, in fact, inflation's chief beneficiary.

As the incomes of Americans rise in inflated dollars which give them no additional purchasing power, taxpayers are pushed into higher tax brackets where they are taxed at higher rates. Not only is the taxpayer unable to buy more with his money, but he is forced to pay more tax on it, and the Federal Treasury reaps a windfall. Annual cost-of-living adjustments in the tax rates, personal exemption, and other set figures in the tax code would correct this glaring inequity, and I am again, as I have in the past, sponsoring legislation to index the tax rates to account for inflation.

I am pleased that an array of leaders from Government, labor, business, and academia are being joined by a growing number of angry taxpayers in pressing for tax indexing legislation. A recent article by noted economic analyst, Louis Rukeyser, makes the case for indexing once again and I insert it in the RECORD at this point:

> INFLATION GIVES UNITED STATES A TAX WINDFALL
>
> (By Louis Rukeyser)
>
> Don't look now, but there really have been some unconscionable windfall profits in the American economy—and they've just been grabbed by the Greediest Gus of all.
>
> The villain is, would you believe it, the very fellow who is so busily pointing his patriotic finger at everybody else: Uncle Sam (or at least his surrogate from Georgia). For the government, which is whipping up a largely fictitious furor about alleged "windfall profits" in industry, is simultaneously and quite cheerfully banking its annual horde of windfall taxes—reaped through inflation.
>
> That the government is the one big winner in inflation is still only dimly realized by the average taxpayer. Yet the cynical tax lords of Washington regard it as one of life's most lovely facts. By the simple device of refusing to "index" the tax system—that is, to make it conform honestly to the present-day realities of inflation—they assure that while you and I may be painful losers, the politicians will never have had it so good.
>
> Under the present system, the higher inflation goes, the higher the effective tax rate goes, without any new action by Congress. Tax revenue increases faster than gross personal income and faster than inflation itself. Thus, thanks to inflation, Congress can pass new spending bills without having to vote for increased taxes to cover them. A bigger and bigger slice of the real wealth of the country keeps on being funneled through the Federal Government.
>
> "Indexing," which is already being used in Canada, would be a quick and equitable solution. Each year, systematically and automatically, the dollar limits of tax brackets, exemptions and fixed deductions would be raised to match the inflation rate. Our taxes would go up as our incomes increased, but a raise that merely kept us even with inflation would not be taxed at a higher rate than before. Those on fixed incomes—which are, of course, worth less after a year of inflation—would see their taxes actually decline. And investors would no longer pay very real capital-gains taxes on entirely fictitious after-inflation gains.
>
> Who would lose? Only the politicians—who now get away with pretending to reduce taxes (as in last year's phony-baloney $18-billion "cut") at times when, after inflation, they are actually raising them. The most powerful tax policymaker in Washington, chairman Russell Long (D-La.) of the Senate Finance Committee, is fully aware of what would happen if we moved to "indexing" and Congress continued its spendthrift ways. "You'd be constantly under pressure to raise taxes," confesses Long, who would plainly rather do it than have to say he was doing it.
>
> Meanwhile, the tax system itself continues to be a significant engine of higher costs throughout the economy. As a perceptive reader of this column, John R. Hartley of Charlestown, R.I., comments, "Under high inflation, which we've had for 10 years (and expect to continue) the income-tax system operates like a self-destruct mechanism. Inflation pushes a worker into a higher tax bracket, his buying power goes down and he demands more than a cost-of-living raise."
>
> Hartley cites the case of a two-income couple without dependents whose taxable earnings total $40,000. If inflation holds at 8 percent annually for the next decade, and they get yearly increases to match, their combined 1988 income will be a lofty $86,357. But because their top tax bracket meanwhile will have crept up from 45 to 58 percent, their actual after-tax buying power will have declined by nearly 20 percent. They won't know what hit them—but the politicians will.
>
> Without "indexing," we penalize both the working and the retired, and we tell those with capital that they had better seek governmental-style shelters (like municipal bonds) than invest in productive industry. We reward only the politicians, who are spared the inconvenience of having to tell us the truth about how much of our wealth they are taking. This is the swindle on which we ought to be focusing, and before another April 15 is past. Let's deduct the government's stake in inflation from our taxes.●

TRIBUTE TO RICHARD S. "DICK" FITZGERALD

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. DORNAN. Mr. Speaker, I would like to share with our colleagues the achievements of a civic leader who has set a standard for all of us to take note of. Richard S. "Dick" Fitzgerald is retiring after a distinguished career that includes his final position as the first director of beaches for Los Angeles County. In this capacity Mr. Fitzgerald helped initiate developments which made this service the world's finest lifesaving organization. When you consider that 60 million people visited those beaches last year, under Mr. Fitzgerald's guidance, you come to understand the magnitude of his accomplishments.

His accomplishments are not limited to his service with the Department of Beaches but extend to other civic fields as well. Before becoming Director of Beaches in 1969, Mr. Fitzgerald served 10½ years in the Chamber of Commerce of Redondo Beach, Calif., and 5½ years in the Torrance, Calif., Chamber of Commerce. Inside as well as outside of these capacities Mr. Fitzgerald was credited as the incorporator of the Town Affiliation Association; vice president of the U.S. Junior Chamber of Commerce; director of the California Marine Parks and Harbors Association; president of Redondo Beach Coordinating Council and many others which are too numerous to list.

In the light of all Mr. Fitzgerald has done as a civic leader and in the preservation of the environment, I extend my deepest commendations to Richard and wish him the best of luck with his retirement. His career and service to the community are accomplishments he should be proud of; I know his future years will grant him the happiness he has earned in the course of a very outstanding career.●

CONGRATULATORY MESSAGE TO LOCAL 599 HONOREES

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. KILDEE. Mr. Speaker, I want to take this opportunity to commend four persons who have distinguished themselves with 20 years each of service as elected union officials from UAW Local 599, as well as two others who are to receive special recognition at the local's annual honors award banquet on May 6, 1979.

Local 599 serves the workers of the Buick Motor Division plant in Flint, Mich., and is one of the Nation's oldest UAW locals, receiving its charter on January 10, 1939. That was only 2 years after the sitdown strikes in Flint that led to the birth of the UAW–CIO. It has a long history of strong local leadership, and annually honors those elected union officials who have 20 or more years of elected service. The honorees receive the Walter P. Reuther Distinguished Service Award, which is an appropriate honor to be given in the name of the man who devoted his life to helping others obtain social justice and enjoy a better life.

Members of the United Auto Workers can take pride in the knowledge of belonging to a progressive union that is universally recognized for its social leadership as well as for its dedication to the well-being of its members.

I am proud to bring to the attention of my colleagues this year's winners of the Walter P. Reuther Distinguished Service Award from UAW Local 599. The honorees for 20 years of elected service as union officials are Basil Barrett, Paul Hernandez, Coburn Ferrell, and Charles McGraw. There also is a posthumous award for promoting human understanding and brotherhood to the late John Pugh. The union's Consumer Advocate Award after retirement for serving his union and community is to be awarded to Alfred Federico.●

TRIBUTE TO ROGERS C. B. MORTON

HON. BALTASAR CORRADA

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. CORRADA. Mr. Speaker, 2 weeks ago, Puerto Rico lost one of its best friends. Throughout his years of public service Rogers C. B. Morton was deeply involved in matters related to Puerto Rico and always showed a deep understanding of our problems and great compassion for our people. For this he earned our admiration and friendship.

On learning of his passing the Senate of Puerto Rico approved Senate Resolution 410, which I would like to insert in the RECORD at this time:

RESOLUTION 410

I, Hector M. Hernandez Suarez, Secretary of the Senate of the Commonwealth of Puerto Rico, do hereby certify:

That the Senate of Puerto Rico in its Session of Monday, April 23, 1979, approved Senate Resolution No. 410 which reads as follows:

RESOLUTION

That this High Body express, on behalf of the People of Puerto Rico, the country's deep sorrow on the passing of the former Congressman and former Secretary of the Interior of the United States, Rogers C. B. Morton.

STATEMENT OF MOTIVES

Rogers C. B. Morton was born in Louisville, Kentucky on September 19, 1914. He was a Representative to the Congress of the United States from 1962 to 1971. In 1971 he was appointed Secretary of the Interior, and subsequently was appointed Secretary of Commerce.

In his functions as Secretary of the Interior as well as when he was Secretary of Commerce, he served Puerto Rico's best interests in an effective and cooperative manner. He was a member of the Committee that was to study the problem of the status of Puerto Rico.

Puerto Rico has lost a good friend, and we shall always feel deep gratitude towards the departed Rogers C. B. Morton. Be it resolved by the Senate of Puerto Rico:

Section 1.—To express, on behalf of the People of Puerto Rico, the deep sorrow felt by the country on the passing of the former Secretary of the Interior of the United States, Rogers C. B. Morton.

Section 2.—To send a copy of this Resolution to the relatives of the departed Rogers C. B. Morton, to the Resident Commissioner in Washington for its inclusion in the CONGRESSIONAL RECORD, and to all the news media in our country.

HECTOR M. HERNANDEZ SUAREZ,
Secretary of the Senate.●

WORKPLACE FATALITIES

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. GAYDOS. Mr. Speaker, accidents in the workplace, involving many casualties, are frequently the center of public attention and concern. But the less obtrusive killer; namely, occupational disease, is generally overlooked. Nevertheless, the presence of hazards such as toxic chemicals, low-level radiation, et cetera, should not be ignored since they are just as deadly in the long run. At this time, I would like to share with my colleagues a letter from Mr. Jacob Clayman, president of the Industrial Union Department of the AFL–CIO, which comments on the involvement of an insufficiently staffed OSHA in attempting to search out and remove such hazards to the safety of the worker:

APRIL 25, 1979.

DEAR REPRESENTATIVE GAYDOS: Each year hundreds of workers in small construction companies are buried alive in trench cave-ins—all because of failure to observe OSHA safety regulations. This was the case in Sioux Falls, South Dakota when an unshored and unsloped ditch collapsed on one of eight employees of a local firm.

Could this death have been avoided if OSHA had sufficient staff to investigate and educate . . . if small businessmen had not been led to believe that in practice and reality they were exempt from the Occupational Safety and Health Act?

Since OSHA went into effect, injuries reported by employers in South Dakota have dropped by more than 15% for the (mostly) larger firms. We can only guess about what is happening among the 40,000 workers in South Dakota shops with 10 or fewer employees because small employers don't have the same reporting requirements. Based on the fact that (nationally) employer-reported deaths from "accidents" doubled in small shops last year, our guess is that conditions are at least as bad or worse for these workers.

"Accidents" make headlines. Much more prevalent (but no less serious for the victim) are the unpublicized cases of exposure to toxic materials in small shops that may not result in symptoms of disease until months and years have gone by.

In Dover, Delaware, both employees of an automotive radiator repair shop (cited by OSHA) were found to have high levels of lead in their blood. (Delaware has almost 30,000 workers in shops with ten or fewer employees.)

In Pittsburgh, Pennsylvania, one of the four employees of a lead battery plant (cited by OSHA) was exposed to 21 times the legal limit for airborne lead (based on a standard replaced this month because it wasn't stringent enough). (Pennsylvania has more than a half million workers in shops with ten or fewer employees.)

In Atlanta, Georgia, 7 out of 9 employees in a tile factory (cited by OSHA) were seriously exposed to high levels of silica dust. (Georgia has more than a quarter million workers in shops with 10 or fewer employees.)

In Wyandanch, New York, one worker in a little factory (cited by OSHA) with three employees that makes thermometers was exposed to high levels of mercury. (New York has more than 900,000 workers in shops with 10 or fewer employees.)

Should these workers have been exempted from the protection of the law?

I know that newspaper clippings, masses of statistics, letters and petitions for all kinds of causes cross your desk every day. Much of it has to do with complaints about our government . . . including OSHA.

You are being told to ignore the solid impact that the Occupational Safety and Health Act can have and is beginning to have in the protection of millions of employees.

In the coming months you may be asked to vote for amendments to the Act or its appropriations that would remove the protection of the government from these workers. The "evidence" paraded before you will be the same old warmed-up trivia about toilet seats and manure in the barn, distortions about paperwork, and "intrusions."

We will be asking you not to be swayed by calls for legislation which would condemn the lives and limbs of men and women depending on you to protect them.

If you have any questions, we shall be happy to respond to them.

Sincerely yours,
JACOB CLAYMAN,
President-Secretary-Treasurer.●

CONGRESSIONAL SALUTE TO MARTIN G. ATKINS OF BRIDGEPORT, MICH., OUTSTANDING COMMUNITY LEADER AND DISTINGUISHED CITIZEN

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. TRAXLER. Mr. Speaker, in October of this year the people of Bridgeport and Spaulding Townships, in my home State of Michigan, will lose the services of an outstanding community leader and good friend, Martin G. Atkins. At that time Mr. Atkins will retire from his post of superintendent of Bridgeport-Spaulding schools, where his dynamic and energetic endeavors on behalf of the schoolchildren of my district have benefited the entire community, and will continue to benefit it for years to come.

Atkins has been superintendent of Bridgeport for 15 years, and has served in the educational field for a total of 32 years. He is a native of Detroit, and received his degrees from Hillsdale College and St. Lawrence College in New York. He taught for 2 years at North Branch in the late nineteen-forty's, and then moved on to Carson City in 1950 as high school principal and teacher.

In 1960 Atkins became the director of Educational Television for Central Michigan University, developing TV programs for classroom use.

Since the time Atkins became superintendent of the Bridgeport-Spaulding schools in 1964, the system has become one of the best in the area, offering complete services for all types of students and all ages. Through his efforts, the community education program has shown constant growth and now offers a cradle-to-grave educational program.

Atkins is an officer of the Saginaw County Sheriff's Posse, a member of the Bridgeport Chamber of Commerce and has served on a variety of State committees on education.

Awards that he has received include the Outstanding Award for Community Education and the Bridgeport Distinguished Citizen of the Year Award.

Mr. Speaker, Martin G. Atkins has indeed earned the respect and esteem of all of us for the quality of the service he has given to the community for the past 15 years, and I appreciate this opportunity to seek national recognition of Mr. Atkins and all his good works. I know I am joined by many Bridgeport area parents and students in offering thanks and honor to a great American—Martin G. Atkins.●

USE OF PRESIDENTIAL WAIVER PROVISION TO EXPEDITE DELIVERY OF ARMS TO THE YEMEN ARAB REPUBLIC

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of the House some correspondence I and several of my colleagues had regarding the President's decision to use a waiver authority to expedite the delivery of some $400 million worth of military equipment to the Yemen Arab Republic.

In our letter to the President of April 3, 1979, we make it clear that the issue is not arms sales to the friendly Government of the Yemen Arab Republic but rather the use of the waiver provision, indeed the first such use of the waiver provision since the Arms Export Control Act became law in 1976.

In its reply of April 25 for the President, the State Department defends the use of the waiver provision as providing an important reassurance to the Yemeni Government and as a signal to regional friends that the United States is a dependable partner in their quest for stability and enhanced security.

Congress intended that the waiver provision be used only in extremely compelling cases where the vital national security interests of the United States were directly involved. The situation between North and South Yemen remains unstable and it will be some time before Yemen can absorb this equipment delivered ahead of the original schedule.

It is apparent that there will continue to be a debate over the use of the waiver authority to expedite arms sales and bypass the formal congressional review procedures in circumstances such as those existing in the Yemen. I urge my colleagues to consider the attached correspondence in case the issue of the waiver comes up again.

The material follows:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C. April 3, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: We write you to express our strong objection to your decision to use a waiver authority in order to expedite the delivery of F–5 aircraft, M–60 tanks and APCs to the Yemen Arab Republic.

While we support modest military sales to the Yemen Arab Republic, strengthening U.S.-Yemeni ties and protecting important interests we have in the Arabian peninsula, we are persuaded that the use of an emergency waiver provision to bypass normal provisions of the Arms Export Control Act was an abuse of presidential discretionary authority.

We believe that any reasonable review of the facts in the Yemeni situation would support our view that the discretionary authority was misused. In testimony, the State Department was unable to state what national security interests of the United States were involved in the Yemen. Our intelligence of the military situation in the fighting between North and South Yemen is meager; we do not know who started the fighting, what the situation was on the ground, and who was fighting whom. All testimony confirmed that the Yemenis right now cannot utilize, maintain or absorb any of this equipment quickly, and few, if any, of its military personnel are acquainted with the equipment proposed for sale.

Clearly, the use of the waiver to avoid the 30-day review procedure and the expedited deliveries cannot affect the current military conflict between North and South Yemen, which, we gather, has been temporarily, if not permanently, defused by Arab League mediation efforts.

Congress's intent has always been that the waiver would be used only in extremely compelling cases where the vital national security interests of the United States were directly involved. To exercise this authority in the case of Yemen, where the vital national security interests of the United States simply were neither apparent nor explicitly stated, undermines the legitimate use of the waiver provision. If the administration felt a need to act to support the Saudis and to show our firm resolve, we believe that there are other appropriate steps which would not distort the law. It is difficult for Congress to provide presidential discretionary authority for instances where emergencies exist and national security interests are involved if that authority is misused.

We appreciate your early consideration of this important matter of deep concern to us and many of our colleagues.

With best regards,
Sincerely yours,
Les Aspin, Michael D. Barnes, Don Bonker, Dante B. Fascell, Floyd J. Fithian, William H. Gray III, Lee H. Hamilton, Leon E. Panetta, Donald J. Pease, Joel Pritchard, Benjamin S. Rosenthal, Stephen J. Solarz, and Gerry E. Studds

THE WHITE HOUSE,
Washington, D.C., April 10, 1979.
Hon. LEE H. HAMILTON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HAMILTON: The President asked me to acknowledge his receipt of your letter of April 3, along with twelve of your colleagues, regarding the President's decision to use a waiver authority to expedite certain military sales to the Yemen Arab Republic.

The President has been apprised of your conviction that the use of an emergency waiver provision in this case was an abuse of presidential discretionary authority.

The President has the matter under consideration, and has asked me to share your letter with several of his advisers for review. You should receive a further response shortly.

Sincerely,

FRANK MOORE,
Assistant to the President for Congressional Liaison.

DEPARTMENT OF STATE,
Washington, D.C., April 25, 1979.
Hon. LEE HAMILTON,
Chairman, Subcommittee on Europe and Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: Your letter of April 3, addressed to President Carter has been referred to the Department for reply. You wrote to object to the President's decision to use his waiver authority under the Arms Export Control Act, to expedite the delivery of F-5 aircraft, M-60 tanks and APCs to the Yemen Arab Republic (YAR).

We welcome the reassurance that you and the other signatories of the letter share our concern for the security and stability of the Arabian Peninsula and recognize the importance to that objective of providing appropriate amounts of defensive weapons. The Administration had concluded by September 1978 that it was necessary to provide F-5E aircraft, C-130 aircraft, tanks and APCs to the YAR. We began informal consultations and we were prepared to move forward with the formal notification to the Congress at that time. Unfortunately the Congressional calendar did not allow for the full fifty days required for the notification period and the decision was made to delay notification until the new Congress convened in 1979.

The informal notification process was begun in a routine manner on February 16, 1979 for the F-5s, the M-60 tanks and the APCs. On February 23, the PDRY forces launched a coordinated attack on the territory of the YAR and rapidly took possession of some strategic YAR territory. The Arab states in efforts which we supported throughout, tried unsuccessfully to effect a ceasefire on March 8. In this situation it was felt that the expedited delivery of the equipment was important and the President decided that an emergency existed involving the national interest which necessitated his use of his waiver authority and the Congress was so notified on March 9.

As you are aware, the Arab League did manage to implement the second ceasefire agreement in mid-March and the PDRY has withdrawn its troops from YAR territory. The prospects for sustained peace remains uncertain, however, and we believe the YAR still faces a serious threat from PDRY. Meanwhile most of the equipment involved has arrived in North Yemen and North Yemeni military are being trained in its use. It is the view of the Administration that the expedited delivery of the equipment was an important reassurance to the YAR Government during the PDRY attack and served as a signal to regional friends that the U.S. is a dependable partner in their quest for stability and enhanced security. Our action was supportive of Arab efforts to make the ceasefire hold and has ongoing impact in helping deter renewed PDRY aggression against the YAR.

Sincerely,

DOUGLAS A. BENNETT, Jr.,
Assistant Secretary for Congressional Relations.●

ANOTHER MONSTROSITY A-BORNING

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. QUAYLE. Mr. Speaker, it is apparent that the House soon will have the opportunity to consider the creation of a cabinet-level Department of Education. The House Government Operations Committee by a narrow one-vote margin has reported the bill. The Senate last week passed the measure.

Prior to taking this giant step to more bureaucracy and greater Federal involvement in education, I want to bring to my colleagues attention a thoughtful column written recently by Ben Cole, the Washington correspondent for the Indianapolis Star. It merits serious consideration. The column follows:

[From the Indianapolis Star, Apr. 19, 1979]

ANOTHER MONSTROSITY A-BORNING

(By Benjamin R. Cole)

The United States Senate is about to pass a bill to create another federal monstrosity to be known as the Department of Education.

There is some small hope the House Government Operations Committee will bury this unfortunate measure. But a wise gambler would put his money on ultimate creation of this additional burden on the weary backs of the nation's taxpayers.

The lobbyists for this new Cabinet department are rich and vocal, whereas the rest of us merely grumble and expect the worst. There might still be time if enough voters wrote their congressmen.

A Department of Education would be the recognition of what long was dreaded—federalization of public instruction. Uncle Sam, even now, sits on every local school board, quick to scowl if national policy is not slavishly followed

Do as Uncle says or your impacted aid will be cut off, your elementary-secondary education assistance will dry up, your library grant will disappear, your school lunch program will go glimmering.

Debate on the Department of Education bill, still pending in the Senate, has not been an absorbing subject of public interest, coming as it did with the Three Mile Island nuclear crisis and other front-page concerns of more immediacy but with less threat to freedom.

Sen. Jesse Helms (R-N.C.) managed to get a few moments of interest focused on the bill when he attached to it an amendment to restore prayer in the public schools. His amendment was subsequently transferred to a Supreme Court jurisdiction measure where it can more easily be squelched.

The Senate Committee on Government Affairs which took the Department of Education bill to the floor issued a report with only one strong dissent. Sen. William Cohen (R-Me.), a man of progressive mind, said it plainly: ". . . if our goal is to stem the growth of the bureaucracy, how can we rationalize the creation of a new department in view of the competing and perhaps equally important demands of other groups for similar representation?"

He might well also have asked his colleagues to glance at the empire building greed of the new Department of Energy as it pleads for ever more personnel.

The biggest push for the Department of Education, of course, comes from the National Education Association, a once professional organization turned labor union.

With its vast lobbying capacity, NEA will unquestionably dominate any Department of Education that comes into being. And the consequence will be uniform, stereotyped, nationalized public education throughout the land.

It might be better and cheaper just to turn the job over to the NEA at the outset and have done with it.●

CHIEF JOHN WUSSTIG RETIRES AFTER A FINE CAREER

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. WON PAT. Mr. Speaker, I rise to announce the retirement of one of Guam's best known public servants, Mr. John Wusstig, chief of the Department of Public Safety's Fire Department.

Chief Wusstig has served the people of Guam with the greatest distinction with 35 years of hard work on their behalf.

In a recent interview in the Pacific Daily News, Chief Wusstig noted his many proud accomplishments and said that after years of having what may be the "hottest" job on Guam, he plans to enjoy his much deserved retirement by fishing, farming, and hopefully offering his excellent skills as a consultant to local firms.

I have known and admired John Wusstig for many years. He began his public service during the most trying of times—during the days after World War II. He was one of the original members of the Guam Combat Patrol who had the dangerous job of rooting out the survivors of the Japanese occupying force on Guam following the return of American troops in 1944.

When he transferred to the fire department in later years he became a leader in the drive to make that force the best that could be created. Through the years, John Wusstig and his brave men have fought over 58,000 fires, many of them major ones. In every instance, Chief Wusstig's able direction brought about a speedy end to the danger.

John Wusstig may retire, but in many respects, his legacy of competent public service will never leave the Guam Fire Department. He will be a tough act to follow and we can all be proud to have had a man of such immense dedication serving the people of Guam.

At this time I insert the newspaper article in the RECORD:

Chief John Wusstig Cools a Hot Career

(By Paul Hoversten)

John C. Wusstig says he's used to taking a lot of heat these days.

But now, says the retiring chief of the Department of Public Safety's fire operations, things should start cooling off.

Wusstig, 51, estimates that he and his department in Tamuning have responded to 58,000 grass and house fires during his 35 years of chief.

He stepped out of the $26,100 a year job with DPS last week, turning over the reins to Acting Chief Jesus R. Mesa.

Looking back, Wusstig recalls that the biggest blaze on Guam was the 1956 bomb fire at the Lon Massey scrapyard, which was located behind Atkins Kroll in Tamuning and stretched back to Tumon Heights.

Massey had been using compressed air to disarm 500 pound bombs leftover from the war when the fireworks started.

Wusstig and his men had extinguished all but the last batch of bombs when he suffered his first and only accident.

"There was one big explosion," he recalls. "I don't know what happened."

Thirty minutes later, after hospital treatment for a sprained ankle and a concussion, Wusstig was back at the fire with hose in hand.

It took three days to extinguish the Massey fire thanks to the GovGaum fire department and the military, he says.

Born in Agana in 1928, Wusstig joined civil affairs as a messboy when he was 16 after he dropped out of high school at the old temporary school in Anigua.

A year later, he joined the police force as one of 17 men on the original combat patrol. A hard-nosed cop, he says he usually issued between 50 and 100 traffic citations within an eight hour day.

Wusstig was promoted to sergeant in 1951.

When the Navy turned over the fire department to GovGuam, he volunteered for the force and, in 1955, became a police lieutenant and assistant chief of fire operations.

Eight years later, he became a captain and a chief.

"We only had 55 personnel then, now we have 159," he says.

Other improvements since then are five additional stations bringing the total to nine. The department now has six ambulances, up four from when he joined the fire department.

"It's quite an improvement. But we still have a long way to go in new types of training and modern tactics of firefighting," he says.

He says he's worried that the advent of tourism on Guam may bring super high-rise structures. And his department may not be able to stop one of those fires.

"I'm not trying to threaten the condos and high-rises, but it's going to be a disaster," he says.

Present fire equipment only permits a jet of water up to 10 stories, he says.

And some building owners have neglected his suggestions on fire prevention devices within their buildings, he adds.

Wusstig says he's made a lot of enemies by blowing the whistle on those who won't take the proper measures to protect their businesses from fire.

"The key to the job is always maintain a coolness. There's nothing in this line of work that scares a man if he knows what to do.

"With all our experience, we've never had a fire we couldn't put out. There may be a million fires in 100 years, but no one fire is alike," he says.

Wusstig, married for 29 years to the former Arlene Leddy of Dededo, has six children and 13 grandchildren.

He plans to fish, farm, and hunt, and eventually open his own fire protection consulting firm.●

BRINGING BACK THE DRAFT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to an editorial that appeared in the Colorado Springs Gazette Telegraph on April 15, 1979. The recent House subcommittee vote to reinstitute registration after the 1980 elections and to require the President to report on the possibility of bringing back the draft next January indicate that there are those in Congress who are quite willing to impose an exorbitant tax on our youth in the name of "national security."

Bring Back the Draft?

Although few, if any, will openly admit it, most proponents of reviving the military draft favor conscription over voluntary recruitment as a means of manning the armed forces for economic, rather than practical or altruistic, reasons.

Asked for their reasons for resuming the draft, its advocates usually cite the claim that the all volunteer force "isn't working;" that is, isn't getting enough and the right kind of personnel. Therefore, goes the pro-draft argument, conscription should be reimposed in the nation's best interest.

However, when it is pointed out that manpower for the armed forces is subject to the economic laws of supply and demand, just as is everything else, and that if pay and other incentives for those forces are set at the market level, volunteers aplenty will be forthcoming, those who favor reimposition of the draft change their tune.

Rebelling at the proposition that voluntarism will always work at some level of compensation, draft proponents wax indignant at the idea of paying whatever it will take to get the desired number and quality of volunteers. "What if we have to pay very high wages to get enough of the right quality of volunteers?" draft advocates complain, shifting gear. "Why, the nation couldn't afford it!"

As the Wall Street Journal reminded proponents of the draft just recently, such a reaction "reflects a pervasive and fundamental fallacy about conscription. If we have to pay very high wages to attract volunteers, that fact tells us that defense manpower is very costly, but conscription does not enable us to avoid those costs. All conscription does is decide who will pay the costs. We cannot avoid the manpower costs of defense by substituting conscription for voluntarism."

For "conscription," the Journal went on to emphasize, "is a form of taxation. Conscription simply imposes the burden of taxation for defense (as far as obtaining manpower is concerned) on our youth rather than the general public."

Once we understand that "conscription is a tax," the Journal continued, it is easy to see why some congressmen (and others who want to increase "social spending") find it appealing; especially at a time when there is great popular pressure to reduce taxes. In other words, by reimposing the draft, and paying conscripted youth less than market wages, such a reinstitution of a specialized hidden tax noted the Journal, "will enable them to preserve a larger government (and government outlays for "social" causes) then would be possible if they were forced to rely entirely on explicit general taxes."

But, all that aside, the Journal went on to conclude, there simply are no cogent reasons for bringing back either draft registration or the draft, itself.

"The truth is that all four of the active forces have generally been able to maintain authorized strengths since conscription was abolished. Only in specialized areas such as medicine and the reserves has there been any problem, and the shortfalls there can be eliminated whenever Congress and the administration make up their minds that they really want to do so."

In order to put the mistaken call for reimposition of the draft in its true perspective, one has only to suggest that Colorado Springs police and fire departments be staffed with conscripts and at pay levels commensurate with what drafted servicemen have typically been paid.●

GOP BUDGET CUTS DEFICIT AND PROVIDES FOR 5 YEAR $100 BILLION TAX CUT

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. SHUSTER. Mr. Speaker, the Republican Policy Committee, which I have the honor to chair, has unanimously endorsed a Republican alternative to House Concurrent Resolution 107, the first concurrent resolution on the budget for fiscal 1980.

The Republican alternative is a responsible, sensible 5-year plan which is a positive response to the overwhelming sentiment of the American people for lower taxes and a balanced budget.

Mr. Speaker, I am inserting a copy of the Republican Policy Committee position endorsing the Republican alternative to the first concurrent budget resolution for fiscal 1980 in the CONGRESSIONAL RECORD. I recommended it to my Democrat colleagues and ask your support for its passage.

The Republican policy committee statement reads as follows:

A Republican Alternative—To the First Concurrent Resolution on the Budget—Fiscal 1980

The Republican Policy Committee opposes passage of the First Concurrent Resolution on the Budget for fiscal 1980 and strongly supports the passage of a Republican Alternative—The First Year of a Republican Five-Year Budget Plan—a positive response to the public's desire for balanced federal budgets and lower taxes.

The Republican Five-Year Budget Plan will provide responsible spending restraint in 1980 and balances the budget in 1981 with modest surpluses in 1982, 1983, and 1984. In addition, the Republican Five-Year Plan will reduce the tax burden to the average of the post-Korean war years (18.6 percent of GNP).

H. Con. Res. 107, the First Concurrent Resolution on the Budget for fiscal 1980, demonstrates clearly that the Democrat-controlled Congress lacks the resolve to cut federal spending in response to the overwhelming sentiment of the American people. The fiscal 1980 Congressional Budget Resolution proposes increasing federal spending above the President's request to a level of $533 billion and calls for approximately $4 billion more in tax revenues. Rather than cutting back on spending and moving toward balancing the federal budget the

Democrats propose cutting the deficit by increasing taxes. This is a flim-flam of the American taxpayer.

The First Concurrent Budget Resolution for 1980 offers precious little restraint and more than a double dose of tax increases. It severely cuts defense spending, furthering the decline of our national defense capabilities, and increases spending for social welfare programs. It proposes an inexcusably large deficit of $25 billion in view of the whopping tax increases which would drive up revenue collections to record peacetime highs and in the fifth full year of economic recovery.

The Republican Five-Year Budget Plan proposes an alternative budget which forces Congress to make the hard choices on spending priorities for fiscal 1980 which are necessary to achieve a balanced budget in 1981 and make a start at lessening the tax burden on the American taxpayer. The following table illustrates by comparison the Republican Alternative:

[In billions of dollars]

Aggregates	President's Mar. 15 request	H. Con. Res. 107, Budget Committee recommendation	Republican's 5-yr budget plan				
			1980	1981	1982	1983	1984
Revenues	503.9	507.8	508.2	555.0	601.0	628.0	667.0
Budget authority	615.0	608.4	594.2	643.7	689.4	736.3	776.8
Outlays	532.3	532.7	523.4	554.0	590.0	622.0	656.0
Deficit	−28.4	−24.9	−15.2	+1.0	+11.0	+6.0	+11.0

The Republican Alternative trims 1980 revenues by an amount almost sufficient to offset the next scheduled round of Social Security tax increases as well as prevent inflation from pushing taxpayers into higher brackets. To achieve the goal of a balanced budget by 1981 the Republican Plan restraints the growth in federal spending to about 5.5 percent per year over the five year period. To achieve the goal of reducing the tax burden to the average of the last 25 years (18.6 percent of GNP), the Republican Plan programs a series of tax cuts totaling $100 million as follows:

Republican tax cuts

[Dollars in billions]

1980	$15
1981	17
1982	22
1983	23
1984	23

This would return the level of taxation on the American people to where it was in 1976 before President Carter took office. The Republican Alternative allocates to our national security the kind of resources and attention it deserves if we are to remain a peaceful and deterrent force in the world community.

In the first skirmish of the "Battle of the Budget for 1980" the American taxpayer is the loser if this First Concurrent Budget Resolution is passed. The Democrat majority refuses to heed to the political realities of staggering inflation, increasing taxes, a weakened national defense and a pervasive federal government. Instead, they continue to accelerate the redistribution of income and wealth from productive segments of our society to the non-productive.

When President Carter took office, inflation was running at an annual rate of 4.8% and declining due to the Ford Administration's steady and restraining economic policies which were producing a solid non-inflationary recovery. Since then, the Democrat budgets, despite their characterization as "lean," "tight" and even "austere," have in truth been highly stimulative, devoid of sound fiscal policies, and have produced runaway inflation and an overheated economy.

The Congressional Budget process enacted in 1974 was designed to reestablish Congress' control of the purse, to decide the total levels of spending and taxing each year, so that Congress could make comprehensive, rather than piecemeal, decisions about fiscal policy and the size of the federal government.

The Democrats have subverted the budget process to their own purposes as evidenced by the Third Budget Resolution for fiscal 1979, piggybacked onto the First Budget Resolution for 1980, which increases federal spending for this current fiscal year. The Democrats are also subjecting the budget process to the dangerous game of "wheeling and dealing" to special interests. These special interest programs are put in the budget with relatively modest spending impact in one budget year but large doses of budget authority to spend in future years. By then, these programs have developed powerful constituencies which make spending for them "uncontrollable" or compounds the task of cutting back on eliminating the programs.

The Republican position is that every federal budget ought to be "austere," taking as little in taxes as possible from the productive segments of out society and providing funds for only the most essential federal programs and activities.

The Republican Alternative Five-Year Budget Plan presents the Congress and the American people with a clear and distinct choice in economic and fiscal policy. Passing the first year of this Republican Alternative is the kind of response the American people want and deserve.●

THE CASE OF YAKOV KARMANITSKY

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. BLANCHARD. Mr. Speaker, I am once again pleased to participate in a vigil sponsored by Congressman JAMES HOWARD and the Union of Councils for Soviet Jewry on behalf of Jews who are trying to emigrate from the Soviet Union.

The vigil is very appropriately called "Shatter the Silence, Vigil 1979." The public outcry from the free world remains our most effective tool in the ongoing effort to convince Soviet authorities to provide their citizens with the basic right to emigrate.

The vocal expression of free citizens all over the world speaking out against unjust emigration practices in the Soviet Union has a twofold impact. First, we continue to embarrass the Soviets by placing their oppressive and blatantly unjust actions under the spotlight of world scrutiny. Second, we extend the rare and precious gift of hope to all of those people who bravely and relentlessly continue to demand their right to emigrate. Most of those people either suffer under the yoke of harsh prison sentences or they are forced into a confusing and painful waiting game.

We must be thankful for the recent Soviet decision to allow a number of people to emigrate after long years of suffering. Indeed, we should be thankful about the increased numbers of people over the last 6 months who have been allowed to emigrate. But, we must also remember that in each of these cases the lives of real people are involved. They are not simply numbers on an emigration tally sheet, or bargaining chips to be traded for political concessions. We cannot be swayed from the task of striving to help the ever-increasing number of people still in the Soviet Union who are seeking the right to emigrate.

We also cannot allow ourselves to overestimate the victory gained by the release of the five individuals who were allowed to leave the Soviet Union last week. Each of these men had served more than one prison term. The United States had requested that other individuals, who were only serving their first prison terms, be allowed to leave. However, their release was refused. Therefore, let us immediately turn our efforts toward helping those who continue to be persecuted and denied their basic rights.

One such person is Yakov Rakhlenko Karmanitsky of Moscow. I am sad to say that this is the second year that I have related the plight of Mr. Karmanitsky during a Soviet Jewry vigil. It has now been 7 years since he and his mother first applied to emigrate from the Soviet Union in order to join his sister in Israel.

Hopefully, by "shattering the silence" through vigils such as these we can help to shatter the walls of oppression and injustice facing Yakov Karmanitsky and many others like him in the Soviet Union today. We must remember the thousands of individuals—many separated from their families—who has still not been allowed to leave the Soviet Union. I urge my colleagues to continue to speak out for people like Yakov Karmanitsky until everyone seeking their right to emigrate is given the freedom to leave.●

A PEOPLE'S ENERGY POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. PAUL. Mr. Speaker, recently, I sent a survey to all the households in the 22d Congressional District. Among its more than 50 questions were 6 on energy policy. Over 13,000 people responded, and the energy policy they outlined for our country makes infinitely more sense than what the administration proposes. The people voted against gasoline rationing, and for deregulation of oil and natural gas prices. They also supported going full speed ahead on nuclear energy, and ending the "environmental" restrictions that hamper efforts to provide the energy we need. A good-sized plurality even opted for abolishing the Department of Energy.

There is more wisdom among the people than all the bureaucrats and politicians put together. It behooves us to listen and learn from the energy policy Texans in the 22d district advocate.

Here are the results:

[In percent]

Do you support	Yes	No	Don't know
1. Rationing gasoline?	33	60	7
2. Deregulating oil prices?	72	19	9
3. Deregulating natural gas prices?	73	18	9
4. Abolishing the Department of Energy?	49	37	14
5. Full speed ahead on nuclear energy?	74	15	11
6. Ending environmental controls to ease our energy problems?	53	38	9

●

ANNIVERSARY OF THE TRADITIONAL INDEPENDENCE DAY OF POLAND

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. DERWINSKI. Mr. Speaker, I would like to take this opportunity to call the attention of the Members to an important date in the history of Poland. Today, Poles throughout the free world celebrate the historic Polish national holiday—the Polish 3d of May Constitution Day. This is an important reminder to all, that Poland was one of the first pioneers of freedom in Europe.

It was on May 3, 1791, that Poland adopted a constitution that led to a complete reform of its internal life and asserted its democracy. But it came too late, and could not put a halt to the third partition of Poland in 1795 by Russia, Prussia, and Austria.

Even though the constitution did not have a chance to take hold, this was one of the brightest events in Polish history. Through the decades, the spirit embodied in the Polish Constitution has never died in the hearts of Poles who have remained in their native land or who have migrated to other countries.

While many invasions and subsequent partitions have prevented Poland from developing her democratic ideals into a permanent form of government, these setbacks have failed to break the spirit of her people. Poles everywhere are confident that their future will see a florishing Poland, inspired by her great traditions and ideals.

It is particularly fitting for Americans to pay tribute to this major contribution to democracy in the world. Even more so, we honor the event since the United States was able to build and grow on its own constitutional government, while Poland, as early as 1795, was subjected to partitions and exploited by neighboring countries. This day also serves as a reminder of the close links between this Nation and the free Poland that existed prior to the outbreak of World War II.

Although Poland is clamped in the grip of the Soviet bloc today, the Polish people in free countries proudly commemorate a day for Polish democracy and freedom. They look forward once again to the time when they will have true independence both in the national life of Poland and in the individual lives of its citizens. This day, which should belong to every Pole, not just those living apart from the mother country, gives encouragement to the citizens of Poland in their continuing struggle for their democratic rights. We must joint in the hope that the Polish people will yet realize the attainment of the ideals and spirit of their May 3d Constitution.●

THE GAS SHORTAGE IS REAL

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. VAN DEERLIN. Mr. Speaker, the myth persists that the gasoline shortage does not really exist but instead is something contrived by the Government and the oil companies.

In a pithy editorial published in today's editions, the Los Angeles Times demonstrates how rising demand for gas at home, coupled with diminished supplies from abroad, have put us in a bind that is all too real.

Notwithstanding that the price of a gallon of gas is fast approaching $1, consumption is up 4 percent over what it was a year ago. And there are 20 million more vehicles on the road today than there were in 1974, the year of the last shortage.

The editorial concludes:

> It will be a long time at best before the gasoline supply picture improves. It could be a short time before it worsens. We had better be prepared.

We in Congress had also better be prepared.

The editorial follows:

> THE END IS NOT IN SIGHT
>
> The gasoline shortage of 1979 is different from the shortage of 1974 in one crucial respect. When motorists waited in lines at service stations five years ago—if they were lucky enough to find a line to wait in—they at least had the consoling thought that at some point the Arab oil embargo would end, and that fuel supplies would in time return to normal levels. Today there is no such consolation.
>
> The likelihood is that the nation has entered a period of steady gasoline shortages, and the reasons aren't hard to find. There are, to begin with, a lot more vehicles on the road today than there were in 1974, an estimated 20 million more of all kinds. Those vehicles are being driven more miles on average than they were five years ago. And, even with recent improvements in auto-mileage performance, overall gasoline consumption is up—nationally, about 4% over what it was just a year ago.
>
> Worldwide oil production has not kept pace with rising demand. Iranian production is 2 million barrels a day less than it was a year ago. Saudi Arabia, which owns more oil than any other country, doesn't want to increase its output to make up the difference. Saudia Arabia and other members of the OPEC cartel are in the happy position of being able to make more money while selling less oil. International contract prices on oil call for a floor price of $14.54 a barrel. Oil sold free of the floor price is in some cases fetching $33 a barrel.
>
> The conventional economic wisdom used to be that at some theoretical point—say, when gasoline reached 60 or 70 or 80 cents a gallon—demand would fall and the supply situation would stabilize. Gasoline is now galloping toward a price of $1 a gallon. Demand hasn't abated. Consumption has, or will, simply because there is less gasoline available to consume. The issue that the country must begin to face is whether that gasoline can be distributed equitably.
>
> President Carter is pushing hard for standby gasoline-rationing authority. That authority would be used only if the supply situation significantly worsened, and it would be used to provide all drivers with at least an assured basic allotment of fuel. Yet Congress has been inclined to approach the request for standby authority as if it were the plague, apparently fearing the political consequences of even such a prudent and essential step as providing for the contingency of rationing.
>
> On Tuesday the House Commerce Committee sent the standby rationing plan to the floor without recommending its passage. That is a slight improvement over its earlier vote to kill the request entirely. Carter warned again this week that without a standby plan it would take six or seven months to prepare responsive measures to deal with a gasoline emergency. That warning has to be taken seriously by Congress, and by the public.
>
> It will be a long time at best before the gasoline-supply picture improves. It could be a short time before it worsens. We had better be prepared.●

ELIAS D. CHINONIS TO BE HONORED AS SUPREME SECRETARY OF AHEPA

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. KILDEE. Mr. Speaker, I am pleased to bring to the attention of my colleagues a dinner to be held May 5, 1979, in Flint, Mich., in honor of Elias D. Chinonis. He is the supreme secretary of District 10 of the Order of AHEPA. District 10 includes all of the State of Michigan and the Toledo area. The dinner honoring him is being held by Flint Chapter 141 of the Order of AHEPA, of which Mr. Chinonis is a member.

Mr. Chinonis was born in Greece and came to Flint in 1940 at the age of 15. He served in the U.S. Army during World War II, then returned to Flint where he has remained since as an active citizen in the business, civic, religious, and political affairs of the community.

He became a member of the Order of AHEPA in 1947 and has served in various chapter offices, including president. In addition, he has served in various district lodge offices, including governor. On the national level, he has served as supreme governor and is now serving as supreme secretary.

Mr. Chinonis served as president of the Assumption Greek Orthodox Church, and was chairman of the building fund when the church was built about 15 years ago. He is president of an automobile dealership in Flint, and well respected in the business community. On a lighter note, he also is an avid golfer and this year he won the AHEPA National Invitational Golf Tournament held in Las Vegas.

I am pleased to join his many friends and admirers in honoring him this week.●

ALASKA LANDS FOR FUTURE GENERATIONS WILL BE PROTECTED BY UDALL-ANDERSON SUBSTITUTE

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. RICHMOND. Mr. Speaker, the House will soon be considering one of the most important pieces of wilderness conservation legislation of the century—the Alaska National Interest Lands Conservation Act.

The Udall-Anderson substitute, of which I am a proud cosponsor, carefully balances preservation of our Alaska wildlands with development of the State's economic resources. The Udall-Anderson substitute balances our country's need for oil, gas, minerals, and timber—and the State's need for an increase in agricultural production—with the overwhelmingly important need to preserve and protect our last remaining wilderness areas.

As a member of the Agriculture Committee, I have carefully studied the potential effects of the legislation on the State of Alaska's ability to advance its agricultural production, which, at its current level, requires the importation of over 95 percent of Alaska's food.

I am convinced that the Udall-Anderson substitute will not stall the State's production goals. The State and Native Corporations to date have selected some two-thirds of the Alaska lands with "significant" agricultural potential, and more than 70 percent of the "high" potential lands. Given the land base resources the State now owns, agricultural production could be expanded by over 45 times the current level.

Indeed, through their land selections, the State and Native Corporations have provided themselves with a land base rich in a number of economic resources, including agriculture, oil and gas, minerals, timber, and recreation. The remaining wilderness areas should and must be reserved for future generations.

Mr. Speaker, the 14th Congressional District in Brooklyn, N.Y., which I represent, consists of more than 467,000 people residing in a mere 9-square mile urban area—indeed, one of the most densely populated districts in this country. Yet, despite living in the inner city and despite their geographic remoteness from Alaska, the vast majority of my constituents who have expressed their views to me on the Alaska lands legislation, strongly support the Udall-Anderson substitute.

I urge my colleagues to join me in supporting the Udall-Anderson substitute to retain the wild and beautiful Alaskan lands for future generations; to conserve them forever for the benefit of all Americans; and to protect them from exploitation by special interests.●

AVERAGE AMERICAN WORKS 2 HOURS, 45 MINUTES EACH DAY TO PAY THE TAX MAN—MAY 6 IS "TAX FREEDOM DAY"

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. RUDD. Mr. Speaker, every payday, American workers are painfully reminded of the high cost of government—particularly big government in Washington—as they witness the large percentage of taxes extracted from their hard-earned salaries.

The Tax Foundation reports that the average American will have worked until May 6, 1979, 3 weeks beyond the filing deadline of April 16, to pay his share of Federal, State, and local taxes for this year.

The Tax Foundation is a nonprofit, nonpartisan research and public education organization which monitors tax and fiscal activities at all levels of government.

This organization publishes some outstanding analyses of tax issues and has calculated that taxes imposed by all levels of government will consume the output of the average working American for the first 4 months and 6 days of 1979.

Thus, "Tax Freedom Day" for 1979—when the taxpayer is free from his tax liabilities for the year—will be Sunday, May 6.

The burden which taxation at all levels of government imposes on our Nation's citizens has become increasingly heavy during recent decades. Probably the only encouraging aspect surrounding the 1979 tax situation is that the May 6 "Tax Freedom Day" has not moved to a later date since 1978 when it fell at the same time of year.

The May 6 date symbolizes the bleak fact that 34.3 percent of the average working man's earnings are collected by the tax man. This figure is especially distressing because it represents a tripling of the 1929 rate when such taxation consumed 10.8 percent of a worker's earnings. The following chart illustrates the surging percentage of income owed to various levels of government.

Growth in taxation as a percentage of income [1]

	Tax Freedom Day	Average worker's taxes as percent of earnings
Year:		
1929	February 9	10.8
1939	March 5	17.4
1949	March 24	22.7
1959	April 15	18.6
1969	May 3	33.5
1979	May 6	34.3

[1] Source: Tax Foundation, Inc.

Calculated in another way, the typical American worker labors 2 hours and 45 minutes per 8-hour day to pay his tax obligations.

TAXES ARE MOST EXPENSIVE ITEM IN FAMILY BUDGETS

The American people are justifiably outraged that taxes owed to government authorities represent a larger portion of their family budget than any other item—including housing or food—as the following table (as calculated by the Tax Foundation) indicates:

Average expenditures by time spent on 8-hour workday

Item and hours and minutes

Taxes, total: 2 hours, 45 minutes.
(Federal taxes: 1 hour and 47 minutes.)
(State and local taxes: 58 minutes.)
Housing and household operation: 1 hour and 27 minutes.
Food and beverage outlays: 1 hour and 3 minutes.
Transportation: 42 minutes.
Medical care: 30 minutes.
Clothing: 25 minutes.
Recreation: 19 minutes.
All other expenses 1:[1] 51 minutes.
Total: 8 hours.

The magnitude of the tax burden has become so large that many citizens have come to regard it—particularly the Federal portion—as exorbitantly high and unreasonable.

A number of respected economists have observed that the present high level of Federal taxation has resulted in many negative effects on our Nation's economy, in addition to its effect on our work force's morale and incentive. The existing Tax Code serves to discourage initiative, encourage unemployment, and make savings and investment less attractive while simultaneously rewarding consumption and indebtedness.

ACROSS-THE-BOARD TAX CUT NEEDED

The most responsible answer to the present situation is legislation to reduce Federal income taxes and simultaneously encourage investment, savings, employment, and incentive.

The proposal I favor is a growth-oriented, anti-inflation plan which will greatly benefit the hard-pressed American taxpayer.

I am pleased to cosponsor legislation offered by the distinguished gentleman from New York (Mr. KEMP)—and introduced in the Senate by Mr. ROTH—which would lower the marginal tax rates by 30 percent across the board over 4 years to increase production incentives in the private sector of the economy.

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[1] Includes consumer expenditures for items such as personal care, personal business, private education and savings.

Following these reductions, the legislation provides for "inflation-proofing" the Federal Tax Code by indexing it to the rate of inflation, and thereby eliminating the present situation in which higher salaries automatically push workers into higher tax brackets and wipe out any real increase in buying power.

The legislation which I support would also limit the growth in Federal spending to 7 percent per year over the next 3 years, and thus force an evaluation of Federal programs. Given the present rate of inflation, it would also amount to a "no real growth" level of spending.

I would eventually like to see Federal legislation which would limit both the portion of the gross national product and the individual's personal income which could be taken in Federal income taxes. I might add that the appropriate limit is closer to that of 1929 than to the existing high levels of taxation.

Mr. Speaker, as Congress considers the 1980 budget and the appropriate level of spending, I believe we should heed the earnest—and justifiable—desire of the American people to reduce Federal spending and cut Federal taxation. Then "Tax Freedom Day" can be advanced to an earlier date in the years ahead.●

STRATEGIC MINERALS

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. BOB WILSON. Mr. Speaker, oil is but one natural resource that the United States badly needs. However unpublicized though they might be, the United States needs help in other areas—specifically, strategic minerals. These minerals are not only essential to our national defense, but also to our very way of life.

The supply of these minerals, their sources and their uses are something that has to affect every American, and as the elected representatives of the citizens of this country, it is our duty to concern ourselves with the economic facts of life in the world.

For a most reasoned discussion of this crucial supply problem, I recommend the following article from Barron's, which graphically demonstrates what we have to gain and lose by our not taking advantage of the vast opportunities available to us:

STRATEGIC METALS—THEIR AVAILABILITY HAS BEGUN TO WORRY THE WESTERN WORLD

(By Neil Behrmann)

LONDON.—What oil is to Iran, a half-dozen strategic metals are to southern Africa. Now that Iran has gone the way of chaos, the West has begun to turn its attention to other vulnerable sources of supply. Prices of some of the commodities drawn from hostile, or potentially hostile, lands—metals like cobalt, platinum, rhodium and vanadium—have been rising for some time.

Cobalt, chrome, and manganese are essential not only to steel making but also to the manufacture of military equipment and aircraft—hence the term strategic. For most important uses, substitutes are not available. A shortage of essential minerals would obviously disrupt industry of all sorts. Against this possibility the U.S. has revised its raw materials policy, while France and West Germany both anxiously weigh stockpile schemes of their own. The same line of reasoning is prompting bullish thoughts in and around the trading pits.

MORE UPHEAVAL?

David Hargreaves, for example, consultant for J. H. Rayner, member of the London Metals Exchange, speculates: "It is highly probable that another major political disturbance could be witnessed in 1979. An obvious flashpoint is central Africa, while the Iranian crisis could also lead to a run-up in commodity prices." And, indeed, Iran's threat to cut off oil to South Africa hasn't been lost on the gold market.

It happens that the bulk of the world reserves of the platinum group as well as chromium, manganese and vanadium are situated either in southern Africa or in the Soviet Union. South Africa accounts for more than two-thirds of all platinum; the Soviet Union, more than two-thirds of the world's palladium. Both countries produce rhodium, an important material in catalytic converters used in the automobile industry. In most of rhodium's uses—in the automotive, chemical, electrical and petroleum-refining fields—substitution is possible in the long run. For the here and now, however, supply shortages would upset all Western industrialized countries with the exception of Canada. It is estimated that 90% of chromium reserves are in Rhodesia and South Africa.

VITAL MANGANESE

Wolfgang Michalski, deputy director of "Interfutures," a research project of the Organization for Economic Cooperation & Development, in Paris, observes that no known substitute exists for chromium in most metallurgical applications, nor in certain chemical uses.

South Africa and the USSR are also dominant in manganese. At least with manganese, however, Australia, Gabon and Brazil are fairly big producers, so over a period of years, consumers could adjust to an interruption in supply. Again, however, the short-term effects would be severe. Manganese is essential for the production of virtually all steels and, in its main applications, has no substitute.

The vanadium situation is less serious because other materials can take its place. The U.S., for example, could be self sufficient, given time to start production.

Last year commodity markets responded to the possibility of political squeezes of these essential minerals, notably cobalt, which soared from $6 to $50 a pound. Although it has fallen back to around $38, it remains well above the levels at which it changed hands at the beginning of last year.

KEY MINERALS

	Percentage of world reserves		Percentage of world production	
Cobalt	Zaire	30	Zaire	53
	New Caledonia	19	Zambia	9
	U.S.S.R	14		
Manganese	South Africa	45	South Africa	22
	U.S.S.R	38	U.S.S.R	35
Chrome	South Africa	74	South Africa	26
	Rhodesia	22	Rhodesia	8
	U.S.S.R	1	U.S.S.R	36
Platinum group metals [1]	U.S.S.R	16	U.S.S.R	31
Gold	South Africa	49	South African	60
	U.S.S.R	22	U.S.S.R	21

[1] Platinum, palladium, rhodium, etc.

Source: OECD, Royal Institute of International Affairs and Economist Intelligence Unit.

ZAMBIAN MARAUDERS

Some 60 percent to 70 percent of "normal" cobalt comes from Zaire and Zambia, so it isn't difficult to find the reasons for the surge. The invasion of Zaire's mineral-rich Shaba Province (formerly Katanga) put the world's largest cobalt producer, Gercamines, out of action. Since then, the metal has been in heavy demand; spurring buyers is the fact that Zaire's troubles are far from over. Zambia, another major producer of cobalt, also is in a shaky state, with guerrillas (based there for invasions into Rhodesia) marauding the country. Copper as well as cobalt has gotten a lift from these African woes.

Sometimes, of course, even without the spur of catastrophe, a major producing nation decides to withdraw from a market. The classic example occurred last year in platinum. In normal years, the Soviet Union sells 600,000 to 700,000 ounces of platinum to Western consumers. That's about a quarter of annual total supply. But since the autumn of 1977, the USSR mysteriously has remained out of the market and the metal's price shot up from $145 to more than $350 an ounce. Apparently, nearly 18 months since its withdrawal, Soviet platinum sales are holding well below normal—no explanations are forthcoming. In recent months, the Soviet Union also has withdrawn from the gold market.

Against this backdrop of endangered or disappearing supplies, the U.S. General Services Administration has been reviewing stockpile goals, and the new budgets are expected to be disclosed soon. All told, 12 commodities were selected for detailed examination: aluminum, asbestos, chromium, cobalt, copper, iron, lead, manganese, nickel, phosphate, silver and zinc.

MINERALS FROM AFRICA

Of non-fuel mineral imports in 1977, 78 percent came from developed countries, including Canada, Western Europe, Yugoslavia, South Africa, Australia, New Zealand, Japan and Israel. The U.S. currently imports seven of its 24 essential minerals from South Africa. The U.S. Bureau of Mines' average import returns from 1973 to 1976 show that the U.S. bought 56 percent of its vanadium imports from South Africa, 30 percent of its chromite (chrome ore), approximately 20 percent of its gold, 33 percent of its platinum group requirements and 10 percent of its manganese ore. Between 30 percent and 35 percent of its ferro chromium and ferro manganese have been imported directly from South Africa. Bureau of Mines figures also show that 47 percent of U.S. cobalt imports come from Zaire and 24 percent from Belgium. Actually, the Belgian cobalt is mined in Zaire and processed in Belgium.

Price stability of strategic commodities is as much a factor in U.S. raw materials policy as supply. Allan E. Wendt, director of the

State Department's Office of International Commodities, told the United Nations Association of New York last week that the U.S. aims to help "stabilize the export earnings of developing countries," while securing for the U.S. an ample supply of strategic commodities at a reasonable price. In international commodities negotiations, he said, talk has centered on the concept of buffer stocks, stockpiles that would be used to temper price volatility. The U.S., he said, has thrown its support to the Common Fund, an international monetary pool established to finance buffer stocks. But while international commodity forums embrace the concept and are moving toward that end, its effectiveness in controlling prices—as tested by tin over the past 20 years—is negligible.

European countries, although considerably more dependent on raw materials than the U.S., approached the threat of a shortage of crucial commodities in disarray. A managing director of a large U.K. steel concern says, "Europe's raw materials policy is a matter of too little too late."

Luc Smets, chief economist of Charter Consolidated, a mining house with extensive interests in Africa, is blunter: "Europe is in a mess in regard to a raw materials policy, as opposed to the United States, which has built up a stockpile over many years. So far, raw material supplies from Africa have only been disrupted to a small extent. Other than the invasion of Zaire, problems have been largely confined to the closure of key transport lines." The acid test may lie in developments in South Africa, which supplies a substantial proportion of the Community needs.

GROUPS AT WORK

An EEC official says, however, that the EEC is examining the sources of supply, the future reliability of producers and the possibility of a stockpile. Working groups have been studying these schemes and proposals are expected to be published this year. Negotiations at the Lome II Convention (which governs 46 EEC commodity imports from developing countries) this year, are also expected to discuss protection for European mining companies operating in the Third World.

Meanwhile, two members of the EEC, France and Germany, are taking action on their own. France, the sole Common Market member with a national stockpile, announced at the beginning of this year that it would expend its strategic stockpile, now worth about 300 million francs, and the government aims to boost the horde to a billion francs.

Reasons for the decision included the slowdown in Third World investment and uncertainties surrounding the future of Rhodesia, Namibia and South Africa. Cobalt and chrome were listed, but Paris was cagey about mentioning all the minerals in the stockpile in case markets moved against the French. The stockpile would be built up selectively with a close eye on the markets. Metals would not be bought at any price. The French Bureau of Geological and Mineralogical Research will also start on a four-year prospecting and exploiting plan.

More than half of France's non-energy minerals are imported, with extensive imports of platinum, vanadium, chrome, and manganese from South Africa. It is also a big buyer of such energy minerals as coal and uranium from South Africa.

The Germans are worried, too. According to a Foreign Office study, the country imported 48 raw materials from southern Africa in 1977. Of these minerals, chrome, cobalt, manganese, platinum, and blue asbestos were regarded as critical. According to a German official a study recommended that a stockpile should be formed. But so far Bonn feels that the stockpile should not be government controlled. Instead, it may encourage industry to do the job via tax incentives.

However, Herr Alfons Goedde, spokesman of the special steels subsidiary of the Thyssen steel group, has challenged this approach. He advocates that the government finance a chrome stockpile equivalent to two years' consumption, as insurance against political risk in southern Africa, which supplies Germany with 60 percent of its chrome. Two years' supply would cost some 300–400 million D-marks, too great a burden, Goedde insists, for the industry to bear alone.

Britain's official stance is similar to Germany's. Under Secretary of State for Industry Les Huckfield claims that the procurement and stockpiling of raw materials is the responsibility of industry users. He notes that the department holds an undisclosed amount. Huckfield admits, though, that some 40 percent-50 percent of Britain's chrome, 30 percent-38 percent of manganese imports, 50 percent-55 percent of platinum and 10 percent-15 percent of vanadium comes from South Africa.

"With hindsight, the government should have stockpiled cobalt for industry since it is difficult to build supplies in the current shortage," comments Desmond Mawson, managing director of Ross & Catherall, which manufactures super alloy for jet engines and hence is one of Britain's major users of cobalt.●

WHAT ABOUT CANCER?

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report from April 25, 1979, into the CONGRESSIONAL RECORD:

WHAT ABOUT CANCER?

What does cancer cost us? Is our personal fear of cancer justified? Has progress been made in our seven-year, $5-billion "war on cancer"? What can we ourselves do to stop cancer? These questions are being asked with increasing frequency by Ninth District residents and many other people across the United States.

Most Americans know that cancer's toll is enormous. An estimated $1.8 billion per year is spent for hospital care of cancer patients, with additional billions for supplemental therapy. Beyond these direct expenditures there are indirect costs such as the 1.8 million work-years lost to the national economy by unemployed or underemployed cancer victims. Of course, no price can be placed on the suffering and anguish of the victims themselves, their families, and their loved ones.

The personal fear of cancer is another heavy burden. The prominent people stricken by cancer in the past few years—Hubert Humphrey, John Wayne, Happy Rockefeller—are reminders that cancer does not respect position, money, or sex. A recent survey shows that cancer and heart disease are the two serious afflictions that most Americans expect to contract during their lifetimes, and the statistics do not give much assurance to the contrary. In the early decades of this century, cancer and heart disease caused only 12 percent of all deaths. Today, however, the two diseases account for more than 50 percent of all deaths, a drastic increase which cannot be fully explained by the larger population, the greater average age of the population, or improved detecting and reporting methods. The rise in the incidence of cancer in this century is real, and it is of real concern.

Fortunately, not all the news is bad. According to one independent group, the overall incidence of cancer has decreased slightly over the last 25 years. The major exception has been the lung cancer rate, which has risen markedly. The National Cancer Institute (NCI) is less optimistic and reports that the general incidence of cancer is rising, but that the rise has begun to level off in the last five years. The NCI notes improvement in the survival rate for victims of leukemia and a significantly reduced rate of breast cancer in younger women.

The federal government has responded to the challenge of cancer by attacking the disease on two fronts. Research—a long, involved process requiring many repetitions of the same experiment to prove results—is an important part of the cancer battle. The federal funds invested in research (75 percent of all such funds) are beginning to bear fruit, but breakthroughs will not occur overnight. They are hard-won through months of intensive work complemented by intuition, imagination, and patience. Often, a promising treatment or preventive measure announced today may be years away from practical application. The waiting may seem cruel to cancer victims, but it is done to ensure that drugs and devices are truly safe and beneficial. There have been four such cases of promising research announced recently—three new drugs and an inexpensive diagnostic test—all the result of funds spent by the NCI as part of the war on cancer. It is hoped that the drugs and test will eventually prove worthwhile. Other similar discoveries will undoubtedly be made in the years ahead.

The second front in the cancer battle focuses on the prevention of the disease. The emphasis on prevention naturally involves the public's growing concern about cancer-causing substances in the environment. The debate ranges from the effects of asbestos on shipyard workers to the dangers posed by saccharin in diet foods. In fact, many experts believe that 70 percent to 90 percent of all cancer is caused by environmental factors, but there is much controversy over the definition of the word "environmental". Some experts use "environmental" to encompass all causes of cancer other than hereditary ones. This classification would include such factors as personal habits. Other experts believe that attributing so much cancer to environmental causes results in a fatalistic attitude in many people. This fatalism may keep people from changing personal habits which are within their power to change. One fact agreed to by all the experts, however, is that apparently safe substances introduced into the environment today could have far-reaching effects if found to be carcinogenic later. When one considers that there are about two million known chemicals, and that thousands more are discovered every year, one sees that the concern about hazards substances is warranted.

Since a lower incidence of cancer depends in many cases on changes in American life styles, a key element in the war on cancer is the American citizen. Heightened public awareness of such things as the hazards of excessive exposure to sunlight, combined with additional research and vigorous action to remove as many cancer-causing agents as possible from the environment, can surely bring down the cancer mortality rate. Steady progress is being made in the war on cancer, but individuals must do their part as well. The evidence is now that the tide of the battle will turn against cancer when Americans recognize the risks of their life styles, and accept the changes that must be made.●

SALT II: PERPETUATING FAILURE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. PAUL. Mr. Speaker, from all indications, the SALT II treaty will be to the Soviet advantage and to the American disadvantage.

An excellent analysis of this treaty appeared recently in the "Research Report" of the American Institute for Economic Research. It deserves our careful attention.

SALT II

The United States and the Soviet Union are near conclusion of Phase II of the Strategic Arms Limitation Talks (SALT II), according to reports from the Carter administration. Reportedly, once final negotiations are completed, President Carter and Soviet Party leader Leonid Breshnev will meet for a ceremonial signing of the agreement. The agreement then will be presented to the U.S. Senate, where a two-thirds vote of approval is required for ratification.

To underrate the potential significance of the SALT II accord would be difficult. If ratified, SALT II would shape U.S. strategic forces well into the 1980's, and it could signal a decisive turning point in the balance of strategic power—a turning point devastating to the Western world. At stake is the freedom, and perhaps the literal lives, of hundreds of millions of Americans and of our allies.

PRESENT SALT II PROPOSALS

Although some presumably minor details of the SALT II accord remain unresolved at this time, the basic elements of the agreement are available. SALT II currently comprises a three part agreement. The first part is a 6 year treaty terminating on December 31, 1985 (unless superseded earlier) that would: (1) set equal limits on the aggregate numbers of strategic delivery vehicles deployed by both sides; (2) establish various sublimits on MIRVed systems[1] and on heavy bombers or other aircraft equipped to carry air-launched cruise missiles; (3) limit each side to one new ICBM type, with a maximum of 10 MIRVs; (4) bar increases in the number of warheads on existing ICBMs; and (5) provide measures to permit unimpeded verification by national technical means.

The second part of SALT II is a "protocol." whose expiration date still is not firm but reportedly is between mid-1981 and mid-1982. This protocol would: (1) bar deployment of ground-launched and ship-launched cruise missiles with ranges greater than 600 kilometers (372 statute miles) during that period, while permitting unimpeded testing and development of such vehicles at any range; and (2) bar testing and deployment of mobile ICBMs or air-to-surface ballistic missiles during that period. The treaty does not restrict the deployment of these systems after the protocol expires.

The third part of SALT II is a "statement of principles." Its original purpose, as proposed by the United States, was to serve as a guide for SALT III and as an outline of specific new lower ceilings on strategic weapons to be established with SALT III. The present version, however, simply is a pledge by both sides to seek a follow-on agreement that would provide for a reduction in the number of strategic weapons.

Although the protocol and statement of principles would subvert U.S. interests, the treaty dealing with offensive weapons is by far the most dangerous element of SALT II, and it is the only aspect of the agreement requiring Senate ratification. The SALT II treaty limits, both specified and implied, are shown in Table 1. The specified limits indicate the *largest* number of strategic launchers allowed. The implied limits are calculated by subtracting each specified sublimit from the next higher limit. For example, 2,250 total launchers minus 1,320 MIRVed launchers equals 930 non-MIRVed launchers (including bombers). Implied limits therefore indicate the *smallest* number of strategic launchers permitted. When force levels are lower than the specified limits, implied limits are proportionately larger.

According to the limits outlined in the SALT II *treaty*, each side must reduce total strategic launchers (including aircraft equipped for cruise missiles or for air-launched ballistic missiles) to 2,400 within 6 months after SALT II enters into force. That number must be reduced to 2,250 by the expiration of the *protocol*. Within the overall ceiling of 2,400 launchers (2,250 when the protocol expires) both sides are mostly free to mix ballistic missiles and long-range bombers in any combination that suits their strategy. A carryover provision from SALT I prohibits any additional fixed-site ICBM launchers. ICBM silos exchanged for submarine-launched ballistic missiles (SLBMs) on a one-for-one basis must be dismantled or destroyed. No "light" model IBCMs may be converted to "heavies," and no "heavies" installed before 1964 may be converted to more modern models. Deployed systems otherwise may be modernized, subject to restrictions not yet reported.

Limits on multiple warhead launchers with MIRVs are set at 1,320, as shown in Table 1. Within that total, 1,200 could be MIRVed ballistic missiles. No more than 820 could be MIRVed ICBMs, but all 1,200 could be SLBMs. Aircraft that accommodate intermediate-range cruise missiles or air-launched ballistic missiles thus implicity are limited to 120 (1,320 MIRVed Launchers—1,200 MIRVed ICBM/SLBM Launchers = 120 Cruise Missile Carriers), unless fewer than 1,200 MIRVed ballistic missiles are deployed. The number of cruise missiles each aircraft will be allowed to carry is not yet clear.

Finally, the SALT II treaty stipulates that the 820 MIRVed ICBM launchers allowed, 308 (or 326) "heavy" MIRVed ICBM launchers are permitted. The United States does not have any "heavy" launchers in its strategic arsenal, and because SALT II prohibits the construction of additional fixed-site ICBM launchers, none will be permitted for the United States.

TABLE 1.—PRESENT SALT II TREATY PROPOSALS

	Specified limits
Total launchers	2,400 ([1] 2,250)
MIRVed launchers	1,320
MIRVed ICBM/SLBM launchers	1,200
MIRVed ICBM launchers	820
"Heavy" MIRVed ICBM launchers	308 ([2] 326)
	Implied limits
Non-MIRV launchers (including bombers)	930
Cruise missile carriers	120
MIRVed SLBM's	380
"Light" MIRVed ICBM's	512 ([2] 494)

[1] Signatories must reduce total launchers to 2,250 when the protocol expires.

[2] If 18 Soviet "heavy" launchers located at test sites are included.

Source: "SALT II Acceptance Criteria: A Military Appraisal," John M Collins, Senior Specialist in National Defense The Library of Congress.

Estimates of the respective inventories of strategic weapons of both the U.S. and U.S.S.R. and other related data are shown in Table 2. These data reveal that while the U.S.S.R. has nearly 500 more launchers than the U.S., the U.S. holds the lead in MIRVed launchers. However, the U.S.S.R. has an overwhelming advantage in "heavy" MIRVed ICBMs, which can carry more or larger warheads than other ICBMs.

According to the treaty limits, the U.S. would not have to reduce its current strategic arsenal, but the Soviets would have to dismantle 274 launchers. A remarkable aspect of the treaty readily apparent from Table 2 data is the extent to which both sides could increase strategic weapons and still be within the specified limits.

SALT II AND THE JACKSON AMENDMENT

The United States Congress approved SALT I in October 1972. That agreement allowed the Soviets temporary quantitative superiority in a number of strategic offensive weapons systems. The temporary quantitative superiority was deemed acceptable by Congress because the U.S. then possessed clear qualitative superiority in missile guidance and MIRV technology. However, attached to Congress' approval of SALT I was the Jackson Amendment (named for Senator Henry Jackson, D-Wash.), which urged the ". . . President to seek a future treaty that, inter alia, would not limit the United States to levels of intercontinental strategic forces inferior to the limits provided for the Soviet Union. . . ." The Amendment also warned of the danger of the Soviets' developing a first-strike capability (the capability to destroy all or a very large portion of U.S. land-based strategic forces in a surprise attack). It further contended that the contemplated next SALT agreement, based on the principles of equal numbers of strategic weapons, would be an effective means of preventing the development of such a capability by the Soviets. The failure to reach such an agreement could, in the words of the Jackson Amendment, ". . . jeopardize the supreme national interests of the United States."

On the basis of the numbers alone, the SALT II proposals appear to provide for equal aggregates of strategic offensive weapons in accordance with the requirements of the Jackson Amendment. However, closer scrutiny reveals the agreement to have a number of flaws that, if not rectified, could doom the U.S. to strategic inferiority. First, the SALT II formula excludes some important Soviet weapons systems, principally the Backfire bomber and the SS-20 Mobile Intermediate Range Ballistic Missile. The Backfire bomber was specifically designed to carry nuclear weapons, has a range of approximately 5,000 miles, and can be refueled in flight. The U.S. has acquiesced in the Soviet demand that the Backfire be classified a "theater weapon" and excluded from SALT II. In return, the Soviets apparently gave assurances that all Backfires would be based within the U.S.S.R., from which they could not reach the U.S. on roundtrip, unrefueled missions. In a first-strike attack, the Russians could send the Backfire fleet to the United States and accomplish their return with air refueling or have them land in Cuba or another nearby country friendly to Russia.

The SS-20 is a mobile, two-stage missile, now being outfitted with three MIRV warheads. So equipped, the missile could not reach the U.S., but with a smaller warhead it could. Moreover, the SS-20 consists of two of the three stages making up the SS-16, a bona fide ICBM, and it is launched from the same mobile launcher as the SS-16. The Soviets have refused to divulge the numbers of SS-20s that have been built or the number of third stages that have been stockpiled and are readily available for converting SS-20s into SS-16s. Inasmuch as mobile missile launchers are not restricted in the treaty, Soviet ICBM totals include neither SS-20s nor SS-16s.

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[1] MIRVed ballistic missiles carry multiple warheads that can target more than one aim point.

Second, the SALT II formula grants exclusively to the Soviet Union the right to deploy "heavy" ICBMs, and the Russians have more than 300 of them. The Soviets have deployed two types of "heavy" ICBMs, the SS–9 and the larger SS–18. According to the Department of Defense, approximately 200 SS–18s have been deployed, and defense analysts assume that by the early 1980's all SS–9s will be replaced by SS–18s. Such an SS–18 force would be capable of delivering in excess of 3,000 warheads, each one at least as large as the largest U.S. Minuteman warhead. That force would be two warheads per U.S. ICBM silo. Recent tests have demonstrated these warheads to be highly accurate.

Thus, the Soviet "heavy" ICBM force alone poses a distinct first-strike threat to U.S. ICBMs. Moreover, even after launching all such "heavy" ICBMs, the Soviets would have in reserve nearly 2,000 additional strategic weapons. Some analysts fear that the damage done to U.S. forces from such a first strike would be so extensive that our retaliatory attack might not inflict damage in excess of what the Soviet leaders would be willing to accept.

Third, the SALT II agreement, like the SALT I agreement, restricts only the numbers of missile *launchers*, not the number of actual missiles. U.S. officials maintain that one missile per launcher constitutes normal deployment, yet no means of verifying compliance with this constraint has been set forth. In this connection, the Soviet Union alone has developed a "cold launch" technique for firing ICBMs, including the "heavy" SS–18. With this technique, missiles are ejected from their silos by compressed gas before the rocket engines are ignited. This permits the reloading and firing of additional missiles from the same silo. Obviously this factor substantially affects the strategic equation, yet the U.S. does not know how many Soviet missiles have been stockpiled for this purpose. Inasmuch as stockpiled missiles are not "deployed," they are not limited by the SALT II treaty.

TABLE 2.—PROPOSED SALT II TREATY LIMITS, UNITED STATES AND U.S.S.R. STRATEGIC INVENTORIES AND THEIR TREATY STATUS

	Specified limits	United States		U.S.S.R.	
		Inventory	Status	Inventory	Status
Total launchers	2,250	2,060	−190	2,524	+274
MIRVed launchers	1,320	1,046	−274	700	−620
MIRVed ICBM/SLBM	1,200	1,046	−154	700	−500
MIRVed ICBM	820	550	−270	570	−250
"Heavy" MIRVed ICBM's	326	0	−326	326	Par

	Implied limits	United States		U.S.S.R.	
		Inventory	Status	Inventory	Status
"Light" MIRVed ICBM's	[1] 820/494	550	−270	262	−232
MIRVed SLBM's	380	496	+116	130	−250
Cruise missile carriers	120	0	−120	0	−120
Non-MIRVed launchers	930	980	+50	1,801	+871

[1] SALT II prohibits U.S. "heavy" MIRVed ICBM's; thus the U.S. limit on 'light" MIRVed ICBM's is 820.

Source: Same as table 1.

Fourth, the means of verifying Soviet compliance with the terms of the new treaty are totally inadequate. The Soviets categorically refuse any on-site inspection of armaments; therefore, all verification must be accomplished with "national technical means." In practice this means using satellites and ground-based monitoring devices. However, satellite surveillance and ground-based sensors cannot be relied upon for detecting such critical aspects of SALT II as: which missiles are armed with MIRVed warheads and how many warheads each missile carries; the range capabilities of the various deployed cruise missiles; what bombers, surface ships, or submarines are armed with cruise missiles; how many missiles are stockpiled near "cold launch" launchers, etc.

In addition to these flaws, the language of SALT II, as was the language of its predecessor, is imprecise on some critical "aspects. Terms such as "heavy bomber" and "new" ICBM are not rigorously specified. The Soviet Union took advantage of many language loopholes in SALT I, even when their actions clearly violated the "spirit" of the agreement. U.S. leaders should not expect different behavior by the Soviets this time around.

FALSE ARGUMENTS

In its recently begun major effort to promote acceptance of the SALT II agreements, the Carter administration is using three basic arguments. (1) Approval of the SALT II treaty is necessary to keep strategic spending within reasonable levels. (2) SALT II will enhance "stability and predictability" in a dangerous nuclear environment. (3) Approval of SALT II will extend the SALT process, which ultimately could lead to greatly reduced stocks of strategic weapons, to increased friendship, cooperation, and trade between the U.S. and U.S.S.R., and to a narrowing of the ideological differences that have made the two nations enemies. Although these arguments greatly appeal to peaceful persons, the record of the SALT process during the nearly one decade it has continued, reveals a history of dismal failure on each of these purported advantages.

First, U.S. spending for strategic weapons systems in constant dollars now is only about half what it was during the mid-1960's, and, as a percentage of GNP, U.S. spending for strategic programs during 1978 was less than one-third that throughout the 1950's and one-half that during the 1960's. Clearly, these data suggest that the present burden of the U.S. strategic arms budget is far from unbearable. Moreover, the marked reductions in U.S. strategic spending during recent years have come at the high price of the U.S. surrendering an unquestioned strategic superiority over the Soviet Union. Now that that superiority has been squandered, U.S. defense spending for strategic purposes will have to be increased just to maintain the now-questionable strategic balance with Russia. If that is not done during the next few years, the Nation will be lost—with or without SALT II. However, a SALT II treaty would provide social-welfare spenders with ammunition to shoot down proposed increases in the defense budget. After all, they could argue, the SALT II treaty made such wasteful spending unnecessary. Ever since the SALT process began, this argument has been used, and often successfully.

On the other hand, since the SALT process began, Soviet strategic programs have been pushed forward in nearly every aspect, both qualitatively and quantitatively. The CIA recently estimated that overall military spending by Russia exceeds that of the U.S. by about 40 percent and that their expenditures on strategic weapons exceed such U.S. spending by 200 percent. During the decade from 1968 to 1978, the CIA estimated that Soviet defense spending in real terms increased at an average annual rate of 3 percent.

Likewise, the record of SALT does not suggest that a SALT II accord would enhance "stability and predictability," as its proponents argue. Surely SALT I did not, unless by "stability" one means less of a challenge to the stable, tyrannical Communist government. "stability and predictability," as its predictability" one means a consistent policy of the Russians to promote "wars of liberation" wherever and whenever they can. As the trend of strategic balance has swung in favor of the Soviet Union since the SALT process began, the Russians have become increasingly hostile and aggressive, particularly in Africa and the Mideast (the U.S. having already been beaten in Indochina). When have the Soviets shown restraint other than when forced to by external circumstances?

In view of this record, to argue that SALT II should be approved in order to continue the SALT process is ludicrous. The U.S. has not benefited from SALT, but the U.S.S.R. has. Where is there any credible evidence that Soviet leaders have forsaken the Marxist Lenninist practice of making slaves of their own people and the goal of destroying capitalism? Soviet leaders glory in their "victories" in Vietnam and throughout Africa. Soviet leaders' rejection of President Carter's plea for more respect for human rights and their flagrant violation of the Helsinki Agreement do not indicate a narrowing of the ideological differences between the two nations. Thus, all of the arguments made in support of SALT II are contrary to available evidence—they are utterly false.

PEACE THROUGH STRENGTH

For nearly a decade the United States has adhered to both the letter and the spirit of the SALT process, with the objective of increasing domestic and world security. The Soviet Union has had equal opportunity to promote progress toward those goals, but it has not. As a result, Americans now are demonstrably less secure than when the SALT process began. The Nation can ill afford another treaty that will perpetuate past adverse trends.

American leaders must recognize that peace comes through strength, not through appeasement. The latter route was followed for the past decade or more, and it has failed. No nation has the productive capability of the United States. Either America shall make the economic sacrifice needed to protect its liberty from outside foes or America shall perish. In our opinion, the United States should withdraw from the perfidious SALT process and return to the old, successful policy of doing whatever is necessary to defend our interests on our own.●

UDALL-ANDERSON: THE BEST BILL FOR HUNTERS AND WILDLIFE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. VENTO. Mr. Speaker, as the House takes up legislation on the designation of Alaska national interest lands, there are many factors that we must consider. Our Nation's need for the resources of that State, the equally important need to protect the unique character and pristine quality of so many areas in the State, and the social and economic well-being of all the residents of Alaska are a few of the factors that will affect the decisions that we make. Another important factor is the impact that any legislation will have on sport hunting in Alaska. As a member of the Interior Committee for the 95th and 96th Congresses and as a hunter, I have been very concerned that any legislation passed by Congress guarantee a continuation of hunting within that State for the immediate and long-range future. The bill that best accomplishes that goal and best represents the pure interests of hunters is H.R. 3651, the Udall-Anderson bill.

While the other proposals purport to represent the interests of sportsmen, only the Udall-Anderson consider sport hunting within the broader context of wildlife and wildlife habitat protection and management. H.R. 3651 recognizes that to insure the long-term continuation of sport hunting in Alaska, it is necessary to guarantee that there is a suitable environment to maintain the various species of wildlife and waterfowl. Only this bill properly protects the habitat upon which wildlife and sport hunting depend.

The Udall-Anderson bill takes great care to insure that wildlife is available in sufficient quantity to allow for continued sport hunting. The boundaries for the national parks, where hunting is prohibited, were drawn in such a manner as to eliminate to the maximum extent all conflicts with sport hunting. Thus, under H.R. 3651, approximately 90 percent of all the land in the State of Alaska is potentially available for sport hunting. Based on harvest data gathered by the State of Alaska and correlated to the proposed conservation system by the University of Alaska and Department of the Interior biologists, these nearly 337 million acres account for approximately 92 percent of recent moose harvest levels, 86 percent of recent brown bear harvest levels, and 78 percent of the recent dall sheep harvest levels. This will allow sufficient latitude in State wildlife management policies to allow for a continuation of current hunting practices.

Unlike the other proposals, the Udall-Anderson bill recognizes that to best insure the continued availability of game, action must be taken to protect the integrity of their habitat. An underlying concept of the Huckaby and Breaux bills is that Alaskan wildlife can coexist and flourish with logging, mining, oil and gas development, and other types of industrial development. This untested theory ignores the historical precedents in the lower 48 States—the loss of the buffalo throughout the country because of our push west and the loss of the caribou and moose in northern Minnesota because of habitat encroachment. It is beyond comprehension to expect that Alaskan wildlife, which requires much more expansive areas to survive, will continue at present levels when mining and oil and gas exploration and development occur.

This potential conflict is greatest in some of the areas richest in wildlife. Both the Breaux and Huckaby bills fail to protect adequately the Alaska Peninsula by not designating it as a national wildlife refuge. The Udall-Anderson bill does guarantee that this area, which the Merchant Marine Committee of the 95th Congress recognized as the most important wildlife area in the State, will be managed under national wildlife refuge designation and protection and that the area's levels and diversity of wildlife species will continue.

Both the Huckaby and Breaux bills are replete with further examples of where the best interests of hunters, wildlife, and wildlife habitat are sacrificed to satisfy the never-ending demands of developmental interests. Perhaps the most blatant example of the insensitivity of the Breaux and Huckaby bills to the future stability of Alaskan wildlife and the state of hunting is the treatment of the Arctic National Wildlife Refuge. This area is the site of the calving grounds for the porcupine caribou herd, the largest caribou herd in North America. Both the Huckaby and Breaux bills would delete wilderness from the Arctic coastal plain and would mandate oil and gas exploration within this vital habitat. As the Interior Committee report noted in its dissenting views:

> Petroleum development with its drilling pads, pipelines, roads and constant aircraft activity, etc. would have major adverse impacts on wildlife. The only uncertainty is how large the wildlife decline would be, not whether wildlife population would decline.

The potential negative impacts of the Huckaby and Breaux bills would not be limited to Alaskan wildlife or hunters in that State. Indeed, the impacts of either of these bills would affect migratory waterfowl hunters throughout the Lower 48. The failure of these bills to protect crucial nesting areas such as the Yukon Flats Basin, an area which contributes an annual flight of over 2 million ducks and tens of thousands of geese to all the flyways, will ultimately reduce the waterfowl available to hunters in the lower 48 States. Both the Huckaby and Breaux bills would slice off a major portion of the watershed of the Yukon Flats and open it to State selection. This proposal is fraught with the possibility of incompatible subdivisions with logging, mining, and other activities.

I am concerned that a bill such as the Huckaby or Breaux bill, which encourages the maximum amount of development and habitat encroachment, is not in the best interest of sport hunters. Adequate care and attention must be paid to insure that wildlife levels do not decline because of man's development and the resultant decline in the quality of wildlife habitat. Only under the Udall-Anderson bill is the question of hunting considered in its entire context. Only this bill provides the proper areas for hunting while protecting the habitat so critical for the continued existence of wildlife. Therefore, those who are truly interested in meeting the real needs of American sportsmen will support H.R. 3651.●

MAKING STUDENT LOANS MORE AVAILABLE—THE NEED FOR CONSTRUCTIVE CHANGE

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. MAGUIRE. Mr. Speaker, last week I introduced the Fair Access to Higher Education Act of 1979—a bill to make guaranteed student loans more available to mid- and lower-income college students without disrupting current loan delivery, without increasing the cost per loan to the Government or the student borrower's real repayment burden, and without trying to centralize loans in another unresponsive bureaucracy directly funded and controlled from Washington. Earlier this week I addressed the act's provisions in more detail. I will continue to demonstrate over the next few days why the Fair Access Act is—as one major student group has called it—"The most compelling loan proposal we have seen so far." That view seems supported by the fact that while we have not yet made a concerted effort to seek support in the House, Mr. FRENZEL has already agreed to be added as cosponsor to the original list. I am grateful and delighted for this additional support, and am confident it will snowball as the bill's merits and the views of outside groups become more fully known.

However, my point today is more simple than further explanation. Three of the GSL program's great strengths are that it represents a proven loan-delivery mechanism from which many kinks have been eliminated over the last 15 years; that it has come to rely heavily on the 39 State guarantee agencies, whose ingenious and flexible policies are directly responsible for generating most new loan funds; and that it is highly leveraged, since $1 of directly budgeted Federal operating money can put or keep up to 10 private loan dollars on the educational street. The Fair Access Act will build on these strengths by offering students and lenders a series of supplemental options, which they can efficiently use to remove or reduce remaining program headaches.

Mr. Speaker, while data on the GSL program is deficient in some respects, it solidly supports both the existence of these basic strengths and the benefits and cost savings the Fair Access Act will produce. I ask unanimous consent that a series of statistical tables documenting the program's growth and past performance, as well as the likely effect of this act's provisions for flexible repayment and cost reduction, be reprinted in the RECORD. This material supports my earlier statements and should be made available to my colleagues and the public:

I. LOANS MADE, TOTAL GSL PROGRAM, FISCAL YEARS 1975-80

[Dollar amounts in millions]

Disbursements	Fiscal year— 1975	1976[1]	1977	1978	1979 (estimate)	1980 (estimate)[2]
Current year	$1,208	$1,388	$1,470	$1,854	$2,250	$2,500
Cumulative to start of current year	6,825	8,033	9,768	11,238	13,092	15,342
Cumulative at end of current year	8,033	9,768	11,238	13,092	15,342	17,842
Average size loan	1,314	1,436	1,562	1,809	1,998	2,187
Loans in current year (thousands)	919	966	941	1,025	1,126	1,143

[1] 5-quarter transition fiscal year, adjusted by 0.80 to reflect annual trends for current years. Totals do not add because cumulative figures are not so adjusted.

[2] Does not reflect CBO estimate that 1.6 million loans, totalling about $3,500,000,000, will likely be made in fiscal year 1980 due to the Middle Income Student Assistance Act (MISAA) and normal program growth.

Source: U.S. Office of Education, budget printouts, December 1978, January 1979.

II. GROWTH OF STATE AGENCY COMPONENT, GSL PROGRAM, FISCAL YEARS 1975-80

[Dollar amounts in millions]

Disbursements	Fiscal year— 1975	1976[1]	1977	1978	1979 (estimate)	1980 (estimate)[2]
Current year	$619	$852	$1,013	$1,437	$1,980	$2,256
Cumulative to start of current year	9,787	4,406	5,471	6,484	7,921	9,901
Cumulative at end of current year	4,406	5,471	6,484	7,921	9,901	12,151
Average size loan	1,317	1,405	1,566	1,821	2,014	2,201
Loans in current year (thousands)	470	606	647	789	983	1,025
Percent increase or decrease over prior year:						
Dollars in loans		+37.6	+18.9	+41.9	+37.8	+13.9
Number of loans		+28.9	+6.8	+21.9	+24.6	+4.3

[1] 5-quarter transition fiscal year, adjusted by 0.80 to reflect annual trends for current years.

[2] Does not reflect CBO estimate of 1.6 million loans totaling about $3,500,000,000, for fiscal year 1980.

Source: U.S. Office of Education, budget printouts, December 1978, January-February 1979.

III. DECLINE OF FEDERAL (FISL) COMPONENT, GSL PROGRAM, FISCAL YEARS 1975-80

[Dollar amounts in millions]

Disbursements	Fiscal year— 1975	1976[1]	1977	1978	1979 (estimate)	1980 (estimate)[2]
Current year	$589	$536	$457	$417	$270	$244
Cumulative to start of current year	3,038	3,627	4,297	4,754	5,171	5,441
Cumulative at end of current year	3,627	4,297	4,754	5,171	5,441	5,685
Average size loan	1,312	1,489	1,554	1,767	1,888	2,068
Loans in current year (thousands)	449	360	294	236	143	118
Percent increase or decrease over prior year:						
Dollars in loans		-9.0	-14.7	-8.8	-35.3	-9.6
Number of loans		-19.8	-18.3	-19.7	-39.4	-17.5

[1] 5-quarter transition fiscal year, adjusted by 0.80 to reflect annual trends for current years.

[2] Does not reflect CBO estimate of 1.6 million loans totaling about $3,500,000,000, for fiscal year 1980.

Source: U.S. Office of Education, budget printouts; December 1978, January-February 1979.

IV. LEVERAGE FACTORS IN THE GSL PROGRAM, FISCAL YEARS 1975-80: HOW MANY LOAN DOLLARS ARE DELIVERED BY A DOLLAR OF DIRECTLY BUDGETED FEDERAL OPERATING FUNDS

[Dollar amounts in millions]

	Fiscal year— 1975	1976[1]	1977	1978	1979 (estimate)	1980 (estimate)
(1) Total yearly operating costs, combined Federal-State program[3]	$460.4	$555.8	$513.4	$666.2	$951.7	$991.7
(2) Cumulative loans outstanding	5,320	5,676	6,193	6,825	7,792	8,889
Leverage factor (2)÷(1)	11.6	10.2	12.1	10.2	8.2	9.0

[1] 15-mo fiscal year.

[2] Does not reflect larger CBO estimates for same period.

[3] Includes annual amounts for interest subsidy, special allowance payments to lenders, default claims, default claims due to death, disability, or bankruptcy of student borrower, and administrative cost payments to State agencies.

Source: U.S. Office of Education, budget printouts, 1978-79.

V.—WHERE STUDENT LOAN FUNDS COME FROM—PERCENT DISTRIBUTION BY TYPE OF PRIVATE LENDER, FEDERAL (FISL) COMPONENT OF THE GSL PROGRAM ONLY, CUMULATIVE THROUGH CALENDAR YEAR 1978

[Dollars in millions]

Type of lender	Loan volume[1]	Percent total
National bank	$1,795,321	32.0
State bank (FDIC)	1,317,782	23.5
Vocational institution (as school lender)	667,508	11.9
Direct State loan	336,225	6.0
Federal savings and loan	274,174	4.9
Academic institution (as school lender)	264,814	4.8
Federal credit union	195,634	3.5
State bank (non-FDIC)	130,243	2.3
Mutual savings bank	124,283	2.2
State savings and loan	113,812	2.0
State credit union	96,307	1.7
Insurance company	36,165	.7
Other	250,407	4.5
Not coded	289	----------
Total	5,602,963	100.0

[1] Commitments (agreements to lend), not actual disbursements.

Note.—Figures for State-agency program component not available; above percentages may underrepresent or overrepresent particular distributions for the whole program due to different State-agency demographic factors associated with borrowers and lenders. Totals may not add due to rounding.

Source: U.S. Office of Education, Bureau of Student Financial Assistance. Data submitted to Hon. William Ford, chairman, Subcommittee on Postsecondary Education, February 1979.

VI. WHO GETS GSL'S NOW

[Percent distributions, benefits and recipients, by income level and type of institution attended, fiscal year 1978 and academic year 1976-77]

	Income level—Family (dependent student) or student (independent)[1] 0 to $15,000	$15,000 to to $25,000	$25,000 plus
Percent of dollar benefits	63	32	5

Type of Postsecondary Institution Attended[2]

	Public Univ.	4-yr	2-yr
Percent of benefits	26	19	5
Percent of recipients	27	12	7

	Private Univ.	4-yr	2-yr	Proprietary
Percent of benefits	5	25	2	19
Percent of recipients	10	22	2	19

[1] Fiscal year 1978.

[2] Fiscal year 1976-77.

Source: Congressional Budget Office, "Federal Assistance for Postsecondary Education: Options for Fiscal Year 1979" (May 1978).

VII.—REPAYMENT TIMES, REDUCTIONS IN SUBSIDY COSTS AND NET SAVINGS UNDER FAIR ACCESS TO HIGHER EDUCATION ACT OF 1979, AS COMPARED TO PRESENT GSL PROGRAM, AY 1979-80

A. Time for debt retirement, by income class

	Years for complete repayment Low	Middle	High
Lifetime income:			
GSL	10	10	10
Fair Access Act	19	13	8

B. Rapidity of repayment per $1,000 borrowed in AY 1979-80 under Fair Access Act, by present value and as percent of present value of ultimate amount repaid, average of all income classes for former college students

	Amount paid (pdv)	Percent of ultimate total (pdv)
Year:		
5	$144	23
10	447	72
15	561	90
20	593	96

C. Effective gross rates of return, GSL and others versus Fair Access Act

	Percent
GSL	3.4
Fair Access Act	6.2
NDSL	1.0
TAF (weighted mean)	2.6

D. AGGREGATE SUBSIDY COSTS AND SAVINGS, AY 1979–80, IN BILLIONS OF DOLLARS

	Participation rate	
	30 percent	50 percent
Aggregate loan volume	$4.939	$8.232
Aggregate subsidy cost:		
GSL	2.252	3.754
Fair Access Act:		
7 percent yearly income growth	2.239	3.733
9 percent yearly income growth	2.205	3.675
Net yearly savings in subsidy costs over GSL:		
7 percent yearly income growth	+.013	+.022
9 percent yearly income growth	.047	+.079

Note: Source for all subtables: Stephen P. Dresch, "Financial and Behavioral Implications of Federal Student Loan Programs and Proposals" April 1979, forthcoming in Tuckman & Whalen, eds., "Subsidies to Higher Education: The Issues" (New York: Praeger); personal correspondence, Dresch to Maguire. Unless otherwise indicated, all subtables assume a 7-percent yearly income growth and a base of 5,880,000 full-time undergraduates).

VIII.—ILLUSTRATIVE REPAYMENT OF $10,000 IN GSL's UNDER THE PRESENT GSL PROGRAM

	Total payment	Balance due
Year:		
1	$1,394	$12,550
2	1,394	11,156
3	1,394	9,762
4	1,394	8,368
5	1,394	6,974
6	1,394	5,580
7	1,394	4,186
8	1,394	2,792
9	1,394	1,398
10	1,394	0

Note: Figures may not add due to rounding.

Source: California Student Aid Commission, "California Student Financial Aid Workbook," 1978.

IX.—ILLUSTRATIVE TAKE-HOME PAY, REPRESENTATIVE STARTING SALARIES OF SINGLE FORMER COLLEGE STUDENTS, CALENDAR YEAR 1978

	Take-home pay [1]	GSL payments as percentage of take-home pay [2]
Gross starting salary:		
$7,000	$5,880	23.7
$10,000	7,920	17.6
$13,000	9,840	14.2

[1] After deductions for Federal and State taxes and social security tax. Table may understate these deductions due to local taxes and subsequent social security rise.

[2] Assumes $10,000 in GSL borrowing, repaid on conventional 10-yr basis as illustrated above.

Source: "California Student Financial Aid Workbook" and staff calculations.

X.—ILLUSTRATIVE INCOME-BASED REPAYMENT OF $10,000 IN GSL's UNDER THE MAGUIRE FAIR ACCESS TO HIGHER EDUCATION ACT

Year	Borrower's income	Total payment	Interest payment	Principal repayment	Balance due
1	$10,000	$500	$700	−$200	$10,200
2	10,750	575	714	−139	10,339
3	11,556	656	724	−68	10,407
4	12,423	742	729	14	10,393
5	13,355	835	728	108	10,285
6	14,356	936	718	216	10,070
7	15,433	1,043	705	338	9,731
8	16,590	1,159	681	478	9,253
9	17,835	1,283	648	636	8,618
10	19,172	1,484	603	881	7,736
11	20,610	1,772	542	1,231	6,506
12	22,156	2,081	455	1,626	4,880
13	23,818	2,414	342	2,072	2,808
14	25,604	2,771	197	2,574	234
15	27,524	250	16	234	0

Note: Borrower's income assumed to start at $10,000 and grow at 7.5 percent annually. Figures may not add due to rounding. Figures may slightly understate balance due because they apply to an earlier version of the final bill.

Source: Higher Education Finance Research Institute, University of Pennsylvania, January 1979.

XI. SHAPE OF INCOME-BASED REPAYMENTS UNDER FAIR ACCESS TO HIGHER EDUCATION ACT

(NOTE.—Graph (not reproduced) assumes $10,000 borrowing and annual income starting at $6,500.)

(Source: Higher Education Finance Research Institute, Jan. 1979.) ●

STUDENT LOANS: THE NEED FOR INCREASED AVAILABILITY

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. MAGUIRE. Mr. Speaker, on April 26, I introduced the Fair Access to Higher Education Act. I have already inserted into the RECORD some recent newspaper articles which focused on the problems of student debt burdens, loan defaults, and the financial pinch faced by many middle- and lower-income families when these families have to cope with skyrocketing tuition costs.

Today, I would like to add two articles which furnish more evidence on the extent of the present financial problems—both for parents and students, and for the Government.

I insert these two Los Angeles Times articles in the RECORD.

MIDDLE INCOME PARENTS MAY BE JUSTIFIED IN YELLING OUCH

(By Paul E. Steiger)

Picture yourself, if you can, as a young man or woman of 20 years ago, about to emerge from college. It is 1959. Eisenhower is in the White House. Elvis is on the radio. Football comes without instant replay. Apathy is in but on its way out. So are crew cuts.

Your father is an accountant or bank branch manager or high school principal. Or perhaps he is a contractor or mechanic who never got past high school himself. By drawing down most of his savings and borrowing a smidge against his life insurance, he has paid your way—with a little help from your summer and campus jobs and the modest scholarship you managed to snag.

At last, the bachelor's degree is about to be yours, free and clear, your ticket to upward mobility, to highly paid jobs not available to those without that coveted credential. And while your parents are noticeably poorer, neither they nor you have been saddled with a terrifying debt. In fact, they expect to scrape up enough for your obnoxious younger brother's college costs as well.

Why is it that this vision seems so far away, so foreign today? Why do so many modern middle class parents—particularly upper middle class parents, those with annual incomes of $25,000 or more—see the cost of college for their children as a crushing burden, when their predecessors of a generation ago seem to have viewed it more as a difficult but ultimately satisfying struggle?

A series of private and government studies in the last year or so have concluded that in pure economic terms, the burden of college costs is not any heavier than it was. College costs have soared since 1960, but not any more than the income available to pay for them, the studies have declared. And meanwhile, the studies note, the amount of government aid has skyrocketed.

These studies, in turn, have led some analysts to argue that the crescendo of complaint over college costs reflects mainly an upsurge of greed on the part of middle class parents. These parents, so the argument goes, want fancier clothes, cars, houses and other symbols of the good life for themselves as well as college education for their children, and they complain petulantly when their budgets won't stretch to accommodate their expanding desires.

There undoubtedly is some truth to this view. Indeed, an informal Times survey last November turned up some parents who appeared to fit all too well this image of insatiable materialism.

A close look at the studies and the data behind them, however, suggests that the issue is far more complex, and that there may be a solid basis in fact for the middle class perception of an increasingly painful college-cost burden.

If this is true, then the political arousal of the middle class on this issue can be expected to mount. And the consequences of that could be huge.

Congress already has forced through, against the warnings of its own budget experts and those in the Carter Administration, a loosening in the income-eligibility rules for federal student aid and loan guarantees. And pressure is continuing for a further loosening, perhaps including tax credits for students or their parents. The combined annual costs of such moves would be many billions of dollars.

What is behind the pressure? What justification do middle class parents have for demanding more government help in meeting college costs?

Recent studies by, among others, the Congressional Budget Office and the Brookings Institution, a private research organization in Washington, have found little such justification.

Between 1961 and 1975, for example, the Brookings study found that costs at private colleges rose 158 percent to $2,333 a year, and climbed 135 percent at public institutions to $513 a year. But it also found that after-tax income per-capita in the United States rose 156 percent in the same period, to $5,062 a year. (During the same period, the combined average cost of tuition, room and board rose 101 percent, to $1,748 a year, for public institutions and 120 percent, to $3,667, at private colleges.)

The study also found that average private costs were 14.3 percent of the median income of families whose head was between 45 and 64 years old in 1975, the same as it was for similar families in 1961. And it concluded that the tuition-to-income ratio had actually declined to 3.1 percent from 3.4 percent, for state-supported colleges.

Thus, by these measures, the burden of college costs appears at worst to have held steady and in some cases to have diminished.

There are several problems with these data, however, as the analysts who assembled them concede.

The first problem is that the figures on income that were used in the studies are substitutes for data the analysts would have preferred but which are not available: the average after-tax income of families with college age children.

As a result, the studies may give an exaggerated impression of the growth in the income available to families seeking to finance a college education.

For example, the per-capita income figures include money earned by single people and couples without children, who constitute a greater proportion of the population now than they did 20 years ago and whose income has grown faster than average. Moreover, the household income figures do not reflect growth in effective tax rates, which would reduce the money available for college expenses.

A second problem is that the income figures used in the studies include the earnings of working mothers, of whom there are many more now than in 1961. Much of their income is real and should be counted. But some of it goes to pay for household services that a housewife provides without a cash wage. Such expenditures for child care, convenience foods, extra communication costs and the like should be deducted from the growth in money income, but cannot be, because figures on these costs are not available.

A third problem is that studies offer no firm indication of what has happened in the last decade or two to the wealth, as well as the earnings, of families with college-age children. The ability of a family to afford college costs depends in part on the value of the assets it has accumulated—a piece of property or some stocks that could be sold or mortgaged, for example—as well as the annual flow of income it is receiving. Wealth has increased in the United States over the last 20 years, but figures are not available to indicate whether the increase in wealth among households with college-age youth has kept pace with the growth of college costs.

The fourth and final problem is probably the most significant. Considerable evidence suggests that the value of a college education has shrunk in the last 20 years, even as its price, in dollar terms, has more than doubled. If that is true, then the real cost of a college education has increased far more rapidly than the income available to pay for it. It is like a candy bar whose price has doubled even as its weight has been halved; its effective cost has been quadrupled.

Has the value of a college education diminished? It is a point that can be argued hotly. At one level, exposure to the thoughts and deeds of Chaucer and Kant, Einstein and Keynes, Charlemagne, da Vinci and Hamilton is probably just as useful and enjoyable, for its own sake, as it ever was. But at the level of dollars and cents, of preparation for a career, a college education no longer is seen as so solid a guarantee of future success.

"Fifteen years ago, a college education was perceived as a tremendous investment, with a large payoff in terms of future income," says David W. Breneman, an economist who coauthored the Brookings study of college costs. Today, he says, "everyone knows of someone with a college education who can't get a decent job. It was one thing for parents to sacrifice mightily when the payoff was certain. But when they see themselves buying a lottery ticket instead of an investment, they have a different attitude."

A widespread public view that the value of a college education has declined could help explain the dropoff in attendance rates among middle class youth. It also could explain the rising sense of burden among those parents who believe that a college education, while no longer the golden key it once was, still is too valuable to be missed, at least by their children.

Unfortunately, there may be no easy way to relieve this sense of burden.

One approach, of course, is for the government to pick up the tab for any student seeking a college education—just as it does now for youths attending high school—with direct payments, not just loans or loan guarantees. But in an inflationary time, when politicians from Sacramento to Washington are calling for austerity, it may be hard to justify so monumental a commitment of funds.

Another approach would be to offer every would-be college student a fixed grant or voucher that would cover a portion of his or her costs. In effect, this would mean spreading around more evenly the same amount of money that is spent now. That would make it easier for many middle class students to afford college, and it would make it possible for some of them to attend more exclusive, high-cost institutions than they could otherwise afford. But it also would eliminate the chance for some poor students who now attend college to afford any higher education at all.

The nation, in other words, faces a serious dilemma in deciding what to do about college costs. It is a dilemma of rising expectations, of the sort likely to be faced countless times in the next few years, as government tries to cut back the growth of its expenditures.

In the post-Sputnik era of the late 1950s and early 1960s, government aid was targeted for the most part on those who presumed to be the best and brightest students and their teachers. In the egalitarian wave that followed, it was focused on the children of the poor. In the process, the idea has taken hold that higher education is a right, not a privilege. It is an idea that will die hard, or take a lot of money to fulfill.

STUDENT LOANS NO LONGER TIED TO INCOME

A major change took place in federal support for higher education late last year with the passage of the Middle Income Student Assistance Act. For the first time, middle-and-upper income students are able to get federally guaranteed and subsidized loans previously available only to students from families with income under $25,000.

The legislation passed after Congress bowed to President Carter's pressure not to pass legislation providing for tuition tax credits for parents with children in college.

This year, the government expects the volume of student loans to expand 60 percent to 1.6 million borrowers because of the new legislation. Last year about 1 million students borrowed $762 million. But one question is how many banks will agree to make the loans, federal guarantee and subsidy or not.

Under the loan program, a student can borrow interest-free a maximum of $2,500 a year while an undergraduate, and up to $7,500 total.

The student repays the loan at 7 percent interest. The lender, however, is subsidized on the basis of 7 percent plus the 90-day Treasury bill rate less 3.5 percent. Currently, lenders would receive 7 percent plus 9.25 percent minus 3.5 percent, or 12.75 percent.

The student receives the interest subsidy for the four years he is in school and then gets a nine-month delay after he graduates.

If a student borrowed $2,500 during his first, second, and third years of college—$7,500 total—he would in effect be receiving an interest subsidy of about $4,240 if he repaid the loan over a 10-year period. This assumes interest rates generally will fall back to more normal levels.

Graduate loans are limited to $15,000 less the amount of undergraduate indebtedness.

Banks have turned cool on the college loan program because of government red tape and heavy defaults. Some financial aid administrators are concerned that those banks which do make the loans will parcel them out to their best—higher-income-customers, leaving those families who may have a greater need out in the cold.

Bank of America, which is the most active lender in student loans in the United States, has cut back dramatically on its lending since 1975. That year, the bank made about $70 million in student loans—a figure which dropped to $21 million last year.

And Ronald J. Livermore, head of the bank's student loan program, says the bank probably will not make more than $30 million in 1979—even if demand increases sharply.

Livermore said the large number of defaults combined with the administrative hassles of running the program caused the bank to reduce its student loan program, which still operates at a loss.

Starting in 1976, B of A also imposed more severe lending restrictions than the federal limits. The bank's maximum loan is $1,500 a year, $5,000 total for an undergraduate, compared with a federal ceiling of $2,500 annually and $7,500 total for an undergraduate.

Livermore acknowldeges that it makes financial sense for a family to borrow interest-free money, even if the family doesn't really need it. The family could set up a long-term savings account with an expiration date nine months after the student graduates—which is when loan repayment starts. At that time, the family could pay off the loan and keep the interest, he points out.

Security Pacific National Bank, California's second largest, made $350,000 in student loans in 1978—a large drop from B of A's $20 million. Since March, 1976, Security Pacific has only lent to prior borrowers because of administrative problems with the federal government, says Vice President Gregory Lancaster, who has headed the student loan program there for eight years.

Starting in early 1979, the California Student Aid Commission will undertake the responsibility for administering the federally guaranteed student loan program in this state. The federal government will provide the commission with a fee to cover their costs and will re-insure the loans. Lenders are hopeful that the state can do a better job.

Federal officials concede, the loan program has been badly mismanaged. The system was in such disarray at one point that it was impossible to determine exactly how many student borrowers had defaulted, although the estimated figure for last year is 400,000 carrying loans totaling $400 million.

To meet this problem, the Carter Administration created a new bureau in the Office of Education under Deputy Commissioner Leo Kornfeld, a former executive in the computer industry.

By using computers to identify and locate nonpayers, Kornfeld's office of compliance has reduced the number of defaults to 350,000 persons owing a total of $350 million.

He hopes to reduce the default rate to about 12%, a figure considered acceptable, and better than the default rate on loans made by the Veterans Administration and the Small Business Administration.

The Student Loan Marketing Assn.—a quasi government agency known as Sallie Mae—began operation in 1973 to purchase student loans and thus provide more liquidity to the market. So far, it has purchased more than $1 billion—out of $11.2 billion—and is exploring new alternatives.

To encourage lenders to make student loans, Sallie Mae now says it will purchase any outstanding federally guaranteed loans which students haven't started to pay back, from California lenders at face value, according to Arthur Marmaduke of the California Student Aid Commission. In addition, Sallie Mae will buy up to $100 million of loans made under the new California program, according to Marmaduke.

Lenders report they have not yet seen an increase in demand.

The Office of Education estimates that funding for the student loan program will cost $956 million this fiscal year—$184 million in defaults, $703 million in interest subsidies and $69 million for other costs.

For next year, the government anticipates that the cost will only increase by $2 million to $958 million. Defaults are expected to decline as the program comes under better control. Even though the Office of Education anticipates an increase in loan demand, it expects only a $28 million increase in interest subsidy because it thinks interest rates will fall, and thus so will the subsidy.●

THE POLISH CONSTITUTION OF MAY 3 AND HUMAN RIGHTS IN POLAND TODAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. FARY. Mr. Speaker, distinguished colleagues, in Poland, May 3 is a day of silence. While we commemorate the adoption of the Polish constitution of May 3, 1791, Poles are unable even to mourn the loss of the liberty, equality, and freedom that the constitution of May 3 guaranteed and that they are deprived of today. The constitution is more than an artifact or an episode in history long forgotten. The purpose of its authors was to insure the continued existence of Poland as a free nation in the face of partitioning by Prussia, Russia, and Austria. The present regime forbids any mention of and ignores the existence of this constitution, because history has repeated itself and the same desire for a free, democratic nation continues to be frustrated in the people of Poland today.

The constitution's authors were influenced by the American Constitution and Declaration of Independence as well as by the needs of the Polish nation. The result was a curious mixture of tradition and enlightened ideas. Establishing a parliamentary system of government, the king and legislators of the time, wanted to insure that generations of Poles would enjoy freedom, equality, and individual liberty. The constitution was in effect for only a very short time. Poland was invaded by Russia in 1792.

Nevertheless, every Pole remembers those ideals on May 3. Here in the United States, where our personal freedom is honored, we celebrate with parades and speeches. In Poland, they must be silent. There, human rights are not recognized and often flagrantly violated.

The most recent example of the outrageous lack of respect for individual liberty is that of Jacek Kuron. He and members of his family were severely beaten and wounded, because of their participation in the "free university," a clandestine organization that teaches economics, history, and politics in an unbiased manner. A lecture that was to take place at the Kuron's apartment had been canceled because Kuron's father had had a heart attack. An ambulance was called, but failed to arrive. Instead, 50 men with night sticks broke into the apartment, beating several members of the family and a few friends so brutally that they were in severe shock and lost consciousness. Meanwhile, the elderly father who witnessed the brutality of the attack suffered from a second heart attack.

What a contrast to the enlightened democracy that the Polish lawmakers of 1791 envisioned for their people. Such actions can only be called barbaric and condemned by all of us, because the Poles themselves cannot do so. We must act as their voice. Therefore, we should stop for a moment as we celebrate, to think of how we can best be that voice. We must be the voice of freedom that was muffled in 1792 by advancing Russians troops, in the Kuron's apartment on March 21, 1979, and on countless other occasions, but which should never be silenced as long as we can speak.●

IMPLEMENTING HUMPHREY-HAWKINS

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. HAWKINS. Mr. Speaker, the administration continues to pursue the same kind of antiquated economic policies which in the past have resulted in recessions and increased inflationary pressures. By following an economic plan of low growth, high interest rates, and callous neglect for the talent and energy of the unemployed—we are surely headed toward economic ruin.

I wish to submit to my colleagues a documentation of the administration's violation of the Humphrey-Hawkins full employment law and the solutions necessary toward a more stable economy.

OPTIMUM GROWTH, PRICE STABILITY, AND FULL EMPLOYMENT: A JOINT VENTURE

Question: Do we need a recession to fight inflation?

Answer: Absolutely no!

A strange thing is happening in America today. Our economy is in big trouble. We have high inflation caused primarily by excessive price increases and very high profits in the industrial sectors which affect inflation throughout the economy, accompanied by painfully high prices in the basic necessities of food, housing, energy and health care. We have continuing high rates of unemployment, with joblessness for Blacks, other minorities, and young people running more than twice the overall rate. These high rates of inflation and unemployment are accompanied by low rates of productivity; underutilization of other production capabilities; and sky-high interest rates.

Despite this situation, we find many elected and administration officials resorting to discredited remedies to help us overcome our economic difficulties. They urge: "Tighten the money supply and increase interest rates" "Slash social programs" "Cut jobs programs to bring down inflation" and "Let's Risk a Recession".

These "remedies" have been tried before and they have failed before each of the five most recent periods of stagnation and recession. Now, they are being tried again, when economic stagnation is already here and a sixth recession is on its way!

The President's advisors and many lawmakers have the perception that the American public strongly believes that these "remedies", including cuts in Federal spending, and trying to achieve a balanced budget, will cure inflation. Although, economically, this could not be further from the truth, policies are going in that direction due to these erroneous political perceptions.

According to the Congressional Budget Office, "overall, the administration's cuts in spending relative to current policy are not expected to have major effects" on inflation, ". . . estimated to lower the inflation rate (only) 0.2 percentage points in 1981", while the cuts are expected to lift unemployment even more than the Administration's 1979 and 1980 goal of 6.2 percent. Cutting Federal spending, with its implied possibility of lower taxes, may on the face of it, seem like a good idea, but the results are not as they may seem. A program that relies primarily on trying to balance the budget and tighten the supply of money results in the loss of more jobs and production, and the loss of the vital public and private services that we depend on, with very little effect on the level of inflation. These policies also result in the loss of much needed revenues which we can use to serve the critical priority needs of our society and balance the budget in fact.

The fact of the matter is, the American people do not want to lose their jobs, do not want to have to do without the goods they want, or go without the services they need. When a Harris Poll on Federal Spending and the Budget was taken in February, 1979, overwhelming majorities of the American people opposed cuts in programs that provide necessary health care, educational programs, environmental protection, assistance for the unskilled and unemployed, and help for the elderly, handicapped and the poor.

IF CUTTING FEDERAL SPENDING AND BALANCING THE BUDGET WON'T CURE INFLATION, THEN WHAT WILL?

The answer is already on the law books. The Humphrey-Hawkins Act tells us how to bring down inflation and unemployment at the same time and how to undertake programs that will meet our national priorities that are currently being neglected.

The law emphatically takes the position, and mandates policies, accordingly, that employing people to produce needed goods and services is economically sound, socially desirable, and also, anti-inflationary!

This law is the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1978, and unfortunately, the Administration and Congress have, so far, disregarded the law's requirements, mandates, and goals. We base this on the contents of the 1979 Economic Report of the President and the Fiscal Year 1980 Budget Message, the actions of the Joint Economic Committee and the Budget Committees of the House and Senate.

This is how the Humphrey-Hawkins Act is being violated:

Humphrey-Hawkins requires—In Section 103 of the Act, that the 1979 Economic Report of the President "shall be consistent with achieving as rapidly as feasible the goals of full Employment and production . . ." and

Section 104 says that the 1979 Economic Report shall include "interim numerical goals for reducing the rate of unemployment . . . to not more than 3 percentum among individuals aged twenty and over and 4 percentum among individuals aged sixteen and over within a period not extending beyond . . ." 1983.

Violation—The Administration's policies are expressly geared to increasing unemployment from the official rate of 5.9 percent at the end of 1978 to 6.2 percent in 1979 and 1980. This deliberate move upward instead of downward violates the Act. If the restraint programs are implemented and continued, economic forecasters outside of the Administration predict even higher rates of unemployment. The Act and its legislative history make it crystal clear that the reduction of unemployment is mandated to begin in 1979, not in 1981!

Section 104 also states, "Upon achievement of the 3 and 4 percentum goals . . . each succeeding Economic Report shall have the goal of achieving as soon as practicable and maintaining thereafter full employment . . ."

The President's 1979 Economic Report sets a goal of 4 percent unemployment for 1984, thus ignoring the effort to reach true full employment.

Humphrey-Hawkins requires—An economy that expands, year by year, enough to restore and then maintain full production. This is as basic to the objectives of the Act as is the full employment objective. It is necessary to meet the pressing national priorities, listed in the Act, which are essential to the achievement and maintenance of full production, full employment, and high productivity, and which meet our social and economic responsibilities.

Violation—The Administration's real economic rate growth goals call for a reduction from 4.3 percent in 1978 to 2.2 percent in 1979, and 3.2 percent in 1980, for an annual average of 2.7 percent, while calling for an average of 4.4 percent during 1981–1983. This equals an average of 3.8 percent for the five-year period 1979–1983.

A 3.8 percent average annual real rate of economic growth cannot even prevent unemployment from rising. It has been estimated that an average annual rate of about 4.4 percent is needed to hold unemployment constant and optimize real gross national product (GNP) growth when we are at or near full employment. When unemployment is as high as it is now, and industrial capacity below optimum use, an average annual real growth rate in GNP of about 5.5 percent is necessary to meet the unemployment reduction goals for 1983 mandated in the Humphrey-Hawkins Act. We have averaged this growth rate several times before, and we can do it again. For example, in 1949–1953, real economic growth rate averaged 6.5 percent and in 1961–1966, it averaged 5.4 percent, both periods when we moved from high economic slowdowns to reasonably full employment and production.

A five-year average annual real economic growth rate of 3.8 percent cannot come anywhere near to reducing unemployment to 3 percent for adults and 4 percent overall, by 1983. A 2.7 percent average growth rate during the first two years would require a whopping 7.2 percent average during the last three years to accomplish these unemployment reduction goals—a rate never attained in the past 25 years! A "paper declaration" by the Administration that it will, starting in 1981, move toward reaching the unemployment goals in 1983 can not be taken seriously when accompanied by growth rates for 1979–1983 which cannot possibly reach this objective, and by policies and programs such as those proposed by the Administration.

Humphrey-Hawkins requires—That one of the main purposes of the Act is the sharp reduction of the high unemployment rates of certain labor force groups. Specifically, Section 104 says that every effort, "be made to reduce those differences between the rates of unemployment among youth, women, minorities, handicapped persons, veterans, middle-aged and older persons . . . and the overall rate of unemployment which are caused by any improper factors with the ultimate objective of removing such differentials. . . ."

The Act calls for the use of structural programs which are targeted to aid the groups who are suffering from disproportionate unemployment rates, such as youth and minorities, and others as listed above. Decreases in unemployment, through the use of targeted structural programs, have proven highly effective in assisting the employment opportunities of these labor force groups.

Violation—Historically, increases in total unemployment have widened the differences in the unemployment of the above labor force groups and the overall average. In fact, in recent months, even a slight reduction in the total unemployment rate has been accompanied by increased rates among Blacks and other minorities and youth. The sharp reduction of these differences is one of the main purposes of the Humphrey-Hawkins Act, and policies intended to raise overall unemployment will have disastrous results on the rates of these groups, and directly violates the Act. The law requires that specific methods be initiated at once, to lower the unemployment rates of the specific groups. This, too, has not been set in motion.

Humphrey-Hawkins requires—That full employment and full production go hand-in-hand, because jobs alone are not enough. The Act makes it clear that full employment, without full production, deprives the economy and people of immense amounts of goods and services required to support economic progress and rising standards of living, especially among the poor and economically disadvantaged. Only full production generates enough tax revenues at all levels of government to adequately service the national priorities which depend on public outlays, both directly and in support of private sector initiatives. Adequate production, in turn, depends on a good rate of productivity growth—growth in output per hour worked.

Violation—The Administration's policies have already contributed to economic stagnation (annual rate of real growth in first quarter 1979 was only about 1 percent) and runs the risk of a recession because of their restrictive nature. The Economic Report of the president states that a very sharp reduction in the average annual real growth rate in GNP is made necessary by very low rates of annual growth rate of productivity, which has been only about 1.5 percent annually, with goals for 1978–1983 also being set at 1.5 percent. A look at past statistical evidence shows, however, that the productivity growth rate falls to a very low, or even a negative rate, only when the economy is suffering from huge idleness of manpower and plant and other production resources, while it rises to around 3.5 percent when the economy is moving at adequate speed toward, or enjoys, reasonably full resource use. The low productivity growth goals are really an inseparable by-product of the depressed goals for reduction of unemployment and for real economic growth. This is in violation of Humphrey-Hawkins. The Act calls for measures to bring about a high rate of productivity growth because it combats inflation, while a low rate encourages inflation. Also, a high rate of productivity growth is essential to the optimum expansion of total production or GNP.

Humphrey-Hawkins requires—The following policies and programs to be considered when coordinating Federal policy: development of energy sources and supplies; transportation, environmental improvement; small business assistance; agricultural policy directed toward full supplies and fair treatment of the rural population; attention to the needs of urban areas; adequate Federal aid to health care, education and training programs, child care and other human services, and housing; policies concerning Federal aid to State and local governments; and national defense and other international programs.

Violation—Aside from the area of national defense, the Administration's policies are moving in the opposite direction. Overall Federal outlays for domestic programs are declining. When measured in uniform dollars, the amounts allocated to many of these domestic priority programs are moving backward instead of forward and are getting to be a smaller part of estimated GNP.

If cuts in total demand were needed to fight inflation (a theory with which we do not agree, anyway) the cuts should be through tax increases directed toward the affluent and not toward the types of spending which serves the well-being of low-income people and the large majority of middle-income people.

Humphrey-Hawkins states that. "The size of the President's expenditure and revenue proposals, and the relationship between such proposals, shall be determined in a manner which gives consideration to the needs of the economy and the people in the priority areas (emphasis added) . . . and the relationship between the President's expenditure and revenue proposals shall be decided accordingly."

Humphrey-Hawkins requires—"A balanced budget consistent with the achievement of the goals for the reduction of unemployment." The act also explicitly states that the Federal Budget shall be supportive of the goals and policies of the Act.

Violation—Administration policies are designed to increase unemployment for at least two years, to stunt real economic growth and the movement toward full production, to neglect national priority needs, and to reduce year by year the ratio of Federal budget outlays to GNP.

Section 104 says that only, "Upon achievement of the 3 and 4 percentum goals" for the reduction of unemployment shall "each succeeding Economic Report have the goal of achieving as soon as practical and maintaining thereafter full employment and a balanced budget." To attempt the self-defeating process of balancing the Budget at the expense of the economy and the people is in violation of the law.

The huge deficits in the Federal Budget have been due almost entirely to the chronic rise in unemployment and to the growing gap between actual production and full production.

Humphrey-Hawkins requires—Balanced economic growth.

Violation—The Economic Report sets goals for real growth rates in consumer buying power of only 1.7–2.5 percent, and in Federal purchases of only 0.75–1.25 percent, while setting a goal of 4.0–4.5 percent in nonresidential fixed investment, which is designed to enlarge and improve production capabilities. Although there is a need for a more rapid expansion in the growth rate of fixed investment, the fact that it is 2 or 3 times as high as consumer expenditures plus Federal outlays cannot be supportive of the balanced growth objectives of the Act. So imbalanced a composition of growth would lead again, as in the past, to so-called over capacity and then to stagnation and recession.

Humphrey-Hawkins requires—"That policies and programs for reducing the rate of inflation shall be designed so as not to impede achievement of the goals and timetables . . . for the reduction of unemployment". This means that it is unlawful to use the so-called economic "trade-off" of more unemployment to reduce inflation, because the Congress has found that more unemployment increases inflation, and vice-versa.

Violation—Administration policies to increase unemployment for two years is in direct violation of the Act. As the legislative history indicates, the Act's purpose was to prohibit the "trade-off". There is not one word in the Act which justifies waiting for two years before taking measures to lower unemployment. The Administration's policies are tantamount to rewriting the law to say the prohibition against the trade-off should not begin until 1981! The implication is that it can again rewrite the law in 1981 if it still elects to resort to the "trade-off".

The Economic Report overlooks the eight point program for overcoming inflation in Section 109. This program offers reasonable achievement of the 4 percent unemployment goal.

For instance, Administration policies offer no "effective information system to monitor and analyze inflationary trends"; no adequate "programs and policies for alleviating shortages" by restrictive policies and programs in some areas where the shortages are the greatest and the inflationary pressures are the most acute, such as food, housing, energy and health care.

Humphrey-Hawkins requires—Structural programs, as outlined in Title II of the Act, to serve as a back-up to monetary and fiscal policies.

Violation—The Administration's budget cuts, in the exact areas in which the Act encourages more structural measures, is in direct violation of the intent of Humphrey-Hawkins. These areas include employment and training programs, aid to state and local governments, youth employment programs, elementary and secondary education programs, student loan programs for higher education, education for the handicapped, low-income housing assistance, child nutrition programs, and others.

While the Administration has often admitted the need for structural programs and policies to "back-up" the macroeconomic policies, it cuts those very structural programs which meet national priority needs, add to employment, and fight inflationary trends in the most effective and direct ways.

Humphrey-Hawkins requires—The Congress to evaluate and make recommendations to the Economic Report and Budget Message of the President.

Violation—The Joint Economic Committee's Report on the President's Economic Report did not follow its mandate under Humphrey-Hawkins, because it did not offer alternatives to the Administration's economic assumptions and program and policy suggestions. In order to fully implement the Act, all actors in the process must use their input to the fullest extent possible, thus assuring a healthy and factual discussion of the alternatives available for policy and program implementation.

Humphrey-Hawkins requires—The Federal Reserve Board to report to the Congress on how its plans for two years are consistent with the goals in the Economic Report of the President.

Violation—While the Federal Reserve Board carried out, in form, its obligation to the House and Senate Banking Committees, its first report was deficient. The Federal Reserve Board declared its monetary targets were "consistent" with Administration policy, falling short of specifically detailing how its plans will affect achievement of the goals for unemployment, employment, production, real income, productivity and prices, as required by the Act.●

GROWING SUPPORT FOR THE FAIR ACCESS TO HIGHER EDUCATION ACT

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. MAGUIRE. Mr. Speaker, last week I introduced H.R. 3769, the Fair Access to Higher Education Act. Since then, I have been addressing the desperate need for that act and the ways it will relieve students, college families, and participating lenders from real burdens connected with the guaranteed student loan program.

To the extent qualified students' access to the post-secondary school of their choice depends on loans—an increasingly common circumstance in this time of rising tuition, taxes, and inflation—the Fair Access Act will make guaranteed student loans easier to get and easier to repay. It will make GSL's easier to repay by allowing former students to consolidate multiple obligations and to match repayment to rising earnings, instead of being saddled with heavy payments in their first, relatively low-earning years out of school. It will make GSL's—and grants—easier to get by providing an easy way for school financial officers to package loans with other assistance, encouraging all grant and scholarship possibilities to be explored by those officers before loans are recommended, and relieving students of the need to traipse to three, six or a dozen banks without knowing whether they will get a loan or for how much. And, it will make loans easier to get by encouraging private lenders to increase GSL funds, since it will make the guarantee real.

Right now that guarantee is almost meaningless, because when a default occurs lenders must exhibit "due diligence"—involving disproportionate time and cost—before the guarantee can be collected. Thus many lenders continue to decline loans to "high-risk" students—those from low-income backgrounds, or from out-of-State, or from families without longstanding account relationships—and the guarantee's aim of increased loan availability is defeated.

The Fair Access Act will remove the cause of this discrimination by allowing lenders or students to remove the risk of future defaults. Under the act, at the beginning of repayment either the lender or the student borrower may elect repayment through either a Federal or State-run repayment service. Where the lender elects Federal repayment, the student will still have the option to use the State repayment service and keep repayment away from the Internal Revenue Service if he desires. The important point, though, is that whichever repayment service is chosen, and whether repayment is conventional or income-based, lenders will be assured regular monthly repayments out of a fund run by the repayment service, regardless of whether a particular borrower defaults. That removes any generic reason to deny GSL's to anyone, and together with other provisions of this act should sharply increase real loan availability for those who need college loans.

Mr. Speaker, I am happy to report that for reasons like those above representatives of several important education groups have publicly stated their support for or continuing deep interest in this bill. Patrick Kocian, the legislative director of the Coalition of Independent College and University Students (COPUS), has stated that the Fair Access Act is:

> . . . the most compelling loan proposal we have seen so far. Our board is very interested in it.

Similar—or stronger—statements have have been made by Ben Laime of the National Education Association (NEA); John Kramer of the Association of American Law Schools (AALS); Joel Packer, legislative director of the U.S. Student Association (USSA); John Phillips, president of the National Association of Independent Colleges and Universities (NAICU) and former assistant commissioner of Education; T. Edward Hollander, chancellor of the New Jersey Department of Education; Loren Carlson of Blythe Eastman, Dillon & Co., an investment banking firm which has taken a lead role in underwriting bond issues to help finance State guarantee agency activities; and Stephen P. Dresch of the Institute for Demographic and Economic Students (IDES), a national authority on student loans and HEW's contractor for evaluating alternative loan proposals over the past year.

These statements are extraordinary, both because it is early in the reauthorization cycle and because these organizations have not yet had the time to go through the internal processes required for a formal endorsement. I include them in the RECORD following these remarks:

STATEMENT OF MR. BEN LAIME

Thank you, I am Ben Laime of the National Education Association ("NEA"). I am here at the request of both my organization and the New Jersey Education Association—one of our most valued State affiliates—to express our appreciation for Congressman Maguire's efforts in the student loan area and our gratitude that at long last, a sensible, thoroughly-informed proposal for strengthening the Guaranteed Student Loan Program has been introduced.

The NEA represents nearly 2 million education workers—mostly elementary and secondary school teachers in the 50 states and overseas, but also over 100,000 higher-education personnel in public community and four-year colleges. While our primary focus is on elementary/secondary issues, we are deeply concerned with how students—and their parents—will pay for the college of their choice. If qualified students and their families cannot get financial access to post-secondary schools, or will have later career choices distorted by crushing debt burdens needed to get access, much of the value of improved elementary and secondary education to this country will be lost. That danger is becoming ever more real in these times of escalating college costs and Federal, State and local budget cuts.

Congressman Maguire's Fair Access to Higher Education Act goes in all the right directions in its carefully thought out plan to improve the Guaranteed Student Loan Program without junking the 39 State loan agencies which represent substantial investments in effort and money by States on behalf of their student-citizens—without sacrificing the real gains that have been so painfully worked out in this program over the last 15 years.

This bill will increase the availability of loans for college educations—especially loans to students from middle- and lower-income families—by offering private lenders ways to reduce their costs and relieve many of the program headaches that have limited their participation in the past. It will make loans easier for students to get and repay, by offering them (1) flexible repayment, based on their actual earnings, rather than rigid schedules which require the same payments in a student's first year out of school as in his tenth; (2) a way to consolidate loans at reasonable interest rates; and (3) a lender referral service that eliminates the need to go from bank to bank without knowing when or whether a loan will be obtained. At the same time it will allow college financial aid officers to coordinate loans with other assistance and make sure that a student receives all the grant funds he is entitled to, before loans are taken out. And, it will reduce both defaults and program costs.

We think this bill is a serious and substantial measure. We are happy that Senator Williams plans to introduce a similar bill before his Human Resources Committee. We intend to do everything we can to see that the Fair Access Act receives the full consideration it deserves.

THE NEED FOR THE MAGUIRE BILL

How can a student emerging from college with $7,500 of educational debt even contemplate going on to graduate education that may cost anywhere from $3,500 to $9,500 a year?

How can a student admitted to graduate school afford not to desert that school and work for pay for as many hours as possible to meet the bills for tuition, books, and living expenses?

How can a graduating professional student with substantial educational debt exercise free career choice rather than automatically sell his mind to the highest corporate bidder to be able to repay the debt?

These are the major problems that confront the untold potential and 1 million currently enrolled graduate students and inevitably impact upon the quality and future of the graduate schools of the United States. Unless they are resolved, graduate education is in serious trouble. The present loan programs, particularly the Guaranteed Student Loan, are as much part of the problem as they are a solution.

The case of the law schools is an unfortunate, but all too typical, example. While 49 percent of all law school tuition costs (141 law schools surveyed) in the United States are covered by these and similar loans, the burden of repaying educational debts, whose median is in the $12,000 range for over half of the graduates of our most prestigious law schools, is intolerable. The message is clear:

1. Don't go to law school unless your family is wealthy.

2. If you do go to law school, work full time to avoid going broke and devote to your education whatever hours are left over.

3. When you graduate, accept no jobs in the public interest, unless they pay over $20,000 a year.

The situation must be changed. The Maguire bill offers a meaningful programmatic way out of this dilemma. It would enable graduate students—prospective and actual—to attend a school by borrowing with confidence—the confidence that they could afford to repay their loans over an open-ended period of time based upon their earnings from any employment they chose upon graduation. They would be forever free from the mental, physical, and fiscal constraints of a flat-rate 10-year repayment schedule that locked them into a future not of their own selection.

Although the Association of American Law Schools has legislative suggestions of its own before the Congress on revising the loan programs in the Higher Education Act of 1965, the Maguire bill satisfies every one of the Association's major objectives.

JOHN R. KRAMER, *Chairman.*

USSA EXPRESSES SUPPORT FOR PROVISIONS OF THE FAIR ACCESS TO HIGHER EDUCATION ACT

The United States Student Association (USSA) today expressed its support for several provisions of the Fair Access to Higher Education Act, which will be introduced in Congress by Rep. Maguire (D.-N.J.). While USSA has not formally taken any position on the legislation, the organization praised Rep. Maguire for his thoughtful and positive approach to improving the student loan programs. The following is the statement of USSA:

USSA is strongly opposed to any major structural changes in the existing student loan programs. In particular we believe that sweeping away the existing programs and replacing them with some form of national entitlement loan program, such as that proposed by the Administration, will cause major disruptions in student loan availibility. In addition, USSA believes that these loan entitlement banks will result in reductions in grant and work student aid programs, as well as tuition increases, as institutions and states attempt to substitute these entitlement loans for other forms of student aid.

USSA favors the approach contained in the Maguire bill, which works to gradually reform and strengthen the existing Guaranteed Student Loan structure, and in particular to expand the role of State loan agencies. Those aspects of the bill supported by USSA are:

Language that call for loans to be a reasonable percentage of a student's aid package. This is vital to prevent students from being burdened with enormous loan amounts. Loans should be the last resort for financing one's education. USSA believes that loans should not compose more than 33 percent of a student's financial aid package.

Provisions to expand and coordinate State loan agency activity by allowing them to provide for consolidation of multiple loans held by the same borrower, act as a secondary market, provide centralized lender referral services and centralized loan servicing for banks. All of these will work to improve capital availability and reduce defaults.

Provisions for a repayment service through State agencies that would allow students to establish a variable repayment schedule.

Joel Packer, Legislative Director of USSA said, "This bill is much more in tune with our thinking than the proposals that the Administration has put forth."

There are however, two aspects of the bill that are troubling to USSA. The first is the change from a Federal interest subsidy while the student is in school to a deferral of interest. USSA believes that this change runs counter to the intent of Congress in its passage of the Middle Income Student Assistance Act (MISAA). MISAA expanded the interest subsidy so that it is now available to students from families with incomes above $25,000, as well as those with lower incomes. The retreat from this action will result in higher total loan burden for students upon graduation.

The other area that USSA expressed concern over is the use of the IRS as a collection agent. USSA has always opposed the involvement of the IRS in student loans. The Maguire bill does greatly limit IRS involvement, but may nonetheless lead to fragmenting administration of the loan programs.

"We will continue to analyze this bill and push its favorable provision", noted Packer. He added, "I hope that this bill is given a fair and thorough hearing in Congress because I feel it focuses the debate on the right problems and comes up with some positive solutions."

WASHINGTON, D.C., *April 26, 1979.*

Hon. ANDREW MAGUIRE,
Washington, D.C.

DEAR CONGRESSMAN MAGUIRE: On behalf of the National Association of Independent Colleges and Universities, I would like to commend you for the leadership you have exhibited, originally during the 95th Congress and now in the 96th Congress, in attempting to address the many complex issues involved in the existing Guaranteed Student Loan program.

The new Fair Access to Higher Education Act of 1979 contains a number of refinements of the original Capital Availability Act, introduced in 1978 with the late Congressman William Steiger. Among those are new procedures to assure greater loan availability and better repayment and collections which are designed to remedy many of the problems with the existing Guaranteed Student Loan program.

As you may know, at our 1979 Annual Meeting in February, the NAICU membership adopted a position calling for legislation to be enacted "to support a comprehensive student loan strategy which assures (a) the availability of loans to meet all legitimate student expenses unfunded by grants and work, (b) a vastly simplified system for delivering student loans, (c) a genuinely effective and systematic method of repayment of student loans to avert student default and bankruptcy, and (d) repayment patterns related in some manner to income." Many of these characteristics are addressed in the Fair Access to Higher Education Act of 1979.

While we are not prepared to endorse your proposal, or any specific proposal, at this time, we look forward to working with you, your fine staff, and others in the Congress to resolve the perplexing and difficult issues in the Guaranteed Student Loan program.

With best wishes,

JOHN D. PHILLIPS, *President.*

APRIL 26, 1979.

Hon. ANDREW MAGUIRE,
Congressman,
Washington, D.C.

DEAR CONGRESSMAN MAGUIRE: The volume of student loans made through State Agencies increased about 45 percent to $1.5 billion the year following implementation of the Education Amendments of 1976. The "Fair Access to Higher Education Act of 1979," which you are introducing, recognizes this fact and the conclusion drawn by the last Congress that State Agencies can perform much better than a central government facility in carrying out the provisions of the Guaranteed Student Loan Program.

Your proposed legislation builds upon the strengths of the present system as the best means for carrying out the mechanisms necessary to further improve delivery and repayment of student loans. The preference for private sources of capital, recognition of the need for a more flexible loan repayment schedule, the provision for greater student access to loans, a proposed increase in maximum loan amounts, the use of credit data reporting agencies, and other provisions of this bill reflect critical issues that should be examined prior to reauthorization of the Higher Education Act. We commend your efforts to remove financial barriers to financing postsecondary education by further strengthening the worthy and effective Guaranteed Student Loan Program. Based upon our experience in New Jersey, we are of the opinion that few major changes to this Program are necessary at this time, but we stand ready to assist you and your staff in further examining critical issues regarding access to higher education that are addressed in this bill.

Yours sincerely,

T. EDWARD HOLLANDER, *Chancellor.*

TESTIMONY FOR PRESS CONFERENCE TO INTRODUCE THE HIGHER EDUCATION ACT OF 1979

Good morning, my name is Loren Carlson and I believe that the fair access to Higher Education Act of 1979 offers a constructive approach to the guaranteed student loan program.

My background for the last 9 years has been in the financing of government programs and working with their secondary markets. Presently I am associated with Blyth Eastman Dillon & Co. in New York and I am responsible for working on a cooperative basis with state student loan agencies and the funding of their program needs.

The fair access to Higher Education Act of 1979 is constructive in the fact that it utilizes the present strengths of the current program without radically changing the nature of student lending. One of the greatest problems of the Higher Education Acts are the numerous changes enacted by Congress since 1965 as there has been approximately one major program addition or change per year. This has left the leading lending institutions in a quandary; and because of many bureaucratic and operational encumbrances, many lenders have withdrawn from making loans. The strengths of the existing program are those areas which this bill is expanding.

The areas of the country where student loan availability is the greatest are those areas where states have established guarantee agencies and the lenders are serviced through their State systems. This bill expands the State's authorities, one of the real strengths of the program. The bill also gives the States greater opportunity to work in the secondary market with the student loan association (Sallie Mae). Since 1973 the concept of a second market for student loans has grown and has been successful in many areas. This is because of Sallie Mae utilizing a financial technique which has been well tested in the home mortgage industry.

In conclusion, I would like to point out, there are two important benefits to the guaranteed student loan program which this bill presents:

(1) It gives the guaranteed student loan program an opportunity to operate on a sound financial basis, and

(2) It utilizes the existing program while expanding the most successful aspects for greater availability of funds—the student loan marketing association and the idea of State agencies.

Statement in Support of the Fair Access to Higher Education Act

(By Stephen P. Dresch)

Federal student loan policy is, without exaggeration, a shambles. At its inception in the late 1960s the privately capitalized Guaranteed Student Loan (GSL) program appeared remarkably inexpensive by comparison to the appropriation-dependent National Defense (later Direct) Student Loan program. The appearance of frugality, however, was achieved only by deferring very substantial costs, of interest subsidies and of default coverage, to the future. Now, a decade later, that future has become the present.

Encouraged by the terms of the legislation, mismanagement, fraud and abuse, on the part of lenders, educational institutions, students and governmental agencies, have further inflated these costs. And as interest rates, and hence interest subsidies, have increased, the future costs of current lending can be anticipated to be even greater than the present costs of past lending.

While rejecting tuition tax credits, the last Congress gave affluent families access to even greater financial benefits by eliminating the income ceiling on federal assumption of the full interests of GSL loans over the schooling period. The consequences will soon become apparent as zero-interest student loans, in amounts of up to $2,500 per year, are substituted for auto loans and other consumer credit carrying interest rates of 12 to 20 percent.

If the GSL program at least adequately served those students most dependent on borrowing for educational investment, then it might be deemed to be worth the cost. However, the program's effectiveness has been severely compromised by such factors as:

Inordinately low borrowing limits;

Discriminatory rationing of funds by lenders, and

Concentration of the burden of loan repayment (in equal installments) over a relatively short period immediately after schooling, when earnings are generally low and when the costs of career and family formation must be incurred.

Further, the increased demand for funds by the Affluent, in response to the extension of the in-school interest subsidy, will result in even more discriminatory rationing of limited funds.

Although recognizing the unacceptability of the current system, the Carter Administration has thus far failed to propose concrete, meaningful reforms. The higher education establishment is immobilized by the clash between those who view loans of any variety as a threat to direct state and federal subsidies to institutions and students and those who would use grants masquerading as loans to achieve even greater public subsidization of higher education and to enhance the competitive position of private vis-a-vis public institutions.

In this context, the responsibility for action has fallen to the Congress. Representative Andrew Maguire, in association with the late Representative William Steiger, has taken this responsibility seriously, proposing GSL modifications which would:

Go far to eliminate lender discrimination in the allocation of GSL funds while continuing to place primary reliance on private capital markets;

Key repayments to borrower incomes and significantly lengthen the repayment period for those with low incomes, and

Greatly reduce the costs of administration, improve collection and reduce defaults.

Further, the Maguire proposal would not entail increased federal costs, since interest would accrue over the schooling period, a feature which would also reduce the artificial incentive to substitute zero-interest loans for other sources of funds.

Additional changes in the current program could be advocated, most notably adoption of a floating student loan interest rate keyed to the cost of funds. However, Representative Maguire has taken a very important and unambiguously positive step with introduction of the Fair Access to Higher Education Act.

Stephen P. Dresch, chairman of the Institute for Demographic and Economic Studies, Inc., is engaged in research in labor, education, population and health economics and in public finance. His recent publications include "Substituting A Value Added Tax for the Corporate Income Tax" (Ballinger, 1977), "Human Capital and Economic Growth" (in Joint Economic Committee on Congress," U.S. Economic Growth from 1976 to 1986: Prospects, Problems, and Patterns," volume 11, 1977), and "Ability, Fertility and Educational Adaptation" (in J. Simon, ed., "Research in Population Economic," volume 1, JAI Press, 1978).

Dr. Dresch has just completed a comparative analysis of alternative student loan proposals, entitled "Financial and Behavioral Implications of Federal Student Loan Programs and Proposals" (forthcoming in H. Tuckman and E. Whalen, eds., "Subsidies to Higher Education: The Issue," Praeger Publishers, December 1979). Copies of this study are available from the Institute for Demographic and Economic Studies.●

TRIBUTE TO THE LATE HONORABLE ROGERS C. B. MORTON

HON. GUY VANDER JAGT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. VANDER JAGT. Mr. Speaker, the loss of Rogers Morton was certainly a great one for me personally, having served with him for several years in the House and having worked closely with him in Republican politics.

While it may sound like a cliche, I have no difficulty in describing Rog Morton as a giant of a man. Certainly, his 6-foot-7-inch stature projected him above most of us, but his greatness goes much, much farther than simply his physical size. He was a leader, a dedicated representative of the people of Maryland's Eastern Shore and he was a thoughtful and compassionate human being.

Rog was called upon to serve in many capacities, and he performed admirably in every one of them. His dedication to the Eastern Shore goes without saying. Those of us who knew him well realize his love of that area and understand his desire to return there as he did in the last few years to lead the life of a gentleman and boat-builder.

But Rog Morton leaves behind him many more accomplishments of his service to the United States and the Republican Party. His years as the chairman of the Republican National Committee were difficult ones, to which he responded with a remarkable ability to build and unite during a time of division and turmoil. He had a progressive approach to build the party and appeal to diverse political groups to make it a real alternative for the American people.

He was called upon to serve as Secretary of the Interior, and performed in a dynamic manner to protect and conserve the resources of this nation in an effective and reasonable fashion. His contributions to environmental policy of the United States will be a lasting monument to his dedication to principles of conservation. He faced many difficult decisions which he did not hesitate to confront with careful attention to balance the need of a diverse nation. And it was in this capacity as Secretary of the Interior that he made perhaps his greatest contributions to the protection of the Chesapeake Bay, one of his true loves.

Then on to further service for President Ford as Secretary of Commerce and one of his top energy advisers. Rog Morton was a multitalented individual. But, above all, a decent, fine, open individual. He brought to office and politics an exceptional openness and honesty in all things.

We will miss Rogers C. B. Morton. We will not forget him nor his great contributions to Maryland, our country and to partisan politics. He was a big man in all ways.●

REPORT ON RHODESIAN ELECTIONS BY HON. HOWARD POLLACK

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. BAUMAN. Mr. Speaker, I am pleased to take this opportunity to share with my colleagues the remarks of a distinguished American who has recently returned from Rhodesia Zimbabwe where he participated as an observer of their recent elections. I am sure that all who read these eloquent words will share my displeasure with the present Carter policy in this vital area of the world.

We have just witnessed the freest elections ever to be held in the continent of Africa in a country with the single greatest opportunity for establishing a sound democratic government in the history of that troubled land. We owe it to ourselves to support this effort and we owe it to anyone else whom we would persuade to follow in a democratic model. We need not export the American system of government throughout the world, but we should offer some hope to those who seek an alternative to the Idi Amin's of the world.

Every man, woman, and child in Africa, whether black or white, has a stake in the success of democratic government in Rhodesia Zimbabwe. If democratic multiracial government fails there, it is very unlikely that other African nations will take a similar chance in the near future. There will then be little incentive to reform the military dictatorships that presently dominate the African political landscape and freedom for the African people will be nothing more than the distant vision it is today.

I ask each of my colleagues to read the following report in this context. The United States can serve as a productive purpose by simply lifting the economic sanctions we have imposed upon all the people of Rhodesia Zimbabwe. Economic sanctions have taken their toll in this troubled land and the resulting economic instability has contributed greatly to the political instability of that region.

The author of this report is a distinguished American who has served his country in a wide variety of productive ways. Among other credits, he has served in this body for two Congresses as the distinguished Representative from the State of Alaska. Although he chose to retire from the House in 1970, he has continued to serve this country in a number of ways. I am sure that many will agree with me when I say that his journey to bear witness to this historic occasion in southern Africa represents a continued service to this Nation and its people. I commend his report to my colleagues for your thoughtful consideration:

GENEVA, SWITZERLAND,
April 25, 1979.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: Now that the national elections in Rhodesia are over, the United States of America should exercise dynamic leadership in the free world by immediately recognizing the new Government of National Unity in Zimbabwe Rhodesia and lifting the economic sanctions which have wrought hardship on the people of that stalwart nation, black and white alike.

The elections in Rhodesia were a huge success. They were conducted by secret ballot in a free, fair, open, voluntary, and democratic manner. Notwithstanding widespread threats, intimidation, and atrocities by Marxist-supported guerrilla terrorists based outside the country to discourage voter participation, an astonishing 63.9% of the total population 18 years of age and older bravely made their way to widely-scattered polling places across the length and breadth of the land and voted their party preferences for the black leaders who will head the new government.

The black population responded enthusiastically and overwhelmingly. There was dancing and singing in the streets and villages across the land and near the polling places after the black majority voted, demonstrating their joy at being allowed to participate in the elections. Mr. President, I was there and personally witnessed this elation. Although the United States Government refused to send official observers to monitor this grand experiment in democracy in southern Africa, a number of concerned Americans saw fit to travel thousands of miles to Rhodesia to join the group of international observers. I was privileged to be one of those Americans. We crisscrossed that beautiful country by airplane and helicopter, met a gracious, gentle, but determined people, and observed the birth of a new nation.

Mr. President, I respectfully urge that you consider these relevant facts with regard to recognition and lifting of sanctions:

(a) As stated, 63.9 percent of the adults of the nation voted in the national elections, notwithstanding terrorist intimidation, a performance we Americans could emulate.

(b) The white minority cooperated fully in insuring the success of the elections and the formation of the new black majority Government of National Unity.

(c) As a result of the national elections, there will be a black Prime Minister, a black President, a black majority in the Parliament, a majority of black Ministers (presumably including a black Minister of Foreign Affairs).

(d) The white minority too are Rhodesians, for many generations. At the request of the black majority of the four-man Executive Council, the former white leaders of Rhodesia, by and large, intend to stay and contribute their skills and experience, and are being encouraged to do so.

(e) By reason of the 3 March Agreement negotiated in 1978, adoption of the new Constitution, and enactment of enabling and implementing legislation, all forms of racial discrimination have been eliminated in housing, schools, transportation, restaurants, hospitals, hotels, places of entertainment, and all other public facilities; and racial relations are outstanding.

(f) Prior to the 3 March 1978 Agreement, compulsory military service was not required for blacks in Rhodesia (a reverse kind of discrimination); nevertheless, 80% of the Rhodesian Army is comprised of black volunteers who, beyond the financial considerations, clearly feel they are defending something worthwhile.

(g) The guerrilla terrorist leaders, Joshua Nkomo, of Matabele tribal ancestry, head of ZAPU (Zimbabwe African Peoples Union), and Robert Mugabe, of Mashona tribal ancestry, a factional leader of ZANU (Zimbabwe African National Union, which participated in the national elections under the leadership of Rev. Ndabaningi Sithole) were invited with their followers to participate in an all-party conference to resolve the serious internal political issues of comparative representation in the new Government of National Unity. They were invited to participate in the national elections but they have steadfastly refused, realizing full well that they lacked sufficient popular support to gain control of the government by democratic means. Accordingly, they have tried to disrupt and discredit the elections and the democratic processes of universal suffrage. Having failed in that effort of terrorist intimidation, each now seeks to mobilize an invasion force with Communist arms, supplies, equipment, military advisors, and encouragement, to gain control through the barrel of the gun. Worse still, while these renegades each wish to bring the fledgling democracy to its knees, they are tribal antagonists, and have no intention of sharing power. This is no longer a black vs. white problem, Mr. President—the guerrilla terrorist activity is a black vs. black issue, internal settlement vs. outside interference, and democracy vs. totalitarian Communism. The so-called Patriotic Front is a Marxist misnomer for the terrorists.

(h) At the outset, sanctions against Rhodesia were imposed by the U.N. at the behest of the U.K. who regarded the issue as a domestic one between the motherland and a recalcitrant colony (in violation of Paragraph 7, Article 2, of Chapter 1 of the U.N. Charter, which states that:

"Nothing contained in the present Charter shall authorize the United Nations to intervene in matters which are essentially within the domestic jurisdiction of any state . . .").

And yet the United States has consistently violated that U.N. Charter provision with reference to Rhodesia by following the dubious leadership of the U.K. and the Communist-dominated nations of the U.N. in imposing economic sanctions against that determined country, based upon an incredible finding that Rhodesia was "a threat to world peace." Yet, amazingly, we failed to arrive at such a finding as to Uganda, for instance, where for 8 long years the tyrant Idi Amin slaughtered untold millions of his black countrymen without cause and, to his ultimate destruction, attempted to invade a neighboring country. Knowledgeable people the world over question our international diplomatic double standard. In the former Portuguese colony of Angola we announced a "hands off" attitude, although two-thirds of the citizenry wanted democracy; so the USSR and Cuba rolled in on a red carpet and set up another Marxist totalitarian regime. I could go on and on.

(i) As I understand it from Rhodesians whom I met, as a precondition to the lifting of sanctions, the United States tried to insist that Communists be taken into a coalition government for Rhodesia, that the guerrillas be integrated into the Rhodesian security forces, and that following a secret meeting between you and President Julius Nyerere, of Tanzania, a monstrous change in these unbelievable conditions emerged—a demand that the Marxist-supported terrorists take over the internal security of Rhodesia, that the army be withdrawn and confined to barracks, and that members of the police forces acceptable to the guerrilla terrorist leadership be integrated into the reorganized security forces. Mr. President, can this possibly be true? It is incredulous, unbelievable! Obviously, the Rhodesian transitional government summarily rejected this outrageous proposal.

(j) The smooth transition from minority to majority rule is a showcase for democracy, precisely what the USSR cannot tolerate in Africa. Rhodesia is an important target for Russian ambitions because of her major deposits of strategic materials such as high grade chrome, and because of Rhodesia's geographical position as the gateway to South Africa. Russia's control of the subcontinent's mineral deposits and the strategic cape sea route would pose an enormous military and economic threat to the West. With Rhodesia, and ultimately South Africa, in the Russian orbit, the Communists would have an absolute monopoly on the world's chrome supply, with concomitant control of all production of stainless steel.

Mr. President, it would be unconscionable for the United States to continue to refuse recognition of the new freely-elected black majority government of Zimbabwe Rhodesia, or to fail to lift the economic sanctions which the United States has wrongfully imposed against Rhodesia. All too long we have consorted with the Communist enemies of democracy and individual freedom, to the detriment of these brave and determined people. The Communists do not want a stable multiracial freely-elected democracy in southern Africa, and our failure to recognize Zimbabwe Rhodesia and lift the economic sanctions aids and abets the enemies of freedom.

I'm afraid you have been getting very bad advice from my former Congressional colleague, Ambassador to the U.N. Andrew Young, whose sympathy for Communist causes, terrorist activities, and exacerbation of human suffering is beyond my comprehension.

Why turn this peaceful, prosperous, and beautiful new democracy of Zimbabwe Rhodesia into another bankrupt Zambia or an impoverished Marxist Mozambique or Angola? Having insisted on one-man/one-vote for Zimbabwe Rhodesia, why do we not insist upon similar requirements for the USSR, Communist China, Cuba, Tanzania, Angola, Mozambique, and most of the other nations of the world? There are so few democracies left on earth, and we have contributed to the demise of so many by our indecisiveness and fear of confrontation. Please, let's not blow this one too.

In response to those who criticize the new constitution of Zimbabwe Rhodesia, and who would attempt to persuade you to continue to champion the cause of the Marxist guerrilla terrorists instead of supporting those public officials chosen by the people by secret ballot in free, open, honest, and fair elections, let me remind you that in our own early American history we adopted a Constitution that was deficient and lacking in essentials, and immediately began improving it through amendments, such as the historic Bill of Rights. Why should we demand a flawless original document of the Rhodesians? Their constitution was drafted under the realities of the current stage of development in Zimbabwe Rhodesia and in recognition of the lack of education and capacity of the village tribesmen. Again, Mr. President, this is an internal matter for the Rhodesians. The situation may be less than perfect, but it is immeasurably preferable to our support of the small minority of the population who are willing to perpetrate atrocities, commit murder on a massive scale, shoot down unprotected commercial aircraft carrying innocent men, women, and children, and instill terror in the hearts of their countrymen in order to gain personal power and install yet another Communist government in Africa. It is unbelievable that we would hesitate to embrace the new government. How un-Christian! How un-American! How very sad!

Mr. President, your bold and decisive leadership is desperately needed at this juncture in history. Rhodesians, Americans, and freedom-loving people everywhere urge you to set aside the frivolous and mischievous protestations of the left, to recognize immediately the new multiracial black majority democracy of Zimbabwe Rhodesia, and forthwith to lift all economic sanctions presently levied against this showcase for freedom and individual dignity in southern Africa.

God love and keep you, Mr. President; and may He give you the wisdom, strength, and courage to strike a resounding blow for freedom. Let's recognize Zimbabwe Rhodesia and lift the economic sanctions now.

Cordially,
Howard W. Pollock,
The Former Congressman for Alaska.

P.S.—Incidentally, Mr. President, the Marxist presence in Rhodesia is not just a figment of my overactive imagination. While in Rhodesia, I personally saw enormous quantities of captured Soviet and Soviet-satellite rifles, handguns, mortars, rockets, land mines, and other armament and ammunition, as well as camouflage uniforms with Communist insignias on the collars and the caps. H.W.P.●

ENVIRONMENTAL CONTROLS OUT OF CONTROL: THE NEED FOR BALANCE OF DOMESTIC MINERAL DEVELOPMENT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. SANTINI. Mr. Speaker, I have just finished reading an eye-opening Department of Commerce report released on Tuesday, April 24, 1979. The report, "The Potential Economic Impact of U.S. Regulations on the U.S. Copper Industry," throws some welcome light on the direction in which unfettered Federal regulators are leading us.

The findings of the study are particularly timely as they relate to the ongoing Nonfuel Minerals Policy Review. They fill in some answers to the question whether environmental and health and safety controls are inflationary to a point of not only adding materially to the ultimate cost and availability of domestically produced minerals, but, more importantly, whether our domestic industry is going to be able to survive this onslaught.

No one should argue with the basic wisdom of reasonable environmental and health and safety goals. But I do argue with the lack of balance being shown, with environmentalists and their unceasing demands that controls—ever stricter controls—are the only morally justifiable course.

The Department of Commerce report, which I urge my colleagues to read, is not a cost-versus-benefit comparison. It provides quantitative data on the projected impacts of specified regulations on the copper industry, in terms of capacity and production restraints and the dollar costs of compliance; the report also assesses the economic consequences.

The report concludes that in the next 10 years the prohibitions, restraints, and costs imposed by regulatory implementation of existing air, water, worker health, and land use legislation will result in:

A 3-percent decline in the total domestic supply of refined copper, the probable shutdown of three major smelters and the preclusion of makeup capacity at existing or new facilities.

An increase in net copper imports by 1987 from a normally projected 11 percent to 15 percent of total domestic consumption.

A loss of 31,000 full-time jobs or 36 percent of the copper industry's potential employment by 1987 in the absence of the controls.

The $1.8 billion additional capital cost of complying with the regulations which, together with additional operating costs, totals $3.5 billion in constant 1974 dollars.

A 43-percent increase in the price of copper over the normally projected price in 1987, again in constant 1974 dollars.

The irony of the above impacts is that a substantial increase in the growth rate of copper production is vitally needed if our domestic industry is to maintain at least its present productive position and preserve its share of the domestic market.

It will take an even greater effort to reverse the trend that has seen the U.S. share of world refined copper output drop from 32 to 22 percent in the 10-year period of 1964–74 and then to about 18 percent by 1978. The trend of declining U.S. copper exports, the sharp increase in capital expenditures with a significant part allocated for nonproductive pollution abatement, the deteriorating cash-flow position of U.S. companies, and the increasing imbalance of their debt-equity ratios all point to the weakening of what was recently a strong viable segment of American industry. The industry faces serious problems ahead to supply an expanding demand for copper and to meet more aggressive foreign competition, competition that generally does not have to bear similar regulatory costs.

I have sent Commerce's report to the Secretary of the Interior who, as chairman of the Cabinet-level Policy Coordinating Committee for the Nonfuel Mineral Policy Review, should find it useful in analyzing the many problems facing the U.S. mining industry. Commerce's report all too clearly points up the absolute need for a sound and workable national policy for our nonfuel minerals industry.●

TAX EXEMPTION ON INTEREST

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. PETRI. Mr. Speaker, I am today introducing legislation that would give individuals a tax exemption for up to $500—$1,000 for a husband and wife filing a joint return—of interest earned from savings accounts at banks, savings and loan associations and credit unions.

This would be an important tax incentive encouraging savings, particularly for average and lower income taxpayers. At present, high rates of inflation discourage people from saving, since the purchasing power of the savings erodes much faster than the interest builds up. Those who have $10,000 or more to invest have a variety of instruments available, such as money market certificates, which pay a much higher rate of interest than is available to the small saver. The small saver is limited to savings account interest of 5 percent or so, while the hidden tax of inflation is eating away his capital at more than twice that rate. This bill would be one step in making small savings accounts more attractive. The cutoff point of $500 of interest is chosen because that is the amount $10,000 of principal will earn at 5 percent.

This bill would also make more money available to savings and loan associations, which in turn increases the availability of mortgage money for buying homes.

Compared to other industrialized nations, the United States has a very poor record of savings and investment. This is one of the major reasons for the economic problems we confront. In 1976, the U.S. rate of savings as a percentage of disposable national income was only 4.8 percent, compared to rates of 6.6 percent in the United Kingdom, 13.1 percent in France, 13.2 percent in Germany, 17.2 percent compared to rates of 6.6 percent in Japan. According to a Treasury Department study, from 1960 to 1973, total U.S. fixed investment was 17.5 percent of national output. The U.S. figure ranks last among the major industrial nations. Our rate of investment was only about two-thirds the average rate for the entire group. Greater savings and investment are badly needed to increase productivity, replace wornout plants and equipment, make us more competitive in world markets, aid the dollar, and help reduce inflation.

Mr. Speaker, I urge Congress to enact this important incentive for greater savings. It should not be the policy of the U.S. Government to penalize small savers for trying to get ahead.●

SHATTER THE SILENCE, VIGIL 1979

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. LUKEN. Mr. Speaker, I am proud to participate today in "Shatter the Silence, Vigil 1979" which calls attention to the indifference of the Soviet Government to the basic human rights of its Jewish population. This project is being conducted on behalf of Soviet Jewish families and individuals who are being forcibly detained in the U.S.S.R.

Today I would like to bring to my colleagues' attention the plight of Isaak Abramovich Tsitverblit, a 58-year-old electronic engineer from Kiev. Isaak has been waiting for a visa for over 4 years. He left his "classified" job in 1970 and since applying for a visa has found work only as a mechanic.

In 1941, Isaak's parents, sister, and brother were killed by the Nazis in Babi-Yar, near Kiev. The only two members of the family who survived were Isaak and a brother who currently resides in Israel.

Isaak has been applying for the last 4 years for permission to go to Israel. The reason for refusal, according to Soviet authorities, has been the "secret classification of his former job." Isaak has not been working in his profession for at least 6 years and during the most recent past he has not been able to work at all. He has, nevertheless, received numerous refusals to his applications for emigration. During the last few years, he has continuously been told that his case is being reexamined and that the answer will be given in a week or two. Isaak recently held a 5-day long hunger strike demanding to receive the promised answer but no one took pity on him.

The nervous tension of the last few years has had a devastating effect on the state of his family. Isaak's state of health has worsened sharply lately and his wife Zoya has been suffering from an acute form of diabetes. I request that this family be given the opportunity of putting together the fragments of their lives how and where they desire. I am raising my voice in support of Isaak Tsitverblit's just demand to allow him to emigrate to Israel and to be reunited with his brother.

I ask all those concerned with human dignity to raise their voices over the continuing harassment of the Soviet Jewish community. It is our responsibility to help them continue to stand up and fight. We must keep the glare of international publicity on the plight of the Jews in the Soviet Union. We must not remain silent.●

SUN DAY

HON. ARLEN ERDAHL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. ERDAHL. Mr. Speaker, on Sun Day 1979 it seems appropriate to acknowledge our solar system's greatest power, the Sun. The Sun always shines on some part of the Earth. It is a renewable and free source that has so far been largely ignored as a major energy force.

May 3 has been designated Sun Day to remind us of the light and power generated by our Sun, and its relationship with the Earth. We cannot survive without the Sun.

Conventional energy wisdom has brought reliable light and heat to our fingertips while providing many conveniences few of us would choose to live without. But that conventional wisdom has created an illusion of isolation.

We have forgotten about our Earth. The illusion has alienated us from our planet and its renewable resources we ultimately must depend on for survival.

But there is a ray of hope. Some people, from all around the country, have become very aware of the possibilities of renewable energy sources—especially solar energy.

They have built solar heaters, Sun-powered houses, and now even a solar powered plane that flew just recently. Even the White House will soon be partially powered by solar energy. Houses and businesses powered by the Sun are not new phenomena anymore because people have found that they work. But these are still rare enough that they are expensive to produce.

We must assist these people interested in powering their homes and businesses with sunlight.

We must put our support behind the creation of a Solar Energy Development Bank that would offer long-term, low-interest loans to homeowners and businesses for the purchase and installation of solar energy equipment.

The loans would be made and serviced by private lending institutions using private capital, with the solar bank compensating the lender for the low-interest rate charged.

The solar energy bank bill, H.R. 605, was shown strong support in the 95th Congress, and hopefully this session it will be shown greater backing so we can pass it through the House.

Please join me in backing this bill.●

THE OBVIOUS FUTILITY: BEGGING FOR FEDERAL TAX CUTS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. ROUSSELOT. Mr. Speaker, last year, it was somewhat encouraging that Congress passed the Tax Reduction Act of 1978; however, in my opinion, this measure did not go far enough in providing the tax rate relief and the tax incentives which many of us have advocated and, indeed, proposed in legislative initiatives. The bill that passed fell far short of the goals expressed in either the Roth-Kemp or Nunn proposals. Although the reduction of approximately $20 billion does represent some tax relief for America's working people, the measure did not correct the system to sufficiently reduce tax rates.

The Members of this House well remember the last day of the 95th Congress, Sunday, October 15, when the Tax Reduction Act of 1978 was finally voted out 337 ayes to 38 noes. Working out the controversies in the bill became more hectic as Congress pressed for adjournment in a 32-hour marathon. The Senate voted for greater tax cuts, the House voted for less, but both Houses were anxious to strike a compromise that was agreeable to the administration and would not receive a Presidential veto. The tax bill which passed reduced individual income taxes to soften the additional taxes that would have otherwise occurred this year as a result of inflation and rising social security taxes. It was an acceptable revenue bill because it gave some relief to individuals, corporations and small businesses. Symbolically, those provisions of the bill that reduced taxes on capital gains represent a fundamental redirection in tax policy for our country. After a decade of inhibiting capital investment, the rollback is a much needed incentive and one that promises to actually generate increased tax revenues.

When Congress last increased the capital gains tax in 1969, tax revenues actually declined in the ensuing years as investors found that prohibitively high taxes on the sale of their assets left them, in many instances, with negative returns on their investments. Locked into their existing investments, investors were unable to supply the venture capital needed during the 1970's to supply funds to our young, high technology companies starved for capital. Our economy is less productive today as a result of the Government's "take-blood-from-a stone" tax policy enacted in 1969, a policy which neglected the effect high tax rates can have on economic incentive in the investment marketplace.

Fortunately, in 1978, the Congress, led by our colleague, the late Republican Congressman from Wisconsin, Bill Steiger, enacted a capital gains tax cut. The result has been self-evident to those who follow the stock market—it rose in anticipation of enactment of the capital gains tax cut as early as May 1978 when it first became obvious that the Congress was more likely to cut capital gains taxes, instead of increasing them, as President Carter recommended.

Unfortunately, House-passed provisions to index capital gains taxes against inflation beginning in 1980, and provisions to allow for a 3-year straight-line depreciation of the first $25,000 of equipment purchased by businesses each year, were dropped from the bill. In dropping these measures, the Congress rejected recommendations by a number of economic leaders—including Federal Reserve Board Chairman G. William Miller—that liberalizing depreciation would be the best way to encourage industries to invest in new plants and equipment.

As a Member of the House Committee on Ways and Means, I fully supported the original Roth-Kemp tax relief measure. It provided for a 33-percent across-the-board tax reduction over a period of 3 years. I also supported the Senate's version of the Roth-Kemp bill. The Nunn-Chiles-Bellmon-Roth bill which provided for a substantial reduction in personal income tax rates was a good measure. It provided cuts in taxes when spending was held in check, and it called for a balanced budget, which I have long advocated. Unfortunately the House-Senate joint conference rejected the Senate's advice, and the Congress was presented with a much more modest tax bill than either Kemp-Roth, or the Senate's bill.

In this, the 96th Congress, I am a cosponsor of Roth-Kemp II which includes both a tax rate reduction and indexing bill and a spending limitation bill as a package. The tax bill would reduce income tax rates over the next 4 calendar years by about 30 percent—10 percent for each of 3 years beginning January 1, 1980. After the rate reduction, the tax brackets would be inflation-proofed against automatic tax increases by adjusting them according to the Consumer Price Index.

The companion spending bill would hold the growth of Federal spending to about 7 percent a year, resulting in a decline of the Federal budget as a share of gross national product: to 21 percent in fiscal year 1980, to 20 percent in fiscal year 1981, to 19 percent in fiscal year 1982, and to 18 percent in fiscal year 1983.

The people of California have demonstrated through passage of proposition 13 that they realize high tax rates, aggravated by inflation, are putting a drag on our Nation's economy. The present tax system discourages savings and capital formation. The tax bill passed by the 95th Congress is a start, but I advocate more responsive measures to establish significantly lowered tax rate schedules, not just piecemeal tax cuts which are offset each year by inflation.

What is needed is fundamental reform of our Federal tax laws, not just mere "fiddling" with parts of a defective whole. As a long-term objective we must develop a tax code that is predicated on the maxim that high tax rates can be counterproductive to our economy. One approach toward reaching this objective is House Joint Resolution 23, a taxpayers' relief measure, which I have introduced. This bill proposes an amendment to the Constitution of the United States. It would abolish taxes on personal income, taxes on bequests and gifts, and would prohibit the U.S. Government from engaging in business in competition with its citizens. To raise tax revenues for vital Government services, we could alternatively enact a national sales tax—such as the one proposed by Senator LONG of Louisiana. If House Joint Resolution 23 were enacted, the Congress would be forced to investigate alternative tax systems. At this time, there is no pressure on the Congress to move in this direction. As a consequence, spending is growing unchecked while budget deficits are feeding on the economy.

During the 95th Congress, efforts were made by legislators to move toward a balanced budget by cutting existing, wasteful, Federal spending programs. Unfortunately, the House rejected these measures including substitute amendments I introduced to the first and second concurrent budget resolutions which would have reduced spending by enough to achieve a balanced budget in fiscal year 1979. Also rejected was a reasonable and workable approach toward a balanced budget offered by Representative MARJORIE HOLT.

The need for achieving a balanced budget by cutting spending and tax rates is becoming apparent to more and more people. Deficit spending is harmful to the economy for two main reasons. First, it can lead to inflation. Second, deficit spending can "crowd-out" private investment, which the economy depends on, in order to grow. The inflation problem occurs when the Federal Reserve Board purchases the Government's IOU's and, in so doing, it expands the money supply with freshly printed tender. As a result, we find that there is too much money in the economy chasing too few goods. Prices start to rise when this happens and likewise, so do interest rates. Interest rates rise reflecting a cheapening of the currency, but ironically as they rise, the Federal Reserve Board has been known to expand the money supply even more in hopes of depressing them. This guarantees even more inflation. By trying to control interest rates instead of the money supply, the Federal Reserve Board is literally perpetuating excessive increases in the money supply. There is only one way to stop this excessive printing of money—at its source—and that is to have a balanced budget. If the budget were balanced, the Federal Reserve Board would no longer have to print money to cover the deficit.

But I caution this House not to continually try to balance the budget on the backs of the taxpayers. We must not raise taxes to reach a balanced budget. Instead we must find a mechanism that enables us to hold down the growth in spending which has been financed substantially by Federal tax rate increases, while encouraging tax rate reductions. Another bill which I have introduced, House Joint Resolution 278, provides the mechanism for doing this. This bill would amend the Constitution to require that Congress reduce tax rates to offset the effects of inflation. It also provides that a three-fifths majority of both Houses of Congress is needed for approval of Federal expenditures which are in excess of tax receipts for the fiscal year. Tax rate increases would also require a three-fifths majority vote, but tax rate reductions would only require a simple majority, and they may be passed without violating the balanced budget rule.

By limiting spending, this plan enables all Members of Congress to feel more comfortable in voting in favor of cutting the heavy burden of taxes that is destroying economic incentive and productivity in our society. It also gets to the heart of the fears many of my colleagues and my constituents are expressing over rising deficits. These fears are justified. Congress has been known in the past to legislate spending programs that are wasteful, tax increases which are economically counterproductive, and tax rebates that do not improve work incentives in the marketplace. It is for this reason that we need a plan to guard against any such proposals which, although well-intentioned, can lead to the kinds of deficits that are ultimately financed by the Federal Reserve Bank's inflationary, freshly printed dollars, instead of from expanding the tax base.

Tax indexing and the integration of corporate and personal income taxes are two examples of possible reform efforts. The feeling which has persisted in Congress against any proposals which temporarily decrease tax revenues but which otherwise stimulate the long-term growth of the economy must be overcome in the setting of national policies which affect human capital and machine formation. The Members of this House, that branch of the U.S. Government which has the responsibility to control the Nation's purse strings, must have the vision to see beyond this year's budget and this year's tax rates into the future when stop-gap measures to reduce tax rates may be too late to pull us out of the economic whirlpool within which we will inevitably find ourselves.

Mr. Speaker, I urge you and my other colleagues in the House of Representatives to work with me in the 96th Congress toward a comprehensive revision of the tax code to encourage investment and provide work and savings incentives.●

ROGERS C. B. MORTON

HON. CLARENCE E. MILLER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. MILLER of Ohio. Mr. Speaker, Rogers C. B. Morton, the gentle giant from the Bay Country—Cabinet Secretary, Congressman, businessman, national party chairman—were but some of the various titles and honors bestowed on our late friend. All serve to underscore the many accomplishments this multifaceted man wedged into a purposeful 64 years of life.

Always quick with a smile and a kind word, Rog Morton was the kind of individual who made service in the House of Representatives a more pleasant experience. His warmth, wit, and engaging manner were his hallmarks. They helped him stand out from the crowd and put him in the front ranks of our Nation's political leadership.

At the front was where Rog Morton belonged. An able and effective leader, he knew how to get things done. If his life had not been shortened by cancer there is no saying where his career may have led. As it was, Rogers Morton led a full and rewarding life, a life that enriched all who came in contact with him. This House, this Nation, this good Earth, will miss Rog Morton. He did much for one and all.●

GAINING CONTROL OVER THE BUDGET

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. MAZZOLI. Mr. Speaker, I would like to include in today's RECORD an editorial which appeared in the Louisville Courier-Journal on April 28, 1979. The editorial is entitled "Congress Is Too Shy in Telling About Its Grip on the Budget."

Since the passage of the Budget Act in 1974, Congress has come a long way in gaining control over the budget. I think this is important to keep in mind as we consider various methods of reducing Federal spending and Federal waste.

The article follows:

CONGRESS IS TOO SHY IN TELLING ABOUT ITS GRIP ON THE BUDGET

No one can say that Congress is ignoring the spirit of nationwide protest symbolized by Proposition 13 and the calls for a constitutional amendment requiring a balanced budget. If anything, the House and Senate are erring in two important ways on the side of caution.

First, too many members are so fearful of offending taxpayers that they're trying to do nothing except look frugal. Second, Congress has failed to face the tough constitutional issues that would be posed if a few more states were to support resolutions for a national convention to approve a balanced budget amendment. Depending on which legal expert you ask, either 24, 29 or 30 have done so already.

CUTTING THE CARTER BUDGET

But in facing the tax revolt, Capitol Hill leaders have failed to tell the public an important story: the extent to which Congress itself has improved its handling of the budgetary mechanism since passage of the 1974 budget-control law. National spending priorities are now debated twice yearly in each house. The first action comes on a preliminary, target-setting resolution. Then, once all appropriations bills are in, a concluding resolution reconciling spending decisions must clear both houses.

Just this week, the Senate completed debate on its preliminary resolution, making changes in the budget President Carter put forth in January. The Senate refigured the economic assumptions behind the Carter document. After that action, it should be taking credit for having made a $7 billion cut in the administration's spending plans for fiscal year 1980.

Yet to listen to such proponents of a rigid balanced-budget amendment as Senator Lugar of Indiana, Congress is still operating in the traditional way. There was a time when the President's budget arrived on Capitol Hill early in the year, was cut into 22 separate pieces, sent to 22 committees and never again put back together for discussion of priorities.

Thus Congress should now be considering such questions as whether a convention, in submitting an amendment to the states for ratification, would need a two-thirds vote, as Congress does in proposing amendments, or a simple majority. And, once voted, should an amendment undergo judicial review before being sent to the states for ratification?

The selection of convention delegates presents another tough issue. Should Governors appoint them? legislatures? or, to evade responsibility?

But that's not how Congress has operated since 1974. Those whose needles are stuck on the notion of a spendthrift budget process are ignoring the fact that members are learning to set limits and live with them. This should be Congress' strongest argument against the movement to call a convention to write a balanced-budget amendment into the Constitution.

Although a national anti-convention committee has persuaded several legislatures to quash resolutions on the subject, Congress could be plunged into a stormy debate once four more states act. Such a convention, provided in the Constitution as an alternative to congressional approval in adopting amendments, never has been held. Indeed, there is a popular assumption that, before 34 states actually present their petitions to Congress (only 24 have done so), the issue would be defused by Congress' submitting an amendment to the states in the traditional way.

Congressional leaders, who consider the constitutional amendment impractical and economically risky, have been warning of the danger of a runaway gathering attempting to rewrite vast chunks of the Constitution. But this hasn't worked, and there is now increasing interest in the procedural issues such an assembly would raise. Why not write the ground rules now, before debate on each detail is transformed into an emotional yes-or-no vote on the budget question itself?

That point is made by Congressman Frank Thompson of New Jersey, who reasons that Congress is more likely to draw up sensible rules for staging a constitutional convention now than if it waits for the 34-state sword to fall. The temptation, when emotional pressures run heavy, is to make it a convention of the people, not the states, delegates could be elected from congressional districts. It's shortsighted that no law answers such questions.

But even more shortsighted has been the failure of Congress to respect its budget process enough to call attention to the fact that it is working. The best way to head off demands for a constitutional amendment would be to recognize the extent to which our representatives, with all their faults, are constructively meeting the issues raised by the tax revolt.●

PROTECTION OF ARCTIC WILDLIFE RANGE PROPER MATTER OF INTERNATIONAL CONCERN

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. UDALL. Mr. Speaker, when the House takes up the question of proposals to protect parts of our priceless wilderness areas in Alaska, one of the chief points of debate will be whether we should again act to give such protection to the Arctic National Wildlife Range—as would have been achieved if the bill which the House overwhelmingly passed last year (277–31) had become law.

As was the case last year, the argument will be made that we should not designate this area as wilderness, because there is some geological evidence that the area may have deposits of oil and gas. Even those advancing that argument will not deny, however, that this area—set aside as a national wildlife refuge by executive action of the Eisenhower administration—has extremely important wilderness values; nor will they deny that many biologists believe that to permit oil and gas exploration there—especially in the critical calving grounds on the coastal plain adjoining the Arctic Ocean—would be to unnecessarily jeopardize the future of the Porcupine caribou herd.

The Porcupine caribou herd, Mr. Speaker, is one of our great national treasures. But, like many other wildlife populations (including flocks of migratory birds who fan out from Alaska across the hemisphere), it is not ours alone. It is a treasure and a resource for which we share the stewardship with our good friends and neighbors in Canada.

Now, as the House again prepares to take up the conservation issue of this generation—the Alaska lands proposals—it is good to remember that this is more than a domestic matter. I was reminded of this when I received an eloquent letter from the director of policy studies of the Canadian Arctic Resources Committee in Ottawa, which points out that the Canadian Government has acted to withdraw 15,000 square miles of land in the Yukon Territory—adjoining the Arctic National Wildlife Range in Alaska—for a national wilderness park and other conservation designations, and that the Canadian Government is even now moving rapidly toward conclusion of an international migratory caribou convention with the United States—a convention that would have particular relevance to the situation of the Porcupine caribou herd.

In view of all this, I was gratified to note that the Canadian Arctic Resources Committee, through its director of policy studies, takes the same view of the proposals which will be reported to the House by the Merchant Marine and Fisheries Committee and (by one vote) the Committee on Interior and Insular Affairs:

The Breaux/Huckaby Substitute bills which mandate oil and gas exploration within the Arctic National Wildlife Range do not serve the international interest.

Because those two inadequate and unbalanced versions do not do the job right, many of us will instead be backing the alternative version which the distinguished gentleman from Illinois (Mr. ANDERSON) and I are sponsoring. I believe that the letter from the Canadian Arctic Resources Committee makes a strong case for that Udall-Anderson substitute, and so that all Members may have the benefit of that letter, I am having it printed in the RECORD at this point:

APRIL 18, 1979.

Re Alaska Lands Bill.
Hon. M. K. UDALL,
Chairman, Committee on Interior and Insular Affairs, U.S. House of Representatives, Washington, D.C.

DEAR SIR: It is not very often that Canadians feel obliged to voice their opinions about legislation that is being considered by the U.S. Congress. However, we are astonished by recent legislative developments and their implications for the Porcupine Caribou herd (a shared resource) and the ecosystem of which they are a part.

The Breaux/Huckaby Substitute Bills which mandate oil and gas exploration within the Arctic National Wildlife Range do not serve the international interest.

Over a decade ago the United States government, with great foresight, established the Arctic National Wildlife Range to assure protection for the American part of a unique Arctic ecosystem. Canada was slow to react. However, over the past year the Canadian government has made major commitments. It has withdrawn 15,000 square miles of land in the Yukon north of the Porcupine River for a national wilderness park and other conservation designations. In a land claims agreement with Inuit of the western Arctic, a commitment has been made to designate not less than 5,000 square miles of the Yukon North Slope as a wilderness park for wildlife protection and wilderness conservation. Currently land claim negotiations are under way with the Yukon Indians that will have a similar direct effect on the land and wildlife of the northern Yukon. The Canadian government is also moving rapidly toward an international migratory caribou convention with the United States.

Through you we ask the people of the United States to consider the grave international implications of your current deliberations on the Arctic National Wildlife Range. In view of the importance of the caribou herd and the commitments already made by Canada we urge you to prohibit oil and gas exploration in the caribou range and that you seek firm legislative protection for one of the Arctic's greatest international natural resources.

Yours very truly,
D. J. GAMBLE,
Director, Policy Studies.●

MARY NIGHTINGALE AND JOHN YORKO TO BE HONORED

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. KILDEE. Mr. Speaker, I am pleased to draw to the attention of my colleagues a special honor being extended this weekend to two good friends of mine at UAW Local 581 in Flint, Mich. They are John J. Yorko and Mary Nightingale, who will be given special recognition during the local's membership meeting on May 6, 1979, for their long years of devoted service to the local.

Mr. Yorko, a former president of the local, will be honored by having the union hall's auditorium named after him. Its kitchen will be named in honor of Mrs. Nightingale, a longtime union activist who has always been willing to lend a helping hand in the kitchen whenever the local had prepared for a strike.

Both now are retirees, but remain very active. Each has been active in the union since the famous sitdown strike that took place in Flint in 1937 when Mr. Yorko participated in the strike and Mrs. Nightingale helped cook food for the strikers.

Bill Hayes, president of local 581, said of them:

> They are both tireless union leaders who have made tremendous contributions to local 581.

Mr. Speaker, I would certainly agree with that, and I am pleased to add my voice to those who will be honoring them on Sunday.●

A TRIBUTE TO POLISH CONSTITUTION DAY

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Ms. MIKULSKI. Mr. Speaker, I want to take this opportunity to bring to the attention of my colleagues the anniversary of Polish Constitution Day on May 3. It was on May 3, 1791, that Poland adopted a constitution that led to a reform of its internal politics and to its assertion of independence. Free Poles throughout the world continue to celebrate this holiday as an important reminder to all that Poland was one of the first pioneers of progressive thought in Europe. It is an unfortunate fact of history that although the Polish people have cherished freedom, tyrannical neighbors and leaders have made Polish liberty more a dream than a reality.

Throughout the long history of the United States, freedom-loving Polish immigrants have contributed their skill and hard work to make this country great. They have actively worked for our Nation's freedom and have defended it on battlefields since it was born. When our Founding Fathers were engaged in a life and death struggle for independence, two Polish patriots were largely responsible for improving the effectiveness and fighting qualities of American troops whom they helped to lead.

This year, every person in the world of Polish ancestry can take special pride in the election of a Polish cardinal, Karol Wojtyla, to the position of Pope. I take special joy in his election because I had the honor to be present at his convocation in Rome last fall. Pope John Paul II, as he is now known, is the first non-Italian in hundreds of years to serve as head of the Catholic Church. In his short tenure, he has already brought a new spirit of understanding and openness to the church.

In spite of the invasions and occupations of the Polish nation throughout history, the spirit of the Polish people remains strong. Although their homeland remains under the shadow of Soviet control, the Polish people in free lands proudly commemorate this day of Polish democracy and freedom. I hope very deeply that in the not too distant future, Polish Constitution Day will also be celebrated again in Poland.●

THE STATE OF OUR NATIONAL DEFENSE

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. BOB WILSON. Mr. Speaker, a distinguished organization of San Diegans, members of QED—for quandries, exploration, and decision—who are interested in events past, present, and future that shape the destiny of America have expressed their grave concern to President Carter on the present state of our national defense, and have made known their recommendations.

I believe their words bear meaning not only for the President, but, too, for all of us:

STATEMENT OF POLICY AS EMBODIED IN A RESOLUTION ADOPTED BY MEMBERS OF QED

QED is an organization of San Diego citizens interested in events, current or past, which, in the members' opinion, are having, will have or have had an impact on the course of the United States of America in respect to its social, economic, political or military posture.

So dedicated, members of QED, this date (23 March 1979) decided to express their deep concern regarding the trend toward general strategic inferiority of the United States vis-a-vis the Soviet Union and embodied their concern in the following resolution:

Whereas the continuing military buildup of the Soviet Union constitutes a threat to the security of the United States; and

Whereas in years past the acknowledged superiority of United States strategic nuclear arms constituted a counterpoise to Soviet superiority in conventional arms and served to maintain a delicate strategic balance between East and West; and

Whereas the United States can no longer claim superiority or even parity in strategic nuclear arms and is rapidly approaching inferiority in all significant indices of military strength; and

Whereas the Soviet Union is on the verge of attaining (if not already achieved) a disarming first-strike capability against our land-based strategic nuclear force; and

Whereas the United States does not possess the means to defend its population or its strategic nuclear forces against a Soviet surprise attack, relying instead upon the fallacious doctrine of deterrence through mutual assured destruction; and

Whereas the Soviet Union, rejecting that doctrine, maintains a substantial capacity to defend its population and its military forces, and to limit damage to its society from a retaliatory nuclear attack; and

Whereas the strategic arms agreements

reached in 1972 (SALT I) created the false impression in the United States that strategic nuclear arms have been mutually and effectively limited; and

Whereas notwithstanding SALT I, the Soviets have introduced more powerful, more accurate, and more capable strategic missile systems and the Backfire supersonic bomber, capable of intercontinental range, while the United States strategic missile forces have been frozen in numbers and in capabilities and the United States strategic bomber force faces obsolescence; and

Whereas the elements of the SALT II agreements which have been made public fail to place adequate and verifiable constraints on the Soviet strategic nuclear forces while placing severe constraints on the corresponding United States forces; and

Whereas the cancellation of the B–1 bomber has left the United States in a position of clear inferiority with respect to the Soviet Union in the bomber category; and

Whereas the lack of a mobile strategic land-based missile deprives the United States of the ability to reduce to manageable proportions the vulnerability of its land-based missile force to a disarming Soviet first strike; and

Whereas the lack of ballistic missile defenses, of modern anti-bomber defenses, and of civil defense places the population of the United States at grave risk of wholesale destruction or nuclear blackmail; and

Whereas limitations on the range and employment of cruise missiles under development would prevent the United States from exploiting the potential of these missiles to complicate Soviet defense against a retaliatory attack; and

Whereas the SALT II agreements, as presently disclosed, will not serve to reduce or control Soviet progress toward attainment of a disarming first-strike capability against our land-based missile forces and a substantial portion of our submarine and bomber forces; and

Whereas the SALT II agreements, if approved, would create a false public image of effective mutual reduction in strategic nuclear arms and of increased United States security; Now therefore, be it

Resolved, That the Congress and the President of the United States be petitioned to undertake actions now which will reverse the trend toward general strategic inferiority of the United States vis-a-vis the Soviet Union; and specifically,

That the SALT II agreements, as currently disclosed, not be approved by the United States; and

That the ABM Treaty of 1972 be denounced and that the United States proceed to develop and deploy effective defense measures for its population and its strategic nuclear forces; and

That the United States expedite deployment of the MX missile in a mobile multiple aim-point mode; and

That the United States proceed expeditiously to develop and deploy a supersonic intercontinental bomber; and

That the United States accelerate the deployment of Trident II ballistic missiles in ballistic missile submarines.●

ROGERS C. B. MORTON

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 26, 1979

● Mr. COUGHLIN. Mr. Speaker, the death of Rogers C. B. Morton is a loss felt deeply by his family, former colleagues in the House of Representatives, former associates in the executive branch and the Republican Party, and to everyone who knew this gentle giant of Maryland's Eastern Shore.

Much has been made of his size and how it related to his accomplishments and his courage. This all is true. Yet, Rog Morton left an imprint on the pages of American governmental and political history that is unique.

A man who tasted power, he was an easygoing, humble individual who shunned pretention. He was a man of convictions and advocacy who remained untouched by rancor and pettiness. Helpful and considerate, Rog Morton was especially kind to new Members. His congeniality and warmth, in no small degree, meant much to those of us who met him when we first came to the Hill.

Rog Morton was a U.S. Representative, a Secretary of Interior, a Secretary of Commerce, and a national chairman of the Republican Party. In all this service, he contributed something valuable to every position he held. His accomplishments were tremendous.

A native of Kentucky and an adopted son of Maryland, Rog Morton truly left his mark in 7-league boots in work that took him across our country. The Nation and his constituents are better for his having passed our way.

I extend my condolences to Rog's wife Anne, their son and daughter, and his brother and sister.●

ALASKA LANDS NATIVES SUPPORT BREAUX-DINGELL PROPOSAL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. DINGELL. Mr. Speaker, my colleagues will be interested in a letter I recently received from the Shee Atika Native Corp. expressing support for the Breaux-Dingell substitute:

MAY 3, 1979.

Hon. JOHN D. DINGELL,
Rayburn Building,
Washington, D.C.

DEAR REPRESENTATIVE DINGELL: Shee Atika, Inc. (the Alaska Native corporation representing 1,962 Tlingit Haida, Tsimpshean, Athapascan, Aleut and Eskimo people enrolled at Sitka in Southeast Alaska) and the Sitka Community Association (our tribal governing body) strongly favor adoption of the Merchant Marine and Fisheries (Breaux-Dingell) substitute for H.R. 39. Although we would hope that additional amendments could be made in behalf of our Alaska Native people, even without these amendments we would much prefer the Breaux-Dingell substitute over H.R. 3651 offered by Messrs. Udall and Anderson.

The Breaux-Dingell substitute offers a means of protecting our life style, environment and economy. The Udall-Anderson proposal would increase our unemployment and welfare, would complicate conveyance of our lands, and would force us to manage our natural resources without the traditional balanced environmental considerations.

We hope that Congress will consider the needs of our Native people living in the island of Southeast Alaska by adopting the House Merchant Marine and Fisheries (Breaux-Dingell) amendment.

Sincerely yours,

NELSON FRANK,
Chairman, Shee Atika, Inc.●

MAKING STUDENT LOANS EASIER TO GET—AND REPAY

HON. ANDREW MAGUIRE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. MAGUIRE. Mr. Speaker, on April 26 I introduced the Fair Access to Higher Education Act, a bill to strengthen the guaranteed student loan program by removing several barriers to obtaining and repaying GSLs. Last week I addressed the act's merits in more detail. Today I speak to three concerns which various individuals and education groups have expressed.

1. WHY INCOME-BASED REPAYMENT?

The act offers student borrowers the option of repaying their loans on a flexible basis keyed to actual earnings, rather than by straight-line payments which ignore the fact that incomes start low but rise as careers progress. Some people have claimed that income-based repayment is not needed, that student debt burdens are not very heavy, that loans should be repaid stiff and quick like other consumer credit. Apart from the cold-blooded callousness of that approach, plain numbers tell a different story. A single student who emerges with $10,000 in loan debt and starts work at $7,000 will owe $1,394 the first year under the current program, nearly 25 percent of his after-tax pay. The New York Times has reported the case of Linda Setlech, who graduated from Columbia in 1977 with a B.A. in English and $10,000 in loan debt, could only get a job as a secretary, and was promptly driven into default by monthly payments of $140 against her $300 take-home wage.

Ms. Setlech's tale is not unique. There are parallel stories in my constituent files, sent in response to last year's Maguire-Steiger GSL bill. The work of Dwight Horch of the Educational Testing Service has fully documented the debt burdens which overhang graduate and professional students as a result of rigid loan repayment schedules—burdens which can be even more severe for community-college and B.A. borrowers.

These situations are tailor-made for defaults. And even where defaults do not occur, their potential for forcing students into careers that may not serve society best—into plastic surgery instead of community medicine, or corporate law instead of public-interest work, college teaching, or politics—threatens to destroy the value of the educational access GSLs are supposed to support. As the Rev. Timothy Healy, president of Georgetown University, recently noted, present GSL repayment may even be unconstitutional, since it can work to deny poorer students the chance to accept relatively low-paying but high-entry jobs like university research assistantships or Supreme Court clerkships.

Mr. Speaker, such rigid GSL repayment makes no financial or social sense. A student should at least have the option of matching repayment to income so he can pursue his chosen career or do some public-service work, without being forced to maximize earnings as soon as he leaves school. Next to a house, a college education is the second most expensive purchase he will make in his life. Houses are not financed like consumer purchases of cars or vacuum cleaners. Postsecondary education should not be treated that way either.

Besides, if debt burdens are no problem, what is the cause of the universal plea for loan consolidation to relieve them?

2. WHY USE OF THE IRS?

The act makes available, as a supplement to the present program, a Federal repayment service operated on a fee basis through the Federal tax system. Lenders could elect this service for conventional 10-year repayment, and students could elect it for income-based repayment, taking further advantage of monthly withholding to meet their annual loan obligation if they desire. In either case students would repay their loans by a supplemental schedule and one-line entry on their yearly tax returns, and the service would pay out regular monthly amounts to lenders from a fund replenished by pay-ins. Cases of nonpayment or underpayment would be bounced back to USOE or the insuring State agency. Unlike some proposals to treat defaults as delinquent taxes, the IRS would neither interpret nor enforce education law.

Some concern has been expressed that despite its apparent simplicity IRS involvement would further complicate the GSL system, that IRS is not a good locator or collector for nontax purposes, and that it might prove counterproductive.

Mr. Speaker, it is important to make two distinctions here. First, IRS is merely the mechanism for income-based repayment, not the be-all and end-all. If you are going to have meaningful flexibility in repayment, repayment must be based on actual earnings—not "average income profiles" which multiply inequities the more the borrower's actual income diverges from the mean. And if repayment is based on actual earnings, it makes sense to piggyback on a system which efficiently determines earnings each year, rather than trying to duplicate that system from scratch. This is not to say the IRS is essential to income-based repayment or that the act is wedded to the IRS. It is to say that the IRS provides a time-tested, efficient way to implement such repayment at minimal cost—and that we should be willing to consider any alternative which meets those tests.

Second, the Fair Access Act actually provides that alternative by encouraging State guarantee agencies to operate their own repayment services. The State agencies already have solid relations with postsecondary institutions and participating lenders. These entities know how to deal with each other and have mastered the relevant procedures, without having to become familiar with a new bureaucracy. Under the act, lenders could elect to use the State repayment service instead of the Federal service. Even if lenders chose the Federal route, students would have the final option of using the State service for either conventional or income-based repayment. The IRS' basic efficiencies would be preserved by authorizing State services to have appropriate access to necessary Federal location or income data. Under current law both the Federal (FISL) part of the GSL program, and schools making national direct student loans (NDSL's), can get such IRS information for repayment purposes, but it is denied to guarantee agencies which account for over 80 percent of GSL's. That is an anomaly which should be corrected in any event.

The act thus offers students and lenders a choice of repayment services, in accord with its general philosophy that loan delivery is best served by letting participants select the most suitable option instead of jamming them into the same mold. If, as some observers suggest, most lenders and students will prefer State-run repayment to the IRS, this act provides a nondisruptive way for those preferences to be expressed. If, as others believe, there will be significant demand for the federally run service once it is set up, the repayment business can flow that way, without regard to myths and nervous fears. The fact remains that under either service loan availability will sharply increase, since lenders will be assured regular repayments regardless of whether particular students default.

Beyond these points, suggestions that the IRS should not or cannot effectively be used for nontax loan purposes will just not wash. IRS is an extremely effective locator where current data based on this month's withholding—rather than year-old tax returns—are used. The nontax dike has long been breached, most notably in the case of the Parent Locator Service created in 1975 to help States find and collect child-support payments from runaway fathers. That program has been a smashing success; in fiscal year 1978 it collected over $1 billion, at a cost-benefit ratio of over 1 to 3. Several States—most notably Oregon—have successfully used tax systems to help collect student loans, by direct offset against refunds or otherwise. A recent GAO report strongly recommended that direct offset against Federal tax refunds be used to collect all obligations owed the Government, not just student loans. Two months ago the Veterans' Administration asked Congress for such offsets to help it collect veterans' education assistance loans (VEAL's). And OE's recent effort to develop a simple, uniform grant application centrally relies on disclosure of student and parent tax returns.

It seems clear that students and their parents will inevitably meet the IRS at some point, and that many of these proposals go far beyond what the Fair Access Act has proposed. The issue is not whether the IRS might become involved. It is between this Act's carefully structured and limited use of the IRS, or more sweeping proposals. There may be arguments against our Federal repayment service. But they will have to be better than those hinted so far.

3. WHY REPAY THE IN-SCHOOL INTEREST SUBSIDY?

The Government currently pays lenders the statutory 7 percent interest outright while the student is in school or in periods of deferment. Under the Fair Access Act the Government would continue to pay this 7 percent interest during in-school or deferment periods, but those payments would be added in principal for eventual repayment by the student borrower.

There are powerful reasons for treating this in-school interest subsidy as a loan rather than a large hidden grant. First, so long as students can elect income-based repayment, this change will not pinch them where it counts—monthly repayments, especially in the early years out of school. For mid- and lower-income students it may lengthen the total repayment period, but not by more than about 3 years for most borrowers.[1] Moreover, the added payments would be in cheaper dollars, at a time when the borrower's career earnings are continuing to rise.

Second, this change is consistent with the GSL program's original intent—to promote educational access by giving students and parents increasing liquidity, not necessarily an outright grant.

Third, the change will not only reduce government GSL costs, but will put GSL's on a businesslike basis—an important factor where the management credibility of the whole program is under fire.

Fourth, it will promote honesty and truth-in-lending. Much debate has been spent on the relative merits of 3 percent NDSL's versus 7 percent GSL's in education circles, and administrations have been trying to do away with 3 percent loans for years. Yet because the borrower pays no interest for use of loan funds during in-school periods, the effective GSL interest rate is often as low as 3.5 percent.[2] Adding the in-school subsidy to principal would produce a true 7 percent rate—still a bargain by any standards.

Fifth, this change would provide students extra protection against the danger that Federal or State grants might be displaced by increased access to loans. The Fair Access Act takes other steps to prevent that danger, including limits designed to hold loans to a reasonable portion of total assistance. Where students are required to pay reasonable amounts for use of loan money, the temptation for governments to rely on loans rather than appropriated grants becomes still less compelling.

Finally, this change would channel more loan funds to the mid- and lower-income students who need them most. Last year's Middle Income Student Assistance Act (MISAA) made all students—not just those from families with gross income under $25,000—eligible for subsidized GSLs. But because of the in-school interest subsidy, students from upper-income families can have 5, 8, or 10 years' loan money at zero interest, simply by repaying the principal when their first payments come due. At that interest rates those students will compete heavily for available loan funds. And since their families have the best credit ratings and most substantial account relations with private lenders, they will siphon off a disproportionate share of loans, leaving less real availability for those farther down the income ladder. According to the Congressional Budget Office, one likely effect of MISSA will be to make about 150,000 fewer GSLs available to mid-income students who would otherwise have received them, before the $25,000 income cap was removed.

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[1] See Stephen P. Dresch, Institute for Demographic & Economic Studies, *Financial and Behavioral Implications of Federal Student Loan Programs and Proposals* (April 27, 1979), Table 11 (FAHE versus CAHE).

[2] Dresch, Table 12.

Mr. Speaker, there is all the difference in the world between being eligible for a GSL and actually having loan funds available to receive one. There is no reason why wealthy students should have a free ride at the expense of taxpayers and mid- or lower-income students, merely because they can afford to pay back their loan principal before they have to make interest payments. The point is better made than I can make it by a recent Peoria Journal Star article titled "Making Money on Those Guaranteed Student Loans," which actually advises upper-income students how they can profitably invest by taking out GSLs.

The Fair Access Act would reverse this trend by insuring that all borrowers pay reasonable interest for use of their GSL money—even if they repay the principal the day they leave school. It would also begin to defuse what columnist Ellen Goodman has called the "Grasshopper Syndrome"—the smoldering resentment felt by parents who have planned and scrimped for their children's college educations, yet see Mercedes-buyers getting the lion's share of government-backed aid. Those explosive feelings need to be dealt with. We can start to deal with them here.

I include in the Record two newspaper articles referred to in this statement, plus two items describing the Parent Locator Service run by the IRS:

[From the Peoria (Ill.) Journal Star, Feb. 13, 1979]

Making Money On Those Guaranteed Student Loans

Believe it or not, under the government's new Guaranteed Student Loan Program, you can get a loan even if you don't need it and never intend to use it for education. You can take the money while you're in college, invest it and pocket the interest—$300 a year or more. You don't have to repay the loan until you're through school.

Here are a couple ways you do this if your conscience is willing:

1. Borrow the maximum possible each year, invest it and repay the loan 60 days after graduation. You'll pay no interest on the loan and will pocket approximately $1,350 you've earned on your investments. Specifically:

Borrow $2,500 at the beginning of the freshman year and invest it in a four-year savings certificate paying 7.5 percent interest.

Borrow $2,500 in the sophomore year and invest it in a one-year certificate paying 6.5 percent interest. Renew it twice.

Borrow $2,500 in the junior year and invest it in a one-year certificate paying 6.5 percent interest. Renew it once.

2. Borrow the maximum possible each year, and invest it in higher-yield, longer-term certificates. Eventually, you'll have to pay back the loan, but the interest you'll earn will be at a higher rate than what you're paying.

If you borrow $2,500 during the freshman, sophomore and junior years and invest it in eight percent, eight-year savings certificates, you'll have accumulated more than $1,900 in interest by the time graduation rolls around.

You'll have to start repaying the loan nine months later. But you'll only pay seven percent interest—which will still leave you money ahead.

This plan assumes that not only do you have the money to invest to begin with, but you can repay without touching the investment.

You can continue the game if graduate school is in the picture, when you will be able to borrow $7,500 more.

Of course, you must subtract from your earnings income tax on the interest.

On the other hand, you may be able to earn nine or ten percent interest by shrewd investment in money market funds or treasury certificates.

Watching the Grasshopper Get the Goodies

(By Ellen Goodman)

Boston.—I don't usually play the great American game called Categories. There are already too many ways to divide us into opposing teams, according to age, race, sex, and favorite flavors. Every time we turn around, someone is telling us that the whole country is made up of those who drive pick-up trucks and those who do not, and then analyzing what this means in terms of the Middle East.

Still, it occurs to me that if we want to figure out why people are angry right now, it's not a bad idea to see ourselves as a nation of planners and nonplanners. It's the planners these days who are feeling penalized, right down to their box score at the bank.

The part of us that is most visibly and vocally infuriated by inflation, for example, isn't our liberal or conservative side but, rather, our planning side. Inflation devastates our attempts to control our futures—to budget and predict and expect. It particularly makes fools out of people who saved then to buy now. To a certain extent, it rewards instant gratification and makes a joke out of our traditional notions of preparation.

It is no news bulletin that the people who dove over their heads into the real estate market a few years ago are now generally better off than those who dutifully decided to save up for a larger downpayment. With that "larger downpayment" they can now buy two double-thick rib lamb chops and a partridge in a pear tree.

But inflation isn't the only thing that leaves the planners feeling betrayed. There are other issues that find them actively pitched against the non-planners.

We all know families who saved for a decade to send their kids to college. A college diploma these days costs about the same amount as a Mercedes-Benz. Of course, the Mercedes lasts longer and has a higher trade-in value. But the most devoted parent can be infuriated to discover that a neighboring couple who spent its income instead of saving, is now eligible for college financial aid, while they are not. To the profligate go the spoils.

This can happen anywhere on the economic spectrum. There is probably only one mother in the annals of the New York welfare rolls to save up a few thousand dollars in hopes of getting off aid. But she would have been better off spending it. When she was discovered this year, the welfare department took the money back. She, too, was penalized for planning.

In these crimped times, the Planned Parents of the Purse are increasingly annoyed at other parents—whether they are unwed or on welfare or just prolific. For the first time in my own town, you can hear families with few children complaining out loud at the tax bill for the public schooling of families with many children.

One man I heard even suggested charging tuition for the third child. He admitted. "It's not a very generous attitude, I know. But I'm not feeling very generous these days." He is suffering from planner's warts.

At the same time I've talked with friends whose parents prepared, often with financial difficulty, for their "old age" and illness. They feel sad when this money goes down a nursing home drain, but furious when other people who didn't save get this same care for free.

Now we are all aware that if many people don't plan their economic lives, it may be because they can't. It does no one any good to keep the cashless out of college, to stash the old and poor into elderly warehouses, to leave the "extra" children illiterate. We do want to help others, but we also want our own efforts to make a difference.

There is nothing that grates a planner more than seeing a non-planner profit. It's as if the ant had to watch the grasshopper get the goodies.

Our two notions about what's fair end up on opposite sides. It isn't fair if the poor get treated badly, and it isn't fair if those who work and save, plan and postpone aren't given a better shake. We want the winners to be the deserving. Only there is no divining rod for the deserving.

The hard part is to create policies that are neither unkind nor insane. It is, after all, madness not to reward the kind of behavior we want to encourage. If we want the ranks of the planners to increase in this massive behavior-modification program called society, we have to give them the rewards, instead of the outrage.

[From the New York Times, June 15, 1978]

IRS Helps Collect Child-Support Funds

(By Sheila Rule)

Albany.—In a major new effort to collect millions of dollars in delinquent child-support payments, the Department of Social Services is using a little-known provision of Federal law that allows the Internal Revenue Service to collect such payments from the parents of children receiving public-assistance grants.

The department initially has referred to the IRS the names of more than 5,000 parents, 4,000 of whom are from New York City, and it estimates that $23 million in arrears could be collected through this system.

State officials said they had been told by the IRS that this was the first time the child-support referral service had been used by any state.

Under the law, the Revenue Service can be hired by those states that have exhausted other avenues in their attempts to assure that delinquent child-support accounts will be paid.

$1,000 FIGURE ADOPTED

States can submit computer tapes of the Social Security numbers of any persons who are at least $75 behind in support payments, but New York has decided to pursue only those parents who have arrears of more than three months and $1,000 in court-ordered support for their children who receive welfare.

For $2.85 a case, the IRS will provide information regarding the assets of the parents, taken from tax returns. If after receiving the information, local social-services departments decide to pursue a case, they can pay $122 additional and the IRS will attempt to collect the delinquent child support payments.

Federal law allows the Revenue Service to collect delinquent court-ordered child support payments through levies on wages and property.

Payments of the arrearages to the welfare families will be made through local social-services units. If the payments are high enough, a family could conceivably be removed from the welfare rolls.

The cost of the service is shared, with the Federal Department of Health, Education, and Welfare paying 75 percent and the State and local governments each picking up 12.5 percent.

TAX REFORM ACT INVOLVED

The system is an outgrowth of a little-known provision of the Tax Reform Act of 1976.

The law states that the Secretary of Health, Education, and Welfare shall at the request of states "certify the amount of any child support obligation assigned to such state to the Secretary of the Treasury for collection . . ."

No amount may be certified for collection, the law says, "except the amount of the delinquency under a court order for support and upon a showing by the state that such state has made diligent and reasonable efforts to collect such amounts utilizing its own collection mechanisms and upon an agreement that the state will reimburse the United States for any costs involved in making the collections."

As it is made a standard procedure of the department, the system is expected to save millions in taxpayers' dollars, offsetting expenditures for Aid to Families with Dependent Children. Department spokesmen said that large numbers of these welfare recipients were children of parents—most often fathers—who had ignored family court orders to pay child support.

"We intend to make every effort," said the State Social Services Commissioner, Barbara B. Blum, "including the use of I.R.S. to collect child support payments from parents who abandon their obligations to their families, because these families too often become dependent upon public assistance."

In submitting the 5,000 names, the department suggested that I.R.S. earnings data could also be used in seeking child support increases. It also asked the service to investigate the possibility of tax fraud by absent parents who declared tax exemptions for children that they, in fact, were not supporting.

The department collected an amount estimated at $44 million last year from parents of children who receive Aid to Families with Dependent Children. It attempts to collect all the arrearages through the state's child support enforcement program, but parents who are ordered by Family Court to make payments often default and the court is sometimes too backlogged to issue necessary warrants. Also, there sometimes is an insufficient number of police personnel to execute the warrants that have been issued.

The Department estimates that 14,000 delinquent parents in New York City alone would qualify for the I.R.S. referral service.

STATEMENT BY JOSEPH A. CALIFANO, JR., SECRETARY OF HEALTH, EDUCATION, AND WELFARE

In fiscal 1978 for the first time in the history of HEW's Child Support Enforcement Program, more than one billion dollars was collected from absent parents.

This record amount—$1,050,633,099—is more than double the amount collected in fiscal 1976, the first year of the program.

These funds are used to reduce state costs for the Aid to Families with Dependent Children program, or given to families not on welfare who asked for state help in finding absent parents.

The Child Support Enforcement Program has proved to be enormously cost effective. In contrast to the more than $1 billion collected, administrative costs for the year totaled $320 million. Thus, in fiscal 1978, the program collected more than $3 for every $1 spent on administration.

As a result of the AFDC collections, in fiscal year 1978, state and local governments saved $187 million, and twenty-nine states reported that they removed 19,000 families from welfare rolls because of child support collections. In addition, taxpayers got additional savings because many of the non-welfare families who received child support payments through this program would otherwise have had to go on welfare.

Of the total collections in fiscal 1978, states collected $472 million on behalf of 478,000 AFDC families. We expect that by the end of fiscal 1979, collections on behalf of families receiving AFDC alone will reach an annual rate of $1 billion under an initiative to increase collections called "Project Responsibility," which we started last July.

Another $578 million collected in fiscal 1978 went to about 500,000 families who did not receive AFDC, but who applied to a local child support agency for aid in finding absent parents.

The Child Support Enforcement Program was enacted by Congress in 1975, under the sponsorship of Senator Russell B. Long of Louisiana, to help states local parents who are absent from home and not giving their families any financial support, establish paternity where necessary, and obtain full or partial child support.

Under the program, HEW pays state and local governments 75 percent of the costs of establishing paternity and collecting child support from absent parents.

In AFDC cases, the states keep a portion of the collections to reimburse their AFDC costs, and return part of the collections to the Federal Government. An additional portion of the AFDC collections is shared with counties as an incentive for their participation. In fiscal 1978, however, there was no net saving to HEW because our 75 percent share of administrative costs plus the incentive payment exceeded the Federal share of AFDC child support collections.

Since the program took effect in August 1975, states have collected $1.2 billion on behalf of AFDC families and $1.4 billion on behalf of non-AFDC families. These collections, which total $2.6 billion, were made at a cost of $787 million.

The Child Support Enforcement Program, enhanced by our new Project Responsibility, is a striking example of how the Administration, the Congress, and the states can work together to eliminate waste and improve the efficiency of Federal programs, and assure that scarce tax dollars are used only to support persons truly in need.●

WCAU-TV CITES NEED TO EXTEND STATUTE OF LIMITATIONS

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. GRAY. Mr. Speaker, unless the Government of West Germany acts before December 31, 1979, the statute of limitations governing the prosecution of war criminals in that country will expire.

If the statute of limitations does expire, only those Nazi war criminals against whom proceedings have already been started would be subject to prosecution. Those war criminals who so far have escaped detection would be able to find a haven in West Germany, and would be able to live openly without fear of punishment.

Because I believe that we can never excuse or forget the heinous crimes which were carried out against humanity by Nazi war criminals, I have joined with our distinguished colleagues from New York (Ms. HOLTZMAN and Mr. FISH), chairperson and ranking minority member, respectively, of the House Subcommittee on Immigration, Citizenship and International Law, in introducing House Resolution 106, which "strongly urges the government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for prosecution of those responsible for the horrors of the holocaust."

The need for such action, Mr. Speaker, is particularly acute at this time, because of the success achieved by Congresswoman HOLTZMAN in stepping up the investigation and prosecution of Nazi war criminals in our own country. At a time when Ms. HOLTZMAN has secured a commitment from the U.S. Department of Justice to spend more funds and to reorganize its effort, it would be unfortunate if the Government of West Germany were to fail to extend its statute of limitations, because it might make any newly discovered evidence useless.

Twice before, in 1965 and 1969, West Germany has extended the statute of limitations governing war crimes. The Government has recognized the special obligations it has to assure that all those who participated in the holocaust are brought to justice. Several countries, including Poland and Israel, have already proposed that the statute be extended once more, or abolished. I believe, Mr. Speaker, that the United States should add its voice to this call for justice.

I commend to the attention of my colleagues an editorial commentary on this issue aired recently on television station WCAU in Philadelphia. This eloquent plea was presented by John O'Connor, editorial director of WCAU-TV:

EDITORIAL

German and French TV watchers are finally getting a look at the American TV series on the Holocaust.

For many—particularly in Germany—this may be the first they've heard, in any detail, about the monstrous crimes committed by the Nazis against millions of Hitler's enemies—Jews, Czechs, Poles, Ukrainians, Gypsies, Russians . . . and those whose religious and political principles made them stand up against the genocidal policies of the Third Reich.

TV 10 hopes the televised drama of the Holocaust will help harden all of us never again to permit such a satanic crime.

There is still another aspect to the Holocaust that needs your attention. And mine. Many war criminals—some of them mass murders from the death-camps, are still at large. They slipped out of Germany in the smoke and confusion of the Allied victory. They found sanctuary among pro-Nazi governments in Latin America. Some have been reported in the United States, their identities changed, their protection purchased by money stolen from the death camp victims.

Today's German people must decide if the statute of limitations on certain war crimes is to expire this year.

TV 10 thinks you should urge your Congress—today—to extend the time in which Nazi criminals can be brought to justice.

Justice and the ghosts of the death camps demand it.●

THE CONSTITUTIONALITY OF THE PANAMA CANAL IMPLEMENTING LEGISLATION—THE ISSUE OF SENATE CONFIRMATION OF MEMBERS OF THE PANAMA CANAL COMMISSION

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. DORNAN. Mr. Speaker, superior officers of the United States are to be confirmed by the Senate. I do not see how we can exempt any member of any executive agency from this constitutional requirement. I do not see how we can say, once again, that the Panama Canal Treaty of 1977 can amend the Constitution of the United States. I hope my colleagues will agree. I submit a portion of the testimony of Dr. Charles Breecher on March 7, 1979 on this very topic:

TESTIMONY OF DR. CHARLES BREECHER

Re: Issue 3: Can the Senate's right to give advice and consent to the appointment of the members of the Panama Canal Commission be abridged?

The issue here comes down to whether the members of the Commission are "inferior officers", so that their appointment could be vested in the President alone. (Art. II, Sec. 2, cl. 2 of the U.S. Constitution).

According to testimony before the Senate Foreign Relations Committee, the members of the Panama Canal Commission are at the level of the U.S. Under Secretaries of State and of the Treasury. A Congressional determination that such civil officers are "inferior officers" would therefore seem excluded, if past consistent Congressional practice is any guide.

Further, while the wording of Art. II of the Constitution leaves it to the judgment of the Congress to decide on an ad hoc basis which officers are "inferior officers", such judgment must be exercised with some consistency. It further appears from the text of Art. II that those who might themselves be authorized by law to appoint "inferior officers", such as the heads of Departments, are not "inferior officers".

The Panama Canal Commission is an independent U.S. Government Agency. Its decisions are not subject to Presidential approval, nor are the transit rates which it sets. Its powers are more extensive than for instance those of the CAB or ICC, and its members appear to be at a higher level, that of Under Secretaries of State. (See page 430, Hearings before the Committee on Foreign Relations, United States Senate, 95th Congress, September 26–30, 1977, Part. I) There is no precedent of any kind to consider civil officers of the rank and authority as described as "inferior officers" and to exempt them from Senate confirmation.

If members of the Panama Canal Commission are "inferior officers", then all civil officers of the United States are "inferior officers", if non-elected. This cannot be the meaning of Art. II.

Conclusion: While the term "inferior officers" for purposes of Art. II has not been judicially defined, given the authority and level of the members of the Panama Canal Commission, an independent U.S. Government Agency, and the consistent practice of the U.S. Congress, the members of the Commission cannot, by law, be exempted from Senate confirmation.●

DECONTROL: THE WRONG WAY TO GO

HON. JOHN J. CAVANAUGH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. CAVANAUGH. Mr. Speaker, I was very disappointed in the President's decision to decontrol the price of all domestic oil and I do not believe that his proposal will either reduce consumption or result in a lessening of this Nation's dependence on foreign oil.

Since newly discovered oil currently sells at or near the world market price, I believe that there already exists significant incentive for exploration and development. Lifting controls from old oil found several years ago will merely add to the general inflation rate and cost American consumers billions of dollars. Federal decontrol of domestic oil prices will result in increasing OPEC's control of our domestic economy. They have not evidenced a cooperative spirit in their oil pricing policies in the past and I am not prepared to give them additional discretionary power now to raise oil prices (on a whim) to accomplish political goals. Should the President move ahead with his plan to decontrol oil prices under his own authority, a windfall profits tax will at last help to insure that some of the new revenues to be reaped by the oil companies can be used to develop alternative energy sources. In addition, some relief can be provided to low income persons who will surely suffer greatly from the President's proposal.

Lately, the newspapers have been replete with stories of significant profits in the oil industry for 1978 and yesterday's headline read "17 Billion Dollars Oil Overcharge Claimed." The thrust of the article is that the Department of Energy has accused the seven major oil refiners of overcharging customers nearly $1.7 billion for crude oil during the last 5½ years. Named in the article are the same companies which have recently reported huge additional profits for the last year.

The April 25, 1979 edition of the Washington Post contained a very well written article by Ellen Berman, who is the Director of the Consumer Energy Council of America entitled "Why Decontrol Won't Work." I urge all my colleagues to read the article, which is printed below, because I feel that the facts presented and the alternatives suggested are a more reasonable and rational way to accomplish the goal of gaining control over our energy consumption and production.

The article follows:

WHY DECONTROL WON'T WORK

(By Ellen Berman)

In an effort to reduce America's increasingly alarming dependence on foreign oil, President Carter proposes to remove the federal price controls that now apply to two-thirds of all domestic petroleum output. Decontrol would push the price of this oil to the OPEC cartel price—theoretically discouraging consumption and stimulating domestic oil production. Decontrol is estimated, however, to cost consumers up to $16 billion a year in higher prices for such essentials as gasoline and home-heating oil. And that enormous sum would go directly into the coffers of the major multinational oil companies. Before we fork over these billions, we need to ask some hard questions.

For our $16 billion expenditure, how much will decontrol reduce oil imports and increase domestic production? Even the White House claims decontrol will achieve only a negligible increase in domestic oil production, some 660,000 barrels per day by 1985 out of 20 million barrels per day of total U.S. consumption, just 3 percent above current use—not much help in cutting imports. Estimates by the Congressional Budget Office are even lower. And recent history suggests there might be no rise in production at all: Between 1972 and 1978, domestic oil prices jumped a dramatic 179 percent, yet U.S. petroleum output actually declined.

Will higher prices encourage conservation? the CBO estimates that by 1985 decontrol, at best, would reduce current levels of energy consumption by only 1.7 percent—again not much of a savings for $16 billion in higher fuel bills. Energy price hikes, in fact, have had little conservation effect to date. Home heating oil prices shot up 184 percent since the embargo, yet consumption actually rose 17 percent. The painful truth—abstract economic theory to the contrary notwithstanding—is that energy is so vital a commodity that price manipulation is not a sensible way to achieve conservation. Trying to solve our energy problems by sharply escalating prices is an invitation to economic and social catastrophe.

And how fairly would these higher costs be shared? Skyrocketing energy prices have already bitten cruelly into the fixed budgets of the elderly and the poor; inadequate home heating and cooling caused the deaths of several dozen elderly persons last year alone. The average poverty family now spends $1,100 of its meager $3,300 annual income on energy; that figure will rise to over $1,400 under President Carter's decontrol plan. The White House contends the poor and elderly would get a whopping $100 of special help from the proposed windfall-profits tax, but lesser seers than Jimmy the Greek, know that even this half-hearted gesture will be further eviscerated. The oil companies beat it before; their favorite Senators and Representatives are already wheeling up their multimillion dollar artillery to do it again.

Not will inequities be confined to the poor and elderly; the beleaguered middle class will not only see its own energy bills jump precipitously, but will foot the national bill for decontrol's damaging side effects—more welfare, greater medical costs and more support for aging parents who can no longer make ends meet.

Finally, what about inflation? Decontrol makes a shambles—or a sham—of the anti-inflation program. President Carter calls his No. 1 priority. How can the president expect the public to believe in a program that sanctions exorbitant increases in essential commodities while asking workers to limit salary increases to 7 percent?

The president's proposal for decontrol is a singularly ineffective, inequitable and inflationary approach to our energy problems. If decontrol is not the answer, what is? A combination of imaginative programs and policies that require strong leadership and disciplined public response.

First, the White House should immediately place oil and gas prices under the anti-inflation guidelines, since there is no justifiable reason for treating them differently from all other basic necessities. And Congress should extend the expiration date of controls on crude oil so that producers are signaled emphatically that the United States will no longer accede to every ransom demand.

Second, the conservation measures outlined in the president's speech—enforcing the 55-mph speed limit; redirecting excess electric generating capacity from utilities now dependent on oil to non-oil fired generators; efficiency standards for buildings; mandatory thermostat settings and reductions in unnecessary lighting—will yield savings greater than those alleged from decontrol, yet wil cost absolutely nothing.

Finally, the government should move to assert *its* control over the most critical sector of our national economy, rather than abdicating this control to foreign goverments and to major multinational corporations, which after all, have no public accountability and no underlying responsibility for the public welfare.

It should limit the amount of oil we may import. This might not even require rationing—because we survived the embargo without it—but even rationing could be tolerated if the public felt the burdens were equitably shared. Oil imports should be channeled through a federal import purchasing authority so that our massive buying power can be used *en bloc* to bargain with the OPEC cartel. And a federal fuels corporation charged with developing all or a portion of our vast energy resources on public lands would end our exclusive reliance on the private oil companies.

The alternatives suggested would give the nation an energy policy that is effective, non-inflationary and, most important, fair to all citizens. With this program, the president can build the confidenuce and credibility he needs. And this program, unlike decontrol, would work.●

SALT TREATIES

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. BOB WILSON. Mr. Speaker, soon the other body will be called upon to pass judgment on the SALT treaties between the United States and the Soviet Union.

There are many opinions that concern the treaties, and I am sure that in many aspects, the American people are as confused as some of us as to their content.

But to clear the air and to place the somewhat high-flown and technical aspects of the treaties in perspective—not to mention plain English—Lt. Gen. V. H. Krulak, USMC, retired, has written a primer on SALT and I believe we all should have the chance to review what the treaties mean when boiled down to laymen's terms.

The primer follows:

A PRIMER ON SALT II TREATY

(By V. H. Krulak)

Most discussions of strategic arms limitation drown early in a sea of complicated verbiage.

The only way to get anywhere in talking about the subject is to avoid the soldier's language and the scientist's rhetoric. That's not easy, but it can be done.

So, here we go. Simple questions, simple answers.

Question No. 1. What are we trying to do?

We are trying to avoid war, because one of our highest aspirations, today and every day, is peace.

Question No. 2. How are we going about it?

Our current thrust is strategic arms limitations. Through it, we hope to achieve parity between our strategic power and the strategic power of the Soviet Union.

"Parity" is the term we use now. At other times we have called it "equivalence" or "equality." But the key point is that we have abandoned any thought of "superiority." We no longer aim to preserve the peace by being stronger, but are content to risk just being equal.

Once we achieve parity—whatever that means—it is our hope to promote subsequent SALT agreements, each time obtaining mutual reduction of our forces and Soviet forces until all nuclear weapons—and ultimately all weapons—are outlawed in the world.

This is the idealistic design of SALT. It is based on two convictions, both of which are dead wrong. The first is that armaments cause wars. The second is that our fundamental disagreements with the Soviets can be solved through good faith negotiations.

But armaments don't cause wars. Nations do—because of their economic, political, territorial and ideological differences.

And good faith negotiations—honest give and take—have a pitiable history, especially where Communist countries are concerned.

Question No. 3. What are the Russians trying to do?

Just like us they want to avoid war. In their case, however, it is not because one of their highest aspirations is peace; rather that they aspire to achieve victory without fighting. There is an immense difference. We want peace; they want victory—preferably without violence—but victory in any case.

Question No. 4. And how are the Russians going about achieving their purpose?

Like us, they are using the mechanism of strategic arms limitation. Their technique, however, is quite different from ours. While giving lip service to parity, they use the negotiations to maintain and nourish their own areas of superiority while curtailing ours.

Question No. 5. How have things gone under the SALT idea so far?

They have gone just exactly as the Soviets planned them to go. In SALT I, the Soviets principal objectives were threefold.

First, they aimed to curtail our anti-ballistic missile system development because we were a mile ahead of them. They succeeded, getting us to agree to limit both sides to only one such system each.

Their second aim was to protect their heavy missile development program, which had been under way for five years and which they had managed to conceal from us completely. They refused even to agree on a definition of what a heavy missile is. There is no such definition yet, and the Russians have, since SALT I, deployed three massively powerful heavy missiles.

Finally, they were determined to get our agreement to their building a greater number of nuclear weapons submarines than we had. We agreed. We agreed that the Russians should have 62 ballistic missile submarines versus our 41, carrying 950 missiles versus our 656.

So it is clear that the Soviets got far more from SALT I than we did. Soviet Ambassador Dobrynin openly declared: "Frankly we were elated at the results of SALT I. It gave us the strategic advantage in central systems necessary to offset your forward-based systems."

Question No. 6. How can all these bad things happen to us?

Certainly, our poor record in negotiating is at matter of two basically different national systems.

Clare Boothe Luce, one of the clearest-thinking minds in our country today, puts our dilemma plainly. First, she reminds us: "The Soviet Union is a closed, hermetically sealed society. All Soviet political, economic, scientific and military decisions of even the smallest significance are closely and forcefully guarded secrets."

She then goes no to say, in contrast, "Ours is an open, not to say, wide-open-mouthed, society."

Mrs. Luce likens our interface with the Russians to a poker game, one where we play with all of our cards face up on the table, while their cards are held close to the vest.

We are certain—sadly—that we have no inside knowledge whatever about the Soviet government's secret operations and plans. However, the reverse is not equally true. To the contrary, there is every reason to conclude, with their immense network of agents in the United States, that the Soviets have found a way to penetrate some of our secret activities.

So, under those circumstances, they can risk bluffing once in a while in the poker game, and can usually get away with it because they are aware exactly of the depth of our strengths and our weaknesses.

All of this is another way of saying that to the extent we have been victimized, it is only because we have behaved with the gullibility of Little Red Riding Hood.

Question No. 7. Where are we now?

We are far down the road charted by SALT I. We are negotiating with an enemy who has all his cards concealed, while ours are face-up on the table. And there is not a genuine ace among them.

There is no supersonic B–1 bomber; we threw that card away.

There is no neutron weapon; we put that card back in the deck .

There is not a single new U.S. strategic weapons system in our operating forces, nor has there been for eight years.

The mobile ICBM system has been deleted from the 1979 U.S. federal budget.

We have fewer of every kind of nuclear weapon and nuclear weapon delivery system than the Soviets, except heavy bombers, where our 17-year-old subsonic B–52s outnumber the Soviets' new supersonic Backfire.

And the U.S. intercontinental missile force, our high cards, are becoming more and more frayed in contrast to the immense Soviet development of everything—heavy multiple-warhead weapons, submarine-launched weapons, mobile intercontinental missiles and missiles that can be "cold launched," meaning that one silo can be used repeatedly to launch more than one weapon.

Given their strength in existing hardware, given the tremendous momentum of the Soviet programs, given the fact that their military spending exceeds ours by 20 to 40 percent—as Defense Secretary Brown told Congress—given the fact that their military research and development outstrips ours by 75 percent, there is honest basis for concluding that they are ahead of us in the strategic area now, and are likely to draw farther ahead.

This gives rise to some questions that ought to keep our political leadership awake nights:

If a country is definitely superior to its major enemy in strategic weapons, why would it even consider negotiating that superiority away?

Let's say that we, by some miraculous scientific discovery, were to become overwhelmingly superior to the Russians tomorrow in strategic arms. Under those circumstances would the American people take kindly to giving that superiority away in the quest of some vague thing we call "parity"?

Why then do we assume that the Russians are going to abandon significant weapons or programs just to let us catch up? What have they ever done to warrant that kind of confidence?

Question No. 8. What, specifically, is in the SALT discussions that we should worry about?

First, we should worry about deception. In SALT I the Soviets promised to dismantle two intermediate range missiles, the SS-7 and SS-8. They said they had done so.

Later, when caught by us, they admitted that they had not. They deceived us as to the status of their heavy weapons development program, particularly, mobile land-based weapons. They deceived us as to the state of development of multiple-warhead weapons.

Despite SALT I, which prescribes that "each party undertakes not to use deliberate concealment measures," they deceived us by secretly working on a conversion of a simple anti-aircraft system into an anti-ballistic missile system. They deceived us by camouflaging submarine pens and missile silo doors, by hiding the development of two new heavy missiles.

Second, there is the matter of verification.

Meaningful verification is just not possible.

There is no on-site inspection permitted in SALT II.

Contrary to what administration spokesmen imply, satellite, electronic and optical surveillance, and communications analysis are not foolproof or adequate methods of detecting whether we are being cheated.

They tell us a lot about location of launchers and some things about testing. Recently, however, the Soviets showed us that they won't stand for too much of this kind of surveillance by changing the communication transmissions from test missiles from plain language to code, which we cannot read. And, in any case, electronic efforts cannot verify payloads or the existence of multiple weapons. Also, remember SALT is only intended to limit the number of launchers, not the number of missiles. Thus, while we might be able to detect the number of launchers, with their developing "cold launch" capability, the Soviets can secretly fabricate many weapons for a single launcher. This is something we cannot detect.

In this regard, recall that the president has said that SALT II will require the Soviets to dismantle nearly 200 launchers. With the new "cold launch" capability the reduction of 200 launchers is symbolic, nothing more.

They declare that their supersonic bombers are not capable of intercontinental operations, but we have no eyeball ability to examine the aircraft to detect an airborne refueling capability.

Another area of concern has to be cruise missiles. It appears now that under SALT II their range is to be limited to 600 kilometers. That is fine for the Russians. Cruise missiles fired to a range of 600 kilometers from the 100-fathom curve off both U.S. coasts will strike 80 percent of our industry and 70 percent of our people.

However, 600 kilometers from possible U.S. submarine missile launching positions off the Soviet Union will reach only 20 percent of their industries and 15 percent of their people.

Next, as an item of concern is the matter of heavy intercontinental missiles. SALT II does not permit us to deploy them during the duration of the three-year protocol. The Soviets are already far ahead of us in this area—by a factor of six in overall explosive power. And as they go farther into multiple warheads this superiority will grow.

Then we should be disturbed by the fact that the tentative agreement precludes our arranging for our heaviest missiles to be moved from place to place, called "multiple aiming point" to make it harder for the Soviets to pin-point them.

Finally, we should worry about the Backfire supersonic bomber. The Soviets refuse to permit it to be counted in the agreed total of strategic weapons.

Never mind that it can fly from the Soviet Union to the U.S. now, drop its bombs and land in Cuba.

Never mind that it is now capable of carrying cruise missiles; the Russians still say it is not a strategic weapon.

So, there is a great deal to worry about in the SALT documents.

Question No. 9. So what do we do?

Here is a question to which the answer is simple.

Let us allow President Carter to respond for us.

He said recently, "I will sign no agreement which does not enhance our national security."

The proposed agreement not only perpetuates our existing inferiority but stretches out the gap. Because of the Russians' heavy-weapons development, their mobile-weapons development, their cold-launch capability, their uncounted intercontinental strategic bomber force, their cruise missile range advantage, and because of the SALT limitations on our heavy-missile deployment and our cruise missile range, there is no doubt, the proposed agreement does not enhance our national security; it degrades it.

And the president must therefore not sign it!

Second Mr. Carter said, "I will sign no agreement which cannot be verified."

Fair enough. This proposed agreement cannot be verified. There is no way, no possible way, to determine how many of what kind of missiles they are building, or the range of their cruise missiles or the number of missiles whose range has been increased by addition of another propellant stage, or the true range of their bombers or of their cruise missiles.

There is just no way to know where and how much they are cheating—as they have been doing for the last six years.

True verification is a joke, and the president just cannot sign the agreement, using his own rules.

It is that simple.●

ALASKA LANDS LEGISLATION

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. DINGELL. Mr. Speaker, the National Association of Counties (Naco) has expressed its support for the Alaska lands legislation reported from the House Merchant Marine and Fisheries Committee. I would like to share this support with my colleagues:

NATIONAL ASSOCIATION OF COUNTIES,
Washington, D.C., May 3, 1979.

Hon. JOHN D. DINGELL,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN: The Alaska lands legislation will be before you on the House floor in the near future. Your vote on the legislation is critical. Legislation concerning the disposition of the federal land in Alaska must strike a delicate balance, preserving key environmental qualities while allowing for the development of the resources of the lands.

The National Association of Counties (NACo) supports the concepts of H.R. 39 (Huckaby) as reported by the House Interior Committee and as subsequently amended by the Merchant Marine Committee (Breaux-Dingell amendments). NACo does not support H.R. 3651 (Udall).

NACo believes this legislation reflects both public and private interests, not only for preserving Alaska's great natural and historic treasures, but also for protecting the Alaskan and American lifestyle, economy and jobs.

This legislation allows for the conveyance to the state of Alaska and the native corporations the lands which they have been entitled to receive. It ensures that the resources of Alaska will continue to be studied, evaluated and developed. In addition, it provides for major transportation and utility rights-of-way.

NACo believes Congress should listen to the views of the affected citizens and governments in Alaska. H.R. 39 as reported by the Interior Committee and amended by the Merchant Marine Committee has the backing of the Alaska Municipal League and the Western Interstate Region, a District of the National Association of Counties.

We urge your support of this legislation.

Sincerely,

BERNARD F. HILLENBRAND,
Executive Director.

[From the Anchorage Times, Mar. 14, 1979]

NATIONAL COUNTIES BOARD REBUFFS SEIBERLING ON D2

(By Betty Mill)

WASHINGTON.—After intense lobbying and debate, the board of directors of the National Association of Counties voted overwhelmingly Tuesday to support the Alaska lands bill approved by the House Interior Committee.

The Naco board, at its annual legislative conference, adopted a resolution supporting the D2 bill, 38-3.

The action, which was hailed by Alaska delegates to the conference, means that the Naco staff will lobby for the D2 bill on Capitol Hill.

The vote came amid threats from Rep. John Seiberling, D-Ohio, that he would work to cut off funding for the counties prime Federal program—the payment in lieu of taxes act—and was a rebuff to the Naco leadership, which wanted to defer the issue.

Fairbanks Mayor John Carlson, a member of the Naco board of directors, noted that the governor and the entire Alaska congressional delegation has lined up in support of the D2 bill.

"We realize this is not a perfect bill . . . but we in Alaska feel this is the base to start from," Carlson said. Strong support for the D2 resolution came from Calvin Black of Blanding, Utah, who noted that western delegates to the conference unanimously backed the Alaska position, and rejected the threat from Seiberling.

"It is our strong feeling that if Naco were to succumb to that type of intimidation and blackmail . . . any time any member of Congress wanted to bring us into line, he could do the same thing," Black said. "It was totally unethical for him (Seiberling) to make that kind of a threat."

Seiberling entered the fray after a Naco conference committee approved the resolution Sunday. He telephoned Naco Executive Director Bernard F. Hillenbrand, and urged that the resolution be rejected.

"He said that if the resolution passed, he would change his vote on the payment in lieu of taxes program," said Hillenbrand.

Following that, a group of Naco delegates, including Carlson, met Monday afternoon with Seiberling.

Seiberling did not follow through on the threat to block funding for the payment in lieu of taxes program when the House Interior Committee considered its budget recommendations this morning.

The payment in lieu of taxes program provides substantial funds to counties with large Federal land holdings, as compensation for the loss of property taxes. Western States are the prime beneficiaries.

Seiberling is chairman of the House public lands subcommittee and an ardent backer of the environmentalist position on the Alaska land issue.

When the D2 resolution reached the full Naco board of directors Tuesday afternoon, Naco President Charlotte Williams stunned the Alaskan delegates by requesting a motion to table the D2 resolution, which quickly passed.

The westerners quickly regrouped, and Black sabotaged the next three resolutions before the Naco board, as retaliation. This reopened the debate on the D2 issue.

Williams said, "There was no lobbying, at least on the president, for or against the resolution. But more information is needed. We did not want to do anything in this organization that would jeopardize the unity and cohesiveness of this organization."

The Naco board members engaged in a spirited debate on the D2 issue for another half-hour, and finally approved it, 38–3.

The Naco resolution puts the organization on record as supporting the bill approved by the House Interior Committee, which sets aside 99 million acres, with 51 million acres as wilderness. It also endorses the conveyance of State and native lands, provisions for major transportation and utility rights-of-way, subsistence uses by rural Alaskans, and multiple uses of Federal lands.●

MOST MAJOR OIL FIRMS CUT MAY GASOLINE ALLOTMENTS

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. ROUSSELOT. Mr. Speaker, as my colleagues know, President Carter has announced his intention to remove price controls on domestically produced oil. The President will use his authority under the Energy Policy and Conservation Act of 1975 to gradually decontrol the price of domestic oil beginning on June 1, 1979. Under the President's plan, all price controls on domestic oil will disappear by October 1, 1981. Those of us who have long supported the decontrol of oil prices as an incentive for increased exploration and production of domestic oil welcome the President's move and hope that the Congress will not attempt to postpone or prohibit the phased decontrol program. However, I feel that it is important to point out that while decontrol of oil prices will ultimately lead to increased supplies at the gas pump, current shortages—creating long lines at the gas station—are not alone caused by a limitation on supplies by the oil companies themselves, but by the Federal energy bureaucracy and its method of allocating gasoline to the various States and localities.

On Tuesday, May 1, the Los Angeles Times printed an article on its front page which ilustrates the problems created by the Federal Government's allocation system. Mr. Speaker, this is the first time I have seen, in a major metropolitan newspaper, the statement that the main allocator of what oil companies can produce is the Federal Government. The headline, "Most Major Oil Firms Cut May Gasoline Allotments," leads one to believe that the oil companies allocate supplies and make determinations on the amount of gasoline to refine as opposed to home heating oil. A reading of the article, however, makes it clear that the Department of Energy makes the determinations for the some 300 major oil companies in this country. Cutbacks in gasoline supplies, then can be traced directly to the Government's demand that the oil companies emphasize production of heating oil at the expense of gasoline. In other words the Federal Government is artificially creating the shortage.

I urge my colleagues to read the Los Angeles Times article which follows and to consider the apparently radical notion that perhaps the oil companies and the American consumers could somehow work out a plan between themselves without Government guidance or interference, which would allow supplies to rise to meet demand and permit the free market to operate:

MOST MAJOR OIL FIRMS CUT MAY GASOLINE ALLOTMENTS

(By Barbara Bry)

Motorists can expect tighter gasoline supplies this month, with most of the nation's major oil companies reporting Monday that they would supply a smaller percentage of last year's allotment in May than they did in April.

However, because of changes in the federal government's allocation rules, the cutbacks will not be as sharp as they might appear from the new figures.

The oil companies' tightened allocations apparently are designed to conserve supplies for the heavy summer driving seasons, when President Carter has warned that serious shortages may occur.

In addition, the oil companies contend the world crude oil market has not yet recovered from the reduced production in Iran, and note they have been building up stockpiles of heating oil for the winter, a step that reduces the output of gasoline.

The gradually tightening supplies have meant progressively longer waits for motorists to get gasoline, and increasingly frequent "out of gas" signs. Sooner or later, oil company officials said, the inconvenience should cut into drivers' use of fuel, but so far they have seen little sign of that.

According to announcements Monday, Exxon Corp. will reduce its allocation of last year's level to 80 percent in May from 95 percent in April, Texaco, Inc.'s supplies will drop to 80 percent from 85 percent and Mobil Corp. has cut its allocation to 85 percent from 95 percent. In addition, Union Oil Co. of California will deliver 90 percent of last year's allotment to its Western customers compared with 95 percent in April, while Eastern customers will be cut to 85 percent from 90 percent. Atlantic Richfield Co. has cut its dealers to 85 percent of last year's level from April's 95 percent.

However, Shell Oil Co. said that its allocation for May would remain at the 85 percent level set in April for states west of the Rockies.

As previously reported, Standard Oil Co. of California will distribute 80 percent in May compared with 95 percent in April.

These figures tend to exaggerate the degree of tightness for several reasons, government and company officials said.

Priority users such as agriculture and police and fire emergency services are entitled to 100 percent of whatever they used last year.

Also, under a provision introduced late in April, service stations may obtain an increased allotment if they can prove to the U.S. Department of Energy that last year's base is an unfair period to use. This provision applies to stations that experienced a business disruption last year or are located in a fast-growing area.

A spokesman for Union Oil noted, for example, that several stations in the rapidly growing Rancho Cucamonga area had already received more gasoline.

The oil companies must set aside 3 percent of their monthly production for hardship and emergency cases as determined by each state. If a state does not take advantage of this program, the companies are free to distribute the gas to their regular customers.

California was allocated 20 million gallons in April and will probably return about 80 percent of that to the oil companies for general distribution after all applications are processed, a spokesman for the state Energy Commission said.

Because of all these factors, the companies will sell more gasoline than the allocation figures indicate.

Shell said its sales this month should total 90 percent of last May's, although the allocation rate is 85 percent. Standard of California will distribute 93 percent with an 80 percent allocation formula, and Mobil expects to sell 95 percent of last year's gasoline outlay with an 85 percent allocation rate.

Exxon said it expected to distribute about the same amount of gasoline in May as it did in April. But with May historically a period of heavier driving than April, and with demand so far this year running 4 percent above 1978 levels, the same amount of gasoline can be expected to produce a greater feeling of shortage among motorists.

Cuts for diesel fuel do not appear to be as drastic as for gasoline. Union has allocated 95 percent of last year's demand for both April and May; Shell allocated 90 percent in April, which has been reduced to 85 percent in May, and Standard will allocate 95 percent for May. Other companies have not yet announced their diesel allocations for May.●

A SEPARATE DEPARTMENT OF EDUCATION? LESSONS FROM HISTORY SAY "NO"

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. FOUNTAIN. Mr. Speaker, I recently came across a statement made by a Member of Congress which sums up in a paragraph one of the most persuasive arguments against H.R. 2444, the Department of Education Organization Act. Speaking in opposition to legislation to establish a Department of Education in the Federal bureaucracy, he said:

I am not of the opinion that an establishment of this sort in this city through the

> General Government will really promote the cause of education in the country. It will be a benefit to a few persons; but that it will reach the masses of the people of the common schools of the country in any beneficial influence I do not believe.

That Member was Senator Thomas A. Hendricks of Indiana. Now for those who know that Senator BAYH and Senator LUGAR represent Indiana, let me point out that Senator Hendricks has not been in Washington for a while. In fact, he made that statement on the Senate floor on February 28, 1867, as the 39th Congress debated a bill to establish at the Federal level a Department of Education. The debates recorded in the Congressional Globe are intriguing from an historical point of view, but are also informative and enlightening for our more immediate purposes as we consider this proposal in the 96th Congress.

When the House debated that legislation 112 years ago, Representative Andrew J. Rogers of New Jersey called it—

> . . . a proposition which is a mere scheme of philanthropy, got up for the purpose of educating the children of the whole country, and the result will be that in a short time this bureau will need more clerks and expenses for stationery . . . And where will it end? It will not stop until we run up a bill of expenses that will materially injure the finances of the Government.

Representative Samuel W. Moulton of Illinois wondered aloud on the floor of the House how the so-called need for the legislation arose—how it was brought to the attention of Congress. He answered his own question:

> In last January or February the leading educational men in this great Republic met here in this city of Washington and after a long and careful conference, and a full discussion and hearing upon all sides, they came to the conclusion that a department of this kind was absolutely necessary for the benefit of the whole country and the promotion of the educational interests of the country.

Senator Garrett Davis of Kentucky also argued against the bill:

> (The bill) seems to me to be more of a device to create officers and patronage and to make drafts on the Treasury than anything else. Instead of increasing the bureaus in the Departments, I would be willing to discontinue about half a dozen of them. I think there are a great deal too many already . . . This thing of Congress drawing into the vortex of the power of the national Government so many subjects and interests that, according to my judgment, belong peculiarly to the States, and were intended to be left exclusively to State management, and that can be so much more wisely and successfully and beneficially managed by the States than by Congress, is a very mistaken policy. That is my humble opinion . . .

Despite these arguments, which made some good sense in 1867 as they do in 1979, Congress passed the bill, and President Andrew Johnson signed it into law on March 2, 1867. The Department of Education, in the words of the act, was established—

> . . . for the purpose of collecting such statistics and facts as shall show the condition and progress of education in the several States and Territories, and of diffusing such information respecting the organization and management of schools and school systems, and methods of teaching, as shall aid the people of the United States in the establishment and maintenance of efficient school systems, and otherwise promote the cause of education throughout the country.

Interestingly enough, the 39th Congress authorized not only a Commissioner of Education to manage the new Department, but also three clerks to assist the Commissioner. The Commissioner's salary was set at $4,000 a year and the clerks were to be paid salaries of between $1,600 and $2,000 per annum. Incidently, Members of Congress at the time, according to the Globe, received a salary of $3,000 per year—less than the Commissioner earned.

The Commissioner of Education was required under the 1867 act to present an annual report to Congress "embodying the results of his investigations and labors, together with a statement of such facts and recommendations as will, in his judgment, subserve the purpose" of the department. I might add that the department was not a Cabinet-level entity, but was labeled a department so that the Commissioner could select and appoint his own clerks. If it had been called a "bureau," the Commissioner, according to the state of the law at that time, could not have personally chosen his clerks.

Based on the action taken by the 39th Congress, supporters of this legislation before us in the 96th Congress might argue the 1867 act is of precedential value today. However, before that conclusion is hastily reached, let us look further at the history of the original Department of Education.

The 40th Congress repealed the Department of Education and relegated it to the status of an "office" within the Department of the Interior, under the direction of the Interior Secretary, effective June 30, 1869. That action came in the form of an amendment to an appropriations bill, signed by President Johnson on July 20, 1868.

The legislative history of the successful effort to repeal the Department shows that when the House Appropriations Committee reported the bill to the full House, no money was included to fund the Department of Education for the next year. A section of that appropriations bill mandated the automatic repeal of all statutes creating departments and bureaus not funded in the bill itself.

The termination of the Department with approximately 1 year's notice was a conference committee compromise. The House had wanted to discontinue the Department by refusing to appropriate money—the course of inaction urged by the Appropriations Committee. The Senate amended the House bill to continue full funding of the Department.

At the center of the dispute over the future of the Department was the Commissioner of Education, Prof. Henry Barnard of Connecticut, a former State superintendent of public schools in Rhode Island and Connecticut. A careful reading of the floor debates on the repeal of the Department shows that Professor Barnard was a controversial official.

For instance, Representative Elihu B. Washburne of Illinois, a member of the House Appropriations Committee, said:

> We found on examination that this Department, which was established when we were in the mood for establishing almost everything and making appropriations for almost every purpose, had never, in point of fact, been put in operation; that the Commissioner of the Department had, during the ten months or thereabout since his appointment, only spent two months of that time in Washington, and had no office here except one over a restaurant . . . If I had time I would argue the question of the necessity of a department of this kind in this country. I would like to know why we should launch out with these numerous departments.

Nowadays, we call it "congressional oversight." I do not know if the 40th Congress had a formal name for that essential function of the legislature, but the practical effect and the message are the same—repeal unnecessary and duplicative departments, agencies, and programs. Even better, do not authorize them in the first place.

In support of the repeal, Representative Washburne stated the question before the House:

> The question for the House to decide is whether at this time, when our people are crushed to the earth with taxation, when so many in various branches of labor are without employment, we shall foist this Department permanently upon the country at an annual expense of thousands of dollars . . .

In 1979, we substitute the word "billions" for Representative Washburne's "thousands" and we have fairly characterized the issue.

Representative Theodore M. Pomeroy of New York had perhaps the most succinct summation of the compelling need for repeal of the department:

> This is a barnacle that has grown on the ship of State, and the quicker we scape it off the better for the Government and the people.

As the full House considers H.R. 2444, we should bear in mind the statement of Representative John F. Farnsworth of Illinois in support of the 1868 repeal. Representative Farnsworth addressed the issue of where the major responsibility for education in this country properly lies:

> Education must start from the root, from the home, with the primer and the spelling book. Education must be patronized by the States, by the establishment of schools, colleges, and institutions of learning. They must be the custodians of the education of the children of this country and of the children of a more advanced age . . . A Department of Education located here in Washington cannot be the custodian of education; nor can such a department, it seems to me, be of any sort of advantage to the country.

A thorough examination of the legislative history of the establishment and the repeal of a Department of Education well over a century ago demonstrates that Members of the 39th and 40th Congresses were clearly concerned, as we are in the 96th Congress, about expanding the size of bureaucracy, about spending tax dollars unwisely, about establishing a mechanism which could ultimately lead to complete Federal control of education.

The Federal Government has a limited—repeat, limited—role to play in aid to education in the country. We have some good education programs going. Many could stand a great deal of improvement for the sake of economy and efficiency. However, giving education a Cabinet-level department all of its own is exceedingly dangerous. It will not solve the problems; rather, it will add to the existing problems and undoubtedly create more.

From 1867 to 1979, times have not changed as much as we think—or would like to think. To establish a separate Department of Education in 1979 would be as unwise and ill-advised as it was in 1867. If this legislation is enacted, many of us—perhaps even some of the supporters of this bill—will be back here next year or the year after that arguing, as Representative Pomeroy did 111 years ago, that we ought to scrape this barnacle off the ship of state, for the good of the Government, but more importantly for the good of the people. The best course is to reorganize HEW from within, and not let the barnacle creep further onto the body politic, by creating a new Cabinet department called the Department of Education. The Federal Government has no business institutionalizing and centralizing even the all-important subject of education, in a manner contrary to the constitutional and traditional system which reserves to State and local governments the primary and basic responsibility for the quality education of all of our children.●

ALASKA LANDS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. DINGELL. Mr. Speaker, I would like to insert for the RECORD more letters of support from conservation and sportsmen organizations relative to the Alaska lands issue and the Breaux-Dingell substitute.

ATCO, N.J., *May 2, 1979.*

Representative JOHN D. DINGELL,
Rayburn House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE DINGELL: The 46,000 members of the New Jersey State Federation of Sportsman Clubs, an affiliate of the National Wildlife Federation strongly endorse the Breaux-Dingell proposal to the Alaska lands bill and oppose the Udall-Anderson proposal to the same bill.

I remain,

JOHN J. VOLK,
President,
New Jersey State Federation of Sportsman Clubs.

ALLENTOWN, PA., *May 2, 1979.*

Congressman JOHN DINGELL,
Rayburn House Building,
Washington, D.C.

This county federation of sportsmen with 21 clubs and 11,500 members supports the Breaux-Dingell proposal of the Alaska land bill and have so informed our Congressman DONALD C. RITTER.

KENNETH E. HARTE,
Lehigh County Federation.

SPOKANE, WASH., *May 2, 1979.*

Hon. JOHN DINGELL,
House Office Building,
Washington, D.C.

Alaskans unite Ketchikan favor Huckaby-Breaux-Dingell compromise which provides for jobs and regulated growth.

TED CLIFTON, *President.*

WORLAND, WYO., *May 2, 1979.*

DEAR CONGRESSMAN JOHN DINGELL: Members of Big Horn Basin Wildlife Club support Dingell-Breaux bill and oppose Udall bill.

ED CORMIER,
President,
Big Horn Basin Wildlife Club.

BAY MINETTE, ALA., *May 2, 1979.*

Hon. JOHN DINGELL,
Washington, D.C.

Alabama Wildlife Federation board of directors voted to oppose Udall administration Alaska bill April 28.

HENRY BRYARS.

DAMASCUS, MD., *April 27, 1979.*

Hon. JOHN D. DINGELL,
Rayburn House Building,
Washington, D.C.

DEAR CONGRESSMAN DINGELL: The Wildlife Achievement Chapter of the Izaak Walton League of America reviewed and discussed the proposed Breaux-Dingell Substitute to the Alaska Lands Bill HR2219.

At our membership meeting, on April 25, 1979, the members voted unanimously to endorse the Breaux-Dingell Substitute. This action was taken since the membership believes that the Breaux-Dingell Substitute is more compatible with the aims and objectives of the Izaak Walton League and its members than either HR2219 or the Huckaby Substitute.

We wish to thank and commend you for your initiation & support of sensible conservation legislation and programs.

Sincerely,

C. P. CHACONAS, *D.D.S.,*
President, Wildlife Achievement Chapter, Izaak Walton League of America.

RIVERTON, WYO., *May 3, 1978.*

JOHN DINGELL,
House of Representatives,
Washington, D.C.

We support the right of every State to control its natural resources for the good of their State. I therefore wish to add the support of the Wyoming Wildlife Federation to the Breaux-Dingell bill.

AL CONRAD,
President,
Wyoming Wildlife Federation.●

SIMON SHNIRMAN—SOVIET PRISONER OF CONSCIENCE

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. PEYSER. Mr. Speaker, on Friday, April 27, 1979, a miraculous event occurred at New York's Kennedy Airport. In a hangar at the far end of the airport, five Soviet prisoners were able to realize their lifelong dream of freedom. At last, these brave men were allowed to exercise their religious beliefs and to finally be permitted to speak, without fear of persecution or retaliation.

This event was celebrated by over 100,000 people in New York City on Sunday, April 29, who participated in "Solidarity Sunday," a rally originally planned as a day of support for Soviet Jews but turned into a day of celebration, songs and reflection.

I was proud to be a part of that rally—to march in the parade and to personally witness the masses of people who have worked vigorously for the release of Soviet religious and political prisoners.

One of the men released by the Soviet authorities and who participated in the festivities of this day, was my Soviet prisoner of conscience, Edward Kuznetsov. Mr. Kuznetsov was arrested in 1970 for allegedly attempting to hijack an airplane to Israel and was formally charged with treason. Given the death penalty, his sentence was reduced to 15 years in a specially strict-regime camp. The motive behind his actions was to expose emigration policies for Soviet Jews, who were and are still being denied the right to leave their country. At his trial Mr. Kuznetsov stood up for what he believed and cried out, "A man must do what he ought to do."

Today, we are rejoicing with the families and friends of these released men, but we must not forget those who are still imprisoned for their religious convictions.

I am here today to remind my colleagues of the plight of another prisoner of conscience, Simon Shnirman.

Simon Shnirman was one of eight Soviet Jews arrested in the spring and summer of 1978 on trumped up criminal charges. He was sentenced on June 27, 1978 to 2½ years for "draft evasion."

Simon first applied for a permit to rejoin his father in Israel in July 1977. His application was rejected on the grounds that he had not completed his schooling at a technical institute. Five months later, Mr. Shnirman reapplied, only to be refused, once again, in February 1978. This time, he was told that it would be inexpedient for him to emigrate as his mother and sister never asked to leave the Soviet Union. At the same time, he was threatened with conscription into the Soviet Army. Soon after his family submitted a visa application, Simon was arrested on May 31 and tried a month later.

Although 29,000 Jews left the Soviet Union in 1978, according to the Soviet Jewry Research Bureau, much remains to be done. I am here today to participate in the Shatter the Silence Vigil enabling all Americans to realize that the prisoners of conscience are not faceless. We must all provide a lifeline to those left behind the Iron Curtain, to fight for increased emigration. To quote one of the freed Soviet dissidents, "Our struggle must continue."

Mr. Speaker, the true measure of oppression is not by the number of Jews who make it out of the Soviet Union—rather, it is by the number trying to get out. I am pleased to be able to take part in this vigil and hope, that in the true spirit of the Helsinki agreement, Simon Shnirman be released from prison and be allowed to emigrate to Israel.●

LAND GRANT COLLEGE RESEARCH SUPPORT

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. WAMPLER. Mr. Speaker, the land grant college system, which dates back to President Abraham Lincoln, involves a three-pronged approach—research, distribution of research findings, and training future agriculture specialists. Various aspects of these programs have long enjoyed close working relationships and financial support of Federal, State, and county governments. In recent years the Federal appropriations for support for these programs has not been keeping pace with inflationary costs. As a result, the future much-needed increases in farm productivity and efficiency needed to feed ours and the world's swelling populations are being jeopardized. In the process we are building in another probable inflationary factor and endangering our future ability to produce food for export that is such an important factor in reducing our trade deficit. Many farm, cooperative, and rural organizations are supporting, as I am, more nearly adequate funding for our great land-grant college system. I would urge my colleagues to join me in seeking such funding for our land grant colleges.

I request unanimous consent to place in the Record certain quotations from the testimony given by the American Farm Bureau Federation on this subject at the recent hearings of the Senate Agriculture and Related Agencies Subcommittee of the Appropriations Committee, requesting a halt in erosion of support for our great land-grant college system.

Excerpts from Statement of Grace Ellen Rice, Assistant Director of National Affairs, American Farm Bureau Federation

At the 60th annual meeting of the American Farm Bureau Federation in January 1979, the voting delegates of the member State Farm Bureaus adopted a policy of research which reads in part:

We strongly support continued research to find:

(1) Solutions to national energy problems;

(2) Better solutions to agriculture's environmental concerns;

(3) Acceptable controls for diseases, noxious weeds, and insects;

(4) New crop varieties with higher nutritional values and varieties suited to mechanical handling and processing;

(5) Cultural practices that improve soil and water conservation;

(6) Solutions to marketing problems;

(7) Additional uses for agricultural byproducts;

(8) New uses for agricultural products;

(9) New alternative crops;

(10) Acceptable means of recycling chemical containers; and

(11) Solution to the problems of byssinosis (a lung disease related to cotton dust).

Portions of the USDA budget address some of the concerns expressed in Farm Bureau policy. For instance, there are increases for research work on improved nonchemical methods of pest control, more efficient use of energy in agricultural operations, and non-point source pollution from water runoff from farmlands. A conflict arises, however, because these increases come at the expense of more traditional programs in areas such as research on processing, storage and distribution, and cotton and tobacco production.

Farm Bureau urges restoration of the funding for these items. The restoration of these rsearch funds will lead to increased agricultural efficiency and productivity which can partially counter the effects of rising costs caused by inflation, higher prices for imported oil and excessive governmental regulation.

We request that the Committee consider the following Farm Bureau recommendations when considering agricultural appropriations for FY 1980:

COOPERATIVE RESEARCH—SCIENCE AND EDUCATION ADMINISTRATION

We support appropriations under the Hatch Act at the levels authorized under Title XIV of the Food and Agriculture Act of 1977. In the FY 1980 budget, Hatch Act funding stands at its FY 79 level of $109,066,000. Funding for the competitive research grants program was increased from its FY 79 level of $15 million to $30 million in FY 80. Competitive grants should not be funded at the expense of Hatch Act appropriations. Farm Bureau believes that the competitive research grants program should be funded only after Hatch Act funds have been provided at the maximum authorized levels . . .

We recommend that this Committee or the Subcommittee on Agricultural Research and General Legislation of the Senate Committee on Agriculture, Nutrition, and Forestry take an in-depth look at the administrative overhead that is now built into the agricultural research program and that continues to escalate as a percentage of total funding. We are told that ARS now takes about one-third of each program budget for administrative overhead. This amount should be cut in half.●

SOLAR ENERGY: WEIGHING ITS BENEFITS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. DANNEMEYER. Mr. Speaker, much attention is being given to solar power as a future source for our country's energy needs. Some people argue that we should put much of our research and development capacity into solar energy.

A constituent of mine, Thomas Carr, is an engineer who has weighed some of the pluses and minuses of solar power. Some time ago he wrote a letter weighing the advantages and disadvantages of solar energy. The letter was published in the Santa Ana Register. I commend it to the attention of my colleagues. At this point I include the text of Mr. Carr's letter in the Record.

SOLAR ENERGY

Why is solar energy like sex?

Because although almost everyone extolls its virtues publicly, most of us have discovered privately that, oftentimes, it's not worth the energy involved—and the hidden costs are prohibitive.

Recently, Tom Hayden has been telling us that solar energy is our salvation—if we just keep the utilities' greedy fingers out of the field. This week the Energy Commission promises us that the sun and wind will release us from the grip of imported oil, nuclear energy and coal contamination. What are the basic tenets of this sun-worshipping revival?

First, the technology to harness nature's renewable energy resources exist today—and has been around for some time. Storing this energy so that it will be available at the time we want it, in a form we need, is still an elusive technology.

Second, what about cost? Certainly every swimming pool heater ought to be solar driven. The average backyard pool solar heater could save about 10 barrels of energy per year, paying for itself through fuel cost savings in a couple of years. Home solar water heating is only slightly less attractive. A solar heating system providing about 70 percent of the hot water we ordinarily need could probably be installed on a new home in Southern California for about $2,000 to $3,000. Since the average residential gas water heater uses about $50 worth of energy per year, it will take a long time to economically justify replacing gas water heaters with solar, even when the state tax rebate and rising natural gas costs are factored in.

If you've got an electric water heater however, solar looks a lot brighter. Instead of paying $200 to $300 per year to the electric company for hot water you could be spending the same amount annually to finance a home solar water heating system. Then, assuming you bought a system lasting longer than 10 years and requiring a minimum of maintenance—solar plumbers will not be free—you may be ahead of your neighbors about 1990.

What about environmental impact? The impact of home solar and wind systems will be much more localized, primarily affecting the user in an aesthetic sense. Large amounts of electricity, however, will require huge energy farms. About 10 million acres of biomass (nature's solar converter)—10 percent of the total area of California would be needed each year to supply enough energy to generate the amount of electricity we now use in California. Nature-assisted solar converters, such as the solar thermal electric plant being planned near Barstow, provide about a hundred-fold increase in land use efficiency, but at a significant cost penalty. After all, Mother Nature only asks for a little (a lot of?) water, fertilizer and time.

Windmills convert wind to electricity directly, with no water or waste disposal requirements. They're safe and practically economic right now. The only drawback—there isn't enough wind to supply more than a small fraction of our future electrical needs.

Recent studies have suggested that the energy required to manufacture solar collectors may be more than the energy they'll collect. For example, a one square foot collector area will harvest about one barrel of solar energy every 10 years. Since it required a barrel of energy to manufacture the collector, there's no net energy gain for at least 10 years.

Although my heart tans with solar optimism, my head is clouded with doubts. Maybe the fact that the utilities haven't previously developed solar and wind energy is more related to the historically low cost of oil than to sinister profit motives.

Thomas L. Carr.

HOUSE OF REPRESENTATIVES—*Friday, May 4, 1979*

The House met at 11 a.m. and was called to order by the Speaker pro tempore (Mr. BRADEMAS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, D.C.,
May 3, 1979.

I hereby designate the Honorable JOHN BRADEMAS to act as Speaker pro tempore on Friday, May 4, 1979.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Let Your light so shine before men, that they may see Your good works, and glorify Your Father who is in heaven.—Matthew 5: 16.

Gracious Father, we pray that we may witness to Your glory with praise and thanksgiving, and also to seek to testify to the right, the truth, and the good in the daily concerns of our lives. May we not be so overwhelmed by the needs of our Nation or of the world that we become frustrated and cause despair and fear to rule our lives. Give us, instead, the strength to act for the good of the people, with the assurance that Your spirit will encourage us and renew us with hope and confidence. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 114. Concurrent resolution authorizing concerts by the National Symphony on Capitol Grounds.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 237. An act to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes;

S. 544. An act to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development; and

S. 967. An act to recognize the critical rail transportation situation in the Northwest due to the proposed embargo of service on the Milwaukee Railroad and to recognize the need for expedited consideration of congressional action.

BUSHEL FOR BARREL

(Mr. WEAVER asked and was given permission to address the House for 1 minute.)

Mr. WEAVER. Mr. Speaker, I will soon be reintroducing my national grain board bill which if enacted will enable this country to raise prices of our grains overseas toward the goal of a bushel of grain for a barrel of oil. A new song is being played around the country whose theme is "bushel for barrel." This song will surely popularize the need for this Congress to enact the grain board bill.

The song holds out the possibility of our cutting off our food supplies to the rest of the world. That is poetic license. We do not want to do that; we just want to restore equity in the prices of grain and oil.

Indeed, we sell our grain mainly to other industrial nations whose balance-of-payments surpluses enable them handily to pay more for our grain.

Third World countries will be helped by stable world grain prices, for they will aid these people better to develop their own agriculture and feed themselves. Our own emergency famine food programs would be enhanced as we could more readily afford relief offset by sales to the wealthy nations.

ELECTIONS IN GREAT BRITAIN SIGNAL CHANGE IN POLICY ON RHODESIA

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, it comes as good news to the people of Great Britain, I am sure, the returns which now indicate that the redoubtable Margaret Thatcher will be their new Prime Minister. The "Mother of Parliaments," the House of Commons, now will be in control of the Conservative Party. For the Carter administration this change has a particular meaning, and that is that the Carter administration will stand in isolation on its policy on Rhodesia and its failure to recognize the majority black rule government of Bishop Abel Muzorewa.

Even as this was happening in Great Britain, our Ambassador to the United Nations, who happens to be on the island of New Guinea at the moment, was denouncing the Rhodesian elections as a fraud. I do not know how he knows this because he opposed the opportunity to send official observers and certainly cannot form a judgment firsthand. I suspect that while the Ambassador is in the South Seas, he might want to select a lonely island where he and Mr. Carter can gather with their Rhodesian policy in splendid isolation, as they deserve. I think it is only a matter of time that both this Congress and the new British Government will lift sanctions and recognize the new Government of Rhodesia as it deserves to be recognized.

ANOTHER CALL FOR ACTION ON RESOLUTION FOR EXPULSION OF MEMBER

(Mr. DOUGHERTY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGHERTY. Mr. Speaker, today is the 64th day since the matter involving the gentleman from Michigan (Mr. DIGGS) was referred to committee. The majority leader, in his impassioned plea here on the floor, promised that this question would receive immediate attention in committee. He indicated that some resolution to this question would be recommended—certainly within 60 days. Well, it is now 64 days and there has been no resolution. As I stated on the floor during debate on this matter—my constituents are outraged, dismayed, and disgusted that a convicted felon is permitted to serve in this Congress, and vote on matters affecting our national well-being. The insistence of the Representative from Michigan in continuing to vote on matters before this House is an insult to the integrity of this House as an institution and an affront to every Member. Those of us who believe that a convicted felon does not belong in Congress stand and ask "how long, how long" must this travesty go on. We will not be silent. We will daily call before the American people this outrage, until the powers that be in this body place this matter once again before this House for resolution.

□ 1105

WHERE IS THE EQUITY?

(Mr. GRISHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GRISHAM. Mr. Speaker, I am angry.

My constituents in the 33d District in the heart of southern California are angry.

The citizens of the State of California are angry.

Item: San Francisco, man stabbed while waiting in long line to get gasoline by another angry line waiter.

Item: Los Angeles, fist fights break out over place in line to get gasoline.

Item: Main intersection 33d District,

□ This symbol represents the time of day during the House Proceedings, e.g., □ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

all four gas stations closed due to lack of gas.

Item: Gas stations in California closed for the last three weekends and open hours curtailed to rush hours only on Monday through Friday.

I asked my staff to random sample to the rest of the Nation:

For your information: Cheyenne, Wyo., quote from the Cheepie Oil Co.:

> We have no reduction—we are on normal hours.

For your information: Plains, Ga., quote from Plains, Gulf station:

> No problem at all—our allocation same as last year.

For your information: Newton, Mass., quote from Gulf station, Commonwealth Avenue:

> No lines, allocation dropped some, closing little early on Sunday."

For your information: Minneapolis, Minn., quote from Texaco station:

> No crisis as yet—open same hours—lost some volume.

I rise before you to ask, where is the equity?

Our President has stated on several occasions—

> The American people must share equally in the burden created by the present energy crisis.

Again, I ask of you, where is the equity?

This morning Governor Brown may announce gas rationing for the State of California.

This is particularly galling to the people of my State who can see wells pumping, refineries in operation 24 hours, tankers sitting low in the water waiting to unload in the Los Angeles-Long Beach Harbor, and gasoline crossing the border into Tiajuana.

There is an aroma filtering back to me which is not pleasant. I demand an explanation from our President and the Department of Energy. The people of my State agree to sharing our Nation's burden—we do not agree to shouldering it alone.

PROVIDING FOR 15 ADDITIONAL POSITIONS ON U.S. CAPITOL POLICE FORCE

Mr. ANNUNZIO. Mr. Speaker, by direction of the Committee on House Administration, I call up a privileged resolution (H. Res. 229) providing for 15 additional positions on the U.S. Capitol Police Force, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 229

Resolved, That (a) in addition to the number of positions on the United States Capitol Police Force, and of such personnel detailed to such police force from the Metropolitan Police Force of the District of Columbia, existing on the date of adoption of this resolution, there are hereby authorized to be established 15 positions on the U.S. Capitol Police Force, for duty under the House of Representatives, as follows:

(1) one position as inspector;

(2) two positions as sergeants;

(3) four positions of special technicians at a rate of compensation which is equal to the rate in effect for sergeants;

(4) six positions as detectives; and

(5) two positions as plainclothes officers.

(b) Each appointment to any such additional position shall be made by the Capitol Police Board, subject to prior approval of the Committee on House Administration, without regard to political affiliation and solely on the basis of fitness to perform the duties of the position.

Sec. 2. The per annum gross rate of pay of each officer or member appointed to such additional positions shall be in accordance with the current Capitol Police Pay Schedule approved by the Committee on House Administration. The hourly rate of pay of such officer or member is determined by dividing his or her annual pay by 2080.

Sec. 3. There shall be paid out of the contingent fund of the House of Representatives, until otherwise provided by law, such sums as may be necessary to pay the rates of pay (including overtime pay) and the costs of uniforms and equipment, and to cover necessary expenses incident to carrying out the purposes of this resolution.

Mr. ANNUNZIO (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the resolution be dispensed with and that it be printed in the Record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The SPEAKER pro tempore. The gentleman from Illinois (Mr. Annunzio) is recognized for 1 hour.

Mr. ANNUNZIO. Mr. Speaker, I yield myself 30 minutes, pending which I yield 30 minutes to the distinguished ranking minority Member, the gentleman from Alabama (Mr. Dickinson).

Mr. Speaker, this resolution was adopted unanimously by the Committee on House Administration. It provides necessary security for the House galleries and areas adjacent to the House Chamber as recommended by a panel of police experts which included the Secret Service and the FBI. Presently, this security is being provided by the assignment of off-duty officers at overtime rates of pay. Hence, there is a budget savings to be made by adoption of the resolution.

The savings in the current budget for the House of Representatives is calculated in the following manner: First, the 1978 annual budgeted cost for four Metropolitan police officers, who are being replaced, was $158,890. Second, the 1978 overtime paid off-duty officers for the work to be performed was $150,822. Together, these two expenditures totaled $309,712. It is estimated that under the current Capitol Police pay schedule, total annual salary costs for the 15 additional policemen will be $284,823. Expenditures for uniforms and equipment will equate to $12,047. These two figures total $296,870 leaving a budget savings of $12,842 by adoption of this resolution.

In addition to the existing positions on the U.S. Capitol Police Force, and of such personnel detailed to such police force from the Metropolitan Police Force of the District of Columbia, there are to be established additional positions under the House of Representatives, as follows:

First. One position of inspector;

Second. Two positions of sergeant;

Third. Four positions of special technician;

Fourth. Six positions of detective; and

Fifth. Two positions of plainclothes officer.

Four of the positions are to provide technical expertise in the radio maintenance, vehicle maintenance, and budget and finance control units of the police force. The rank of special technician, at the equivalent salary of a sergeant, is provided to help the Capitol Police Board recruit and hold manpower of appropriate technical training in competition with prevailing rates and benefits offered by area industry.

One of the positions is to fill a vacancy created by the retirement of a Metropolitan Police inspector who was assigned to the Capitol Police Force. This position commands all plainclothes officers including those officers providing security for the House and Senate Chambers. It will be filled by promotion of a member of the Capitol Police Force. There is no other provision by which this metropolitan rank can be transferred to the Capitol Police Force.

The balance of 10 positions are to provide the necessary security for the House Chamber that was recommended by the panel of outside police experts.

The intent of this resolution is to integrate these 15 additional positions into the existing Capitol Police pay schedule system as approved by the Committee on House Administration, and not to establish any special provisions of entitlements, rights, or pay for the Capitol Hill Police. Instead, there is a budget savings for the taxpayer of approximately $12,842. I urge adoption of the resolution by unanimous consent.

Mr. Speaker, I yield for debate purposes only to the gentleman from Alabama (Mr. Dickinson).

Mr. DICKINSON. Mr. Speaker, I thank my colleague for yielding.

I would just like, if the gentleman would respond to a couple of inquiries, because I think it would be in the interest of all concerned, develop this for the record and answer some questions that I know that the Members might have and which I have been asked also.

It was not my privilege to attend the hearing when the testimony was given here. I think I know the answers, but if my distinguished colleague would respond to some inquiries that I have for the record, I think it would be helpful.

We are adding 15 new policy positions to the number that we presently have on the force. I understood the gentleman's statement, but now how many of these will be for the gallery, and are they taking the place of those who are presently employed at the gallery, and why are we having to put new people on board?

Mr. ANNUNZIO. Out of the 15 positions, 10 positions are for the gallery. They will be replacing people who presently are off-duty policemen, who are being paid overtime for working in the gallery. As I explained, this will result in a savings.

Mr. DICKINSON. Well now, we have had certain security officers for as long as I have been in the Congress that do, in fact, work to provide security within the gallery. Why are the additional numbers needed? Is there some study or some identified need that has arisen recently that would require the additional numbers that have been filled temporarily by off-duty policemen?

Mr. ANNUNZIO. There are no additional numbers. Off-duty policemen, working for overtime pay, are being replaced with officers on regular pay so that it will not be as expensive as it has been in the past.

Mr. DICKINSON. It was my understanding, and perhaps I am in error, but it was my understanding that some time in the recent past that a comprehensive study had been made and a recommendation was made at that time that additional security people be provided in the gallery in order that any potential threat might be met, and that this had been met by hiring off-duty policemen on a temporary basis.

Is it true that now we are hiring people on a permanent basis to take the place of the off-duty policemen, who have been filling in, to fill the need that had been identified?

Mr. ANNUNZIO. The gentleman from Alabama (Mr. DICKINSON) is absolutely correct.

Mr. DICKINSON. If I understood correctly, by paying off-duty policemen we are having to pay them time and a half, and by replacing them with full-time employees and not paying them the premium for time and a half, it is, in fact, a savings over what we are presently employing? Is that correct?

Mr. ANNUNZIO. The gentleman from Alabama stated the situation correctly.

☐ 1115

Mr. DICKINSON. Let me also bring something else out that I think would be of interest and should be a part of the record. Very recently, one of our colleagues got a telephone call from his wife, or he called his wife, and he lived here on the Hill. His wife had a stranger who had forced himself into their home and was holding her hostage at knifepoint. She communicated in the telephone conversation that all was not well, whereupon our colleague left and requested one of the Capitol Hill policemen to accompany him home, because he was fearful that his wife was in danger—a matter of some three or four blocks from the Capitol office building.

The officer with whom he spoke—and it looks like we have a lot of officers up here—said he could not leave his post where he was stationed even to accompany the Member. As it turned out, the Member's wife was being detained at knifepoint, was being assaulted, and she was seriously injured. I wonder if we might, for the record, see if anything has been done to correct the situation, and if that is in fact the case.

Mr. ANNUNZIO. I want to say to the gentleman from Alabama that when the police chief and other officials of the Capitol Police Department were before the subcommittee, they were questioned at great length about this particular incident. The committee received assurances that the proper steps would be taken to correct these situations in the future if they occur. In addition to that, this question was also raised in the full committee, and once again we were assured by the chief that they are aware of it, that the men are being informed.

I, myself, asked the question, "You know, you have these walkie-talkies, and when an incident like this occurs, why don't you call the Metropolitan Police, contact one another and work together on emergencies like this one."

As the gentleman from Alabama knows, some 4 or 5 years ago when we really began to look into the Capitol Police Department and its needs, we developed a training program. We put in physical examinations for applicants to the force; we made sure that they could hold a gun—that is right, so that they could hold a gun properly and not shoot themselves—and so we are improving and developing a professional police department.

We have been assured by the chief that all of the people on the force have been alerted; that the necessary remedial steps are being taken to correct these situations in the future. On the other hand, I want to say to the gentleman from Alabama, that we have also been receiving letters of commendation from our Members.

Here is a letter from the gentleman from California (Mr. MCCLOSKEY), who wrote to the Speaker, and I have a copy, commending a group of Capitol Police officers whom he personally observed handling a very difficult and challenging situation in the corridor of the Cannon Building where over 1,000 young people under the auspices of the Libertarian Students Against the Draft conducted a rally on the Capitol steps. The letter reads as follows:

WASHINGTON, D.C., *May 2, 1979.*

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I want to commend a group of Capitol police officers whom I personally observed handle a very difficult and challenging situation in the corridors of the Cannon Building on Monday, April 30th.

On April 30th, over 1000 young people under the asupices of the Libertarian Students Against the Draft conducted a rally on the Capitol steps. At 3:30 p.m. they moved into the Cannon Building to protest my National Youth Service bill, H.R. 2206 in and outside my office at 205 Cannon.

The individuals involved blocked the corridor, and when initially asked by Lieutenant D. H. Buckley to permit use of the corridor to others, the group Chairman urged his companions to lock arms and be arrested if necessary.

As a former Marine officer, I can personally attest that the crowd control techniques, personal conduct and command presence of the eleven officers met the highest standards of professional competence, and would justify an appropriate military decoration had the officers been members of the combat services. They defused a very delicate and dangerous situation that could easily have turned into an ugly and violent confronttation.

I respectfully request that a copy of this letter be placed in the permanent file of the officers involved and that the House take such other action to commend them for their performance as may have been customary in similar circumstances in the past.

The officers involved are as follows:

Lieutenant D. H. Buckley, Sergeant G. R. Sayler, Sergeant T. J. Noe, Private P. J. Nolan, Private D. J. Hogan, Private D. W. Phelps, Private J. P. Gear, Private E. Misiano, Jr., Private P. Speights, Private L. A. Schweinsberg, and Private D. H. Lohman.

Sincerely:

PAUL N. MCCLOSKEY, Jr.

We do get some criticism, but we also get substantial praise from the Members. I do hope, that when this resolution is approved today, all of us can look with pride on an improved police department for Capitol Hill.

Mr. DICKINSON. Well, I thank the gentleman. Let me just say that I have been a member and cognizant of the activities of the gentleman's Subcommittee on Police and Personnel for several years now, and as our distinguished chairman of the subcommittee has said, several years ago, before this committee was formed, most of the police on the Hill up here were patronage employees.

☐ 1120

They did not have to take a physical; they were not necessarily physically fit; and some could not even run up a set of stairs if there had been an emergency. They had no formal training. They had no police training necessarily, and this has been rectified. We have done away with the spoils system, the patronage system, in that so many are of Republican appointment or so many are of Democratic appointment, and we are trying to build a professional force.

As the chairman has said, a physical is required. A training session is required. There is a requirement that they have some training in firearms.

So I can think of no place as unique as the Capitol in its myriad needs, and the numbers of people and the numbers of strange situations that develop as do here on Capitol Hill. I want to commend the chairman of the subcommittee, the gentleman from Illinois (Mr. ANNUNZIO). But I would say that I think it was, indeed, a very black mark against the Capitol Hill Police if a policeman was so uninformed and untrained in a case of a genuine emergency that he not only could not leave to accompany a Member three blocks when his wife was being attacked, but he could not even phone ahead to the Metropolitan Police to secure help. So I want to commend the gentleman. I have no objection or reservation to the requested proposals here, and I hope we will continue to build toward a good, viable, professional police force to offer protection to the Members and to the public who come to the Capitol each year as visitors—students and others. I thank the gentleman very much.

Mr. ANNUNZIO. Mr. Speaker, I would like the record to show that the gentleman from Alabama (Mr. DICKINSON), and the other minority members of the committee have been most cooperative and merit much of the credit for the professionalizing of the Capitol Hill

Police. I thank him for his help, for his assistance and for his cooperation.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I just want to say, Mr. Speaker, that while the incident which the gentleman from Alabama (Mr. DICKINSON) refers to is certainly most regrettable and perhaps reflects the problems with one individual officer, it has been my experience, having observed the Capitol Hill Police force as well as the Metropolitan Police who are assigned to the "Hill" for more than 25 years now in my association with the House, that they do a very creditable job in almost every instance, under the most trying circumstances. That duty of course, includes having to be diplomatic to Members of Congress whose egos sometimes are greater even than prima donna quality, as well as taking care of massive amounts of people who come through here to see, to visit, to picket, or demonstrate for or against Congress.

I think the incident is very regrettable and it will probably be taken care of in the future, but I do not know whether we need 15 more policemen. I accept the gentleman's explanation that this will save money. I do think we need special recognition for any policemen, Metropolitan or Capitol Hill, who have to sit in the galleries all day and night to listen constantly to what goes on in the House. The Members can get up and leave, but the staff must stay, and in that sense I think they deserve special recognition, if not hardship pay.

Mr. ANNUNZIO. I thank the gentleman.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. ANNUNZIO. I yield for purposes of debate only to the gentleman from New York.

Mr. SOLOMON. I thank the gentleman for yielding.

I am relatively new in this House; therefore, I am not going to make too much of an issue over this legislation. But I do find it rather hard to justify creating new positions as opposing the overtime we may be paying to off-duty policemen. I certainly also want to commend the Capitol Hill Police force for the excellent job that they have done, but it just seems to me that we have to be extremely careful about creating new positions at any level of Government.

I introduced an amendment yesterday, a perfecting amendment, which reduced operating expenses of the Congress itself by $2,400,000, because we should be setting an example to the American people and it was accepted by the House. But I think that the time has come when we are going to have more public employees and more people who have retired on public pensions than we are going to have taxpayers to support them. I do not know whether this is really justified or not. I am going to have to take the gentleman's word for it and my colleague, the gentleman from Alabama's word for it, because I have not been here long enough to decide. But I think in the future we should be careful about increasing any new positions at any level.

☐ 1125

Mr. ANNUNZIO. Mr. Speaker, I thank the gentleman for his contribution, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3464, SUPPLEMENTAL SECURITY INCOME DISABILITY AMENDMENTS OF 1979

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–117) on the resolution (H. Res. 259) providing for the consideration of the bill (H.R. 3464) to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PROVIDING FOR CONSIDERATION OF H.R. 39, ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 243 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 119]

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Ashley
AuCoin
Bafalis
Baldus
Beard, Tenn.
Bedell
Biaggi
Blanchard
Boggs
Bonior
Bouquard
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burton, John
Burton, Phillip
Campbell
Carr
Carter
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Conyers
Corman
Coughlin
Courter
Crane, Philip
Davis, Mich.
de la Garza
Devine
Diggs
Dixon
Dodd
Dornan
Dougherty
Downey
Eckhardt
Edwards, Ala.
Edwards, Okla.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fish
Flippo
Flood
Ford, Mich.
Frenzel
Frost
Garcia
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Gray
Guarini
Guyer
Hamilton
Harkin
Harsha
Heckler
Hefner
Hightower
Hollenbeck
Hubbard
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Kemp
LaFalce
Latta
Leland
Lent
Levitas
Lloyd
Loeffler
Long, La.
Lott
Luken
Lundine
McClory
McCloskey
McDonald
McEwen
McHugh
McKinney
Marlenee
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Michel
Mikva
Mineta
Mitchell, Md.
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Nichols
Nolan
O'Brien
Oakar
Ottinger
Panetta
Patterson
Paul
Peyser
Preyer
Pursell
Quayle
Rahall
Ratchford
Richmond
Robinson
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Santini
Sawyer
Scheuer
Schroeder
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
St Germain
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stump
Synar
Taylor
Traxler
Treen
Ullman
Vanik
Walker
Wampler
Watkins
Waxman
Weiss
White
Whitehurst
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1140

The SPEAKER pro tempore. On this rollcall 241 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

PROVIDING FOR CONSIDERATION OF H.R. 39, ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read the resolution, as follows:

H. RES. 243

Resolution providing for the consideration of the bill (H.R. 39) to provide for the designation and conservation of certain public lands in the State of Alaska including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes

Resolved, That upon the adoption of this resolution it shall be in order to move, section 402(a) of the Congressional Budget Act of 1974 (Public Law 93–344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 39) to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed five hours, three hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interior and Insular Affairs and Representative Huckaby and two hours to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs now printed in italic in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections and each title shall be considered as having been read, and all points of order against said substitute for failure to comply with the provisions of clause 7, rule XVI are hereby waived. It shall be in order to consider as an amendment in the nature of a substitute for said substitute the amendment recommended by the Committee on Merchant Marine and Fisheries now printed in boldface roman in the bill and said amendment shall be considered as having been read, and it shall be in order to consider as a substitute for the amendment in the nature of a substitute recommended by the Committee on Merchant Marine and Fisheries the text of the bill H.R. 3651 if offered by Representative Udall, and said substitute if offered shall be considered as having been read. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute recommended by the Committee on Interior and Insular Affairs. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. Bolling) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Maryland (Mr. Bauman), pending which I yield myself such time as I may consume.

Mr. RHODES. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the distinguished minority leader, the gentleman from Arizona (Mr. Rhodes).

LEGISLATIVE PROGRAM

Mr. RHODES. Mr. Speaker, I requested the gentleman from Missouri (Mr. Bolling) to yield for the purpose of inquiring as to the program for next week, and I understand the gentleman from Pennsylvania (Mr. Murtha) is prepared to inform the House.

Mr. MURTHA. Mr. Speaker, if the gentleman will yield, the program for the rest of the day will be consideration of House Resolution 243, and then there will be general debate until no later than 3 o'clock.

The schedule for next week is as follows:

The House will meet at noon on Monday. There will be the call of the Consent Calendar, followed by four bills under suspension. Votes on suspensions will be postponed until the end of all suspensions.

The suspension bills are as follows:

H.R. 3404, to extend Treasury draw authority from Federal Reserve;

H.R. 3757, technical amendments for National Parks Act of 1978;

H.R. 3756, authorization for Trust Territories and insular areas of United States; and

H.R. 2807, nondischargeability of certain student loans.

Then the House will continue consideration of House Concurrent Resolution 107, the congressional budget for the U.S. Government, fiscal year 1980.

On Tuesday, May 8, 1979, the House will meet at noon. There are no bills scheduled on the Suspension Calendar.

We will complete consideration of House Concurrent Resolution 107, the congressional budget for the U.S. Government, fiscal year 1980, following which we will take up House Resolution 209, approval of emergency standby temperature restrictions on certain buildings.

On Wednesday, May 9, 1979, the House will meet at 3 o'clock p.m.

Scheduled is consideration of House Resolution 212, approval of emergency standby authority for gasoline rationing, and H.R. 39, Alaska National Interest Lands Conservation Act of 1979, which will consist of votes on amendments and the bill.

On Thursday, May 10, 1979, the House will meet at 11 o'clock a.m., and we will take up H.R. 10, civil rights of institutionalized persons, an open rule with 1 hour of general debate.

On Friday, May 11, 1979, the House will meet at 11 o'clock a.m., and will take up S. 869, clarification of conflict of interest restrictions on former government employees, subject to a rule being granted.

The House will adjourn by 3 o'clock p.m. on Friday and by 5:30 o'clock p.m. on all other days except Wednesday, and conference reports may be brought up at any time. Any further program will be announced later.

Mr. RHODES. Mr. Speaker, I thank the gentleman.

□ 1150

Mr. YOUNG of Alaska. Mr. Speaker, will the gentleman from Missouri yield?

Mr. BOLLING. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. Mr. Speaker, I would like to request a point of information of the gentleman from Arizona.

Mr. UDALL. Mr. Speaker, if the gentleman will yield, for the purposes of this afternoon's debate we have negotiated between all sides relating to the Alaska bill and have agreed that sometime this afternoon before 3 o'clock we will have enough of the 5 hours allocated to general debate to satisfy our purposes today, but the 2 hours of general debate should be left remaining for next Wednesday.

At the appropriate time I will make the necessary request, which has been agreed to by Chairman Murphy of New York, Mr. Forsythe, Mr. Young of Alaska, Mr. Huckaby, and Mr. Breaux, so that 40 minutes will essentially be left for the three principal sides next Wednesday.

Mr. YOUNG of Alaska. I thank the gentleman.

Mr. FOLEY. Mr. Speaker, will the gentleman from Missouri yield?

Mr. BOLLING. I yield to the distinguished chairman of the Committee on Agriculture.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL MIDNIGHT TOMORROW, MAY 5, 1979, TO FILE REPORT ON H.R. 2172

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tomorrow to file a report on the bill, H.R. 2172, International Sugar Stabilization Act of 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. Vento).

Mr. VENTO. Mr. Speaker, I thank the chairman of the Rules Committee for yielding to me. I rise in strong support of the rule. I commend the committee for its fair and equitable treatment of all the interests represented, and of course I am in support of the Udall-Anderson bill. We have worked long and hard on this.

Mr. Speaker, today the House is taking another step in the process that will result in one of the most important pieces of national conservation legislation of all times. The decisions that we will make next week will establish the policies that will determine the fate of our Nation's last frontier and last wilderness, Alaska. Our decisions will determine whether the indescribable beauties and wonders of Alaska are protected for future generations or will fall victim to the loggers' ax and the oil companies' drill. There is no middle ground. Either some of these areas will be afforded adequate protection or they will be scarred by man's encroachment. The decisions that we make will have an impact on future generations of Americans, once we decide to open an area to development there will be no turning back. Man's exploitation of Alaska's resources will preclude that alternative.

The decisions that we will make on Alaska are not easy. We must seek to balance our immediate needs for the vast resources of that State with the equally pressing need to protect for ourselves and for future generations of Americans the unique qualities of Alaska. I am saddened to note the level of discussions, name-calling, emotionalism, and scare tactics employed to win support for proposals. The consequences of the decisions that we make are too grave and too long-lasting to be based on such input. Fortunately a wealth of information on the related issues to Alaska has been gathered during the past 3 years of congressional study. These facts show beyond the shadow of a doubt that the House acted wisely in passing H.R. 39 during the 95th Congress and that for this Congress, only the Udall-Anderson bill achieves the desirable goal of balancing our various and occasionally conflicting demands on Alaskan lands. Only this bill can responsibly meet our immediate needs for the resources of the State while offering adequate protection for the land.

At this time I would like to review some of the issues surrounding the Alaskan lands legislation and the facts that have come to light on these issues during the past 3 years of congressional study.

Our country is facing an energy crisis. No one can deny that fact; neither can anyone deny that the oil and gas potential of Alaska will eventually help to lessen our dependence on foreign energy sources. But Alaskan oil and gas is not a cure-all and above all else it will not provide immediate relief for Americans. Even if five more Prudhoe Bays were to be discovered today, it would be years before these new discoveries could benefit Americans. We are now having a difficult time utilizing current supplies of Alaskan crude and I am certain that any new resources would find their way to Japanese consumers in much the same manner as Alaskan lumber. The Udall-Anderson bill recognizes the potential of Alaskan oil and gas and does provide for the same development of those resources. It provides for the potential exploration and development of approximately 95 percent of the onshore areas which have either high or favorable potential for oil and gas and 100 percent of the offshore potential sites, which according to the U.S. Geological Survey and the State of Alaska comprises two-thirds of Alaska's oil potential. The Udall-Anderson bill is, in effect, saying over 95 percent of the total oil and gas reserves is open to potential development. And what of the other 5 percent? That acreage is, as Secretary of the Interior Andrus stated, one of the crown jewels of Alaska, the Arctic Wildlife Range. The prime calving ground for North America's largest caribou herd, the Porcupine caribou herd, is particularly sensitive to any incursion by man. The continued survival of the herd and oil exploration and development are incompatible. The development of the range would devastate the herd. As Justice Thomas R. Berger of Canada, who chaired an extensive judicial injury in the effects of development in the North concluded:

> I think it is likely that industrial development in the coastal calving ground would reduce the Porcupine caribou herd to a remnant.

The Udall-Anderson bill does not heedlessly sacrifice this area and the wildlife dependent upon it for developmental interests. This bill establishes priorities based on the facts presented. It permits and encourages the development of our 95 percent of the other areas of high potential before turning to this last alternative. The bill recognizes that the Arctic Wildlife Refuge is special and that any impacts from man's incursion are irrevocable and treats it with proper consideration. The other proposals reject the international importance of this area.

Mineral development will be able to proceed under the Udall-Anderson bill. Alaska is potentially a vast warehouse of hard-rock minerals. How great this potential actually is has yet to be determined, but the Udall-Anderson bill provides the necessary mechanism, a continued geologic assessment on all public lands, upon which Congress and the Nation can base later decisions.

This bill does seek, however, to avoid any conflicts between mineral development and conservation units. According to comprehensive USGS reports over 60 percent of Alaska's lands with metallic mineral potential lie outside conservation unit boundaries. As well, those current valid and existing claims lying within conservation units are protected by this bill and development can occur. Those who try to lay blame for our failure to develop Alaska's mineral resources on the Udall-Anderson bill or the President's action of last fall ignore a simple reality, it is not economically feasible to mine in Alaska. The costs of exploration, development, and production are too prohibitive to permit mining. As economics professor, Dr. Matthew Berman, noted:

> There are many barriers to the development of a mining industry in Alaska. Proposed (Alaska Lands legislation) withdrawals, however, are not a significant factor.

A view, I might add, shared by the Federal/State Land Use Planning Commission contracted study by Resources for the Future, Inc., Dr. Berman goes on to state:

> The most formidable barrier is the high cost of mining in Alaska.

One of the allegations that I find most ironic is the claim that the Udall-Anderson bill is antihunting. Only this alternative considers hunting, wildlife, and wildlife habitat management within the context of ecosystems. Even those with a rudimentary understanding of biology, biogeography, and ecology realize that alterations in wildlife habitat have an effect on wildlife. One only need look to the impacts of man's encroachment on habitat on the American buffalo and the moose and caribou in Minnesota for examples of the negative implications of such encroachment. In an area such as Alaska, where wildlife require much more expansive areas to survive, these potential negative impacts are that much greater. Yet those who trumpet hunters' interests are willing to sacrifice wildlife populations for the sake of questionable development. It is beyond comprehension to expect that Alaskan wildlife will continue at present levels when mining and oil and gas exploration and development occur. We must recognize that development and hunting are not compatible. If sportsmen's interests are to be sacrificed for the sake of development, as they would be in the proposed alternatives to the Udall-Anderson bill, then it should be admitted.

The Udall-Anderson bill does recognize the delicate relationship between wildlife and their habitat and the resultant impacts on sport hunting. Every effort is made in this bill to insure that wildlife populations remain at levels high enough to insure sport hunting. The proper protection is given to the environment to insure that the Alaskan caribou, brown bear, moose, and other species are not added to our already too large endangered species list.

While protecting wildlife habitat, this bill allows for hunting at levels comparable to current hunting levels. Under H.R. 3651, approximately 90 percent of all the land in the State of Alaska is potentially available for sport hunting. According to data gathered by the State of Alaska and correlated to the proposed conservation system by the University of Alaska and the Department of the Interior biologists, these nearly 337 million acres account for approximately 92 percent of recent moose harvest levels, 86 percent of recent brown bear harvest levels, and 78 percent of the recent Dall sheep harvest levels.

Mr. Speaker, the decisions that we face will affect this generation and future generations of Americans. I urge my colleagues to base their decisions on the facts and record that have been developed during the past 3 years of congressional study. The Americans demand that the decisions we make be a balanced approach; that we do not forsake a proper concern for the environment of Alaska; that we do not benefit a few interests at the expense of the general public; and that we do not deny future generations the opportunity to benefit from the richness of Alaska. Only the Udall-Anderson bill can meet those justified demands. I urge my colleagues to support that most balanced measure.

Mr. BOLLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am not going to take a lot of time. This is quite a complicated rule, but what it ends up doing is making the Huckaby bill, the bill reported out by the Interior Committee, the base bill. It makes both the Breaux-Dingell substitute and the Udall substitute in order. As I see it the effect really is that Breaux-Dingell and Udall are amendable, are perfectable.

So each side of this controversy can have a fair shot at perfecting their bills and then see which side can win. We tried very hard in the Rules Committee to come up with a fair rule, and I think we did. With that, I will reserve the balance of my time.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Speaker, this rule was reported from the Rules Committee on a voice vote after an alternative approach was defeated 8 to 5. The vote came after 2 days of hearings during which we heard from 11 witnesses. I might point out that none of the witnesses which appeared before us testified against the granting of a rule. The only point of controversy was over the order in which the competing substitutes should be mentioned in the rule. The Rules Committee finally came down on the side of the normal and orderly legislative procedure observed in the Committee of the Whole. Under this rule the Interior Committee substitute is made in order as an original bill for the purpose of amendment; the Merchant Marine and Fisheries Committee substitute is then made in order as a substitute for the Interior Committee bill; and then the text of H.R. 3651, the so-called Udall-Anderson bill, is made in order as a substitute for the Merchant Marine Committee's substitute.

As I indicated, this would be the normal sequence of events under our rules and procedures with priority recognition going to the committees involved for the offering of their amendments, and then to other members of the committee and the House for offering further amendments. The only difference here is that the rule specifically mentions that after the Interior and Merchant Marine products are offered, it shall be in order to consider the Udall-Anderson bill as a substitute for the Merchant Marine Committee's bill. But regardless of whether Udall-Anderson were mentioned in the rule or not, it would still be in order for consideration at that point in the amendment process. The Rules Committee did give it special mention for several reasons. First, it is the third major alternative available to the House in dealing with the Alaska lands. Second, it is the version closest to the original bill considered by the two committees, H.R. 39. Third, this version lost by only one vote in the Interior Committee. And fourth, this version has some 130 cosponsors.

So, I hardly think it can be said that the Rules Committee has in any way acted unfairly. The fact is that it has bent over backward to be fair to all parties concerned and to the House as a whole by providing adequate debate time—5 hours—and by giving the House a chance to consider all three substitutes.

I would further point out that when the shoe was on the other foot in the last Congress the Rules Committee was just as magnanimous, if not a little reckless, in giving opponents of the consensus substitute of the two committees an opportunity to offer their alternatives. Under that rule in the last Congress, House Resolution 1186, called up in the House on May 17, 1978, a compromise bill worked out between the Interior and Merchant Marine Committees, H.R. 12625, similar in many respects to the present Udall-Anderson substitute, was made in order as an original bill for the purpose of amendment. The rule then went on to make in order any and all substitutes to that bill, waiving all points of order against them. The main purpose of that rule was to protect the right of the gentleman from Washington (Mr. MEEDS) to offer his substitute. The gentleman from Arizona (Mr. UDALL), agreed in the Rules Committee to give Mr. MEEDS that opportunity under the rule, even though that substitute involved violations of our rules. The rule before us today does not involve any rules waivers against the Udall-Anderson substitute since it is germane under the rules of the House.

So I would strongly object to suggestions that we are somehow giving the Udall-Anderson substitute preferred status under this rule, anymore than we gave the Meeds substitute preferred status under the rule last year. The preference goes to the two committees to offer their substitutes first and second respectively which is the prerogative of committees under our rules and precedents. The Udall-Anderson substitute has no more preferred status under this rule than if it had not even been mentioned in this rule. It would still be offered at the same place and at the same time in the amendment process if Mr. UDALL were recognized, as I have no doubt he would be as chairman of the committee. So let us lay to rest this bugaboo about this rule somehow being an unusual or tilted rule. This rule conforms to the regular legislative procedure of the House. The alternative rule offered in the Rules Committee would have departed from normal legislative procedure by making the Udall-Anderson substitute in order as a substitute to the Interior Committee's bill, thus forcing the Merchant Marine and Fisheries Committee to offer their version as a substitute to Udall-Anderson. I have never before heard a committee argue that their product should be relegated to a subordinate position to a noncommittee substitute.

Those who opposed this rule and argued for that unusual alternative seem most upset by the fact that the first major vote would come on the Udall-Anderson substitute. But that is a fact of life which confronts every committee every time it brings a bill to the floor under an open rule. It always has been and always will be. That objection also glosses over the fact that the House can simultaneously consider perfecting amendments to both the Merchant Marine Committee's substitute and the Udall-Anderson substitute. So it is not accurate to claim that the House will somehow be forced to accept or reject Udall-Anderson as it now stands. It is subject to amendment just as the so-called Breaux-Dingell substitute from Merchant Marine and Fisheries is subject to amendment.

In conclusion, Mr. Speaker, this rule is as fair as it can be to all parties concerned unless you could somehow structure a rule to permit the House to vote simultaneously on all three substitutes, which is ridiculous. This rule follows normal legislative procedure in the sequence of substitutes to be offered and voted on. A House majority will be able to work its will on each of these three substitutes if it so desires—if a majority of the Members reject one substitute, they will then have an opportunity to vote on the next, and so on down the line. To argue that this procedure is unfair or abnormal is convoluted logic at best and a misrepresentation of the rules and precedents of the House at worst. I, therefore, urge adoption of this rule so that the House can proceed to the consideration of the three alternative Alaska lands substitutes in an orderly and normal fashion.

□ 1155

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Speaker, an article appeared in the Washington Post on the crown jewels of the Alaskan lands. They are to a very real degree great national treasures, but they are certainly more than jewels. They are areas of vast richness and vast wonders. They have wildlife populations that are the delight of all who see them, and habitat that is as fragile and beautiful as any that could be found in the world. They should be protected, but they should be protected and wisely used. Careful attention should be given to the values for which these lands should be set aside, protection of habitat of fish and wildlife values and of other things.

Let us look first at the acreage which would be set aside. Under the Breaux-Dingell substitute there would be 128 million acres of land set aside for protection of future generations. The Udall proposal would set aside 112 million acres, and it would avoid affording essential protection to some areas of remarkable value. Certain areas like the Innoko River Valley would not receive protection, migratory waterfowl in one of their principal staging areas, and peregrine falcons, another species which is on the endangered species list.

□ 1200

The Copper River Delta would be turned over to the Forest Service to administer as a refuge.

The Forest Service does administer refuges, but if you look in the statute books to see the refuges they administer you will find they have never done one thing to protect those areas or have never spent $1 to assure the protection of the wildlife in those areas.

We in the Breaux-Dingell bill would turn those areas over to the Fish and Wildlife Service to administer for the protection of the migratory water fowl dependent upon that area. In that area the entire population of the Dusky Canada goose summers and nests.

This also is an area adversely affected by the great earthquakes which occurred in Alaska not long back and which have caused subsidence and elevation which has destroyed water values upon which that species are dependent.

I would point out to my colleagues the protection of species is dependent upon wise administration and wise management, something not to be found in the Forest Service which has few biologists and no history of habitat protection and animal protection.

Our committee has set a proposal before this body which gives more land, the equivalent of 16 Yellowstone National Parks more, under protection, than will be found under the Udall proposal. They also permit careful and wise resource utilization under the Wildlife Refuge Administration Act so that any action taken in those refuges, which number some 88 million acres, must be done in a manner compatible with the purposes for which the refuge is established and consistent with the protection of both habitat and species within those areas.

To lock these areas up would be extremely unwise. To require that they be wisely and carefully used with particular attention to the preservation of the habitat and the protection of the wildlife there is wise use and a principle to which this Congress can well adhere.

Let us now look at other things. This country is hideously short of mineral supplies and we are in the midst of an energy crisis. At this minute we import 50 percent of the oil that is used in this country. Just to stay even with the current level of production in this country we must find the equivalent of one Prudhoe Bay deposit every 2 years. There is no assurance that this can be done.

We do not permit under the Committee on Merchant Marine and Fisheries and the Breaux-Dingell bill, unwise use of those areas. We require that any exploration or development be done with exquisite care.

Now some other points. Who supports the legislation we have offered? Almost all of the old line conservation organizations. Fifteen affiliates of the National Wildlife Federation and I have submitted to my colleagues a list of those agencies. I urge you to support the Breaux-Dingell bill.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. BOLLING. I yield an additional 2 minutes to the gentleman from Michigan.

Mr. DINGELL. I thank my dear friend for his generosity, which is well known hereabouts and deeply appreciated by the Member in the well.

In addition to this, we say we should find out what the resources are in Alaska that would be subject to exploitation.

Remember, when this Congress has legislated on wildlife and environmental values amidst an energy crisis, we have always hurled those wildlife values and those conservation values aside.

Our proposal requires studies and requires protection to take place in every area including the Arctic game range. The Udall proposal is a proposal I would have supported 10 or 20 years ago because we had enough resources that we could have wasted and locked up. Today we do not. The choice before this country now is to see to it that we use wisely the resources which belong to this Nation, that we protect wildlife, that we protect habitat, but we do not foreclose the use.

The penalty of this to good conservation value in the immediate future is to witness the strong possibility of seeing the entirety of the protections which have been carefully crafted over the years hurled aside.

Our committee bill not only provides for preservation and protection but provides for wise use.

In the coastal plain of the Arctic refuge we also allow no development pending a 7-year study of wildlife values and Federal resources in that area. This is something about which a great number of lies have been told by persons outside this Chamber.

☐ 1205

So that when this question does come back to Congress for debate and discussion, as it must certainly do so, we will have information as to what are the habitat values, what are the wildlife values, how does one protect them, and what are the mineral and hydrocarbon resources of the northern coastal plain of arctic refuge.

Now, I would tell my colleagues this is the sensible way we should proceed. We should know what is there and we should know how to protect it.

Mr. BAUMAN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I think it is regrettable that there probably are not more than 10 or 25 Members of this House who have a reasonable understanding of what is in the three bills before us and the gentleman from Maryland certainly does not claim to be an expert, though he has had the honor to serve on both the Committee on the Interior and the Committee on Merchant Marine and Fisheries during the time in which these issues were dealt with last year.

There is really only one Member in this House who does have that deep understanding, that is, of course, the gentleman from Alaska (Mr. YOUNG), whose constituents are vitally affected; but I think we all admit that this is a much broader issue. It is a national issue, because, indeed, Alaska is the last frontier in many respects.

There has been a prediction that this debate is going to be one with a great deal of confusion, confusion meaning that most Members are not that familiar with these issues and will tend to take, perhaps the judgments of other Members that they respect, or perhaps the pressures or blandishments provided by lobbying groups pro and con in their own districts. I think that is unfortunate, too.

The emotion that has been displayed in activities outside this Chamber regarding these several bills is also something that is a wonder to behold. We have, for instance, the very responsible Secretary of the Interior of the United States, Mr. Andrus, in one of his more temperate statements refer to the proponents of the so-called Huckaby and Breaux bills as "the all-out for development at any cost groups, the rape, ruin and run boys." That modest estimate sets the tone of the administration's views as to these two bills.

On the other side we have one of the proponents of those two bills saying that "conservationists are genuine, but they would not know a caribou if it jumped out and bit them in the posterior." I have amended that statement slightly so that family consumption will not be offended by my remarks. So you can see that emotions have run high.

Let me give you just briefly why we are here today, as at least one Member who has had some familiarity with the issue sees it.

When Congress passed the Alaska statehood bill in 1958, almost all the land in Alaska was owned by the Federal Government. Under the Statehood Act, Alaska was granted the right to select within 25 years 104 million acres of Federal land which would become theirs. That selection process continued in a very deliberate manner over 8 years and the State picked about 26 million acres. However, because the Statehood Act did not deal with the Alaska Native claims, in 1966 the Secretary of the Interior froze any further selection and in 1971 when the Alaska Native Claims Settlement Act passed the Congress, it gave the Natives the right to select 44 million acres. In addition, and here is the reason we are here, the bill directed the Secretary of the Interior to withdraw from development up to 80 million acres, so that Congress could consider whether it should be placed in national parks, wildlife refuges, wild and scenic rivers, or national forests.

On December 17, 1973, the Secretary made those withdrawals leaving the Congress, under the law, until December, 1978, to act on the classification. So that is why H.R. 39 was introduced in 1977 by the gentleman from Arizona (Mr. UDALL). That bill went to both the Committee on Merchant Marine and Fisheries and the Committee on the Interior at the time I served there. I think we can say that although there was not a total consensus achieved, that bill came to the floor and it passed the House of Representatives. I voted for it and many others, most of the Members of this House voted for it, close to 300 Members supported it. That bill got to the other body and in the conference last fall, in October 1978, the time was short, and one of the Members of the other body from Alaska objected to it. Despite the fact that a compromise had been reached by all the parties including the gentleman from Arizona, (Mr. UDALL), the gentleman from Ohio (Mr. SEIBERLING), who has played an important role in this, and the very same Secretary of the Interior, Mr. Andrus, the compromise failed because of the individual opposition of one Member of the other body and it did not pass. Last fall in an arrogant use of questionable authority, the President placed much of Alaska in "monument" status and it remains so today.

Now, I think most of us expected when we came back this January to the new Congress, the gentleman from Arizona (Mr. UDALL) would introduce that compromise bill or a close version thereto, so that we could pass the thing in quick order and get the issue settled.

☐ 1210

But without consultation with the gentleman from Alaska (Mr. YOUNG) or others, a bill was introduced that was very different from the compromise. And it was rejected by both the Interior and the Merchant Marine Committees.

So here we sit today beginning a debate which will probably take several days on legislation to resolve these conflicts.

The rule before us makes in order the so-called Udall-Anderson bill, and this, I have to confess to the Members, by any stretch of the imagination, is what we have to call a "Johnny-come-lately" arrival on the scene or a "Mo-come-lately" arrival, if we want to include both authors.

I am not sure of the origins of this particular bill, but I do know it is strongly backed by a great many environmental groups, some of whom have been most extreme in their views.

The SPEAKER pro tempore. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. BAUMAN. Mr. Speaker, I yield myself 4 additional minutes.

Mr. Speaker, the Udall-Anderson bill does have the backing of some environmentalists and others who seek to have maximum influence over the way in which Alaska will be used in the future. But this bill presents a special problem to the entire country at this time. Even a year ago, when we were considering the Alaskan lands legislation, even after the Arab boycott had caused energy problems, we did not consider this legislation in the context in which we face it today.

The question, as I see it, essentially comes down to several issues that every one of us ought to consider seriously, because they do involve our own districts. It is not enough for us to dismiss this legislation and say, "We do not represent Alaska. Let us do what is best for us politically in our districts."

The issue is jobs—jobs all over this country; the issue is energy to provide those jobs and, in fact, the heating and the electricity all over this country. This does indeed also involve the environment, and a balance must be had against those other demands I have mentioned.

What about recreation, the right to hunt and the right to fish? What about the desires of the people of Alaska?

The Udall-Anderson substitute, as I see it, does not provide a proper balance between development and the environment. It certainly ignores the issues I have mentioned and the wishes of the majority of the people of Alaska.

I want to say this, too: I know it is easy to dismiss things like the future mineral needs of this country. The gentleman from Nevada (Mr. SANTINI) will address this in debate next week, I am sure, and has covered this subject adequately before.

This country stands in dire straits as far as our mineral adequacy is concerned as well as our energy needs. It is not enough to say that conservation of the environment is paramount and so lock up—yes, that is a proper phrase to use, and the Members will have it thrown back at them many times—lock up this vast area against any development. I believe we can maintain both its beauty and develop its resources for the use of the people of the United States.

So I am imploring the Members, in considering this legislation, please do not fall to the blandishments of groups in our districts that crank out the mail. Look behind the meaning of these various substitutes and form your own judgment.

Mr. Speaker, I would personally prefer the Breaux-Dingell substitute that has been reported by the Committee on Merchant Marine and Fisheries, and I suspect that that substitute might succeed here. By all accounts, this is going to be a very close vote.

But remember, we are not voting just on Alaska, on a far distant land. Nobody can appreciate the beauty of Alaska unless they have seen it, and I had that privilege recently. But we are not voting just on Alaska; we are voting on the gasoline lines in Los Angeles that exist today, we are voting on the unemployment rates in Buffalo, New York, and Philadelphia and other areas, and we are voting on the adequacy of this Nation to meet the needs of its people for years to come, because Alaska is the "lost frontier" for meeting many of our needs.

So I ask the Members to familiarize themselves with all of the aspects, but do not fall for the public relations hype that is coming out of the Department of the Interior, and do not fall for the statements of the extreme environmentalists. Do not fall for the prodevelopment side either. Try to look at this thing with reason and logic.

Mr. Speaker, I fear the pressures that have been placed on many Members will perhaps preclude that judgment, but I hope it is not too late for all of us to arrive at some sort of balanced judgment, as I have suggested here today.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the gentleman from Louisiana (Mr. HUCKABY).

Mr. HUCKABY. Mr. Speaker, I would like to take just a couple of minutes to try to clarify the parliamentary situation that will be before the Members next Wednesday when this issue is considered in crucial up-and-down votes.

The Committee on Rules granted a rule making the Committee on Interior and Insular Affairs bill, the so-called Huckaby bill, the base vehicle to be considered. Upon passage of this bill by the Committee on Interior and Insular Affairs, the Committee on Merchant Marine and Fisheries took the identical language, made some changes, some minor, some quite significant, and reported out the Breaux-Dingell bill.

□ 1215

The rule provides for the Breaux-Dingell bill to be offered in the nature of a substitute to the Huckaby bill. The rule further provides for a new start, the fourth bill that we have seen this year, 1979, with the name of the gentleman from Arizona (Mr. UDALL) on it, to be offered as still a further substitute. It is my intention on Wednesday to offer a series of amendments. Other members of the Committee on Interior and Insular Affairs will also be offering amendments to the Breaux-Dingell substitute, so that we might merge the Interior bill, which was considered and passed by the Interior Committee, with the Merchant Marine and Fisheries bill, which was considered and passed by the Committee on Merchant Marine and Fisheries. Other Members will also have the opportunity to participate in the melding of these two bills together. We thought that this was the proper forum to do this, rather than to do it behind closed doors before we came to the House. And, thus, the end result is going to be a clear choice between the Udall-Anderson approach or the Huckaby-Breaux-Dingell approach next Wednesday. The parliamentary situation will actually end up quite simply. We are going to be rolling the dice, all or nothing. Both sides will be. I regret that the rule before the House actually came out the way it is. I feel that the two committees that had jurisdiction over this legislation, the two committees that reported bills, were not given preferred position as far as the votes that will be cast. We all certainly felt that Chairman UDALL should have a right to bring his legislation to the floor, even though he was defeated in committee, and we did not and do not object to that. However, we did not feel that he should be given the favored position of allowing a vote to occur on his substitute first. However, the Committee on Rules, in its wisdom, felt that he should be given the favored position over the two committees which had reported bills, and that is the rule that we have before us today. Although it is not the one I would have preferred, I will be supporting the rule.

Mr. BAUMAN. Mr. Speaker, I yield 10 minutes to the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Speaker and my fellow colleagues of this great body in which we serve, it is unfortunate that today, when the Derby is going to be running tomorrow, and many other things are going to happen, that there are not more people before the House when this Congress is dealing with probably the most sweeping land legislation that is ever going to pass the U.S. Congress in this decade. It is also unfortunate that we are faced at this time with an unknown bill. We are going to be asked—and the gentleman from Louisiana explained it very well—and most of the Members are being pressured now to support a bill called the Udall-Anderson bill that has had no hearings, no public testimony, no committee participation, and a bill which has been drawn up, frankly, in the back rooms of the two gentlemen which I have mentioned.

□ 1220

Now, I respect their right to do so, but if you respect the committee system, a system that has worked in this body for many decades, you will turn down the Udall-Anderson mystery bill, and you will support either the Merchant Marine bill, the Breaux-Dingell bill or the Huckaby bill, because these are the committee bills.

You have been swamped with "Dear Colleague" letters on both sides, bombarded with the lobbyists on both sides, the extreme environmentalists, the preservationists, those who wish to bury their heads in the sand. You have been bombarded from those that might be the "Rape, ruin and run guys," as the gentleman from Illinois (Mr. ANDERSON) speaks of them.

Remember in between that you have another body. You have 400,000 Alaskan Americans, who have the most to lose or gain as far as their way of life and what passes this House.

Now, there are some comparisons that must be made.

In the first place, the Huckaby bill is the bill that came out of Interior, that is the exact same bill that the major players in this game agreed to last October 14.

Now, it will be said they did not agree to it, but I hope to refute that a little later with a recorded tape, with voices on it as such, speaking to the press that there was an agreement reached; and that is the bill, because it was defeated in the Senate, that came out of the Interior Committee.

It went from there to the Merchant Marine and Fisheries Committee. There we held 9 days of hearings. We went to Fairbanks, Alaska, in the winter, the first time that has ever happened, with the good chairman, the gentleman from Louisiana (Mr. BREAUX), the gentleman from Louisiana (Mr. HUCKABY), of the Interior Committee, and 10 Members. We sat and listened to Alaskans speak on this issue from all walks of life for 13 hours. I used to think the good chairman, with whom I served last week, the gentleman from Ohio (Mr. SEIBERLING), had iron pants; well, the gentleman from Louisiana (Mr. BREAUX) is equal to that also—13 hours.

At that time we also came back from those hearings and we constructed a bill, which I participated in, that exceeds last year's House passed bill that was voted on, last year's House-passed bill.

Let us give you an example of what they do to my State. What they are asking is to take 10 million acres of Alaska selected lands, which were guaranteed to us under the State Act that we ratified in this Congress; and they closed 30 million acres to hunting.

Of course, you might want to follow Cleveland Emery's idea, and he says the Udall bill is no good because it is 90 percent open for hunting. That is the real extreme.

They shut down both of my pulp mills—now they will deny this—but even with the figures that were passed last year, 3.9 million acres in forest lands and wilderness, they have but approximately 2 million acres more in wilderness in southeastern Alaska.

They have taken the largest single molybdenum deposit in the United States—second largest—single molybdenum deposit in the United States, and none of the previous bills had that are in the wilderness, neither the compromise nor the House passed bill, nor what evolved out of the full committee last year, and made it a wilderness.

Now, you have got some reports that say you can mine in the wilderness. We will write the law so you can mine. That is poppycock. You know you cannot mine in a wilderness. You will have a lawsuit the first time an access right-of-way is issued.

I am saying, if you believe that this Nation is on the verge of a mineral crisis that exceeds the energy crisis, we cannot afford to lock up that molybdenum. The big thing, as I read in the paper today, and I listened to my good President saying, "I will use Executive action." I want to stress this one point: What President Carter did was a criminal act to the State of Alaska.

He set aside 56 million acres of monument land and 38 million acres of wilderness study, call it emergency withdrawal, by the stroke of a pen. By the stroke of a pen, he did this.

If you will read the original act of 1971, it said that the Secretary of the Interior could recommend to Congress 80 million acres for withdrawal of four uses: refuges, parks, wild and scenic rivers and forest lands and that Congress could act.

☐ 1225

But, it did not say they had to act. And they failed. This Congress, on the Senate side, the unfortunate thing is that because a special interest group has taken away the rights of my State, the rights of my people. Do you know what you can do in a monument? Nothing. I had a Federal official fly into my hometown of 700 people—and the President made a monument of my hometown, by the way—700 people, and said that he wanted public input on how the monument should be run. The first thing he said was, "You cannot cut wood," and it was 60 below zero and fuel oil was $3 a gallon. Now, does that sound like a proper, moral thing to do to American citizens within the United States? I say no.

If Alaska was saying, "No bill at all; we will tell the Federal Government to go fly a kite," and there are some that say this, I could understand possibly the Udall-Anderson bill. But, Alaska is saying, the Governor is saying, the delegation is saying, the people are saying, "We can support the Huckaby bill or the Breaux-Dingell bill."

I hope my colleagues in this body will listen to the Alaskans. Forget these caribou button wearers who walk in. They have never been to my State. Do not listen to just that side, and listen very closely to the other side, but listen to Alaska most of all. Listen to the problems we face, and hopefully when this bill finally comes to a vote next Wednesday or Thursday or Friday, after we deal with gas rationing—gas rationing is what we are going to be dealing with, and the President is about to lock up without any study or information approximately 30 billion barrels of oil—do you know what is going to happen to my State? You are all going to get a brochure next week from me, a brochure made up of Federal abuse to the environment to my State. It will show you pictures that will make your stomach turn over, your skin crawl, abuses done by the Government of the United States to my State because there was an emergency—an emergency.

You all know because this is the body in which I serve and you serve in also. Now, what is going to happen when Russia shuts off the spigot, and Saudi Arabia, because of its close proximity, does so, and our crisis gets worse? This Congress is going to say, "Where is the oil?" They are going to say, "In Alaska." They are going to say, "Go get it."

Then, what happens to the caribou? What happens to our streams? What happens to our mountains? They will drill, tear, rape, run, and the U.S. Government will have the responsibility. It will be your responsibility because you did not see the wisdom of adopting a bill that has study and balance and consideration for my people.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Speaker, I think that when history is written and people will say what we are doing here in the House of Representatives, it will cause one to wonder if the Members of this House were really concerned about things like avoiding prolonged shortages and rationing of petroleum fuels. They will also wonder if we really care about ourselves and our total dependency on Arabian oil, about economic hardships of higher and higher oil prices and the adverse effects of the large balance of payments we have. They will probably also wonder what it was the Congress of the United States was doing with respect to the most severe nonfuel mineral crisis we face.

☐ 1230

We heard a distinguished gentleman from the House Committee on Armed Services stand right at that microphone there day before yesterday and debate the Budget Act about the defense question—I am speaking of that gentleman from Danville, Va., Mr. DAN DANIEL—and say that he thought that if there is another war, it would end up being a resource war and that we would end up maybe getting in a squeeze where we may have to ask the young men and women of this country to go fight over resources. The Secretary of Defense earlier this year suggested that we might need to use military power, U.S. military power, in the Persian Gulf region to secure oil supplies.

If we take a look at the choke points of the world and look at a map—and I would encourage the Members of the House to do this; I have sent them one in a "Dear Colleague" letter dated May 2, 1979—and look at what has happened with respect to the choke points of the world and what has happened to politics in Africa, we can see that we certainly are reliant more on Africa as each day goes by.

I think that this act instead of being called the Alaska Lands Act should be called the Middle East Oil Dependency Act, or the African Nonfuel Mineral Dependency Act. This to me absolutely begs reason and commonsense. I think that we should first get these ideas in priority.

I would say that the Udall-Anderson bill is absolutely the worst possible answer that the House could come up with, and when history is written, I think it will be very unkind to those who support that position. I would even go further to say that the position of the gentleman from Louisiana (Mr. HUCKABY) which I support as opposed to Udall-Anderson, goes way too far with respect to locking up the potential for the United States of America to maintain its sovereignty and to maintain a free society as we know it.

I would just like to cover a couple of points. We talk about special interest legislation. The Udall-Anderson substitute is a blatant example of special interest legislation. The people of Alaska do not want it. Most people in other States cannot afford to go up there and visit those vast wilderness areas anyway, and they would probably much prefer to have oil and minerals as opposed to millions of acres of additional wilderness area. I think if we really get down and analyze this, we will see that this is a classical example of some of the ardent proponents of the legislation being more interested in a managed energy shortage than they are to make fundamental changes in their lifestyle in the name of ecological wholeness, than they are in reasonable environmental protection. So why do we not debate this issue squarely, right out in the open, rather than indirectly through this bill with all these myriads?

What we are really talking about is a no-growth economy in the United States of America. Go back home and tell the people in your districts, if you support this H.R. 39 as introduced by the gentleman from Arizona (Mr. UDALL) and the gentleman from Illinois (Mr. ANDERSON) the substitute, that you really do not care about their enjoying the American dream and that you are going to deprive them of an onward and upward mobility that America has always been famous for.

Yes, black Americans are now finally improving their life style. Black Americans are starting to close the income gap on white Americans. But now we are going to say no more growth in our economy, no more mining, no more minerals. We do not know what is in Alaska. We do know that there is evidence that there are 29 of the major nonfuel minerals. So our answer: Lock up an area five times the size of the gentleman from Ohio's State, lock up 150 million acres where there is oil, uranium, coal, and all kinds of nonfuel minerals that we are relying on in Alaska. I think it just begs commonsense, and it will be, indeed, one of the dark days of the Carter administration when history is written about it to say that in the name of some kind of evironmentalism they went up to Alaska and precluded and denied American citizens the opporunity to see a real sound growth in our economy.

As I said, the Alaskans do not want it. It is not good for the country. I urge the Members to support anything other than the Udall-Anderson position, and I would urge the Members, if they want to be recorded in history for growth and sound economy, vote for the motion to recommit which I intend to offer at the end of the bill.

☐ 1235

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from New Jersey.

ADJOURNMENT TO MONDAY, MAY 7, 1979

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon, Monday, May 7, 1979.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SENSENBRENNER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 236, nays 18, not voting 180, as follows:

[Roll No. 120]

YEAS—236

Abdnor
Anderson, Ill.
Andrews, N.C.
Annunzio
Anthony
Aspin
Atkinson
AuCoin
Bailey
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bingham
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Burgener
Burlison
Butler
Byron
Cavanaugh
Chappell
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Cotter
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, S.C.
Deckard
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dougherty
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Fuqua
Gephardt
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Harris
Harsha
Hawkins
Heckler
Heftel
Hillis
Hinson
Holland
Holt
Holtzman
Hopkins
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Jacobs
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kogovsek
Kostmayer
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lehman
Lewis
Livingston
Long, Md.
Lowry
Lujan
McCormack
McDade
McHugh
McKay
Madigan
Maguire
Markey
Marks
Martin
Mathis
Mavroules
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Pease
Pepper
Perkins
Petri
Pickle
Price
Pritchard
Quillen
Railsback
Rangel
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Roe
Runnels
Sabo
Santini
Satterfield
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Slack
Snowe
Solomon
Spellman
Spence
Stack
Steed
Stratton
Studds
Swift
Tauke
Thompson
Trible
Udall
Van Deerlin
Vander Jagt
Volkmer
Walgren
Waxman
Weaver
Whitley
Whitten
Williams, Mont.
Winn
Wolff
Wolpe
Wyatt
Yates

NAYS—18

Badham
Bauman
Bereuter
Bethune
Carney
Collins, Tex.
Crane, Daniel
Dannemeyer
Edwards, Okla.
Hansen
Kramer
Lungren
McDonald
Sensenbrenner
Symms
Thomas
Whittaker
Young, Alaska

NOT VOTING—180

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Ashley
Bafalis
Baldus
Beard, Tenn.
Biaggi
Blanchard
Bouquard
Brooks
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burton, John
Burton, Phillip
Campbell
Carr
Carter
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Conyers
Corman
Coughlin
Crane, Philip
Davis, Mich.
de la Garza
Devine
Diggs
Dodd
Dornan
Downey
Edwards, Ala.
Evans, Ga.
Evans, Ind.
Fary
Ferraro
Fish
Flippo
Flood
Ford, Mich.
Frenzel
Frost
Garcia
Gaydos
Giaimo
Gibbons
Gilman
Goodling
Gray
Guarini
Guyer
Hagedorn
Hamilton
Harkin
Hefner
Hightower
Hollenbeck
Horton
Hubbard
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Jones, Okla.
Kemp
Kindness
LaFalce
Latta
Lee
Leland
Lent
Levitas
Lloyd
Loeffler
Long, La.
Lott
Luken
Lundine
McClory
McCloskey
McEwen
McKinney
Marlenee
Marriott
Matsui
Mattox
Mazzoli
Michel
Mikva
Mineta
Mitchell, Md.
Moffett
Moorhead, Pa.
Mottl
Murphy, Ill.
Nichols
Nolan
O'Brien
Panetta
Pashayan
Patterson
Paul
Peyser
Preyer
Pursell
Quayle
Rahall
Ratchford
Richmond
Robinson
Rodino
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sawyer
Scheuer
Schroeder
Shumway
Shuster
Skelton
Smith, Iowa
Smith, Nebr.
Snyder
Solarz
St Germain
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stokes
Stump
Synar
Taylor
Traxler
Treen
Ullman
Vanik
Vento
Walker
Wampler
Watkins
Weiss
White
Whitehurst
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wright
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1250

Mr. CARNEY changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO FILE REPORTS ON RESOLUTIONS

Mr. DINGELL. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file reports on resolutions approving the President's contingency plans on gasoline and heating which have been submitted by the President pursuant to EPCA of 1975.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. SOLOMON. Mr. Speaker, I reserve the right to object to inquire if the minority staff has been informed of this?

Mr. DINGELL. If the gentleman will yield, the answer to the question is that this unanimous-consent request has been cleared with the staff, the minority staff, of the Committee on Interstate and Foreign Commerce.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

Mr. UDALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 39) "to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes."

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Arizona (Mr. Udall).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 39, with Mr. Simon in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

The gentleman from Arizona (Mr. Udall), the gentleman from Alaska (Mr. Young), the gentleman from Louisiana (Mr. Huckaby), the gentleman from New York (Mr. Murphy), and the gentleman from New Jersey (Mr. Forsythe) will be recognized for 1 hour each.

The Chair recognizes the gentleman from Arizona (Mr. Udall).

Mr. UDALL. Mr. Chairman, I yield myself 18 minutes.

□ 1255

Mr. Chairman, the House and the Congress this year are about to make what is perhaps the most important resource decision in the history of the country. This decision in its magnitude is rivaled possibly only by the decisions that Theodore Roosevelt, our first great conservationist President, took at the turn of the century to save the national forests from the rape-and-ruin people who were cutting and burning and getting out, as the old saying goes.

I think it is important that we cool the rhetoric and the adjectives, and that we try to be fair and that we try to be wise, and that we be able to look back on this decision and say that it was a good decision. You know you cannot go to almost any other country and make broad-based land decisions of this kind.

In Europe you do not create national parks or national forests. The land patterns were set hundreds of years ago.

Here in this country, which gave birth to the idea of national parks—you know the national park idea is an American contribution to conservation—here in this country, the land patterns are pretty well set in the lower 48, but there is still a place called Alaska, that is twice the size of Texas, where we can avoid the mistakes that we made over the last 50 or 100 years as we settled the land here.

I think the goal, and certainly the stated goal of all sides, as we approach this debate, is to be balanced and to be fair.

I want to make it very clear, abundantly clear on the record here today, that we have got to be fair to the 400,000 people of Alaska. They are good people. They are entitled to a land base. They are entitled to grow and develop. They are entitled to bring up their industries and to get on with the job of building that important part of our country. We must be fair to the Natives, the 60,000 or so Alaskan Natives, who have a real claim on our conscience.

Let me say that this country needs minerals. There is a coming mineral shortage in America. We are going to have to look to Alaska for some of that need. We have got to be wise and balanced and fair in setting aside a proper part of that great State for mineral development.

And yes, with regard to oil, do not let anybody kid you that something you do here with this vote is going to put some heating oil in somebody's house in Massachusetts this winter or has anything to do with Saturday gas station closings or gas lines. If we turn loose every oil-drilling rig in America today, you are talking about 10 or 15 years before the oil starts coming on the line, which is not to say that we should not make a beginning; we should. Our bill will let us do that.

I think the American people want to make a beginning and in a sensible and timely way find and develop the oil resources in Alaska. But I do not think they want to ransack the national parks. I do not think they want to do this in some unsound pellmell fashion that destroys the lifestyle of the Natives, that wipes out the caribou herd, which like the buffalo in the central part of the United States, still have a chance to survive.

I think we need to be true in making these decisions to our best conservation impulses, to do the kind of wise things that they have done some of the time in the lower 48 States.

Now, each side in this argument pays lip service to the goals of balance and fairness. In fact, I heard the gentleman from Michigan (Mr. Dingell) saying this morning his lockup is bigger than our lockup, and that you really ought to be for Dingell-Breaux because they are locking up more land than we are locking up. Do not play this acreage game, my friends. It is not the number of acres you have set aside. It is what you can do in those acres.

It is as though you had the Udall Art Gallery on the one hand, and it is plain art, just plain masterpieces. It is a quiet place of masterpieces, this art gallery.

The gentleman from Michigan (Mr. Dingell) comes along and says, "This is the finest gallery. It is twice as big as the Udall Gallery." But you go inside and find that the gentleman from Michigan (Mr. Dingell) is going to shoot a caribou every hour on the hour, and in one corner there is a pizza parlor and concession for a shoe factory, and all sorts of other things going on.

When you talk about this acreage game in this debate, ask the question, What can you do in the acres that are set aside?

I am going to talk about that in just a moment. So you are going to find that each side is claiming balance. We are going to be giving you the facts.

I mentioned the gentleman's name. I will yield.

Mr. DINGELL. The gentleman is charging me with killing caribou every hour.

Mr. UDALL. No.

Mr. DINGELL. Under our bill, that caribou could be shot every hour?

Mr. UDALL. No. The gentleman would provide more areas where caribou could be shot than our bill would provide.

Mr. DINGELL. Also we would have the effective management of the caribou being done pursuant to State law by the people who are up in the area.

Mr. UDALL. There are some differences between the gentleman's treatment of wildlife than ours, and I am sure we will discuss them in the debate. I was simply trying to make the point and attempting to be humorous about it.

□ 1300

Mr. DINGELL. I did not enjoy the gentleman's humor as much as he did. I would point out that we are trying to preserve and protect Alaska as much as the gentleman is. I hope he would conduct the debate in that fashion.

Mr. UDALL. The gentleman's motives are just as good as mine, and his intentions are just as good as mine. I was a little bit amused that he accuses us of locking up on one hand and on the other hand he tells us his lockup is bigger than our lockup.

Mr. DINGELL. I never said lockup. I said set aside, preserve and protect, but I pointed out that our bill premeditates a more wise and careful use of the resources in the long-term interests of this country. That is our treasure, to be used wisely, carefully, and well; not to be locked up as in the bill the gentleman offers.

Mr. UDALL. We are going to have a good debate in the next few days. There will be places where we agree and places where we disagree, and I would like to do it in good spirit. I respect and honor the gentleman, and respect his views.

Mr. DINGELL. I thank the gentleman.

Mr. UDALL. Mr. Chairman, Members are going to be told a lot about what the changes are. Each side will be telling the Members it has the balanced and fair approach, and the House is going to have to decide. But, let me start with some statistics so that Members of the House can understand, because we tend to talk among ourselves in the committee and the ordinary Member of the House has not been involved in this debate.

Let me give the Members some basic facts that are not in contention and that no one can argue about. Let me start with one that seems to be causing confusion in the minds of a lot of people. I had a colleague behind the rail say to me, "I don't think I can be with you because I hate to take away the land from people and lock it up."

We are not taking land away from anybody and locking it up. All of Alaska 20 years ago was owned by the people of the United States. We gave the people who lived there 105 million acres, and we gave the Natives 40 million acres, plus the State. Now, what we are trying to do is take Federal lands, which have always been Federal lands, and say, "Let us make this into a future national park."

We are not taking anybody's acres and locking them up.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. UDALL. In just a moment. I am trying to finish my remarks.

Mr. YOUNG of Alaska. I am trying to break up the great job, if I could.

Mr. UDALL. I will let the gentleman speak in just a moment. I am sure that he will yield to me if I interrupt him.

Let me talk about a couple of facts on which there is not any real disagreement, but where there is some confusion in the minds of some of the Members. I believe we need to go to Alaska and in a deliberate way find out what kind of oil and gas resources we have, and begin developing them. Let us see how much oil and gas we are locking up in the Udall-Anderson bill.

The experts tell us that most of the oil and gas is not going to be from onshore. It is going to be from offshore, and the experts tell us that we can tell—you can never tell where you are going to find oil and gas, but you can know where to look—and you can look for sedimentary basin. Offshore in Alaska there are 203 million acres of sedimentary basin. Let me tell the Members how much of that is put out of production by this bill so that they cannot get it. The answer is zero. Every single acre of offshore oil sedimentary basin potential in Alaska is going to be open for oil drilling and prospecting. The State owns some of it beneath the high water mark, and the Federal Government owns the rest.

Under other legislation those submerged lands are open, are going to be explored and developed, and that should be 203 million acres.

Onshore, there are 149 million acres of identified sedimentary basins. These are the likely places. Let me tell the Members how much of that 149 million acres we are locking up. The answer is 2 million—out of the 149 million. There are 2 million acres in the Arctic National Wildlife Range we are talking about in set-asides. We are saying, "Let us go there last." We are saying that 95 percent of it is open, 95 percent of the potential. We are saying, "Let us go there first, but if we have to go to the White House or to Arlington National Cemetery or to the Arctic National Wildlife Range, let us go there last."

□ 1305

Let me put it in another way. You could take every drilling rig in Texas and all the drilling rigs available in the United States. You could take all the drilling rigs you could get your hands on, and you could say to the oil people, "Tomorrow morning we will give you 3,000 brand new acres and you can drill, and the day after that when the Sun comes up we will give you 3,000 more, and every day you can have 3,000 acres of fresh, unexplored, sedimentary bases in Alaska to drill." Under our bill it would take over 100 years. They have got 100 years before they will be out of places they can drill, and yet the oil and gas people are not satisfied with that. They want it all, and they want it now. They want to invade the Arctic Wildlife Range. Why is this so special? Why is this such a special place? It is special to a lot of people.

One of Dwight Eisenhower's last acts when he left office in 1960 was to set aside by proclamation the Arctic Wildlife Range—a big piece of it. Jimmy Carter, a Democratic President, calls this his top priority for the last place to drill for oil.

Last year the gentleman from New York (Mr. MURPHY) and a bunch of us wrote the Prime Minister of Canada, Mr. Trudeau. The Canadians want to reserve an international park there because it is the home of the largest remaining caribou herd in the world, and they circle around about 500 miles in an annual migration that goes right through the middle of this, and the Canadians want to preserve it. It is their top priority.

The mayor of the home town of the gentleman from Alaska (Mr. YOUNG) Fort Yukon, sent a letter and said that the top priority of the people in that region involving every village in the region is to save the Arctic Wildlife Range, and to be against oil exploration in that area is their top priority. It is their whole way of life. So we are asking that if someday the caribou herd has to be wiped out the way the buffalo herds were in the lower 48 States, so be it. Perhaps the Congress can make that decision later. But for now let us leave it in wilderness.

Let me turn to something else before my time runs out. There is a big flap going on about hunting. The contention is made that the Udall-Anderson amendment is unfair to hunters, that we are not saving enough of Alaska for the big game hunters and for the people who want to hunt. Let me give you a figure. Alaska is twice the size of Texas. Ninety percent of that State under our bill will be open for sport hunting—open for sport hunting. The lockup, if there is one, is the remaining 10 percent. Good Lord, how much do they want? Do they want to hunt in every corner of every national park? We are violating precedent in our bills. We have gone the second mile and the third mile to try to satisfy the hunter. It is a basic provision of national park administration that we are violating, and that provision is, from the beginning of the national park system, you do not hunt in national parks. We have made one exception in the Grand Tetons under some special history and some special circumstances. Other than that you do not hunt in national parks.

What do we do? In Alaska, out of 44 million acres of new national parks, our bill last year had 15 million acres of park preserves. We created a special new category, park preserves for the sole and only purpose of permitting sport hunting to continue in those national parks. This year we sat down with the National Wildlife Federation, the biggest sportsmen organization in America. We sat down with them and said, "We want to be fair with the hunters." What is fair? We drew new boundaries, and instead of 15 million acres, we came up with 17 million acres—17 million acres out of 44 million acres—violating this fundamental principle of national parks to accommodate the hunters.

Someone has been here from the National Rifle Association. Let me tell you what the difference is. We provide for 17 million acres, and they want 21 million acres. In the Breaux bill there are 21 million acres. We provide 17 million. I do not think that much difference ought to generate this kind of heat. We grandfather in all the guides, the established guides in these national park areas, so that for a time at least we will go even further than that.

Let me tell you one other thing before my time runs out. I want to talk about mining. I am for mining. There is not a single developed working major mine in Alaska today. We need some. There were seven major ones identified by the mining industry about ready to go, and we drew the lines in our bill so that five of the seven are outside our boundaries, and they can go full steam ahead. The other two, including this U.S. Borax claim we have heard so much about, are inside the areas we create. Let me repeat the argument that these are valid existing claims. They ought to develop. They have a right to develop, and we are going to provide it so they can develop their claims if they want to.

□ 1310

Let me nail down one more point. There is another basic principle of land management in the United States. This one we do not violate and they do. If you want clear-cut differences between the bills let me give you another one. A basic principle of land management in the U.S. administration of public lands is, you do not hard-rock mine in wildlife refuges. In some places the deer, the animals, the ducks, the geese are going to have a chance and so we have said in wildlife refuges hard-rock mining is incompatible, you do not do it, you do not hard-rock mine.

In the Breaux bill, which they have sent here to consider, they open the wildlife refuges, all of them in Alaska, to hard-rock mining and that is the reason you should stay with us as the balanced bill and the fair bill.

Today we face the same set of decisions with regard to Alaska. Alaska represents the last chance we as a Nation have to "do it right" the first time around; to preserve the truly deserving areas of national significance in Alaska for the use and benefit of this, and succeeding generations of Americans and also allowing the State of Alaska to continue their growth and development. I fully believe that the provisions of the Udall-Anderson substitute provide the proper balance without repeating the mistakes we made in the "lower 48."

So the central question in this debate is balance, fair play; whether or not an honest attempt has been made to reach both sets of values. Can we protect the "crown jewels" of Alaska and yet allow the orderly development of the resources Alaska and the rest of the country needs? Have we treated the various interests fairly and properly?

Last year, the House passed a sound, balanced Alaska lands bill—by a margin of 277 to 31. There seems to be general agreement that this is where we ought to come out. And yet this year the chief proponents of the Huckaby/Breaux approach are the ones who voted against the House-passed bill and did not want any bill passed last year. Those same interests were successful in preventing any legislation from being enacted last year. However, in order to provide the protection to the Federal lands in Alaska included in last year's House-passed bill, the President took the historic steps providing permanent protection to 56 million acres of land by using his Executive authority to create national monuments. Secretary Andrus also took the necessary steps to provide lasting protection to the remaining 60 million acres of land through authority granted to him under the Federal Land Policy and Management Act of 1976. So now we are faced with a different situation than last year. If no bill is enacted this Congress, the actions of the President remain intact.

However, we have always sought a legislative solution to the disposition and administration of the public lands in Alaska. We have always sought to insure that the unique conditions of the Alaska lifestyle are accommodated in any Alaska lands bill. We have made promises to the State and the Natives that we intend to honor. But we have also made commitments to the rest of the people of this country that we will protect the wilderness values of our last frontier. And the land we seek to set aside in permanent conservation systems is Federal land; belonging to each and every American, the common heritage of all of us, a heritage our grandchildren will thank us for preserving.

Once again, then the issue boils down to basic fairness; does the Udall-Anderson substitute properly balance all the conflicting and competing interests in Alaska? I believe that the answer is yes; yes we do reach a balance; a balance that is not reached under any other of the bills before the House.

First. Are we fair to the original Alaskans? Yes. Under the Udall-Anderson substitute, we speed up the conveyance of the 44 million acres of land promised to the Natives in 1971. We insure that the "core" townships surrounding the scores of Native villages scattered throughout Alaska are transferred expeditiously to the Native corporations so they can get on with the business of building their communities. We also make major improvements in the administration of the Alaska Native Claims Settlement Act. We also include a number of Native land transfers the various Native regional corporations have worked on for a number of years. These transfers will help facilitate better land management in Alaska and will certainly help resolve the uncertainties surrounding overall land ownership and management that have continually plagued our 49th State.

But, perhaps the single most important issue critical to the needs of the Native community throughout rural Alaska is the issue of subsistence. For the average rural Alaskan, subsistence hunting and fishing provides a major part of the diet. It is a way of life, a unique and endangered way of life that the Udall-Anderson substitute fully protects. It provides for strong local input into the regulation and management of the fish and wildlife resources of each region. For these reasons the Native community in Alaska has strongly supported the approach embodied in the Udall-Anderson substitute.

Second. Are we fair to the State? Yes. The State of Alaska was granted the right to select 105 million acres of "unreserved Federal land at the time of their selection" when the then 200,000 people of Alaska entered the Union in 1959. This grant of land to the people of Alaska is by far the most generous land grant ever given by the Federal Government.

In our bill we help speed up the transfer of land to the State. The State already has patented, tentatively approved, or uncontested selections of 100 million acres, and there will remain a large pool of Federal land outside of our conservation units from which the State can select its remaining entitlement of 5 million acres. The State will retain all the lands they have validly selected in the past. They will retain Prudhoe Bay, which generates over a million dollars in tax revenue to the State every day. The State will retain the best agricultural lands in the Matanuska and Tanana Valleys. The State will retain the best areas for settlement purposes, around Anchorage, around Fairbanks, along the Alcan Highway.

The Udall-Anderson substitute also contains an unprecedented explicit authority to the State to regulate the taking of fish and wildlife for subsistence uses on the public lands, with appropriate Federal oversight.

The State of Alaska, more than anything else, needs the certainty that the Udall-Anderson substitute will bring to the State. The Udall-Anderson substitute will fully allow the people of Alaska to get on with the building of Alaska; it will end the years of confusion surrounding the basic land patterns and management of our 49th State.

Third. And last, are we fair to the rest of the American people? Yes. The lands proposed for protection under the Udall-Anderson substitute are Federal public lands belonging to all Americans. Under the Udall-Anderson bill, we are not "locking up" the resources of Alaska—quite the contrary. Two-thirds of Alaska is going to remain open to a wide variety of multiple uses, basically unaffected by the provisions of the Udall-Anderson substitute. The question is how much of the remaining one-third is going to be permanently protected and by what mechanisms.

The basic strategy that has guided us in shaping our Alaska lands bill have been two-fold. First, include only those areas in Alaska of true national significance in our proposed new parks and refuges. Certainly no one can argue that the Wrangells, Lake Clark, Gates of the Arctic, and the Yukon Flats and Yukon Delta are not deserving of lasting protection in Federal conservation systems. But we have also tried to carefully draw our boundaries to exclude areas of real economic or development potential. That is why five of the seven sites identified by the mining industry as having the greatest potential for development are completely outside any proposed conservation system. The other two areas, while included in conservation units, have valid existing claims, all their rights of development are fully protected; 95 percent of the best oil and gas potential onshore will be open to exploration and development, and of course all of the very promising offshore areas will remain open to possible development. The best timber lands will remain available for logging, either in State, Native, or Federal ownership.

COMMITTEE JURISDICTION

Mr. Chairman, let me add a note about the genesis of some of the provisions which are contained in the version of this legislation reported by the Committee on Merchant Marine and Fisheries, because I think that there has been some confusion about just what role that committee properly has with regard to this important legislation for designation and conservation of the public lands.

The Committee on Merchant Marine and Fisheries is an important committee, and it is charged with responsibility for many matters of great importance to the Nation. However, it is the Committee on Interior and Insular Affairs, under our rules and our precedents, which has the primary responsibility for considering measures dealing with the disposition, classification, and use of public lands which are the property of the people of the United States, and especially all the lands within the National Park System.

Similarly, it is the Committee on Interior and Insular Affairs which has the responsibility, under our rules and precedents, for dealing with Indian (Native American) affairs and our relations with the Indian tribes.

And it is the Committee on Interior and Insular Affairs which has the prime responsibility, under our rules and precedents, for the Nation's mineral land laws and mineral resources of the public lands, mining interests generally, and petroleum conservation on the public lands.

In exercising our jurisdiction under the rules and the precedents, our Committee on Interior and Insular Affairs was the House committee responsible for the Wilderness Act of 1964, which created the National Wilderness Preservation System. And it was the Committee on Interior and Insular Affairs which was solely responsible in the House for the Alaska Native Claims Settlement Act, which laid the basis for all the Alaska national interest lands bills that the House has considered since the Native Claims Settlement Act passed in 1971. Furthermore, our committee has the jurisdiction—the sole jurisdiction—to consider proposals to amend or alter the operation of the mining law of 1972 and the Mineral Leasing Act of 1920 and the other fundamental mining and mineral laws of the United States.

Therefore, when the initial Alaska National Interest Lands Conservation Act (H.R. 39) was introduced in the 95th Congress, the bill was initially referred to our Committee on Interior and Insular Affairs. The leadership of the Committee on Merchant Marine and Fisheries, in response, urged that that committee had a concern because of their responsibility to deal with the National Wildlife Refuge System units, once those units have been created by the executive branch or by Congress, and to oversee the work of the U.S. Fish and Wildlife Service in administering those wildlife refuge system units.

As a result of these urgings, in the last Congress the bill was sequentially referred to the Committee on Merchant Marine and Fisheries "for consideration of such provisions—as fall within the jurisdiction of the (Merchant Marine and Fisheries) committee under clause 1(n), rule X." Clearly, that sequential referral did not spell out just what those provisions might be that properly were within that committee's jurisdiction—and it has been the position of our committee that the Committee on Interior and Insular Affairs, and only our committee, has jurisdiction concerning the designation of wilderness areas, the designation of wildlife refuges on the public lands, and all questions concerning Native affairs and the mining and mineral leasing laws of the United States.

Because the question of the respective responsibilities and jurisdictions of the two committees was left unresolved in the last Congress, I requested the Speaker to advise us concerning just what responsibilities the committees properly had for aspects of the Alaska lands legislation; and on March 14, 1979, the Speaker wrote to me to clarify this matter.

Now that the time has come for this to be brought to the floor of the House, I have carefully reviewed the version of the legislation which has been reported by the Committee on Merchant Marine and Fisheries in the light of the Speaker's letter to me. On the basis of that review, I think it is incumbent on me, as chairman of the Committee on Interior and Insular Affairs, to advise the House that the version reported by that committee includes many provisions which that committee had no jurisdiction to consider.

What provisions of the Merchant Marine Committee version are an improper exercise of jurisdiction which properly belongs solely to the Committee on Interior and Insular Affairs? First of all, there are the provisions which redesignate existing national park system lands. On December 1, 1978, President Carter issued proclamations under the Antiquities Act of 1906, designating 13 areas in Alaska as national monuments under the administration of the National Park Service. Those areas are thus now permanent units of the National Park System, and their status as such can only be changed by a statute. But the bill reported by the Merchant Marine and Fisheries Committee would redesignate all of two of those units (Bering Land Bridge National Monument and Noatak National Monument) and part of another (Wrangell-St. Elias National Monument) as wildlife refuges, despite the fact that the Committee on Merchant Marine and Fisheries has no jurisdiction over the designation or redesignation of units of the National Park System.

Next the Merchant Marine Committee's version of this bill designates public lands—including national forest lands—as a Copper River Wildlife Refuge, although the version of the bill reported by the Committee on Interior and Insular Affairs does not make such a designation. Such a decision is not within the proper jurisdiction of the Committee on Merchant Marine and Fisheries. As the Speaker's letter to me of March 14 put it:

> If the Interior Committee determines that public lands should not be designated wildlife refuges, the Committee on Merchant Marine and Fisheries during its sequential consideration would be exceeding its jurisdiction if it then proposed such jurisdiction on lands within the jurisdiction of the Interior Committee.

I believe that this statement by the Speaker is dispositive of this question, regardless of the technical point that H.R. 39 of this 96th Congress was referred jointly, rather than sequentially, to the Committee on Merchant Marine and Fisheries—especially as regards the national forest lands involved, which are not at all within the jurisdiction of that committee.

Wilderness designations in the Merchant Marine Committee's version also include provisions which that committee had no jurisdiction to include. As I have said, the Committee on Interior and Insular Affairs was the sole committee on the Housie side which dealt with the Wilderness Act; and it has also been the sole committee producing bills designating wilderness areas—including the designation of wilderness areas within existing national wildlife refuges, as was done in Public Law 94-557 and again in Public Law 95-450—which designated wilderness within the Oregon Island National Wildlife Refuge. In his letter of March 14, the Speaker wrote to me that nonetheless his analysis "would entitle the Committee on Merchant Marine and Fisheries to sequential referrals in some instances of proposals to designate wilderness areas within existing wildlife refuges, to the extent that such designations impose another system of management and restricted use of lands within its jurisdiction." But the version reported by the Merchant Marine Committee does not deal only with provisions designating wilderness within existing refuges. It goes far beyond its jurisdiction by varying from the Interior Committee version with regards to wilderness in the national park system units and also in new (not existing) refuge units. The Merchant Marine version has less wilderness in the Aniakchak National Monument and Preserve; more wilderness in Kobuk Valley; and less wilderness in Wrangell-St. Elias than the Interior Committee version—and it also varies from the Interior Committee version regarding wilderness in Bering Land Bridge National Monument, and in new Tetlin, Togiak, Selawik, and Yukon Delta National Wildlife Refuges. All these provisions represent decisions which are not properly within the jurisdiction of the committee.

There is more. As I said earlier, the rules of the House give the Committee on Interior and Insular Affairs sole jurisdiction over the mining laws of the United States and the system established by those laws for claims to and development of minerals on the public lands. Nonetheless, the Merchant Marine Committee's version of the bill includes a provision which in effect amends the mining law of 1872 as that law applies to public lands within the national wildlife refuge system in Alaska. Section 307 (a)(3) of the Merchant Marine version would give a mineral claimant on such lands who locates his claim on or after enactment "right or title only—to the mineral deposits, and—to the use of such surface and subsurface resources that are reasonably required to carry out activities on the claim." Now, I have consistently made clear my firm belief that the Mining Law of 1872 is in need of certain reforms. Nonetheless, as chairman of the Committee on Interior and Insular Affairs, I must object to this attempt to include in this legislation such provisions, which have not been considered by our committee.

Finally, let me point to just a few other relatively minor provisions in the Merchant Marine version which pertain solely to matters within the jurisdiction of the Committee on Interior and Insular Affairs but which do not correspond to any provisions in the version reported by our committee. There are probably others in the same category, but at this point I will allude to only two—sections 612(f)(2) and 612(i)—which set forth certain guidelines for the management of all wilderness areas in Alaska. The Committee on Merchant Marine and Fisheries has no jurisdiction to establish any such guidelines that would apply to wilderness areas in national forest, national park, and other public land categories; such jurisdiction is solely that of the Committee on Interior and Insular Affairs.

Mr. Chairman, I raise this matter of commttiee jurisdiction not from any ill will toward the members of the Committee on Merchant Marine and Fisheries or the distinguished chairmen of that committee and its hardworking subcommittees. Rather, I bring this to the attention of the House because of the importance for all Members of upholding the rules of the House and the integrity of the committee system, which make it possible for this House to effectively and responsibly discharge the important responsibilities which are ours under the Constitution of the United States.

SPORT HUNTING

As a westerner, I am a firm believer of uses of the public lands for sport hunting and fishing. This outdoor activity is important to a great number of citizens who visit Alaska, as well as many Alaskans themselves, and is an important economic ingredient to guides, outfitters, and other people who are engaged in servicing outdoorsmen. I am also a firm believer in reserving places in our country for wildlife utilization in order to serve and benefit that even larger segment of our society who utilize wildlife resources in nonconsumptive ways.

Udall-Anderson strikes a balance between these two important needs of our citizens by redesignating over 17 million acres of existing national monuments (now closed to sport hunting) as national preserves which will be opened, under proper regulation, to sport hunting.

There is an extremely important point here which needs to be emphasized. When President Carter established national monuments as units of the national park system on December 1, 1978. these national monuments, containing about 42 million acres, were closed permanently to sport hunting and remain closed today. (Sport hunting would be permitted in national monument designations within national forests and as units of the national wildlife refuge system, however.) Thus, if no bill passes, or in the event that the President vetoes an inadequate bill, these existing national park system areas will remain closed to sport hunting permanently.

The job then becomes one of balance—balancing competing uses and land dedications to serve those competing uses in an equitable way, while still serving the interests of all the American people. Udall-Anderson accomplishes this goal.

Our opponents are playing a shell game with acreages, hoping to hoodwink uniformed Members with sleight-of-hand maneuvering. They say that Udall-Anderson closes 30 million acres to sport hunting when the truth is that we open 17 million acres of existing units of the national park system now closed permanently to such use by redesignating them as national preserves, a unit of the national park system administered the same as a national park but where sport hunting is permitted. And, further, the initial boundaries of the national preserves in Udall-Anderson were carefully drawn and recommended by the National Wildlife Federation, the world's largest membership organization serving sportsmen and conservationists, to include prime wildlife habitats utilized by the most sought after wildlife species. Our opponents, on the other hand, have included large tracts, uninhabited by wildlife, merely to boost their total preserve acreage figures; thus, they are presenting a false impression that they are doing more for the sportsmen, when just the reverse is actually true.

Further, we are concerned about the sport hunting guides and commercial trappers themselves—a view not shared by Huckaby-Breaux-Dingell. The Udall-Anderson substitute contains provisions (Sec. 809(d) and Sec. 809(e)) "grandfathering" existing guides and trappers, the practical effect of which is to continue sport hunting in certain areas in national parks for a period of 10 years. Huckaby-Breaux-Dingell does not provide for continued use by guides and trappers. So I ask you, which bill really has taken the needs of these people into account. The answer, of course, is Udall-Anderson.

WILDERNESS

The Wilderness Act was enacted in September 1964. That law specified review of certain lands, which met specified criteria, in national forests, wildlife refuges and national parks, for possible classification as wilderness. Only the Congress can designate a tract of public lands as wilderness. Now, nearly 15 years after passage of this landmark piece of conservation legislation, there still are those individuals and organizations who oppose congressional action on wilderness by claiming that areas which have not been subjected to the precise review requirements of the Wilderness Act should not be designated as wilderness.

This antiwilderness argument simply does not hold water. First, the Wilderness Act directed wilderness reviews of units of the above conservation systems in existence upon passage of the act. Second, the Congress, as the final arbitrator of public land uses and dedications has enacted legislation in the past few years classifying as wilderness fully one-half of the areas and almost three-fourths of the acreage in the National Wilderness Preservation System exclusive of any agency reviews or formed recommendations.

The Wilderness Act simply does not change the constitutional power of the executive branch to make recommendations to Congress at any time, nor change the power of the Congress to legislate, absent recommendations by the Executive.

The Udall-Anderson contains a mix of areas in the wilderness category, that is, those areas in existence prior to September 1964, and which were processed according to Wilderness Act standards, and certain other areas which are designated as wilderness with new conservation system units created by the bill. All of these latter areas have been studied thoroughly since 1971 by the Interior Department and others. Studies included all resource values, including wilderness.

Classification by law of a wilderness areas within a conservation system does not "lock-up" those lands. By law, a wilderness area is supplemental to the primary purposes for which a conservation system unit is established. Wilderness is not a separate category since it is an overlay on a conservation system unit and is within the boundaries of the specific unit—not separate and apart. Thus, wilderness acreage does not add to the total acreage of land dedications as national parks, national wildlife refuge or wild and scenic rivers contained in Udall-Anderson, as some opponents to our substitute are trying to infer.

Further, even though the Wilderness Act permits use of motorboats, airplanes, and other forms of transport when previously existing, in order to make it absolutely clear that the unique conditions in Alaska relative to people use are not frustrated, we include in our bill a number of special provisions relative to access, use of boats, airplanes, snowmobiles, and so forth, and other special provisions to meet the needs of people in Alaska, which apply not only to the conservation system units, but wilderness areas within those units as well.

COMMERCIAL SALMON FISHERY

The commercial salmon fishing industry in southeast Alaska landed nearly 20 million fish last year and shows signs of vigorous growth. Fishermen have tightly regulated themselves for many long and lean years to allow salmon runs to build back up, and recently voted to assess themselves of 3 percent of their gross income for rehabilitation and enhancement of the salmon resource. Over 6,000 people are employed at the peak of the fishing season, with thousands of boats—a viable small business enterprise of extreme importance to southern Alaska's economy. Yet, of all the resources in the Tongass National Forest, salmon stands out as being extremely vulnerable to damage from development and extraction of other resources.

Another industry, though insignificant at present, enjoys a very dominant legal standing. Due to the rights granted under the antiquated 1872 mining law, multiple use is difficult to achieve when competing uses are fish and minerals. While the Huckaby bill recognizes the need to extend the authority of the Secretary of Agriculture in order to protect the fisheries values of the Wilson and Blossom Rivers, and grants the Secretary authority to do so, the provision is totally inadequate in that it does not mention fisheries values nor include the river most likely to be impacted by mining activities, the Keta River.

Our bill authorizes and directs the Secretary of Agriculture to promulgate such regulations as he determines necessary to protect the water quality, water quantity, and fisheries habitat and values of anadromous fish streams that may be impacted by mining activities. It also provides specific direction by requiring plans of mining operations to be based on adequate studies, and requires that provisions in the plans include specific details as to how fisheries values are going to be protected. Too many times the fishermen have heard, "Don't worry, we won't hurt the fish, we'll figure out how we are going to protect them after we find out more about the problems." Let us get multiple use on track here and avoid the problems before they become problems. For a long time, fishermen have gone more than halfway with the mining, power, logging, and other industries all across this country. The results are distressingly clear. There are few wild salmon left in the lower 48. Let us do it right the first time by putting fish resources on an equal footing with other uses by assuring protection of the industry that helped build so much of Alaska and is such a rich part of our heritage and national equal footing with other uses by assuring orderly development of mineral resources.

SUBSISTENCE USES

Mr. Chairman, during August of 1977, I accompanied other members of the Committee on Interior and Insular Affairs and its Subcommittee on General Oversight and Alaska Lands on an extensive journey throughout urban and rural Alaska to learn from the Native and other residents of Alaska's over 200 rural villages about their needs and concerns with respect to this legislation. Without exception, at every one of the 11 formal hearings and many other informal town meetings conducted by our subcommittee, rural residents, and especially Native people, expressed concern that their use of fish, wildlife, and other wild, renewable resources for subsistence purposes must be protected and permitted to continue on the public lands both within and without new conservation system units—and in addition to existing units—which will be established by Alaska national interest lands legislation. It was in response to these concerns that the provisions of title VII were in last year's House bill and are now in the Udall-Anderson bill (H.R. 3651).

Mr. Chairman, the economic life of Alaska's rural villages is grounded on subsistence hunting, fishing, and gathering activities with only limited participation in the urban cash economy. Even more importantly, as it has for thousands of years, subsistence remains today the loom on which the threads of Native culture continue to be woven, and the contextual framework for every traditional activity of village life. In 1971, the Congress, in the conference report on the Alaska Native Claims Settlement Act, instructed both the Secretary of the Interior and the State of Alaska:

> . . . to take any action necessary to protect the subsistence needs of the (Alaska) Natives.

That responsibility was accepted by the Secretary and the State in exchange for the exclusion from that act of a subsistence management title developed by the Senate.

PRESSURES FROM URBANIZATION

Unfortunately, Mr. Chairman, since 1971 neither the Secretary nor the State has taken completely adequate or timely steps to meet the responsibilities which they assumed at that time. The reluctance of the State to act aggressively to protect the economy and culture of rural residents, the majority of whom are Native people, has been compounded by Alaska's rapid population growth. Between 1965 and 1975, Alaska's population increased from 265,000 to 405,000 people and the number of hunting and fishing licenses issued statewide almost doubled. This rapid population growth precipitated the erosion of wildlife habitat near Alaska's urban centers, thereby increasing pressure by urban hunters and fishermen on more remote, more vulnerable rural areas. Both the State and the Secretary have been reluctant either to provide rural people with a meaningful opportunity to participate in the management and regulation of subsistence resources in their local area or to take timely steps to protect subsistence resources and uses from overpowering competition from the urban population centers. In several instances this reluctance already has led to overharvest of crucial subsistence resources with resulting hardship upon rural communities which are dependent upon those resources.

GOALS SOUGHT

Mr. Chairman, before our departure from Alaska that summer, Mr. Seiberling, other members of his subcommittee and I made a promise to Alaska's rural Native people. We promised that we would try to see to it that the trail of broken promises will end with the passage of Alaska national interest lands legislation. We promised we would do our best to see to it that any legislation passed by this Congress will guarantee the protection and continuation of subsistence uses by rural Native people in new conservation system units, including new national parks. And we promised that we would work to try to achieve legislation which would include a subsistence management process to insure meaningful participation by rural people in decisions of both the State and Federal governments which so effect their culture and their lives, and which would provide a mechanism to insure that both the State and Federal governments discharge their responsibilities to protect subsistence resources and uses in an adequate and timely fashion.

FISH AND WILDLIFE MANAGEMENT

After our return from Alaska and prior to markup by the subcommittee, on October 17, 1977, we prepared a committee print which modified my original bill on the basis of the comments which we received during the hearing process. Title VII of that text has provided the basis for all subsequent subsistence titles which have been developed in both the House and the Senate. That title included an unprecedented delegation of authority by the Congress to the State of Alaska to regulate the taking of fish and wildlife on all the public lands in Alaska for subsistence uses pursuant to broad Federal management guidelines and continual Federal monitoring of the State susbsistence program to insure the attainment of national interest goals. Thus, for the first time in the history of the Republic, Congress would grant to a State the right to manage fish and wildlife on public lands of the United States. In addition, the title provided that whenever necessary to restrict the taking of a fish or wildlife resource the highest priority would be given to subsistence uses by Alaska Natives primarily and directly dependent upon the particular resource as a mainstay of livelihood with lower priorities for other persons dependent upon subsistence uses.

For the past year and a half we have worked closely with all interested parties, including the State of Alaska, to refine my original title VII into a workable and equitable subsistence management system. That process has culminated in title VII of the bill which John Anderson and I have introduced so that it may be offered as a substitute. With one exception title VII of the Udall-Anderson substitute is based on the concepts originally developed in October of 1977. The major change is the elimination of a required priority for Alaska Natives.

NO ETHNIC STANDARD

Because of restrictions imposed on State action by the Alaska constitution (which are not applicable to the ability of the Federal Government to protect Alaska Natives and other Indian people under the U.S. Constitution) it would have been impossible for the State of Alaska to have developed a subsistence management program which provided a priority for "Alaska Natives." Consequently, under the revised preference requirements, in an appropriate instance a preference will be given on the basis of local residency, availability of alternative resources, and actual dependence upon the resource. The only reference to Alaska Natives is found in the findings of the Congress which explain the needs and legal bases for the title. However, Mr. Chairman, it is important to reiterate that while title VII of the Udall-Anderson substitute is applicable to all rural Alaska residents who are dependent upon subsistence resources, Native and non-Native alike, it is a statute which has been developed primarily for the benefit of Alaska Native residents of Alaska's rural villages who are dependent upon subsistence uses, and thus, under well-settled principles, vis-a-vis the State of Alaska or the Departments of Interior or Agriculture, the title must be liberally construed, and doubtful expressions resolved, in favor of Alaska Native and other non-Native residents of Alaska's rural villages who are dependent upon subsistence uses.

In addition, it should be noted that section 102 of the Udall-Anderson substitute establishes the operative policy against which all State and Federal activity on the public lands which may affect subsistence uses must be judged. That section requires that management policies on the public lands are to cause the least adverse impact possible on rural residents who depend upon subsistence uses of the resources of such lands. Consequently, the section requires that subsistence resources such as local timber for house building be available without the necessity of leaving the village to participate in the cash economy in order to pay full market value for the use of such resources, and that the taking of fish, wildlife, and plants for subsistence uses should not be subject to a rigid permit or quota system either within or without conservation system units, unless absolutely necessary to protect the natural stability and continued productivity of a particular resource.

THE BEST VERSION

The subsistence-protection provisions in title VII of the Udall-Anderson substitute constitute a substantial improvement over the version of title VII which has been reported by the Committee on Merchant Marine and Fisheries. The amendments offered by that committee to title VII of H.R. 39 have been hopelessly frayed during the struggle within the committee between forces hostile to the establishment of an equitable and workable subsistence management system and those committed to the creation of a system which protects cultural values and the resources upon which the continuation of that culture depends. In each instance in which those amendments compromise an important element of the subsistence title, the substitute has restored the integrity and the workability of the original intent of the particular section at issue:

First. Definition of "subsistence uses": All definitions of "subsistence uses" which have been considered during the 96th Congress have recognized that "customary trade" must be included within the purview of the definition. Trapping by residents of rural villages in order to sell furs for money to meet the requirements imposed by the cash economy on rural village life is a necessity if village Alaska is to survive. Section 709 of the Udall-Anderson substitute requires the Secretary to prescribe regulations to implement a definition of "customary trade" which will cause the least adverse impact possible on rural village people. In particular such a definition would not be based upon arbitrary income requirements. However, section 703 of the Merchant Marine Committee's proposed amendments inexplicably qualifies the term "customary trade" with the limitations that it be both "noncommercial" and "consistent with the maintenance of a subsistence way of life." The vagueness of both terms substantially increases the confusion surrounding the "customary trade" component of the definition, compromises the ability of the rulemaking process to craft a workable definition after the receipt of all available public comment, and will hinder the development of a workable regulatory system based upon the requirements of particular management situations.

Second. Preference for subsistence uses: Every subsistence management title developed during the progress of Alaska national interest lands legislation through two Congresses has included language which states unequivocally that the taking of fish and wildlife and other wild renewable resources for subsistence uses shall be the "first priority consumptive use" of such resources on the public lands. However, in section 704 of the Merchant Marine Committee's proposed amendments subsistence uses are substantially downgraded to "a" priority use. Section 701 of the Udall-Anderson substitute states clearly that:

> . . . nonwasteful subsistence uses by rural residents shall be the first priority consumptive use of such resources on the public lands in Alaska.

Third. Local and Regional Participation: The requirements of section 705 (a) (1) of the Merchant Marine Committee's proposed amendments require that the public lands in Alaska be divided into at least six subsistence resource regions to insure adequate public participation in the regulation of subsistence resources within each region. Section 703(a) (1) of the Udall-Anderson substitute increases opportunities for public participation by requiring the establishment of at least seven such regions. More importantly, section 705(d) of the Merchant Marine Committee's amendments substantially reduces the ability of rural people to meaningfully participate in the development of policies and regulations which will affect their culture and their lives by altering language describing the legal relationship between regional subsistence councils and the State of Alaska's rulemaking authority. Section 703(d) of the Udall-Anderson substitute restores the language, developed with the State of Alaska, to conform the Federal guidelines with the State's plan to regionalize its fish and game management system.

Fourth. Administrative Action vs. Judicial Enforcement: If the State of Alaska fails to properly provide for the preference for subsistence uses with respect to a particular subsistence resource, section 704 of the Udall-Anderson substitute provides that the Secretary is to take appropriate administrative action to protect subsistence uses and resources. Such action is limited to closing of appropriate areas to competing uses; or, if extraordinary measures are necessary, to opening the public lands, or any portion thereof, to subsistence uses by local residents of the affected area. The procedure minimizes the intrusion by the Secretary into areas of traditional State responsibility. However, section 707 of the Merchant Marine Committee's proposed amendment adopts language which not only would require the Secretary take appropriate action to insure the State provision of the preference, but would also provide that a failure by the State to discharge its responsibilities also would be reviewable by the U.S. District Court, which would be empowered to order any appropriate remedy to obtain timely relief from such failure. The approach which I support is identical to that which was adopted by the House of Representatives during the 95th Congress, while the approach of the Merchant Marine and Fisheries Committee is essentially that developed by the Senate Committee on Energy and Natural Resources. In my judgment the Senate approach is an unacceptable intrusion by the courts into areas of traditional responsibility of the State of Alaska and the Departments of Interior and Agriculture, and would in effect be an abdication of congressional responsibility in this area and quite likely is unconstitutional.

THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

It is important to remember, when considering the conservation and other provisions of the Udall-Anderson substitute, that this bill, like all other proposals for legislation on this topic—such as the bill which the House passed, 277 to 31, in May 1978—is a direct outgrowth of the Alaska Native Claims Settlement Act of 1971, and particularly section 17(d) (2) of that act. Thus, it is important to recall the relationship between the conservation system units which would be redesignated, established, or enlarged by the Udall-Anderson substitute and the lands which the Native peoples of Alaska have received and will receive pursuant to the Alaska Native Claims Settlement Act in return for the extinguishment of their claims based on aboriginal title.

We recognize that there are certain lands which have been selected by Native corporations and which are within the exterior boundaries of some of the conservation system units. This situation occurs because of the location of Native villages along stream courses and because unit boundaries have been drawn, wherever possible, to include whole ecosystems and to follow natural features, and thus also include some Native corporation lands. I want to make clear that inclusion of these Native lands within the boundaries of conservation system units is not intended to affect any rights which the corporations may have under this act, the Alaska Native Claims Settlement Act, or any other law, or to restrict use of such lands by the owning corporations nor to subject the Native lands to regulations applicable to the public lands within the specific conservation system unit.

In addition, there are provisions in title IX of the Udall-Anderson bill which would provide for land exchanges involving the Federal Government—and in some cases the State—and several of the Native corporations which have been formed pursuant to the Alaska Native Claims Settlement Act.

LAND EXCHANGES

These various land-exchange provisions were first developed during the time in 1978 when the Senate Committee on Energy and Natural Resources was considering the House-passed bill, H.R. 39, dealing with the Alaska lands matters. The terms of the provisions which were finally included in the bill which the Senate committee reported were arrived at through negotiations between the Native corporations involved, the State of Alaska, and representatives of the administration.

As Members are well aware, the Senate never acted on any Alaska lands legislation; a bill to extend the interim protection which had been extended to key areas by the Alaska Native Claims Settlement Act—protection which was to expire in December 1978—was blocked on the final day of the session by a filibuster threat of one Senator. The land-exchange provisions died with the end of the 95th Congress.

In this first session of the 96th Congress, I joined more than 150 other Members of the House in advancing legislation which would confirm the wise and bold actions of President Carter in designating new national monuments in Alaska—designations which were made on December 1, in response to the failure of the Senate to complete congressional action—and would have given permanent protection to other key areas which Secretary of the Interior Cecil Andrus, cooperating with Secretary of Agriculture Bob Bergland, has set aside for 3 years under his emergency powers.

Because there had never been any House hearings or discussion concerning the various land-exchange provisions which had been in the bill reported by the Senate committee, those were not included in the new legislation introduced in the House in January 1979—and again numbered H.R. 39. However, the Committee on Interior and Insular Affairs held hearings on that bill in February 1979, and at that time I requested and received extensive testimony and other information concerning these provisions. On the basis of that information, most of these land exchanges were included in the substitute put forward in committee by Mr. GUDGER, which I supported. Unfortunately, the committee—by one vote—reported instead the inadequate and unbalanced version which will soon be coming to the floor. None of the land-exchanges are included in that bill.

In formulating the Udall-Anderson substitute, we have again drawn upon the information developed in our committee's 1979 hearings, and have included the land-exchange provisions which were in the substitute offered in committee. We have also had the benefit of ongoing discussions between the administration, the State, and other interested organizations and groups—including the various Native corporations and the Alaska coalition—regarding a number of other related land-exchange provisions, and the results of those discussions are reflected in the Udall-Anderson substitute and are not included in Huckaby-Breaux-Dingell.

So, in summary Mr. Chairman, the Udall-Anderson bill represents the proper balance we so desperately need in the State of Alaska—without committing the same mistakes we have lived to regret in the "Lower 48"—without destroying one way of life to advance another—without needlessly capitulating to those who put private gain ahead of the public interest.

Mr. Chairman, the opponents of our bill are slinging the same old tired rhetoric—rhetoric that history has proven wrong time and time again. Alaska really is our last chance as a Nation to do right the first time around—let us earn the respect of our grandchildren.

Mr. Chairman, this land is our land, and as that great American Mark Twain once said:

> Do what is right * * * you'll please some of the people * * * and astonish the rest.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. UDALL. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. I have just two questions to ask the gentleman. Are there any lands in the gentleman's bill within any areas which the gentleman proposes as conservation areas that are State-patented lands?

Mr. UDALL. I am not certain as to the exact coverage, but can furnish it to the gentleman.

Mr. YOUNG of Alaska. Well, I will answer the gentleman. There are.

In the gentleman's opening statement he said that we have given this State 104 million acres. Has the State received that land?

Mr. UDALL. No, but they have identified most of it. They have uncontested selections of nearly 100 million acres.

Mr. YOUNG of Alaska. Is there any conflict between the gentleman's bill and the proposal of the State of Alaska?

Mr. UDALL. Yes, there is a conflict.

There is an old song, "When Will They Ever Learn?" When will we ever learn? We have created national parks in the lower 48 States for a long time and one thing we should have learned by now is, get it all, get it right, do it right the first time.

When California became a State there were 2 million acres of coastal redwoods. Somebody could have signed a piece of paper. They were all publicly owned, they could have said, "Here is a redwood national park."

We are paying $500 million this year to save a lousy 70,000 acres of those redwoods. There is a half a billion dollars this year in the budget to try to save those redwoods.

There are mining claims in the Grand Canyon. We did not get there early enough. There are inholdings all over America. We are paying out billions of dollars to get those inholdings back.

Let me tell you what they do in their bill. This is a critical issue and the House voted it down last year. In this bill the State of Alaska wants 10 million acres of inholdings in national parks and other conservation units. They are going to ask you to vote to create inholdings when we have been trying to eliminate them for a long, long time.

Winston Churchill once said in a debate that he had heard of somebody beating his head against a brick wall but he had never heard of anybody specifically building a brick wall in order to be able to have something to beat his head against. That is exactly what we are doing if we go along with these 10 million acres. The State of Alaska is not being fair.

Mr. YOUNG of Alaska. Mr. Chairman, I cannot allow the gentleman to get away with that. Under the gentleman's bill he creates inholdings of 6 million acres. We are only asking to draw the boundaries so there are not inholdings. Approximately 6 million acres of validly selected State lands are within your boundaries and are made inholdings and that is what we are saying.

Then you take another 10 million plus acres which we have selected and include them too. Under our bill, the Breaux-Dingell bill, we draw those boundaries so existing lands are not made inholdings and conflict with selections is reduced.

Mr. UDALL. Mr. Chairman, the State of Alaska has no right to create inholdings in national parks.

Mr. YOUNG of Alaska. Mr. Chairman, the gentleman is doing exactly that in his bill and I have the boundaries to prove it.

Mr. SEIBERLING. Mr. Chairman, would the gentleman yield to me?

Mr. UDALL. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, of course the gentleman from Alaska is absolutely right. The boundaries of the proposed park and wildlife refuges and some of the actual national monuments were drawn to follow watersheds and other ecological lines and sometimes those lines include State land that is already selected and in some cases patented to the State. But the acreage inside the boundaries of our conservation system units is very similar to that within the boundaries of the Breaux-Dingell-Huckaby bills.

Mr. Chairman, the gentleman also knows full well we had testimony from the Secretary of the Interior, the Assistant Secretary of Agriculture, that the State will have a complete right to do with those lands as it pleases and the fact that there is a boundary line of a national park or monument that goes through some of those lands makes no practical difference, because they belong to the State of Alaska.

Mr. Chairman, the gentleman also knows this: The only reason for including those lands within a proposed or actual boundary is so that if the State and the Secretary should some day work out an exchange of land, we will not have to redraw the boundary marks.

Mr. YOUNG of Alaska. Mr. Chairman, it is a little blackmail.

☐ 1315

The CHAIRMAN. The Chair recognizes the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think the answer was given by my good friend, the gentleman from Arizona, and my good friend, the gentleman from Ohio, and it was very clear. Under their bill they do take State patented lands.

Secretary Andrus came before the committee and said:

> Yes, they are your lands, but we will have to implement restrictions on the uses of these lands. Thus, you cannot go outside your lands via a transportation corridor. You have no access to them. You cannot develop them. You cannot truly manage them.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. Not at this time.

Mr. SEIBERLING. The gentleman has used my name. I wonder if we might as well wrap this up right now.

Mr. YOUNG of Alaska. I will not yield at this time. Perhaps later on we can do it. I mean, we are going to be here for quite a while. I hope we can keep our good humor and our good relationship we have had over the years. I hope you all understand that I feel very incensed that people can sit on this floor and say it is all right to take what is already the people's of Alaska. That is immoral.

Mr. SEIBERLING. Mr. Chairman, would the gentleman just yield so we can wrap up this point? I feel it is an important point.

Mr. YOUNG of Alaska. I will yield.

Mr. SEIBERLING. The gentleman is not a lawyer and I am.

Mr. YOUNG of Alaska. Thank God for that, but go ahead.

Mr. SEIBERLING. I can say as a lawyer, there is nothing in this bill that takes State land.

Mr. YOUNG of Alaska. Oh, I agree, it does not take them, but how would you like to be given title to a piece of land in the middle of nowhere, surrounded with a picket fence and say it is yours, but you cannot cross it. That is what you do.

Mr. SEIBERLING. I would also like to point out that both bills that the gentleman supports also include State lands within the boundaries.

Mr. YOUNG of Alaska. Oh, yes; I absolutely agree—but most of those lands are in the Bristol Bay cooperative area.

Mr. SEIBERLING. Oh, there are other areas.

Mr. YOUNG of Alaska. It is part of the area. We agreed to that. It is not in the gentleman's bill.

Now, let us go right down, let us settle one thing here. The bill that is supported by the good friends at that table, the Udall-Anderson bill, is not last year's House-passed bill, in no way, shape, or form. You have all received this sheet. You have the comparisons. It is not last year's House-passed bill. They take a million acres more out of State lands than they did last year. You cannot have fish research in the parks, and we had that last year. You can have aquaculture only on forest wilderness lands, and we had that last year. We had a mineral inventory last year. It is not in the present bill. Maybe they have added it recently, I am not sure.

We had an exemption of the BLM Organic Act, because after all, after we put 127 million acres in we ought not to have any more wilderness study.

We had the Bristol Bay cooperative area. We do not have that this year in the Udall-Anderson bill.

We also had last year, now, get this, 2.4 million acres of forest wilderness in the Tongass which would have closed down one pulp mill.

This year, the Udall-Anderson proposal has 5.8 million acres in wilderness, which probably will close down both of my pulp mills and put 2,000 people out of work.

Now, those are the facts. Those are the reasons Alaska is very incensed at this time.

I want to just stress one thing, too, along this line. We talk about oil in the Arctic Range. Everybody knows I approved of a study program last year so we could find out what was there and what the effect on caribou was. This House listened to that argument and it finally came out of the ad hoc conference committee agreement.

Now, the gentleman from Michigan (Mr. DINGELL) made a very good point today, and I want to make it again. Under the Breaux-Dingell substitute, there is a 2-year study on the caribou and the effect thereof; a 3-year study on the caribou and geophysical work, and a 2-year study on offstructure drilling. That gives us 7 years. Then we have to come back to the Congress. If it affects the caribou, there will be no development on the Arctic Wildlife Range.

Now, it has been said that the oil companies want it all, they want it now. There is no way the oil companies can get these lands if they are not put up for lease, No. 1.

No. 2, I plead with you, with the energy crisis with which we are faced today, I am afraid that we will go into the Arctic Range in the future and even the environmentalists say we will get it when we need it and they will destroy the caribou, the flora, and the fauna and the beauty of my State.

□ 1320

Let us do it on a planned basis.

Again there has been a lot of misinformation. I have been accused of distributing misinformation. I can say the same thing about other interest groups in this body. But I would like to refer to one other thing:

Myth: Alaskans have the highest per capita income of any State. It is the great "Arab State of the North." That is from the gentleman from Ohio.

Fact: While it is true Alaska has the highest per capita income of any State, it also has the highest cost of living and the highest unemployment rates of any State in the Union. The unemployment rate currently averages about 12 percent and is as high as 65 percent in some of the rural areas.

Moreover, despite significant belt-tightening on State expenditures in necessary programs, outlays have exceeded revenues for several years. We are not a rich State.

We are in a position, I believe, as a State under an act of Congress to receive all 104 million acres of land. We have not received those. We have received 36 million acres so far today, and under the Udall-Anderson bill we lose 10 million acres of those original 104 million acres. I do not think that is right.

I would ask my colleagues to consider the problem of oil drilling offshore. How many of the Members support drilling offshore, offshore leasing? How many of those in the environmental community? Not many.

I will tell the Members this: The person who supports offshore drilling in Alaska first over onshore drilling is doing a great disservice to the environment.

The Arctic Cap has the whale, the walruses, the seals, and the high plankton rate that provides the great food source for the mammals and the fish. It has an ice cap that is very questionable as far as drilling activity is concerned. I do not think we should rely on the offshore oil in Alaska first. I think it should be in an area which we can control safely.

Let us get down to another issue that I mentioned in my debate on the rule. That is the mineral deposits in Alaska. It has been said that there is not one working mine in Alaska, and that is true, other than some placer gold mines. It has been said most of the good mineral land is unaffected and only a few acres are inside of the Udall-Anderson conservation units. Those few acres happen to have the big finds. It has been said that amendment has left out five of the identified finds and valid claims. But they left two in, and one of those is the only one that is very close to development; that is the moly mine in southeast Alaska. That is a mine that will employ Alaskans and that will relieve some of the resources crunch in this Nation and provide a balance of payments for the Nation's Treasury.

We have people now who would put that into a wilderness category.

We have the question of hunting, and we have the statement made by the gentleman from Arizona (Mr. UDALL) about hunting. Alaska has 375 million acres of land in which to hunt, and the gentleman said:

> What do you want 27 million acres of land for to hunt? You have the rest of it open to hunting?

The biologists in my State have testified that Udall-Anderson affects a very high percentage of the key game areas of the State of Alaska.

I have stated publicly before that it is not the area that counts; it is what is in the area. To put it in simpler terms, we do not find rabbits on a pool table, because it is green; we do not find sheep on the flat lands, we find them in the mountains. We do not find caribou next to the Yukon Flats; we find them in the mountains.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I will gladly yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, on that point, from information gathered by the State of Alaska and the National Park Services, the lands which we open to sport hunting in Udall-Anderson, Federal, State, and private, account for 92 percent of the usual moose harvest, for 86 percent of the brown bear harvest, and 78 percent of the recent sheep harvest.

So we are making the point that we ought to harvest them where they are, and we make the point that is the areas we have opened up.

Mr. YOUNG of Alaska. Mr. Chairman, I disagreee with the gentleman, because that is not where the harvests have taken place. I can tell the gentleman, very frankly, that the areas of the Wrangell Mountains, the Wrangell Mountain Range, is where the greatest ram harvest is, and that is closed. I would refer also to the Brooks Range, and that is closed. It has been open all these years, and it has been managed properly by the State of Alaska. They have taken care of it.

I wish the gentleman could tell me why he draws the borders of these parks so large. I cannot understand why he leaves the borders of these lands as he does in the bill, as compared to the Breaux-Dingell bill. We could allow the protection of the fish and wildlife and the management of that wildlife to be accomplished without any harm to the land. There is a difference. I say, let us have man's involvement, let us not exclude man's involvement.

If anyone can prove there is any harm

done to the land by hunting, I would like to see it. I have not seen that.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Alaska. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

Can the gentleman tell us for the benefits of the Members of the House here, how do the people in Alaska feel about Udall-Anderson?

Mr. YOUNG of Alaska. Mr. Chairman, contrary to some statements made by other Members in this body, I think I am an example of how they feel. My barometer is very apparent. This issue was up before us last year, and I won reelection successfully with a large percentage of the vote.

□ 1325

The Governor is with me 100 percent. He will be here to help us out on this issue. Both of my Senators are with us. The State legislature is with us. Alaskans feel that we can support a bill such as the Breaux-Dingell bill, but they cannot live with the Udall-Anderson bill at all.

Mr. SYMMS. Mr. Chairman, will the gentleman yield for one more point?

Mr. YOUNG of Alaska. I yield to the gentleman.

Mr. SYMMS. I thank the gentleman again for yielding.

In other words, the gentleman is saying that his position is well known in Alaska, and the gentleman was reelected by a large majority last fall?

Mr. YOUNG of Alaska. I will say that it was by a majority. That is a matter of semantics. I am not sure it was a large majority.

Mr. SYMMS. But the point is that the people living and working in Alaska do not want the Udall-Anderson position?

Mr. YOUNG of Alaska. Absolutely not. They do not want the Udall-Anderson position and, frankly, I have got them to accept the Merchant Marine and Fisheries Breaux-Dingell bill, although they will support the Huckaby bill, although they will accept that bill, but they will not go the Udall-Anderson route.

Mr. SYMMS. The next question I want to ask the gentleman is: Who is it who is going to benefit if H.R. 39, the Udall-Anderson version, the "National Nonsecurity Bill for Oils and Nonfuel Minerals," as I call it, passes and becomes the law of the land? Who is going to benefit from it?

Mr. YOUNG of Alaska. We can get into a long discussion. There is no benefit for the people of Alaska and I think very little benefit for the people of America. We are going to set aside 127 million acres of land for future generations, but we are not willing to go any further. We do not want to lose our jobs, we do not want to lose these resources that are important to this Nation. It is my belief that under the Udall-Anderson bill, you can use percentages all you want, that is what happens under their bill. They take the major amount of oil and minerals areas and set them into these classifications. If I did not believe that, you would not see me on the floor today. If we had had this last year's House-passed bill before us, there probably would not be this argument right now. But the Udall-Anderson bill very honestly does a great disservice to my State and to the Nation as a whole.

Mr. SYMMS. If the gentleman will yield further, I think it is very interesting that the gentleman makes the point that there are no working mines in Alaska today.

Mr. YOUNG of Alaska. The point is there are no working mines because we have been importing our foreign materials, our minerals, from abroad. But that day is coming to an end. The new GAO report has come out, and we will be 100 percent dependent on foreign sources of 17 major minerals which we use today. Those 17 are in the State of Alaska. And that is what I am trying to stress. We knew oil was in Alaska in 1900. But at $1.34 a barrel it was not the proper thing to do. It was 4,000 miles away. But at $7 a barrel it became feasible. That is what we are faced with today. We do not want our State torn up. But we know the resources are there. If you do not plan on how you will take them and where you will take them and when you will take them, the State will be destroyed. And that is what the extreme environmentalists cannot see. They are thinking of today and not of tomorrow—and we are thinking of tomorrow.

Mr. SYMMS. Will the gentleman yield for one more point?

Mr. YOUNG of Alaska. I yield to the gentleman.

Mr. SYMMS. My district is a district which is very well known for the Coeur d'Alene Mine. We have had many mines that have been operating in that district since the latter part of the last century, and they are still ongoing mines. They are deep mines. They go down to the 9,000-foot level below the surface. It takes years of capital, formation of development, of risk, and so forth, to develop a mine if it is legal. Now, the argument is often thrown up, "Well, if we put these minerals away, we can always go get them when we need them." But, in reality, are not many of these minerals in Alaska in such far off places, nonaccessible to the modern world and to modern roads, transportation systems, and so forth, that by setting them aside we are really just precluding them in times when we might face an emergency situation? An emergency which could occur tomorrow or at any time in the future when some adversary closes the ceilings down and shuts off the minerals.

Mr. YOUNG of Alaska. It is on the record that it takes 15 years from the point of discovery to put a mine on stream. Fifteen years. If you cannot find out where it is, then how can you even get it on stream in 15 years?

Mr. SYMMS. I think the gentleman makes a good point.

Mr. YOUNG of Alaska. In the year 2000 we will be 100 percent import dependent on the 17 minerals.

□ 1330

Mr. SYMMS. I think the gentleman makes a good point, if I could have the gentleman yield to me for one more point, to bind that together.

I have before me a chart that shows 31 of the nonfuel minerals where we are relying, as the gentleman says, very heavily on foreign sources. Whereas, when you look at the sale of minerals to the Soviets, and you see that they have 56 operating mines now in Siberia, an area of the world geologically similar to Alaska. Yet they are moving ahead with theirs, and we are not with ours, and it makes one wonder just who is going to benefit from locking up Alaska. It certainly is not going to be good for the security of the American people, especially those who live in Chicago, New York, and Akron, Ohio.

Mr. YOUNG of Alaska. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman has consumed 15 minutes.

Mr. MURPHY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, all of the Members of this body have heard over and over again, almost to the point of exhaustion, that the Alaska national interests land conservation issue is the land and wildlife conservation vote of the century. It certainly is that. All three of the bills before the House of Representatives today are sweeping environmental measures of historic proportions. No amount of obfuscation of the facts can deny that. Every bill would double, triple and quadruple existing conservation system units including the National Wilderness Preservation System. The issue then is not whether Congress wants to take the historic step of setting aside vast amounts of Alaska for the enjoyment of present and future generations of Americans, the issue is the degree to which these lands should be absolutely and totally precluded from any kind of development, no matter how environmentally sensitive, despite the adverse impact on the economic well-being of the State of Alaska and the Nation .

How many Members have heard that Alaska is a simple issue. There are good guys and bad guys, there are white hats and black hats. Nothing could be further from the truth. In addition to being an environmental issue of historic proportions, Alaska presents a complex set of issues that have to be resolved by the Congress of the United States. Both the bill reported by the Interior and Insular Affairs Committee and the bill reported by the House Merchant Marine and Fisheries Committee are nearly 300 pages in length. These bills address the issues of land and wildlife conservation, but they also address much, much more. They address mineral development, mining, timber, fisheries enhancement, and transportation. None of the questions raised by these issues are simple, nor are any of the solutions.

For these reasons, I feel very strongly that the product of the two committees has to be given preeminent consideration by the Members of the House. The Committee on Merchant Marine and Fisheries, as well as the Committee on Interior and Insular Affairs, has been intensively involved in the Alaska issue now for over 2 years. Actually, the consideration of the Alaska issue by my committee goes back to 1973 when the first (d) (2) hearings were held by the Subcommittee on Fisheries and Wildlife Conservation and the Environment. During the 95th Congress, the Subcommittee on Fisheries and Wildlife Conservation conducted over 15 days of hearings in both Washington, D.C. and Alaska.

For example, the Subcommittee on Fisheries and Wildlife Conservation was the first subcommittee to receive testimony from the Department of Energy on the Alaska Lands bill. Can you imagine that? Here we are talking about a measure which has vast implications for the future energy supplies of this Nation, and no one had bothered to receive the testimony of the one department in the Federal Government with the responsibility for supplying the Nation's energy needs. His was also the first subcommittee to travel to the State of Alaska—not during July or August when everything is beautiful—but during early March—in the dead of winter.

The committee traveled to the coastal plain of the Arctic Range—one of the most controversial areas addressed in the legislation—when temperatures were minus 78 degrees. The subcommittee conducted a 13-hour hearing in the city of Fairbanks and heard from over 75 witnesses. What the committee heard was that these people are alarmed, and a bit disgusted at the inability of the U.S. Congress to recognize their concerns. These people are conservationists. They want to protect Alaska's resources. But they also want a stable, health, and viable economy—one that is not relegated to constant boom and bust cycles.

We believe that the bill produced by the Committee on Merchant Marine and Fisheries—the now-called Breaux-Dingell substitute—adequately responds to the real need to preserve Alaska's wildlife, wilderness and recreational resources for future generations. We also believe that the bill makes an honest and balanced attempt to permit the development of at least some of Alaska's almost wholly untapped natural resource potential.

□ 1335

Mr. SEIBERLING. Mr. Chairman, would the gentleman yield?

Mr. MURPHY of New York. I would be happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. The gentleman pointed out that the Department of Energy officials testified this year before his committee, which is, of course, correct. I wonder if the gentleman would mind if I would read the key part of the testimony of Assistant Deputy Secretary O'Leary on the crucial question, the only basic difference between the gentleman's bill and ours, on the question of the oil resources. Would the gentleman be interested?

Mr. MURPHY of New York. Is it a lengthy statement?

Mr. SEIBERLING. No, just a very short paragraph.

Mr. MURPHY of New York. I would be happy to yield further.

Mr. SEIBERLING. I will not even read the whole paragraph.

In answer to a question asking if he supported a position, a prohibition of any seismic testing or core drilling by the Government or private industry in the Arctic National Wildlife Range, he said, and I quote:

> We still have enormous opportunities in Alaska, and elsewhere, that will keep us heavily occupied for many, many years to come. If in thirty years we get to the point where all of our opportunities are gone, are behind us, where we have drilled up all the major structures, and the Arctic National Wildlife Range is the only one left, and we desperately need the oil, then I think it is fair that we ask the Congress, if the situation at that time demands, to reconsider. But for now, the Wildlife Range has a higher claim to be set aside as a wilderness area, as a refuge, and not touched. It represents only a very slight fraction, just under ten percent of Alaska's enormous potential. It is going to take us the next thirty or forty years probably to work through that enormous potential up there * * *"

We had our calculations in the report at about 5 percent, but I do think it is fair to say that was the testimony of the Department of Energy before the gentleman's committee.

Mr. MURPHY of New York. I am not sure whether Mr. O'Leary had taken a look at some of the overlays and carefully studied maps that the subcommittee had drawn and designed and that are sitting out here in the cloakroom. If the gentleman will note, the Udall-Anderson piece of legislation has almost taken an overlay on the oil- and gas-producing areas and included those within areas where one can explore for petrochemicals. It almost seems like it was done on purpose, and I do not think Mr. O'Leary had seen those overlays or just what the intent was.

□ 1340

But I think the gentleman from Alaska has already pointed out to the Committee that there are very carefully conceived plans as far as the Breaux-Dingell bill is concerned for any exploration, even seismic, in the wilderness areas, and he very carefully laid it out so that it would be at least 7 years before there could be the first hole put in the ground in that area, and yet only in a very careful and narrow area that could be defined, and that is set aside.

We might state at this point that this area happens to be 75 miles away from the Prudhoe Bay which we are happening to be relying on so heavily for satisfying just a small fraction of the necessary energy products that this country needs at this time.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I will be happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. I thank the gentleman for yielding.

Has the gentleman examined the USGS map that was included in the Interior Committee's report, by the minority dissenting views, I might say, but it is the official USGS map which shows the areas of high and favorable oil potential in Alaska? Even a casual glance will show that the vast majority—and our calculation is 95 percent—of all of these areas of high and favorable oil potential are outside the Arctic National Wildlife Range.

Mr. MURPHY of New York. We have seen that legislation, and I would also like to refer the gentleman once again to those overlays that are very carefully documented and detailed by the Department of the Interior, if the gentleman will go out and look at them, because we understand now that the Udall-Anderson approach is now starting to change those boundaries, and we will have to wait until Wednesday to find out who is on first, to find out where the maps are and what the designation is going to be in that area.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Michigan.

Mr. DINGELL. I thank the gentleman for yielding.

I echo the gentleman's comments because the Udall-Anderson or the Udall-Seiberling bill changes with the hour. I understand we are in the fourth draft, and I hope that the gentleman from Ohio (Mr. SEIBERLING) has read it. I think it would probably benefit him as well as the rest of the House.

But I want to comment on this business of oil. The oil studies—and I am chairman of the Subcommittee on Energy and Power and do work on oil supplies. We are in a shortage, by the way. We are importing 50 percent of our oil, and that is going to increase, and if we are shut off from major supplies at any moment, there would be disastrous results to the economy and to the citizens. But the studies in Alaska of petroleum supply are based on the most cursory work by the Federal Government and are admittedly highly deficient in terms of their reliability. As a matter of fact, anybody who knows anything about geology and oil production knows there is only one way of being sure where the oil is, and that is by putting a pipe down into the ground and drilling. That fact is something that has been lost on the administration, and they have been badly advising the gentleman from Ohio.

But there is another point we have to have clearly in mind here, and that is that there are other areas of Alaska that are at least as environmentally sensitive as the Coastal Plain Arctic Refuge. There is one area that has been cited as a major source or potential source of oil, the Gulf of Alaska, and also the Bristol Bay area where drilling at the wrong time of the year and an oil spill could wipe out the entire world population of sea birds of a particular species. I have heard no concern about that. There are other areas where drilling would wipe out the whole population of salmon and gremlings. I have heard no concern about that. What I am trying to say to my good friend and colleague is the information on oil and oil supplies and geology is based on most sketchy and cursory work by the Federal Government. Everybody agrees. The other areas regarding Udall-Anderson legislation would have us drill are ofttimes subject to greater environmental peril in terms of waterfowl population and fish than is the Arctic Canadian Range. For example, the Copper River Delta is an area that has potential for oil, and it contains the entire world population of dusky Canada geese, which could be wiped out by any developmental drilling, and I have heard no expression of concern by the Interior Committee over this.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I would like to remind the gentleman from Ohio that he has a third of the time. If he would like to take his own time, perhaps we could get into further colloquy.

Mr. Chairman, the committee bill would, in fact, set aside more land for protection than any other Alaska land measure. This includes the proposal made by the Carter administration, the bill passed by the House of Representatives last year, the original Udall bill this year, the Udall-Gudger bill rejected in the Interior Committee, the Huckaby bill, the first Udall-Anderson bill and the second Udall-Anderson. It protects more land than all of these measures—128 million acres.

Sometimes we lose sight of exactly how much land we are talking about in some of these measures; 128 million acres is more land than in Virginia, Tennessee, South Carolina, Mississippi, and Kentucky combined. It is over four times the size of the State of New York.

☐ 1345

Let me repeat that. The Breaux-Dingell bill proposes to set aside almost entirely for conservation purposes a land area four times the size of the State of New York. But that is not all it would do.

The Merchant Marine and Fisheries Committee bill would also designate 53.6 million acres of wilderness. Wilderness is the Federal Government's most restrictive land classification system. Permanent roads and commercial activities of any sort are prohibited in a wilderness area. Developed recreation is also prohibited in wilderness areas. 53.6 million acres is more than 20 million acres larger than the State of New York. It represents half the size of the State of California. Again, let me repeat it. The Breaux-Dingell bill would designate a land area equal to half the size of the State of California in the Federal Government's most restrictive land classification category.

The Breaux-Dingell bill is an environmental measure of historic and sweeping proportions. This bill would double the size of the existing National Park System, and quadruple the size of the existing National Wildlife Refuge System and National Wilderness Preservation System. To state that this bill is not an environmental measure is to confound reality.

Now the opponents will argue, that it is not the acreage figure that is important, but what the bill permits in the most sensitive areas. Let us look at what Breaux-Dingell provides for one of the most sensitive areas in the State—although certainly not the most sensitive—the coastal plain of the Arctic National Wildlife Range.

The Arctic National Wildlife Range is an existing National Wildlife Refuge of 9 million acres on the far northeastern side of the State of Alaska. The Arctic Range is without a doubt one of the most spectacular areas in the State. It stretches the breadth of the Brooks Range from the Foot Hills on the south side to the Beaufort Sea on the north side. The Merchant Marine and Fisheries Committee recognized that the Arctic Range is a crown jewel—that it is one of the most significant units of the National Wildlife Refuge System.

The bill adds 9.5 million acres to the existing refuge. The bill also designates 11.5 million acres of wilderness in this area. Again, to put this figure into a little perspective, 11.5 million acres is more land than the States of Massachusetts and New Jersey combined. The bill does not designate wilderness on one small portion of the Arctic Range—the 1.6 million acres on the coastal plain. It is this area—lying only 75 miles from Prudhoe Bay—that has been estimated to have the highest onshore energy potential in the State of Alaska. It is, however, an area that has been subject to virtually no indepth energy assessment. There have been no seismic test conducted in this area, no geophysical studies, and no exploratory drilling.

The committee bill recognizes that the coastal plain is a sensitive environmental area. During 6 weeks of the year in late spring and early summer one of Alaska's 13 caribou herds uses the coastal plain as a calving and postcalving area. The committee bill does not open this area up to energy exploitation. But neither does it lock it up. What it does do is subject the area to a comprehensive resource assessment program which would evaluate both the fish and wildlife resources of the coastal plain as well as the energy resources.

The provision has been very carefully crafted to make it clear that there would be absolutely no adverse impact on the sensitive wildlife resources in this area. The study would be conducted over a 7-year period, but seismic work could not begin until after 2 years, and then only during the period of the year when the caribou herd is not present on this portion of the range. Actual penetration of the tundra would not be possible until after 5 years. Any and all activities would be subject to strict environmental regulation by the Department of the Interior to insure no adverse impacts. Most important, there would be absolutely no development or production of the energy resources that may be hidden in this area until provided for in an act of Congress.

Alaska is a beautiful State. There is no doubt about that. But the terrain in Alaska by lower 48 standards, is rather sparce and barren. This is not the case, however, with Alaska's panhandle. Southeast of Alaska is a unique part of the State, encompassing the largest part of the North Pacific coastal rain forest in Alaska. It is this rain forest, or portions of it, which is the source of much of the controversy in this legislation. The rain forest is highly prized by many for its environmental and aesthetic values, contains some of the finest timber and mineral resources in the United States and provides important fishery habitat. The committee bill attempts to respond to all of these concerns in a fair, balanced, and equitable manner.

In recommending wilderness for this portion of the State the committee bill attempts to protect the most important areas in southeast as wilderness without significantly impacting the timber industry and without causing job losses in an area where the unemployment level, including Native peoples, is currently running at 16 percent.

The basic problem in southeast is that no one is quite sure what level of timber harvesting is required to maintain the existing employment. Recognizing this basic fact, the committee bill places 2 million acres of the Tongus Forest into a holding pattern for 10 years. These areas cannot be logged for 10 years, but they also are not designated wilderness at this time. If at the end of 10 years, we discover that existing employment in the timber industry of southeast Alaska is protected without logging these areas, then Congress is free to designate them wilderness.

Some have argued that this approach to southeast Alaska will have adverse impacts on the regions important salmon fishery resource. Nothing could be further from the truth.

The Committee on Merchant Marine and Fisheries is the only committee of the House of Representatives which has jurisdiction over issues involving fishery conservation. I believe that we have established a strong record in the area of fishery conservation. It was this committee that passed the historic legislation 3 years ago establishing the 200-mile fishery zone legislation. That act, more than any other, has started a renaissance in the fishing industry in the United States and especially in the State of Alaska. To say that this committee is somehow unconcerned about Alaska's fishery resources defies the long tradition of concern expressed in this area.

We are confident that our approach to southeast Alaska not only protects existing fishery resources, but will lead to their enhancement. The committee adopted amendments to the bill which, for example, insure that Alaska's aggressive salmon enhancement program can proceed within wilderness areas. No other bill contains these provisions.

I have just touched on a few of the many areas of this complex and controversial issue. I might point out the Alaska bill is over 300 pages in length. It contains literally hundreds of separate provisions. All we are asking is that the House recognize that the two committees with jurisdiction have done a good job in this area—that they have produced balanced, reasonable bills which respond to the needs of all Americans, including the very real need to preserve millions of acres solely for the enjoyment of future generations.

The issue before the House is whether the careful and balanced work of the committee system should be nullified by the Udall-Anderson substitute. A substitute which has not passed a single committee of the House, and which has not been considered by any committee. As I have already pointed out, this is the fourth version of the Udall bill introduced in this Congress alone. Many of the provisions of the bill have been inserted for the first time in this version. Nevertheless, the gentleman from Arizona would have the House reject the careful work of two committees and replace it with the thoughts and aspirations of the Alaska coalition.

Alaska is our last great frontier. Two-hundred years ago, nearly all of this Nation was wild. Since then, we have grown and expanded into the greatest Nation in the world. In the process, however, we have lost much of what attracted our forefathers to this country in the first place. We cannot turn back the clock, but we can insure that 50 or 100 years from now a significant portion of the American frontier will remain available for our grandchildren to appreciate and enjoy. I believe the committee bill accomplishes just that.

☐ 1350

Mr. UDALL. Mr. Chairman, will the gentleman yield to me at this point?

Mr. MURPHY of New York. I am happy to yield to my colleague, the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, the statement has just been made by the gentleman, the gentleman from Michigan and others, about three or four times this afternoon that we have had a new bill; every hour on the hour the Udall bill changes.

Let me set the record straight. I introduced the first day of this session, with about a hundred and some cosponsors, H.R. 39, which was based on last year's bill, but which was a little tougher than last year's bill, because we had found we had it watered down at every stage of the process, and that is what is going to happen again this year.

☐ 1355

That is going to happen again this year. When it came up to a vote in the committee, the gentleman from North Carolina (Mr. GUDGER) had made a careful study. He made a few modifications, and I would say the Gudger substitute for the original Udall bill was 97 percent of the bill.

We made some further refinements on the basis of the hearings and events that had taken place after the committee acted, trying to meet legitimate complaints. We made some settlements with the Native tribes and the people of Alaska. We did that so that the Members, when they came back from the Easter recess, would have complete knowledge of our bill, of what the Udall-Anderson bill would be.

I introduced it as a bill. That was April 10. That was still about 99 percent of what the Gudger substitute was; it was the same bill.

I came here the day we got back, on April 23, to put this in the RECORD and have it printed with about two changes that had occurred based on interim developments. The Parliamentarian stated it would be better to work from a printed bill than from the one in the CONGRESSIONAL RECORD. That was the fourth bill, but it was identical to the one on April 10. There have not been four bills; there was one bill. I want to set the record straight.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I wish to celebrate the prolific authorship of the gentleman from Arizona (Mr. UDALL) and to commend him briefly on his remarkable talent as an author of legislation.

I have here a bill, H.R. 39, with a goodly number of sponsors, which was dated January 15. I believe that was the original bill introduced by the gentleman from Arizona.

Mr. UDALL. I just said that.

Mr. DINGELL. Yes; and I am concurring with the gentleman.

That bill had 179 pages in it.

I have a second bill dated April 10. The gentleman mentioned April 15. I assume this is the date to which he was referring.

Mr. UDALL. I said, April 10.

Mr. DINGELL. I will take the gentleman's date.

That bill has a total number of pages, according to the last page, of 245 pages. That is a larger opus than was the prior bill.

I believe the gentleman has probably recognized those changes and that there was need for significant alterations in his original undertaking. I laud him for that, but I am distressed to find in the reading of this that there are a goodly number of pages which are blank. I am not prepared to tell the gentleman why he submits legislation with blank pages.

Mr. UDALL. I will tell the gentleman why.

Mr. DINGELL. Mr. Chairman, I do recognize that one who submits bills with blank pages is probably telling the House that he proposes to introduce other legislation to succeed it.

I do not have one of the bills the gentleman did introduce, but, happily, the gentleman has cured, I understand, the deficiency of the number of blank pages with H.R. 3636, which is the second or third version introduced by my good friend, the gentleman from Arizona (Mr. UDALL), with a subsequent bill, which bill is before the House and which had 345 pages.

As we can all observe, these minor changes have caused the bill, which ran about 170 pages, to grow to a very large opus of 345 pages. I assume significant changes have taken place. I know the gentleman can explain what these changes are and why they have occurred, but we would be better served if we had the report of the Committee on Interior and Insular Affairs chaired so ably by the gentleman from Arizona (Mr. UDALL).

But, regrettably, the report on that bill describes the committee's undertakings which were for the Huckaby bill, which is the device which is before us as the principal document.

Mr. UDALL. Mr. Chairman, will the gentleman from New York (Mr. MURPHY) yield to me.

Mr. DINGELL. Mr. Chairman, I wish the gentleman could explain this. I know the gentleman from New York (Mr. MURPHY) has the time. Then I would be happy to proceed in silence and let the gentleman explain this magnificent growth of this splendid document from 170 pages to 345 pages and tell us what the changes were.

Mr. MURPHY of New York. Mr. Chairman, they were probably made so we could hit 400 pages in the bill before we get to conference.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I think the gentleman ought to wait until next week when we get down to amendments on the substance of the bill. The gentleman from Michigan (Mr. DINGELL) is having a good time, and I hope he enjoys his afternoon. But this last suggestion here is really what they call in the football game a "cheap shot."

I came over here the day after Congress adjourned, and the Parliamentarian knows it. I was going to put in H.R. 3636 and have it printed as an amendment. It would have taken 100 pages of the CONGRESSIONAL RECORD. The Parliamentarian suggested that, with the few changes I had, if we were going to have it as a substitute, as the Committee on Rules suggested, we might as well have it as a printed bill. I will read the changes in the versions, as the gentleman suggested, of these four bills, but I wish he would show me, as between H.R. 3636 and H.R. 3651, where there is 2-percent difference in the major versions of the bills.

☐ 1400

Mr. DINGELL. Mr. Chairman, if the gentleman from New York will yield further, I am not the sponsor of this rapid-changing piece of legislation. I do recognize the need of the House to perfect these matters. I must confess that the gentleman has been so busy perfecting this that very few people in the House, including his own committee, can keep up with it. I really think we ought to focus on a piece of legislation that has been considered by the committee and has not gone through this rapid series of changes, of remarkable distortions, that permits it to grow from 149 to 335 pages.

Mr. UDALL. I trust the gentleman knows that the gentleman from Louisiana (Mr. HUCKABY) announced he will allow the bill on the floor to blend in with the bill on the floor next week. I hope the gentleman will not support that kind of legislation.

Mr. DINGELL. If the gentleman from New York will yield further, I would comment that the gentleman from Louisiana is doing that, and I would urge the gentleman early that he might join with us to get a consensus bill. That would be good legislation.

Mr. HUCKABY. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Louisiana.

Mr. HUCKABY. I thank the gentleman for yielding. As the gentleman knows, I have been looking at all four of these bills, being on the Interior Committee. I must defend my chairman by saying that the fourth version of his bill I think is far more in tune with the steps of the overwhelming majority of the American people than the first version, which would have literally locked up virtually all of Alaska. I would suggest, as my friend, the gentleman from Michigan, did, that if the gentleman could introduce a fifth bill and perhaps make the final step, perhaps we could all be in agreement come next Wednesday.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the very excellent presentation of the gentleman from New York, and I hope that my distinguished chairman would know that I would never do anything to impugn his motives, nor the motives of the gentleman from Ohio, that this is just a matter of a hard difference of opinion, but I would hope that the gentleman from New York and the gentleman from Michigan at a proper time next week, when it is not on Friday afternoon and the Members have not scattered hither and yon, that they would be able to make that same exemplary presentation to this body again so that those Members who are confused about what is in the first, the second, the third, and the fourth version might have it run by us again, and also our colleagues who have not had the privilege to be in two places at once might be able to go through that again to see what we are up against here.

Mr. MURPHY of New York. I think we will have an adequate explanation during those hours of debate on Wednesday.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding, and I want to thank the gentleman for his very lucid, as usual, and his most logical statement on the bill. But I also think we ought to give the gentleman from Arizona (Mr. Udall) a chance to refute certain statements that were made about those missing pages. As I just heard the gentleman speak, one might have construed the pages were missing because there was a concern on his part about the cost of printing. There was a national journal which carried, I am sure, a story that was incorrect, something to the effect that pages were left out, all of which dealt with the Native lands, in an effort to convince the Native leaders that they had an interest in supporting the Udall-Anderson bill. I am sure the gentleman does not deal with this kind of a hard-knuckle piece of legislation.

Mr. UDALL. Perish the thought.

Mr. BAUMAN. Or that he would waste 30 pages of a bill just to divide an entire State and its large population. Certainly that would not be in his mind. So I thought we should have a chance to correct that.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Arizona.

Mr. UDALL. Just so that I can lay this to rest, we were in a target situation. The Congress was about to adjourn for 10 or 12 days for the Easter recess. We had been in negotiation with a number of Native groups who wanted certain land transfers and wanted them approved by the Interior Department. I had to put in a bill so that I could respond to the gentleman from Ohio, because I felt he was going to get up and say, "We have not even seen this bill until after the Easter recess." So I wanted a bill in the hopper. I wanted to signify that we did not have anything in there about Native land transfers. So I put the heading in there and left pages blank to put my colleagues on notice that there would be pages for that when we got the thing together.

□ 1405

There was one other thing. We are being pressed on oil and gas exploration. I was trying to work out something for those Members who are dissatisfied that we did not have enough adequate provisions about gas and oil explorations. We added that. But the rest of the bill is identical. The bill we put in, the last version they talked about essentially, was a printed bill, because the Parliamentarian told me it would be easier for the gentleman from Maryland and others to work from that than from 100 pages of small print in the Record. That is the whole story and honest story.

Mr. BAUMAN. If the gentleman would yield further, I thank the gentleman from Arizona for his explanation. I always respect his words, which are always eloquent. I want him to understand I read his bill carefully. I found the blank pages to be some of the best parts of his legislation.

Mr. SEIBERLING. Would the gentleman yield?

Mr. MURPHY of New York. Would the Chair advise me of the time I have consumed?

The CHAIRMAN. The gentleman from New York (Mr. Murphy) has consumed 35 minutes.

Mr. MURPHY of New York. I will yield to the gentleman from Ohio (Mr. Seiberling).

Mr. SEIBERLING. The gentleman, from the outset of his statement, made the remark, I believe, that the Merchant Marine version was much closer to the House passed bill of last year than any other of the various substitutes.

I wonder if the gentleman could give us the comparable figures as to acreage in last year's House passed bill and the Breaux-Dingell bill under the major categories of the national park system and the wilderness designations. If not, I will be glad to supply them.

Mr. MURPHY of New York. I can state them right now for the gentleman. I can also place them in the Record at this point, but the gentleman specifically is asking about parks and preserves.

H.R. 2219, which is a House passed bill, had 42.72. Huckaby, H.R. 2199, had 42.10. In the Breaux substitute, 32.38.

As far as refuges are concerned, H.R. 2219 was 76.84; Huckaby, 45.07; and the Breaux substitute, 87.79.

In the area of forests, in H.R. 2219, 2.74; in H.R. 2199, 3.04; and in the Breaux substitute, 2.45.

In conservation areas, under the Bureau of Land Management, zero under H.R. 2219; 3.4 under H.R. 2199, and 1.99 under Breaux.

In special management areas (forest), zero under H.R. 2219; 2.32 under H.R. 2199; and 2.32 under the Breaux substitute.

Recreation area (forest), zero under H.R. 2219; H.R. 2199 is 4.72; and the Breaux substitute is 1.21.

Those totals, 122.30, under H.R. 2219; 100.65 under Huckaby; and 128.4 under Breaux; obviously closer in those totals to the House passed version of last year.

Now in the wilderness acreage, H.R. 2219, of course was 65.54; that is the House-passed number. Huckaby has 50.72; and the Breaux substitute, 53.64.

Again, I think we see that the Breaux substitute is closer again to the House passed version of last year.

Mr. Chairman, we will place this chart in the Record at this point for the edification of the membership.

The chart referred to follows:

ALASKA LANDS

ACREAGE SUMMARY

[In millions of acres]

	H.R. 2219 (House-passed)	H.R. 2199 (Huckaby)	Breaux substitute
New acreage:			
Parks and preserves	42.72	42.10	32.38
Refuges	76.84	45.06	87.79
Forests	2.74	3.04	2.45
Conservation areas (BLM)	0	3.41	1.99
Special management areas (Forest)	0	2.32	2.32
Recreation Area (Forest)	0	4.72	1.21
Total	122.30	100.65	128.14
Wilderness acreage:			
Parks and preserves	41.69	27.69	21.02
Refuges	19.93	20.10	29.69
Forests	3.92	2.93	2.93
Total	65.54	50.72	53.64

EXISTING LAND CLASSIFICATIONS

	Acreage	Percentage of entire State
State entitlement	[1] 104.0	28.0
Native entitlement	44.0	11.7
National Park Service	7.5	2.0
Fish and Wildlife Service	20.0	5.3
BLM administered	[2] 178.8	48.0
U.S. Forest Service	20.7	5.5
Total State acreage	375.0	100.0

[1] Total State entitlement.

[2] Includes (d)(1), (d)(2), NPRA, military, and special Federal withdrawals.

Mr. SEIBERLING. The gentleman, of course, in referring to H.R. 2219 is referring to the bill that was introduced under that number in this Congress, which was identical to last year's House-passed bill; is that correct?

Mr. MURPHY of New York. That is right.

Mr. SEIBERLING. I wonder if the gentleman would mind if I would read in the comparable total for the Udall-Anderson bill, just so we get them all in the same place at the same time.

Mr. MURPHY of New York. Yes, if the gentleman would proceed.

Mr. SEIBERLING. According to our figures, last year's House-passed bill in the national park system had 42.72 million acres, and the Udall-Anderson had 44.03.

In wildlife refuges, last year's House-passed bill had 76.84, and Udall-Anderson has 62.38, the difference being that we did not include in this year's bill the National Petroleum Reserve—Alaska, which the gentleman's committee included and which the House accepted last year.

In National Forest Additions, last year's House-passed bill has 2.47 million acres, and Udall-Anderson has 3.34, and in last year's House-passed bill we had 65.55 million acres of wilderness, and Udall-Anderson has 67.36.

□ 1410

So, I think the gentleman will find that, except for the fact that we did not include the National Petroleum Reserve of Alaska as a refuge, although we did include parts of it in the Udall-Anderson bill, the figures as far as acreage is concerned in the Udall-Anderson bill are closer to last year's House-passed bill than any of the other substitutes. I thank the gentleman.

Mr. MURPHY of New York. I think we can rely, then, upon those figures as being the same figures in the Udall-Anderson legislation.

Mr. SEIBERLING. Well, of course they are the same unless the House in its wisdom next week decides to make amendments to the Udall-Anderson bill, but these are the figures. They have been the figures for a couple of weeks, and I presume they will be the figures at least until next Wednesday.

Mr. MURPHY of New York. The information coming from the Udall-Dingell art gallery out here seems to indicate that these acreages are undergoing some substantial reductions and changes at this time.

Mr. YOUNG of Alaska. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Alaska.

Mr. YOUNG of Alaska. This is 2:15, approximately, today, and I just want to make sure that what the gentleman says bears on the outcome. Are those lines correct on those maps out there? Are they accurate, the same amount of acres?

Mr. SEIBERLING. These are correct.

Mr. YOUNG of Alaska. The Gates map is correct?

Mr. SEIBERLING. The Gates map is correct.

Mr. YOUNG of Alaska. Then it has been changed in the last 15 to 20 minutes?

Mr. SEIBERLING. No; it has not.

Mr. YOUNG of Alaska. I think the gentleman had better confer with some people that have been working on that map. I just want to make it clear.

Mr. SEIBERLING. I have been informed by staff that the cartographers in drawing the map made a mistake which the staff caught, and they corrected it a couple of hours ago. But, the mistake was on the overlay, not on the figures I have given.

Mr. YOUNG of Alaska. I just want to make sure. As the gentleman knows, we discussed this problem last year and agreed to a certain area. Instead of a million acres, we agreed to withdraw——

Mr. SEIBERLING. Well, we will point out the acreage mistakes on some of the maps of the Merchant Marine and Fisheries Committee.

Mr. YOUNG of Alaska. It is the map that controls the final legislation; it is not the acreages. If those lines are misdrawn, they are adding acreages.

Mr. SEIBERLING. The mistake was on an overlay, not on the maps.

Mr. YOUNG of Alaska. We will have time to look at these and analyze them and see.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. MURPHY of New York. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Chairman, I say this as an absolute, classic example of what my whole opposition to this business that we are about to do here, that we are undertaking, is. We are talking about a group of, no matter how well intentioned, individuals drawing lines on a map.

When the Good Lord put the minerals in the ground, he expected mining engineers to mine where the minerals were. As the gentleman from Michigan very aptly stated, you do not really know there is oil there until you drill. You do not know there is coal there, lead, zinc, chrome, cobalt there, unless you dig for it. If we are going to sit here in this room in Washington, D.C., and draw lines on a map that affects Alaska, and then somehow think that somebody will come back and see what we did and wonder why it is we drew the lines around where the minerals are, and the engineers can say, "We can just mine over here where the minerals are but we cannot where they are not," but they cannot mine there because men and women arbitrarily have passed laws.

This becomes nonsense. This is what I am objecting to in the whole process. I think the debate, talking about drawing lines just absolutely begs common sense and reason.

Mr. SEIBERLING. If the gentleman will yield further, then I take it the gentleman equally objects to lines being drawn on any of the other maps we are dealing with here; and if so, where does that leave us?

Mr. SYMMS. What I object to is the process. Somehow, I think we are intelligent enough to look up an area which is five times the size of the gentleman's State and say that we will not put this country in jeopardy to some foreigners in mineral self-sufficiency in the future. That is my whole objection.

□ 1415

Mr. SEIBERLING. The gentleman heard the gentleman from Michigan (Mr. DINGELL) say that he puts even more acreage in the Breaux-Dingell bill than the gentleman from Arizona (Mr. UDALL) does. What about that?

Mr. SYMMS. I could say to the gentleman that there is another alternative. There is another alternative. We do not have to put it in a situation where it is going to be locked up, where it is going to preclude people from exploring and extracting it. That is not the only choice. That is the only choice we are given, and that is the choice presented to me. But that is not the only choice. There will be another opportunity. I have another choice. I will not go into it now.

Mr. SEIBERLING. We will deal with the lockup question in due course.

Mr. MURPHY of New York. Mr. Chairman, I reserve the remainder of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana (Mr. HUCKABY).

Mr. HUCKABY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, in my opinion the Alaska lands bill before the House is not only the major conservation issue of the year, perhaps the decade, perhaps the century, but I suggest to the Members that this is also the major oil issue that this Congress will face this year.

The gentleman from Arizona (Mr. UDALL) suggested earlier that he started out with a very stringent anti-development Alaskan bill because he knew it would be watered down in the process. It is not being watered down; it is being oiled down. It is being oiled down because the American people today are standing in line at gas pumps. It was pointed out, and it is correct as the gentleman from Arizona (Mr. UDALL) said, that nothing we do this week affecting Alaska is going to change the oil supply here in the United States this year or next year. But let us look at the oil situation in the United States. We see our consumption continuing to rise. We see our foreign sources of oil becoming more and more in doubt. Iran has gone. How much farther behind is Saudi Arabia? Where do we turn? It appears we only have two alternatives, hopefully Mexico, hopefully Alaska.

The USGS estimates that 33 percent of all oil in America is in Alaska. One of the major oil companies who is developing Prudhoe Bay estimates that more than 60 percent of all the oil in America is in Alaska. So how much oil are we getting today from Alaska? A little over one million barrels of our 20-million-barrel daily requirement, approximately 5 percent.

The gentleman from Arizona (Mr. UDALL) suggests to us that the overwhelming majority of Alaska under his latest version of the bill is open to oil and gas exploration. It is sort of like 50 years ago and the Federal Government had control over Texas and determined where you would drill for oil, saying you could have 90 percent of Texas, but do not go into east Texas because we think that is where all the oil is, but we do not want you going in there. That is the situation today as far as the Arctic Wildlife Range is concerned. Geologist after geologist that I have spoken to who have done work on Alaska's North Slope are convinced that if there is another Prudhoe Bay in Alaska, it is most likely in the Arctic Wildlife Range. The environmentalists are running around now with the caribou.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield on that point?

Mr. HUCKABY. I will be happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. A year ago I think that it was the consensus that the so-called Marsh Creek anticline area of the National Wildlife Range was possibly and may be even probably another Prudhoe Bay, but since that time drilling just west of the Arctic National Wildlife Range, between its boundary and Prudhoe Bay, has demonstrated that the Prudhoe Bay formation, which was presumed to continue into the Arctic Wildlife Range, is actually degenerated, and the former State geologist for the State of Alaska who made the original estimate has been down here. I talked to him personally, and he states, and the USGS states, that they can no longer make that prediction because the type of formation that they now know to be just east of that boundary in the Arctic Wildlife Range could not possibly hold that kind of a major oil deposit, and they feel that their estimates are that the maximum it could hold is between 450 million and 750 million barrels, which is less than a billion barrels, which is less than what would be an economically developable field.

□ 1420

I agree with the gentleman. You cannot really tell until you go in and drill. Somewhere in that area of several hundred miles on that coast there might be a resurrection of the Prudhoe Bay type formation. At least we know that the assumption on the basis of which the original predictions were made no longer is valid. I think Mr. O'Leary in his testimony before the Merchant Marine Subcommittee made that quite clear. We therefore really should be focusing on areas where the other 95 percent of the oil structures are located instead of focusing on this 5 percent which is in the Arctic National Wildlife Range which is the last part of the entire coast of the United States that has not been impacted by industrial development. Also it is the calfing ground of the last great caribou herd in North America.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman for his comments. I agree with part of what the gentleman said but certainly not all.

It is true Prudhoe Bav does not extend 75 miles to the east all the way into the Arctic range. Its eastern boundary has been defined with drilling. Geologists earlier had hoped it extended much further. Yet I suggest to you the Arctic Wildlife Range if opened to drilling today, every major company with the capability would be bidding fantastic dollars to get there because they are convinced the outcrop comes back up and is still the greatest potential onshore area in the United States today.

Mr. SEIBERLING. Mr. Chairman, would the gentleman yield for one further question?

Mr. HUCKABY. I will yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, the Breaux bill, as I understand it, does not permit companies that drill and explore in the Arctic National Wildlife Range to get the right to develop. Why would they then invest millions of dollars in exploration not knowing whether they could develop the oil?

Mr. HUCKABY. Mr. Chairman, it is because of the demands the American people are going to be facing in 5 or 7 years from now with even less supplies of oil than what we have today with a greater demand.

If we think we are in an energy crush today, I suggest we are really going to be in an energy crush 5 or 7 years from now and if an approach like Breaux-Dingell or in the Huckaby bill is not used, this country is going to turn around and say, "Go ahead full force, forget those studies that might have been made back in prior years, we do not have time for that now; go in there even when the caribou are calfing, even in the 6 weeks of the 52 weeks they are in there; we have to have the oil."

Mr. Chairman, we are here proposing an alternative. Let us determine in an economically sound fashion what we are trading off, let us know what we are giving up, know what we are putting into a wilderness as far as our oil potential is concerned before we do it.

It is possible, although highly unlikely, there might be no oil in the Arctic Wildlife Range and maybe the recommendation would come back to Congress 5 to 7 years from now, "Let us make it a wilderness."

I do not think you would find any argument.

However, it is also very possible there is another Prudhoe Bay there. But we here suggest in an environmentally sound way when the caribou are hundreds of miles away from there, go in on the tundra using very large rollogons so we will not impact at all and find out to the best of our ability what is there and let Congress make the decision as to whether or not we should do any development rather than making that decision today.

□ 1425

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. Yes; I will be happy to yield.

Mr. SEIBERLING. Mr. Chairman, of course the gentleman has made what I consider to be a very accurate forecast, which is that if a significant oil find occurred in the Arctic National Wildlife Range, then there would be tremendous pressure to go ahead and develop the field.

Mr. HUCKABY. That is exactly true.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. HUCKABY) has expired.

Mr. HUCKABY. Mr. Chairman, I yield myself 10 additional minutes.

Mr. SEIBERLING. Mr. Chairman, if the gentleman will yield further, the gentleman from Michigan (Mr. DINGELL) stood in the well and said that we do not mandate development of the Arctic Wildlife Range. All we mandate is a study; but the gentleman and I know in the real world if there is a study which includes the kind of exploration that is contemplated and they do find a major oil deposit, that it is going to be developed pronto. The point however, that the gentleman from Arizona (Mr. UDALL) made——

Mr. HUCKABY. Why is the gentleman's fear of the Arctic Wildlife Range, because of the caribou?

Mr. SEIBERLING. I do not have fear to develop any area if the Nation needs the oil; but I say this, why focus on the 5 percent when they do not have the capability to even begin to develop in the next decade the other 95 percent?

Mr. HUCKABY. Because it is prudent to go where the probabilities are the highest when we are seeking oil.

Mr. SYMMS. Mr. Chairman, will the gentleman yield on that point?

Mr. HUCKABY. I would be happy to yield.

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

I think along that point that what we are talking about here, if the approach of the gentleman in the well or the Dingell-Breaux approach is not taken, that we are then saying we are not going to let anyone look in this particular area because we do not want to find any oil there, because if we find it, then there will be pressure to go in and get it.

I say that that is a very poor premise to start off with from a moral standpoint of denying people the opportunity to make that choice into the future. We are just saying we do not want to find it, because if we find it then somebody may want it and that does not fit our political plan having a massive 100 million et cetera tract of land that is set off here for "posterity," or whatever.

Mr. HUCKABY. Mr. Chairman, I thank the gentleman. I agree with his comments.

Mr. Chairman, the only argument I have ever heard for not going in and making an environmentally sound study of the Arctic Wildlife Range is the caribou.

We see everybody—two people—in this room with their caribou buttons.

I would like to talk about the caribou. I do not think the gentleman from Ohio will dispute these facts. There are three great caribou herds. There is the north slope. The westernmost herd is referred to as the western Arctic herd. What has happened to that herd in the last 10 years? Its numbers have been cut approximately 50 percent. It is in the area where the Pet 4 Naval Reserve is, where even the Udall-Anderson bill recommends exploration; but in the last 10 years man has not been in this area. We have seen this herd decline because of disease, because of wolves.

There is the eastern herd, more commonly referred to as the porcupine herd.

Its population has remained relatively stable in the last 10 years.

□ 1430

This is a herd that comes into the Arctic Wildlife Range where there appears to be oil potential.

How long are they there? Only 6 weeks out of the entire year. We would suggest doing our exploratory work during the times they are not there.

Then there is the smaller herd, the central Arctic herd, that is in the area of Prudhoe Bay where we have oil exploration today and where the major pipeline, the trans-Alaska pipeline, runs.

What has happened to that herd in the last 10 years? That is the only herd that has increased. Its numbers have increased 20 percent.

Clearly, our past experience shows us that man can exist in a sound manner with the environment without adversely affecting the caribou.

It is in my mind that there is no valid argument, when America is so desperately in need of additional oil resources of her own, we should not at least examine this area before we trade it off as a wilderness.

It has been mentioned here also—and this is not very well known to the average person on the street—that we are almost as dependent on our major minerals, as far as imports from foreign countries are concerned, as we are on oil today. A mineral cartel will probably be formed within a few years, putting America further on its knees at the mercy of foreign countries.

We have one hope—Alaska. Alaska is abundant in many minerals. It is true there is very little or practically no mining there today because of economics, but if these processes accelerate as demands become intense, it will make economic sense to develop these mines.

A classic example of what is happening is the U.S. Borax mine that the chairman of the committee, the gentleman from Arizona (Mr. Udall), referred to earlier. Here is a company that has expressed intent to develop the world's second largest moly deposit. Last year this area was not considered in a wilderness in the House-passed bill, in the Senate bill, or in the ad hoc compromise. But once this company let it be known they were willing to develop or were now in a position to go ahead with development, for some unknown reason, it appeared as wilderness this year.

The chairman of the committee has indicated that even though it is going to be in a wilderness, he is going to draft language so that they can mine within a wilderness.

What company in its right mind would invest tens of millions of dollars to try to operate in a wilderness when today our own Assistant Secretary of Agriculture has denied them access into this area except by helicopter because he deems in his bureaucratic judgment it is not in the best interest as to the category the land is in today?

I suggest to the Members that if this area is declared a wilderness, as the Udall-Anderson bill would do, America will once again be denying itself of a valuable mineral resource that is there to be developed and ready now to be developed.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. Yes, I will be happy to yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I, of course, spent a lot of time on this particular issue. I have been to the molybdenum mine in Misty Fjords of U.S. Borax. I flew in there by helicopter. That was in 1977.

Mr. HUCKABY. Mr. Chairman, could I ask the gentleman why he did not have it included as wilderness in his 1978 bill, then?

Mr. SEIBERLING. Mr. Chairman, I will be glad to answer that question. Let me just finish saying this: That they have been using helicopters from the very begining of their activity up there, and they are still using helicopters because they have not yet gotten to the stage of deciding whether or not they have a resource that they want to develop.

Mr. HUCKABY. They have asked for permission to build a road, but they have been denied that permission.

Mr. SEIBERLING. They have asked permission to build a road in order to continue their drilling to determine the extent of the deposit. The Forest Service, quite correctly, in my opinion, took the position that "You do not need a road because you are not bringing in and out huge amounts of material, and at such time as you decide that you want to develop this as a working mine, you will get a road."

Now, why did they not grant them a road? Not only because they felt they did not need one for their present type of activity, but also because this is an area of steep slopes, a mountain area with very high rainfall and unstable soil, and if they go and put a road in there, the fishing industry of southeast Alaska, which is already worried sick about what this is going to do to their salmon-spawning rivers, two of the most important being right on each side of this mine, is going to go right up in smoke.

So that is why they said, "It is not yet necessary for you to have a road, because you have not decided to develop this mine. When you do decide, you come to us and ask for a road."

Mr. Chairman, I would like to respond to the other question the gentleman asked.

Mr. HUCKABY. Yes. Mr. Chairman, I would like to have the gentleman from Ohio (Mr. Seiberling) explain to me why this beautiful area was not included as a wilderness area in last year's bill.

Mr. YOUNG of Alaska. Mr. Chairman, first, may I ask the gentleman to yield to me?

Mr. HUCKABY. Yes, I will yield to the gentleman from Alaska.

The CHAIRMAN. The time of the gentleman from Louisiana (Mr. Huckaby) has expired.

Mr. HUCKABY. Mr. Chairman, I yield myself 5 additional minutes, and I yield to the gentleman from Alaska (Mr. Young).

Mr. YOUNG of Alaska. Mr. Chairman, the question is very well taken. None of the bills ever put this in a wilderness category until the Udall-Anderson bill rose out of the dark, murky atmosphere of Foggy Bottom.

□ 1435

Second, the road which the gentleman spoke of, let us make it clear that the State Fish and Game gave their go-ahead to build a road, the Federal Fish and Game gave their go-ahead to build a road, the U.S. Forest Service gave their go-ahead to build a road, and it did not get stopped until it got right back here in Washington, D.C., when the man sitting in the White House stopped it. I will tell you that it will stop the project if they cannot build that road.

Mr. SEIBERLING. If I may respond to the gentleman's question, we had hearings in Ketchikan in 1977, and some of the people there made a very strong case, I thought, for going ahead with this mine if the Borax people decide it is economical to do so, and we concluded it would be very helpful to the economy of the area. So the Borax people told us, "If this area were put into a wilderness, we would not go ahead and develop it." So in working out the committee bill last year, I personally sat down with people from the Forest Service, and we drafted a bill which excluded not the 300 and some acres that are occupied by the deposit, but 20,000 acres, to give them an area for adding the effluent settling basins, for putting in a road down to tidewater, and putting in mills and docks. and so forth. Then I found the Borax people were going around saying that they would not give us enough area outside the wilderness. Finally, I said, "Well, look, you tell me how much area you need." And they said, "Well, we think we should drop everything below the Granite Fjords right out of the wilderness. Do you know how much that is? That is not a few hundred acres.

That is almost 1 million acres. What conceivable relationship does an area of almost 1 million acres have to running a little Borax mine or even a big Borax mine up on one arm of one of the fjords? I still have not received a satisfactory answer, but all I can say is this: It has been their position that they do not want just 20,000 acres outside the wilderness—even though I consider it is not necessary, because we protect their right to access and to develop that mine in the language of this bill. They have some other reason for wanting to drop out 1 million acres of the Misty Fjords National Monument. I do not know what it is. As recently as last Wednesday the gentleman from Arizona put out a statement that that is indeed their position. They want the entire south Misty Fjords, 840,000 acres, dropped out of the National Monument and Wilderness so that they can develop a molybdenum mine. That is their position.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. HUCKABY. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman

for yielding. I think the gentleman from Ohio knows good and well why.

Mr. SEIBERLING. I have a good idea.

Mr. SYMMS. It is a good potential for more minerals that this country needs in the rest of that area that lies south of where the present plain is. And what is immoral about that? That is what made America great. The gentleman talks about it as though it were some sort of crime that they want a mining business.

Mr. SEIBERLING. There is nothing immoral about it.

Mr. SYMMS. That is the answer.

Mr. SEIBERLING. I say since we have set aside 16 million acres of National Forest, three-quarters of it in our bill which is open to mineral entry and mineral exploration and logging, and all other kinds of use, why can we not say that we will take one-fourth of that national forest and say we are going to set that aside for the American people to enjoy in all of its majesty? That is one of the most spectacular areas in all of Alaska, and it is one of the most accessible to the public.

☐ 1440

Mr. HUCKABY. I hope the gentleman is not suggesting that Americans cannot use the U.S. forests and other classifications for environment and beauty and camping. It does not necessarily have to be a wilderness. We have demonstrated throughout the lower 48 that you can have multiple use where you obtain the same recreational benefits.

Mr. SEIBERLING. I am not going to take more of the gentleman's time to elaborate on the philosophy of the Udall bill. I will in due course.

I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent, Mr. HUCKABY was allowed to proceed for 1 additional minute.)

Mr. HUCKABY. I regret that I feel that the administration is out of step with the mainstream of American thinking on this issue. It is very, very seldom when you have such diverse groups as the National Chamber of Commerce, the National AFL-CIO, the National Association of Manufacturers, the Teamsters, oil and gas interests, the National Rifle Association, all supporting what they consider balanced legislation.

I suggest to you that with the combination of the Huckaby and Breaux-Dingell bills, we have a unique opportunity. We can have it both ways.

We can have orderly development of the resources America so desperately needs, and at the same time we can protect and preserve the environment.

The CHAIRMAN. The gentleman from Louisiana (Mr. HUCKABY) has consumed 26 minutes.

Mr. GUDGER. Mr. Chairman, I rise to associate myself with the remarks of my dear friend and colleague Chairman UDALL. I share his conviction that what we are doing here represents consideration by this body of the most important and far-reaching environmental issue of this century. Studying Alaska as a member of the Interior Committee has been for me an awe-inspiring experience. A State so vast as to encompass five time zones and possessing within its boundaries mountain ranges, watersheds, flood plains, glaciers, and wildlife unequaled anywhere in the world presents us with a challenge and an opportunity for resource protection unique in recent history. I commend Chairman UDALL, Mr. SEIBERLING, Mr. ANDERSON, and the energetic members of the Interior Committee and its staff for the hours of hard work and effort that have gone into their study of Alaska and how it should be managed, so as to protect its resources which require protection yet, at the same time, make available those energy, mineral, and other resources which are properly expendable. I sincerely feel that the plan which Chairman UDALL has advanced—under the name of the Udall-Anderson substitute—achieves this result and represents the proper conservation plan for America's national interest lands in Alaska and is the only one of the three proposals under debate here which fully deserves the title of Alaska National Interest Lands Conservation Act.

The Udall-Anderson substitute corresponds closely to H.R. 39, the Alaska lands bill which was passed by the House in the 95th Congress by a vote of 277 to 31. That predecessor bill, as many of you may recall, represents one of the finest work products of the congressional committee system containing as it did more than 85 amendments proposed by Congressman YOUNG, our colleague from Alaska.

The Udall-Anderson substitute brings forward substantially all of these amendments and represents a true accommodation to the needs of the State of Alaska, as represented by Congressman YOUNG. It continues in place timber production from southeast Alaska at a rate which the Assistant Secretary of Agriculture testified before the committee will maintain present levels of employment and expand the average of the last 5-years' timber production. It opens up the 22½-million acres of the Pet-4 North Slope and a total of approximately 95 percent of all known or suspected onshore gas and oil deposits and 100 percent of all offshore or Continental Shelf deposits. And—unlike the Huckaby bill, which leaves petroleum exportation and development to the Government—it mandates a system of leasing by the Secretary to private industry.

It does all this while assuring that Admiralty Island remains intact as a wilderness refuge, much as proposed by President Theodore Roosevelt in 1901, and it assures similar protection to the Misty Fjords which, like Admiralty Island, the two other bills would cut in two and withhold half of each for timber and mineral exploitation. It protects the previous porcupine caribou herd, the bald eagle and brown bears habitats, and the vast national park preserves and refuges in central Alaska so they may continue to provide summer habitat for the hundreds of millions of migratory birds, ducks, and geese which summer here but winter on one or the other of four continents. Thus, it provides for our country to fulfill its international treaties which guarantee protection to these and other wildlife species in which there is not only a national, but also an international interest.

The Udall-Anderson substitute is as vast and encompassing as the mountain ranges, water systems, tundra and plains which it describes, but it is so delicately constructed and carefully developed that it appears to me to address every national problem which can now be foreseen in planning for the management of the 110 million acres of the public lands in Alaska with which it deals.

Mr. Chairman, I commend to the attention of my colleagues the excellent Washington Post editorial this morning suggesting that the question today is not whether the mountains, rivers, forests, and wildlife of Alaska should be exploited or held in safekeeping, but when should the exploitation take place. It suggests that it is our responsibility to make available for use now only those expendable resources critically needed now. It suggests that it is our responsibility that those resources not critically needed now be preserved and protected for future generations against that day when such need does arise. And it concludes that the Udall-Anderson bill achieves this balance and accomplishes this result.

It has been an eye-opening adventure to serve on the Interior Committee, Mr. Chairman, and I consider it a privilege and my duty to urge this House and my colleagues to support the Udall-Anderson substitute which represents 4 years of committee work, 7 years of Federal agency work and is a comprehensive and responsible legislative achievement.

Mr. FORSYTHE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman and my colleagues, I am going to be brief, because I think we have really almost heard all of the rhetoric that we could put together on one bill in one afternoon with so very few Members here.

Since we do have an agreement to reserve some time for next week, when we will be actually dealing with the amendments on this bill, as I said, I am going to try to be very, brief.

I think our question has come to this: What did we have in the last year's House-passed bill that the proponents of their respective bills are suggesting we also have in Anderson-Udall or in Breaux-Dingell or in Huckaby this year? In this entire discussion I think we forget two or three things about the Breaux-Dingell version which seem to me to be awfully important and have not been emphasized enough.

There can be no development in Breaux-Dingell without congressional action so far as oil in the Arctic plains are concerned.

Breaux-Dingell relates only to offstructure drilling, not exploration, because it does not propose drilling on the structures for the purpose of really developing the total amount of the oil assets available.

Allowances for off-structure drilling are limited in this legislation to the period when the caribou herds are not even on the plain. Breaux-Dingell is very carefully constructed to protect the caribou. Drilling may occur only under the strictest regulations provided by the Secretary of the Interior. Furthermore, each of the stages provided for in this plan with respect that Arctic range will be controlled by the Secretary. If, at the stage of the first studies of the animals this creates some problems, the Secretary can stop it right there.

Next he can move on to surface and seismic testing. If he cannot see a way that he can move to the next stage he can stop it. His recommendation then comes back to the Congress, if, in fact, he goes to the last stage and does recommend, that there be development, or that there be no development; but Congress will have the responsibility to make that determination, and I think that is very, very important to keep in mind.

Again, on the question of area, really the difference in area among the three bills is not all that significant. But, as the gentleman from Arizona (Mr. UDALL) says, and as we say, it is how you use the wilderness. I think it is proper to use the wilderness for the unique and core areas, to protect not only the wildlife, but the habitat and the scenic beauties within the other conservation units.

☐ 1445

We are not to use the wilderness classification so that it denies us access to areas we wish to utilize. I think the Breaux-Dingell bill recognizes this and does so with very great sensitivity. Acres of wilderness, they are there; they are good acres and very, very properly selected.

The Breaux-Dingell version does contain wildlife refuges, yes, because our committee believes that this provides perhaps the most sound way to manage great areas of land for wildlife and habitat protection. It has a very simple, single little phrase that is so very tough, and that phrase is "compatibility."

As we all know, I am sure, today under the regulations of Fisheries and Wildlife Service in this area there is no hardrock mining. It can only begin in Alaska if and when, the Secretary determines that it makes sense, but we have provided machinery for that determination without having to come back for legislation to do it.

I think one of the most significant things that is being said is that if we truly have that ultimate shortage of either oil or the other resources, this Congress will move without hesitation to develop, to develop just as fast as we can.

Mr. Chairman, today California announced that it started rationing of gasoline. With the shortages we are facing today, we do not want to discover, even a year from now, that we have failed in our Alaskan lands efforts by not supporting a measure with the sensitivity and foresight that only the Breaux-Dingell version contains.

Mr. Chairman, at this point I yield 5 minutes to the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, I reserve my time. What is the chairman's intent as to rising at this point?

Mr. UDALL. If the gentleman would yield, we had worked out an arrangement that at some point about now or in the next few minutes we were going to hold back enough time so that there would be 2 hours left for next Wednesday. I was prepared to make the necessary request, and I would be willing to listen to the gentleman today or to wait until next Wednesday if he would prefer his time then.

Mr. EDWARDS of Oklahoma. I will take my time on Wednesday.

Mr. UDALL. Under our agreement it would have to come out of the 40 minutes of the gentleman from Alaska (Mr. YOUNG).

Mr. YOUNG of Alaska. If the gentleman would yield, under those stipulations I have 45 minutes left. I can give him that.

Mr. UDALL. The proposal is that he end up with 40 minutes, and I was going to ask him to yield back 5 of those 45 minutes he has left.

Mr. EDWARDS of Oklahoma. I will just go ahead and take my time now for the education and enjoyment of the Members present, although there are not many.

Mr. Chairman, I would like to concentrate, if I may, on the central issue in this debate, which is, how do we achieve a balance between protecting Alaska's rather spectacular wilderness and also at the same time permitting development of its equally impressive energy potential? In order to strike a balance, we have to know when energy development and environmental protection are in conflict, and what we do when they are.

Mr. Chairman, there are three bills before us—the Huckaby bill, the Breaux-Dingell bill, and the Udall-Anderson substitute. The Udall-Anderson substitute is a slightly revised version of the original H.R. 39, which I opposed in the last session of Congress, and the others take a slightly different approach.

The proponents of each bill amazingly, claim that theirs is the balanced bill. Even the Udall-Anderson forces have appropriated this popular word, although I cannot imagine a bill that would put its thumb more on the scales on way than Udall-Anderson. On the other hand, in my opinion Huckaby and Breaux-Dingell do achieve balance, although I do not think either is perfect.

Let me illustrate the point I am making. The Arctic National Wildlife Range is an existing 9 million acre wildlife refuge located in northeast Alaska. All three bills would expand that range. All three would give it extensive environmental protection. But, the coastal plain of the Arctic National Wildlife Range happens to be close to Prudhoe Bay, with its truly vast reserves of oil and gas—the largest in the United States. That coastal plain has the same geological characteristics as Prudhoe Bay. It is obviously a very promising area for exploratory energy studies.

☐ 1450

But it is also the calving ground of the porcupine caribou for 6 weeks each summer. Current law allows exploratory development, subject to the compatibility provisions of the Refuge Administration Act.

The Udall-Anderson substitute declares all of this refuge wilderness. Access will be severely limited, except by dogsled and private plane. No energy exploration will be permissible. Thus, the Udall-Anderson substitute assumes without study that energy and the environment are necessarily in conflict on the Coastal Plain and resolves this supposed conflict in a totally one-sided manner. This is not a balanced approach.

The Huckaby bill calls for the Secretary of the Interior to assess the oil and gas potential of the Arctic National Wildlife Refuge and recommended wilderness and wildlife protection measures, which is an appropriate response.

One problem with the Huckaby bill is that it relies too much on governmental direction to explore Alaska's oil and gas potential. The history of such Federal efforts is very discouraging. Recently the Carter administration announced its intent to abandon Husky Oil's Pet-4 study of the oil and gas potential of the National Petroleum Reserve in Alaska. But only 19 test wells have been drilled in a 23-million-acre area. This is not the way we explore in Oklahoma. History shows a diversity of approaches involving several companies is needed. We must allow private industry the necessary freedom and flexibility to study Alaska's energy potential. Otherwise it is absurd to run around talking about the energy crisis if we are not going to try to do something about it. Only private industry has the incentive and expertise to do the job. A bureaucratic approach will not work.

The Breaux-Dingell bill allows for private exploratory study of the oil and gas potential of the Coastal Plain. And in that regard it is far superior. At every stage of the exploration under that bill, the Secretary of the Interior would have the authority to assure that oil and gas exploration would not interfere with the porcupine caribou. Exploratory activities would occur only during the winter months when travel across the frozen tundra will leave no marks, and when the caribou are not present. After 5 years, the drilling of off-structure assessment indicates that this would interfere with the caribou. Any eventual development or production of oil and gas in the Arctic National Wildlife Refuge would require an act of Congress. Clearly Breaux goes a long way toward environmental protection, but it also says we can explore and we can produce more energy.

Mr. Chairman, I think it is very important that we continue not only to do what we can to protect the environment but that we develop energy at the same time. The proponents of Udall-Anderson tell us we should be exploring for oil and gas in the National Petroleum Reserve but not the Coastal Plain, but we cannot tell from the information we have now occur. Outside of Prudhoe and Cook's Inlet, only 12 test wells have been drilled.

Let us explore Alaska under procedures that will assure that there is no degradation of the environment. That, not the Udall approach, is a balanced approach. They are joint problems of conservation and the need to solve the energy problem.

Mr. UDALL. Mr. Chairman, I would now hope we could effectuate an agreement on time. My proposal is, and the Chair will have to inquire, if the gentleman who controls the time would yield back all of his time, the gentleman from Alaska (Mr. Young) yields back 5 minutes of his time, that the gentleman from Louisiana (Mr. Huckaby) yield back 10 minutes of his time, and the gentleman from New York (Mr. Murphy) and I keep ours—I have 40 minutes left and he has 16 left—the net result of this would be that the gentleman from Alaska (Mr. Young) on Wednesday, would control 40 minutes; I would control 40 minutes; the gentleman from New York (Mr. Murphy), and the gentleman from Louisiana (Mr. Huckaby) between them—and the gentleman from Louisiana (Mr. Breaux)—would also have 40 minutes. I think that suggestion has been worked out and is agreeable to all concerned.

☐ 1455

Mr. DINGELL. Mr. Chairman, may we have assurances there will be no bills introduced over the weekend? We may need more time for explanation.

Mr. UDALL. Mr. Chairman, given my past record, we will probably have three or four different versions between now and Wednesday so I cannot give the gentleman that assurance.

The CHAIRMAN. Is that agreeable to the gentleman from Alaska and to the gentleman from New Jersey?

Mr. YOUNG of Alaska. It is agreeable to the gentleman from Alaska.

Mr. FORSYTHE. It is agreeable to the gentleman from New Jersey, Mr. Chairman.

The CHAIRMAN. The gentleman from Louisiana is not here, but I understand the gentleman from Arizona has discussed this with him.

Mr. UDALL. Mr. Chairman, the gentleman from Louisiana (Mr. Huckaby) has authorized me to say that is acceptable to him, and if it is necessary to do it on Wednesday, I am sure he will confirm it when the Committee reassembles on the bill.

The CHAIRMAN. If there is no objection, the time then is yielded back, and when we resume debate, we will follow that time allotment.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield to me for an announcement?

Mr. UDALL. Mr. Chairman, I yield 30 seconds to the gentleman from Ohio for that announced purpose.

ANNOUNCEMENT OF SHOWING OF ALASKA MOVIE

Mr. SEIBERLING. Mr. Chairman, whether or not the Members are for or against any particular Alaskan legislation, I believe the Members would want to see a fantastic film, "Caribou, The Incredible Journey," which is an NBC film which will be shown at 3 p.m. and 4 p.m. today in room 1324 of the Longworth Building. It is about the Porcupine caribou herd and the marvelous landshape that they live in.

Mr. Chairman, I have seen just about every film that has been made on Alaska. This one is superior to any. I urge your attendance.

Mr. UDALL. Mr. Chairman, I move the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. Bennett) having assumed the chair, Mr. Simon, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 39) to provide for the designation and conservation of certain public lands in the State of Alaska, including the designation of units of the National Park, National Wildlife Refuge, National Forest, National Wild and Scenic Rivers, and National Wilderness Preservation Systems, and for other purposes, had come to no resolution thereon.

☐ 1500

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. KOGOVSEK. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

SCHOOL NAMED FOR THE LATE REPRESENTATIVE MATTHEW J. KUSS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. Heckler) is recognized for 5 minutes.

● Mrs. HECKLER. Mr. Speaker, I would like to point out to my colleagues in the House of Representatives the outstanding record of one of the finest and most widely respected public servants the great city of Fall River, Mass., has ever known—the late State Representative Matthew J. Kuss.

Matt Kuss served the 12th Bristol District in the great and general court of the Commonwealth for 18 distinguished and productive years. In much-deserved recognition of his outstanding abilities as a legislator and public servant, Matt's colleagues elected him as assistant majority leader in the house.

On Sunday, May 6, 1979, Matt Kuss' many friends and admirers will gather to bestow upon him yet another great and very special honor—the naming of the technical building at the former BMC Durfee High School as the Matthew J. Kuss Middle School.

I am honored to join in this truly appropriate and momentous celebration of Matt's greatness.

The naming of a school after an outstanding citizen of the community is one of the highest honors one's neighbors can bestow.

A school is a symbol of the future. Placing Matt Kuss' name on this school will establish officially Matt's already well-known legacy as a dedicated family man, an outstanding public servant, and a warm and exemplary human being. The Matthew J. Kuss Middle School will serve as an inspiration to countless generations of youth in Fall River now and far into the future: To excel, to be strong, to be the best.

And the selection of this great edifice is particularly fitting. This building is an integral part of an elegant complex of buildings which in their tasteful simplicity have come to symbolize the proud history and traditions of this great city.

Matt Kuss' commitment to learning and self-betterment have been well known since the days early in his public career when he served with great distinction as a trustee of the former Bradford Durfee College of Technology.

This occasion today also is a great tribute to Fall River's hard-working and much respected Polish community. I am pleased to have been able to count Matt amount my many Polish friends and supporters. I know very well, for example, the sense of elation Matt would have enjoyed at the recent ascension of a brilliant Polish cardinal as Pope.

Let May 6, 1979, stand as one of the truly great and memorable days in the grand history of the city of Fall River. We gather because of the greatness and personal warmth of Matt Kuss, and even as we leave we shall remain together in this bond.●

MEMBERS SHOULD SUPPORT AMENDMENT TO RESTORE $265 MILLION FOR VETERANS BENEFITS TO FISCAL YEAR 1980 BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Goldwater) is recognized for 5 minutes.

● Mr. GOLDWATER. Mr. Speaker, I rise in support of Chairman Roberts' amendment to restore $265 million for veterans benefits and services to the fiscal year 1980 budget.

You will recall that we went through a similar situation last year, and were successful in increasing the budget authority for veterans benefits and services. However, the OMB directed that the money appropriated to retain hospital beds and personnel would not be spent for that purpose, but rather for cost of living increases for VA personnel and to absorb postal rate increases. This is a deplorable breach of faith with America's veterans.

It appears to me that the administration is trying to deemphasize the veteran health care program by reducing its size and scope and thereby decreasing the number of veterans who can be cared for.

Should these funds not be restored, California alone will lose 600 hospital beds, suffer approximately 675 personnel reductions, and lose approximately $6 million in funding.

This is happening at a time when the VA hospitals will in all likelihood need more hospital beds, not less. We have approximately 12½ million World War II veterans, with an average age of 59. What will happen to these veterans who are now entering that age where catastrophic illnesses are on the increase? What will happen is that these veterans will have to look elsewhere for their medical care.

We must not renege on our commitment to provide adequate health care to all veterans who seek it. No veteran should be denied admission to a VA hospital, because there aren't enough beds, or personnel to take care of him.

I ask you to please support this amendment so that we can continue to provide health care to those men and women who have fought our Nation's wars.●

BILL GREEN CITES SENATOR JAVITS' RECORD SERVICE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 5 minutes.

● Mr. GREEN. Mr. Speaker, today marks a significant milestone in the illustrious career of the Honorable JACOB K. JAVITS, the senior Senator from the State of New York. Senator JAVITS is now the longest serving Senator in the State's history, having held office a total of 22 years, 3 months, and 25 days in the other body. This illustrious career of outstanding public service merits special recognition by the Congress and I am pleased to advise my colleagues of this special day.

The Senate has formally recognized JACK JAVITS' unique achievement by approving a Senate resolution offered by Senator MOYNIHAN. I was proud to work with the ranking majority and minority members of the New York House delegation, Messrs. STRATTON and WYDLER, in preparing a special letter from the Members of our delegation to the President of the Senate to add our sentiments on this occasion. This letter was mentioned on the Senate floor at the time Senator MOYNIHAN called up his resolution and its text appears in the RECORD of May 3. As fellow New Yorkers, we share great pride in commemorating the remarkable record Senator JAVITS has assembled over the years.

This record, for which Mr. JAVITS is well known and widely admired, includes a rare leadership ability which has contributed to the passage of major civil rights, education, health, and employment legislation. He is a recognized expert in the field of foreign affairs and, as a member of the Senate Foreign Relations Committee, of which he is now the ranking minority member, JACK JAVITS has exercised exceptional influence in bringing peace throughout the world.

I believe that his untiring efforts on behalf of his New York constituents and, indeed, of people across the Nation, are well deserving of special attention by the House. It is with great pleasure that I, along with the people of New York, express my gratitude to JACOB K. JAVITS for his continuing contributions to world peace and the improvement of humanity.●

ISRAEL INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, it is an honor and pleasure for me to salute the people of Israel on the occasion of the 31st anniversary of the founding of their nation, which this year was celebrated on May 2. On May 14, 1948, the fifth of Iyar, 5708, under the Jewish calendar, the Israeli people proclaimed their independence under the most adverse of conditions and founded the Republic of Israel.

The noble ideals on which the new nation of Israel was founded are enunciated in the Declaration of the Establishment of the State of Israel and a copy of that declaration follows:

DECLARATION OF THE ESTABLISHMENT OF THE STATE OF ISRAEL[1] 14 MAY 1948

Eretz-Israel[2] was the birthplace of the Jewish people. Here their spiritual, religious and political identity was shaped. Here they first attained to statehood, created cultural values of national and universal significance and gave to the world the eternal book of books.

After being forcibly exiled from their land, the people kept faith with it throughout their dispersion and never ceased to pray and hope for their return to it and for the restoration in it of their political freedom.

Impelled by this historic and traditional attachment, Jews strove in every successive generation to reestablish themselves in their ancient homeland. In recent decades they returned in their masses. Pioneers, Ma'apilim[3] and defenders. They made deserts bloom, revived the Hebrew language, built villages and towns, and created a thriving community, controlling its own economy and culture, loving peace but knowing how to defend itself, bringing the blessings of progress to all the country's inhabitants, and aspiring toward independent nationhood.

In the year 5657 (1897): at the summons of the spiritual father of the Jewish state, Theodor Herzl, the first Zionist congress convened and proclaimed the right of the Jewish people to national rebirth in its own country.

This right was recognized in the Balfour declaration of the 2nd November, 1917, and reaffirmed in the mandate of the league of nations which, in particular, gave international sanction to the historic connection between the Jewish people and Eretz-Israel and to the right of the Jewish people to rebuild its national home.

The catastrophe which recently befell the Jewish people—the massacre of millions of Jews in Europe—was another clear demonstration of the urgency of solving the problem of its homelessness by reestablishing in Eretz-Israel the Jewish state, which would open the gates of the homeland wide to every Jew and confer upon the Jewish people the status of a fully privileged member of the comity of nations.

Survivors of the Nazi holocaust in Europe, as well as Jews from other parts of the world, continued to migrate to Eretz-Israel, undaunted by difficulties, restrictions and dangers, and never ceased to assert their right to a life of dignity, freedom and honest toil in their national homeland.

In the Second World War, the Jewish community of this country contributed its full share to the struggle of the freedom and peace-loving nations against the forces of Nazi wickedness and by the blood of its soldiers and its war effort, gained the right to be reckoned among the peoples who founded the United Nations.

On the 29th November, 1947, the United Nations General Assembly passed a resolution calling for the establishment of a Jewish state in Eretz-Israel; the General Assembly required the inhabitants of Eretz-Israel to take such steps as were necessary on their part for the implementation of that resolution. This recognition by the United Nations of the right of the Jewish people to establish their state is irrevocable.

This right is the natural right of the Jewish people to be masters of their own fate, like all other nations, in their own sovereign state.

Accordingly we, members of the People's Council, representatives of the Jewish community of Eretz-Israel and of the Zionist movement, are here assembled on the day of the termination of the British mandate over Eretz-Israel and, by virtue of our natural and historic right and on the strength of the resolution of the United Nations General Assembly, hereby declare the establishment of a Jewish state in Eretz-Israel, to be known as the State of Israel.

We declare that, with effect from the moment of the termination of the mandate being tonight, the eve of sabbath, the 6th year, 5708 (15th May, 1948), until the establishment of the elected, regular authorities of the state in accordance with the constitution which shall be adopted by the elected constituent assembly not later than the 1st October 1949. The People's Council shall act as a provisional council of state, and its executive organ, the people's administration, shall be the provisional government of the Jewish state, to be called "Israel".

The state of Israel will be open for Jewish immigration and for the ingathering of the exiles. It will foster the development of the country for the benefit of all its inhabitants; it will be based on freedom, justice and peace as envisaged by the prophets of Israel; it will ensure complete equality of social and political rights to all its inhabitants irrespective of religion, race or sex; it will guarantee freedom of religion, conscience, language, education and culture; it will safeguard the holy places of all religions; and it will be faithful to the principles of the charter of the United Nations.

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[1] Published in the Official Gazette, No. 1 of the 5th Iyar, 5708 (14th May, 1948).

[2] Eretz-Israel (Hebrew)—the Land of Israel, Palestine.

[3] Ma'apilim (Hebrew)—immigrants coming to Eretz-Israel in defiance of restrictive legislation.

The state of Israel is prepared to cooperate with the agencies and representatives of the United Nations in implementing the resolution of the general assembly of the 29th November 1947, and will take steps to bring about the economic union of the whole of Eretz-Israel.

We appeal to the United Nations to assist the Jewish people in the building-up of its state and to receive the state of Israel into the comity of nations.

We appeal—in the very midst of the onslaught launched against us now for months—to the Arab inhabitants of the state of Israel to preserve peace and participate in the upbuilding of the state on the basis of full and equal citizenship and due representation in all its provisional and permanent institutions.

We extend our hand to all neighbouring states and their peoples in an offer of peace and good neighbourliness, and appeal to them to establish bonds of cooperation and mutual help with the sovereign Jewish people settled in its own land. The state of Israel is prepared to do its share in a common effort for the advancement of the entire Middle East.

We appeal to the Jewish people throughout the diasphora to rally round the Jews of Eretz-Israel in the task of immigration and upbuilding and to stand by them in the great struggle for the realization of the age-old dream—the redemption of Israel.

Placing our trust in the Almighty, we affix our signatures to this proclamation at this session of the provisional council of state, on the soil of the homeland, in the city of Tel Aviv, on this sabbath eve, the 5th day of iyar, 5708 (14th May 1948).

Daniel Auster, Mordekhai Bentov, Yitzchak Ben Zvi, Eliyahu Berligne, Fritz Bernstein, Rabbi Wolf Gold, Meir Grabovsky, Yetzchak Gruenbaum, Dr. Abraham Granovsky, Eliyahu Dobkin, Meir Wilner-Kovner, Zerach Wahrhaftig, Herzl Vardi.

David Ben-Gurion, Rachel Cohen, Rabbi Kalman Kahana, Saadis Kobashi, Rabbi Yitzchak Meir Levin, Meir David Loewenstein, Zvi Luria, Golda Myerson, Nachum Nir, Zvi Segal, Rabbi Yehuda Leib, Hacohen Fishman.

David Zvi Pinkas, Aharon Zisling, Moshe Kolodny, Eliezer Kaplan, Abraham Katznelson, Felix Rosenblueth, David Remez, Berl Repetur, Mordekhai Shattner, Ben Zion Sternberg, Bekhor Shitreet, Moshe Shapira, Moshe Shertok.

Mr. Speaker, I am delighted to join my colleagues in congratulating the people of Israel on the occasion of this 31st anniversary of the birth of their nation. I wish peace and prosperity to the people of Israel, and I extend my greetings to all people of Jewish descent, in my own city of Chicago and throughout the world, who joined in this celebration.●

STATEMENT ON RESOLUTION OF DISAPPROVAL UNDER 36-B ON PROPOSED SALE OF ARTILLERY AMMUNITION TO GREAT BRITAIN BECAUSE OF HUMAN RIGHTS IN NORTHERN IRELAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 15 minutes.

● Mr. WOLFF. Mr. Speaker, I rise today to announce that I have introduced a resolution of disapproval under section 36-B of the Foreign Military Sales Act which would block the proposed shipment of $28 million worth of artillery shells to Great Britain. My purpose in this is obviously not to hamper Great Britain's role in NATO, but, rather, to give the strongest possible emphasis to the continuing failure of the Government of England to address the issue of human rights in Northern Ireland.

As I utter these words, the people of England have just finished choosing a new government. However, in terms of the hopes and fears of the people of Northern Ireland, it has long been clear that the election results did not matter at all. Both Mr. Callaghan and Mrs. Thatcher have systematically shut their eyes and ears to the cries of anguish from across Irish Sea. In this, of course, they are hardly unique. No British Government has really seen fit to pursue any policy toward the people of Northern Ireland but the bankrupt policy of force.

The Republic of Ireland, to its everlasting credit, in recent years pressed the World Court in Geneva on the issue of the systematic British practice of torture against men and women jailed—frequently without charge, and certainly without the due process guaranteed all English citizens in the land of Magna Carta.

The U.S. State Department has even been moved in recent years to concede human rights problems in Northern Ireland.

And we are all in debt to the work of Amnesty International for that splendid organization's continued monitoring of the human rights abuses which have characterized British rule in Northern Ireland.

As this House well knows, I was able to secretly visit the abominable Long Kesh internment camp in late 1974. The abuse of men and women imprisoned in Northern Ireland continues, despite the claims of the British Government to the contrary.

But there is a larger issue involved here, Mr. Speaker. Human rights does not restrict itself to the relatively few unfortunates who find themselves in jail.

We must look where the British Government has consistently failed to look—to the economic and social conditions which spawn the deadly cycle of violence, hopelessness and neglect so endemic to Northern Ireland.

The strife in Northern Ireland is frequently presented as sectarian, but any of us who have been there know that this is really a classic case of the "haves" against the "have nots." The continuing irresponsibility of the British Government in failing to provide a broadly based economic and social program to help all classes and groups in Northern Ireland makes strife between the groups inevitable—who among us would not fight to preserve our meager share of an economic pie which appeared threatened, even if we know in our hearts that the other fellow had a legitimate claim to support his family and loved ones?

But let it be clear by this statement that I stand here today as opposed to the violence, and the misdirected purveyors of horror in Northern Ireland as I have ever been. There has never been justification for the bombings and senseless murders of innocent men, women, and children which has so shocked the world, and so shamed the people of England and Ireland for too many years. The time has long past where people of good will should not have brought an end to the bloodshed in Northern Ireland.

Perhaps, acting in concert under the leadership of this House, we can help pursue a small beginning to a peaceful solution.

More than 2 years ago, following a visit to the United States of the Honorable Jack Lynch, I proposed to this House that our Government announce its willingness to enter into an economic reconstruction program for the 1.5 million people of Northern Ireland. I suggested that working together, there was nothing the Americans, the Irish, and the British could not do. Our history is graced with common brotherhood, and we have shed our blood in common causes throughout the world.

Surely, Mr. Speaker, there could be no more important cause presently binding England, Ireland, and America at the present—as it did 2 years ago—than the dream of peace, justice, and economic prosperity for all people of Northern Ireland.

Recently, Mr. Speaker, you have forthrightly and courageously spoken out on this issue, and other prominent Irish-Americans have joined in echoing your call. I am proud today to be able to add my small part to your leadership on this issue. I hope that by acting together, we can succeed.

I would be less than candid if I did not state that I see formidable obstacles ahead, both across the Atlantic and here at home. You will recall that following my visit to Long Kesh, I attempted to organize congressional hearings on human rights in Northern Ireland. In this effort, we were systematically opposed by the State Department and others who felt that nothing should be done to upset the traditional relationship between Washington and London.

We finally got those hearings, in New York City, and many of my colleagues here today joined in helping place the record of those proceedings into the CONGRESSIONAL RECORD.

The time has now arrived when men and women of good will across the sea and in the United States can unite on the cause of human justice in Northern Ireland. The issue is no longer, even in England, being defined in terms of loyalty to Britain, or support of the killers of either faction in Northern Ireland.

Mr. Speaker, I would note that the London Economist has this week editorialized strongly in favor of your leadership on this issue, and praised your effort to involve our Government in seeking a lasting and just peace in Northern Ireland. I would like to present that article for the RECORD as proof that enlightened circles in Britain are no longer afraid to speak out, and that they are ready to join with us in the struggle in which we have been so long engaged.

I urge my colleagues to join with me today in signifying to the Government of Great Britain that the United States will no longer stand silent in the face of the human rights struggles of the people of Northern Ireland. We have an appropriate vehicle for this signal before us—our responsibility under 36–B to disapprove an arms shipment to a government which will not face up to its human rights responsibilities.

The articles follow:

O'NEILL'S REBUFF

Last week in Dublin Castle, for 700 years the seat of British colonial power, where the fathers of some of the very political Irishmen in his audience had been imprisoned and seen their colleagues die, Speaker Tip O'Neill of America's house of representatives delivered one of the most sensible speeches about his forefathers' country ever made by a Boston Irishman. He was immediately snubbed by Mr. Callaghan, Mrs. Thatcher and other British politicians on the hustings. The Northern Ireland Office has thereby attained its status-conscious objective of getting all British parties to scare away President Carter from a peace initiative, and it has done so to the wrong man in the wrong way and at the wrong time.

Mr. O'Neill himself has shown political and some physical courage in opposing IRA-fund-raising in America. Other Irish-Americans in the next 18 months are now going to rail more shrilly against the surly British (see page 53), partly because this may win them some votes in a pre-presidential-election year, partly because some American progressives genuinely if dottily fear that Ulster in the 1980s could become Britain's Vietnam. Mr. O'Neill's offences in British politicians' eyes are that he rightly urged that the next British government should take a major initiative in Northern Ireland, and that he wrongly accused both parties of treating Ulster as a "political football". Actually, the real trouble is that the British government that gets the Ulster ball at its toes after next Thursday will not have the slightest idea where to kick it. That is why international co-operation might be no bad idea.

The next British government should recognise that the second-worst Ulster policy would be a continuation of the present mess, which has already brutalised a generation of young people, and is leading bloodily nowhere. True, the very worst Ulster policy would be any retreat which led the IRA to think that it could come nearer its goal by accelerating its murders, but an American mediation is the one sort of softening towards peaceseeking that would be likely to do the opposite of that.

HOW TO ESCAPE FROM HELL

There will eventually have to be three wriggles away from the present hell. First, the devolvement of some government back to Northern Ireland, but with renewed power-sharing in the senses important to the people even if poison to the politicians (e.g., the Catholics do not want a Protestant-dominated government to be in charge of police operations in their own areas, and after the Bennett report one can see their point). Second, a move towards some version of loose all-Ireland confederation. The northern Irish originally refused to be tied to a poorer southern Ireland. But now (under Mr. Callaghan's industrial policies and IRA bombs) the north is becoming poorer than the south, and it is nonsense to suppose that any conceivable form of confederation would subject red-blooded Ulstermen to tyranny under anti-contraceptive laws, priests or compulsory form-filling in Irish. Third—and this needs concessions from the southern Irish—Belfast and Dublin must co-operate in arresting terrorists. In Belfast, because of intimidation of witnesses, terrorists cannot easily be convicted unless confessions are beaten out of them; in Dublin, because of intimidation of witnesses, terrorists cannot easily be convicted and they are therefore not being rounded up.

With intelligent mediation, any government in Dublin and any sensible new government in London should be able to agree on some terrorist-reducing piece of paper about Ulster local government, experimental steps towards confederation and joint measures against those who are accessories to murder (maybe all-Ireland courts?). President Carter has proved rather good at editing pieces of paper which two mildly differing governments want to sign, even if not at much else.

Mr. Jack Lynch, the Irish republic's prime minister, will be coming to London to see Britain's prime minister soon after May 4th. As head of the government holding the EEC presidency, Mr. Lynch will also be seeing President Carter in the second half of the year, and will probably invite President Carter to visit Ireland. Nearly all Irish politcians were delighted with Mr. O'Neill's initiative, except Senator Conor Cruse O'Brien, who thought Mr. O'Neill talked "absolute rubbish." For the first time intervention by Irish Americans in Irish affairs could be helpful, and the alternative is that in 1979–80 snubbed Irish Americans may become very unhelpful indeed. Cannot a new British prime minister say to Dublin that London wants to co-operate with it in working out a new Ulster policy, and that if President Carter gets interested in the subject that is just fine? If this is too much for British chauvinism, cannot a strong new British secretary for Ulster start editing a peaceseeking piece of paper himself?

IRISH-AMERICANS: THEIR IRISH IS UP

NEW YORK.—Twising the til of the British lion comes naturally to Irish-American politicians. But neither Congressman Tip O'Neill of Massachusetts nor Governor Hugh Carey of New York expected so heated a reaction in Britain to their condemnation of Labor and Conservative attitudes towards Northern Ireland. Mr. O'Neill spoke of Ulster as a political football in British affairs; Mr. Carey went further, calling for possible economic measures to get Britain out of the province. As loyal sons of the ould sod, with an atavistic touch of devilry regarding the English in their souls, they are delighted by the furore because it has focused attention on what they consider to be a tacit agreement to ignore the issue.

Irish-Americans are prominent in American politics, especially in the north-east. Few, however, owe their status and power to Irish-American voters, who are vastly outnumbered by the Italians, the Jews and other ethnic voting blocks. To be sure, Irish domination of the political machines in the nation's big cities endured long after the Irish lost their early majority among immigrant groups. But that was because their experiences under Anglo-Saxon domination had given them a talent for organisation and a gift for survival. Erosion of the political machines began with the establishment of national welfare policies under the New Deal. Even in Chicago, where the late Richard Daley, a quintessential Irish pol, managed to adapt the local Democratic organization to changing conditions, the machine is now a vestigial remnant of what it once was.

Leading Irish-American politicians—Senators Kennedy and Moynihan, Representative O'Neill (the Speaker of the House), Governor Carey and New Jersey's Governor Brendan Byrne—enjoy broad support from the electorate. They could not be elected otherwise. Moreover, since Irish-American voters are not only relatively few but are also divided in their party preferences, there are precious few votes to be gained by tweaking the English. Indeed, Mr. Carey, who is the first Irish-American governor of New York since Al Smith, has incurred the wrath of some Irish-oriented constituents because of his frequent denunciations of IRA violence.

Although the IRA counts on Americans of Irish descent for financial aid, most of its supporters are relatively recent Irish immigrants, not those who are fully assimilated. The weekly Irish Echo, which bills itself as "The Voice of Ireland in America" and appeals mainly to those who retain ties to Ireland, described the assassination of Airey Neave last month as a "senseless act" and has generally favoured a peaceful resolution of the conflict in Northern Ireland. No major Irish-American politician has condoned the IRA in recent times; the last to do so, New York's, Mr. Paul O'Dwyer, who espoused the cause of the Irgun terrorists in Israel a generation ago, was soundly defeated in his bid for re-election as president of the city council in November.

So British policy in Northern Ireland is hardly a major issue among American voters, but here is considerable sympathy for the Catholic minority among politicians and the public. The principal congressional spokesman on the Irish question is Representative Mario Biaggi, a New Yorker of Italian descent, who claims that his ad hoc congressional committee for Irish affairs now numbers 128, an all-time high. Mr. Biaggi is planning a "peace forum" in September to bring pressure on the new British government. But his efforts are small potatoes when compared with the calculated interventions of the Irish-American heavyweights, who insist that their protests against British "repression" are no different from their protests against other violators of human rights. They will also admit that they fear that the Tories, if they win, will be even harsher than Labour, and they are prepared to demand that he Carter administration take action if events bear them out.●

CASTRO AND OUR TOURIST MONEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. PEPPER) is recognized for 5 minutes.

⊙ Mr. PEPPER. Mr. Speaker, distinguished colleagues, I would like to draw your kind attention to a petition from the Tourist Development Authority of the city of Miami Beach, which I have the honor to present today to this body for its consideration.

As you are all aware, our tourist industry, visible in certain locations, spreads its considerable benefits all across the country. Its contribution to our gross national product is estimated at well over $100 billion annually and its contribution to the stability of our dollar and moderating influence on inflation benefit us all, along with the goodwill that is created by it among nations and peoples.

The hostile government of Fidel Castro and his group in Cuba, on the other hand, spread war material and soldiers to Africa, Latin America and, it is said, even to Cambodia on behalf of the Union of Soviet Socialist Republics and its interests. One of these interests includes convenient naval facilities for its nuclear-armed submarines, aircraft, and more insidiously threatening bulwarks of aggression on a small island only a short distance from our own shores, which Castro takes pleasure in constantly haranguing with spite.

Opening the flow of our tourist dollars up to his regime and its propaganda can gain little for our country in the way of material gain, withdrawal of the Soviet military presence, or international support from the present Cuban regime and its backers. It will only result in alleviating the burden of expense Soviet Russia has found herself saddled with, because of Castro's inability to put his economy on a self-supporting footing in the last 20 years. Even the British outposts north of our borders a long, long time ago in the Revolutionary War did a better job of feeding themselves.

Mr. Speaker, I would urge all of us to be cautious in dealing with this little outpost of the Soviet Union, Cuba, when we can see no benefit in benefiting those two international troublemakers.

The following petition from Miami Beach I hereby commend to our study and earnest consideration.

RESOLUTION

A resolution of the Tourist Development Authority of the City of Miami Beach to the President of the United States and the Congress of the United States, wherein the Tourist Development Authority recommends to the President of the United States and the Congress of the United States that the economic relationship between the United States and Cuba remain in a status quo until such time as the Cuban Government exhibits an attitude beneficial economically to the people of the country of Cuba

Whereas, the Tourist Development Authority of the City of Miami Beach is vitally concerned with the tourist economy of the United States and the State of Florida and further is concerned over the human rights of people all over the world, and

Whereas, the Cuban government is encouraging tourism to Cuba from the United States and the said Cuban government is utilizing the United States tourist dollar in actively waging a war of words against the United States Government and its people and further utilizing the said dollars in purchasing, from communist-dominated countries, military supplies and equipment which supplies and equipment are used to foment revolution and unrest in Latin American countries and further the said tourist dollars are not being used for the economic welfare of the Cuban people.

Therefore, be it resolved that the Tourist Development Authority of the City of Miami Beach go on record to the President of the United States and the Congress of the United States that no further economic treaties be made with the Country of Cuba until such time as the Cuban government changes its policy in the utilization of the said tourist dollars to that of economically helping to raise the standard of living of the people of the Country of Cuba.●

ASIAN-PACIFIC AMERICAN HERITAGE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PHILLIP BURTON) is recognized for 5 minutes.

● Mr. PHILLIP BURTON. Mr. Speaker, as a result of action by the Congress enacting Public Law 95–419, this week of May 4 through May 10 has been declared by the President to be Asian-Pacific American Heritage Week.

It is fitting that this week has been designated as a time to recognize the many contributions of Asian-Pacific Americans to the well being of this country.

San Francisco, which I represent, is privileged to have a large Asian-Pacific American population and we have long been aware of the special contribution that the members of this community have made to the cultural, social and economic life of our city. The Asian-Pacific American community has been a part of the American struggle for racial, economic, and social justice. They have felt the brunt of prejudice and discrimination. They have preserved and they are ever mindful of the lessons of their earlier experience.

Just last weekend, a monument was dedicated on Angel Island in the San Francisco Bay in recognition of the struggle of early Asian-Pacific immigrants whose first experience in this country was their confinement to Angel Island, just as the first experience of European immigrants was Ellis Island.

Asian-Pacific Americans draw on a heritage rich in culture and tradition. Generation after generation has drawn on this richness and contributed their portion to the newer and ever-expanding heritage of this country.

I joined with my colleagues in support of House Joint Resolution 1007 and join with them now in this special recognition of Asian-Pacific American Heritage Week.●

ANALYSIS OF EPA "SUPERFUND" BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LaFALCE) is recognized for 15 minutes.

● Mr. LaFALCE. Mr. Speaker, the last year has seen a flurry of activity develop in response to the problems caused by improper use and disposal of chemical and other hazardous waste materials. First, I discovered that the Love Canal, in my congressional district, contained thousands of tons of improperly disposed waste materials that had leaked into the environment and had caused untold human and environmental damage. Now we understand that the Love Canal is but one of possibly several thousand similar abandoned hazardous waste dump sites which may now or in the future threaten both the quality of the surrounding environment and the health of nearby residents.

Because of the scope of this problem and its immediacy, a number of bills aimed at addressing either parts of the problem or its entirety are being presented to Congress. One of the most promising concepts proposed to provide a comprehensive response to the entire hazardous waste problem is sometimes called the superfund approach. Indeed, there are even several different superfund proposals in existence or development at the present time.

My staff and I, working with Senator MOYNIHAN in the other body, have developed one form of the superfund. Last Monday I introduced H.R. 3797, the Toxic Waste and Tort Act, to present our version of the superfund to the House for consideration. The Environmental Protection Agency has also been working on their own superfund proposal.

Although the EPA bill is not yet in final form and, therefore, has not yet been introduced, I have been in contact with the Agency and have received both a summary of the bill and a personal briefing on its details. Because I believe that the superfund concept offers the most attractive mechanism for providing a comprehensive approach to the problems of hazardous waste control in this country, I consider it especially important that the Congress evaluate these two proposals, and others, very carefully. Ultimately, then, we can fashion a single legislative initiative composed of and reflecting the most attractive features of all proposals.

To further this congressional evaluation of the several superfund bills, I have been analyzing and comparing these two proposals: The EPA approach and the LaFalce-Moynihan bill, the Toxic Waste and Tort Act. This preliminary critique may help to identify several of the key issues of public policy from which the Congress will ultimately be asked to formulate a final legislative response to the problem of hazardous waste contamination of the environment.

SIMILARITIES

The most obvious of the similarities, of course, is that both proposals utilize the superfund concept, albeit different versions of it, to finance the short and longer term Federal response to problems caused by escape of toxic materials from abandoned and closed hazardous waste sites. A fundamental principle of the superfund as a financing mechanism is that the moneys raised to fill the fund come from those responsible in some fashion or at some level for causing the problem—a version of the "polluter pays" principle.

The basic thrust of the two existing proposals is to shift the financial burden for addressing the abandoned waste site problem from the government to private parties or others responsible for the existing hazard. This is accomplished through a series of mechanisms including the sources of funding, certain financial responsibility and ownership continuity provisions, and the inclusion of authority for the Federal Government to sue to recover costs that it expends to cleanup a hazardous waste site.

Thus, there is much similarity between the two bills in the general focus of their objectives as well as the mechanisms that they establish to meet those objectives. However, the details of both financing the superfund and implementing the other key features of both bills very markedly and, in my view, Mr. Speaker, provide excellent grist for the congressional mill as it grinds its way toward a decision on the hazardous waste problem.

MAJOR DIFFERENCES

Scope of coverage: The Environmental Protection Agency's superfund proposal attempts to provide, in a single bill, a comprehensive Federal response mechanism to virtually all environmental problems caused by release of hazardous substances into the environment. The EPA would include oil, hazardous substances as defined by the Clean Water Act, and hazardous wastes under the Resource Conservation and Recovery Act under the list of materials to be dealt with by the superfund. Surely, each of these substances is hazardous and requires legislation to manage releases of it into the environment.

However, the Congress has for some years seriously considered a bill dealing separately with oil. In fact, this bill should reach the House floor for action soon. Perhaps rather than include oil within a comprehensive bill, as EPA proposes, we would be less duplicative and wiser to pursue a path that would allow melding of related and existing bills into a single Federal program, not necessarily a single piece of new legislation.

On this point, then, the LaFalce-Moynihan bill represents a somewhat more focused approach to the problem. The substances covered under our bill include only those named under section 3001 of the Solid Waste Disposal Act.

Types of incidents covered: As in the types of substances covered, the EPA proposal includes a very wide range of possible environmental incidents. The EPA's bill would incorporate existing provisions of the Clean Water Act (section 311) with a proposed administration oil spill bill, and expand these to include spills of hazardous substances, releases from abandoned and inactive hazardous waste disposal sites, except permitted sites under the Resource Conservation and Recovery Act, and any release of any substance posing "imminent and substantial danger" to public health or welfare. Thus, if a site is granted an operating permit by the Environmental Protection Agency under the regulations of the Resource Conservation and Recovery Act, even though a hazardous waste release from that site may develop, no superfund moneys would be available to remedy the hazards presented.

Our bill, on the other hand, limits its purview to only wastes released from abandoned and inactive hazardous waste disposal sites and to releases of any substance that pose "imminent and substantial" dangers relating to the treatment, storage, or disposal of hazardous wastes. In contrast to the EPA proposal, our bill would also allow the use of superfund moneys to clean up a legally permitted site if all available bonds and insurance moneys required by existing law for those "permitted" sites had been exhausted. Thus, our bill takes into consideration the tentative nature of existing state-of-the-art waste storage technology and provides a remedy for those potential problems that we are unable to predict and prepare for through law or regulation today.

FEE SYSTEM

Capacity: The EPA predicts that its funding mechanism would raise some $500 million per year to use to combat this wide variety of environmental incidents covered by its proposal. Our bill, with its narrower focus, would produce a smaller sum, in the range of $300 million each year.

Sources: The specifics of the two proposed funding systems provide another of the key differences between the two bills. EPA proposed a rather complicated fee system that would raise funds from the following major sources:

First. Up to 3 cents per barrel of oil to yield $100 million per year;

Second. Up to 60 cents per barrel of refined petroleum and per 10,000 cubic feet of gaseous hydrocarbons (natural gas) to yield $225 million per year;

Third. Up to $5/ton on heavy metals, halogens, and acids to yield $75 million per year.

The last two fees would be collected at the chemical processing plant level, not at the waste production level.

Fourth. In addition, the EPA proposal would authorize a $100 million Federal appropriation to the fund.

Our bill suggests a far less complicated and more easily administered fund-raising system. Further, our system is designed to promote conservation and limit production of hazardous waste materials. It also recognizes that because any State with a severe hazardous waste site problem has also benefited from the industry that produced those wastes, the State should, therefore, share in the costs of cleaning them up. Finally, our bill does not depend upon a Federal contribution to the superfund.

Specifically, the LaFalce-Moynihan bill proposes a fund raising system including the following sources:

First. Up to 3 cents per barrel and equivalent Btu rating of natural gas, levied at the refinery or producer level, to yield from $200 to $250 million per year;

Second. A fee to be imposed upon hazardous waste disposers at an amount sufficient to establish incentives to reduce the generation of hazardous wastes. The fee is to be calculated to reflect the volume and the toxicity of the waste involved, as well as the treatment costs;

Third. Each State will contribute to the fund the sum of 5 percent of the cost of running its own State program to identify, reclaim, and monitor abandoned hazardous waste sites.

In general, I think it accurate to say that the EPA proposed superfund mechanism would be more difficult and expensive to administer than that in our bill.

In addition to what appear to be serious problems of administration, however, there are other difficulties with EPA's approach that may limit its effectiveness as a funding mechanism. First, EPA limits the contribution to the fund from a particular producer to 1 percent of the selling price of the final product. The rationale behind this fee cap is not clear, and would seem to work contrary to the principle that those goods and their producers responsible for the hazardous waste problem should pay to rectify it.

Second, and perhaps most importantly, our bill very clearly proposes disincentives to waste production by taxing waste disposers and, with pass through provisions, the waste producers for both the volume and toxicity of waste produced as well as the cost of the technology to treat the waste. This should work to limit the total amounts of wastes produced and provide an incentive to manufacturers to recycle, where possible, their waste products.

To be fair, EPA does incorporate a recycling incentive of another type. The EPA bill would propose a credit for recycling feedstocks, chemicals, and metals. However, this measured impact would only be indirect. It addresses the inputs end of the production cycle, not the output or waste products end.

COMPENSATION AFFORDED

Coverage: In the area of compensation coverage, and types of compensation offered, the two proposals also differ significantly. Further, the matter of compensation and compensable injury or damage provide one of the most fertile areas for development of major policy guidelines regarding management of the hazardous waste problem.

Under the EPA proposal, the superfund would be used to compensate governments for its response costs in meeting problems caused by spills of oil, hazardous substances, and hazardous wastes and by releases of the same substances in the environment. It could also be used to compensate innocent victims of spills of the above substance for property damages or the loss of economic livelihood. Further, State and local governments could be compensated for loss of tax revenue for 1 year due to injury to real or personal property. Moreover, EPA's proposal appears to be prospective only and not applicable to past incidents or expenses already incurred.

Regrettably, EPA's proposal offers no personal injury compensation of any type and would not even compensate for property damage in the case of releases from abandoned hazardous waste sites.

In contrast, our bill focuses upon compensating innocent victims for personal injury, not property damages. Further, it would compensate persons for personal injury caused by releases from leaking hazardous waste sites. Indeed, in the area of compensation for personal injury caused by exposure to hazardous waste materials, our bill paves new ground in the significant areas of proving causation, easing statute of limitations burdens, and providing for retroactive compensation for injured victims.

H.R. 3797, the Toxic Waste and Tort Act, offers two mechanisms to compensate persons injured by exposure to toxic chemicals and other poisonous substances from hazardous waste sites. First, the Environmental Victims Compensation Board is empowered to compensate a person after the victim proves, using a special EPA determined "requisite nexus" finding between the exposing substance and illness, that he or she meets the exposure requirements of the requisite nexus. Our bill authorizes EPA to define the requisite nexus with respect to a number of toxic substances and establishes a procedure for carrying this out.

Further, our bill greatly eases a plaintiff's proof burdens and statute of limitations requirements in legal proceedings. Further, we would create a Federal cause of action allowing injured persons to sue for such injury. While negligence would still provide the theory under which the plaintiff could recover for personal injury losses, our bill would enable the plaintiff to utilize a requisite nexus determination and special statute of limitations provisions in his or her court action. Because our bill designates the statute of limitations to run from either the date of the determination by EPA of the requisite nexus between a substance and its related illnesses, or from the date of medical diagnosis of a specific illness or injury, all of those persons who have sustained chemically caused illnesses or injuries in the past are retroactively included within the compensation provisions of the bill and thus, could be compensated from the superfund upon fulfilling its required proof standards.

The policy questions presented by the obvious differences between these two bills in this area are clear. First is the issue of whether to compensate for personal injuries; second is the issue of whether to compensate retroactively; for example, would a compensation mechanism be structured to allow persons injured in the past to obtain compensation for those past losses.

Our view on these issues is that we must choose to compensate first for human illness and suffering. The EPA proposal which provides absolutely no compensation for persons injured or damaged by hazardous waste site releases is clearly unacceptable.

Punitive damages: The LaFalce-Moynihan bill also includes a provision allowing the award of punitive or exemplary damages in cases where the jury determines that the defendant in a suit dealing with personal injury allegedly caused by exposure to hazardous wastes demonstrated a gross and wanton disregard for public safety. Further, exemplary damages if granted by the jury would not provide a windfall for a particular plaintiff. Rather, under our bill, these moneys would flow back to the superfund.

EPA does not permit the award of punitive damages.

Liability: The EPA proposal would base legal recovery on the theory of strict liability for owners, lessees, and operators of abandoned hazardous waste sites if they caused or contributed to the release of hazardous materials. Further, other persons such as prior owners, generators, or disposers could also be held strictly liable.

I believe that this characteristic of the EPA proposed bill is valuable since it would insure that waste generators would not escape liability simply by transferring ownership of the materials to another person or company.

Nevertheless, I believe that our bill because it approaches the problem of assuring that a responsible party retains responsibility for its waste materials from an entirely different perspective, may have the preferable solution. We have established in our bill a provision requiring continuity of ownership of the site upon which the hazardous wastes are stored. This eliminates the need to include prior owners or generators as liable or potentially liable parties.

Liability limits: EPA proposes a liability limit of $50 million per each hazardous waste or substance-related accident. However, if a company violates certain provisions of the EPA proposed bill, such as the reporting requirements, there are no liability limits. Further, these limits are also erased in the case of willful misconduct or gross negligence on the part of the responsible corporation or party.

We propose no liability limitation of any kind.

Inplace toxics: Certain types of inplace toxics, such as toxic substance that was deposited upon land or water before enactment of either bill, that is, the PCB's along the roads in North Carolina are probably not included among the substances that the EPA bill's superfund would pay to clean up. However, if such a spill occurred in the future, and could be classed as a spill or as an imminent danger, EPA's proposal would certainly apply.

Our bill would permit the clean up of such inplace toxics retroactively. Because our bill would address the clean up of waste materials and because the PCB's along the roads in North Carolina were clearly a waste substance their clean up would qualify for funding from our superfund.

State roles: Both proposals foresee a major role for the States to play in the management of a program to provide a remedy to the hazardous waste problems within their boundaries. The EPA proposed legislation would not pre-empt State authority to establish their own funds, to set financial responsibility requirements, or to set a tax or fee to raise the needed funding.

The EPA created superfund exacts no contribution from the States to the superfund pool. Further, the Environmental Protection Agency's superfund will pay for all emergency assistance for abandoned and inactive sites, regardless of State involvement. Containment measures, however, are dependent upon the State meeting two conditions:

First. That the State continue to maintain the EPA-provided containment mechanisms after 1 year and through the following 19 years; and

Second. If offsite disposal capacity is needed, that the State will guarantee to provide such capacity.

The LaFalce-Moynihan proposal gives each State the opportunity to design and operate its own program, providing that it meets certain guidelines established by the EPA Administrator. If the individual State programs meet these guidelines, they can tap the superfund for emergency or longer term assistance.

On the matter of waste containment and the long-term management of hazardous waste materials, our proposal contains what we consider to be a critical feature that is omitted from the EPA proposal. H.R. 3797 establishes a procedure for the siting of new and environmentally sound hazardous waste disposal sites. This mechanism provides for wide public involvement and critical scientific and other review. Further, it fixes final authority for the choice of a hazardous waste site with the Administrator of the Environmental Protection Agency. This feature of our bill, is we believe, essential to the effective working of both clean up measures and more acceptable disposal of hazardous waste materials in the future.

CONCLUSION

As you can see, Mr. Speaker, while the major goals of the two superfund proposals and some of the fundamental principles underlying their operation are similar, in certain critical areas the two bills vary substantially. In particular, I believe that the LaFalce-Moynihan bill offers a far more socially acceptable and equitable compensatory system, provides a more easily administered fundraising system that includes effective incentives to produce less hazardous wastes and to recycle more, and, because it allows no limit to liability for each incident, promises to place the burden for cleaning up America's hazardous waste problem more directly on those responsible for producing it.●

ANALYSIS OF THE M–X MISSILE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DELLUMS) is recognized for 5 minutes.

● Mr. DELLUMS. Mr. Speaker, in the near future the House will decide whether to authorize additional funds for the M–X missile. Today, I am placing in the RECORD parts 3 and 4 of a five-part article on the M–X, written for me by Dr. Thomas H. Karas, Center for Defense Information:

ANALYSIS OF THE MX PART 3: MX AND NUCLEAR WAR FIGHTING

Before the emergence of the purported need to compensate for Minuteman vulnerability, the Air Force already wanted a new "Missile X." Originally favored was a 92" diameter missile that would have four times the throw weight of the Minuteman. Studies have also been made of an 83" diameter missile that would be compatible "less one rocket stage" with the Trident submarine launching tubes. Even this smaller MX, however, could still carry the ten nuclear warheads to be permitted by SALT II.

With ten Mark 12A warheads, with accuracy 50% better than the Minuteman missile, the MX would be first of all a Soviet missile silo killer. Such a missile is intended to serve strategies of fighting and winning nuclear war. (The current Air Force definition of victory in nuclear war is that our country takes fewer years to recover its economic capacity than the other side.) Two thousand or more 350-kilotron nuclear warheads with accuracies approaching 300 feet would pose a significant threat to the Soviet ICBM force. Air Force planners want to make it credible that the U.S. would, under some circumstances, initiate a strategic nuclear exchange.

A second purpose of the MX would be to destroy Soviet missiles remaining in silos after a Soviet first strike. The supposed need to do this is based on bizarre scenarios of limited nuclear war which even the Secretary of Defense finds implausible. Although he favors some form of MX, Secretary Brown has questioned the degree to which missiles silos need to be covered completely in U.S. target lists:

"One resolution of this issue . . . would lie in being able to cover hard targets with at least one reliable warhead with substantial ability to destroy the target. . . . Even with slow-reacting capabilities such as cruise missiles, this would ensure that an enemy's silos are not a kind of sanctuary. . . ."

The reason Secretary Brown hesitates to endorse a large-scale, ICBM-launched silo-attacking capability is as follows:

"As the growing Soviet threat to our ICBM force indicates, this kind of targeting, by forcing the other side to respond with redesigned capabilities, is bound to affect long-term stability, in what could be (but need not be) a negative way."

Let us try to translate that into English. While about 20% of U.S. strategic nuclear warheads are on ICBM's, about 70% of Soviet warheads are on ICBM's (and their other forces are on lower day-to-day alert status). If some in the U.S. feel a need to do something about Minuteman vulnerability, what do we suppose the Soviets will do about the emergence of a major threat to the largest part of their nuclear forces? They will certainly take countervailing measures.

First, they may institute a launch-on-warning policy. According to those who worry about Minuteman vulnerability, this is a destabilizing and dangerous policy. Next, the Soviets will probably move to a land-mobile ICBM system. When they do so, we will most likely no longer have confidence in our ability to count Soviet missile launchers. There will then be great pressures in the U.S. to react to worst-case estimates of Soviet missile numbers by building more missiles of our own.

Even if mobile missile deployments remained within SALT II limits, both sides would fear the possibility of a rapid "break-out" of many additional missiles. As Dr. Sidney Drell pointed out to the House Armed Services Committee,

"In the absence of direct verification of missile production there is always the possibility of some clandestine production and deployment of missiles in warehouses or other soft structures from which they could be readily launched. However, MPS deployments allow the additional capability of rapidly installing such missiles in hardened launch silos with tested and reliable C^3. Hence the effect of abrogation could be more severe and provide more political leverage in a crisis."

Let us go so far as to suppose that instead of going to land-mobile missiles the Soviets were to take the more stabilizing course of sending their nuclear deterrent to sea. Whatever steps the Soviets take to make their ICBM's mobile, they remove the major set of targets of the MX. The MX will force some reaction from the Soviets. When they react (and they will have six to eleven years in which to do so), the whole point of the MX will have been obviated. As soon as the MX is on line, the Soviets will be able to nullify its major military function. Thirty or forty billion dollars will have been spent on a weapon without a mission.

ANALYSIS OF THE MX, PART 4: THE EXAGGERATED MINUTEMAN VULNERABILITY PROBLEM

The Director of the conservative U.S. Strategic Institute wrote last fall that ". . . it is bootless to argue that the U.S. land-based inventory will become vulnerable in the 1980's to a Soviet first strike, a highly questionable idea sold to the military by civilian manipulators of 'damage probability' plastic computer wheels."

Last year, Secretary of Defense Brown explained in greater detail why the Minuteman vulnerability problem ". . . would not be synonymous with the vulnerability of the United States, or even of the strategic deterrent." He wrote:

". . . the Soviets would face great uncertainties in assessing whether they would have the capability we fear—and still greater uncertainties as to its military or political utility. On all the technical judgments—how accurate the missiles are, how reliable, how well the system would work in actual practice, whether they could explode two reentry vehicles on each silo without excessive fratricide, or only one—we, quite properly are conservative, from our point of view. Similarly, the Soviets must make cautious assumptions from their perspective. In particular, they must recognize the formidable task of actually executing (as planned) a highly complex attack in a single cosmic throw of the dice.

"Even if such an attack worked exactly as predicted, the Soviets would face great risks and uncertainties. First, they would necessarily have to consider whether the U.S. missiles would still be in their silos when the attack arrived, or whether, given our capability to have unambiguous confirmation of a massive attack, we would launch from under the attack. Second, and more important, an attack intended to destroy U.S. silos could kill at least several million Americans and would leave untouched at least the alert bombers and at-sea SSBM's with thousands of warheads. The Soviets might—and should—fear that, in response, we would retaliate with a massive attack on Soviet cities and industry. The alleged 'irrationality' of such a response from a detached perspective would be no consolation in retrospect and would not necessarily be in advance an absolute guarantee that we would not so respond."

Secretary Brown thus presents a cogent case why abstract mathematical calculations of the impending vulnerability of the Minuteman missile force should not be taken very seriously. All the same, this year the prediction of Minuteman vulnerability is being offered as a compelling reason to proceed with the MX. Some calculations make the Minuteman vulnerable to Soviet attack by the early 1980's. If this were a truly urgent problem, the "shell-game" version of MX mobility favored by the Air Force would not be an answer, for the shelter system cannot be fully operational before 1990.

The problem, however, is unreal. If the United States would retain upwards of 7000 strategic nuclear weapons even after a successful attack on the Minuteman force, what is there to worry about? Some strategists, as Secretary Brown noted, fear that the U.S. would hesitate to respond to a Soviet attack limited to our ICBM's because our only response could be to start the mutual destruction of cities. Secretary Brown has also refuted this simplistic scenario:

"In any event, any Soviet planner considering U.S. options would know that, besides massive retaliation, the surviving U.S. forces would also be capable of a broad variety of controlled responses aimed at military and civilian targets and proportioned to the scale and significance of the provocation. Indeed, with ALCMs deployed on the surviving alert strategic bombers, we would still have a very substantial capability to destroy remaining Soviet silos, though with some hours of delay."

In sum, there is much less to the Minuteman vulnerability "problem" than meets the eye. The best reason Secretary Brown can offer for the MX is that new bugaboo, "perceptions." This is the idea that the Soviets should not appear to have some capability that we do not match. The concern is with psychological, not military issues. Thirty or forty billion dollars is a lot of money to spend on image. An ad campaign might be cheaper.●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 5 minutes.

● Mr. DRINAN. Mr. Speaker, due to a longstanding commitment—at which I participated in the release of a major survey on public attitudes toward privacy—I was on official leave from the House of Representatives yesterday during consideration of House Concurrent Resolution 107, the first budget resolution for fiscal year 1980.

Had I been present, I would have voted as follows: "Aye" on rollcall No. 115, to reduce budget outlays and authority for travel, film making, overtime, and other allowances; "no" on rollcall Nos. 116 and 117, providing for a balanced budget in fiscal year 1980 through massive reductions in budget outlays and authority; and "no" on rollcall No. 118, providing for a balanced budget in fiscal year 1980 through spending reductions on a program-by-program basis.●

SOME THOUGHTS ON FINANCIAL DISCLOSURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. KASTENMEIER) is recognized for 5 minutes.

● Mr. KASTENMEIER. Mr. Speaker, since 1962, I have placed an annual public financial disclosure statement of my personal finances in the RECORD. As a result of the public financial disclosure reporting requirements of Public Law 95–521, the Ethics in Government Act of 1978, and the new House Rule on financial disclosure, which is title I, the legislative personnel financial disclosure requirements of Public Law 95–521, it is no longer necessary to file such a report in the RECORD.

However, I do want to point out, notwithstanding the new public law, that there are still some important distinctions between my customary public filing report and the information required by Public Law 95–521, for the purposes of assessing conflicts of interest.

Of course, I understand that reasonable compromises had to be reached last year in order to protect the privacy of individuals and to obtain passage of a financial disclosure law. A perfect financial disclosure law was not attainable. However, I trust that the occasion will present itself sometime in the future so that we can make improvements to upgrade the financial disclosure report in order to give somewhat more precise information on financial holdings than we presently must report on the official form that must be filed by May 15.●

ALASKA: "APPALACHIA NORTH?"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. PEASE) is recognized for 5 minutes.

● Mr. PEASE. Mr. Speaker, we will soon be considering legislation to preserve our northern wildlands in Alaska. Built upon the sound bill overwhelmingly passed by the House last year, the Udall-Anderson substitute provides us with the opportunity to effectively conserve Alaska's prime wilderness for many generations to come.

By passing the Udall-Anderson substitute, we can take a giant step in preserving grounds where the caribou graze, where wild and scenic rivers flow, and where large areas of beautiful wilderness still exist. It is not often that the Congress gets this sort of opportunity.

It is important that those of us who represent Eastern States take an active role in seeing that the Udall-Anderson substitute passes since these federally owned lands should remain available to all Americans. I have heard from many of my constituents who strongly support a sound Alaska bill and oppose any weaker versions. It is my intention to vote for the Udall-Anderson substitute.

Yet while I am convinced of this bill's importance, there may be others who have not yet reached a decision. I wish to call their attention to a column from the Washington Post on May 5, 1978, by Colman McCarthy. Mr. McCarthy eloquently points out the opportunity before the House. Only positive action by all of us in the upcoming days can keep Alaska from becoming "Appalachia North."

The article follows:

ALASKA: "APPALACHIA NORTH?"

(By Colman McCarthy)

When Michael Holloway, M.D. left his village the other day in the Rainbow Valley of Alaska to visit the nation's capital to see the political system at work, he had visions that it might not work at all. Holloway's concern was whether or not Congress understood the feelings of the natives in bush Alaska and their ties to a subsistence culture. The physician's own understanding is based on his work since 1973 as an orthopedic surgeon with the Indian Health Service. By traveling among the remote villages, he has learned that subsistence uses of natural resources—game, fish, vegetation—have been the means of survival for people in that area for at least 15,000 years.

After a few days in Washington, Holloway felt some of his misgivings ease. As passed by the House Interior Committee, the Alaska National Interest Lands Conservation Act offered strong protection for the subsistence rights for natives. But other actions of the committee were troubling. As originally introduced, the bill sought to protect 115 million acres of public land, the committee approved 95 million. For one area—the Tongass forest—more than half of the wilderness proposals were rejected. Overall, wilderness acreage dropped from 83 million to 75 million.

Land bills in Congress almost always begin that way: big hungs of largess inviting axmen and whittlers to chip away until often the public is left with little more than fragments. Despite early vigilance by the Interior subcommittee, the legislation must still pass through the full House and then a Senate committee and the full Senate. It isn't only the Secretary of Interior who says the Alaskan land issue is his department's major priority for 1978. The stakes are also awesomely high for natives, developers, energy and timber companies, unions, tourists, conservationists and state and federal governments. The collision of values among those groups will create big winners and big losers. Debate comes when national concern about Alaska runs strong. One book on the state ("Coming Into the Country," by John McPhee) is on the best-seller lists and another ("Children of Crisis," by Robert Coles, which examines Eskimo culture deserves to be.

Whether this attention from writers is a final glance at a land and culture about to be ruined in the name of progress or a protective look at a long-ignored treasure, 1978 will be known as the year when the great shift came to the great frontier.

In deciding the fate of some 95 million acres of public land, Congress isn't getting into an issue for which we have no precedent. Today's Alaska flashes with similarities to the Appalachia of 100 years ago; in size, natural beauty, the pride and resilience of the native people, mineral wealth and cultural traditions. But are axmen and whittlers who are preparing to chop up the Alaska legislation in the Senate about to create Appalachia North? With the current conditions in Appalachia well-known—50,000 miles of despoiled rivers and streams, mountains raped for coal, inadequate housing, impoverished schools, an epidemic of mental depression, absentee landlords, constant flooding, trailer-camp living, hazardous roads—what are the ethics of risking a repetition in Alaska?

In the fever for quick wealth, the real costs are likely to be ignored. The exploiters of oil, gas, copper, uranium, timber, real estate and wildlife are not likely to heed a woman in the Eskimo village of Kotzebue who told some visiting congressmen last summer: "We find ourselves being encroached upon by another dominant culture, whose people are more numerous than we, relentless, whose written laws are sometimes foreign to us and inappropriate for this simple northern land but nevertheless binding on us." Instead, they put an open ear to the claim of Alaska's Rep. Don Young: "Preservationist-oriented measures have truly gotten out of hand. . . . The key issue is how much needs to be set aside to provide appropriate protection without going overboard."

As to where Congress, the energy companies or other "protectors" have gone overboard in the past, Young didn't say. Nor has anyone else. Historically, and shamefully, the excess has been in squandering our treasures, not in protecting them. We angle for quick gains, while leaving victims—and their children and grandchildren—to endure long-term losses. With the full House about to debate Alaska, the same philosophy of exploitation that has done in much of Appalachia will be heard again: The fate of the hemisphere depends on our getting at every last acre that can be drilled, mined, paved, blasted, staked or sold. To resist that mentality, or better yet to turn away from it as false, nothing is more useful than a look at Appalachia. If Alaska's public lands are a new territory, then they deserve to be cherished with something better than the old ethic.●

THE BUDGET

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. BRINKLEY) is recognized for 15 minutes.

● Mr. BRINKLEY. Mr. Speaker, during our deliberation on the budget, it is important to look behind the labels. All is not gold that glitters. All that is labeled "national defense" is not truly national defense of which I am a strong exponent.

My reference is to the North Atlantic Treaty Organization, which is our military Marshall plan.

Last year, I inquired of the Secretary of Defense about the cost of NATO and received a well reasoned, thoughtful, logical, scholarly, frank, and straightforward response from Brig. Gen. William W. Maurer, Deputy Assistant to the Secretary of Defense for Legislative Affairs, but with which rationale I do not agree. I wish to share that response from General Maurer with you.

The rationale presumes the correctness of a huge physical presence in Europe in terms of manpower, civilian and military, dependents, equipment, and the requirements for functioning away from home. Schools and chapels and commissaries and PX's and housing and hospitals are all very important and very necessary under the present NATO concept which appears to be ominously permanent.

Even the mutual and balanced force reduction talks, from our negotiators, begins with a "floor" beneath which we would not go.

It is clear that our presence in NATO is envisioned as a long-term proposition and in addition to being a military presence, is a political and economic presence.

We should not and cannot remain in Europe forever. We should qualitatively improve our status there for the short term in lieu of the present quantitative effort toward a long term.

It is important. It is a matter of our own economic healing. And, while we cannot be, and do not wish to be, fortress America, we can basically be home base America.

What is the price tag on NATO? Here are figures in the attached letter.

Someday in retrospect will our successors say, "How blind they were in assessing priorities in their own national interest."

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., 30 October 1978.

Hon. JACK BRINKLEY,
House Armed Services Committee,
Washington, D.C.

DEAR MR. BRINKLEY: Your question concerning the cost of the FY 77 and FY 78 U.S. contribution to NATO is of great interest to the DoD and I want to answer it as completely and fairly as possible. Two points are particularly important when discussing NATO costs. First, almost everything in the Department supports our NATO commitment in one way or another and secondly, only a relatively small part of the budget supports NATO and nothing else. Let me explain.

The primary criterion that determines the size and composition of our general purpose forces is the necessity, in conjunction with allies, to deal simultaneously with a major and a minor contingency while keeping vital sea lanes open. Because Europe continues to be of such vital interest to us, and because the Soviets deploy so much of their conventional military power west of the Urals and in Eastern Europe, we regard the Soviet threat to Western Europe as the appropriate major contingency against which to design our conventional forces. If we and our NATO allies can defend against the forces of the Warsaw Pact, we should have a powerful deterrent in that crucial area while also having sufficient active U.S. forces to deal with other contingencies.

One role we see for U.S. forces in defense of Western Europe is to provide sufficient deployed forces to supplement those of our allies in blunting an attack by the ready elements of the deployed Warsaw Pact forces and to provide early reinforcements in the event of Pact mobilization and reinforcement. These forces are committed to NATO.

A second role is to provide additional reinforcements that are needed to meet an expected massive Pact mobilization. Although those later reinforcements are not all formally committed to NATO, they would be needed and we currently plan to use them in a European crisis. However, the U.S. must be prepared to meet the Soviet threat elsewhere around the world and function in a number of other international situations. This group of general purpose forces would, in fact, be used in a variety of other contingencies to which we would respond. These forces are multipurpose—they are available for the NATO contingency and other contingencies as well. Our strategic forces also should be included in this multipurpose grouping. While they have not been associated with NATO costs in the past, these forces do play an important role in the defense of Europe—how important is made clear by the European reaction whenever the sufficiency of our strategic forces is questioned.

A third role for our forces deals with deployments to and reinforcements for other regions of the world. These forces would all be involved in the general conflict with the USSR which would accompany the outbreak of hostilities in Europe. While these forces are primarily directed toward meeting the Soviet threat in other regions, we could redeploy them to Europe if necessary.

The categorization discussed above is a realistic representation of how we plan and maintain forces for the defense of the U.S. and its allies. It recognizes that most of our force elements have more than one purpose, and that it is impossible to completely separate NATO and non-NATO related costs when we know any major confrontation with the Pact would involve all U.S. forces land, sea, and air—regardless of where they are presently deployed.

Fiscal Year 77 and 78 costs have been prepared for the U.S. contribution to NATO which are in keeping with the three rules we see for U.S. forces in the defense of Europe:

(1) Forces committed to defend Western Europe.

(2) Multipurpose forces which are available to defend Europe but for which we plan other missions as well, and

(3) Forces which are primarily in support of other regions, but which could be made available if needed.

Enclosure 1 provides this information.

Our participation with our Allies in NATO is very important to our mutual defense and much of our effort is directed towards deterring a European crisis. This year we have further emphasized the importance of our NATO participation. I hope the enclosed information responds completely to your question.

William W. Maurer,
Brigadier General, USA.

Enclosure.

COST OF NATO COMMITMENTS IN THE FISCAL YEARS 1977 AND 1978 BUDGETS

[In billions of dollars]

	1977 costs	1978 costs
A. Forces committed to NATO: Includes general purpose forces and support elements forward deployed in Europe and general purpose forces that are ready to rapidly deploy to counter Soviet aggression—currently planned for the European theater crises. The latter are mainly based in the United States and in general would be withheld from deployment to contingencies elsewhere	39.5	41.8
B. Multipurpose forces: Includes general purpose forces that would be used in a NATO conflict, based upon current Defense Department planning, but could be available for conflicts in other areas; strategic reserves, strategic forces, intelligence and central communication activities	51.5	56.0
C. Forces for other contingencies: Includes the remaining general purpose forces, which are mainly forward deployed in other regions of the world to meet the needs of other contingencies. These forces would all be involved in the general conflict with the U.S.S.R. which would accompany the outbreak of hostilities in Europe—they could be redeployed to Europe or may engage the U.S.S.R. in some other area	9.1	9.8
D. Unallocated costs: Includes DOD retired pay	8.2	9.2

The costs include, in addition to the direct costs of the combat forces in each group, an allocated share of the costs of new equipment, a proportionate share of U.S. based training and logistics support, RDT&E and DoD administration. The combat forces assigned to each of the above categories are derived from the Military Departments mobilization and deployment plans using the NATO planning assumptions contained in the Report of the Secretary of Defense to the Congress on the FY 78 Budget dated January 14, 1977.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. Rodino (at the request of Mr. Wright) for today on account of illness in the family.

To Mr. Corman (at the request of Mr. Wright) for today on account of official business.

To Mr. Alexander (at the request of Mr. Wright) for today on account of attending the funeral of the late Hon. E. C. Gathings, former U.S. Representative from Arkansas.

To Mr. Akaka (at the request of Mr. Wright) for today on account of official business.

To Mr. Baldus (at the request of Mr. Wright) for today on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Sensenbrenner) to revise and extend their remarks and include extraneous material:)

Mrs. Heckler, for 5 minutes, today.
Mr. Goldwater, for 5 minutes, today.
Mr. Green, for 5 minutes, today.

(The following Members (at the request of Mr. Kogovsek) to revise and extend their remarks and include extraneous material:)

Mr. Weaver, for 10 minutes, today.
Mr. Boner of Tennessee, for 5 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Gonzalez, for 5 minutes, today.
Mr. Wolff, for 15 minutes, today.
Mr. Pepper, for 5 minutes, today.
Mr. Phillip Burton, for 5 minutes, today.
Mr. LaFalce, for 15 minutes, today.
Mr. Dellums, for 5 minutes, today.
Mr. Drinan, for 5 minutes, today.
Mr. Kastenmeier, for 5 minutes, today.
Mr. Pease, for 5 minutes, today.
Mr. Brinkley, for 15 minutes, today.
Mr. Flood, for 60 minutes, May 8, 1979.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Gudger, to revise and extend his remarks immediately after remarks of Mr. Huckaby on H.R. 39 today.

(The following Members (at the request of Mr. Sensenbrenner) and to include extraneous matter:)

Mr. Kemp in three instances.
Mr. Gradison.
Mr. Anderson of Illinois.
Mr. Symms in two instances.
Mr. Rousselot.
Mr. Collins of Texas in three instances.
Mr. Gradison.
Mr. Derwinski in two instances.
Mr. Wydler.

(The following Members (at the request of Mr. Kogovsek) and to include extraneous matter:)

Mr. Minish.
Mr. Nowak in five instances.
Mr. Harkin.
Mr. Pease.
Mr. Bingham in two instances.
Mr. Florio.
Mr. Dellums.
Mr. Weiss in two instances.
Mr. Santini.
Mr. Moakley.
Mr. Downey.
Ms. Oakar.
Mr. Ambro in two instances.
Mr. Danielson.
Mr. Fauntroy.
Mr. Boland.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 237. An act to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes; to the Committee on the Judiciary.

S. 544. An act to amend titles XV and XVI of the Public Health Service Act to revise and extend the authorities and requirements under those titles for health planning and health resources development; to the Committee on Interstate and Foreign Commerce; and

S. 967. An act to recognize the critical rail transportation situation in the Northwest due to the proposed embargo of service on the Milwaukee Railroad and to recognize the need for expedited consideration of congressional action; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. KOGOVSEK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 3 minutes p.m.), under its previous order, the House adjourned until Monday, May 7, 1979, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1484. A letter from the Manager, Federal Insurance Corporation, U.S. Department of Agriculture, transmitting the Corporation's 1978 annual report; to the Committee on Agriculture.

1485. A communication from the President of the United States, transmitting requests for supplemental appropriations and supplemental appropriations language for fiscal year 1980 (H. Doc. No. 96–113); to the Committee on Appropriations and ordered to be printed.

1486. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting a report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment and material for the first quarter of fiscal year 1979, pursuant to section 813 of Public Law 95–457; to the Committee on Appropriations.

1487. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of the Army's intention to omit the clause authorizing the Comptroller General to examine certain records which would otherwise be required to be included in contracts with the Federal Republic of Germany for storage services in Belgium, pursuant to 10 U.S.C. 2313(c); to the Committee on Armed Services.

1488. A letter from the Acting Secretary of the Army, transmitting notice of the proposed transportation of certain lethal chemical munitions from Rocky Mountain Arsenal, Colo., to Tooele Army Depot, Utah, pursuant to section 409(b)(4) of Public Law 91–121, as amended; to the Committee on Armed Services.

1489. A letter from the first vice president and vice chairman, Export-Import Bank of the United States, transmitting a statement describing a transaction between the Bank and the Societe Nationale d'Electricite of Zaire, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

1490. A letter from the Chairman, District of Columbia Law Revision Commission, transmitting the fourth annual report of the Commission, pursuant to section 4(a) of Public Law 93–379; to the Committee on the District of Columbia.

1491. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting the seventh annual report of the Commission, pursuant to section 5(a)(7) of Public Law 91–345, as amended; to the Committee on Education and Labor.

1492. A letter from the Acting Administrator, Agency for International Development of State, transmitting a report on the status of the contingency fund for the second quarter of fiscal year 1979, pursuant to section 451(b) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

1493. A letter from the Director, Office of Administration, U.S. Nuclear Regulatory Commission, transmitting notice of proposed changes in an existing records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1494. A letter from the Chairman, Federal Home Loan Bank Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1495. A letter from the Secretary of Transportation and the Administrator, U.S. Environmental Protection Agency, transmitting an interim report on the study of carbon monoxide intrusion into sustained-use vehicles, pursuant to section 226(a) of the Clean Air Act Amendments of 1977; to the Committee on Interstate and Foreign Commerce.

1496. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the national strip mine study, pursuant to section 233 of Public Law 91–611 (H. Doc. No. 96–114); to the Committee on Public Works and Transportation and ordered to be printed.

1497. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the South Fork Zumbro River at Rochester, Minn., pursuant to section 1(a) of Public Law 93–251 (H. Doc. No. 96–115); to the Committee on Public Works and Transportation and ordered to be printed.

1498. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Pembina River, N. Dak., in response to a resolution of the Senate Committee on Commerce adopted February 28, 1945, and in partial response to a resolution of the Senate Committee on Public Works adopted June 15, 1950, and two resolutions of the House Committee on Public Works adopted June 27, 1950 and July 19, 1950 (H. Doc. No. 96–116); to the Committee on Public Works and Transportation and ordered to be printed.

1499. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a Corps of Engineers report on the Muskingum River Basin, Ohio, in partial response to a resolution of the Senate Committee on Public Works adopted June 3, 1964, and in complete response to various other authorities and resolutions (H. Doc. No. 96–117); to the Committee on Public Works and Transportation and ordered to be printed.

1500. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to further the rationalization, standardization, interoperability, readiness, and effectiveness of the land, air, and naval forces of the North Atlantic Treaty Organization countries; jointly, to the Committees on Armed Services, and Foreign Affairs.

1501. A letter from the Secretary of Commerce, transmitting a draft proposed legislation to clarify the status of nonappropriated fund personnel at the U.S. Merchant Marine Academy; jointly, to the Committees on Education and Labor and Merchant Marine and Fisheries.

1502. A letter from the Comptroller General of the United States, transmitting a report on the Occupational Safety and Health Administration's accident data collection system (HRD–79–43, May 3, 1979); jointly, to the Committees on Government Operations and Education and Labor.

1503. A letter from the Comptroller General of the United States, transmitting a report on the examination of financial statements of the Pension Benefit Guaranty Corporation for fiscal year 1977, pursuant to section 106 of the Government Corporation Control Act (HRD–79–44, May 3, 1979) (H. Doc. No. 96–118); jointly, to the Committees on Government Operations, Education and Labor, and Ways and Means and ordered to be printed.

1504. A letter from the Secretary of Agriculture, transmitting the President's recommendations for the designation as wilderness of approximately 9.9 million acres of National Forest Systems lands (H. Doc. No. 96–119); jointly, to the Committees on Interior and Insular Affairs and Agriculture, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER: Committee on Rules. House Resolution 259. Resolution providing for the consideration of H.R. 3464. A bill to amend title XVI of the Social Security Act to remove certain work disincentives for the disabled under the supplemental security income benefits program, and for other purposes. (Report No. 96–117). Referred to the House Calendar.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 2295. A bill to authorize appropriations for the Coast Guard for fiscal year 1980; with amendment (Rept. No. 96–118). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3757. A bill to amend the National Parks and Recreation Act of 1978, and for other purposes; with amendment (Rept. No. 96–119). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3756. A bill to authorize appropriations for certain insular areas of the United States, and for other purposes; with amendment (Rept. No. 96–120). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 3758. A bill to amend the date that section 601 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America becomes effective (Rept. No. 96–121). Referred to the Committee of the Whole House on the State of the Union.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. House Resolution 212. Resolution to approve the standby gasoline rationing plan (Department of Energy standby rationing plan No. 1) (Rept. No. 96–123). Referred to the Committee of the Whole House on the State of the Union.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. House Resolution 210. Resolution to approve standby emergency advertising lighting restrictions (Department of Energy standby conservation plan No. 3); unfavorably (Rept. No. 96–122). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY:

H.R. 3935. A bill to amend the U.S. Grain Standards Act to eliminate the requirement of official weighing at the time of transfer into an export elevator of grain contracted for sale for export from the United States; to the Committee on Agriculture.

By Mr. BOWEN (for himself, Mr. Coelho, and Mr. Jones of Tennessee):

H.R. 3936. A bill to amend section 103(f)(5)(A) of the Agricultural Act of 1949 in order to reduce the cost to the Government of upland cotton disaster payments and to provide growers with additional opportunities for market income by modifying certain disaster payment provisions; to the Committee on Agriculture.

By Mr. BRODHEAD:

H.R. 3937. A bill to provide for reimbursement to States experiencing high rates of insured unemployment, to reimburse States for the costs of providing extended benefits during 1975, 1976, and 1977, and to cancel certain advances made to the Federal extended unemployment compensation account; to the Committee on Ways and Means.

By Mr. CAVANAUGH:

H.R. 3938. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income interest on industrial development bonds the proceeds of which are to be used to construct facilities for the production of alcohol for use in making gasohol or other fuel; to the Committee on Ways and Means.

By Mr. DELLUMS (for himself, Mr. Bauman, Mr. Kemp, Mr. McKinney, Mr. Fauntroy, Mr. Moffett, Mrs. Holt, Mr. Diggs, Mrs. Spellman, Mr. Leland, Mr. Barnes, Mr. Gray, Mr. Harris, Mr. Fisher, Mr. Stark, Mrs. Byron, Mr. Rodino, and Mr. Mazzoli):

H.R. 3939. A bill to establish an actuarially sound basis for financing retirement benefits for police officers, fire fighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits; to the Committee on the District of Columbia.

By Mr. HANSEN (for himself and Mr. Symms):

H.R. 3940. A bill to provide for protection of the John Sack Cabin, Targhee National Forest in the State of Idaho; to the Committee on Interior and Insular Affairs.

By Mrs. HOLT:

H.R. 3941. A bill to eliminate the reduction in social security benefits for spouses and surviving spouses receiving certain Government pensions, as recently added to title II of the Social Security Act by section 334 of the Social Security Amendments of 1977; to the Committee on Ways and Means.

By Mr. JOHNSON of California (for himself, Mr. Anderson of California, Mr. Fary, Mr. Rahall, Mr. Applegate, Ms. Ferraro, Mr. Boner of Tennessee, and Mr. Goldwater):

H.R. 3942. A bill to provide assistance to airport operators to prepare and carry out noise compatibility programs, to provide assistance to assure continued safety in aviation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. JONES of Oklahoma (for himself and Mr. Martin):

H.R. 3943. A bill to amend the Internal Revenue Code of 1954 to limit the business deduction available for health insurance premiums; to the Committee on Ways and Means.

By Mr. KASTENMEIER:

H.R. 3944. A bill to amend title 18, United States Code, to provide guidance to law enforcement officers and others regarding the confidentiality of medical records; jointly, to the Committees on Interstate and Foreign Commerce, the Judiciary, and Ways and Means.

By Mr. MARKEY:

H.R. 3945. A bill to provide for a temporary suspension of the granting of future operating licenses for nuclear fission powerplants pending a review of existing and potential safety defects associated with such plants; jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

By Mr. MOORHEAD of Pennsylvania:

H.R. 3946. A bill to amend the Defense Production Act of 1950 to extend the authority granted by such act; to the Committee on Banking, Finance and Urban Affairs.

By Mr. NEDZI (for himself and Mr. Whitehurst):

H.R. 3947. A bill to authorize certain construction at military installations for fiscal year 1980, and for other purposes; to the Committee on Armed Services.

By Mr. PEPPER (for himself, Mr. Anderson of California, Mr. Grassley, Mr. Hammerschmidt, Mr. John L. Burton, Mr. Santini, Ms. Oakar, Mr. Gudger, Mr. Ratchford, Mr. Stack, Mr. Lloyd, Mr. Wampler, Mr. Lungren, and Mr. Whittaker):

H.R. 3948. A bill to amend the Federal Aviation Act of 1958 to eliminate the age limitation presently imposed on certain pilots of aircraft, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. RINALDO (for himself, Mr. Scheuer, and Mr. Wolff):

H.R. 3949. A bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to authorize the Secretary of Transportation to require tire manufacturers, in certain circumstances, to provide public notice of tire defects; to the Committee on Interstate and Foreign Commerce.

By Mr. SKELTON (for himself and Mr. Coleman):

H.R. 3950. A bill to authorize the Secretary of Agriculture to regulate the exportation and transportation of animal semen; to the Committee on Agriculture.

By Mr. STARK (for himself, Mr. Harris, Mr. McKinney, Mr. Fauntroy, Mr. Moffett, Mr. Dellums, Mrs. Spellman, Mr. Barnes, and Mr. Fisher):

H.R. 3951. A bill to amend the National Capital Transportation Act of 1969 to authorize additional Federal contributions for the cost of construction of the rapid transit system of the National Capital Region, to provide an orderly method for the retirement of bonds issued by the Washington Metropolitan Area Transit Authority, to authorize an annual Federal payment to such Authority to provide assistance in meeting expenses of operation and maintenance of such system in order to relect the special Federal relationship to such system, and for other purposes; to the Committee on the District of Columbia.

By Mr. STEWART:

H.R. 3952. A bill to amend title 18 of the United States Code to establish an Office of the U.S. Correctional Ombudsman; to the Committee on the Judiciary.

By Mr. WEAVER:

H.R. 3953. A bill to provide for an extension of controls under the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. ICHORD (for himself, Mr. Findley, Mr. Symms, Mr. Charles H. Wilson of California, Mr. Forsythe, Mr. Solomon, Mr. McDonald, Mr. Regula, Mr. Dornan, Mr. Collins of Texas, Mr. Shumway, Mr. Archer, Mr. Broomfield, Mr. Cleveland, Mr. Stratton, Mr. Dan Daniel, and Mr. Montgomery):

H. Con. Res. 116. Concurrent resolution expressing the sense of the Congress on the nonenforcement of sanctions against Zimbabwe Rhodesia; to the Committee on Foreign Affairs.

By Mr. WOLFF (for himself and Mr. Gilman):

H. Con. Res. 117. Concurrent resolution disapproving the proposed sale to England described in the statement submitted by the President (79-29); to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

153. By the SPEAKER: Memorial of the Senate of the State of Washington, relative to preservation of the postmark for the city of Olympia; to the Committee on Post Office and Civil Service.

154. Also, memorial of the Legislature of the State of Arizona, relative to land use policy; jointly, to the Committees on Interior and Insular Affairs and Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRODHEAD:

H.R. 3954. A bill for the relief of the Herman Community Child Care Center; to the Committee on the Judiciary.

By Mr. HUTTO:

H.R. 3955. A bill for the relief of Susan Grant; to the Committee on the Judiciary.

By Mr. MARKEY:

H.R. 3956. A bill granting the consent of the Congress to Hewson A. Ryan to accept the office and title of Honorary Consul of Honduras; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 65: Mr. Williams of Montana, and Mr. Harris.

H.R. 1652: Mr. Simon, Mr. Jeffords, Mr. Zeferetti, Mr. Nolan, Mr. Gilman, and Mr. Seiberling.

H.R. 2033: Mr. Lott.

H.R. 3232: Mr. Ertel.

H.R. 3502: Mr. Johnson of California.

H.R. 3541: Mr. Fithian, Mr. Fisher, and Mr. Petri.

H.R. 3584: Mr. Wyatt.

H.R. 3585: Mr. Hance.

H.R. 3697: Mr. Benjamin, and Mr. Evans of the Virgin Islands.

H.R. 3719: Mr. Neal, and Mr. Rangel.

H.J. Res. 205: Mr. Addabbo, Mr. Barnes, Mr. Benjamin, Mr. Brown of California, Mr. Brown of Ohio, Mr. Fowler, Mr. Horton, Mr. Leland, Mr. Mathis, Mr. Murphy of Pennsylvania, Mr. Seiberling, Mr. Solarz, Mr. Vento, Mr. Wolff, Mr. Won Pat, and Mr. Frost.

H.J. Res. 318: Mr. Bedell, Mr. Kildee, Mr. Petri, Mr. Murphy of New York, and Mr. Oberstar.

H. Res. 115: Mr. Harkin.

PETITIONS, ETC.

Under clause 1 of rule XXII,

117. The SPEAKER presented a petition of the city council, New York, N.Y., relative to home heating oil prices, which was referred to the Committee on Interstate and Foreign Commerce.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 107

By Mr. DODD:

—Page 4, line 18, strike out "$217,332,000,000" and insert in lieu thereof "$217,542,000,000".

Page 4, line 19, strike out "$183,100,000,000" and insert in lieu thereof "$183,264,000,000".

Increase the aggregate amounts in the first section (other than the amount of the recommended level of Federal revenues and the amount by which the aggregate amount of Federal revenues should be decreased) accordingly.

By Mr. FISHER:

—On page 2, line 8, strike "$608,418,000,000", and insert in lieu thereof "$605,918,000,000".

On page 2, line 10, strike "$532,730,000,000", and insert in lieu thereof "$530,230,000,000".

On page 2, line 13, strike "$24,930,000,000", and insert in lieu thereof "$22,430,000,000".

On page 3, line 8, strike "$135,263,000,000", and insert in lieu thereof "$134,638,000,000"; and on line 9, strike "$123,975,000,000", and insert in lieu thereof "$123,350,000,000".

On page 3, line 11, strike "$12,932,000,000". and insert in lieu thereof "$12,891,000,000"; and on line 12, strike "$8,223,000,000", and insert in lieu thereof "$8,182,000,000".

On page 3, line 15, strike "$5,622,000,000", and insert in lieu thereof "$5,594,000,000"; and on line 16, strike "$5,475,000,000", and insert in lieu thereof "$5,447,000,000".

On page 3, line 18, strike "$20,138,000,000", and insert in lieu thereof "$20,098,000,000"; and on line 19, strike "$7,960,000,000", and insert in lieu thereof "$7,920,000,000".

On page 3, line 2, strike "$12,781,000,000", and insert in lieu thereof "$12,721,000,000"; and on line 22. strike "$11,820,000,000", and insert in lieu thereof "$11,760,000,000".

On page 3, line 24, strike "$4,929,000,000", and insert in lieu thereof "$4,902,000,000", and on line 25, strike "$5,350,000,000", and insert in lieu thereof "$5,323,000,000".

On page 4, line 2, strike "$7,560,000,000", and insert in lieu thereof "$7,544,000,000", and on line 3, strike "$3,195,000,000", and insert in lieu thereof "$3,179,000,000".

On page 4, line 5, strike "$19,708,000,000", and insert in lieu thereof "$19,616,000,000"; and on line 6, strike "$18,184,000,000", and insert in lieu thereof "$18,092,000,000".

On page 4, line 8, strike "$8,303,000,000" and insert in lieu thereof "$8,266,000,000"; and on line 9 strike "$7,348,000,000", and insert in lieu thereof "$7,311,000,000".

On page 4, line 12, strike "$32,453,000,000", and insert in lieu thereof "$32,294,000,000"; and on line 13, strike "$31,454,000,000", and insert in lieu thereof "$31,295,000,000".

On page 4, line 15,, strike "$58,079,000,000", and insert in lieu thereof "$57,808,000,000"; and on line 16, strike "$53,813,000,000", and insert in lieu thereof "$53,542,000,000".

On page 4, line 18, strike "$217,332,000,000", and insert in lieu thereof "$216,409,000,000"; and on line 19, strike "$183.100.000.000", and insert in lieu thereof "$182,177,000,000".

On page 4, line 21, strike "$21,035,000,000", and insert in lieu thereof "$20,931,000,000"; and on line 22, strike "$20,549,000,000", and insert in lieu thereof "$20,445,000,000".

On page 4, line 24, strike "$4.306,000,000", and insert in lieu thereof "$4.284.000,000". and on line 25, strike "$4,433.000,000", and insert in lieu thereof "$4,411,000,000".

On page 5, line 2, strike "$4,424.000.000", and insert in lieu thereof "$4.402.000,000"; and on line 3, strike "$4.331.000,000", and insert in lieu thereof "$4.309,000,000".

On page 5, line 5. strike "$6,499.000.000", and insert in lieu thereof "$6.466.000,000"; and on line 6, strike "$6.489,000,000", and insert in lieu thereof "$6,456,000,000".

H.R. 39

By Mr. HUCKABY:

—Title XIV, page 619, following line 19, add a new section as follows:

RELINQUISHMENT OF SELECTIONS PARITY WITHIN CONSERVATION UNITS

SEC. . Whenever a valid State or Native selection is partly in and partly out of the boundary of a conservation system unit, notwithstanding any other provision of law to the contrary, the State or any Native Corporation may relinquish its rights in any portion of any validly selected Federal land, including land underneath waters, which lies within the boundary of the conservation system unit. Upon relinquishment, the Federal land (including land underneath waters) so relinquished within the boundary of the conservation system unit shall become, and be administered as, a part of the conservation system unit. The total land entitlement of the State or Native Corporation shall not be affected by such relinquishment. In lieu of the lands and waters relinquished by the State, the State may select pursuant to the Alaska Statehood Act as amended by this Act, an equal acreage of other lands available for such purpose. The Native Corporation may retain an equal acreage from overselection lands on which selection applications were otherwise properly and timely filed. A relinquishment pursuant to this section shall not invalidate an otherwise valid State or Native Corporation land selection outside the boundaries of the conservation system unit, on the grounds that, after such relinquishment, the remaining portion of the land selection no longer meets applicable requirements of size, compactness, or continuity, or that the portion of the selection retained immediately outside the conservation system unit does not follow section lines along the boundary of the conservation system unit. The validity of the selection outside such boundary shall not be adversely affected by the relinquishment.

Title VI, page 393, line 18: delete "Juneau and".

Page 395, line 4 through page 400, line 24, strike subsections (b) (5) and (b) (6) in their entirety, and substitute therefor the following:

(5) The Secretary is authorized and directed to convey to Goldbelt, Incorporated, representing the Natives of Juneau with respect to their land entitlements under section 14 (h) (3) of the Alaska Natives Claims Settlement Act, and to SEAlaska, Incorporated, the lands and interests in lands described in paragraphs A and C of the Exchange Agreement, dated April 11, 1979, between those Corporations and the Departments of Agriculture and of the Interior on the terms and conditions set forth in such agreement. Such conveyances shall not be subject to the provisions of the National Environmental Policy Act of 1969 (83 Stat. 852), as amended. The terms of the Exchange Agreement, as filed with the Committee on Interior and Insular Affairs of the House of Representatives, are hereby ratified as to the duties and obligations of the United States and its agencies, Goldbelt, Incorporated, and SEAlaska, Incorporated, as a matter of federal law: *Provided*, That the agreement may be modified or amended, upon the written agreement of all parties thereto and appropriate notification in writing to the appropriate committees of the Congress, without further action by the Congress.

(6) In recognition of the considerable land selection costs incurred by Shee Atika, Incorporated, Goldbelt, Incorporated, and Kootznoowoo, Incorporated, in determining the validity of land withdrawals on Admiralty Island under section 14(h) (3) of the Alaska Native Claims Settlement Act, and in identifying suitable lands for exchange outside Admiralty Island, the Secretary of the Interior shall reimburse those corporations for such reasonable and necessary land selection costs, including all costs for negotiating land exchanges, court costs, and reasonable attorney's and consultant's fees, incurred prior to the date of conveyance of land to such Native corporations. Authorization for payment of such land selection costs shall begin in the fiscal year 1980, but shall include earlier costs.

Title XVI, page 619, after line 19, add a new section as follows:

FISCAL YEAR ADJUSTMENT

SEC. . (a) Moneys appropriated for deposit in the Alaska Native Fund for the fiscal year following enactment of this Act, shall, for the purposes of section 5 of Public Law 94–204 only, be deposited into the Alaska Native Fund on the first day of the fiscal year for which the moneys are appropriated, and shall be distributed at the end of the first quarter of the fiscal year in accordance with section 6(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1605(c)) notwithstanding any other provision of law.

(b) For the fiscal year in which this Act is enacted, the money appropriated shall be deposited within ten days after the date of such enactment, unless it has already been deposited in accordance with existing law, and shall be distributed no later than the end of the quarter following the quarter in which the money is deposited: *Provided*, That if the money is already deposited at the time of enactment of this Act, it must be distributed at the end of the quarter in which this Act is enacted.

(c) Notwithstanding section 38 of the Fiscal Year Adjustment Act or any other provisions of law, interest earned from the investment of appropriations made pursuant to the Act of July 31, 1976 (Public Law 94–373; 90 Stat. 1051), and deposited in the Alaska Native Fund on or after October 1, 1976, shall be deposited in the Alaska Native Fund within thirty days after enactment of this Act and shall be distributed as required by section 6(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1605(c)).

Title VIII, page 511, following line 15, add a new section as follows:

AMENDMENT TO SECTION 22(g) OF ANCSA

SEC. . Section 22(g) of the Alaska Native Claims Settlement Act is amended by renumbering the existing subsection as paragraph (1), and by adding a new paragraph (2) as follows: "(2) The Secretary shall review the conditions as provided for in subsection (1) every five years after conveyance and shall determine whether the restrictions imposed therein remain necessary for the purpose of the wildlife refuge system unit.

Title VIII, page 470, line 11 through page 478, line 17: delete entire section, and substitute therefor the following:

ALASKA NATIVE ALLOTMENTS

SEC. 805. (a) APPROVAL OF APPLICATIONS.—Subject to valid existing rights, all Alaska Native allotment applications made pursuant to the Act of May 17, 1906 (34 Stat. 197, as amended), which were pending before the Department of the Interior on or before December 18, 1971, and which describes land that was unreserved on December 13, 1968, are hereby approved on the one hundred and eightieth day following the effective date of this Act, except where provided otherwise by paragraph (3), (4), (5), or (6) of this subsection, or where the land description of the allotment must be adjusted pursuant to subsection (b) of this section, in which cases approval pursuant to the terms of this subsection shall be effective at the time the adjustment becomes final. The Secretary shall cause allotments approved pursuant to this section to be surveyed and shall issue trust certificates therefor.

(2) All applications approved pursuant to this section shall be subject to the provisions of the Act of March 8, 1922 (42 Stat. 415; 43 U.S.C. 270–11).

(3) When on or before the one hundred and eightieth day following the effective date of the Act the Secretary determines by notice or decision that the land described in an allotment application may be valuable for minerals, excluding oil, gas, or coal, the allotment application shall be adjudicated pursuant to the provision of the Act of May 17, 1906, as amended, requiring that land allotted under said Act be nonmineral: *Provided*, That "nonmineral", as that term is used in such Act, with regard to land in Alaska, is defined to include land valuable for deposits of sand or gravel.

(4) Where an allotment application describes—

(A) land which (i) is within the boundary of a National Park System unit established, designated, or redesignated on or before the date of enactment of this Act, and (ii) was not withdrawn pursuant to section 11(a)(1) of the Alaska Native Claims Settlement Act; or

(B) land patented or deeded to the State; or

(C) land which on or before December 18, 1971, was validly selected by or tentatively approved or confirmed to the State under the Alaska Statehood Act, and was not withdrawn pursuant to section 11(a)(1)(A) of the Alaska Native Claims Settlement Act from those lands made available for selection by section 11(a)(2) of such Act by any Native Village Corporation certified as eligible pursuant to section 11(b) of such Act,

paragraph (1) of this subsection and subsection (d) of this section shall not apply, and the Native allotment application shall be adjudicated pursuant to the Act of May 17, 1906, the Alaska Native Claims Settlement Act, and other applicable law.

(5) Paragraph (1) of this subsection and subsection (d) shall not apply and the Native allotment application shall be adjudicated pursuant to the requirements of the Act of May 17, 1906, as amended, if on or before the one hundred and eightieth day following the effective date of this Act:

(A) a Native Corporation files a protest with the Secretary stating that the applicant is not entitled to the land described in the allotment application, and said land is withdrawn for selection by the corporation pursuant to the Alaska Native Claims Settlement Act; or

(B) the State of Alaska files a protest with the Secretary stating that the land described in the allotment application is necessary for access to lands owned by the United States, the State of Alaska, or a political subdivision of the State of Alaska, to resources located thereon, or to a public body of water regularly employed for transportation purposes, and the protest states with specificity the facts upon which the conclusions concerning access are based and that no reasonable alternative for access exists; or

(C) a person or entity files a protest with the Secretary stating that the applicant is not entitled to the land described in the allotment application and that said land is the situs of improvement, valid mineral interest, or other legal interest in such land claimed by the person or entity.

(6) Paragraph (1) of this subsection and subsection (d) shall not apply to any application pending before the Department of the Interior on December 18, 1971, which was knowingly and voluntarily relinquished by the applicant thereafter.

(b) Conflicts.—(1) Where a conflict between two or more allotment applications exists due to overlapping land descriptions, the Secretary shall adjust the descriptions to eliminate conflicts, and in so doing, consistent with other existing rights, if any, may expand or alter the applied-for allotment boundaries or increase or decrease acreage in one or more of the allotment applications to achieve an adjustment which, to the extent practicable, is consistent with prior use of the allotted land and is beneficial to the affected parties: *Provided*, That the Secretary shall, to the extent feasible, implement an adjustment proposed by the affected parties.

(2) The Secretary's decision concerning adjustment of conflicting land descriptions shall be final and unreviewable in all cases in which the reduction, if any, of the affected allottee's claim is less than 30 per centum of the acreage contained in the parcel originally described and the adjustment does not exclude from the allotment improvements claimed by the allottee. Where an allotment application describes more than one hundred and sixty acres, the Secretary shall at any time prior to or during survey reduce the acreage to one hundred and sixty acres and shall attempt to accomplish said reduction in the manner least detrimental to the applicant.

(c) Amendments.—(1) An allotment applicant may amend the land description contained in his or her application if said description designates land other than that which the applicant intended to claim at the time of application and if the description as amended describes the land originally intended to be claimed. If the allotment application is amended, this section shall operate to approve the application or to require its adjudication, as the case may be, with reference to the amended land description only.

(2) The Secretary shall notify the State of Alaska and all interested parties, as shown by the records of the Department of the Interior, of the intended correction of the allotment's location and any such party shall have until the one hundred and eightieth day following the effective date of this Act or sixty days following mailing of the notice, whichever is later, to file with the Department of the Interior a protest as provided in subsection (a)(5) of this section, which protest, if timely, shall be deemed filed within one hundred and eighty days of the effective date of this Act notwithstanding the actual date of filing.

(3) The Secretary may require that all allotment applications designating land in a specified area be amended, if at all, prior to a date certain, which date shall be calculated to allow for orderly adoption of a plan of survey for the specified area, and the Secretary shall mail notification of the final date for amendment to each affected allotment applicant, and shall provide such other notice as the Secretary deems appropriate, at least sixty days prior to said date. No allotment application may be amended for location following adoption of a final plan of survey which includes the location of the allotment as described in the application or its location as desired by amendment.

(d) Powersite Withdrawals.—(1) Where the land described in an allotment application pending before the Department of the Interior on or before December 18, 1971 (or such an application as adjusted or amended pursuant to subsection (b) or (c) of this section), was on that date withdrawn, reserved, or classified for powersite or powerproject purposes, notwithstanding such withdrawal, reservation, or classification, the described land shall be deemed vacant, unappropriated, and unreserved within the meaning of the Act of May 17, 1906, as amended, and, as such, shall be subject to adjudication or approval pursuant to the terms of this section. If such described land is included as part of a project which on the date of the enactment of this Act was licensed or for which on such date an application for a license had been filed under part I of the Federal Power Act of June 10, 1920 (41 Stat. 24), as amended, or on such date was utilized for purposes of generating or transmitting electrical power or for any other project authorized by Act of Congress, paragraph (1) of this subsection shall not apply and the allotment application shall be adjudicated pursuant to the Act of May 17, 1906, as amended.

(2) If the allotment applicant commenced use of the land after its withdrawal or classification for powersite purposes, the allotment shall be made subject to the right of reentry provided the United States by section 24 of the Federal Power Act, as amended.

(3) Any right of reentry reserved in a certificate of allotment pursuant to this section shall expire twenty years after the date of issuance of such certificate if at that time the allotted land is not subject to a license or an application for license under part I of the Federal Power Act, as amended, or actually utilized or being developed for a purpose authorized by that Act, as amended, or other Act of Congress.

(e) Valid Existing Rights.—Prior to issuing a certificate for an allotment subject to this section, the Secretary shall identify and adjudicate any record entry or application for title made under an Act other than the Alaska Native Claims Settlement Act, the Alaska Statehood Act, or the Act of May 17, 1906, as amended, which entry or application claims land also described in the allotment application, and shall determine whether such entry or application represents a valid existing right to which the allotment application is subject. Nothing in this section shall be construed to affect rights, if any, acquired by actual use of the described land prior to its withdrawal or classification or as affecting national forest lands.

Title VIII, page 509, line 15: delete the words, "TECHNICAL AMENDMENT" and in place thereof insert the word, "AMENDMENTS".

Page 511, following line 15, insert the following new sections:

Sec. 813. Escrow Accounts, Public Law 94-204.—(1) Subsection (a) of section 2 of Public Law 94-204 (89 Stat. 1146) is amended to read as follows:

"(a)(1) During the period of the appropriate withdrawal for selection pursuant to the Settlement Act, any and all proceeds derived from contracts, leases, licenses, permits, rights-of-way, or easements, or from trespass occurring after the date of withdrawal of the lands for selection, pertaining to lands or resources of lands withdrawn for Native selection pursuant to the Settlement Act shall be deposited in an escrow account which shall be held by the Secretary until lands selected pursuant to that Act have been conveyed to the selecting corporation or individual entitled to receive benefits under such Act.

"(2) Such proceeds as were received, if any, subsequent to the date of withdrawal of the land for selection, but were not deposited in the escrow account shall be identified by the Secretary within two years of the date of conveyance of this Act, whichever is later, and shall be paid, together with interest payable on the proceeds from the date of receipt by the United States to the date of payment to the appropriate corporation or individual to which the land was conveyed by the United States. Interest under this section shall be paid on the basis of a semiannual computation from the date of receipt of the proceeds by the United States to the date of payment, with simple interest at the rate determined by the Secretary of the Treasury to be the rate payable on short-term obligations of the United States prevailing at the time of payment. Any rights of a corporation or individual under this section to such proceeds shall be limited to proceeds actually received by the United States plus interest. No payments shall be made under this section except to the extent that sufficient sums have been appropriated as provided in subsection (e) of this section.

"(3) Such proceeds which have been deposited in the escrow account shall be paid, together with interest accrued by the Secretary to the appropriate corporation or individual upon conveyance of the particular withdrawn lands. In the event that a conveyance does not cover all of the land embraced within any contract, lease, license, permit, right-of-way, easement, or trespass, the corporation or individual shall only be entitled to the proportionate amount of the proceeds, including interest accrued, derived from such contract, lease, license, permit, right-of-way, or easement, which results from multiplying the total of such proceeds, including interest accrued, by a fraction in which the numerator is the acreage of such contract, lease, license, permit, right-of-way, or easement which is included in the conveyance and the denominator is the total acreage contained in such contract, lease, license, permit, right-of-way, or easement; in the case of trespass, the conveyee shall be entitled to the proportionate share of the proceeds, including a proportionate share of interest accrued, in relation to the damages occurring on the respective lands during the period the lands were withdrawn for selection.

"(4) Such proceeds which have been deposited in the escrow account pertaining to lands withdrawn but not selected pursuant to such Act, or selected but not conveyed due to rejection or relinquishment of the selection, shall be paid, together with interest accrued, as would have been required by law were it not for the provisions of this Act.

"(5) Lands withdrawn under this subsection include all Federal lands identified under appendices A, B-1, and B-2 of the document referred to in section 12 of the Act of January 2, 1976 (Public Law 94-204) for Cook Inlet Region, Incorporated, and are deemed withdrawn as of the date established in subsection (a) of section 2 of the Act of January 2, 1976.".

(2) Section 2 of Public Law 94-204 (89 Stat. 1146) is amended by adding a new subsection to read as follows:

"(e) There is authorized to be appropriated such sums as are necessary to carry out the purposes of this section.".

SEC. 814. AMENDMENT TO PUBLIC LAW 94-204.—Section 12(b) of the Act of January 2, 1976 (Public Law 94-204), as amended by section 3 of the Act of November 15, 1977 (Public Law 95-178), and section 4 of the Act of October 4, 1976 (Public Law 94-456), is hereby amended to add the following new subparagraphs:

"(7)(i) Until the obligations of the Secretary and the Administrator of General Services under subsection 12(b)(6) of this Act are otherwise fulfilled, Cook Inlet Region, Incorporated, may, by crediting the account established in subsection 12(b)(7)(ii), bid for surplus property, wherever located, in accordance with the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484 (1949 as amended)) (hereinafter 'the Act'). No additional advertising shall be required other than that prescribed in section 484(e)(2) of the Act.

"(ii) The Secretary of the Treasury shall establish a Cook Inlet Region, Incorporated, surplus property account, which shall be available for the purpose of bidding on Federal surplus property. The balance of the account shall be the acre-equivalent exchange value established by subparagraph I(C)(2)(e) of the document referred to in this subsection, of the unfulfilled entitlement of Cook Inlet Region as of the effective date of this subsection to Federal acres or acre-equivalents under subparagraph I(C)(2)(g) of the document referred to in this subsection and shall be adjusted to reflect any future conveyances under subsection (b)(6).

"(iii) The basis of properties received by Cook Inlet Region, Incorporated, under this subsection shall be established in accordance with the provisions of this Act. Dispositions of surplus property under this subsection shall be treated as sales under the Federal Property and Administrative Services Act (40 U.S.C. 485 (1949 as amended)).

"(8) The Region, the Secretary, and/or the Administrator shall have until June 15, 1980, to complete the nomination of lands for the pool described in subsection (b)(6): *Provided, however*, That the Secretary shall report to Congress on June 15, 1979, and January 15, 1980, as to—

"(i) such studies and inquiries as shall have been initiated by the Secretary and the Administrator of General Services, or have been prepared by other holding agencies, to determine what lands, within the exterior boundaries of the Cook Inlet Region, can be made available to the Region to the extent of its entitlement;

"(ii) the feasibility and appropriate nature of reimbursement to Cook Inlet for its unfulfilled entitlement as valued in subparagraph I(C)(2)(e) of the Terms and Conditions; and

"(iii) such other remedial legislation or administrative action as may be needed.".

Title III, page 326, line 9: after line 9 insert the following new subsection:

(F) No lands conveyed to any Native Corporation shall be considered to be within the boundaries of the refuge; if any such Corporation or Corporations desire to convey any such lands, the Secretary may acquire such lands with the consent of the owner, and any such lands so acquired shall become part of the refuge, pursuant to section 1101(g) of this Act.

Title II, page 299, line 4: add the following sentence: "No lands conveyed to the Native Corporation for the village of Nondalton shall be considered to be within the boundaries of the conservation unit; if the Corporation desires to convey any such lands, the Secretary may acquire such lands with the consent of the owner, any such lands so acquired shall become part of the conservation unit, pursuant to section 1101(g) of this Act.".

Title VIII, page 511, after line 15, add the following new section:

SUBMERGED LANDS

SEC. 814. (a) RIPARIAN CONVEYANCES.—(1) Whenever the United States conveys to any Native Corporation, pursuant to the Alaska Native Claims Settlement Act or this Act, land or an interest in land which abuts or surrounds either—

(A) a lake having a surface area of one hundred and sixty acres or more; or

(B) a meanderable stream,

of which the Secretary has administratively determined to be nonnavigable, the United States shall thereupon convey and relinquish all claims to such right, title, and interest as it may then have to the submerged land under such body of water to the median line or midpoint, as the case may be. For purposes of this section, the applicable rules for determining meanderability, median lines, midpoints, and partition lines shall be those contained in the United States Department of the Interior, Bureau of Land Management, Manual of Surveying Instructions, 1973.

(2) The submerged lands under lakes having a surface area of one hundred and sixty acres or more and the submerged lands under meanderable streams conveyed pursuant to this subsection will not be charged toward the acreage entitlement of any Native Corporation. Conveyance of an interest in the surface estate to any Village Corporation within the National Wildlife Refuge System or the National Petroleum Reserve—Alaska pursuant to this subsection shall not increase the number of acres of subsurface interest that may be selected by a Regional Corporation pursuant to section 12(a)(1) of the Alaska Native Claims Settlement Act. This subsection shall not be construed to change the requirements of section 12(a) of such Act that selections be made in whole sections, except that any portion of the submerged lands under a stream or lake accruing to an abutting owner other than the Native Corporation receiving a conveyance under the authority of this subsection shall be deemed land unavailable for selection by such Native Corporation.

(b) LIMITATION.—The provisions of subsection (a) shall not apply to any submerged lands which, for any reason other than a determination of non-navigability, did not vest in the State of Alaska pursuant to the Submerged Lands Act, 43 U.S.C. 1301, et seq., or section 6 of the Alaska Statehood Act. Any interest in submerged lands conveyed to any Native Corporation within any area to which the foregoing sentence applies shall be charged against the entitlement of such Native Corporation.

(c) RELATION TO UNITS.—(1) Whenever any land or interest in land to be conveyed to any Native Corporation underlies any body of water, and such submerged land or interest in submerged land is within the boundaries of any conservation system unit, the Native Corporation and the Secretary may mutually agree that such submerged land or interest in submerged land is to be retained in Federal ownership, and the Native Corporation shall thereupon receive uplands or an interest in uplands to the line of mean high water and shall receive the remainder of its entitlement pursuant to subsection (e) of this section.

(2) Whenever any land or interest in land to be conveyed to any Native Corporation underlies any body of water and such submerged land or interest in submerged land is outside any conservation system unit, the Native Corporation and the State of Alaska may mutually agree that such submerged land or interest in submerged land may be selected by and conveyed to the State under the provisions of section 6(b) of the Alaska Statehood Act, and the Native Corporation shall thereupon receive uplands or an interest in uplands to the line of mean high water and shall receive the remainder of its entitlement pursuant to subsection (e) of this section: *Provided*, That should the body of water overlying the submerged land or interest in submerged land to be selected by and conveyed to the State later be determined with finality by a court of competent jurisdiction to be navigable and to have vested in the State pursuant to section 6(m) of the Alaska Statehood Act, then State land selections previously filed upon such lands shall not diminish the State's land

entitlement under section 6(b) of said Act, nor shall any such determination of navigability affect any Native Corporation's entitlement pursuant to the Alaska Native Claims Settlement Act. Land selections made pursuant to this paragraph shall not be subject to the size limitations of section 6(g) of the Alaska Statehood Act, as amended. Nothing in this section shall be deemed to extend the period for land selections made by the State pursuant to section 6(b) of the Alaska Statehood Act or this Act.

(d) PRIOR CONVEYANCES.—(1) Any Native Corporation which, prior to the date of election under subsection (f) of this section, has received an interim conveyance or patent to lands abutting or surrounding a body of water, which interim conveyance or patent describes the land conveyed or computes the quality of land conveyed in a manner inconsistent with subsection (a) and such body of water is not subject to the provisions of subsection (b), shall be entitled, upon application to the Secretary, to have the land redescribed and the acreage recomputed in accordance with subsection (a), whereupon the Secretary shall issue to each Native Corporation a reformed interim conveyance, patent, or other recordable document conforming to the provisions of this section, subject to valid existing rights.

(2) In any instance in which the Secretary could have retained title to submerged land or an interest in submerged land under section (c)(1) of this section, or in which the State could have selected submerged land or an interest in submerged land under subsection (c)(2) of this section, the Secretary is authorized to receive reconveyance of such submerged land or an interest in submerged land from any Native Corporation owning submerged land or an interest in such submerged land: *Provided*, That if the surface estate and the subsurface estate of such submerged lands are owned by different Native Corporations, both corporations must reconvey their entire interest in such submerged lands to the Secretary: *Provided further*, That as to such reconveyed submerged lands or interests in submerged lands which would become available for State selection because such submerged lands or interests in submerged lands are outside the boundaries of any conservation system unit, that the State shall have filed a land selection application pursuant to section 6(b) of the Alaska Statehood Act and subsection (c)(2) of this Act. Upon acceptance by the Secretary of any reconveyance of submerged lands or interests in submerged lands which are outside the boundaries of any conservation system unit, such submerged lands or interests in submerged lands shall be deemed public lands.

(e) LANDS AVAILABLE.—(1) Any Native Corporation entitled to land or an interest in land pursuant to the provisions of this section shall receive title to such land or interest in land from among valid existing selections made by such corporation under the Alaska Native Claims Settlement Act or this Act. If such selections are insufficient to fulfill a Native Corporation's entitlement under this section, then the provisions of section 910 of this Act shall apply to any Native Corporation so affected, but no land within the boundaries of any conservation system unit shall be withdrawn which was not withdrawn before the date of the enactment of this Act under section 11(a) of the Alaska Native Claims Settlement Act.

(2) All lands conveyed to any Native Corporation pursuant to this subsection shall be subject to the provisions of sections 12, 14, and 16 of the Alaska Native Claims Settlement Act. Any selection made pursuant to this subsection shall not be subject to section 902 of this Act.

(f) OPTION.—If a native Corporation elects to receive conveyances pursuant to the provisions of this section, it shall so notify the Secretary within one year after the date of this Act. Such election shall be final and irrevocable, and shall apply to all conveyances to that Native Corporation made pursuant to the Alaska Native Claims Settlement Act and this Act. Any election by the Native Corporation owning the surface estate shall be binding on the Native Corporation owning the subsurface estate. The Native Corporations within the Arctic Slope Region, however, shall have until thirty days after a final judicial decision and expiration of any appeal period regarding the effect of Public Land Order 82 within which to elect under this section.

(g) CONFLICTS.—If two or more Native Corporations are entitled to submerged land underlying the same body of water and not all such Native Corporations have made an election to receive conveyances under the provisions of this section, any conflict in land conveyances shall be resolved by voluntary written agreements between the parties or by binding arbitration as provided for in section 12(b) of the Alaska Native Claims Settlement Act.

(h) ADMINISTRATIVE PROVISIONS.—Submerged lands or interests in submerged lands which are within the boundaries of any conservation system unit and which are retained by or reconveyed to the Secretary pursuant to the provisions of this section shall become a part of such conservation system unit. Nothing in this section shall be construed to enlarge or diminish the Secretary's authority to make administrative determinations regarding the navigability of waters. Nothing in this section shall be construed to enlarge or diminish the rights of the United States, the State of Alaska, or any Native Corporation relating to the ownership, control, appropriation, use, and distribution of ground or surface waters.

(i) ENTITLEMENTS.—Nothing in this section shall be construed as enlarging or diminishing the land entitlement of any Native Corporation under any section of the Alaska Native Claims Settlement Act.

Title III, page 326, line 9: after line 9 insert the following new subsection:

(F) No lands conveyed to any Native Corporation shall be considered to be within the boundaries of the refuge; if any such Corporation or Corporations desire to convey any such lands, the Secretary may acquire such lands with the consent of the owner, and any such lands so acquired shall become part of the refuge, pursuant to section 1101(g) of this Act.

Title III, page 326, line 9: after line 9 insert the following new subsection:

(F) No lands conveyed to any Native Corporation shall be considered to be within the boundaries of the refuge; if any such Corporation or Corporations desire to convey any such lands, the Secretary may acquire such lands with the consent of the owner, and any such lands so acquired shall become part of the refuge, pursuant to section 1101 (g) of this Act.

Title VIII, page 505, line 14; insert the words "the provisions of this Act and other" immediately preceding the existing words "applicable law".

Title XIV, page 600, line 8 through line 12: delete these lines in their entirety, and substitute therefor the following:

VESTING DATE FOR RECONVEYANCES

SEC. 1402. (a) Section 14(c)(1) of the Alaska Native Claims Settlement Act is amended by inserting "as of December 18, 1971 (except that occupancy of tracts located in the Pribilof Islands shall be determined as of the date of initial conveyance of such tracts to the appropriate Village Corporation)" after "title to the surface estate in the tract occupied".

Title XIV, page 617, delete lines 9 through 19 and substitute therefor the following:

SEC. 1410. Subsection (e) of section 21 of the Alaska Native Claims Settlement Act (43 U.S.C. 1620(e)) is amended by inserting the words "corporation organized under section 14(h)(3)," after "Native group", by replacing the comma following the citation "(64 Stat. 967, 1100)" with a period, and by adding the following sentence: "During those years when there are no substantial revenues derived from the development of such lands, they shall continue to receive wildland fire protection services from the United States at no cost."

Title XI, page 546, line 16 through page 547, line 2: delete entire subsection (a), and substitute therefor the following:

SEC. 1101. (a) GENERAL AUTHORITY.—Except as otherwise provided in this Act, the Secretary is authorized, in order to carry out the purposes of this Act, to acquire by purchase, donation, exchange, or otherwise any lands within the boundaries of any conservation system unit. Any such land owned by—

(1) the State or a political subdivision of the State;

(2) a Native Corporation which has Natives as a majority of its stockholders; or

(3) the actual occupant of a tract, title to the surface estate of which was on, before, or after the date of enactment of this Act conveyed to such occupant pursuant to section 14(c)(1) of the Alaska Native Claims Settlement Act, a descendant of such occupant, or any subsequent transferee, so long as such lands are used by such transferee in a manner consistent with the purpose for which such tract was originally conveyed under said section 14(c)(1),

may only be acquired for such purposes with the consent of the State, such political subdivision of the State, such Native Corporation or such occupant, as the case may be. Lands owned or validly selected by the State which are adjacent to, but outside of, the boundaries of a conservation system unit may only be acquired by exchange or donation for purposes of such conservation system unit, and when so acquired the lands shall become, and be administered as, a part of the unit to which they appertain and the boundaries of the unit shall thereby be deemed to include such lands to the same extent as if the lands were included within such boundaries by this Act. No such boundary change shall take effect until after the Secretary provides reasonable notice in writing to the Congress of his intention to consummate an exchange or donation which would result in such boundary change.

Title XIV, page 619, after line 19, add a new section as follows:

ACCESS AND SURFACE USE

SEC. . (a) Notwithstanding any other provision of this Act or other law, in any case in which lands owned by regional native corporations, as set up as set forth in P.L. 92–203, are effectively surrounded by public lands within one or more conservation system units, or there is no economically feasible alternative other than access through public lands, the regional native corporation or its successors in interest shall be given by the Secretary such rights as may be necessary to insure adequate access for such economic and other purposes to the concerned land by such regional native corporation and its successor in interest.

(b)(1) Notwithstanding any other provision of this Act or other law, a regional native corporation owner of sub-surface rights, or its successors in interest owner of subsurface rights underlying public land, shall have such use of the surface estate, including such right of access thereto, as provided for in subsection (a), as is reasonably necessary to the exploration for and the removal of minerals and mineral materials from said subsurface estate, subject to such regulation by the Secretary as is necessary to protect the environment from permanent harm.

(2) The United States shall make available to said subsurface owner, its successors, and assigns, such sand and gravel as is reasonably necessary for the construction of facilities and rights-of-way appurtenant to the exercise of the rights conveyed under this section, pursuant to the provision of Section 601, et seq., title 30, United States Code, and the regulations implementing that Statute which are then in effect.

—Title XIV, page 619, following line 19, add the following new sections:

AHTNA REGIONAL CORPORATION LANDS

SEC. 1414. The following lands are hereby withdrawn for selection pursuant to the provisions of section 14(h)(8) of the Alaska Native Claims Settlement Act and this section:

Fairbanks Meridian

Township 20 south, range 5 west, sections 7 through 9, 11 through 14, 16 through 21, 23 through 26, 28 through 33, 35, 36;

Township 20 south, range 6 west, sections 1 through 36;

Township 20 south, range 7 west, sections 1 through 5, 8 through 14, 23 through 36;

Township 20 south, range 8 west, sections 1 through 28, 33 through 36;

Township 20 south, range 9 west, sections 22 through 27, 34 through 36.

(b)(1) On or prior to one hundred eighty days from the date of enactment of this act, Ahtna, Incorporated, may select, pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, from the lands withdrawn pursuant to subsection (a).

(2) The lands selected by Ahtna, Incorporated, unless otherwise provided in a waiver of this paragraph (b)(2) by the Secretary, shall consist of tracts which—

(A) contain not less than eight sections or one thousand two hundred eighty acres, whichever is less; and

(B) have boundaries which follow section lines, except where such boundary is the border of a navigable body of water, with no segment of an exterior line less than two miles in length (except where shorter segments are necessary (1) to follow section lines where township lines are offset along standard parallels caused by the convergence of meridians, (2) to conform to section lines where a section is less than standard size, or (3) to avoid crossing the boundary lines of conservation system units created by this Act, or of lands which are unavailable for selection).

(c) The Secretary shall convey the surface and subsurface estate of the acreage selected pursuant to subsection (b). Conveyances pursuant to this section shall be subject to valid existing rights and the provisions of the Alaska Native Claims Settlement Act.

(d) Nothing in this section shall be deemed to increase or decrease the acreage entitlement of Ahtna Incorporated, under any section of the Alaska Native Claims Settlement Act.

(e) Any lands withdrawn under subsection (a) and not selected by and conveyed to Ahtna, Incorporated, shall return to the public domain subject to any prior withdrawals made by the Secretary pursuant to subsection 17(d)(1) of the Alaska Native Claims Settlement Act and the provisions of section 806(k) of this Act.

ARCTIC SLOPE REGIONAL CORPORATION LANDS

SEC. 1415. (a) PURPOSES; REFERENCE DOCUMENT.—In order to further the purposes of:

(1) Satisfying land entitlements in the Arctic Slope Region;

(2) Consolidating and exchanging land holdings for the mutual benefit of the United States and the Native Corporations within the Arctic Slope region; and

(3) Providing for oil and gas operations in the Kurupa Lake area, consistent with environmental protection,

Congress enacts this section. The specific terms, conditions, procedures, covenants, reservations and other restrictions set forth in the document entitled "Terms and Conditions for Land Exchanges and Resolution of Conveyancing Issues in Arctic Slope Region, Between the Department of the Interior and Arctic Slope Regional Corporation" (hereafter in this section referred to as "Terms and Conditions"), which was submitted to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on ,

1979, are hereby incorporated in this section, and are ratified, as to the duties and obligations of the United States and the Arctic Slope Regional Corporation, as a matter of Federal law.

(b) TRANSFER TO THE UNITED STATES.—The Secretary is authorized to accept from Arctic Slope Regional Corporation a relinquishment of all right, title, and interest of Arctic Slope Regional Corporation in the following described lands:

Fairbanks Meridian

Township 34 north, range 21 west, sections 4 through 9, 16 through 18;

Township 34 north, range 22 west, sections 1 through 6, 11 through 14;

Township 35 north, range 20 west, sections 1 through 24;

Township 35 north, range 21 west, sections 1 through 4, 9 through 16, 21 through 24. 28 through 33;

Township 35 north, range 22 west, sections 1 through 12, 1 through 20, 27 through 34;

Township 35 north, range 23 west, sections 1 through 3, 10 through 17, 20 through 24, 28, 29, 32, 33;

Township 36 north, range 21 west, sections 1 through 4, 9 through 20, 23 through 26, 29 through 32, 35, 36:

Township 36 north, range 22 west, sections 5 through 8, 25 through 36:

Township 36 north, range 23 west, sections 1, 5 through 8, 12 through 30, 34 through 36;

Township 36 north, range 24 west, sections 1 through 3, 10 through 12;

Township 37 north, range 21 west, sections 25 through 36;

Township 37 north, range 22 west, sections 25 through 36;

Umiat Meridian

Township 12 south, range 11 west, sections 17 through 20, 29, 30;

Township 12 south, range 12 west, sections 13 through 16, 21 through 28;

Township 17 south, range 2 west, partial, sections 3 through 6;

Township 17 south, range 3 west, partial, sections 1 through 4;

Kateel River Meridian

Township 34 north, range 18 east, sections 9 through 16, 21 through 24.

(c) LAND EXCHANGE.—As a land exchange, contingent upon Arctic Slope Regional Corporation's relinguishment of lands described in subsection (b) and upon conveyance of lands described in paragraph (4) below, and subject to valid existing rights, (1) the Secretary shall convey to Arctic Slope Regional Corporation all right, title, and interest of the United States in the following described lands, subject to valid existing rights and to the terms, conditions, procedures, covenants, reservations, and restrictions specified in the "Terms and Conditions":

Umiat Meridian

Township 13 south, range 4 east, sections 1 through 36;

Township 14 south, range 3 east, sections 9 through 16, 21 through 28, 32 through 36;

Township 15 south, range 3 east, sections 25 through 30, 33 through 36;

Township 15 south, range 4 east, sections 6, 7, 18 through 36;

Township 16 south, range 3 east, sections 1 through 3, 6, 7, 9 through 16, 18 through 30;

(2) Subject to valid existing rights, the Secretary shall convey to Arctic Slope Regional Corporation all right, title and interest of the United States in the following described lands subject to the terms, conditions, procedures, convenants, reservations and restrictions specified in the "Terms and Conditions":

Umiat Meridian

Township 12 south, range 11 west, sections 17 through 20, 29, 30;

Township 12 south, range 12 west, sections 13 through 16, 21 through 28;

Kateel River Meridian

Township 34 north, range 18 east, sections 9 through 16, 21 through 24;

The Secretary shall except and reserve access easements for park-related purposes from Kurupa Lake to federally owned lands within Gates of the Arctic National Park limited to: The right to land and store aircraft at Kurupa Lake, the right to ingress and egress from the Lake along specific corridors leading to federally owned lands in Gates of the Arctic National Park, and the right to camp overnight at the lakeshore and along the specific easement corridors. The conveyance shall be subject to the following covenants: The requirement for a plan of oil and gas operations prior to any exploration or development activities, the authority of the Secretary to modify or revoke any plan of operations for oil and gas exploration which does not utilize available technologies least damaging to the resources of the Kurupa Lake area and surrounding Federal lands, and the authority of the Secretary to require good faith consultations to develop a plan of operations for oil and gas development which utilizes available technologies minimizing damage to the resources of the Kurupa Lake area and surrounding Federal lands. Such exceptions, reservations, and covenants shall be binding on Arctic Slope Regional Corporation, its successors and assigns;

(3) Subject to valid existing rights, the Secretary shall convey to Arctic Slope Regional Corporation all right, title, and interest of the United States, except sand and gravel, in the subsurface estate of the following described lands, subject to the terms, conditions, procedure, covenants, reservations, and restrictions specified in the "Terms and Conditions":

Umiat Meridian

Township 12 south, range 9 east, sections 1 through 12, 15 through 21;

Township 12 south, range 10 east, sections 4 through 9;

(4) The Secretary is authorized to accept from Arctic Slope Regional Corporation a conveyance of all right, title, and interest of Arctic Slope Regional Corporation in the following described lands:

Umiat Meridian

Township 13 south, range 1 west, sections 31 through 36;

Township 13 south, range 1 east, sections 31 through 36;

Township 14 south, range 2 east, sections 6, 7, 18, 19, 30, 31;

Township 14 south, range 4 east, sections 1 through 3, 10 through 15, 22 through 27, 33 through 36;

Township 15 south, range 1 west, sections 1 through 6, 11, 12, 19, 20, 27 through 34;

Township 15 south, range 1 east, sections 5 through 8, 17 through 20;

Township 16 south, range 2 east, sections 13 through 15, 22 through 27, 34 through 36;

Township 16 south, range 4 east, sections 1 through 4, 9 through 16, 19 through 36;

Township 17 south, range 1 west, sections 1, 2, 5, 6, partial;

Township 17 south, range 1 east, partial;

Township 17 south, range 3 east, partial;

Township 16 south, range 2 west, sections 19 through 36;

Township 16 south, range 3 west, sections 19 through 28, 33 through 36;

Township 15 south, range 4 west, sections 2 through 4, 9 through 11, 14 through 16, 19 through 23, 26 through 32;

Township 16 south, range 4 west, sections 5 through 8, 17 through 24.

(d) Transfers to Native Corporation.—The Secretary shall convey to Arctic Slope Regional Corporation all right, title, and interest of the United States in the following described lands selected or identified for selection pursuant to the Alaska Native Claims Settlement Act, and to the extent such lands lie outside the boundaries of the National Petroleum Reserve in Alaska:

Umiat Meridian

Township 3 south, range 6 west, sections 24 through 26, 33 through 36;

Township 4 south, range 6 west, sections 1 through 5, 7 through 36;

Township 4 south, range 7 west, sections 11 through 16, 19 through 36;

Township 4 south, range 8 west, sections 23 through 29, 32 through 36;

Township 5 south, range 6 west, sections 1 through 18;

Township 5 south, range 7 west, sections 1 through 36;

Township 5 south, range 8 west, sections 1 through 5, 7 through 36;

Township 5 south, range 9 west, sections 25 through 27, 34 through 36;

Township 6 south, range 6 west, sections 19, 30, 31;

Township 6 south, range 7 west, sections 1 through 18, 22 through 27, 34 through 36;

Township 7 south, range 6 west, sections 5 through 8, 17 through 20, 29 through 32;

Township 7 south, range 7 west, sections 1, 2, 11 through 14, 19 through 36;

Township 7 south, range 8 west, sections 19 through 36;

Township 7 south, range 9 west, sections 22 through 27, 34 through 36;

Township 8 south, range 6 west, sections 4 through 9, 16 through 36;

Township 8 south, range 7 west, sections 1 through 36;

Township 8 south, range 8 west, sections 1 through 18, 22 through 27, 34 through 36;

Township 9 south, range 6 west, sections 1 through 36;

Township 9 south, range 7 west, sections 1 through 36;

Township 9 south, range 8 west, sections 1 through 36;

Township 10 south, range 5 west, sections 19 through 36;

Township 10 south, range 6 west, sections 1 through 36;

Township 10 south, range 7 west, sections 1 through 36;

Township 10 south, range 8 west, sections 1 through 36;

Township 10 south, range 9 west, sections 19 through 36;

Township 10 south, range 10 west, sections 19 through 36;

Township 11 south, range 5 west, sections 1 through 18;

Township 11 south, range 6 west, sections 1 through 18;

Township 11 south, range 7 west, sections 1 through 21, 28 through 33;

Township 11 south, range 8 west, sections 1 through 36;

Township 11 south, range 9 west, sections 1 through 36;

Township 11 south, range 10 west, sections 1 through 36;

Township 11 south, range 11 west, sections 1 through 36;

Township 11 south, range 12 west, sections 1 through 36;

Township 11 south, range 13 west, sections 1 through 36;

Township 12 south, range 8 west, partial, sections 1 through 24;

Township 12 south, range 9 west, partial, sections 1 through 24;

Township 12 south, range 10 west, partial, sections 1 through 24;

Township 12 south, range 11 west, sections 1 through 16, 21 through 28;

Township 12 south, range 12 west, sections 1 through 12, 17 through 20, 29, 30;

Township 12 south, range 13 west, sections 1 through 30;

Kateel River Meridian

Township 34 north, range 16 east, sections 7 through 24;

Township 34 north, range 17 east, sections 7 through 24;

Township 34 north, range 18 east, sections 7, 8, 17 through 20.

(e) Acquisition and Exchange Authority.—(1) The Secretary is authorized, in order to carry out the purposes of this Act, to acquire by purchase or exchange any of the following described lands conveyed to Arctic Slope Regional Corporation pursuant to subsection (b)(1) of this section:

Umiat Meridian

Township 12 south, range 11 west, sections 17 through 20, 29, 30;

Township 12 south, range 12 west, sections 13 through 16, 21 through 28;

Kateel River Meridian

Township 34 north, range 18 east, sections 9 through 16, 21 through 24;

(2) Lands specified in paragraph (1) of this subsection may be acquired for such purposes only with the consent of Arctic Slope Regional Corporation. If such lands are so acquired by the Secretary, such lands shall become, and be administered as, a part of Gates of the Arctic National Park. (3) To facilitate an exchange provided for in this subsection, the Secretary is authorized to make available to Arctic Slope Regional Corporation lands, or interests therein, from public lands within the Arctic Slope Region, as determined pursuant to section 7(a) of the Alaska Native Claims Settlement Act, including lands, or interests therein, within the National Petroleum Reserve in Alaska in the event that lands within the reserve are made subject to leasing under the Mineral Leasing Act of 1920, as amended, or are otherwise made available for purposes of development of oil, gas or other minerals.

(f) Land Exchange.—As a land exchange:

(1) contingent upon Arctic Slope Regional Corporation conveying the lands described in paragraph (2) below and upon receiving interim conveyances to the following described lands:

Umiat Meridian

Township 9 south, range 2 west, sections 22 through 28, 33 through 36;

Township 9 south, range 3 west, sections 1 through 3, 10 through 12;

Township 9 south, range 12 west, sections 1 through 18;

Township 9 south, range 13 west, sections 1 through 3, 10 through 15, 22 through 24;

the Secretary shall convey to Arctic Slope Regional Corporation all right, title and interest of the United States in the following described lands:

Umiat Meridian

Township 9 south, range 12 west, sections 19 through 24;

Township 9 south, range 11 west, sections 4 through 9, 16 through 21;

Township 9 south, range 3 west, sections 13 through 15, 22 through 27;

Township 9 south, range 2 west, sections 28, 33;

(2) the Secretary is authorized to accept from Arctic Slope Regional Corporation a relinquishment of all right, title and interest of Arctic Slope Regional Corporation in the following described lands:

Umiat Meridian

Township 8 south, range 11 west, sections 13 through 15, 22 through 27;

Township 8 south, range 10 west, sections 7 through 11, 13 through 21, 28 through 33.

(g) Kaktovik Exchange.—As a land exchange, contingent upon Kaktovik Inupiat Corporation conveying the lands described in paragraph (1) of this subsection and upon the Arctic Slope Regional Corporation conveying the lands described in paragraph (4) of this subsection—

(1) the Secretary is authorized to accept from Kaktovik Inupiat Corporation all right, title and interest of Kaktovik Inupiat Corporation in the surface estate of the following described lands:

Umiat Meridian

Township 2 south, range 23 east, sections 25 through 28, 33 through 36;

Township 2 south, range 24 east, sections 1 through 24, 29 through 32;

(2) the Secretary shall convey to Kaktovik Inupiat Corporation all right, title and interest of the United States in the surface estate of the following described lands:

All those lands on Kaktovik Island—Barter Island Group, Alaska, which were not properly selected by Kaktovik Inupiat Corporation on or before December 18, 1975, and which were not on January 1, 1979, in a defense withdrawal.

Provided, That such lands when conveyed to Kaktovik Inupiat Corporation shall be subject to the provisions of the Alaska Native Claims Settlement Act, including section 22 (g) of said Act, except that the acreage limitation for village corporation selection of lands within the National Wildlife Refuge System shall not apply;

(3) Kaktovik Inupiat Corporation shall identify additional lands it desires to acquire pursuant to this exchange from within the following described lands, and to the extent necessary to acquire the surface estate of an aggregate total of twenty-three thousand and forty acres, including the lands conveyed by the Secretary to Kaktovik Inupiat Corporation pursuant to subsection (g)(2) hereof;

Umiat Meridian

Township 7 north, ranges 32 through 36 east;

Township 8 north, ranges 32 through 36 east;

Township 9 north, ranges 33 through 34 east;

or such other adjacent lands as the Secretary and Kaktovik Inupiat Corporation may mutually agree upon. Upon the concurrence of the Secretary in the lands identified, he shall convey to Kaktovik Inupiat Corporation all right, title and interest of the United States in the surface estate of the lands so identified; *Provided*, That such lands shall be contiguous to lands previously conveyed to Kaktovik Inupiat Corporation Pursuant to section 14(a) of the Alaska Native Claims Settlement Act; *Provided further*, That such lands when conveyed to Kaktovik Inupiat Corporation shall be subject to the provisions of the Alaska Native Claims Settlement Act, including section 22(g) of said Act, except that the acreage limitation for village corporation selection of lands within the National Wildlife Refuge System shall not apply;

(4) the Secretary is authorized to accept from Arctic Slope Regional Corporation a conveyance of all right, title and interest of Arctic Slope Regional Corporation in the subsurface estate of the following described lands:

Umiat Meridian

Township 2 south, range 23 east, sections 25 through 28, 33 through 36;

Township 2 south, range 24 east, sections 1 through 24, 29 through 32.

(h) WEYUK LANDS TRANSFER.—Upon the concurrence of the Secretary of Defense, the Secretary shall convey to Arctic Slope Regional Corporation all right, title and interest of the United States in all or part of the following described lands:

Beginning at Weyuk, United States Coast and Geodetic Survey, Survey Mark (1586) north 62 degrees east 2,900 feet, more or less, the true point of beginning of this description, thence north 1,100 feet, more or less, thence easterly, meandering along the coast approximately 2,000 feet, more or less, thence south 700 feet, more or less, thence west 1,800 feet, more or less, to the true point of beginning.

(i) NAVAL ARCTIC RESEARCH LABORATORY.—The Secretary shall convey to Ukpeagvik Inupiat Corporation all right, title and interest of the United States in the surface estate of the following described lands:

Umiat Meridian

Township 23 north, range 18 west, sections 13 fractional excluding interim conveyance numbered 045, 14 excluding northwest quarter; southwest quarter; west half southeast quarter, 23 excluding northwest quarter; west half northeast quarter; southwest quarter, southeast quarter, 24 excluding east half, southwest quarter and interim conveyance numbered 045, 28 excluding northeast quarter; southeast quarter, 29 fractional, 32 fractional, excluding United States Survey 4615, United States Survey 1432, and interim conveyance numbered 045, 33 excluding northeast quarter; east half east half northwest quarter; northeast quarter southeast quarter; northeast quarter northwest quarter southeast quarter and interim conveyance numbered 045.

(j) RIGHTS-OF-WAY, ETC.—(1) In recognition that Arctic Slope Regional Corporation has a potential need for access in an easterly direction from its landholdings in the Kurupa Lake area and the watershed of the Killik River to the Trans-Alaska Pipeline corridor, the Secretary is authorized and directed, upon application by Arctic Slope Regional Corporation for a right-of-way in this region, to grant to such corporation, its successors and assigns, according to the provisions of section 28 of the Mineral Leasing Act of 1920, as amended, a right-of-way across the following public lands, or such other public lands as the Secretary and Arctic Slope Regional Corporation may mutually agree upon, for oil and gas pipelines, related transportation facilities and such other facilities as are necessary for the construction, operation and maintenance of such pipelines:

Umiat Meridian

Township 11 south, range 10 west;

Township 10 south, ranges 8 through 10 west;

Township 10 south, range 7 west, sections 19 through 36;

Township 11 south, range 7 west, sections 1 through 18;

Township 11 south, range 6 west;

Township 11 south, range 5 west, sections 1 through 18;

Township 10 south, range 5 west, sections 19 through 36;

Township 10 south, ranges 1 through 4 west;

Township 10 south, ranges 1 through 10 east.

The final alinement and location of all facilities across public lands shall be in the discretion of the Secretary.

(2) The Secretary shall make available to Arctic Slope Regional Corporation, its successors and assigns, such sand and gravel as is reasonably necessary for the construction or maintenance of any pipeline or facility and use of rights-of-way appurtenant to the exercise of the rights granted under this subsection, such sand and gravel to be provided to Arctic Slope Regional Corporation, its successors and assigns, for fair market value by negotiated sale.

(k) NEPA.—The National Environmental Policy Act of 1969 (83 Stat. 852) shall not be construed, in whole or in part, as requiring the preparation or submission of any environmental document for any action taken by the Secretary pursuant to this section.

(l) SURFACE USES, ETC.—(1) With respect to the following described lands, the subsurface estate of which is to be conveyed to Arctic Slope Regional Corporation pursuant to subsection (c) hereof:

Umiat Meridian

Township 12 south, range 9 east, sections 1 through 12, 15 through 21;

Township 12 south, range 10 east, sections 4 through 9,

Arctic Slope Regional Corporation shall have such use of the surface estate, including such right of access thereto, as is reasonably necessary to the exploration for and removal of oil and gas from said subsurface estate, subject to such rules and regulations by the Secretary that are applicable to the National Park System.

(2) The Secretary shall identify for Arctic Slope Regional Corporation, its successors and assigns, reasonably available sand and gravel which may be used without cost to the United States in the construction and maintenance of facilities and use of rights-of-way appurtenant to the exercise of the rights conveyed under this subsection; notwithstanding the provisions of section 601 et seq., title 30, United States Code, and sand and gravel shall be made available at no charge to Arctice Slope Regional Corporation.

(m) RELATION TO ENTITLEMENTS.—(1) The Secretary shall reduce the acreage charged against the entitlement of Arctic Slope Regional Corporation pursuant to section 12(c) of the Alaska Native Claims Settlement Act by the amount of acreage determined by the Secretary to be conveyed by Arctic Slope Regional Corporation to the United States pursuant to subsection (c)(4) of this section.

(2) The Secretary shall charge against the entitlement of Arctic Slope Regional Corporation pursuant to section 12(c) of the Alaska Native Claims Settlement Act the lands conveyed by the Secretary to Arctic Slope Regional Corporation pursuant to subsections (c)(1), (c)(2), (d), (f)(1), and (h) of this section.

(3) The Secretary shall reduce the acreage charged against the entitlement of Arctic Slope Regional Corporation pursuant to section 12(a)(1) of the Alaska Native Claims Settlement Act by the amount of acreage determined by the Secretary to be conveyed by Arctic Slope Regional Corporation to the United States pursuant to subsection (g)(4) of this section.

(4) Notwithstanding the exception by the United States of sand and gravel, the Secretary shall charge against the entitlement of Arctic Slope Regional Corporation pursuant to section 12(a)(1) of the Alaska Native Claims Settlement Act the lands conveyed by the Secretary to Arctic Slope Regional Corporation pursuant to subsection (c)(3) of this section.

(5) The Secretary shall reduce the acreage charged against the entitlement of Kaktovik Inupiat Corporation pursuant to section 12 (a) of the Alaska Native Claims Settlement Act by the amount of acreage determined by the Secretary to be conveyed by Kaktovik Inupiat Corporation to the United States pursuant to subsection (g)(1) of this section.

(6) The Secretary shall charge against the entitlement of Kaktovik Inupiat Corporation pursuant to section 12(a) of the Alaska Native Claims Settlement Act the lands conveyed by the Secretary to Kaktovik Inupiat Corporation pursuant to subsection (g) (2) and (3) of this section.

(7) The Secretary shall charge against the entitlement of Ukpeagvik Inupiat Corporation pursuant to section 12(a) of the Alaska Native Claims Settlement Act the lands conveyed by the Secretary to Ukpeagvik Inupiat Corporation pursuant to subsection (i) of this section.

(8) In no event shall the conveyances issued by the Secretary to Arctic Slope Regional Corporation, Kaktovik Inupiat Corporation, and Ukpeagvik Inupiat Corporation pursuant to the Alaska Native Claims Settlement Act and this section exceed the total entitlements of such Corporations under the Alaska Native Claims Settlement Act, except as expressly provided for in subsection (g) of this section.

(n) RESERVED LANDS.—(1) Congress finds that it is in the public interest to reserve in public ownership the submerged lands in the beds of the Colville River and of the Nechelik Channel, Kupigruak Channel, Elaktoveach Channels, Tamayayak Channel, and Sakoonang Channel from the Colville River to the Arctic Ocean, and (2) notwithstanding any other provision of law, conveyance of the surface estate of lands selected by Kuukpik Corporation pursuant to section 12 (a) and (b) of the Alaska Native Claims Settlement Act and associated conveyance of the subsurface estate to Arctic Slope Regional Corporation pursuant to section 14(f) of such Act shall not include conveyance of the beds of the Colville River and of the channels named in this subsection, and the acreage represented by the beds of such river and of such named channels shall not be charged against the land entitlement of Kuukpik Corporation and Arctic Slope Regional Corporation pursuant to the provisions of the Alaska Native Claims Settlement Act.

(o) FUTURE OPTION TO EXCHANGE, ETC.—(1) Whenever, at any time within forty years after the date of enactment of this Act, public lands in the National Petroleum Reserve in Alaska or in the Arctic National Wildlife Range, within seventy-five miles of lands selected by a Village Corporation pursuant to the provisions of section 12(a)(1) of the Alaska Native Claims Settlement Act, are opened for purposes of commercial development (rather than exploration) of oil or gas, Arctic Slope Regional Corporation shall be entitled, at its option, within five years of the date of such opening, to consolidate lands by exchanging the in-lieu subsurface lands which it selected pursuant to the provisions of section 12(a)(1) of the Act for an equal acreage of the subsurface estate, identified by Arctic Slope Regional Corporation, beneath the lands selected by the Village Corporation. Prior to the exercise of such option, Arctic Slope Regional Corporation shall obtain the concurrence of the affected Village Corporation. The subsurface estate identified for receipt by Arctic Slope Regional Corporation pursuant to this subsection shall be contiguous and in reasonably compact tracts, except as separated by bodies of water or by lands which are unavailable for selection, and shall be in whole sections and, wherever feasible, in units of not less than one thousand two hundred and eighty acres.

(2) Arctic Slope Regional Corporation shall not be entitled to exchange, pursuant to the provisions of paragraph (1) of this subsection, any in-lieu subsurface estate which the corporation has developed for purposes of commercial extraction of subsurface resources; unless the Secretary determines such an exchange to be in the national interest.

(3) The Secretary shall take such steps as may be necessary to effectuate an exchange sought by Arctic Slope Regional Corporation in accordance with the provisions of paragraph (1).

(4) With regard to subsurface estates acquired by Arctic Slope Regional Corporation pursuant to this subsection, the Secretary may promulgate such regulations as may be necessary to protect the environmental values of the Reserve or Range and consistent with the regulations governing the development of those lands within the Reserve or Range which have been opened for purposes of development, including, but not limited to, regulations issued pursuant to section 22(g) of the Alaska Native Claims Settlement Act.

(p) CONDITIONS.—All lands or interests in lands conveyed by the Secretary in subsections (d), (f)(1), (g)(2), (g)(3), (h), and (i) of this section to Arctic Slope Regional Corporation or a village corporation, as the case may be, shall be subject to valid existing rights, and in accordance with, and subject to, the provisions of the Alaska Native Claims Settlement Act, as amended, as though the lands were originally conveyed to such corporation under the provisions of such Act.

BERING STRAITS REGIONAL CORPORATION LANDS

SEC. 1416. (a) The following lands are hereby withdrawn for selection pursuant to the provisions of section 14(h)(8) of the Alaska Native Claims Settlement Act and this section:

Kateel River Meridian

Tract one—Township 6 north, range 36 west, sections 2, 3, 4, 9, 10, 11, 14, 15, 16;

Tract two—Township 1 north, range 40 west, sections 19, 20, 21, 28–33;

Tract three—Township 3 south, range 21 west, sections 23, 26, 35;

Township 4 south, range 21 west, sections 1, 2, 3;

Tract four—Township 7 south, range 35 west, sections 11, 14, 23, 26, 34, 35, 36;

Township 8 south, range 35 west, sections 1, 2, 3;

Tract five—Township 8 south, range 33 west, sections 19, 20, 21, 27–34;

Tract six—Township 10 south, range 9 west, section 31;

Township 10 south, range 10 west, sections 35, 36;

Township 11 south, range 9 west, sections 6, 7;

Township 11 south, range 10 west, sections 1, 2, 11, 12;

Tract seven—Township 16 south, range 13 west, sections 5, 6, 7, 8;

Tract eight—Fairway Rock located within Teller Quadrange 65 degrees 35 minutes north, 165 degrees 45 minutes west.

Tract nine—Punuk Islands located within Saint Lawrence Quadrange 63 degrees 5 minutes north, 168 degrees 50 minutes west.

(b)(1) Or or prior to one hundred and eighty days from the date of enactment of this Act, Bering Straits Native Corporation may select, pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, from the lands withdrawn pursuant to subsection (a) of this section.

(2) The lands selected by Bering Straits Native Corporation unless otherwise provided in a waiver of this paragraph (b)(2) by the Secretary shall consist of tracts which—

(A) are not less than the lesser of (1) the entire area within any single tract withdrawn pursuant to subsection (a), or (2) eight sections, or (3) five thousand one hundred and twenty acres; and

(B) have boundaries which follow section lines, except where such boundary is the border of a navigable body of water, with no segment of an exterior line less than two miles in length (except where shorter segments are necessary (1) to follow section lines where township lines are offset along standard parallels caused by the convergence of meridians, (2) to conform to section lines where a section is less than standard size or (3) to avoid crossing the boundary lines of conservation system units created by this Act, or of lands which are unavailable for selection).

(c) The Secretary shall convey the surface and subsurface estate of the acreage selected pursuant to subsection (b) of this section. Conveyance pursuant to this section shall be subject to valid existing rights and the provisions of the Alaska Native Claims Settlement Act.

(d) Nothing in this section shall be deemed to increase or decrease the acreage entitlement of Bering Straits Native Corporation under any section of the Alaska Native Claims Settlement Act.

(e) Any lands withdrawn under subsection (a) of this section and not selected by and conveyed to Bering Straits Native Corporation shall return to the public domain subject to any prior withdrawals made by the Secretary pursuant to subsection 17(d)(1) of the Alaska Native Claims Settlement Act and the provisions of section 806(k) of this Act.

(f) Any selection pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act of any land withdrawn by subsection (a) of this section shall preempt any prior selection by Bering Straits Native Corporation under any other authority of the same lands. Failure to select any particular lands withdrawn by subsection (a) of this section under section 14(h)(8) of the Alaska Native Claims Settlement Act will not affect any prior valid selection under section 14(h)(1) of the Alaska Native Claims Settlement Act but such prior selection shall be adjudicated and conveyed, if valid, pursuant to the Alaska Native Claims Settlement Act and any applicable regulations.

BRISTOL BAY REGIONAL CORPORATION LANDS

SEC. 1417. (a) The following lands are hereby withdrawn for selection pursuant to the provisions of section 14(h)(8) of the Alaska Native Claims Settlement Act and this section:

SEWARD MERIDIAN

Township 14 south, range 56 west, sections 6, 7, 18, 19 and 30.

(b) On or prior to one hundred and eighty days from the date of enactment of this Act, Bristol Bay Native Corporation may select, pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, the lands withdrawn pursuant to subsection (a).

(c) The Secretary shall convey to Bristol Bay Native Corporation the surface and subsurface estate of the acreage selected by it. Conveyances pursuant to this section shall be subject to valid existing rights and the provisions of the Alaska Native Claims Settlement Act.

(d) Nothing in this section shall be deemed to increase or decrease the acreage entitlement of Bristol Bay Native Corporation, under any section of the Alaska Native Claims Settlement Act.

(e) Any lands withdrawn under subsection (a) and not conveyed to Bristol Bay Native Corporation, shall return to the public domain subject to any prior withdrawals made by the Secretary pursuant to subsection 17(d)(1) of the Alaska Native Claims Settlement Act, subsection 204(e) of the Federal Land Policy and Management Act, and the provisions of section 806(k) of this Act.

BRISTOL BAY GROUP CORPORATION LANDS

SEC. 1418. (a). The roll prepared by the Secretary, which demonstrates that the individual Natives of Port Alsworth which is located in the Cook Inlet Region, are organized as Tanalian Incorporated and have enrolled at-large in the Bristol Bay Native Corporation, shall be determinative of the fact that said group corporation and its members shall be treated as if they were physically located within the Bristol Bay Region.

(b) Valid selections of the surface estate of available Federal public lands in the Port Alsworth area which were made by Tanalian Incorporated pursuant to Section 14(h)(2) of the Alaska Native Claims Settlement Act and regulations applicable thereto shall, if said group is finally determined to be an eligible Native group pursuant to Sections 3(d) and 14(h)(2) of the Alaska Native Claims Settlement Act, be conveyed to said group corporation in an amount to which it would otherwise have been entitled, under applicable regulations, had it been physically located within the boundaries of the Bristol Bay Region. Such conveyances shall not become final until Cook Inlet Region, Inc. and the Cook Inlet Region Villages have received interim conveyance or patent to their respective complete entitlements under Section 12 of P.L. 94–204 and those agreements reached with the United States and the State of Alaska thereunder.

(c). The Bristol Bay Native Corporation shall, within six months after the date of enactment of this Act, select an amount of subsurface estate from available Federal public lands within its boundaries and from lands previously withdrawn under Sections 11(a)(1) or 11(a)(3) of the Alaska Native Claims Settlement Act, equal to the amount of surface estate selected by Tanalian Incorporated. Such subsurface selections shall be in a single contiguous and reasonably compact tract. The subsurface estate selected pursuant to this section shall, if Tanalian Incorporated is finally determined to be an eligible Native group as aforesaid, be conveyed to Bristol Bay Native Corporation in an acreage amount equal to the surface estate entitlement of said Native group corporation, and in accordance with Section 14(h)(2) of the Alaska Native Claims Settlement Act and the regulations applicable thereto.

(d). Nothing contained in this section, or done pursuant to authorization made by this section, shall alter or affect the acreage entitlements pursuant to Section 12(c) of the Alaska Native Claims Settlement Act nor the boundaries of Cook Inlet Region, Inc. or Bristol Bay Native Corporation, respectively.

CHUGACH REGIONAL CORPORATION LANDS

SEC. 1419. (a) Subject to valid existing rights, within one hundred and eighty days after the enactment of this Act, Chugach Natives, Incorporated, shall be entitled to select public lands not reserved for purposes other than National Forests from within the Chugach Region under section 14(h)(8) of the Alaska Native Claims Settlement Act from within the boundaries of the Chugach National Forest. Chugach Natives, Incorporated, shall make no selection of lands within the areas identified on the maps entitled "Western Prince William Sound Areas Not Available for Chugach 14(h)(8) Selection" and "Copper River Delta Area Not Available for Chugach 14(h)(8) Selection," both dated April 1979.

(b) Chugach Natives, Incorporated shall select no lands pursuant to this section which were selected on or before September 1, 1978 by the State of Alaska pursuant to section 6(a) of the Alaska Statehood Act. State applications for selection of such lands shall be adjudicated and approved or disapproved pursuant to section 6(a) of the Alaska Statehood Act: *Provided, however*, that any disapproval of such selection application shall not vest any selection right in Chugach Natives, Incorporated.

(c) If Chugach Natives, Incorporated elects to select any lands from the entitlement made by section 14(h)(8) of the Alaska Native Claims Settlement Act from lands within the Chugach National Forest made available by this section, selection applications for the following lands within the Carbon Mountain regional deficiency area shall be adjudicated as though they were timely filed by Chugach Natives, Incorporated under section 12(c) of the Alaska Native Claims Settlement Act, notwithstanding any prior relinquishment of section 12(c) selections and subsequent selection of such lands by Chugach Natives, Incorporated under section 14(h)(8) of said act:

Township 16 south, range 9 east, sections 7 through 10, 16 through 31.

Township 19 south, range 9 east, sections 1 through 36.

Township 20 south, range 9 east, sections 1 through 36.

Township 20 south, range 10 east, sections 5 through 8, 17 through 20, 29 through 32.

(d) The Secretary shall receive and adjudicate selections pursuant to this section as though they were timely filed pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, and as though such lands were available for selection under such provision. The Secretary shall convey those lands selected pursuant to this authorization which otherwise comply with applicable statutes and regulations.

(e) If legislation is enacted or a proposal implemented pursuant to section 1420 of this Act, selections by the Chugach Natives, Incorporated, under this section shall also be subject to the provisions of such legislation or proposal.

CHUGACH REGION STUDY

SEC. 1420. (a) PARTICIPANTS; PURPOSES.—The Secretary of the Interior, the Secretary of Agriculture, and the Alaska Advisory Coordinating Council, in conjunction with Chugach Natives, Incorporated, and the State of Alaska, if the State chooses to participate, are directed to study the land ownership and use patterns in the Chugach region. The objectives of the study are: to identify lands which can be made available for conveyance to the Chugach Natives, Incorporated; for the purpose of consolidation of land ownership patterns in the Chugach region; to improve the boundaries of and identify new conservation system units; to obtain a fair and just land settlement for the Chugach people; and realization of the intent, purpose, and promise of the Alaska Native Claims Settlement Act by the Chugach Natives, Incorporated. The study participants are directed to identify in-region and out-of-region lands, including lands within the Chugach National Forest and State lands but excluding lands in private ownership, which can be made available to Chugach Natives, Incorporated, in satisfaction of its regional land entitlement pursuant to section 12(c) of the Alaska Native Claims Settlement Act, to consider monetary payment in lieu of land and to consider all other options which the participants in the study consider to be appropriate to achieve the objectives set forth above.

(b) LANDS.—Lands identified to meet the study objectives outlined in subsection (a) shall be, to the maximum extent possible, lands of like kind and character to those traditionally used and occupied by the Chugach people and shall be, to the maximum extent possible, coastal accessible, and economically viable. The inclusion of lands within the areas designated as conservation system units or for wilderness study by this Act within the Chugach region shall not preclude the identification of those lands to meet the study objectives outlined in subsection (a).

(c) PROCEDURE.—In conducting the study, the study participants shall seek review and comment from the public, including the residents of the Chugach region, and shall meet with members of the public upon the request of such persons. The Secretary shall hold at least three public hearings, at least one of which shall be in Anchorage and at least two of which shall be in the Chugach region.

(d) REPORT.—The study shall be completed and the President shall report to the Congress within one year of the date of enactment of this Act. He shall also transmit with the report any legislation necessary to implement the study recommendations.

(e) DEADLINE.—Any selection deadlines for Chugach Natives, Incorporated, under section 12(c) of the Alaska Native Claims Settlement Act or section 14(h)(8) of such Act pursuant to section 933 of this Act are hereby extended and selection rights shall not be exercised until six months following submission of the President's report to Congress, except that if all study participants agree to a proposal implementing the study objectives outlined in subsection (a) such selection rights may be exercised immediately thereafter.

(f) STATE LANDS.—The State of Alaska shall make no further land selections in the Chugach region until the Congress takes final action on any legislation transmitted by the President pursuant to this section or until implementation of a proposal agreed to by the participants in the study, whichever comes first: *Provided, however*, That nothing in this section shall impede or be interpreted so as to restrict the adjudication and conveyance of State selections filed before September 1, 1978: *Provided further*, That nothing contained in this section shall prevent the development of aquaculture sites identified by the Prince William Sound Management Council before July 1, 1978.

(g) INTERIM MANAGEMENT.—Until Congress takes final action on any legislation transmitted by the President pursuant to this section or until a proposal agreed to by the participants in the study is implemented, whichever comes first, the Secretary of the Interior and the Secretary of Agriculture shall manage lands under their control in the Chugach region in close consultation with Chugach Natives, Incorporation, and, to the maximum extent possible, in such a manner so as not to adversely affect or preclude any option which the participants in the study may consider.

(h) RELINQUISHED AREAS.—Any lands within the Wrangell-Saint Elias National Park previously selected by Chugach Natives, Incorporated, but relinquished pursuant to a proposal resulting from this section shall become a part of the park and administered accordingly.

CHUGACH VILLAGE CORPORATION LANDS

SEC. 1421. (a) Notwithstanding the restrictions applicable to the village corporation selections under section 12(b) of the Alaska Native Claims Settlement Act imposed by section 12(a) of the Settlement Act, including but not limited to the sixty-nine thousand one hundred and twenty-acre conveyance limitation placed on land selected by village corporations within the National Forest, National Wildlife Refuge System, or State selected lands, the Secretary shall convey under section 14(a) of the Alaska Native Claims Settlement Act from lands previously selected from lands withdrawn pursuant to section 11 of such Act in the Chugach National Forest by the village corporations created by the enrolled residents of the villages of Chenega, Eyak and Tatitlek, those additional entitlement acreages which are reallocated to these corporations under section 12(b) of such Settlement Act by the Regional Corporation for the Chugach region.

(b) Within ninety days after the enactment of this act, the three village corporations referred to in subsection (a) of this section shall file with the Secretary a list of those lands selected by each of them under section 12(b) from lands withdrawn pursuant to section 11 of the Settlement Act from within the Chugach National Forest, in the order of priority in which they wish to receive conveyance to such lands: *Provided, however*, That the village of Chenega shall not receive conveyance to lands selected pursuant to section 12(b) of the Settlement Act on the mainland in the area of Icy Bay and Whale Bay, as depicted on the map entitled "Areas not available for Chenega 12(b) conveyance," dated April 1979: *Provided further*, That the village of Eyak shall not receive conveyance to lands selected pursuant to section 12(b) of the Settlement Act in the area east of Mountain Slough and more than a thousand feet south of the Copper River Highway, as depicted on the map entitled "Areas not available for Eyak 12(b) conveyance", dated April 1979.

(c) The Board of Directors of Chugach Natives, Incorporated, shall, within ninety days after the enactment of this Act, file with the Secretary a resolution indicating the number of acres allocated to each of these village corporations under the regional corporation's existing sixty-four thousand four hundred-acre 12(b) allocation, and the basis on which future 12(b) allocations made by the Secretary, if any, are to be reallocated among the village corporations in the Chugach region.

(d) The Secretary shall process the lands for conveyance in the priority listed, and subject to the requirements of the settlement act for selection, tract size, compactness, and contiguity, convey to the corporations such acreage to which they are entitled: *Provided, however,* That applications for selection filed by the State of Alaska under section 6(a) of the Alaska Statehood Act shall take precedence over such Chugach village corporation 12(b) selections within the Chugach National Forest, except in the area of Windy and Cedar Bays on Hawkins Island, where applications for State selections in township 15 south, ranges 4 and 5 west of the Copper River Meridian, shall be subordinated to 12 (b) selections filed by the Eyak Corporation; and except further in the area of Boswell Bay on Hinchenbrook Island, where State applications for selection in township 17 south, range 5 west of the Copper River meridian, except for those in sections 10 and 15 of said township, shall be subordinated to section 12(b) selections filed by the Eyak Corporation. State applications for selection of any of the above-described lands which are not subordinated to Chugach village selections shall be adjudicated and approved or disapproved pursuant to section 6(a) of the Alaska Statehood Act; *Provided, however,* That any disapproval of such State selections shall not vest any selection right in any Chugach village corporation.

(e) Should any Chugach village corporation fail to timely file the information required by subsections (b) and (c) of this section, or if the priority listing submitted under subsection (b) does not meet the tract size, compactness or contiguity requirements of the Alaska Native Claims Settlement Act or regulations applicable thereto, the Secretary may provide the affected corporation thirty days from the date of notice within which to file information necessary to meet the requirements of such act and regulations, and this Act.

(f) If any Chugach Village Corporation voluntarily relinquishes any selection of lands within the boundaries of a conservation system unit, such lands shall be added to such unit and administered accordingly.

COOK INLET VILLAGE SETTLEMENT

SEC. 1422. Upon agreement with the Salamatoff Native Association and Cook Inlet Region, Incorporated, which agreement shall conform substantially to the draft agreement, dated -------------- 1979 and filed with the Committee on Interior and Insular Affairs of the House of Representatives and such amendments thereto relating to Alexander Creek, Inc. which may be assented to by the Secretary and the State of Alaska, the Secretary is directed (1) to modify the boundaries of the Kenai National Moose Range in order to make such conveyances as are required by said agreement; and (2) to convey such lands to the village and regional corporations free from the restrictions imposed by section 22(1) of the Alaska Native Claims Settlement Act.

EKLUTNA VILLAGE CORPORATION LANDS

SEC. 1423. EKLUTNA-STATE AGREEMENTS AND NEGOTIATIONS.—(a) The purpose of this section is to provide for the settlement of certain claims and litigation, and in so doing to consolidate ownership among the United States, the State of Alaska, the Municipality of Anchorage, Eklutna, Incorporated, and Cook Inlet Region, Incorporated, thereby facilitating land management, a fair implementation of the Alaska Native Settlement Act, the protection of State public park lands and resources, and appropriate development patterns in and about Anchorage, Alaska.

(b) The Secretary shall make conveyances and accept relinquishments of selections in accordance with the specific terms, conditions, covenants, reservations, and other restrictions set forth in any agreement respecting the lands described in subparagraph (1) below, executed by the State of Alaska, by the Municipality of Anchorage, and by Eklutna, Incorporated, and hereafter submitted to the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs and filed with the Secretary, the execution and implementation of which agreement are hereby authorized as to those duties and obligations of the United States, the State of Alaska, the Municipality of Anchorage, and Eklutna, Incorporated, which arise under Federal law: *Provided, however,* That any conveyance under such agreement of lands to Eklutna, Incorporated, shall be only of the surface estate, with a subsequent conveyance to Cook Inlet Region, Incorporated, of the subsurface estate except as otherwise provided in subsection (h). In aid thereof:

(1) The following lands located within the township described in sections 11(a) (1) and (2) of the Alaska Native Claims Settlement Act with respect to the Native Village of Eklutna are withdrawn, subject to valid existing rights, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and including Public Law 94–204, except section 12 thereof, and from selection under the Alaska Statehood Act, or any statutes authorizing selections by the State of Alaska, all as heretofore amended:

(A) lands withdrawn or reserved for national defense purposes; and

(B) lands determined by the Secretary under section 3(e) (1) of the Alaska Native Claims Settlement Act not to be public lands for purposes of the Alaska Native Claims Settlement Act.

This withdrawal and the agreement shall not affect the administrative jurisdiction of the Department of Defense or any other holding agency over the lands withdrawn, but all forms of disposition other than in accordance with this section and the agreement are prohibited: *Provided,* That the foregoing to the contrary notwithstanding, prior to July 15, 1979, lands may be placed in the pool contemplated by part I.C.(2) of the document entitled "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area as clarified 8–31–76", but only to the extent authorized on the effective date of this Act by that document under section 12 of Public Law 94–204 as amended hertofore and in accordance with the procedures and with the consents and approvals required by laws, regulations and Executive orders in effect immediately prior to the effective date of this Act; if the lands placed in that pool are not thereafter selected in accordance with part I.C.(2) of that document any agreement pursuant to this section shall govern: *Provided further,* That neither the revocation of certain withdrawals of lands made by subsection (b) effective upon the filing of the agreement, nor the expiration of the withdrawal made by subsection (b) in the event no agreement is reached, shall be deemed an action causing those lands affected thereby to be subject to disposition under such section 12 of Public Law 94–204. The withdrawal made by this subsection (b) will expire March 15, 1981, if an executed agreement described in this section is not filed by the parties thereto on or before that date with the Secretary in the Alaska State Office of the Bureau of Land Management; but if an agreement is so executed, rights under the agreement vest as of the effective date of this Act, and this withdrawal shall become permanent, except as otherwise provided in the agreement. The agreement shall not impose upon the United States obligations or outlays of funds, except as reasonable in the ordinary course of business, or impose any procedural requirements or require the reassignment of personnel; and any of its provisions to the extent to the contrary shall be void as against the Secretary.

(2) Upon termination or revocation of any national defense withdrawal or reservation or of any other withdrawal in effect December 19, 1971, respecting lands described in subsection (b)(1), or upon declaration of their excess status in whole or in part, whichever first occurs, but not before, and from time to time, the lands excessed or as to which the withdrawal is terminated or revoked shall be conveyed to Eklutna, Incorporated, as to the surface estate and Cook Inlet Region, Incorporated as to the subsurface estate, or to the State of Alaska (for reconveyance by the State of Alaska in whole or in part to the Municipality of Anchorage), as may be provided in the agreement described in this subsection: *Provided, however,* That such conveyance shall not be made of lands in the pool established under part I.C.(2) of the document entitled "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area as clarified 8–31–76" under section 12 of Public Law 94–204 as amendment heretofore, unless and until removed from that pool in accordance with such part I.C.(2). This section and the agreement shall preempt the procedures of the Federal Property Act (40 U.S.C. 471, et seq., and of 41 C.F.R. 101–47.000 et seq.), (other than as to fixtures and personality) and the preference right for State selection of section 6(g) of the Alaska Statehood Act. The conveyances to Eklutna, Incorporated, of lands withdrawn by this subsection called for by the agreement shall not be subject to section 1613(c) of title 43, United States Code. This section shall revoke PLO 5187 as it pertains to any lands withdrawn by this subsection and any power project withdrawals other than Power Project 350 as to such lands, effective upon the date of filing of the agreement. Lands conveyed to the State of Alaska, the surface estate of lands conveyed to Eklutna, Incorporated, and the subsurface estate conveyed to Cook Inlet Region, Incorporated, pursuant to this section and the agreement, shall be charged against their respective entitlements under sections 12 and 14 of the Alaska Native Claims Settlement Act and shall be considered conveyed and received pursuant to such Act and section 6 of the Alaska Statehood Act or section 806(c) of this Act, respectively.

(c) If an agreement to the following effect executed by the State of Alaska and Eklutna, Incorporated, is hereafter filed with the Secretary in the Alaska State Office of the Bureau of Land Management on or before April 2, 1981, the public lands as defined in the Settlement Act, located within township 17 north, range 3 east, Seward Meridian, Alaska, shall be deemed to have been withdrawn pursuant to section 11(a) of the Alaska Native Claims Settlement Act as of December 18, 1971, and, selection heretofore made by Eklutna, Incorporated, with respect to lands therein shall be processed by the Secretary as though said selections had been made within a township heretofore validly withdrawn pursuant to section 11(a) of such Act. If no such agreement is filed, this subsection shall not be held to affect the validity or invalidity of such selections. Whether or not any agreement is filed, this subsection shall not be held to affect the validity or invalidity of any third party interest heretofore created by the State of Alaska.

(d) Notwithstanding other provisions of this Act, the State and Eklutna, Incorporated, are each authorized to relinquish, in whole or in part, pursuant to either or both of the agreements contemplated by subsections (b) and (c) of this section; any one or more land selections affecting lands to be conveyed under the agreement to the other whether or not such selections have been previously approved or tentatively approved. The lands affected by the State selections so relinquished shall be deemed public lands as of December 18, 1971, as that term is defined in the Alaska Native Claims Settlement Act.

(e) Eklutna, Incorporated, and the Secretary shall stipulate to dismiss cause number A–78–24 Civil in the United States District Court for the District of Alaska, when the Secretary tenders to Eklutna, Incorporated, a conveyance of all lands in township 17 north, range 3 east, Seward Meridian, which are to be conveyed to Eklutna, Incorporated under the agreement referred to in subsection (c).

(f) Eklutna, Incorporated, and the Secretary shall stipulate to dismiss cause number A–78–192 Civil in the United States District Court for the District of Alaska except as to the lands affected thereby which under the agreement referred to in subsection (b) are to remain in litigation in that cause, if any, when the Secretary tenders to Eklutna, Incorporated, a conveyance of all those lands which under the agreement the State agrees are to be conveyed to Eklutna, Incorporated, from among those selected at one time by the State under the authority of the Mental Health Enabling Act of 1956 (70 Stat. 709).

(g) The Secretary shall convey to Eklutna, Incorporated, as required by section 14 of the Alaska Native Claims Settlement Act, an acreage amount of its selections including also selections which after its relinquishments pursuant to the agreement appear necessary under this Act, equal to its entitlement under sections 14 and 12(b) of the Settlement Act, without regard to the acreage or interests which may ultimately be conveyed to Eklutna, Incorporated, under the agreement from within lands withdrawn by subsection (b). The agreement shall however, require Eklutna, Incorporated, to subject to the land bank provisions of section 807 of this Act one or more compact tracts of lands of at least equal acreage to that ultimately to be conveyed to Eklutna, Incorporated, under the agreement from those withdrawn by subsection (b) of this section. The agreement shall require Eklutna, Incorporated, to reconvey to the State lands from those subject to the land bank provisions, in an amount provided by the agreement, upon the occasion of each receipt of lands by Eklutna, Incorporated, from among those withdrawn by subsection (b) of this section. Lands received by the State in such a reconveyance from Eklutna, Incorporated, shall be charged, to the extent of the acreage received by Eklutna, Incorporated, in the relevant conveyance to it, against the State's entitlement under section 6 of the Alaska Statehood Act. If thereby the State receives more than its entitlements under the Act elected, it shall reconvey to the United States a compact tract of unencumbered State lands of equal acreage contiguous to lands belonging to the United States. Eklutna, Incorporated, shall also be subject to the Land Bank provisions of section 807 of this Act, once an agreement under subsection (c) exists and thereafter from time to time, one or more compact tracts which equals the acreage amount by which Eklutna, Incorporated's entitlement would be over satisfied considering the acreage already conveyed to Eklutna, Incorporated; to the extent such a risk of over entitlement abates the lands may be withdrawn from the Land Bank in the manner provided in section 307 of this Act.

(h) In the event that Eklutna, Incorporated, receives a conveyance from the United States of the surface estate in lands withdrawn by subsection (b) of this section pursuant to the agreement authorized in that subsection, and if a reconveyance is thereby occasioned from Eklutna, Incorporated, to the State of the surface estate in land subject to the land bank provisions of this Act, a conveyance of the subsurface estate in the lands conveyed to Eklutna, Incorporated, shall be withheld until the Secretary ascertains to whom the subsurface estate is to be conveyed under this subsection. The entity owning the subsurface estate in those reconveyed lands shall retain that interest, unless it is in the agreement or separately consents to convey the same to the State. In the event such entity so consents to convey the subsurface to the State, the Secretary shall convey the subsurface estate in the land conveyed to Eklutna, Incorporated, to that entity; if such entity does not so consent, the surface estate in the lands conveyed to Eklutna, Incorporated, shall be conveyed to the State.

EKLUTNA-STATE-ANCHORAGE AGREEMENT

SEC. 1424. (a) PURPOSE.—The purpose of this section is to provide for the settlement of certain claims and litigation, and in so doing to implement section 14 of the Alaska Native Claims Settlement Act under the unique circumstances of the Native Village of Eklutna, with respect to the municipality of Anchorage.

(b) REFERENCE DOCUMENT.—The terms, conditions, procedures, covenants, reservations, and other restrictions set forth in the document entitled "Agreement of Compromise and Settlement submitted to the Senate Committee on Energy and Natural Resources and the House Committee on Interior and Insular Affairs, executed by Eklutna, Incorporated, and the municipality of Anchorage, acting by its major, and to be executed by the State of Alaska, acting by the commissioner of the department of community and regional affairs, are hereby ratified as to the rights, duties, and obligations of the State of Alaska, the municipality of Anchorage, and Eklutna, Incorporated, which arise among them under section 14(c) (2) and (3) of the Alaska Native Claims Settlement Act, and Eklutna, Incorporated, is discharged accordingly from the requirements of section 14(c) (3) of such Act as to all lands heretofore selected by it.

(c) CONDITION.—If, for any reason, the foregoing agreement is not ratified by the Anchorage Assembly, and executed by the State of Alaska on or before January 2, 1980, this section shall be of no force and effect.

DOYON REGIONAL CORPORATION LANDS

SEC. 1425. LAND EXCHANGE.—(a) (1) The Secretary is authorized, on the terms and conditions provided in this section and in section 1427, to accept from Doyon, Limited, a Regional Corporation organized pursuant to the Alaska Native Claims Settlement Act, a relinquishment of all selections filed by that corporation under sections 12(c) and 14(h) (8) of such Act which—

(A) lie within the watershed of the Charley River, were withdrawn for selection by Doyon pursuant to section 11(a) (3) of such Act and lie with the following townships:

Fairbanks Meridian

Township 2 north, range 23, 24, 25, and 26 east,

Township 3 north, range 23, 24, 25, and 26 east,

Township 4 north, range 24, 25, and 26 east,

Township 2 south, range 20 east;

(B) lie in the following township outside, but adjacent to, the Charley River watershed:

Fairbanks Meridian

Township 2 north, range 23 east,

Township 2 north, range 24 east, sections 19 through 21, 28 through 33, inclusive;

(C) lie within the following townships inside the Kanuti National Wildlife Refuge:

Fairbanks Meridian

Township 15 north, range 20 west sections 4 through 9, 16 through 18, inclusive,

Township 17 north, range 23 west; and

(D) lie within the following townships along the Yukon River:

Keteel River Meridian

Township 19 south, range 3 west. That portion lying west of the mean high water line of the Yukon River.

Township 20 south, range 3 west. All except the Yukon River and Bullfrog Island.

Township 21 south, range 3 west. That portion of sections 7, 8, and 9 lying south of Honeymoon Slough, and sections 16, 17, and 18.

Township 21 south, range 3 west. Sections 12 and 13 above the mean high water line of the Yukon River, and sections 2, 3, 10, 11, 14, 15, 19 through 23, and 27 through 34 all lying west of the mean high water line of the Yukon River.

(2) Doyon, Limited, shall have ninety days after the date of enactment of this Act to effect the relinquishment of all the land selections described in subsection (a) hereof, and shall not be entitled to any of the benefits of subsections (b), (c), and (d) hereof or of section 1427 of this Act if the relinquishment of all such selections does not occur during that period.

(3) Following the relinquishment by Doyon, Limited, of all the land selections described in subsection (a) hereof, the Secretary shall determine the acreage so relinquished by such measuring techniques, including aerial photography but not ground surveys, upon which he and Doyon may agree.

(b) (1) In exchange for the lands relinquished pursuant to subsection (a) hereof, the Secretary shall convey to Doyon, Limited, pursuant to the provisions of the Alaska Native Claims Settlement Act, subject to valid existing rights and on the terms and conditions hereinafter set forth, such lands as Doyon may select, within one year after the Secretary's acreage determination pursuant to subsection (a) (3) hereof, on an acre-for-acre basis up to the total acreage so relinquished, from the following described lands:

Fairbanks Meridian

Township 35 north, range 7 west, sections 19 through 36.

Township 34 north, range 7 west, sections 1 through 21, and 28 through 33.

Township 29 north, range 13 west, sections 1 through 3, and 9 through 15.

Township 20 north, range 10 west, within the study area delineated in section 1426.

Township 20 north, range 11 west, within the study area delineated in section 1426.

Township 20 north, range 12 west, within the study area delineated in section 1426 and all remaining lands in the township which are outside of the Hodzana River watershed.

Township 21 north, range 10 west, within the study area delineated in section 1426.

Township 21 north, range 11 west, within the study area delineated in section 1426 and all the remaining lands in the township which are outside of the Hodzana River watershed.

Township 21 north, range 12 west, within the study area delineated in section 1426 and all remaining lands in the township which are outside of the Hodzana River watershed.

Township 1 north, range 25 east, sections 13, 14, 15, 21 through 28, and 33 through 36:

Provided, That Doyon may not receive a land conveyance within any of the following watersheds:

(1) Arctic Creek, a tributary of Flume Creek;

(2) Diamond Fork of the Seventy-mile River;

(3) Copper Creek, a tributary of the Charley River.

Township 1 south, range 25 east, sections 1, 2, 3, 10 through 14, 23, 24, and 25: *Provided,* That Doyon may not receive a land conveyance within the watershed of Copper Creek, a tributary of the Charley River.

Township 3 south, range 30 east, sections 20 through 29 and 32 through 36.

Township 4 south, range 28 east, sections 10 through 15, 22 through 28, 33 and 36: *Provided,* That Doyon may not receive a land conveyance any closer than one mile to the mean high water line of the North Fork of the Fortymile River, nor any closer than one-half mile to Champion Creek.

Township 4 south, range 29 east, sections 18 through 22, and 25 through 36: *Provided,* That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek.

Township 4 south, range 30 east, sections 1, 2, 11, 12, 13, 24, 25, and 28 through 36: *Provided,* That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek.

Township 4 south, range 31 east, sections 6, 7, 8, 17 through 20, and 29 through 32: *Provided,* That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek.

Township 5 south, range 30 east, sections 1 through 6, 11, and 12: *Provided,* That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek.

Township 5 south, range 31 east, sections 4 through 9: *Provided,* That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Champion Creek.

Township 5 south, range 25 east, sections 12, 13, and 24: *Provided,* That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of the Middle Fork of the Fortymile River.

Township 5 south, range 26 east, sections 7, 8, and 17 through 20: *Provided,* That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of the Middle Fork of the Fortymile River.

Township 6 south, range 18 east, sections 4 through 9 and 16 through 18.

Township 7 south, range 17 east, sections 12, 13, 24, 25, 26, and 36.

Township 7 south, range 18 east, sections 7, 8, 17 through 20, and 29 through 32.

Township 8 south, range 18 east, sections 1 through 4, 9 through 16, 21 through 28, and 33 through 36.

Township 6 south, range 28 east, sections 31 through 33: *Provided,* That Doyon may not receive a land conveyance any closer than one-half mile to the mean high water line of Hutchison Creek.

Township 7 south, range 28 east, sections 4 through 9, 14 through 23, and 26 through 35.

Township 8 south, range 28 east, sections 2 through 11, and 14 through 18.

Township 7 south, range 21 east, sections 11 through 14, 23 through 26, 35, and 36.

Township 7 south, range 22 east, sections 2 through 11.

Copper River Meridian

Township 27 north, range 6 east, sections 1, 2, 11, and 12.

Township 27 north, range 7 east, sections 1 through 12.

Township 28 north, range 7 east, sections 31 through 36.

Township 28 north, range 6 east, sections 35 and 36.

(2) Unless a waiver of any such requirement is obtained from the Secretary, the lands selected by Doyon pursuant to subsection (b) (1) shall consist of tract which: (a) contain not less than eight sections or five thousand one hundred and twenty acres, whichever is smaller, except for the last tract required to complete Doyon's land entitlement; and (b) have boundaries which follow section lines, except where such boundary is the border of a navigable body of water, with no segment of an exterior line less than two miles in length (except where shorter segments are necessary to follow section lines where township lines are offset along standard parallels caused by the convergence of meridians, to conform to section lines where a section is less than standard size, or to avoid crossing the boundary lines of conservation system units or of lands which are unavoidable for selection). Selections under subsection (b) (1), subsection (c), and section 1426 shall not be subject to or charged against the maximum acreage limitations set forth in paragraph 3B(2) (a) and (b) of the Stipulation and Agreement entered into by Doyon and the Secretary in Doyon, Limited against Morton, civil action numbered 1586–73, in the United States District Court for the District of Columbia.

(3) The lands selected by Doyon, Limited, and conveyed by the Secretary pursuant to subsection (b) hereof shall be treated as if such lands had been withdrawn pursuant to section 11(a) (3) of the Alaska Native Claims Settlement Act and had been selected by Doyon pursuant to section 12(c) of that Act. Failure by Doyon, Limited to select its total land entitlement under subsection (b) (1) shall not affect the corporation's total land entitlement under sections 12(c) and 14 (h) (8) of such act.

(4) Beginning on the date of enactment of this Act, the lands described in subsection (b) (1) hereof shall be withdrawn from all forms of appropriation under the public land laws as if such lands had been withdrawn pursuant to section 11(a) of the Alaska Native Claims Settlement Act. The Secretary is authorized to terminate such withdrawal with respect to lands not selected by Doyon, Limited, either one year after the Secretary's acreage determination pursuant to subsection (a) (3) hereof or, with respect to the lands subject to such release, upon the giving of notice by Doyon to the Secretary that the corporation is releasing its selection rights under this paragraph to all or part of the withdrawn lands, whichever first occurs. Such withdrawal shall not prevent reasonable surface studies or mineral exploration, including core drilling, by Doyon or its assigns on the lands withdrawn, subject to such rules and regulations as the Secretary may prescribe: *Provided,* That the issuance of regulations under this subparagraph, or any permits thereunder, shall not be subject to any requirement for preparation of submission of an evironmental impact statement contained in the National Environmental Policy Act of 1969.

(C) (1) During the withdrawal period specified in subsection (b) (4) hereof, the lands so withdrawn shall also be available for selection by Doyon, Limited, subject to the requirements of subsection (b) (2), in whole or partial satisfaction of its land entitlement under section 14(h) (8) of the Alaska Native Claims Settlement Act, and the period of withdrawal shall be extended with respect to any lands so selected until the date of conveyance pursuant to section 14(e) of such Act. The Secretary shall issue a decision to convey title to the lands selected by Doyon pursuant to this subparagraph, subject to valid existing rights, within one hundred and eighty days after each selection.

(2) At any time after enactment of this Act, but no later than six months after termination of the withdrawal provided in subsection (b) (4) hereof, any or all of the land entitlement of Doyon, Limited, under section 14(h) (8) of the Alaska Native Claims Settlement Act may be satisfied by Doyon's identification of the appropriate acreage within lands withdrawn pursuant to section 11(a) (3) of the Alaska Native Claims Settlement Act, which were selected by Doyon on or before December 18, 1975, under section 12(c) of such Act, and have not been relinquished. Upon identification by Doyon, Limited, under this paragraph, such acreage shall no longer be deemed a section 12(c) selection, shall be charged against Doyon's section 14(h) (8) land entitlement and shall be conveyed by the Secretary to Doyon in accordance with the provisions of the Alaska Native Claims Settlement Act.

(3) In the event Doyon, Limited, effects a relinquishment under subsection (a) hereof, and the provisions of this paragraph thus become operative, the corporation shall not thereafter make selections under section 14 (h) (8) of the Alaska Native Claims Settlement Act on lands which were (a) withdrawn pursuant to section 11(a), but not selected under section 12(c) of such Act and (b) lie within a conservation system unit created or expanded pursuant to this Act: *Provided,* That all Doyon's other selection rights under section 14(h) (8) of the Alaska Native Claims Settlement Act shall not be affected.

HODZANA RIVER AND CIRCLE AREAS

SEC. 1426. (a) (1) Subject to the provisions of subsection 1425 (b) and (c) of this Act, the following described lands, during the period of withdrawal specified in subsection 1425(b) (4), shall be set aside and managed as a study area by the United States Fish and Wildlife Service in cooperation with Doyon, Limited:

Beginning at elevation point 2970 which lies within the northeast one quarter of section 10, township 21 north, range 9 west Fairbanks meridian;

thence westerly following the crest of the ridgeline of which elevation point 2970 is a part through sections 10, 9, 8, 7, and 6 of township 21 north, range 9 west Fairbanks meridian to the true point of beginning which is the intersection of the crest of the ridgeline of which elevation point 2970 is a part with the township line which separates section 6, township 21 north, range 9 west Fairbanks meridian and section 1, township 21 north, range 10 west Fairbanks meridian;

thence from the true point of beginning; westerly following the crest of the ridgeline of which elevation point 2970 is a part through sections 1, 2, 3, 4, 9, 8, 5, 7, and 6 of township 21 north, range 10 west Fairbanks meridian, and through sections 1, 2, and 3 of township 21 north, range 11 west Fairbanks meridian to the intersection of the crest of the aforementioned ridgeline with the crest of the ridgeline which is the watershed boundary between the Hodzana River and west flowing tributaries of the South Fork of the Koyukuk River;

thence southerly and westerly along the crest of this watershed boundary through sections 3, 10, 15, 16, 17, 20, 21, 29, 32, and 31 of township 21 north, range 11 west Fairbanks meridian, section 36 of township 21 north, range 12 west Fairbanks meridian, sections 1, 2, 11, 12, 13, 14, 23, 24, 25, 26, 36, 34, and 35 of township 20 north, range 12 west Fairbanks meridian, and to the northeast one quarter of section 3, township 19 north, range 12 west Fairbanks meridian where the crest of the watershed of the Hodzana River turns in an easterly direction and becomes, first the divide between the watersheds of the Hodzana and Kanuti

Rivers and then the divide between the Hodzana and Dall Rivers;

thence easterly along the crest of this watershed to the peak of Dall Mountain which lies within the southeast one quarter of section 1, township 19 north, range 11 west Fairbanks meridian;

thence northeasterly along the crest of Dall Mountain to the intersection of the crest of Dall Mountain with the line between township 20 north, range 9 west Fairbanks meridian and township 20 north, range 10 west Fairbanks meridian which intersection lies approximately on elevation point 3491, the highest point of Dall Mountain on the eastern line of section 36 township 20 north, range 10 west Fairbanks meridian;

thence north along the township line between townships 20 and 21 north, ranges 9 and 10 west Fairbanks meridian to the true point of beginning at the intersection of the crest of the heretofore described west trending ridgeline and this township line, which point lies between section 6 township 21 north, range 9 west Fairbanks meridian and section 1 township 21 north, range 10 west Fairbanks meridian.

This description is based upon United States Geological Survey Quadrangle Beaver, Alaska, 1956 with minor revisions 1972, on which land lines represent unsurveyed and unmarked locations predetermined by the Bureau of Land Management folios F–2, F–3, F–6, and F–7 Fairbanks meridian, and United States Geological Survey Quadrangle Bettles, Alaska 1956 with minor revisions 1973, on which land lines represent unsurveyed and unmarked locations predetermined by the Bureau of Land Management folios F–3, F–4, F–5, and F–6. The use of these quadrangles and the protracted land lines thereon is for purposes of convenience in describing the lands within the Hodzana River Study Area. The actual area is to be within the above described basin, and should any discrepancy appear upon the ground determination of the location of the watershed boundary, the watershed boundary shall control, not the land lines protracted upon the aforementioned United States Geological Survey Quadrangles.

(2) During the study period herein provided, Doyon, Limited, may, under such reasonable rules and regulations as the Secretary finds necessary to protect the water quality and quantity of the Hodzana River, conduct such investigations within the study area, including core drilling, which will not materially disturb the land surface, as are required to determine the extent of mineralization therein. During the study period, the Fish and Wildlife Service is authorized to undertake such studies of the Hodzana River and its environs as are required to determine the measures to undertake and the regulations necessary to protect and maintain the water quality and quantity of the Hodzana River should lands in its watershed be selected by Doyon, Limited, and the minerals therein be developed. Upon agreement with Doyon, Limited, the Secretary is authorized to extend the study period up to an additional two years; if so, the duration of the withdrawal from appropriation for the lands described in subsection (1) hereof and the time during which Doyon, Limited, may select such lands or identify such lands for conveyance shall be extended for a like period.

(3) The right of Doyon, Limited, to land conveyances within the study area shall be limited to twenty-three thousand forty acres. Any selections or land identifications by the corporation within the study area also shall be subject to the provisions of subsection 1425(b)(2) of this Act unless the results of the study indicate, and Doyon and the Secretary agree, that some or all of such requirements should be waived. Any lands within the study area which adjoin the Yukon Flats National Wildlife Refuge and which are not selected by Doyon, Limited, shall be added to that conservation system unit and administered accordingly.

(4) In the event Doyon receives conveyance in the study area, the corporation shall have those rights of access to the lands involved as are reasonably necessary for the economic operation of such mineral developments. Upon final termination of mining activity, Doyon shall restore any access roads and shall conduct such reasonable reclamation of the mining area as may be agreed upon by Doyon and the Secretary.

(5) The National Environmental Policy Act of 1969 shall not be construed, in whole or in part, as requiring the preparation or submission of an environmental impact statement before the issuance of regulations under this paragraph, or any permit relating to mineral development, the conduct of any investigation in the study area, the conveyance of subsurface interests therein to Doyon or the grant of any easement or right-of-way to the lands involved. The Secretary, however, is authorized to promulgate such regulations as may reasonably be necessary to protect the water quality and quantity, and to prevent substantial adverse environmental degradation, of the Hodzana River. Any such regulations shall be coordinated with, and shall not be more stringent than, the applicable requirements under the Federal Water Pollution Control Act.

(b) In furtherance of the State's entitlement to lands under section 6(b) of the Alaska Statehood Act and regardless of whether such lands lie within the boundaries of a conservation system unit established, designated, redesignated, or expanded by this Act, the United States shall convey to the State of Alaska all right, title and interest of the United States in:

(1) the following lands located south of Circle on the Yukon River:

Fairbanks Meridian

Township 8 north, range 18 east, section 1;

Township 8 north, range 19 east, That portion of sections 1 through 18, inclusive, lying south and west of the mean high water line of the Yukon River;

Township 8 north, range 20 east, That portion of sections 7 and 18 lying west of the mean high water line of the Yukon River;

Township 9 north, range 17 east;

Township 9 north, range 18 east, That portion lying south and west of the mean high water line of the Yukon River;

Township 9 north, range 19 east, That portion lying south and west of the mean high water line of the Yukon River;

(2) Upon relinquishment by Doyon, Limited, of all land selections pursuant to section 1425(a) of this Act, the lands described in subparagraph 1425(a)(1)(D).

DOYON AND FORTYMILE RIVER

SEC. 1427. (a) Subject to the provisions of subsections (b) and (c) of this section, Doyon, Limited, shall have the right within one year after the date of enactment of this Act to identify some or all of the following described lands, previously selected by such corporation, in partial satisfaction of its entitlement under section 12(c) of the Alaska Native Claims Settlement Act:

(i) Lands withdrawn pursuant to section 17(d)(1) and formerly withdrawn pursuant to section 17(d)(2), of the Alaska Native Claims Settlement Act:

Fairbanks Meridian

Township 1 south, range 27 east, sections 24, 25, 34, 35, 36;

Township 1 south, range 28 east, sections 19, 20, 21, 28 through 32;

Township 2 south, range 27 east, sections 1 through 4, 8 through 12, 14 through 17, 19 through 22, 27 through 33;

Township 3 south, range 24 east, sections 20 through 25, 27 through 34;

Township 3 south, range 25 east, sections 2 through 5, 8 through 10, 15 through 22, 27 through 34;

Township 3 south, range 26 east, sections 13, 22 through 28, 31 through 36;

Township 3 south, range 27 east, sections 4 through 8, 17, 18;

Township 3 south, range 28 east, sections 1 through 5, 9 through 11, 14 through 16, 21 through 23, 26, 27;

Township 3 south, range 29 east, sections 11 through 15, 20 through 24, 26 through 34;

Township 4 south, range 25 east, sections 1 through 5, 8 through 17;

Township 4 south, range 26 east, sections 2 through 10, 17, 18;

Township 4 south, range 28 east, sections 1, 2;

Township 4 south, range 29 east, sections 1 through 18;

Township 5 south, range 25 east, sections 1, 4 through 10, 12 through 17, 20 through 24, 28, 29;

Township 5 south, range 26 east, sections 4 through 8, 17 through 19;

Township 6 south, range 23 east, section 34;

Township 6 south, range 25 east, sections 22, 27, 28, 32 through 35;

Township 7 south, range 22 east, sections 23 through 26, 35, 36;

Township 7 south, range 23 east, sections 3 through 9, 17 through 19, 30, 31;

Township 7 south, range 24 east, sections 1, 2, 10 through 16, 21 through 24, 26 through 29, 31 through 34;

Township 7 south, range 25 east, sections 6 through 8, 17 through 21, 28 through 33.

Township 8 south, range 21 east, sections 13, 23 through 28, 33 through 36;

Township 8 south, range 22 east, sections 1 through 4, 8 through 23, 28 through 33;

Copper River Meridian

Township 19 north, range 16 east, sections 3 through 9, 17 through 20;

Township 20 north, range 14 east, sections 1 through 18, 20 through 22;

Township 20 north, range 15 east, sections 2 through 11, 13 through 17, 21 through 28, 32 through 36;

Township 20 north, range 16 east, sections 13, 14, 21 through 29, 31 through 36;

Township 21 north, range 12 east, sections 2 through 10, 17 through 20, 30;

Township 21 north, range 13 east, sections 1 through 5, 10 through 14, 23 and 24.

Township 21 north, range 15 east, sections 30, 31, 32.

Township 22 north, range 12 east, sections 4 through 11, 13 through 27, and 36;

Township 22 north, range 13 east, sections 18 through 21, 26 through 36;

Township 24 north, range 11 east, sections 22 through 27, 34 through 36;

Township 24 north, range 12 east, sections 3 through 33;

Township 24 north, range 13 east, sections 2 through 4, 7 through 11, 14 through 23, 30;

Township 25 north, range 11 east, sections 4 through 10, 14 through 18, 20 through 28, 34 through 36;

Township 25 north, range 12 east, sections 31, 32, 33;

Township 25 north, range 13 east, sections 1 through 3, 9 through 16, 21 through 23, 26 through 28, 32 through 35;

Township 26 north, range 13 east, sections 1 through 3, 12;

Township 26 north, range 14 east, sections 4 through 10, 14 through 18, 20 through 23, 26, 27, 31 through 36;

Township 27 north, range 9 east, sections 1 through 3, 9 through 12, 14 through 16, 20 through 23, 26 through 29, 32 through 34;

Township 27 north, range 10 east, sections 2 through 4, 9 through 11, 14 through 16, 21 through 27, 34 through 36;

Township 27 north, range 13 east, sections 3 through 10, 14 through 17, 21 through 28, 34 through 36;

Township 27 north, range 14 east, sections 30, 31, 32;

Township 28 north, range 9 east, sections 35, 36;

Township 28 north, range 10 east, sections 31 through 35;

(ii) Lands withdrawn pursuant to section 17(d)(2) of the Alaska Native Claims Settlement Act some or all of which may not be included within the boundaries of the Fortymile Wild, Scenic and/or Recreational River.

Fairbanks Meridian

Township 3 south, range 27 east, sections 19 through 36;

Township 3 south, range 28 east, sections 28 through 34;

Township 4 south, range 28 east, sections 3 through 6, 8 through 17, 19 through 33, 36;

Township 4 south, range 29 east, sections 19 through 22, 25 through 36;

Township 4 south, range 30 east, sections 1, 2, 11 through 13, 24, 25, 28 through 36;

Township 4 south, range 31 east, sections 6 through 8, 17 through 20, 29 through 32;

Township 5 south, range 25 east, sections 25 through 27, 33 through 36;

Township 5 south, range 26 east, sections 13 through 15, 20 through 35;

Township 5 south, range 27 east, sections 7 through 24, 29, 30;

Township 5 south, range 28 east, sections 2 through 5, 7 through 10, 15 through 23, 25 through 30, 33 through 36;

Township 5 south, range 29 east, sections 29 through 32;

Township 5 south, range 30 east, sections 1 through 6, 11, 12;

Township 5 south, range 31 east, sections 4 through 9;

Township 5 south, range 32 east, sections 24 through 27, 34 through 36;

Township 5 south, range 33 east, sections 2 through 4, 8 through 11, 14 through 22, 28 through 32;

Township 6 south, range 23 east, sections 2, 3, 10 through 15, 22 through 27, 35, 36;

Township 6 south; range 24 east, sections 13, 14, 17 through 36;

Township 6 south, range 25 east, sections 2 through 5, 7 through 11, 15 through 21, 29, 30.

(b) Doyon, Limited, shall have a right to identify only those lands described in subsection (a) hereof which are not included within a conservation unit pursuant to this Act, and each selection so identified shall be subject to the provisions of subsection 1425 (b)(2) of this Act. The Secretary shall convey title to the land promptly after its identification by Doyon, Limited, subject to valid existing rights.

(c) The provisions of this section shall take effect only upon the execution and filing of a stipulation by Doyon Limited, consenting to the dismissal, with prejudice, of Doyon, Limited, against Andrus, Civil Action No. 78-1148 in the United States district court for the District of Columbia, within sixty days after the effective date of this Act.

KONIAG VILLAGE AND REGIONAL CORPORATION LANDS

SEC. 1428. (a) DEFINITIONS.—As used in this section, the term—

(1) "Afognak Island" means Afognak Island, and Bear, Teck, Hogg, and Murphy Islands, above the line of mean high tide within the exterior boundaries of the Chugach National Forest.

(2) "Deficiency village acreage on the Alaska Peninsula" means the aggregate number of acres of public land to which "Koniag deficiency village corporations" are entitled, under section 14(a) of the Alaska Native Claims Settlement Act, to a conveyance of the surface estate on account of deficiencies in available lands on Kodiak Island, and to which Koniag, Incorporated, is entitled under section 14(f) of that Act to conveyance of the subsurface estate.

(3) "12(b) acreage on the Alaska Peninsula" means the aggregate number of acres of public lands to which "Koniag 12(b) Village Corporations" are entitled, under section 14(a) of the Alaska Native Claims Settlement Act by reason of section 12(b) of that Act, to conveyance of the surface estate and to which Koniag, Incorporated, under section 14(f) of that Act, is entitled to conveyance of the subsurface estate, less the aggregate acreage of 12(b) lands on Kodiak Island as to which Koniag 12(b) Village Corporations will receive conveyances, the latter being estimated to be approximately fifteen thousand acres.

(4) "Koniag Deficiency Village Corporation" means any or all of the following:

Afognak Native Corporation,
Nu-Nachk-Pit, Incorporated,
Ouzinkie Native Corporation,
Leisnoi, Incorporated.

(5) "Koniag 12(b) Village Corporation" means the village corporations listed in subparagraph (4) above, if within sixty days of the effective date of this Act Koniag, Incorporated, by a resolution duly adopted by its Board of Directors, designates them as such as a class, and all of the following: Natives of Akhiok, Incorporated, Old Harbor Native Corporation, Kaguyak, Incorporated, Karluk Native Corporation, and each of the corporations listed in subsection (e)(2) of this section which files a release as provided for in subsection (e)(1) of this section.

(6) "Koniag region" means the geographic area of Koniag, Incorporated, under the Alaska Native Claims Settlement Act.

(7) "Koniag village" means a Native village under the Alaska Native Claims Settlement Act which is within the Koniag region.

(8) "Koniag Village Corporation" means a corporation formed under section 8 of the Alaska Native Claims Settlement Act to represent the Natives of a Koniag village and any village corporation listed in subsection (e)(2) of this section which has filed a release as provided in subsection (e)(1) of this section.

(9) "Koniag 14(h)(8) lands on the Alaska Peninsula" means the aggregate number of acres of public lands to which Koniag, Incorporated Regional Native Corporation is entitled under section 14(h)(8) of the Alaska Native Claims Settlement Act, less the acreage of lands withdrawn for conveyance to that corporation by Public Land Order Numbered 5627 (42 F.R. 63170) and conveyed to that corporation.

(10) Any term defined in subsection 3(e) of the Alaska Native Claims Settlement Act has the meaning as therein defined.

(11) "Alaska Peninsula" means the Alaska Peninsula and all islands adjacent thereto which on or before the date of enactment of this Act were withdrawn pursuant to section 11(a)(3) of the Alaska Native Claims Settlement Act for Koniag Village Corporations and Koniag, Incorporated, including but not limited to Sutwik, Hartman, Terrace, Nakchamik, and West and East Channel Islands, except those islands selected by Koniag, Incorporated, pursuant to section 15 of Public Law 94-204.

(b) CONVEYANCE TO NATIVE CORPORATIONS.—(1) In full satisfaction of (A) the right of Koniag, Incorporated, Regional Native Corporation to conveyance of Koniag 14(h)(8) lands on the Alaska Peninsula under the Alaska Native Claims Settlement Act; (B) the right of each Koniag Deficiency Village Corporation to conveyance under that Act of the surface estate of deficiency village acreage on the Alaska Peninsula; (C) the right of each Koniag 12(b) Village Corporation to conveyance under the Alaska Native Claims Settlement Act of surface estate of 12(b) acreage on the Alaska Peninsula; and (D) the right of Koniag, Incorporated, under the Alaska Native Claims Settlement Act to conveyances of the subsurface estate of the deficiency village acreage on the Alaska Peninsula and of the 12(b) acreage on the Alaska Peninsula; and in lieu of conveyances thereof under this Act, or otherwise, the Secretary of the Interior shall, under the terms and conditions set forth in this section, convey as provided in subsection (c) of this section the surface estate of all of the public lands on Afognak Island except those lands referred to in subparagraphs 2 (A), (B), (C), and (D) of this subsection, and simultaneously therewith, the Secretary shall, under the terms and conditions set forth in this section, convey the subsurface estate of such lands to Koniag, Incorporated.

(2) There are excepted from the conveyances provided for in subparagraph (1) of this subsection:

(A) Selections of the State of Alaska on Afognak Island heretofore made under section 6(a) of the Alaska Statehood Act and described as follows:

Seward Meridian, Alaska

Parcel I

Township 22 south, range 17 west, section 31, southwest quarter;

Township 22 south, range 18, west, section 36, southeast quarter;

Township 23 south, range 17 west, sections 6, west half; 7, west half; 18, west half; 19, west half and southeast quarter; 20, southwest quarter; 29, west half; 30 all;

Township 23 south, range 18, west, sections 1, east half; 12, east half; 13 all; 24 all; 25 all;

Parcel II

Township 22 south, range 17 west, sections 30 all; 31 all;

Township 23 south, range 17 west, section 6, northeast quarter.

(B) Surface estate of lands on Afognak Island to which Afognak Native Corporation, Ouzinkie Native Corporation, and Natives of Kodiak, Incorporated, are entitled pursuant to the Alaska Native Claims Settlement Act and the subsurface estate of such lands.

(C) The lands on Afognak Island referred to in subsection (d) of this section if conveyed as therein provided.

(D) The following described lands:

Seward Meridian, Alaska

Township 20 south, range 20 west, sections 31 through 32 inclusive;

Township 20 south, range 21 west, sections 14 through 16 inclusive, 20 through 23 inclusive, 26 through 29 inclusive, and 31 through 36 inclusive;

Township 20 south, range 22 west, sections 26, 27, and 34 through 36 inclusive;

Township 21 south, range 20 west, sections 4 west half; 5 through 7 inclusive, 8; 17 northwest quarter southwest quarter, 18;

Township 21 south, range 21 west, all;

Township 21 south, range 22 west, sections 1 through 3 inclusive, 11 through 12 inclusive, 24;

Township 22 south, range 21 west, sections 1 north half, 2 through 9 inclusive, 10 north half southwest quarter.

(3) All public lands on the Alaska Peninsula withdrawn pursuant to section 11(a)(3) of the Alaska Native Claims Settlement Act for Koniag Village Corporations and for Koniag, Incorporated, are hereby withdrawn, subject to valid existing rights and Native selection rights under that Act as modified by this Act, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act and shall remain so withdrawn subject to the provisions of section 306 of this Act. Following the filing with the Secretary of the Interior of (A) all resolutions pursuant to subparagraph (4) of this subsection, (B) the joint venture agreement referred to in subsection (c) of this section, and (C) releases by such of the Koniag Village Corporations referred to in subsection (e)(2) of this section as file releases as provided in subsection (e)(1) of this section, and upon the conveyances by the Secretary of the Interior of all public lands on Afognak Island to be conveyed

as provided in subsection (c) of this section, all Native selection rights in and to public lands on the Alaska Peninsula withdrawn under section 11(a)(3) of the Alaska Native Claims Settlement Act for Koniag Village Corporations and for Koniag, Incorporated, shall, except as provided in subsection (g) of this section, be extinguished and all claims thereto arising under this Act or the Alaska Native Claims Settlement Act shall be barred.

(4) As a condition precedent to the conveyances provided for by subparagraph (1) of this subsection, Koniag, Incorporated, each Koniag Deficiency Village Corporation and each Koniag 12(b) Village Corporation, shall file with the Secretary of the Interior resolutions duly adopted by their respective boards of directors accepting the conveyances provided for in this subsection as being in full satisfaction of their respective entitlements to conveyances of Koniag 14(h) (8) lands on the Alaska Peninsula, of deficiency village acreage on the Alaska Peninsula and of 12(b) acreage on the Alaska Peninsula, and Koniag, Incorporated, shall further file with the Secretary of the Interior a resolution duly adopted by its board of directors accepting the provisions of subsection (1) of this section.

(5) The lands on Afognak Island conveyed pursuant to subparagraph (1) of this subsection shall remain open to hunting, fishing, and other recreational use otherwise permitted by applicable law (but without liability on the part of the grantee, except for willful acts, to any user by reason of such use), under and subject to the terms of cooperative-management agreements entered into by Koniag, Incorporated, and other affected Koniag Village Corporations, with the Secretary of the Interior, and such of the State agencies and of the political subdivisions of the State having jurisdiction over any portion of Afognak Island which desire to participate. The Secretary of the Interior is hereby authorized to enter into such agreements. Each agreement shall—

(A) permit the Secretary of the Interior reasonable access to such land to carry out the obligations of the Secretary under the agreement;

(B) permit reasonable access to such land by officers of the State for purposes of conserving fish and wildlife and of other State officers and employees and officers and employees of political subdivisions of the State parties to the agreement to carry out their responsibilities thereunder;

(C) set forth those services which any other party agrees to provide, which services may include technical and other assistance with respect to fire control, trespass control, law enforcement, resource and land use planning, the conserving of fish and wildlife, and the protection, maintenance, and enhancement of any special values of the land subject to the agreement;

(D) set forth such additional terms and conditions as the parties may agree to as being necessary and appropriate to carry out the terms of the agreement; and

(E) specify the effective period of the agreement.

(c) JOINT VENTURE.—The Secretary of the Interior shall convey the surface estate on Afognak Island to be conveyed under subsection (b)(1) of this section to a joint venture providing for the development of the surface estate on Afognak Island to be conveyed under this subsection, consisting of the Koniag Deficiency Village Corporations, the Koniag 12(b) Village Corporations and Koniag, Incorporated (or wholly owned subsidiaries thereof), in which (1) the share of the Koniag Deficiency Village Corporations as a class in the costs and revenues of such joint venture is determined on the basis of a fraction, the numerator of which is the deficiency village acreage on the Alaska Peninsula and the denominator is the sum of the deficiency village acreage on the Alaska Peninsula plus the 12(b) acreage on the Alaska Peninsula plus the Koniag 14(h) acreage on the Alaska Peninsula, which fraction shall be multiplied by the number of acres on Afognak Island to be conveyed by reason of subparagrap (b)(1) of this subsection; (2) the share of the Koniag 12(b) Village Corporations as a class is determined on the basis of a fraction, the numerator of which is the 12(b) acreage on the Alaska Peninsula and the denominator of which is the denominator referred to in (1) above, which fraction shall be multiplied by the number of acres on Afognak Island referred to in (1) above; and (3) the share of Koniag, Incorporated, is determined on the basis of a fraction, the numerator of which is the Koniag 14(h) acreage on the Alaska Peninsula and the denominator of which is the denominator referred to in (1) above which fraction shall be multiplied by the number of acres on Afognak Island referred to in (1) above. In such joint venture, each Koniag Deficiency Village Corporation, shall participate in the share of the Koniag Deficiency Village Corporations as a class in the ratio that the entitlement of each to deficiency village acreage on the Alaska Peninsula bears to the total deficiency village acreage on the Alaska Peninsula and each Koniag 12(b) Village Corporation shall participate in the share of the Koniag 12(b) Village Corporation as a class in the ratio that the number of Natives enrolled under the Alaska Native Claims Settlement Act to the village porations as a class in the ratio that the number of Natives enrolled to all villages represented by Koniag 12(b) Village Corporations. The conveyance shall be made as soon as practicable after there has been filed with the Secretary of the Interior a duly executed joint venture agreement with provisions for sharing of and entitlements in costs and revenues of such venture as provided in this subsection. The conveyance shall not indicate the respective interests of each of the corporations in the surface estate conveyed but such interests shall be as provided in this subsection which shall be incorporated by reference into the conveyance. The subsurface estate in the foregoing lands shall be conveyed simultaneously to Koniag, Incorporated. Neither the joint venture, any Koniag Village Corporation having an interest in the joint venture or the lands conveyed thereto, nor Koniag, Incorporated, shall take or permit any action which may be inimical to bear denning activities on the Tonki Cape Peninsula.

(d) OUZINKIE LANDS.—In the event the Ouzinikie Native Corporation and Koniag, Incorporated, within ninety days after the effective date of this Act; enter into an agreement to convey to the Kodiak Island Borough their respective rights, titles, and interests in and to the surface and subsurface estate respectively in the following described land:

Seward Meridian, Alaska

Township 27 south, range 20 west,
Sections 9 through 12 inclusive, all;
Sections 13, north half, excluding Monashka Bay; southwest quarter; north half southeast quarter, excluding Monashka Bay; southwest quarter southeast quarter;
Sections 14, 15, and 16, all;
Sections 21 and 22, all;
Section 23, north half, north half southwest quarter, southwest quarter southwest quarter, northwest quarter southeast quarter;
Section 24, north half northwest quarter;
Section 27, north half, southwest quarter, west half southeast quarter;

the Secretary of the Interior shall convey to Ouzinkie Native Corporation the surface estate and to Koniag, Incorporated, the subsurface estate in the following described land on Afognak Island:

Seward Meridian, Alaska

Township 22 south, range 19 west,
Sections 6, 7, 15, all;
Section 18, west half;
Sections 19, 22, 28, all;
Sections 31 through 35 inclusive, all;
Section 36, south half.

The agreement between Kodiak Island Borough, Ouzinkie Native Corporation and Koniag, Incorporated, may contain the provisions agreed to by the parties including, but not limited, to easements across the lands to be conveyed to the Kodiak Island Borough.

(e) RELEASES.—(1) Each village listed in paragraph (2) of this subsection which, through the Koniag Village Corporation listed alongside it, files with the Secretary of the Interior, within sixty days from the effective date of this Act, a release duly authorized by its board of directors releasing, in consideration of the benefits provided for in this section, the United States, its officers, employees, and agents from all claims of the village and the village corporation to lands and interests therein arising under the Alaska Native Claims Settlement Act or compensation in any form therefor (except as provided in paragraph (3) of this subsection) along with a release by Koniag, Incorporated, duly authorized by its board of directors, releasing the United States, its officers, employees, and agents, from Koniag's claims to subsurface estate under the Alaska Native Claims settlement Act arising out of the claims of such village or compensation in any form therefor (except as provided in paragraph (3) of this subsection) shall be deemed an eligible village under the Alaska Native Claims Settlement Act. This section shall be inoperative as to any such village which does not file such a release but shall be operative as to each of such villages which files such a release.

(2) The villages and Koniag village corporations referred to in the foregoing paragraph are:

Anton Larsen Bay.
Bells Flats.
Uganik.
Litnik.
Anton Larsen, Incorporated.
Bells Flats Natives, Incorporated.
Uganik Natives, Incorporated.
Litnik, Incorporated.
Port William.
Ayakulik.
Uyak.
Shuyak, Incorporated.
Ayakulik, Incorporated.
Uyak Natives, Incorporated.

(a) When Uyak Natives, Incorporated, Uganik Natives, incorporated, or Ayakulik, Incorporated (and Koniag, Incorporated, in respect of such corporations) executes a release as provided for in paragraph (1) of this subsection, the Secretary of the Interior shall convey to each village corporation executing such release the surface estate of the one square mile of land excluded from the Kodiak Island National Wildlife Refuge by Public Land Order No. 1634 an account of the village it represents. The Secretary of the Interior shall by reason of conveyance of surface estate to a village corporation under this paragraph (3) convey to Koniag, Incorporated, the subsurface estate in such lands.

(4)(A) There shall vest in the Native village corporation representing each village that files a release as provided for in paragraph (1) of this subsection the right to all revenues received by Koniag, Incorporated, from the Alaska Native Fund which would have been distributed to it by Koniag, Incorporated, under subsections (j) and (k) of section 7 of the Alaska Native Claims Settlement Act (Subject to subsection (1) of section 7 of that Act) had such village been determined to be eligible at the time of such distributions, less amounts heretofore paid by Koniag, Incorporated, under subsection (m) of section 7 of that Act to stockholders of such corporations as members of the class of at-large stockholders of Koniag, Incorporated.

(B) Each corporation representing a village that files a release as provided for in subsection (e)(1) of this section shall, on and after the date of enactment of this Act, be eligible—

(i) to share pro rata with all other Koniag Village Corporations in distributions of funds to village corporations made by Koniag, Incorporated, out of funds received on and after such date by Koniag, Incorporated, from the Alaska Native Fund or from any other source; and

(ii) for all other rights and privileges (except those claims to lands and interests therein arising under the Alaska Native Claims Settlement Act or to compensation which are the subject of such a release) to which Alaska Native village corporations are entitled under any applicable laws, except as limited by this subsection.

Nothing in this paragraph shall prohibit Koniag, Incorporated, from withholding out of funds otherwise due a village corporation that files a release as provided for in subsection (e)(1) of this section, such sums as may be required to reimburse Koniag, Incorporated, for an equitable portion of expenses incurred by Koniag, Incorporated, in connection with or arising out of the defense of or assertion of the eligibility of the village represented by such corporation for benefits under the Alaska Native Claims Settlement Act, including costs incident to land selection therefor.

(f) Conditions.—All conveyances made by reason of this section shall be subject to the terms and conditions of the Alaska Native Claims Settlement Act as if such conveyances (including patents) had been made or issued pursuant to that Act.

(g) Limitations.—Nothing in this section shall be deemed to affect (1) section 15 of the Act of January 2, 1976 (Public Law 94–204) as amended by section 812(b) of this Act; (2) the right, subject to subsection (1) of this section, of Koniag, Incorporated, to in lieu subsurface estate on the Alaska Peninsula under sections 12(a)(1) and 14(f) of the Alaska Native Claims Settlement Act, less the acreage of such in lieu subsurface estate conveyed to Koniag, Incorporated, under the provisions of law referred to in paragraph (1) of this subsection; or (3) the right under the Alaska Native Claims Settlement Act of Koniag, Incorporated, subject to subsection (1) of this section to subsurface estate in and to the following described land:

Seward Meridian, Alaska

Township 37 south, range 48 west,
Section 9,
Sections 15 through 17 inclusive,
Sections 20 through 22 inclusive,
Sections 28, 33;
Township 37 south, range 49 west,
Sections 21 through 23 inclusive,
Sections 26 through 28 inclusive,
Sections 33 through 35 inclusive;
Township 38 south, range 48 west,
Sections 4 through 9 inclusive;
Township 38 south, range 49 west,
Sections 1 through 4 inclusive,
Sections 6 through 23 inclusive,
Sections 26 through 34 inclusive;
Township 38 south, range 50 west,
Sections 1 through 3, inclusive,
Sections 10 through 12 inclusive,
Sections 13 through 15 inclusive,
Sections 22 through 26 inclusive,
Sections 35, 36;
Township 39 south, range 49 west,
Sections 3 through 7 inclusive,
Sections 9 through 10 inclusive,
Sections 18, 19, 30;
Township 38 south, range 50 west,
Sections 1, 2, 7, 8, 12, 13,
Sections 15 through 18 inclusive,
Sections 20 through 22 inclusive,
Sections 24 through 27 inclusive,
Section 35.

(h) Withdrawal.—All public lands on Afognak Island, other than those lands referred to in subsections (b)(2)(A) and (B) of this section are hereby withdrawn, subject to valid existing rights, from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act as amended, and shall remain so withdrawn until and unless conveyed pursuant to this Act. Any such lands not conveyed under this section except those lands described in subsection (b)(2)(D) may be operated by the Secretary of the Interior to the extent he deems appropriate.

(i) Access, Etc.—As additional consideration for the relinquishment by Koniag Village Corporations of rights to surface estate on the Alaska Peninsula and by Koniag, Incorporated, of rights to surface and subsurface estate thereon as provided in subsection (b)(4) of this section, Koniag, Incorporated, shall, solely for purposes of prospecting for, extraction and removal of subsurface resources retained by it under subsection (1) of this section on the Alaska Peninsula, have the same rights of access and use of surface estate, after consultation with the surface owner, as are now provided for in 50 CFR 29.32.

(j) Allocations.—The acreage to be allocated to Koniag, Incorporated, under section 12(b) of the Alaska Native Claims Settlement Act shall be determined as though each village listed in subparagraph (e)(2) of this section had selected 69,120 acres under section 12(a) of the Alaska Native Claims Settlement Act. Acreages allotted to other regional corporations under section 12(b) of the Alaska Native Claims Settlement Act shall be determined on the basis of the acreages actually conveyed to such villages under this section or the Alaska Native Claims Settlement Act.

(k) Timber Resources.—Koniag, Incorporated's interest in the timber resources of the joint venture referred to in subsection (c) of this section, determined as therein provided, shall for purposes of section 7(i) of the Alaska Native Claims Settlement Act be deemed to be Koniag's timber resources. Koniag, Incorporated, shall be entitled to deduct from its share of proceeds therefrom any and all expenses of the kind and nature which regional corporations are entitled to deduct from revenues from timber resources prior to the distributions required by said section 7(i).

(l) Minerals.—In conveying subsurface estate to Koniag, Incorporated, on the Alaska Peninsula, whether under subsection (g)(3) of this Act or as in lieu subsurface estate as provided in section 12(a)(1) and 14(f) of the Alaska Native Claims Settlement Act, the Secretary of the Interior shall retain all minerals other than oil and gas and sand and gravel used in connection with prospecting for, extracting, storing, or removing oil and gas: *Provided*, That removal of oil and gas and sand and gravel shall, after consultation with the surface owner, be accomplished as on the date of enactment of this Act was provided in 50 CFR section 29.32: *Provided further*, That should it be judicially and finally determined that sand and gravel are not, under the Alaska Native Claims Settlement Act, a part of the subsurface estate appertaining to regional corporations, the Secretary shall make available to Koniag, Incorporated, its successors and assigns, at fair market value such sand and gravel as is reasonably necessary for prospecting for, extracting, storage or removal of oil and gas. Koniag, Incorporated, may in its discretion enter into agreements with the owner of the surface estate in such lands for the conveyance of the subsurface estate to the surface owner without compensation, but this provision shall not be construed to require such conveyances without Koniag, Incorporated's agreement.

(m) Maritime Refuge.—All public lands, including submerged lands, adjacent to and seaward of Afognak Island from the line of mean high tide to the exterior boundary of the former "Afognak Forest and Fish Culture Reserve," part of the existing Chugach National Forest, as reserved by proclamation dated December 24, 1892, and as shown on the diagram forming a part of the proclamation dated February 23, 1909, are hereby included within the Alaska Maritime National Wildlife Refuge and the lands described in subdivision (D) of subsection (b)(2) of this section are hereby included within the Kodiak National Wildlife Refuge: *Provided*, That notwithstanding the inclusion of Delphin and Discoverer Islands in the Alaska Maritime National Wildlife Refuge, the joint venture provided for in subsection (c) of this section shall be entitled to and there shall be conveyed to the joint venture in the conveyance provided for in subsection (c) hereof, the right to timber resources on such islands: *Provided*, That management and harvest of such timber resources shall be only in accordance with management plans jointly developed by the joint venture and the Secretary of the Interior.

(n) Limitation.—Section 910 of this Act shall not apply to Koniag, Incorporated or to any Koniag Village Corporation.

(o) Timber Contracts, Etc.—Nothing in this section shall abrogate any existing Forest Service timber contract on Afognak Island or revoke existing cabin leases on Afognak Island.

PRIBILOF ISLANDS ACQUISITION AUTHORITY

Sec. 1429. (a) Findings.—Congress finds and declares that—

(1) certain cliff areas on Saint Paul Island and Saint George Island of the Pribilof Islands group in the Bering Sea and the entirety of Otter Island, Walrus Island, and the Sea Lion Rocks, are used by numerous species of migratory birds, several of them unique, as rookeries;

(2) these areas are of singularly high value for such birds;

(3) these cliff areas, from the line of mean high tide to and including the bluff and areas inland from them, and the entirety of Otter Island, Walrus Island, and the Sea Lion Rocks, properly ought to be made and be managed as a part or parts of the Alaska Maritime National Wildlife Refuge free of any claims of Native Corporation ownership;

(4) this can best be accomplished through purchase for cash by the United States;

(5) the implementation of the Alaska Native Claims Settlement Act and the remoteness of the Pribilof Islands have combined to prevent adequate definition of the precise boundaries of the bird cliff areas and agreement on prices per acre at this time, but that definition and agreement thereon is an achievable goal;

(6) the two Native Village Corporations, Tanadgusix, Incorporated, and Tanaq, Incorporated, and the Secretary believe that mutually acceptable terms can be reached as to price and areas to be transferred free of native corporation ownership to the Alaska Maritime National Wildlife Refuge; and

(7) the two Native Villege Corporations have no objection to any cliff areas acquired under this section being studied for and designated as components of the National Wilderness Preservation System, so long as such study or designation shall not preclude development of boat harbors on Saint Paul or Saint George Islands outside any area so studied or designated.

(b) Negotiations.—In the event that Tanadgusix, Incorporated, and Tanaq, Incorporated, file with the Secretary of the Interior within one hundred and twenty days from the effective date of this Act, instruments duly authorized by their boards of directors, acceding to the terms of this section, then the Secretary is hereby directed to negotiate, and authorized to establish within two years from the date of this Act, the boundaries and prices. Upon proffer by the Village Corporations of satisfactory deeds to such land, together with a conveyance to the United States by the Aleut Regional Corporation, Incorporated, duly authorized by its Board of Directors, of the Corporation's interest in, or claims under the Alaska Native Claims Settlement Act to, the subsurface estate of such land, the Secretary shall accept such deeds and the land shall thereupon be included in the Alaska Maritime National Wildlife Refuge.

(c) Directions to Secretary.—In conducting such negotiations, the Secretary shall be directed as follows:

(1) The total area of land acquired shall be not more than ten thousand acres and not less than six thousand acres: *Provided*, That the Secretary shall not acquire more uplands, inland from the Bird Cliffs on Saint Paul and Saint George Islands than that equal to an overall average of one hundred sixty acres per mile of mean high tide line or a line drawn along the top edge of the cliffs, whichever is longer.

(2) The total price for such land shall be the fair value on the date of this Act as determined by any method, or preferably any number of methods, appropriate for valuing this unique habitat, as may be agreed upon by the Secretary and the concerned Native village corporations: *Provided*, That the average price shall not be less than $200 per acre nor more than $1,100 per acre.

(d) The Native Village Corporations may, with respect to any Bird Cliff area and for a corresponding reduction in consideration therefor, reserve in the deeds for such area, and the Secretary may accept such deeds, the right to prevent or control any development which by itself, or in conjunction with other factors, may be inimical to values of importance to them.

(e) Refuge.—All lands acquired under this section shall be incorporated within the Alaska Maritime National Wildlife Refuge and administered accordingly

(f) Authorization.—There are hereby authorized to be appropriated for the purposes of this section, out of any money in the Treasury not otherwise appropriated, for the acquisition of such lands, not to exceed $11,000,000, to remain available until expended, and without regard to fiscal year limitation.

(g) Exchanges.—Nothing in this section shall prohibit the Secretary in his discretion from exercising the authority now vested in him by section 22(f) of the Alaska Native Claims Settlement Act to offer in addition to or in lieu of the terms of this agreement, lands or interests therein for exchange, where the Secretary and the concerned Native Village Corporations may agree to substitute such an exchange in whole or in part for the provisions of this section.

(h) Taxes.—The land or money under this section shall be deemed to be property exchanged within the meaning of section 21(c) of the Alaska Native Claims Settlement Act.

(i) Extension.—If the Village Corporations, or either of them, have not obtained the conveyance from the Aleut Regional Corporation referred to in subsection (b) above upon expiration of two years from the date of this Act the provisions of this section shall be extended for two years to permit the Secretary to negotiate for and acquire the interests of the two Village Corporations, or either of them, in such lands, without such conveyance.

NANA AND COOK INLET REGIONAL CORPORATIONS LANDS

Sec. 1430. (a) The following lands are hereby withdrawn for selection pursuant to the provisions of section 14(h)(8) of the Alaska Native Claims Settlement Act and this section:

Kateel River Meridian

Township 32 north, range 18 west, sections 3 through 10, 13 through 36, except those lands within the Kelley River drainage;

Township 32 north, range 17 west, sections 29 through 32, except those lands within the Kelley River drainage;

Township 31 north, range 18 west;

Township 31 north, range 17 west, sections 5 through 8, except those lands within the Kelley River drainage, 17 through 20, 29 through 32;

Township 30 north, range 19 west, sections 1 through 18;

Township 30 north, range 18 west, sections 1 through 9;

Township 30 north, range 17 west, section 6.

(b)(1) On or prior to one hundred eighty days from the date of enactment of this Act, NANA Regional Corporation, Incorporated, may select, pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act, from the lands withdrawn pursuant to subsection (a). In addition, on or prior to such date, Cook Inlet Region, Incorporated, if it receives the written consent of NANA Regional Corporation, Incorporated, and of the State of Alaska, may select from such lands, such selections to be credited against the Secretary's obligation under paragraph I(C)(1) of the document entitled, "Terms and Conditions for Land Consolidation and Management in the Cook Inlet Area as Clarified August 31, 1976", and any such selections conveyed shall be conveyed in partial satisfaction of the entitlement of Cook Inlet Region, Incorporated, under section 12 of Public Law 94–204, as amended.

(2) The lands selected by NANA Regional Corporation, Incorporated, or Cook Inlet Region, Incorporated, unless otherwise provided in a waiver of this paragraph (b)(2) by the Secretary, shall consist of tracts which—

(A) contain not less than eight sections or 5,120 acres, whichever is less; and

(B) have boundaries which follow section lines, except where such boundary is the border of a meanderable body of water, with no segment of an exterior line less than two miles in length (except where shorter segments are necessary (1) to follow section lines where township lines are offset along standard parallels caused by the convergence of meridians, (2) to conform to section lines where a section is less than standard size, or (3) to avoid crossing the boundary lines of conservation system units created by this Act, or of lands which are unavailable for selection).

(c) The Secretary shall convey the surface and subsurface estate of the acreage selected pursuant to subsection (b). Conveyances pursuant to this section shall be subject to valid existing rights and the provisions of the Alaska Native Claims Settlement Act.

(d) Nothing in this section shall be deemed to increase or decrease the acreage entitlement of either NANA Regional Corporation, Incorporated, or Cook Inlet Region, Incorporated under any section of the Alaska Native Claims Settlement Act.

(e) Any lands withdrawn under subsection (a) and not selected by either NANA Regional Corporation, Incorporated or Cook Inlet Region, Incorporated, shall return to the public domain subject to any prior withdrawals made by the Secretary pursuant to subsection 17(d)(1) of the Alaska Native Claims Settlement Act and the provisions of Section 806(k) of this Act.

(f) Nothing in this section shall be construed as granting or denying to any Regional Corporation, including NANA Regional Corporation, Incorporated, or Cook Inlet Region, Incorporated, the right to select land pursuant to section 14(h)(8) of the Alaska Native Claims Settlement Act outside the areas withdrawn by sections 11 and 16 of such Act.

By Mr. SANTINI:

—Section 103, page 292, line 14, add the following subsection:

(21) The term "valid existing right" with reference to a mining claim means where it is established that a miner has performed sufficient work to discover the presence of valuable minerals within the meaning of the general mining laws (30 U.S.C. et seq.) as amended, and it is found that said miner has located adjoining claims which by geologic inference and other evidence filed with the Bureau of Land Management establish that the disclosure of valuable minerals on one claim runs throughout adjoining claims, and such adjoining claims were properly located and being maintained within the meaning of the general mining laws (30 U.S.C. et seq.), as amended as of November 15, 1978, the locator or his assigns may continue to diligently prosecute his mining operations on all such claims to discovery provided, however, discovery on such adjoining claims is proved within 5 years.

—Following subsection (c) of section 816, insert the following new subsection (d):

(d) Report.—On or before October 1, 1981, the President shall submit to the Congress a proposal for the establishment of a procedure for evaluating applications by individuals wishing to carry out mineral exploration or extraction on those lands within the boundaries of the various conservation system units in Alaska. Such proposal shall provide for the approval of applications only in those cases where the applicant is able to demonstrate that such exploration or extraction would be in the best interests of the United States. The proposal shall include provisions which will insure that any such operations shall be carried out, to the maximum extent feasible, in a manner not inconsistent with the purposes for which the affected units were established. Upon submission of such a recommendation, the President shall also transmit to the Congress all pertinent public information relating to the mineral resources in Alaska gathered by the Bureau of Mines and any other Federal agency which may have such information. Such a report shall include, but not be limited to, information gathered as a result of the studies and assessment programs required by this section.

(d) Report.—On or before October 1, 1981, the President shall submit to the Congress a proposal for the establishment of a procedure for evaluating applications by individuals wishing to carry out mineral exploration or extraction on those lands within the boundaries of the various conservation system units in Alaska. Such proposal shall provide for the approval of applications only in those cases where the applicant is able to demonstrate that such exploration or extraction would be in the best interests of the United States. The proposal shall include provisions which will insure that any such operations shall be carried out, to the maximum extent feasible, in a manner not inconsistent with the purposes for which the affected units were established. Upon submission of such a recommendation, the President shall also transmit to the Congress all pertinent public information relating to the mineral resources in Alaska gathered by the Bureau of Mines and any other Federal agency which may have such information. Such a report shall include, but not be limited to, information gathered as a result of the studies and assessment programs required by this section.

EXTENSIONS OF REMARKS

GROWING SUPPORT FOR THE BREAUX/DINGELL SUBSTITUTE

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 2, 1979

• Mr. DINGELL. Mr. Speaker, the Breaux-Dingell substitute to H.R. 39 is receiving more support from conservation and sportsmens' organizations on a daily basis. I have recently received telegrams of support from the Virginia Chapter of the National Campers and Hikers Association, Game Conservation International, the California Wildlife Federation, the South Dakota Department of Game, Fish, and Parks, the Arizona Wildlife Federation, and individuals.

I am inserting this correspondence for the interest of my colleagues:

Representative JOHN DINGELL,

Virginia Membership National Campers and Hikers Association unanimously supports Dingell/Breaux amendment to H.R. 39.

G. L. HAZELWOOD, Jr.,
State Legislative Director.

Congressman JOHN DINGELL,
Rayburn Building, Washington, D.C.

The Izaak Walton League Anchorage Chapter and the Sportsman Game Preservation Association have voted to support the Breaux/Dingell bill over the other two bills.

DALE BONDURANT,
President.

SACRAMENTO, CALIF.

Congressman JOHN D. DINGELL,
House of Representatives,
Washington, D.C.:

We support the Breaux-Dingell version of the lands bill. It's the best of the choices offered thus far. Have sent wires to Dannemeyer, Coelho, Fazio and Carlos Moorhead.

KEITH GAFFANEY,
California Wildlife Federation.

PIERRE, S. DAK., *April 27, 1979.*

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PRESSLER: The South Dakota Game, Fish and Parks Commission urges your support of the "Breaux-Dingell" version of Alaska Lands Bill, H.R. 39. We view this version of Alaska Lands Bill as being the best solution offered to date to assure states rights and the rights to hunting, fishing and trapping on public land. The Breaux-Dingell version provides protection with balanced use for more land and gives greater recognition to the authorities of the State of Alaska for management of fish and resident wildlife than does the "Udall" or "Huckaby" versions of H.R. 39.

More land is proposed for refuges and less land is proposed for parks and preserves in the Breaux-Dingell version. Also, the bill allows for some oil exploration and development along the northern edge of the Arctic Wildlife Range, only after wildlife studies are completed. This version provides for the wisest use of renewable resources and good stewardship of energy resources.

This Commission reaffirms the states sovereign rights to manage and protect the fish and resident wildlife occupying all lands found within their borders. The Alaska Department of Game and Fish has a fine record of confidently and competently performing their responsibilities and has provided outstanding recreation to sportsmen of other states, including South Dakota. Please support their viewpoints and our own state's interest to best manage wildlife on public lands.

Your immediate attention to this matter will be greatly appreciated.

Sincerely,

HARVEY THAYER,
Chairman, Game, Fish,
and Parks Commission.

Representative JOHN DINGELL:

Game Conservation International supports the Breaux-Dingell Alaska lands bill and wish you every success in your efforts.

BOB HOLLERON,
Executive Director.

Congressman JOHN DINGELL:

The Arizona Wildlife Federation strongly supports the Breaux-Dingell version of H.R. 39.

GARY LAMONICA,
President, Arizona Wildlife Federation.

Congressman JOHN DINGELL:
House of Representatives,
Washington, D.C.:

I am a member of the Izaak Walton League of America. The national officers have gone on record in support of the Udall version of H.R. 39 Alaska lands bill. This telegram is to let you know I do not support the Udall version of H.R. 39. I do support the Breaux-Dingell amendment of H.R. 39. Keep up the good work and best wishes on the success of your amendment this Thursday.

STEVEN W. DONNELL.•

CINCO DE MAYO

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

• Mr. DANIELSON. Mr. Speaker, on Saturday, May 5, 1979, we celebrate Cinco de Mayo, in honor of the valiant battle at Puebla, Mexico, 117 years ago, fought by Mexican patriots imbued with an intense love of freedom.

So spectacular was the victory of Cinco de Mayo by Gen. Ignacio Zaragoza and his greatly outnumbered troops that the event is remembered and revered as a holiday in Mexico, in the United States, and throughout the world.

By defeating Napoleon's vaunted army despite the duel adversities of outnumbered troops and weapons, the Mexican soldiers demonstrated what true courage can achieve, how true patriotism can inspire, and what the human will and spirit is capable of under seemingly hopeless circumstances.

Mr. Speaker, in my 30th Congressional District, I am proud and privileged to represent, as I have for many years, a substantial number of persons of Mexican heritage. Theirs is a great, a proud and enriching culture and is one which all of us can do well to learn more about and appreciate. I know them so well, as over the years I have fought for their rights and needs. They are achievers who strive toward and reach excellence, as demonstrated by the great and growing numbers who are prominent in business, in the professions, the arts, in community and civic work, and throughout all walks of American life. I only wish the media would make an honest effort to show our magnificent Hispanic population as they really are.

On this great holiday of Cinco de Mayo, many commemorative events have been planned throughout the 30th Congressional District. There will be fiestas, parades, celebrations, programs, educational studies, and self-help demonstrations in the cities of La Puente, El Monte, Rosemead, Pico Rivera, South El Monte, Montebello, Commerce, and at East Los Angeles College in Monterey Park.

Mr. Speaker, I ask that you and my colleagues join me in saluting this 117th anniversary of Cinco de Mayo, and in wishing a successful celebration to the planners and participants of these community programs.•

IN THE CASE OF THE YAKIR FAMILY WHO ARE DETAINED IN THE U.S.S.R.

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

• Mr. GRADISON. Mr. Speaker, I am pleased to speak today as part of the "shatter the silence vigil" on behalf of the Yakir family in Moscow. Yevgeny and Reema Yakir and their son Alexander first applied to emigrate from the Soviet Union in 1973. They were refused on the basis of Yevgeny's secret classification as a mechanical engineer, although his job was entirely routine. He was promptly fired from his job; now he provides for his family with the pittance he receives from technical translations.

In 1976, Alexander reluctantly applied for a visa for himself. He did not wish to leave his parents behind, but the family decided it was best for him to apply alone. His fiancee was in Israel; at least the two of them could live in freedom. However, the Soviets refused to grant him an exit visa on the incredible grounds that "the U.S.S.R. does not split families." Despite his attempts to emigrate, Alexander has been called to serve the army. If his recruitment is finalized, he will have to wait at least 7 years before his application to emigrate will even be considered seriously by Soviet authorities. Thus far, Alexander has steadfastly refused to answer to the draft. Since he has not gone into hiding, he has openly risked prosecution for draft evasion and imprisonment.

I first learned of the Yakir family's plight in 1977 when a number of constituents concerned for them contacted me. Since then, I have met with constituents and friends who have followed the Yakirs' troubles. One family from my home area visited the Yakirs while traveling in the Soviet Union last summer. After hearing so much about them, I wished that I could meet them.

While in Moscow with a congressional delegation in April, I realized my wish when I dined at the Yakir home. Despite just learning that their application to emigrate had once again been rejected, the Yakirs were in good spirits. Yevgeny Yakir is a fascinating man whose delightful humor and warm welcome made our evening together very pleasant. The setbacks he has faced have been disheartening; however, he has not lost hope. He is certain that one day he, Reema, and Alexander will be permitted to emigrate. He sincerely wishes to live in Israel. May he realize his wish.●

HONEST JOHN

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. COLLINS of Texas. Mr. Speaker, we have found an honest man and he lives in New Castle, Pa. His name is John D. Guido, Jr. I always learn something when I read the sports page of the Dallas Times Herald. I have just learned about good Samaritan John D. Guido, Jr.

Last year Mrs. Gynne Manson of Dallas went to the Orange Bowl to see the Cowboys and the Steelers. As she was leaving the game, her treasured charm bracelet fell from her wrist. The bracelet had a tremendous sentimental value, but she resigned herself to the fact she would never see it again. John Guido found the bracelet as he was leaving the stadium. Among the items on the bracelet was Mrs. Manson's 1941 North Texas State class ring. Guido wrote to North Texas which contacted Mrs. Manson who is now a physical education teacher at Highland Park High School. She called Guido and he mailed the ring to her.

Mrs. Manson went on to say Guido positively would not accept a reward.

This was so refreshing. I am proud to see someone who appreciates honesty for honesty's own sake. It seems as though every week I am reading about someone who found something and then was wondering whether they would receive an adequate reward. If it does not belong to him, an honest man immediately wants to find the rightful owner and be a good neighbor. Guido did not want a reward, not even a penny.

Pittsburgh won the super bowl but Pennsylvania has two great winners. They have the Steelers and they have John D. Guido, Jr.●

WILDERNESS IS ALASKA'S HIGHEST NATURAL RESOURCE

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. FLORIO. Mr. Speaker, the House of Representatives will soon be considering an issue of great importance to the American people—the Alaska National Interest Lands Conservation Act. As we study the various proposals being advanced, one version clearly stands out above all others. The Udall-Anderson substitute for H.R. 39 is the only proposal that will provide real protection for the magnificent wildlands and wildlife of our country's last frontier State, while at the same time providing for our Nation's economic resource needs.

My constituents, and people from all over the country, clearly desire a strong, sound Alaska lands preservation bill. I intend to acknowledge this by fully supporting the Udall-Anderson substitute—a bill with many benefits for all Americans—when it comes to the floor for a vote.

Opponents of a potent Alaska lands preservation bill, including the energy and mining industries, have designed an unprecedented campaign to defeat the Udall-Anderson substitute. As a result, many of the more volatile issues have received some questionable and opinionated analysis. I wish to expose three particularly mischievous myths that have floated into the discussion.

First, there is an obvious effort to whip up opposition to this well-balanced compromise bill, by claiming that this legislation would block access to oil and gas reserves. This claim is completely misguided. A great effort was undertaken in drawing the conservation system unit boundaries to exclude all areas with high economic value, including energy mineral reserves. The fact is, that under the Udall-Anderson substitute, 95 percent of Alaskan land considered as "favorable" or "high potential" for oil and gas development is either not included in the conservation system units, or is in refuges where development could still be undertaken.

Second, claims are being made that this legislation will block access to hardrock minerals. Again, the conservation system boundaries were drawn to exclude those areas with mineral deposits. The fact is that under the Udall-Anderson substitute, almost two-thirds of the Alaskan land with mineral potential would be open to mineral development. All of the Alaskan land, even the parks, would be subject to a special geological assessment to determine the location and extent of Alaska's hardrock mineral deposits.

Third, opponents are trying to convince Americans that sport hunting would be prohibited across a huge swath of Alaska. Of all the land in Alaska, fully 90 percent is unaffected by the Udall-Anderson substitute in regards to hunting. Wherever the wildlife population of these lands is sufficient to support sport hunting, the private owners, the State of Alaska or the Federal agency having jurisdiction over these lands would be free to open them to sport hunting. The areas that would be closed to sport hunting are the areas where beleaguered wildlife populations (caribou, grizzly, wolverine, and others) require such "sanctuaries." Here again, I think the American people will say we have struck a fair balance.

As my colleague JOHN SEIBERLING said so eloquently last year:

> The tide of modern technological development is about to sweep over Alaska. Not in our generation nor ever again, will we have a land and wildlife conservation opportunity approaching the scope and importance of this one. This time, given one great last chance, let us strive to do it right.●

IN TRIBUTE TO DR. ANTHONY R. CURRERI

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. ANNUNZIO. Mr. Speaker, I rise in tribute to Dr. Anthony R. Curreri, who died recently after a life of distinguished service in the medical profession, and who served as the first president of the Uniformed Services University of the Health Sciences, our country's first military medical school.

Dr. Curreri received his Doctor of Medicine degree from the University of Wisconsin in 1933, became certified in both general and thoracic surgery, and entered the general practice of medicine at Isle Royale, Mich., in 1935. In 1939, he began a career in teaching with his appointment at the University of Wisconsin as an instructor in surgery, and advanced in his profession to eventually become the Evan P. Helfaer distinguished professor of surgery in 1972.

During those years, he became a member of 26 scientific societies and associations, and served as a consultant to numerous organizations including the American College of Surgeons, the American Cancer Society, the Armed Forces Institute of Pathology, the Veterans' Administration, and the U.S. Army Medical Department.

Anthony Curreri also served on the editorial boards of three scientific journals and received many honors too numerous to mention, including the Outstanding Alumnus Award, class of 1930, University of Wisconsin; the Lila Motley Foundation Award; the Legion of Merit, U.S. Army; and the Commander to the Order of Merit of the Italian Republic. He was a visiting professor at 16 medical schools in the United States, a special consultant to medical schools in

Italy, Mexico, Panama and Venezuela, and authored many scientific articles published in leading medical and surgical journals throughout the world.

In 1974, Dr. Curreri was appointed the first president of the Uniformed Services University of the Health Sciences, after serving on the university's board of regents. In 1976, he returned to the University of Wisconsin, and in 1977, he was awarded the Department of Defense Medal for distinguished public service, the highest award the Department of Defense can award a civilian.

The award cited his "exceptionally meritorious service to the Armed Forces of the United States while serving as a member of the Board of Regents and as president of the Uniformed Services University of the Health Sciences from May 1973 to November 1976 at considerable personal sacrifice and inconvenience as he directed the staff in the development of the first medical school in the Federal Government." His distinguished leadership and his outstanding reputation in the field of medicine brought to the staff of the university many competent and highly trained individuals and his sincerity and honesty attained for the university the support of the Congress and other Federal agencies.

Mr. Speaker, Dr. Anthony R. Curreri was an extremely gifted and resourceful leader, and the citizens of our country were immeasurably benefited by his splendid record of accomplishment. Mrs. Annunzio and I extend our deepest sympathy to his wife, Dorothy; his son, William; his daughters, Cynthia Brady and Joanne Falcon, and their families, on their great loss.●

H.R. 2126 REMEDIES FOOD STAMP REGULATIONS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. MINISH. Mr. Speaker, the food stamp regulations that took effect March 1 are causing a great deal of hardship to elderly and disabled recipients whose food stamp allotments have been severely cut back. I am deeply concerned about this.

When the food stamp program was revised in 1977, it was intended that the very needy would be protected. Now, it seems, the opposite is happening.

The cause of these unfair cutbacks is the changes made in the shelter deductions. The March 1 changes imposed strict limits on the amounts deductible as shelter expenses. These changes have caused a great deal of hardship for the disabled and those over 65.

Legislation has been introduced to remedy this situation. H.R. 2126, of which I am a cosponsor, would eliminate certain restrictions on excess shelter expense deductions with respect to households which are composed entirely of persons age 65 or older, or who are recipients of benefits under title XVI of the Social Security Act.

At the present time, H.R. 2126 has attracted 135 cosponsors. The bipartisan support it has generated is proof that the bill meets a true need of our elderly and disabled.

For the sake of these needy people, Congress must act quickly to restore the cuts caused by the rules changes.

The majority of those affected live on fixed incomes and barely have enough to survive. For these people, I urge quick consideration of this legislation.●

NUCLEAR MORATORIUM

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

Mr. WEISS. Mr. Speaker, I am today joining my colleague, the senior Senator from South Dakota, Mr. McGOVERN, in sponsoring the Nuclear Power Plant Safety Review Act of 1979.

This legislation would temporarily halt the granting of operating licenses for additional nuclear fission powerplants pending a review of current and potential safety defects in these plants.

Recent events clearly indicate the need for a thorough reevaluation of the nuclear power option. Public health and environmental dangers associated with atomic power stations demand a thoughtful second look at the advisability of building additional facilities of this sort. Since January, for example, we have witnessed:

The shutdown, for safety reasons, of 14 nuclear plants;

Withdrawal of Nuclear Regulatory Commission support for the Rasmussen study, the safety evaluation upon which development of nuclear power has been predicated in recent years;

Reaffirmation by the Department of Health, Education, and Welfare of the risks of cancer inherent in exposure to low-level radiation;

The revelation of numerous unresolved safety problems—not only in Babcock-Wilcox plants but in many other facilities as well;

The admission yesterday by HEW that radiation exposure in the area near the Three Mile Island plant was at least twice as intense as initially reported; and

The serious accident at a New Jersey nuclear station this week which almost resulted in a radiation release similar to the emission from Three Mile Island.

These incidents, when considered in conjunction with the nuclear waste crisis, should cause Congress to reconsider the wisdom of Federal encouragement for nuclear powerplant development.

The legislation I am offering today would not shut down operating facilities, but it would prevent the activation of any stations now in the construction or planning stage until the Office of Technology Assessment completes a careful review of safety and security systems. The OTA study would likewise examine the public health consequences of the normal functioning of nuclear plants.

The President would be able, under this legislation, to grant exceptions to the moratorium upon a demonstration of a serious energy shortage in a particular area.

Enactment of this bill, along with passage of my legislation (H.R. 789) to amend the Price-Anderson Act, would enable our Nation to make an objective evaluation of the true costs of nuclear power generation. I urge my colleagues to join me in cosponsoring this urgently needed measure.

The text of the legislation follows:

H.R. —

A bill to provide for a temporary suspension of the granting of future operating licenses for nuclear fission power plants pending a review of existing and potential safety defects associated with such plants

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nuclear Power Plant Safety Review Act of 1979".

SEC. 2. (a) The Congress finds that potentially serious and unresolved safety defects may exist at nuclear fission power plants currently under construction or licensed to operate; and that such operational or design defects may constitute an unacceptable danger to the health and safety of the general public and to the environment; and that such potential unresolved safety issues raise serious questions regarding the Nation's commitment to further expansion of nuclear fission power plants as a major energy source.

(b) The Congress therefore declares that—

(1) the serious and unresolved safety and environmental problems associated with nuclear fission power should be examined and resolved before a further commitment to nuclear power is made by the United States Government; and

(2) the Office of Technology Assessment should undertake a comprehensive review of the existing and potential safety and environmental problems with regard to the construction of new nuclear fission power plants and all plants presently licensed to operate.

SUSPENSION OF NEW LICENSES

SEC. 3. (a) For a period of thirty-six months, beginning on the first day after the date of the enactment of this Act, the Nuclear Regulatory Commission shall not issue any license under section 107, chapter 10 of the Atomic Energy Act of 1954.

(b) The Congress shall continue the suspension of licenses as described in section 3(a) after the first thirty-six months for any period of time it deems reasonable in order to protect the health and safety of the general public and the environment unless the Congress makes a determination that—

(1) the effectiveness of all safety systems, including but not limited to the emergency core cooling system, of any nuclear fission power plant operating or to be operated in the United States is demonstrated, by comprehensive testing to the satisfaction of the Congress;

(2) the effectiveness of the security systems throughout the fuel cycle is demonstrated to the satisfaction of the Congress; and

(3) that the continued use and development of nuclear fission power plants no longer represents an unacceptable danger to the safety and health of the general public and the environment.

(c) In the event that after enactment of this Act, any nuclear fission power plant that has completed construction but may not be issued any license under chapter 10 of the Atomic Energy Act of 1954 in accordance with the provisions of this Act, has determined that the suspension of such license would constitute a serious energy supply shortfall in the region to be served by such plant may make application directly to the President of the United States for temporary relief and exception from the suspension described in section 3(a). The President may only grant such relief and exception after consultation with the Office of Technology Assessment and the Energy Information Administration of the Department of Energy and has determined that no other adequate source of energy can be made available to the region to be served by such nuclear fission power plant.

OFFICE OF TECHNOLOGY ASSESSMENT STUDY

SEC. 4. (a) The Office of Technology Assessment is directed to undertake a comprehensive study and investigation of all known and potential unresolved safety defects with regard to the construction of new nuclear fission power plants and plants that have received licenses to operate to determine all potential and existing safety hazards, and shall make recommendations to remedy such hazards. Such study and investigation shall include, but not be limited to, an examination of the hazards of unresolved safety defects as listed in—

(1) the Nuclear Regulatory Commission Technical Safety Activities Report, December 1975,

(2) the Advisory Committee on Reactor Safety Report, Number 6, "Status of Generic Items Relating to Light Water Reactors," November 15, 1978,

(3) the Nuclear Regulatory Commission Report, NU-REG 0410, January 1, 1978.

(4) the Nuclear Regulatory Commission Report, NUREG 0510, January 1, 1979, and

(5) any and all such defects and hazards as may be discovered as a result of investigations of the nuclear fission power plant accident on March 28, 1979, at Three Mile Island Nuclear Power Plant.

(b) The Office of Technology Assessment report shall also include an assessment of the short-term and long-term effects of low level radiation that may be emitted from nuclear fission power plants to the general public and the environment and an assessment of the licensing procedures of the Atomic Energy Commission and the Nuclear Regulatory Commission.

(c) The Office of Technology Assessment shall conduct this study independently. The Office in conducting the study shall request, receive, and consider the comments and opinions of independent scientists, engineers, consumers, and environmental representatives. The Office shall hold informal public hearings on each major area of inquiry to permit interested persons to present information orally, to conduct or have conducted cross-examination of such persons as the Office determines appropriate for a full airing of the issues and to present rebuttal arguments. A verbatim transcript shall be taken of any oral presentation in cross-examination and shall be published by the Office. The Office shall have the power to enter into contracts with individuals or corporations for the purposes of conducting the study, but shall not enter into contracts with or rely primarily on the expertise of any industry or company which provides materials, management capabilities, research, or consultant services for nuclear fission power plants or which otherwise in the judgment of the Office might have an interest in perpetuating the nuclear industry.

(d) All Government agencies shall cooperate to the fullest extent with the Office and shall provide access to their personnel and data. At the request of the Office, any governmental agency shall furnish any information which the Office deems appropriate for the purpose of conducting the study. The Office is further empowered to compel the delivery of any information in the possession of any Federal agency, commission, or other organization, or any person, corporation, or association which the Office deems necessary for conducting this study.

OFFICE OF TECHNOLOGY ASSESSMENT REPORTS

SEC. 5. (a) Thirty months after the date of enactment of this Act, the Office of Technology Assessment shall submit a final report to the Congress and the public concerning the safety and environmental hazards of nuclear fission power plant design and operation.

(b) The Office will provide an annual report to the Congress on the progress of the study, and provide the opportunity for an annual public hearing concerning the progress of the study. In each annual report the Office shall inform the Congress of any and all actions taken to fulfill the requirements of the Act, including any evidence that agencies of the Federal Government, present or past, which have the responsibility for insuring the safety of nuclear fission power, have not faithfully or effectively exercised their responsibilities and recommendations to rectify such defects.

(c) The final report shall include recommendations as to whether a resumption of nuclear fission power plant licensing should be allowed and under what conditions such licenses should be granted.

COMPENSATION FOR PUBLIC

SEC. 6. (a) The Office of Technology Assessment shall, pursuant to rules promulgated by it, provide compensation for travel costs, per diem expenses, and experts' fees, and other costs in consulting with the Office pursuant to the Office's responsibility under section 3(b), to any person who—

(1) has or represents an interest (A) which would not otherwise be adequately represented in such consultation, and (B) whose views are necessary for a full assessment of nuclear power and alternatives pursuant to this Act; and

(2) who is unable to participate effectively in such assessment because such person cannot afford to pay the cost of travel, per diem expenses and expert witnesses.

AUTHORIZATION

SEC. 7. There is authorized to be appropriated such sums as necessary to carry out the provisions of this Act.

RELIABILITY OF TECHNIQUES FOR NUCLEAR WASTE DISPOSAL

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. WYDLER. Mr. Speaker, this is the second in a series of four entries that I will make in the CONGRESSIONAL RECORD on the subject of nuclear waste management. The Subcommittee on Energy Research and Production of the House Science Committee will hold hearings on this very important subject on May 15, 16, and 17, and I believe that all Members of the House should be given as much information as possible on this topic.

Mr. Speaker, Congress and the people need to know the reliability of techniques expected to be used for future disposal of high-level wastes from both nuclear energy and weapons production. The Government is spending hundreds of millions of dollars per year on this activity. Yet, the administration has failed to provide clear answers about the reliability of existing technology for disposal. The Subcommittee on Energy Research and Production of the Committee on Science and Technology will try to clarify this uncertainty in its May 15–17 hearings on nuclear waste management.

Meanwhile, thorough evaluations done outside the Government say that presently known technology is adequate for reliable disposal. In spite of this fact, however, the public has been bombarded with disturbingly different stories of inadequate technology. For example, spokesmen for many churches cite uncertainties in waste disposal in their concern over nuclear energy. An article, "Church Groups Study Religious Aspects of Energy" in the April 27, 1979, issue of the Washington Post relates current studies that update the March 4, 1979, resolution of the governing board of the National Council of Churches. That resolution stated:

> . . . if we continue to pursue nuclear fission in the way we are presently doing, with scant effort expended to develop possible alternative energy sources, we will bequeath to our decendants stockpiles of deadly nuclear wastes

And repeated the claim:

> . . . that 30 years of research on the waste storage problem still have not yielded an acceptable solution.

These sincerely concerned citizens deserve clear technical evaluations by respected scientists, not the equivocations they have been receiving from the administration. These evaluations say that we know enough to insure safe disposal, but this is understandably not the type of information that the media likes to feature. Despite the fact these evaluations were for Government benefit, a tone of technological mystery instead permeates the recent report of the administration interagency review group (IRG) on waste management.

These judgements that our present knowledge is adequate should be heard and heeded. One view is by the respected American Physical Society in its study of nuclear fuel cycle reported in the Reviews of Modern Physics Journal. It concluded:

> Based on our analysis of hydrogeologic transport we expect that the conditions that would provide for satisfactory geologic isolation of radioactive waste—i.e., a suitable groundwater environment—are present in a sufficient number of places that several acceptable sites in *different geologic media* can be located without difficulty within the immediate future. We expect that sites with adequate hydrogeology can be located in bedded salt formations and that ERDA's plans to locate several are likely to meet with success. Nevertheless, we are convinced that a broader program is appropriate when all factors are taken into account.
>
> We consider it to be in the best interest of the United States to demonstrate in a timely way the technical base, on a commercial scale, for alternative solutions to radioactive waste disposal. Thus it is highly de-

sirable and appropriate that several geologic formations in addition to salt by evaluated fully for repository sites. This would serve not only to broaden our own options geologically and geographically, but would also help other nations avoid undesirable alternatives that could ultimately affect us adversely.

This positive outlook about knowledge and technology was similarly presented in 1977 by the nuclear energy policy study group sponsored by the Ford Foundation. Although this group argued against deploying the breeder reactor, its report "Nuclear Power Issues and Choices" concluded with the following positive note on handling nuclear wastes:

> We are convinced that nuclear wastes and plutonium can be disposed of permanently in a safe manner. If properly buried deep underground in geologically stable formations, there is little chance that these materials will reenter the environment in dangerous quantities. Even if material were somehow to escape eventually in larger quantities than seems possible, it would not constitute a major catastrophe, or even a major health risk, for future civilizations.
>
> Despite our confidence in the feasibility of permanent disposal, nuclear wastes remain a very serious potential health problem until isolated from the environment. We are, therefore, more concerned about the current worldwide management of nuclear wastes before they are sequestered permanently than we are about the unlikely prospect that they will affect society subsequently. Inadequate management of wastes from the nuclear weapons and earlier civilian power programs here and abroad has already created potential contamination problems that can only be overcome at considerable cost.

Among the various views, we should recognize the calls for increased research on waste management by a U.S. Geological Service group and by a panel funded by the Environmental Protection Agency made in 1978. Both reports suggested additional research. Congress has long experienced calls for added research by those immersed in the activity. Instead, the question for Congress to decide at this critical juncture for nuclear energy is whether present knowledge is adequate to assure reliable disposal, as the aforementioned studies concluded. Our Science and Technology Committee will exercise careful oversight to see that additional research is done to enhance the existing confidence in nuclear waste disposal.

In conclusion, Mr. Speaker, we must turn from equivocations and move to sorting out and disseminating factual information on the adequacy of disposal technology.●

PERSONAL ANNOUNCEMENT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. SANTINI. Mr. Speaker, yesterday I was unavoidably absent on official business during the House vote on the Panetta amendment substituted by the Grassley substitute, rollcall No. 115. Had I been here, I would have voted "aye."●

MR. CARTER'S MOROCCAN MUDDLE

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. DERWINSKI. Mr. Speaker, I am concerned that the traditionally close American relationship with Morocco has become seriously strained. Unfortunately, current U.S. policy toward Morocco is inconsistent with the President's assurances in Atlanta last February that the United States would stand by its friends. As a result, the national security interests of both the United States and Morocco are today threatened by growing instability in northwest Africa.

King Hassan II has proved a most faithful and valuable friend for this country. Morocco has been a force for moderation in Africa, twice sending its forces, at its own expense, to defend and restore stability in Zaire. The presence of a friendly, pro-Western Morocco on the Straits of Gibraltar is of invaluable strategic importance to NATO and the United States.

As the following article from the April 26 edition of the Christian Science Monitor cogently points out, it is time for a change in the administration's policy toward Morocco:

MR. CARTER'S MOROCCAN MUDDLE

(By Stefan A. Halper and Roger W. Fontaine)

A central criticism of President Carter's foreign policy is that it lacks consistency and strategic coherence. A case in point is Morocco.

Present American policy in Morocco abandons basic geopolitical logic, and replaces it with a confused assortment of sentiments and concerns, dealing with human rights (including self-determination) on the one hand and appeasing the demands of a cluster of Soviet-bloc and third-world nations on the other.

Strategically, Morocco's importance is self-evident. It sits astride the southern shore of the Gibraltar Strait—probably the most vital passageway in the world. Current US policy largely ignores this factor and focuses narrowly on the Western (formerly Spanish) Sahara question.

That question, in turn, is the result of Spain's hasty withdrawal from this mineral-rich territory in 1975. At that time Spain ceded administrative authority to Morocco and Mauritania, and they subsequently agreed that the northern two-thirds would go to Morocco and the southern one-third to Mauritania.

There is thus no quarrel with Mauritania but there is one with Algeria, which does not recognize the partition. The Algerians back their position with heavy and covert military aid to the so-called Polisario Front which claims to represent the Western Sahara's 75,000 largely nomadic inhabitants. The weapons provided are of Soviet origin—and both the Soviet Union and Cuba have proclaimed the Polisario's right to run an "independent" Sahara, the so-called "Saharan Arab Democratic Republic" first proclaimed in Libya in 1976.

The Sahara question is extremely complicated. The nomads consist of several different tribes that range from Morocco to Mauritania showing little interest in borders, and less interest in being represented by Polisario or anyone else for that matter. For centuries they have warred among themselves **and** against anyone who tried to rule them.

Thus, a Polisario-run Western Sahara would have serious internal problems of its own, and would in effect become the cat's-paw of Algeria and possibly the Soviet Union. (Already Soviet client states like Angola and Ethiopia are in full cry in support of a Saharan Arab democratic republic). The best solution would be to improve the present arrangement by giving the nomadic peoples a large measure of autonomy—that is, leaving them pretty much alone under a Moroccan-Mauritanian authority.

Meanwhile, the US attitude is one of studied neutrality. It does not recognize Morocco's claim of sovereignty although it acknowledges that country's administrative control of the area. Neutrality has meant a US ban on deliveries of Chinook helicopters and aircraft to Morocco and a reduction in military sales credits (by 25 percent) for 1980. The reason for these measures is fear that the equipment (some of which the Moroccans have already paid for) will be used against the Polisario guerrillas in a desert war that has already threatened Morocco's stability, causing King Hassan to restructure his government.

Making matters worse, the Carter administration has in the past severely criticized Morocco for violations of human rights. The 1977 State Department report was especially harsh although more recent reports acknowledge Morocco's improving record. In fact, Morocco in recent years has one of the better human rights records in North Africa—certainly far better than its adversaries, Algeria and Libya. Moreover, Rabat's political life and its press are the freest in the region. Morocco is a constitutional monarchy where contested elections are held. Opposition parties, including Communists, sit in Parliament and several opposition leaders hold Cabinet positions.

The result of our policy toward Morocco is hurt feelings, mixed with angry words of betrayal. Whether this is entirely justified or not, US interests in this key region are being increasingly jeopardized by the administration's actions.

What is needed is a clear idea of what the US wants and what is at stake. The principal objective is helping to maintain a moderate, pro-Western regime in Rabat. Leaving Morocco alone and unaided to fight a war of attrition in the Sahara does little to achieve that goal.

Thus, the Moroccan issue goes to the root of President Carter's foreign policy priorities. Criticism from third-world nations and Soviet client states on a questionable issue of self-determination has inclined the administration to compromise relations with a strategically vital friend. The policy should be reassessed.

This is true for three reasons. First, the claims of Algeria and Libya are hardly based on any tender concern for Wilsonian principles of self-determination. They mean to have the Sahara for themselves or at least controlled by like-minded men.

Second, the loss of a friendly government in Rabat could put the African side of the straits ultimately in the wrong hands. Morocco would also never again contribute to our security requirements in any way as it has in the past when it provided air bases and communication facilities.

Finally, the problem does not end with Morocco. Unfortunately, when a nation harms a friend there is often a ripple effect that touches others. Allowing Morocco to drift into instability and away from the West would directly damage the interests of Israel, Egypt, and Zaire.

In reverse order of importance, let us take Zaire first. Morocco on two occasions and at its expense protected the shaky Mobutu regime from a Cuban and Soviet-supported insurgent group based in Angola. The Moroccans have contributed up to 5,000 troops to prevent that critical, mineral-rich central African giant from falling into unfriendly hands. Today a Moroccan contingent remains to protect and to train a vastly inadequate Zairean army.

But it is in the Middle East that the U.S. may soon bear the heaviest cost. It has already learned the bitter lesson of losing a friendly regime in Iran. Morocco is, after Egypt, the major voice of Arab moderation. King Hassan has protected the rights of minorities, including the Jewish community. Moreover, at critical points before and after Sadat's trip to Jerusalem, Hassan undertook intermediary steps to smooth the way for peace.

Recently, however, Morocco has reduced its profile and does not now openly support the Egyptian-Israeli peace treaty. In the past Morocco meant one less enemy for Israel, one more friend for an increasingly isolated Egypt. Today its intentions are much less certain and US vacillation has contributed to that change.

The US must reorder its priorities. It simply makes no sense to deny helicopters to a friendly government while allowing the sale of the same helicopters in far greater numbers to manifestly unfriendly Libya.

A change is necessary, and it must be made soon.

(Stefan A. Halper, a member of the Ford White House staff, in senior consultant to the Center for Strategic and International Studies. Georgetown University, Washington, D.C. Roger W. Fontaine is a senior researcher at the center.) •

LIKE GOING THROUGH THE HOLOCAUST

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

• Mr. BINGHAM. Mr. Speaker, on April 22 a band of Palestinian terrorists attacked an Israeli apartment house in the border town of Nahariya. They killed in cold blood the father of a small Israeli family and his son, aged 5. The second child, a girl of 2, was accidentally smothered by her mother, lest the baby's crying betray their hiding place to the terrorists. The PLO proudly hailed the terrorists' action.

The April 29 Jerusalem Post international edition describes a horrifying interview with the surviving mother. Painful as it is to read such things, it is important that we do so if we are to try to appreciate the traumas Israel continues to suffer.

NAHARIYA WOMAN RECOUNTS HORROR OF TERROR RAID: "LIKE GOING THROUGH THE HOLOCAUST"

Five days after surviving a night of horror Semadar Haran recounted on Friday how she had to strangle her terror-stricken infant daughter to smother her cries as Arab terrorists rampaged through their Nahariya apartment building in a shooting spree that ended with her husband and another daughter also dead.

Israel Television screened a harrowing interview with Mrs. Haran, who hid with two-year-old Yael in a tiny attic while the PLO gunmen took her husband Dani and five-year-old Eynat hostage during their terror raid.

Mrs. Haran, dry-eyed but speaking in bursts of sometimes confused sentences, stressed that it was important for all Israel to know just what she had gone through, and it was for this reason that she wished to be interviewed. She also said that the thousands of army reservists watching the programme should know what had happened, so that should something similar occur in the future, they would give a thought to what their own families and children were going through and take steps to prevent a recurrence of the tragedy that had befallen her. She had waited 90 minutes in the early hours of last Monday morning for help to arrive.

As soon as the terror attack started, Mrs. Haran related, she and her entire family had fled to the attic, along with neighbour Germaine Sasson, Yael could not be calmed. Her husband left the attic to fetch a pacifier, and Eynat insisted on accompanying him. That was the last she saw of her husband or elder daughter.

"Suddenly there was shooting that shook the building to its foundations. Yael screamed." Mrs. Haran said. She said she could hear the gunmen looking for the source of the cries.

"I grabbed Yael and covered her mouth. I knew as soon as they discovered us they would throw a grenade inside.

"I had the feeling that she could die from this. But I made a quick calculation. I said: she is going to die anyway if they throw a grenade. We will all die, and so will she. There is a chance I can keep her quiet—maybe she will lose consciousness," she said.

"I held my hand on her mouth until I had no strength left. I felt she wanted to breathe, but I had no choice. I had to keep her quiet because the footsteps below—they were walking, searching."

Mrs. Haran could feel the life draining from her daughter, yet she held on. "At that moment I felt as if I were going through the Holocaust. I am hiding upstairs with the child in my arms—in fact strangling her. We are alone. There is no one to care for us."

Mrs. Haran said the thought flashed through her mind that Yael could be dead at the same time she heard her husband pleading with the terrorists in the apartment: "Don't shoot, don't shoot."

"I turned to Germaine and said: I think now I am left alone. I knew that with these murderous terrorists there is no chance Dani and Eynat will return. . .

"All the time I kept saying to Germaine: Where are the soldiers? Why don't they come?"

During the 90-minute ordeal, Mrs. Haran said she thought of the Nazi Holocaust, which her mother survived. "I didn't see any difference between then, when people were led like sheep to the slaughter, and that day when I felt I was going to my own slaughter.

"My will to live was so strong. I said to myself: I am not going to die. I must live," she said. •

PERSONAL EXPLANATION

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

• Mr. DOWNEY. Mr. Speaker, I was unavoidably absent for our last recorded vote yesterday. Had I been present, I would have voted "no" on rollcall No. 118. •

REMARKS OF THE HONORABLE WALTER E. FAUNTROY HONORING ASIAN/PACIFIC AMERICAN HERITAGE WEEK DURING MAY 4-10, 1979

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

• Mr. FAUNTROY. Mr. Speaker, as we recognize the contribution of Asian/Pacific Americans to the growth and development of our great Nation, I want to take a moment to pay tribute to two Washingtonians who are very much responsible for guiding the efforts that ultimately led the Congress to enacting Public Law 95-419, enabling President Carter to issue the proclamation on March 28, 1979, proclaiming May 4 through 10, Asian/Pacific American Heritage Week.

Both of these women, Ruby G. Moy, who is the chairperson for the Asian/Pacific American Congressional Staff Caucus and Jeanie F. Jew, who is chairperson of the National Coalition for Asian/Pacific American Heritage Week have a long and distinguished history of involvement with Asian/Pacific affairs in the District of Columbia. We in this city are proud of them and their efforts at broadening the recognition by our citizens of the very important contributions which the Asian/Pacific people have made to our city and to our Nation.

While Asian/Pacific Americans today are widely heralded in the fields of architecture, music, medicine, law, and government, that was not always the case. Indeed, even today, Asian/Pacific Americans, like other minority groups, still face subtle forms of discrimination. So, it is good that we pause to recognize the achievement of a peoples who have, despite adversity, given this Nation and the world a family model and a work ethic that we would do well to seek to emulate.

Whether it was in building the transcontinental railroad or in being horded into concentration camps during World War II, in what must truly be one of the sorriest moments of our history, these people determined to hold their families together, and to reach new heights of excellence for their children.

They conserved their resources which were often meager. They tilled the land so that it yielded more than one would have ever dreamed possible; more importantly, they kept the hope and the faith in the decision that brought them to this land. In doing so, they have enriched the fabric of our society and enlighted with vivid colors our culture, to give us a strength that has made us worthy of being the Nation that continues to be the hope of so many.

More importantly, I think we must learn from the history of these peoples that discrimination and hate is undeserving not only of those who are its victims, but also of those who discriminate and hate. We shall never know what we have lost because of our prior attitudes. As we honor the Asian/Pacific people this week with this positive step toward ethnic cohesiveness and understanding, let us also resolve, therefore, to use this experience to guide us in our relationships with other people who have also joined us in this land.●

BALANCE IN THE WILDERNESS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. MOAKLEY. Mr. Speaker, the Alaska National Interest Lands Conservation Act, soon to be voted on by the House, presents us with the chance of a lifetime—an opportunity to save what in the near future might not be salvageable. The great northern wildlands, stretching from the inside passages of southeast Alaska to the Brooks Range where it slopes into the Arctic Ocean, is the final wilderness heritage this Nation will enjoy.

The Udall-Anderson substitute to H.R. 39, alone among the legislative versions before us, will preserve the choicest of these lands—some 110 million acres of the country's natural crown jewels.

A remarkable legislative achievement, the Udall-Anderson substitute has earned the support of the people of Boston, of Massachusetts, and of the entire Nation, including many Native and non-Native Alaskans. A tremendous effort was made by the designers of the Udall-Anderson substitute to insure that the needs of all interests are equally met. Almost 150 million acres of Alaskan land will be left to the State and the Natives. Some 83 million acres of federally owned lands will be open to energy development, mining, logging, and other development. All but 5 percent of the land in the State with favorable or high oil and gas potential will be open to the exploration and development; almost two-thirds of high potential lands to mining; and 90 percent of Alaska's land to hunting.

The Udall-Anderson's success at balancing the conflicting interests was noted by an April 28 editorial in the Boston Globe:

> The Udall-Anderson substitute . . . is anything but a plan devised by starry-eyed ecological dreamers. It is a practical and balanced approach to the protection, to one degree or another, of the Nation's last magnificent frontier.

Mr. Speaker, I fully agree with the Boston Globe, and I urge my colleagues to join me in voting for the Udall-Anderson substitute when it is offered on the floor.

I insert the full editorial into the RECORD at this point:

> BALANCE IN THE WILDERNESS
>
> Within the next week or so the US House will ponder again the future of America's last great undeveloped expanse of land, the Alaskan wilderness. Much of the debate will surely center on the need to strike the proper balance between conservation interests and the need for economic growth and energy development. There is no doubt that the proper balance is embodied not in the recommendations of two House committees but in the so-called Udall-Anderson substitute that has the support of the Carter Administration.
>
> The Administration proposal will leave an unprecedented 149 million acres under the control of the state of Alaska, Alaskan natives and other private landowners. Another 83 million acres, while under federal control, will be open for mining, oil and gas leasing, logging and other development. Ninety to 95 percent of the lands with the highest oil and gas potential will remain open to exploration and development. All offshore lands will be available for energy exploration.
>
> In other words, the Udall-Anderson substitute, which will be offered on the House floor, is anything but a plan devised by starry-eyed ecological dreamers. It is a practical and balanced approach to the protection, to one degree or another, of the nation's last magnificent frontier.
>
> The committee proposals, by contrast, violate virtually everything the nation has come to understand in recent years about environmental protection. It allows oil exploration in the existing Arctic National Wildlife Range, a plan that would surely disrupt the fragile habitat of the last great North American herd of caribou. Wilderness-quality lands in the Misty Fjords and Admiralty Islands would be opened to logging. Prime parklands would be opened to mining. Roads, pipelines, coal slurries, railroads, and private cabin construction are permitted within parks, preserves and wilderness areas. Prime waterfowl nesting areas would be denied federal protection.
>
> The committee bills don't balance at all. They tilt needlessly, thoughtlessly and radically toward development interests.
>
> The essential point is, of course, that if the decision is made to undertake development in the wilderness lands, it cannot be reversed; if, however, the land is now protected and its resources prove to be required somewhere down the road, they can be extracted at that time. Even the development-oriented federal Department of Energy supports that view. Deputy Energy Secretary John F. O'Learly has declared that "for now, the Wildlife Range has a higher claim to be set aside as a wilderness area, as a refuge, and not be touched." No conservationist could have said it more plainly.●

TRIBUTE TO HILDA SNYDER

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Ms. OAKAR. Mr. Speaker, I am proud to relate that on May 11, 1979, the City Club of Cleveland will honor Miss Hilda Snyder for her 50 years of dedicated service to the club and to the Cleveland community. What began in 1929 as a temporary job turned into a lifetime of selfless devotion, so that eventually Hilda Snyder's name was readily identifiable whenever the City Club was commended for its fine work. Indeed, because she had come to live in Cleveland from Pennsylvania, Hilda Snyder soon found a loving home in the City Club.

Hilda Snyder has earned the respect, admiration, and undying affection of her City Club friends and "family." On May 11, 1979, all of the citizens of Greater Cleveland will pay tribute to 50 distinguished years of service by Hilda Snyder. A plaque honoring Hilda Snyder for her service will be permanently displayed in the City Club library. On behalf of the members of the City Club and of the people of the city of Cleveland, I congratulate Miss Hilda Snyder for a job well done.●

LONG ISLAND SOUND DUMPING

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. AMBRO. Mr. Speaker, last night I testified at a special meeting in my Long Island congressional district held by the U.S. Army Corps of Engineers on its proposed "Long Island Sound dumping management plan."

Many of us on Long Island, as well as the more environmentally conscious in Connecticut, have long opposed the use of this beautiful, ecologically fragile body of water as a "sewer" for all manner of toxic dredge spoil and other pollutants.

As the chairman of the Natural Resources and Environment Subcommittee of the Science and Technology Committee, I will resist utilizing the sound for these purposes, Mr. Speaker, and before this becomes a controversial issue in this Chamber, I would like to share with my colleagues my reasons for opposing both sound dumping and the legitimacy of the Corps' so-called "management plan," as explained in my testimony last night.

> TESTIMONY OF REPRESENTATIVE JEROME A. AMBRO IN OPPOSITION TO LONG ISLAND SOUND DUMPING PLAN, MAY 3, 1979
>
> On frequent occasions over the past five years I have protested the Corps' proposals for dumping of contaminated dredge spoils in Long Island Sound. I appear here tonight to renew those protests and to point out to the U.S. Army Corps of Engineers and their consultants that their proposed "management plan" for dumping of dredge spoils in Long Island Sound is ill advised and dangerous not only to the complex ecosystems of the Sound, but also to the Health and Welfare of the fifteen million people surrounding the Sound.
>
> In my testimony of March 3, 1977, before the U.S. House of Representatives Committee on Public Works, I presented extensive technical and legal arguments against the continuation of dumping dredge spoils in Long Island Sound. That testimony is before you tonight, as an attachment to this presentation. I request its inclusion in the record.
>
> All of the points made in that testimony are still valid today.
>
> The Corps knows no more now about the effects of dumping dredge spoils in Long Island Sound than they did in 1977, or in fact, in 1975 when they proposed re-opening the Eaton's Neck dumpsite. I was successful in preventing that 1975 proposal. I intend to use every means available to me as a Member of Congress and as Chairman of the Natural Resources and Environment Subcommittee of the House, to prevent the Corps from further deteriorating the quality of Long Island Sound through a continuation of dumping polluted dredged materials.
>
> I do not endorse the concept of a "management plan" for dredged material dumping in the Sound, for that endorsement would constitute support for the practice of dump-

ing itself. It is my position that Long Island Sound is not a dump. It is, instead, a natural response of incalculable value to the millions of people who reside around it, fish in it, swim in it, boat on it and enjoy its beauty. Its quality has suffered in the past from Man's ill-advised activities. The time has come to stop assaulting the Sound and to assist Nature in returning it to a semblance of its former health.

To this end, I was successful in having included in the Fiscal Year 1980 research and development budget of the National Oceanic and Atmospheric Administration which was before my Subcommittee and which was recently reported by the full Science and Technology Committee, a $500,000 authorization for the first year of a five-year R&D program to identify and overcome pollution reaching the Sound from sources in the Hudson and Raritan estuaries. Research programs of this type, which identify sources of pollutants, will establish a firm foundation for the remedial measures which must be taken to resurrect the quality of the Long Island Sound environment.

For the Corps of Engineers to propose continuation, and indeed, expansion of their dumping program in the Sound is to fly in the face of all scientific and social logic.

EPA and Corps witnesses at hearing held on March 8 of this year by my Subcommittee on Natural Resources and Environment both testified that a so-called "capping program" has been developed for disposal of dredge material from Connecticut into Long Island Sound. This program would involve dumping dredged materials containing toxic substances from Stamford and New Haven harbors and other places, into the Sound, and then covering them with less toxic materials, in the hope that the tidal flush of the Sound will not move the toxic substances from the dumpsites.

Dr. Richard Dewling, Deputy Administrator for Region II of the EPA testified that capping involves putting a two-foot layer of clay on top of the toxic dredged materials. In response to my question as to whether the capping process will work and prevent migration of toxic substances into the food chain, Dr. Dewling testified, "It is postulated that that type of activity *might* reduce some accumulations in the food chain . . ." Dr. Dewling further testified in reference to a dumpsite in the New York Bight, that recovery of the site after the cessation of dumping in 1981, ". . . may take 10 years, or 20 years, and it may never materialize." He also testified that "Whether or not the currents in the area (to be capped) would remove this material at a certain rate or not . . . are the things that would have to be evaluated on a technical basis."

Dr. Dewling's testimony amounts to an admission by a senior Environmental Protection Agency official that the agency which is supposed to certify the environmental safety of the Corps' dumping program really doesn't know the consequences of the Corps' latest proposal to "cap" toxic dredged materials.

Dr. Thomas Murphy, Deputy Assistant Administrator for Air, Land and Water in the EPA Office of Research and Development, testified at the same March 8 hearing that, as mandated by provisions of Title II of the Marine Protection, Research and Sanctuaries Act of 1972 (the "Ocean Dumping Act") the EPA is working closely with the Corps of Engineers in developing criteria and bioassay procedures for testing the acceptability of dredged material for ocean disposal. He said that the program is expected to be completed in 1981.

That might be just fine, if the criteria and bioassay procedures are sufficiently stringent to prevent pollutants from entering the food chain. However, this is 1979 and the Corps continues to dredge and to dump in Long Island Sound without the safeguards of these criteria. In fact, these criteria, designed to protect ocean ecosystems, will not apply to the more sensitive environment of the Sound, because Long Island Sound is not under the Ocean Dumping Act, unless the Corps agrees to apply the criteria and bioassay procedures to the Sound. Dr. Dewling, of the EPA, testified on March 8 that, with respect to the Sound, "We have then to agree with the Corps that they would use the same criteria that we would use for dredge spoil and dredge material out in the ocean."

I am informed that, to date, the Corps has not agreed to use these stringent criteria and procedures in evaluating dredge spoils they propose to dump in the Sound. The fact of the matter is, I believe, that the Corps is aware that the heavily polluted materials dredged from certain harbors on the Sound would not qualify for dumping under the EPA criteria, and that they are strongly resisting agreement with EPA with respect to the Sound.

At the March 8 hearings before my Subcommittee, Brigadier General Hugh G. Robinson, Deputy Director Civil Works, U.S. Army Corps of Engineers, testified that the capping procedure had not been specifically tested in Long Island Sound, but that a panel of scientists convened by the Corps had "...sort of verified what we suspect would be the case" with respect to the effectiveness of the capping procedure.

I must say that for the Corps to plan to proceed with their dumping and capping plan based on a "sort of verification" of what they, the proponents of the plan "suspected would be the case" verges on lunacy.

Mr. DeRemer, a Corps civilian employee, then testified that the capping process has been used in the Great Lakes area. In response to my question as to whether the tidal flush is the same in the Great Lakes as in Long Island Sound, Mr. DeRemer admitted that it was not.

It became obvious from further testimony of the Corps officials, which substantiated the prior EPA testimony, that the Corps has very little idea of the impacts of their dumping proposals, or of the effectiveness of the "capping" procedure.

It is my impression that the Corps is strenuously resisting the adoption for Long Island Sound of the stringent criteria mandated under the Ocean Dumping Act, and that the proposal to use the untested capping process, which is of dubious effectiveness, is a foolhardy strategem to lull the 15 million residents of the Sound region into a false sense of security.

I am dismayed by the Corps' continued attempts to fill Long Island Sound with polluted dredge spoils, and as I stated at the outset, I shall continue to oopose their plans for dumping in the Sound. The best dumping plan for the sound is no dumping at all.

Further, I am alarmed at the lack of scientific knowledge behind the dumping proposals. Therefore in an attempt to get at the scientific facts relating to these proposals and their impacts, I am announcing tonight that my Subcommittee on Natural Resources and Environment will hold investigatory hearings in the Town of Huntington during July, on the research activities of the Corps, the EPA and others as they relate to the proposals to continue dumping toxic materials into the Sound. The dates and location of these hearings will be announced shortly.●

STAND STILL, LITTLE LAMBS, TO BE SHORN

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. SYMMS. Mr. Speaker, for many years we as citizens have been victimized by what has been called, a "great embezzler." This great embezzler is not an average thief, but rather a sinister disease that has plagued the very backbone of this Nation—the common man. This great embezzler is inflation.

Today, I would like to bring to the attention of my colleagues an article published by the American Institute for Economic Research, entitled, "Stand Still, Little Lambs, To Be Shorn." This is taken from the Economic Education Bulletin of March 1979. The bulletin describes the embezzlement of the forgotten Americans, "the quiet, virtuous, domestic citizen, who pays his debts and taxes * * *," and who bears the brunt of inflation at the expense of those who benefit.

I urge my colleagues to read this in light of upcoming legislation, bugeoning foreign give-aways and budget balancing resolutions.

It reads as follows:

STAND STILL, LITTLE LAMBS, TO BE SHORN!

Among the readers of this publication are a large and probably representative sample of American's "forgotten men." They are "forgotten men" in the sense of William Graham Sumner's name for the ". . . quiet, virtuous, domestic citizen, who pays his debts and his taxes. . . ." These men are forgotten, that is, except when their votes are sought by those who would become the Nation's political leaders.

From one point of view, however, the virtuous citizen who pays his taxes never is forgotten. He has the never-ending task of providing the funds for all public projects, ranging from the necessary to the worse-than-useless. Moreover, largely on these citizens rests the burden not only of the taxes everyone knows about but also of that hidden tax attributable to a depreciating dollar, which is the inevitable result of inflating the Nation's purchasing media, or "money supply."

Few people seem to realize the extent of this hidden tax. If the "forgotten men" understood the extent of this burden they are carrying, they would see how much they are relied upon by the beneficiaries of inflating. After recovering from the shock of counting their losses, they might develop a quiet pride in their burden-carrying capacity. Perhaps even lambs develop pride in their ability to grow good coats of wool in spite of discovering that their fate is to be shorn.

The situation may be more calmly viewed by the victims of inflating if, instead of counting their losses, they count their contributions to the "success" of prolonged inflating. The fact that their contributions are made without their consent is an interesting aspect of the matter that perhaps makes "embezzlement" a more appropriate name for the process. However, different names do not alter the essential facts of the situation.

ASSETS BEING STOLEN

The funds belonging to the Nation's "forgotten men" from which they contribute to the "success" of prolonged inflating largely comprise eight principal forms of savings and investments denominated in dollars. (These forms do not include investments in such things as common stocks and real estate whose values in terms of dollars may increase as the purchasing power of the dollar decreases.) The eight principal forms of savings and investments made by these individuals are:

1. Savings and time deposits in the Nation's commercial and mutual savings banks, savings and loan associations, and credit unions. These deposits comprise about 40 percent of the total savings and investments included here. During recent years, the percentage depreciation of dollars on deposit has exceeded the interest earned during the year. The stated amount of a deposit in-

creased as interest was added, but even the deposit thus enlarged would buy less than it would have at the beginning of the year.

2. Investments in life insurance, private pensions, and annuities. The total of savings and investments accumulated in such forms are not the face values of outstanding life insurance policies and the amounts paid for annuity contracts; rather, this total is the reserves held by the insurance companies for such policies and for annuities and the reserves for employees' pensions. (Of course, from the beneficiaries' point of view, reductions in the buying power of the dollar reduce the buying power of the face values of isurance policies and of payments to pensioners and annuitants. Potential buyers of insurance and annuity policies should consider this; however, we have included in our computations of such savings and investments only the loss in buying power of reserves for life insurance, pensions, and annuities.)

3. Trust funds held by various levels of government for old-age pensions, employment and disability insurance, railroad retirement funds, and veteran's life insurance. These second and third forms combined comprise nearly 30 percent of the savings and investments of individuals included here.

4. U.S. Government bonds. About three-quarters of such bonds held by individuals are the U.S. savings bonds so widely owned. For all Government bonds, Dr. Franz Pick, the internationally-known expert on depreciating currencies, has coined the appropriate name, "certificates of guaranteed confiscation." Once upon a time that name could not have been applied justly to the securities issued by the U.S. Government, but that was in the days when the Government honored a gold clause guaranteeing repayment at maturity in dollars of the same gold weight and fineness as that when the bonds were issued. Now the Government pays its debts in paper dollars worth nearly 10 percent less in purchasing power each year the bonds are held.

5. Bonds of States and municipalities.

6. Bonds of corporations.

7. Currency and checking account balances.

8. Miscellaneous other financial assets, including mortgages.

THE AMOUNT EMBEZZLED

In Column 2 of the accompanying table we show the annual amounts saved in all the forms of the eight principal types of fixed-dollar savings and investments held by the millions of the Nation's families. This column shows the total of such savings and investments at the end of 1939 and the accumulation each year thereafter, expressed in *then-current* dollars. As nearly everyone now realizes, the dollars invested during previous years now purchase less. Savers have suffering a loss of real wealth because of inflating and the resultant general increase in prices.

In order to calculate this loss, we have expressed the savings during each previous year in terms of today's dollars and have shown the result in Column 4. Note that of the savings during 1940 of $57.3 billion (expressed in today's dollars), savers could claim only $11.9 billion, the fixed amount of their original claim. The difference of $45.4 billion, shown in Column 5, is the loss of savings accumulated during that year (expressed in today's dollars) that has resulted from inflating.

Calculated in this manner, the "contributions" of America's savers to the "success" of inflating exceeded *two trillion dollars* by the end of 1978. In fact, the amount was $2.4 *trillion*, in today's dollars. Amounts of such magnitude lose meaning for most of us. To put it in perspective, the loss of $2.4 trillion during the 39 years was an average of nearly $62 billion per year, which was about one-third the total of income taxes paid by individuals to the Federal Government during 1978. In other words, through the hidden tax of inflating every American taxpayer on average has paid about one-third more in Federal income taxes than he thought he was paying during the past nearly 40 years.

"CONTRIBUTIONS" OF AMERICA'S "FORGOTTEN MEN" TO THE "SUCCESS" OF INFLATING

[In billions of dollars]

During year (1)	Total savings, then current dollars (2)	Relative purchasing power of dollars [1] (3)	Savings expressed in today's dollars (4)	Loss of real wealth in today's dollars (5)
1939 [2]	127.8	100.0	620.0	492.2
1940	11.9	99.2	57.3	45.4
1941	9.3	95.3	43.0	33.7
1942	23.3	85.7	96.9	73.6
1943	35.7	79.8	138.2	102.5
1944	41.7	79.4	160.6	118.9
1945	38.1	77.1	142.6	104.4
1946	17.5	74.8	63.5	46.0
1947	12.0	63.3	36.9	24.9
1948	7.7	57.9	21.6	13.9
1949	9.0	58.5	25.5	16.5
1950	10.3	58.6	29.3	19.0
1951	18.2	53.8	47.5	29.3
1952	20.4	52.6	52.1	31.7
1953	20.8	52.1	52.6	31.8
1954	20.2	51.8	50.8	30.6
1955	25.7	52.1	65.0	39.3
1956	27.2	51.3	67.7	40.5
1957	25.9	49.6	62.3	36.4
1958	28.0	48.2	65.5	37.5
1959	35.5	47.9	82.5	47.0
1960	29.2	47.1	66.7	37.5
1961	31.3	46.7	70.9	39.6
1962	39.9	46.2	89.4	49.5
1963	45.9	45.6	101.5	55.6
1964	53.5	45.0	116.8	63.3
1965	56.3	44.1	120.5	64.2
1966	52.9	43.0	110.4	57.5
1967	66.4	41.9	135.0	68.6
1968	71.4	40.2	139.3	67.9
1969	55.4	38.1	102.4	47.0
1970	77.1	35.9	134.3	57.2
1971	96.1	34.5	160.9	64.8
1972	119.5	33.4	193.6	74.1
1973	134.8	31.6	206.7	71.9
1974	136.0	28.5	188.1	52.1
1975	161.4	26.1	204.4	43.0
1976	189.0	24.6	225.6	36.6
1977	224.0	23.0	250.0	26.0
1978	243.4	21.4	252.7	9.3
Total loss, 1940 through 1978				$2,400.8

[1] Midyear figures compared with the December 1939 dollar after 1939; December 1978 equals 20.6.

[2] At end.

Some readers may question whether the results really are as bad as the foregoing implies. As a matter of fact, the situation is much worse than it appears to be. The astronomical amount of loss mentioned here is only part of the loss. Not only did the "forgotten men" lose that amount from their accumulated savings, but also they and others lost still more from their current incomes. All whose incomes increased less rapidly than did the cost of living lost still more, an amount difficult to ascertain but assuredly large. Everyone whose income was relatively fixed, who was dependent on life insurance or pension benefits, annuity receipts, income from bonds, or a salary or wage that did not increase as rapidly as the cost of living, all those many millions of individuals also were forced directly to contribute to the "success" of prolonged inflating.

In view of the broad and increasing public support for the "tax revolt" movement because of the heavy burden of recognized taxes, we have little doubt that the American people long ago would have reined the spending prosperity of politicians if the additional tax imposed by inflating were generally known. But it was not. Even now it is realized by only a minority of Americans. Many politicians still can gain votes by promising Government spending programs to cure this or that public problem and at the same time promising to hold down Federal taxes. These are mutually exclusive. If the Government spends more, the public will pay more in taxes, either in the form of reported taxes or the hidden taxes of inflating.

No wonder that the Nation's poor are numbered in the many millions and that among them are many, perhaps a majority, of elderly citizens. Incomes of about half of the Nation's wage earners have not increased as rapidly as has the cost of living. Millions in the lower wage scales in addition to the many millions retired on fixed incomes are losing more billions of dollars of buying power every year. Perhaps many would be willing to sacrifice on this scale if those receiving low wages and the elderly poor obtained benefit from the many Government programs, but this is precisely what has not occurred. Instead of benefiting those most in need, the spending has fostered inflating that has made victims of those who could least afford the losses that resulted from it.

PERSONAL AND SOCIAL COSTS

To an extent difficult to measure, much of the "forgotten men's" savings, which would have provided for the protection of their dependents as well as for their retirement years, has been drawn upon to spend for current consumption. Everyone who saves knows that he could have another car in his garage, more expensive vacations, more steaks, and a higher standard of living generally if he would spend instead of save, draw on his past savings, and incur debt to buy more things today.

Something much like this has been done during the past 4 decades. The principal difference is that instead of savers withdrawing their accumulated funds to spend currently, the funds have been withdrawn by the beneficiaries of inflating. While the Nation's savers were adding $4,850.5 billion (expressed in today's dollars) to their savings during the years 1939 through 1978, the beneficiaries of inflating were embezzling $2,400.8 billion, or about one-half, of those savings.

If the process of inflating had been successful in promoting sound, sustainable economic growth at a faster rate than otherwise would have been possible, this forced contribution or huge supplementary tax might have been worth this cost. However, there is no instance in the known history of the world when such was the outcome. On the contrary, every prolonged inflating has fostered maladjustments such as those that have become obvious in the United States during this decade and have proven so troubling.

Some of the socially destructibe results of this theft through prolonged inflating also are becoming increasingly evident. Instead of individuals seeking to improve their well-being through hard work, thrift, and sound investment, they increasingly have made forceful demands for huge pay increases, extensive use of debt for immediate satisfaction, and wild commitments to rampant speculation (consider how the futures and options markets have grown in recent years). These changes signal the replacement of cooperative efforts among various groups of society with the adversary relationships of power groups seeking to get a bigger share of the economic pie, of funds directed from real investment to paper investment, and from sustainable long-term economic expansion to inflationary booms and busts.

The appearance of the aforementioned conditions in the United States during recent years baffles most analysts. It should not. Similar symptoms of social breakdown have appeared wherever prolonged or rapid inflation has undermined the monetary unit of account. This, too, should not be surprising. Almost all transactions involve the monetary unit; therefore, if the erosion of that unit prohibits contracting parties to perform as they agree, high risks become associated with transactions that otherwise would be virtually risk free.

The millions of implied or written contractual relationships that are a normal part of a modern industrial economy then begin to break down. Among these might be usual arrangements among suppliers and users of all types of products and common wage arrangements for paying employees. An example is the increasing use of cost-of-living adjustment clauses in wage contracts. When the monetary unit is unreliable, enormous effort is expended by persons trying to find out if they are being victimized by others, intentionally or not. The economy then functions with increasing difficulty: economic growth falters, product quality deteriorates, services become less reliable, imports rise, exports fall, and fear about the future becomes widespread.

Today's economic problems were predictable—we predicted them repeatedly during the past 3 decades. We further predict that these harmful trends will continue to worsen as long as inflationary policies are followed. (In this connection, what policymakers do, not what they say, is critical. In spite of the recent outpouring of "anti-inflation" talk from Washington, Government policies have remained inflationary to date.)

We have no "crystal ball" that enables us to see these things for the future; these relationships are in the historical record for all to see who will take the time to look. That these problems have not occurred in the United States before is not attributable to any inherent immunity of our economy but rather to the U.S. monetary system formerly based on a gold-redeemable currency—a system now abandoned. The long history of the U.S. dollar being as "good as gold" promoted in recent generations of Americans a false confidence in paper-dollar values. Only now are many Americans becoming aware of the shearing they are being given because of their displaced trust in the dollar.

HOW TO PROTECT ONESELF

What can the ordinary "forgotten man" do to protect his wealth? We refer to the individual who has life insurance protection for his family, perhaps a few thousand dollars saved for the education of his children, and more thousands of dollars saved for his retirement years. Unfortunately, we have not found any wholly satisfactory answer for such individuals. For most of their funds, especially those assets intended to protect their dependents, we know of no fully satisfactory solution to their problem as long as inflating the Nation's purchasing media continues.

Holding a portion of one's wealth in real assets rather than financial assets is one means of partially protecting oneself. For thousands of years gold has proven to be the best protection from currency depreciation, and gold coins are available for purchase and holding by those with as little as a few hundred or thousand dollars of savings. Such purchases not only protect the individual's wealth but also deprive those who otherwise would enjoy the shearing they would give you.

However, if the Nation's forgotten savers will reflect on the situation, they will realize that they cannot obtain complete protection against inflating. All the protective options against inflating are inferior to stopping inflating. That must be the primary goal of anyone seriously troubled by the effects of inflating, including the embezzlement described above.

WHAT CAN YOU DO?

You may exclaim, "But what can I do? I am only one citizen, I am all alone." We marvel that anyone can be so unobservant. The Nation's "forgotten men" are not alone; they number 50 million or more. If they were not so numerous they would not have accumulated so much that has been and still is being transferred to the beneficiaries of inflating.

In most election districts of the United States, a small, informed minority is numerous enough to hold the balance of political power. The fact is that the power of the Nation's "forgotten men" is vastly more than they seem to realize, enough to change the course of history whenever they choose to act like humans instead of like lambs. In West Germany the "forgotten men" after two thorough shearings via inflating (in 1923 and again a little more than 2 decades later) finally insisted on an end to inflating.

Does this imply that in West Germany the politicians are better informed on money-credit matters than those in the United States or are more diligent in voluntarily protecting the interests of the "forgotten men"? Not at all; statesmen are always on the side of the "forgotten men," but politicians are alike the world over. Politicians do not have deep-seated convictions; they are keenly alert to the desires of any group that may hold the balance of political power in their election district. When such a group, especially if its members are as numerous as are the Nation's "forgotten men," expresses definite desires, the politicians will be eager to vote as the group wishes.

Anyone planning to help stop inflating first should understand what inflating is and what fosters it. Inflating is the creating of purchasing media (money) in excess of the amount needed to clear the market at a stable price level in the long run of things being offered therein. In short, inflating is the creating of too much money.

The primary activity promoting the creation of excess purchasing media is the attempt of Government officials to spend more than they are willing to tax the public. The deficits resulting from these practices then must be financed either by newly created, excess purchasing media or by purchasing media saved by the private sector. When it is the latter, no inflating takes place, but then the total demand for funds (Government demand plus private demand) is increased in relation to the funds available for borrowing. Consequently, interest rates either tend to increase or fail to decrease, depending on the private sector demand for funds at that time.

Higher interest rates are known to discourage real investment, and small real investment is known to hamper economic growth and employment. Because of this, politicians use their influence to have Federal Reserve officials promote the creation of excess purchasing media whenever interest rates tend to increase, but especially at times when Government borrowing appears to push up interest rates.

Thus, the politicians' greed to buy votes by passing spending programs in excess of tax revenues creates deficits that encourage inflating, which produces many economic ills, including the embezzlement of savings described above.

With an understanding of these relationships, you now should see what you can do to stop inflating. If you are among those who want the Government to spend more without taxing more (for whatever reason), you are part of the inflating problem. You must express your disapproval of such policies. Elected officials and those seeking election who support these inflationary policies should have your active opposition.

So obvious have become the evils of inflating and big Government that an intense grass-roots opposition has developed during the past 2 years to bigger and bigger Government, larger and larger deficits, and more and more inflating. Your active opposition to Government profligacy is needed.

Everyone knows there is an enormous number of special-interest groups successfully pressuring politicians to pass spending programs favoring their relatively small groups. No group is larger than that comprising America's "forgotten men," the "quiet virtuous domestic citizen, who pays his debts and his taxes." Until recently these men did not recognize their common enemy. But now many are awakened. Will you be among them? Or, like the docile sheep, are you going to continue to allow yourself to be fleeced? ●

"WEASEL WORDS" ON SALT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. KEMP. Mr. Speaker, the President has given his most extensive defense to date of the administration's activities in negotiating a second-round Strategic Arms Limitation agreement. Although there is much to comment on in the President's address (before the American Newspaper Publishers Association), a recent column by George Will in the Washington Post has culled a representative sample. President Carter's position on the ability of the United States to verify Soviet compliance with the terms of SALT II, Will points out, is simply an attempt to mislead the uninformed. Although the President has stated "the treaty must, and the treaty will be verifiable from the first day it is signed," he later retreated from this robust posture to the notion that SALT will only be "adequately" verifiable or that no "significant" violations could take place without the United States detecting it.

As the President has not described what "insignificant" Soviet cheating on SALT would escape U.S. monitoring capabilities, one can only conclude that the administration intends to rely on the confusion and ambiguity inherent in such adjectives as "adequate" or "significant" in hopes that neither the Congress nor the American public will insist on full verification of the terms of SALT II.

The character of the President's arguments in favor of SALT are most disturbing for they suggest the use of what George Will describes as the "arguments of last resort" as the arguments of "first resort." This suggests that the administration's case for SALT II ratification is far weaker than many observers have imagined. The weakness of the President's arguments may, in fact, reflect the fact that the President has made damaging concessions in recent weeks to reach an agreement—any agreement—so as to gain a foreign policy "victory." The weakness of the President's SALT II case makes it more important than ever that the Congress carefully review the adequacy of the President's fiscal year 1980 defense budget request—a request that is $8 billion less than the Ford budget request for the same year—to assure that U.S. security needs will be met.

At this point, Mr. Speaker, I wish to add Mr. Will's column, which appeared last week in the Washington Post, to my remarks:

"WEASEL-WORDS" ON SALT

(By George F. Will)

Speaking to newspaper publishers about SALT II, President Carter said "the treaty must, and the treaty will be, verifiable from the first day it is signed." And: ". . . if there is an effort to cheat on the SALT agreement, including the limits on modernizing ICBMs, we will detect it. . . ."

Both statements are, strictly speaking, incredible. The United States cannot verify, among other things: whether range limits on cruise missiles are violated; whether limits on improvements of Backfire bombers are violated; whether launchers for Soviet medium-range missiles contain long-range missiles; whether SS18s carry more than the permitted 10 warheads; whether the Soviets are testing proscribed new missiles.

The list could be considerably lengthened, but consider the last item. SALT II restricts each side to the deployment of only one "new" type of ICBM, defined as an ICBM more than 5 percent larger or smaller than existing ICBMs, measured in terms of such variables as launch weight and throwweight. Note that "new" refers to attributes other than recentness of development: The Soviets could deploy any number of new missiles with more lethal capabilities as long as they are approximately the size of existing missiles. But even before the loss of facilities in Iran, the United States was unable to make verification judgments as fine as the 5-percent limit requires. More important, the "5-percent solution" does not solve problems of modernization involving, for example, new accuracy or new fuels in old-sized missiles.

The speechwriter who wrote that the treaty must and will be verifiable from the day it is signed should carve into his typewriter this reminder: "Never, ever, use the word 'verifiable' without the modifying adjective 'adequately'." That adjective is the State Department's preferred weasel-word. State says, for example: There could be "some undetected cheating in certain areas," but SALT II is nevertheless "adequately verifiable" because the cheating would "not alter the strategic balance in view of U.S. programs."

Or: "Any cheating on a scale large enough to alter the strategic balance would be discovered in time to make an adequate response." Or: There are "areas of uncertainty" in verification, but "not such as to permit the Soviets to produce a significant unanticipated threat to U.S. interests."

Note that the State Department contradicts Carter's suggestion that all cheating can be detected. Note also that the administration's judgment of "adequate" verification is linked to the administration's judgment of a "strategic balance"; of a "significant" threat to U.S. interests; and of an "adequate" response to cheating.

At one point, the speechwriter remembered to insert the blurring adjective "significant": "We are confident that no significant violation of the treaty could take place without the United States detecting it." In February at Georgia Tech, and again to the publishers, Carter said it is deeply significant that under SALT II the Soviets would dismantle 250 strategic weapons (old bombers and obsolete, single-warhead missiles). But the Soviets could surreptitiously deploy, undetected, many more than 250 warheads. Is the former "significant" and the latter not?

Carter's advocacy of SALT II is crippled by the widespread collapse of confidence in his rhetoric. For example, he says the United States is militarily superior. He says this even though the Soviets have 160 divisions and the United States has 16; the Soviets have more than 800 active fleet combatants, the United States 398; the Soviets have 10 times the U.S. number of interceptor aircraft; five times the number of tanks; three times the number of attack submarines; two times the number of missile submarines; three times the number of theater nuclear weapons; and, regarding strategic weapons, four times the deliverable megatonnage and 2.5 times the throwweight.

Remarkably, the "arguments of last resort" are Carter's arguments of first resort, including the lamest, most threadbare and most predictable of all the arguments for accommodating Soviet desires: Do it to strengthen the good faction in the Kremlin. Carter says refusal to ratify SALT II would encourage "the most intransigent and hostile elements of the Soviet power structure."

Carter says that if the United States rejected SALT II, "the world would be forced to conclude that America had chosen confrontation rather than cooperation and peace." And, "We would no longer be identified as the peace-loving nation." This is how a great nation assesses its interests?

Given the administration's mind set, all the Soviets need to do to widen their advantage is to keep negotiating SALT agreements. The pressure to reach an agreement is asymmetrical: Public opinion does not matter in the Soviet Union, and the Carter administration, by inflaming public opinion about the urgency of SALT agreements in general, puts pressure on itself to make concessions. And once an agreement is reached, the Carter administration, unlike the Brezhnev administration, frets about what bad thoughts "the world" might be "forced" to think about us if we refuse to ratify an agreement shaped by asymmetrical pressures.

Carter even told the publishers that failure to ratify SALT II as negotiated could lead to "a dark nightmare of unrestrained arms competition." But there cannot be any competition if one side will not compete. Carter told James MacGregor Burns that if SALT II is not ratified, he will abide by the terms anyway, if the Soviets show restraint.

Carter's idea of adequate Soviet restraint is suggested by the fact that, in the face of an unprecedented Soviet buildup, he has: canceled the B1; refused to produce neutron weapons; shut down the Minuteman production line; delayed and deferred MX-missile production; delayed and deferred sea-launched and ground-launched cruise missiles; halved the shipbuilding program; cut production of attack submarines (the United States produces one a year, the Soviets produce eight), etc.

Anyway, just as SALT I "ceilings" only "limited" the Soviets to approximately what they wanted to do, SALT II limits are such that, considering probable Soviet production capabilities and intentions, there is only a small difference, if any, between what they would do with or without SALT II, by 1985.

The gravest objection to this agreement is that it is not serious arms control. A recent headline in The Post proclaimed: "SALT Won't Intensify Arms Race, Carter Tells 3 Senators." Imagine a headline proclaiming: "Hospital Won't Spread Disease." Surely we can, and must, do better.●

SOCIAL SECURITY: WILL IT BE THERE WHEN YOU NEED IT?

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. ROUSSELOT. Mr. Speaker, more and more Americans are becoming aware that the social security system has some very serious long-range financial problems. The working people of this country know that their social security payroll taxes will zoom in the next few years and that even this hefty increase will not insure the financial integrity and stability of the social security trust fund. The working people ask the question, "Will the benefits be there when it is time for me to receive them—and when I need them?" Good question.

As a member of the Social Security Subcommittee, House Committee on Ways and Means, I attended a breakfast, arranged by our subcommittee chairman, the Honorable J. J. PICKLE, with the Secretary of Health, Education, and Welfare, Joseph A. Califano. The breakfast, held on Wednesday, April 25, was really a working meeting to discuss the social security system and the crucial problems facing that system in the years ahead.

The discussion was wide-open, frank, and varied. The group did concentrate on some of the long-range problems concerning the social security system and possible solutions and alternatives. Secretary Califano acknowledged that we, in Congress and in the executive branch, need to take a hard look at both the long-range and the short-range effects of the Social Security Amendments of 1977 which I did not support. As my colleagues know, these amendments substantially increased the social security payroll tax for all Americans covered by the system and also modified the benefit distribution and levels.

Many of the items discussed with Secretary Califano and my colleagues on the Social Security Subcommittee were adequately covered in a recent issue of the U.S. News & World Report of April 30 in an article entitled "Social Security: Will It Be There When You Need It?" Because I consider this article to be a good résumé of the problems within the system which need to be considered by the subcommittee in our hearings later this year, I urge my colleagues to review the material presented. We in Congress must take action on comprehensive reform of the social security program in the not too distant future. Further band-aid proposals such as that approved in the 1977 amendments will not suffice. The article follows:

SOCIAL SECURITY—WILL IT BE THERE WHEN YOU NEED IT?

A radical overhaul of the 130-billion-dollar-a-year Social Security system is getting under way, triggered by a revolt against soaring payroll taxes.

It was barely more than a year ago that Congress voted drastic tax increases to steer the program clear of bankruptcy. Legislators said then that they had put the system on solid ground for the rest of the century. And on April 16, after giving the system its annual checkup, the Social Security trustees pronounced it sound for 50 years.

Yet all this now has been made largely meaningless by a growing conviction, in Congress and elsewhere, that future working-age generations will not tolerate payroll taxes high enough to provide older generations with all the benefits promised in present law.

One result: Confidence in the 43-year-old system is ebbing. Four out of 5 workers, a new survey shows, have less than full confidence in the program. Among workers under age 35, nearly half have "hardly any confidence at all" that their benefits will be paid when they fall due. Another result: Congressional committees and their staffs have gone back to work in a new effort to put the Social Security system on track. It is widely agreed that drastic measures will be required to slash the payroll taxes to acceptable levels. Options available:

A new tax to take some of the burden off the payroll levy. The leading candidate is VAT, a value-added—or sales—tax on goods and services.

Painful cutbacks in benefits, with some groups lopped off the rolls. The modest pruning called for by President Carter this year is designed as a step in this direction.

A shift of some of the benefit costs from the Social Security trust fund to the general Treasury revenues.

At this point, it's a safe bet Congress will end up resorting to a combination of two or perhaps all of these options.

One other proposal, to put federal civilian employes under Social Security, is widely expected to win congressional approval eventually. But officials have yet to work out formulas that would be fair to those workers.

To see what's behind the drive to avoid payroll-tax burdens scheduled for the 1980s, look at what the law calls for.

WHAT YOU'LL PAY—AMOUNT OF SOCIAL SECURITY TAXES PAID BY AN EMPLOYE AND MATCHED BY EMPLOYER

Earnings	Taxes			Percent increase, 1979–81
	1979	1980	1981	
$10,000	$613.00	$613.00	$665.00	8.5
$15,000	919.50	919.50	997.50	8.5
$20,000	1,226.00	1,226.00	1,330.00	8.5
$25,000	1,403.77	1,532.50	1,662.50	18.4
$30,000 and up	1,403.77	1,587.67	1,975.05	40.7

Note: Self-employed persons will see their tax jump from 8.1 percent, or a maximum of $1,854.90, this year to 9.3 percent, or a maximum of $2,762.10, in 1981—a leap of 48.9 percent for those paying the top amount.

Source: U.S. Department of Health, Education and Welfare.

If nothing is done, the maximum tax on employes will rise from $965 in 1977 to $1,975 in 1981, a leap of $1,010, or 105 percent, in just four years. What's more, these taxes, which must be matched by employers, will go still higher in the coming decade, to nearly $3,200 by 1987. Even steeper rises are set for self-employed businessmen, professional people and farmers. Their maximum Social Security tax in 1977 came to $1,304. By 1981, under present law, the bite will be $2,762, a jump of 112 percent. The increase in 1981 alone will be $664, a single-year increase of nearly a third.

Why the need for drastic action now? Because without the scheduled tax increases or equally painful program changes, the vast Social Security system is headed for trouble as early as 1983. History is overtaking the program.

Mistakes coming home. One problem: Long-range forecasts on which pension planning is based have a way of going sour. For instance, the Senate and House committee reports recommending Social Security changes adopted in 1950 predicted: "Fifty years hence, estimated benefit payments will be almost 12 billion dollars per year." Actually, the annual cost of cash benefits topped 100 billion in 1978.

Now, actuaries find that recent population-growth rates are undermining Social Security. After World War II, the country's fertility rate rose steeply until, in 1957, women were expected to bear an average of 3.8 children in a lifetime. The baby boom created a population bulge now age 30 or so. This group will begin to swell the ranks of the retired after the end of this century.

This huge population group, however, has adopted a lifestyle of its own—later marriages, more cohabitation without marriage and a conscious resistance to child rearing. This pattern, aided by the birth-control pill, has undercut the fertility rates that are required to produce the future labor force to which today's 30-year-olds must look for support in retirement.

By 1976, the fertility rate had dropped by half, to 1.8 children for each woman. The result is that the number of workers in relation to the number of retired is heading into a steep dive. Where there now are 5.2 people age 20 to 64 for each person age 65 or older, the ratio is likely to drop to 4.5 workers per oldster in the year 2000 and to 3.1 in 2025.

Even that projection assumes a sizable recovery in the fertility rate to 2.1 children per female. If fertility rates don't rise, the 20-to-64-year-old group in 2025 will be fewer than three working-age people per aged person—a little more than half as many as in 1975.

Role of politics. Not all of Social Security's problems stem from demographic shifts. Politics has played a part. In 1950, for example, Congress became alarmed that the "insurance" system was not taking over the country's welfare burden fast enough. To remedy that situation, Congress deliberately acted to shift needy people from welfare to Social Security. Among other changes, Congress more than doubled the size of the minimum pension for retired workers and slashed the number of year's work required for eligibility.

As the Finance Committee reported to the Senate: "The committee-approved bill is designed . . . to decrease the number of people who will have to depend on the assistance programs." The effect was to tap the Social Security trust fund to finance benefits for millions of people who had made only token contributions to the fund.

Billions of dollars were drained from the fund, too, to pay immediate benefits to the aged when the program began, and again and again as new groups were blanketed into the system during the early years of Social Security. The first person to retire under the system began drawing benefits Jan. 1, 1940, after paying a mere $22.54 in payroll taxes. When she died in 1975, she had drawn $21,000 in pension.

Or take one of the 10 million people first covered in 1951. Self-employed businessmen nearing 65 paid $121.50 in Social Security taxes in 18 months and retired with a benefit of $80 a month. For anyone who did that and is still alive, the monthly benefit now is $170. For $121.50 apiece, these people have drawn more than $47,000 in pensions, not counting any dependents' and survivors' benefits.

These burdens on the trust fund to pay unearned benefits have cost billions and played a major role in the plight of the system. What must come out of all this, say key members of Congress, is a new program shorn of many of the unearned pensions and nonretirement benefits grafted onto the system over 43 years. The only alternatives to that harsh therapy are changes even less popular in Congress.

One group in Congress is calling on the Treasury to pick up the tab for part of the benefit costs each year, something that was intended by the framers of the retirement system. They proposed that when benefit costs began to outrun payroll-tax revenues—then expected to happen about 1965—the Treasury would begin to pay back the billions "borrowed" to pay unearned benefits.

The Advisory Councils of Social Security in 1938 and again in 1948 called for a contribution from general revenues. A provision for such a contribution on an as-needed basis was written into law in 1943 but eliminated in 1950. Last year, Carter urged Congress to authorize Treasury loans to the trust fund whenever rising unemployment cut payroll-tax revenues below the level of benefit costs. The request got nowhere. From such experience, it seems clear that Congress is unlikely to share general revenues with Social Security on any broad scale in the foreseeable future.

A related proposal—to take medicare off the payroll tax—is given a much better chance of being adopted. The reason is that hospital benefits, unlike Social Security pensions, are totally unrelated to wages earned or taxes paid. Shifting that load to general revenues could slash the payroll-tax burden by a fifth—about 24 billion dollars next year.

Who gets social security?

Beneficiaries	
Retired workers	18,573,000
Disabled workers	2,879,000
Adult survivors, dependents	8,292,000
Children	4,937,000
Total	34,681,000

Who pays?

Workers covered	110.5 million

NOTE.—January 1979.

Source: U.S. Dept. of Health, Education, and Welfare.

Is VAT the answer? The value-added tax, as a major source of pension funds, has attracted powerful advocates in Congress. Widely used in Europe, it is imposed at each stage of production and distribution. It is stated separately at each stage, not pyramided through repeated price markups. Representative Al Ullman (D-Oreg.), chairman of the Ways and Means Committee, wants VAT to pay for some Social Security benefits. Senator Russell B. Long (D-La.), chairman of the Finance Committee, wants to substitute VAT for the payroll tax and some of the income tax as well.

VAT supporters say it would bolster the U.S. trade balance and help the dollar, since VAT can be eliminated on goods for export and added to imports. And they argue that a tax on consumption would stimulate saving and investing.

Yet, no real groundswell for VAT has developed in Congress. One reason is that, like the payroll tax itself, VAT is highly regressive. It hits hardest at low-income families. Since they spend most or all of their incomes, all their earnings would be taxed, while more affluent people would go free on income saved and invested. Thus, unlike income taxes, which exempt bottom layers of earnings, VAT and the payroll tax, in effect, exempt the top layers.

Candidates for pruning. In the long run, administration officials and key lawmakers agree, a cutback in benefits will also be needed to put Social Security on a sound footing. While few proposals made so far would affect people now on the benefit rolls, some would hit new beneficiaries.

One leading proposal: Raise the eligibility age for full retirement benefits from 65 to 68, effective for people retiring many years from now, say 2025 or so. Representative Barber B. Conable, Jr. (R-N.Y.), ranking minority member of the Ways and Means Committee, is among those who have said there is no way to avoid such a change. While postponing eligibility for pensions has some support in Congress, it is not given a strong chance of early approval.

Most other plans to trim benefits involve gearing pensions closer to past earnings. In general, it is felt, unearned benefits amount to welfare and should be paid out of general revenues or, for the more affluent, eliminated.

Disability pensions. One Carter plan—to tighten the rules on disability benefits—has enough support that it may get through Congress in 1979 or early 1980. The Ways and Means Committee has already agreed to some of the Carter proposals after learning that the cost of disability benefits rose from 1.6 billion in 1965 to 13 billion in 1978. If Congress does go along—

Total family benefits of a disabled worker will be limited to about 80 percent of his previous pay. A new Social Security study shows that 1 worker in 15 now going on the disability rolls can expect to get a monthly benefit at least as large as his average monthly pay in the last five years. Some even get an increase in income when they retire.

The formula will be revised to limit disability benefits for younger workers. Under present law, they often get more than older workers earning similar amounts.

Annual savings by 1984: Three quarters of a billion dollars.

Several Carter proposals would trim or eliminate benefits paid to "double dippers." Thousands who have retired on federal, state or local pensions have then worked long enough in private employment to qualify for the minimum Social Security benefit of $122 a month.

That floor under benefits was installed initially for the working poor. But eligibility for the minimum pension is easily established by the more affluent. For example, any individual who reached age 62 in 1975 needed only six years of work covered by the payroll tax. Many who started out in private jobs and now retire from public service need only a few more quarters of coverage to fill out that six years and draw $122 a month for life. About 45 percent of all retired federal workers, for example, draw Social Security benefits. If Congress approves the Carter proposals—

The minimum benefit under Social Security will be scrapped for future retirees. Thus, anyone qualifying with a minimum of coverage will get only token benefits from the system. The more generous minimum pension will be retained for those who retire after long years of low pay.

High pensions based on federal service not covered by Social Security will be partly offset against any Social Security benefits that a worker qualifies for in the future. There would be no offset as a result of state or local pensions.

If Congress agrees to make those changes effective immediately for people coming on the benefit rolls, thousands who are working to fill out their required years of Social Security coverage will be denied benefits they now expect.

Would these two changes deny benefits to some genuinely needy people? Yes, say officials, but they add: The benefits that would be denied are unearned and should be provided by welfare, not by the Social Security trust fund.

Dependents' benefits. Some benefits going to workers' dependents or survivors are also marked by the administration for elimination on the grounds that they are no longer needed or are unearned. If Congress agrees—

Benefits now paid to young students until they reach age 22 will end at age 18. With a phase-in, no present student beneficiaries would lose any checks. Officials point out that, since this benefit privilege was adopted, many other federal education aids have become available.

Workers vs. beneficiaries

Today: 3.1 persons receive benefits for every 10 workers who pay social security taxes.

In 2030: 5 persons will receive benefits for every 10 workers who pay social security taxes.

(Source: U.S. Department of Health, Education, and Welfare.

Benefits for parents who are under age 62 and caring for children will end when the youngest child reaches 16, rather than 18, again with a phase-in period. Officials say the idea behind this benefit—that a parent feels a need to stay home to care for a child until age 18—is no longer valid in this era of the working mother and working couple.

The lump-sum $255 paid at the death of a worker will be eliminated, and a death benefit will be provided for the needy under the Supplemental Security Income program. Officials note that the benefit is not related to earnings or to costs associated with final illness and death. They argue that it should be restricted to those who really need it.

Supporters and opponents. The proposals to cut Social Security benefits have brought angry outcries from many lawmakers and spokesmen for the aged, including some social-insurance experts. Yet a close look at the Carter plan shows it to be in line with changes advocated by the aged.

Many older people feel Congress should go far beyond the Carter proposals to assure the payment of retirement benefits. Spokesmen for the American Association of Retired Persons have called on Congress to shift virtually all of the burden of unearned benefits to the welfare system. Their plan would transform Social Security into a national pension system that would be the primary, rather than a supplementary, source of retirement income.

Few expect Congress to go that far. Yet the first significant steps to trim unearned benefits actually were taken in amendments adopted late in 1977. And key legislators say the process of ridding the Social Security trust fund of its welfare burden is going to continue.

Before the overhauling ends, the nation's vast experiment with social insurance may bear little resemblance to the present system.●

AMERICAN INNOVATION ON THE DECLINE

HON. EDWARD P. BOLAND

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. BOLAND. Mr. Speaker, Richard J. Mahoney, executive vice president of the Monsanto Co. recently addressed the Greater Springfield, Mass., Chamber of Commerce on disturbing trends in American innovation.

The Monsanto Co. has an enviable record of research and development in the complex chemical industry. Additionally, they have spent millions of dollars finding new uses for their chemical products. The whole process of innovation is a key ingredient in the life of this company.

Mr. Mahoney raises some disturbing issues concerning the current state of American innovation. The president of the Monsanto Co., John W. Hanley, recently said,

> I believe that our nation's most serious shortage today involves not energy or raw materials or jobs, but innovation.

Richard Mahoney, a native of Springfield, Mass., has been with the Monsanto Co. since 1962. He has risen through a number of positions and today serves as executive vice president in charge of three operating units of the company: Monsanto Plastics and Resins Co., Monsanto Agricultural Products Co., and Monsanto Industrial Chemicals Co. Mahoney also is a member of the Monsanto board of directors and a member of the company's corporate administrative committee.

Mr. Speaker, without constant innovation, American industry would have no future. Ways to encourage research and development must be found. The innovation issue is one that will be of increasing concern to us here in Congress as American innovation lags behind the rest of the world.

I have included Mr. Mahoney's Springfield address here. I recommend his thoughtful remarks to my colleagues.

SPEECH OF RICHARD J. MAHONEY

Monsanto's faith in this area dates back three quarters of a century—back to 1904, when one of our predecessor companies, Fiberloid Corporation, moved here from Newburyport and began its manufacturing operations. In 1937, Fiberloid and Shawinigan Resins Corp. combined to build what is now our Bircham Bend plant.

A year later, Monsanto bought Fiberloid and the New Jersey-based Resinox Corporation—which it moved to Springfield. This was our first venture into the plastics and resins business, which has since become a billion-dollar enterprise for Monsanto.

Today, in the Springfield area, we have over 2,000 employees, more than 100 buildings, some 300 acres of land, and many millions of dollars in investment. What's more, we're still investing heavily in our Springfield facilities.

A case in point: We announced plans last month for a multi-million-dollar expansion designed to increase production capacity of melamine resins for the paint market.

And tonight, in the presence of so many distinguished civic leaders, I'm pleased to announce another multi-million-dollar development that underscores Monsanto's sustained interest in Springfield.

We have just received approval from our Board of Directors for a major expansion here of our Butvar Resin and Saflex operations—and I was delighted to cast my-own-vote for jobs and money for Springfield. Monsanto is the world's leading supplier of polyvinyl butyral interlayer, which we sell under the trade name "Saflex". This interlayer is used to produce those laminated safety glass windshields that are required on all U.S.

cars, as well as the high performance architectural glass used in building design. As far as Monsanto is concerned, these products carry a "Made in Springfield" label.

Our faith in the Springfield area, and its "can do" attitude, is based on a record of solid performance. In the 19th and early 20th centuries, Springfield, and New England as a whole, dramatically symbolized "Yankee ingenuity" at its best—leading the way in patents and product innovation.

In the post World War II period, the area found itself locked in a spirited competitive battle with the South on a cost-of-labor basis.

As you know only too well, there were casualties in textiles, shoes, munitions and other industries. A number of prominent companies disappeared from the local industrial roster.

Nevertheless, the area displayed remarkable resilience in reshaping its economy to the requirements of a changing technology. Employment growth in new industries largely offset declines in the old. Interestingly, the strong survivors of the postwar competition were those companies firmly rooted in technology—and that's true throughout New England—Springfield, Worcester, and companies such as Polaroid and the electronic firms that prospered along Route 128.

Today, Springfield, like the rest of New England and, indeed, the rest of the country, faces a bracing new competitive challenge—on two fronts: a competition with foreign companies, and, what's more disturbing, increasingly a competition with our own government.

As I travel overseas, I hear a great many comments about America's declining power and influence on the world scene. U.S. prestige is being openly questioned. Friends and foes alike wonder whether we know where we want to go.

The American businessman abroad is asked continually about our soaring inflation, our sagging dollar, the chronic payment deficits, the crisis of confidence in American leadership, the inability to exert global influence through economic and financial power, and the increasing penetration of the Japanese, the Germans and others into our marketplace.

This evening I'd like to talk about what I regard as a significant aspect of this erosion of U.S. power—the decline of the innovative spirit in America, of good old-fashioned Yankee ingenuity. Then I'd like to offer some constructive suggestions on what we as a nation—and you and I as individuals—can do about it.

Industrial innovation is the process through which research concepts are translated into commercial realities. Innovation has served as a badge, bearer and backbone of our economy. It has given us penicillin and synthetic fabrics, transistors and television, computers and copiers, space travel and orbiting satellites. It goes to the very heart of the issue of our world power and prestige because it produces jobs, generates national income, and helps keep us competitive in world markets. Our "American standard of living" is a familiar name for the daily benefits of technological innovation because economic progress depends decisively on new kinds of goods and services.

Yet today, innovation is lagging badly in our country. The statistics bear this out. Consider this:

Our national spending for R&D as a percent of the GNP has slipped from 3% in the mid-1960s to about 2%. Meanwhile, Japan, West Germany and the Soviet Union have surged forward to where they equal or surpass the U.S. in the percent spent on R&D.

Finished products made in the U.S. with a high technology component—drugs, chemicals, computers, agriculture—these have been a leading American export for several decades—helping offset imports of low-technology, high-labor manufactured goods, as well as oil and other raw materials. Yet the nation's surplus in these important R&D-intensive goods has been eroding for several years.

U.S. patents awarded to foreign inventors have doubled in the past decade, while patents awarded to Americans outside the U.S. have declined by 25%.

More and more R&D funds are going into "defensive" research—to comply with environmental edicts—rather than into the development of new products and processes on which innovation thrives. For example, 40% of Monsanto's research on agricultural chemicals goes into meeting government regulations, and that figure is growing at an alarming rate.

But more dramatic, by far, than all the statistics are the real-life cases where innovation has been thwarted by arbitrary and capricious government actions.

Let me give you an example of what can happen. Not far from here, in South Windsor, Connecticut, stands a memorial to the prevailing regulatory climate in the United States and the lack of public understanding of the innovative spirit.

You may remember that about three years ago, Monsanto went to market with a specially designed soft drink bottle that could be recycled.

This bottle had been developed over a ten-year period, at a cost of many millions of dollars. At one point, we held a scientific symposium in Hartford, and invited opponents as well as advocates to come and give us their views.

Both FDA and EPA called the plastic bottle the most environmentally desirable method of packaging soft drinks. The consumer loved it. It was light and didn't break. Coca Cola appropriately called it the "Easy Goer", and in test markets the sales soared.

Then, two years ago last February, FDA abruptly rescinded its earlier approval of our bottle, citing toxicology concerns. Not because anyone could prove the bottle was unsafe. They couldn't. Even the most highly sensitive analytical techniques were unable to detect any chemical migration of the plastic from the bottle into the contents, under the intended conditions of use.

But that was not good enough for the regulators. FDA insisted that if the bottles in test were filled with acetic acid—simulating soft drinks—and stored in an oven for six months at 120°F, infinitesimal amounts of one of the components of the plastic, called acrylonitrile, might migrate into the beverage. Never mind that such test conditions would have made the bottle look like a deflated football, and, of course, unsalable in the supermarket!

The fact is that the FDA's highest estimate as to potential lifetime consumption of AN—by a fictional consumer who might somehow be fed all his liquid intake from containers made of AN copolymers—amounted to less than one-fifth of a teaspoonful. As all the eminent, independent scientists who stated their opinions on safety testified, it's hard to see any legitimate public health concern about such a level of potential lifetime exposure.

Nevertheless, FDA said that AN might migrate from the bottle wall into the contents. We said it didn't—at least it couldn't be measured with instruments which could pick up amounts as small as one part per trillion—or about one grain of common table salt in an Olympic-size swimming pool. But they held all the cards, and the ban is now in effect. Although the matter is before the courts on appeal, Monsanto had to write off nearly $40 million worth of equipment and facilities, eliminate nearly 1,000 jobs, and shut down three plants—including the one at South Windsor.

As a business setback, this story admittedly is an unhappy one. But Monsanto's experience points out a basic issue facing highly technical industries in a heavily regulated environment.

If Federal regulations become so unpredictable that millions of dollars and more than a decade of research are not enough to prove the acceptability of a new product—and if reason won't prevail—then there aren't going to be very many new products or very much innovation in the United States.

It's late—but not too late—to turn the innovation situation around. I believe there are a number of steps that can be taken to improve our posture, and I'd like to suggest three of them.

First, we must reduce uncertainty about future direction and timing of regulation. The regulatory burden must be eased, and I'm not talking about the regulation necessary to help protect a complex society.

I'm talking about capricious, useless regulation—with cost burdens well beyond any reasonable gain. Out-of-the-blue surprises like the Cycle-Safe case understandably discourage innovators from attempting long-term, high-risk projects.

Government regulators should be required to develop multi-year regulatory strategies and tell us where they're focusing—tell us where they are heading—so innovators would be able to plan research programs in new products with some understanding of where the government might descend on us. General principles should be published to provide guidance on how the agencies make their decisions. For example, how quickly will they mandate a new standard? Will they give us time to convert our old facilities over—and will there be interim standards while the problem is studied further, or will they shut us down precipitously?

Regulation should deal with the ends rather than the means. If they told us what they want done—not how to do it—innovation companies could look for effective but cheaper methods. For instance, plants burning coal could choose to reduce sulfur emissions by installing scrubbers or burning cleaner coal, or perhaps reduce sulfur by some even better method yet to be devised. After all, that's what innovation is all about—new ways of doing things.

A second step to improve our country's innovative position would be to provide more encouragement for smaller businesses—like so many of those represented here this evening—and the service companies and professional people who depend on the success of these companies for their livelihood.

There is strong evidence that smaller firms—those with, say, fewer than 1,000 employees—those companies produce perhaps 20 times as many major inventions for each R. & D. dollar spent as larger companies.

It is interesting to recall that neon lighting, the photoflash bulb and scores of other widely used products were introduced not by corporate giants, but by smaller firms willing to gamble on a potentially profitable new idea.

Innovative vigor on the part of smaller firms is not surprising. To survive against more highly capitalized competitors, they have no choice except to innovate—and this should be encouraged as much as possible.

To the extent feasible, regulation should be administered to avoid placing a disproportionate burden on smaller firms. Procedures and paperwork should be simplified—kept to a minimum—and compliance timetables should be extended for small enterprises to make sure that they keep on originating their full share of innovative ideas.

Listen to George Lockwood—a general partner in Monterey Abalone Farms—describe his difficulties in launching an ocean-farming business. "Some 42 government agencies impact on our decision making," he says, "and 50–75% of my time is spent interacting with the government."

A fledgling operation stalls before it can shift out of first gear—it stalls on tax policies, regulatory restrictions, and government red tape.

For every 100 new businesses that are set up this year, it is estimated that more than half will fail within 12 months. We must improve these odds if innovation is to thrive—and if our free-market system is to survive.

A third step to enhance our international position would be to develop a coherent industrial policy like the countries in Western Europe and Japan—a policy consistent with the world's new economic realities. These countries know where they want to go, and they have specific programs for getting there.

We in the U.S. have been slow in coming to grips with these new realities. But we must do so—and do so promptly—if we are to mobilize our innovative strengths effectively, and compete aggressively with countries that are playing the international game under a totally different set of rules than we are.

Right now, our competitors in Europe and Japan operate under governments that take a much more active hand than our own in supporting key industries. They often underwrite development costs—and at the very least, they don't discourage development. They offer a climate to encourage sales of these new products—not discourage them.

The countries who compete with us identify high-growth industries and support that technology with research, capital, education and related social policies.

The relationship between business and government is much more of a "we" arrangement, in contrast to the belligerent "us" and "them" confrontation that often prevails in the U.S. The Japanese Government, for example, has pushed its supportive relationship with private business to levels virtually unparalleled in a capitalist country. We are seeing the results in increased U.S. sales of products, with names like Toyota and Sony and Seiko.

Largely as a result of the industrial policies adopted by Japan and the European countries, they have been able to narrow the technological gap that once separated them from us. This translates into American jobs lost, higher inflation, larger trade deficits—and high-technology centers, like New England, are the losers.

I'm not suggesting we need further government incursion into the private sector. We can still thank God that we're not getting all the government we're paying for. But at the very least, we need the removal of government roadblocks to innovation.

In my judgment, the best way for U.S. companies to compete is through innovation where everybody is required to play by the same rules. But we've got to insure our government is not turning off our life support and throwing one surprise after another at us.

In summary, we can encourage innovation in this country:

One—by reducing the uncertainty about the direction and timing of regulation;

Two—by stimulating smaller firms which have always been prolific innovators; and

Three—by developing a coherent program to let U.S. industries compete fairly around the world.

In my view, we're not going anywhere in improving many of our nation's financial woes until we get this done. And we can do something about it if we're willing to get to work on it as concerned citizens. It isn't as hard a job as it seems, and there are a lot of people out there who can help—our legislators, our educators, our opinion leaders.

I'm convinced they will help once they're persuaded of the close tie between technological innovation and the economic outlook, as measured in very real terms of the well-being of the average citizen. Once people recognize that innovation affects them personally, then they'll do something about it.

President Carter has had several advisory panels studying the issue as part of a Domestic Policy Review. Their conclusions are scheduled to be sent to the White House this month. We ought to let the President know that we expect some action on these innovation issues.

On Capitol Hill, Senator Adlai Stevenson of Illinois heads a Commerce Subcommittee that is drafting legislation to remove some of the roadblocks to innovation. We should let him know how we feel about the importance of the task, and about what ideas we have that might be helpful.

Well, you say, you're not an expert on the subject so what could you possibly contribute?

You can develop an expertise by reading and listening to all points of view—including, I hope, mine—and not be bashful about expressing your own opinions to your Senators or Congressmen. Specific illustrations drawn from your business experience will command attention.

Above all, practice what you preach. Don't be like the sign I saw in a laboratory the other day. It read: "INNOVATION IS OUR MOTTO; IT'S JUST NOT BEING PRACTICED HERE RIGHT NOW!"

Encourage innovation in your own businesses, and urge your associates to do the same.

And remember—fighting for a climate for innovation is like every other fight—the first requirement for effective citizen action is stamina. This is no sport for the short-winded. Look at the recent history of the "tax revolt" issue. A dozen years ago, when Howard Jarvis and a handful of dedicated followers in California began talking about the issue, nobody paid any attention. Even when it went on the ballot as "Proposition 13," political forecasters gave it little chance of passage. But Jarvis and his followers kept at it persistently until they finally won in their home state—then set off a "ripple effect" that is being felt all across the country.

Whether you agree or not with the various forms of Proposition 13, that's an example of what citizen action can accomplish if you stick with it long enough.

The innovation issue could become an "International Proposition 13"—because what we're talking about here is what America's economic role in the world ought to be, and whether we're strong enough to carry out that role.

There is, in my view, a deep-seated conviction in this country that we are—and must remain—No. 1! The best way to do that is not by "playing it safe," but by stepping up the pace of innovation that has earned us the title of the greatest problem-solving nation ever.

Dr. Nicholas Murray Butler, the long-time President of Columbia University, used to say that there are three kinds of people: those who make things happen; those who watch things happen: and those who don't know what's happening. He said: "It's better to be in the first class, making things happen, because it's much less crowded!"

I believe we can make things happen on innovation. For the future of our country, I believe we must do so! And tonight I solicit your help.●

LONG ISLAND JUDICIAL DISTRICT

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, May 4, 1979

● Mr. AMBRO. Mr. Speaker, for the past 2 years, I have devoted a great amount of my time and energy to securing approval by this Chamber of my bill to create a separate Federal judicial district for Long Island. During that time, we have compiled a great weight of evidence and other information in support of this proposal.

This morning, I testified at a special hearing on my bill, held on Long Island by the Administrative Office of the U.S. Courts. The problems we have experienced on Long Island in regard to the fair and equitable administration of justice are not unique and they exist in almost identical form in perhaps a half dozen other States.

For the benefit of my colleagues from those areas, I would like to share with them the points I made this morning:

TESTIMONY OF CONGRESSMAN JEROME A. AMBRO

Your Honor, I'm Congressman Jerome A. Ambro, from New York's Third Congressional District here on Long Island, the sponsor in the U.S. Congress of legislation to create a new Federal Judicial District in Nassau and Suffolk counties, authority which flows from the Judicial Act of 1789, 1 stat 73, and from Congress' decision in 1814 to divide New York into two judicial districts, the northern and southern districts, the latter's district court to be held in New York City.

First, I would like to thank you for taking time away from other judicial responsibilities to conduct this proceeding and to consider this matter of such importance to all Long Islanders and, indeed, all residents of the U.S. eastern district. I would like to thank, as well, your learned colleagues on the Federal bench and the staff of the Administrative Office of the U.S. Courts in Washington who have rendered such invaluable assistance in arriving at a fair and speedy determination of the merits of the proposal under consideration.

In the next several hours, your Honor, I will be followed by more than two dozen witnesses from the legal, judicial, governmental, business, academic and public interest sectors whose time, energy and interest is most appreciated. Many of those knowledgeable people will be presenting a body of information and a series of arguments in support of a separate Nassau-Suffolk Federal Judicial District.

I will attempt to avoid duplicating specific points which I believe they will be developing in-depth based on their backgrounds and experience, and will instead move immediately to what I consider to be the fundamental question before us today—the need for the separation of Nassau and Suffolk counties from the eastern district and the creation of an independent district for these three million residents of Nassau and Suffolk counties.

Initially, I would like to read into the record excerpts from an editorial in support of creating a new Long Island judicial district which appeared in that most respected of newspapers, the New York Times:

"It is essential that justice follows the crowd . . . . the activities in Washington (new programs, new legislative mandates, new laws) require greater responsibility from the . . . Federal courts . . . . travel time can hoped to be shortened . . . ."

These are salient points and many of the witnesses today will be expanding upon them. In my opinion, the New York Times' editorial position was well taken, but it was a position, your Honor, taken on February 27, 1865, 2 days after the Congress by joint resolution created the present eastern district of New York.

The resolution declared in part:

". . . the counties of Kings, Queens, Suffolk, and Richmond, in the State of New York . . . are hereby constituted a separate judicial district of the United States, to be styled the eastern district of New York . . . . district and circuit courts for the trial cases shall be held in the City of Brooklyn on the first Wednesday of every month . . . ."

A great many things have changed, Judge Markey, since Congress passed that resolution:

Suffolk was divided into two counties in 1899 and now includes Nassau County and has for the entirety of the 20th century.

Brooklyn has not been a city in this century, but part of a larger megalopolis.

It's been an awfully long time since trials were restricted to the first Wednesday of every month.

The combined populations of Nassau and Suffolk counties then was less than 70,000, mostly farmers. It's now rapidly approaching 3 million.

Abraham Lincoln was President and he signed the joint resolution. He would be assassinated in a few weeks.

Thirty-five years later, in 1900, the eastern district tried 14 civil cases from Nassau/Suffolk, and only 6 criminal cases, the entire year.

A great deal has changed; but a great deal has remained the same, as evidenced by the New York Times' editorial.

At the close of the Civil War, the New York metropolitan area was experiencing population growth of monumental proportions. Burgeoning European immigration had swollen Manhattan and the population was spilling over into Brooklyn and to a lesser degree into Queens. In terms of the administration of justice, the southern judicial district was overwhelmed. Judges from that district expressed deep concern about their inability to administer justice following the passage of a spate of new laws which they could no longer manage. A Brooklyn-based Federal court made sense and a new district was created.

The Congress and the Federal judiciary were sensitive to a need which existed in the real world and that need was met for decades by the eastern district. It was a fair and equitable solution to a problem.

But those ingredients and those forces which gave rise to the problem did not end with the creation of the new judicial district.

Population continued to increase. Business and commerce, schools and housing, transportation and roads, and the host of attendant requirements of population growth continued to march eastward across the Long Island land mass for the next 115 years, up to today. It is continuing to spread to Long Island's easternmost forks.

Yet, the judicial district created 43 days before General Lee surrendered to General Grant at Appomattox Court House remains the administrative unit of Federal justice for "Kings, Queens, Suffolk and Richmond," for a population that has grown 3,750 percent.

The eastern district of New York is now the third most populous in the entire Nation. Of the 94 other districts, only two serve a greater constituency than the 7.4 million people of the eastern district.

The eastern district also claims the second fastest growing caseload of the second circuit (United States Courts Judicial Council of the Second Circuit Report, Setpember 1977).

The district services a major port of entry and naturalizes more Americans than any other court in the Nation.

The volume and complexity of its criminal caseload requires its judges to devote more time to criminal cases than other districts. During the past 10 years, total filings in the eastern district have increased an incredible 96 percent. The district's activity is tremendous: civil filings in the past 10 years increased 102 percent, criminal 78 percent, the report indicated.

According to Chief Judge Kaufman's second circuit report, "an outstanding characteristic of the esatern district is its heavy criminal caseload. During the past 10 years, the attention required by the criminal caseload, coupled with the rise in civil filings, has caused the civil pending caseload nearly to double."

Even more revealing is the fact that in calendar 1978, civil cases pending at the conclusion of business on December 31 increased from 3501 in 1977 to 3844—an increase of 11.45 percent over the previous year. In the just completed judicial term, ending December 31, 1978, the criminal caseload pending, which had remained static for years, increased 4.3 percent, the first time in this decade that there has been a significant criminal case backlog on the docket at the close of the calendar year.

The 731 cases pending at that time surpassed the 705 cases pending in the more active southern district, and represents one of the highest criminal backlogs in the Nation.

On January 3, 1975, the Speedy Trial Act became law, defining precisely criminal defendants' right to a speedy trial and setting forth specific time limits permitted between arraignment and trial. Under the act, the eastern district, as all other U.S. Courts, must now bring a defendant to trial within 80 days of arraignment.

Your honor, in February of this year, 96 cases were pending on the criminal docket of the eastern district—an alarming 44 of them had not been adjudicated within the 80 day time period prescribed by law. In other words, Judge Markey, 45 percent of the eastern district's criminal backlog in February was pending in violation of Federal law. From January 1 to the end of last month, the percentage of criminal cases pending in excess of the 80 day time period has averaged 40 percent.

This means, two of every five defendants awaiting justice in the eastern district this year were denied their constitutional right to a speedy trial, as defined by existing law.

On July 1 of this year, the permitted time period between indictment and arraignment will be reduced to 60 days, as specified by the 1975 speedy trial act. One can only conjure the horrors that will occur when this overburdened district is forced to meet this tougher, tighter time constraint.

Equally significant is the fact that while it has been the practice of the clerk of the eastern district to refer between 2 percent and 3 percent of the criminal filing to U.S. Judge George Pratt's courtroom in Westbury, Nassau County, I understand that under a new policy in the eastern district, up to 15 percent of the district's criminal activity will be shifted to this facility and, in fact, an incredible 30 percent was referred this past month! This shift is an attempt to alleviate the criminal backlog and to comply with the terms of the Speedy Trial Act by pushing more of the caseload to Long Island, which could better deal with these matters if equipped with the full measure of prosecutorial weapons of a separate U.S. Attorney and his support staff. Merely changing the place of trtial does not adequately provide for fair and speedy trial or due process, nor does it recognize the manifest need for a genuine Federal law presence in these two counties.

Can the Westbury Court deal with 15 percent of the eastern district criminal cases? I would submit, your honor, that it cannot. But Judge Pratt, who is scheduled to appear here today, can better address this point.

Why did this sudden shift in referrals take place? Because the U.S. Attorney has been under pressure from a variety of sources, including the media, to focus more of his energies on the criminal and potentially criminal prosecutions arising in these counties where the interests of the FBI and teams of Federal prosecutors have been undermanned.

In January, two criminal cases were referred to Westbury; there were none in February, 6 in March, and 17 last month, as stated, 30 percent of April's filings in the eastern district not to be disposed of by magistrates. Qualitatively, Your Honor, these cases are becoming increasingly complex and involve extensive discovery and evidentiary matters.

These type of statistical, empirical arguments will be made more authoritatively by those who follow me and who have first-hand knowledge of the impact of these incredible increases.

These statistics, however, cannot be appreciated without considering the effect of the present Federal Court structure on Long Island's State court system. The inaccessability of the Federal Courts has forced diversity of citizenship cases into these State courts when they should be adjudicated by U.S. Courts.

Nassau and Suffolk counties comprise the 10th Judicial District of the State of New York, one of 11 such districts in the State. In 1976, the last year for which figures are available, the 10th district began with more nonmatrimonial civil cases (11,476) and ended with more cases remaining on the docket (11,862) than any judicial unit in New York. Nassau and Suffolk counties ranked fifth and sixth respectively, among all counties in the State in 1976 in defendant class A felony indictments pending for more than 1 year. They ranked directly behind Manhattan, Brooklyn, Bronx and Queens, all of which have populations considerably larger than the two Long Island counties.

I am not suggesting that the criminal caseload reflects directly on potential Federal criminal cases, since we are dealing with different bodies of law (although there is such a direct connection in civil, nonmatrimonial matters). What I am suggesting is that there is more than sufficient litigative activities in those counties to require the attentions of a full-time U.S. Attorney with support facilities.

In 1977, the eastern district magistrates heard more minor and petty offenses than did magistrates in any other district in the second circuit. The district, however, had only half the magistrates to perform these duties as did the southern district of New York, such is just one example of the overwhelming need for a separate Federal law enforcement apparatus for Nassau and Suffolk. Another example is the fact that there were more persons under supervision by the probation officers of the eastern district than any other district in the second circuit.

In addition to the need for judgeships, bankruptcy judges, magistrates and probation officers and offices that would accompany a newly formed "southeastern" judicial district, a U.S. attorney's office would, perhaps more than anything else, provide the long overdue efficient, responsible and comprehensive federal legal system or Nassau and Suffolk's residents.

Long Island, as a social and economic entity, has long been beyond the scope and firm control of the U.S. attorney's office in Brooklyn. The considerable extent to which federal grants, projects and contracting authority, totaling billions of dollars annually, have been awarded to both Nassau and Suffolk counties creates a fertile, but woefully unexplored, field for corruption for those aware of the inability of federal authorities to pursue their misdeeds.

Although difficult to perceive at first, perhaps it would not be inappropriate to apply cost-benefit analysis to the creation of a separate judicial district on Long Island, considering the amount of federal monetary involvement with that bi-county region.

I realize that there are some who see no distinction between Nassau and Suffolk and the rest of the eastern district, some who would lead us to believe that this is simply one contiguous, homogeneous landmass. Yet that view flies in the face of a series of official designations, dating back to 1972, recognizing the unique and distinct identity of Nassau and Suffolk:

In 1972, the Commerce Department granted Nassau and Suffolk separate consideration as a standard metropolitan statistical area (SMSA).

The U.S. Office of Management and Budget in 1977 granted those counties separate Federal aid clearinghouse status for purposes of A–95 review, splitting the island from the tri-State regional planning commission.

The U.S. environmental protection agency granted the island status as a sole source aquifer region, qualifying for special environmental protection.

Last March, the Commerce Department announced that Nassau and Suffolk would be designated an economic development district, the first exclusively suburban region of this kind in the Nation.

The New York State Department of Transportation cut Nassau and Suffolk away from New York City and created a separate transportation region for the two suburban counties.

New York City and Long Island are not one and both the State and Federal governments recognize that fact.

Your Honor, the time has come to sift out the unimportant and self-serving criteria that have been offered time and again in opposition to the creation of this district. The situation on Long Island represents the most compelling arguments one could imagine in favor of the creation of a southeastern judicial district in the State of New York. The new district would clearly equalize the caseloads of the existing district, lessen delays for litigants, eliminate the ever-increasing case backlogs, and provide greater strides toward that coveted belief in equal justice for all. Access to justice, if it is to have true meaning, must include timely and affordable adjudication by fair and efficient courts. Are Long Islanders entitled to any less? In the opinion of the present U.S. attorney for the eastern district, a new district would not be capable of attracting personnel sufficiently sophisticated to handle the "large cases" that a U.S. attorney is responsible for. This sort of attitude, infested by that tainted belief in suburban and rural professional inferiority is an unfortunate misconception that is often offered as bait to the unknowing and unsuspecting. In fact, no less than five of the honorable justices serving on the bench of the eastern district currently reside in either Nassau or Suffolk County. Surely, this is not the example of the lack of professional sophistication the U.S. attorney fears.

Courts are not to be created nor denied existence to suit the pleasures of lawyers or judges. The essential element in the creation of any Government facility is to serve the needs of the people—and this proposal is no exception.

The ever-changing demographic characteristics of the area have created a transportation system altogether incapable of assuring accessibility to the U.S. court system for many, if not most Nassau-Suffolk residents. For example, the average round trip commuting time to the Brooklyn court location from random points on Long Island during off-peak hours reveal:

Location	Roundtrip distance (miles)	Time (hours)
Nassau Co.-Mineola	60	2
Suffolk Co.-Huntington	100	3
Hauppauge	114	3
Stony Brook	128	3.5
Riverhead	164	3
Montauk	258	7
Orient Point	224	7

The Brooklyn, Queens, Nassau corridor is now the most congested, maddening and infuriating traffic morass in the Nation. Western Suffolk, at least, if not the whole county, is rapidly joining the transportation log jam which characterizes the other three counties. Traveling from even close-in Nassau County to the Brooklyn Federal Court complex is at best an all day affair.

Recognizing the Long Island area as a transportation entity fraught with problems, the State of New York, as indicated earlier, separated Nassau and Suffolk counties from New York City as a separate transportation district. Considering the transportation complexities above, it is quite evident that the nearly three million residents of Nassau and Suffolk do not enjoy reasonable accessibility to the U.S. Courts.

The issue before you is one which will only become even more pressing with time. The fact that the average population served per court location nationally is 503,700 and that the Eastern District serves an incredible 3.7 million persons per location is only one indicator in a list of many which mandates immediate remedial action. The recognition of Long Island's autonomy from the dense metropolitan New York City region has been recognized by industry, commerce and academicians for years, and by a variety of Federal agencies, but not yet by the U.S. Federal Court System. The pressure of population and growth has been inexorable. It now rests with you to assure these people that the doors of justice have followed them eastward.

In conclusion, I want to sum up with the observation that all of the foregoing is just lengthy exposition of the inescapable fact that for many Long Islanders the lack of a separate Federal judicial district with suitable court and attendant functions—most notably a U.S. Attorney's Office, magistrates, and ancillary agencies—has meant, and will continue to mean the denial of equal justice under the Constitution and the laws of the United States of America.

I have no doubt that the overwhelming weight of evidence, the facts, the figures, the arguments are all on the side of separation. And I have no doubt that you will see the justice and the wisdom in separating Nassau and Suffolk counties (Long Island) from the eastern district in line with H.R. 2714.●

SENATE—*Monday, May 7, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. GAYLORD NELSON, a Senator from the State of Wisconsin.

PRAYER

The Very Reverend Peter C. Moore, dean of the Cathedral and Abbey Church of Saint Alban, Hertfordshire, England, offered the following prayer:

O God, the Creator and Preserver of all mankind, we humbly beseech Thee for all sorts and conditions of men, that Thou wouldst be pleased to make Thy ways known unto them, Thy saving health unto all nations. More especially we pray for the good estate of Thy Church; that it may be so guided and governed by Thy good spirit, that all who profess and call themselves Christians may be led into the way of truth, and hold the faith in unity of spirit, in the bond of peace, and in righteousness of life. Finally, we commend to Thy fatherly goodness all those who are any ways afflicted, or distressed, in mind, body, or estate; that it may please Thee to comfort and relieve them, according to their several necessities; giving them patience under their sufferings, and a happy issue out of all their afflictions. And this we beg for Jesus Christ's sake. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 7, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable GAYLORD NELSON, a Senator from the State of Wisconsin, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. NELSON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A VOICE THAT WILL BE MISSED IN THE SENATE

Mr. ROBERT C. BYRD. Mr. President, it is with sincere regret that we have received the announcement by Senator ABRAHAM RIBICOFF, of Connecticut, that he has decided not to seek reelection next year. For many years, Senator RIBICOFF has represented the citizens of the State of Connecticut with genuine distinction, and the contributions that he has made to this country in his service in the Congress, as well as his term of office in the executive branch, are incalculable. I am certain that I speak for all my colleagues when I say that Senator RIBICOFF will be genuinely missed when his tenure is concluded in 1980.

In his eloquent statement announcing his decision, Senator RIBICOFF quoted former Majority Leader Mansfield's observation that "there is a time to stay and a time to go." Senator RIBICOFF went on to say:

> I have admiration for the men who know how to go out at the top of their careers. A person who's been in power a long time should know how to step aside and open up the political process.

No one in the Senate would question that ABE RIBICOFF was at the peak of his career. His influence and his record of accomplishment in the last Congress were remarkable.

As chairman of the Senate Committee on Governmental Affairs, ABE RIBICOFF shepherded landmark legislation through the Congress. He took the lead in passage of the Civil Service Reform Act, the first major overhaul of the civil service system in nearly a century. He spearheaded the passage of the Ethics in Government Act, which mandated for the first time full public financial disclosure by high-ranking Government officials of all three branches and creation of a standby mechanism for the appointment of a special prosecutor in appropriate cases. He was instrumental in the creation of the new Department of Energy. Legislation establishing 12 offices of inspector general to combat fraud and waste in Federal agencies passed through the committee. The committee collaborated in enacting the nuclear nonproliferation bill. Thanks to ABE RIBICOFF's stewardship, the Senate has now twice passed legislation to create a Cabinet-level Department of Education.

Concurrently with all this legislative activity, Senator RIBICOFF's committee also managed to produce a six-volume study of all aspects of Federal regulation, which is regarded as a major contribution in the field paving the way for legislation envisioned for this Congress.

Given this record of achievement and Senator RIBICOFF's extraordinary courtesy to all Senators who have served with him, it is not surprising that he was universally regarded as one of the finest committee chairmen in the Senate.

No fair description of Senator RIBICOFF's role in the Senate can omit his courageous leadership in helping to pave a way toward peace between Egypt and Israel. ABE RIBICOFF has been a steadfast supporter of President Carter's efforts to achieve Mideast peace. The pressure on Senator RIBICOFF became very intense when he backed the President's decision to get congressional approval to sell jets to Saudi Arabia and Egypt. He never wavered in his desire to do what he judged to be right, and his intellectual and moral influence were critical factors in determining the outcome of one of the most emotionally charged debates in my memory that the Senate has held.

I would like to add one other personal note. At my request, Senator RIBICOFF has shouldered far more than his share of responsibility for the Senate's efforts to enact a workable code of ethics for itself and the other branches of Government. He played a crucial role on the Nelson committee which recommended the Senate code of conduct. He was floor manager for the Ethics in Government Act. He consented to serve as one of the six members of the new Ethics Committee and devoted countless hours to that necessary, but often unpleasant, duty. His commitment to the Senate—and his desire to inspire public confidence in it—led him to unstinting service on its behalf.

We can rest assured that Senator RIBICOFF will be a major contributor to the legislative process throughout this Congress. He will continue to press for the adoption of the Department of Education legislation which he has championed. He will be working for meaningful reform of our regulatory process. He will take the lead in important Senate business on international trade, leading Senate debate of the bill implementing the Multilateral Trade Negotiations and considering in committee the need for a new Department of International Trade. And he will certainly play a vital role in consideration of the SALT Treaty, drawing on his experiences as leader of a Senate delegation to the Soviet Union last fall.

The last 2 years have been an extraordinary capstone to an extraordinary career. Few people in American political history have had careers to rival ABE RIBICOFF's: Member of the House, Governor of his State, Secretary of Health, Education, and Welfare, and a three-term U.S. Senator. We will miss him but can derive satisfaction from having had the privilege to serve with him, and the knowledge that he established a standard for public service of the finest quality.

POLLUTION EMISSION STANDARDS

Mr. ROBERT C. BYRD. Mr. President, this weekend stories appeared in several newspapers regarding a supposed decision by the Environmental Protection Agency to "relax" air pollution standards for new coal-fired powerplants and industrial facilities. This decision was characterized as a "cave-in" to the coal industry.

Mr. President, let me set the record straight.

Some weeks ago, I learned that the Environmental Protection Agency was considering the implementation of a new sulfur dioxide emission standard which would have seriously harmed America's coal industry. The EPA was studying the feasibility of lowering the current emission ceiling of 1.2 pounds of pollutant per million Btu's to something almost twice as stringent. Such a strict standard would foreclose from future use at least 30 percent of our readily available coal reserves, and would unfairly discriminate against Midwestern and Eastern coal, which is higher in sulfur content. If such a stringent ceiling were adopted, thousands of coal miners would be put out of work. Our efforts to achieve energy security in this time of crisis would be seriously jeopardized.

I wish to emphasize that adoption of the standard under discussion—a ceiling of 1.2 pounds per million Btu's over a 30-day average—would not, in any way, represent a "relaxation" of air pollution standards. If anything, the inclusion of the 30-day average represents some tightening of the rules. The standard as discussed in the press this weekend, if adopted, would indicate a fair and equitable balancing between the need to enforce environmental controls and the concern for inflation, unemployment, and the current energy crisis.

Mr. President, how much time do I have left?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I reserve my 3 minutes for the Senator from Tennessee (Mr. SASSER) if he cares to use it.

Mr. SASSER. I thank the distinguished majority leader.

FRAUD AND WASTE IN GOVERNMENT

Mr. SASSER. Mr. President, this morning's Washington Post carried an article indicating President Carter had created two new high level councils. These councils are designed to expose fraud and waste in the Government. I wish today to commend President Carter for this effort.

Since I believe that it is important for my colleagues to be aware of this effort of President Carter, I ask unanimous consent that the article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. METZENBAUM). Without objection, it is so ordered.

(See exhibit 1.)

Mr. SASSER. Mr. President, my colleagues may recall that a toll-free fraud hotline was set up last January at the General Accounting Office Special Task Force for the Prevention of Fraud.

This hotline was installed at my request and with the cooperation of the Comptroller General, Mr. Elmer Staats.

Mr. President, this hotline to date has uncovered 1,000 allegations of intentional wrongdoing in Federal programs.

Some 287 of these cases of intentional wrongdoing have already been referred to agency inspectors general for follow-up.

Today I transmitted a letter to President Carter to make him aware of the fraud hotline and seek his support and that of the newly created councils in our cooperative effort to root out fraud and abuse in the Government.

I yield the floor.

EXHIBIT 1

[From the Washington Post, May 7, 1979]

COUNCILS DESIGNED TO EXPOSE BUREAUCRATIC FRAUD, WASTE

(By Larry Kramer)

President Carter created two new high-level councils last week in an attempt to improve efforts aimed at exposing fraud and waste in government and to improve management systems in the vast federal bureaucracy.

The councils will draw on resources of the Justice Department, Office of Management and Budget, the recently created Office of Personnel Management and the private sector.

"There is a lack of operating controls in government," Attorney General Griffin Bell said. "We hope these new efforts will help us in prosecuting people and in bringing more civil lawsuits to recover damages resulting from fraud in the government."

Bell said one of the councils, the Executive Group to Combat Fraud and Waste in Government, which will be headed by his deputy, Benjamin Civiletti—would help coordinate the efforts of inspectors general in 12 federal agencies.

"I don't think we've done enough in the past to bring together and collate the skills of the different investigative agencies," he said. "We will take a nationwide perspective, assessing trends and using automated data process techniques."

As an example, Bell cited recent efforts to compare computer lists of government employes with lists of welfare recipients, revealing that several government employes were reaping welfare benefits illegally.

"This waste is something that the American people are just sick of," Bell said.

OMB Director James McIntyre said the new councils were designed to help the government implement the Inspector General Act, creating inspector general slots in 12 agencies, and the Civil Service Reform Act.

McIntyre and former Civil Service Commission chairman Alan (Scotty) Campbell were designated to head the second new group, the Presidential Management Improvement Council, which will make use of some of the new management latitude given government supervisors in the Civil Service Reform Act.

Campbell, who heads the newly-created Office of Personnel Management, said his group—which will be a mix of agency management experts and private sector representatives "like chief executive officers from major corporations and heads of universities"—"will deal with specific management problems."

The Management Improvement Council would, for example, assess the need for outside help in some agencies and seek out the experts needed, Campbell said. "We want to emphasize both successes and failures," he said, "and reverse those disincentives that sometime wind up cutting someone's budget because they do a good job."

Campbell said the administration "is trying to overcome the tremendous emphasis on short term solutions and deal with the real problems of public management."

RECOGNITION OF ACTING MINORITY LEADER

The PRESIDING OFFICER. The Senator from Alaska.

SENATE RESOLUTION 151—SUBMISSION OF A RESOLUTION RELATING TO NATIONAL ENERGY SUPPLY SHORTAGE

Mr. STEVENS submitted the following resolution:

S. RES. 151

Whereas, the United States has become heavily dependent on foreign sources of supply of petroleum, and

Whereas, the United States because of changes in world political systems finds itself increasingly vulnerable to loss of supply from those producing countries, and

Whereas, the United States has an urgent need to address its domestic supply and demand problems in a way which will allow it to more adequately protect itself from such disruptions in supply, and

Whereas, one of those options to restrain demand is a national plan to ration gasoline on the basis of equal allotments of gasoline per vehicle, and

Whereas such plan because of insensitivities to differences in geographical factors, population density and essential driving needs, creates real and irreparable hardship for gasoline consumers in rural areas, and

Whereas such hardships should not be allowed to be imposed on such citizens of the United States without the nation having to manage on unexpected, substantial and long-term loss of supply of petroleum,

Therefore be it resolved that the meaning of "severe energy supply interruption" as used in section 201 (c) of the Energy Policy and Conservation Act (42 U.S.C. 6261) for the purposes of determining the severity of shortage of petroleum supply to the United States necessary to require the President to recommend to the Congress that the Standby Gasoline Rationing Plan provided for in such section be implemented shall be a national energy supply shortage which the President determines:

(1) has resulted in a loss to the United States, or an allocation away from the United States under international obligations, of more than 20% of the United States supply of petroleum for a period of time exceeding 30 days,

(2) cannot be managed adequately through withdrawals from the Strategic Petroleum Reserve nor through acquisition of supply of petroleum through other sources,

(3) is not manageable under other energy emergency authorities and is of a level of severity where the Conservation Contingency Plans are not sufficient to protect the national interest,

(4) is expected to persist for a period of time sufficient to seriously threaten the adequacy of stocks of crude oil or petroleum products,

(5) is having and can reasonably be expected to continue to have a major adverse impact on national safety or the national economy, and

(6) has resulted from an interruption in the supply of petroleum by an act of God, sabotage, or by decisions of the Governments of the several oil producing countries to prohibit the export of crude oil either to the United States directly, or collectively to governments with which the United States has obligations,

And therefore be it further resolved that the commencement of international hostilities under constitutional authorities including commitment of troops by the President under the War Powers Act and the determination that rationing of gasoline is necessary for assuring adequate supplies for protecting the national security, shall be sufficient cause for the President to recommend to the Congress that the Standby Gasoline Plan be implemented.

Mr. STEVENS. Mr. President, one of the difficulties I have had with the President's standby gasoline rationing plan has been that there is no definition of what is a "severe energy supply interruption," as used in section 201(c) of the Energy Policy Conservation Act.

I ask unanimous consent that the resolution that I send to the desk now be held at the desk pending a decision as to how to attempt to handle this resolution. This resolution would define those terms in a manner that would make the gasoline rationing plan acceptable to me.

The PRESIDING OFFICER (Mr. SASSER). Without objection, it is so ordered.

OIL OR CARIBOU?

Mr. STEVENS. Mr. President, this morning's Washington Post has another article concerning the Alaska lands issue. It is entitled "Oil or Caribou?" I am constrained to say that I wish the Post had maintained its original editorial policy concerning the Alaska lands issue, one that sought a balance between the national interest involving the environmental concerns over our lands and the national interest concerning our capability to produce natural resources to meet the growing needs of our Nation.

This morning's Post editorial goes again to the heart of this issue and raises again the question of how best to balance these national interest conflicts.

There are great indications that the Arctic Wildlife Range does contain tremendous quantities of oil or gas. The recent estimate that I saw was that the Arctic Wildlife Range could produce from 10 billion to 15 billion barrels of petroleum.

The Washington Post this morning says once again it is better to err on the side of preservation.

I have always agreed with that concept, but I think the Post misses the point. In the history of the U.S. wilderness system there has never been an instance in which an area has been removed from the wilderness classification and opened to development. The Post this morning asks for a decision which, when reversed, will destroy the system it seeks to preserve. This is a very dangerous precedent which I do not feel the Nation can afford.

If the Post wants to preserve an area as wilderness until the future, then the Breaux-Dingell-Huckaby versions of the Alaska lands bill provides the Post with the protection it states it seeks.

Those bills provide for a special study to determine whether or not any oil or gas may be located in the Arctic Wildlife Range and what may be done to mitigate the impact of development should it occur. No development of the oil and gas potential could occur without an act of Congress.

This is a wilderness study to determine whether the Nation needs the oil and gas and mineral potential of the Arctic Wildlife Range.

If we take the route suggested and advocated by the Washington Post, we will not evaluate the resources of the Arctic Wildlife Range, but should a real crunch come in the supply factor as far as this Nation is concerned, then exploration and development feared by the Post will be done in a totally unacceptable way in a crisis.

The real victims of an emergency development program will be the caribou that everyone wants to save, as far as the wildlife range is concerned.

There is a way to do it right. That was proved by the example of the Alaska pipeline, and I am confident that our Nation with its engineering technology and its environmental commitment can accomplish the study envisioned by the Breaux-Dingell-Huckaby bills.

It is particularly important that we look for a logical and environmentally sound way to evaluate the resources of our land mass.

The unfortunate thing that the Post editorial misses is that a failure to evaluate the oil and gas and mineral resources of our land mass drives our industry offshore to the Outer Continental Shelf both for oil and gas exploration and mineral development.

The Post editorial sets the stage correctly for a sound decision by Congress to determine whether it is possible to protect the caribou and have oil and gas development. It is unforunate that the Post reached the wrong conclusion by supporting the wrong approach.

Mr. President, I ask unanimous consent that the editorial that I commented upon be printed in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

OIL OR CARIBOU?

The Arctic National Wildlife Range is a part of Alaska well north of the Arctic Circle, about one and a half times the size of Maryland. It is inhabited mainly by the last great herd of healthy and undisturbed caribou in the world, although the wilderness is shared by many other members of the wild kingdom. Unfortunately for the caribou and other animals the geologic formations under part of the wildlife range may contain huge amounts of oil and gas. Therein lies a conflict that has become the major symbolic issue in this year's congressional debate on the future of Alaska's back country.

The arguments are obvious. A major oil strike in the Arctic Wildlife Range now could do wonders for this nation's domestic oil supply and its international balance of payments. It could also do horrors to the caribou. The key word is "could," because no one really knows how unhappily the caribou would react to sharing their turf with oil and gas wells, and no one really knows how oil and gas from the wildlife range would be transported to market in the near future.

Even if Congress gave them the go-ahead, the oil and gas people would not begin drilling and pumping immediately. But they do want to begin exploring. Their logic is that sooner or later the country will need the oil and gas that is thought to be under the wildlife range and rational planning requires knowing in advance how much is there. That's an appealing argument given our energy troubles.

Conservation groups and the Carter administration, particularly Secretary of Interior Cecil Andrus, vehemently oppose letting exploration begin in the wildlife range. They contend that even minor human intrusions into the calving grounds of the caribou will do immeasurable harm to the herd. They also argue that other areas on Alaska's north slope contain enough oil and gas to keep the Alaskan pipeline—the obvious way to bring oil south from the wildlife range—busy for the next two or more decades.

The argument might be a close one except for one fact. Once industrialization and the caribou collide, whatever damage is done to the caribou and the fragile but beautiful land on which they live will not be reversible. So why tamper with their habitat until the day is nearer when what lies under it is needed and can be wisely used? There is a chance—maybe only a faint one, but still a chance—that some dramatic breakthrough in fusion or solar research will solve the energy problem before the rest of Alaska's oil is exhausted. If that should happen, the caribou and their associates in this part of the Arctic could go on living free from human interference for centuries to come.

That same fact hangs over the entire congressional debate on what to do with the federal lands in Alaska. A virgin forest once cut or a hillside once mined is never the same. In considering the three versions of an Alaskan bill now pending before them, members of the House of Representatives must recognize that it is better to err on the side of preserving too much than of preserving too little. A mistake that keeps development out of parts of Alaska's great resources and beauty can be undone by later Congresses. A mistake that lets development in cannot.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I am happy to yield.

ORDER DESIGNATING PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders for the recognition of Senators today there be a brief period for the transaction of routine morning business, that Senators may be permitted to speak therein up to 2 minutes each, and that the period not extend beyond 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF CALENDAR ORDER NO. 105, S. 440, TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business today the Senate proceed to the consideration of Calendar Order No. 105, S. 440, which has been cleared on the minority side.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from Ohio.

FRAUD AND WASTE IN GOVERNMENT

Mr. METZENBAUM. Mr. President, I rise to commend the distinguished junior Senator from Tennessee who has given great leadership in this body almost since the day that he came here in attempting to expose instances of waste and fraud in the Government.

It was he who first conceived the idea of a hotline for fraud, where people might call in and indicate to their Government instances of waste and fraud. It is good to know that the President is implementing that plan at the present time.

It was also he who brought to the attention of the Nation the unbelievable amount of waste in Government travel, indicating, I believe, if recollection serves me right, that at any one point of time there are as many as 20,000 people working for the Government who are in the air traveling at Government expense.

I believe that in these days where the effort is being made to cut back on the Federal budget, when we are trying to find the funds to do the very necessary things that have to be done by Government, the kind of actions that are being brought forth in this Nation by the Senator from Tennessee deserve the commendation of all of us.

I think I reflect the views of many other Senators in this body who respect his efforts in this regard.

Mr. ROBERT C. BYRD. Mr. President, have I any time remaining?

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. STEVENS. I will be happy to yield to the Senator from West Virginia.

Mr. ROBERT C. BYRD. I am happy to echo what the Senator from Ohio has said about the services rendered by the Senator from Tennessee (Mr. Sasser). He demonstrates the kind of vision and foresight which are so much needed on the part of the representatives of the people. I feel this kind of courage, vision, and foresight will carry him far.

SENATOR ABRAHAM RIBICOFF

Mr. STEVENS. Mr. President, I note with complete favor the comments of the distinguished majority leader concerning the Senator from Connecticut. As soon as the distinguished majority leader has completed remarks concerning the retirement of the Senator from Connecticut, I am certain that I and others will be happy to join the majority leader. We shall all miss the leadership and counsel of our distinguished colleague.

SENATOR JACOB JAVITS

Mr. STEVENS. Mr. President, I was absent from the floor when the remarks were made concerning the distinguished service of the Senator from New York (Mr. Javits) on Thursday. I wish to join in the remarks made at that time about my good friend from New York. I apologize to him that I did not know that was going to start at that time.

Have I any further time, Mr. President?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 2 minutes and 40 seconds remaining.

Mr. STEVENS. Mr. President, we yield back the remainder of our time.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me?

Mr. STEVENS. I yield the balance of that time to the distinguished majority leader.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session, not to extend beyond 30 seconds, to consider the nomination of Benjamin W. Heineman, Jr.

Mr. STEVENS. There is no objection.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The clerk will state the nomination.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The legislative clerk read the nomination of Benjamin W. Heineman, Jr., of Illinois, to be an Assistant Secretary of Health, Education, and Welfare.

The ACTING PRESIDENT pro tempore. The clerk will state the nomination. is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nomination.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

Mr. STEVENS. No objection.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR PROXMIRE

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

DISASTROUS GOVERNMENT FISCAL POLICY

Mr. PROXMIRE. Mr. President, the President, the Congress, and the country have now embarked on a disastrous fiscal policy.

Just last Thursday, the Bureau of Labor Statistics released one of the most disturbing reports on producers' prices that has been issued in a long time. Overall finished goods producers' prices increased by nine-tenths of 1 percent in April. That was down from slightly higher figures in the first 3 months of this year. The bad news was that this overall increase took place in spite of an actual drop in food prices. Food prices are notoriously volatile, erratic, and unpredictable. The fact that overall finished goods increased so much in the face of this drop in food prices suggests how powerful and persistent this inflationary pressure really is. The prices of nonfood goods increased more than they have in any month for the past year. The price of intermediate goods also increased more than they have in any month for the past year.

But by far the most depressing inflation news was the report on Friday to the Congressional Joint Economic Committee by Dr. Janet Norwood, the Commissioner of Labor Statistics, on first-quarter data on productivity and labor costs. The only way we can combat higher wages is by offsetting those higher wages with improved productivity. Generally, our progressive economy has done that, with the result that the overall standard of living over the years in this country has increased. But in the first quarter of this year, productivity actually declined. Let me repeat that: Productivity actually declined. It did not go up, it went down and not by a slight amount. Productivity in our economy declined at a 4½ percent annual rate.

Dr. Norwood further stated that this decline, coupled with an 11-percent increase in hourly compensation, resulted in a rise in unit labor costs of over 16 percent at an annual rate.

Mr. President, that increase in labor costs is the most shocking kind of bad news on the inflation front. The grim fact is that about 70 percent of the price of the goods we buy is the labor cost that goes into producing them. So this 16-percent increase in labor cost in the first 3 months of this year, at an annual rate, means a sure and certain pressure driving prices into even higher double-digit figures as the year goes on.

Any Senator who still does not think that inflation is our overwhelming No. 1 economic problem should ponder these grim facts of life.

As the Senate Budget Committee has pointed out, on a comparable basis, the President has sent us a budget for fiscal year 1980 which is about $40 billion out of balance. Under the first concurrent resolution on the budget for fiscal year 1980, the Senate has endorsed, overwhelmingly, a budget which would provide a $28 billion deficit. The House Budget Committee recommendation proposes a $32 billion deficit on a comparable basis.

These deficits of $28, $32, and $40 billion are proposed for a year of rampaging inflation and strong economic growth. It is not a question of the President and the Congress being aware of the economic circumstances, but of proposing these deficits knowing and acknowledging the circumstances.

If there was ever a year in which we should have a balanced budget or a surplus, 1980, as the Budget Committee assumes it will be, is it. Instead, a massive deficit is proposed.

The economic assumptions of the Senate Budget Committee, based on the Congressional Budget Office's economic model, is that economic growth for fiscal year 1980 will be 3 percent, that inflation will be 8 percent, and that interest rates, measured by the 3-month Treasury bill rate, will average 8 percent.

These assumptions call for a budget which is in balance or which would run a surplus. Instead, it is proposed, deliberately, that the budget be out of balance by $28 billion.

And that deficit can be even more inflationary if we take into account, as we should, the economic effect of changes in our trade balance and the reduction in surpluses by States and cities.

Last week, the Chairman of the Federal Reserve Board, William Miller, said that the United States might balance its international payments account next year. In 1978, that account was negative by nearly $16 billion. If the 1980 balance comes—as might be expected from a reduction in our $34 billion adverse balance of trade by $16 billion—that would mean a $16 billion increase in effective demand. From an inflation standpoint, it would have the same effect as an increase in the Federal deficit of $16 billion.

What does that mean? It means that if we do not reduce the $28 billion deficit the Senate has approved by passing the first budget resolution, we can add the $16 billion reduction in the adverse balance of trade on the $28 billion deficit and we will be entering one of the most inflationary years in our history, with the equivalent of a $44 billion deficit.

In addition, it is expected that cities and States will sharply reduce their surpluses during the coming year. If that reduction in surplus were only $6 billion, and it is likely to be substantially greater than that, that would give us an effective equivalent of the stimulative effect of a $50-billion Federal deficit as we ride into a year in which we expect 3 percent real growth and 8 percent inflation.

ECONOMISTS SUPPORT IT

Not only is this huge deficit being proposed but all but a handful of the economic community welcome it or are silent about it.

The Council of Economic Advisers has not only not criticized it but supported the President's budget. The Congressional Budget Office has provided an economic model and economic assumptions which have legitimized the congressional deficit. And all but a few of the most eminent professional economists in the country have said nothing about it.

WHERE WE HAVE GONE WRONG

What has happened and where have we gone wrong?

Until the Great Depression of the 1930's, orthodox economic policy assumed that the Federal budget should always be in balance. When we were in a recession or a depression and tax receipts fell off, we were told to cut government spending and bring it down to the level of the reduced receipts. This, of course, was a disastrous policy and merely made the recession or depression worse.

From this experience, the theory of countercyclical fiscal policy was devised. Simply stated it is that the Federal Government should balance the budget over the business cycle. In times of growth, prosperity, or inflation, the Federal budget should be balanced or in surplus. In times of recession or depression a deficit should be run in order to offset the lack of demand and economic activity in the private sector. Over the life of the business cycle the surpluses would roughly offset the deficits and Government policy would compensate for either the excesses or the economic weaknesses in the private sector.

Personally, I believe that a countercyclical or compensatory fiscal policy is an intelligent, constructive, and responsible policy to follow. Unfortunately, however, in the last decade or two it has fallen on evil days.

INTELLIGENT POLICY NOT FOLLOWED

No longer a consensus of either economists or Government policymakers support such a policy in fact. Instead, a belief has risen—sometimes stated but often unstated——which in practice supports and apologizes for Federal deficits in all except those rare years of optimum economic conditions.

The result is that in 16 of the last 17 generally expanding and prosperous years the Government has run a deficit—sometimes enormous deficits. This has happened in a period of overall dramatic economic growth and prosperity.

If we had followed a policy where the Federal Government ran a truly compensatory fiscal policy and had surpluses in years of economic growth above the historical average and deficits in years of growth below the historical average, we would have had 12 surpluses and only 5 deficits in the last 17 years instead of 16 deficits out of 17 years.

FISCAL YEAR 1980 BUDGET SHOULD BE BALANCED

It is my view, and I believe the view of those who genuinely support a countercyclical fiscal policy, that in a year of 8 percent inflation, some of the highest, if not the highest, interest rates in our modern history, with economic growth above the historical average and with a record of rising employment unprecedented in our history, the President and the Congress should propose a budget which would be in balance if those conditions persist or come about.

That is simple commonsense.

But a policy of deficits at all times instead of a countercyclical fiscal policy, has now become orthodox.

Why it has happened was predicted by one of the great economists of our time, our colleague and former Senator, Paul H. Douglas, who was president of the American Economic Association before he was elected to the Senate and whose book "The Theory of Wages" (1934) is one of the classics in modern economic literature.

DOUGLAS DESCRIPTION ACCURATE

In October of 1951, he gave a series of lectures at the University of Chicago which is 1952 he revised and added to in a book entitled "Economy in the National Government." In the appendix of that book, he wrote on the issue of Federal budgetary policy in prosperity and depression which has great significance for us today.

Paul Douglas was no conservative ideologue. Paul Douglas was not only a superlative Senator, but he was a great economist; as I say, president of the American Economic Association. Here is what Paul Douglas said:

> A great many of the advocates of compensatory fiscal theory forget their theory when society moves into a period of full employment. They do not want to decrease expenditures. A good many of them believe that the compensatory policy works only in periods of depression. Yet, in fact, such a policy is needed as much in periods of prosperity as in periods of unemployment.

He then goes into the "practical difficulties" of carrying out the countercyclical policies. "The pessimists" about the economy, he said:

> Always see the dark side. No matter how good financial conditions may be, no matter whether unemployment is down to 2, 3, or 4 percent, no matter that prices are rising—there are always those who are fearful that the storms of depression are gathering and will break at the slightest provocation.

That's exactly what we were told 2 weeks ago when the first concurrent budget resolution was before us. Not only were we told that, but the Congressional Buget Office economic model actually assumes that we will have a recession in the third and fourth quarter of this year.

TEA LEAF PREDICTIONS

Yet economists have been notoriously wrong on their predictions, forecasts, and assumptions, and to base policy now—with 10 percent inflation, growth estimated at 3 percent or more, and 10 percent interest rates—on the prediction of a recession is no better than looking at tea leaves, relying on the Delphi oracle, or examining chicken entrails.

Policy should be based on the facts. If we propose a budget which would be in balance at 3 or 4 percent growth and rising prices, then if we do have a recession, there will be an automatic deficit.

For every 1 percent that economic growth declines, expenditures increase about $4 billion—for unemployment compensation, welfare payments, and so forth—and receipts decrease about $11 billion; or a $15 billion deficit.

WE COULD HAVE A $75 TO $100 BILLION DEFICIT

But if we start out with a $30 billion deficit with 3 percent growth, and then we have a recession, we will face a deficit of $75 to $100 billion next year if there is a recession with negative growth rates of 1 or 2 percent And if Congress then cuts taxes and pushes the public works projects, it could even be larger.

As Senator Douglas said:

> If we were to create governmental deficits every time unemployment rose above 3 percent, we would be operating under a deficit nearly all the time.

He proposed that:

> When unemployment is between 6 and 8 percent, the government budget should at least balance therefore be neutral in its effects. When unemployment is over 8 percent, we should have a deficit; but when it is under 6 percent there should be a surplus.

And he warned:

> To use deficit financing in order to drive unemployment down below 6 percent is therefore very dangerous. It will tend to do far more harm through inflation than the good it will by absorbing some of those who are unemployed from seasonal and transitional causes.

Douglas then points out why it is that we have so much trouble running a truly compensatory fiscal policy, why it is that we are willing to stimulate the economy during the downturns but are unwilling to run a surplus when inflation hits.

> People acquire a vested interest in government work projects. Projects started in periods of depression result in hiring many government employees. These men and women like their jobs. They believe in the worth of their projects; they come to think of them not as measures to get us out of the depression but as essential parts of the national life. So they insist on holding on to them even though their original justification has disappeared. To stop these projects would mean that employees might lose their jobs and be thrust out into a harsh and cruel world.
>
> So officialdom tends to line up in support of these projects in good as well as bad times.
>
> Once the government starts a program of expenditures, it builds up tremendous pressure groups. These groups resist having the programs turned off in the automatic way that economists prescribe.

These words, written in the early 1950's exactly mirror the conditions and arguments prevailing today We have a massive inflation, but all the pressures are to keep on spending and increase the deficit.

Growth is assumed at or above the historical average, but the pessimists say we must not balance the budget this year because a recession may be coming.

Now is the time to reduce those expenditures started during the recent recessions, but our offices are flooded with mail objecting to even minor cuts which have been proposed, or more precisely, to the failure to increase programs at the recent rapid rates.

While some economists give lip service to compensatory fiscal policies, they are proposing massive deficits which will be pumped into the economy and increase prices rather than to stimulate production.

NOW ORTHODOXY PROPOSES DEFICITS ALL THE TIME

And while most economists are reluctant to say so openly many are assuming, as Paul Douglas noted and criticized:

That there is fundamental instability in the economy which can be averted only by the continual expenditure of public funds.

We have followed them and are now on a disastrous course. We have had only one surplus in the last 17 years. We are proposing massive deficits at the height of inflation. They are justified on grounds that a recession is around the corner, that now is not the time to cut, and that all the programs we began to counteract recessions must be kept in place during massive price rises. That is the proposal for fiscal year 1980.

In fiscal year 1981, we are promised a balanced budget. That may be absolutely the wrong time for such a balance. We may well be in a recession in that year. But if we propose a $30 to $40 billion deficit with growth at 3 percent in fiscal year 1980, we will have a $90 to $125 billion deficit if economic growth actually declines to a level of minus 1 or 2 percent over the year.

CONGRESS SHOULD REVERSE ITSELF

Mr. President, I hope very much that the President and Congress and the budget committees will reverse themselves and bring in a budget which will be balanced in 1980 under the assumptions they have provided on page 19 of the Senate Budget Committee's report on the first concurrent resolution.

A massive deficit with 8-percent inflation, growth of 3 percent or more, and interest rates at 8 percent is a disastrous economic policy.

Under these conditions we should have a balanced budget. Failure to do so can only make matters worse.

FINANCIAL HOLDINGS AND INCOME TAX RETURN OF SENATOR WILLIAM PROXMIRE

Mr. PROXMIRE. Mr. President, in 1963, 1965, 1967, 1970, 1972, 1973, 1974, 1975, 1976, 1977, and 1978, I submitted for the RECORD a history of my financial holdings from the time I was first elected to the Senate in August 1957 until April 1978. In order to bring the full record up to date, I submit herewith the history of my financial holdings since April 1978.

The bulk of the securities I hold are now in State and municipal bonds totalling $65,000.

My other assets include ownership of my home and furnishings in Washington, D.C., on which I owe a mortgage to the Perpetual Building Association of Washington, D.C.; ownership of a 1972 automobile; ownership of one checking account in a Washington bank, one checking account in a Madison, Wis. bank and one savings account in a Madison, Wis., bank. The combined balance as of this date, in these three accounts is $1,261.89.

I also hold a land contract on a house in Madison in the amount of $79,097.06 and a note on my former residence in Washington at 3220 Ordway Street in the amount of $8,123.39.

Trust custody of stock in my children's names has been turned over to them directly as they are over 21.

I estimate my net worth to be about $364,000.

To the best of my knowledge, this is an accurate record of my financial holdings and obligations.

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of my 1978 Federal tax return and a list of all honorariums received during 1978—$25,000.

I paid $35,803 to the Federal Government in taxes on my 1978 income. In addition I paid $8,768 to the State of Wisconsin on 1978 income.

I ask unanimous consent that the balance sheet, copy of 1978 Federal tax return, and list of all honoraria received in 1978 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Net worth of Senator William Proxmire as of May 1979

Municipal and State Bonds	$65,000.00
1972 Vega (blue book trade-in value)	200.00
Two checking and one savings account:	
Washington account—Checking	714.29
Madison account—savings	38.35
Madison account—checking	509.25
4613 Buckeye Road, Madison land contract	79,097.06
Note on 3220 Ordway Street, N.W. D.C.	8,123.39
3097 Ordway Street, N.W. D.C.:	
assessed value	200,000.00
mortgage value	(61,463.52)
furnishings	15,000.00
Cash deposit in civil service retirement	51,006.09
Total	$364,224.91

Honoraria received in 1979

University of Minnesota, Minneapolis, Minn	$1,000.00
American University, Washington, D.C	750.00
Loyola University Law School, New Orleans, La	1,000.00
Murray State, Wichita, Ky	1,000.00
Wichita State, Wichita, Kan	1,000.00
University of St. Thomas, Houston, Tex	1,225.50
Georgetown University, Washington, D.C	500.00
CATO Institute, San Francisco, Calif.	674.50
Washington Journalism Center, Washington, D.C	200.00
Texas A & M, College Station, Tex	1,000.00
Northern Illinois University, DeKalb, Ill	1,000.00
Chicago Council on Foreign Relations, Chicago, Ill	1,000.00
Fairleigh Dickinson University, Rutherford, N.J	1,000.00
Blue Cross-Blue Shield, Chicago, Ill	1,000.00
Eastern Mennonite College, Harrisonburg, Va	1,000.00
Wesley College, Dover, Del	1,000.00
Westfield State College, Westfield, Mass	1,000.00
Montana State University, Bozeman, Mont	1,000.00
Delaware Law School, Wilmington, Del	1,500.00
Harvard Graduate School of Design, Cambridge, Mass	1,000.00
Rutgers University, Camden, N.J	1,000.00
Assn. of Physical Fitness Centers, Wash., D.C	2,000.00
U.S. Catholic, Chicago, Ill	150.00
Salvation Army, Towson Chapter, Baltimore, Md	1,000.00
Assn. of Student Legal Rights, New Orleans, La	1,000.00
National Assn. of Purchasing Managers, S. Bend, Ind	1,000.00
Total	25,000.00

1978 U.S. INDIVIDUAL INCOME TAX RETURN OF WILLIAM & ELLEN H. PROXMIRE

Social security number, [redacted]

Spouse's social security no., [redacted]

Occupation, U.S. Senator.

Spouse's occupation, Coordinator.

Do you want $1 to go to the Presidential Election Campaign Fund? Yes.

If joint return, does your spouse want $1 to go to this fund? Yes.

FILING STATUS

Married filing joint return (even if only one had income).

EXEMPTIONS

Yourself.

Spouse.

First names of your dependent children who live with you, Douglas.

INCOME

Wages, salaries, tips, and other employee compensation $79,937.

Interest income (if over $400, attach Schedule B) $8,430.

Business income or (loss) (attach Schedule C) $24,000.

Capital gain or (loss) (attach Schedule D) $208.

Pensions, annuities, rents, royalties, partnerships, estates or trust, etc. (attach Schedule E) $902.

Total income. Add lines 8, 9, and 10c through 20, $111,673.

ADJUSTMENTS TO INCOME

Employee business expenses (attach Form 2106), $2,669.

Payments to an IRA (see page 10 of Instructions), $1,500.

Total adjustments. Add lines 22 through 27, $4,169.

ADJUSTED GROSS INCOME

Subtract line 28 from line 21, $107,504.

Adjusted gross income. Subtract line 30 from line 29. If this line is less than $8,000, see page 2 of Instructions. If you want IRS to figure your tax, see page 4 of Instructions, $107,504.

TAX COMPUTATION

Amount from line 31, $107,504.

If you itemize, complete Schedule A (Form 1040) and enter the amount from Schedule A, line 41, $17,926.

Subtract line 33 from line 32. Use the amount on line 34 to find your tax from the Tax Tables, or to figure your tax on Schedule TC, Part I, $89,578.

Tax: Enter tax here and check if from Schedule TC, $34,450.

Total: Add lines 35 and 36, $34,450.

Balance: Subtract line 46 from line 37 and enter difference (but not less than zero), $34,450.

OTHER TAXES

Self-employment tax (attach Schedule SE) $1,353.

Total tax: Add lines 47 through 53, $35,803.

PAYMENTS

Total Federal income tax withheld, $27,919.

1978 estimated tax payments and credit from 1977 return, $5,000.

Excess FICA and RRTA tax withheld (two or more employers), 37.

Total. Add lines 55 through 61, $32,956.

REFUND OR DUE

If line 54 is larger than line 62, enter Balance Due, $2,847.

PAID PREPARER'S INFORMATION

Preparer's social security No. [redacted]

Naron, Wagner & Voslow, Chartered, Suite 255 2550 M St. N.W., Washington, D.C. 20037. E.I. No. 52–0898831.

ITEMIZED DEDUCTIONS AND DIVIDEND INCOME TAXES

State and local income, $7,643.

Real estate, $3,154.

State and local gasoline (see gas tax tables), $60.

General sales (see sales tax tables), $675.

Total taxes (add lines 11 through 16), $11,532.

INTEREST EXPENSE

Home mortgage, $5,145.

Credit and charge cards, $719.

Automobile loan, $411.

Total interest expense (add lines 18a through 19), $6,275.

CONTRIBUTIONS

Cash contributions for which you have receipts, cancelled checks or other written evidence, $1,931.

Total contributions (add lines 21a through 23), $1,931.

MISCELLANEOUS DEDUCTIONS

Business expenses and dues, etc., $1,104.

Political contribution, New Jersey, $200.

Investment expense, $21.

Schedule attached, $63.

Total miscellaneous deductions (add lines 30 and 31), $1,388.

SUMMARY OF ITEMIZED DEDUCTIONS

Total taxes—from line 17, $11,532.

Total interest—from line 20, $6,275.

Total contributions—from line 24, $1,931.

Total miscellaneous—from line 32, $1,388.

Total deductions (add lines 33 through 38), $21,126.

If you checked Form 1040, Filing Status box 2 or 5, enter $3,200; 1 or 4, enter $2,200; 3, enter $1,600, $3,200.

Subtract line 40 from line 39. Enter here and on Form 1040, line 33, $17,926.

Lowy note, $694.

O'Brien, $7,170.

United Bank and Trust, $566.

Total interest income. Form 1040, line 9, $8,430.

PROFIT OR (LOSS) FROM BUSINESS OR PROFESSION

Main business activity: Speeches; product Services.

Business name: Sen. William Proxmire.

Employer identification number, 11 7129969.

Business address: 5241 Dirksen Bldg.

City, State and ZIP code, Washington, D.C. 20510.

Accounting method: Cash.

Was there any major changes in determining quantities, costs, or valuation between opening and closing inventory? No.

Does this business activity involve oil or gas, movies or video tapes, or leasing personal (section 1245) property to others? No.

Did you deduct expenses for an office in your home? No.

INCOME

Gross receipts or sales, $24,000.

Balance, $24,000.

Gross profit, $24,000.

Total income, $24,000.

DEDUCTIONS

Expenses incurred, $2,983.

Expenses recovered, $2,983.

Net profit or (loss), $24,000.

EXPENSE ACCOUNT INFORMATION

Did you claim a deduction for expenses connected with:

Entertainment facility (boat, resort, ranch, etc.)? No.

Living accommodations (except employees on business)? No.

Employees' families at conventions or meetings? No.

CAPITAL GAINS AND LOSSES

LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD MORE THAN ONE YEAR

Install sale collections—1978: Acquired, 1–1–77; sold, 10–31–78, $358.

Post, 11–1–78: Acquired, 1–1–77; sold 12–31–78, $72.

Net gain or (loss), $430.

Net long-term gain (or loss), $430.

(After 10–31–78, $72.)

COMPUTATION OF CAPITAL GAIN DEDUCTION

Combine lines 5 and 13, column (f), and enter here. If result is zero or loss, do not complete the rest of this part. Instead skip to Part IV, line 24 on page 2, $430.

Enter line 13, column (f) or line 14, whichever is smaller. If zero or a loss, enter zero and skip to line 23, $430.

If line 11, column (g) is a gain, combine lines 3 and 11, column (g), and enter here. If this line or line 11, column (g) shows a loss or zero, enter a zero and skip to line 20, $72.

Enter line 11, column (g) or line 16, whichever is smaller, $72.

Enter line 15 or line 17, whichever is smaller, $72.

Enter 60% of amount on line 18, $43.

Subtract line 18 from line 15, $358.

Enter 50% of amount on line 20, $179.

Add line 19 and line 21. This is your capital gain deduction, $222.

Subtract line 22 from line 14, $208.

COMPUTATION OF ALTERNATIVE TAX

Enter amount from Schedule TC (Form 1040), Part I, line 3, $87–328.

Subtract line 22 from line 15 (or Form 4798, line 15 from line 7) and enter here, $208.

Subtract line 26 from line 25 (if line 26 is more than line 25, do not complete the rest of this part. The Alternative Tax will not benefit you), $87,120.

Tax on amount on line 27 (use Tax Rate Schedule in instructions), $35,614.

Enter 25% of line 15 but not more than $12,500 ($6,250, if married filing separately), $108.

Alternative Tax—add lines 32, 33, and 34. If less than the tax figured on the amount on Schedule TC (Form 1040), Part I, line 3, enter this alternative tax on Schedule TC (Form 1040), Part I, line 4. Also check the Schedule D box on Schedule TC (Form 1040), Part I, line 4, $35,722.

SUPPLEMENTAL INCOME SCHEDULE

RENT AND ROYALTY INCOME

Have you claimed expenses connected with your vacation home rented to others? Yes.

Seapines:

Total amount of rents, $2,126.

Depreciation (explain below) or depletion (attach computation) $822.

Other expenses (Repairs, etc.—explain below), $2,206.

Net income or (loss) from rents and royalties (column (b) plus column (c) less columns (d) and (e)), $902.

Total rent and royalty income or (loss), $902.

Explanation of Column (e), Part II, see attached.

Total additional first-year depreciation see attached.

Totals, $822.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

Schedule C, line 34, $24,000.

Total (add lines 5a through e), $24,000.

Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7), $24,000.

NONFARM OPTIONAL METHOD

Maximum amount reportable, under both optional methods combined (farm and nonfarm), $1,600.00.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), $24,000.

Total net earnings or (loss) from self-employment reported on lines 12a and 12b. (If line 13 is less than $400, you are not subject to self-employment tax. Do not fill in rest of schedule.) $24,000.

The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1978 is $17,700.00.

Total "FICA" wages (from Forms W–2) and "RRTA" compensation, $1,000.

Add lines 15 a and b, $1,000.

Balance (subtract line 15c from line 14), $16,700.

Self-employment income—line 13 or 16, whichever is smaller $16,700.

Self-employment tax. (If line 17 is $17,700, enter $1,433.70; if less, multiply the amount on line 17 by 0.81.), $1,353.

TAX COMPUTATION SCHEDULE

Enter the amount from Form 1040, line 34, $89,578.

Multiply $750 by the total number of exemptions claimed on Form 1040, line 7, $2,250.

Taxable income. Subtract line 2 from line 1. (Figure your tax on this amount by using the Tax Rate Schedules or one of the other methods listed on line 4), $87,328.

Income Tax. Enter tax and check if from Form 4726, $34,630.

GENERAL TAX CREDIT

Multiply $35 by the total number of exemptions claimed on Form 1040, line 7. (If you are married filing a separate return, skip lines 6 through 9 and enter the amount from line 5 on line 10), $105.

Enter the amount from line 3, above, $87,328.

Enter: $3,200 if you are married filing a joint return or a qualifying widow(er), $3,200.

Subtract line 7 from line 6, $84,128.

Enter 2% of line 8 (but do not enter more than $180), $180.

General tax credit. Enter the amount from line 5 or line 9, whichever is larger, $180.

Tax. Subtract line 10 from line 4. (If $0 or less enter $0.) Enter this amount on Form 1040, line 35, $34,450.

MAXIMUM TAX ON PERSONAL SERVICES INCOME

PERSONAL SERVICE INCOME

Wages, $79,937.

Business income, $24,000.

Total personal service income, $103,937.

DEDUCTIONS AGAINST PERSONAL SERVICE INCOME

Employee business expenses, $2,669.

I.R.A., $1,500.

Total deductions against personal service income, $4,169.

Personal service net income—Subtract total amount in column B from total amount in column A, $99,768.

Enter your adjusted gross income (see instructions), $107,504.

Divide the amount on line 1 by the amount on line 2. Enter percentage result here, but not more than 100%. Round to nearest 4 numbers (see instructions), $.9280.

Enter your taxable income (see instructions), $87,328.

Multiply the amount on line 4 by the percentage on line 3, $81,040.

Enter the total of your 1978 tax preference items (see instructions), $179.

Personal service taxable income. Subtract line 6 from line 5 (see instructions), $80,861.

If: on Form 1040, you checked box 2 or box 5, enter $55,200, Estate or Trust, enter $26,000, $55,200.

Subtract line 8 from line 7 (if zero or less, do not complete rest of form), $25,661.

Enter 50% of line 9, $12,831.

Tax on amount on line 4, $35,734.

Tax on amount on line 7, $31,983.

Subtract line 12 from line 11, $3,751.

If the amount on line 8 is: $55,200, enter $18,060, 18,060.

Add lines 10, 13, and 14. This is your maximum tax (see instructions), $34,642.

COMPUTATION OF ALTERNATIVE TAX

Amount from line 4, $87,328.

Enter amount reportable on Schedule D (Form 1040), line 26 or Schedule D (Form 1041), line 20, $208.

Subtract line 17 from line 16, $87,127.

Tax on amount on line 18. Caution: If line 7 is more than line 18, enter instead, amount on line 12 less 50% of the excess of line 7 over line 18, $35,614.

Subtract line 24 from line 11, $120.

Subtract line 25 from line 15, $34,522.

Enter 25% of Schedule D (Form 1040), line 15; Form 4798, line 7; or Schedule D (Form 1041), line 17(e) or 31, but not more than $12,500, $108.

Add lines 23 (if applicable), 26 and 27, $34,630.

WILLIAM AND ELLEN H. PROXMIRE, 1978, [redacted]—RENTS AND ROYALTIES

Seapines, J	$2, 126
Other expenses:	
Commissions	562
Repair and maintenance	315
Taxes	121
Interest	905
Condo fees	264
Insurance	39
Total	2, 206

Desc.	Date	Basis	Prior	Method	Life	Deprec.	Accum.
Depreciation:							
Seapines—50 percent	July 1, 1972	$12, 650	$2, 738	SL	25/00	$506	$3, 244
Appliances—50 percent	do	1, 300	704	SL	10/00	130	834
Carpeting—50 percent	do	300	298	SL	5/00		298
Furnishings—50 percent	Aug. 1, 1977	355	19	SL	7/00	50	69
Furnishing—100 percent	July 1, 1976	1, 000	273	SL	7/00	136	409
Total		15, 605	4, 032			822	4, 854
Net profit or loss						—902	

		Gross	Federal withholding tax	FICA	State withholding tax	City withholding tax
Earnings:						
U.S. Senate	H	$57, 500	$23, 618		$4, 957	
Wash Whirl Around	W	20, 827	4, 163	$1, 071		
Wonderful weddings	W	610	6	37		
University of Minnesota	H	1, 000	132	61		
Total		79, 937	27, 919	1, 169	4, 957	
		50 pct.	30 pct.	20 pct.		
Contributions:						
By check		1, 853				
Cash		78				
Total		1, 931				
Allowable		1, 931				
Miscellaneous expenses—USS H, total		63				

Business expenses of Ellen Proxmire

Schedule A—line 31:

Business miles—9,000 miles at 17 cents	$1, 530
Reimbursed by employer—net	(1, 563)
Total (excess)	(33)
Business gifts	425
Business entertainment	712
Net deductible	1, 104

INSTALLMENT SALE OF MADISON HOUSE

Selling price	$90, 000
Less: Adjusted basis at date of sale:	
Basis	38, 786
Less accumulated depreciation	16, 075
Subtotal	22, 711
Selling expenses	5, 850
Subtotal	28, 561
Profit to be realized	61, 439
Contract and selling price are the same:	
Gross profit, percent, 61,439 ÷ 90,000	68. 27
Payments received in 1977:	
Down payment	$10, 000
Principal	50
Total	10, 050
Times 68.27 percent equals	6, 861

Gain to be reported:	
Ordinary income portion	$0
Capital gain portion	6, 861
Total	6, 861

Year	Amount collected	Percent	Gain recognized
1977	10, 050	68. 27	6, 861
1978	630	68. 27	430

SCHEDULE OF CONGRESSIONAL WAGES, REIMBURSEMENTS, AND EXPENSES

A. Salary as a Member (from Form W-2) (Include in amount on Line 8, Form 1040), $57,500.

B. CONGRESSIONAL REIMBURSEMENTS FOR EXPENSES

(NOTE: Do not include in this SCHEDULE amounts received from non-Congressional sources such as those indicated in EXPLANATIONS 6 and 7.)

Reimbursement for travel expenses (other than the special reimbursement to be reported on Line B.2., below), $2,220.

Reimbursement (special) at the rate of 20 cents per mile for one round trip to the Home District during each regular session, $331.

Reimbursement for other deductible expenses (see explanation 4), $6,314.

Reimbursement for nondeductible expenses (if any), ——.

Total reportable reimbursements, $8,865.

C. EXPENSES DEDUCTIBLE IN COMPUTING ADJUSTED GROSS INCOME

Travel expenses: Living expenses in the Washington, D.C. area.

Note: The maximum amount allowable is $3,000. (Attach Member's certificate concerning living expenses.), $3,000.

Travel expenses: Other (attach detailed statement), $2,220.

Other expenses (limited to amount on Line B.3., above), $6,314.

Total travel expenses, $11,534.

D. EXCESS REIMBURSEMENT (Excess, if any, of Line B.5. over Line C.4. Include in amount on Line 20, Form 1040), ——.

Deductible expenses (Excess, if any, of Line C.4. over Line B.5. Include in amount on Line 23, Form 1040), $2,669.

F. EXPENSES DEDUCTIBLE IN COMPUTING TAXABLE INCOME

Photography Fund, USS, $63.

CERTIFICATE

I hereby certify that I was in travel status in the Washington, D.C., area, away from my home in my home State of Wisconsin, in the performance of my official duties as a Member of Congress for 284 days during the year 1978 and that my deductible living expenses while in such travel status amounted to $3,000.00.

S. 108—TRUTH IN LENDING ACT

Mr. PROXMIRE. Mr. President, on Tuesday, May 1, the Senate voted in favor of S. 108, legislation to simplify the Truth in Lending Act. At the close of my statement to the Senate on this measure, I requested consent to include in the RECORD a printed statement by my colleague the ranking Republican member of the Committee on Banking, Housing, and Urban Affairs, the Senator from Utah (Mr. GARN).

Upon reviewing the statement by the Senator from Utah in the CONGRESSIONAL RECORD, I noted his comments pertaining to administrative restitution enforcement, which reads as follows:

> This provision will replace the guidelines under which only some of the agencies are currently operating with a grant of specific authority and with specific parameters applicable to all enforcement agencies. By giving the agencies specific legislative parameters, it is expected that the agencies which are presently operating under their own guidelines will discard certain aspects of those guidelines which do not conform to the legislative requirements. This is intended to eliminate the agencies' requirement that creditors who make restitution must disclose that it is the result of a Truth-In-Lending violation, since that requirement will encourage civil actions against creditors who have already made restitution.

As the chairman of the Committee on Banking, Housing, and Urban Affairs, I believe it is necessary to state for the record that Senator GARN's comments, in this area, are his own and do not reflect my views as the author and floor manager of S. 108.

Specifically, in my view the committee did not intend to "replace" the guidelines under which some of the agencies are presently operating. Nor did the committee establish "specific" parameters. In fact the committee, recognizing the complexity of the restitution issue, indicated its belief—in the report accompanying S. 108 at page 13—that the agencies should have latitude in effecting restitution.

Moreover, the committee never even discussed the issue of whether the enforcement agencies could be prohibited from requiring a truthful disclosure by creditors making restitution that the restitution was, in fact, the result of a truth-in-lending violation.

RESIGNATION OF BANK BOARD CHAIRMAN ROBERT H. McKINNEY

Mr. PROXMIRE. Mr. President, it is with deep regret that I have learned of the resignation of Robert H. McKinney as Chairman of the Federal Home Loan Bank Board. I regret his departure not only because our Nation is losing a hardworking, dedicated public servant who has accomplished much in his 2 years as Chairman of the Bank Board, but also because my colleagues and I on the Senate Banking Committee have come to like and respect him personally.

Among his major accomplishments as Chairman are:

Model nondiscrimination regulations for the thrift industry;

Creation of a $10 billion Community Investment Fund (CIF) intended to encourage deeper involvement of thrifts in low- and moderate-income housing and community development;

Establishment of an Office of Community Investment within the Bank Board and community investment officers in each district Federal home loan bank;

Prevention of the collapse of the housing market during this period of high interest rates, particularly by creation of an antidisintermediation savings instrument—the money market certificate;

Implementation of the Community Reinvestment Act (CRA);

Proposal and enactment of important urban lending legislation for savings and loans; and

A complete rewrite of Bank Board regulations to simplify them and to eliminate outdated regulations.

I say that as one of only a few members of the committee who voted against his confirmation, but he has proven me wrong, I am delighted to say.

There have been times, Mr. President, when Chairman McKinney and I have disagreed on individual issues. But even at these times I think we found mutual respect in that we were both striving toward the same basic goals.

I will miss Robert McKinney, as will all of us who share his concern for housing, for a strong financial system, and a healthy economy. His term at the Bank Board has been an exciting one—a time of innovation, progress, and achievement. I know that he will bring his sense of dedication and commitment to new endeavors as he and his family return to Indiana, and I wish them well as they leave us.

RAVAGES OF THE HOLOCAUST ON LATER GENERATIONS

Mr. PROXMIRE. Mr. President, an article appeared last Sunday in the Washington Star entitled "Searching for a Past That Has Been Wrenched Away." It was about an author, Helen Epstein, and her new book, "Children of the Holocaust," which tells the story of a forgotten class of victims of the Nazi reign of terror.

Mr. President, this is a view of the atrocities of genocide from a different perspective. The after effects of Nazi victimization and its silent, yet profound effect on the next generation has until now been an untouched subject. But this book, Mr. President, has revealed facts about the children of survivors which we can no longer ignore, and about a further terrible consequence of the genocide practices by Hitler against the Jews.

What are these heart-wrenching conclusions? First of all, Mr. President, there is the truncated family; the absence of grandparents, cousins, aunts and uncles. Secondly, there is a complete discontinuity with the past between 1939 and 1950, when life resumes again. We also see the extreme closeness of the family to an unhealthy degree—extreme protectiveness and the bizarre parentification of the child.

Finally, Mr. President, there is the Jewish identity problem. A large number of Jewish survivors violently rejected their faith, and with it their identity and self-respect. Mr. President, we are speaking of the coldly calculated extermination of an entire race, both physically and psychologically. Alienation, isolation, and deprivation followed—a living hell which relentlessly torments the survivors of the holocaust and their offspring.

Helen Epstein writes:

> I wanted to feel connected to the experience my parents had undergone . . .

But she and millions of others have been denied; their lives have become warped and confused.

Mr. President, we must never allow this wretched tragedy to happen again. And we must recognize and pay tribute to the living victims of the holocaust, Mr. President, on both counts it is appropriate, and I believe, imperative that the U.S. Senate ratifies the Genocide Convention. Mr. President, I implore my distinguished colleagues today to support this treaty.

HOLOCAUST COMMEMORATION CEREMONY

Mr. PROXMIRE. Mr. President, the other day I spoke on the holocaust matter and I ask unanimous consent that a speech by Vice President MONDALE at the holocaust commemoration ceremony, April 24, 1979, be printed in the RECORD. It was inadvertently omitted. I ask unanimous consent it be printed in the RECORD at this point.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

REMARKS OF VICE PRESIDENT WALTER F. MONDALE, HOLOCAUST COMMEMORATION CEREMONY, APRIL 24, 1979

Mr. President, Mr. Speaker, Mr. Majority Leader, Members of Congress, Distinguished Guests, ladies and gentlemen:

I am profoundly honored to join you, and all Americans, as we commemorate both the tragedy of the holocaust, and the vibrant resilience of the human spirit.

Human nature casts a complex shadow on the history of civilization. The triumph of the human heart has its memorials—in our miracles of art, in the genius of our democracies, in the lesson of compassion at the soul of all religions.

But the history of humanity is also scarred by ignominy. Hatred, injustice, oppression, bloodshed: These, too, have their monuments that litter our nobler history like trash in a garden.

We meet today to recall both sides of human history—triumph as well as tragedy. We meet both to renew our grief, and to recommit our courage . . . to sing Kaddish for the fallen, and to sanctify as well the work of the living.

The holocaust beggars the human imagination. To recall it is to think the unthinkable. To describe it is to say the unsayable. To be its heir is to inherit a nightmare.

But the horror we commemorate today must not blind us to the life whose roots lie in its ashes. For today we also affirm that genocide has no part in human history.

Today we declare that decency and dignity and life itself are inalienable, and must forever remain so. Today we bear witness not only to the unanswered cries of the eleven million, but also to the duty they confer on us: The duty to banish bloodshed from the annals of our children's future.

Today we bear witness. Elie Wiesel the distinguished chairman of President Carter's Holocaust Commission, put it this way in his moving novel, *The Oath*:

"We must tell, awaken, alert, and repeat over and over again without respite or pause, repeat to the very end those stories that have no end . . ."

We will repeat those stories without end. One of them is the tragedy of the holocaust. But another—and just as important—is the story of the human heart in its relentless service of high ideals.

I have the privilege to introduce to you the Reverend Dr. Roy Eckardt, who will offer the innovation.

Mr. PROXMIRE. Mr. President, I yield the floor.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of routine morning business.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

COMPREHENSIVE ALCOHOL ABUSE AND ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION ACT AMENDMENTS OF 1979

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of Calendar Order No. 105, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 440) to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and insert the following:

SECTION 1. (a) This Act may be cited as the "Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

SEC. 2. (a) Section 2(a)(2) is amended to read as follows: "(2) some ten million, or 7 percent, of the adults in the United States are alcoholics or problem drinkers;".

(b) Section 2(a)(3) is amended to read as follows: "(3) alcoholism and other alcohol related problems cost the United States nearly $43,000,000,000 annually in lost production, medical and public assistance expenditures, police and court costs, and motor vehicle and other accidents;".

SEC. 3. (a) Section 2(a) is further amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by redesignating paragraph (7) as paragraph (8) and amending it to read as follows:

"(8) alcoholism is an illness requiring treatment and rehabilitation through the assistance of a broad range of community health and social services and with the cooperation of law enforcement agencies, employers, employee associations and associations of concerned individuals."; and

(3) by inserting after paragraph (6) the following paragraph:

"(7) alcohol abuse and alcoholism, together with abuse of other legal and illegal drugs, present a need for prevention and informational programs designed to reach the general population and members of particularly vulnerable groups such as youth and families of alcohol abusers and alcoholics; and".

(b) Section 2(b) is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by redesignating paragraph (3) as paragraph (5); and

(3) by inserting after paragraph (2) the following new paragraphs:

"(3) the development and encouragement of prevention programs designed to combat the spread of alcoholism, alcohol abuse, and abuse of other legal and illegal drugs:

"(4) the development and encouragement of effective occupational prevention and treatment programs within government and in cooperation with the private sector; and".

SEC. 4. (a) Section 101(c) is amended by adding at the end thereof the following new sentence: "The Director, if authorized by the National Advisory Council on Alcohol Abuse and Alcoholism, may obtain (in accordance with section 3109 of title 5 of the United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of not more than 100 experts or consultants who have scientific or professional qualifications.".

SEC. 5. Section 102 is amended—

(1) by inserting "and" after the semicolon at the end of paragraph (3);

(2) by striking "; and" after paragraph (4) and substituting a period; and

(3) by striking paragraph (5) and all that matter following such paragraph.

SEC. 6. (a) The heading of section 103 is amended to read as follows:

"INTERDEPARTMENTAL COMMITTEE"

(b) Section 103(a) is amended to read as follows:

"(a) The President shall establish an Interdepartmental Committee on Federal Activities on Alcohol Abuse and Alcoholism (hereinafter in this section referred to as the 'Committee'). The Committee shall (1) evaluate directly or by contract the adequacy and technical soundness of all Federal programs and activities which relate to alcoholism and alcohol abuse and provide for the communication and exchange of information necessary to increase and maintain the coordination and effectiveness of such programs and activities, and (2) seek to coordinate efforts undertaken to deal with alcohol abuse and alcoholism in carrying out Federal health, welfare, rehabilitation, highway safety, law enforcement, and economic opportunity laws."

(c) Section 103(b) is amended to read as follows:

"(b) The Secretary, acting through the Director of the National Institute on Alcohol Abuse and Alcoholism (hereinafter referred to as the 'Director'), shall serve as Chairman of the Committee, the membership of which shall include (1) representation with policy level authority and appropriate scientific, medical, or technical expertise from the Department of Transportation, the Department of Justice, the Department of Defense, the Department of the Treasury, the Department of Labor, the Department of Housing and Urban Development, the Veterans' Administration, and such other Federal departments, agencies, and offices as the President determines administer programs directly affecting alcoholism and alcohol abuse, and (2) five individuals from the general public appointed by the President from individuals who by virtue of their training or experience are particularly qualified to participate in the performance of the Committee's functions. The Executive Director of the Domestic Council shall serve as an ex officio member. The Committee shall meet at the call of the Chairman, but not less often than four times a year."

(d) Section 103(e) is amended by striking out "Secretary" and substituting "President, acting through the Secretary or otherwise,".

(e) Section 103 is further amended by adding at the end thereof the following new subsection:

"(f) The President shall submit to the Congress every two years, at the end of said calendar year, beginning with the first submission no later than the end of calendar year 1980, a report on the extent to which Federal programs and departments are concerned and dealing effectively with the problems of alcohol abuse and alcoholism. Such report shall be prepared by the Committee and under the general supervision of the Chairman.".

(f) The Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism is hereby dissolved.

SEC. 7. Such Act is amended by inserting following after section 103 the following new section:

"INTRADEPARTMENTAL COMMITTEE

"SEC. 104. The Secretary shall establish an Intradepartmental Committee for Departmental Activities on Alcohol Abuse and Alcoholism (hereinafter in this section referred to as the 'Interdepartmental Committee'). The Intradepartmental Committee shall (1) evaluate, directly or by contract, the adequacy and technical soundness of all departmental policies, programs, and activities which relate to alcoholism and alcohol abuse and provide for the coordination and exchange of information necessary to increase and maintain the coordination and effectiveness of such policies, programs, and activities, and (2) seek to coordinate efforts undertaken to deal with alcoholism and alcohol abuse in carrying out the provisions of law administered by the Department. The Director, acting on behalf of the Secretary, shall serve as Chairman of the Intradepartmental Committee, the membership of which shall include representation with policy level authority and appropriate scientific, medical, and technical expertise from the Office of Civil Rights, Office ofthe General Counsel, Office of Assistant Secretary for Management and Budget, Office of Assistant Secretary for Personnel Administration, Office of Assistant Secretary for Planning and Evaluation, Office of Human Development, Office of Education, Health Care Financing Administration, Social Security Administration, Public Health Service and its appropriate component agencies, and such other offices as the Secretary determines administer responsibilities directly affecting the Department's response to alcoholism and alcohol abuse problems. The Intradepartmental Committee shall meet at the call of the Chairman, but not less often than four times a year. The Secretary, acting through the Director or otherwise, shall make available to the Intradepartmental Committee such staff, information, and other assistance as it may require to carry out its activities effectively.".

SEC. 8. (a) Section 201(a) is amended—

(1) by striking out "Civil Service Commission" and substituting "Office of Personnel Management";

(2) by inserting "and in accordance with the provisions of subpart F of part III of title 5, United States Code, as amended by the Civil Service Reform Act of 1978," following "other Federal agencies and departments,"; and

(3) by inserting "Such agencies and departments are encouraged to extend these programs and services to the families of alcoholic employees and to employees who have family members who are alcoholics to the extent feasible." prior to the last sentence.

(b) Section 201(b) is amended to read as follows:

"(b)(1) The Secretary, acting through the Institute, shall be responsibile for fostering and encouraging similar alcohol abuse and alcoholism prevention, treatment, and rehabilitation programs and services in State and local governments and in private industry. To the extent feasible, such programs and services should be capable of extension to the families of employees and to employees who have family members who are alcoholics.

"(2) Consistent with such responsibility, the Secretary, acting through the Institute, shall develop a variety of model programs suitable for replication on a cost-effective basis in different types of business concerns and State and local governmental entities, taking into account the number of employees, geographical location, proximity to other concerns and entities, and availability of existing services from public agencies and private organizations. With respect to small business concerns, the Secretary, acting through the Institute, shall consult with the Small Business Administrator in the development of model programs affecting such concerns.

"(3) With respect to business concerns and governmental entities which employ individuals represented by labor organizations, the employer and the labor organization shall be encouraged to develop joint agreed upon programs at the conference table or through the collective bargaining process.

"(4) The Secretary, acting through the Institute, shall disseminate information and materials relative to such model programs to single State agencies designated pursuant to section 303 of this Act, and shall provide technical assistance to such agencies as requested.".

(c) Section 201(d) is amended by adding before the period ": *Provided*, That such employee is first offered an opportunity to seek treatment and rehabilitation".

(d) Title II is amended by adding at the end thereof the following:

"REPORT ON THE PREVALENCE OF OCCUPATIONAL PROGRAMS AMONG FEDERAL CONTRACTORS

SEC. 202. (a) In accordance with the procedures developed pursuant to section 6 of the Office of Federal Procurement Policy Act (88 Stat. 797), the Office of Federal Procurement Policy shall obtain information with respect to parties contracting with the United States for the procurement of personal property and nonpersonal services (including construction) concerning—

"(1) the extent to which such parties, in employing persons to carry out such contracts, operate by themselves or together with one or more other employers, labor organizations, public agencies, or private organizations, or with consortia thereof, prevention, treatment, counseling, and rehabilitation programs and services for alcohol abuse and alcoholism among their employees, the families of their employees, or both;

"(2) the extent to which such parties, in employing persons to carry out such contracts, arrange by way of contract, cooperative agreement, or other arrangement for the referral of employees affected by alcoholism, members of employees' families so affected, or both, to appropriate programs and services conducted by public agencies or private organizations; and

"(3) in the case of contracting parties with employees represented by labor organizations, the role of such labor organizations in arranging for the program's establishment, conduct, identification, and scope of services at the conference table or through collective bargaining.

In devising forms and procedures for obtaining such information, the Office shall consult with the Secretary, acting through the Institute, concerning appropriate definitions and categorizations of programs.

"(b) The Office of Federal Procurement Policy shall submit to the Congress, not later than one hundred and eighty days after the expiration of each fiscal year, a report summarizing information obtained from contracting parties under subsection (a). This reporting requirement shall first apply with respect to the fiscal year ending September 30, 1980.".

SEC. 9. Section 301 is amended—

(1) by striking out "and" following "September 30, 1978,"; and

(2) by inserting "$60,000,000 for the fiscal year ending September 30, 1980, $65,000,000 for the fiscal year ending September 30, 1981, $65,000,000 for the fiscal year ending September 30, 1982" after "September 30, 1979,".

SEC. 10. Section 302 of such Act is amended by adding at the end thereof the following new subsection:

"(e) On the request of any State, the Secretary shall make available to the extent feasible, technical assistance for the purposes of developing and improving systems for data collection; program management, accountability, and evaluation; certification, accreditation, or licensure of treatment facilities and personnel; monitoring compliance to Federal requirements of hospitals and other facilities; and implementing the provisions of the Uniform Alcoholism and Intoxification Treatment Act through model education and training packages for personnel at State and community levels. Insofar as practicable, such technical assistance shall be provided in such a manner as to improve coordination between activities funded under this Act and under the Drug Abuse Office and Treatment Act of 1972, as amended.".

SEC. 11. (a) Section 303(a) is amended—

(1) by inserting "women, youth, families of alcoholics and alcohol abusers, and individuals over sixty-five years of age" after "minority and poverty groups," in paragraph (3);

(2) by inserting after subparagraph (4)(B) the following new subparagraph:

"(C) provide assurances satisfactory to the Secretary that, insofar as practicable, the survey conducted pursuant to subparagraph (A) is coordinated with and not duplicative of the drug abuse and dependence survey conducted pursuant to section 1176 of title 21, United States Code;";

(3) by inserting ", with State and local drug abuse planning agencies," after "alcoholism and alcohol abuse planning agencies" in paragraph (12);

(4) by striking out "and" at the end of paragraph (15);

(5) be redesignating paragraph (16) as paragraph (17); and

(6) by inserting after paragraph (15) the following new paragraph:

"(16) provide assurance that the State agency—

"(A) will foster and encourage the development of alcohol abuse and alcoholism prevention, treatment, and rehabilitation programs and services in State and local governments and in private businesses and industry;

"(B) will make available to all business concerns and governmental entities within such State information and materials concerning such model programs suitable for replication on a cost-effective basis as are developed pursuant to section 201(b) of this Act; and

"(C) will furnish technical assistance as feasible to such business concerns and governmental entities; and".

(b) Section 303(b) is amended by inserting at the end thereof the following new sentence: "To the extent feasible, the Secretary shall assist States in coordinating data collection required by this Act with that required by section 1176 of title 21, United States Code.".

(c) Section 303(c) of such Act is amended by inserting "a plan of action for the next three years and an analysis or survey of the extent to which other State programs and political subdivisions throughout the State are concerned and dealing effectively with the problems related to alcohol abuse and alcoholism" after "implementation of its State plan".

SEC. 12. Section 310(a) is amended by striking out "1979" and inserting in lieu thereof "1982".

SEC. 13. (a) Section 311(a) is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as (2), (3), (4), and (5), respectively;

(2) by inserting before the newly designated paragraph (2) the following new paragraph:

"(1) to conduct demonstration and evaluation projects, with a high priority on prevention and early intervention projects in occupational and educational settings and on modified community living and work-care arrangements such as halfway houses, recovery homes, and supervised home care,";

(3) by striking out "conduct demonstration and evaluation projects, including projects designed to develop" and substituting "support projects of a demonstrable value in

developing" in the newly designated paragraph (2);

(4) by striking out "native Americans" and inserting in lieu thereof "American Indians, Alaskan Natives, Hawaiian Natives, Native American Pacific Islanders, individuals over sixty-five of age, handicapped" in the newly designated paragraph (3); and

(5) by inserting after "and alcohol abusers, families of alcoholics and alcohol abusers" after "female alcoholics" in the newly designated paragraph (3), and

(6) by adding the following new paragraph:

"(6) To provide emergency assistance to individuals (including spouses and dependents) who require immediate counseling and shelter to prevent incidents of alcohol-related domestic violence or as a result of such alcohol-related domestic violence. No funds provided under this paragraph may be used as direct payment to any victim or any dependent of a victim of domestic violence.".

(b) Section 311(b) is amended by inserting "(in the case of prevention and treatment services)" preceding "to insure care of good quality".

(c) Section 311(c)(2)(A) is amended by adding the following at the end thereof: "Should the State not furnish such evaluation within the thirty days allowed, or should the State fail to furnish the applicant with a copy of its evaluation, no written or verbal evaluation by the State shall in any way prejudice such project or program.".

(d) Section 311 (c)(4) is amended to read as follows:

"(4) The Secretary shall give special consideration to applications under this section for programs and projects for prevention and treatment of alochol abuse and alcoholism and their consequences among women and youth.".

SEC. 14. (a) Section 312 is amended—

(1) by redesignating such section as section 313;

(2) by striking out "sections 310 and 311" and inserting in lieu thereof, "sections 310, 311, and 312";

(3) by striking out "and" following "September 30, 1978,"; and

(4) by inserting the following before the period: ", $115,000,000 for the fiscal year ending September 30, 1980, $120,000,000 for the fiscal year ending September 30, 1981, and $130,000,000 for the fiscal year ending September 3, 1982. No less than 8 percent of the sum appropriated under this section for any fiscal year shall be used for grants to programs intended wholly or in part to prevent the occurrence, recurrence, or spread of alcoholism or alcohol abuse. No more than 50 percent of the amount by which the sum appropriated under this section for any fiscal year exceeds the sum appropriated for fiscal 1979 shall be used for grants authorized by section 312".

(b) Such Act is further amended by inserting the following new section following section 311:

"INSURANCE INCENTIVE GRANTS

"SEC. 312. (a) To assist States which are taking steps through their insurance regulatory systems to cover alcoholism and alcohol abuse, the Secretary, acting through the Institute, may, during the period beginning October 1, 1979, and ending September 30, 1982, make grants to such States for demonstration and implementation of programs designed to achieve such coverage. A grant under this section to any State may be made for such planning and start-up costs (as determined in accordance with regulations promulgated by the Secretary) as may be incurred by such State, political subdivisions thereof, medical facilities, or public or private organizations involved in such demonstration or implementation.

"(b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary may not approve an application of a State unless he determines the following:

"(1) The State, through its insurance regulatory system, is committed to eventual coverage of alcoholism and alcohol abuse under all comprehensive public and private health insurance systems operating within the State.

"(2) Each public or private health insurance plan provided by the State or any political subdivision thereof to its own employees has set forth a plan for coverage of alcoholism and alcohol abuse.

"(3) The State prposes to conduct a demonstration project or to implement a requirement through its insurance regulatory process that will constitute significant progress toward its goal of coverage of alcoholism and alcohol abuse.

"(c) All public or private health insurance plans developed in accordance with this section shall include coverage for inpatient or outpatient care at a licensed hospital treatment facility, licensed detoxification facility, licensed halfway house or recovery home, or licensed, certified or State approved residential treatment facility.

"(d) The amount of any grant under this section to any State or any fiscal year may not exceed an amount equal to 10 percent of the allotment of such State for such fiscal year under section 302 of this Act. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.".

SEC. 15. Such Act is further amended by inserting after section 321 the following new section:

"ADMISSION OF ALCOHOL ABUSERS AND ALCOHOLICS TO PRIVATE AND PUBLIC SOCIAL SERVICE, MENTAL HEALTH, INTEMEDIATE CARE, AND OTHER RELATED FACILITIES

"SEC. 322. (a) Alcoholic abusers and alcoholics who are suffering from personal, emotional, or social conditions shall not be discriminated against in admission or care, solely because of their alcohol abuse or alcoholism, by any private or public social service, mental health, intermediate care, rehabilitation, or other service-related facility which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b)(1) The Secretary shall issue regulations not later than 12 months after the enactment of this section for the enforcement of the policy of subsection (a) with respect to the admission and care of alcohol abusers and alcoholics in facilities covered by this section (other than facilities operated by the Veterans' Administration). Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a facility which receives support of any kind from any program administered by the Secretary and subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind reecived by such facility from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which a facility covered by subsection (a) receives support of any kind, with respect to the suspension or revocation of Federal support for such facility found to violate such subsection.

"(2) The Administrator of Veterans' Affairs shall, to the maximum extent consistent with the Administrator's responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under paragraph (1) of this subsection, to facilities operated by the Veterans' Administration to provide the same kinds of benefits and services to veterans under title 38 as are provided by the facilities described in subsection (a). In prescribing and implementing regulations pursuant to this paragraph, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of such regulations, including the implementation thereof. The provisions of this section shall not supersede the provisions of sections 4133 and 4134 of title 38, United States Code.".

SEC. 16. (a) Section 217(a) of the Public Health Service Act is amended, in the fourth sentence thereof, by inserting "Appointed members may serve after the expiration of their terms until their successors have taken office." at the end of clause (3).

(b) Section 217(d) of the Public Health Service Act is amended by inserting "and to evaluate the results of such projects or programs," preceding "and (2) to collect information".

SEC. 17. (a) Section 501(a) is amended to read as follows:

"SEC. 501. (a) The Secretary, acting through the Institute, shall carry out a program of research, investigations, experiments, demonstrations, and studies, directly and by grant or contract, into—

"(1) the social, behavioral, and biomedical etiology,

"(2) prevention,

"(3) treatment,

"(4) mental and physical health consequences,

"(5) social and economic consequences, and

"(6) the impact on families,

of alcohol abuse and alcoholism.".

(b) Section 501 (b) is amended—

(1) in paragraph (3), by inserting ", with particular emphasis on understanding the relationship between alcohol abuse and domestic violence, the effects of alcohol use during pregnancy, and the relationship between the abuse of alcohol and other drugs and the effect of social, legal, economic, and educational factors" before the semicolon;

(2) in paragraph (5)—

(A) by inserting ", to the extent practicable to further the purposes of this Act," following "promote";

(B) by inserting "the National Institute of Drug Abuse and by" following "similar programs conducted by"; and

(C) by inserting "departments," preceding "agencies";

(3) in paragraph (6), by striking out "biomedical and behavioral" and substituting "biomedical, behavioral, epidemiological, and social"; and

(4) in paragraph (8), by inserting "and other scientific research" following "statistical".

SEC. 18. Section 502 is amended—

(1) by striking out "and" following "treatment,"; and

(2) by inserting ", and evaluation" following "prevention".

SEC. 19. Section 503 is amended—

(1) by striking out "and" following "September 30, 1978,"; and

(2) by inserting ", $22,000,000 for the fiscal year ending September 30, 1980, $28,000,000 for the fiscal year ending September 30, 1981, and $32,000,000 for the fiscal year ending September 30, 1982," after "September 30, 1979".

SEC. 20. (a) Section 504(a) is amended—

(1) by striking out "alcohol problems" and inserting in lieu thereof "biomedical, behavioral, and social issues related to alcoholism and alcohol abuse";

(2) by inserting "or consortium of entities" following "entity";

(3) in subparagraph (1)(B), by striking out "laboratory facilities and reference services (including reference services that will afford access to scientific alcohol literature," and inserting in place thereof "facilities (including laboratory, reference, and data analysis facilities) to carry out the research plan proposed to be conducted under this section;";

(4) in subparagraph (1)(D), by striking out "and" at the end thereof;

(5) in subparagraph (1)(E), by striking out "medical and osteopathic students and physicians;" and inserting in lieu thereof "medical, nursing, social work, osteopathic, and other specialized graduate students;"; and

(6) by inserting after subparagraph (1)(E) the following:

"(F) the applicant has the capacity to conduct programs of continuing education in such medical, legal, or social service fields as the Secretary may require.".

(b) Section 504(a) is further amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting "(2) the Secretary finds that designating such Center will not hamper the ability of, or availability of adequate funds for, existing Centers to carry out the provisions of the research plans submitted under subsection (a)(3) as approved by the Secretary;" after paragraph (1).

(c) Section 504(b) is amended by striking out "$1,000,000." at the end of the second sentence and substituting "$1,500,000.".

(d) Section 504(c) is amended by striking out the period at the end thereof and substituting ", $9,000,000 for the fiscal year ending September 30, 1980, $10,000,000 for the fiscal year ending September 30, 1981, and $11,000,000 for the fiscal year ending September 30, 1982.".

SEC. 21. The Act is further amended by adding at the end thereof the following new title:

"TITLE VII—NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

"ESTABLISHMENT OF A NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

SEC. 701. (a) There is established a Commission to be known as the National Commission on Alcoholism and Other Alcohol-Related Problems (hereinafter in this title referred to as the "Commission"). The Commission shall be composed of—

"(1) four Members of the Senate appointed by the President of the Senate upon the recommendation of the majority and minority leaders;

"(2) four Members of the House of Representatives appointed by the Speaker of the House of Representatives upon the recommendation of the majority and minority leaders;

"(3) eleven public members appointed by the President with the advice and consent of the Senate; and

"(4) ex officio members from agencies of the Federal Government, appointed by the President, in an advisory capacity only, whose programs affect the prevention and treatment of alcoholism and the rehabilitation of alcoholics and alcohol abusers, and such ex officio members shall be individuals with knowledge of such programs.

At no time shall more than two of the members appointed under paragraph (1), more than two of the members appointed under paragraph (2), or more than six of the members appointed under paragraph (3) be members of the same political party.

"(b)(1) The President shall designate one of the members of the Commission as Chairperson, and one as Vice Chairperson. Ten members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(2) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission. Other members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of the basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of the duties of the Commission; and, while away from their homes or regular places of business in the performance of duties of the Commission, they shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(3) The Commission shall meet at the call of the Chairperson or at the call of the majority of the members thereof.

"(c)(1) The Commission may appoint and fix the pay of an executive secretary to assist the Commission in carrying out its functions. The executive secretary shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 of subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(2) The Secretary shall provide the Commission with such additional professional and clerical staff, such information, and the services of such consultants as the Secretary determines necessary for the Commission to carry out effectively its functions. Such consultants shall receive compensation at a rate to be fixed by the Secretary, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(3) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission consistent with applicable laws and regulations with respect to the privacy of medical records.

"STUDY AND REPORT

"SEC. 702. (a) The Commission shall conduct a study of alcoholism and alcohol-related problems including, but not limited to, the following areas:

"(1) an assessment of unmet treatment and rehabilitation needs of alcoholics and their families;

"(2) an assessment of personnel needs in the fields of research, treatment, rehabilitation, and prevention;

"(3) an assessment of the integration of alcoholism treatment and rehabilitation into ongoing health and social health care services within communities;

"(4) an assessment of the need for integration of alcoholism services into existing fiscal support systems and in comprehensive national health care financing;

"(5) an evaluation of the accessibility of services and quality of care, including services in rural as well as urban areas;

"(6) the relationship of alcohol use to aggressive behavior and crime;

"(7) the relationship of alcohol use to family violence;

"(8) the relationship of alcoholism to the rates of illnesses, particularly those with a high stress component, among family members of alcoholics;

"(9) an evaluation of the effectiveness of prevention programs, including the relevance of alcohol control laws and regulations to alcoholism and alcohol-related problems;

"(10) a survey of the unmet research needs in the area of alcoholism and alcohol-related problems; and

"(11) an evaluation of the needs of special and underserved population groups, including American Indians, Alaskan Natives, Hawaiian Natives and Native American Pacific Islanders.

"(b) The Commission shall submit to the President and the Congress such interim reports as it deems advisable and shall within two years after the date on which funds first become available to carry out the provisions of this section submit to the President and the Congress a final report which shall contain a detailed statement of its findings and conclusions and also such recommendations for legislation and administrative actions as it deems appropriate. The Commission shall cease to exist sixty days after the final report is submitted under this subsection.

"COORDINATION AND AUTHORIZATION OF APPROPRIATIONS

"SEC. 703. (a) The Secretary of Health, Education, and Welfare shall be responsible for the coordination of the activities of the Commission.

"(b) There are authorized to be appropriated for the purposes of this section $2,000,000 to remain available until the expiration of the Commission.".

Mr. RIEGLE. Mr. President, first I ask unanimous consent that various members of my staff and other staffs be granted privilege of the floor during consideration and voting on these measures: Craig Polhemus, Nancy Olson, and Bob Hunter, of the Labor and Human Resources Committee staff; Ruth Kane of my staff; and Luther Washington of Senator METZENBAUM's staff.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, S. 440 renews and revises Federal alcoholism programs, principally those conducted by the National Institute on Alcohol Abuse and Alcoholism, for a period of 3 years. The bill, which is cosponsored by Mr.

WILLIAMS, chairman of the Labor and Human Resources Committee, and by Mr. HATCH, ranking minority member of the Subcommittee on Alcoholism and Drug Abuse, was favorably reported by the Labor and Human Resources Committee on April 11.

S. 440 provides total authorization levels of $208 million in fiscal 1980, $223 million in 1981, and $238 million in 1982.

Mr. President, I thank the Senator from Utah (Mr. HATCH) and the Senator from Pennsylvania (Mr. SCHWEIKER) for their efforts and help and for the manner in which we were able to work together in arriving at these compromise levels of funding.

Last Tuesday, HEW Secretary Califano announced a series of new Federal initiatives to reduce both the human suffering from alcoholism and its annual economic cost of $43 billion. These initiatives will be administered by NIAAA. S. 440 directs the Institute to take specific steps to meet objectives included in the Secretary's initiatives, such as increased emphasis on women, youth, families, and other underserved groups; greater attention to prevention programs; and increased encouragement of occupational alcoholism programs, which can treat the disease of alcoholism in its early stages.

As reported from committee, S. 440 cuts 25 million from currently authorized levels for State alcoholism formula grants. The committee believes that these grants are extremely important in stimuating State efforts to combat alcoholism and alcohol abuse. The authorization cuts are intended to promote more realistic expectations concerning the ability of the Federal Government to assist these State activities over the next few years.

S. 440 recognizes the tremendous need for Federal assistance to projects designed to meet special needs and populations by increasing the project grant authorization, while at the same time establishing new priorities and requirements for the use of these funds. NIAAA will be instructed to use its project authority to emphasize prevention and occupational programs, assistance to underserved groups and families of alcoholics, and providing emergency assistance to victims of alcohol-related domestic violence. The bill also authorizes a small grant program to States for demonstration and implementation of insurance regulations to cover alcoholism and alcohol abuse.

To improve coordination of Federal activities, S. 440 elevates the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism to an interdepartmental committee, and requires greater coordination between NIAAA and the National Institute on Drug Abuse.

In the area of research, S. 440 emphasizes continued study of the fetal alcohol syndrome, and includes the social causes and consequences of alcoholism among research topics. To bring research authorization levels in line with actual appropriations, the committee reduced currently authorized research levels by $6 million, while calling for moderate increases in appropriations for general research and for national alcohol research centers over the next 3 years. Calls for increased research funding from the President's Commission on Mental Health and its liaison task force on alcohol-relation problems indicate the tremendous benefits that can result from such NIAAA research as the rediscovery and study of the fetal alcohol syndrome, which leads to mental and physical birth defects among children whose mothers drink heavily during pregnancy.

S. 440 prohibits discrimination against alcoholics and alcohol abusers in providing federally financed social services, and directs NIAAA to develop model occupational alcoholism programs for distribution to interested employers. It also directs the Office of Federal Procurement Policy to determine the extent to which Federal contractors currently offer such programs to their employees.

Mr. President, this bill reflects a consensus in the alcoholism prevention and treatment field concerning the need for special emphasis on prevention, on underserved groups, and on occupational programs. These points of agreement, however, do not reflect a national policy on the disease of alcoholism, because our efforts are still far too fragmented and uncertain. To develop a comprehensive plan to serve as a blueprint for further efforts to combat alcoholism and alcohol abuse, S. 440 includes the provisions of S. 202, introduced by the Senator from New Jersey (Mr. WILLIAMS), to create a National Commission on Alcoholism and Alcohol-Related Problems. This 2-year commission carries a $2 million authorization, and is directed to study the full range of alcohol-related problems and alternative approaches to prevention and treatment.

As chairman of the Subcommittee on Alcoholism and Drug Abuse, I urge my colleagues to support this bill. S. 440 reflects a bipartisan effort by the Labor and Human Resources Committee to strengthen and improve Federal efforts to combat alcoholism while setting realistic authorization levels for the next 3 years. By emphasizing populations and programs most in need of increased assistance, S. 440 directs the efforts of NIAAA to where they can do the most good.

Mr. President, I reserve the remainder of my time, and I yield to the Senator from Utah, if he seeks the floor at this point.

The ACTING PRESIDENT pro tempore. The Senator from Utah.

Mr. HATCH. Mr. President, as the ranking Republican member of the Alcoholism and Drug Abuse Subcommittee of the Senate Labor and Human Resources Committee, I am pleased to be able to support, and indeed cosponsor, S. 440, which revises and extends the life of our Nation's Comprehensive Alcohol Act of 1970. I view this legislation as a vital link in our Federal effort to combat the dread effect of alcoholism and alcohol abuse.

I commend, at the outset, the chairman of our subcommittee, Senator RIEGLE, who has done an extraordinarily sensitive job in fashioning this bill and getting it in the kind of shape whereby it should now be satisfactory with Senators of different persuasions and on both sides of the aisle.

I believe it would be helpful for my colleagues to spend a few minutes on where we have been with our national alcohol effort, how this bill will enhance that effort, and perhaps some observations of where we may be heading in the future.

Congress became involved in the problems of alcohol abuse and alcoholism in the late 1960's with the recognition of alcoholism as one of the Nation's major health problems. By that time, alcoholism had been recognized as a disease by many credible organizations including the World Health Organization, the American Medical Association, the American Hospital Association, and the American Psychiatric Association. Several courts agreed that alcoholism is an illness or a disease and held that a chronic alcoholic could not be held criminally responsible for public intoxication. Various studies had concluded that the incidence of alcoholism was alarmingly high and that the disease affected the lives of an estimated 50 million people or more.

After first attempting to deal with the problem in the District of Columbia, Congress passed the Alcoholic Rehabilitation Act of 1968. This act recognized alcoholism as a major health and social problem and expressed the intent of Congress to help prevent and control alcoholism by providing Federal aid for the construction and staffing of facilities for alcohol services. It was an attempt, in my judgment, to fill a huge vacuum which existed at the State and local level—which void still exists today in many areas for many American sufferers of this dread disease.

In 1970, in recognition of the need for a comprehensive Federal program for the prevention and treatment of alcohol abuse, Congress passed the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act. This act, also known as the Hughes Act, established the National Institute on Alcohol Abuse and Alcoholism and the National Advisory Council on Alcohol Abuse and Alcoholism, provided for Federal assistance for State and local programs through formula grants and project grants and contracts, and mandated alcoholism programs for Federal civilian employees.

The Comprehensive Act was extended and amended in 1974 by the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974. In addition to extending Federal assistance for programs, the amendments provided for grants to States which adopt the Uniform Alcoholism and Intoxication Treatment Act, and for the establishment of the Alcohol, Drug Abuse, and Mental Health Administration. The legislation was further amended with the enactment of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Amendments of 1976 on July 26, 1976. The amendments once again renewed and revised the funding authorities. They also provided for a special research authorization and designation of national alcohol research centers in addition to strengthening and broadening existing provisions of the legislation.

The Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act is the major piece of Federal legislation relating to alcohol abuse and alcoholism. It is the only legislation which provides for alcoholism formula grants to the States. However, there are other Federal laws which provide either directly or indirectly for assistance for alcohol programs or require provision of such programs as a condition of receipt of Federal assistance.

For example, direct aid for alcohol programs is authorized by the Alcohol and Drug Abuse Education Act which provides for financial and technical assistance for education projects. The Community Mental Health Centers Act requires a federally funded community mental center to provide an alcohol abuse and alcoholism prevention, treatment, and rehabilitation program, unless there is no need for it or the need is currently being met. The Health Maintenance Organization Act of 1973 requires that medical treatment for alcohol abuse and alcoholism be provided as part of the basic benefit package for Federal certification. And there are other laws which impact in this area which time prevents a further reference to.

With this brief history which gives some perspective, let me assure my colleagues that the need for this legislation is still as critical in 1979 as it was in 1970, because the problems are of monumental proportions.

The third special report to the U.S. Congress on Alcohol and Health, released by the Secretary of Health, Education, and Welfare on October 17, 1978, sets forth the dimensions of the problem:

Some 10 million, or 7 percent, of the adults in our country are problem drinkers.

More than 3 million, or 19 percent, of the youths in the 14-to-19 age group have some problems related to the consumption of alcohol.

More than 200,000 deaths each year may be associated with the misuse of alcohol, including half of our traffic fatalities, half of our homicides, and one-third of our suicides.

Findings now demonstrate that alcohol contributes to cancer, heart disease, liver disease, and many other health problems.

Alcohol combines with other drugs or with tobacco to cause even more damage than either would alone. It is heavily implicated in many other areas of social concern including accidents, robberies, rapes, marital violence, and child abuse.

The economic toll from these problems is estimated at $43 billion for 1975. The toll included some $20 billion in lost production, and nearly $13 billion in medical costs (12 percent of our health care expenditures).

Mr. President, these statistics are devastating and confirm the continuing need for a strong Federal commitment to the field of alcohol abuse and alcoholism.

Our colleagues will rightfully ask how this particular bill will facilitate our attack on these dire problems. While the chairman has fully explained its provisions, allow me to highlight some of its strongest features.

The bill provides for greater emphasis on prevention, evaluation, occupational programs and the families of alcoholics. Focus on the families of alcoholics is a pet project of mine and these neglected other victims of alcoholism must be considered in our overall national scheme.

It replaces the Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism with an Interdepartmental Committee on Federal Activities for Alcohol Abuse and Alcoholism, to better coordinate Federal alcoholism activities; creates an Intradepartmental Committee on Departmental Activities on Alcohol Abuse and Alcoholism to coordinate alcoholism activities within the Department of Health, Education, and Welfare; and provides for more coordination between NIAAA and the National Institute on Drug Abuse in matters of data collection, program management and evaluation.

It authorizes a small grant program for demonstration and implementation of insurance regulations to cover alcoholism and alcohol abuse; extends prohibition of discrimination against alcoholics in health care facilities to other Federal social services; authorizes emergency assistance to victims of alcohol-related domestic violence; and encourages technical assistance to States.

It includes social consequences of alcohol abuse as a subject of research; increases the maximum annual grant to National Alcohol Research Centers to $1,500,000; specifies research on biomedical, behavioral, and social issues; authorizes designation of consortia as Centers; and requires laboratory, reference, and data analysis facilities suited to Center research plans.

The bill also provides for the creation of a 2-year National Commission on Alcoholism and Alcohol-Related Problems, an idea which the Senate has previously approved, to make a comprehensive national study of these problems and make recommendations to the President and Congress, funded at $2 million. It is anticipated by the Labor and Human Resources Committee that a commission is fundamental in determining a national policy on alcoholism. It should be broad-based in its composition and able to draw upon the resources available in the private and public sectors to study the problems and shape an effective attack on this serious national problem.

Finally, Mr. President, the authorized figures represent negotiated amounts from members of the Labor Committee which I view as balanced and acceptable based upon the nature of the problems and the fiscal problems of the country. I do not feel that this is an area where retreat is appropriate at this crucial point. The authorized amounts which constitute modest but necessary increases over the prior 3-year period will assure our sustained war over this debilitating disease.

Mr. President, I am convinced that the time has come to either formulate a strong national prevention and treatment effort that gives us some promise of being effective or abandon that effort entirely and concentrate on mopping up the casualties instead. I prefer the former option. The passage of this bill will substantially aid in achieving that national program of deliverance from the disease of alcoholism which our people need and deserve and which I strongly endorse.

Mr. President, I ask unanimous consent that an editorial which appeared in the May 2, 1979, edition of the Deseret News entitled "More than Money Needed to Cut Back Alcoholism" be printed in the RECORD. It is a timely article which sets the tone for what we are attempting to achieve here today.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MORE THAN MONEY NEEDED TO CUT BACK ALCOHOLISM

Alcoholism costs Americans $43 billion a year in lost production, medical bills, and other serious problems.

So it's hard to object to HEW Secretary Joseph Califano's new proposal to spend an additional $22 million a year to combat excessive drinking, even though Washington should be looking for new ways to save instead of new ways to spend.

But there is room for wondering if the plan be outlined Tuesday represents the most effective use of the public's money.

This proposed increase in the 1980 budget is open to question because it seems to put much more emphasis on treatment than on preventing alcoholism. Ordinarily, it's far better to erect a fence at the top of the cliff than to station an ambulance at the bottom of the precipice.

Whichever way it's accomplished, the need for a greater effort to combat alcoholism should be beyond dispute.

Alcohol accounts for a third of all suicides, half of all arrests, and half of all traffic fatalities. Alcohol is the third leading cause of birth defects involving mental retardation. The drug also is a major contributor to cancer, heart disease, liver disease, and other health problems.

On the basis of such grim facts and figures, the National Commission on Marijuana and Drug Abuse concludes that "alcohol dependence is without question the most serious drug problem in this country today."

It seems bound to become even more serious because, as young Americans have turned away from various hard drugs, they have turned increasingly to the use and abuse of alcohol.

This problem isn't going to be curbed until the public gets over the idea that its somehow manly or sophisticated to drink, or that the supposed "right" to drink and drive is more important than the right to be protected against the drinking driver. If such attitudes are to be changed, it will take a major educational effort.

By all means, Congress should devote another $22 million or whatever it takes to make a real dent in this nation's No. 1 drug problem, alcoholism. But if the public is to get the most for its money, the lawmakers should also consider the advisability of devoting less of that money to treatment and more to prevention.

Mr. HATCH. Mr. President, I reserve the remainder of my time.

Mr. President, I ask unanimous consent that Jeff Lewis, of Senator Domenici's staff, be accorded the privilege of the floor during consideration and vote on S. 440.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, before proceeding, I have an amendment at the desk that I am offering on behalf of Senator Inouye which I will call up in a second.

Before I do, let me say to my friend from Utah that I appreciate the statement that he just made and appreciate very much the leadership and the efforts that he has given in the subcommittee on this issue. It is a pleasure to work with him. I look forward, hopefully sometime in August, to getting to his home State to hold field hearings and get deeper into these questions of alcoholism and alcohol abuse.

Mr. JAVITS. Mr. President, I rise in support of S. 440, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act Amendments of 1979. S. 440 revises and extends the authorizations of appropriations for 3 years under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 at a total authorization level of $669 million. Passage of S. 440 will permit the continuation of vital programs in the areas of alcohol and drug abuse and alcoholism research, prevention, treatment and rehabilitation conducted by the National Institute on Alcohol Abuse and Alcoholism (NIAAA).

In addition to extending existing programs, S. 440 contains other major provisions which provide for greater emphasis on prevention, evaluation, occupational programs, and the families of alcoholics; require a greater degree of coordination between alcoholism-related activities carried on throughout the Federal Government; and provide for the establishment of a 2-year National Commission on Alcoholism and Alcohol-Related Problems.

A disease of devastating consequences to the victim, to his or her family and friends and to society as a whole, alcholism deserves a massive Federal commitment aimed at reducing its incidence and effects. Today, it is believed that:

Some 10 million adults in this country are problem drinkers;

Roughly 19 percent of the youths in the 14 to 19 age group have problems related to the consumption of alcohol;

More than 200,000 deaths each year are thought to be associated with the misuse of alcohol;

Alcohol is the third leading cause of birth defects involving mental retardation; and

Alcohol contributes to cancer, heart disease, liver disease, and other health problems.

The need to continue research, prevention, treatment, and rehabilitation programs for alcoholics is well-documented by statistics such as these. I support passage of S. 440, and urge my colleagues to join in this support.

Mr. President, before closing, I would like to acknowledge the leadership of my colleague Senator Riegle in the development of this bill and the cooperation of Senator Hatch the ranking member. Senator Riegle is the newly elected chairman of the Labor and Human Resources Subcommittee on Alcoholism and Drug Abuse and this bill represents one of the first pieces of legislation reported by this subcommittee. The subcommittee has produced a bill which should do much to improve Federal efforts directed toward combating this truly devastating problem.

UP AMENDMENT NO. 125

(Purpose: To provide for the designation of an Associate Director for Underserved Populations within the National Institute on Alcohol Abuse and Alcoholism)

Mr. RIEGLE. Mr. President, on behalf of Senator Inouye I call up the amendment which is at the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Michigan (Mr. Riegle), for Mr. Inouye, proposes unprinted amendment numbered 125.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 24, after line 2, insert the following:

(b) Section 101 is further amended by adding at the end thereof the following new subsection:

"(d)(1) The Director shall designate an Associate Director for Underserved Populations to develop and coordinate prevention, treatment, research, and administrative policies and programs to assure increased focus on minority and other underserved populations.

(2) The Associate Director for Underserved Populations shall assist the Director in assuring that the Institute—

(a) support programs with regard to the delivery of alcohol abuse and alcoholism services to minority and other underserved populations, including demonstration projects;

(b) develop a plan to increase the representation of minority and other underserved populations in alcohol abuse and alcoholism service delivery and manpower programs with an emphasis on developing bilingual and bicultural programs;

(c) support programs of basic and applied social and behavioral research on alcoholism and alcohol abuse among minorities and other underserved populations;

(d) study the effects of racial and sexual discrimination on institutions and individuals, including majority institutions and individuals;

(e) develop systems to assist minority and other underserved populations in adapting to, and coping with, the effects of racial and sexual discrimination;

(f) support and develop research, demonstration, and training programs aimed at eliminating institutional racial and sexual discrimination; and

(g) provide for increased emphasis on the concerns of minority and other underserved populations in training programs, service delivery programs, and research endeavors.

(3) The Secretary shall include in the annual report to Congress required under section 102 a description of the Institute's activities in carrying out the provisions of this subsection.

(4) Nothing contained in this subsection shall be construed to prevent or impair the administration of enforcement of any other provision of Federal law, nor shall the Associate Director for Underserved Populations be deemed to have exclusive jurisdiction over the Institute's responsibility to develop effective policies and programs for minority and other underserved populations."

Mr. RIEGLE. Mr. President, the amendment that I am offering in behalf of Senator Inouye would establish an Associate Director for Underserved Populations within the Institute. This amendment grows out of S. 925, which the Senator from Hawaii introduced on April 9 of this year to establish an Office for Minority Concerns within the Alcohol, Drug Abuse, and Mental Health Administration.

I share the Senator's deep concern for promoting the Institute's efforts to assist members of minority groups, as well as women, youth, the elderly, and other historically underserved populations. The amendment in its current form, therefore, calls for the designation of an Associate Director for Underserved Populations at the institute level, without diluting the responsibilities of other offices within the Institute to direct their efforts to these groups.

Having had the chance to work with Senator Hatch on this issue, I hope that this amendment will be acceptable to the minority as well. I think it is a reasonable way to solve this problem, and I therefore move its adoption.

Mr. HATCH. Mr. President, I have no objection——

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment——

Mr. HATCH. If I may have a moment—I have no objection to this amendment. In fact, I think it is an excellent idea, and I think there are people in our society who deserve this and who are entitled to this type of recognition, so I support this amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Hawaii.

The amendment was agreed to.

Mr. RIEGLE. I move to reconsider the

vote by which the amendment was agreed to.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, it is my understanding that the bill is now open to amendment by anyone who wishes to offer an amendment, and I see the Senator from South Carolina present.

UP AMENDMENT NO. 126

(Purpose: To require a health warning on the labels of bottles containing certain alcoholic beverages)

Mr. THURMOND. Mr. President, I send an amendment to the desk and ask the clerk to report it.

The PRESIDING OFFICER (Mr. BAUCUS). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. THURMOND) for himself, Mr. HATCH, and Mr. MORGAN proposes unprinted amendment numbered 126:

On page 51, after line 13, insert the following:

SEC. 22. Section 403 of the Federal Food, Drug and Cosmetic Act (21 U.S.C. 343), be amended to read as follows:

"(Q) No bottle or container containing a beverage having more than 24 per centum of alcohol by volume, unless the label of such bottle contains the following statement:

" 'Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit forming, and may cause serious birth defects when consumed during pregnancy.' Such statement shall be located in a conspicuous and legible type in contrast by typography, layout, or color with other printed matter on the label."

Mr. THURMOND. Mr. President, I ask unanimous consent that the able Senator from Utah (Mr. HATCH) be added as a cosponsor to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I offer today an amendment to S. 440 that will require a health warning label for all bottles of alcoholic beverages containing more than 24-percent alcohol by volume. The warning would read as follows:

> Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit-forming, and may cause serious birth defects when consumed during pregnancy.

Alcoholism and alcohol abuse are recognized as one of the Nation's most serious health problems. Alcohol has become a much abused drug just as cocaine, heroin, barbiturates, and amphetamines. The consequences of alcohol abuse is today a serious national problem in terms of the number of individuals affected, cost to society, and damage to the body.

There are an estimated 9.3 to 10 million problem drinkers in the adult population. This figure represents 7 percent of the 145 million adults 18 years of age or older now living in the United States.

The problems related to misuse of alcohol are increasing and have reached major proportions. The economic cost to our society alone is estimated by the National Institute on Alcohol Abuse and Alcoholism (NIAAA) at $43 billion annually, with $19.6 billion attributable to lost productivity; $12.7 billion to alcohol-related health care costs; $5.1 billion to motor vehicle accidents; $0.43 billion to fire losses; $2.8 billion to violent crime; and $1.9 billion to social response programs to alcohol abuse.

Alcoholism is a disease that can strike at any social or economic level, and the result is tragic. No one really knows how many lives it has ruined, or how many homes it has broken, or how many healthy people it has adversely affected. According to a recent study by NIAAA, each alcohol abuser affects approximately four members of society either directly or indirectly. The abuser's behavior often harms not only himself but also his family, employer, and society at large.

[Disturbance in the gallery.]

The PRESIDING OFFICER. The Senator will suspend until the Sergeant at Arms has restored order in the gallery.

The Senator from South Carolina.

Mr. THURMOND. Alcohol has a profound effect on the quality of life of those persons with a drinking problem. Many illnesses can be related to excessive alcohol consumption. Among these are emotional disorders and chronic progressive diseases of the nervous system, liver, heart, gastrointestinal tract, and other bodily organs and tissues. In 1975, liver cirrhosis caused by alcohol abuse ranked as the sixth most common cause of deaths in the United States. Life expectancies of persons whose alcohol abuse is not successfully treated are as much as 10 to 12 years shorter than those of the general public. Clinical studies consistently show that various types of alcohol problems in males are associated with mortality rates two to six times higher than rates in the general population. It is estimated that alcohol related deaths may run as high as 205,000 per year. This figure represents 11 percent of the 1.9 million deaths in 1975.

Alcohol abusers are also subject to a disproportionate number of violent deaths. From 10,000 to 15,000—40 to 70 percent—of all homicides are alcohol related. Also, more than one-third of suicides involve alcohol, and disproportionately high numbers of people with drinking problems commit suicide. In 1975, as many as 10,000 suicides were related to alcohol use and up to 8,400 alcoholics committed suicide. The latest data on police arrests show that 38 percent of all arrests were alcohol-related, further emphasizing the violent conduct caused by alcohol consumption.

Mr. President, the people of our Nation deserve to be warned of the addictive nature of alcohol and the risks to health and life created by excessive drinking. All of us are aware of the dangers of drinking and driving. Thirty to fifty percent of annual motor vehicle fatalities are associated with alcohol. In a report to Congress last year by the Department of Transportation, it was stated that more than 23,000 individuals died in automobile crashes in which the driver had been drinking. The mixing of alcohol and automobiles has become a killer of major proportions, and it is high time that we warn drinkers of the hazards which result from the use of alcohol.

Mr. President, alcohol problems are no longer limited to adults. Seventy-four percent of in-school teens are drinkers. There are an estimated 3.3 million problem drinkers among youth in the 14- to 17-age range—19 percent of the 17 million persons in this age group. A recent study by NIAAA found that the proportion of teenage problem drinkers increases steadily with each successive grade in school. While 5 percent of 7th grade boys and 4.5 percent of 7th grade girls are problem drinkers, nearly 40 percent of 12th grade boys and 20 percent of 12th grade girls are problem drinkers. The concern over increased alcohol consumption by our youth is heightened by the observation that early drinking behavior predicts drinking habits in later life. A recent study showed that those who were problem drinkers in college were most likely to be problem drinkers and least likely to be abstainers 25 years later. Mr. President, the youth of our Nation need to be warned of the addictive nature of alcohol before it is too late.

An even more disturbing problem was recently documented in the NIAAA report which revealed that use of alcohol by women during pregnancy may result in a pattern of abnormalities in the children. These birth defects are termed "the fetal alcohol syndrome (FAS)." Mr. President, the expectant mothers of our Nation need to be warned of this danger to their unborn child.

Children also feel the effects of alcohol abuse by the acts of their intoxicated parents. A recent report to the Congress on alcohol and health by the Department of Health, Education, and Welfare noted that a large number of child-abusing parents have histories of drinking problems. Excessive drinking has been implicated in child abuse, child molesting, and marital violence.

Mr. President, there are now over 10 million alcoholics and problem drinkers in the United States. Doing something about this growing problem is what this bill is all about. If such a warning label deters a potential alcoholic from taking his first drink, or prevents a casual drinker who drives from having "one for the road," or prevents a pregnant woman from drinking an alcoholic beverage, then this legislation will be effective and worthwhile.

Mr. President, this amendment would not create additional redtape. It would simply provide the consumer with information so that he may regulate his own life. This is particularly true with regard to the effects of alcohol consumption on the unborn child. Mr. President, I hope that this amendment will be accepted and be enacted into law.

Mr. President, in closing, I simply want to say that this is merely a warning that is put on bottles that contain alcohol to the extent of 24 percent or more. It is just a simple caution, a caution like we have on cigarettes, that it might be harmful to your health. It reads simply:

> Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit forming, and may cause serious

birth defects when consumed during pregnancy.

Mr. President, let me add further that I was talking with a very distinguished doctor some time back, and he told me that if expectant mothers knew the dangers of alcohol, they would refrain from drinking, and certainly refrain from drinking on an excessive basis, as some do.

This is simply a warning, I repeat. It is not to regulate people's lives, but simply to warn people of the danger.

I hope the distinguished managers of the bill will see fit to accept this amendment.

Mr. HUDDLESTON. Mr. President, will the Senator yield so that I may respond to the Senator from South Carolina?

Mr. RIEGLE. I yield to the Senator from Kentucky.

Mr. HUDDLESTON. Mr. President, I rise in opposition to the amendment of the distinguished Senator from South Carolina, certainly not in opposition to the objectives the Senator has in mind in offering this amendment, but to point out to the Members of the Senate that there is now underway, in behalf of the Treasury Department of the United States, the Department of HEW, and the industry, an effort to work out in a cooperative way the best method of accomplishing what the Senator from South Carolina would like to accomplish.

This particular amendment, of course, at this time, comes when there have been no hearings on the matter, and at a time when the issue has not been thoroughly thought out and worked out as to what is the best way to make sure that the people of this country are perfectly aware of what the hazards in the use of alcohol might be.

I can say further that there is underway now the development of a mass media campaign to make sure that our citizens are aware of what the dangers might be. So I would just say that at this particular time, I believe it would be somewhat precipitous to impose upon this particular legislation these requirements, until it is better understood and better known what the most effective and efficient way might be to accomplish this objective.

Therefore, Mr. President, I oppose the amendment and would hope that the Senate likewise would reject it.

Mr. THURMOND. Mr. President, in response to the statement of the Senator from Kentucky——

The PRESIDING OFFICER. Does the Senator from Michigan yield?

Mr. RIEGLE. I think the Senator is entitled to be recognized in his own right on his own amendment.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. RIEGLE. I yield.

Mr. THURMOND. How much time do we have on our own motion?

The PRESIDING OFFICER. There is no time limitation.

Mr. THURMOND. Well, nobody has to yield to me, then.

The PRESIDING OFFICER. The Senator must be recognized in his own right to proceed.

Mr. THURMOND. In my own right.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Thank you. Mr. President, in response to the remarks of the distinguished Senator from Kentucky, I must say hearings have been held on this very question. The Senator is evidently not informed about that. It is entitled "Alcohol Labeling and Fetal Alcohol Syndrome, 1978." Is the Senator aware of those hearings?

Mr. HUDDLESTON. I was aware there had been discussions and hearings on various aspects of the labeling of alcohol products. What I am referring to is that a plan is now being developed by Treasury and HEW.

Mr. THURMOND. But the Senator said there had been no hearings held. This record shows there were hearings before the Subcommittee on Alcoholism and Drug Abuse of the Committee on Human Resources, 95th Congress, 2d session, on S. 1464, to require a health warning on the labels of bottles containing certain alcoholic beverages. That is exactly the amendment I am offering. Is the Senator familiar with those hearings? Is he familiar with the fact that hearings have been held?

Mr. President, this is merely a warning, just to warn people. What could be wrong with that? It does not seek to regulate their lives. Anybody can buy as much alcohol as he wishes and drink as much as he wishes, but this amendment merely says to them that the consumption of alcoholic beverages may be hazardous to their health, may be habit forming, and may cause serious birth defects when consumed during pregnancy.

That is what these hearings show. The record of the hearings shows that all these things contained in this warning have been borne out by evidence. Why the objection to this? If the Government can work out something with the distillers or manufacturers of whiskey, that is well and good. There is nothing here to prevent that.

Mr. HUDDLESTON. If the Senator will yield for a moment, I would suggest that warnings have been placed on other products without entirely satisfactory results. Certainly the Senator from South Carolina would have no objection to working out a more effective and desirable way to accomplish what he hopes to accomplish. This particular label and this particular wording may not be the best way to achieve that. There might be other warnings that would be better, and there may be other ways to approach this problem. That is what I think we ought to give the Treasury Department and the Department of HEW, which, as you know, have just launched a campaign related to the hazards of the use of alcohol, a chance to work out. It seems to me it would be prudent to wait and see just exactly what is thought and determined to be, through study, the best method of doing this, rather than just imposing a label warning at this particular time, without having all the facts in.

Mr. THURMOND. Mr. President, we have got it on cigarettes. The distinguished Senator's home State produces cigarettes as well as whiskey.

Mr. HUDDLESTON. That is not my point. It is on cigarettes, and yet we are producing more cigarettes than ever before. Is your objective just to have a warning, or to advise people the best way to respond in their own best interests?

Apparently, just a simple warning does not accomplish that.

Mr. THURMOND. What does the Senator suggest? What does industry suggest? They have had 10 years, they have had 20 years, they have had 30 years, to come up with a warning, or to come up with a recommendation which might lead to the result he is talking about, but they have not done it.

Alcohol is used by pregnant women. A lot of pregnant women do not know it is dangerous. They ought to know this is dangerous. They ought to know it can affect that child. Young people ought to know that it is habit-forming and could be detrimental to health. What is the objection to a mere warning? We have it on cigarette packages. Why not put it on liquor bottles?

Mr. HUDDLESTON. My objection is that if we are going to go to the trouble of changing a label or making some effort, we ought to do it in a way that is effective. The cigarette warning is not a very good example. The Senator is looking for something that can really make an impact on people of this country, to advise them in a certain way. They will take appropriate action related to the situation. That is what is trying to be developed right now by the agencies involved and by the industry itself.

I suggest we ought to give them a chance. They are getting close to developing the kind of program that should be effective. Obviously, just a warning on the label has not proven effective on other products. Why not give them a chance to develop a plan that will really get to the heart of the problem and give the people the kind of information they need to have if they are going to be able to make a determination related to their own situation as to what they want to do so far as the use of alcohol is concerned?

Mr. THURMOND. Mr. President, we are not trying to regulate lives. The Senator is talking about some recommendation to be made.

If we do not regulate their lives by saying, "You cannot use it" or "You cannot buy so much," then the alternative is to warn the people. How can you better warn them than by putting on the liquor bottle, "It could be dangerous to your health. It could be dangerous to pregnant women. It could be habit forming."

What is the objection to that? Very serious defects have resulted, according to scientific testimony, in pregnant women who have been excessive drinkers.

That is all we are trying to do. We are not trying to harm anybody here. We are trying to protect people.

Mr. CRANSTON. Mr. President, I want to say first that I respect greatly the efforts of the Senator from South Carolina over many years to deal with the problems of alcoholism in our society and the need to alert people to the dangers of excessive use of alcohol.

However, in this instance, in a time when we are doing our best to avoid overregulation and overintervention by government, I question the wisdom of adding another regulatory burden upon an already highly regulated industry.

I want to call attention to the careful and full consideration of the matter already given by the Committee on Labor and Human Resources, upon which I serve. The committee report on S. 440, pages 32 through 34, discusses in considerable detail the question of alcohol warnings, particularly as these affect pregnant women.

I want to quote in particular the committee's recommendation on this question:

> The ATF concluded that there is a need for a public awareness campaign which educates the public about the possible danger that consumption of liquor, beer, and wine by a pregnant woman can present to an unborn child. The ATF concluded that because of the nature of the evidence now available as to the possible dangers, it is not yet clear that warning labels on alcoholic beverage containers would be the best tool to educate the public. ATF has indicated that if after a reasonable time these efforts to provide public information have not proved successful, the proposal to require warning labels will be reconsidered.
>
> The committee strongly supports this initiative.

Mr. President, I strongly urge that the alcoholic beverage industry, which has cooperated fully with the Bureau of Alcohol, Tobacco, and Firearms, be allowed to demonstrate what it can accomplish with a public awareness campaign to help pregnant women protect their unborn children. The committee has promised prompt action if this campaign turns out to be a sham, or if, however well intended and executed, it fails to accomplish its goal.

I have personal doubts that a warning on beverage containers is a correct remedy for the problem. I would be reluctant to have us adopt that approach and then think we had solved the problem. I do not think it would solve the problem. Much alcohol is consumed directly from a glass poured by another person. That is particularly, of course, true in the case of hard alcohol.

This is an issue which distracts us from our primary concern which I believe should be to reduce alcoholism and alcohol abuse, and to help pregnant women protect their unborn babies. The bill, S. 440, I fully support and discuss my strong interest in the legislation later in the debate.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, I want to say this thing about adding regulations is ridiculous. This does not add regulations. It merely says, "You will put on a bottle containing 24-percent alcohol or more a simple warning." What regulation is there to that? Of course, we object to government regulation. It costs us millions of dollars. But the Senators are confused.

I want the Senator to listen to what would go on the bottle.

It says: "Caution, consumption of alcoholic beverages may be hazardous to your health."

That is true, is it not? Is that not true?

Mr. CRANSTON. It is in some cases, and it is not in others.

Mr. THURMOND. "It may be habit forming." Is that true?

Mr. CRANSTON. It may be for some people and it may not be for others.

Mr. THURMOND. And, "It may cause serious birth defects when consumed during pregnancy."

That is true, is it not?

Mr. CRANSTON. On that, we do not know the full story.

Mr. THURMOND. That is what the doctors say.

Mr. CRANSTON. That is what some say, and there are some who do not say that.

Mr. THURMOND. That is what the doctors say.

Mr. CRANSTON. There are some doctors who say that and some doctors who differ.

Mr. THURMOND. What harm can be done? As I said at the end of my statement:

> If such a warning label deters a potential alcoholic from taking his first drink, or prevents a casual drinker who drives from having one for the road, or prevents a pregnant woman from drinking an alcoholic beverage, then this legislation will be effective and worthwhile, if we can save one woman's baby.

Who is it going to harm? It can harm nobody. Who is it going to help? It will help pregnant women save their babies and it may help others who do not know that alcohol is habit forming or do not know it is detrimental to one's health. What harm can be done about this?

I know the whisky interests have been against it. I have been trying to get this bill out of the Labor and Public Welfare Committee, Human Resources Committee, and now Commerce, Science, and Transportation for years and years. I know the power of the whisky interests. I know the power that they have here and which they are exerting.

Mr. President, this is a bill that can hurt nobody. It can help humanity. I cannot imagine anybody who would stand up here and oppose it.

Mr. CRANSTON. I support the bill. The proposed amendment is one way to go. There are other ways, including a public awareness campaign, which I feel would be better.

I would like to ask how do we require labeling without having to regulate how it must occur, how it must be done, who must do it, and so forth. It is another level of regulation.

Mr. THURMOND. It will be done just like the cigarette people putting it on their packages. The liquor people will put it on their bottles. There are no other regulations to it.

Mr. RIEGLE. Mr. President, Senator FORD wishes to speak on this matter. He is coming to the floor shortly. While we await his arrival, let me make an observation or two to the Senator who presents this amendment.

Let me say first of all that I very much appreciate and sympathize with the concerns he raises. I think there is no doubt that alcoholism and alcohol abuse is one of the most severe health problems we face today as a country. In fact, alcoholism and alcohol abuse is the third largest cause of death in the United States. So I am especially concerned about the need to increase public awareness of the fetal alcohol syndrome, which is one of the items addressed in the proposed amendment.

The Bureau of Alcohol, Tobacco, and Firearms has recently begun a nationwide public awareness campaign to alert women of childbearing age to the risks of heavy consumption of alcohol during pregnancy.

Certainly, that is a step in the direction of what I think the Senator wishes to accomplish here. For myself, it is difficult to try to speak as one Senator, apart from the responsibility of speaking in behalf of the subcommittee, but let me try to make that differentiation at this point.

Since I assumed the subcommittee chairmanship early this year, we have not had an opportunity for hearings on this specific issue, and I would be reluctant to attempt to draw a conclusion on behalf of the subcommittee, in my capacity as chairman, without having that kind of hearing. Having said that, let me make just an observation or two, as one Senator who is developing additional knowledge and expertise about this problem.

I think the issue that the Senator from South Carolina raises is an important issue and I think it is proper to raise it. I am told that the hearing that was conducted last year, to which reference has been made, was held on January 31, 1978. The title was "Alcoholic Labeling and Fetal Alcohol Syndrome." It was a hearing before the Subcommittee on Alcoholism and Drug Abuse of the Committee on Human Resources, in the second session of the 95th Congress. My understanding, from checking with staff, is that representatives of the alcohol beverage industries were invited to testify. I am also told that they declined to testify.

I think that is unfortunate. I think they had a responsibility to be there. I do not think they had a valid excuse not to be there. I am troubled that a hearing on a subject of this importance could take place and that they would elect not to appear in person to discuss the issue.

Having said that, I say they did, in fact, file a statement. There is a statement of some length in this document and I refer anyone who is interested in pursuing it to read the statement that was sent. But sending a statement is not the same as being there in person to testify.

I do not know whether the subcommittee, in a situation like that, on a subject of this obvious importance, has the right to subpena witnesses or not. I think the subpena power is a power that ought not to be used very often and I am not sure it will be necessary to be used in this case. But at a minimum, it seems to me we have to have another hearing on this subject and that the alcoholic beverage industry has to be present to discuss this issue, especially if they are going to lobby in behalf of it or if they are going to make phone calls—and they are making phone calls now. That is fine, but then, I think, they have an affirmative obligation to come out and discuss this thing and help us get all the cards on the table.

I am wondering if there is anybody here who, in behalf of the industry, would be able to indicate to us whether or not he would be willing to make a commitment now to be present in person at a future hearing some time this year on this subject. If there is anyone within the sound of my voice, on or off the floor, who is in touch with the industry who could make that kind of commitment before this issue comes to a vote, I think it would be helpful to us.

If we cannot establish that today, let me say to my friend from South Carolina that, as the new chairman of this subcommittee, I take his amendment with great seriousness. My mind is open on that. It may well be that we do need labeling. I am not sure. I have not gone through hearings yet and I have not had a chance to hear testimony on both sides and specific evidence and so forth. But I will say that if we have these hearings, and I am sure we will, I will invite the industry to come. If the industry does not come, then it will be my intention to find a way to compel the industry to come, because I do not think it is sufficient for them to grouse about the possibility of this kind of labeling and not in fact be willing to come and deal with it directly.

I say to the Senator that if we can put together a body of information that supports, in a scientific way, this kind of information, we may very well develop legislation of this kind within the committee this year. I must say, however, that I am hesitant, now speaking in behalf of the subcommittee, to have the imprimatur of the subcommittee attached to an amendment that we have not had the opportunity, in terms of the current composition of the subcommittee, to examine in detail and on which to conduct hearings.

Mr. HUDDLESTON. Will the Senator yield?

Mr. RIEGLE. Yes.

Mr. HUDDLESTON. I say to the Senator from Michigan that, while I certainly cannot speak in any direct sense at all on behalf of the industry, it is my clear understanding that the industry is now participating in the cooperative effort with the Treasury and HEW to develop a method of accomplishing the objectives of this amendment. I am informed that they would participate in any hearing that might be held by any subcommittee relating to the subject.

As I say, I cannot speak as a direct spokesman for the industry; I am not that close to it, actually. But that is my distinct understanding.

Mr. RIEGLE. Let me ask the Senator from Kentucky: Would he agree with me that if we were to hold hearings this year on this subject, and I am talking about serious hearings to try to elicit what body of scientific and medical information is available, and we go at it in a serious way and we invite the industry, is the Senator saying that he would join me in making it clear to industry that we would expect and anticipate that they be present and participate?

Mr. HUDDLESTON. Absolutely, and I agree with the Senator from Michigan that that should be agreed to and mandated. I have no quarrel at all with the objectives of the Senator from South Carolina; I think it is simply a matter of finding the best way to do it, give it thorough consideration, so that we can do something that is effective.

I have concern that if we now lock ourselves into a specific labeling requirement with a particular message, and then sort of wash our hands of the problem and say, we have done what we can do, then we are not being totally forthcoming on this particular question. It may be that different wording would be more appropriate and more effective. It may be that a different approach could accomplish the job.

I think we need to explore those alternatives before taking precipitate action of this nature and we should give HEW and Treasury and the industry the opportunity to work out what is the best way to approach this problem.

I thank the Senator.

Mr. THURMOND. Mr. President, will the distinguished Senator from Kentucky yield?

Mr. HUDDLESTON. Yes, I yield.

Mr. THURMOND. Mr. President, passage of this amendment would not prevent other actions that might be determined that are more effective. The passage of this amendment merely puts people on notice and if the Senator gets something better, fine; we shall adopt it. I will join him. But why not pass this amendment just to put people on notice?

I have a statement here from doctors that I am going to read in a minute. I think when the Senator hears that, he will feel that the quicker we act on this, the quicker we can put people on their guard, the better for their health.

Mr. HATCH. Will the Senator yield?

Mr. THURMOND. I am pleased to yield to the distinguished Senator from Utah.

Mr. HATCH. Mr. President, as the minority member sitting on the subcommittee, there is one thing that really does bother me. As I understand it, there has been an attempt to put a warning label on alcoholic beverages constituting more than 20 percent of alcohol—24 percent of alcohol—which, as I understand it, is all that the distinguished Senator from South Carolina desires.

I have to admit that I have a great deal of respect for the distinguished Senator from Kentucky. On the other hand, I do not know how a warning could be much more direct than this particular warning suggested by the Senator from South Carolina. All it says is "Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit forming, and may cause serious birth defects when consumed during pregnancy."

It is pretty direct. I do not know how it could be more direct. I sat in on those hearings on fetal alcoholism and I tell you, they were astounding hearings.

The liquor industry, to the best of my knowledge, had plenty of opportunity to come in. They did, in fact, send one statement, but they did not come in and testify.

I have no desire to overregulate on improvements the Federal Government wishes on the liquor industry, or any other industry for that matter. But I do not see anything complex about this, or anything difficult about this, or anything improper about this, although I respect, again, the distinguished Senator from California, who spoke. He sat, I suppose, on some of those hearings.

There is an overwhelming amount of testimony that the fetal alcohol syndrome comes from liquor and that women do not know about it, that it is a serious problem and a reality.

When I think about it—we can play with this for another 10 years and not do anything about it—I do not see how it will hurt the liquor industry. I think everybody knows liquor can be very harmful to us anyway, so how will it hurt to add this warning on its label?

I cosponsored the original S. 414 with Senator THURMOND.

I might add, my own State of Utah, leads the way in this area.

In October 1976, State Representative David C. Harvey, a member of the Utah House of Representatives met with the Utah State PTA. They asked him to sponsor a bill dealing with the hazards of drinking alcohol. It was filed and was called B-B 77 Alcoholic Warning. When introduced on January 10, 1977, it was assigned to the agriculture committee of the House. It passed the committee by a unanimous vote. It was debated and approved in the House January 14, 1977, and then was sent to the Senate.

Under the original bill it would have required the Utah Liquor Control Commission to affix a label to all bottles of liquor and wine sold through the State monopoly. The label would have stated: "Warning: Drinking liquor may be hazardous to your health."

Admittedly, it is a little less than what Senator THURMOND asks today, but we have had what I consider overwhelming medical testimony that excessive use of alcohol during pregnancy makes fetal alcohol syndrome.

Representative Harvey is a Mormon stake (diocese) president. Previously a resolution calling for the label warnings was adopted by the model legislature of the Utah Congress of Parents meeting in the capitol.

As the bill left the house with two-thirds approval it required warnings on labels on all liquor bottles and on advertising originating within the State. The State senate committee to which the bill was referred held a hearing on the bill.

The committee finally decided that the labeling was too costly and took the first step removing the provision for labeling bottles. Then the full senate on a voice vote removed the provision for warnings on advertising in the State after testimony contended that such would be discriminatory to local publications, while liquor advertising without warnings would continue on a large scale in the State through national publications.

The senate committee by amendment substituted additional provisions which would require each State liquor store, package agency, and private club to display a sign in large letters stating: "Warning—the consumption of alcoholic beverages purchased in this establishment may be hazardous to your health and the safety of others." On February 16 it passed the senate in its amended form by a vote of 26 to 2. It returned to the house for concurrence and then passed the house by a vote of 52 to 14. It was then sent to the Governor for his consideration. He did not sign the bill. It thus became law without his signature on March 22, 1977 and became effective on July 1, 1977.

UTAH LEGISLATURE MEMORIALIZES CONGRESS

At the same time that Representative Harvey was pushing his bill for a Utah law he was also pushing Resolution HJR 1 which memorialized Congress to take similar action as has been done with cigarettes.

Mr. President, I ask unanimous consent that the full text of this resolution on this issue be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ALCOHOLIC BEVERAGE WARNINGS RESOLUTION

Be it resolved by the Legislature of the State of Utah:

Whereas, the misuse of alcoholic beverages and beer continues to culminate in an inordinate number of highway deaths, birth defects, divorces, murders, and other injury to persons misusing such beverages as well as to innocent members of the populace;

Whereas, individuals misusing alcoholic beverages and beer inevitably fail to realize that such misuse is occurring;

Whereas, present campaigns against misuse of alcohol have not succeeded in stemming the increasing tide of persons being injured daily by such misuse;

Whereas, attempts to enforce total abstinence from alcoholic beverages have been proven to be futile;

Whereas, the injuries inherent in misuse of alcoholic beverages far exceed even the injuries resulting from the use of cigarettes;

Whereas, the results of recent Federal enactments, requiring the placing of a warning of the hazards of cigarette smoking on all cigarette packages and advertisements have been very rewarding; and

Whereas, it appears that the requirement of a warning similar in nature to cigarette warnings would aid in the war against misuse of alcoholic beverages and beer;

Now, therefore, be it resolved, that the 42nd Legislature of the State of Utah memorializes the Congress of the United States to examine into and pass legislation similar in nature to cigarette warning legislation to better inform the public that the consumption of alcoholic beverages or beer may be hazardous to their health and endanger other people's lives.

Be it further resolved, that a copy of this Resolution be forwarded to the President of the United States, the Speaker of the House of Representatives, the President of the Senate, and to the Congressional Delegation from the State of Utah.

Mr. HATCH. Mr. President, this resolution began with a series of clauses starting with the usual word "Whereas." After this the plea of the resolution was as follows:

Now, therefore, be it resolved, that the 42nd Legislature of the State of Utah memorializes the Congress of the United States to examine into and pass legislation similar in nature to cigarette warning legislation to better inform the public that the consumption of alcoholic beverages or beer may be hazardous to their health and endanger other people's lives.

Be it further resolved that a copy of this resolution be forwarded to the President of the United States, the Speaker of the House of Representatives, the President of the Senate and to the Congressional delegation from the State of Utah.

On February 16 this resolution passed the Utah Senate by a vote of 26 to 0 with three senators absent. It later passed the House by a vote of 51 to 13 with 11 representatives absent.

Mr. President, Utah has led the way. Will the House and Senate of the United States follow this lead with some important legislation to put warnings on liquor bottles? I say "Yes" and urge the adoption of the Thurmond amendment with the inclusion of language which deals with the problem of fetal alcohol syndrome which we must, as a society, warn against.

Keep in mind, it is estimated we have 10 million people in this country, almost one-quarter of the country, who may have some problems with alcohol. Actually, there is not much doubt that some 10 million, 7 percent of the adults in our country, are, to put it plain and simply, problem drinkers. More than 3 million, or 19 percent of the youths in the 14 to 19 age group, have some problems related to consumption of alcohol.

More than 200,000 deaths each year will be associated with the misuse of alcohol, including half our traffic fatalities and half of our suicides, probably killing more people than were killed in the Civil War. More deaths have come from alcohol and the abuse of alcohol.

Findings now demonstrate that alcohol contributes to cancer, heart disease, liver disease, and many other health problems.

Alcohol, combined with other drugs, has caused many problems throughout our society.

What impressed me from the testimony as we sat and listened to it was that these doctors were extremely concerned about pregnant women, extremely concerned, even more about the children born to pregnant women who used alcohol to an excess.

Most of these women, I am sure, never heard of fetal alcohol syndrome.

This warning, without calling it the fetal alcohol syndrome, does tell them that alcoholic beverages could be hazardous during pregnancy, if consumed.

I think that is a pretty minor thing to ask, under the circumstances.

Now, I do take issue with the distinguished Senator from California, who is my friend on the committee, in his concern that this amounts to overregulation. I do not think it does. I do not think it would take much regulation at all to define what the distinguished Senator from South Carolina——

Mr. HUDDLESTON. Will the Senator yield?

Mr. HATCH. I am delighted to.

Mr. HUDDLESTON. If I understood the Senator from Utah correctly, describing what has happened in the general assembly in the State of Utah, his recitation points out the problem that we are confronted with here today. In developing its approach, as I have heard it, the General Assembly of Utah came up with three different labeling statements, all of them different from what the Senator from South Carolina is proposing that we lock ourselves into now.

The point I have tried to make is that if we throw this out on the floor, we may come up with a hundred different statements, one for each Senator.

Mr. HATCH. Knowing our colleagues, I think there might be a thousand.

Mr. HUDDLESTON. That is entirely possible.

The point is that we should come up with the one that is most effective, the one that really will do what we are trying to do, and that is to make sure that the people of the United States are well advised as to what the hazards may be in the uses of alcoholic beverages. That is the process that is now going on between the agencies that are responsible for doing that so far as this Government is concerned—the Treasury and HEW. The industry is cooperating.

My suggestion is that, here, today, we not lock ourselves into a specific wording of a warning that may not be effective, that may not accomplish the objective at all. I point out that the warning on the cigarette package and a warning that cigarette companies have to use in advertising was a long time in developing, and it may not be the most effective way. It has not proved to be a very effective way up to this point of discouraging the use of a particular product.

So I am suggesting that the Senate should reject this amendment, which would lock us into a specifically worded label. Let the process go forward, conduct the hearings, as the Senator from Michigan, the chairman of the subcommittee, has suggested, make sure that all aspects are thoroughly discussed and explored, and then come with a suggestion that will accomplish what we believe is necessary to accomplish.

Mr. HATCH. I appreciate the concerns of the distinguished Senator from Kentucky.

All I can say is that I know how long the distinguished Senator from South Carolina has endeavored to have this bill come out of our committee. He has been pushing the bill for quite a long time, and we cannot even get it out of the committee. I have to admit that I join in cosponsorship of this amendment. This is his opportunity to get it out of the committee, so to speak, and get it attached to the principal bill on alcoholism in the United States. There is nothing in the Senator's amendment which would require this to be the absolutely final sanctity language, henceforth and forever.

Mr. FORD. Mr. President, will the Senator yield on that point?

Mr. HATCH. I yield.

Mr. FORD. It says:

No bottle or container containing a beverage having more than 20 per centum of alcohol by volume, unless the label of such bottle contains the following statement.

That is mandatory.

Mr. HATCH. That is right.

Mr. FORD. But the Senator from Utah says that it would not be the final statement.

Mr. HATCH. I think the Senator misunderstood, or I misspoke. I was pointing out that if we come up with better language in the future, there will be no problem in amending it. I will lead the charge to amend it. The Senator from South Carolina, I am sure, also will lead the charge to amend it. I do not think there is any sanctity in this language. It is clear. It says:

> Caution: Consumption of alcoholic beverages may be hazardous to your health, may be habit forming, and may cause serious birth defects when consumed during pregnancy.

The only thing he added to the bill that I cosponsored before was that it may cause serious birth defects when consumed during pregnancy. He added the fetal alcohol syndrome, about which we have had much testimony—I think overwhelmingly good testimony—from medical experts in the country, which has been unrebutted, in my opinion, by representatives of the spirits industry.

I would be delighted to participate in further hearings on this matter, even after we adopt this language, assuming the Senate votes for it. All I am saying is that if the two Senators from Kentucky, in the next year or so, desire to change this language, after hearings, and make it stronger or more effective, the distinguished Senator from South Carolina and the Senator from Utah will do everything in our power to bring that out of committee, amend this bill, and get that language effectuated into law. I think it is not asking too much that we do this today.

One of the major concerns and considerations I have happens to center around the youth of our society. I have six children. I have worked with many children in Utah, and I am concerned with the constant allurement of the liquor industry and of liquor itself to our young people.

Whether or not they read this label, at least there is something on the label that says this might not be good for them.

I think most people know it is not good for them, but I do not think many pregnant women know that it could lead to the fetal alcohol syndrome and tremendous birth problems for their children.

Mr. FORD. Mr. President, will the Senator yield for a question?

Mr. HATCH. I yield.

Mr. FORD. Women go to doctors, do they not?

Mr. HATCH. We have some evidence that even the doctors have not been that knowledgeable about fetal alcohol syndrome, and therefore doctors have not been warning the women themselves. They are doing so now, I think, because of these hearings and because of other knowledge which has been brought forth.

Keep in mind that many women consume alcohol without knowing that they are pregnant.

Mr. FORD. Does the Senator from Utah have data which indicates how long a woman has to drink alcohol after she conceives in order to know whether or not she will have the alcohol syndrome?

Mr. HATCH. If I recall the testimony correctly, the crucial and critical time is the first trimester, which may be the time when they are not even sure they are pregnant.

Mr. FORD. Does the Senator have documented evidence on this?

Mr. HATCH. Yes.

Mr. FORD. From whom?

Mr. HATCH. From medical experts who appeared before our committee. If the Senator would like to see the medical record, I will be happy to show it to him.

Mr. FORD. The Senator has the floor.

Mr. HATCH. I will be happy to yield. The Senator from South Carolina has the floor.

Mr. BUMPERS. Mr. President, will the Senator from South Carolina yield for a question?

Mr. THURMOND. I yield.

Mr. BUMPERS. The Senator is holding up part of the record dealing with the question of the Senator from Kentucky. Could he read the relevant part of the testimony? Does this deal with the drinking of alcohol during the first trimester of pregnancy?

Mr. THURMOND. Yes. It is the medical testimony on the dangers of drinking alcohol when pregnant. I will be glad to start with the statement by Dr. Rosett.

Mr. BUMPERS. Who is this?

Mr. THURMOND. Dr. Rosett. I will read his statement:

> Senator Hathaway, and members of the subcommittee, I have submitted for the record a reprint of a paper entitled "Therapy of Heavy Drinking During Pregnancy", which was published in the January 1978 issue of Obstetrics and Gynecology. It describes in detail our experience at the Boston City hospital maternal health and child development program.
>
> In brief, in a survey of all patients registering at the Boston City Hospital Prenatal Clinic, 9 percent reported heavy drinking. To reduce the health hazards to mothers and children, treatment of heavy alcohol use was integrated with prenatal care. All women who reported moderate or heavy alcohol use were informed that excessive drinking might be harmful to their unborn child.
>
> We stressed that abstinence or marked reduction of drinking would improve their chances of having a healthy baby. All heavy drinking women were urged to participate in counseling sessions scheduled to coincide with their routine prenatal clinic appointments. A male psychiatrist and a female counselor worked as a team. Sessions averaged 20 minutes. Therapists attempted to sustain a positive, supportive relationship. Abstinence was praised but direct criticism of drinking was avoided since criticism often increases guilt and obstructs the therapeutic alliance. The content of each session was determined by the problems presented by the patient. Most women were confronted with a variety of psychological and social difficulties which were intensified by the normal crises related to pregnancy.
>
> A pediatric neurologist independently examined 322 offsprings including 42 whose mothers had reported heavy drinking at the time of registration.
>
> The doctor was not aware of the mother's drinking history nor was the doctor aware of the obstetrical information relating to delivery. When this data was analyzed subsequently, the frequency of congenital anomalies, growth retardation, or functional abnormalities among these 42 was twice that of infants born to abstinent or moderate drinking mothers. Within the group of 42 heavy drinkers there were 15 mothers who were able to abstain or reduce alcohol intake before the third trimester.
>
> Infants born to these 15 demonstrated fewer abnormalities than the 27 infants whose mothers had continued heavy drinking. We now have additional clinical experience. Findings on infants born to 74 heavy drinking pregnant women, 27 of whom abstained or reduced consumption for the third trimester, support our initial observations that reduction of alcohol used during pregnancy benefits the baby. Further information will be published later.
>
> Multiple risk factors which may adversely affect fetal outcome are often associated with heavy drinking. These include smoking, other drug use, maternal age, and parity. Statistical analyses of our data indicate that while some of these variables may account for a portion of the variance, none appear to relate as strongly and consistently to the problems observed in the newborns as does heavy drinking. Long-term studies now being supported by NIAAA in Boston, Mass., Seattle, Wash., and Loma Linda, Calif., should further clarify the effects of alcohol, including drinking patterns at various stages of pregnancy, together with other risk factors on the development of children.
>
> The medical literature on this problem has been reviewed in the recent report to Congress, "Alcohol and Health." Over 200 cases of the fetal alcohol syndrome, a specific pattern of malformation, growth retardation, and developmental delay have been observed and reported from more than 20 medical centers around the world. Brain malformations, which appear specific for the fetal alcohol syndrome, have been found in several fatal cases. In other infants, the effects on the central nervous system may be the only sig central nervous system may be the only significant abnormality. Functional disorders such as developmental retardation and hyferent stages of pregnancy, high blood alcohol concentrations probably affect the fetus in different ways.
>
> Dr. Sokol and Dr. Shaywitz are here to present additional clinical information to supplement my summary.
>
> In addition, basic research on at least six different animal species has produced malformations, biochemical abnormalities, and behavioral alterations on offspring. Dr. Carrie Randall will summarize the animal experimental literature.
>
> On the basis of our experience, clinical observations reported by others, and the results of animal experiments, we conclude that drinking heavily during pregnancy—3 ounces of absolute alcohol per day or approximately five or six drinks—places the fetus at risk for health problems. A warning label on all containers of alcoholic beverages—

And this is right on the point by these doctors, right on the point.

> A warning label on all containers of alcoholic beverages—beer, wine, and liquor—should heighten public and professional awareness of this problem. One example might be: "Warning! Heavy Drinking During Pregnancy May Damage Your Baby."

Mr. BUMPERS. Mr. President, I am reluctant to interrupt the Senator, but, if I could ask a related question, did the Food and Drug Administration testify in these hearings, Dr. Fredrickson, for example?

Mr. THURMOND. I am not on that committee, and I have to check. This entire book is on the hearings. I have to check and see.

These are all doctors, and they are obstetricians, gynecologists, and experts on the subject.

Mr. HATCH. Mr. President, if I may interrupt, will the Senator yield on the question?

Mr. THURMOND. Yes. I am pleased to yield. Senator HATCH is on that committee.

Mr. HATCH. Dr. Kennedy did testify, as I recall, and also Dr. Noble, the former Director of the National Institute of Alcoholism, NIAA, testified as well.

One thing he said, which was very, very interesting, in fact, it was in response to my question, was:

I said:

> Even though studies are not completed as you dig into the issues, you are finding conclusions that you are basically drawing here today which you feel are accurate and reinforced by studies as they progress?
>
> Dr. NOBLE. Exactly. If anything, our original estimate of one FAS case per 2,000 births, or 1,500 cases per year, was too low. As the evidence is coming in now, it seems to be shifting downwards in that we have evidence from Seattle which would raise the total number of cases of the fetal alcohol syndrome in our country up to about 4,000 or 5,000 a year.

I then asked:

> What Dr. Klerman seems to be saying is that even though you found 1,500 full-scale fetal alcohol syndrome situations out of 3 million births in our country, that there are many, many other thousands of children who probably most likely have been affected as a result of alcoholic consumption during pregnancy, or even immediately prior to pregnancy?

His answer was:

> Yes.

Another thing that was pretty important is Dr. Rosett had this to say in response to Senator HATHAWAY's question. Senator HATHAWAY was the chairman of the subcommittee last year, and I believe I was the ranking minority member.

> Senator HATHAWAY. Do you think physicians generally advise their pregnant patients against drinking?
>
> Dr. ROSETT. I think it has become much more common in the past year. We still find that many obstetricians are not asking women about how much they are drinking. This is not usually a part of routine obstetrical history. We think it should be a part of every medical history. This should be called to the attention of obstetricians, pediatricians, public health nurses, and others providing care during pregnancy. They also should be taught how to obtain drinking information.
>
> If one says, "you are just a social drinker, are you not" you will receive the answer that you are asking for.
>
> And as you know, a heavy drinker is one who has been defined as someone who drinks more than their doctor. If someone does not ask in an objective way about consumption of beer, wine, and liquor, one may not really know. Many patients do not consider wine and beer as alcohol. Some doctors do not ask about the size of the glass.
>
> When one lady reported that she drank one glass of gin, a day, I asked, "how large a glass?" She had been using a water tumbler.
>
> Senator HATHAWAY. That is why I was a little leary about your label, it says heavy drinker, and I suppose most heavy drinkers do not think they are drinking heavily.

Mr. JAVITS. Mr. President, will the Senator yield for a question?

Mr. HATCH. I yield.

Mr. JAVITS. I have one question of the Senator and my colleague on the committee, Senator THURMOND, if I may.

Mr. HATCH. Of course.

Mr. JAVITS. My belief is that no matter what we do this will come out like the warning label on cigarettes. Instead of getting so specific, why not simply amend the amendment to conform to the warning label on cigarettes? The contents of that label have been settled, argued, debated, and so on; I think the Senator will find considerably more support under that approach. The cigarette label does essentially the same thing on issuing a warning that smoking is hazardous to your health. That is, after all, the message the Senator is trying to get across. I suggest this because I think it would be a reasonable compromise acceptable to many Members.

In the end, I believe this will be the outcome.

Mr. THURMOND. Mr. President, I wish to thank the able Senator from New York. I might say that the reason that our label is a little bit stronger is this. More or less consumption of cigarettes may be hazardous to your health. That is the effect of it. This just says "May be habit forming," and this is so important—this whole book is on this point—"and may cause serious birth defects when consumed during pregnancy."

We felt it would be helpful to the women who are pregnant to know that and for doctors, too, because some doctors have stressed it.

This whole book is on the effects of the experiments they ran in doing research. This was done by doctors in Boston and other places, showing the harmful effects to a pregnant woman on her baby if she drinks alcohol.

Mr. JAVITS. Mr. President, will the Senator yield further?

Mr. THURMOND. I am pleased to yield.

Mr. JAVITS. My suggestion is only designed to get something done. I think it is absolutely right that liquor is just as bad as cigarettes, and vice versa. We could have done the same thing in cigarettes.

My friend and cotennis partner is a famous surgeon in cancer. He tells me if you showed on television the lungs of smokers it would be too horrible to be permitted to be aired. Therefore, a warning label was agreed upon.

Mr. THURMOND. That is all it is.

Mr. JAVITS. I am not persuasive enough to talk the Senator off his amendment, but I am giving my advice as to how to get something done instead of going through the frustrating process of waiting another 2 or 3 years while this gets debated in the Senate and the House of Representatives, and so on.

Mr. THURMOND. Mr. President, I just say in reply that is all this does. It is a warning. I do not know whether the Senator has had a chance to read it.

Mr. JAVITS. I read it very carefully. I still say if we make it read analogous to the cigarette label it will go through and get done. If not we will be debating this issue for years as we did with cigarettes.

Mr. FORD. Mr. President, will the Senator yield the floor? Who has the floor?

Mr. THURMOND. I was reading from these doctors' reports, but I will be glad to yield to the distinguished Senator.

Mr. FORD. The Senator from Arkansas asked me a question. I do not believe he is here now.

Mr. THURMOND. I will be glad to yield the floor and let the Senator from Kentucky speak.

Mr. FORD. I will be glad to stay around a while, Senator.

Mr. THURMOND. Mr. President, we were talking about the labeling here, and I would be pleased to yield to the distinguished Senator.

Mr. RIEGLE. Mr. President, the Senator from South Carolina is willing to yield to the Senator from Kentucky so that he can make the comments he wishes to make.

Mr. FORD. I do not have any comments to make, Mr. President.

The PRESIDING OFFICER (Mr. INOUYE). The Senator from Kentucky.

Mr. FORD. I want to associate myself with my colleague, Senator HUDDLESTON. I believe all of us are trying to find the best and most effective way—and I hope the Senator from South Carolina will listen to my remarks—to label.

The FDA, the Bureau of Alcohol, Tobacco, and Firearms, all of them have looked into this situation, and we find—I have learned since I arrived here in the last few minutes—that Utah came up with three different labeling requests, the Senator from South Carolina has come up with another labeling suggestion; the distinguished Senator from New York has come up with another labeling suggestion, and so here we are now trying to develop what should go on a label of the bottle that contains some alcoholic beverage.

I note from the report on the Fetal Alcohol Syndrome Public Awareness Campaign that the Department concluded that there is a need for a public awareness campaign which educates the public about the possible dangers that consumption of liquor, beer, and wine by pregnant women can present to an unborn child. They say that because of the nature of the evidence now available as to the possible dangers it is not yet clear that warning labels on alcoholic beverage containers would be the best tool to educate the public.

Because the Department wants in all instances to avoid unnecessary Government regulation—if there ever was a group of people around here—the distinguished Senator from South Carolina is opposed to Government regulation, and now he is imposing or attempting to impose additional regulations on a private enterprise, on the public, where we are trying to get Government out of business.

They also say in the report as it relates to the Fetal Alcohol Syndrome Public Awareness Campaign if after a reasonable period of time the Department does not find that these efforts to provide public information have been successful or that more precise medical evidence becomes available "the proposal to require a warning label on alcoholic beverage containers will be reconsidered."

Now, this rulemaking has been considered. It has been given thorough study. There has been thorough public comment on it, and the Department says, "We don't want any more Government regulations. We think this is the most effective way to do it."

So now we come today to impose another regulation to cost industry more.

I always thought a pregnant woman went to the doctor and her doctor could give her the proper medical advice and, receiving that proper medical advice, that is important, and I am sure the medical profession will have the best information for the expectant mother.

I would think that FDA is in agreement, and I understand they are in agreement and saying, "Let us get more medical evidence."

Mr. President, I hope the distinguished Senator from South Carolina and the distinguished Senator from Utah will not put us to the test here, and that we would have hearings as suggested by the Senator from Michigan.

I was very interested in listening to the Senator from South Carolina read the report of the doctor from somewhere, I think it was Boston, who never mentioned moderate drinking one time. It was always the heavy drinker. They did not condemn a moderate drinker. Some people do and some people do not. The warning is there and the educational program is there.

We, I think, are in agreement that there is need for public awareness, there is a need for a campaign to educate the public about the possible dangers. There is no disagreement there. But why say something on a label that is not absolutely the fact? Why put something on a label when you have three from Utah, and the Senator from South Carolina comes up with another one, the Senator from New York comes up with another one? We will never get a consensus. Why not let the regulatory agencies, which do not want to regulate in this particular instance, do the job we are paying them to do?

I am very hopeful that we could arrive at an agreement whereby we could allow the agencies to work in the proper manner, as we would like for them to work, and when they have sufficient evidence in order to reconsider a label for the containers of alcoholic beverage, that then the agency itself could do it.

We use them when we want to use them and we condemn them when we want to condemn them. Here is an opportunity to let an agency work, an agency which has studied it thoroughly and has studied it effectively, and I hope we can make a decision here to keep Government out of our business with further regulations.

Mr. THURMOND. Mr. President, the Senator was not in the Chamber hearing the previous discussion. The Senator from South Carolina is not trying to get more regulations. He is just trying to get a simple caution on bottles of whisky like you have got on packages of cigarettes.

Mr. FORD. Senator, is that not a law? Is it not a regulation? Is it not an imposition on industry?

Mr. THURMOND. How is it going to hurt the public?

Mr. FORD. The Senator has been against additional regulation.

Mr. THURMOND. I sure am against additional regulation unless it is something important to the health of the people, and this is important.

Mr. FORD. Was the Senator for or against the labeling on cigarettes?

Mr. THURMOND. I was for it.

Mr. FORD. The Senator was against the labeling on cigarettes but he is for labeling on alcohol.

Mr. THURMOND. No, I have no objection to the labeling on cigarettes. It was all right with me. It is now on cigarette packages, and maybe it will do some good.

Mr. FORD. Was the Senator for it or against it in the beginning?

Mr. THURMOND. The Senator mentions here about moderate drinkers, and I want to call his attention to this. The Journal of the American Medical Association of June 13, 1977, had an article which, I think, is of great interest:

> Most women are happy when they find out they're pregnant, but some recent research hints that they shouldn't celebrate with a bottle of champagne.
>
> Heavy maternal drinking during pregnancy is a widely recognized hazard to the fetus. Many authors have described the fetal alcohol syndrome, in which the babies of alcoholic mothers suffer various kinds of abnormal development. But now it appears that moderate drinkers may have infants with some or all of the features of this syndrome. The effects appear to be dose related and have been seen in the babies of women who drank as little as one ounce (29.6 ml) of absolute alcohol a day early in their pregnancies. (This would equal two or three ordinary cocktails.)
>
> James W. Hanson, MD, outlined these observations at the recent San Francisco meetings of the American Pediatric Society and the Society for Pediatric Research. This study was done when Dr. Hanson was a senior fellow in the dysmorphology unit, Department of Pediatrics, University of Washington, Seattle. (He has since moved to the University of Iowa, Iowa City, where he is assistant professor of pediatrics and director of the Division of Medical Genetics.) In Seattle, he worked with two of the pioneer investigators of the fetal alcohol syndrome: Ann Pytkowicz Streissguth, PhD, associate professor of psychiatry, and David W. Smith, MD, professor of pediatrics. They are coauthors of the present study.
>
> The Seattle group produced two of the articles that defined the fetal alcohol syndrome in the literature, at least in English. They appeared in The Lancet, June 9, 1973, and Nov. 3, 1973. In the latter article, the authors recount an early reference to the recognition of the dangers of maternal drinking. In ancient Carthage, "The bridal couple was forbidden to drink wine on their wedding night in order that defective children might not be conceived." Further, in 1834, a committee appointed by the House of Commons to investigate drunkenness reported that the infants of alcoholic mothers sometimes had a "starved, shrivelled, and imperfect look."

And so on. The medical evidence is conclusive. We have a book here of doctors' testimony, agreeing absolutely how it harms the baby.

What harm, again I ask, can it do to just put a label on a liquor bottle, to say that consumption of alcoholic beverages may be hazardous to your health, may be habit forming, and may cause serious birth defects when consumed during pregnancy? Is that not a good thing to do? In other words, are not those groups of people interested?

"May be hazardous to your health." That applies to everybody.

"May be habit forming." That especially would apply to young people.

"May cause serious birth defects." That would certainly interest the women of this country, to know that. Some of them may not know it.

I was riding on a plane not long ago with a pregnant lady. She was smoking heavily, and she was taking drinks. I asked her if she knew that she could be harming the baby. She said no, she did not know that smoking would harm the baby, or she did not know that drinking would harm the baby.

Again I say, putting such labels on the bottles would not harm anybody, and might do some people a lot of good.

Mr. President, Senator BELLMON, I understood, was coming to speak on this subject and was going to place in the RECORD an article. I will wait a while and see if he comes.

I would like to pass on, now, to another doctor's statement.

Mr. President, these were hearings held there in the Senate on this very question, about requiring a label on bottles containing alcohol. This is the statement by Dr. Robert Sokol. Dr. Sokol came down with Dr. Rosett, and was testifying. He said:

> First of all, I would like to thank you for the opportunity for testifying today. My name is Robert J. Sokol. I am an associate professor in the Department of Obstetrics and Gynecology and assistant program director of the Perinatal Clinical Research Center at the Cleveland Metropolitan General Hospital/Case Western Reserve University.
>
> My research is focused on early identification of risk during pregnancy as a necessary condition for the prevention of damage to the unborn child. I will be speaking to the issue of acohol use during pregnancy from this point of view.
>
> I should also point out that I am an investigator on a grant proposal which is at present under review, focused on evaluating the importance of the volume and pattern of alcohol intake to pregnancy outcome, the volume of decreasing alcohol intake during pregnancy and defining the contribution of associated risk factors, such as poor nutrition and smoking, ond other factors which have been mentioned today.
>
> My purpose here is to present some preliminary information from a new study of alcohol intake during pregnancy and based on these results, as well as on my experience as a practicing obstetrician, to present some suggestions as to what might constitute a reasonable approach to intervening and improving the outcome of these pregnancies.
>
> In order to examine risk factors and infant outcomes associated with alcohol use during pregnancy and in order to arrive at a profile of the patients at risk, the target population, so to speak, we surveyed risk factors and pregnancy outcomes for 8,000 pregnant women and their infants delivered during a 3-year period at Cleveland Metropolitan General Hospital.

This work was supported by the Perinatal Clinical Research Center Grant from the Division of Research Resources, NIH, and by a grant from the Center for Research for Mothers and Children, National Institute of Child Health and Human Development.

There were 114 patients recognized as having an alcohol problem. This "Alcohol Group" was compared with a "Nonalcohol Group" which included all the remaining patients. More than 4.3 million pieces of information were evaluated with computer assistance to perform this study. Some of the findings were, I think, of considerable interest.

The "Alcohol Group" was found to have a number of characteristics, i.e., a profile significantly different from the "Nonalcohol Group." For example—and these findings confirm a good deal of Dr. Rosett's work—the "Alcohol Group" was older than the "Nonalcohol Group" by an average of about 2 years. These were not very elderly patients, though. Their average age was 24 years. Many of these patients were less than 18. Also, the alcohol group had had more previous pregnancies than the nonalcohol group. There was, however, no difference in the racial distribution between groups, 43 percent being white, including those of Spanish-American origin.

The alcohol group patients were found to be at considerably increased risk during pregnancy. They had increased antepartum and intrapartum risk scores. Risk scoring is an attempt to semi-quantitatively get a notion as to just how high a risk the patient is at, by putting together a large number of factors in an attempt to predict adverse infant outcomes. The alcohol group here had considerably high overall risk scores. That would suggest that individual factors had occurred more commonly, so we had to take a look and see exactly what they were.

These patients had had more previous early pregnancy losses, in other words, miscarriages, but we did not identify for our particular study group any excess of previous stillborn infants.

Interestingly, they were no less likely to receive prenatal care. Indeed, they were more likely to have been admitted to the hospital for medical care prior to labor. These patients get sick; specifically, they had more gastroenteritis and more upper respiratory infections, viral illnesses. As expected, they were considerably more likely to be smokers. Also, they were more likely to abuse drugs other than alcohol, as well as having other psychosocial problems recognized by the clinicians providing care.

In addition, they were somewhat more likely to run into problems during labor. For example, they more likely to rupture the bag of waters, the fetal membranes, prior to onset of labor, leading to an increased risk of infection, which we did observe, leading, in turn, to an increased need for medical induction of labor, which we also observed.

Now, if you have higher risk, one would expect that the outcome should be worse, and indeed, that is what we observed in the alcohol group. Their infants did do more poorly. First of all, they were of distinctly lower birth weight. Now, there are two reasons why the infant would be too small. Either the infant can be born too soon or the infant can have retardation of growth inside the womb or both.

These infants, interestingly enough, as a group were not born too soon. Actually they were slightly more likely to be born late. That is particularly interesting to me as an investigator, inasmuch as physicians use ethanol as an acute medication to delay the onset of premature labor. This finding demonstrates "internal consistency", thus tending to confirm that our other findings make some sense. The important thing though is that the problem which we identified was that of interuterine growth retardation. In addition, we identified a 2.2 times increase in the risk of neonatal mortality. In other words, the infants of women in alcohol groups, had a greater than twofold increased chance of dying in the first month of life.

All these data are still preliminary, but they do raise some interesting and important questions. Alcohol abuse during pregnancy was found to be associated with additional recognized risk factors and with worsened outcomes. With this profile, the question of whether the adverse outcomes were really related to alcohol or to the associated risk factors is obvious. For example, lack of prenatal care might be one such major factor, but it was not more common in the alcohol group and, thus, does not account for the adverse outcomes.

Smoking is another such factor. We evaluated the effect of smoking by comparing, within the alcohol group, the patients who smoke with those who did not. In that comparison, out of 500 factors that we evaluated, there were no significant differences, suggesting that smoking did not account, in this particular population sample, for a significant increase in risk in the alcohol using patients, and that the findings here cannot be accounted for on the basis of tobacco exposure during pregnancy. Alcohol abuse during pregnancy is certainly not desirable. It is a risk factor of significance.

But is alcohol abuse a common enough problem to warrant concern and action? During the study period there were a maximum of five fetal alcohol syndrome infants recognized by our pediatricians in the neonatal nurseries. Inasmuch as more infants than this in the alcohol group were undergrown and/or died, our results would appear to support the concept of a spectrum of adverse outcomes, in addition to full-blown syndrome. The less severe outcomes are probably more difficult to recognize, but they are also probably considerably more common than full-blown fetal alcohol syndrome.

Moreover, it is clear that alcohol abuse is frequently unrecognized before the birth of the infant. We looked at the frequency with which the diagnosis was made during the 3-year period. In 1977, 1.8 percent, probably only the most obvious and severe cases, were recognized by the clinicians caring for the patients. This compares with Dr. Rosett's 9 percent, for example. I would speculate that the actual incidence at our hospital might be twice this, 3 or 4 percent, perhaps higher. Considering the adverse outcomes which we identified, they certainly represent a problem of importance.

Well, what might it be reasonable to attempt to do about this problem?

First of all, I think it is clear that the findings in this study, as well as those in literature, are limited. I think that is what we have been hearing people say today. The whole story is not in. Support for additional studies of alcohol related risk factors is needed to allow for the design and evaluation of appropriate prophylactic and therapeutic interventions.

Alcohol intake is what is considered a behavioral risk factor which should be amenable to modification. It is reasonable to suspect that an educational approach would be of value. I think that this approach would need to be two-pronged.

In this study, the frequency of recognition by physicians and nurses of alcohol abuse during pregnancy was found to increase significantly in the 3d year over the first 2 years. Now, we had no evidence of a shift in the population served by our hospital during that period. Based on association in time—and, I want to point out that this is in inference—I would speculate that improved diagnosis was related to increased awareness. Several conferences were mounted concerning fetal alcohol syndrome, inasmuch as we had a grant proposal, in addition to which we had implemented a computer-based antepartum risk identification system. This suggests that an educational program aimed at individuals providing care to childbearing age women would be helpful, using the type of profile developed in the study. This could lead to earlier and more reliable recognition of women with an alcohol problem, and I believe this is an important and necessary step before treatment could be offered. Dr. Rosett's comments on the warning label are pertinent here.

As the "second prong," and educational program for young women at risk emphasizing dangers of alcohol abuse for the unborn baby might well be helpful. Dr. Rosett has presented some data indicating some patients can and do decrease their alcohol intake during pregnancy. Again, using this risk model, we would expect to decrease risk and, indeed, that outcomes would improve, and they appear to in his study.

In conclusion, then—In my opinion, alcohol abuse during pregnancy is a problem of importance. There is no doubt that further study is needed of this problem. However, professional and public education could focus attention on the problem. Improved recognition is a necessary condition for improving the outcome of these pregnancies.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from New York.

Mr. JAVITS. Mr. President, a little while ago, I suggested the possibility of resolving this matter by adopting a label which would be analogous to what we have on cigarettes. The cigarette label reads as follows:

> The Surgeon General has determined that cigarette smoking is dangerous to your health.

I propose to simply paraphrase that and say:

> Caution: Consumption of alcoholic beverages may be hazardous to your health.

That subsumes everything—birth defects and the many other consequences. While a process of public education is still needed, this will at least signal a warning. I could not support the amendment as it now stands, but I could support the amendment which I have suggested for the reasons which I have suggested.

I hope very much that the authors may be persuaded to go that route. I think the likelihood is that it would end up this way, anyhow, after a lot of pain and anguish, and we might as well try it right the first time. I hope it will be accepted.

Mr. THURMOND. Mr. President, I yield to the distinguished Senator from Utah.

Mr. HATCH. Mr. President, I compliment the distinguished Senator from New York for his suggestion here. I think that is a reasonable suggestion. I cannot imagine anybody in the liquor industry being against that label. To be honest, they have to admit that consumption of alcoholic beverages may be hazardous to your health. I am a cosponsor of this amendment and certainly, in the interest of compromising this matter and having a warning on alcoholic beverages henceforth, if it is all right with the distinguished Senator from South Carolina, I would go along with it. But it will be with the proviso that the distinguished chairman of the Alcoholism and Drug Abuse Subcommittee will, along with myself, the ranking minority member, hold further hearings to determine whether or not we should strengthen this label and add additional language to it by amendment at some later date.

With that comment, again, I thank my friend and colleague from New York and indicate to my friend and colleague from South Carolina that I think that may be a good approach here, today, especially if we can have the support of a number of other Senators.

Mr. HUDDLESTON. Will the Senator yield to me?

Mr. THURMOND. Mr. President, I am pleased to yield to the distinguished Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished Senator from South Carolina.

Mr. President, I point out that what we are doing here is, it seems to me, a very imprudent way to approach a very serious problem, one which, we all agree, needs some attention. With the suggestion now being made for altering this amendment, we have virtually now gone all the way around the barn. We have eliminated the reference that the Senator from South Carolina was concerned about to begin with; that is, the implication, healthwise, to the development of the fetus for those who use alcohol to a heavy extent. I think what we have done is point out the futility of trying to develop here, on the floor of the Senate, without full consideration and through exploration of the possibilities that are available, exact wording of a label warning, one that would be effective and would accomplish something.

It seems to me that the course has been outlined. That is, that there will be further hearings, that the industry will participate, that the industry will continue to work with Treasury, with HEW, with the agencies of Government who have the responsibility of protecting the health of the American citizens, in coming up with a manner to approach this problem in an effective and satisfactory way.

I do not think we can do that on the floor of the Senate. It was not done that way in the health warning that appears on packages of cigarettes now. That specific language was developed and hammered out over a period of time in trying to come up with a phrase that would be effective. It has not been particularly effective.

If that was a mistake in the way it was worded, then why should we make a similar mistake now on a product that we have concern about? Why not go through the process of hearings and exploration and give us an opportunity to have the kind of label that will be effective?

I think that to try here on the Senate floor by compromise, or whatever, to work out a specific wording, and one that may in the final analysis mean nothing, go through the regulatory process, impose on the industry the burden, albeit a manner burden, of adding such a warning, but to add something that is ineffective and will accomplish virtually nothing, seems to me to be imprudent at this time.

So I would suggest, Mr. President, that we ought to reject this amendment at this time with the clear understanding that the subcommittee will conduct the hearings, that the process will go forward in developing the best way to advise the American public as to what the potential hazards of excessive use of alcohol may be.

Mr. THURMOND. Mr. President, I say, in doing this, that I feel very strongly that the original way in which I introduced this amendment is the way it should pass. But in view of the situation that has arisen here, I ask unanimous consent to amend my amendment to strike from it these words, after the word "caution" on the second line: "may be habit forming, and may cause serious birth defects when consumed during pregnancy."

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

The amendment is modified.

The amendment, as modified, is as follows:

On page 51, after line 13, insert the following:

Section 22. Section 403 of the Federal Food, Drug and Cosmetic Act, (21 U.S.C. 343), be amended to read as follows:

"(Q) No bottle or container containing a beverage having more than 24 per centum of alcohol by volume, unless the label of such bottle contains the following statement:

'Caution: Consumption of alcoholic beverages may be hazardous to your health.' Such statement shall be located in a conspicuous and legible type in contrast by typography, layout, or color with other printed matter on the label."

Mr. THURMOND. Mr. President, I ask unanimous consent that the distinguished Senator from New York (Mr. JAVITS) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUDDLESTON. Mr. President, I am sorry. I did not hear the motion of the Senator from South Carolina. Was it for the adoption of the amendment?

Mr. RIEGLE. To modify.

Mr. HUDDLESTON. I have no objection to the modification.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. RIEGLE. Mr. President, I am sympathetic to the efforts of the Senator from South Carolina in what he is attempting to do here. I think there are health risk problems that need to be addressed. I think some kind of label is appropriate.

Being new to the chairmanship of this committee, not having had yet the opportunity to conduct specific hearings in this area, I feel we do not have all that is necessary about the specific language short of formal hearings.

Despite that, I do think the modification suggested by the Senator from New York to the amendment of the Senator from South Carolina is a constructive step. I think the willingness of the Senator from South Carolina to accept that kind of language under the circumstances is an appropriate step on his part.

As I see this, if this amendment is agreed to today, and I gather there will be a vote on it because I know the Senator from Kentucky is opposed to the amendment, in any case if the amendment were to be agreed to, then presumably we take this language to a conference with the House and, depending on the attitude of the House and what action they may have taken legislatively, an effort would be made to work out the issue.

In either event, whether the amendment is passed today or not, let me just state that the intention of the subcommittee, myself as chairman, is to move ahead with hearings this year on this subject and to invite all parties in interest, the alcohol beverage industry, to come and testify, to lay out a full record in this area so that we are in a position to either undergird any action the Senate might take today, or, failing that, to be in a position to bring forward legislative recommendations of our own at a later point.

Mr. HUDDLESTON. Just for the information of Senators, it would be my intention to move to table the amendment by the Senator from South Carolina for the reasons I have indicated here. I think we should proceed in a more orderly fashion.

At the appropriate time, I should ask for the yeas and nays. I understand there is a desire on the part of the leadership not to have a vote before——

Mr. RIEGLE. Before 4:15, if I understand.

Mr. HUDDLESTON. I understand that has been withdrawn now and the vote can be held at any time.

I am not one to hold up the Senate. I would be prepared to make that motion when the discussion is completed.

Mr. President, I ask for the yeas and nays on such a motion.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays on the motion to table?

Without objection, it is so ordered.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. THURMOND. Mr. President, I thank the Senator for assisting in ironing out this matter.

Mr. HATCH. Mr. President, I would like to make it clear on the record as the ranking minority member on this subcommittee that I feel the distinguished Senator from South Carolina has done his level best to compromise this issue and to accommodate Senators, and I think a number of industries throughout the country.

Just so the industries understand from where I am coming, I agree with this compromise today. But should this lose, I can assure the people in the industry that whatever comes out of the committee will be a much tougher amendment and a much tougher labeling requirement than what we have right now.

I am hopeful our colleagues will vote for this because it is a simple labeling requirement. It does put people on notice.

I think the committee can do some additional work on how we might inform industry so they can do a better job informing those who are pregnant and who otherwise do not know the harmful effects of hard liquor.

I think in the process, perhaps, we can do a good service for America.

Mr. THURMOND. Mr. President, I want to say before the vote that it is my hope that the Senate will adopt this amendment, although it is not as strong as it should be.

I say further that the liquor industry always has been against this amendment. The liquor industry is against it today. They have been calling in here. I have had Senators tell me that they have called in. One Senator just told me he had several calls from the liquor interests and they do not want this amendment. They do not want anything to discourage drinking liquor.

I hope the Senate will see fit to adopt this amendment.

● Mr. BELLMON. Mr. President, I rise in support of the amendment offered by the distinguished senior Senator from South Carolina. This amendment would require health warning labels on alcoholic beverages.

I am especially concerned, Mr. President, about the growing evidence that alcohol plays a major role in certain entirely preventable birth defects. These defects, referred to as the fetal alcohol syndrome, are highly correlated with the level of alcohol consumption by the mother during pregnancy.

In a recent article published in the Journal of Pediatrics,[1] Dr. James Hanson and his associates reported that features of the fetal alcohol syndrome (FAS) were found in 19 percent of the children whose mothers consumed 2 or more ounces of alcohol per day during pregnancy. FAS features were observed in 11 percent of the children whose mothers consumed an average of 1 to 2 ounces of alcohol per day. This represents the amount of alcohol which is found in 2 to 3 12-ounce bottles of beer, 1-ounce servings of liquor, or 4-ounce glasses of wine. Thus, there is solid scientific evidence that even moderate levels of alcohol consumption during pregnancy can have an adverse effect upon the fetus.

Mr. President, the Census Bureau estimates that there will be about 3.6 million live births in the United States this year. HEW studies indicate that about 3 to 5 percent, or 95,000 to 160,000 of the mothers of these infants will be heavy drinkers and from 1 to 2 percent, or 31,000 to 63,000, could be diagnosed as alcoholics. Thus, according to Dr. Hanson's findings that there is clear evidence of fetal abnormalities in 11 to 19 percent of the infants whose mothers are moderate to heavy drinkers, at least 6,000 and possibly as many as 17,000 children may be born with alcohol related birth defects this year.

Mr. President, every one of these birth defects is preventable and I am convinced that the vast majority of women, even those with a history of alcohol abuse, will respond if they understand the risks involved. Unfortunately, most mothers are unaware of the risks associated with alcohol consumption during pregnancy. Most of the studies which have documented the relationship between alcohol consumption and birth defects have been carried out within the past 5 years. As a result, many people, including physicians in private practice, have not been exposed to this information. Thus, it is imperative that we use every possible communication system to disseminate this vital information to those who need it. Warning labels will be especially useful to low-income women who have limited exposure to the mass media and often do not have adequate prenatal care.

Mr. President, there is serious debate over whether or not warning labels actually serve a useful purpose. There is compelling evidence, however, that such information is effective where there is a direct and immediate relationship between what people do and the impact of their behavior on important individual values such as the desire for healthy children. For example, there was a dramatic decrease in the use of LSD by young women when it was reported that there was a possible link between LSD and birth defects. I am convinced that women will respond equally well to evidence that there are risks associated with moderate to excessive alcohol consumption.

Finally, Mr. President, I would like to note that there is a strong feeling among health specialists that we must begin to emphasize prevention and individual responsibility for one's own health. To achieve this goal, however, we must inform citizens of the health risks associated with their actions. This amendment represents a step in the right direction by calling attention to risks associated with consumption of beverage alcohol. I urge its adoption and hope that the Senate conferees will strongly resist any attempts to delete this provision in any conference with the House on this legislation.

I submit for the RECORD an article entitled "Fetal and Neonatal Medicine," by Dr. James W. Hanson and Dr. David W. Smith.

The article follows:

THE EFFECTS OF MODERATE ALCOHOL CONSUMPTION DURING PREGNANCY ON FETAL GROWTH AND MORPHOGENESIS

(By James W. Hanson, M.D., Ann Pytkowicz Streissguth, Ph.D., and David W. Smith, M.D.)

Heavy alcohol consumption during pregnancy is now widely recognized as a serious risk to the exposed fetus.[1] Although experiments in other animals [2] [3] suggest that lesser amounts of alcohol may also have a detrimental effect on fetal growth and morphogenesis, this has not been clearly demonstrated in man. In this paper, we report the results of a prospective study of the effects on the fetus of alcohol consumption during pregnancy. Results suggest that moderate intake of alcohol during early pregnancy may also be hazardous to the developing infant.

METHODS

Abbreviations used:

FAS: fetal alcohol syndrome

AA: absolute alcohol

The subjects were 163 selected offspring of 1,529 mothers who participated in a larger study of pregnancy and health at two Seattle hospitals. All pregnant women in prenatal care by the fifth month of pregnancy at either hospital during a one-year period were eligible for this study. Eighty-five percent agreed to participate. These 1,529 mothers were interviewed during the fifth month of pregnancy regarding their alcohol and caffeine ingestion during and in the month prior to recognition of pregnancy. Also determined was their use of nicotine, drugs, and their diet during pregnancy.[4] [5] Alcohol use was determined by self-report from a quantity-frequency-varability interview and scored according to average ounces of absolute alcohol consumed daily.[6] Prior study has indicated these scores to have high reliability on reinterview one week later.[7]

The mothers were predominantly white, middle class, and well educated. Two-thirds were receiving prenatal care through prepaid medical cooperative and one-third through the University of Washington Hospital and clinics, which serve a wide variety of socioeconomic classes.

TABLE I.—RELATIONSHIP OF NEONATAL ABNORMALITY TO MATERNAL ALCOHOL INTAKE PRIOR TO RECOGNITION OF PREGNANCY

Clinical category	Average ounces absolute alcohol/day [1]			
	≥1.0	0.11–0.9 [2]	≤0.1	Total
A. Abnormal with features of FAS [3]	9	0	2	11
B. Minor anomalies not suggestive of FAS	3	2	2	7
C. Normal	58	29	58	145
Total	70	31	62	163

[1] AA score in the month preceding recognition of pregnancy.

[2] Newborn infants in this category were examined as controls to maintain the double blind on days when no mother in the light-drinking category delivered.

[3] Includes 2 newborn infants diagnosed FAS.

Infants selected for dysmorphology evaluation were those born to mothers who either reported the average consumption of one ounce or more of absolute alcohol per day (AA score less than or equal to 1), or who reported intoxications during pregnancy with ingestion of five or more drinks per occasion. For each such infant a control infant was randomly selected from among the remaining study infants born that same day whose mothers were infrequent drinkers or abstainers. On days when no abstainers or infrequent drinkers delivered, a control infant was selected whose mother was the lightest drinker available.

Selection of the infants for dysmorphology evaluation was based on maternal drinking history, date of delivery, and hospital of birth. The socioeconomic status of the infant was not a criterion. All selection was done by a research assistant who had no information other than the date of delivery, the hospital of birth, and the mother's drinking history. The goal of the selection and matching procedure was to allow the pediatrician to examine a pair of infants at the same time at the same hospital, without knowledge of maternal drinking history.

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[1] James Hanson, et al., "The Effects of Moderate Alcohol Consumption During Fetal Growth and Morphogenesis," Journal of Pediatrics, v. 92, 1978.

Footnotes at end of article.

Using the procedure, 204 infants born to study mothers were selected for evaluation. Not all could be examined due to time constraints on the pediatricians, early discharge from the hospital, or other scheduling conflicts. Three sets of twins were excluded. Thus, the subjects for the study were 163 infants, selected according to the criteria listed above who all received a dysmorphology evaluation by a pediatrician (J.W.H. or designated substitute), without knowledge of maternal drinking history.

Infants were evaluated for abnormalities of growth, development, and morphogenesis using a standard procedure. Particular attention was paid to major and minor alterations of morphogenesis characteristic of the fetal alcohol syndrome.[7]

TABLE II.—RELATIONSHIP OF NEONATAL ABNORMALITY TO MATERNAL ALCOHOL INTAKE DURING 1ST 5 MO OF PREGNANCY

	Average ounces absolute alcohol/day			
Clinical category	≥ 1.0	[1] 0.11–0.9	≤ 0.1	Total
A. Abnormal with features of FAS [2]	3	4	4	11
B. Minor anomalies not suggestive of FAS	1	4	2	7
C. Normal	26	46	73	145
Total	30	54	79	163

[1] Newborn infants in this category were examined as controls to maintain the double blind on days when no mother in the light-drinking category delivered.

[2] Includes 2 newborn infants diagnosed FAS.

Each infant was rated according to these criteria: (1) small size for gestational age (weight or length or both less than third percentile); (2) microephaly (head circumference less than third percentile); (3) short palpebral fissures (palpebral fissure width less than 1.8 cm in infants greater than 36 weeks' gestational age); and (4) multiple dysmorphic features (two or more significant dysmorphic features judged by clinical observation). Features receiving positive ratings in category 4 include: broad, low nasal bridge, epicanthic folds, long philtrum, small nails, limitation of joint movement, large hemangiomas, altered palmar crease patterns, cardiac murmurs, and ear anomalies.

On the basis of the above ratings each newborn infant was placed into one of three clinical categories: (A) Features compatible with fetal alcohol syndrome: definitely or probably abnormal with features suggestive of a prenatal effect of alcohol on growth and morphogenesis (rated abnormal on at least two of the four criteria *and* rated abnormal on either short palpebral fissures or multiple dysmorphic features); (B) Minor abnormalities not indicative of FAS: minor abnormalities of growth and morphogenesis not suggestive of a prenatal effect of alcohol; and (C) Normal: normal, including infants with normal variants and single borderline abnormalities.

RESULTS

Of the 163 infants examined, 11 were placed in group A: features compatible with FAS. Two of these infants were found to have enough features of FAS to be judged to clearly have this disorder. For each infant the diagnosis of FAS was independently suspected by the regular staff of the newborn nurseries. Both mothers were described in the medical records as alcoholics and both mothers were nonwhite, although nonwhites constituted only 9 percent of the interviewed sample.

TABLE III.—AVERAGE MATERNAL ALCOHOL CONSUMPTION FOR INFANTS IN EACH CLINICAL CATEGORY

		Average ounces of absolute alcohol/day			
		Prerecognition of pregnancy [1]		1st 5 mo of pregnancy	
Clinical category	N	$\overline{X}$ oz/ day	Range	$\overline{X}$ o7/ day	Range
A. Abnormal with features of FAS [2]	11	4.3	0–25.8	1.2	0–8.6
B. Minor anomalies not suggestive of FAS	7	1.4	0–6.9	.9	0–5.0
C. Normal	145	.8	0–8.6	.6	0–2.6

[1] During the month preceding recognition of pregnancy.

[2] Includes 2 newborn infants diagnosed FAS.

Nine other infants in category A were also judged to show some features compatible with prenatal effects of alcohol on growth and morphogenesis. Seven of these nine infants had mothers who had an AA score≥ 1 in the month preceding recognition of pregnancy. However, only one of these mothers also had an AA score≥ 1 during the first five months of pregnancy. No information on drinking behavior later in pregnancy was obtained.

In Table I is shown the distribution of all 163 infants according to AA scores and clinical ratings of offspring. When clinical categories B and C are combined and a comparison is made between category A and categories B and C, this 2×3 contingency table is significantly different from chance (Fisher's exact test: $P=0.023$), indicating a significant relationship between self-reported alcohol consumption in the month preceding recognition of pregnancy and abnormalities suggestive of FAS.

The AA score in the first five months of pregnancy is compared in Table II to clinical ratings of offspring. This AA score is not significantly related to abnormalities suggestive of FAS (2×3 contingency table not significantly different from chance; Fisher's exact test: $P=0.546$).

In Table III is displayed the average AA scores for mothers of infants in each clinical category. As anticipated, the mothers of infants with features of FAS had higher average AA scores both prior to and after recognition of pregnancy compared to the other mothers. A substantial drop in AA score during the pregnancy was noted in all categories.

Among the 163 mothers there were 16 whose prerecognition of pregnancy AA score was≥ 2. Three of these women (19 percent) delivered children who were considered to have features consistent with FAS. All three of these women consumed substantially more than 2 ounces of absolute alcohol/day. Similarly, there were 54 women in the study who consumed between 1 and 2 ounces of absolute alcohol/day in the month preceding recognition of pregnancy. Six of these women (11 percent) delivered children who were considered to have features of FAS.

Nicotine and caffeine use were also studied, but neither was as strongly related to neonatal abnormality as was alcohol. Of the 11 infants considered to show an effect of alcohol on prenatal growth and development, four were from nonsmoking mothers, four were from heavy smokers (nicotine 16 mg or more/day), and three were from moderate smokers ($<$ 16 mg/day). In terms of caffeine ingestion, six of these 11 infants were from low caffeine users (equivalent of $<$ 4 cups of coffee/day), two were from moderate caffeine users (equivalent of 4 to 8 cups of coffee/day), and three were from heavy caffeine users (equivalent of 8 cups or more of coffee/day). The strong positive correlation between heavy use of alcohol, nicotine, and caffeine precludes further separation of these effects.

In the absence of heavy alcohol use, neither heavy nicotine use nor heavy caffeine use alone could be shown to be related to FAS. Eleven mothers were classified as heavy smokers but not heavy drinkers and 14 women were classified as moderate smokers but not heavy drinkers. None of these had infants who met the criteria for FAS. Similarly, of five women who were heavy caffeine users and not heavy drinkers and 16 who were moderate caffeine users and not heavy drinkers, none had offspring who met the criteria for FAS. While these data do not preclude the possibility of an interactive effect, they indicate that neither nicotine nor caffeine is the primary agent.

There were no women in the sample of 163 who reported taking heroin, cocaine, PCP (Serynl), morphine, or mescaline during pregnancy. One mother reported LSD use during pregnancy; she was not a heavy drinker and her infant was normal. Two mothers reported use of amphetamines during pregnancy; one was also a heavy drinker and her infant was judged to show an effect of alcohol on fetal development; the other was not a heavy drinker and her infant was normal.

DISCUSSION

These data provide a strong reason to suspect that moderate levels of alcohol consumption during early pregnancy can have an adverse effect on the fetus. Although the mothers of the two infants who had the most obvious features of FAS both drank heavily preceding and during the early stages of pregnancy, six of nine other women who had children with numerous features consistent with a prenatal effect of alcohol had AA scores between 1 and 2. This suggests that at moderate levels of maternal alcohol consumption there are recognizable signs of altered growth and morphogenesis, clinically apparent at the time of birth, in some of the exposed children. The strongest relationship between maternal alcohol consumption and fetal outcome seems to exist for drinking behavior in the month preceding recognition of pregnancy.

In the interview, subjects were asked first about how much they drank during pregnancy and then asked the same set of questions for the "month prior to pregnancy." From comments made by some women, we believe that the subjects thought of "during pregnancy" as that time after they knew they were pregnant and the "month prior to pregnancy" as the month before they knew they were pregnant. If this is true for a substantial number of subjects, and if we assume that most women did not know that they were pregnant until a few weeks after conception, it may be that the period we refer to in this paper as the "month preceding recognition of pregnancy" actually contains the first few weeks after conception. The substantial drop from "prerecognition of pregnancy" AA scores to "during pregnancy" AA scores is compatible with this explanation in that many women discussed decreasing their alcohol intake in the interest of fetal welfare. A similar decrease in drinking during pregnancy has been reported by Little and associates.[8]

The observation that drinking behavior in the immediate prerecognition of pregnancy period is more strongly related to fetal outcome suggests that the quantity and timing of alcohol intake in the earliest stages of pregnancy have important implications for fetal growth and development. This observation is of vital importance in counseling, since a woman may not be aware she is preg-

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Footnotes at end of article.

nant for two weeks or more. If this observation is confirmed, it will pose a serious dilemma for obstetricians and drinking mothers. At the present time, it seems prudent to advise women to reduce their alcohol intake prior to starting a pregnancy.

It appears that we can now visualize the earliest indications of a crude dose-response curve relating maternal alcohol intake to outcome of pregnancy. These data suggest that the disk of having a newborn child with FAS increases proportionately with the average daily alcohol intake. If average maternal ingestion is less than one ounce of absolute alcohol per day, the apparent risk for abnormalities appears to be low. In the range of 1 to 2 ounces of absolute alcohol/day, the risk may approach 10 percent. Among the women who drank an average of 2 or more ounces of ethanol daily, 19 percent had infants who were considered abnormal. In each of these latter instances, however the reported average daily maternal alcohol consumption was greater than 5 ounces. Previous reports[3] have suggested that in chronic alcoholic women the risk of producing a clinically abnormal child may be 40 percent or more.

Little is known about the predictive validity of abnormalities suggestive of FAS. Only follow-up studies will determine to what extent these abnormalities of growth and morphogenesis will be related to later developmental, intellectual, or behavioral problems. It is also not clear from these data how the risk to the fetus may be affected by the pattern of maternal drinking or by the duration of heavy drinking during pregnancy.

We are concerned that the children who displayed the most abnormalities of growth and morphogenesis are at a particularly high risk for abnormal central nervous system function, but no data on the point are currently available. The long-term follow-up evaluations of this group of children will provide the subject of a future report.

The authors acknowledge the cooperation of the Obstetrical and Nursing Services of Group Health Cooperative of Puget Sound and of the University of Washington Hospital, who made this study possible. Virginia Williams, Mary Jane Lambert, and Helen Bergen-Carlsen helped with subject selection and scheduling and Helen Barr and Kelly Landreth helped with data analysis. Ms. Karen Petersen and Patricia Filer provided valuable secretarial assistance.

FOOTNOTES

[1] Jones Kl, Smith DW, Streissguth AP, et al: Outcome in offspring of chronic alcoholic women, Lancet 1:1076, 1974.

[2] Chernoff GF: A mouse model of the fetal alcohol syndrome, Teratology 11:14a, 1975.

[3] Tze WJ, and Lee M: Adverse effects of maternal alcohol consumption on pregnancy fetal growth in rats, Nature 257:479, 1975.

[4] Streissguth AP, Martin DC, and Buffington VE: Identifying heavy drinkers: A comparison of eight alcohol scores obtained on the same sample, *in* Seixas FA, editor: Currents in alcoholism, vol 2, New York, 1977, Grune & Stratton, Inc., pp 395–420.

[5] Streissguth AP, Martin DC, and Buffington VE: Test-retest reliability of three scales deriving from a quantity-frequency-variability assessment of self-reported alcohol consumption, work in progress in alcoholism, Ann NY Acad Sci 273:468, 1976.

[6] Jessor R, Graves RD, Hanson RC, and Jessor SL: Society, personality and deviant behavior: a study of a tri-ethnic-community. New York, 1968, Holt, Rinehart and Winston, Inc.

[7] Hanson JW, Jones KL, and Smith DW: Fetal alcohol syndrome, experience with 41 patients, JAMA 235: 1458, 1976.

[8] Little RE, Schultz FA, and Mandell W: Drinking during pregnancy, J Stud Alcohol 37: 375–9, 1976.●

Mr. HUDDLESTON. Mr. President, I move that the amendment of the Senator from South Carolina be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment of the Senator from South Carolina. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from New Jersey (Mr. Bradley), the Senator from Missouri (Mr. Eagleton), the Senator from Louisiana (Mr. Johnston), the Senator from New York (Mr. Moynihan), and the Senator from Florida (Mr. Stone) are necessarily absent.

I further announce that the Senator from Maine (Mr. Muskie) is absent on official business.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker) and the Senator from Illinois (Mr. Percy) are necessarily absent.

I further announce that the Senator from Vermont (Mr. Stafford) is absent due to illness.

The PRESIDING OFFICER (Mr. Pryor). Are there any Senators in the Chamber who have not yet voted?

The result was announced—yeas 21, nays 68, as follows:

[Rollcall Vote No. 82 Leg.]

YEAS—21

Baucus
Cranston
Danforth
Durenberger
Durkin
Ford
Gravel
Hayakawa
Huddleston
Humphrey
Kennedy
Levin
Magnuson
Matsunaga
Sasser
Stevens
Stevenson
Tsongas
Wallop
Weicker
Zorinsky

NAYS—68

Armstrong
Bellmon
Bentsen
Boren
Boschwitz
Bumpers
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Culver
DeConcini
Dole
Domenici
Exon
Garn
Glenn
Goldwater
Hart
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Inouye
Jackson
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Long
Lugar
Mathias
McClure
McGovern
Melcher
Metzenbaum
Morgan
Nelson
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Schmitt
Schweiker
Simpson
Stennis
Stewart
Talmadge
Thurmond
Tower
Warner
Williams
Young

NOT VOTING—11

Baker
Bayh
Biden
Bradley
Eagleton
Johnston
Moynihan
Muskie
Percy
Stafford
Stone

So the motion to table Mr. Thurmond's amendment (UP No. 126), as modified, was rejected.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the motion to lay on the table was rejected.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina, as modified (putting the question).

The amendment, as modified, was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. Pryor). The Senator from New Mexico is recognized.

Mr. DOMENICI. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

UP AMENDMENT NO. 127

Mr. DOMENICI. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico (Mr. Domenici) proposes an unprinted amendment numbered 127.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, line 24, insert the following: After "rehabilitation" a new section 105.

The Secretary shall establish in the National Institute on Alcohol Abuse and Alcoholism of the Alcohol, Drug Abuse and Mental Health Administration a center for American Indian-Alaskan Native concerns (hereinafter referred to as the 'Center').

"(1) The Secretary, acting through the Center shall study the problems of American Indians and Alaskan Natives and Hawaiian Natives and American Pacific Islanders concerning alcoholism and alcohol abuse. Such study shall address such issues as—

"(a) the prevalence of alcoholism and alcohol abuse among American Indians-Alaskan Natives specific to each Federally recognized tribe including urban American Indians-Alaskan Natives;

"(b) a comparison of the prevalence of alcoholism and alcohol abuse among American Indians-Alaskan Natives with other Minority groups living in both urban and rural areas,

"(c) the impact of age, education, housing conditions, employment status and other socio-economic factors that contribute to the alcoholism and alcohol abuse among American Indians-Alaskan Natives.

"(d) identifying the amount of Federal dollars since 1955 that have been utilized for research to study the problems of alcoholism and alcohol abuse among American Indians-Alaskan Natives and the findings of such studies;

"(e) how American Indians-Alaskan Natives are presently being served by Federal alcoholism and alcohol abuse prevention and treatment programs in both urban and rural areas, and

"(f) comparing the efficacy of various treatment modalities for different population subgroups.

"(2) In carrying out its duties under this subsection, the Center shall submit an annual report to the Secretary at the end of each fiscal year, and a final report upon termination of the Center.

"(3) The Center shall cease to exist two years after the enactment of this Act.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. Will the Senator suspend until the Senate comes to order. Members will please take their seats.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, the amendment I am submitting today is designed to examine one of the major problems in the area of alcoholism and alcohol abuse, that is, the problem of alcoholism and alcohol abuse among American Indians-Alaskan Natives.

The purpose of my amendment is to establish for 2 years a center for American Indian-Alaskan Native concerns within the National Institute on Alcoholism and Alcohol Abuse. The function of this center is to study such issues as:

First, the prevalence of alcoholism and alcohol abuse among American Indians-Alaskan Natives specific to each federally recognized tribe including urban American Indians-Alaskan Natives,

Second, a comparison of the prevalence of alcoholism and with other minority groups living in both urban and rural areas.

Third, the impact of age, education, housing conditions, employment status and other socioeconomic factors that contribute to the alcoholism and alcohol abuse among American Indians-Alaskan Natives,

Fourth, an analysis of the amount of Federal dollars since 1955 that have been appropriated for research to study the problems of alcoholism and alcohol abuse among American Indians-Alaskan Natives.

Fifth, how American Indians-Alaskan Natives are presently being served by Federal alcoholism and alcohol abuse prevention treatment programs in both urban and rural areas, and

Sixth, a comparison of the efficiency of various treatment modalities for different population subgroups.

During the last session of the 95th Congress I introduced a similar amendment which the distinguished senior Senator from Massachusetts (Mr. KENNEDY) cosponsored.

The problem of alcoholism and alcohol abuse among American Indians-Alaskan Natives continues to be a grave problem. The proportion of American Indians experiencing alcohol-related difficulties is increasing rapidly. It is estimated by some experts that the incidence of alcoholism among American Indians is as high as 10 to 25 times greater than that for the non-Indian population.

In 1977, it was found that in my own State of New Mexico, 5 of the 10 leading causes of death among Indians are alcohol-related, and of 3,238 Indian health service hospital cases in Albuquerque in 1976, 1,124 or about one-third were alcohol-related.

I firmly believe that passage of this amendment will help put a realistic focus on what needs to be done to help correct the growing problem of alcoholism and alcohol abuse among American Indians-Alaskan Natives.

This amendment has been discussed with both the majority and minority managers. Basically, I think everyone knows that one of the major problems in terms of alcoholism in this country has to do with the American Indians-Alaskan Native population. Almost every study would indicate that while America has a basic problem of alcohol consumption, this problem is even greater among American Indian-Alaskan Natives. In some parts of our Indian community the problem of alcoholism has grown to be quite severe and pervasive.

My amendment requires that a center for American Indian-Alaskan Native concerns be established, which would also focus on the problems of Hawaii Natives and American Pacific Islanders for a period of 2 years. This center will provide Congress with information and reports with reference to this specific problem area of alcoholism. I think it is time we establish this kind of center.

I am very appreciative of the preliminary remarks to me of the manager and the ranking member who indicate they, too, feel it is necessary and will accept it.

Mr. RIEGLE. Mr. President, I wish to make a short statement.

Mr. DOMENICI. I reserve the remainder of my time. I certainly want to hear what the Senator has to say, and I will yield him some of my time if he needs some.

Mr. RIEGLE. Mr. President, on my own time, and I thank the Senator for offering the time, I am prepared to accept the Senator's amendment. I agree with him that there is a need for specific focus on minorities and native American concerns within NIAAA which, in fact, we would be requiring in a more focused way with the legislation we drafted and with the Inouye amendment which was adopted earlier in the day. But I have no objection to the Domenici amendment and would be prepared to accept it.

Mr. HATCH. Mr. President, on behalf of the minority I want to compliment the distinguished Senator from New Mexico for his constant concern about our native Americans and other minorities throughout this country. He is certainly a leader in this area, and this amendment is another illustration of that leadership. I am certainly prepared to accept the amendment as well.

Mr. DOMENICI. I thank my good friend from Utah.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Mexico.

The amendment was agreed to.

ORDER FOR CONSIDERATION OF AND TIME-LIMITATION AGREEMENT ON S. 1019

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield so that I may propound a unanimous-consent request?

Mr. DOMENICI. I am pleased to yield.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. May I have the attention of the distinguished acting Republican leader.

Mr. President, I ask unanimous consent that when the Senate completes its action on the pending bill today the Senate proceed to the consideration of Calendar Order No. 119, the Uganda measure; that there be a time limit on that measure—and I have cleared this with Mr. CHURCH, with Mr. JAVITS, Mr. HELMS, and others—of 1 hour to be equally divided between Mr. CHURCH and Mr. JAVITS; that there be a time limit on an amendment by Mr. HELMS of 30 minutes to be equally divided; that the agreement be in the usual form; that there be a time limitation on any other amendments of 30 minutes to be equally divided; and a time agreement of 20 minutes on any debatable motion, appeal or point of order, if that be placed before the Senate.

Mr. HELMS. Mr. President, reserving the right to object, the rule of germaneness does not apply to my amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. HELMS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, if the distinguished Senator will indulge me for another parliamentary inquiry, upon the disposition of the present bill, the pending business today, the Senate will turn to Calendar Order No. 119 today, is that correct?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I thank all Senators, and I thank especially the Senator from New Mexico.

COMPREHENSIVE ALCOHOL ABUSE AND ALCOHOLISM PREVENTION, TREATMENT, AND REHABILITATION ACT AMENDMENTS OF 1979

The Senate resumed the consideration of the bill, S. 440.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the name of the Senator from Montana (Mr. MELCHER) be shown as an original cosponsor of the amendment.

Mr. HATCH. Would you also show me?

Mr. DOMENICI. And the name of the distinguished Senator from Utah (Mr. HATCH).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HELMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS and Mr. HAYAKAWA addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from North Carolina.

UP AMENDMENT NO. 128

(Purpose: To provide that the Federal Government shall not indirectly regulate public and private health insurance systems in regard to the alcoholism and alcohol abuse)

Mr. HELMS. Mr. President, I send an unprinted amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

> The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 128:
>
> Beginning on page 37, line 12, delete all through page 39, line 11.

Mr. HELMS. Mr. President, while we have enough Senators on the floor, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I do not think there is a Member of the Senate who feels more strongly about the grave dangers of alcohol abuse than does the Senator from North Carolina; so we will lay that aspect aside at the outset.

The point which I would address with the submission of this amendment is the fact that some Senators may not be aware of the sweeping implications of one section of this bill in particular. I say that with no intended criticism whatsoever of the authors of the bill, and certainly not the managers of it, both of whom are dear friends of mine. But I feel all Senators ought to take a look at the implication of the bill as it now stands.

As for alcohol abuse, I have witnessed, as I am sure other Senators have, the destruction and injury caused by the increasing problem of alcoholism in the United States. While I believe the goals of alcohol abuse prevention and rehabilitation are sound and worthy, portions of S. 440 are needlessly ambiguous and provide for an unwarranted extension of Federal regulation in this health care area.

Mr. President, S. 440 requires—and I would emphasize that to Senators on the floor and to those who may be listening in their offices through the public address system—that in order to participate and be eligible for grants for programs intended to prevent alcoholism or alcohol abuse, the States must, through its insurance regulatory systems, take steps to require the eventual coverage of alcoholism and alcohol abuse under all—all, Mr. President—comprehensive public and private health insurance systems operating within the State. The States must also provide that each public or private health insurance plan provided by the State or any political subdivision to its own employees has set forth a plan for coverage of alcoholism and alcohol abuse.

One fallacy here is that alcoholism and alcohol abuse are not equivalent with other chronic health conditions. Alcoholism is self-induced to some extent, in a way that most chronic health conditions are not. Perhaps alcoholism should be covered by comprehensive insurance plans. But S. 440 would provide for the indirect regulation of the insurance industry by the Federal Government. That is the point of this amendment, Mr. President. I want Senators to be aware of what they are supporting. If they want the regulation of the insurance industry to be turned over to the Federal Government, this is a good place to begin. In fact, the entire section of the bill addressed by this amendment seems to be a clever way to entice States to compel insurance companies to do business in a way that pleases the Federal Government.

Mr. President, if that is what the Senate wants, that is what the Senate will get by failing to support the Helms amendment. But if the Senate feels that we had better back off and take another look at this thing again—and decide whether we want to centralize further power in Washington, D.C., then this amendment must be adopted.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. RIEGLE. Mr. President, I rise in opposition to the amendment. Frankly, I am surprised to see this amendment, because we have not previously had a chance to talk about this, nor has the amendment been available for us to think about or look at before today.

That problem can arise for many reasons because of the pressure of time, and so forth. One of the things that I want to say to my friend is that he will find me as accommodating a subcommittee chairman as there will be in the Senate. On matters of this sort, if there is strong interest, to the extent that there is any lead time in which we can look at them and discuss them, the Senator will find me open to ideas, thoughts, and what-have-you. I happen to disagree with what is before us, but that may not be true the next time. But to the extent possible, the Senator will find me accommodating.

Mr. HELMS. Mr. President, if the Senator will yield, he is always accommodating. I enjoy working with the Senator from Michigan. As he knows, however, I am serving on the Ethics Committee, and that is consuming the equivalent of an extra day's time for each day of work, and frankly, I could not even look at this legislation until this past weekend. I apologize to the Senator from Michigan for not being able to learn until late last week that this was coming up today. But better late than never, I suppose.

Mr. RIEGLE. I am not intending to criticize the Senator from North Carolina.

Mr. HELMS. I understand, and I thank him.

Mr. RIEGLE. I sympathize, I might say, with the Senator's service on the Ethics Committee. That is a very difficult task, both in time and spirit.

But I strongly disagree with the amendment the Senator has put forward here. Perhaps we have a difference of opinion, or maybe a difference of interpretation.

Actually, the part of the bill to which the Senator is referring does not require the States to do anything. It carries no State requirement with it whatsoever. It provides small grants to States for planning and startup costs in providing for alcoholism treatment under insurance regulations. But it is totally voluntary, and there is neither front door nor back door regulation. The bill does not take anything away from States that do nothing. In fact, they are still eligible for existing grants and all other funds.

The reason the committee has taken this step is that the committee is alarmed at the increasing tendency to treat alcoholics in the most expensive setting available—usually an inpatient hospital setting—when equally and sometimes more effective treatment methods are available in less costly settings. Recent studies indicate that patients in inpatient, outpatient, and intermediate care settings all showed relatively uniform rates of improvement. These findings raise questions about the value of the more expensive treatment setting. If quality standards are maintained, the less expensive treatment setting can produce effective results. Thus, S. 440 provides that all public or private health insurance plans developed in accordance with this section shall include coverage for inpatient or outpatient care at a licensed hospital treatment facility, licensed detoxification facility, licensed halfway house or recovery home, licensed, certified, or States approved residential treatment facility.

I should say that the committee recognizes that such insurance incentive grants to States, if mandated without sufficient increased appropriations, would, I think, seriously detract from NIAAA's prevention and treatment efforts. This incentive grant is strictly voluntary. It is designed to give the States involved an opportunity to take a look and decide whether they want to move in the direction of providing additional coverage in this fashion.

Bear in mind that the best estimates are that the country is losing about $43 billion a year in terms of the economic costs and the dollar damages done by the abuse of alcohol. So to the extent that we can find a way to bring treatment to people and bring it on a more cost-effective basis, it seems to me that this is a major step forward. I should think that the Senator would want to support that.

Mr. HELMS. If the Senator will yield, how much does he contemplate that this legislation will cost the taxpayers for the insurance coverage the Senator speaks about?

Mr. RIEGLE. It is done on a formula basis. Because of the budget pressures, we have had to cut down on the amount of State grant money available. So the total formula grant that is available in the coming fiscal year for the entire country is $65 million. The States that want to apply for this would be eligible for an additional grant based on 10 percent of their allotted share of the formula grant.

Mr. HELMS. Is the Senator saying that the figure on line 1, page 37, has been reduced to $65 million from the $120 million?

Mr. RIEGLE. Let me inquire again. Which line was the Senator referring to?

Mr. HELMS. Line 1, page 37, I will say to the Senator.

Mr. RIEGLE. The $65 million is the authorization for formula grants. They would be eligible for an additional 10 percent if they want to move in the direction of this expanded coverage we have talked about here. So that would come out of the $120 million authorized for project grants.

Mr. HELMS. Perhaps the Senator from North Carolina is seeing some worthwhile history being made on this measure. This is comforting to me. But is my friend from Michigan saying that none of this $120 million total, or the $65 million specifically to which he referred, would be with strings attached to the States? Is that what he is saying?

Mr. RIEGLE. A portion of that is voluntary. In other words, we are talking about the part that relates to the Senator's amendment. That is the incentive grant to allow a State to take a look at the question of broadening the insurance coverage. That is a voluntary move for them. If they choose to move in that direction, they would have an amount available to them, this 10-percent factor that I speak about.

Mr. HELMS. Is the State Insurance Commissioner of Michigan going to be preempted through this act in setting rules and regulations?

Mr. RIEGLE. In the case of a State, for example, that does not provide this kind of coverage today, it is left to the discretion of that State as to whether or not they wanted to come forward and seek that additional money with the idea in mind of examining to see if they wanted to go ahead and broaden their coverage.

Mr. HELMS. I understand, but will the States have to come with hats in hand saying, "Mr. Federal Government, do we have to do this your way or can we do it our way?"

Mr. RIEGLE. They are absolutely free to not take part in any way, shape, or form.

Mr. HELMS. That is not the point. I am not arguing with the Senator. I am merely trying to get it straight in my mind. The purpose of my amendment is to prevent Federal control of the insurance industry. The regulation of the insurance industry now resides with the States. That is the reason I think this entire section ought to be eliminated. Let us take a closer look at it.

Mr. RIEGLE. I would say to the Senator that the States today maintain their own authority, as the Senator knows, to regulate insurance within their States.

Mr. HELMS. Right. But this bill, as it now stands, would begin to change that. This is my concern.

Mr. RIEGLE. This does not touch that in any way, shape, or form. This provides no Federal instruction as to how to regulate the insurance industry. It does not try to invade that in any way, shape, or form. It simply says that if the State wants to deal with its insurance industry to try to provide a broader coverage, if they have a desire to want to move in that direction, they will be provided an incentive grant to facilitate their moving in that direction. Twenty States have now done this. My hope is, frankly, that in the end 50 States will see the merit of doing this.

We are talking about something that I think we both want to accomplish. That is, how do we take somebody suffering from an alcohol-related problem and try to get them into some kind of a treatment program which will help them recover. That is the intent here.

Different States are in different positions in terms of how far along they are in providing that kind of coverage.

What is happening in many States is that about the only kind of coverage that is provided is the full hospital care, which is the top of the line, very expensive, and I think too expensive in many cases.

In many instances we can handle cases of alcohol abuse in a different kind of facility at less cost. The State would have to work that out with the insurance industry in their own State.

Mr. HELMS. Now we are getting somewhere. Is the Senator saying to me that if at some time down the road some Federal bureaucrat steps in and says to the State of Michigan or to the State of North Carolina, "We do not like the way you are doing this," then all the State of North Carolina or the State of Michigan has to do is to say, "Look, in the legislative history created on Monday, May 7, 1979, by Senator Helms and Senator Riegle, and you will see that the Federal Government has no right whatsoever to dictate to the States?" Is that what the Senator is saying to me? If so, we are making some headway with this discussion.

Mr. RIEGLE. Let us read the bill. Let us read the language.

Mr. HELMS. If the Senator could answer yes or no, the legislative history will be clear.

Mr. RIEGLE. But I think that gets to this issue. We may or may not have a disagreement in terms of the effect of the legislative language. If there is a disagreement, we ought to have a chance to discuss that and presumably vote on it. Let us take the language as it is written. This is an incentive grant program. It starts on page 37 of the bill. Let us go right through it and see if the Senator has a problem with it. It starts with section 312 reading as follows:

> Sec. 312. (a) To assist States which are taking steps through their insurance regulatory systems to cover alcoholism and alcohol abuse, the Secretary, acting through the Institute, may, during the period beginning October 1, 1979, and ending September 30, 1982, make grants to such States for demonstration and implementation of programs designed to achieve such coverage. A grant under this section to any State may be made for such planning and start-up costs (as determined in accordance with regulations promulgated by the Secretary)—

Which is standard legislative language, I would say—

> as may be incurred by such State, political subdivisions thereof, medical facilities, or public or private organizations involved in such demonstration or implementation.
>
> (b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary.

Mr. HELMS. There we go. Look at the power given to the Secretary.

Mr. RIEGLE. Again, standard language.

Mr. HELMS. If the Senator will yield, let me tell him the depth of my concern.

Some years ago, we had a great debate around this country about Federal aid to education. I was then a private citizen, but I expressed grave concern about the proposal. I feared at the time that there would come a day when the University of North Carolina, for example, would find itself under the thumb of the Secretary of Health, Education, and Welfare. I raised that question publicly, and I was subjected to hoots and jeers by those who wanted that "free money from Washington." They said, "Good gracious alive, what is Jesse Helms talking about? Of course, there will never by any Federal control of the University of North Carolina."

Well, just ask the University of North Carolina today about that great institution's travail with a gentleman named Joe Califano.

This is what I am trying to avoid, I say to the Senator, by trying to get it on the record and get it straight. The Senator failed to read, beginning on line 3, page 38:

> No grant may be made under this section unless an application therefor has been submitted to and approved by the Secretary.

There we go. That is precisely how Federal Control of education began some years ago.

Mr. RIEGLE. Let me say to my friend that I was about halfway through that. We go right on from that point, I think, to address specifically the concern the Senator raises. It says in the line that follows next, page 38:

> The Secretary may not approve an application of a State unless he determines the following.

Mr. HELMS. The Senator left out the sentence:

> Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe.

Now, we shall pick up the sentence.

Mr. RIEGLE. It was not my intention to leave that out.

Mr. HELMS. I know that, I say to my friend.

Mr. RIEGLE. I think I had started that sentence when the Senator spoke earlier, but bv all means, I want that in here. I want the full text in here.

Going on:

> The Secretary may not approve an application of a State unless he determines the following—

And we lay out here the tests that an application must meet in order to be eligible for approval. They are as follows:

(1) The State, through its insurance regulatory system, is committed to eventual coverage of alcoholism and alcohol abuse under all comprehensive public and private health insurance systems operating within the State.

(2) Each public or private health insurance plan provided by the State or any political subdivision thereof to its own employees has set forth a plan for coverage of alcoholism and alcohol abuse.

(3) The State proposes to conduct a demonstration project or to implement a requirement through its insurance regulatory process that will constitute significant progress toward its goal of coverage of alcoholism and alcohol abuse.

Then, continuing down under point (c):

(c) All public or private health insurance plans developed in accordance with this section shall include coverage for inpatient or outpatient care at a licensed hospital treatment facility, licensed detoxification facility, licensed halfway house or recovery home, or licensed, certified or State approved residential treatment facility.

Let me emphasize again, this is the test that we lay out. In other words, this, as I see it in terms of making clear the legislative intent, means that if a State meets these tests that are spelled out here, not by the Secretary but by us, they become eligible for this money that is set aside for this purpose. But they are completely free to decide whether or not they want to come forward and seek those moneys. In other words, these incentive grants are there strictly as incentives. Twenty States have elected to move on their own. I cannot tell from memory what the 20 are; they are spread around the country. This is simply to hold out an incentive for the remaining 30 to examine this, because we think it is important that we get more people into alcohol treatment programs. If the State thinks this makes sense and they want to proceed in terms of the basic requirements spelled out here in terms of this kind of demonstrative intent, there is seed money there to help them carry this off. It is as simple as that.

I think it is very straightforward. It is the way we do many other things. But I do not need in here anything extra. There is no hidden agenda, and I want to make it clear that I do not mean for there to be, nor would I want there to be, nor would I tolerate any hidden agenda other than the things clearly set forth here.

Mr. HELMS. I thank the Senator. I think he knows how uncomfortable it is for me to differ with him, because he is motivated by the highest of concerns, which I share. But I do not want to stand by silently while the Senate throws the baby out with the bath water. I am concerned that this is too broad. It has too great a potential for the intrusion by the Federal Government into another area of responsibility of the States. If we could strike some of the language of this section, I think we can agree.

Mr. RIEGLE. Will the Senator yield for a question?

Mr. HELMS. Yes.

Mr. RIEGLE. Is his concern, somehow or other, that this is somehow going to put his State in a straitjacket? Because his State and all other States are absolutely free to bypass this in its entirety if they feel that it is at all constraining in a way that is counter to their interests.

Mr. HELMS. The problem is that all States, including mine and the Senator's, sincerely want to do something about the alcohol abuse problem. This Federal money is a great enticement, as was the Federal aid to education in previous years, to which I just alluded. I believed then and I believe now that if a little more work had been done to restrain the Secretary of Health, Education, and Welfare and the courts, a great many universities today would be a lot more free to spend their time improving the quality of education on their campuses instead of coping with the ordeal of Federal controls and Federal redtape and all of the attendant additional costs involved in satisfying the whims and caprices of Federal bureaucrats and Federal judges.

I am just afraid, I say to the Senator, that despite the good intent of this legislation and, indeed, the good intent of this section of the bill, we are going to wake up somewhere down the line and realize too late that we have created another one of those Federal monsters. I think we have enough centralization of power in Washington, D.C.

Surely there must be some sort of formula whereby funds can be made available for this program without turning over more power to the office of the Secretary of Health, Education and Welfare.

Mr. RIEGLE. Will the Senator yield at that point

Mr. HELMS. Yes.

Mr. RIEGLE. We may just have a difference of opinion on this in the way we read the language. I view this as the essence of decentralization. What we are trying to do here is accommodate the fact that 50 different States may see this situation differently, may want to devise for themselves, within their own State insurance system, a response to this that fits their own requirements.

Let me just point out to the Senator the economic effect if we do not do this. I know the Senator is greatly concerned about inflation, as I am. He is concerned about rising Federal expenditures, as I am. We have just gone through the budget process.

As a new member of that committee, I can tell him that the effort we made in trying to scale down expenditures in virtually every budget category and shoot for a balanced budget in 1981 was very difficult.

This is a cost-saving provision that we have put in here. What happens is that. 9 times out of 10, if the private insurance plans do not provide for treatment for this particular disease, the disease of alcoholism, we often will find that the costs work their way back to the Federal Government in one form or another and we shall end up picking up the tab, in an expanded dollar size, in other forms by a failure to see that the treatment takes place. When States have a chance to sit down and talk this out with their insurance people, what they are finding in an increasing number of cases is that they would just as soon work out a situation where they provide coverage because, actually, in the long run, it is even cheaper to the insurance companies to get people who need treatment into facilities where they can defeat this disease of alcohol abuse and alcoholism.

Mr. HELMS. I have no argument with the Senator about his intent.

Mr. RIEGLE. Yes; I doubt the Senator does. But that is exactly the point.

When we crafted this bill it was put together by the majority and the minority. We tried to design it to get the cost down at the same time the treatment is up, so we get more people rehabilitated.

If we adopt the Senator's amendment, we will end up spending more Federal dollars in the end, in my judgment, than if we go ahead and stick with the committee language.

As I say, I see no interference with State's rights here. We have gone, I think, the extra mile, designing this thing in a way that leaves the option for the State to work it out with their insurance system. If the State is the least bit sensitive, they do not have to participate at all on this particular item.

Mr. HELMS. The reality is such that all States want to participate.

Mr. President, I am going to ask the Senator to indulge me in a brief quorum call so we can chat about this informally. There may be some accommodation we can reach.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BOREN). Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I ask unanimous consent that the yeas and nays on my amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, I withdraw the pending amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

UP AMENDMENT NO. 129

Mr. HELMS. Mr. President, I now send an amendment to the desk.

On page 38, the amendment strikes out all after line 8, through and including line 18. So that line 8 will read as follows: "Not approve an application of a State unless he determines that" inserting the word "that"—"the State proposes to conduct a demonstration," and so forth, as stated on line 19.

This means that we are striking paragraphs 1 and 2 in that portion of the section. I now send it to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes an unprinted amendment numbered 129:

On page 38, line 9, insert the following: beginning with the word "the" strike all through the word "The" on line 19, and insert in lieu thereof "that the".

Mr. RIEGLE. Mr. President, we have worked out this language, and it is agreeable to me and to Senator Hatch. I propose that we accept the language.

Mr. HELMS. Mr. President, I thank the Senator from Michigan (Mr. Riegle) and the Senator from Utah (Mr. Hatch) for being so patient with the Senator from North Carolina.

This section as amended is now satisfactory, and I thank them for their courtesy in this connection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, on the next amendment of the Senator, we also have proposed a change. Perhaps we can take a quick look at it and resolve that item as well.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 130

Mr. HELMS. Mr. President, I am going to send to the desk an unprinted amendment which is a bit untidy because we have been working on it. However, I will read it for the record as intended, and then I will send it to the desk, so that it will be before the Senate formally.

On page 39, line 23, it will read: "care, rehabilitation, or other service-related facility which receives Federal Government financial support for that service."

It will strike the remainder of that sentence on page 39 and page 40.

I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina (Mr. Helms) proposes an unprinted amendment numbered 130.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 39, line 24, beginning with the word "support", strike all through line 2 on page 40, and insert in lieu thereof: "federal government financial support for that service."

Mr. RIEGLE. Mr. President, Senator Hatch and I have worked this out with Senator Helms, and we are in agreement on this language. Therefore, I suggest that we accept this language.

Mr. HELMS. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, again I thank the Senator from Michigan and the Senator from Utah for their patience and cooperation. I think we have improved the bill.

Mr. RIEGLE. As I said to the Senator earlier, we are not hard to work with. We are open on these things, and we want to put out good legislation.

Mr. President, I think we are at the end of the line in this matter. I know of no other amendments.

Before yielding back the remainder of my time, I thank the Senator for his efforts. I thank the staff, Craig Polhemus, Nancy Olson, Ruth Kane, for their work in helping this together. I thank the minority staff also for their cooperation and help.

I believe we have a good bill here. It represents a genuine blend of interests and thoughts, as legislation should. I am pleased to be able to have it put to a voice vote after the Senator from Utah has a chance to make some comments.

Mr. HATCH. Mr. President, I compliment the distinguished chairman of the subcommittee for the excellent work he has done. I think this bill is a great deal of improvement over what we have on the books today. I am delighted with the amendments of the distinguished Senator from North Carolina. The amendment of the distinguished Senator from South Carolina will put a warning label on alcoholic beverages with alcoholic content in excess of 24 percent. I believe this is a great improvement in our society, and it is a classic compromise that should be acceptable.

Again, I compliment the distinguished chairman of the subcommittee for the effort, the diligence, and the good-natured way he has handled this bill from beginning to end.

I urge that the Senate pass the bill.

Mr. RIEGLE. Mr. President, I urge the passage of the bill. I know of no request for a rollcall vote.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I support the bill and believe that the manager and the comanager of the bill are entitled to our thanks and appreciation for the fine work done on it.

(The following occurred earlier:)

Mr. HELMS. Mr. President, without losing my right to the floor, I ask unanimous consent that I may yield to my good friend the Senator from California (Mr. Hayakawa) for a unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HAYAKAWA. I thank the distinguished Senator from North Carolina.

Mr. President, the Senator from California recently received a letter from a constituent who believes that alcoholic beverages should have warning labels. I ask unanimous consent that my response to this letter be printed in the Record at an appropriate place in the debate on the amendment introduced by the distinguished Senator from South Carolina (Mr. Thurmond) on warning labels on alcoholic beverages.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Dear Sir; thank you for your letter of July 16 regarding your support for warning labels on containers of alcoholic beverages.

I am afraid I must disagree with you on this issue. First, I do not believe that warning labels will deter anyone from drinking.

Furthermore, in your zeal against drinking, you seem to forget that wine and other alcoholic beverages have profound ritualistic and social meanings—and that alcoholism, however deplorable that ailment may be, results not from the us of alcohol, but from its abuse. Our Lord at the wedding feast at Cana changed water into wine; there is no record of His having issued any warnings against its abuse on that occasion. If Jesus found such warnings unnecessary, that's good enough for me.

Again, thank you for writing.

Sincerely,

S. I. Hayakawa.

(Conclusion of earlier proceedings.)

● Mr. WALLOP. Mr. President, last year, Wyoming submitted a combined alcohol, drug abuse, and mental health plan to the Alcohol, Drug Abuse and Mental Health Administration. The State followed guidelines promulgated by ADAMHA. This provide enormously efficient in a rural State such as Wyoming; it obviated the need for massive duplication of effort in preparing and submitting separate plans for alcohol, drug abuse and mental health. If section 11 (a)(2) of S. 440 and section 6(5) of S. 525 become law, will Wyoming and other States which desire to, be able to submit a combined plan as it did in fiscal year 1979?

Mr. RIEGLE. Yes, Senator Wallop. The purpose of these sections is to coordinate drug and alcohol programs and to avoid, wherever practicable, duplication of efforts. This legislation would encourage States that desire to submit combined plans to do so if this will better coordinate activities in the State and avoid costly and time-consuming duplication of effort.

Mr. WALLOP. That is the way I read these bills. I am glad to see your committee recognized the need in some States such as my own to coordinate functions to assure the best delivery of services for the prevention, treatment and rehabilitation in the areas of drug and alcohol abuse.●

Mr. CRANSTON. Mr. President, I would like to express my admiration for the leadership that the distinguished Senator from Michigan (Mr. RIEGLE) has provided in the development and consideration of S. 544, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979.

The legislation we have passed today will form the basis for a continuing program to prevent and treat alcoholism.

Mr. President, I want to draw special attention to two provisions in S. 440, the proposed Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979, as reported from committee.

DOMESTIC VIOLENCE AND ALCOHOL ABUSE

The first provision is section 13(a)(6) of the committee bill which, as reported from committee, would authorize the Secretary to make grants or enter into contracts with certain public and private entities to provide emergency assistance to individuals—including spouses and dependents—who require shelter to prevent accidents of domestic violence related to alcohol or require shelter as a result of alcohol-related domestic violence.

Mr. President, the Subcommittee on Child and Human Development, which I am privileged to chair, of the Committee on Labor and Human Resources held 2 days of hearings during 1978 with respect to domestic violence.

Testimony presented at those hearings revealed the special relationship between domestic violence and alcohol abuse. Statistics gathered by various projects dealing with domestic violence reveal a significant correlation between alcohol and domestic violence. For example, the domestic project in Ann Arbor, Mich., found that 58.9 percent of the spouse abusers also abused alcohol. This project also reported that 66.7 percent of the assaults involved the use of alcohol.

Dr. Gerald Klerman, Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, testified that one study reported that 52 percent of violent husbands have histories of problem drinking or alcoholism. There are indications that intoxication is a precipitating factor in many cases of child abuse. The largest American study on the subject reported that 38 percent of child abusing parents had histories of drinking problems. Other studies have shown that up to 63 percent of child abuse cases are alcohol-related.

Dr. Klerman also testified that evidence suggests that alcohol treatment programs can be an important factor in diminishing the frequency of violence in the family unit. For example, Dr. Klerman testified, 35 percent of the persons entering alcoholism treatment programs, funded by the National Institute on Alcohol Abuse and Alcoholism (NIAAA), reported fighting and quarreling with others as a measure of their behavioral impairment; 6 months later, there was a reduction of 39 percent in those in the treatment programs who were reporting this behavior.

Betty Stephens, chairperson of the California Commission on Status of Women, described the following findings of the abused women's aid in crisis random sample from hundreds of cases of women who had called the organization for assistance and information:

The sampling indicated a high incidence of alcoholism associated with domestic violence.

Ninety percent of the men involved in relationships exceeding 7 years duration were reported to have alcoholic problems.

About 85 percent of the violent husbands had either an alcoholic and/or drug problems. These men were inclined to beat their wives at a higher frequency, either when under the influence of drugs (including alcohol) or when sober; and their violence was usually characterized by physical assault with or without a weapon, usually leading to serious injuries, and including sexual assault.

More than 80 percent of the men who drank occasionally were inclined to beat their wives only when under the influence of alcohol.

In relationships of less than 3½ years duration, a very high percentage of concurrent alcohol and hard drug use was reported, usually leading to constant violence.

Mr. President, the authority provided at section 13(a)(6) should provide another possible avenue of support for projects providing assistance to victims of domestic violence. I want to highlight this provision as another indication of the interest of my colleague from Michigan (Mr. RIEGLE), and myself in resolving the problem of domestic violence.

NONDISCRIMINATION IN VETERANS' ADMINISTRATION FACILITIES

Mr. President, the second provision I would like to discuss is at section 15 of the committee bill, which would add a new section 322 to the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970, as amended, in order to prohibit discrimination, solely because of alcohol abuse and alcoholism, by any social service, mental health, intermediate care, rehabilitation, or other service-related facilities supported wholly or in part by Federal funds.

This new section would require the Secretary of Health, Education, and Welfare to issue regulations implementing this prohibition, except in the case of facilities operated by the Veterans' Administration.

In the latter instances, it would direct the Administrator of Veterans' Affairs, to the extent consistent with his responsibilities under title 38 of the United States Code, to prescribe regulations making the HEW regulations applicable to VA facilities.

The committee bill calls for consultation and coordination between the Administrator and the Secretary in the development and implementation of these regulations.

The same type of provision is included in S. 525, the proposed Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1979, which will also be considered today on the floor.

Mr. President, I worked with the distinguished Senator from Michigan (Mr. RIEGLE) in the development of these provisions, and the VA has no objection to them.

The language of these provisions follows patterns of previous laws where general policies of nondiscrimination against alcoholics and alcohol and drug abusers were made applicable to the VA except where the Administrator determined that it was not consistent with VA statutory responsibilities.

Thus, the provisions in the reported bills are comparable—in all respects, including preserving fully the Administrator's statutory title 38 discretion—to provisions included in Public Law 93-282, the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1974, with respect to prohibitions against discrimination in admissions to VA facilities of alcohol abusers and alcoholics as well as provisions in that 1974 act specifying that records relating to alcoholism or alcohol abuse education and rehabilitation, among other activities, must be kept confidential and disclosed only under limited circumstances and generally only with prior consent of the individual.

Comparable provisions were also included in Public Law 94-237, an act amending the Drug Abuse Office and Treatment Act of 1972, again with respect to the prohibition of discrimination in admission of drug abusers to hospitals and medical records confidentiality.

Mr. President, the provisions of these laws were all incorporated in sections 4132, 4133, and 4134 of title 38, United States Code, by section 111(a)(1) of the Veterans' Omnibus Health Care Act of 1976—Public Law 94-581. Also, section 111(c) of Public Law 94-581 listed the eight provisions of the drug and alcohol laws pertaining to the VA and provided that each was superseded. If the provisions added by S. 544 and S. 525 are enacted, it is my intention to incorporate into title 38—and supersede by title 38 provisions—those parts that are directly related to the Veterans' Administration, as was done in the 1976 Omnibus Act with the respect to the provisions previously enacted as part of the drug and alcohol laws.

Mr. RIEGLE. Mr. President, I again move the passage of the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended, in the nature of a substitute.

(Putting the question.)

The committee amendment, as amended, was agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

(Putting the question.)

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that my "nay" vote be recorded as such.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (S. 440), as amended, was passed, as follows:

S. 440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) This Act may be cited as the "Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act Amendments of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.

SEC. 2. (a) Section 2(a)(2) is amended to read as follows: "(2) some ten million, or 7 percent, of the adults in the United States are alcoholics or problem drinkers;".

(b) Section 2(a)(3) is amended to read as follows: "(3) alcoholism and other alcohol related problems cost the United States nearly $43,000,000,000 annually in lost production, medical and public assistance expenditures, police and court costs, and motor vehicle and other accidents;".

SEC. 3. (a) Section 2(a) is further amended—

(1) by striking out "and" at the end of paragraph (6);

(2) by redesignating paragraph (7) as paragraph (8) and amending it to read as follows:

"(8) alcoholism is an illness requiring treatment and rehabilitation through the assistance of a broad range of community health and social services and with the cooperation of law enforcement agencies, employers, employee associations, and associations of concerned individuals."; and

(3) by inserting after paragraph (6) the following paragraph:

"(7) alcohol abuse and alcoholism, together with abuse of other legal and illegal drugs, present a need for prevention and informational programs designed to reach the general population and members of particularly vulnerable groups such as youth and families of alcohol abusers and alcoholics; and".

(b) Section 2(b) is amended—

(1) by striking out "and" at the end of the paragraph (2);

(2) by redesignating paragraph (3) as paragraph (5); and

(3) by inserting after paragraph (2) the following new paragraphs:

"(3) the development and encouragement of prevention programs designed to combat the spread of alcoholism, alcohol abuse, and abuse of other legal and illegal drugs;

"(4) the development and encouragement of effective occupational prevention and treatment programs within government and in cooperation with the private sector; and".

SEC. 4. (a) Section 101(c) is amended by adding at the end thereof the following new new sentence: "The Director, if authorized by the National Advisory Council on Alcohol Abuse and Alcoholism, may obtain (in accordance with section 3109 of title 5 of the United States Code, but without regard to the limitation in such section on the number of days or the period of such service) the services of not more than 100 experts or consultants who have scientific or professional qualifications.".

(b) Section 101 is further amended by adding at the end thereof the following new subsection:

"(d)(1) The Director shall designate an Associate Director for Underserved Populations to develop and coordinate prevention, treatment, research, and administrative policies and programs to assure increased focus on minority and other underserved populations.

"(2) The Associate Director for Underserved Populations shall assist the Director in assuring that the Institute—

"(A) support programs with regard to the delivery of alcohol abuse and alcoholism services to minority and other underserved populations, including demonstration projects;

"(B) develop a plan to increase the representation of minority and other underserved populations in alcohol abuse and alcoholism service delivery and manpower programs with an emphasis on developing bilingual and bicultural programs;

"(C) support programs of basic and applied social and behavioral research on alcoholism and alcohol abuse among minorities and other underserved populations;

"(D) study the effects of racial and sexual discrimination on institutions and individuals, including majority institutions and individuals;

"(E) develop systems to assist minority and other underserved populations in adapting to, and coping with, the effects of racial and sexual discrimination;

"(F) support and develop research, demonstration, and training programs aimed at eliminating institutional racial and sexual discrimination; and

"(G) provide for increased emphasis on the concerns of minority and other underserved populations in training programs, service delivery programs, and research endeavors.

"(3) The Secretary shall include in the annual report to Congress required under section 102 a description of the Institute's activities in carrying out the provisions of this subsection.

"(4) Nothing contained in this subsection shall be construed to prevent or impair the administration or enforcement of any other provision of Federal law, nor shall the Associate Director for Underserved Populations be deemed to have exclusive jurisdiction over the Institute's responsibility to develop effective policies and programs for minority and other underserved populations.".

SEC. 5. Section 102 as amended—

(1) by inserting "and" after the semicolon at the end of paragraph (3);

(2) by striking "; and" after paragraph (4) and substituting a period; and

(3) by striking paragraph (5) and all that matter following such paragraph.

SEC. 6. (a) The heading of section 103 is amended to read as follows:

"INTERDEPARTMENTAL COMMITTEE

(b) Section 103(a) is amended to read as follows:

"(a) The President shall establish an Interdepartmental Committee on Federal Activities on Alcohol Abuse and Alcoholism (hereinafter in this section referred to as the 'Committee') The Committee shall (1) evaluate directly or by contract the adequacy and technical soundness of all Federal programs and activities which relate to alcoholism and alcohol abuse and provide for the communication and exchange of information necessary to increase and maintain the coordination and effectiveness of such programs and activities, and (2) seek to coordinate efforts undertaken to deal with alcohol abuse and alcoholism in carrying out Federal health, welfare, rehabilitation, highway safety, law enforcement, and economic opportunity laws."

(c) Section 103(b) is amended to read as follows:

"(b) The Secretary, acting through the Director of the National Institute on Alcohol Abuse and Alcoholism (hereinafter referred to as the 'Director'), shall serve as Chairman of the Committee, the membership of which shall include (1) representation with policy level authority and appropriate scientific, medical, or technical expertise from the Department of Transportation, the Department of Justice, the Department of Defense, the Department of the Treasury, the Department of Labor, the Department of Housing and Urban Development, the Veterans' Administration, and such other Federal departments, agencies, and offices as the President determines administer programs directly affecting alcoholism and alcohol abuse, and (2) five individuals from the general public appointed by the President from individuals who by virtue of their training or experience are particularly qualified to participate in the performance of the Committee's functions. The Executive Director of the Domestic Council shall serve as an ex officio member. The Committee shall meet at the call of the Chairman, but not less than four times a year."

(d) Section 103(e) is amended by striking out "Secretary" and substituting "President, acting through the Secretary or otherwise,".

(e) Section 103 is further amended by adding at the end thereof the following new subsection:

"(f) The President shall submit to the Congress every two years, at the end of said calendar year, beginning with the first submission no later than the end of calendar year 1980, a report on the extent to which Federal programs and departments are concerned and dealing effectively with the problems of alcohol abuse and alcoholism. Such report shall be prepared by the Committee and under the general supervision of the Chairman.".

(f) The Interagency Committee on Federal Activities for Alcohol Abuse and Alcoholism is hereby dissolved.

SEC. 7. Such Act is amended by inserting following after section 103 the following new section:

"INTRADEPARTMENTAL COMMITTEE

"SEC. 104. The Secretary shall establish an Intradepartmental Committee for Departmental Activities on Alcohol Abuse and Alcoholism (hereinafter in this section referred to as the 'Intradepartmental Committee'). The Intradepartmental Committee shall (1) evaluate, directly or by contract, the adequacy and technical soundness of all departmental policies, programs, and activities which relate to alcoholism and alcohol abuse and provide for the coordination and exchange of information necessary to increase and maintain the coordination and effectiveness of such policies, programs, and activities, and (2) seek to coordinate efforts undertaken to deal with alcoholism and alcohol abuse in carrying out the provisions of law administered by the Department. The Director, acting on behalf of the Secretary, shall serve as Chairman of the Intradepartmental Committee, the membership of which shall include representation with policy level authority and appropriate scientific, medical, and technical expertise from the Office for Civil Rights, Office of the General Counsel, Office of Assistant Secretary for Management and Budget, Office of Assistant Secretary for Personnel Administration, Office of Assistant Secretary for Planning and Evaluation, Office of Human Development, Office of Education, Health Care Financing Administration, Social Security Administration, Public Health Service and its appropriate component agencies, and such other offices as the Secretary determines administer responsibilities directly affecting the Department's response to alcoholism and alcohol abuse problems. The Intradepartmental Committee shall meet at the call of the Chairman, but not less often than four times a year. The Secretary, acting through the Director or otherwise, shall make available to the Intradepartmental Committee such staff, information, and other assistance as it may require to carry out its activities effectively.

"CENTER FOR AMERICAN INDIAN-ALASKAN NATIVE FOR ALCOHOLISM AND ALCOHOL ABUSE

"SEC. 105. (a) The Secretary shall establish in the National Institute on Alcohol Abuse and Alcoholism of the Alcohol, Drug Abuse and Mental Health Administration a Center for American Indian-Alaskan Native concerns (hereinafter referred to as the 'Center').

"(b) (1) The Secretary, acting through the Center shall study the problems of American Indians, Alaskan Natives, Hawaiian Natives and Native American Pacific Islanders concerning alcoholism and alcohol abuse. Such study shall address such issues as—

"(A) the prevalence of alcoholism and alcohol abuse among American Indians-Alaskan Natives specific to each federally recognized tribe including urban American Indians-Alaskan Natives;

"(B) a comparison of the prevalence of alcoholism and alcohol abuse among American Indians-Alaskan Natives with other minority groups living in both urban and rural areas;

"(C) the impact of age, education, housing conditions, employment status and other socio-economic factors that contribute to the alcoholism and alcohol abuse among American Indians-Alaskan Natives;

"(D) identifying the amount of Federal dollars since 1955 that have been utilized for research to study the problems of alcoholism and alcohol abuse among American Indians-Alaskan Natives and the findings of such studies;

"(E) how American Indians-Alaskan Natives are presently being served by Federal alcoholism and alcohol abuse prevention and treatment programs in both urban and rural areas; and

"(F) comparing the efficacy of various treatment modalities for different population subgroups.

"(2) In carrying out its duties under this subsection, the Center shall submit an annual report to the Secretary at the end of each fiscal year, and a final report upon termination of the Center.

"(3) The Center shall cease to exist two years after the enactment of this Act.".

SEC. 8. (a) Section 201(a) is amended—

(1) by striking out "Civil Service Commission" and substituting "Office of Personnel Management";

(2) by inserting "and in accordance with the provisions of subpart F of part III of title 5, United States Code, as amended by the Civil Service Reform Act of 1978," following "other Federal agencys and departments,"; and

(3) by inserting "Such agencies and departments are encouraged to extend these programs and services to the families of alcoholic employees and to employees who have family members who are alcoholics to the extent feasible." prior to the last sentence.

(b) Section 201(b) is amended to read as follows:

"(b) (1) The Secretary, acting through the Institute, shall be responsible for fostering and encouraging similar alcohol abuse and alcoholism prevention, treatment, and rehabilitation programs and services in State and local governments and in private industry. To the extent feasible, such programs and services should be capable of extension to the families of employees and to employees who have family members who are alcoholics.

"(2) Consistent with such responsibility, the Secretary, acting through the Institute, shall develop a variety of model programs suitable for replication on a cost-effective basis in different types of business concerns and State and local governmental entities, taking into account the number of employees, geographical location, proximity to other concerns and entities, and availability of existing services from public agencies and private organizations. With respect to small business concerns, the Secretary, acting through the Institute, shall consult with the Small Business Administrator in the development of model programs affecting such concerns.

"(3) With respect to business concerns and governmental entities which employ individuals represented by labor organizations, the employer and the labor organization shall be encouraged to develop joint agreed upon programs at the conference table or through the collective bargaining process.

"(4) The Secretary, acting through the Institute, shall disseminate information and materials relative to such model programs to single State agencies designated pursuant to section 303 of this Act, and shall provide technical assistance to such agencies as requested.".

(c) Section 201(d) is amended by adding before the period ": *Provided*, That such employee is first offered an opportunity to seek treatment and rehabilitation".

(d) Title II is amended by adding at the end thereof the following:

"REPORT ON THE PREVALENCE OF OCCUPATIONAL PROGRAMS AMONG FEDERAL CONTRACTORS

"SEC. 202. (a) In accordance with the procedures developed pursuant to section 6 of the Office of Federal Procurement Policy Act (88 Stat. 797), the Office of Federal Procurement Policy shall obtain information with respect to parties contracting with the United States for the procurement of personal property and nonpersonal services (including construction) concerning—

"(1) the extent to which such parties, in employing persons to carry out such contracts, operate by themselves or together with one or more other employers, labor organizations, public agencies, or private organizations, or with consortia thereof, prevention, treatment, counseling, and rehabilitation programs and services for alcohol abuse and alcoholism among their employees, the families of their employees, or both;

"(2) the extent to which such parties, in employing persons to carry out such contracts, arrange by way of contract, cooperative agreement, or other arrangement for the referral of employees affected by alcoholism, members of employees' families so affected, or both, to appropriate programs and services conducted by public agencies or private organizations; and

"(3) in the case of contracting parties with employees represented by labor organizations, the role of such labor organizations in arranging for the program's establishment, conduct, identification, and scope of services at the conference table or through collective bargaining.

In devising forms and procedures for obtaining such information, the Office shall consult with the Secretary, acting through the Institute, concerning appropriate definitions and categorizations of programs.

"(b) The Office of Federal Procurement Policy shall submit to the Congress, not later than one hundred and eighty days after the expiration of each fiscal year, a report summarizing information obtained from contracting parties under subsection (a). This reporting requirement shall first apply with respect to the fiscal year ending September 30, 1980.".

SEC. 9. Section 301 is amended—

(1) by striking out "and" following September 30, 1978,"; and

(2) by inserting $60,000,000 for the fiscal year ending September 30, 1980, $65,000,000 for the fiscal year ending September 30, 1981, and $65,000,000 for the fiscal year ending September 30, 1982" after September 30, 1979,".

SEC. 10. Section 302 of such Act is amended by adding at the end thereof the following new subsection:

"(e) On the request of any State, the Secretary shall make available to the extent feasible, technical assistance for the purposes of developing and improving systems for data collection; program management, accountability, and evaluation; certification, accreditation, or licensure of treatment facilities and personnel; monitoring compliance to Federal requirements of hospitals and other facilities; and implementing the provisions of the Uniform Alcoholism and Intoxification Treatment Act through model education and training packages for personnel at State and community levels. Insofar as practicable, such technical assistance shall be provided in such a manner as to improve coordination between activities funded under this Act and under the Drug Abuse Office and Treatment Act of 1972, as amended.".

SEC. 11. (a) Section 303(a) is amended—

(1) by inserting women, youth, families of alcoholics and alcohol abusers, and individuals over sixty-five years of age" after "minority and poverty groups," in paragraph (3);

(2) by inserting after subparagraph (4) (B) the following new subparagraph:

"(C) provide assurances satisfactory to the Secretary that, insofar as practicable, the survey conducted pursuant to subparagraph (A) is coordinated with and not duplicative of the drug abuse and dependence survey conducted pursuant to section 1176 of title 21, United States Code;";

(3) by inserting ", with State and local drug abuse planning agencies," after "alcoholism and alcohol abuse planning agencies" in paragraph (12);

(4) by striking out "and" at the end of paragraph (15);

(5) by redesignating paragraph (16) as paragraph (17); and

(6) by inserting after paragraph (15) the following new paragraph:

"(16) provide assurance that the State agency—

"(A) will foster and encourage the development of alcohol abuse and alcoholism prevention, treatment, and rehabilitation programs and services in State and local governments and in private businesses and industry;

"(B) will make available to all business concerns and governmental entities within such State information and materials concerning such model programs suitable for replication on a cost-effective basis as are developed pursuant to section 201(b) of this Act; and

"(C) will furnish technical assistance as feasible to such business concerns and governmental entities; and".

(b) Section 303(b) is amended by inserting at the end thereof the following new sentence: "To the extent feasible, the Secretary shall assist States in coordinating data collection required by this Act with that required by section 1176 of title 21, United States Code.".

(c) Section 303(c) of such Act is amended by inserting "a plan of action for the next three years and an analysis or survey of the extent to which other State programs and political subdivisions throughout the State are concerned and dealing effectively with the problems related to alcohol abuse and alcoholism" after "implementation of its state plan".

SEC. 12. Section 310(a) is amended by striking out "1979" and inserting in lieu thereof "1982".

SEC. 13. (a) Section 311(a) is amended—

(1) by redesignating paragraphs (1), (2), (3), and (4) as (2), (3), (4), and (5), respectively;

(2) by inserting before the newly designated paragraph (2) the following new paragraph:

"(1) to conduct demonstration and evaluation projects, with a high priority on prevention and early intervention projects in occupational and educational settings and on modified community living and work-care arrangements such as halfway houses, recovery homes, and supervised home care,";

(3) by striking out "conduct demonstration and evaluation projects, including projects designed to develop" and substituting "support projects of a demonstrable value in developing" in the newly designated paragraph (2);

(4) by striking out "native Americans" and inserting in lieu thereof "American Indians, Alaskan Natives, Hawaiian Natives, Native American Pacific Islanders, individuals over sixty-five years of age, handicapped" in the newly designated paragraph (3); and

(5) by inserting after "and alcohol abusers, families of alcoholics and alcohol abusers" after "female alcoholics" in the newly designated paragraph (3), and

(6) by adding the following new paragraph:

"(6) To provide emergency assistance to individuals (including spouses and dependents) who require immediate counseling and shelter to prevent incidents of alcohol-related domestic violence or as a result of such alcohol-related domestic violence. No funds provided under this paragraph may be used as direct payment to any victim or any dependent of a victim of domestic violence.".

(b) Section 311(b) is amended by inserting "(in the case of prevention and treatment services)" preceding to insure care of good quality".

(c) Section 311(c)(2)(A) is amended by adding the following at the end thereof: "Should the State not furnish such evaluation within the thirty days allowed, or should the State fail to furnish the applicant with a copy of its evaluation, no written or verbal evaluation by the State shall in any way prejudice such project or program.".

(d) Section 311(c)(4) is amended to read as follows:

"(4) The Secretary shall give special consideration to applications under this section for programs and projects for prevention and treatment of alcohol abuse and alcoholism and their consequences among women and youth.".

SEC. 14. (a) Section 312 is amended—

(1) by redesignating such section as section 313;

(2) by striking out "sections 310 and 311" and inserting in lieu thereof: "sections 310, 311, and 312";

(3) by striking out "and" following "September 30, 1978,"; and

(4) by inserting the following before the period: ", $115,000,000 for the fiscal year ending September 30, 1980, $120,000,000 for the fiscal year ending September 30, 1981, and $130,000,000 for the fiscal year ending September 30, 1982. No less than 8 percent of the sum appropriated under this section for any fiscal year shall be used for grants to programs intended wholly or in part to prevent the occurrence, recurrence, or spread of alcoholism or alcohol abuse. No more than 50 percent of the amount by which the sum appropriated under this section for any fiscal year exceeds the sum appropriated for fiscal 1979 shall be used for grants authorized by section 312".

(b) Such Act is further amended by inserting the following new section following section 311:

"INSURANCE INCENTIVE GRANTS

"SEC. 312. (a) To assist States which are taking steps through their insurance regulatory systems to cover alcoholism and alcohol abuse, the Secretary, acting through the Institute, may, during the period beginning October 1, 1979, and ending September 30, 1982, make grants to such States for demonstration and implementation of programs designed to achieve such coverage. A grant under this section to any State may be made for such planning and start-up costs (as determined in accordance with regulations promulgated by the Secretary) as may be incurred by such State, political subdivisions thereof, medical facilities, or public or private organizations involved in such demonstration or implementation.

"(b) No grant may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall by regulation prescribe. The Secretary may not approve an application of a State unless he determines that the State proposes to conduct a demonstration project or to implement a requirement through its insurance regulatory process that will constitute significant progress toward its goal of coverage of alcoholism and alcohol abuse.

"(c) All public or private health insurance plans developed in accordance with this section shall include coverage for inpatient or outpatient care at a licensed hospital treatment facility, licensed detoxification facility, licensed halfway house or recovery home, or licensed, certified or State approved residential treatment facility.

"(d) The amount of any grant under this section to any State for any fiscal year may not exceed an amount equal to 10 percent of the allotment of such State for such fiscal year under section 302 of this Act. Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.".

SEC. 15. Such Act is further amended by inserting after section 321 the following new section:

"ADMISSION OF ALCOHOL ABUSERS AND ALCOHOLICS TO PRIVATE AND PUBLIC SOCIAL SERVICE, MENTAL HEALTH, INTERMEDIATE CARE, AND RELATED FACILITIES

"SEC. 322. (a) Alcoholic abusers and alcoholics who are suffering from personal, emotional, or social conditions shall not be discriminated against in admission or care, solely because of their alcohol abuse or alcoholism, by any private or public social service, mental health, intermediate care, rehabilitation, or other service-related facility which receives Federal Government financial support for that service.

"(b)(1) The Secretary shall issue regulations not later than 12 months after the enactment of this section for the enforcement of the policy of subsection (a) with respect to the admission and care of alcohol abusers and alcoholics in facilities covered by this section (other than facilities operated by the Veterans' Administration). Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a facility which receives support of any kind from any program administered by the Secretary and subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind received by such facility from any program administered by the Secretary The Secretary may consult with the officials responsible for the administration of any other Federal program from which a facility covered by subsection (a) receives support of any kind, with respect to the suspension or revocation of Federal support for such facility found to violate such subsection.

"(2) The Administrator of Veterans' Affairs shall, to the maximum extent consistent with the Administrator's responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under paragraph (1) of this subsection, to facilities operated by the Veterans' Administration to provide the same kinds of benefits and services to veterans under title 38 as are provided by the facilities described in subsection (a). In prescribing and implementing regulations pursuant to this paragraph, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of such regulations, including the implementation thereof. The provisions of this section shall not supersede the provisions of sections 4133 and 4134 of title 38, United States Code.".

SEC. 16. (a) Section 217(a) of the Public Health Service Act is amended, in the fourth sentence thereof, by inserting "Appointed members may serve after the expiration of their terms until their successors have taken office." at the end of clause (3).

(b) Section 217(d) of the Public Health Service Act is amended by inserting "and to evaluate the results of such projects or programs," preceding "and (2) to collect information".

SEC. 17. (a) Section 501(a) is amended to read as follows:

"SEC. 501. (a) The Secretary, acting through the Institute, shall carry out a program of research, investigations, experiments, demonstrations, and studies, directly and by grant or contract, into—

"(1) the social, behavioral, and biomedical etiology,

"(2) prevention,

"(3) treatment,

"(4) mental and physical health consequences,

"(5) social and economic consequences, and

"(6) the impact on families,

of alcohol abuse and alcoholism.".

(b) Section 501(b) is amended—

(1) in paragraph (3), by inserting ", with particular emphasis on understanding the relationship between alcohol abuse and domestic violence, the effects of alcohol use during pregnancy, and the relationship between the abuse of alcohol and other drugs and the effect of social, legal, economic, and educational factors" before the semicolon;

(2) in paragraph (5)—

(A) by inserting ", to the extent practicable to further the purposes of this Act," following "promote";

(B) by inserting "the National Institute of Drug Abuse and by" following "similar programs conducted by"; and

(C) by inserting "departments," preceding "agencies";

(3) in paragraph (6), by striking out "biomedical and behavioral" and substituting "biomedical, behavioral, epidemiological, and social"; and

(4) in paragraph (8), by inserting "and other scientific research" following "statistical".

SEC. 18. Section 502 is amended—

(1) by striking out "and" following "treatment,"; and

(2) by inserting ", and evaluation" following "prevention".

SEC. 19. Section 503 is amended—

(1) by striking out "and" following "September 30, 1978,"; and

(2) by inserting ", $22,000,000 for the fiscal year ending September 30, 1980, $28,000,000 for the fiscal year ending September 30, 1981, and $32,000,000 for the fiscal year ending September 30, 1982," after "September 30, 1979".

SEC. 20. (a) Section 504(a) is amended—

(1) by striking out "alcohol problems" and inserting in lieu thereof "biomedical, behavioral, and social issues related to alcoholism and alcohol abuse";

(2) by inserting "or consortium of entities" following "entity";

(3) in subparagraph (1)(B), by striking out "laboratory facilities and reference services (including reference services that will afford access to scientific alcohol literature," and inserting in place thereof "facilities (including laboratory, reference, and data analysis facilities) to carry out the research plan proposed to be conducted under this section;";

(4) in subparagraph (1)(D), by striking out "and" at the end thereof;

(5) in subparagraph (1)(E), by striking out "medical and osteopathic students and physicians;" and inserting in lieu thereof "medical, nursing, social work, osteopathic, and other specialized graduate students;"; and

(6) by inserting after subparagraph (1)(E) the following:

"(F) the applicant has the capacity to conduct programs of continuing education in such medical, legal, or social service fields as the Secretary may require.".

(b) Section 504(a) is further amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting "(2) the Secretary finds that designating such Center will not hamper the ability of, or availability of adequate funds for, existing Centers to carry out the provisions of the research plans submitted under subsection (a)(3) as approved by the Secretary;" after paragraph (1).

(c) Section 504(b) is amended by striking out "$1,000,000." at the end of the second sentence and substituting "$1,500,000.".

(d) Section 504(c) is amended by striking out the period at the end thereof and substituting ", $9,000,000 for the fiscal year ending September 30, 1980, $10,000,000 for the fiscal year ending September 30, 1981, and $11,000,000 for the fiscal year ending September 30, 1982.".

SEC. 21. The Act is further amended by adding at the end thereof the following new title:

"TITLE VII—NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

"ESTABLISHMENT OF A NATIONAL COMMISSION ON ALCOHOLISM AND OTHER ALCOHOL-RELATED PROBLEMS

"SEC. 701. (a) There is established a Commission to be known as the National Commission on Alcoholism and Other Alcohol-Related Problems (hereinafter in this title referred to as the "Commission"). The Commission shall be composed of—

"(1) four Members of the Senate appointed by the President of the Senate upon the recommendation of the majority and minority leaders;

"(2) four Members of the House of Representatives appointed by the Speaker of the House of Representatives upon the recommendation of the majority and minority leaders;

"(3) eleven public members appointed by the President with the advice and consent of the Senate; and

"(4) ex officio members from agencies of the Federal Government, appointed by the President, in an advisory capacity only, whose programs affect the prevention and treatment of alcoholism and the rehabilitation of alcoholics and alcohol abusers, and such ex officio members shall be individuals with knowledge of such programs.

At no time shall more than two of the members appointed under paragraph (1), more than two of the members appointed under paragraph (2), or more than six of the members appointed under paragraph (3) be members of the same political party.

"(b)(1) The President shall designate one of the members of the Commission as Chairperson, and one as Vice Chairperson. Ten members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

"(2) Members of the Commission who are Members of Congress or full-time officers or employees of the United States shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of the duties vested in the Commission. Other members of the Commission shall each be entitled to receive the daily equivalent of the annual rate of the basic pay in effect for grade GS–18 of the General Schedule for each day (including traveltime) during which they are engaged in the actual performance of the duties of the Commission; and, while away from their homes or regular places of business in the performance of duties of the Commission, they shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5 of the United States Code.

"(3) The Commission shall meet at the call of the Chairperson or at the call of the majority of the members thereof.

"(c)(1) The Commission may appoint and fix the pay of an executive secretary to assist the Commission in carrying out its functions. The executive secretary shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 of subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

"(2) The Secretary shall provide the Commission with such additional professional and clerical staff, such information, and the services of such consultants as the Secretary determines necessary for the Commission to carry out effectively its functions. Such consultants shall receive compensation at a rate to be fixed by the Secretary, but at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay in effect for grade GS–18 of the General Schedule. While away from his or her home or regular place of business in the performance of services for the Commission, any such person may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703(b) of title 5, United States Code, for persons in the Government service employed intermittently.

"(3) The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out its duties under this section. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission consistent with applicable laws and regulations with respect to the privacy of medical records.

"STUDY AND REPORT

"SEC. 702. (a) The Commission shall conduct a study of alcoholism and alcohol-related problems including, but not limited to, the following areas:

"(1) an assessment of unmet treatment and rehabilitation needs of alcoholics and their families;

"(2) an assessment of personnel needs in the fields of research, treatment, rehabilitation, and prevention;

"(3) an assessment of the integration of alcoholism treatment and rehabilitation into ongoing health and social health care services within communities;

"(4) an assessment of the need for integration of alcoholism services into existing fiscal support systems and in comprehensive national health care financing;

"(5) an evaluation of the accessibility of services and quality of care, including services in rural as well as urban areas;

"(6) the relationship of alcohol use to aggressive behavior and crime;

"(7) the relationship of alcohol use to family violence;

"(8) the relationship of alcoholism to the rates of illnesses, particularly those with a high stress component, among family members of alcoholics;

"(9) an evaluation of the effectiveness of prevention programs, including the relevance of alcohol control laws and regulations to alcoholism and alcohol-related problems;

"(10) a survey of the unmet research needs in the area of alcoholism and alcohol-related problems; and

"(11) an evaluation of the needs of special and underserved population groups, including American Indians, Alaskan Natives, Hawaiian Natives and Native American Pacific Islanders.

"(b) The Commission shall submit to the President and the Congress such interim reports as it deems advisable and shall within two years after the date on which funds first become available to carry out the provisions of this section submit to the President and the Congress a final report which shall contain a detailed statement of its findings and conclusions and also such recommendations for legislation and administrative actions as it deems appropriate. The Commission shall cease to exist sixty days after the final report is submitted under this subsection.

"COORDINATION AND AUTHORIZATION OF APPROPRIATIONS

"SEC. 703. (a) The Secretary of Health, Education, and Welfare shall be responsible for the coordination of the activities of the Commission.

"(b) There are authorized to be appropriated for the purposes of this section $2,000,000 to remain available until the expiration of the Commission.".

SEC. 22. Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343), be amended to read as follows:

"(q) No bottle or container containing a beverage having more than 24 per centum of alcohol by volume, unless the label of such bottle contains the following statement: 'Caution: Consumption of alcoholic beverages may be hazardous to your health.'. Such statement shall be located in a conspicuous and legible type in contrast by typography, layout, or color with other printed matter on the label.".

Mr. HATCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. RIEGLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AID TO UGANDA

The PRESIDING OFFICER. Under the previous order the Senate will now proceed to the consideration of Calendar Order No. 119, which the clerk will state by title.

The legislative clerk read as follows:

A bill (S. 1019) to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Time for debate on this bill is limited.

Who yields time?

Mr. MATSUNAGA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 440.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. I ask unanimous consent that it be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. CHURCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I ask unanimous consent that Pauline H. Baker, a member of the staff of the Committee on Foreign Relations may have the privileges of the floor during the consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. For 8 years under the cruel and capricious rule of Idi Amin the Ugandan people suffered gross abuses of human rights. The toll of death and destruction may never be known. Mindful of this deplorable situation, Congress imposed restrictions on economic assistance to Uganda to express the abhorrence of the American Government and people for the Amin government. The Ugandan people have now risen up and with Tanzanian assistance have driven Amin from Uganda. The new Government of Uganda, which is broadly representative of the Ugandan people, has publicly announced its intention to pursue a policy of reconciliation and reconstruction in an effort to rebuild Uganda's political and economic institutions. Having taken a leading role in condemning the Amin regime, the United States has a responsibility to aid the provisional Government of Uganda with this reconstruction process. We must demonstrate to the Ugandan people that our sanctions on economic assistance were directed not at them, but at Idi Amin's detestable government.

Uganda will undoubtedly require humanitarian assistance as a first step to contend with the dislocation and destruction resulting from the liberation struggle. While we are not yet informed of their specific requirements, we expect to have this information soon. One can anticipate, however, that Uganda will need such items as medicines, blankets, clothing, and temporary shelter, as well as food. Removal of existing restrictions on assistance to Uganda would permit the release of humanitarian assistance from funds already appropriated for worldwide emergency relief activities. Bilateral development assistance would likely not be funded until fiscal year 1980.

I believe we can all agree that we must acknowledge the profound change in the situation in Uganda and that the United States must be in a position to respond to that nation's genuine humanitarian requirements. I therefore urge support of this legislation removing restrictions on economic assistance to Uganda for fiscal year 1979.

In addition, Mr. President, I would like to urge the administration to establish a diplomatic mission in Uganda as soon as possible. I note that Great Britain has already extended recognition to the new government and other major Western governments are considering similar action. With recognition, we will again be showing the Ugandan people that our boycott, our sanctions, and our withdrawal of a diplomatic mission from the country were aimed not at them, but at the detestable regime of Idi Amin.

Mr. President, on behalf of Senator JAVITS, who could not be present this afternoon, but who serves as the senior Republican member of the committee, I would like to submit an editorial from the New York Times published on May 2, 1979 and captioned "When a State Goes Insane." One part of that editorial reads:

> In the end, Idi Amin made the mistake of invading Tanzania, thus giving it license to chase him from power. Surely the human community approves the result even as it worries about abuse of the precedent; there was not much "liberation" in Vietnam's simultaneous invasion of Cambodia.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHEN A STATE GOES INSANE

To have known about the butchery in Idi Amin's Uganda, it turns out, was to know very little. Maybe 100,000 persons were murdered in eight years, maybe 300,000, out of 12 million. Mostly they disappeared, one at a time, to be shot or starved, bludgeoned with car axles, sledgehammers and machetes, or thrown to crocodiles. When Tanzanians liberated the Kampala prisons two weeks ago, they found the underground cells packed with corpses; only a few skeletal figures had survived by drinking their own urine and eating the flesh of the dead.

More than one man was at work here. No less than three "security services" vied savagely for power and booty in Idi Amin's domain. The slaughter served no ideology. It was unleashed without even the pretense of a social purpose or foreign menace. Idi Amin sometimes stood above the bloodbath, veiling execution orders as a request for "the V.I.P. treatment." Some Ugandans apparently believed him a benevolent tyrant struggling to control evil subordinates. But the entire nation felt the daily peril.

Many, in fact, invoked the terror for private gain. "There were a lot of what might be called personal killings," a doctor recalls. "If I was in the same trade as you, I would have you killed. Or if I wanted your car, or, we shared a girl friend, or we were up for the same Government post, someone makes an allegation against you of some sort and you just disappear."

Most people joined the conspiracy of silence. "We developed a kind of language," says a missionary priest. "If someone said, 'We had a thunderstorm last night,' you knew there had been a lot of shooting." And almost all submitted. "It was difficult for anyone to put up any resistance because these people were ruthless," an accountant reports. "Any time anyone tried, it led to more killings. I've seen the way these people kill. They enjoy it. They open you up like fish."

In summarizing the carnage, our colleague John Darnton properly called it the "institutionalized brutality of a state gone insane." Yet the world looked on, sometimes horrified but always helpless. The United Nations has ceased to be an instrument for asserting human values against a state; its selective concern for the inhumanity of some regimes is shaped only by national or racial values. The Afro-Asian bloc at the U.N. refused to deal with Uganda, and the African states even let Idi Amin take his ritual turn as their spokesman. Random boycotts were useless against a government that cared nothing about its economy.

In the end, Idi Amin made the mistake of invading Tanzania, thus giving it license to chase him from power. Surely the human community approves the result even as it worries about abuse of the precedent; there was not much "liberation" in Vietnam's simultaneous invasion of Cambodia.

Who, then, determines when commonplace tyranny has turned into insanity? Who can answer the cries of anguish when barbarity hides behind the conventions of sovereignty? Before such horror, each of us still stands alone.

Mr. CHURCH. In asking unanimous consent for the entire editorial to be printed in the RECORD, Mr. President, I make the point that I am sure Senator JAVITS would have wanted to make had he been present this afternoon to participate in this debate, which is that this bill is not presented to the Senate to set any sort of precedent. Nor do we lift the sanctions imposed against Idi Amin for the purpose of suggesting that the United States approves of invasion from without, even though it may result in the removal of a leader whose regime became notorious for its brutality.

All the world can rejoice that Idi Amin no longer rules Uganda, and that his reign of darkness is over. It is enough that we recognize the new conditions. It is enough that we understand that it is no longer appropriate for our laws to contain restrictions which would prohibit us from extending to the victims of Idi Amin, the people of Uganda, the humanitarian relief that may be necessary in the months to come.

So it is for this purpose alone that the Foreign Relations Committee offers this measure. It is time that we act without further delay, and I would hope that the bill would receive the approval of the Senate.

Mr. President, the chairman of the African Subcommittee, the distinguished senior Senator from South Dakota (Mr. MCGOVERN) is on the floor, and I defer to him at this time for such remarks as he may care to make.

Mr. McGOVERN. Mr. President, I thank the Senator from Idaho, the chairman of the Committee on Foreign Relations. I wholly subscribe to Senator CHURCH's analysis of the situation in Uganda. I think we are actually dealing with an unprecedented situation in Uganda. I cannot think of any parallel to the kind of issue that has been raised in Uganda.

When Congress voted to cut off trade and economic assistance to Uganda, it was not because of the nature of the society in Uganda; it was not because of any colonial relationship; it was not because of any particular pattern of racism. It was the brutal behavior of a single man, a dictator who was bent on the slaughter of his own people, and according to some estimates may have killed as many as 300,000 Ugandan citizens—perhaps the worst abuse of human rights anywhere in the world, with the possible exception of the Pol Pot regime in Cambodia.

In any event, as the Senator from Idaho has said, the restriction on trade and aid to Uganda was not aimed at that country because of its people or its society, or any particular pattern other than the brutal, murderous behavior of one man, who has now been removed by action of his own people, with the help of the neighboring State of Tanzania.

So I think the Senate of the United States is acting with perfect consistency with our earlier action in arriving at economic restrictions that we applied to Uganda, when we recognize the new realities that exist in that country today.

A State Department delegation has already gone to Uganda, and I think properly so, to assess the needs of the people, and we ought to be in a position to respond to the recommendations that are made by that State Department team when its findings are complete.

Some have questioned the pace of our response, urging caution because we do not yet know what kind of government will come into effect. But I find it difficult to follow that logic. We imposed the restrictions because of Idi Amin. He has been overthrown, and the logic of that is that the restrictions should therefore come off. To maintain them now would only cripple the new provisional government from pursuing the worthy objectives it has already announced and set out to attain. To maintain them further would only restrict whatever influence we might have in encouraging events and developments in Uganda that not only serve the cause of the people of that country, but serve American foreign policy interests in Uganda and throughout the African continent.

I think the Senator from Idaho has made the case very well, and I would only add my own word to what has already been said in urging the adoption of this measure.

I thank the Senator from Idaho for yielding.

The PRESIDING OFFICER. The Senator from California.

Mr. HAYAKAWA. Mr. President, I thank the distinguished chairman of the Foreign Relations Committee for his remarks about Uganda, and also the chairman of the Subcommittee on Africa (Mr. McGOVERN) for his remarks. There is little I find to disagree with in what they say about what a joyful thing it is that Idi Amin is no longer the ruler of that unhappy country. We have gotten rid of a terrible monster and a tyrant in getting rid of him.

I therefore do not intend to oppose this bill in any way, but before its passage I would like to make a comment or two.

We must recognize a new situation in Uganda. It has been made perfectly clear by both Senator CHURCH and Senator McGOVERN that there is a whole new situation there.

However, I think that we have shown ourselves to be in a considerable hurry to recognize new situations when they are established by force of arms. For example, when the former regime in Afghanistan was overturned by revolutionary groups, we were prompt in recognizing the new regime in Afghanistan. We recognized the Shah of Iran for a long, long time. Suddenly he was overthrown, and immediately we recognized Bazargan; then he was overthrown in a week's time, and we recognized Khomeini. Each time, those regimes were overthrown by force of arms, but we fell all over ourselves to recognize the new regime.

Here, once again, we see a regime overthrown by force of arms, namely, by Tanzanians going into Uganda.

Much as that was necesary, and a step forward for the people of Uganda and Africa, nevertheless it was accomplished by force of arms. But when a situation is changed by a nation legally, in terms of its own constitution, and that constitution is ratified by its own people, and then when elections are held and a new set of circumstances has been created by that thoroughly legal election—I refer, of course, to the situation in Zimbabwe-Rhodesia—we find ourselves totally paralyzed, unable to act.

A group of four of us from the U.S. Senate had the honor of meeting with Secretary of State Cyrus Vance this afternoon. We asked, when is this administration going to make a determination under the terms of the Case-Javits legislation of last year to decide one way or the other about what we are going to do about the recognition of Zimbabwe-Rhodesia, when are we going to lift the sanctions?

The Secretary of State told us that at a kind of minimum it will take another 6 weeks to examine the evidence and to decide what to do. In other words, our administration is all too ready, or our Nation is all too ready, to accept a change of government by force, but not at all ready to accept a change of government by constitutional means, within the constitution of that government.

That is exactly what has happened in Rhodesia. There is a changed situation there and somehow our administration insists on twiddling their thumbs and do not know what to do about it.

I want to call attention, without drawing any further objection to the present legislation, to the illogic of this situation.

I thank the Chair. I yield my time back to the chairman of the Foreign Relations Committee.

Mr. HATFIELD. Will the Senator yield?

Mr. CHURCH. Mr. President, how much time remains under the unanimous-consent agreement?

The PRESIDING OFFICER. There are 13 minutes remaining to the Senator.

Mr. HATFIELD. Will the Senator yield 2 mintues?

Mr. CHURCH. I will be happy to yield 2 minutes to the distinguished Senator from Oregon and then such time as the distinguished Senator from North Carolina, a member of the Foreign Relations Committee, may require.

UP AMENDMENT NO. 131

Mr. HATFIELD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) for himself and Mr. WEICKER, proposes an unprinted amendment No. 131.

Mr. HATFIELD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 7, insert the following:

(c) Subsection (2) and subsections (c) and (e) of section 5 of the Act entitled "An Act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund", approved on October 10, 1978 (Pub. L. 95-435), is repealed.

(b) Subsection (m) of section 4 of the Export Administration Act of 1969, as added by section 5(d) of such Act, is repealed.

Mr. HATFIELD. Mr. President, some time back I introduced an amendment, following the fall of Idi Amin, to lift the trade embargo which had been enacted by the Congress on this new political regime which has succeeded Amin. That amendment was referred jointly to both the Senate Foreign Relations Committee and to the Senate Banking, Housing, and Urban Affairs Committee. Both committees have passed on the amendment. The Senate Banking Committee just today, in fact, reported the amendment.

I use this procedure at this time merely to expedite the handling of the matter by attaching it here to the aid bill in order to give more support to this new regime and to be able to bring about some trade relations which will help stabilize the new regime. They are not asking for aid in this amendment and I do not know if they are asking for aid in any way. But at least this will help facilitate normalizing the trade relationships which would help stabilize this new regime. That is the sole purpose of the amendment. As I said, it has been passed upon by both the Foreign Relations Committee and the Banking, Housing, and Urban Affairs Committee. I move its adoption.

Mr. CHURCH. Mr. President, I not only endorse the amendment but I do so enthusiastically. I commend the Senator from Oregon for having played the leadership role in getting the embargo imposed on Ugandan exports some months ago. I feel that that action by the Congress may have contributed to the downfall of Idi Amin.

In addition, I commend him for the prompt action he has taken to remove the embargo in order that it will not prove an obstacle to the success of the new regime, the new government.

Mr. HATFIELD. Mr. President, may I say I am very grateful to the Senator from Idaho for his strong support on this embargo repeal, and for its adoption.

The Senator from North Carolina is

to be thanked for his assistance in the Foreign Relations Committee.

Mr. HELMS. Mr. President, there is certainly no opposition on this side of the aisle to the amendment of the distinguished Senator from Oregon. I vigorously and enthusiastically support it and I hope he is setting a trend which will carry over to include Rhodesia.

● Mr. WEICKER. Mr. President, today, along with Senator HATFIELD, I am offering an amendment to S. 1019 to repeal the U.S. economic embargo of Uganda. This amendment is identical to legislation introduced on April 26, S. 1018.

As I stated when this bill was introduced, the fall of Idi Amin has been greeted with celebration and thanksgiving around the world as the Uganda people have ridded themselves of this murderous madman. The new Ugandan regime of Dr. Yusufu Lule has already demonstrated a genuine commitment to the welfare and rights of the Ugandan people. This development should signal the resumption of U.S. trade and aid.

I believe it is important that the Senate take both steps to restoring our Nation's relationship with the people of Uganda today. For that reason Senator HATFIELD and I propose to amend the pending aid bill with language to lift sanctions directed against Amin. There is no reason for further delay in taking this important step.

Mr. President, I believe that the United States and the Senate can justifiably take pride in our efforts to bring about Amin's downfall through the unilateral U.S. embargo. With those efforts, the United States has incurred a special obligation to the Ugandan people to assist in the rebuilding process. I believe S. 1019, with the proposed amendment attached, would bring about a new relationship based on the new circumstances we face.●

Mr. CHURCH. I yield back my time.

Mr. HATFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HELMS. Mr. President, does this Senator from North Carolina have one-half hour of time equally divided on an amendment?

The PRESIDING OFFICER. The Senator is to have one-half hour.

Mr. HELMS. That is correct, equally divided. Mr. President, I ask unanimous consent that I may be authorized to use——

The PRESIDING OFFICER. It is one-half hour equally divided.

Mr. HELMS. Yes, 15 minutes to a side. I ask unanimous consent that I may be entitled to use 10 minutes of that without submitting an amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

Mr. President, I want to underscore the comments of my friend from California, Senator HAYAKAWA. I do not intend to be repetitive. He has stated the case admirably and eloquently.

As the action taken on the amendment of the distinguished Senator from Oregon (Mr. HATFIELD) indicates, it is a little bit ironic that we are in effect lifting sanctions against Uganda, a nation which has seen a change of government brought about by an invading army, while at the same time the President of the United States continues to delay lifting sanctions against Zimbabwe-Rhodesia, a nation which also has seen a change in government.

The difference is that the change happened in Zimbabwe-Rhodesia through the ballot box.

However meritorious we find the downfall of Idi Amin, and I find it exceedingly meritorious, Idi Amin's demise is a result of a bloody invasion by another African state. In Zimbabwe-Rhodesia, the people have spoken, and except for some sour grapes here and there, and a few unsubstantiated and, I believe, contrived reports to the contrary, the election held in Zimbabwe-Rhodesia was free and open, as stipulated by the Case-Javits amendment last year.

There were repeated offers by Bishop Muzorewa, Ian Smith, and others, to bring in all parties to a conference. Good faith was shown in every respect by all but the Marxist terrorists. Yet we continue to delay the lifting of sanctions on Zimbabwe-Rhodesia. The contrast between the peaceful and orderly transfer of power in Zimbabwe-Rhodesia and the overthrow of the Idi Amin regime in Uganda is too great to be overlooked or ignored. This Senator and others do not intend to ignore it.

Having said that, Mr. President, the Senator from North Carolina has no desire whatsoever to engage in even what would appear to be a partisan political confrontation with the President of the United States on this issue. I hope we can stand united, the Congress and the Executive, in doing what is right toward a nation which desperately needs, after all of these years, to be allowed to recover, and to get back on its feet economically, so that it can begin to rebuild its commerce, its industry, and its standard of living.

As I believe my distinguished colleague from California may have mentioned, a few of us met earlier this afternoon with the distinguished Secretary of State. Secretary Vance indicated that a decision on this matter would not be forthcoming prior to approximately the middle of June. I believe his exact words were, "No later than June 15."

Mr. President, that is too long. Zimbabwe-Rhodesia has met every condition set down by the Case–Javits amendment. I think good faith now requires Congress to move, and it is the intent of this Senator to give the Senate an opportunity in the very near future to do so.

In the coming days, I shall present the case for lifting sanctions against Zimbabwe-Rhodesia. The information which I shall present to the Senate is available to the President of the United States, the CIA, the DIA, the State Department, and all others who are involved in the review by the executive branch of the recent elections in Zimbabwe–Rhodesia.

I simply say, Mr. President, that by any objective standard, the recent election was free and open. I raise the question of what other African state can claim the same. I dare say that many so-called African leaders would not know a free election if they stumbled over one in the bright light of the noonday sun. Mr. President, it is time for America to end its adversary posture toward Rhodesia. It is time to lift sanctions.

I shall not submit an amendment to this particular piece of legislation. But I think that, within the next 2 or 3 days, there will be an appropriate legislative vehicle, at which time I do intend to submit such an amendment.

I thank my distinguished chairman for yielding to me.

Mr. CHURCH. I thank the able Senator from North Carolina for helping to expedite the consideration of this bill by withholding his amendment at this time.

Mr. President, I have received a letter from the Congressional Budget Office signed by its Director, which reads as follows:

> Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed S. 1019, a bill which will amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes, as ordered reported by the Senate Committee on Foreign Relations on May 1, 1979.
>
> This bill removes prohibitions on direct assistance to Uganda, and it is expected that no additional cost to the government will be incurred as a result of enactment of this legislation.

Mr. President, I know of no further amendments to the bill.

Mr. McGOVERN. Will the Senator permit me just 1 minute?

Mr. HELMS. Mr. President, if the Senator will yield, I wish to make clear that I have no intention of calling up the amendment for which time was set aside for the Senator from North Carolina. If it be in order, I should like to vitiate that part of the unanimous-consent request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HELMS. I thank the Chair.

I thank the Senator for yielding.

Mr. McGOVERN. Mr. President, some time ago, the senior Senator from Massachusetts (Mr. KENNEDY) and I requested of five different organizations their analysis of U.S. responsibilities with regard to sanctions in Rhodesia and, also, their analysis of the internal settlement, the Rhodesian constitution, and the election structure. The first of those groups has replied to our request: the Lawyers' Committee for Civil Rights Under Law. On behalf of myself and Senator KENNEDY, I ask unanimous consent that a letter of today's date, May 7, from the members of the Lawyers Committee for Civil Rights Under Law, plus their summary conclusions and the report of this group, be printed at the conclusion of the discussion today on the Uganda issue.

(Mr. EXON assumed the chair.)

There being no objection, the material was ordered to be printed in the RECORD, as follows:

LAWYERS COMMITTEE,
FOR CIVIL RIGHTS UNDER LAW,
Washington, D.C., May 7, 1979.
Senator EDWARD M. KENNEDY,
U.S. Senate,
Washington, D.C.
Senator GEORGE MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATORS KENNEDY AND MCGOVERN: Thank you for inviting the Lawyers' Committee for Civil Rights Under Law to express its views on issues relating to Rhodesian sanctions.

We are forwarding two papers for your consideration and use. These papers were prepared by the staff of the Southern Africa Project of the Lawyers' Committee. We have reviewed the papers and endorse their conclusions. The first paper, approximately 50 pages in length, includes a comprehensive analysis of the Rhodesian Constitution and Electoral Act of 1979. It sets out the United States' obligations under international law concerning Rhodesian sanctions and reaches conclusions whether the recent election in Rhodesia was "fair", and whether the governmental structure to be established will truly represent the black people of that country. The second paper is a summary of the first.

Sincerely,

CHARLES A. BANE,
Cochairman.
THOMAS D. BARR,
Cochairman.
GEORGE N. LINDSAY,
Chairman, Southern Africa Subcommittee.

LAWYERS' COMMITTZE FOR CIVIL RIGHTS UNDER LAW

MEMORANDUM

To Ms. Pauline Baker.
From The Lawyers' Committee for Civil Rights Under Law.
Subject Rhodesian Sanctions.
Date May 4, 1979.

Question presented:

In your letter of April 13, 1979, you asked that the Lawyers' Committee for Civil Rights Under Law submit a report to you on the following three questions:

(1) What are the international legal obligations of the United States under the United Nations Charter and the United Nations Participation Act of 1945 with respect to Rhodesian sanctions?

(2) Does the constitution approved by the white electorate of Rhodesia on January 30th meet the definition of the term "majority rule" within the intent of pertinent resolutions of the United Nations establishing a program of sanctions?

(3) Do the provisions of that constitution and the electoral laws, regulations and procedures established by the government of Rhodesia permit a free and fair election in which:

(a) all populations and political groups are permitted to particioate freely?

(b) equal representation is accorded to all citizens regardless of race, ethnic background, or political affiliation?

(c) equal voting rights are provided for all citizens regardless of race, ethnic background or political affiliation, on the principle of one citizen, one vote?

Conclusions:

Subject to the remarks set forth in the section below, the conclusions to your inquiry are as follows:

(1) The United States is obligated under the United Nations Charter and the United Nations Participation Act of 1945 to maintain sanctions against Rhodesia until the United Nations Security Council decides that the situation in Rhodesia no longer presents a threat to world peace, and that current conditions in that country warrant a lifting of sanctions. In the event that the President is confronted with a decision as to whether sanctions against Rhodesia should be lifted, he should direct the United States ambassador to the United Nations to convene a meeting of the Security Council so as to make such a determination.

(2) The constitution approved by the white electorate of Rhodesia on January 30th does not meet the definition of "majority rule" within the intent of pertinent resolutions of the United Nations establishing a program of sanctions.

(3) The provisions of that constitution and the electoral laws, regulations and procedures established by the government of Rhodesia did not permit a free and fair election in which a) all populations and political groups were permitted to participate freely, b) equal representation was accorded to all citizens and c) equal voting rights were provided for all citizens on the principle of one citizen, one vote.

Discussion:

(1) On November 11, 1965, Rhodesia, then a British colony, issued a Unilateral Declaration of Independence (UDI) under a new Constitution, with Ian Smith as Prime Minister. Fearful that British intervention would end white minority rule, Rhodesia's UDI was exercised with the full intent of perpetuating white minority rule and thwarting the aspirations of the African majority. The British government declared Rhodesia's UDI to be an illegal act of rebellion against the Crown. As a result of UDI and the subsequent actions taken by Britain and the international community, Rhodesia is not recognized as a state and its current government is viewed as illegal under international law.

United Nations involvement in the Rhodesian situation stems in large part from the United Nations' responsibilities on behalf of peoples in trust and non-self governing territories. On December 14, 1960, the General Assembly of the United Nations adopted Resolution 1514 (xv) entitled "Declaration on the Granting of Independence to Colonial Countries and Peoples." [1] In this Resolution, the General Assembly recognized that the denial of or impediments to the freedom of colonized peoples would constitute a threat to world peace. The Resolution declared that, "All peoples have the right to self-determination; by virtue of that right they freely pursue their economic, social and cultural development." [2]

General Assembly Resolution 1514 (xv) which was affirmed by the Security Council in Resolution 217 of November 20, 1965,[3] provided the rationale for the imposition of sanctions against Rhodesia. Rhodesia was viewed by the United Nations as a non-self governing territory. The Smith government's UDI, particularly its emphasis on entrenched white rule, was in direct opposition to General Assembly Resolution 1514 (xv). The Security Council regarded UDI as a serious threat to peace, and an act of repression certain to exacerbate tensions and result in liberation movements whose only recourse for change would be through violence.

In an effort to avoid the use of force to bring down the Smith regime, the United Nations Security Council, acting in accordance with Articles 39 and 41 of the United Nations Charter,[4] adopted Resolution 217 in 1965 which, inter alia, determined that, ". . . the situation resulting from the proclamation of independence by the illegal authorities in Southern Rhodesia is extremely grave, . . ." and called upon all states to (i) not recognize the illegal authority in Rhodesia and (ii) voluntarily impose economic sanctions against Rhodesia.[5] In 1966, the Security Council in Resolution 221,[6] found that the situation in Rhodesia had deteriorated to such a degree as to "constitute a threat to peace." Eight months later, deeply concerned that the voluntary measures taken by member states had failed to end the rebellion in Rhodesia, the Security Council adopted Resolution 232 [7] which determined that the situation in Rhodesia constituted a "threat to international peace and security." Acting in accordance with Article 39 of the Charter,[8] the Security Council voted to apply mandatory selective economic sanctions. To comply with Security Council Resolution 232,[9] President Johnson issued Executive Order 11322 (1967) on July 5, 1967.[10] In 1968, alarmed that the Salisbury regime remained intransigent, the Security Council in Resolution 253,[11] expanded mandatory economic sanctions. Again, to comply with the Resolution, and to fulfill the United States obligations under international law, the President issued Executive Order 11419.[12]

The United States, as a member of the United Nations, is obligated under international law to carry out the decisions of the Security Council taken pursuant to Articles 39 and 41 of the United Nations Charter. Under Chapter V, Article 25 of the United Nations Charter, member states are unequivocally obligated to "accept and carry out the decision of the Security Council in accordance with the present Charter." As United States Ambassador to the United Nations, Arthur Goldberg, stated on December 16, 1966 when Resolution 232 was adopted:

"If any member or non-member should substantially fail to carry out the Council's decision, this failure would be a violation of Charter provisions and obligations." [13]

Indeed, the United States has not only recognized the competency of the United Nations regarding sanctions against Rhodesia, but has voted, as a permanent member of the Security Council, in favor of the imposition of trade sanctions.

Despite the United States obligations to maintain a total economic boycott of all Rhodesian products under Article 25 of the United Nations Charter, on November 17, 1971, Congress enacted the "Byrd Amendment" [14] which permitted the importation of Rhodesian chrome. The Byrd Amendment placed the United States in immediate breach of the Charter and in violation of international law. The Amendment was repealed by House Resolution 1746 [15] in 1977.

Having only recently re-committed iteslf to fulfilling its international legal obligations under the Charter, the United States is again faced with the question of whether it chooses to be in violation of international law. On September 11 and 12, 1978, the House and Senate, respectively, passed the International Securities Assistance Act of 1978.[16] This Act contains a provision (the Case-Javits Amendment) which requires the United States government to lift sanctions against Rhodesia if the President determines that (i) the government of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and (ii) a government has been installed chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally recognized observers.[17]

The Case-Javits Amendment does not expressly abrogate United States treaty obligations under the United Nations Charter.

Footnotes at end of article.

The Supreme Court has ruled that a treaty (in the instant case the United Nations Charter) "will not be deemed to have been abrogated or modified by a later statute unless such purpose on the part of the Congress has been clearly expressed."[18] In this regard, Chief Justice Marshall's often quoted observation is of critical significance:

". . . An Act of Congress ought never to be construed to violate the law of nations if any other possible construction remains."[19]

An appropriate response to the current situation would be a Congressional directive to the President to convene, through the United States Ambassador to the United Nations, a meeting of the Security Council to determine whether there still exists a threat to peace in Rhodesia, and to ascertain whether current conditions in Rhodesia warrant the lifting of sanctions. If there are legitimate reasons for repealing sanctions, it should take place at the Security Council level. No individual state may substitute its judgment for that of the Security Council. Upon a determination by the Security Council that the sanctions should be lifted, the President could then comply with the Case-Javits Amendment or any other Congressional directive mandating the lifting of sanctions. By seeking a decision of the Security Council the President would be acting to support the principles of international law and the obligations of the United States under the United Nations Charter, while at the same time implementing any Congressional directives mandating the lifting of sanctions.

(2) The Constitution of 1979, which served as a basis for the recent Rhodesian elections, does not meet the test of majority rule within the intent of pertinent United Nations Resolutions establishing a program of sanctions. The retention of effective white control over the administrative machinery of the government, the disproportionate representation, inequitable voting system, and the preservation of various institutions in the same fashion as they were following UDI, are in fundamental disagreement with the standards set forth by the international community. Indeed, Resolution 1514(xv) requires a transfer of all powers to the peoples of Rhodesia "without any conditions or reservations."[20] Clearly, as set forth below, the 1979 Constitution does not meet this requirement.

White minority rule is perpetuated by Constitutional provisions which prescribe the composition, functions and qualifications for members of the judiciary, security forces and administrative bodies. Qualifications for senior members of these bodies and the commissions empowered to administer them, require that such persons be high-ranking officials of the former government. Such provisions ensure that white officials of the former government will retain control of the judiciary and major administrative machinery of the government. Blacks are effectively precluded from exercising such power.

These appointed officials are vested with the authority to establish the qualifications for entrance into all levels of their respective bodies and with comprehensive regulatory and administrative power. In formulating such qualifications, they are neither directed nor bound to effectuate black majority rule, and indeed, are afforded the protection of Section 131(3)(d) of the Constitution which states that no law will be held to be discriminatory to the extent that the law in question relates to qualifications, "not being qualifications specifically relating to race, tribe, place of origin, political opinions, colour or creed," for a position with any public authority established by a law of the Legislature for a public purpose. The administrative commissions are accountable to no other person or body. (§ 109 (4)).

The Constitutional provisions establishing the major governmental bodies are "specially entrenched." This means that, unlike other Constitutional provisions which require two-thirds majority approval, these provisions cannot be amended without the approval of seventy-eight of the 100 members of the House of Assembly. Given that the House of Assembly is comprised of seventy-two blacks and twenty-eight whites, six white affirmative votes are necessary to amend any entrenched provision. Whites are thereby afforded an effective veto over any changes in the composition and control of the judiciary, public service and security forces. (§ 157(2)(b)(1)).

The Constitution does provide that at the end of the second session of Parliament, or ten years, whichever is the longer, the composition of Parliament will be reviewed by a Commission. (§ 159). This Commission will be chaired by the Chief Justice, and will be composed of two members to be appointed by the President, and two who will be elected by the white members of the House of Assembly. This review in no way guarantees that the disproportionate representation of whites in Parliament (as documented in the following section) will be altered. Indeed, the composition of the Commission empowered to make that review, reflecting as it does white minority interests, offers little promise of effective majority rule. The Constitution does not provide for a review of the entrenched provisions which preserve white control and present the greatest obstacle to the transfer of all powers to the people of Rhodesia "without any conditions or reservations."

(3)(a) In late 1978, President Ian Smith, acting under the Emergency Powers (Maintenance of Law and Order) Regulations, issued a banning order against the Patriotic Front. As one consequence of this banning order, the Zimbabwe African Peoples Union (ZAPU) and the Zimbabwe African Nationalist Union (ZANU) were prohibited from participating in Rhodesia's first general election under the new Constitution. Recognized by the Organization of African Unity (OAU) as the major political force opposing minority rule in Rhodesia, the Patriotic Front constitutes a major political group. Its exclusion from the electoral process precluded a free and fair election in which all populations and political groups were permitted to participate freely.

A substantial number of persons were denied the right to participate in the elections in terms of § 21(f) of the Electoral Act which disqualifies:

. . . any person who for a continuous period of more than six months which expires after the appointed day [March 9, 1978] is the subject of a preventive detention order under any enactment providing for the preventive detention of persons, for the period of his detention and for a further period of five years from the date of his release from detention.

The use of preventive detention without trial is provided for in several sections of the Emergency Powers (Maintenance of Law and Order) Regulations. As long as Rhodesia remains under the state of emergency declared shortly after UDI in 1965 and renewed annually since that time, these regulations continue to have effect. On June 22, 1978, this state of emergency was renewed for a further year, with the consent of all parties to the internal settlement. Given that most of the detainees were political prisoners, persons opposed to the Smith government were most vulnerable to such disqualification.

The exclusion of the Patriotic Front and large numbers of persons held in preventive detention demonstrates unequivocally that the provisions of the Electoral Act did not permit a free and fair election in which all populations and political groups were permitted to participate freely.

(3)(b) Equal representation was not accorded to all citizens regardless of race, ethnic background or political affiliation in the formulation of the Constitution and electoral laws. The Constitution was drafted and approved by the white electorate and their representatives. Rhodesia's blacks did not participate in this process either through elected representatives or through direct participation in a referendum.

The provisions of the Constitution reserve a disproportionate share of seats in the House of Assembly for whites. Twenty-eight percent of the seats will be held by whites, who comprise only four percent of the total population. In contrast, Rhodesia's blacks, comprising ninety-six percent of the population, are only accorded seventy-two percent of the seats.

The allocation of seats in the Senate compounds the disproportionate representation accorded to whites. The white minority is guaranteed the same number of Senate seats as is the vast black majority. The twenty-eight white members of the House of Assembly will elect ten white Senators, and the seventy-two blacks members of the House will elect ten black Senators. While the disproportionate reservation of seats for a minority of a country's population is not a practice unique to Rhodesia, in other instances such provisions were first submitted to the population at large for approval. This was clearly not true of the Rhodesian Constitution of 1979.

Additional documentation of unequal representation has already been mentioned in Part (2) above.

(3)(c) The provisions of the Constitution and electoral laws did not permit a free and fair election in which equal voting rights were provided for all citizens regardless of race, ethnic background or political affiliation on the principle of one citizen, one vote.

Under the Electoral Act, whites were entitled to vote twice, once as Common Roll voters for the seventy-two black members of the House of Assembly, and once as White Roll voters for the twenty white constituency members of the House of Assembly. (Const., Ch. III, Part II, §19). Blacks, on the other hand, were allowed to vote only once as Common Roll voters for the seventy-two black constituency members of the House of Assembly. Because the eight white non-constituency members are nominated by white members of the former House, in effect, whites voted for all 100 members of the House of Assembly.

The inequities in representation and voting rights were reinforced by the party-list system employed in the election of the seventy-two black members of the House of Assembly. As set forth in Chapter XI, Part V, §175 of the Electoral Act, the eight provinces into which Rhodesia is divided each constituted an electoral district, with a specified number of allocated seats. In the district in which it wished to compete, each party had to nominate the same number of candidates as there were seats allocated for that district. Each Common Roll voter, which is the only roll blacks were eligible to register on, cast his or her vote for one of these registered parties, having no opportunity to select among individual candidates. Any African party which received less than ten percent of the votes cast in any province was excluded from the allocation of seats.

This party-list system stands in marked contrast to the system of preferential voting employed in the twenty white constituencies for the election of the twenty white constituency members of the House of Assembly. (§ 63 of the Electoral Act). White Roll voters indicated their first, second and third choices among a list of candidates presented on the ballot. For white candidates, there was no

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Footnotes at end of article.

stipulation regarding the percentage of total votes cast required to win a seat in Parliament. In effect, the Rhodesian Front Party, the white party in Rhodesia, was constitutionally guaranteed a disproportionate number of seats, while any African party had to win at least ten percent of the votes in order to qualify for a single seat.

A further discrepancy between the voting rights provided for blacks and those provided for whites involved the issuance of postal ballots. Chapter V, Part III, Section 67 of the Electoral Act provides for postal ballots for voters enrolled on the White Roll. Section 175 of the Act, however, explicitly states that no postal ballots were to be issued to Common Roll voters. In light of the fact that a person is entitled to dual citizenship under Section 141 of the Constitution, the provision of postal ballots to whites meant that the large number of white citizens who have emigrated from Rhodesia in recent years, as well as white students studying abroad, were able to vote in the elections. Blacks residing outside of the country, including all black students who were unable to return to Rhodesia for the elections, were denied this opportunity because Common Roll voters were not issued postal ballots.

The advantages enjoyed by whites, both in terms of voting rights and representation, were not limited to the election of members of the House of Assembly. The twenty-eight white members of the House of Assembly are entitled to elect the same number of Senators as are the seventy-two black constituency members.

It is clear that the Electoral Act and the Constitution provided unequal voting rights to whites and blacks. Given their relative percentages of the total population and the number of positions in the government for which each group was entitled to vote, for the purposes of the recent elections, each white vote carried more than eight times the value of each black vote.

FOOTNOTES

[1] 15 U.N. GAOR 1514 (1960) [hereinafter cited as GAOR 1514].

[2] GAOR 1514.

[3] 217 U.N. SCOR, 1265th meeting 8 (1965) [hereinafter cited as SCOR 217].

[4] U.N. Charter art(s). 39, 41, [hereinafter cited as Art. 39]. "The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken in accordance with Articles 41 and 42, to maintain or restore international peace and security." (39)

"The Security Council may decide what measures not involving the use of armed forces are to be employed to give effect to its decisions, and it may call upon the Members of the United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations." (41)

[5] SCOR 217.

[6] 221 U.N. SCOR, 1277th meeting 5 (1966).

[7] 232 U.N. SCOR, 1304th meeting 7 (1966).

[8] Art. 39.

[9] SCOR 232.

[10] Executive Order No. 11322, 3 C.F.R. 606 (1966–1970 Comp.); 22 U.S.C. § 287 (c).

[11] 252 U.N. SCOR, 1428th meeting 5 (1968) [hereinafter cited as SCOR 253].

[12] Executive Order No. 11419, 3 C.F.R. 737 (1966–1970 Comp.); 22 U.S.C. § 287 (c).

[13] SCOR 232.

[14] Military Procurement Authorization Act of 1972 § 503, U.S., Nov. 17, 1971, P.L. 92–156, 85 Stat. 423 (the "Byrd Amendment").

[15] P.L. 95–12. [House Resolution 1746, 91 Stat. 22, approved March 18, 1977. Amends 22 U.S.C. § 287 (s).]

[16] International Securities Assistance Act of 1978, 92 Stat. 736 § 27. Also set out as a note to 22 U.S.C. § 287 (c). [Section 27 is commonly known as the "Case-Javits Amendment" and hereinafter this § 27 shall be cited as the Case-Javits Amendment.]

[17] The Case-Javits Amendment.

[18] *Cook* v. *United States,* 288 U.S. 102, 120 (1932).

[19] *Murray* v. *Schooner Charming Betsy,* 2 Cranch 64, 118 (U.S. 1804); Sociedad Nacional de Marineros de Honduras v. McCulloch, 201 F. Supp. 82, 89 (D.C.D.C. 1962), *aff'd,* 372 U.S. 10, *cert.* denied, *National Maritime Union of America,* AFL–CIO v. Sociedad Nacional de Marineros de Honduras, 372 U.S. 937 (1963).

[20] GAOR 1514.

Lawyers' Committee for Civil Rights Under Law: Response to Congressional Inquiry Regarding Rhodesian Sanctions

As you know, the Lawyers' Committee was established in 1963 at the request of President John F. Kennedy. It is a privately-funded civil rights legal organization concerned primarily with involving private lawyers throughout the country in the struggle to assure all citizens, particularly minorities, of their civil rights. The membership of the Committee has included some of the most eminent lawyers in the country, such as former Attorneys General, past presidents of the American Bar Association and law school deans. The Committee's work has also earned the support and encouragement of most of the presidents of the United States since President Kennedy, and the U.S. Department of State.

Since 1967, the Lawyers' Committee has been actively involved in southern Africa issues by providing legal assistance to victims of racial repression in South Africa, Namibia and Zimbabwe. The Committee has also attempted with some degree of success to use the American legal system as an instrument of pressure and consciousness-raising on behalf of the oppressed black majorities in southern Africa. The Lawyers' Committee has attempted to keep well-informed on the status of the Rule of Law in minority-ruled southern Africa by travel to that area, study of relevant southern Africa statutes and other laws, and frequent contact with lawyers in those countries who are concerned about the race and repressive policies that afflict that region.

Lawyers' Committee for Civil Rights Under Law Memorandum

To Ms. Pauline Baker.
From: The Lawyers' Committee for Civil Rights Under Law.
Subject: Rhodesian Sanctions.
Date: May 4, 1979.

Question presented:

In your letter of April 13, 1979, you asked that the Lawyers' Committee for Civil Rights Under Law submit a report to you on the following three questions:

(1) What are the international legal obligations of the United States under the United Nations Charter and the United Nations Participation Act of 1945 with respect to Rhodesian sanctions?

(2) Does the constitution approved by the white electorate of Rhodesia on January 30th meet the definition of the term "majority rule" within the intent of pertinent resolutions of the United Nations establishing a program of sanctions?

(3) Do the provisions of that constitution and the electoral laws, regulations and procedures established by the government of Rhodesia permit a free and fair election in which:

(a) All populations and political groups are permitted to participate freely?

(b) equal representation is accorded to all citizens regardless of race, ethnic background, or political affiliation?

(c) equal voting rights are provided for all citizens regardless of race, ethnic background or political affiliation, on the principle of one citizen, one vote?

Conclusions:

Subject to the remarks set forth in the section below, the conclusions to your inquiry are as follows:

(1) The United States is obligated under the United Nations Charter and the United Nations Participation Act of 1945 to maintain sanctions against Rhodesia until the United Nations Security Council decides that the situation in Rhodesia no longer presents a threat to world peace, and that current conditions in that country warrant a lifting of sanctions. In the event that the President is confronted with a decision as to whether sanctions against Rhodesia should be lifted, he should direct the United States ambassador to the United Nations to convene a meeting of the Security Council so as to make such a determination.

(2) The constitution approved by the white electorate of Rhodesia on January 30th does *not* meet the definition of "majority rule" within the intent of pertinent resolutions of the United Nations establishing a program of sanctions.

(3) The provisions of that constitution and that the electoral laws, regulations and procedures established by the government of Rhodesia did not permit a free and fair election in which a) all populations and political groups were permitted to participate freely, b) equal representation was accorded to all citizens and c) equal voting rights were provided for all citizens on the principle of one citizen, one vote.

Discussion:

I. Rhodesian sanctions and U.S. legal obligations under international law

A. Overview

On December 16, 1966, for the first time in United Nations history, the Security Council imposed mandatory sanctions pursuant to Article 41 of the United Nations Charter.[1] With full United States support, the Security Council adopted Resolution 232,[2] which in accordance with Articles 25, 41, and 49 [3] of the Charter places a binding legal obligation on all member states to impose certain restrictions on trade with Rhodesia.

On May 28, 1968 the Security Council extended its program of mandatory economic sanctions by adopting Resolution 253.[4] In accordance with Section 5(a) of the United Nations Participation Act of 1945 (22 U.SC. §287 c (a)) which authorizes the President of the United States to take such measures as are necessary to give effect to decisions of the Security Council, President Lyndon B. Johnson signed Executive Order No. 11419 [5] and implementing United Nations Security Council Resolution 253.[6]

On September 26, 1978, the International Securities Assistance Act of 1978 was enacted.[7] The Act included a provision proposed by Senators Clifford Case (R-N.J.) and Jacob Javits (R-N.Y.) which mandates a unilateral lifting of sanctions by the United States upon a Presidential determination that two conditions have been met. The conditions are (1) a finding that the government of Rhodesia had demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and (2) a government had been installed chosen by free elections in which all political and population groups have been allowed to participate freely, with

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Footnotes at end of article.

observation by impartial, internationally recognized observers.[8]

This memorandum explores the conflicting obligations of the United States under the United Nations Charter and the Amendment, and provides practical suggestions to resolve the conflict consonant with international and domestic law.

B. Sources

In preparing this memorandum we have reviewed the following General Assembly Resolutions: 1514(xv) of 1960, 1747(xvi) of 1962, 1760(xvii) of 1962, 1755(xvii) of 1962, 1883 (xviii) of 1963, and 1889(xviii) of 1963. In addition, we have reviewed the following Security Council Resolutions: 202, 216, and 217 of 1965; 221 and 232 of 1966; 253 of 1968; 277 and 288 of 1970; 314 and 318 of 1972; 326, 327, 328, and 333 of 1973; 388 of 1976; 403, 406, 409, 411, and 415 of 1977; 423, 424, 437, and 445 of 1978. We have also reviewed the Charter of the United Nations, the United States Constitution, the United Nations Participation Act of 1945, as amended (22 U.S.C.A. § 287(c)), the International Securities Assistance Act of 1978, the Rhodesian Constitution of 1979, the Rhodesian Electoral Act of 1979, and other pertinent documents and materials. We have also spoken with various governmental officials, and international lawyers and scholars knowledgeable in this area.

C. Historical Development[9]

In 1884, Bechuanaland, now Botswana, was annexed by a British Expeditionary Force and placed under the administration of Sir Sidney Sheppard. Sir Sidney learned of reports claiming great mineral wealth in Mashonaland and Matabeleland, now Rhodesia. Messers. Rudd, and others acting on behalf of Cecil Rhodes, had already begun negotiations with Chief Lobengula who at that time ruled Matabeleland and much of the Mashona territory. The result was the Rudd Concession which gave Rhodes and his assigns exclusive mineral rights in all of what is now Rhodesia.[10] Rhodes obtained a Royal Charter from the British crown which empowered his company to settle and administer an area of unspecified extent. The Charter was granted upon a misconception, however, because the Rudd Concession had not given the concessionaries any governmental powers and there was no delegation in it by Chief Lobengula of legislative or administrative functions. Although the Rudd Concession granted no right of settlement or administration, the British South Africa Company took a military force into Mashonaland, where the African population was sparse, and established the first European settlement at Salisbury in 1890. Three years of bitter warfare ensued, resulting in the extension of Company rule to Matabeleland.

After the settlement of what is now Rhodesia, the Company's plan for expansion reflected the continued hope that the expense of administration and development would be justified by the extraction of gold. It soon became obvious, however, that this was an ill-founded hope. In an effort to recover its heavy outlay of capital, the Company concentrated on promoting European settlements and agricultural development with the object of bringing in revenue and increasing the value of the land. According to Maxey Keys:

"More than any other legacy of company rule, this new policy determined the future of the African population. Implementation of the new policy required that the best available land be provided in order to attract settlers and this meant that the inhabitants would have to be dispossessed still further. Moreover, cheap and abundant native labour had to be provided to attract settlers from kinder environments and this meant creating artificial inducement to the Africans to leave their own farming, on an even larger scale than was already necessary to provide labour for the mines. This supply of labour was achieved largely by the "native hut tax." First imposed in 1896, this was increased in 1904 to L1 per hut (equivalent to a labourer's earnings for 1 to 3 months) and 10 shillings for each polygamous wife. In 1902 the hut tax was reinforced by a pass law to get the labour to go where it was wanted.

"From these early policies favoring land expropriation and the creation of a manual labour force grew the vast network of contemporary legislation which is in force in Southern Rhodesia today. Its primary purpose is to formalize and maintain a division between the races—a division which largely dictates the range of jobs open to a man, the education his children will receive, the wages he is paid, where he can live, how he may behave to his fellows and to members of another race, and what civil and political freedoms he may be permitted to enjoy."[11]

In 1922, when the mandate of the Charter Company was about to expire, the voters of Rhodesia, almost exclusively white, were asked to decide in a referendum whether the territory should become a fifth province of the Union of South Africa. The proposal was rejected and Rhodesia then became a British colony.

In 1961 the British government granted Rhodesia a new Constitution. Under this Constitution Britain relinquished its veto power over legislation in return for a Declaration of Rights and a multiracial Constitutional Council to review subsequent legislation in light of the Declaration. By virtue of the Colonial Laws Validity Act of 1865, however, Britain retained the legal right to intervene in Rhodesia's internal affairs.

Aware that Britain had retained formal legal authority to intervene in matters which the Rhodesians viewed as largely domestic, and fearful that British intervention would result in the end of white domination, Rhodesia demanded independence. Britain refused to grant independence without guarantees of progress toward majority rule. In 1963–64, the British government, with the Conservative Party in power, set forth five principles as the basis for granting independence. In 1966, Harold Wilson, the Prime Minister of the Labour government, added a sixth principle. The principles are:

(i) That there would be unimpeded progress toward majority rule;

(ii) That there be no retrogressive amendments to the Constitution to retard African development;

(iii) That there be immediate improvement in the political representation of Africans;

(iv) That racial discrimination must end;

(v) That the basis of independence was acceptable to the people of Rhodesia as a whole; and

(vi) That regardless of race, there would be no oppression of majority by minority or minority by majority.

Subsequent negotiations failed to achieve an agreement. On November 11, 1965, Rhodesia issued a Unilateral Declaration of Independence (UDI) under a new Constitution and with Ian Smith as Prime Minister. In 1970, Rhodesia declared itself a Republic. The newly adopted Constitution substantially altered the provisions for amending the Constitution. The amendments worked to the detriment of Africans by removing the requirement of a racial referendum, which was the main safeguard for African interests in the 1961 Constitution. The British government responded to UDI by calling it an illegal rebellion against the Crown. Parliament asserted its authority under the Colonial Laws Validity Act of 1865 and passed the Southern Rhodesia Act of 1965 giving the British government the authority to make any Order in Council,[12] regarding Rhodesia, thought to be necessary in consequence of the illegal action. The Southern Rhodesia Order of 1965 then declared void the rebel Constitution, revoked the legislative power of the Southern Rhodesia Legislative Assembly, enabled the British Government to legislate for Rhodesia, and conferred executive power in Rhodesia upon the Secretary of State for Commonwealth Relations. As a result of UDI and the subsequent actions taken by Britain and the international community, Rhodesia is not recognized as a state and its current government is viewed as illegal under international law.

D. The United States has Binding Legal Obligations Under the Charter of the United Nations

On June 26, 1945, the United States signed the Charter of the United Nations (hereinafter, "the Charter"), the preliminary procedure in bringing into force and effect a treaty which would mandate that the United States fulfill certain international obligations. The advice and consent of the Senate was obtained on July 28, 1945, and on August 8, 1945, eleven days later, President Harry S. Truman ratified the treaty. In the final step of the process, the instruments of ratification were deposited on October 24, 1945, thereby, committing the United States to the terms of the Charter. The authority of the President to ratify the Charter is found in Article II, § 2 (2) of the U.S. Constitution:

"The President shall have the power by and with the advice and consent of the Senate, to make treaties, providing two thirds of the Senators present concur" . . .

Once a treaty is entered into, it has the same binding effect as a "supreme law of the land." Article 4, § 2 states in pertinent part:

"This Constitution, and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made under the authority of the United States, shall be the supreme law of the land" . . .

The Supreme Court has ruled that a treaty (in the instant case the United Nations Charter) "will not be deemed to have been abrogated or modified by a later statute unless such purpose on the part of the Congress has been clearly expressed."[13] In this regard, Chief Justice Marshall's often quoted observation is of critical significance:

". . . an act of Congress ought never to be construed to violate the law of nations, if any other possible construction remains."[14]

The United Nations Participation Act of 1945 as amended,[15] (22 U.S.C.A. § 287 (c)), was enacted to implement United States participation in the United Nations. Under Chapter V, Article 25 of the Charter, member states are unequivocally obligated to "accept and carry out the decisions of the Security Council in accordance with the present Charter."[16] It should be noted, however, that the United States, as a permanent member of the Security Council, can veto any proposed Security Council decision.

Acting under authority of Chapter VII, Article 39[17] the Security Council in 1965 adopted Resolution 217 which, inter alia, determined that "the situation resulting from the proclamation of independence by the illegal authorities in Southern Rhodesia is extremely grave, . . ." and called upon all states to (i) not recognize the illegal authority in Rhodesia and (ii) voluntarily impose economic sanctions against Rhodesia.[18] In 1966, the Security Council, in Resolution 221, found that the situation in Rhodesia had deteriorated to such a degree as to "constitute a threat to the peace."[19] Eight months later, deeply concerned that the voluntary measures taken by member states had failed to end the rebellion in Rhodesia, the Security Council adopted Resolution 232 which determined that the situation in Rhodesia constituted a "threat to international peace and security."[20] Acting in accordance with

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Footnotes at end of article.

Article 39,[21] the Security Council voted to apply mandatory selective economic sanctions.[22] To comply with Security Council Resolution 232, the President issued Executive Order 11322 (1967) on July 1967.[23] In 1968, alarmed that the Salisbury regime remained intransigent, the Security Council, in Resolution 253,[24] expanded mandatory sanctions. Again, to comply with the Resolution, and to fulfill the United States' obligation under international law, the President issued Executive Order 11419.[25]

In addition to the foregoing resolutions, the Security Council has adopted other resolutions which impose binding legal obligations upon the United States. Pursuant to the treaty obligations flowing from the United Nations Charter, the United States is obligated under international law to:

Not recognize the current government of Rhodesia; (Security Council Resolutions 216 and 217) (hereinafter "Sec. Res.").

Refrain from rendering any assistance to the current government; (Sec. Res. 216)

Regard the Rhodesian Declaration of Independence as having no legal validity; (Sec. Res. 217)

Not entertain any diplomatic or other relations wtih Rhodesia; (Sec. Res. 217)

Not render financial or other economic aid to Rhodesia; (Sec. Res. 232)

Not provide Rhodesia with arms, equipment and military material; (Sec. Res. 217)

Prevent the import into the United States of all commodities and products originating in and exported from Rhodesia; (Sec. Res. 253 3 (a))

Prevent any activities by U.S. citizens which would promote or are calculated to promote the export of any commodities or products from Rhodesia; (Sec. Res. 253 3 (b))

Prevent the shipment in vessels or aircraft of U.S. registration or under charter to U.S. citizens of any commodity or product originating in, and exported from Rhodesia; (Sec. Res. 253 3 (c))

Prevent the sale or supply by U.S. citizens, or any other person or business, in its territories of any commodities or products, except for educational, medical, or humanitarian purposes, to any person or body in Southern Rhodesia; (Sec. Res. 253 3 (d))

Prevent the shipment in vessels or aircraft of U.S. registration or under charter to U.S. citizens, of any commodity or product which is consigned to anyone in Rhodesia or any person for the purposes of any business carried on in or operating from Rhodesia; (Sec. Res. 253 3 (c))

Not make available to the current Rhodesian government any commercial, industrial, or public utility undertaking, including tourist enterprises in Rhodesia; (Sec. Res. 253 (4))

Not make available to the current Rhodesian government any funds for investment or any other financial or economic resources: (Sec. Res. 253 (4))

Prevent U.S. citizens and any person within its territory from making available to the current government of Rhodesia any funds or resources and from remitting any other funds to persons or bodies in Rhodesia; (Sec. Res. 253(4))

Prevent the entry into the United States, save on exceptional humanitarian grounds, of any person traveling on a Rhodesian passport; (Sec. Res. 253 5(a))

Take all possible measures to prevent the entry into the U.S. of persons whom it has reason to believe are ordinarily resident in Rhodesia who have furthered or encouraged, or are likely to further or encourage the unlawful actions of the current Rhodesian government or whose activities are calculated to evade economic sanctions; (Sec. Res. 253 5(b))

Prevent U.S. airlines and aircraft of U.S. registration or aircraft under charter of U.S. citizens from operating to or from Rhodesia or from connecting with any Rhodesian airline or aircraft; (Sec. Res. 253(6))

Prevent activities by U.S. citizens from promoting, assisting, or encouraging emigration to Rhodesia; (Sec. Res. 253(8))

Take appropriate measures to insure that any act performed by officials and institutions of the current Rhodesian government shall not be accorded recognition, official or otherwise, including judicial notice; (Sec. Res. 277)

Sever all diplomatic, consular, trade, military or any other relationship which it maintains with Rhodesia; (Sec. Res. 277)

Terminate any representation it may have in Rhodesia; (Sec. Res. 277)

Refrain from taking any measures that would in any way permit or facilitate the importation of commodities or products prohibited by the Security Council Resolutions; (Sec. Res. 314)

Enact and enforce legislation providing for the imposition of severe penalties on persons natural or juridicial who evade or breach sanctions; (Sec. Res. 333)

Pass legislation forbidding insurance companies to cover air flights into and out of Rhodesia as well as individuals or cargo carried thereon; (Sec. Res. 333)

Undertake appropriate legislative measures to ensure that all valid marine insurance contracts contain specific provisions that no goods destined to or originating from Rhodesia are covered by such contracts; (Sec. Res. 333)

To inform the U.N. of the quantities of goods they obtained from Rhodesia before the application of sanctions; (Sec. Res. 333)

Take appropriate measures to insure that U.S. citizens or persons resident here do not insure any commodity or product originating from or destined to Rhodesia; (Sec. Res. 388)

Take appropriate measures to prevent U.S. citizens or persons resident here from granting to any commercial, industrial, or public utility undertaking in Rhodesia the right to use any trade name or enter into any franchising agreement; (Sec. Res. 388)

Prohibit the use of or transfer of any funds in the U.S. by the current Rhodesian government for the purpose of any office that is established in the United States; (Sec. Res. 409)

Not recognize any representatives or organ established by elections to be held under the auspices of the current Rhodesian government; (Sec. Res. 445)

With respect to the above mentioned sanctions, every member state of the United Nations is obligated to continue the imposition of sanctions against Rhodesia, unless and until a determination is made by the Security Council that the situation in Rhodesia no longer constitutes a threat to peace. However, on November 17, 1971, Congress enacted the "Byrd Amendment", as part of the Military Procurement Authorization Act of 1972.[26] The Byrd Amendment permitted the importation of Rhodesian chrome into the United States, despite the fact that in accordance with its obligations under Article 25 of the Charter, the U.S. was obligated to maintain a total economic boycott of all Rhodesian products. Upon the enactment of the Byrd Amendment, the United States was in immediate breach of the Charter and in violation of international law. The Byrd Amendment remained in effect until 1978 when it was repealed by House Resolution 1746 adopted March 15, 1977.[27]

Having only recently re-committeed itself to fulfilling its international legal obligations under the Charter, the United States is again faced with the question of whether it chooses to be in violation of international law. On September 11 and 12, 1978, the House and Senate, respectively, passed the International Securities Assistance Act of 1978.[28] This Act contains a provision, introduced by Senators Clifford Case (R-N.J.) And Jacob Javits (R-N.Y.), which requires the United States government to lift sanctions against Rhodesia if the President determines that (i) the government of Rhodesia has demonstrated its willingness to negotiate in good faith at an all-parties conference, held under international auspices, on all relevant issues; and (ii) a government has been installed chosen by free elections in which all political and population groups have been allowed to participate freely, with observation by impartial, internationally-recognied observers.[29]

If the United States lifts sanctions unilaterally, it would constitute a material breach of the United States' obligations under the Charter and international law. Resolutions adopted by the Security Council are binding on all member states. A resolution cannot be adopted mandating sanctions unless there is an agreed upon determination by the Security Council that there exists a situation which constitutes a threat to, or a breach of, the peace, or an act of aggression as set forth in Chapter VII, Article 39 of the Charter. If one permanent member of the Security Council vetoes a resolution it cannot be legally binding on any member state. The United States thus finds itself in the paradoxical position of having committeed itself to implementing the decision of the Security Council by voting affirmatively for sanctions, while at the same time initiating a process which would have the effect of repudiating the very action it has committeed itself to undertake. Indeed, as U.N. Ambassador Goldberg stated on December 16, 1966, at the Security Council's 1333rd meeting, "If any member or non-member should substantially fail to carry out the Council's decision, this failure would be a violation of Charter provisions and obligations." [30]

Since UDI in 1965, the government of Ian Smith has been regarded as illegal. The holding of elections does not remove this illegality. In addition, Security Council Resolution 277 obligates all member states "to take appropriate measures, at the national level, to ensure that any act performed by officials and institutions of the illegal regime in Southern Rhodesia shall not be accorded any recognition, official or otherwise, including judicial notice, by the state." [31] Apart from the unilateral lifting of sanctions against Rhodesia in defiance of international law, the Case-Javits Amendment also, in effect, would retroactively legitimate the Smith government, as well as the present steps taken by it to entrench its minority character. This, too, would contravene the United States, obligations under Resolution 277.[32]

Indeed, the United States has not only recognized the competency of the U.N. regarding sanctions against Rhodesia, but has voted as a permanent member of the Security Council, in favor of the imposition of trade sanctions. Consequently, any determination concerning the future of Rhodesian sanctions must be made by the Security Council. No individual state may substitute its judgment for that of the Security Council. Sanctions were imposed only after the Security Council determined that a threat to peace existed. Even assuming a finding that the elections in Rhodesia were freely and fairly held, the Security Council would still be obligated to determine whether a threat to peace remained. If such a threat is found to exist, despite the most free and fair elections, sanctions would still be warranted.

In the event that the President must decide whether to lift sanctions against Rhodesia, he should direct the United States Ambassador to the United Nations to convene the Security Council to determine whether there still exists a threat to peace in Rhode-

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Footnotes at end of article.

sia, and to ascertain whether current conditions in Rhodesia warrant the lifting of sanctions. If there are legitimate reasons for repealing sanctions, it should take place at the Security Council level. Upon a determination by the Security Council that the sanctions should be lifted, the President could then comply with the Case-Javits Amendment or any other Congressional measure mandating the lifting of sanctions. In seeking a Security Council determination, the President would be acting to support the principles of international law and the obligations placed on the United States by the Charter.

E. U.N. Rationalization for the Imposition of Sanctions Against Rhodesia

On December 14, 1960, the General Assembly of the United Nations, at its 947th plenary meeting, adopted Resolution 1514 (XV) entitled, "Declaration on the Granting of Independence to Colonial Countries and Peoples."[33] In this resolution, the General Assembly was of the belief that freedom was a passionate yearning and that "the process of liberation is irresistible and irreversible and that in order to avoid serious crises, an end must be put to colonialism and all practices of segregation and discrimination . . ." The General Assembly was also of the belief that the denial of or impediments to the freedom of colonized people would constitute a serious threat to world peace. It also recognized the responsibility of the United Nations in assisting the movement for independence in trust and non-self governing territories.

General Assembly Resolution 1514 (xv), which was affirmed by the Security Council in Resolution 217 of November 20, 1965,[34] provides the rationale for the imposition of sanctions against Rhodesia. The resolution declared that "All peoples have the right to self-determination; by virtue of that right they freely pursue their economic, social and cultural development."

Rhodesia was viewed by the United Nations as a non-self governing territory. The Smith Government's Unilateral Declaration of Independence (UDI), particularly its emphasis on entrenched white rule, was in direct opposition to Resolution 1514. The Security Council considered the denial of self-determination to the vast majority of Africans as constituting a serious threat to peace and, in an effort to avoid the use of force to bring down the Smith regime, imposed economic sanctions under Article 41.[35]

When Rhodesia declared itself independent in 1965 on the basis of a Constitution entrenching rule by the white minority settlers, the action was viewed as abhorrent to the world community. Rhodesia's UDI was exercised with the full intent of continuing colonial exploitation. Consequently, it did not comport with the responsibilities set forth in General Assembly Resolution 1514. It was stated in that resolution that immediate steps were to be taken in non-self governing territories to "transfer all powers to the peoples of those territories, without any conditions or reservations, in accordance with their freely expressed will and desire, without any distinction as to race, creed or color, in order to enable them to enjoy complete independence and freedom."[36]

The imposition of economic sanctions was, in the first instance, directed against Rhodesia because the inequitable allocation of power which reserved all control in the hands of whites was conceived of, at the least, as an act of repression certain to exacerbate racial tensions and result in Liberation Movements whose only recourse for change would be through violence. That this scenario has in fact become the existing reality in Rhodesia supports the wisdom of the Security Council in taking measures to curb the Smith government short of armed intervention. Clearly, Rhodesia represented, and continues to represent, a "threat to international peace and security." It has greatly increased the possibility of an East-West confrontation in Africa, and it continues to deny "complete independence" to the vast majority of the people of Rhodesia.

In "Rhodesia and the United Nations: The Lawfulness of International Concern," authors McDougal and Reisman state that:

"The Act of unilateral Declaration of Independence and the subsequent internal legislation violated * * * the principle of self-determination in relation to the great bulk of the Rhodesian people as well as British sovereignty. In the most fundamental sense, the assertion of independence at a time and by means which the authoritative organs of the international community had decided would precipitate a threat to the peace of the surrounding region and the world was an act of irresponsibility in violation of the most basic policies of the Charter for the maintenance of international order."

Much later in their article, the authors summarize the imposition of sanctions on Rhodesia by the Security Council as follows:

"It must accordingly, be concluded that the Security Council decision imposing mandatory sanctions in the Rhodesian situation, contrary to the vigorous criticisms which have been asserted of it, make an entirely appropriate relation of the facts before the Council to all the relevant basic community policies embodies in the United Nations Charter. In terms of substantive merits, the decision realistically recognizes that in the contemporary world, international peace and security and the protection of human rights are inescapably interdependent and that the impact of the flagrant deprivation of the most basic human rights of the great mass of the people of a community cannot possibly stop short within the territorial boundaries in which the physical manifestations of such deprivations first occur. In terms of the constitutive limitations established by the Charter, the fact that the situation in Rhodesia has been authoritatively found to constitute a threat to international peace makes irrelevant all conceptions of "domestic jurisdiction," and the decision of the Council would not constitute an infringement of the domestic jurisdiction, properly conceived, of Rhodesia, even if Rhodesia were a state entitled to the benefit of the domestic jurisdiction doctrine. Similarly, so far from constituting a violation of the rights to self-determination of the great mas of the Rhodesian people, the Security Council resolution is but the most recent expression of a general community concern to preserve that right for them" . . .[37]

II. Non-compliance of the Rhodesian Constitution with the terms of majority rule set forth in U.N. resolutions establishing a program of sanctions

The Rhodesian Constitution and entrenched minority rule

The Constitution of 1979, which served as a basis for the recent Rhodesian elections, does not meet the test of majority rule as called for in various Security Council resolutions. The retention of control in the hands of whites, the disproportionate voting system, the preservation of various institutions in the same fashion as they were following UDI, are all in fundamental disagreement with the concepts set forth by the international community. Indeed, General Assembly Resolution 1514 (xv) requires a transfer of all powers to the peoples of Rhodesia "without any conditions or reservations." Clearly, as set forth below, the 1979 Constitution does not meet this requirement.

While the newly adopted Constitution does provide for majority representation in Parliament, the Constitutional provisions establishing the non-elected bodies of government, including the Judiciary, Public Service, Police and Defence Forces and the commissions established to administer them, do not permit effective majority rule. The Constitution prescribes the qualifications for senior members of these bodies, mandating that they be high-ranking officials of the former government.

Such qualifications serve to perpetuate white domination, while giving the illusion of a transfer of power. These appointed officials are vested with the authority to establish the qualifications for entrance into all levels of their respective governmental bodies, and indeed, with complete regulatory and administrative power. In formulating such qualifications and regulations, the administering commissions are neither bound nor directed to effectuate black majority rule, and are held accountable to no representative body. The Constitution explicitly provides that in the exercise of its functions, a commission shall not be subject to the direction or control of any person or authority. (§ 109(4)).

The Constitutional provisions establishing the judiciary, public services and security forces are "specially entrenched" and cannot be amended without the approval of seventy-eight members of the House of Assembly. (§ 157(2)(b)(i)). Given that, the House of Assembly is comprised of seventy-two blacks and twenty-eight whites, whites are assured an effective veto over any effort to amend an entrenched provision. This procedure stands in contrast to those governing the amendment of non-entrenched Constitutional provisions and the passage of other legislative acts. Non-entrenched provisions may be amended with the approval of two-thirds of the members of the House of Assembly (§ 157(2)(b)(iii)), while other legislative acts, with the exceptions cited in § 47(4) with respect to money bills, require a simple majority of the votes of members present. (§ 42(1)).

The entrenched provisions delineate the composition, functions and qualifications for members of the Judiciary, including the Judicial Services Commission; the Public Services, including the Public Services Commission; the Prison Service, the Police and Defense Forces; and other administrative bodies such as the Statutory Corporations Commission. Qualifications for membership in these bodies are consistently designed to exclude blacks and to ensure white dominance.

THE JUDICIARY

Both the qualifications for judges of the High Court and the method by which they are chosen preclude majority representation. The qualifications for judges of the High Court are set forth in Section 80(1) of the Constitution: To qualify for appointment as a judge of the High Court, a person must be, or have been, a judge of a superior court in a country in which the common law is Roman-Dutch and in which English is the official language; or that person must have been, for at least ten years, qualified to practice as an advocate in Rhodesia or in a country which meets the above specifications. Further restrictions on the qualifications of judges of the High Court are that:

(1) The Chief Justice must be appointed from the persons who hold the office of judge of appeal or Senior Puisne Judge; (§ 82(2))

(2) The judges of appeal must be persons who hold the office of puisne judge; and (§ 82(3))

(3) The Senior Puisne Judge must be appointed from persons who hold the office of judge of appeal or puisne judge. (§ 82(4))

These provisions, while not explicitly discriminatory, assure that the senior positions will be filled by high-ranking figures from the former judiciary. Given that the tenure of office for judges is based on age and not upon the life of Parliament, members of the former white minority government will be guaranteed control of the Judiciary indefinitely (§ 84(1)).

Footnotes at end of article.

It is the Appellate Division of the High Court which has original jurisdiction in all cases involving an alleged contravention of the Declaration of Rights. (§ 134(1)). Moreover, the Appellate Division is authorized to determine without a hearing any application alleging a contravention of the Declaration of Rights which is, in its opinion "merely frivolous or vexatious." (§§ 134(2) and (4)). Thus, the High Court, lacking effective majority representation, retains broad discretion in the enforcement of provisions protecting individual liberties.

The method for selecting judges is, in effect, equally discriminatory. The Chief Justice and other judges of the High Court will be appointed by the President, on the advice of the Judicial Service Commission.[38] The Judicial Service Commission, established under Section 88(1) of the Constitution, shall consist of the Chief Justice, the Chairman of the Public Service Commission and another person appointed by the President on the advice of the Chief Justice (subject to the restrictions set forth in Sections 88(2) (a) and (b)). As noted above, the Chief Justice must be a former judge of appeal or Senior Puisne Judge. The Chairman of the Public Service Commission must have held the post of Secretary, Deputy Secretary or Under Secretary in a ministry in the Public Service for at least five years (§ 92(1) (a)), and the third person appointed by the President must be, or have been a judge of the High Court; or must have been qualified to practice as an advocate or attorney in Rhodesia for at least ten years (§ 88(2) (a) and (b)). As a result of these requirements, the members of the Judicial Service Commission will all have been members of significant stature in the previous government.

In addition to advising the President on the appointment of the Chief Justice and the other judges of the High Court, the Judicial Service Commission advises the President on the appointment of the Attorney-General (§ 95(1)); the Ombudsman (§ 144(2)); and the Commissioner of Police, upon consultation with the Prime Minister and the retiring Commissioner of Police if available (§ 98(2)). The broad advisory powers vested in this unrepresentative body serve to further entrench white rule.

PUBLIC SERVICE

Additional restrictions on the transfer of power to the black majority are afforded by the Constitutional provisions establishing the Public Service and the Public Service Commission, its regulatory and administrative organ. (§§ 91(1) and 92(2) respectively). The Public Service Commission will consist of a chairman and at least two but not more than four members who are to be appointed by the President with the provisos that these persons are to be "chosen for their ability and experience in administration or their professional qualifications" and that:

> "The Chairman and at least one other member or, if there are more than three members, at least two other members shall be persons who have held the post of Secretary of or Deputy Secretary or Under Secretary in, a Ministry in the Public Service or a post in the Public Service of a grade equivalent to or higher than that of Under Secretary for periods which in the aggregate amount to at least five years (§ 92(1) and (2) (a))."

Consequently, persons who have served in high-ranking positions in the former ministry in the Public Service for a substantial period of time will necessarily constitute a majority of the Commission. Moreover, the Constitution establishes that:

> "Any decision of any Commission shall require the concurrence of a majority of all the members thereof * * * (with the chairman being given a casting vote in the event of a tie vote) (§ 109(2))."

> * * * Make such regulations as it considers to be necessary or expedient for—

The functions of the Public Service Commission detailed in Sections 93 and 94 of the Constitution generally pertain to the powers vested in the Commission to make regulations as it sees fit to facilitate the maintenance of the Public and Prison Services in the highest possible state of efficiency. More specifically, § 94(3) allows the Commission to:

> (a) the classification of members of the Public Service, the classification of members and rank structure of the Prison Service and the organization and management of the Public Service or Prison Service;
>
> (b) the appointment, qualifications, salaries, allowances, and other reumneration, promotion, transfer, secondment, powers and duties, hours of work, leave of absence, resignation and retirement of members of the Public Service or Prison Service.

The Public Service Commission, which does not in its composition meet the definition of majority rule, retains comprehensive control over the Public and Prison Services. There are no provisions in the Constitution mandating majority representation in these two bodies. Indeed, in formulating qualifications and regulations these commissions are afforded the protection of § 131(3)d of the Constitution which states that nothing contained in any written law will be held to be discriminatory to the extent that the law in question relates to: "qualifications, not being qualifications specifically relating to race, tribe, place of origin, political opinions, color or creed, for service as a public officer or as a member of a disciplined force or for service with any public authority or any body corporate established directly by or under a law of the Legislature for a public service."

In addition to its administrative functions, the Public Service Commission serves the government in an advisory capacity. The Director of Prisons (§ 91(2)), the Comptroller and the Auditor General (§ 96(3)) are all appointed by the President on the recommendation of the Public Service Commission. Clearly, the interests of the white minority government will be reflected in the appointment of each of these important officials.

POLICE FORCE

Section 98(1) of the Constitution establishes the Police Force which shall be administered by the Commissioner of Police in conjunction with the Police Service Commission (§ 100(1)). As noted above, the Commissioner of Police is appointed by the President on the advice of the Judicial Service Commission in consultation with the Prime Minister and the retiring Commissioner of Police, if he is available. The Commissioner is chosen from among candidates who have held at least the rank of assistant commissioner in the Police Force, or any more senior rank, for an aggregate period of five years (§ 98(2) (1)). The Constitution thereby ensures that the Commissioner will be a ranking member of the former Police Force, attaching the same reservations to the transfer of power as are evident in the Judiciary and Public Service.

The Police Service Commission is provided for in Section 100 of the Constitution. The Commission is to be composed of a chairman, who is also the chairman of the Public Service Commission (§ 92), and not less than two or more than four members appointed by the President, (§ 100(1) (b)). Of these members, at least two are required to be persons who have held the rank of at least assistant Commissioner of the Police Force, or more senior rank, for a period of five years (§ 100(2) (a)). As is the case with the Public Service Commission with respect to that former body, a majority of the Police Force Commission will always be comprised of persons who were members of the former Police Force, and any decision of that Commission will be binding if it receives the concurrence of the majority of its members (§ 109(a)).

The Police Service Commission is empowered to: . . . make such regulations as it considers to be necessary or expedient—

> (a) for the general well-being and good administration of the Police Force and the maintenance thereof in a high state of efficiency;
>
> (b) providing for the conditions of service of members of the Police Force.
>
> (2) Regulations may provide for—
>
> (a) the rank structure in the Police Force and the organization and management of the Police Force;
>
> (b) the appointment, qualifications, salaries, allowances and other remuneration, promotion transfer, secondment, powers and duties, hours of work, leave of absence, resignation and retirement of members of the Police Force; . . . (§ 102(1) (a) and (b), (2) (a) and (b)).

Thus, the Police Service Commission, an unrepresentative authority, prescribes the qualifications for entrance into and promotion within the Police Force. Like the Public Service Commission, the Police Force Commission in carrying out its functions is afforded the protection of Section 131(3) (d) of the Constitution, which establishes the criteria for determining whether laws or actions are discriminatory; and Section 109(4) which enables the Commission to operate free of any external direction or control. Although in this instance, the Commissioner of Police must comply with recommendations with respect to general policy decisions governing the maintenance of law and order as may be given by the Prime Minister or other Ministers under the authorization of the Prime Minister (§ 98(3)), the Commission itself operates under no such restriction. If there are any grievances against the regulations established by the Commission, the Commission itself is vested with the authority to consider those complaints and to make recommendations to the Commissioner as it sees fit (§ 101(1) (a)).

DEFENCE FORCES

The Defence Forces are structured in a manner similar to the Public and Police Services and their respective commissions. Section 103 of the Constitution provides for the appointment of Commanders of the various divisions of the military including the Army, Air Force and "such other branches . . . as may be provided for under a law of the legislature" (§ 103(1)). These Commanders are appointed by the President on the recommendation of a board comprised of the following members:

> (a) a chairman who shall be the retiring Commander of the Army, Air Force or other branch concerned or, if he is not available, the chairman of the Defence Forces Service Commission; and
>
> (b) if the board is considering the appointment of a Commander of—
>
> (i) the Army, the Commander of the Air Force;
>
> (ii) the Air Force, the Commander of the Army;
>
> (iii) any other branch of the Defence Forces, the Commander of the Army or of the Air Force, as the President may appoint; or, if that Commander is not available, the holder or one of the holders of the next most senior rank in that branch appointed by the President; and
>
> (c) one other member appointed by the President who is the Secretary of a Ministry in the Public Service (§ 103(6)).

As provided in subsection 7 of this Section, any decision of the board will require the concurrence of a majority of all members thereof.

In order to be eligible for appointment as Commander of one of the branches, a candidate must, in the case of the Army, have held the rank of Colonel in the Army, or in the case of the Air Force, held the rank of Group Captain (§ 103(2)(i) and (ii)). The leadership of the previous Defence Forces is thereby perpetuated, providing no real transfer of power to Rhodesia's black majority.

The functions of the Commander are the same for each branch of the Defence Forces. Each Commander is responsible for administering and controlling the operations of his respective branch (§ 103(4)). The only restriction placed on the Commanders' activities is that they must comply with the recommendations of the Prime Minister, or other authorized Ministers, with respect to defence policies (§ 103(3)). The Commanders' administrative and regulatory policies will be subject to no such recommendations.

The Commander, under Section 101(1)(b), has the power to appoint and remove from positions, officers of the following ranks: in the case of the Army, any officer below the rank of Second Lieutenant; and in the case of the Air Force, any officer below the rank of Air Sub-Lieutenant. Removals must be confirmed by the Defence Forces Service Commission. It is on the Commander's recommndation that the President appoints the higher ranking officers (§ 104(a) and (b)). In addition, the Commander is responsible for establishing advisory boards, and appointing members thereof, to consider the suitability of commissioned members for promotion within his branch. As set forth in Section 104(3), no commissioned officer shall be promoted unless his case is considered by such a board. Thus, the Commander enjoys primary responsibility for the appointment and promotion of officers within his particular branch.

Section 105 of the Constitution provides for the Defence Forces Service Commission, which resembles the Police Service Commission in most important respects. The Commission will be comprised of the Chairman, who will be the Chairman of the Public Services Commission, and not less than two nor more than four members appointed by the President. All of the members are to be chosen "for their ability and experience in administration" (§ 105(2)). At least two of them must have held the rank of Colonel in the Army or Group Captain in the Air Force, or any more senior rank in the Defence Forces for periods in aggregate of at least five years (§ 105(2)(a)).

The membership requirements for the Commission insure that the majority will be high-ranking members of the former Defence Forces, and all decisions of the Commission must be approved by a majority of the Members (§ 109(2)). This Commission, like all of the others under this Constitution, are exempt from external direction or control (§ 109(4)).

The Commission has sole responsibility for formulating the regulations which provide for the rank structures, organization, and management of all of the Defence Forces, as well as for determining the appointments, qualifications, promotions and transfers of all members of the armed forces. The Defence Forces Service Commission serves in a limited advisory capacity. It is consulted by the Prime Minister in the event that he must recommend to the President a candidate for appointment as an ambassador, high commissioner, or other major representative of Rhodesia to another country or international organization, if that appointee is a member of the Defence Forces (§ 97).

As the controlling body of Rhodesia's armed forces, the Defence Forces Service Commission is particularly important. Given that there is no Constitutional provision mandating that there be majority representation in this body, there is no guarantee that the Defence Forces will not remain under the control of the same persons, and maintain essentially the same administrative procedures and regulations as prevailed in the past.

The ranking officials of the remaining administrative bodies, including all other administrative agencies operating at the national level, are to be appointed by the Statutory Corporations Commission, which is established under Section 164(1) of the Constitution. The Statutory Corporations Commission shall be composed of a chairman and not less than two nor more than four members, all of whom are appointed by the President. The chairman and at least two other members shall have been persons who have held the "post of Secretary of, or Deputy or Under Secretary in a Ministry in the Public Service, or of a grade equivalent to or higher than that . . . [for] at least five years" (§ 164(2)(a)). As is the case with the other commissions established under this Constitution, a majority of the positions will be held by ranking members of the former government.

COMMISSION OF REVIEW

The Constitution does provide that at the end of the second session of Parliament, or ten years, whichever is the longer, the composition of Parliament will be reviewed by a Commission established under Section 159. However, as set forth below, blacks are not guaranteed majority representation on that Commission. Consequently, both the unequal representation in Parliament and entrenched white control over the other major bodies of government, may prevail indefinitely.

The Commission established under Section 159 of the Constitution is to be comprised of five people. The Chief Justice will chair the Commission. Two of its members will be appointed by the President and two will be elected by the white members of the House of Assembly. As is the case with other commissions established under this Constitution, decisions must be approved by a majority of the members.

The function of the Commission will be to determine whether any or all of the seats in the House of Assembly shall cease to be reserved for whites. If a decision is made to repeal the reservation of seats for whites, then the reservation of seventy-two seats for blacks will also be repealed. In this case, the system for electing Senators will be altered as well.

This review of the composition of Parliament in no way guarantees that the disproportionate representation of whites will be altered. Indeed, the composition of the commission empowered to make that review (reflecting as it does white minority interests) offers little promise of majority rule. The Constitution does not provide for a review of the entrenched provisions which present the greatest obstacle to the transfer of all powers to the peoples of Rhodesia "without any conditions or reservations".

III. The Rhodesian Constitution and Electoral Act of 1979 did not permit a free and fair election

A. Summary of Election Procedures

The Rhodesian Constitution of 1979 provides, in Chapter III, Part 1, § 17, for a law of the legislature to govern the conduct of elections of members of the House of Assembly and of the Senate. The Electoral Act of 1979 makes specific provision in Chapter XI for the conduct of the April election, the first general election held in terms of the new Constitution.

As set forth in the Constitution, the House of Assembly will be made up of 100 members, comprising 72 Common Roll members who will be black, 20 White Roll members who will be white, and an additional eight white non-constituency members elected by an electoral college made up of the 72 black and 20 white elected members of the House of Assembly.

The Senate will consist of 30 members, ten of whom will be black, elected by the black Assemblymen, ten of whom will be white, elected by the white Assemblymen, ten of whom will be black Senator Chiefs, 5 from Mashonaland and 5 from Matabeleland, elected by the Council of Chiefs.[30]

Any person who is a citizen of Rhodesia, is at least 18 years of age, and has satisfied certain residency requirements specified in § 22 of the Electoral Act, is eligible to vote, subject to the disqualifications listed in § 21 of that Act. Whites may register on both the White Roll and the Common Roll. Blacks may enroll on the Common Roll but are not eligible to register on the White Roll.

The 72 black members of the House of Assembly were elected by black and white persons registered on the Common Roll. For the purposes of the April elections, the eight provinces into which Rhodesia is divided each constituted an electoral district with a specified number of allocated seats. The election of the 72 blacks was conducted on the basis of a party-list system. Parties wishing to compete in the election had to register their intention to participate by submitting a list of candidates for each region in which they were competing. Common Roll voters voted for one party from a list of those registered, with no opportunity to choose among individual candidates. Seats were then apportioned on the basis of a formula calculating each party's relative share of the total votes cast in the district. Any party receiving less than ten percent of the total votes cast was excluded from the allocation of seats.

The election of the 20 white members was conducted in 20 white constituencies previously determined by the Delimitation Commission, 1978. Voters enrolled on the White Roll elected these 20 members on the basis of a preferential voting system. Each voter was able to indicate his or her first, second and third choices from a list of individual candidates.

The direct participation of Rhodesian citizens was limited to the election of these 92 members of the House of Assembly. The additional eight white non-constituency members are to be elected by an electoral college consisting of the 92 elected members of the House of Assembly, from 16 candidates nominated, in the case of the recent election, by 50 white members of the former House of Assembly. In future elections, the 16 will be nominated by the electoral college referred to above.

The ten black Senators will be elected by the 72 black members of the House of Assembly, and the ten white Senators will be elected by the 28 white members of the House of Assembly. Of the ten Senator Chiefs, 5 will be Chiefs in Mashonaland who are members of the Council of Chiefs, and 5 will be Chiefs in Matabeleland elected in the same manner.

B. The Exclusion of the Patriotic Front and Political Detainees

In late 1978, President Ian Smith, acting under the Emergency Powers (Maintenance of Law and Order) Regulations, issued a banning order against the Patriotic Front. As one consequence of this banning order, the Zimbabwe African Peoples Union (ZAPU) and the Zimbabwe African Nationalist Union (ZANU) were prohibited from participating in Rhodesia's first general election under the new Constitution. Recognized by the Organization of African Unity (OAU) as the major political force opposing minority rule in Rhodesia, and supported by the so-called Front-Line states of Botswana, Mozambique, Angola, Zambia and Tanzania, the Patriotic Front constitutes a major political group. Its

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Footnotes at end of article.

exclusion from the electoral process precluded a free and fair election in which all population and political groups were permitted to participate freely.

A substantial number of persons were denied the right to participate in the elections in terms of § 21(f) of the Electoral Act which disqualifies: "any person who for a continuous period of more than six months which expires after the appointed day [March 9, 1978] is the subject of a preventive detention order under any enactment providing for the preventive detention of persons, for the period of his detention and for a further period of five years from the date of his release from detention."

The use of preventive detention without trial is provided for in several sections of the Emergency Powers (Maintenance of Law and Order) Regulations. As long as Rhodesia remains under the state of emergency declared shortly after UDI in 1965 and renewed annually since that time, these regulations continue to have effect. On June 22, 1978, this state of emergency was renewed for a further year, with the consent of all parties to the internal settlement.

In testimony before the Subcommittee on Africa of the House Committee on International Relations on April 2, 1979, Malcolm Smart, Head of Africa Research for Amnesty International, stated:

"At the end of September, 1978, the Transitional Government introduced new and even more sweeping powers of arbitrary arrest and detention without trial when martial law was declared throughout much of Rhodesia. By the end of the year, an estimated 90 percent of the country had been placed under martial law, and many hundreds of people had been detained. Such detainees may be held without charge or trial for indefinite periods but, unlike those held under § 19 of the Emergency Powers Regulations, they are kept incommunicado and may not be visited by relatives or legal representatives. Nor have the International Committee of the Red Cross yet been granted access to those places, including police and military camps, now being used for the detention of people arrested under martial law regulations.

"Under the terms of the martial law regulations, any person may be detained without trial in a martial law area by any 'member of the security forces'—defined not only as police officers, members of the defence forces, employees of the Minister of Internal Affairs, but also any person assisting them. In effect, this means that powers of arbitrary arrest and detention were extended to the so-called 'private armies' recruited by Bishop Muzorewa and Reverend Sithole, or European farmers, who might be called out on occasions to assist the police or security forces.

"It is extremely difficult to estimate how many people may be detained under martial law at the present time, but some indication of the scale of arrests is that in the Midlands area alone, there were by the beginning of the year at least 1,400 martial law detainees. . . . Taking these figures into consideration it is no exaggeration to say that the total number of martial law detainees throughout the country must number several thousands." [40]

The disqualification of persons who have been held in detention under the sweeping powers instituted by the Transitional Government—persons who in most cases have not been charged or tried—resulted in the arbitrary and unjustifiable exclusion of large elements of the population. Given that most of the detainees were political prisoners, persons opposed to the Smith government were most vulnerable to such disqualification.

The exclusion of the Patriotic Front and large numbers of persons held in preventive detention demonstrates unequivocally that the provisions of the Electoral Act did not permit a free and fair election in which all populations and political groups were permitted to participate freely.

C. Unequal Representation

Equal representation was not accorded to all citizens regardless of race, ethnic background or political affiliation in the formulation of the Constitution and Electoral Laws. The Constitution was drafted and approved by the white electorate and their representatives. Rhodesia's blacks did not participate in this process either through elected representatives or through direct participation in a referendum.

The provisions of the Constitution reserve a disproportionate share of seats in the House of Assembly for whites. Twenty-eight percent of the seats will be held by whites, who comprise only four percent of the total population. In contrast, Rhodesia's blacks, comprising ninety-six percent of the population, are only accorded seventy-two percent of the seats.

The allocation of seats in the Senate compounds the disproportionate representation accorded to whites. The white minority is guaranteed the same number of Senate seats as is the vast black majority. The twenty-eight white members of the House of Assembly will elect ten white Senators, and the seventy-two black members of the House will elect ten black Senators. While the disproportionate reservation of seats for a minority of a country's population is not a practice unique to Rhodesia, in other notable instances such provisions were first submitted to the population at large for approval. This was clearly not true of the Rhodesian Constitution of 1979.

As outlined in Part II above, the sections of the Constitution providing for the composition of the two elected bodies of Parliament, and the establishment of the non-elected bodies of government including the Judiciary, Public Service, and Defense and Police Forces are "specially entrenched". The qualifications required of appointees to these various bodies and the commissions established to administer them, effectively exclude the vast majority of blacks, thereby guaranteeing that these positions will be filled by whites. In order to alter the "entrenched" provisions, a majority of seventy-eight votes in the House of Assembly is required. The composition of that body ensures that whites will enjoy an effective veto over any efforts to make such changes. Although the composition of Parliament will be subject to review as set forth in Section 159 of the Constitution, the commission empowered to make that review is inherently unrepresentative. Thus, equal representation for blacks is denied indefinitely.

D. Unequal Voting Rights

The provisions of the Constitution and Electoral laws did not permit a free and fair election in which equal voting rights were provided for all citizens regardless of race, ethnic background or political affiliation on the principle of one citizen, one vote.

Under the Electoral Act, whites were entitled to vote twice, once as Common Roll voters for the seventy-two black members of the House of Assembly, and once as White Roll voters for the twenty white constituency members of the House of Assembly. (Const., Ch. III, Part II, § 19). Blacks, on the other hand, were allowed to vote only once as Common Roll voters for the seventy-two black constituency members of the House of Assembly. Because the eight white non-constituency members are nominated by white members of the former House, in effect, whites voted for all 100 members of the House of Assembly.

The inequities in representation and voting rights were reinforced by the party-list system employed in the election of the seventy-two black members of the House of Assembly. As set forth in Chapter XI, Part V, § 175 of the Electoral Act, the eight provinces into which Rhodesia is divided each constituted an electoral district, with a specified number of allocated seats. Any party wishing to apply for registration under the conditions set forth in Section 52 of the Act. In the district in which it wished to compete, each party had to nominate the same number of candidates as there were seats allocated for that district. Each Common Roll voter, which is the only roll blacks were eligible to register on, cast his or her vote for one of these registered parties, having no opportunity to select among individual candidates. Any African party which received less than ten percent of the votes cast in any province was excluded from the allocation of seats.

This party-list system stands in marked contrast to the system of preferential voting employed in the twenty white constituencies for the election of the twenty white constituency members of the House of Assembly. (§ 63 of the Electoral Act). White Roll voters indicated their first, second and third choices among a list of candidates presented on the ballot. For white candidates, there was no stipulation regarding the percentage of total votes cast required to win a seat in Parliament. In effect, the Rhodesian Front Party, the white party in Rhodesia was constitutionally guaranteed a disproportionate number of seats, while any African party had to win at least ten percent of the votes in order to qualify for a single seat.

A further discrepancy between the voting rights provided for blacks and those provided for whites involved the issuance of postal ballots. Chapter V, Part III, Section 67 of the Electoral Act provides for postal ballots for voters enrolled on the White Roll. Section 175 of the Act, however, explicitly states that no postal ballots were to be issued to Common Roll voters. In light of the fact that a person is entitled to dual citizenship under Section 141 of the Constitution, the provision of postal ballots to whites meant that the large number of white citizens who have emigrated from Rhodesia in recent years, as well as white students studying abroad, were able to vote in the elections. Blacks residing outside of the country, including all black students, who were unable to return to Rhodesia for the elections, were denied this opportunity because Common Roll voters were not issued postal ballots.

The advantages enjoyed by whites, both in terms of voting rights and representation, were not limited to the election of members of the House of Assembly. The twenty-eight white members of the House of Assembly are entitled to elect the same number of Senators as are the seventy-two black constituency members.

It is clear that the Electoral Act and the Constitution provided unequal voting rights to whites and blacks. Given their relative percentages of the total population and the number of positions in the government for which each group was entitled to vote, for the purposes of the recent election, each white vote carried more than eight times the value of each black vote.[41]

FOOTNOTES

[1] U.N. Charter art. 41. (hereinafter cited as Article 41). "The Security Council may decide what measures not involving the use of armed force are to be employed to give effect to its decisions, and it may call upon the Members of the United Nations to apply such measures. These may include complete or partial interruption of economic relations and of rail, sea, air, postal, telegraphic, radio, and other means of communication, and the severance of diplomatic relations."

[2] 232 U.N. SCOR, 1304th meeting 7 (1966) (hereinafter cited as SCOR 232). For full text of U.N. resolutions see attachment I.

[3] U.N. Charter articles 25, 41, 49 (hereinafter cited as Articles 25, 49). "The Members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the present Charter." (25)

"The Members of the United Nations shall join in affording mutual assistance in carrying out the measures decided upon by the Security Council." (49)

[4] 253 U.N. SCOR, 1428th meeting 5 (1968) (hereinafter cited as SCOR 253).

[5] Executive Order No. 11419, 3 C.F.R. 737 (1966–1970 Comp:), 22 U.S.C. § 287 (c) (hereinafter cited as Exec. Order No. 11419).

[6] SCOR 253.

[7] International Securities Assistance Act of 1978 92 Stat. 736; P.L. 95–384, September 26, 1978.

[8] International Securities Assistance Act of 1978, 92 Stat. 756 § 27. Also set out as a note to 22 U.S.C.A. § 287 (c) (§ 27 is commonly known as the Case-Javits Amendment and hereinafter § 27 of the International Securities Assistance Act of 1978 will be cited as the Case-Javits Amendment; The Act itself will be cited by its full name).

[9] Maxey Keys, "The Fight for Zimbabwe: The Armed Conflict in Southern Rhodesia Since U.D.I." 1–19 (Africana Press, ed. 1975), (hereinafter cited as Keys).

[10] Prior to obtaining its independence, the Republic of Zambia was known as "Northern Rhodesia."

[11] Keys, pgs. 2–3.

[12] An Order in Council is a decree of the sovereign issued on the advice of her Privy Council. This power to legislate by Council was formerly very broad and was understood as a right of sovereign, but now is limited to laws dealing with newly conquered or ceded territories.

[13] *Cook* v. *United States*, 288 U.S. 102, 120 (1932).

[14] *Murray* v. *Schooner Charming Betsy*, 2 Cranch 64, 118 (U.S. 1804); "Sociedad Nacional de Marineros de Honduras v. McCulloch," 201 F. Supp. 82, 89 (D.C.D.C. 1962), aff'd, 372 U.S. 10, cert. denied, *National Maritime Union of America, AFL–CIO* v. *Sociedad Nacional de Marineros de Honduras*, 372 U.S. 937 (1963).

[15] U.N. Participation Act of 1945 (59 Stat. 620) 22 U.S.C.A. § 287 (c).

[16] Article 25.

[17] U.N. Charter art. 39 (hereinafter cited as Article 39) "The Security Council shall determine the existence of any threat to the peace, breach of the peace, or act of aggression and shall make recommendations, or decide what measures shall be taken in accordance with Articles 41 and 42, to maintain or restore international peace and security."

[18] 217 U.N. SCOR, 1265th meeting 8 (1965) (hereinafter cited as SCOR 217).

[19] 221 U.N. SCOR, 1277th meeting 5 (1966) (hereinafter cited as SCOR 221).

[20] SCOR 232.

[21] Article 39.

[22] SCOR 232.

[23] Exec. Order No. 11322, 3 C.F.R. 606 (1966–1970 comp.): 22 U.S.C. § 287(c) (hereinafter cited as Exec. Order 11322).

[24] SCOR 253.

[25] Exec. Order 11419.

[26] Military Procurement Authorization Act of 1972, U.S., Nov. 17, 1971, P.L. 92–156, 85 Stat. 423.

[27] P.L. 95–12. (House Resolution 1746, 91 Stat. 22, approved March 18, 1977. Amends 22, U.S.C. § 287(c)).

[28] International Securities Assistance Act of 1978.

[29] Case-Javits amendment.

[30] 12 Whiteman, Digest of International Law 393 (1971).

[31] 277 U.N. SCOR, 1535th meeting 5 (1970) (hereinafter cited as SCOR 277).

[32] SCOR 277.

[33] 15 U.N. GAOR 1514 (1960) (hereinafter cited as GAOR 1514).

[34] SCOR 217.

[35] Article 41.

[36] GAOR, 1514.

[37] McDougal and Reisman, "Rhodesia and the United Nations: The Lawfulness of International Law" 1–19 (1968).

[38] It is the intent of the Constitution, as indicated in section 71(2), that "advice" is to be construed in the strongest sense of the word. Section 71(2) states: Whereby or under this Constitution or any law of the legislature the President is, in the exercise of his functions, required to act on the advice of any authority or person other than the Executive Council, he shall act on the advice of that authority or person.

[39] See attachment II for a description of the Council of Chiefs.

[40] Hearings on Rhodesia before the House Subcommittee on Africa of the House Committee on International Relations, 96th Cong., 1st Session (April 2, 1979).

[41] See attachment III for method of calculation.

Decision

At its 1257th meeting, on 12 November 1965, the Council decided to invite the Governments of Portgual and South Africa to send representatives to participate, without vote, in the discussion of the question.

Resolution 216 (1965) of 12 November 1965

The Security Council,

1. Decides to condemn the unilateral declaration of independence made by a racist minority in Southern Rhodesia;

2. Decides to call upon all States not to recognize this illegal racist minority regime in Southern Rhodesia and to refrain from rendering any assistance to this illegal regime.

Adopted at the 1258th meeting by 10 votes to none, with one abstention (France).

Resolution 217 (1965) of 20 November 1965

The Security Council,

Deeply concerned about the situation in Southern Rhodesia,

Considering that the illegal authorities in Southern Rhodesia have proclaimed independence and that the Government of the United Kingdom of Great Britain and Northern Ireland, as the administering Power, looks upon this as an act of rebellion,

Noting that the Government of the United Kingdom has taken certain measures to meet the situation and that to be effective these measures should correspond to the gravity of the situation,

1. Determines that the situation resulting from the proclamation of independence by the illegal authorities in Southern Rhodesia is extremely grave, that the Government of the United Kingdom of Great Britain and Northern Ireland should put an end to it and that its continuance in time constitutes a threat to international peace and security;

2. Reaffirms its resolution 216 (1965) of 12 November 1965 and General Assembly resolution 1514(XV) of 14 December 1960;

3. Condemns the usurpation of power by a racist settler minority in Southern Rhodesia and regards the declaration of independence by it as having no legal validity;

4. Calls upon the Government of the United Kingdom to quell this rebellion of the racist minority;

5. Further calls upon the Government of the United Kingdom to take all other appropriate measures which could prove effective in eliminating the authority of the usurpers and in bringing the minority regime in Southern Rhodesia to an immediate end;

6. Calls upon all States not to recognize this illegal authority and not to entertain any diplomatic or other relations with it;

7. Calls upon the Government of the United Kingdom, if the working of the Constitution of 1961 has broken down, to take immediate measures in order to allow the people of Southern Rhodesia to determine their own future consistent with the objectives of General Assembly Resolution 1514 (XV);

8. Calls upon all States to refrain from any action which would assist and encourage the illegal regime and, in particular, to desist from providing it with arms, equipment and military material, and to do their utmost in order to break all economic relations with Southern Rhodesia, including an embargo on oil and petroleum products;

9. Calls upon the Government of the United Kingdom to enforce urgently and with vigour all the measures it has announced, as well as those mentioned in paragraph 8 above;

10. Calls upon the Organization of African Unity to do all in its power to assist in the implementation of the present resolution, in conformity with Chapter VIII of the Charter of the United Nations;

11. Decides to keep the question under review in order to examine what other measures it may deem it necessary to take.

Adopted at the 1265th meeting by 10 votes to none, with 1 abstention (France).

THE SITUATION IN THE DOMINICAN REPUBLIC

Decision

At its 1196th meeting, on 3 May 1965, the Council decided to invite the representative of Cuba to participate, without vote, in the discussion of the question.

QUESTION CONCERNING THE SITUATION IN SOUTHERN RHODESIA [6]

Decisions

At its 1276 meeting, on 9 April 1966, the Council decided to invite the representatives of Sierra Leone and Algeria to participate, without vote, in the discussion of the item entitled "Questions concerning the situation in Southern Rhodesia: letters of August 1963 addressed to the President of the Security Council on behalf of the representatives of thirty-two Member States (S/5382[7] S/5409[7]): Letter dated April 1966 from the Deputy Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Security Council (S/7235)"[8]

At its 1277th meeting, on 9 April 1966, the Council decided to invite the representatives of Kenya and Greece to participate, without vote, in the discussion of the question.

Resolution 221 (1960) of 9 April 1966

The Security Council,

In Recalling its resolutions 216 (1965) of 12 November 1965 and 217 (1965) of 20 November 1965 and in particular its call to all States to do their utmost to break off economic relations with Southern Rhodesia, including an embargo on oil and petroleum products,

Is Gravely concerned at reports that substantial supplies of oil may reach Southern Rhodesia as the result of an oil tanker having arrived at Beira and the approach of a further tanker which may lead to the resumption of pumping through the Companhia do Pipeline Moçambique Rodésias pipeline with the acquiescence of the Portuguese authorities.

In considering that such supplies will afford great assistance and encouragement to the illegal régime in Southern Rhodesia, thereby enabling it to remain longer in being,

1. Determines that the resulting situation constitutes a threat to the peace;

2. Calls upon the Portuguese Government not to permit oil to be pumped through the pipeline from Beira to Southern Rhodesia;

3. Calls upon the Portuguese Government not to receive at Beira oil destined for Southern Rhodesia;

Footnotes at end of article.

4. Calls upon all States to ensure the diversion of any of their vessels reasonably believed to be carrying oil destined for Southern Rhodesia which may be en route for Beira;

5. Calls upon the Government of the United Kingdom of Great Britain and Northern Ireland to prevent, by the use of force if necessary, the arrival at Beira of vessels reasonably believed to be carrying oil destined for Southern Rhodesia, and empowers the United Kingdom to arrest and detain the tanker known as the Joanna V upon her departure from Beira in the event her oil cargo is discharged there.

Adopted at the 1277th meeting by 10 votes to none, with 5 abstentions (Bulgaria, France, Mali, Union of Soviet Socialist Republics, Uruguay).

Decisions

At its 1278th meeting, on 17 May 1966, the Council decided to invite the representatives of India, Pakistan, Senegal, Zambia, Algeria and Sierra Leone to participate, without vote, in the discussion of the question entitled "Question concerning the situation in Southern Rhodesia: Letters dated 2 and 30 August 1963 addressed to the President of the Security Council on behalf of the representatives of thirty-two Member States (S/5382 [9] and S/5409 [9]): Letter dated 10 May 1966 addressed to the President of the Security Council by the representatives of (thirty-two Member States) S/7285 and Add. 1 and 2)".[10]

At its 1331st meeting, on 3 December 1966, the Council decided to invite the representatives of Zambia, Senegal, Algeria, Pakistan and India to participate, without vote, in the discussion of the question entitled "Question concerning the situation in Southern Rhodesia: letters dated 2 and 30 August 1963 addressed to the President of the Security Council on behalf of the representatives of thirty-two Member States (S/5382 [11] and S/5409 [11]): Letter dated 5 December 1966 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Security Council (S/7610)".[12]

Resolution 232 (1966) of 16 December 1966

The Security Council,

Reaffirming its resolutions 216 (1965) of 12 November 1965, 217 (1965) of 20 November 1965 and 221 (1966) of 9 April 1966, and in particular its appeal to all States to do their utmost to break off economic relations with Southern Rhodesia,

Deeply concerned that the Council's efforts so far and the measures taken by the administering Power have failed to bring the rebellion in Southern Rhodesia to an end,

Reaffirming that, to the extent not superseded in the present resolution, the measures provided for in resolution 217 (1965), as well as those initiated by Member States in implementation of that resolution, shall continue in effect,

Acting in accordance with Articles 39 and 41 of the United Nations Charter,

1. Determines that the present situation in Southern Rhodesia constitutes a threat to international peace and security;

2. Decides that all States Members of the United Nations shall prevent:

(a) The import into their territories of asbestos, iron ore, chrome, pig-iron, sugar, tobacco, copper, meat and meat products and hides, skins and leather originating in Southern Rhodesia and exported therefrom after the date of the present resolution;

(b) Any activities by their nationals or in their territories which promote or are calculated to promote the export of these commodities from Southern Rhodesia and any dealings by their nationals or in their territories in any of these commodities originating in Southern Rhodesia and exported therefrom after the date of the present resolution, including in particular any transfer of funds to Southern Rhodesia for the purposes of such activities or dealings;

(c) Shipment in vessels or aircraft of their registration of any of these commodities originating in Southern Rhodesia and exported therefrom after the date of the present resolution;

(d) Any activities by their nationals or in their territories which promote or are calculated to promote the sale or shipment to Southern Rhodesia of arms, ammunition of all types, military aircraft, military vehicles, and equipment and materials for the manufacture and maintenance of arms and ammunition in Southern Rhodesia;

(e) Any activities by their nationals or in their territories which promote or are calculated to promote the supply to Southern Rhodesia of all other aircraft and motor vehicles and of equipment and materials for the manufacture, assembly, or maintenance of aircraft and motor vehicles in Southern Rhodesia; the shipment in vessels and aircraft of their registration of any such goods destined for Southern Rhodesia; and any activities by their nationals or in their territories which promote or are calculated to promote the manufacture or assembly of aircraft or motor vehicles in Southern Rhodesia;

(f) Participation in their territories or territories under their administration or in land or air transport facilities or by their nationals or vessels of their registration in the supply of oil or oil products to Southern Rhodesia;

notwithstanding any contracts entered into or licenses granted before the date of the present resolution;

3. *Reminds* Member States that the failure or refusal by any of them to implement the present resolution shall constitute a violation of Article 25 of the United Nations Charter;

4. *Reaffirms* the inalienable rights of the people of Southern Rhodesia to freedom and independence in accordance with the Declaration on the Granting of Independence to Colonial Countries and Peoples contained in General Assembly resolution 1514(XV) of 14 December 1960, and recognizes the legitimacy of their struggle to secure the enjoyment of their rights as set forth in the Charter of the United Nations;

5. *Calls upon* all States not to render financial or other economic aid to the illegal racist régime in Southern Rhodesia;

6. *Calls upon* all States Members of the United Nations to carry out this decision of the Security Council in accordance with Article 25 of the United Nations Charter;

7. *Urges,* having regard to the principles stated in Article 2 of the United Nations Charter, States not Members of the United Nations to act in accordance with the provisions of paragraph 2 of the present resolution;

8. *Calls upon* States Members of the United Nations or members of the specialized agencies to report to the Secretary-General the measures which each has taken in accordance with the provisions of paragraph 2 of the present resolution;

9. *Requests* the Secretary-General to report to the Council on the progress of the implementation of the present resolution, the first report to be submitted not later than 1 March 1967;

10. *Decides* to keep this item on its agenda for further action as appropriate in the light of developments.

Adopted at the 1340th meeting by 11 votes to none, with 4 abstentions (Bulgaria, France, Mali, Union of Soviet Socialist Republics.)

THE PALESTINE QUESTION [13]

Decisions

At its 1288th meeting, on 25 July 1966, the Council decided to invite the representatives of Syria, Israel and Iraq to participate, without vote, in the discussion of the item entitled "The Palestine question: (*a*) Letter dated 21 July 1966 from the Permanent Representative of Syria to the United Nations addressed to the President of the Security Council (S/7419; [14] (*b*) Letter dated 22 July 1966 from the Permanent Representative of Israel to the United Nations addressed to the President of the Security Council (S/7423)".[14]

At the same meeting the Council decided to request the Secretary-General to submit two reports based on information supplied by the Chief of Staff of the United Nations Truce Supervision Organization in Palestine: one covering sub-item (*a*) and the other sub-item (*b*) of the item on the agenda (see above).

At the same meeting the Council decided to begin the discussion of the question as it had been included on the agenda (see above), and to consider sub-item (*a*) first.

Noting that the Government of Cyprus has agreed that in view of the prevailing conditions in the island it is necessary to continue the Force beyond 15 December 1968,

Noting, from the observations in the report, the encouraging recent developments in the island,

1. Reaffirms its resolution 186 (1964) of 4 March, 187 (1964) of 13 March, 192 (1964) of 20 June, 193 (1964) of 9 August, 194 (1964) of 25 September and 198 (1964) of 18 December 1964, 201 (1965) of 19 March, 206 (1965) of 15 June, 207 (1965) of 10 August and 219 (1965) of 17 December 1965, 220 (1966) of 16 March, 222 (1966) of 16 June and 231 (1966) of 15 December 1966, December 1967, 247 (1968) of 18 March and 254 (1968) of 18 June 1968, and the consensus expressed by the President at the 1143rd meeting on 11 August 1964 and at the 1383rd meeting of 24 November 1967;

2. Urges the parties concerned to act with the utmost restraint and to continue determined co-operative efforts to achieve the objectives of the Security Council by availing themselves in a constructive manner of the present auspicious climate and opportunities;

3. Extends once more the stationing in Cyprus of the United Nations Peace-keeping Force, established under Security Council resolution 186 (1964), for a further period ending 15 June 1969, in the expectation that by then sufficient progress towards a final solution will make possible a withdrawal or substantial reduction of the Force.

Adopted unanimously at the 1459th meeting.

QUESTION CONCERNING THE SITUATION IN SOUTHERN RHODESIA [17]

Decision

At its 1399th meeting, on 19 March 1968, the Council decided to invite representatives of Jamaica and Zambia to participate, without vote, in the discussion of the item entitled:

"Question concerning the situation in Southern Rhodesia: letters dated 2 and 30 August 1963 addressed to the President of the Security Council on behalf of the representatives of thirty-two Member States (S/5382 [18] and S/5409 [18]):

"Letter dated 12 March 1968 addressed to the President of the Security Council by the representatives of Algeria, Botswana, Burundi, Cameroon, The Central African Republic, Chad, Congo (Brazzaville), Congo (Democratic Republic of), Dahomey, Ethiopia, Gabon, Ghana, Guinea, Ivory Coast, Kenya, Lesotho, Liberia, Libya, Madagascar, Mali, Mauritania, Morocco, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Togo, Tunisia, Uganda, The United Arab Republic, The United Republic of Tanzania, Upper Volta and Zambia (S/8454)."[19]

At its 1428th meeting of the Council, on 29 May 1968, the President (United Kingdom) informed the Council that he had decided,

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in accordance with rule 20 of the provisional rules of procedure, not to preside over the Council during the discussion of the question.

Resolution 253 (1968) of 29 May 1968

The Security Council,

Recalling and reaffirming its resolutions 216 (1965) of 12 November 1965, 217 (1965) of 20 November 1965, 221 (1966) of 9 April 1966, and 232 (1966) of 16 December 1966,

Taking note of resolution 2262 (XXII) adopted by the General Assembly on 3 November 1967,

Noting with great concern that the measures taken so far have failed to bring the rebellion in Southern Rhodesia to an end,

Reaffirming that, to the extent not superseded in this resolution, the measures provided for in resolutions 217 (1965) of 20 November 1965 and 232 (1966) of 16 December 1966, as well as those initiated by Member States in implementation of those resolutions, shall continue in effect,

Gravely concerned that the measures taken by the Security Council have not been complied with by all States and that some States, contrary to resolution 232 (1966) of the Security Council and to their obligations under Article 25 of the Charter of the United Nations, have failed to prevent trade with the illegal regime in Southern Rhodesia,

Condemning the recent inhuman executions carried out by the illegal regime in Southern Rhodesia which have flagrantly affronted the conscience of mankind and have been universally condemned,

Affirming the primary responsibility of the Government of the United Kingdom to enable the people of Southern Rhodesia to achieve self-determination and independence, and in particular their responsibility for dealing with the prevailing situation,

Recognizing the legitimacy of the struggle of the people of Southern Rhodesia to secure the enjoyment of their rights as set forth in the Charter of the United Nations and in conformity with the objectives of General Assembly resolution 1514 (XV) of 14 December 1960,

Reaffirming its determination that the present situation in Southern Rhodesia constitutes a threat to international peace and security,

Acting under Chapter VII of the Charter of the United Nations,

1. *Condemns* all measures of political repression, including arrests, detentions, trials and executions which violate fundamental freedoms and rights of the people of Southern Rhodesia, and calls upon the Government of the United Kingdom to take all possible measures to put an end to such actions;

2. *Calls upon* the United Kingdom as the administering Power in the discharge of its responsibility to take urgently all effective measures to bring to an end the rebellion in Southern Rhodesia, and enable the people to secure the enjoyment of their rights as set forth in the Charter of the United Nations and in conformity with the objectives of General Assembly resolution 1514 (XV);

3. *Decides* that, in furtherance of the objective of ending the rebellion, all States Members of the United Nations shall prevent:

(*a*) The import into their territories of all commodities and products originating in Southern Rhodesia and exported therefrom after the date of this resolution (whether or not the commodities or products are for consumption or processing in their territories, whether or not they are imported in bond and whether or not any special legal status with respect to the import of goods is enjoyed by the port or other place where they are imported or stored);

(*b*) Any activities by their nationals or in their territories which would promote or are calculated to promote the export of any commodities or products from Southern Rhodesia; and any dealings by their nationals or in their territories in any commodities or products originating in Southern Rhodesia and exported therefrom after the date of this resolution, including in particular any transfer of funds to Southern Rhodesia for the purposes of such activities or dealings;

(*c*) The shipment in vessels or aircraft of their registration or under charter to their nationals, or the carriage (whether or not in bond) by land transport facilities across their territories of any commodities or products originating in Southern Rhodesia and exported therefrom after the date of this resolution;

(*d*) The sale or supply by their nationals or from their territories of any commodities or products (whether or not originating in their territories, but not including supplies intended strictly for medical purposes, educational equipment and material for use in schools and other educational institutions, publications, news material and, in special humanitarian circumstances, food-stuffs) to any person or body in Southern Rhodesia or to any other person or body for the purposes of any business carried on in or operated from Southern Rhodesia, and any activities by their nationals or in their territories which promote or are calculated to promote such sale or supply;

(*e*) The shipment in vessels or aircraft of their registration, or under charter to their nationals, or the carriage (whether or not in bond) by land transport facilities across their territories of any such commodities or products which are consigned to any person or body in Southern Rhodesia, or to any other person or body for the purposes of any business carried on in or operated from Southern Rhodesia;

4. Decides that all States Members of the United Nations shall not make available to the illegal régime in Southern Rhodesia or to any commercial, industrial or public utility undertaking, including tourist enterprises, in Southern Rhodesia any funds for investment or any other financial or economic resources and shall prevent their nationals and any persons within their territories from making available to the régime or to any such undertaking any such funds or resources and from remitting any other funds to persons or bodies within Southern Rhodesia, except payments exclusively for pensions or for strictly medical, humanitarian or educational purposes or for the provision of news material and in special humanitarian circumstances, foodstuffs;

5. Decides that all States Members of the United Nations shall:

(a) Prevent the entry into their territories, save on exceptional humanitarian grounds, of any person travelling on a Southern Rhodesian passport, regardless of its date of issue, or on a purported passport issued by or on behalf of the illegal régime in Southern Rhodesia;

(b) Take all possible measures to prevent the entry into their territories of persons whom they have reason to believe to be ordinarily resident in Southern Rhodesia and whom they have reason to believe to have furthered or encouraged, or to be likely to further or encourage, the unlawful actions of the illegal régime in Southern Rhodesia or any activities which are calculated to evade any measure decided upon in this resolution or resolution 232 (1966) of 16 December 1966;

6. Decides that all States Members of the United Nations shall prevent airline companies constituted in their territories and aircraft of their registration or under charter to their nationals from operating to or from Southern Rhodesia and from linking up with any airline company constituted or aircraft registered in Southern Rhodesia;

7. Decides that all States Members of the United Nations shall give effect to the decisions set out in operative paragraphs 3, 4, 5 and 6 of this resolution notwithstanding any contract entered into or license granted before the date of this resolution;

8. Calls upon all States Members of the United Nations or of the specialized agencies to take all possible measures to prevent activities by their nationals and persons in their territories promoting, assisting or encouraging emigration to Southern Rhodesia, with a law to stopping such emigration;

9. Requests all States Members of the United Nations or of the specialized agencies to take all possible further action under Article 41 of the Charter to deal with the situation in Southern Rhodesia, not excluding any of the measures provided in that Article;

10. Emphasizes the need for the withdrawal of all insular and trade representation in Southern Rhodesia, in addition to the provisions of operative paragraph 6 of resolution 217 (1965);

11. Calls upon all States Members of the United Nations to carry out these decisions of the Security Council in accordance with Article 25 of the Charter of the United Nations and reminds them that failure or refusal by any one of them to do so would constitute a violation of that Article;

12. Deplores the attitude of States that have not complied with their obligations under Article 25 of the Charter, and censures in particular those States which have persisted in trading with the illegal regime in defiance of the resolutions of the Security Council, and which have given active assistance to the regime;

13. Urges all States Members of the United Nations render moral and material assistance to the people of Southern Rhodesia in their struggle to achieve their freedom and independence;

14. Urges, having regard to the principles stated in Article 2 of the Charter of the United Nations, States that Members of the United Nations to act in accordance with the provisions of the present resolution;

15. Requests States Members of the United Nations, the United Nations Organization, the specialized agencies, and other international organizations in the United Nations system to extend assistance to Zambia as a matter of priority with a view to helping it solve such special economic problems as it may be confronted with arising from the carrying out of these decisions of the Security Council;

16. Calls upon all States Members of the United Nations, and in particular those with primary responsibility under the Charter for the maintenance of international peace and security, to assist effectively in the implementation of the measures called for by the present resolution;

17. Considers that the United Kingdom as the administering Power should ensure that no settlement is reached without taking into account the views of the people of Southern Rhodesia, and in particular the political parties favouring majority rule, and that it is acceptable to the people of Southern Rhodesia as a whole;

18. Calls upon all States Members of the United Nations or of the specialized agencies to report to the Secretary General by 1 August 1968 on measures taken to implement the present resolution;

19. Requests the Secretary-General to report to the Security Council on the progress of the implementation of this resolution, the first report to be made not later than 1 September 1968;

20. Decides to establish, in accordance with rule 28 of the provisional rules of procedure of the Security Council, a committee of the Security Council to undertake the following

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tasks and to report to it with its observations:

(a) To examine such reports on the implementation of the present resolution as are submitted by the Secretary-General;

(b) To seek from any States Members of the United Nations or of the specialized agencies such further information regarding the trade of that State (including information regarding the commodities and products exempted from the prohibition contained in operative paragraph 3(*d*) above) or regarding any activities by any nationals of that State or in its territories that may constitute an evasion of the measures decided upon in this resolution as it may consider necessary for the proper discharge of its duty to report to the Security Council.

21. Requests the United Kingdom, as the administering Power, to give maximum assistance to the committee, and to provide the committee with any information which it may receive in order that the measures envisaged in this resolution and resolution 232 (1966) may be rendered fully effective;

22. Calls upon all States Members of the United Nations, or of the specialized agencies, as well as the specialized agencies themselves, to supply such further information as may be sought by the Committee in pursuance of this resolution;

23. Decides to maintain this item on its agenda for further action as appropriate in the light of developments.

Adopted unanimously at the 1428th meeting.

Decisions

At its 1531st meeting, on 11 March 1970, the council decided to invite the representatives of Algeria, Senegal and Pakistan to participate, without vote, in the discussion of the item entitled:

"Question concerning the situation in Southern Rhodesia:

"Letter dated 3 March 1970 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Security Council (S/9576);[14]

"Letter dated 6 March 1970 addressed to the President of the Security Council by the representatives of Algeria, Botswana, Burundi, Cameroon, the Central African Republic, Chad, the Congo (Democratic Republic of), Dahomey, Equatorial Guinea, Ethiopia, Gabon, Ghana, Guinea, the Ivory Coast, Kenya, Lesotho, Liberia, Libya, Madagascar, Mali, Mauritania, Mauritius, Morocco, the Niger, Nigeria, the People's Republic of the Congo, Rwanda, Senegal, Sierra Leone, Somalia, the Sudan, Swaziland, Togo, Tunisia, Uganda, the United Arab Republic, the United Republic of Tanzania, the Upper Volta and Zambia (S/9682)."[15]

At its 1532nd meeting, on 12 March 1970, the Council decided to invite the representatives of Yugoslavia and India[16] to participate, without vote, in the discussion of the question.

At its 1534th meeting, on 17 March 1970, the Council decided to invite the representative of Saudi Arabia to participate, without vote, in the discussion of the question.

Resolution 277 (1970) of 18 March 1970

The Security Council,

Reaffirming its resolutions 216 (1965) of 12 November 1965, 217 (1965) of 20 November 1965, 221 (1966) of 9 April 1966, 232 (1966) of 16 December 1966 and 253 (1968) of 29 May 1968,

Reaffirming that, to the extent not superseded in the present resolution, the measures provided for in resolutions 217 (1965), 232 (1966) and 253 (1968), as well as those initiated by Member States in implementation of those resolutions, shall continue in effect,

Taking into account the reports[17] of the Committee established in pursuance of Security Council resolution 253 (1968),

Noting with grave concern that:

(a) The measures so far taken have failed to bring the rebellion in Southern Rhodesia to an end,

(b) Some States, contrary to resolutions 232 (1966) and 253 (1968) of the Security Council and to their obligations under Article 25 of the Charter of the United Nations, have failed to prevent trade with the illegal regime of Southern Rhodesia,

(c) The Governments of the Republic of South Africa and Portugal have continued to give assistance to the illegal regime of Southern Rhodesia, thus diminishing the effects of the measures decided upon by the Security Council,

(d) The situation in Southern Rhodesia continues to deteriorate as a result of the introduction by the illegal régime of new measures, including the purported assumption of republican status, aimed at repressing the African people in violation of General Assembly resolution 1514 (XV) of 14 December 1960,

Recognizing the legitimacy of the struggle of the people of Southern Rhodesia to secure the enjoyment of their rights as set forth in the Charter and in conformity with the objectives of General Assembly resolution 1514 (XV),

Reaffirming that the present situation in Southern Rhodesia constitutes a threat to international peace and security,

Acting under Chapter VII of the Charter,

1. Condemns the illegal proclamation of republican status of the Territory by the illegal régime in Southern Rhodesia;

2. Decides that Member States shall refrain from recognizing this illegal régime or from rendering any assistance to it;

3. Calls upon Member States to take appropriate measures, at the national level, to ensure that any act performed by officials and institutions of the illegal régime in Southern Rhodesia shall not be accorded any recognition, official or otherwise, including judicial notice, by the competent organs of their State;

4. Reaffirms the primary responsibility of the Government of the United Kingdom of Great Britain and Northern Ireland to enable the people of Zimbabwe to exercise their right to self-determination and independence, in accordance with the Charter of the United Nations and in conformity with General Assembly resolution 1514 (XV), and urges that Government to discharge fully its responsibility;

5. Condemns all measures of political repression, including arrests, detentions, trials and executions, which violate fundamental freedoms and rights of the people of Southern Rhodesia;

6. Condemns the policies of the Governments of South Africa and Portugal, which continue to maintain political, economic, military, and other relations with the illegal régime in Southern Rhodesia in violation of the relevant resolutions of the United Nations;

7. Demands the immediate withdrawal of South African police and armed personnel from the Territory of Southern Rhodesia;

8. Calls upon Member States to take more stringent measures in order to prevent any circumvention by their nationals, organizations, companies and other institutions of their nationality, of the decisions taken by the Security Council in resolutions 232 (1966) and 253 (1968), all provisions of which shall fully remain in force;

9. Decides, in accordance with Article 41 of the Charter and in furthering the objective of ending the rebellion, that Member States shall:

(*a*) Immediately sever all diplomatic, consular, trade, military and other relations that they may have with the illegal régime in Southern Rhodesia, and terminate any representation that they may maintain in the Territory;

(*b*) Immediately interrupt any existing means of transportation to and from Southern Rhodesia;

10. Requests the Government of the United Kingdom, as the administering Power, to rescind or withdraw any existing agreements on the basis of which foreign consular, trade and other representation may at present be maintained in or with Southern Rhodesia;

11. Requests Member States to take all possible further action under Article 41 of the Charter to deal with the situation in Southern Rhodesia, not excluding any of the measures provided in that Article;

12. Calls upon Member States to take appropriate action to suspend any membership or associate membership that the illegal régime of Southern Rhodesia has in the specialized agencies of the United Nations;

13. Uurges Member States of any international or regional organizations to suspend the membership of the illegal régime of Southern Rhodesia from their respective organizations and to refuse any request for membership from that régime;

14. Urges Member States to increase moral and material assistance to the people of Southern Rhodesia in their legitimate struggle to achieve freedom and independence;

15. Requests the specialized agencies and other international organizations concerned, in consultation with the Organization of African Unity, to give aid and assistance to refugees from Southern Rhodesia and those who are suffering from oppression by the illegal régime of Southern Rhodesia;

16. Requests Member States, the United Nations, the specialized agencies and other international organizations in the United Nations system to make an urgent effort to increase their assistance to Zambia as a matter of priority with a view to helping it solve such special economic problems as it may be confronted with arising from the carrying out of the decisions of the Security Council on this question;

17. Calls upon Member States, in particular those with primary responsibility under the Charter for the maintenance of international peace and security, to assist effectively in the implementation of the measures called for by the present resolution;

18. *Urges,* having regard to the principle stated in Article 2 of the Charter, States not Members of the United Nations to act in accordance with the provisions of the present resolution;

19. *Calls upon* Member States to report to the Secretary-General by 1 June 1970 on the measures taken to implement the present resolution;

20. *Requests* the Secretary-General to report to the Security Council on the progress of the implementation of the present resolution, the first report to be submitted no later than 1 July 1970;

21. *Decides* that the Committee of the Security Council established in pursuance of resolution 253 (1968), in accordance with rule 28 of the provisional rules of procedure of the Council, shall be entrusted with the responsibility of:

(*a*) Examining such reports on the implementation of the present resolution as will be submitted by the Secretary-General;

(*b*) Seeking from Member States such further information regarding the effective implementation of the provisions laid down in the present resolution as it may consider necessary for the proper discharge of its duty to report to the Security Council;

(*c*) Studying ways and means by which Member States could carry out more effectively the decisions of the Security Council regarding sanctions against the illegal régime of Southern Rhodesia and making recommendations to the Council;

22. *Requests* the United Kingdom, as the administering Power, to continue to give maximum assistance to the Committee and to provide the Committee with any informa-

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tion it may receive in order that the measures envisaged in the present resolution as well as resolutions 232 (1966) and 253 (1968) may be rendered fully effective;

23. *Calls upon* Member States, as well as the specialized agencies, to supply such information as may be sought by the Committee in pursuance of the present resolution;

24. *Decides* to maintain this item on its agenda for further action as appropriate in the light of developments.

Adopted at the 1535th meeting by 14 votes to none, with one abstention (Spain).

Decision

At its 1556th meeting on 10 November 1970, the Council, following the adoption of its agenda, proceeded with the discussion of the item entitled:

"Question concerning the situation in Southern Rhodesia:

"(*a*) Letter dated 6 November 1970 from the Permanent Representatives of Burundi, Nepal, Sierra Leone, Syria and Zambia to the United Nations addressed to the President of the Security Council (S/9975/Rev. 1);[15]

"(b) Third report of the Committee established in pursuance of Security Council resolution 253 (1968) (S/9844 and Add. 1–3)."[19]

Resolution 288 (1970) of 17 November 1970

The Security Council,

Having considered the question of Southern Rhodesia,

Reaffirming its resolutions 216 (1965) of 12 November, 1965, 217 (1965) of 20 November 1965, 221 (1966) of 9 April 1966, 232 (1966) of 16 December 1966, 253 (1968) of 29 May 1968 and 277 (1970) of 18 March 1970,

Gravely concerned that certain States have not complied with the provisions of resolutions 232 (1966), 253 (1968) and 277 (1970), contrary to their obligations under Article 25 of the Charter of the United Nations.

Reaffirming the primary responsibility of the Government of the United Kingdom of Great Britain and Northern Ireland to enable the people of Southern Rhodesia to achieve self-determination and independence, and in particular their responsibility of bringing illegal declaration of independence to an end,

Taking into account the third report[20] of the Committee established in pursuance of Security Council resolution 253 (1968),

Acting in accordance with previous decisions of the Security Council on Southern Rhodesia, taken under Chapter VII of the Charter,

1. Reaffirms its condemnation of the illegal declaration of independence in Southern Rhodesia;

2. *Calls upon* the United Kingdom of Great Britain and Northern Ireland, as the administering Power in the discharge of its responsibility, to take urgent and effective measures to bring to an end the illegal rebellion in Southern Rhodesia and enable the people to exercise their right to self-determination in accordance with the Charter of the United Nations and in conformity with the objectives of General Assembly resolution 1514 (XV) of 14 December 1960;

3. Decides that the present sanctions against Southern Rhodesia shall remain in force;

4. Urges all States to fully implement all Security Council resolutions pertaining to Southern Rhodesia, in accordance with their obligations under Article 25 of the Charter, and deplores the attitude of those States which have persisted in giving moral, political and economic assistance to the illegal régime.

5. Further urges all States, in furtherance of the objectives of the Security Council, not to grant any form of recognition to the illegal régime in Southern Rhodesia;

6. Decides to remain actively seized of the matter.

Adopted unanimously at the 1557th meeting.

THE QUESTION OF BAHRAIN

Decision

At its 1536th meeting, on 11 May 1970, the Council decided to invite the representatives of Iran, Southern Yemen and Pakistan to participate, without vote, in the discussion of the item entitled:

"The question of Bahrain:

"(a) Letter dated 4 May 1970 from the Permanent Representative of Iran to the United Nations addressed to the President of the Security Council (S/9779);[21]

"(b) Letter dated 5 May 1970 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Security Council (S/9783);[21]

"(c) Note by the Secretary-General S/9772)."[21]

Resolution 278 (1970) of 11 May 1970

The Security Council,

Noting the communication from the Secretary-General of the Security Council of 28 March 1970,[21]

Noting also the statements made by the representatives of Iran and the United Kingdom of Great Britain.

QUESTION CONCERNING THE SITUATION IN SOUTHERN RHODESIA[26]

Decisions

At its 1640th meeting, on 16 February 1972, the Council decided to invite the representative of Saudi Arabia to participate, without vote, in the discussion of the item entitled:

"Question concerning the situation in Southern Rhodesia:

"(a) Letter dated 15 February 1972 from the representatives of Guinea Somalia and the Sudan addressed to the President of the Security Council (S/10540);[27]

"(b) Fourth report of the Committee established in pursuance of Security Council resolution 253 (1968) (S/10229 and Add. 1 and 2);[28]

"(c) Interim report of the Committee established in pursuance of Security Council resolution 253 (1968) (S/10408)."[29]

At the same meeting, the Council decided, at the request of the representatives of Guinea, Somalia and the Sudan,[30] to extend an invitation to Mr. Abel Muzorewa, under rule 39 of the provisional rules of procedure of the Security Council.

Resolution 314 (1972) of 28 February 1972

The Security Council,

Having considered the recent developments concerning the question of Southern Rhodesia,

Recalling its resolutions 216 (1965) of 12 November 1965, 217 (1965), of 20 November 1965, 221 (1966) of 9 April 1966, 232 (1966) of 16 December 1966, 253 (1968) of 29 May 1968, 277 (1970) of 18 March 1970 and 288 (1970) of 17 November 1970,

Gravely concerned that certain States have not complied with the provisions of resolution 253 (1968), contrary to their obligations under Article 25 of the Charter of the United Nations,

Taking into account the fourth report[31] of the Committee established in pursuance of Security Council resolution 253 (1968) and its interim report[32] of 3 December 1971,

Acting in accordance with previous decisions of the Security Council on Southern Rhodesia, taken under Chapter VII of the Charter,

1. Reaffirms its decision that the present sanctions against Southern Rhodesia shall remain fully in force until the aims and objectives set out in resolution 253 (1968) are completely achieved;

2. Urges all States to implement fully all Security Council resolutions establishing sanctions against Southern Rhodesia, in accordance with their obligations under Article 25 and Article 2, paragraph 6, of the Charter of the United Nations and deplores the attitude of those States which have persisted in giving moral, political and economic assistance to the illegal regime;

3. Declares that any legislation passed, or act taken, by any State with a view to permitting, directly or indirectly, the importation from Southern Rhodesia of any commodity falling within the scope of the obligations imposed by resolution 253 (1968), including chrome ore, would undermine sanctions and would be contrary to the obligations of States;

4. Calls upon all States to refrain from taking any measures that would in any way permit or facilitate the importation from Southern Rhodesia of commodities falling within the scope of the obligations imposed by resolution 253 (1968), including chrome ore;

5. Draws the attention of all States to the need for increasing vigilance in implementing the provisions of resolution 253 (1968) and, accordingly, calls upon them to take more effective measures to ensure full implementation of the sanctions;

6. Requests the Committee established in pursuance of Security Council resolution 253 (1968) to meet, as a matter of urgency, to consider ways and means by which the implementation of sanctions may be ensured and to submit to the Council, not later than 15 April 1972, a report contained recommendations in this respect, including any suggestions that the Committee might wish to make concerning its terms of reference and any other measures designed to ensure the effectiveness of its work;

7. Requests the Secretary-General to provide all appropriate assistance to the Committee in the discharge of its task.

Adopted at the 1645th meeting by 13 votes to none, with 2 abstentions (United Kingdom of Great Britain and Northern Ireland, United States of America).

On 28 February 1973, the President of the Security Council issued a further note (S/10890),[40] indicating that the members of the Council did not object to a further extension, until 15 April 1973, of the time-limit fixed for the submission of the reports.

At its 1713th meeting, on 16 May 1973, the Council decided to invite the representative of Somalia to participate, without vote, in the discussion of the item entitled:

"Question concerning the situation in Southern Rhodesia:

"(a) Letter dated 8 May 1973 from the representatives of Guinea and Kenya to the President of the Security Council (S/10925),[41]

"(b) Second Special Report of the Committee established in pursuance of Security Council resolution 253 (1968) concerning the question of Southern Rhodesia (S/10920 and Corr. 1).[41]

Resolution 333 (1973) of 22 May 1973

The Security Council,

Recalling its resolutions 320 (1972) of 29 September 1972 and 328 (1973) of 10 March 1973,

Noting that measures so far instituted by the Security Council and the General Assembly have not brought to an end the illegal régime in Southern Rhodesia,

Reiterating its grave concern that some States contrary to Security Council resolutions 232 (1966) of 16 December 1966, 253 (1968) of 29 May 1968 and 277 (1970) of 18 March 1970 and to their obligations under Article 25 of the Charter of the United Nations, have failed to prevent trade with the illegal régime in Southern Rhodesia,

Condemning the persistent refusal of South Africa and Portugal to co-operate with the United Nations in the effective observance and implementation of sanctions against Southern Rhodesia (Zimbabwe) in

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clear violation of the Charter of the United Nations,

Having considered the second special report of the Committee established in pursuance of resolution 253 (1968) (S/10920 and Corr. 1),

Taking note of the letter dated 27 April from the Chairman of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (S/10923),[42]

1. Approves the recommendations and suggestions contained in paragraphs 10 to 22 of the second session report of the Committee established in pursuance of resolution 253 (1968);

2. Requests the Committee, as well as all Governments, and the Secretary-General as appropriate and take urgent action to implement the recommendations and suggestions referred to above.

3. Requests States with legislation permitting importation of minerals and other products from Southern Rhodesia to repeal it immediately;

4. Calls upon States to enact and enforce immediately legislation providing for the imposition of severe penalties on persons natural or juridical that evade or commit breach of sanctions by:

(a) Importing any goods from Southern Rhodesia;

(b) Exporting any goods to Southern Rhodesia;

(c) Providing any facilities for transport of goods to and from Southern Rhodesia;

(d) Conducting or facilitating any transaction or trade that may enable Southern Rhodesia to obtain from or send to any country any goods or services;

(e) Continuing to deal with clients in South Africa, Angola, Mozambique, Guinea (Bissau) and Namibia after it has become known that the clients are re-exporting the goods or components thereof to Southern Rhodesia, or that goods received from such clients are of Southern Rhodesian origin;

5. Requests States, in the event of their trading with South Africa and Portugal, to provide that purchase contracts with those countries should clearly stipulate, in a manner legally enforceable, the prohibition of dealing in goods of Southern Rhodesian origin; likewise, sales contracts with these countries should include a prohibition of resale or re-export of goods to Southern Rhodesia;

6. Calls upon States to pass legislation forbidding insurance companies under their jurisdiction from covering air flights into and out of Southern Rhodesia and individuals or air cargo carried on them;

7. Calls upon States to undertake appropriate legislative measures to ensure that all valid marine insurance contracts contain specific provisions that no goods of Southern Rhodesian origin or destined to Southern Rhodesia shall be covered by such contracts;

8. Calls upon States to inform the Committee established in pursuance of resolution 253 (1968), on their present sources of supply and quantities of chrome, asbestos, nickel, pig iron, tobacco, meat and sugar, together with the quantities of these goods they obtained from Southern Rhodesia before the application of sanctions.

Adopted at the 1716th meeting by 12 votes to none with 3 abstentions (France, United Kingdom of Great Britain and Northern Ireland, United States of America).

FOOTNOTES

[5] Resolutions or decisions on this question were also adopted by the Council in 1963 and 1965.

[6] See Official Records of the Security Council, Eighteenth Year, Supplement of July, August and September 1963.

[7] Ibid., Twenty-first Year, 1276th meeting, para. 10.

[9] Ibid, Eighteenth Year, Supplement for July, August and September 1963.

[10] Ibid., Twenty-first Year, Supplement for April, May and June 1966.

[11] Ibid., Eighteenth Year, Supplement for July, August and September 1963.

[12] Ibid., Twenty-first Year, Supplement for October, November and December 1966.

[13] Resolutions or decisions on this question were also adopted by the Council in 1947, 1948, 1949, 1950, 1951, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1961, 1962, 1963 and 1964.

[14] See Official Records of the Security Council, Twenty-first Year, Supplement for July, August and September 1966.

[17] Resolutions or decisions on this question were also adopted by the Council in 1963, 1965 and 1966.

[18] See Official Records of the Security Council, Eighteenth Year, Supplement for July, August and September 1963.

[19] Ibid., Twenty-third Year, Supplement for January, February and March 1968.

[14] Ibid., Supplement for January, February and March 1970.

[15] Ibid.; at the 1531st meeting, Gabon was added to the list of signatories of the present letter.

[16] The representative of India took a place at the Council table at the 1533rd meeting, on 13 March 1970.

[17] See Official Records of the Security Council, Twenty-third Year, Supplement for October, November and December 1968, document S/8954, and ibid., Twenty-fourth Year, Supplement for April, May and June 1969, document S/9252 and Add. 1.

[18] Ibid., Twenty-fifth Year, Supplement for October, November and December 1970.

[19] Ibid., Supplement for April, May and June 1970.

[20] Ibid., document S/9844 and Add. 1–3.

[21] Ibid., Supplement for April, May and June 1970.

[26] Resolutions or decisions on this question were also adopted by the Council in 1963, 1965, 1966, 1968, 1969, 1970 and 1971.

[27] See Official Records of the Security Council, Twenty-seventh Year, Supplement for January, February and March 1972.

[28] Ibid., Twenty-sixth Year, Special Supplement No. 2 and Corr. 1 and Special Supplement No. 2A.

[29] Ibid., Supplement for October, November and December 1971.

[30] Ibid., Twenty-seventh Year, Supplement for January, February and March 1972, document S/10540.

[31] Ibid., Twenty-sixth Year, Special Supplement No. 2 and Corr. 1 and Special Supplement No. 2A.

[32] Ibid., Supplement for October, November and December 1971, document S/10408.

[41] Ibid., Supplement for April, May and June 1973.

[42] Ibid.

RESOLUTION 388 (1976): ADOPTED BY THE SECURITY COUNCIL AT ITS 1907TH MEETING, ON 6 APRIL 1976

The Security Council,

Reaffirming its resolutions 216 (1965) of 12 November 1965, 217 (1965) of 20 November 1965, 221 (1966) of 9 April 1966, 232 (1966) of 16 December 1966, 253 (1968) of 29 May 1968 and 277 (1970) of 18 March 1970,

Reaffirming that the measures provided for in those resolutions, as well as the measures initiated by Member States in pursuance thereof, shall continue in effect,

Taking into account the recommendations made by the Security Council Committee established in pursuance of resolution 253 (1968) concerning the question of Southern Rhodesia in its special report of 15 December 1975 (S/11913),

Reaffirming that the present situation in Southern Rhodesia constitutes a threat to international peace and security,

Acting under Chapter VII of the Charter of the United Nations

1. Decides that all Member States shall take appropriate measures to ensure that their nationals and persons in their territories do not insure:

(a) Any commodities or products exported from Southern Rhodesia after the date of this resolution in contravention of Security Council resolution 253 (1968) which they know or have reasonable cause to believe to have been so exported;

(b) Any commodities or products which they know or have reasonable cause to believe are destined or intended for importation into Southern Rhodesia after the date of this resolution in contravention of resolution 253 (1968);

(c) Commodities, products or other property in Southern Rhodesia of any commercial, industrial or public utility undertaking in Southern Rhodesia, in contravention of resolution 253 (1968);

2. Decides that all Member States shall take appropriate measures to prevent their nationals and persons in their Territories from granting to any commercial, industrial or public utility undertaking in Southern Rhodesia the right to use any trade name or from entering into any franchising agreement involving the use of any trade name, trade mark or registered design in connexion with the sale or distribution of any products, commodities or services of such an undertaking;

3. Urges, having regard to the principle stated in Article 2 of the United Nations Charter, States not Members of the United Nations to act in accordance with the provisions of the present resolution.

RESOLUTION 409 (1977) OF 27 MAY 1977

The Security Council,

Reaffirming its resolution 216 (1965) of 12 November and 217 (1965) of 20 November 1965, 221 (1966) of 9 April and 232 (1966) of 16 December 1966, 253 (1968) of 29 May 1968, 277 (1970) of 18 March 1970 and 388 (1976) of 6 April 1978,

Reaffirming that the measures provided for in those resolutions, as well as the measures initiated by Member States in pursuance thereof, shall continue in effect,

Taking into account the recommendations made by the Security Council Committee established in pursuance of resolution 253 (1968) concerning the question of Southern Rhodesia in its second special report of 31 December 1976 on the expansion of sanctions against Southern Rhodesia,[26]

Reaffirming that the present situation in Southern Rhodesia constitutes a threat to international peace and security,

Acting under Chapter VII of the Charter of the United Nations,

1. Decides that all Member States shall prohibit the use of transfer of any funds in their territories by the illegal regime in Southern Rhodesia, including any office or agent thereof, or by other persons or bodies within Southern Rhodesia, for the purposes of any office or agency of the illegal regime that is established within their territories other than an office or agency so established exclusively for pensions purposes;

2. Urges, having regard to the principle stated in Article 2, paragraph 6 of the Charter of the United Nations, States not Members of the United Nations to act in accordance with the provisions of the present resolution;

Footnotes at end of article.

3. Decides to meet not later than 11 November 1977 to consider the application of further measures under Article 41 of the Charter, and meanwhile requests the Security Council Committee established in pursuance of resolution 253 (1968) concerning the question of Southern Rhodesia to examine, in addition to its other functions, the application of further measures under Article 41 and to report to the Council thereon as soon as possible.

Adopted unanimously, without a vote, at the 2011th meeting.

Decisions

At its 2033rd meeting, on 28 September 1977, the Council decided, at the request of the representatives of Benin, the Libyan Arab Jamahiriya and Mauritius,[27] to extend an invitation, under rule 39 of the provisional rules of procedure, to Mr. Joshua Nkomo to participate in the discussion of the item entitled "Question concerning the situation in Southern Rhodesia: letter dated 23 September 1977 from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the United Nations addressed to the President of the Security Council (S/12402)".[28]

At its 2034th meeting, on 29 September 1977, the Council decided to invite the representatives of Gabon and Kenya to participate, without vote, in the discussion of the question.

At the same meeting, the Council also decided, at the request of the representatives of Benin, the Libyan Arab Jamahiriya and Mauritius,[29] to extend an invitation to Mr. Callistus Ndlovu under rule 39 ofthe provisional rules of procedure.

RESOLUTION 415 (1977) OF 29 SEPTEMBER 1977

The Security Council,

Taking note of the letters dated 1 September[30] and 8 September 1977[31] from the Permanent Representative of the United Kingdom of Great Britain and Northern Ireland to the President of the Security Council,

Noting also the invitation to the Secretary-General, in the letter dated 23 September 1977[32] from the Permanent Representative of the United Kingdom to the President of the Security Council, to appoint a representative,

Having heard the statement of Mr. Joshua Nkomo, Co-leader of the Patriotic Front of Zimbabwe,[33]

1. *Requests* the Secretary-General to appoint, in consultation with the members of the Security Council, a representative to enter into discussions with the British Resident Commissioner designate and with all the parties concerning the military and associated arrangements that are considered necessary to effect the transition to majority rule in Southern Rhodesia;

2. *Further requests* the Secretary-General to transmit a report on the results of these discussions to the Security Council as soon as possible;

3. *Calls upon* all parties to co-operate with the representative of the Secretary-General in the conduct of the discussions referred to in paragraph 1 of the present resolution.

Adopted at the 2034th meeting by 13 votes to none, with 1 abstention (Union of Soviet Socialist Republics).[34]

FOOTNOTES

[26] *Ibid.*, document S/12296.

[27] Ibid., Supplement for July, August and September 1977 document S/12405.

[28] Ibid., Supplement for July, August and September 1977.

[29] *Ibid.*, document S/12407.

[30] *Ibid.*, document S/12393.

[31] *Ibid.*, document S/12395.

[32] *Ibid.*, document S/12402.

[33] *Ibid.*, *Thirty-second Year*, 2033rd meeting.

[34] One member (China) did not participate in the voting.

Resolution 424 (1978): Adopted by the Security Council at its 2070th Meeting on 17 March 1978

The Security Council,

Taking note of the letter of the representative of the Republic of Zambia contained in document S/12589,

Having considered the statement of the Minister for Foreign Affairs of the Republic of Zambia,

Gravely concerned at the numerous hostile and unprovoked acts of aggression by the illegal minority régime of Southern Rhodesia violating the sovereignty, air space and territorial integrity of the Republic of Zambia, resulting in the death and injury of innocent people, as well as the destruction of property, and culminating on 6 March 1978 in the armed invasion of Zambia,

Reaffirming the inalienable right of the people of Southern Rhodesia (Zimbabwe) to self-determination and independence in accordance with General Assembly resolution 1514 (XV) of 14 December 1960, and the legitimacy of their struggle to secure the enjoyment of such rights as set forth in the Charter of the United Nations,

Recalling its resolution 423 (1978), which, *inter alia,* declared as illegal and unacceptable any internal settlement unter the auspices of the illegal régime and called upon all States not to accord any recognition to such settlement,

Further recalling its resolutions 326 (1973), 403 (1977), 406 (1977) and 411 (1977) condemning the illegal regime of Southern Rhodesia for its acts of aggression against Zambia, Botswana and Mozambique.

Conscious that the liberation of Zimbabwe and Namibia and the elimination of *apartheid* in South Africa are necessary for the attainment of justice and lasting peace in the region, and in the furtherance of international peace and security,

Reaffirming that the existence of the minority racist régime in Southern Rhodesia and the continuance of its acts of aggression against Zambia and other neighbouring States constitute a threat to international peace and security,

Conscious of the need to take effective steps for the prevention and removal of threats to international peace and security,

1. *Strongly condemns* the recent armed invasion perpetrated by the illegal racist minority regime in the British colony of Southern Rhodesia against the Republic of Zambia, which constitutes a flagrant violation of the sovereignty and territorial integrity of Zambia;

2. *Commends* the Republic of Zambia and other front-line States for their continued support of the people of Zimbabwe in their just and legitimate struggle for the attainment of freedom and independence and for their scrupulous restraint in the face of provocations by the Rhodesian rebels;

3. *Reaffirms* that the liberation of Namibia and Zimbabwe and the elimination of *apartheid* in South Africa are necessary for the attainment of justice and lasting peace in the region;

4. *Calls upon* the Government of the United Kingdom of Great Britain and Northern Ireland, as the Administering Authority, to take prompt effective measures to bring to a speedy end the existence of the illegal racist minority regime in the rebel colony of Southern Rhodesia, thereby ensuring the speedy attainment of independence under genuine majority rule and thus contributing to the promotion of durable peace and security in the region;

5. *Decides* that in the event of further acts of violation of the sovereignty and territorial integrity of Zambia by the illegal racist minority regime of Southern Rhodesia, the Security Council will meet again to consider the adoption of more effective measures, in accordance with the appropriate provisions of the Charter of the United Nations, including Chapter VII thereof.

Resolution 445 (1979): Adopted by the Security Council at its 2122nd Meeting on 8 March 1979

The Security Council,

Recalling its resolutions on the question of Southern Rhodesia, and in particular resolutions 253 (1968), 403 (1977), 411 (1977), 423 (1978), 424 (1978) and 437 (1978),

Taking note of the statement of the African Group contained in document S/13084,

Having heard the statements of the representatives of Angola and Zambia,

Having also heard the statement of the representative of the Patriotic Front of Zimbabwe,

Gravely concerned over the indiscriminate military operations by the illegal régime and the extension of its premeditated and provocative acts of aggression not only against neighboring independent countries, but also against non-contiguous States, resulting in wanton killings of refugees and civilian populations,

Indignant at the continued executions by the illegal régime in Southern Rhodesia of persons sentenced under repressive laws,

Reaffirming that the existence of the illegal racist minority régime in Southern Rhodesia and the continuance of its acts of aggression against neighboring independent States constitute a threat to international peace and security,

Reaffirming the inalienable rights of the people of Southern Rhodesia (Zimbabwe) to self-determination and independence in accordance with General Assembly resolution 1514 (XV) of 14 December 1960 and the legitimacy of their struggle to secure the enjoyment of such rights as set forth in the Charter of the United Nations,

Gravely concerned over the moves within certain States to send missions to observe the so-called elections in April 1979 organized by the illegal racist minority regime in Southern Rhodesia for the purpose of according it some legitimacy and thereby eventually lifting sanctions,

Reaffirming Security Council resolution 423 (1978), particularly its provisions declaring as illegal and unacceptable any internal settlement under the auspices of the illegal regime and calling upon all States not to accord any recognition to such a settlement,

Bearing in mind the responsibility of every Member State to adhere scrupulously to Security Council resolutions and decisions, and their responsibility to ensure that institutions and citizens under their jurisdiction observe the same.

1. Strongly condemns the recent armed invasions perpetrated by the illegal racist minority regime in the British colony of Southern Rhodesia against the People's Republic of Angola, the People's Republic of Mozambique and the Republic of Zambia, which constitute a flagrant violation of the sovereignty and territorial integrity of these countries;

2. Commends the People's Republic of Angola, the People's Republic of Mozambique and the Republic of Zambia and other front-line States for their support of the people of Zimbabwe in their just and legitimate struggle for the attainment of freedom and in-

dependence and for their scrupulous restraint in the face of serious provocations by the Southern Rhodesian rebels;

3. Request all States to give immediate and substantial material assistance to enable the Governments of the front-line States to strengthen their defence capability in order to safeguard effectively their sovereignty and territorial integrity;

4. Requests the Administering Power to take all necessary measures to prevent further illegal executions in Southern Rhodesia;

5. Condemns all attempts and manœuvres by the illegal regime, including its so-called elections of April 1979, aimed at retaining and extending a racist minority rule and at preventing the accession of Zimbabwe to independence and genuine majority rule;

6. Declares any elections held under the auspices of the illegal racist regime and the results thereof null and void and that no recognition will be accorded either by the United Nations or any Member State to any representatives or organ established by that process;

7. Urges all States to refrain from sending observers to these elections and to take appropriate action to discourage organizations and institutions within their respective areas of jurisdiction from doing so;

8. Requests the Security Council Committee established in pursuance of resolution 253 (1968) concerning the question of Southern Rhodesia to meet immediately to consider measures for strengthening and widening the sanctions against Southern Rhodesia and to submit its proposals not later than 23 March 1979;

9. Decides to meet, not later than 27 March 1979, to consider the report envisaged in paragraph 8.

1492 (XV). Admission of the Federation of Nigeria to membership in the United Nations.

The General Assembly,

Having received the recommendation of the Security Council of 7 October 1960 that the Federation of Nigeria should be admitted to membership in the United Nations. [33]

Having considered the application for membership of the Federation of Nigeria, [34]

Decides to admit the Federation of Nigeria to membership in the United Nations.

893rd plenary meeting, 7 October 1960.

1494 (XV). Co-operation of Member States.

The General Assembly,

Deeply concerned by the increase in world tensions,

Considering that the deterioration in international relations constitutes a grave risk to world peace and co-operation,

Conscious that both in the General Assembly and in the world at large it is necessary to arrest this trend in international relations and to contribute towards greater harmony among nations irrespective of the differences in their political and economic systems,

1. Urges that all countries, in accordance with the Charter of the United Nations, refrain from actions likely to aggravate international tensions;

2. Reaffirms the conviction that the strength of the United Nations rests on the co-operation of its Member States which should be forthcoming in full measure so that the Organization becomes a more effective instrument for the safeguarding of peace and for the promotion of the economic and social advancement of all peoples;

3. Urges further that immediate and constructive steps should be adopted in regard to the urgent problems concerning the peace of the world and the advancement of its peoples;

4. Appeals to all Member States to use their utmost endeavours to these ends.

907th plenary meeting, 17 October 1960.

1503 (XV). Report of the International Atomic Energy Agency.

The General Assembly,

Takes note of the report of the International Atomic Energy Agency to the General Assembly for the years 1959–1960.[35]

943rd plenary meeting, 12 December 1960.

1513 (XV). Report of the Security Council

The General Assembly

Takes note of the report of the Security Council to the General Assembly covering the period from 16 July 1959 to 15 July 1960.[36]

943rd plenary meeting, 12 December 1960.

1514 (XV). Declaration on the granting of independence to colonial countries and peoples.

The General Assembly.

Mindful of the determination proclaimed by the peoples of the world in the Charter of the United Nations to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small and to promote social progress and better standards of life in large freedom.

Conscious of the need for the creation of conditions of stability and well-being and peaceful and friendly relations based on respect for the principles of equal rights and self-determination of all peoples, and of universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion,

Recognizing the passionate yearning for freedom in all dependent peoples and the decisive role of such peoples in the attainment of their independence.

Aware of the increasing conflicts resulting from the denial of or impediments in the way of the freedom of such peoples, which constitute a serious threat to world peace,

Considering the important role of the United Nations in assisting the movement for independence in Trust and Non-Self-Governing Territories,

Recognizing that the peoples of the world ardently desire the end of colonialism in all its manifestations,

Convinced that the continued existence of colonialism prevents the development of international economic cooperation, impedes the social, cultural and economic development of dependent peoples and militates against the United Nations ideal of universal peace,

Affirming that peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based upon the principle of mutual benefit, and international law,

Believing that the process of liberation is irresistible and irreversible and that, in order to avoid serious crises, an end must be put to colonialism and all practices of segregation and discrimination associated therewith,

Welcoming the emergence in recent years of a large number of dependent territories into freedom and independence, and recognizing the increasingly powerful trends towards freedom in such territories which have not yet attained independence.

1. *Takes note* of the report of the Secretary-General on offers of study and training facilities under General Assembly resolutions 845 (IX);

2. *Reaffirms* its resolution 1471 (XIV) of 12 December 1959;

3. *Invites once again* the Administering Members concerned to take all necessary measures to ensure that scholarships and training facilities offered by Member States are utilized by the inhabitants of the Non-Self-Governing Territories, and to render every assistance to those persons who have applied for, or have been granted, scholarships or fellowships, particularly with regard to facilitating their travel formalities;

4. *Requests* all Administering Members which have not already done so to give the fullest publicity in the Territories under their administration to all offers of study and training facilities made by Member States;

5. *Urges* Member States to increase the number of scholarships offered;

6. *Requests* the Member States offering scholarships to take into account the necessity of furnishing complete information about the scholarships offered, and, whenever possible, the need to provide travel funds to prospective students;

7. *Requests* the Secretary-General and the specialized agencies to give such assistance as is possible and as may be sought by the Member States concerned and by the applicants;

8. *Further requests* the Secretary-General to prepare for the sixteenth session of the General Assembly a report on the actual use of scholarships and training facilities offered by Member States to students from the Non-Self-Governing Territories.

948th plenary meeting, 15 December 1960.

1541 (XV). Principles which should guide Members in determining whether or not an obligation exists to transmit the information called for under Article 73 e of the Charter.

The General Assembly,

Considering the objectives set forth in Chapter XI of the Charter of the United Nations,

Bearing in mind the list of factors annexed to General Assembly resolution 742 (VIII) of 27 November 1953,

Having examined the report of the Special Committee of Six on the Transmission of Information under Article 73 e of the Charter,[12] appointed under General Assembly resolution 1467 (XIV) of 12 December 1959 to study the principles which should guide Members in determining whether or not an obligation exists to transmit the information called for in Article 73 e of the Charter and to report on the results of its study to the Assembly at its fifteenth session,

1. *Expresses its appreciation* of the work of the Special Committee of Six on the Transmission of Information under Article 73 e of the Charter;

2. *Approves* the principles set out in section V, part B, of the report of the Committee, as amended and as they appear in the annex to the present resolution;

3. *Decides* that these principles should be applied in the light of the facts and the circumstances of each case to determine whether or not an obligation exists to transmit information under Article 73 e of the Charter.

948th plenary meeting, 15 December 1960.

ANNEX

Principles which should guide Members in determining whether or not an obligation exists to transmit the information called for in Article 73 e of the Charter of the United Nations

Principle I

The authors of the Charter of the United Nations had in mind that Chapter XI should be applicable to territories which were then known to be of the colonial type. An obligation exists to transmit information under Article 73 e of the Charter in respect of such territories whose people have not yet attained a full measure of self-government.

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[33] Ibid., document A/4533.

[34] Ibid., document A/4527.

[35] Annual report of the Board of Governors to the General Conference, 1 July 1959–60, June 1960, Vienna, July 1960 (A/4531 and Corr. 1 and Add. 1).

[36] *Official Records of the General Assembly, Fifteenth Session, Supplement No. 2* (A/4494).

[12] *Ibid.*, agenda item 38, document A/4526.

Principle II

Chapter XI of the Charter embodies the concept of Non-Self Governing Territories in a dynamic state of evolution and progress towards a "full measure of self-government." As soon as a territory and its people attain a full measure of self-government, the obligation ceases. Until this comes about, the obligation to transmit information under Article 73 e continues.

Principle III

The obligation to transmit information under Article 73 e of the Charter constitutes an international obligation and should be carried out with due regard to the fulfillment of international law.

Principle IV

Prima facie there is an obligation to transmit information in respect of a territory which is geographically separate and is distinct ethnically and/or culturally from the country administering it.

Principle V

Once it has been established that such a *prima facie* case of geographical and ethical or cultural distinctness of a territory exists, other elements may then be brought into consideration. These additional elements may be, inter alia, of an administrative, political, juridical, economic or historical nature. If they affect the relationship between the metropolitan State and the territory concerned in a manner which arbitrarily places the latter in a position or status of subordination, they support the presumption that there is an obligation to transmit information under Article 73 e of the Charter.

Principle VI

A Non-Self-Governing Territory can be said to have reached a full measure of self-government by:

(a) Emergence as a sovereign independent State;

(b) Free association with an independent State; or

(c) Integration with an independent State.

Principle VII

(a) Free association should be the result of a free and voluntary choice by the peoples of the territory concerned expressed through informed and democratic processes. It should be one which respects the individuality and the cultural characteristics of the territory and its peoples, and retains for the peoples of the territory which is associated with an independent State the freedom to modify the status of that territory through the expression of their will by democratic means and through constitutional processes.

(b) The associated territory should have the right to determine its internal constitution without outside interference.

(b) The immediate lifting of the ban on the Zimbabwe African Peoples Union;

2. Requests the Government of the United Kingdom to inform the General Assembly at its seventeenth session regarding the implementation of the present resolution.

1152nd plenary meeting, 12 October 1962.

1760 (XVII). Question of Southern Rhodesia.

The General Assembly,

Recalling its resolution 1514 (XV) of 14 December 1960, the provisions of which are fully applicable to the Territory of Southern Rhodesia,

Recalling its resolution 1747 (XVI) of 28 June 1962, by which the General Assembly affirmed that the Territory of Southern Rhodesia is a Non-Self-Governing Territory within the meaning of Chapter XI of the Charter of the United Nations,

Confirming the inalienable rights of the people of Southern Rhodesia to self-determination and to form an independent African State,

Having considered the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples,[1]

Having adopted resolution 1755 (XVII) of 12 October 1962,

Having heard the petitioners

Noting with deep regret that the administering Power has not yet taken steps to carry out the request, contained in resolution 1747 (XVI), to undertake urgently the convening of a constitutional conference, in which there shall be full participation of representatives of all political parties, for the purpose of formulating a constitution for Southern Rhodesia, in place of the Constitution of 6 December 1961, which would ensure the rights of the majority of the people, on the basis of "one man, one vote", in conformity with the principles of the Charter of the United Nations and the Declaration on the granting of independence to colonial countries and peoples, embodied in resolution 1514 (XV),

1. Reaffirms its resolution 1747 (XVI);

2. *Considers* that the attempt to impose the Constitution of 6 December 1961, which has been rejected and is being vehemently opposed by most of the political parties and the vast majority of the people of Southern Rhodesia, and to hold elections under it will aggravate the existing explosive situation in that Territory;

3. Requests the Government of the United Kingdom of Great Britain and Northern Ireland to take the necessary measures to secure:

(a) The immediate implementation of resolutions 1747 (XVI) and 1755 (XVII);

(b) The immediate suspension of the enforcement of the Constitution of 6 December 1961 and cancellation of the general elections scheduled to take place shortly under that Constitution;

(c) The immediate convening of a constitutional conference, in accordance with resolution 1747 (XVI), to formulate a new constitution for Southern Rhodesia;

(d) The immediate extension to the whole population, without discrimination, of the full and unconditional exercise of their basic political rights, in particular the right to vote, and the establishment of equality among all inhabitants of the Territory;

4. *Requests* the Acting Secretary-General to lend his good offices to promote conciliation among the various sections of the population of Southern Rhodesia by initiating prompt discussions with the United Kingdom Government and other parties concerned, with a view to achieving the objectives set out in this and all the other resolution of the General Assembly on the question of Southern Rhodesia, and to report to the Assembly at its present session as well as to the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples,[2]

5. *Decides* to keep the item entitled "Question of Southern Rhodesia" on the agenda of its seventeenth session.

1163rd plenary meeting, 31 October 1962.

1804 (XVII). Petitions and communications relating to the Territory of South West Africa.

The General Assembly,

Having accepted the advisory opinion of 11 July 1950 of the International Court of Justice on the question of South West Africa,[3]

Having authorized the Special Committee for South West Africa, by paragraph 3 of resolution 1702 (XVI) of 19 December 1961, to examine petitions as far as possible in accordance with the Mandates procedure of the League of Nations,

Draws the attention of the petitioners concerned to the report of the Special Committee for South West Africa to the General Assembly at its seventeenth session[4] and to the report of the Chairman and Vice-Chairman of the Special Committee on their visit to South Africa and South West Africa,[5] as well as to the resolutions on the question of South West Africa adopted by the Assembly at its seventeenth session.

1194th plenary meeting, 14 December 1962.

1805 (XVII). Question of South West Africa.

The General Assembly,

Recalling its resolution 1514 (XV) of 14 December 1960 entitled "Declaration on the granting of independence to colonial countries and peoples",

Recalling further its previous resolutions on the question of South West Africa and in particular resolution 1702 (XVI) of 19 December 1961,

Considering its resolution 1761 (XVII) of 6 November 1962,

Noting with appreciation the report of the Special Committee for South West Africa[4] and chapter IX of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples,[1]

THE COUNCIL OF CHIEFS

The Council of Chiefs was first established under the Council of Chiefs and Provisional Assemblies Act of 1961, no. 58 and is presently provided for under Section 162 of the Constitution. The Constitution directs the President to appoint Chiefs in the rural areas after having given "due consideration to the customary principles of succession of the tribespeople over which the Chief shall preside." (§162(2)) These Chiefs, in turn, elect from among themselves a prescribed number of persons to serve on the Council of Chiefs.

The present day Chiefs are not generally regarded as being representative of the tribespeople:

> . . . though often chosen from among the ranks of those who would traditionally have been Chiefs, [the present day Chiefs] are appointed government officials . . . The government has sought to represent this body as the authoritative voice of African interests, but they have not been recognized by outside observers as any authoritative expression of the popular will. The reasons for this are the tribalism of the chiefs; their lack of association with educated Africans and with those who live in areas outside the Chiefs' domains; and the strong influence the government has been able to exert over them. These factors have helped to separate the chiefs from major portions of the African population.[42]

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[1] Official Records of the General Assemby, Seventeenth Session, Annexes, agenda item 25, document A/5238.

[2] See note on item 56, p. 44.

[3] *International status of South-West Africa, Advisory Opinion: I.C.J. Reports 1950,* p. 128.

[4] *Official Records of the General Assembly, Seventeenth Session, Supplement No. 12* (A 5212), and document A/5212/Add. 1 and 2.

[5] *Ibid., Supplement No. 12* (A/5212), part II.

[42] Harold D. Nelson, et al., *Area Handbook for Southern Rhodesia—1975,* 160–161 (1975).

Relative Value of White and Black Votes in the April Elections

In the recent elections, each White Roll vote had at least eight times the value of each Common Roll vote, calculated on the basis of the facts and assumptions listed below.

Facts and assumptions:

(1) 72 black Assemblymen were elected by 2.9 million eligible black voters and 100,000 eligible white voters;

(2) 20 white Assemblymen were elected by 100,000 eligible white voters;

(3) 8 white Assemblymen were elected by the 72 black and 20 white Assemblymen, from a group of 16 men nominated by 50 white members of the former Parliament.

There are three factors which lend the white votes more weight than is reflected in the figure cited above. These factors, which are impossible to quantify mathematically for the purposes of this comparison, are:

(1) The eight white Assemblymen will be elected by both the Common Roll and the White Roll Assemblymen, but cannot be understood as representing either or both *rolls* as they are necessarily white persons and are nominated by whites from the former Parliament. Given these restrictions, the representation with respect to the rolls cannot even be calculated on a *pro rata* basis;

(2) The white citizens vote for the individual white constituency member of the House of Assembly, and are also permitted to list their first, second, and third choices among the candidates for a single position, while black citizens can vote only for a party and not for individual candidates;

(3) Votes for the black constituency members of the House of Assembly cannot be cast through postal ballots. This effectively disenfranchises all of the black voters who are unable to return to Rhodesia for the elections, while the white citizens outside of the country are able to vote by post for the white constituency members of the House of Assembly.

● Mr. DOLE. Mr. President, today S. 1019, a bill to eliminate the present prohibition in the U.S. aid program against any form of assistance being given to Uganda, comes to the floor of the Senate for our consideration. This bill represents a timely and appropriate reaction to the very recent events in Uganda that resulted in the overthrow of the bloody, inhumane regime of Idi Amin. With the favorable approval of Congress on this bill, we once again admit Uganda to the community of nations and permit the flow of food, medicine, and the necessities of life to a long-suffering people.

It is our earnest hope that the atrocities committed for so long by Amin and his cohorts will impel the new leaders of Uganda to cherish and institutionalize human rights in a land where they had ceased to exist. As the wreckage of the economy that is Amin's only legacy becomes even more apparent, the United States must be prepared to offer a helping hand with emergency assistance, especially with food and medicine. Here is an opportunity to demonstrate our own commitment to basic human concerns through positive action.

At the same time we are willing to extend a hand for constructive self-improvement, we ought to remember previous failures in Africa. After meeting emergency needs, the United States should be careful to evaluate the new Ugandan Government to see whether or not it will be stable, able to deal effectively with its problems, and whether or not it shares our same basic goals of human rights and freedoms. We cannot afford to throw money to those who would waste it or misuse it, not when there are so many other legitimate demands upon our resources in our own country, let alone the rest of the world. This is only a note of caution I raise for what we profoundly hope is a fresh, new beginning for a land full of promise and potential.

Kenneth Kaunda, the President of the Republic of Zambia, wrote a book several years ago entitled, "Letter to my Children." He raises the vision of not only a new Africa, but a new world committed to mutual respect for all mankind. The spirit of his vision applies to us all. By the passage of this measure we may perhaps help instill it again in Uganda. I submit a passage from Mr. Kaunda's book and ask that it be printed in the Record.

The excerpt follows:

Excerpt From Kenneth Kaunda's "Letter to My Children"

The source of all evil, all wars, all injustice, lies within us. It is not "out there" in the egotism of the superpowers or even in the arrogance of all nations who compensate for their military and economic weaknesses by a foolhardy determination to assert themselves at whatever cost to their people. The real enemy has occupied not the top of our minds in vain imaginings but the bottom of hearts in devilish pride. . . .

We start the process of re-creating the world right where we are not thousands of miles distant in the UN headquarters or even further away at the frontiers of outer space. My own conversion to humanism dates from the time when I realized that the things which unite men are more important and enduring than the things which divide them. And I began my crusade within the narrow confines of our own nation by trying to get sufficient of our people to recognize that tribal and racial divisions are a basic denial of that essential humanity which we share with all who live and breathe, know truth, feel the pangs of conscience, and share a common goal. After all, what does it matter whether you shoot a zebra through one of his black stripes rather than the white? He bleeds to death just the same. . . .

Governments rise and fall, cities sprout and decay, the scientific truths of one generation are proved to be errors by the next. Only Man is capable of constant spiritual evolution. . . . I cannot believe that Man was intended to survive against the threat of dark, sinister realities. For this is to make fear his dominant emotion and most powerful motivating force. What place, then, in such a world have joy, beauty, and truth? Are they just diversions, the ornamental decorations on the coffin of humanity? . . .

[We] argue endlessly about "external" solutions. We talk of treaties, conventions, courts of arbitration, détentes, international agreements. All very necessary I am sure, but in the absence of respect, integrity, and good faith, such instruments are merely pieces of paper, and whoever heard of a piece of paper that could stop a bullet? The effectiveness of all such artifacts depends on the moral character of the men who have drafted them and solemnly agreed to uphold them.

The problem of peace is far too grave and complex to be solved by diplomatic machinery, however elaborate. It will only be solved when children such as yourselves are taught from an early age that the English, Chinese, South Africans, Russians, Americans, or whatever are . . . people entitled to dignity and respect, who love their children, their families, and their countries, who feel as we feel, fear what we fear, and hope as we hope, for a world in which no needless blood is spilled and where the resources that God has given to all men will be shared by all. . . .

[It] is still better to give another human being the opportunity to rise to your highest expectations of him than to make it a policy to assume the worst in order that you may never be disappointed. That may be the path of prudence, but it is a violation of the truth that there is a divine spark in every man to which it is always worth appealing before one must protect oneself from his vicious instincts. Better by far to know both the joy and pain of honest human encounter than to construct a shell which may make you impervious to hurt but also keeps out that searching love which I choose to believe even the most miserable men may be seeking to express, however tentatively.●

Mr. HATCH. Mr. President, the legislation before us at this time is something that I have no objection to at this time. What does upset me is the apparent inconsistency that now exists in our African policy. There have been no "free elections" held in Uganda, yet we are now willing to recognize the new government and lift all sanctions that previously existed. I think that this is a little odd when one considers the plight of the new government in Rhodesia, a government that was elected by what I would term free elections, a government that is pro-United States, a government that is now asking for help in its efforts to ward off the Communist guerillas that continue to wage war against them. Have we considered giving them the assistance that they ask for? The answer has been a quick "No."

I am for any measure that will enable the people of Africa to develop their nation to its fullest potential, and this legislation will enable the people of Uganda to begin the recovery from the despotic rule of Idi Amin. I hope that my colleagues will support the bill and at the same time I hope that they will examine this issue in the context of our overall African policy. The question before us is whether or not we can continue to enforce economic sanctions against the new government in Rhodesia while we are lifting them against the new government, established without elections, in Uganda. I think the answer will be obvious to all, we cannot.

Mr. CHURCH. Mr. President, knowing of no further amendments, I am prepared to relinquish back the remainder of my time.

Mr. HAYAKAWA. I am ready to do the same, Mr. President.

The PRESIDING OFFICER. Since there are no further amendments to be proposed and all time has been yielded back, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1019

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the International Development and Food Assistance Act of 1978 is amended—

(1) in the section heading of section 602, by striking out "Uganda,"; and

"(2) in section 602, by striking out "Uganda,".

(b) Section 108 of the Foreign Assistance and Related Programs Appropriations Act, 1979, is amended—

(1) by striking out "Uganda,"; and

(2) by striking out the colon and all that follows through "institutions".

(c) Subsection (a) and subsections (c) and (e) of section 5 of the Act entitled "An Act to amend the Bretton Woods Agreements Act to authorize the United States to participate in the Supplementary Financing Facility of the International Monetary Fund", approved on October 10, 1978 (Public Law 95–435), is repealed.

(d) Subsection (m) of section 4 of the Export Administration Act of 1969, as added by section 5(d) of such Act, is repealed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHURCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DRUG ABUSE PREVENTION, TREATMENT, AND REHABILITATION ACT OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 106. This has been cleared with the minority.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The assistant legislative clerk read as folows?

A bill (S. 525) to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and insert the following:

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Drug Abuse Office and Treatment Act of 1972.

SEC. 2. Section 101 is amended—

(1) by inserting "(in cooperation with employers, employee associations, social service organizations, and associations of concerned individuals)" after "programs" in paragraph (8); and

(2) by inserting at the end thereof the following new paragraphs:

"(11) Shifts in the usage of various drugs and in the Nation's demographic composition require a Federal strategy to adjust programs and techniques in order to meet new needs and priorities on a cost-effective basis.

"(12) Drug and alcohol abuse indicate the need for prevention and information programs designed to reach the general population and members of particularly vulnerable groups such as youth, older Americans, and families of drug abusers.

"(13) Effective control of drug abuse requires high-level coordination of Federal international and domestic activities relating to both supply of, and demand for, illegal drugs.

"(14) Local municipalities with high concentrations of drug abuse should be actively involved in the planning and coordination of efforts to combat drug abuse.".

SEC. 3. Section 102 is amended by adding at the end thereof the following: "To reach these goals, the Congress further declares that it is the policy of the United States and the purpose of this Act to approach drug abuse for a comprehensive community care standpoint, and to meet the problems of drug abuse through—

"(1) comprehensive Federal, State, and local planning for, and effective use of, Federal assistance to States, and direct Federal assistance to community-based programs to meet the urgent needs to special populations, in coordination with all other governmental and nongovernmental sources of assistance;

"(2) the development and encouragement of prevention programs designed to combat the spread of drug abuse;

"(3) the development and encouragement of effective occupational prevention and treatment programs within the Government and in cooperation with the private sector; and

"(4) increased Federal commitment to research into the behaviorial and biomedical etiology of, the treatment of, and the mental and physical health and social and economic consequences of, drug abuse.".

SEC. 4. Title II is amended to read as follows:

"TITLE II—DRUG ABUSE POLICY COORDINATION

"Sec.
"201. Concentration of Federal effort.
"202. Designated drug representative.
"203. Officers and employees.
"204. Employment of experts and consultants.
"205. Acceptance of uncompensated services.
"206. Notice relating to the control of dangerous drugs.
"207. Statutory authority unaffected.
"208. Annual report.
"209. Effective date.

"§ 201. Concentration of Federal effort.

"(a) The President, shall establish a system for developing recommendations with respect to policies for, objectives of, and establishment of priorities for, Federal drug abuse functions and shall coordinate the performance of such functions by Federal departments and agencies. Recommendations under this subsection shall include recommendations for changes in the organization, management, and personnel of Federal departments and agencies performing drug abuse functions in order to implement the policies, priorities, and objectives recommended under this subsection.

"(b) To carry out subsection (a), the President shall—

"(1) review the regulations, guidelines, requirements, criteria, and procedures of Federal departments and agencies, applicable to the performance of drug abuse functions;

"(2) conduct, or provide for, evaluations of (A) the performance of drug abuse functions by Federal departments and agencies, and (B) the results achieved by such departments and agencies in the performance of such functions; and

"(3) seek to assure that Federal departments and agencies, in the performance of drug abuse functions, construe drug abuse as a health problem requiring treatment and rehabilitation through a broad range of community health and social services.

"(c) Federal departments and agencies engaged in drug abuse functions shall submit to the President such information and reports as may reasonably be required to carry out the purposes of this title.

"§ 202. Designated drug representative.

"(a) The President shall designate a single officer or employee of the United States to direct the activities required by this title. The officer or employee so designated shall serve as the President's representative on drug abuse functions and the location of such designee in the Executive Office of the President or elsewhere shall not be construed as affecting access by the Congress, or committees of either House, (1) to information, documents, and studies in the possession of, or conducted by or at the direction of, such designee, or (2) to personnel involved in carrying out the purposes of this title.

"(b) The President may direct the officer or employee designated under subsection (a) or this section to represent the Government of the United States in discussions and negotiations relating to drug abuse functions.

"§ 203. Officers and employees.

"In carrying out the purposes of this title, the President may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to perform the functions vested in him by this title. At the discretion of the President, any officer or employee engaged in carrying out the purposes of this title may be allowed and paid travel expenses, including per diem in lieu of subsistence, in the same manner as is authorized by section 5703 of title 5, United States Code, for individuals employed intermittently.

"§ 204. Employment of experts and consultants.

"In carrying out the purposes of this title, the President may procure services as authorized by section 3109 of title 5, United States Code, and may pay a rate for such services not in excess of the rate in effect for grade GS–18 of the General Schedule. The President may employ individuals under this section without regard to any limitation, applicable to services procured under such section 3109, on the number of days or the period of such services, except that not more than six individuals may be employed under this section without regard to such limitation.

"§ 205. Acceptance of uncompensated services.

"In carrying out the purposes of this title, the President is authorized to accept and employ in furtherance of the purpose of this Act voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

"§ 206. Notice relating to the control of dangerous drugs.

"Whenever the Attorney General determines that there is evidence that—

"(1) a drug or other substance, which is not a controlled substance (as defined in section 102(6) of the Controlled Substances Act), has a potential for abuse, or

"(2) a controlled substance should be transferred or removed from a schedule under section 202 of such Act, he shall, prior to initiating any proceeding under section 201(a) of such Act, give the President timely notice of such determination. Information forwarded to the Attorney General pursuant to section 201(f) of such Act shall also be forwarded by the Secretary of Health, Education, and Welfare to the President.

"§ 207. Statutory authority unaffected.

"Nothing in this title shall be construed to limit the authority of the Secretary of Defense with respect to the operation of the Armed Forces or the authority of the Administrator of Veterans' Affairs with respect to the furnishing of health care and related services to veterans.

"§ 208. Annual report.

"The President shall submit to the Congress, prior to March 1 of each year, a written report on the activities conducted to carry out the purposes of this title. The report shall specify the objectives, nature, and results of such activities, and shall contain an accounting of funds expended under this title.

"§ 209. Effective date.

"This title shall become effective on October 1, 1979, or upon enactment, whichever is later.".

Sec. 5. (a) Section 302 is amended by striking out "Director of the Office of Drug Abuse Policy" and inserting in lieu thereof "representative designated under section 202 of this Act".

(b) Section 302 is further amended by striking out "three members from outside the Federal Government." and inserting in lieu thereof "five members from outside the Federal Government, at least one of whom shall be a State official responsible for dealing with drug problems and one of whom shall be a local official responsible for dealing with such problems.".

(c) Section 304 is amended by striking out "Director of the Office of Drug Abuse Poicy" anld inserting in lieu thereof "President".

(d) The first sentence of section 409(a) of the Drug Abuse Office and Treatment Act of 1972 is amended—

(1) by striking out "and" after "1978"; and

(2) by inserting "and $45,000,000 for the fiscal year ending September 30, 1980," after "1979,".

Sec. 6. Section 409(e) is amended—

(1) by inserting "with attention to assuring representation of minority and poverty groups, women, youth, and the aged," after "affected by drug abuse" in paragraph (3);

(2) by inserting the following before the semicolon in paragraph (4): ", and set forth in detail the changes in emphasis among such functions resulting from shifts in demographic and drug abuse patterns within the State";

(3) by striking out "and" at the end of subparagraph (5)(A);

(4)(A) by striking out "and by individuals under the age of eighteen" in subparagraph (5)(B);

(B) by inserting the following after "drug dependence by women" in subparagraph (5)(B): ", youth, older individuals, and residents of urban and rural areas";

(b) by inserting the following at the end of subparagraph (5)(B): "and (C) provide assurances satisfactory to the Secretary that, insofar as practicable, the survey conducted pursuant to subparagraph (A) is coordinated with and not duplicative of the alcohol abuse and alcoholism survey conducted pursuant to section 303 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970;";

(6) by inserting "(A)" after "in the State" in paragraph (7);

(7) by inserting the following before the semicolon in paragraph (7): ", (B) to review and comment on the plan prior to its submission to the Secretary, and (C) to submit to the Secretary as an appendix to the plan such comments as such political subdivisions believe are relevant to approval of the plan under paragraph (f): *Provided*, That failure to comment shall in no way prejudice approval of the plan";

(8) by inserting "(A)" after "(9)" in paragraph (9);

(9) by inserting "and" after "reports;" in paragraph (9);

(10) by inserting before the semicolon at the end of subparagraph (9)(A) the following new subparagraph:

"(B) provide that the Comptroller General of the United States or his duly authorized representatives shall have access for the purpose of audit and examination to the records specified in subparagraph (A)";

(11) by inserting "and an analysis or survey of the extent to which other State programs and political subdivisions throughout the State are concerned and dealing effectively with the problems related to drug abuse and drug dependence," after "under the plan," in paragraph (10);

(12) by striking out "and" at the end of paragraph (12);

(13) by redesignating paragraph (13) as paragraph (18); and

(14) by inserting after paragraph (12) the following new paragraphs:

"(13) contain, to the extent feasible, a complete inventory of all public and private resources available in the State for the purpose of drug abuse and drug dependence treatment, prevention, and rehabilitation, including but not limited to programs funded under State and local laws, occupational programs, voluntary organizations, education programs, military and Veterans' Administration resources, and available public and private third-party payment plans;

"(14) provide assurance that the State agency will coordinate its planning with local drug abuse planning agencies, with State and local alcoholism and alcohol abuse planning agencies, and with other State and local health planning agencies;

"(15) provide assurance that State certification, accreditation, or licensure requirements, if any, applicable to drug abuse and drug dependence treatment facilities and personnel take into account the special nature of such programs and personnel, including the need to include nonmedical aspects of treatment and the need to acknowledge previous experience when assessing the adequacy of treatment personnel;

"(16) provide assurance that the State agency—

"(A) will foster and encourage the development of drug abuse and drug dependence prevention, treatment, and rehabilitation programs and services in State and local governments and in private businesses and industry.

"(B) will make available to all business concerns and governmental entities within such State information and materials concerning such model programs suitable for replication on a cost-effective basis as are developed pursuant to paragraph (2) of section 413(b) of this Act; and

"(C) will furnish technical assistance as feasible to such business concerns and governmental entities;

"(17) include a needs assessment of the severity of drug abuse problems within urban and nonurban areas of the State, an accounting of the existing and proposed allocation of resources among such areas, and a description of the role of units of general purpose local government in planning and coordinating the use of such resources; and".

Sec. 7. Section 410(a) is amended—

(1) by inserting the following after "development" in paragraph (1): ", demonstration, and evaluation";

(2) by inserting "and detoxication" before "techniques" in paragraph (5);

(3) by striking out "; and" in paragraph (5) and inserting in lieu thereof the following: ", including supportive services to prevent relapse into drug abuse or drug dependence;";

(4) by striking out the period in paragraph (6) and inserting in lieu thereof the following: ", with particular emphasis on replicating effective prevention and treatment programs in areas of the greatest need for such programs; and";

(5) by inserting after paragraph (6) the following:

"(7) make grants to units of general local government as set forth in subsection (f) of this section—

"(A) for the preparation of local plans for the provision and coordination of drug abuse prevention, treatment, and rehabilitation services; and

"(B) for the expenses of implementing such plans and of evaluating drug abuse prevention, treatment, and rehabilitation services provided pursuant to such plan.".

Sec. 8. Section 410(b) is amended by adding at the end thereof the following: "There are authorized to be appropriated (A) for grants and contracts under paragraphs (3) and (6) of subsection (a) for drug abuse programs $158,000,000 for the fiscal year ending September 30, 1980; (B) for grants under paragraph (7) of subsection (a) $5,000,000 for the fiscal year ending September 30, 1980; and (C) for grants and activities under such subsection for other programs and activities $27,000,000 for the fiscal year ending September 30, 1980.".

Sec. 9. Section 410(c)(2) is amended by inserting the following: "Should the State not furnish such evaluation within the thirty days allowed, or should the State fail to furnish the applicant with a copy of its evaluation, no written or verbal evaluation by the State, shall in any way prejudice such project or program." after "a copy of any such evaluation.".

Sec. 10. Section 410(h) is amended by adding at the end thereof the following:

"(f)(1) Approval of any application from a unit of general purpose local government under subsection (a)(1) may be granted by the Secretary only pursuant to a finding that the unit of general purpose local government—

"(A) has a population of 175,000 or more persons on the basis of the most satisfactory current data available to the Secretary;

"(B) has a high concentration of drug abuse and drug-related problems; and

"(C) has the capacity to improve planning for and coordination of drug abuse prevention, treatment, and rehabilitation services within that community.

"(2) Any unit of general purpose local government desiring to receive a grant under subsection (a)(7) shall submit to the Secretary a local plan for planning, coordinating, and evaluating projects for the development of more effective drug abuse prevention, treatment, and rehabilitation functions. Each such local plan shall—

"(A) designate or establish a single municipal agency as the sole agency for the preparation and administration of the plan, or for supervising the preparation and administration of the plan;

"(B) contain satisfactory evidence that the municipal agency designated or established pursuant to subparagraph (A) will have authority to prepare and administer, or supervise the preparation and administration of, such plan in accordance with this section;

"(C) set forth, in accordance with criteria established by the Secretary, a detailed survey of the local needs for prevention and treatment of drug abuse and drug dependence, and a plan for coordination of services to meet these needs; and

"(D) provide that the local agency will make such reports, in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(3) No grant provided under subsection (a)(7) may exceed $300,000.".

Sec. 11. Section 410 is further amended by adding at the end thereof the following new subsections:

"(g) In carrying out the program described in subsection (a) of this section, the Secretary, acting through the Institute, is authorized to—

"(1) collect and make available through publications and other appropriate means, information as to, and practical application of, the research and other activities under the program;

"(2) make available research facilities of the Public Health Service to appropriate public authorities, and to health officials and scientists engaged in special study;

"(3) make grants to universities, hospitals, laboratories, and other public or nonprofit institutions, and to individuals for such research projects as are recommended by the National Advisory Council on Drug Abuse, with particular emphasis on investigating polydrug abuse (including the relationship between abuse of alcohol and other drugs);

"(4) promote the coordination of research programs conducted by the Institute, and similar programs conducted by other agencies, organizations, and individuals, including the National Institute on Alcohol Abuse and Alcoholism and all National Institutes of Health research activities which are or may be related to the problems of individuals suffering from drug abuse or drug dependence or the drug abuse or dependence of members of their families;

"(5) for purposes of study, admit and treat at institutions, hospitals, and stations of the Public Health Service, persons not otherwise eligible for such treatment;

"(6) provide to health officials, scientists, and appropriate public and other nonprofit institutions and organizations, technical advice and assistance on the application of statistical methods to experiments, studies, and surveys in health and medical fields; and

"(7) adopt, upon recommendation of the National Advisory Council on Drug Abuse, such additional means as he deems necessary or appropriate to carry out the purposes of this section.

"(h) Projects and programs for which grants and contracts are made under this section shall, in the case of prevention and treatment services, seek to (1) give special emphasis to currently underserved populations, such as racial and ethnic minorities, American Indians, Alaskan Natives, Hawaiian Natives and Native American Pacific Islanders, individuals over sixty-five years of age, youth, women, handicapped, and individuals in geographic areas where such services are not otherwise available; (2) whenever possible, be community based, insure care of good quality in general community care facilities and under health insurance plans, and be integrated with, and provide for the active participation of, a wide range of public and nongovernmental agencies, organizations, institutions, and individuals; (3) where a substantial number of the individuals in the population served by the project or program are of limited English-speaking ability, utilize the services of outreach workers fluent in the language spoken by a predominant number of such individuals and develop a plan and make arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and identify an individual who is fluent both in that language and English and whose responsibilities shall include providing guidance to the individuals of limited English-speaking ability and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences; and (4) where appropriate, utilize existing community resources.".

SEC. 12. Section 413(a) is amended—

(1) by striking out "Civil Service Commission" and inserting in lieu thereof "Office of Personnel Management";

(2) by striking out "Director" and inserting in lieu thereof "President with the Secretary (acting through the National Institute on Drug Abuse),";

(3) by inserting "and in accordance with the provisions of subpart F of part III of title 5, United States Code, as amended by the Civil Service Reform Act of 1978" after "other Federal agencies and departments"; and

(4) by inserting "Such agencies and departments are encouraged to extend these programs and services to the families of employees and to employees who have family members who are drug abusers to the extent feasible." prior to the last sentence.

SEC. 13. Section 413(b) is amended to read as follows:

"(b)(1) The Secretary, acting through the National Institute on Drug Abuse, shall be responsible for fostering and encouraging similar drug abuse prevention, treatment, and rehabilitation programs and services in State and local governments and in private industry.

"(2) Consistent with such responsibility, the Secretary, acting through the National Institute on Drug Abuse, shall develop a variety of model programs suitable for replication on a cost-effective basis in different types of business concerns and State and local governmental entities, taking into account the number of employees, geographical location, proximity to other concerns and entities, and availability of existing services from public agencies and private organizations. With respect to small business concerns, the Secretary, acting through the National Institute on Drug Abuse, shall consult with the Small Business Administrator in the development of model programs affecting such concerns.

"(3) With respect to business concerns and governmental entities which employ individuals represented by labor organizations, the employer and the labor organization shall be encouraged to develop joint agreed upon programs at the conference table or through the collective bargaining process.

"(4) The Secretary, acting through the National Institute on Drug Abuse, shall disseminate information and materials to single State agencies designated pursuant to section 409 of this Act, and shall provide technical assistance to such agencies as feasible.

"(5) To the extent feasible, model programs developed pursuant to this section shall be capable of coordination with model programs developed pursuant to section 201 (b) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.".

SEC. 14. (a) Title IV is amended by adding at the end thereof the following new section:

"§414. Admission of drug abusers to social services.

"(a) Drug abusers who are suffering from personal, emotional, or social conditions shall not be discriminated against in admission or care, solely because of their drug abuse or drug dependence, by any private or public social service, mental health, outpatient, intermediate care, rehabilitation, or other service-related facility which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b)(1) The Secretary shall issue regulations not later than twelve months after the enactment of this section for the enforcement of the policy of subsection (a) with respect to the admission and care of drug abusers in facilities covered by this section (other than facilities operated by the Veterans' Administration). Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a facility which receives support of any kind from any program administered by the Secretary and subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind received by such facility from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which a facility covered by subsection (a) receives support of any kind, with respect to the suspension or revocation of Federal support for any facility found to violate such subsection.

"(2) The Administrator of Veterans' Affairs shall, to the maximum extent consistent with the Administrator's responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under paragraph (1) of this subsection, to facilities operated by the Veterans' Administration to provide the same kinds of benefits and services to veterans under title 38 as are provided by the facilities described in subsection (a). In prescribing and implementing regulations pursuant to this paragraph, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of such regulations, including the implementation thereof. The provisions of this section shall not supersede the provisions of sections 4133 and 4134 of title 38, United States Code.".

(b) The table of sections at the beginning of title IV is amended by adding at the end thereof the following new item:

"414. Admission of drug abusers to social services.".

SEC. 15. Section 502 is amended by inserting at the end thereof the following new subsection:

"(d) On the request of any State, the Secretary shall, to the extent, feasible, make available technical assistance for the purposes of developing and improving systems for data collection; program management, accountability, and evaluation; certification, accreditation, or licensure of treatment facilities and personnel; monitoring compliance to Federal requirements of hospitals and other facilities; and developing demonstration projects or implementing through such State's insurance regulatory process a requirement that will constitute significant progress toward coverage of drug abuse and drug dependence by health insurance plans. Insofar as practicable, such technical assistance shall be provided in such a manner as to improve coordination between activities funded under this Act and under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.".

SEC. 16. Section 503(a) is amended—

(1) by striking out "to create, develop, and test" and inserting in lieu thereof the following: ", investigations, experiments, demonstrations, and studies, into";

(2) by inserting "the creation, development, and testing of" after "(1)", "(2)", and "(3)", respectively;

(3) by striking out "and" at the end of paragraph (2);

(4) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(5) by inserting after paragraph (3) the following new paragraph:

"(4) the social, behavioral, and biomedical etiology, treatment, mental and physical health consequences, and social and economic consequences of drug abuse and drug dependence.".

SEC. 17. Section 503(b) is amended—

(1) by striking out "and" after "1978,"; and

(2) by inserting before the period a comma and the following: "and $8,000,000 for the fiscal year ending September 30, 1980".

SEC. 19. Section 217(e)(1) of the Public Health Service Act is amended—

(1) by inserting the following before the period in the third sentence: ", including officers or employees of State and local drug abuse agencies"; and

(2) by inserting at the end thereof the following new sentence: "Appointed members may serve after the expiration of their terms until their successors have taken office.".

SEC. 20. (a) The Drug Abuse and Treatment Act of 1972 is amended by striking out the title of the Act each place it appears and inserting in lieu thereof the following new title of the Act: "Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1972".

(b) Whenever reference is made in any other Federal law, regulation, ruling, or order to the Drug Abuse Office and Treatment Act of 1972, the reference shall be considered to be made to the Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1972.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NURSE TRAINING AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 103, which has been cleared for passage by unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 230) to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources with an amendment in the nature of a substitute, as follows:

TITLE I—NURSE TRAINING

SEC. 101. (a) This Act may be cited as the "Nurse Training Amendments of 1979".

(b) Unless otherwise indicated, whenever in this Act (other than section 208) an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

SEC. 102. Section 801 (relating to authorizations for construction grants) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period at the end thereof "and $4,000,000 for the fiscal year ending September 30, 1980".

SEC. 103. (a) Subsections (a) and (b) of section 805 (relating to loan guarantees and interest subsidies) are each amended by striking out "1978" and substituting "1980".

(b) Subsection (e) of section 805 is amended by—

(1) striking "and" after "1977", and

(2) inserting "and $1,000,000 for the fiscal year ending September 30, 1980" after "1978".

SEC. 104. Subsection (f) of section 810 (relating to capitation grants) is amended by—

(1) striking "and" after "1977", and

(2) inserting "and $24,000,000 for the fiscal year ending September 30, 1980" after "1978,".

SEC. 105. The first sentence of subsection (d) of section 820 (relating to special project grants and contracts) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period ", and $17,000,000 for the fiscal year ending September 30, 1980".

SEC. 106. Subsection (b) of section 821 (relating to advanced nurse training programs) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period ", and $13,500,000 for the fiscal year ending September 30, 1980".

SEC. 107. Subsection (e) of section 822 (relating to nurse practitioner programs) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period "and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 108. Subsection (b) of section 830 (relating to traineeships) is amended by—

(1) striking "and" after "1977", and

(2) inserting before the period at the end thereof "and $15,000,000 for the fiscal year ending September 30, 1980".

SEC. 109. (a) Subsection (b)(4) of section 835 (relating to loan agreements) is amended by striking out "1978" and substituting "1980".

(b) Section 837 (relating to authorizations for student loan funds) is amended by—

(1) striking "and" after "1977",

(2) inserting before the period in the first sentence "$13,500,000 for the fiscal year ending September 30, 1980",

(3) striking out "1979" and substituting "the fiscal year ending September 30, 1981", and

(4) striking out "October 1, 1978" and substituting "October 1, 1980".

(c)(1) Subsection (a) of section 839 (relating to distribution of assets) is amended by striking out "September 30, 1980, and not later than September 30, 1977" and substituting, "September 30, 1983, and not later than December 30, 1983".

(2) Paragraph (1) of such subsection is amended by striking out "1980" and substituting "1983".

(3) Subsection (b) of such section is amended by striking out "1980" each place it occurs and substituting "1983".

SEC. 110. (a) Subsection (b) of section 845 (relating to scholarship grants) is amended by—

(1) striking out "next two fiscal years" in the first sentence and substituting "next four fiscal years",

(2) striking out "1979" and substituting "1981", and

(3) striking out "1978" and substituting "1980".

(b) Subsection (c)(1) of such section is amended by—

(1) striking out "next two fiscal years" in subparagraph (A) and substituting "next four fiscal years",

(2) striking out "1978" in subparagraph (B) and substituting "1980", and

(3) striking out "1979" in subparagraph (B) and substituting "1981".

SEC. 111. Section 836(b)(3) (relating to student loans) is amended by—

(1) inserting after "(3)" the following: "in the case of a student who received such a loan before the date of enactment of the Nurse Training Amendments of 1979", and

(2) striking out "any such loan" and substituting "any such loan made before the date of enactment of the Nurse Training Amendments of 1979".

SEC. 112. (a) The Secretary of Health, Education, and Welfare (hereinafter in this section referred to as the "Secretary") shall arrange for the conduct of a study, in accordance with subsection (b), to—

(1) determine the need to continue a specific program of Federal financial support of nursing education, identifying, among other things—

(A) the need for nurses under the existing health care delivery system, the need for nurses under the current health care delivery system as it may be modified by changes in the composition of inpatient and ambulatory facilities, and the need for nurses as it may be changed by the enactment of legislation for national health insurance, including in each instance the need for diploma school graduates, baccalaureate graduates, associate degree program graduates, and nurses with graduate preparation in the varying clinical specialties, nurse administrators, and nurse educators,

(B) the cost of nursing education, including a comparison of costs of the education of each level of nursing school graduate,

(C) the availability of other sources of support for nursing education, including support under general programs of Federal financial support for postsecondary education, under State and other public programs, and from private sources, and

(2) make recommendations regarding ways to encourage nurses to practice in medically underserved areas; and

(3) examine the rate at which nurses leave the nursing profession, the reasons for that rate, and what steps might be taken to stimulate the retention or reentry of nurses, including the type of practice settings conducive to the retention of nurses.

(b)(1) The Secretary shall first request the National Academy of Sciences (hereinafter in this section referred to as the "Academy"), acting through the Institute of Medicine, to conduct the study required by subsection (a), under an arrangement whereby the actual expenses incurred by the Academy directly related to the conduct of such study will be paid by the Secretary. If the Academy agrees to such request, the Secretary shall enter into such an agreement with the Academy.

(2) If the Academy declines the Secretary's request to conduct such study under such an arrangement, then the Secretary, subject to advance consultation with the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives, shall enter into a similar arrangement with another appropriate public or nonprofit private entity to conduct such study.

(3) Upon completion of the study, the entity conducting the study shall provide a report of the results to the Secretary and shall include in such report any recommendations for legislation which the entity determines are appropriate.

(4) Any arrangement entered into under paragraph (1) or (2) of this subsection for the conduct of a study shall require that such study be completed and reports thereon be submitted within such period as the Secretary may require to meet the requirements of subsection (c).

(c) Not later than January 15, 1980, the Secretary shall report to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives the results of the study conducted pursuant to subsection (a) together with such recommendations for legislation as the Secretary determines are appropriate.

TITLE II—MISCELLANEOUS

SEC. 201. Section 729(a) (relating to limits on Federal loan insurance and insured loans) is amended by—

(1) inserting before the period in the first sentence a comma and the following: "except that in the case of loans to students in schools of medicine, osteopathy, and dentistry, the Secretary may increase the total of such loans which may be covered by Federal loan insurance to $15,000 if he determines that the costs of education at such schools require such increase"; and

(2) inserting before the period in the second sentence a comma and the following: "except that the Secretary may increase such amount for borrowers who are or were students in schools of medicine, osteopathy, and dentistry to $60,000 if he determines that the costs of education at such schools require such increase".

SEC. 202. Section 752(b)(5)(A) (relating to service requirements for National Health Service Corps scholarships) is amended by striking out "(not to exceed three years)" and substituting "(not to exceed three years or such greater period as the Secretary, consistent with the needs of the Corps, may authorize)".

Sec. 203. Section 781(c) (relating to requirements for participation of schools in area health education center programs) is amended by adding after and below paragraph (4) the following:

"The requirement of paragraph (3) shall not apply to a medical or osteopathic school participating in an area health education center program if another such school participating in the same program meets the requirement of that paragraph.".

Sec. 204. Section 802(a) of the Health Professions Educational Assistance Act of 1976 (relating to transitional provisions on area health education centers) is amended by—

(1) striking out "for the next fiscal year" and substituting "for the next three fiscal years";

(2) striking out "no payment shall be made to an entity under such a contract" and substituting "no payment under such a contract shall be made to an entity which had not first entered into such a contract before October 12, 1976, (1)"; and

(3) inserting before the period at the end thereof: ", or (2) for any fiscal year beginning after September 30, 1979".

Sec. 205. Subparagraph (B) of section 788(e)(2) is amended by striking out "$5,000,000" and substituting "$10,000,000".

Sec. 206. Section 756 (relating to allocation of National Health Service Corps scholarships) is amended (1) by striking out subsection (b), and (2) by striking out the section designation "(a)".

Sec. 207. Section 338(a) is amended—

(1) by inserting "(1)" after "(a)", and

(2) by adding the following new paragraph at the end thereof:

"(2) In addition to paragraph (1), there are authorized to be appropriated $12,000,000 for the fiscal year ending September 30, 1980.".

Sec. 208. Section 401 (42 U.S.C. 300a–7) of the Health Programs Extension Act of 1973 (Public Law 93–348) is amended by adding at the end thereof the following new subsection:

"(e) No entity which receives, after the date of enactment of this paragraph, any grant, contract, loan, loan guarantee, or interest subsidy under the Public Health Service Act, the Community Mental Health Centers Act, or the Developmental Disabilities Service and Facilities Construction Act may deny admission or otherwise discriminate against any applicant (including applicants for internships and residencies) for training or study because of the applicant's reluctance, or willingness, to counsel, suggest, recommend, assist, or in any way participate in the performance of abortions or sterilizations contrary to or consistent with his or her religious beliefs or moral convictions.".

Sec. 209. Section 1701(b) is amended by (1) striking "and" after "1978," and (2) inserting before the period: ", $14,000,000 for the fiscal year ending September 30, 1980, $15,000,000 for the fiscal year ending September 30, 1981, and $16,000,000 for the fiscal year ending September 30, 1982".

● Mr. KENNEDY. Mr. President, the Senate is today considering S. 230, the Nurse Training Amendments of 1979. Senator Javits introduced this bill on January 25, and I was pleased to join him as the principal cosponsor. Thirty Members of the Senate are now cosponsoring this important piece of legislation.

As my colleagues know, S. 2416, the Nurse Training Amendments of 1978, was pocket-vetoed by the President. This bill, which was also introduced by Senator Javits, passed the Senate by voice vote on June 7, 1978. It passed the House on September 19, 1978 by a vote of 393–12.

The bill we are considering today has an authorization level for 1980 that is literally one-half the amount authorized in S. 2416. We are aware of the administration's concerns. Although we do not agree with their position that there is an adequate supply of nurses, we have tried in this bill to be responsive to some of their fiscal concerns.

The Subcommittee on Health and Scientific Research, which I chair, held 2 days of hearings on the nursing issues. The first on January 26, 1979 dealt with the health implications of the President's budget. On March 16 a hearing was held on this particular bill. The subcommittee considered the bill on March 21 and ordered it favorably reported to the full committee. The Committee on Labor and Human Resources considered the bill in open executive session on April 11 and ordered it favorably reported to the Senate.

The committee has received testimony in support of the bill from: The American Nurses Association, National League for Nursing, American Association of Colleges of Nursing, American Medical Association, American Hospital Association, and American Association of Nurse Anesthetists.

Nursing is an integral and major part of our health care system. Nurses are responsible for much primary care and have, in many instances, the most direct patient contact. We have also seen in recent years an expanded role for nurses as nurse practitioners, nurse midwives, nurse anesthetists and in many other areas. These nurses are making great strides in care of the elderly and children. They are working diligently in many underserved rural and urban areas.

I am well aware of the discrepancy of opinions and data currently being used concerning the nursing supply and distribution. This bill, therefore authorizes a study to be conducted by the institute of medicine to determine the need to continue a specific program of Federal financial support. This study will be the definitive study used by Congress to resolve the long standing controversy between the nursing profession and HEW over the need for Federal financial support for nursing education. We have extended this bill just through fiscal year 1980 to bring the nursing programs in line with the expiration of the other health manpower programs authorized under the Health Professions Educational Assistance Act of 1976 Public Law 94–484.

The committee believes that S. 230 is a responsible answer to the concerns which caused the President to pocket veto S. 2416. While S. 2416 was a 2 year extension at a total authorization level of $412 million, S. 230 is a 1-year extension at an authorization level of $103 million. This authorization closely resembles the total appropriations received for nurse training programs in fiscal years 1978 and 1979, and takes into account the recent action by the Congress on the President's rescission request which resulted in a rescission of over $15 million in nurse training funds. The committee believes a 1-year extension of nurse training programs is necessary in order to avoid substantial disruption of nursing education programs, in order to permit completion of the study described earlier, and in order to bring the review of nurse training programs in line with the review of all other health professions programs which expire in fiscal year 1980.

I submit for printing in the Record at this point a table that compares the various levels of authorizations and appropriations. Column I shows the figures authorized for 1978 and also the figures that were authorized in S. 2416, the pocket vetoed bill. Column II shows the appropriations levels for 1979. Column III shows the authorization levels in S. 230 as introduced. Column IV shows the nursing rescission figures approved by Congress. Column V shows the authorization levels in the committee bill.

The table is as follows:

NURSE TRAINING PROGRAMS

[In millions]

Program	1978 authorization	1978 appropriation	1979 appropriation	1979 rescissions	S. 230, 1980 authorization
Capitation (sec. 810)	$55	$30.0	$30.0	$6	$24.0
Special projects (sec. 820)	15	15.0	15.0		17.0
Financial distress (sec. 815)	5	0	0		0
Advanced nurse training	25	12.0	12.0		13.5
Nurse practitioner (sec. 822)	25	13.0	13.0		15.0
Loans (sec. 837)	35	22.5	22.5	9	13.5
Scholarships (sec. 845)	(1)	(1)	(1)	(1)	(1)
Traineeships (sec. 830)	25	13.0	13.0		15.0
Loan repayment (sec. 836)	(2)	1.5	1.5	750,000	(2)
Construction grants (sec. 801)	20	3.5	3.5		4.0
Construction interest subsidies (sec. 805)	1	0	0		1.0
Total	206	110.5	110.5	15.750	103.0

[1] Formula. [2] No line-item authorization.

● Mr. KENNEDY. Mr. President, title II of S. 230 contains provisions that are important to other health programs.

Section 201 permits the Secretary to raise the annual limit on federally insured loans to students in schools of medicine, osteopathy, and dentistry from $10,000 to $15,000 and to raise the overall limit on federally insured loans to such students from $50,000 to $60,000 if the Secretary determines that the costs of education at such schools requires such increases.

Section 202 authorizes the Secretary to extend the period of deferral of a National Health Service Corps scholarship recipient beyond 3 years (the current limit) in order to enable the recipient to complete a residency, internship, or other advanced clinical training.

Section 203 relates to requirements for participation of schools in area health education center programs which provides that if one medical or osteopathic school participating in the program conducted a program for the training of nurse practitioners or physician assistants, any other such participating school would not be required to conduct such a program. Existing law requires each participating medical and osteopathic school to conduct such a program.

Section 204 provides that those AHEC programs which were first funded under Section 774 of the act prior to October 12, 1976, would continue to be eligible for Federal support through fiscal year 1981 without meeting the new AHEC requirements of section 781 of the act as added by Public Law 94-484.

Section 205 is an amendment to the health professions financial distress grant authority to give the Secretary of HEW more flexibility in awarding such grants to financially troubled health professions schools.

Among the health professions training institutions in the United States are a few schools which train much-needed minority health personnel but which have continuing problems in financing their educational programs. Four such schools—Meharry Medical School and Meharry Dental School of Nashville, Tenn.; Tuskegee School of Veterinary Medicine; and Xavier University School of Pharmacy estimate funding deficits totaling at least $7 million a year over the next several years.

The committee's amendment to subsection (e)(2)(B) of section 788 raising from $5 to $10 million the amount of appropriations that may be obligated or expended for financial distress grants would allow the provision of additional assistance to these four health professions educational institutions which train a significant proportion of minority health personnel and which are in very serious financial difficulty.

Section 206 eliminates the 10-percent limit on National Health Service Corps (NHSC) scholarship support available to health care practitioners other than physicians and dentists.

Section 207 raises the authorization level for the National Health Service Corps in fiscal year 1980 by $12 million, from $70 million to $82 million. The $82 million is in the President's budget and this amendment was added at administration request.

Section 208 protects applicants of this country's medical schools, nursing schools and other federally supported institutions dealing with health care education or training from discrimination based upon their views on abortion.

Section 209 extends for fiscal years 1980 to 1982 section 1701(b) of the Public Health Service Act. This section authorizes funds for general activities within the Department for disease prevention and health promotion. Proposed funding levels are $14 million, $15 million and $16 million respectively. The authorization for fiscal year 1979 is $14 million.

I cannot emphasize too strongly the value placed on this particular authority, and on activities it supports. Section 1701(b) supports a substantial portion of HEW's programs for educating individuals and groups concerning ways to prevent illness and to change behavior for the purpose of improving health. Moneys appropriated under this provision support health education initiatives undertaken at the Center for Disease Control, the Office of Health Information, Health Promotion, Physical Fitness and Sports Medicine, and the Office of Smoking and Health.

Last year, the Congress enacted into law the National Disease Prevention and Health Promotion Act of 1978. While this legislation provided certain categorical funds for supporting disease prevention and health promotion activities at the State and local levels, section 1701(b) supports most of the research development activities conducted at the Federal level in such areas as smoker education and school health education. The provision also supports an information clearinghouse in disease prevention, technical assistance to State and local governments, programs to develop media materials for health education, and community-based experiments in disease prevention and health promotion.

Mr. President, this is an important bill and one that has received bipartisan support. I urge my colleagues to favorably consider this bill.●

● Mr. BENTSEN. Mr. President, I rise in support of S. 525, a bill to continue programs to treat drug abuse, and to provide increased coordination to these important efforts. I am particularly pleased that this bill addresses one of the most dangerous drugs in America, PCP, or "angel dust."

I have had a long and deep concern with the problem of drug abuse, and especially problems arising from the use of PCP. This is one of the most deadly drugs that has ever been sold for profit, and its use must be brought into the open and stopped.

Last year Congress passed legislation I sponsored to provide tough criminal penalties for those who would sell it to our young people. It will also make it more difficult for criminals to gain possession of those rare chemicals that are used to make PCP.

Angel Dust is a deadly drug, a drug that causes dangerous and reckless behavior by its users. Those who provide it to our young people are committing a vicious crime. PCP has been identified as the cause of incredibly destructive behavior. It has led to psychosis, injury and death. It has led to suicide and murder. At a time when words often lose their meaning, it is hard to find words that adequately describe the dangers of this drug.

In 1978 alone, Angel Dust has caused at least 2,795 emergency room visits, and 85 deaths. These are only the results we know about—they only scratch the surface of the misery that has been caused by PCP. It is estimated that over 7 million Americans have used this drug. This means that there may be millions of time bombs walking our streets, waiting to explode. They can become murderous or suicidal in a moment.

Mr. President, the recent tragic killings in San Antonio demonstrate the kind of staggering dangers that can result from PCP use. In San Antonio, the user turned the Battle of Flowers parade into a shooting gallery, taking rifles and pistols and firing on every person in sight. Two people were killed. Over 50 were wounded or injured. An entire community was disrupted and shocked. The user himself ended his own life, firing a .38 caliber pistol into his head.

The autopsy uncovered the fact that this person had used substantial amounts of angel dust. This is only the most stark example of the kind of behavior that often characterizes those who use this drug. Across this country, people have engaged in numerous kinds of destructive behavior, self-destructive, psychotic, and murderous, as a result of angel dust. The emergency rooms of almost every hospital are filled with horror stories. This is a killer drug—and I use those words as an accurate description rather than as mere rhetoric.

Last year Congress passed my legislation to improve law enforcement activities against those who would sell this drug for profit. They should be punished. They should be punished severely. They are selling death and destruction to our youth.

At the same time we must work hard to make people aware of the dangers of angel dust, and to treat its users before the time bomb explodes. This legislation before the Senate today, S. 525, will take a major step forward in this direction.

The committee report on this legislation demonstrates the clear hope of Congress that increased attention will be devoted to drugs with rapidly increasing use. PCP is one of those drugs. I note that the committee report cites testimony from last year's hearings on my bill, which indicated that PCP use is on the rise, and that it presents a serious problem that must not be ignored. I hope and expect that under the terms of this bill even greater efforts will be directed toward this urgent problem. We must continue to punish the guilty—and we must do what we can to treat those who use this drug, before tragic occurrences like the shooting in San Antonio happen again.

I commend the committee for its concern, and I support this legislation.●

● Mr. JAVITS. Mr. President, I rise in support of S. 230, the Nurse Training Amendments of 1979. This bill authorizes a 1-year extension—through fiscal year 1980—of all existing nurse training authorities (except the authority for financial distress grants to schools of nursing) at an authorization level of $103 million.

Mr. President, last year the Congress overwhelmingly passed S. 2416, the Nurse Training Amendments of 1978. S. 2416 extended the provisions of the Nurse Training Act through fiscal years 1979 and 1980 at the fiscal year 1978 authorizations level of $206 million per year. The Senate unanimously passed this measure; the House passed the bill by a vote of 393 to 12. Despite overwhelming approval by the Congress, the President pocket-vetoed this bill.

On January 25, 1979, I introduced S. 230. This bill now has 31 cosponsors. As introduced, S. 230 extended nurse training programs for 1 year at an authorization level of $125 million. Throughout consideration of this legislation, the Labor and Human Resources Committee worked closely with White House officials and representatives of the nursing profession to develop legislation which meets the concerns of all parties. The bill before us now achieves that goal. The authorization levels were cut by a full 50 percent—lowered from $206 million to $103 million—to address the President's concerns regarding the inflationary impact of S. 2416.

Moreover, the recent actions taken by the Congress to rescind over $15 million in nurse training funds are reflected in S. 230. It is my understanding that this bill, in its current form, is acceptable to the administration.

Mr. President, the committee approved a 1-year extension of nurse training programs for three reasons. First, such an extension will permit the completion of a study authorized in section 112 of the bill which is designed to assess the country's needs with respect to the nursing profession. While an understanding has been reached with the administration regarding S. 230, there is still considerable controversy over the adequacy of the supply of nurses. In hearings on this issue, the committee found ample evidence indicating that widespread nursing shortages still exist throughout the country.

However, the committee also found a surprising lack of data which accurately evaluates and assesses future needs of the country with respect to the nursing supply. What we know is that there are an estimated 1,018,000 registered nurses practicing in this country. The Department of Labor's "Occupational Outlook Handbook," a survey of employment trends between now and 1985, estimates that the country will need 1,320,000 registered nurses in 1985 and projects that 83,000 new RN's will be needed annually to fill available positions. In 1976, the Nation's nursing schools graduated 77,633 RN's—with the assistance of the programs funded by the Nurse Training Act. This level of output must be maintained in order to meet the DOL's projected requirements. Furthermore, a recent survey conducted by the American Hospital Association revealed that of the 43 State hospital associations polled, 33 reported an overall shortage of nurses, 5 reported a shortage of nurses prepared in specialized areas, and only 5 State associations reported no shortage of nurses.

How these statistics should affect future Federal nurse training efforts is not adequately evaluated at this time. The study authorized in section 112 is designed to provide the Congress with objective information needed to develop future nurse training policies.

Second, a 1-year extension of the Nurse Training Act will bring the review of the nurse training programs in line with the review of all health manpower programs since the Health Professions Educational Assistance Act of 1976 (Public Law 94-484) expires at the end of fiscal year 1980. With the exception of nurses, Federal support directed at the training of all health professionals is considered at the same time in the context of the Health Professions Educational Assistance Act. Because nurses are an integral part of the health care delivery team, Federal support of nurse training programs should be considered along with all other health professions training programs.

Finally, extension of existing nurse training programs is essential to avoid substantial disruption of ongoing training programs. A survey conducted by the National Student Nurses' Association indicated that 51 percent of the respondents receive Federal financial assistance for their nursing education, and, of these, 81 percent stated that they could not have attended school without this assistance. In addition, the committee found that the loss of support provided through the Nurse Training Act to nursing schools would result in severe negative consequences to these schools.

Many schools reported that major reductions or elimination of funds will force them to reduce the size of their faculties and decrease their enrollments. Given the apparent need to maintain existing enrollment levels in schools of nursing, I believe it is appropriate at this time to provide for the continuation of nurse training programs.

Mr. President, I urge my colleagues to support this important legislation.●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HATCH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DRUG ABUSE PREVENTION, TREATMENT, AND REHABILITATION ACT OF 1979

The Senate continued with the consideration of S. 525.

Mr. ROBERT C. BYRD. Mr. President, the pending business is Calendar No. 106. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

The Chair recognizes the Senator from Utah.

Mr. HATCH. Mr. President, like the renewal of the alcoholism legislation which we have just approved, I too, support the extension of the authorization of appropriations for 1 year under the Drug Abuse Office and Treatment Act of 1972 to continue the drug abuse research, prevention, treatment, and rehabilitation programs of the National Institute on Drug Abuse (NIDA) in the Department of HEW. It proposes a total of $243 million in authorizations of appropriations during fiscal year 1980 and the same level for fiscal year 1981 if the contingent extension provided for in the bill is invoked.

Mr. President, I will not take the time of the Senate to go into the history of the legislation in this area. I am going to place in the RECORD at the conclusion of my remarks a very well-written memo from the Congressional Research Service outlining the development of this legislation.

Whereas many of our colleagues would much prefer to see the Congress enact a full 3-year extension of NIDA this year, there are valid reasons for proceeding with a 1-year extension of NIDA. The phase out of the Office of Drug Abuse Policy and other actions resulting from the Presidents Reorganization Plan No. 1 create some uncertainties on the part of Congress concerning coordination and policy direction of all Federal drug abuse programing. Thus the limited authorization period will, in practical effect, force the subcommittee to conduct an active oversight process on the question of our Federal drug abuse effort which I for one welcome and pledge my complete involvement.

One cautionary note is warranted here: A 1-year renewal of NIDA with a possible 1-year contingent extension should not be interpreted that the subcommittee favors a merger of NIDA and NIAAA next year. This, in our view, would be premature.

It is essential that the categorical delivery systems of NIDA and NIAAA be maintained for the foreseeable future until the alcohol and drug abuse fields can legitimately compete with each other for an equitable share of public funds at the State and local levels. I believe at this point in our history relative to our alcohol and drug abuse national efforts that we once again affirm a commitment to the Federal-State partnership which has developed by recommending that the formula grant funds in section 409 be authorized for an additional year. The maintenance of the integrity of both NIDA and NIAAA as identifiable focal points for national policy direction within ADAMHA is most important at this juncture and encouraging close communication between the institutes and resolving certain of their procedural and policy differences, which the subcommittee may be able to facilitate, is the right way to go.

Mr. President in closing let me say that the monetary levels provided in this 1-year extension are the product of sincere negotiation by many members of the committee and they are realistic figures. I believe the rest of our colleagues should find them acceptable, on the whole.

Mr. President, I ask unanimous consent that the Library of Congress Congressional Research Service report entitled "Drug Abuse Office and Treatment Act of 1972, Public Law 92–255" be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

February 9, 1979.

To Honorable Orrin Hatch; Attention: Ms. Pfeiffer.

From Education and Public Welfare Division.

Subject Drug Abuse Office and Treatment Act of 1972, P.L. 92–255.

GENERAL

The Drug Abuse Office and Treatment Act (DAOTA) provides authority for the major Federal drug abuse treatment and prevention efforts. Enacted in 1972, it expanded already existing programs, authorized principally by the Community Mental Health Centers Act; and it gave statutory basis to the White House-level agency established in 1971 by former President Nixon, the Special Action Office for Drug Abuse Prevention (SAODAP). The act also required the annual development of a national drug abuse "strategy" by a "Strategy Council", and elevated to separate institute level the drug abuse division of the National Institute on Mental Health, to administer the programs authorized by DAOTA. The new agency, the National Institute on Drug Abuse (NIDA), became one of the three institutes comprising ADAMHA (Alcohol, Drug Abuse and Mental Health Administration) when that structure was created in 1973. For a detailed digest of the original statute, see the enclosed CRS report 72–150 ED (Drug Abuse Office and Treatment Act of 1972 . . . Summary of Major Provisions).

The principal provisions of DAOTA have been amended twice; in 1976 by P.L. 94–237 and in 1978 by P.L. 95–461 (P.L. 94–371, the '76 Alcoholism Act amendments, contained DAOTA amendments emphasizing development of services for women and youth). The major change made by the '76 amendments was the replacement of SAODAP with the Office of Drug Abuse Policy (ODAP). The '78 amendments, in providing for a one-year extension only, signaled congressional concern over President Carter's abolition of ODAP. For further discussion of the '76 amendments, see the enclosed excerpts from CRS report 77–87 EPW (Control of Drug Abuse: Issues in the 94th Congress) and the April 20, 1978 newsletter of the National Association of State Drug Abuse Program Coordinators (Legislative Alert #86: "The Drug Abuse Office and Treatment Amendments of 1978").

1978 AMENDMENTS

DAOTA was extended for one year by the Drug Abuse Prevention and Treatment Amendments of 1978. The House report on the amendments notes several reasons for recommending a limited reauthorization. First, the committee wanted "to permit a timely review of the recently established drug abuse policy and coordinating system in the Executive Office of the President." This system had been devised as a substitute for the Office of Drug Abuse Policy, created by the 1976 amendments to the act as a replacement for the Special Action Office for Drug Abuse Prevention. Second, a one-year extension would permit review of NIDA programs "in conjunction with comparable programs of its sister agencies", especially those of the National Institute on Alcohol Abuse and Alcoholism, whose appropriation authorizations expire also at the end of FY 1979.

In 1976 Congress amended DAOTA to extend the act's sections 409 and 410 grant and contract programs and to create the Office of Drug Abuse Policy (ODAP), designed to replace the Special Office for Drug Abuse Prevention, but on a more limited basis. Charged with making recommendations to the President regarding priorities, goals, and policies for Federal drug abuse programs and to coordinate all Federal drug abuse activities, ODAP was given a three-year authorization. However, the Ford Administration declined to implement the legislation, maintaining that a White House-level agency was no longer needed and that interagency committee mechanisms were more appropriate.

President Carter reversed the Ford Administration decision and established ODAP, a director taking office in June 1977. However, an Executive Office of the President reorganization plan submitted in July called for the agency's abolition, to be accompanied by a "revitalization" of the Strategy Council established under DAOTA. Since the plan was not disapproved by Congress, ODAP was disbanded as of April 1978. It was against this background that both the House and Senate committees indicated a strong interest in reviewing the results of the reorganization in a year's time. The Senate report on the '78 amendments noted that limiting DAOTA's extension to one year was intended to "assure continued scrutiny of the drug abuse policy coordination mechanisms within the Executive Branch."

Other areas pegged for attention in 1979 by the reports on '78 amendments are:

(1) the special needs of rural areas (the Secretary is required to make a report on the subject within 120 days after enactment of the amendments); (Senate report);

(2) NIDA treatment programs, especially their effectiveness and the extent and quality of evaluative efforts; (House report).

PRESIDENTIAL BUDGET

Under the FY 1980 presidential budget for the ADAMHA drug programs, the project grant and contract activity (section 410, DAOTA) would be maintained at the FY 1979 level of $161,000,000. Program support would also be kept at approximately the same level. Although training assistance would diminish (from $10 million to $8.7 million, off $1.3 million), research would increase $8 million (from $42.5 million to $50.3 million). The big change, however, and the most controversial aspect of the drug abuse budget, is the assumption of a merger of the State grant program, authorized by section 409 of DAOTA, and the similar program administered by the Alcoholism Institute (NIAAA) into a consolidated drug abuse-alcoholism-mental health formula grant program, to be established by new legislation. As depicted in the presidential budget appendix, this legislation would authorize a total appropriation of $99 million for the consolidated grant programs in FY 1980.

Reportedly, the figure of $99 million was derived by adding the estimated obligations for drug abuse and alcoholism formula grants in FY 1979, $40 million and $56.8 million, to $13.5 million for mental health planning as authorized under section 314(d) of the Public Health Service Act, the total being decreased by 10 percent. The principle behind the proposal is the provision of greater flexibility to the States in the allocation of resources. The concept raises a number of questions, including the following:

(1) Would there be any "floor" to the amount a State could allocate to activities in any one of the three categories, or would disposal of the entire amount awarded to each State be subject to the State's discretion?

(2) What would be the impact on the existing Single State Agencies administering the alcohol and drug abuse programs? Would these agencies have to merge? In how many cases are these agencies already combined? How many are components of a State mental health agency (as, e.g., in Ohio and Massachusetts)? Would the advantages of consolidation compensate for the organizational disruption?

(3) With increasing use of the statewide services contract mechanism for distributing the funds under NIDA's other community support program, authorized by section 410 of DAOTA, does the proposed consolidated formula grant program give the States an excess of discretion? To what extent would we be creating a system that might be unresponsive to Federal policies and ordering of priorities?

The other major question presented by the presidential request concerns the effects of a static level of support for community programs. The community programs line item—$161 million in FY 1980 as in FY 1979—includes not only the money for approved treatment projects but also the funds for discretionary prevention activities and for treatment demonstration projects. By holding to a commitment to remain a nationwide total of 95,000 treatment slots*, despite inflation, NIDA is forced to decrease support of those other efforts. In compensating for rising treatment costs, the agency's rule of thumb in recent years has been to allow for an annual 5 percent increase for all continuations.

Thus, for example, the annual allowance for an outpatient slot, $1850 during FY 1979, would be increased to $1942 in FY 1980.

The following table shows the FY 1980 request totals, along with comparable obligations of previous years:

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*Under both the section 410 and the section 409 programs. Sec. 410 grants now account for approximately 95,000 slots.

DRUG ABUSE—OBLIGATIONS BY ACTIVITY

[Dollar amounts in thousands]

	Fiscal year 1973	1977	1978	1979 (estimate)	1980 (estimate)	Percent change 1980 over 1979
Research	$24.7	$18.7	$32.5	$42.6	$50.3	+18.0
Training	9.5	5.5	9.6	10.0	8.7	−13.0
Community programs:						
Protect G. & C.	101.3	87.4	154.1	161.0	161.0	0
Grants to States	12.3	21.9	38.3	40.0	[1][36.0?]	?
Subtotal	113.6	109.3	192.4	201.0	[197.0]	?
Program support	9.2	9.1	16.3	18.5	18.6	+.6
Total	156.9	142.7	250.8	272.0	[274.6]	?

[1] The proposed alcoholism-drug abuse-mental health block grant program envisions a total of $99,000,000 for fiscal year 1980, a figure derived by adding fiscal year 1979 obligations for the drug abuse and alcoholism formula grant programs—$40,000,000 and $56,800,000 respectively—to $13,500,000 in mental health planning money (PHS. sec. 314(d)) and discounting 10 percent.

GENERAL OVERSIGHT ISSUES

DAOTA issues of continuing interest include:

(1) The definition of "prevention" in connection with drug abuse (How broad is the concept? How much priority should be given?)

(2) Progress in integration of treatment services into the general health service delivery system.

(3) Extent and results of agency efforts to disseminate information on the results of research and demonstration efforts, particularly to clinicians.

(4) The role of local governments in State drug abuse planning.

(5) The appropriate administrative structure on the Federal (and State) levels (Should NIDA and NIAAA be merged? Should they both be restored to NIMH? What about the SSAs for the two programs?)

(6) The appropriate forms of Federal assistance (Should all PHS formula and project grant programs be consolidated into a single block grant program? Should selected programs be consolidated? Is the increasing use of the statewide services contract mechanism by NIDA for awarding project grants (section 410, DAOTA) a good idea?)

(7) State of the art in evaluation, both of treatment effectiveness and of prevention (Why will the new study being sponsored by NIDA, TOPS (Treatment Outcome Prospective Study), give us any better answers than previous studies?)

Specific questions that might at present be particularly appropriate include:

(1) Do the monitoring activities of NIDA and of the SSAs pay sufficient attention to the fiscal accounting practices of funded projects?

(2) How extensive is the monitoring of individual projects? How often does it result in disapproval of continuation? What are the efficiency rating procedures used by NIDA and the SSAs?

(3) What is the current status of efforts to increase third-party payments for drug treatment services?

(4) What are the implications, for drug abuse services, of the National Health Planning and Resources Development Act? How can we make certain that the local Health Systems Agencies (HSAs) will possess the expertise in drug treatment matters necessary to assess local and regional needs? Is further legislation required, to insure that the Single State Agencies have an active role in the health planning process (this concern was addressed by a provision of the Health Planning Amendments of 1978, a bill that passed the Senate but died in the House)?

Mr. HATCH. Mr. President, I do commend Senator Riegle, my colleague from Michigan, for a very wise course of action on this bill, and I do recommend its adoption.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

APPOINTMENTS BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair on behalf of the Vice President appoints the following Senators to the President's Export Council, pursuant to the Executive order of May 4, 1979.

The Senator from New Jersey (Mr. Williams); the Senator from Illinois (Mr. Stevenson); and the Senator from New York (Mr. Javits).

DRUG ABUSE AND TREATMENT ACT

The Senate continued with the consideration of S. 525.

The PRESIDING OFFICER. The Chair recognizes the Senator from Michigan.

Mr. RIEGLE. I ask that the clerk report the bill (S. 525) if he will.

The PRESIDING OFFICER. That bill is currently pending.

Mr. RIEGLE. Mr. President, S. 525 renews and revises Federal drug programs, principally those conducted by the National Institute on Drug Abuse, for a period of 1 year, with a contingent extension for 1 additional year if Congress does not act on a renewal bill before the end of fiscal 1980. The bill, which is cosponsored by Mr. Williams, chairman of the Labor and Human Resources Committee, and by Mr. Metzenbaum, was favorably reported by the Labor and Human Resources Committee on April 11.

S. 525 provides total authorization levels of $243 million for fiscal 1980, covering the drug abuse prevention, treatment, and rehabilitation, and certain research activities of the Institute. As with S. 440, the alcohol renewal, I would like to thank the Senator from Utah (Mr. Hatch) and the Senator from Pennsylvania (Mr. Schweiker) for their efforts in arriving at these compromise authorizations.

Both were extremely helpful, and had the best kind of working relationship.

Other provisions of S. 525 provide for greater emphasis on evaluation, occupational programs, and prevention. Special attention is directed towards members of underserved groups, including women, families, and racial and ethnic minorities. As in the alcoholism renewal, S. 525 prohibits discrimination against drug abusers in providing federally financed social services, and directs NIDA to develop model occupational programs for distribution to interested employers. It also mandates greater coordination between NIDA and NIAAA.

S. 525 revises Federal drug abuse prevention and treatment statutes to reflect new demographic and drug use patterns. It also updates existing law by eliminating references to the Office of Drug Abuse Policy, which was established by President Carter's Reorganization Plan No. 1 last year. To emphasize the concern of both the Congress and the administration that drug abuse policy be coordinated at the highest levels of the Federal Government, S. 525 shifts these responsibilities directly to the President. As a result of extended negotiations with the White House, a proposed Executive order directing the domestic policy staff to perform these functions for the President will be issued within the next few days. I ask unanimous consent that the text of a letter from Lee Dogoloff, associate director for Drug Policy of the domestic policy staff, be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THE WHITE HOUSE,
Washington, April 10, 1979.

Hon. Donald W. Riegle,
Chairman, Subcommittee on Alcoholism and Drug Abuse, Washington, D.C.

Dear Senator Riegle: Following our meeting last month, we have been preparing an Executive Order which would state that the drug policy office in the Domestic Policy Staff would assist the President in performing the functions of the Office of Drug Abuse Policy which were transferred to him under Reorganization Plan No. 1 of 1977. I would like to give you an update on developments since we spoke.

We have worked with the Office of the Counsel to the President and the General Counsel of the Office of Management and Budget to draft an Executive Order which would meet the intent of title II of S. 525. OMB's General Counsel's Office is now reviewing a draft. This should be completed by today, April 10th. From there, it will go to the Justice Department to ensure that it is in the appropriate legal form. We hope to have this process completed by Friday, April 13th. Thereafter it will be presented to the President for his signature.

The proposed Executive Order has the support of Stu Eizenstat as well as the staff of OMB and Robert Lipshutz' office. It will, of course, be up to the President to decide whether to sign the Order, but we fully expect that he will do so, probably during the week of April 16th.

In light of these developments, we hope that you would be able to amend title II of your bill in line with our agreement. The performance of the functions of the Office of Drug Abuse Policy and its Director have continued unchanged since Reorganization Plan No. 1 of 1977 took effect in April 1978. The Administration remains strongly committed to a coordinated and effective drug abuse effort, and we look forward to working with you and the other Members of Congress in our joint effort to reduce this problem in the United States.

Sincerely,

Lee I. Dogoloff,
Associate Director, Domestic Policy Staff.

Mr. RIEGLE. Mr. President, our Federal drug abuse policy has seen considerable success in combatting the heroin epidemic of the 1960's and early 1970's, but it has been less successful at adapting to the new forms of drug abuse which we are currently experiencing. Use of PCP, to cite one example, in some areas has surpassed heroin as a major drug problem, yet most Federal PCP control efforts are less than a year old.

As reported from committee, S. 525 freezes State drug abuse formula grants at $45 million, the same authorization level that has been in place since fiscal 1975. The committee believes that these grants are extremely important in stimulating State efforts to combat drug abuse, but that it is unrealistic to expect much greater Federal financing for these State activities in the coming fiscal year.

In the area of project grants, this bill directs retaining the division between community treatment and other programs first established in the 1978 renewal legislation. In addition to providing moderate increases in authorizations for these programs, S. 525 authorizes grants of no more than $300,000 to local governments that demonstrate their ability to improve planning and coordination of drug abuse programs within areas of high need.

Mr. President, throughout the various provisions of this bill there runs a determination to improve the coordination and cooperation between various levels and agencies of government. Our national drug abuse problem no longer consists simply of heroin addicts on the streets of our cities; it includes older Americans unknowingly misusing prescription drugs, teenagers combining alcohol with other drugs, and men and women relying on chemicals to make it through the day at work or at home. We need to adjust our drug abuse policy to meet these new needs, and to help States and local agencies do the same.

S. 525 provides a 1-year renewal of NIDA's activities while policy and management changes are implemented. As chairman of the Subcommittee on Alcoholism and Drug Abuse, I urge my colleagues to support this bill so that we can stimulate and improve efforts at all levels to reduce the personal and economic cost of drug abuse.

Mr. President, that concludes my statement.

I do have an amendment which I will offer and be prepared to accept on behalf of Senator INOUYE.

In addition, I have a technical amendment which is also at the desk.

UP AMENDMENT NO. 132

(Purpose: To make a technical change to conform text of reported bill with Committee action and report)

Mr. RIEGLE. Mr. President, let me now move the technical amendment.

The PRESIDING OFFICER. The amendment will be stated. The legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE) proposes an unprinted amendment numbered 132.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 45, after line 24, insert the following:

(c) The Act is further amended by adding at the end thereof the following new title:

"TITLE VI—CONTINGENT EXTENSION OF PROGRAMS

"Sec.

"601. Contingent extension of programs

"SEC. 601. Contingent Extension of programs.

"(a) Unless the Congress prior to the end of the terminal fiscal year—

"(1) of the authorization of appropriations for an applicable program under this Act; or

"(2) of the duration of an applicable program under this Act; either—

"(A) has passed or has formally rejected legislation which would have the effect of extending the authorization or duration (as the case may be) of that program; or

"(B) by action of either the House of Representatives or the Senate, approves a resolution stating that the provisions of this section shall no longer apply to such program; such authorization or duration is hereby automatically extended for one additional fiscal year. The amount appropriated for such additional year shall not exceed the amount which the Congress could, under the terms of the law for which the appropriation is made, have appropriated for such program during such terminal year.

"(b)(1) For the purposes of clause (A) of subsection (a), the Congress shall not be deemed to have passed legislation unless such legislation becomes law.

"(2) In any case where an officer or employee of the United States is required under an applicable statute to carry out acts or make certain determinations which are necessary for the continuation of an applicable program under this act, if such acts or determinations are required during the terminal year of such program, such acts and determinations shall be required during any fiscal year in which that part of subsection (a) which follows clause (B) thereof is in operation."

Mr. RIEGLE. Mr. President, this amendment would conform the printed bill with actions taken by the Labor and Human Resources Committee in reporting the bill, and with the committee report. The printed bill inadvertently omits a section designed to implement the committee's decision to authorize these programs for only 1 year, with a contingent extension for 1 additional year if Congress does not act on a renewal bill before the end of fiscal 1980. The omitted section is included in the cordon print of the committee report, and this technical amendment simply reinserts it into S. 525 as printed.

I move its adoption.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 133

(Purpose: To provide for the designation of an Associate Director for Underserved Populations within the National Institute on Drug Abuse)

Mr. RIEGLE. Mr. President, will the clerk report the second amendment?

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Michigan (Mr. RIEGLE) for the Senator from Hawaii (Mr. INOUYE) proposes an unprinted amendment numbered 133.

Mr. RIEGLE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 43, after line 15, insert the following:

(c) Section 501 is amended by adding at the end thereof the following new subsection:

"(d)(1) The Director shall designate an Associate Director for Underserved Populations to develop and coordinate prevention, treatment, research, and administrative policies and programs to assure increased focus on minority and other underserved populations.

(2) The Associate Director for Underserved Populations shall assist the Director in assuring that the Institute—

(a) support programs with regard to the delivery of drug abuse services to minority and other underserved populations, including demonstration projects;

(b) develop a plan to increase the representation of minority and other underserved populations in drug abuse service delivery and manpower programs with an emphasis on developing bilingual and bicultural programs;

(c) support programs of basic and applied social and behavioral research on drug abuse among minorities and other underserved populations;

(d) study the effects of racial and sexual discrimination on institutions and individuals, including majority institutions and individuals;

(e) develop systems to assist minority and other underserved populations in adapting to, and coping with, the effects of racial and sexual discrimination;

(f) support and develop research, demonstration, and training programs aimed at eliminating institutional racial and sexual discrimination; and

(g) provide for increased emphasis on the concerns of minority and other underserved populations in training programs, service delivery programs, and research endeavors.

(3) The Secretary shall include in the annual report to the President and the Congress required under section 405(b) a description of the Institute's activities in carrying out the provisions of this subsection.

(4) Nothing contained in this subsection shall be construed to prevent or impair the administration or enforcement of any other provision of Federal law, nor shall the Associate Director for Underserved Populations be deemd to have exclusive jurisdiction over the Institute's responsibility to develop effective policies and programs for minority and other underserved populations."

Mr. RIEGLE. Mr. President, this unprinted amendment that I offer on behalf of the Senator from Hawaii (Mr. INOUYE) would establish an Associate Director for Underserved Populations within the Institute. This amendment grows out of S. 925, which the Senator from Hawaii introduced on April 9 of this year to establish an Office for Minority Concerns within the Alcohol, Drug Abuse, and Mental Health Administration.

I share the Senator's deep concern for promoting the Institute's efforts to assist members of minority groups, as well as women, youth, the elderly, and other underserved populations. The amendment in its current form, therefore, calls for the designation of an Associate Director for Underserved Populations at the Institute level, without diluting the responsibilities of other offices within the Institute to direct their efforts to these groups.

I believe this amendment is acceptable

to the minority as well, and I move its adoption.

The PRESIDING OFFICER (Mr. HOLLINGS). Without objection, the amendment is agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. RIEGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I am not aware of any other amendments that anyone wishes to offer. Unless there is an indication to the contrary, I move third reading of the bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill (S. 525) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 525

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE; REFERENCE TO ACT

SECTION 1. (a) This Act may be cited as the "Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1979".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Drug Abuse Office and Treatment Act of 1972.

SEC. 2. Section 101 is amended—

(1) by inserting "(in cooperation with employers, employee associations, social service organizations, and associations of concerned individuals)" after "programs" in paragraph (8); and

(2) by inserting at the end thereof the following new paragraphs:

"(11) Shifts in the usage of various drugs and in the Nation's demographic composition require a Federal strategy to adjust programs and techniques in order to meet new needs and priorities on a cost-effective basis.

"(12) Drug and alcohol abuse indicate the need for prevention and information programs designed to reach the general population and members of particularly vulnerable groups such as youth, older Americans, and families of drug abusers.

"(13) Effective control of drug abuse requires high-level coordination of Federal international and domestic activities relating to both supply of, and demand for, illegal drugs.

"(14) Local municipalities with high concentrations of drug abuse should be actively involved in the planning and coordination of efforts to combat drug abuse.".

SEC. 3. Section 102 is amended by adding at the end thereof the following: "To reach these goals, the Congress further declares that it is the policy of the United States and the purpose of this Act to approach drug abuse for a comprehensive community care standpoint, and to meet the problems of drug abuse through—

"(1) comprehensive Federal, State, and local planning for, and effective use of, Federal assistance to States, and direct Federal assistance to community-based programs to meet the urgent needs to special populations, in coordination with all other governmental and nongovernmental sources of assistance;

"(2) the development and encouragement of prevention programs designed to combat the spread of drug abuse;

"(3) the development and encouragement of effective occupational prevention and treatment programs within the Government and in cooperation with the private sector; and

"(4) increased Federal commitment to research into the behavioral and biomedical etiology of, the treatment of, and the mental and physical health and social and economic consequences of, drug abuse.".

SEC. 4. Title II is amended to read as follows:

"TITLE II—DRUG ABUSE POLICY COORDINATION

"Sec.
"201. Concentration of Federal effort.
"202. Designated drug representative.
"203. Officers and employees.
"204. Employment of experts and consultants.
"205. Acceptance of uncompensated services.
"206. Notice relating to the control of dangerous drugs.
"207. Statutory authority unaffected.
"208. Annual report.
"209. Effective date.

"§ 201. Concentration of Federal effort

"(a) The President, shall establish a system for developing recommendations with respect to policies for, objectives of, and establishment of priorities for, Federal drug abuse functions and shall coordinate the performance of such functions by Federal departments and agencies. Recommendations under this subsection shall include recommendations for changes in the organization management, and personnel of Federal departments and agencies performing drug abuse functions in order to implement the policies, priorities, and objectives recommended under this subsection.

"(b) To carry out subsection (a), the President, shall—

"(1) review the regulations, guidelines, requirements, criteria, and procedures of Federal departments and agencies applicable to the performance of drug abuse functions;

"(2) conduct, or provide for, evaluations of (A) the performance of drug abuse functions by Federal departments and agencies, and (B) the results achieved by such departments and agencies in the performance of such functions; and

"(3) seek to assure that Federal departments and agencies, in the performance of drug abuse functions, construe drug abuse as a health problem requiring treatment and rehabilitation through a broad range of community health and social services.

"(c) Federal departments and agencies engaged in drug abuse functions shall submit to the President such information and reports as may reasonably be required to carry out the purposes of this title.

"§ 202. Designated drug representative

"(a) The President shall designate a single officer or employee of the United States to direct the activities required by this title. The officer or employee so designated shall serve as the President's representative on drug abuse functions and the location of such designee in the Executive Office of the President or elsewhere shall not be construed as affecting access by the Congress, or committees of either House, (1) to information, documents, and studies in the possession of, or conducted by or at the direction of, such designee, or (2) to personnel involved in carrying out the purposes of this title.

"(b) The President may direct the officer or employee designated under subsection (a) of this section to represent the Government of the United States in discussions and negotiations relating to drug abuse functions.

"§ 203. Officers and employees

"In carrying out the purposes of this title, the President may employ and prescribe the functions of such officers and employees, including attorneys, as are necessary to perform the functions vested in him by this title. At the discretion of the President, any officer or employee engaged in carrying out the purposes of this title may be allowed and paid travel expenses, including per diem in lieu of subsistence, in the same manner as is authorized by section 5703 of title 5, United States Code, for individuals employed intermittently.

"§ 204. Employment of experts and consultants

"In carrying out the purposes of this title, the President may procure services as authorized by section 3109 of title 5, United States Code, and may pay a rate for such services not in exces of the rate in effect for grade GS–18 of the General Schedule. The President may employ individuals under this section without regard to any limitation, applicable to services procured under such section 3109, on the number of days or the period of such services, except that not more than six individuals may be employed under this section without regard to such limitation.

"§ 205. Acceptance of uncompensated services

"In carrying out the purposes of this title, the President is authorized to accept and employ in furtherance of the purpose of this Act voluntary and uncompensated services notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b)).

"§ 206. Notice relating to the control of dangerous drugs

"Whenever the Attorney General determines that there is evidence that—

"(1) a drug or other substance, which is not a controlled substance (as defined in section 102(6) of the Controlled Substances Act), has a potential for abuse, or

"(2) a controlled substance should be transferred or removed from a schedule under section 202 of such Act, he shall, prior to initiating any proceeding under section 201 (a) of such Act, give the President timely notice of such determination. Information forwarded to the Attorney General pursuant to section 201(f) of such Act shall also be forwarded by the Secretary of Health, Education, and Welfare to the President.

"§ 207. Statutory authority unaffected

"Nothing in this title shall be construed to limit the authority of the Secretary of Defense with respect to the operation of the Armed Forces or the authority of the Administrator of Veterans' Affairs with respect to the furnishing of health care and related services to veterans.

"§ 208. Annual report

"The President shall submit to the Congress, prior to March 1 of each year, a written report on the activities conducted to carry out the purposes of this title. The report shall specify the objectives, nature, and results of such activities, and shall contain an accounting of funds expended under this title.

"§ 209. Effective date

"This title shall become effective on October 1, 1979, or upon enactment, whichever is later.".

Sec. 5. (a) Section 302 is amended by striking out "Director of the Office of Drug Abuse Policy" and inserting in lieu thereof "representative designated under section 202 of this Act".

(b) Section 302 is further amended by striking out "three members from outside the Federal Government." and inserting in lieu thereof "five members from outside the Federal Government, at least one whom shall be a State official responsible for dealing with drug problems and one of whom shall be a local official responsible for dealing with such problems.

(c) Section 304 is amended by striking out "Director of the Office of Drug Abuse Policy" and inserting in lieu thereof "President".

(d) The first sentence of section 409(a) of the Drug Abuse Office and Treatment Act of 1972 is amended—

(1) by striking out "and" after "1978"; and

(2) by inserting "and $45,000,000 for the fiscal year ending September 30, 1980," after "1979,".

Sec. 6. Section 409(e) is amended—

(1) by inserting "with attention to assuring representation of minority and poverty groups, women, youth, and the aged," after "affected by drug abuse" in paragraph (3);

(2) by inserting the following before the semicolon in paragraph (4): ", and set forth in detail the changes in emphasis among such functions resulting from shifts in demographic and drug abuse patterns within the State";

(3) by striking out "and" at the end of subparagraph (5)(A);

(4)(A) by striking out "and by individuals under the age of eighteen" in subparagraph (5)(B);

(B) by inserting the following after "drug dependence by women" in subparagraph (5)(B): ", youth, older individuals, and residents of urban and rural areas";

(5) by inserting the following at the end of subparagraph (5)(B): "and (C) provide assurances satisfactory to the Secretary that, insofar as practicable, the survey conducted pursuant to subparagraph (A) is coordinated with and not duplicative of the alcohol abuse and alcoholism survey conducted pursuant to section 303 of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970;";

(6) by inserting "(A)" after "in the State" in paragraph (7);

(7) by inserting the following before the semicolon in paragraph (7): ", (B) to review and comment on the plan prior to its submission to the Secretary, and (C) to submit to the Secretary as an appendix to the plan such comments as such political subdivisions believe are relevant to approval of the plan under paragraph (f): *Provided*, That failure to comment shall in no way prejudice approval of the plan";

(8) by inserting "(A)" after "(9)" in paragraph (9);

(9) by inserting "and" after "reports;" in paragraph (9);

(10) by inserting before the semicolon at the end of subparagraph (9)(A) the following new subparagraph:

"(B) provide that the Comptroller General of the United States or his duly authorized representatives shall have access for the purpose of audit and examination to the records specified in subparagraph (A)";

(11) by inserting "and an analysis or survey of the extent to which other State programs and political subdivisions throughout the State are concerned and dealing effectively with the problems related to drug abuse and drug dependence," after "under the plan," in paragraph (10);

(12) by striking out "and" at the end of paragraph (12);

(13) by redesignating paragraph (13) as paragraph (18); and

(14) by inserting after paragraph (12) the following new paragraphs:

"(13) contain, to the extent feasible, a complete inventory of all public and private resources available in the State for the purpose of drug abuse and drug dependence treatment, prevention, and rehabilitation, including but not limited to programs funded under State and local laws, occupational programs, voluntary organizations, education programs, military and Veterans' Administration resources, and available public and private third-party payment plans;

"(14) provide assurance that the State agency will coordinate its planning with local drug abuse planning agencies, with State and local alcoholism and alcohol abuse planning agencies, and with other State and local health planning agencies;

"(15) provide assurance that State certification, accreditation, or licensure requirements, if any, applicable to drug abuse and drug dependence treatment facilities and personnel take into account the special nature of such programs and personnel, including the need to include nonmedical aspects of treatment and the need to acknowledge previous experience when assessing the adequacy of treatment personnel;

"(16) provide assurance that the State agency—

"(A) will foster and encourage the development of drug abuse and drug dependence prevention, treatment, and rehabilitation programs and services in State and local governments and in private businesses and industry;

"(B) will make available to all business concerns and governmental entities within such State information and materials concerning such model programs suitable for replication on a cost-effective basis as are developed pursuant to paragraph (2) of section 413(b) of this Act; and

"(C) will furnish technical assistance as feasible to such business concerns and governmental entites;

"(17) include a needs assessment of the severity of drug abuse problems within urban and nonurban areas of the State, an accounting of the existing and proposed allocation of resources among such areas, and a description of the role of units of general purpose local government in planning and coordinating the use of such resources; and".

Sec. 7. Section 410(a) is amended—

(1) by inserting the following after "development" in paragraph (1): ", demonstration, and evaluation";

(2) by inserting "and detoxification" before "techniques" in paragraph (5);

(3) by striking out "; and" in paragraph (5) and inserting in lieu thereof the following: ", including supportive services to prevent relapse into drug abuse or drug dependence;";

(4) by striking out the period in paragraph (6) and inserting in lieu thereof the following: ", with particular emphasis on replicating effective prevention and treatment programs in areas of the greatest need for such programs; and";

(5) by inserting after paragraph (6) the following:

"(7) make grants to units of general local government as set forth in subsection (f) of this section—

"(A) for the preparation of local plans for the provision and coordination of drug abuse prevention, treatment, and rehabilitation services; and

"(B) for the expenses of implementing such plans and of evaluating drug abuse prevention, treatment, and rehabilitation services provided pursuant to such plan.".

Sec. 8. Section 410(b) is amended by adding at the end thereof the following: "There are authorized to be appropriated (A) for grants and contracts under paragraphs (3) and (6) of subsection (a) for drug abuse programs $158,000,000 for the fiscal year ending September 30, 1980; (B) for grants under paragraph (7) of subsection (a) $5,000,000 for the fiscal year ending September 30, 1980; and (C) for grants and activities under such subsection for other programs and activities $27,000,000 for the fiscal year ending September 30, 1980.".

Sec. 9. Section 410(c)(2) is amended by inserting the following: "Should the State not furnish such evaluation within the thirty days allowed, or should the State fail to furnish the applicant with a copy of its evaluation, no written or verbal evaluation by the State shall in any way predjudice such project or program." after "a copy of any such evaluation.".

Sec. 10. Section 410(b) is amended by adding at the end thereof the following:

"(f)(1) Approval of any application from a unit of general purpose local government under subsection (a)(7) may be granted by the Secretary only pursuant to a finding that the unit of general purpose local government—

"(A) has a population of 175,000 or more persons on the basis of the most satisfactory current data available to the Secretary;

"(B) has a high concentration of drug abuse and drug-related problems; and of this section.

"(C) has the capacity to improve planning for and coordination of drug abuse prevention, treatment, and rehabilitation services within that community.

"(2) Any unit of general purpose local government desiring to receive a grant under subsection (a)(7) shall submit to the Secretary a local plan for planning, coordinating, and evaluating projects for the development of more effective drug abuse prevention, treatment, and rehabilitation functions. Each such local plan shall—

"(A) designate or establish a single municipal agency as the sole agency for the preparation and administration of the plan, or for supervising the preparation and administration of the plan;

"(B) contain satisfactory evidence that the municipal agency designated or established pursuant to subparagraph (A) will have authority to prepare and administer, or supervise the preparation and administration of, such plan in accordance with this section;

"(C) set forth, in accordance with criteria established by the Secretary, a detailed survey of the local needs for prevention and treatment of drug abuse and drug dependence, and a plan for coordination of services to meet these needs; and

"(D) provide that the local agency will make such reports, in such form and containing such information as the Secretary may from time to time reasonably require, and will keep such records and afford such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

"(3) No grant provided under subsection (a)(7) may exceed $300,000.".

SEC. 11. Section 410 is further amended by adding at the end thereof the following new subsections:

"(g) In carrying out the program described in subsection (a) of this section, the Secretary, acting through the Institute, is authorized to—

"(1) collect and make available through publications and other appropriate means, information as to, and practical application of, the research and other activities under the program;

"(2) make available research facilities of the Public Health Service to appropriate public authorities, and to health officials and scientists engaged in special study;

"(3) make grants to universities, hospitals, laboratories, and other public or nonprofit institutions, and to individuals for such research projects as are recommended by the National Advisory Council on Drug Abuse, with particular emphasis on investigating poly-drug abuse (including the relationship between abuse of alcohol and other drugs);

"(4) promote the coordination of research programs conducted by the Institute, and similar programs conducted by other agencies, organizations, and individuals, including the National Institute on Alcohol Abuse and Alcoholism and all National Institutes of Health research activities which are or may be related to the problems of individuals suffering from drug abuse or drug dependence or the drug abuse or dependence of members of their families;

"(5) for purposes of study, admit and treat at institutions, hospitals, and stations of the Public Health Service, persons not otherwise eligible for such treatment;

"(6) provide to health officials, scientists, and appropriate public and other nonprofit institutions and organizations, technical advice and assistance on the application of statistical methods to experiments, studies, and surveys in health and medical fields; and

"(7) adopt, upon recommendation of the National Advisory Council on Drug Abuse, such additional means as he deems necessary or appropriate to carry out the purposes

"(h) Projects and programs for which grants and contracts are made under this section shall, in the case of prevention and treatment services, seek to (1) give special emphasis to currently underserved populations, such as racial and ethnic minorities, American Indians, Alaskan Natives, Hawaiian Natives and Native American Pacific Islanders, individuals over sixty-five years of age, youth, women, handicapped, and individuals in geographic areas where such services are not otherwise available; (2) whenever possible, be community based, insure care of good quality in general community care facilities and under health insurance plans, and be integrated with, and provide for the active participation of, a wide range of public and nongovernmental agencies, organizations, institutions, and individuals; (3) where a substantial number of the individuals in the population served by the project or program are of limited English-speaking ability, utilize the services of outreach workers fluent in the language spoken by a predominant number of such individuals and develop a plan and make arrangements responsive to the needs of such population for providing services to the extent practicable in the language and cultural context most appropriate to such individuals, and identify an individual who is fluent both in that language and English and whose responsibilities shall include providing guidance to the individuals of limited English-speaking ability and to appropriate staff members with respect to cultural sensitivities and bridging linguistic and cultural differences; and (4) where appropriate, utilize existing community resources.".

SEC. 12. Section 413(a) is amended—

(1) by striking out "Civil Service Commission" and inserting in lieu thereof "Office of Personnel Management";

(2) by striking out "Director" and inserting in lieu thereof "President with the Secretary (acting through the National Institute on Drug Abuse),";

(3) by inserting "and in accordance with the provisions of subpart F of part III of title 5, United States Code, as amended by the Civil Service Reform Act of 1978" after "other Federal agencies and departments"; and

(4) by inserting "Such agencies and departments are encouraged to extend these programs and services to the families of employees and to employees who have family members who are drug abusers to the extent feasible." prior to the last sentence.

SEC. 13. Section 413(b) is amended to read as follows:

"(b)(1) The Secretary, acting through the National Institute on Drug Abuse, shall be responsible for fostering and encouraging similar drug abuse prevention, treatment, and rehabilitation programs and services in State and local governments and in private industry.

"(2) Consistent with such responsibility, the Secretary, acting through the National Institute on Drug Abuse, shall develop a variety of model programs suitable for replication on a cost-effective basis in different types of business concerns and State and local governmental entities, taking into account the number of employees, geographical location, proximity to other concerns and entities, and availability of existing services from public agencies and private organizations. With respect to small business concerns, the Secretary, acting through the National Institute on Drug Abuse, shall consult with the Small Business Administrator in the development of model programs affecting such concerns.

"(3) With respect to business concerns and governmental entities which employ individuals represented by labor organizations, the employer and the labor organization shall be encouraged to develop joint agreed upon programs at the conference table or through the collective bargaining process.

"(4) The Secretary, acting through the National Institute on Drug Abuse, shall disseminate information and materials to single State agencies designated pursuant to section 409 of this Act, and shall provide technical assistance to such agencies as feasible.

"(5) To the extent feasible, model programs developed pursuant to this section shall be capable of coordination with model programs developed pursuant to section 201(b) of the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.".

SEC 14. (a) Title IV is amended by adding at the end thereof the following new section:

"§ 414. Admission of drug abusers to social services

"(a) Drug abusers who are suffering from personal, emotional, or social conditions shall not be discriminated against in admission or care, solely because of their drug abuse or drug dependence, by any private or public social service, mental health, outpatient, intermediate care, rehabilitation, or other service-related facility which receives support in any form from any program supported in whole or in part by funds appropriated to any Federal department or agency.

"(b)(1) The Secretary shall issue regulations not later than twelve months after the enactment of this section for the enforcement of the policy of subsection (a) with respect to the admission and care of drug abusers in facilities covered by this section (other than facilities operated by the Veterans' Administration). Such regulations shall include procedures for determining (after opportunity for a hearing if requested) if a violation of subsection (a) has occurred, notification of failure to comply with such subsection, and opportunity for a violator to comply with such subsection. If the Secretary determines that a facility which receives support of any kind from any program administered by the Secretary and subject to such regulations has violated subsection (a) and such violation continues after an opportunity has been afforded for compliance, the Secretary may suspend or revoke, after opportunity for a hearing, all or part of any support of any kind received by such facility from any program administered by the Secretary. The Secretary may consult with the officials responsible for the administration of any other Federal program from which a facility covered by subsection (a) receives support of any kind, with respect to the suspension or revocation of Federal support for any facility found to violate such subsection.

"(2) The Administrator of Veterans' Affairs shall, to the maximum extent consistent with the Administrator's responsibilities under title 38, United States Code, prescribe regulations making applicable the regulations prescribed by the Secretary under paragraph (1) of this subsection, to facilities operated by the Veterans' Administration to provide the same kinds of benefits and services to veterans under title 38 as are provided by the facilities described in subsection (a). In prescribing and implementing regulations pursuant to this paragraph, the Administrator shall, from time to time, consult with the Secretary in order to achieve the maximum possible coordination of such regulations, including the implementation thereof. The provisions of this section shall not supersede the provisions of sections 4133 and 4134 of title 38, United States Code.".

(b) The table of sections at the beginning of title IV is amended by adding at the end thereof the following new item:

(c) Section 501 is amended by adding at the end thereof the following new subsection:

"(d)(1) The Director shall designate an Associate Director for Underserved Populations to develop and coordinate prevention, treatment, research, and administrative policies and programs to assure increased focus on minority and other underserved populations.

"(2) The Associate Director for Underserved Populations shall assist the Director in assuring that the Institute—

"(A) support programs with regard to the delivery of drug abuse services to minority and other underserved populations, including demonstration projects;

"(B) develop a plan to increase the representation of minority and other underserved populations in drug abuse service delivery and manpower programs with an emphasis on developing bilingual and bicultural programs;

"(C) support programs of basic and applied social and behavioral research on drug abuse among minorities and other underserved populations;

"(D) study the effects of racial and sexual discrimination on institutions and individuals, including majority institutions and individuals;

"(E) develop systems to assist minority and other underserved populations in adapting to, and coping with, the effects of racial and sexual discrimination;

"(F) support and develop research, demonstration, and training programs aimed at eliminating institutional racial and sexual discriminaton; and

"(G) provide for increased emphasis on the concerns of minority and other underserved populations in training programs, service delivery programs, and research endeavors.

"(3) The Secretary shall include in the annual report to the President and the Congress required under section 405(b) a description of the Institute's activities in carrying out the provisions of this subsection.

"(4) Nothing contained in this subsection shall be construed to prevent or impair the administration or enforcement of any other provision of Federal law, nor shall the Associate Director for Underserved Populations be deemed to have exclusive jurisdiction over the Institute's responsibility to develop effective policies and programs for minority and other underserved populations.".

Sec. 15. Section 502 is amended by inserting at the end thereof the following new subsection:

"(d) On the request of any State, the Secretary shall, to the extent feasible, make available technical assistance for the purposes of developing and improving systems for data collection; program management, accountability, and evaluation; certification, accreditation, or licensure of treatment facilities and personnel; monitoring compliance to Federal requirements of hospitals and other facilities; and developing demonstration projects or implementing through such State's insurance regulatory process a requirement that will constitute significant progress toward coverage of drug abuse and drug dependence by health insurance plans. Insofar as practicable, such technical assistance shall be provided in such a manner as to improve coordination between activities funded under this Act and under the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970.".

Sec. 16. Section 503(a) is amended—

(1) by striking out "to create, develop, and test" and inserting in lieu thereof the following: ", investigations, experiments, demonstrations, and studies, into";

(2) by inserting "the creation, development, and testing of" after "(1)", "(2)", and "(3)", respectively;

(3) by striking out "and" at the end of paragraph (2);

(4) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(5) by inserting after paragraph (3) the following new paragraph:

"(4) the social, behavioral, and biomedical etiology, treatment, mental and physical health consequences, and social and economic consequences of drug abuse and drug dependence.".

Sec. 17. Section 503(b) is amended—

(1) by striking out "and" after "1978,"; and

(2) by inserting before the period a comma and the following: "and $8,000,000 for the fiscal year ending September 30, 1980".

Sec. 19. Section 217(e)(1) of the Public Health Service Act is amended—

(1) by inserting the following before the period in the third sentence: ", including officers or employees of State and local drug abuse agencies"; and

(2) by inserting at the end thereof the following new sentence: "Appointed members may serve after the expiration of their terms until their successors have taken office.".

Sec. 20. (a) The Drug Abuse and Treatment Act of 1972 is amended by striking out the title of the Act each place it appears and inserting in lieu thereof the following new title of the Act: "Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1972".

(b) Whenever reference is made in any other Federal law, regulation, ruling, or order to the Drug Abuse Office and Treatment Act of 1972, the reference shall be considered to be made to the Drug Abuse Prevention, Treatment, and Rehabilitation Act of 1972.

(c) The Act is further amended by adding at the end thereof the following new title:

"TITLE VI—CONTINGENT EXTENSION OF PROGRAMS

"Sec.

"601. Contingent extension of programs.

"§ 601. Contingent Extension of Programs

"(a) Unless the Congress prior to the end of the terminal fiscal year—

"(1) of the authorization of appropriations for an applicable program under this Act; or

"(2) of the duration of an applicable program under this Act; either—

"(A) has passed or has formally rejected legislation which would have the effect of extending the authorization or duration (as the case may be) of that program; or

"(B) by action of either the House of Representatives or the Senate, approves a resolution stating that the provisions of this section shall no longer apply to such program;

such authorization or duration is hereby automatically extended for one additional fiscal year. The amount appropriated for such additional year shall not exceed the amount which the Congress could, under the terms of the law for which the appropriation is made, have appropriated for such program during such terminal year.

"(b)(1) For the purposes of clause (A) of subsection (a), the Congress shall not be deemed to have passed legislation unless such legislation becomes law.

"(2) In any case where an officer or employee of the United States is required under an applicable statute to carry out Acts or make certain determinations which are necessary for the continuation of an applicable program under this Act, if such Acts or determinations are required during the terminal year of such program, such Acts and determinations shall be required during any fiscal year in which that part of subsection (a) which follows clause (B) thereof is in operation.".

Mr. HATCH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. RIEGLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RIEGLE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossment of S. 525.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. RIEGLE. Mr. President, I wish to thank the minority and majority staff for the excellent work that they did on this bill, and to thank them for their patience. I also wish to thank my colleague from Utah. It has been a pleasure to work with him.

Mr. HATCH. Mr. President, I reciprocate those remarks and thank my colleague.

Mr. ROBERT C. BYRD. Mr. President, I wish to compliment both Mr. Riegle and Mr. Hatch for the splendid work they have performed in connection with the passage of S. 440, the alcohol abuse bill, and the drug abuse bill, S. 525. They have managed the bills with skill and dedication. They deserve commendation. I express my gratitude to them.

Mr. STEVENS. If the majority leader will yield, on behalf of the minority leader may I join in commending the two managers of these two bills.

I particularly want to thank Senator Humphrey who agreed that the 3-day rule might not be applied to the second bill so we could keep our schedule today.

I believe it was through the cooperation of Senator Hatch that that occurred.

I do appreciate the comments of the majority leader and want to add my comments in support of his remarks.

Mr. HATCH. Mr. President, I thank both the leaders for their compliments.

Mr. RIEGLE. And I, too.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business at this time, not to extend beyond 20 minutes, and that Senators may be permitted to speak up to 5 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE JOINT RESOLUTION 74—DESIGNATING CARE DAY

Mr. PRESSLER. Mr. President, I send to the desk a joint resolution introduced by myself and the Senator from Maryland (Mr. Mathias), and ask for its immediate consideration.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The second assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 74) authorizing and requesting the President to issue a proclamation designating May 11, 1979, as "CARE Day."

Mr. ROBERT C. BYRD. Mr. President, there is no objection to its immediate consideration on this side.

The PRESIDING OFFICER. Without objection, the joint resolution will be considered as having been read the second time at length, and the Senate will proceed to its consideration.

The Senate proceeded to consider the joint resolution.

The PRESIDING OFFICER. The joint resolution is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the joint resolution.

The joint resolution (S.J. Res. 74) was ordered to a third reading and was read the third time, and passed.

The preamble was agreed to.

The joint resolution, with its preamble, reads as follows:

Authorizing and requesting the President to issue a proclamation designating May 11, 1979, as "CARE Day".

Whereas Cooperative for American Relief Everywhere, Inc. (CARE), a nonprofit, nonsectarian agency for voluntary international aid and development, was organized more than 33 years ago;

Whereas the first CARE packages were delivered in LeHavre, France, on May 11, 1946, and since that date CARE has provided assistance to millions of people in 80 countries;

Whereas CARE now has far-ranging programs designed to improve the nutrition, health, and education of people, especially children, and to promote community improvement and development in many developing countries in Africa, Asia, the Middle East, and Latin America; and

Whereas CARE has become a symbol of the best of humanity—the warm humanitarian spirit of millions of people who have expressed their continuing concern by giving generously of their own means to help those much less fortunate: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating May 11, 1979, as "CARE Day" and calling upon Federal, State, and local government agencies, interested groups and organizations, and the people of the United States to observe that day with appropriate ceremonies, activities, and programs.

Mr. PRESSLER. Mr. President, I move to reconsider the vote by which the joint resolution passed.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PRESSLER. Mr. President, I thank the majority leader and the minority leader for their assistance in this matter.

STANDBY GASOLINE RATIONING PLAN

Mr. PRESSLER. Mr. President, I am concerned that our basic South Dakota industries—agriculture and tourism—would suffer under the President's proposed gas rationing plan.

Under the President's gas rationing formulas, South Dakota would not receive enough fuel for its own use, much less for tourists visiting the State. Agriculture is our biggest industry with tourism ranking second.

Gasoline distribution to States would be according to national averages. South Dakota's usage—including both highway travel and off-highway agricultural use—is well above the national average. However, the figures on gasoline consumption presented Congress by the Department of Energy do not give us the whole picture. The use of incomplete figures is a real threat to South Dakota agriculture. It is inequitable to the Western States whose gasoline consumption is largely due to off-highway agricultural use.

In addition, I am concerned that fuel allocation for agriculture is not adequately protected under the President's proposal. Farming is not listed as a priority class industry for supplemental fuel allocations. Planting and harvesting will not wait for the slow wheels of Government to process applications for supplemental fuel. We need to have assurance that fuel for South Dakota farming is available on an immediate, priority, need-oriented basis.

Unless I can be convinced that changes will be made to insure that South Dakota's agricultural and tourism needs will be met under the President's gas rationing plan, I will have to vote against the measure.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE SENATE CODE OF OFFICIAL CONDUCT AND ETHICS IN GOVERNMENT ACT

Mr. ROBERT C. BYRD. Mr. President, the Senate Code of Official Conduct and the Ethics in Government Act of 1978—Public Law 95-521—requires the submission of various reports no later than May 15, 1979 by Members, officers, and employees of the Senate.

Although all individuals have probably received notification in one form or another, I submit for the RECORD at this time the following information concerning the reports that must be filed, who must file, and the filing dates.

REPORT	FILED BY	FILING DATE
Public Financial Disclosure Report (Rule 42 and Ethics in Government Act of 1978)	Senators who were members of the Senate in excess of 90 days in 1978 Senators who are members of the Senate on May 15, 1979 Candidates for the Senate in 1979 (5/15/79 or 30 days within attaining candidate status whichever is later) Officers and Employees who (1) are employed in excess of 90 days on any day at a rate in excess of $25,000 per year. (2) are employed for more than 60 days and on any day at an annual rate of basic pay in effect for grade GS-16 (currently $44,756 per annum) Employees designated to handle political funds under Rule 49 (Salary level and length of service are determined by Rule 49 and not Rule 42) Employees designated as a Principal Assistant by a Member (who does not have an employee compensated at a rate in excess of a GS-16 (currently $44,756 per annum)) Other Individuals referenced under Rule 49 if the salary and period of employment are met	May 15, 1979
Confidential Disclosure Statement	Each individual required to file a Public Financial Disclosure Report under Senate Rule 42 (except terminated employees) must also file with the Comptroller General, in a sealed envelope, a report containing a copy of the return of taxes, declarations, statements and other documents and statements thereto, in compliance with the IRS Code of 1954	May 15, 1979
Public Financial Disclosure Reports (Ethics in Government Act of 1978)	Legislative Branch Employees compensated at the GS-16 level for a period in excess of 60 days in 1978. Designated Legislative agencies are: General Accounting Office, Cost Accounts Standards Board, Office of the Attending Physician and Office of Technology Assessments	May 15, 1979
Conflict of Interest (Outside Employment) (Senate Rule 45, Section 3)	Officers and Employees file with their Supervisor a written report when commencing outside business or professional activity or employment for compensation. (Filed by May 15th of each year thereafter so long as such activity or employment continues)	May 15, 1979

Other reports that must be filed in accordance with the circumstances of employment are:

Public Financial Disclosure Reports (Senate Rule 42 and Ethics in Government Act of 1978)	Reporting Individuals terminating Senate employment	Day on leaving Senate employment
Public Financial Disclosure Reports (Ethics in Government Act of 1978)	Individuals commencing Senate employment after January 1, 1979 at an annual rate of basic pay in effect for GS-16 (currently $44,756 per annum). This does not apply to members.	Within 30 days beginning employment

Public Financial Disclosure Reports and filings required by the Ethics in Government Act of 1978 should be submitted to the Secretary of the Senate, Office of Public Records, 119 D Street, N.E., Room 623, Washington, D.C. 20510.

Confidential Disclosure Statements should be filed with the Comptroller General of the United States, Room 4408, 441 G Street, N.W., Washington, D.C. 20548—Attention: Federal Personnel Compensation Division—S. Res. 110 Staff.

Questions should be addressed to the Select Committee on Ethics at 224-2981.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT—PM 66

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the seventeenth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council's activities during the fourth quarter of 1978 in monitoring both prices and wages in the private sector and various Federal Government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies and the Council's role in the anti-inflation program.

The Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments and Government actions that could be of concern to American consumers.

JIMMY CARTER.

THE WHITE HOUSE, *May 7, 1979.*

PROPOSED AMENDMENT TO THE STANDBY GASOLINE RATIONING PLAN—MESSAGE FROM THE PRESIDENT—PM 67

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to the Standby Gasoline Rationing Plan (Standby Gasoline Rationing Plan No. 1) which I transmitted on March 1, 1979.

During the consideration of the Standby Gasoline Rationing Plan, concerns were raised by both Houses of Congress that the Plan did not treat states and the citizens within states equitably. The purpose of this amendment is to add new provisions to the rationing plan to eliminate the potential for disparities during plan operation. The first provision alters the procedure for determining allotments of ration rights by including a historical gasoline use factor in each state, and expands the State Ration Reserve, thereby compensating for disparities both within and among states. The second change limits the number of vehicle allotments each household could receive, reflecting my belief that households with over three vehicles should not receive excessive benefits at the expense of other households.

Under this amendment, each state will be provided with an expanded State Ration Reserve of eight percent not only to provide for the needs of the handicapped and hardship applicants as already provided in the plan, but to provide additional flexibility to the states in dispensing supplemental ration allotments to citizens with special needs. The National Ration Reserve is anticipated to remain at approximately two percent of the available gasoline supply.

The amendment also provides a new method for calculating the ration rights to be allotted to each registered vehicle. Instead of allocating the net total available gasoline supply equally to vehicles in all states, the amendment provides for half the available gasoline supply to be distributed equally to vehicles and half to be allotted on the basis of historical gasoline use in the respective states.

Another provision limits the number of ration rights received by each household to three vehicle allotments. Ration rights not distributed to members of a household pursuant to the limitation of this amendment will be distributed to the State Ration Reserve in the state in which such household is located. This amendment would not preclude members of a household from obtaining additional ration rights from the State Ration Reserve on the basis of hardship or other factors.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. I urge the Congress to give this amendment expedited consideration so that it may be approved promptly with the Standby Gasoline Rationing Plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the Standby Gasoline Rationing Plan on March 1, 1979, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the

Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

Prompt Congressional approval of the standby Gasoline Rationing Plan is essential. Failure of the Congress to act will leave the Nation vulnerable to economic disruption and long gasoline station lines. It is obviously impossible to develop a plan which will be perceived to be fair by each person. The proposed plan, as amended, is designed to be broadly equitable, practical and administrable. If we fail to approve a standby rationing system, the Nation's resolve to deal with a serious supply interruption will be called into question. The resulting damage to the economy and personal hardships to our citizens could be substantial.

I urge the prompt and favorable consideration by the Congress of the Standby Gasoline Rationing Plan and this amendment.

JIMMY CARTER.

THE WHITE HOUSE, *May 7, 1979.*

NATIONAL ENERGY PLAN II—MESSAGE FROM THE PRESIDENT—PM 68

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, with an accompanying document, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I am pleased to transmit to the Congress the second National Energy Plan, as required by Section 801 of the Department of Energy Organization Act (Public Law 95-91).

The First National Energy Plan, which I sent to the Congress two years ago, was the first comprehensive effort to deal with the broad scope of the Nation's energy problems. The resulting National Energy Act, passed last autumn, acted on a number of my proposals, and will have an important and lasting role in preparing for the Nation's energy future.

But much remains to be done. And we must now deal jointly with a number of issues which have matured since April 1977.

As I said in my April 5th energy message, our Nation's energy problems are real. They are serious. And they are getting worse. Every American will have to help solve those problems. But it is up to us—the Congress and the Executive Branch—to provide the leadership.

We must now build on the foundation of the National Energy Act. In my April 5th energy address, I laid out a program for action in five areas.

First, in accordance with the Energy Policy and Conservation Act of 1975, I have announced a program to phase-out controls on domestic crude oil prices by September 30, 1981. Oil should be priced at its true replacement value if we are to stop subsidizing imports, increase U.S. oil production, reduce demand, and encourage the development and use of new energy sources.

Second, the increased revenues from decontrol must not unduly or unjustly enrich oil producers at the expense of consumers. For this reason, I have proposed a tax on the windfall profits due to decontrol. Proceeds from that tax would be used to establish an Energy Security Trust Fund, which would be available, in part, to assist those low-income Americans who can least afford higher energy prices.

Third, we must provide additional emphasis on conservation and on the development of new domestic energy sources and technologies. The Energy Security Trust Fund will also provide funds for energy saving mass transit and for tax incentives and accelerated research and demonstration of new energy technologies.

Fourth, we must find ways to expeditiously develop and use our energy resources, while protecting and enhancing the quality of the environment. The length and complexity of many Federal, State, and local permitting procedures, however, has created needless complexity and increasd time and cost, without improving the protection to the public or the environment. We must remove the needless red tape which is tying up many needed energy projects. I have signed an Executive Order to expedite Federal decision-making for certain energy projects, which are deemed to be in the National interest.

Fifth, we must provide international leadership to deal with the crisis before us today. The members of the International Energy Agency have joined in a common commitment to reduce energy consumption in response to current shortages. The United States has provided leadership in gaining this commitment. I will assure the United States does its part to meet that commitment.

The energy program I announced on April 5th puts the country in a strong position to achieve these goals. The Plan I am forwarding today shows how these programs relate to our overall energy problem, and to the other policies and programs which we must carry forward.

This National Energy Plan explicitly recognizes the uncertainties—geologic, technological, economic, political, and environmental—which confront us. It presents a strategy for dealing forthrightly with the uncertainties, with the threats and promises of our energy future.

The analysis in the Plan shows the need to move aggressively to meet the grave energy challenges to our Nation's vitality. My April 5th proposals confront those challenges squarely. Together with the National Energy Plan, we are providing a firm foundation for dealing with these challenges today and for decades to come.

JIMMY CARTER.

THE WHITE HOUSE, *May 7, 1979.*

REPORTS OF COMMITTEES SUBMITTED DURING THE RECESS

Under authority of the order of May 3, 1979, the following reports of committees were submitted on Friday, May 4, 1979:

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with amendments:

S. 1030. A bill to authorize the President to create an emergency program to conserve energy, and for other purposes (together with minority views) (Rept. No. 96-117).

By Mr. TALMADGE, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment and an amendment to the title:

S. 984. A bill to provide for the waiver or reduction of peanut marketing penalties in certain circumstances (Rept. No. 96-118).

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations:

Report filed on S. Res. 15, a resolution to express the sense of the Senate concerning the termination of treaties (reported on May 1, 1979) (together with additional views) (Rept. No. 96-119).

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE ENERGY AND NATURAL RESOURCES COMMITTEE, EXPENDED BETWEEN JAN. 7 AND MAR. 5, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
James T. Bruce: Mexico	Pesos	13,560.00	600.00		336.00			13,560.00	936.00
Betsy A. Moler: Mexico	Pesos	13,560.00	600.00		336.00			13,560.00	936.00
George G. Dowd: France	Franc	1,814.60	430.00		707.00			1,814.60	1,137.00
Total			1,630.00		1,379.00				3,009.00

HENRY M. JACKSON,
Chairman, Energy and Natural Resources Committee.

Mar. 31, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Barclay, Charles M.: Jamaica	U.S. dollars		375.00						375.00
Cannon, Howard W.: Jamaica	U.S. dollars		225.00						225.00
Total			600.00						600.00

HOWARD W. CANNON
Chairman, Committee on Commerce, Science, and Transportation.

Apr. 4, 1979.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE COMMITTEE ON THE JUDICIARY, SUBCOMMITTEE ON IMMIGRATION AND REFUGEES, EXPENDED BETWEEN NOV. 12 AND DEC. 19, 1978

		Per diem		Transportation		Miscellaneous		Total	
Name and country	Name of currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Sidney B. Rawitz									
Portugal	Escudo	10,472	225.00		700.00				925.00
England	Pound	213.03	426.60						426.60
Switzerland	Swiss franc	352.40	218.00		1,588.00				1,806.00
France	French franc	1,134.75	267.00						267.00
Jerry M. Tinker: Switzerland	Swiss franc	486.65	285.00		1,121.00				1,406.00
Total			1,421.60		3,409				4,830.06

EDWARD M. KENNEDY,
Chairman.

Apr. 23, 1979.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GOLDWATER:

S. 1077. A bill to amend the Act of December 22, 1974, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. JAVITS (for himself, Mr. GOLDWATER, Mr. DOMENICI, Mr. WILLIAMS, and Mr. PELL):

S. 1078. A bill to amend the Internal Revenue Code of 1954 to provide for the the taxation of artists' income and estates; to the Committee on Finance.

By Mr. PRESSLER (for himself and Mr. YOUNG):

S. 1079. A bill to amend the Internal Revenue Code of 1954 to permit farmers and small businesses to obtain the investment credit for used section 38 property acquired from a related party; to the Committee on Finance.

By Mr. RIBICOFF (by request):

S. 1080. A bill to amend the Energy Reorganization Act of 1974, as amended, to provide for statutory creation of the Office of Inspection and Enforcement of the Nuclear Regulatory Commission; to the Committee on Governmental Affairs.

By Mr. COHEN:

S. 1081. A bill to terminate the authorization for the Dickey-Lincoln School project, Saint John River, Maine; to the Committee on Environment and Public Works.

By Mr. GRAVEL:

S. 1082. A bill to repeal limits placed on public compensation for personal and property damage caused by nuclear power accidents; to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources, jointly, provided that if and when ordered reported by one committee, the other committee have 60 days to report, exclusive of any period the Senate is not in session for more than 3 days, by unanimous consent.

By Mr. BAUCUS:

S. 1083. A bill to amend section 5 of the Department of Transportation Act, relating to rail service assistance; to the Committee on Commerce, Science, and Transportation.

By Mr. RIBICOFF (by request):

S. 1084. A bill to amend Section 201(a)(1) of the Energy Reorganization Act of 1974, as amended, 42 U.S.C. 5841(a)(1); to the Committee on Governmental Affairs.

By Mr. COCHRAN (for himself and Mr. CHAFEE):

S. 1085. A bill to amend the Internal Revenue Code of 1954 to provide that the mileage rate used to determine the amount allowable as a deduction for the business use of automobiles shall be the same as the rate used to reimburse Federal employees; to the Committee on Finance.

By Mr. McGOVERN:

S. 1086. A bill for the relief of Bharat Persaud; to the Committee on the Judiciary.

S. 1087. A bill for the relief of Kenneth Robert Gibb; to the Committee on the Judiciary.

By Mr. CRANSTON (for himself and Mr. LUGAR):

S. 1088. A bill to amend the National Housing Act in order to improve the mobile home financing programs administered by the Department of Housing and Urban Development; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BENTSEN:

S. 1089. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to simplify compliance with Federal employee benefit plan requirements; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

By Mr. TALMADGE (for himself, Mr. BENTSEN, and Mr. BOREN):

S. 1090. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

S. 1091. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Finance.

S. 1092. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Finance.

By Mr. PRESSLER (for himself and Mr. MATHIAS):

S.J. Res. 74. Joint resolution authorizing and requesting the President to issue a proclamation designating May 11, 1979, as "CARE Day"; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GOLDWATER:

S. 1077. A bill to amend the act of December 22, 1974, and other purposes; to the Select Committee on Indian Affairs.

AMENDMENT OF THE NAVAHO-HOPI SETTLEMENT ACT OF 1974

● Mr. GOLDWATER. Mr. President, today I am introducing legislation to amend the Navaho-Hopi Settlement Act of 1974. This public law was the result of congressional attempts to resolve a 100-year-old dispute between the Navahos and the Hopis, and to provide for the implementation of the Federal courts' judgment.

It is now apparent that the relocation of several thousand persons will be necessary to completely effectuate the purposes of the 1974 act and to uphold the rights of the parties as determined by the court. I am not asking for nor do I favor a wholesale reconsideration of major points of the legislative fundamentals which Congress passed in 1974. I am however proposing amendments which would allow for the facilitation of the resettlement process for those persons who necessarily relocate. These amendments would also attempt to minimize any adverse effect that communities experience due to the relocatees.

A similar bill has been introduced in the House by Representative MORRIS UDALL and he expects to hold hearings after he visits the Hopi and Navaho reservations. It would also seem appropriate for me to introduce this legislation now as my colleague, Mr. DECONCINI, has sponsored a bill to amend the same public law and so now the Senate Select Committee on Indian Affairs can consider both proposals when it holds hearings next week.●

By Mr. JAVITS (for himself, Mr. GOLDWATER, Mr. DOMENICI, Mr. WILLIAMS, and Mr. PELL):

S. 1078. A bill to amend the Internal Revenue Code of 1954 to provide for the taxation of artists' income and estates; to the Committee on Finance.

ARTISTS TAX EQUITY ACT OF 1979

● Mr. JAVITS. Mr. President, today I am introducing, with Senators GOLDWATER, DOMENICI, WILLIAMS, and PELL, the Artists Tax Equity Act of 1979, a bill to remedy some of the special tax problems artists face because of the nature of their profession.

The Artists Tax Equity Act of 1979 has four components dealing with estate taxes, charitable contributions, the "hobby loss" rule, and a special problem created by the new decedents' estates carryover basis estate tax rules.

First, the estate tax section of the bill would permit the estate of an artist to receive a credit against estate taxes for donations of the artist's works to the Federal Government—any branch or agency or certain institutions created by the Federal Government such as the Smithsonian. Thus, an estate with 1,000 works of art valued at $1,000 each and an estate tax on the works of art of $300,000 could donate 300 of these works to the Federal Government in lieu of a cash payment. Not only would painting, sculptures, and other visual arts be eligible property, but literary, musical, or other artistic works as well. Thus, the author's manuscript or the composer's score would be eligible for the credit. The bill would require that property be transferred and accepted for the purpose of making it available to the general public, although after a reasonable period of time the property could be used for other purposes or could even be sold if appropriate.

In order to insure that credit be allowed only for property of artistic merit and that the property be available to the general public, the bill would require the recipient of the property to sign a written statement attesting that the property has artistic, musical, or literary significance and that the recipient will make it available to the public. This statement must meet the approval of the Secretary of the Treasury.

The amount of the credit allowed under the bill would be equal to the fair market value of the property transferred, determined as of the valuation date used for Federal estate tax purposes. The credit would reduce Federal estate tax liability on a dollar-for-dollar basis. However, no amount of the credit would be refundable. The bill provides that interest would accrue if the property is not transferred expeditiously.

The bill also contains an "antidouble dipping" rule to disallow a credit or deduction with respect to the transferred property under any other code provision, if the estate tax credit is claimed. The bill would allow the branch, agency or institution which receives creditable transfers of property to accept the property without making reimbursement or payment to the Treasury for the estate tax liability offset under the transfer.

The need for relief from the particularly onerous burden of estate tax on the heirs of artists is great. Works of art for estate tax purposes are valued at fair market value, but valuation in these situations is extremely difficult. An artist may have been receiving $1,000 per painting in his lifetime, but the price, and even the volume, of sales are highly dependent on the personality of the artist and his involvement in the sale. As a result, except in the cast of the very famous, after the artist's death sales become much more difficult to make. For example, the estate of one well-known painter whose work is in the Hirshorn has been unable to make a sale in the more than 1 year since the artist's death.

My proposal to remedy the estate tax problem for artists has an extremely important side benefit—the availability of vital elements of our American heritage to the people of the United States. Paintings of a regional artist can hang in a Federal building in that region, adding to the visual beauty as well as a sense of pride in the region's culture. Or, the work of a more famous artist might hang in the National Gallery. The Library of Congress could mount an exhibit on the work of a noted cartoonist as a result of this provision. Surely, this is a far better remedy for the estate tax problem than the reported burning of $1.5 million in paintings by Arizona artist Ted De Grazia because of potential estate tax problems.

Should we in Congress adopt this approach, we would not be the first to do so. France dealt with the Picasso estate in this manner, and Mexico also utilizes this approach. I believe we should emulate them in this effort to make art available to our people.

The second part of the bill we are introducing today provides a credit of 30 percent of the fair market value for contributions of an artist's work to a charitable organization. This provision does not give an extra benefit to artists. Rather, it puts them on equal footing with other individuals who donate works of art to charity. Under present law, an artist who donates work created by himself may only deduct the cost of materials used in the creation of the work; anyone other than the creator may deduct the fair market value of donated work. This inequity is doubly unfair because an artist's estate—if he keeps the work—will have to pay estate taxes on the fair market value of the work rather than the cost of materials alone.

Several safeguards will insure the avoidance of abuse of this problem. First, no credit shall be allowed for contributions in excess of $35,000 in any year. Also, the credit will be limited to 50 percent of the artist's tax liability for the year, unless the liability is less than $2,500, in which case the credit would be available up to the full amount of the tax. Government officials donating official papers, memoranda, et cetera, from their term in office would not be eligible for the credit.

The final safeguard is contained not in the bill itself but in the procedures of the Treasury Department. In 1975 Treasury established the Art Advisory Panel of the Commissioner of Internal Revenue to assist in evaluating the acceptability of appraisals of works of art submitted in connection with income, estate, or gift taxes. The panel, which meets three times a year, is composed of individuals from the leading museums and galleries in the United States. I understand the Treasury Department is perfectly satisfied that the question of valuation is tightly handled, and that we need no longer worry on that score. To me, this is a very major point.

A contribution credit is necessary not only to restore equity to artists but to encourage donations to charitable institutions that have felt the brunt of changes made in 1969. Prior to 1969, artists were able to deduct the fair market value of their donated works, but since that time they have been able to deduct only cost of materials. As a result, donations to museums, libraries, and similar institutions have dropped precipitously. The loss to the American public as well as to scholars is irreparable.

The experience of the Manuscript Division of the Library of Congress is illustrative. The division received 20 donations in 1968, 17 in 1969, and 8 in 1970. Since that time—over 8 years—they have received a total of seven donations. The experience of the Library and of other libraries in the United States is described in detail by the American Library Association. I ask unanimous consent that a statement by the association be inserted in the RECORD at the close of my remarks.

The third element of the bill we introduce today deals with the so-called "hobby loss" rule. Present law permits an individual to elect a presumption that an activity is engaged in for profit, and not just a hobby, if he makes a profit in 2 of 5 years. We propose to extend the presumption period for artists to 2 of 10 years.

The need for a longer presumption period for artists is manifest. Artists usually struggle for many years before showing a profit, and many must earn income elsewhere in order to survive. The Tax Court in 1977 held in favor of an artist who had worked for 20 years without ever earning more from the sale of her work than her expenses in connection with her artwork.

Other examples, although not as dramatic, also illustrate the need for a lenthened presumption period. I would like to quote from a letter to me from Tad Crawford, general counsel for the Graphic Artists Guild and vice president of the Foundation for the Community of Artists:

> An artist in his mid-60s. He is an abstract expressionist sculptor with an international reputation whose work is in the collections of leading museums and collectors and who has received major commissions. He was more than 20 years into his career before he showed a profit and, for a number of years after that, the profit was not great enough to live on. He still supplements his income by teaching.
>
> An artist in his late 40s. He is a figurative painter who shows at a leading gallery in New York City. He is in innumerable museums and private collections worldwide. He took 12 years to show a profit. Even today he finds his income extremely uneven, in some years his profit is small, and he supplements in his income by teaching.
>
> An artist in her 70s. She is a leading figurative artist whose work is in major collections and traveling shows all over the world. She has had museum retrospectives and been awarded major prizes on both national and local levels. She worked from 1921 to 1965 without showing a profit and supplements her income today by lecturing.
>
> An artist in her mid-40s. She is an abstract color field painter who exhibits in major galleries and whose work is in many museums and private collections. She worked for 12 years without a profit and still supplements her income by teaching.
>
> An artist in his early 30s. He is a conceptual artist who is represented by a leading gallery. His work is in many European museums and private collections. He has not made a profit in the 8 years since he finished graduate school in art. He has received grants and supplements that income by teaching. (This artist is not as well known as the first four listed above.)

Artists ultimately successful in demonstrating the profit motive nonetheless incur great cost in doing so. Mr. Crawford went on to describe this cost:

> A husband and wife, both graduates of a leading art graduate school, were 6 and 7 years out of school and had shown no profit. They had both sold work, shown in museums, and had some critical success. The I.R.S. conceded to them on appeal, but the legal bill for this couple was $1,400. In another case a woman in her late 40s who had started painting 13 years before after her children were at school had also obtained critical success and gallery representation. The I.R.S. conceded to her on appeal, but her legal bill was $950. These bills, by the way, are based on low hourly rates. The drafting of a petition is complex, since it must explain fully all the circumstances of the art activity that justify concluding there is a profit motive.

I believe the increased presumption period is an appropriate solution to this vexing problem.

The last section of our bill would eliminate a problem created inadvertently by the carryover basis provisions of the Tax Reform Act of 1976 by restoring the pre-1976 capital gains treatment for copyrights, literary, musical, or artistic compositions, letters or memoranda, and similar property. As a result of the interaction of the carryover basis rules with the section 1221(3)(C) exclusion from the definition of a "capital asset," heirs who sell inherited works after the carryover basis rules go into effect will be required to pay ordinary income tax rather than capital gains tax. Since tax on unearned income is as high as 70 percent, whereas the tax on capital gains is a maximum 28 percent, the added tax burden could be extremely severe.

I understand the Treasury has no objection to classifying such property as capital assets in the hands of the heirs of the artists.

Mr. President, I have asked the Joint Committee on Taxation to provide me with estimates of the cost of the bill. Although I have not yet received the estimates, I can assure my colleagues that the cost is small in comparison to the benefit to the American people of greater accessibility to our creative heritage and to the more equitable treatment of the artists who fashion it.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1078

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE, AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Artists Tax Equity Act of 1979".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of the Internal Revenue Code of 1954.

SEC. 2. Subchapter B of chapter 64 (relating to collection of internal revenue taxes) is amended by inserting after section 6311 the folowing new section:

"SEC. 6312. CREDIT AGAINST ESTATE TAX FOR CERTAIN ARTWORKS.

"(a) IN GENERAL.—A credit against the tax imposed by chapter 11 (relating to estate tax) shall be allowed by the Secretary for the transfer of property subject to the provisions of subsections (b), (c), (d), (e) and (f).

"(b) AMOUNT OF CREDIT.—The amount treated as a credit shall be equal to the fair market value of the property transferred as of the valuation date used for purposes of the tax imposed (and interest thereon) by chapter 11 (relating to estate tax).

"(c) ELIGIBLE PROPERTY.—A literary, musical, or artistic property, or similar property, shall qualify as property whose transfer is eligible for the credit allowed by subsection (a), provided,

"(1) the property is included in the gross estate of the decedent (as defined in section 2031), whose personal efforts created the property,

"(2) the property is transferred without restrictions to a Branch or Department of the Government of the United States or to an institution established under Chapter 3, 20, U.S.C. secs 41–80, for the purpose of making the property available to the general public by display or access,

"(3) the transferee signs a written statement that

"(A) the property is material of artistic, musical, or literary significance, and

"(B) the use of the property by the transferee will be in accordance with paragraph (2),

"(d) GOVERNMENTAL ACCOUNTS.—A credit for transfers under this section shall be allowed without reimbursement or payment from the transferee to the Secretary.

"(e) INTEREST.—Unless the transferee determines and certifies to the Secretary that there has been an expeditious transfer of the property under this section, no interest payable with respect to the tax imposed by chapter 11 shall be deemed to be waived by reason of the provisions of this section for any period before the date of such transfer.

"(f) DISALLOWANCE OF CREDIT OR DEDUCTION FOR TRANSFERS ALLOWED AS ESTATE TAX CREDIT.—No other credit or deduction shall be allowed under any other section for any amount allowed as a credit by reason of this section.

SEC. 3. Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"SEC. 44D. CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.

"(a) GENERAL RULE.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 30 percent of the fair market value of a literary, musical, or artistic composition created by the personal efforts of that individual and contributed by that individual to an organization described in section 501(c)(3) which is exempt from tax under section 501(a) or to a government unit described in 170(c)(1).

"(b) LIMITATIONS.—

"(1) INCOME FROM LITERARY, MUSICAL, OR ARTISTIC COMPOSITION.—The amount of the credit allowed by subsection (a) for the taxable year may not exceed the amount of tax under this chapter attributable to the gross income of the individual for the taxable year attributable to the sale of literary, musical, or artistic compositions in that taxable year and in previous taxable years.

(2) AMOUNT OF CREDIT.—The amount of the credit allowed under subsection (a) to the taxpayer for the taxable year, after the application of paragraph (1), shall not exceed the greater of—

(A) so much of the taxpayer's liability for tax under this chapter for the taxable year as does not exceed $2,500, or

(B) 50 percent of the taxpayer's liability for tax under this chapter for the taxable year.

(3) LIMITATION OF CONTRIBUTIONS.—No credit shall be allowed under subsection (a) for any literary, artistic, or musical composition to the extent that the total of such compositions contributed by such individual for the taxable year to organizations de-

scribed in subsection 501(c)(3) exceeds $35,000.

(4) CREDIT DENIED FOR CERTAIN LETTERS, MEMORANDUMS, OR SIMILAR PROPERTY.—The credit allowed by subsection (a) shall not be allowed for the contribution of a letter, memorandum, or similar property which was written, prepared, or produced by or for the individual while he held an office under the Government of the United States or of any State or political subdivision thereof if the writing, preparation, or production of such property was related to, or arose out of, the performance of the duties of such office.

(c) Certification Required.—No credit is allowable under subsection (a) for the contribution of a literary, musical, or artistic composition by the taxpayer unless the taxpayer receives from the donee a written statement that the donated property represents material of artistic, musical, or literary significance and that the use of such property by the donee will be related to the purpose or function constituting the basis for its exemption under section 501 (or, in the case of a governmental unit to any purpose or function described in section 170(e)(2)(B)).

(d) Carryover of Excess Credit.—If the amount of the credit determined under subsection (a) for any taxable year exceeds the limitations provided by subsections (b)(2) and (b)(4) for the taxable year, the excess shall be added to the amount allowable as a credit under subsection (a) for the next five succeeding taxable years to the extent it may be used in those years.".

(b) Section 170(e) of such Code (relating to certain contributions of ordinary income and capital gain property) is amended by inserting at the end thereof the following:

(4) DENIAL OF DEDUCTION FOR CERTAIN CONTRIBUTIONS OF LITERAL, MUSICAL, OR ARTISTIC COMPOSITIONS.—No deduction shall be allowed under this section for any contribution for which a credit is claimed under section 44B.".

(c)(1) The table of sections for such subpart A is amended by inserting immediately before the item relating to section 45 the following:

"Sec. D. Certain contributions of literary, musical, or artistic compositions".

(2) Section 42(b) of such Code (relating to the taxable income credit) is amended by striking out "and" at the end of paragraph (4), by inserting "and" at the end of paragraph (5), and by inserting after paragraph (5) the following new paragraph:

"(6) section 44D (relating to credit for certain contributions of literary, musical, or artistic compositions),".

Sec. 4. Longer Presumption Period Allowed Artists Against Hobby Loss Treatment.

The last sentence of Subsection (d) of Section 183 (relating to activities not engaged in for profit) is amended by inserting after the second sentence the following new sentence:

"In the case of an activity which consists in major part of the creation of literary, musical, or artistic property, or similar property, by the personal efforts of the taxpayer, the first sentence of this subsection shall be applied by substituting the period of 10 consecutive taxable years for the period of 5 consecutive taxable years."

Sec. 5. Capital Gain Treatment for Inherited Copyrights, Artworks, Etc.

Subparagraph (C) of section 1221(3) (defining capital asset) is amended by inserting "(other than by reason of section 1023)" after "is determined".

Sec. 6. Effective Date.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1978.●

● Mr. WILLIAMS. Mr. President, I am delighted to join Senator Javits in introducing "The Artists' Tax Equity Act." This bill will go a long way toward alleviating the hardships which the present tax code has imposed on artists and their heirs. Not only artists will benefit. The public will also benefit as the bill brings more works of art into the public domain.

Under present law, if an artist donates one of his works to a museum, he may only deduct the cost of his materials from his income tax. But when the artist dies, his estate is taxed not for the cost of materials, but for the full fair market value of any works he may have left. This is patently unfair. It has caused financial ruin to artists' families and has deprived our museums of countless contemporary works of art.

Prior to 1969, an artist could deduct from his income tax the fair market value of works donated to nonprofit institutions. Thus, artists enjoyed the same tax benefit as art collectors. Amendments to the tax code passed in 1969 preserved this tax break for the collector, but denied it to the creator of the work. Henceforth, artists could only deduct the cost of paint and canvas. This has dried up a critical source of art for our museums, universities, and other public institutions.

The bill we are introducing today would correct the inequity created by the 1969 amendments. It would allow the artist to take a tax credit of 30 percent of the fair market value of works donated to public institutions or government agencies.

The estate tax laws as they apply to artists also need revision. The case of a West Coast printmaker is illustrative. This artist earned his living primarily as a professor of art since there was a very limited market for his work. He did manage to sell a few prints during his lifetime at about $300 each. When he died, he left behind thousands of prints. His family found that they owed estate taxes on all of the works at a value of $300 each. Since the family was unable to sell enough of the prints to pay the tax, they were forced to sell their house and go into debt. Unfortunately, cases such as this have become common. The law has caused artists, particularly older artists, to stop producing and even to destroy their work in order to protect their families. This is a tragic situation, which deprives the public of the work of some of our greatest talents.

The bill we are sponsoring would allow an artist's estate to make in-kind donations to Federal departments or agencies or to the Smithsonian instead of paying an estate tax. The fair market value of works donated to these agencies would be credited, dollar for dollar, against the estate tax.

Mr. President, this legislation could complement a bill I plan to introduce later this year to create an art bank. The art bank could receive works donated by artists or their heirs and make them available for display in public places throughout the country.

I certainly plan to work closely with Senator Javits and the other cosponsors to secure passage of both of these important bills.●

By Mr. PRESSLER (for himself and Mr. Young):

S. 1079. A bill to amend the Internal Revenue Code of 1954 to permit farmers and small businesses to obtain the investment credit for used section 38 property acquired from a related party; to the Committee on Finance.

● Mr. PRESSLER. Mr. President, I am pleased to introduce today legislation which will amend the Internal Revenue Code of 1954 to permit farmers and small businesses to obtain the investment credit for used section 38 property acquired from a related party.

Under the Internal Revenue Code of 1954, when a farmer or small businessman buys machinery from a related party, as defined by the Internal Revenue Code, he is not eligible to receive investment credit. If he purchases the machinery from anyone other than a related party, he could claim investment credit. This has a very negative impact on our small family farms and businesses.

As I understand it, the reason that the related party clause was initially inserted in the tax code was to prevent fraud. However, it should not be applied to the section relating to investment credit. In order for a taxpayer to claim investment credit in the first place, the property has to be in operation for a minimum of 3 years. If the taxpayer sells it before the expiration of that time, he will be forced to recapture the portion of the credit covering the time after he sold the property.

Also, we must consider the following: if a farmer or small businessman has a knowledgeable tax lawyer and he wanted to purchase used property from a related party and still capture the investment credit, he could merely act through a third person. Nothing in the law prevents this. However, a small farmer or businessman who is not as knowledgeable about tax law and who prepares his own tax return is the one who is being hurt by the current law. He will not find out that he is unable to claim the credit until he prepares his tax return, after he has purchased the equipment, or until he is audited by the IRS.

At a time when we are fighting so hard to keep these small farmers and businessmen alive, it seems unfair to offer this advantage to all other self-employed individuals without offering the same credit to a farmer or small businessman who is buying used tangible personal property from a parent who is retiring or going out of business.

Mr. President, the tax code is filled with loopholes for our large corporations, and it seems to be filled with traps for the small farmers and businessmen of our Nation.

I ask that my colleagues consider this legislation very carefully. I count on their support to help me rectify this situation for the small family farmers and businessmen across the Nation.●

By Mr. RIBICOFF (by request):

S. 1080. A bill to amend the Energy Reorganization Act of 1974, as amended, to provide for statutory creation of the Office of Inspection and Enforcement of the Nuclear Regulatory Commission; to the Committee on Governmental Affairs.

OFFICE OF INSPECTION AND ENFORCEMENT

● Mr. RIBICOFF. Mr. President, I am introducing today, for the administration, a bill which amends the Energy Reorganization Act of 1974 to provide for the statutory creation of the Office of Inspection and Enforcement of the Nuclear Regulatory Commission.

The Energy Reorganization Act of 1974 established three major Commission Offices—the Office of Nuclear Reactor Regulation (section 203), the Office of Nuclear Material Safety and Safeguards (section 204), and the Office of Nuclear Regulatory Research (section 205)—and specifies their functions and duties. However, it does not establish the Office of Inspection and Enforcement, nor does it mention the Commission's inspection and enforcement functions. The Commission's Office of Inspection and Enforcement is equal in importance to the statutorily created offices and exceeds all of them in size. It is the Commission's primary means of assuring that activities regulated by the Commission actually comply with the Commission's rules, regulations, orders, and license conditions designed to protect the health, safety, and security of the public, to protect the environment, and to safeguard nuclear materials and facilities. The Office manages the Commission's five field offices, and thus constitutes the Commission's major presence outside Washington, D.C., at reactor sites and other locations throughout the country.

The Office's most important duties may be categorized as follows:

First. The Office inspects persons, facilities, and materials under the Commission's jurisdiction to assure that its regulatory requirements are in fact complied with.

Second. The Office investigates accidents, incidents, allegations, and unusual circumstances involving materials and facilities subject to the Commission's jurisdiction in order to ascertain facts and to take or recommend appropriate actions.

Third. The Office evaluates activities licensed by the Commission so that it may formulate recommendations for appropriate actions and keep the Commission and the public informed.

Fourth. The Office initiates actions to enforce Commission regulatory requirements.

These functions make the Office of Inspection and Enforcement the largest office in the Commission. They illustrate the importance of this Office to the Commission's ability to carry out its statutory mandate to protect the public health, safety, and security, to protect the environment, and to safeguard nuclear materials and facilities.

The Commission believes that the Office of Inspection and Enforcement should be accorded the statutory recognition that Congress has accorded three other important Commission offices in the Energy Reorganization Act of 1974.

The Office of Inspection and Enforcement is the Commission's primary means of assuring that activities licensed by the Commission actually comply with the Commission's rules, regulations, orders, and license conditions designed to protect the health, safety, and security of the public, to protect the environment, and to safeguard nuclear materials and facilities. The Office manages the Commission's five regional offices in or near Philadelphia, Atlanta, Chicago, Dallas, and San Francisco, and it thus constitutes the Commission's major presence outside Washington, D.C., at reactor sites, reactor-contractors and vendors, fuel cycle facilities, radiographical laboratories, hospitals and other locations throughout the country, wherever NRC licensed radioactive materials are used or transported.

As these functions suggest, the Office of Inspection and Enforcement requires a substantial staff. It is the largest office in the Commission, employing nearly a quarter of the Commission's employees—slightly more than the Office of Nuclear Reactor Regulation and over two to four times as many as the Office of Nuclear Material Safety and Safeguards and the Office of Nuclear Regulatory Research, respectively. Eighty percent of the Office's employees are assigned to the Commission's five regional offices, which the Office directs.

In sum, these functions illustrate the importance of the Office of Inspection and Enforcement to the Commission's ability to carry out its statutory mandate to protect the public health, safety, and security, to protect the environment and to safeguard nuclear materials and facilities. The Commission believes that this Office should be accorded the statutory recognition that Congress has accorded three other important Commission offices in the Energy Reorganization Act of 1974.●

By Mr. COHEN:

S. 1081. A bill to terminate the authorization for the Dickey-Lincoln School project, St. John River, Maine; to the Committee on Environment and Public Works.

DICKEY-LINCOLN DEAUTHORIZATION

● Mr. COHEN. Mr. President, today I am introducing legislation to terminate the authorization for the Dickey-Lincoln School hydroelectric project on the St. John River in Maine. This bill will effectively end the agonizing debate over this $1 billion project which has persisted now for almost 15 years.

My opposition to the Dickey-Lincoln project is widely shared in New England and in Congress.

There is significant opposition to the project among my Senate Colleagues from New England.

Maine's two Representatives in the House stand in opposition to Dickey-Lincoln and have recently introduced legislation to deauthorize the project. Thirty Members of the House have cosponsored the measure.

Last year, the House Public Works Appropriations Subcommittee voted to deny any further funds for the project, only to have its decision reversed in conference.

Former Maine Governor James B. Longley outlined his strong objections to Dickey-Lincoln in a comprehensive report presented to the President and the Maine congressional delegation last October.

The U.S. Fish and Wildlife Service has recommended that Dickey-Lincoln not be constructed, and the Environmental Protection Agency has continually expressed grave reservations over the project's adverse impact on Maine's environment.

Last, but certainly not least, an increasing number of Maine and New England citizens—the presumed beneficiaries of Dickey-Lincoln—have said "no" to the project.

Why have so many voiced their strong opposition to Dickey-Lincoln at a time when New England's energy problems are indeed serious? To answer this question—and it is certainly a legitimate one—one need look no further than the Revised Draft Environmental Impact Statement (RDEIS) for Dickey-Lincoln which was issued last September. Since I am confident that most Senators have not had an opportunity to review this document, let me briefly catalog the adverse impacts of the project:

Construction of Dickey-Lincoln would destroy 278 miles of free-flowing rivers and streams plus 30 lakes and ponds would be lost.

Approximately 88,000 acres of prime timberland would be flooded by the project, an additional 183,738 acres of forest land would be isolated from Maine wood markets due to the impoundment behind the project, and an area of land between 161,283 and 192,991 acres will have to be acquired for wildlife mitigation efforts. Finally, new transmission line rights-of-way and associated access roads would require another 4,083 acres.

Approximately 7,702 acres of valuable wetlands and deep-water habitats would be inundated by the proposed lakes created by the project.

Also 200 to 340 miles of new roads would be required for implementation of the fish and wildlife mitigation plan required by law.

An estimated 166 families and 16 commercial facilities would have to be relocated as a result of the project.

Project implementation would severely disrupt current timber management plans leading to lost wages, taxes, and other income.

Municipal services in the project area would be severely strained, necessitating a rise in property taxes to establish additional medical, dental, police and other public facilities and services for residential expansion.

The esthetic appeal of the St. John River and the adjacent area would be severely compromised by the project.

The unique and irreplaceable nature of the upper St. John River as a recreation resource would be lost.

Implementation of the project would create another body of standing water in a region which has numerous lakes and ponds.

Changes in the natural environment of the area would include an elevation of heavy metals such as mercury within the food chain.

The present social and economic structure of the area would be irreversibly altered, replaced in part by a different set of values and standards.

Management practices recommended for the area around the project will essentially convert a near wilderness ecosystem into an intensively managed forest.

According to EPA projections, the water quality of the impoundments created by the dams will be poorer than that of the river and other comparable lakes in Maine. It is possible that violations of Federal water quality standards will occur both during and after construction.

As critical as these findings are, there are additional factors which have led me and others to conclude that we should abandon Dickey-Lincoln in favor of other less damaging alternatives. Not the least of these factors is the highly questionable economics of the project.

The justification for authorization of all Corps of Engineers' projects is measured in terms of the benefit-to-cost ratio. This device not only attempts to quantify the primary costs and benefits of a project but, most importantly, provides the Congress with a yardstick to judge one project against another. Thus, it is imperative that the cost-benefit analysis be as accurate and realistic as possible, so that only the most deserving projects are funded.

For purposes of economic analysis, the Corps of Engineers has figured a benefit-cost ratio of Dickey-Lincoln using both a 3¼ percent and 6⅞ percent interest rate. The benefit-cost ratio of the project was estimated at 2.1 to 1 at 3¼ percent and 1.2 to 1 at 6⅞ percent. While the use of a 3¼ percent interest rate is permitted under Water Resources Council regulations implemented in December 1968, it clearly fails to provide a realistic market test for Dickey-Lincoln. For that matter, neither does the use of a 6⅞ percent interest rate.

Last August, Lawrence G. Hines, associate chairman of the department of economics at Dartmouth College, conducted an economic analysis of the Dickey-Lincoln project using a more realistic discount rate—8.5 percent. The 8.5 percent rate was chosen because it approximated the market prime interest rate in mid-1978—a rate which has risen considerably in recent months.

Using the figures provided by the Corps in the original Draft Environmental Impact Statement, Professor Hines computed the benefit-cost ratio to be an unfavorable .95 to 1 at 8.5 percent. Moreover, Hines concluded that if such questionable project credits as redevelopment and downstream benefits are disallowed, the benefit-cost ratio drops further. Finally, if taxes are acknowledged as a cost of adopting the 5.1 percent adjustment used by the Federal Power Commission in its studies, the benefit-cost ratio for Dickey-Lincoln drops to .67 to 1.

It should also be noted that the cost of the fish and wildlife mitigation effort, which as I noted earlier will require an estimated 192,991 acres, has been excluded from the Corps' benefit-cost analysis. The price tag for this effort will certainly run into the millions of dollars. In addition, the lost opportunity cost for the forest industry resulting from fish and wildlife mitigation programs is not included in the corps' estimates.

Since I am confident that the Members of the Senate will be interested in Professor Hines' analysis, I have included it at the end of my statement. I fervently hope that every Senator will carefully examine this analysis.

Since power benefits account for approximately 96 percent of the project benefits, it is particularly important that the impressive-sounding figures about Dickey-Lincoln's energy potential be placed in the proper perspective. According to the RDEIS the project has the potential to replace 2.3 million barrels of oil annually. If one assumes that the final EIS will not be filed until 1981 and construction, if approved, would take an additional 6 to 8 years, the earliest Dickey-Lincoln could come on line would be 1988.

At that time, the United States will be consuming at least 25 million barrels of oil daily, and probably more. The power Dickey-Lincoln would produce in a year would, by my rough calculations, amount to little more than 2 hours' worth of our national needs. Stated differently, the project would account for less than 3 percent of the energy requirements of the New England region in the late 1980's.

For Maine, the State which must bear the severe costs of Dickey-Lincoln, the measureable economic benefits of the project outweigh the costs by about $53 million over the 100-year lifetime of the project, according to a report prepared by the Maine Department of Conservation. This amounts to about 50 cents per year in benefits for each living Maine resident for the life of the project.

I can assure my colleagues that many Maine citizens would prefer to forego the 50 cents in benefits to keep the St. John Valley in its present state. At a public hearing in the St. John Valley on the draft environmental impact statement, 90 percent of those testifying opposed the Dickey-Lincoln project.

An additional important consideration which prompted me to oppose this project is my belief that there exists alternatives to Dickey-Lincoln which are less costly in all respects. As the Environmental Protection Agency noted in its comments on the draft environmental impact statement:

> The peaking segment of our energy demand is clearly the element which is most responsive to various load management and pricing alternatives.

Dickey-Lincoln is, first and foremost, a peaking facility designed to operate for short periods of time.

While I recognize that conservation is not a totally valid alternative to Dickey-Lincoln, it can play a crucially important role in moderating the need for further peaking facilities in New England. Additionally, patterns of energy use are changing dramatically in response to rising prices and other factors, calling into serious question the peakload demand projections contained in the RDEIS. Again, this is a vitally important issue that the Senate must weigh in deciding the fate of Dickey-Lincoln.

In addition to demand-management actions, there are other alternatives to Dickey-Lincoln which deserve attention. Throughout New England, there are hundreds of existing small dams which can be economically put to work producing energy. While many of these sites will be more suitable for base and intermediate power generation, they can replace fossil fuel plants which, in turn, can replace the peaking potential of Dickey-Lincoln. At least three alternative potential pumped-hydro developments are clearly superior to Dickey-Lincoln in terms of benefit-cost ratios. These potential developments have the additional advantages of being close to the main power market, thus avoiding extensive construction of new transmission lines. In Passamaquoddy Bay, we have the best potential site for a tidal power project in the United States. Finally, it is possible that Maine and New England may be able to purchase additional peaking capacity from Canadian sources, which will be looking for a market for their excess output in the coming years.

Clearly, New England does not face a choice of Dickey-Lincoln or nothing. We have a number of viable alternatives which will preserve the natural resources options of future generations, rather than paying sole allegiance to the energy needs of today's society.

The Congress has already sunk over $10 million into the Dickey-Lincoln project. No one can say that the project has not had its day in court. No further studies of Dickey-Lincoln are necessary, nor are they justified. The evidence has been presented, and the project has been found wanting.

It is time to terminate Dickey-Lincoln and direct our attention to developing alternatives which are affordable and responsible. With the assistance of the Senate we can get on with the job at once.

Mr. President, I ask unanimous consent that a table entitled "Dickey-Lincoln School Lakes Benefit-Cost Summary" be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

DICKEY-LINCOLN SCHOOL LAKES BENEFIT-COST SUMMARY—HYDROELECTRIC PROJECT, ST. JOHN RIVER, MAINE, U.S. ARMY CORPS OF ENGINEERS

[March 1977 price levels]

	3¼ percent	6⅜ percent	[1] 8½ percent
Dams:			
Total investment:			
Construction cost of dams	$544,000,000	$544,000,000	$544,000,000
Interest during construction	56,600,000	111,000,000	148,110,000
Present worth of future recreation facilities	236,000	170,000	136,313
Total	600,836,000	655,170,000	692,246,000
Capital recovery factory (dams)	0.03388	0.06388	0.08502
Annual costs:			
Interest and amortization	20,356,000	41,852,000	58,859,477
Operation and maintenance	2,100,000	2,100,000	2,100,000
Pumping power (438,000,000 kwh times $0.010)	4,380,000	4,380,000	4,380,000
Major replacements	315,000	166,000	101,000
Loss of land taxes	142,000	142,000	142,000
Lost recreational opportunities	193,000	136,000	[2] 122,000
Subtotal, dams	27,486,000	48,776,000	65,704,000
Transmission lines:			
Total investment:			
Construction costs of transmission line	146,300,000	146,300,000	146,300,000
Interest during construction	10,410,000	20,920,000	28,400,000
Total	156,710,000	167,220,000	174,700,000
Annual costs:			
Interest and amortization	6,950,000	11,610,000	14,854,179
Operation and maintenance	3,650,000	3,650,000	3,650,000
Reduction—Future wheeling by others; Granite-Essex	−390,000	−450,000	−476,000
Subtotal, transmission	10,210,000	14,810,000	18,028,000
Total project: Total investment:			
Construction	$690,300,000	$690,300,000	$690,300,000
Interest during construction	67,010,000	131,920,000	176,510,000
Present Worth—Future recreation	236,000	170,000	136,000
Total	757,546,000	822,390,000	866,946,000
Annual costs	37,696,000	63,586,000	83,732,000
Annual benefits:			
Peaking power (15.4 pct capacity factor):			
874,000 kW times 0.904 times $30	23,703,000	23,703,000	23,703,000
1,182,600,000 kWh times 0.914 times $0.034	36,750,000	36,750,000	36,750,000
Intermediate power (42.9 pct capacity factor):			
70,000 kW times 0.980 times $68.50	4,699,000	4,699,000	4,699,000
262,800,000 kWh times 0.989 times $0.026	6,758,000	6,758,000	6,758,000
Downstream: 350,000,000 kWh times $0.010	3,500,000	3,500,000	3,500,000
Subtotal, power	75,410,000	75,410,000	75,410,000
Recreation	172,000	145,000	133,000
Redevelopment	1,691,000	2,689,000	3,198,000
Prevention of flood damages	696,000	686,000	[3] 686,000
Total, annual benefits	77,969,000	78,930,000	79,427,000
Total annual costs	37,696,000	63,586,000	83,732,000
Benefit-cost ratio	2.1–1	1.2–1	0.95–1

[1] Computed following Army Corps procedures by Lawrence G. Hines, Economics Department, Dartmouth College, Hanover, N.H.

[2] Includes estimate of $14,500 for loss during construction.

[3] The 6⅜ entry for "prevention of flood damages" has been used instead of refiguring at 8½ pct because the change is insignificant.

Note: 1. Cost of pumpback energy is included in project annual operation and maintenance costs. 2. The 0.904 and 0.914 etc. factors noted in power benefit analysis reflect estimated reduction in capacity and energy outputs due to transmission line losses.

Source: Table 1.07, "Economic Data," Dickey-Lincoln School Lakes environmental impact statement (Waltham, MA: Corps of Engineers, August 1977), pp. 1–23, 4.

DICKEY-LINCOLN SCHOOL LAKES BENEFIT-COST SUMMARY

At 8½ percent, the Dickey-Lincoln project costs more than it returns in benefits. That is, a ratio of 0.95 to 1 means that Dickey-Lincoln produces only 95 cents value for every dollar expended. (The 8½ percent rate was chosen because it is approximately the market prime interest rate in mid 1978.) Moreover, if such questionable project credits as redevelopment and downstream benefits are disallowed, the benefit-cost ratio is 0.87 to 1. Finally, if taxes are acknowledged as a cost by adopting the 5.1 percent adjustment used by the Federal Power Commission in its studies, the benefit-cost ratio for the Dickey-Lincoln project drops to 0.67 to 1.●

By Mr. GRAVEL:

S. 1082. A bill to repeal limits placed on public compensation for personal and property damage caused by nuclear power accidents; to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources, jointly, provided that if and when ordered reported by one committee, the other committee have 60 days to report, exclusive of any period the Senate is not in session for more than 3 days, by unanimous consent.

REPEAL OF PRICE-ANDERSON LIABILITY LIMIT

Mr. GRAVEL. Mr. President, the reactor incident at Three Mile Island has finally drawn widespread attention to the staggering damages that could be suffered in the event of a nuclear core meltdown. If the worst had indeed happened in Pennsylvania, it is clear that the losses would have been in the tens of billions of dollars.

But even with the Three Mile incident behind us, I believe it is still not widely known that in a nuclear accident of this magnitude, it is the people who live and work in the vicinity of the reactor who would in essence be paying those damages. This is because of the provisions of a law known as the Price-Anderson Act.

Under Price-Anderson, the utilities that operate reactors and the companies that build reactors have limited liability in the event of a catastrophic accident. Even though a meltdown may cause economic dislocation amounting to tens of billions, liability for the accident is limited to $560 million.

This situation came about because in the 1950's when nuclear power looked like a bright hope for our country, the utilities and the manufacturers decided that the unknowns of nuclear energy were too great. They would not "go nuclear" unless they were protected from lawsuits which, in the worst accidents, could actually bankrupt them.

Congress was anxious to see nuclear energy used for peaceful purposes. The most enthusiastic advocates even claimed that nuclear generated electricity would be "too cheap to meter"—a prediction that has fallen rather short of the mark.

So the Price-Anderson Act was passed, in order to get the industry started. Until enough experience in nuclear power was accumulated, Congress said, it would agree to suspend the normal rules of liability. The nuclear industry could proceed without fear of bankruptcy in the event of a nuclear catastrophe.

It was clear that two promises were implicit in this arrangement: First, that if an accident took place, Congress itself would pay the price; and second, that the Price-Anderson limitation on liability was temporary.

In 1975, when this "temporary" act was once again before the Congress for reauthorization, I argued that it was time for the nuclear industry to assume full liability for its activities. Enough experience had been accumulated for the industry and its insurers to decide whether the risks were adequately balanced by the benefits. It was time to normalize the liability situation in the nuclear industry.

In addition, I argued, the continued lack of full liability could well be contributing to less-than-thorough attention to safety considerations by the utilities and the manufacturers.

Although Congress did not accept these arguments, and Price-Anderson was reauthorized, I feel that events since 1975 have tended to prove that I was correct and that the limitation on liability should be ended. Consequently, I am once again offering legislation holding the nuclear industry fully liable in the event of an accident whose damages exceed $560 million.

Mr. President, liability for our activities is the natural and traditional manner of instituting checks and balances in hazardous industries. We need for the nuclear industry to be subject to this time-tested discipline.

There are three basic reasons for this:

First, and most obvious, a company which knows it will pay for the losses it may cause is more likely to take the steps necessary to prevent those losses. Perhaps the nuclear industry is as careful about safety as it says it is, despite the occurrences at Three Mile Island, at Brown's Ferry, and elsewhere. But I would be surer of it if the industry were liable for its mistakes.

Second, liability is self-regulating. In the nuclear industry, Government regulation has an important place. But there is no real substitute for self-regulation by the industry itself. The burden for safety belongs on the industry.

Finally, the only people who really know whether nuclear power is safe are the engineers in the industry. Full liability has the effect of making those who know best decide whether we should "go nuclear." Frankly, if nuclear power is as safe as the industry would have us believe, then full liability should not be in the least unsettling.

Under the bill I am offering today, Mr. President, the $560 million pool is still available; Congress can still act to relieve victims, if it wishes to. But the basic liability situation is normalized by making the nuclear industry fully responsible for its actions. I believe this is the only way we can make the correct, informed decision on nuclear power.

This request has been cleared with the majority, the minority, and the proper committees involved.

Mr. President, I ask unanimous consent that the bill be referred jointly to the Committee on Environment and Public Works and the Committee on Energy and Natural Resources, and if and when one committee orders the matter reported, then the other committee will have 60 days during which to consider the matter, exclusive of any period for which the Senate is in recess or adjournment for more than 3 days.

Mr. STEVENS. Mr. President, reserving the right to object——

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Is that second committee for 60 days?

Mr. GRAVEL. Sixty days.

Mr. STEVENS. I have no objection.

Mr. METZENBAUM. Mr. President, reserving the right to object, may I ask the Senator from Alaska, I heard only part of what he was saying, will he be good enough to repeat it?

Mr. GRAVEL. It was cleared with the majority and minority leaders. What I am asking is a joint referral to both committees, and if and when one committee acts, that the other committee has 60 days within which to act.

Mr. METZENBAUM. And that is in connection with what legislation?

Mr. GRAVEL. This is Price-Anderson.

Mr. METZENBAUM. I have no objection and I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. BAUCUS:

S. 1083. A bill to amend section 5 of the Department of Transportation Act, relating to rail service assistance; to the Committee on Commerce, Science, and Transportation.

RAIL SERVICE ASSISTANCE ACT OF 1979

● Mr. BAUCUS. Mr. President, today I am introducing legislation to provide a comprehensive long-term solution to financial problems of the Milwaukee Railroad. The railroad has been in bankruptcy since December of 1977. The Federal Government has responded to the bankruptcy with several small Federal loans.

The Milwaukee Road can be run profitably, but not unless we stop relying on short-term, stop-gap measures to meet each financial crisis. It is time we agreed upon a permanent solution.

The trustee has asked the Bankruptcy Court for permission to abandon three-quarters of the Milwaukee system. In my view, the trustee's proposal is not only illegal, but also will have the effect of driving off shippers so the railroad cannot be reorganized.

The Milwaukee's track and equipment continue to deteriorate. We are soon going to reach the point when the railroad will be unsalvageable.

Specifically, my bill would:

First. Expand the local rail service assistance program—a program under which the Federal Government pays part of the costs of State programs to maintain service on light-density branch lines—so that these programs could be used for any part of the Milwaukee system. The funds could be used to purchase railroad properties, rehabilitate track and equipment, or subsidize essential rail services. States would be required to pay part of the cost of these programs, but State payments could be waived or postponed to give State legislatures time to enact the necessary legislation.

Second. Make the entire Milwaukee system eligible for rehabilitation funds under title V of the Railroad Revitalization and Rehabilitation Act. The Milwaukee has already used this program to upgrade some trackage in the midwest, but Federal Railway Administration policy has prevented the program from being used on the Pacific coast extension.

Third. Establish a task force to develop corrective action programs to help railroads improve service, promote new markets, reduce costs, and identify techniques for increasing productivity, including employee stock ownership plans and employee bonus plans.

Fourth. Prevent any abondonment of Milwaukee service before Federal assistance programs developed under this act are in place.

I would stress that assistance under this act would not be available to just the present Milwaukee management, but also other groups, such as employees, who might be interested in running the railroad.

Mr. President, the urgency of the Milwaukee crisis cannot be overstressed. I would urge quick congressional approval of this legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1083

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Rail Service Assistance Act of 1979".

EMERGENCY ASSISTANCE TO AGRICULTURAL AND NATURAL RESOURCE RAIL LINES

SEC. 2. Section 5 of the Department of Transportation Act (49 U.S.C. 1654) is amended by redesignating subsections (m), (n), (o), and (p) as subsections (p), (q), (r), and (s), respectively, and by inserting immediately after subsection (1) the following new subsection:

"(m) (1) notwithstanding the provisions of subsections (h), (i), (j), and (k), the Secretary, upon application by a State or by a railroad in reorganization under subchapter IV of chapter 11 of title 11, United States Code, shall provide such financial assistance for purposes described in subsection (f) as may be required to continue rail operations of such railroad which serves agricultural, forestry and energy producing and marketing activities in the northern tier of States and which has proposed to embargo freight operations on a substantial part of its line. Financial assistance under this subsection shall be made to States or to railroads in reorganization in the form of loans or loan guarantees in accordance with the procedures and subject to the provisions of title V of the Railroad Revitalization and Rehabilitation Act of 1976 not inconsistent with the provisions of this Act.

"(2) In determining whether the line of railroad subject to the application should receive financial assistance under this subsection, the Secretary shall consider, among other things—

"(A) whether the avoidable costs of providing services on the line together, with a reasonable return on the value of the line, exceeds the revenues attributable to such line;

"(B) whether and to what extent the revenue deficiency attributable to such line will be reduced over a reasonable period through programs to increase volume of service and through improvements and economies in operation and because of increased volume of service resulting from general economic development and increased natural resource development;

"(C) whether alternative programs to continue rail service on such lines have been attempted but have been unavailing; and

"(D) whether and to what extent discontinuance of service or abandonment of such line would adversely affect the public interest by impairing the economy of the region served by such line.

"(E) whether employee ownership programs, including stock bonus plans, offer opportunities for contributing to capital requirements of the railroad and to the attainment of the objectives of this Act of creating a financially self-sustaining railroad system in the affected region which also meets the service needs of the region and the nation. If the Secretary finds that the conditions on such line warrant financial assistance under this subsection. the Secretary shall submit a copy of the application to the States in the region served by such line, together with findings and an estimate of the share which each State will be required to contribute to the continuation program. The States in a region served by such line may agree to the allocation of costs to be charged to each State. The Secretary shall have discretion to postpone or waive the obligation of any State to contribute the share allocated to it until such time as the legislature of such State has had the opportunity to enact appropriate legislation to provide its share.

"(3) Financial assistance provided to a State or to a railroad in reorganization under this subsection shall be used solely for the purposes prescribed in subsection (f).".

CONTINUATION OF RAIL SERVICE PENDING AVAILABILITY OF FINANCIAL ASSISTANCE

Sec. 3. Section 5 of the Department of Transportation Act is amended by inserting immediately after subsection (m) the following new subsection:

"(n)(1) Notwithstanding any provision of any other Federal law, the constitution or law of any State, or the decision or order of, or pendency of any proceeding before, any Federal or State court, agency, or other authority, after the date of enactment of the Rail Service Assistance Act of 1979 and prior to the availability date of financial assistance under this section, no railroad in reorganization operating a line of railroad eligible for financial assistance under paragraph (1) of subsection (m) may discontinue its existing level of service or abandon any such line unless (A) it is authorized to do so by the Interstate Commerce Commission, and (B) no affected State (or local or regional or transportation authority) opposes such action.

"(2) A railroad in reorganization which is required to continue service under this subsection may apply to the reorganization court for an order directing the United States to pay to such railroad an amount equal to the amount by which the avoidable costs of providing rail services on the line, together with a reasonable return on the value of the line, exceed the revenue attributable to the operation of the line during the period of directed service. If the reorganization court finds that the directed continuation of service under this subsection would otherwise constitute an unconstitutional erosion of the estate of the railroad in reorganization, it shall enter an appropriate order directing payment of full compensation to the railroad in reorganization in accordance with the provisions of this paragraph.".

CORRECTIVE ACTION PROGRAMS

Sec. 4. Section 5 of the Department of Transportation Act is amended by inserting immediately after subsection (n) the following new subsection:

"(o)(1) The Secretary shall establish a corrective action Task Force whose function shall be the development and stimulation of programs to encourage joint self-help efforts by States and local subdivisions of States, rail carriers, railroad labor organizations, shippers, and other interested organizations and persons to improve the economic health of light density lines of railroad eligible for financial assistance under subsections (k) and (m).

"(2) The Secretary's Task Force shall be composed of 7 members appointed by the Secretary upon the basis of the following recommendations: (A) 1 member recommended by the National Conference of State Railroad Officials, (B) 1 member recommended by the Association of American Railroads, (C) 1 member recommended by the Railway Labor Executives Association, (D) 1 member recommended by the Federal Railroad Administration, (E) 1 member recommended by the Rail Service Planning Office, (F) 1 member recommended by the National Association of Counties, and (G) 1 member to be selected by the Secretary as representative of shipping interests. One of the members shall be designated by the Secretary as Chairman of the Task Force.

"(3) The Secretary's Task Force shall establish standards and procedures for the development of experimental programs to develop techniques for joint corrective action by all interested parties to eliminate revenue deficiencies, to improve service, to promote new markets, to reduce costs (including temporary relief from local tax burdens), and to identify techniques to increase productivity, including among other methods, the development of employee stock ownership plans and employee bonus plans. The Task Force shall take such action as may be necessary to induce all interested parties to enter into corrective action programs.

"(4) If the Secretary's Task Force finds that a corrective action program approved by its participants provides a reasonable framework for an experiment in corrective action techniques, it shall act immediately to establish the program. Financial assistance under this section shall be provided to approved corrective action programs in such amounts as may be required to cover one-half of the difference between the avoidable cost of providing freight service on the line, together with such return on the investment in such line as the participants and the Task Force may agree upon, and the revenues attributable to such line, adjusted to reflect the agreed upon improvements.

"(5) A corrective action program shall be approved for a period not to exceed 1 year but may be renewed by the Task Force for an additional period of not to exceed 1 year upon a finding that the extended period is required to complete the experiment.

"(6) The Task Force may not approve more than four corrective action programs during the period beginning October 1, 1979, and ending September 30, 1980, and an additional four programs for the period beginning October 1, 1980, and ending September 30, 1981.

"(7) The Secretary shall appoint and fix the compensation of such personnel as he considers advisable, without regard to chapter 51 and subchapter III of chapter 53 of title 5 of the United States Code. All members and other personnel of the Task Force shall be reimbursed for travel expenses, including per diem in lieu of subsistence, in accordance with section 5703 of title 5, United States Code.

"(8) The Task Force shall file annual reports with the Secretary covering its activities under this subsection, together with its recommendation for modification or continuation of the corrective action program.

"(9) There is authorized to be appropriated to the Task Force such sums as may be necessary to carry out the provisions of this subsection.".

TECHNICAL AMENDMENTS

Sec. 5. (a) Subsection (p) of section 5 of the Department of Transportation Act, as redesignated by this Act, is amended by striking out "subsections (e) through (p)" and inserting in lieu thereof "subsections (f) through (s)".

(b) Subsection (s) of section 5 of the Department of Transportation Act, as redesignated by this Act, is amended by striking out "subsections (f) through (p)" each place it appears and inserting in lieu thereof "subsections (f) through (s)".●

By Mr. RIBICOFF (by request):

S. 1084. A bill to amend section 201(a)(1) of the Energy Reorganization Act of 1974, as amended, 42 U.S.C. 5841(a)(1); to the Committee on Governmental Affairs.

● Mr. RIBICOFF. Mr. President, I am introducing today, for the administration, a bill which amends the Energy Reorganization Act of 1974 to alter the decisionmaking procedures of the Nuclear Regulatory Commission. The bill amends section 201(a)(1) of the act to provide for more expeditious decisionmaking by the Commission.

Section 201(a) of the Energy Reorganization Act of 1974, 42 U.S.C. 5841(a)(1), provides that:

> A quorum for the transaction of business [by the Commission] shall consist of at least three members *present* . . . Action of the Commission shall be determined by a majority vote of the members *present*. [Emphasis supplied.]

This provision and the identical predecessor provisions in section 21 of the Atomic Energy Act of 1954 have been interpreted by the Commission as requiring the physical presence of at least three Commissioners to take "action of the Commission." This limitation applies to agency business assigned to the Commission itself by statute—budget requests, appointment of certain Commission officers—or to matters having significant legal impact on parties outside the Commission—rulemaking or adjudicatory decisions.

The Commission has had some problems in operating within these guidelines. Two factors highlight the difficulties the Commission experiences by its inability to conduct business otherwise than in meetings where a quorum is physically present. First, the NRC points out that for several months in 1977 there were only three Commissioners. Since this is the number required for a quorum to transact business, the absence or indisposition of even a single Commissioner made it impossible to conduct business. NRC believes that allowing the Commission to act without requiring the simultaneous physical presence of three Commissioners would substantially reduce the possibility of Commission paralysis in situations requiring prompt action, and would give individual Commissioners more freedom to plan their personal schedules.

Second, NRC believes that the presence requirement forces the Commission to hold many meetings for routine matters not requiring the joint deliberations of the Commissioners. For example, NRC points out that the Government in the Sunshine Act, 5 U.S.C. 552b, creates certain procedures for Commission meetings, including advance public announcement and, in many cases, a right to public attendance and, if the meeting is closed, the keeping of a transcript. NRC believes that while the Commission has moved vigorously to implement the Sunshine Act, there is no question that the act makes disposition of agency business by meetings more cumbersome.

Recognizing this, NRC further says that the drafters of the Sunshine Act were careful to note their intention not to change substantive administrative agency laws or practices. The legislative history of the act recognized present agency practice to use notation voting rather than meetings for some matters, and does not prohibit this practice. (S. Rept. No. 94–354 at 28. 31. See, also, H.R. Rept. No. 94–880, part I, at 13.) Since the unqualified presence requirement forces the Commission to hold meetings when any other agency would not, the NRC believes that the procedural burdens of the Sunshine Act weigh more heavily on the Commission than they weigh on other agencies and more heavily than was intended when the act was adopted.

The NRC believes that an unqualified presence requirement is an anomaly in the Commission's organic statute which makes it virtually unique among regulatory agencies. Administrative law requires personal consideration of Commission business by each Commissioner, but it does not prescribe any particular form in which that consideration is to be given, or how the Commissioner's position is to be announced or recorded. As a matter of general administrative practice, a Commissioner who has considered a particular issue may cast his vote by notation, and may even instruct an assistant to act for him in the matter. Thus—

> The quorum acting on a matter need not be physically present together at any particular time. This permits [a] Board to proceed with its members acting separately, in their various offices, rather than jointly in conference. *Braniff Airways, Inc.* v. *CAB*, 271, F.2d 752, 758 (2d Cir. 1959), *cert. denied sub nom. Capital Airways* v. *CAB*, 362 U.S. 970 (1960).

This desirable flexibility is now possessed by all regulatory agencies except the NRC. Accordingly, NRC believes modification of the "present" requirement in section 201 of the ERA would satisfy significant Commission needs. It would give the Commissioners more flexibility in planning their schedules. It would permit elimination of otherwise unneeded "meetings" and the procedural formalities that now accompany them. And, since the presence requirement would be modified only in those cases in which all Commission members agree to use notation voting and also agree on the substantive action to be taken, the modification will in no way alter the current collegial nature of the Commission's decisionmaking.●

By Mr. BENTSEN:

S. 1089. A bill to amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to simplify compliance with Federal employee benefit plan requirements; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

ERISA SIMPLIFICATION ACT OF 1979

● Mr. BENTSEN. Mr. President, I am today introducing a bill to reduce unnecessary paperwork and redtape associated with the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA was enacted in 1974 to eliminate real abuses in our private pension system and provide greater retirement security for millions of senior citizens. However, this law has inadvertently resulted in excessive reporting and administrative costs which have led to the termination of some good pension plans. This is counterproductive to the American worker.

Several constructive steps were taken at my initiative during the 95th Congress to simplify ERISA. First, the Revenue Act of 1978 included my amendment to give businesses the option to establish a "simplified pension plan" with a minimum of paperwork and administrative costs. This amendment allows eligible firms to contribute up to $7,500 annually into separate individual retirement accounts (IRA's) for each employee. Second, action was taken to help resolve the serious problem of overlapping jurisdiction in the administration of ERISA. Congress approved the President's Reorganization Plan No. 4 of 1978 which more carefully allocates jurisdiction between the Treasury and Labor Departments. Third, in response to proposals of the Senate Finance Committee's Pension Subcommittee, the Treasury and Labor Departments have substantially simplified the reporting requirements under ERISA.

However, more must be done in the 96th Congress to simplify ERISA and strengthen our private retirement system. The bill I am introducing today will help achieve these goals.

First, the bill would abolish the unnecessary PBGC filing requirement. Presently, many pension plans must fill out a separate form which is submitted when termination insurance premiums are paid to the Labor Department's Pension Benefit Guaranty Corporation (PBGC) each year. This PBGC filing requirement is in addition to the annual report (form 5500) which plans must file with IRS each year. There is insufficient justification to require pension plans to file two forms in Washington each year, one with the Labor Department and one with IRS. Under my bill, IRS would collect the insurance premium as part of the form 5500 and the proceeds would then be forwarded to PBGC. This would be similar to the present IRS system of collecting social security payroll taxes. About 85,000 pension plans would be relieved of the annual PBGC filing requirement under this proposal.

Second, the so-called summary annual report would be abolished under my proposal. Under existing law, every year employers must furnish to each pension plan participant a summary annual report (SAR) which describes many characteristics of the pension plan. Employees have complained that this information is not useful. Furthermore, it is costly for the employer to furnish this information annually. My bill would repeal the requirement to furnish summary annual reports. However, in order to continue to make information available to pension plan participants, the legislation would require employers to simply post a notice at the workplace of the employees which includes the following information:

A brief description of the current financial status of the pension plan;

A copy of the latest summary plan description which is otherwise required by ERISA;

The identification of the company official who can provide further information about the plan; and

A statement explaining employees' rights under the plan as otherwise required by ERISA.

Thus, employers will be relieved of the cost of furnishing summary annual reports to every participant every year. There should be minimal cost to post the information at the workplace.

Third, taxpayers would specifically be given the option to file pension forms at the same time as income tax returns. Taxpayers should be encouraged to prepare pension forms simultaneously with income tax forms. This will generally reduce the overall burden and could reduce legal and accounting fees.

Fourth, the bill would direct IRS to prepare a bookkeeping guide for pension plan sponsors to assist small businessmen in keeping necessary pension records. Several insurance companies use "recordkeeping kits" to ease ERISA compliance, particularly for smaller firms. IRS currently publishes dozens of booklets to help taxpayers comply with tax laws. IRS could easily prepare a simple document, or series of documents, to help firms comply with ERISA.

In addition, under this bill IRS would be directed to prepare a booklet summarizing the rules regarding eligibility for individual retirement accounts. This would be extremely helpful to millions of taxpayers interested in establishing IRA's.

Fifth, the bill would give the Secretary of the Treasury the same authority to bring a civil action to enforce minimum ERISA standards as the Secretary of Labor has under present law. The IRS power to "disqualify plans"—to remove tax-exempt status—is not always the most effective method to enforce ERISA. Full equity powers would provide much needed flexibility.

Mr. President, these proposals would help reduce the costs of complying with ERISA, particularly for small businesses. I urge the Senate to adopt this legislation.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill introduced by Mr. BENTSEN be jointly referred to the Committee on Finance and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. TALMADGE (for himself, Mr. BENTSEN, and Mr. BOREN):

S. 1090. A bill to amend the Employee Retirement Income Security Act of 1974 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Finance and the Committee on Labor and Human Resources, jointly, by unanimous consent.

S. 1091. A bill to amend the Internal Revenue Code of 1954 to permit a church plan to continue after 1982 to provide benefits for employees of organizations controlled by or associated with the church and to make certain clarifying amendments to the definition of church plan; to the Committee on Finance.

S. 1092. A bill to amend section 403(b) of the Internal Revenue Code of 1954 with respect to computation of the exclusion allowance for ministers and lay employees of the church, and to amend sections 403(b)(2)(B), 415(c)(4), 415(d)(1), and 415(d)(2) and to add a new section 415(c)(8) to extend the special elections for section 403(b) annuity contracts to employees of churches, conventions, or associations of churches, and their agencies and to permit a de minimis contribution amount in lieu of such elections; to the Committee on Finance.

LEGISLATION REGARDING CHURCH PENSION PLANS AND RELATED REFORM OF ERISA

● Mr. TALMADGE. Mr. President, with my colleagues Senators BENTSEN and BOREN, I am reintroducing legislation to amend the definition of "church plan" found at section 414(e) of the Internal Revenue Code and section 3(33) of the Employee Retirement Income Security Act of 1974, which I introduced in the 95th Congress. All of the major church denominations in this country—Protestant, Catholic, and Jewish—are of one accord in this matter. They need and desire relief.

When we enacted ERISA in 1974, we set 1982 as the date beyond which a church plan could no longer provide retirement and welfare benefits for employees of church agencies. We also forbade the church plans to provide any new agency coverage after 1974. Moreover, as I will explain later, the church plan definition is so narrow that it almost completely fails to consider the way our church plans have for decades operated. At this moment our churches are justifiably concerned that their plans do not meet the church plan requirements and are, therefore, subject to ERISA. In 1974, we did not recognize the unique character and needs of our church plans.

The church plans in this country have historically covered both ministers and lay employees of churches and church agencies. These plans are some of the oldest retirement plans in the country. Several date back to the 1700's. The average age of a church plan is at least 40 years. To comply with ERISA by 1982, the churches must divide their plans into two so that one will cover church employees and the other, agency employees. It is no small task to break up a plan that has been in existence for decades, even centuries.

The estimated legal, actuarial, and accounting costs of the initial division of church plans and the additional continuing costs of maintaining two separate plans are so significant that reduced retirement and other benefits may result unless they can be assimilated. To offset these additional costs, the churches are confronted with a very large, and possibly not absorbable, economic burden, merely to provide pre-ERISA level of benefits. There is no imposition by ERISA of such moment on the plans of other organizations.

Church agencies are essential to the churches' mission. They are for the sick and needy and disseminate religious instruction. They are, in fact, part of the churches. As a practical matter, it is doubtful that the agency plans would survive subjection to ERISA. There is an essential difference between the plans of business and the plans of church institutions. If a business incurs increased plan maintenance costs, it merely passes these on to the consumer. The incomes of most church agencies, on the other hand, are dependent solely upon tithes and other offerings. There is virtually no way for them to compensate for the additional costs of complying with ERISA. The churches fear that many of the agencies would abandon their plans. We are concerned today that the requirements of ERISA has made the maintenance of plans too expensive and demanding even for businesses which have the capacity to absorb additional costs. The impact of ERISA on church agencies would be many times as serious as that on businesses.

Ministers and lay employees have a unique need to be covered by one plan. Employment is extremely fluid within our denominations. A minister will frequently move from church to agency, or wherever his services are most needed. If he cannot be covered by one plan, gaps in coverage may occur because the agency may not have a plan or may have a waiting period before participation. If the church plan definition is allowed to remain, ministers and lay employees will not be able to pursue their missions nearly as freely as they have in the past. It is inescapable that the way our churches have functioned will be directly affected.

As I mentioned earlier, the church plan definition is so narrowly drawn that it does not in many ways even approximate the way church plans are organized or operated. For example, this definition can be interpreted to require a minister or lay employee of a church to be a current employee. Many ministers serve their faith outside the denominational structure—as chaplains in prisons, hospitals, universities, and elsewhere. Evangelist ministers are usually self-employed and have no employer. There is no valid reason for denying these persons the benefits of retirement and welfare coverage.

This type of problem is less apt to occur in a hierarchical denomination because a minister may continue to be considered an employee even though he is serving outside the church structure.

Most church plans of congregational denominations are administered by a pension board. This is usually an organization separately incorporated from, but controlled by, the denomination. Under the church plan definition, there is a question whether the plan is established by a church, as it must be, or by a pension board. This requirement also points up the inapplicability of the church plan definition to congregational churches. In this type of church, the denomination has little, if any, control over the local churches. Some differences in plan provisions occur, because the denomination cannot enforce uniformity, and the question whether the plan is maintained by the denomination or by the local churches is raised.

The inability of a congregational denomination to control its agencies makes it difficult to see how the church agency plan could meet the requirements of ERISA. In a corporate structure lines of authority are clear. One plan covering the employees of a parent and its subsidiaries can easily meet the requirements of law because of the control executed by the parent. As I have stated, a congregational denomination cannot force the agencies to observe the requirements of ERISA. Accordingly, there is little hope that a plan established by a congregational church for its agencies could comply with ERISA.

Mr. President, these and other problems over the church plan definition under present law confront the churches today. They are worried that their plans do not now meet the church plan requirements and concerned over the impending restructuring of their plans. It is time we remove the churches from this statutory cloud. If we have enacted a statute that may require the church plans to come under ERISA, file reports, be subject to the examination of books and records and possible foreclosure of church property to satisfy plan liabilities, it must be changed because we have clearly created an excessive Government entanglement with religion.

Under the provisions of our proposals, effective as of January 1, 1974, a church plan shall be able to continue to cover the employees of church-associated organizations. There will be no need to separate the employees of church agencies from the church plan. Our legislations retains the definition of church plan as a plan established and maintained for its employees by a church or by a convention or association of churchs exempt from tax under section 501. However, to accommodate the differences in beliefs, structures, and practices among our religious denominations, all employees are deemed to be employed by the denomination. The term employee is also redefined to include: First, a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry; second, an employee of an organization which is exempt from tax and which is controlled by or associated with the church; and third, certain former employees who participated in the church plan before separation from service.

Under our legislation an organization is "associated" with a church if it shares common religious bonds and convictions with that church. Thus, by including an ordained minister as an employee without the requirement of an actual employment relationship, the church plan may continue to cover a minister who serves outside of the denominational structure, provided the service is in the exercise of his ministry. Accordingly, a minister serving as a prison chaplain or teaching religious studies at a university or an evangelist minister by who no employer would be entitled to participate in the church plan.

Under our legislation a church plan will not have to remove from its rolls an employee who has left the denominational group but may retain his accrued benefit or account for the eventual payment of benefits under the plan. There is no real reason why a church plan should be forced to pay a former employee his accrued benefit in cash and, thus, destroy his retirement benefits. Some denominations continue to accept plan contributions for disabled employees and, temporarily, for employees who have separated from service. A minister or lay employee may reach a point in his career where he wants time to decide whether he will spend the rest of his life in the service of the church. During this period the denomination may permit the individual to continue to be covered by the church plan even though he is separated from service. Under our legislation a church plan may continue to receive contributions for an individual who is a participant in the church plan at the time of his separation from service but only for a period of 5 years. A time limit is not placed upon employees who separated from service because of disability.

A plan or program funded or administered through a pension board, whether a civil law corporation or otherwise, will be considered a church plan, provided the principal purpose or function of the pension board is the administration or funding of a plan or program for the provision of retirement or welfare benefits for the employees of a church. The pension board must also be controlled by or associated with a church exempt from tax under section 501. No church plan administered or funded by a pension board would be disqualified merely because it is separately incorporated or merely because of variations in the plan provisions among the local employers.

Our legislation also corrects a very harsh position taken by the Treasury Department in its proposed regulations defining church plans. These proposed regulations provide that once a church plan fails to meet the requirements of church plan it can never thereafter be a church plan. This rule requires perpetual disqualification of church plan status for the smallest violation of rules that are not now clearly understood and that will take years to resolve.

Our proposals provide a mechanism whereunder a church plan will be disqualified as such only after it receives appropriate notice that it has violated the church plan requirements and does not within a certain period of time correct its default. The term "correction" as used in the legislation is not intended necessarily to require a church plan to undo the default completely or to put itself and other parties in precisely the same position they would have been in had the default never occurred. The degree of correction required should depend upon the equities of the situation.

For example, a possible violation of the church plan requirements would be the coverage of an impermissible number of individuals who are not defined as employees. A complete correction of this type of default would require the plan to refund to these individuals all contributions made on their behalf. Such a correction may cause the distributions to be included in the incomes of innocent persons and, hence, work a hardship on them.

In this type of situation, the default should be considered corrected if the church plan were permitted to retain the accrued benefits or accounts of these individuals for the eventual payment of benefits upon their death or retirement. But the plan should accept no further contributions with respect to them.

Mr. President, with my distinguished colleagues Senators **Bentsen** and **Boren**, I today reintroduce legislation to amend several provisions of the Internal Revenue Code that inequitably prevent the satisfactory accumulation of retirement benefits for the majority of clergymen and lay employees of church denominations in this country. This legislation is a large step in the direction of assuring our ministers and lay employees of an adequate retirement allowance.

It is well known that clergymen and lay employees are not well compensated. The beginning salary for a minister may be from $5,000 to $10,000 a year. Prior to retirement his salary may have increased to $15,000 or $20,000. Lay employees generally receive less compensation than ministers. Moreover, the retirement incomes of ministers and lay employees from church retirement plans are very small, being on the order of from $2,000 to $3,000 a year.

Most of our church denominations provide for the retirement of their ministers and lay employees in the form of annuities governed by section 403(b) of the code. The amount that can be contributed for the purchase of such an annuity, without income tax consequences to the employee, is limited by the "exclusion allowance" of section 403(b) (2). The amount of the exclusion allowance for any year is the excess of (1) 20 percent of the employee's includable compensation for the year times the employee's years of service with his or her employer over (2) the aggregate tax-sheltered contributions made by the employer for the employee in prior years. The exclusion allowance is designed to permit larger than usual retirement annuity contributions to be made late in the employee's career to compensate for the years when contributions may not have been possible. These are called catchup contributions. The opportunity for making catchup contributions is extremely important to poorly paid persons such as ministers and lay employees. A minister who is paid $7,500 a year at the beginning of his career will need all of his income for many years to support his family and educate his children. During these years, because of the minister's low level of salary, pension contributions made on his behalf by his church will be minimal. However, when he reaches 50 years or so, his living expenses will tend to decrease. Then he or his employer may be in a position to make significant catchup contributions to his retirement annuity.

However, two provisions of the code inequitably prevent the making of catchup contributions in the case of many ministers and lay employees. In 1974 when we enacted section 415(c)(1) of the code, we placed a limitation on the amounts that can be contributed to a defined contribution plan, such as a 403 (b) annuity arrangement. This limitation, which operates independently of the exclusion allowance, is the lesser of $25,000 (adjusted by increases in the cost of living) or 25 percent of the participant's compensation. In imposing this limitation, we recognized that it would have a serious effect on the ability to make catchup contributions and provided in section 415(c)(4) certain elections that a participant could make in order to override the 25-percent ceiling. However, these elections are available only to employees of educational organizations, hospitals, and home health service agencies. Obviously, we were not then aware of the extensive use of section 403(b) annuities by our churches.

The second problem area is the provision in section 403(b)(2) which limits the "years-of-service" factor of the exclusion allowance to years of service with the employee's current employer. In computing the exclusion allowance for any year, the employee is not given credit for any years of service with prior employers. It is common in many denominations for a minister or lay employee to move from one church to another within the denomination or among various agencies of the denomination during the course of their careers. Under current law each church or denominational agency for which the minister or lay employee works is treated as a separate employer for purposes of the years-of-service factor. The minister or lay employee is accordingly not given credit for all of his or her services with the denomination in the computation of the exclusion allowance. For an employee who has changed jobs frequently, as do the ministers and lay employees of many denominations, this rule severely reduces the exclusion allowance and the ability to make catchup contributions.

Mr. President, our legislation would correct the first inequity by extending the right to make the elections in section 415(c)(4) to employees of churches, and their agencies. We believe that these persons should have the right to make the same elections as employees of educational organizations, hospitals, and home health service agencies. Our legislation also provides a de minimis amount of $10,000 which may be contributed, subject to the exclusion allowance, without the necessity of making the section 415(c)(4) elections. This de minimis amount is parallel to the de minimis amount provided for defined benefit plans in section 415(b)(4) of the code. The term "agency" of a church is also defined in our legislation as an exempt organization which is either controlled by or associated with a church or a convention or association of churches. We further provide that an organization is "associated" with a church or a convention or association of churches if it shares common religious bonds and convictions with that church.

Our legislation also would treat the service of a minister or lay employee with any church or church agency of a religious denomination as the service with a single employer for purposes of computing the exclusion allowance. All the years of service of a minister or lay employee for churches or agencies of the denomination would be aggregated in determining the exclusion allowance for taxable years beginning after 1977. It would make no difference whether the years of service being aggregated occurred before 1978 or after 1977. Our legislation will enable contributions to be made by and on behalf of ministers and lay employees in order to provide them with retirement benefits based upon the years of service with the denomination, rather than with the current employer.

Mr. President, I have received numerous letters from officials of various denominations endorsing the legislative proposals I am making today regarding church pension plans and related reform of ERISA. I ask unanimous consent that they be printed at this point in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

The Rabbinical Pension Board,
New York, N.Y., May 2, 1979.
Senator Herman E. Talmadge,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: The Union of American Hebrew Congregations was incorporated in 1873 by an act of the Ohio Legislature for the purpose of . . .

"To encourage and aid the organization and development of Jewish Congregations.

To promote Jewish education and to enrich and intensify Jewish life.

To maintain the Hebrew Union College-Jewish Institute of Religion."

Some 35 years ago, the Union of American Hebrew Congregations and the Central Conference of American Rabbis organized the Rabbinical Pension Board for the purpose of administering pensions and other group insurance plans for the benefit of rabbis, religious educators, congregational administrators and other synagogue professionals who are engaged in work on behalf of the Reform Jewish Movement within the United States.

The Rabbinical Pension Board, through its two parent bodies, represents some eight hundred Reform Jewish congregations and some eleven hundred participating rabbis and other congregational professionals. The Rabbinical Pension Board is managed by a Board of Trustees elected by the Board of the Union of American Hebrew Congregations and the Central Conference of American Rabbis.

Mr. Robert L. Adler of Chicago, the chairman of the Rabbinical Pension Board, and I, share a great concern about the facts of the Employee Retirement Income Security Act of 1974 ("ERISA") on our retirement annuity and welfare benefit program. We are particularly concerned about the "intrusion of the Internal Revenue Service into the affairs of church groups and their agencies by presuming to define what is and what is not an integral part of these religious groups" and we are supporting "legislation to amend Section 3(33) of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 414(e) of the Internal Revenue Code of 1974 (Code) relating to the definition of 'church plan' so that agencies such as ours are recognized as part of a church or convention of churches and are entitled to participate in such a church plan."

We appreciate your introducing and co-sponsoring with Senator Lloyd Bentsen last year legislation designed to clarify and define the church plan and to allow denominational workers to have greater retirement annuity benefits.

Companion legislation has been reintroduced in this legislative session in the House of Representatives by Representative Barber B. Conable, Jr. of New York as H.R. 1576, 1577 and 1578.

Senator Talmadge, members of over twenty-five religious denominations share a mutual concern about the effects of ERISA on traditional church pension programs. These concerns have been expressed individually and through the Church Alliance for Clarification of ERISA.

Your introducing and co-sponsoring the legislation supported by the Church Alliance for Clarification of ERISA, of which we are a member, during this session of the Congress will be most appreciated.

We feel that it is most important that this be accomplished as speedily as possible.

Sincerely,

Theodore K. Broido,
Secretary, Rabbinical Pension Board.

Joint Retirement Board,
of Rabbinical Assembly,
New York, N.Y., April 27, 1979.
Senator Herman Talmadge,
Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: I wish to thank you for having introduced legislation in the 95th session of Congress sponsored by the Church Alliance for Clarification of ERISA and showing your interest in helping the millions of participants in Church and Synagogue sponsored pension plans.

I would very much appreciate it and would deem it an honor if you could find time to introduce and sponsor similar legislation in the 96th session of Congress.

If there is any way we can be of help, please do not hesitate to let us know.

Sincerely,

Leo. J. Landes.

Worker Benefit Plans,
St. Louis, Mo., April 20, 1979.
Hon. Herman E. Talmadge,
U.S. Senate
Washington, D.C.

Dear Senator Talmadge: First, I want to express on behalf of our church body my deep appreciation to you for the interest and efforts you demonstrated on behalf of the church pension programs by introducing legislation in the last session of Congress which would have benefited the many workers presently enrolled in the various denominational pension programs.

If the present definition of "church plan" as same is contained in the Employee Retirement Income Security Act of 1974 ("ERISA") is not changed as was outlined in the legislation you introduced into the Senate last year, the pension program of The Lutheran Church-Missouri Synod will have to be divided into two programs, one for ministers who are serving church agencies and another for those ministers serving what the present definitions call "church". This splitting up of our programs is going to be a costly procedure and can only be borne out of the program monies, which means out of the pension monies available to our already underpaid church workers. Our church body certainly does not look favorably upon the fact that the Internal Revenue Service is attempting to define what is and what is not "church" and how the mission of the church is to be carried out.

Senator Talmadge, The Lutheran Church-Missouri Synod pension programs are not the only church pension programs facing a problem over the effects of ERISA. All major denominations are involved as evidenced by the formation of the Church Alliance for Clarification of ERISA. Your assistance is needed and we certainly hope you will again introduce and co-sponsor legislation to clarify the church plan definition of ERISA and also allow church workers to have greater retirement benefits.

Your continued interest and support in this matter is greatly appreciated.

Sincerely yours,

Earl E. Haake,
Administrator.

Presbyterian Church in America,
Columbus, Ga., April 27, 1979.
Senator Herman Talmadge
Washington, D.C.

Dear Mr. Talmadge: The Presbyterian Church in America has expressed its support of the various bills being suggested to exempt the church pension funds from the provisions of ERISA.

Whatever you can do to help us would be greatly appreciated.

Yours truly,

Dan M. Moore,
Business Administrator.

The Board of Pensions,
Philadelphia, Pa., April 18, 1979.
Hon. Herman E. Talmadge,
U.S. Senate,
Washington, D.C.

My Dear Senator: On behalf of the Board of Pensions of the United Presbyterian Church in the U.S.A., may I express to you our sincere appreciation for your introduction and co-sponsorship last year of legislation designed to clarify the ERISA definition of a "church plan." From the standpoint of this Board and similar units of other religious denominations, such clarifying legislation is essential to remove the present uncertainty concerning the intent of this definition.

Absent the needed clarification, church plans will be unable to serve all employees of churches and church agencies without becoming subject to the administrative requirements of ERISA. The expenses that would result from meeting these administrative requirements would necessarily result in a reduction of the pension benefits that would otherwise be payable to plan beneficiaries. Because of the low salaries paid to church workers, their pensions are already small—they can ill afford to be reduced.

We believe that the legislation you sponsored last year would correct important defects of ERISA. Therefore, we urge you to reintroduce and co-sponsor similar legislation in the present session of Congress. In so doing you will be helping to assure that church pension plans will be able to maintain their service to church workers and their families on an efficient, cost-effective basis.

Very truly yours,

Arthur W. Brown,
President, Board of Pensions.

Board of Pensions,
Lutheran Church in America,
Minneapolis, Minn., April 18, 1979.
Senator Herman E. Talmadge,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: Last year you introduced and co-sponsored legislation with Senator Lloyd Bentsen designed to clarify the church plan definition of the Employee Retirement Income Security Act of 1974 (ERISA) and to allow denominational workers to have greater retirement annuity benefits. Clergy and lay members of the Board of Pensions of the Lutheran Church in America appreciate your efforts and only regret that the legislation failed to be enacted.

Companion legislation has now been reintroduced in this legislative session in the House by Representative Barber B. Conable, Jr. of New York as HR 1576, 1577 and 1578.

You have already received a summary statement of some of the problems related to ERISA and church plans that require legislative attention. An additional copy of that summary prepared by the 25 denominational members of the Church Alliance for Clarification of ERISA is enclosed for your review.

We are deeply concerned about the effects of ERISA on our denomination's retirement annuity benefit programs. Your introducing and co-sponsoring the legislation supported by the Church Alliance for Clarification of ERISA in this session will be appreciated.

Such support will be considerable help to us and other church pension plans in utilizing as much of available resources as possible for the benefit of our many retired ministers and church lay workers.

Sincerely,

Manfred Holck, Jr.,
Comptroller.

Pension Fund of
the Christian Church,
Indianapolis, Ind., April 12, 1979.

Senator Herman E. Talmadge,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: Every religious communion that has been around long has a church pension plan. One needn't wonder why for long, when they understand the nature and commitment of the ministry and others who serve the Church, plus the desire of the Church to be true to its teachings in social and economic practices. This, I am confident, is true for all groups, be they Catholic, Protestant, or Hebrew.

By and large these institutions are served by devoted persons who make sacrifices—rarely own property—live on limited income—and serve wherever they are called.

Early in our history, the need arose for the provisions for them in case of their age or disability or their survivors in time of death. Consequently, Church pension plans are older than the life insurance industry in the United States.

Because the communion I serve is one of the younger communions, our Board began its operation in 1895 and has operated under a charter here in Indiana since then.

Because of certain things included and also omitted in the Employee Retirement and Income Security Act of 1974 (ERISA), this denomination, along with most other denominations, has become increasingly aware of the effect that is occurring upon our church pension plan and benefit programs.

The effect is a strange one. As a matter of fact, in regard to vesting and funding, our plans exceed the requirements expected under ERISA. However, in regard to reporting requirements in relationship to the units serving the Church in its various benevolent, missionary and educational enterprises, the law as now written would separate us from almost a century of service to such institutions by 1982. In addition to that, there are other injustices placed upon ministers and church employees who are not accorded the same retroactive computation advantages for their employers to build up their pensions in their final years that are accorded employees of other institutions.

This concern was registered and expressed by a resolution passed in the last General Assembly of the Christian Church (Disciples of Christ) meeting in Kansas City, Missouri in October, 1977.

We are grateful to you and Senator Bentsen, as well as Representative Conable, of New York, for introducing legislation in the last session that would have corrected many of these ills. We are calling upon many of our concerned senators and representatives to join you in this session to see that this matter does have the legislative correction so sorely needed. Along with representatives of some twenty-five or thirty other denominations participating in the Church Alliance for Clarification of ERISA, we have been attempting to express a mutual concern, since we have no regular Church organization of this broad base—Catholic, Protestant and Jewish, in order to make such a presentation to those who can correct this situation by legislation.

Your introduction and co-sponsoring of the legislation needed in this session is most appreciated.

Cordially yours,

William Martin Smith.

The American Lutheran Church,
Minneapolis, Minn., April 18, 1979.

Senator Herman E. Talmadge,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: The American Lutheran Church (ALC) has been established as a "union of congregations to which the Gospel of reconciliation has been given," the specific purposes to be "the proclamation and propagation of the christian faith, and the quickening and sanctification of the members of its congregations through the use of the means of Grace."

A copy of the stated purpose, chapter 2 of the Constitution of The ALC, is enclosed with this letter for your information. Please note that Section 2.28 specifically recognizes the establishment and maintenance of the work of the Board of Pensions by The ALC.

Many people of our 2.4 million member church body are deeply concerned about the seeming intrusion of the Internal Revenue Service into the affairs of church groups and their agencies, by presuming to define what is and what is not an integral part of these religious groups' mission and supporting "legislation to amend Section 3(33) of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 414(e) of the Internal Revenue Code of 1974 (Code) relating to the definition of 'church plan' so that church related agencies are recognized as part of a church or convention of churches and entitled to participate in a church plan." We share a great concern about the effects of the Employee Retirement Income Security Act of 1974 ("ERISA") on our denomination's retirement annuity and welfare benefit programs.

We appreciate your introducing and co-sponsoring legislation with Senator Lloyd Bentsen last year designed to clarify the church plan definition of ERISA and to allow denominational workers to have greater retirement annuity benefits.

Companion legislation has been introduced this legislative session in the House by Representative Barber B. Conable, Jr. of New York as H.R. 1576, 1577 and 1578.

Enclosed is a summary of some of the problems related to ERISA and matters requiring legislative attention.

Senator Talmadge, members of our twenty-five religious denominations share a mutual concern about the effects of ERISA on traditional church pension programs. These concerns have been expressed individually and through the Church Alliance for Clarification of ERISA. Our Pension Board is an active participant.

Your introducing and co-sponsoring the legislation supported by the Church Alliance for Clarification of ERISA this session would be most appreciated.

Sincerely,

Henry F. Treptow,
Executive Secretary.

Reorganized
Church of Jesus Christ,
of Latter Day Saints,
April 27, 1979.

Re: Church Plans
Hon. Herman E. Talmadge,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: The Reorganized Church of Jesus Christ of Latter Day Saints was organized in accordance with the laws of New York on June 6, 1830 as a religious organization. Since the early days of the Church, ministers and other denominational workers have been provided for prior to and upon retirement.

As Presiding Bishop and Chief Financial Officer of the Reorganized Church of Jesus Christ of Latter Day Saints, I have a concern about the effects of the Employee Retirement Income Security Act of 1979 (ERISA) on our denomination's retirement annuity and welfare benefit programs. We are also concerned about the Internal Revenue Service's attempt to define what is and what is not a part of our denomination's mission.

We appreciate your introducing and co-sponsoring legislation with Senator Lloyd Bentsen last year designed to clarify the church plan definition of ERISA and to allow denominational workers to have greater retirement annuity benefits. Comparable legislation has been reintroduced this session by Representative Barber B. Conable, Jr. of New York as HB 1576, 1577, and 1578 which we support.

Your introduction and co-sponsoring the legislation is supported by the Reorganized Church of Jesus Christ of Latter Day Saints and is most appreciated.

Sincerely,

F. E. Hansen,
Presiding Bishop.

The Pension Boards,
United Church of Christ,
April 17, 1979.

Re: Employee Retirement Income Security Act of 1974 and church plans
Hon. Herman E. Talmadge,
Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: The Pension Boards of the United Church of Christ include three pension corporations and a common investment corporation that had been individually or jointly serving the ministry and the employees of the United Church of Christ since 1914.

The United Church of Christ is a denomination formed out of the merger of the Congregational Christian Church and the Evangelical and Reformed Church. Both of these denominations date back to colonial times, the Congregational Christian Church growing out of the church of the Pilgrims, while the Evangelical and Reformed Church grew out of the colonial settlers coming from Germany and other parts of middle Europe.

Over the years that the Pension Boards have served the ministers and employees of the United Church of Christ, their record has been outstanding in providing benefits for those participants who are covered under the program. The Pension Boards have been ahead of their time in facing up to the responsibility of providing retirement income for their employees and have maintained standards that, in most areas, were ahead of those required by the Employee Retirement Income Security Act of 1974, long before that Act was even contemplated by the Congress. When that Act was ultimately passed by the Congress, one of the first actions by the Pension Boards was to review that Act and assure that we met the standards of vesting and non-discrimination established by the Act, even though, as a church plan, we were probably not covered by the Act during the current years.

Notwithstanding our general compliance with the intent of the Act, many of the Act's provisions would be a substantial detriment to the Pension Boards, and a dissipation of the funds of the Pension Boards for administrative detail that will neither serve the participants, nor the Government. In addition, the Pension Boards carry on a substantial relief function of the Church which cannot be accommodated within the strict provisions of ERISA. For these reasons, and others, we greatly appreciated your introducing and co-sponsoring during the last session of the Congress, legislation intended to clarify the exemption of churches from the provisions of ERISA and to provide for the coverage of church agencies and ministers, wherever carrying out their ministry, within the church plan.

As you are aware, Senator Talmadge, the major religious denominations have a substantial concern over the effects of ERISA, and have joined together to form the Church Alliance for the Clarification of ERISA. The legislation desired by the Church Alliance for the Clarification of ERISA, which you introduced in the Senate last year, and which was introduced in the House last year by Representative Barber B. Conable, Jr. of New York, has been reintroduced in the House by Barber Conable in this legislative session. We sincerely hope that you will introduce and co-sponsor that legislation in the Senate during this session. Copies of the legislation have been forwarded to you by Mr. Darold H. Morgan, President of the Annuity Board of the Southern Baptist Convention.

Thank you for your consideration in this matter.

Sincerely,

JOHN D. ORDWAY,
Executive Vice President.

THE PENSION DEPARTMENT OF
THE A.M.E. CHURCH,
Nashville, Tenn., April 17, 1979.

Senator HERMAN E. TALMADGE,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR TALMADGE: I am writing you in reference to bill H.R. 1576 as it relates to Church Pension Plans and ERISA. We appreciate your efforts heretofore in meeting with church representatives to get a clear understanding of difficulties imposed on the church by the government. Your effort on our behalf has been deeply appreciated and we continue to ask your support in the passage of bill H.R. 1576 in this Congress.

Yours sincerely,

J. M. GRANBERRY, Jr.,
Secretary-Treasurer.

ANNUITY BOARD OF THE
SOUTHERN BAPTIST CONVENTION,
Dallas, Tex., April 4, 1979.

Re: Church Plans
Senator HERMAN E. TALMADGE,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR TALMADGE: The Southern Baptist Convention was incorporated in 1845 by an act of the Georgia legislature for "the purpose of eliciting, combining, and directing the energies of the Baptist Denomination of Christians for the propagation of the gospel."

In 1918, what is now the Annuity Board of the Southern Baptist Convention was chartered to provide relief, support benefits and annuities for ministers of the gospel and other denominational workers within the of the Southern Baptist Convention. Our Annuity Board is managed by a Board of Trustees elected annually by action of the Southern Baptist Convention.

Dr. Jimmy Allen, the President of the Southern Baptist Convention (the present pastor of the First Baptist Church of San Antonio), Dr. Porter Routh, the Executive Secretary of the Executive Committee of the Southern Baptist Convention headquarters in Nashville, Tennessee, and I share a great concern about the effects of the Employee Retirement Income Security Act of 1974 ("ERISA") on our denomination's retirement annuity and welfare benefit programs.

The messengers to the 1976 annual session of the Southern Baptist Convention adopted resolutions (copies enclosed) protesting "the intrusion of the Internal Revenue Service into the affairs of church groups and their agencies, by presuming to define what is and what is not an integral part of these religious groups' mission" and supporting "legislation to amend Section 3(33) of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 414(e) of the Internal Revenue Code of 1974 (Code) relating to the definition of 'church plan' so that church related agencies are recognized as part of a church or convention of churches and entitled to participate in a church plan."

We appreciate your introducing and co-sponsoring legislation with Senator Lloyd Bentsen last year designed to clarify the church plan definition of ERISA and to allow denominational workers to have greater retirement annuity benefits.

Companion legislation has been reintroduced this legislative session in the House by Representative Barber B. Conable, Jr. of New York as HR 1576, 1577 and 1578. Enclosed as exhibits to this letter are texts of remarks made last year when similar legislation was first introduced. Also enclosed is a summary of some of the problems related to ERISA and matters requiring legislative attention.

Senator Talmadge, members of over twenty-five religious denominations share a mutual concern about the effects of ERISA on traditional church pension programs. These concerns have been expressed individually and through the Church Alliance for Clarification of ERISA.

Your introducing and co-sponsoring the legislation supported by the Church Alliance for Clarification of ERISA this session would be most appreciated.

Sincerely,

DAROLD H. MORGAN,
President, Annuity Board of the Southern Baptist Convention.

CHRISTIAN REFORMED CHURCH IN
N.A. MINISTERS' PENSION FUND,
April 25, 1979.

Re Church Plans
Senator HERMAN E. TALMADGE,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR TALMADGE: The Christian Reformed Church was determined to be exempt from Federal Income Tax under section 501 (c) (2) on October 7, 1971 as a non-profit corporation organized for the purpose of propagation of the Christian gospel.

As of January 1, 1970, the Christian Reformed Synod appointed a Ministers' Pension Committee to administer for Synod a pension plan for retired and disabled ministers or their widows.

Our Christian Reformed Church Ministers' Pension Committee is responsible to the Christian Reformed Synod. It is greatly concerned about the effects of the Employee Retirement Income Security Act of 1974 (ERISA) on our denomination's benefit programs. The Christian Reformed Church Ministers' Pension Committee asked me as Administrator of the Ministers' Pension Plan to register our protest against a possible intrusion of the Internal Revenue Service into the affairs of church groups and their agencies, by presuming to define what is and what is not an integral part of these religious groups' mission and supporting "legislation to amend Section 3(33) of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 414(e) of the Internal Revenue Code of 1974 (Code) relating to the definition of 'church plan' so that church related agencies are recognized as part of a church or convention of churches and entitled to participate in a church plan."

We sincerely appreciate your introducing and co-sponsoring legislation with Senator Lloyd Bentsen last year designed to clarify the church plan definition of ERISA and to allow denominational workers to have greater retirement benefits.

We are pleased that companion legislation has been reintroduced this legislative session in the House by Representative Barber D. Conable, Jr. of New York as HR 1576, 1577 and 1578. Our church envisions problems related to ERISA particularly in the administrative details required.

Senator Talmadge, members of over twenty-five religious denominations share a mutual concern about the effects of ERISA on traditional church pension programs. These concerns have been expressed indivigradually and through the Church Alliance for Clarification of ERISA.

Your introducing and co-sponsoring the legislation supported by the Church Alliance for Clarification of ERISA this session would be most appreciated.

Sincerely,

GARRETT C. VAN DE RIET,
Administrator.

THE MINISTERS AND MISSIONARIES
BENEFIT BOARD OF THE AMERICAN BAPTIST CHURCHES,
New York, N.Y., April 23, 1979.

Senator HERMAN E. TALMADGE,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR TALMADGE: The American Baptist Churches Ministers and Missionaries Benefit Board serves ministers, missionaries and lay employees of churches and institutions related to the American Baptist Churches. Our denomination is composed of approximately 6,000 churches with 1½ million members. The Ministers and Missionaries Benefit Board provides a variety of benefits for the protection of over 9,000 active and retired members, including surviving spouses and dependent children. These benefits include the ABC Retirement Plan, The Annuity Supplement, the Death Benefit Plan, The American Baptist Medical Plan and a wide variety of non-contractual supplementary benefits funded by the Board's endowment.

We were most appreciative of your leadership in introducing and co-sponsoring legislation with Senator Bentsen last year which, if enacted, would clarify the implication of ERISA for the American Baptist Churches. Present ERISA legislation and the proposed regulations issued by the Internal Revenue Service creates serious problems for us. Unless clarified by legislation, the proposed regulations could result in reduced benefits for our members. Your remarks in introducing this legislation last year, as published in the Congressional Record, indicated an understanding of these problems.

We are writing to encourage you to reintroduce this legislation in the Senate as a companion to H.R. 1576, 1577 and 1578 introduced in the House by Representative Barber B. Conable, Jr. of New York with whom we have been working.

We join with the members of the Church Alliance for the Clarification of ERISA, which represents every major religious group in the United States, in expressing our appreciation for assisting us in this effort.

Sincerely yours,

DEAN R. WRIGHT,
Executive Director.

THE CHURCH PENSION FUND,
April 27, 1979.

Re: Church Plans
Senator HERMAN E. TALMADGE,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR TALMADGE: In 1914, The Church Pension Fund was created by The General Convention of The Episcopal Church to provide pension benefits for aged and disabled ministers of the Episcopal Church. Our Board is managed by a Board of Trustees elected triennially by action of the General Convention.

We share the concern of all denominational pension boards about the intrusion of the Internal Revenue Service into the affairs of church groups and their agencies, by presuming to define what is and what is not an integral part of these religious groups' mission. We completely supported the introduction in the last legislative session of legislation to amend Section 3(33) of the Employee Retirement Income Security Act of 1974 (ERISA) and Section 414(e) of the Internal Revenue Code of 1974 (Code) relating to the definition of 'church plan' so that church related agencies are recognized as part of a church or convention of churches and entitled to participate in a church plan.

We greatly appreciated your introducing and co-sponsoring legislation with Senator Lloyd Bentsen last year designed to clarify the church plan definition of ERISA and to allow denominational workers to have greater retirement annuity benefits.

Companion legislation has been reintroduced this legislative session in the House by Representative Barber B. Conable, Jr. of New York as HR 1576, 1577 and 1578. Members of over twenty-five religious denominations have expressed their concerns about the effects of ERISA on traditional church pension programs through the Church Alliance for Clarification of ERISA.

On behalf of the Trustees of The Church Pension Fund and the active and retired ministers of the Episcopal Church, I most earnestly appeal for your continued support of all clergy and all religious organizations by reintroducing and co-sponsoring in this session the legislation supported by the Church Alliance for Clarification of ERISA.

Sincerely,

Robert A. Robinson,
President.

Unitarian Universalist Association,
Boston, Mass., April 30, 1979.

Re Church Plans
Senator Herman E. Talmadge,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: Last year the Universalist Association (UUA) joined the Church Alliance for Clarification of ERISA because of its concern about the many questions raised of the impact of ERISA on church pension plans, such as the one maintained by the UUA.

Your support of the clarifying legislation last year was greatly appreciated; and the dicision by you to reintroduce the legislation this year would also be much appreciated.

I am scheduled to meet with the Pension Plan Study Committee that was appointed by the UUA Board of Trustees at its January 26, 1979 meeting on May 24, 1979. If you have decided to re-file the legislation prior to that date, please let me know so that I can inform the Committee members of our favorable action.

Thank you for your consideration of these matters.

Very truly yours,

William B. Duffy, Jr.,
General Counsel.

General Conference of
Seventh-Day Adventists,
Washington, D.C., April 18, 1979.

Subject: Church Retirement Plans
Senator Herman E. Talmadge,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: The Seventh-day Adventist Church was one of the first religious or business organizations to initiate a private pension plan for the benefit of its employees. Our retirement plan was started in 1911 and has been a continuous operation since then. As of December 31, 1978 approximately 35,000 clergy and lay employees of our church and agencies were covered by this plan and 5,500 were receiving retirement benefits. During 1978 benefit payments amounted to just over $26 million.

Our retirement plan is a "promise to pay" type plan and would technically be classified as an "unfunded" type retirement plan since we do not keep individual accounts for covered employees and no attempt has been made to fund the liabilities on an accrual basis. The cost of the yearly benefits is considered a current operating expense of the Church. However, a reserve equivalent to three years benefit expense is kept on hand at all times. Our Church feels that it is just as much obligated to pay retirement benefits as to pay the salaries of active employees. The entire assets of the Church are back of the retirement plan and its has always lived up to its obligations in this regard.

The Seventh-day Adventist Church, along with over twenty-five other religious denominations, has a major concern about the effects that the Employee Retirement Income Security Act 1974 (ERISA) would have on the operation of our retirement plan. We have been an active member of the Church Alliance for the Clarification of ERISA and fully support the efforts of this association to effect needed changes in the Act. For one thing, the funding requirements would be a major problem for us if we have to comply with ERISA requirements. They would place an oppressive burden on the Church as large sums of money would have to be taken from the funding of other church ministries and used instead to fund the past service liabilities for the retirement benefits of employees of church agencies.

The possibility of having to separate the employees of the so-called church agencies from our retirement plan is another of our major concerns.

Our Church has always considered its agencies as directly involved in the total ministry and outreach of the Church. In our theology and philosophy of church operations our institutions have from their inception been integral parts of the Church, direct instruments in the carrying out of its divine commission. Those who serve in these institutions of the Church, whether in the fields of publishing, health, education, or any other, have dedicated their lives to the Church's mission. To separate these workers from the Church plan will create a problem of portability as there is considerable movement of employees from one type of organization to another.

The efforts of the Internal Revenue Service to define what constitutes a church and what does not in our opinion is a violation of the principle of separation of church and state, but has characterized our nation from its beginning. If the church can be trusted to administer pension benefits for its ministers and other employees who in the opinion of government are working directly for the church, it would seem that the church could also be trusted to provide retirement benefits for employees of its agencies without being regulated by the government.

Our Church plan is presently being revised to comply with nearly all of the standards of ERISA regarding eligibility and benefits. In addition it provides many additional benefits that are not mandated by ERISA, such as an annual cost of living increase. Coming under the jurisdiction of ERISA will not really benefit our employees, but instead the excessive administration and reporting burdens would no doubt result in a reduction in the pension benefits of our employees.

We appreciated very much your introducing and co-sponsoring legislation with Senator Lloyd Bentson last year designed to clarify the church plan definition of ERISA and to bring about other needed corrections in this Act. Your introducing and co-sponsoring similar legislation in this session of Congress will be greatly appreciated.

Sincerely,

K. H. Emmerson,
Treasurer.

General Board of Pensions of
the United Methodist Church,
Evanston, Ill., May 1, 1979.

Senator Herman E. Talmadge,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: The general United Methodist denomination is a voluntary religious movement and connectional network of millions of persons, known as "members," and literally tens of thousands of units, variously designated as local churches, charges, conferences, boards, commissions, councils, and agencies. These many units operate in religious service and mission throughout the United States of America and numerous foreign countries. They are related and brought together in worship and service through local Church, Charge, District, Annual, Jurisdictional (regional), and the General Conference in a connectional manner which is fundamentally characteristic of the denomination in its entirety. To assist in its work, the denomination known as the United Methodist Church, through an "Administrative Order," has created certain organizations at a denominational level to assist all other units in performing certain specialized tasks. One such General Agency is the General Board of Pensions of the United Methodist Church. In writing to you in support of legislation proposed by the Church Alliance for Clarification of ERISA, the General Board of Pensions of the United Methodist Church is acting within its specific and delegated authority, on behalf of all persons and organizations which comprise the denomination known as the United Methodist Church.

A fundamental tenet of the United Methodist doctrine is that the "wholeness of the gospel is manifest in the totality of the Church." From its earliest days, United Methodists have been active in the support of many institutions, of education, health care, and in other areas, and millions of persons have benefited from these efforts over the years. The legislation which we now support, in our opinion, will aid our denomination and other religious denominations in continuing such work (much of which is of such special benefit to individual persons in this country).

We would not presume to suggest that, because the United Methodist denomination is identified as a "church," it is therefore "above the law," "outside the law," or entitled to "special treatment by the law". Nevertheless, the fact remains that churches, even more than non-profit organizations in general, by their very nature, organization, and function are unique. I daresay that no two religious denominations are organized or function in exactly the same manner. Efforts, by legislatures or other bodies, to lump all "churches" together for identical treatment, particularly when legislation has been drafted initially to deal primarily with the commercial or business world, pose very serious and, we presume, generally unintended difficulties for such church groups. We respectfully submit that the Congress has a clear and justifiable interest in seeing that legislation passed by it presents no unnecessary handicap to *bona fide* religious denominations for the work of their denominations in the areas affected by such laws. If, because of the unique structure and operation of the various individual churches, specific legislation is required in order to minimize or eliminate such undue restrictions on churches, then we feel that specific legislation should receive the prompt and careful attention of all members of the Congress.

In the interest of time, we shall mention only two (of the many) instances in which the proposed legislative changes would be of special significance with respect to the United Methodist denomination. "The itinerant system is the accepted method of The United Methodist Church by which ministers are appointed by the bishops to fields of labor." As presently provided, the law would require the General Board of Pensions of the United Methodist Church to switch its ordained clergy in and out of differing pension plans each time such ministers changed appointments from local churches into what are known as "special appointments," in such areas as the chaplaincy, church-related and other educational institutions, and other areas of work. Such a requirement—to move a person in and out of a "church plan"—is unduly burdensome and provides no benefit for the individual involved. The proposed legislation would permit the inclusion of ordained ministries in a single pension plan regardless of where those ministers are serving at any given point in time.

Along the same line, the present definition of a "church plan" is too restrictive. The present definition simply will not accommodate the needs of the United Methodist denomination in its efforts to provide pensions for its ordained clergy and lay employees of churches and church-related institutions. The United Methodist Church has licensed clergy, two levels of ordination, a separate Diaconal ministry classification, and lay employees in various degrees of relationship to the various units of the church. To require a multitude of different pension plans, each having to be tailored for the specific status of each such group is again unduly burdensome and provides no benefits for the individuals concerned. The legislation proposed, by broadening the definition of a "church plan" would permit the General Board of the General Board of the United Methodist Church to consolidate the number of different pension plans it must administer, thus providing a multitude of benefits for the plan participants.

For these, and other similar reasons, we urge your support of the legislation proposed and submitted under the Church Alliance for Clarification of ERISA.

Yours sincerely,

James M. Walton-Myers.

Board of Pensions of the
Church of God,
Anderson, Ind., April 17, 1979.

Re Church Plans.
Senator Herman E. Talmadge,
Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: Thank you for introducing in last year's Senate the legislation supported by the Church Alliance for Clarification of ERISA. Since the Senate did not have time to act on this legislation, it is our hope and prayer that you will reintroduce the legislation this year.

The Church of God Pension Plan came into existence in 1948. We are a small church in comparison to many large denominations, yet our heritage dates back 100 years. We have approximately 4,000 ministers and congregations. Our ministers have never earned large salaries, and retirement benefits for them will be minimal in comparison to many persons who have worked for industry and who have gone on pension.

If our church plan is required to abide by all the demands of ERISA after 1982, we will have to lower our retirees' retirement income even more for there is no way we can take on added work-loads without increasing the operational costs to run our plan.

Since our plan is only 30 years old, and a voluntary plan, many of our ministers have a very small accumulation in their retirement fund. Our hope is that Government regulations will permit churches like educational institutions to make retro-active (tax-sheltered) contributions to a minister's retirement account for years of service when he was not a member of the voluntary pension program sponsored by his denomination.

If the Senate does not permit Church Agencies to remain a part of our Church Pension Plan, our office will find it necessary to run two pension programs. Operational costs will nearly double and our low income church employees and ministers will again be made to suffer.

From the foregoing information, you can readily see the frustrations we face as Church Pension Plans. Our ministers and church employees, even though academically qualified and often highly trained have been underpaid during their working days because they found themselves in service oriented positions, and they will also find themselves short-changed in retirement.

Our Communion and I'm sure all churches affiliated with the Alliance for Clarification of ERISA will be most appreciative for any help you give us in the Legislature pertaining to these matters.

Sincerely yours,

Harold A. Conrad,
Executive Secretary.

Catholic Mutual
Relief Society of America,
Omaha, Nebr., May 3, 1979.

Re: Church Plan
Senator Herman E. Talmadge,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Talmadge: The Catholic Mutual Relief Society is a nonprofit, charitable, religious and benevolent association organized in 1889 by an ecclesiastical body of members of the hierarchy of the Roman Catholic Church in North America for the purpose of protecting and preserving properties of such Church and to further aid and assist the Members of the Hierarchy and Religious in the discharge of their Canonical Duties. The management of this Society is vested in a Board of Trustees, all of whom must be Archbishops or Bishops of the Roman Catholic Church. Currently there are twenty-one Bishops and Archbishops acting as Trustees of the Society.

Through its many members, the Society has learned of the concern of church groups and their agencies for their continued operation in the face of increasing interference by the Internal Revenue Service. As a service to our members, we have helped support the Church Alliance For The Clarification of ERISA in its attempts to amend ERISA to at least recognize the present state of church retirement plans for churches and their agencies.

We thank you for your co-sponsorship of the legislation with Senator Bentsen in the last session of Congress attempting to clarify the church plan definition contained in ERISA and allowing greater retirement annuity benefits to those people working within the denominations. While ours is a Roman Catholic organization, our association with the Church Alliance has made us aware of the many problems caused by ERISA to our brothers in the Protestant and Jewish organizations.

You are aware of the many problems created by ERISA which the Church Alliance has addressed. Your continued support and co-sponsorship of legislation proposed by the Church Alliance For The Clarification of ERISA is very much appreciated. We would respectfully urge you to reintroduce the Church Alliance legislation in this session of Congress.

Sincerely,

Thomas J. Hanrahan,
Executive Vice President.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced by Mr. Talmadge, for himself and others, relating to ERISA, be jointly referred to the Committee on Finance and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. PRESSLER (for himself and Mr. Mathias):

S.J. Res. 74. Joint resolution authorizing and requesting the President to issue a proclamation designating May 11, 1979, as "CARE Day"; considered and passed.

(The remarks of Mr. Pressler when he introduced the joint resolution appear elsewhere in today's proceedings.)

ADDITIONAL COSPONSORS

S. 80

At the request of Mr. Nelson, the Senator from Kentucky (Mr. Huddleston) was added as a cosponsor of S. 80, a bill to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price thereunder.

S. 199

At the request of Mr. Inouye, the Senator from Virginia (Mr. Warner) was added as a cosponsor of S. 199, a bill to amend the Shipping Act, 1916, to strengthen the provisions prohibiting rebating practices in the U.S. foreign trades.

S. 446

At the request of Mr. Williams, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 446, the Equal Employment Opportunity for the Handicapped Act of 1979.

S. 582

At the request of Mr. Nelson, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 582, the Farm Entry Assistance Act.

S. 715

At the request of Mr. Bellmon, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of S. 715, a bill to authorize the Robert A. Taft Institute of Government Trust Fund.

S. 819

At the request of Mr. Pressler, the Senator from Indiana (Mr. Lugar) and the Senator from Nevada (Mr. Laxalt) were added as cosponsors of S. 819, a bill to amend the Clean Air Act to promote the use of alcohol as a motor fuel and as an additive to motor vehicle fuels, and for other purposes.

S. 918

At the request of Mr. Huddleston, the Senator from Arkansas (Mr. Bumpers), the Senator from Montana (Mr. Baucus), the Senator from Alabama (Mr. Stewart), the Senator from Michigan (Mr. Levin), the Senator from Utah (Mr. Hatch), the Senator from New Mexico (Mr. Schmitt), and the Senator from Montana (Mr. Melcher) were added as cosponsors of S. 918, a bill to authorize the Small Business Administration to establish small business development centers.

S. 1006

At the request of Mr. Cochran, the Senator from North Dakota (Mr. Young), the Senator from Texas (Mr. Tower), and the Senator from Alabama (Mr. Heflin) were added as cosponsors of S. 1006, to permit the emergency use of the pesticide mirex on imported fire ants in accordance with health and safety standards of the EPA.

SENATE RESOLUTION 152—SUBMISSION OF A RESOLUTION TO APPROVE AN AMENDMENT TO THE STANDBY GASOLINE RATIONING PLAN

Mr. JACKSON (for Mr. JOHNSTON) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources.

S. RES. 152

Resolved, That the Senate approves the contingency plan numbered 5 submitted to the Congress on May 7, 1979.

AMENDMENT TO STANDBY GASOLINE RATIONING PLAN

● Mr. JACKSON. Mr. President, today the President submitted to Congress—for review under section 552 of the Energy Policy and Conservation Act—an amendment to the proposed standby gasoline rationing plan. This amendment, which is formally designated contingency plan No. 5, would make three changes in the plan.

First, the distribution of ration rights to individuals in any State would be based 50 percent on average historic consumption of gasoline in such State and 50 percent on an average gasoline consumption nationally;

Second, a limitation would be established in the distribution of ration rights so that no household would receive coupons for more than three vehicles; and

Third, the State ration reserve would contain at least 8 percent of the total available supply of coupons. The original plan provided that the State ration reserve be distributed among States on the basis of historic consumption patterns. The amendment would not change this.

Today I am introducing a resolution approving contingency plan No. 5 on behalf of Senator JOHNSTON, the chairman of the Subcommittee on Energy Regulation. This subcommittee has jurisdiction over matters relating to mandatory energy conservation and gasoline rationing. Introduction of this resolution in no way implies approval of contingency plan No. 5 by me or by Senator JOHNSTON. This resolution is being introduced so that the Senate will have a mechanism for consideration of the President's amendment available which is consistent with the requirements of section 552 of EPCA.

Mr. President, I ask unanimous consent that the transmittal letter from the President, the text of contingency plan No. 5 and the administration fact sheet on the amendment be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to the Standby Gasoline Rationing Plan (Standby Gasoline Rationing Plan No. 1) which I transmitted on March 1, 1979.

During the consideration of the Standby Gasoline Rationing Plan, concerns were raised by both Houses of Congress that the Plan did not treat states and the citizens within states equitably. The purpose of this amendment is to add new provisions to the rationing plan to eliminate the potential for disparities during plan operation. The first provision alters the procedure for determining allotments of ration rights by including a historical gasoline use factor in each state, and expands the State Ration Reserve, thereby compensating for disparities both within and among states. The second change limits the number of vehicle allotments each household could receive, reflecting my belief that households with over three vehicles should not receive excessive benefits at the expense of other households.

Under this amendment, each state will be provided with an expanded State Ration Reserve of eight percent not only to provide for the needs of the handicapped and hardship applicants as already provided in the plan, but to provide additional flexibility to the states in dispensing supplemental ration allotments to citizens with special needs. The National Ration Reserve is anticipated to remain at approximately two percent of the available gasoline supply.

The amendment also provides a new method for calculating the ration rights to be allocated to each registered vehicle. Instead of allocating the net total available gasoline supply equally to vehicles in all states, the amendment provides for half the available gasoline supply to be distributed equally to vehicles and half to be allotted on the basis of historical gasoline use in the respective states.

Another provision limits the number of ration rights received by each household to three vehicle allotments. Ration rights not distributed to members of a household pursuant to the limitation of this amendment will be distributed to the State Ration Reserve in the state in which such household is located. This amendment would not preclude members of a household from obtaining additional ration rights from the State Ration Reserve on the basis of hardship or other factors.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. I urge the Congress to give this amendment expedited consideration so that it may be approved promptly with the Standby Gasoline Rationing Plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the Standby Gasoline Rationing Plan on March 1, 1979, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

Prompt Congressional approval of the Standby Gasoline Rationing Plan is essential. Failure of the Congress to act will leave the Nation vulnerable to economic disruption and long gasoline station lines. It is obviously impossible to develop a plan which will be perceived to be fair by each person. The proposed plan, as amended, is designed to be broadly equitable, practical and administrable. If we fail to approve a standby rationing system, the Nation's resolve to deal with a serious supply interruption will be called into question. The resulting damage to the economy and personal hardships to our citizens could be substantial.

I urge the prompt and favorable consideration by the Congress of the Standby Gasoline Rationing Plan and this amendment.

JIMMY CARTER.

THE WHITE HOUSE, *May 7, 1979.*

CONTINGENCY PLAN NO. 5

(An Amendment to Standby Gasoline Rationing Plan No. 1.)

Pursuant to Section 201(d)(1) of the Energy Policy and Conservation Act, 42 U.S.C. 6261(d)(1), the Standby Gasoline Rationing Plan is amended as follows:

(1) Section 570.21 is amended by adding at the end thereof:

HUF: The historic use factor, which for a given state is equal to the ratio of gasoline consumed per vehicle point in that state during a given base period to average national consumption per vehicle point in the same base period.

(2) Subsection (3) of subsection (d) of Section 570.22 is amended to read as follows:

"(3) The basic allotment (BA) equals one-half the basic allotment supply (BAS) divided by the total vehicle points (TVP) plus one-half the basic allotment supply (BAS) divided by total vehicle points (TVP) and multiplied by the historic use factor (HUF).

"$\text{BA}=\frac{1}{2}\ \text{BAS/TVP}+\frac{1}{2}\ \text{BAS/TVP}\times\text{HUF}$."

(3) Section 570.22 is amended by the addition of a new subsection (g) to read as follows:

"(g) Limitation on distribution of ration rights.

"(1) Notwithstanding the number of vehicles registered to the members of a household, no household shall be distributed ration rights for more than three vehicles. This limitation shall not preclude the distribution to members of a household of additional ration rights under any other section of this part.

"(2) Ration rights not distributed to members of a household pursuant to the limitation in paragraph (g)(1) shall be distributed to the State Ration Reserve of the state in which such household is located."

(4) The first sentence of Section 570.81(a) is amended to read as follows:

"(a) For each ration period, DOE shall calculate a minimum of eight percent of the total available supply (TAS) for which ration rights shall be reserved by the DOE for distribution to the States as a State Ration Reserve, to meet the needs of approved hardship applicants."

FACT SHEET: STANDBY GASOLINE RATIONING PLAN AS AMENDED

Congress mandated development of a rationing plan in response to the severe gasoline shortages which resulted from the Arab oil embargo of 1973. Pursuant to the Congressional directive in the Energy Policy and Conservation Act (EPCA), the Administration submitted a Standby Gasoline Rationing Plan to the Congress on March 1, 1979. An Amendment to the Plan was submitted on May 7, 1979.

The Congress has 60 days for both Houses to approve the Plan.

To implement the Plan, the EPCA requires that the President would have to resubmit the Plan to Congress for an additional 15-day period of review, subject to a one-house veto.

Failure by the Congress to approve the rationing plan will leave the Nation without a program to cope with a severe gasoline shortage until well into 1980 or later.

SUMMARY OF THE STANDBY GASOLINE RATIONING PLAN

Gasoline rationing would be implemented only as a last resort during a severe petroleum supply interruption to prevent economic hardship and long gasoline lines at filling stations. The plan would work in the following manner:

DOE would calculate ration allotments for each class of vehicle. (Trucks and buses would receive larger allotments than passenger cars; motorcycles would receive smaller allotments).

A State Ration Reserve would be allotted to each State to meet the priority needs of the handicapped and for other hardship applications.

Priority allotments would be given to essential public services, such as fire protection, police, ambulances, public transportation, etc.

Delivery vehicles would receive sufficient allotment for deliveries of good and services.

In addition to allotments for their registered cars and trucks, farmers would receive sufficient ration rights for tractors and other off-highway gasoline-powered equipment for food and fiber production.

The ration checks would be issued quarterly. DOE would contract with financial and other suitable institutions to exchange the ration checks for coupons. Drivers would present the coupons to gasoline service stations in order to purchase gasoline.

DOE would permit the purchase and sale of ration rights in a "white market". Prices would be determined by normal market forces. The "white market" would allow individuals with a lesser need for gasoline to sell a portion of their ration coupons to others with a greater need.

AMENDMENT (CONTINGENCY PLAN NO. 5)

During Congressional consideration of the Gasoline Rationing Plan, concern was expressed that the Plan did not adequately reflect differences among the states in their gasoline requirements because of the rural versus urban mix of the driving population or lack of public transportation systems.

In order to deal with these concerns, the President submitted an amendment to the Plan based on extensive consultations with the Congress.

Eight percent of the total ration coupons would be given to the states to distribute to their citizens to deal with hardship cases. Among other types of hardship cases, the states would be required to meet the mobility needs of the handicapped.

A National Ration Reserve of approximately two percent of the total available supply would be established for purposes such as national disaster relief and some national security requirements.

After priority needs are addressed, such as agriculture, the remaining available gasoline supply will be allotted to registered vehicles, half allotted equally and half on the basis of historic use in the respective states.

The members of any one household could receive ration allotments for up to three registered vehicles. Households with more than three registered vehicles could apply to a State Ration Reserve for additional ration rights on the basis of particular hardship.

NEED FOR CONGRESSIONAL APPROVAL NOW

The sudden and unexpected loss of oil exports from Iran last December should serve as a strong notice of the vulnerability of this Nation to the loss of its vital petroleum supplies. Although the Iranian cutoff by itself has not been severe enough to require rationing gasoline, the U.S. could be faced with such a severe shortage at any time. The Nation cannot afford to assume that a severe oil interruption will not strike in the next two years.

The proposed Plan was completed only after careful consideration of extensive public comments. Since the draft version of the plan was published last summer, public hearings were conducted in 10 cities throughout the U.S. and some 1,100 comments received, all of which were reviewed in developing the final plan.

Failure by Congress to approve the Plan now is unlikely to result in a significantly improved plan in the future, but it will leave the country without a rationing plan until 1980 or later, for the following reasons:

It could require a great deal of intensive work, including public hearings, to develop a different Plan which would still be administratively workable.

A second Congressional review, and the pre-implementation work, could require another 8 to 12 months or longer, depending on the complexity of the proposed system. Accordingly, it would be at least mid to late 1980 before a gasoline rationing plan were ready to be implemented and it could slip into 1981.

It is obviously impossible to develop a plan which will be perceived to be fair by each person. The proposed plan, as amended, is designed to be broadly equitable, practical and administrable.

If Congress fails to approve a standby rationing system, the Nation's resolve to deal with a serious supply interruption will be called into question. The resulting damage to the economy and personal hardships to our citizens could be substantial.●

NOTICES OF HEARINGS

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. PROXMIRE. Mr. President, the Committee on Banking, Housing, and Urban Affairs will be holding a hearing on May 14, 1979 at 10 a.m. in room 5302 of the Dirksen Senate Office Building to continue its consideration of issues relating to the continuing attrition of banks from the Federal Reserve System. The committee has before it two pieces of legislation, S. 85 and S. 353. This particular hearing will be entirely devoted to a single important issue—the need for reserve requirements for the conduct of monetary policy.

The Federal Reserve has requested that action be taken by the Congress to solve the problem of declining membership. Banks are leaving the Federal Reserve System in order to avoid the cost of sterile reserve requirements that members must maintain. Nonmember banks and other depository institutions are free from such requirements. Not only is this an inequitable situation, but the Federal Reserve has indicated that the continued shrinking of the amount of total banking deposits covered by reserves could undercut their ability to implement monetary policy.

The Federal Reserve's assertion has been challenged by some economists and supported by others. The witnesses at this hearing have been chosen so that two will support the argument that reserve requirements are needed for moneary policy reasons, and two will challenge that need. It is the committee's hope that this debate will clarify the arguments pro and con on this issue.

The witnesses appearing before the committee will be: Prof. Phillip Cagan, Columbia University, New York, N.Y.; Prof. Stuart I. Greenbaum, Northwestern University, Evanston, Ill.; Prof. Almarin Phillips, University of Pennsylvania, Philadelphia, Pa.; and Prof. Dennis Starleaf, Iowa State University, Ames, Iowa.

Anyone interested in submitting a written statement on this issue or interested in additional information about the hearing should contact Steven M. Roberts of the committee staff at 224-7391.

SUBCOMMITTEE ON CIVIL SERVICE AND GENERAL SERVICES

● **Mr. PRYOR.** Mr. President, I wish to announce that the Subcommittee on Civil Service and General Services of the Governmental Affairs Committee will commence oversight hearings on the Former Presidents Act and the Presidential Transition Act on Wednesday, May 16, 1979, at 9:30 a.m. in room 4200 of the Dirksen Senate Office Building.

The witnesses invited for that day are representatives of the General Accounting Office and the General Services Administration.

Any person wishing additional information about the hearings should contact the subcommittee staff at 224-4551.●

SELECT COMMITTEE ON SMALL BUSINESS

● **Mr. NELSON.** Mr. President, I wish to announce the Committee on Small Business has scheduled a hearing on Wednesday, May 16, 1979, at 11 a.m. in room 424 of the Russell Senate Office Building, on the nomination of Paul R. Boucher, of Virginia, to be Inspector General of the Small Business Administration. Persons wishing to testify or submit statements, please contact the committee office at 224-5175.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Agriculture, Nutrition, and Forestry Committee be authorized to meet during the session of the Senate on Tuesday, May 8, 1979, beginning at 1 p.m. to consider S. 670, the Rural Development Policy and Coordination Act, and S. 985, reauthorizing the farmers home loan program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate today, beginning at 3 p.m., to hold a markup session on S. 737 and 977, legislation to extend the Export Administration Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, May 8, 1979, beginning at 2:30 p.m., in order to hear witnesses testify on the International Wheat Agreement of 1971.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the sessions of the Senate today; tomorrow (Tuesday, May 8); Wednesday (May 9); and Thursday, May 10, to markup S. 428, the fiscal year 1980 Department of Defense Authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON REGIONAL AND COMMUNITY DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Regional and Community Development Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today beginning at 2 p.m., in order to hold a markup session on S. 835, the Regional Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SENATOR HELMS' FIGHT FOR SCHOOL PRAYER

● Mr. ROTH. Mr. President, on April 9, 1979, my distinguished colleague from North Carolina (Mr. Helms) led a courageous and successful fight on the Senate floor to restore voluntary prayer to our public schools.

The Senate passed the Helms amendment by a 51-to-40 vote, a vote which is a giant step toward restoring a fundamental constitutional right the Supreme Court took away from the American people 17 years ago—freedom of worship.

Mr. President, whether the issue is school prayer, family life, local control over schools, protection from pornography and big government, or any other issue of fundamental individual liberty, my friend from North Carolina is a leader whom all of us in the Senate respect and admire. Today, in behalf of millions of American families, I congratulate him on his success and commend him for his courage.

I submit for the Record copies of only a few of the countless articles that have appeared across the country on the Helms amendment.

The articles follow:

[From the Raleigh (N.C.) News and Observer, Apr. 16, 1979]

Legal Scholar Supports Helms Prayer Proposal

Washington.—Sen. Jesse A. Helms, R-N.C., has gained a prestigious ally for his proposal that Congress has the power to shut the Supreme Court out of school prayer cases.

In a forthcoming law review article, constitutional scholar Raoul Berger will change his mind about the power of Congress to shape the courts' role. Ten years ago, Berger said in a book that Congress could not deprive the high court of jurisdiction over constitutional issues arising from State laws.

"I have been compelled to reassess my views," Berger said in a telephone interview from his home in Cambridge, Mass. "I am convinced it is for Congress to govern the jurisdiction of the federal courts, including the Supreme Court."

"LIFELONG LIBERAL"

Describing himself as "a lifelong liberal," Berger, 78, said he was no friend to Helms, a conservative.

But, "I think you can't just laugh Jesse Helms out of court in this case," he said.

Helms's measure would prevent federal courts from reviewing state laws that relate to "voluntary prayers in public schools and public buildings."

The bill is designed to overcome Supreme Court decisions that struck down state laws requiring classes to be opened with prayers.

Last week, the measure was attached as an amendment to a bill, long sought by the Supreme Court, that would give the justices more freedom to select important cases.

The basis of the amendment is a provision in the Constitution that says the court's jurisdiction is subject to "such exceptions, and . . . such regulations as the Congress shall make."

In his 1969 book, "Congress vs. the Supreme Court," Berger argued this provision was designed only to ensure against the high court second-guessing a jury on facts.

Berger said he changed his mind after studying the 14th and 15th amendments, which are designed to prevent constitutional violations by states. The amendments provide that Congress shall have power to enforce their provisions "by appropriate legislation."

"It is clear to me that the jurisdiction conferred by this language is given to Congress and not the courts," Berger said.

[From the Washington Star, April 22, 1979]

Skirting Court Obstacles to Prayers in the Schools

(By William F. Buckley, Jr.)

Senator Helms' recent rider to a judicial system bill which would have the effect of permitting prayer in the public schools has been attacked for reasons either disingenuous or thoughtless.

The problem, as we all know, is the Supreme Court, which a generation ago began to interpret the First Amendment in ways that would have astonished its authors. Not only—the Supreme Court ended up saying—is aid to religiously-oriented schools unconstitutional, so also is prayer in public schools, never mind if the the prayer itself is sanctioned by the spokesmen for the major faiths, as is the case in New York where Jewish, Protestant and Catholic leaders came up with a prayer offensive only to Madalyn Murray O'Hair and Beelzebub.

When the prayer decision was handed down in 1962, 49 out of 50 state governors called for a constitutional convention (Rockefeller was the exception). But the amendment never came out of committee, where Emanuel Celler protected the only religion whose establishment has been permitter by the Supreme Court, namely secular humanism.

Senator Helms' solution to the impasse is quite simple: remove from the federal courts jurisdiction over which prayers a community may promulgate for the schools that community finances and sends its children to.

The Constitution speaks clearly enough on the subject: "The Supreme Court (and by extension the federal courts) shall have appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations as the Congress shall make." In 1805 Chief Justice Marshall ruled that the clause in question was to be interpreted as imposing upon Congress specific responsibility for defining the jurisdiction of the Supreme Court, except where the Constitution gave it original jurisdiction, as in quarrels between the states. No one thought this odd, and as an example of the routine acceptance of the right of Congress to define jurisdiction, no criminal cases were appealable to the Supreme Court until 1891. And in an 1891 case, the court upheld the power of Congress to regulate appellate jurisdiction.

The single vexing exception in an otherwise unchallengeable series of decisions arose in United States v. Klein in 1872. Congress had ruled in 1862 that those Southerners who remained loyal to the union would be entitled to the return of their property or to make claims for it. But after the war, President Johnson granted a pardon to all Southerners, with a few specified exceptions.

The Supreme Court ruled that that pardon constituted sufficient proof of loyalty. This outraged the Reconstruction Congress, which then passed a statute declaring that where proof of loyalty by a petitioner consisted exclusively of the pardon granted by the president, "the Supreme Court shall, on appeal, have no further jurisdiction of the case."

In the Klein decision, the Supreme Court refused to abandon its jurisdiction. The court ruled that Congress could not have it both ways. Either the courts did have authority to decide under the law who was or wasn't entitled to make claims; or not. Congress could remove jurisdiction entirely, but not partially. By analogy, Congress could not, in effect, say now to the courts: Go ahead and exercise jurisdiction on the question whether prayer in the public schools is permissible. But if you decide against prayer in states where a plebiscite shows 51 per cent or more in favor or prayer, we will deny you jurisdiction.

When FDR got around to endorsing the Norris-LaGuardia Act forbidding the granting of injunctions against labor unions for striking (except in certain circumstances), an opinion was sought from Professor Felix Frankfurter, then of the Harvard Law School, on the question whether Congress could with assurance deny the Supreme Court appellate authority. No sweat, said Frankfurter, disposing of the Klein problem by saying, "Independence of judgment must not be interfered with; thus Congress may not, under the guise of prescribing a jurisdictional rule, prescribe an arbitrary rule of decision on the merits." And the Norris-LaGuardia Act is on the books, and the Supreme Court is unavailable for petitioners who suffer from the immunities it imposes.

President Carter has come out against the Helms rider, with the (forgive us) fatuous observation that prayer is for private situations, raising the question, Why, then, did President Carter pray in the most public situation since the Super Bowl, namely the signing of the treaty between Israel and Egypt?

The late professor Will Herberg, than whom no wiser man has lived in our time, challenged the notion that even nominal prayer was useless. Because, he said, it relays to the student the intimation of a greater perspective. The notion that one can be educated without even an awareness of that perspective is a notion that betrays, in those who hold it, inadequate education.

[From the Washington Star, Apr. 17, 1979]

The School Prayer Option

(By James J. Kilpatrick)

Just before it adjourned for Easter, thus giving implied recognition to the holiest day in the Christian calendar, the Senate voted to scuttle an effort by Sen. Jesse Helms of North Carolina to let public-school children pray if they want to. The Senator is a stubborn man. His amendment, like Lazarus, will rise again.

The sequence of parliamentary events was unusual but not really baffling. On April 5, when the Senate was debating the bill to create a new Department of Education, Helms called up an amendment that took the leadership by surprise. His amendment was adopted 47–37, but before it could be nailed finally into the pending bill (by defeating a motion to reconsider), Majority Leader Robert Byrd compelled a weekend recess.

On April 9, after sponsors of the education bill had rallied their forces, the Senate stripped the Helms amendment from the bill and, in a nice hypocritical act of dumbshow, solemnly attached it to a wholly different bill—a bill that is certain to die in the House if it survives in the Senate. The effect was to kill the Helms effort altogether.

Granted, the senator was embarked upon a novel—though not an unprecedented—course of action. His amendment would have provided, notwithstanding other provisions of law, that the Supreme Court and other federal courts "shall not have jurisdiction to review any case arising out of any State statute, ordinance, rule, regulation, or any part thereof which relates to voluntary prayers in public schools and public buildings."

It is beyond dispute that the Congress has power to fix exceptions to the Supreme Court's appellate jurisdiction. The power is spelled out in Article III of the Constitution in words that any child could understand. From the beginning of the Republic, the high court has operated "under such regulations as the Congress may make." The Norris-LaGuardia Act, defining the Court's jurisdiction in certain labor disputes, is one example of a specific exception.

By excluding the Supreme Court and the lower federal courts from hearing cases that relate "to voluntary prayers in public schools and public buildings," the Helms amendment effectively would have left this whole area of controversy to the states. His amendment would have nullified the 1962 case of Engel v. Vitale and its regrettable progeny.

I was among those who supported Mr. Justice Black's opinion in Engel nearly 17 years ago. It then seemed to me wrong for the New York State Regents to compose an "official" prayer and to cause it to be said aloud by each class in the presence of a teacher at the beginning of each school day. Even though New York pupils were not compelled to join in the recitation, I still believe the procedure smacked of a forbidden "establishment of religion."

If the courts had stopped with Engel, no great harm might have been done—but subsequent decisions have served effectively to stifle any exercise of religion in the classroom, no matter how totally voluntary it might be. The cure has proved infinitely worse than the disease. When Helms undertakes to restore the possibility of truly voluntary prayer, he merits the support of all those who believe that while governmental establishments of religion must be resisted, the free exercise of religion should be encouraged.

The Senate's action might possibly be explained in terms of the parliamentary situation. Some senators sincerely doubt the wisdom of creating exceptions to the Supreme Court's appellate jurisdiction; other senators feared the Helms amendment would defeat the Department of Education bill. But the Constitution expressly authorizes Helms' approach as a form of restraint upon the judiciary short of a constitutional amendment; and the Department of Education bill is a bad bill to begin with.

Among the 37 senators who opposed Helms' attempt to bring back the possibility of prayer in public schools were Bumpers, Cranston, Culver, Eagleton, Glenn, Gravel, Inouye, Leahy, Nelson and Ribicoff. They bear mention because they're up for re-election next year. Voters may want to keep the fact in mind.●

HUGE CAPITAL GAINS FOR MILLIONAIRES WILL GO UNTAXED IF THE CARRYOVER BASIS TAX REFORM IS REPEALED

● Mr. KENNEDY. Mr. President, the Treasury Department has recently released an analysis indicating that large numbers of millionaires with huge amounts of capital gains are likely to be exempted from Federal income tax on their gains if a current lobbying drive succeeds in persuading Congress to repeal a major tax reform enacted in 1976, the so-called carryover basis rule.

At my request, the Treasury analyzed its unpublished data on sales of property for the year 1973, the most recent year for which data are available. The analysis estimates that there were more than 1,300 sales that year in which the sales price exceeded $1 million and in which the price was more than four times the original cost of the property. In almost all of these cases, the millionaire owners of the property had huge gains on these assets, even after adjustment for the effects for inflation.

A table prepared by the Treasury lists 40 representative cases, including such dramatic examples as the following:

A $12 million sale of business property, originally acquired for $270,000 and held for 15 years (Case 28).

A $22 million sale of corporate stock, originally acquired for $750,000 and held for 13 years (Case 39).

A $2 million sale of corporate stock, originally acquired for $400 and held for 8 years, an increase of over 5,000-fold (Case 31).

Each of these cases involved property actually sold. For various personal or economic reasons, the owners decided to sell their assets. As a result, the increase in value of the property in these cases was subject to Federal income tax under current law.

The relevance to the carryover basis issue is that, if these owners had decided to hold their property until death, the entire increase in value of the property would have escaped income tax under the law in effect before 1976. Under that law, the heirs received the property with a "step up" in basis equal to the value of the asset at the date of the owner's death. When the property is eventually sold, a tax would be owed only on any increase in value since that date. As a result, large amounts of income were exempted from tax.

In 1976, however, Congress closed this loophole by adopting the carryover basis rule, under which the tax basis of the original owner would be "carried over" to the heirs. If the property is later sold, the full increase in value would be subject to tax. It is estimated that the Treasury will gain approximately $500 million to $1 billion a year under the reform.

Opponents of the carryover basis rule claim that the reform is too complex. Currently, a major lobbying effort, led by the American Bankers Association, is underway to repeal the rule and restore the prior loophole.

The Treasury analysis points out that the 1978 cases illustrate the amounts of gains that would escape tax if the carryover basis rule is repealed. The letter indicates that the examples probably understate the tax avoidance that would occur with respect to property held until death. "In any event," the analysis states, "the examples are striking in indicating, in individual cases, the precise amount of gain that would have escaped income taxation entirely had any of these taxpayers died prior to selling the property."

Mr. President, the 40 examples in the Treasury's analysis are the best evidence so far of the facts behind the smokescreen raised by those who seek to restore the former loophole. The heart of the issue is whether a handful of millionaires and other wealthy individuals will be allowed to immunize their capital gains from the taxes they ought to pay. Congress closed this notorious tax loophole in 1976, and we ought to keep it closed in 1979.

Mr. President, I am pleased to submit the exchange of correspondence with the Treasury for the Record.

The material follows:

U.S. Senate,
Washington, D.C., April 3, 1979.

Hon. Donald C. Lubick,
Assistant Secretary for Tax Policy, Department of the Treasury, Washington, D.C.

Dear Mr. Lubick: In connection with the forthcoming debate over the carryover basis issue, I am writing to ask whether it may be possible for you to provide me with appropriate examples of taxpayers who have recognized large capital gains on their tax returns.

I would also appreciate your views as to whether such gains would be illustrative of the size of unrecognized gains that taxpayers in other similar circumstances might have accumulated, and that might escape tax under the income tax laws if the carryover basis rule is repealed.

Sincerely,

Edward M. Kennedy.

Department of the Treasury,
Washington, D.C., April 30, 1979.

Dear Senator Kennedy: This is in response to your letter of April 3, 1979.

We have examined the records in the 1973 Sale of Capital Assets Study, which provides information on capital gains not contained in the annual individual Statistics of Income reports, to identify transactions in which the sales price exceeded $1,000,000 and in which the sales price was more than four times the basis of the asset sold. The enclosed table sets forth 40 such examples and provides information as to the nature of the asset sold as well as the holding period involved. The ratio of sales price to basis, when compared to the holding period involved, demonstrates that virtually each transaction involves a significant amount of economic gain after the effects of inflation are taken into account.

We estimate that over 1300 transactions reported in 1973 would fulfill the dual requirements of a selling price over $1,000,000 and a sales price to basis ratio in excess of four. We would be happy to provide additional examples if you so desire.

You also requested our views on the question whether these reported gains are illustrative of the size of unrealized gains that taxpayers in otherwise similar circumstances might have accumulated and that might escape income tax if the carryover basis provision is repealed. If there is any bias in the reported transactions relative to unrealized gains, we believe the reported transactions would tend to understate the ratio of selling price to basis in unrecognized transactions. In any event, the examples are striking in indicating, in individual cases, the precise amount of gain that would have escaped income taxation entirely had any of these taxpayers died prior to selling the property.

Sincerely,

Donald C. Lubick.
Assistant Secretary (Tax Policy).

EXAMPLES OF CAPITAL GAINS TRANSACTIONS WITH LARGE GAINS AND HIGH RATIO OF SELLING PRICE TO BASIS, 1973

Transaction	Sales price	Cost or other basis	Net gain	Ratio of sales price to basis	Years asset held	Type of asset
1	1, 168, 988	126, 183	1, 042, 805	9.3	20	Corporate stock.
2	3, 527, 480	200, 030	3, 327, 450	17.6	(1)	Business or rental building.
3	2, 055, 769	261, 894	1, 793, 875	7.8	12	Corporate stock.
4	1, 029, 137	960	1, 928, 177	1, 072.0	9	Do.
5	1, 189, 600	109, 495	1, 080, 105	10.9	38	Do.
6	4, 000, 000	58, 899	3, 941, 101	67.9	19	Do.
7	3, 607, 500	11, 212	3, 596, 288	321.8	15	Business property.
8	1, 700, 200	68, 317	1, 631, 883	24.9	11	Corporate stock.
9	1, 281, 062	32, 005	1, 249, 056	40.0	33	Do.
10	1, 556, 466	15, 368	1, 541, 098	101.3	21	Do.
11	1, 140, 000	123, 032	1, 016, 968	9.3	73	Depreciable property.
12	1, 330, 071	90, 509	1, 239, 562	14.7	(1)	Business property.
13	1, 389, 468	67, 800	1, 321, 668	20.5	3	Corporate stock.
14	3, 934, 729	53, 893	3, 880, 836	73.0	15	Business property.
15	2, 681, 497	15, 386	2, 666, 111	174.3	7	Business buildings.
16	1, 241, 500	12, 735	1, 228, 765	97.5	10	Corporate stock.
17	3, 225, 000	18, 338	3, 206, 662	175.9	(1)	Installment sale.
18	1, 686, 922	40, 201	1, 646, 021	42.0	(1)	Corporate stock.
19	2, 300, 000	154, 500	2, 145, 500	14.9	18	Do.
20	1, 500, 000	221, 460	1, 278, 540	6.8	2	Depreciable property.
21	1, 041, 682	3, 000	1, 038, 682	347.2	28	Business property.
22	2, 835, 602	43, 800	2, 791, 802	64.7	(1)	Corporate stock.
23	1, 109, 000	100, 000	1, 000, 000	11.0	2	Do.
24	1, 399, 005	70, 350	1, 328, 655	19.9	12	Do.
25	2, 838, 250	25, 165	2, 813, 085	112.8	17	Do.
26	7, 134, 130	1, 169, 691	5, 964, 439	6.1	4	Business property.
27	1, 333, 285	68, 382	1, 264, 903	19.5	(1)	Corporate stock.
28	12, 448, 135	271, 892	12, 176, 243	45.8	15	Business property.
29	1, 161, 000	13, 455	1, 147, 545	86.3	7	Corporate stock.
30	1, 029, 636	29, 210	1, 000, 428	35.2	27	Do.
31	2, 227, 348	392	2, 226, 956	5, 682.0	8	Do.
32	4, 392, 259	10, 904	4, 381, 355	402.8	5	Do.
33	1, 731, 482	5, 000	1, 726, 482	346.3	7	Do.
34	3, 250, 000	300, 000	2, 950, 000	10.8	14	Business property.
35	3, 787, 398	75, 755	3, 711, 643	50,0	13	Corporate stock.
36	1, 727, 623	4, 967	1, 722, 656	347.8	15	Do.
37	1, 703, 277	102, 343	1, 600, 934	16.6	(1)	Do.
38	1, 989, 473	66, 260	1, 923, 213	30.0	22	Do.
39	21, 775, 287	755, 244	21, 020, 034	28.8	13	Do.
40	8, 883, 427	1, 961, 909	6, 921, 518	4.5	12	Do.

Office of the Secretary of the Treasury, Office of Tax Analysis. April 19, 1979

[1] Holding period is unknown. ●

TAX EXEMPT STATUS OF PRIVATE SCHOOLS

● Mr. WARNER. Mr. President, on April 27, 1979, the Subcommittee on Taxation and Debt Management of the Senate Committee on Finance, under the able chairmanship of my senior colleague from Virginia, Senator HARRY F. BYRD, JR., held a public hearing on Tax Exempt Status of Private Schools.

Because of the significance of this issue and the widespread public interest which it has aroused, I ask that my statement to the Subcommittee be printed in the RECORD.

The statement follows:

STATEMENT OF SENATOR JOHN W. WARNER

Mr. Chairman, America's private elementary and secondary schools are an invaluable national asset. These institutions currently provide quality educational training to 5 million young Americans. Raising and utilizing some $9 billion in non-governmental capital, private schools add diversity, depth and latitude to America's educational system.

It has been a long standing national policy—derived from the Constitution of the United States—to exempt private schools from federal taxation and to allow federal tax deductions for contributions to such schools.

Now, the Internal Revenue Service is proposing a revised Revenue Procedure which casts doubt on—perhaps even would reverse—this time honored national policy.

Mr. Chairman, I have no tolerance for those who would practice any form of racial discrimination. Accordingly, I am in full agreement with the Internal Revenue Service's definition of "racially nondiscriminatory policy as to students" set forth in Section 3.01 of its proposed new procedure:

". . . the school admits the students of any race . . . and . . . does not discriminate on the basis of race . . ."

Unfortunately, the new Revenue Procedure proposed on August 22, 1978 and revised on February 9, 1979 does not square with the Section 3.01 standards for nondiscriminatory policy. Therefore, for this and other reasons, I oppose the adoption of the proposed Revenue Procedure.

The crucial point to recognize is that racial nondiscrimination and racial balance are not one and the same.

School administrators, although practicing open admissions policies, cannot always guarantee acceptance of their programs by the various minority communities. The converse is true in schools whose enrolment is predominantly from within a particular minority community; such schools cannot always guarantee that their programs will attract a sufficient number of students from other racial, ethnic or national-origin groups.

The proposed Revenue Procedure, in many cases, would shift the burden of proof from the Internal Revenue Service to individual private schools.

Under the proposed procedure, the ultimate test of compliance is the school's ability to meet an arbitrary racial quota for enrollments: "a school will be considered to have significantly minority student enrollment if its percentage of minority students is 20 percent or more of the percentage of the minority school age population in the community served by the school."

This numerical quota is the "bottom line" for the IRS, in my judgment, it is clearly inconsistent with the IRS' own definition of nondiscriminatory school policy as stated in Section 3.01.

Mr. Chairman, the presumption of innocence is an American tradition mandated by the due process clause of our Constitution. I believe that schools should be clothed with that presumption of innocence, and judged by their own positive records in admissions policies—rather than being presumed guilty unless they purge themselves by complying with a rigid, arbitrary, bureaucratically-dictated, racial quota system.

Mr. Chairman, the IRS is charged with collecting the revenues necessary to operate our government. In this instance, the Service is establishing national guidelines on a subject that has nothing to do with raising revenue. I submit that the IRS should concentrate on a subject they are more familiar with. Clearly, the responsibility for establishing the tax exempt status of private schools lies with the Congress.

In summary, the proper goal of prohibiting any racial discrimination in the admission policies of private elementary and secondary schools does not give the Internal Revenue Service unlimited administrative power. Private educational institutions must be afforded the protection granted by long standing national policy and the constitutionally mandated protection of presumption of innocence.

For these reasons, Mr. Chairman, I vigorously support S. 103 and S. 449—legislation which, if enacted, would forestall this unwarranted bureaucratic intrusion into private elementary and secondary education.

I thank you for your courtesy.●

COMMISSION ON LITERACY

● Mr. McGOVERN. Mr. President, I request that the text of Senate Joint Resolution 70, to establish a Commission on Literacy, which was inadvertently omitted from the RECORD of May 2, 1979, be printed in today's RECORD.

The resolution follows:

S.J. RES. 70

Whereas one out of five high school seniors cannot perform basic reading tasks upon graduation; and

Whereas thirty million adults cannot read a want ad or a newspaper;

Whereas taxpayers support an $80,000,000,000 a year educational system which graduates an increasingly large number of functionally illiterate adults; and

Whereas the private, cultural, and economic lives of millions of illiterates are severely limited and impoverished; and

Whereas parents, teachers, and employers have publicly expressed a growing sense of alarm over illiteracy; and

Whereas the increasing complexity of modern life requires higher levels of literacy; and

Whereas it is in the interest of the United States to restore and revive the commitment to standards of educational excellence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this joint resolution may be cited as the "National Commission on Literacy Act".

COMMISSION ESTABLISHED

SEC. 2. (a) There is established a Commission on Literacy.

(b) The Commission shall be composed of fifteen members appointed by the President from among individuals who are—

(1) representative of State, local, and Federal personnel from traditional and alternative educational institutions,

(2) representative of public and private library staff and trustees,

(3) representative of minority groups,

(4) representative of labor, business, and industry,

(5) Members of the Senate and the House of Representatives, and

(6) expert in the education of children and adults.

(c) Any vacancy in the Commission shall not effect its powers but shall be filled in the same manner in which the original appointment was made.

(d) Eight members shall constitute a quorum, but a lesser number may conduct hearings. The Chairman of the Commission shall be selected from among the members by the members of the Commission.

FUNCTIONS OF THE COMMISSION

Sec. 3. (a) The Commission shall make a full and complete investigation with respect to illiteracy in related matters in the United States. Such study and investigation shall include a consideration of—

(1) a definition of illiteracy and literacy;

(2) the identification and analysis of the causes of illiteracy, both structural and informal;

(3) the identification and evaluation of governmental and private programs and policies which are related to literacy and illiteracy;

(4) the identification and analysis of governmental and private programs and policies which contribute to increasing the level of literacy in the United States; and

(5) recommend programs and policies designed to implement the findings of the Commission.

(b) In carrying out its functions under this section, the Commission shall—

(1) assemble, analyze, and publicize its findings on illiteracy and related matters;

(2) assess the organizational structure of programs and policies, both public and private, which effect illiteracy; and

(3) at the request of the President or the Congress assist in developing programs designed to implement the findings of the Commission.

(c) The Commission shall submit to the President and to the Congress, such interim reports as it deems advisable. The Commission shall submit to the President and to the Congress not later than eighteen months after the first meeting of the Commission, a final report of the study and investigation together with such recommendations, including recommendations for legislation, as the Commission deems advisable.

POWERS AND ADMINISTRATIVE PROVISIONS

Sec. 4. (a) The Commission may, in carrying out the provisions of this joint resolution, sit and act at such times and places, hold such hearings, take such testimony, require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, administer oaths and have such printing and binding done, as the Commission deems advisable.

(b)(1) Subpenas shall be issued under the signature of the Chairman or any member of the Commission designated by him and shall be served by any person designated by the Chairman or any such member. Any member of the Commission may administer oaths or affirmations to witnesses appearing before the Commission.

(2) The provisions of section 1821 of title 28, United States Code, shall apply to witnesses summoned to appear at any such hearing. The per diem and mileage allowances of witnesses so summoned under authority conferred by this section shall be paid from funds appropriated to the Commission.

(3) Any person who willfully neglects or refuses to appear, or refuses to qualify as a witness or to testify, or to produce any evidence in obedience to any subpena duly issued under authority of this section shall be fined not more than $500, or imprisoned for not more than six months, or both. Upon the certification by the Chairman of the Commission of the facts concerning any such willful disobedience by any person to the United States attorney for any judicial district in which such person resides or is found, such attorney shall proceed by information for the prosecution of such person for such offense.

(c) The Commission may acquire directly from the head of any department, agency, instrumentality, or other authority of the executive branch of the Government available information which the Commission determines useful in the discharge of its functions. Each department, agency, instrumentality, or other authority of the executive branch of the Government shall cooperate with the Commission and, to the extent permitted by law, furnish all information requested by the Commission.

(d) Subject to such rules and regulations as may be adopted by the Commission, the Chairman is authorized to—

(1) appoint and fix the compensation of an executive director, and such additional staff personnel as may be necessary, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, but at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of such title;

(2) procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code, but at rates not to exceed $100 a day for individuals;

(3) enter into agreements with the General Services Administration for procurement of necessary financial administrative services, for which payment shall be made by reimbursement from the funds of the Commission in such amounts as may be agreed upon by the Chairman of the Commission and the Administrator of General Services; and

(4) enter into contracts with Federal, State, and local public agencies, private business concerns, institutions, and other organizations for the conduct of research, surveys, the preparation of reports and any other activity which the Commission determines to be necessary.

COMPENSATION OF MEMBERS

Sec. 5. (a) Members of the Commission who are otherwise employed by the Federal Government shall serve without compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

(b) Members of the Commission not otherwise employed by the Federal Government shall receive $125 per day when they are engaged in the performance of their duties as members of the Commission and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out the duties of the Commission.

TERMINATION OF THE COMMISSION

Sec. 6. The Commission shall terminate one hundred twenty days after the submission of the final report under section 3(c) of this joint resolution.

EXPENSES OF THE COMMISSION

Sec. 7. There are authorized to be appropriated such sums, but not to exceed $, as may be necessary to carry out the provisions of this joint resolution.●

REFLECTIONS OF A POLICYMAKER

● Mr. **JAVITS**. Mr. President, in recent years, we in this Chamber have participated in many, sometimes heated debates on the direction of U.S. economic policy, and in particular, U.S. monetary policy. While we often divided over the substance of that policy, I believe, we can agree that during this period we had the opportunity to work with one of the most respected figures in the world of economics today. I speak of course of Dr. Arthur Burns who contributed so much to the good of our Nation as Chairman of the Federal Reserve System and who to my regret, we find today to be so far from the official circles of Government.

As a nation, we are however fortunate that Arthur Burns has not refrained from continuing to speak out as a private citizen on the critical economic issucs of our day.

Chairman Burns has now provided us with some of his inner thoughts on his many years as chief monetary policymaker of our country. One is made keenly aware by reading his book, "Reflections of a Policy Maker," of how much Mr. Burns' oft-repeated thoughts and admonitions on national discipline to meet the major economic issues of our day have influenced our current economic policymaking. Yet, more than anything else, the Chairman displays his basic optimism on the future and in the ability of our system of Government to deal with the myriad problems currently afflicting the economy.

I recommend to my colleagues a review by Frank Vogl of Dr. Burns' book which appears in the March 1979 issue of Financier. Mr. Vogl has managed, in the course of his review, to capture what I believe to be the major elements of the Chairman's achievements during his years of public service; his refusal to be deterred in his efforts to realize innovation and change while being hardheaded about money, and his deeplv felt conviction in the opportunity that our economic system can offer to every American.

Mr. President, I recommend this book to my colleagues and ask that the review be printed in the Record.

The article follows:

Reflections of a Policy Maker

(By Frank Vogl)

Possibly he shouldn't have been Chairman of the Federal Reserve Board, and today, precisely one year after having stepped down from that lofty position, certainly he shouldn't be as far removed from the center of the political stage as he is. Perhaps Arthur Burns should have been in Congress. He would have been an outstanding Chairman of one of the Budget or Finance Committees. For he was a great witness before Congress. He might have made an even more important contribution as a member.

Much of the advice offered by Mr. Burns in the last ten years was ignored. Today it is somewhat ironic that the Democrats, who so long neglected the pragmatic and constructive solutions to the multitude of pressing economic problems of the 1970s that he offered, should now be adopting so many of his views. So the publication recently by the American Enterprise Institute of his speeches and Congressional statements between 1969 and 1978 is most timely.

Mr. Burns's credibility has, alas, been tarnished to some extent by his record at the Central Bank. In the last nine years the rate of money supply growth has been greater than the level consistent with price stability; some of the blame for this must be shouldered by him and the Federal Reserve. Moreover, with the benefit of hindsight, it appears that the credit crunch instigated by the Fed in 1974 was overly harsh, adding to the magnitude of the subsequent recession and so contributing to the subsequent inflationary Budget deficits.

POLITICAL CAPITAL DRAINED

In addition, it can be argued that Mr. Burns used up too much political capital in seeking continually to assert the independence of the Fed, so that at times those in the Congress and Administration who should have been the Central Bank's partners in fashioning the right fiscal and monetary policy balance were antagonistic toward the Chairman and so did not cooperate enough. Moreover, it does appear that he underestimated the degree to which banking and monetary conditions were changing and the need for comprehensive review of policy approaches and instruments in order to achieve better management of the money supply.

But historians may well reach the conclusion that the faults to be found with Mr. Burns's administration of the Federal Reserve are more than outweighed by the enormous intellectual contribution he made in the 1970s to public understanding of economic problems. It is this contribution that now, at a time of great currency and price instability, deserves close scrutiny.

Mr. Burns has concluded after years of the most painstaking study that the free enterprise system offers the greatest hope for attaining increased prosperity. Like so many immigrants to the United States he is convinced that there are innovative and dynamic resources in this country which, given the right environment and leadership, can overcome almost any problem.

FUNDAMENTALLY AN OPTIMIST

He is, therefore, fundamentally an optimist, and while he has often issued warnings in the most dire terms, he has always concluded his speeches on a note of hope and brightness.

He shares in this respect the romantic view once expressed to him by the late Prime Minister David Ben-Gurion, who, when asked by Mr. Burns how Israel in its first decade had developed so astonishingly, answered: "We did it first by dreaming, then by doing what the economists said was impossible."

Mr. Burns summarized his basic views perhaps best of all in a speech in 1973 honoring the memory of Adam Smith: "The key to the economic progress of the United States, I believe, is therefore to be found in our institutions, which by and large have permitted anyone in our midst to choose his occupation freely, to work for himself or for an employer of his choice, to produce whatever he chose, to benefit from the fruits of his individual effort, and to spend or to save or to invest as he deemed proper."

No speech of his during the last ten years, in good times or bad, has failed to warn about the dangers of inflation. He has understood the problem far more deeply than most current thinkers of both the political right and left. He has never espoused simplistic solutions. He has never sided with those who have bluntly suggested that fiscal and monetary restraint alone can deal with the problem. Like others he has placed a great deal of blame, over many years, on budget deficits and on the bias of politicians to care more about unemployment rather than inflation. But his prime contributions go well beyond such commonplace views.

Far too few people today have recognized how changes in market behavior have not only rendered classic Keynesian solutions largely useless, but have also made them sources of inflation. Mr. Burns was one of the first to do so, once noting that "conventional thinking about stabilization policies is inadequate and out of date."

ANYTHING BUT PRICE CUTS

He has pointed out that businesses more than ever find alternatives to price cutting in times of slump, relying on hard-sell tactics, changes in product design and advertising. He has observed that, because of increased information about economic affairs, the strength of unions, determination by employers to maintain stable labor forces and efficiency of communications, whenever an excessive wage rise occurs it is likely to spread faster and wider than ever before.

He has identified the increased interdependence of national economies as a network for the export of inflationary trends from one country to others. He has contended that floating exchange rates have added to inflation, not only because they have weakened balance of payments discipline, but also because at times they have pushed exchange rates too far—as in the sharp decline of the dollar last year, which he has argued was greater than ought to have been the case, and which added to US inflation.

When these considerations are taken into account—and still today they are not adequately appreciated by politicians—then Mr. Burns' long concern with investor psychology is more easily understood. In a speech in December, 1970, Mr. Burns noted that "the role that confidence plays as a cornerstone of the foundation of prosperity cannot, I think, be overstressed."

Frequently he has pointed out the weakness in real terms of corporate profits, the lack of adequate return for both shareholders and the discouragement for businessmen in investing in greater productive capacity at a time of high inflation. The tendency toward mergers and takeovers, which Mr. Burns asserts produce no increase in employment prospects, runs strongest when inflation is highest.

EROSION OF PRODUCTIVITY

The sum of lack of confidence to invest and of strong expectations of further high inflation is an erosion of productivity advances, he asserts. And time and again, Mr. Burns stresses that greater productivity is absolutely critical to achieving price stability, high employment and sustained prosperity.

Moreover, he has consistently lambasted assorted types of Government regulation not only for weakening the free enterprise system as a whole, but also for contributing to inflation and serving to further undermine investor confidence. It is noteworthy in this context that he cited Adam Smith as warning more than 200 years ago that Government regulations were stifling free enterprise in Europe and claiming that the abundant energies of people would be released if only these barriers were swept away.

But unlike many conservatives the former Federal Reserve Chairman has frequently advocated intervention by Government to help create the right conditions for price stability and fuller employment. He has criticized too much regulation of industrial sectors where more competition is needed and too much stress on environmental and other regulatory programs that add to business costs.

NOVEL APPROACHES

He has, however, long been an advocate of incomes policies, of programs that aim to improve the prospects of racial minorities and the young in the labor markets; he has never been reluctant to call for novel approaches, be they the wider adoption of variable rate mortgages or the use by the Federal Reserve itself of zero-based budgeting techniques.

Mr. Burns's arguments in favor of incomes policies have now been fully adopted by the Carter Administration. Fully eight years ago he said: "We should not close our minds to the possibility that an incomes policy, provided it stopped well short of direct price and wage controls and was used merely as a supplement to fiscal and monetary measures, might speed us through this transitional period of cost-push inflation. Moreover, it seems clear to me that an incomes policy applied over a long period would be completely impractical. Even with these reservations, however, there may be a useful—albeit a very modest—role for an incomes policy in shortening the period between the suppression of excess demand and restoration of reasonable price stability."

As to employment, he has repeatedly advocated programs that are remarkably similar to those recently discussed at a hearing of the Joint Economic Committee of the Congress. He summarized his views early in 1978 before the National Press Club. "The heavy incidence of unemployment among young people and blacks will not be remedied by general monetary and fiscal policies. We need, instead, specialized efforts: First, efforts to overcome serious educational deficiencies so that individual job seekers will possess greater marketable skills; second, efforts to eradicate impediments that stand in the way of job opportunities for young people and minorities even when the potential for effective job performance is present.

TRAGIC HUMAN WASTAGE

"These impediments include federal and state minimum-wage laws, restrictive practices of various craft unions in limiting membership, unnecessary licensing and certification requirements for many jobs and business undertakings, and—I must add to our shame—continual racial discrimination. This nation can have no greater priority than to end the tragic human wastage that we have been allowing to occur."

More than four years ago Mr. Burns noted that the American people are weary of inflation and of huge Budget deficits. He has contributed more to offering solutions to the inflation problem than anyone else in this country in recent times.

He has ranged from the intricacies of monetary policy to the inflationary impact of the monopolistic US Postal Service; he has surveyed the turmoil of the global monetary system and the lack of investment incentives in the US tax structure; he has sought to analyze the problems of the stock market and of the Congressional budget process; he has devoted immense energy to questions of structural unemployment and difficulties within the nation's banking system—all constructive approaches offered in a humane and compassionate manner and in a refreshingly non-doctrinaire style.

TALENTS TO BE USED

Today Arthur Burns is lecturing at various colleges and advising some wealthy banks. His talents could be better used in Government. At the very least, influential members of Congress would do well to look over his past speeches and call him at every opportunity to advise committees on how best to bring order and prosperity to a nation that he adores.

Finally, to understand Mr. Burns one must look at his view of this country. He described it well about twelve months ago in a speech in Florida, when he noted: "It is clear to me as I reflect on my own life, that whatever success I have been able to achieve is due fundamentally to the fact that it has been my good fortune to be a citizen of a country whose people have had the opportunity to acquire a decent education, whose people have had the freedom to seek the true and to express it as they see fit, whose people have had the opportunity to put to work such special talents as they may have and to utilize these talents for themselves, their families and their country. In short, it has been my great privilege to be an American."●

STELLA WALSH

● Mr. METZENBAUM. Mr. President, because May 6 was Polish Independence Day, I think is it most appropriate for all of us to reflect on the contribution Polish-Americans have made to our way of life and our Nation. Our history books are filled with accounts of great Polish-Americans performing tremendous tasks and showing great courage, dedication and bravery. Our science books outline the contributions great Polish scientists have made, starting with Copernicus. Polish literature has been incorporated into and become an integral part of our own literary heritage. Every segment of American society has been positively affected by the contributions of Americans to Polish descent.

Mr. President, if you would permit me a bit of home-State pride, we in Ohio are indeed fortunate to have the greatest woman athlete in history as one of our citizens. The winner of more than 5 thousand track and field trophies and medals. Holder of 65 different national and world records—some of which have never been broken—and 33 national amateur athletic union championships. Her name is Stella Walsh.

Stanislawa Walasiewiczowna, or Stella as she was to be known, was born in Poland and raised in Cleveland, Ohio. In 1932, as a member of the Polish Olympic team, Stella won a gold medal in the 100 meter dash. She came back to win the silver medal in the same event at the infamous 1936 games in Berlin. Her victories in track and field are far too numerous to mention. Her dedication to her sport and her assistance to young athletes is impossible to describe.

Since her days of active competition, Stella has devoted her life to helping others compete in athletics. She has worked with numerous Polish-American organizations and has been an inspiration to thousands.

Her dedication and all-around excellence have earned her a berth in three halls of fame. In addition, she has been honored by numerous governments both here in the United States and abroad.

Mr. President, Ohio, the Nation and the world are indeed fortunate to count as one of our citizens a woman like Stella Walsh. Her feats will serve as a reminder to all what effort, courage and determination can accomplish. Thank you.●

FINANCIAL STATEMENT OF SENATOR LUGAR

● Mr. LUGAR. Mr. President, consistent with a practice I established during my service as mayor of Indianapolis, I am submitting personal financial statements for publication. Included are itemization of net worth, income, and taxes paid by Richard F. and Charlene S. Lugar.

I submit my financial statements for calendar year 1978 for the Record.

The statements follow:

Sources of income for year ending Dec. 31, 1978

U.S. Senate	$57,500.00
Secretary-Treasurer, Thomas L. Green & Co., Inc	21,996.00
Lugar Farm Company, partnership distribution	1,565.00
Lugar Stock Farm, Inc., dividends (less $200 exclusion)	1,338.00
Thomas L. Green & Co., Inc., dividends	6,772.00
Honoraria from speeches/articles	25,000.00
Interest on savings accounts	1,341.00
Total income	115,512.00
1978 Federal income taxes paid	34,891.00
1978 Indiana, Virginia and local taxes paid	7,946.00
1978 Social security taxes paid	1,071.00
Total Federal, State, local taxes	43,908.00

Taxes paid as percent of income = 38.0%.

Financial statement as of March 31, 1979

Assets:	
Cash in savings and checking accounts	$8,995.46
Cash value of life insurance	41,731.30
Adjusted residence-land and improvement costs	184,817.80
Less mortgage	82,415.55
	102,402.25
Automobiles—current estimated values	6,600.00
Thomas L. Green & Co., Inc. (233½ shares of common stock at cost, December, 1962)	61,293.25
Lugar Stock Farm, Inc. (168 shares owned by Richard and 60 shares owned by Charlene at cost, December, 1959)	22,800.00
Lugar Farm Company (⅛ share of partnership—book value as indicated in 1978 federal tax return)	3,743.55
Individual retirement account as of December 31, 1978 ($1,500 deposited both in 1975 and 1976 at 1st Federal Savings and Loan, Indianapolis, IN)	3,668.86
Keogh retirement account as of December 31, 1978 ($3,801.66 deposited in 1978 at New England Merchants National Bank, Boston, Massachusetts	3,801.66
Civil Service Retirement Fund as of December 31, 1978	9,008.33
Total net assets	264,044.66

Notes.—The shares of Thomas L. Green & Company, Inc. and Lugar Stock Farm, Inc. represent minority interests in closely held family businesses. The last transaction in the stock of Thomas L. Green & Company, Inc. occurred in December of 1962 when Thomas R. Lugar and Richard G. Lugar purchased an equal number of shares at the cost presented in this statement. It is probable that the shares have increased in value.

No transactions have occurred in the stock of Lugar Stock Farm, Inc. since its incorporation in December of 1959. The cost of the shares was then based on an Internal Revenue Service appraisal when the estate of the late Marvin L. Lugar was settled. The 604.5 acre Lugar farm was valued at $305.00 per acre in November, 1956.

Statement includes sale of $25,000.00 certificates of deposit owned jointly by Charlene S. Lugar and her mother, Nell C. Smeltzer, whose estate is being settled.●

THOUSANDS OF U.S. PUBLICATIONS ARE NOT LISTED

● Mr. RIBICOFF. Mr. President, Federal agencies do not know how much money they spend to write, print, and distribute Government publications. In addition, the Government prints many thousands of publications that are not listed as being available to the public. Neglecting to make such publications lists publicly available is a violation of Federal law.

These conclusions are from a Library of Congress report entitled "1978 Survey of Publications Policy of Executive Branch Agencies," issued April 16, 1979. The report was requested by Senator Percy and myself on behalf of the Senate Governmental Affairs Committee. The committee's jurisdiction includes examination and evaluation of Government information programs in the executive branch.

The Library's survey, based on responses from 74 of the 80 agencies queried, found that at least 102,000 Government publications were made available in the 18-month period of January 1977 to June 1978. For the same 18-month period, the Government's central listing, the Monthly Catalog of United States Government Publications, showed titles of about 66,000 executive branch publications. This indicates a discrepancy of at least 36,000 titles for the 18-month period.

The Library found that Federal law (title 44) is violated frequently by agencies which do not keep the Government Printing Office informed of each new publication. This is not a question of GPO in any way clearing the issuance of Government documents. All that GPO needs is a record by title and issuing agency of each publication. That way at the minimum there would be a central listing of all tax-supported Federal publications in the Monthly Catalog of United States Government Publications. But the catalog is far from complete and the fault lies with the many agencies which neglect their reporting responsibility required under Federal law. In light of this neglect of the Federal statute, the Government should move promptly to publicly list all titles.

The Library of Congress survey also revealed most agencies keep no central file on publications; consequently, they have no capability to say accurately and promptly how extensive their publishing activities are. The Library of Congress report said agencies do not know what publications have been issued, which are planned or what the total cost of these activities are annually.

The Governmental Affairs Committee's interest in the publications policies and procedures of Federal agencies is part of our continuing concern about the lack of accountability that exists in Government public relations, public information, public affairs, advertising, and related pursuits.

Government is supposed to inform the public of its own activities in a useful, objective, straightforward manner, conveying information that people can benefit from. But Government is not supposed to propagandize. It is not supposed to promote itself. It is not supposed to seek to create a climate of public opinion that is receptive to specific agency interests.

The line between legitimate public information efforts and propaganda can be blurred. That is why conscientious senior Government officials should be ever mindful of the public information-public affairs programs operating within their agencies. Publication policies and procedures are very much a part of the public information-public affairs effort. It is not too much to ask to expect each Government agency to know, and be able to report publicly, the details of its entire public information effort.

Individual agencies which cannot describe in detail their publications policies and programs—their size, their cost, their scope, their justification for existing—are similarly incapable of deciding which publications are useful, which are propagandistic and which serve no official purpose other than to seek to glorify their Federal agency.

Government's inability to control its publications is part of Government's overall inability to account for its public information programs.

On February 1, 1979, Senator Percy and I released a General Accounting Office report we requested entitled, "Difficulties in Evaluating Public Affairs Government-wide and at the Department of Health, Education, and Welfare." The report is dated January 18, 1979.

In this report, GAO said that evaluating the effectiveness of public affairs activities and determining the costs are difficult because public affairs is not uniformly defined and its costs are not uniformly reported.

Commenting on this GAO report, Senator Percy and I said that Government employees working on public relations tasks are often operating under misleading titles that camouflage their true purpose, which is to create a favorable image for their agency's efforts. The Federal Government suffers from "runaway flacksterism." So effective have Government agencies been in cloaking their PR types in disguises that it is now literally impossible to keep track of them.

The GAO study demonstrated that the Federal Government has no way to measure how much it spends on public relations because there is no consistency among agencies regarding what they consider to be public affairs, public information, public education, and paid advertising.

It is apparent, then, that no one can evaluate Government public relations and publications programs for content or for effectiveness because essential information for such an evaluation is not available.

At this time, when Government costs are supposed to be subjected to close scrutiny, here is a big government expenditure that is difficult, if not impossible, to pin down.

On behalf fo the Senate Governmental Affairs Committee, Senator Percy and I have written to James T. McIntyre, Jr., Director of the Office of Management and Budget. We are requesting that OMB provide the committee with an estimate of the size, scope and cost of government public relations-public information programs, including publications programs, on an agency-by-agency basis. Mr. President, I ask that the letter to Mr. McIntyre be printed in the Record.

The letter follows:

Committee on Governmental Affairs,
Washington, D.C., May 3, 1979.

Hon. James T. McIntyre, Jr.,
Director, Office of Management and Budget,
Washington, D.C.

Dear Jim: Enclosed is a copy of an April 16, 1979, Library of Congress report, "Findings of the 1978 Survey of Publications Policy of Executive Branch Agencies," prepared at our request for the Senate Governmental Affairs Committee. This report shows that the public is not being advised of the availability of sizable numbers of government publications; and demonstrates the need for improved accountability regarding government publications.

Our interest in this subject is part of this Committee's desire to have the government accurately identify its public affairs and public information activities and to estimate their costs.

It is apparent that the cost, scope and size of government public information programs, including publications, are unknown, both on a government-wide and agency-by-agency basis.

This is a troubling circumstance. The costs of Federal public information and related public relations efforts cannot be evaluated by Congress or by OMB until basic information about them is known. Because there is so little accountability in this area, the problem may be out of control.

Our goal is to achieve detailed accounting for Federal dollars spent on public information programs, including writing, printing and distributing publications. Such an accounting should include an estimate of the total number and cost of government publications and a breakdown by agency of public information and public relations expenditures, including Object Class 24. Please advise us as to when such a detailed accounting could be completed.

Finally, in that the Library of Congress notes the possibility that Federal law (Title 44) is being violated by agencies which issue publications but do not report to the Government Printing Office, do you have a plan to improve compliance with this statute throughout the government?

Sincerely,

Abe Ribicoff,
Chairman,
Charles H. Percy,
Ranking Minority Member.●

S. 344: STATEMENT OF SENATOR STAFFORD REGARDING BILLBOARD CONTROL

● Mr. STEVENS. Mr. President, our colleague from Vermont (Mr. Stafford) is absent due to illness today. If he had been here, he would have placed a statement in the Record, together with the letters of the Governors of two States, discussing the present Federal billboard control law. I ask that Senator Stafford's remarks and the letters be printed in the Record.

The material follows:

S. 344: Delaware and Connecticut Add Their Endorsements to a Flexible Billboard Policy

Mr. Stafford. States continue to notify me of their support for S. 344, my bill that would add flexibility to the Federal billboard control law. Recently, I received letters from the Governors of Delaware and Connecticut endorsing this legislation. Of course, these endorsements are not really unexpected. In a poll conducted recently by the American Association of State Highway and Transportation officials, 38 states stated support for pasage of S. 344.

Governor du Pont of Delaware, for example, offered this observation:

"Delaware's Department is in complete agreement with your observations, and agrees that the program should not be mandatory in the states . . . Delaware will go on record as approving your bill."

Governor Grasso of Connecticut wrote to me with this comment:

"We feel that the local zoning laws are effective and when used reflect the feelings of the communities they serve. S. 344 would allow the state to continue to remove nonconforming signs with or without federal aid, at its own pace, and with a program that would serve the local community and provide the results intended by the Beautification Act of 1965 without the continuing threat of the loss of federal aid."

Mr. President, I submit these letters for the Record.

State of Delaware,
Executive Department,
Dover, April 25, 1979.

Re S. 344.
Hon. Robert T. Stafford,
U.S. Capitol,
Washington, D.C.

Dear Senator Stafford: I have had personnel of the Delaware Department of Transportation who work closely with the control of outdoor advertising review your S. 344. Delaware's Department is in complete agreement with your observations, and agrees that the program should not be mandatory in the states.

They did want me to point out that Section 131, lines 17 and 18, contains only the word "compensation" rather that "just compensation". We all realize there is a difference, with the latter already defined by the courts many times. "Compensation" may be subject to a broader definition and conceivably could result in payment of larger sums of taxpayers' money. You may wish to look into this part a little further.

Delaware will go on record as approving your bill.

Sincerely,

Pierre S. du Pont IV,
Governor.

State of Connecticut,
Executive Chambers,
Hartford, April 20, 1979.

Hon. Robert T. Stafford,
Committee on Environment and Public Works, Washington, D.C.

Dear Senator Stafford: Thank you for your correspondence dated March 27, 1979 in which you request our views concerning your proposed legislation S. 344 and the zoning intrusions imposed by the 1978 Highway Act.

The State of Connecticut is comprised of 169 towns. Each of these towns has its own form of government and is authorized by Connecticut law to enact its own zoning laws. These laws include the use of non-conforming structures, the acquisition of these structures and the use of off-premise (outdoor) advertising. The laws also include the form of compensation to be paid for the removal of non-conforming signs and or structures. In most cases the form of compensation is through amortization which conflicts with the requirements of the 1978 Highway Act and constitute a zoning intrusion.

Our legislature is considering this very issue, the payment of compensation for the acquisition of non-conforming signs. It appears, if passed, cash will be paid in those instances that violate federal law and amortization will be allowed when federal law is not at issue.

We feel that the local zoning laws are effective and when used reflect the feelings of the communities they serve. S. 344 would allow the state to continue to remove nonconforming signs with or without federal aid, at its own pace, and with a program that would serve the local community and provide the results intended by the Beautification Act of 1965 without the continuing threat of the loss of federal aid.

Thank you for giving me the opportunity to be of assistance to you. If you have any additional inquiries please do not hesitate to contact my office.

With best wishes,
Cordially,

Ella Grasso,
Governor.●

DO NOT TRADE LONG-TERM NEEDS FOR SHORT-TERM BENEFITS

● Mr. McGOVERN. Mr. President, by continuing to decrease effective Federal support for basic research, extension and teaching through our tried and tested land grant college system, the administration's budget is grabbing for apparent immediate economies at the expense of possible future food shortages, even higher future consumer food budgets, and future inflation-fueling larger deficits in this country's balance of trade. It is a short-sighted policy to let inflation erode our investments in the Nation's future welfare. It is a trend that has been going on since 1966. We must bring it to a halt. The least we can do is to appropriate enough money to stem the decline in loss of trained personnel engaged in basic research, extension and teaching.

To alert the public to the critical state of Federal funding of these activities, many highly concerned farmers, agricultural and rural groups and organizations, farm-related businesses and nonagricultural groups are supporting the efforts of the Committee for Agricultural Research, Extension and Teaching (CARET). This committee, after a careful analysis of the President's budget and in light of the current critical fiscal situation, has come up with a bare-bones requested average increase of only 6 percent plus inflation adjustments for research, extension and teaching—a total of only $84 million.

To give you but one of hundreds of examples of why basic research in agriculture is at least as important as in other fields, I ask that the following quotation from a statement by one of my constituents given to the Senate Appropriations Subcommittee on Agriculture be printed in the Record.

The quotation follows:

Statement to Senate Appropriations Subcommittee on Agriculture by Ralph Leonhardt

We need to know more about how to conserve our soil and water under the intensive cropping practices that are required to meet present economic survival levels in farming. A multidisciplinary approach has been started on our farm. The object of the present research is to better understand the relationship between the soil, the plant, and soil pests. However, the FY 1980 budget threatens the longevity of this research. We are greatly concerned by the decline we see in support for agricultural research in the proposed FY 1980 budget. The major area of our grave concern is the threatened loss of talented, expert scientific personnel. Recent past history of pest outbreaks have severely affected our crop and livestock production. These outbreaks have been reduced and stopped before they became a national catastrophe, but only because we had research scientists at hand and working who had the talent to recognize the outbreaks and the techniques to quickly develop control methods. All of us would like to see inflation checked, but if our agricultural research thrust is diminished regardless of the merits of the cause, it will seriously impair our future production potential and the portion of the American budget used for food and fiber will increase. We encourage the Congress not to trade long-term needs for short-term benefits.●

BROAD SUPPORT FOR TRUCKING DEREGULATION

● Mr. METZENBAUM. Mr. President, I am submitting today several additional newspaper articles and columns which are representative of editorial opinion throughout the country on the subject of deregulation in the trucking industry.

Today's articles are from newspapers in the States of Illinois, Indiana, Iowa, and Kentucky.

I commend them to the attention of my colleagues, and ask that they be printed in the Record.

The material referred to follows:

[From the Chicago (Ill.) Sun-Times, Jan. 30, 1979]

For Deregulating Trucking

We must begin to scrutinize the overall effect of regulation on our economy. Through deregulation of the airline industry we have increased profits, cut prices for all Americans and begun for one of the few times in history actually to dismantle a major federal bureaucracy. This year we must begin the effort to reform our regulatory process for the railroad, bus and trucking industries.—President Carter, in his State of the Union address.

In a country dedicated more than any others to the principle of free, competitive enterprise, and engaged as it is in a concerted battle against inflation, the trucking industry as it has been permitted to function since the chaos of the Great Depression is an anomaly.

In 1935 trucking was granted special protections to permit it to compete against the railroads. These were expanded in 1948 when, over President Harry S. Truman's veto, Congress gave truckers the power to set their own shipping rates through regional rate bureaus, with immunity from federal antitrust and price-fixing laws.

Since then, the infant industry has outgrown the need, but the breast-feeding goes on, still pampering the now-robust members of the American Trucking Associations and the 2.3-million-member teamsters union. As railroads declined and interstate highways buttered the land motor carrier revenues ballooned—to $110 billion in 1977, in contrast to the railroads' $20 billion.

President Carter has been promising legislation to do away with the unnecessary nursing for many months. Right now, he no doubt feels obliged to lie low while he tries to win the support of the teamsters—who are engaged in national labor negotiations—for the voluntary wage-restraint part of his anti-inflationary battle.

But Sen. Edward M. Kennedy (D-Mass.), without such constraints, has beaten him to the draw with a bill that would, among other things, lift the antitrust immunity from trucking industry rate-making. Kennedy figures that its passage, could save consumers as much as $4 billion a year in the prices of products they buy, which represents no mean assault on inflation.

For the national interest, it matters little whether the legislation carries the brand of Kennedy or Carter, or even whether it is delayed until the teamsters contract is settled. What matters is whether Congress will grow the spine to pass it, in the face of awesome opposition by the trucking industry and the teamsters union.

Passage would no doubt, cause dislocations and shakeouts in the industry, probably more severe than those the airlines are now undergoing because Uncle Sams protective leash is being unclipped from their necks.

But the common good might be served even there. With federal protection lifted from trucking, with a measure of free enterprise restored to freight shipping, the sickly railroads might regain some of the business they have lost. And the railroads claim, credibly that they are three times more energy-efficient. Spell that O-I-L.

Voters should watch the performance of their congressional representatives on this issue with critical attention.

[From Crain's Chicago Business, Mar. 12, 1979]

Fill'er Up With Deregulation

The Interstate Commerce Commission is about to get a heavy dose of deregulation backers, including Northwestern University economics chairman Marcus Alexis (CCB, March 5). That's good news for consumers, users of truck transportation and inflation fighters everywhere.

Even without the four new pro-deregulation members, the ICC has been aggressively pursuing a policy that would ease the entry of new carriers into existing routes, abolish rate-setting boards and scrap the insane policy that results in empty trucks plying the nation's highways because they don't have a franchise to carry a commodity from one city to another.

The trucking industry, led by the Chicago-based Assure Competitive Transportation and the national American Trucking Assn., is steadfast in its opposition to deregulation, preferring the comfortable world of beneficent regulation. Protected from antitrust laws and virtually immune from competition, the trucking industry has been able to fix rates and reap the profits that accrue in a government-sanctioned anticompetitive environment.

The abuses are rampant in the industry. A carrier who tries to enter a new route does so only with the consent of existing carriers on the route. A trucker who hauls fasteners to Indianapolis returns to his Chicago base empty because he doesn't have authority to haul the foodstuffs waiting for shipment. The truck company that tries to reduce its rates to attract business runs afoul of the industry's rate-setting bureaus. And with competition but a figment in the trucking industry, carriers were only too eager to surrender to excessive labor demands and pass along the higher costs to consumers without fear of pricing themselves out of the market.

The ICC has set about changing those deplorable situations, and it should get some welcome reinforcement from its new commissioners.

[From the Chicago Tribune, Nov. 10, 1978]

And Now, Trucking Deregulation

Deregulate the airlines, opponents said, and the industry would fly to hell in a handbasket. Nevertheless, the airlines and their unions have been dragged kicking and screaming into fare and route competition. The results: better load factors, lower fares, and record profits for the industry. Now it is trucking's turn.

The Interstate Commerce Commission regulates trucking. The commission's chairman is Daniel O'Neal. Largely in response to pressure from the White House, the Justice Department, and congressional deregulation partisans, Mr. O'Neal wants to stop making an applicant prove that he should be denied.

That would represent the same kind of shift in burden of proof that the airline deregulation legislation has imposed on airlines. In both cases, the aim is to encourage innovative carriers to enter previously monopolized routes so that more competition, better service, and lower prices may result.

Meanwhile, back at the Justice Department, antitrust lawyers are busy drafting a bill that would repeal a law passed over President Truman's veto in 1948. It gave the commission authority to exempt regional trucking rate bureaus from antitrust laws. As a result, trucking firms have formed a kind of over-the-road OPEC in order to fix prices.

This is the kind of price-fixing that Alfred Kahn, as chairman of the Civil Aeronautics Board, did so much to wipe out in the airlines.

Mr. Kahn is now chief administrator of the Carter administration's wage and price guidelines, and is advocating trucking deregulation. Some of the regulatory idiocies that drive up road hauling costs and that drive Mr. Kahn up the wall are "gateway" and "empty backhaul" rules.

Take the case of a trucker authorized for service from Chicago to Madison [142 miles] and from Madison to Milwaukee [79 miles] but not authorized for direct service between Chicago and Milwaukee [92 miles]. That trucker can lawfully serve Chicago and Milwaukee only by carrying cargo through the Madison "gateway" a route 129 miles longer than the direct one between the two cities.

The Justice Department figures that allowing truckers to operate on the shortest routes would not only increase competition but also save up to 51 million gallons a year in fuel and $139 million in transportation costs annually.

Similar savings can be expected if firms hauling goods from one market to another are no longer required to return to the first market empty.

The road to trucking deregulation will be even tougher than it was to airline deregulation because, unlike the airline industry, truckers are united in their opposition and are backed by the Teamsters union, which with its 2.3 million members carries more clout than the airline unions.

The Teamsters fear that trucking deregulation will weaken the union, which will be negotiating new contracts with road haulers next year. That in itself is a good enough reason for the public to wish deregulation legislation post haste. Further cutting down on excessive and inflationary government regulation of business, however, remains the best reason of all.

[From the Chicago Tribune, Mar. 8, 1979]

THE TRUCKERS' STALE ARGUMENTS

Of all our weapons against inflation, competition is the most powerful. Without real competition, prices and wages go up, even when demand is going down.—President Carter, Oct. 24, 1978

Truckers' arguments against deregulation sound more and more like the broken record the airlines played while the Ford and Carter administrations were making the skies more competitive. The passenger market, we were repeatedly assured, was "price inelastic." Lower fares would attract not new passengers to fill half-empty planes but old customers who would simply fly for less and bankrupt the already ailing industry.

Of course, the opposite happened: lower fares opened the market to new customers, filled the planes, and helped the industry ring up record profits. Air travel turned from elitist into mass transportation.

But trucking, it's now said, somehow is different. S. E. Knudsen, chairman of the White Motor Corp., recently told a truckers' association just what it wanted to hear: "Unlike the airline industry, which is price elastic in terms of new passengers, the trucking industry is very price inelastic in terms of new business."

And in an interview with Tribune reporter James Mateja, Bennett C. Whitlock, president of the American Trucking Associations, said: "You can deregulate trucking or railroads and lower rates, and this is not going to create one additional pound of freight to be carried. The supply and demand of the American economy determines how much freight is going to be carried."

There are very few fields in which price does not influence demand, and we doubt that trucking is one of them. In the first place, a decartelized trucking industry could compete for freight now carried by railroads, river barges, and airplanes, on the basis of cheaper fares and better service—or of course lose business to them on the same basis. To the extent that truckers are not restricted by the location of railroads, rivers, and airports, free competition should in fact be to their advantage.

In any event, savings in transportation are likely to be passed along to the consumer. Which leads to our second point. The amount of freight to be shipped depends on the volume of goods that someone can afford to produce and that someone else can afford to buy. Even an efficient producer of widgets in Peoria can't sell many widgets unless he can get them cheaply to markets elsewhere. The cheaper the transportation, the more he can sell—and the more jobs there are in his widget factory and in the wholesale and retail stores that resell his widgets around the country. The demand for trucking, in short, is just as elastic as the demand for everything that trucks carry. So to say that the cost and efficiency of transportation has nothing to do with demand and output is to deny a principal ingredient of the free enterprise system.

Another argument used by some opponents of deregulation is that black truckers wouldn't be able to compete with larger, white-owned firms in an unregulated market. The truth, however, is that there are some 16,000 trucking firms, most of them small and medium-sized and most of them white-owned. Under deregulation, the least efficient would undoubtedly go under—and more of them are likely to be white than black.

In trucking as in aviation, mere bigness is no guarantee of efficiency or probability. Often, smaller truckers [and airlines] are better run and, given the chance to compete freely, able to take business from the lumbering dinosaurs of the industry, some of which have survived only because rate-fixing and route monopolies protect inefficiency and guarantee them a profit at the expense of shippers and consumers.

Finally, if the Justice Department's estimates are accurate, allowing truckers to operate on the shortest routes—as they may not under present regulations—would save up to 51 million gallons of fuel a year. On a daily basis, that's equivalent to about a fourth of the fuel imports we lost when Iran shut down.

For all of these reasons, the truckers' opposition to deregulation indicates to us a short-sighted fear of what change may bring rather than a considered concern for the best interests of the country—or, in the long run, themselves.

[From the Joliet (Ill.) Herald-News, Feb. 11, 1979]

TRUCKERS ARE TOUGHER

Last year, Congress and the Carter administration won deserved plaudits for deregulating the airline industry, an act which increased competition, lowered air fares and boosted industry profits. This year, the trucking industry is targeted for similar liberation.

But while the case for deregulating the truckers is no less compelling than that for the airlines, dragging the protected motor carriers into a free market promises to be far tougher. Where the airlines were split on the question of deregulation, trucking companies grown fat on the protected routes and rates granted by the Interstate Commerce Commission are unified in opposition to deregulation. And the politically potent Teamsters union is also fighting deregulation because of the restraining influence competition would have on wages.

Given the presence of both trucking companies and Teamsters in virtually every congressional district, the pressure to maintain the status quo will be fearsome.

Nor will the arms twisting be limited to Capitol Hill. The Teamsters have reportedly threatened to retaliate against the White House for its support of deregulation by ignoring the president's wage guidelines when new contracts are negotiated with truckers this year.

The question is whether Mr. Carter and Congress can withstand the heat long enough to dismantle a regulatory structure that benefits the few at the expense of the many.

The many in this case are consumers who pick up the tab for the excessive truck transportation costs that result from the ICC's wasteful regulatory policies. Empty trucks rattle back and forth across the country burning up fuel and hiking overall operating costs because of senseless ICC rules against two-way hauling. The trucking companies fix shipping rates, legally, with only a rare objection from the commission's hopelessly swamped staff. And, through the permits it grants for protected hauling routes, the ICC effectively limits both competition and entry of new trucking companies.

How much these regulatory policies cost the public is subject to debate. But a reasonable estimate is that of Stanford University professor Thomas G. Moore, who puts the annual cost at up to $3 billion. That kind of money should light fires under every consumer group in the country.

[From the Springfield (Ill.) Morning Journal-Register, Feb. 2, 1979]

TRUCKING DEREGULATION WILL BE A DIFFICULT TASK

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In theory, Washington began regulating the trucking industry during the 1930s to forestall the rise of a predatory monopoly carrier and to protect the railroads. The 16,000 trucking companies now in operation are adequate defense against any monopoly save one imposed by Washington. And, irony of ironies, Washington's clumsy efforts to regulate the railroads have long since driven most of them to penury.

Regulating the truckers won't save the railroads. But rail carriers might save themselves if only Washington would permit them to set their own freight rates and abandon unprofitable operations.

As for the trucking industry, deregulation would reward the most efficient operators while offering shippers the advantages of a competitive marketplace in which to shop for carriers. We think most truckers, like the deregulated airlines, would find competition a boon rather than a burden.

[From the Muncie (Ind.) Press, Dec. 2, 1978]

DEREGULATE TRUCKING

When the Civil Aeronautics Board moved to deregulate the airlines, the industry and the unions as well let out a howl of protest.

Deregulation would destroy the airlines, they cried.

It would unleash murderous fare-cutting, plunge them into the red, drive the weaker ones into bankruptcy; and thereby result in less competition, not more.

It would force the discontinuance of service to smaller communities, thus leaving many towns and even cities isolated.

It would.

On and on went the predictions of disaster.

The CAB paid no attention, and we all know what happened.

The airlines did cut fares. As a result, passenger traffic soared, and profits soared along with them. Instead of dropping routes, the airlines rushed to open new ones.

The industry has never been healthier, or wealthier.

Some people never learn.

Now the Interstate Commerce Commission is considering deregulation of the interstate trucking industry, and both the White House and the Senate Judiciary Committee's antitrust subcommittee are considering legislation to mandate such a move.

And we are hearing the same wail of despair from the nation's trucking companies that we did from the airlines.

Several dozen of them met in Chicago to launch a war against deregulation. Meanwhile, the American Trucking Associations was circulating a memorandum among its members outlining a proposed bill that would provide for token deregulation in order to head off any significant deregulation by the ICC.

Like the airlines, the truckers insist that regulation is necessary to keep the industry from plunging into chaos, and that, in the long run, it would result in lessened competition, as the larger companies gobbled up the smaller ones.

In the long run, therefore, this would mean higher costs to consumers, they say.

Again like the airlines, they predict that deregulation would force companies to drop less profitable routes.

They're as wrong as the airlines were.

The tears the industry cries for the smaller companies are strictly of the crocodile variety. The larger companies already are swallowing the smaller ones by buying their federal licenses.

A recent analysis by Robert Delaney, manager of internal consulting for Pet Inc. of St. Louis, shows that 1 percent of the 16,000 interstate trucking companies earn more than half of the industry's revenues.

Regulation not only keeps out competition, it also forces the companies into wasteful practices. They must have circuitous routes in order to avoid competition. They must send trucks back empty after dropping a load.

According to Delaney, this causes the industry to waste 500 million gallons of fuel a year. Empty truck mileage, he says, costs the U.S. consumer 1 cent on every package of food, and 37 cents on every pair of shoes.

Sen. Jesse Helms, R-N.C., has estimated the total added cost of regulation to consumers at between $5 billion and $10 billion a year.

Deregulation of the interstate trucking companies could help the consumer, as deregulation of the airlines did.

[From the Muncie (Ind.) Press, Dec. 14, 1978]

EMPTY TRUCKS

Reversing a policy established back in the days of the Depression, the Interstate Commerce Commissison has ruled that a company that sends its own products to market by its own trucks does not have to bring the trucks back empty.

The ICC handed down the ruling in the case of the Avon Corps., which manufactures cardboard boxes in Massachusetts and delivers them by its own trucks to Georgia. The company wanted the right to haul biscuits back to New England.

Under the old policy, it couldn't do that. The hauling of biscuits or any other product made by some other company belonged to a common carrier.

At first glance, the ICC's action seems to make perfect sense. Driving an empty truck from Georgia to Massachusetts is a waste of manpower, rubber, and gasoline, and it pushes up the price of the cardboard boxes.

Nevertheless, the American Transport Assn. is preparing to challenge the action as "arbitrary, capricious and unreasonable." We don't agree with that, but the ATA's position is not without merit.

Assume that the common carrier, which now hauls the biscuits, also brings shoes made in New England back to Georgia. In that case, unless it can find another customer in Georgia that wants to ship its products to New England, it will have to send its trucks there empty, with the same waste of manpower, rubber and gasoline.

The ruling helps Avon and hurts the common carrier, but from the standpoint of the economy, it changes nothing.

We applauded the ruling nevertheless, because it points up the utter senselessness of regulating trucking.

Regulation has led to enormous economic waste, which the nation really could never afford and certainly cannot now in a time of inflation.

Even with the ICC ruling on Avon, trucks still will be riding the nation's highways empty, because other regulations prevent one common carrier from using a route or hauling a product assigned to another.

If trucking were deregulated, some trucking companies unquestionably would go under, because they no longer would be protected from competition. However, the economy as a whole would benefit from lower freight rates.

In the final analysis, it's the consumer who is now paying the price for keeping empty trucks on the road.

[From the Muncie (Ind.) Press, Dec. 29, 1978]

CRYING WOLF

It's no surprise that trucking industry is beginning to wring its hands and unfold horror stories of what will happen to itself and the consumer if deregulation comes.

Its assured profits are in peril.

Reader beware. The stories largely are either myth or worst-case exceptions.

The fact is, regulation of the trucking industry does little to benefit the consumer. What it does is to protect trucking companies from competition, and ensure labor unions—particularly the Teamsters—with ever higher wages that are passed on to the shipper and then the consumer.

In a speech the other day, an official of the American Trucking Association, Allan Musgrove, used a couple of offbeat examples to show how deregulation won't work.

Musgrove said an oil tank truck could not make its delivery and return with a load of milk. Nor would a truck delivering new cars return to the assembly plant with another load of autos.

Both examples are unconvincing pieces of evidence. And they show a lack of imagination.

If forced to compete in a deregulated environment, there's no end to the innovations that would occur in the re-design of trucks to perform multiple functions.

The airline industry, for example, moved away from aircraft designed exclusively for cargo and freight. Now many of the nation's jet liners can be stripped of passenger seats, and quickly converted to freighters.

And speaking of airlines, they too have been dragged kicking and screaming into competition and deregulation.

When British entrepreneur Freddie Laker began his cut-rate trans-Atlantic air service, airlines protected by regulations moaned that the end was near.

Yet, what happened? They followed Laker's lead, and slashed fares.

As a consequence, air carriers, have never been busier, their average passenger loads have never been higher, and profits are at record highs.

U.S. airlines are reporting an industrywide jump in average passenger loads per flight from 56 percent last year to 63 percent this year, and a profit leap from $754 million in 1977 to an expected $1.3 billion this year—a jump of more than 80 percent. And all this with heightened competition and slashed fares.

In time, the truckers will learn the lesson of the airlines. The free market and competition are not so bad after all.

[From the Evansville (Ind.) Courier, Jan. 5, 1979]

DEREGULATION

The essence of the Carter administration's trucking deregulation bill now aimed at the 96th Congress seems to be: the truck lines will do a more efficient job if the Interstate Commerce Commission gets its nose out of the industry.

For the 44 percent of the trucking industry which has been regulated, the ICC has been controlling where trucks go, what they carry, how much they charge and who can get into the business. For some of the bigger truck lines, the ICC control has created lucrative fiefdoms virtually free of competition.

It is no surprise, therefore, that the truck lines who profit from regulation are dead set against its demise. The Teamsters Union doesn't like the idea of deregulation either, fearing a further weakening of its grip on trucking industry.

But regulation of trucking—and railroads, regulated 100 percent—has to go. It is a government artificiality that has done nothing but thwarted efficiency by altering the natural competition of the marketplace while enriching a few and leaving the consumer holding the bag.

Deregulation of the trucking industry promises to be a political fight of the first order, due to the power of some of the richer—regulated—companies and the Teamsters. It will be a fight that will test the mettle of some members of Congress, whose historical courage in the face of politically tough decisions involving special-interest constituencies has been less than enthralling.

But now the political climate for change is substantially different and recent efforts to deregulate of the airline industry was a step in the right direction.

Let's move on toward a truly free American marketplace.

[From the Evansville (Ind.) Courier & Press, Oct. 22, 1978]

MORE DEREGULATION

One of the most noteworthy achievements of the just-ended 95th Congress was passage, with President Carter's enthusiastic backing, of a bill that would unsnarl the airline industry from government red tape.

Get this: The bill envisions the abolishment of a federal regulatory agency. Unless Congress decrees otherwise, the Civil Aeronautics Board goes out of business by 1985.

The bill allows airlines to slash prices without waiting for CAB permission and also allows them to raise prices by 5 percent on routes where they have competition. Higher rate boosts will still have to have CAB approval.

The airlines also will have vastly greater freedom to expand service between cities and eventually discontinue uneconomical service to airports with little traffic. Taxpayer subsidies for small-town service will continue for 10 years.

Most airlines threw up their hands in horror at the thought of removing their comforting blanket of regulation, which led to shared monopolies and little real competition.

But CAB Chairman Alfred T. Kahn, one of the real jewels of the Carter administration, lifted a lot of the price-route restrictions himself, opening up the skies to competition. The airlines responded, offered all sorts of cut-rate fares, and discovered to their delight that their planes were filling up and that they were making money hand over fist. They benefited, and so did the public.

This lesson should not be lost on Congress, nor should it go unnoticed at the Interstate Commerce Commission, where long-outdated regulations still grip (or comfort) the trucking, railroad and barge industries.

Removal of route and rate restrictions on trucks, freight trains and barges would be one of the most salutory developments to come out of Washington in years. The airline bill, we hope, heralds further government action in this field.

[From the Evansville (Ind.) Press, Nov. 17, 1978]

LET THE TRUCKS COMPETE

Normally, the cry from industry is that if only the federal government would get off its back it could provide the nation with needed goods and services far more efficiently.

Not so the trucking industry, however. Far from shackling the big trucking lines, federal route and rate regulation provides them with a comfortable cocoon against the rigors of real competition.

Now the Interstate Commerce Commission proposes to unwrap that cocoon in a significant way, and the big truckers are horrified.

As it is now, when a trucking company wants to serve a new route, it must prove to the ICC that no existing trucking line would be inconvenienced (that is, suffer some competition). That's tough to do.

But the ICC proposes to turn this process around. It would make the trucking lines that already have the route prove that they would be harmed (again, face competition) if the route were opened up to the applicant.

"Unfair!" cries the American Trucking Associations, the industry advocate of the status quo: "We can't prove it. We can only assume it."

What the ATA assumes is that the applying truck line is really going to go after the freight business, offering shippers lower rates or better service than the lines serving the route.

Well, what can possibly be wrong with that? That's what free competitive enterprise is all about, isn't it? If a trucking line has the equipment and the capital and the ambition to underbid or outperform its rivals, then have at it!

More competition, the textbooks say, means lower freight rates, which mean lower transportation costs and, ultimately, stable or even lower prices to the consumer. And that's what the fight against inflation is all about.

There comes a time when children must shed their security blankets. That time has now come for the trucking industry.

[From the Evansville (Ind.) Press, Dec. 9, 1978]

KEEP IT UP

Cry as it might, the trucking industry had better get used to the idea that it is going to undergo some deregulation, just as the airline industry has and the railroad and barge industries inevitably will.

The Interstate Commerce Commission, which has already moved to curb the power of trucking lines to snarl in red tape a rival line's request to offer new service, has struck a blow for competition.

ICC says that manufacturing firms which use their own trucks for long-distance deliveries will no longer be forced by regulation to "dead-head" (travel empty) on the return trip. Instead, these companies may fill their empty trucks with cargo in competition with regular trucking lines.

This makes excellent sense. The idea of empty trucks rolling around the highways is indefensible in these days of sky-high energy costs.

But the American Trucking Association, lobbying group for the established trucking lines, wails that the ICC's action is "arbitrary, capricious and unreasonable," i.e., it upsets the truckers' applecart.

The ATA fears that the new competition will hurt the business of the regular carriers. But the ICC's answer was blunt:

"It is not this commission's purpose to provide protection for regulated carriers, rail, water or motor, when the public's interest in more adequate transportation service could best be served by authorization of a new, competitive service."

Exactly.

The days of Washington regulation of transportation industry routes and rites are drawing to a close, and a good thing, too. Real competition is the best anti-inflation medicine there is.

Keep it up, ICC.

[From the Indianapolis (Ind.) News, Nov. 14, 1978]

FREEDOM FOR TRUCKING

There may have been—and may still be—a few hitches in freeing the bonds of regulation on the airlines, but the consumer's balance sheet says it was a good move.

Now, we may see the same kind of freedom given to trucks. But not without resistance, of course.

The Interstate Commerce Commission is trying to put on the brakes. And it's natural for a 90-year-old bureaucracy to resist any changes. When the deregulation proposal was offered last week, ICC members began to see a shower of reasons why the industry should be left alone.

The trucking industry agrees. For years individual truckers have complained about ICC regulations and red tape, but the "chosen" ones enjoying regulatory protection are violently opposed to tinkering with their protector, the ICC. So were the airlines, but they recovered their competitive spirit, and all of us are enjoying lower air fares as well as service to cities and towns formerly unserved.

There are obvious differences between the airline and trucking industries. There are specialized trucking services, such as household moving, that may need more rigid supervision and licensing. But the principle of opening up the industry to more competition is as valid for one as the other.

The Justice Department plan for deregulation would encourage competition by putting the burden for justifying new lines on those who oppose them, rather than upon the new carriers making application.

A pricing zone would be established in which freight rates would be allowed to rise or fall without approval of the ICC. Also, the financially ailing railroads would be allowed to acquire or establish truck lines. There are other proposals designed to loosen up the stranglehold of bureaucratic red tape—all of them good.

We anticipate howls of protest from many sources, but the administration should open the deregulatory throttle and go full speed toward its goals.

[From the Vincennes (Ind.) Sun-Commercial, Nov. 24, 1978]

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[From the Hammond (Ind.) Times, Jan. 8, 1979]

EASING TRUCKING RULES

The trucking industry is gearing up its opposition to deregulation.

Already the Interstate Commerce Commission has revised some of the rules that depress the competitive spirit.

The revisions make it more difficult for established firms to resist the entry of new firms into a particular area. And a company that ships its products in its own fleet of trucks can carry other freight on return trips.

Changes like those make a lot of sense. But more are needed for an industry saddled with an anticompetitive regulatory system, one that allows rate-fixing by trucking cartels and that contains anachronisms which prevent carriers from using the most direct routes between shipper and receiver.

Dismantling this system will be troublesome; the industry has some powerful voices in Congress. The modest ICC changes, for example, drew a challenge from the chairmen of the House Public Works Committee and its Surface Transportation Subcommittee. They said such actions are Congressional prerogatives, and they asked the ICC to cease its rule changing.

It is a strange contention; if the ICC can get done what would take Congress years to accomplish, why not, let the red tape of legislative haggling be cut as much as possible.

Besides the ICC ought to be able to modify its own rules, just as the Civil Aeronautics Board did with its rules for commercial aviation. Those changes boosted airline profits enormously, while leading to lower fares for travelers as well as many more travelers.

The same results are predicted for the trucking industry. The consumer will benefit, proponents of deregulation predict. Several billion dollars in needless costs are passed onto consumers because of anti-competitive rules, according to some economists.

The industry counters by saying that deregulation will jack up prices, force many companies out of business and leave some areas without service. The same arguments were raised by the airlines. And look what has happened.

The arguments are those of the fat and lazy who find it easier to do business and to make money under government protection against hungry competition. This protection lowers the need to hustle, to stay on your toes, to be efficient.

The fat and lazy in the trucking world worry, as well they should, that their operating certificates (excusive right to serve specific markets) would depreciate in value if new firms can enter it more handily than now. Those certificates are worth in the hundreds of thousands of dollars, some in the millions, because they are scarce. They are so valuable they can be used as collateral for loans.

Deregulation need not create chaos. Its goal should be to squeeze the lard out of the trucking business, to stimulate efficiency for the ultimate benefit of the inflation-besieghed consumer.

[From the Keokuk (Iowa) Gate City, Feb. 5, 1979]

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Regulating the truckers won't save the railroads. But rail carriers might save themselves if only Washington would permit them to set their own freight rates and abandon unprofitable operations.

[From the Ottumwa (Iowa) Courier, Nov. 22, 1978]

ICC ACTED SENSIBLY

The Interstate Commerce Commission has abolished a rule that has long prevented energy-efficient use of part of the nation's trucks.

Under the 40-year-old rule, companies which used their own trucks to haul their products to market were prevented from loading the trucks with other goods for the return trip.

On Monday the ICC, by a 5–1 vote, struck down the old rule and opened the possibility of increased competition in the trucking industry.

The ICC's action was deplored, as expected, by the American Trucking Association, a lobbying group which opposes deregulation of the industry. The ATA says the effect of the ICC's action will be to unfairly increase competition between licensed common carriers and the private haulers. A federal court suit has been threatened.

The ATA's opposition is understandable. Common carriers have long been the beneficiaries of government regulations that tended to reduce competition and inhibit efficiency.

There were and are good reasons for some of the rules.

But the bottom line is this: It makes no sense to send empty trucks out on the road.

If the ICC's action will reduce the number of empty trucks on the road, then it was the correct action.

One question remains: Why did it take us so long to begin eliminating such anticompetitive and inefficient regulations?

—JIM CRANE.

[From the Des Moines (Iowa) Register, Dec. 5, 1978]

DEREGULATING THE TRUCKING INDUSTRY

President Carter's winter offensive against inflation is aimed largely at winning labor's moderation in upcoming wage contracts, especially in trucking. And this poses a dilemma for the administration: Gaining the cooperation of the Teamsters may require scrapping plans to make the trucking industry more competitive through deregulation.

Interstate trucks operate around regulatory roadblocks limiting routes, rates and types of commodities hauled. These controls supposedly protect the shipping public. But in practice, they serve only the interests of licensed truckers and, arguably, their unionized drivers.

Formal truck cartels, called "rate bureaus," set their own tariffs, subject only to the tame oversight of the Interstate Commerce Commission. The regulated carriers are free to set these rates high because the commission guards them against competition from unlicensed truckers.

The public's loss in higher shipping costs far exceeds the truckers' gain, for in the process of guarding the cartel, the industry wastes billions. A truck hauling tomatoes from Texas to Pennsylvania, for example, may have to return empty because the owner has no license to carry ketchup.

Even when the operator is lucky enough to obtain the needed certificate—the commission grants exceptions where "backhaul" waste is acute—he may have to detour hundreds of miles because the commission routes carriers around one another's territories. These "gateway" requirements alone increase travel by an estimated 230 million miles a year—at an extra cost of $140 million, 51 million gallons of fuel and some 10 traffic deaths.

Given the sense of crisis over inflation and the success of airline deregulation, Congress might well pass a strong truck deregulation law. But a tough administration stand on deregulation, over industry and Teamster objections, could dash its hopes for their voluntary wage and price restraint. So the White House may have to choose between a major reform and a moderate labor settlement.

Fortunately, Carter has the power to end the worst abuses without a divisive battle.

By carefully filling the four vacancies on the 11-member Interstate Commerce Commission, he could end the relationship long enjoyed by the truckers and their regulators. With the ICC majority openly inviting competition and vetoing inflationary charges, shipping costs could fall sharply. And at some point, the truckers—like the airlines before them—might even decide that deregulation does not look so bad.

Whatever the president's tactics, the goal should be clear. Trucking deregulation is critical to any long-term control of inflation.

[From the Henderson (Ky.) Gleaner, Feb. 15, 1979]

DEREGULATION AID FOR INFLATION FIGHT

Deregulation is in the air, but it turns out to be a very complicated business.

Those who advocate a government solution for every problem might note that it's much easier to start regulating an activity than it is to stop.

After the spectacular success of airline deregulation last year, President Carter's administration badly wants to deregulate the trucking and railroad industries, too. It won't be easy.

The deregulation drive may have more to do with the health of the industries than with the interests of the American consumer.

Congressional Quarterly notes that since transportation costs are a small part of the final selling price of goods, even a drastic reduction would not make much impact on prices on store shelves.

We're not so sure of that. The White House says that red tape in the trucking industry alone costs consumers $1 billion to $4 billion. And healthy industry is always in the public interest.

It's interesting to trace all the lines of pressure on the issue.

The truckers are opposed to deregulation of their industry. They fear it would open the gates to unrestricted competition and lower rates and profits.

The Teamsters Union is opposed to deregulation. It fears shippers would turn to new, non-union transport firms offering lower costs.

The railroads want deregulation for themselves and the resulting authority to set their own rates and abandon unprofitable lines. They contend that it is stifling government regulations that has brought many railroads to the brink of collapse.

On the other hand the railroads want regulation to continue for the truckers. Competition within that industry makes for competition for the railroads, too.

The public interest in this welter of conflicting aims is not really hard to see. The public would be best served if both industries were deregulated. There would be difficult readjustments, of course. Railroads would raise rates where they could. Truckers would be pressed by new competition.

But in time it would all sort itself out. We tend to forget that free enterprise is the best system, not because it's good for business but because it's good for the public.

As President Carter has observed, the best inflation fighter is free and unfettered competition.

From The Paducah Sun.●

WAR GAMES

● Mr. McGOVERN. Mr. President, scenarios about the possible use of nuclear weapons will play an important role during the SALT debate. They usually involve a mix of military and political elements. One scenario holds that a Soviet advantage in several static measurements, such as throw weight or megatonnage, could be turned into political leverage against American interests in crisis situations or against third countries. Another scenario predicts that the Soviet Union would launch a first-strike counterforce attack against our land-based ICBM's while holding the rest of its nuclear weapons in reserve to blackmail an American President into making concessions under the threat of the destruction of American cities.

When these scenarios are presented, most of the attention focuses on the static comparisons of weapons' characteristics while too little attention is given to the political side of the equation. Would political leaders be able to contain nuclear exchanges in neat packages? Can weapons' imbalances be used for political leverage? Would third parties be influenced? In the May 2, 1979, edition of the Washington Post, Meg Greenfield looks at the use of these scenarios and concludes that "as real-life predictions they are a fraud." Her words of caution are worth considering.

I insert the text of her article, "War Games People Play," in the RECORD.

The article follows:

WAR GAMES PEOPLE PLAY

(By Meg Greenfield)

I have been waiting nearly 40 years to get my war stories into print. I served as an air-raid messenger in Seattle, Wash., in World War II, and it's not my fault we never had an air raid. We did, however, have one drill that taught me plenty about war. When the sirens rang out, I dashed from our family dinner table to my room, slammed on my tin helmet and grabbed the belt with the little container for messages and, en route to my neighborhood station, paused briefly (or so I thought) to say farewell—would it be for the last time?—to my loved ones. It was only then that I got the news. "You are not going anywhere," my mother informed me. "It's *dark out.*"

That's the way it is in war. There is always some circumstance you didn't take account of in the advance planning. And, when the real thing happens, these show up your war-game scenarios for what they really are: empty little exercises in theory. Am I really going to compare my childhood experience to the heavy nuclear "strategizing" that is going on all around us now? I can hear you asking the question, and the answer is: you bet I am. In fact, it's not even clear to me which is the more preposterous, my own wartime misadventure or the "if we do this, then they will do that" arguments that are currently filling the air on SALT II.

For the next six to eight months, anyway, we are apparently condemned to hear out and judge these arguments. So let's be clear about one thing. The central dispute over what our and the Russians' SALT-allowed weapons could do to each other has been missing precisely this element of context. The pretend-volleys of nuclear weapons back and forth have a wondrous aspect of ease, efficiency, order and even cleanliness to them. The Russians (we are advised by one side in the domestic dispute) could disable our land-based missiles and our bombers in a devilishly clever limited strike, keeping enough of their own missiles intact to scare us off retaliating. *No way* (comes the response)—the minute we got word of the launching we could fire back enough to make them sorry and still have enough megatonnage in reserve to finish the job, if need be.

It's not just that none of this reminds me of the way things tend to work in wartime. It also doesn't remind me of the way things work in peacetime. It was the misfortune of an administration advocate of civil-defense planning not long ago to brief a bunch of us in Washington shortly before the capital's worst snowstorm in years dumped itself down on our evening rush hour. The three and a half hours it took me to drive the 2¼ miles home provided ample time for reflection on his assertions about how a city evacuation program would work. I found myself wondering whether he and his like-minded colleagues prayed "Please God, *not* while it is snowing"—just as I, in the aftermath of my awful 1942 setback, had prayed for the Japanese to bomb us, if they were going to, before 8 p.m. in July and 5:30 p.m. in December.

Have you ever been in an electric-power failure in New York? Well, at least you have probably seen one on the tube, which will give you the idea. Having myself once been in one of those 40-storied office buildings when it struck—with the paralyzed elevators and the precarious climb down the pitch-black stairway to the street where all traffic lights had gone out and nobody knew how to get anywhere—I am just permanently wrecked for these reasoned, antiseptic musing about how nuclear war is going to be. How it's going to be is how things always are: unexpected, all systems full of surprises, strange saving (or destroying) turns of luck, nothing—absolutely nothing—going according to scenario. Plus: plenty of fire, gas, collapsed masonry, panic, gore. The scene, in other words, is unimaginable—which is surely why we keep trying to imagine it "clean."

It is, of course, true that this curious kind of discourse is 1) not confined to the arms debate and 2) not without its very important, even redeeming, value. The syntax of theoretical nuclear warfare may be a true jungle of conditional constructions and pluperfect verbs and subjunctives that even Cicero never thought of. But so is our current (actually, eternal) economic argument, to take just one case. It too is full of "ifs" and "woulds" and "coulds" and "will haves," all expressing someone's idea of how a lot of things are likely to play out, never mind that we know they won't.

What is distinctive about the nuclear grammar is that, looked at for what it really is, it actually has virtue. This scenario manufacturing makes sense only as a substitute for nuclear warfare, not as a prediction of what it would actually be like. Forget your cold war/hot war conceptions. We and the Soviet Union are, and have been for a quarter of a century now, engaged in a proxy war of nuclear posturing. The battles are real, but not bloody: weapons tests, weapons-development programs, way-out research, monstrous stockpiles and, yes, this dreadful "strategizing" with all the theoretical corpses and theoretical advantages and losses. It may be ugly in tone and spirit and madly deluded in practical respects. But on this surely all will agree: It beats the real thing.

The danger is that we (or the Russians) will in fact confuse the proxy war with a sound basis for fighting a real one. That is why it is so important continuously to supply the missing context to those war-game scenarios the debaters like to trade and never to forget that as real-life predictions they are a fraud. But when you see the weapons-building and storing this way, you also begin to understand the true meaning of the arms deals themselves that a series of U.S. administrations have worked so hard to bring off. They are the truces and cease-fires in the only kind of war that we and the Soviet Union dare to engage in with each other, given what each of us has and each of us knows.

I don't pretend that remembering this will make the coming debate easy or readily understandable or that it will provide any obvious answers on one side or the other to the mean and complicated weapons questions that will be raised. But it is essential grounding in the politics of SALT, and without this understanding of the proxy-war nature of the arms competition, I am certain it is impossible to come out anyplace wise on the SALT debate.

This is one issue, in fact, on which I think we can fairly hail the much-maligned tendency of the electorate not to trust its leaders. There is much moaning about how we are all cynical and suspicious and don't believe what we are told anymore. But if we are talking about people's newly unromantic sense of limitation, imperfection, accident and frailty in public affairs, I can think of no better place to bring it to bear than on these scenarios of how it's going to be when the nuclear sirens go off—provided, of course, the sirens are working that day.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Under such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sale shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I submit for the RECORD the notification I have just received.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., May 1, 1979.

In reply refer to: I-236/79ct.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 79-36, concerning the Department of the Air Force's proposed Letter of Offer to Turkey for other than defense articles and services estimated to cost $111.0 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

You will also find attached a certification as required by Section 620c(d) of the Foreign Assistance Act of 1961 that this action is consistent with Section 620(b) of that Statute.

Sincerely,

ERNEST GRAVES,
Lieutenant General, U.S.A.,
Director.

[Transmittal No. 79-36]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Turkey.

(ii) Total estimated value: Major Defense Equipment,* 0.00 million; Other, $111.0 million; Total, $111.0 million.

(iii) Description of articles or services offered: Logistic and training support for Turkish F-4E aircraft.

(iv) Military department: Air Force (SEA).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Date report delivered to Congress: May 1, 1979.

WASHINGTON, D.C.

Pursuant to Section 620C(d) of the Foreign Assistance Act of 1961, as amended, and the authority vested in me by section 6(b)(1) of Department of State Delegation of Authority No. 104, as amended, I hereby certify that the provision of logistic and training support for Turkish F4E aircraft to the Government of Turkey is consistent with the principles contained in Section 620C(b) of the Foreign Assistance Act of 1961, as amended.

This certification will be made part of the certification to the Congress under section 36(b) of the Arms Export Control Act regarding the proposed sale of the abovenamed articles and is based on the justification accompanying said certification, and of which such justification constitutes a full explanation.

LUCY WILSON BENSON,
Under Secretary of State for Security Assistance, Science and Technology.●

JONESTOWN: FIVE COLUMNS BY MICHAEL NOVAK

Mr. HELMS. Mr. President, last week the results of a new study into the actions of the Department of State regarding the conditions at Jonestown were released. The study, which was commissioned by Secretary of State Vance, found that the State Department all but ignored repeated warnings and allegations concerning the concentration camp-type conditions existing at Jonestown prior to the murder of Representative Leo Ryan and others who visited Jonestown.

Mr. President, we must continue to ask how was it possible for the tragedy at Jonestown to occur? How was it possible for the continued danger signs from Jonestown to be ignored? And were there aspects of the situation at Jonestown which may have insulated it from the usual public scrutiny and comment?

Perhaps one of the best analysis of the dynamics of the Jonestown "experiment" was written several months ago by Michael Novak. As the Ledden-Watson Distinguished Professor of Religion at Syracuse University, Mr. Novak has time and again provided insightful commentary on the relationship between the family, culture and religion. Recently, Mr. Novak's discussion of the Jonestown tragedy was reprinted by the American Enterprise Institute where he is now a resident scholar.

Mr. President, I commend these columns by Michael Novak to my colleagues and ask that they be printed at this point in the RECORD.

There being no objection, the columns were ordered to be printed in the RECORD, as follows:

JONESTOWN: SOCIALISM AT WORK

If Jonestown was a religious colony, why did it have no church, no chapel, no place of prayer? It had a day-care center, a school, a clinic. The religion of Jonestown was explicitly and unequivocally socialism, not Christianity. The cult in Jonestown was socialism. Jim Jones proclaimed mass suicide under the concept of "revolutionary suicide" and "suicide for the glory of socialism." He chose Guyana, the only socialist nation in Latin America, for his protective cover. At his death, he was negotiating with the Soviet Union for a new home for his "experiment in socialism."

The evidence is overwhelming. But "progressive" writers in the press and in the public at large have failed to identify it, preferring to shuck the blame upon "fundamentalist religion." They do not wish to face the real supply of "true believers" today. Jim Jones easily fooled left-wing, progressive politicians. By his own testimony, Jonestown even fooled eyewitness Charles A. Krause of the *Washington Post,* author of *Guyana Massacre.* Right up until the time a bullet hit his leg, Krause says, he intended to write a piece describing how much he admired the ideals of Jonestown. The religion of Jonestown—as he saw it during two days—was in all its essentials the religion of progressive politics. He was impressed.

Krause tried to win the confidence of radical lawyer Mark Lane, as Lane tried to win his, by saying that he was "open-minded." Lane tried to give him favored access. Krause was capitivated by two top aides of Jones, Sarah and Richard Tropp, veteran socialists and participants in the antiwar and civil rights movement. They explained how they had always hated American society. They loved Jonestown, they told him, because there they could build the experimental socialist community they had always worked for. For the Tropps, who were Jews, and others, Jonestown demanded no Christian commitment; its doctrine was "social change."

Other liberal politicians were just as easily fooled. Governor Jerry Brown, Lieutenant Governor Dymally, Mayor Moscone, the social action director for the Council of Churches (until, finally, he awoke, on religious grounds), and many in the liberal establishment of California were deceived by the ideals and principles of Jim Jones. How could they not be? He repeated back to them the catechism of radical politics. He could fill halls with enthusiastic political supporters. He could place 2,000 campaign workers in the fields. He gave money to radical causes. He controlled several thousand bloc votes. Radical politics was his religion, and it was in the air.

Even the name he chose was instructive. His Temple was not God's Temple. It was the People's Temple. Marcelline Jones told the *New York Times* in September 1977 that her husband was a Marxist who held that religious trappings were only useful for social and economic uplift. "Jim has used religion to try to get some people out of the opiate of religion," she said. She told how he had once slammed a Bible on the floor while exclaiming, "Marcie, I've got to destroy this paper idol."

"Neither my colleagues nor I are any longer caught up in the opiate of religion." Jones wrote in his organization's magazine, *People's Forum* (January 1978). After the "socialist suicides," two of his most trusted aides were dispatched with $500,000 to take to the Soviet embassy in Guyana.

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* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

Given a rude shock by nine hundred deaths, Krause dimly saw that he had gone to Jonestown as to a "Potemkin village," as so many "progressive" persons have gone to China, the Soviet Union, Cuba, and other socialist experiments over the years. The capacity of socialists to stage illusions for the true believers of the free world is always underestimated.

The techniques of indoctrination used at Jonestown were not original, but borrowed from those of other socialist experiments, in China, in the Soviet Union, in eastern Europe, in North Vietnam, and elsewhere. People were not permitted to emigrate. Family members were kept hostage. Egalitarianism was effectuated by force. "Socialization" was accomplished by breaking down the individual (bourgeois) ego, by public humiliation, by restricting permissible emotions. Experiments in socialism have, by now a familiar pattern. Rhetoric which destroys the individual and exalts social consciousness clears the way for the socialization of all emotions and the surrender of individuality. The family is the main institutional defender against the collective; it must be destroyed. From being a bastion of privacy and individuality, sex must become publicly and socially administered.

The logic of socialism is anti-individualistic and leads, unless interrupted, to the submersion of the individual self. Egalitarianism is so opposed to the unequal patterns of natural gifts, to the variety and diversity of consciences, that it can only be imposed by force. Those who are attracted to socialism by its moral ideals—by a kind of religious feeling for equality and justice—find it hard to face its actual practical results. Of Jonestown, Mort Sahl said, "Socialists don't do that." The awful truth is that they do. Millions have died in our century showing that they do. In more places than Jonestown, socialism begins in mysticism and ends in terror. It is the fundamentalism of our time.

December 17, 1978

The Press and the Jonestown Suicides

Suppose that Jonestown had been governed by right-wing rhetoric, and that Jim Jones had modeled himself on Hitler instead of Lenin. Suppose that he had chosen military Chile for a location, instead of socialist Guyana. Suppose that Ronald Reagan and Barry Goldwater had been his sponsors, rather than the liberal politicians of California. Suppose that corporate officers from ITT and the Bank of America had given letters of introduction to Jim Jones, rather than progressive politicians. Would the suicides at Guyana have been treated differently by the press?

Oh, how the presses would have hummed with signing phrases about extremism on the right, about the unreason of right-wing fanatics, about the paranoid style of the right. Instead, what we learn from Jonestown is the vulnerability of the news media to deception from the left. For years, the essential facts about Jim Jones have been available. In 1972, the *San Francisco Examiner* ran four articles exposing the fraudulence at the People's Temple, *New West* magazine ran an exposé in July 1977. Deborah Layton Blakey submitted a sworn statement, under penalty of perjury, on June 15, 1978, describing the cruel patterns of daily life in Jonestown, the concept and the ritual practices of socialist suicide, and a full 37-point indictment that has proven to be accurate in every detail.

Still, the press would not believe evil of Jim Jones or Jonestown. Why? What faith, on the part of the press, was stronger? If, as you read the eyewitness account of the *Washington Post's* Charles A. Krause, you ask yourself, "What is Mr. Krause's susceptibility?" the anwer is dismaying.

Krause was skeptical about the defectors from Jonestown, but impressed by the chief aides to Jim Jones. "I was so skeptical I thought Stoen was crazy," Krause writes of Tim Stoen, a Stanford-trained lawyer among the defectors. "But the settlement itself had left a favorable impression on my mind, as had several of the Temple members who had talked to me, especially the Tropps." The Tropps "impressed me as intelligent, articulate and well-educated people," he writes. They "were prototypes of American intellectuals who had gone through the civil rights and anti-war turmoil of the '60s and '70s and were now seeking the good society they had never found at home. They were dedicated socialists with a very clear idea of what the good society meant to them. It meant Jonestown." He became friendly with them, later even kissed Sarah Tropp goodbye, and intended, even as he approached the airplane just before the shooting, to write very favorably about them.

Why? Because they believed in a religion he found compatible with his own values. Their ideals were rather like his. Their piety—"intelligent, articulate and well-educated"—was of the sort his own spirit reasonated to.

The socialist suicides in Guyana were not merely mad, irrational, without meaning. On the contrary, the socialization of consciences at Jonestown had been so thorough that private will and individuality no longer had space to breathe. Jonestown was a lesson in socialist extremism. It was a cult of suffocation of the individual, even unto death.

The techniques for socializing human conscience have been well established in the twentieth century. At Jonestown, the regimen of work went from 7 a.m. until 6 p.m. six days a week, and from 7 a.m. until 2 p.m. on Sunday. Food which gives only minimal energy was served. Long public harangues—often for six hours a night, sometimes all during the night—instilled the social ideology. Public humiliation (beatings, screams, tortures) was administered for "crimes against the community," after which the punished were expected to show gratitude. No technique of the Gulag Archipelago or of the Cultural Revolution appears to have been overlooked at Jonestown.

For outside visitors, Jonestown, warned in advance, conducted a ritual theater of the happy, egalitarian, socialist republic: disciplined, happy people, dancing and eating and singing. Individuals assigned to talk to outsiders were carefully briefed about what to say and to whom. Those predisposed to believe the socialist myth found what they were looking for. The power of socialist illusions over the intellectuals of the free world affords one of the great examples of fundamentalism in recorded history.

So dramatic is the refutation of this gullibility at Jonestown that paragons of progressive politics cannot digest it all at once. They insist that Jonestown was fascist; they never say socialist. Walter Cronkite reported: "At the end, cult leader Jim Jones was described as a drug-crazed, paranoid, power-hungry fascist." In practice, socialist totalitarians and fascist totalitarians are virtually identical. But what is striking is that the press finds it hard to speak ill of one but not of the other.

After having recorded in his own account that Jonestown was a socialist experiment, Krause still tries to evade the evidence and ask Jim Jones' surviving son "if Jonestown had not been an experiment in fascism—with its armed guard and other means of preventing people from leaving—rather than an experiment in socialism." Steve Jones, too, evades the facts of socialism and says: "My father was the fascist. Jonestown was and still could be beautiful."

"Everything beautiful is socialist." Such is our most pervasive fundamentalism, the opiate of the articulate by which the Rev. Jim Jones dazzled progressives even after his death.

December 18, 1978

No Valid Escape From Freedom

The celebration of Christmas offers a perfect occasion for reflection on the socialist suicides at Jonestown, because Jim Jones offered himself to the world as a messiah. Indeed, the cult he represented, socialism, is essentially a messianic cult, diagnosing the malady that afflicts the world as "alienation" and offering a method to remove it. "We have passed beyond alienation," Jim Jones wrote from Jonestown in 1977. "We have found security and fulfillment in collectivism"—even, it was to come to pass, in collective death.

Christianity is a messianic religion, by contrast, in a way that is anti-messianic, that does not promise to remove alienation, that urges us to "take up the cross and follow" the crucified. Christmas celebrates a messiah who does not come as a messiah, but as a child born in mean poverty in a subjugated nation, "abject and despised, and the world esteemed him not" (Isaiah 53). He did not so dazzle others as to take away their liberty. He did not come as a king or general, but as a child. He did not come as blazing God, but as a man. Christmas is the festival of the anti-messianic messiah.

True religion is separated from false by several signs. True religions point beyond any created thing to the Transcendant, in whose light all dishonesties are exposed. False religion makes a god of a leader, of some created object, of some historical system. Thus, Jim Jones referred all things to himself, wishing to be the sole object of desire and power and attention. True religion does not promise to remove all alienation on earth, or to permit human beings to escape from responsibility. It judges even the secret acts of the heart, and scrutinizes every deed, promising a path to be walked in darkness and suffering, as Jesus walked. ("Life is suffering," said the Buddha.) Finally, true religion permits free egress, even apostasy, for it is an affair of conscience. False religions—or true religions corrupted—coerce.

Modern religion—whose most powerful expression is socialism—promises to remove alienation. It promises the beautiful, fulfilled society on earth. It is utopian. Martin Diamond, one of America's most brilliant political philosophers, was for six years of his life a full-time employee of the American Socialist party. He later came to recognize that the very essence of socialism is not its economics or its politics, but its messianic promise. He wrote: "Socialism had initially come to the world messianically proclaiming its unlikeness to all other parties and doctrines and promising the advent of the 'truly human' society. . . . [T]he socialist economic arrangements . . . would transform the human and generate the new human order. The fullness of the utopian intention must be kept firmly in mind. Socialists did not intend merely to mitigate the evils of capitalism or merely to introduce some regulation and control of the economy. They intended its wholesale replacement. Socialists did not intend merely to improve international relations or to moderate the scale or frequency of war. They intended to create the universal family of mankind and to end war forever. They did not intend merely an extension of democracy and equality, but rather the transcendence of democracy and the creation of a new human order of profoundly equal and elevated mankind."

Christianity shares many of the ideals of socialism—cooperativeness, brotherhood and sisterhood, equality, responsibility for changing history. But Christianity, as the festival of Christmas shows, is not utopian. There was no room for Jesus in the inn. In Bethlehem, he was a stranger, vulnerable to Herod and to Roman rule. Infants were slaughtered in an attempt to do away with him. He himself died on the cross, the starkest symbol both of alienation and of the absurd in human history. (If God so treats his son, shall the rest of us get off more lightly?)

The God of Christianity and Judaism permits his people to wander in history in a wilderness. The sufferings, loneliness, anguish, and misery he permits them to share are fathomless. The Jewish-Christian God is no *deus ex machina*, no Pollyanna, no goody-two-shoes. He obliges each individual, in the darkness, to exert his or her own inner liberty and choice. He is the God of liberty. He exacts enormous and wearing responsibilities. He is the God of humble deeds and hidden virtues, who delights in the motions of the heart even of the most forgotten and most miserable among us, a God who sees not only external circumstance but interior life.

The God we turn to on Christmas is not a God made in our measure, nor is he a function of our needs, personal or social. He does not rescue us from our responsibilities, mistakes, or betrayals. For our ideas, we bear the consequences. He offers no escape from the toils of history, chance, and contingency. He is the Lord of the absurd, hidden from view, not understandable. He transcends our purposes and our needs.

Many cults today, political and pious, offer an easier messianism, a happier salvation, a more utopian political and social hope. The God of Jews and Christians obliges us to struggle and to suffer, even when there is no hope. There is no valid escape from freedom, even in despair; such is the anti-messianic messianism of Christmas.

December 23-24, 1978

WHY JONESTOWN DESTROYED THE FAMILY

Many commentators seem not to wish to understand how nine hundred persons could voluntarily go to their deaths at Jonestown. But Jim Jones understood well enough how to organize collective death, so the answer cannot be all that mysterious.

Beginning in September 1977, more than a year before the actual suicide, Jim Jones held late-night emergency alerts at Jonestown at least once a week. His collectivists had worked in the field six days a week from 7 a.m. until 6 p.m., had been kept awake for as long as six hours a night for public harangues, were poorly fed on rice, beans, and weak tea, and in this condition were told, week after week, that they were about to die. In sworn testimony on June 15, 1978, which the press refused to take seriously, Deborah Layton Blakey, one of Jim Jones's closest aides, testified as follows: "Life at Jonestown was so miserable and the physical pain of exhaustion was so great that . . . I had become indifferent as to whether I lived or died."

On many occasions, Jim Jones made all of his followers drink a red liquid. Sometimes he told them in advance that they were about to drink poison, sometimes he told them after they had drunk it that they would die in fifteen minutes. Thus, socialist suicide was enacted not once but many times. The early rituals, Jones explained, were a "loyalty test." "There was constant talk of death," Mrs. Blakey testified in June 1978. "In the early days of the People's Temple, general rhetoric about dying for principles was sometimes heard. In Jonestown, the concept of mass suicide for socialism arose."

Jim Jones taught the evil of individual will. He supplanted many individual wills with one socialized will. The techniques for doing this have been known since at least the time of Plato's *Republic*, although modern collectivized states have routinized the science. The first and chief obstacle that must be eliminated before individual liberty can be destroyed is the family.

This, no doubt, is why the People's Temple depended on the destruction of the family. The family is a mediating institution, a center of resistance to the collective. It is a source of noncollective loyalties, a protector of linked individuals, a haven of privacy, common sense, and self-determination. Through a grave weakness of political thought since Hobbes, only two poles of human reality are analyzed carefully, the individual and the state, while the family and other mediating institutions are tragically neglected. Jonestown flashes glaring light on this inadequacy.

Jim Jones subjected marriage, child-bearing, and child-rearing to collectivist controls. He imposed marriages. He forced them to dissolve. He bred different men with the same woman, different women with the same man. He instructed family members to spy upon each other. He took children from their mother, from their father, or from both. He forced women to watch their men have sexual intercourse with other women or with me. He forced men to watch their wives submit to other men or women. He placed all women and men on call to himself, so that he might be the sole legitimate and overriding object of desire. He wished to be, not only the community's one true god, but also its one true center of sexual will. He wished to destroy individualism.

In destroying family relationships, Jones "deprivatized" sexual relationships. He destroyed not only family loyalties, but sexual privacy, and—in the process—self-determination. For in reality there is a complicated mystery to human sexual relations, little understood in these days of playmatehood and popular mechanics. In ways difficult to analyze, our own freedom and identity are deeply affected by sexual communion. Sexual communion is a unique symbol of free giving and free belonging. Rape is so brutal an act because it violates this liberty, destroys this symbol of freely given friendship, and for the person raped injures it for many long years.

What appears to have motivated Jones is not solely lust, nor solely the power over women and men that sexual commerce provided him. Rather, it was the profound knowledge that to socialize sexuality was to destroy individuality. Sexual identity is a citadel of self-determination. To destroy the self in sex is to destroy the self. To destroy the family is to rob sex of its protective institution and its lovely symbol of abiding friendship. To destroy the family is to destroy a pattern of loyalties and interests potentially hostile to those of the collective. In this sense, the family—that bond of permanent friendship between a man and a woman, poignantly expressed by the communion of male and female body, and expressive of the survival of the human race through procreation—is the strongest single source of individualism. Strong families nourish strong individuals, even against the state.

Thus, Jones had to destroy the family: first, to wipe out individual will, so that into its empty place might sweep collective will; and, secondly, to break the ties of one generation to the next, and thus abort his community. Then and only then could nine hundred former individuals, in ranks of fifty, be led to fall face-down, embracing one another in collective death.

December 30, 1978

GUYANA AND LIBERTY'S RESULTS

People I know who wouldn't dream for a moment of subscribing to the notion of original sin in individuals far too easily see sin and sickness in society. They read every new event as fresh evidence that this society is sick. Crime rates prove that America is sick. The Symbionese Liberation Army and the Manson gang prove that this society is sick. The mass suicide of 909 emigres in Guyana shows that America is sick. Tom Wicker has even written that genocide in Cambodia is due to sickness here.

One would have thought that any free society would permit rather ample exhibition of sickness among human individuals. Such evidence would serve to measure the health of liberty in that society. For a free society does not accept responsibility for every pathological expression of human liberty in its own midst. It yields its freedoms not only to those whose health is certified but also, without discrimination, to all.

In an odd way, then, the suicides in Guyana are a tribute to the health of liberty in the United States. Liberty is an instrumental good. It does not, of itself, command that those under its regime must act in such and such a manner, doing only thus and so. It does not give one answer only to the question, Liberty for what? It permits to individuals a staggering array of choices.

The members of the People's Temple who died in Jonestown did not represent the first radical utopian community upon these shores. Their stated beliefs and principles up to the time of the mass suicide were a pastiche of utopian socialism, fundamentalist religious piety, and sexual experimentation. They were free to practice—even to invent—a political life, a religion, and a sexual practice of their own. For the most part, apparently, they were law-abiding, good, well-meaning persons, manifesting evidences of idealism.

Such people sought a form of communal life they felt could be better practiced in the outlands of Guyana than here. Their leader, Jim Jones, going mad, apparently had plans for a community that could not survive the scrutiny of the free institutions of the United States. Far from the press, far from congressional committees, far from public supervision of any sort, he obscurely felt, practices could be developed that a free society would judge as less than free. Indeed, the extension of the institutions of a free society into his midst triggered the final madness. Better death, he seems to have concluded, than the argument, scrutiny, and criticism of a free society.

Had the disaster occurred within the continental United States, under the sway of our free institutions, even that mass suicide would have been a mad, erroneous, but clear tribute to liberty. So long as institutions do not harm others or the basic practices of liberty, such institutions are permitted to grow here. For generations, serious thinkers argued that no democracy could survive the madnesses harbored in the human breast. Popular excesses would destroy democracies, such thinkers believed. The noble experiment conducted on these shores for some two hundred years has proved this pessimism wrong.

Yet the price we pay for our liberties is high. Each of us is assaulted, night and day, by conduct and ideas we feel instinctively "there should be a law against"—conduct and ideas we find corrupt, unfree, destructive, dangerous. Still, our institutions properly instruct us to be tolerant, to live and to let live, to concentrate upon our own moral visions, without undue efforts to force others to conform to ours. We suffer many fools, much madness, and an uncommon fund of criminality.

A free society is not a society in which every person is healthy and good (according to one vision of health and moral goodness). It is a society in which competing visions clash, in which individuals find their own way through countless mazes, in which confusions multiply and insecurities abound, in which the experiences of nothingness and alienation and loneliness are, for many, daily bread. But these are signs of health. These are the necessary accompaniments of liberty on earth.

Liberty means, in practice, the right to sin, the right to err, the right to do what is (in the eyes of others) corrupt and even self-destructive. Liberty does not make humans good. It permits what humans are to express itself and to become visible. That is why free societies must, necessarily, seem shocking. That is why they must seem to those brought up under more severe traditions scandalous, of flagrant wickedness. For what individuals in their liberty decide to do with their lives cannot reasonably be expected to be in all cases saintly, good, enlightened, or even reasonable.

The power of goodness and reason in individual human lives has always been weaker than optimists have longed for. Yet, given the powerful support of traditions, rituals, and institutions that try to teach, instruct, and strengthen enlightenment and moral goodness, individuals in a free society do give evidence of an astonishing degree of goodness and reason. "In political life, one should expect," Aristotle taught, "only a tincture of virtue." Our institutions have trained us to strive for more than a tincture of virtue. Many attain it. Yet precisely because our institutions are free, they also permit us to see the worst that liberty can lead to, even the horrors.

December 9, 1978.

AUTHORIZATION TO FILE REPORT ON SENATE RESOLUTION 15

Mr. CHURCH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to file its report on Senate Resolution 15 after the Senate stands in recess today and no later than midnight.

The PRESIDING OFFICER. Without objection, it is so ordered.

MX MISSILE

Mr. HATCH. Mr. President, I was shocked to read in the New York Times yesterday a report that the Carter administration is now considering the alternative of scrapping the MX program entirely. I cannot remain silent on this issue. It seems that there is no limit to the number of unilateral concessions that the President is willing to make to the Soviets. The administration hides behind the simplistic rhetoric of peace while all the while it tampers with the future security of the American people.

It is no secret that the Soviet Union has continued to build its own military, and particularly its nuclear force, at an alarming rate over the last decade. It is no secret that the advantages once held by the United States in strategic weapons have now all but vanished. It is common knowledge that while the United States has remained passive in its development of new weapons, the Soviets have not only developed improved weapons, but they have deployed several new generations of missiles and now have a fifth generation in development.

Testimony by the Secretary of Defense, Harold Brown, has admitted that our land-based ICBM force will be vulnerable to a first strike by the early 1980's. This is a revised update of this vulnerability, which previously had placed it at the mid-to-late 1980's. Based upon more recent data the CIA has concluded that the Soviets have made more progress in their missile program than had been anticipated. What this means is that the U.S. ICBM force, now consisting of the Minuteman I and II along with the aging Titan missile will be vulnerable to a Soviet first strike and thereby cripple the U.S. capability to retaliate with the proper counterforce.

The article in the Times points out that the administration is now considering the obvious conclusion of any decision to cancel the MX, that being the elimination of all U.S. land-based ICBM's. This would necessitate the placing of this force in submarines. Many of the key people in the administration are of the belief that our submarine force is invulnerable. This is a dangerous line of thinking.

The United States has maintained its nuclear force in the form of a triad for many years. The reasoning behind this his been, and continues to be, that this would allow the United States many options in the face of a nuclear attack, while at the same time posing a multiple mode of attack for the Soviets to defend against. Much of the Soviet defense spending has been expended on efforts to defend against the multifaced attack ability. To eliminate one leg of the triad would then permit the Soviets to funnel more of this spending into the area of antisubmarine warfare (ASW). Whatever the factor of vulnerability may be at the present time, increased spending on ASW technology will inevitably lead to breakthroughs in this field. Where will the United States be when this occurs? Already both the United States and the Soviet Union are engaged in research of several innovative techniques that may be helpful in locating submarines.

Another problem that must be dealt with concerns the communication gap between the submarine and the decision to launch a counterstrike against the Soviet Union. The principle of run silent, run deep which is espoused by the advocates of submarine use as launchers is based on the fact that they cannot be detected. Part of this avoidance of detection stems from the fact that they do not engage in constant communication with others. In order for them to do this they must float an antenna to the surface, increasing the chance of detection, and either receive regular messages or initiate communication themselves. In any event, they are compromising their position.

Another aspect of this problem is the number of attack submarines that the Soviets have on patrol. An important aspect of their mission is to keep track of U.S. SSBN's. This practice, known as tailgating, is practiced with regularity. At the present time they have over 200 such submarines. We have a total of 41 missile carrying submarines, of which only about 27 would be on patrol at any given time. This number will fall as the Polaris submarines are phased into the new mode of operational standby status they will assume in the near future.

Mr. President, the debate over the MX has centered on the question of the basing mode that would be chosen. In all testimony received in the Congress the military experts of this country have supported the need for the MX. We have talked a great deal about the perception of the United States as a superpower. To cancel his missile at this time, on the eve of the signing of SALT II, is an irrational decision. What concession from the Soviets have we gained from such action? What concession did we gain with the cancellation of the B–1? If the Triad as a planning mechanism for defense is outmoded, then why are the Soviets rushing to increase the strength of all three legs of their own Triad? Why have they deployed newer and larger missiles, bigger and better submarines and more technologically advanced bombers such as the Backfire B? The answers to these questions are obvious. They view the question of nuclear war as inevitable, and their doctrine encompasses such a conflict as not only conceivable, but also they will fight and win such a conflict.

I think that we in the Congress have been hoodwinked by the administration. I think that the question of the MX should be decided once and for all before any SALT agreement is signed and sent to the Senate for ratification.

I ask unanimous consent that the New York Times article of May 6, 1979, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

U.S. WEIGHS HALTING MX MISSILE, SHIFTING TO A SUBMARINE WEAPON

(By Richard Burt)

WASHINGTON, May 5.—The Carter Administration, nearing a crucial decision on how to deploy a new intercontinental missile, is considering a possibility of scrapping the controversial weapon altogether and building instead a more deadly submarine-launched missile, White House and Defense Department officials said today.

They said a proposal for abandoning the mobile missile, known as the MX, was one of five options for American strategic forces discussed yesterday at a meeting in the White House.

The meeting, presided over by Secretary of Defense Harold Brown, examined various choices to enable the United States to respond to growing vulnerability of its land-based missiles to new and highly accurate Soviet missiles.

According to the officials, the meeting set the stage for a major debate in the Government over strategic policy. While no formal decisions were taken at the meeting, officials said the choices confronting President Carter on the MX were by and large narrowed down to two.

One alternative, strongly favored by the Air Force and many Pentagon aides, calls for building the MX and deploying it in a "shell-game" basing system in which about 250 of the missiles would be shuttled at random among thousands of underground silos. An enemy could never be certain where the missiles were.

The other alternative that received backing at the meeting was for the United States to de-emphasize land-based missiles and place greater reliance on submarines.

OPTION FOR SUBMARINE MISSILE

Under this option, the United States would forgo the MX and build a new and more powerful submarine-launched missile, the Trident II.

While the new missile would be put on the Navy's new class of Trident subs, officials said it could be designed so that it could also be fitted in the 1,000 underground silos used to protect land-based missiles.

The proposal for scrapping the MX is strongly opposed by the Air Force and most Pentagon civilians. But it has gained support in recent days among officials in other areas of the Government, who maintain that a new submarine-launched missile would facilitate future arms control talks with the Soviet Union.

This debate is said to have presented President Carter with his most difficult military choice so far. His decision, which is expected in the next few weeks, will have great bearing on whether the United States maintains the so-called strategic "triad," the three-pronged arsenal consisting of land-based missiles, strategic submarines and long-range bombers.

Pentagon officials say that if the MX is abandoned, the United States will have to phase out land-based missiles and rely on submarines and bombers for nuclear deterrence.

At the same time, Mr. Carter's decision on the MX is also likely to have a major impact on his ability to obtain Senate approval for a new strategic arms treaty, which would cover these misiles. Many White House and Pentegon officials believe that without approving the controversial missile, Mr. Carter would find it nearly impossible to gain support of Senate conservatives for the accord.

Until now, it had been widely assumed that Mr. Carter would approve full-scale development of the MX and that the only issue that remained to be resolved was how the mobile missile would be based. In the last year, the Air Force has developed several plans for protecting the missile from a possible Soviet first strike, and in January the Administration asked Congress for almost $1 billion to begin developing the system.

The Air Force has presented the Administration with three choices for deploying the mobile missile: hiding it among a large number of silos; deploying it aboard a new type of cargo plane; and putting it on big trucks that would travel on highways or roam around the countryside.

None of these proposals has gained widespread Government approval and officials report that a suggestion for scrapping the system and putting a new missile on submarines instead has won growing support.

The officials said that at the meeting yesterday, the idea of putting the MX on planes was criticized as being far too costly and that the plan for moving the missile around on trucks was viewed as not offering sufficient protection against Soviet attack.

Accordingly, officials said that the Administration's choices had been effectively reduced to either approving the "shell-game" basing system for the MX or building the new submarine-based missile.

Although many State Department and arms control aides argue that the "shell-game" system would make the vertification of future arms accords nearly impossible, William Perry, director of research and engineering at the Pentagon, is said to have outlined a possible solution at yesterday's meeting for easing the monitoring problem.

The plan would enable Moscow to count the missiles, while their exact location would remain a secret.

Despite this, many officials remain skeptical whether the "shell-game" basing scheme would be compatible with the Administration's arms control goals. Mr. Carter is also said to have doubts on this score.

ORDER FOR RECESS UNTIL TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 12 noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders are recognized tomorrow under the standing order, I be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, it is hoped that the standby gas rationing resolution will be ready to call up tomorrow, and it is possible that another resolution on the same subject could be called up. The gas rationing resolution is highly privileged under section 552 of the Energy Policy and Conservation Act. There is a statutory time limit of 10 hours for debate on the measure. That time can be reduced by way of nondebatable motion.

In addition, there may be action on Calendar Order No. 61, the supplemental food program, and action on Calendar No. 67, the rail public counsel. There may be other measures cleared for action by tomorrow, so I suggest that Senators be prepared for rollcall votes on tomorrow.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until 12 noon tomorrow.

The motion was agreed to and, at 6:12 p.m., the Senate recessed until 12 noon tomorrow, May 8, 1979.

NOMINATIONS

Executive nominations received by the Senate May 7, 1979:

Department of Commerce

Luther H. Hodges, Jr., of North Carolina, to be Under Secretary of Commerce, vice Sidney Harman, resigned.

Department of State

Frank V. Ortiz, Jr., of New Mexico, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Guatemala.

Overseas Private Investment Corporation

William M. Landau, of New York, to be a member of the board of directors of the Overseas Private Investment Corporation for a term expiring December 17, 1980, vice Wallace F. Bennett, term expired.

Federal Labor Relations Authority

Leon B. Applewhaite, of New York, to be a member of the Federal Labor Relations Authority for a term of 3 years (new position).

In the Army

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Jeffrey Greenwood Smith, 257-30-8277, (age 57), Army of the United States (major general, U.S. Army).

In the Navy

Vice Adm. Frank D. McMullen, Jr., U.S. Navy, (age 54), for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

In the Marine Corps

Lt. Gen. Thomas H. Miller, Jr., U.S. Marine Corps, (age 55), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

Lt. Gen. Lawrence F. Snowden, U.S. Marine Corp, (age 58), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

In the Air Force

Lt. Gen. Raymond B. Furlong, U.S. Air Force, (age 52), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Stanley Milward Umstead, Jr., [redacted] FR, U.S. Air Force.

CONFIRMATION

Executive nomination confirmed by the Senate May 7, 1979:

Department of Health, Education, and Welfare

Benjamin W. Heineman, Jr., of Illinois, to be an Assistant Secretary of Health, Education, and Welfare.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Monday, May 7, 1979*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Unless the Lord builds the house, those who build it labor in vain. Unless the Lord watches over the city, the watchman stays awake in vain.—Psalms 127: 1.

Almighty God, as we seek to meet our responsibilities, give us the awareness to look not only to the immediate needs and the concerns of the moment, but to be enlightened by the majesty of Your creation and Your eternal spirit. We give thanks that we can know and share the fruits of that spirit—the attitude of tolerance and reconciliation, of justice and righteousness, of good will and understanding, of patience and loving care for others.

Watch over us and cause Your blessing to be upon us, that we may serve all the people with sincerity and truth, and so be faithful to the trust given to us. This we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 348. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman;

S. 429. An act to authorize appropriations for fiscal year 1979, in addition to amounts previously authorized for procurement of aircraft, missiles, naval vessels, and other weapons, and for research, development, test, and evaluation for the Armed Forces, and for other purposes;

S. 613. An act authorizing the President of the United States to present a gold medal to the widow of Hubert H. Humphrey; and

S. 631. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to John Wayne.

PERMISSION FOR SUBCOMMITTEE ON SURFACE TRANSPORTATION AND SUBCOMMITTEE ON AVIATION OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO MEET TODAY DURING 5-MINUTE RULE

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the Subcommittee on Surface Transportation and the Subcommittee on Aviation of the Committee on Public Works and Transportation may meet today during the 5-minute rule for the sole purpose of taking testimony.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

□ 1205

PEOPLE UNDERSTAND WHY

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, the taxpayer back home, the so-called ordinary citizen has a good idea why we are in trouble here in Washington. They have figured out why there is inflation and high taxes. They know that this liberally controlled Congress has been on a spending binge for more than a decade now and that the chickens are just coming home to roost.

Take food stamps, a subject of considerable debate on the budget resolution last week. One of my valued constituents, Bill Hunter of Coshocton, Ohio, sent me a letter with a front-page article from his local paper which headlined:

> Congress Seeks Answers on Food Stamp Situation.

The gist of the article was that Congress seemed perplexed about the increasing cost of the food stamp program, increased participation and the failure of estimates that the 3 million new people coming into the program would be offset by administrative changes eliminating higher income people, and so forth.

Bill had a pretty good answer as to what caused the "perplexing" increases in costs. Here is his letter to you:

> Can it be—
>
> (a) That your associates are that stupid?
>
> (b) That reporters are equally stupid? or
>
> (c) That they think we are completely dumb?
>
> What other result could come from a yearlong campaign by telephone, radio, newspaper, billboard, and house-to-house canvas, beseeching all who would listen to sign up for food stamps. That is what has been going on in Coshocton County, and I doubt if we are unique.

Bill Hunter has his eyes open. He knows. He is not perplexed. There are millions of Bill Hunters in this country, I would say to my free-spending colleagues, and they are wise to you.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote of the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by "nonrecord" votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

TREASURY DRAW AUTHORITY EXTENSION

Mr. MITCHELL of Maryland. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3404) to amend the Federal Reserve Act to authorize Federal Reserve banks to lend certain obligations to the Secretary of the Treasury to meet the short-term cash requirements of the Treasury, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3404

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 14(b)(1) of the Federal Reserve Act (12 U.S.C. 355(1)) is amended by striking out ": *Provided,* That," and all that follows through the end thereof and inserting in lieu thereof a period.

(b) Section 14(b)(2) of the Federal Reserve Act (12 U.S.C. 355(2)) is amended by striking out "any agency of the United States" and inserting in lieu thereof the following: "The United States or any agency of the United States, and to lend, under the direction and regulations of the Federal Open Market Committee, any such obligation to the Secretary of the Treasury".

(c) Section 14(b) of the Federal Reserve Act (12 U.S.C. 355) is amended by adding at the end thereof the following new paragraphs:

"(3) In unusual and exigent circumstances and when authorized, for renewable periods not to exceed thirty days, by the Board of Governors of the Federal Reserve System pursuant to an affirmative vote of not less than five members, to buy and sell, without regard to maturities, directly from or to the United States any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest. Such purchases and sales shall be made in accordance with the provisions of section 12A of this Act. The Board of Governors of the Federal Reserve System shall include in their annual report to Congress detailed information with respect to direct purchases and sales from or to the United States under the provisions of this paragraph.

"(4) The aggregate amount of obligations acquired directly from the United States or loaned directly to the United States under the authority of this section which is held or loaned at any one time by the twelve Federal Reserve banks shall not exceed $15,000,000,000.".

Sec. 2. Section 14 of the Federal Reserve Act (12 U.S C. 353 et seq.) is amended by adding at the end thereof the following new subsection:

"(h) The Secretary of the Treasury shall have the authority to borrow, subject to the approval and rules and regulations of the Federal Open Market Committee, any obligation referred to in subsections (b)(2) and (b)(3) from any Federal Reserve bank and to sell any such obligation in the open market for the purpose of meeting the short-term cash needs of the Treasury. Not later than six months after the date of sale of such an obligation, the Secretary of the Treasury shall repurchase such obligation and return such obligation to the Federal Reserve bank from which such obligation was borrowed. The aggregate of the face amount of obligations borrowed under the authority of this section shall be included, during the period of such borrowing, as part of the public debt subject to the limitation imposed by section 21 of the Second Liberty Bond Act (31 U.S.C. 757b).".

SEC. 3. (a) Except for the amendments made by subsection (a) of the first section of this Act, and except for the amendment made by subsection (b) of this section, the amendments made by this Act shall be effective only during the five-year period which begins on the date of enactment of this Act. Upon the expiration of such period, each provision of law amended by this Act, except section 14 (b) (1) of the Federal Reserve Act, is amended to read as it did immediately prior to the enactment of this Act.

(b) Upon the expiration of the five-year period which begins on the date of enactment of this Act, section 14(b)(1) of the Federal Reserve Act (12 U.S.C. 355(1)) is further amended by adding at the end thereof the following new sentence: "Notwithstanding any other provision of this Act, any bonds, notes, or other obligations which are direct obligations of the United States or which are fully guaranteed by the United States as to principal and interest may be bought and sold without regard to maturities but only in the open market.".

□ 1210

The SPEAKER. Is a second demanded?

Mr. WYLIE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Maryland (Mr. MITCHELL) will be recognized for 20 minutes, and the gentleman from Ohio (Mr. WYLIE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3404 would extend for 5 years the authority of the Treasury to quickly obtain funds to meet shortrun emergency cash needs. Extensions of this authority have been granted on 22 occasions since originally being granted by Congress in 1942. Last year it was extended until April 30, 1979, by Public Law 95–534.

The authority provides a backstop for Treasury cash and debt operations. It assures that the Treasury will be able to raise cash almost instantaneously in emergencies. It has been described by Treasury officials as "a key element in all of the Treasury's financial planning for a national emergency." Because it gives Treasury nearly instantaneous access to cash, the authority permits Treasury to operate with substantially lower cash balances than it could do otherwise.

Until now the law has required that Treasury meet any short-term cash needs by selling securities directly to the Federal Reserve, and given the Federal Reserve authority to buy securities directly from the Treasury. The problem with this approach is that it complicates the Federal Reserve's efforts to control money supply growth because direct purchases of Treasury securities by the Federal Reserve, in effect, create new money. Yet there could be times when Treasury cannot prepare and market a new security quickly enough to meet an unexpected shortrun cash need.

H.R. 3404 solves the problem by incorporating a proposal introduced by my colleague GEORGE HANSEN, the ranking minority member of my Subcommittee on Domestic Monetary Policy. The Hansen proposal permits the Federal Reserve to lend seasoned securities in its portfolio to the Treasury when Treasury faces a short-term emergency cash need. Because they are seasoned, Treasury will be able to sell securities borrowed from the Federal Reserve quickly enough to meet any unexpected cash needs, which may arise, for example, because tax revenues are unexpectedly delayed or low. No new money would be created by this procedure. It involves only a transfer of existing funds from public buyers of the seasoned securities through the Treasury to public entities being paid by Treasury.

Treasury would have to return an equal amount of any securities it borrows from the Federal Reserve within 6 months, just as it must repurchase any securities it may sell directly to the Federal Reserve within 6 months. Also, any loans of seasoned securities to the Treasury would be subject to the regulations of the Federal Reserve's Open Market Committee, just as direct purchases now are and would remain.

Whether Treasury meets future emergency cash needs by borrowing seasoned securities from the Federal Reserve and selling them on the open market or selling its own securities directly to the Federal Reserve, the amounts involved will be added to the national debt. This legislation permits no escape from whatever debt ceiling we impose on the Federal Government.

To avoid complicating money supply control, the Hansen procedure is expected to be used when Treasury faces an emergency cash need, except in "unusual and exigent circumstances" when the traditional approach can be adopted by a vote of five members of the Board of Governors of the Federal Reserve. H.R. 3404 limits the aggregate amount of Treasury's borrowings of securities from or direct sales to the Federal Reserve to $15 billion. The increase in authority is made to reflect inflation. The current $5 billion limit was first set in 1942.

H.R. 3404 was reported favorably by the Committee on Banking, Finance and Urban Affairs on March 25, 34 voting aye and 2 nay. An amendment was approved by the Committee to clarify that when the authorities granted by the legislation expire in 1984, the Federal Reserve's open market powers will not expire.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I come to the floor today to strongly oppose this bill. I oppose it now, because on reflection, the bill would increase the so-called direct purchasing authority or the Treasury draw authority from $5 billion to $15 billion. This so-called Treasury draw authority was a wartime emergency arrangement which was enacted back in 1942, as title IV of the Second War Powers Act, and it was enacted on the basis or on the theory that there might be a time when the Federal Reserve would have to borrow money quickly from the Treasury.

□ 1215

Over the years it has been used sparingly, I will admit, but the last two times it was used, it was used by the Federal Reserve and by the Treasury to increase the amount of cash available just before expiration of the temporary debt limit increase, in case the increase in temporary debt ceiling did not pass.

Now, this is what is referred to as real printing press money. The Federal Reserve can go to Treasury and draw down money. The Federal Reserve can by this process then release money into the system. It seems to me at this time, when we are trying to impose restraints on monetary policy and on fiscal policy, that it is not psychologically a good time for us to increase this Federal Reserve draw from Treasury from $5 to $15 billion. There is no reason for Treasury to have such an increase, to my way of thinking. They do not need cash They have plenty of cash on hand.

Through the Tax and Loan Account Act of the last Congress, we have enabled the Treasury to earn interest on its cash on hand. So, there is no reason for Treasury not to keep plenty of cash on hand.

I want to say that this bill had some appeal to me in the banking committee because of an amendment which was offered by our colleague from Idaho (Mr. HANSEN), which provides that Treasury could borrow Government securities from the Fed, and in effect sell them under a repurchase agreement operation in the open market. This was an attempt on his part to get away from the so-called printing press operation. It was an alternative procedure under which Treasury could borrow different securities from the Fed, and as I say, resell them under repurchase agreements.

I think that part of the bill is all right, but to increase this Treasury draw authority from $5 to $15 billion at this time I do not think is the right way to go. I would rather that it should not be any more than $5 billion; and in the alternative, I question whether we need any Treasury draw authority at all at the present time since, one, they do have sufficient cash; and two, they can draw interest on the cash; and three, they under this bill would have the opportunity as I say, to utilize this other alternative procedure of selling securities.

Now, back when this bill was passed it is possible that the Federal Reserve Board and Treasury needed this kind of arrangement, and it was passed by the Senate and sent over to the House of Representatives. There was no limit in the amount Treasury could draw under the Senate-passed bill. Then, Congressman Smith of Virginia decided that there should be a $5 billion limit placed on it, and that was on the theory that it should be only a temporary emergency measure. If it was only a temporary emergency measure $5 billion should get us through the war.

But, it has been extended from time to time for 1- or 2-year periods. As I say, it just seems to me at this time, with the fiscal and monetary situation that we are now in, that this is not the best time to increase the extension to 5 years. I would suggest that this bill, which is up on suspension today, does not permit any amendment. I would like to have the opportunity to offer the amendment to decrease the authority from $15 billion to $5 billion, and not treble this draw authority by this bill.

So, on that basis I will have to vote against the bill today, hoping that we can bring it back under an arrangement other than on the Suspension Calendar.

Mr. Speaker, I now yield 5 minutes to the sponsor of the amendment to which I just referred, the gentleman from Idaho (Mr. HANSEN).

□ 1220

Mr. HANSEN. Thank you, Mr. Speaker.

In general, the Treasury is prohibited by law from borrowing directly from the Federal Reserve. Instead, all Treasury obligations must be sold on the open market. There are at least two reasons for this prohibition. First, the only way to be sure the Treasury is paying a fair market price for its borrowing is by requiring it to be done on the public market in competition with all other prospective borrowers. Second, if Treasury were to borrow directly from the Fed, the Fed would be creating new reserves, printing money, as it were, to pay Treasury checks. In principle, this printing press money is to be avoided as inflationary. And as a purely practical matter, it can complicate monetary policymaking.

In 1942, Congress adopted what is now known as the Treasury Draw Authority as an exception to the general prohibition against direct borrowing from the Fed. The reason, obviously, was the war and the necessity that Treasury operations and our domestic financial markets never be disrupted. Congress put strict limits on the amount which could be borrowed under the draw, and made the authority a temporary one, which has been renewed from time to time since then. After the war, the draw authority was seen as a useful device to permit the Treasury to carry smaller idle cash balances than otherwise would be safe. Over the years, the authority has been used sparingly.

The Treasury Draw Authority has now, again, expired. In past years, the extension of this Authority, urgently requested by the Treasury despite its infrequent use, has been passed routinely. But beginning a few years back, some of us began to ask that hearings be held on the authority, so that we could reexamine the rationale for the authority and decide whether it was any longer necessary or useful.

Such hearings were finally held last year, and from them has proceeded the present bill. Under this bill, an alternative method of meeting short-term Treasury cash shortages would be established. In barest outline, this would require the Treasury to borrow securities instead of cash from the Fed. The securities could then be sold on the open market. Later, when the cash shortage was relieved by usual receipts of taxes, the securities would be repurchased by the Treasury and sent back to the Fed. Thus, no new cash or bank reserves are created, and all that has gone on a shifting of cash from one part of the economy to another.

Moreover, the Treasury would repurchase the securities at a slightly higher price than it got for them, the difference representing the fact that the securities would be a little closer to maturity. This difference is, of course, the market cost of borrowing funds for the period between the sale and purchase of the securities. Thus, the Treasury would be assured of paying a fair market interest rate on its borrowing, neither too low nor too high.

If this operation, simple as it is, could not be undertaken—if, for example, markets were disrupted or closed by a military attack on the United States—then five affirmative votes of the Board of Governors would authorize the Treasury and Fed to make use of the old draw authority by which the Treasury borrows directly from the Fed to cover cash shortages.

Two points in particular should be noted: In any event, the use of either the new or the old draw by the Treasury is added to the public debt aggregate subject to statutory limit. The limit itself is not changed. Thus, the draw does not permit evasion of the statutory limit on the public debt.

Second, the bill before us contains a sunset provision that will cause both authorities to lapse altogether in a period of 5 years. It is my own feeling that passage in the last Congress of the Treasury tax and loan account bill removes the last vestige of need for a draw authority. Tax and loan accounts held in commercial banks now earn interest for the Treasury, so there is no reason why large cash balances, large enough to take care of any emergency, should not be held. Thus, I think that in five years we will find the draw has not been used, that the Treasury will acknowledge that it no longer needs it or can use it, and the authorities will pass out of existence permanently.

The reason I support this bill today, this modification and extension of the draw authority, is because the Treasury still does not believe they can do without the authority. Some more experience apparently is needed to convince them. In the meantime, the modification will give the Treasury an alternative to printing press money.

I support the bill and urge our colleagues to vote for its adoption.

□ 1225

I might parenthetically say, Mr. Speaker, that through this legislation we are getting away from printing press money. We are putting the printing press in the back room. Any talk about abuse of the $15 billion limit being put in here, which is different than the old $5 billion limit, really is not appropriate, because we are basically talking about a limit on the securities and not on the so-called printing press. This is true because all the history in the subcommittee and the history in the full committee shows clearly that the securities method and not the printing press to be used whenever funds are needed.

We envision no circumstances under which the printing press would have to be trotted out.

I am confident that the gentleman from Maryland (Mr. MITCHELL), the chairman of the subcommittee, will bear me out in this assurance. And I commend him for his efforts in making this new concept in Treasury draw possible which puts to rest the concern for rampant use of the printing press and reduces objections to extension of "wartime powers" by normalizing the program to a routine market operation.

Mr. WYLIE. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Speaker, I, too like the gentleman from Ohio, oppose this bill. I think it is totally unnecessary.

For instance, this legislation was in effect between 1955 and 1965 and it was used one time. We do not need this legislation renewed.

By the way, it just happens that today it is not in effect. It expired a week ago and nothing disastrous seems to be happening.

I object strenuously to the fact that the draw authority has been increased from $5 to $15 billion. I applaud the attempt to keep the printing press from working. I am not as confident that this bill will accomplish it however. I do fear that with this emergency power that they could actually have printing press money or inflationary pressures of $15 billion.

I am also concerned that by indirectly borrowing, even legitimately through the security markets, it does have an effect on the money markets anyway.

It will have an effect by increasing the money supply indirectly.

This is the first time we are extending the authority for longer than 6 months. It is proposed that we extend the authority for 5 years. I do not see any reason at all to permit that much latitude.

This bill is not necessary. It was first used during World War II. It was an emergency war powers bill. I just think that it would be much better if we let it expire.

The maximum amount that has ever been used is $2.6 billion. There has really been no past record of a reason to raise this.

The last two times, as was stated, it was used to finance the debt more or less skirting around the Congress, because we had not as of yet raised the debt limit. I do not think that it is wise to permit this back door financing of the national debt.

I believe that this authority can act as an off-budget item. Theoretically, even though in the past I admit it has not been used this way, the Government could borrow $15 billion, keep it for 6 months, pay it off 1 day and review it the next. This would be $15 billion out of the budgetary controls of the Congress.

I am very confident that we can do without this legislation. In 1977 we passed legislation that permitted the Treasury to have cash reserves available and even earn interest on it. All the Treasury need to do is manage their affairs more efficiently. I think we are just opening up the door to permit more fiscal irresponsibility if we pass this legislation. I urge its defeat.

Mr. WYLIE. Mr. Speaker, I yield 3 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Speaker, I would just like to point out that last year, when I was a member of the Banking Committee, Congress extended the direct purchase authority for only 1 year, to give Congress a chance to take a close look at this authority, which is a vestige of World War II, to determine whether it was really needed. Hearings were held, and they established that although the authority has been for $5 billion, the most that has ever been used was $2.6 billion, slightly more than half of the authorized amount. The record also shows that the direct purchase authority has expired on several occasions without dire consequences for the country. On balance, I believe a good case was made that this authority was provided in 1942, supposedly as a temporary measure to help finance the war. It has long since served its purpose, and I believe it is high time we let this authority expire. At the most, it should be extended for a year at the present level.

So what are we about to do? Would you believe we are about to extend this authority for 5 years and to raise the amount from $5 to $15 billion? That's $15 billion in printing press money, if the Federal Reserve decides that circumstances justify the disregard of the congressional desire that the Treasury borrow securities from the Fed rather than resort to the printing press. The Fed has the power under this bill to go the printing press route, much as we may deplore it.

It is astounding that Congress should consider tripling the amount of direct purchase authority to nearly six times the amount that has ever been used, when in my judgment no case has been made for extending the authority at all. This past April the direct purchase authority expired—with a whimper, not with a bang. In these inflationary times the last thing we need is to authorize Treasury and the Fed to print up to $15 billion at their whim, without having to undergo the test of the marketplace.

I strongly urge my colleagues to let this needless authority, which is dead, rest in peace.

Mr. WYLIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from California (Mr. ROUSSELOT) very much for his complimentary remarks.

As the gentleman from California (Mr. ROUSSELOT) just pointed out, this is what is known as "printing press money." This authority of the Treasury draw was only used once between 1955 and 1965, as the gentleman from Texas (Mr. PAUL) pointed out. Five billion dollars has been more than adequate over those years.

As the gentleman from Idaho (Mr. HANSEN) said, as a matter of fact, the draw authority is no longer needed. I think a simple extension for a short period of time might have been the way to go.

The maximum amount of direct purchases in 1943, when this was put into effect, was $1.3 billion. After that the maximum amount of the draw authority was $1.17 billion until 2 years ago, when the Treasury decided that it would use the draw authority to manage the cash flow problems that it had or might have in anticipation of a feud with Congress over whether the temporary extension of the debt ceiling would be increased.

So 2 years ago the use of the direct purchase authority surfaced again, and it was repeated again this year. The direct purchasing authority was used as a substitute for market financing methods, and it was used as a management of the public debt, which, I think, shows the danger of this kind of authority if it is used improperly.

As has been pointed out, during all these years since 1942 we had a limit of $5 billion, and all of a sudden we are going to increase it to $15 billion, at a time when inflation is running rampant.

The second thing we must consider is that instead of a 1-year extension, which has been customary in the past, we are going to increase it to 5 years. I think this is not the right approach at this time and would, therefore, suggest that we defeat the bill on the Suspension Calendar and bring it back on the regular calendar so we might offer amendments to the bill that we think are desirable.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman from Ohio for his remarks. I think the gentleman makes a very good point.

This bill is brought up under the extension procedure by which there is no opportunity to amend that higher ceiling down to a more proper level and no opportunity to amend the 5 years to 1 year or maybe even 2 years.

So we are strapped under this procedure and prevented from offering appropriate amendments, which unfortunately, is the normal procedure in bringing a bill from the Committee on Banking, Finance and Urban Affairs.

Mr. WYLIE. Mr. Speaker, I thank the gentleman from California (Mr. ROUSSELOT) for his comment.

I think we need more time for debate on this matter and need more time and an opportunity to offer amendments if we want to, and I would suggest, therefore, that the bill be defeated on the Suspension Calendar today.

☐ 1235

Mr. MITCHELL of Maryland. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, three issues have been raised, and I would like to address each one of them.

First, there is the question of why we are extending the draw authority for 5 years. The answer is obvious. We have come up with an innovative proposal added on to the old traditional draw authority. That proposal was submitted by our colleague, the gentleman from Idaho (Mr. HANSEN). We do not know if it will work totally effectively. We will try. If it does work totally effectively, I can see the time when we will close out the draw authority altogether. I think there are a number of circumstances which in the future may make this draw authority unnecessary. But for now, while we are trying this, we thought it best to give them the maximum time period to test the workability of it.

The second point is with reference to raising the amount of the maximum for the draw authority from $5 to $15 billion. Well, now, let us be honest with each other. We are not going to pull $15 billion out at any given time. That is put in there only in cases of emergency. When the authority was first established we thought of what would be necessary to cover a real catastrophic emergency in this country. If it was $5 billion way back then, when you consider the cost of inflation, it has now to be at least triple that.

By way of illustration, God forbid we should ever have a series of nuclear accidents in this country, let us hope that would never happen, but in the event it does, we do not know what it would cost to deal with that emergency. Therefore, we are setting the maximum figure, which is effective of the rate of inflation. Suppose we do have a nuclear accident. Who can assure me that $5 billion would be sufficient to cover the costs associated with that emergency? No one can. Therefore, I think the $15 billion is reasonable.

There has been some discussion with reference to a lack of opportunity to debate the bill and a lack of opportunity to amend the bill. We spent considerable time in the subcommittee, hearing all points of view, taking amendments. Indeed, the $15 billion amendment was an amendment offered by our colleague, the gentleman from Georgia (Mr. BARNARD). Not only did we spend considerable time in hearings and on amendments in the markup of the bill in the subcommittee, we did the same thing in the full committee. It was not a rush-through bill. What we did in the full committee, when we discussed the bill in full committee, was to fully evaluate the need for the $15 billion ceiling, and the need for a 5-year period. The most amazing thing, I will say to my colleagues, is that the vote in the full committee was 34 to 2 to bring the bill as it is presently constructed. Republicans and Democrats heard the arguments. Republicans and Democrats, save for two on the Committee on Banking, Currency and Urban Affairs, agreed that this was the best approach.

Mr. Speaker, I would urge my colleagues to pass this bill today. I think it is necessary. I think it is important.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to my colleague on the committee, the gentleman from Idaho.

Mr. HANSEN. I thank the gentleman for yielding.

Mr. Speaker, I would just like to ask the gentleman from Maryland this question: The highest authority that has been exercised so far is how much?

Mr. MITCHELL of Maryland. 2.6.

Mr. HANSEN. 2.6?

Mr. MITCHELL of Maryland. Yes

Mr. HANSEN. And the limit up to this period of time was 5; is that correct?

Mr. MITCHELL of Maryland. That is correct.

Mr. HANSEN. In other words, are we able to conclude that just because you have a limit, you do not necessarily pump the limit all the time?

Mr. MITCHELL of Maryland. That is correct.

Mr. HANSEN. We are talking about $15 billion; we are not necessarily saying it is going to be used?

Mr. MITCHELL of Maryland. If the gentleman will let me respond, that $15 billion would be available only in times of dire national emergency. We would not expect this to be used in the routine day-to-day operations. We spelled that out very clearly in the report on the bill and in the bill itself.

Mr. HANSEN. If the gentleman will further yield, I will just say this: The $15 billion caused me some concern. When it was assured through all of our subcommittee and committee action, and the way the bill is written, that the only time the printing press could be trotted out was as a last extreme emergency, when everything else had failed, and we had put in front of it this new securities draw, it seemed to me that we have taken care of almost any possible use of the printing press, and that $15 billion printing press authority that people keep talking about, especially so far as the gentleman can tell, does not exist?

Mr. MITCHELL of Maryland. The gentleman is absolutely correct. I would be the first to admit that, in the event of a catastrophic emergency, we might use printing press money, but otherwise it is not a printing press operation.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

☐ 1240

Mr. ROUSSELOT. I appreciate my colleague yielding.

The gentleman from Maryland has mentioned that we want to test this new procedure, and that is with the new controls introduced by Mr. HANSEN. Those amendments sound fine to me, but why do it for 5 years? Why could not we do it for a year or two and see if it works? That is why I really could not understand why the new procedure should be tested for 5 years. I think it was a good argument to test the new procedures, but not for such a long period of time before the House could again review this authority.

Mr. MITCHELL of Maryland. One of the arguments for the 5-year period is because of utilizing the FOMC. This is a brandnew procedure. The first year that it is in operation, there will probably be some kinks in it. Beyond that, there may be some problems, but I thought we should give them sufficient time to see how this would operate.

Mr. ROUSSELOT. Well, then, actually 1 year or 2 years would have been more than adequate to test it.

Mr. MITCHELL of Maryland. No. It is just that I would like to be fair to the Treasury and the Federal Reserve and give them 5 years.

Mr. WYLIE. Will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. May I ask a question of the gentleman? Why could not we extend the regular draw authority by, say, 1 year and allow the Fed to have the authority to borrow Government securities and resell them in the market through a repurchase agreement for 5 years. If we want to experiment with this new authority, rather than extend both purchase authorizations in tandem for 5 years and increase their limit to $15 billion all at once, if the gentleman sees the thrust of my question.

Mr. MITCHELL of Maryland. Yes.

Mr. WYLIE. We want to permit this new alternative financing arrangement, which I think is probably a good idea. And I commend the gentleman from Idaho for having this idea.

Why, at the same time, do we need to couple it with the original draw authority, which has not been used for several years and which probably ought to be phased out anyhow?

Mr. MITCHELL of Maryland. If the gentleman will recall during the markup on the bill, this question was raised, and we pointed out that we wanted both components, both portions of this, to be in tandem, both the FOMC and the regular Treasury draw authority, which would make sense. All of the members on the committee agreed that that would make sense, save for two. To give a longer period of time to one component as opposed to another component somehow or another pulls them out of tandem. That was not the desire nor the will of the Banking Committee when it voted for this bill, H.R. 3042.

Mr. PAUL. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to my colleague from Texas (Mr. PAUL.)

Mr. PAUL. I thank the gentleman for yielding.

I would like to ask the gentleman whether or not the gentleman is concerned about the fact this is an emergency war powers bill? In looking back at the statistics, we find that this authority has been used mainly in wartime. It was used 34 times out of 45 times since 1942 during war. Should we not take this into consideration as well? Are we anticipating that we need a $15 billion war power measure here? This really is of concern to me. And along with this great concern now, we have the "renewal of the draft" to deal with. This bothers me. I was hoping that we would not support a war powers with this bill today.

Mr. MITCHELL of Maryland. If the gentleman would permit me to respond, the world we live in today is almost entirely different from 1942. Emergencies can now develop because of our "scientific genius." Emergencies can develop that could threatent the health and well-being and security of this entire Nation, and it need not necessarily be a wartime development.

Again, I want to point out the problems, the growth of nuclear in this country. I do not oppose nuclear necessarily, but it has grown, and grown rapidly.

Now, supposing something goes wrong with 15 nuclear plants simultaneously. We are not at war. But there could be a grave national emergency, sweeping over a major portion of this country. That is why the authority has got to be there.

Mr. PAUL. If the gentleman will continue to yield, I might point out that if we have an emergency powers bill, they can finance emergency needs of war, such as they did in Korea and Vietnam, which were undeclared wars with this authority. I think this has to be addressed as well in that we should not carelessly provide a vehicle for financing emergency war powers.

Mr. MITCHELL of Maryland. I would fully agree with that.

Mr. ROUSSELOT. Will the gentleman yield.

Mr. MITCHELL of Maryland. I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I appreciate the gentleman yielding to me.

Since the gentleman has raised the issue of emergencies, and that is the supposed reason for the necessity of this legislation in this form, we have never really, as the gentleman from Texas and the gentleman from Ohio have already pointed out, I repeat never really used this "emergency authority" very much, and it has never exceeded the necessity of $2.6 billion.

☐ 1245

I really do not understand, where there are plenty of other emergency powers if a war is declared, and obviously the President already gathers all kinds of new powers if war is declared, why do we need to push this legislation through at this juncture. Other than the couple of examples the gentleman has given; that he guesses there is going to be some great emergency, why do we really need this bill. Unless he knows of some undeclared war that we are about to declare.

Mr. MITCHELL of Maryland. I think the gentleman would have better knowledge of that.

Mr. ROUSSELOT. Not really.

Mr. MITCHELL of Maryland. But if the gentleman will permit me to respond, I wish I could give him a definitive answer. Who is clairvoyant in this House? Who has the magic knowledge that there will be no emergencies of national scope in this country during the next week? Who has the magic crystal ball? I do not. We simply live in that kind of world where we cannot predict what might happen, and because we cannot predict I have come down on the side of putting a mechanism in motion to protect the American people against some grave catastrophic emergency. I would rather err on the side of extra security than fail to act.

Mr. WYLIE. Mr. Speaker, will the gentleman yield on that point?

Mr. MITCHELL of Maryland. I yield.

Mr. WYLIE. Would we not have the necessary protection if we permitted the 5-year arrangement for the alternate procedure allowing a securities repurchase agreement arrangement. Would not that provide as good a protection as this cash draw arrangement we have now? What were the arguments in favor of keeping the two in tandem? Were there arguments from anyone who suggested that the two did not necessarily need to be in tandem?

Mr. MITCHELL of Maryland. No, as far as I recall there were no arguments along those lines. More specifically to the point the gentleman raised, there was a great deal of discussion about what would happen if the markets were closed and we faced an emergency. There would be a time lapse of some significance. I do not think we ought to place the American public in that kind of situation.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Idaho.

Mr. HANSEN. I would just like to say that I think that several of us tried. We have said, "Put it off a wartime basis, put it on a normal security exchange type basis and get away from the printing press." There has been a lot of colloquy here today which has absolutely been off-track. I remember when the Treasury and Fed people came before us, and they swallowed pretty hard, Mr. Chairman, when we hit them with the idea that we did not want to go with a simple printing press extension, but go for something new. They went away, swallowed pretty hard, and grudgingly some of them decided they could live with it if they could keep the other as a backup.

We left them a lollipop so they would not have to be weaned all at once. We gave them a new concept and ordered the new concept be used first, and the old concept be held until those times where there was no other way out just to assure them, but I do not think there is any way they are going to get it. I think they will find that it will be adequate if anything is necessary, that it will be adequate, and eventually the next time around we can get rid of the printing press entirely. Right now we are just taking the crank away from them and putting it in the back room and hoping that it will stay there.

Mr. MITCHELL of Maryland. I thank the gentleman. I would just like to make one observation. The bill passed the subcommittee with only one dissenting vote. For the benefit of the Members who have been in the House for some years, and for the benefit of the newer Members who have only come here recently, this is a bill coming out of the Banking Committee. Generally, when a bill comes out of the Banking Committee there are all kinds of problems and it is hard to get a concensus. This bill came out of the Banking Committee by a vote of 34 to 2. There were Republicans and Democrats voting for it, and obviously it meant that the members of the Banking Committee were satisfied that we had done a thorough job on this bill. I am reasonably certain that some of the Members who are opposing the bill today shared their concerns with the members of the Banking Committee, and those concerns were voiced in the debate.

Mr. Speaker, I would urge immediate passage of the bill.

☐ 1250

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield briefly?

Mr. MITCHELL of Maryland. Mr. Speaker, I will yield just for 1 minute. I do not want to delay the proceedings.

Mr. ROUSSELOT. I remember when RESPA came out of the Committee on Banking, Finance and Urban Affairs with overwhelming support and we had to come back and amend it. Last year we passed at the last minute, you will remember, the great Safe Banking Act. We had to come back and amend the privacy portion of that last-minute bill. Numbers alone do not always mean it is good legislation. I think we need a little more time to consider this bill and the necessity for such a huge increase in authority.

Mr. MITCHELL of Maryland. I thank the gentleman for his opinion. I think the committee says we do not need more time and I would ask for a vote on the bill.

Mr. Speaker, I have no further requests for time.

Mr. WYLIE. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. ROSTENKOWSKI). The question is on the motion offered by the gentleman from Maryland (Mr. MITCHELL) that the House suspend the rules and pass the bill, H.R. 3404, as amended.

The question was taken.

Mr. WYLIE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 3 of rule XXVII and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. MITCHELL of Maryland. I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 3404.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

TECHNICAL AMENDMENTS FOR NATIONAL PARKS ACT OF 1978

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3757), to amend the National Parks and Recreation Act of 1978, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3757

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, the National Parks and Recreation Act of 1978, approved November 10, 1978 (92 Stat. 3467), is amended as follows:

(1) Section 101(8), re: DeSoto National Memorial, is amended by changing the phrase "changing '$3,108,000' to '$5,108,000'." to read "by changing '$175,000' to '$292,000'."

(2) Section 101(20), re: Pecos National Monument, is amended by changing "$2,375,000" to "$2,575,000".

(3) Section 301, re: revision of boundaries, is amended by changing the words "but not exceed" in the first sentence to "but not to exceed".

(4) Section 301(8), re: Grand Sand Dunes National Monument, is amended by (a) changing "one thousand one hundred and nine acres" to "one thousand nine hundred acres" and by changing "$166,000" to "$265,000"; and (b) by adding the following at the end thereof: "The Secretary shall designate the lands described by this paragraph for management in accordance with the adjacent lands within the monument by publication of a notice in the Federal Register.".

(5) Section 302 is amended at the end thereof by changing "section 301" to "title III of this Act".

(6) Section 309(b), re: Fort Union Trading Post National Historic Site, is amended by changing "this Act" in the proviso to "the National Parks and Recreation Act of 1978".

(7) Section 315(a), re: Cuyahoga Valley National Recreation Area, is amended by changing "90,000–A" to "644–90,001–A".

(8) Section 318, re: Point Reyes National Seashore, is amended by (a), in subsection (a), changing the phrase "numbered 612–80,008–E and dated May 1978" to "numbered 612–80,008–F and dated March 1979"; (b) in subsection (c), after "May 1, 1978", insert "or, in the case of areas added by action of the Ninety-Sixth Congress, May 1, 1979", and in subsection (d), changing the phrase "subsection (c)" to read "subsections (c) and (d)"; and (c) in subsection (d), adding the following at the end thereof:

"(d) The Secretary shall accept and shall manage in accordance with this Act, any land and improvements within or adjacent to the seashore which are donated by the State of California or its political subdivisions. The boundaries of the seashore shall be changed to include such donated lands.".

(9) Section 320, re: Chesapeake and Ohio Canal National Historic Park, is amended by changing the colon following the word "acres" to a period, and by deleting the proviso in its entirety.

(10) Section 501(a), re: Guam National Seashore, is amended in clause (1) by changing "Anac" to "Anae".

(11) Section 507(f), re: Santa Monica Mountains National Recreation Area, is amended by changing "January 1, 1976" to January 1, 1978".

(12) Section 508(d), re: Ebey's Landing National Historical Reserve, is amended by changing "with donated funds" in the first sentence to "with donated or appropriated funds".

(13) Section 511(b), re: Maggie L. Walker National Historic Site, is amended by changing "at 113 East Leigh Street" to "at 110 A East Leigh Street".

(14) Section 551, re: the National Trails System Act, is amended by—

(a) in paragraph (9), adding the following at the end thereof:

"(8) The North Country National Scenic Trail, a trail of approximately thirty-two hundred miles, extending from eastern New York State to the vicinity of Lake Sakawawea in North Dakota, following the approximate route depicted on the map identified as 'Proposed North Country Trail-Vicinity Map' in the Department of the Interior 'North Country Trail Report', dated June 1975. The map shall be on file and available for public inspection in the office of the Director, National Park Service, Washington, D.C. The trail shall be administered by the Secretary of the Interior.";

(b) in paragraph (13), change "(20)" to "(23)";

(c) in paragraph (18), insert quotation marks at the beginning and end of the second sentence, and

(d) in paragraph (21), insert quotation marks at the beginning and end of the second sentence.

(15) Section 601(a), re: Yellowstone National Park, is amended by changing "State of Wyoming" to "States of Wyoming and Montana".

(16) Section 612, re: Albert Einstein Memorial, is amended by changing "access" in the second sentence to "purposes of such memorial".

(17) Section 704, re: Upper Delaware River, is amended (a) in subsection (a) by changing "705(c)" to "704(c)"; and (b) in subsection (f)(1) by inserting the following sentence at the end thereof: "The Advisory Council shall terminate ten years after the date on which it is established.".

(18) Title IX, re: Jean Lafitte National Historical Park, is amended—

(a) in section 902(a) by changing "eight thousand acres" in the first sentence to "eight thousand six hundred acres";

(b) in section 904 by changing "section 7" in the first sentence to "section 907";

(c) in section 907(a) by striking the word "and" at the end of the clause numbered (6), changing the period at the end of clause numbered (7) to "; and", and adding at the end thereof the following:

"(8) two members appointed by the Secretary from recommendations submitted by the Police of Saint Bernard Parish."; and

(d) in section 907(e) by inserting the following sentence at the end thereof: "The Commission shall terminate ten years from the date of approval of this Act.".

Sec. 2. Notwithstanding any other provision of law, the Secretary of the Interior shall not charge any entrance or admission fee in excess of the amounts which were in effect as of January 1, 1979, or charge said fees at any unit of the National Park System where such fees were not in effect as of such date.

Sec. 3. The Wild and Scenic Rivers Act of 1968 (82 Stat. 906), as amended (16 U.S.C. 1271), is further amended as follows:

(1) In section 5(a), at the end thereof, add the following new clause:

"(76) Birch, West Virginia: The main stem from the Cora Brown Bridge in Nicholas County to the confluence of the river with the Elk River in Braxton County.".

(2) In section 5(b), in paragraph numbered (3), change "(72)" to "(76)";

(3) In section 5(b), in paragraph numbered (4), change "(74)" to "(76)".

Sec. 4. The lands designated by Public Law 93–550 as wilderness within the Farallon National Wildlife Refuge, California, shall, following the date of enactment of this Act, be entitled to all of the protection afforded by law or regulation to the lands designated by Public Law 94–567 as wilderness within the Point Reyes National Seashore, California.

Sec. 5. The Act of October 27, 1972 (86 Stat. 1299), as amended (16 U.S.C. 459), is further amended as follows:

(1) In subsection 2(a), change "NRA–GG–80,003–K and dated October 1978" to "NRA–GG–80,003–L and dated April 1979";

(2) In section 6, after "$61,610,000" insert "plus $10,000,000", and after "herein", insert "said total development ceiling to be reduced by $10,000,000".

Sec. 6. The Secretary of the Interior is authorized and directed to acquire by donation, or by purchase with donated or appropriated funds, a suitable collection of whaling artifacts and associated items for preservation and display at the National Maritime Museum located at the Golden Gate National Recreation Area. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, but not to exceed $3,000,000 for the purchase of said collection, which sums may be appropriated from the amounts previously authorized for development purposes at said recreation area.

Sec. 7. The Land and Water Conservation Fund Act of 1965 (78 Stat. 897), as amended (16 U.S.C. 4601–4 et seq.), is further amended as follows:

(1) In section 5, change "Ninety-fifth Congress" to "Ninety-sixth Congress";

(2) In subsection 7(a), within the paragraph numbered (3), change "Ninety-fifth Congress" to "Ninety-sixth Congress"; and

(3) In subsection 7(c), change "expire ten years from the date of enactment of the authorizing legislation establishing such boundaries; and (ii) acquire by donation, purchase with donated funds," to "apply only to those boundaries established subsequent to January 1, 1965; and (ii) acquire by donation, purchase with donated or appropriated funds,".

Sec. 8. The Act of August 18, 1970 (84 Stat. 825), as amended, is further amended as follows:

(1) In section 8 near the end thereof, delete the sentence "Each report and annual listing shall be printed as a House document.", and insert in lieu the following: "Each report and annual listing shall be printed as a House document: *Provided*, That should adequate supplies of previously printed identical reports remain available, newly submitted identical reports shall be omitted from printing upon the receipt by the Speaker of the United States House of Representatives of a joint letter from the chairman of the Committee on Interior and Insular Affairs of the United States House of Representatives and the chairman of the Committee on Energy and Natural Resources of the United States Senate indicating such to be the case."; and

(2) Insert "(a)" after "Sec. 8." and add new subsection (b) as follows:

"(b) Within six months of the date of enactment of this subsection, the Secretary shall submit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, a comprehensive 'National Park System Plan', which document shall constitute a professional guide for the identification of natural and historic themes of the United States, and from which candidate areas can be identified and selected to constitute units of the National Park System. Such plan shall be revised and updated annually.".

Sec. 9. (a) The Secretary of the Interior is authorized to revise the boundaries of the following units of the National Park System:

(1) Carl Sandburg Home National Historic Site, North Carolina; to add approximately seventeen acres.

(2) Chickamauga and Chattanooga National Military Park, Georgia and Tennessee: to add approximately one acre.

(3) Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park, Virginia: to add approximately twenty acres.

(b) Sections 302, 303, and 304 of the National Parks and Recreation Act of 1978 (92 Stat. 3467) shall be applicable to the boundary devisions authorized in subsection (a) of this section, except that for the purposes of this section, the date of enactment referred to in section 302 of such Act shall be deemed to be the date of enactment of this section.

(c) For the purposes of acquiring lands and interests in lands added to the units referred to in subsection (a) there are authorized to be appropriated such sums as may be necessary, but not to exceed $280,000 for Chickamauga and Chattanooga National Military Park and not to exceed $214,000 for Fredericksburg and Spotsylvania County Battlefields Memorial National Military Park.

Sec. 10. The Secretary of the Interior is authorized and directed to take such measures as may be necessary to provide for the continued protection of the historic Palmer's Chapel in the Cataloochee Valley of the Great Smoky Mountains National Park. The importance of the chapel in memorializing the early settlement of the valley and in providing an opportunity for interpreting the cultural traditions of the former residents of the valley is hereby recognized, and the Secretary is authorized to make suitable arrangements for the history of the chapel to be communicated to park visitors and for the chapel to continue to be used for memorial purposes by former residents and their descendants.

Sec. 11. Section 304(a) of the Act of October 21, 1976 (90 Stat. 2732), is amended by inserting after "to the jurisdiction of the" the following: "Secretary of the Army, the land under the jurisdiction of the".

Sec. 12. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1979. Notwithstanding any other provisions of this Act, authority to enter into contracts, to incur obligations, or to make payments under this act shall be effective only to the extent, and in such amounts, as are provided in advance in appropriation Acts.

TITLE II

Sec. 201. In order to protect the nationally significant natural, scenic, wildlife, marine, ecological, archeological, cultural, and scientific values of the Channel Islands in the State of California, including, but not limited to, the following:

(1) the brown pelican nesting area;

(2) the undisturbed tide pools providing species diversity unique to the eastern Pacific coast;

(3) the pinnipeds which breed and pup almost exclusively on the Channel Islands, including the only breeding colony for northern fur seals south of Alaska;

(4) the Eoalian landforms and caliche;

(5) the presumed burial place of Juan Rodriguez Cabrillo;

(6) the archeological evidence of substantive populations of Native Americans;

there is hereby established the Channel Islands National Park, the boundaries of which shall include San Miguel and Prince Islands, Santa Rosa, Santa Cruz, Anacapa, and Santa Barbara Islands, including the rocks, islets, submerged lands and waters within one nautical mile of each island, as depicted on the map entitled, "Proposed Channel Islands National Park" numbered 159-20002 and dated April 1979, which shall be on file and available for public inspection in the offices of the Superintendent of the park and the Director of the National Park Service, Department of the Interior. The Channel Island National Monument is hereby abolished as such, and the lands, waters, and interest therein withdrawn or reserved for the monument are hereby incorporated within and made a part of the new Channel Islands National Park.

Sec. 202. (a) Within the boundaries of the park as established in section 201, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire lands, waters or interests therein by donation, purchase with donated or appropriated funds, transfer from any Federal agency, exchange or otherwise. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of its acquisition, less the fair market value on that date of any right retained by the owner. Any lands, waters, or interests therein owned by the State of California or any political subdivision thereof may be acquired only by donaiton or exchange. Notwithstanding any other provision of law, Federal property located within the boundaries of the park shall, with the concurrence of the head of the agency having custody thereof be transferred to the administrative jurisdiction of the Secretary for the purposes of the park: *Provided*, That the Secretary shall permit the use of federally owned park lands and waters which (i) have been transferred from another Federal agency, or which (ii) were the subject of a lease or permit to a Federal agency as of the date of enactment of this title, for essential national security missions and for navigational aids, subject to such terms and conditions as the Secretary deems necessary to protect park resources.

(b) Notwithstanding the acquisition authority contained in subsection 202(a), any lands, waters, or interests therein, which are—

(1) privately owned on Santa Rosa Island, or

(2) owned wholly or in part by, or which hereafter may be owned by, or under option, to, the National Park Foundation, The Nature Conservancy (including any lands, waters, or interests therein which are designated as "Nature Conservancy Lands" on the map referred to in section 201 of this title) or any similar national, nonprofit conservation organization, or an affiliate or subsidiary thereof

shall be acquired only with the consent of the owner thereof: "*Provided*, That this restraint on acquisition authority shall not apply in any case in which the Secretary determines that (i) a property is undergoing or is about to undergo a change in use which is inconsistent with the purposes of this title, or (ii) a property described in clause (1) of this subsection (b) is offered by the owner of record as of the date of enactment of this title, for sale or disposal.

(c)(1) The owner of any private property may, on the date of its acquisition and as a condition of such acquisition, retain for himself a right of use and occupancy of all or such portion of such property as the owner may elect for a definite term of not more than twenty-five years, or ending at the death of the owner, or his spouse, whichever is later. The owner shall elect the term to be reserved. Any such right retained pursuant to this subsection with respect to any property shall be subject to termination by the Secretary upon his determination that such property is being used for any purpose which is incompatible with the administration of the park or with the preservation of the resources therein, and it shall terminate by operation of law upon notification by the Secretary to the holder of the right, of such determination and tendering to him the amount equal to the fair market value of that portion which remains unexpired.

(2) With respect to any property for which a right of use and occupancy is retained, said right may also include the transfer of feral and non-native animals to locations outside of the park and the retention of existing uses (including, but not limited to, grazing activities and, operations, and for those lands identified in section 2(b)(1), not to exceed a fifteen-year period for the control and management of feral and non-native animals by selective control techniques used before the date of enactment of this title).

(3) In the case of any property acquired by the Secretary under this title with respect to which a right of use and occupancy was not reserved by the former owner under section 2(c)(1), at the request of the former owner, the Secretary may enter into a lease agreement with the former owner under which the former owner may continue any existing use of such property which is compatible with the administration of the park and with the preservation of the resources therein.

(4) Any right retained pursuant to this subsection, and any lease entered into under paragraph (3), shall be subject to such access and other provisions as may be required by the Secretary for visitor use and resources management.

Sec. 203. (a) The Secretary is directed to develop, in cooperation and consultation with the State of California and various knowledgeable Federal and private entities, a natural resources study report for the park, including, but not limited to, the following:

(1) an inventory of all terrestrial and marine species, indicating their population dynamics, and probable trends as to future numbers and welfare;

(2) recommendations as to what actions should be considered for adoption to better protect the natural resources of the park.

Such report shall be submitted within two complete fiscal years from the date of enactment of this title to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, and updated revisions of such report shall be similarly submitted at subsequent two-year intervals to cover a period of ten years after the date of enactment of this title.

(b) The Secretary is authorized and directed to enter into and continue cooperative agreements with the State of California for the enforcement of Federal and State laws and regulations on those lands and waters within and adjacent to the park which are owned by the State of California. No provision of this title shall be deemed to affect the rights and jurisdiction of the State of California within the park, including, but not limited to, authority over submerged lands and waters within the park boundaries, and the marine resources therein.

Sec. 204. (a) Subject to the provisions of section 201 of this title, the Secretary shall administer the park in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.C. 1 et seq.). In the administration of the park, the Secretary may utilize such statutory authority available for the conservation and management of wildlife and natural and cultural resources as he or she deems appropriate to carry out the purposes of this title. The park shall be administered on a low-intensity, limited-entry basis.

(b) In recognization of the special fragility and sensitivity of the park's resources, it is the intent of Congress that the visitor use within the park be limited to assure negligible adverse impact on the park resources. The Secretary shall establish appropriate visitor carrying capacities for the park.

(c)(1) Within three complete fiscal years from the date of enactment of this title, the Secretary, in consultation with The Nature Conservancy and the State of California, shall submit to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate, a comprehensive general management plan for the park, pursuant to criteria stated in the provisions of section 12(b) of the Act of August 18, 1970 (84 Stat. 825), as amended (16 U.S.C. 1a-1 et seq.). Such plan shall include alternative considerations for the design and operation of a public transportation system connecting the park with the mainland, with such considerations to be developed in cooperation and consultation with the State of California and the Secretary of Transportation. The Secretary shall seek the advice of the scientific community in the preparation of said plan, and conduct hearings for public comment in Ventura and Santa Barbara Counties.

(2) Notwithstanding any other provision of law, no fees shall be charged for entrance or admission to the park.

Sec. 205. The head of any Federal agency having direct or indirect jurisdiction over a proposed Federal or federally assisted undertaking with respect to the lands and waters within or adjacent or related to the park, and the head of any Federal agency having authority to license or permit any undertaking with respect to such lands and waters, shall, prior to the approval of the expenditure of any Federal funds on such undertaking or prior to the issuance of any license or permit, as the case may be, afford the Secretary a reasonable opportunity to comment with regard to such undertaking and shall give due consideration to any comments made by the Secretary and to the effect of such undertaking on the purposes for which the park is established.

Sec. 206. Within three complete fiscal years from the date of enactment of this title, the Secretary shall review the ares, within the park and shall report to the President, in accordance with subsections 3(c) and (d) of the Wilderness Act (78 Stat. 890), his recommendations as to the suitability or nonsuitability of any area within the park for designation as wilderness. Any designation of any such areas as wilderness shall be accomplished in accordance with said subsections of the Wilderness Act.

Sec. 207. The Secretary is authorized to expend Federal funds for the cooperative management of The Nature Conservancy and other private property for research, resources management, and visitor protection and use. All funds authorized to be appropriated for the purposes of the Channel Islands National Monument are hereby transferred to the

Channel Islands National Park. Effective October 1, 1979, there are hereby authorized to be appropriated such further sums as may be necessary to carry out the purposes of this title, but not to exceed $500,000 for development and the following amounts for acquisition: $10,000,000 for each of the fiscal years 1980 through 1983, inclusive, such sums to remain available until expended. For the authorizations made in this section, any amounts authorized but not appropriated in any fiscal year shall remain available for appropriation in succeeding fiscal years.

The SPEAKER pro tempore. Is a second demanded?

Mr. SEBELIUS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. Phillip Burton). will be recognized for 20 minutes, and the gentleman from Kansas (Mr. Sebelius) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. Phillip Burton).

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3757 in its current form represents the work of the Commitee on Interior and Insular Affairs in two areas.

First and most important, is the establishment of the Channel Islands National Park in the State of California. Congressman Bob Lagomarsino has shown exceptional leadership and initiative in bringing this matter before the House. The Channel Islands are a remarkable American resource, unique and little altered by man's imprint. Representative Lagomarsino has worked personally to resolve a number of difficult issues and permit the expansion of this national monument into a national park. His leadership at this time will pay benefits to present and future generations.

The other issue treated by H.R. 3757 is the need to make a number of changes to the National Parks and Recreation Act of 1978. Title I of the bill today includes changes to some 18 segments of this major act. A number of these changes are purely technical and correcting in nature. Several others are refinements to the language which was enacted last Congress.

Title I also includes several other items which could be processed at this time. The most important of these is a restriction on entrance and admission fees to units of the national park system. While my fundamental position is that these Federal areas should be open to all citizens without costs, we have chosen, at this time, to simply restrict the administration from increasing fees in these areas or extending fees to areas which are now free.

Mr. Speaker, the following is a brief explanation of all the sections within H.R. 3757:

SECTION-BY-SECTION ANALYSIS

Section 1 consists of a series of 18 paragraphs which amend various sections of the National Parks and Recreation Act of 1978, as follows:

Paragraph 1 corrects a printing error to substitute the correct increase in the development ceiling for the DeSoto National Memorial.

Paragraph 2 increases the development ceiling for Pecos National Monument by $200,000 to bring the new ceiling into conformance with the planned development intended for the area.

Paragraph 3 inserts a word dropped from the general provision covering limitations on boundary revisions.

Paragraph 4 corrects the acreage figure for an addition to Great Sand Dunes National Monument to correspond with the map which defines the addition, and conforms the authorization for land acquisition to this acreage. Direction is also given to the Secretary of the Interior to designate the lands covered by this boundary change as wilderness, in conformance with the existing designation for the adjacent monument lands.

Paragraph 5 extends the requirement for the Secretary to publish a map or other boundary description in the Federal Register to all of the adjustments made in Title III of the Act.

Paragraph 6 corrects a reference in the section expanding the Fort Union Trading Post National Historic Site.

Paragraph 7 corrects a map reference number for the Cuyahoga Valley National Recreation Area.

Paragraph 8 references a new map to add some 250 acres to Point Reyes National Seashore, as well as to include any adjacent State parks and other State-owned lands adjacent to the National or State parks in the external boundaries of the seashore. A new subsection is also added directing the Secretary to accept any lands and improvements within or adjacent to the seashore which may be donated by State or local governments.

Paragraph 9 removes a restrictive proviso with regard to the Chesapeake and Ohio Canal National Historical Park, thus permitting acquisition of parcels of land needed along the canal in the Georgetown area.

Paragraph 10 corrects a spelling error.

Paragraph 11 corrects the cutoff date in the Santa Monica Mountains National Recreation Area for improved property which will qualify to be retained for a lifetime or fixed term lease.

Paragraph 12 includes the use of appropriated funds for land acquisition in the Ebey's Landing National Historical Reserve.

Paragraph 13 corrects the street address for the Maggie L. Walker National Historic Site.

Paragraph 14 amends the National Trails Svstem Act to include the North Country Trail, and makes conforming and correcting amendments.

Paragraph 15 corrects the description of Yellowstone National Park to include the park lands within the State of Montana. The National Park Service will be acquiring the real and personal property of the Yellowstone Park Company in this park and we wish to clarify the language so there is no doubt that all the facilities and property of this company within the park will be acquired.

Paragraph 16 clarifies the use of the property conveyed for the Albert Einstein Memorial as being for the purposes of the memorial.

Paragraph 17 corrects a reference in the Upper Delaware River section, and places a cutoff date of ten years on an advisory council for the river. Paragraph 18 corrects the acreage reference regarding Jean Lafitte National Historical Park to conform with the referenced map, corrects a section numbering, adds two members to the advisory commission, and places a ten-year termination on the commission.

Section 2 limits entrance and admission fees charged at units of the national park system to those areas and those rates which were in effect as of January 1, 1979.

Section 3 adds the Birch River in West Virginia to be studied for possible wild and scenic river designation, and makes conforming changes in the Act.

Section 4 extends all protections afforded to the Point Reyes National Seashore wilderness to the Farralon National Wildlife Refuge Wilderness.

Section 5 references a revised map for the Golden Gate National Recreation Area, which is to encompass any adjacent state park lands. Also, a transfer by reducing by $10,000,000 is made from the authorized amount for developmenht to an increase in the same amount authorized for land acquisition.

Section 6 directs the Secretary of the Interior to acquire a collection of whaling artifacts and related items for display at the Golden Gate National Recreation Area. No more than $3,000,000 of the amounts previously authorized for development of the recreation area may be used to purchase the collection.

Section 7 amends the Land and Water Conservation Fund Act to (1) permit appropriations made from the special account established by P.L. 95–42 to be used for areas authorized in the 95th Congress, (2) permit the existing ceiling override on land acquisition to apply to areas authorized in the 95th Congress, and (3) change the ten year limitation on minor boundary changes to instead permit such changes to those boundaries established after January 1, 1965, and also to permit the expenditure of appropriated funds in acquiring lands adjacent to national park system units from willing sellers, such as from the Nature Conservancy.

Section 8 amends the General Authorities Act of 1970 to

(1) exempt certain costly and repetitive reports from being printed as House documents, and (2) require transmittal to the authorizing committees of the national park system plan, and provide for updates of the plan.

Section 9 authorizes the Secretary to revise the boundaries of the Carl Sandburg Home National Historic Site, the Chickamauga and Chattanooga National Military Park, and the Fredericksburg and Spottsylvania County Battlefields Memorial National Military Park. Publication of revised maps is provided for, and funding limits are placed as appropriate.

Section 10 directs the Secretary to provide for the continued preservation and use of Palmer's Chapel in Great Smoky Mountains National Park.

Section 11 makes a correcting change to a 94th Congress enactment, thus permitting a land exchange to be consummated between the Corps of Engineers and the national park service along the George Washington Memorial Parkway.

Section 12 limits the authorizations in the bill to begin with fiscal year 1980, and only as provided for in appropriation measures.

Section 201 indicates various key features of the proposed new park and establishes a new Channel Islands National Park, comprising the existing Channel Islands National Monument, and the principal islands of Santa Cruz, Santa Rosa and San Miguel. The new park's boundary extends one nautical mile offshore of each island. The Channel Islands National Monument is abolished.

Section 202 provides conventional acquisition authority with various specific conditions tailored somewhat to the small number of individual landowners. State owned lands may be acquired only by donation or exchange. Since the State holds title to all of the submerged lands and waters included in the park's boundary, it would be logical for the Secretary to investigate the prospect of an eventual land exchange to possibly secure Federal title to this part of the park, should donation not appear as a likely option.

It is most important that efforts be maximized to secure as strong a protection as possible for this majorly important marine resource component of the new park.

Lands within the new park owned by other Federal agencies are intended to be transferred to the Secretary of the Interior at such time that the owning agency no longer has a need to retain ownership. Such transfer could be conditioned on such retained rights as may be mutually agreeable. The Committee expects that activities on lands yet retained by other Federal agencies will be as compatible as possible with the purposes of the park. The Committee understands that the Memorandum of Agreement between the Department of the Navy and the Department of the Interior Relating to Protection of Natural Values and Historic and Scientific Objects on San Miguel and Prince Islands in California, dated May 7, 1963, and as amended, August 21, 1976, has been effective in preserving the resources of the affected islands, and shall remain in effect, except as may be modified by mutual agreement between the Secretary and the Secretary of the Navy.

The Committee also understands that the Coast Guard has been willing for several years to transfer essentially all of its holdings on East Anacapa Island to the National Park Service, and the Committee encourages that this now occur expeditiously.

Provision is made in this section that essential national security missions and placement of navigational aids shall be permitted by the Secretary on Federally owned park lands and waters which (1) have been transferred to the Service from another Federal agency or (2) on previously privately owned lands which were the subject of a lease or permit to a Federal agency as of the date of enactment of the Act, all of which is subject, however, to Secretarial approval in accordance with the proper protection of park resources. The Secretary has no authority in regard to prohibiting essential national security missions or navigational aids on lands not owned by him. As such, newly acquired areas of the park are not authorized to be used for such missions or activities, except for lands previously owned by other Federal agencies or where such lease or permit arrangements predate the date of enactment of the Act, with regard to other lands acquired by the Secretary.

Subsection (b) of this section also provides some special acquisition conditions for private lands. The Committee views The Nature Conservancy and its holdings and management policies on Santa Cruz Island to be wholly consistent and compatible with the purposes of the park. Acquisition of their holdings should never need to occur unless they desire to sell, or unless for some unforeseeable and unlikely reason the Conservancy's land stewardship embraces activities adverse to the purposes of the park, in which instance National Park Service acquisition is authorized without the Conservancy's consent. The aforesaid conditions relative to The Nature Conservancy apply likewise to the National Park Foundation or any national nonprofit conservation organization, affiliate or subsidiary thereof similar to these two organizations, which may come to own lands within the park.

The Committee notes with great appreciation and respect, the splendid stewardship of the land practiced through the years by Dr. Carey Stanton, the major owner of Santa Cruz Island, and applauds the great philanthropic gesture and contribution to conservation he has made in recently transferring so much of his holdings to The Nature Conservancy.

With respect to Santa Rosa Island, the Secretary may not acquire lands thereon without the consent of the owner unless such lands undergo or are about to undergo a change in use which is inconsistent with the purposes of the Act, or unless the owner of record as of the date of enactment of the Act offers to sell or dispose of his lands.

By such provisions, the Committee seeks to honor the ability of current owners of record prior to the date of enactment of the Act to continue to own and manage their lands as they have in the past. Any change in land use or activities conflicting with the purposes of the park, or any changes in ownership would constitute triggering devices whereupon the National Park Service could bring about a transfer of ownership to the Federal Government.

Subsection (c) contains fairly standard provisions for an owner's retention of a right of continued use and occupancy. The owner may elect how much of his property for which he desires to devote a continued use and occupancy. He may also have a right to transfer federal and non-native animals to locations outside the park, such as to zoos, animal farms, etc., and he may also retain a right to control the population of such animals in a manner similar to that utilized prior to the date of enactment of the act. He may generally operate his land in a manner as he had prior to its acquisition. Any deviation for reasons of modernization, economics, etc., must not create adverse impacts of any type on the park. Should any activities or uses subsequent to acquisition be incompatible with the purpose of the park, or adversely affect or threaten its resources, the retained right is subject to termination by the Secretary.

In the event a former owner of any private lands with the park does not reserve a right of use and occupancy subsequent to the acquisition of all or a portion of his lands, the Secretary may, in his discretion and if so requested by the former owner, enter into a lease agreement with that former owner for the use of any or all of such property not subject to a preservation, in a manner wholly compatible with the administration of the park and the preservation of its resources. Any right retained or any lease entered into shall be subject to access and other provisions as the Secretary may require for purposes of visitor use, resources management and general administration of the park.

Section 203 direct the Secretary to devolop a natural resources study report and submit it to named committees of the House and the Senate within two complete fiscal years of the date of enactment of the Act, and to revise, update and resubmit it every two years thereafter for a ten year period. This periodic updating and reporting is designed to provide an ability for trend analysis. While all natural resources of the park are to be included, particular attention is to be given those species which are unique to the park, threatened or endangered. The most special attention is to be given marine life, due to its particular fragility and vulnerability.

Accompanying the items to be included as specified in the title should be an identification of agents and activities which are currently or may in the future threaten, deplete or adversely impact the natural population and welfare of native species and resources of the park. This report is to be done in consultation with the State of California and various other knowledgeable Federal and private entities.

This section also directs that the Secretary continue and attempt to enter into additional cooperative agreements with the State of California to enhance the enforcement of Federal and State laws and regulations on the lands and waters within and adjacent to the park. Nothing in the title is to be construed as affecting the existing rights and jurisdiction of the State of California within the new park boundaries.

Section 204 provides conventional direction for the Secretary to manage the park in accordance with the basic Act establishing the National Park Service, and any other legal authorities available to him for the protection of the park. Because of the fragile nature of many of the park's resources, the appropriate visitor use levels of the park are to be professionally identified and properly controlled. The Committee recognizes that this park should be a particularly low intensity use park, and entry should be well controlled. The Act prescribes that adverse visitor impact on park resources is to be at a negligible level. As it is directed by law that all National Park Service general management plans identify and provide for adherance to visitor carrying capacities, it is of particular importance that this park receive early, intense professional attention in this regard.

A general management plan is to be completed and submitted to named Committees of the Congress within three complete fiscal years of the date of enactment of the Act. The plan is to be developed in consultation with The Nature Conservancy and the State of California, and have appropriate public input and review. This plan is to give attention to alternative possibilities of design and operation of a public transportation system between the mainland and the islands for the visiting public. Since overall visitor use on the islands may be limited, every effort must be made to assist visitation by all interested segments of society; the park should not be left as the province of only those fortunate enough to own their own boat, as is much the current case. The transportation system analysis is to be developed in cooperation with the State of California and the Secretary of Transportation. The scientific community is to be consulted in preparation of the general management plan and public hearings are to be conducted in its development in Ventura and Santa Barbara counties.

This section also provides that no fees shall be charged for entrance or admission to the park.

Section 205 is designed to assure that the Secretary will be advised of all Federally related activities of any type (those with direct and any form of indirect Federal involvement, including funding assistance, grants, permits, licenses, etc.) which might bring adverse impact on the park's resources, in sufficient time prior to the event that the Secretary will be able to comment or make recommendations and which would have the opportunity to be considered by the initiating agency before the action takes place. It may be appropriate and helpful for the Secretary to call this provision to the attention of all Federal entities in the Southern California area region shortly after the bill's enactment, along with an explanation of the intent of the provision and a request for a cooperative spirit in its observation.

While the provision gives the Secretary no direct control over any decision, it is designed to permit a healthy exchange of information, with an opportunity for the Secretary to suggest mitigating or alternative actions, and to request that such suggestions be positively considered in a timely manner.

Section 206 constitutes standard language that a wilderness study of the park be conducted and a report thereon be submitted to the named committees within three complete fiscal years of the date of enactment of the Act. This study should be conducted simultaneously with the general management plan provided for in Section 204. All lands and waters within the park should be assessed as to their suitability and feasibility for designation as wilderness or potential wilderness addition. No wilderness may be designated without a subsequent act of Congress.

Section 207 authorizes the Secretary to expend Federal funds on privately owned lands for purposes beneficial to the park. Expenditure of any substantial amount of funds for development on privately owned lands should be avoided. Should significant funds be necessarily expended on a site of private land and there is no reasonable and suitable alternate site on Federal land, consideration should be given to acquiring such land for Federal ownership for the particular development location. Funds previously authorized for the Channel Islands National Monument are transferred to the new park, and funds are authorized for land acquisition and development. At such time as the general management plan is submitted to the Committees so that a basis exists for the determination of an appropriate new development authorization, the figure of $500,000 authorized in this title can be appropriately modified.

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Mr. SEBELIUS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill constitutes an assemblage of principally technical amendments to correct mistakes made in last year's big parks omnibus bill. In addition to that, there are a few items of substance added to these technical matters which the committee adopted and which were free of any known controversy.

One of the most major of these is embraced by title II, which deals with the new Channel Islands National Park, which I will deal with in a moment.

But first I would like to address a couple of items which are in title I which both deal with section 8 of Public Law 91-383, as amended—the so-called National Park Service General Authorities Act.

In section 8 of this bill before us today, paragraph (1) provides flexibility for the chairmen of the two involved House and Senate committees to jointly declare that newly submitted reports from the Secretary of the Interior dealing with new park area studies need not be printed as House documents, as is now required by law, if a sufficient number of identical reports is already on hand from the previous year. If anything is changed in the newly submitted reports, this provision may not apply. This is designed to save printing costs. It is all a very simple matter. We had considered also including in this nonprinting option, the ability to not print reports received from the Secretary which were either not "comprehensive" or not "complete", or both. The law requires that—

> At the beginning of each fiscal year, the Secretary shall transmit to the Speaker of the House of Representatives and to the President of the Senate, comprehensive reports on each of those areas upon which studies have been completed.

We have received these reports for 2 years now, and some of them are not comprehensive and they are not complete. Some are absolutely worthless, and it is a terrible waste and an insult to print them. Rather than amend the law, however, to add that flexibility to permit us to in effect censure a report by not printing it, we would rather that the National Park Service read and obey the law. We believe we have an understanding now with the executive branch that no more reports are to be sent up to us that are not comprehensive and are not complete, and this should solve the problem. I would urge that the National Park Service immediately develop some guidelines for what must be included in each of these park new area study reports to assure that they are complete and comprehensive before they are sent to Congress each October 1.

In section 8 also, a new subsection (b) is added which gives statutory recognition and support for the "National Park System Plan," and requires that it be revised and initially submitted to the appropriate committees of the House and Senate within 6 months of this bill's enactment. This plan has existed in print since 1972. It has two parts: Part I, which deals with historic themes, and part II, which deals with natural themes.

These plans were developed to constitute guidelines as to types of areas which should be considered for addition to the National Park System, in an effort to develop the proper well-rounded representation. The plans have been very valuable documents since their development and they should be more advantageously and positively utilized in the future. They have not been updated since their initial publication in 1972, and need to be revised and updated.

The Director of the National Park Service said many months ago that he would update these plans by indicating the designated new National Park System additions and get that updated plan to us within 2 weeks. After a number of requests, we still do not have that new document. While the bill language mandates an updated plan revision submission within 6 months, we do not expect that only an update of newly established areas should be included, but also that the plan should by that time undergo any major substantive revisions considered professionally appropriate. Further, since this plan is to be revised, as needed, and updated annually, it would appear that a more practical format might be loose-leaf, similar to that now used for National Park Service management policies.

I hope that the National Park Service will finally take this matter of the importance of this plan seriously, and do a prompt and professional job of revising, updating and using the new plan. We are long overdue for seeing the plan receive the professional attention and use it deserves. It is most important to the committees of the Congress which authorize and fund these new park areas, that the professional base from which many of these new candidates derive be done well. Ultimately, of course, it is a matter of no small importance to resource preservation and the American public who so strongly use and appreciate the units of our National Park System.

Now for a few comments regarding title II of the bill. This title establishes a new Channel Islands National Park by incorporating the existing Channel Islands National Monument and several other major islands in the Pacific Ocean off the coast of southern California. I do not know of any controversy over this matter. The area involved is totally within the district of my good friend and able colleague on the Interior Committee, BOB LAGOMARSINO. The fact that this bill is here today is testimony to his able work in dealing with the many interests involved, and in smoothing the way for this bill to become reality. A good part of the credit also should go to Mr. Bill Ehorn, who as superintendent of the Channel Islands National Monument over the past several years, has worked closely with the many interests in developing conditions which have made this legislation possible today.

I am very pleased to see this area receive further protection by this bill. There are some fantastic natural and cultural resources within the boundaries of this proposed new area which are certainly worthy of national park status.

I want to point out that many of these resources are quite fragile, and also are currently in private ownership. Until lands are acquired by the Federal Government, and even after they are, public use may be somewhat limited. Due to resource fragility, this area is intended to not receive the heavier kinds of visitor use experienced by a number of other existing parks.

It is my hope that all lands owned by the military within the new park boundaries will be transferred to the National Park Service, as the bill allows, as soon as this can be done. In the interim, I am sure the military will continue to subject these lands to purposes quite compatible with the park, as they have tended to do quite well in the more recent past.

Mr. Speaker, I believe the most serious concern over the welfare of this new park is to be directed to the forces and activities which are occurring, and may in the future materialize, outside the park's boundaries. There is considerable oil tanker traffic in the adjacent Santa Barbara Channel, and there is oil drilling ongoing in that same channel, and more to come. There are proposals for a liquified natural gas plant to be sited somewhere near that same channel.

There are space shots to get underway on the nearby mainland associated with the Space Shuttle program which, according to a National Park Service legislative background document, could result in a launching path over San Miguel Island subjecting resources and wildlife there to as much as 30 pounds per square foot of overpressures. This island is the one which has the greatest concentration and display of marine wildlife, particularly pinnipeds—seals and walruses. There is also a considerable amount of pressure on the marine resources due to both sport and commercial fishing.

I believe there will need to be as much coordination and cooperation as possible, particularly among Government agencies, on these matters to assure that adverse impacts do not become too great on this new park. There are several provisions in the bill; namely, sections 203, 204, and 205, which recognize these matters and suggest that they receive proper attention.

Mr. Speaker, I believe this is a good bill, and I urge its adoption by the House.

Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. Lagomarsino).

Mr. LAGOMARSINO. Mr. Speaker, I would just like to take a few moments to speak in support of H.R. 3757, the omnibus parks bill, especially my legislation to establish a national park on the Channel Islands in California, title II of the bill.

I would first like to commend my colleagues on the National Parks Subcommittee, particularly our distinguished subcommittee chairman, Phil Burton, and my colleagues Don Clausen and Keith Sebelius, for their excellent efforts represented in H.R. 3757, the omnibus parks bill. This legislation encompasses a collection of technical improvements in park policy and corrects technical errors in previous parks legislation. I am especially pleased with the provision in title 1, section 1, paragraph 11, amending the date for improved property in the Santa Monica Mountains National Recreation Area, allowing additional landowners to qualify for a fixed life term of continued use and occupancy.

As already mentioned, the Channel Islands National Park legislation is included in this bill. The Channel Islands, which lie at a distance of 11 to 60 miles off the coast of Santa Barbara and Ventura Counties in my district, offer a remarkably pure addition to our National Park System. Long isolated from the mainland, the islands have become the home for rare and endangered species including the endangered brown pelican and endangered Guadalupe fur seal. They provide shelter for endemic species and a haven for exotic birds and animals. Their shores are the chosen breeding grounds for a variety of marine mammals and contain sheltered tide pools abundant with abalone and other marine life.

Culturally, the islands have a rich past: Juan Cabrillo, founder of California, is believed to be buried here. The islands also contain significant relics from the time they were inhabited by the seafaring Chumash Indians.

Because of the stewardship of concerned landowners, the islands have sustained a delicate ecological balance. In a way, they provide us with a pretty good scenario of what the mainland embodied thousands of years ago.

My bill established the Channel Islands National Park on Santa Barbara and Anacapa Islands, which presently constitute the Channel Islands National Monument, San Miguel, Santa Rosa, and Santa Cruz Islands. Among other things, the legislation provides traditional acquisition authority with some qualifications, and calls for a natural resources study report to be submitted for congressional committee review, periodically over the next 10 years. Perhaps most important, it recognizes the unique fragility and sensitivity of the island's resources by specifying that the new park be administered on a low-intensity basis, so that visitor use will be limited to capacities which do not endanger the exceptional resources found here. The changes in the bill made in the subcommittee are good ones, reflecting the concerns of all interested parties.

Mr. Speaker, I would like to urge today that my colleagues support H.R. 3757, the omnibus parks bill, improving our National Park System, and that they vote to establish the Channel Islands National Park to be preserved in perpetuity for the benefit of generations to come.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, I would like to join with my colleague and underscore our applause to Dr. Stanton for his generous actions and vision about preserving this great and universally approved resource. Dr. Stanton at considerable personal income sacrifice cooperated with the Nature Conservatancy and because of his actions the Channel Islands, and this most important unit, are going to be preserved for posterity.

I think this is in the best tradition of those old families that own some of our Nation's most unique resources. I want the record to reflect my own approbation and applause of Dr. Stanton's activities.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I yield 1 minute to the gentleman from Virginia (Mr. Whitehurst).

Mr. WHITEHURST. Mr. Speaker, as the sponsor of H.R. 1307, the bill to establish the North Country Scenic Trail, I am pleased to rise in support of H.R. 3757, which contains the provision for this trail, and I would like to take this opportunity to commend Chairman Burton and the members of the subcommittee and the full committee on their expeditious handling of this important legislation. I urge favorable consideration of this bill by my colleagues, since it represents another step forward for our national parks and recreation areas.

Mr. PHILLIP BURTON. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. PHILLIP BURTON. Mr. Speaker, as the gentleman is aware, this item was in the omnibus bill last year. It got lost in the last minute shuffle. It was the introduction of the gentleman's bill to this Congress that prompted our memories and produced this item in the legislation.

I commend the gentleman for his leadership in this respect.

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Mr. Speaker, I have no further requests for time.

Mr. SEBELIUS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Murtha). The question is on the motion offered by the gentleman from California (Mr. Phillip Burton) that the House suspend the rules and pass the bill H.R. 3757, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the National Parks and Recreation Act of 1978, to establish the Channel Islands National Park, and for other purposes.".

A motion to reconsider was laid on the table.

AUTHORIZATION FOR TRUST TERRITORIES AND INSULAR AREAS OF THE UNITED STATES

Mr. PHILLIP BURTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3756) to authorize appropriations for certain insular areas of the United States, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3756

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TRUST TERRITORY OF THE PACIFIC ISLANDS

Sec. 101. Section 2 of the Act of June 30, 1954 (68 Stat. 330) is amended by inserting after "for fiscal year 1980, $112,000,000;" the following: "for fiscal years after fiscal year 1980, such sums as may be necessary.".

Sec. 102. There is hereby authorized to be appropriated to the Secretary of the Interior an amount equal to 50 per centum of such sums as may be necessary to satisfy all adjudicated claims and final awards made before the date of the enactment of this Act by the Micronesian Claims Commission under title I of the Micronesian Claims Act of 1971 (85 Stat. 96; 50 U.S.C. App. 2018 et seq.), to be used by the Secretary for the payment of such awards.

Sec. 103. The Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (91 Stat. 1159; Public Law 95–134) is amended—

(1) in subsection 104(a), by striking out paragraph (4) and redesignating paragraph (5) as paragraph (4); and

(2) by inserting after section 105, the following new section:

"Sec. 106. In addition to any other payments or benefits provided by law to compensate inhabitants of the Atolls of Bikini, Enewetak, Rongelap, and Utirik, in the Marshall Islands, for radiation exposure or other losses sustained by them as a result of the United States nuclear weapons testing program at or near their atolls during the period 1946 to 1958, the Secretary of the Interior shall provide for the people of the Atolls of Bikini, Enewetak, Rongelap, and Utirik and for their descendants a program of medical care and treatment and environmental research and monitoring for any injury, illness, or condition which may have been the result of such nuclear weapons testing program. Such program shall include but shall not be limited to—

"(1) an integrated, comprehensive health care program including primary, secondary, and tertiary care with special emphasis upon the biological effects of ionizing radiation;

"(2) a periodic comprehensive survey and analysis of the radiological status of the atolls of Bikini, Enewetak, Rongelap, Utirik, and Alinginae, employing the most current scientific and technical methods available, with emphasis upon radionuclide pathways to man and economic development of the islands;

"(3) at appropriate intervals, but not less frequently than once every five years, the development of an updated radiation dose assessment, together with an estimate of the risks associated with the predicted human exposure, for each such atoll;

"(4) an education and information program to enable the people of such atolls to more fully understand nuclear radiation and its effects, to the end that unrealistic fears will be minimized and measures to discover, treat, or reduce human exposure to radiation at such atolls will be maximally effective.

"(b)(1) In the development and implementation of the program provided by this section, the Secretary shall consult and coordinate with the High Commissioner of the Trust Territory of the Pacific Islands, the President of the Marshall Islands, the Secretary of the Department of Energy, the Secretary of Defense; and, in consultation with the National Academy of Sciences, shall establish a scientific advisory committee which shall review and evaluate the conduct of such program and make such recommendations regarding its improvement as they deem advisable.

"(2) At the request of the Secretary, any Federal agency shall provide such information, personnel, facilities, logistical support, or other assistance as the Secretary deems necessary to carry out the functions of this program; the costs of all such assistance shall be reimbursed to the provider thereof out of the sums appropriated by this section.

"(3) There are authorized to be appropriated to the Secretary of the Interior such sums as may be necessary to plan, implement, and operate the program authorized and directed to be provided by this section.

"(c) The Secretary shall report to the appropriate committees of the Congress, and to the people of the atolls of Bikini, Enewetak, Rongelap, and Utirik, annually, or more frequently if necessary, on the activities of the program provided by this section. Each such report shall include a description of the health status of the individuals examined and treated under the program, an evaluation of the program by the scientific advisory committee, and any recommendations for improvement of the condition of such individuals. The first such report shall be submitted not later than one year after this section becomes law.".

Sec. 104. Except in cases in which the Federal program is terminated with respect to all recipients under the program, Federal programs shall not cease to apply to the Trust Territory of the Pacific Islands, either before or after the termination of the trusteeship, without the express approval of Congress.

TITLE II—NORTHERN MARIANA ISLANDS

Sec. 201. The salary and expenses of the government comptroller for the Northern Mariana Islands shall be paid from funds authorized to be appropriated to the Department of the Interior.

Sec. 202. There are hereby authorized to be appropriated to the Secretary of the Interior $24,400,000 plus or minus such amounts, if any, as may be justified by reason of ordinary fluctuations in construction costs from October 1979 price levels as indicated by engineering cost indexes applicable to the types of construction involved, for a grant to the Commonwealth of the Northern Marinana Islands to provide for health care services. No grant may be made by the Secretary of the Interior pursuant to this section without the prior approval of the Secretary of Health, Education, and Welfare.

Sec. 203. (a) The Secretary of the Treasury shall administer and enforce the provisions of sections 601 and 603 of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (Public Law 94–241; 90 Stat. 263, 269), without cost to the government of the Northern Mariana Islands. The administration and enfrocement of section 603 shall begin on January 1, 1980, and the administration and enforcement of section 601 shall begin on Januray 1, 1982.

(b) Section 3(d) of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes" (Public Law 95–348; 92 Stat. 487) is amended by striking out "601, 603, or 604" and inserting in lieu thereof "604".

(c) The Secretary of the Treasury shall take such steps as are necessary to ensure that the proceeds of the local territorial income tax are covered into the treasury of the Northern Mariana Islands forthwith.

(d) The Secretary of the Treasury shall hire and train residents of the Northern Mariana Islands to carry out the administration and enforcement duties required of him under subsections (a) and (b).

Sec. 204. Notwithstanding the provisions of section 1003 of the Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved March 24, 1976 (90 Stat 263), the provisions of section 601 of such Covenant shall not take effect until January 1, 1982.

Sec. 205. Subsection (g) of section 5 of the Act entitled "An Act to authorize appropriations for certain insular areas of the United States, and for other purposes", approved August 18, 1978 (92 Stat. 492), is amended by changing "not to exceed $3,000,000" to "such sums as may be necessary, but not to exceed $3,000,000 for development,".

TITLE III—GUAM

Sec. 301. (a) Section 30 of the Guam Organic Act (48 U.S.C. 1421h) is amended—

(1) by inserting "(a)" after "Sec. 30."; and

(2) by inserting at the end thereof the following new subsection:

"(b)(1) The Secretary of the Treasury shall administer and enforce the collection of all customs duties derived from Guam and the Guam territorial income tax, without cost to the government of Guam. Such administration and enforcement shall begin on January 1, 1980.

"(2) The Secretary of the Treasury shall, upon the request of the Governor of Guam administer and enforce the collection of any tax the proceeds of which are covered into the treasury of Guam under this section (other than customs duties and the Guam territorial income tax to which paragraph (1) applies), and any tax imposed by local law, without cost to the government of Guam. The administration and enforcement of any such tax shall continue until such time as the Governor of Guam, acting pursuant to legislation enacted by the legislature of Guam, requests the Secretary to discontinue the administration and enforcement of such tax.

"(3) The Secretary of the Treasury shall hire and train residents of Guam to carry out the administration and enforcement duties required of him under paragraphs (1) and (2).".

(b) Section 31(c) of the Guam Organic Act (48 U.S.C. 1421i(c)) is amended by striking out "The" and inserting in lieu thereof "Except as provided in section 30(b) of this Act, the".

(c) The first sentence of section 31(d)(2) of the Guam Organic Act (48 U.S.C. 1421i(d)(2)) is amended by striking out "The" and inserting in lieu thereof "Except as provided in section 30(b) of this Act, the".

Sec. 302. The Act of November 4, 1963 (77 Stat. 302), to provide for the rehabilitation of Guam, and for other purposes, is hereby amended as follows:

(1) in the first sentence of section 3, delete the comma after "United States" and delete the words "with interest as set forth below," and

(2) after paragraph (c) of section 3, delete the last paragraph before section 4 and insert in lieu thereof:

"All amounts heretofore withheld from sums collected pursuant to section 30 of the said Organic Act as interest on the amounts made available to the government of Guam pursuant to this Act shall be credited as reimbursement payments by Guam on the principal amount advanced by the United States under this Act.".

Sec. 303. Section 11 of the Organic Act of Guam (64 Stat. 387; 48 U.S.C. 1423a), as amended, is hereby amended by deleting the three sentences which begin with "The Secretary, with the concurrence of the Secretary of the Treasury," and end with the words "Section 30 of this Act (48 U.S.C. 1421h).", and substituting therefor the following language: "The Secretary, upon finding that the Guam Power Authority is unable to refinance the above-mentioned indebtedness by December 31, 1980, shall extend the guarantee provision of this section until December 31, 2010. Such guaranteed bonds or other obligations shall, while outstanding, include a provision for semiannual payments of interest only until December 31, 1980, and thereafter include a provision for quarterly payments of principal. If the Secretary determines, before December 31, 1980, that the Guam Power Authority will not meet its obligation to pay interest, the Secretary shall request the Secretary of the Treasury to deduct such payments from the sum collected and paid to the government of Guam pursuant to section 30 of this Act (48 U.S.C. 1421h). Should the guarantees be extended beyond December 1, 1980, (1) the Secretary of the Treasury shall automatically deduct (and pay to the Federal Financing Bank) such payment of principal from sums collected and paid to the government of Guam pursuant to section 30 of this Act, and (2) Guam Power Authority payments of principal and interest shall be paid to the government of Guam.".

TITLE IV—VIRGIN ISLANDS

Sec. 401. Subsection (f) of section 2 of the Act entitled "An Act to authorize the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States under specified conditions, and for other purposes" (90 Stat. 1193; Public Law 94–392) is amended by striking out "1979" and inserting in lieu thereof "1989".

Sec. 402. Section 28 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1642 et seq.) is amended by adding at the end thereof the following new subsection:

"(e)(1) The Secretary of the Treasury shall administer and enforce the collection of all customs duties derived from the Virgin Islands and the United States income tax the proceeds of which are covered into the treasury of the Virgin Islands under this section, without cost to the government of the Virgin Islands. Such administration and enforcement shall begin on January 1, 1980.

"(2) The Secretary of the Treasury shall, upon the request of the Governor of the Virgin Islands, administer and enforce the collection of any tax the proceeds of which are covered into the treasury of the Virgin Islands under this section (other than customs duties and the United States income tax to which paragraph (1) applies), without cost to the government of the Virgin Islands.

The administration and enforcement of any such tax shall continue until such time as the Governor of the Virgin Islands, acting pursuant to legislation enacted by the legislature of the Virgin Islands, requests the Secretary to discontinue the administration and enforcement of such tax.

"(3) The Secretary of the Treasury shall take such steps as are necessary to ensure that the proceeds of the United States income tax in force in the Virgin Islands covered into the treasury of the Virgin Islands forthwith.

"(4) The Secretary of the Treasury shall hire and train residents of the Virgin Islands to carry out the administration and enforcement duties required of him under paragraphs (1) and (2).".

Sec. 403. Subsection (b) of section 31 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1545(b)) as amended, is further amended by numbering the existing paragraph "(1)" and by the addition thereto of the following new paragraph:

"(2) Subject to valid existing rights, title to all property in the Virgin Islands which may have been acquired by the United States from Denmark under the Convention entered into August 16, 1916, not reserved or retained by the United States in accordance with the provisions of Public Law 93–435 (88 Stat. 1210) and parcels 2 and 22 (Estate Upper Bethlehem, Saint Croix, United States Virgin Islands) and parcels 2A and 23 (Fredensborg and Upper Bethlehem, Saint Croix, United States Virgin Islands) and parcel 24 (Estate Body Slob and Upper Bethlehem, Saint Croix, United States Virgin Islands) are hereby transferred to the Virgin Islands government.".

Sec. 404. No extension, renewal, or renegotiation of the lease of real property on Water Island in the Virgin Islands to which the United States is a party shall be made before 1992 without the express approval of the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate.

Sec. 405. (a) Subsection 28(a) of the Revised Organic Act of the Virgin Islands, as amended by section 4(c)(3) of the Act of August 18, 1978 (92 Stat. 487, 491) is amended by inserting after the phrase "and naturalization fees collected in the Virgin Islands," the phrase "less the cost of collecting, except any costs for preclearance operations which shall not be deducted, of all of said duties, taxes, and fees from August 18, 1978, until January 1, 1982,".

(b) Section 4(c)(2) of the Act of August 18, 1978, is amended by inserting the phrase "less the cost of collecting all of said duties, taxes, and fees, occurring before January 1, 1982," after the phrase "the amount of duties, taxes, and fees".

TITLE V—AMERICAN SAMOA

Sec. 501. The salary and expenses of the government comptroller for American Samoa shall be paid from funds to be appropriated to the Department of the Interior.

Sec. 502. The Secretary of the Treasury shall, upon the request of the Governor of American Samoa, administer and enforce the collection of all customs duties derived from American Samoa, without cost to the government of American Samoa. The Secretary of the Treasury, in consultation with the Governor of American Samoa, shall make every effort to employ and train the residents of American Samoa to carry out the provisions of this section. The administration and enforcement of this section shall commence January 1, 1980.

TITLE VI—MISCELLANEOUS

Sec. 601. Title V of the Act entitled "An Act to authorize certain appropriations for the territories of the United States, to amend certain Acts relating thereto, and for other purposes" (91 Stat. 1160) shall be applied with respect to the Department of the Interior by substituting "shall" for "may" in the second place it appears in subsection (a) and in the last sentence of subsection (d).

Sec. 602. (a) Any amount authorized to be appropriated for a fiscal year by this Act or an amendment made by this Act but not appropriated for such fiscal year is authorized to be appropriated in succeeding fiscal years.

(b) Any amount appropriated pursuant to this Act or an amendment made by this Act for a fiscal year but not expended during such fiscal year shall remain available for expenditure in succeeding fiscal years.

Sec. 603. To the extent practicable, services, facilities, and equipment of agencies and instrumentalities of the United States Government may be made available, on a reimbursable basis, to the governments of the territories and possessions of the United States and the Trust Territory of the Pacific Islands. Reimbursements may be credited to the appropriation or fund of the agency or instrumentality through which the services, facilities, and equipment are provided. If otherwise authorized by law, such services, facilities, and equipment may be made available without reimbursement.

Sec. 604. Authorizations of moneys to be appropriated under this Act shall be effective on October 1, 1979.

Sec. 605. Any new borrowing authority provided in this Act or authority to make payments under this Act shall be effective only to the extent or in such amounts as are provided in advance in appropriation Acts.

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. Phillip Burton) will be recognized for 20 minutes, and the gentleman from California (Mr. Lagomarsino) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. Phillip Burton).

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have the balance of this legislative day in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we have before us the annual authorization for the insular areas. These are American Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands.

Since the current authorization for the trust territory expires at the end of fiscal 1980, the bill extends the authorization to make certain that there is no gap between the time that the authorization expires and the time that the trusteeship is terminated. Also, in connection with the end of the trusteeship, there is one outstanding matter that we still need to resolve.

Part of our responsibility was met last year when the rest of title II claims—those that resulted from actions taken after the United States had secured the islands—was paid out to those Micronesians who were owed damages.

Still remaining to be paid, however, are title I claims and this measure provides that 50 percent of these claims, as determined by the Claims Commission established by the U.S. Congress in 1971, shall be authorized for those people owed this money for the last 35 years.

Additionally, the bill establishes a comprehensive medical program for the people of the atolls of Bikini, Enewetak, Rongelap, and Utirik of the Northern Marshalls. All of these people were victims of U.S. nuclear testing in the Pacific in the 1940's and 1950's. And since it is not known to what extent their health has been impaired, they must be continually monitored and cared for by medical authorities, and this is provided in H.R. 3756.

Because of our special moral responsibility to these people it is intended that this provision be construed in that manner to provide the utmost protection to these people—and that this provision remain valid and subsisting even after the termination of the trusteeship.

For the Northern Mariana Islands, we have authorized funds for a hospital and health care system. Their current hospital facility consists of a number of prefabricated units haphazardly connected and woefully inadequate to meet their health care needs both at present and in the future. Studies done for the Northern Mariana Islands have concluded there is no alternative to this course of action.

For the Northern Marianas, Guam, and the Virgin Islands, the bill directs the Secretary of the Treasury to assume responsibility for administration and enforcement of the collection of Federal income taxes—including any surtax thereon—in these areas. In no way is it intended that there be any kind of retroactive responsibility on the part of the Treasury Department prior to the effective dates in this legislation. What we are seeking with this language, beginning with the dates in the bill, is a highly effective and efficient operation that will probably result in increased revenues for the treasuries of the three governments of these insular areas. Studies done from time to time have shown that there have been lost revenues through inefficient collection and enforcement and therefore our bill hopes to remedy this.

For the Northern Marianas, we authorize the delay of the implementation date for the collection of Federal taxes. The government of the Northern Marianas is a new one and ill-equipped to efficiently administer Federal tax laws. In seeking this delay, we wish to make clear that a local tax law will still be in operation during this time period and that a delay in no way represents a tax loss to the U.S. Treasury since Federal taxes would be covered directly into the Commonwealth treasury. Should anyone think this is an opportunity for them to seek tax havens in the Northern Marianas, the Secretary of the Treasury is directed and the Northern Mariana Islands government is urged to take any steps necessary to prevent this from occurring. In addition, the Northern Marianas government is directed to take any action necessary to deal locally with any other problems that might temporarily occur because of this delay.

As far as the American Memorial Park in Saipan goes, we include a technical amendment to last year's bill which brings into conformity with other parks the operations and maintenance costs as distinguished from development costs. In no way do we intend by this language to attempt to obtain any interest in this land belonging to the Northern Marianas.

Last year the House approved language that eliminated future interest payments on a Federal loan that was granted to the government of Guam in 1963 to offset both typhoon and World War II damage. Also included in last year's House-approved language was a provision crediting interest payments made to date toward the principal. Once again, we are including this and hopeful that the other body will see its way to helping the government of Guam by approving of it.

Another provision in the Guam section allows the Secretary of the Interior to extend the guarantee provision now in existing law so that the Guam Power Authority will be able to refinance its indebtedness to cover its obligations.

Also, for Guam as well as for the Northern Marianas, the bill authorizes the Secretary of the Treasury to administer and enforce customs in these areas. Guam, in particular, has become the entryway for illegal drug traffic into the United States and this provision is intended to help prevent this from continuing.

In the section on the Virgin Islands, we extend for 10 years an act that expires this year which authorizes the Virgin Islands government to issue bonds.

We also convey title from the U.S. Government to the Virgin Islands government of certain parcels of land no longer needed by us. The Department of Interior requested much of this language of us and so it is included. In no way is this provision to be construed to include Water Island, which is federally owned at present.

As far as Water Island goes, we provide that no extension, renewal, or renegotiation of the master lease can be made prior to 1992 expiration date without the express consent of the House Interior Committee and the Senate Energy and Natural Resources Committee. This is designed to protect the interests of both the United States and Virgin Islands governments.

It was brought to our attention that in last year's omnibus act, language that was intended to have the United States pick up the cost of collecting customs and taxes under 28(a) of the Virgin Islands Revised Organic Act was not having the desired effect. Instead of benefiting the financially hard-pressed Virgin Islands government, we discovered that due to a contract between the Virgin Islands government and Hess Oil, the bulk of the benefits were to go to the oil company. A provision to remedy this situation has been included in this bill.

For American Samoa, we provide that the Federal Comptroller's salary and expenses be paid by the Interior Department. This is the current practice, it should be noted, and we are merely insuring that it be part of statutory law.

Additionally, we provide that customs be administered and enforced by the Secretary of the Treasury, at no cost to the American Samoa government, should the Governor request this service.

And finally, we mandate for the Department of Interior the implementation of title V in the 1977 omnibus territories bill (Public Law 95-134). To date little progress has been made by the Department under the 1977 act. Hence, my colleagues on the committee and I believe this action is necessary. While title V affects all departments and agencies, we are only making it mandatory for the Department of the Interior since it is the lead agency for these insular areas.

Although Mr. Won Pat (Guam) and Mr. Evans (Virgin Islands) have expressed their opposition to the IRS collection provision, we have bipartisan agreement that this provision is most important and should remain in the bill.

My colleagues and I believe we are offering a good constructive bill for these insular areas and we urge the support of all Members of the House.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3756. The bill represents the combined efforts and experience of both majority and the minority members of the Committee on Interior and Insular Affairs. Countless hours of discussions with territorial leaders, business representatives, Federal officials and technicians are reflected in its provisions which in summary are as follows:

Section 101 provides authorization for continuance of the government of the Trust Territory of the Pacific Islands. In extending this authorization beyond 1981—the administration's target date for termination of the U.N. trusteeship—we demonstrate our misgivings in the current trend of Micronesia's future political status negotiations and provide the administration with more time in which to reach a settlement, equitable to both America and the Micronesian States.

In 1971, the Congress established a U.S. Claims Commission to ascertain Micronesian World War II claims. $34 million in claims were awarded; however, only $10 million—$5 million by the United States, $5 million by the Japanese—have thus far been paid. An authorization presently exists wherein the United States will pay the remainder when the Japanese meet their share. Thus far, the Japanese have not honored their obligation nor, do they show any indication that they ever will. Accordingly, section 102 permits the United States to pay its share—that is 50 percent—of the $24 million in outstanding claims. In both the 94th and the 95th Congresses, the House passed similar provisions only to be overruled by the other body.

Some of the inhabitants of Bikini, Enewetak, Rongelap, and Utirik were subjected to radiation hazards as a result of U.S. nuclear testing in the Pacific. For the first time, section 103 establishes a comprehensive medical program under the direction of the Secretary to insure proper medical treatment in the future.

As a result of the Micronesian future political status negotiations, the administration has deemed it advisable to terminate all Federal programs to Micronesia by 1981. In our opinion, the administration is too optimistic in believing that a satisfactory conclusion to the negotiations will occur by 1981. Moreover, Federal programs to the Micronesians are a congressional mandate and should not be terminated at the whim of the Executive. Consequently, section 104 requires the express permission of Congress to cease the application of Federal programs to the Trust Territory of the Pacific Island.

Section 201 and 501 directs the Secretary of the Interior to pay the salaries and expenses of the Federal comptrollers in the Northern Mariana Islands and Guam. This merely makes a matter of law what has been a matter of practice under executive agreement.

Medical facilities in the Northern Mariana Islands are woefully inadequate and fall below the minimum standard necessary to qualify for HEW programs. Section 202 authorizes $24.4 million—in accordance with a territorial study—to bring health care on a par with other U.S. offshore areas.

Section 203 directs the Secretary of the Treasury to assume responsibility for income tax collection and custom operations in the Northern Marianas. In this regard, I would like to point out here as well as for the other offshore areas in H.R. 3756 that in fairness, residents of the territories will not be held liable for tax irregularities preceding implementation of this legislation.

Under the terms of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States, residents of the Northern Marianas will abide by the Internal Revenue Code in paying the territorial income tax. Section 204 delays implementation of this provision until January 1, 1982, providing preparation time for the Commonwealth to become familiar with the complex nature of the IRC. In the interim, the local tax code of the Nothern Marianas will continue in effect. In this regard, it is not our intent to create a tax haven in the Northern Marianas. This is especially true for the residents of Guam. We direct the attention of the Secretary of the Treasury to this situation and request his close surveillance of future investment patterns.

Section 205 is a technical amendment which makes clear that title to the park land on Saipan is not transferred to the Federal Government, which would contravene the terms of the covenant, and separates development from operational and maintenance funds.

Section 301 and section 402 direct the Secretary of the Treasury to administer and enforce the territorial income tax and customs operations in Guam and the Virgin Islands, respectively.

The government of Guam is hard pressed to meet its financial obligations. A Federal loan was granted to Guam in 1963 to offset typhoon damage. Section 302 eliminates interest payments on the loan and credits interest payments previously paid toward the principal. This section, too, received approval of the House in the last Congress.

Upon guarantee of the Secretary of the Interior, the Federal Financing Bank, under previous legislation, is authorized under section 303 to lend the Guam Power Authority up to $36 million to cover obligations. Payments due will be deducted from Guam Organic Act section 30 funds if GPA fails to pay.

Section 401 extends the Federal guarantee of bonds issued by the Virgin Islands from 1979 to 1989.

Section 403 conveys title to several small parcels of land from the U.S. Government to the Virgin Islands government.

Section 404 requires that the master lease on Water Island in the Virgin Islands cannot be extended, renewed or renegotiated before 1992 without the express consent of the House Committee on Interior and Insular Affairs and the Senate Committee on Energy and Natural Resources.

Section 405 amends Public Law 95–348 to alleviate a deficiency, involving customs collections in the Virgin Islands.

Section 601 mandates that all programs administered by the Department of Interior will be apportioned out in block grants, as previously authorized in public law.

Mr. Speaker, H.R. 3756 ameliorates many of the difficulties confronted by Americans living in the offshore areas; accordingly, I urge its unanimous passage.

Mr. Speaker, I yield 3 minutes to the gentleman from the Virgin Islands (Mr. Evans).

Mr. EVANS of the Virgin Islands. Mr. Speaker, I rise in support of H.R. 3756.

First of all, I wish to associate myself with the remarks made by both the gentleman from California (Mr. Phillip Burton) and the gentleman from California (Mr. Lagomarsino).

This bill represents a great deal of cooperation and hard work by both the minority and majority members of the committee, including hard work done on the field trip.

I believe the bill serves the interest the United States and the insular areas, and I certainly ask for its adoption.

While this bill deals with most of the territories, my remarks will be confined mostly to the matters pertaining to the Virgin Islands. Authorization granted to the government of the Virgin Islands to issue bonds in anticipation of revenue receipts and to authorize the guarantee of such bonds by the United States will expire this year. This bill extends such guarantee for a period of 10 years, a most necessary condition. Provision for the collection of revenues in the Virgin Islands by the Treasury Department for remittance to the Virgin Islands should result in improved collections. If adequate steps are taken to insure that there is not undue displacement of personnel, this should rebound to the benefit of the Virgin Islands. Several other minor provisions are included, making this bill altogether one that should be beneficial both to the United States as a whole and to the Virgin Islands and territories in particular.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. EVANS of the Virgin Islands. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I would just like to make one further remark.

I wish also to commend the delegate from the Virgin Islands (Mr. Evans) for his worthwhile efforts in behalf of this legislation. The gentleman has made an immeasurable contribution to the legislation.

● Mr. CLAUSEN. Mr. Speaker, I rise in support of H.R. 3756, the territorial omnibus bill. This legislation provides authorization for continuance of the Trust Territory government beyond 1980, payment of 50 percent of the outstanding Micronesian war claims and the establishment of an adequate health care system in the Commonwealth of the Northern Marianas Islands. Moreover, it mandates a comprehensive medical program to care for those in the Marshall Islands subjected to hazardous radiation as a result of U.S. nuclear testing in the Pacific. Other provisions of the bill require the U.S. Treasury Department to administer and enforce the collection of the territorial income tax and custom duties in the offshore areas.

Over the past few months, I have worked closely with our subcommittee chairman and other members of the committee as well as with the territorial Governors and legislators in formulating this balanced legislation. In light of the offshore needs, this is a prudent bill and one which I urge my colleagues to support unanimously.●

● Mr. ZABLOCKI. Mr. Speaker, title I of this bill contains authorizations for the Trust Territory of the Pacific Islands, a trusteeship which the United States received from the United Nations after World War II. Because of this mandate, and the important foreign policy considerations involved in the termination of the trusteeship, the Foreign Affairs Committee has a strong interest in Micronesian legislation. In order to facilitate action on this important legislation, however, the committee did not request referral of this measure, with the understanding that it would not prejudice the jurisdiction of the Committee on Foreign Affairs. A letter to this effect was sent to the Committee on Interior and Insular Affairs, and I thank the gentleman for including it in the committee report on H.R. 3756. The committee has examined the relevant provisions of H.R. 3756, however, and wishes to commend the distinguished chairman of the Interior Committee, the Honorable Mo Udall, and his committee for their outstanding work on the bill. There are two provisions of the bill which are of particular interest and which deserve wide support.

Mr. Speaker, section 102 of the bill authorizes the United States to pay its share of the outstanding claims under title I of the Micronesian Claims Act of 1971. The 1971 act, which was initiated by the Foreign Affairs Committee, provided for payment of claims by Micronesians who suffered loss of life, physical injury, and extensive property damage as a result of World War II and its aftermath. The authorizations which were provided for title I—war-related claims—and title II—postwar related claims—however, proved to be substantially smaller than the claims awarded by the Micronesian Claims Commission set up by the act to adjudicate claims. All title II claims have been authorized, appropriated, and paid.

On the other hand, only about 25 percent of title I claims have been paid. More than 30 years have passed since the actions producing the claims took place, and many claimants have died. Our Micronesian friends are understandably bitter about this delay. Even the most conservative traditional chiefs, who are extremely reluctant to voice any criticism of the United States, express their unhappiness over this situation. Section 102 of the bill is an important step in remedying this unfortunate state of affairs.

The other provision I consider particularly important is section 104, which provides that Federal programs operating in Micronesia cannot be cut off, either before or after the termination of the trusteeship, without the express approval of Congress. This measure is necessary because of recent executive branch actions. On the premise that the trusteeship will end in 1981, the Interior Department has announced that Federal programs now provided to the trust territory will be phased out starting this year, and be cut to extremely low levels by 1981. Unfortunately, it seems increasingly clear that the conclusion of the political status negotiations to terminate the trusteeship, and the necessary congressional and U.N. approval of the results, will not be achieved by this target date. There is thus the strong possibility that vital programs in health and educaiton, among others, will be virtually eliminated before the issue of political status even begins to be resolved.

I have no doubt that some of the programs now operating in the trust territory could be eliminated. Furthermore, it would be prudent to make some cuts in an orderly way before the termination of the trusteeship, to avoid the chaos which would result from a sudden cessation of funds upon termination of the trusteeship agreement. However, I cannot believe that the approach being taken is correct or wise at this point. The question of continuation of Federal programs after termination of the trusteeship is under negotiation, and should not be prejudiced by bureaucratic decisionmaking. These are congressionally authorized programs and should be terminated by the Congress and not some bureaucrat.

Mr. Speaker, this is a serious matter for the Micronesians. The Foreign Affairs Committee has already received a petition from the district of Ponape on this matter. These are not just 5- or 10-percent cuts. These important and necessary programs are scheduled to be cut by 44 percent between the current fiscal year and fiscal 1980, and a further 25 percent between fiscal 1980 and fiscal 1981. For the next fiscal year they include reductions of 45 percent in education and 40 percent in health programs; all programs for the elderly are to be terminated at the end of fiscal year 1979. The Micronesians cannot possibly afford to fund these programs out of their own revenues, which are extremely limited.

Section 104 does not require the indefinite continuation of any Federal program. It merely requires that the Congress have the opportunity to approve the termination of the programs it has authorized. Of course, we must all make sacrifices in the current mood of austerity. But should we allow these drastic reductions to be imposed on those who cannot speak for themselves in this Chamber, those to whom we have international legal obligations as administering authority of the trusteeship? Is this the way to maintain the good will and friendship of a people whose area covers 3 million square miles in the strategic Western Pacific Ocean? Obviously not.

I urge my colleagues to support these important provisions.●

● Mr. WON PAT. Mr. Speaker, I rise in support of the bill, H.R. 3756, a bill which authorizes certain funds for Guam and other U.S. territories.

The measure is, I believe, an excellent effort by the full House Interior Committee to tackle the more severe problems facing America's offshore territories. A great deal of credit must go to the chairman of the Subcommittee on National Parks and Insular Affairs, Congressman PHILLIP BURTON, and the leading minority members of the committee, DON CLAUSEN, KEITH SEBELIUS, and BOB LAGOMARSINO, for taking an immense amount of their time and effort to produce this remarkable measure. As a cosponsor of this bill, I am pleased by most provisions in section II of H.R. 3756 which relate to my own congressional district of Guam. Thanks to Mr. BURTON's generous assistance and the understanding and support of the minority members of the committee, we have created what I believe to be a fine measure that will not be inflationary and yet still meets the legitimate needs of the territories.

I do have one reservation about H.R. 3756, however. This deals with that section which provides for a Federal takeover of the income tax collections for Guam and the Virgin Islands by the Federal Government. As presently drafted, this section would unquestionably enhance the general revenue position of Guam by increasing revenue collections and saving the government of Guam an estimated $2.4 million in administrative costs now associated with running a tax department.

Yet, some have raised legitimate questions about the importance of the local government retaining control over the entire process of income tax collections. Under the present language, this bill would encroach in this area of local jurisdiction. While this is not the main intent of the overall language of this section, I am in complete agreement with local Guam officials, including our Governor, who believe that they must retain jurisdiction over the tax process to the fullest extent possible.

I therefore am prepared to ask that the U.S. Senate amend the appropriate section to leave the control of tax collections in the hands of the Governor in favor of some modified language which would still provide greatly increased Federal assistance to Guam in the area of tax collections. I am convinced that Guam does require help in this area. For too long, we have been running far behind in tax collections. Too many have escaped paying their taxes and this must be halted. I have long believed that it is unfair for the U.S. Government to retain the ability to take Guam entirely in its hands while binding Guam with the burden of administrating tax laws it cannot change.

I ask for the continued support of my colleagues as we seek a solution to this vexing problem. Thank you.●

Mr. PHILLIP BURTON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. PHILLIP BURTON) that the House suspend the rules and pass the bill, H.R. 3756, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING DATE THAT SECTION OF COVENANT TO ESTABLISH A COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS BECOMES EFFECTIVE

Mr. PHILLIP BURTON. Mr. Speaker, I call up the bill (H.R. 3758) to amend the date that section 601 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America becomes effective, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill as follows:

H.R. 3758

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of section 1003 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved March 24, 1976 (90 Stat. 263), the provisions of section 601 of said Covenant shall not take effect until January 1, 1982.

The SPEAKER pro tempore. The gentleman from California (Mr. PHILLIP BURTON) is recognized.

GENERAL LEAVE

Mr. PHILLIP BURTON. Mr. Speaker, I ask unanimous consent that all Members may have the balance of this legislative day in which to revise and extend their remarks on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. PHILLIP BURTON. Mr. Speaker, today we have before us the annual authorization for the insular areas. These are American Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands.

Since the current authorization for the trust territory expires at the end of fiscal 1980, the bill extends the authorization to make certain that there is no gap between the time that the authorization expires and the time that the trusteeship is terminated. Also, in connection with the end of the trusteeship, there is one outstanding matter that we still need to resolve.

Part of our responsibility was met last year when the rest of title II claims—those that resulted from actions taken after the United States had secured the islands—was paid out to those Micronesians who were owed damages.

Still remaining to be paid, however, are title I claims and this measure provides that 50 percent of these claims, as determined by the Claims Commission established by the U.S. Congress in 1971, shall be authorized for those people owed this money for the last 35 years.

Additionally, the bill establishes a comprehensive medical program for the people of the atolls of Bikini, Enewetak, Rongelap, and Utirik of the Northern Marshalls. All of these people were victims of U.S. nuclear testing in the Pacific in the 1940's and 1950's. And since it is not known to what extent their health has been impaired, they must be continually monitored and cared for by medical authorities, and this is provided in H.R. 3756.

For the Northern Mariana Islands, we have authorized funds for a hospital and health care system. Their current hospital facility consists of a number of prefabricated units haphazardly connected and woefully inadequate to meet their health care needs both at present and in the future. Studies done for the Northern Mariana Islands have concluded there is no alternative to this course of action.

For the Northern Marianas, Guam, and the Virgin Islands, the bill directs the Secretary of the Treasury to assume responsibility for administration and enforcement of the collection of Federal income taxes in these areas. In no way is it intended that there be any kind of retroactive responsibility on the part of the Treasury Department prior to the effective dates in this legislation. What we are seeking with this language, beginning with the dates in the bill, is a highly effective and efficient operation that will probably result in increased revenues for the treasuries of the three governments of these insular areas. Studies done from time to time have shown that there have been lost revenues through inefficient collection and enforcement and therefore our bill hopes to remedy this.

For the Northern Marianas, we authorize the delay of the implementation date for the collection of Federal taxes. The government of the Northern Marianas is a new one and ill equipped to efficiently administer Federal tax laws. In seeking this delay, we wish to make clear that a local tax law will still be in operation during this time period and that a delay in no way represents a tax loss to the U.S. Treasury since Federal taxes would be covered directly into the Commonwealth treasury. Should any Guamanians think this is an opportunity for them to seek tax havens in the Northern Marianas, the Secretary of the Treasury and the Northern Mariana Islands government are instructed to take any steps necessary to prevent this from occurring. In addition, the Northern Marianas government is directed to take any action necessary to deal locally with any other problems that might temporarily occur because of the delay.

As far as the American Memorial Park in Saipan goes, we include a technical amendment to last year's bill which brings into conformity with other parks the operations and maintenance costs as distinguished from development costs. In no way do we intend by this language to attempt to get title to this land belonging to the Northern Marianas.

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As far as Water Island goes, we provide that no extension, renewal or renegotiation of the master lease can be made prior to 1992 without the express consent of the House Interior Committee and the Senate Energy and Natural Resources Committee. This is designed to protect the interests of both the United States and Virgin Islands governments.

It was brought to our attention that in last year's Omnibus Act, language that was intended to have the United States pick up the cost of collecting customs and taxes under 28(a) of the Virgin Islands Revised Organic Act was not having the desired effect. Instead of benefiting the financially hard-pressed Virgin Islands government, we discovered that due to a contract between the Virgin Islands government and Hess Oil, the bulk of the benefits were to go to the oil company. A provision to remedy this situation has been included in this bill.

For American Samoa, we provide that the Federal comptroller's salary and expenses be paid by the Interior Department. This is the current practice, it should be noted, and we are merely insuring that it be part of statutory law.

Additionally, we provide that customs be administered and enforced by the Secretary of the Treasury, at no cost to the American Samoa government, should the Governor request this service.

And finally, we mandate for the Department of Interior the implementation of title V in the 1977 omnibus territories bill (Public Law 95-134). To date little progress has been made by the Department under the 1977 act. Hence, my colleagues on the committee and I believe this action is necessary. While title V affects all departments and agencies, we are only making it mandatory for the Department of Interior since it is the lead agency for these insular areas.

My colleagues and I believe we are offering a good constructive bill for these insular areas and we urge the support of all Members of the House.

☐ 1305

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. PHILLIP BURTON. I yield to the gentleman from California.

Mr. LAGOMARSINO. I thank the gentleman for yielding.

Mr. Speaker, I want to associate myself with the chairman's remarks and to indicate that I am in strong support of this legislation. I think it is vitally necessary, and I hope that the House will adopt it.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NONDISCHARGEABILITY OF CERTAIN STUDENT LOANS

Mr. EDWARDS of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2807) to amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States.

The Clerk read as follows:

H.R. 2807

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17a of the Bankruptcy Act (11 U.S.C. 35(a)) is amended—

(1) by striking out "or" at the end of clause (7); and

(2) by striking out the period at the end of clause (8) and inserting in lieu thereof: "or; (9) for a loan insured or guaranteed under the authority of part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) unless (a) the discharge is granted after the five-year period (exclusive of any applicable suspension of the repayment period) beginning on the date of commencement of the repayment period of such loan, or (b) the discharge is granted prior to the expiration of such five-year period and the court determines that payment from future income or wealth will impose an undue hardship on the bankrupt or his dependents.".

SEC. 2. The amendments made by this Act shall apply with respect to any proceeding commenced under the Bankruptcy Act during the period beginning on the date of enactment of this Act and ending October 1, 1979.

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. EDWARDS) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. HYDE) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. EDWARDS).

Mr. EDWARDS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2807 corrects a mistake occasioned by the passage last year of what is now Public Law 95-598, the Bankruptcy Code. Most of Public Law 95-598 becomes effective on October 1, 1979, including a provision limiting the dischargeability of certain federally insured or guaranteed student loans. Public Law 95-598 repealed a provision of the Higher Education Act dealing with this subject with such repeal becoming effective upon enactment, November 6, 1978.

This bill, H.R. 2807, would close from the date of its enactment, this unintended gap in the already expressed congressional policy that certain student loans shall be nondischargeable during the first 5 years after they become due unless the court finds that undue hardship would occur.

The language in this bill is virtually identical to the repealed language and amends current bankruptcy law and thus will remain in effect until October 1, 1979, when the new code becomes operative.

This bill passed unanimously in the Subcommittee on Civil and Constitutional Rights and in the full Committee on the Judiciary.

According to the Congressional Budget Office, it is expected that no additional cost to the Government would be incurred as a result of enactment of this bill.

I urge my colleagues to support this measure and vote for its passage.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to join the gentleman from California in endorsing H.R. 2807. During the consideration of the Bankruptcy Reform Act, an unintentional gap was created relative to the dischargeability of Government-insured student loans. This bill merely plugs the gap with language identical to that scheduled to go into effect next October and which was itself the product of the House's consideration in 1978 when the act was debated on the floor.

The philosophy behind the House vote is one I support. Briefly put, it means that those who take advantage of the Federal Government's deliberately generous approach to granting educational loans, and later fail to repay them, should not be allowed to escape payment forever through bankruptcy. This bill would make those loans nondischargeable in bankruptcy for a period of 5 years. In the case of undue hardship to the debtor, the loan could be discharged. I believe the language of H.R. 2807 provides fair protection to both the Federal Government, which ultimately insures the loan, and the honest student who simply cannot meet his financial obligations.

Mr. Speaker, I wish to commend the chairman of our subcommittee for expeditiously processing this bill through the Subcommittee on Civil and Constitutional Rights.

☐ 1310

Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin Mr. SENSENBRENNER).

Mr. SENSENBRENNER. Mr. Speaker, I would like to join the two previous speakers in supporting H.R. 2807. This bill was clearly intended to fill an omission which resulted from the recodification of the bankruptcy laws by the last Congress in order to make student loans nondischargeable for a period of 5 years from the date of enactment of this bill until the new law becomes effective on October 1, 1979.

The intent of Congress in the last session was quite clear to make sure that students who could not graduate, immediately file for bankruptcy, and thus discharge their obligations to repay the loans. I would hope this bill would receive an overwhelming vote of approval in this House and be readily enacted into law.

Mr. HYDE. Mr. Speaker, I yield 3 minutes to the distinguished minority whip, the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. I thank the gentleman for yielding.

Mr. Speaker, I am pleased to see we are once again attempting to tighten up the supervision of the Federal student loan programs.

It was unfortunate that the provision prohibiting students from discharging their student loans under bankruptcy proceedings for the first 5 years of the repayment period was repealed last November when we passed the uniform law on the subject of bankruptcy. In 1976, that provision was enacted into law after considerable debate. A number of investigations at that time had uncovered substantial abuse of the student aid program by various individuals. The Higher Education Amendments of 1976 included a number of sections designed to bring accountability and integrity back into the program.

The nondischargeability of student loans under bankruptcy proceedings was included because investigations into programs had revealed that a number of students were declaring bankruptcy upon graduation solely for the purpose of discharging their obligation to repay their federally guaranteed loan, thus sticking the taxpayer with the bill for their education. We felt back in 1976 that this was an abuse of the program and took the necessary steps to correct that loophole. I think it is still appropriate to enforce those limitations.

It should be pointed out that this bill does provide for those students who have a genuine hardship and need to file bankruptcy by allowing a judge to waive the 5-year limitation if the court determines that such repayment will impose undue hardship on the bankrupt or his dependents.

However, passage of this bill will prohibit an otherwise financially capable individual from filing bankruptcy proceedings in order to eliminate his obligation to pay his educational expenses. Certainly the taxpayer should not pick up the tab for any individual who is capable of paying his own way and who will be able to repay his loan without substantial hardship. The purpose of the guaranteed student loan program is to allow a student to delay his payments until he has completed his college program and can work to make the payments. It was never intended to be used as a back door means of paying the bill with taxpayers money.

It is interesting to note that the original fiscal year 1979 budget request of $3,018,000 will not be adequate to cover the losses to the program from bankruptcy losses. Consequently, HEW has requested a supplemental appropriations request for an addition of $7,587,000 for fiscal year 1979 bringing the total loss to the Treasury through the discharge of student loans by bankruptcy to $10,605,000. In other words, the fiscal year 1979 losses will be more than three times the original estimate due to a larger number of bankruptcy claims being anticipated than earlier estimates.

It is only proper that we tighten up this loophole under current law and I would urge passage of this legislation.

● Mr. ERTEL. Mr. Speaker, today we are being given the opportunity to correct a technical error in the Bankruptcy Reform Act of 1978, which has caused enormous difficulties in the Federal student loan program.

The new Bankruptcy Code does not take effect until October 1, 1979, including section 523(a)(8), which provides for the nondischargeability of certain federally insured or guaranteed loans. However, the new law did make effective upon enactment; that is, November 6, 1978, the repeal of section 439(A) of the Higher Education Act, which represented Congress first attempt to deal with the increasingly severe problem of student loan bankruptcies. This has created an unintended gap in time during which students have been able—and, indeed, have been actively encouraged—to declare bankruptcies on student loans. I have actually seen newspaper ads for bankruptcy clinics, urging students to take advantage of this discrepancy.

Congress has already expressed its intent with regards to student loan bankruptcies. That intent is being undermined by the current situation. While somewhat different from the language of the new law, this bill is an important measure for bridging the gap between now and the time the new law becomes effective, and for preventing further erosion of the student loan program.

I vigorously encourage my colleagues to support this legislation in order to avoid losing what ground we have gained thus far in improving the administration of the student loan program.●

● Mr. PICKLE. Mr. Speaker, I rise in strong support of H.R. 2807 that would amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States. This technical amendment only preserves in the law the existing principle already established in the student loan legislation. The great bulk of student loans are repaid by grateful students who recognize their obligation.

Several people in my district, charged with the responsibility of collecting these loans, have reported to me about the problems they have faced. The gap in the law was created when the bankruptcy reform law repealed the provision in the old law providing that student loans with certain exceptions cannot be discharged in bankruptcy. President Carter signed the bankruptcy law on November 6, 1978, thereby repealing the old law, and the Bankruptcy Act will not go into effect until October of 1979. This meant that a few students could declare bankruptcy and thus escape the obligations of their student loans. Obviously, most students have few assets immediately after graduation, but most have expectations of future income. This is the theory behind the student loans. If students were to immediately discharge their obligations by bankruptcy, the loan program could not succeed. So the safeguards are provided that the loan first becomes due 5 years before the date of the filing of the petition, or excepting such debt from discharge will impose an undue hardship on the debtor and the debtor's dependents.

This bill will attempt to correct this problem for the period beginning on the effective date of this law until the bankruptcy law takes effect on October 1, 1979.●

● Mr. CLAUSEN. Mr. Speaker, I strongly support H.R. 2807 which will amend last year's Bankruptcy Act amendments to eliminate an oversight that permitted student loans to be discharged in bankruptcy proceedings.

This problem was called to my attention by Mr. Ken Juler who is responsible for credit and collections at Pacific Union College in my district. Mr. Juler rightfully pointed out that this oversight in legislative draftsmanship could have a severe impact on the collection of student loans just at a time when efforts are being made to reduce the already too large backlong of overdue student loan payments.

The distinguished gentleman from California (Mr. EDWARDS), who chairs the subcommittee with jurisdiction over the issue, has assured me by letter that the change from existing law prohibiting dischargeability in most cases was entirely an oversight and I commend the gentleman from moving ahead so promptly to provide the appropriate remedy. It is my hope that the Senate can move as expeditiously.●

Mr. HYDE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. EDWARDS of California. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. EDWARDS) that the House suspend the rules and pass the bill H.R. 2807.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

□ 1315

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Debate has been concluded on all motions to suspend the rules.

Pursuant to clause 3, rule XXVII, the Chair will now put the question on the motion on which further proceedings were postponed.

TREASURY DRAW AUTHORITY EXTENSION

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3404, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. MITCHELL) that the House suspend the rules and pass the bill, H.R. 3404, as amended, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 175, nays 195, not voting 64, as follows:

[Roll No. 121]

YEAS—175

Addabbo
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Bereuter
Bethune
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Brademas
Brodhead
Brooks
Burlison
Burton, John
Burton, Phillip
Clay
Coelho
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Daschle
Dellums
Derrick
Dodd
Downey
Drinan
Edgar
Edwards, Calif.
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Flood
Ford, Mich.
Fowler
Frost
Garcia
Gephardt
Giaimo
Ginn
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hinson
Holland
Holtzman
Hughes
Hyde
Ireland
Jenrette
Johnson, Calif.
Kastenmeier
Kildee
Kogovsek
LaFalce
Leath, Tex.
Lederer
Lehman
Lott
Lowry
Luken
Lundine
McHugh
McKinney
Madigan
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mikva
Mineta
Minish
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nowak
Oakar
Oberstar
Ottinger
Patten
Patterson
Pepper
Perkins
Peyser
Preyer
Price
Rahall
Railsback
Rangel
Ratchford
Reuss
Ritter
Roe
Rose
Rostenkowski
Roybal
Sabo
Seiberling
Shannon
Shelby
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Studds
Thompson
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
Williams, Mont.
Wolpe
Wright
Yates
Zablocki

NAYS—195

Abdnor
Albosta
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Badham
Bafalis
Bauman
Beard, Tenn.
Benjamin
Bennett
Biaggi
Boner
Bonker
Bouquard
Brinkley
Broomfield
Burgener
Butler
Byron
Campbell
Carney
Carr
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R.W.
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dicks
Dingell
Donnelly
Dornan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Okla.
English
Erdahl
Erlenborn
Ertel
Evans, Ga.
Findley
Fithian
Flippo
Florio
Foley
Forsythe
Fountain
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Harsha
Heckler
Hillis
Hollenbeck
Holt
Hopkins
Horton
Hutto
Ichord
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kazen
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Lewis
Livingston
Loeffler
Long, Md.
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Marlenee
Marriott
Martin
Mathis
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Nelson
Nichols
O'Brien
Panetta
Paul
Petri
Pickle
Pritchard
Pursell
Quayle
Quillen
Regula
Rhodes
Rinaldo
Roberts
Robinson
Roth
Rousselot
Royer
Runnels
Russo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Spence
Stockman
Stratton
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Weaver
White
Whitehurst
Whitley
Whittaker
Winn
Wirth
Wolff
Wyatt
Wylie
Yatron
Young, Alaska
Zeferetti

NOT VOTING—64

Akaka
Anderson, Ill.
Atkinson
Bedell
Bowen
Breaux
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Cavanaugh
Chisholm
Conyers
Crane, Daniel
Danielson
Diggs
Dixon
Dougherty
Eckhardt
Edwards, Ala.
Emery
Fish
Ford, Tenn.
Frenzel
Goodling
Howard
Hubbard
Huckaby
Jeffords
Jones, Tenn.
Kelly
Leach, La.
Leland
Levitas
Lloyd
Long, La.
McCormack
Maguire
Moakley
Nolan
Obey
Pashayan
Pease
Richmond
Rodino
Rosenthal
Rudd
Scheuer
Skelton
Solomon
Stangeland
Swift
Synar
Traxler
Treen
Watkins
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wydler
Young, Fla.
Young, Mo.

□ 1330

The Clerk announced the following pairs:

On this vote:

Mr. Akaka and Mr. Rodino for, with Mr. Jones of Tennessee against.

Mr. Conyers and Mr. Richmond for, with Mr. Broyhill against.

Mr. Young of Missouri and Mr. Williams of Ohio for, with Mr. Bob Wilson against.

Mrs. Chisholm and Mr. Howard for, with Mr. Breaux against.

Mr. Rosenthal and Mr. Scheuer for, with Mr. Wydler against.

Mr. Moakley and Mr. Diggs for, with Mr. Young of Florida against.

Mr. Charles H. Wilson of California and Mr. Danielson for, with Mr. Frenzel against.

Until further notice:

Mr. McCormack with Mr. Anderson of Illinois.

Mr. Maguire with Mr. Pashayan.

Mr. Long of Louisiana with Mr. Treen.

Mr. Traxler with Mr. Stangeland.

Mr. Bedell with Mr. Atkinson.

Mr. Bowen with Mr. Watkins.

Mr. Brown of California with Mr. Swift.

Mr. Hubbard with Mr. Brown of Ohio.

Mr. Huckaby with Mr. Leland.

Mr. Lloyd with Mr. Kelly.

Mr. Levitas with Mr. Whitten.

Mr. Obey with Mr. Synar.

Mr. Nolan with Mr. Buchanan.

Mr. Charles Wilson of Texas with Mr. Leach of Louisiana.

Mr. Cavanaugh with Mr. Daniel B. Crane.

Mr. Eckhardt with Mr. Dixon.

Mr. Pease with Mr. Emery.

Mr. Skelton with Mr. Fish.

Mr. Rudd with Mr. Edwards of Alabama.

Mr. Ford of Tennessee with Mr. Goodling.

Messrs. DUNCAN of Oregon, McKAY, LONG of Maryland, and ALBOSTA, changed their vote from "yea" to "nay."

Mr. STAGGERS and Mr. WOLPE changed their vote from "nay" to "yea."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SOLOMON. Mr. Speaker, on rollcall No. 121, passage of H.R. 3404, to extend Treasury draw authority from the Federal Reserve, I was unavoidably absent.

Had I been present I would have voted "no."

☐ 1335

AMENDMENT TO STANDBY GASOLINE RATIONING PLAN NO. 1—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-120)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to the Standby Gasoline Rationing Plan (Standby Gasoline Rationing Plan No. 1) which I transmitted on March 1, 1979.

During the consideration of the Standby Gasoline Rationing Plan, concerns were raised by both Houses of Congress that the Plan did not treat states and the citizens within states equitably. The purpose of this amendment is to add new provisions to the rationing plan to eliminate the potential for disparities during plan operation. The first provision alters the procedure for determining allotments of ration rights by including a historical gasoline use factor in each state, and expands the State Ration Reserve, thereby compensating for disparities both within and among states. The second change limits the number of vehicle allotments each household could receive, reflecting my belief that households with over three vehicles should not receive excessive benefits at the expense of other households.

Under this amendment, each state will be provided with an expanded State Ration Reserve of eight percent not only to provide for the needs of the handicapped and hardship applicants as already provided in the plan, but to provide additional flexibility to the states in dispensing supplemental ration allotments to citizens with special needs. The National Ration Reserve is anticipated to remain at approximately two percent of the available gasoline supply.

The amendment also provides a new method for calculating the ration rights to be allotted to each registered vehicle. Instead of allocating the net total available gasoline supply equally to vehicles in all states, the amendment provides for half the available gasoline supply to be distributed equally to vehicles and half to be allotted on the basis of historical gasoline use in the respective states.

Another provision limits the number of ration rights received by each household to three vehicle allotments. Ration rights not distributed to members of a household pursuant to the limitation of this amendment will be distributed to the State Ration Reserve in the state in which such household is located. This amendment would not preclude members of a household from obtaining additional ration rights from the State Ration Reserve on the basis of hardship or other factors.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. I urge the Congress to give this amendment expedited consideration so that it may be approved promptly with the Standby Gasoline Rationing Plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the Standby Gasoline Rationing Plan on March 1, 1979, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

Prompt Congressional approval of the Standby Gasoline Rationing Plan is essential. Failure of the Congress to act will leave the Nation vulnerable to economic disruption and long gasoline station lines. It is obviously impossible to develop a plan which will be perceived to be fair by each person. The proposed plan, as amended, is designed to be broadly equitable, practical and administrable. If we fail to approve a standby rationing system, the Nation's resolve to deal with a serious supply interruption will be called into question. The resulting damage to the economy and personal hardships to our citizens could be substantial.

I urge the prompt and favorable consideration by the Congress of the Standby Gasoline Rationing Plan and this amendment.

JIMMY CARTER.

THE WHITE HOUSE, *May 7, 1979.*

SEVENTEENTH QUARTERLY REPORT OF THE COUNCIL ON WAGE AND PRICE STABILITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs:

To the Congress of the United States:

In accordance with Section 5 of the Council on Wage and Price Stability Act, as amended, I hereby transmit to the Congress the seventeenth quarterly report of the Council on Wage and Price Stability. This report contains a description of the Council's activities during the fourth quarter of 1978 in monitoring both prices and wages in the private sector and various Federal Government activities that may lead to higher costs and prices without creating commensurate benefits. It discusses Council reports, analyses, and filings before Federal regulatory agencies and the Council's role in the anti-inflation program.

The Council on Wage and Price Stability will continue to play an important role in supplementing fiscal and monetary policies by calling public attention to wage and price developments and Government actions that could be of concern to American consumers.

JIMMY CARTER.

THE WHITE HOUSE, *May 7, 1979.*

PRIVILEGES OF THE HOUSE—PROCEEDINGS IN THE CONGRESSIONAL RECORD OF MAY 3, 1979

Mr. JACOBS. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a privileged resolution (H. Res. 260) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 260

Whereas the CONGRESSIONAL RECORD of May 3, 1979, on page 9667, is not a true and accurate record of the proceedings that took place on the floor of the House on May 3, 1979, in that an exchange between Mr. DANNEMEYER, of California, and Mr. JACOBS, in fact was as follows:

"Mr. JACOBS. I offered an amendment a few moments ago to cut $400 million in pork barrel spending and I asked for a rollcall vote, and less than 20 people stood. Will the gentleman say whether he stood for a rollcall vote?

"Mr. DANNEMEYER. I think that there were many of us who stood on that issue.

"Mr. JACOBS. Did the gentleman stand?

"Mr. DANNEMEYER. I have been supporting budget cuts almost without exception."

and the CONGRESSIONAL RECORD for May 3, 1979, erroneously reports the exchange as follows:

"Mr. JACOBS. Mr. Chairman. I offered an amendment to cut $400 million in spending and I asked for a rollcall vote, and less than 20 people stood. Would the gentleman say whether he stood for the rollcall vote?

"Mr. DANNEMEYER. I think there were many of us who stood on that issue. I supported the proposal by a voice vote but did not stand to require a rollcall because there seemed so little support for the issue.

"Mr. JACOBS. Did the gentleman stand?

"Mr. DANNEMEYER. I have been supporting budget cuts almost without exception."

Now, therefore, be it

Resolved, That the RECORD of the House be corrected and that the accurate account of the exchange be printed therein.

☐ 1340

The SPEAKER pro tempore. Under the precedents of the House, the gentleman from Indiana (Mr. Jacobs) is recognized for 1 hour.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. Mr. Speaker, not only will I yield, but I yield 30 minutes to the gentleman from California (Mr. Dannemeyer).

Mr. DANNEMEYER. Mr. Speaker, I think it would be fair to say that this Member intended, at the beginning of the proceedings today, to strike from the Record the sentence, "I supported the proposal by a voice vote but did not stand to require a rollcall because there seemed so little support for the issue." That sentence I think should be stricken.

Mr. JACOBS. I thank the gentleman for his contribution.

Mr. KOSTMAYER. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Speaker, is the gentleman from Indiana aware that I was part of the colloquy that day?

Mr. JACOBS. Yes, I am aware of that fact.

Mr. KOSTMAYER. I want to commend the gentleman from Indiana. I think he has characterized the situation accurately and that indeed the meaning of the words of the gentleman from Indiana, as well as the meaning of my own words, were altered by a change in the Record, and I support the gentleman from Indiana.

Mr. JACOBS. Mr. Speaker, I might say to the gentleman from California that the only quarrel I think that either the gentleman from Pennsylvania or I might have is not any confusion that the gentleman might have had a few moments after his own statement about what his own statement had been in response to inquiries by the gentleman from Pennsylvania, but that when the Record was altered subsequently it was altered without notice to the gentleman from Pennsylvania or myself in order that we might be asked to agree to change our own language to conform with the change that the gentleman wished to make. It seems to me that that is the most dangerous part of this kind of proceedings. For example, if it were not opposed to the precedents of the House to do just that, it would be possible for me to ask a Member of this body, "Are you a loyal American?" and receive the answer, "Yes," and then subsequently being entrusted with the Record for alteration of my own words, ask just the opposite, "Is the gentleman disloyal to his country?" And if he had not known the altered part of the colloquy, the answer would remain, "Yes." I believe that is the precedent and the reason for the general House rule that, while remarks can be revised and extended, the meaning of the remarks should not be altered.

Mr. DANNEMEYER. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield further to the gentleman from California.

Mr. DANNEMEYER. I think the gentleman's point is well taken, and I do not want to put any Member in a position of having his responses be embarrassing to that Member. Hindsight would indicate, probably, that when this Member revised and extended his remarks within the prerogative of that privilege as I saw the light, perhaps I should have given copies of the proposed revision to the Member in the well and the gentleman from Pennsylvania (Mr. Kostmayer), as well, for an opportunity to revise what they thought the revision should be and what the response should be.

I think the suggestion which has been made, that we strike that second sentence, would be consistent with what I think should be done in terms of correcting the Record, and it would be fair, and it is a good indication as to what the office is of revising and extending remarks and when they should be, and how they should be treated.

Mr. JACOBS. I thank the gentleman, and I think we need take no more time of the House.

Mr. ECKHARDT. Mr. Speaker, will the gentleman yield?

Mr. JACOBS. I yield to the gentleman from Texas.

□ 1345

Mr. ECKHARDT. I compliment the gentleman for taking the action he has taken here.

I recall a number of years ago when the so-called antiriot bill was on the floor and the gentleman from New York (Mr. Wolff) asked of one of the authors of the bill whether or not the bill purported to deal with questions of persons traveling on a bus within a State or only dealt with a section of transportation across State lines. The person who was asked the question said, "Only across State lines," but at least he had the deference and the concern for the person who asked the question to come to him later and say, "I misspoke. I wish to reverse the language and say it applies to travel within the State."

Though the answer was exactly the opposite of his original statement on the floor, upon which the decision on the bill was based, of course, the gentleman from New York (Mr. Wolff) could only say, "If that is your intent, you may change it," but at least, the gentleman from New York (Mr. Wolff) was given the opportunity to change his own response.

I think the gentleman has certainly raised an extremely important question on the floor of this House at this time. I compliment him for doing so.

Mr. JACOBS. I thank the gentleman for his contribution.

Did the gentleman from California (Mr. Dannemeyer) have anything further?

Mr. DANNEMEYER. No. I think the gentleman has made his point clear as to what the position should have been concerning the Record.

Mr. JACOBS. I appreciate the indulgence of the House.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the resolution offered by the gentleman from Indiana (Mr. Jacobs).

The resolution was agreed to.

A motion to reconsider was laid on the table.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Connecticut (Mr. Giaimo).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) with Mr. Natcher in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole House rose on Thursday, May 3, 1979, pending was an amendment offered by the gentleman from Texas (Mr. Mattox).

The Chair recognizes the gentleman from Texas (Mr. Mattox) for 5 minutes in support of his amendment.

Mr. MATTOX. Mr. Chairman, I would urge the Members to pay particular attention to my discussion of this amendment, because it does have some substantial controversy surrounding it. It does, because I think it is basically a new approach that cuts across many of the functions and many of the items in this budget.

□ 1350

This amendment cuts approximately $4 billion in budget authority, and about $1.25 billion in outlays. The purpose of the amendment is to require the postponement of new programs and new initiatives, or the disassembling of old, ineffective programs as new money is sought. It requires less than a 1-percent reduction in budget authority and less than a 1-percent reduction in outlays. In the past, we have had amendments brought forth that proposed a 1 percent or 2 percent or higher amount of cuts across the board. I have not attempted to use that approach.

What I have attempted to do is ascertain the cost of new starts in each one of the functions and then reduce the Budget Committee's recommendation by the amount that the new starts would cost. My amendment encompasses nine different functions, and for that reason I think that a number of people have probably contacted Members because of their opposition to this approach.

Let me tell the Members first off, had we been more prudent a few years ago in enacting the budget authority, I do not think we would find ourselves in the difficulty that we are in today. I do not say that many of these initiatives are lacking in merit. In fact, I have supported, and I do support many of them because I think they are good initiatives.

I think the question that we must decide is, when can we afford them? When do we put them in the budget? Should they be put in now or be deferred for a couple of years, or should we disassemble some of the older programs to provide for the new ones? We have all heard of the adage, "Once something is started by the Federal Government it cannot be stopped, it grows." I think there is a lot of truth in that, and I am trying to stop something before it gets started.

The public is demanding that we stop some old programs. When Members go back home, they tell us, "Look, if you want something new, stop something old." I know that some Members made a lot of hay by saying, "For every new law we put on the books, we took one off."

There is one gentleman from Pennsylvania who has said that to his constituents and has had overwhelming support for that concept. I think it is a good concept, and we should consider it. I think we should suspend funding for nearly all the new projects until we reverse the basic inflationary pressures taking place in America. Specifically, I am not trying to pick on anybody. I have made everybody mad, from people interested in water projects, banking, veterans, to nearly every other group, because I had the audacity to suggest that perhaps they should not have funding on new programs until they have taken care of some of the old programs, made some of them work. If we go out in any of our districts, we can see that many of these programs are dismal failures, but we do not have the political courage to cut them. My amendment is to provide us with just a bit of that budgetary courage.

I want to say again unequivocally that I understand and know that many of these projects are worthwhile. I think many of them are good, but the country is faced with financial crisis, and it is time we got started working to solve the problem.

□ 1355

Let me give you an example of some programs, some of which I support.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. MATTOX was allowed to proceed for 5 additional minutes.)

Mr. MATTOX. When the food stamp program was started in 1965, it cost only $34 million. By 1971 the cost had gotten to $1.5 billion. By 1975 it was $4.3 billion, and it is estimated in 1979 that that program is going to cost $6.3 billion. I know many of the Members question the day they voted for that.

Since 1971, the school lunch program has had a 500-percent increase. The medicare program 5 years ago cost $15 billion, and today the cost is in excess of $30 billion.

The community block grant program started with $38 million; today it is $3.2 billion. I could go on and on. Every Member knows what has happened.

Regarding the new programs and the new starts we are talking about today, for instance, one of these new programs starts with outlays this year of $10 million. Where does it end up 5 years from now? It starts at $10 million and ends up at $725 million in 5 years. And you are telling me you are going to balance the budget in 1981 or 1982? The simple fact is that what we are starting today for $10 million is going to be $725 million 5 years from now.

Another program starts for $7 million in outlays, but it ends up at $400 million in the future.

Another program starts with $15 million in outlays this year and ends up with $500 million in just a few years.

Another program is $14 million now, and it grows to $90 million in 5 years.

One other program starts out with no outlays this year but ends up with budget authority in the future of $1.7 billion. Yes, get the camel's nose under the tent and then he will stand up and destroy the tent. Get the program started, and you see what happens. The problem that we have today is that we start with very small outlays, and then in the out years these things grow. You say the budget is not controllable; we already have these specific programs. I am telling the Members that we can stop the growth. We can stop $4 billion in growth today if we just accept this amendment. It will save us $1.25 billion this year and $2 billion next year.

Some of you want to balance the budget. I think we should. My amendment takes no benefits away from people. It does not eliminate anybody's job. It does not require a drastic impact on anybody's budget. It simply says, Let us stop the growth today.

How in the world can we ever balance the budget if we do not stop some of those new initiatives? Many of these programs ought to go on, but if you want them, disassemble some of those programs in HUD. Disassemble some of those programs in natural resources function. Disassemble some of those programs in the Department of Energy.

The Budget Committee is not supposed to line-item. I am not doing a line-item. What I am trying to do is set the overall budget figure. In four or five of these categories there is less than 1 percent change in the budget authority and outlay figures. I know that within any one of these functions there is more than a 1 percent that can be made just with simple managerial efficiency. I defy any of you to point out any one single program that does not have that much waste in it. I defy you to go back home and tell the folks that you cannot make a 1-percent improvement in the programs.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I thank the gentleman for yielding.

I am concerned in that I notice on the veterans' benefits and services the gentleman reduces that by $93 million, while only several days ago we added on the floor of this House $265 million, and $93 million of that was to take care of the cost-of-living increase of service-connected veterans.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. MONTGOMERY, and by unanimous consent, Mr. MATTOX was allowed to proceed for 1 additional minute.)

Mr. MONTGOMERY. If the gentleman will yield further, I am concerned that regarding something we did last week raising the budget recommendation for veterans for service-connected care; under this amendment we are taking out what we did.

□ 1400

Mr. MATTOX. I support the program about which you are talking, but out of a budget of $21 billion in the veterans' function. I am sure you could find $93 million somewhere to fund the programs that you want.

Mr. MONTGOMERY. Mr. Chairman, would the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. I will have to oppose the gentleman's amendment. We cut our request to the bone to get the $265 million. But the amendment by the gentleman takes part of these funds away. I certainly would have to oppose the gentleman's amendment on account of the veterans' benefits.

The CHAIRMAN. The time of the gentleman has again expired.

(By unanimous consent Mr. MATTOX was allowed to proceed for 5 additional minutes.)

Mr. MATTOX. In answering the gentleman's statements, I understand he would oppose this amendment, and I understand that most of you have some particular program that cause you to oppose it. It hurts every single one of us to some extent. Remember, you are telling the American people that you cannot make less than one-half of 1 percent adjustment in your budget for the purpose of balancing our budget. I am telling you that we all can make that.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Texas.

Mr. ROBERTS. I appreciate my friend yielding.

As the gentleman from Mississippi says, we cut $600 million out of veterans', as the gentleman knows. He is a member of the committee. We cut $600 million out of all of the veterans' budget to start with. We provided no pay, no increase, no cost of living for anybody in education. The gentleman's amendment would completely eliminate all of the counseling in alcoholism and special things for the Vietnam veterans. Certainly I think no one needs to make a speech about voting this amendment down.

Mr. MATTOX. You say you cut $600 million. How much did the veterans' function increase this year over last year?

Mr. ROBERTS. Not nearly as many as the veterans increased.

Mr. MATTOX. But the functions actually increased. You did not cut anything, we just restrained the growth. That is the point.

Mr. ROBERTS. That is what the gentleman is saying, let us restrain the growth. We actually cut about $600 million, and then we put $265 million back.

Mr. MATTOX. The gentleman says he increased the overall veterans' function but you did not have all the new moneys you would have liked to have had.

Mr. ROBERTS. We tried to put back half of the 8.130 people that the Office of Management and Budget forced to be fired last year out of the Veterans' Administration hospitals.

Mr. MATTOX. We ask the gentleman to take one-half of 1 percent out of your budget.

Mr. ST GERMAIN. Mr. Chairman, would the gentleman yield?

Mr. Chairman, I thank the gentleman for yielding.

The gentleman, I am sure, realizes that in view of the fact that he is including in the cut in this amendment a cutout of the funds for the co-op bank which indeed is seed money, a loan to be repaid to Treasury, that I am constrained to oppose his amendment. That does not come as a surprise to the gentleman, does it?

Mr. MATTOX. No, it does not.

Mr. Chairman, I think this is a perfect example. That particular piece of legislation passed the floor of this House by one single vote. One single vote.

Mr. ST GERMAIN. Mr. Chairman, that was the first time around. The second time around it passed by better than 100 votes.

Mr. MATTOX. That was after it went to conference. But the simple fact is, it passed by one single vote.

Mr. Chairman, this is a perfect example of a program that can be started next year. It can be restrained.

Mr. ST GERMAIN. Mr. Chairman, will the gentleman yield further?

Mr. MATTOX. I will yield to the gentleman from Rhode Island.

Mr. ST GERMAIN. If the gentleman has been watching his mail, and in view of the inflation today, and high cost of living, the people out there, the consumers, are crying out for this bank to assist them.

I thank the gentleman for yielding.

Mr. MATTOX. Mr. Chairman, I would just tell the gentleman, out of the entire budget authority that he has, that comes under the gentleman's subcommittee and our committee, I assure you if we want money it is there. I can show you plenty of programs, if you want to help us disassemble some of them, where we can get the money for your consumer cooperative bank.

□ 1405

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I would like to thank the gentleman for yielding.

I would like to associate myself with what the gentleman from Rhode Island just said. I am in opposition to the gentleman's amendment on that and on other counts.

Mr. Chairman, I rise in strong opposition to the Mattox amendment, which is just one of a dozen amendments which would apply the meat ax to a number of Federal initiatives designed to improve the lot of low- and middle-income Americans. Mr. Mattox claims that his amendment would save the taxpayers billions of dollars and, in the short run, it might. But I am afraid that, over time, the Mattox amendment, like so many of these so-called balanced budget amendments will cost the taxpayer a good deal more than they save.

The Mattox amendment would eliminate budget authority for all new starts assumed in the budget resolution. The amendment would eliminate authority for such new initiatives as the child health assurance program, the President's proposed economic development initiatives, the rural home ownership program, the urban parks program, the National Consumers Cooperative Bank, the targeted fiscal assistance program, and the CETA private sector assistance program. Each of these programs attempts to confront problems faced by our urban or rural population. Abandoning these programs will only allow these problems to grow worse and increases the likelihood that more expensive initiatives will be necessary later.

Is it really sound fiscal policy to avoid rehabilitating urban parks today, knowing as we do that if we do not act many of our fine urban parks will be left beyond rehabilitation? Does it really make sense to drop a CETA private sector program thereby pushing more people back on to unemployment insurance or welfare?

I shall not speak on each of the proposed cuts envisioned by Mr. Mattox in this amendment or his related amendment which would cut funding for urban mass transit, subsidized housing, and jobs programs. Suffice it to say that these Mattox amendments would add markedly to the sum total of misery in our large urban areas and they would contribute immensely to the decline of our cities. I need hardly add that actions like these carry a heavy economic cost in addition to their obvious social costs. I shall confine myself to programs which I have followed and supported since their inceptions.

Last year the Congress gave final approval to a new lending institution which would enable consumers to band together to provide themselves with goods and services through cooperatives. Many of us regard the establishment of the National Consumer Cooperative Bank as one of the 95th Congress most important actions. The need for the coop bank is growing as prices rise and it would be shortsighted indeed if we destroyed the bank through the budget process before it has had a chance to get off the ground. It would also be egregiously bad policy for us, in the name of inflation fighting, to abolish an institution which is essentially a self-help anti-inflation weapon—one of the few vehicles available to give the consumer a voice in the marketplace.

Let me remind colleagues that the Consumer Cooperative Bank is self-sustaining and self-supporting. All we are doing is providing the start-up money. This will be repaid with interest by the cooperatives which borrow from the bank. Eventually the bank phases out of the Federal Government, ceases to be a budget item, and becomes a totally private institution dependent on private leadership and funds from private markets.

Those who want to see a sound, fiscally responsible budget should welcome a self-help bank which repays its capital to the Federal Government. The National Consumer Cooperative Bank and the Self-Help Development Fund are now in their formative stage and the minimum funds provided for this program in the Carter budget for fiscal year 1980 should be retained.

I also want to speak about the proposed deletion of funding authority for the urban park and recreation recovery program. This new program is badly needed by cities throughout the country which are facing difficulty in maintaining park facilities. It is well-known that parks and recreation areas are usually the first items to be cut at budget balancing time. With a constituency that is often very young or very old, parks departments do not have the clout of so many other municipal agencies. As a result, parks throughout the country are deteriorating rapidly. If we do not move quickly, these valuable urban amenities will be lost forever.

The President's urban parks program is a 5-year program. It will not be around forever. Its sole purpose is to aid municipalities in park rehabilitation. It will do this through direct matching grants. The program includes a mechanism whereby the Federal match increases if the municipality is able to increase its own, or the State's, or the private sector's contribution to park rehabilitation. Thus, for a relatively small amount of Federal money we will be able to see a great improvement in the condition of parks throughout the Nation. If we pull the plug on this Federal incentive program, we will certainly lose these urban investments which were made many years ago. Again we see here an example of, what can only be called, false economy. If we save $38 million by killing the urban parks program in fiscal year 1979, we are courting the loss of resources worth far more. The urban parks program is an investment well worth making.

I am sorry that I do not have the time to speak on each of the proposed cuts. I trust that other colleagues will do so.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I believe what the gentleman is attempting to tell the members of the committee, and the gentleman can correct me if I am wrong, is that you can find money for these existing programs as they exist in the budget or are proposed for next year by reallocation of funds or by more efficiency in administration or by establishing different priorities; is that not true?

Mr. MATTOX. That is exactly what

the purpose of the Budget Committee is. In effect, it sets some ceilings.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MATTOX) has again expired.

(At the request of Mr. VOLKMER and by unanimous consent, Mr. MATTOX was allowed to proceed for 1 additional minute.)

Mr. MATTOX. Mr. Chairman, I think it establishes an opportunity for the committees to look at their budgets and make a decision on whether or not they need all this new growth. The American people are screaming to get us to stop the growth of the budget. We cannot stop the growth if we continue to start new programs, unless you take some of the old ones apart. It is very simple.

Mr. Chairman, I appreciate the gentleman's statement.

Mr. BEVILL. Mr. Chairman, will the gentleman yield for a question?

Mr. MATTOX. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, is the gentleman aware that knocking out these new starts would be mostly flood control projects and that the Midwest and the South and many parts of the country are just now recovering from floods and that this means there would be no more flood control projects initiated in the country?

Mr. MATTOX. No; that is not correct. It is within the discretion of the gentleman's committee to establish the priorities that you would like to establish.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MATTOX) has again expired.

(At the request of Mr. BEVILL, and by unanimous consent, Mr. MATTOX was allowed to proceed for 1 additional minute.)

Mr. BEVILL. Mr. Speaker, if the gentleman will yield further, if I may ask my friend and colleague, the gentleman from Texas, further, actually, according to the gentleman's budget provision in there in the way the gentleman has it in this amendment, if this was passed these projects would be subject to a point of order on the floor and could not be initiated even.

Mr. MATTOX. No; that is not correct. That is not at all correct, sir.

Mr. BEVILL. It says no new starts; is that not what it means?

Mr. MATTOX. No; it has nothing to do with that. The language, "no new starts" is not in the amendment.

The only thing I have done is reduce the level of budgetary authority and outlays within every one of these functional levels to eliminate the new start money.

If the gentleman wants to get the money, the gentleman can take apart some of the old programs.

What is the overall amount of the gentleman's budget?

Mr. BEVILL. The overall volume on energy and water is $10 billion. This is approximately the amount.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MATTOX) has again expired.

(By unanimous consent, Mr. MATTOX was allowed to proceed for 5 additional minutes.)

Mr. MATTOX. Mr. Chairman, we are talking about $35 million for this amendment.

I submit to you that just with the amount of transfer authority that the gentleman has within his jurisdiction, that you can do it.

The gentleman has a 15-percent transfer authority within the gentleman's committee's jurisdiction.

As a matter of fact, there are unexpended balances and unobligated balances of $200 million within your committee's jurisdiction; so I assure the gentleman, can transfer this around to take care of my amendment.

Mr. BEVILL. I hate to disagree with my colleague, the distinguished gentleman from Texas; but I certainly urge that everyone vote against this, because this would take away the discretion of the Appropriations Committee to even consider these new starts; so I urge that everyone vote "no."

Mr. MATTOX. Well, Mr. Chairman, I would disagree with the gentleman. The amendment does nothing of what the gentleman says. It does not take away one bit of discretion. It simply says if you have a certain amount of money and if you want to spend the money for new programs, take away some of the old programs before you start a new one. That is what the amendment is saying.

Mr. WAXMAN. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from California.

Mr. WAXMAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to join the others in pointing out some of the criticisms that we have of the gentleman's amendment, particularly the Health and Environment Subcommittee is looking at legislation dealing with childhood health assurance programs, which would be stricken if the gentleman's amendment is adopted.

It is to replace medicaid's widely criticized yearly screening diagnosis and treatment program.

Now, here is a case where our committee submitted to the Budget Committee a savings through some reforms we hope to accomplish in the medicaid program which would be sufficient to pay for this program, which is a new one to replace an existing one.

□ 1410

If the gentleman would not allow a new program to go into effect, he is really, I think, being pennywise and pound foolish.

Here is a program where we are talking about the health of the American children and the problems they experience at an early age which are going to become aggravated and be far more costly at a later time.

Mr. MATTOX. Mr. Chairman, would the gentleman allow me to answer that?

Mr. WAXMAN. Mr. Chairman, let me make just one other point.

I think we have to realize that many young children are mislabeled with learning difficulties and put into slower classes when they might have a hearing or vision problem of some sort. This CHAP program would allow us to find out about it early enough to deal with it if we bring in more children under the medicaid program.

We have to realize there are startling statistics about the numbers of children not being served now. Twenty-seven million children under the age of 17 never see a dentist. Many children never have a family physician to see at all.

Mr. Chairman, I think when the gentleman is talking about no new programs and freezing the existing programs, there are programs we ought to abolish and replace.

Mr. MATTOX. Mr. Chairman, if the gentleman will allow me to regain my time, I would point out to the gentleman from California (Mr. WAXMAN) that he has made a very eloquent statement, and he has proven my point.

I am not trying to keep any old programs in. What I am trying to say is, "If you want this new program, take out some of those old programs that are within your jurisdiction."

Mr. WAXMAN. Mr. Chairman, we submitted to the Committee on the Budget some ways by which we hope to save the taxpayers money on these programs.

Mr. MATTOX. It is awfully hard to save the taxpayers money when we are going to increase the expenditures.

Mr. WAXMAN. This is not a new expenditure.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I refer to the gentleman's definition or statement, "no new starts," in arriving at these figures. I understand that is not in the substitute or in the amendment.

Is the gentleman speaking to programs or projects? In other words, I am trying to understand how the gentleman defines a "new start" for the purpose of arriving at the total deduction.

Mr. MATTOX. I refer to new programs.

I am not saying, "We don't need to build another bridge." We might make that decision, but that is not what I am trying to do. What I am trying to say is that in these new programs that are going to start out at $10 million this year and end up at $725 million in 5 years; they can just wait. The Government can wait, the economy can wait, and so can the American people, because they have said they could wait.

Mr. REGULA. So the gentleman is speaking of programs rather than projects as such?

Mr. MATTOX. That is right. I specifically list the amount of reductions in five categories, and it is less than a one-half of 1 percent reduction.

Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Kentucky.

Mr. HOPKINS. Mr. Chairman, I thank the gentleman for yielding.

It seems to me the gentleman has substantial opposition to what I consider to be, at the very least, a well-intentioned amendment.

So in that vein, let me ask the gentleman if he would tell me this: the gentleman mentioned the word "uncontrollable." What percentage of the budget is made up of uncontrollables?

Mr. MATTOX. Mr. Chairman, I think we can describe it any way we want to. Some people say they are as much as 60 percent or better.

Mr. HOPKINS. Who wrote those untrollables in?

Mr. MATTOX. We did.

Mr. HOPKINS. Who can write them out?

Mr. MATTOX. We can. And I think that speaks to the point.

Before we get these basic programs going in and before we get to considering something for somebody's district and somebody gets something, somebody else says, "My district didn't get anything." But we want to change that.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MATTOX) has expired.

(On request of Mr. EDGAR, and by unanimous consent, Mr. MATTOX was allowed to proceed for 1 additional minute.)

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. MATTOX. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. Mr. Chairman, I do not want to prolong the debate. I think the gentleman in the well has made his point, and I think there has been a great deal of discussion.

I do not think the gentleman in the well will receive more than 5 or 10 votes on his amendment. Perhaps he feels differently. It seems to me that the gentleman attacks some very important initiatives that, even at a time of balancing the budget, are important to our Nation.

I am particularly concerned about the economic development area where the President has suggested some new initiatives to leverage dollars in the private sector particularly in hard-pressed areas. The Public Works Subcommittee will begin hearings on these initiatives tomorrow.

This is money that is matched and utilized by small businesses to help expand and improve our tax bases. I would hope that the gentleman's amendment is defeated, and I ask that my colleagues join me in defeating it.

Mr. Chairman. I rise in strong opposition to the Mattox amendment. As a member of the House Public Works and Transportation Committee, I have listened to much debate and discussion concerning the economic development problems facing communities across the Nation. I have become convinced that the key to revitalizing local economies—whether they be urban or rural—is to lessen dependence on the largesse of Federal transfer payments and instead guide communities toward taking more permanent approaches to their economic needs. If we are to deal with the underlying economic decay of our Nation's cities and rural areas, we must move away from the traditional "band-aid" approaches which are now at the heart of many Federal assistance programs. Instead, we should use our limited Federal dollars to stimulate the private-sector, long-term community investment needed to create new and lasting jobs and stable tax bases. In order to create real and lasting benefits for our Nation's citizens, the billions of dollars that we spend each year on various social, community improvement, and fiscal assistance programs must be supplemented, and eventually supplanted, by sufficient jobs generated in the private sector.

The House Budget Committee has wisely included funds in the first concurrent budget resolution to promote the more sophisticated economic development policies that I see as necessary. The committee has balanced some of the cutbacks in Federal programs by providing $500 million in budget authority and $50 million in outlays for expanded economic development programs to be administered by the Economic Development Administration, as proposed in the President's April 4 message to Congress. These funds will enable the Economic Development Administration to expand on-going programs that leverage private-sector investment, including its public works grants and technical assistance programs. The funds will also permit EDA to undertake a comprehensive, large-scale development financing program which will encourage the retention, expansion, and location of private investment in distressed areas by reducing the costs associated with private investment in such areas. This aid will be targeted to those areas of the country which have not fully shared in the Nation's economic growth. Nearly 60 percent of the Nation's population lives in areas of the country falling into this category. To improve its delivery services, EDA plans to expand its network of regional offices.

In recent testimony before the Senate Banking Committee on the new EDA bill, the Congressional Budget Office estimated that approximately $1 billion in private investment in distressed areas could result from the $569 million in authority requested for the development finance section in the new EDA bill. As much as $700 million of this new investment would be for projects that would not otherwise have been undertaken in these areas.

The Congressional Budget Office sees the new EDA program as creating different kinds and numbers of jobs than those resulting from other Federal employment-creating programs, such as public service employment and public works employment. According to CBO, most of the jobs directly and indirectly created by EDA will be permanent. In contrast, only a small share of the jobs created by public service employment and public works employment programs are permanent. CBO estimates that for every billion dollars in Federal spending, the EDA program could yield as many as 142,000 permanent jobs at a cost ranging from as little as $800 per job per year. This compares very favorably with other Federal jobs programs.

It is significant that virtually the only new initiative contained in the President's fiscal year 1980 budget request is the expanded economic development program for EDA. Clearly, the call for such an initiative in a year of fiscal conservatism is in recognition of the fact that a major gap currently exists in our ability to adequately respond to the economic development needs of the Nation. While in the coming months the authorizing committees in the Congress may make some changes in the President's proposed program, it is essential that the funds called for in the first concurrent budget resolution be retained to enable us to respond to economic development needs of communities in the coming year. Let us cut out programs that clearly have not worked, but let us not be afraid to support new and creative programs that leverage economic development in distressed areas. I urge defeat of the Mattox amendment.

Mr. MATTOX. Mr. Chairman, if I might respond, this is another example of what we are talking about.

The CHAIRMAN. The time of the gentleman from Texas (Mr. MATTOX) has again expired.

Mr. MATTOX. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas.

Mr. GIAIMO. Mr. Chairman, reserving the right to object, I shall not object, but I do think we have to get some sort of limit going on some of these matters being debated. For Members to continuously get unanimous-consent extensions of time is not going to serve the purposes of completing action. I think this matter has been fully debated.

I suggest there are some other Members who are seeking recognition to debate this matter, and it seems to me that we should proceed expeditiously rather than to continue with the same speaker in the well at all times.

Mr. Chairman, I withdraw my reservation of objection.

Mr. MATTOX. Mr. Chairman, I again ask unanimous consent that I may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MATTOX. Mr. Chairman, the gentleman said I will not get more than five votes out of this amendment and he may be right, but I think there would be at least five courageous souls who would vote for it because the American people are demanding that we stop the growth of the budget. We have a chance to do that. If we really want to be serious, this is the place to be serious.

□ 1415

I defy each and every Member to go back home and beat your chest and scream and holler and tell the people that he is going to balance the budget—and then not do it. Within a $600-billion budget, we can accomplish everything that Congress needs to accomplish this year, and I submit to the Members that we ought to support this amendment.

Mr. ST GERMAIN. Mr. Chairman, this Congress should be promoting, not killing, programs which generate local initiative and which provide for the maximum participation by the private markets.

The Mattox amendment in its blunderbuss approach among other things would kill the startup funds for the National Consumer Cooperative Bank—a program which maximizes self-help, local initiative, and the private market approach.

The National Consumer Cooperative Bank asks only temporary seed money. It is not a permanent drain on the budget. All the capital that will be provided through this fiscal year 1980 budget will be repaid in full with interest. The bank will borrow most of its funds over the life of the program from private money sources. The earlier we provide the seed money, the quicker the private markets can be tapped.

Mr. Chairman, the National Consumer Cooperative Bank will make loan funds available to cooperative organizations formed by local citizens all over the Nation—organizations to provide consumers with a variety of goods and services—everything from housing to eyeglasses. Hundreds of cooperatives and consumer organizations have written the Congress and the administration since the passage of this legislation last summer, asking that we take the steps necessary to get the bank underway. The Mattox amendment would delay for another year the start up of the bank and would make a mockery of these legitimate citizen requests to the Congress.

Mr. Chairman, at a time of rising consumer prices and impending shortages, it is essential that we provide local people with this additional anti-inflation tool, a chance to have a voice in the marketplace. The National Consumer Cooperative Bank and the organizations it helps to fund can be one of the major bulwarks for local people who want a freedom of choice in the marketplace and who want the opportunity to provide themselves with goods and services.

The Mattox amendment would wipe out this self-help, anti-inflation program—and this would be a sad spectacle in the face of a consumer price index at an annual rate of 13 percent.

The budget request has already been cut to the bare bones—well below the levels authorized by the Congress. And I repeat, we are talking about a temporary loan of seed money—money that will be returned once the program gets started.

Mr. Chairman, the administration has made the most minimal request for the bank for fiscal year 1980. The administration has requested only $60 million for capital stock in the bank; $20 million for the self-help development fund for low-income cooperatives; and less than $9 million for running the technical assistance program and providing all the administration for both the bank and the self-help program.

Let me remind my colleagues that the National Consumer Cooperative Bank is supported by a broad coalition of consumers, labor organizations, religious groups, rural and urban leaders. The House approved the final version of the legislation last August on a 236 to 164 vote and there is no legitimate reason for this to be killed as part of a scattergun approach to the budget process. The Mattox amendment should be defeated.

Mr. HAMMERSCHMIDT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, there are a great many reasons why this amendment should be defeated. I want to associate myself with the remarks of the gentleman from Pennsylvania (Mr. Edgar) and his concern over new innovations for EDA, as well as those remarks made by the distinguished chairman of the Subcommittee on Water Resources, the gentleman from Alabama (Mr. Bevill). But what I want to speak to mainly is the veterans' concern. How the Veterans' Administration would be cut back was remarked upon earlier by our distinguished chairman, the gentleman from Texas (Mr. Roberts), and the chairman of the subcommittee, the gentleman from Mississippi (Mr. Montgomery).

Mr. Chairman, I rise in opposition to the amendment. As the ranking minority member of the Committee on Veterans' Affairs, I cannot support an amendment that would eliminate from function 700, $93 million in funding veterans programs after this body unanimously agreed last week to add $265 million to the budget for these same veterans programs.

The gentleman from Texas in his rationale for a savings of $93 million in veterans benefits and services, fails to shed any light on the program that would be eliminated. He merely says, "cut out new programs for a savings of $93 million in budget authority and outlays."

Mr. Chairman, let me tell you some of the new programs that would be cut out if the gentleman's amendment prevails.

The first new program to the eliminated by this wholesale slash in veterans benefits would be the program of readjustment counseling for Vietnam-era veterans. This program to assist young Vietnam veterans with their readjustment problems is high on the priority list of the President and enjoys the bipartisan support of the Committee on Veterans' Affairs and, I believe, members of the Committee on the Budget.

The administration spokesman, VA Administrator Max Cleland, told our committee:

> We wholeheartedly support this proposal to provide readjustment professional counseling to veterans and their families. It is long overdue, and we strongly urge that it be enacted into law as soon as possible so that we can start to meet this pressing need.

Also eliminated by the gentleman's amendment would be certain initiatives in the vocational rehabilitation program for service-connected disabled veterans of the Vietnam era. Members, I am sure, are hearing from young veterans having difficulty in obtaining employment. The new program to be eliminated by this amendment, which also is supported by the gentleman's Administration, would permit the VA to pay grants to employers for job training programs for Vietnam-era veterans.

It is inconceivable to me that as we approach Vietnam-Era Veterans Week at the end of this month—a week of activity designed to demonstrate a grateful nation's deep gratitude for the sacrifices made by these unsung heroes of an unpopular war—the gentleman from Texas would eliminate our capacity to enact these programs that are essential to the well-being of Vietnam veterans.

Also wiped out would be a new program of treatment and rehabilitation for veterans suffering from drug and alcohol abuse; a new program of dental care for former prisoners of war and totally disabled service-connected veterans; a new program of preventive health care for certain service-connected disabled veterans.

The gentleman from Texas has said that if new starts are considered to be absolutely necessary, the money must be found by reallocating resources instead of by simply increasing overall spending. Certainly, he is not suggesting that we choose between: First, the new programs I have cited; second, cutting back on health care in VA hospitals; or third, reducing the already conservative cost-of-living increase in compensation payments for service-connected disability.

Mr. Chairman, I cannot support this measure that would do violence to the almost unanimous desire to meet the pressing needs of the Vietnam-era veteran and the service-connected disabled veterans of all wars.

I urge the defeat of this amendment.

☐ 1420

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, I rise in opposition to the amendment and associate myself with the remarks of the gentleman from Arkansas (Mr. Hammerschmidt) and particularly the reference made by the gentleman from Texas (Mr. Roberts).

Mr. Chairman, I want to associate myself with the remarks of my distinguished colleagues, the gentleman from Texas, the Honorable Ray Roberts, and the gentleman from Arkansas, the Honorable John Paul Hammerschmidt.

The effect of the gentleman's amendment would be disastrous to our Nation's veterans and economic development programs. But, Mr. Chairman, these are not the only important national programs that will suffer unacceptably if the gentleman's amendment is adopted. Our country's water resources conservation and management effort would also be delivered a serious and unwarranted blow by his proposal. Ten new Corps of Engineers construction projects, 10 new Soil Conservation Service construction projects and 6 new Bureau of Reclamation construction and loan projects would be stopped dead in their tracks. And this would occur automatically, without any consideration being given to how serious the flood control and water supply needs of the affected areas are. And it would occur despite the fact that both the Congress and the President have examined these projects specifically and have found that they should go forward.

Mr. Chairman, I have supported a balanced budget in the past and I support it now. We need to have that measure of discipline that a balanced budget brings. But this is not the proper way to achieve that objective. This approach is insensitive to the unique and special needs that characterize so many water resources projects. Any approach that we take toward balancing the budget must be a flexible one that enables us to evaluate the merits of individual programs being cut back. Mr. Chairman, because this kind of approach is not reflected here, I oppose the gentleman's amendment and I predict that a vast majority of my colleagues will do the same.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. HAMMERSCHMIDT. I yield to the gentleman from Indiana (Mr. HILLIS), a distinguished member of the Committee on Veterans' Affairs.

Mr. HILLIS. Mr. Chairman, I thank the gentleman for yielding and I would like to associate myself with his remarks.

The CHAIRMAN. For what purpose does the gentleman from Connecticut (Mr. GIAIMO) rise?

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut (Mr. GIAIMO)?

Mr. MATTOX. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. REUSS. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

I heard, and was sympathetic to, the request of the distinguished chairman of the Budget Committee, the gentleman from Connecticut (Mr. GIAIMO), a moment ago, I will be economical of my time, and I will not use the whole 5 minutes.

I rise in vigorous opposition to this amendment.

What is the whole budget process about? I had thought that it was to fight inflation. And along comes an amendment here which, in addition to doing all of the other unjust and intemperate things that would be done by it, would strike down one of the best inflation-fighting programs that the Congress has set up.

Last August 9, by a vote of 236 to 164, Congress set up a National Consumer Cooperative Bank. It needs a little starting-up money to get going.

Now, what are the two hottest fires in the Consumer Price Index? What are the worst inflationary elements? Food and housing, just to name two of them.

And the purpose of this bill is to enable groups of people back in the neighborhoods to form a housing cooperative, so that we do not have to have a big Federal public housing program, but so that local people with a little technical assistance and access to credit can build decent housing fit for Americans to live in.

Concerning food, in many a central city and in many a rural area, the supermarket has moved out, leaving the people without any good food distribution system.

Under this bill, if they join together and get technical assistance and access to bank credit, they can bridge that gap, and plug that hole, and provide a cooperative way to combat ever higher and higher food prices.

So I cannot imagine an amendment being offered that is more inflationary and more destructive. And I hope it will be overwhelmingly voted down.

Mr. MYERS of Indiana. Mr. Chairman, I rise in opposition to the amendment.

I find myself in a strange role this afternoon, fighting any cuts, because usually when we have the opportunity to cut a budget or an expenditure, I am always ready to vote for it. However, often used is the term "meat ax approach." And with all respect to the gentleman's effort, this is a "meat ax approach," particularly to the areas that I am most interested and most aware of, that of function 300.

Mr. MATTOX. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Texas.

Mr. MATTOX. Mr. Chairman, would the gentleman say that one-half of 1 percent cut is a meat ax approach?

Mr. MYERS of Indiana. If the gentleman had used 5 and 10 percent accurately where they could cut without hurting some programs that the Nation has waited for, I would be in support of his amendment.

□ 1425

In some areas, let me give the Members some examples.

Mr. MATTOX. If the gentleman would yield further——

Mr. MYERS of Indiana. The gentleman spent 30 minutes in the well already, but I will yield.

Mr. MATTOX. I would just say that the gentleman's definition of a meat ax approach is when somebody with a pencil tries to find a program he particularly likes.

Mr. MYERS of Indiana. With due respect to the gentleman, let me say that I do not have one single project being cut, so maybe he ought to tell that to many, of the others who are being cut.

In the area of function 300, natural resources and environment, the gentleman strikes out all new starts; but in the new starts are some loans. Sure, it is going to cost a little bit of money, but those are going to be repaid to the Treasury. They are new starts, but they will be repaid to the Treasury. There are already limitations in this budget as it is being offered to this Congress.

The Appropriations Committee is going to have to strike many of the new starts, but some of these projects, as Chairman BEVILL has already articulated, just cannot wait any longer. The issue, very carefully analyzed as to cuts in function 300. Members will agree the cut the gentleman has made is that less than half comes from new starts. Where does the remaining cut come from? It comes out of programs like urban parks, rural, the cleanup of oil spills, out of the cleanup.

Some of those programs would have to be eliminated entirely, or very nearly if this amendment passes. I do not believe it is the desire of this House at this time to make those kinds of cuts. Again, I am afraid the gentleman should have spent just a little bit more time refining his amendment. He would have had a lot more support.

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, members of the committee, I too will try to observe Chairman GIAIMO's urgency that we go on. I think most Members have made up their minds.

I would like to make a little observation. Maybe I do not understand the budget process and the appropriation process, but all I see in the amendment offered by the gentleman from Texas—I do not see one thing that says anything about economic development, water projects, consumer bank, veterans affairs, new starts for EDA or anything else. I just see figures.

As I understand the budget process—and perhaps the chairman will correct me if I am wrong—the budget merely sets out the limits upon which the authorization committees and appropriation committees can operate under. We are not striking out any programs or stopping any programs here at all, except within those limits as set by this resolution when finally passed, finally passed in September.

But, who really makes that decision? We just set outer limits here, way up here so that we make sure we have plenty of money for everything. Or, do we try to do, as I see what the gentleman from Texas is trying to do, to lower that limit a little bit, hold it back, hold back that growth a little bit? He is not cutting anything from last year. He is just cutting the growth, and it is a small amount, one-half of 1 percent in certain areas.

What we are admitting here, what I hear at least, what people are saying, what they are admitting is that there just is not any slack in the total budget.

□ 1430

They say there is no slack in any of these areas that he has cut. It is tight all the way. Every bit of that will be spent. Will it? Will it all be spent? Or can some of it be cut out a little bit? I believe it can be cut back.

The only other thing I would like to observe is that I was back home over the weekend. I am sure many of you were. I wonder how many of your taxpayers have had to cut back their spending and found a way to do it one-half of 1 percent in the last 3 months. But you say we cannot do it. We cannot do it? You say we have got to continue spending on the old programs just as we have been spending right along and just add money for new programs. I do not see it that way. Perhaps in some of these areas there may be no slack, but I do not believe that in all the areas that the gentleman from Texas (Mr. MATTOX) is approaching here that there is not even one-half of 1 percent slack. As a Member of this body, I refuse to admit that. We in Congress must find a way to use taxpayers' money more effectively and efficiently.

Mr. DASCHLE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes, but I do want to point to a clarification that I think needs to be made with regard to the statement made by the gentleman from Missouri (Mr. VOLKMER) and that is that we do not have the discretion according to the amendment today as to whether or not the committees can use the additional flexibility that they sometimes need. The two committees on which I serve demonstrate that point. The Veterans' Committee has worked for more than 3 years on a good psychological readjustment, drug abuse, and counseling program, and we are on the verge of getting that program. It is only with this authority that we are going to be able to have that program. The Committee on Agriculture as well has worked for many years in developing a good and sound gasohol policy. That may take a new start. This is a prohibition of that start.

Mr. Chairman, I oppose that kind of action. It does not allow the committee to have the kind of flexibility, the kind of direction they need after hearings and after a great deal of deliberation on each and every one of the Federal programs.

Mr. MATTOX. Mr. Chairman, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Texas.

Mr. MATTOX. I thank the gentleman for yielding.

I will just point out to the gentleman, I know he does not mean to misstate the fact about the amendment, but the amendment does allow the committees to have all the discretion and all the will they want. The only thing it does not do is it does not allow them to spend a lot of additional new money. The Committee on Agriculture is a good example, as well as the Veterans' Committee—either committee. There are plenty of programs in there. They could dissasemble and take part and find the money for any minor programs we talk about, because they are very minor in actual dollar amounts. What the gentleman is saying is, "Touch anything, but do not touch my committee areas." That is fine, but that does not get a balanced budget, and that is what I say we need.

Mr. DASCHLE. That is not what I am saying.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. MATTOX).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MATTOX. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-seven Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The CHAIRMAN. Does the gentleman from Texas (Mr. MATTOX) insist upon his request for a recorded vote?

Mr. MATTOX. I do, Mr. Chairman.

A recorded vote was refused.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. JONES OF OKLAHOMA

Mr. JONES of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Oklahoma: In the matter relating to the appropriate level of total new budget authority reduce the amount by $503 million;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $53 million;

In the matter relating to the amount of the deficit reduce the amount by $53 million;

In the matter relating to the appropriate level of the public debt reduce the amount by $53 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $53 million.

In the matter relating to Function 450 reduce the amount for budget authority by $500 million; and reduce the amount for outlays by $50 million.

In the matter relating to Function 900 reduce the amount for budget authority by $3 million; and reduce the amount for outlays by $3 million.

Mr. JONES of Oklahoma (during the reading). Mr. Chairman. I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JONES of Oklahoma. Mr. Chairman, before I explain what this amendment is, let me explain what this amendment is not. This amendment does not—let me repeat—this amendment does not cut any existing or expanding EDA program. Any EDA program that is now part of the statutes is not touched by this amendment at all. What this amendment does is to cut from the fiscal year 1980 budget a new program, a program that has not yet been defined, a program which as of last Friday had not been introduced as a piece of legislation in the House of Representatives, a program on which no committee markup has been held, nor on which none has been scheduled so far.

Now, what this is is the son or grandson of the so-called "Urban Development Bank."

□ 1445

Mr. Chairman, what this cut pertains to is the originally so-called Urban Development Bank and then the urban initiative program. Now it goes by the name of EDA new initiatives program, as last I heard.

My amendment would cut budget authority $500 million for fiscal year 1980 and outlays $50 million for this new, yet-to-be-introduced piece of legislation or program.

I call this the "beanstalk program," because what we are doing is planting a seed and then watching it grow. Here is what is projected for this program that has not yet been introduced as a piece of legislation. And let me remind those Members who promised their constituents to balance the budget in 1981 or 1982 that you will have obstacles. One of the obstacles you are going to have is the very launching of this new program. Even though only $50 million in outlays is requested in fiscal year 1980, the outlays for fiscal year 1982 are projected at $481 million and in fiscal year 1984 at $941 million. This is an increase in this 4-year period of 1,882 percent for this program about which we know very little so far.

In addition to that, there will be a billion-and-a-half—$1.5 billion—in borrowing authority which presently is off budget but which presumably will be an onbudget item by 1984.

So for those of us who are going to try to balance the budget in fiscal years 1982 or 1984, what we are looking at is a new program that does not exist today but that will have about $3 billion in it in onbudget authority. I do not think we are going to be able to keep the commitment of balancing the budget by approving such vast new programs.

Let me emphasize again that this amendment does not cut any existing EDA program. Just the opposite is true.

For those Members who have been complaining about the Department of Defense having such a great percentage increase in fiscal year 1980 over fiscal year 1979, let me tell them what the EDA will be getting in fiscal year 1980 over fiscal year 1979.

In budget authority, EDA's increase is 12 percent. In outlays, EDA's increase will be 32 percent in fiscal year 1980 over fiscal year 1979.

I submit that the existing EDA programs will have the largest percentage increase of any discretionary programs we are going to consider in the fiscal year 1980 budget.

Now, the history of this program is one that is very interesting. At the beginning of this year it was called, I believe, the urban new initiatives program or some such title as that. At the last minute, when we were marking up the budget bill in committee, the program was changed and made to read: The EDA new initiatives program.

We defeated that in the Committee on the Budget by a 13 to 12 vote, and then the next day, after intense lobbying, some money was put back in, and this $50 million in outlays and $500 million in budget authority was made part of the budget. I might add that the chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. Giaimo), voted with us to delete this new program from the fiscal year 1980 budget.

The CHAIRMAN. The time of the gentleman from Oklahoma (Mr. Jones) has expired.

(By unanimous consent, Mr. Jones of Oklahoma was allowed to proceed for 1 additional minute.)

Mr. JONES of Oklahoma. Mr. Chairman, let me just summarize by emphasizing again that this does not cut a single existing EDA program. This is a brand new program about which we know nothing. It has not even been introduced in the House yet. It will be impossible under our budget rules to even consider it this year unless there is some sort of a waiver because the authorizing committee cannot possibly report this new program out by May 15.

☐ 1450

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

Mr. Chairman, I see that my chairman, the gentleman from New Jersey (Mr. Roe), has arrived.

I would like to apprise the gentleman of one incorrect statement he just made.

Mr. JONES of Oklahoma. I said that as of last Friday there were no hearings scheduled. There are as today, as I understand it.

Mr. EDGAR. The decision has been made to hold some hearings tomorrow on this important legislation, and there is some direction. We are going to mark up the legislation at that particular time. And it seems to me that the gentleman's amendment cuts too deeply into a program that can leverage a small amount of Federal dollars for a large amount of economic good.

The CHAIRMAN. The time of the gentleman from Oklahoma (Mr. Jones) has expired.

(On request of Mr. Edgar and by unanimous consent, Mr. Jones of Oklahoma was allowed to proceed for 2 additional minutes.)

Mr. EDGAR. While there is only a leveraging effect provided for in this legislation, it will in fact help small businesses. It will in fact help communities in distress. It will in fact provide that kind of necessary aid in a time when everybody's budget is being balanced or cut or reduced. The gentleman is right to say that this is the major new initiative of this particular budget. But it happens to be an important one. In a time of recession, it is important for an agency like the Commerce Department to have the ability to allow communities to use the funds in some creative ways.

The administration has laid out its bill, the Senate has acted and included that money in its authorization, and we intend to act very expeditiously on this particular legislation. Our chairman will speak to the merits of it in a few moments, but I would just like to remind the gentleman that this particular legislation will help us in a time of distress.

Mr. JONES of Oklahoma. Let me just say to the gentleman, at a time when you are increasing outlays over the previous fiscal year by 32 percent and budget authority by 12 percent, it seems to me that you can carve out of that increase, which is larger than any other discretionary program, that you can carve out some of that increase to take care of this program. This program is untested, untried, has not been introduced. It reminds me of a number of programs we put together, when I was at the White House 10 years ago, in an effort to try to have something new, a new reform, a new initiative, a new program, which you can take to the voters, which later does not make very much sense. It seems to me that we ought to have learned from the mistakes of the past, that we ought to have learned the lesson from our constituents, which tells us, "Balance the budget, cut down on spending, perfect the programs that you have before you start looking for new programs which have no end to them."

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

I think it would be most unfortunate if the committee adopted the Jones amendment. This is, to be sure, a new program. But simply because a program is new does not necessarily mean that it is bad. There have in the past been many new initiatives that did not work out. The gentleman from Oklahoma described his experiences in the days when he used to work on the White House staff, with many of these new programs that were admittedly failures. But just as there have been new initiatives that have failed, there have been, from time to time in the history of the Republic, new initiatives that have succeeded. To come before the Members of the House and say that this is an untested and untried program, and therefore should not be approved, is an argument which would be equally applicable to any new program which is brought before us for our approval; because until it has been tried, it is untried. And the only way you can make a definitive determination about the effectiveness of a program is to give it an opportunity to get off of the ground. The real question that we have to ask ourselves today is not whether this is a new program or an old program but whether there is a need for a program of this nature and whether, given the way in which the supporters of the program have described it, it appears to make sense and appears to hold forth some realistic promise of success.

☐ 1455

Of the need for a program of this nature there can be absolutely no doubt whatsoever. Throughout this country we have literally hundreds upon hundreds, if not thousands, of deteriorating and distressed communities—cities, for example, where jobs are on the decline because it is not possible either to attract new business or to expand existing businesses, particularly in the inner cities, where it is simply impossible to get any credit at all, or where the cost of credit, because the risk of doing business is so high, becomes literally prohibitive for those citizens and corporations that want to do business there.

What this program does is to make available a variety of economic tools designed to encourage economic development in those distressed and deteriorating areas of our country, where the number of jobs available has been on the decline rather than on the increase.

It makes that money available through the form of loan guarantees, through the form of development grants, through the form of interest subsidies, through the form of direct loans, and the purpose of all of these tools is to make resources available at a cost which makes it feasible for economic expansion to take place.

I have heard a lot of complaints and a lot of criticism on the floor of the House about the public service jobs program. People say that it provides dead end jobs. People say that it creates unproductive jobs, because these are positions in the public sector rather than the private sector.

Yet this is one of the few initiatives in the current budget which provides for the creation of jobs, not in the public sector, but in the private sector.

I can understand it when people say that, in spite of the fact that we have almost 6 million unemployed in this country, it does not make sense to divert resources that could otherwise be used productively in the private sector into the public sector by generating make-work Government jobs. I do not agree with the argument, but I can understand it.

Here is a program, however, which makes it possible to generate new jobs in the private sector. I would think that this is precisely the kind of program which responsible conservatives who do not like public service type job programs, but who recognize that we do have a significant problem of unemployment in the country, would favor.

Last, may I just say that to the extent we do have an urban crisis in the country, to the extent that we have large urban centers and small cities as well that are suffering from a shortage of jobs.

The CHAIRMAN. The time of the gentleman from New York (Mr. Solarz) has expired.

(By unanimous consent, Mr. Solarz was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. To the extent that we have communities which are distressed and which are deteriorating, it is largely because business has been leaving for the more affluent and profitable suburban areas of the country.

This is one of the few ways in which we can have any hope whatsoever of bringing business back, and keeping those businesses which have chosen to remain where they are, as a way of making jobs available to people and to communities that desperately need them.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I would be happy to yield to my good friend, the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. First of all, is the gentleman aware that the administration's latest statistics as to who would be helped by this program shows that almost 41 percent of this particular aid would go to the urban areas, and 59 percent would go to the nonurban areas?

Mr. SOLARZ. I am not sure that the gentleman's point constitutes an argument against this legislation. I take a national perspective on the problem of economic development. If it helps the gentleman's district, even though he does not have a city of 8 million like I do, I say that is fine. I would like to see the gentleman's constituents benefit just as I would like to see my own constituents benefit.

Mr. JONES of Oklahoma. I appreciate the national view the gentleman is taking. I hope that we are both taking that view in this regard.

I think it does point up, however, that what was originally intended, during the debate in the Budget Committee, is not what is going to be achieved by this.

Perhaps the gentleman can explain exactly what is in this bill and how it differs from the same kind of programs that presently exist in CETA title VII, in the HUD, UDAG programs and in existing EDA programs?

Mr. SOLARZ. The basic purpose of this program is to help distressed and deteriorating communities with high rates of unemployment, wherever they may be.

□ 1500

Whether that happens to be a large city or a small town, wherever those communities may be, it is the purpose of this program to help them. I would think that we clearly have a national, as distinguished from a parochial, interest in helping the poor and more distressed communities of our country, urban as well as rural, rejuvenate themselves.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to my friend from Illinois.

Mr. SIMON. If I may speak for a rural area, I believe these EDA funds and UDAG funds—and they are kind the same kind of program—these are about as wise an investment as we can possibly make. I understand what happens in my district. Where we have high concentrations of unemployment, with Federal funds we can pull in a 6 to 1 ratio, a 20 to 1 ratio, a 45 to 1 ratio of private funds. It is a great break for the American taxpayer, and to decline to get that opportunity I think would be a great mistake.

Mr. SOLARZ. May I also say to the gentleman, I am sure that there are many, many public-spirited enterprises in this country that would like to help in the process of rebuilding and rejuvenating distressed areas, but they also have a responsibility to their shareholders and to their partners to make a profit. If they want to locate in poor communities now, it is almost impossible for them to do so, because they cannot get the credit they need to launch a new enterprise due to the fact that commercial credit is not available, and where it is available, it is available at exorbitant rates of interest, which makes it very difficult to profitably utilize.

This program will make available funds which should make it possible for small and medium size enterprises to do business in distressed areas. The communities where they do business will experience a renaissance, and jobs will be created for people who now are on the unemployment rolls. If we don't make those funds available for economic development we will have to make them available anyway in the form of unemployment compensation or public service jobs for those whom, without this program, no jobs will be available.

Mr. ROE. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I want to compliment the distinguished gentleman from New York (Mr. SOLARZ), who gave an excellent presentation on this amendment. You know, we are in a very, very important exercise in determining the budget parameters and dimensions we are going to meet, but you know also that more mistakes are made from the lack of facts than from poor judgment. But, at any rate I want to call to the Members' attention the following: The original budget levels requested by the Committee on Public Works and Economic Development was to the tune of $4.5 million when it went to the Budget Committee. The President's request was $4.075 billion, and those requests were reduced to $1.1 billion. They were reduced by three-quarters of what the budget requests were.

Let me point something out to the Members. There is an old saying that goes, "The operation was a success but the patient died."

The only major problem we have going in this Nation for domestic economic aid, the only one other than UDAG and farmers home, is economic development. It seems to me that if we have gone the route of cutting the budget by $3 billion from requests both from the White House and from the committee, and we are down to $1.1 billion, we are talking about right now looking to the future for a cutback in economic dynamics. There are going to be raises in unemployment. We could have a million people unemployed. We are going to be coming back here asking for $20 billion, which it is going to cost for each million people we put out of work during the latter part of this year and the early part of next year.

□ 1505

When we talk about a loan program, this is not a new program. The administration has forwarded the bill. We have had hearings on the bill. It is true it has not been formally introduced. The fact remains that this loan program we are talking about is an augmentation, an expanded program, to title II existing in EDA. It is specifically a loan and guarantee program over the entire life of the economic development program. Since 1965 there has only been 1 percent of failures in the return payments of loans and guarantees, only 1 percent, the most successful, most effective program we have got going in the entire Congress of the United States. Now what are we trying to do? As the gentleman from New York (Mr. SOLARZ) pointed out, we are having the hearings; we completed the basic hearings; we are starting markup on this bill tomorrow, God willing, if we can get the report out of the computer. Be that as it may, we are providing an additional $500 million of loans, business loans and guarantees. What is it for? It is to be able to preserve collapsing businesses in towns and cities, rural and urban, throughout this Nation. It does not have anything to do with the administration's remarks and their judgment as to what they think it ought to be. It has to do with what the authorizing committee is going to determine, and it is going to be evenly balanced, I guarantee this to the House, between rural and urban development.

Let me conclude and then I will defer to the gentleman from Pennsylvania (Mr. EDGAR). There are people in this House who would sow the seeds—and God forgive, I mean no effrontery to any individual Member—of the fact that there has got to be a tug-of-war between rural and urban, and how much is in it for me, and what is in it for you, and how much is in it for them. I admire the gentleman from New York (Mr. SOLARZ), when he says this is a national program. We are talking about people who need jobs whether they are in the rural or urban center.

To not be able to get with this program at this point would literally gut the only major initiative we have. The only major initiative that we have for domestic economic dynamics in this entire Nation falls on this issue if we cut out that $500 million. We have the grand sum total of $500 million for the entire Nation, all economic development and every major program.

Let me point something out to the Members—and I have remained quiet to this point—if I may, Mr. Chairman, on this whole budget process. But let me point out we are called upon to put up billions of dollars worth of guarantees in loans for businesses overseas in developing countries and every place else throughout this world, this free world that we know, and those are the very same loans that do not get returned to the United States Treasury. That is precisely what we are talking about in fair play to the people of this country and the jobs in this country.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. ROE. I defer to the distinguished gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I would like to associate with his remarks. I think the gentleman makes a good point that in times of distress and possible recession, this is the very program, this is the very kind of targeted flexible program that in fact can give the necessary aid in those communities of highest distress.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Edgar, and by unanimous consent, Mr. Roe was allowed to proceed for 2 additional minutes.)

Mr. EDGAR. If the gentleman will yield further, one of the things that the administration was interested in doing, and one of the things that I believe this Congress is interested in doing, is to try to take some limited resources and put them into those communities who have the economic need and who can in fact use the money to encourage private sector job development. This particular program gives the United States the tools to respond in times of difficulty. I thank the gentleman for his comments. I think that he has put his finger on a number of important points. We are in the process of writing the legislation, marking it up, and moving it out so that we in these United States in a time of difficulty can in fact use our limited resources as wisely as possible. I thank the gentleman for his commitment in that direction.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Perkins, and by unanimous consent, Mr. Roe was allowed to proceed for 2 additional minutes.)

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. ROE. I yield to the gentleman from Kentucky.

Mr. PERKINS. I thank the gentleman for yielding.

Mr. Chairman, I wish to associate my remarks with the gentleman from New Jersey (Mr. Roe). To my way of thinking, we should be discussing an amendment to increase this budget authority. I have observed for many years the good works that have flown from this legislation. I know commencing in the early 1960's we had the accelerated public works program, and this was the successor program, and it is the only program that I know that has reached every hole and corner throughout America that needed assistance, that did not have the local resources for water systems or community buildings or sanitation. We have almost 30 percent of the rural people today without any sanitation and water.

☐ 1510

I think this Congress should go much further than we are going to assist those people and to assist the urban areas of this country.

Every dollar we have expended on this program, has produced several dollars through development in the private sector. You cannot get a local industry to come into your community if you do not have water and sanitation and that is what this program is all about and has been for many, many years. This is the only program that has served the people without resources in this country.

I would think we should be thinking about giving serious consideration to increasing budget authority without trying to cut the budget authority on a program that brings about industrial development in the private sector and furnishes facilities to those that would not otherwise have them in this country.

I thank the gentleman for yielding.

Mr. ROE. Thank you, Mr. Chairman.

I know we have all had a very difficult time over an extended period with the distinguished chairman from Connecticut but I would like to tell you a story just quickly, in 1 minute's time.

There was a fellow who owned a race horse. This was a superb race horse but the race horse did not do as well as he had hoped it would in his last race.

He discovered the groom had forgotten to feed the race horse that morning. Lo and behold, the next day when that horse raced he ran extremely fast and he won. The owner came back and said, "Do you know what we should do? We should cut back on the feed. You will notice that when we do not feed that race horse he runs much faster."

The next day they cut back a little more on the feed. Again the race horse went and ran faster and faster.

By the time Thursday came around, they had not fed him at all that day. The race horse ran but he dropped dead in the middle of the race.

Let me caution you. I guarantee you, as we sit on these chairs today that come October or November of this year and certainly no later than early spring, we are going to be coming back and will be debating about what we are going to do to alleviate an increase of 2 million unemployed in this country. Let us not cut it out now so that the people of America do not have a chance to hold their businesses and industry together.

Mr. CLINGER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I would like to associate myself with my chairman's remarks.

In a former life I had an opportunity to observe the operation of the business development program presently being carried out by EDA, and I can confirm the gentleman's statement that in fact the loan failures, that is, the default of the loans, was as low as he said it was. I think it has been a superb program over the years and deserves to be amplified.

Mr. Chairman, today's debate on the first concurrent resolution emphasizes the need to cut wasteful Government programs. Frequently, the initiatives of the sixties and seventies are the target of such criticism because billions of dollars have been spent on social programs without due regard to their chances of success. I urge my colleagues, however, to cast aside their disillusionment and, for a moment, reflect on the merits of the Economic Development Administration.

Unlike so many "giveaway" social programs, EDA programs are designed to finance economic development through business assistance. I am pleased that, while the committee has recommended significant cuts in a number of Federal programs, it has provided funds for loans in the budget for a complimentary approach to the current development financing program for the EDA. These funds will enable EDA to substantially increase its development assistance to distressed communities which are the most in need of Federal assistance.

Leading economic forecasters are not optimistic about the prospects for the U.S. economy over the next 2 years. The threat of a recession—bringing with it increased unemployment—is very real. The Congressional Budget Office predicts that the unemployment rate will reach 7.2 percent by the end of the year with little change in 1980. The rapid rate of inflation is seen as planting the seeds for a slowdown in economic growth. In light of the pessimistic outlook for the economy, it is essential that the budget contain the funds necessary to effectively respond to high unemployment and lagging economic growth.

The President has sent to the Congress draft legislation entitled the National Public Works and Economic Development Act, which calls for considerable expansion of the current programs of the Economic Development Administration. The draft legislation, although it has not been introduced in the House, is likely to serve as the focus of our attention in efforts to promote economic development at the local level. Admittedly, the bill will need some fine-tuning by the Congress. However, I believe that the proposal holds considerable promise for stimulating private investment and encouraging private sector job creation in distressed urban and rural communities. The draft legislation builds on the sound practices and policies evolved under current EDA legislation while streamlining and consolidating EDA's Federal grant, loan, and loan guarantee programs and providing EDA with the development financing tools first proposed last year as part of a national development bank.

In the past, EDA's business development program has played an important role in getting business, labor, and Government sitting down together to develop short- and long-term strategies for economic development. The agency offers loan and loan guarantees to firms for a wide range of activities, helping local communities in their efforts to promote business retention and expansion. It is the flexibility of EDA's program that has enabled the agency to respond successfully to the different economic ills facing communities across the Nation. The expansion of the EDA program as proposed in the National Public Works and Economic Development Act is designed to leverage private sector investment in distressed areas. It will move in the direction of "one-stop shopping" by communities seeking Federal assistance in promoting economic development. At a time when we are looking for ways to eliminate the need for long-term, seemingly never-ending Federal handouts in distressed areas, it makes sense to provide EDA with the increased authority to leverage the kind of private investment that will create permanent, unsubsidized jobs and put communities on firmer economic footing.

☐ 1515

Mr. ALBOSTA. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, I would like to speak to the Members in opposition to this amendment. I have a couple of things in mind.

I think it is very important that we consider what economic development might do to relieve some of our energy shortages in this country. I think we all ought to take a look at the long lines that are at the gas pumps already in California. We ought to be looking for ways to alleviate that problem. I think it is a responsibility of this body to do that.

I am thinking about the production of alcohol in this country to burn in our automobiles, to burn in our tractors, and to burn in our diesel trucks. We can do that. The farmers of this country have the capacity to produce another 4 billion bushels of corn without any problem. We can do it. All we need to do is to get $2.75 or $3 a bushel and be asked to plant from fence row to fence row.

We can produce the energy this country needs; but what we need, and we need very badly, is the assurance to some business people so they can get themselves involved in this, and the Government should be the leader. The Government should be the leader in the sense that they will provide economic development to distressed areas, to rural areas, and even to the cities. There is no reason why we cannot produce alcohol right within the cities themselves.

□ 1520

All we are doing with this corn and wheat is taking out the starch and the carbohydrates, so we still have that protein left. We can send that protein to other nations, and we can feed the protein to people even in their urban areas. We can produce it right there where it is needed.

There is absolutely no reason why this program should be cut. What we ought to be doing is putting another $5 billion in it so that before long we would be able to alleviate some of the lines we have at the gasoline stations and that are going to be developing this summer all over the Nation.

Mr. Chairman, I do not think we can do it that fast, but the long-term goal ought to be in that direction, in my opinion, and I am certainly against cutting any further into economic development.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. ALBOSTA. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, maybe the gentleman has seen a draft of the bill that I have not seen, but the one I saw did not have anything to do with new initiatives on energy development, gasohol, or anything else. So if the gentleman has seen a new draft that the administration sent down, perhaps he can share that with us.

Mr. ALBOSTA. No, I have not seen a draft of that bill that would be specific toward that end.

Mr. JONES of Oklahoma. Mr. Chairman, I think the gentleman makes a very good point about developing alternative energy sources, but the amendment which we are discussing today has nothing to do with that. This amendment has nothing to do with cutting existing economic development programs. As a matter of fact, they are expanded by 32 percent over last year.

Mr. ALBOSTA. Mr. Chairman, what I am leaning toward is more economic development in general and toward the production of gasohol, and I was speaking in general terms and not specifically.

However, I am still against this amendment, regardless of whether the type of development about which I am speaking is involved or not.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. JONES).

The question was taken and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. JONES of Oklahoma. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 140, noes 245, not voting 49, as follows:

[Roll No. 122]

AYES—140

Abdnor
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
AuCoin
Badham
Bafalis
Bauman
Beard, Tenn.
Bennett
Bereuter
Burgener
Butler
Byron
Campbell
Carney
Chappell
Cheney
Coelho
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dornan
Duncan, Oreg.
Duncan, Tenn.
Emery
Erlenborn
Evans, Ind.
Forsythe
Fountain
Gibbons
Goldwater
Gradison
Gramm
Grassley
Grisham
Guyer
Hamilton
Hance
Hansen
Harkin
Hefner
Hightower
Hillis
Hinson
Holt
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jones, Okla.
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McDonald
Marlenee
Marriott
Martin
Mattox
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Neal
Nelson
Nichols
Paul
Petri
Pickle
Preyer
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Smith, Nebr.
Snowe
Solomon
Stangeland
Stanton
Stenholm
Stockman
Stump
Tauke
Thomas
Trible
Udall
Ullman
Vander Jagt
Walker
Weaver
White
Whitehurst
Whitley
Whittaker
Wilson, Tex.
Winn
Wylie
Young, Alaska
Young, Fla.

NOES—245

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Annunzio
Anthony
Applegate
Ashley
Aspin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beilenson
Benjamin
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Carter
Chisholm
Clausen
Clay
Cleveland
Clinger
Collins, Ill.
Conte
Corman
Cotter
D'Amours
Daschle
Davis, Mich.
Davis, S.C.
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hanley
Harris
Harsha
Hawkins
Heckler
Heftel
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hughes
Hutto
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Lent
Levitas
Lewis
Livingston
Long, Md.
Lowry
Lundine
McCloskey
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Mathis
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Rinaldo
Roberts
Roe
Rosenthal
Rostenkowski
Roybal
Royer
Russo
Sabo
Schroeder
Seiberling
Shannon
Shelby
Shuster
Simon
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Taylor
Thompson
Traxler
Vanik
Vento
Volkmer
Walgren
Wampler
Waxman
Weiss
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—49

Anderson, Ill.
Atkinson
Bedell
Bowen
Breaux
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Cavanaugh
Conyers
Crane, Daniel
Danielson
Dougherty
Edwards, Ala.
English
Fish
Ford, Mich.
Frenzel
Goodling
Hagedorn
Hubbard
Huckaby
Kelly
Leach, La.
Leland
Lloyd
Long, La.
McCormack
Nolan
Pashayan
Richmond
Rodino
Rose
Rudd
Scheuer
Skelton
St Germain
Symms
Synar
Treen
Van Deerlin
Watkins
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wydler
Young, Mo.

□ 1535

Mr. HEFTEL, Mrs. SMITH of Nebraska, and Mr. PREYER changed their vote from "no" to "aye."

Messrs. LENT, LONG of Maryland, and HALL of Texas changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 1540

AMENDMENT OFFERED BY MR. CONABLE

Mr. CONABLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONABLE: In the matter relating to the appropriate level of total new budget authority increase the amount by $2,284 million;

In the matter relating to the appropriate level of total budget outlays increase the amount by $2,284 million;

In the matter relating to the amount of the deficit increase the amount by $2,284 million;

In the matter relating to the appropriate level of the public debt increase the amount by $2,284 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $2,284 million.

In the matter relating to General Purpose Fiscal Assistance increase the amount for budget authority by $2,285 million; and increase the amount for outlays by $2,285 million.

In the matter relating to allowances decrease the amount for budget authority by $1 million; and decrease the amount for outlays by $1 million.

Mr. CONABLE [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONABLE. Mr. Chairman, the amendment that I have offered is controversial, but it is not difficult to understand. The Committee on the Budget has recommended that the State governments' share of general revenue sharing be terminated during the coming year. I want to refresh the memory of my colleagues about revenue sharing, that remarkable program for returning to the States and the localities a portion of the Federal revenue.

□ 1545

Revenue sharing was enacted at about the beginning of this decade. It has provided large sums of money for local and State governments in a roughly two-thirds/one-third ratio. It is administered by a very few people. The administrative cost is about one-tenth of 1 percent in contrast to the categorical grant programs which are those administered by the central bureaucracy. Categorical grant programs now total roughly $80 billion. Revenue sharing amounts to slightly over $7 billion.

The categorical grant programs tend to centralize government. Such programs are administered by the central bureaucracy under standards established here in Washington while revenue money is spent largely according to the wishes of the States and localities with fairly wide discretion, and closer accountability to the people than we have here.

Mr. Chairman, I realize there are still Members in this body who do not appreciate revenue sharing because very little power goes with the grant of revenue sharing money to the States and localities. As far as the State portion is concerned it amounts to roughly $2.3 billion that the Committee on the Budget has recommended be dropped out of the budget. This sum is a very substantial sum. I, like my colleagues, am in favor of keeping this budget as low as possible. I wish to report my distinguished colleague from Maine (Mrs. SNOWE) is going to recommend and offer an amendment which would offset the increase in budget that would result from my amendment by cutting the categorical grant program by 5 percent, thus making the entire effort revenue neutral, preserving the principle of revenue sharing at the State level and at the same time working against the growth and centralism implicit in a categorical grant program.

I want to be perfectly honest about this. Since revenue sharing is an entitlement program and is to run under the entitlement that has been enacted into law until the end of the next fiscal year, specific deauthorizing legislation would be necessary if we, in fact, were not to have revenue sharing payments to the States go out automatically.

One of the major reasons back of my amendment to put this revenue sharing money back into the budget for the States is the serious disruption of State budgets that will result if the States cannot count on the last year of their entitlement share of revenue sharing.

This action would amount to a transfer in many cases of substantial burdens to local real estate taxes because of the manner in which the States have handled their share of revenue sharing. About half the State legislatures will have adjourned by the end of this month. By the time the first budget resolution has been passed there will be substantially more States in adjournment.

□ 1550

I do not know how it is handled in your State, but I can tell you that, faced with an unexpected reduction of State revenues because of the nonreceipt of this revenue sharing money, my State would have a tendency not to cut back on the State purposes budget, but simply to reduce the per capita aid which goes very largely to education, to the localities, thus putting the burden directly on the local real estate taxes.

The Budget Committee action will, in short, be quite disruptive in terms of local government, as well as State government, if it is permitted to go into effect.

The CHAIRMAN. The time of the gentleman from New York (Mr. CONABLE) has expired.

(By unanimous consent, Mr. CONABLE was allowed to proceed for 5 additional minutes.)

Mr. BRODHEAD. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I will be glad to yield in a minute. Let me make a few more points here.

Mr. Chairman, I think it is important that we understand how the States do use this money. Nineteen States set aside all of a substantial portion of their revenue sharing payments for education. As a matter of fact, you can say this is one of the best education programs we have got. That is not saying much, because, frankly, the other two programs, ESEA and Impacted Aid are flawed in various ways; but a substantial portion of the revenue sharing money goes to education, without strings, as a result of well established State practice.

In addition, 13 States earmark all or a portion of their revenue sharing funds for a variety of social services that otherwise would be mandated on them, such States as California, for instance; Connecticut, Colorado, Idaho, Michigan, Minnesota, and New Mexico. The list is endless, but the point is clear. State revenue sharing does help people in very substantial ways and very specific ways.

I think the Members should consider what is likely to happen in their own States if this proposal does not go through.

Now, let us look at the categorical grants. According to ACIR, we now have 492 separate grant programs with an increase of 9 this past year alone. I would much prefer to see these cut. I intend to support the amendment of the gentlewoman from Maine that would cut those by 5 percent only and the gentlewoman will describe in detail how that will be handled.

It seems to me that it would be ironical, indeed, if in cutting this budget we decided to cut a program that has done as much good, and in which as much reliance is placed as revenue sharing. It is philosophically a decentralizing program.

I understand the argument that some people make when they say that some of the States are in surplus.

Let me just explain that. Four States have over half the projected surplus for the States as a whole. The argument that we should eliminate revenue sharing for that reason discriminates against 45 other States.

Actually, adoption of the Budget Committee recommendation will place many State government budgets in a deficit position, something that I think would result probably in tax-raising sessions of legislatures and very serious problems also in flow-through to the localities.

I do not think supporters of revenue sharing should be misled. The attempt to eliminate the States from the program is really an attack on the entire program. Since States pass almost 40 percent of their revenue sharing moneys to the localities directly as a matter of statistical purposes, to cut this will create serious problems for the localities and invariably lead to property tax increases in many places. It will further erode our system of federalism and we should not go that route.

Mr. Chairman, now I yield to the gentleman from Michigan (Mr. BRODHEAD).

Mr. BRODHEAD. Mr. Chairman, I thank the gentleman for yielding. I want to congratulate the gentleman on the amendment and offer my support.

I think the gentleman makes an excellent point, that States are relying on this money. Local units of government are relying on this money. Most States pass it through either directly or indirectly to local units of government; so this amendment, the action of the Budget Committee is going to impact not just on the States, but on the local units of government.

Mr. CONABLE. Mr. Chairman, if I can reclaim my time, I think that will happen particularly if we eliminate the State share of revenue sharing in this manner, that when they have expected it to run for another year and they have already budgeted it that way and already a great many of the State legislatures have adjourned and gone home.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Pennsylvania.

□ 1555

Mr. SHUSTER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I happen to be one who has opposed revenue sharing. However, I want to associate myself with the remarks of the gentleman on the basis that it would be irresponsible to pull the rug out from under the States at this point in time.

Would the gentleman agree that if one is against revenue sharing philosophically, the time to kill it is when the authorization runs out in 1981 and we should not take this action today to pull the rug out from under the States?

Mr. CONABLE. Mr. Chairman, we may very well want to make changes in the revenue sharing formula or even in the existence of the program when the program expires. It would require specific deauthorization, in addition to this action by the Committee on the Budget. I would hope that we would have a full-fledged debate on the action and not decide it at this point.

Mr. DAVIS of South Carolina. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from South Carolina.

Mr. DAVIS of South Carolina. Mr. Chairman, I thank the gentleman for yielding.

The only thing I would like to say is, first of all, that I do not agree with revenue sharing because I believe local taxpayers would rather pay their taxes.

The CHAIRMAN. The time of the gentleman from New York (Mr. Conable) has expired.

(On request of Mr. Davis of South Carolina, and by unanimous consent, Mr. Conable was allowed to proceed for 1 additional minute.)

Mr. DAVIS of South Carolina. Mr. Chairman, if the gentleman will yield further, at a time when we are all worried about balancing the budget, I would like to ask the gentleman this: What would happen to the budget if the gentleman's amendment is adopted? How much would the deficiencies increase?

Mr. CONABLE. Mr. Chairman, my amendment along with that of the gentlewoman from Maine (Mrs. Snowe), would be revenue-neutral.

Mr. DAVIS of South Carolina. Mr. Chairman, we can only vote on one amendment at a time; can we not?

Mr. CONABLE. The gentleman will have ample opportunity to vote on both amendments.

Mr. DAVIS of South Carolina. With the gentleman's amendment, what would be the result, as far as the deficit is concerned?

Mr. CONABLE. It would be $2.3 billion.

Mr. DAVIS of South Carolina. Is that $2.3 billion?

Mr. CONABLE. The gentleman is correct. That amount is what has been authorized in the title for revenue sharing.

Mr. DAVIS of South Carolina, Mr. Chairman, I am sure there are some Members who believe there are some things we can cut, and perhaps we can keep this $2.3 billion down and reduce the deficit.

Mr. NELSON. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, we are faced with a series of choices about where to cut Government spending, and here is a big one: $2.3 billion.

We are led to believe that this is a well-used, worthwhile program. I would like to submit statistics to the Members that would indicate that of all the programs that cannot justify themselves on all fours and on the merits, this is one—in times of fiscal restraint. I think it is important to offer that caveat to the statement, because it is at these times that we must find the dollars to cut.

Forty-three of the 50 States now have surpluses, according to figures compiled by the National Governors Conference.

Obviously, it would be in the interest of the National Governors Conference for them to be very conservative in their figures, and indeed they are. For example, they list my State as having a surplus in its treasury this year of $29 million. Well, they missed the mark, because in fact in Florda the surplus is approaching almost a billion dollars, roughly—a half a billion dollars of recurring revenue and almost a half a billion dollars of nonrecurring revenue.

We have to find some place to cut. We should not go to a program that cannot justify itself.

The National Governors Conference, in this very same statistical outlay here, says that the total surplus is about $4.3 billion in the 50 States. Why should we take $2.3 billion and send it to the 50 States which, by their very most conservative estimates, say they are going to have a $4.3 billion surplus? That is sort of a reverse Robin Hood theory, it seems to me.

To the gentleman who asked the question of about how much this would increase the Federal budget deficit, I would like to say I want him to understand what I perceive to be some of the political dynamics here. We have an attempt here now to raise the budget deficit another $2.3 billion. Presently the deficit is holding at $24.6 billion in this budget resolution, as it is now before the House. If we add to it this revenue sharing—that will put it up to almost a $27 billion deficit.

Mr. Chairman, there are a lot of us who would like to support the budget resolution but who find it increasingly difficult as the deficit gets higher and higher. And might not that be the political strategy of some of those who would like to see this budget resolution defeated?

I suggest to the Members that there might be a number of political mechanisms that are working in this budget resolution.

□ 1600

I again urge the Members to consider that, at a time when we have to cut some place, that this Federal revenue sharing to the 50 States—not to the local governments—is one that cannot meet the scrutiny of a thorough examination.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I generally agree with the gentleman, but one point the gentleman from New York (Mr. Conable) made, which I think merits answering, is the issue of reliance: Have in fact State governments relied? Have they budgeted? Have they gone out of session, for the most part? And what do we say to those States in these sets of circumstances?

Mr. NELSON. In the case of my own State of Florida they expect $69 million out of $2.3 billion. They are operating at a budget surplus in that State of close to $1 billion. I do not have the specific breakdown of the 50 States, of what legislatures are still in progress, or are to be held, or have already adjourned, but as the Members well know, we have a situation that we are faced with of trying to cut. The States have certainly been put on notice that there are no sacred cows in the U.S. Congress in the budgetary process, and they ought to certainly be aware that Federal revenue sharing to the States is in question.

The CHAIRMAN. The time of the gentleman from Florida (Mr. Nelson) has expired.

(By unanimous consent, Mr. Nelson was allowed to proceed for 1 additional minute.)

Mr. NELSON. There is another gentleman standing right back there next to the gentleman from Kansas, the gentleman from Wisconsin (Mr. Obey), and he has made loud and clear the clarion call that at a time when a lot of the States have been offering Federal balanced budget resolutions, they have been doing so in a hypocritical fashion, as the gentleman has stated, at the same time wanting every dollar of Federal revenue sharing that they can get. I think the States are well on notice, whether their legislatures have adjourned—what that number is, I do not know—or whether they are still in session, as my own State legislature in Florida is, that they should be well aware.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding.

Mr. Chairman, I want to make the point that there is no magic formula to bring the State legislatures back into session. What it takes, in most States, is a call by the Governor, or it can be done by the party leadership. I think it should also be pointed out that there is an additional cost beyond the restoration of the funds. We have to spend in interest about $200 million in order to borrow that money before we sent it back to the States.

Mr. BONKER. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from Washington.

Mr. BONKER. Mr. Chairman, I commend the gentleman from Florida (Mr. NELSON), and I surely support what he has said. Washington State is one which enjoys a surplus, and many of the officials in the State take great credit for if not balancing the budget, at least having a surplus. And at the same time, many of us who are trying to defend the Federal budget have to in effect defend those programs, and all of the aid programs, to States including CETA, countercyclical aid. I think cutting State revenue sharing is the first place to begin, and I support it.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I want to commend the gentleman from Florida (Mr. NELSON) for his able statement and for his good work as a valued member of the Budget Committee, not only in this particular area, where he has done great work, but in the entire area covered by the budget and the budget process. Mr. Chairman, I want to commend the gentleman.

Mr. NELSON. I thank the gentleman for his remarks.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from New York.

Mr. SOLARZ. I thank the gentleman for yielding.

Mr. Chairman, the gentleman knows that we have certain political if not necessarily philosophical differences on this amendment. I want to second the remarks of the distinguished chairman of the committee. I have been enormously impressed with the gentleman's dedication and competence and contribution to the work of the committee. I think he has enhanced the deliberations of the committee enormously, and I simply want to say to our colleagues in the committee how much real genuine respect I have for the work the gentleman from Florida (Mr. NELSON) has been doing as a new Member of the House.

Mr. NELSON. Mr. Chairman, I will say to the gentleman from New York that the feeling is mutual.

☐ 1605

Mr. PANETTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, perhaps for different reasons than those that have been expressed here.

First of all, philosophically, I do believe there is some merit to the whole process of revenue sharing whereby communities and towns have the opportunity to decide how those funds shall be spent. So, I think there is a legitimate philosophical reason for revenue sharing, particularly for local government. That is one of the reasons the committee found on State and not local revenue sharing.

Secondly, I do not think we ought to vote with regard to this amendment out of some kind of vengeance against the States or the State legislatures. They have their problems. They obviously have responsibilities to meet. Obviously, if you are going to vote on this issue, do not vote out of some kind of sense that we ought to get back at the States, out of vindictiveness of any kind.

What I think is the problem here is that by restoring these funds to the budget, we are going to be sending the wrong message. We are sending the wrong message to the committees of the House with regards to legislative savings. And we are sending the wrong message to the people of this country with regards to our sincerity about trying to deal with the budget and trying to keep the deficit down.

This budget, for the first time, contains significant legislative savings. We are talking about legislative savings that deal with entitlement programs, not just cuts on discretionary programs here and there, but reductions that aim at improvements and reforms in the programs themselves.

Six billion dollars of legislative savings are contained in this budget with regards to various areas. In 5 years, that $6 billion interprets out to $55 billion in savings that we will have with regards to the budget of this country.

We have got to focus on the entitlement area. We have often heard the comment that 75 percent of the Federal budget is uncontrollable. Indeed, let me point out that 50 percent of the budget is made up of almost $300 billion of permenant or appropriated entitlements. The permanent entitlement programs we do not touch, we cannot even get close to, such as Social Security, the areas of interest rates, the medicare program, railroad retirement, unemployment insurance, areas like this that we never see in the Congress.

The other areas are the appropriated entitlements, such as medicaid, SSI, food stamps, where the Appropriations Committee has some ability to deal with it, but certainly cannot touch the basic entitlements themselves. That is $300 billion.

Now, I believe if we are going to control the Federal budget, there ought to be no sacred areas. We ought not to just look at discretionary funds. We ought to be looking at these entitlement programs. That is what legislative savings is all about.

We are talking about in this bill reforms in the medicare and medicaid program of $404 million; in food stamps of $152 million; AFDC, social security, veterans' programs, in hospitals containment for $1.4 billion in legislative savings; and in this area, revenue sharing, $2.3 billion, almost a third of the legislative savings contained in the budget.

The point is this: There ought to be no sacred areas when it comes to evaluating the programs that we have to deal with here in the Congress and in the Federal Government.

The second point is that we are talking about targets. We are not going to be implementing this cut by virtue of the vote that we have here today. But we are going to be sending an important message to the Government Operations Committee that says, "Take a look at revenue sharing." There are problems here. Let us admit it. Forty-three out of fifty States have a surplus. With the Federal Government running an $800 billion debt, it tells me.

Indeed, the reason proposition 13, one of the important reasons, proposition 13 passed in California, was because of the significant surplus that was allowed to build and to build and to build, and people got sick of it. So they responded by passing proposition 13.

Let us pass the right message here today. The message is basically this: We intend to look at the uncontrollable areas, the entitlement areas, and that we want the committees to look at those areas and come up with legislative savings. It may not be $2.3 billion as far as the State revenue sharing.

They may very well wish to retain the amount that has passed through to the community, but give the committee the flexibility to look at those areas.

Secondly, let us send the message to the American people that we do intend to reduce the deficit and we intend to do it in the way that deals with all of these areas.

☐ 1410

AMENDMENT OFFERED BY MRS. SNOWE AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. CONABLE

Mrs. SNOWE. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mrs. SNOWE as a substitute for the amendment offered by Mr. CONABLE: In section 1:

In the matter relating to the appropriate level of total new budget authority decrease the amount by $315 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $215 million;

In the matter relating to the amount of the deficit decrease the amount by $215 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $215 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $215 million.

In section 3:

In the matter relating to General Purpose Fiscal Assistance (850) increase the amount for budget authority by $2,285 million; and increase the amount for outlays by $2,285 million.

In the matter relating to Allowances (920) decrease the amount for budget authority by $2,600 million; and decrease the amount for outlays by $2,500 million.

Mrs. SNOWE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maine?

There was no objection.

Mrs. SNOWE. Mr. Chairman, the amendment I am offering this afternoon includes two functions. One is to restore the revenue-sharing program; and the other is to provide for an overall 5-percent cut in the categorical grant programs.

First of all, I believe the attempt to abruptly terminate the State portion of the general revenue-sharing program a year before its authorization expires is a disruptive and ineffective way to deal with fiscal problems which our country faces. No other program has stronger support among State and local officials. No other program has greater flexibility and lower overhead costs in this period of public discontent with excessive Government bureaucracy and redtape; no other program has contributed less to the fiscal problems of the Federal Government.

As I said, my amendment also considers a 5-percent overall cut in categorical grant programs exclusive of passthroughs that go from a State to an individual. I am not proposing a 5-percent cut in all programs, but rather a total cut of 5 percent, which would give the authorizing committees flexibility to cut more in some areas, less in others. This will amount to $2.6 billion in budget authority and $2.5 billion in outlays, approximating the cut that would be achieved if we eliminate general revenue sharing to the States.

I submit, however, as I suggested earlier in support of the gentleman from New York (Mr. CONABLE), that general revenue sharing is a far more cost-effective program. The Governors of the States and all kinds of management experts tell us that the categorical grant program in this country is overburdened with redtape; that the expense of administering it is beyond reason; and that in many instances this expense is forced upon the community because it is either, "Take it that way or get nothing." In many cases, the cost of administering the program is 15 or 20 percent.

Let me offer a couple of examples. Jamestown, N.Y., applied for a grant from the Farmers Home Administration to administer an industrial park on a site within the city where water and sewage facilities were available. The city was told that it was too large for the program, which was designed for cities under 10,000, but it quickly qualified for the money by building a park outside the city limits and constructed water lines at considerable cost.

Another example is the experience by Junior, W. Va., population 633, which was ordered by EPA in 1970 to quit dumping raw sewage into the Tygart River. Federal aid was available to construct a treatment plant but was scattered over five agencies, each with its own requirements. When the town proposed extending its sewer system an additional 500 feet to serve a housing project to please HUD, EPA refused because they would not be meeting existing need. An entire room in the office of the town lawyer is filled with 7 years of applications, correspondence, plans, and other documents. The town still does not have a treatment plant, and the cost has increased by 144 percent.

The Governor of Vermont, testifying before the Senate Budget Committee on behalf of all the Governors, stated that if we could streamline, block, and consolidate grant programs, they could accomplish the same objectives with 5 to 20 percent less money if they were given greater latitude in the implementation of grants, and given more uniform rules and regulations. He further submitted that his State would be glad to take as much as a 10-percent cut in Federal grants if this flexibility existed. My amendment for a 5-percent cut is, I feel, a reasonable beginning.

□ 1615

Mr. CONABLE. Mr. Chairman, will the gentlewoman yield?

Mrs. SNOWE. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentlewoman for yielding. I would like to commend my distinguished colleague for her contribution. I think it is a very thoughtful one. I particularly am pleased in the way she has cut the categorical grants. She has screened out the ones that would affect individuals and is reducing roughly $50 billion of categorical grants, which I think we can very well afford to cut by 5 percent in order to preserve this revenue sharing.

I would like to urge my colleagues quite strongly to support the substitute amendment.

Mrs. SNOWE. I thank the gentleman.

In addition I would just like to make one final point. I think we are aware of the multiplicity of programs which exist in the Federal Government at this point, the overlapping of jurisdiction, the redtape, the number of additional employees required to administer these categorical grants. I think eliminating the revenue-sharing program is a quick-fix solution to our problems.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER resumed the chair.

The SPEAKER. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

The SPEAKER. The Committee will resume its sitting.

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1980

The Committee resumed its sitting.

The CHAIRMAN. The time of the gentlewoman from Maine (Mrs. SNOWE) has expired.

(On request of Mr. OBEY and by unanimous consent, Mrs. SNOWE was allowed to proceed for 2 additional minutes.)

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SNOWE. I yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentlewoman for yielding.

I would like to ask a question to understand what the gentlewoman is doing. What does the gentlewoman's amendment do, for instance, to the Federal share of the cost of medicaid?

Mrs. SNOWE. As I said before, it does not affect direct grants to individuals—in the areas of food stamps, AFDC, the medicaid program, housing assistance, supplemental security income. Those are not affected under my amendment.

Mr. OBEY. But the State share we provide, we provide under medicaid. We provide aid to States on a sliding scale from 78 percent to 50 percent of costs on a reimbursed basis. What does the gentlewoman do on that?

Mrs. SNOWE. To ask a question, is that direct aid to individuals? It does not affect direct grants or direct aid to recipients of the various programs I just mentioned.

Mr. OBEY. Forget the aid to recipients. What does the gentlewoman do in terms of the amounts we make available to States to run their medicaid programs?

Mrs. SNOWE. As I suggested in my amendment, it gives the authorizing committees within the various jurisdictions of these areas I speak of—there are 492 categorical grant programs—it gives the authorizing committees the flexibility to determine which areas they want to cut.

Mr. OBEY. If we assume that as a payment to the individual.

Mrs. SNOWE. If the authorizing committee determined it to be so.

Mr. OBEY. How about title XX, social services?

Mrs. SNOWE. Of which program is the gentleman speaking?

Mr. OBEY. The social services that we provide under title XX of the medicare-medicaid program.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. HORTON. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Conable amendment.

Mr. Chairman, I rise in support of the amendment offered by my colleague, the gentleman from New York (Mr. CONABLE), to restore State participation in the general revenue sharing program. I strongly believe that the State governments should be part of any such program. The initial jurisdiction for revenue sharing was under the Committee on Ways and Means when it was inaugurated and begun by the Congress. When it expired, there had been the Reform Act of the Congress, and the jurisdiction had been placed in the Government Committee on Operations, on which I serve as the ranking minority member.

We renewed the program for 3¾ years, and we are in the last year now of the program.

What is being attempted here today is action by the budget resolution to remove one group of localities that was included in the extension of the revenue sharing program which we worked so carefully on about 3 years ago. We extended the program for 3¾ years. I do not think this is the place to debate whether or not we ought to have revenue sharing.

□ 1620

That was determined 3 years ago by the Congress and it said we should have revenue sharing. We went through the procedures involving the formula. I might say parenthetically that the formula is a very complex formula based on population size, per capita income, and tax effort.

Nobody said and nobody guaranteed that the localities might not end up with a surplus. That was not the basis of revenue sharing. In revenue sharing the program was to take Federal funds and directly return them to State and local governments without the categorical approach.

It seems to me that we are breaking faith with what was accomplished in the Congress 3 years ago when we decided to renew revenue sharing and include the States. What we would be doing here today, if we take this action and the Conable amendment is defeated, would be to say to those States that had relied upon the action of the Congress some 3 years ago that they could not continue to have revenue sharing for the balance of the program. We would be saying to them, "No, you cannot have it any more. We will take it away from you before the authorization expires." I do not think this is the time nor the place to do that. That should come next year when we talk about renewing the revenue sharing program.

Many States have relied upon the funds of revenue sharing and have planned their budgets on it. It seems inappropriate to me to come up here now and say, "We are going to take it away from you."

I think this should be emphasized, as it was by my colleague, Mr. CONABLE, you are not going to take it away unless you have deauthorizing legislation. In other words, you will have to enact legislation to take it away from the States to back up what you do here today if you turn down the Conable amendment.

Mr. WEISS. Mr. Chairman, will the gentleman yield to me?

Mr. HORTON. I will be very happy to yield to my colleague from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman yielding to me and I want to associate myself with the comments of the distinguished gentleman from New York.

Many of my constituents have expressed to me a very real concern about the entire budget resolution process. They have suggested that what the budget resolution process does is to make sacred cows of some sectors of the budget and to the detriment of their own localities and their own needs.

If the Committee on the Budget decides that it is within its own province not just to set priorities but to actually remove certain authorized pieces of legislation from serious consideration it seems to me that is far exceeding what was the original intention of the budget resolution process. It would be one thing, it seems to me, if the Committee on the Budget were to say, "We will recommend a cut of half a billion dollars." But to take the entire amount of moneys for revenue sharing for the States and remove it I think is putting themselves in the business of legislating rather than setting priorities. It is wrong, it may be illegal and is certainly beyond the intent of the Congress.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I will be glad to yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I certainly want to associate myself with the remarks of the gentleman from New York (Mr. HORTON).

I strongly support the Wydler-Conable amendment to restore the $2.3 billion in general revenue sharing funds for fiscal year 1980. Since the inception of the revenue sharing in 1972 it has proved to be one of the most popular programs ever instituted by the Federal Government.

In the State of Vermont it has strong support and is viewed as one of the few Federal programs which has flexibility and is not encumbered with excessive Government redtape and regulation. The State of Vermont currently passes all of the $7 million received in general revenue sharing funds to the local level in the form of property tax relief to low- and middle-income Vermonters. This has significant impact particularly among the State's elderly population which comprises more than 15 percent of our total residents. If the State's portion of the revenue sharing funds are cut, this property tax relief program will continue but its funding will have to come from other sources. This will necessitate either a 1 percent increase in the State sales tax or an 2 percent increase in the State personal income tax.

Vermonters already carry one of the highest State and local tax burdens in the Nation ranking fifth in tax burden per $1,000 of personal income. Vermont also ranks 45th in per capita income which means that any additional tax will only further place a greater load on our already heavily taxed residents. With inflation running at a rate of greater than 10 percent, the loss of these funds will place the State in the very difficult position of having to increase taxes at a time when it will hurt the most.

Vermont has handled its revenue sharing funds as most States have in a very responsible manner. They have become an important part of town budgets and have and are being utilized in a variety of constructive programs which provide both jobs and long-range benefits to communities. Since general revenue sharing has only grown at an average annual rate of 3 percent as opposed to categorical grant programs which have increased at a rate of 14 percent per year, it seems totally inappropriate to attack this program as a way of cutting Federal spending.

It should also be pointed out that since revenue sharing funds have been authorized through 1980 most States and local communities have already appropriated these funds in their budgets for next year. In many cases this will cause them to call special legislative sessions or to make program cuts.

The program has been built on the idea of local decisionmaking and local control. It is for these reasons that this program should be retained in its entirety.

Mr. HORTON. I thank the gentleman for his comments.

Mrs. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I yield to the gentlewoman from Louisiana.

Mrs. BOGGS. I would like to commend the gentleman, also, on his statment. All of us have questions about the fiscal needs of States, about the distribution formulas even about the larger question of whether revenue sharing should be continued at all or not.

In any event, now is not the time to discontinue the revenue sharing and I commend the gentleman for saying that the States and the localities are dependent upon the funds for this year and we should certainly wait until the reauthorization process comes about after fiscal year 1980, before entering into any such agreement.

□ 1625

Mr. HORTON. Mr. Chairman, I thank the gentlewoman.

(By unanimous consent, Mr. HORTON was allowed to proceed for 2 additional minutes.)

Mr. HORTON. Mr. Chairman, I want to emphasize that the local sharing program was not a categorical program based on need. There was nothing talked about with regard to need. We had a formula and the formula was to distribute a certain sum of money per year to all States and localities based on that formula.

Now, what we are saying here today, if we do not adopt the Conable amendment, is to remove that purpose of the Congress and say it is going to be based on need, because what we are saying is that some States have a surplus.

We are penalizing those States for the surplus.

The gentleman from Florida commented a few minutes ago with regard to his State. I just looked at the report of the National Governors' Association dated April 27, 1979, which is entitled, "How the States Use General Revenue Sharing Funds."

Florida, the State of Florida:

> All of the $68 million in revenue sharing funds received by the state of Florida are allocated to the Florida Education Finance Program (FEFP) through which the operation and maintenance costs of the state's local school systems are paid. In 1979 the state share of the overall expenditure for elementary and secondary education is approximately 59 percent, and the local share is 41 percent. In fiscal year 1978–79, the FEFP total cost was $2.177 billion, of which $1.285 billion was supplied by the state. The earmarking of General Revenue Sharing funds for local education reflects the Governor's intention to increase the state's share of the

financial support for the public school system from 59 percent to 71 percent in 1980 in order to decrease the tax burden placed on the local governments.

Now, it seems to me that it is unfair to say to the State of Florida or any other State when they came to expect that the revenue sharing program, which was authorized for 3¾ years, it is unfair to say to them now, "You can't have those funds." It is not appropriate, in my judgment.

Again, I want to emphasize that if we do not vote for the Conable amendment today and leave it like it is in the budget resolution, what we are saying is that the Government Operations Committee is going to have to deauthorize the program as far as it relates to the States.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. HORTON. I will be very happy to yield to the gentleman from Florida.

Mr. NELSON. Mr. Chairman, I appreciate the gentleman yielding.

I would like the opportunity just to correct some of the statistics there that the gentleman is reading from.

I came out of the Florida legislature from a background of the appropriations committee.

Mr. HORTON. Mr. Chairman, is the gentleman saying that the State does not give the money to education?

Mr. NELSON. It goes into the general revenue fund from which approximately 60 percent of that fund funds education in Florida. I think that it underscores the point.

Mr. HORTON. What the gentleman is saying is that the gentleman wants to cut that out; is that what the gentleman is saying?

Mr. NELSON. That is correct. In the case where my State is getting $69 million from the $2.3 billion, at the same time running a surplus of almost $1 billion, we cannot justify in times when we have to make the tough decisions of trying to cut from this budget, we just cannot justify money going like that.

Mr. HORTON. Mr. Chairman, if I can take my time back, what I am saying is that when we enacted this program and authorized the program, we had a distribution formula. If we are going to take the State of Florida out and then take out some other city or some other town because they have a surplus, then the whole program is going to fall.

We may want to take that up next year when the authorization or the reauthorization comes up and that is a different ball game. But do not do it in the middle of the stream when States expect they are going to get revenue sharing for the rest of this year.

Mr. Chairman, I urge my colleagues to support the Conable amendment.

☐ 1630

Mr. BROOKS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, maybe I had better repeat that. I am not noted around here as being in favor of supporting amendments in favor of revenue sharing. I do support this amendment, and I have not undergone a conversion.

I still think revenue sharing is a badly conceived program in which Congress has abdicated its responsibilities and its control over Federal expenditures. I still think it is an illogical program that requires the Federal Government to borrow money, adding to the deficit, in order to hand over the money to States that are running budget surpluses.

But no matter how badly conceived and illogical it is, it is still our baby. This little darling may not look like very much, and it may not behave very well, but it is ours. We created it. We wrote it into the statute books, and we told the States that as long as it is on the books, they could count on getting more than one-third of the money the program disbursed.

We did more than that. We foolishly told the States that they were entitled to the money, that they did not even have to wait and see if Congress would appropriate the money, the way the recipients of other Federal dollars do, and that the money would flow automatically. "Just hold out your hand and we'll pour it out to you."

I did not support revenue sharing when it passed, and I did not support the States getting a single dollar of this money. I made an all-out effort in this Congress to make the revenue sharing program subject to appropriations. Unfortunately, I was soundly defeated, and the Congress, in its then wisdom, so-called, overwhelmingly chose to make this an entitlement program.

That program still has more than a year to run. I hope the Congress in its wisdom will refuse to extend revenue sharing when it expires on September 30, 1980. But until then I believe we should stand by the action that we took, wrong-headed as it was, and not try to take back the money that we promised to the States.

They have every right to expect the $2.3 billion that this amendment would restore to the budget resolution. I am sure it is already figured into their budgets. I am sure that it would create considerable difficulties for the States if we snatched that money away at this late date.

Projections by the National Governors Association, for example, show an aggregate operating of $5.5 billion for the State governments in 1978 and $4.3 billion in 1979.

Over half of this surplus, however, has been found in only three States: Alaska, California, and Texas. And another high-roller would be Florida, I guess. Terminating the States' share of the revenue sharing program would place fully half of the remaining 47 or 46 States in a deficit position.

The situation is not at all comparable to the countercyclical program in which the cities complained that Congress took away money they had put into their budgets. Any cities that did that were acting irresponsibly. They were gambling—or maybe they were praying—that a dead program would be revived. And it was revived, against my wishes.

Here Congress is being asked to pull back $2.3 billion that is already on the table waiting to be picked up. I do not think we should do that. I think we should stand by our commitments. We have to show that we can be trusted, that our word is good.

So I suggest that the Members vote for this amendment, and we will deal later with that little darling of revenue sharing next year when it comes up. I hope we have learned a very expensive lesson, and that we will not renew this program when it dies a natural death at the end of fiscal year 1980.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment and to the substitute amendment.

Mr. Chairman, let me advise the Membership what is involved here.

The gentlewoman from Maine (Mrs. SNOWE) has proposed to cut categorical grants, a whole series of grants ranging from programs on health and education to everything we can imagine. These are good, worthwhile programs, and the gentlewoman proposes to cut them by $2.5 billion.

I will say to some of the Members from the cities and from the urban areas, who were just up here saying how important this amendment is and how we have got to support it, that they propose to pay for revenue sharing—by cutting our categorical grants.

☐ 1635

If you do not accept her amendment and accept the Conable amendment, then you are going to add $2.3 billion to the deficit. That, my friends, is going to bring the deficit up to $27 billion. Do you want to add $2.4 billion or $2.3 billion to the deficit here today? If you do, vote for the Conable amendment. If you want to pay for this revenue sharing for the States by not adding to the deficit but by destroying $2.5 billion worth of categorical aid programs—good, necessary programs that you know you do not want to reduce—then vote for the substitute amendment offered by the gentlewoman from Maine.

It is said that we made an agreement, it is said that States would be hurting—the same States, incidentally, that are writing us all year long and saying, "You profligate Federal Government, get your house in order and cut spending and balance your budget." And then, "P.S. Do not forget to send us our revenue sharing money." That is what they are saying. I do not like to cut out money for my State of Connecticut. But my State of Connecticut has been running surpluses. If you can tell me why we in the Federal Government, running a deficit, have to be sending money to Connecticut, or any other State that is running a surplus, I would certainly like to know the rationale for that.

My good friend, the gentleman from Texas, makes a good argument. He said we made an agreement, we made a deal with them. Well, we may have made an agreement; we may have made a deal. But I do not think it is a legal contract. I think Congress can pass laws and Congress can change laws. Times change, situations change, emergencies change. At the time when we passed revenue sharing, the States were in trouble in this country, and we were trying to find money to help them help, them hold down the property taxes, help them with a host of other problems that they had. But now the situation is reversed. Now the Federal Government is hurting. The Federal Government is in deficit. I say to the Members that this Congress in good conscience can terminate this program, which was never a good program to begin with. Let us not kid ourselves about revenue sharing. It was a political vote-getting program in the past years by certain individuals aspiring to become Presidents or who did in fact become Presidents. Let us not go back over the history of this program, but let us say that it is a program that has not been any good, it never was any good, and for goodness' sake let us get rid of it now and not add $2.3 billion to the deficit.

Let me say to some of my friends from New York who are shaking their heads: Vote for this program, and I am going to tell you what is going to happen. Remember, we have to pass this program in the House, we have to go to the Senate, it has this money in there, and we have to come out of a conference with the Senate. If we are not careful, we are going to wind up with no countercyclical money but general revenue sharing money for the States.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. Giaimo) has expired.

(On request of Mr. Weiss and by unanimous consent, Mr. Giaimo was allowed to proceed for 2 additional minutes.)

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. WEISS. Would not the gentleman agree with me, though, that, as bad a program as he may think that revenue sharing is, the determination as to how to reform or whether to eliminate that program ought to be up to the authorizing committee rather than the Budget Committee?

□ 1640

Mr. GIAIMO. Well, who does not know that? Of course, the legislative committee has to pass the legislation, but we have the right in the Budget Committee and the obligation to establish what the priorities are.

We are saying, and we were recommending to this House, that it is not a high priority that we continue revenue sharing; and as the gentleman from California has indicated, there are a whole host of legislative reforms, totalling some $6 billion—which we are urging and requesting the Congress to enact so that we can get reform. We seek reform in various areas from hospital costs containment to wage board reform and impact aid, and I submit, to revenue sharing.

Let me tell you something else, and then I will yield.

This committee is trying to do its utmost to make sure that the programs that we are interested in in the cities do not suffer. We are not having an easy time with it. I submit to you that you are making a very bad mistake and especially a very real tactical mistake if you support this amendment of the gentleman from New York (Mr. Conable).

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I will yield to the gentleman from New York.

Mr. WEISS. Does the gentleman think that by eliminating in totality the $2.3 billion, which is the State component of the general revenue sharing program, that he is simply setting priorities, or is he not, in fact, gutting and eliminating the program?

Mr. GIAIMO. The gentleman can call it what he wants to, but I will tell the the gentleman what we are doing. We are setting a priority, yes. We are giving impetus to a reform in that legislation which is useless and should be eliminated.

Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would like to follow up on a few comments just made by the chairman.

No. 1, I am rather amused by the fact that people are suggesting, on this House floor, that because we have a commitment, we simply cannot change our mind, that we will create uncertainty in the State legislative halls of the country if we do change our minds.

Let me point out that we do that all the time.

We have changed our mind ad nauseam on the water pollution program.

We have had States constantly wondering what they are going to get or what they are not going to get under water pollution control programs. We have done the same thing on title I. We have done the same thing, in fact, from time to time on programs for the Nation's highways, so the States are not coming into this blind. They understand that Congress can change its mind.

Second, to suggest that we follow the advice of the gentlewoman from Maine (Mrs. Snowe), and simply remove 5 percent from the nonentitlement programs and thereby come up with the $2½ billion needed, is the most insidious thing this House can do if you really want to get a handle on the budget.

The reason this Budget Committee is sitting on the floor today, the reason we have a Budget Committee, is because over time, interest group after interest group, decided that the way to get their share of money without ever having their share of money examined again, regardless of the country's problems, was to create an entitlement. So we create an entitlement and then another one and another one; and we wind up with the Appropriations Committee controlling less than half of the budget.

So the Budget Committee was created so that we got some control over this mess. Now, what is happening is we are having people come in with amendments saying, "Let's exempt the entitlements. Let's exempt those, and let's deal with the controllables."

That is one of the reasons you are getting your programs so mucked up.

What we need to do is to go back into those entitlements; as the gentleman from California (Mr. Panetta) indicated, we cannot exempt any portion of the budget from review, and we ought not to take the easy road, and say, "Well, let's just give everybody their entitlements and deal with the controllables."

This is what the administration tried to do in the health care area this year. They were finally backed off it. That is what everybody tries to do, but it is not the way we are going to get sound budgeting in this city.

The other thing I want to suggest is that to say that we create uncontrolled problems in the legislative halls if we require those State legislatures to go back to their State capitals and reexamine their priorities is to question the sincerity of all of the States in the country who have already passed resolutions asking us to balance the budget. Now, you mean to tell me that the legislators from those 30 States, who have asked us to balance the budget, would not be able to put their own house in order?

□ 1645

Do we mean that they would only be able to give Washington advice, but would not be able to take a look at their own problems and decide which low-level priority programs they were going to eliminate in order to preserve the passthrough that some people are concerned about in revenue-sharing?

While we are at it, I want to address myself to another point, because there somehow seems to be an assumption on the floor on the part of some people that it would be all right if we can only eliminate money that went to State capitals, but if you are going to touch any money going to any local units of government, you are doing a no-no. I went all around my district, and I cannot tell the Members how many times I have been talking to local officials, and I would say, "What are you going to do with the revenue-sharing money?" They would say, "I don't know, we weren't expecting it. We are going to hold a meeting next week to figure out what to do with it."

That has happened to me literally 20 and 30 times as I have been going around my district during the last 4 or 5 years. It seems to me that if we assume that any of these dollars are untouchable, we guarantee that we will never have the budget under control.

I urge the Members to vote down the Snowe amendment because they are voting blind, and urge them to oppose the Conable amendment as well.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

(At the request of Mr. Simon and by unanimous consent, Mr. Obey was allower to proceed for 2 additional minutes.)

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. OBEY. I yield to the gentleman from Illinois.

Mr. SIMON. Mr. Chairman, the gentleman from Wisconsin may recall that the gentleman from Pennsylvania and I, at different times, had an amendment to cut this in half so that we would not just starkly drop this thing. I would suggest that there may be Members of the House who share that feeling, and I think the way to approach that, recognizing that the Senate has now adopted this, is for the House to defeat the Conable amendment. Then, we will go into that conference committee with the assistance in this area. The Senate has it, and there will be a figure somewhere in between that will be arrived at, which some of us think may be more rational than just completely dropping it or completely going ahead with the program.

Mr. OBEY. That is a distinct possibility, but I would like to make one other observation. We heard all this talk about how only three or four States have half the surplus. It is a funny thing, I never hear my State listed in those three or four States. My State passed out over $900 million in tax relief. I am not having any income tax withheld from my check this month or next month because my State was able to abolish all income taxes for 2 months. They did that in part because Uncle Sugar sits out here borrowing $2.5 billion to send back to the States; only, we have to pay in interest over $200 million to do it. That is just nuts.

□ 1650

Mr. SHUSTER. Mr. Chairman, I move to strike the last word.

It seems to me that both sides in this debate have a compelling argument over the basic issue. Those in favor of the Conable amendment, it seems to me, are on strongest ground when it is unfair to pull the rug in the middle of a program. On the other hand, those against the Conable amendment are on strongest ground, it seems to me, when they argue that this will increase the deficit by $2.3 billion. Both sides make an excellent point.

It seems to me the resolution of this problem rests with the Snowe substitute amendment. The Snowe substitute amendment provides that we continue the revenue sharing through expiration at least, however we pay for it, by reducing certain categorical grants by 5 percent, but not touching those categorical grants that pass through to individuals. Now stop and think about it for a minute. That means that the revenue sharing program, which is an entitlement, will continue. However, those categorical grants which do not pass through to individuals will not continue, and those programs are not entitlement programs.

So the solution to the problem, it seems to me, is to pass the Snowe substitute amendment, which pays for the Conable amendment by eliminating the 5-percent level programs which are not entitlement programs, and in their stead provides for a program which today is a entitlement program. It seems to me on balance this is the best solution to this problem.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding. I agree absolutely with the conclusion the gentleman has come to. It seems to me if we are going to have continuing debate on this issue, there are people in this Chamber who want to have the power that goes with the categorical grant program, the centralizing effect of it because it is run out of Washington, and oppose the idea of any degree of decentralization. The idea against revenue sharing has been heard here many times, particularly by members of the Committee on Appropriations and others who have wanted to build legislative monuments to specific categorical purposes. This decretionary money does give a fine opportunity for keeping problems as close to the people as possible, keeping the solution of problems as close to the people as possible, and I would hate to see us give up that idea. We are cutting, under the Snowe substitute amendment, categorical programs that total over $50 billion in order to preserve discretionary money that totals only slightly more than $7 billion. It seems to me that is an important part of the balance of the program.

Mr. SHUSTER. I thank the gentleman. In the interest of simple fairness, we should cut by 5 percent programs which are not entitlement programs in order to keep a program which is an entitlement program at least during its lifetime.

Mrs. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentlewoman from Maine.

Mrs. SNOWE. I thank the gentleman for yielding.

I would like to make a couple of additional points. First of all, the gentleman from Wisconsin (Mr. OBEY) suggests that we are taking the easy road by cutting 5 percent of the categorical grant programs. The easy road is to eliminate revenue sharing because it is far more comfortable to the Federal Government and the Congress to legislate additional strengths, additional redtape, additional bureaucracy. I commend the States if they have any surpluses in spite of the fact that the Federal Government takes 68 cents out of every tax dollar, and in spite of the fact that they mandate Federal programs.

I have been in the State legislature in the State of Maine for 5 years. I am pretty familiar with State government. Now I am also familiar with the Federal Government, and I can tell you the Federal Government is far worse.

Mr. SCHULZE. Mr. Chairman, I yield back the remainder of my time.

Mr. SENSENBRENNER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the substitute amendment.

Mr. Chairman, the Federal revenue sharing program has been an extremely controversial program since it was originally enacted by Congress in 1972. However, I would submit that this is not the time to get into a philosophical discussion of the merits or lack of merits of revenue sharing. The fact of the matter is very simple. Most State legislatures are well along in their budget processes. Most of the Governors, including the Governor of Wisconsin, have submitted budgets to the legislature which deal with the surplus by refunding the surplus to the taxpayers, or increasing State programs, or a combination thereof. By pulling the rug out from underneath the Governors and the State legislatures, all of those budgets will have to be amended, and that gives the Governors and the legislatures a choice of three very unpleasant alternatives. Alternative No. 1 would be to raise State taxes. Raising taxes is not very much in vogue nowadays. Alternative No. 2 would be to cut back on State services, and that is not very much in vogue nowadays either. The third alternative would be to reduce the amount of money the State remits to local units of government in forms of State aid or shared taxes, and that will merely result in local government revenue sharing going down and local property taxes going up.

□ 1655

When revenue sharing was passed by Congress, the legislature of my State earmarked our $53 million share to the State school aid formula and thus provided additional money for local education and additional property tax relief on the school tax which is a property tax which, in my opinion, is the most unpopular.

The $53 million per year in revenue sharing funds, if taken away from the State of Wisconsin, will result in education being placed more in jeopardy than anything else. I am certain that the same story could be told again and again in other States in the Union.

The argument is made in opposition to this amendment that all we are doing is increasing the Federal budget deficit by $2.3 billion by reinstituting the State's share of revenue sharing.

Let us look at what the Committee on the Budget did when it got $2.3 billion additional in the kitty by repealing revenue sharing. Did it reduce total outlays of the Federal Government by $2.3 billion? No. Page 5 of the committee report shows it increased those total outlays by $401 million. Instead of reducing the budget deficit by repealing revenue sharing the Committee on the Budget spent it all and then raised another $401 million in outlays.

Regardless of what happens to the substitute amendment offered by the gentlewoman from Maine (Mrs. SNOWE) the Conable amendment should be adopted so that we do not see State and local tax increases all around the country.

Mr. CARNEY. Mr. Chairman, I move to strike the requisite number of words and will speak in support of the amendment.

Mr. Chairman, I am in support of the Wydler/Conable amendment which restores full funding for State government participation in the general revenue sharing program. Before I came to Congress, I served 3 years in the Suffolk County Legislature. From experience, I can attest that there is no program which works as well or is as well received at the local level than general revenue sharing. Consequently, we should resist efforts to eliminate State participation.

In my home State of New York, the State government provides a significant amount of local school aid from its share of general revenue sharing. This situation is true in many other States also. I fear that elimination of State participation will mean increases in local and State taxes to make up the difference. Such increases would be disastrous to homeowners on Long Island and throughout New York State.

Further, I am concerned that in attacking revenue sharing, we are going after the wrong target. I believe that we should look to make cuts in categorical grant programs which are now almost 500 in number. These programs are much more costly to administer and involve a tremendous amount of redtape. In addition, continued growth of these programs has served to expand the role of Washington bureaucrats and their burdensome regulations in local affairs. It is highly ironic that in our efforts to balance the budget, the Budget Committee chose to pick on the one Federal program which works the best. Adoption of the Conable amendment is essential if we are to go about balancing the budget in a prudent and orderly fashion. I urge my colleagues to support it.

Mr. HEFTEL. Mr. Chairman, I move to strike the requisite number of words.

I feel today as though I am listening to a replay of 30 years of whatever I thought I was doing in my private life because I was always trying to figure out how to balance the budget.

There is no easy way to do it. However, those who do not balance the budget, do not stick around very long; whether it is Government, business, or elected officials. You must create pain when you take away money. There is no pleasant way. Someone must give, something must give.

When we instituted the concept of revenue sharing we had a Federal Government anticipating surpluses being kind and generous to municipalities and States faced with deficits.

□ 1700

Now, there may have been other political motivations, but the fact remains that this is not a case of contracts between two parties at arm's length. This is the Federal Government dealing with the 50 States of this country in a common effort for financial survival.

We have at least 30 States very concerned that the Federal budget is in jeopardy because of the way that we spend money. We have suddenly realized, "Gee, they are doing so well, they are telling us to quit spending money." And, our Budget Committee has heard them.

Well, we have a Budget Committee that deserves our support, a lot more support than I have seen it given in my short term in the Congress. They are the only people who have the specific obligation to figure out how to bring about commonsense to deficit spending, how to bring about commonsense to the way of spend our money and how we do not spend it.

We have heard on the floor the games that we play politically, the things that we vote for and against. A number of Members voted for a balanced budget approach when it was not specific and then the gentleman from Wisconsin (Mr. OBEY) presented it to us in a specific form where we could see every painful reduction in the budget and nobody would vote for it, not even the gentleman from Wisconsin (Mr. OBEY); but the fact remains, we have got to give support to that Budget Committee. We have got to give something of substance to the concept of a balanced budget, of fiscal responsibility. We cannot do it by what is occurring today; so I would hope that, first, we would defeat the amendment; but far more important, that we start to realize that what we are trying to do politically in the United States will only be achieved when we support a Budget Committee with the guts and the intelligence to bring us into commonsense balance between expenditure and income.

Mr. LATTA. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I can remember a few years ago when revenue sharing first came before the Committee on Rules of the House. We had it under consideration for several days. It passed by one vote—one vote. I voted for it.

Why did I vote for revenue sharing? Because I was sold by the proponents and by the majority of this House that we would be cutting back on these categorical grant programs and make room for revenue sharing.

Well, let me say that history shows that we have not cut back. As the gentleman from New York has already pointed out, we have 492 categorical grant programs in the United States. We still have a lot of categorical grant programs that do not work and do not fit being forced on communities across this Nation and a lot of them are in my district. The communities do not want them and do not need them.

They say, "You've got to take them or you don't get what you really want in other type programs."

Now, that is what I wanted to get rid of when I voted for revenue sharing, because that money went out to the communities, to the States, and it came back eventually to the people without those strings attached.

Today I am supporting the Snowe amendment and the Conable amendment because the gentlewoman from Maine is saying, "Just take 5 percent off the total of all those categorical grant programs. Pick out your favorite program and try to preserve it in your mind, if you can."

But the gentlewoman is saying, "Take it off the total, only 5 percent." Yet, we are hearing from the other side, "Don't touch my favorite program."

And the gentlewoman is not pointing to any particular program. Only the total money is involved, 5 percent of the total for all the programs. It is up to the Appropriations Committee to determine the places from which the 5 percent is to come. That is what we are talking about.

Oh, sure, the bureaucrats do not like revenue sharing. The bureaucrats do not like the Snowe proposal. Why? Because they are increasing their numbers and their cost to the taxpayer day after day, week after week.

Take a look at the record. Since 1972 the administrative cost of the categorical grant programs have gone up 14 percent annually.

Now, is that what we want, to keep the bureaucrats in office, or do you think it is high time that we do something for the taxpayer out there that we are supposed to represent rather than the bureaucrats?

□ 1705

Take a look at the administrative cost of revenue sharing—one-tenth of 1 percent. What are we talking about?

Under revenue sharing, the people are finally getting something back from their taxes without taking out that tremendous brokerage fee that comes out in Washington.

We can still cut this budget, and we are going to offer an amendment tomorrow to give the Members a chance to really cut the budget.

We can do something here today to preserve a program that has been working without pointing a finger at the States. I cannot understand how we can sit here in this Chamber and point a finger at some States that have been balancing their budgets and showing a surplus.

Is that some sort of a sin? Is that some sort of a legislative sin around this place? Apparently it is, because we have not shown any kind of a surplus since I have been here, save 1 year.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I refuse to yield at this time. The gentleman has had plenty of time. He made his point and I would like to make mine now.

The States have been showing us the way to go, if we want to look in their direction, but it seems to me there is a tinge of vindictiveness here by the opponents of the Conable amendment. Are they saying to those States out there that have memorialized the Congress, a right they have under the Constitution, to bring about a balanced budget? Are we going to be vindictive towards those States and say, "No, you've done wrong?"

Are we going to say, "We are going to take your revenue sharing away from you?"

I think not. We are bigger than that. I think that we can afford to have this program in existence until it is brought up upon its expiration. We should not cut the budgets of the States after their legislatures have adjourned believing they were going to receive revenue sharing funds.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I refuse to yield at this time, I will say to my friend. When I have finished, then I will be happy to yield to him.

Mr. Chairman, by the record, the following State legislatures have already adjourned, with the prospect that revenue sharing, as promised to them by this Congress, would be forthcoming:

Arkansas. The legislature has adjourned; there is $22 million in general revenue funds expected.

Georgia. The legislature has already adjourned; there is $50 million.

Hawaii. It has already adjourned; $11 million.

Idaho. It has already adjourned; $8 million.

Indiana. It has adjourned; $45 million.

Kansas. It has adjourned; $20 million.

Maryland. It has adjourned; $45 million.

And so it goes down the line of States. Are we going to sit here and say to those States they will not get their revenue sharing?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield to the chairman of my committee when I have finished.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has again expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Mr. Chairman, I would be happy to yield to my friend, the gentleman from Wisconsin (Mr. OBEY) first, although if the chairman of the committee wishes me to yield now, I will yield to him.

Mr. GIAIMO. Mr. Chairman, I am intrigued by the list of States the gentleman just read off that have already completed their business and have adjourned.

Here we are early in May, and it is going to be a long, long march before we complete our business, hopefully sometime in October, and that proves the point. The problem is that the Federal Government has lots of problems, lots of crises, and lots of debt. The State governments apparently, certainly those the gentleman mentioned at least, have such a relatively easy time of it that they are able to sail right through, and they have already completed their work for the year.

Those legislators are well paid, and they can come back into regular session, just like we can, and they can implement the necessary legislation if their little "goodies" from Washington are curtailed.

Mr. LATTA. Mr. Chairman, let me say to my good friend, the chairman of the committee, that I think the American people would be better pleased with our work here if we would adjourn before October and would not crank in money for some of these categorical grant programs as we have done in the past at their expense.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has again expired.

□ 1710

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto end in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 45 seconds each.

(By unanimous consent, Ms. HOLTZMAN, Mr. GIAIMO, and Mr. WEISS yielded their time to Mr. MITCHELL of Maryland.)

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I appreciate my colleagues yielding their time to me.

I rise in opposition to the Snowe amendment. This carries on what has been apparently a scenario in this House: Get what you want for yourselves and your particular interests, but do it at the expense of people.

What the gentlewoman is proposing is a 5-percent cut. But you have to understand that the President had already cut the categorical programs. Before he sent his budget in here he had a ceiling, so that there was already one cut on all categorical programs. In the House we have already cut further. Not a single categorical program that I know of has gone through this budget process unscathed. So those are two sets of cuts. And now the gentlewoman proposes a third. I am not at all sure that I understand the gentlewoman's amendment, because from the way I heard it on the floor it is possible to give any kind of flexibility so that the 5 percent could come out of any categorical grant program, and I do not think any one of us would want to do that and I do not think it would happen. But that is the theory of her amendment. Then this becomes: What categorical grant programs do you cut? I have a great one to cut. Let us start with Meals on Wheels. That is a great one to cut. That is a categorical grant program. That is where we take food to senior citizens who cannot get out of their homes. That is where we stock food in their closets in case they cannot get out. That is a beauty. Go ahead. That is a great one to cut. Cut the senior citizens in terms of Meals on Wheels.

□ 1715

We have got a problem in this country with our youth, and I am not going to talk about youth unemployment.

We have got a problem in terms of growing drug addiction, and the most recent reports on growing alcoholism, not just in cities but in counties and in rural areas and all over this country, we have got a problem of growing abuse of alcoholism by children, 10-, 11-, 12-, 13-, 14-, 15-year-old children, who are addicted to alcohol or are abusing it. You want to cut that program 5 percent? Cut it in the face of the growing pathology associated with youth alcoholism? If you want to do that, Meals on Wheels, and kids who are becoming alcoholics, that is a great place to cut.

While we are cutting, could I recommend another one? Let me recommend that we cut, in terms of the programs for the handicapped, those categorical grant programs. Those would be excellent, because if a person is in a wheelchair, they are not going to rise up to fight you if you want to cut back 5 percent on what is needed for their well being.

Ladies and gentlemen, it is cruel. It is cruel. We do well with revenue sharing in my State. It is put to good use, but I would rather see our revenue sharing lost than to go along with this piece of villainy.

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. FENWICK).

Mrs. FENWICK. Mr. Chairman, thank you.

I do not think that sort of thing is useful. We could cut 5 percent out of the administrative costs, and none of the things would be touched. I would like to just list what is not going to be touched. What is not going to be touched is medicaid, food stamps, special milk, child nutrition, special supplements, food donations, supplemental security income, public assistance, maintenance, the refugee assistance operations, housing programs, unemployment trust fund, and many more, including their administrative costs.

In other words, what we are saying is the Defense Department, the Department of Agriculture, all these other things, why should their administrative costs not be pared down?

Now I have 45 seconds, and I have been trying to talk. We should have some—and I think there are strong arguments on both sides, but I am not sure how I will vote, but that kind of talk is not useful.

The CHAIRMAN. The Chair now recognizes the gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Chairman, very simply, I am pleading with the House to protect the legislative savings that are built into this budget, legislative savings totaling $6 billions of dollars. That can translate into $55 billion in 5 years. If we adopt the Conable amendment, we will be adding $2 billion back to the deficit.

I ask the Members to reject Snowe and reject Conable, and please let us not take the position that there are sacred areas of the budget. We have refused categorical programs. We also have to reduced entitlement programs as well. That is the only way we will ever control Government spending.

(By unanimous consent, Messrs. THOMAS, CAMPBELL, and LUNGREN yielded their time to Mrs. SNOWE.)

The CHAIRMAN. The Chair recognizes the gentlewoman from Maine (Mrs. SNOWE).

Mrs. SNOWE. Mr. Chairman, the major beneficiaries of this program are the States, all of the categorical grant programs, and the revenue sharing program. But the National Governors Association, acknowledging that they benefit by these programs, are saying that if you cut out 15 to 20 percent of the categorical grant programs, they could still provide the same level of services.

We just do not feel comfortable handling down money to the States without a lot of strings attached.

It is a sad state of affairs if we cannot determine among all the authorizing committees—there are 300 committees and subcommittees here in the Congress—if we cannot determine which areas should be cut.

It seems to me that the chairmen of these committees and subcommittees could determine or at least show some leadership by asking various agency heads to come before the committee and state where they think that they could cut the administrative costs of these categorical programs.

Yes, the States do have surpluses. Why? Because most of these States are required to have a balanced budget. We all manage our own personal budgets. We have to plan on contingencies in the event of an emergency. So, yes, these States do have to have balanced budgets. Yes, they do have to have some kind of surpluses. The State of Maine may have its minor surplus. Why? Because we planned ahead. Yet, Maine is ranked 50th among all States of the Union in terms of per capita income and standard of living. We have a high corporate income tax and a high personal income tax. We have a high sales tax and we have a 100-percent valuation in the property tax level.

□ 1720

Where else can we get revenue in the State of Maine? Are we talking about centralizing spending back here in Congress, in Washington, D.C.? Or, are we talking about returning the people's money back to the people at a reasonable cost? That is what we are talking about here, ladies and gentlemen.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. JONES).

Mr. JONES of Oklahoma. Mr. Chairman, I urge my colleagues to stick with the Budget Committee, to vote against the Snowe substitute amendment and against the Conable amendment particularly. I hope we will keep the Budget Committee recommendation to cut out the State revenue sharing to the States. The States are running surpluses. They do not need this money.

This program was put in at a time when we expected to share surpluses from the Federal Government with the States. Through the entire 6 or 7 years of this program, there has never been a surplus. Unless we are going to change the name of this program to "debt sharing," I think we ought to be honest with the American people and try to cut down on this unnecessary expenditure. I hope we will stick with the Budget Committee.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota (Mr. ABDNOR).

Mr. ABDNOR. Mr. Chairman, I rise in support of the amendment to restore funding of the States' portion of general revenue-sharing moneys for fiscal year 1980.

At a time when we are confronted by mountains of Federal paperwork and a Government dominated by the Federal bureaucracy, it has been refreshing to witness the effectiveness of the revenue-sharing program and I take issue with those who would threaten its continuation.

We have heard those opposed to the continuation of the States' participation put forth many arguments predicated on the assumption that States are in better financial condition than the Federal Government and should no longer be entitled to such assistance.

I would submit that in reality this opposition has grown from resentment harbored by many of our free spenders in Congress who are feeling the pressures of the States' superior fiscal planning and the unified call for the Federal Government to do the same and balance the budget.

Those who seek to deny allocation of revenue-sharing funds to the States under the guise of fiscal constraint have also seriously disdirected their energies. Instead of attacking a program which has a documented and unprecedented record of effectiveness, these individuals would do well to question the continuation of the many categorical programs which make up early 80 percent of all Federal aid and are entangled in the web of the Federal bureaucracy.

Sound management principles indicate that during times of declining resources, superior administrative skills must be exercised to maximize the benefits to be received from remaining programs. I would challenge critics of revenue sharing to provide examples of other Federal programs which more effectively meet this criteria.

No other program has greater support among State, local, and county officials. I might add that the States' portion of revenue-sharing funds does not go to the respective State capitols and stop there. Thousands of county and local governments receive State revenue-sharing support and are vitally dependent on it.

It may interest you to know that of the $7.6 million in revenue-sharing funds which my State of South Dakota receives, not 1 cent has been or will be spent in support of State government. Governor Janklow has assured me that the entire amount of any revenue-sharing funds going to the State of South Dakota will be distributed to local school districts in the form of State aid to elementary and secondary education.

If Congress is truly concerned with reducing our Federal budget deficit, we will do so not by cutting State revenue sharing and plowing it into social welfare programs, but by a reduction in those categoric programs in which one segment of the bureaucracy duplicates the wasteful spending of another.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin (Mr. OBEY).

Mr. OBEY. Mr. Chairman, it has been pointed out what is not cut by this mendment. Let me point out what is cut. We are cutting Federal health programs; we are cutting handicapped education; we are cutting vocational education; I think we would be cutting title I education; we would be cutting housing programs; we would be cutting agricultural extension and similar farm programs.

No one is suggesting that it is wrong for States to have a surplus. All we are suggesting is that it does not make good sense for those surpluses to be built at the expense of the Federal Government's borrowing of $200 million a year to pay for State revenue-sharing.

Mr. Chairman, I urge the Members to vote down both the Snowe substitute amendment and the Conable amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. RATCHFORD).

Mr. RATCHFORD. Mr. Chairman, I rise in support of State revenue sharing. I was among those with 12 years' involvement at State level who worked for its passage. Most States have used it well since its enactment in 1972. My State, the State of Connecticut, has used its $29 million basically for aid to the beleagured cities, and of late for aid for mental health.

Give credit where credit is due. States have done a good job. Do not be vindictive; do not be spiteful just in the cause of balancing the budget. We will balance the budget. Our opportunity will come later this session and next year, but do not balance it at the expense of or in spite of being vindictive to the States.

The CHAIRMAN. The Chair recognizes the gentleman from Maine (Mr. EMERY).

Mr. EMERY. Mr. Chairman, first of all I want to rise in support of the Snowe substitute amendment. Second, I want to congratulate my colleague from the Second District of Maine for making an excellent presentation here this afternoon. She expresses my views very well on these programs.

Categorical grant programs very often are duplicative of other efforts. I think we would be very well advised to extend the revenue-sharing programing and give the States the flexibility to spend Federal money in the programs that look the best and are the most responsive to the particular problems in any of our own States.

I understand that there are something like 172 categorical grants that could be consolidated or replaced by existing programs or other programs. Certainly, a modest cut is a move toward efficiency. I urge support of the Snowe substitute amendment.

☐ 1725

The CHAIRMAN. The Chair now recognizes the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, 45 seconds does not give anyone an opportunity to make a lot of arguments for or against an amendment, but I rise to oppose the Snowe substitute amendment and to support the Conable amendment. I am a cosponsor of the amendment to include in this year's budget revenue sharing. That is not to say that next year when we have an opportunity to reauthorize revenue sharing I might be in the well talking about phasing revenue sharing out for States. But I think we have to recognize that there are some States that are in difficult distress, and these very States need our aid and our help. They need our commitment to this program, and if we determine during the reauthorization process that revenue sharing is not working, that is the time to destroy the program. That is the time to wean the States off the program, but not here in our budget process.

I ask my colleagues to defeat the Snowe substitute amendment.

Mr. Chairman. I wish to express my concern about the hasty decision of the Budget Committee to eliminate the States from the general revenue sharing program. While all of us are under heavy pressure from many fronts to reduce Federal spending, we must not let our desire to balance the Federal budget obscure the importance of general revenue sharing to the many State and local governments struggling to retain some semblance of fiscal stability.

Several misconceptions concerning the revenue sharing program in general, and the fiscal health of State governments in particular, underlie the Budget Committee's decision.

Those supporting the elimination of the States from the program argue that State governments, relative to the Federal Government, are in a better fiscal position. This, they believe, is evidenced by the $5.5 billion aggregate surplus in the operating budgets of State governments for 1978, and the $4.3 billion surplus projected for 1979.[1] These figures however, mask a great deal of variation in the fiscal conditions among the States. Almost half of this surplus, for example, is concentrated in only three States—California, Texas, and Alaska. The remaining surplus is divided equally between the regions. Clearly, the process of fiscal recovery has not been uniform. (See table 1.)

TABLE 1.—*Distribution of State surpluses*

[In millions]

New England:	
Connecticut	$36.2
Maine	8.8
Massachusetts	14.8
New Hampshire	2.8
Rhode Island	1.5
Vermont	17.5
Total	81.6
Mid-Atlantic:	
Delaware	*(5.8)
Maryland	59.8
New Jersey	40.9
New York	18.0
Pennsylvania	0.0
Total	112.9
Midwest:	
Illinois	88.0
Indiana	110.8
Iowa	78.4
Michigan	0.0
Minnesota	49.0
Ohio	50.4
Wisconsin	271.1
Total	647.7
South:	
Alabama	7.1
Arkansas	189.3
Florida	21.6
Georgia	0.0
Kentucky	65.8
Louisiana	1.3
Mississippi	42.2
North Carolina	25.2
Oklahoma	0.0
South Carolina	14.5
Tennessee	63.1
Texas	622.6
Virginia	14.0
West Virginia	0.0
Total	1,066.8
West:	
Alaska	570.1
Arizona	0.0
California	2,157.0
Colorado	4.6
Hawaii	2.3
Idaho	0.1
Kansas	117.8
Missouri	79.4
Montana	24.1
Nebraska	50.8
Nevada	36.9
New Mexico	40.9
North Dakota	157.4
Oregon	$107.0
South Dakota	21.3
Utah	53.9
Washington	90.2
Wyoming	12.0
Total	3,562.8

*Deficit.

The elimination of States from this program would create severe budgetary disruptions for many State governments. Nearly half of the States would be unable to cover the entire revenue loss with budgetary surpluses. (See tables 2 and 3.) These States either experienced minimal surpluses, maintained a balanced budget, or experienced an operating deficit in 1978. Overall, these States could cover only one-quarter of the revenue loss which would result from the elimination of the States' share from the program.

TABLE 2.—*Distribution of State allocations under the revenue sharing program (fiscal year 1979)*

[State allocation in millions]

New England:	
Connecticut	$28.8
Maine	15.6
Massachusetts	72.5
New Hampshire	7.8
Rhode Island	9.7
Vermont	6.8
Total	141.2
Mid-Atlantic:	
Delaware	7.1
Maryland	45.7
New Jersey	75.5
New York	256.0
Pennsylvania	110.9
Total	495.2
Midwest:	
Illinois	114.1
Indiana	45.9
Iowa	27.6
Michigan	96.1
Minnesota	45.7
Ohio	93.1
Wisconsin	53.3
Total	475.8
South:	
Alabama	36.0
Arkansas	22.3
Florida	68.4
Georgia	50.7
Kentucky	36.8
Louisiana	44.4
Mississippi	33.7
North Carolina	56.8
Oklahoma	23.7
South Carolina	30.7
Tennessee	42.5
Texas	111.4
Virginia	47.4
West Virginia	21.2
Total	626.0
West:	
Alaska	7.9
Arizona	26.6
California	259.8
Colorado	25.2
Hawaii	11.2
Idaho	8.5
Kansas	20.1
Missouri	42.8
Montana	8.7
Nebraska	14.2
Nevada	5.7
New Mexico	14.1
North Dakota	6.1

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[1] These figures represent the actual aggregate State government operating surplus for 1978 as reported by the National Governor's Association. They do not include social insurance pension funds as does the $33 billion surplus figure developed by the Council of Economic Advisors. These social insurance pension funds include the contributions of 13 million State and local employees. Since State and local governments cannot use these funds to provide services, their inclusion in State surplus figures misrepresents the true fiscal condition of State governments.

TABLE 2.—*Distribution of State allocations under the revenue sharing program (fiscal year 1979)*—Continued

[State allocation in millions]

West:	
Oregon	$25.3
South Dakota	7.7
Utah	13.9
Washington	31.5
Wyoming	4.2
Total	533.5

TABLE 3.—*23 States unable to compensate for the loss of shared revenue with budgetary surpluses*

[Amount of deficit in millions]

New England:	
Maine	6.8
Massachusetts	57.7
New Hampshire	5.0
Rhode Island	8.2
Mid-Atlantic:	
Delaware	12.9
New Jersey	34.6
New York	238.0
Pennsylvania	110.9
Midwest:	
Illinois	26.1
Michigan	96.1
Ohio	42.7
South:	
Alabama	28.9
Florida	46.8
Georgia	50.7
Louisiana	43.1
North Carolina	31.6
Oklahoma	23.7
South Carolina	16.2
Virginia	33.4
West Virginia	21.2
West:	
Arizona	26.6
Hawaii	8.9
Idaho	8.4

Therefore, these State governments would have to choose between cutting essential services or increasing taxes to compensate for the loss of revenue. If these governments decide to maintain their present level of services, they would have to increase their individual income taxes by 6.6 percent or their general sales taxes by 6.4 percent. (See table 4.)

TABLE 4.—TAX INCREASES WHICH WOULD BE NECESSARY FOR THE 23 STATE GOVERNMENTS TO COMPENSATE TOTALLY FOR THE LOSS IN REVENUE SHARING FUNDS

Region and State	Deficit as a percent of— Individual income tax	General sales tax
New England:		
Maine	9.1	34.5
Massachusetts	4.8	13.1
New Hampshire	70.4	
Rhode Island	7.9	5.8
Mid-Atlantic:		
Delaware	7.7	
New Jersey	4.9	3.8
New York	5.3	10.7
Pennsylvania	9.4	7.3
Midwest:		
Illinois	1.8	1.4
Michigan	6.6	6.8
Ohio	6.9	3.8
South:		
Alabama	11.0	6.4
Florida		3.3
Georgia	10.2	7.4
Louisiana	32.3	8.9
North Carolina	4.0	6.2
Oklahoma	10.9	11.6
South Carolina	5.6	3.9
Virginia	4.7	7.8
West Virginia	12.9	4.7
West:		
Arizona	14.0	5.3
Hawaii	4.4	2.6
Idaho	7.5	8.1
Average	6.6	6.4

Contrary to popular belief, the program cuts which would result if the States' share of revenue sharing were terminated would affect essential services. Nationally, over 80 percent of the States' revenue sharing allocation has been used for current operations. These funds are used to support a broad range of services with substantial amounts channeled into educational, health care, and criminal justice programs. (See table 5.)

TABLE 5.—STATE GOVERNMENTS' REVENUE SHARING EXPENDITURES

[In percent]

Region and State	Major function areas	Current expenditures	Capita expenditures
New England:			
Connecticut	Health (79 percent), general support to localities.[1]	100	
Maine	Education (100 percent)[1]	100	
Massachusetts	Interest on general debt (100 percent)	100	
New Hampshire	Hospital (58 percent), finance and general administration (35 percent).	100 100	
Rhode Island	Education (37 percent), public welfare (16 percent).	100	
Vermont	All other (100 percent)	100	
Mid-Atlantic:			
Delaware	Retirement and pension funds for State and local employees (100 percent).		
Maryland	Retirement and pension funds for State and local employees (100 percent).		
New Jersey	All other (100 percent)		
New York	Education (31 percent), health (29 percent), finance and general administration (12 percent).	100	
Pennsylvania	Education (66 percent),[1] finance and general administration (21 percent).[1]	100	
Midwest:			
Illinois	Education (100 percent)[1]	100	
Indiana	Education (84 percent), hospitals (8 percent)	100	
Iowa	General support to localities (100 percent)[1]	100	
Michigan	Health (100 percent)	100	
Minnesota	Public welfare (31 percent), education (22 percent), hospitals (15 percent).	100	
Ohio	Education (73 percent,[1] health (12 percent)	100	
Wisconsin	Education (100 percent)[1]	100	
South:			
Alabama	Highways (49 percent), hospitals (21 percent), correction (14 percent).	97.4	2.6
Arkansas	Highways (77 percent), education (22 percent)[1].	6.5	93.5
Florida	Education (90 percent)[1]	81.7	18.3
Georgia	Retirement and pension funds for State and local employees (100 percent).		
Kentucky	Education (67 percent)	10.0	90.0
Louisiana	Highways (100 percent)		100.0
Mississippi	Education (69 percent)	7.8	92.2
North Carolina	Education (66 percent)[1]	5.3	47.0
Oklahoma	Education (94 percent)[1]	93.3	6.7
South Carolina	All other (100 percent)	100.0	
Tennessee	Education (100 percent)[1]	100.0	
Texas	Education (97 percent)	73.4	26.6
Virginia	Education (100 percent)[1]	100.0	
West Virginia	Highways (43 percent), natural resources (30 percent), health (26 percent).		100.0
West:			
Alaska	All other (100 percent)	100.0	
Arizona	General support to localities (100 percent)	100.0	
California	Education (100 percent)[1]	100.0	
Colorado	Education (36 percent),[1] public welfare (40 percent).[1]	67.5	32.5
Hawaii	Public welfare (68 percent), redemption of debt (31 percent).	68.4	31.6
Idaho	Education (100 percent)	100.0	
Kansas	Education (98 percent)[1]	.1	99.9
Missouri	Education (42 percent), hospitals (21 percent).	17.2	82.8
Montana	Education (75 percent)	75.3	24.7
Nebraska	Education (92 percent)	2.7	97.3
Nevada	Education (100 percent)[1]	100.0	
New Mexico	Education (100 percent)[1]	100.0	
North Dakota	Education (100 percent)[1]	100.0	
Oregon	Education (100 percent)[1]	100.0	
South Dakota	Education (100 percent)[1]	100.0	
Utah	Education (100 percent)[1]	100.0	
Washington	Retirement and pension funds for State and local employees (100 percent).		
Wyoming	Finance and general administration (67 percent).	77.8	22.2

[1] These funds are passed through to local governments.

The elimination of the States share will directly affect the budgets of local governments, since 40 percent of the States allocation is passed through to local units. Local governments are least able to bear this burden. (See table 55.)

The elimination of revenue sharing payments to State governments in fiscal 1980 would throw the budgets of many healthy governments into disarray, as well. Since the revenue program is authorized through 1980, revenue sharing funds have already been allocated within State and local budgets. By the end of this month, nearly half of the State legislatures will have adjourned for the year. (See table 6.) The termination of the program during this congressional year would therefore require many States to call special sessions to enact either tax increases or program cuts.

TABLE 6

State	Expected adjournment: 1979 legislative session dates	General revenue sharing allocations (established 1979)
Alabama	July 27	$36,045,676
Alaska	June 1	7,918,720
Arizona	do	26,654,636
Arkansas	Adjourned	22,329,488
California	Early September	259,766,236
Colorado	June 1	25,244,416
Connecticut	June 6	28,833,312
Delaware	June 30	7,079,816
Florida	June 2	68,385,988
Georgia	Adjourned	50,710,176
Hawaii	do	11,172,136
Idaho	do	8,535,820
Illinois	June 30	114,067,428
Indiana	Adjourned	45,942,068
Iowa	June 1	27,588,808
Kansas	Adjourned	20,008,576
Kentucky	No 1979 session	36,758,020
Louisiana	July 10	44,354,944
Maine	Mid-June	15,639,236
Maryland	Adjourned	45,687,312
Massachusetts	All year	72,459,244
Michigan	do	96,107,300
Minnesota	Mid-May	45,741,728
Mississippi	Adjourned	33,707,632
Missouri	June 30	42,818,532
Montana	Adjourned	8,659,006
Nebraska	do	14,246,524
Nevada	Early May	5,668,124
New Hampshire	June	7,790,436
New Jersey	All year	75,533,748
New Mexico	Adjourned	14,102,064
New York	July 1	256,038,436
North Carolina	do	56,816,272
North Dakota	Adjourned	6,085,972
Ohio	December	93,071,212
Oklahoma	June 1	23,698,820
Oregon	Mid-June	25,306,048
Pennsylvania	All year	110,909,688
Rhode Island	May	9,719,712
South Carolina	July 1	30,728,984
South Dakota	Adjourned	7,676,828
Tennessee	June	42,549,480
Texas	May 29	111,376,580
Utah	Adjourned	13,925,492
Vermont	do	6,766,252
Virginia	do	47,428,516
Washington	Mid-May	51,506,108
West Virginia	Adjourned	21,187,780
Wisconsin	October	53,291,320
Wyoming	Adjourned	4,242,316

Source: National Conference of State Legislatures.

Until recently, the impacts of eliminating the States from the revenue-sharing program have never been adequately outlined nor fully understood. It is now clear that abruptly eliminating the States' share a year before the program's authorization expires is a disruptive and ineffective way to deal with our Nation's fiscal problems. The sudden implementation of a poorly conceived solution will only lead to the development of additional problems, for which new answers must ultimately be found.

To avoid these severe and unnecessary economic dislocations, serious review of the general revenue-sharing program should be postponed until the consideration of the program's reauthorization. Any action prior to this, in my judgment, would be premature and ill-advised.

I, therefore, urge my colleagues to support the amendment restoring payments to State governments under the revenue-sharing program.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. HORTON).

Mr. HORTON. Mr. Chairman, I would just like to emphasize again that some 3 years ago the House passed legislation. The Senate passed legislation. It went down to the President. It was signed. It became law, extending revenue sharing for 3¾ years. We did not just pass authorizing legislation. It is entitlement program so they do not even have to go to the Committee on Appropriations. That was a commitment that the Congress and the administration made to States. For us to come along now and say to the States some States have to have surplus and some have not but we are going to penalize everybody on account of it, I say that that is the wrong attitude. So I urge the Members to vote and keep in the State' share in revenue sharing.

(By unanimous consent, Mr. LATTA yielded his time to Mr. CONABLE.)

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Chairman, I would like also to commend the gentlewoman from Maine (Mrs. SNOWE) for a very constructive closing of the circle of this proposal to restore revenue sharing and to do it in a way that will not cause a bulge in the budget. She has offered a substitute that would cut categorical grants, not all the categorical grants, that go to people in States, not to poor people. There are roughly $82 billion in categorical grants. The gentlewoman from Maine (Mrs. SNOWE) is offering to cut by 5 percent roughly $50 billion of them, if we look at the amendment she has offered. This, quite frankly, is a much more sensible way to keep the budget in line than by cutting back on a revenue sharing program which the States are relying on in their budgets. The result of our cutting that revenue sharing for the States would not only be disruptive but ultimately would probably hurt many more people than the 5-percent cuts in the categorical grants to States and communities under programs that has the poison of centralism on them.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentlewoman from Maine (Mrs. SNOWE) as a substitute for the amendment offered by the gentleman from New York (Mr. CONABLE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. SNOWE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 237, not voting 50, as follows:

[Roll No. 123]

AYES—147

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
AuCoin
Bafalis
Bauman
Beard, Tenn.
Bereuter
Bethune
Buchanan
Butler
Byron
Campbell
Carney
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Okla.
Emery
Erdahl
Erlenborn
Fenwick
Fisher
Forsythe
Fountain
Gingrich
Goldwater
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hamilton
Hammerschmidt
Hansen
Harsha
Hillis
Hinson
Holt
Hopkins
Horton
Hyde
Ichord
Jeffords
Jeffries
Johnson, Colo.
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leach, Iowa
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marlenee
Marriott
Martin
Mathis
Mattox
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Moorhead, Calif.
Myers, Ind.
Neal
Nichols
Paul
Petri
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Satterfield
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Weaver
Whitehurst
Whittaker
Winn
Wyatt
Wylie
Young, Alaska
Young, Fla.

NOES—237

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Applegate
Ashley
Aspin
Badham
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Burgener
Burlison
Burton, Phillip
Carr
Carter
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Howard
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Levitas
Long, Md.
Lowry
Luken
Lundine
McHugh
McKay
McKinney
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson

Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Rahall
Rangel
Ratchford
Reuss
Rinaldo
Roberts
Roe
Rosenthal
Rostenkowski
Roybal
Runnels
Russo
Sabo
Santini

Sawyer
Schroeder
Seiberling
Shannon
Simon
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Stump
Swift
Thompson

Traxler
Udall
Ullman
Vanik
Vento
Waxman
Weiss
White
Whitley
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—50

Anderson, Ill.
Atkinson
Bowen
Breaux
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burton, John
Cavanaugh
Conyers
Coughlin
Crane, Daniel
Crane, Philip
Danielson
Diggs
Dougherty

Edwards, Ala.
Fish
Frenzel
Goodling
Hubbard
Huckaby
Kelly
Leach, La.
Leland
Lloyd
Long, La.
McCormack
Miller, Calif.
Nolan
O'Brien
Pashayan
Richmond

Rodino
Rose
Rudd
Scheuer
Skelton
Stark
Synar
Treen
Van Deerlin
Watkins
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wydler
Young, Mo.

☐ 1745

The Clerk announced the following pairs:

On this vote:

Mr. Breaux for, with Mr. Rodino against.

Mr. Leach of Louisiana for, with Mr. Conyers against.

Mr. Kelly for, with Mr. Young of Missouri against.

Mr. Daniel B. Crane for, with Mr. Diggs against.

Mr. Rudd for, with Mr. Danielson against.

Mr. Dougherty for, with Mr. Richmond against.

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. CONABLE).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONABLE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 195, not voting 49, as follows:

[Roll No. 124]

AYES—190

Abdnor
Addabbo
Akaka
Albosta
Ambro
Andrews, N. Dak.
Anthony
AuCoin
Bailey
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boggs

Boland
Bonior
Brodhead
Brooks
Broyhill
Buchanan
Butler
Carney
Carter
Chisholm
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Conable
Conte
Corcoran

Courter
D'Amours
Daschle
Davis, Mich.
Deckard
Derwinski
Devine
Dodd
Donnelly
Downey
Drinan
Early
Edgar
Emery
Erdahl
Erlenborn
Ferraro
Flood

Florio
Ford, Tenn.
Forsythe
Fountain
Garcia
Gaydos
Gilman
Gingrich
Gonzalez
Gore
Gradison
Grassley
Gray
Green
Grisham
Guarini
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Hansen
Hawkins
Heckler
Hillis
Hinson
Hollenbeck
Holtzman
Horton
Howard
Hyde
Ichord
Jeffords
Jeffries
Kastenmeier
Kazen
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Lederer
Lee

Lent
Lewis
Livingston
Lowry
Lundine
McClory
McDade
McEwen
McHugh
Madigan
Maguire
Markey
Marks
Martin
Mavroules
Michel
Mikulski
Mikva
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murtha
Myers, Ind.
Natcher
Nedzi
Nowak
Oakar
Oberstar
Perkins
Petri
Peyser
Preyer
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula

Rhodes
Rinaldo
Ritter
Robinson
Roe
Rosenthal
Rostenkowski
Roth
Royer
Russo
Sabo
Schulze
Sebelius
Sensenbrenner
Shannon
Shuster
Smith, Nebr.
Snowe
Solarz
St Germain
Staggers
Stangeland
Stanton
Stewart
Stockman
Stratton
Studds
Symms
Tauke
Thomas
Thompson
Traxler
Trible
Vander Jagt
Walgren
Walker
Wampler
Weiss
Whitehurst
Williams, Mont.
Winn
Wolff
Yatron
Young, Alaska
Zeferetti

NOES—195

Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Badham
Bafalis
Baldus
Barnard
Barnes
Bauman
Bedell
Beilenson
Benjamin
Bennett
Bevill
Bolling
Boner
Bonker
Bouquard
Brademas
Brinkley
Burgener
Burlison
Burton, Phillip
Byron
Campbell
Carr
Chappell
Cheney
Clay
Coelho
Collins, Tex.
Corman
Cotter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, S.C.
de la Garza
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Dornan
Duncan, Oreg.
Duncan, Tenn.

Eckhardt
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Flippo
Foley
Ford, Mich.
Fowler
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goldwater
Gramm
Gudger
Hall, Tex.
Hance
Harkin
Harris
Harsha
Hefner
Heftel
Hightower
Holland
Holt
Hopkins
Hughes
Hutto
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kindness
Kramer
Leach, Iowa

Leath, Tex.
Lehman
Leland
Levitas
Loeffler
Long, Md.
Lott
Lujan
Luken
Lungren
McCloskey
McDonald
McKay
McKinney
Marriott
Mathis
Matsui
Mattox
Mazzoli
Mica
Miller, Ohio
Mineta
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Neal
Nelson
Nichols
Obey
Ottinger
Panetta
Patten
Patterson
Paul
Pease
Pepper
Pickle
Price
Reuss
Roberts
Rousselot
Roybal
Runnels
Santini
Satterfield
Sawyer
Schroeder
Seiberling
Sharp
Shelby

Shumway
Simon
Slack
Smith, Iowa
Snyder
Solomon
Spellman
Spence
Stack
Steed
Stenholm
Stokes

Stump
Swift
Taylor
Udall
Ullman
Vanik
Vento
Volkmer
Waxman
Weaver
White
Whitley

Whittaker
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Wylie
Yates
Young, Fla.
Zablocki

NOT VOTING—49

Anderson, Ill.
Atkinson
Bowen
Breaux
Broomfield
Brown, Calif.
Brown, Ohio
Burton, John
Cavanaugh
Conyers
Coughlin
Crane, Daniel
Crane, Philip
Danielson
Diggs
Dougherty
Edwards, Ala.

Fish
Frenzel
Goodling
Hubbard
Huckaby
Kelly
Leach, La.
Lloyd
Long, La.
McCormack
Marlenee
Miller, Calif.
Nolan
O'Brien
Pashayan
Richmond
Rodino

Rose
Rudd
Scheuer
Skelton
Stark
Synar
Treen
Van Deerlin
Watkins
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wydler
Young, Mo.

☐ 1800

The Clerk announced the following pairs:

On this vote:

Mr. Rodino for, with Mr. Conyers against.

Mr. Long of Louisiana for, with Mr. Diggs against.

Mr. Dougherty for, with Mr. Rudd against.

Mr. Williams of Ohio for, with Mr. Kelly against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. DERWINSKI. Mr. Chairman, in my opinion, this Budget Committee assault on revenue sharing is ill timed, unjustified, and is an effort to turn the clock back to ever greater Federal Government control over State governments.

Revenue sharing was the first major step in years to decentralize Government authority. The idea was to send the money back from whence it came with minimum strings. I believe the concept is sound for both State and local governments, and I, for one, will continue to support the concept and the commitment to revenue sharing as it now exists in the law.●

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LATTA

Mr. LATTA. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. LATTA: Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $508,200,000,000, and the amount by which the aggregate level of Federal revenue should be decreased is $6,500,000,000;

(2) the appropriate level of total new budget authority is $593,800,000,000;

(3) the appropriate level of total budget outlays is $523,400,000,000;

(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $15,200,000,000; and

(5) the appropriate level of the public debt is $879,100,000,000, and the amount by which

the statutory limit on such debt should accordingly be increased is $49,100,000,000.

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocations of appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $138,100,000,000;

(B) Outlays, $125,400,000,000.

(2) International Affairs (150):

(A) New budget authority, $11,500,000,000;

(B) Outlays, $7,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,500,000,000;

(B) Outlays, $5,300,000,000.

(4) Energy (270):

(A) New budget authority, $19,400,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,500,000,000;

(B) Outlays, $11,500,000,000.

(6) Agriculture (350):

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,500,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7,000,000,000;

(B) Outlays, $3,100,000,000.

(8) Transportation (400):

(A) New budget authority, $18,500,000,000;

(B) Outlays, $17,600,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $7,100,000,000;

(B) Outlays, $7,000,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $28,200,000,000;

(B) Outlays, $29,000,000,000.

(11) Health (550):

(A) New budget authority, $56,800,000,000;

(B) Outlays, $53,800,000,000.

(12) Income Security (600):

(A) New budget authority, $214,000,000,000;

(B) Outlays, $182,100,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,400,000,000;

(B) Outlays, $20,800,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,200,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,600,000,000;

(B) Outlays, $8,600,000,000.

(17) Interest (900):

(A) New budget authority, $55,600,000,000;

(B) Outlays, $55,600,000,000.

(18) Allowances (920):

(A) New budget authority, —$4,100,000,000;

(B) Outlays, —$3,800,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19,800,000,000;

(B) Outlays, —$19,800,000,000.

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $458,485,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,000,000;

(2) the appropriate level of total new budget authority is $557,932,000,000;

(3) the appropriate level of total budget outlays is $494,342,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $35,857,000,000; and

(5) the appropriate level of the public debt is $830,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

(b)—

(1) National Defense (050):

(A) New budget authority, $126,096,000,000;

(B) Outlays, $114,132,000,000.

(2) International Affairs (150):

(A) New budget authority, $11,240,000,000;

(B) Outlays, $7,325,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,535,000,000;

(B) Outlays, $5,151,000,000.

(4) Energy (270):

(A) New budget authority, $7,592,000,000;

(B) Outlays, $17,137,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,858,000,000;

(B) Outlays, $11,272,000,000.

(6) Agriculture (350):

(A) New budget authority, $8,283,000,000;

(B) Outlays, $5,918,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,844,000,000;

(B) Outlays, $2,917,000,000.

(8) Transportation (400):

(A) New budget authority, $19,212,000,000;

(B) Outlays, $17,137,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,957,000,000;

(B) Outlays, $9,626,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $32,716,000,000;

(B) Outlays, $30,038,000,000.

(11) Health (550):

(A) New budget authority, $52,904,000,000;

(B) Outlays, $49,409,000,000.

(12) Income Security (600):

(A) New budget authority, $194,367,000,000;

(B) Outlays, $161,696,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $20,386,000,000;

(B) Outlays, $20,211,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,163,000,000;

(B) Outlays, $4,179,000,000.

(15) General Government (800):

(A) New budget authority, $4,523,000,000;

(B) Outlays, $4,166,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $5,696,000,000;

(B) Outlays, $8,822,000,000.

(17) Interest (900):

(A) New budget authority, $52,429,000,000;

(B) Outlays, $52,430,000,000.

(18) Allowances (920):

(A) New budget authority, $699,000,000;

(B) Outlays, $693,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, $18,120,000,000;

(B) Outlays, —$18,120,000,000.

Mr. LATTA [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

☐ 1805

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979, had to come to no resolution thereon.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair would like to make the following announcement: Tomorrow evening we will start at noontime and go until at least 6:30 p.m. tomorrow.

Wednesday will be the last Wednesday under the resolution that we would meet at 3 o'clock in the afternoon. Tomorrow the Speaker will talk with the leadership on both sides of the aisle and along with the chairman and ranking members of committees, to determine whether it will be possible for us to meet at 12 o'clock noon on Wednesday instead as the resolution states at 3 o'clock. That will depend upon how many committee chairmen have scheduled meetings and also how many witnesses are coming a great distance to testify. In fairness to them, we intend to make that decision tomorrow.

SECOND NATIONAL ENERGY PLAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-121)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit to the Congress the second National Energy Plan, as required by Section 801 of the Department of Energy Organization Act (Public Law 95-91).

The First National Energy Plan, which I sent to the Congress two years ago, was the first comprehensive effort to deal with the broad scope of the Nation's energy problems. The resulting National Energy Act, passed last autumn, acted on a number of my proposals, and will have an important and lasting role in preparing for the Nation's energy future.

But much remains to be done. And we must now deal jointly with a number of issues which have matured since April 1977.

As I said in my April 5th energy message, our Nation's energy problems are real. They are serious. And they are getting worse. Every American will have to help solve those problems. But it is up to us—the Congress and the Executive Branch—to provide the leadership.

We must now build on the foundation of the National Energy Act. In my April 5th energy address, I laid out a program for action in five areas.

First, in accordance with the Energy Policy and Conservation Act of 1975, I have announced a program to phaseout controls on domestic crude oil prices by September 30, 1981. Oil should be priced at its true replacement value if we are to stop subsidizing imports, increase U.S. oil production, reduce demand, and encourage the development and use of new energy sources.

Second, the increased revenues from decontrol must not unduly or unjustly enrich oil producers at the expense of consumers. For this reason, I have proposed a tax on the windfall profits due to decontrol. Proceeds from that tax would be used to establish an Energy Security Trust Fund, which would be available, in part, to assist those low-income Americans who can least afford higher energy prices.

Third, we must provide additional emphasis on conservation and on the development of new domestic energy sources and technologies. The Energy Security Trust Fund will also provide funds for energy saving mass transit and for tax incentives and accelerated research and demonstration of new energy technologies.

Fourth, we must find ways to expeditiously develop and use our energy resources, while protecting and enhancing the quality of the environment. The length and complexity of many Federal, State, and local permitting procedures, however, has created needless complexity and increased time and cost, without improving the protection to the public or the environment. We must remove the needless red tape which is tying up many needed energy projects. I have signed an Executive Order to expedite Federal decision-making for certain energy projects, which are deemed to be in the National interest.

Fifth, we must provide international leadership to deal with the crisis before us today. The members of the International Energy Agency have joined in a common commitment to reduce energy consumption in response to current shortages. The United States has provided leadership in gaining this commitment. I will assure the United States does its part to meet that commitment.

The energy program I announced on April 5th puts the country in a strong position to achieve these goals. The Plan I am forwarding today shows how these programs relate to our overall energy problem, and to the other policies and programs which we must carry forward.

This National Energy Plan explicitly recognizes the uncertainties—geologic, technological, economic, political, and environmental—which confront us. It presents a strategy for dealing forthrightly with the uncertainties, with the threats and promises of our energy future.

The analysis in the Plan shows the need to move aggressively to meet the grave energy challenges to our Nation's vitality. My April 5th proposals confront those challenges squarely. Together with the National Energy Plan, we are providing a firm foundation for dealing with these challenges today and for decades to come.

JIMMY CARTER.

THE WHITE HOUSE, *May 7, 1979*.

GEN. WILLIAM MOORE, COMMANDER IN CHIEF, MILITARY AIRLIFT COMMAND, WILL RETIRE

(Mr. PRICE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

● Mr. PRICE. Mr. Speaker, on the subject of the recent announcement by Gen. William G. Moore, Jr., commander in chief, MAC, I include herewith the following news article.

GENERAL MOORE TO RETIRE

Gen. William G. Moore, Jr., commander in chief, MAC, announced recently he will retire effective June 30. General Moore has been MAC commander in chief since April 1, 1977.

Gen. Robert E. Huyser, deputy commander in chief, United States European Command, with headquarters at Vaihingen (Stuttgart), Germany, has been named to replace General Moore.

Under General Moore's direction, MAC has successfully carried out many humanitarian relief operations, including the massive snow relief operations in the northeastern U.S. in 1977 and 1978, the '78 Zaire airlift, the airlift of bodies from Guyana in late '78, and countless other natural disaster relief endeavors.

One of the Air Force's most decorated commanders, General Moore has seen action in three wars, compiling a total of 240 combat missions, flying both bombers and transport aircraft.

He entered the service as an aviation cadet in 1940 and was commissioned a second lieutenant in 1941. He advanced quickly through the ranks, attaining the rank of lieutenant colonel a scant three years later. He returned to civilian life in 1947 but was recalled during the Korean War in 1950 and continued his rise to the Air Force's highest rank.

Upon taking the reins of MAC, he led it through a period of notable achievement—an era marked by a host of government and industrial awards accruing to MAC.

The articulate, hard-driving general himself became a familiar spokesman as he crisscrossed the country to address key elements of U.S. society.●

FORMER KENNEDY AIDE ENDORSES PROPOSAL FOR ADAPTING RICKOVER TYPE NUCLEAR TRAINING PROGRAM TO THE CIVILIAN NUCLEAR POWER INDUSTRY

(Mr. STRATTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. STRATTON. Mr. Speaker, on April 1 in my congressional district, immediately following the news of the nuclear accident at Three Mile Island near Harrisburg, Pa., I made a recommendation that the Carter administration enlist the services of Adm. Hyman G. Rickover to review the procedures of the private utilities in building and operating nuclear power reactors, with a view toward preventing any repetition of the Three Mile Island accident. I pointed out that Admiral Rickover had designed and operated the many reactors in our nuclear Navy for over 25 years without a single accident, and I know that this success certainly is due in no small part to the stiff training which Admiral Rickover gives to every individual who comes into the Navy's nuclear program.

The reports that have subsequently appeared in the press regarding the Three Mile Island accident make it clear that the bulk of the mistakes that were made that led to that accident were human errors rather than errors of construction design. Thus it is even more important that we insure that the same rigid training which has produced such successful results in the nuclear Navy be duplicated in the civilian nuclear power sector so that we may continue to use that major source of energy in the years ahead, at a time when we have so few other energy options.

To insure that those procedures are followed in private industry, it is essential that Admiral Rickover's expertise be utilized during this period, and I have already recommended that to the President of the United States.

So it was a matter of considerable pleasure to me to read in Newsweek magazine of May 7, 1979, a column by Adam Walinsky, who served as a legislative assistant to Senator Robert Kennedy of New York, and is now a practicing attorney in New York City, recommending virtually the same thing that I suggested on April 1; namely, that "an elite corps of nuclear managers can be created, and that such a corps can successfully build and maintain reactors" in the Navy's nuclear submarine program. "That program is radically different from the civilian nuclear system. It has been managed, from its inception, by a dictator of absolute integrity and legendary ferocity. He has had the pick of naval personnel and complete authority to hire, promote, and fire; the discipline is military," wrote Mr. Walinsky.

Mr. Walinsky recommends that such a corps be developed for the Nation's civilian reactors, "inevitably run by the Government along quasi-military lines, under standards as rigid as those Admiral Rickover has imposed on his submariners."

Under leave to extend my remarks, I include the column by Mr. Walinsky from Newsweek magazine:

NUCLEAR (T)ERROR

(By Adam Walinsky)

On a recent trip to Japan, an American law professor visited a gallery in an ancient quarter of Kyoto. He marveled at the treasures, and even more at the fact that the three-story gallery was constructed of the traditional wood and rice paper, and surrounded by other structures equally combustible. "How," he asked, "could priceless antique art be kept where the smallest fire would surely spread to destroy the entire neighborhood?" "Impossible," replied his hosts. "No one would allow a fire to occur." "But surely," he persisted, "there might always be an accident, perhaps just a bit of charcoal falling out of an hibachi, a floormat aflame . . ." "Oh, no," said his hosts. "Anyone who would be so careless, at such enormous costs to his neighbors, would certainly commit seppuku."

Those who were responsible for the near disaster at Three Mile Island are not likely to disembowel themselves. But what the incident teaches us is that we cannot operate nuclear reactors in the same sloppy way we commonly assemble automobiles and run poverty programs. Rather, we can use nuclear power only under a system of management and personal responsibility pervading every aspect of reactor design and operation, as severe and uncompromising as the code that governs the firetrap neighborhoods of Kyoto.

Exacting standards are written into our voluminous regulatory codes. But in matters of real importance, regulation—that is, the imposition of standards and penalties from the outside—is meaningless. If your son is to undergo back surgery, you care little whether the doctor will be penalized if he inadvertently severs his spinal cord; you want a surgeon skilled enough not to bungle the job. So with the management of nuclear energy: the standards of its custodians must be internal. Those custodians must adhere to their codes of conduct and performance because they understand and accept an awesome moral responsibility every time they turn a coolant valve, not because they fear regulatory action from Washington.

DISCIPLINE

Yet, we have proof that an elite corps of nuclear managers can be created, and that such a corps can successfully build and maintain reactors. It is, of course, the Navy's nuclear-submarine program. That program is radically different from the civilian nuclear system. It has been managed, from its inception, by a dictator of absolute integrity and legendary ferocity. He has had his pick of naval personnel and complete authority to hire, promote and fire; the discipline is military.

But the Navy's reactors do not work just because men fear Adm. Hyman Rickover; after all, nuclear submariners operate all over the world, far from his eyes, answerable only to themselves, their shipmates and their traditions. They are a true elite: men who accept a harsh self-discipline, a standard of alertness and competence equal to the terrible demands of nuclear management.

It is men like these who must control and operate the nation's civilian reactors. Such men, I think, cannot reliably be produced by the training programs of 200 universities, ten manufacturers or the six dozen utilities that depend upon nuclear power. They can be trained only in one program, inevitably run by the government along quasi-military lines, under standards as rigid as those Admiral Rickover has imposed on his submariners.

ABSOLUTE AUTHORITY

Even more important, these new managers must remain members of their elite corps, under central discipline and control. Any utility wishing to operate a reactor should be required to purchase the services of its reactor operators and managers from the government; only members of the elite corps would be permitted to operate reactors.

These managers would be responsible, not to the utility owners, but to the standards and discipline of their own organization. Most important, they would have absolute authority over all aspects of reactor management—from design and manufacture, through daily operations, to the final disposal of wastes. Should they perceive any safety hazard, they would be expected to shut down a reactor without the slightest consideration for the utility or its shareholders. They would also have authority to hire, and to immediately discharge, all subordinate reactor personnel. Indeed, it may be that every worker who might affect reactor function—every pipe fitter, every engineer and janitor—must be a part of the same elite corps; that we must create a duplicate of the Navy's program, on loan to the nation's utilities.

We need an elite corps to control and operate all the nation's atomic reactors.

The government should not itself own the reactors; as an owner, government would be subject to the same organizational imperatives and failures as any utility. (One of the most serious nuclear incidents was at TVA's plant at Browns Ferry.) What we want is for the operators of the reactors not to be part of, or identified with, the reactors' owners, but rather to be apart from, and even adversaries of, every interest but the supreme safety of the public.

This program would be expensive, though less by far than the costs of more imported oil, or of air pollution from massive use of coal, or a stunted economy that would be the price of crippling nuclear development. Moreover, it would require some businessmen to admit that the free enterprise market, however regulated, is flatly inadequate to certain tasks. It would require others to surrender hard-won rights to union protection from management discipline. It would concern some because it would seem to vastly extend government power, and disturb others because it would seem to create a new kind of secular priesthood. And it would not solve all the problems of nuclear power; any human system contains the possibility of failure.

But it would ensure that we will not be blown up or contaminated by stupidity, carelessness or greed. And that might go a long way toward making nuclear power more of a future blessing, and less of the menace that its present operators and regulators have allowed it to become.

THE URGENCY OF THE GAS SITUATION IN CALIFORNIA

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, the gas situation in California is critical. In my own district in just one community, there has been a 10- to 50-percent drop in business for retail shops, a loss in the hotel and restaurant industry of over 100,000 employee hours for the month of April alone, and a 26-percent reduction in available gas stations and supplies for all citizens.

The very economic survival of communities throughout this State will be jeopardized if there is a prolonged crisis in gas supplies. While I am sure that the President was made aware of the extent of the crisis, I do not believe that an investigation by the Secretary of Energy is sufficient. We know what the problems are and what actions must be taken.

At the State and local level, distribution plans and other conservation efforts must be implemented to help stabilize and control the purchase of limited gas supplies. This will help provide some relief from the current panic buying, long lines, and gas station closings now occurring.

At the Federal level, these actions must be taken now:

Gas allocations for the State must be increased by DOE to reflect new population growth, added transportation pressures, and economic dependencies.

Oil refineries must be ordered to increase their present refining capacity.

Oil companies must provide at least 90 percent of the allocation allotment to avoid the 10- to 25-percent reductions now being experienced. If allocations are to have any meaning at all, they must represent a firm delivery mandate to supplying companies.

Gas station dealers must be allowed a higher margin of income to provide the necessary incentive to remain open to serve the public.

Oil companies must be restricted on the sale of refined gasoline and other petroleum products to other countries when severe supply problems exist in this country.

The urgency of this situation mandates that the administration act as soon as possible if the confidence of the people and their representatives is to be gained for energy policies.

As one member of the California delegation who has been generally supportive of the President's initiatives, my support for his future energy goals, including decontrol, will be largely dependent on how effectively and expeditiously the crisis in my State is responded to by this administration.

INTRODUCING A BILL WHICH WOULD MODIFY EFFECTIVE DATE OF SECTION 366 OF THE REVENUE ACT OF 1978

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I am today introducing a bill which would modify the effective date of section 366 of the Revenue Act of 1978.

As you know, section 366 provides that any self-insured medical expense reimbursement plan which provides greater benefits for stockholder-employees, officers, and highly compensated employees is discriminatory and, as a result, the members of the prohibited group must include the excess benefit in taxable income. A similar plan was submitted by the administration in early 1978 and was rejected by the Ways and Means Committee. The section in question was enacted in the Senate version and became law.

It is significant to note that section 366 places a stricter requirement on self-insured medical expense reimbursement plans than standards enacted as part of ERISA (the Employee Retirement Income Security Act of 1974). In the pension and profit-sharing area, generally, a plan is not discriminatory if benefits conferred are proportionate to other compensation.

However, section 366 of the Revenue Act of 1978 goes beyond this general rule by imposing a discrimination test in terms of absolute dollars rather than in terms of percentage of compensation. Moreover, section 366 applies only to self-insured plans. If the same plan were purchased through an insurance company, it would be acceptable. The overall impact of such a provision is to cause the employed to either incur the additional costs inherent in conventional insurance, or to cancel the plan entirely.

I believe this is not sound tax policy. However, I am more concerned about the small businessman and his advisers who must attempt to comply with this new law. In the absence of clear regulations, I fear that small businessmen, in doubt as to the fine points of section 366, will cancel existing plans. Since the new law represents a departure from established standards, the potential for confusion is great. Cancellation benefits no one and could leave a substantial number of employees without adequate health insurance. Once canceled, the tendency is never to reinstitute the plan, even after the interpretation of the new law may be clarified.

In short, there are substantial technical questions that must be resolved by regulation before the public at large can adequately comply with the new law.

For this reason, I seek, with this bill, to make the effective date of section 366 the later of: First, December 31, 1979; or, second, 60 days after the promulgation of final Treasury regulations.

The small businessmen of our Nation will then have clear direction and can act knowledgeably and responsibly.

Thank you, Mr. Speaker.

TERTIARY MEANS MORE OIL

(Mr. COLLINS of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COLLINS of Texas. Mr. Speaker, with the new deregulation of oil, we see the great opportunities for more domestic oil through tertiary recovery. I was discussing this with Jack Harbin, president of Halliburton. They are enthusiastic about the great potential from old oil wells that are not fully recovered.

New pricing, which pays U.S. producers the same as we pay the Arab OPEC countries, will provide the momentum. In the past 5 years, the United States has suffered as its oil imports rose from 16 percent to 50 percent of oil consumed in the United States. We have seen the cash outflow as it drained $3 billion 5 years ago but the past year $42 billion were going abroad.

Now that President Carter is providing oil deregulation flexibility, the vast tertiary oil recovery is a reality.

Halliburton has a lengthy printed comment, but I want you to see a few of the key statements. Tertiary means U.S. jobs, U.S. pipe, U.S. chemicals, U.S. machinery, and U.S. transportation. Harbin of Halliburton summed up well the exciting recoveries for the United States under tertiary:

> And what is enhanced recovery? Generally speaking, it is the process used to produce oil from the reservoir after oilmen have exhausted all means to lift it by conventional methods.
>
> Increasingly, enhanced recovery is the "third time around" for oil-bearing formations. When this is so, it is referred to as tertiary recovery. Almost without exception, tertiary recovery techniques are complex and extremely expensive to use.
>
> When producing wells are first drilled, the oil either flows to the surface under its own power or it is pumped out. This is called primary production. But after the natural reservoir energy is expended, other means must be used to bring hydrocarbons to the surface.
>
> The industry then turns to secondary recovery methods. The most common of these is waterflooding, where water is pumped down through one or more injection wells to push the oil toward the producing well.
>
> Unfortunately, primary and secondary operations together usually do not succeed in freeing more than about 30 percent of the oil in most formations. And that is where tertiary recovery fits into the picture. Using a whole arsenal of exotic techniques, each designed to fit the needs of specific oil-bearing formations, oilmen hope eventually to entice a greater percentage of remaining oil out of the ground.
>
> Current technology is in a state of flux. Some techniques are fairly advanced and are being used now; others are in various stages of field testing.
>
> There are thermal recovery techniques, such as steam injection, steam drive or outright combustion in the formation. There are others that work on a "miscible" principle, in which chemicals and fluids are combined to break down surface tensions and enable the oil to flow through rock pore spaces more easily. Still others involve polymer or alkaline injection.
>
> The potential is enormous. The American Petroleum Institute, for example, estimates that of the 450 billion barrels of oil discovered in the U.S., about 115 billion barrels have been produced and 30 billion barrels are recoverable with current technology.
>
> That leaves some 305 billion barrels—or over two-thirds of potentially recoverable oil—that could be recovered if the economic incentives justify the risks!
>
> "If tertiary recovery is only 10 percent of the remaining unrecovered oil," an Atlantic-Richfield Company study says, "the additional oil amounts to 30 billion barrels. This would nearly double the U.S. reserves of crude."
>
> Oil prices have a great deal to do with these estimates. The National Petroleum Council and Office of Technology Assessment studies, for example, show potential enhanced recovery ranging from only one to three billion barrels at a price of $5 per barrel—but as much as 25 to 42 billion barrels at $22 a barrel.
>
> Meanwhile, 7 to 76 billion barrels of domestic oil—depending on whose estimates you care to use—lie untapped while U.S. oil import debts mount overseas and the value of the dollar continues to drop.

WHAT LIES AHEAD

The SPEAKER. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 15 minutes.

Mr. COLLINS of Texas. Mr. Speaker, most Americans are very much concerned about "what lies ahead?"

We can expect President Jimmy Carter to place price controls sometime between this fall and next February. He will claim this as a courageous move in order to stop Inflation. He will lay heavy blame on the large oil companies and big business.

In answering President Carter, Republican leaders will question the sincerity and wisdom of President Carter's move. They will question his sincerity because such price control timing will slow down the escalating rate of inflation until the Presidential election in November.

Republicans would strenuously question his wisdom because price control in peacetime has never worked in 5,000 years of history.

Someone told me that we only have two people out of each 100 Americans who basically understand that it is the deficit spending of Congress that causes inflation. The President cannot blame Congress because they follow the guidelines of his budget recommendations. Congress will never admit their own responsibility because Congressmen have to stand for election every 2 years.

Let us hope that America acts with courage and logic where price control does not fall on our economy.

PROTECT ALASKA WILDERNESS TO PRESERVE NATIONAL DIVERSITY

The SPEAKER. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 10 minutes.

● Mr. JEFFORDS. Mr. Speaker, at first glance Vermont and Alaska seem to have little in common apart from the fact that each has one Congressman-at-Large. The geographical contrast between the States is surely stunning, as is the contrast between their cultural attributes and histories.

But despite these evident differences, Alaska and Vermont share something fundamental: The character of each is extremely vulnerable to sudden and insensitive change. Both have experienced rapid population growth; both have been threatened by ill-conceived development.

When we vote on the Alaska National Interest Lands Conservation Act in the next few days, we must realize that even more is at stake than the disposition of some 100 million acres of awesome wild country. Our votes on Alaska lands will be indicative of our broader attitudes toward our environment and the richness of our national life. What makes this an extraordinary Nation is the diversity of our "United" States. The character of a Vermont or an Alaska is valuable to all Americans because our deep-rooted, authentic heterogeneity gives us strength.

I vigorously advocate the Udall-Anderson substitute to H.R. 39 because it is the only version of the bill that addresses the need to preserve Alaska's wild character for the enrichment of all Americans. Neither the Huckaby nor the Breaux text would provide such protection.

Mr. Speaker, last year I cosponsored the Alaska lands bill which passed the House by such a wide margin in May. I was concerned then by the way our bill's provisions for designated wilderness in southeast Alaska's national forests had been compromised by the time of floor consideration—particularly the provision for the Misty Fjords Wilderness, which was deleted in its entirety.

Happily, we have restored this vital proposal in the Udall-Anderson substitute—confirming the 2.3 million-acre national monument proclaimed in December and designating that monument a wilderness area. But both the Huckaby and Breaux substitutes drop the wilderness entirely and delete about half the acreage for potential logging, mining, and other unappropriate uses. Such a provision would expose some of the planet's most remarkable wild forestlands and fjords to environmental degradation—and for what?

As my colleagues are aware, the real controversy over the Misty Fjords National Monument stems from the large, low-grade molybdenum deposit on Quartz Hill in the heart of the area. U.S. Borax Corp., subsidiary of British-owned Rio Tinto Zinc, is the owner of mineral claims to this deposit.

Although the Department of Agriculture supports wilderness designation for the entire 2.3-million-acre Misty Fjords National Monument—in keeping with the recommendations of the Forest Service's comprehensive Tongass land management plan—powerful commodity interests have managed to sway both the Interior and Merchant Marine Committees against it, rendering the Misty Fjords proposals in both reported bills grossly inadequate.

Since the provisions of the Wilderness Act governing mining and mining access do not preempt the development of existing legal claims in designated wilderness, the issue here is not whether U.S. Borax will be allowed to mine its claim on Quartz Hill—but simply whether our national interest wildlands contiguous to that claim will be properly safeguarded against the damage that might result from such a mine.

Mr. Speaker, these contiguous lands embrace the Wilson, Keta, and Blossom river drainages, three watercourses which are absolutely vital to the commercial salmon and herring fisheries of southeast Alaska. Fishermen in the region are fearful of southeast Alaska. Fishermen in the region are fearful that in absence of the fullest possible protection for the Misty Fjords, the kind of protection wilderness designation would provide, mine tailings from the Quartz Hill site could degrade or destroy the source of their livelihood.

In southeast Alaska, fisheries are being threatened by the shortsighted proposals of the Huckaby and Breaux substitutes to H.R. 39. And in southeast Alaska, a great wild landscape and a way of life may be heedlessly damaged owing to our negligence, if not our complicity.

I implore my colleagues to vote with me for an Alaska lands bill which was produced through the painstaking analysis of myriad values: the Udall-Anderson substitute to H.R. 39. In this version of the Alaska National Interest Lands Conservation Act, and only in this version, we can achieve balance among competing interests without sacrificing the rich and rugged character of our wildest State.

Mr. Speaker, if we fail to protect the Misty Fjords, we stand to lose more than streams and rainforests. We stand to diminish the variety of our national life.●

PROFITS NOW, CONSUMER PROTECTION LATER

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, like a child who gets bored of a new toy 1 week after Christmas, bankers have lost their excitement over the miracles of electronic banking systems and now want their toys to perform one more trick—make money. This is the view expressed in an editorial in the American Banker, an influential trade journal which states that we are now on the dawn of a new era, the "era of profitability," for electronic banking systems.

While the novelty may have worn off those offering electronic fund transfer services, the "gee whiz" era is hardly over for people who have bank accounts wiped out and try to deal with faceless machines which are frequently less than understanding. EFT may no longer be captivating or exotic, but it remains risky and intimidating. Lack of excitement about EFT is not due to satisfaction with its progress in the marketplace, but to the disturbing revelation that EFT has not captured the imagination of the public whose cooperation is necessary for profitability. The American public has so far seen little reason to abandon a proven, secure paper based system for the risks and questionable advantages of EFT.

The American Banker recognizes that certain legal and technical problems remain, but dismisses them as secondary to the current obstacle making electronic banking profitable. This attitude overlooks the vital link between these issues. Until bank customers can be convinced to their satisfaction that their assets are well protected in EFT account, no financial institutions can hope to reap monetary gain by offering electronic services.

The most common form of security for the consumer is the personal identification number—PIN—without which it is generally impossible to operate an electronic terminal. This is the only thing which stands between a lost or stolen card and access to an account by a thief. But codes were designed by humans with the aid of computers, and they can be similarly broken. Even within the financial community, there is growing fear that PIN technology is currently unsatisfactory. John Fisher, a leader in the field of electronic banking, has warned that the use of PIN's is "too crude to propel us into the 1980's." His suggestion that the banking community push the development of signature verification techniques is admirable. Such a system, however, is still several years from perfection by the admission of IBM, which is developing a verification program for electronic terminals.

Recent events indicate that financial institutions have inadequately sheltered themselves and their depositors from computer crimes, which have become a favorite pastime of many a computer whiz. The embezzlement of $1.5 million by a chief teller and the theft of $10 million through a fraudulent wire transfer do little to assure customers that electronic banking is safe. And hundreds of such crimes are never reported because the danger of adverse publicity outweighs the benefits of chasing and prosecuting the culprits.

Ushering in the era of profitability also raises doubts about the claims that EFT will mean less costly service to the consumer. If banks are to recover even the capital costs of EFT, it is inconceivable that electronic banking will save the customers money. Although electronic fund transfers were hailed in with rosy promises of time and cost savings, pricing developments have turned promises into myths.

The American Banker editorial cites one example of a bank levying a 25-cent fee on each electronic transfer the consumer initiates. Although most EFT services are still offered without charge for marketing purposes, this trend is sure to end quickly. Bankers are wary of allowing consumers to become accustomed to a free service. It is this overriding concern which drove the American Banker to announce our entry into "the era of profitability" before it is too late for the banks, while substantive legal and technical issues remain unresolved.

The banking industry maintains that once consumers accept the argument that EFT is a valuable service, they will gladly pay for it. But many of these same bankers do not clamor for the right to pay for the service consumers provide banks—depositing their assets, which financial institutions use to make loans at high percentage rates. The bank's right to free money is certainly no greater than the customer's right to free services.

Financial institutions must recognize their dependence on consumer acceptance if electronic banking is to progress beyond its infancy. But these institutions vigorously oppose the stringent consumer safeguards necessary for the public's willingness to adopt EFT. Banks lash out persistently at the stranglehold of excessive government regulation, but balk when offered the opportunity to comply with the EFT Act without the guidance of complex regulations. The banks have a friend at the Federal Reserve Board, which habitually draws regulations creating loopholes for financial institutions to slip through. In one case, the Fed has already clearly violated the intent of Congress in the promulgation of its EFT regulation.

The development of electronic banking was not created by consumer demand. If anything, it has been foisted upon consumers by banks hoping to eventually abandon the current paper based system. If EFT is ever to enter into its "era of profitability," banks must take steps now to insure maximum consumer protections are erected. The reluctance of financial institutions to comply with the EFT Act earlier than its current effective date is a discouraging sign. It signals that profitability comes first, consumers come second.●

THE GASOHOL MARKETING FREEDOM ACT

The SPEAKER. Under a previous order of the House, the gentleman from South Dakota (Mr. DASCHLE) is recognized for 5 minutes.

● Mr. DASCHLE. Mr. Speaker, I am today introducing the Gasohol Marketing Freedom Act, a measure which will allow the managers of the Nation's franchised retail gasoline stations to market gasohol and offer gasohol for sale to the public.

The Congress has wisely, I believe, recognized the important contribution gasohol can make to solving the Nation's chronic energy shortage problem and reducing the Nation's dependence on foreign oil. Reducing our Nation's oil imports by 1 million barrels a day, reducing carbon monoxide emissions by 30 percent, and providing 5 percent better fuel mileage are among the recognized potential benefits of gasohol.

The Gasohol Marketing Freedom Act addresses the chief institutional obstacle to the marketing and sale of gasohol on a national scale, the marketing and sales scale which is necessary if the promise and potential of gasohol are to be realized. This obstacle, a prohibition on the sale by a franchised station of any products other than franchisor products, very effectively and very subtlely blocks national scale marketing and sale of gasohol.

At present, the "independent" managers of more than 146,000 branded franchise gasoline stations, which comprise 82 percent of the retail stations in the country, lack the freedom to market gasohol and offer it for sale to the public. The managers of 82 percent of the Nation's retail gasoline stations cannot be denied the freedom to choose if gasohol will be sold to their customers if the Nation expects to enjoy the recognized benefits of this important source of energy.

The Congress is certainly not alone in recognizing the important contribution gasohol can make in meeting the Nation's energy needs. In commenting recently on the Nation's energy needs and the role of gasohol and other alternative fuels, Charles DiBona, president and chief executive officer, American Petroleum Institute, said:

> I think that any fuel that can compete ought to be marketed in the United States. This problem (energy supply) is too big to be handled by one source of energy. If gasohol can make a contribution, it ought to make a contribution.

For gasohol to make this contribution and for the promise and potential of gasohol recognized by Congress and others to be realized, institutional obstacles to the marketing and sale of gasohol must be minimized and the managers of the Nation's franchised retail gasoline stations must enjoy the freedom to choose if gasohol will be sold to their customers.

SUMMARY OF GASOHOL MARKETING FREEDOM ACT

Section 1. Title.

Section 2. The sale, consignment, distribution, offering for sale, or any other act directly related to the sale, consignment, or distribution of gasohol is not grounds for termination of a franchise or nonrenewal of a franchise relationship. Provides for a reasonable restriction on the source of supply of the nonalcohol component of gasohol.

Section 3. Prohibits economic reprisals or discrimination against retailers or distributors of gasohol.

Section 4. Defense terms.

Mr. Speaker, I include the text of the Gasohol Marketing Freedom Act at this point in the RECORD.

H.R. 3598

A bill to amend the Petroleum Marketing Practices Act to facilitate the sale of gasohol by franchised dealers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the Gasohol Marketing Freedom Act of 1979.

SEC. 2. Section 102(b) of the Petroleum Marketing Practices Act (15 U.S.C. 2802(b)), relating to grounds for termination or nonrenewal of gasoline dealer franchises, is amended by adding at the end thereof the following new paragraph:

"(4)(A) Notwithstanding paragraphs (2) and (3), the sale, consignment, distribution of gasohol, the offering (by advertising or otherwise) of gasohol, or any other act directly related to the sale, consignment, or distribution of gasohol (including the mixture of motor fuel and alcohol) is not grounds for termination of a franchise or a nonrenewal of a franchise relationship.

"(B) Subparagraph (A) does not apply to any violation by any person of any reasonable restriction under a franchise regarding the source of supply of any motor fuel which is a component of gasohol sold, consigned, or distributed by such person.".

SEC. 3. (a) Title I of the Petroleum Marketing Practices Act (15 U.S.C. 2801 and following) is amended by redesignating section 105 as section 106 and by inserting after section 104 the following new section:

"REPRISALS OR DISCRIMINATION AGAINST RETAILERS OR DISTRIBUTORS OF GASOHOL

"(a) No franchisor may engage in any act of economic reprisal against any person who is a franchisee of that franchisor because of that person's sale, consignment, or distribution of gasohol or any other act by that person which relates to the sale, consignment, or distribution of gasohol and which is not a grounds for termination or nonrenewal under section 102(b) (2) or (3).

"(b) For purposes of subsection (a), an act of economic reprisal includes any act or attempt of reprisal or discrimination against a person which had or would have had a substantial adverse economic effect on that person.".

(b) Section 105 of such Act (15 U.S.C. 2805) is amended—

(1) by striking out "SEC. 105" and inserting "SEC. 106" in lieu thereof;

(2) by striking out "102 or 103" where it appears in subsections (a) and (d) and inserting 102, 103, and 105" in lieu thereof;

(3) by inserting before the period in the first sentence of subsection (c) the following: ", or, in the case of a failure to comply with the requirements of section 105, that the franchisor engaged in an act (or attempted to engage in an act) which had (or would have had) a substantial adverse economic effect on the franchisee";

(4) by inserting before the period in the last sentence of subsection (c) the following: "or section 105 (as the case may be)".

(c) Such Act is amended by redesignating section 106 as section 107, and by striking out the last two items in the table of sections under the heading relating to title I and inserting in lieu thereof the following:

"Sec 105. Reprisals or Discrimination Against Retailers or Distributors of Gasohol.
"Sec. 106. Enforcement.
"Sec. 107. Relationship of this title to State law".

SEC. 4. Section 101 of the Petroleum Marketing Practices Act (15 U.SC. 2801), defining terms used in such Act, is amended by adding at the end thereof the following new paragraphs:

"(20) The term 'gasohol' means alcohol, or any mixture containing at least 10 percent or more (by volume) of alcohol, suitable for use as a fuel in self-propelled vehicles designed primarily for use on public streets, roads, and highways.

"(21) The term 'alcohol' includes methanol and ethanol but does not include alcohol produced from petroleum, natural gas, or coal.".●

TO AMEND TITLE 28 OF THE UNITED STATES CODE

The SPEAKER. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, today I am introducing a bill to allow the U.S. attorney and the assistant U.S. attorneys appointed to serve in the eastern district of New York to live within 20 miles of the district.

Under current law (28 U.S.C. 545(a)) U.S. attorneys and assistants must live within the district to which they are appointed. However, exceptions have been made for the southern district of New York and the District of Columbia because of their compositions and locations.

New York is the only city that is split between two judicial districts—the southern and the eastern. Current law means that certain parts of the city are offlimits for assistants who work in other parts of the city.

Congress has already recognized that this rule is inappropriate for the southern district; however, it still applies to the eastern district. The bill I am introducing today would eliminate this inconsistency. It will remove a burden from applicants for positions in the eastern district who have to relocate in order to accept an appointment and will, therefore, facilitate the recruiting of topflight attorneys.

The bill I am introducing today has been endorsed by the Department of Justice and was passed by the Senate last week. I urge its speedy consideration.

The text of the bill follows:

H.R. 3959

A bill to amend title 28 of the United States Code to allow the United States attorney and assistant United States attorneys for the Eastern District of New York to reside within twenty miles of the district.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 545 (a) of title 28, United States Code, is amended by striking out "Columbia and the Southern District of New York" and inserting in lieu thereof "Columbia, the Southern District of New York, and the Eastern District of New York".●

REMARKS OF HON. DAN ROSTENKOWSKI IN TRIBUTE TO THE LATE ROGERS C. B. MORTON

The SPEAKER. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 15 minutes.

● Mr. ROSTENKOWSKI. Mr. Speaker, it is with a sense of great sadness that I pay tribute to Rogers Morton. While his death is a loss to us, his life was an example of the highest level of public service.

Rog Morton possessed a limitless energy throughout his successful career as Secretary of Commerce, Secretary of the Interior chairman of the Republican Party, and five terms in this Chamber. He successfully combined effective representation of his Eastern Shore of Maryland district with advocacy of the broad national interest.

A markedly capable legislator with whom I had the pleasure to serve on the Committee on Ways and Means, Rog was a dynamic member of the committee who seemed to combine a sense of humor and good will with an astute knowledge of tax policy.

We have all lost a good friend who was truly dedicated to serving the people of the United States. He will be sorely missed.●

A TRIBUTE TO STATE REPRESENTATIVE MANUEL "RABBY" RAPOSA

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

● Mrs. HECKLER. Mr. Speaker, I would like to speak for a moment about the outstanding record of a man who was a dedicated and hard-working public servant—former Massachusetts State Manuel "Rabby" Raposa.

I personally knew "Rabby" and enjoyed working closely with him over the years as a former State official and as his Representative in Congress. I very much miss his friendship, his personal warmth to me, his kindness, and counsel.

"Rabby" Raposa served as a Democratic member of the great and general court of the Commonwealth for 14 years, from 1961 to 1978. His integrity is legend.

"Rabby" won respect and admiration as a man of moderation and independence who always worked to be objective in his decisions and to give the people of the 10th Bristol District representation of the highest caliber.

He worked long and hard to produce legislation to broaden educational opportunities for all at Southeastern Massachusetts University and Bristol Community College. "Rabby" won support for better and more complete consumer credit information, and as one who fights continuously for consumer interests, I am proud of his record of accomplishment in this important area. "Rabby" worked to upgrade and improve services for the handicapped and the elderly.

Deeply concerned about energy matters, he successfully improved fuel adjustment regulations. His voting record was consistently in favor of issues that directly affect on a day-in-day-out basis the families and working people of his district.

I miss "Rabby" very much and I know that "Rabby's" supurb legacy as an exemplary public servant and warm and friendly human being affords some measure of comfort to his wonderful wife, Mary; his sons Manuel and Rosnid, and his mother, Mrs. Filomena "Estrella" Raposa.

PARENTAL RIGHTS VERSUS RACIAL QUOTAS

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. ASHBROOK. Mr. Speaker, a recent essay by the Washington Star's religion editor, William Willoughby, shows as poignantly as anything I have read why the Internal Revenue Service should scrap its proposed "guidelines" to determine whether many private schools should keep their tax exemptions.

The IRS proposal would question the tax exemption of certain private schools whose enrollments fail to meet an arbitrary racial quota. This idea makes sense to those who are so obsessed with issues of race and racism that they acknowledge that parents might have other reasons for sending their children to church-affiliated schools.

But as Mr. Willoughby says:

> These parents for the most part . . . are not niggardly little people who want to insulate themselves from the world's learning or to keep their children from sitting next to a black child or chicano. They want their dollar's worth. And when they pay their dollar they don't want everything they have taught their kids at home or in the church and synagogue systematically torn down by innuendo from a cynical teacher or by a set of humanist values that run completely contrary to their set values. That is the heart of the matter.

Until recently, American families were able to choose private religious education for their children without fear of Federal harassment. If more people in Washington understood the realities Mr. Willoughby is talking about, the threat of such harassment would vanish.

Mr. Willoughby's article, which appeared in the Washington Star on March 3, 1979, follows:

[From the Washington Star, Mar. 3, 1978]

ON RIDING THE SMILING TIGER INTO A UBIQUITY OF INIQUITY

(By William F. Willoughby)

The other evening it was my privilege to speak before the Northern Virginia chapter of Phi Delta Kappa, the national fraternity for educators. I had jotted down on the back of my Visa card envelope an appendage to a Supreme Court ruling regarding education in the public schools.

That footnote read: "It might well be said that one's education is not complete without a study of comparative religion or the history of religion and its advancement of civilization. The Bible is worthy of study for its literary and historic qualities.

"Nothing . . . indicates that such a study, when presented as a part of a secular program of education, may not be effected consistent with the First Amendment."

I was concerned as I spoke to the group of dedicated educators that somewhere along the line in our public education system we have come to put so much emphasis on what the Supreme Court says we can't permit in the public schools pertaining to religion that we completely overlook the flexible parameters the court has set regarding what can be taught.

I didn't need to tell the education administrators and instructors that public school education is in trouble. There is unquestionably a ubiquity of iniquity. They live with the problems—discipline has been the biggest one over the last 15 years—every day.

There are, of course, many reasons for the trouble, but I honed in on the major concerns of the religious community where a lot of the flack is coming from.

It is the religious community, after all, when they can't be heard by the board of education, who take the situation into their own hands. They start schools of their own—and many of those schools are of considerably better quality than the public schools. The end product is what counts and the record shows that the end product is counting.

It is being foolish to believe that the basic reason religion-inspired schools are springing up so rapidly and doing so well is to circumvent the forced busing of students. Busing, though, according to Phi Delta Kappa, has been the second most poignant problem over the last decade. My reading is that there are about as many blacks who dislike the idea of busing to meet racial balance quotas as there are whites who hate it.

And it used to be that I wouldn't give you the pittance the value a tattered-and-torn McGuffey's Reader would be to a class of atheist acolytes for any Christian who pulled his or her child out of the public schools to get that child away from the moral milieu that existed.

If the idea in doing so was merely to seal that child off hermetically from such conflicting morality, I still believe that would be a sign of weakness. But the situation has changed considerably in recent years. The immorality and disarray in direction is so pervasive in some schools that it would be impossible to seal a child off, hermetically or otherwise, from its debilitating influences.

Now there seems to be little real choice (except, who can afford to pay for two school systems?) either on educational grounds or on the grounds of learning values, ethics and morals.

As much as we need a good public education system, there is a self-destruct mechanism at work within the system that forces people who give a damn and who can afford it into another system. After all, one gets only one chance at educating and training his children. And this is a sacred obligation, not merely a secular imposition.

That is part of the reason Jewish schools are springing up all over the country. That is even more graphically the reason Christian churches are establishing their own schools. That is part of the reason voters in some areas are refusing to vote for school budgets.

For the most part they are not niggardly little people who want to insulate themselves from the world's learning or to keep their children from sitting next to a black child or a chicano.

They want their dollar's worth. And when they pay their dollar they don't want everything they have taught their kids at home or in the church and synagogue systematically torn down by innuendo from a cynical teacher or by a set of humanist values that run completely contrary to their set of values. That is the heart of the matter.

Don't think it strange that there is a spiraling growh in religion-oriented schools in this country. Our tradition, while it has strong humanistic (Emerson, Jefferson, et al) strains to it, has as its psyche the Judeo-Chrisitan tradition. One can lay the humanistic mantel over its institutions as heavily as he wants to, but that Judeo-Christian psyche will surface every time. And it's not a Freudian slip.

The earliest of Jews took as a life-death matter the teaching of their children by precept and by practice to love God and serve Him. Phylacteries on the sides of doors to

Jewish homes to this day attest to that. With the emergence of the Diaspora came the synagogue's prominence and males 13 and over became the first "public" school system.

Christianity from the start stressed home training and catechesis. In time there came the greath cathedral schools, which eventually emerged into those great European universities where theology reigned—and I think rightly so—as "queen of the sciences."

In our own country, nearly every prestigious school that was established in our early days was to train preachers—preachers who were the mainstay of early American education. It was after the turmoil of the Civil War that a progressively humanist rider got on the education horse, clergymen abdicating unwittingly to teachers of another stripe.

Eventually cases come before the Supreme Court which defined what can and cannot be allowed religiously in schools. The tragedy is not that prayer, as the common notion holds it to be taken out of the schools.

The tragedy is that a whole system of moral and ethical understanding—humanism—has been able to take dominance unchallenged. It is antithetical to the basic American psyche and produces a different product. Evil communications corrupt good manners every time.

When the religion influences abdicated to secularistic approaches in the education of our children, as I see it, it became like the lady who rode a tiger. A bit discomfiting, to say the least.

There was a young lady of Niger/Who smiled as she rode on a tiger./They returned from the ride/With the lady inside/And the smile was on the tiger.

And so I return to the back of my Visa card envelope. Why must we be duped into thinking that separation of church and state means separation of religion and education?

To teach history, for instance, without grappling with the ideas that made history is not to teach history. By and large, it was ideas born of religion in its codification—theology—which moved the world, either to war or to betterment.

Why, then, keeping within the parameters of Supreme Court rulings, is it not possible to give serious consideration to the moral, ethical and spiritual teachings of people like Moses, Isaiah, Maimonides, Jesus, Luther and a myriad of others in the teaching of history? Why is it virtually necessary to treat them as if they never appeared on the scene at all?

Is that really education? Certainly not.

I must, with the high cost of interest on outstanding accounts, use my Visa card envelope to get my payment in. And I know it would be folly to hold onto what I jotted down about the Supreme Court rulings until our educators come to realizing the ruling's validity.

But holding that Visa card payment back as long as I want to, pretending that it doesn't exist, in fact, won't change a thing. Like the tiger the woman rode, it is consuming, no matter how pleasant the ride.

Somewhere between my Visa card notes and the ditty about the woman and the tiger is a message, I think, why we are riding out into the ubiquity of iniquity.●

THE FEDERAL PAPERWORK BURDEN ON THE SCHOOLS

(Mr. ASHBROOK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● **Mr. ASHBROOK.** Mr. Speaker, the paperwork control requirements of the General Education Provisions Act require that some of the information or data requested of educational agencies be published annually. My hope is that, by putting this long list of paperwork tasks imposed on our State and local educational administrators and teachers by the Federal bureaucracy into the RECORD, I can graphically illustrate why we need a reform of the outdated, complicated, confused, patchwork system of aid to education which has been developed through the years.

Almost every iota of this crushing burden could have been removed had we adopted my substitute for the present aid to education authorization last year. Under my substitute, the States would have received most Federal aid for elementary and secondary education in the form of a single cash grant, based on the number of students in that State. The money would then have been used by the State governments according to local priorities, instead of, as now, according to the wishes of the Federal bureaucracy, pressure groups, and liberal theoreticians. The only requirements would have been that the money be used for educational purposes on a nondiscriminatory basis and with suitable provision for the participation of private schools. The reporting required would, therefore, have been practically nil.

We must keep firmly in mind that every dollar spent to develop all this paperwork at the Federal level, and every dollar spent filling it out by the States, is a dollar less that is spent on education. Besides the expense, the psychological cost of filling out papers is damaging to teacher morale; and taking up time which should have been spent on teaching pupils is incalculable.

One may look at each of the items on this list as a blow at education. But each item is not merely a number. Each figure here represents mind-numbing hours of time spent filling out forms, forms and more forms, most of them purposeless. It represents the destruction of the vitality of what should be one of the most exciting tasks any profession is privileged to undertake: the education of our children.

Education-related data collection activities for school year 1979–80 already approved by OMB

[Annual manhours]

Title	Response burden
DEPARTMENT OF AGRICULTURE	
National School Lunch Program	38,396
School Breakfast and Nonfood Assistance Programs Regulations	18,783
Application and Agreement—NSLP, SBP, and SNP	2,500
Civil Rights Compliance Review Institutions and Nonprofit Private Schools	2,500
Regulations—Determining Eligibility for Free and Reduced Price Meals and Free Milk in Schools	16,395
Agreement—Nonprofit Lunch Program (Commodity Only Schools)	---------
Regulations—Cash in Lieu of Commodities (School Feeding Program)	---------
Administrative Review Report (Schools, Charitable Institutions, Nutrition Programs for the Elderly)—Food Distribution Programs	3,267
Guidelines for Financial Management Cost Based Accountability System—School Food Programs	---------
Nutrition Education and Training Program	1,008
Competitive Research Grants	16,000
Nutritional Evaluation of the School Breakfast Program	2,700
Evaluation of Interim National Lunch Program (NSLP) Regulations and Demonstration Projects	13,686
Residential Child Care Institutions Survey	200
Report of Child Nutrition Operations	672
Monthly Report of the School Lunch, Breakfast, and Special Milk Programs; and worksheet	15,000
Part 215—Special Milk Program For Children	55,124
Federal Outlay Report	18,960
Monthly Report of Lunch Service Operations in Commodity Only Schools	700
Application for Donated Commodities (Commodity Only Schools)	40
Procedure For Requesting Technical Assistance When Establishing, Maintaining & Expanding Food Service Facilities in Schools	240
Annual Report Of Food Service In Schools	630
Application For Nutrition Education Demonstration and Development Projects—Grants	---------
Part 230—Food Service Equipment Assistance Program	8,848
DEPARTMENT OF JUSTICE	
Law Enforcement Education Program Application	2,000
LEEP Student Certification and Note	33,300
Law Enforcement Education Program Change in Student Status Card	335
Statement of LEEP Account and Participants Certification Statement	12,210
Summary and Certification Sheet	4,260
Internship—Institutional Application	10
Internship Program—Internship Student Application	80
Intern—Institution Report	20
Categorical Grant Progress Report	16,000
Internship Evaluation Form	250
LEEP System Note Control Log	2,000
LEEP Rebate Credit Form	125
Application for Federal Assistance: Internship Program	75
LEEP Assessment Instrument	1,160
Application by Non-Immigrant Student For Extension of Stay, School Transfer or Permission To Accept Employment	36,600
Notice to Student or Exchange Visitor and Request for Report or DSP-66	417
Petition for Approval of School for Attendance by Non-Immigrant Students	1,000
Certificate of Eligibility for Non-Immigrant F-L Student Status	110,000
Application for Permit to Import Controlled Substances for Domestic and/or Scientific Purposes	41
NATIONAL CENTER FOR EDUCATION STATISTICS	
Institutional Characteristics of colleges and universities	1,650
Fast Response Survey	1,350
Postsecondary Network Survey System	456
Common core of Data Survey	46,954

Title	Response burden
Application for Federal Assistance (non-construction) capacity building for statistical activities in SEAS	4,000
Vocational Education Data Systems	183,560
Survey of Public Libraries	750
Public School Library Media Centers, Fall 1978	1,360
NATIONAL INSTITUTE OF EDUCATION	
Pupil Survey and Measure of English Language Proficiency	10,421
Evaluation of Freestyle	45,401
National Metric Needs Assessment	1,212
Survey of High School Students and Counselors	2,575
Study of the Career Intern Program	2,004
Evaluation of State Capacity Building Program in Dissemination	621
Cigarette Smoking Among Teenagers; A Dual Survey	1,261
Study of In-School Alternatives	82
Research Grants Application and Project Data Form	1,250
Directory of ERIC Microfiche Collections Questionnaire	65
Cities in Schools Evaluation	1,565
NATIONAL SCIENCE FOUNDATION	
Final Project Report	5,000
Application for Consideration of Waiver of the Two-Year Foreign Residence Requirement of the Exchange Visitor Program	5
School Nomination Form	10,000
Special Foreign Currency Expenditure and Financial Report	
Designation of Depository for Direct Deposit of Grant and/or Contract Funds	
Graduate Fellowship Support Grant Expenditure Report Form	
Interim Financial Report and Request for Advance of Funds, Special Foreign Currency	
Assurance of Compliance with NSF Regulation Under Title VI of the Civil Rights Act of 1964	
Sample Forms for the Submission of Proposals to NSF: Proposal to the National Science Foundation (Cover Sheet), Summary Proposal Budget, Notice of Research Project (NSF Form 4) (Science Information Exchange)	
Organization Management Information	
Higher Education Panel, American Council on Education, Series of 6 Surveys Annually	[1]1,000
Scientific and Engineering Expenditures at universities and colleges, FY 1979	14,600
Scientific and Engineering Personnel Employed at Universities and Colleges, January 1980	23,800
Earned Doctorates in the U.S	10,300
Graduate Science Student Support and Post-doctorals, Fall 1979	25,000
1979 Survey of Science and Engineering Graduates	4,000
Public Service Science Residency Host Organization Statement	100
OFFICE FOR CIVIL RIGHTS	
None	
SOCIAL SECURITY ADMINISTRATION	
Student's Statement Regarding School Attendance	66,667
Student Reporting Form	20,000
Report of Student Beneficiary at End of School Year	62,500
Certification by School Official	66,666
Student's Statement Regarding School Attendance Outside the U.S	375
Statement Regarding Student's School Attendance	833
Report of Student Beneficiary About to Attain Age 22	21,667
Confirmation of School Attendance	1,333
Student's Statement Regarding Continuance of School Attendance	35,000
U.S. OFFICE OF EDUCATION	
Data Collection Forms in Response to Section 437, GEPA Calendar 1979 Collection	7,469
Financial Status & Performance Report for Emergency Audit Education Program for Indochina Refugees	650
Study of the ESEA Title I Migrant Program	24,066
Study to Determine the Projected Areas of Vocational Education Teacher Exchange	84
Public School Library Media Centers, Fall	1,360
Follow-up Survey of WEAA Project Directors	50
Successful Sites Interview Schedules	397
Evaluation of Accreditation	700
Application for School Assistance in Federally Affected Areas (Title I, of P.L. 81-874)	60,000
Foreign Language Fellowships Application Packet and Related Forms—NDEA Title VI	500
Transfer Credit Letter	450
Capital Contribution Application for Federal Loan for Institutional Capital Contribution	50
Nomination for Graduate Fellowship	300
Fiscal-Operations Report/Application to Participate: CWS, SEOG, NDSL	132,000
Report on Handicapped Children ADA in State Operated or Supported Schools	160
Foreign Language Graduate Fellowship Forms (NDEA)	12
Guarantee Agency Monthly Report	972
Student Confirmation Report	42,000
Lender's Report on Guaranteed Student Loan	43,333
Request for Institutional Eligibility for Programs Under the Higher Education Act of 1965, As Amended	500
Institutional Application and Nomination for a National Teaching Fellowship	500
Request for Deferment of Repayment of Loan—U.S. Loan Program for Cuban Students	59
Certificate of Project Costs, Capitalized Interest—Higher Education Facilities Act	100
Loan Transfer Statement	1,500
Student Application for Federally Insured Loan	710,000
Lenders Manifest for Federally Insured Student Loans	25,000
Lenders Application for Contract of Federal Loan Insurance	40
Report of Contract Awarded—State Education Agency Report of Minimum Requirements for School Construction	1,000
Lender's Call Report & Request for Payment of Interest–GSL	41 ,400
Request for Cancellation of Loan on Ground of Permanent and Total Disability and Medical Report	2,000
Terminal Report for Holders of National Foreign Language Graduate Fellowship	212
Upward Bound Financial Status and Performance Report	2,800
Report on Current Upward Bound Student	3 ,328
Application for the Faculty and Doctoral Dissertation Research Abroad Programs	2,887
Application for College Library Resources Program Title II, Part A, HEA	2,700
Application for Cooperative Education, Title IV Higher Education Act, As Amended	
Request for Advance Funds to Help Establish or Strengthen Reserve Funds	46
College Retention of Former Upward Bound Students	450
Guarantee Agency Request for Claims Paid	624
Request for Collection Assistance Under Federal Insured Student Loan Program	16,660
Special Programs for the Disadvantaged Statistical Report	886
Report on Title I ESEA Comparability	168
Student Loan Application Supplement	10,000
Application for Basic Educational Opportunity Grant	2,000,000
Teacher Corps Intern Application	333
Application for Federal Assistance (nonconstruction) Education for the Handicapped Instructions and Supplementary Questionnaires	10,000
Standard Application (nonconstruction) for Parts B & C of the Indian Education Act	6,000
BEOG Student Eligibility Report	1,500,000
Application for Federal Assistance (nonconstruction) Vocation Education	
Application for Federal Assistance (nonconstruction Programs) Instruction for Right-to-Read Program	
Standard Application Federal Assistance (nonconstruction) for Follow-Through Program	7,020
Application for Federal Assistance (nonconstruction Programs)—Instructions for Teacher Corps Program	12,000
Application for Federal Assistance, Title IV, Civil Rights Act	18,400
BEOG Supplemental Form for 1979–80 Award Period	100,000
Application for Strengthening Developing Institutions	23,000
Request for Payment of BEOG Award	11,600
ADS Student Report (Request for Additional Payment of BEOG Award)	10,000
ESEA Title I Comparability Report—Form A, General Information; Form B, Detailed School Data	42,667
Institutional Progress Report, BEOG Program	11,250
Standard Application (nonconstruction) for Environmental Education Program	40,000
Standard Application (short form) for Environmental Education	
Standard Application (nonconstruction) for Foreign Language and Area Studies	9,600

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[1] For all 6 surveys.

Title	Response burden
Standard Application (short form)—Comprehensive Planning Grants and State Administration Funds	744
Education Professions Development Act Program Instructions for Application for Federal Assistance	
Application for Veterans' Cost-of-Instruction Payments to Institutions of Higher Education	2,400
Standard Application for (nonconstruction) Special Community Service and Continuing Education Projects	8,000
Application for Federal Assistance (nonconstruction programs) Instruction for Educational Opportunity Centers	
Application for CWS Grants for Students of American Samoa or the Trust Territory of the Pacific Islands	160

AKRON BEACON JOURNAL SUPPORTS UDALL-ANDERSON BILL

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, on May 3, the Akron Beacon Journal contained an excellent editorial summarizing the issues in the Alaska lands legislation, which we will be voting on this week. As the editorial points out:

> For the benefit of all Americans, present and future, Congress should exercise great restraint in lowering restrictions on Alaska's federal lands. Alaska's natural resources won't disappear if unused. They'll be there until needed. But Alaska will never be the same once developers begin slicing into the wilderness.

Of course, the Udall-Anderson bill would make available the vast majority of Alaska's resources for development: Two-thirds of the mineral resources, three-fourths of the commercial timber, and 95 percent of the oil and gas resources. Because of the vastness of these resources and their remoteness, the task of developing them is one of generations. In the meantime, as the Beacon Journal says, we must also protect our Nation's heritage of wilderness and wildlife, which is nowhere more majestic than in Alaska.

The full text of the Akron Beacon Journal editorial follows these remarks:

PROTECTING OUR LAST FRONTIER

When Members of the U.S. House of Representatives reflected on the future of Alaska last year, they saw a state rich in visual and natural treasures and decided much of the state should be preserved as it is.

But the House wasn't able to reach agreement with the Senate on how much and what ought to be protected. Consequently, the matter died aborning in 1978. It is now back, with a House floor vote expected any day.

This time, however, House members apparently are focusing less on the state's visual and natural treasures than on its mineral riches; oil, gas, timber and various ores.

The result? Some sections of Alaska that would have been kept unspoiled under last year's proposal, shaped in large part by Akron Rep. John F. Seiberling, are in jeopardy.

With the worsening energy situation, legislators are much more vulnerable to pressure from the oil industry. The industry—and developers—don't want large amounts of mineral-rich territory put off limits to them. And the campaign they have mounted has shown signs of taking hold.

Two House committees—Merchant Marine and Interior—have retreated from the pro-environment stance of last year's bill and recommended approval of measures permitting more commercial activity.

Rep. Morris K. Udall (D-Ariz.), Interior Committee chairman and an ally of Mr. Seiberling in this battle, says he will offer a substitute bill closer to the version passed by the House overwhelmingly in 1978.

Each of the three measures places restrictions on the use of roughly the same total amount of land—about 125 million acres, three times the size of Michigan. The key difference is in the amount of protection afforded types of land within the total.

Lands classified as "wilderness" would be under the most restrictions. Nearly all development activity would be barred in those areas. The committee bills set aside 50 million to 53 million acres as wilderness, compared with 65 million acres in last year's House bill. The Udall substitute bill would protect about 67 million acres.

Congress faces a difficult decision, one it should approach with concern.

Alaska is this nation's last frontier. To tap the mineral treasures will, of necessity, disturb or destroy its scenic treasures and upset delicate life cycles and environmental systems.

For the benefit of all Americans, present and future, Congress should exercise great restraint in lowering restrictions on Alaska's federal lands. Alaska's natural resources won't disappear if unused. They'll be there until needed. But Alaska will never be the same once developers begin slicing into the wilderness.

Only for the most compelling reasons should the nation allow commercial exploitation of regions of that state that have as much to offer in satisfying man's spiritual needs as his material needs.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RODINO (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. SYNAR (at the request of Mr. WRIGHT), for today, on account of official business.

Mr. WILLIAMS of Ohio (at the request of Mr. RHODES), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. ROTH) to revise and extend their remarks and include extraneous material:)

Mr. COLLINS of Texas, for 15 minutes, today.

Mr. JEFFORDS, for 10 minutes, today.

Mr. GREEN, for 60 minutes, May 9, 1979.

(The following Members (at the request of Mr. GRAY) and to revise and extend their remarks and include extraneous matter:)

Mr. WEAVER, for 10 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. DASCHLE, for 5 minutes, today.

Ms. HOLTZMAN, for 5 minutes, today.

Mr. ROSTENKOWSKI, for 15 minutes, today.

Mr. ALEXANDER, for 60 minutes, on May 8.

Mr. SEIBERLING, for 60 minutes, on May 8.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. EDGAR, to include extraneous material on remarks he made in the Committee of the Whole.

Mr. ST GERMAIN, to revise and extend his remarks following the remarks of Mr. MATTOX.

Mr. SEIBERLING, to extend his remarks in the body of the RECORD in two instances and include extraneous material.

(The following Members (at the request of Mr. ROTH) and to include extraneous matter:)

Mr. GINGRICH.

Mr. SENSENBRENNER.

Mr. ASHBROOK in three instances.

Mr. JOHNSON of Colorado.

Mr. HILLIS in two instances.

Mr. DORNAN in four instances.

Mr. SHUSTER in two instances.

Mr. GRADISON.

Mr. MICHEL in three instances.

Mr. YOUNG of Alaska.

Mr. PAUL in five instances.

Mr. SOLOMON.

Mr. GILMAN.

Mr. SHUMWAY.

Mr. LAGOMARSINO.

Mr. COLLINS of Texas in two instances.

(The following Members (at the request of Mr. GRAY) and to include extraneous matter:)

Mr. HALL of Ohio in two instances.

Mr. WOLFF in five instances.

Mr. MAZZOLI in five instances.

Mr. GRAY in two instances.

Mr. SHANNON.

Mr. FLORIO.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. BROWN of California in 10 instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. JENRETTE.

Mr. FAUNTROY.

Mr. FARY.

Mr. CLAY in 10 instances.

Mr. BRADEMAS in five instances.

Mr. MATHIS.

Mr. UDALL.

Mr. CONYERS in two instances.

Mr. GIBBONS

Mr. DELLUMS.

Mr. WALGREN.

Mr. ROSTENKOWSKI.

Mr. DINGELL in three instances.

Mr. DODD.

Mr. ALBOSTA.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 348. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to Ben Abruzzo, Maxie Anderson, and Larry Newman; to the Committee on Banking, Finance and Urban Affairs;

S. 613. An act authorizing the President of the United States to present a gold medal to the widow of Hubert H. Humphrey; to the Committee on Banking, Finance and Urban Affairs; and

S. 631. An act to authorize the President of the United States to present on behalf of the Congress a specially struck gold medal to John Wayne; to the Committee on Banking, Finance and Urban Affairs.

ADJOURNMENT

Mr. GRAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 12 minutes p.m.) the House adjourned until tomorrow, Tuesday, May 8, 1979, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first quarter of calendar year 1979 in connection with foreign travel pursuant to Public Law 95–384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND MAR. 31, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. Kika de la Garza	1/8	1/10	Mexico City, Mex.	3,390.00	150.00		358.00				508.00
Leighton Lang (all military transportation).	1/2	1/5	Jamaica	225.00	225.00		44.90				269.90
	1/5	1/7	Cuba	114.98	159.00						159.00
	1/7	1/11	Dominican Republic	300.00	300.00		37.74				337.74
Hon. Dawson Mathis	1/2	1/5	Jamaica	225.00	225.00		44.90				269.90
	1/5	1/7	Cuba	114.98	159.00						159.00
	1/7	1/12	Dominican Republic	375.00	375.00						375.00
Military transportation over authorized commercial transportation return to United States.							146.00				146.00
Gene Moos	2/12	2/16	Switzerland	831.75	500.00	1,261.70	751.00				1,251.00
Committee total					2,093.00		1,382.54				3,475.54
Hon. Richard Nolan (all military transportation).	1/2	1/5	Jamaica	225.00	225.00		44.90				269.90
	1/5	1/7	Cuba	114.98	159.00						159.00
	1/7	1/11	Dominican Republic	300.00	300.00		37.74				337.74
Hon. Steven Symms (all military transportation).	1/2	1/5	Jamaica	225.00	225.00		44.90				269.90
	1/5	1/7	Cuba	114.98	159.00						159.00
	1/7	1/12	Dominican Republic	300.00	300.00		37.74				337.74
Committee total					1,368.00		165.28				1,533.28

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amoun expended.

THOMAS S. FOLEY,
Chairman, Committee on Agriculture.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND MAR. 31, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S currency
MASTER COMPILATION											
Delegation to Europe and Middle East Dec. 30–Jan. 9, 1979.					4,956.00		48,312.65		268.57		53,537.22
Staff mission to investigate Morale, welfare and recreation programs in Europe, nonappropriated fund panel, Jan. 2–15, 1979.					1,998.30		3,832.00		848.74		6,679.04
Wehrkunde meeting, Feb. 16–18 1979.					300.00						300.00
Official individual committee member travel.					176.00						176.00
Committee total					7,430.30		52,144.65		1,171.31		60,692.26

DELEGATION TO EUROPE AND MIDDLE EAST IN BEHALF OF PEACE NEGOTIATIONS AND TO REVIEW CIVIL DEFENSE PROGRAMS, DEC. 30, TO JAN. 9, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency
McDonald, Congressman Larry	12/30	1/1	Ireland	7,960.00	162.00		[3]7,307.23				7,469.23
	1/1	1/3	Norway	811.80	164.00						164.00
	1/3	1/5	Switzerland	324.00	200.00						200.00
	1/5	1/7	Egypt	105,000.00	150.00						150.00
	1/7	1/9	Israel	2,842.50	150.00						150.00
Mitchell, Congressman Donald J	12/30	1/1	Ireland	7,960.00	162.00		[3]7,307.23				7,469.23
	1/1	1/3	Norway	811.80	164.00						164.00
	1/3	1/5	Switzerland	324.00	200.00						200.00
	1/5	1/7	Egypt	105,000.00	150.00						150.00
	1/7	1/9	Israel	2,842.50	150.00						150.00
Stump, Congressman Bob	12/30	1/1	Ireland	7,960.00	162.00		[3]7,307.23				7,469.23
	1/1	1/3	Norway	811.80	164.00						164.00
	1/3	1/5	Switzerland	324.00	200.00						200.00
	1/5	1/7	Egypt	105,000.00	150.00						150.00
	1/7	1/9	Israel	2,842.50	150.00						150.00

DELEGATION TO EUROPE AND MIDDLE EAST IN BEHALF OF PEACE NEGOTIATIONS AND TO REVIEW CIVIL DEFENSE PROGRAMS, DEC. 30, TO JAN. 9, 1979.—Continued

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Wilson, Congressman Bob	12/30	1/1	Ireland	7,960.00	162.00		[3] 7,307.23				7,469.23
	1/1	1/3	Norway	811.80	164.00						164.00
	1/3	1/5	Switzerland	324.00	200.00						200.00
	1/5	1/7	Egypt	105,000.00	150.00						150.00
	1/7	1/9	Israel	2,842.50	150.00						150.00
Cooper, Thomas E.	12/30	1/1	Ireland	7,960.00	162.00		[3] 7,307.23				7,469.23
	1/1	1/3	Norway	811.80	164.00						164.00
	1/3	1/5	Switzerland	324.00	200.00						200.00
	1/5	1/7	Egypt	105,000.00	150.00						150.00
	1/7	1/9	Israel	2,842.50	150.00						150.00
Gilleece, Mary Ann	12/30	1/1	Ireland	7,960.00	162.00		[3] 7,307.23				7,469.23
	1/1	1/3	Norway	811.80	164.00						164.00
	1/3	1/5	Switzerland	324.00	200.00						200.00
	1/5	1/7	Egypt	105,000.00	150.00						150.00
	1/7	1/9	Israel	2,842.50	150.00						150.00
Local expenses for entire delegation paid by State Department.	1/1	1/3	Norway				1,679.65				1,679.65
	1/3	1/5	Switzerland				1,247.56				1,247.56
	1/5	1/7	Egypt				750.00		268.57		1,018.57
	1/7	1/9	Israel				792.06				792.06
Committee total					4,956.00		48,312.65		268.57		53,537.22

STAFF MISSION TO INVESTIGATE MORALE, WELFARE & RECREATION PROGRAMS IN EUROPE OF THE NONAPPROPRIATED FUND PANEL, JAN. 2-15, 1979

Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Cofer, Williston B., Jr	1/2	1/5	Turkey	7,500.00	300.00		[4] 1,916.00		[4] 848.74		3,064.70
	1/6	1/9	Greece	10,860.00	300.00						300.00
	1/10	1/15	Italy	313,875.00	375.00						375.00
Bosher, William (GAO detailee)	1/2	1/15	See above		[5] 1,023.30		[5] 1,916.00				2,939.30
Committee totals					1,998.30		3,832.00		848.74		6,679.04
WEHRKUNDE MEETING, FEB. 16-18, 1979											
Beard, Congressman Robin	2/16	2/18	West Germany	277.50	150.00						150.00
Hughes, Peter C.	2/16	2/18	West Germany	277.50	150.00						150.00
Trible, Congressman Paul S., Jr., (official individual committee member travel).	2/25	2/27	England		176.00						176.00
Committee total					476.00						476.00

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Paid by Department of Air Force.

[4] Paid by Department of the Army.

[5] Paid by H. Res. 60, 96th Cong., 1st sess. (1979).

Note: Members and staff traveled space available at the invitation of Secretary Resor.

Apr. 30, 1979.

MELVIN PRICE,
Chairman, Committee on Armed Services.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979

	Date			Per diem [1]		Transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Thomas L. Ashley	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Hon. Les AuCoin (*transportation round trip commercial air fare).	2/12	2/24	Peoples Republic of China	1,525.97	975.00		*1,580.80			1,525.97	2,555.80
	2/24	2/25	Hong Kong	720.00	150.00	296.60	61.87			1,016.60	211.87
Hon. D. Douglas Barnard	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			958.19	198.94
	12/30	1/8	Peoples Republic of China		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.29
Hon. David W. Evans	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Robert S. Feinberg	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Michael P. Flaherty	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China.		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Hon. Robert Garcia	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China.		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Hon. George Hansen (*transportation, round trip commercial air fare; ** returned unused per diem of $59.22).	1/5	1/6	Panama		75.00		603.45				678.45
	1/6	1/7	Nicaragua	1,050.00	**90.78		19.13			1,050.00	109.91
Mercer L. Jackson	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China.		750.00	14,875.20	929.70			14.875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Hon. Richard Kelly	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China.		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/10	Thailand	3,045.00	150.00	1,913.14	94.24			4,958.14	244.24
	1/10	1/11	Malaysia	165.00	75.00					165.00	75.00
	1/11	1/13	Taiwan	8,088.80	225.00					8,088.80	225.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND MAR. 31, 1979—Continued

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Hon. John J. LaFalce	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China.		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Hon. James Leach	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China.		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Gerald McMurray	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China.		750.00	14,875.20	928.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Carol Ann Miller	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China.		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Hon. Stephen L. Neal	12/29	12/30	Japan	20,023.00	103.00					20,023.00	103.00
	12/30	1/2	Philippines	1,659.38	225.00		23.58			1,659.38	248.58
	1/2	1/5	Korea	108,900.00	225.00					108,900.00	225.00
	1/5	1/8	Thailand	4,567.50	225.00					4,567.50	225.00
Traveler did not accept per diem in Burma; stayed with Embassy Officials.	1/6	1/8	Burma								
	1/10	1/11	Malaysia	165.00	75.00					165.00	75.00
	1/11	1/13	Taiwan	8,088.80	225.00					8,088.80	225.00
Paul Nelson	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China/		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	94.24			8,003.14	394.24
Hon. Mary Rose Oakar	12/28	12/29	Hong Kong	717.00	150.00	251.19	48.94			968.19	198.94
	12/30	1/8	Peoples Republic of China/		750.00	14,875.20	929.70			14,875.20	1,679.70
	1/9	1/12	Thailand	6,090.00	300.00	1,913.14	92.24			8,003.14	394.24
Committee total					19,318.78		17,309.15				36,627.93

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HENRY S. REUSS,
Committee on Banking, Finance, and Urban Affairs.

Apr. 30, 1979

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BUDGET, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31 1979

Name of member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Alair Townsend	1/2	1/19	Egypt Israel								
Committee total											

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Note: Purpose—The Educational Staff Seminar (ESS) sponsored the trip to examine educational policies and programs and to share information with overseas counterparts. Through a grant of Egyptian pounds under the Public Law 480 program administered by the Associate Commissioner for International Education, U.S. Office of Education, all expenses were paid through this program except $500, which was paid for by the Budget Committee.

ROBERT N. GIAIMO,
Chairman, Committee on Budget.

Apr. 23 1979.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalen or U.S currency[2]
Berdes, G. R.	3/17	3/23	Guyana		386.32		146.17				532.49
Commercial transportation							443.00				443.00
Bingham, J. B.	1/2	1/5	Jamaica		225.00		62.82				287.82
	1/5	1/7	Cuba		159.00						159.00
	1/7	1/11	Dominican Republic		300.00		37.74				337.74
Military transportation							319.76				319.76
Buchanan, J. H.	3/5	3/7	Switzerland		152.58		344.82				497.40
Commercial transportation							1,587.00				1,587.00
Fox, E.	1/2	1/5	Jamaica		225.00		62.82				287.82
	1/5	1/7	Cuba		159.00						159.00
	1/7	1/11	Dominican Republic		300.00		37.74				337.74
Military transportation							319.76				319.76
Friedman, G.	1/2	1/5	Jamaica		174.00		62.82				236.82
	1/5	1/7	Cuba		147.00						147.00
Committee total					2,227.90		3,424.45				5,652.35
Friedman, G.	1/7	1/11	Dominican Republic		272.65		37.74				310.39
Military transportation							319.76				319.76
Gilman, B. A.	1/4	1/5/79	Jamaica		69.00						69.00
	1/5	1/7/79	Cuba		152.00						152.00
	1/7	1/11/79	Dominican Republic		285.00		37.74				322.74
Commercial transportation, (New York to Jamaica).							207.81				207.81
Military transportation (Return to States).							159.88				159.88

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Holstine, J	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		225.00		23.58				248.58
	1/2	1/5	Korea		225.00		74.76				299.76
	1/5	1/10	Thailand		375.00		56.93		51.04		482.97
	1/10	1/11	Malaysia		75.00		77.20				152.20
	1/11	1/13	Republic of China		225.00						225.00
Military transportation							1,623.60				1,623.60
Committee total					2,006.65		2,619.00		51.04		4,676.69
Hyndman, V. P	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		225.00		23.58				248.58
	1/2/79	1/5/79	Korea		225.00		74.76				299.76
	1/5/79	1/10/79	Thailand		375.00		56.93		51.04		482.97
	1/10/79	1/11/79	Malaysia		75.00		77.20				152.20
	1/11/79	1/13/79	Republic of China		225.00						225.00
Military transporation							1,623.60				1,623.60
Lagomarsino, R. J	1/2/79	1/5/79	Jamaica		225.00		62.82				287.82
	1/5/79	1/7/79	Cuba		159.00						159.00
	1/7/79	1/11/79	Dominican Republic		300.00		37.74				337.74
Military transportation							319.76				319.76
Leonard, D. F. (traveled under auspices of Foreign Affairs Committee staff member of Select Committee on Narcotics).	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		225.00		23.58				248.58
	1/2/79	1/5/79	Korea		225.00		74.76				299.76
	1/5/79	1/6/79	Thailand		225.00		56.93		51.04		332.97
Committee total					2,690.00		2,431.66		102.08		5,223.74
Leonard, D. F	1/8	1/10	Thailand								
	1/6	1/8	Burma		150.00						150.00
	1/10	1/11	Malaysia		75.00		77.20				152.20
	1/11	1/13	Republic of China		225.00						225.00
Military transportation							1,623.60				1,623.60
Majak, R. R	1/2	1/5	Jamaica		209.53		62.82				272.35
	1/5	1/7	Cuba		146.00						146.00
	1/7	1/11	Dominican Republic		277.00		37.74				314.74
Military transportation							319.76				319.76
Mann, J. L	3/3	3/7	Switzerland		340.31						340.31
Commercial transportation							1,587.00				1,587.00
McCarthy, Mary Jane (traveled under auspices of Foreign Affairs Committee).	3/17	3/23	Guyana		341.81		146.17				487.98
Commercial transportation							443.000				443.00
Committee total					1,764.65		4,297.29				6,061.94
Nelson C	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		225.00		23.58				248.58
	1/2	1/5	Korea		225.00		74.76				299.76
	1/5	1/10	Thailand		375.00		56.93		51.04		482.97
	1/10	1/11	Malaysia		75.00		77.20				152.20
	1/11	1/13	Republic of China		225.00						225.00
Military transportation							1,623.60				1,623.60
Palmer E. J	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		225.00		23.58				248.58
	1/2	1/5	Korea		225.00		74.76				299.76
	1/5	1/10	Thailand		225.00		56.93		51.04		332.97
	1/6	1/8	Burma		150.00						150.00
	1/10	1/11	Malaysia		75.00		77.20				152.20
	1/11	1/13	Republic of China		225.00						225.00
Military transportation							1,623.60				1,623.60
Committee total					2,456.00		3,712.14		102.08		6,270.22
Pritchard, J	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		225.00		23.58				248.58
	1/2	1/5	Korea		225.00		74.76				299.76
	1/5	1/10	Thailand		375.00		56.93		51.04		482.97
	1/10	1/11	Malaysia		75.00		77.20				152.20
	1/11	1/13	Republic of China		225.00						225.00
Military transportation							1,623.60				1,623.60
Przystup, J	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		134.83		23.58				158.41
	1/2	1/5	Korea		225.00		74.76				299.76
	1/5	1/10	Thailand		375.00		56.93		51.04		482.97
	1/10	1/11	Malaysia		75.00		77.20				152.20
	1/11	1/13	Republic of China		225.00						225.00
Military transportation							1,623.60				1,623.60
Salvia, J. M	1/2	1/5	Jamaica		195.00		62.82				257.82
Committee total					2,560.83		3,774.96		102.08		6,437.87
Salvia, J. M.	1/5	1/7	Cuba		144.00						144.00
	1/7	1/11	Dominican Republic		297.00		37.74				334.74
Military transportation							319.76				319.76
Schollaert, J	3/16	3/19	Switzerland		292.73						292.73
Smeeton, T. R	3/17	3/23	Guyana		285.33		146.17				431.50
Commerical transportation							443.00				443.00
Solarz, S. J	1/3	1/4	Sudan		145.68						145.68
	1/4	1/6	Ethiopia		101.33						101.33
	1/6	1/7	Somalia		75.00						75.00
	1/7	1/9	Kenya		140.55						140.55
	1/9	1/12	Namibia		225.00						225.00
	1/12	1/14	Zaire		59.74						59.74
Commercial transportation							2,994.00				2,994.00
Committee total					1,766.36		3,940.67				5,707.03

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FOREIGN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Spalatin, Ivo	3/17	3/23	Guyana		408.70		146.17				554.87
Commercial transportation							443.00				443.00
Vogel, T. H. (traveled under auspices of Foreign Affairs Committee—staff member of Select Committee on Narcotics).	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		225.00		23.58				248.58
	1/2	1/5	Korea		225.00		74.76				299.76
	1/5	1/6	Thailand		225.00		56.93		51.04		332.97
	1/8	1/10	Thailand								
	1/6	1/8	Burma		150.00						150.00
	1/10	1/11	Malaysia		75.00		77.20				152.20
	1/11	1/13	Republic of China		225.00						225.00
Military transportation							1,623.70				1,623.60
Committee total					1,636.70		2,445.24		51.04		4,132.98
Wolff, L. L	12/29/78	12/30/78	Japan		103.00						103.00
	12/30/78	1/2/79	Philippines		225.00		23.58				248.58
	1/2	1/5	Korea		225.00		74.76				299.76
	1/5	1/10	Thailand		225.00		56.93		51.04		332.97
	1/6	1/8	Burma		150.00						150.00
	1/10	1/11	Malaysia		75.00		77.20				152.20
	1/11	1/13	Republic of China		225.00						225.00
Military transportation							1,623.60				1,623.60
Committee total					1,228.00		1,856.07		51.04		3,135.11
Grand total for this quarter											47,297.93

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[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[2] Per diem constitutes lodging and meals.

Apr. 27, 1979.

CLEMENT J. ZABLOCKI,
Chairman, Committee on Foreign Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON POST OFFICE AND CIVIL SERVICE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. William Clay	1/02	1/05	Jamaica	225.00	225.00					225.00	225.00
Local transportation in Jamaica							62.82				62.82
	1/05	1/07	Cuba	114.98	159.00					114.98	159.00
	1/07	1/10	Dominican Republic	225.00	225.00					225.00	225.00
Local transportation in Dominican Republic.							249.74				249.74
Transatlantic transportation furnished by Department of Defense.							159.88				159.88
Return to United States via commercial transportation.							226.00				226.00
James Pierce Myers	2/13	2/21	Panama [3]		600.00						600.00
Anthony Raymond	2/13	2/21	Panama [3]		600.00						600.00
Hon. James M. Hanley	2/15	2/21	Panama [3]		450.00				21.60		471.60
Hon. Charles H. Wilson	2/15	2/21	Panama [3]		450.00						450.00
Hon. Patricia Schroeder	2/15	2/21	Panama [3]		450.00						450.00
Hon. Gladys Noon Spellman	2/15	2/21	Panama [3]		450.00						450.00
Hon. Edward J. Derwinski	2/15	2/21	Panama [3]		450.00						450.00
Hon. Tom Corcoran	2/15	2/21	Panama [3]		450.00						450.00
David Minton	2/15	2/21	Panama [3]		450.00						450.00
Robert Lockhart	2/15	2/21	Panama [3]		450.00						450.00
Joseph Fisher	2/15	2/21	Panama [3]		450.00						450.00
Ronald McCluskey	2/15	2/21	Panama [3]		450.00						450.00
Nancy Desrochers	2/15	2/21	Panama [3]		450.00						450.00
Geraldine Rudolph	2/15	2/21	Panama [3]		450.00						450.00
Warren Geurin	2/15	2/21	Panama [3]		450.00						450.00
Andrew Feinstein	2/15	2/21	Panama [3]		450.00						450.00
Rosemary Storey	2/15	2/21	Panama [3]		450.00						450.00
Hon. Gene Taylor	2/15	2/20	Panama [3]		375.00						375.00
Committee total					8,934.00		698.44		21.60		9,654.04

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation for Panama travel furnished by Department of Defense. Costs have not been furnished to date.

Apr. 30, 1979.

JAMES M. HANLEY,
Chairman, Committee on Post Office and Civil Service.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE AND TECHNOLOGY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Dornan		12/28/78	United States				1,623.60				1,623.60
	12/29/78	12/30/78	Japan	20,023	103.00					20,023	103.00
	12/30/78	1/2	Philippines	1,659.38	225.00					1,659.38	225.00
	1/2	1/5	Korea	108,900	225.00		74.76			108,900	299.76
	1/5	1/6	Thailand	9,135	450.00		56.93		38.69/12.36	9,135	557.98
	1/6	1/8	Burma	975	150.00					975	150.00
	1/8	1/10	Thailand	3,045	[3] 150.00					3,045	[3] 150.00
	1/10	1/11	Malaysia	165	75.00					165	75.00
	1/11	1/13	Taiwan	8,088.80	225.00					8,088.80	225.00
	1/13		United States		[4] 75.00						[4] 75.00
Wydler		1/7	United States				162.00		16.75		178.75
	1/7	1/11	Dominican Republic	300.00	300.00		37.74			300.00	337.74
	1/11		United States				159.88/41.00		17.00		217.88
Holmfeld [5]		1/4	United States				165.00		8.00		173.00
	1/4	1/7	Bermuda		158.52						158.52
	1/7		United States								
Dugan		1/7	United States				162.00				162.00
	1/7	1/11	Dominican Republic	300.00	300.00		37.74			300.00	337.74
	1/11		United States				159.88				159.88
Committee total					1,986.52		2,680.53		92.80		4,759.85

[1] Per Diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. $ equivalent; if U.S. currency is used, enter amount expended.

[3] Returned per diem.

[4] Check for per diem overpayment to State Department Mar. 28, 1979.

[5] Expenses submitted to U.S. State Department for reimbursement Jan. 23, 1979; committee notified Apr. 2, 1979, that payment is forthcoming from U.S. State Department.

Apr. 12, 1979.

DON FUQUA,
Chairman, Committee on Science and Technology.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Michael J. Calhoun	1/15	1/19	Switzerland	845	500		26.64				526.64
							751.00				751.00
David B. Rohr	1/14	1/20	Switzerland	1,165	700		36.74				736.74
							751.00				751.00
Hon. Thomas J. Downey	3/12	3/14	Sweden	1,109.90	255.00		1,626.00				1,881.00
Hon. Richard T. Schulze	12/30	1/1	Ireland	80	162.00						162.00
Refund				(40.00)	(81.00)						(81.00)
	1/1	1/3	Norway	811.80	164.00		119.98				283.98
	1/3	1/5	Switzerland	324	200.00		89.11				289.11
	1/5	1/7	Egypt	105	150.00		53.57		19.18		222.75
	1/7	1/9	Israel	2,842.50	150.00		56.58				206.58
Transportation by Department of Defense							7,307.23				7,307.23
Hon. Guy Vander Jagt	1/2	1/5	Jamaica		225.00		62.82				287.82
	1/5	1/7	Cuba	114.98	159.00						159.00
	1/7	1/13	Dominican Republic	450	450.00		37.74				487.74
Transportation by Department of Defense							319.76				319.76
Committee total					3,034		11,238.17		19.18		14,291.35

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

AL ULLMAN.
Chairman, Committee on Ways and Means.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND MAR. 31, 1979

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Wyche Fowler, MC	1/4	1/12	Europe		174.50		528.00				

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Apr. 11, 1979

EDWARD P. BOLAND,
Chairman, Committee on Intelligence.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND MAR. 31, 1979

Name of member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Oliver	1/22	1/22	Spain		35.00		1,429.00				
	1/22	1/24	Poland	4,659	150.00						

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1, AND MAR. 31, 1979—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/24	1/26	Bulgaria	87.35	100.75						
	1/26	1/29	Switzerland	507.45	300.00		33.17				
	1/29	1/30	Germany	155.40	84.00						
	1/20	1/22	Spain		150.00		1,023.00				
	1/22	1/24	Poland	4,659	150.00						
	1/24	1/26	Bulgaria	117.75	135.81						
	1/26	1/27	Switzerland	338.30	200.00						
Sletzinger	2/9	2/24	Malta		1,125.00		909.00				
	2/24	2/26	Italy	126,150	150.00						
Pederson	2/25	2/27	Italy	126,150	150.00		950.91				
	2/27	3/14	Malta	279.360	786.49						
Kurz	2/28	3/7	Switzerland	1,270.25	764.24		751.00				
Oliver	3/4	3/7	Switzerland	670.15	400.00		998.51				
	3/7	3/14	Malta	216.606	600.00						
Wise	3/12	3/27	Malta	379.440	1,050.00		909.00				
	3/27	3/29	Italy	126,150	150.00						

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DANTE B. FASCELL,
Chairman, Commission on Security and Cooperation in Europe.

Apr. 11, 1979.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1505. A letter from the Acting Administrator of General Services, transmitting a report of a violation of the Anti-Deficiency Act, pursuant to section 3679(i)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

1506. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting an annual report on the development and utilization of capital saving technology in the activities of the multilateral development banks, pursuant to section 801(b) of Public Law 95-118; to the Committee on Banking, Finance and Urban Affairs.

1507. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a report on loan, guarantee, and insurance transactions supported by Eximbank during March 1979, to Communist countries; to the Committee on Banking, Finance and Urban Affairs.

1508. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a draft of proposed legislation to authorize appropriations for the purpose of carrying out the activities of the Department of Justice; to the Committee on the Judiciary.

1509. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of certain aliens, pursuant to section 212(d)(6) of the act; to the Committee on the Judiciary.

1510. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders suspending deportation under the authority of section 244(a)(1) of the Immigration and Nationality Act, together with a list of the persons involved, pursuant to section 244(c) of the act; to the Committee on the Judiciary.

1511. A letter from the controller, American Chemical Society, transmitting the annual report and audit of the Society for calendar year 1978, pursuant to section 3 of Public Law 88-504; to the Committee on the Judiciary.

1512. A letter from the Federal and State Cochairmen, New England Regional Commission, transmitting the annual report of the Commission for fiscal year 1978, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

1513. A letter from the Federal Cochairman, Pacific Northwest Regional Commission, transmitting the Commission's annual report for fiscal year 1978, pursuant to section 510 of the Public Works and Economic Development Act of 1965; to the Committee on Public Works and Transportation.

1514. A letter from the Secretary of the Treasury, transmitting a report on the state of the finances of the U.S. Government for fiscal year 1978, pursuant to section 257 (First) of the Revised Statutes; to the Committee on Ways and Means.

1515. A letter from the Comptroller General of the United States, transmitting a report on water problems in the Colorado River Basin (CED-79-11, May 4, 1979); jointly, to the Committees on Government Operations, and Interior and Insular Affairs.

1516. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend title XI of the Social Security Act to authorize civil monetary penalties for certain fraudulent activities in the medicare and medicaid programs, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

1517. A letter from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 and the Railroad Retirement Tax Act to assure sufficient resources to pay current and future benefits by actions to increase revenues, reduce costs, and simplify administration; jointly, to the Committees on Interstate and Foreign Commerce, and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2374. A bill to authorize the establishment of the Frederick Law Olmsted National Historic Site in the State of Massachusetts, and for other purposes; with amendment (Rept. No. 96-124). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 2172. A bill to implement the International Sugar Agreement, 1977, between the United States and foreign countries, to protect the welfare of consumers of sugar and of those engaged in the domestic sugar industry, and for other purposes; with amendment (Rept. No. 96-125, Pt. I). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ALEXANDER:

H.R. 3957. A bill to authorize and direct the Secretary of Energy to defer repayment of certain reimbursable costs incurred by the Southwestern Power Administration and to waive certain interest costs; to the Committee on Interior and Insular Affairs.

By Mr. DASCHLE:

H.R. 3958. A bill to amend the Petroleum Marketing Practices Act to facilitate the sale of gasohol by franchised gasoline dealers; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN:

H.R. 3959. A bill to amend title 28 of the United States Code to allow the U.S. attorney and assistant U.S. attorneys for the eastern district of New York to reside within 20 miles of the district; to the Committee on the Judiciary.

By Mr. KEMP:

H.R. 3960. A bill to amend the National Flood Insurance Act of 1968 for the purpose of providing insurance against damage caused by the movement of frozen water into property located along shorelines; to the Committee on Banking, Finance and Urban Affairs.

H.R. 3961. A bill to amend the Internal Revenue Code of 1954 to allow a deduction for property improvements designed to prevent shoreline erosion caused by high water levels in the Great Lakes; to the Committee on Ways and Means.

By Mr. LEACH of Iowa:

H.R. 3962. A bill to amend the Federal Reserve Act to establish reserve requirements on certain Eurocurrency liabilities and other transactions of foreign branches and agencies of member and nonmember banks, Edge Act Corporations, and certain other depository institutions, and to encourage other countries to impose similar reserve requirements on such transactions; to the Committee on Banking, Finance and Urban Affairs.

By Mr. McDADE:

H.R. 3963. A bill to amend the Older Americans Act of 1965 to provide expanded counseling assistance for the elderly, and for other purposes; to the Committee on Education and Labor.

H.R. 3964. A bill to establish within the Department of Health, Education, and Welfare, a home health clearinghouse to provide elderly persons with a single place where they can obtain complete information on the Federal home health programs available to them; to the Committee on Interstate and Foreign Commerce.

H.R. 3965. A bill to amend the Federal Water Pollution Control Act to require the United States to pay for certain lateral sewer connections for low-income elderly persons; to the Committee on Public Works and Transportation.

H.R. 3966. A bill to amend the Internal Revenue Code of 1954 to provide a basic $5,000 exemption from income tax for amounts received as annuities, pensions, or other retirement benefits; to the Committee on Ways and Means.

H.R. 3967. A bill to amend the Internal Revenue Code of 1954 to allow a deduction of not more than $1,500 for amounts paid or incurred for maintaining a household a member of which is a dependent of the taxpayer who has attained the age of 65; to the Committee on Ways and Means.

H.R. 3968. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

H.R. 3969. A bill to require authorizations of new budget authority for Government programs at least every 10 years, to provide for review of Government programs every 10 years, and for other purposes; jointly, to the Committees on Government Operations and Rules.

H.R. 3970. A bill to amend title XVIII of the Social Security Act to provide long-term care services as a part of the hospital insurance program, to encourage the creation of community long-term care centers to assist in providing such services, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Ways and Means.

H.R. 3971. A bill to amend title XVIII of the Social Security Act to remove all limits on the number of home health visits under medicare, to remove the prior hospitalization, skilled nursing care, homebound, and deductible requirements applicable to home health care under medicare, to include periodic chore services under home health services under medicare, to provide coverage of community mental health center services under medicare, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 3972. A bill to amend title XVIII of the Social Security Act to include dental care, eye care, hearing aids, physical checkups, and foot care among the items and services for which payment may be made under the supplementary medical insurance program, and to provide safeguards againsts consumer abuse in the provision of these items and services; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

H.R. 3973. A bill to amend title XVIII of the Social Security Act to include the cost of drugs requiring a doctor's prescription among the medical expenses with respect to which payment may be made under the supplementary medical insurance program; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. MARTIN (for himself and Mr. Jones of Oklahoma):

H.R. 3974. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for catastrophic medical expenses; to the Committee on Ways and Means.

By Mr. NOWAK:

H.R. 3975. A bill to amend the Internal Revenue Code of 1954 to allow a tax credit for the purchase of small business stock; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 3976. A bill to amend title III of the Comprehensive Employment and Training Act and title I of the Vocational Education Act of 1963 to provide for the assessment of manpower needs for the full development of domestic energy resources; to the Committee on Education and Labor.

H.R. 3977. A bill to amend part B of title I of the Vocational Education Act of 1963 to provide for the assessment of manpower needs for the full development of domestic energy resources; to the Committee on Education and Labor.

By. Mr. RINALDO:

H.R. 3978. A bill to amend the Federal Trade Commission Act to exempt savings and loan institutions from the application of certain provisions contained in such act; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. RUNNELS:

H.R. 3979. A bill to permit sales of real property by employees of the United States to Indians and to permit certain sales of real property by Indians to such employees; to the Committee on Interior and Insular Affairs.

By Mr. ST GERMAIN:

H.R. 3980. A bill to amend the Elementary and Secondary Education Act of 1965 to provide that an elementary or secondary school may not receive Federal funds unless the principal supervisor of such school certifies to the Commission of Education that the Pledge of Allegiance is a part of the daily program of such school; to the Committee on Education and Labor.

By Mr. SCHULZE (for himself, Mr. Duncan of Tennessee, and Mr. Gingrich).

H.R. 3981. A bill to change the effective date of section 366 of the Revenue Act of 1978 which relates to the taxation of beneficiaries of certain self-insured medical expense reimbursement plans; to the Committee on Ways and Means.

By Mr. SEBELIUS:

H.R. 3982. A bill to modify the method of determining quantitative limitations on the importation of certain articles of meat and meat products, to apply quantitative limitations on the importation of certain additional articles of meat, meat products, and livestock, and for other purposes; to the Committee on Ways and Means.

By Mr. SEBELIUS (for himself, Mr. Findley, Mr. Jeffords, Mr. Grassley, Mr. Hagedorn, Mr. Coleman, Mr. Johnson of Colorado, Mr. Whittaker, Mr. Wampler, Mrs. Smith of Nebraska, Mr. Moorhead of California, Mr. Abdnor, Mr. Thomas, Mr. Symms, Mr. Winn, Mr. Bereuter, Mr. Andrews of North Dakota, and Mr. Cheney):

H.R. 3983. A bill to authorize the Secretary of Agriculture to guarantee loans to provide for pilot projects for the production of industrial hydrocarbons and alcohols from agricultural commodities and forest products; to the Committee on Agriculture.

By Mr. SPENCE:

H.R. 3984. A bill to require the Secretary of Agriculture and the Secretary of the Interior to quitclaim to the State Superintendent of Education to the State of South Carolina rights retained by the United States to certain land in Orangeburg County, S.C.; jointly, to the Committees on Agriculture and Interior and Insular Affairs.

By Mr. STENHOLM:

H.R. 3985. A bill to amend the Agricultural Act of 1949 to increase the loan rates and target prices for the 1979 crop of wheat, feed grains, cotton and peanuts, and for other purposes; to the Committee on Agriculture.

By Mr. WALGREN (for himself, Mr. Waxman, and Mr. Preyer):

H.R. 3986. A bill to amend the Community Mental Health Centers Act to provide for further research and services with regard to victims of rape; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (for himself, Mr. Preyer, Mr. Maguire, Mr. Walgren, Mr. Leland, Mr. Murphy of New York, Mr. Carter, Mr. Stockman, and Mr. Lee):

H.R. 3987. A bill to extend for 3 fiscal years the authorization of appropriations for the administration of the Controlled Substances Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WEISS:

H.R. 3988. A bill to provide for a temporary suspension of the granting of future operating licenses for nuclear fission powerplants pending a review of existing and potential safety defects associated with such plants; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

By Mr. FOLEY:

H. Res. 261. Resolution to provide for the printing of the House report to accompany the bill (H.R. 2172) and entitled "International Sugar Stabilization Act of 1979"; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

155. By the SPEAKER: A memorial of the Legislature of the State of Hawaii, relative to the average wage provisions for certain CETA participants; to the Committee on Education and Labor.

156. Also, memorial of the Senate of the State of Hawaii, relative to educational programs for the handicapped; to the Committee on Education and Labor.

157. Also, memorial of the Legislature of the State of Arizona, relative to negotiations with the Soviet Union for the release of Yuriy Shukhevych; to the Committee on Foreign Affairs.

158. Also, memorial of the Legislature of the State of California relative to Amtrak rail passenger service; to the Committee on Interstate and Foreign Commerce.

159. Also, memorial of the Legislature of the State of North Dakota, relative to amending the Constitution of the United States to require a balanced Federal budget; to the Committee on the Judiciary.

160. Also, memorial of the Legislature of the State of Arizona, relative to restrictions on the ability of States to regulate speed limits; to the Committee on Public Works and Transportation.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1006: Mr. Peyser.

H.R. 1141: Mr. Dougherty, Mr. Buchanan, Mr. Atkinson, Mr. Shuster, Mr. Rose, and Mr. Walgren.

H.R. 1297: Mr. Corcoran.

H.R. 1307: Mr. Carr, and Mr. Kildee.

H.R. 2109: Mr. Lederer.

H.R. 2540: Mrs. Spellman.

H.R. 2705: Mr. Bonior of Michigan, Mr. Weiss, Mr. Ottinger, Mr. Murphy of New York, Mr. Lehman, and Mr. LaFalce.

H.R. 2846: Mr. Kindness, Mr. Whitehurst, Mr. Murphy of Pennsylvania, Mr. Bafalis, Mr. Evans of Georgia, Mr. Cleveland, Mr. Dornan, Mr. Corrada, Mr. Wolff, Mr. Andrews of North Dakota, Mr. Weiss, Mr. Seiberling, Mr. Gingrich, Mr. McCormack, Mr. Bedell, Mr. Lloyd, Mr. Nolan, and Mr. Leach of Louisiana.

H.R. 3056: Mr. Kostmayer, Mr. Baldus, Mr. Steed, Mr. Russo, Mr. Mitchell of Maryland, Mr. Erdahl, Mr. Nolan, Mr. Roth, and Ms. Mikulski.

H.R. 3196: Mr. Oberstar, Mr. Gilman, Mr. Moakley, Mr. Thompson, Mr. Stokes, Mr. Forsythe, Mr. Seiberling, Mr. Walker, Mr. Devine, Mr. Goodling, Mr. St Germain, Mr. Flood, Mr. Mitchell of New York, Mr. Ertel, Mr. Fascell, Mr. Dougherty, Mr. Hughes, Mr. Davis of Michigan, Mr. Hollenbeck, Mr. Williams of Montana, and Mrs. Schroeder.

H..R 3245: Mr. Boner of Tennessee, Mr. Stockman, Mr. Kostmayer, Mr. Cotter, Mr. Hansen, Mr. Panetta, Mr. Dan Daniel, Mr. Ichord, Mr. Tauke, Mr. Robinson, Mr. Ireland, Mr. Butler, Mr. Symms, Mr. Lott, Mr. Jones of Oklahoma, Mr. Coelho, Mr. Mitchell of New York, Mr. Lewis, Mr. Stenholm, Mr. Forsythe, Mr. Watkins, Mr. Nolan, Mr. Winn, Mr. Harsha, Mr. Grisham, Mr. Corman, Mr. Jacobs, Mr. Shelby, Mr. Huckaby, and Mr. Patterson.

H.R. 3255: Mr. Weiss, Mr. Conyers, Mr. Murphy of Pennsylvania, Mr. Stokes, Mr. Mitchell of Maryland, Mr. Wolff, Mr. Vento, Mr. Dougherty, Mr. Corrada, Mr. Edgar, Mr. Drinan, Mr. Lowry, Mrs. Chisholm, Mr. Bonior of Michigan, and Mr. Brown of California.

H.R. 3301: Mr. Moakley, Mr. Jeffords, Mr. Brodhead, Mr. Lagomarsino, Mr. Marlenee, Mr. Florio, Mr. Kildee, Mr. Nowak, Mr. Vento, Mr. Horton, Mr. Donnelly, Mr. Mollohan, Mr. Gudger, Mr. Bevill, Mr. Murphy of Pennsylvania, Mr. Stokes, Mr. Hughes, Mr. Hanley, Mr. Seiberling, Mr. Blanchard, Mr. Evans of Georgia, Mr. Ratchford, Mr. Richmond, Mr. Zeferetti, Mr. Fithian, Mr. Pepper, Mr. Luken, Mr. Wolpe, Mr. Bonker, Mr. Beard of Rhode Island, Mr. Barnes, Mr. Corcoran, Mrs. Byron, Mr. Bauman, Mrs. Heckler, Mr. Lowry, and Mr. Roe.

H.R. 3927: Mr. Mineta.

H.J. Res. 229: Mr. Bethune, Mr. Cheney, Mr. Goldwater, Mr. Goodling, Mr. Kemp, Mr. Leach of Louisiana, and Mr. Skelton.

H.J. Res. 265: Mrs. Spellman.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 107

By Mr. COLEMAN:

—In the matter relating to the appropriate level of total new budget authority decrease the amount by $650 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $650 million;

In the matter relating to the amount of the deficit decrease the amount by $650 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $650 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $650 million.

In the matter relating to Income Security decrease the amount for budget authority by $650 million; and decrease the amount for outlays by $650 million.

By Mr. WEISS:

—In the matter relating to the recommended level of Federal revenues decrease the amount by $100 million;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased by $100 million;

In the matter relating to the appropriate level of total new budget authority decrease the amount by $620 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to Function 050: National Defense decrease the amount for budget authority by $1 billion; and decrease the amount for outlays by $355 million.

In the matter relating to Function 500: Education, Training, Employment and Social Services increase the amount for budget authority by $380 million; and increase the amount for outlays by $255 million.

H.R. 39

By Mr. EMERY:

—Page 363, between lines 14 and 15 insert the following new subsection (1) and renumber subsequent subsections accordingly:

(1) Further activity.—No further exploration, other than that provided for in this section, and no development, shall be permitted, except by Act of Congress and, until the Secretary—

(1) has offered for lease all those areas in the Teshekpuk-Utukok National Wildlife Refuges which the Secretary intends to offer for lease pursuant to section 304(a)(14)(D);

(2) finds that sufficient exploration of the oil and gas potential of the Teshekpuk-Utukok National Wildlife Refuge has been completed so that reliable estimates of the oil and gas potential of the refuge can be made based on the activities of the lessees and such other information as is available to the Secretary; and

(3) has submitted to the Congress a report containing

(i) an identification of those areas of the refuge which have oil and gas potential and an estimate of the volume of the oil and gas concerned;

(ii) a description of how such oil and gas, if produced, may be transported to processing facilities; and

(iii) an evaluation of any environmental impacts which may occur as a result of the development of the oil and gas resources of the refuge and proposed measures to mitigate any adverse impacts.

EXTENSIONS OF REMARKS

DISTRICT OF COLUMBIA PENSION BILL IS A MONEY SAVER

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. MAZZOLI. Mr. Speaker, in 1974, I served on the District of Columbia Committee's Subcommittee on Fiscal Affairs and, under the leadership of my good friend and former colleague Congressman Tom Rees, began a study of the District's pension system for police, firefighters, teachers, and judges.

That year, focusing on a 1972 recommendation of the federally created Commission on the Organization of the Government of the District of Columbia, we held 3 days of hearings on a bill to fund these pension systems.

In 1975, I succeeded to the chairmanship of the subcommittee, and chaired 4 days of hearings on the same subject.

In 1976, the subcommittee reported a bill to fund these retirement systems and trim back their extensive benefits. The full District Committee reported the bill to the House, but it died there.

In 1977, I reintroduced substantially the same bill and, my distinguished colleague Congressman Ron Dellums chaired 2 more days of hearings on the bill.

As the following Washington Post editorial details, this bill was pushed through the House and Senate, then through a long and difficult conference and then finally—in the dying hours of the 95th Congress—again through the House and Senate.

Unfortunately, the bill was vetoed.

Unfortunately, because the bill is, simply put, a money saver. It saves money in two ways:

First. It cuts back on the too-generous disability benefits which previous Congresses had ordered; and

Second. The funding mechanism reduces the ultimate cost of paying for the benefits already earned.

Unfortunately, also, because the Department of Treasury actuaries told our committee that 1 year's delay in funding raises the cost of the bill by a whopping 47 percent.

However, if a pension bill for the District of Columbia is passed this year, it will reduce the ultimate cost of District retirement programs from a staggering 100 percent of payroll cost of a more acceptable 60 percent of payroll cost.

I hope that my colleagues will read the following editorial and support the enactment of this important legislation:

The "Premier Rip-Off System"

Last year President Carter vetoed one of the most important legislative achievements of the 95th Congress on behalf of the District of Columbia. It was a bill to stop a taxpayer-supported gravy train that could ride the town to financial ruin: the police and firefighter disability-pension system, also known by Sen. Thomas F. Eagleton's description of it as "far and away the premier rip-off system in the United States." This legislation is set for a reprise, and its enactment is more important than ever.

Under the system that Congress itself created about 50 years ago, disability retirements are numerous and fat. At one point, for every regular retirement there were four disability retirements—and that's a lot of benefits, equalling 70 percent of current pay (tax-free) plus the same share of all future raises given to on-duty employees. Though the proportion of disability retirements has dipped in the last year, that's one gigantic tab for the city to pick up. The burden gets worse, too—for none of these liabilities has been truly financed. There's no fund to take care of these costs.

Last year's bill, the product of much hard legislative work by Sen. Eagleton and Rep. Ronald V. Dellums and their subcommittees, would have stabilized the shaky financing of pensions not just of police officers and firefighters, but of municipal judges, school administrators and teachers as well. The measure would have authorized the spending of up to $65 million a year in federal money for 25 years, and it would have tightened disability provisions for newly hired people (but not those already on the payroll).

Unfortunately, White House advisers misread the measure as just another big federal-spending bill and Mr. Carter let it die unsigned at Camp David in November. But now Chairman Dellums and Eagleton have reintroduced the House-Senate proposal of last year and have scheduled prompt hearings. Having thoroughly considered this measure before, Congress need waste no time sending it back to Mr. Carter. This time, the president should join Congress in recognizing the urgent necessity of a sound—and tighter—pension-fund system to replace the fiscally shaky and expensive system that continues to soak the city.●

"OUR FLAG" ESSAY

HON. JOHN W. JENRETTE, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. JENRETTE. Mr. Speaker, I am submitting the following essay on "Our Flag" by Dawn Myers.

What My Flag Means To Me

When I look at our flag or "Old Glory" as she is affectionately called, I think of the many times our brave men have defended her honor. I see Francis Scott Key writing the "Star Spangled Banner" while watching her softly wave by the dawn's early light.

I see Betsy Ross sewing our first flag with such love and care. I vision the many brave men carrying her into battle. I also see my flag being torn and burned but also knowing she will always return to fly even higher.

The word Flag in itself means many things to me.

F is for the Freedom of religion, speech and choice of government officials which we enjoy.

L is for our liberty bell which sounded out our freedom.

A is for the land we call "America the beautiful."

G is for the God who shed his abundant grace on this great land.

We remain the land of the free and the home of the braves.

I'm proud to salute the flag of the "United States of America."

May we always honor her and fly her proudly. May we carry what she represents in our hearts wherever we may go.

You are the greatest grand old flag "Old Glory." ●

SINATRA ON PRESS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. COLLINS of Texas. Mr. Speaker, this weekend I took time to read a stack of printed material. The best essay I read was one sent to me by Frank Sinatra. He had written a thought provoking letter asking Congressmen whether they thought America's press had a problem with their unlimited power.

The fact that Frank Sinatra took the time as an interested citizen to recommend a 39 page essay caused me to file this story.

It is good reading. It was titled, "The Power of the Press: A Problem for our Democracy" as written by Max M. Kampelman. It was printed in Policy Review which is a publication of the Heritage Foundation.

Kampelman points out that freedom of press is essential to political liberty. But then he documents the lack of balance from the press. I was impressed with the analysis of the Democrat Presidential primary in 1976 where Carter got the big press. Carter took New Hampshire where he got 30 percent of the vote but 2,630 lines of coverage. Udall in second place got only 96 lines.

Then the next week when Scoop Jackson won the much larger Massachusetts primary it was brushed off lightly. Then when Scoop Jackson won important New York, the television coverage was only 25 percent that of New Hampshire.

Kampelman reviewed the press on Vietnam. He said statements opposed to Vietnam were quoted 842 times in 1972 while those favoring Vietnam commitment were only quoted 23 times.

In checking CBS news, Kampelman found stories critical of Vietnam were aired 651 times while supportive of U.S. policy aired 153 times.

Although I was always opposed to Vietnam, Kampelman's facts make you ask yourself, does the press give a fair shake? The press is so important to our Republic that they must continually review their own position.

I wish more folks like Frank Sinatra would take an interest and sound off. I wish more Americans would get concerned, because we only make progress in America when we work together to build a better future.●

REV. RAYMOND A. ROESCH RETIRES AS UNIVERSITY OF DAYTON PRESIDENT

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. HALL of Ohio. Mr. Speaker, when the academic year ends this summer at the University of Dayton, it will mark the end of an era. In August Rev. Raymond A. Roesch, S.M., will retire after 20 years as president of that distinguished institution—a landmark in my hometown since 1850.

Father Roesch will be succeeded by Brother Raymond Fitz, also a member of the Society of Mary. I want to take this opportunity to congratulate both men and to offer to my colleagues a brief review of the "Roesch era."

For anyone living in the Miami Valley, Father Roesch's name is a household word. For anyone associated with the University of Dayton, he is a symbol of excellence and quality in the field of education.

It was a banner day for the university community and the city of Dayton when Father Roesch took over the reins of the college administration in 1959. The University of Dayton was a small, unassuming, Catholic college which sat on the hill in Dayton's south side. The university was comprised of a handful of buildings and overlooked a city of Dayton whose skyline was just developing.

In the next 20 years both the face and shape of the University of Dayton, and the city from which it received its name changed considerably. During Father Roesch's presidency, 11 buildings and additions to university structures were completed at a total cost of more than $50 million.

It was also under Father Roesch's leadership that the University of Dayton achieved its largest enrollment ever, over 10,000 students in 1967. During the Roesch years, some 37,000 men and women earned University of Dayton diplomas. In short, it was during Father Roesch's presidency that the university attained the major college status which it enjoys today.

Father Roesch has not confined his expertise to the campus. He has served as director of the city of Dayton Chamber of Commerce and the Dayton Rotary Club and has also been a board member of the Dayton Area Heart Association, Good Samaritan Hospital, Dayton Council on World Affairs, the Dayton Art Institute and the Dayton YMCA. Father Roesch was president of the Ohio Association in 1967–68 and was chairman of the National Catholic Education Association in 1971–72. He was named to Who's Who in America in 1960.

I know I join with all my colleagues in the House, and all the residents of the Dayton area, in congratulating this great educator and administrator for his service to the University of Dayton and the community. We also offer our warm best wishes to his capable successor, Brother Fitz.●

AMERICAN UNIVERSITY THIRD ANNUAL INSTITUTE ON FEDERAL INFORMATION: POLICIES AND ACCESS THROUGH ITS COLLEGE OF PUBLIC AFFAIRS—MAY 21 AND 22, 1979.

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. FOUNTROY. Mr. Speaker, on May 21 and 22, 1979, the American University will hold its Third Annual Institute on Federal Information: Policies and Access through its College of Public Affairs.

Designed for users of Federal information in the public and private sectors, this institute is intended to offer participants an opportunity to catch up on the latest policies and program developments, discuss concerns with information policymakers and program managers, and develop a clear conception of the wealth of information that is available while exploring the general changes which have developed over the past year.

Organized with the cooperation of the American Association of Law Libraries, the Government Documents Roundtable of the American Library Association, Government Information Services Committee of the Special Libraries Association, Graphic Communications Computer Association, Information Industry Association, Interest Group on Government Documents of the D.C. Library Association, the Medical Library Association, the National Association of Government Communicators, and the Potomac Valley Chapter of the American Society for Information Science, it is hoped that libraries, publishers, and other information science users who may be interested will directly contact the organizers, Melinda Beard and Lowell Hattery, at the American University by calling (202) 686-2513.

I include the following:

INSTITUTE ON FEDERAL INFORMATION: POLICIES AND ACCESS

FEDERAL INFORMATION—A YEAR OF CONTINUING CHANGE

What is meant by "federal information policies?" Will any be changed? Will those changes affect access to federal information?

How will new laws affect access?

Are there trends in federal information which should be noted to enable better planning? (e.g., micropublishing)

What are the new federal information programs?

What services facilitate access to federal information?

How can we achieve access to data bases and new information resources?

Americas University's third annual institute will provide a forum at which users of federal information meet with information policy makers and program directors to consider these and other questions. Participants will have the opportunity to question speakers and to develop a better understanding of the ever changing and multifaceted world of federal information.

PROGRAM

Monday, May 21, 1979

8:00-9:00: Registration.

9:00-9:15: Welcome. Dwight Ink, Director, Sponsored Research and Continuing Education, College of Public Affairs, American University.

National policies

9:15-10:00: Whither the Government Printing Office: Revision of Title 44. Drew McKay, Counsel, Joint Committee on Printing.

10:00-10:45: NTIS: Policies for the 80s. Melvin Day, Director, National Technical Information Service.

11:00-11:45: Reorganization at the Library of Congress: Its Impact on Information Access and Dissemination. Elizabeth Stroup, Director, General Reference, Library of Congress.

1:00-1:45: Developing a Framework for National Information Policies. Jane Yurow, Director, Information Issues Policy Paper, National Telecommunications and Information Administration, Department of Commerce.

National developments

1:45-2:30: 38+ Federal Information Centers: What, Where, Why? Linda Neighborgall, Information Specialist, Federal Information Center Program, General Services Administration.

2:45-3:30: Machine-Readable Files: Standards for Cataloging; Plans for Public Access. Joseph Duncan, Director, Office of Federal Statistical Policy and Standards, Department of Commerce.

3:30-4:30: Federal Microform Developments: An Intimate View From the Field. Nancy Cline, Cochairman, Micropublishing Advisory Council to the Public Printer and Documents Librarian, Pennsylvania State University Information laws passed by the 95th Congress, Robert Chartrand, Senior Specialist in Information Sciences, CRS.

5:30-6:30: Organizing the Executive Office of the President for Information Collection and Dissemination. Sarah Kadec, Assistant Director, Information Management and Services Division, Executive Office of the President.

Tuesday, May 22, 1979

9:00-9:15: Public- and Private-Sector Roles for Federal Information Access in Era III: Conflict or Supplementation. Lowell H. Hattery, Professor of Management and Public Administration, American University.

Federal information program developments

9:15-10:00: New Online Resource: Labstat (Labor Statistics). R. C. Mendelssohn, Assistant Commissioner, Systems and Standards, Department of Labor.

10:15-11:00: Breakthroughs in Map Handling: Access, Media, Processing. Gary North, Director, National Cartographic Information Center, U.S. Geological Survey.

11:00-11:45: The National Audiovisual Resource. Diana Wade, Reference Librarian, National Audiovisual Center, National Archives and Records Service.

1:00-1:45: Late-Breaking Developments on the Federal Information Scene.

2:00-2:45: The 1980 Census Database: New Approaches for Availability. Warren Glimpse, Assistant Chief, Data User Services, Bureau of the Census.

3:00-4:00: Federal Register: Fount of Federal Information. Fred Emery, Director, *Federal Register*, National Archives and Records Service.

PROGRAM COMMITTEE

Mark Carroll, Chief, Professional Publications, National Park Service; National Association of Government Communicators.

Michele Chatfield, Technical Information Specialist, Food and Drug Administration; Medical Library Association.

Lowell H. Hattery, Professor, Management and Public Administration, American University.

Murray Howder, Chairman, Interest Group on Government Documents, D.C. Library Association.

Marylou Knobbe, Librarian, Metropolitan Washington Council of Governments; Government Information Services Committee, Special Libraries Association.

Terrence Kuch, Mitre Corporation; Potomac Valley Chapter, American Society for Information Science.

Margaret Milam, Assistant Law Librarian, Washington College of Law; American Association of Law Libraries.

Norman Scharpf, Executive Director, Graphic Communications Computer Association.

Leroy Schwarzkopf, Documents Librarian, University of Maryland; Government Documents Roundtable, American Library Association.

Paul Zurkowski, President, Information Industry Association.●

A TEXAS FOREIGN POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. PAUL. Mr. Speaker, recently I sent a questionnaire to the people of the 22d District. Although it was long and complicated—more than 50 questions—I received over 13,000 responses, which shows the intense interest of Texans in the issues that affect our country.

On foreign policy questions—which rightly take a back seat to inflation and other domestic problems—the people voted overwhelmingly against subsidizing the defense of such wealthy allies as West Germany and Japan, for ending foreign military and economic aid, for making sure that Taiwan can always purchase the weapons it needs for self-defense, and against President Carter's "derecognition" of the free Chinese on that island nation.

A plurality also voted against the House implementing the Panama Canal treaties and for ending financial support of the United Nations.

Americans, in these days of massive Government inflation, spending, and taxation, are tired of seeing their hard-earned dollars flow overseas, where they do our interests harm, rather than good. This money should be kept at home for our own people. Then there would be no excuse at all for the foreign junkets that are justified with mumblings about overseeing foreign aid.

Here are the results:

1. Should the House vote to implement the Panama Canal treaties? Yes 33%. No 47%. Don't know 20%.

2. Should the U.S. end its financial support of the U.N.? Yes 49% No 40% Don't know 11%.

3. Do you favor an end to foreign military and economic aid? Yes 57%. No 31%. Don't know 12%.

4. Was President Carter correct in "derecognizing" Taiwan? Yes 24%. No 62%. Don't know 14%.

5. Should we make sure Taiwan can always purchase all the weapons it needs for its defense? Yes 72% No 17% Don't know, 11%.

6. Should West Germany, Japan, and other well-to-do allies pay for their own defense? Yes 96%. No 2%. Don't know 2%.●

MAJOR INDICTMENTS HIT DRUG TRAFFICKERS IN THEIR POCKETBOOKS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. WOLFF. Mr. Speaker, I would like to commend the Drug Enforcement Administration and the Department of Justice for their efforts in the May 1 indictments of 14 alleged members of a major Florida-Colombia drug smuggling ring. These agencies, using the Federal Racketeering Influenced and Corrupt Organization statute, are seeking criminal forfeiture of property owned by members of the drug ring. This property includes mansions, luxury yachts, aircraft, and other symbols of their wealth.

These indictments are the result of a relatively new trend in law enforcement which focuses on the tremendous profits made by drug traffickers. Hearings held by the Select Committee on Narcotics Abuse and Control in both Chicago and Miami have dealt with the financial aspects of drug trafficking such as money laundering. The committee has confirmed not only the tremendous financial resources of these criminals, but their successful efforts to "legitimize" their profits via business investments.

My colleagues on the select committee, including Congressmen MORGAN F. MURPHY, CHARLES B. RANGEL, TOM RAILSBACK, BENJAMIN A. GILMAN, MARIO BIAGGI, and DANTE B. FASCELL, who have actively participated in focusing attention on this area of the narcotics apparatus, are particularly pleased with this most recent case for it is pointed directly at the financial area. The cooperative interagency efforts demonstrated here—the collaboration between Federal and State forces—are equally significant.

Mr. Speaker, at this point, I would like to insert for the RECORD a copy of the Department of Justice press release announcing the indictment and arrest of these drug smugglers:

PRESS RELEASE OF THE DEPARTMENT OF JUSTICE, MAY 1, 1979

Federal agents today arrested 14 persons indicted by a federal grand jury in Miami, Florida, on charges of operating a smuggling ring responsible for bringing into the United States some 500 tons of Colombian marijuana in a 16-month period.

Attorney General Griffin B. Bell said the 40-count indictment, which was unsealed today, was returned on Monday in the U.S. District Court in Miami. It alleges violation of 12 federal statutes.

Mr. Bell noted that the indictments and arrests followed a 12-month investigation by the Drug Enforcement Administration and the Federal Bureau of Investigation, which was supervised by the Narcotics and Dangerous Drugs Section of the Criminal Division and U.S. Attorney Jacob V. Eskenazi of Miami.

"I particularly want to commend Mr. Bensinger and Director Webster for their leadership in this cooperative effort," Mr. Bell said. "This is the largest case brought by the Department in the drug trafficking field since I've been Attorney General, and the first announced fruits of our policy of combined FBI-DEA investigations into major drug trafficking. This approach combines the best of the FBI's expertise in investigating sophisticated economic crime and the DEA's specialties in the drug field. This case well illustrates our policy of law enforcement's pursuing the immense profits generated by major drug trafficking."

William Webster is director of the FBI. Peter Bensinger is the Administrator of DEA.

Named as defendants:

Robert Jay Meinster, 37, Miami Beach, Florida, businessman.

Robert Elliot Platshorn, 36, Miami Beach, Florida, businessman.

Lynne Platshorn, 34, Miami Beach, Florida, bookkeeper.

Dr. Morris Frederick Keller, 41, Chiropodist.

Eugene Arter Meyers, 39, Tampa, Florida, seafood importer.

Randall Gene Fisher, 21, Fort Lauderdale, Florida, boat captain.

Modesto Echezarreta-Cruz, 43, Key Biscayne, Florida, auto exporter.

Richard Elliott Grant, Jr., 23, Hollywood, Florida, businessman.

Raul Davila-Jimeno, 32, Santa Marta, Colombia, sugar, coffee grower—exporter; petroleum exporter.

Mark Steven Phillips, 30, Fort Lauderdale, Florida, Executive, Striker Aluminum Yachts.

Carl Jerry London, 37, Clarksville, Georgia, pilot, manager, day-care center.

Gregory Francis Poulos, 32, Fort Lauderdale, Florida, businessman.

Ronald Benton Elliott, 41, Winter Haven, Florida, former airline pilot. Restaurant owner.

Roy Roscoe Walker, Jr., 35, Winston-Salem, North Carolina, airline pilot.

The indictment alleges that Meinster and Platshorn, Miami businessmen and partners in the South Florida Auto Auction in Miami, organized a criminal enterprise in August 1974, when they began running tons of Colombian marijuana from South Florida to storage facilities in Philadephia, Pennsylvania, which at that time was their base of operation.

By mid-1976, it is alleged, the men relocated their operation to the Miami area, where they began smuggling multiton loads of marijuana from Colombia to South Florida via aircraft, ocean-going vessels and luxury yachts belonging to the organization.

The indictment states that the alleged drug-smuggling enterprise is subject to the federal Racketeering Influenced and Corrupt Organization statute (commonly referred to as RICO) (18 USC 1961, 1962, 1963).

Counts 1 and 2 of the indictment charge that the defendants were a group of individuals engaged in a pattern of racketeering activity that affected interstate and foreign commerce.

The pattern of racketeering activity is alleged to have been the illegal importation and distribution of marijuana and cocaine, obstruction of justice, conspiracy to commit kidnaping within the aircraft jurisdiction of the United States and use of a communication facility, the telephone, to facilitate the smuggling and distribution of marijuana and cocaine.

By using the RICO statute, the government also seeks criminal forfeiture of property owned by organization members that allegedly was used to further their racketeering activities. In that regard, Count 2 of the indictment contains a provision that seeks forfeiture of three houses valued at approximately $1,000,000, several luxury yachts, the South Florida Auto Auction, a used car auction for dealers in South Florida, and three aircraft.

Count 39 of the indictment charges Meinster and Platshorn engaged in a continuing criminal enterprise and in a series of drug violations with other organization members over whom they had direct control and supervision and from whom they obtained substantial income and resources. Violation of this statute (21 USC 848) carries a possible maximum life sentence. This punishment is the most severe of any of the statutes involved.●

FURTHER RESEARCH AND SERVICES WITH REGARD TO RAPE VICTIMS

HON. DOUGLAS WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. WALGREN. Mr. Speaker, today I join my colleagues Mr. WAXMAN and Mr. PREYER in introducing a bill to authorize funding for research and services with regard to victims of rape.

The rising incidence of forcible rape in this country is alarming. From 1968 through 1977, the rate of forcible rape—number of rapes per 100,000 population—has increased 83 percent. At this present pace, the odds are better than 1 in 15 that a woman will be raped during her lifetime. According to the FBI, a rape is reported once every 10 minutes in the United States. Not every rape is reported, however. National surveys report a ratio of 1 to 3.5 reported to unreported rapes.

This bill can begin to address this serious situation by supporting a national initiative to deal with the problems associated with the crime of forcible rape. I would like to draw the attention of my colleagues to the text of my bill:

H.R. —

A bill to amend the Community Mental Health Centers Act to provide for further research and services with regard to victims of rape

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part D of title II of the Community Mental Health Centers Act (42 U.S.C. 2689q) is amended by adding at the end thereof the following new section:

"ESTABLISHMENT OF GRANT PROGRAM

"SEC. 232. (a) The Secretary, acting through the National Center for the Prevention and Control of Rape, shall make grants to, and enter into contracts with, State and local government agencies, and nonprofit organizations, to carry out the provisions of this section.

"(b) Any agency or organization which desires to receive a grant or enter into a contract under this section shall submit an application to the Secretary. Such an application shall be submitted in such form and manner as the Secretary may require. The Secretary may award a grant or enter into a contract under this section for—

"(1) the development and establishment of training programs (including counseling techniques for both victims of rape and offenders for professional, paraprofessional, and volunteer personnel in the fields of law, social service, mental health, and other related fields who are or will become primarily engaged in areas relating to the problems of rape;

"(2) direct treatment, which may include—

"(A) counseling for both the victims of rape and offenders,

"(B) medical, social, and legal services,

"(C) consultation with allied professionals, and

"(D) follow-up counseling;

"(3) the development of programs of community education and offender rehabilitation and counseling;

"(4) necessary transportation costs, including accompaniment to medical, social, and legal services;

"(5) self-help programs;

"(6) the operation of telephone systems to provide assistance to victims of rape;

"(7) emergency shelter programs; and

"(8) the support of demonstration projects which are likely to result in the development and implementation of methods of preventing rape, treating victims of rape, and the prevention and treatment of social problems related to rape.

"(c) Each entity participating in a program under this section shall—

"(1) establish a recordkeeping system to insure the protection of the privacy of victims of rape as well as other individuals involved;

"(2) establish internal procedures to measure progress in achieving the goals stated by the grantee or contractor in its application; and

"(3) establish a continuing education program for all staff members, both volunteered and paid.

"(d) The Secretary, in awarding grants or entering into contracts under this section, shall give priority to those applications which—

"(1) are designed to deal directly with specific and serious problems relating primarily to rape; and

"(2) are likely to be successful in carrying out the purposes of this section.

"(e) The Secretary shall review the effectiveness of the programs and projects carried out pursuant to this section.

"(f) Each summary submitted to Congress by the Secretary pursuant to section 231 shall contain a digest of the activities funded pursuant to this section.

"(g) Not more than 5 percent nor less than 4 percent of any funds appropriated to carry out the provisions of this section for any fiscal year may be used by the Secretary to provide technical assistance to any nonprofit organization which desires to submit an application under this section. The Secretary may provide such assistance to a nonprofit organization, upon request for such assistance, if the Secretary determines that such organization does not possess the resources and expertise necessary to develop and submit an application without such assistance.

"(h) The Secretary in carrying out the provision of this section shall seek to coordinate his activities with other activities relating to rape carried out by the Secretary and the heads of other Federal agencies.

"(i) Not more than 90 percent of the costs of any project shall be funded by a grant or contract under this section.

"(j)(1) There are authorized to be appropriated to carry out the provisions of this section (other than subsection (k)) $45,000,000 for the fiscal year ending September 30, 1980, $50,000,000 for the fiscal year ending September 30, 1981, and $55,000,000 for the fiscal year ending September 30, 1982.

"(2) The authority of the Secretary to enter into contracts under subsection (b) shall be effective in any fiscal year only to such extent or in such amounts as may be provided in advance in appropriation Acts.

"(k) The Secretary in carrying out his functions and administering the provisions of this section and without regard to any other provision of this Act, is authorized to obtain the services of not more than fifty-five full-time staff members to assist in carrying out the functions of the National Center for the Prevention and Control of Rape. There are authorized to be appropriated to carry out the provisions of this subsection $750,000 for the fiscal year ending September 30, 1980, $750,000 for the fiscal year ending September 30, 1981, and $750,000 for the fiscal year ending September 30, 1982.".

THE QUESTION OF NUCLEAR SAFETY

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. MATHIS. Mr. Speaker, I believe the attached letter from R. W. Scherer, president of the Georgia Power Co., Atlanta, Ga., contains important information that we should take into account during our current deliberations on the question of nuclear safety. I ask that it be inserted in the RECORD, at this point.

The letter follows:

GEORGIA POWER,
April 26, 1979.

Hon. DAWSON MATHIS,
Washington, D.C.

DEAR DAWSON: With increasing attention being given to nuclear safety as a result of the accident at the Three Mile Island plant in Pennsylvania, I want to take this opportunity to keep you informed of steps Georgia Power and its parent firm, The Southern Company, have taken to improve the safety precautions necessary with this particular form of electricity production.

As you know, Georgia Power is involved in the operation or construction of two nuclear power plants. Plant Hatch near Baxley, with the first unit producing 800,000 kilowatts has been in commercial operation since 1975. A second Hatch unit of comparable size is scheduled to come officially on line in May of this year. At Plant Vogtle, under construction near Waynesboro, two units will provide 2,300,000 kilowatts of power in the mid to late 1980s.

At the outset, let me assure you that present operations at Plant Hatch are conducted with the utmost regard for the safety of plant employees and residents of nearby areas. This conscientiousness was documented before the Georgia Public Service Commission on April 5 when James O'Reilly, director of Region 2 for the U.S. Nuclear Regulatory Commission, reported on Plant Hatch's safety record.

"Nothing is unsafe at Plant Hatch, and it has never been shut down for safety reasons," the official stated. "If it were unsafe, it would be shut down."

Mr. O'Reilly pointed out that in addition to having a resident NRC inspector on the site every day, the plant averages one inspection per week, most of which are unannounced and conducted at varying hours during the day and night. All inspections have shown that the plant is operated safely, he said.

It also was brought out in the official's appearance before the PSC that Georgia Power far exceeds NRC requirements for reporting any occurrences related to the nuclear plant operation. "Georgia Power reports more than is necessary, and we like that," Mr. O'Reilly stated.

It was, in fact, this tendency of Georgia Power to report to NRC even the most minute occurrences, that was quickly utilized by long-time anti-nuclear advocates in the state to issue emotional charges that NRC records list Hatch as being extremely unsafe.

Not only, as indicated above, are these charges completely unsubstantiated, but instead indicate the Company's unceasing emphasis upon ultra-safe operation. Furthermore, the frequency of these Company reports, as the NRC official outlined to the PSC, indicates Georgia Power's openness to suggestions on how to improve the plant's operating and safety performance.

In direct response to the Three Mile Island accident, The Southern Company has formed its own top-level task force to re-examine the major operational and safety systems of its three nuclear plants, including Georgia Power's two facilities and Alabama Power's Plant Farley near Dothan. It is headed by Ruble A. Thomas, a vice president with nuclear responsibilities for Southern Company Services, Inc., the engineering and technical services subsidiary of The Southern Company. Members include representatives of Georgia Power, Alabama Power, Southern Company Services, Oglethorpe Power Corporation, and the Municipal Electric Authority of Georgia, who will work closely with nuclear experts from General Electric, Westinghouse and Bechtel, firms that have participated in Southern's nuclear program.

Meeting for the first time on April 5, the task force decided to concentrate its initial efforts on identifying the potential for improvement in the same areas that came into question at Three Mile Island: design, operations, safety procedures, personnel training and evacuation plans. Any recommendations that result will be forthcoming by June and will be made available to the public, including state and federal regulatory officials. A series of on-site inspections has been scheduled by the task force, with the first one, to Plant Hatch, tentatively set for May 2.

The second phase of the task force's efforts will be to re-examine all other systems at our nuclear plants. This phase is expected to last several months.

Georgia will draw 16 percent of its electricity needs from nuclear power this year and approximately 35 percent by the end of the next decade. I want you to know that Georgia Power remains firmly committed to nuclear power as a source of energy to fuel our state's healthy economy, but that we do so with a heightened awareness of the need for continually improving vigilance in its use.

If I may provide additional information on this subject, please let me know.

Sincerely yours,

R. W. SCHERER.●

REVENUE SHARING TO THE STATES

HON. CHRISTOPHER J. DODD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. DODD. Mr. Speaker, I would like to express my support for the Conable amendment to House Concurrent Resolution 107, that would restore $2.3 billion in general revenue sharing funds for the States.

The House Budget Committee deleted the funds for State revenue sharing, despite the fact that the program will not expire until September 30, 1980. Funds have already been appropriated in State and local budgets across the country, and many States will have to hold special sessions to enact tax increases or program cuts if the general revenue funds are not appropriated. By the May 15 deadline for the first budget resolution, nearly one-half of the State legislatures will have adjourned for the year.

State revenue sharing moneys support a multitude of essential and effective programs in the areas of education, health care, elderly benefits, and criminal justice reform. In my State, Connecticut, we receive nearly $87 million annually in general revenue sharing funds. Of that $87 million $58 million goes directly to local governments and the State receives a total of $29 million. Last year, $6 million of the State share was passed on to local governments and the remaining $23 million was used to support mental health programs.

State revenue sharing funds are necessary. Some have argued that the State share of revenue sharing is no longer necessary because many States now have substantial surpluses in their budgets. However, statistics show that nearly half of the surplus is in only three States: Texas, Alaska, and California.

I would urge my colleagues to support the restoration of $2.3 billion in State revenue sharing funds and the continuation of programs that have already proven their worth to so many people.●

FRANKLIN MEMORIAL

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. GRAY. Mr. Speaker, recently my colleagues from Pennsylvania and New Jersey joined me in introducing legislation, H.R. 3614, which will insure the adequate maintenance of the Benjamin Franklin Memorial as the Nation's sole monument to one of its greatest Founding Fathers, Benjamin Franklin.

All of our lives have been touched by Benjamin Franklin's remarkable accomplishments. He was one of our Nation's first true patriots, and his contributions in domestic and foreign affairs were invaluable to the development of America.

Philadelphia is the home of a magnificent monument to Benjamin Franklin. It has been a source of pride and inspiration to the many visitors who come to the Benjamin Franklin Institute each year. Mr. Speaker, since 1938 approximately 20 million people have visited the great hall where a majestic 21-foot statue of Dr. Franklin sits. Through the years, the Franklin Institute has borne the financial burden of maintaining the hall and the interpretive educational displays which highlight Dr. Franklin's achievements. As the cost of maintenance has increased over the years, the institute has found that it has become more difficult to care for the memorial. It is for this purpose, to provide a modest assistance to the memorial, that we have introduced our legislation.●

THE ENERGY CRUNCH AND THE INTERNATIONAL CRISIS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. DORNAN. Mr. Speaker, the gasoline prices are soaring and the lines are getting longer; and the good people of the State of California are justifiably losing their patience. Moreover, the Members of the House and Senate are being treated to a foreign policy that looks as if it were formulated somewhere over the rainbow.

Mr. Hal Fishman, a distinguished commentator in Los Angeles and a great friend, had demonstrated a perceptive insight into these problems. I would ask my colleagues to consider his observations on the current energy and foreign policy issues confronting this country.

The comments follow:

COMMENTARY BY HAL FISHMAN ON CHANNEL 5 NEWSWATCH, MARCH 1, 1979

It's panicsville time again. We get 3 percent of our oil from Iran—that has been temporarily cut off—so the Federal Government sends out the shock waves: The voices of doom in the Carter Administration blare forth and news headlines proclaim the possibility of 1.6 gallons of fuel per day, and other dire fuel allocation and rationing procedures. Even Sheik Yamani of Saudi Arabia said there is no reason to be overly concerned. Other countries can take up the Iranian slack until Iran exports again. For days, and even weeks, now, Mr. Carter and Mr. Schlesinger have been sounding off on the terrible behavior patterns of the American public; chiding us for our wastefulness and threatening us if we don't conserve.

Well, conservation is a most admirable philosophy, where practical—but for the Administration to blame the public when it has absolutely no energy policy of its own is irrational. If the Federal Government proceeds on a crash program to build nuclear power plants that are safe, clean and provide low cost energy, and if the Federal Government provides the funds for research and long-term development of solar and geothermal energy sources, there would be such a tremendously reduced demand for petroleum that there would be a glut of fossil fuels on the market, and the price would be driven drastically lower.

Instead of treating the cause of the problem, the Administration is concerned only with the effects. For example, giving every car owner 1.6 gallons of fuel per day is simply ridiculous. It favors the rich and penalizes the poor. It has no impact on the idle and harms the worker. Some wealthy playboy with 2 or 3 cars and no steady job gets at least 144 gallons of gas per month, while the worker who must drive to work some considerable distance may lose his job because he can't get to it. We're constantly being told that our known reserves of oil are limited and they're running out. This part of the government's panic program reads like science fiction. Images of frozen cities and immobile vehicles.

Well, what about the unknown reserves. If the government is dragging its feet on nuclear and solar power, why not give the oil exploratory companies the tax incentives to find and drill new sources on a massive scale. Look what Mexico discovered just recently—more oil than exists in the Saudi Arabian fields. Now, are we to presume that such vast deposits do not exist elsewhere? Of course they do. We have the technology—let's use it. Indeed, there is an energy problem—if there is no policy—what about energy priorities? Even these are poorly conceived and misapplied.

One of the leading priorities initiated by Washington to deal with the enormous trade imbalance due to huge oil imports is to drive 55 miles per hour. Now that's like trying to put out a forest fire with a water pistol. In the first place, few observe the limit and secondly, in some areas it is more wasteful in time and efficiency than in the few gallons it saves. For example, 55 miles per hour may be fine on freeways in urban areas where higher speeds over short distances save only a minute or two and do result in higher death rates because of the congested traffic.

But in the vast open spaces—relatively lightly traveled—55 miles per hour is inadequate and of negative value. No doubt, these are difficult times. There is tremendous demand for oil in this country and in the industrialized world. And there will continue to be such demand until we develop our nuclear and solar resources—which we must do. An immediate issue is price—not supply. We are still an industrial giant and should use our great economic power against OPEC blackmailers when they try to exploit us with exorbitant prices for their oil. Even this we have not done. We merely passively accept their price hikes, pay the bills and watch inflation soar and our dollars diminish. In other words, it's time to act—to formulate a firm energy policy and carry it out to victory as though we were in a war for our very survival. Because in a very real way—we are.

COMMENTARY BY HAL FISHMAN ON CHANNEL 5 NEWSWATCH, MARCH 2, 1979

At no time in recent history have the international affairs of this country been handled so badly, so ineptly, so dangerously. This is not a partisan statement; it is merely an observation based upon a careful analysis of recent events. I am convinced that Jerry Brown, Teddy Kennedy, Ronald Reagan, or Howard Baker, to name a few, could do a better job in the international arena than Jimmy Carter. In a way, it's a tragic observation.

When Mr. Carter assumed office, there was an appealing quality about the man—he was a peanut farmer from Georgia who made it big in State politics and whether you voted for or against him, there was the hope he would succeed. He wasn't a really famous name or great celebrity and Americans kind of like the story of the small-town boy who makes good. Unfortunately, this small-town boy is in way over his head. The job is simply too big for him and he is evidently incapable of meeting the challenge. I think it is time this was said publicly. It's not opinion, but fact, that Mr. Carter journeyed to Mexico and insulted the Mexican people and their President with crudities about digestive problems at a time when extreme delicacy was essential considering negotiations over sources of petroleum.

In the Middle East crisis, the charades at Camp David ultimately driven wedges between this country and friends we once would count upon on both sides of that conflict. It is almost inconceivable that a President of the United States could antagonize both Israel and Saudi Arabia. The Saudis have cancelled a planned State visit because of their disaffection with Mr. Carter, and the Israelis have been snubbed by Carter, who calls a summit conference with the number one man in Israel and the number two man in Egypt. Now this shows a lack of diplomatic skill unparalleled in the annals of diplomacy.

At the same time, his brother is acting as a virtual agent for a radical foreign power, Libya, that finances terrorism. The fact is that we have failed to check the expansion of those interests that are hostile to our own anywhere on this Earth. If we have any policy at all, it is "to not get involved". Well, we are involved. Our industrial and economic life depends upon oil. We needed a stable Iran that was friendly to us and our allies. The Shah was pressured to liberalize his regime—and it was liberalized right out of existence. We couldn't even defend our own embassy—in law, the territory of the United States—from an attack we knew was inevitable. We were impotent in stopping the murder of our Ambassador to Afghanistan while the Russians were directing the shootout in Kabul.

In Africa, America could have filled the power vacuum left by the departing colonial powers with a wise grant of help to the emerging independent states economically, technically and militarily; but instead, that role is now being filled by Russia, Cuba, and Red China. We lost our will in Africa just as we did in Southeast Asia and the price we are and will pay is just beginning to be felt. These are ominous times in which we live. The conflict in Asia today reveals how close great power confrontation actually is.

And yet, the President of the United States insists that even if the Senate does not approve a Strategic Arms Limitation Agreement with the Russians, he will observe it anyway through the exercise of his executive powers. Such a view is not only foolish, and dangerous, but approaches a direct violation of the Constitution.

These are but a few of the serious issues facing this country in 1979. Next year is an election year and the great political parties of this nation will select candidates who will aspire to the presidency. Let us hope they will be equal to the job.●

TAX CREDIT FOR NEW HOMEBUYERS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. GINGRICH. Mr. Speaker, there are many young couples trying to save the downpayment for their first home. I would like to bring to the attention of my colleagues a way to take 1 year off the average time it would take to save a large downpayment.

I am referring to the Young Families Homeownership Act of 1979 offered by Representative Dan Quayle, of Indiana. The bill will allow a 20-percent tax credit on savings accounts established for the downpayment on a first house. The interest on such an account would be tax-free. The 20-percent tax credit and the tax-free interest will take about 1 year off the total savings time used to accumulate the downpayment on an average priced house.

I read that the average priced new home has risen from $23,400 in 1970 to $67,600 this year. The average downpayment on a $67,600 house is $13,000. The way I figured it, it would take 5 years and 1 month for a couple saving $200 per month to accumulate the downpayment. Under the provisions of the Young Families Homeownership Act, it would take the same couple, saving the same amount of money per month, only 4 years and 1 month to save the downpayment.

For those couples who can afford to put more than $200 aside each month, the bill allows a maximum $500 tax credit per year. This means a couple could put up to $2,500 a year into the account. The account may total up to $10,000 over a 10-year period. The stipulations on this account are that the money be used within the 10-year period and that the money only be used toward the downpayment on a first house.

I have cosponsored a similar bill that allows for a tax deduction on a savings account established for a first home downpayment. I favor the tax credit simply because it benefits more people. Lower and middle income couples usually rent their homes and don't itemize deductions on their tax returns. A tax deduction would not benefit them. But a tax credit would not exclude anyone, regardless of how they file their income taxes.

I would like to urge my colleagues to join me in cosponsoring this legislation. For those who are not familiar with the legislation, the text has been reprinted below:

Mr. Quayle. Mr. Speaker, today I am adding names to the cosponsorship of H.R. 2410, the Young Families Homeownership Act of 1979. I am also pleased to provide information on several of the features most prominently mentioned in this Act.

The Young Families Homeownership Act establishes individual housing accounts, into which contributions can be made by those persons who are saving toward the purchase of a first home. Tax credits of 20 percent may be taken on the contributions to this account, for a maximum credit of $500 per year. The account may total $10,000 over a ten-year period, and interest on the account is tax-free.

If the money is used for any purpose other than to make the downpayment on a first home, there is a penalty and the tax benefits are returned to the Treasury.

This bill is structured as a credit and not a deduction due in large part to testimony given by the Department of the Treasury when the Senate Banking Committee held hearings on a similar bill in 1977. It was the Treasury position that deductions would apply too extensively to those in the upper income brackets, whereas a credit could be claimed by those in the middle and lower income levels. There is also the important consideration that renters—certainly one of the most affected groups under this bill—generally do not itemize their tax returns and therefore could not take advantage of a tax deduction. A credit, however, would be useful.

Treasury also testified that a tax deduction would cause a much greater loss of tax revenue than a tax credit. As a result of these views, the bill in the 95th Congress was amended to provide tax credits and to further restrict its applicability to first homes only. This bill reflects those changes.

Cost estimates for this bill vary somewhat according to basic assumptions on the number of participants in the program. It is generally conceded that roughly 50 percent of those eligible will actually utilize IHA's. The Joint Committee on Taxation estimates the following costs to the federal government for H.R. 2410:

	Billion
1980	$0.52
1981	1.46
1982	1.66
1983	1.97
1984	2.18
1985	2.23

After 1985, costs would stabilize at approximately $2.2 billion per year. This only takes into account the loss of revenue as a result of this program; it does not attempt to figure in the additional revenue created by increased housing starts and the resulting generated economic activity.

It is apparent that this bill will be beneficial to all those who still seek to realize the American dream of owning your own home, and this group includes many more than just young families (although statistically they are the largest group). There are additional considerations which make this bill attractive.

It will boost savings. The U.S. League of Savings Associations, pointing out that the U.S. has the lowest personal savings rate of any industrialized nation, has supported legislation such as this as a means of providing increased funds for savings and loans institutions. This in turn will help to alleviate the pressure in the credit market and is expected to help stabilize or even lower interest rates in this area.

Finally it will act as a stabilizing factor in the housing industry. New housing starts have been declining in recent months and non-seasonal indicators point to a downtown. By facilitating the purchase of new homes through these IHA's we will serve to bolster this economically crucial industry. Housing industry experts also predict that this incentive will act to moderate the cyclical nature of the housing industry, which in turn will moderate costs.

In short, this bill will have beneficial effects for first-time home buyers, savings institutions, and the housing industry. It will cost the government little in terms of these benefits. In the many foreign industrialized nations where similar programs are already in operation, they have proven highly successful and very popular.

Hearings are expected in the Senate on this bill during the 96th Congress, and I am hopeful of generating similar interest in this body. We owe it to those who still believe in the American dream to enact this legislation.●

SEND THE EPA THE BILL

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. HILLIS. Mr. Speaker, in the Friday, May 4 edition of the Wall Street Journal, there appeared an editorial entitled "Send the EPA the Bill." This editorial is an excellent description of why there currently is a shortage of unleaded gasoline.

On Wednesday, May 9, the House of Representatives will be asked to approve the President's emergency standby authority for gasoline rationing. The basic assumption which the President uses to justify this measure is that the supply of gasoline is limited. With demand running higher than supply, shortages are inevitable. According to the President, the only fair way to cope with this situation is to institute gasoline rationing.

The fallacy of this argument as outlined by the Journal's editorial is that the supply of gasoline is not completely predetermined by our supply of crude oil. There are methods of increasing the supply of gasoline without increasing consumption of crude oil.

It is incomprehensible to me why the administration prefers gasoline rationing to other available methods of coping with insufficient gasoline supplies. Since the short supply of gasoline is artificially caused by Federal regulations, why not enact Federal regulations which will increase the supply instead of imposing the horrors of gasoline rationing on the American people?

I hope my colleagues will read the editorial which follows this statement and keep it in mind when voting on the President's proposal this Wednesday.

The editorial follows:

Send the EPA the Bill

Motorists are once again being forced to prowl the streets and highways in search of gasoline, wasting their own time and what fuel they have left in their tanks. The politicians are once again urging them to believe that they are victims of an oil industry conspiracy. The administration, ever alert for new bureaucracy expanders, is trying to overcome congressional resistance to standby gas rationing.

With all the misinformation and conspiracy theories being spread about, it might be hard for the harassed driver to believe that there are some reasonably simply reasons for his difficulties in buying unleaded gasoline. If he must fix on one single villain other than the Ayatollah Khomeini, we would suggest the Environmental Protection Agency.

There is a shortage of unleaded gasoline because the EPA, in inflicting its auto exhaust emission rules, misjudged how rapidly those rules would raise demand for unleaded gasoline. That is the central problem. It has been aggravated by Iran's troubles, by some special interest boodling Congress wrote into the Energy Policy and Conservation Act of 1975 and by DOE's premature efforts to force industrial users of natural gas to switch to other fuels.

First the EPA. It has forced rapid conversion to unleaded and low-lead gasoline without accurately gauging the consequences for petroleum refining. When refiners take the lead out of gasoline, they must use more of the scarce natural elements in crude oil to give gasoline its necessary anti-knock properties. You thus get less gasoline from a barrel of crude when you are making unleaded or low-lead fuel than when you are using lead.

New catalyst-equipped cars that require unleaded have been selling briskly. EPA, as any recent buyer knows, routinely overestimates their gasoline mileage performance. Unleaded demand has shot up 70 percent in the last two years and will go up another 22 percent this year, according to a Chase Manhattan Bank estimate.

While the EPA is forcing unleaded demand upward DOE has a ceiling clamped on the price, discouraging expansion of capacity. The energy act, with its well-known "small-definer bias" designed for the benefit of good friends of certain key Congressmen, further discourages construction of the large refineries that are most efficient in separating out the components needed to make unleaded.

Add in the Iranian crude production shutdown, which has kept refiners operating at less than capacity. Then add in the natural gas act, which unnecessarily and prematurely forced some large natural gas users to switch to heating oil. When that is combined with the colder-than-normal winter we've just endured, you have a serious rundown in the spring stocks of heating oil.

So energy czar Schlesinger has ordered the refiners to build up heating oil stocks for next winter before they switch their refineries over to their maximum capacity to make gasoline. (There's an overlap in the crude fractions that enables refiners to make either relatively more heating oil or more gasoline to suit seasonal demands.)

Put all this together and you have motorists wandering around looking for unleaded gasoline, courtesy of their Federal Government. EPA need not have caused this shortage. Its insistence on catalysts was unnecessary to achievement of acceptable air quality. It has subsequently displayed its arbitrariness by rejecting MTM, a lead substitute which is compatible with catalysts, which would have stretched the gasoline supply and which EPA cannot show to have adverse health effects when emitted with exhaust.

The government's answer to the problem is not to send someone in to shake up the EPA but to send someone out to shake up the consumer, by issuing him with ration stamps and letting him line up at the gasoline pumps while the attendant and the bureaucrats try to manage his coupons.

We only hope those motorists sitting in lines will begin to wonder why it is that the oil companies get blamed for everything. ●

WESTERN AGRICULTURE IS IN DEEP TROUBLE

HON. JAMES P. (JIM) JOHNSON

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. JOHNSON of Colorado. Mr. Speaker, there seems to be a never-ending lack of understanding by this administration of the special problems of agriculture in the West. This is very clearly illustrated in a recent commentary by Chris Jouflas, a longtime Colorado sheepman, published in the Grand Junction Sentinel.

I commend the article to my colleagues:

Western Agriculture Is in Deep Trouble

Agriculture is the nation's number one industry, employer, inflation fighter and exporter. It has assets of $768 billion, employs around 15 million people, has a rate of productivity double that of non-farm industry and exported more than $27 billion in 1978.

Most importantly, American agriculture feeds the nation. Meat, bread, vegetables and other foods are not produced in supermarkets, they are only sold there.

But agriculture, particularly agriculture in the West is in trouble. The trouble is double-pronged pincers called government regulation and inflation and it appears that the effect will lead to the end of a viable sheep industry in the West and continued difficulties for cattlemen and farmers.

If you doubt that, take a look at the Eagle River drainage. Several years ago, 50,000 sheep grazed the area; today only 5,000 sheep graze there.

Effective March 1, the Carter Administration raised grazing fees by the maximum legal limit, 25 percent. This is the same Carter Administration that established a seven percent wage and price guideline in hopes of curbing inflation.

The increase affects only public land users in the West, where many ranchers are tied to the federal permit system. It is a privilege to be a federal permittee but it is becoming more difficult and more expensive.

The price keeps going up and the regulations on how and when to use the land keep coming down. What's more, an increasing amount of land is being withdrawn for wilderness designation.

Grass growing on public land is a renewable resources that must be harvested despite any pie-in-the-sky desires of Washington bureaucrats.

Labor in the sheep industry carries with it the same contradiction as it does in the fruit industry. The government has precluded the use of foreign sheepherders on the basis that there are domestic workers available that can and must be used. If that is the case, the whereabouts of those workers remains a mystery to those of us outside the government.

One of the more readily acceptable forms of predator control on public lands is also one of the most expensive and energy consumptive: get permission, hire a helicopter at $165 an hour and shoot the predators.

A more practical method, like the M-44 cyanide gun can be used on public land only after compliance with 26 regulations.

By government regulation the poison 1080 can be shipped across state lines for rat control but it cannot be shipped across state lines for coyote control.

These kinds of regulations coupled with the government's import policy promise to create a foreign dependence on food similar to our current foreign dependence on energy. Australians and New Zealanders who do not face the same costly regulations as American sheepmen are shipping lamb into the United States that sells for 50 cents a pound less than lamb produced in the United States. Domestic producers should be given an equal chance in the marketplace, either by being allowed to grow sheep under the same terms as foreign producers or by adoption of a 50-cent per pound import duty.

Of the $300 to $500 paid for a wool suit today, the woolgrower gets $2.75. Of the roughly $3 per pound lamb in the supermarket, the sheepman gets 60 cents a pound live. And those 60-cents a pound sheep are being hauled and herded by people using a pickup truck that now costs $10,000.

If food produced in the United States increased at the same level as other goods or services, such as medicine, a great many people would be going hungry today and the economy would be in shambles.

The sheep industry as we know it is dwindling. It is difficult to assemble new ranches and it is difficult to retain the existing ones in the face of the challenges facing agriculture and the increasing value of land for other purposes.

And, that does not affect only the sheepman. It affects the prices paid for food and fiber and the strength and diversification of our local and regional economies. ●

AN INSPIRATION FOR ALL OF US: SISTER GLORIA COLEMAN

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. GRAY. Mr. Speaker, perhaps the most significant award presented each year in Philadelphia is the Gimbel Award, which honors an individual who has made an outstanding and unique contribution to the civic life, welfare, and humanity of our city.

This year, for the first time in its 47-year history, the Gimbel Award has been presented to a member of a religious order. The honoree is Sister Gloria Coleman, who serves on the staff of the office of the Cardinal's Commission on Human Relations of the Archdiocese of Philadelphia.

I am proud to say that I have served with Sister Gloria on the executive committee of the Philadelphia Interreligious Task Force on Soviet Jewry. This is just one of the many organizations whose work has benefited from the leadership and participation of Sister Gloria, and I have seen first hand her unselfish dedication to justice, equality, and the improvement of the quality of life for all people.

Sister Gloria has labored for thousands of hours beyond the call of duty on a wide range of issues. She has subjected herself to personal danger by visiting the Soviet Union to meet with dissidents and activists; and she has worked tirelessly to relieve the tensions in our community caused by interfaith and intercommunity misunderstandings.

Mr. Speaker, the trustees of the Philadelphia Gimbel Award can be exceedingly proud of their selection of Sister Gloria Coleman for this year's tribute. I extend my congratulations to her, and I offer for the RECORD the following editorial commentary from the Philadelphia Inquirer of May 4, 1979, as an expression of the inspiration that Sister Gloria instills in all of us in Philadelphia:

SISTER GLORIA'S INSPIRATION

Some rare individuals live their lives in tireless pursuit of justice, understanding and harmony among human beings. Sister Gloria Coleman is such a person in the eyes of those who name the recipient of the Gimbel Philadelphia Award. This week Sister Gloria, associate director for ecumenical and interfaith affairs of the Cardinal's Commission on Human Relations, was presented the award, given yearly to women who have outstandingly served humanity.

Sister Gloria is the first member of a religious order to receive the Award since it was established in 1932. Her nomination for it by B'nai B'rith Women of Greater Philadelphia indicates the focus of her work: greater understanding among people of different faiths.

A list of Sister Gloria's affiliations is impressive. She has chaired the Philadelphia Interreligious Task Force on Soviet Jewry, the Philadelphia Coordinating Council on the Holocaust, and the Interfaith Women's Committee. She has been a member of Northeast Interfaith Council and the Human Rights for Ukraine-Moroz Committee.

But the titles and committees do not reveal the courage of a woman who has spent hours visiting dissident Jews in Russia, who here at home has helped relieve community tensions by leading dialogues among people of different religious faiths. Those are activities which demand patience, determination and vision.

Perhaps it's through that vision that others can best learn from Sister Gloria. In accepting her award she said, "There have been differences and misunderstandings through the centuries, but in a new climate things can be different." Believing that things can be different and working to make them so is what has drawn Sister Gloria into the limelight. If her award inspires others to strive for similar goals, it will have an impact beyond its immediate, and important, effect of calling attention to work well done.●

UNDER A TRUE GOLD STANDARD, THE FREE MARKET DOES NOT FIX THE PRICE OF GOLD

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. PAUL. Mr. Speaker, recently I did a survey of my constituents in the 22d District of Texas. All the results are not in yet, but on the question of whether our dollar should be backed by gold or silver, a preliminary count shows: 74 percent, yes; 17 percent, no; and 9 percent, not sure.

I believe the people of this country would welcome a dollar backed by more than the promises of politicians.

One of the clearest voices in favor of a backed currency is Dr. Donald Kemmerer's. As president of the Committee for Monetary Research and Education, he has clarified many of the issues involved in a backed currency.

Recently, he addressed the question of whether a gold standard would call for a fixed price for gold. I would like to call Dr. Kemmerer's excellent article to my colleagues' attention. As inflation continues to rob the productive people in our country, and those on fixed incomes, we need to take Dr. Kemmerer's views seriously.

The article follows:

A common criticism of the gold standard is that it calls for a fixed price for gold. Monetarists in particular are emphatic about this. This is not a valid criticism for it is based on a misunderstanding of the gold standard or any other commodity standard.

"Keep your eye on the ball," is the advice an instructor gives when you play golf or tennis or almost any game involving a ball. The same principle applies when one discusses money standards. One must keep one's thinking on the standard he is considering.

SHOULD A MEASURE OF WEIGHT VARY?

The colonists in 17th century Virginia used tobacco as money. A pound of tobacco was the unit of account, that is, the standard money. Would free market proponents of the 20th century say that the market should somehow determine how many ounces a pound should weigh, with the weight varying from one day to the next? If the pound is the measure, it must remain constant.

Would the advocates of the free market then let the market determine how much a pound of tobacco will sell for? That makes no sense, for since the money unit itself is a pound of tobacco, surely a pound of tobacco will sell for a pound of tobacco. What else? The cost of other commodities, valued in pounds of tobacco, may vary. Indeed, if the prices of most of these tend to rise, any economists will tell you that the buying power of the money is falling. That too happened with the tobacco standard in Virginia.

DOLLAR DEFINED AS A WEIGHT OF GOLD

Just as under the tobacco standard, the money unit under the gold standard of the 1834–1933 era was what 23.22 grains of pure gold, called a dollar, would buy. That might vary for most commodities and services but a dollar would buy only a dollar.

Up to 1933, the Mint could coin 20.67 dollars from an ounce of gold because a troy ounce contains 480 grains. The $20.67 unfortunately came to be called the Mint "price" of gold but it was not a price at all in the market sense of the word price. It was just a quotient in a long division problem, that is, 480 divided by 23.22 equals 20.67. This is not fixing a price; it is simply the number of dollars the Mint can coin from an ounce of gold. Of course, the Mint has to make sure that the gold content of the coins—23.22 grains per dollar—does not vary. Imagine that a gold miner brought 100 ounces of gold to the Mint and asked that the metal be struck into coins so that he could spend it. It was his gold; he mined it. The Mint would have given him $2,067 in gold coins for his metal—until 1933.

When a nation is on the gold standard, gold has no market price. It is the material in which all prices are quoted. All other monies, i.e., bank notes, checking accounts, and a few others, are directly or indirectly redeemable in gold dollars on demand.

GOLD DOES HAVE MARKET PRICE UNDER A PAPER STANDARD

Today the United States is on a fiat paper money standard. There can be no further doubt about it since August 15, 1971. What is the price of the paper dollar bill? It is another paper dollar. Now, gold is just a commodity, like tobacco, soy beans, coffee oil or lettuce. The market place determines the price of gold in terms of paper dollars just as it determines the prices of those other commodities in paper dollars. Also, as the buying power of the paper dollar dwindles as a result of currency inflation growing out of chronic deficits, the prices of gold and other commodities tend to rise.

During the American Civil War, 1861–65, and for some years afterwards, when the nation was temporarily off the gold standard and on a fiat paper money standard, the market place also determined the price of gold in terms of Greenback (fiat paper money) dollars. That market place was the then renowned Gold Room, an adjunct of the New York Stock Exchange. But when the country returned to the gold standard on January 2, 1879, the price of a gold dollar was again a gold dollar or else a bank note convertible into a gold dollar. The Gold Room had no more business and it closed.

WHY THE CONFUSION ABOUT THE GOLD STANDARD?

All of the above seems clear, if not obvious. How could so many intelligent people, among them many distinguished economists, become confused?

The confusion arose from the hybrid kind of money standard that this nation had from 1934–71. The government left the gold coin standard in March, 1933 and said that it returned to a gold standard in January, 1934. Upon returning, the government "devalued" (lowered the gold content of) the dollar from 23.22 grains to 13.7 grains. The Mint "price," or better said, the new quotient, became 35 (480 divided by 13.7 equals 35). Thus the former Mint "price" of 20.67 was replaced by $35.

However, the United States did not return to a gold coin standard in 1934—some say that we did not return to a gold standard at all. Personally, I would agree. In 1934, a restriction was put on the individual's right to redeem paper dollars in gold. No longer did individuals or businesses have the right to redeem Federal Reserve notes or other paper dollars in gold on demand. The money standard is not a true gold standard if the government limits anyone's right to present paper dollars for redemption in gold ones. For example, back in 1917–1919 when the government forbade selling gold abroad, that limitation was said to have taken the country off the gold standard. No one then disputed it and when the government removed that war-time prohibition in June, 1919, the country was said to have returned to the gold standard.

In 1934, however, had the country really returned to a gold standard? There was some dispute at the time as to what kind of a standard the country had. Some called it a gold exchange standard. It was not. A renowned expert described it as a "qualified gold bullion standard." If so, the emphasis should be laid on the word, qualified. It certainly was not any traditional type of gold standard or any kind the world had previously known.

A HYBRID STANDARD-FOREIGN VS. DOMESTIC

Three conclusions are sure: First, for most of the years, 1934-1971, the United States maintained its standard nearer to the traditional gold standard than did any other nation. Second (and the basis of the first statement), to settle foreign payments balances, this country followed traditional gold standard rules: the government transferred or shipped gold to foreign treasuries or central banks. Third, in domestic trade, however, which is many times the size of foreign trade, the nation did not follow gold standard rules, instead, it was on a fiat paper money standard. Any American entitled to own gold—and there were relatively few who were—had to pay at least $35 an ounce for it. By the 1960's, the dollar looked weaker and many individuals lost confidence in it. Gold was sought as a "hedge" against inflation, with the result that the price of gold on the gold markets in England, France, Germany and elsewhere rose above $35 an ounce. None of those countries was on the former type of gold standard as closely as was the United States, although their treasuries had accumulated gold reserves. All this led to further complications, high prices for gold and government efforts to depress those prices.

As the people of the United States saw it, or were told to see it, gold had a market price. Many experts had said that the nation was on a gold standard, although a type of gold standard that was new to the world. This is the origin of the confusion.

RETURN TO GOLD STANDARD TERMINATES INTERNAL GOLD MARKET

One nation's money, of course, always has a price in terms of another's money. Also, in any nation not on a gold standard, gold is only a commodity and the market price for it fluctuates. But, as was demonstrated when the Gold Room was closed in 1879, as soon as a nation adopts the gold standard, there cannot be an internal market place for gold because gold dollars have become the measure in which all prices are quoted.

NOTE

Article I, Section 8, Paragraph 5 of the U.S. Constitution gives Congress the power "To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures." "Regulate the value" of money meant determining the weight and fineness of the coin, thereby its value. All this was provided in the same sentence that gave Congress authority to establish the standard of weights and measures. Just as Congress legalized 5280 feet, called a mile, as a measure of distance and 480 grains, called a troy ounce, as a measure of weight, so in 1792 it made 24.75 grains of pure gold or 371.25 grains of pure silver, called a dollar, the measure of value.●

MX: ALTERNATIVES

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. DELLUMS. Mr. Speaker, I am introducing into the RECORD an article on the MX missile written for me by Dr. Thomas Karas of the Center for Defense Information:

ANALYSIS OF THE MX, PART 5: ALTERNATIVES

The MX, as advocated by the Air Force, would not cure the "Minuteman vulnerability problem" for many years to come. Given the hypothetical nature of the problem and the unlikelihood of the Soviets gambling all on "one cosmic throw of the dice" (Secretary Brown), it might well be asked whether the "problem" really requires a "solution."

One alternative to the MX would be simply to leave our ICBM's as they are. In the unlikely event of a limited, tit-for-tat nuclear war, they would still be available for accuracy and precise command and control. In the event that the majority of them were destroyed in a large nuclear attack, the U.S. would retain thousands of retaliatory weapons in submarines and on aircraft. In fact, even with MX, in the coming years nuclear weapons on ICBM's will constitute a declining percentage of U.S. nuclear forces.

If we really fear a Soviet gamble on an attack on our ICBM's alone, then another alternative is to remove the ICBM's altogether, thus eliminating the "counterforce" limited nuclear war option from Soviet capabilities.

Another alternative would be to leave only about 200 or so Minutemen III missiles in place. Those who believe in the possibility of limited, tit-for-tat, nuclear war would still have ICBM's available for that purpose. At the same time, the missile force would be too small to tempt a Soviet "counterforce only" strike.

On the other hand, if it is decided that the U.S. *must* have a guaranteed survivable ICBM, other possibilities have been suggested. For example, we could deploy a missile in numbers large enough to match present Minuteman capabilities but still small enough not to threaten the Soviet ICBM force and thereby escalate the arms race. Both to ensure survivability and to allow the number deployed to be easily monitored by the Soviet Union, this missile could be placed on small, cheap submarines based in the waters of the U.S. continental shelves. Dr. Sidney Drell and Dr. Richard Garwin have commended this option to the House Armed Services Committee.

In summary, this analysis has shown the following.

First, the question of whether the U.S. needs a guaranteed-survivable ICBM should be separated from the question of whether we ought to have a first-strike ICBM for attacking the whole Soviet ICBM force.

Second, the MX basing schemes currently under consideration have major disadvantages. They appear to create more problems than they solve.

Third, the MX will probably stimulate the strategic nuclear arms race. In doing so, it will also sow the seeds of its own military obsolescence.

Fourth, the "problem" of Minuteman vulnerability is more hypothetical than real. It does not call for an urgent solution. If it did, the MX deployed in a "shell-game" mode does not seem to be that solution.

Fifth, cheaper, safer alternatives to the MX are available.●

ALASKA LANDS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. DINGELL. Mr. Speaker, State affiliates of the National Wildlife Federation are continuing to express their support for the Breaux-Dingell substitute to H.R. 39.

One of the major State organizations to recently endorse this legislation is the Pennsylvania Federation of Sportsmen's Club. For the benefit of my colleagues, I am inserting this telegram into the RECORD:

PENNSYLVANIA FEDERATION OF
SPORTSMEN'S CLUB, INC.,
Greensburg, Pa., May 4, 1979.

Representative JOHN DINGELL,
Rayburn House Office Building,
Washington, D.C.

Pensylvania Federation of Sportsmen's Club, Inc. urges you to vote in favor of the Breaux-Dingell substitute amendment to H.R. 39.

WENDELL PETERSON,
Vice-president.●

VIEW ON SPACE POLICY

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. PAUL. Mr. Speaker, novelist James J. Michener recently testified before the Senate space policy hearings. As a Pulitzer Prize winning author and historian, he has some provocative things to say about our space program.

Since NASA's LBJ Manned Flight Center is in my district, I would like to bring Mr. Michener's eloquent statement to my colleagues' attention:

[Aviation Week & Space Technology, Feb. 12, 1979]

AN OBLIGATION TO PURSUE

. . . The U.S. must have a sensible space program, whether it wants one or not. To fail to keep up with new developments in this field would be disastrous, and any Administration which permitted a lag should be condemned. We must know what the capabilities of space are, and we must retain our proficiency in using them.

I think we have done a fairly good job in this area so far, and I would suppose that from our strength we would be able to deal intelligently with those other nations who have attained or will attain a comparable capacity. This is the great unknown of the universe, and we in 1979 are as obligated to probe it and use it and participate in its control as the nations of Europe were obligated to explore their terrestrial oceans in 1479.

The future and the safety of those nations depended upon their mastery of the seas; ours depend in shocking measure to our cautious control of space, and if we abandon it to others we condemn ourselves.

It is extremely difficult to keep a human life or the life of a nation moving forward with enough energy and commitment to lift it into the next cycle of experience. My own life has been spent chronicling the rise and fall of human systems, and I am convinced that we are all terribly vulnerable.

I do not for a moment believe that the spiritual well-being of our nation depends primarily upon a successful space program. There are, as William James said, moral equivalents to war, moral substitutes for any charismatic national experience. I am sure we could as a nation attain great spiritual reassurance from rebuilding our cities or distributing our farm produce better. And my experience in the arts has taught me to be suspicious of late fashions or high styles. Space programs are stylish today and run the risk of being abused.

But I also believe that there are moments in history when challenges occur of such a compelling nature that to miss them is to miss the whole meaning of an epoch. Space is such a challenge. It is the kind of challenge William Shakespeare sensed nearly 400 years ago when he wrote:

There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures.

We risk great peril if we kill off this spirit of adventure, for we cannot predict how and in what seemingly unrelated fields it will manifest itself. A nation which loses its forward thrust is in danger, and one of the most effective ways to retain that thrust is to keep exploring possibilities. The sense of exploration is intimately bound up with human resolve, and for a nation to believe that it is still committed to forward motion is to insure its continuance.

I doubt if there is a woman or man in this room who honestly believes that the U.S. could ever fall backward, as other nations have within our lifetime. Intuitively we feel that we are exempt. Yet for us to think so is to fly in the face of all history, for many nations at their apex were inwardly doomed because their willpower had begun to falter, and soon their vulnerability became evident to all. Enemies do not destroy nations; time and the loss of will brings them down.

Therefore we should be most careful about retreating from the specific challenge of our age. We should be reluctant to turn back upon the frontier of this epoch. Space is indifferent to what we do; it has no feeling, no design, no interest in whether we grapple with it or not. But we cannot be indifferent to space, because the grand slow march of our intelligence has brought us, in our generation, to a point from which we can explore and understand and utilize it. To turn back now would be to deny our history, our capabilities.

Each era of history progresses to a point at which it is eligible to wrestle with the great problem of that period. For the ancient Greeks it was the organization of society; for the Romans it was the organization of empire; for the medievalists the spelling out of their relationship to God; for the men of the fifteenth and sixteenth centuries the mastery of the oceans; and for us it is the determination of how mankind can live in harmony on this finite globe while establishing relationships to infinite space.

I was not overly impressed when men walked upon the moon, because I knew it to be out there at a specific distance with specific characteristics, and I suppose that we had enough intelligence to devise the necessary machinery to get us there and back. But when we sent an unmanned object hurting into distant space, and when it began sending back signals—a chain of numbers to be exact—which could be reassembled here on earth to provide us with a photograph of the surface of Mars, I was struck dumb with wonder. And when computers began adjusting the chain of numbers, augmenting some, diminishing others, so that the photographs became always more clear and defined, I realized that we could accomplish almost anything, there in the farthest reaches of space.

My life changed completely on the day I saw those Mars photographs, for I had participated in that miracle. My tax dollars had helped pay for the project. The universities that I supported had provided the brains to arm the cameras. And the government that I helped nourish had organized the expedition. I saw the universe in a new light, and myself and my willingness to work on future projects fortified.

No one can predict what aspect of space will invigorate a given individual, and there must have been millions of Americans who did not even know Mars had been photographed. But we do know that in previous periods when great explorations were made, they reverberated throughout society. Dante and Shakespeare and Milton responded to the events of their day. Scientists were urged to new discoveries. And nations modified their practices.

All the thoughts of men are interlocked, and success in one area produces unforeseen successes in others. It is for this reason that a nation like ours is obligated to pursue its adventure in space.

I am not competent to say how much money should be spent. I am not competent to advise on how the program should be administered. But I am convinced that it must be done.●

HOSPITAL COST CONTAINMENT

HON. JAMES M. SHANNON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. SHANNON. Mr. Speaker, the Ways and Means Health Subcommittee of which I am a member recently reported the President's hospital cost containment proposal. This bill is necessary both to gain control on the staggering rate of inflation in hospital costs and to help reduce inflation in the whole economy.

I am including in the RECORD for my colleagues information an editorial from the Boston Globe of March 21, 1979, which supports the hospital costs containment legislation. Massachusetts has been able to keep the increase in its hospital costs substantially below the national average. The time has come to reduce this national average and the legislation before us is the tool to achieve this end.

The editorial follows:

WORKABLE HOSPITAL COST CONTROLS

President Carter's hospital cost containment legislation was a good idea last year and, with inflation continuing its inexorable rise, it's an even better idea now. There is no doubt that a cap on hospital revenues is a somewhat blunt instrument. But it is the only tool available that can in rather short order provide some restraints on one major sector of the economy where normal marketplace forces do not operate.

Viewed one way, the Administration bill might appear weaker than last year's. Adopting an approach that had important support on Capitol Hill last year, the Carter legislation embraces a one-year "voluntary" cap, an idea the Administration rejected last year. If hospitals across the country or in any given state can keep cost increases below 9.7 percent in 1979, mandatory federal controls would not be applied. If they fail, the mandatory program would become effective Jan. 1, 1980.

But, in truth, the Administration's "voluntary" alternative is probably illusory. The hospital industry nationally has not demonstrated the ability to approach the 9.7 percent standard on its own and anticipation of forthcoming mandatory controls may actually persuade some institutions to raise costs now in advance of controls. Further, while the 9.7 percent standard was above the overall rate of inflation last year, it is now below it and, therefore, a difficult target to reach. So, the real question is the appropriateness of mandatory controls. In the health-care area, they are appropriate.

First, it has been proven that they can be made to work. In nine states which have their own control programs, the increases in hospital costs in 1978 were significantly below the national level.

In Massachusetts, one of those nine, the increase in hospital costs for the fiscal year ending Sept. 1 is expected to be 8.9 percent. No one is claiming that the state's heralded reputation for quality health care has diminished.

Second, the Carter program, while tough, is flexible enough to allow some increases in the mandatory ceilings for costs, such as energy, over which no single institution can reasonably exercise controls. In addition, it provides for increased wage costs of about 7.9 percent to assure that non-supervisory employees don't bear the brunt of the cost controls.

Hospital costs are becoming an ever more staggering burden on the American public; they amounted to $203 billion, more than 9 percent of the Gross National Product, in the last fiscal year. But they are largely hidden—in employer costs, in paycheck deductions, in taxes that cover Medicare and Medicaid bills. This system of indirect payment eliminates the normal marketplace restraints.

The Carter plan seeks to impose them. It seeks to eliminate unneeded hospital beds; there are 130,000 in the nation. It seeks to force hospitals and doctors to consider whether routine tests need be performed in every case, whether possible surgical procedures are truly necessary. It can save American consumers billions of dollars over the next few years. It can work, and it deserves speedy enactment by Congress.●

TRIBUTE TO RICHARD THOMAS

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. SHUMWAY. Mr. Speaker, at this time I ask that my colleagues join with me in recognizing the outstanding civic achievements of my friend and constituent, Mr. Richard Thomas, of South Lake Tahoe, Calif. On May 9, the South Lake Tahoe Chamber of Commerce will pay tribute to Dick Thomas at their inaugural ball. Mr. Thomas will be stepping down from his term as president of the chamber, and his outstanding record not only while filling that office, but also in terms of contributions to the community in general, are truly worthy of appropriate recognition.

Dick Thomas stands as an example worth emulating for his peers—indeed, for all of us. His donations of time, effort, and ability have been only beneficial to his community in every area of endeavor. Dick has served as secretary, president, and lieutenant governor of Kiwanis International; his work with the chamber of commerce speaks for itself, and he has served on the chamber's board of directors for 7 years. The fire alert and prevention programs of the Forest Service have enjoyed the enhancement of Dick's active participation, and he has served as chairman of the East Slope Sierra Nevada Water Conservation District. Additionally, Dick Thomas is a great credit to the free enterprise system, having worked diligently for title insurance companies, serving as manager of the Western Title Insurance Co., and ultimately forming his own such enterprise.

Dick Thomas is a well-rounded, concerned, and active citizen whose efforts are to be admired by all those who are privileged to know him. I know that my colleagues will join with me in extending a hearty congratulations to him for an excellent civic record, and in wishing he and his family all the best in every area for the years which lie ahead.●

DOT'S EMBARRASSMENT OVER TRANSBUS

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. SHUSTER. Mr. Speaker, today's Washington Post carries an excellent article by William Raspberry concerning the Carter administration's latest fiasco—their transbus mandate. I commend the article to my colleagues.

DOT's "Embarrassment" Over Transbus

(By William Raspberry)

Transportation Secretary Brock Adams is "deeply disappointed" that U.S. and foreign bus manufacturers have "acted against the needs of all Americans, particularly the elderly and the handicapped."

A free translation of that wonderfully provocative statement might read: We tried to design a new breed of workhorse and wound up with a camel that nobody wants to build.

The two American firms DOT had hoped would bid on the manufacture of federally mandated low-floor, easy-access Transbus insist they can't build it, that the DOT specifications are unrealistic in some cases, contradictory in others.

As a matter of fact, the two U.S. firms—Grumman Flxible and General Motors—had indicated their inability to bid on Transbus long before the secretary's statement of last week. DOT had hoped that at least one foreign manufacturer might be interested. But when bid-opening time came last Wednesday, there was nothing to open.

Secretary Adams sees the absence of bids as an act of malevolence against the elderly and the handicapped. The reluctant manufacturers see the problem as unrealistic design requirements.

They say, for instance, that the requirement for an 85-inch-high door is incompatible with the overall height requirements for the bus, without bulges in the roof. They say they can't build a bus from which the driver could see the curb when the bus is six inches away (which the specifications dictate) while at the same time using a 14-inch first step, also required by the specs.

They also claim difficulty with coming up with a design that would incorporate the required second rear axle, a wheel-chair lift and a minimum of 46 seats, all of them adjustable, while keeping overall weight to a maximum of 26,000 pounds.

Adams says they simply don't want to build his bus, and some handicapped groups have demanded a Justice Department inquiry into a possible collusion. They don't indicate whether they think the equally reluctant foreign manufacturers are a part of that collusion.

GM and Grumman Flxible, for their part, say they not only want to build buses to meet DOT's objectives (if not its specifications), but that they already have designed them. But Flxible's bus, for instance, has only a 17-inch street-to-floor height, while DOT specs call for a 22-inch with a kneeling feature and ramp.

Both domestic manufacturers say their versions would be at least as accessible to handicapped riders as would DOT's Transbus. They also say they would cost less.

The congressional Office of Technology Assessment estimates the DOT-designed vehicle would cost $250,000 per copy, as contrasted with production buses, complete with wheelchair lift, that go for about $120,000. The Advanced Design buses already built by Grumman Flxible and GM would cost about $170,000.

DOT officials are furious with the U.S. manufacturers who, they say, were "consulted" on all the specifications and, earlier, had said they could produce a low-floor, accessible bus. The officials hint that the manufacturers chose not to submit bids in the hope that DOT would have to resort to going along with the manufacturers' own designs.

But where's the tragedy in that? If the idea is to come up with a bus that makes public transportation accessible to the aged and the handicapped, why not leave it to the manufacturers to produce the appropriate design, so long as it meets DOT's access requirements?

One reason may be that the department has, during the nine-year life of the Transbus program, laid out some $27 million in research-and-development money. It is a major embarrassment that they now wind up with nothing for that outlay.

The manufacturers take the position that DOT, which has never built a bus, might usefully defer to the companies, which have.

A spokesman for DOT rather testily declined to say whether the manufacturers' claims of design inconsistencies are accurate. "You're trying to make me say whether they are wrong or we are wrong," he said.

Well, yes, I suppose I was. It had seemed to me a question of whether DOT wanted to provide transportation service for the aged and handicapped or merely to salvage something out of its costly Transbus program.

Brock Adams says he is "deeply disappointed." "Deeply embarrassed" might be a better way to put it.●

CROATIAN-AMERICANS PAY TRIBUTE TO BIRTH OF FIGHTER FOR RELIGIOUS FREEDOM

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. FLORIO. Mr. Speaker, 2.5 million Americans of Croatian descent are celebrating the birthday of the religious leader and fighter for freedom, the late Cardinal Aloysius Stepinac. Born on May 8, 1898, in Croatia, he would have been 91 today.

Cardinal Stepinac died just over 3 years ago, a hero both to this people as well as to people everywhere who are denied the basic human freedoms we in America are so fortunate to enjoy.

To pay tribute to this courageous leader the Croatian-American community appeals for amnesty and human rights for political and religious prisoners everywhere who are incarcerated for their defense of internationally recognized principles of freedom of religion, speech, press, and assembly.

In addition, my own State of New Jersey has proclaimed a day of prayer in Cardinal Stepinac's memory—and I would like to bring to the attention of my colleagues, by herein printing the text of this proclamation, why this man is so greatly revered by his people.

The proclamation follows:

Proclamation

Whereas, in 1934, Aloysius Cardinal Stepinac was named by Pope Pius XI as Archbishop of Nicopsis (in Croatia), thereby making the future Cardinal the youngest Archbishop in the world and thrusting the young churchman directly into the profound social, religious and political turmoil affecting his country since the beginning of World War I; and

Whereas, after becoming Archbishop and continuing with his elevation to Cardinal, he delivered sermons and pastoral letters against the crimes committed against his fellow-countrymen and in defense of freedom and respect for religion and the rights of individuals and nations to their full development and independence; and

Whereas, these acts of independence and courage serve as a powerful symbol and a fitting model to everyone;

Now, Therefore, I, Brendan Byrne, Governor of the State of New Jersey, do hereby proclaim May 8, 1979 as a DAY OF PRAYER in observance of the Cardinal's 26 years of heroic service to his congregation and to his defense of the international principles of freedom of religion, speech and assembly.

Given, under my hand and the Great Seal of the State of New Jersey, this fourth day of April in the year of Our Lord one thousand nine hundred and seventy-nine and in the Independence of the United States, the two hundred and third.

Brendan Byrne,
Governor.●

AUTONOMY FOR THE PEACE CORPS

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. HALL of Ohio. Mr. Speaker, during consideration of the International Development Cooperation Act, the House voted to remove the Peace Corps from ACTION and place it in the yet-to-be-established International Development Cooperation Agency.

Representative Christopher J. Dodd and I, both former Peace Corps volunteers ourselves, fought on the House Floor to prevent the Peace Corps from being submerged into IDCA bureaucracy. We contended that the success of the Peace Corps is dependent upon its emancipation from U.S. foreign policy.

Placing the Peace Corps in IDCA would fly in the face of efforts to depoliticize the program. Developing countries would perceive the Peace Corps as just one more element of the foreign policy establishment of the United States and would be suspicious of the volunteers as possible CIA agents or other U.S. operatives.

Individuals join the Peace Corps because they want to help and serve other people. They do not join in order to become part of the bureaucracy. The Peace Corps is very special in this regard, too special to be treated organizationally as a tool of our foreign aid program.

Fortunately, the vote to place the Peace Corps on IDCA's organizational chart is not the last word on the future status of the Peace Corps. President Carter has recommended that the Peace Corps be established as an autonomous entity within ACTION.

A Washington Post editorial of May 5 made a case for autonomy for the Peace Corps within ACTION. In the interest of helping to resolve the future of the Peace

Corps, I commend this excellent editorial to the attention of my colleagues:

AN OPEN CAGE FOR THE PEACE CORPS

In each new administration the Peace Corps is put up for grabs and, as annoying as that is for some of those intimately involved, it is exactly as it should be. The whole idea of the Peace Corps—as a special expression of voluntarism and a unique American presence overseas—fits awkwardly within the context of the line service bureaucracies, and it would be unnatural if different administrations representing differing ideologies did not try to readjust the fit. So it was that President Kennedy, showing his innovative, energetic side, adopted and launched the idea. President Nixon, lacking the Kennedy commitment to a Kennedy creation, folded the Peace Corps tightly into a new agency, ACTION, designed to house the federal government's domestic as well as foreign volunteer programs. Now it is President Carter's turn.

In fact, Congress has thrust the question upon him. Broadly speaking, one group of legislators, unenamored of the volunteer concept, has been critical of the way ACTION has been run and of the political style of its director, Sam Brown. Another group, essentially protective of the Peace Corps, has felt that it was faring poorly within ACTION. The two streams more or less converged in the recent House vote to remove the Peace Corps from ACTION and give it as much autonomy as would be possible—which is probably not enough—in the yet-to-be-created International Development Cooperation Agency. This agency is to be the new and supposedly improved home of foreign aid.

Do your eyes cross as you try to visualize the boxes? Don't worry: Jimmy Carter has found a pretty good solution. As befits the son of a former Peace Corps volunteer, he values the agency as an expression of a battered but enduring part of the American spirit—and one that can be put to good, if modest use in many developing countries. He has sought a way for the Peace Corps to have the relative independence it needs to 1) survive politically, 2) operate efficiently and 3) preserve the visibility essential to recruitment and effectiveness—autonomy within ACTION. Since ACTION without the Peace Corps would likely blow away, ACTION does not, needless to say, want to let the Peace Corps go.

Among people who think and care about development, there is a continuing argument about whether development occurs as a result of pouring capital and technology from the top down or allowing human-scale energy and initiative to seep from the bottom up. It is the latter idea that animates the Peace Corps. This agency, which engages only in the transfer of people, not of capital or technology, could do it no other way. When you look at it this way, it is hard to avoid the conclusion that the Peace Corps is a rare bird that deserves and needs a special kind of open cage. That's what autonomy within the volunteer agency would amount to.●

HON. LAMAR GUDGER SUPPORTS UDALL-ANDERSON SUBSTITUTE

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. UDALL. Mr. Speaker, the issues involved in the Alaska lands debate are extremely complex, and are difficult to explain in concise terms. However, the Honorable LAMAR GUDGER, a valued member of the Interior Committee who has closely followed the saga of the Alaska lands bill since the beginning of the 95th Congress, has written and circulated an excellent "Dear Colleague."

His precise summary details the reasons why Members should support the Udall-Anderson substitute. I recommend it to the attention of every Member interested in this matter. The text of the letter follows:

H.R. 39, the Alaska National Interest Lands Conservation Act, considered by many to be the most important conservation Act of the century is scheduled for House action this week. Three plans will be debated: the Breaux-Dingell Substitute, reported by a majority vote from the Merchant Marine and Fisheries Committee; the Huckaby Substitute, sustained by a one-vote majority over a substitute which I offered in the Interior Committee; and the Udall-Anderson Substitute.

The Udall-Anderson Substitute is substantially identical in policy, definition of conservation units (e.g. parks, preserves, refuges, wild and scenic rivers, wilderness, and national forests), and commitment to conservative management as was the Gudger Substitute in the Interior Committee and H.R. 39 of the Ninety-Fifth Congress which passed the House by a vote of 277 to 31 on May 19, 1978.

The Udall-Anderson Substitute has the support of the Administration, 130 co-sponsors, and all of America's major membership environmental organizations. Unlike the Breaux and Huckaby Substitutes, it does not introduce into public land management such new concepts as BLM "Conservation Areas" and a new type of timber management called "Special Management Areas". It does not, like Breaux and Huckaby, cut into six segments and subject to varying regulations the Gates of the Arctic National Park and Preserve and its does not divide into half such magnificent ecological units as Admiralty Island and Misty Fiords, the former of which was recommended for preservation and refuge status by President Roosevelt as early as 1901.

The Udall-Anderson Substitute opens up 95 percent of onshore acreage and all of Alaska's 300 million acres of offshore continental shelf to oil and gas leasing. It also guarantees protection to the international Porcupine caribou herd in the Arctic National Wildlife Range, which Canada recently took steps to protect by withdrawing 9.6 million acres of adjoining territory to study for a national wilderness park.

Unlike the Breaux and Huckaby Substitutes, the Udall-Anderson measure designates the natural resources to be protected in each park, preserve, refuge, national forest, and wilderness thus assuring to each its own integrity and the direction of its management. It provides fully for the subsistence needs of natives, the "grandfathering in" of sport hunting guides and the protection not only of flora and fauna but of other important resources such as those having historical, archaeological, geological, and geophysical values.

The Udall-Anderson Substitute is supportive of existing statutory land management policies and gives cross-reference to applicable federal statutes (ANCSA, NPRPA, Alaskan Statehood, and Wild and Scenic Rivers, etc.). It also brings forward and improves the machinery in H.R. 39 of the Ninety-Fifth Congress providing access to inholdings; a simplified procedure for establishing rights-of-way through conservation units; and for cooperation on national, state, and native matters through an Alaskan Advisory Council.

It is to be remembered that of Alaska's 375 million acres, 148 million have already been granted to the State of Alaska and the Alaskan native corporations. Of the residue, the Udall-Anderson Substitute proposes to commit approximately 110 million acres to appropriate conservation and management by the Secretaries of Interior and Agriculture under guidelines assuring that these priceless resources owned by the American people will not be misused or abused and will be held intact for future generations.

It is extremely important to remember that the Udall-Anderson Substitute is based on over seven years of research and field studies of federal agencies and four years of extensive involvement (field inspections, public hearings, etc.) by the Interior Committee, and as such, is the legislation truly deserving the title Alaska National Interest Lands Conservation Act!●

SENIOR CITIZEN INTERN PROGRAM

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. HILLIS. Mr. Speaker, today I am joined by more than 100 Members of the House and Senate in welcoming our senior citizen interns to Capitol Hill for the 1979 senior citizen intern program.

This intern program is like no other on Capitol Hill. The participants are active, experienced community leaders who come to Washington armed with grassroots knowledge and insight to gain a better understanding of their Federal Government and how it operates—especially in the area of aging. The interns will return to their homes across the country on May 18 to share their experiences and information with local leaders and other seniors who are working together to resolve common aging problems.

It is especially significant to note that unlike other congressional intern programs which affect only the individual, this program touches our constituencies. It is our communities which benefit through the sharing of information about the workings of Government—and ultimately it is we who benefit through strengthened working relationships with those seniors who are active in our districts.

I am pleased to include a list of those Members of the House and Senate sponsoring senior citizen interns this year and a copy of the schedule that the 165 interns will be following over the next 2 weeks.

I welcome this group to Capitol Hill and ask that my colleagues here in the House join me in doing so.

1979 SENIOR CITIZEN INTERN PARTICIPATING OFFICES

Mr. Eugene Atkinson of Pennsylvania.
Mr. Don Bailey of Pennsylvania.
Mr. Michael Barnes of Maryland.
Mr. Berkley Bedell of Iowa.
Mr. Anthony Beilenson of California.
Mr. James Broyhill of North Carolina.
Mrs. Beverly Byron of Maryland.
Mr. William Carney of New York.
Mr. Don Clausen of California.
Mr. William Clinger of Pennsylvania.
Mr. Tony Coelho of California.
Mr. E. Thomas Coleman of Missouri.

Mr. Tom Corcoran of Illinois.
Mr. James Corman of California.
Mr. Lawrence Coughlin of Pennsylvania.
Mr. Edward Derwinski of Illinois.
Mr. Robert Drinan of Massachusetts.
Mr. Arlen Erdahl of Minnesota.
Mr. Allen Ertel of Pennsylvania.
Mr. David Evans of Indiana.
Mr. Walter Fauntroy of the District of Columbia.
Mrs. Millicent Fenwick of New Jersey.
Ms. Geraldine Ferraro of New York.
Mr. Hamilton Fish of New York.
Mr. Bill Frenzel of Minnesota.
Mr. Benjamin Gilman of New York.
Mr. Barry Goldwater of California.
Mr. William Goodling of Pennsylvania.
Mr. Charles Grassley of Iowa.
Mr. William Green of New York.
Mr. Tom Harkin of Iowa.
Mr. Elwood Hillis of Indiana.
Mr. William Hughes of New Jersey.
Mr. Jim Johnson of Colorado.
Mr. James Jones of Oklahoma.
Mr. Dale Kildee of Michigan.
Mr. Thomas Kindness of Ohio.
Mr. Peter Kostmayer of Pennsylvania.
Mr. Jim Leach of Iowa.
Mr. Elliott Levitas of Georgia.
Mr. Mike McCormack of Washington.
Mr. Edward Madigan of Illinois.
Mr. Andrew Maguire of New Jersey.
Mr. Daniel Marriott of Utah.
Mr. James Martin of North Carolina.
Mr. Robert Matsui of California.
Mr. Ron Mazzoli of Kentucky.
Mr. George Miller of California.
Mr. Toby Moffett of Connecticut.
Mr. John Myers of Indiana.
Mr. Stephen Neal of North Carolina.
Ms. Mary Rose Oakar of Ohio.
Mr. James Oberstar of Minnesota.
Mr. George O'Brien of Illinois.
Mr. Thomas O'Neill of Massachusetts.
Mr. Richard Ottinger (New York).
Mr. Leon Panetta (California).
Mr. Charles Pashayan (California).
Mr. Joel Pritchard (Washington).
Mr. Dan Quayle (Indiana).
Mr. Tom Railsback (Illinois).
Mr. Ralph Regula (Ohio).
Mr. John Rhodes (Arizona).
Mr. Frederick Richmond (New York).
Mr. J. Kenneth Robinson (Virginia).
Mr. Robert Roe (New Jersey).
Mr. Harold Sawyer (Michigan).
Mrs. Patricia Schroeder (Colorado).
Mr. Richard Schulze (Pennsylvania).
Mr. Philip Sharp (Indiana).
Mr. Paul Simon (Illinois).
Mrs. Gladys Spellman (Maryland).
Mr. Michael Synar (Oklahoma).
Mr. Gene Taylor (Missouri).
Mr. Bruce Vento (Minnesota).
Mr. Ted Weiss (New York).
Mr. Charles Wilson (Texas).
Mr. Larry Winn (Kansas).
Mr. John Wydler (New York).
Senator Lloyd Bentsen (Texas).
Senator David Boren (Oklahoma).
Senator Rudy Boschwitz (Minnesota).
Senator Lawton Chiles (Florida).
Senator Thad Cochran (Mississippi).
Senator Alan Cranston (California).
Senator Dennis DeConcini (Arizona).
Senator Robert Dole (Kansas).
Senator Thomas Eagleton (Missouri).
Senator Orrin Hatch (Utah).
Senator Howell Heflin (Alabama).
Senator Ernest Hollings (South Carolina).
Senator Nancy Kassebaum (Kansas).
Senator James McClure (Idaho).
Senator Charles McC. Mathias (Maryland).
Senator Robert Morgan (North Carolina).
Senator Bob Packwood (Oregon).
Senator Larry Pressler (South Dakota).
Senator David Pryor (Arkansas).
Senator William Roth (Delaware).
Senator Alan Simpson (Wyoming).
Senator Donald Stewart (Alabama).
Senator Richard Stone (Florida).
Senator John Tower (Texas).
Senator Malcolm Wallop (Wyoming).
Senator Harrison Williams (New Jersey).

1979 CONGRESSIONAL SENIOR CITIZEN INTERIM PROGRAM SCHEDULE

MONDAY, MAY 7

11:00 A.M. until 12:45 P.M.: Registration, B-369 Rayburn House Office Building.

1:00 P.M. until 3:00 P.M. (approximately): Orientation Session, B-369 Rayburn House Office Building.

Welcome: Congressman Elwood H. "Bud" Hillis, Senator William V. Roth, Jr., Congressman Tony Coelho (Principal Sponsors of the Program).

Briefing: Donna K. Norton, Office of Congressman Hillis.

4:30 P.M. until 6:00 P.M.: Welcome Reception, The Capitol Hill Club, 300 First Street, SE., Washington, D.C. (Hosted by the American Association of Retired Persons/National Retired Teachers Association) (To be attended by interns, sponsoring Members of Congress and staff and invited guests).

TUESDAY, MAY 8

10:00 A.M. An Aging Overview (Hubert H. Humphrey Building Auditorium). The Honorable Claude Pepper, Chairman of the House Select Committee on Aging. Nelson Cruikshank, Councellor to the President on Aging. Dr. Clark Tibbets, Special Assistant to the Commissioner on Aging. MODERATOR: John Fox Sullivan, Publisher, The National Journal.

2:00 P.M. The Congressional Scene—The House and Senate Aging Committees, Hubert H. Humphrey Building Auditorium. The Honorable Lawton Chiles, Chairman of the Senate Special Committee on Aging. Bentley Lipscomb, Majority Staff Director, Senate Special Committee on Aging. Dave Rust, Minority Staff Director, Senate Special Committee on Aging. Robert Weiner, Majority Staff Director, House Select Committee on Aging. Walter Guntharp, Minority Staff Director, House Select Committee on Aging.

WEDNESDAY, MAY 9

9:00 A.M. Class Photo. Assemble as a group on the steps of the House side of the Capitol (East Front) (In the event of bad weather, this will be rescheduled).

10:00 A.M. The Federal Scene—A look at the Administration on Aging. 345 Cannon House Office Building. Donald Smith, Director, National Clearinghouse on Aging. Yvonne Willis, Program Specialist, Office of Program Development, Administration on Aging. Katie Miller, Program Specialist, Office of Program Operations, Administration on Aging.

2:00 P.M. Consumer Problems and the Elderly, 345 Cannon House Office Building. Esther Peterson, Consumer Advisor to the President.

THURSDAY, MAY 10

9:00 A.M. Medicare/Medicaid Health, 345 Cannon House Office Building. Patricia Q. Schoeni, Director, Office of Public Affairs, Health Care Financing Administration. Dr. Karen Davis, Deputy Assistant Secretary for Planning & Evaluation, Department of Health, Education and Welfare.

FREE AFTERNOON

FRIDAY, MAY 11

8:00 A.M. The White House. Special Tour of the White House. Note: Assemble as a group at 7:50 A.M. at the Visitors Entrance of the White House on East Executive Avenue (between the White House and the Treasury Department). Be prompt or you may be left behind.

After the tour—Interns will be greeted by The Honorable Jimmy Carter, President of the United States.

2:00 p.m. Action. General Services Administration Auditorium 18th and "F" Streets, NW. (This is only about a block from your hotel). Sam W. Brown, Jr. Director ACTION. Jack Kenyon, Chief, Operations Branch, Older Americans Volunteer Programs, ACTION. Helen Kelley, Director, Older Americans Volunteer Programs, ACTION.

MONDAY, MAY 14

9:00 a.m. A tour of the Capitol. Assemble as a group on the East Front Steps of the Capitol.

MORNING FREE

2:00 p.m. Organizations representing the elderly. 1202 Dirksen Senate Office Building. Faye Mench, Legislative Representative American Association of Retired Persons/National Retired Teachers Association. Steve Skardon, Legislative Representative, National Association of Retired Federal Employees. Joseph Rourke, National Council of Senior Citizens.

TUESDAY, MAY 15

10:00 a.m. A look at social security. 345 Cannon House Office Building. Stanford G. Ross, Commissioner, Social Security Administration. Bill Kelly, Professional Staff, House Ways and Means Committee.

2:00 P.M. Nursing Homes/Long Term Care. 1202 Dirksen Senate Office Building. Larry Lane, Director for Public Policy, American Association of Homes for the Aging. Janice Caldwell, Director, Long Term Care Division, Department of Health, Education and Welfare. Patricia A. Skinner, Consultant, Council of Home Health Agencies—Community Health Services, National League of Nursing.

WEDNESDAY, MAY 16

10:00 A.M. Housing and the Older American. 1202 Dirksen Senate Office Building. Helen Holt, Departmental Advisor for Consumer Affairs and the Elderly, Department of Housing and Urban Development. Robert Wilden, Director, Program Development, Department of Housing and Urban Development. Phyllis Clark, Deputy Director, Cooperatives and Condominiums Division, Department of Housing and Urban Development.

2:00 P.M. Physical Fitness. 1202 Dirksen Senate Office Building. Dr. Matt Guidry, Director of Community & Special Projects, President's Council on Physical Fitness. Dr. Louise Light, Acting Assistant to the Administrator for Special Projects, Department of Agriculture.

THURSDAY, MAY 17

10:00 A.M. Transportation and the Elderly. 345 Cannon House Office Building. Kay Regan, Program Specialist, Office of Capitol Assistance, Urban Mass Transportation Administration. Larry Bruno, Transportation Demonstration Specialist, Office of Transportation Management & Demonstrations, Urban Mass Transportation. Ron Hartman, Senior Transportation Planner, American Public Transit Association.

FREE AFTERNOON

FRIDAY, MAY 18

8:00 A.M. Closing Breakfast. B-339, Rayburn House Office Building (basement level). Guest Speaker: Robert M. Ball, Senior Scholar, Institute of Medicine, National Academy of Sciences; former Commissioner of Social Security.●

THE CHINA HUSTLE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. PAUL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

THE CHINA HUSTLE

Judging by my mail, the people of the 22d District are disturbed by President Carter's China hustle. I most heartily agree with my constituents. In "derecognizing" the Republic of China on Taiwan and unilaterally ending our Mutual Defense Treaty with the island nation, the President has dumped a faithful ally and an important trading partner.

Recognition of Communist China as the de facto government of the mainland has probably been inevitable since President Nixon's visit in 1972, if only to help keep the 45 Soviet divisions now on China's northern border in place, and not aimed at Western Europe.

What has not been inevitable is the jettisoning of Taiwan.

President Carter has given the Communist Chinese everything they asked for, taking terms identical to the ones President Nixon and Ford could have had, and gotten little in return. Does he have the right to abrogate on his own a treaty approved by two-thirds of the Senate? Like Senator Barry Goldwater, I don't believe he has, and that is why I support Senator Goldwater's suit to have this declared unlawful.

President Carter, in agreeing with the Communists that theirs is the only government of China, is subscribing to a fairy tale. China—like Germany and other unfortunately divided countries—is one nation with two governments. We should recognize both.

Allies of President Carter's have justified his decision in terms of a potential trade bonanza. But Mainland China, although a superpower in terms of population, is a very poor country. Recently I saw an NBC-TV documentary on life in China showing men pulling plows to cultivate the fields. No question the Chinese would like American goods. But they have very little money.

In 1978, our trade with Taiwan amounted to $7.8 billion. With Red China, it was one-seventh of that.

Because the Mainland is such a backward nation, the Administration wants to give it low-interest loans to buy our goods. The Japanese, in their trade with the Communists, have demanded payment for the most part in gold and hard currencies—and gotten it. President Carter wants to use your tax dollars to give Red China low-interest loans to buy our goods. Some trade!

Taiwan may have only 17 million people, compared to the Mainland's hundreds of millions (no one knows how many), but it is a nation of real liberty. People are free to own private property, to change jobs, to worship God, to travel, to speak and meet freely, to have normal family lives, to live in security. None of these rights is available on the Mainland, a regimented society unable even to feed itself, dominated by a pervasive secret police, the "blue demons."

Taiwan is not a full democracy in the American sense, but it is an infinitely freer and healthier society than the Mainland. And the Taiwanese government has been our strong ally in Asia since the early days of World War II.

In caving in to the Communist demands—in a probable dress rehearsal of SALT—the Administration has gotten little. It amounts, as the liberal *New Republic* has pointed out, "to a pathetic performance for a great power and yet another blot on the presidency of its current steward, Jimmy Carter."

Whatever the resolution of Senator Goldwater's suit, it is the Congress's job to make sure of three things: (1) That Taiwan is able to purchase all the weapons it needs for its defense; (2) That our profitable trade with Taiwan continues unhampered; (3) That we continue to have government to government contact with Taiwan.

Congress must make sure that the free people of that nation are not, in Communist Party Chairman Hua Kuo-feng's words, "returned to the embrace of the Motherland."

I will do everything in my power to make sure we live up to our obligations to an old friend, the Republic of China on Taiwan.●

KNBC TV's ANSWER TO THE CALIFORNIA HOUSING PROBLEM

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. DORNAN. Mr. Speaker, I would like to address our colleagues concerning an issue that I feel really touches home. No pun intened. I was recently made aware of the dimensions of the problem through KNBC-TV concerning housing in southern California and certain new proposals to resolve it. An interesting suggestion, revealing the awareness of housing shortages, was presented in the form of an editorial broadcasted during a local news program. In trying to alleviate the shortage, it was the editorialist's opinion that incentives to build should come in the form of tax relief for both new and rebuilt housing.

The argument is straightforward and simple: People who invest in large housing projects should enjoy more benefits than just speeded-up depreciation. Relief that now exists not only promotes incremental development but is highly vulnerable to large levels of trading. This serves to nullify any move to increase the total volume of new housing. A tax break would hopefully induce people to build by eliminating the State and Federal income tax on rent profits. Revenue would still be accrued in terms of property taxes and other fees.

Mr. Speaker, I feel this proposal is thoughtful and deserves consideration. It brings to our attention a pertinent issue now facing many Americans. In California we have noticed an increased national awareness of housing problems. This encourages tax reforms under congressional consideration. New resolutions, including my own Renter's Refundable Tax Credit Act of 1979 aimed to give relief to renters, should be helpful in alleviating the shortage of housing. My fellow Members, with large urban constituencies, I urge you to take note of this growing problem in hope that we may work together to resolve it.

The material follows:

SOLVING THE HOUSING PROBLEM

Southern California's housing shortage is second only to inflation as everybody's biggest concern.

And while there are hundreds of ways to deal with the cause or effects of inflation, there's only one way to solve the shortage of safe, decent housing for people at low and middle income ranges, and that is, to build more of it.

And how do we propose to make that possible? Very simple: stop taxing rental income, for new and re-built hormes and apartments.

People who invest money in big housing projects enjoy some tax benefits now, in speeded-up depreciation for example. But that speed-up also tends to induce people to do a lot more buying and selling of apartment units without really increasing the supply, at least not very much.

The tax break we have in mind would induce people to build or rebuild multifamily homes and apartments, simply by eliminating state and federal taxes on rent profits. They would still pay property taxes and other service-related fees, but they would pay no income taxes on rents.

This is obviously, a radical approach. But if we're serious about re-building our inner cities and making good housing available for everyone who wants it, loosening the income tax load strikes us as the fastest way to get the job done.●

BALANCED BUDGET AMENDMENT: LIBERALS FIGHTING PEOPLE AND THE FUTURE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. ASHBROOK. Mr. Speaker, last year I introduced a substitute for the 176-page Federal aid to education authorization. My substitute would have done precisely what Federal aid to education was supposed to do in the first place: Return money from the Federal to the State and local level for educational purposes. There was a time when the liberal leadership insisted that Federal aid to education was intended for this purpose only. Liberals scoffed at the suggestion that such aid was intended to force Federal control on State or local, and certainly never onto private, schools. The defeat of my substitute made it clear once and for all that the liberal aim in extending Federal aid to education was in fact for the purpose of controlling America's educational system from Washington.

This attitude has been demonstrated even more clearly by the violently hostile reaction of the liberal leadership against the 28 States which to date have exercised their constitutional prerogative of asking for a constitutional amendment which would require a balanced Federal budget in normal times. As the Wall Street Journal editorial below points out, these liberal leaders are upset primarily by threats to Federal grant programs which allow them to impose Washington's dictates on the States. These are precisely the sort of power grabs my substitute would have eliminated from the education aid authorization bill last year. The mood of the people and the spirit of the time is clearly on the side of this sort of return of power to the States and to the people.

The Wall Street Journal lead editorial for March 5, 1979 is reproduced below.

[From the Wall Street Journal, Mar. 5, 1979]
1979]

MUSKIE VERSUS CETA?

As Journal reporters Farney and Hyatt noted on this page a few days ago, Ed Muskie, Tip O'Neill and Bob Byrd are growing increasingly ill-tempered about that rising pile of state legislative resolutions demanding that Congress be constitutionally required to balance the federal budget. No doubt their anger will heighten if the number of such resolutions, now at 28, continues to rise toward the 34 that would force Congress to act on their demands.

We can understand the annoyance of powerful Congressmen at being pushed around by a bunch of upstart state legislators, some of whom don't even have offices, let alone $200 million legislative palaces. We can even agree that a constitutional requirement might present problems, although we would quickly add no one would be proposing such draconian ideas if Congress had been doing its job.

What interests us most, however, is the bellicose and intemperate responses in Congress to the innocent pleas from the state houses for fiscal responsibility. A House majority aide talks of giving someone a "fat lip." Mr. O'Neill thinks a hard look at federal aid to the states will "drive them to their senses." Mr. Muskie voices a similar threat.

We don't know how many state legislators are quaking in their boots over such threats but we suspect that the numbers may be less than the Congressmen think. We ourselves are fascinated at the spectacle of powerful Congressmen threatening to withdraw federal money from the states and cities. Don't they know this would also reduce federal power?

In order to make the threat as credible as possible, the Congressmen are targeting it on the general revenue sharing money the federal government sends to the states. That's the one area where someone at HEW, or HUD, or the Department of Labor or some other agency doesn't get to design the programs and meddle in their management. Not surprisingly, general revenue sharing has never been very popular with Congress or the Washington bureaucracy.

On the other hand, it only represents some $6.8 billion of the $83 billion the Feds will ship to the states in the current fiscal year, and again next year. So there isn't much room for Congress to start cutting back on aid to the states without cutting into the pet spending programs of individual Congressmen. Does anyone really believe that Senator Muskie is going to lead the attack on the CETA public service jobs program, or community development?

It is in "categorical" aid programs, designated for a specific purpose, where the big federal money is. And since Congressmen and bureaucrats have been working their brains overtime over the last 15 years dreaming up such programs, they have become a major projection of federal power. Currently, there are some 500 such programs, reaching into everything from museum management, to urban rat control, to the control of Medicaid fraud, to local health "planning."

While state and local governments are no more eager than anyone else to turn down money, they have become increasingly disillusioned as the federal grants have proliferated. Federally sponsored public housing programs have plunged some cities deeply into debt and eroded their tax bases, at the same time creating new slums and rent collection problems. Some federal programs which the state and local governments are supposed to implement, CETA for example, have been badly designed, giving rise to fraud and deception.

Washington has become increasingly heavy handed in attaching conditions to federal grants. HEW Chief Califano and North Carolina became involved in a major flap last year over HEW's threats to withdraw federal funds from the University of North Carolina unless it subscribed to HEW's racial admissions goals. Pennsylvania's state legislature recently went to court to wrest control over federal funds from the governor and thus thwart efforts to bypass state legislatures altogether in the control of federally funded programs.

On average, states must find one dollar to match every three dollars in federal funds they receive. Legislators have taken increasing notice that states, such as Indiana and Kansas, which have been relatively cool to federal aid often seem to be in better economic condition than those that have grabbed as much as possible.

For all these reasons, many state legislators will not be frightened by Messrs. Muskie, Byrd and O'Neill. They would welcome better control of their own state budgets. Most of the fright we've seen so far has been in Washington.●

THE HIDDEN ECONOMY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. KEMP. Mr. Speaker, I urge those of my colleagues who still believe the Federal Government can wait another 2 years to do something about our rapidly rising marginal tax rates due to inflation and excessive progressivity to read Leonard Silk's article on "The Hidden Economy" in the New York Times of April 27, 1979.

Mr. Silk reports on the economic research, identified with Prof. Peter Gutmann of Baruch College, into the underground economy of illegal nontaxed cash or barter transactions. The research indicates that, rather than increasing revenue, steadily rising effective income tax rates drive economic activity underground when the rates become too prohibitive.

The size of this burgeoning subterranean economy is estimated at $220 billion, or one-tenth the size of our official GNP. At an average tax of 20 percent, this economic activity would yield more than $40 billion in Federal revenues alone if it were taxable.

Silk writes:

> Inflation plays a double role in promoting this trend. First, it pushes people into higher and higher tax brackets without allowing them proportionate increases in their real income. Second, it undermines their sense of justice; many feel they are being deprived of their hard-earned money by irresponsible government and controlled by others who are benefitting from government payments, subsidies or tax breaks.

I would like to submit Mr. Silk's article for my colleagues' interest, as a forceful illustration of the counterproductive budgetary and economic effect of reducing incentives through the combined effect of inflation and excessively step income tax progression.

The article follows:

ECONOMIC SCENE: THE HIDDEN ECONOMY

(By Leonard Silk)

The combination of high taxes, inflation and eroding respect for government is splitting every advanced industrial nation into two economies—an above-ground economy that, as Prof. Peter M. Gutmann of Baruch College in New York says, is legal and taxed, and a subterranean economy that is illegal and untaxed.

No one really knows how large the underground economy is; by its very nature, underground work is done in the dark. (In France it is called "travail au noir," in Italy "lavoro nero," in West Germany "schwartzarbeit" and in the England, more insouciantly, "fiddling.")

But Professor Gutmann asserts that last year the American subterranean economy accounted for roughly $220 billion, or slightly more than 10 percent of the gross national product. So huge a figure implies that underground income is being received not just by gangsters, racketeers, drug peddlers, prostitutes and illegal gamblers, but by a lot of people who think of themselves as respectable and law-abiding citizens, and who, for the most part, are.

Joseph A. Pechman of the Brookings Institution, who is one of the country's leading tax experts, believes that the largest single group of nontaxpayers are domestic workers, a vast number of whom are paid in cash without their employers contributing to or deducting taxes for Social Security, unemployment insurance or other benefits.

Nowadays, however, there are many other types of subterranean transactors: retailers who skim off part of the sales taxes they collect to keep for themselves; plumbers; builders; garage mechanics; diamond merchants; orchestra leaders who ask to be paid in cash and will often give a substantial discount if they are; employees working "off the books"; businessmen who pay their suppliers in cash, plus hundreds of thousands of working illegal immigrants.

Is the underground economy growing relative to the above-ground economy? There is no way to be sure, but Professor Gutmann contends that it is, using the more rapid growth of cash than of demand deposits as a prime indicator of the trend. In the 12-month period ending April 4, 1979, he points out, currency in circulation increased by 9.6 percent while checking accounts at commercial banks rose by only 2.6 percent.

However, such figures are not definitive proof. Gross national product in dollars uncorrected for inflation grew by 13.7 percent from the first quarter of 1978 through the first quarter of 1979. Thus, though currency in circulation grew over three times as fast as demand deposits, it did not keep pace with money G.N.P. The sluggish growth of demand deposits resulted from shifts out of checking accounts into certificates of deposit, money market funds and other high-yielding assets, not into currency. On the other hand, the fact that cash has not gone into these instruments suggests an effort to evade the tax collector.

Over the longer run, cash has maintained in large part its share of reported G.N.P., while demand deposits have not. Back in 1939, for example, currency in circulation amounted to 6.8 percent of G.N.P. By 1960, this cash ratio had come down to 5.8 percent, and by 1972 to 4 percent. But in 1973, a year when inflation began to roll, the cash ratio jumped to 4.7 percent, and it has stayed high, amounting to 4.6 percent last year. By contrast, demand deposits back in 1939 equaled about 30 percent of G.N.P., but today amount to only 12.5 percent. So the suspicion that people are evading the tax collector by hiding in noninterest-bearing currency looks well founded.

Inflation plays a double role in promoting this trend. First, it pushes people into higher and higher tax brackets without allowing for proportionate increases in their real income. Second, it undermines their sense of justice; many feel they are being deprived of their hard-earned money by irresponsible government and controlled by others who are benefitting from government payments, subsidies or tax breaks.

This leads to what Professor Gutmann labels "the new morality," which he thinks began with an unwillingness to pay for the unpopular Vietnam War. He finds an "increasing tendency to 'rip off' the system for whatever is possible," both in tax evasion and in abuses on the spending side of the budget.

How can one get rid of the subterranean economy?

No easy answers exist. Mr. Pechman's suggestion is tax reform, "to reduce the cost of participating in the legal economy." He would cut taxes, reduce the role of government in the economy and switch to less visible taxes, such as the value-added tax, a sort of sales tax built into the price of a product. But in Britain and on the Continent, where the tax has been in effect for a while, people have discovered how to cheat on the value-added tax, too.

Stopping inflation would help.●

IDEAS HAVE CONSEQUENCES

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. SYMMS. Mr. Speaker, it has often been said that ideas have consequences—that the pen is more powerful than the sword. Such has certainly been the case in my home State of Idaho, thanks to my good friend Ralph Smeed of Caldwell. He is to be credited with beginning a freedom education effort in the State. I owe special gratitude to Ralph for he is largely responsible for my involvement in the effort to spread the message of freedom and liberty.

It is rare, Mr. Speaker, that one encounters a man these days with a steadfast devotion to principle even during times of adverse popular opinion. When I first met Ralph Smeed it was not popular to warn of the excesses of government; rather, it was popular to advance the cause of government. Now, however, the message that Ralph Smeed has been espousing for many years is more popular, and as a result, he is receiving some overdue recognition.

Recently, Rick Coffman, editor of the Caldwell News Tribune, wrote a feature story about Ralph and his career as Idaho's chief liberty merchant. I commend this article to my colleagues in Congress in appreciation of Ralph's inspiration and loyal friendship. It reads as follows:

"IDEAS HAVE CONSEQUENCES": RALPH SMEED'S THE NAME, FREEDOM'S THE GAME

(By Rick Coffman)

It isn't easy to find someone in this valley that either doesn't know Ralph Smeed personally or at least know of him.

Famous to some, infamous to others. But regardless, Smeed carries on his crusade for freedom, hopeful that someday enough of the right people will get the message.

Smeed acknowledges that getting the freedom message across won't be easy. But he remains steadfast in his belief that, "Ideas have conequences" and someday the idea of freedom will result in America becoming what it was intended to be at its founding some 200 years ago.

But in the meantime the fight goes on.

At the same time the caldwellite is conducting his battle on the idea front, he is considered one of the brightest and ablest businessman in the valley.

Most people would be content with the business accomplishments Smeed has to his credit. But engage in a conversation with him and rare is the instance when he will even comment on that part of his life.

Of course, he needs that success to be able to carry on his campaign for personal freedom so his time is divided among them. But his life's work, if you care to characterize it in such terms, is more and more dedicated to making this country a better place to live because of the freedoms we enjoy.

Disregarding his childhood and the enormous impact that his father, John Smeed, had on him, Ralph's life breaks down into three time spans—World War II to 1964; 1964 to 1972; and 1972 to the present.

But before delving into those three eras in Smeed's life, reference to his father cannot be overlooked. Much of what Caldwell is today can be traced to a handful of men—not the least of which is John Smeed, long deceased.

When talk is of the business forces that molded, shaped and maintained Caldwell in early times the names Batt, Pasley, Crookham, Gipson, Smeed, come easily to the conversation.

Ralph grew up in a family that was business-oriented and extremely successful. Some of his father's business dealings are legendary. And no doubt what his father was and the reputation he enjoyed—and still enjoys—had an impression on Ralph and helped form him into what he is today.

Yet, even with that overwhelming influence Smeed talks not so much of his father and his successes but about "ideas"—always it is ideas. For Smeed does not dwell long in the past.

Today is the beginning of tomorrow and there is work to be done. And Smeed's work, as noted earlier, is spreading the gospel of freedom and how it will benefit us all if we give it a chance. Economic freedom and social freedom—you can't have one without the other, he says.

WORLD WAR II TO 1964

Just as many younger people can remember exactly where they were and what they were doing when President John Kennedy was shot dead in Dallas, those of another generation can remember the where and the what of their lives when they heard the Japanese had attacked Pearl Harbor.

Smeed was working for Lockheed Aircraft in California when he heard the news and he recalls being with a vice-president of that firm. "It occurred to me at the time that I was with a big defense tycoon who would have a vital role in the war. As the war unfolded I paid attention to the corporate side of it. I was our corporate effectiveness and our resources overcame Japan and Germany."

During the war Smeed worked in Lockheed's experimental division helping design and create a little better weapon to do a little job than what the enemy had.

But he also saw some things he didn't like. "I got my first first-hand taste of bureaucracy and how it could mess things up. Lockheed had a real expert in planes working for them who went into the Navy just before the war. They arranged to get him out to help with the defense effort but the government turned right back around and re-drafted him."

And then there were the guys that wouldn't do their part—that didn't care about the life and death struggle we were engaged in. "I could never understand how a lot of those guys could take some of the big slabs of felt we worked with and take them back to a store room and go to sleep. A lot of the time ability didn't count at all; it was just a question of personalities and who you knew."

And then there was a problem with unions. Lockheed, initially, was a non-union organization. But during the war it solicited an open-shop union pact. "Some of the union guys came to me and asked me to join. They said if I joined I could count on good reports on my work. If I didn't I could figure on bad reports. I told them to take their union and shove it."

But he also saw some good things at Lockheed. "I saw employees of the company who had been with them since the Depression and they really appreciated just having a job and decent wage. They wanted to be paid accordingly but they earned it too."

And he remembers the president of a major airline coming through the plant for a visit. At one point the executive took a match from his pocket and tried to light some fire-proof material simply to test it.

"I got to see people from the top down through the ranks and how they reacted to various situations, stresses and so forth."

Near the end of the war Smeed found himself in the Army and was shipped to Japan six days after the surrender of the Japanese. "I thought I knew what confusion was at Lockheed, but the Army was something else."

But it wasn't the confusion that sticks in his mind as he recalls those days. "Coming from Caldwell, Idaho, I always thought of the Black Market as something bad. But I found out in Japan it wasn't all bad.

"There were so many rules and regulations in force that it was impossible to get anything. A Black Market sprung up in Osaka that did a good job of distributing goods and services. But it didn't have to be there. It sprung up and worked and prospered because there wasn't any choice. Doing things the government's way meant not doing it at all or the process for procuring goods became so complicated it wasn't worth the effort."

The law of supply and demand, Smeed says, was also imprinted on him when American servicemen would go looking for girls. "At first the Army recognized this as a fact and provided bus transportation to the houses of prostitution in Osaka and back to the base. And, of course, there was proper medical treatment under those circumstances.

"But then the bus trips were outlawed and so was the medical care. So what happened? Guys still found a way into Osaka and a way back to the base but the diseases they picked up went untreated. The point is this: If you make rules or laws outlawing something people want you are going to have a Black Market in its place.

"Even as a young man in Japan I could see that freedom and free entry into the market would always prevail despite laws, rules and regulations."

Following his stint in the Army Smeed returned to Caldwell to the livestock business his father had prospered in. "Before the war the livestock industry was intensely market oriented. Sometimes you would buy and sell cattle all day until 2 a.m.

"But then the government got involved and everyone got hurt because it didn't know anything about the industry. It passed one law that said if you had 20,000 square feet of space you fell under the regulations. Does that make sense?"

Scabies, sometimes a problem in the livestock business, was something "the rancher and the auction took care of themselves. You had to," says Smeed. "But the government got involved despite the fact the problem was being taken care of and messed it up. The government wanted to do it its way and it didn't work. They didn't want to deal with the problem after 5 p.m. during the week and not at all on the weekends."

Livestock men subsequently formed the National Livestock Association and the American Livestock Association to fight government harassment and for a while it worked, recalls Smeed.

But then the organization took a turn that turned Smeed moreso against the government and against the "public utility" and-or "licensing" type of mentality.

"The livestock groups organized to fight government intervention but eventually they realized the thing to do was to get special favors from the government rather than fight it all the time."

So the cattlemen used their influence to pass "proof of necessity" laws through the country thereby limiting competition. In other words, a new livestock auction couldn't be started unless it could prove before a state board that it was needed.

And normally those boards were packed with other livestockmen who in no way would vote themselves added competition. "It became obvious to me that the government is the wrong one to protect anybody. Too much of the government is nothing more than selling special favors to the highest bidder. It became apparent that the real answer was to get the government out of as much of our lives as possible and let open competition police things."

Smeed said during the 1950s he nurtured the thought that political action was the way to bring about change. But he really didn't see anybody in politics that felt the government was the problem not the solution until 1964 and Barry Goldwater.

1964 to 1972

In 1964 Goldwater caught the active attention of Smeed. He became a delegate to the Republican national convention and went to San Francisco to nominate "a man full of ideals and principles."

But then Goldwater got blown apart in the general election. "Our man on the white charger," Smeed comments. "Here he went around the country and told the truth and lost. He said the Tennessee Valley Authority should be sold. He said Social Security was going bankrupt. But the truth didn't make any difference."

As stunning as the wide margin of defeat at hands of Lyndon Johnson was, Smeed was hurt by Republicans like Nelson Rockefeller working against Goldwater.

"I knew something was wrong with my thinking but I didn't know what it was. I thought the answer was in politics."

Smeed said his mid-1960s transformation away from politics came as a result of literature sent to him by Caldwellite Jim Gipson, Sr. "I was receiving Human Events (a magazine) and publications from the Foundation for Economic Education (FEE)."

In 1965 Smeed decided to head east and visit Human Events with the idea that he might start a similar publication in Idaho pointing out government stupidity.

And while he was back there he would delve further into this thing called FEE, located in New York State. As it turned out the visit to FEE and its director, Leonard Read, altered the course of Smeed's life. "It changed my whole outlook," he says.

"At FEE I really got a dose of freedom. I learned about the philosophies of Milton Friedman and Thomas Jefferson. It became obvious to me that politics as well as government were part of the problem. The solution was to change the emphasis from electing people to teaching people about freedom and what it has to offer rather than receiving favors from your politician and the government."

So Smeed decided against a Human Events-type magazine in Idaho and he realized that political change wouldn't do much to bring about a fundamental change in the direction of the country.

What was needed was a switch in people's thinking. "I thought I knew about private enterprise but I didn't. I really began studying it. The book that really brought everything home to me was, 'The Anti-Capitalist Mentality' by Ludwig Von Mises."

The more Smeed studied, the more he became convinced that the freedom philosophy was the only course. "It was tough," notes Smeed. "I had thought for so long that politics was the answer. But Leonard Read encouraged me to stay out of politics. He convinced me of his belief that politicians are really second-hand dealers in ideas. They follow people, they don't lead them."

So Smeed jumped feet first into studying about freedom. And he began to come in contact with others of the same feeling. He also started to preach the freedom ideal in this state.

The results at first were not encouraging.

He became a member of the Snake River Regional Studies Center on the College of Idaho campus, Caldwell. The Center with a $100,000 grant from the Hill Foundation. Smeed notes that the foundation received its money from the family that built the Great Northern railroad, the only railroad to come West without a government subsidy. "They did it on their own," he smiles.

As one of a 50-man advisory board made up of college professors, business leaders and so forth, Smeed tried to interest the board in his feeling that ideas count.

"I circulated an article on taxing pollution as a means to curb it just to show them that conservatives aren't against everything. We do have some ideas. And I showed them an article praising Boise-Cascade company for taking a crummy area in Minnesota and developing it into something useful.

"But I guess I must have been a threat to them. I got kicked off the board. But it wasn't me threatening them. It was my ideas. Leonard Read was right. Ideas do have consequences. They couldn't deal with my ideas so they dealt with me and kicked me off the board."

While Smeed was on the board he and two other Canyon County men began a publication called the Idaho Compass. Those two are Steve Symms, now a U.S. congressman, and Bob Smith, a Nampa attorney, former Symms' aide, and unsuccessful candidate for the U.S. Senate against Frank Church.

The Compass, explains Smeed, was totally idea-oriented. "We didn't deal in personalities, just ideas. We tossed out ideas to the education and political establishment."

But just as Smeed fell victim to his campaign for ideas, so did Symms. A graduate of University of Idaho, Symms was vice-president of the Alumni Association when he, Smeed and Smith created the Compass.

When he became president of the Alumni Association, Symms tried to convince his board that the ideas found in the Compass weren't incompatible with the best interests of the University of Idaho.

But one board member told him, "You've got to sell the education put out here, like it or not." Symms didn't like it, said so, lost a vote of confidence and left the post—right after he kissed the Homecoming queen at the annual football game.

Laughs Smeed, "Steve told them he wouldn't resign until then and he didn't." Ironically, most of what Symms proposed to the board 10 years ago has come to pass today.

He advocated a form of contract education in the schools of mines and forestry and it is now coming to pass. But what really got him in hot water was his call that the university fund a professorship in free enterprise.

Last fall the university announced it was soliciting donations from Idaho businessmen to fund a chair in free enterprise. Again, says Smeed, "ideas have consequences. Symms didn't have a bad idea. He was just 10 years too soon."

1972 TO THE PRESENT

In 1972 Smeed's thinking came full circle. At one time convinced that politics was the answer only to later retract that thought and believe that ideas count most, Smeed saw an opportunity in 1972 to combine both.

Idaho First District Congressman Jim McClure was giving up the seat to run for the U.S. Senate, successfully as it turned out. But the seat he was abandoning was up for grabs though Boise attorney Wayne Kidwell, Senate majority leader in the Idaho Senate, was the favorite to win the GOP primary.

Despite the fact that most everybody considered Kidwell unbeatable, an orchardist from Caldwell named Steve Symms entered the race. His campaign manager was Bob Smith; his guru, Ralph Smeed.

What happened to make Smeed jump back into the political arena?

"Leonard Read had been telling me for years that politicians follow ideas, they don't create them. But in Symms I found a man who was idea-oriented and has the freedom message.

"We honestly went into the campaign interested in ideas first, getting elected second. If he got elected, fine. If he didn't, well we thought it would at least give us the opportunity to introduce a lot of ideas to the rest of the state."

What happened, says Smeed, is really a tribute to Leonard Read and Symms. Symms' freedom philosophy campaign and ideology caught on with the voters. He defeated Kidwell and another challenger in the primary and went on to win the general election. Symms has won every subsequent election including the most recent with 60 percent of the popular vote.

"Leonard Read said that if you do your homework people will come to you. Well, they did in that election. Read's philosophical ideas turned out to be super-practical."

From that campaign, Smeed has branched out. He is now a statewide columnist dealing mostly in ideas (there's that word again) and a few years back was asked by the government television station in Boise if he would submit to a lengthy interview on his philosophy.

He agreed, the interview ran and Smeed has been much in demand ever since to espouse his libertarian feelings. A libertarian is one who believes in social and economic freedom and, in fact, there is even a national political party of the same name that, ironically, sprung up about the same time as the Symms candidacy in 1972.

But Smeed is not resting on his laurels. While he writes and lectures in favor of freedom and tries to find political candidates who feel likewise, his latest effort is in the education field.

"Everyone is a product of the education system," Smeed emphasizes. "The liberals own the education establishment lock, stock and barrel. The reason we don't have people coming out of the system with a feeling for freedom is that there is no one there teaching it.

"You wouldn't have to worry about finding politicians that believe in freedom or in educating people about freedom if the education system would teach about it.

"I am now knocking on the education establishment's door to introduce them to free enterprise, private ownership, property rights, non-interventionism, non-collectivism. In the long run the education system will have more to say about what kind of country we are than any other single factor."

Along that line, Smeed is now on the advisory board of the State Board of Education and he, along with some friends, have purchased a stately older home in Boise and founded the Center for the Study of Market Alternatives.

"We needed a flagpole in the intermountain area," Smeed says. "A place for people to pursue their ideas. We know we are not going to turn masses of people around overnight but we really do believe in the ideal of presenting the world with one improved person.

"Our idea of an 'improved person' is one who believes in and recognizes the idea of freedom. This country got to be where it is because our people had the freedom to do so. But that has been eroded over the years. We need to rekindle that."

Once a lonely voice, Smeed has gained quite a following. But he refuses to take credit personally. Always, it is back to his mentor, Leonard Read and—you guessed it—"Ideas have consequences."●

ALASKA LANDS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. DINGELL. Mr. Speaker, for the benefit of my colleagues, I am inserting into the RECORD, letters of support for the Breaux-Dingell substitute to H.R. 39 from the United Brotherhood of Carpenters and Joiners of America and the Western Forestry and Conservation Association.

UNITED BROTHERHOOD OF CARPENTERS AND JOINERS OF AMERICA,
LEGISLATIVE DEPARTMENT,
Washington, D.C., May 2, 1979.

Hon. JOHN D. DINGELL,
U.S. House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN DINGELL: I am writing to you at this time to urge your support for the Breaux-Dingell Alaska Lands bill as reported by the House Committee on Merchant Marine and Fisheries.

It is our belief that the Breaux-Dingell Bill together with its companion legislation, the Huckaby substitute, as reported by the House Interior Committee represents the most balanced approach to the long controversy surrounding the resolution of Alaska's vast resources.

We do believe that with the growing emergency of our nation's energy needs that the revamped Udall Bill is far too extreme. This Bill would make it impossible for all practical purposes for our nation to fairly utilize the huge timber, mineral and fuel resources of Alaska.

The Breaux-Dingell Bill in our view is very close to and even an improvement to the Bill that all the parties almost agreed to at the close of the last congress.

We respectfully urge you to support Breaux-Dingell when this matter reaches the floor.

Sincerely yours,
CHARLES E. NICHOLS,
General Treasurer and
Director of Legislation.

WESTERN FORESTRY
AND CONSERVATION ASSOCIATION,
Portland, Oreg., May 1, 1979.

Hon. JOHN DINGELL,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN DINGELL: The Western Forestry and Conservation Association has long been concerned with the land ues allocations and management decisions of the public lands in Alaska. We recognize that Alaska has some areas of outstanding beauty, unique wildlife habitat, unusual Arctic ecosystems and native Indian and Eskimo cultural values. However, we also know that Alaska possesses considerable quantities of badly needed minerals, considerable areas of potential energy fuels and many acres of forest lands. We are also aware of the Alaska Statehood Act's intent and provisos that the public lands would be used to help the State of Alaska, the native tribes and the Eskimos achieve economic self sufficiency.

The Alaska Lands issue is a complex one. The disposition of the federal lands there must strike a balance between providing commodities and amenities for the benefit of the greater American public and preserving important environmental qualities. However, this is not a new or unique-to-Alaska process. Alaska lands will contribute the maximum benefit to the economy and society when administered under the multiple-use concept of land use management. The assignment of some areas to special or exclusive use is justifiable within the framework of multiple use and can be determined through established land use planning procedures.

We believe that HR 39, as introduced by Congressman Huckaby and revised by Congressmen Breaux and Dingell, comes the nearest to an environmentally balanced bill of any of those advanced to-date. It will protect Alaska's scenic beauty, wildlife and cultural resources while permitting reasonable development activities. It provides the greater degree of flexibility in land use allocation and managemnt decisions with the result that a better mix of commodity and amenity values can be obtained from these public lands. It seems to more nearly meet the total needs of the American people than that obtainable through massive lock ups with no incentive for exploration and no opportunity for development.

The nation's need for energy, increased raw material availability and a redress of the balance of payments is well known to you. Alaska's resources can help meet all of these needs and still preserve priceless areas. Your support of HR 39 as supported by Congressman Breaux, Dingell and Huckaby will help accomplish this and will be greately appreciated.

Sincerely yours,
STEELE BARNETT,
Forest Counsel.●

THE OIL IMPORTS ACT OF 1979

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. CONYERS. Mr. Speaker, on April 10, 1979, Representatives BENJAMIN ROSENTHAL, CHARLES ROSE, and myself introduced the Oil Imports Act of 1979, that creates a Federal nonprofit corporation as the sole importing agent for crude oil and petroleum products imported into the United States. As a result of the interest that has been generated by this legislation and the inquiries for further information, the following factsheet has been written to describe in greater detail the provisions of H.R. 3604, the Oil Imports Act of 1979. The factsheet is presented in the form of questions and answers on the major issues which the bill addresses itself to:

THE OIL IMPORTS ACT OF 1979 (H.R. 3604): A FACTSHEET

Q. What are the basic provisions of the Oil Imports Act?

A. This bill would establish a Federal nonprofit corporation to buy and resell all crude oil and petroleum products imported into the United States. The Corporation would have a board of directors appointed by the President with the concurrence of the Senate. The Corporation would have broad latitude in policy-making combined with public accountability.

After a 1-year phase-in period, the Corporation would have the exclusive authority to negotiate with oil-producing countries the amounts of oil to be purchased for import and the prices either by means of direct purchase, sealed offers of sale, or other means it chooses. The Corporation then would sell the imported oil to all qualified buyers for domestic use.

Q. Does such oil import authority exist in the law at the present time?

A. Optional, or stand-by, authority for the Government to buy and resell imported oil already exists under the Emergency Petroleum Allocation Act of 1973, The Energy Policy and Conservation Act of 1975, and also under the 1977 Act that established the Department of Energy. This authority has not been exercised to date. This bill would give the Corporation the exclusive authority to purchase and resell all imported oil brought into the United States for use in the United States.

Q. How is oil currently imported into the United States?

A. A handful of multinational corporations are in complete control of the importation of oil into the U.S. These oil companies negotiate the amounts to be imported on a contract or spot-purchase basis, and pay whatever prices the oil-producing countries charge. There is then, no real negotiation over the prices that the OPEC or other oil-producing countries charge, or the surcharges they levy. This system operates in complete secrecy, without public accountability or consideration of national interests.

Q. Are there any competitive forces operating in the existing oil import system?

A. None at all. On one side are the oil-producing countries, led by the OPEC cartel, dictating the price and also the amount for sale. On the other side are a handful of giant oil companies, that have had historic ties with the OPEC producers, enjoy special access and privileges, whose corporate interests are served by rising oil prices and, therefore, lack any incentive whatsoever to negotiate lower prices for imported oil. Under these circumstances, free-market bargaining does not exist. There is at present no countervailing market force that resists ever higher oil prices.

Q. How would the Oil Imports Act promote worldwide competition in oil?

A. The strength of the OPEC cartel has never been tested by the buyers in the international marketplace. In addition to the 13 OPEC countries, there are presently 60 oil-producing nations, 23 of which produce oil for export. It is highly likely that some of these countries would accept lower prices for the opportunity to produce oil at higher levels and, thereby, receive greater total revenues. In addition, recent studies indicate new investment in exploration and drilling would yield a large volume of new oil production, particularly among non-OPEC oil-producing countries.

The Oil Imports Act would furnish all oil-producing countries the incentives to compete for the American import market. It would enable the Federal oil import corporation to negotiate with OPEC and non-OPEC countries on an equal footing and to shop around for the lowest prices. By determining the amount of oil to be imported, the corporation would have added leverage on pricing. The legislation would have the long-term effect of stimulating world oil production. These actions would promote an interplay of free market forces in the international oil market virtually for the first time.

Q. Would this legislation bring down the price of imported oil?

A. A reduction in cost of $1 per barrel of imported oil through the Corporation, in the absence of crude oil decontrol, would save the nation $3 billion per year. This is an average savings of $60 per year per family of four. In the longer term, if the price of domestic crude oil were decontrolled, thereby pegging that price to the price of imported oil, any reduction in the price of imported oil would also affect a decrease in the price of domestic oil.

Q. Would the oil imports bill insure a steady supply of oil in times of emergency?

A. In 1974 EXXON refused a request of the U.S. Navy in the Mediterranean to purchase oil. It claimed that its supplies were committed at a higher price than the Navy offered. The Oil Imports legislation would prevent such a situation from occurring again. It transfers to the Corporation the authority to purchase oil for the strategic petroleum reserve, a vital function which has been plagued with problems in its management under the Department of Energy. In addition, the bill would establish an advisory board, consisting of the key Federal departments and agencies, that would coordinate with the Corporation the safeguarding of vital national interests during emergencies, including priority access to the Armed Forces.

Q. Once the Corporation purchases imported oil, how would it resell the oil in the U.S.?

A. The Oil Imports legislation seeks to accomplish 3 broad purposes: (a) to make available imported oil to American consumers at the lowest prices possible; (b) to promote competition in the domestic oil industry so that all domestic marketers—small and medium-sized firms as well as the giant multinational oil corporations—have access to imported oil; (c) to maximize the utilization of domestic refining capacity in the production of petroleum products for American consumption.

Under the legislation, the Corporation would have considerable latitude in making the rules governing the sale of imported oil, but would have to accomplish the above broad purposes. When domestic demand for imported oil is in line with supply, the Corporation would resell the oil to all qualified buyers for use in the United States. It would free the smaller domestic oil marketers from their complete dependence on the major oil companies. When domestic demand for imported oil exceeds supply, the Corporation would ensure that the supply is allocated equitably, that the needs of all priority users are met, and that the prices paid and the costs to consumers are kept to the lowest level feasible. The Corporation is a non-profit agency of the Federal government; it is mandated to recover the amounts necessary for administrative expenses, but is not in the business of making a profit.

Q. Does this legislation set up a FEDERAL bureaucracy to buy and sell oil?

A. The Oil Imports bill establishes a public non-profit corporation, modeled after the Tennessee Valley Authority (TVA) and other public corporations, and give it, rather than the Department of Energy or any other government bureaucracy, the authority to buy and sell imported oil. The corporation's only function and mandate is to purchase and resell imported oil, at the amount Americans need and at the price they can afford. This is a vital function since imported oil presently represents 44 percent of domestic use, its price tag in 1978 was $43 billion and is projected in 1979 to rise to around $55 billion. While the legislation provides for a high degree of independence of the corporation from political and oil corporation pressures, and provides the necessary resources to maintain the highest-quality staff, both its mandate and the law governing it will prevent any tendencies toward expansion. In addition, the law provides that members of the corporation's board of directors are subject to removal, according to specified criteria, so that there is an additional public constraint on its conduct, should that be necessary. The corporation cannot own any assets, and is strictly in the business of importing oil.●

BALLOTS PREVAIL IN RHODESIA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. LAGOMARSINO. Mr. Speaker, the following article from the Los Angeles Herald Examiner concerns the recent constitutional elections that were held in Rhodesia. The author, William Randolph Hearst, Jr., correctly concludes that the overwhelming turnout for the elections requires a new U.S. policy. I continue to support the elimination of economic sanctions.

The article follows:

BALLOTS PREVAIL IN RHODESIA

(By William Randolph Hearst Jr.)

In a world of so much distressing news, it is a relief to have some good news for a change.

The elections in Rhodesia were, for them and for me, good news. The outcome was not a perfect one, but it was a significant and historic step in the direction of a sane solution of the Rhodesian racial problem. It means that if the new biracial government lasts, we will have a pro-western democratic regime in that strategically important country instead of a Soviet-oriented black Marxist dictatorship.

It is a great tribute to the good sense and desire for peace of the black people of Rhodesia.

At the risk of brutal retaliation from guerrilla terrorists, a large majority of those eligible to vote went to the polls to support establishment of a black-led government in which the white minority would have some veto power for 10 years.

As Methodist Bishop Abel Muzorewa, the U.S.-educated moderate black leader who won an overwhelming victory in the elections, said sometime ago, granting the whites that privilege was a reasonable price to pay to retain their skills in the future economic development of the country.

The fact that the 28 whites who will sit in the new 100-member parliament will have veto power over changes in the civil service, judiciary and security forces is cited by the two guerrilla leaders, Nkomo and Mugabe, as the reason for their rejection of the settlement, but that is not the real reason. They knew they could not win power in an election, and the 67 percent of the veto Bishop Muzorewa received proved it.

As for granting the whites, who represent 3 percent of the 6.7 million population, 28 percent of the parliamentary seats, my good friend Sen. S. I. Hayakawa of California sent me an interesting message.

"Although the new constitution of Rhodesia is criticized as an imperfect document, I think it is important to point out the following," he said.

"When Kenya gained its independence, the whites, representing 4 percent of the population, were given 30 percent of the seats in the parliament. When Tanzania became independent, the whites—one percent of the population—received 30 percent of the seats. In Zambia, the very small white minority got 15 out of 30 seats, or 50 percent.

"Our own Constitution was imperfect at the beginning. It denied the vote to blacks, women and the poor who owned no property.

"If Rhodesia's white minority and the majority of its black population are content with the Salisbury settlement, the governments of other nations and, above all, our own, should not be opposing it."

I couldn't agree more. But according to Washington reports, President Carter still wants to try to bring about a different settlement in which the guerrilla leaders would participate and new elections would be held under United Nations supervision.

In other words, he wants a perfect solution. It is undoubtedly well-intentioned, but it is naive and utopian. Ian Smith and Muzorewa will never agree to it. They well remember what happened to South Vietnam after we forced the Saigon government into accepting a phony peace agreement with North Vietnam's communist imperialists.

The Carter administration also wants to delay the lifting of American economic sanctions against Rhodesia so they can be used to pressure the elected, moderate biracial government to negotiate what surely would turn out to be a suicidal deal with Nkomo and Mugabe.

The British Conservative Party, which is odds-on to win next week's general elections, is committed to lift sanctions against Rhodesia. If it does so, our administration's present policy will be bankrupt.

Joe Kingsbury-Smith, our national editor, informed me the State Department is taking "another look" at that policy in view of the "significant" size of the black turnout in the Rhodesian elections. I earnestly hope the "new look" leads the president to pursue a more realistic policy.

A Senate amendment adopted last fall requires Carter to lift sanctions after the establishment of the new black-led government if he determines that government was chosen by free elections in which all political parties and population groups were "allowed" to participate freely. That date now is set for June 1.

A substantial number of senators, perhaps even a majority, believe those conditions were met, and I share that view. Kenneth Towsey, head of the Rhodesian Information Office in Washington, said the guerrilla leaders could have participated in the elections and voted against the Salisbury settlement if they had agreed to a cease fire during the campaign and elections. Had they thought they could win, they surely would have done so. Instead, they openly proclaimed their determination to conquer Rhodesia by force with Soviet, Cuban and Chinese Communist help.

As for observers, *The Washington Star* reported from Salisbury:

"Despite the fact that 72 international observers and more than 200 reporters—most of the latter eager to find fault—scoured the vast country for five days in search of irregularities, few concrete examples were fonud."

The *Star* report added the general impression was that the election "was largely free of overt government intimidation and marks a positive step toward majority rule."

Most impressive was the report of a nine-man observer delegation from the New York-based liberal human rights organization, Freedom House, which said that despite some shortcomings, "Rhodesia never had so inclusive and free an election," adding "elections in most underdeveloped countries are less free." A member of the delegation, black civil rights activist Bayard Rustin, said he intended to go to Carter and Congress to do what he could "to bring about a change in policy."

Africa's black rulers and the two guerrilla leaders will undoubtedly denounce the elections as fraudulent. They will point to the charge of the Rev. Ndabaningi Sithole, the badly defeated rival of Muzorewa for the post of the country's first black prime minister, that the elections were marked by "gross irregularities."

No doubt there were irregularities. We have had plenty of them in the United

States, too. Jerry Ford might still be president today if he had allowed the New York Republican Party to pursue charges that crooked votes were cast or counted for Jimmy Carter in that state. John F. Kennedy may have been president only because Richard Nixon refused to let Illinois Republicans challenge the presidential votes in Chicago.

So if we have election irregularities in this country, can one expect perfection in the first black election in a country where most of the voters were illiterate and superstitiously bound to tribal chiefs?

The important thing is that a large majority of Rhodesia's black people demonstrated, as Bishop Muzorewa said, "for the ballot and not the bullet to determine their future."

This outcome, as confirmed by the foreign observers, is very gratifying to me because I was favorably impressed by Ian Smith and the moderate black leaders during my visits to Salisbury, first in November 1976, and again in February last year. My talks with all of them left me convinced they were striving to achieve a peaceful, sensible settlement of the racial problem in that country, and one that would not result in the economic disaster that occurred in several neighboring African countries from which the whites were driven out.

It led me to deplore the Carter administration's alignment with the British Socialist government's refusal to support the Salisbury settlement. I completely endorse Prime Minister Smith's words, as expressed in the following remarks:

"Is it not an incredible story when one realizes that at long last the Rhodesians have accepted a thing which American and British governments have been asking us to accept for years—this magic thing called majority rule—that they would not give us their support in order to implement and bring into our country the type of government based on one man, one vote, and free democracy. Moreover, one which would be oriented towards a free world.

"No, they choose to support the Russians and the Cubans and the Patriotic Front, the people who intend to see if they can't take Rhodesia through the barrel of a gun; people who do not believe in the democratic system for the obvious reason that they know they would lose out.

"Surely this is one of the most incredible stories that will ever be recorded in the history of the free world."●

BALANCE OF TRADE

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. PAUL. Mr. Speaker, we hear a lot of nonsense these days about the unfavorable balance of trade, and what we should do about it.

Some are even suggesting the kind of tariffs and protectionist legislation that helped bring on the world depression in 1929.

Frederic Bastiat, the great French economist, refuted over a hundred years ago many of the economic fables we hear today. He is heavily quoted in a fine article on this subject, by Lawrence W. Reed, that appeared in the Freeman, a magazine edited by Dr. Paul Poirot and published by Mr. Leonard Read. Dr. Poirot is a fine economist and writer himself, and Mr. Read, founder and president of the Foundation for Economic Education, is a modernday Bastiat. I would like to call this article to my colleagues' attention. It contains much that we need to ponder.

The article follows:

IS THERE AN UNFAVORABLE BALANCE OF TRADE?

(By Lawrence W. Reed)

Economists who believe in the market economy seldom have kind words for the ideas of the late John Maynard Keynes, and understandably so. Keynes, who did so much to make inflation a popular policy worldwide, was no friend of the free market. Scattered here and there in his voluminous writings, however, are passages with which free market advocates can wholeheartedly agree. This one in particular deserves to be carved in stone and enshrined forever.

The ideas of the economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.

Today it seems that defunct economists and academic scribblers are making a dramatic comeback. Economics has become burdened with foolish notions that were once thought to be discredited. Some of these notions are put forward as if they are imaginative, new discoveries; too many are designed to turn the clock back to the days before free trade unleashed the creative energies which have built the prosperity of Western civilization.

TWIN OBSTRUCTIONS

A leading illustration of this point involves the twin concepts of "balance of trade" and "balance of payments." These two concepts, which sound innocuous in name, often form the basis for erecting barriers to foreign goods. With the demand for "protectionist" legislation on the rise throughout the world, we can expect to hear more about them in coming months.

How are these terms defined? The "balance of trade" is considered to be the difference between the money value of a country's merchandise exports. The "balance of payments" is regarded as a broader measure of economic activities between nations because it includes merchandise and such "invisible" imports and exports as credit transactions and government payments abroad (for foreign aid or to support military forces, for example).

The definitions are not as important, though, as the actual purpose behind them. Both "balance of trade" and "balance of payments" concepts attempt to fracture the process we know as "trade" so that the resulting fragments can be designated either "good" or "bad." In this way, "trade" is deemed to be "good" if it meets certain statistical criteria and "bad" if it does not. Such value judgments, moreover, are reached independently of the individuals who are doing the actual trading.

THE MERCANTILISTS

The first economists to develop this analysis of trade were the mercantilists, so it is certainly not new with today's theoreticians. Thomas Mun, a leading mercantilist scholar of the seventeenth century, argued that England would prosper in foreign trade if only she would strive for a "favorable" balance:

> The ordinary means, therefore, to increase our wealth and treasure is by Forraign Trade wherein we must ever observe this rule; to sell more to strangers yearly than we consume of theirs in value. For suppose that when this Kingdom is plentifully served with Cloth, Lead, Tin, Iron, Fish and other native commodities, we doe yearly export the oversurplus to forraign Countreys to the value of twenty two hundred thousand pounds, by which means we are enabled beyond the Seas to buy and bring in forraign wares for our use and Consumptions, to the value of twenty hundred thousand pounds; By this order duly kept in our trading, we may rest assured that the Kingdom shall be enriched yearly two hundred thousand pounds, which must be brought to us in so much Treasure, because that part of stock which is not returned to us in wares must necessarily be brought home in treasure. . . .

Mun and the mercantilists believed that a nation must never buy from foreigners more than it sells to them. If such an "unfavorable" balance occurred, the nation had to pay the difference in gold, the internationally-accepted medium of payment. To prevent that, the government was supposed to actively promote an excess of exports over imports. Mercantilists were so convinced that specie itself constituted the wealth of the nation that they closed their borders to trade and often waged war in order to protect and accumulate vast supplies of gold. That a nation should strive for a "favorable" balance of trade (more exports than imports) is the economic heritage of the sixteenth, seventeenth, and eighteenth centuries.

Mercantilist reasoning did not die with the mercantilists, however. Already, demands are increasing for restricting imports to redress our "imbalance." Japan is singled out for particular scorn. Each month that government statistics indicate an "unfavorable" balance seems to push America closer to a neo-mercantilist policy of protectionism and trade wars.

ADAM SMITH AND BASTIAT

It was Adam Smith who first attacked the the notion that exports are good and imports are bad. He postulated a "harmony of interests" in trade, by which both parties to an exchange benefit. With the exception of obvious fraudulent practices, which are minimal in number and a responsibility of the courts, there can be nothing "unfavorable" about voluntary trade *from the point of view of the individuals doing the trading,* otherwise those individuals would not have engaged in it.

This principle is readily visible when trade involves two parties *within* a country; it somehow becomes confused if an invisible political barrier separates the two. Introduce more than one currency and the principle becomes all but totally obscured in the welter of economic fallacy. Mercantilists of yesteryear and like-minded economists of today face an impossible dilemma posed by this question: Since each and every trade is "favorable" to the individual traders, how is it possible that these transactions can be totalled up to produce something "unfavorable"?

Frederic Bastiat, the nineteenth-century French economist and philosopher who exploded myths with stunning clarity, once addressed himself to this very point. His analysis remains to this day one of the best critiques of the "unfavorable balance" concept:

> M.T. dispatched a ship from Le Havre to the United States, with a cargo of French goods, chiefly those known as *specialties of Parisian fashion,* totalling 200,000 francs. This was the amount declared at the customhouse. When the cargo arrived in New Orleans, it had to pay a shipping charge of ten per cent and a tariff of thirty per cent, which brought the total to 280,000 francs. It was sold at a profit of twenty per cent, or 40,000 francs, for a total price of 320,000 francs, which the consignee converted into cotton. This cotton had to pay ten per cent more, for transportation, insurance, commissions, etc.; so that, when the cargo arrived at Le Havre, its cost amounted to 352,000 francs,

and that was the figure entered into the accounts of the customhouse. Finally, M.T. again realized, on this return trip, twenty per cent profit, or 70,400 francs; in other words, the cotton sold for 422,400 francs.

If M. Lestiboudois requires it, I shall send him some figures taken from the books of M.T. There he will see, *in the credit column* of the profit-and-loss account—that is to say, as profit—two entries, one for 40,000 francs and the other for 70,400 francs; and M.T. is fully satisfied that in this respect his accounting is not in error.

And yet, what do the figures in the account books of the customhouse tell M. Lestiboudois regarding this transaction? They tell him that France has exported 200,000 francs, and that it has imported 352,000 francs; whence the honorable deputy concludes "that it has consumed and dissipated the proceeds of previous savings, that it has impoverished and is on the way to ruining itself, that it has given away 152,000 francs of its capital to foreigners."

Some time afterward, M.T. despatched another ship with a similar cargo, worth 200,000 francs, of products of our domestic industry. But the unfortunate vessel sank while leaving the harbor, and there was nothing else for M.T. to do but to inscribe in his books two brief entries phrased thus:

Sundry goods due to X: 200,000 francs for the purchase of various commodities carried by ship N.

Profits and losses due to sundry goods: 200,000 francs for ultimate total loss of the cargo.

Meanwhile, the customhouse on its part was entering 200,000 francs into its *export* ledger; and as it will never have anything to enter into the opposite *import* ledger on this account, it follows that M. Lestiboudois and the Chamber will view this shipwreck as a clear net profit of 200,000 francs for France.

There is still a further conclusion to be drawn from all this, namely, that, according to the theory of the balance of trade, France has a quite simple means of doubling her capital at any moment. It suffices merely to pass its products through the customhouse, and then throw them into the sea. In that case the exports will equal the amount of her capital; imports will be nonexistent and even impossible, and we shall gain all that the ocean has swallowed up.

In a parting shot, Bastiat again applies reductio ad absurdum logic to the argument. He declares:

Assume, if it amuses you, that foreigners flood our shores with all kinds of useful goods, without asking anything from us; even if our imports are infinite and our exports nothing, I defy you to prove to me that we should be the poorer for it.

A TWO-WAY STREET

It ought to be obvious that trade is a two-way street. In a free market, where trade is a voluntary, desired, and spontaneous feature of human action, there is a "perfect balance." Professor W. M. Curtiss demonstrated that trade between people of different nations is no different in this respect from trade beween people of the same nation:

Suppose you sell a bushel of apples for two dollars. You get two dollars, which you would rather have than the apples; the buyer gets the apples, which he would rather have than the two dollars. A perfect balance!

True enough, our exporters may sell goods to English buyers and get sterling exchange. They may spend this money in France or Germany rather than in England, so that the flow of goods is not directly between England and America. But the same might be true in the trade of apples for dollars. With your two dollars, you probably will buy something from a third party rather than from the man who bought your apples.

The mercantilists, we have noted, viewed the export of money and bullion as inherently evil. Exports were to be encouraged and imports discouraged by means of tariffs and quotas in order for money to be "kept in" the country. Similar cries are heard today. Many economists and government officials view with alarm any net outflow of money to foreigners.

In the context of individuals engaged in free trade, such alarm is misplaced if directed at the market. Often a net outflow of funds is a symptom of the government's own policy of inflation which erodes public confidence in the dollar. Professor Ludwig von Mises believed that in any case, this occurrence . . . is not the product of an unhappy concatenation of circumstances that befalls a nation like an act of God. It is the result of the fact that the residents of the country concerned are intent upon reducing the amount of money held and upon buying goods instead.

Furthermore, Mises contended, it is not correct to assume that government must take measures to prevent a total loss of the nations money by such an "unfavorable balance." Quoting from Professor Mises again:

No government interference is needed to prevent the residents of New York from spending all their money in dealings with the other forty-nine states of the Union. As long as any American attaches any weight to the keeping of cash, he will spontaneously take charge of the matter . . . But if no American were interested in keeping any cash holding, no government measure concerning foreign trade and the settlement of international payments could prevent an outflow of America's total monetary stock.

Keynes was correct when he said that ideas, right or wrong, rule the world. The unique concern over the "balance of trade" and the "balance of payments" will quite probably produce wider restrictions on international trade. If that occurs, our government's policy-makers will be treading blindly in the footsteps of the defunct economists and academic scribblers of mercantilist times.●

ALASKA LANDS

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. DINGELL. Mr. Speaker, the House of Representatives will soon consider various bills relating to the disposition of Alaska lands. This legislation has received widespread support from various State natural resource agencies. In fact, the International Association of Fish and Wildlife Agencies—representing all fish and game agencies of the 50 States—has endorsed the legislation. I am inserting into the RECORD a few examples of individual State endorsements from these agencies.

STATE OF WEST VIRGINIA,
DEPARTMENT OF NATURAL RESOURCES,
Charleston, April 18, 1979.

Hon. NICK JOE RAHALL II,
U.S. House of Representatives,
Cannon House Office Building,
Washington, D.C.

DEAR CONGRESSMAN RAHALL: I have written to you previously regarding my concern over the Alaska Land Bill, H.R. 39, and amendments pertaining to this legislation. It is my understanding that a new version of H.R. 39 is now being reviewed and, although not perfect, is the best of the options to date.

Since the new "Breaux-Dingell" version would place a large amount of Alaska lands into the refuge system, thereby permitting more fishing, hunting and trapping, I favor this latest version over the previous amendments.

I have voiced my concern over the past few years of the gradual encroachment by the federal government into the states' right to manage resident species of wildlife. The Breaux-Dingell proposal seems to give greater recognition to Alaska officials for the management of resident fish and wildlife species. It also provides a degree of land protection along with the balanced use of lands.

Your support of the Breaux-Dingell version of H.R. 39 will be appreciated.

Sincerely,

DAN E. CANTNER,
Chief, Division of Wildlife Resources.

OHIO DEPARTMENT
OF NATURAL RESOURCES,
Columbus, Ohio, April 27, 1979.

NOTE: This letter was sent to the Ohio Congressional Delegation.

In regard to H.R. 39, I strongly urge that you support the Breaux-Dingell version. This version of the bill provides appropriate protection while giving rightful authority to the State of Alaska to manage resident fish and wildlife resources. Other versions of the bill dilute the authority of the state to properly manage its resources.

Although this version has been labeled exploitive because it will permit mineral extraction on wildlife refuges, there is a requirement that such uses must first be determined compatible by the Secretary of the Interior. This is a sufficient safeguard and is certainly better than a lockout followed by a break-in.

Sincerely,

ROBERT W. TEATER, *Director.*

SENT BY VERMONT DEPARTMENT OF FISH AND GAME

APRIL 24, 1979.

Congressman JAMES JEFFORDS,
Longworth Building,
Washington, D.C.

DEAR JIM: House of Representatives Bill, H.R. 39, is the Alaska Lands Bill which will determine the fate of the federal lands in Alaska. In May 1979, I understand that the House Rules Committee will be discussing H.R. 39 to resolve a jurisdictional question, and sometime after that it will be brought to the floor and will be geting the House's full attention.

There are several versions of the Alaska Lands Bill (Udall, Huckaby and the Breaux-Dingell versions), and of these I prefer the latter. The Breaux-Dingell version is also known as the "Exploiters Bill" because of its provision that would allow mineral exploration and development on the refuge system lands that form a substantial portion of these public lands. There are also requirements that such uses be compatible with the refuge's primary purpose, and I have confidence in the U.S. Fish and Wildlife Service that such safeguards will be obeyed. From a practical point of view, as well, to me it makes more sense that oil and other important raw materials not be "locked up" and unavailable to the U.S., particularly during these times of actual and potential shortages in many areas.

Placing more of these Alaska federal lands in the refuge system as the B-D version does still makes them available for hunting, fishing and trapping rather than excluding these activities if the lands were all placed in the national park system.

One of the problems with other versions of H.R. 39 has been that states' rights have been threatened. The B-D version lessens this concern in Section 1108, and work is still underway to minimize obscure and/or ambiguous phrases in the Bill's wording.

There are some aspects of the B-D version that will be difficult to accomplish. One of these, in Section 303, requires that the U.S. Fish and Wildlife Service complete all of its general management plans for the refuge areas within seven years after passage. Not only is such a time frame impossible to meet (there are 88 million acres involved compared to Vermont's six million), there is no similar requirement placed on the National Park Service or the U.S. Forest Service for their lands.

I have no copy of the Bill to send as I understand it is 281 pages in length. I have been working from a "Summary" which I have enclosed.

I hope that you will find the B-D version of H.R. 39 a reasonable one that you can lend your support to. Please contact me if I or my staff can answer any questions.

EDWARD F. KEHOE,
Commissioner.

SOUTH DAKOTA DEPARTMENT OF GAME, FISH AND PARKS, DIVISION OF ADMINISTRATION,
Pierre, S.D., April 27, 1979.

Hon. LARRY PRESSLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PRESSLER: The South Dakota Game, Fish and Parks Commission urges your support of the "Breaux-Dingell" version of Alaska Lands Bill, H.R. 39. We view this version of Alaska Lands Bill as being the best solution offered to date to assure states rights and the rights to hunting, fishing and trapping on public land. The Breaux-Dingell version provides protection with balanced use for more land and gives greater recognition to the authorities of the State of Alaska for management of fish and resident wildlife than does the "Udall" or "Huckaby" versions of H.R. 39.

More land is proposed for refuges and less land is proposed for parks and preserves in the Breaux-Dingell version. Also, the bill allows for some oil exploration and development along the northern edge of the Arctic Wildlife Range, only after wildlife studies are completed. This version provides for the wisest use of renewable resources and good stewardship of energy resources.

This Commission reaffirms the states sovereign rights to manage and protect the fish and resident wildlife occupying all lands found within their borders. The Alaska Department of Game and Fish has a fine record of confidently and competently performing their responsibilities and has provided outstanding recreation to sportsmen of other states, including South Dakota. Please support their viewpoints and our own state's interest to best manage wildlife on public lands.

Your immediate attention to this matter will be greatly appreciated.

Sincerely,

HARVEY THAYER,
Chairman,
Game, Fish and Parks Commission.

SENT BY FLORIDA GAME AND FRESH WATER FISH COMMISSION
APRIL 20, 1979.

Hon. CLAUDE PEPPER,
U.S. House of Representatives,
Rayburn House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE PEPPER: We have had an opportunity to review the latest version of the Alaska Lands Bill, H.R. 39, and would like to offer the following comments for your consideration.

We urge your support for the Breaux-Dingell version of H.R. 39. It is not totally satisfactory from a state's perspective, yet this bill is far superior in our opinion to the previous versions.

Our basis for urging your support is tied to two key provisions of the Breaux-Dingell version. The most important and valuable aspect of this version is that it at least recognizes, to some extent, the State of Alaska's authority for management of fish and resident wildlife. Apart from the philosophical aspects regarding states' rights in such matters, no federal agency can approach the biological and technical expertise of the State of Alaska's Department of Fish and Game. It would be a serious mistake in our view if this recognition were not a significant part of the Alaska Lands Bill.

Our second reason for a basic support of the Breaux-Dingell bill is the provision for preliminary biological investigations on wildlife before any portion of the Arctic National Wildlife Range could be opened for oil exploration and development. Considering the current situation with petroleum in the United States, it is obvious to us that there will be oil exploration and development wherever oil is suspected to occur. The provisions of this bill recognize that fact, but stipulate such activity may begin only after studies on ways to minimize adverse impacts on wildlife have been completed.

Regardless of the final form of H.R. 39, we trust and hope that Congress gives due consideration to the interests and needs of Alaska citizens. They, after all, are the ones who will be most affected by any Alaska lands legislation.

Sincerely,

COL. ROBERT M. BRANTLY,
Executive Director.●

SALT AND THE NATION'S SAFETY

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. DORNAN. Mr. Speaker, there is a newspaper column with clear, crisp, strong, and logical prose which, I am sure, my colleagues find regularly captivating. It flows from the pen of Mr. James Jackson Kilpatrick, one of our Nation's most gifted commentators on our public scene. The subject of his most recent article is about hell, hell on Earth, the raging inferno of thermonuclear combat which has threatened us since that fateful 6th day of August of 1945.

Mr. Kilpatrick observes, in the course of his essay, that the language of mass killing has become highly technical, almost anesthetic in tone. We all know why, of course, because it is unlikely that we could even carry on an intelligent or rational discussion on the subject of thermonuclear war if we couched the discourse in nontechnical terms. Somehow, the jargon of modern defense and weapons technology enables us to speak with some precision about the potential of our nuclear arsenal and the consequences of nuclear exchange; but we should never, in discussing the subject, Kilpatrick reminds us, forget exactly what we are talking about: hell. He reminds us that the theoretical abstractions can clutter sound observation, much as the consequences of a failure to maintain the peace boggle the imagination.

Mr. Kilpatrick's appeal is, at bottom, an appeal to commonsense. It characterizes his writing on this subject, as it does in virtually all of his other essays on matters weighty with the tragic exception of preborn human life. He says, at last, that the matter came down to this: Our survival. Nothing else matters so much. The SALT process, the giddy camaraderie that follows from an agreement on this or that particular item in a treaty, the sense of having "accomplished something" in international politics—all of this—pales to insignificance compared with the goal of survival—the physical and moral, and cultural continuity of the United States and of the West itself. On that basis, survival, he rejects the proposed SALT II Treaty.

There is nothing more false than the accusation that opponents of the SALT II agreement are insensitive to the costs, psychological and otherwise, of the arms race. There is nothing more callous or more fundamentally unfair than to dismiss opponents of SALT II as somehow or other insensitive to the horrors of nuclear war. To the contrary, those of us who are less than enthusiastic over SALT II are guided by a love for our Nation and a fear for her safety and the safety of the countless millions of men, women, and children who depend upon the strong defense arm of our Republic.

Mr. Speaker, there is nothing so pathetic as the cries of men and women who plead for peace and, then, who are self-satisfied with the simple fact that they have done the pleading. Pleading alone does not bring the peace. The wish for peace does not ensure its achievement. Peace, to be sure, issues forth from good will, good faith, a desire to end hostilities and establish a relationship of justice and mutual security among nations; but it must also be founded on a stable balance of power, the material ability to deter aggression when good will—or good faith—fails. How true it is, Mr. Speaker, that the path to hell is paved with good intentions. We can be sure that the United States will be led down that path if we carry with us nothing more than good intentions.

The article follows:

SALT II IS NO SALVATION

(By James J. Kilpatrick)

I work out of an office near my home in the Blue Ridge Mountains of Virginia. On a quiet spring afternoon, the countryside provides one of the loveliest, most peaceful vistas in the world. With the dogwood and redbud in blossom, the hills are nursery white and pink. Overhead an April regatta of clouds is tacking by. On this particular afternoon my desk is piled high with material on the Strategic Arms Limitation Treaty talks. I am reading a back issue of Strategic Review about the Trident I (C-4).

"It is primarily a candidate for expedient deployment in a multiple aim point basing mode as an interim system prior to an MV or other advanced missile deployment," says one article.

Next I read an essay by Eugene V. Rostow, "The Case Against SALT II."

"The United States has tested 3 RVs on Minuteman III, and the Soviet Union has tested 4 RVs on the SS-17, 6 RVs on the SS-19, and 10 RVs on the SS-18."

The thick folder bulges with statements by Paul H. Nitze in opposition to the pending treaty and with statements by Paul

Warnke in support of the treaty. Here is a graph depicting "Time Urgent Counter Military and Soft Target Destruction Potential." From this it appears that by 1985 the Soviet Union will have a ten-to-one advantage in total ICBMs and SLBMs. Another study puts the Soviet advantage at no more than six to one by 1985, but this "major disparity in first-strike capability" obviously works in favor of the Soviets. "President Ford's policy of deploying a large throw-weight missile with 10 RVs in a survivable basing mode beginning in 1983 would have significantly reduced this disparity."

It is no use. The jargon of strategic experts long ago became incomprehensible to me and, I am certain, to most of the U.S. Senate. This is not because the vocabulary is intrinsically difficult or because the particular weapons, once described, cannot be envisioned. It is because we are dealing with a prospect that the mind rejects as surely as the body rejects alien tissue. The prospect is the virtual annihilation of civilization, death and destruction beyond our imagination. At the first blinding glimpse into the abyss of thermonuclear warfare, we recoil in disbelief and horror. How much better it is to discourse on MIRVs, RVs, throw-weights, and basing modes. What in the hell are we talking about? More to the point, what is the hell we are talking about?

These questions, it seems to me, have gotten altogether lost as the debate over SALT II gains momentum. We are so mesmerized by tables and charts and comparative tabulations that the figures have ceased to have meaning. The treaty debates promise little more than an exercise in counting trees; we will seldom see the forests. It is as if the senators were actuaries, calculating death by auto accident in 1981; they do not hear the shattering glass, the breaking bones, the cries of pain. The whole idea of a treaty on arms limitation is to render nuclear war between the United States and the Soviet Union unthinkable. We ought to think upon these things, and having thought, inquire if the treaty will make matters better or worse.

Not long back I asked the Defense Civil Preparedness Agency, a part of the Defense Department, to send me a little background material on what nuclear war is all about. Among the publications that turned up was futuristic scenario written in 1976, hypothesizing nuclear war in 1979. The author, William M. Brown, imagined that Syria and Egypt had joined forces to make war on Israel, the Soviet Union, by way of diversion, had closed the autobahn to West Berlin. Late in June, Soviet and NATO tanks engage in battle; hostilities escalate until tactical nuclear weapons are deployed in Europe. On August 23, the United States launches Polaris missiles against the Soviet Union. On August 26, the Soviet Union responds with a nuclear attack on certain unidentified U.S. cities.

What are we talking about? Mr. Brown, the contriver of this fantasy, kept his imagination under iron control. He supposed that most cities had managed an orderly evacuation to the countryside—a considerable feat of imagination in itself—but that 12 million people had refused to leave their homes. These 12 million die in the first barrage of nuclear explosives. Within 30 days, another 12 million die, and 16 million suffer severe injuries. Mind you, this is the brightest, most cheerful scenario that Mr. Brown could put together; most of his people escaped.

Let us contemplate the scene more closely. The thermonuclear bombs that hit New York City turn Manhattan into an inferno of charred bodies and crumbling buildings. No bridges or tunnels remain in operation. Electric power has disappeared. Water and sewer mains have ruptured. Survivors of the attack, trapped in subway shelters, dare not come to the surface. Over battery-operated radios they hear of identical devastation in Philadelphia, Baltimore, Washington, Hampton Roads, Miami, Houston, Chicago, the West Coast. The dead cannot be buried; the injured cannot be treated. None of the systems we take for granted—the systems that deliver food, fuel, medicines, drugs, retail goods—none of these is working.

In Mr. Brown's little drama, the buildup of tensions has proceeded slowly. Doubtless, it would happen this way. Even so, the removal of millions of people from city to countryside presents problems that scarcely can be grasped. How are these migrant families to be fed and housed? How are they to be employed and compensated? What becomes of the banking system? How is gasoline to be refined and distributed? Who fixes priorities on restoring essential services? What of governments, elections, public offices, the repair of highways, the remaking of public records, the maintenance of law and order?

Almost no one thinks upon these things any longer in the United States. There was a time when we heard much talk of fallout shelters and stockpiles of food. We had civil defense drills, tests of local sirens. All of that has gone by the board. Except for an occasional test of emergency equipment by a radio station, no reminders remain of the fears that once aroused public apprehension.

President Carter has created a new Federal Emergency Management Agency to take over the functions of two former agencies; it will have 1,458 employees and a $129 million budget, mainly channeled into matching grants to the states. The Soviet Union, we hear, takes civil defense seriously. Until the Harrisburg incident toward the end of March, when many people suddenly developed an awareness of radioactivity, the prospect of evacuation to avoid atomic hazard seldom had occurred to anyone.

Very well. The scenario could be vividly, brutally expanded. The point is that some such degree of bloody chaos lies behind the enameled surface of the Senate debate. This is what the treaty is intended to prevent. Will the treaty work toward that end? Will the United States be more secure with the treaty than without it? Should the instrument be ratified?

To these rhetorical questions my own answer is no. If I were sitting in the Senate, I would vote not to ratify the treaty.

When it comes to their own survival, and that is precisely what we are discussing, nations must be free to act upon their own volition. They cannot wait upon the meeting of a committee or the interpretation of a clause.

The United States tends to take treaties seriously. Under the Constitution, treaties constitute a part of the supreme law of the land. Except for the 19th-century treaties with Indian tribes, which we dishonored, to our shame, the United States has met its treaty obligations. We would live up to SALT II. Ours is a relatively open society; it would be impossible for a president and a congress to violate the treaty terms significantly.

It is nonsense—dangerous, puerile nonsense—to suppose that the Soviet Union would regard an arms limitation treaty as anything more than a cynical scrap of paper. In the folder on my desk is the text of the Helsinki Declaration of August 1, 1975. What a beautiful thing it was! It committed the signatory states to the most marvelous goals—to "respect for human rights and fundamental freedoms," to "equal rights and self-determination of peoples," to the "reunification of families," to freedom of travel, freedom of information, to the right of nationals of different states to marry.

And the ink was not dry on the Helsinki accord before the Soviet Union trampled this pretty flower to bits. If the Soviets disdain so innocuous a treaty, why should we suppose they would honor a treaty involving survival itself? The question answers itself, and it is almost immaterial that as far as our government has advised us, the Soviets have not violated SALT I. Considering their prodigious gains in strategic weaponry, one perceives no reason for the Soviets to have done otherwise. But the danger in placing our reliance upon SALT II is not so much that the Soviets will violate the provisions; the danger is that the Soviets will abide scrupulously by them.

In either event—Soviet perfidy or Soviet fidelity—the peril is the same: This treaty would lock the United States into an inferior position. We would have forfeited our independent, unfettered judgment of what is best for us.

It seems to me that Mr. Carter, or whoever succeeds him in the White House, cannot prudently be bound by the numbers and kinds of weapons that would be fixed by the pending treaty. What does it mean that we could have 2,250 intercontinental ballistic launchers? Suppose 1,500 are enough? Or only 500? Or suppose the permissible number, in our own self-interest, ought to be doubled? If the best judgment of professional military leaders calls for a B-1 bomber, a cruise missile, or some other weapon not yet perfected, a president should be free to do what he thinks best, asking not the consent of Moscow but only the consent of Capitol Hill.

I cannot imagine a nuclear war that would lay waste these green mountains, annihilate our people, imperil mankind itself. If I were convinced a SALT II treaty would protect our security, I would be beating tom-toms for it. But the treaty strikes me as a delusion and a trap. I would rather see our country go its own way, walking softly, and carrying a stick as big as we think that stick should be.●

VOLUNTARISM AND THE PUBLIC GOOD

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. MICHEL. Mr. Speaker, there comes a time when some basic societal concepts have to be reexamined. The time has come in our society for the reexamination of the concept of voluntarism.

For too long we have taken voluntarism for granted. Ever since the creation of our Nation, the desire of Americans to perform needed tasks by themselves or through voluntary association with neighbors and like-minded individuals has been an accepted part of our national life.

We praise the spirit of voluntarism. We support, either through donations or service, thousands of different organizations that provide necessary services outside the framework of Government.

And yet it is clear that we are reaching a stage of crisis in the voluntary area of our national life. High taxes, inflation and ever-increasing Government encroachment have crippled many voluntary efforts. We have seen the tragic transformation of the ACTION agency, which supposedly was created to serve as a means by which voluntarism could be used by Government to help the needy. ACTION is now being used as a transmission belt by which tax dollars are funnelled to social activist organizations headed by left-radicals. These organizations have programs that ostensibly help the needy, but which in reality exist only to further the ideological ends of those who have made a career out of using tax dollars to bring about such ideological goals as "the redistribution of wealth and power" and other left-radical cliches of the 1960s. In short, the Government is being used to shape voluntarism to the desires of elitists who think they alone know what is best for America.

The Government should serve not as a full time partner or a traffic-policeman telling voluntary organizations what they may or may not do. It should, instead, do all in its power to see that the voluntary sector of our society is free to operate with sufficient private funding. No Government agency should abuse the voluntary spirit. Government officials eager to exploit the legitimate needs of the poor to gain political power, personal prestige, or tax dollars should not be allowed to do so.

I recently read an excellent overview of the spirit of voluntarism in our time. I commend it to your attention for it says quite a bit about where we are and where we ought to be heading so far as the Government relationship to the private, voluntary sector is concerned.

At this time I wish to insert in the RECORD, "Voluntarism and the Public Good," by Landrum R. Bolling, in the Saturday Evening Post, May/June 1979:

VOLUNTARISM AND THE PUBLIC GOOD

(By Landrum R. Bolling)

Question: What do the following people have in common: Benjamin Franklin, Dr. Martin Luther King, Jr., Jane Addams, Andrew Carnegie, Margaret Sanger, Ralph Nader, Rosie Greer, Oral Roberts, Jerry Lewis, and Father Theodore Hesburgh?

Answer: All have worked to serve the public welfare through private, voluntary, nonprofit nongovernmental organizations.

Question: What do the following institutions and organizations have in common: Harvard, School of the Ozarks, the Gray Panthers, WGBH-TV, the Audubon Society, B'nai B'rith, Sacred Heart Hospital, the Indianapolis Art Museum, the Fellowship of Christian Athletes, Planned Parenthood, Meals on Wheels, Las Casas de las Madres, the Girl Scouts of America, and the Urban League?

Answer: Each is classified by the Internal Revenue Service as a not-for-profit, tax-exempt "public charity" and depends upon private gifts to perform its services.

Question: Of the various major humanitarian and reform movements listed below, which ones were initiated by private, voluntary organizations and supported by individual gifts and foundation grants: Abolition of Slavery, Women's Rights, Prison Reform, Conservation of Natural Resources, Population Planning, Civil Rights for Blacks and Other Minorities, Care for the Poor, the Consumer Movement, the Fight Against World Hunger?

Answer. All of them.

There are many ways to explain how Americans, through our history, have been able to achieve what we have achieved and to describe what our life is like today. Yet there is one outstanding theme for our national experience, past and present, that defines us as people: The United States, more than any other country, is the land of private, voluntary initiatives for the public good.

That fact does not justify smugness, a sense of superiority, or national self-righteousness, but it is part of our reality. When we fell overwhelmed by our past collective failures, or by the complexity of our current problems, we should reflect on the vast contributed services of many individual men and women and the host of voluntary organizations that again and again from our earliest days, have made a crucial difference in our common life. They have played vital roles in overcoming great and little evils, in taking care of major and minor needs, and in serving the general good. Yet, for some strange reason, they are generally unsung heroes. We commonly downplay or ignore the significance of private voluntarism, and we tend to exaggerate what governments have done or can do to solve human problems and to initiate constructive change.

Government agencies, obviously, have enormous power and influence and serve incalculable human needs. Their proliferation and growth over the past 50 years has, of course, been related to the failure or inability of private group and individual efforts to cope with many social problems. The record shows, however, that it has been enterprising private citizens and the voluntary efforts and organizations they inspired that have set in motion most of the significant social changes in our history. Civil servants carry out the policies that are laid down for them by Congress and the state legislatures and city councils. Presidents, governors, and mayors have important roles in proposing and carrying out governmental policies. Those policies are often the result of education and pressure. Private citizens, through all kinds of groups large and small, provide the education and the pressure. That was true of William Lloyd Garrison, who in 1833 established the American Anti-Slavery Society, and of the many other individuals and organizations that kept up the agitation until eventually a president was elected who was willing to issue an Emancipation Proclamation. It was also true of Susan B. Anthony, who in 1869 helped to found the National Woman Suffrage Association, and of that movement that finally won for women the right to vote.

In more recent years, Dr. Martin Luther King, Jr., his Southern Christian Leadership Conference, and other civil rights groups kept hammering away at the consciences of politicians and of the general public until they forced local, state, and federal governments to adopt and enforce laws that have produced a real revolution in the political, economic, and social treatment of blacks and other minorities. It was private, voluntary initiative that got that enormous task done.

The Sierra Club, the Audubon Society, and the National Wildlife Federation are but a few of the national and local organizations that have aroused the nation and set in motion a vast tidal wave of laws and regulations to clean up and protect the environment. Howard Jarvis and his private-citizen colleagues produced, in 1978, a monumental turn-around on taxes in California through the Proposition 13 movement, setting off in turn a nationwide rash of referenda, legislative enactments, and political programs to pare the costs of government and reduce taxes.

The point of all this is not to suggest that politicians are lacking in imagination or sensitivity or courage; some are and some aren't. The real point is that in a democratic society political leadership tends to be expressed in terms of the ability to sense the moods and desires of the people and to find workable ways to carry out their wishes. The best of political leaders will of course help to shape the public will in constructive ways. Yet all of them are bound to be responsive to the urgent appeals of concerned, informed, and determined citizens who are willing to get out and work hard to put across the ideas they believe to be for the common good. Throughout our national history we have gone through one important change after another in which private-citizen groups took the lead and the politicians followed.

When Count Alexis de Tocqueville toured various parts of America, including many frontier settlements, in the 1830s he was struck by what he regarded as an unusual feature of American life. In *Democracy in America* he wrote:

"Americans of all ages, all stations in life, and all types of disposition are forever forming associations. There are not only commercial and industrial associations in which all take part, but others of a thousand different types—religious, moral, serious, futile, very general and very limited, immensely large and very minute. Americans combine to give fetes, found seminaries, build churches, distribute books, and send missionaries to the antipodes. Hospitals, prisons, and schools take shape that way. Finally, if they want to proclaim a truth or propagate some feeling by the encouragement of a great example, they form an association. In every case, at the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States you are sure to find an association."

Private groups have not established any prisons lately, but they remain deeply involved in schools, colleges, and hospitals. At present, we have in the United States about 4,600 privately supported secondary schools, 1,500 independent and church-related colleges and universities, 3,500 privately run hospitals. Private donors contribute over $4 billion each year to the support of activities in the health field. Of that amount, more than three-fourths comes from individual givers, while foundations contribute between $400 million and $500 million. These sums may seem relatively small compared with the federal government's annual health commitment of more than $50 billion and the total outlay for health services of $160 billion mostly covered by charges to patients. Yet, the private gift dollars are still very important for the nation's physical well-being. They help to provide health care for the poor, including those who have no medical insurance or are ineligible for Medicaid and Medicare assistance. Private funds still cover a substantial portion of the costs of biomedical research. They are important to the schools that train our doctors, dentists, nurses, and paramedics. They are vital in providing "venture capital" for experimental approaches to broadening and improving the quality of primary health care.

Education, like medical services, has for most of our history been the responsibility of private institutions. The earliest schools and colleges were created and operated by church bodies, and they were scattered across the land with great enthusiasm, high idealism, and excessive optimism. Hundreds did not survive. Many became the nucleus around which was built in time a state teachers college or a state university. Despite the great growth of state educational institutions in the last 40 years, independent colleges and universities still outnumber the four-year, degree-granting state institutions, and still enroll about one-quarter of all undergraduate students, totaling close to two million students.

The Founding Fathers took it for granted that private bodies, chiefly churches, would carry the basic responsibility for schooling the nation's young. Although the United States eventually led the way in the development of public education, it was a long time in coming and its growth was initially slow. Throughout our history there has been a great blending of private moneys and tax funds in support of education. For the first hundred years of our existence as a nation most Americans simply would not have understood today's depth of feeling over such presently controversial topics as prayer in the schools or tax support for church-related educational institutions. Until well after the Civil War, state or local tax funds were often, as a matter of course, used to provide at least partial support for parochial schools. Only with the rise of anti-Catholic campaigns by the Know-Nothings and other groups which promoted ethnic and religious tensions did state governments (including New York—despite its substantial Catholic population) adopt a clear-cut policy denying tax support for church-related schools. The policy, in turn, has been substantially modified in recent years with the adoption, in New York and in a number of other states, of programs of annual scholarship assistance and other types of grants for accredited independent and church-related colleges. Most states now make available out of state funds aid for qualified and needy residents who wish to attend independent and church-related institutions within their home state.

The blurring of the lines between "private" and "public" in the field of education has taken many forms over the years. When a village on the shore of Lake Erie (early Cleveland) decided about 1820 to build a one-room school, there was no board of education, no school budget, and only very limited tax funds. The people of the community did what local citizens did in early settlements all across the land. They pitched in on a volunteer basis, cut the timber, hauled and shaped the stones, and erected the building virtually without monetary cost. The total cash outlay was $26 for glass, nails, and hinges. In the construction of such schools nobody gave a thought as to whether this was a public or a private project. It was often both. When people wanted a school, they either built one under the sponsorship of a church, or, as a community, they made it a project of neighbors and of the local unit of government. They drew upon whatever resources of manpower and money they could tap to get the job done.

To this day, virtually every PTA in the land has its fund-raising projects to supplement the school board's tax dollars and add facilities and services to the public schools. Practically every state university now has its semi-independent university foundation that seeks gifts and grants to augment the tax moneys voted by the state legislature.

Meanwhile, the Harvards and the Princetons, the Oberlins and the Pomonas, though independent of government control, work away diligently and successfully to secure public funds for their students, their research, and various phases of their educational programs. Presbyterian Princeton, incidentally, almost 200 years ago, received what we might regard today as a rather unusual form of government support. On at least one occasion, the legislators of New Jersey authorized a lottery, the net proceeds of which would go for the benefit of Princeton. (Benjamin Franklin's print shop got the order to print the tickets.)

The point of all this is not to suggest that there is not significant difference between a public and a private institution, nor to intimate that all worthy causes should draw tax support. But there is a lesson here worth pondering. It is that in almost every phase of life in America there is an intermingling of volunteer services and the work of government-paid employees, of private gifts with tax dollars; that many governmental operations would not function very well without significant input from the private sector; that many "public" services are in fact provided by private organizations; that what have been traditionally called private organizations are sometimes intimately involved with and even financially dependent upon government agencies and government moneys; and that the role of volunteers is a huge and important one throughout our society. It is all very untidy. This kind of situation helps to amaze and bewilder foreign observers who try to understand the American way of life. It is, also, to tell the truth, a bit confusing to some Americans, particularly those caught up in some kind of statist vision of the day when governmental entities will take over the functions of most of these private institutions and when, with enough staff and tax money, all human problems will be solved. For all their historic roots and their continuing vast strength, private, nongovernmental initiatives are not universally admired and trusted.

There are sincere Americans who honestly believe that government agencies can do most things better, despite a lot of contrary evidence. There are those who point to occasional examples of bad management of private organizations or misapplication of funds, and of course there are rotten apples in these particular barrels, as well as in most others. Then, too, from time to time, it becomes evident that some people simply look upon many philanthropic activities as the games that rich people play, and feel all concentrations of private wealth, even those dedicated to the general good, should be broken up and taken over by government. There are those who believe that any social need that individuals can't provide for themselves should be provided through government channels.

The anti-philanthropy attitudes have by now largely triumphed in many parts of the world, including some of the democratic countries of Western Europe. The *New York Times* made a survey of the subject in 1978 and reported that in countries like Sweden and France there is a widely held view that it is somehow indecent, if not immoral and illegal, for a wealthy person to contribute some major facility or service to his home community. It is argued that if any social service, facility, or cultural program is needed, it should be provided by the state through tax moneys. Even the king of Sweden was publicly rebuked for his audacity in offering to provide from his own pocket funds to help carry out some worthy civic project. We have not come to that state of mind yet in the United States. However, it is clear that many people who proclaim their support of free enterprise and of a pluralistic society do not really understand how a pluralistic society works and how important are the varied private initiatives for the public good.

We need to be making a fresh and searching examination of the whole broad role of voluntartism in American life, of the relationships between those initiatives and governmental activities, of the most appropriate policies to foster the right balance of private and public institutions and of how best to serve the public good. For too long we have taken volunteer activities and organizations for granted.

All too often, particularly over the last 50 years, governmental bodies have gone charging ahead in one field after another with scant regard for how those actions may affect the public services already being provided by private institutions long at work in those areas. Public/private cooperation is frequently only a half-hearted afterthought. Those who make and administer the tax laws at times pay almost no attention to the impact their policies and actions may have on the flow of private gifts to finance public services and on the willingness of individuals to volunteer their time and money to meet public needs.

The right of taxpayers to take charitable deductions for their gifts to educational, religious, scientific, and social welfare agencies has long been embedded in the federal tax code. Thanks to that kind of incentive, billions of dollars have been contributed over the year to educational, welfare, and arts programs and to private institutions that might otherwise have had to draw support from tax funds. Yet year after year the whole concept of the charitable deduction is subjected to attack. There is the argument of the superpopulist who regards any incentive for charitable giving as a nefarious tax "loophole" for the rich. There are the wishful theorists who argue that if all tax deductions and credits could be eliminated—the political possibility for which, they admit, is rather remote—the tax rates would be reduced and everybody would then give even more to charity. And then there are the experts of the Treasury, whose primary job, of course, is to maximize collections, reduce cheating, simplify the forms and the procedures, and who want to get virtually everybody to use the so-called short form when they file the annual tax return. That would clearly make Treasury's job easier, and it would make things simpler for the taxpayer. Since 1970, year by year, Treasury regulations have been modified and the "standard deduction" has been progressively increased, so that the number of people who itemize their deductions has been reduced from roughly 50 percent of the taxpayers to around 15 percent. A major result, according to some economists and officials of the national United Way, has been a drastic falling off in private contributions, particularly from taxpayers in the $15,000 to $25,000 annual income brackets.

To deal with that problem, bipartisan interest in both the House and the Senate led by Congressmen Barber Conable (R.-N.Y.) and Joseph Fisher (D.-Va.) and Senators Daniel Patrick Moynihan (D.-N.Y.) and Robert Packwood (R.-Ore.), is building toward the enactment of a simple but important change in the tax code that will give specific incentive for charitable giving for all taxpayers, regardless of their bracket and whether they use the "short form" or not. It would simply allow every taxpayer to take a deduction for itemized charitable gifts.

This would provide firm and continuing incentives for all taxpayers to give to charity, not just the very affluent who customarily use the long form and itemize everything. In the long run, the survival of various philanthropic endeavors, the continuation and strengthening of the whole system of private initiatives for the public good depends upon maintaining a broadly based participation in charitable giving.

As Congressman Conable has said, "We very much need to have a nationwide dialogue on this issue of the survival of private and volunteer efforts to deal with our social needs and problems. We either believe in maintaining a vigorous voluntarism or we are willing for the government to take on more and more, at greater and greater costs. Everybody talks a great line about the values and virtues of the voluntary Third Sector. We need to find out if we mean it."

That seems like a fair challenge. We do need to talk through these issues as a people. We need to have our leaders in the Congress, in the Executive Branch, and in the so-called Private Sector put their minds on these questions. Out of a searching national examination we ought to try to arrive at some conscious consensus about the most suitable policies concerning private initiatives for the public good. And if we are serious about them, then we need to devise the most suitable policies to improve and strengthen the workings of our privately financed volunteer endeavors.

Let me suggest a few interrelated proposition that bear upon that discussion:

In education, health care, social welfare activities, and the arts we do not and should not have to make either/or choices between government-run and privately administered programs and institutions, between tax support and private gifts. They can operate side by side. The competition, fairly carried on, can stimulate better performance by both, and that will benefit everybody. The government does not have to take over all privately run public services, and we would be a poorer country if it did.

The United States has incomparably the best higher education system in the world for meeting the diverse needs of a highly heterogenous populaion. The dual private/public nature of that system unquestionably has been responsible for much of the rich diversity of our educaional programs and has contributed to improvement of teaching and learning through a variety of experimentation.

Likewise, in the health and social welfare fields there is much to be gained by having alternative ways of dealing with many of our needs and problems, instead of being locked into some unitary system, whether run by the state or, for instance, by the churches. Untidy as it may be, there are also advantages in having tax moneys for a given social purpose applied in a variety of ways, including contract or grant arrangements with private agencies.

America is a pluralistic society; ours is a confusing age of complex problems. We must resist all pressures to deal with them by a single, simplistic formula. Keeping open our options through private, volunteer initiatives is a significant way of protecting our freedom.

Volunteer, nongovernmental options make it possible to provide human services on a human scale and in keeping with human values. One of the most serious problems of modern, urbanized, industrialized mass-production society, regardless of system or ideology, is the problem of the vast, cumbersome, expensive, often unresponsive, and, at times, ineffective or tyrannical bureaucracies. When things (even well-intentioned programs to help people) get too big, it is often difficult to make them work well and with proper regard for the values by which most human beings want to live. Small is not necessarily beautiful or most efficient. Yet big is often not better, but worse; not the least costly, but the most expensive.

Government by its very nature is driven to operate on the basis of bigness and uniformity, through large staffs and by means of sweepingly broad rules and regulations. Life in the real world, however, is a story of individual cases and endless exceptions. Small-scale, locally managed, private endeavors often offer the best ways of dealing with real human beings and their individual problems.

Private management of many of our social programs and cultural institutions often (I *believe—usually*) *saves money.* In particular cases this judgment will be argued; some private organizations are incompetently and inefficiently managed. Some incur excessive fund-raising costs. (Nothing, of cours, can compete with the federal income tax as a "cost effective" way of getting money out of people.) But the point about private agencies' lower costs has widespread validity. And for good reason. They don't have such high overhead costs, have thinner staffs who generally work for less money, Moreover, private organizations are able to tap the nation's huge pool of unpaid volunteers much more easily and as a matter of course than can most government projects. For many kinds of social services—care of the aged, the handicapped, and little children—large numbers of volunteers are needed. We are not rich enough, and will never be rich enough, to hire enough government employees, operating under civil service rules, to perform all the human care services we need. In fact, you simply can't hire on any dependable basis the kind of loving tender care that many volunteers will provide free.

Private agencies can experiment and make mistakes more cheaply and learn lessons more promptly than can government agencies in the same field. In the natural sciences the experiments that fail are often just as important as the experiments that succeed. In the social realm, we have a different attitude. Where government programs are concerned it is almost impossible to get anyone involved to admit that a failure has occurred or to abandon a project once undertaken, whatever the evidence of its lack of success.

Private initiatives are particularly useful in trying out new ideas, some of which will surely fail. The risks, monetarily and politically, can be limited. Even where a program may have to be run and financed by government eventually, there may be great advantage in using a private, limited-commitment experiment as the guinea pig.

For private, volunteer endeavors to maintain their credibility they must have private financial backing in adequate amounts; they must genuinely draw upon volunteers. Private organizations and institutions should not allow themselves to be coopted by government, to become primarily dependent on government money, to be dominated by the government rule book. Part of their importance lies in their independence of government, in their ability to differ from the policies and methods of government; at times, on their ability to criticize government. To maintain that independence they have to have privately contributed resources; preferably, most, if not all, of their funds should come from individuals, churches, corporations, and foundations. Government policies have and will continue to have a lot to do with whether such private funding is possible.

Will private moneys continue to be available to sustain private, voluntary work for the general good? The answer is, almost certainly, Yes. But there is a big *if*. If the public can be kept aware of the importance of these nonprofit, nongovernmental agencies, and if the government will continue tax policies that encourage charitable giving.

Year by year over the past decade, Americans have given enormous sums of money to support private public service and charitable activities, but not nearly as much as was needed and could have been wisely spent. We did not keep up with inflation and the growing needs in human services. Relative to need and rising costs, private charity is in a pinch; and that pinch could get worse, particularly for private colleges and private hospitals. Yet the money is out there.

Last year Americans made private charitable gifts of more than $35 billion. Most of that came from individuals. Almost half of the total went to religious institutions and their programs Foundations gave a bit more than $2.1 billion, less than 10 percent of the total. Corporations, if you count contributions in kind and the released services of salaried company employees who were given time off from their regular duties to help nonprofit organizations, gave even more. Foundations are compelled by law to give away all of their investment earnings each year or a fixed 5 percent of their capital assets, whichever is larger. Profit-making corporations are permitted to give away up to 5 percent of their pretax profits and take the appropriate tax deduction. They are not required to give away anything, and about 80 percent of them make no claim to give give anything. On the other hand, a small band of concerned corporations are giving away the full allowable 5 percent of profits.

Nobody, of course, knows what the potential for giving by the American people and their business concerns may be. It is huge. But our giving will grow to meet the needs only as we understand that those needs represent opportunities for all of us to invest our money and ourselves in the strengthening of our whole society and the preservation of our freedom.

BEN FRANKLIN: PIONEER LEADER OF AMERICAN VOLUNTARISM

Benjamin Franklin was a man of extraordinary talents, interests, and imagination. As every school child learns, he was printer, politician, scientist, writer, diplomat and one of the wisest of the nation's founding fathers. He was also America's number one leader of private voluntary initiatives to serve the public good.

He organized the Pennsylvania hospital and secured private donations to support it. He established a fund to train apprentices. He formed numerous community associations to provide, through private endeavor, a wide range of municipal services: volunteer fire fighters and other private associations to pave the streets, collect trash, and install outdoor lighting. Nothing was too mundane to receive his attention as a tireless promoter of community improvement.

At the same time, he had a major hand in establishing a serious and influential association of intellectuals, the American Philosophical Society, this country's first think tank.

One of his earliest volunteer endeavors was directed at broad popular education through the setting up in 1729 of the first American Subscription Library. A club, called the Junto, which Franklin had put together in 1727, provided the nucleus for this library, with books imported from England paid for by the self-imposed subscription dues of the members. Later, when these subscription libraries had spread across the land, Franklin wrote with understandable pride, "These libraries have improved the general conversation of the Americans, made the common tradesmen and farmers as intelligent as most gentlemen from other countries and perhaps have contributed in some degree to the stand so generally made throughout the colonies in defense of their privileges."

In the range and community impact of his voluntary associations Franklin influenced the course of the nation. His leadership in developing America's vast network of voluntary endeavors may well have shaped this nation as much as anything he ever said in the Constitutional Convention—or wrote in the publication he founded, now known as *The Saturday Evening Post*.

DAN ROSTENKOWSKI'S REMARKS FOR POLISH CONSTITUTION DAY

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. FARY. Mr. Speaker, I was privileged to be present at a parade that took place in Chicago this past weekend commemorating the Polish constitution of May 3, 1971. I heard my friend and colleague, DAN ROSTENKOWSKI, deliver a magnificent speech that is significant not onlv for Polish Americans, but for all those who value freedom, liberty and basic human rights. DAN ROSTENKOWSKI remarked that the spirit of freedom is part of the Polish heritage of which he is proud. I would like to add that all of us who share that heritage and Americans of all backgrounds who share that spirit, are proud of DAN ROSTENKOWSKI because he is truly a great Polish American and a great legislator who works to insure that the spirit of freedom remains alive here in our country and in the world.

The text of Congressman ROSTENKOWSKI's inspiring address is inserted below:

REMARKS OF HONORABLE DAN ROSTENKOWSKI

Less than one month from today the papal airplane bearing His Holiness Pope John Paul II will land at Warsaw's Okecie airport. The Pope's arrival will start an eight-day celebration in Poland that promises to be a major historical event. What happens that week in June will influence world affairs for years to come. John Paul's mission will be both solemn and holy. But it will also be a time for great rejoicing. After all, the Pope's return will mark the first time in history that a Pontiff has ever visited Poland.

I think that for all of us, today's festivities are, most assuredly, a preview of what that day will be like. It will undoubtedly be the most media-covered event of the century. It will attract people from all over the world. Our Ambassador in Poland, Bill Schaufele, told me several weeks ago that there hasn't been a hotel room available in Warsaw for months.

It doesn't take much imagination to picture the jubilation, the excitement, and the crowds that will surround the Pope wherever he goes. Think of the children raised above the crowds to see him—the smiles and the tears of joy as people flock to see an honored son, a revered son, return to his Homeland—to our Homeland.

On June 2nd, when the Pope steps from his plane, Poles from Chicago, Poles from Detroit, Poles from Milwaukee—Poles from all over our nation will be stepping off that plane with him. His triumphant return will be a spiritual return for all of us.

We all know there is something special that links Poles wherever they may be. Very simply—it is our Polish heritage—our identity. It was a part of Danny Rostenkowski growing up on Milwaukee Avenue. It was a part of you—wherever you grew up. I've been lucky enough to know Poles all over the world. I have been able to travel to Poland many times over the past few years. And I can tell you that many of the qualities that the people of the world now appreciate in Pope John Paul are the very same ones that have always been a part of our Polish heritage. Our heritage? What is our heritage? It is the faith and endurance we learned from our parents and It is our stubbornness—we will not yield when essential values are on the line. And it is also our unlimited capacity for living and caring. When a Pole is happy, he takes everyone along with him.

I think the most memorable thing that ever happened to me occurred in Poland in 1973 during my first visit there. I was representing the President and was about to begin a brief tour of the Old Town Square in Warsaw. I had been told in advance that this Square had been rebuilt brick by brick after the devastation of World War II. I had also been told of the great costs involved. Why, I wondered, would the practical Poles spend so much money for restoration when clearly there was so much more that had to be done to rebuild their country. When I first saw the Square, I was astonished. I found it impossible to believe that every building had been recently reconstructed. Surely this magnificent place must be hundreds of years old. On the Square I met a very old man who had witnessed first-hand both the reconstruction, and the destruction of this Square. I had to ask him the question. Why? Why rebuild? And he looked at me and said, "It's very simple. Our country has suffered much in my lifetime. We have been invaded! We have been occupied! We have been ravaged! But in spite of all this, the Polish people have never lost their identity. We have never lost our heritage. That's what keeps us together."

Well, I have never forgotten that conversation with the old man. Before I talked to him, I felt just like any other American visiting a foreign country. But after our talk, I didn't feel the same. And in all my subsequent visits to Warsaw, I have never—I have never—missed the opportunity to visit the Old Town Square.

So as we celebrate our pride in being Polish-Americans, as we recollect our heritage, and as we anticipate next month's papal mission, let us recommit ourselves to our culture, to our history, and to all the things that Poles have brought to America. Our celebration today is two things then: It is a remembrance of our past—of our homeland. But it is also a commitment to our future. I ask you to be hopeful with me about the future. But I also want to speak for a moment about the past since it is Poland's history that we are commemorating today.

Every nation lives by its laws, and in the United States we live by those embodied in our Constitution, the world's oldest written constitution. But in that same era of rebellion against tyranny, another nation adopted a document of freedom that gave political power to its citizens. Poland, in 1791, became the second nation of the world to adopt a written constitution. And we are here today to commemorate this 188th anniversary of Polish freedom.

But, you know and I know, that constitutions are only documents. They are important, but they are just words on paper. A written constitution is only the letter of the law. Here in the United States we have been fortunate in many ways and have been able to preserve our constitution. Poland has not been so fortunate. Because of invasions, because of partitions, because of wars, and the sheer bad luck of geography, Poland has not been able to preserve its freedoms. Yet pride and honor still live in the Polish people everywhere because the letter of the law is only one aspect of a people's freedom. The spirit of the law—the living part of any constitution—is not perishable. A document of freedom may be destroyed, but when pride, determination and the will to resist are in the life blood of a people, then the spirit of freedom can never be destroyed.

This spirit of freedom—this pride—has not perished in Poland. It is the Polish insistence on this moral imperative—that men and women are born free; that individual human rights cannot be usurped by any government—that makes Poland still a sister in independence to our United States.

Our countrymen in Poland are told that they should not pray—but they do pray.

They are told they cannot build new churches—but new churches appear over night.

They are told the system cannot provide enough food—They demand to know why not.

They are told what they can see and what they should read—but they see what they want and they read what they want.

The relationship between the Polish people and their government is certainly not an easy one—but the Poles are coping. They are trying to live their lives as best as they can. My friends, we can help them.

Although I have spoken at some length about the relationship between the people of Poland and the government of Poland, I have not really discussed the relationship between the people of the United States and the government of Poland. Some of my friends in Chicago would probably prefer that I did not discuss it.

But as many of you know, I have very actively promoted both increased commercial and cultural activity between the United States and the present government of Poland. I believe very strongly that we in the United States can best help our brothers and sisters in Poland not by isolating ourselves from their government but rather by widening as many contacts as possible with all the Polish people. I would encourage everyone here today to seek new ways to foster more constructive relationships along these lines. If you haven't been to Poland, try to get there. To isolate a people is to punish them, and it is the government of Poland and not its people that we disagree with.

We should and must always express our anger over any government policies that oppress the Polish people. We must also, however, continue to recognize that it can only be through cultural and economic contacts that our concerns can continue to be registered with the present regime in Poland. And I believe that this principle is best exemplified by the actions of the Church in Poalnd. Of course, the Church does not endorse the government, but the Church communicates with the government. In a sense, it tells the government, "If we do not meet with you, if we do not speak to you, then we cannot tell you when you are wrong."

It is important that we look to the past. And I believe that we have done that today—with reverence and with respect—with admiration and with pride. But we must not be mired in the past. We must not allow the luxury of recollection to keep us from looking ahead—looking for ways to solve hard problems and confront tough issues. But we have the know-how! Remember, it is part of our heritage. So I don't want to speak of dead dreams because I'm proud to be a Pole and for Poles, dreams never die.

I think that now, more than at any other time since World War II, we in the U.S. have the opportunity and the ability to help the people of Poland in their drive for more national independence. We now can help the people of Poland in their search for a better standard of living.

We now can help the people of Poland remove the onerous burdens of censorship.

The People of Poland are becoming frustrated. They do not want revolution, but they do want change. With a little work, and a great deal of common sense, and using the means at hand, we can help them get the chances they want so desperately.

My friends, it is no secret that the winds of change are begining to blow across all of Eastern Europe. I think President Carter deserves a great deal of credit for this. Our trade relations with the Soviet Union are becoming more closely knit all the time. Every day the Russians become more dependent on the results of advanced U.S. technology.

Why not the same for Poland?

United States companies are literally lining up to participate in the Chinese market place.

Why not the same for Poland?

We have many beneficial trade contracts with Middle Eastern countries whose governments are not aligned with ours. Well, why not the same for Poland.

I'm for giving my support to Poles—no matter where they are! ●

PRESIDENTIAL COMMISSION ON WORLD HUNGER: AN UPDATE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. GILMAN. Mr. Speaker, I am submitting this report on the work of the

Presidential Commission on World Hunger on behalf of my colleagues, Congressman Richard Nolan, Senators Patrick J. Leahy, and Robert Dole, and myself—Members of Congress and Senators appointed to serve on the Commission.

This is first in a series of reports that we will be presenting to our colleagues, to inform them of the Commission's progress and activities. We also hope that this brief background summary will help our new colleagues familiarize themselves with the history and objectives of the Presidential Commission on World Hunger.

BACKGROUND

In 1967, the President's Science Advisory Committee asserted:

> The stark misery of hunger, the ravages of malnutrition, the threats of civil strife, social unrest, and political upheaval posed by food shortages, and the shadow cast by impending famine have all been portrayed in urgent and compelling terms.

In the years since that statement, there has been no lack of observations reflecting the deep-seated problems of hunger and malnutrition. Indeed, from among those directly working to alleviate the problem comes the assertion that the magnitude of the problem has intensified, and that a comprehensive strategy to combat hunger and malnutrition is more necessary than ever.

During the past 12 years, U.S. food and foreign assistance programs and the international community's multilateral food, agriculture, and development institutions have attempted to formulate policies designed to reduce world hunger. Moreover, through our domestic food assistance programs, we have sought to reduce the specter of hunger and malnutrition in this Nation, which has the largest gross national product in the world. The sad fact remains, however, that hunger still lingers in our country, and plagues vast numbers of people throughout other areas of the world. Possibly as many as 700 million people are seriously malnourished. In its 1977 report on world food and nutrition, the National Academy of Sciences underscored the severity of the problem by concluding that the developing countries must double their own food production by the end of this century.

In an effort to coordinate Executive and congressional efforts to significantly alleviate global hunger and malnutrition, Congressman Nolan and I, along with Senators Leahy and Dole, introduced legislation on September 27, 1977, urging the President to establish a Commission on International and Domestic Hunger and Malnutrition (H. Res. 784, S. Res. 271). In the House, approximately 260 of our colleagues joined us in cosponsoring this legislation, while the Senate measure was introduced with 51 sponsors.

Hearings on the resolution were held by the House Committee on Agriculture, which was later joined by the House Committee on International Relations and the Senate Committee on Agriculure in urging passage of the resolution.

On October 27, 1977, the Senate passed the resolution by voice vote, and by a 364–38 record vote, the House also endorsed the measure on November 1, 1977.

On February 3, 1978, President Carter advised congressional backers of the Commission of his intention to establish the 2-year, 20-member Commission. He later named Sol M. Linowitz to be Commission Chairman, and on September 5, 1978, issued an Executive order establishing the Presidential Commission on World Hunger. On September 12, the President appointed the following to serve on the Commission: Representatvie Richard Nolan, Minnesota; Representative Benjamin Gilman, New York; Senator Patrick Leahy, Vermont; and Senator Robert Dole, Kansas.

Eugene L. Stockwell, associate general secretary, National Council of the Churches of Christ; Jean Mayer, president, Tufts University; Norma E. Borlaug, director of International Maize and Wheat Improvement Center, and Nobel Prize winner; Walter Falcon, director of Stanford University's Food Research Institute; D. W. Brooks, former chairman of the board of Goldkist Corp.; Raymond Singletary, president of Blakely Peanut Co.; Howard Schneider, director of the Institute of Nutrition, University of North Carolina; Clifton Wharon, Jr., chancellor of the State University of New York; Adele Smith Simmons, president, Hampshire College; Steven Muller, president of Johns Hopkins University; Orville Freeman, former Secretary of Agriculture; Harry Chapin, singer, songwriter, and founder of World Hunger Year, and Food Policy Center, John Denver, singer, songwriter, producer of film "I Want To Live" (addressing the subject of world hunger) Bess Myerson, former commissioner of consumer affairs of New York City; and Thomas H. Wyman, Green Giant Co.

The Commission's mandate is to gather and evaluate information on the world food problem, previous attempts to alleviate global hunger and malnutrition, current food assistance programs, and other U.S. policies which have an impact on hunger. The Commission is also charged with recommending alternatives to existing programs and policies which fail to meet the needs of the hungry and malnourished of this Nation and the world.

Following the release of its interim report, due this summer, the Commission will publicize its findings and assist in efforts to implement its recommendations. The Commission terminates on June 30, 1980, or earlier, as directed by the President, and shall issue a final report at least 30 days prior to its termination.

COMMISSION ACTIVITIES: OCTOBER 1978 TO APRIL 1979

On October 5, 1978, President Carter met at the White House with the Hunger Commission, and stated that his administration attached a high priority to combating hunger and malnutrition. He also indicated that he would be working closely with the Commission concerning the implementation of its recommendations.

The Commission's first meeting was held in Washington, D.C., on November 6, 1978. At that time the Commission reviewed its goals and objectives, and discussed its subcommittee structure, and the format of its report. Subsequent meetings were held on December 18, January 31, March 14, and May 1.

Considerable support has emerged among Commissioners for the suggestion that the Commission should break out of the traditional mold of past Presidential Commissions. Instead of merely drafting a report, the Commission is expected to conduct a broadly based, exhaustive investigation of the hunger problem, make recommendations, assume an activist role in support of its conclusions and recommendations, and place a high premium on seeking public participation in Commission activities and in the implementation of Commission recommendations.

The Commission recognizes that combating hunger is an uphill struggle but that encouraging progress has been made in some areas. Moreover, the Commission recognizes the domestic and international nature of its charge; that is, the Commission is to formulate an approach to alleviating hunger and malnutrition which simultaneously addresses domestic problems, moral concerns, and the considerable task of helping other countries meet their food and nutrition needs with their own resources.

The Commission is giving attention to crucially important related issues such as poverty and hunger, population and food accessibility, food reserves and trade, research and appropriate technologies, farm structure and productivity, farm income, goals of food self-reliance and food self-sufficiency, and delivery systems, including the U.S. Government structure.

The work of the Commission was divided among an International Policy Subcommittee; a Domestic, Agriculture Policy, Consumer and Nutrition Subcommittee, and a Public Participation and Communication Subcommittee. An Executive Committee was established to help coordinate the work of the subcommittees, and Commissioners were encouraged to attend meetings of subcommittees to which they were not assigned in order to further increase the coordination of efforts in areas of mutual concern to all subcommittees.

The proposed format of the Commission's report outlines an assessment of the Commission's findings and recommendations, including a strategy for implementing these recommendations. It was further suggested that the report be in two parts; one written in a nontechnical, popular magazine style, and the other including various analytical appendixes and technical documents as necessary.

The Domestic Policy Subcommittee has held five meetings, and has discussed the following topics: Recent trends pertaining to food consumption and nutrition in the United States, hunger and undernutrition in the United States, proposals for a comprehensive food and nutrition study, the future of the U.S. family farm, the interrelationship of the domestic and international aspects of the Public Law 480 food assistance program, and evaluations of domestic food assistance programs.

The International Policy Subcommittee has conducted four meetings, three in New York City, and one in Washington, D.C., to explore the role of agribusiness in developing countries, various alternative development strategies, redistribution of agricultural assets, the role of women in rural development, reduction of post-harvest losses, the role of multilateral development banks in rural development, grain reserves, and international trade issues.

At these meetings Commissioners benefited from staff discussion papers prepared on these topics and from presentations before these subcommittees by individuals with considerable expertise in these specific areas.

Through hearings in Washington, Atlanta, Denver, Dallas, and Minneapolis, the Public Participation Subcommittee has received valuable testimony from individual citizens and representatives of numerous groups concerned with food and hunger policy issues. The information received at these initial hearings has been communicated to the Commission and will form an integral part of the Commission's recommendations. The full Commission also held a public hearing in Chicago on April 25.

The most recent meetings of the full Commission have been well attended and have detailed various aspects of problems relating to world hunger and malnutrition which the Commission has and will be addressing as it prepares its interim report. The facets of the problem include: Food accessibility and consumption, food production, international trade, U.S. domestic hunger, world food security and contingency planning for famine emergency, and the relation of population to food availability.

The Commission has undertaken studies in these and other areas in keeping with its mandate to gather and evaluate relevant information on the hunger problem, and to formulate recommendations based on these findings.

CONCLUSION

We believe that the Presidential Commission on World Hunger, through its investigations, meetings, and hearings, has been responsible to its congressional and Presidential mandates. The Commission is making significant progress toward its eventual goal of providing this Nation with recommendations to significantly reduce global hunger and malnutrition.

Those who helped to establish this Commission underscored their hope for a commission which would not become merely an academic exercise of preparing a weighty report which, after limited fanfare, would be consigned along with earlier studies to gather dust on some well-hidden shelf.

Instead, we envisioned this as an "action" Commission, which would formulate its findings and recommendations through wide public participation so that a broad-based constituency of citizens could be mobilized against hunger and malnutrition. We believe that the problem of world hunger is as much a threat to American citizens' well-being as inflation, unemployment, the energy crisis, and the arms race.

This Presidential Commission, which so many of us labored long and hard to bring into existence, can provide us the means to marshal our resources against hunger and malnutrition. It is an opportunity that we dare not let slip through our fingers because this Commission's success is crucial to hundreds of millions of individuals and to the U.S. commitmit to resolving the global hunger problem.

Accordingly, we invite our colleagues to participate in the Commission's important work, and urge them to support recommendations proposed by the Commission to combat hunger and malnutrition.●

THE PROBLEMS OF SALT II

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. MICHEL. Mr. Speaker, as a participant in the recent official visit of a delegation of the House of Representatives to the Soviet Union, I was impressed with the urgency and seriousness with which high Soviet officials spoke about the SALT II treaty. Aside from their morbid and obsessive fear of the Chinese, the Soviet officials seemed to have little else on their minds but trying to impress upon our delegation the importance of this treaty. When we tried to explain to them constitutional necessity of a Senate consent to the treaty, they seemed genuinely puzzled. Why should there be all this arguing and bickering, they seemed to be saying. Given their own political system in which those who publicly argue and bicker with official policy are thrown into labor camps or psychiatric wards, it is perhaps understandable why the Soviets cannot understand why we in the United States would go through such an exercise as the forthcoming Senate debate over SALT.

Be that as it may, the point I wish to make here is that the Soviets seem convinced that the SALT treaty is in their best interest. While it is not impossible that we could agree to a treaty which both parties would enthusiastically embrace because of perceived advantages, it would seem that at the moment the Soviet demand for a swift signing of the treaty should at the very least make us a bit cautious. Are we in danger of agreeing to a treaty that is in fact more to the advantage of the Soviet Union than to the United States? It is a question that should and, I think, will dominate the debate over SALT II.

In order to shed a bit more light on the subject, I insert "SALT II: Beyond the Politics," an interview with Dr. Fred C. Ikle, published in First Monday, May 1979, in the Record at this point:

Salt II: Beyond the Politics

First Monday: The Carter Administration has begun to push very hard for approval of the SALT II treaty. What would the impact be if the treaty is rejected by the Senate?

Ikle: We are facing a difficult situation. With or without arms limitation, the Russian buildup will continue. The CIA has estimated that the Soviet Union will not cut back their strategic budget, which is already three times as large as ours, with SALT approval. Under the SALT agreement, as it is now envisaged, the Russians may build as many additional missiles as they want. It is not the missiles that are limited but the launchers, particularly the silos.

FM: So that if we don't ratify a treaty we are not unleashing a Soviet buildup.

Ikle: We are facing a dangerous and maniac adversary in any event. We should not be under the illusion that this SALT agreement can fix that problem.

FM: When we look at the treaty, what criteria should we use in judging it?

Ikle: First, whether it can help the stability and security of our strategic forces. Second, whether it can reduce the arms competition, in particular the Soviet military build-up of strategic arms. Third, whether it can be monitored and whether it is verifiable.

FM: What do you feel the Soviet objectives in the SALT treaty have been?

Ikle: They have shown great stubbornness in protecting their ongoing strategic program, both in SALT I and in the current SALT II negotiations. They have also shown an enormous amount of stubbornness in maintaining pervasive secrecy to the extent of insisting that they should be allowed to encrypt (put into code) signals from missile tests.

FM: The encryption, which came as a bit of a surprise to the United States, obviously had not been addressed in SALT I. Was the encrypting undertaken by the Soviets to add a bargaining chip or is it characteristic of their overall attempt not to abide by the true spirit of the first SALT agreement?

Ikles No, I think it is a reflection of their obsession with secrecy—their great emphasis on keeping everything under wraps. Their military budget is secret; even the Soviet citizens don't know the extent of the armament build-up. In fact, even the people in the Soviet government don't know what the military establishment is receiving in terms of national resources.

FM: Given that, and given the problems of verification posed by the changes in Iran, the current instability in Turkey and the recent compromise of the surveillance satellite manuals, what exactly is the verification situation? Will we be able to verify a treaty, whatever its provisions?

Ikle: It is not as satisfactory as we had hoped. There are some limits that cannot be verified. It is regrettable that the Carter Administration has pushed itself into a corner by insisting that treaty compliance is verifiable. It would be much better to level with the Senate, Congress and the public and admit that there are some parts in the treaty which cannot be verified and then discuss the treaty in light of that.

FM: Would you say that the Russian purchase of those manuals for our surveillance satellites indicated an attempt to prevent us from ultimately being able to verify the treaty provisions? Assuming we had not discovered the manual compromise, is this a further indication of the overall Soviet attitude towards the verification aspects of the treaty?

IKLE: Well, it is an indication, more broadly, of their ability and efforts to learn practically everything that we are doing, even in the most sensitive intelligence area. Of course, if you are bent on concealing something, and you know your adversary's verification abilities, it becomes all that much easier for you to conceal.

FM: What is the impact of the treaty upon NATO? As we understand, it won't affect the Soviet Union's ability to decimate our Western Europe allies.

IKLE: That is right. For example, the intermediate ballistic range missiles which the Russians are deploying are not limited. Now what aggravates this aspect is the fact that land-launched cruise missiles which we could use and deploy are banned. So you have an asymmetry; we are not building ballistic missiles, but the Russians are.

FM: President Carter unilaterally cancelled the neutron bomb, a defensive weapon aimed at increasing the security of Western Europe. What were the motives behind that decision?

IKLE: Well, I think it is the basic philosophy of President Carter himself. There is too much of a hope that what was done on our side would be somehow be reciprocated by Soviet concessions. Rather, what has happened is that our restraint has allowed the Soviets to move ahead even more vigorously. When we stand still, then moving ahead brings an even greater return to the Soviets. If we make it clear we will compete, only then can we negotiate some restraint.

FM: What would you say the primary differences are between the Carter Administration's agreement and the one the Ford Administration tried to acheive?

IKLE: At that time, we did not concede the Soviet position that cruise missiles should be banned, ground-launched missiles would have been deployed and we would have had an allowance for sea-launched cruise missiles to compensate in some way for the SS-20. There was going to be a firmer ceiling on the backfire, even still a stronger effort to have it included in the treaty as it should be. So you had less of the unverifiable limits and less of the asymmetric limits in the treaty that we worked on, which, of course, we did not get the Soviets to accept.

FM: You mentioned the backfire bomber. The Ford Administration pushed for a limit on and inclusion of the backfire bomber. What does the Carter Administration say about the backfire bomber in the treaty?

IKLE: They mention it in the materials in the explanatory statements saying there is some limit on the production and deployment of the backfire. Of course the production limit can be changed and the deployment limit can be changed twice as quickly. On the other hand, the Administration seems to agree that our conventionally operated cruise missiles, which could help our naval capability or our military capability in Europe, have to be limited. So we have accepted limits on our own systems without receiving reciprocal concessions from the Soviets.

FM: The MX missile, as I understand it, was originally set to carry 10 warheads when completed. Does the SALT agreement address the size or the extent to which the MX will be MIRVed?

IKLE: Yes it does. It imposes a limit on the number of warheads both on our missile and on the next Soviet one. That is useful. It also imposes a limit on the destructive power or the "throw weight" of the missile.

FM: What do you think the critical question will be when the treaty comes before the Senate? Is there any one area upon which ratification will hinge?

IKLE: There are several. One is the question of balance or imbalance and what is equitable. Another one is whether the treaty can be adequately monitored and how it can be verified. A third one might be its effects upon the stability of the strategic deterrent forces. These are all interconnected.

FM: Currently the Soviets are far superior to us in conventional forces and roughly equivalent in strategic nuclear forces. What is the risk of a strategic nuclear imbalance in favor of the Soviets coming about under the terms of the treaty?

IKLE: It is substantial. SALT II sets in motion a process that may force the projected Soviet strategic build-up which would be permitted under the SALT agreement. On the one hand, the build-up we have undertaken to partially compete with the Russians is going to widen the gap in capabilities.

This flows very simply from figures made available by the Carter Administration itself. The Soviet Union is now spending three times as much as the U.S. on strategic nuclear forces, 40 percent more overall on military forces and a 4–5 percent increase each year in their overall defense effort. On the other hand, we are struggling to get a 3 percent increase in the defense budget from a lower base, a 3 percent increase which will mean little with our inflation. Now it only takes tenth grade arithmetic to figure out that this gap will have to widen.

FM: What effect will the treaty have on the defense budget? Would it cut back spending by the Soviet Union and the United States?

IKLE: No, the Administration has said it would not expect SALT II to lead to an overall reduction in the defense budget.

FM: Why these tremendous efforts in the strategic area? Do you think the Soviets are going after a war winning capability, a "first strike" capability?

IKLE: I'm not sure how this issue can be resolved or indeed if there is such an answer in Moscow. They are trying to accumulate as much power as they can given their budgetary restraints and our programs. Some may have aggressive designs, others may have more defensive ideas.

FM: Pravda has said that a majority of Americans support a new strategic arms limitations treaty but that there would be an intimidation and brainwashing campaign by those opposing the SALT II pact. It certainly seems that the official Soviet position is very strongly in favor of this treaty. I would think based on past experiences that the Soviets strongly favor an agreement when they feel that it would be to their benefit.

IKLE: I think you are right. They seem to favor conclusion of the treaty. That in itself doesn't mean that we have to be opposed to it. If it is properly balanced it could be useful for both us and the Russians. This, of course, was the initial objective of SALT. But this particular agreement as it emerges is not adequately verifiable and it is not property balanced. It permits the Russians more of a build-up than it does us and it will make it harder to negotiate follow-on agreements. The American public, virtually everybody in this country, is in favor of some sound arms control. In some of the opinion polls which showed a large majority in favor of SALT, it turns out the pollsters were really asking people if they were in favor of nuclear strategic arms control. The answer to that is obviously yes.

Once the American public is asked more specifically whether they would want an agreement which has these particular features, then the percentage in favor goes down sharply. It would actually turn into a minority. Not branwashing or intimidation as Pravda suggests, but simply a realization that the features of this treaty are not in the best interests of the United States.

FM: Do the recent efforts by the Soviets in building up their civil defense capabilities pose a strategic factor in evaluating the SALT II agreement?

IKLE: Some experts feel it is of great importance indicating an intent, a long-term plan for nuclear war in the offensive sense. I think it is just part of the overall military build-up indicative of the seriousness with which the Soviet Union goes about its military affairs. It is a very, very militarized society. A large number of people are in uniform; they spend three times the amount of their gross national product for military affairs than we do. The military gets the best knowledge, the best materials, the best labor. So I think it is just part of the overall emphasis on military power.

FM: In conclusion, if you were negotiating the treaty, what would you have done differently?

IKLE: One has to be very persistent in pressing for basic objectives over a long period during which the Russians may, or are likely, to reject proposals. We negotiated some areas in 1975 and 1976 in the Ford Administration—very detailed provisions for comprehensive verification in conjunction with the special test ban. It took a long, persistent battle to get there. Initially we were told no. The Carter Administration made a much sounder proposal for SALT in the Spring of 1977, but after the first Soviet "nyet," they immediately hurried and scurried for fallback positions. They didn't even take time to articulate their objectives, let alone push for them.

FM: You mentioned the great speed with which the Administration fell back and their lack of persistence in negotiations. Is there any reason why the treaty has to be signed now?

IKLE: None at all. Nothing that is happening now will be stopped by the treaty nor is there any particular urgency to get it in place.

FM: Other than a political one perhaps.●

OBSERVATION ON THE BRITISH ELECTIONS AND CONGRATULATION TO MRS. THATCHER

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. SOLOMON. Mr. Speaker, I would like to take this opportunity to call the attention—once again—of my esteemed colleagues to last week's Parliamentary elections in Great Britain, the results of which I feel will prove felicitous not only to our worthy ally across the Atlantic, but to our own United States and the world in general. In casting the majority of their ballots for Mrs. Thatcher and her Conservative Party colleagues, it would appear that the citizens of Great Britain have expressed their rising displeasure with high taxes, government over-regulation, labor chaos, and the increasingly declining state of the British economy.

Perhaps also, the noticeably expansionist moves of the Soviet Union throughout the world and Mr. Alexandr Solzhenitsyn's much-heralded interview on BBC reinforced the opinion among the electorate that the foreign interests of the United Kingdom would be better served by a policy of diplomacy through strength rather than one of retreat through apology.

Mr. Speaker, the American writer Lincoln Steffens returned from the Soviet Union in the 1930's and claimed that he had "seen the future and it works." The fallacy of that statement is now only too obvious. In 1979, the British voters said, in effect, that they had seen the future as presented to them by Mr. Callaghan and his Labor party, and they did not like what they saw. Collectivism had been weighed in the balance and found wanting. The new Prime Minister, to be sure, has a formidable task before her. The tide of collectivism, once established, is not easily stemmed. Mrs. Thatcher and her fellow Conservatives merit not only our congratulations but our best wishes for their future endeavors in the halls of Parliament.

Mr. Speaker, earlier I alluded to the beneficial effect that I am convinced yesterday's vote in Great Britain will provide for our own great Nation and ultimately the world. I believe, with regret, that our good friend and ally has served in the postwar period as an unhappy example to the free world of results of applying socialist economic policies to a free society.

But do we learn from examples? The syndicated columnist, M. Stanton Evans, having recently returned from England, compared the British ship of state to a boat tottering on the brink of a waterfall, while about 20 yards away, the United States is rowing furiously, trying to catch up. I submit that it is time to turn our boat around.

I am afraid that some of our own economic policies and proposals coincide only to nicely with those that have brought the British economy to its present unenviable state. Let us take advantage of this word to the wise from our friends across the sea. Let us reestablish the principles of free enterprise in America, and by extension and example, the principles of free enterprise and free political institutions throughout the world.●

ADDRESS OF AMBASSADOR BERNDT VON STADEN OF THE FEDERAL REPUBLIC OF GERMANY

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. BRADEMAS. Mr. Speaker, one of the most respected diplomats from another country to serve in the United States is the Ambassador of the Federal Republic of Germany, the Honorable Berndt Von Staden.

Several weeks ago, at Georgetown University, Ambassador Von Staden was awarded the Second Annual Jit Trainor Award for Distinction in the Conduct of Diplomacy.

I insert at this point in the RECORD the text of Ambassador Von Staden's address on this occasion:

ADDRESS BY AMBASSADOR BERNDT VON STADEN

It is a great honor for me today to receive the Jit Trainor Award for Distinction in the Conduct of Diplomacy. I feel especially honored in being permitted to share this distinction with a man who was undoubtedly one of the outstanding diplomats of our time. Were David Bruce here today, he would have been the one to speak about diplomacy in the modern world. But it has fallen to me, and I must admit that it somewhat frightens me because in my view, diplomacy can be neither defined nor described. It is as diverse as life itself. Unlike the expert, who deals with a specific field, a diplomat has to be prepared to address every kind of problem and affair in international relations—and in every corner of the world as well. So broad a theme can only be handled selectively.

CHARACTERISTICS OF A DIPLOMAT

I would like, therefore, to confine myself to mentioning only a few of the qualities that in my view the diplomat ought to have. And, with the aid of examples taken from the relations between my country and the United States, I will try to demonstrate why I consider these traits important.

If one has had the opportunity—as I have—to deal with German-American relations for almost twenty consecutive years, then one knows that for example calm and patience are as important traits as is a good memory. History, of course, does not repeat itself, it does not move in a circle. But it sometimes moves like a spiral, and situations recur which bear a certain similarity to each other. Let's take as an example the dialogue between our two countries over defense policy and related issues. Take for instance the Radford-Plan or the doctrine of flexible response, the multinational fleet, the offset agreement or the Mansfied Resolution, and more recently the neutron bomb.

I need only mention these buzz words and you no doubt remember that over the course of years we repeatedly experienced phases during which we engaged in what the French call a "discussion suivie"—a lively exchange.

But, unfailingly, we brought these discussions to a good conclusion. For that which fundamentally unites us has infinitely more weight than the details which occasionally divide us.

FUNDAMENTALS OF DIPLOMACY

In order to properly evaluate and not dramatize occasional differences, we need an awareness of our common interests and of their basis. This awareness requires historical insight and psychological experience and that brings me to a second trait, or mastery, if your prefer, of the diplomat.

Diplomacy is no exact science like physics or chemistry. Diplomacy deals with human beings and a human being is a four-dimensional creature in time and space. He is the product of a long biological history which has determined his instincts and of a much shorter cultural history which determines the value systems, characteristic for various civilizations. Germans and Americans share essentially the same cultural heritage.

We both are products of what is called Western civilization. We have been formed by Greek philosophy, Roman Law and Christian belief whether Catholic or Protestant. Spiritually and intellectually, we have together travelled the same road from renaissance to humanism and from humanism to rationalism and liberalism.

But in the politcal domain, this journey on the German side was handicapped. The revolutions that England experienced in the seventeenth century and that took place in America and in France in the eighteenth century did not occur in Germany. In 1848 an attempt at a democratic revolution failed in my country. So it was that my people could exercise a free option in favor of Western pluralistic democracy far later than this was the case in England, France or the United States.

After the failure of the Weimar Republic we had that option only after 1945 and even then only a part of my nation if fortunately by far the largest part—was granted that choice. It was taken without hesitation or reservation, and the important thing is: This decision was irreversible.

It was irreversible because it corresponds to our cultural heritage, because it corresponds to the deep longing of our people for an enlightened, mature and human society. Speculations—and they recur like false omens—that we Germans may change our minds and be willing to sell even a piece of our freedom for any kind of a price, fly in the face of reality.

Our elections in which up to ninety percent of the electorate participate demonstrate that radical parties on the right and left together have for years received less than one percent of the vote. How much political stability does it take to placate the doubters?

GERMANY: GEOGRAPHIC COMMUNITY OF EUROPEAN PEOPLES

Still, as a continental European nation, we Germans do not only live in a cultural community of the European West and the New World. We also live in a geographic community of European peoples. To this geographic community also belongs the Russian people, whose similar but distinct tradition has partly been formed by Byzantine Orthodoxy.

With this nation to whose sphere of influence a part of our own nation is subject as well as with the other Eastern European peoples we must live together and maintain neighborly relations.

Of course, we will never abandon our demand that our entire nation be granted the right to exercise self-determination. We know, however, that the German question cannot be solved in isolation, but only as part of a comprehensive settlement between West and East. And we know that this settlement is not yet in sight.

The ideological gap remains unbridgeable. So for now, it is our interest to strengthen and to extend a modus vivendi that we have achieved with our Eastern neighbors, including the German Democratic Republic.

There is no contradiction between our adherence to the Atlantic Alliance—to which our contribution is second only to yours—or our striving for European unity—to which our continued contribution is second to none—on the one hand, and our vital interest in the pursuit of a policy of détente of cooperation with the East and of arms control on the other hand. These are not alternatives but part of one policy on which, as I can note with satisfaction my government and the U.S. administration are in complete agreement.

FUNDAMENTAL MUTUAL INTERESTS OF THE UNITED STATES AND THE FEDERAL REPUBLIC OF GERMANY

If we need, as I have tried to demonstrate, historical and psychological insight to understand the basis of our common beliefs, the fundamentals so to speak, then we need another ability to understand each others actual interests.

This ability which the diplomat ought to have is the capacity to stand in another's shoes, whether the other be friend or adversary. Only when we know each other well, only when we are familiar with the other's factual situation, can we rightly judge his interests and reactions and adjust our own behavior accordingly.

This means, for instance, that in relations between the United States and the Federal Republic of Germany we must always be aware of our fundamental mutual interests, the commonality of our views, the values we share while at the same time not permitting ourselves to lose sight of the great differences between our two countries.

America is practically a continent in itself—spacious, not too densely settled, rich in raw materials, a world power which exports less than ten percent of its gross national product. By contrast, the Federal Republic of Germany is a geographically small densely populated country, part of a partitioned nation, situated on the border between the two alliances that split Europe apart ideologically and as a consequence politically, economically and militarily.

Our contribution to our mutual defense, as I said, remains only behind that of the United States; but we are not a nuclear power. Germany is no longer a world power and will never be one again. Aside from coal, we have no raw materials.

We have to import everything and in order to pay for our imports, we have to export thirty percent of our gross national product. Economically, and in terms of security we are far more exposed than the United States. And, furthermore, our past is not forgotten, neither in the East nor in the West.

This is why stability gets such particularly high priority in our thoughts and in our policies. This is why we react with such sensitivity to disturbances of stability and equilibrium.

This is why, for example, we take questions like those which deal with the deployment of nuclear weapons in Europe so seriously. This is why we insist that only a nuclear power can decide about the production of nuclear armament.

All this is no expression of any faintness of heart, but a reflection of responsible political thinking that takes into account our geography and our history. But other consequences also result from our different basic situation.

We know that Europe cannot be shaped without us—that we have decisive contributions to make toward European unity. But, for good reason, we shy away from any appearance of a dominating role. Another consequence of our special situation is that as a country without sources of oil of its own, we are obliged to further the development of nuclear energy and we cannot agree to a a limitation on our full participation in nuclear technology for peaceful use.

These are only a few examples which are meant to show you that different factual situations may lead to different approaches to specific questions.

But as long as we are capable to step into each other's shoes, we will be able to distinguish between the basic commonality of our interests which is unshakable and the questions of detail which we have to discuss in order to compromise.

THE AMBASSADOR OF TODAY

In conclusion permit me to mention two more qualities of the diplomat in this incomplete inventory which, in my opinion are of outstanding importance. It is expected of us that in our profession we combine within ourselves contradictory traits.

We are supposed to be open and at the same time discreet; firm but flexible, imaginative and simultaneously realistic; engaged, yet still detached; alert, but also composed.

But there are two traits for which there is no counterpoint, which we must possess if we are to be of service and avoid doing damage in our profession—courage and integrity.

It is said that the Ambassador of today is only a letter carrier. This is nonsense. To begin with, there are no longer any letters to carry. Today's messages are carried by telephone or telex. But it is also nonsense in a symbolic sense.

No matter how our activities are described and evaluated, we are constantly being called upon to make judgments, often about questions of either vital importance or of a very controversial nature.

And we must have the courage to deliver our judgments openly and forcefully even when they are unpopular, even at personal cost.

And I do not rate integrity any less highly. In former times, this was sometimes perceived differently. In Machiavelli's Era the art of deception was thought to be a necessary means of diplomacy.

Today, we know better. We can no longer afford that. We live in a contracting world; a world in which more and more people must share in limited resources; a world in which weapons of increasingly greater destructibility are being built; a world in which ideological conflict still seems to be spreading; a world in which change is accelerating and becoming radical in many places.

In other words, we live in a dangerous world. Our chances for survival will, in the end, depend upon whether we humans are able to overcome our innate tendency toward mistrust. Only where trust exists, can conflicts of interest be peacefully settled.

Trust is, therefore, our most precious treasure in international life. Integrity is, therefore, in my view, the most important of a diplomat's qualities.

We can all make mistakes. To err is human and forgivable. But trust is a delicate plant that must be cultivated, and he who destroys trust commits a mortal sin.●

THE GOVERNMENT TAKETH AWAY

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, later this week, the House will vote on legislation designed to set aside millions of acres of land in Alaska as units of our national conservation system. Unfortunately, of the rhetoric on big oil, preservation versus development, et cetera, have caused us to lose sight of one of the key issues in these bills: The ability of Alaskan residents to survive.

The enclosed article, published in the May 14, 1979 issue of Forbes, describes the impact of President Carter's national monument designations on one Alaska Native group in my State. In spite of the promise made to Alaska's Natives in the Alaska Native Claims Settlement Act, executive actions have taken away what the Congress gave.

As you can see, two of the national monuments have affected Bristol Bay Native Corporation most severely. Bristol Bay is now in court attempting to have those withdrawals overturned. Congress can expedite the matter by passing legislation which will repeal the monument set-asides and establish more workable conservation system unit boundaries.

Of the three bills before the House, only one—the Udall-Anderson substitute—does not solve the problem. The Udall-Anderson bill merely confirms the President's withdrawals without making significant changes. The other bills, those approved by our House committee system, recognize the error made by the President and take steps to correct it.

I ask all Members to reflect on the problems brought to light by this article and cast your vote in favor of the committee bills.

I insert the following article in the Record:

Now You See It, Now You Don't

Robert C. Bacon, the executive vice president of a smallish (over $100 million, assets) resources conglomerate in southwestern Alaska, is suing the U.S. government. His litany of woe is familiar, but his business isn't. Bacon's company is the Bristol Bay Native Corporation, a seven-year-old outfit owned by 5,400 Eskimos, Indians and Aleuts. It is one of the largest of about 237 village and regional corporations set up in Alaska after Congress passed the 1971 Alaska Native Claims Settlement Act. Among other things, that law will pay the state's 75,000 natives $962.5 million in cash ($462.5 million in government appropriations and $500 million in oil royalties) and give them title to 44 million acres of land. Regional corporations like BBNC got mostly subsurface and mineral rights for their share; village corporations got surface rights.

Reasonably enough, many of these new companies hired professional managers like Bacon, a mining engineer and former executive of both R. T. Vanderbilt and Kennecott Copper. In fact, in the enabling legislation Congress *required* these native corporations to be ongoing, profit-making enterprises. And then the government began throwing obstacles in their way.

"We're in business to make money!" fumes Bacon. "Nobody wants to tear up Alaska. That's not the point. But they're putting restrictions on us to the point where we can't do anything."

What's Bacon so mad about? Last December President Jimmy Carter, with that casual paternalism historically shown toward Alaska by U.S. presidents, established 17 national monuments on 56 million acres. Several of these blocked one side of Bacon's promising mining and oil lands, thus locking out feasible future development—between impassable mountains, ice packs in Bristol Bay and federally mandated wilderness—his company's largest potential source of profits.

Until then Bristol Bay had shown remarkable progress, making acquisitions financed by money borrowed on $17 million in guaranteed future government and royalty receipts.

For example, the company owns the $20 million Anchorage Westward Hotel (managed by Hilton Hotel Corp.), Peter Pan Seafoods, an $85 million (revenues) fish-processing company; 21 percent of United Bank Alaska, set up in 1976 by five native corporations. Bristol Bay also owns 10 percent of Greens Creek Joint Venture, the other 90 percent being owned by Noranda Exploration, Marietta Resources International, Mitsubishi Corp. and Texas Gas Exploration.

Greens Creek holds 438 gold, silver, lead and copper claims on Alaska's Admiralty Island. Bristol Bay itself will eventually own 3 million acres of land, parts of which Amoco plans to explore. President Carter, using the Antiquities Act of 1906, blocked development in both Bristol Bay's land and Greens Creek's Admiralty Island claims. Snorts company attorney George Miron, "There is no object of antiquity in the Bristol Bay region. What does Carter call an object of antiquity? Living brown bears. Salmon streams. Volcanoes."

Other Alaskan native corporations haven't faired much better than Bristol Bay; they have yet to see 81 percent of the 44 million acres of land they are supposed to get. Guy Martin, assistant secretary of the Interior, concedes the Interior Department has dragged its feet: "We violated the spirit of the act." The result: 27 legal disputes that cost the 12 regional corporations as much as $1.2 million a year. But now Martin promises to turn over a minimum of 6 million acres a year, and 80 percent of the land by 1981. The cash has come in slowly, too. Overall, only $431 million of the $962 million has been divided among the new companies. The total may not be in until 1990.

Bristol Bay borrowed $18 million in 1977 when it bought the $20 million Anchorage hotel. Its ability to service that debt will depend on future cash flow. In its fiscal 1977 year ended Mar. 31, it turned a $3 million net profit on $36.8 million in revenues. Earnings in 1978 fell to $115,000 because of interest charges on the growing debt. Bacon won't say what the profits were this fiscal year—or even if there were any.

Bristol Bay faces a long, tough fight to get its 3 million acres opened to development—a fight it clearly may lose. No other native corporation has sued over the monuments, although other land also is blocked; and at least one company, the NANA Regional Corporation, believes the natives should settle out of court. "You're talking about hundreds of thousands of dollars to litigate a suit like that," says John Shively, NANA Regional's vice president of operations. "It's clearly bound for the Supreme Court."

What if BBNC loses? "Then Congress swapped our aboriginal rights for 3 million acres of nothing," says Miron. "That $962.5 million was seed money to develop the land." No wonder Bob Bacon and his stockholders are angry.●

THE NEW INTERNATIONAL TRADE AGREEMENT—FIRST REACTIONS

HON. SAM GIBBONS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. GIBBONS. Mr. Speaker, as we all know, the multilateral trade agreement (MTA), the product of more than 5 years of negotiations among 98 nations, has just been signed by more than 40 of these nations and more are likely to do so. Of course, the legislatures of all signatories—all members of the GATT (General Agreement on Tariffs and Trade)—must ratify the agreement. We will be examining its provisions over the next several months. The Congress will then have the responsibility to act on the ratification.

The MTA is the product of years of hard and complex negotiating by this country and many others. Its overall goal has been to free up international trade from national restrictions to enable all countries to export as much as possible in order to earn the money we all need to pay for the goods we must all import. Over the next several weeks, I and some of my colleagues in Members of Congress for Peace through Law will be placing in the RECORD press comments and other information we think will be of use to us all as we consider the trade package.

Under unanimous consent I wish to insert four recent editorials from national newspapers, which were published during the Easter district work period and which therefore, many of us may have missed. These editorials from the New York Times, the Washington Star, the Christian Science Monitor, and the Washington Post point out the achievements of the MTA, the benefits we will derive from its reductions in tariff and nontariff barriers, and the job that lies ahead for the Congress in dealing with it. I think we all have a responsibility to inform ourselves of what it does and what it does not do.

The articles follow:

[From the New York Times, Apr. 13, 1979]

A Remarkable Step Forward on Trade

After five long years of negotiations in Geneva, 99 countries have agreed to a new set of rules for liberalizing international trade. Their agreement falls short of resolving every serious issue dividing the parties to the General Agreement on Tariffs and Trade (GATT), and it has yet to be shown that the new rules can be enforced. But with unemployment, sluggish growth and financial instability all pushing the world backward toward protectionism, these measured steps forward are a remarkable achievement.

Under the accord, tariffs will be cut by roughly a third, with all tariffs on civilian aircraft apparently eliminated. But the most significant reforms are aimed at the nontariff barriers to trade that have sprung up as countries compete for profits and jobs in sluggish world markets. These barriers include protectionist government procurement policies, arbitrary customs valuation, retaliatory taxes against subsidized exports and hundreds of other devices. For the first time, moreover, GATT will set up quasi-judicial proceedings to consider complaints.

Skeptics point to problems left unresolved by the new pact, and more generally, to the fact that the reforms are no stronger than the nations' commitments to honor them.

No one at Geneva, for example, could devise a satisfactory "safeguards code" that would prevent countries from arbitrarily denying markets to individual exporters when domestic interests are threatened. Thus the United States (and the European Economic Community) will remain free to demand "voluntary" sales restraints from emerging industrial exporters like Taiwan, Brazil and Korea.

Nor is it clear that nations will always meet their new obligations to liberalize import policies when they face strong political pressures at home. Though the GATT is establishing grievance hearings for violations, there is no added enforcement system to match the fact-finding procedure.

So the best reason for living by the rules remains what it has always been: enlightened self-interest. This treaty is a significant advance because it bolsters political defenses against protectionism just when bolstering is sorely needed. But the struggle to liberalize trade—or, for that matter, to nail down the trade gains of the past—does not end with 99 signatures.

[From the Washington Star, Apr. 16, 1979]

A Chance for Free Trade

Despite some of the headier rhetoric, the trade agreement initialed the other day in Geneva is not a total victory for free trade over the dark forces of protectionism.

What the pact does, after more than five years of "Tokyo Round" negotiations, is give free trade a continuing chance to prevail in its perennial competition with the opposing philosophy. Policy in the participating nations will get another important nudge in the free-trade direction. Debate will go on about what approach to international economics can best serve domestic prosperity.

The emerging agreement is expected to lead to tariff reductions averaging more than 30 per cent over the next several years. But more significant is an unprecedented attack on non-tariff barriers. Improvements in this area should do even more than the gradual tariff reductions to liberalize trade. New understandings cover such issues as subsidized exports and countervailing duties, technical standards that have been used to inhibit trade, freer government procurement from foreign sources, tariff-free trade in civilian aircraft, customs procedures and markets for agricultural goods.

There are benefits in this for many segments of American industry and agriculture. There will be new and more open markets for U.S. exporters. The nation's trade deficit should be eased—a vital consideration because of the massive oil-imported bill and the decline of the dollar abroad.

In fairness, it should be conceded that some U.S. businesses and workers will face stiffer foreign competition and possible losses. The net change, so far as it can be pinpointed, should be a gain for the national economy. But the broader economic choice is the key one: between a world given over to trade wars, with commercial enmity exacerbating international political relations, and a climate in which burgeoning trade contributes to the prosperity of all.

The trade agreement nevertheless has won less than universal applause. As in any set of compromises, no one got everything he sought. Almost all the developing countries abstained from last week's signing by more than a score of industrial nations, signifying dissatisfaction with the treatment of the poorer countries. The Third World is girding for a May meeting, in Manila, of the United Nations Conference on Trade and Development, at which there will be renewed demands for a new international economic order to transfer wealth from rich nations to poor. After that exercise, many are expected to subscribe to the new pact to get its benefits.

In the United States, the agreement requires enabling legislation by Congress, and there will be some tough opposition. The Carter administration has worked to disarm some of the opponents by sponsoring provisions protecting some sensitive and powerful industries, like textiles—even arousing fears that the free-trade thrust of the international negotiations might be blunted.

Ratification by other countries hinges on congressional acceptance, so the maneuverings on the Hill will have a wide audience. President Carter has another missionary job ahead of him, and in this one he clearly has the best of the argument.

[From the Christian Science Monitor, Apr. 17, 1979]

Trade Triumph

Not too many people will be interested in the arcane details of the world trade pact signed in Geneva after five long years of negotiation. But even the uninitiated man-in-the-street—whether in Yorkshire, Marseilles, Yokohama, Houston, or Buenos Aires—ought to know the agreement is extremely important. It means in essence a greater freeing up of the rules of international trade and therefore a greater opportunity for growth at a very time when trade is becoming more and more vital for virtually every national economy.

The agreement not only reduces the average level of world tariffs by a hefty 35 to 38 percent. This is the first time that the members of the General Agreement on Tariffs and Trade (GATT) have tackled other, nontariff curbs to the flow of goods and services—such as governmental procurement practices favoring domestic producers, export subsidies that distort competition, and customs procedures which discriminate against foreign products. The net result represents a substantial assault in protectionist practices. Perhaps Sir Roy Denman, who signed the agreement on behalf of the Common Market, best described the significance of the pact when he said that without it the West would be returning "to the economic blizzards of the 1930s" and would be threatened again by "the hunger, fear and political extremism experienced then."

Signing of the agreement by 40 of the participating nations is but the first step, however. Now it must be ratified by the respective parliaments and nowhere will the battle be more vigorous than in the United States, where protectionist sentiment has been on the rise of late. But given the continuing US trade deficit—due to oil and other massive imports and inadequate exports—the Carter administration should be able to sell the new pact. More liberal trading rules will improve production efficiency, help curb inflation, and give a sturdy nudge to export industries. It should not be lost on the American people that one out of every eight manufacturing jobs in the US depends on export.

While gains will be made in some sectors, such as high-technology industries and agriculture, however, other industries will be hard hit by growing competition from abroad. The burden is expected to fall heaviest on lower-income and minority workers in textile and other labor-intensive industries and on urban areas of the North and East. President Carter will therefore have to seek ways to assure that injured industries are given some relief and that social consequences are minimized during the period of adjustment.

In the long run, however, the economy of the United States—and indeed of all nations—stands to benefit in jobs, more export business and, ultimately, higher standards of living. That is what freer trade is all about.

[From the Washington Post, Apr. 18, 1979]

Trading by the Rules

In the past 10 years, the volume of world trade has doubled and the American standard of living has risen by nearly one-fourth. There is a relation between these two developments. The steady expansion of trade among nations has been one of the driving forces behind the economic growth that has continued here and in most other countries. To keep these trends going, most of the world's governments have joined in negotiating the new trade rules that some of them began initialing last week in Geneva. For the United States, the debate over these rules will come home in a big way next month when the administration asks Congress to enact them into law.

In the past, this kind of trade negotiation has been directed at reducing tariffs. But tariffs are now so low for most kinds of goods that they have little effect on trade. This time the negotiators have attempted to address the other, much more complex devices that can give one nation's products an unfair advantage and hurt the sales of others.

Most of the rich nations, for example, subsidize their exports with cheap loans to foreign buyers. The competition in providing bigger and cheaper loans rapidly becomes self-defeating, and governments have come to see the need for limits. But then other and more subtle issues arise: Exactly what constitutes a subsidy? What about the low-interest loan by a government-controlled bank to an industry producing for export? What about the continuous deficits of state-owned European industries? Subsidies and tax breaks are deeply engrained in all of the advanced economies. Until now, there has been no consensus on what is and is not acceptable in world commerce.

Most countries enforce extensive health and safety standards on imports. Some of these standards are so onerous that they keep out the imports altogether. Then the arguments start over whether the standards have a legitimate purpose, or are merely a veiled attempt at protectionism. Japan, for example, requires a careful safety inspection of electrical goods. American manufacturers charge that the inspection of the foreign products is deliberately pokey to keep them out. European manufacturers have wondered whether some of the American automobile safety requirements were not devised with the thought of making it a little more expensive to import foreign cars. With the vast expansion of trade in recent years, very large amounts of money are at stake in this kind of question.

Trade, of course, is never solely a foreign-policy issue. The benefits of trade are real and important; but when imports rise, it means that they are taking customers away from domestic industries. So Congress is shortly to be confronted with a painful paradox: To advance the national prosperity, it is going to have to vote for policies that inflict specific and local damage on some of its constituents. If President Carter intends to argue the case for the national interest in trade, he cannot begin too soon.●

SOME QUESTIONS—AND ANSWERS—ON SALT II VERIFICATION

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, May 7, 1979

● Mr. MICHEL. Mr. Speaker, one of the most serious questions currently raised about the SALT II Treaty is that of verification. If we agree to a SALT Treaty, how are we going to know the Soviet Union is living up to its side of the agreement?

The President, in recent weeks, has given unqualified assurances that we can verify SALT. I do not wish to question his obvious sincerity, but I wonder if his assurances have taken into consideration the views of Amron Katz, former head of the Verification and Analysis Bureau, U.S. Arms Control and Disarmament Agency. Mr. Katz has recently written a study, "Verification of SALT: The State of the Art and the Art of the State," in which he demonstrates from an expert's point of view, the extreme difficulty if not impossibility of verifying the kind of agreement we are likely to get.

His argument is close-knit and proceeds with logical development. It deserves to be read as a whole. The Heritage Foundation, however, has recently summarized his essay. This summary contains the essentials of Katz's viewpoint.

At this point I wish to insert in the Record, "Verification and SALT" by Amron Katz, from the April 1979 National Security Record, published by the Heritage Foundation:

Verification and Salt[*]

Apart from the actual terms of SALT II many members of Congress, and their constituents, are genuinely concerned that the Soviet Union may not abide by the provisions of the SALT II agreements. The administration has sought to allay these fears by emphasizing that the U.S. does not have to rely on trust or Soviet good intentions to determine their compliance with SALT II. Rather, they say, the U.S. maintains "National Technical Means" (which the government has confirmed, includes satellite photography) that ensure the agreements are "adequately verifiable." A major portion of the upcoming debate may turn on the word "adequate." This is because despite the sophisticated optics and electronics involved there are questions of definition, precision, strategy, and above all judgment that surround the issue of vertification.

RELATIONS BETWEEN OBSERVER AND OBSERVEE

National Technical Means are not natural objects like our moon, the planets, or other pieces of the universe. The NTM's are built and operated by man. Heisenberg's Principle as applied to the verification process would argue that there is inevitable interaction between the *observer* and the *observee*. The observee knows, to a considerable degree, what the observer is doing and, if he works at it, can get a fair handle on the observer's performance and capabilities. Consequently, if we, as observers, behave foolishly, we may provide an irresistable temptation to the Soviets to test, to probe, to experiment—at a small scale, but then (if successful) a larger scale.

It is dangerous and foolish to believe that the Soviet Union hasn't a fair appreciation of our NTM's—what they are, how they work, and their limitations. The Soviets are helped in this understanding by our free and active press, a broad range of national security material released by the government in annual reports and congressional hearings, and by the laws of physics that apply equally in both hemispheres. Of course, the Soviets have their own surveillance satellites, so their residue of mystery is minimal; and they undoubtedly learn something from their espionage operations against the U.S.

Consider, then, the relationship between the U.S. intelligence system and its main target, the Soviet Union. The U.S. is spending much on intelligence and has met with considerable success. But has this success been achieved against a clever adversary who has labored hard to conceal its activities? *This is doubtful; and the basis for this doubt requires systematic coherent exposition.*

The fundamental requirement for mutual deterrence to work is that each side has to know what the other side's weapons are and be suitably impressed by these weapons. Disclosure is essential. A truly secret weapon system may be useful in an ambush or other kind of surprise attack, but it is of no value as a deterrent. For qualitative disclosure, the Soviets have the Red Square "drag strip" which gives Western observers a good look on May Day or Red Army Day. For quantitative disclosures the Soviets depend exclusively on the free services of an internationally recognized Certified Public Accountant: the U.S national intelligence system. Hence the symbiotic relationship between U.S. intelligence and the Soviet Union. The Soviets have been "cooperating" with U.S. national intelligence.

To suggest that the Soviets need and use U.S. intelligence disclosures is not to argue that the Soviets make the problem easy for the U.S. Rather, they don't make things impossible. The extent of their cooperation consists of not "non-cooperating." The contest, the abrasion, occurs because the Soviet Union can't quite tune or focus our intelligence systems to pass on only that which is necessary for us to be impressed. We want to know the *entire* technical story.

But the nagging question remains: How good are we if the Soviets really want to hide something? We don't know, but can only assert that past success that depended, in considerable part, on Soviet interest in our success is scant basis for predicting the outcome of future problems.

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[*] This article is excerpted from a Heritage Foundation *Critical Issue* study entitled: *Verification and SALT: The State of the Art of the State* by Amrom Katz, former Head of the Verification and Analysis Bureau, U.S. Arms Control and Disarmament Agency.

HOW DO WE KNOW WHAT WE KNOW?

The kinds of data that permit us to make strong and confident statements about what the Soviets are doing are usually late and are seldom crystal clear and unequivocal. Consider what happens when the Soviets start a new development program. All the signs of a new program starting up that we see in the U.S., are missing. Secrecy precludes our finding out much. (Secrecy, as practiced in the Soviet Union, is not a "dirty communist trick," it's an old Russian habit!). When would the U.S. first learn of this new project? In many cases, our analysts wouldn't see it until after several years, when the Soviets take it outside, uncover it, permitting the U.S. to see it—if it's a clear day and we are there.

C. B. Marshall has made a simple, yet essentially accurate, observation regarding the basic limits of verification capabilities: it is easier to monitor big things than little, fixed items than mobile, exterior configurations than interior details, assembled mechanisms than unassembled, long-haul processes than short-term, and outside testing than laboratory procedures.

HIDERS AND FINDERS

What could change the Soviet incentive from cooperation with U.S. intelligence (in the sense described above) to an incentive and program to hide? An ability to hide missiles and the invention of a strategy that depends on sudden disclosure and possible use of "extra" missiles, for example, are obviously related. Both are necessary. If they can't hide operable missiles, there is a little point in devising a strategy whose essential ingredient is a sizeable force of hidden missiles.

First of all, the existence of numerical limitations (such as those found in SALT treaty) could furnish an incentive to hide some missiles. The Soviets might argue that the U.S. might "bank" strategic power (e.g., hide a large number of ICBM's) and, therefore, it would be only prudent for the U.S.S.R. to do the same. This could be thought of as insurance against "breakout" by the U.S. Independent of the foregoing argument, the Soviets could argue that they would feel a lot happier with, say, 2,500 ICBM's than they would feel with no more than the number allowed by the treaty. (It is well known that the Soviets don't like to scrap old or obsolete weapons. What do they do with them?) Proponents of SALT II should feel relatively comfortable with this idea since they argue that without SALT II the Soviets would build hundreds more missiles.

Further complicating the entire discussions is the frequent, interchangeable usage of "missiles" and "missile launchers." The Interim Agreement of SALT I says, in Article I, "The Parties undertake not to start construction of additional fixed, land-based, intercontinental ballistic missile (ICBM) launchers after July 1, 1972." The agreement, its protocol, the two kinds of agreed interpretations (initialed statements and common understandings), and the unilateral statements say nothing about limiting the number of ICBM's—only ICBM launchers.

No one in the United States will ever be killed by a Soviet ICBM launcher; it is the missile, the ICBM itself, that can kill. But as early as SALT I we knew and stated that we couldn't count Soviet missiles, so there was little point in limiting missiles; we concentrated, instead, on fixed ICBM launchers. At that time these were underground silos which, being conspicuous, long in building, and presumed (by both sides) to be detectable, indentifiable, and hence targetable, were thick-walled concrete structures. These characteristics made such launchers detectable and countable and hence verifiable via the use of National Technical Means; therefore, numerical limitations on them could be incorporated in a treaty. But ICBM launchers don't have to be detectable.

In the mid-'50's, I started talking about doing some inspection exercises involving real teams—one doing the hiding; the other, the finding. I wrote:

We don't need a system which works well against a careless, uninformed, unimaginative opponent, but one that works well against an opponent who is smart, careful, and imaginative.

We needed, and still need, a smart-proof, not a fool-proof, system.

After each briefing or discussion on this idea and its relevance to either verification (of a treaty) or to unilateral activities (in the absence of a treaty), I would take a poll of the audience preference. Even among the audiences who were professional finders, the overwhelming preference (about 90 percent) was for hiding. This astonished me—at first.

Many suggestions for methods of hiding missiles came from these audiences. Some ideas were poor, some were fair, some were very good.

Only one of these ideas will be discussed—a way of hiding significant numbers of ICBM's. As one flies over the U.S., in cities and towns, he will see tens of thousands of buildings that are, say, 150 feet by 300 feet. A photo-interpreter (PI)—who can identify steel mills, petrochemical installations, and other distinctive industries at such a distance from the photograph that the lay person would see nothing—will usually label these structures as light manufacturing (L/M) structures. He is not cheating—he says, and will admit, that the identification as L/M is a judgment by default. "What else could they be?" These PI's have no real desire to fool their audience. They want to avoid use of the term "U/I"—for unidentified. Thus an error is propagated.

A momentary detour to consider "significant" or "meaningful" evasion needs to be taken. Clearly, if the Soviets were to hide one extra missile beyond the limits allowed, this is deplorable and, if we find it, a cause for worry about the future. But one extra missile doesn't open new strategic vistas—were we but sure that the one we found is all there is!

The more than 100 audiences that were asked about their preferences for hiding or finding were also asked, "How many hidden operable ICBM's would it take to cause the U.S. serious upset were they deployed or disclosed suddenly, either by their use or the threat to use them?" The median answer was about 200 large, MIRVed ICBM's. I, therefore, considered the problem of hiding 500 large missiles, and decided to put them in L/M buildings.

It is not necessary to design an L/M-building basing system, complete with command and control systems, to make the point that such systems are feasible. One major objection to this scheme is that, by comparison with the lengthy, massive, and conspicuous scarring of the earth associated with construction of large, concrete, underground silos and associated structures, this proposed system seems too simple. The simplicity, such as it is, derives from constructing a soft but covert base. The L/M basing system depends for protection on being covert, not hard. Those missiles in heavy, concrete silos are hard because they don't depend for protection on secrecy but on blast resistance.

This latter argument doesn't satisfy all the critics. It becomes necessary to look at a missile-carrying submarine. The submarine is mobile, has no other "buildings" or "tunnels" or anything going along with it, and carries 16 missiles. I propose, therefore, that we take this submarine out of its nautical habitat and put it in one of these L/M buildings. Now the 16 missiles can sit on a surveyed point, improving their accuracy over that attainable at sea But, because it is necessary to keep the submarine, we can discard it, leaving 16 missiles in the building. This example shouldn't be taken literally, because SLBM's (submarine-launched ballistic missiles) may not have the range of land-based ICBM's. There are ICBM's available that will work.

For whatever odd reason, in arguing this thesis it is always necessary to take the submarine out of the water, surround it with a building, and then throw away the submarine, leaving the missiles ensconced in a covert site. The relevant conclusion is simply this: Assessments that our intelligence system will certainly detect large scale cheating say no more than that we can count on detecting "deployment in a manner that we have been successful in detecting."

ABROGATION AND INERTIA

Take the optimistic case: the intelligence community, after much discussion, concludes that the Soviets have been engaged in some suspicious behavior. The community then presents such evidence to the National Security Council. The NSC must then decide whether or not the United States should take the matter before the Standing Consultative Commission at SALT. Assuming they do, the U.S. asks the Soviets to explain this behavior and to cooperate with a follow-up check on this questionable behavior. If a follow-up investigation reveals, for example, a hidden missile site or some violation, what would be the next step? It is worth emphasizing that NTM's do not detect violations. They collect data, which is processed and analyzed within the intelligence community. The determination that a "violation" has occurred is essentially a political decision.

What will we do if the Soviets violate a SALT treaty and we detect it? The threat of abrogation is always held out as a deterrent to violations. But is the threat a deterrent? Political inertia or momentum—the desire to keep things going—and the unusability of evidence are two strong factors, among others, that may inhibit abrogation as a response to a treaty violation.

Political inertia is the natural spin-off of a long, hard negotiating process that usually precedes a treaty. "Keep it going; the treaty is part of a larger picture," proponents might argue (and with some reason). A treaty will have much going for it; evidence of violation may be downplayed or reinterpreted. Even were it agreed that a violation occurred, it may be judged to be "insignificant."

Yet, as Fred Iklé (former Director of the Arms Control and Disarmament Agency) points out, detecting violations is not enough. "If we focus all our attention on the technicalities of how to detect a violation, we are in danger of assuming that our reactions and sanctions will be adequate." To this last asumption—that our reactions and sanctions will be adequate—could be added the assumption of promptness and automaticity of reaction. Adding to the difficulties and implausibility of abrogation is the (unequal) contest posed by the abrogation of an *entire* treaty as a response to any *single* violation. Such a weighty response would require a truly massive violation.

Left to the reader is speculation on what could happen in situations where the evidence might be equivocal, the facts denied by one side, and where the evidence is in a form that does not lend itself to ready exposition to the public or where disclosure of evidence might compromise its source.

In the years prior to World War II, similar problems were encountered in verifying certain arms control agreements between Britain and Germany. In retrospect, Admiral Godfrey, Britain's director of Naval Intelligence during the war, was led to three conclusions: 1) there exists an unwillingness of authority to believe information that has awkward political implications; 2) the tendency of military officers, and others who have taken part in negotiations, to become advocates of the integrity of persons with whom they secured agreement, and to lose the skepticism which is part of vigilance; and 3) technicians may not be the best judges of enemy intentions and achievement. They find it hard sometimes to believe that what they cannot do or have not thought of doing has been done by the other side.

The overall implication, found in a news dispatch describing a lapse in U.S. intelligence prior to the Iranian revolution, is that "those who challenge conventional wisdom have little to look forward to in their intelligence careers." This problem will continue to plague the SALT process until those responsible for negotiating arms control agreements are divorced from the responsibility of verifying Soviet compliance.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on Febraury 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducing such meetings.

Meeting schedule for Tuesday, May 8, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 9

8:00 a.m.
Appropriations
District of Columbia Subcommittee.
To hold hearings on proposed budget estimates for fiscal year 1980 for the Temporary Commission on Financial Oversight of the Government of the District of Columbia.
1114 Dirksen Building

9:00 a.m.
*Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings on the Federal Government's responsibility for radiation protection.
3302 Dirksen Building

9:30 a.m.
Environment and Public Works
To continue markup of pending calendar business.
4200 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To resume hearings on S. 677 and 678, to provide for improvements in the structure and administration of the Federal Court system.
2228 Dirksen Building

Select on Small Business
To resume markup of proposed legislation authorizing funds for fiscal year 1980 for the Small Business Administration.
424 Russell Building

*Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
6226 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1980, and on proposed supplemental requests for fiscal year 1979, both for the Department of the Treasury.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting to markup S. 745, proposed Housing and Community Development Amendments, and S. 1072, proposed Interstate Land Sales Full Disclosure Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on the nomination of Patricia A. Goldman, of the District of Columbia, to be a Member of the National Transportation Safety Board.
S-146, Capitol

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Lawrence A. Pezzullo, of Maryland, to be Ambassador to Nicaragua, and Sally A. Shelton, of Texas, to be Ambassador to Barbados, to serve concurrently as Ambassador to Grenada and the Commonwealth of Dominica, and as Envoy Extraordinary and Minister Plenipotentiary to Saint Lucia, to be followed by consideration of these nominees and Philip H. Alston, Jr., of Georgia, Ambassador to Australia, to serve concurrently as Ambassador to the Republic of Nauru.
4221 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the National Academy of Science report on saccharin and food policy programs.
4232 Dirksen Building

Rules and Administration
To hold hearings on the nominations of Thomas E. Harris, of Virginia, and Frank P. Reiche, of New Jersey, each to be a Member of the Federal Election Commission, to be followed by consideration of legislative and administrative business.
301 Russell Building

Joint Economic
To resume hearings to examine the rate of price and wage inflation when combined with stagnant consumer demands with high unemployment.
5110 Dirksen Building

11:00 a.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
*Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 10

9:30 a.m.
*Energy and Natural Resources
To hold hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

Environmental and Public Works
To continue markup of pending calendar business.
4200 Dirksen Building

Judiciary
Improvements in Judicial Machinery Subcommittee
To continue hearings on S. 677 and 678, to provide for improvements in the structure and administration of the Federal Court system.
5110 Dirksen Building

Select on Ethics
To continue hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
1202 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 914, 932, 903, 1000, and 1064, bills authorizing funds for fiscal year 1980 for rural housing programs, flood insurance programs, and crime and riot insurance programs.
5302 Dirksen Building

Commerce, Science, and Transportation
Business meeting on pending calendar business.
235 Russell Building

Foreign Relations
To hold hearings on the convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques (Exec. K, 95th Cong., 2d sess.).
4221 Dirksen Building

*Governmental Affairs
Energy, Nuclear Proliferation and Federal Services Subcommittee
To continue hearings on the Federal Government's responsibility for radiation protection.
357 Russell Building

Judiciary
To hold hearings on proposed legislation relative to regulatory reform.
2228 Dirksen Building

*Judiciary
To resume hearings on S. 961, proposed Speedy Trial Act Amendments Act.
1318 Dirksen Building

11:00 a.m.
Appropriations
Military Construction Subcommittee
To hold hearings to examine the cost factors involved in closing and/or moving certain military installations.
1114 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings to examine the cost factors involved in closing and/or moving certain military installations.
1114 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

2:30 p.m.
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold hearings on proposed reform of the pension systems for the District of Columbia's police officers, firefighters, teachers, and judges.
S-146, Capitol

MAY 11

9:30 a.m.
Finance
Energy and Foundations Subcommittee
To resume oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
2221 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for AMTRAK.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up pending calendar business.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

2:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 14

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 968, to expedite processing of applications from Midwestern residential, agricultural, and industrial consumers for crude oil transportation systems.
3110 Dirksen Building

Select on Small Business
To resume hearings on the effect of Government regulations on the production and utilization of coal.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To receive testimony on S. 85 and 353, bills to strengthen the ability of the Federal Reserve Board, focusing today on the need for reserve requirements for the conduct of monetary policy.
5302 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on the roles of women in health and science.
4232 Dirksen Building

MAY 15

9:30 a.m.
Judiciary
Business meeting to mark up S. 390, to expedite and reduce the cost of enforcing existing antitrust laws.
2228 Dirksen Building

Judiciary
Antitrust, Monopoly, and Business Rights Subcommittee
To hold hearings on S. 334, to provide regulation of certain anticompetitive developments in the agricultural industry.
318 Russell Building

Select on Indian Affairs
To hold hearings on S. 751, to provide for the relocation of the Navajo and the Hopi Indians.
1202 Dirksen Building

Select on Small Business
To continue hearings on the effect of Government regulations on the production and utilization of coal.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold joint hearings with the Committee on Governmental Affairs on S. 332, proposed Consolidated Banking Regulation Act.
3302 Dirksen Building

Governmental Affairs
To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs on S. 332, proposed Consolidated Banking Regulation Act.
3302 Dirksen Building

Judiciary
To resume hearings on S. 382, to strengthen and facilitate implementation of antitrust and procompetitive policies of the Federal Government and to increase competition in regulated industries.
2228 Dirksen Building

MAY 16

9:30 a.m.
Governmental Affairs
Civil Services and General Services Subcommittee
To hold oversight hearings on the activities of the Former Presidents Act and the Presidential Transition Act.
4200 Dirksen Building

Judiciary
To hold hearings on the nominations of Frank M. Johnson, Jr., of Alabama, to be U.S. Circuit Judge for the Fifth Circuit Court of Appeals, and Dolores K. Sloviter, of Pennsylvania, to be U.S. Circuit Judge for the Third Circuit.
2228 Dirksen Building

Labor and Human Resources
Business meeting to mark up S. 209, to provide for the establishment and implementation of Federal laws relating to the regulation of employee benefit plans.
4232 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
To hold oversight hearings on the status of conserving the salmon and steelhead fish stocks in the State of Washington.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To resume hearings on S. 262 and 755, bills to require that all Federal agencies conduct a regulatory analysis before issuing regulations, and to require the use of less time consuming procedures to decide cases.
3302 Dirksen Building

11:00 a.m.
Select on Small Business
To hold hearings on the nomination of Paul R. Boucher, to be Inspector General, Small Business Administration.
424 Russell Building

2:00 p.m.
Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold oversight hearings in the implementation of the National Forest Management Act.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research
To resume mark up of S. 570, to control increases in hospital revenues (hospital cost containment).
4232 Dirksen Building

Select on Ethics
To resume hearings on the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
6226 Dirksen Building

MAY 17

9:00 a.m.
Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
6226 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 18

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 100, to provide a deduction for expenses incurred by the replanting of trees by the timber industry and environmental groups, and S. 394, to provide that certain authors and artists be considered employees of certain corporations under specified contracts.
2221 Dirksen Building

10:00 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

MAY 21

9:30 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To receive testimony from officials of the Department of Energy and certain oil companies on the supply situation of diesel fuel, gasoline and heating oil, both nationally and regionally.
3110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Milwaukee railroad system.
235 Russell Building

2:30 p.m.
Finance
Health Subcommittee
To hold hearings on the provisions of home health benefits under the Medicare and Medicaid programs.
2221 Dirksen Building

MAY 22

9:30 a.m.
*Energy and Natural Resources
To resume hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Select on Small Business
To hold hearings on the availability of investment capital to small businesses.
424 Russell Building

MAY 23

8:00 a.m.
*Veterans' Affairs
To hold oversight hearings on employment programs administered by the Department of Labor.
6226 Dirksen Building

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold oversight hearings on the activities of the banking system.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings to explore the status of efforts by the Environmental Protection Agency and Department of Justice to enforce Federal environmental requirements.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold oversight hearings on the implementation of mental health policy programs.
4232 Dirksen Building

MAY 24

9:30 a.m.
Energy and Natural Resources
To continue hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

Judiciary
Constitution Subcommittee
To resume hearings on S. 506, proposed Fair Housing Amendments Act.
2228 Dirksen Building

Labor and Human Resources
To hold oversight hearings on the implementation of farm workers' collective bargaining programs.
4232 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings to explore the status of efforts by the Environmental Protection Agency and Department of Justice to enforce Federal environmental requirements.
4200 Dirksen Building

*Labor and Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the implementation of mental health policy programs.
5110 Dirksen Building

MAY 25

10:00 a.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

Joint Economic
To resume hearings on the Consumer Price Index figures, and on inflationary trends.
345 Cannon Building

JUNE 1

10:00 a.m.
Joint Economic
To hold hearings on the employment-unemployment situation for May.
5110 Dirksen Building

JUNE 6

9:30 a.m.
Veterans' Affairs
To hold hearings on S. 870, proposed GI Bill Amendments Act, S. 830, to eliminate the State's required payment in the educational assistance allowance program provided for veterans, and S. 881, to provide for the protection of certain Officers and employees of the VA assigned to perform investigative or law enforcement functions.
6226 Dirksen Building

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

JUNE 7

10:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

JUNE 12

9:00 a.m.
*Veterans' Affairs
To hold hearings on S. 689, proposed Veterans' Disability Compensation and Survivor Benefits Act.
6226 Dirksen Building

JUNE 19

10:00 a.m.
Energy and Natural Resources
To hold oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

JUNE 20

9:00 a.m.
*Veterans' Affairs
To hold hearings on S. 759, to provide for right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.
6226 Dirksen Building

JUNE 21

10:00 a.m.
Energy and Natural Resources
To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.
3110 Dirksen Building

JULY 12

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.
6226 Dirksen Building

CANCELLATIONS

MAY 9

10:00 a.m.
Finance
To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital cost Containment).
2221 Dirksen Building

MAY 10

10:00 a.m.
Finance
To continue markup of S. 570, to establish a system of stand-by percentage limitations on allowable rates of increases in hospital revenues (Hospital Cost Containment).
2221 Dirksen Building

MAY 15

2:30 p.m.
Select on Intelligence
To receive testimony on alleged Soviet electronic surveillance in the United States.
5110 Dirksen Building

MAY 16

10:00 a.m.
Labor and Human Resources
Health and Scientific Research Subcommittee
To resume hearings on the roles of women in health and science.
4232 Dirksen Building

SENATE—*Tuesday, May 8, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by Hon. EDWARD ZORINSKY, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Almighty God, to whom all hearts are open, all desires known, and from whom no secrets are hid, all the ways of our need lead to the altar where life is cleansed and the spirit renewed. Come to us with all Thy refining power. Nourish our minds and guide our judgments by the truth of Thy word.

Lord God of our fathers, who rulest the nations of the Earth: Give the spirit of wisdom and Godly fear to the President of the United States, and to all in authority, that our land may be strengthened in righteousness, enriched with liberty and order, and preserved in unity and peace. Bring all nations into Thy fold and hasten the coming of Thy kingdom.

We pray in the Redeemer's name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 8, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable EDWARD ZORINSKY, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. ZORINSKY thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIONS IN IRAN

Mr. ROBERT C. BYRD. Mr. President, with each passing week there are continuing reports of summary trials and executions in Iran. Hopes that this pattern of injustice and barbarism would come to an end have not been borne out. I do not believe we should remain silent while these killings continue. Today there are reports of an additional 21 executions.

Few would quarrel with the right of the new Government in Iran to establish order after a chaotic revolution. And certainly we wish to establish a stable and mutually beneficial relationship with that Government.

We are not passing judgment on the guilt or innocence of the defendants in these trials. That is a matter that must be determined by evidence to which we do not have access.

However, what must be challenged is the summary nature of these proceedings, and the gross disregard of internationally accepted standards of due process and human decency.

We are told that these trials are closed to the press; that the defense cannot present witnesses; that judgments are quick and based on hearsay; and that there is no right of appeal. In fact, the executions are often carried out quickly, within minutes of a decision by the revolutionary courts.

No government can claim the right to violate the rudiments of due process in dealing with its citizens. In the final analysis, those who pass judgment shall be judged.

The Government of Iran must understand that it is doing itself no favor by following the current pattern of summary trials and executions carried out without due process. A total of 191 executions have been publicly announced. The Iran Government may well be contributing to the atmosphere of violence. Last week one of Iran's senior religious leaders was assassinated. The desire of the Government to protect itself is understandable, but a continuation of summary executions may only serve to heighten the pervasiveness of fear and terror.

However rich Iran's resources, however powerful its bargaining position might become, there is a line across which the nations of the world must not cross. The international community must not stand idly by and say nothing while this killing continues. The nations and leaders of the world should not hesitate to speak out on this tragic matter.

It is in the spirit of humanity that I appeal to the new Government to cease this practice of summary trials and executions.

Mr. President, I reserve the remainder of my time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum on my time.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that my order be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The remarks of Mr. STEVENS at this point in connection with the introduction of legislation are printed under Statements on Introduced Bills and Joint Resolutions.)

PRIVILEGE OF THE FLOOR

Mr. WEICKER. Mr. President, I ask unanimous consent that Joseph L. Pellegrino, of my staff, have the privilege of the floor during the consideration of Senate Resolution 120 and Senate Resolution 121.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 2 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 2 p.m. today.

There being no objection, the Senate, at 12:17 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STEWART).

WEEKEND GASOLINE SALES RESTRICTIONS

MOTION TO DISCHARGE COMMITTEE

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I move to discharge the Energy and Natural Resources Committee from further consid-

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

eration of Senate Resolution 121, the administration's standby energy conservation plan No. 1, entitled "Weekend Gasoline Sales Restrictions." This plan has never been put to a vote and will expire at midnight on May 10. I make a motion at this time to discharge the Energy Committee from its responsibility on the weekend restrictions of gasoline sales.

The PRESIDING OFFICER. Under the law there is 1 hour equally divided.

Mr. DOMENICI. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. WEICKER. I yield.

Mr. DOMENICI. A parliamentary inquiry. Under the applicable law and procedures, do I understand correctly that this proposal is necessary so that the weekend closure plan of the President may be considered since the committee did not affirmatively recommend its approval?

The PRESIDING OFFICER. A motion such as this is in order.

Mr. ROBERT C. BYRD. May I respond to the distinguished Senator?

Mr. DOMENICI. I thank the Senator.

Mr. ROBERT C. BYRD. The Senator from Connecticut is within his right to move to discharge the committee. The committee has not sent up a resolution concerning weekend closures. The distinguished Senator from Connecticut feels the Senate ought to have an opportunity to vote on that matter. The committee has not reported it. So he has, within the statutory procedure laid out, the right to exercise his right and move to discharge the committee from any further consideration of that resolution. There is 1 hour on his motion, equally divided. Then the Senate will vote whether to support the Senator's motion. I will vote to support his motion, to discharge the committee.

Then the matter will not automatically be before the Senate but a motion to proceed to that matter, which would be nondebatable, would then be in order. I would make that motion to proceed, to take it up. Then there would be a maximum of 10 hours of debate under the statutory proceedings, and that could be reduced. Whatever the Senate wants to do on the substantive issue itself it can then do.

Mr. DOMENICI. Will the Senator yield 1 additional moment?

Mr. WEICKER. Yes.

Mr. DOMENICI. I just want to make the point clear to Senators, many of whom had understood, from what I gathered, that the first matter we would take up would be the gas rationing, not that that has to be the case, that we are taking up a different approach in that we are going toward the weekend closure, a vote on it up or down. I just wanted to establish that that is what we are doing now. This may sound far removed from that, but it is the statutory procedure to get to that point.

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. DOMENICI. From my standpoint on this side I do not have any objections to proceeding. I do not think we need a lot of time in opposition.

Mr. BENTSEN. If the Senator will yield, I did strongly oppose the administration's stand-by rationing. I would hope that they would be using this time, after losing it in committee this morning, to come back with this again, in legislation that will recognize that. When might we be discussing this issue?

Mr. ROBERT C. BYRD. Mr. President, in view of the action which was taken by the committee earlier today, to which the distinguished Senator from Texas has alluded, Senator JACKSON and I and Senator STEVENS, who is on the committee, met with representatives of the administration and apprised them of what the situation was, and suggested that they go back and talk about it to see if they wanted to send up another proposal. The administration is having those discussions at this point.

In order to utilize our time in the meantime, it was felt that we should proceed with Mr. WEICKER'S motion. He has the right to make it and intends to make it. There is nothing to keep him from making it, so long as we are in session. It is going to be made sooner or later. We thought if he could make that now, the Senate can dispose of this matter one way or the other while the administration has an opportunity to see if it wishes to send up some other proposal.

Mr. BENTSEN. Mr. President, I have conferred with administration officials concerning this. They have met us, in effect, half way, with half a loaf. I think the way we can expedite this and dispose of it is to try to extend equity to all parts of this country by going to the historical basis. I so advise the distinguished leader.

Mr. ROBERT C. BYRD. I thank the distinguished Senator. That has been his position and that is, I am sure, one of the alternatives under discussion by the administration at this time.

Mr. President, I assume the Senator from Washington will control the time on this side. I yield the floor.

The PRESIDING OFFICER. Time is equally divided between the proponents and the opponents.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. WEICKER. I yield.

Mr. BAKER. I thank the Senator from Connecticut. If I could have the attention of the majority leader for a moment, based on the statements he has just made, I gather the impression that he expects a further submission from the administration in relatively short time. Is it his expectation that we will deal with this matter today or tomorrow?

Mr. ROBERT C. BYRD. I cannot answer that question. I have apprised the administration of our situation and have suggested that they go back and take another look and see if they could conceivably come up with something which would be acceptable to the Senate. They are in the process of doing that now. I would hope that they would be able to indicate something this afternoon as to what their plans are. But at this point that is all I know.

Mr. BAKER. Mr. President, what would the majority leader be in a position to tell us about what we are going to do after the Weicker motion, if the administration has not sent up a proposal?

Mr. ROBERT C. BYRD. At that time I believe we can proceed to some other measures which can be taken up, the Senate willing: Calendar Order No. 61, S. 292, a bill to reduce the fiscal year 1980 authorization for appropriations for the special supplemental food program, and Calendar Order No. 67, S. 448, a bill to authorize further appropriations for the Office of Rail Public Counsel.

Mr. BAKER. Mr. President, I thank the majority leader. I am sure those matters can be handled without any great difficulty on our side.

Our people were under the impression that we were going to deal with gasoline rationing today. The reason for the inquiry is so that we could reorder our schedule. I frankly was a little surprised at this. I knew that the Senator from Connecticut might make this motion at some point. I did not know nor was I consulted on the matter of the administration submitting an alternative plan.

Mr. DOMENICI. That is as to rationing.

Mr. BAKER. That is correct, the rationing proposal. I would be glad to consult with the majority leader on how we proceed with this matter, but I think that members on our side on the committee were probably caught a little by surprise on this. If we could be apprised as to what is upcoming and when it will happen, we would be grateful.

Mr. ROBERT C. BYRD. I will certainly apprise the distinguished minority leader just as soon as I can ascertain what the situation will be.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I would like to point out at this juncture, number one, I would hope we can save the Senate some time by moving to a vote to suspend the committee. We might vote immediately on the procedure of discharging the committee, thus allowing the Senate to debate the issue of rationing this afternoon. It is not something that is going to be postponed. I imagine the debate this afternoon will be similar in many respects to the debate that is going to take place on any aspect of the President's plan. I would hope in a matter of minutes, with the support of the leadership on both sides, we can do away with the procedural aspects of this and save ourselves some time, and then get to the aspects of rationing.

Mr. JOHNSTON. Will the Senator yield?

Mr. WEICKER. Mr. President, I yield 3 minutes to the distinguished Senator from Louisiana.

Mr. JOHNSTON. Mr. President, is the pending motion the motion to discharge the committee on weekend closings?

The PRESIDING OFFICER. The Senator is correct.

Mr. JOHNSTON. Mr. President, I speak in opposition to the motion to discharge the committee on weekend closings. My reasons are very simple, very clear, and, I think, very persuasive.

In my Subcommittee on Energy Regulation, we heard this matter. The evidence showed overwhelmingly, first, that this measure, according to the Department of Energy's own study, as well as the witnesses who testified, would not save energy. What it would mean is that 140 million American automobiles would be driven with their tanks full instead of half full. If you add 10 gallons to each car as a result of going with a full tank rather than a half tank, that is 1 billion, 400 million gallons. If it is half that, then it is still a huge amount of gasoline. The point is, it is not going to save.

Second, the testimony was that in the last embargo, where weekend closings were invoked in some areas of the country, it simply resulted not only in driving with full tanks, but people began to get jerry cans full of gasoline which they kept in their garages in the event of running out of gas. So not only was it unsafe, but we have additional gasoline not available to the public because it was stored on weekends.

Third, we found, Mr. President, that the matter of weekend closings impacts unevenly and inequitably on areas that depend upon tourist trade. Those weekend lakes and places like Las Vegas and scores and scores of areas all around this county that depend upon recreation trade on weekends simply cannot be reached if you require weekend closings. The matter can be addressed much more equitably in another way. That is precisely what our committee has done, Mr. President.

Our committee has given stronger authority, in legislation reported out of that committee—which I hope will come up very shortly on the floor of the Senate—to the President to come up with a plan tailored to each State, with a target, a national energy target and targets tailored to each State according to the peculiar circumstances of those States, and a whole range of measures which would be invoked at the pleasure of the President; a much more meaningful measure in terms of authority and, more importantly, a much more flexible program.

That was the judgment of our committee, Mr. President, by an overwhelming vote. If I recall the vote in committee, it was something like 13 to 4, if I am not incorrect, against weekend closings. The committee and to vote eventually, this which will shortly be on this floor. So I urge the Senate not to discharge the committee and to vote ventually, this week or next, on the legislation which will soon be reported out.

I thank my colleague from Connecticut for yielding time.

Mr. WEICKER. Mr. President, I hope that we shall get to the substance of the issue before us and over the procedural vote. Incidentally, while there are Senators on the floor, I ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Very briefly, Mr. President, the reason I stand here in the leadoff position on the issue of weekend closings is that it became in the meeting of the Committee on Energy this morning that the President's plan or the amendments of the President to his plan on rationing would not pass. It did not pass the committee, and the evaluation of various elements of leadership was that it would not pass the full Senate.

With that in mind, I gather there is an attempt afoot for the White House so to tailor its amendment as to make it palatable to a majority of the Senate, or withdraw the entire proposal of the President, in which case there would be an additional 60 days for debate and committee action and floor action. That is the reason why this Senator is on his feet at this time to forward Senate Resolution 121 and thus give the various participants time to accomplish one of the two alternatives earlier described. I am going to make my statement brief in the hope that we can get onto this procedural vote and then get to the substance of the issue of gas rationing.

Let me say this: As I analyze the actions of the Senate, both in committee and on the floor, I think it must be clear to any observer that the U.S. Senate is not truly prepared to evolve any meaningful form of mandatory conservation. I think this should have become clear when, last week, we passed the restrictions on cooling and heating and then promptly overturned a very minimal attempt at conservation in the area of outdoor advertising.

It was made further clear when, today, in the committee, we not only rejected the President's amendments to his gasoline rationing plan, but the committee itself voted a sense-of-the-committee resolution withdrawing its previous action and approving the President's gasoline rationing plan.

There is no issue confronting either the Nation or the Senate which is more important than this issue. It would be very easy to go ahead, and this Senator is as capable of doing it as anyone else, and pick apart the President's plan. But the fact is that a message has to be sent that this Government is prepared to act on mandatory conservation. That is the issue, not the specifics of the plan. Everybody has his own suggestions; I have mine.

The President's plan, for example, is clearly more a plan of allegation than it is of conservation, so that would be excuse enough to vote it down. Or I might stand up there and say, "Well, he is a Democrat and I am a Republican, so let's vote it down." Or "He has the office to which I aspire, let's vote it down."

There are many, many reasons, but they all add up to the same bottom line: No action by the legislative branch of the Government of the United States.

I think that the time has come to back the President on the issue. If there are rough spots to be smoothed out, that can easily be accomplished should he want to implement the plan, because there is a 15-day period that goes by and there is a one-House veto. But we cannot delay any more on this issue of mandatory conservation. I intend, later this afternoon, to read the comments of Senator JOHNSTON, who just spoke, comments which he made in September of 1977, when my gas-rationing plan was voted down, 83 to 7, and they are going to have a tremendously familiar ring, even though the plan is totally different from what has been presented here, or what has been sent to the Congress by the White House.

Mr. RIBICOFF. Will the Senator yield?

Mr. WEICKER. I am going to yield to my colleague from Connecticut.

I just want to get it across that we should stay here on the Senate floor. I hope we will get to the substance of this. We have to act. We have to act on the issue of conservation. There is no ducking it.

The disgrace right now lies with us, not the President. He has acted time and again.

Use any excuse or high-blown purpose, but the fact is that any conservation plan is going to be unpleasant for all of us. That is what is at issue. I think the American people are prepared to make the sacrifice.

I see no such sacrifice in the sense of anybody's politics or political career when it comes to the U.S. Senate.

I yield to my colleague, the distinguished Senator from Connecticut.

Mr. RIBICOFF. Mr. President, I take this opportunity to commend my colleague from Connecticut.

Since 1974, no Member of this body has been as consistent and as right concerning the entire problem of energy than my colleague from Connecticut.

Unquestionably, the President has presented plan after plan, only to see them rejected by the Congress of the United States.

This country is, indeed, in a tough position when it comes to energy, not only the question of conservation, but the question of ultimate sources of energy. The Congress has not had the courage to bite the bullet, to try to seek a solution.

This country faces grave dangers and there is no graver danger than the problems of the energy crisis and the attendant inflation that comes with it.

The one thing I have learned about the American people is that they always act grandly in the face of danger and when presented with a challenge. The challenge has been taken by the President of the United States, but has been rejected time and time again by this body and the other House.

I would give the President a simple piece of advice. I think the President of the United States ought to take on the Congress of the United States on this issue. I would not give in to the Congress of the United States or the Senate of the United States.

The President has to go to the people of this country day in and day out to explain the dangers we face. What he is trying to do is take a short supply and have a sense of equity and a sense of fairness for all the people of this country.

When the President does this, he will beat the Congress of the United States, because the people of this country will be in back of him.

I hope the other end of Pennsylvania Avenue does not continue to capitulate to the Senate of the United States or the House of Representatives. This is a big issue, an issue that the people of this country truly understand.

The people of this country do not want an easy way out. They want a sense of equity. They want to make sure that every person in this country is treated equally and the same. Only through rationing can this be achieved.

I commend my colleague for undertaking this fight. Again I repeat to the Senator, he has been right on this issue since 1974. There is not another Member of this body that has been consistently right.

I stand in back of him and will vote with him.

Mr. WEICKER. I thank my distinguished colleague from Connecticut for his very generous remarks.

I yield 3 minutes to the distinguished Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to my good friend from Connecticut, as I understand it, we only have an hour of which he has a half hour. I do not want to take his time. I believe I can use 3 minutes of the time of the opposition side. Perhaps Senator METZENBAUM——

Mr. METZENBAUM. I yield 3 minutes.

Mr. DOMENICI. Mr. President, I believe we are all taking the Senator's time.

Let me say to the Senator from Connecticut (Mr. RIBICOFF), first, to my very good friend, that when the chips are down in this body, he comes over and tells the truth.

We are going to miss the Senator. He has given us some real wisdom.

I do not happen to agree on the specific way, but I agree with him that we have got a serious crisis. we will have to be tough and bold and not continue to try to please everyone around here. That, therefore, brings me precisely to the point.

I am not going to speak to weekend closures. The issue is to discharge the committee so we can vote up or down on weekend closures. That is the issue.

But I want the President to know, and his advisers to know, that if they are trying to tell the American people that mandatory rationing, the kind we will have in a standby mode, is serious, then they ought to start acting serious. Let me say why.

The committee has met three or four times in formal sessions and has voted three different times on this so-called plan. The last two times because there was opposition, the administration amended the plan, as only they can. We cannot. They can send us a modification.

We worked all morning. We had close votes and we thought the matter was coming to the Senate on a Presidential standby only in the case of an emergency rationing plan.

I agree with the Senator: we ought to vote on it today. If we do not want it, we ought to say, "No." But why are we not voting? Because they are off talking in some little corner about changing it again.

How can it be so serious, so important, something we have to have, something that if we do not do this one, we are evidencing that we do not care about the American people, which is defied when we refuse to vote on it, and go off and change it a little bit.

Who is part of this change?

We have a committee. The committee works hard. One is a staunch advocate in the consensus argument, confrontation of the committee, and we voted. I think that ought to bring it down here if it is important and a good plan. We ought to give it to the President as a standby emergency, and not go off again and change it. That is making it less than it is. In my humble opinion, it is not much anyway. It is symbolic.

To say we will still solve the energy crisis by giving the President a standby emergency mandatory gas-rationing plan, with the Secretary of Energy telling us that we will not use it anyway, we will have to have a war, they will have to bomb out the fields of some big supplier, or something of that nature would have to happen, well, that is not solving the crisis.

We would all like to take care of that kind of emergency. But, in the meantime, we have a real crisis.

There are all kinds of things we ought to do that we are not doing. What about California with its every-other-day purchase. They will save more in that than any plan we put out at this point. The President can submit that to the Governors.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. DOMENICI. Will the Senator yield an additional minute?

Mr. METZENBAUM. The Senator from Washington has returned.

Mr. DOMENICI. Will the Senator from Washington yield another minute in opposition?

Mr. JACKSON. I yield 2 additional minutes to the Senator.

Mr. DOMENICI. I thank my good friend.

Once again, I repeat, I do not think the issue is Senator WEICKER's discharge motion. I do not think we ought to discharge the committee because I think the mandatory point, and weekend closures, even in a standby position, is ridiculous.

I think the evidence is that we do not need it. It may be in violation of the law. I think there are much easier yet effective ways to do it. So, we ought to vote on it.

Mr. RIBICOFF. Will the Senator yield?

Mr. DOMENICI. Thirty seconds more.

I really believe we diminish the effectiveness of these programs when we continue to hold them in abeyance and change a little bit here and there, without letting the whole Senate or the committee in on it.

Mr. RIBICOFF. I think the Senator is correct. I have not talked to the junior Senator from Connecticut. I think what he is trying to do is use this procedure as a symbol of where we are.

I have a little bit of advice to give the President of the United States out of 40 years' experience in politics.

I first ran for Congress in 1948 with a President who was as low in the polls as President Carter is low in the polls now. He is not going to get up in the polls if he keeps changing his mind on an hour-to-hour basis.

There is only one way he can win an issue like this one, if people understand this issue, by taking on the Congress of the United States as Harry Truman did. If he would read a little history and a little of the politics of 1948, he would learn how to win the battle and also win for the United States of America.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. DOMENICI. Mr. President, may I have 1 additional minute?

Mr. JACKSON. I yield the Senator 1 minute.

Mr. DOMENICI. I say to my good friend from Connecticut that I am not a confidant, obviously, of the President. He usually talks to a lot of us in the course of big issues. I told him precisely what the Senator from Connecticut told him 3 or 4 weeks ago on the issue of energy. You cannot satisfy the whims of everybody, as the Senator from Connecticut told a couple of the President's Secretaries—the Secretary of the Treasury and others—when we were conferring the other day.

I think we should say yes or no to this standby emergency rationing plan. If the President wins, it is there for the emergency. If he loses, he can make of it what he wants.

In my opinion, there are so many things we should be doing, that we put this out of all proportion. Perhaps that is just my view. It would be up to him. The question is that we should dispose of weekend closings and a rationing plan, up or down.

Mr. STONE. Mr. President, will the Senator yield?

Mr. JACKSON. First, I will yield to the Senator from Ohio for 5 minutes, and then I will yield to the Senator from Florida.

Mr. METZENBAUM. I thank the Senator from Washington.

Mr. President, I join the Senator from Connecticut, who has urged that this matter come to the floor of the Senate for an up or down vote.

I have some reservations with respect to the issue of weekend closing but, as a matter of fact, I am prepared to vote for it in committee and would be prepared to vote for it here. It is my view that

Congress, day in and day out, is running away from the energy crisis. Unfortunately, the President is using the occasion to blame Congress for the problems which, in my opinion, have been created too often by the President and the Department of Energy.

So we find the American people totally confused. They do not know whether to blame the President or Congress or the oil companies, which certainly are not without blame.

The fact is that weekend closing probably is not the right answer, but I believe we have an obligation to bring the matter to the floor. I believe we have an obligation to bring other proposals of the President to the floor with respect to mandatory conservation measures.

My real complaint is that the President, the administration, for more than 2 years has refused to support those of us in Congress, including the distinguished Senator from Connecticut, who has addressed himself to this issue—refused to join us in standing up for mandatory conservation measures.

We have proposed and the Senate has passed—they have come out of committee—a number of measures for mandatory conservation. With no exception, the administration has turned down those proposals and has said, "No." As a matter of fact, within the next several days, I will offer another package of mandatory conservation measures, and I am concerned that the administration again will turn its back on mandatory conservation.

It even bothers me that, with respect to the rationing program which the President sent to Congress, almost within days after sending it to Congress—I think within 3 days—he said he did not really intend to implement the mandatory aspects of those proposals.

In connection with this matter, there is no real effort on the part of the administration to bite the bullet, and maybe even less so on the part of the Congress of the United States.

The Senator from Connecticut states it well when he indicates that we should bring this issue to the floor and we should discharge the committee from consideration of the matter. I believe each of us should have an opportunity to vote on it.

With respect to the rationing matter, I believe the same should be the case. The Senate should be able to cast its vote on the issue.

With respect to the proposal made by my good friend from Louisiana concerning the proposal for a new kind of plan, that we are now going to give the President an opportunity to implement, to put into effect, when we are going to say, "But that won't go into effect unless the States don't put their own plan into effect," to me, that is running away from this subject. To me, that is turning our back on the issue. What we are doing is saying, "Mr. President, we are putting the ball in your court, and you can put it in the court of the Governors of the States."

Also, we are saying in the proposal of the Senator from Louisiana that we will exempt and will say it does not count if you manufacture chewing gum or pet food or beer or liquor or ornamental horticulture or chocolates or confectionaries or tobacco or paper napkins or aluminum foil, as well as a lot of other items. We will say that those do not count, that those people do not have to be involved in any limitations with respect to usage.

Mr. President, the administration has not been willing to take the strong measures they should be taking. The administration has proposed decontrol, which, in my opinion, does not make sense at all, because all that does is help the oil companies and it does nothing for the consumers, and will not—and I emphasize "will not"—provide the extra production they talk about, nor will it provide the conservation that the administration suggests it would.

I believe the administration has a responsibility to stand up and fight for strong conservation measures; and only as an indication, or as a token, of my respect and my willingness to try to support the administration in standing up for mandatory conservation measures, strong mandatory conservation measures, I join the distinguished Senator from Connecticut, who, day in and day out, for month on end, has been saying that he will support any strong mandatory conservation measures. I want to be associated with him in that respect.

Mr. JACKSON. Mr. President, I yield 2 minutes to the distinguished Senator from Florida (Mr. STONE).

Mr. STONE. I thank the distinguished Senator.

Mr. President, what is before the Senate is a motion to discharge the committee on a question of mandatory national weekend gas station closings—not rationing, not decontrol, not the windfall profits tax, not the villainy of the OPEC cartel. It is just a question of weekend national mandatory gas station closings.

If you love to watch the southern California mess of the last 3 days, you will fall completely, intoxicatingly in love with mandatory national weekend gas station closings.

The Energy Department commissioned a study to find out how much gas would be saved by mandatory national weekend gas station closings, and I read from the letter of transmittal of the report:

> Reduced hours of station operation, including weekend closings, are counterproductive.

That eminent good sense was brought about by the logic that if you have to line up and burn your gas in front of the gas station, you waste gas in the long lines. You do not save gasoline; you waste gasoline.

Finally, Mr. President, the whole idea of plans that might be honored in performing them instead of honored in the breach is that they will be even-handed and fair. Mandatory national weekend gas station closings says to one endeavor, tourism, "Go bankrupt." It says to everyone else, "We will save a little gas for you"—except that it does not, by bankrupting tourism.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. STONE. Mr. President, will the Senator yield me 1 additional minute?

Mr. JACKSON. I yield the Senator 1 minute.

Mr. STONE. Mr. President, I urge the Members of the Senate not to vote to discharge the committee which has taken testimony on this particular plan. The Senator from Florida is one who has testified against it. He has seen fit not to report a nonsensical, counterproductive plan to the floor. To have it brought to the floor in order to waste time is almost as wasteful as lining up in front of a gas station and wasting gas. Let us vote "No."

Mr. WEICKER. Mr. President, I ask unanimous consent that Jeff Baker, of my staff, and Ron Schifflin, of Senator MCCLURE's staff, be granted the privilege of the floor during the consideration of Senate Resolution 120, Senate Resolution 121, and Senate Resolution 152.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WEICKER. Mr. President, everybody has his statistics as to how much a particular plan of mandatory conservation is going to save. The Senator from Florida comes in with his statistics. This morning, in the Energy Committee, the Senator from Texas (Mr. BENTSEN), had his statistics as to the President's plan.

There is no question that we all can dream up statistics to show how a particular plan is not going to work. But the fact is that the United States, at this juncture, has no plan; and the bottom line is as follows: What is the price of gasoline today? What are the supplies of gasoline today? What is the prospect of prices for the future? What is the prospect of supplies for the future?

And there is no answer as to the future. As to the present the supplies are inadequate and the price is too high.

Our job, if we do it correctly, is not to continually react to crisis but to anticipate, and this one is very easy to anticipate. It is a matter of diminished supply and additional production, and the only thing that we can do today to affect both supply and price is to conserve.

The record of the Senate and the record of the House of Representatives is disgraceful.

I am not sitting here to carry the President's brief, except insofar as he understands that mandatory conservation is absolutely necessary. He understands it. The American people understand it. But the political wisdom of my colleagues apparently falls somewhat short of either of those institutions.

The issue before us is not Sunday closing of gasoline stations. It is mandatory conservation, rationing. I am sorry that time is needed even now to evolve something that is acceptable to my colleagues. Nothing has been acceptable during the past 6 years. Everyone said that the reason for not getting together in the past was there was a Democratic Congress and a Republican President. I can remember on the issue of energy many times there being an agreement as between the Democratic leadership and a Republican President and seeing that agreement blown up by the membership of either the House of Representatives or the Senate, and so no action was taken.

Now there is no such excuse. There is a Democratic Congress. There is a Democratic President. But even now the specifics of the plan are going to be used to evade the burden of conservation and voting it through. How high does the price of gasoline have to go before the more unpleasant issue is the price of gasoline rather than voting through mandatory conservation? How short do the supplies have to run before that becomes the more unpleasant issue rather than to vote mandatory conservation?

We are going to see an inflation and we are going to see a recession the likes of which no one has seen during the last decade take place within months on the issue of energy and our lack of response to it.

There is no point in name calling any longer, as far as the President is concerned, whether he is indecisive or whether he comes through with action or not. The ball is in our court, and I hope that we will respond, initially respond, I might add, in discharging the committee in the procedure vote and then let us debate rationing. Let us have it out here on the floor. Let us see those who can defend our present state of affairs calling for no action. I was asked by members of the press this morning how will the President's amendments fare, and I said I do not think they are going to fare too well from what I hear.

But it went past my wildest expectations. Not only did it not fare well, but we retreated from the minimal position established last week.

Yes, I believe there is going to have to be closed gas stations before anyone at least in this body realizes that we are confronted with a crisis, and it is not a political crisis. There is more gas on the Senate floor than there is in the pumps of the United States. But that is all there is. There are no guts. No guts. It is as simple as that.

This is the place to take the stand. I had hoped it was going to be taken in the issue of outdoor advertising, but everyone flinched on that and apparently got away with it. Where are we going to take the stand? Where is it? So far it is heating and air-conditioning. That is it. Where are we going to take the stand? Here, this afternoon, and at least let us present to the world a nation that understands that at the root of any meaningful solution there has to be self-discipline. There has to be sacrifice and, most importantly of all, courage on the part of its leadership.

Mr. MATSUNAGA. Mr. President, I yield myself 2 minutes.

Mr. President, it is not often that I stand on opposite sides of the chairman of the Energy and Natural Resources Committee. I find now, however, that I am in agreement with the Senator from Connecticut and having voted with the President in committee also.

The language of the resolution as was submitted by the President to the Senate I thought was a very reasonable one. It was a standby authority that he had asked for, and what he had asked for in that resolution to date is a reality, not by Government edict, but by necessity of the supply.

If the reports by the press as I heard over the radio this morning are true, 4 out of 5 service stations in the District of Columbia are closed on Sundays and 9 out of 10 are closed on Sundays in the State of Virginia.

So there is really no need for Government edict. The situation is already upon us. The emergency is here.

Now, what are we waiting for? It is a shame that Congress will not give the President that authority which he would have had even before voluntary action was necessary, and that resolution provided for the President to submit his plan to Congress and Congress would have had 15 days to approve or disapprove of the specifics of the President's plan. So here again we had nothing to fear.

I will support the motion of the Senator from Connecticut to discharge the Energy and Natural Resources Committee.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

The Senator from Connecticut has 2 additional minutes.

Mr. WEICKER. Mr. President, I appreciate the remarks of the distinguished Senator from Hawaii.

Again, I think he raises a point that should be clear to our colleagues and that is even now we are behind the facts of the times. One by one we will fall even further behind. And there are those who say, "Well, I won't be able to take a little vacation trip," or "I won't be able to do this or that," or whatever have you.

Let me say this to my friends in the tourist industry and vacation industry: They better hope for a little bit of conservation now so people can take their vacations and they can go where they want because if we keep going down this road the whole operation will come to a dead halt.

That is what is involved. If we had done this 5 years ago, which is when I asked for it, 5 years ago, we would not even be here in this debate.

If we had taken the production measures 5 years ago, we would not be in this debate. But somehow people were hoping not having to give the bad news to their constituents for not having to take the tough action, for hoping that the situation would resolve itself.

It will not resolve itself, and every act of weakness is a further encouragement to our blackmailers. Every failure of the Senate of the United States not to enact mandatory conservation measures encourages OPEC to stick it to us, and they are doing a rather good job. Anything they give we are going to swallow, and that is not a matter of debate. That is a matter of history.

That is why this debate is important. That is why this issue is important, the standby authority to the President. That is what is important here.

If we take that stand, then we are on the road to resolving our problems in an energy sense. Without it, the bad news is coming in from all sides. At least let us get our own house in order. That is the first step, and in doing that we get off our knees, which is where we are insofar as our opponents are concerned.

It is not the American people who are opposed to each other, not Northeast against Southwest or East against West or producer against consumer, but we have been our own enemies too long. The war is an economic war, and it is being waged by OPEC, and we need each other, and we have to stand together. That is the first act. That is what is at issue here this afternoon.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 10 minutes.

Mr. STONE. Mr. President, will the Senator from Hawaii yield for a brief unanimous-consent request?

Mr. MATSUNAGA. I yield.

Mr. STONE. I thank the Senator.

I ask unanimous consent that Bruce Rowen of my staff be permitted on the floor during the consideration of this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATSUNAGA. Mr. President, I yield myself 2 minutes.

The State of Hawaii is primarily dependent upon tourism. That is our biggest industry. Now why would I then be supporting weekend closing of service stations? Because the President's standby authority to close stations over the weekend is dependent on or rather contingent upon the Governor and the State government not being able to devise and carry out a plan which would save at least 5 percent of the energy according to its past history.

I have every faith in every Governor of the 50 States that the Governor will be able to devise a plan in each State, each respective State, to save energy by other means than closing service stations over the weekend. We have done it in Hawaii, and I am sure other States will be able to do it.

So I repeat, Mr. President, this is not a case where the Federal Government is going to immediately invoke a plan whether the States like it or not or whether it will be appropriate to the State or not. This is contingent upon the State not being able to do what the States ought to be doing.

I yield 2 minutes to the Senator from Oregon.

Mr. HATFIELD. Mr. President, I rise to support the Senator from Connecticut's motion to discharge the committee. As ranking minority member of that committee I, like others, have become increasingly frustrated about the inaction, the inability to come together with some kind of basic consensus, even though we have spent not weeks or months but actually years on this question.

I think today one of the things that has been rising to the top of our discussion has been the assumption that we would have weekend closings if we passed this particular resolution.

I have just been in conference with the Governor of my State this morning, Governor Victor Atiyeh, and his office has assured me that if we come up with mandatory controls and a program for conservation, and if the Governors are left with the flexibility and the authority to set target dates or to have target quotas for the saving of gasoline that he, as the Governor of the State of Oregon, can meet that without weekend closing.

So to follow up what the Senator from Hawaii has just stated, I could give that as additional evidence from at least one State of a Governor who is convinced that this can occur without weekend closing.

I think it has to be understood that weekend closing is only a last resort for the Governors to impose if they have not succeeded in conserving what other methods and other opportunities and options provide.

Now, as to those 19 States that do not have this emergency authority vested in the Governor, I have been Governor under that circumstance, and I think there is a very obvious answer to that. That is to call an emergency session of the legislature. I called emergency sessions of the legislature for other emergencies when I was Governor, and I think any Governor has that under the constitution of his respective State.

I want to say also that I think we can interpret the procedure that is going on at this moment in two different ways: We can interpret it as, in one way, the President not really having his act together, that he is not sure what he wants, and I think we can make a valid case if we wanted to make it on that basis.

But, on the other hand, I can remember when we used to stand here and criticize Presidents for not consulting with the Congress enough on these important matters.

I would like to take a positive note and say perhaps the President is trying to accommodate the various viewpoints within Congress, and that is why there are these last-minute negotiations going on. I would like to think it is on that basis.

But either way that does not absolve the Congress of the responsibility to take action, for action has not been taken in the past up to this point. That is why I want to commend the Senator from Connecticut for his action today and say that I intend to support him.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I suggest the absence of a quorum.

Mr. JACKSON. I ask unanimous consent that it not be taken out of either side.

Mr. MATSUNAGA. I ask unanimous consent that it not be taken out of either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JACKSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HEFLIN). Without objection, it is so ordered.

Mr. WEICKER. Mr. President, parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. Is not the order of business at the present time the vote on my motion to discharge the Energy Committee from further consideration of Senate Resolution 121?

The PRESIDING OFFICER. The time on that motion has not yet expired.

Mr. WEICKER. How much time is left?

The PRESIDING OFFICER. There are 3 minutes remaining.

Mr. JACKSON. Mr. President——

The PRESIDING OFFICER. Under the precedents, 3 minutes is not enough time for the Senator to suggest the absence of a quorum. He could yield back his time and then suggest the absence of a quorum.

Mr. JACKSON. Mr. President, do I have time remaining?

The PRESIDING OFFICER. Yes.

Mr. JACKSON. Mr. President, I yield myself such time as I may require.

I commend the distinguished Senator from Connecticut (Mr. WEICKER), who has been in the forefront on this whole rationing issue for many years, all during the time he has been on the Energy Committee.

I happen to disagree on the President's plan for weekend closing. I support and did support in the committee, in lieu thereof, proposed legislation which, in effect, Mr. President, will give to the Governors of the States various options to achieve certain targeted goals of conservation. I shall, however, vote to support the notion by the Senator from Connecticut to discharge the committee. This will give the Senate an opportunity to vote up or down on the substantive issue of the President's plan.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. JACKSON. I yield to the majority leader.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, immediately following the vote on the motion to discharge the committee, the Senate stand in recess awaiting the call of the Chair by the majority leader after consultation with the minority leader; provided further that the majority leader be authorized to move to proceed to the consideration of a gasoline rationing plan or plans after consultation with the distinguished minority leader; provided further that upon the disposition of the gasoline rationing proposal or proposals, the Senate then return and that the majority leader then be recognized to move to take up the proposal with respect to weekend closings if such proposal has been voted by the Senate to be discharged from the committee; and that the Senate then move, after such debate as the distinguished Senator from Connecticut and Mr. JACKSON wish to control between themselves—a maximum of 10 hours—then proceed to vote on that plan up or down.

This protects the Senator from Connecticut on a vote today on the proposal which may be discharged from the committee, the weekend closings, but it allows the Senate, with his approval—and he has given his approval—to proceed first with a gasoline rationing plan or plans.

I should say to the Senate that it will be expected that the Senate will act on the gasoline rationing plan today if the Energy Committee reports such plan, and it can be discharged from such plan by vote of the Senate also. So it would mean that the Senate would expect to vote on gasoline rationing today and weekend closings today.

Mr. BAKER. Mr. President, reserving the right to object, and I do not plan to object, let me make sure I understand the impact of the majority leader's request.

It is clear now that the negotiations for the consideration of another gasoline rationing plan are in process.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I gather from that that the administration is sending or has sent another plan which will be considered by the Energy Committee this afternoon.

Mr. ROBERT C. BYRD. The chairman of the committee is here and he can speak to that. I yield to him.

Mr. JACKSON. I state now in response to the minority leader's comment that the Committee on Energy will meet at 3:30 or immediately after the vote on the Weicker motion to discharge the committee. It is my understanding that the proposal will be here and that we shall have an opportunity to vote on it this afternoon and the plan then would be, assuming that there is a favorable vote to approve the plan, that we would take it up immediately thereafter. The committee will meet in Senator BYRD's office.

Mr. BAKER. The plan, then, is to take up the rationing plan that is now being submitted and not one of the previous two plans.

Mr. JACKSON. That is correct. It is a compromise plan worked out in the last couple of hours.

Mr. BAKER. Would it not be so, might I further require of the majority leader under my reservation, that if we are going to guarantee that the distinguished Senator from Connecticut is going to have the next vote after some gasoline plan is proposed, if we are going to assure that this occurs after this last submission by the administration, we might consider providing against other motions in respect to other measures that are on the Calendar or in committee and not yet discharged?

Mr. McCLURE. Will the Senator yield on that point?

Mr. BAKER. Yes.

Mr. McCLURE. There seems to me to be a presumption that the Energy Committee will report favorably on the third gasoline rationing plan coming up.

Mr. JACKSON. I said "if."

Mr. McCLURE. I think we also have to recognize that if they do that, we do not know yet whether it will be a substitute for plans 1 or 2 or an amendment to plan 1 in substitution for plan 2. There is also the possibility that either the Energy Committee will turn down plan No. 3, in which event they may wish to vote on plans 1 or 2, or the possibility that the Senate might turn down plan No. 3 and want to vote on plan No. 2 or plan No. 1.

I assume that we have to give the leadership sufficient authority to bring those matters before the Senate in whatever sequence their form demands so that we can get a final resolution of the three alternatives which now are being discussed; then, following that, to return to the weekend closing in the event the Senate votes for discharge.

Would the Senator from West Virginia agree that that is really what we are groping toward, giving the leadership the authority to manage the sequence according to the way they may unfold on these three alternatives that are now pending?

Mr. METZENBAUM. Will the Senator from West Virginia yield for a question?

Mr. BAKER. Mr. President, it is my reservation. I am happy to yield to the Senator from Ohio.

Mr. METZENBAUM. I just want clarification. In the event the Energy Committee does not approve plan No. 3, which is the one about to be sent up, the Senate, if it is to act on this matter, as I see it, would only be in a position to act on plan No. 1 or 2 and would not have any right whatsoever to bring that matter to the floor, since the number of necessary days has not expired? May I have clarification on that?

Mr. JACKSON. May I answer that?

Mr. BAKER. Mr. President, I yield to the Senator from Washington.

Mr. JACKSON. Under the statute as I understand it, it would require unanimous consent to move to discharge the committee. If the committee should turn down plan No. 3 this afternoon, it would require unanimous consent to discharge the committee.

The reason it would require unanimous consent is that the statute provides that a motion is not in order to discharge until the lapse of 20 days after the plan has been submitted.

Mr. METZENBAUM. That was my understanding.

My next question, Mr. President, of the committee, is would it be possible—it seems to me that if the White House sends up a new plan, which I understand they will do, the Senate should not be put in the position of having to vote on a plan that has been discarded by the White House at the request of the Members of Congress. I am wondering whether or not the chairman of the committee might see fit to seek to get unanimous consent—not necessarily to bring it to the floor, but to permit the motion to discharge that particular measure to be made absent the 20 days having expired? I think we ought to have a right to vote on that which the White House is actually proposing today.

Mr. JACKSON. The situation is that any Member can push, of course, for a vote on the two proposals now before the Senate. That is, the original resolution and the amendment which was reported out today. That is a privileged matter, and the amendment, the time to vote on that does not expire for—I have forgotten how many days.

Mr. METZENBAUM. Twenty days.

Mr. JACKSON. No. It is more than that. It is 60 days, from yesterday, 60 days from yesterday.

However, on the original plan, it is my understanding that time expires on the 13th of this month. So that there is no alternative there.

The leaders here have worked out, I believe, a good unanimous-consent proposal.

Mr. ROBERT C. BYRD. Mr. President, under my request, I believe, as I stated it, only the majority leader would be able to move to take up a rationing plan, meaning any plan, after consultation with the minority leader.

Mr. METZENBAUM. Since I am one of those who does feel he wants to vote on a rationing plan, is the majority leader saying that by this unanimous-consent request we would be precluding the right of any individual Member to move to discharge the committee of the original plans?

Mr. ROBERT C. BYRD. What I am saying is that there is a plan on the calendar already. Without this request or some similar request, once we dispose of the matter before the Senate, any Member could move to take up the resolution—plan No. 1, I will refer to it.

That is not the plan we hope will come before the Senate. We hope that the substitute proposal that is on its way up, here will be reported out by the committee and can be called up. That would be the plan I would proceed to take up with the concurrence of the minority leader. He and I concur in this. So I have no problem with that concurrence.

But I would merely protect the Senate from having to vote on any other plan that is on the calendar prior to voting on that plan.

Mr. METZENBAUM. I see.

But the majority leader does intend to accord the Senate an opportunity to vote on one of the rationing plans this week; am I correct in that?

Mr. ROBERT C. BYRD. I hope we will be able to vote on the plan that is on its way here.

Mr. METZENBAUM. I understand that.

I do not wish to create a difficult situation for the majority leader. On the other hand, I want to be certain that we do not by any parliamentary procedure prohibit the Senate from voting on, hopefully, the rationing plan the President is now sending up.

Mr. JACKSON. I say to my good friend from Ohio, the minority leader, I believe, has the——

Mr. BAKER. The distinguished majority leader has the floor.

Mr. JACKSON. Well, whoever, this will just take a second.

I want to assure the Senator from Ohio we will have a vote on rationing. I am determined we do that. That is why we are going to stay on under this proposal and do it, hopefully, today.

Mr. METZENBAUM. With that assurance of the chairman, I have no further questions.

Mr. ROBERT C. BYRD. May I say that I am not quite that sure. But I am not going to disagree with the chairman.

Mr. METZENBAUM. I do not wish to offer an objection to any unanimous-consent request of the majority leader. I do feel that it is time we bring to a vote some rationing plan.

Mr. JACKSON. I am with the Senator all the way. I want to get this matter settled one way or the other.

Mr. BAKER. Mr. President, reserving the right to object, is there not a unanimous-consent request pending at this time?

The PRESIDING OFFICER. There is.

Mr. BAKER. I think it is a good request. I do not plan to object.

The purpose of it, as I understand it—I would ask to be corrected if I am wrong—is to give the majority leader, in consultation or concurrence with the minority leader, the right to choose a rationing plan to vote on after the committee has had an opportunity to examine the new submission.

As far as I am concerned, it is my intention to get to a rationing plan this afternoon. But I think we need this flexibility in order to decide how to cope with the contingency we have not yet faced.

Mr. ROBERT C. BYRD. And to protect the Senator from Connecticut.

Mr. BAKER. And to protect the Senator from Connecticut. To proceed on after we dispose of a rationing plan.

Mr. ROBERT C. BYRD. I hope we can reduce the 10 hours under the statutory plan at some point.

Mr. BUMPERS. Will the Senator restate the unanimous-consent request?

Mr. WEICKER. The only purpose of the Senator from Connecticut in raising this particular plan was to give an opportunity for debate on a rationing plan.

Mr. JACKSON. It was not just weekend closings. It is the whole issue of rationing.

Mr. WEICKER. That is correct.

Mr. DOMENICI. Reserving the right to object, I say to my good friend (Mr. Jackson), he said that the two were going to select a plan, to select a plan for us to vote on. Is that right?

Mr. ROBERT C. BYRD. Well——

Mr. DOMENICI. Not select this plan?

Mr. ROBERT C. BYRD. It is the plan the committee will report out, we hope.

Mr. JACKSON. That is correct.

Mr. ROBERT C. BYRD. This afternoon. We would like to take that up this afternoon.

Mr. DOMENICI. Have a vote?

Mr. ROBERT C. BYRD. Yes.

Did the Senator from Arkansas wish to ask a question?

Mr. BUMPERS. My suggestion was, if it is not too cumbersome or burdensome, to restate the unanimous-consent request now.

Mr. JACKSON. Let us not do that.

Mr. BUMPERS. All right.

Mr. McCLURE. Reserving the right to object, and I do not intend to object, but my understanding is that the majority leader and minority leader will determine which plan to bring before us, and it is the intention to get to a vote on that plan.

I suppose it is also possible under the consent agreement that if the first one voted upon is not a complete substitute for the others, or is rejected, that there might be a second vote on one of the other pending proposals, a second or third vote. I do not think we ought to be understanding that we are confined to one vote, and that is it.

Mr. ROBERT C. BYRD. I think that is entirely possible.

Mr. McCLURE. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. JACKSON. Have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered.

The question is on agreeing to the motion to discharge the Committee on Energy and Natural Resources from further consideration of Senate Resolution 121.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. Bayh) and the Senator from Maine (Mr. Muskie) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Vermont (Mr. Stafford), is absent due to illness.

The PRESIDING OFFICER. If there is a Senator in the sound of my voice and wishes to vote, let him come forward at this time.

The result was announced—yeas 16, nays 81, as follows:

[Rollcall Vote No. 83 Leg.]

YEAS—16

Byrd, Robert C.
Chafee
Hatfield
Heinz
Jackson
Javits
Matsunaga
Metzenbaum
Percy
Pressler
Pryor
Ribicoff
Sarbanes
Stevenson
Tsongas
Weicker

NAYS—81

Armstrong
Baker
Baucus
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Cannon
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hayakawa
Heflin
Helms
Hollings
Huddleston
Humphrey
Inouye
Jepsen
Johnston
Kassebaum
Kennedy
Laxalt
Leahy
Levin
Long
Lugar
Magnuson
Mathias
McClure
McGovern
Melcher
Morgan
Moynihan
Nelson
Nunn
Packwood
Pell
Proxmire
Randolph
Riegle
Roth
Sasser
Schmitt
Schweiker
Simpson
Stennis
Stevens
Stewart
Stone
Talmadge
Thurmond
Tower
Wallop
Warner
Williams
Young
Zorinsky

NOT VOTING—3

Bayh
Muskie
Stafford

So the motion to discharge the Committee on Energy and Natural Resources from further consideration of Senate Resolution 121 was rejected.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, under the order the Senate is to stand in recess. The Senator from Connecticut wishes to make a statement. I yield to him without losing my right to the floor for the purpose.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I say to my colleagues, the Senate has just hit a new level of ineffectiveness, of spinelessness, use any term you want to, in its handling of the energy crisis, with the exception of 16 of my colleagues. I will tell what just transpired here in this Chamber. Not that anyone voted for or against mandatory conservation, but the Senate was unwilling to even debate or consider mandatory conservation.

That was the issue that was just voted down 81 to 16.

Earlier during the afternoon my colleague from Connecticut, Mr. Ribicoff, said he thought the President had a pretty good political issue going here, that he should take his case to the people. Nothing has reaffirmed that statement more than what just transpired—not to even discuss conservation while gas prices are soaring, while there are no supplies. The Senate does not even want to discuss it. There is no rock big enough for all the Senators who voted against it to hide under in this country. I cannot believe what it is that was just done.

Mr. President, I ask for order.

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will come to order.

Mr. WEICKER. What fate is any plan going to have that the President sends up if the Senate is not even willing to discuss mandatory conservation? Does it make any difference as to what the plan consists of?

He can send plan 3, plan 4, plan 5. Is the Senate going to pass a mandatory conservation plan when it is not even willing to discuss the mandatory conservation plan?

How are those prices going to come down until all of a sudden we push ourselves away from the energy table? How are those prices going to come down until we throw the bottle in the can? No self-denial, no self-discipline, no sacrifice, and this is a solution?

My lord, I thought the leadership of the Nation existed in this Chamber. We have got one thing to say as to the leadership—and I do not refer, I might add, to the distinguished Senator from West Virginia, who supported us, and who was 1 of the 16 who had the courage to stand up—I am talking about leadership in the sense of every U.S. Senator on the issue of doing the necessary to face this problem of an energy crisis.

The President has done his bit. Sixteen Senators did theirs.

I suppose there is no way of it appearing in the Congressional Record, but my only comment to the 81-to-16 vote would best be expressed in the words of some of the inhabitants of the famous farm on the Eastern Shore of Maryland, cluck-cluck-cluck-cluck.

[Laughter.]

RECESS SUBJECT TO THE CALL OF THE MAJORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I ask that the Senate now stand in recess under the order.

There being no objection, the Senate, at 3:51 p.m., recessed subject to the call of the majority leader; whereupon, at 4:26 p.m., the Senate reassembled when called to order by the presiding officer (Mr. Melcher).

Mr. ROBERT C. BYRD. Mr. President, I yield for the purpose of receiving a message.

AMENDMENT TO THE STANDBY GASOLINE RATIONING PLAN—MESSAGE FROM THE PRESIDENT—P.M. 70

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to the Standby Gasoline Rationing Plan (Standby Gasoline Rationing Plan No. 1) which I transmitted on March 1, 1979. This amendment is a substitute for Contingency Plan No. 5 which I transmitted on May 7, 1979.

During the consideration of the Standby Gasoline Rationing Plan, concerns were raised by both Houses of Congress that the Plan did not treat states and the citizens within states equitably. The purpose of this amendment is to add new provisions to the rationing plan to eliminate the potential for disparities during plan operation. The first provision alters the procedure for determining allotments of ration rights by basing allotments on a historical gasoline use factor in each state, and expands the State Ration Reserve, thereby compensating for disparities both within and among states. The second change limits the number of vehicle allotments each household could receive, reflecting my belief that households with over three vehicles should not receive excessive benefits at the expense of other households.

Under this amendment, each state will be provided with an expanded State Ration Reserve of eight percent not only to provide for the needs of the handicapped and hardship applicants as already provided in the plan, but to provide additional flexibility to the states in dispensing supplemental ration allotments to citizens with special needs. The National Ration Reserve is anticipated to remain at approximately two percent of the available gasoline supply.

The amendment also provides a new method for calculating the ration rights to be allotted to each registered vehicle. Instead of allocating the net total available gasoline supply equally to vehicles in all States, the amendment provides for the available gasoline supply to be allotted on the basis of historical gasoline use in the respective states.

Another provision limits the number of ration rights received by each household to three vehicle allotments. Ration rights not distributed to members of a household pursuant to the limitation of this amendment will be distributed to the State Ration Reserve in the state in which such household is located. This amendment would not preclude members of a household from obtaining additional ration rights from the State Ration Reserve on the basis of hardship or other factors.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. I urge the Congress to give this amendment expedited consideration so that it may be approved promptly with the Standby Gasoline Rationing Plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the Standby Gasoline Rationing Plan on March 1, 1979, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

Prompt Congressional approval of the Standby Gasoline Rationing Plan is essential. Failure of the Congress to act will leave the Nation vulnerable to economic disruption and long gasoline station lines. It is obviously impossible to develop a plan which will be perceived to be fair by each person. The proposed plan, as amended, is designed to be broadly equitable, practical and administrable. If we fail to approve a standby rationing system, the Nation's resolve to deal with a serious supply interruption will be called into question. The resulting damage to the economy and personal hardships to our citizens could be substantial.

I urge the prompt and favorable consideration by the Congress of the Standby Gasoline Rationing Plan and this amendment.

JIMMY CARTER.

THE WHITE HOUSE, *May 8, 1979.*

RECESS SUBJECT TO THE CALL OF MAJORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate again stand in recess awaiting the call of the Chair by the majority leader with the consultation of the minority leader.

The PRESIDING OFFICER (Mr. MELCHER). Without objection, it is so ordered.

There being no objection, the Senate, at 4:26 p.m., recessed subject to the call of the majority leader; whereupon, at 5:20 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. TSONGAS).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may put in a quorum without losing my right to the floor.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. TSONGAS). Without objection, it is so ordered.

AMENDMENT TO DOE STANDBY GASOLINE RATIONING PLAN NO. 1

Mr. ROBERT C. BYRD. Mr. President, in conformity with the order that was entered after consultation with the distinguished minority leader and with the approval of the distinguished chairman of the committee, Mr. JACKSON, and the ranking member, Mr. HATFIELD, I move that the Senate proceed to the consideration of Senate Resolution 153.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 153) to approve an amendment to Department of Energy Standby Gasoline Rationing Plan Numbered 1 (Department of Energy Contingency Plan Numbered 6).

The PRESIDING OFFICER. The question is on agreeing to the motion to proceed.

(Putting the question).

The motion was agreed to.

Mr. JOHNSTON. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ROBERT C. BYRD. I yield the floor.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that Rick Richard be accorded the privilege of the floor during consideration of this matter.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the statute, the debate on this resolution is limited to 10 hours.

Who yields time?

Mr. MATSUNAGA. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. JACKSON. I yield to the distinguished Senator from Hawaii (Mr. MATSUNAGA).

Mr. MATSUNAGA. Mr. President, I ask unanimous consent that a member of my staff, Mr. Takeshi Yoshihara, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington is recognized.

Mr. JACKSON. Mr. President, in 1975 when Congress enacted the Energy Policy and Conservation Act, we foresaw the need for a rationing plan to be placed in readiness and invoked as a last resort in the event of some catastrophe resulting in an extreme shortfall in gasoline supply. Therefore, Congress mandated that the President send to Congress for review and approval a rationing contingency plan.

Since 1975, the need for a rationing contingency plan has, if anything, been even more clearly demonstrated. The world has witnessed a revolution in Iran, one of our primary sources of petroleum. The shutoff of Iranian oil did not lead to circumstances that require the use of a rationing plan across the Nation. But partially as a result, there are long lines of motorists in California today, waiting to get to the gasoline pumps. In the 3½ years since the passage of EPCE and the requirement that the President submit a rationing plan to Congress, history has surprised us again. In 1975 a revolution in Iran was nearly unthinkable.

And yet we can, today, envision scenarios that would require the use of rationing in this country. I ask my colleagues to note the front page of this morning's Washington Post—"Saudis on Guard to Prevent Iranian-Style Revolt."

We have to acknowledge and prepare for the possibility of events that would create massive shortfalls in our vulnerable oil supply lines. A fundamental part of this preparation is to place a standby gasoline rationing plan on the shelf, ready for use in an emergency.

The President is not asking our colleagues to vote for the imposition of rationing. Approval of these resolutions by the Senate and the House will only place the plan in a state of readiness. Under the provisions of title II of EPCA the President may not impose rationing without coming back to Congress again.

Each House of Congress would have 15 legislative days in which either could disapprove the imposition of rationing with a simple resolution, a simple one-House veto.

And I am not asking our colleagues to believe that this particular rationing plan is perfectly equitable or attractive. By its nature rationing is a painful experience, and the more equitable you try to make it, the more complicated and unmanageable the scheme becomes.

Equity versus simplicity—that is the tradeoff in any rationing plan. In its original plan the administration leaned toward simplicity. In submitting contingency plan No. 6 the President has bent toward a more equitable framework:

The coupons will be distributed based on historical gasoline consumption per vehicle in each State.

No family may obtain coupons for more than three cars.

The State ration reserves, which are distributed to States based on the State's historical consumption, will contain a minimum of 8 percent of all the coupons.

This should be adequate to accommodate hardship in any State.

The Energy Committee has reported Senate Resolution 153 favorably in this regard.

I should remind my colleagues that once this plan is in place, on the shelf, Congress could request additional amendments to it, if necessary.

I am asking our colleagues to support these two resolutions in favor of this amended rationing plan because the alternative is irresponsible. The alternative is to tolerate anarchy at the gasoline pump in the event of a widespread shortage of gasoline. Not everyone would wait in line for gasoline. The large wholesale purchasers of gasoline such as businesses, who own fleets of vehicles, would be protected under the standby allocation regulations. They would be assured of an equitable supply. It is the average citizen and the small businessman who buy at retail stations who would have to sit in line for hours waiting to get his turn at the pump. It is they who would run out of gasoline.

If we do not approve this rationing plan we have no assurances or even much hope that the President would submit another gasoline rationing plan. He has met his statutory responsibility. He has tried to accommodate the Congress, both the House and the Senate, through the submission of amendments. This is as far as he can go.

What would be tragic is if the Senate rejects this plan in the futile hope of extracting another ounce of equity out of a concept that by its nature cannot be made wholly equitable and manageable at the same time.

I urge my colleagues to think of the likely alternative to this rationing plan; namely, no plan at all.

I urge you to support the adoption of Senate Resolution 120 and Senate Resolution 153.

Mr. President, I ask unanimous consent that the background and need statement and recommendation of the report of the Committee on Energy and Natural Resources on Senate Resolution 120 and the message from the President on the amendment to the plan covered by Senate Resolution 153 be inserted in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

BACKGROUND AND NEED

Title II of the Energy Policy and Conservation Act (EPCA), among other things, requires the President to develop and submit to Congress for approval a standby gasoline rationing plan to provide a mechanism capable of maintaining an orderly and equitable market for gasoline in a very severe petroleum supply shortfall, and capable of rapid implementation.

There is a general public consensus that a standby plan to ration gasoline should be available to the President in the event that an extreme gasoline shortage develops following such a shortfall. Estimates of the magnitude of the shortage which would necessitate implementation of rationing vary upwards from approximately 15 percent of normal gasoline demand. In the case of a standby gasoline rationing plan established under EPCA, the President would initiate the decision to impose rationing with Congressional review of the decision under expedited procedures set forth in the Act.

The United States has imposed coupon rationing of gasoline only once in its history. Gasoline rationing during World War II began in 1942 as an attempt to reduce the demand for rubber for vehicle tires, since the sources of most natural rubber imports to the United States had been captured by Japan. It was not until later in the war that gasoline itself was in short supply.

Five classes of gasoline ration cards were created, based on individual mileage needs. The issuance of ration classifications and allotments was the responsibility of local boards set up by the Office of Price Administration (OPA). The exact total number of gasoline coupons issued was not centrally controlled nor accurately measured. The primary emphasis of the program was on conserving fuel and rubber, not on the equitable distribution and efficient use of a given total fuel supply.

The gasoline savings achieved by the program were attributed in large part to the public's patriotic cooperation with the wartime needs of the Nation. Enforcement mechanisms were not generally considered effective, however. Individuals who violated the rules by misrepresenting their needs, and gasoline dealers who failed to deposit promptly the coupons they received from the public, stood little chance of detection and apprehension.

In the fall of 1973, Federal planning for gasoline rationing was undertaken as one of several possible responses to declining domestic petroleum production and to the growing dependence of the United States on foreign sources of supply. The oil embargo that began in October 1973 accelerated these efforts, and the decision was made to implement gasoline rationing. Coupons were printed by early 1974 and an Office of Gasoline was set up within the newly formed Federal Energy Office (FEO).

When the embargo ended in late March 1974, FEO halted all rationing planning and program implementation activities. The considerable program design and development work done up to that date was saved, and the 4.8 billion coupons that had been printed were put into secure storage.

After the Federal Energy Administration was established to succeed FEO, it was decided in early 1975 to assemble a task force to complete the rationing planning begun during the embargo and a draft plan was prepared in late 1975.

In December 1975, Congress passed and the President signed the Energy Policy and Conservation Act (EPCA), which provides, among other things, for the development of a gasoline and diesel fuel rationing contingency plan.

EPCA requires the rationing plan to include, to the extent practicable:

The ordering of priorities among classes of end users of gasoline and diesel fuel used in motor vehicles;

The assignment of rights, and evidence of these rights, entitling end users to precedence in obtaining gasoline and diesel fuel according to their respective priorities; and

The establishment of local boards to receive end user petitions and to reclassify and modify end users' priorities or rights to obtain gasoline or diesel fuel.

The law states that the rationing plan may not:

Impose any tax,

Provide for a credit or deduction in computing any tax, or

Impose any user fee, except to the extent necessary to defray the cost of administering the plan or to provide for initial distribution of end user rights.

Since the enactment of EPCA in December 1975, the dependence of the United States on insecure sources of foreign petroleum supply has risen. In January 1979, before the impact on oil exports of the recent Iranian revolution was felt, the U.S. was importing nearly 9 million barrels per day of petroleum, an increase of 50 percent over 1975 levels. During this same period the volume of the U.S. imports of crude oil from Iran and Arab nations approximately doubled, sharply increasing the potential for interruption of significant portions of U.S. petroleum supply. In 1978, 19.4 million barrels per day—32 percent of the world's oil production—entered the world market through the Straits of Hormuz at the eastern end of the Persian Gulf. Interruption of a substantial portion of this supply, an event for which a number of plausible scenarios can be imagined, would have the most serious consequences for the economies of all the world's nations and, in the United States would require the rapid imposition of emergency measures, including gasoline rationing, to cushion the impact of energy shortages on the domestic economy. Standby gasoline rationing plan numbered 1 has been submitted to Congress to place a plan in readiness in the unfortunate event that severe petroleum shortages emerge which require emergency action by the President.

COMMITTEE RECOMMENDATION

The Committee on Energy and Natural Resources, in open business session on April 26, 1979, by majority vote of a quorum present, recommends that Senate Resolution 120 be approved by the Senate.

The committee recognizes the impossibility of devising a plan for coupon rationing which achieves more than rough equity among users of gasoline. Implementation of any such plan will be accompanied by severe distortions in lifestyle and patterns of economic activity. Severe distortions are inevitable consequences of any petroleum shortage significant enough to warrant gasoline rationing, and this fact is at least partially responsible for the deep concern with which affected persons and firms view any gasoline rationing plan. The committee nevertheless believes that it is the responsibility of the President and the Congress to develop and place in standby status a gasoline rationing plan which is as acceptable as any plan can be within the limitations on policy inherent in a very severe petroleum shortage.

An important consideration for the committee in reviewing standby gasoline plan numbered 1 is the assurance contained in an April 26 letter to Senator Johnston from Stuart E. Eizenstat, Assistant to the President for Domestic Affairs and Policy. In this letter, which is reproduced in the executive communications of this report, the Administration recognizes the potential inequity among States arising from differences in per capita gasoline consumption which are the result of different geography and economic activity. The letter also states the Administration's intention to alleviate this inequity through the use of the State ration reserve provided for in section 570.81 of the plan. The committee understands that the phrase "alleviate this inequity" means "substantially eliminate this inequity" and that any failure to fully compensate for inequity among States will be directly attributable to statutory requirements of EPCA.

The committee is also impressed with the testimony presented by several businesses which provide vital services to the public but which receive no recognition under the standby gasoline rationing plan numbered 1. These include:

Taxicab and auto rental and leasing firms, which provide significant contributions to public transit options;

Telephone, telecommunications and newspaper systems, which provide for rapid and efficient communication during emergencies; and

Firms engaged in the distribution of food, which provide an essential link in the system which meets the basic needs of the public for nutrition.

The committee strongly recommends that the Department of Energy reexamine and reevaluate the role of these firms in the economy. The committee further requests a report at the earliest possible time containing the views of the Department concerning the need to amend standby gasoline rationing plan numbered 1 to recognize the fuel requirements of these firms.

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to the Standby Gasoline Rationing Plan (Standby Gasoline Rationing Plan No. 1) which I transmitted on March 1, 1979. This amendment is a substitute for Contingency Plan No. 5 which I transmitted on May 7, 1979.

During the consideration of the Standby Gasoline Rationing Plan, concerns were raised by both Houses of Congress that the Plan did not treat states and the citizens within states equitably. The purpose of this amendment is to add new provisions to the rationing plan to eliminate the potential for disparities during plan operation. The first provision alters the procedure for determining allotments of ration rights by basing allotments on a historical gasoline use factor in each state, and expands the State Ration Reserve, thereby compensating for disparities both within and among states. The second change limits the number of vehicle allotments each household could receive, reflecting my belief that households with over three vehicles should not receive excessive benefits at the expense of other households.

Under this amendment, each state will be provided with an expanded State Ration Reserve of eight percent not only to provide for the needs of the handicapped and hardship applicants as already provided in the plan, but to provide additional flexibility to the states in dispensing supplemental ration allotments to citizens with special needs. The National Ration Reserve is anticipated to remain at approximately two percent of the available gasoline supply.

The amendment also provides a new method for calculating the ration rights to be allotted to each registered vehicle. Instead of allocating the net total available gasoline supply equally to vehicles in all states, the amendment provides for the available gasoline supply to be allotted on the basis of historical gasoline use in the respective states.

Another provision limits the number of ration rights received by each household to three vehicle allotments. Ration rights not distributed to members of a household pursuant to the limitation of this amendment will be distributed to the State Ration Reserve in the state in which such household is located. This amendment would not preclude members of a household from obtaining additional ration rights from the State Ration Reserve on the basis of hardship or other factors.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. I urge the Congress to give this amendment expedited consideration so that it may be approved promptly with the Standby Gasoline Rationing Plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the Standby Gasoline Rationing Plan on March 1, 1979, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Conggressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

Prompt Congressional approval of the Standby Gasoline Rationing Plan is essential. Failure of the Congress to act will leave the Nation vulnerable to economic disruption and long gasoline station lines. It is obviously impossible to develop a plan which will be perceived to be fair by each person. The proposed plan, as amended, is designed to be broadly equitable, practical and administrable. If we fail to approve a standby rationing system, the Nation's resolve to deal with a serious supply interruption will be called into question. The resulting damage to the economy and personal hardships to our citizens could be substantial.

I urge the prompt and favorable consideration by the Congress of the Standby Gasoline Rationing Plan and this amendment.

JIMMY CARTER.

THE WHITE HOUSE, *May 8, 1979.*

CONTINGENCY PLAN NO. 6

(An Amendment to Standby Gasoline Rationing Plan No. 1)

Pursuant to Section 201(d)(1) of the Energy Policy and Conservation Act, 42 U.S.C. 6261(d)(1), the Standby Gasoline Rationing Plan is amended as follows:

(1) Section 570.21 is amended by adding at the end thereof: HUF—The historic use factor, which for a given state is equal to the ratio of gasoline consumed per vehicle point in that state during a given base period to average national consumption per vehicle point in the same base period.

(2) Subsection (3) of subsection (d) of Section 570.22 is amended to read as follows:

(3) The basic allotment (BA) for each state equals the basic allotment supply (BAS) divided by total vehicle points (TVP) and multiplied by the historic use factor (HUF).

$BA = BAS/TVP \times HUF$

(3) Section 570.22 is amended by the addition of a new subsection (g) to read as follows:

(g) Limitation on distribution of ration rights.

(1) Notwithstanding the number of vehicles registered to the members of a household, no household shall be distributed ration rights for more than three vehicles. This limitation shall not preclude the distribution to members of a household of additional ration rights under any other section of this part.

(2) Ration rights not distributed to members of a household pursuant to the limitation in paragraph (g)(1) shall be distributed to the State Ration Reserve of the state in which such household is located.

(4) The first sentence of Section 570.81(a) is amended to read as follows:

(a) for each ration period, DOE shall calculate a minimum of eight percent of the total available supply (TAS) for which ration rights shall be reserved by the DOE for distribution to the States as a State Ration Reserve, to meet the needs of approved hardship applicants.

Mr. HATFIELD. Mr. President, I rise to support the resolution which has been brought out from the Energy Committee, because I believe that this does represent the most equitable possible program that can be achieved at this time.

Mr. President, during the Arab oil embargo 5 years ago I voted against the imposition of gasoline rationing. I felt then that the situation did not warrant slapping a hastily devised and poorly defined rationing system on the American people, with its inevitable administrative nightmares, high costs, and large bureaucracy. Mandatory allocation of petroleum products appeared to be spreading the shortage equitably enough, and I felt then, and continue to feel today, that rationing must be our last resort—something we would only employ in the event other measures became ineffective in a period of very severe shortage.

In 1975 Congress passed a measure which recognized the need for America to be better prepared for a future oil supply interruption. We had become more dependent on Middle East oil since the embargo; and our increasing dependence for a critically important material on such a volatile part of the world was, we said, a threat to our national security and our economic stability. So we authorized the creation of standby energy conservation plans and a standby gasoline rationing plan. These we would have in readiness for the next supply disruption.

Congress established in that 1975 act a procedure which kept the Congress centrally involved in the review and approval of proposed standby plans. We expected to be able to look at them critically, decide if they fit the bill, and approve or disapprove them in a calm environment rather than in a crisis. We expected to have the time to be able to say "no" to a particular plan and still be able to field a new or revised plan in its place—again, in the cool, reasonable atmosphere of energy peace and quiet.

Unfortunately, and inexcusably, it has taken the executive branch 3 years to submit to Congress the energy contingency plans, including a rationing plan. And energy peace has been broken by the Iranian revolution. Now we are caught in exactly the exercise we sought to avoid in 1975. The Energy Committee has reported favorably the President's rationing plan, has reported unfavorably a last-minute amendment to that plan, and has reconsidered its favorable report in order to inform the Senate that they have changed their collective mind on the original plan, has reported favorably a last-second amendment and, presumably, has re-reconsidered its mind on the basic plan. Such confusion is the inevitable byproduct of the present situation.

I believe it is irresponsible of this Government not to have a standby rationing plan ready to meet a very severe supply disruption 5 years after the Arab embargo, yet I recognize the need for the Congress to insure rough equity in any proposed plan. To my colleagues who have opposed this plan or the amendments to the plan, I would point out that the President's proposal is roughly equitable, given the data base we are forced to use. Within the fluctuations of use year-to-year in the States, and within variances of the average driving distances among the States, and considering such factors as tourist consumption and interstate commuter consumption that are hopelessly buried in the data, it is fair to say that the President's amended plan is about as well as we can do at this time. There is flexibility in the National and State ration reserves, and there is recognition of certain priority uses of fuel. I therefore recommend to my colleagues that they vote "aye" on the resolutions of support now before us.

The amended plan recognizes historic driving patterns. I believe this is fair enough. But I would point out that where there is large per capita use, there is probably also large per capita savings potential. In other words, the same methods to economize on gasoline use in the West might be expected to have a greater per capita impact on total consumption there as those methods would have in the East. I would also add that wherever there is large use there is also probably better-than-average waste. So I was willing to go with the first amendment in lieu of Mr. Eizenstat's letters of assurance on the original plan that historic use would somehow be factored.

Now, coming from Oregon, as I do, I understand very clearly the differences in patterns of the necessary driving that is done out there as opposed to back here on the mid-Atlantic seaboard. I think it is important that recognition of this factor be made in the system. The committee was assured by the White House that such recognition would be made, and I was therefore prepared to support the original plan. That assurance, however, was apparently inadequate to some Members of this body and the House, and so the administration has offered first one amendment, and then a second, to their original plan that formally build into the coupon distribution formula the recognition of State differences. I believe the amendments go in the right direction. I believe that recognition of historic use, together with a sizable State reserve, provides a manageable system—at least as manageable as a rationing system can be.

I do not apologize for rationing. It is distasteful to me in its cost, bureaucracy, redtape, and white market. I hope we never have to impose it on the American people. If we do, the Congress will have the last say on the matter, for we have the right under the law to review a Presidential request to invoke rationing, and decide whether we agree that things are so bad that everything else we have in place—the allocation system, the mandatory conservation plans, the State plans, and so forth—just cannot handle it; that they have, in fact, broken down; that chaos will ensue among the consuming public in the absence of further action by their Government.

If we do not have a standby rationing system on the shelf, what will we do then?

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, will the Senator yield me 5 minutes?

Mr. JACKSON. I yield the Senator whatever time he needs.

Mr. JOHNSTON. I thank the distinguished Senator from Washington.

Mr. President, as chairman of the Subcommittee on Energy Regulation, which has held 3 days of hearings on this matter and which had many days of markup, I think we have discussed gasoline rationing on at least 4 or 5 days of markup, and I can tell you what a monumentally difficult question it is to bring together a consensus of Senators on this most painful question. There is simply no way to put together a rationing plan which is a share of the pain for all Americans that is going to suit Americans. It is simply impossible to do so.

However, Mr. President, I believe that this particular plan, with amendment No. 6, which has just been received this afternoon, is as good a plan as we are going to get. It is as good a plan as we are going to get, and if we turn this down, then we really risk very difficult circumstances for this country.

It used to be almost unthinkable, Mr. President, that our supply of oil from the Middle East would be cut off. We could not conceive of our great ally Iran ever having an interruption in its production. Saudi Arabia was our special relationship, our special friend, that could be counted on through thick and thin with its stable government always to be there to supply the oil we needed.

Well, Mr. President, our confidence has been shaken, first, by Iran which has already been cut off; and Saudi Arabia, we hope, we pray, will continue to supply oil, but they are down from 10.5 million barrels a day to 8.5 million barrels a day. They went up to the higher figure during the recent Iranian shutoff.

We hope their political stability is such that they will be there to produce oil for a long time to come. But, Mr. President, there is not a Senator in this body who is not afraid of that situation.

So, Mr. President, we must have a plan on the shelf. How did we get to this final amendment? Well, we got to this final amendment in a rather painful way, as a matter of fact, Mr. President, after negotiation, false starts, amendments, modifications, and conversations. But this amendment goes back to what the White House initially had in mind, which was to take care of differences in States caused by different use factors caused by some States being rural and having large distances between towns, between factories and work, and lack of public facilities, lack of mass transit, and other factors which cause a greater degree of use in one State over another.

So this goes back to the historic use. But it also gives us an 8-percent reserve factor to be distributed by the States which is, in my view, more than sufficient to take care of any items that must be adjusted; to take care of cab drivers if a State feels that it is important; to take care of newspaper deliveries, and I think most people would feel that that was important; to take care of any use the State feels is good and sufficient, and that 8 percent can do that.

Mr. President, the administration has made every effort to try to accommodate Congress and the Senate on carrying out the wishes of particularly this body as to what we wished with respect to gasoline rationing. That is a very difficult task to try to divine the wishes of this body and try to accommodate to them.

The administration, you will recall, Mr. President, did not ask for the job of submitting a gasoline rationing plan. We in the Congress required it under the Energy Policy and Conservation Act. But the administration first submitted its plan, which did not recognize historic driving patterns, and we, through our committees and in public statements, told the administration that that was not good enough; that we required some kind of recognition of historic driving patterns.

The administration made a first run at it with their first amended plan. We held hearings on that, and we held a markup on that this morning and turned it down in the Energy Committee. The administration has finally then come up with this plan which accommodates totally and completely to historic driving patterns.

Now, the question is, Mr. President, whether or not we are willing to vote for the plan we now have asked for, which is historic driving patterns, or whether we want no rationing program at all. If we wait around for this program to be made perfect for every Senator we are never going to have a rationing plan because there is no such animal which can accommodate the diverse wishes of 100 Senators.

But the main question is whether or not we want a plan based on historic driving patterns. If so, we had better vote for this one. If not, we are going to get the other plan where allocations are made to individuals not based on——

The PRESIDING OFFICER. Will the Senator withhold? The Senate is not in order.

The Senator will proceed.

Mr. JOHNSTON. I thank the Chair.

As I say, Mr. President, the question is whether we want this plan or one based on no recognition of historic driving patterns.

Mr. President, I want to congratulate the distinguished Senator from Texas, who has been a leader in seeking to get equity, as evidenced by historic driving patterns. I know he has been a great leader in this matter, and I think he has to a very large extent made it possible to have this amendment.

Mr. President, I hope the Senate will overwhelmingly endorse this gasoline rationing program, not because it is perfect but because it is the best we can get.

I thank the Chair.

Mr. President, I will yield to the distinguished majority leader for a unanimous-consent request.

REQUEST FOR AN ORDER FOR THE CONSIDERATION OF THE PENDING MATTERS TOMORROW AT 11 A.M., WITH VOTES THEREON AT 3 AND 4 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of this pending matter tomorrow at 11 a.m.; and that there then be a vote on Senate Resolution 153 at 3 p.m.; and that the majority leader be authorized to move to Senate Resolution 120; that there be a vote on that resolution not later than 4 p.m.

Mr. JOHNSTON. Mr. President, reserving the right to object, and I shall not object, Senate Resolution 120 is the gasoline rationing plan itself?

Mr. JACKSON. That is correct.

Mr. JOHNSTON. So that under this unanimous consent request there would be no consideration of the first amended plan.

Mr. ROBERT C. BYRD. I would hope that that would be indefinitely postponed, after action on these two measures.

Mr. JOHNSTON. I see. But it could not be brought up before the vote or after the vote on the first one?

Mr. ROBERT C. BYRD. That is up to the majority leader.

Mr. JOHNSTON. I thank the Chair.

Mr. BAKER. Mr. President, reserving the right to object—and I shall not object—I will say that we consulted and conferred on this side, and so far as I can ascertain, this is a satisfactory arrangement, and I join with the majority leader.

Mr. WALLOP. Mr. President, reserving the right to object—and I shall not object—but I have a procedural question. Even without unanimous consent, because of the boilerplate that attaches to the original authorizing language, can we, in fact, dispose of the middle one after the others without proceeding in order?

Mr. ROBERT C. BYRD. Yes.

Mr. WALLOP. It does not interfere, because I would hate to have——

Mr. ROBERT C. BYRD. The Senator is correct.

Mr. BAKER. Mr. President, I am sorry, but I reserve the right to object, and in this case I must advise the majority leader that since we began this colloquy I have received word that there is another Senator who wishes to be heard on this subject, and rather than object at this time, I wonder if the majority leader will withdraw his request and let me be in touch with the Senator?

Mr. ROBERT C. BYRD. Yes.

(Later the following occurred:)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the times that were set forth in my previous request be changed as follows:

Change the times from 11 o'clock, 3 o'clock, and not later than 4 o'clock to 10:30, 2:30, and not later than 3:30 respectively.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader and all Senators.

Mr. BAKER. Mr. President, I thank the majority leader for accommodating to these changes. I think the additional time, particularly the time to study this plan overnight, will be helpful to those on this side of the aisle. There are many on this side of the aisle who have not the foggiest idea of what this is, except the general category. I must confess I am one of them. I am not on the committee. This will give us a chance to focus on this latest proposal and proceed to its consideration tomorrow.

I express my appreciation to all of those who have agreed to this arrangement. It took some effort to accommodate several and disparate Members on this side. I thank the majority leader for his patience in trying to arrive at this solution.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the order that has been entered provides for a resumption of the pending business at 10:30 a.m. tomorrow, with a vote on the pending resolution, Senate Resolution 153, at 2:30 p.m. tomorrow and with a vote to follow—with the majority leader authorized to call up Senate Resolution 120 upon the disposition of Senate Resolution 153, and with a vote on Senate Resolution 120 to occur at no later than 3:30 p.m. tomorrow. That is what the request and the order meant.

The PRESIDING OFFICER. The order has been entered to that effect.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, if the Senator will yield to me, I announce there will be no more rollcall votes today.

(Conclusion of later proceedings:)

Mr. JACKSON. Mr. President, I yield 10 minutes to the distinguished Senator from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. President, I congratulate the administration on its willingness to work with the Senate in achieving a consensus. There has been a marked degree of cooperation. They have come a long way since first introducing their rationing plan.

The problem with their original plan was it distributed rationing coupons based on national vehicle consumption averages rather than individual averages for each State. Under this approach, some States would be asked to make much greater sacrifices than others. For example, given a 15 percent rationing, States like Pennsylvania and Rhode Island would actually receive coupons for more gas than they normally consume, while coupons for States like Texas and Louisiana would be reduced by far greater than 15 percent.

There is no equity in that. The Senator from Louisiana (Mr. JOHNSTON) strongly assisted me in opposing rationing on that basis. I deeply appreciate his help, and wish to express that appreciation to him at this time.

Let us talk about how rationing would be accomplished under the President's revised plan. We are no longer talking about winners or losers, but let us talk about equity.

In any rationing plan, we recognize that everybody has to sacrifice something. What we are trying to achieve is an equality of sacrifice.

Let us examine at the agreement that the President has recently entered into with France, Germany, and Japan. That agreement each of the participating nations to reduce consumption of energy by 5 percent. Now let us take a look at the other side of that coin, and see, if the President had accepted an agreement equivalent to the rationing plan he originally proposed, what the picture would have been. The United States and other participating nations would have been required to reduce their energy consumption to the same per capita amount. Instead of cutting 5 percent, would now be trying to cut back 20 or 30 percent. That is the kind of penalty that the United States would have incurred. The President of the United States understood that that kind of discrimination was not favorable, and that it should not be done.

Let us take a look at another case. Let us take a look at the case of heating oil. If we had followed for home heating oil the example set by original proposal made on gasoline rationing, and taken a national average on consumption for heating oil, in the South we would have ended up with a great big surplus of heating oil, and the New England and the Middle West States would have had a great deficiency. The Southern States would have been in the position of trading or of selling heating oil coupons to other people in exchange for gasoline coupons. Obviously, there is little equity in that, and there is just as little equity in using the same national averages in distributing gasoline rationing coupons.

A study was made at the Oak Ridge Laboratories which shows that the variations in the use of gasoline across the United States are not due to frivolous reasons, but that the State by State variations are caused by demographic complexities.

So this is what we are seeking now, trying to arrive at equity. In the process of bringing this about, we have demonstrated that the legislative and the executive branches of our Government can work together to resolve complex and controversial problems.

On March 13, I introduced Senate Resolution 98, calling for the President to develop a standby rationing plan that remedied interstate inequities with respect to distributing rationing coupons. With the most recent compromises on the President's proposal, these inequities have been redressed, and the purpose of Senate resolution 98 has been realized.

I think this is the last time around, gentlemen. If we do not pass this proposal we are not going to see a standby plan on rationing for some time. I think that failure to pass this plan would be a terrible gamble and a serious mistake, and the people of the world will tell us we have not the courage and willingness to step up and vote for even a standby plan.

Yes, there will be some things we would like to perfect, but we put in an 8-percent set-aside to try to take care of hardship cases and try to take care of agricultural problems, and I share that concern with a lot of the Members of the Senate.

But here it is. It is up to us to fish or cut bait, and I strongly urge the Members of the Senate to support this standby rationing plan.

On the original resolution I introduced we had some 26 cosponsors. This proposal as amended now accomplishes the objectives of those 26 cosponsors in signing that resolution, and I strongly urge them now to support this improved plan and put it into effect. It is needed to take care of this country in case we have another embargo, and to deal with the serious consequences that we would be incurring.

Mr. President, I strongly urge the adoption of the plan as proposed by the administration.

The **PRESIDING OFFICER**. The Senator from Hawaii.

Mr. **MATSUNAGA**. Mr. President, recent events with respect to worldwide supply of petroleum have clearly shown that the United States must act now to put in place the necessary actions to avoid or alleviate an increasingly critical and almost certain problem of energy shortages occurring in the coming months and years. Included in this planning must be well-considered contingency actions to be taken in the event of a sudden and severe shortfall in supplies.

The administration, as required by law, has submitted to the Congress for approval a number of contingency plans, among which is the standby gasoline rationing plan we are considering today.

This plan establishes a gasoline rationing program to be utilized in the event of a serious oil supply shortage. The plan, as developed by the administration, would involve the use of ration checks and coupons to allocate available gasoline to owners of State-registered gasoline-powered vehicles. Ration allotments would be calculated based on average annual fuel consumption for each class of vehicle, with trucks and buses receiving larger allotments than passenger cars. All passenger cars would receive the same allotment, regardless of fuel efficiency and location. The ration plan would also give priority allotments to essential public services such as fire protection, law enforcement, sanitation, ambulances, mass public transportation and national defense activities.

In order to provide for the needs of the handicapped and hardship applicants, as well as to provide additional flexibility to the States in dispensing supplemental ration allotments to citizens with other special needs, the plan provides for the establishment of a State and a National Ration Reserve. Other motorists who wish to obtain additional supplies would be permitted to purchase ration rights in a "white market" with prices determined by normal market forces, without Government intervention.

Mr. President, I supported the administration proposal in the Senate Energy Committee, despite my fundamental opposition to any rationing program for our country. Let me explain why.

Gasoline rationing is inherently inequitable and will never be supported by the American people for any length of time. As a way of life, it is fundamentally inconsistent with our system and with the spirit of the American public.

Rationing is far from being a cure-all, as many would suggest, and it would entail massive dislocations, enormous costs, and considerable confusion throughout the country.

Our only previous experience with rationing, during World War II, proved the immense difficulty, if not outright impossibility, of making it work fairly and efficiently. Even during that period of great national emergency, rationing did not work fairly or efficiently and widespread shortages occurred in which motorists found it virtually impossible to obtain needed gasoline even with valid rationing coupons.

Rationing will create hardships to those who can least afford it. Would the rationing bureaucracy be able to respond to such circumstances as the following:

The low-income worker who owns an old car that gets only 9 miles per gallon but cannot afford to trade it in? His affluent neighbor can exchange it for a new car that gets 28 miles per gallon, or can double his rations simply by purchasing another car.

The family that has to move from New York to Califronia and use up several months' coupons in making the trip? One out of every five families moves every year.

The migrant worker who drives large distances every year but cannot afford a more economical car? Or whose driving is almost all necessary to his economic survival?

The collusion, counterfeiting and other illegal activities that would inevitably develop?

Mr. President, in my judgment, gasoline rationing would be a complex, painful burden calling for a bureaucracy of over 300,000 Federal, State, local and private employees to administer, costing nearly $2 billion a year in Federal funds alone.

Having stated my strong reservations to the basic concept of gasoline rationing, I will nevertheless support Senate Resolution 120 to approve the gasoline rationing plan submitted by the President to the Congress on March 1, 1979. I will do so for the following reasons:

First, the Congress, in enacting the Energy Policy and Conservation Act in 1975, required the President to develop a gasoline rationing plan, to be placed on the shelf prior to a crisis, so that methods to cope with shortages need not be fashioned in haste in the midst of a crisis, as was the experience during the OPEC embargo of 1973–74.

Second, no gasoline plan will be implemented unless and until the President, in the event of a severe energy supply interruption or in order to fulfill obligations of the United States under the International Energy Program, submits a request for such implementation to each House of Congress for review with right of refusal under section 551 of EPCA.

Third, the plan which has been submitted can be improved upon as time permits. The alternative would be to have no plan which can be activated to meet a crisis.

If the Congress fails to approve Senate Resolution 120, the Congress' and the Nation's resolve to deal with our energy problem will be called into question, and the Nation will be left vulnerable to serious economic disruption in case of a serious supply interruption.

Mr. President, for the reasons I have stated I was fully prepared to support the President's proposed standby gasoline rationing plan here on the floor just as I supported Senate Resolution 120 in the Energy Committee.

However, earlier this afternoon the administration, yielding to pressures from States which would fare better under a historic use factor, submitted an amendment to the standby gasoline rationing plan which would add new provisions to the plan. The amendment, dubbed contingency plan No. 6, would alter the procedure for determining allotment of ration rights by including a historical gasoline use factor in each State, expand the State ration reserve, and limit the number of ration rights received by each household to three vehicle allotments.

I opposed this amendment in the Energy Committee and I oppose it now, because varying the allotments by State of residence would merely replace one set of inequities with another. It would for instance widen the difference between a light user of gasoline in a State where the average usage is high and a heavy user in a State where the average is low. The amendment fails to recognize the fact that differences within a State are often greater than the differences among States.

It would also be unfair to motorists in States where discretionary driving is limited. In Hawaii, for example, discretionary driving on the average amounts to 16.7 percent, while the national average is 33 percent. Assuming a 20-percent shortfall, drivers in Hawaii would be denied gasoline for necessary travel, while residents of other States would be allotted fuel to meet their discretionary requirements.

Mr. President, as has been said by other speakers before me, there can be be no plan which will be satisfactory to all concerned. If we should adopt one plan, certain States would get greater allotments and other States less. If we adopt some other plan, it would reverse the allotments. I voted in the Energy Committee to support the earlier proposal submitted by the President. Contingency plan No. 6 would hurt the State of Hawaii, just as it would benefit the State of Wyoming.

Mr. President, I shall vote to support the President's standby gasoline rationing plan No. 1, even if contingency plan No. 6 is adopted as an amendment, because I strongly believe there is a need for a plan on the shelf. I do, however, hold strong reservations against contingency plan No. 6, and will withhold my support, until it appears that its adoption as an amendment would be absolutely necessary for passage of the basic standby gasoline rationing plan No. 1.

Mr. President, I yield 5 minutes to the Senator from New Jersey.

Mr. **BRADLEY.** Mr. President, I rise to support the resolution before the Senate and S. 120, the gasoline rationing plan. The plan is a product of over 1,000 public meetings across the country and countless hours of negotiation in the Senate. It is a plan that we hope will never be needed. It is intended as a last resort, to be used only in the event of a genuine emergency. But we must give the President this authority, for to do a comparable job will take another 8 to 12 months, leaving us open for chaos in the event of a crisis.

Mr. President, right now, however, shortages of gasoline are developing in some areas, and prices for gasoline and other fuels steadily are increasing in virtually all areas of the country, with many predictions that the overall situation will deteriorate further.

As President Carter told the American people a month ago:

> Our Nation's energy problem is serious and it's getting worse. The energy crisis is real, each of us will have to use less oil and pay more for it.

I agree with the President, but Americans have good cause to be skeptical. They have been swamped by a seemingly endless flow of often conflicting statistics—about consumption, domestic oil production, refinery runs, imported oil, arguments for and against Federal price controls, oil industry revenues, the need for an excess profits tax, and so on.

If the public opinion polls are accurate, we now have many confused citizens and millions who believe they are victims of contrived shortages that the Federal Government either is unable or unwilling to halt. I fear a growing sense of anger or frustration, a feeling that nobody is presenting all the facts or looking after their interests. If that is the case, and nothing is done to alleviate such suspicion and distrust, we may be headed for a crisis of credibility that will cripple our efforts to cope with not just energy problems but with related challenges such as inflation, unemployment, and pollution.

Mr. President, in my opinion, the first step to regain the public's confidence is for President Carter to give Americans the straight facts on supply as quickly and clearly as possible. I would like to see him start obtaining that information by convening a meeting with the chairmen and chief operating officers of the corporations which produce, transport, and refine the oil sold in the United States.

Accordingly, I urge the President to call top executives of these companies to Camp David for a high-level conference within a month and to make sure that they provide him with whatever basic information he considers necessary to ascertain the current supply situation and supply outlook for the near future. At the same time, the President should exercise all available power to verify data he has been given and then report to the public.

The President might already have most of the facts about the energy supply situation, but most Americans do not. Among other things I would hope that President Carter, with the latest, independently verified, information from oil companies could determine: First, how much oil is now flowing to us from foreign producers?

Second. Is any being diverted to world markets at higher prices?

Third. What percent of American reserves are being pumped; what percent of American oil wells have been capped?

Fourth. Why are we experiencing a shortage of gasoline when there is a glut of oil on the west coast?

Fifth. How are they allocating what is available and why are some areas feeling the pinch more than others?

Sixth. How much gasoline will be available in the peak driving summer months and if there is a shortfall, how will it be apportioned and why?

Seventh. What capacity are refineries operating at currently and what is the outlook for coming months?

Eighth. How does increased consumption affect decisions on refinery runs of gasoline and home heating oil? and

Ninth. How much more home heating oil will be available next winter and will it be enough to meet demand. If not, why not?

Mr. President, in sum, Americans are being asked to make a variety of sacrifices at a time when many plainly doubt that the reasons are legitimate or simply find it impossible to comprehend this terribly complex situation. They are entitled to know the facts, to be assured that any burdens will be borne equitably, and to look to the Congress and the White House to protect their interests.

• Mr. **RIBICOFF.** Mr. President, the Energy Policy and Conservation Act of 1975 required the executive branch to develop a rationing contingency plan to be submitted to the Congress for prior approval as a standby measure against possible supply interruptions. The Ford administration delayed until the very last day of its existence before offering its proposals. These were promptly scrapped by the new Carter administration.

President Carter's energy advisers sought to reevaluate provisions of the rationing plan. After working on the issue for a year and a half the Department of Energy's Economic Regulatory Administration released a new rationing proposal in June 1978. Public hearings were scheduled on the proposal during the late summer. Following additional evaluations the administration finally submitted a standby gasoline rationing plan to us on March 1—a litle over 2 years late.

We have heard considerable criticism about the concept of rationing and the various proposals which the administration has brought to the Hill. I certainly do not like rationing any commodity any more than the next person. The fact is, however, that Americans are very wasteful in the way we use energy—and especially gasoline. Gasoline comprises a very significant part of petroleum consumption in the United States. Approximately 39 percent of the annual petroleum use in our country is gasoline and private automobiles represent almost 74 percent of the total. Over one-third of the annual total miles traveled in a private automobile is for social or recreational travel. Regardless of the cost of gasoline, Americans will continue to use as much as may be available. Frankly, if we are going to effectively deal with the Nation's energy crises we must start conserving, regardless of the inconveniences or sacrifices.

The administration would implement gasoline rationing only as a last resort during a severe petroleum shortage. One of its major objectives is to reduce or eliminate long lines at gasoline stations. Another is to more efficiently and equitably distribute a curtailed gasoline supply.

I have been disappointed over the manner in which the administration has handled this issue. There has been too much indecision and backsliding. I believe that the President and the Congress must work together to insure that whatever gasoline rationing plan is finally developed it will treat all Americans—regardless of their economic station, their geographic location, the nature of their employment—in as equitable and as just a manner as possible.

Mr. President, all prospects point toward gasoline shortages this summer. We are already beginning to see lines form at gasoline stations around the the country and closings on weekends and early in the evenings. These long lines are very costly. It has been estimated that 100 million automobiles waiting in line only 1 hour during a month would waste 50 million gallons of gasoline per month. We simply cannot afford this waste. A standby rationing system will help meet this problem.

The administration must have the authority to deal with future energy supply interruptions. It must also be able to fulfill its obligations under the international energy program under which we have agreed to share our petroleum supplies with certain other nations in the event of an international shortage. We must not tie the administration's hands as it attempts to grapple with this troublesome national and international problem. We must participate with the administration in developing a workable and fair standby gasoline rationing program.●

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for transaction of routine morning business for not to exceed 30 minutes with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICAN OCEANIC ORGANIZATION NEPTUNE AWARDS BANQUET

Mr. STEVENS. Mr. President, recently, here in Washington, the annual American Oceanic Organization Neptune Awards Banquet took place. For those of us involved in the Nation's ocean policymaking functions, this banquet is the highlight of our activities.

This year Congressman John Murphy of New York, the chairman of the House Merchant Marine and Fisheries Committee was our keynote speaker. I ask unanimous consent that his speech be inserted in the Record at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. Mr. President, two awards were presented at this banquet. The first, to Mr. Stu Nelson, who is presently serving as a congressional fellow on Congressman Alexander's staff. The Congressman presented Mr. Nelson with the Navy Distinguished Civilian Service Award on behalf of the Secretary of the Navy. Mr. Nelson received this award as a Navy civil service employee for his many years of hard work in the making of our Nation's ocean policy.

The annual Neptune Award was presented by Senator Hollings and me to Dr. Julius Stratton. Dr. Stratton was Chairman of the Stratton Commission, which prepared a report that has dictated the foundation of U.S. ocean policy for the last decade. The Neptune Award, Mr. President, is the most coveted of various ocean-related awards that are bestowed upon a person active in ocean policy.

The American Oceanic Organization is continuing its good work. On May 19, we begin celebrating National Oceans Week with activities in Alexandria, Va. The weeklong itinerary has been developed and is sponsored by the American Oceanic Organization. I believe the activities will be of interest to many Members of this body and their staffs, and I would urge each of you to support the American Oceanic Organization and National Oceans Week.

Exhibit 1

Keynote Address by the Honorable John M. Murphy

OUR NATION AND THE SEA: A LOOK TOWARD THE 80'S

Thank you, Senator Stevens, for that fine introduction. It is a pleasure to see your colleague Fritz Hollings here, as well as Bill Alexander and Mike McCormack and others from the House.

I would like to preface my remarks this evening by thanking Senator Stevens as chairman of the board of AOO, presdient Donna Blair, Rudy Trefny, chairman of the executive committee, as well as all the directors and officers of the organization for the tremendous job they have done with AOO. Also I would like to thank Tom Kane and Barbara Pijanonski (Pe-a-now-ski) who, as chairpersons, have given us an excellent banquet tonight.

It is a unique privilege to be asked to deliver the American Oceanic Organization keynote address on the same evening that Doctor Julius Stratton is being honored for his dedication and work on the Commission on Marine Science, Engineering and Resources.

Clearly the work of the Stratton Commission has guided much of the development of ocean and coastal activities during this decade. I do not believe that this knowledgeable audience needs to be reminded of all of the programs which have been enacted and implemented as a result of the commission's work.

Although one is tempted to inventory major ocean-related legislation which was recommended by the commission. I believe it is sufficient to say to Dr. Stratton and his associates that they should find considerable satisfaction in the many accomplishments which have occurred as a result of their comprehensive effort in 1969.

Consonant with the thrust of the Stratton Commission report, and taking into consideration the fact that the 1980's will bring us near to not only closing out a century, but also a millennium, it is appropriate this evening to pause momentarily, to asses the present dynamics of public policy and how it may affect future national directions; and to look forward to the probable status of ocean use in the next ten years.

With respect to the first point, it should be pointed out that the decade of the seventies was one which resulted in major readjustments in our economic order. By this I mean that the legislative activism of this decade has significantly altered the relationship between government and business.

Although we commonly think of the sixties, with its many social-oriented programs, as having profound impacts on our lives—and in many ways it has—the seventies will be known as the age of regulation. A tremendous proliferation of governmental regulations have had a major impact on what were generally considerd private investment decisions by corporations.

Here, I am speaking not only about the conservation and preservation goals which dominated new ocean policy initiatives in the seventies, but also other new programs characterized by such legislation as the Water Pollution Control Act Amendments of 1972, the Clean Air Act of 1970, the Resource Conservation and Recovery Act of 1976, the Fuel Use Act of 1978, and, of course, the National Environmental Policy Act of 1970.

Each of these acts, taken individually, had reasonable and important goals for the preservation of resources and the protection of public health. Taken together, however, one could characterize the resulting new interplay between government and business as truly revolutionary.

Some corporations argue that we have reached a stage where private decisions are now being made by public agencies. Although perhaps somewhat overstated, it is clear that regulatory reform is one of the new games in town and one which quite correctly deserves our serious attention.

When companies, which have made major commitments of resources to a project, decide to abandon that project because of federal and/or state "red-tape", no one wins. If the project is environmentally unsound, such determinations must be made during the planning stages before considerable sums of money have already been invested.

The business of oceans is largely business. It is the exploration for and production of resources, and the concomitant assumption of major risks as we move into more sophisticated areas of technology. Offshore oil and gas, fisheries, deep ocean minerals, material storage and disposal, shipping and the entire complex of marine service and port facilities are all economic endeavors which utilize the oceans.

Our energy crisis has shown us the vulnerability of depending too much on others for our resources although, at the same time, it has made us aware that we no longer possess the bountiful natural resources we once thought and that our technological systems do have limits.

On the other hand, there always seems to be an emerging crisis to temper the mood for major regulatory reform. Whether it be a Three Mile Island incident, a disaster in Love Canal, or the poisoning of the James River, we frequently must pause to seek the balance where regulations will not inhibit environmentally sound development decisions while, at the same time, making certain that the public interest is protected.

I hope that the decade of the eighty's will be a type of "sorting-out" period in which both sides in the classic struggle of conservation versus development will lower their voices, significantly reduce overstatements, and work in harmony for the balanced goals of environmental protection and economic development.

As chairman of a congressional committee which faces this classic struggle frequently, I have found that these goals are not mutually exclusive when one cuts through the political rhetoric. For progress in ocean and coastal resource management, then, it is imperative that this next decade be the setting for the sorting out of the new economic order of our society.

In terms of the status of ocean use, I see the next decade as being an age of resource uncertainty, corrosive inflation, and this sorting out of economic relationships—in other words, an age in which the characteristic and singular importance of oceans will be recognized by the entire nation and not just by those of us in this room tonight.

Soon there will be the realization that land-based resources and useable land areas are dwindling and that world competition for minerals, energy, food and commerce is becoming sharper.

Consequently, building on—and carefully strengthening—the landmark legislation which we have developed in the seventies to protect the ocean environment, we will build a solid framework for developing ocean resources.

The next 10 years will see a renewed emphasis on ocean development. Not only will Outer Continental Shelf (OCS) oil and gas production continue, but we will move to the very edge of the OCS—on the slope and perhaps beyond—in the quest for petroleum. Worldwide pressures for energy may also lead us to high-risk ventures in the deep ocean.

Deep ocean mining will finally become a reality, with a number of other nations joining us in developing seabed minerals for worldwide consumption. Unfortunately, I see little encouragement in the negotiations at the Law of the Sea Conference to raise hopes that we can successfully negotiate an acceptable international treaty during the coming decade.

Offshore siting of marine service facilities will increase—not only deep water ports for the transfer of oil and gas, but other port terminals as tradition facilities become saturated.

International commerce will continue to expand at a phenomenal rate. New and more sophisticated maritime transportation systems—ships, cargo handling, safety and navigation systems—will be developed. Our island nation will once again reassume our natural role as a maritime power. Our U.S. flag fleet will gain a significantly larger share of the world's ocean shipping business and revitalize itself by carrying a major portion of the world's cargo.

Additionally, the oceans will play an increasingly important role in the development of alternative energy sources through the development of seemingly exotic technology such as ocean thermal energy conversion and biosynthesis.

Fishery resources within the 200-mile zone will see accelerated development. Particularly with respect to nonutilized and underutilized species.

As a result of this growing awareness of the importance of the oceans, we as a nation will slowly but certainly realize that we have done little more than scratch the surface of our knowledge about the sea and its resources. New emphasis will be placed on research and development with a focus on the resources and environment of the continental shelf and the coastal margins. We will see a tremendous resurgence in ocean technology and engineering to meet the technical needs for this expanded ocean use and continued protection of the environment.

All of this is possible in the decades ahead. Clearly we must have the will to carry out our hopes for the future. But we must also have the institutions and management systems which will provide a coherent and comprehensive framework for expanded use of ocean resources and protection of the marine environment.

Perhaps, this may be our greatest challenge. Clearly, we have not yet seen the type of institutional recommendations which will accomplish our goals. Certainly, the proposal which will soon be sent to the Congress from the Office of Management and Budget regarding a Federal organization for natural resource functions is not the answer—and, in fact, may seriously inhibit the pursuit of the goals which I have mentioned this evening. It seems to me that there must be a better reason for reorganization than the fact that jurisdiction over the endangered green sea turtle is shared by two agencies—although I want to make it clear that I am a friend of green sea turtles.

The point is that the policies and goals of our Government regarding the development and protection of our ocean resources, the enhancement of our national security, and the development of our technological knowledge must be discussed, debated, and specified. Then, and only then, will we be able to fashion a proper institutional framework and management system for the achievement of our ocean-related goals.

In conclusion, I would like to note that we are now completing what President Johnson referred to in 1968 as "an historic and unprecedented adventure—the International Decade of Ocean Exploration (IDOE)".

The IDOE has greatly increased our ability to understand the science of the oceans. We must now transform that science into meaningful technological achievement to make the oceans perform a service for our Nation and all of mankind. We must develop and use the oceans for our national interest while protecting the resources in the best interest of our future generations.

Therefore, I will soon send a letter to the President asking that he dedicate the 1980's as the "Decade of Ocean Resource Use and Management". Congressman Bill Alexander, from that great coastal State of Arkansas, has indicated his support for this designation and I will ask a number of other colleagues to join me in this request to the President.

Let this new decade also be an opportunity to give renewed leadership and enhanced responsibilities to our principal civil oceans agency by placing the planning and management of this presidential initiative in the National Oceanic and Atmospheric Administration (NOAA).

The oceans plays host to many human endeavors; yet with each offering a contribution to the common good. The challenge before us is to set forth public policies and governmental mechanisms which allow all ocean-related interests to realize their greatest potential. The decade of ocean resource use and management would provide us with the fitting framework within which to realize these opportunities.

Dr. Julius Stratton showed us the way. But the promise will only become a reality through our individual and collective commitment. To Dr. Stratton, I can only repeat a line from Hamlet:

"If it be not now, it will come."

Let us, tonight, continue and reinforce the commitment which began ten years ago. Thank you.

AUTHORIZATIONS FOR OFFICE OF RAIL PUBLIC COUNSEL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 67.

The PRESIDING OFFICER. Without objection, it is so ordered. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 448) to authorize further appropriations for the Office of Rail Public Counsel.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation with an amendment to strike all after the enacting clause and insert the following:

That section 10388 of title 49, United States Code, is amended to read as follows:

"§ 10388. Authorization of appropriations

"There is authorized to be appropriated to the Office of Rail Public Counsel to carry out this subchapter not to exceed $500,000 for the fiscal year ending September 30, 1980.".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL SCIENCE FOUNDATION AUTHORIZATION ACT, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of calendar orders Nos. 108 and 109.

The PRESIDING OFFICER. Without objection, it is so ordered

The first bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 527) to authorize appropriations for activities for the National Science Foundation for Fiscal Years 1980 and 1981, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "National Science Foundation Authorization Act for Fiscal Year 1980".

SEC. 2. (a) There is hereby authorized to be appropriated to the National Science Foundation for the fiscal year 1980 for the following categories:

(1) Mathematical and Physical Sciences and Engineering, $295,650,000.

(2) Astronomical, Atmospheric, Earth and Ocean Sciences, $243,350,000.

(3) United States Antarctic Program, $55,000,000.

(4) Biological, Behavioral, and Social Sciences, $175,500,000.

(5) Science Education Programs, $86,200,000, of which $2,500,000 shall be available for the program "Minorities, Women and the Handicapped in Science", and $2,300,000 shall be available for the program "Ethics and Values in Science and Technology".

(6) Applied Science and Research Applications, $62,400,000, of which not less than 12.5 per centum shall be expended to small business concerns.

(7) Scientific, Technological, and International Affairs, $25,800,000.

(8) Program Development and Management, $59,600,000.

SEC. 3. Notwithstanding any other provision of this or any other Act, not less than 10 per centum of the $81,600,000 available for the fiscal year 1980 under categories (1), (2), and (4) of section 2 for equipment and instrumentation shall be available for grants to two and four year colleges for equipment and instrumentation costing $25,000 or less.

SEC. 4. Appropriations made pursuant to sections 2 and 6 shall remain available for obligation, for expenditure, or for obligation and expenditure for periods specified in the Acts making the appropriations.

SEC. 5. From appropriations made under this Act, not more than $2,500 for fiscal year 1980 may be used for official consultation, representation, or other extraordinary expenses upon the determination of the Director of the National Science Foundation, and his determination shall be final and conclusive upon the accounting officers of the Government.

SEC. 6. In addition to the sums authorized by section 2, not more than $6,000,000 for fiscal year 1980 is authorized to be appropriated for expenses of the National Science Foundation incurred outside the United States, to be paid for in foreign currencies that the Treasury Department determines to the normal requirements of the United States.

SEC. 7. Funds may be transferred among the categories listed in section 2, but neither the total funds transferred from any category nor the total funds transferred to any category may exceed 10 per centum of the amounts authorized for that category in section 2, unless—

(a) thirty legislative days have passed after the Director of the National Science Foundation or his designee has transmitted to the President of the Senate and to the Speaker of the House of Representatives and to the Committee on Labor and Human Resources of the Senate and to the Committee on Science and Technology of the House of Representatives a written report containing a full and complete statement concerning the nature of the transfer and the reason therefor, or

(b) each such committee before the expiration of such period has transmitted to the Director written notice to the effect that such committee has no objection to the proposed action.

SEC. 8. Notwithstanding any other provision of this or any other Act, the Director of the National Science Foundation shall keep the Committee on Labor and Human Resources of the Senate and the Committee on Science and Technology of the House of Representatives fully and currently informed with respect to all of the activities of the National Science Foundation.

● Mr. **KENNEDY**. The National Science Foundation Authorization Act which is before the Senate today provides for important real growth in basic research. It is a reflection of the widespread concern which exists over the decline in Federal support for basic research which characterized the period of the early seventies. That decline was a source of grave concern in terms of its long-term impact on the strength of this Nation's scientific and technical enterprise.

Science and technology play an important role in our ability to meet challenges we face in stimulating innovation and productivity. Scientific research is a big element in the effort to improve environmental quality at a price the Nation can afford and in resolving the problems arising as a result of increasingly scarce natural resources and growing competition among the nations of the world for limited supplies of minerals, food, and materials. A strong research effort is needed if we are to improve the health status not only of our own citizens, but of those people in areas of the world who continue to be devastated by hunger and disease.

Surveys on public attitudes toward scientific research indicate that there is a strong base of public support for the programs supported by our investment in research. In a survey of general attitudes toward science and technology conducted by Opinion Research Corporation, 78 percent of those polled expressed an overwhelmingly positive reaction to science and technology. When asked where they would like to see research dollars spent, the higher priority was given to improvement of health care and pollution control.

The National Science Foundation's principal missions are to advance U.S. science and to strengthen science education at all academic levels. NSF sponsors basic research in all fields of science and applied research in areas where there is particular potential to improve technology and stimulate economic growth or to contribute to the solution of national problems involving the public interest.

NSF has the primary responsibility with the Federal Government for maintaining the health of U.S. science and for insuring that the Nation will have an adequate pool of well-qualified scientists and engineers. NSF seeks to improve the public understanding of science and technology. It supports a range of science policy and science and engineering resource studies, including analysis of science personnel trends, instrumentation, and funding. NSF also supports programs to increase the participation of minorities, women, and the handicapped in science and a program of science and technology to aid the handicapped.

More than 80 percent of NSF funds are expended in grants and contracts to colleges and universities. Nonprofit scientific organizations are also substantial participants. The Foundation also encourages industry/university cooperative research and participation by industrial researchers to take full advantage of total U.S. science capabilities.

The Foundation is the leading Federal supporter of basic research at academic institutions, and provided approximately 34 percent of the Federal total in fiscal year 1979. For individual fields of science and engineering at academic institutions, NSF support ranged from about 17 percent in the biological sciences to more than 60 percent in the environmental sciences in fiscal year 1979.

More than 2,000 colleges, universities, industrial firms, and other institutions are participating in NSF-assisted research and education projects. They are located in all 50 States and in the District of Columbia. Industrial firms—including a growing number of small R. & D. firms—are also taking part in NSF-assisted programs, particularly in applied science and technology programs.

The projects supported by NSF involve the participation of about 18,000 scientific researchers and teachers and more than 13,000 graduate student research assistants and scientific technicians.

Scientific merit is the principal factor used by the NSF to determine what awards are to be made. Over 25,000 proposals are received each year. From these proposals, NSF selects 12,000 to 15,000 for funding. To assist in this selection process, NSF uses the skills of about 30,000 scientists, engineers, and science educators as peer reviewers.

These reviewers evaluate nearly all proposals submitted to the agency and are an important element in assisting the NSF to maintain its standard of excellence.

The National Science Foundation authorization which is before the Senate is an investment in new knowledge and trained people that will continue to strengthen the Nation and to contribute to our economic and scientific progress. It provides for an increase of 8.7 percent in the NSF total budget for fiscal year 1980. Within this total, basic research will receive an increase of 11.8 percent. The following table summarizes the authorization levels (in millions of dollars) included in S. 527:

Program	Fiscal years			
	NFS budget request			
	1978 actual	1979 current plan	1980 proposed program	S. 527, 1980
Mathematical and physical sciences and engineering	248.49	267.65	295.65	295.65
Astronomical, atmospheric, Earth, and ocean sciences	211.58	223.50	243.35	243.35
U.S. Antarctic program	48.45	51.13	55.00	55.00
Biological, behavioral, and social sciences	141.85	156.18	173.50	175.50
Science education programs	73.86	80.00	84.70	86.20
Applied science and reaserch applications	55.11	62.80	62.40	62.40
Scientific, technological, and international affairs	23.78	25.20	25.80	25.80
Program development and management	48.70	57.94	59.60	59.60
Subtotal	851.82	924.40	1,000.00	1,003.50
Special foreign currency appropriation	5.43	4.00	6.00	6.00
Total, NSF	875.25	928.40	1,006.00	1,009.50

Because of the particular urgency of discovery new knowledge on a range of issues of importance to citizens such as employment, inflation, and effective techniques for improving environmental quality, S. 527 gives special priority to the administration's request for biological, behavioral, and social sciences. With this emphasis it is our hope that research will provide the basis for effective action on a range of social issues.

S. 527 also reflects the importance of NSF's science education activity to the maintenance of the health and strength of U.S. science. The Foundation's programs to stimulate participation in science careers by minorities, women, and the handicapped and to improve the quality of science education at the precollege level are especially necessary, and S. 527 provides additional support for these activities beyond that proposed by the administration.

Mr. President, I also want to call the attention of my colleagues to the importance of the support which the NSF gives to international cooperative scientific activities. These programs provide the principal U.S. Government support for the participation of U.S. scientists in international cooperative scientific activities. Funds are used to support cooperative research projects, U.S. participation in international scientific organizations, and international travel.

The United States has historically been a world leader in the promotion of free and open scientific exchange. We have long given our scientists great freedom to pursue their endeavors, and Government support has made possible unparalleled advances.

Nevertheless, there are those who have suggested in the past that the Congress move to bar the use of NSF funds to support the travel of U.S. scientists abroad, unless a determination has been made by the Director of the Foundation that the host countries have not denied anyone the opportunity to participate in the activity because of religious, ethical, cultural, or political views. Such action would obviously affect scientific exchanges with the Soviet Union, but it could also affect NSF-sponsored exchanges with 17 other countries, including Argentina and Brazil, Poland and Romania, Saudi Arabia and Iran, Burma and Korea—to name only a few.

No one questions that there are human rights problems in the Soviet Union, as well as in other countries. No one questions that there are occasions—too many occasions—when scientists are unable to leave their countries and attend international meetings.

But do we want to address these problems by denying the foreign victims of discrimination their valued access to American colleagues—who can lend them support, bring their message to the outside world, and express solidarity with them? Do we want to deny American scientists the opportunity to press their human rights concerns with authorities and with their colleagues in foreign countries? In my view, these would be among the worst ways to further our human rights objectives.

American scientists have consistently displayed responsibility and concern for human rights worldwide. The Committee of Concerned Scientists, for example, has joined with me in encouraging increased scientific freedom in the Soviet Union and in welcoming the Soviet decision to permit 18 families to emigrate, including that of Prof. Benjamin Levich, a distinguished physical chemist and member of the Soviet Academy of Sciences.

I strongly agreed with the committee's decision to facilitate U.S.-Soviet scientific exchanges as a result of this action, and thereby to encourage further such Soviet actions in the future. The release of Alexander Ginzburg and other prominent dissidents over recent weeks is a heartening indication that the pattern of positive actions and counteractions is continuing and I hope that both sides will be able to take further steps to demonstrate that scientific exchanges do indeed enhance the prospects of resolving these important and sensitive issues.

Prior to these latest actions, 2,400 U.S. scientists and engineers had pledged to restrict severely or to end their scientific cooperation with the Soviet Union until Anatoly Scharansky and Yuri Orlov are released. But it is particularly important to note that their ad hoc group, which was started last summer in response to the trials of these and other dissidents, is not advocating that all scientists break scientific ties with the Soviet Union, nor that the U.S. Government cut off exchanges. Rather, it has called for a spectrum of responses.

Mr. President, the relationship between human rights and scientific exchanges will be of continuing importance in our policies. I request that a response by Dr. Richard Atkinson to our committee's query on the impact of proposed restrictions on scientific exchanges be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KENNEDY. Mr. President, we must assure the effectiveness of our human rights policies worldwide. The way to do this is to increase communication between Americans—and all of our aspirations for a better future—and the people of other countries. It is also to contribute to basic human needs throughout the world, by mobilizing our resources of science and technology, as well as of humanity.

Mr. President, the National Science Foundation Authorization as reported to the Senate by the Committee on Labor and Human Resources will enable the United States to maintain and strengthen the research and education programs which have contributed so substantially to the Nation's preeminent position in science. It provides for important real growth in basic research.

I urge my colleagues to give their support to S. 527.

EXHIBIT 1

QUESTION ON SCIENTIFIC EXCHANGE RAISED BY THE SUBCOMMITTEE ON HEALTH AND SCIENTIFIC RESEARCH OF THE SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES, AND RESPONSE FROM THE NATIONAL SCIENCE FOUNDATION

Question raised by Senator Kennedy:

Please comment on the potential impact of the kinds of restrictions on scientific exchanges proposed on the Senate floor last year. Have you had an opportunity to discuss these concerns with Dr. Press? What are his concerns, if any?

Response of Dr. Richard Atkinson, Director, N.S.F.

Restrictions on scientific exchanges between the United States and the Soviet Union such as those proposed on the Senate floor last year would have produced three major negative results.

(1) An important channel of U.S. access to Soviet science and technology and to information on Soviet mechanisms for making science policy would have been closed. While there are a variety of ways for U.S. scientists to get together with scientists of most countries, between the United States and the Soviet Union formal exchange programs are the principal means of communication. Through these formal exchanges, U.S. scientists have derived real scientific benefits and have gained information on current Soviet research across a broad range of disciplines and scientific fields. Over the last several years, the U.S. side has been working to further improve the technical quality of the exchanges to U.S. science. Additionally, the exchanges provide opportunities to increase U.S. understanding of the structure, personnel, and operations of Soviet science and of the Soviet civilian sector in general.

(2) Opportunities for promotion of better understanding between the United States and the U.S.S.R. and for reduction of overall tensions between the countries would have been lost. Significant political and cultural benefits result from formal science exchanges between the United States and the Soviet Union. These exchanges provide an open window between the two countries and build bonds of friendship with a key element of Soviet society. Contacts between scientists of the two countries on narrow scientific issues contribute to the overall confidence and respect required to deal effectively with broader questions of concern between the countries.

(3) Loss of contact by Soviet dissident scientists with U.S. scientists would have worsened the Soviets' fate. It is largely due to contacts already established between Soviet and U.S. scientists through formal exchanges that Soviet scientists are known in the United States and that information on repressive actions against them reaches the United States. The formal science agreements provide valuable opportunities to convey our concerns on human rights to Soviet officials at all levels. Through continuing contacts with Soviet counterparts, U.S. scientists are able to provide encouragement to them and to speak out for them in the international scientific community.

There is evidence that an awareness of the concern of the international community may be a contributing factor to Soviet restraint. Soviet dissidents have themselves stressed that their security is greater because of their links to the West.

Dr. Press agrees with and supports the above three points.●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

A bill to authorize appropriations for activities for the National Science Foundation for fiscal year 1980, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL SCIENCE FOUNDATION AUTHORIZATIONS

The Senate proceeded to consider the bill (Calendar No. 109, H.R. 2729) to authorize appropriations for activities of the National Science Foundation, and for other purposes.

Mr. ROBERT C. BYRD. Mr. President, I move that all after the enacting clause of H.R. 2729 be stricken and that the text of S. 527, as amended, on which the Senate has just acted, be substituted in lieu thereof.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

The bill (H.R. 2729) was passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

(The following proceedings occurred later:)

Mr. JAVITS. Mr. President, with respect to Calendar No. 108, S. 527, which has just been passed, I ask unanimous consent that the matter be reopened, that an amendment which I send to the desk be included in the bill, and that the bill again be read for a third time and passed.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, what is that?

Mr. JAVITS. Just the one word I pointed out to the Senator, which was inadvertently included in this bill.

The PRESIDING OFFICER. Is this on S. 527?

Mr. JAVITS. Yes.

Mr. ROBERT C. BYRD. I have no objection to what the Senator is doing. Have we vitiated the previous action?

Mr. JAVITS. I asked unanimous consent for that purpose.

The PRESIDING OFFICER. The unanimous consent request was made to vitiate that action. Is there objection?

Mr. ROBERT C. BYRD. It takes us back to second reading?

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 134

Mr. JAVITS. Mr. President, I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. JAVITS) proposes an unprinted amendment numbered 134:

On page 6, line 20, insert the following:

Strike "legislative" and insert "calendar."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JAVITS. I ask for third reading, Mr. President.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 527) was ordered to be engrossed for a third reading and was read the third time.

Mr. JAVITS. Mr. President, I support S. 527, the National Science Foundation Authorization Act for Fiscal Year 1980, of which I am a cosponsor.

Mr. President, the United States has been recognized as the world leader in the fields of science and technology for the greater part of this century. However, I am increasingly concerned that the scientific enterprise in this country is lagging behind in its commitment to research and development.

The Federal investment in research and development, for example, has sharply declined from 2.17 percent of the GNP in 1967 to 1.25 percent in 1978. The consequences of this trend are manifested in such indirect indicators as a decrease in the number of marketable patents and a reduction in exports of high technology goods, relative to other countries.

I believe that we are rapidly losing our preeminence in areas of high technology development, research instrumentation, and manufacturing technology. While I applaud the efforts of other countries, I believe we cannot permit this trend to continue in our own.

Our country's greatness, its economic stability, and the health of its citizens derives in large measure from its scientific and technological superiority.

This superiority will only be maintained if we continue to recognize the importance of investing adequate resources in science and technology.

The foundation for all science is basic research. In the United States, a unique partnership between the Federal Government and the university community protects, fosters, and encourages our commitment to basic research.

This partnership has contributed greatly to the strong scientific enterprise which for so long has been enjoyed by our country. The National Science Foundation is one of the best examples of this partnership—in fiscal year 1979, the NSF supported 34 percent of the total Federal investment in basic research in colleges and universities.

S. 527 authorizes $1.0095 billion for NSF programs in fiscal year 1980, representing a tiny fraction of total Federal spending. The majority of those funds, $830 million, reflect the NSF's priority for the sponsoring of basic research in the areas of:

Mathematical and physical sciences and engineering;

Astronomical, atmospheric, Earth, and ocean sciences; and

Biological, behavioral, and social sciences.

The remaining funds are for science education programs and applied research in areas where there is potential to improve technology and economic growth or to contribute to the solution of national problems.

Mr. President, S. 527 authorized an increase of over $80 million for the NSF for fiscal year 1980. These funds are a wise investment in the future strength and vitality of this Nation. I believe we should be proud of the accomplishments of the NSF to date, and I believe we should provide adequate resources to assure that this country will continue to sponsor a sound scientific program in the future.

I urge my colleagues to favorably support S. 527.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action on H.R. 2729, as amended, be vitiated, that the Senate proceed to its immediate consideration, that all after the enacting clause be stricken, that in lieu thereof the text of S. 527, as amended, be inserted, and that the bill (H.R. 2729) then be advanced to third reading, that it be passed, that the motion to reconsider be laid on the table, and that S. 527 again be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I move that S. 527 be indefinitely postponed.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. MUSKIE, I send a resolution to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 146) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1007.

The resolution (S. Res. 146) was agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1007, a bill to authorize supplemental international security assistance for the fiscal year 1979 in support of the peace treaty between Egypt and Israel. Such waiver is necessary to allow the authorization of $1,470,000,000 in additional budget authority for fiscal year 1979 for three purposes: (1) $800,000,000 in grant military assistance for the construction of two new Israeli airbases in the Negev Desert; (2) $370,000,000 for foreign military sales credits to Israel and Egypt, and (3) $300,000,000 for additional economic supporting assistance for Egypt.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1978 deadline, because the Treaty of Peace between Egypt and Israel was not signed until March 26, 1979.

The effect of defeating consideration of the supplemental authorization will be to reject an assistance package which is a fundamental aspect of the Egypt-Israeli peace treaty. Funds are required as soon as possible to begin construction on the new Israeli airbases which must be completed in three years time.

The desired authorization should not delay the appropriations process and will need to be accommodated in an urgent supplemental appropriation. The amount required can be accommodated by the Second Concurrent Resolution on the Budget as amended by the Senate.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

BUDGET ACT WAIVER

Mr. ROBERT C. BYRD. Mr. President, I send to the desk a resolution, on behalf of Mr. MUSKIE, and I ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 147) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 586.

The resolution (S. Res. 147) was agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 586, a bill to authorize appropriations for the Department of State, International Communication Agency, and Board for International Broadcasting for fiscal years 1980 and 1981, and a supplemental authorization for State for fiscal year 1979, and for other purposes. Such a waiver is necessary to allow the authorization of $104,910,000 in additional budget authority for fiscal year 1979 for migration and refugee assistance. The amount previously authorized for this purpose, $116,536,000, has proven inadequate to fund the United States refugee program. The administration has requested an additional $104,910,000 in budget authority to finance this program.

Compliance with section 402(a) of the Congressional Budget Act of 1974 was not possible by the May 15, 1978, deadline, because of the unexpected increases in the flow of refugees from the Soviet Union, Eastern Europe, and Asia.

> The effect of defeating consideration of the supplemental authorization will be a disruption of the United States refugee program.
>
> The desired authorization will not delay the appropriations process and will need to be accommodated in a supplemental appropriation.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORITY FOR SELECT COMMITTEE ON SMALL BUSINESS TO FILE A REPORT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Small Business be authorized to file a report by 7:30 p.m. tonight.

Mr. STEVENS. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

VANCE ON REALITY AND AMERICAN STRENGTH

Mr. PROXMIRE. Mr. President, last week, in a remarkable speech in Chicago, Secretary of State Cyrus Vance spoke some truths about this country and our foreign policy that have been overwhelmed by politics and demagoguery.

Secretary Vance's theme was the changed, but strong and challenging position, America occupies in the world. This country has been hearing a series of attacks on our President and our military and economic strength that have been the worst kind of demagoguery. To listen to some of these candidates for the Presidency and the press that reports and often supports them, one would think that this country has lost its military strength and has become a patsy for the dominating power of the Soviet Union.

As Secretary Vance says, this is nonsense. Yes, indeed, the world has changed. Yes, indeed, other nations have grown in military and economic strength. Certainly, new nations have grown and developed. Nuclear power has proliferated. The Soviet Union is challenging our military leadership.

But consider what this Nation has done, in working through the President and the Secretary of State and others, to maintain and preserve peace in the world in the Middle East and elsewhere.

Consider the fact that from a military standpoint, we are still ahead of the Soviet Union in every significant technological respect—and technology is the name of the game. Consider that, unlike the Soviet Union, we enjoy only friendly nations on our borders. Consider that, unlike the Soviet Union, our allies add greatly to our economic and military strength. Consider that the basis for this military strength, the economy of the free world has a truly gigantic advantage over the economy of the Communist world. And the solidarity of the free world, limited as it may be, is far better than the deep antagonism and division that characterizes the Communist world.

Mr. President, the speech of Mr. Vance begins as follows:

> From the first days of our Nation, Americans have held a staunch optimism about the future. We have been a self-confident people, certain about our ability to shape our destiny.
>
> And we are a people who have not only adapted well to change, we have thrived on it.

The speech concludes:

> We have every reason to be confident. For two hundred years, we have prospered by welcoming change, and working with it—not by resisting it. We have understood, at home and abroad, that stability is not the status quo. It comes through human progress.

Mr. President, the speech by the distinguished Secretary of State was praised by Scotty Reston, a columnist in the New York Times. I ask unanimous consent that both the column by James Reston and the speech by Mr. Vance be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

America's Voice of Muted Common Sense

(By James Reston)

Secretary of State Vance made a quiet and thoughtful speech in Chicago the other day that deserves more attention than it received. Nothing unusual about this: For almost a generation in Washington louder and more dramatic voices have overwhelmed Cyrus Vance's muted common sense, but he endures.

His theme in Chicago before the American Association of Community and Junior Colleges was that we are living in one of the most creative periods of American history in the world and don't know it; that we are leading and influencing the revolutionary changes in the world and don't like it; that we are also talking nonsense about the "weakness" and even the "decline" of our country in a way that "is not only wrong but dangerous as a basis for policy."

Cyrus Vance has studied the arts of understatement almost to the point of personal invisibility, but in the last couple of years, he has struggled through all the agonies of Middle East diplomacy, the mystifying controversies of arms control with the Soviets, and the politics of all this and more on Capitol Hill. And he finally seems, at 62, to be speaking out from the spirit of his own character.

He is obviously not unconcerned about the rise of Soviet power, or the liberation of new nations, or the spectacular changes in the modern political world. But in his view, America invented change, celebrated the freedom and self-determination of peoples and should watch but not fear the rise of new centers of power.

"I know of no responsible military official," he said in Chicago, "who would exchange our strategic position for that of any other nation."

We are not blind, he insists, to the rising military technological and political competition of other nations. There are deep philosophical differences about the organization of the world, but, he adds, we should not fear, but in our own tradition, even welcome, these conflicts.

We have friendly neighbors on our borders, he points out. Strong and reliable allies more than double our own military strength—a romantic but dubious point—and our economy and those of our allies are three times as productive as the Soviets and their troubled satellites in Eastern Europe. Our computer technology stuns the economic determinists in the Communist world, and our free way of life has a "magnetic appeal" for other peoples, even while it baffles the peoples of the West.

Vance is particularly effective in arguing the unpopular thesis that the United States can no longer impose its will on the world. The time of our superiority in nuclear weapons is gone. It may be regrettable he observes, but it's a fact that we have to adjust to a different world in which other nations have nuclear weapons and economic power comparable if not quite equal to our own.

"As more nations acquire more sophisticated arms," Vance said in Chicago, "regional conflicts become more dangerous. They pose a constant threat of wider confrontation. As a result, the United States must be more active in working to help settle these disputes peacefully."

Accordingly, Vance insisted, military power, while necessary, could not resolve the foreign policy problems of the United States. They had to be handled by diplomatic, economic and financial means as well, many of them beyond our control, but hopefully within our reach.

There are no splashy headlines in all this, and outside of one or two newspapers, Vance's speech was ignored. Yet it would probably be a mistake to underestimate the influence of the quiet integrity of this man in the great decisions of foreign policy in the coming year.

Precisely because he is quiet, careful, precise, courteous and respectful of people who oppose his views, Vance commands the confidence not only of the president but of the leaders of the Congress and the people he has to face in negotiations with other nations.

Speech by the Honorable Cyrus R. Vance

MEETING THE CHALLENGES OF A CHANGING WORLD

From the first days of our nation, Americans have held a staunch optimism about the future. We have been a self-confident people, certain about our ability to shape our destiny.

And we are a people who have not only adapted well to change, we have thrived on it.

We are now living in a period of history marked by deep and rapid change. Tonight, I want to talk about change, and how America can use its extraordinary strength to meet the challenges of a changing world.

America's optimism has been jarred in recent years—by a bitter war; by domestic divisions that tested our democratic institutions and left many of our people skeptical about government; by the sudden awareness that our economic life at home can be shaped by actions abroad; and by the realization that there are events which affect us but which we can only partly influence.

There is much we can and have learned from these experiences. But fear of the future is not one of them.

Let me share with you frankly my concern that the distorted proposition being advanced by some that America is in a period of decline in the world is not only wrong as a matter of fact but dangerous as a basis for policy.

For we would imperil our future if we lost confidence in ourselves and in our strength and retreated from energetic leadership in the world.

And we would imperil our future, as well, if we reacted in frustration and used our power to resist change in the world, or employed our military power when it would do more harm than good.

The realization that we are not omnipotent should not make us fear we have lost our power or the will to use it. If we appreciate the extraordinary strengths we have . . . if we understand the nature of the changes taking place in the world . . . and if we act effectively to use our different kinds of power to shape different kinds of change, we have every reason to be confident about our future.

We must begin with a clear understanding of our own strengths as a nation.

America's military strength today is formidable. I know of no responsible military official who would exchange our strategic position for that of any other nation.

We have friendly neighbors on our borders.

We have strong and reliable security relationships. Together, these allies more than double our overall military strength.

We have easy access to the sea, which enables us to have diversified strategic forces and the ready capacity to project our power.

Our economy, and those of our allies, are more than three times as productive as those of the Soviets and their allies.

The industrial democracies continue to lead the way in technological innovation, and in harnessing that technology to serve mankind.

And the way of life of our people and what we stand for as a nation continue to have magnetic appeal around the world.

Because we and our allies are the engines of creative change in almost every field . . . because of the vitality of our political institutions and the strength of our military forces, we have a capacity for leadership—and an ability to thrive in a world of change—that is unsurpassed.

The issue is not whether we are strong.

We are.

The challenge is to use these unquestioned strengths appropriately and effectively to advance our interests in a world undergoing different kinds of change.

What are these changes, and how can we use our strength effectively?

The first element of change is the evolution from an earlier period of American strategic supremacy to an era of stable strategic equivalence.

We should harbor no illusion that we could return to the earlier era. Neither side will permit the other to hold an exploitable strategic advantage. Each side has the financial and technical resources to keep pace with the other. With the stakes so high, we know that both of us will do whatever is necessary to keep from falling behind. That is why essential equivalence has become the only realistic strategy in today's nuclear world.

This rough balance can also serve the cause of stability—even if some find it unsettling compared with our earlier supremacy. It is this essential equivalence in strategic arms which allows us to move ahead on arms limitation. For if one side were far ahead it would feel no special urgency about arms control—and the side that was behind would refuse to negotiate from a position of weakness. Only when both sides perceive a balance, as is now the case, can we hope for real arms control progress.

Our response to this broad change in the security environment has several elements.

We will assure that essential equivalence in nuclear arms is maintained. We will not be overtaken by the momentum of Soviet military programs.

We have undertaken a far-reaching modernization of our strategic forces. We are improving each leg of our strategic triad—with cruise missiles for our B-52 bombers; with a new Trident I missile for existing submarines and the development of a new Trident submarine and Trident II missile; and with development funding for the M-X missile. And we are examining, in a timely fashion, the options for offsetting the probable future threat to the land-based portion of our missile force.

At the same time, we are equally determined to enhance our security by applying mutual limits to nuclear arms. We are at the threshold of a SALT II Treaty. It is a critical step in the process of bringing strategic weapons under sensible control. As its terms become known and debated, I am confident that the Senate will agree that it will enhance our national security and that of our allies. Its rejection would lead to an intensification of the nuclear arms race. The risk of nuclear war would increase. The costs to our taxpayers would rise sharply. It would heighten tensions with the Soviets, trouble our allies, and deal a crippling blow to future arms control prospects.

The American people, and our allies, understand the importance of decreasing tensions with the Soviet Union, and seeking common ground where our interests may converge.

While we address strategic issues, we must also be especially sensitive to the importance of maintaining a balance of conventional forces. At the NATO Summit last summer, we and our allies committed ourselves to real increases of 3 percent in defense expenditures, and to modernize and upgrade NATO forces. Last year's repeal of the arms embargo against Turkey was an important step to help bolster NATO's southern flank. In Europe and elsewhere, we are committed to maintain strong conventional forces.

And no one should doubt that we will use those forces if our vital interests or those of our allies are threatened.

In these ways, we will maintain, and strengthen, our security in an age of essential equivalence—by meeting the new problems it presents and by seizing the new arms control opportunities it affords.

A second change is the reality that the risks posed by regional conflicts have grown.

Many of these conflicts are long-standing. They have roots deep in history, in geography, in religious and ethnic differences.

But as more nations acquire more sophisticated arms, regional conflicts become more dangerous. They pose a constant threat of wider confrontation. As a result, the United States must be more active in working to help settle these disputes peacefully.

The fact is that no nation is more intensively engaged in the continuing effort to dampen the flames of conflict around the world than the United States.

No other nation could have played the role that the United States has played in helping Israel and Egypt achieve an historic peace treaty. And we will continue to remain actively involved in the effort to achieve a comprehensive peace—a peace in which Israel, the neighboring Arab states, and the Palestinian people can live with security and with dignity.

In southern Africa . . . in the Eastern Mediterranean . . . in Southeast Asia . . . and elsewhere in the world, we are using the influence we have . . . for peace. Progress does not come easily or quickly. There will be setbacks, for the path to peace is often more difficult than the road to war. But with persistence and steadiness, we can help provide the parties to conflict with an alternative to violence—if they choose to take it.

In some cases, these efforts will involve working with other interested nations as a catalyst for bringing the parties together. In other situations, we will support international and regional institutions that provide a framework for easing tensions. When we believe it will contribute to regional stability, we will assist nations threatened by external force to strengthen their ability to defend themselves.

In all cases, we will oppose attempts by others to transform local disputes into international tests of will. Every nation has a responsibility to recognize that there is greater safety in healing, rather than fueling, local conflicts.

A third kind of change we must address is change within nations.

As a result of mass communications, better education, urbanization and growing expectations for a better life, there is a new tide in many Third World nations, as more and more people demand a fuller share in their government and their economy. These demands can place extraordinary pressures on economic, social and political institutions.

This ferment can at times cause the kind of turmoil that adversely affects our interests, at least in the short-run. But rather than reacting in opposition to such change, or assuming that it necessarily works against us, let us look at two central questions.

Is this kind of change generally in the interest of our nation?

And what are the best instruments through which we can help others meet popular aspirations in an orderly and peaceful fashion?

The answer to the first question, in my judgment, is that the growing demand of individuals around the world for the fulfillment of their political, social and economic rights is generally in our interest. These aspirations are producing new or strengthened democratic institutions in many nations throughout the world. And America can flourish best in a world where freedom flourishes.

Should we not gain confidence from this expansion of democracy—which is taking place not because we force it, but because of its inherent appeal?

And what is that inherent appeal? Surely it lies in the enhanced opportunity that democracy provides for the realization of fundamental human rights—the rights to political participation, and to economic justice.

These values are remarkably attuned to the demands of change. The change which confronts many nations—particularly the less developed nations—challenges cultures, ways of living and communicating, notions of individual and national autonomy. The great strength of democratic processes is their flexibility and resilience. They allow accommodation and compromise. By giving all groups a voice in the decisions which affect their lives, democratic societies are far better able to shape a peaceful and stable balance between tradition and progress.

Internal change in other countries will sometimes be turbulent and difficult. At times, it may run in repressive directions. But we must not let our concerns about the cross-currents blind us to the tide running in favor of freedom.

In seeking to help others meet the legitimate demands of their peoples, what are the best instruments at hand?

Let me state first that the use of military force is not, and should not be, a desirable American policy response to the internal politics of other nations. We believe we have the right to shape our destiny; we must respect that right in others.

We must clearly understand the distinction between our readiness to act forcefully when the vital interests of our nation, our allies and our friends are threatened, and our recognition that our military forces cannot provide a satisfactory answer to the purely internal problems of other nations.

In helping other nations cope with such internal change, our challenge is to help them develop their own institutions, strengthen their own economies and foster the ties between government and people.

To do so, we must continue to provide them with increasing levels of development assistance. We must maintain human rights policies which work in practical ways to advance freedom. And we must accept the fact that other societies will manage change, and build new institutions, in patterns that may be different from our own.

Third World nations will fiercely defend their independence. They will reject efforts by outsiders to impose their institutions. We should welcome this spirit. For our national interest is not in their becoming like us. It is that they be free of domination by others.

This strategy of affirmative involvement and support for the independence and the diversity of developing nations serves us well. It capitalizes on the West's inherent strengths. And it improves our ties to developing countries in a context which does not force them to make an explicit choice between East and West.

The test of our will in dealing with domestic change abroad will come, not in how we use our military might, but in whether we are willing to put our resources behind our words—and to make them work effectively.

A fourth kind of change that we are seeing is in the international system itself. Building on our experience as a pluralistic nation, we must learn to deal effectively with an increasingly pluralistic world.

Since the early 1960's, we have seen the emergence of dozens of new nations, each with its distinctive identity, each fiercely intent on fulfilling its national aspirations.

We have seen the development of new powers in the world, nations which play an increasingly important role in international economic and political life.

And we have come to recognize that many of the challenges we face are genuinely global in scope. Halting the spread of nuclear weapons, managing the world's resources sensibly and fairly, preserving an environment that can sustain us—these problems do not derive from any single nation, nor can any single nation—working alone—resolve them.

A world where many must participate in designing the future rather than a few, where progress often requires cooperative effort, demands more—not less—American leadership. It requires us to exercise that leadership creatively—to inspire others to work with us toward goals we share but cannot achieve separately.

We must practice, wherever possible, an exclusive form of diplomacy, working together with others to achieve common goals. Such multilateral efforts are time-consuming and complex. But they can often be more productive than working alone.

The core around which these broader efforts must be built is a strong and solid relationship with our traditional allies. We have worked hard in this Administration to strengthen that partnership, and we have done so.

Working together with our allies we are able, on an increasing number of issues, to engage others in collective efforts to resolve some of the more intractable problems we face. Let me cite just one example—our effort to find a more proliferation-resistant nuclear fuel cycle. At our initiative, forty-four nations have come together to search for ways—both technical and institutional—to enable nations to pursue peaceful nuclear energy without adding to the danger of nuclear weapons proliferation. There is no "American" answer to the threat of nuclear weapons proliferation; there is only an international answer, and we are working with others to find it.

We are strengthening our ties with those developing nations which exert increasing economic and political influence. We have worked to bring these—and other developing nations—more fully and fairly into the decision-making of international institutions which affect their life and ours. For enduring solutions to problems we face in common can be found only if all who have a stake also have a role, and recognize their responsibilities as well as their rights in the world community.

To work effectively in a changing international system we must be prepared to work with nations whose ideologies are different than our own. By establishing full diplomatic relations with the People's Republic of China, for example, we are now in a better position to deal directly and forthrightly with a government that represents one-fourth of the world's people.

We have embarked on a deliberate effort to enhance the role of the United Nations and regional institutions such as Organization of American States, the Association of Southeast Asian Nations, and the Organization of African Unity. These institutions often can provide the most effective setting for resolving international disputes and for broadening the realm of international cooperation.

To secure the cooperation of other nations we must deal with them on a basis of mutual respect and independence. Our achievement of a new Panama Canal Treaty, which secures our use of the Canal for coming generations, has demonstrated that fair dealing with other nations, whatever their size, can serve our interests as well as theirs. Our relations throughout this Hemisphere have benefitted as a result.

Let me turn finally to the change we are seeing in the international economy—the growing stake every nation has in economic decisions made beyond its borders.

America's strength rests on the vitality of America's economy. Our economy continues to provide expending opportunity for our people and continues to fuel growth around the world. We must also recognize the other side of this coin—the health of other economies around the world increasingly affects the health of our economy.

Our exports provide Americans with jobs—in fact, one out of every eight jobs in the manufacturing sector—and income for our firms and farmers. Every third acre of our farmland produces for export.

Imports from abroad provide us with essential raw materials; they afford our consumers greater choice; and they dampen our inflation.

This growing economic interdependence requires that our government work with others to help create international conditions in which all nations can thrive. We cannot seek to build our own economic future . . . nor will we allow others to compete unfairly. For a new era of economic nationalism could have tragic consequences, just as it did during the protectionist warfare of the 1930's.

We are deeply involved in working with other nations to meet the challenges of a changing world economic order.

We have been successful in strengthening economic cooperation among the industrial nations. We have instituted regular economic summits to coordinate our economic policies so that they reinforce rather than undermine one another. And there has been far closer collaboration among our monetary authorities in restoring order to foreign exchange markets.

We have initialed an important new multilateral trade agreement that will establish fair trading rules for the next decade. It will have a direct and positive impact on our economy.

We have agreed with the other industrialized members of the International Energy Agency to cut back our collective demand for oil by two million barrels a day. To fulfill this commitment—and to reduce our own costly and dangerous dependence on oil imports—the President has initiated a sensible program for achieving greater domestic conservation and production. For we must begin to deal urgently with a markedly changed global energy environment.

We recognize that a well-managed foreign assistance program contributes to the economic performance of the developing countries. Their growth has become an increasingly important factor in the health of our own economy. Aiding that development is not only an investment in the future of others; it is an investment in our own future as well.

In the foreign policy choices we are now making, we are determining the path we will follow in a new era.

In unsettled times, each of us has a responsibility to be clear about how we would deal with the world as we find it.

Most Americans now recognize that we alone cannot dictate events. This recognition is not a sign of America's decline. It is a sign of growing American maturity in a complex world.

We are stronger today because we recognize the realities of our times. This recognition, together with an equally clear understanding that we remain the most powerful of nations, should make every American as staunchly optimistic about our nation's future as we have always been.

There can be no going back to a time when we thought there could be American solutions to every problem. We must go forward into a new era of mature American leadership—based on strength, not belligerence; on steadiness, not impulse; on confidence, not fear.

We have every reason to be confident. For two hundred years, we have prospered by welcoming change, and working with it—not by resisting it. We have understood, at home and abroad, that stability is not the status quo. It comes through human progress.

We will continue in this American tradition.

MILTON AGER'S LEGACY

Mr. PROXMIRE. Mr. President, some perceptive person once wrote:

> Let me write the songs for a country and I care not who writes its laws.

Yesterday, Milton Ager, a remarkable songwriter, died. And whether Mr. Ager's songs profoundly influenced our Nation may be debatable but he certainly brought a lilt and a happiness into the lives of many of us.

Mr. Ager was the author of "Happy Days Are Here Again," that great theme song—since 1932 of the Democratic Party. He also wrote such songs as "Nobody's Baby," and "I Wonder What Became of Sally."

One of his catchiest songs was written about his newly born daughter, who later became a superb writer and a sparring partner on TV with James Kilpatrick at the end of "60 Minutes" TV show. That, of course, is Shana Alexander. Kilpatrick may have reason sometimes to give a negative answer to the title of the song that Milton Ager wrote about daughter Shana. The song was "Ain't She Sweet?"

Shana Alexander is articulate, intelligent, eloquent, brilliant. But sweet? I am not so sure about that. But there is a line in that great little song that goes:

> Just cast an eye in her direction.
> Oh me, oh my, ain't that perfection?

I think that properly applies more appropriately to Shana Alexander than "Ain't she sweet?"

Obviously, Mr. Ager has contributed greatly in zest and enjoyment to our lives, and he did quite a job in the father department, too.

GENOCIDE: MORE REMINDERS

Mr. PROXMIRE. Mr. President, a recent article in the Washington Post reported that the American docudrama "Holocaust" was recently televised in Sweden. More than half of Sweden's population of 8 million watched the series, and a poll found that most viewers rated the series very highly. Mr. President, "Holocaust" has now been shown in Israel, West Germany, France, and Sweden, and everywhere it has been telecast audiences have reacted strongly. Perhaps the most significant outcome of this series is a renewal of the conviction that the entire world shared when the brutal facts of the holocaust were first brought to light; namely, that such a tragedy must never be allowed to repeat itself.

Mr. President, it has now been over 30 years since the Nazi regime systematically murdered over 6 million European Jews. It is a strong accusation to claim that our consciences have become less sensitive to this tragedy with the passage of time. But I do indeed make it. For the past 30 years we in the Senate have had the opportunity to ratify a treaty designed to prevent punish the crime of genocide. More than any other proposal ever to come before this body this treaty would represent a concrete effort to abolish this most hideous of crimes. No other proposal would be a more fitting memorial to the 6 million victims of the Nazi holocaust.

Yet we have not acted.

Mr. President, there is no excuse for our inaction. Every sentence, every word of this treaty has been thoroughly scrutinized in the numerous hearings that have been held since the 1950's. President after President, the Department of Defense, the Secretary of State, the American Bar Association, and virtually every religious denomination have endorsed this treaty. All our major allies have long since ratified the Convention.

Mr. President, we cannot let it be said that the passage of time has diminished our awareness of the inhumanity of the crime of genocide. We must ratify the Genocide Convention.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT ON OCCUPATIONAL SAFETY AND HEALTH—MESSAGE FROM THE PRESIDENT—PM 69

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

As required by section 26 of the Occupational Safety and Health Act of 1970 (Public Law 91-596), I transmit herewith the 1975 annual report on the activities under that law of the Department of Labor, the Department of Health, Education, and Welfare, and the Occupational Safety and Health Review Commission.

This report covers a period of time before I took office.

JIMMY CARTER.

The WHITE HOUSE, *May 8, 1979.*

MESSAGES FROM THE HOUSE

At 2:10 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2807. An act to amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States; and

H.R. 3758. An act to amend the date that section 601 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America becomes effective.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 2807. An act to amend the Bankruptcy Act to provide for the nondischargeability of certain student loan debts guaranteed or insured by the United States; to the Committee on the Judiciary.

H.R. 3758. An act to amend the date that section 601 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America becomes effective; to the Committee on Energy and Natural Resources.

COMMUNICATIONS

The PRESIDING OFFICER laid before the Senate the following communications, together with accompanying reports, documents, and papers, which were referred as indicated:

EC-1329. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report of receipts and disbursements pertaining to the disposal of surplus military supplies, equipment, and material for the first quarter of fiscal 1979; referred to the Committee on Appropriations.

EC-1330. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report, pursuant to the provisions of 10 U.S.C. 2313(c) to advise that the Department of the Army intends to exercise the provision therein for exclusion of the clause concerning the examination of records by the Comptroller General; referred to the Committee on Armed Services.

EC-1331. A communication from the Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to amend title 10, United States Code, to provide more equitable treatment for the surviving spouses of certain members of the armed forces; referred to the Committee on Armed Services.

EC-1332. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report with respect to a transaction involving United States exports to Zaire; referred to the Committee on Banking, Housing, and Urban Affairs.

EC-1333. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "The Clinch River Breeder Reactor—Should the Congress Continue to Fund It"; referred to the Committee on Energy and Natural Resources.

EC-1334. A communication from the Professional Audit Review Team, transmitting, pursuant to law, a report on the evaluation of significant aspects of the energy data collection and analysis activities of the Department of Energy's Energy Information Administration; referred to the Committee on Energy and Natural Resources.

EC-1335. A communication from the Secretary of the Interior as the Chairman of the National Park Foundation, transmitting, pursuant to law, the annual report of the National Park Foundation for calendar year 1978; referred to the Committee on Energy and Natural Resources.

EC-1336. A communication from the General Counsel of the Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; referred to the Committee on Energy and Natural Resources.

EC-1337. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, an amendment to a previously approved prospectus which proposed the lease of space in the Commonwealth Building, 1320 Wilson Boulevard, Arlington, Virginia; referred to the Committee on Environment and Public Works.

EC-1338. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, a prospectus which proposes a succeeding lease for space presently occupied in the Berkley Building, 1701 North Fort Myer Drive, Arlington, Virginia; referred to the Committee on Environment and Public Works.

EC-1339. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Colorado River Basin Water Problems: How to Reduce Their Impact"; referred to the Committee on Environment and Public Works.

EC-1340. A communication from the Acting Administrator of the General Services Administration, transmitting, pursuant to law, an amendment to a previously approved prospectus which proposes the construction of an annex to the Post Office-Courthouse Building in Miami, Florida; referred to the Committee on Environment and Public Works.

EC-1341. A communication from the Secretary of Health, Education, and Welfare, transmitting, a draft of proposed legislation to amend title XI of the Social Security Act to authorize civil monetary penalties for certain fraudulent activities in the Medicare and Medicaid programs, and for other purposes; referred to the Committee on Finance.

EC-1342. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on the state of the finances of the United States Government for the fiscal year ended September 30, 1978; referred to the Committee on Finance.

EC-1343. A communication from the Chairman of the District of Columbia Law Revision Commission, transmitting, pursuant to law, the fourth annual report of the District of Columbia Law Revision Commission; referred to the Committee on Governmental Affairs.

EC-1344. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report of the Department of contracts negotiated under 10 U.S.C. 2304 (a)(11) during the period October 1, 1978, through March 31, 1979, and advising that there were no procurements under this section during the period; referred to the Committee on Governmental Affairs.

EC-1345. A communication from the Directory of the Office of Information, United States Nuclear Regulatory Commission, transmitting, pursuant to law, a report on minor amendments to the system of records of the Nuclear Regulatory Commission; referred to the Committee on Governmental Affairs.

EC-1346. A communication from the Deputy Assistant Secretary of Defense (Administration), transmitting, pursuant to law, a report on certain changes in the system of records of the Department of the Army; referred to the Committee on Governmental Affairs.

EC-1347. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, the annual report of the National Transportation Safety Board for calendar year 1978; referred to the Committee on Governmental Affairs.

EC-1348. A communication from the Chairman of the Federal Home Loan Bank Board, transmitting, pursuant to law, the annual report of the Federal Home Loan Bank Board for calendar year 1978; referred to the Committee on Governmental Affairs.

EC-1349. A communication from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting a draft of proposed legislation to authorize appropriations for the purpose of carrying out the activities of the Department of Justice; referred to the Committee on the Judiciary.

EC-1350. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens under section 244(a)(1) of the Immigration and Nationality Act; referred to the Committee on the Judiciary.

EC-1351. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders on the admission of certain aliens under section 212(d)(3) of the Immigration and Nationality Act; referred to the Committee on the Judiciary.

EC-1352. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a report on visa petitions accorded third and sixth preference classification under section 204(d) of the Immigration and Nationality Act; referred to the Committee on the Judiciary.

EC-1353. A communication from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Higher Education Act of 1965 to provide for Basic Grant payments to independent students during the academic year 1979-1980 in accordance with the Middle Income Student Assistance Act; referred to the Committee on Labor and Human Resources.

EC-1354. A communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the annual report of the Smithsonian Institution for fiscal year 1978; referred to the Committee on Rules and Administration.

PETITIONS

The PRESIDING OFFICER laid before the Senate the following petitions and memorials, which were referred as indicated:

POM-206. A joint memorial adopted by Legislature of the State of Arizona; to the Committee on Energy and Natural Resources:

"SENATE JOINT MEMORIAL 1001

"Whereas, the United States Forest Service, under authority of the Roadless Area Review and Evaluation (RARE II), has tentatively designated as wilderness an estimated 1.8 million acres of federal forest within the State of Arizona; and

"Whereas, designation as wilderness is a single use land management concept restricting use by motor vehicles, motorized equipment and for farming, ranching, mining and logging; and

"Whereas, final designation is made by Congress, and congressionally mandated wilderness areas would remove from local government and their citizens any opportunity to participate in decisions affecting management of such areas; and

"Whereas, federal regulations in all cases should assure that federal land administration closely consider state and private programs and policies on land adjacent to federally administered lands in determining wilderness recommendations and other land management programs; and

"Whereas, data on public lands, such as the renewable, nonrenewable and energy resources and considering the finality and inflexibility of congressional designation, is not known and not currently available. Wherefore your memorialist, the Legislature of the State of Arizona, prays:

"1. That the Congress of the United States adopt federal land and resource legislation which guarantees an adequate role for state, county, municipal governments and private citizens in the policy and management process, balances environmental concerns with local social and economic goals and provides for the multiple use of our federal lands.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the Secretary of the Interior, the Secretary of Agriculture, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-207. A joint resolution adopted by the Legislature of the State of California; to the Committee on Commerce, Science, and Transportation:

"SENATE JOINT RESOLUTION NO. 15

"Whereas, The United States Department of Transportation examined five alternative levels or systems of Amtrak service in its May 1978 Preliminary Report to Congress and the public, entitled "A Reexamination of the Amtrak Route Structure"; and

"Whereas, Of the alternative studied, the service level alternative known as Scenario "E" contains the most desirable full system of passenger train service for California, including the following service:

"(a) Two trains daily connecting Sacramento, the San Francisco Bay Area, and Los Angeles,

"(b) Extension of the "San Joaquin" beyond Bakersfield to connect with transcontinental trains in Barstow to continue to Los Angeles,

"(c) Rerouting the "Coast Starlight" to serve Marysville and Chico,

"(d) Six trains daily, funded by the federal government, between Los Angeles and San Diego,

"(e) Daily service between Los Angeles and New Orleans via Palm Springs, Indio, Phoenix, Tucson, and cities in Texas, and,

"(f) Daily service between Los Angeles and Denver via Las Vegas and Salt Lake City; and

"Whereas, Scenario "E" contains the lowest level of cost per passenger-mile and the highest ridership of the alternatives studied in the preliminary report; and

"Whereas, The United States Department of Transportation has issued its final report to the Congress on the Amtrak route system which recommends severe reductions in the rail passenger service offered in California; and

"Whereas, The implementation of the service recommended in this report will create regional inequities in that the already underserved West and South would be victims of severe cutbacks in service, while the Northeast Corridor would retain all its service; and

"Whereas, Under the recommendations of the report the State of California is required to pay one-half of the cost of three of the six San Diego-Los Angeles trains, while Northeastern states receive total funding of the 40 Northeast Corridor trains from the federal government; and

"Whereas, The report recommends against any track improvements in California, while the United States Department of Transportation recommends 2.5 billion dollars of such upgrading in the Northeast; and

"Whereas, The proposed cutbacks would remove one of the most energy-efficient transportation models at a time when there is uncertainty about gasoline availability; and

"Whereas, Funding proposals of the United States Department of Transportation plan would prevent Amtrak from increasing frequency of service and from purchasing new equipment to handle peak travel demands; and

"Whereas, Under the plan, California would not receive a fair share of federal resources for passenger train service, would not receive an adequate system of trains, but would be required, nevertheless, to pay for multi-billion-dollar service improvements in the Northeast; now, therefore, be it

"*Resolved by the Senate and Assembly of the State of California, jointly,* That the Legislature of the State of California respectfully memorializes the Congress of the United States to support a resolution of disapproval of the United States Department of Transportation's proposal for restructuring and reducing Amtrak rail passenger service and in addition to provide funds to maintain that level of Amtrak service which is identified and described in Scenario "E" of the Preliminary Report to Congress; and be it further

"*Resolved,* That the Secretary of the Senate transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to each Senator and Representative from California in the Congress of the United States, and to the United States Department of Transportation."

POM-208. A concurrent memorial adopted by the Legislature of the State of Arizona; to the Committee on Foreign Relations:

"SENATE CONCURRENT MEMORIAL 1001

"Whereas, the President of the United States has expressed deep concern for human rights in the world; and

"Whereas, the President and Members of the United States Congress have intervened in several cases on behalf of individuals who have been deprived of their human rights in the Soviet Union; and

"Whereas, Yuriy Shukhevych, a Ukrainian has been incarcerated in Soviet prisons for almost thirty years; and

"Whereas, in 1948, when only fifteen years old, Yuriy Shukhevych was arrested and sentenced to ten years of imprisonment simply because he was the son of a Ukrainian General of the Ukrainian Insurgent Army; and

"Whereas, during his ten year imprisonment he drew an additional sentence of ten years incarceration for refusing to denounce his father and the underground organization of Ukrainian Nationalists; and

"Whereas, in 1968 he was released and banished from Ukraine into Siberian exile and

"Whereas, in March 1972, on the fabricated charges of the KGB of 'national activities', Yuriy was rearrested and sentenced to another ten years of imprisonment; and

"Whereas, during the brief time of freedom, he married and had a son; and

"Whereas, his wife and son have suffered enormous hardships as the family of a Ukrainian prisoner; and

"Whereas, the crimes committed by Yuriy Shukhevych cannot be considered crimes in any civilized society; and

"Whereas, Ukrainian-Americans have indicated their willingness to support, morally and financially, the Shukhevych family; and

"Whereas, the people of the State of Arizona are gravely concerned over the treatment of Yuriy Shukhevych and his family and condemn the action of the Soviet Government for arresting Yuriy Shukhevych at the age of fifteen years and keeping him imprisoned for almost thirty years.

"Wherefore your memorialist, the Senate of the State of Arizona, the House of Representatives concurring, prays:

"1. That the President of the United States, the Secretary of State of the United States and the Members of the Congress of the United States immediately open negotiations with the government of the Soviet Union to seek the release of Yuriy Shukhevych from imprisonment and to request an exit visa for him and his family and extend to them political asylum in the United States.

"2. That these negotiations with the Soviet Government for the release and emigration of Yuriy Shukhevych and his family offer, if necessary, an exchange similar to numerous exchanges already consummated to secure freedom of victims of the Soviet Union's unjust penal system.

"3. That the Secretary of State of the State of Arizona transmit certified copies of this Memorial to the President of the United States, the Secretary of State of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM-209. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Labor and Human Resources:

"HOUSE CONCURRENT RESOLUTION NO. 43

"Whereas, The food packing industry has relied upon the use of nitrates and nitrites as a preservative for many years; and

"Whereas, Nitrates and nitrites are an efficient and economical preservative; and

"Whereas, Cancer caused in humans by nitrate and nitrite food preservatives is minimal or, more likely, mythological; and

"Whereas, It is irrelevant whether cancer can be induced in rats by restricting them to a diet unrealistically high in nitrates and nitrites while living in an artificial environment; Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

"Section 1. The General Assembly of the State of Indiana on behalf of the people of Indiana urges the Congress to take whatever action is necessary and appropriate to insure the legality of the use of nitrates and nitrites for the preservation of food.

"Section 2. That the Principal Clerk of the House of Representatives is directed to transmit copies of this resolution to the leadership of both Houses of Congress and to each member of Congress representing the People of Indiana."

POM-210. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Governmental Affairs:

"HOUSE CONCURRENT RESOLUTION NO. 88

"Whereas, The Federal Government was created by the voluntary association of the several states; and

"Whereas, The Constitution of the United States of America provides for the autonomous functioning of the state legislative bodies on issues of local concern and importance; and

"Whereas, This state legislative authority is often pre-empted, circumvented, or otherwise superceded by federal statute and especially by the promulgation of federal agency rules and regulations carrying the impact of law; and

"Whereas, The fabric of our constitutional federal system has been progressively destroyed by the acts of pre-emption and coercion; Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

"Section 1. That the General Assembly of the State of Indiana memorializes the United States Congress to take such action as it deems appropriate to guarantee the return of policy making authority to state legislative bodies in the areas delegated to the states by Constitutional provisions.

"Section 2. That the United States Congress take immediate steps to amend appropriate statutes to end practices whereby federal government agencies, atcing through the promulgation of administrative rules and regulations, restrict the ability of state legislative bodies to function in the areas reserved to the states.

"Section 3. That the General Assembly of the State of Indiana calls upon its Congressional delegation to seek immediate means to halt this erosion of the states' constitutional responsibilities, and restore to the states the powers granted them by our founding fathers.

"Section 4. That the Principal Clerk of the House of Representatives is directed to transmit copies of this resolution to the presiding officers of the House of Representatives and Senate of the Congress of the United States of America, to each member of Congress from the State of Indiana, and to the Director of the Federal Trade Commission."

POM-211. A concurrent resolution adopted by the Legislature of the State of Indiana; to the Committee on Commerce, Science, and Transportation:

"HOUSE CONCURRENT RESOLUTION NO. 133

"Whereas, Amtrak was created by Congress to preserve rail passenger service; and

"Whereas, The revenue from Amtrak to the owners of the rail lines provides funds for maintaining and improving rail lines which are used for both passenger and freight service, thereby benefitting the nation's transportation systems; and

"Whereas, The United States Department of Transportation has responded to the Amtrak Improvement Act of 1978 by preparing a 'final report' recommending dropping nearly half of the current mileage from the Amtrak system; and

"Whereas, Indiana will lose Amtrak service after October 1, 1979, from the Floridian, the Cardinal, the National Limited and the Broadway Limited and be left with only east-west service through northern Indiana; and

"Whereas, Good rail facilities and services are one of the few feasible alternatives for transportation which is becoming more expensive and subject to fuel shortages; and

"Whereas, The terms of the 'final plan' will become law of the land by proclamation of the Secretary of Transportation unless Congress disapproves the Secretary's plan; Therefore,

"Be it resolved by the House of Representatives of the General Assembly of the State of Indiana, the Senate concurring:

"Section 1. That the Congress is memorialized to formally disapprove before May 15, 1979, the Amtrak 'final plan' proposed by the Secretary of Transportation in response to the Amtrak Improvement Act of 1978 for the purpose of retaining at least the existing Amtrak service to the cities and towns of the State of Indiana.

"Section 2. The Principal Clerk of the House of Representatives is directed to immediately transmit copies of this resolution to the Secretary of the Senate of the United States and to the Clerk of the House of Representatives of the United States and to each member of Indiana's congressional delegation."

POM-212. A petition from the Board of Supervisors of the County of Los Angeles, Calif., requesting the Federal Government to provide the resources necessary for the care of undocumented aliens in Los Angeles County; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources, without amendment, unfavorably:

S. Res. 152. A resolution to approve the amendment to Department of Energy Standby Gasoline Rationing Plan Numbered 1 (Department of Energy Contingency Plan Numbered 5).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment and an amendment to the title:

S. 994. A bill entitled the "Federal Election Commission Authorization."

By Mr. PELL, from the Committee on Rules and Administration, with an amendment:

S. 817. A bill to amend the Act of July 2, 1940, as amended, to increase the amount authorized to be approved for the Canal Zone Biological Area (Rept. No. 96-120).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 129. A resolution increasing the limitation on expenditures by the Special Committee on Aging for the procurement of consultants (Rept. No. 96-121).

By Mr. PELL, from the Committee on Rules and Administration, with an amendment and an amendment to the title:

S. Res. 119. A resolution to amend S. Res. 112, Ninety-second Congress, to eliminate certain restrictions and conditions on the appointment of female pages in the Senate (Rept. No. 96-122).

By Mr. PELL, from the Committee on Rules and Administration, without amendment:

S. Res. 154. An original resolution authorizing the revision and printing of the Senate Manual for use during the Ninety-sixth Congress.

S. Res. 155. An original resolution to pay a gratuity to Carroll William Nye, Jr.

H. Con. Res. 65. A concurrent resolution authorizing the printing as a House document of a revised edition of "The Declaration of Independence and the Constitution of the United States of America" (Rept. No. 96–123).

H. Con. Res. 66. A concurrent resolution authorizing the printing as a House document of a revised edition of "Our Flag" (Rept. No. 96–124).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

S. Res. 153. A resolution to approve an amendment to Department of Energy Standby Gasoline Rationing Plan Numbered 1 (Department of Energy Contingency Plan Numbered 6).

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 146. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1007.

S. Res. 147. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 586.

By Mr. NELSON, from the Select Committee on Small Business, with an amendment and an amendment to the title:

S. 918. A bill to authorize the Small Business Administration to make grants to support the development and operation of small business development centers in order to provide small business with management development, technical information, product planning and development, and domestic and international market development, and for other purposes (together with additional views) (Rept. No. 96–125).

By Mr. NELSON, from the Select Committee on Small Business, without amendment:

S. Res. 156. An original resolution waiving section 402(a) of the Congressional Budget Act with respect to the consideration of S. 918. Referred to the Committee on the Budget.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1097. An original bill to establish a national tourism policy, a Cabinet level coordinating council and a nonprofit corporation as an implementing agency to carry out the national tourism policy (Rept. No. 96–126).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on the Judiciary:

William Ray Overton, of Arkansas, to be U.S. district judge for the eastern district of Arkansas.

Harold Duane Victor, of Iowa, to be U.S. district judge for the southern district of Iowa.

Paul G. Hatfield, of Montana, to be U.S. district judge for the district of Montana.

Donald James Porter, of South Dakota, to be U.S. district judge for the district of South Dakota.

Norman W. Black, of Texas, to be U.S. district judge for the southern district of Texas.

George E. Cire, of Texas, to be U.S. district judge for the southern district of Texas.

James DeAnda, of Texas, to be U.S. district judge for the southern district of Texas.

George P. Kazen, of Texas, to be U.S. district judge for the southern district of Texas.

Gabrielle Anne Kirk McDonald, of Texas, to be U.S. district judge for the southern district of Texas.

Joyce Hens Green, of Virginia, to be U.S. district judge for the District of Columbia.

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

The following-named persons to be members of the National Council on the Arts:

Norman B. Champ, Jr., of Missouri.
Martin Friedman, of Minnesota;
Bernard Blas Lopez, of New Mexico;
Robert Lawson Shaw, of Georgia;
Jessie A. Woods, of Illinois; and
Rosalind W. Wyman, of California.

The following-named persons to be members of the National Commission on Libraries and Information Science:

Francis Keppel, of Massachusetts;
Bessie Boehm Moore, of Arkansas; and
Philip A. Sprague, of Indiana.

(The above nominations from the Committee on Labor and Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HELMS:

S. 1093. A bill for the relief of Lily Montano; to the Committee on the Judiciary.

By Mr. DANFORTH:

S. 1094. A bill to amend the Internal Revenue Code of 1954 to treat as public charities certain organizations which operate libraries; to the Committee on Finance.

By Mr. PACKWOOD (for himself, Mr. MOYNIHAN, Mr. ROTH, and Mr. RIBICOFF):

S. 1095. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Finance.

By Mr. STEVENS (for himself, Mr. GOLDWATER, and Mr. JAVITS):

S. 1096. A bill to amend title 39, United States Code, to provide for an extension of the provisions of section 3626(a) relating to reduced rates; to the Committee on Governmental Affairs.

By Mr. CANNON (from the Committee on Commerce, Science, and Transportation):

S. 1097. A bill to establish a national tourism policy, a Cabinet level coordinating council and a nonprofit corporation as an implementing agency to carry out the national tourism policy. Original bill reported and placed on the calendar.

By Mr. DURENBERGER:

S.J. Res. 75. A joint resolution authorizing and requesting the President to issue a proclamation designating the period from October 7, 1979 through October 13, 1979 as "National School Bus Safety Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DANFORTH:

S. 1094. A bill to amend the Internal Revenue Code of 1954 to treat as public charities certain organizations which operate libraries; to the Committee on Finance.

INDEPENDENT RESEARCH LIBRARY ACT OF 1979

● Mr. DANFORTH. Mr. President, today I am introducing a bill to provide that any tax-exempt organization whose activities are devoted to the operation of a library of the type I am about to describe, be treated for tax purposes as a public charity in the same manner as other educational organizations such as schools and universities. The types of libraries to which this bill refers are: First, those which are operated as a permanent and principal part of the tax-exempt activities of the subject organization and were organized by a public act of the United States, of any State, of the District of Columbia, or of any possession of the United States, or were in existence prior to 1789; and second, ones which are open and available to the public at no charge and are operated as the sole activity of the subject organization. The bill is limited to only those libraries which I have just described in order to insure that only such libraries that are clearly organized to serve the public will benefit from this legislation.

Because of the investment income from their endowments, some tax-exempt organizations that operate libraries of the types described above run the annual risk that they will fail to meet the Internal Revenue Service guidelines to qualify as a "publicly supported organization" and that, therefore, they will be classified as a private foundation.

Under existing law, unless a library meets the "publicly supported" financial tests, it will not qualify as a public charity even though such library clearly serves a public purpose. Such libraries spend significant amounts in legal and accounting fees on an annual basis in order to determine and insure that they meet the Internal Revenue Service guidelines, which amounts would otherwise go to the exempt purpose; for example, the purchase of books, et cetera. A library that does not meet these tests is usually classified as a private operating foundation and is required to pay a 2 percent excise tax on its net investment income. The purpose of the excise tax, as set out in the legislative history, is not to raise revenue for the Government, but to cover the Internal Revenue Service expense in monitoring private foundations, principally to insure that such organizations are promptly and properly using their funds for charitable purposes. The purpose behind the excise tax does not appear to be applicable to the classes of libraries described in this bill.

A library that is classified as a private foundation also has a more difficult task than an organization classified as a public charity in soliciting funds from potential contributors. For example, a private foundation that is not an operating foundation may make contributions to public charities and private operating foundations, but generally may not make qualifying contributions to other private foundations that are not operating foundations. Because of the uncertainty as to whether a private operating foundation continues to qualify as an operating foundation—there are complex tests that must be satisfied annually—many individual contributors and other private foundations that are not operating foundations are hesitant to contribute funds to such an organization even though it clearly serves a public purpose. As a result, funds that would otherwise go to libraries described in the bill are diverted to other charitable organizations.

Although most libraries within the classes of libraries described in the bill are able to satisfy the "publicly supported" test and qualify as public charities, there are two libraries within those classes of which I am aware—the St. Louis Mercantile Library located in St. Louis, Mo., and the Linda Hall Library located in Kansas City, Mo.—both of which, because of their endowment funds, are unable to satisfy these tests, and therefore are classified as private operating foundations. Because these libraries are classified as private operating foundations, they must pay an excise tax on their net investment income. For taxable years after 1977, this will amount to $2,000 to $4,000 annually for the St. Louis Mercantile Library and $30,000 to $34,000 annually for the Linda Hall Library. In addition, these libraries must incur annual legal and accounting expenses in order to insure that they fall within the private operating foundation guidelines.

I am not aware of any other similar libraries in the particular situation being faced by the St. Louis Mercantile Library and Linda Hall Library, and, thus, it is anticipated that the total loss in revenue if this bill is enacted would be less than $40,000 per year. However, the bill indirectly affects many other libraries because passage of the bill will also relieve them of the necessity of continually insuring that they meet the "publicly supported" tests, and this is why the bill is supported by, among others, The Independent Research Libraries Association, whose members include the New York Public Library, the Henry E. Huntington Library, American Antiquarian Society, and the Library Company of Philadelphia.

The Linda Hall Library was established in 1946. The instruments governing its establishment and operation specifically provide that the library shall be open and available to the public at no charge. These instruments also provide that none of the library's income shall be expended for purposes other than the construction, maintenance, expansion, operation or management thereof. The library is maintained in its own buildings situated on a tract of land adjacent to the University of Missouri at Kansas City in Kansas City, Mo.

Since its establishment, the library has assembled one of the Nation's most extensive and notable collections devoted to science and technology including more than 460,000 volumes and over 620,000 microforms. Together with a distinguished retrospective collection, it also has very extensive holdings of current books and journals from all countries where publications at the research level in science and technology are available. Among those works especially valuable to research scientists throughout the United States, and not widely held by other institutions, are the library's comprehensive collections of current journals from the Soviet Union, Japan, and the People's Republic of China.

The Linda Hall Library maintains a program of providing photocopies of its materials to persons upon request, whenever requests for such services are consistent with copyright laws and with the Copyright Clearance Center procedures, and a program of lending portions of its collection from time to time to other libraries. Shortly after its establishment, the library purchased the entire collection of the American Academy of Arts and Sciences which had its principal offices in Boston, Mass. After the purchase, the Linda Hall Library agreed to act as the agent of the Academy in continuing its broad exchange program with libraries and learned societies located throughout the world.

In the early years of its existence, the Linda Hall Library was selected by the Atomic Energy Commission as one of 15 or 20 depositories throughout the United States for its literature, and the library continues to maintain a collection of material relating to the AEC's successor organization, the Energy Research and Development Administration. In the late 1950's the National Aeronautics and Space Administration selected Linda Hall Library as a depository for the literature which it distributes in connection with its information program. Literature is still being sent by NASA to the library in connection with this program.

Linda Hall Library is a depository for all specifications and standards to be used by individuals and organizations when dealing with military and civilian projects of the Federal Government. The library also maintains the patent specifications for all patents issued by the U.S. Government since July 1946, and is a depository for all current maps issued by the U.S. Geological Survey.

Linda Hall Library maintains a very close relationship with the University of Missouri at Kansas City which is almost entirely dependent upon Linda Hall for library material in the areas of science and technology.

The St. Louis Mercantile Library Association was established in 1846 to form a well-rounded collection of books for the information and convenience of St. Louisans. The formation of the library was authorized and approved by a public act of the General Assembly of the State of Missouri. The library is maintained in its own building in downtown St. Louis.

Over the past 132 years the library has assembled a notable collection of books, now over 213,000 volumes, comprising a general collection in the liberal arts area, with emphasis on history, biography, travel, philosophy, religion, and the arts. The library maintains one of the country's distinguished and most comprehensive collections of regional history pertaining to St. Louis and Western Americana.

The Western Americana Collection, with approximately 55,000 rare books, is probably the most comprehensive collection in that field in existence. The collection is frequently consulted and referred to by many historians in this field. In addition, the library has one of the most complete files available in the St. Louis area for 6 local papers, including some 500 bound volumes of St. Louis newspapers, beginning with 1812—a few of these cannot be obtained in any other library. The library has also been the recipient of many valuable gifts during its existence. These gifts include the fragmentary journal of Pierre Laclede's stepson, Auguste Chouteau, describing the founding of St. Louis, and the original manuscript, "Journal of the Proceedings of the First Legislative Council of the Territory of Louisiana, from June 3, 1806 to October 9, 1811."

For individuals researching the organization of the territorial government of the Louisiana Purchase or Missouri's first steps toward statehood, these documents are of extreme importance. Another notable possession is the four-volume elephant folio of Audubon's "Birds of America." The library is open to the public and currently maintains a broad-based membership of over 2,000. While membership is necessary to check out materials—membership dues are currently a nominal $10 per year—anyone can use the books and collection on the premises of the library. The library is also made available to students from Washington University to observe the library's unique cataloging systems, reference department and rare book room.

Mr. President, in my opinion, neither the St. Louis Mercantile Library nor the Linda Hall Library should be penalized by the private foundation rules and applicable excise taxes. These provisions were not intended to penalize organizations that clearly provide a public benefit such as these libraries do. Further, other libraries of a similar nature likewise should not be burdened with the additional legal and accounting expenses to assure that they continue to satisfy the publicly supported financial tests.●

By Mr. PACKWOOD (for himself, Mr. MOYNIHAN, Mr. ROTH, and Mr. RIBICOFF):

S. 1095. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Finance.

TUITION TAX RELIEF ACT

● Mr. PACKWOOD. Mr. President, Senators MOYNIHAN, ROTH, RIBICOFF, and I are today renewing our joint efforts to enact tuition tax credit legislation. This issue has been before the Congress many times over recent years. We hope that a form of tuition tax credits acceptable to a majority of both the House and the Senate can be enacted before the next Presidential election.

We note that Senator ROTH has already introduced tuition tax credit legislation for college and vocational students (S. 1050), and for elementary and secondary students (S. 1051). Senator ROTH's bills, and the bill we are introducing today, are intended to bring the tuition tax credit issue back before Congress.

The bill we are offering today provides tuition tax credits for college, vocational, elementary, and secondary students. Phase 1 begins in August 1, 1980. At that time persons paying college and vocational tuition would become eligible for a tax credit equal to 50 percent of tuition, up to a maximum credit of $250 per year. This amount increases to $500 in August 1, 1982. At that time, students enrolled more than half time, but less than full time, also become eligible for the tax credit.

The tax credit for elementary and secondary students is effective August 1, 1981. The credit equals 50 percent of tuition up to $100. This increases to $250 on August 1, 1982.

As many of you remember, tuition tax credits were a major issue before Congress in 1977–78. The House of Representatives approved tuition tax credits for college, vocational, and elementary and secondary students. The Senate Finance Committee overwhelmingly approved tuition tax credits for college, vocational, elementary and secondary students, but the Senate deleted elementary and secondary.

These bills led to two conference reports. The first conference report provided tuition tax credits for college and vocational students only. This was rejected by the House of Representatives. The second conference report provided tuition tax credits for college, vocational, and secondary students. This was rejected by the Senate.

Throughout congressional consideration of tuition tax credits in 1977 and 1978, it was apparent that a majority of both Houses favored some form of tuition tax credit bill.

We hope that the 96th Congress can enact some form of tuition tax credit legislation. We believe that the best approach is one which covers all categories of educational institutions. We have consistently supported public education at all levels; however, we believe that tuition tax credits are also an important part of the Nation's educational policy. Tuition tax credits give recognition to parents who have been reducing public educational costs by supporting the public school system through their tax dollar, and the nonpublic school system through tuition payments. Tuition tax credits also will help preserve diversity of educational opportunity for families of all income levels.

We invite public and congressional comment on this important legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1095

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 1. Short Title.

This Act may be cited as the "Tuition Tax Relief Act".

Sec. 2. Credit for Certain Tuition.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowable) is amended by inserting before section 45 the following new section:

"Sec. 44D. Certain Tuition.

"(a) General Rule.—In the case of an individual there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the tuition paid by him for the calendar year in which such taxable year begins to one or more eligible educational institutions for himself, his spouse, or any of his dependents (as defined in section 152).

"(b) Maximum Dollar Amount.—The maximum dollar amount allowable as a credit shall not exceed the applicable amount determined under the following table:

"Calendar year	Applicable amount in case of—	
	Student at elementary or secondary school	Student at postsecondary school
1980		$250
1981	$100	260
1982 and thereafter	250	500

"(c) Application With Other Credits.—The credit allowed by subsection (a) shall not exceed the tax imposed by this chapter for the taxable year, reduced by the sum of the credits allowable under a section of this subpart having a lower number or letter designation than this section, other than the credits allowable by sections 31, 49, and 53.

"(d) Payments Taken Into Account.—

"(1) When payments must be made and education furnished.—Payments shall be treated as paid for any calendar year—

"(A) For 1980.—In the case of calendar 1980, only if such payments—

"(i) are made on or after August 1, 1980, and before February 1, 1981, and

"(ii) are for education furnished on or after August 1, 1980 and before January 1, 1981.

"(B) For 1981 or thereafter.—In the case of any calendar year after 1980, only if such payments—

"(i) are made during such calendar year or during the 1-month period before or the 1-month period after such year, and

"(ii) are for education furnished during such calendar year.

"(2) Tuition must be for general course of instruction.—

"(A) In general.—Tuition attributable to a course of instruction which is not a general course of instruction shall not be taken into account under subsection (a).

"(B) General course of instruction defined.—For purposes of subparagraph (A), the term 'general course of instruction' means a course of instruction—

"(i) which is offered by an elementary or secondary school, or

"(ii) for which credit is allowable toward a bacculaureate or associate degree by an institution of higher education, or a certificate of required course work at a vocational school, but does not include any course of instruction which is part of the graduate program of the individual.

"(3) Individual must be full-time student or (for calendar years after 1981) a qualified half-time student.—

"(A) In general.—Amounts paid for the education of an individual shall be taken into account under subsection (a)—

"(i) for calendar year 1980 or 1981, only if such individual is a full-time student for such calendar year, or

"(ii) for any calendar year after 1981, only if such individual is a full-time student or a qualified half-time student of such calendar year.

"(B) Full-time and qualified half-time student defined.—For purposes of this section.—

"(i) The term 'full-time student' means any individual who, during any 4 calendar months during the calendar year, is a full-time student at an eligible educational institution.

"(ii) The term 'qualified half-time student' means any individual who, during any 4 calendar months during the calendar year, is a half-time student (determined in accordance with regulations prescribed by the Secretary) at an eligible educational institution. Regulations prescribed for purposes of the preceding sentence with respect to the determination of whether an individual is a half-time student shall not be inconsistent with regulations prescribed by the Commissioner of Education under section 411(a)(2)(A)(ii) of the Higher Education Act of 1965 for purposes of part A of title IV of such Act.

"(C) Individual who attends both secondary and postsecondary institution during same calendar year.—In the case of an individual who is a full-time student or a qualified half-time student at an eligible educational institution for any calendar year, for purposes of this section—

"(i) if such individual is a full-time student or a qualified half-time student for such year determined by taking into account only his status as a student at a postsecondary institution, he shall be treated as a full-time student or a qualified half-time student (as the case may be) at such an institution, or

"(ii) if clause (i) does not apply, he shall be treated as a full-time student or a qualified half-time student (as the case may be) at a secondary school for such calendar year.

"(e) Tuition Defined.—

"(1) In general.—For purposes of this section, the term 'tuition' means tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, including required fees for courses.

"(2) Certain amounts not included.—The term 'tuition' does not include any amount paid, directly or indirectly, for—

"(A) books, supplies, or equipment for courses of instruction,

"(B) meals, lodging, transportation, or similar personal, living, or family expenses, or

"(C) education below the first-grade level.

"(3) Amounts not separately stated.—If an amount paid for tuition includes an amount for any item described in subparagraph (A), (B), or (C) of paragraph (2) which is not separately stated, the portion of such amount which is attributable to such item shall be determined under regulations prescribed by the Secretary.

"(f) Eligible Educational Institution.—For purposes of this section—

"(1) Eligible educational institution.—The term 'eligible educational institution' means—

"(A) an institution of higher education;

"(B) a postsecondary vocational school;

"(C) a secondary school, or

"(D) an elementary school.

"(2) Institution of higher education.—The term 'institution of higher education' means an institution described in section 1201(a) or 491(b) of the Higher Education Act of 1965 (as in effect on January 1, 1979).

"(3) Postsecondary vocational school.—The term 'postsecondary vocational school' means an area vocational education school as defined in subparagraph (C) or (D) of section 109(2) of the Vocational Education

Act of 1963 (as in effect on January 1, 1979), which is located in any State.

"(4) ELEMENTARY AND SECONDARY SCHOOL.—The terms 'elementary school' and 'secondary school' mean any elementary or secondary school (as defined in subsections (c) and (b) of section 801 of the Elementary and Secondary Education Act of 1965 as in effect on January 1, 1979), which is privately operated but only if it is—

"(A) operated in accordance with applicable State law, and

"(B) exempt from taxation under section 501(a) as an organization described in section 501(c)(3).

The terms 'elementary school' and 'secondary school' includes facilities which offer education for individuals who are physically or mentally handicapped as a substitute for public elementary or secondary education.

"(5) POSTSECONDARY INSTITUTION.—The term 'postsecondary institution' means an institution of higher education or a postsecondary vocational school.

"(6) MARITAL STATUS.—The determination of marital status shall be made under section 143.

"(g) SPECIAL RULES.—

"(1) TREATMENT OF CERTAIN SCHOLARSHIPS AND VETERANS' BENEFITS.—

"(A) OFFSET AGAINST TUITION DOLLAR FOR DOLLAR.—For purposes of this section, any amount received as a nontaxable scholarship or educational assistance allowance for any period shall be treated—

"(i) as used for tuition attributable to such period, and

"(ii) as tuition not paid by the taxpayer.

("B) NONTAXABLE SCHOLARSHIP OR EDUCATIONAL ASSISTANCE ALLOWANCE DEFINED.—For purposes of subparagraph (A), the term 'nontaxable scholarship or educational assistance allowance' means—

"(i) a scholarship or fellowship grant (within the meaning of section 117(a)(1)), or similar award which is not includible in gross income and,

"(ii) an educational assistance allowance under chapter 32, 34, or 35 of title 38, United States Code.

"(2) TAXPAYER WHO IS A DEPENDENT OF ANOTHER TAXPAYER.—No credit shall be allowed to a taxpayer under subsection (a) for amounts paid for any calendar year for tuition for the taxpayer if such taxpayer is a dependent of any other person for a taxable year beginning in the calendar year in which the taxable year of the taxpayer begins.

"(3) SPOUSE.— No credit shall be allowed under subsection (a) for amounts paid for any calendar year for tuition for the spouse of the taxpayer unless—

"(A) the taxpayer is entitled to an exemption for his spouse under section 151(b) for the taxable year beginning in such calendar year, or

"(B) the taxpayer files a joint return with his spouse under section 6013 for such taxable year.

"(h) DISALLOWANCE OF CREDITED EXPENSES AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed under any other section of this chapter for any amount paid for tuition for any individual except to the extent that such amount exceeds the amount necessary for the allowance of the maximum amount which may be allowed under this section for tuition for such individual for the taxable year. The preceding sentence shall not apply to any amount paid for tuition by any taxpayer who, under regulations prescribed by the Secretary, elects not to apply the provisions of this section with respect to such tuition for the taxable year.".

(b) LIMITATION ON EXAMINATION OF BOOKS AND RECORDS.—Section 7605 of such Code (relating to time and place of examination) is amended by adding at the end thereof the following new subsection:

"(d) EXAMINATION OF BOOKS AND RECORDS OF CHURCH-CONTROLLED SCHOOLS.—Nothing in section 44D (relating to credit for tuition) shall be construed to grant additional authority to examine the books of account, or the activities, of any school which is operated, supervised, or controlled by or in connection with a church or convention or association of churches (or the examination of the books of account or religious activities of such church or convention or association of churches) except to the extent necessary to determine whether the school is an eligible educational institution within the meaning of section 44D(f)(1).".

(c) TAX CREDIT NOT TO BE CONSIDERED AS FEDERAL ASSISTANCE TO INSTITUTION.—Any educational institution which enrolls a student for whom a tax credit is claimed under this Act shall not be considered to be a recipient of Federal assistance under this Act.

(d) SEPARABILITY.—If any provision of section 44D of the Internal Revenue Code of 1954 (or any other provision of such Code relating to such section), or the application thereof to any person or circumstances, is held invalid, the remainder of such provisions, and the application of such provisions to other persons or circumstances, shall not be affected.

(e) DISREGARD OF REDUCTION OF TAX LIABILITY.—Any reduction in the income tax liability of any individual by reason of section 44D of the Internal Revenue Code of 1954 (relating to credit for certain tuition) shall not be taken into account for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program of educational assistance or under any State or local program of educational assistance financed in whole or in part with Federal funds.

(f) CONFORMING AMENDMENTS.—

(1) The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately before the item relating to section 45 the following:

"Sec. 44D. Certain tuition.".

(2) Subsection (b) of section 6096 of such Code (relating to designation of income tax payment to Presidential Election Campaign Fund) is amended by striking out "and 44C" and inserting in lieu thereof "44C, and 44D".

SEC. 3. EFFECTIVE DATE.

The amendments made by section 2 of this Act shall apply to taxable years ending on or after August 1, 1980, with respect to amounts paid on or after such date for education furnished on or after such date.●

● Mr. MOYNIHAN. Mr. President, today, Senators PACKWOOD, RIBICOFF, and ROTH and I are introducing legislation to provide tuition tax credits for students attending elementary, secondary, and postsecondary educational institutions.

The Tuition Tax Relief Act we are proposing would provide a maximum credit of $250 per year for elementary and secondary school students, and $500 per year for college students. It would begin in August 1980, and become fully effective in 1982. The credit would be calculated at the rate of 50 percent of tuition and required fees, up to the limits indicated.

Similar legislation was overwhelmingly approved by the Senate Finance Committee on two occasions in 1978, most recently on August 4 by a vote of 15 to 1. The House of Representatives approved a related version of this bill, including elementary and secondary as well as postsecondary education, on June 1, 1978, by a vote of 237 to 158. When the legislation was considered by the full Senate in August 1978, tuition tax credits for college and other postsecondary students were approved by a vote of 65 to 27, but elementary and secondary students were not included. (The Senate vote on the amendment to eliminate credits at the primary and secondary level was 56 to 41.) When it proved impossible for the Senate-House conferees to agree on a version of this legislation that could be accepted by both bodies in the closing hours of the 95th Congress, we indicated our intention to offer this legislation again in the 96th Congress.

The Senate has repeatedly indicated its strong support for tuition tax credits at the college level. More controversy surrounds the question of aid to students attending nongovernmental primary and secondary schools, but we are steadfast in our conviction that such aid ought be provided by the Federal Government and that tax credits are an appropriate means of doing so.

There can be few areas of public policy as muddled as that of Government aid to nongovernmental schools, and perhaps only an unwary person in public life will venture too far into the field.

I wonder if others have been struck, as I have been, by the contradictions of public policy in this area. For a generation now, from the time the Supreme Court called for severe restraints on public assistance to nonpublic schools, various levels of government have both imposed these restraints and have failed to excel themselves in devising ways, small or even symbolic, to get around them. One would say there is a considerable disjunction between what we say and what we do in this field save that the whole business is so muddled as to preclude the very thought of anything being distinct.

Such murkiness is properly a warning to officeholders. Even so I have become involved, perhaps to my cost, perhaps not, out of a combination of personal experience and public concerns which it may be useful to explain more fully, if only that others might understand why I go on so about this issue.

My experience begins with my having attended such schools, specifically the Catholic parochial schools of New York City, as a child, and the fact that when I did so there seemed nothing in the least unusual about them. They were the normal schools of my youth, in every sense parochial, and to the child's perception entirely public. Like prephyloxera wine, you might say I was a pre-Everson parochial school student. I was an adult before the Supreme Court decision in 1947 placed these schools, inevitably imbued with a public purpose, in a defensive, almost suspect position.

In the 1950's, with Nathan Glazer, I began to study ethnic relations in the United States and learned how greatly different both doctrine and practice were in the early history of the Nation, indeed almost into the 20th century. Thus it was fairly easy for me to feel that the Supreme Court rulings of the 1940's and after were ahistorical.

Allow me to call attention to this point. There are two kinds of people: Those who believe that the Court's decisions in the school cases reflect a clear or at least discoverable purpose of the first amendment, and those who think that much of it, as Erwin Griswold has it, is "sheer invention." As between such persons there is a considerable gulf of understanding.

My concern is this area has different origins. We face a great contraction in the nongovernment sector in education. I feel this will be a loss to pluralism, and yet another instance of the conquest of the private sector by the public sector about which Schumpeter wrote a quarter century ago. I also feel that this contradiction poses fundamental problems for many cities of the Northeast, and perhaps especially for those of my own State.

Hence I have been an advocate of tuition tax credits, which almost passed the last Congress, and may well pass in the present one. In the meantime I have become ever more absorbed by the contradictions in public policy even at the level of the National Government.

This came to me with special force on April 9, on the occasion—the second within a week's span—that the Senate voted to deny the Supreme Court jurisdiction over questions concerning prayer in the public schools. Now this action seemed to me genuinely to involve—and probably to violate—the basic law of the land. Prayer prescribed by public authorities, whether voluntary or not, gets very close to the notion of the establishment of religion, which the Constitution forbids. Publicly prescribed prayer is, for practical purposes, what established religion is all about. On that we need not have the least doubt concerning the intentions of the framers of the first amendment.

(In the course of our debate that day, one of my colleagues rose "to speak as a Christian" about what he called the "secular humanism that abounds in our children's schools today." He did not like this and thought "we Christians" should do something about it. It seemed to me that constitutional niceties were rather absent from our deliberations that day.)

The Vice President was present, on hand to cast a vote in the unlikely event of a tie. (The outcome was 51 to 40 in support of school prayer.) He and I talked a bit about the debate, and I remarked that while I was opposed to the amendment I could readily understand how Americans, a religious people, would be uncomprehending of a Government that seemed to deny them what they would regard as the free exercise of religion in the schools, which they would regard as the most important of all Government institutions.

I said to the Vice President that it was with just this difficulty in mind that Senator PACKWOOD and I had introduced legislation in the previous Congress calling for tuition tax credits. A plural school system, with a strong church-related sector, would avoid just the kind of agonizing choice the Senate was facing that day, the choice between seeming to thwart the religious preferences of the people or to circumscribe the power of the Supreme Court to rule on whether our fundamental rights are being infringed by Government. There was the Vice President vainly trying to prevent the latter. Perhaps, I said, the administration should not have been quite so vehement and quite so complacent in its opposition to tuition tax credits.

Vice President MONDALE is a friend of diversity and pluralism and, if my impression is not mistaken, one of the few friends we have in the administration in this matter. (I say this from a long acquaintance rather than from any specific undertaking. Of course he supports the President on the specific issue.) My having mentioned tuition tax credits, he proceeded to say that the administration could do a great deal more than it does to provide assistance to Catholic schools. He mentioned a provision of the Emergency School Assistance Act of 1970, which he helped draft, which he said could provide aid for inner-city Catholic schools with large minority enrollments. He urged me to get on to the Department of Health, Education, and Welfare and ask them to put up $25 million for this purpose, which he said they could easily do and do with complete legality.

I called HEW. They fumbled and mumbled, which is what they do at HEW. Yes, there is such a provision. Yes, there is such money. Perhaps church-related schools would get some. At least perhaps their students can obtain "educational services" with the help of these moneys.

The money is not important. The point I am trying to illustrate, however, is important.

Observe the Vice President sincerely trying to get more money for Catholic schools, when scarcely 6 months earlier the administration of which he was a member allied itself with a coalition of groups opposed to tuition tax credits that denounced our purposes in language that was not at all restrained and sometimes scarcely civil. The least that was implied of Catholic schools by this coalition was that they harbor "ideological viewpoints in violation of the Constitution and American principles."

The least the administration could have done was to disassociate itself from such rhetoric. It did nothing of the sort. Yet here was the Vice President proposing to help the very cause which his administration had been so determined to hinder.

How did we get into these seeming contradictions in the direction of public policy?

A conundrum?

I think not. Such at least is my impression after a long and lengthening involvement with the subject.

To recapitulate, it was only in 1947 that the Supreme Court ruled on public aid to nonpublic schools, setting up standards that were considerably at odds with long and varied practice.

In the years since 1947, seeking to accommodate theory to practice (by which I imply that the Court has steadily retreated from its original position), the Court's decisions have become ever more confused and contradictory, so much so that Philip Kurland of the University of Chicago could write that "the Court is thoroughly unprincipled in the area" of public aid to church-related schools (by which of course, he means that the decisions reveal no coherent principle). In testimony before the Senate Committee on Finance in January 1978, his colleague, Prof. Antonin Scalia, who was previously the Assistant U.S. Attorney General, Office of Legal Counsel and thus the senior constitutional authority in the executive branch, stated that—

> It is impossible, within the time allotted, to describe with any completeness the utter confusion of Supreme Court pronouncements in the church-State area. . . .

The pronouncements contains a series of extraordinary distinctions. In Tilton against Richardson (1970), for example, the Chief Justice ruled that it is permissible to provide Federal aid to church-related colleges and their students but not to parochial high schools and their students because, he wrote:

> There is substance to the contention that college students are less impressionable and less susceptible to religious indoctrination.

Now if you will believe that, in the sense of believing there is a scientifically valid distinction between the susceptibility to indoctrination of 18-year-olds as against 19-year-olds, you will believe anything. And, of course, there is not.

In Wolman against Walter (1977), Mr. Justice Blackmun on behalf of the Court found it constitutional to provide nonpublic school pupils with books but unconstitutional to supply them with instructional materials and equipment. In other words a book may be provided, but not a map. The Court has yet to rule on atlases, which are books of maps.

I have offered the thought that the rulings of the Supreme Court on the establishment clause and on the issue of aid to church-related schools are strikingly parallel to the long, tormented, and in the end, absurd rulings concerning the 14th amendment and labor legislation.

From the last decade of the 19th century on into the fourth decade of the 20th century the U.S. Supreme Court solemnly declared that the due process clause of the 14th amendment forbade labor legislation. Thus the State of New York, for example, could not require that bakers work no more than 10 hours a day.

This was solemn nonsense, as Holmes tried in vain to point out as early as 1905 in Lochner against New York. But it had to run its course. By the 1930's almost everyone knew it was solemn nonsense, and eventually the Court realized it also. In 1954, in Williamson against Lee Optical Co., Mr. Justice Douglas declared:

> The day is gone when this Court uses the Due Process Clause of the Fourteenth Amendment to strike down state laws, regulatory of business and industrial conditions, because they may be unwise, improvident, or out of harmony with a particular school of thought.

Or, as Mr. Justice Black put it in 1962 in Ferguson against Skrupa:

> The doctrine that prevailed in Lochner, Coppage, Adkins, Burns, and like cases—that

due process authorizes courts to hold laws unconstitutional when they believe the legislature has acted unwisely—has long since been discarded.

I stress this because it is sometimes necessary to remind ourselves that the Supreme Court does change its mind, a point on which we have long had Mr. Dooley's testimony. I spoke to this matter in an address to the Scripps-Howard Foundation awards luncheon on April 27 and put it as plainly as I know how:

> Our first duty to the Court is to obey it, and this we do with loving fealty. But a second duty, surely, when we think the Court to be wrong, is to seek to persuade it of this.

The point is that any mildly diligent scholarship would have established that the 14th amendment had nothing to do with labor legislation. But for a complex of reasons, the Court, for a period, said that it did. I hold that in just this way the first amendment has nothing to do with schools. It says that there shall be no established national church. Nothing more, nothing less. Nothing, certainly, to prohibit public aid to the only kind of schools which existed at the time the first amendment was adopted. Erwin Griswold, then Dean of Harvard Law School and later to be Solicitor General of the United States, wrote in the Utah Law Review in 1963:

> It is perfectly true, and highly salutary, that the First Amendment forbade Congress to pass any law "respecting an establishment of religion or prohibiting the free exercise thereof." These are great provisions, of great sweep and basic importance. But to say that they require that all trace of religion be kept out of any sort of public activity is sheer invention.

Even so, there has arisen in the course of recent generations, a body of opinion in our society which is sincerely opposed to the influence of religious belief and religious institutions in the secular activities of the society. In some cases it is particular religious beliefs and particular religious institutions that are objected to, but it is the more general attitude that is the more important. One has the impression that this attitude is not self-confident today as it may once have been, but surely it persists. The attitude is nowhere so strong as in education. It has produced, unwittingly perhaps, the conviction that education is not safe until it is a public monopoly free altogether of "pre-modern" religious practice or profession.

I would wish to stress that in my view it is entirely legitimate to raise this proposition. There is a clear argument to be made for a single secular school system, just as an equally clear argument can be made for a plural school system. My objection is to the use of the constitutional issue to prevent resolution of the issue of public policy.

I dare to say I speak from some experience. I was a member of the administration of President Kennedy and involved with the issue then. His effort to establish Federal aid to education came to stalemate because his advisers would not include church-related schools, and the churches would not support his legislation without it.

In 1964 I was involved in the negotiations which led up to the inclusion in the Democratic platform of that year of the simple plank which stated:

> New methods of financial aid must be explored, including the channeling of federally collected revenues to all levels of education, and, to the extent permitted by the Constitution, to all schools.

This removed opposition to Federal aid, and within months the Elementary and Secondary Education Act of 1965 was law.

The law was passed with support of the nonpublic schools, and could not have passed without that support.

The ESEA was a promise. Was it kept? No.

I offer you the observations just last year of Monsignor Francis B. Shulte, superintendent of schools of the Archdiocese of Philadelphia, urging the House Ways and Means Committee not to make Congress "a party to pledges of improved ESEA benefits offered as a sop" to the parents of Catholic school children. "Such a parent," Monsignor Shulte explained, "knows that, after 13 years, Health, Education, and Welfare is only now getting the first benefits to eligible nonpublic school students in several of our States; he knows how limited the number of beneficiaries of that law are; and the ESEA will not help his burden of tuition and taxation."

Why? Because the education professionals who took over the program, and the extensive support networks in the Nation at large, did not as a matter of policy want assistance to go to nonpublic schools. I truly believe that there are those who in fact would as soon see these schools more or less disappear as a major educational alternative. And indeed these schools are, if not disappearing, then surely declining. In 1965 there were 13,292 of them, enrolling 5.6 million students. In 1977, there were only 9,797 schools with 3.3 million pupils.

In the meantime, however, the influence of others who want to see the nonpublic schools survive and even prosper is also to be seen at work. Successive political national candidates, successive national party conventions, successive national administrations endorsed such measures.

Our beloved former colleague, the late Senator Hubert Humphrey, who was the Democratic candidate for the presidency in 1968, stated that:

> I favor the creation of a system where parents would be able to receive a tax credit when their children attend approved private schools.

He was a cosponsor of the tuition tax credit bill which Senator PACKWOOD and I introduced in the 95th Congress.

In 1972, Senator GEORGE MCGOVERN, the Democratic Party's presidential candidate of that year declared his "support of the tax credit approach to aid the parents and children attending parochial and other bona fide nonpublic schools." In 1973, Treasury Secretary George Shultz, testifying on behalf of the Nixon administration, stated that:

> The nonpublic school system educates a tenth of our school children. In order to preserve this vital national asset and to provide needed tax relief for the many low and middle income families who bear a large part of the cost, we recommend enactment of a refundable income tax credit for nonpublic elementary and secondary school tuition.

In 1976, both party platforms promised aid to nonpublic education. The Republicans said:

> We favor consideration of tax credits for parents making elementary and secondary school tuition payments. . . . Public schools and nonpublic schools should share an education fund on a constitutionally acceptable basis.

The Democrats said:

> The party renews its commitment to the support of a constitutionally acceptable method of providing tax aid for the education of all pupils in nonsegregated schools in order to insure parental freedom in choosing the best education for their children.

On October 19, 1976, Jimmy Carter wrote to the chief administrators of Catholic education about his own support for aid to nonpublic education. He said:

> Throughout our Nation's history, Catholic education institutions have played a significant and positive role in the education of our children. . . . Therefore, I am firmly committed to finding constitutionally acceptable methods of providing aid to parents whose children attend parochial schools.

Yet here we are 2½ years later and once again nothing has happened.

Although it will seem presumptuous, I think finally that I understand why.

The opponents of aid to nongovernment schools have once again effectively blocked consideration of the issue as public policy—the question whether it is desirable to provide such aid—by interposing the question of whether it is constitutionally possible to do so.

This is a repeated pattern. Whenever the issue of aid to nonpublic schools arises, those who are opposed to such aid manage to interpose the question of constitutionality. Invariably, at least until now, this has smothered the issue of public policy.

And this is the point I wish to make. As I would see it, the issue of public policy properly comes first. Until that is settled, there can be no resolution of the issue of constitutionality. But by insisting on the primacy of the constitutional issue, the opponents of aid to nonpublic schools have effectively prevented either issue from ever being settled.

What are we to do?

I have two comments, and one proposal.

My first comment is that supporters of nonpublic schools would be within their rights to grow just a shade less patient. Ours, after all, is the only English-speaking democracy in the world that does not provide public assistance to church-related schools.

Not long ago I was discussing these matters with Prof. Edward Shils, the distinguished sociologist who was in Washington to deliver the Jefferson Lecture, the most prestigious lectureship in the gift of the U.S. Government. His topic was the relationship between education and the Federal Government. I spoke with him about some of the Supreme Court decisions in this area. He replied, in his direct way, that, very simply, Catholic schools in the United States are "persecuted."

Certainly some of the Supreme Court decisions verge on being troubling. Consider the instances in which Mr. Justice Douglas supported his opinions with references to a book called "Roman Catholicism" by Loraine Boettner, published in Philadelphia in 1962. (Presumably, all church-related schools are governed by these decisions, but one would have to be blind not to see that, alas, Catholic schools seem to be the issue.) This volume has been characterized by Prof. Douglas Laycock of the University of Chicago Law School as an elaborate hate tract. Mr. Boettner's view on Catholicism generally may be summarized in the following brief quote:

> Our American Freedoms are being threatened today by two totalitarian systems, communism and Roman Catholicism. And of the two in our country Romanism is growing faster than is communism and is the more dangerous since it covers its real nature with a cloak of religion.

That particular passage is not cited by Mr. Justice Douglas, but here is one that he quotes in footnote 20 of his concurring opinion in *Lemon* v. *Kurtzmann* (403 U.S. 602, 635, 1971):

> In the parochial schools Roman Catholic indoctrination is included in every subject. History, literature, geography, civics, and science are given a Roman Catholic slant. The whole education of the child is filled with propaganda. That, of course, is the very purpose of such schools, the very reason for going to all of the work and expense of maintaining a dual school system. Their purpose is not so much to educate, but to indoctrinate and train, *not to teach scripture truths and Americanism*, but to make loyal Roman Catholics. The children are regimented, and are told what to wear, what to do, and what to think. (Emphasis added.)

Ponder the implications of Mr. Boettner's charge that Catholic schools do not teach "scripture truths."

One cannot easily imagine such evidence being used against the interest of another major religious or ethnic group in our Nation without raising puzzled eyebrows, if not indeed holy hell.

Here—my second point—there is a task of advocacy which advocates of tuition tax credits, or whatever, must assume. Let me illustrate. On Tuesday, April 3, the New York Times reported the Supreme Court's refusal the preceding day to "continue a lower-court order that has prevented New York State from reimbursing parochial schools for complying with state-mandated tests and record keeping tasks."

Some paragraphs later the article stated that:

> The Federal Constitution specifically forbids state aid to parochial schools.

Of course the Constitution does no such thing. There is no mention either of schools or of education in the Constitution.

Upon encountering this, my first and probably professorial impulse was to write a letter to the Times, pointing out the error. Then I thought no, I would wait to see if the Times would correct itself, or if some representative of Catholic education—or someone—would write in to say "But this isn't so." To my knowledge, no one has. At least I have seen no correction in the Times, which would have been more than willing, would have been actively desirous of correcting an innocent but not unimportant mistake. And so one asks: If we do not respond, who will do it for us? If we are so lax in our reading of the Constitution, who will counter those who use the Constitution to avoid discussing social policy?

To repeat, if our experience with tuition tax credits in the 95th Congress taught us anything, it is that those who prefer not to help our schools are wont to interpose the Constitution between any specific proposal and the issue of social policy that it properly addresses. It is not that we wish to avoid the constitutional question; to the contrary, we welcome the court test, and have asked only that we be given our day in court. But the constitutional issue cannot be resolved until appropriate enabling legislation is passed, and legislation will not be passed until our proposition is dealt with in the domain of public policy.

In this regard, I believe one must fault President Carter. In 1976 he declared himself in favor of "finding constitutionally acceptable ways of providing aid to parents whose children attend parochial schools." This could only mean one thing: Tuition tax credits. But when the opportunity presented itself of finding out whether tax credits are constitutional, the President, through his Secretary of HEW, asserted they were not, and so opposed enactment of our bill which was the only possible way of finding out whether they were. To repeat, the pattern persists.

Hence, I would hold that those who, as a matter of policy, do not favor educational pluralism, or who do not want public funds to assist nonpublic schools and their students, should be obliged to say so and not be permitted to avoid that question by substituting predictions of what the Supreme Court will or will not say if in fact legislation were passed to provide such assistance.

Unless legislation passes in this Congress, the issue will, unavoidably, be raised in the 1980 election. I remind you that the last three Democratic candidates pledged to provide aid in some form. Republican candidates have done the same. They will be asked to do so again, and in all likelihood will.

I would like to suggest that this time around the questioning be a bit more sophisticated. I do not conceal my feelings that the commitments made by my party's platform in 1964 were not kept by President Johnson. Nor has President Carter kept the commitment he made—not in any meaningful sense.

If, then, the matter is not resolved beforehand, I would suggest that in 1980 it ought not be enough for candidates simply to indicate a warm disposition toward a popular cause. Candidates who wish to be understood as favoring some form of aid should be expected to say just what form they intend, and then to say that they will press the matter through Congress in order that it may be tested in the Supreme Court. They should be asked to specify that they will not use the constitutional question as an excuse to avoid the question of public policy.

It seems to me that this is a reasonable expectation. It may be that when put in this manner no candidate will want to be associated with support for nonpublic schools. In which event, fair enough. It is an important issue, and very much an urban issue. (I happen, for example, to think the survival of the Catholic school system in New York City is essential to the future of the city.)

This would scarcely be the only issue in an election, and I would certainly hope that it does not join that growing list of single issues. If we are disappointed, so be it. But that is better than being misled. There is too much of that: probably always has been, but there is no point settling down to a kind of agreed-upon deception such as is practiced in the quadrennial pledge to repeal the Taft-Hartley Act.

The springs of democracy should run clear. We have rather muddied them in this matter, and should do better.

Finally, I would hope we all might be a bit more ecumenical in this issue than we have been. There are those who just don't like church-related schools, and are not going to change their minds. But many more persons are genuinely worried as to what might happen to the public schools if aid is provided to what they see as a competing system. (They deserve answers, just as we do.)

We begin with a common concern for education. Surely that should lead to a shared dialog on how best to advance it.●

By Mr. STEVENS (for himself, Mr. GOLDWATER, and Mr. JAVITS):

S. 1096. A bill to amend title 39, United States Code, to provide for an extension of the provisions of section 3626(a) relating to reduced rates; to the Committee on Governmental Affairs.

Mr. STEVENS. Mr. President, every day we are becoming increasingly aware of the horrors of inflation. All of the recent polls show that inflation is perceived to be the most serious problem facing America today. We in Congress must try to stem this riptide of destruction by finding areas that contribute to or will contribute to these continually escalating prices.

Mr. President, the bill I am introducing today will provide an opportunity to prevent an additional onslaught of higher costs upon the economy. My bill would phase in a scheduled 22-percent increase in second-class postal rates over a 3-year period. The bill simply postpones the date whereby second-class mailers would be required to pay full postage as required in the Postal Reorganization Act of 1970 from July 6, 1979, to July 6, 1981.

Instead of facing a 22-percent increase on second class rates on July 6 of this year, the public will absorb annual 7-percent increases over the next 3 years. And I say the public will absorb the increases because most of any postal rate increase is simply passed on to the consumer.

Consequently, what we are really talking about in this bill is the phasing, over the next 3 years, of a 22-percent increase that the subscriber to magazines and newspapers would have to pay beginning July 7. Thus, the bill not only accomplishes a significant saving for the consumer but also indirectly bolsters the President's program by limiting cost increases to 7 percent per year.

Mr. President, we are all aware of the great variety of printed media available to the American public through magazines, periodicals, booklets, newspapers, and books. Their primary distribution is, of course, the U.S. mails, mainly via second class. It is true that a great many publications can be purchased at the newsstand. However, there are a great many Americans who do not have ready access to newsstand publications, such as Native Americans in Alaska, in rural farms in Ohio, cattle ranchers in the Rockies, logging camp inhabitants in the Pacific Northwest, miners in Appalachia, or Pueblo Indians in New Mexico.

It is these Americans who depend most upon the mail service, not only for their personal contacts but also for their access to the world around them. There is no portion of this Nation that does not have significant groups of individuals who fit into this category. Through the Postal Service, we must continue to make available inexpensive means of obtaining magazines and newspapers.

We cannot allow significant increases in postal rates to decrease subscriptions to a point that publications will close their doors and deprive Americans of that publication's contribution. We cannot allow significant increases in postal rates to price out existing important publication relations to hundreds of areas of interest to Americans.

Recently, James Gill, publisher of the Hemet News in California, made some remarks in his testimony before the House Post Office and Civil Service Committee. He pointed out:

> [A]t a time when this country is doing its best to stem the tide of inflation, it is unfortunate that publishers must assume a 16 to 24 percent second class rate increase this July.

He added:

> [W]ith the quadrupling of postage bills (since 1971) what had been a modest amount has become a significant figure. While a number of publishers have been able to absorb some of the added cost, more and more are finding it necessary—and only fair—to pass on this cost to mail subscribers where alternative delivery is not a real choice. With another 20 percent postal rate increase this July, rural subscribers are going to find themselves faced with the unfortunate choice of a higher-priced newspaper or no newspaper at all. This onerous rate situation is not limited to the small daily and weekly newspapers that are delivered primarily by mail. It applies equally to the literally thousands of magazines, professional journals, and the output of numerous labor, religious, veterans and other similar organizations that are delivered mostly by mail.

My good friend, the distinguished senior Senator from Arizona (Mr. GOLDWATER) addressed this problem last fall in a speech when he noted:

> [I]t does not take much intelligence to know that whenever the Postal Service raises its rates, its action will directly affect the lives of the vast American reading public.

Time is of the essence if this measure is to become law before the July 6 date when rates are scheduled to increase. I urge early passage of this measure.

I ask unanimous consent to have the bill printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1096

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3626(a) of title 39, United States Code, is amended—

(1) in paragraph (1), by striking out "sixteenth" and inserting in lieu thereof "eighteenth"; and

(2) in paragraph (2), by striking out "eighth" and inserting in lieu thereof "tenth".

ADDITIONAL COSPONSORS

S. 489

At the request of Mr. DOMENICI, the Senator from West Virginia (Mr. RANDOLPH) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 489, the Medicare Home Health Amendments of 1979.

S. 591

At the request of Mr. DOLE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of S. 591, a bill to amend title XVI of the Social Security Act to remove various work disincentives which the handicapped now experience under the supplemental security income program.

S. 625

At the request of Mr. WALLOP, the Senator from Idaho (Mr. MCCLURE) and the Senator from Louisiana (Mr. JOHNSTON) were added as cosponsors of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977.

S. 642

At the request of Mr. STEVENS, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of S. 642, a bill to amend title 39 of the United States Code to provide reduced rates for certain mail matter sent by the United States Olympic Committee and its affiliated organizations.

S. 837

At the request of Mr. MELCHER, the Senator from Minnesota (Mr. DURENBURGER) was added as a cosponsor of S. 837, a bill to amend the Water Bank Act for the purpose of authorizing the Secretary of Agriculture to adjust payment rates with respect to initial conservation agreements and to designate certain areas as wetlands, and for other purposes.

S. 982

At the request of Mr. LUGAR, the Senator from Iowa (Mr. JEPSEN), and the Senator from Kansas (Mrs. KASSEBAUM) were added as cosponsors of S. 982, a bill to amend the Food Stamp Act of 1977 to authorize the Secretary of Agriculture to make fair and equitable reductions in food stamp benefits when insufficient funding is available.

S. 1068

At the request of Mr. DOLE, the Senator from Montana (Mr. BAUCUS), the Senator from New Jersey (Mr. BRADLEY), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Texas (Mr. BENTSEN), and the Senator from West Virginia (Mr. RANDOLPH) were added as cosponsors of S. 1068, a bill to amend title XVI of the Social Security Act to continue the disabled children's program another 3 years.

SENATE RESOLUTION 106

At the request of Mr. PELL, the Senator from Idaho (Mr. CHURCH), the Senator from New York (Mr. JAVITS), the Senator from Maryland (Mr. SARBANES), the Senator from Nebraska (Mr. ZORINSKY), the Senator from California (Mr. HAYAKAWA), and the Senator from South Dakota (Mr. MCGOVERN) were added as cosponsors of Senate Resolution 106, expressing the sense of the Senate that action should not be taken on any new nominee for the post of Ambassador to Afghanistan until the Government of Afghanistan fulfills certain conditions relating to the death of Ambassador Adolph Dubs.

SENATE RESOLUTION 143

At the request of Mr. MATHIAS, the Senator from California (Mr. HAYAKAWA) was added as a cosponsor of Senate Resolution 143, concerning preservation of historic Rhodes Tavern, Keith's Theatre, and Albee Building, and National Metropolitan Bank building in the District of Columbia.

SENATE RESOLUTION 153—SUBMISSION OF A RESOLUTION TO APPROVE AMENDMENT TO DOE STANDBY GASOLINE RATIONING PLAN NO. 1

Mr. BAUCUS (for Mr. JOHNSTON) submitted the following resolution, which was referred to the Committee on Energy and Natural Resources:

S. RES. 153

Resolved, That the Senate approves the contingency plan numbered 6 submitted to the Congress on May 8, 1979.

SENATE RESOLUTION 154—ORIGINAL RESOLUTION REPORTED AUTHORIZING THE REVISION AND PRINTING OF THE SENATE MANUAL

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 154

Resolved, That the Committee on Rules and Administration hereby is directed to prepare a revised edition of the Senate Rules and Manual for the use of the Ninety-sixth Congress, that said rules and manual shall be printed as a Senate document, and that two thousand additional copies shall be printed and bound, of which one thousand copies shall be for the use of the Senate, five hundred and fifty copies shall be for the use of the Committee on Rules and Administration, and the remaining four hundred and fifty copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

SENATE RESOLUTION 155—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY

Mr. PELL, from the Committee on Rules and Administration, reported the following original resolution:

S. RES. 155

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Carroll Williams Nye, Jr., father of Karen L. Nye, an employee of the Senate at the time of her death, a sum equal to three months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 156—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. NELSON, from the Select Committee on Small Business, reported the following original resolution, which was referred to the Committee on the Budget:

S. RES. 156

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 918, a bill to amend the Small Business Act and the Small Business Investment Act of 1958.

Such waiver is necessary to permit the consideration of legislation authorizing the enactment of new budget authority for fiscal year 1979 for the Small Business Administration disaster assistance program.

Authorizing legislation for this purpose was reported by the Small Business Committee prior to May 15, 1979, (H.R. 11445) and was ultimately approved by the Congress during the second session of the 95th Congress. However, the President withheld his signature from the bill after the sine die adjournment of the Congress. The effect of this disapproval was to cause certain benefits provided for in existing law to expire.

Major disasters have occurred, and may occur in the balance of this fiscal year, which could lead to increased loan activity, requiring new appropriations. This legislation is necessary to provide the authority for the enactment of those appropriations.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF STATE AUTHORIZATIONS—S. 586

AMENDMENT NO. 189

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS submitted an amendment intended to be proposed by him to S. 586, a bill to authorize appropriations for the Department of State, International Communication Agency, and Board for International Broadcasting for fiscal years 1980 and 1981, and a supplemental authorization for State for fiscal year 1979, and for other purposes.

AMENDMENT NO. 190

(Ordered to be printed and to lie on the table.)

Mr. HELMS submitted an amendment intended to be proposed by him to S. 586, supra.

VETERANS HEALTH CARE AMENDMENTS OF 1979—S. 7

AMENDMENT NO. 191

(Ordered to be printed and to lie on the table.)

Mr. HEINZ (for himself, Mr. PRESSLER, and Mr. McGOVERN) submitted an amendment intended to be proposed by them, jointly, to S. 7, a bill to amend title 38, United States Code, to revise and improve certain heath-care programs of the Veterans' Administration, to authorize the construction, alteration, and acquisition of certain medical facilities, and to expand certain benefits for disabled veterans, and for other purposes.

● Mr. HEINZ. Mr. President, I believe it is about time, after four Congresses, that we pass and enact these amendments to Veterans' Administration health programs. As a Vietnam-era veteran, I believe that this bill is especially significant because, for the first time, it will authorize a program of readjustment counseling for the veterans who served in our Nation's most unpopular war. However, as drafted, S. 7 provides that only Veterans' Administration facilities may provide counseling to affected veterans. It does not help those thousands of veterans who need help, but who do not live near a VA hospital, or need help at time the VA hospital is closed, or need help at hospitals not equipped to assist them.

Therefore, I am offering this amendment which, I believe, will remedy this serious flaw in the bill. My amendment will allow veterans who need readjustment counseling and other mental-health services to obtain them from community mental health centers under the Community Mental Health Center Act which will be reimbursed by the VA for the reasonable charges for those services. This program is identical to one contained in S 3596 that I introduced last year and H.R. 3102 introduced this year by the Vietnam veterans in Congress. It will open up this program to an additional 6,000 veterans in the first year who would not get readjustment counseling otherwise. This is the least we can do for the men and women we sent to fight for us in a war with no winners and many losers.

I ask unanimous consent that the text of my amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 191

On page 61, after section 202, insert a new section 203 as follows:

CHOICE OF HEALTH CARE FACILITIES

SEC. 203 (a) Subchapter III of chapter 17 is amended by adding at the end thereof the following new section:

"§ 629. Choice of facilities for certain mental health care for Southeast Asia veterans

"(a) (1) Any person whose active military, naval, or air service during the Vietnam era was the basis for the awarding of a Southeast Asia campaign ribbon and who is eligible for care and treatment under section 612A of this title or under section 620A of this title may, at the election of such person, receive such care and treatment through a community mental health center providing mental health services under the Community Mental Health Centers Act (42 U.S.C. 2689 et seq.).

"(2) The Administrator shall reimburse each community mental health center for the reasonable value of any care and treatment provided by it to a person which such person could have received from the Veterans' Administration and shall reimburse a person for any amount paid by such person to a community mental health center for such care and treatment.

"(b) (1) To assure that mental health care is available to persons whose active military, naval, or air service during the Vietnam era was the basis for the awarding of a Southeast Asia campaign ribbon, the Administrator shall contract for the provision of mental health care to such persons under such plans as the Administrator considers appropriate. The types of mental health care which may be provided under such plans are the types of care and treatment authorized to be provided under sections 612A and 620A of this title.

"(2) In contracting for plans under paragraph (1) of this subsection, the Administrator shall provide that no mental health care shall be available under such a plan in an area designated by the Administrator as having adequate mental health care available through community mental health centers operating under the Community Mental Health Centers Act and through which an eligible person may receive such care under subsection (a).

"(3) Any plan contracted for under this subsection shall include provision for payment by the Administrator for any service of the least of the following amounts:

"(A) 100 per centum of the actual charge for such service.

"(B) 100 per centum fo the usual charge for such service of the physician providing the service.

"(C) 100 per centum of the reasonable charge for such service.

"(4) No benefit shall be payable under any plan contracted for under this subsection in the case of any person enrolled in any other insurance, medical service, or health plan provided by law or through employment unless the person certifies that the particular benefit being claimed is not payable under such other plan.".

(b) The table of sections at the beginning of chapter 17 is amended by adding after the item relating to section 628 the following new item:

"629. Choice of facilities for certain mental health care for Southeast Asia veterans.".●

NOTICES OF HEARINGS

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT OF THE FINANCE COMMITTEE

Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Senate Finance Committee will hold a hearing on May 18, 1979 on miscellaneous tax bills.

The hearing will begin at 9 a.m. in room 2221 of the Dirksen Senate Office Building.

The following pieces of legislation will be considered:

S. 100, sponsored by Senator PACKWOOD, would amend the Internal Revenue Code to provide a deduction limited to $10,000 per taxpayer per year for expenses incurred for reforestation, and to establish a national trust fund for reforestation. The revenue loss is $40 million per year. The primary beneficiaries of this measure would be the timber industry and environmental groups.

Senator Packwood, the chief sponsor of S. 100, indicated that this legislation will provide an assured source of Federal funds for reforestation needed to comply with the congressional mandate to eliminate the massive backlog of unreforested national timber lands by 1985. Once the backlog is eliminated in 1985, the trust fund would terminate. In addition, the bill contains tax incentives for small private landowners to replant forest lands.

S. 394, sponsored by Senators Moynihan and Javits, would provide that certain authors and artists performing services under contract for a corporation would be considered employees of the corporation for purposes of applying the provisions specified in section 7701(a)(20) of the Internal Revenue Code of 1954. The primary beneficiaries of this measure would be certain contributing authors and artists and the New Yorker magazine.

It is estimated that the bill will not have any direct revenue effect.

Witnesses who desire to testify at the hearing should submit a written request to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C., 20510 by no later than the close of business on May 11, 1979.

The subcommittee would be pleased to receive written testimony from those persons or organizations who wish to submit statements for the Record. Statements submitted for inclusion in the Record should be typewritten, not more than 25 double-spaced pages in length, and mailed with 5 copies by June 1, 1979, to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. JACKSON. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a markup session on extending the Public Works and Economic Development Act and the Regional Development Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on Wednesday, May 9, 1979, to hold a markup session on the reauthorization of the Endangered Species Act; Noise Control Act and the Solid Waste Disposal Act in addition to the authorization of the Environmental Research Development and Demonstration Act of 1980.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

FORMER IRS COMMISSIONERS DONALD ALEXANDER AND SHELDON COHEN OPPOSE REPEAL OF CARRYOVER BASIS TAX REFORM

• Mr. KENNEDY. Mr. President, as Members of the Senate are aware, a major lobbying effort is underway to persuade Congress to repeal an important tax reform enacted in 1976, the so-called carryover basis rule for the taxation of property transferred at death.

Under prior law, the tax basis of such property was "stepped up" to the fair market value of the property at the time of death. When the property was later sold, the increase in value subject to capital gains tax was measured from this basis. As a result, the potentially large amounts of gain in value during the period the property was held by the prior owner were exempted entirely from income tax.

The 1976 law ended this tax exemption by requiring the new owner of the property to take the tax basis of the former owner—hence the name carryover basis. Thus, when the property is eventually sold, the full increase in value will be subject to tax. A similar rule has applied for many years to property transferred by gift during the owner's lifetime.

Opponents of the 1976 reform claim that the reform is too complex, and that it imposes an excessive burden on heirs and those who administer estates.

Recently, I received a letter from two former IRS Commissioners strongly supporting the principle of carryover basis and opposing a return to the abuses of the prior law.

The two former Commissioners are Donald C. Alexander, who served under Presidents Nixon and Ford from 1973 to 1977, and Sheldon S. Cohen, who served under President Johnson from 1965 to 1969. Both are now leading tax law practitioners—Mr. Alexander in New York City, and Mr. Cohen in Washington, D.C.

In arguing for retention of the principle of carryover basis, Mr. Alexander and Mr. Cohen recognize that the 1976 reform should be modified in a number of respects, as the Treasury has suggested, to deal with various issues that have been raised. But they reject the view that the defects are so serious that the reform should be repealed entirely. As they conclude:

> We believe that the carryover basis rule is a significant improvement in policy over the old stepped-up basis rule. We believe that the administrative problems which appear to have generated much opposition to carryover basis could be largely, if not entirely, eliminated by enactment of the Treasury's proposals for modification. We think that adoption of carryover basis was a positive step toward tax reform and it should not be discarded.

Mr. President, I believe that the views of these two distinguished former IRS Commissioners are entitled to great weight in the current debate, and I am pleased to submit this following letter for the Record.

May 1, 1979.

Hon. Edward M. Kennedy,
U.S. Senate, Subcommittee on Taxation and Debt Management, Washington, D.C.

Dear Senator Kennedy: We are writing to you to express support of the retention of carryover basis, as modified by the revisions currently proposed by the Treasury. We believe that the administrative problems created by the 1976 carryover basis rules would be solved by the Treasury proposals, and the concept of carryover basis is superior to the old rule which it replaced. It should be retained.

In order to fully understand the issue, it is first necessary to examine pre-1976 Tax Reform Act law.

I. The old "stepped-up" basis rule.—

The estate tax provisions prior to the 1976 Tax Reform Act provided that property passing from a decedent would take as its income tax basis either its fair market value on the date of the decedent's death or its fair market value on an alternative valuation date six months after the decedent's death. This old rule, which resulted in a "stepped-up" basis for appreciated assets owned by the decedent at the time of his death, effectively eliminated the income tax which would have been paid if the property had been sold by the decedent during his life.

The 1976 Tax Reform Act changed the basis rule by providing that property passing from a decedent takes as its basis the decedent's basis, with certain adjustments. This "carryover basis" rule means that the income tax that would have been paid by the decedent if he had sold the property during his life is no longer eliminated. Rather, the income tax on the appreciation in value is deferred until the property is sold by the decedent's estate or his heirs and distributees.

The 1976 Tax Reform Act, however, did not adopt the carryover basis rule in its simplest form. Certain adjustments to the decedent's basis are permitted, the most significant being that property owned by the decedent on December 31, 1976, and included in his estate is allowed to pass to his heirs with a basis equal to (or intended to approximate) its value on that date. This rule in effect eliminates the income tax on any pre-December 31, 1976, appreciation in value of assets which are held by a decedent on December 31, 1976, and which are included in his estate. Much of the complexity of the carryover basis rule results from the December 31, 1976, valuation date.

There has been a three-year postponement of the effective date of the carryover basis rule. The critics of the carryover basis rule contend that it is too complex and that it is administratively difficult to apply. During this period of deferral, the Congress is to consider various ways to eliminate the technical problems.

We believe that the problems raised by the criitcs of carryover basis have been viewed out of focus. The old stepped-up basis rule resulted in a substantial loss of revenue and encourged people to hold their assets, thus creating a "lock-in" effect. Although the carryover basis concept, as adopted in 1976, is not free from defects, we believe it to be an important step in the process of improved tax reform and improved tax policy. It should not be discarded. Instead, as the Treasury proposes, certain defects should be remedied and administrative problems eliminated. As an alternative to carryover basis, we should consider the merits of taxing appreciation at death.

II. The stepped-up basis rule was not justified.—

A. The stepped-up basis rule was questionable tax policy and resulted in a substantial loss of revenue to the Treasury.

It is important to review the tax inequities which arose under the old stepped-up basis rule.

Under the old rule, a person whose income consisted of salaries, wages, dividends, or business profits was taxed at ordinary income rates on an annual basis. A person whose income consisted of gain from the sale of capital assets was taxed at the lower rate applicable to capital gains in both cases, the estate which could be passed on to the decedent's beneficiaries at his death was accumulated after the imposition of an income tax.

On the other hand, a person who owned assets which had appreciated in value, and who could avoid selling those assets during his lifetime, could avoid income tax on the gain attributable to the appreciation. The gain attributable to the appreciation would not be subjected to income tax during his life, and upon his death, his beneficiaries would receive a stepped-up basis for the assets. Therefore, no one would ever have to pay an income tax with respect to the appreciation during the decedent's life. The result, then, under the old law, was that a person able to accumulate wealth in the form of unrealized capital gains could effectively pass on this accumulated wealth free of any income tax.

The old stepped-up basis rule ignored the fact that estate taxation is not, and was never intended to be, a substitute for income taxation. Rather, it is a separate and distinct tax with its own objectives. Whereas, the income tax is a tax on accretions to wealth, the estate tax is a tax on the right to transfer property. The old stepped-up basis rule, in effect, forgave the capital gains tax that would otherwise have been due on appreciation merely because the appreciation had to bear an estate tax burden.

If an individual sells appreciated property before his death, an income tax is incurred on the gain. Thereafter, the value of the proprety, less the income tax, is subject to the estate tax imposed upon the transfer of the property to the individual's beneficiaries. There should not be a different result merely because the appreciated property is held until death.

The old stepped-up basis rule resulted in a significant revenue loss to the Treasury. In 1969, the Treasury Department estimated that at least $15 billion a year in capital gains fell completely outside the income tax system as a result of the stepped-up basis rule.

B. The stepped-up basis rule resulted in an undesirable lock-in effect.

The stepped-up basis rule resulted in an undesirable "lock-in" effect. Because the income tax on appreciation could be completely avoided by holding appreciated property until death, older people were encouraged by the tax law to hold such property in order to transfer it to their beneficiaries free of income tax. Thus, many investors became locked-in to their investments, and the economy was deprived of the benefits resulting from an unencumbered flow of capital into those new areas of enterprise which promised larger rewards.

III. Adoption of the carryover basis rule resulted in important tax reform.—

The new carryover basis rule does not eliminate all of the above-described deficiencies, but it is certainly a step in the correct direction. Under carryover basis, the beneficiaries of a person owning appreciated assets cannot convert those assets into cash without incurring an income tax upon the income atributable to the appreciation in value. Instead, if they wish to liquidate an appreciated asset, they must pay an income tax analogous to that which is incurred by the beneficiaries of those decedents who had to liquidate their appreciated assets during their lifetimes.

Admittedly, the carryover basis rule has problems. First, the lock-in effect discussed above is in some cases accentuated. Previously, an elderly person would hold an asset until his death, at which time his beneficiaries would be able to sell the asset with no income tax liability. Under the carryover basis rule, the beneficiaries may feel constrained not to sell the appreciated asset, for if the asset is sold, the resultant income tax liability will reduce the value of the income producing property which remains in their hands.

However, offsetting this tendency, is the fact that, under the carryover basis rule, if it is economically desirable to liquidate an appreciated asset, there is no reason to postpone the sale until after the owner's death.

Many critics of the carryover basis rule have argued that it is overly complex and entails many administrative problems. Many of the administrative problems arising under the carryover basis rule stem from the adoption of the December 31, 1976, valuation date. Most of these administrative problems would be eliminated by the Treasury Department's proposal to broaden "fresh start" and determine the December 31, 1976, value of property by using a formula to discount the property's value, as determined for Federal estate tax purposes, backward to December 31, 1976.

It is also contended, with justification, that the carryover basis rule causes administrative problems when combined with the adjustments for Federal and State estate and inheritance taxes and the minimum basis provision. These adjustments are the result of an attempt to make the carryover basis rule more equitable.

The purpose of the adjustment for death taxes is to put the beneficiaries of a decedent who holds appreciated assets in the same position as the beneficiaries of a decedent who sells his appreciated assets prior to his death. The purpose of the minimum basis adjustment is to reduce the complexity of the carryover basis rule by making it inapplicable to the vast majority of estates.

The Treasury Department's proposal to increase the tangible asset exclusion, to increase the amount of the minimum basis adjustment, and to use the marginal federal estate tax rate in order to calculate the adjustment for estate and inheritance taxes substantially eliminates these problems. The net effect of these changes is to make carryover basis applicable to only two percent of all estates and to greatly simplify any required calculations.

Notwithstanding the contentions of some professionals that they cannot understand and deal with carryover basis, it must be remembered that carryover basis is not a new concept. Since 1921, the gift tax has had the carryover basis rule.

Finally, it is important to remember that the carryover basis rule was the quid pro quo for the 1976 Tax Reform Act's reduction in estate taxes. Few would contend, we think, that carryover basis should be repealed if the cost were repeal of these reductions.

IV. Conclusion.—

From a conceptual standpoint, carryover basis is not necessarily the best possible rule. First, for those in a position never to sell, it allows unrealized appreciation to pass through successive generations without being subjected to income tax. Second, it has a lock-in effect. Third, it permits a loss of revenue so long as appreciated assets may pass from one generation to the next without income tax. Subjecting appreciation to income tax upon death would eliminate these deficiencies, but might create liquidity problems. We believe this alternative deserves careful consideration, and we understand that the Treasury has recently analyzed it in detail and is prepared to submit suggestions and materials to the Congress.

Nevertheless, we believe that the carryover basis rule is a significant improvement in policy over the old stepped-up basis rule. We believe that the administrative problems which appear to have generated much opposition to carryover basis would be largely, if not entirely, eliminated by enactment of the Treasury's proposals for modification. We think that adoption of carryover basis was a positive step toward tax reform and it should not be discarded.

Best regards.

Sincerely,

DONALD C. ALEXANDER.
SHELDON S. COHEN.●

IMBALANCE BETWEEN IMPORTS AND EXPORTS

● Mr. DURENBERGER. Mr. President, a growing concern for many of us is the gap between our trade imports and exports. We cannot afford to resign ourselves to a trade deficit. However, we will not resolve the imbalance between our imports and exports unless we seek creative and innovative solutions to the dilemma we face today.

To that end, I call attention to the statement by Robert H. Malott, chairman and chief executive officer of the FMC Corp., which he gave at the Chicago World Trade Conference on March 26, 1979, and ask that this speech be printed in the RECORD:

The statement follows:

STATEMENT OF ROBERT H. MALOTT

At a time when the conflict between East-West political ideologies threatens the success of the Strategic Arms Limitation Talks, and when global inflation and rapidly fluctuating exchange rates are eroding historical values, international trade could not be more critical to the world and to this nation. At a time when Third World expectations make the interface between developed and developing countries a challenging one, and when we are beset by a world-wide energy crisis, the constructive role of international commercial relationships can't be underestimated.

And yet, too few of our policy-makers in Washington seem to understand the overriding importance of world trade . . . and it's this subject I'd like to touch on briefly this evening.

Headlines in our daily newspapers read like an economic obituary page and we cannot delay international business policy reform much longer:

The U.S. trade deficit rose to an 11-month high of $3 billion in January, on top of an astonishing $34 billion deficit in 1978.

Consumer prices are clipping ahead at a 14% rate, and additional inflationary pressures are still in the pipeline.

The dollar is jumping erratically on foreign exchange markets, as foreign concern mounts over our economic management at home and our faltering leadership abroad.

Our conference theme this year is "Must We Have A Trade Gap?" My answer is a strong, but qualified, "no." I doubt that any of us believe we have to resign ourselves to recurring trade deficits, as if they resulted from events beyond our control. Our economy remains one of the richest and most productive in the world; we still have the capacity for innovation and a demonstrated ability to manage. But we cannot capitalize on these talents if U.S. government policies continue to tie our hands.

Over the past year, many policy initiatives from the executive branch of our government have done more to impede than encourage export growth. While promising to promote export expansion, this Administration has applied additional controls on U.S. exports. Strict new limitations on official export financing and hasty controls on sales of oil and gas equipment and technology to the Soviet Union are only two of the most glaring restrictions industry has faced.

The long-awaited revamping of U.S. export policy, undertaken by a special Presidential task force, fell far short of original pledges for substantially greater support. Doling out an additional $20 million to the Commerce and State Departments for improved export information systems, for example, can do little to bolster export sales. While export expansion by small business is a legitimate objective—and I believe we should strengthen the export potential of all companies capable of entering the world market—the economic reality is that significant export growth will come essentially from the largest companies currently accounting for more than 85% of our country's foreign sales!

What disturbs me most about so many of our export restrictions is the erroneous premise on which they're based; namely, that withholding American products will bring about desired changes in the internal policies of other governments. We are not God's gift to the buyers of the world . . . we are not indispensible . . . and the sooner this is recognized by our leaders, the better off our country will be.

Frankly, I am not optimistic about this Administration's ability to provide the leadership we need. On the other hand, I have seen a number of encouraging initiatives from the Congress. I'd particularly like to commend Senator Stevenson for his probing hearings on U.S. export policy. The analysis contained in his subcommittee's report to the full Senate Banking Committee last month is thorough, the evidence is sobering and the recommended policy changes are appropriate. I urge your review of this timely study.

In my view, to attain an acceptable export program in this country we have to accomplish the following:

First, we must establish tax and credit parity with our foreign competitors. We don't need vague "Gentlemen's Agreements" on export credits, which inevitably collapse under pressure; we need firm and workable rules and a willingness on the part of our government to match predatory foreign financing.

Second, we need a consistent set of export regulations, to replace the confusing, needlessly complex and often contradictory rules now on the books. It's ridiculous to hamper export sales through baffling red tape.

Third, we must develop a much more positive relationship—if not a partnership—between business and government in our country. While other countries have promoted exports aggressively by coordinated industry-government efforts, we have needlessly handicapped our export potential by creating an atmosphere of confrontation.

Last, and most importantly, the U.S. needs a department of internatonal trade. We are the only major country without one, and the only nation which allows its export policy to be determined by a tug of war between competing agencies. We can no longer afford the comfort of procrastination—or the luxury of bureaucratic jealousy—on this issue. A trade department should be established.

I think the causes of our trade problem are apparent and the remedies equally visible. But these remedies are inherently economic in nature. They will not emerge from partisan domestic policies. We need the courage to make tough decisions, based on our country's economic needs—not on political expediency, or we will find we have neither the resources nor the power to provide the leadership in a world in economic turmoil requires.

And export expansion is an essential element in any program of leadership. If we are to restore balance in our trade account, if we are to stabilize the dollar and if we are to increase domestic employment, we must change the national attitude. I would urge you in the sessions that remain to focus on concrete policy recommendations which can be forwarded to our leadership in Washington with the influential endorsement of this conference.

With determined efforts on our part and the cooperation of our elected officials, I am confident we will achieve the policy changes we all recognize are imperative.●

DECONTROL

● Mr. **BUMPERS**. Mr. President, the decision of the President to decontrol oil prices was the subject of a recent column by Ellen Berman which appeared in the Washington Post.

Everyone recognizes that decontrol will result in higher prices, but Ms. Berman points out most dramatically how these costs will be shared. The average poverty family now spends $1,100 of its meager $3,300 annual income on energy, that figure will rise to over $1,400 under the decontrol plan, according to Ms. Berman. Only $100 will be returned to them under the windfall profits tax if it is enacted.

This article only demonstrates that the issue is not the form of the windfall profits tax but whether to decontrol the price of oil.

I ask that the article by Ellen Berman be printed at the conclusion of my remarks.

A column by Tom Wicker in the New York Times last week may offer one of the few bright alternatives to the higher oil prices brought about by decontrol. Solar energy will become a more competitive source of energy. Mr. Wicker quotes extensively from two articles by Dr. Barry Commoner which appeared last month in the New Yorker. Dr. Commoner has been an articulate and thoughtful witness before the Senate Energy Committee on several occasions.

If Congress had followed Dr. Commoner's recommendations for supporting renewable energy sources several years ago, much of this energy crisis could have been avoided.

Mr. President, I ask that the column by Mr. Wicker be printed in the RECORD.

The articles follow:

WHY DECONTROL WON'T WORK

(By Ellen Berman)

In an effort to reduce America's increasingly alarming dependence on foreign oil, President Carter proposes to remove the federal price controls that now apply to two-thirds of all domestic petroleum output. Decontrol would push the price of this oil to the OPEC cartel price—theoretically discouraging consumption and stimulating domestic oil production. Decontrol is estimated, however, to cost consumers up to $16 billion a year in higher prices for such essentials as gasoline and home-heating oil. And that enormous sum would go directly into the coffers of the major multinational oil companies. Before we fork over these billions, we need to ask some hard questions.

For our $16 billion expenditure, how much will decontrol reduce oil imports and increase domestic production? Even the White House claims decontrol will achieve only a negligible increase in domestic oil production, some 660,000 barrels per day by 1985 out of 20 million barrels per day of total U.S. consumption, just 3 percent above current use—not much help in cutting imports. Estimates by the Congressional Budget Office are even lower. And recent history suggests there might be no rise in production at all: Between 1972 and 1978, domestic oil prices jumped a dramatic 179 percent, yet U.S. petroleum output actually declined.

Will higher prices encourage conservation? The CBO estimates that by 1985 decontrol, at best, would reduce current levels of energy consumption by only 1.7 percent—again not much of a savings for $16 billion in higher fuel bills. Energy price hikes, in fact, have had little conservation effect to date: Home heating oil prices shot up 184 percent since the embargo, yet consumption actually rose 17 percent. The painful truth—abstract economic theory to the contrary notwithstanding—is that energy is so vital a commodity that price manipulation is not a sensible way to achieve conservation. Trying to solve our energy problems by sharply escalating prices is an invitation to economic and social catastrophe.

And how fairly would these higher costs be shared? Skyrocketing energy prices have already bitten cruelly into the fixed budgets of the elderly and the poor; inadequate home heating and cooling caused the deaths of several dozen elderly persons last year alone. The average poverty family now spends $1,100 of its meager $3,300 annual income on energy; that figure will rise to over $1,400 under President Carter's decontrol plan. The White House contends the poor and elderly would get a whopping $100 of special help from the proposed windfall-profits tax, but lesser seers than Jimmy the Greek know that even this half-hearted gesture will be further eviscerated. The oil companies beat it before; their favorite senators and representatives are already wheeling up their multimillion dollar artillery to do it again.

Nor will inequities be confined to the poor and elderly; the beleaguered middle class will not only see its own energy bills jump precipitously, but will foot the national bill for decontrol's damaging side effects—more welfare, greater medical costs and more support for aging parents who can no longer make ends meet.

Finally, what about inflation? Decontrol makes a shambles—or a sham—of the anti-inflation program President Carter calls his No. 1 priority. How can the president expect the public to believe in a program that sanctions exorbitant increases in essential commodities while asking workers to limit salary increases to 7 percent?

The president's proposal for decontrol is a singularly ineffective, inequitable and inflationary approach to our energy problems. If decontrol is not the answer, what is? A combination of imaginative programs and policies that require strong leadership and disciplined public response.

First, the White House should immediately place oil and gas prices under the anti-inflation guidelines, since there is no justifiable reason for treating them differently from all other basic necessities. And Congress should extend the expiration date of controls on crude oil so that producers are signaled emphatically that the United States will no longer accede to every ransom demand.

Second, the conservation measures outlined in the presidents' speech—enforcing the 55-mph speed limit; redirecting excess electric generating capacity from utilities now dependent on oil to non-oil fired generators; efficiency standards for buildings; mandatory thermostat settings and reductions in unnecessary lighting—will yield savings greater than those alleged from decontrol, yet will cost absolutely nothing.

Finally, the government should move to assert its control over the most critical sector of our national economy, rather than abdicating this control to foreign governments and to major multinational corporations, which, after all, have no public accountability and no underlying responsibility for the public welfare.

It should limit the amount of oil we may import. This might not even require rationing—because we survived the embargo without it—but even rationing could be tolerated if the public felt the burdens were equitably shared. Oil imports should be channeled through a federal import purchasing authority so that our massive buying power can be used en bloc to bargain with the OPEC cartel. And a federal fuels corporation charged with developing all or a portion of our vast energy resources on public lands would end our exclusive reliance on the private oil companies.

The alternatives suggested would give the nation an energy policy that is effective, non-inflationary and, most important, fair to all citizens. With this program, the president can build the confidence and credibility he needs. And this program, unlike decontrol, would work.

Solar, Here And Now

(By Tom Wicker)

Los Angeles.—The Rancho Seco nuclear power plant near Sacramento was one of the seven ordered closed last week by the Nuclear Regulatory Commission, and lively dispute already has erupted in California as to when the plant, with its suspect Babcock & Wilcox reactor, can safely be brought back "on line."

On the last weekend in April, however, with service-station allocations running out and long lines forming at the pump, Angelenos seemed more worried about gasoline shortages than about blackouts. But Rancho Seco, a 913-megawatt plant, has been producing about 3 percent of California's electric power. Another nuclear plant, at Diablo Canyon, was scheduled to come on line this spring but, following the accident at Three Mile Island, operations have been delayed for further safety checks.

So as motorists scramble for gas, the electric companies are beginning to scramble for reserve power from elsewhere. And the ubiquitous radio talk shows are ringing with irate and perplexed callers wondering whither the good life, and what can be done to keep autos and air conditioners humming.

Strikingly, however, there seems as yet little public agitation for what may be the best energy choice available: a concentrated Government plunge into targeted solar programs. The most persuasive advocate of such a course, Barry Commoner of Washington University, recently argued his case in a speech here, and has stated it at fascinating length in two articles for The New Yorker (April 23 and 30). Here, taken from the speech, is the gist of his message:

"Solar energy, in all of its essential forms, is now technically possible and economically sound. The only thing that stands in the way of its use is the stroke of a pen. . . . It is not a technical problem. It is not an economic problem . . . It is a political problem."

To oversimplify Professor Commoner's detailed case, he argues first that the steady depletion of world oil supplies, which is unavoidable, causes an exponential rise in oil-product prices that soon will make gasoline and fuel oil too expensive for ordinary use in autos and electric power generation; and second, that declining supplies of uranium as well as additional reactor safety requirements will price conventional nuclear power out of the electricity market.

One alternative would be the breeder reactor. But Mr. Commoner calls the breeder as dangerous as any other reactor, unless equipped with even more expensive safeguards. It is a threat, additionally, to spur nuclear weapons proliferation, and in any case cannot be commercially introduced for at least 25 years—by which time, he argues, other currently used sources of energy will have been priced out of reach.

That leaves solar energy, and Mr. Commoner outlines in great detail several proposals for its quick, relatively inexpensive development. For example:

PHOTOVOLTAIC

If the Federal Government provided a mere $440-million investment to purchase 152 million watts of photovoltaic modules (to convert sunlight to electricity), a fifth of the Pentagon's gasoline-and-diesel generators could be replaced. This order would stimulate technical improvement, a wide variety of other photovoltaic uses and further production.

All that would drive down the price of the modules progressively to 50 cents a watt after five years and make them price-competitive with current residential power costs nearly everywhere in the country. It was through just such small Federal investment that the integrated circuit industry mushroomed to the point of producing millions of low-cost hand calculators and digital watches.

GASOHOL

If present farm acreage devoted to grain-and-livestock production were expanded by 15 percent to include land now idle or in cover crops, and if corn, sugar beets and hay plantings were properly rotated on this acreage, the corn and sugar beets could be used for fermentation to produce huge amounts of alcohol. The residue of mash could be devoted to livestock feed, providing excellent nourishment for as much livestock as is now produced. The alcohol could be mixed one part to nine with gasoline, producing "gasohol" that would be price-competitive now with regular or premium unleaded gasoline. As alcohol production and pure gasoline prices rose, gasohol would become even cheaper; meanwhile, the threatening gasoline shortage could be substantially alleviated.

But the political problem? As Barry Commoner described it in his Los Angeles speech, it's "the electric utilities and the oil companies." Their vast interests have powerfully influenced the Government to neglect solar development and pour Federal energy money into nuclear power, despite its declining competitiveness and lack of public acceptability. And the Carter Administration's plan to encourage more and costlier oil production through rising prices looks like more of the same fixation on non-renewable power sources that most of us soon will be unable to afford.●

REGULATION RUN AMUCK

● Mr. TOWER. Mr. President, these days much is being said about the burden placed on American citizens by Government regulations.

President Carter told the Washington press corps on March 25, 1979 that:

> When I came to Washington a little more than two years ago, I found a regulatory assembly line which churned out new rules, paperwork, regulations, and forms without plan, without direction, and seemingly without supervision or control

The Joint Economic Committee of Congress, in its 1979 Joint Economic Report, said that:

> . . . there can be little doubt that this rapid growth in regulation, and the growth of unnecessary, conflicting, and duplicative regulation in particular, has been a substantial contributor to our current inflation.

Nor have individual Members of Congress remained mute on the subject. More than 150 bills have been introduced in Congress aimed at the regulatory malaise.

Yet little notice is taken of the regulations being daily churned out by the independent regulatory agencies. A good example may be seen in a rule proposed by the Federal Trade Commission on December 7, 1978, which for the first time would regulate the voluntary standards system of the United States. According to the Director of the United States Standardization Activities, there are over 400 private organizations of many types that either write standards or sponsor standards development activities. There are now more than 25,000 private standards in existence which provide benefits to businesses and the consumer.

The National Society of Professional Engineers, who do not write standards but are concerned over the regulatory impact of this proposed rule, have raised with me the following objections to the proposal.

The voluntary standards system has an excellent record of insuring the safety and reliability of consumer products with little cost to the Government. No more than 50 of the 25,000 standards now in effect have been disputed as being unsafe and anticompetitive or inflationary.

The proposed rule will create unnecessary hardships for the small businesses involved. Compliance with these requirements will mandate organizations to increase their paperwork—in effect to become minibureaucracies. The cost will be passed on to the consumers and may force some of the smaller standard-setting organizations out of business.

The proposal goes against the initiative of Congress. During the 95th Congress, the Subcommittee on Antitrust and Monopoly held extensive hearings on S. 825, Voluntary Standards and Accreditation Act of 1977, without reporting the legislation. This is an attempt to enact through rulemaking a measure that has twice failed as legislation.

The proposal oversteps the Federal Trade Commission's jurisdiction. Many of the voluntary standard setting organizations are not-for-profit organizations. Federal law, 15 U.S.C. 44, authorizes the FTC jurisdiction only over for-profit organizations.

Mr. President, this proposal illustrates the need for closer oversight of the Federal Trade Commission's activities. Such oversight would be provided in the Federal Trade Commission Regulatory Review Act, S. 193, which Senators Nunn, Morgan, Schmitt, and I introduced to provide the opportunity for congressional review and possible disapproval of each rule proposed by the FTC. We welcome others to join us in cosponsoring this measure which is designed to provide the American citizens through their elected representative an effective and democratic means of control over such regulations.

Mr. President, I ask that an article by George D. Webster which appeared in the February, 1979 issue of Association Management entitled "FTC Seeks to Regulate Voluntary Standards and Certification Activities," be printed in the RECORD.

The article follows:

FTC SEEKS TO REGULATE VOLUNTARY STANDARDS AND CERTIFICATION ACTIVITIES

(By George D. Webster)

In December the Federal Trade Commission proposed a trade regulation rule that would seek to regulate, for the first time, all organizations and groups which engage in standards development or certification activities.

The rule is being actively opposed by many standards organizations and will have a broad impact on any association that engages in standards or certification activities.

The proposed rule is composed of 17 sections. These provisions can be divided into three general groups dealing with (1) procedures; (2) the substantive "duty to act;" and (3) certification. Hearings will be held on the proposed rule starting April 16 in San Francisco and May 21 in Washington, D.C.

PROCEDURES ARE BURDENSOME

The procedural provisions of the rule apply to all standards developers and require an organization to follow written procedures, to give notice to various classes of persons, and to guarantee a broad base of participation. Most standards organizations already follow written procedures. The notice provision, however, would require a substantial change in the way in which most standards organizations operate.

Notice of a proposed proceeding and notice of a proposed and final decision on the adoption, revision, or withdrawal of a standard must be provided to all persons requesting such notice. Also, notice must be provided to a representative of each of the following nine classes of groups:

1. Producers.
2. Individual consumers and consumer groups.
3. Institutional and industrial consumers.
4. Government procurement officials.
5. Retailers and others in the chain of distribution.
6. Government regulatory officials.
7. Environmental groups.
8. Energy conservation groups.
9. Certifiers.

The rule states that representatives of the above classes shall be selected on the basis of such factors as their interest in the matter, the likelihood that they will participate, and their competence to adequately present the interest of the class.

SOME GENUINE PROBLEMS ARISE

In principle, the notice provision is not unreasonably burdensome, but when combined with the requirements of participation in the standards development process, some genuine problems arise. The general rule is that anyone who wants to participate can participate.

The rule states that a final decision on the adoption, revision, or withdrawal of a standard does not require broad participation under the general rule so long as the final decision itself is made by a board or committee composed of at least one representative of each class that will be affected by the action.

DIFFICULTIES WITH THE PROPOSAL

There are several difficulties with this proposal. The first problem is that, unless the standards developer can put together a committee composed of individuals from each of the nine classes specified in the notice provision, the door is opened to unlimited participation. Unlimited participation, even by groups which have little or no interest in the actual standards being developed, evokes images of a process which is incapable of timely completion.

The alternative to unlimited participation in the final decision on a standard is to set up a board or committee composed of at least one representative of each of the nine classes set out in the notice requirement. The rule appears to presume that individuals will be eager to serve on such a board or committee. In fact, many voluntary standards are so technical and so narrow in their scope and application that it may be quite difficult for a standards developer to get an individual from each of the nine classes of interest to take the time to participate in the standards development process. If such a balanced board or committee can be formed, then outside groups are basically limited to submitting comments and testimony on the proposed standard.

THE DUTY TO ACT

The duty-to-act provisions of the proposed rule require the standards developer, upon receipt of a demand for action by a complainant, to determine whether there is substantial evidence that one of its standards or lack of a standard within its recognized area of competence: (1) raises prices or excludes products and lacks a factual basis; (2) excludes an equivalent product; (3) excludes a product when there is a less restrictive alternative; (4) discriminates against the product that is superior under actual use conditions, by leading reasonable buyers to assume that the product is not superior; or (5) misrepresents product attributes to reasonable buyers, where such misrepresentations would affect their purchasing decisions.

When the standards developer receives a demand for action which is accompanied by substantial evidence of any of the above five circumstances, it must take what the rule calls "appropriate action" unless the standards developer itself has stronger evidence which refutes the circumstances alleged in the demand for action.

The basic action required by the rule is that the standards developer has 60 days to commence development of a new standard or revision of the existing standard and to prepare a timetable for completion of that action or else to completely withdraw all of its standards in the product area specified in the demand for action.

LEGAL DIFFICULTIES ENTAILED

The duty-to-act provisions described above, in addition to being extremely harsh, also entail several practical and legal difficulties. The duty to act is, first of all, a novel and serious extension of the FTC's power to regulate.

There are many instances of Federal Trade Commission rules which place some duty to act upon corporations or individuals. For example, under the Consumer Credit Protection Act the Federal Trade Commission has enforcement authority over certain creditors which enter credit transactions with consumers. Such creditors must disclose the interest rate and other information involved in the credit transaction. This duty to act can be classified as a duty to disclose certain known information.

Another type of duty to act is exemplified by the FTC's trade regulation rule on the preservation of consumers' claims and defenses. Under this so-called "holder in due course rule," certain promissory notes and other consumer credit sale instruments must carry a printed notice which states, in effect, that even if the creditor assigns the note to a third party, the consumer can still exercise all claims and defenses against that third party which it could exercise against the original creditor. The holder in due course rule, therefore, creates an affirmative duty to notify consumers that they have certain rights.

FAR BEYOND PROCEDURAL PROVISION

By contrast, the duty-to-act provision in the proposed rule on voluntary standards would go far beyond a procedural obligation to provide a disclosure or notice to consumers of certain known or standard information. Rather, the proposed duty to act is a duty to create a voluntary standard which will cure the alleged commercial improprieties set out in the complainant's demand for action.

It is uncertain whether the Federal Trade Commission has the power to place such an affirmative duty on a standards developer without specific enabling legislation.

Even if Congress were to consider such legislation, it would face a serious constitutional barrier under the first amendment guarantee of freedom of speech. The First Amendment would be a significant issue because the government would be attempting to compel an organization to adopt and publish a "voluntary" standard.

This constitutional problem is made all the more serious because the commission has designated lack of a standard in a given area of competence as a possible ground for "appropriate action." Thus, if a voluntary standard is determined to be desirable in a given area, the organization is given a choice of either writing a standard immediately or withdrawing from that area of competence altogether.

This is a duty to act unparalleled in the history of the FTC. It is analogous to the distinction between the duty to make corrective advertising and a duty to advertise generally.

ANOTHER PRACTICAL DIFFICULTY

A practical difficulty with the duty-to-act provision in the proposed rule is that it imputes to the standards developer an ability to monitor the commercial and competitive impact of a voluntary standard as well as the effects the standard has on buyers and consumers.

In short, most standards developers are simply not in a position to make the determination required of them under the duty-to-act provision.

In the notes which accompany the proposed rule, the commission seeks to impose upon standards developers a very complex set of burden of proof rules designed to show what a complainant must prove before the duty to act is triggered.

A standards developer could be subjected to a rash of complaints and, in many instances, would not have the data necessary to prove or disprove them. In order to get and keep such data, each standards developer would itself have to become a minibureaucracy.

This would add substantially to the costs and risks in developing voluntary standards. Fortunately, the rule exempts standards developers in the already heavily regulated food, drug, and cosmetic industries.

CERTIFICATION

Certifiers of products under the proposed rule would have to disclose certain information in close proximity to their seal or form of approval. The information must include: the name of the certifier; the designation of the standard on which the certification is based; and a statement of the product attributes that are covered by the certification.

Also required is a statement warning of any serious risks associated with the use of the product which are disclosed in the standard and a statement describing the nature of the testing which had been done in connection with the product.

A disclosure of this nature may present a problem from the standpoint of fitting it on the seal or form of approval. For example if a small electrical component was being certified, it is doubtful if all the above information could be affixed to it in any practicable way.

The rule also places on a certifier the duty to police the use of its name or certification mark in any unauthorized manner. If the certifier believes that such abuse may be taking place, it must "take such actions as are appropriate to end the abuse, which may include withdrawal of certification, probation, retesting, or other action."

Certifiers will thus have the power and obligation to police the use of their name and certification marks. The rule also requires marketers of products to use standards and certifications in accordance with the requirements issued by the standards developer or certifier.

Finally, all standards developers and certifiers must establish an appeal board. The appeal board must be sufficiently independent of the sponsoring organization and other interest groups, so as to render fair and impartial decisions. In addition, the appeal board must follow written procedures which guarantee due process to the person making the complaint.

IS THE RULE NEEDED?

Perhaps the strongest criticism which can be directed at the proposed rule is that the commission has not demonstrated a genuine need for the rule.

The commission's statement of reasons for the rule in the Federal Register notice says that the rule is based on numerous specific complaints and numerous allegations involving abuses by standards and certification organizations. However, an FTC staff study on voluntary standards, which supposedly formed the factual background of the commission's proposal, documents only a relative handful of alleged abuses out of more than 15,000 standards developed during the course of this study.

In addition, it is interesting to note the Federal Trade Commission, in stark contrast to the policies required of the departments in the executive branch of government, provided no cost-benefit analysis whatsoever in its justification for the trade regulation rule. The total economic cost of the rule may be far out of proportion to the relatively few instances of abuse within the voluntary standards system.

JURISDICTION OF FTC

Another basic criticism of the rule is that it purports to regulate all organizations which develop voluntary standards or which certify products in accordance with voluntary standards.

The Federal Trade Commission has jurisdiction over corporations or " . . . an association, incorporated or unincorporated, which is organized to carry out business for its own profit or that of its members, and has shares of capital or capital stock . . . " (15 U.S.C. 44.)

It has been held that a charitable organization which was organized exclusively for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code was outside the jurisdiction of the Federal Trade Commission. *Community Blood Bank of Kansas City Area, Inc.* v. *FTC*, (405 F.2d 1011 (8th Cir., 1069)).

Also, it should be noted that the original version of H.R. 3816 (Federal Trade Commission Amendments of 1977) contained a provision which would have amended the FTC Act so as to extinguish the exemption for certain nonprofit corporations.

The FTC lobbied strongly for the inclusion of this provision in H.R. 3816, and Chairmen Collier and Pertschuk testified before the House and Senate Committees on Commerce as to its importance. Nevertheless, the House Committee refused to include the provision when it sent the bill to the House of Representatives.

In a separate statement appended to the committee report, a number of Congressmen stated that the provision was deleted because "in reviewing the record, the FTC made a very weak case for extending its jurisdiction in this fashion." This lobbying effort by the FTC suggests that the commission itself questions its jurisdiction over educational and testing organizations exempt under Section 501(c)(3).

Thus, there would appear to be a genuine issue as to the Federal Trade Commission's jurisdiction over other 501(c)(3) organizations. Many standards development and certification organizations are also exempt from taxation under 501(c)(3).

Since they are presumably nonstock corporations and organized exclusively for educational or other charitable purposes, the court's holding in the Community Blood Bank case may lend force to their contention that they are beyond the jurisdiction of the FTC.

CONCLUSION

In conclusion, the FTC's proposed rule on voluntary standards and certification may have a very serious impact on associations which engage in standards or certification activities.

Although the rule has only recently been proposed and this analysis is, therefore, of a most preliminary nature, it is advisable for all associations that may be affected to follow the development of this rule very carefully and to participate in the rule-making process before the Federal Trade Commission.●

TRIBUTE TO MARVELLA BAYH

● Mr. EAGLETON. Mr. President, it was with great sadness that I learned of the death of Marvella Bayh. My good friend and colleague, BIRCH BAYH, has experienced a deep personal loss, but the country as a whole will feel the loss for years to come of a courageous example and an eloquent spokeswoman for the crusade against cancer.

Very few of us go through life untouched by the dread disease of cancer. If not touched directly within our own families, we all are touched by the tragedy of cancer within the families of friends. Despite the intensive biomedical research effort directed at finding the causes of and a cure for this disease, progress to date has been relatively minor.

I have no doubt that this county's cancer crusade will continue until such time as we reach a medical breakthrough. I am equally convinced that no one person will ever be as great an inspiration to those who suffer from this disease and their families as Marvella Bayh. Her courage and determination to live a full life in the face of her own affliction, and her unselfish devotion of time to educating others about the value of early detection and treatment should challenge each of us to continue her work.

Mrs. Bayh often pointed out that medical science can now cure 1 in 3 cancer cases. The most fitting tribute to Marvella Bayh would be to improve the rate of cure, and perhaps some day, to eradicate cancer altogether.●

S. 344: STATEMENT OF SENATOR STAFFORD REGARDING BILLBOARD CONTROL

● Mr. BAKER. Mr. President, our colleague from Vermont (Mr. STAFFORD) is absent due to illness today. He had intended to place a statement in the RECORD, together with letters from the Governors of several States, discussing the present Federal billboard control law. I ask that Senator STAFFORD's remarks and the letters be printed in the RECORD.

The material follows:

S. 344: The States Hawaii, Utah, Washington, Nevada, and Nebraska Offer Their Views

The Governors continue to send in comments on S. 344, my bill that would add flexibility to the Federal billboard control law. Previously I placed in the Record letters from a number of Governors stating strong support for S. 344. This is not surprising since 38 states expressed support for S. 344 in a poll by the American Association of State Highway and Transportation Officials (AASHTO). But, of course, there are states that for one reason or another do not support S. 344. Recently, I received letters from five of those states: Hawaii, Utah, Washington, Nevada, and Nebraska. Mr. President, while each of these governors expressed reservation over my bill, many of these governors also have agreed that the present law has been a failure and that change is needed.

Governor Matheson of Utah offered this view:

"Although I would prefer that the State had complete control of this program, I fear that, without the threat of federal sanction, the State legislature may be inclined to give up all control of outdoor advertising. . . . The Highway Beautification Act has been a great burden to taxpayers of this Nation, and an unpopular program at the State level; however, I feel that the accomplishments of the program must be maintained."

Governor List of Nevada offered this assessment:

"We do agree that provisions of the 1978 Surface Transportation Act, requiring State payment of compensation for removal of offpremise signs adjacent to the primary and interstate systems by local governmental authorities, are an unreasonable Federal intrusion into the local government's exercise of constitutional police powers . . .

"Rather than making outdoor advertising control voluntary, we urge that the program be strengthened. This could be accomplished by establishing a national completion date for compliance, removing the Federal requirement for compensation and allowing state and local governments to amortize and remove signs through the legitimate exercise of police powers. As an option to states which may still desire to compensate, Federal participation should remain available."

The Nebraska state engineer, Mr. David O. Coolidge, said:

"I do not feel that S. 344 is comprehensive enough to correct the problems created by the 1965 Beautification Act."

I would, of course, note that these states, under my bill, can remain in the existing program, avoiding some of the problems mentioned.

Mr. President, I submit these letters for the RECORD.

The letters follow:

STATE OF WASHINGTON,
OFFICE OF THE GOVERNOR,
April 16, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STAFFORD: Thank you for your letter of March 27 regarding your proposed legislation, S. 344, concerning the Highway Beautification Program. I have requested information from the Department of Transportation regarding your inquiry. I completed a review of this information and must conclude I do not support conversion of Highway Beautification to a voluntary state program.

I recognize that the program has not accomplished all the goals which were intended when the Highway Beautification Act was proposed in 1965. There has been a great deal of progress made by this state, however, in the area of removal of nonconforming signs. As of December 31, 1978, removal of 9,609 signs from the Federal-Aid and Primary routes, either by compensation or by voluntary action has been accomplished. Still remaining are only 166 nonconforming signs.

I believe the control of billboards, as a result of the Federal law, has had a positive reaction from the people of this state. That is not to say there have not been problems as a result of the removal of some types of signs.

Therefore, as I reflect on the effort completed by our state, I must conclude, the program is too far advanced to now shift to a voluntary program. The end result of such a change in the Federal program could be a weakening of state laws. This would then allow the re-establishment of billboards in locations where public dollars have already been used for removal.

Sincerely,

DIXY LEE RAY,
Governor.

STATE OF UTAH,
OFFICE OF THE GOVERNOR,
Salt Lake City, April 16, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senator, Committee on Environment and Public Works, Washington, D.C.

DEAR SENATOR STAFFORD: The legislation proposed in S. 344 would have very little effect on this State. Utah is in the process of completing the removal of all non-conforming signs as intended by the original Highway Beautification Act. We have been able to accomplish this program, and still maintain a satisfactory relationship with the outdoor advertising industry. This industry remains healthy, and does oppose the elimination of state and federal controls on outdoor advertising.

Although I would prefer that the State had complete control of this program, I fear that, without the threat of federal sanction, the State legislature may be inclined to give up all control of outdoor advertising.

The Highway Beautification Act has been a great burden to taxpayers of this Nation, and an unpopular program at the State level; however, I feel that the accomplishments of the program must be maintained.

Sincerely,

SCOTT M. MATHESON,
Governor.

EXECUTIVE CHAMBERS,
Honolulu, April 17, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate, Committee on Environment and Public Works, Washington, D.C.

DEAR SENATOR STAFFORD: Thank you for your letter of March 27, 1979, concerning S. 344 to amend the Section on Control of Outdoor Advertising.

The bill, as proposed, would not affect our State. Hawaii had effectively controlled outdoor advertising long before the enactment of the Highway Beautification Act of 1965. As such, we did not encounter the problem of removing nonconforming signs as did many of the other States. Also, it should be noted that Hawaii's Statutes do not provide any exception for commercial or industrial zones. All billboards are controlled.

I appreciate this opportunity to offer my views on your proposal.

With warm personal regards, I remain,

Yours very truly,

GEORGE R. ARIYOSHI.

STATE OF NEBRASKA,
Lincoln, April 17, 1979.

Hon. ROBERT T. STAFFORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STAFFORD: Enclosed is a copy of a response I have received from the Nebraska Department of Roads with regard to S. 344.

I believe it is self-explanatory.

If you wish further assistance in this matter, please don't hesitate to contact me.

Sincerely,

CHARLES THONE,
Governor.

STATE OF NEBRASKA,
Lincoln, Nebr., April 12, 1979.

Hon. CHARLES THONE,
Governor of Nebraska,
State Capitol Building,
Lincoln, Nebr.

DEAR GOVERNOR THONE: We have reviewed the Bill S. 344 introduced by Senator Stafford for amendment to the Federal Beautification Act of 1965. Our first observation of the proposed amendment is that it only pertains to outdoor advertising. The Beautification Act also included screening or removing junkyards located within 1,000 feet of the Interstate and Primary Highway Systems. It would appear that if this is truly an effort to conserve the public funds and return the controls to local governmental entity the entire program should be dealt with rather than dealing with only a portion of the Program which has received the most complaints and has had the biggest lobby efforts.

Junkyyard operations are generally family owned and do not have the finances to lobby effectively against a Program. The junkyard owners have generally cooperated with the Program.

Nebraska is one of the states that signed the Bonus Agreement with the Federal Highway Administration to control advertising along the Interstate Highway System prior to the 1965 Beautification Act and receives one half of one percent of the construction costs in the controlled areas. The Federal Highway Administration advised that if Nebraska wishes to opt out of this agreement, the Secretary would have to approve such a request and the State would then have to return all of the funds received to date. S. 344 in its present state, does not make the Bonus Agreement optional, so Nebraska would have to continue to control along the Interstate unless the Federal Highway Administration agreed to dropping the controls. This is one of the areas receiving the most criticism of the Advertising Control Program.

S. 344 would make controlling advertising on the Primary System optional with each state. The first benefit from such a program would be that highway funds would not be used to acquire signs except on construction projects.

Another benefit to the Department would be the reduction of the criticism received from that portion of the public which wishes to erect advertising signs, however; we will have to justify to those citizens who are in favor of advertising controls how the program can be dropped considering the time, effort, and funds that have been spent to date.

I do not feel that S. 344 is comprehensive enough to correct the problems created by the 1965 Beautification Act.

We have attached a copy of an editorial from the World Herald regarding Advertising Control.

Very truly yours,

DAVID O. COOLIDGE,
Director-State Engineer.

VIEWS FROM ROAD CAN BE EVEN BETTER

Fields are turning to green and the beauty of our Midlands countryside soon will be in full bloom—with this exception: the places where billboards and junkyards still block or blemish the view.

Some encouraging word does come from the Nebraska Department of Roads: More than 28,000 signs have been removed from roads in the State since Nebraska entered the federal beautification program in 1972. This puts Nebraska about midway among states in signs removed. Some junk yards also have been screened or removed.

Also commendable was the elimination of 23,000 of the signs voluntarily through agreements between the state and landowners.

Barney Warlick, director of the state's sign permit program, says money is available to keep the program going this year. Although, as he says, the main goal of the Department of Roads is to build and maintain roads, we see no reason why this cleanup program shouldn't also be continued—with a stepped up pace.

We should be proud to show the beauty of our land to all who travel the highways.

THE STATE OF NEVADA,
EXECUTIVE CHAMBER,
Carson City, Nev., April 20, 1979.

Hon. ROBERT T. STAFFORD,
Committee on Environment and Public Works, U.S. Senate, Washington, D.C.

DEAR SENATOR STAFFORD: Regarding your request for comments on Senate Bill No. 344, please be advised that Nevada has achieved great success in the control of outdoor advertising without damaging our vital tourist industry.

Of the eight hundred and eighteen nonconforming signs eligible for purchase in Nevada, we have bought and removed six hundred and ninety-five, or eighty-five percent. The remaining one hundred and twenty-three signs are the objects of condemnation suits which have been filed. Additionally, working in concert with the Bureau of Land Management, we have removed about twelve hundred other noncompensable, illegal signs. In so doing, we expended more than $3.6 million, of which about $2.7 million was Federal money. Moreover, we will expend an additional $1.9 million to purchase and remove the signs which are now involved in the condemnation process.

Nevada currently ranks seventh nationwide in terms of progress in sign control and we believe any lessening of Federal requirements, to make the program voluntary, would seriously jeopardize our past accomplishments and future progress. It would result in a large and undeserved windfall to the organized outdoor advertising industry, which has resisted the State's efforts to remove signs, and would be unfair to the many small businesses which voluntarily sold their signs rather than resist the government's acquisitions.

We do agree that provisions of the 1978 Surface Transportation Act, requiring State payment of compensation for removal of off-premise signs adjacent to the primary and interstate systems by local governmental authorities, are an unreasonable Federal intrusion into the local government's exercise of constitutional police powers. For that matter, the Federal requirement that states pay just compensation for removal of signs to comply with Federally-mandated beautification standards contradicts other Federal regulations—those denying participation in removal of pre-existing signs which violate any specific provisions prior to being purchased. The states are thus placed in the position of exercising police powers to remove signs that are substantially the same as those which are eligible for purchase.

Rather than making outdoor advertising control voluntary, we urge that the program be strengthened. This could be accomplished by establishing a national completion date for compliance, removing the Federal requirement for compensation and allowing state and local governments to amortize and remove signs through the legitimate exercise of police powers. As an option to states which may still desire to compensate, Federal participation should remain available.

Your courtesy in soliciting the views of the State of Nevada is appreciated. I very much hope the foregoing information is helpful.

Sincerely,

ROBERT LIST,
Governor.●

MINORITY STAFFING SURVEY OF SENATE COMMITTEES

● Mr. HATFIELD. Mr. President, early in the 95th Congress, the Senate completed its most sweeping review of the committee system in 30 years. One of the major principles to emerge from that review was that the minority party must have a fair share of funds allocated for committee staff appointments. The effective development and presentation of minority positions and alternatives depend on the ability of the minority to hire and direct its own staff.

This minority staffing principle is set forth in section 703(e) of Senate Resolution 4, 95th Congress. The formula agreed to was: "the staffs of committees (including statutory, investigative, and clerical personnel) should reflect the relative number of majority and minority members of committee." The minority, regardless of how small its size, should receive no less than one-third of the funds available for partisan staff. In order to avoid hardships on both the committees and the individuals involved, the resolution provided that committees should have 4 years to meet these requirements, with one-half of the proportional level to be achieved in 2 years—specifically by July 1979.

In addition to insuring adequate staffing funds, Senate Resolution 4 sought to require that the minority would be treated fairly in terms of office space, equipment, and other committee facilities. Again, the minority's share was to be "proportionate."

Section 706 of Senate Resolution 4 empowers the Committee on Rules and Administration to prescribe rules and regulations to implement section 703(e). In connection with its review of annual committee funding resolutions, the minority staff of the Rules Committee solicited information and compiled data regarding the progress that all Senate committees are making in meeting the minority staffing mandate of Senate Resolution 4. A table indicating the minority staffing levels on Senate committees for the past 3 years has been prepared, and responses of the committees to questions I have posed about other facets of committee staffing have been consolidated. The table lists the number of majority, minority, and nondesignated employees on the committees' permanent as well as investigative payrolls. It also provides a single figure for each of the 3 years which represents the percent of the combined permanent and investigative payroll which is allocated to the minority. It is this figure which must be proportional.

Mr. President, I would like to summarize the most important findings of our survey for the benefit of my colleagues. I am pleased to report that most committees are at, or near, the minimum one-third level more than 2 years before the July 1981 target date. Two committees—energy and, by the minority's calculations, armed services—are significantly below the one-third level. In addition, two other committees, appropriations and foreign relations, represent special cases, and are not directly comparable.

The minority members of the Appropriations Committee have not requested a proportionate share of staff funds. Nevertheless, Chairman MAGNUSON has been responsive to the needs of the minority to hire staff. As of March 1 of this year, the appropriations committee had 78 staff members, with the following breakdown:

Fifteen appear to have duties akin to the "administrative and clerical functions of the committee as a whole" category, which under Senate Resolution 4 is not to be included in determining the minority's share.

Fifty, including employees assigned to subcommittees as well as the full committee, are directed by the majority, although some of these employess perform functions for the entire committee.

Thirteen are assigned responsibilities by the minority and receive 20 percent of the committee's budget for staff, excluding the payroll for the 15 cited above who perform administrative and clerical functions for the committee as a whole.

Another special case is the Foreign Relations Committee. Minority members of that committee requested a minority staff for the first time this year. As a result, the minority has been budgeted only 16 percent of that committee's partisan funds for the upcoming year. Senator JAVITS indicated in testimony before the rules committee that the minority would work with its small staff this year before determining whether a larger separate staff would be required to serve the needs of minority members.

Although most committees are making good progress toward allocating one-third of partisan staff funds to the minority, only three committees have reached, or are approaching, truly proportional staffing, that is, staffing reflecting the percentage of Republican members on committees. At present, 41 members of this body are Republicans—committees have a roughly equal percentage of minority members. The intelligence committee, with a fixed ratio of one more majority than minority member, allocates 48 percent of partisan staff funds to the minority. Comparable figures are 39 percent for the committee on Veterans Affairs and 38 percent for the Special Committee on Aging. I would like to see additional committees move toward this truly proportional level during the 96th Congress.

Mr. President, I ask that the table as well as questionnaire and committee responses to which I refer above be printed in the RECORD.

The material follows:

SURVEY OF MINORITY STAFFING ON SENATE COMMITTEES, 1979

	Permanent staff						Investigative staff						
	Professional			Clerical			Professional			Clerical			Percentage of combined funds for minority
Committee	Majority	Minority	Nondesignated	Majority	Minority	Nondesignated	Majority	Minority	Nondesignated	Majority	Minority	Nondesignated	
Agriculture:													
April 1977	0	3	5	0	1	3	0	2	6	0	1	8	30
January 1978	5	3	0	4	0	0	8	3	0	7	3	0	36
January 1979	4	2	0	3	0	3	6	4	1	6	3	2	33
Armed Services:													
April 1977	3	2	1	0	1	6	9	3	0	0	0	9	29
January 1978	3	2	1	0	1	6	9	3	0	0	0	9	36
January 1979[2]	3	2	1	0	0	7	8	2	0	0	0	7	31
Banking:													
April 1977[3]	4	2	1	2	1	2							31
January 1978	4	2	0	2	0	4	13	7	1	9	6	0	33
January 1979	5	2	1	1	0	3	13	7	1	10	5	0	33
Budget:													
April 1977[3]													31
January 1978	3	2	1	4	1	1	29	12	5	14	7	12	31
January 1979	3	2	1	4	1	1	29	14	4	18	8	6	33
Commerce:													
April 1977	5	1	0	4	2	0	30	16	1	26	6	7	29
January 1978	4	0	0	4	2	0	30	17	1	28	5	10	29
January 1979	5	1	0	3	2	1	28	17	3	23	5	8	32
Energy:													
April 1977	5	1	0	5	1	0	14	4	0	16	2	0	28
January 1978	5	1	0	5	1	0	15	5	0	17	4	0	25
January 1979	4	2	0	4	1	1	11	4	1	14	3	4	26
Environment and Public Works:													
April 1977	4	2	0	4	1	1	16	8	1	10	3	1	33
January 1978	6	2	1	2	1	0	18	7	1	10	3	1	33
January 1979	5	2	1	3	1	0	21	11	1	12	4	1	33

Footnotes at end of table.

SURVEY OF MINORITY STAFFING ON SENATE COMMITTEES, 1979—Continued

Committee	Permanent staff						Investigative staff						Percentage of combined funds for minority
	Professional			Clerical			Professional			Clerical			
	Majority	Minority	Nondesignated	Majority	Minority	Nondesignated	Majority	Minority	Nondesignated	Majority	Minority	Nondesignated	
Finance:													
April 1977	0	1	11	0	1	11	0	3	6	5	2	2	
January 1978	0	1	11	0	1	11	0	3	6	5	2	1	25
January 1979[4]	0	1	11	0	1	11	0	5	7	3	3	3	33
Foreign Relations:													
April 1977	0	2	8	0	0	8	0	0	16	0	0	29	
January 1978	0	2	8	0	0	8	0	0	16	0	0	24	
January 1979[5]	7	2	0	3	0	6	11	2	2	25	3	6	17
Governmental Affairs:[3]													
April 1977													34
January 1978	4	3	4	2	1	0	53	24	19	48	21	22	32
January 1979	5	2	1	1	2	3	66	34	0	40	17	7	32
Judiciary:													
April 1977													
January 1978[3]													
January 1979	5	3	2	3	1	3	56	25	0	60	21	38	33
Labor and Human Resources:													
April 1977	12	3	2	10	3	0	21	10	2	34	12	3	31
January 1978	9	6	2	9	4	0	31	11	2	39	21	2	32
January 1979	9	6	2	9	4	0	28	11	2	35	14	3	33
Rules:													
April 1977	4	2	3	1	1	1	2	1	7	2	1	2	32
January 1978	4	2	2	1	1	1	3	1	11	2	1	2	31
March 1979	4	2	2	1	1	1	3	1	10	2	1	2	32
Veteran's Affairs:													
April 1977	2	2	3	4	1	0	2	1	0	5	2	0	25
January 1978	2	2	3	4	1	0	3	1	0	5	2	0	36
January 1979	3	2	1	3	1	2	2	2	0	5	2	1	39
Small Business:													
April 1977[3]													
January 1978	4½	1	½	2	1	3	3	1	1	3	1	1	23
January 1979	4½	2	½	3	1	2	3	2	1	3	1	1	35
Intelligence:[3] [6]													
April 1977													48
January 1978							11	10	9	1	2	20	45
January 1979							9	8	10	1	1	23	48
Aging:													
April 1977							7	0	0	7	0	0	26
January 1978[7]	4	2	0	5	1	0	7	0	0	6	1	0	33
January 1979	3	2	0	4	1	1	4	3	0	1	1	0	38
Indian Affairs:[3] [6]													
April 1977													
January 1978							10	4	6	2	2	2	32
January 1979							9	4	5	2	1	2	30

[1] By letter of Feb. 24, 1978, Chairman Talmadge agreed to a redesignation of the nondesignated staff as majority staff.

[2] These designations have been determined by the committee chairman. The committee's ranking minority member disputes these figures, and believes that 6 staff members the chairman classifies as nondesignated are properly termed majority staff, and 1 staff member the chairman classifies as nondesignated is properly termed minority staff. Under the ranking minority member's breakdown, the minority is receiving only 24 percent of the committee's partisan-designated funds.

[3] Some data not available.

[4] By letter of Feb. 27, 1979, the chairman of the Finance Committee explained the inconsistency between the permanent and investigative staff breakdowns on the one hand, and the funding available for the minority on the other. The chairman considers that the committee's professional staff assists all members of the committee and the Senate, regardless of party. Although a separate minority staff was created in 1975, the professional staff continues to be available to all Senators. However, for purposes of determining the minority's share of staff funding, "the only staff members considered 'nondesignated' are the committee receptionists, printing and document clerks, plus a portion of professional and clerical staff time related to routine committee correspondence."

[5] The minority members of the Foreign Relations Committee first requested a separate minority staff in 1979.

[6] The committee has no permanently authorized staff.

[7] The Special Committee on Aging first became entitled to a permanently authorized staff in 1978.

COMMITTEE RESPONSES TO SUPPLEMENTARY QUESTIONS

The following four questions were asked of Senate committees, and their responses thereto are cited below with the corresponding question numbers:

Questions:

1. S. Res. 4 provides that the minority shall receive a proportionate share of committee office space. Can you discuss how your committee is proceeding to meet that objective?

2. S. Res. 4 also stipulates that the minority staff personnel shall be compensated as the minority Members of the committee so decide. Has it been a practice of your committee for the minority Members to determine the salaries of the minority staff?

3. What has been the practice of your committee with regard to availability of committee travel funds for the minority?

4. Is the minority on your committee given full prior consultation regarding the hiring of persons to fill staff slots designated as non-partisan?

Committee responses:

AGRICULTURE, NUTRITION AND FORESTRY

1. With regard to office space . . . Senator Helms is pleased . . . and has found it quite adequate for the staff.

2. It has always been the practice of this committee for the ranking minority member to fix the salaries of the designated minority staff.

3. Travel funds are available, without regard to majority or minority designations, to all staff, and committee Members who wish to travel. The travel regulations, set forth by the Rules Committee, are applied to all persons who travel, and the travel vouchers are prepared by a non-designated employee.

4. It has always been the practice of the Chairman to consult the ranking minority member in the hiring of such staff.

APPROPRIATIONS

1. Some 45 rooms are currently assigned our Committee in the Capitol, and the two Senate Office Buildings. Of that total, 7 are Hearing Rooms and 9 are "offices" assigned support activities of the Full Committee, i.e., telephone switchboard, library, printing, computer services, investigators, messengers, secretarial pool, and the reception area of our suite in the Capitol. Some 16 staff members occupy those 9 rooms.

A total of 19 rooms are assigned to the subcommittees and house the 43 staff members assigned to those subcommittees.

Two rooms are reserved for Members of the Committee.

Some five rooms are assigned to the exclusive use of the minority and house 13 staff members.

An additional room, 1300 Dirksen, is currently available for use by any staff member for meetings with visitors, but there is an understanding that room would be available to the minority at such time as they feel it necessary for the exclusive use of their staff.

On the basis of the foregoing, it would appear some 29 rooms are available for assignment among subcommittees, full committee, and minority staff. The subcommittees occupy 19 of those rooms, or 65 percent; the full committee, nonsupport staff and members, occupy four, or 14 percent; and the minority occupy, or have call upon, a total of six, or 21 percent.

2. The compensation level for any new member of the staff recommended to me by the minority has been established by them, and I have approved any such request on their part.

I might add that last year, when the Ranking Member and I were faced with questions of merit increases for existing staff members, we came to an agreement that any such increases would be limited to not more than six percent. Some 21 positions are allocated for our Committee under the rules that carry with them maximum salary levels, and it is my understanding with the Ranking Member that eight of those are reserved for the minority.

3. In respect to official travel for the Committee, it is a rule that all personnel must have prior approval of that Member they must directly report to. In the case of the minority staff, when the Ranking Member of a subcommittee and the Ranking Member of

the full committee approve such travel then I approve their request.

4. In reference to support personnel of the full committee, we have experienced little turnover during the relatively brief time I have been Chairman. In such cases, I have directed my assistant to keep the Minority Staff Director fully informed of such openings and such vacancies have been filled entirely on the basis of the individual merit of the applicants.

ARMED SERVICES

1. The Committee office space is used in common by all staff members. There is no separation for housing the minority staff members within the Committee office area.

2. The initial annual rate of compensation for any such staff member newly employed on the staff is recommended by the ranking minority member with the finally established rate agreed to by him and me, as Chairman. Any adjustments in annual rates of compensation are made by me as Chairman generally with full consideration given at all times to further specific adjustments as recommended by the ranking minority member.

3. Practically all Armed Services Committee travel, both foreign and domestic, is made at the expense of the executive branch, primarily the Department of Defense, with the exception of use of foreign currency which is administered by the Department of State. The ranking minority member exercises full authority for domestic travel of the staff members designated by him who are traveling at the invitation of the Department of Defense. Foreign travel and domestic travel requested by the Committee is authorized by the Chairman whenever it is necessary to the work of the members of the Committee.

4. None of the Armed Services Committee staff members were selected and appointed by me with any political designation. All such staff personnel are selected for their professional ability only and no inquiry is made regarding their political party preference or if they have one. This is in keeping with the longstanding non-partisan approach of the Armed Services Committee and with the permanent staff provision of the Legislative Reorganization Act of 1946 requiring that professional staff personnel be appointed without regard to political affiliation and solely on the basis of fitness. I have coordinated with the ranking minority member and offered the opportunity to consult with her or him prior to the appointment of professional personnel selected by me for employment.

BANKING, HOUSING AND URBAN AFFAIRS

1. The majority occupies 8.24 rooms, or 64% of the committee's staff for partisan space, and the minority—4.62 rooms, or 36%.

2. Yes.

3. All staff travel is approved on a case-by-case basis by the Chairman and, in the case of minority staff travel, by the Ranking Minority Member as well. No fixed allocation has been set aside for minority staff travel. During the 95th Congress, the minority staff used 30% of the committee's staff travel funds.

4. Yes.

BUDGET

1. The minority staff presently occupies 32% of the rooms assigned to the majority and minority, representing 31% of the total square footage. These calculations exclude space occupied by non-designated personnel. In addition to these percentages, it should be noted that the minority housing is contiguous and consolidated at its request on one floor of the Carroll Arms Building.

2. The committee's Ranking Minority Member always has determined the compensation for all minority "core" staff.

3. Committee travel funds are proportionately available to the minority and majority; however, all minority travel must receive prior approval by the Ranking Minority Member and the minority staff director. During the 1978 budget period, minority travel accounted for 36.6% of the travel funds expended by the Budget Committee.

4. The minority is given full prior consultation regarding the hiring and compensation of persons to fill non-designated, non-partisan staff slots.

COMMERCE, SCIENCE AND TRANSPORTATION

1. I have indicated a willingness to work with the minority in providing additional office space as their manpower needs change.

2. The ranking minority member proposes starting salaries for new minority employees as well as merit salary adjustments for minority employees. The only guideline that I have insisted upon is that there be pay comparability between majority and minority staff members.

3. Each request for minority staff travel is reviewed by the ranking minority member and the Chairman who has the ultimate responsibility for all travel undertaken by majority as well as minority staff. The agreement Senator Packwood and I have is that if I should take exception to a travel request that he has approved then we would sit down and discuss the matter. In brief, all staff of this Committee, majority as well as minority, may not travel unless they are accompanying a Senator, participating in a field hearing, or traveling at the request of a Committe Member.

4. Yes. This has been the practice in the past and will continue to be so. I consult with and seek Senator Packwood's approval on the hiring of all staff designated for non-partisan slots on the Committee.

ENERGY AND NATURAL RESOURCES

1. The Committee is aware of the problem of the minority staff in occupying only 18 percent of Committee floor space (less non-designated space). Despite repeated attempts to obtain the adjacent room (3210) to the present minority offices, the Committee does not appear to be any closer to resolution of this problem in the new Congress. Given the circumstances of the Committee's office space generally, it is clear that the modest expansion of total staff that has come about as a result of Senate Resolution 4, 95th Congress, has created a problem which can only be solved by acquiring additional space. The majority and minority staff plan to work cooperatively toward alleviating such space problems as can be addressed without the acquisition of new space, but the Rules Committee should be aware that such actions cannot relieve the situation satisfactorily.

2. The minority Members determine the level of these salaries in consultation with the majority side.

3. It will be the policy of the Committee to accord such funds proportionately or as needed to accommodate the necessary support for the Committee and its individual Members. In the past, travel funds appear to have been disproportionately provided, with the minority staff receiving only 15 percent during the last year. This was in part due to differing restrictions placed by the Chairman and the Ranking Minority Member on staff travel. We anticipate, however, that within the Committee's budgetary constraints, majority and minority staff will be able to accomplish necessary support activities for their respective Members in travel-related assignments.

4. It is our understanding that consultation with the minority on the part of the majority in the hiring of such staff did not occur regularly during the last Congress. However, the Chairman and the Ranking Minority Member do agree on the necessity of such consultation, and we have every intent to institute such consultation.

ENVIRONMENT AND PUBLIC WORKS

1. As discussed in our oral testimony before the Committee on Rules and Administration, our Committee suffers from a severe shortage of office space. This inadequacy is shared by both the majority and the minority staffs. If and when additional space is assigned, the minority will be given its proportionate share of that space.

2. The salaries of the minority staff are determined by the minority, and specifically recommended and approved by the Ranking Minority Member.

3. It is Committee policy that minority staff is invited to all field hearings and major oversight functions requiring staff travel. Minority Members and staff sometimes represent the entire Committee at hearings, and other activities outside Washington. In addition, independent minority staff travel is approved through the recommendation of the Ranking Minority Member.

4. Our three non-partisan staff positions have been filled by the same persons for several years, ranging from six to more than 16 years. All were appointed by the Chairman, and two of the three already were members of the staff and transferred to non-designated category duties. The minority was consulted and agreed to that designation of non-partisan staff.

FINANCE

1. Senator Dole and I have written a letter to the Rules Committee requesting additional space for both professional and minority staffs. I am hopeful that you will be able to provide the additional space we have requested.

2. It has been my practice to pay the minority staff members whatever amounts the ranking minority member has requested.

3. It has been my policy to authorize staff travel on a limited basis only, generally only when a committee Member has asked that one of the professional staff be made available for a field hearing or to make a speech at his request. When Senator Curtis was ranking minority member, he requested authorization for minority staff travel only rarely, and I approved each request.

4. In general, positions on the professional staff have been recruited by the staff director, with the goal of finding the best qualified person for the position. Only in one case in recent years have I been involved in the recruitment process.

FOREIGN RELATIONS

1. The minority has requested and has obtained funds to hire four professional staff members and three support personnel. Their office space is comparable to the office space of a similar number of majority staff. Minority and majority are continually in contact to ensure that both staffs are officed as per the dictates of S. Res. 4.

2. Yes.

3. In the past, while staff of the Committee on Foreign Relations was bipartisan, two staff personnel paid by your Permanent Statutory Authority were designated minority. Travel monies have been available to both minority and majority on the basis of need.

4. As per agreement between majority and minority on the Committee, the majority will have the responsibility for staff persons designated as non-partisan.

GOVERNMENTAL AFFAIRS

1. The Committee majority staff have been working with the minority staff to provide ample space for the minority. They are presently working with the minority staff director of the Committee. We are making every attempt to accommodate the minority's need for space on the Committee.

2. Yes, it is a current and past practice for the minority Members of the Committee to determine minority salaries.

3. Our Committee basically allocates ⅓ of its salaries for the minority. We do not have

extensive travel on the Committee. All staff are required to justify their travel and to have approval of the Committee chairman. This is done in a spirit of comity, and the Committee has experienced no problems with respect to minority requests for travel.

4. The non-partisan staff has remained basically the same, so there has been little turnover. There is no formal policy of the Committee with respect to minority approval of nondesignated personnel.

JUDICIARY

1. The Majority and Minority have agreed that additional space should be assigned to the Minority, based on square feet assigned to the Committee. Senator Thurmond and I have reached agreement as to the specific rooms which will be transferred to the Minority, each of which is currently occupied by the Majority. We hope to complete the moves within the next few weeks.

2. It has been the practice of the Committee for the Minority Members to determine the salaries of the minority staff. As a matter of fact, the average salary contained in our budget for the minority clerical staff exceeds that for the majority clerical staff by $5,636.

3. There is no dollar figure allocated in the budget to minority travel, but the Ranking Minority Member and I have an understanding that the minority will be permitted to travel as authorized by the Ranking Minority Member up to one-third of the travel budget.

4. While the minority has agreed to the designations of individuals performing functions which are non-designated, the actual hiring of those individuals for those positions is a prerogative which the Chairman exercises. These individuals are not screened in any way for partisan politics and are hired solely upon merit.

LABOR AND HUMAN RESOURCES

1. Office space for committee staff has been at a premium for many months. At present, the staff of minority members is allocated 2,288 square feet of floor space; the majority staff has 9,555 square feet of floor space available. As you know, the largest blocs of office space exists in the Immigration Annex Building. Minority Members traditionally have preferred to retain the much smaller quarters available in the Dirksen Building rather than avail themselves of the Immigration Annex space occupied by other elements of the committee staff. However, last February, which was the last time our committee was able to obtain additional office space, the minority accepted the space in rooms A–723 and 723–B in the Immigration Annex. Any additional office space that becomes available will be offered to minority Members for their staff's use.

2. This has been the practice of our committee within specific uniform guidelines adopted by the committee for constraining salary increases under the annual resolution. Generally, the committee has adopted a policy of limiting merit pay increases to one $2,500 raise per year. However, the committee has agreed to a more flexible policy for the coming budget year in order to meet the requirements of the new minority leadership and membership of the committee for trial of new staff personnel.

3. With respect to travel funds, requests are approved for minority and majority Members with the same degree of consideration. There is no ceiling on the share of travel funds for minority Members, which frequently exceeds one-third of the total travel budget.

4. All seven members of the non-designated committee staff have been employed by the committee for more than two years. During that time, they have served all Members and their staffs without regard to partisanship, and this has been my policy through the eight years of my chairmanship. I have received no complaints from Senator Schweiker, our new Ranking Minority Member, or from Senator Javits, who was our Ranking Minority Member for many years, that non-designated administrative staff are not meeting their responsibilities uniformly among the Members. In addition, I have received no suggestion from minority Members that they be consulted in the hiring of non-designated administrative staff personnel.

COMMITTEE ON RULES AND ADMINISTRATION

1. The minority staff does have a proportional share of Committee office space.

2. The Ranking Minority Member of the Committee determines the salaries of the minority staff.

3. The Rules Committee budgets and uses very little travel money. Travel is available to the minority staff on an equal basis with the majority staff.

4. The Chairman appoints non-designated staff personnel.

VETERANS' AFFAIRS

1. The minority staff has 27 percent of the staff space allocated to the desginated staff. Additional space will be allotted to the minority this year due to the addition of a minority staff position, pursuant to our request to your Committee.

2. The salaries of the minority staff have been determined by the minority Members.

3. The Committee has made travel funds readily available to the minority staff at their request for official travel.

4. To date, the minority has not been consulted on the appointments of staff to non-designated positions. However, there have been no problems raised by the minority Members or staff with respect to the few such appointments made since I became Chairman. Should the Ranking Minority Member request such consultation, we would be happy to receive the views of the minority on such appointments in the future.

SPECIAL COMMITTEE ON AGING

1. The majority staff occupies 1,679 square feet of office space in three rooms. This space is also used for the one non-designated staff member and houses all official Committee files (including administrative, investigative, and correspondence files), Committee publications, automatic typewriting equipment, and the SCORPIO equipment. The minority staff occupies 560 square feet of office space in three rooms.

2. The ranking minority Member determines the salaries of all minority staff.

3. All Committee travel by majority and minority staff has been approved by the Committee staff director on an as-submitted basis. During the period March 1978 through January 31, 1979, 67% of Committee travel funds were utilized by majority staff and 33% by minority staff. Included is all travel for Committee hearings (including clerical support for field hearings and all advance and followup activities), investigations, and conferences, and meetings.

4. The position of Chief Clerk, or Assistant Counsel for Operations, as designated in January 1977, is currently unfilled. Full prior consultation with the minority staff will take place before this spot is filled.

SELECT COMMITTEE ON INDIAN AFFAIRS

1. Although I have not yet considered what space is available, I do plan to reserve a proportionate share of committee office space for the minority Members.

2. Salaries of minority staff will be determined by the minority Members.

3. Committee travel funds for the minority will be provided when requested.

4. Minority Members on the Committee will be given prior consultation regarding hiring of persons to fill staff slots designated as non-partisan.

SELECT COMMITTEE ON INTELLIGENCE

1. Committee office space is shared equally without regard to party affiliation.

2. All professional staff members are hired and compensated by a formal vote of the full Committee. The Committee has provided that each Member may nominate a professional staff member, subject to the approval of the full Committee. The salary of that professional staff member is designated by the Member himslf, subject to the approval of the full Committee.

3. The minority has equal access to travel funds.

4. The minority is consulted when non-partisan slots are being filled.

SELECT COMMITTEE ON SMALL BUSINESS

1. Shortly after passage of S. Res. 4, the executive director and minority staff director discussed the possibility of the minority staff moving into office space in the Senate Courts Annex assigned to the committee. The majority proposed that the minority move into that office, suite 402, with four individual rooms, totaling 745 square feet. That move would have resulted in the minority acquiring approximately their appropriate share of designated office space. The minority rejected that plan, opting to remain in the Russell Building main office of the committee, room 424, which gives them about 17% of the designated office space. The space required under S. Res. 4 is still available to the minority, as proposed.

2. It has been the committee's practice that the minority Members alone determine salaries, merit raises, and cost-of-living increases of the minority staff.

3. The committee has made travel funds available to the minority upon their request, just as it has done to any other Member or staff of the Committee, subject of course to overall budgetary constraints and Senate rules and regulations. No minority request for travel funds has ever been rejected. To date, our records indicate that of the combined resolution and permanent statutory funds expended for travel in the past year, the minority share of travel expenditures was 23%.

4. Staff informs me that the executive director and the minority staff director are in full consultation on the question of non-designated positions constantly.●

REGULATORY REFORM

● Mr. DOMENICI. Mr. President, on April 5 my colleague from Missouri (Mr. DANFORTH) reintroduced his legislation from the last Congress—the Federal Assistance Reform and Small Communities Act of 1979. I am happy to be a cosponsor of this vital legislation, and I look forward to working closely with my good friend from Missouri in order to formulate the best possible plan.

Last year when this bill was introduced, the reception in my State of New Mexico was overwhelming. Coming from a State primarily composed of small communities of less than 50,000 people, over the years I have been made aware of the difficulties facing these communities as they attempt to keep in stride with the exorbitant amount of regulations and paperwork required during the grant application process. Whether this bill addresses all of the needs of these communities is still to be determined. However, it is a start and as we further explore this issue, we will be making changes and additions to the bill.

Regulatory reform seems to be the keynote of the 96th Congress. I support this effort and have added my name to a number of other reform bills that have been introduced. My one concern as we address this issue is, however, that we still maintain some flexibility in our programs. Consolidation of regulations from different agencies is important, but we must not lock ourselves into such a rigid, inflexible system that the grant programs become inoperable.

I hope that we will be able to fully address this issue during our consideration of the bill, and I commend my friend from Missouri for his farsighted proposal.●

FEDERAL ELECTION COMMISSION AUTHORIZATION

● Mr. PELL. Mr. President, on May 7, 1979, the Committee on Rules and Administration unanimously approved S. 994, a bill to authorize $250,000 for the Federal Election Commission in fiscal year 1980 to distribute to State offices for the purpose of covering expenses by such offices in carrying out their duties under section 316 of the Federal Election Campaign Act (2 U.S.C. 439). That section imposes the following duties on State election officials: To receive and maintain certain campaign reports and statements; to preserve such reports and statements for 10 years, except reports relating to House candidates, which must be kept for 5 years; to make reports and statements rapidly available for public inspection and copying; and to compile and maintain a current list of all statements pertaining to each candidate.

Since the enactment of section 316, the States have undergone considerable expense in complying with the provisions of this section, which pertains only to reports filed in connection with campaigns for Federal office.

The Federal Election Commission, which has compiled information on the costs that States have incurred in complying with section 316, estimates that $250,000 per year would cover these costs for fiscal year 1980. This legislation would not reimburse the States for expenses incurred in past years, but only for fiscal year 1980. I would expect, however, that the Commission would seek funds for such purposes in subsequent budget authorization requests.

As amended by the committee, the bill would provide for a block grant system of distributing these funds to the States, rather than a voucher system (as was included in S. 994 as introduced). Based on testimony by FEC witness Richard Thomas, the committee concluded that the block grant system would entail minimal FEC cost and involvement in the distribution process. For example, FEC costs under a voucher system would run from $15,000 to $25,000 while the Commission's present budget could pick up the minor costs of processing checks under a block grant system. In addition, far less paperwork for the Commission, as well as the States, would be entailed.

The bill requires the FEC to devise a formula for distributing funds to the States based on the number of electoral votes each State cast in the previous Presidential election. The Commission estimates that, under such a formula, the States would receive approximately $465 per electoral vote. Thus, my own State of Rhode Island's four electoral votes would entitle the State to approximately $1,860 in Federal funds under this formula.

The committee appreciates the diligent efforts of Senator Stone, who introduced this legislation in the 95th Congress and surveyed State officials on the costs of recordkeeping under the Federal Election Campaign Act. Senator Stone's testimony was important to the committee's inclusion of a similar provision in S. 926 in the 95th Congress. S. 926 was reported by the Rules Committee and passed by the Senate, but it was not enacted because of House difficulty in passing FECA amendments. Senator Stone has been helpful with this legislation in this Congress as well, and is a cosponsor of S. 994.

In response to my request, the FEC gave an assessment of the regulatory impact of S. 994. The Commission concluded that no additional individuals or businesses would be regulated; that individuals, consumers, and businesses would not be affected economically; and that the personal privacy of individuals would not be affected. As I mentioned before, very little paperwork would be required on the part of the FEC or the States.

The electoral vote formula was deemed the best way to determine the amount of money each State should receive. That system provides a standard that changes only every 10 years, and then only slightly. A mandatory minimum for each State is built in, since no State has fewer than three electoral votes. However, there are a few wrinkles which should be noted.

Although the District of Columbia has three electoral votes, it is not required to receive, index, and maintain reports under section 316. The Commission exempted the District of Columbia from this requirement in 11 C.F.R. § 108.8 since all reports are filed with the FEC, the Clerk of the House, and the Secretary of the Senate whose offices are located within the District. To require candidates for Delegate or President and Vice President to file copies of reports with the District of Columbia government of course would be a needless burden.

It is therefore the committee's intent that no funds should be distributed to the District of Columbia. Of the approximately $1,400 that would be remaining ($465 times 3 electoral votes), the committee intends that the Commission apportion the money among the Virgin Islands, Guam, the Commonwealth of Puerto Rico, and American Samoa (beginning in 1980), whose local officials incur minor expenses in keeping Federal campaign records for the Federal races in those jurisdictions.

Mr. President, I believe this legislation is needed and will go a long way toward redressing the inequity of having the States pay for federally-mandated filing requirements. I urge the Senate to pass S. 994 as reported by the Committee on Rules and Administration.●

CONSUMER CREDIT KNOW-HOW

● Mr. DANFORTH. Mr. President, young people are America's greatest investment in the future. It is important, therefore, that they have a proper understanding of and confidence in the role of business in our economy. The work of Missouri's Consumer Credit Association has done much to advance this goal.

Four years ago, Virginia Rutledge of St. Louis initiated a statewide program in Missouri for high school seniors to learn more about the wise use of consumer credit. The vehicle to accomplish this is a statewide essay and speaking contest, which has been extremely successful. Students throughout Missouri have become interested in the consumer credit industry through their independent research on the subject.

The essay contest also is sponsored by the International Credit Association, under the direction of William Henry Blake, the executive vice president.

It is fitting that the award be made during National Consumer Credit Week, and I am pleased to take this opportunity to request that year's first place essay be printed in the Record. Mark Hood, a senior at Vianney High School in St. Louis, Mo., is the author. I think he has done an excellent job. The essay follows:

Consumer Credit Know-How

(By Mark Hood)

Consumer credit has become a vital part of the U.S. economy. In the past Americans prided themselves on paying "cash on the barrelhead." Today they eat, drink, drive, travel, clothe themselves and purchase their houses with a minimum of cash and a maximum of credit. Credit has become such an essential part of modern American life that it is governed by a large body of state law, which has been strengthened and broadened by two federal laws, the 1969 Consumer Credit Protection Act (the "Truth in Lending" act) and the Fair Credit Reporting Act. Knowing how these and other laws governing credit operate—and being able to recognize situations in which you as yet have no clear legal protection—will help you to make credit work for you and not against you.

None of the laws on credit grant you an automatic right to credit. In fact, the potential lender has every right to refuse to give you credit if he feels that you might not be able to fulfill your single responsibility: to pay your bills. Consequently, whenever you apply for credit you will be asked a number of standard questions designed to reveal your "credit-worthiness." You will probably be requested to fill out a form, including answers to such questions as where you work, how long you have worked there, what your salary is, what bank accounts you have, whether you own or rent the place in which you live, and what other credit or charge accounts you have. The answers to such questionnaires are used to determine not only if you are a good credit risk, but also how much credit you can be expected to handle.

Large stores, major banks and credit card companies do not rely on your word alone. They check you out through one of the nation's many credit bureaus-companies whose primary business is to keep records on Americans who use credit. The credit bureau's data will tell whether you have a history of paying your bills promptly, or slowly, or not at all. If the bureau says you are a good credit risk, your application is likely to be approved. If you have large outstanding debts, your credit rating will have plummeted toward zero—with predictable results for your application. They are legally free to gather information about you provided they disclose it only to persons with a legitimate interest in your affairs. A store that contemplates granting you credit is considered to have such an interest; an inquisitive neighbor who simply wonders how you can afford two cars is not. You can check on your credit status even before you have undergone the unpleasant experience of being rejected. Even if you have only a suspicion that a negative credit report may be circulated—one that might result in a denial of credit, insurance or employment—you are entitled to ask the bureau to recheck and if necessary, correct its information.

Much of your use of credit probably involves credit cards—the handy, wallet-size plastic rectangles issued by stores, banks and oil companies as well as by credit card companies. While a credit card is a great convenience, until recently it could be a mixed blessing. In 1970 Congress grappled with the problem of lost cards and liability. One result was an amendment to the Truth in Lending Act providing that you may no longer be mailed an unsolicited credit card, which could easily fall into the wrong hands before it reached you. The law also set limits on your responsibility for unauthorized use of your cards. Once you notify the issuing company that a card is missing, you owe nothing for purchases made with it after that time. And you cannot be held responsible for more than $50.00 for charges run up before you were able to sound the alarm.

Another area in which the consumer must still be watchful is the borrowing of money. You may be taking out such loans more often than you think. When you go to a bank or a finance company and arrange a personal loan, you know you are borrowing money. But you are also borrowing money, in effect, when you buy a TV set on the installment plan or buy a car on time. Many agreements for borrowing money, including some offered by large banks and well-known dealers in installment-plan purchases, contain catches that can bring the unwary borrower to grief. One provision that often turns up is a so-called acceleration clause. It states that your failure to pay even one installment gives the lender the option to "declare this note immediately due and payable, without notice or demand." In other words, you must then pay off the entire loan—and right away. Not every lender applies this clause rigidly.

Installment credit sale contracts generally have the same clauses as bank and finance company contracts—and several more besides. Many are what is known as conditional sales agreements, which means that the lender retains a "security interest" in the merchandise until the purchaser completes all of the payments. Until then, in effect, the lender still owns it. If the purchaser stops paying, the lender can repossess it. He can take the merchandise back even if the purchaser has completed as many as 10 of a dozen payments.

A few people are lured into sliding thoughtlessly into the easy credit route. Most people are apparently able to handle credit sensibly, and to enjoy its benefits without once again falling prey to its dangers. So, used wisely, credit is an excellent idea.●

THE LEAGUE OF WOMEN VOTERS ON INTERNATIONAL TRADE

● Mr. **RIBICOFF.** Mr. President, the League of Women Voters has consistently published constructive and well researched reports on international trade. The most recent, "MTN: Breaking the Nontariff Barrier," is a comprehensive analysis of the multilateral trade negotiations.

I commend the league both for the educational value of this report and for its recognition that—

The MTN is much more than the technical package of agreements. It is a blueprint that nations pledge to follow in an effort to avoid disharmony and misunderstanding. It is, finally, in this context that all of us, both as individuals and as nations, must judge the agreement.

I ask that the report be printed in the RECORD.

The report follows:

MTN: BREAKING THE NONTARIFF BARRIER

The new multilateral trade agreements are the subject of newspaper headlines, TV talk shows and congressional hearings. And for good reason. They touch the lives of all of us—manufacturers, retailers, farmers, workers and consumers. Now, from years of talk and inches-thick documents, real breakthroughs in international cooperation are emerging. It's worth some effort to master the jargon of the trade world and the veiled language of diplomacy to get at the meat of the agreements, which are the product of nearly six years of multilateral trade negotiations (MTN). Most of what remains to be done in finalizing the agreements is dotting the i's and crossing the t's—and getting each nation to endorse what the negotiators have wrought. In the United States, that means persuading Congress to enact changes in existing laws, to bring them into alignment with the international agreements that Administration officials have agreed to.

The Tokyo Round, as it is called, began in 1973 as an outgrowth of an economic summit meeting convened in Tokyo by the major trading nations (though Geneva has been the site of the negotiations themselves). It is the seventh such round since 1947, when the multilateral (many-nation) approach to trading was first established through the General Agreement on Tariffs and Trade (GATT). GATT is not only the first of the sequence of MTN agreements but also the institutional arrangement that monitors and facilitates trade relations among nations.

Participants in the Tokyo Round (98 nations in all) had a double mandate. The first was to continue working toward eliminating tariffs (taxes on imports). Earlier negotiations have brought tariffs down to an average of only 8 to 10 percent, and the new agreements will reduce them by about another third. The second mandate—to devise codes of conduct (shortened, usually, to codes) governing the use of nontariff measures that affect trade—was a new task. And though the successive reductions in tariffs have never been easy, negotiations on nontariff barriers (usually called NTBs) have proven to be even more difficult.

Whereas a tariff is indisputably a barrier to trade, the protectionist intent of many NTBs is often much more difficult to pinpoint, because they often stem from domestic policies whose primary purposes are not trade-related. For example, if a health standard has the effect of excluding another nation's food products, is that standard an NTB? When do subsidies, which all nations use to achieve domestic goals, constitute an artificial advantage in another country's market place? The answer partially depends on whose ox is gored.

And because NTBs often arise from domestic policy, they present an extremely delicate international negotiating situation. Governments don't like other countries to tell them what is and what is not an acceptable domestic policy. It is something of a political miracle that so many governments agreed to sit down and bargain on the use of nontariff measures, and even more astonishing that they reached agreement on these politically sensitive issues.

THE AGREEMENTS IN BRIEF

Though the MTN agreement is commonly spoken of in the singular, it is really a package of trade agreements including:

Tariff reductions (as noted above);

Concessions on product quotas (a quota is one form of an NTB that is expressly trade-restrictive);

Agricultural agreements (which are only consultative);

Codes of conduct (which will govern the use of NTBs).

It is the series of codes of conduct that is the distinctive feature of the Tokyo Round. While provisions vary from code to code, overall themes and goals do emerge. One of the most important is that trade decision making is made more open and accessible—made more "transparent," as the negotiators like to say. The codes generally allow greater scrutiny and input—both by governments and by the private sector—than ever before. They set stricter guidelines for information sharing and consultations, establish open procedures (such as public hearings and comment periods on proposed rules) and strengthen dispute-settlement mechanisms. The net effect should be greater predictability for those engaged in international trade.

THE CODES

Of the six new codes of conduct governing NTBs—subsidies, safeguards, government procurement, standards, customs valuation and licensing—the first five, which are expected to receive greatest attention, are described below.

SUBSIDIES AND COUNTERVAILING DUTIES

Existing GATT rules governing the uses of subsidies have been weak and ineffective. The new subsidies code imposes greater discipline on this most politically sensitive and most complicated of all the NTBs. Many governments give a fiscal incentive to firms producing for export (an export subsidy) or prop up an "infirm" industry with loans, grants or other fiscal incentives (a domestic subsidy). When these subsidized products are traded internationally, they have an unfair competitive advantage, because their selling price does not reflect true costs of production and marketing.

All nations use some form of subsidy, but some use this NTB more extensively than others. The European Community uses both export and domestic subsidies vigorously. Developing countries, too, employ a wide range of subsidy practices.

The United States, which does not use subsidies extensively, has countered the unfair competitive advantage of subsidized imports by levying a countervailing duty (CVD) on them. This duty, or tax, brings the price of the import to the level it would have been without the subsidy, thus raising it closer to its market value. U.S. officials recognize that levying a CVD does not address the real problem: the use of subsidies. Therefore, in the 1974 Trade Act, Congress authorized the President to negotiate in order to limit the ways subsidies are used. That is what the subsidies code is all about.

The code flatly prohibits the use of export subsidies for industrial products and non-primary mineral products. Furthermore, although export subsidies for agricultural products are not prohibited (the European Community uses export subsidies for farm products extensively as part of its agricultural policy), the rules governing their use are tightened.

The code also establishes, for the first time, international rules governing domestic subsidies. Nations signing the code (signatories) agree to try not to use domestic subsidies in ways that could aversely affect other countries' trade interests; even more important, when subsidies do affect trade adversely, businesses may seek redress under the code.

These curbs on subsidies will be implemented through agreed-upon definitions of what constitutes a subsidy; agreements on how and for what reasons redress can be sought; and mechanisms for dispute settlement.

DEFINITION

In order to clarify what is and what is not an export subsidy, the code appends an illustrative list of export subsidy practices. It includes outright rebates to producers on products for export and more subtle practices, such as granting more favorable terms for internal shipping on products for export than on products for domestic consumption. The illustrative list cites the remitting of indirect taxes at a higher level than that levied on products for domestic consumption. The European Community's value added tax has been the classic example. The VAT (similar to states' sales taxes) is levied on products for domestic consumption, but not on products for export sales; just as states do not levy sales taxes on sales to another state. The Community could not rebate this internal tax on products for export at a higher level than that charged on products consumed domestically.

Many countries, including the United States, have complicated tax-incentive systems that may or may not constitute export subsidy practices. These systems have not been addressed substantively in the MTN. An international tax conference may be convened after the MTN to try to grapple with the issue.

REDRESS/DISPUTE SETTLEMENT

The code establishes two avenues through which to complain about violations. One track is unilateral, when the domestic market is involved: a business can complain to its own government, which investigates the complaint and determines whether countervailing duties are warranted. This recourse already exists.

The second, multilateral, track created by the code enables businesses to seek redress if subsidized products are displacing their products in third-country markets. Under this approach, a government can complain to the international subsidies committee created by the code. If the committee finds for the complainant, it authorizes the complaining country to take countermeasures, that is, to withdraw a GATT benefit from the offending country (the complaining country obviously could not take direct action—such as levying a CVD—against the subsidized product going into the third-country market).

A country can seek redress even against subsidized agricultural products, even though these export subsidies are allowed; a country may not use export subsidies to gain more than its "equitable" share of world agricultural trade, defined in part by its share of trade over a previous three-year representative period. The code also stipulates that a country may not use export subsidies to significantly depress world prices.

If a country is not satisfied with an investigation or a finding, it can activate the dispute-settlement mechanism established by the code. Considered the most stringent of the dispute-settlement provisions in any of the codes, it guarantees a review by a panel of experts and a determination within 150 days.

INJURY: A NEW FACTOR FOR THE UNITED STATES

In exchange for these concessions on subsidies, the United States had to agree to the principle that it is the effect of a subsidy and not its existence that determines an unfair trade practice. In other words, the U.S. negotiators had to agree that the United States will not levy countervailing duties unless the subsidized import causes or threatens to cause injury to domestic producers. This means that the United States, which is the only major trading nation that does not require an injury test, must amend its CVD law to include one.

Some people in the United States consider this concession unacceptable. They argue that the present CVD law was designed to prevent injury and that the new code would eliminate that protection. In response, U.S. negotiators point to specific code provisions, especially the injury test, which is actually less stringent than that in the U.S. 1974 Trade Act (see Safeguards below). The latter requires that increased imports be shown to be "important and not less important" than any other factor that could be contributing to a domestic producer's injury (such as domestic environmental protection laws or changes in demand), whereas the new code does not attempt to weigh the importance of the subsidy against any other factor that could be causing injury. Moreover, proof of injury is not always required. If a country uses prohibited export subsidies, it has violated the agreement and countermeasures would be authorized through the multilateral track described above.

SAFEGUARDS

Much foreign competition is not unfair competition, but it can be disruptive to domestic industry. Recognizing that a rapid influx of imports can cause injury to domestic firms, current GATT rules (spelled out in Article XIX) authorize countries to take safeguard action, that is, impose a tariff or quota temporarily to protect an industry and give it time to adjust. (In the United States, taking safeguard action is called "invoking the escape clause," and the methods and procedures a business must follow to seek relief under the escape clause are governed by the U.S. Trade Act of 1974.)

The General Agreement on Tariffs and Trade limits the kind of safeguard action that can be taken and stipulates that a safeguard action must be applied equally against all countries from which a product is being imported. This principle of nondiscrimination, known as the most-favored-nation (MFN) principle, governs trade expansion as well as trade restrictions.

Article XIX has not been widely used by nations. This does not mean, however, that nations have not taken action to exclude imports. Industry-to-industry arrangements have been made, outside the GATT, whereby one country's industry "voluntarily" agrees to limit its exports to another's home market (the recent European Community-Japan steel arrangement is an example). Since these arrangements are taken outside the GATT, there is no set of guidelines that nations must follow.

The new safeguards code revises the existing GATT code to allow a nation to take "selective" safeguard action against the specific country (or countries) whose product is causing the injury, without applying the action across-the-board. Some people criticize this change as undermining the MFN principle. Others defend it, arguing that selectivity is the necessary price for bringing under GATT governance actions that are already in practice and will remain in practice. When the new code is in effect, GATT can set conditions for use of safeguard action, including transparency (i.e., notification and consultations) when such action is contemplated and limits on when and how a selective safeguard can be applied.

As the negotiations come to their conclusion in Geneva, it becomes increasingly uncertain whether or not negotiators will be able to reach agreement on a safeguards code. Developing countries, who fear that they will bear the brunt of selectivity, are pushing hard for strict standards for the application of selective safeguards. Among their demands are prior approval of selective safeguard action by the international safeguards committee established by the code; prohibition of the use of the safeguard if the committee disapproves it; requiring that a selective safeguard be applied against all major suppliers of a product, thereby limiting its selectivity; and allowing retaliation even if all code provisions are adhered to. The European Community, which is particularly interested in having selective safeguards, is unwilling to accept these strict guidelines, and thus it may be impossible to conclude this code.

GOVERNMENT PROCUREMENT

Government purchase of goods is big business. It has been a subject of discussion in the Tokyo Round because countries have adopted methods of procurement that discriminate against other countries. The U.S. "Buy America" law, for instance, stipulates that a contracting federal agency must give the contract to an American bidder even if the bid is 6–12 percent higher than that of a foreign bidder (for purchases that are deemed national defense procurements, the percentage preference is 50 percent).

Other countries, too, have procurement practices that give their businesses preferential treatment. Some maintain lists of "eligible bidders" that do not include foreign firms. Some give out such meager information that foreign bidders know too little to place an intelligent bid. And sometimes contracts are "advertised" in such obscure places that in fact there is no notification to those who are not in the know.

This code establishes rules, where now they are nonexistent, that give each bidder "treatment no less favorable" than any other bidder, through the use of open procedures and time limits for: notification submission of bids, specifications of the contract and qualification of suppliers, and the award of contracts. In addition, firms that do not win a contract will be able to find out, through their governments, why they did not win it. National security procurements, services, and government purchases under agricultural support programs are exempted.

The minimum amount (threshold) of contracts that would be covered is about $180,000. U.S. administration officials estimate that this will open some $25 billion of government purchases in foreign markets and $10–12 billion in the U.S. market to international bidding. The code prohibits a country from dividing a contract into separate contracts in order to reduce the amount below the threshold and thus avoid complying with the code. Only procurements by national governments are covered, but these central governments are to "encourage" subsidiary government entities to adhere to the code.

Lastly, only those nations that sign the code are eligible to receive its benefits. Governments may continue to discriminate against nonsignatories.

CUSTOMS VALUATION

Because governments use a wide variety of methods to calculate the value of an import, customs valuation is often an impediment to trade. It causes problems for importers and exporters alike, mainly because frequently neither can predict with certainty the value of an item until a customs officer actually assigns it one.

One U.S. valuation method worth mentioning because it has historically created controversy is the American Selling Price (ASP). ASP assigns an import value equal to its American-made equivalent, rather than on its actual value. Once widely used, ASP is now used only for some chemical and some footwear imports.

Under the code, ASP and a host of valuation methods will be replaced by a simplified, streamlined system of five methods. The preferred one will be "transaction value": the actual amount the importer pays to the exporter. Trade experts estimate that 90 to 95 percent of U.S. imports will be valued by this method.

As do the other codes, this one provides consultation and dispute-settlement mechanisms. Significantly, it also provides for full administrative and judicial reviews when disagreements between business executives and customs officials arise, a benefit now available only in the United States.

Many trade experts consider this code a "sleeper," that will have an immediate, positive impact. They praise the code for its simplicity and the predictability it will bring to importing and exporting.

STANDARDS

Just as customs valuation methods vary widely among nations, so do product standards. Since imports must conform to those standards to gain access to a country's market, many countries manipulate them to protect a domestic industry. Some countries literally use a double standard, requiring that an import meet more stringent requirements than its domestic counterpart. A Catch-22 certification procedure is another in a long list of NTBs raised via the standard-setting process. Some countries require their own officials to certify compliance with standards during successive stages of a product's manufacture—yet refuse to send those officials to another country that is turning out the product for export.

It would be impossible to harmonize product standards throughout the world. Instead, this code brings openness and scrutiny to standard-setting and certification procedures and ensures that certification is applied evenhandedly. Signatories are encouraged to accept certification in the producing country when they are satisfied that the certification is being performed by a technically competent entity. Existing standards and certification procedures will not be subject to the terms of the code, but new and revised ones will be.

The code encourages the use of existing international standards "where appropriate." Also, where appropriate, nations are to specify standards in terms of performance (i.e., what the product must do) rather than design (i.e., what it looks like) in an attempt to reduce artificial product standards. As with the government procurement code, the standards code will apply only to national governments, but these are to encourage subsidiary governments and nongovernmental standard-setters to adhere to the terms of the code.

AGRICULTURAL TRADE

In previous rounds, trade negotiators had attempted to grapple with agricultural trade problems, but their efforts fell short; in fact, some U.S. farm groups describe their efforts as "selling farmers down the river."

This time, U.S. farmers started early to make sure they got some of the benefits of a trade agreement. Their thinking is easy to understand: in no other sector does the United States have such a clear and overwhelming competitive advantage. And, in fact, trade in agricultural products has been increasing dramatically. Last year alone, over half the total U.S. wheat and soybean production was exported. As Agriculture Secretary Bob Bergland has noted, these gains were made in an atmosphere of protectionist sentiment and pressures. U.S. agriculture interests wanted to make sure that provisions in the agreement reduced these pressures.

In the estimation of U.S. trade officials and some farmers' groups, U.S. agriculture *will* gain from the MTN agreement. As Administration representatives put it, the MTN protects U.S. farmers' existing export markets through the limit on use of export subsidies, and it cracks open new doors that have been closed to us. The most publicized of these new markets are Japan and the European Community, which have agreed to accept more high-quality meat. In addition, Japan, the European Community and other developed countries are now prepared to import such secondary farm products as canned peaches, pears and fruit cocktail. These concessions give U.S. producers the opportunity to move away from their traditional role as suppliers of generally low-cost grains to serve a more affluent foreign market with higher-cost food items.

Agricultural information-sharing agreements were also negotiated, including the Bovine Meat Arrangement, which creates an International Meat Council, and the International Dairy Arrangement, which creates a similar Dairy Products Council. The latter also sets prices below which commercial trade in dairy products is prohibited.

DEVELOPING COUNTRIES

For the first time, many developing countires participated in the MTN, and it is hoped that some 20 to 25 of them will sign. This is a significant development in the world's trading network, for it recognizes what is already fact: that developing nations play an increasingly important role in world trade.

Most of the codes in the trade agreement contain special provisions for developing countries; for instance, they will be allowed to use subsidies more extensively than will developed countries. In order to have these special provisions in the codes, nations had to agree to changes in the GATT framework—the set of general rules and principles to which specific trade actions must conform.

Currently under GATT, trade actions are governed by the principles of nondiscrimination—the most-favored-nation concept mentioned earlier—and reciprocity, meaning that concessions granted must be reciprocated in kind. However, these principles work better among economic equals than they do between developed and developing countries, a fact previously recognized when developed countries were permitted to waive the MTN and reciprocity principles and allow some developing-country products to enter their markets duty-free.

Since this waiver will expire in 1980, one objective of the Tokyo Round was to build the option of "special and differential treatment" into the GATT framework itself.

Granting special and differential treatment to developing countries brings them in from the periphery of the world trading system and requires them to assume obligations and responsibilities under the GATT. These obligations will be strengthened by the principle of "graduation," under which developing nations agree to relinquish special treatment—sector by sector—as their development continues. Developed countries, moreover, are authorized to retract special concessions, if in their judgment, they are no longer required.

THE ROAD AHEAD

On January 4, 1979, when President Carter sent to Congress his notification of intent to enter a new trade agreement, he set in motion the procedures established in the 1974 Trade Act. In that act, Congress gave itself a larger role than in the past in approving trade agreements: while the President is authorized to raise or lower tariffs, the other elements of the trade package are subject to its approval.

During the consultation process that began on January 4, Congress and the Administration are to discuss the ramifications of the package for U.S. law and the U.S. trading posture. This period is a minimum of 90 calendar days and could be longer. At the end of it (April 4 or sometime thereafter) the Administration will send to the Hill an omnibus bill to implement the agreement. This bill will have a number of elements, because several U.S. laws must be brought into conformity with the international trade agreement. The Administration may also submit other legislative proposals (such as export promotion proposals) as a part of the bill implementing the trade agreement.

Congress will then have about 90 legislative days to act on it. The House Ways and Means and the Senate Finance Committees will have primary jurisdiction. Other committees, such as the Agriculture Committees, will be deeply involved. After it is reported from committee, both houses will vote on it. Unlike most bills, it will be nonamendable: if either House rejects one part of it, the entire package will be disapproved. The three-month consultation period, therefore, is the critical time for congressional input.

It is impossible to predict with certainty just when Congress will complete action on the trade bill. First of all, the actual negotiations are not complete in all respects, and slippages in the negotiations mean time lags in Congress. Legislative days can be extended by not officially ending the day, and recesses will also extend the time period. As one Senate Finance Committee aide puts it, "It is easy to imagine a scenario in which congressional consideration extends into 1980."

Trade among nations does mean more than the exchange of goods and services across national borders. Trade is the main way that nations relate to one another. Good trading relations can help pave the way for better cooperation in all international and national endeavors in which an action by one nation affects the interests and the security of other nations. Conversely, a breakdown of cooperation in trade can signal the deterioration of relations in many areas. Viewed in this context, the MTN is much more than the technical package of agreements. It is a blueprint that nations pledge to follow in an effort to avoid disharmony and misunderstanding. It is, finally, in this context that all of us, both as individuals and as nations, must judge the agreement.●

NURSES TRAINING AMENDMENTS OF 1979

● **Mr. DOLE.** Mr. President, I support the recommendation of the Senate Labor and Human Resources Committee which calls for passage of S. 230, the Nursing Training Amendments of 1979. The Senator from Kansas originally joined his distinguished colleague, Senator JAVITS, as a cosponsor when this bill was introduced. He still believes that there is a possibility that a shortage of nurses in the United States exists or that one may occur in the near future.

Although there was a modest rescission of funds for these nursing training programs for the current fiscal year, it was part of the larger rescission of funds for a number of health related programs that reflected the recognition of the seriousness of inflation on one hand and the need to prevent disruption of the budgets of current training programs on the other.

This bill, which will provide a 1-year extension of existing authorities under the Nurse Training Act will permit the completion of a study designed to assess the country's needs with respect to the nursing supply. It will also bring the review of the nursing training programs in line with the review of all health manpower training programs since the Health Professions Educational Assistance Act of 1976 also expires at the end of fiscal year 1980. The authorization level of $103 million for fiscal year 1980 is half that which was originally authorized for this fiscal year. This level is a fair compromise again realizing the seriousness of inflation.

NEED FOR DATA

We must look carefully at our needs for health manpower and plan rationally for the future—S. 230 addresses this problem. Planning will require detailed up-to-date information on the present supply and utilization of registered nurses and realistic future projections. We are not presently in a situation where we can say precisely how many nurses will be needed in the future or what skills or specialties will be of most use. We must take account of the expected societal changes with respect to health care delivery. For instance, I believe that we will finally see a concerted effort on behalf of the Congress and the health care industry as a whole to make home health care a reality and to give those in our society who are terminally ill a choice regarding the location and type of care they receive during their final days. Efforts in these areas will certainly require the on going support of those in the nursing profession.

CONCLUSION

As the Senator from Kansas has indicated, we have to give continuing attention to the development of data indicating our real and perceived need for nurses. However, until we have such data, it would be unwise and foolhardy to back away from our long-term commitment to nursing education. The Nurse Training Amendments of 1979 is appropriately fiscally conservative without cutting off existing funding in a precipitous and potentially damaging manner. With these thoughts in mind, I urge my colleagues to support this most important legislation.●

U.S. POPULATION

● Mr. PACKWOOD. Mr. President, I wish to report that, according to Census Bureau approximations, the total population of the United States as of Tuesday, May 1, 1979, was 220,458,967. Despite the widely publicized reductions in our fertility level, this represents an increase of 2,243,967 since May 1 of last year. It represents an increase of 191,999 in just the past month.

During the past year, therefore, we have added more than enough people to fill the cities of Philadelphia and Cincinnati. And during the past month alone, Mr. President, we have added more than enough people to fill the city of Grand Rapids, Mich.●

TAX FREEDOM DAY

● Mr. DOLE. Mr. President, May 6 marks a day of celebration for the American taxpayer. May 6 was "Tax Freedom Day." That is the day the average taxpayer stops working for the Government and starts working for himself.

Mr. President, this year the average American had to work 125, 8-hour days to pay his Federal, State, and local taxes. The average American had to work 2 hours and 45 minutes of every working day to pay taxes. Of this, 1 hour and 47 minutes of every working day is consumed to pay Federal taxes. The Federal tax bite imposed on the American people requires more productive effort than any other item in the typical American budget.

WHERE IS THE TAX CUT?

Mr. President, last October Congress passed the largest illusory tax cut in the history of the United States. The so-called tax cut had absolutely no impact on reducing the average tax burden. "Tax Freedom Day" falls on the same date this year as last year, despite enactment of the $18 billion tax reduction incorporated in the Revenue Act of 1978.

TAXFLATION

Taxes do not decrease because of inflation. Working Americans, attempting to maintain a constant level of purchasing power, find themselves forced into higher and higher tax brackets by increases in normal income. This phenomenon, known as "taxflation," results in an inflation-induced "windfall profit" for the Federal Government.

TAX INDEXING

Mr. President, I have introduced legislation, S. 12, to index the individual income tax and eliminate Government profiteering from inflation. Indexing is fair, equitable, and desperately needed. It would prevent the automatic unlegislated tax increases that result from inflation. Government should not be allowed to obtain new revenue from the inflation it creates.

The average worker's tax burden has nearly doubled over the last 20 years. Taxes this year will eat up over 34 percent of an average American's earnings. Under the current administration, taxes, I believe, are expected to continue to climb. Indexing is the proper mechanism to prevent "Tax Freedom Day" from occurring later next year. ●

ORDER FOR RECOGNITION OF SENATOR TSONGAS ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees are recognized on tomorrow, Mr. TSONGAS be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR REDUCTION OF LEADERSHIP TIME TO 7 MINUTES EACH ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders on tomorrow be reduced to 7 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 10 o'clock tomorrow morning. After the two leaders have been recognized for not to exceed 7 minutes each, Mr. TSONGAS will be recognized for not to exceed 15 minutes, and at 10:30 a.m. the Senate will resume consideration of Senate Resolution 153, which is not on the calenar, but it is a gas rationing amendment.

There will be time equally divided and controlled by Mr. HATFIELD and Mr. JACKSON. The vote will occur on Senate Resolution 153 at 2:30 p.m.

Following that, I am authorized to proceed to take up Senate Resolution 120, which is Calendar Order No. 117, a resolution to approve the standby gasoline rationing plan numbered 1. The vote on that resolution will occur at no later than 3:30 p.m.

So there will be rollcall votes on tomorrow.

It is hoped that the Senate can then proceed to the consideration of Calendar Order No. 118, the State Department authorization bill. That is a must bill. That is one of the bills that the Senate will have to dispose of.

So, in the effort to make progress and giving attention to measures that have to be taken up and disposed of, I hope that the Senate can proceed to the consideration of that bill tomorrow.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. STEVENS. My understanding is that we will have no objection. There is a small matter of notification. I appreciate the courtesy if it is not laid down tomorrow.

Mr. ROBERT C. BYRD. Yes. I thank the very distinguished acting Republican leader.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 10 a.m. tomorrow morning.

The motion was agreed to, and at 6:44 p.m., the Senate recessed until 10 a.m. tomorrow, May 9, 1979.

NOMINATIONS

Executive nominations received by the Senate May 8, 1979:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. George Gordon Cantlay, [redacted], (age 58), Army of the United States (major general, U.S. Army).

DEPARTMENT OF STATE

Alfred L. Atherton, Jr., of Florida, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Arab Republic of Egypt.

THE JUDICIARY

Francis D. Murnaghan, Jr., of Maryland, to be U.S. circuit judge for the fourth circuit, vice a new position created by Public Law 95-486, approved October 20, 1978.

Arthur L. Nims III, of New Jersey, to be a judge of the U.S. Tax Court for a term of 15 years after he takes office, vice Arnold Raum, retired.

HOUSE OF REPRESENTATIVES—*Tuesday, May 8, 1979*

The House met at 12 o'clock noon.

The Reverend Robert Dye, pastor, New North Street African Methodist Episcopal Church, Springfield, Ohio, offered the following prayer:

O Thou great architect of the universe, we bring unto Thee the Members of this body for Thy blessing: men and women who feel the weight of responsibility and the need of Thy guidance. Our hearts are filled with gratitude for the privilege of being citizens of a great country. We thank Thee for those who by blood and sweat, by toil and tears, forged on the anvil of their own sacrifice all that we hold dear. Let us not be frightened by the problems that confront us, but rather give Thee thanks that Thou hast matched us with this hour. May we resolve, God helping us, to be part of the answer, and not part of the problem. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1019. An act to amend the International Development and Food Assistance and Related Programs Appropriations Act, 1979 by striking out certain prohibitions relating to Uganda, and for other purposes; and

S.J. Res. 74. Joint resolution authorizing and requesting the President to issue a proclamation designating May 11, 1979, as "CARE Day."

REV. ROBERT DYE

(Mr. BROWN of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, it is a great pleasure to welcome, as our guest chaplain today, the Reverend Robert Dye, pastor, New North Street African Methodist Episcopal Church of Springfield, Ohio. I thank him for his inspirational opening prayer.

Reverend Dye is a graduate of Barrington College in Barrington, R.I., who also earned a master of education degree in counseling and guidance from California State College in California, Pa. He has also done graduate work in education at Pennsylvania State University in McKeesport, Pa., and at Duquesne University in Pittsburgh, Pa. And he has done graduate work in theology at Virginia Union University, at Reformed Presbyterian Seminary in Pittsburgh, and at Payne Theological Seminary in Wilberforce, Ohio.

Mr. Speaker, Reverend Dye only recently became a resident of the Seventh Ohio Congressional District, having assumed his current post in November 1977. But in that short time, he has become a leader in the community. In the tradition of the late Rev. Martin Luther King, Reverend Dye is combining religious leadership with leadership in civil rights. He is currently the president of the Springfield, Ohio chapter of the NAACP.

He is also active in Springfield on the board of directors of Metro Ministry and in the volunteer chaplain's program at Community Hospital.

Reverend Dye has devoted much of his professional life to education of our young people. He has been an elementary school teacher in Pittsburgh and a high school teacher in Duquesne. He was an elementary school counselor in Pittsburgh. And he was pastor at two different churches in Pennsylvania before coming to Ohio.

Reverend Dye's civic affiliations have always involved him in service to others. He has been on the board of directors of the Mon-Valley (Monongahela) Health and Welfare Council, chairman of the board of the Mon-Valley United Health Services Day Care Policy Advisory Board, chairman of the Monessen Committee for Coordination and Education, chairman of the Westmoreland County Office of Economic Opportunity revolving loan program, secretary of the Mon-Valley NAACP, a member of the board of the Westmoreland County Children's Bureau, a member of the board of the Duquesne-West Mifflin Boys Club, a member of the board of the Western Pennsylvania Boys Clubs, a member of the Duquesne City Planning Commission and president of the Duquesne-West Mifflin NAACP.

The Seventh Ohio Congressional District is fortunate to have the Reverend Dye as a vigorous, active member of the community. I am honored to welcome him today to the House of Representatives as our guest chaplain.

☐ 1205

SPECIAL OLYMPICS IN NASHVILLE

(Mr. BONER of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONER of Tennessee. Mr. Speaker, Friday, May 18, 1979, will mark the opening of the Special Olympics in Nashville, Tenn. Over 800 athletes and over 250 volunteers will participate in the olympics. The 2 days of unique competition will be a model for all Americans of just how much can be accomplished by those with a desire to win—no matter what the obstacles. These olympics are "special" because the competitors are mentally handicapped individuals, and although they will break no world records in the competitive games, their personal performances will rival any records of courage and determination that have ever been set.

The goal of these Special Olympics is to give those with handicapped skills an opportunity to perform to the best of their ability. The Tennessee Special Olympics is an important development in an overall national effort to afford the handicapped the training and forums which will encourage them to more fully participate in our society. Additionally, one of the main purposes of the Special Olympics is to contribute to the physical, social, and psychological development of the participants. Through successful experiences in sports, they gain confidence and build a positive self-image associated with success rather than failure.

Sixty athletes from this competition will go to the national competition to be held in New York, August 8 through 13. The organizers, contributors, volunteers, parents, and competitors in these games should be commended and supported in their efforts in showing our handicapped citizens that the people of the State of Tennessee and the people of the United States care. I am proud to have the opportunity to be a part of the Tennessee Special Olympics so that I may have the opportunity to watch some of America's bravest athletes compete in a very worthwhile event.

PERMISSION FOR COMMITTEE ON DISTRICT OF COLUMBIA TO FILE REPORTS ON H.R. 3879, H.R. 3672, H.R. 3287, H.R. 3824, H.R. 3951, AND H.R. 3914

Mr. DELLUMS. Mr Speaker, I ask unanimous consent that the Committee on the District of Columbia may have until midnight tonight to file reports on the following bills: H.R. 3879, H.R. 3672, H.R. 3287, H.R. 3824, H.R. 3951, and H.R. 3914.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON ARMED SERVICES TO SIT ON TUESDAY, WEDNESDAY, AND THURSDAY OF THIS WEEK, DURING 5-MINUTE RULE

Mr. PRICE. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services may be permitted to sit on Tuesday, Wednesday, and Thursday of this week, during consideration under the 5-minute rule, for the purpose of marking up the fiscal year 1980 Department of Defense authorization bill.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON ECONOMIC DEVELOPMENT OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT THIS AFTERNOON DURING 5-MINUTE RULE

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Subcommittee on Economic Development of the Committee on Public Works and Transportation may be permitted to sit this afternoon during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

Mr. GIAIMO. Mr Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) in setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONABLE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 396, nays 5, answered "present" 1, not voting 32, as follows:

[Roll No. 125]

YEAS—396

Abdnor
Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long, Md.
Lott
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McHugh
McKay
McKinney
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—5

Evans, Ga.
Gingrich
Lloyd
Mitchell, Md.
Wilson, Bob

ANSWERED "PRESENT"—1

Thompson

NOT VOTING—32

Ambro
Anderson, Ill.
Bevill
Breaux
Brown, Calif.
Burton, John
Chisholm
Clay
Conyers
Danielson
Davis, S.C.
Diggs
Dingell
Dixon
Duncan, Oreg.
Fazio
Foley
Forsythe
Gaydos
Hubbard
Huckaby
Long, La.
Lowry
McCormack
McEwen
Madigan
Mathis
Nichols
Santini
Treen
Waxman
Wirth

□ 1225

Mr. GRAMM changed his vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

□ 1230

The CHAIRMAN. When the Committee of the Whole rose on Monday, May 7, 1979, pending was an amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. LATTA).

Before recognizing the gentleman from Ohio (Mr. LATTA), the Chair will recognize at this time the majority leader, the distinguished gentleman from Texas (Mr. WRIGHT).

(By unanimous consent, Mr. WRIGHT was allowed to speak out of order.)

HOUR OF ADJOURNMENT AND LEGISLATIVE PROGRAM

Mr. WRIGHT. Mr. Chairman, I take this time in order to advise the membership of a change in plans with respect to times of adjournment and convening this week. In order to accommodate the membership in its desire to complete action on the budget resolution this week, the House will continue until 6:30 p.m. today. We will not rise until about 6:30.

Tomorrow, Wednesday, rather than convening at 3 o'clock, as has been our custom, the House will convene at 1 o'clock. If necessary to complete our labors on the budget resolution, we shall continue on until about 6 o'clock tomorrow evening.

I think most Members will recognize and appreciate the need for these adjustments. It would be well that all should be advised, so that our schedules can be accommodated to the new program.

Mr. CLAUSEN. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Of course, I yield to my distinguished friend, the gentleman from California.

Mr. CLAUSEN. Mr. Chairman, can the gentleman advise us of the plans in relation to the Alaska lands bill, which I understand was scheduled to be brought up on Wednesday? I am assuming that will follow disposition of the budget resolution.

Also, what can we plan on for Friday?

Mr. WRIGHT. I am sorry, I did not hear the last part of the gentleman's question.

Mr. CLAUSEN. What can we plan on for Friday? What is the schedule for Friday this week?

Mr. WRIGHT. On Friday, we will convene at the usual time and adjourn at the usual hour, which is 3 p.m.

Mr. CLAUSEN. What about the Alaska lands bill; does the gentleman have anything on that?

Mr. WRIGHT. The Alaska lands bill, of course, had been scheduled for Wednesday, tomorrow, to continue consideration with the hope of completing the bill. Because of the budget legislation which requires final action on this first concurrent resolution by May 15, we feel that first priority absolutely has to be given to the budget resolution.

Mr. CLAUSEN. I understand.

Mr. WRIGHT. We do not want to move anything else in until that is completed in the House.

Mr. CLAUSEN. I understand.

Mr. WRIGHT. We have to go to conference, resolve difficulties in the conference and come back to both Houses and pass the budget resolution on or before May 15 in order to comply with the law.

Mr. CLAUSEN. Mr. Chairman, if the gentleman will yield further, I just wonder, is there any plan of breaking into the schedule of consideration of the budget resolution to make room for the Alaska lands bill? Is there anything planned by the leadership?

Mr. WRIGHT. We would hope to come to the Alaska lands bill this week; but let me just reiterate that the budget of necessity must take priority.

There are two other votes that may be scheduled. At least one of them predictably will be scheduled. That is the approval of the standby plan of the President for thermostat controls in public buildings. That of the four emergency plans presented by the President seems to be the least controversial.

□ 1235

That must be accommodated by May 11. We think it will not take much time.

There is yet another of the emergency plans, the one involving emergency standby authority for gasoline rationing, which probably will come before us this week. If I am not mistaken, that bill will be considered in the Senate this afternoon. Assuming it is approved in the Senate, then it would be scheduled in the House this week, not Friday, but Wednesday or Thursday sometime. So that it also, because of the time schedule, might take priority over resumption of the Alaska lands bill.

We hope to get into all those things this week. If the Senate should reject the standby gasoline rationing authority, then, of course, there would be no occasion for the House to take it up.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. Yes; I yield to my friend, the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the majority leader's yielding.

So House Resolution 209, which is the emergency standby temperature restriction bill, will definitely come up today or tomorrow?

Mr. WRIGHT. It will definitely come up this week.

Mr. ROUSSELOT. This week. Would it be likely to come up on Friday?

Mr. WRIGHT. I think it would be more likely to come up tomorrow.

Mr. ROUSSELOT. On Wednesday, ahead of taking up the budget resolution?

Mr. WRIGHT. It had been scheduled for today, on the assumption that we would have completed the budget resolution yesterday. We are putting it off, giving the budget resolution first priority, in the hope that we will complete the budget resolution today or, at the very latest, tomorrow.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield further, realizing that there is every attempt being made to finish this budget resolution today, but assuming it is not completed, will we take up the temperature bill, or whatever we call it, ahead of the budget resolution tomorrow?

The CHAIRMAN. The time of the gentleman from Texas (Mr. WRIGHT) has expired.

(By unanimous consent, Mr. WRIGHT was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, I will ask the majority leader again, if he will yield further, would the temperature bill come first in priority ahead of the budget resolution?

Mr. WRIGHT. That is one of the things we will have to decide tomorrow, depending on how much is left to be done on the budget resolution. We will have the flexibility of making that judgment later.

Mr. ROUSSELOT. But the gentleman will let us know later in the day what that schedule will be?

Mr. WRIGHT. I will try to keep the leadership on both sides advised and keep the gentleman from California advised.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LATTA) for 5 minutes in support of his amendment in the nature of a substitute.

(By unanimous consent, Mr. LATTA was allowed to proceed for 5 additional minutes.)

The CHAIRMAN. The gentleman from Ohio (Mr. LATTA) is recognized for 10 minutes.

Mr. ROSTENKOWSKI. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Illinois.

Mr. ROSTENKOWSKI. Mr. Chairman, I would like to ask the manager of the budget resolution, the gentleman from Connecticut (Mr. GIAIMO), a question.

Is it the intention of the manager of this legislation to sometime limit debate on some of the amendments that are going to be presented?

Mr. GIAIMO. Mr. Chairman, if the gentleman from Ohio (Mr. LATTA) will yield, I believe that if we are going to complete this legislation, we are going to have to begin to limit debate, certainly in those areas where we have gone over the issue over and over again.

On the opening days of this debate I had a colloquy with the gentleman from Ohio (Mr. ASHBROOK), and I assured him we would try to give fair consideration to every Member. But it is urgent that we complete this legislation. I intend to, after a reasonable time today, ask for a limitation of debate so that we can progress more rapidly than we have. We have been on this resolution now since a week ago Monday, and I think we have got to move along.

Mr. WYDLER. Mr. Chairman, will the gentleman yield to me?

Mr. LATTA. I am happy to yield to the gentleman from New York.

Mr. WYDLER. Mr. Chairman, I notice on the calendar today that they have scheduled a resolution to approve the emergency standby temperature restrictions. We are not going to interrupt the budget resolution for that purpose, are we?

Mr. GIAIMO. Mr. Chairman, I think the majority leader just indicated that we were not going to go into that today.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Yes, I yield to the gentleman from California.

Mr. ROUSSELOT. But it may be taken up tomorrow; is that right?

Mr. GIAIMO. The gentleman will have to ask the majority leader.

Mr. ROUSSELOT. I just did, and he said, maybe tomorrow.

Mr. GIAIMO. Certainly I cannot answer the question for the gentleman.

Mr. UDALL. Mr. Chairman, will the gentleman yield?

Mr. LATTA. Yes, I yield to the gentleman from Arizona.

Mr. UDALL. Mr. Chairman, I just hope that we can all help the gentleman from Connecticut (Mr. GIAIMO) find some way to get a cold shutdown on some of these "fast breeder reactor" amendments, because every morning when I come to my office, I find there are 20 new amendments. We dispose of 20 or 25 amendments, and it breeds 20 more amendments. I hope we can get to an end of this process.

Mr. GIAIMO. Mr. Chairman, I would like to commend the gentleman from Arizona (Mr. UDALL). I think he makes a good point.

I think there is a very real debate in this budget process, but we are using it excessively to take care of minor and small amendments which really do not fit into the macro-concept of budgeting and really should not be offered as amendments on the floor.

However, there is no way we can stop the Members from doing that. But I wish the Members would exercise some restraint, particularly on those amendments which try to restore monies for a particular purpose rather than for large functional purposes.

□ 1240

Mr. LATTA. Mr. Chairman, let me say to the chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO), that I could not agree more with what he says. I think a lot of these amendments should be disposed of very rapidly, and I think, as the gentleman does, that we should be working with the aggregates of these figures rather than getting down to $50 million and $100 million.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I think the gentleman from Ohio has made a very good point. I hope that as we consider reforming the Budget Act that the chairman of the Budget Committee will remember this occasion that we have had here on the floor, with all of the minor amendments that have been offered. I think this certainly adds credence to my contention that we should be dealing in the aggregates, we should be setting budget figures for this Congress to deal with, not legislating line items on the floor.

Mr. GIAIMO. If the gentleman will yield, I do not want the gentlewoman from Maryland to misunderstand me. What I said was that we should address our amendments to functional categories and functional totals rather than smaller type amounts.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio (Mr. LATTA) be allowed to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. The gentleman from Ohio (Mr. LATTA) is recognized for 11 minutes.

Mr. LATTA. Mr. Chairman, President Carter has promised the American people a balanced budget in fiscal year 1981. The American people, the Republican minority, and fiscally responsible Democrats wish to see that promise fulfilled.

The budget resolution reported by the majority members of the Committee on the Budget will not permit the President to keep that promise. The Republicans have, therefore, prepared a substitute that will give the American people a balanced budget in fiscal year 1981. I submit here today that our substitute will not please everyone in this House. It will not please the big spenders, as I doubt whether any amount of spending could satisfy their hunger. It will not, on the other hand, satisfy those of us who would have preferred a balanced budget in fiscal year 1980. It does, however, go half way. We propose to reduce the President's planned $29 billion deficit for fiscal year 1980 by approximately one-half and balance the budget in fiscal year 1981. We have concluded that unless this Congress begins now to discipline itself, there is no way a balanced budget can be achieved in fiscal year 1981.

Permit me to amend that statement somewhat by pointing out there is another way—but God forbid it—that the budget could be balanced in fiscal year 1981. That is to do nothing but borrow more and spend more and permit the ravaging inflation that people are now experiencing to go unabated. By so doing, you can push the taxpayers of America into higher and higher tax brackets by the inflation route and extract more and more taxes from them. I do not think a majority of this House wants to do this, and I know the American people do not want it. The polls show the American people want a balanced budget through reduced spending, not by more inflation and increased taxes. Unfortunately, the latter is what they have been getting under the fiscal year 1979 budget resolution which called for considerably less spending than the one presented to us by the committee for fiscal year 1980.

□ 1245

During the fourth quarter of 1978, tax receipts of the Federal Government increased at an annual rate of 20.9 percent and expenditures increased at an annual rate of 17.7 percent.

In dollar amounts, tax receipts were up by $21.5 billion and expenditures were up by $19.3 billion over the third quarter. Compared with the fourth quarter of 1977, tax receipts were up by $77.7 billion, and expenditures were up by $39.7 billion.

This was one of the fastest growing quarters of Federal tax receipts and spending in the peacetime history of the country.

This contrasts sharply with President Carter's claim that Federal spending will increase by only 9.4 percent during fiscal year 1979.

The question then arises, are we going to permit these inflation-induced tax increases to continue unabated through 1980? I think not—and if you do, I will wager a good many of you will not be back here after the 1980 elections. Therefore, the Republican substitute gives you an opportunity to do something about them.

We propose that you leave room for a tax adjustment, beginning in calendar year 1980 of $15 billion to partially compensate the people for the inflation-induced tax increases they must endure through no fault of their own.

I ask you, is this unreasonable? I think not.

By comparison, the committee resolution provides no tax relief, which means taxes will go up at least $18 billion—$11 billion in a scheduled social security tax increase, and $7 billion in inflation taxes, which our substitute does not cover. The revenue effect of our proposed $15 billion tax adjustment for calendar year 1980, on the fiscal year 1980 budget, is only $6.5 billion.

You will notice that I did not refer to this as a tax cut, because it is not; taxes will go up $18 billion in 1980, if we do nothing to change the tax laws. So the $15 billion merely would offset most of this tax increase.

Note that the tax increase I am talking about is in addition to the $30 billion increase in tax revenues, which we estimate will occur simply because of economic growth.

Our calculations are based on more realistic inflation and revenue estimates, both of which unfortunately are higher than those of the committee. I want to point out that in recent years the administration and the Budget Committee both have, for whatever reason, underestimated revenues.

For example, when the second budget resolution for 1979 was passed only last September, 1979 revenues were predicted to be $448 billion.

The President's budget submission in January raised this to $456 billion, and then to $461 billion in the March budget reestimate.

For the first quarter of fiscal year 1979, individual income tax collections were up 20 percent over the previous year, and were twice as high as the administration was estimating only 4 months ago.

□ 1255

Although such figures may appear to be good news, in fact they only underscore the perverse incentive whereby inflation works to the benefit of the advocates of Government spending by generating even greater amounts of tax revenue. We are forced to conclude that revenues for 1979 will be greater than those the committee is willing to forecast, principally because inflation is likely to be higher than the 8.2-percent level they are predicting. Keep in mind that inflation is currently running at 13.2 percent, so to achieve the committee's modest 8.2-percent estimate for the full year, the rate of inflation would have to average a mere 6 percent for the remaining 9 months of 1979. For this reason, we find that committee's 1980 inflation forecast of 7.1 percent to be grossly unrealistic and illusionary. Our estimate of 8 percent is more in keeping with reality.

Turning now to the spending side of the Republican substitute, it provides $29.1 billion more—more—in outlays for fiscal 1980 than was contained in fiscal year 1979 budget resolution as amended by the Simon amendment. Let me repeat, this substitute does not provide for a cutback from fiscal year 1979. It provides instead for $29.1 billion more in spending; but, it does slow its horrendous growth and provide for some light at the end of the tunnel. As a matter of fact, the Republican substitute would reduce the bloated committee resolution for fiscal year 1980 by a mere 1.7 percent.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(By unanimous consent Mr. LATTA was allowed to proceed for 5 additional minutes.)

Mr. LATTA. The Inspector General reported on March 31, 1978, that he had found—and I quote:

> The incidences of fraud, abuse, and waste—at a minimum—range from 6.3 to 7.3 billion dollars.

In HEW alone.

Is this what your constituents are paying taxes for? I think not. I am convinced that HEW and other departments and agencies of the Federal Government can and must do a better job of stamping out fraud, abuse, and waste. If they would only make a feeble effort toward this end, they could reduce their costs by the 1.7-percent figure we are suggesting without impairing any worthwhile programs.

After most of you campaigned last year against fraud, waste, and abuse and for reduced Federal spending, can you conscientiously vote against this substitute and go back home and tell your taxpaying constituents that "its business as usual in Washington," and you could not even bring yourself to vote for a target resolution aimed at doing something about it? Certainly, there cannot be many among us who would argue against such a small percentage reduction in this resolution if we are really determined to balance the budget. I know we are going to hear about a host of dire consequences which will certainly befall us if we make this little 1.7 percent reduction, to which I say simply "hogwash."

□ 1255

Keep this in mind: This is only a target budget resolution. Our position will not be firm or set in concrete or granite by the passage of this first budget resolution. This will come with the passage of the second budget resolution in September. By voting for this substitute for the first resolution reported by the committee, you can tell the American people that you are at least trying to slow the rate of spending in the Federal Government and are establishing a meaningful target to shoot at in fiscal year 1980, as well as a balanced budget in fiscal year 1981.

Let us turn now to the figures found in the substitute. Upon comparing these figures with those found in the President's budget, the resolution passed by the Senate and the committee's resolution before us, you will find that they match quite closely with one or more of them in each function.

In the critical national defense function, our substitute would restore most of the cuts made in the President's budget and accept the reestimates of the actual defense outlays made by the Congressional Budget Office. No one can properly say this President is prodefense, and when he says defense outlays for fiscal year 1980 should be $126 billion, we had better well take him at his word. To slash his budget by $2 billion is a risk we are not prepared to take.

In function 150, international affairs, we accept the Senate figures with a slight reduction, $7.7 billion as opposed to $7.9 billion.

In function 250, general science, space, and technology, we are close to both the President's and committee's figures, $5.3 billion as oposed to $5.4 billion.

In function 270, energy, we adopt the Senate's figure of $6.4 billion.

In function 300, natural resources and environment, we adopt the President's figure of $11.5 billion.

In function 350, agriculture, we have increased the President's $4.3 billion figures to $4.5 billion.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 5 additional minutes.)

Mr. LATTA. Outlays in this function are subject to wide fluctuations due to weather and other factors affecting market prices. Since these cannot be forecast with any real certainty, we are agreeable to using the President's figure for this target resolution.

In function 370, commerce and housing credit, we concur with the committee's figure with a slight reduction, $3.1 billion as opposed to $3.19 billion.

In function 400, transportation, our substitute contains the same figure which is found in the President's budget, $17.6 billion.

In function 450, community and regional development, the substitute contains the figure of $7 billion, and the committee's figure is $7.34 billion.

In function 500, education, training, employment, and social services, the Senate-passed resolution contains a figure of $29.8 billion. The substitute carries a $29 billion figure.

In function 550, health, the substitute figure is higher than the Senate's and the President's, and is slightly below the committee's figure of $53.81 billion. The substitute figure is $53.8 billion.

In function 600, income security, the substitute figure is about $3 billion over the President's figure and $1 billion less than the committee's. It stands at $182.1 billion.

In function 700, veterans' benefits and services, the substitute includes the Roberts amendment and provides for outlays of $20.8 billion.

In function 750, administration of justice, the substitute figure is the same as the Senate, $4.4 billion, and is higher than the President's, $4.38 billion, but slightly below the committee's, $4.43 billion figure.

□ 1300

In function 800, general government, the Senate's figure is $4.2 billion and it is adopted.

In function 850, general purpose fiscal assistance, the substitute carries a figure of $8.6 billion which is $100 million above the Senate's figure but $200 million below the President's figure.

In function 900, interest, we believe our lowest deficit will reduce the interest costs and for that reason have projected a slightly lower figure than the committee, $55.6 billion as opposed to $56 billion.

Function 920, allowances, we would expect the executive branch to carry out the recommendations of this function by reducing Federal travel, Federal civilian employment, public relations activities and so forth. We think it appropriate that such reductions take place throughout all Federal agencies and departments.

In function 950, undistributing offsetting receipts, we concur with the committee's figures.

As these comparisons have indicated, this substitute is not a meat ax approach to the problem before us. It does, however, recognize the problem and target in on it.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

(By unanimous consent Mr. LATTA was allowed to proceed for 1 additional minute.)

Mr. LATTA. We cannot—and we must not—concur in a budget resolution which must provide for an $888 billion debt limit in fiscal year 1980 in order for this Government to pay its bills. This will be an increase of $516 billion in our national debt just during the 1970's.

Let me repeat that: This will be an increase of $516 billion in our national debt just during the 1970's.

If you believe it is in the best interests of your country to continue on such a dangerous fiscal course, then you vote against this substitute. However, if you believe this fiscal course is not in the best interests of the country, then I urge you to vote for the substitute and reverse it.

PERFECTING AMENDMENT OFFERED BY MR. GLICKMAN

Mr. GLICKMAN. Mr. Chairman, I offer a perfecting amendment to the original resolution.

The Clerk read as follows:

> Perfecting amendment offered by Mr. GLICKMAN: In the matter relating to the appropriate level of total new budget authority increase the amount by $83 million;
>
> In the matter relating to the appropriate level of total budget outlays increase the amount by $73 million;
>
> In the matter relating to the amount of the deficit increase the amount by $73 million;

In the matter relating to Transportation increase the amount for budget authority by $83 million; and increase the amount for outlays by $73 million.

Mr. GLICKMAN. Mr. Chairman, the issue is Amtrak. It is clear that the full House will have no opportunity to vote on the question of approving or disapproving the Department of Transportation proposals on restructuring the Amtrak system in advance of the mid-May deadline for action and, therefore, unless the House makes some sort of move to show that we are behind some sort of rail transportation by the end of next week, this Congress will have approved of the Secretary's plan to eliminate 43 percent of all rail service in the United States.

In light of possible gas rationing, Three Mile Island, gas stations closing, cars running out of gasoline on the freeways of California and perhaps throughout the United States, it seems absolutely without precedence and absolutely with total absurdity to eliminate rail transportation regardless of how effectively or ineffectively Amtrak operates the railroads.

□ 1305

I suppose, Mr. Chairman, the best example of this folly is the Herblock cartoon in this morning's Post. The headline reads, "Brilliant planning." There is a picture of a gas station which is marked "Closed." There are cars waiting in line to fill up with nonexistent gas and in a little right-hand corner there is a sign on a house, that says, "Railroad passenger station," and a gentleman who looks very similar to our President is tacking up a sign, "Closed."

Now, let us talk for a moment about why this amendment is being offered. The Subcommittee on Transportation and Commerce of the House, as well as the Senate Commerce Committee, has decided not to report a disapproval motion to the House floor to send the Amtrak or the DOT study back to DOT for reevaluation.

I might tell my colleagues that that study by DOT was done last summer, prior to the time anybody ever heard of Ayatollah Khomeini, prior to the time of Three Mile Island, prior to the time that southern California is in the grips of a real energy crisis.

Now, the subcommittee also decided not to send to the House floor the Department of Transportation recommendations on restructuring Amtrak. Therefore, they will go into effect automatically.

Now, I am aware of the fact that the Commerce Committee is at this time marking up an Amtrak Improvement Act. The purpose of my amendment is to restore half the cuts, not all the cuts, half the cuts that Secretary Adams recommended to the Budget Committee and which the Budget Committee put into this resolution.

Let me specify this for you. This budget resolution currently reflects all the cuts that were made by Secretary Adams in the DOT report. My amendment restores back half the cuts, not all the cuts. The reason for that is that I believe that this House should go on record at this period of closed gas stations that we do not at least at this stage want to let rail service go down the tubes.

This amendment will add $83 million in budget authority and $73 million in outlays for fiscal year 1980.

Again, I remind my colleagues this amendment is to the base resolution, not to the Latta substitute.

The resolution currently includes $552 million for Amtrak. The administration estimates that operating the entire present system would cost $718 million in fiscal year 1980.

In fiscal year 1979, the operating subsidy was authorized at $600 million.

What this amendment does is go halfway between the Budget Committee resolution and what it would take to operate the entire system in fiscal year 1980.

I emphasize that Amtrak is not free from defects. Amtrak has done a terrible job in training people to ride the train; but my point is that at this stage of the energy problem, to cut down 43 percent of all rail travel in this country is absolutely absurd. It is critical to realize that we are talking about a national system. Cuts in some parts directly affect the ability of others to maintain ridership.

Also, even those whose districts are protected will be affected by the cuts. We all have constituents who want to travel by train and it will not do any of them any good if they have service at home, but not to the points that they want to visit.

My point during all this is the fact that this is the only time—I repeat, the only time—prior to the time the DOT report becomes effective when this Congress can say, go on record, that, "Mr. Adams, we don't want all rail service cut in this country. You may be right. Maybe we need to cut some of it; so we are not going to restore 100 percent of the funds. We are going to restore 50 percent of the funds."

It will serve as a signal to the Commerce Committees of the House and of the Senate and to the President, and most of all to the American people, that rail service is important in a time of energy shortage.

I fully recognize that running trains empty is not energy efficient. That point has been made to me many times; but all you have to do is call Amtrak and find out how full the trains were in southern California this weekend. They were fully, completely full.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. GLICKMAN) has expired.

(By unanimous consent, Mr. GLICKMAN was allowed to proceed for 2 additional minutes.)

□ 1310

Mr. GLICKMAN. Mr. Chairman, just as a side note, there was a lady on TV who was asking this: First, she said she wanted to go from Los Angeles to Santa Barbara, I believe, and she said, "I couldn't get in my car and go because there were no gasoline stations open, and I couldn't get on the bus because there were no buses scheduled and they probably didn't have any gas, so I decided to take the train for the first time in my life."

So all I am saying is that in many places in America the trains, properly utilized, properly sold and properly managed, can provide a balanced transportation addition to this country.

Mr. Adams has recommended cutting Amtrak based upon the deficits and surpluses in Amtrak alone. Nowhere in the DOT report does it talk about our total transportation system, and interestingly enough, nowhere in the DOT report does it talk about energy conservation.

Mr. Chairman, this is a modest amendment. It adds half the funds back in. It sends a message to the administration that we do not want our rail transportation lines stopped.

Amtrak needs more help, including better management, but I believe, in my own judgment—and I think my judgment is good on this amendment—that this is the way to go.

Mr. MATTOX. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I will yield to my friend, a member of the committee, the gentleman from Texas (Mr. MATTOX).

Mr. MATTOX. Mr. Chairman, would the gentleman tell me, how much is the actual total amount of the amendment?

Mr. GLICKMAN. It is $83 million in budget outlays.

Mr. MATTOX. In budget authorities?

Mr. GLICKMAN. In budget authority, and $73 million in budget outlays. That is half of what is in here for Amtrak. That is basically what the amendment says. We previously took out $166 million reflecting Secretary Adams' cuts.

Mr. MATTOX. Mr. Chairman, what does the gentleman hope to accomplish by putting this money back in if the committee is not going to try to overrule the Department of Transportation?

Mr. GLICKMAN. Mr. Chairman, the committee currently has legislation under consideration and is marking up the Amtrak Improvement Act now. That legislation will probably come to the floor by June or July. This will be a signal to the full committee that Congress does not want to limit rail transportation.

The CHAIRMAN. The time of the gentleman from Kansas (Mr. GLICKMAN) has expired.

(On request of Mr. SEBELIUS, and by unanimous consent, Mr. GLICKMAN was allowed to proceed for 2 additional minutes.)

Mr. GLICKMAN. Mr. Chairman, this amendment, however, protects no specific routes. It does not protect mine, it does not protect the gentleman's routes that run through Dallas, and it does not protect the routes of the gentleman from Nebraska that run through Omaha.

This is offered as a general proposition that we go on record as saying, "No, Mr. Adams, we don't want to cut out all the routes. We want them to be reevaluated."

It is essential that we act to get he matter to the floor now prior to the consideration of the legislation that will come up later.

Mr. SEBELIUS. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Kansas.

Mr. SEBELIUS. Mr. Chairman, I congratulate the gentleman from Kansas (Mr. GLICKMAN) for offering this amendment, because it is offered as a response to the problems we have at this time.

We do not know in our part of the country whether the Southwest Limited that runs through my State will continue to run.

We do not know in our part of the country whether the proposed route from Kansas City to Denver will be cost effective in view of Amtrak officials conducting a recent onsite inspection.

But, Mr. Chairman, we do know we have to have the budget authority in this resolution to respond to this problem.

I congratulate the gentleman for offering the amendment and I support his effort. When the Department of Transportation report was issued back in January, I made note of the fact there was an obvious antirural bias in the plan. I do not see the equity in cutting back intercontinental service to whole regions of our country so that we may provide corridor service between tourist centers on our eastern seaboard.

My colleague made an obvious point that it makes no sense to abandon one-half of the Amtrak system when we are in the midst of a growing energy crisis.

Because of the district that I represent, I am particularly interested in the Department of Transportation proposals regarding service on the San Francisco Zephyr, a proposed route between Kansas City and Denver and the Southwest Limited. I am particularly concerned because to date Amtrak officials are saying one thing in terms of costs and benefits and DOT officials are saying another.

The gentleman has made a very important point in this regard in stating the Department of Transportation has apparently made the proposed cutbacks based entirely from a fiscal point of view. The point I would like to raise is that at this juncture I cannot tell my people what the fiscal facts are because Amtrak and DOT experts are at odds with each other. If this kind of fiscal planning is representative of the entire DOT proposal, I think without question we should go on record as saying the proposal should be reevaluated.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. Mr. Chairman, I thank the gentleman for yielding, and I commend him for offering this amendment.

This is an amendment that is absolutely essential. The gentleman made two very important points that I believe we must both appreciate and accept.

I think I can state definitely that the reductions in service made by the Secretary of Transportation were based purely on fiscal judgments, and they were very narrow fiscal judgments. He did not consider the transportation needs of the country and did not consider the very serious energy shortages that this country has.

The fact is that the history of Amtrak has been one in which they have really abused their mandate from the Congress in terms of trying to improve and provide an effective and efficient mass transportation system in this country.

In those rare instances where they went out and actively tried to improve service, they dramatically improved ridership. With the introduction of Amtrak improvements, on those routes where they selectively made those improvements in Amtrak, they got 25 percent increases in ridership.

Mr. Chairman, the future mass transportation viability of this country is contained in the gentleman's amendment, and it would be a great tragedy for this House to reject that amendment. I vigorously urge the support of the Members for this amendment.

Mrs. SMITH of Nebraska. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the gentlemen from Kansas' amendment providing, in effect, that the people of Nebraska can be afforded rail passenger service until such time as the proposed restructuring can be made possible.

If this authorization is not adopted, it is my understanding that rail service throughout Nebraska would otherwise be halted on September 30, 1979.

I cannot overemphasize how important this is to the future of rail passenger service in my State. Amtrak services five Nebraska communities—Omaha, Lincoln, Hastings, Holdrege, and McCook—as part of the Chicago to San Francisco route covered by the famous San Francisco Zephyr.

The reprieve that this authorization would provide would give us time to map strategy to prove that Amtrak passenger service is so essential that it simply cannot be taken away from Nebraska.

I have inserted into the CONGRESSIONAL RECORD before the data showing that Nebraskans use rail passenger service in spite of Amtrak's wildly improbable and inconvenient schedules in the wee, dark hours.

I wish also to call attention to Amtrak's own investigation of the impact of Amtrak from Nebraska to a route through northern Kansas.

Amtrak reports that the 640-mile stretch of track runs through mostly uninhabited, desolate country with few roads paralleling the right of way. One long stretch is only a secondary freight line with just one scheduled, through train daily. There are presently no radio communications, and a very limited, unreliable wayside telephone system exists over much of the line. Deep snow often closes the track to all rail traffic. And 365 miles of the track requires expensive resurfacing before being usable by the Zephyr. Total cost of upgrading: $7.9 million.

I am today serving notice on Amtrak, on the Department of Transportation, and on the Carter administration that I will no longer accept present policy and practices with regard to the San Francisco Zephyr that runs through Nebraska from Chicago to San Francisco.

I am going to bend every possible effort in my power to see whether the idiotic scheduling that puts two major passenger trains through Nebraska in the dead of the night and morning cannot be altered so that at least one train provides service at a more convenient hour.

I am going to bring every possible pressure to bear to try to make Amtrak trains run on time.

And I am going to make sure that the San Francisco Zephyr is properly supplied with its share of the 284 long-heralded, brand new superliner passenger cars now scheduled for delivery to western Amtrak trains on October 1.

Mr. Chairman, I supported this authorization to continue Amtrak service on the Zephyr in testimony on April 3 before the Interstate and Foreign Commerce Subcommittee on Transportation. I also pressed for continuance in a letter directed to the subcommittee chairman and full committee chairman, and in a speech on the floor of the House of Representatives on April 30.

I oppose unnecessary Federal spending on all fronts. But I hold that it is far better to make a real effort to provide rail passenger service in these times of energy shortages and crisis than to increase wasteful foreign aid programs. I have voted again and again to reduce foreign aid and, instead, to properly fund domestic programs.

Mr. Chairman, I find Amtrak's report devastating with regard to the implementation aspects of three new or restructured routes in the recommended system published last January 31.

Amtrak's findings are contained in a letter dated April 27, 1979, from Alan S. Boyd, President of Amtrak, to the chairman of the Interstate and Foreign Commerce Committee and to the chairman of the Subcommittee on Transportation.

If no other member has asked permission to submit that letter and its supporting documents for publication in the RECORD, I do now request that permission.

I urge my colleagues to support the Glickman amendment and give us the opportunity to help Amtrak find out whether there is any way to run a real railroad in this country.

☐ 1315

Mr. Chairman, I include at this point the letter from Mr. Alan S. Boyd, President of Amtrak, to the chairman of the Committee on Interstate and Foreign Commerce and to the chairman of the Subcommittee on Transportation.

The letter is as follows:

NATIONAL RAILROAD PASSENGER CORP.,
Washington, D.C., April 27, 1979.
HON. JAMES J. FLORIO,
Chairman, Subcommittee on Transportation and Commerce, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: When the DOT route report was issued on January 31, 1979, Amtrak suggested that there would have to be additional study of the implementation aspect of three new or restructured routes in the recommended system. These were the Lake Shore Limited, to be rerouted through Canada connecting Buffalo and Detroit; the Broadway Limited, with a segment linking Washington and Cleveland; and the San Francisco Zephyr, which would be rerouted to provide both Chicago-Los Angeles and Chicago-Oakland service by splitting at Ogden, Utah.

Subsequently, and in cooperation with DOT and the affected railroads, Amtrak conducted extensive site inspection trips and engineering analysis to determine:

(1) more precise estimates of track connection and other capital costs;

(2) the reasonable time frame within which the new service could be initiated; and

(3) the operational and passenger service impacts of the new routings.

I indicated in testimony before the Congress on March 5, March 21, and April 3, that Amtrak would report to the appropriate committees when this new data was complete.

Attached you will find the report of those field investigations and railroad discussions. Missing from the report is "attachment A" for each segment which details the line item estimates. I feel that releasing these costs in such detail at this time would further erode our negotiating position with the operating railroads.

I would like to summarize for you what the situation is on each of these proposed routes and what the implications are for the pending authorization and appropriation legislation.

Since this data was compiled, we have coordinated closely with DOT and are in substantial agreement in terms of the estimated time and costs involved. I have added my own conclusion on the quality of service implications.

I. The Lake Shore Limited—Boston/New York-Chicago service with a rerouted segment through Canada connecting Buffalo and Detroit.—

This restructured route will cost $6.7 million in capital to implement and will result in an increased annual operating cost of $2 million over the DOT budget request for Fiscal Year 1980. While service could begin October 1, 1979, it must be instituted simultaneously with the rerouted Broadway Limited to maintain Cleveland-Chicago service as required by the DOT report.

II. The Broadway Limited—New York/Washington-Chicago service to be achieved by rerouting the Washington-Pittsburgh section through Cumberland, Maryland, and rerouting Pittsburgh-Chicago service through Cleveland.—

These connections will cost $19 million to achieve and will add $1.3 million to the annual operating cost included in the DOT FY80 budget request. Service could not begin before May 1981.

While most of the capital cost are associated with the Alliance, Ohio-Cleveland section, there are some serious service implications in the Cumberland-Pittsburgh segment. This trackage permits an average speed of 34.4 miles per hour, is subject to frequent derailments, has heavy freight traffic (mostly coal), and has no alternate or detour possibilities in case of blockage.

I have some question of committing to new service if it is not going to be better service than we now operate. Unfortunately, these two routes, after improvements, will both operate with longer running times and slower average speeds than the present Lake Shore and Broadway routes.

III. The San Francisco Zephyr—Chicago-California service with the train splitting at Ogden, westbound, sending one section to Oakland and the other to Los Angeles through Las Vegas. Eastbound, the two sections would join at Ogden and proceed to Chicago as one train.—

Two prospective routings between Kansas City and Denver were investigated. Each woud cost nearly $8 million in capital to achieve and would raise annual operating costs over the DOT FY80 budget request, depending on which routing is selected by Amtrak.

The routing via LaJunta, Colorado, could not be in service before May of 1981, while the routing via Salina, Kansas, could be instituted possibly by May of 1980.

In either event, Amtrak will be required to maintain existing Chicago-Oakland and Chicago-Los Angeles service until such time as the restructured route can be instituted.

Keeping the present Zephyr and the Southwest Limited in place to maintain this service will require an additional $10.5 million in operating costs for Fiscal Year 1980. For Fiscal Years 1981 and 1982, the additional operating costs for these two trains drop to below $1 million per year because of the introduction of the Superliner equipment.

On this restructured route, Amtrak again would be offering service that is longer in endpoint mileage and overall running time and slower in average speed.

I would question whether this is really what we had hoped route restructuring would achieve.

The one segment of this route which can be immediately implemented with minimal capital costs ($1.1. billion) is the Ogden, Utah-Las Vegas—Los Angeles segment. Because this service was predicated on a market potential involving Las Vegas, Los Angeles and Denver, it makes sense to me to initiate such service independently of a restructured Zephyr. We estimate that this service will require an additional $6 million subsidy on an annual basis.

No one could know of all the cost and operational problems when the DOT report was issued in January. Now that we have the advantage of such data, it appears to me that Amtrak should have the flexibility of being able to maintain present service on all of these routes until such time as the proposed routes become feasible in terms of both costs and service.

Keeping present service of the Broadway, Lake Shore, Zephyr, and Southwest Limited (on their existing routings) will require an additional $12.3 million in operating subsidy for Fiscal Year 1980. This, however, will be offset by the fact that $10 million in scheduled labor protection payments would not have to be paid.

Other Fiscal Year 1980 savings involved in retaining this existing service would be the $33.6 million in track, signal, and facility costs involved in the three restructured routes. As you can see from the attached chart, the three restructured routes will result in up to $7.2 million in increased operating costs when implemented.

In summary, the three restructured routes will take up to two years to implement, result in $33.6 million in capital costs, and up to $7.2 million in increased annual operating costs.

Continuing the existing Southwest Limited, Zephyr, Broadway and Lake Shore along their present routings maintains all endpoint service recommended in the DOT study. The only intermediate point which would not be served would be Detroit (which has and wil continue to have Chicago service under the DOT plan).

Continuing existing service on these routes will cost $12.3 million in FY 80, offset by not requiring labor protection payments of $10 million.

Because of the above, it is my feeling that Amtrak should be relieved of the absolute statutory deadline for implementing the new routes. I would propose instead a requirement that: (1) operations be initiated soon after the start of FY 80 on those portions of the new routes where it is physically and economically possible and consitutes improved service; (2) on other portions of the new routes operations be commenced only when economical, desirable construction work can be completed; and (3) so as not to disrupt service in the interim, existing patterns of service between the end points of the new routes be continued until the new routes can feasibly be operated in total.

I believe that such a course of action would represent the most orderly and sensible way to implement the Secretary's route structure recommendations.

I would be happy to meet with you or any members of the Committee to explain any of the attached in greater detail.

Sincerely,

ALAN S. BOYD,
President.

PRELIMINARY ESTIMATED IMPLEMENTATION OF REROUTED SERVICES

[Dollar amounts in thousands]

Route	Capital required	Implementation date	Annual operating cost impact versus study	Annual revenue versus impact study	Annual net operating shortfall
Broadway Ltd	$19.0	2 yr[1][2]	$0.5	($0.8)	$1.3
Lake Shore Ltd	6.7	Oct. 1, 1979[2]	2.0	None	2.0
S. F. Zephyr:					
Via Salina (CHI-LAX/Oakland).	7.9	1 yr[1]	1.6	(1.7)	3.3
Via LaJunta (CHI-LAX/Oakland).	$7.9	2 yr[1]	$2.0	($1.9)	$3.9
Totals	—33.6		4.1–4.5	(2.5–2.7)	6.6–7.2

[1] After authorization is approved.
[2] Broadway and Lakeshore must be rerouted simultaneously.

Note: All estimates in fiscal year 1980 dollars.

ESTIMATED IMPACT OF NOT REROUTING SERVICES (COMPARED TO DOT BUDGET)

[Dollar amounts in millions]

Route	Operating subsidy impact	Labor protection impact
Broadway Ltd	None	($0.5)
Lakeshore Ltd	$1.1	
S. F. Zephyr Southwest Ltd	10.5	($9.5)
Shenandoah (Washington-Cumberland only)	.7	None
Total	12.3	($10.0)

DOT Route Restructuring

(Summary of Field Investigation)

KANSAS CITY-DENVER (VIA UNION PACIFIC)

General

A 640 mile line with Automatic Block Signals. Maximum freight train speeds are 70 mph Kansas City to Topeka, 65 mph Topeka to Salina and 60 mph Salina to Denver.

Line traverses more than 450 miles of largely uninhabited and desolate country. There are few paralleling roads in the area.

The line from Salina, Ks. to Limon, Co. is a secondary freight line with only one scheduled through train daily.

No radio communications and a very limited and unreliable wayside telephone system exists between Salina and Denver.

No mechanical forces are employed between Salina and Denver, a distance of 456 miles.

365 miles of track requires surfacing before passenger trains can operate at more than 60 miles per hour.

Snow removal has a low priority because of light traffic; this periodically results in this line being closed due to snow conditions.

Preliminary capital requirements

$7,900,000—See Attachment A.

Prerequisites for implementation

Securing appropriate train and engine crew run through agreements.

Installation of radio communication to cover Denver to Salina.

UP-Amtrak agreement on improvemnts.

Implementation

April, 1980 with slower schedule.

October, 1981 with expedited schedule upon completion of track rehabilitation.

Passenger train schedules

Prior to completion of plant improvements—13′07″.

Subsequent to completion of plant improvements—12′00″.

Additional operating expenses are shown in Attachment B.

Kansas City to Denver (Via UP)

Estimated annual operating expenses Chicago to Denver (excluding equipment maintenance)

Present route

Burlington Northern-Chicago to Denver [1]	$9,077,000
AT&SF-Chicago to Kansas City;[1] UP-Kansas City to Denver [2,3,4]	10,712,000
AT&SF-Chicago to Denver via LaJunta [1]	11,164,000
AT&SF-Chicago to Denver via Topeka and LaJunta [1]	[1]11,469,000

[1] These expenses were developed as a result of field inspection and current contractual arrangements independent of the DOT route study.

[2] Included in the Chicago-Kansas City-Denver UP cost segment but not included in the DOT route study is $429,000 additional track maintenance expense. Also not included is $395,000 additional track maintenance expense between Denver and Ogden.

[3] Not included in this estimate or in the DOT route study is the incremental cost of snow plowing on this line. Thirty-two work train crews and related equipment expenses per season is estimated to cost $43,000.

[4] Not included in the DOT route study is $122,000 for Mechanical Department riders required between Salina and Denver.

DOT Route Restructuring

(Summary of Field Investigation)

KANSAS CITY-DENVER (VIA AT&SF)

General

AT&SF present route Kansas City to LaJunta is in excellent condition for 90 mph passenger train operation. AT&SF track (including MP joint track) LaJunta to Pueblo will be satisfactory to 79 mph operation following the 1979 rail program.

The line from Pueblo to Denver (114 miles) is a joint operation between AT&SF, D&RGW and Colorado and Southern with major operating problems.

The Pueblo-Denver segment handles approximately 40 million gross tons annually and tonnage is increasing rapidly. This territory is slow, mountainous railroad with heavy grades, and helper engines required on freight trains.

The volume of traffic in an 11 day period, March 1975 compared to March 1979, increased from 135 trains to 330 trains. The growth was primarily related to coal traffic.

In 1973 a 32 mile portion of this railroad was converted to single track with centralized traffic control. This segment is now handling approximately 30 trains per day. The carriers are considering restoration of the second main track in this area.

The line lacks the sidings and signalling to provide the flexibility required to operate a passenger train.

Preliminary capital requiremnts

$6,800,000—See Attachment A.

Prerequisites for implementation

Installation of centralized traffic control and/or siding construction.

Implementation

Summer 1981 at earliest.

Passenger train schedules

Upon completion of capital work, Amtrak proposes a 4 hour 45 minute schedule Denver to LaJunta, 179 miles, averaging 37.7 mph.

The overall schedule Denver to Kansas City would be 13 hours 20 minutes direct or 14 hours 05 minuts via Topeka. This compares with 12 hours via the UP Kansas route.

Kansas City To Denver (Via AT&SF)

Estimated annual operating expenses Chicago to Denver (excluding equipment maintenance)

Present route

Burlington Northern-Chicago to Denver [1]	$9,077,000
AT&SF-Chicago to Kansas City [1] UP-Kansas City to Denver	10,712,000
AT&SF-Chicago to Denver via LaJunta [1]	11,164,000
AT&SF-Chicago to Denver via Topeka and LaJunta [1]	11,469,000

[1] These expenses were developed as a result of field inspection and current contractual arrangements independent of the DOT route study.

DOT Route Restructuring

(Summary of Field Investigation)

OGDEN-BARSTOW (VIA UNION PACIFIC)

General

A 669 mile track line with Automatic Block Signals. Line is maintained for a maximum 70 mph freight train speed.

Medium freight tonnage over a mountainous terrain.

Traverses desolate area; however, frequent train movements would provide emergency support.

Dispatcher to train radio communications exist over entire route.

Preliminary capital requirement

$1,110,000—See Attachment A.

Prerequisites for implementation

Modification to facilities at Ogden to permit switching and servicing of trains.

Improvements to station facilities at Las Vegas.

Radio modifications.

Implementation

October, 1979.

Passenger train schedules

14 hours 05 minutes—Ogden to Barstow.

18 hours—Ogden to Los Angeles.

DOT Route Restructuring

(Summary of Field Investigation)

SACRAMENTO VALLEY (VIA SOUTHERN PACIFIC)

General

Present route is known as the West Valley Route between Davis and Tehama, 110.7 miles. Proposed route is known as the East Valley Route between Davis and Tehama via Sacramento and Roseville, 136.2 miles. Another option exists via the Western Pacific Sacramento to Binney Jct., north of Marysville. See Attachment C.

The present route is maintained as FRA Class 3 track with a maximum passenger speed of 60 mph. Bus connections operate between the Sacramento station and Davis (15 miles) to connect with Trains 11 and 14.

The proposed route Roseville to Tehama, 105 miles, is in good condition (better than the present route) with a maximum passenger train speed of 70 miles per hour. The line is equipped with centralized traffic control.

Heavy freight traffic operates over the East Valley Route to and from Roseville Yard. Considerable congestion occurs in the vicinity of Roseville. Operation via the Western Pacific avoids the Roseville congestion but will not reduce schedule time due to time consumed moving through the track connections. A track connection at Binney Jct. must be constructed.

Operation, including station time at Sacramento and operation around Roseville Yard, in addition to the additional mileage, will require approximately 1 hour to 1 hour 15 minutes additional schedule time. Lengthened schedule time will materially increase operating expenses. See Attachment B.

One additional train crew district (Redding to Klamath Falls, 105 miles) will be required because of the additional time.

Preliminary capital requirement

$3,341,000—via Southern Pacific.

$2,396,000—via Western Pacific.

See Attachment A.

Prerequisites for implementation

Southern Pacific-Amtrak agreement on capital improvements.

Revision to present Southern Pacific operating agreement.

Amtrak contract with Western Pacific (optional).

Implementation

October 1979.

Passenger train schedules

Davis to Tehama—Present route, 2 hours, average speed 55.3 mph.

Davis to Tehama—Proposed route (via SP), 3 hours 05 minutes, averaged speed 44.2 mph.

[Attachment B]

EAST VALLEY ROUTE

Preliminary estimate of increased annual operating expense

Train and engine crews	$168,000
Meals and lodging	32,900
M of W payments	14,300
Station staffing	69,000
Fuel and watering	67,200
On board service crews	165,300
Total	[1] 516,700

[1] These expenses may or may not be included as additional expenses in the DOT route study.

Mr. RAHALL. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from West Virginia.

Mr. RAHALL. I thank the gentlewoman for yielding.

Mr. Chairman, I commend the gentleman from Kansas (Mr. GLICKMAN) for his amendment. I think it does relate to the broad functional categories that the chairman of the Committee on the Budget referred to earlier. It relates to the broad category of how we move about in this country. We are in an era of a new transportation policy. Because of the reasons the gentleman from Kansas has so well elaborated, I believe how we move about is changing. With Amtrak, sure, there is room for improvement. But to make Amtrak profitable should not be our sole motive. A public service to residents of rural parts of our Nation should be our consideration.

I commend the gentleman for his amendment, and I urge adoption of it.

Mr. McCLORY. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. I yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentlewoman for yielding.

Mr. Chairman, I want to join in support of the amendment offered by the gentleman from Kansas and to concur in the statement made by the gentlewoman from Nebraska. I cannot help but feel that this is indeed a conservation measure. Conservation that can result from greater utilization of rail service, it seems to me, is entirely consistent with the policy that we should be following today. The amendment should enable us to reduce our reliance upon the private automobile and other forms of transportation which utilize scarce gasoline and other petroleum products. I applaud the gentlewoman from Nebraska and the gentleman from Kansas the author of the amendment.

Mrs. SMITH of Nebraska. I thank the gentleman for his remarks.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, this amendment would add $83 million in budget authority and $73 million in outlays to the Amtrak budget. I would remind every Member here that the Amtrak budget has in it $760 million. It is not that we are not providing sufficient or large amounts of money for rail transportation. We are. The recommendations of the President are based on the population and market criteria which are required under the law, required by the Congress. I think we should support the results of the study. It will result in an anti-inflationary 5-year savings of nearly $1.5 billion recommended by the President. Let me make it very clear to the Members that I come from a part of the country that is having great problems with railroads, as the Members know. In the Northeast, we need money and we need help from Congress. Some have been asking for money for Amtrak, for ConRail, and for all kinds of mass transit programs. So I could very easily be in favor of this amendment, which would undoubtedly inure to the benefit of my own State and area. But I am pleading with the Members and saying that here is a classic case where we can save $83 million.

Now, we are going to hear a lot of amendments today that will add a little money here and a little there. Not that $83 million is anything little.

☐ 1320

But I am suggesting that if we are going to tighten up and hold the line on spending, these are classic cases where we have to grit our teeth and bite the bullet, if you will, and say, "No, we are not going to go along with the add on. We are going to see if we can do the job with $83 million less." It will mean $1.4 billion over a 5-year period.

If we do that here and there and along the line, and in many of the other programs, we can begin to get control over Federal spending. So I plead with you, let us see if we can make savings in this area. Let us see if we can do the job with $83 million less and vote down this amendment.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield for 1 minute?

Mr. GIAIMO. I yield to my colleague, the gentleman from Kansas.

Mr. GLICKMAN. I would like to make one point perfectly clear. The DOT recommendation has already been challenged by the president of Amtrak. On the 27th of April, he wrote to the gentleman from New Jersey (Mr. FLORIO) and said we made mistakes in that original recommendation. We ought to at least keep four lines running.

My basic point is that at this stage of the game, it appears that Amtrak and DOT are not on track as to what they really want, and it would serve the Amtrak people right to at least let them know that we do not want to kill the railroads in this country.

One final point is the fact that all the budget cutting in the world is great, but if people cannot transport themselves from point A to point B in this country, the future looks very bleak for America.

Mr. GIAIMO. Let me say that Amtrak, while it is not an executive branch agency, it is like one. I have been here many years, and I have never yet heard the executive branch agencies or the off-budget agencies not tell us they do not have enough money. They always claim that they need more money. They do it all the time.

Let me say something else about train transportation. We will provide money for the trains, and we have been doing so. I wish we could get a little more usership by the American people of trains and mass transit before we talk about adding money.

I still find that most Americans resist using mass transit and trains and use their automobiles. That is part of the problem with some of these Amtrak trains that they are trying to remove.

Mr. CAVANAUGH. Mr. Chairman, will the gentleman yield

Mr. GIAIMO. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. It distresses me to hear the gentleman recognize the value of rail transportation and particularly to recognize the value of rail transportation to his own section of the country, the Northeast and then to oppose rail transportation for the rest of the country. The Northeast is not the section of the country that is going to suffer significantly from this reduction in budgetary authority, nor by the proposed reductions of Amtrak service and routes by the Secretary of Transportation. But the subsequent realization of the serious transportation impairment that the Secretary's reductions would result in has resulted in a reexamination by the administration, by Amtrak, and strong recommendations by them that the original recommendations for route reductions not be implemented. The basis of the amendment of the gentleman from Kansas, is not to restore all of the funding, but to restore half of the funding to make sure we do not make the grevious error that the Secretary of Transportation made in his original recommendations to the Congress.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am not against Amtrak. As a matter of fact, since the conception of the idea of Amtrak, I have been a very outspoken supporter of Amtrak and the service it provides to our rail users throughout the country. But I think, before we give them any more money without knowing what they are going to do with it, we ought to find out a little bit about what they are going to do with it.

In the proposal that was submitted to the Congress by the Department of Transportation, in my opinion, it showed very little reason. I found hardly any logic whatsoever.

I see routes that they have recommended for termination, which routes happen to be some of the most rapidly increasing ridership routes on the whole system, yet they are being cut off.

The Department of Transportation has asked for a substantial increase in funding for Amtrak, while suggesting a reduction in passenger service by some 42 percent.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I am happy to yield to my colleague, the gentleman from Kansas.

Mr. GLICKMAN. They are not asking for an increase. I am.

Mr. YOUNG of Florida. I understand that. Let me say I support the gentleman. He and I are completely together on the issue of Amtrak providing passenger service for the people of America. If the gentleman's idea is to get their attention or give them a message, I have an idea that we are going to get their attention a lot more if we do not give them the money or if we should even make a reduction in what they have scheduled in the fiscal year 1980 bill.

Now, that is the way to get a bureaucrat's attention, to cut their money. I am not suggesting that we really ought to end up doing that. What I am suggesting is that Congress ought to let Amtrak and the Department of Transportation know that the people of America expect a better shake on this thing. The Congress has a right to know more specifically what the plans are going to be when they finally iron them all out.

I am for Amtrak. I am willing to vote the additional money if it is going to provide the additional service, and I want the gentleman to know that. But I do not think this is the time to do it.

□ 1325

You know, it is very interesting at a time when we are reducing, or the DOT is suggesting a reduction in rail passenger service for American taxpayers, that we are involved and have been involved in the past and will continue to be involved in the future, in the building of, the development of, rail service in many other parts of the world through our foreign aid programs. I might even say that one of the parts of the world we will be helping to finance rail service in will be in Vietnam. Now, it just seems to me that if we can build rail services in Vietnam, or if we can build rail services in India and so many other places in the world that we do through our foreign aid programs, then I suggest that we ought to be able to provide rail service for the people of America who want to use it.

I say that any route that has shown a sign of increased passenger ridership is a good sign, and I just do not think that is where the Department of Transportation ought to start cutting. They ought to increase available services to the areas where people have shown a willingness to ride.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I agree with the gentleman. I do not want to build a railroad in Vietnam. I just want to see them operating to Los Angeles, to Dallas-Fort Worth, to Atlanta.

The other point I wish to make is this: Amtrak ridership has been going up dramatically on most of the routes. The third point I would point out, as the gentleman so aptly points out, is that the DOT study recommends cutting lines that have been increasing in ridership.

Mr. YOUNG of Florida. The gentleman is exactly correct.

Mr. GLICKMAN. So my point is, unless we sent a message to this Congress, to the American people, it is going to look like we are advocating, acquiescing in, and accepting an absolutely absurd report.

Mr. YOUNG of Florida. I am going to join the gentleman in doing everything to preserve those routes that are being used. As a member of the Appropriations Committee, I am willing to support the funding necessary to do that job, but I think before we take that vote we do have to get their attention, and I do not think just giving them more money is going to get their attention. On the contrary, the way to get the attention of individuals in a bureaucratic office is to cut their money.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, I think the ultimate tragedy here will be that this retrenchment occurs at a time when Americans are beginning to consider what form of transportation they want to use. I am a member of the full committee, and we have not had a chance to pass on it. If we do not take this occasion now, these routes will be dead, so we have to do something now.

Mr. YOUNG of Florida. I thank the gentleman for that comment. I am just wondering what this particular amendment would do to preserve those routes. I do not see anything that this amendment will do.

Mr. LUKEN. It will at least send a strong argument.

Mr. DUNCAN of Oregon. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, members of the committee, I am not at all certain that this is the proper forum in which to argue the future of Amtrak. I think that we will have occasion to join issue, to cross swords on this issue, several times in the future. There is an authorization bill pending in the Public Works Committee. The Subcommittee on Appropriations, of which I happen to be the chairman, is right now wrestling with the very terrible problems of a balanced transportation system and how best to serve the needs of the people of this country at a minimum expenditure of both dollars and Btu's, of energy.

One of the gentlemen who just spoke said that we do not really know what form of transportation the people of this country want to use. Well, I suggest to the Members that they have demonstrated many times over that one of the forms of transportation they do not want to use is the train. There is no way that the train can compete with the airplane in terms of time.

□ 1330

There is no way that this train can compete with a bus in terms of dollars. I do not care whether the dollars come out of the taxpayers' money or out of the traveling public's pocket, the problem is still the same and it is a question of costs.

As the chairman of the Committee on the Budget has pointed out, they have come in with a recommendation of the amount of money requested by the President, $760 million. That is not peanuts; that is a lot of money. That represents $100 million more than we appropriated last year. The gentleman's amendment would add—what is it—another $73 million or $63 million on top of that, so what he is really asking us to do is to approve $173 million more than we appropriated last year for Amtrak.

I want to tell the Members the basis on which I came to this problem as a new chairman of the Appropriations Subcommittee. I came as one very sympathetic to the railroads, as one who believed that we had to keep at least a skelton railroad system operating in this country, as one who believed that particularly with an energy crisis once again on us, it was doubly important that we have a system of transportation to which we could repair. I started those hearings from that point of prejudice and preconceived idea, and I want to tell the Members as those hearings developed, not only did it become apparent that the cost in dollars is prodigious and growing, and the subsidy that we are voting to Amtrak is spawning intense desires and pressures for new subsidies to the intercity buses. They are already in for $1.5 billion, which is what they want for what they call intermodular stations. We have already given them, and I expect our committee will fund the subsidy to rural and small urban communities this year. The only argument they have that has any validity is, look, you are subsidizing Amtrak and they are directly competing with us. So if you want a big subsidy for buses—for the intercity buses—then insist upon the preservation and the expansion of Amtrak.

In dollars, to go from Chicago to Seattle do you know what we are paying in subsidy per passenger if that passenger rides on the train? Our taxpayers are paying $275.88 to haul that person from Chicago to Seattle. If you want to take him from Chicago to Oakland, we are paying $388.13. If you want to go from New Orleans to Los Angeles, we are paying $293.19. That is not the total cost of hauling him; that is the cost of hauling him minus whatever he pays for his ticket. That is net out of the taxpayers' pocket. So there is no way from a dollars-and-cents standpoint that Amtrak is going to pay.

What about energy? Is the train a great energy saver? I thought it was. Then I began to see some statistics on comparative energy saving and consumption of BTU's per passenger-mile on these competing modes of transportation, and I decided maybe it is not clear. Out of the Association of Railroad Passengers we get one set of figures; out of the DOT we get another. So what I did was ask either the Congressional Research Office or the Congressional Budget Office to take all of these estimates on energy consumption and see what they could come up with for me as to what the real facts were. I want to tell the Members it is pretty revealing—pretty revealing.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DUNCAN of Oregon was allowed to proceed for 3 additional minutes.)

Mr. DUNCAN of Oregon. The train, whether under the present system or under a restructured system, is much less energy efficient than is the intercity bus. We find that if all seats were occupied on Amtrak—that does not mean the level of occupancy at which they are operating today—I asked them, "What if every seat on that bloody train is filled? What is the energy consumption per passenger?" Do you know what came back—1405 Btu's per passenger-mile; on intercity buses 473, over three times as much energy consumption on the train as on the bus if all seats on that train are filled. Buses are more than three times more energy efficient than trains if both of them are fully loaded.

We can achieve a savings of all of the energy consumed by Amtrak if we could increase the mileage each private passenger automobile achieved by one hundredth of a mile per gallon. On energy efficiency the argument that the trains have a big advantage just absolutely does not hold water.

□ 1335

Let me tell you one more thing before I conclude.

The trains in this country are serving about 400 communities. The intercity bus system is serving somewhere between 14,000 and 16,000 communities.

The American public has an option in public transportation between cities: They have their car, they have the bus and they have an airplane, if you drop Amtrak out entirely. One of the things you have to distinguish between, in my judgment, when looking at intercity and intracity transportation is that intracity, within the city, people have no option. Public transportation is the only choice they have. Some communities may have a light rail, some may have a bus, some may have both. There it is absolutely essential we maintain the public transportation system.

It is not essential to the transportation needs of the American public that Amtrak in a present or expanded capacity be continued.

Now, if you want to cut some money, this President came in talking about zero based budgeting. List your priorities, decide which is an important package, which is lesser, which is minimal. The least that can be said or that ought to be said at this particular stage of the debate is that there is no reason based on dollars and cents or based upon energy saving to increase the budget recommendation for Amtrak that this committee came out with and that the President of the United States requested. I urge you to vote against this.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. DUNCAN of Oregon was allowed to proceed for 2 additional minutes.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN of Oregon. Indeed I will yield to the gentleman from Ohio.

Mr. SEIBERLING. I think the gentleman has made a very forceful and a very interesting statement here. I would just like to be sure I understand what he is saying.

In terms of the passenger-mile energy efficiency of a passenger train—I assume we are talking about a coach, not a Pullman, which is obviously not energy efficient—it depends partly on how many cars you have on the train I presume. Does this assume any particular length of train?

Mr. DUNCAN of Oregon. Mr. Chairman, if all of Amtrak's trains that they are presently running, with the equipment we presently have—and I might say we are operating some 14,000 or 15,000 miles of track with 1,100 cars. In most countries of the world having a rail transportation system they will average 1 car for every mile. In an 11,000-mile system they will have 11,000 cars. West Germany, as I recall it, has 18,000 cars for about a 12,000-car system or a car and a half per mile. We are trying to operate 1,100 cars over and 11,000- or 12,000-mile system.

If we are talking about all of Amtrak's scheduled trains, filled to their capacity, that means every coach.

Mr. SEIBERLING. To what extent is this because Amtrak does not have sufficient business to run long trains?

Mr. DUNCAN of Oregon. I do not know that I can answer that question. As I say, the study is predicated upon Amtrak's present system and the trains that are running. I say to the gentleman from Ohio (Mr. SEIBERLING) those trains are not running full now.

Mr. SEIBERLING. I understand that, Mr. Chairman.

Mr. DUNCAN of Oregon. We ask them to assume those trains were running full.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

(On request of Mr. SEIBERLING and by unanimous consent, Mr. DUNCAN of Oregon was allowed to proceed for 1 additional minute.)

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield further?

Mr. DUNCAN of Oregon. Yes, indeed, I will yield to the gentleman from Ohio.

Mr. SEIBERLING. There is an old saying that the best way to increase the profits of a railroad is to increase the distance between the locomotive and the caboose. That is true of passenger trains. It depends partly on how long the train is because the more cars you attach to the same locomotive the better fuel-efficiency results you will get.

However, there is another aspect. How about the northeast corridor? Is that energy efficient?

Mr. DUNCAN of Oregon. It becomes marginal. If you will look at the northeast corridor, in my own mind I think the rail service is eminently justified in the northeast corridor. I think rail service can very easily be justified in other corridors. The studies I have made so far indicate it is a viable option, something that we ought to give consideration to where you have major population centers—between 1 million and 2 million people— located within a couple hundred miles of one another.

□ 1340

Mr. SEIBERLING. Is the gentleman basing that on energy efficiency or merely serving that large population?

Mr. DUNCAN of Oregon. I am basing that largely on the fact that it serves a very significant and marginal segment of the intercity traveling public, that if that facility did not exist in those populated heavily traveled areas, that it would be an overburden on other systems if they had to be transferred.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on the perfecting amendment offered by the gentleman from Kansas (Mr. GLICKMAN) and all amendments thereto end in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. HARKIN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, I move that all debate on the perfecting amendment offered by the gentleman from Kansas (Mr. GLICKMAN) and all amendments thereto end in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Chairman announced that the ayes appear to have it.

Mr. HARKIN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-seven Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1345

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The pending business is the demand of the gentleman from Iowa (Mr. HARKIN) for a recorded vote.

Does the gentleman from Iowa (Mr. HARKIN) insist on his demand for a recorded vote?

Mr. HARKIN. Mr. Chairman, without the assurances of the chairman of the Committee on the Budget that more time will be extended, yes, I do.

A recorded vote was refused.

So the motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will each be recognized for 30 seconds.

(By unanimous consent, Mr. VOLKMER yielded his time to Mr. HARKIN.)

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

☐ 1350

Mr. HARKIN. Mr. Chairman, I rise in support of the amendment. I do so because I believe the Department of Transportation ought to be awarded the shortsightedness award of the century, for their proposal is to severely cut back on the amount of lines now existing. I say so because Amtrak has justified taking the existing lines out of my State of Iowa because of lack of ridership. And yet when they put the route through Iowa they put it through in the least populated areas of the State. Less than 20 percent of the people of Iowa live within 50 miles of the railroad track. Yet we have tried for years to get them to go through other routes of Iowa, through Des Moines, through Cedar Rapids, through major population areas, and they have refused. Now they say they are taking the train out of Iowa because no one rides it. I submit that no one rides it because of what they did to it in the first place.

(By unanimous consent, Mr. MOFFETT and Mrs. SMITH of Nebraska yielded their time to Mr. GLICKMAN.)

(By unanimous consent, Mr. FAZIO yielded his time to Mr. FOWLER.)

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. FOWLER).

Mr. FOWLER. Mr. Chairman, I rise in strong support of the amendment offered by my friend, the gentleman from Kansas (Mr. GLICKMAN). I do not know how to say it any stronger than what we have already heard except to underscore that to use the meat-ax approach that is recommended by the Department of Transportation has to be the most pennywise and pound-foolish method of dealing with a national policy that one can imagine. We do not know whether or not we are going to depend on the trains in this country. We do not know what our energy crisis is going to bring or where it is going to bring us. We do not know which of these routes can be shown to be an alternative source at a time when the President is trying to get us out of our automobiles and the airlines are cutting back on plane service to small communities. The backbone of this country, rail transportation, should not be scrapped in this manner.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, it is inconceivable to me that, in the energy crisis that this country is facing now and is going to be facing for some time, we would take action to cut a mass transit program that could be a meaningful help.

I support the amendment offered by my friend, the gentleman from Kansas, and I regret that the amount is not doubled instead of the figure the gentleman has put in right now.

Mr. Chairman, I urge the passage of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MCCLORY).

Mr. McCLORY. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

Mr. Chairman, I do not think there was ever a time in our history when support of rail transportation was more essential, more vital, than it is right now. The great Midwest, where the hub of the rail system exists, is certainly dependent upon rail service for its livelihood. I can think of many, many reasons—economic, defense and conservation reasons—why we need improved rail service and we should be giving Amtrak greater financial support and not less.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. LUKEN).

● Mr. LUKEN. Mr. Chairman, the President submitted his proposal to cutback Amtrak just about 90 days ago. The resolution to disapprove these cutbacks languishes in the Transportation Subcommittee of the Interstate and Foreign Commerce Committee. As a member of the full Interstate and Foreign Commerce Committee, I can advise the House that the full committee has not had an opportunity to vote on these sweeping cuts in passenger-train service.

Even though the existing law provides that Congress should have an opportunity to act upon proposed revision in passenger train service, the fact that neither the full committee, nor the full House has had such a chance, is a further argument for adopting the motion of the gentleman from Kansas.

Furthermore, at this critical juncture, when energy is a matter which the entire country and the Congress is questioning at every juncture, we should not take precipitous actions on passenger train service, when that action cannot be reversed. We certainly need the time for the Interstate and Foreign Commerce Committee to act, and for the House to consider this matter.

If this amendment does not pass, certainly the administration will proceed to dismantle the Amtrak system. Both trains which pass through Cincinnati will be eliminated. So will 43 percent of service which Amtrak provides.

This is the only way we can send a message to the administration to hold up and to prevent a tragic mistake. I urge the adoption of this amendment.●

(By unanimous consent, Mr. LUKEN yielded his time to Mr. GLICKMAN).

☐ 1355

The CHAIRMAN. The Chair recognizes the gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Chairman, I think the arguments have been well stated on both sides. However, I think the scenario that I fear, that my constituents fear, that the people in southern California have seen this past week come true to them, is one in which we will find ourselves rapidly growing short of motor fuels for the automobile, perhaps growing short of aviation fuel, seeing small communities throughout this country lose air transportation because of deregulation, and finding that the train for many Americans is the only feasible way of meeting that transportation mode. And, most of all, having our constituents say to us, "How can you Members of Congress be so stupid at a time of an energy crisis to cut half the rail transportation in America?"

Regardless of how we feel about how Amtrak operates, which I admit is not very good, we send a very poor signal to America and to the rest of the world right now if we don't approve this amendment. We send a very poor signal to the rest of the world that we want to do something about our energy crisis and our restricted ability of moving people from place to place. Transportation capability is at the heart of a free political system. If you cannot get some mode of transportation and go from point A to point B, I believe we might as well have washed away most of our political freedoms.

The only thing that we should be doing by approving this amendment is to tell Mr. Brock Adams and to tell the Commerce Committee and to tell America that before we gut the rail service, Congress is at least going to have the guts to show that we want to see if it can be made to work or not.

I urge my colleagues to support this amendment to show America that we want to at least try to have a decent, capable and full rail transportation system.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I rise in opposition to the Glickman amendment.

Mr. Chairman, the chairman of the Budget Committee has pointed out the cost implications of this over a 5-year-period.

This amendment is inspired by a local situation. Each of us would like to introduce a little improvement for our areas. But there has been no showing that overall Amtrak performance or service will be improved. We should not endorse this increase to the budget. I hope the amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. STUDDS).

Mr. STUDDS. Mr. Chairman, I rise in strong support of the amendment of the gentleman from Kansas (Mr. GLICKMAN).

At a time when this administration is talking to us about removing the remaining controls on U.S. crude oil, about the weekend closings of gasoline stations, and about the rationing of gasoline, it is, in my judgment, just this side of lunacy to be talking about reducing by this magnitude our rail passenger transportation.

I, for one, am tired of being told that people choose to drive their automobiles. I represent a largely commuting constituency. They are using their automobiles not by choice, and not because they are lazy, and not because they are not patriotic, but because they have absolutely no alternative whatsoever.

The CHAIRMAN. The Chair recognizes the chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, there are $760 million in the President's budget for Amtrak and $760 million in the budget recommended by the committee for Amtrak. That is $100 million more than a year ago, a substantial increase. It does not satisfy the proponents of the amendment. They want to add another $83 million or $1.5 billion over a 5-year period.

The way to save some money and to act responsibly is to vote no. I ask the Members to vote down this amendment.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Kansas (Mr. GLICKMAN).

The question was taken; and on a division (demanded by Mr. GLICKMAN) there were ayes 43; noes 41.

☐ 1400

RECORDED VOTE

Mr. GIAIMO. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 196, noes 227, not voting 11, as follows:

[Roll No. 126]

AYES—196

Addabbo
Albosta
Andrews, N. Dak.
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Beilenson
Bennett
Bereuter
Bingham
Blanchard
Boner
Bonior
Bonker
Bouquard
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Coleman
Conte
Cotter
D'Amours
Daschle
Dellums
Derwinski
Diggs
Dixon
Dodd
Donnelly
Dougherty
Downey
Eckhardt
Edwards, Okla.
English
Ertel
Evans, Ga.
Evans, Ind.
Fascell
Fazio
Ferraro
Fish
Fisher
Florio
Foley
Ford, Tenn.
Fowler
Fuqua
Garcia
Gilman
Ginn
Glickman
Gonzalez
Gore
Grassley
Gray
Green
Guarini
Hamilton
Harkin
Harris
Hawkins
Heckler
Hillis
Holland
Hollenbeck
Holtzman
Horton
Hughes
Hutto
Ichord
Jacobs
Jeffords
Jenkins
Jenrette
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
Lagomarsino
Leach, Iowa
Lederer
Leland
Levitas
Lewis
Lowry
Lujan
Luken
McClory
McDade
McEwen
McKinney
Maguire
Marlenee
Martin
Matsui
Mattox
Mavroules
Mikulski
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Murphy, Pa.
Murtha
Myers, Pa.
Nedzi
Nolan
Oakar
Oberstar
Ottinger
Pashayan
Patten
Pease
Perkins
Petri
Peyser
Price
Pursell
Quayle
Rahall
Ratchford
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Roth
Roybal
Scheuer
Sebelius
Seiberling
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Slack
Smith, Iowa
Smith, Nebr.
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stark
Stenholm
Stokes
Studds
Stump
Thomas
Traxler
Ullman
Van Deerlin
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whittaker
Williams, Mont.
Wilson, Tex.
Winn
Wolff
Wolpe
Yates
Yatron
Young, Mo.

NOES—227

Abdnor
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Bedell
Benjamin
Bethune
Bevill
Biaggi
Boggs
Boland
Bolling
Bowen
Brademas
Brinkley
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Collins, Ill.
Collins, Tex.
Conable
Conyers
Corcoran
Corman
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dicks
Dingell
Dornan
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Erlenborn
Evans, Del.
Fary
Fenwick
Findley
Fithian
Flippo
Flood
Ford, Mich.
Forsythe
Fountain
Frenzel
Frost
Gephardt
Giaimo
Gibbons
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hammerschmidt
Hance
Hanley
Hansen
Harsha
Hefner
Heftel
Hightower
Hinson
Holt
Hopkins
Howard
Hyde
Ireland
Jeffries
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kramer
LaFalce
Latta
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Livingston
Lloyd
Loeffler
Lott
Lundine
Lungren
McCloskey
McDonald
McHugh
McKay
Madigan
Markey
Marks
Marriott
Mathis
Mazzoli
Michel
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Obey
Fanetta
Patterson
Paul
Pepper
Pickle
Preyer
Pritchard
Quillen
Railsback
Rangel
Regula
Reuss
Rhodes
Ritter
Roberts
Robinson
Rose
Rostenkowski
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Schroeder
Schulze
Shannon
Simon
Skelton
Snowe
Snyder
Solomon
Stanton
Steed
Stewart
Stockman
Stratton
Swift
Symms
Synar
Tauke
Taylor
Thompson
Trible
Udall
Vander Jagt
Volkmer
Walker
Wampler
Whitehurst
Whitley
Whitten
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wirth
Wright
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Zablocki
Zeferetti

NOT VOTING—11

Anderson, Ill.
Breaux
Davis, S.C.
Gaydos
Hubbard
Huckaby
Long, La.
Long, Md.
McCormack
Mica
Treen

☐ 1415

Mr. RANGEL changed his vote from "aye" to "no."

So the perfecting amendment was rejected.

The result of the vote was announced as above recorded.

PERFECTING AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Ms. HOLTZMAN: In the matter relating to the recommended level of Federal revenues reduce the amount by $1,100 million;

In the matter relating to the amount by which the aggregate level of Federal revenues should be increased reduce the amount by $1,100 million;

In the matter relating to the appropriate level of total new budget authority reduce the amount by $2,375 million;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $1,200 million;

In the matter relating to the amount of the deficit reduce the amount by $100 million;

In the matter relating to the appropriate level of the public debt reduce the amount by $100 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $100 million;

In the matter relating to Function 050 reduce the amount for budget authority by $2,800 million; and reduce the amount for outlays by $1,400 million.

In the matter relating to Function 250 reduce the amount for budget authority by $100 million; and reduce the amount for outlays by $100 million.

In the matter relating to Function 400 increase the amount for budget authority by $150 million; and increase the amount for outlays by $100 million

In the matter relating to Function 500 increase the amount for budget authority by $375 million; and increase the amount for outlays by $200 million.

Ms. HOLTZMAN (during the reading). Mr. Chairman, I ask unanimous consent that the perfecting amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York.

There was no objection.

Ms. HOLTZMAN. Mr. Chairman, this is a version of the so-called transfer amendment. The purpose of this amendment is to examine the budget resolution and take areas which I think contain some wasteful spending that ought to be eliminated to cut the waste and transfer the savings to other areas that are in need of some more assistance.

The amendment not only transfers funds from one category to another, but also reduces the deficit by $100 million.

☐ 1420

Basically, what the amendment does is take $100 million in outlays from the Space Shuttle program, on the theory that given the concern about unnecessary Federal expenditures, this is an area where we can postpone action. If we do not land another man on the Moon next year but wait until the year after, it is hard to say to the American people that something important will be lost.

This is an area of savings that is important. My amendment would cut the Space Shuttle program by $100 million in outlays.

Similarly, my amendment would limit some of the growth in the defense program by eliminating waste. The amendment allows for full inflation, plus 1 percent real growth, which would realize a savings of $1.4 billion in outlays.

These amounts are transferred as follows: $100 million in outlays to deal with mass transit; $60 million in outlays to provide funding for various older Americans' programs; $140 million in outlays to provide for various job creation programs; and $1.1 billion to roll back the social security tax increase, both on employers and employees, from 6.13 percent to 6.08 percent.

Mr. Chairman, to those Members who are concerned about the reduction in the defense spending I want to underscore the fact that the amendment still permits 1 percent in real growth for defense. But any growth above that figure in defense ought to be realized and can be realized from savings from management reforms.

The Defense Department has at the present time over $22 billion in unobligated balances. These are funds appropriated in prior years which have not been spent. Savings could be realized by cutting a portion of these unobligated balances and requiring the Defense Department to use those unobligated balances to fund new programs.

Thirty billion dollars of purchases by the Defense Department are made without competitive bidding. Let us institute some additional competitive bidding and better procurement practices could save billions of dollars, according to the estimates of the General Accounting Office.

There are problems with such matters as grade creep. It has been estimated that because of constant increases in grade, both at the civilian and military levels, we are incurring additional costs of over a billion dollars.

I firmly believe that the American people expect to have a government that is well-managed and a government that is efficient. We are applying efficiency standards to the social side of the program. Let us apply the same kind of management efficiency standards to the defense side of this budget.

This amendment does not touch any strategic programs; it does not touch any tactical programs in the Defense Department. It says simply that savings could be realized by management reforms.

This is, of course, an amendment to the first budget resolution, and it would send a signal to the committee to try to improve the management of various Defense Department programs, primarily procurement and personnel practices and to reduce unobligated balances.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

(By unanimous consent, Ms. HOLTZMAN was allowed to proceed for 4 additional minutes.)

Ms. HOLTZMAN. Mr. Chairman, I would like to say that in this amendment we have to recognize that our national security interests also lie not only in the strength of our military, which I think is absolutely necessary, but in the strength of our people and the strength of our country. Waste does not produce strength. I do not think there can be any quarrel with that proposition. Waste in competitive bidding, waste in unobligated balances, waste in personnel practices does not make us one bit stronger militarily.

Mr. Chairman, we are confronted with an energy crisis in which foreign countries such as OPEC nations can dominate our economy and can destroy our economy overnight. I submit we are doing very little to insure our national independence and to protect our national independence and to protect our national security from that threat.

□ 1425

One of the areas, obviously, that we have to begin to work on is energy independence, and one part of this is improvement of our public transportation system, so that we have some alternative to the use of OPEC oil.

Mr. Chairman, our budget resolution does not fully fund mass transit. In fact mass transit funding does not keep up with inflation. My amendment would add to that function. It would help to make us independent, it would help to preserve our national security.

Mr. Chairman, older Americans in this country are confronted with serious problems on account of inflation. My amendment would provide funds for increased employment programs and increased nutrition programs for the elderly.

Mr. Chairman, the budget resolution itself calls for an increase in unemployment. We have seen in the most recent April figures that the unemployment situation may not be getting better. For the first time in many months we have not seen a decrease in unemployment. This may indicate an increase in our unemployment figures, and I am concerned about that. I am concerned that under the budget resolution we have a substantial regression in our employment and jobs creation programs. Actually, the budget resolution calls for spending almost one-half million dollars less on job creation and job training than in 1979. I think that that is a mistake. My amendment transfers funding to additional job creation.

I also think that we should be concerned about the tax that would be placed on unemployment through the increase in the social security tax that was enacted last year. My amendment begins to make a small dent in this by rolling back that increase both to employer and the employee. The Congressional Budget Office estimates that that would have an impact on inflation because to reduce that tax would result in reduced prices to the consumer.

I want to say to my colleagues in the House that this is an opportunity that we have to set priorities, to say, yes, we will try to reduce the deficit, but we want to see management reforms and management efficiency applied to every sector of the budget including defense which has been exempt, that we want to see programs deferred, those that can be deferred, such as the Space Shuttle program, and to try also to enhance the human resources of this country and to try also to make us more energy independent.

I think these are important goals, and I would very much urge my colleagues to adopt the amendment.

Mr. WYDLER. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from New York.

Mr. WYDLER. I appreciate the gentlewoman's yielding.

Mr. Chairman, I do not really know about all of the activities, but in regard to the gentlewoman's intention of trying to reduce the funding for the Space Shuttle, let me tell the gentlewoman that at the present time the agency is in the process of asking for a supplemental budget.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

(On request of Mr. WYDLER and by unanimous consent, Ms. HOLTZMAN was allowed to proceed for 1 additional minute.)

Mr. WYDLER. If the gentlewoman will yield further, they are asking for a supplemental budgetary appropriation so that the program can be kept on schedule. Now, the result of the gentlewoman's amendment—and I am sure the gentlewoman realizes it—will be to defer it. You can always reduce funds. There is no problem in doing that. But when you reduce funds, in these kinds of projects, you have to realize that it could cost a lot more money, so that the end result is that you have to increase by more than the amount that you defer at the present time, the money needed in the budget next year, and the year after. You are going to pay this money later on, and by deferring it you will have to pay more. I am sure the gentlewoman realizes that, specifically in the example of the Space Shuttle program.

Ms. HOLTZMAN. I would say to the gentleman that that argument has been made before.

Mr. WYDLER. That is because its true.

Ms. HOLTZMAN. The gentleman argues that. I am not sure I accept that. It seems to me that we are at a point now where we have to make important decisions as to where our money is going to be spent. What needs to be done now? I would say to my good friend, the gentleman from New York, that going into space via the Space Shuttle does not need to be accomplished immediately.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has again expired.

(On request of Mr. MITCHELL of Maryland and by unanimous consent, Ms. HOLTZMAN was allowed to proceed for 1 additional minute.)

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentlewoman for yielding.

Mr. Chairman, I want to associate myself with the remarks of the gentlewoman from New York (Ms. HOLTZMAN) and urge support for her amendment.

As some of the Members of the House know, year after year I offer a transfer amendment, because it is true that we have not prioritized well in terms of human needs versus the DOD budget. I hope the gentlewoman's amendment will pass. It will be difficult, because I recall, as the gentlewoman probably recalls, 1 year ago I attempted to decrease the military budget by eight-tenths of 1 percent. That was all. And we could not get a majority to even cut eight-tenths of 1 percent. I hope that since that time last year that the House has realized, in its new fiscal conservatism, that it is necessary to cut and to transfer funds.

□ 1430

Ms. HOLTZMAN. I would say to my colleague that my cut with respect to outlays is approximately the same. It amounts to less than 1 percent of the presently projected outlays of the defense budget. The other important point that I have tried to make before is that if we simply apply standards of rational management, if we apply standards of efficiency to the Defense Department, then we can realize substantial savings. These savings could be used to finance whatever legitimate increases the Defense Department needs, or to finance terribly important human programs, or, to cut the deficit.

I think to exempt the Defense Department from the process of instituting management efficiencies is wrong, and involves a double standard. To do so means we will allow waste, and allow unnecessary spending in defense, but when it comes to programs to help people, when it comes to jobs, when it comes to mass transit, when it comes to senior citizens, we are going to cut them to the bone and beyond.

Mr. WEISS. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I will yield to the gentleman from New York.

Mr. WEISS. I appreciate the gentlewoman's yielding to me.

I want to comment at the outset that I think that hers is a very rational, very well thought out, and very moderate amendment.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. HOLTZMAN) has expired.

(At the request of Mr. WEISS and by unanimous consent, Ms. HOLTZMAN was allowed to proceed for 2 additional minutes.)

Mr. WEISS. It has always concerned me, Mr. Chairman, and I think that the amendment of the gentlewoman from New York attempts to correct this concern that we seem to have for hardware, and its diminution and its delay and the additional costs that are inherent in delay on the purchase of hardware; and yet, we do not seem to be concerned about the delay in programs which affect the very lives of our senior citizens or our young people.

It seems to me that, whereas the delay of the space shuttle, for example, for another year might not do irreparable damage, the delay of food for our senior citizens may mean the difference between their living and dying.

So again, I want to commend the gentlewoman from New York and urge full support of her amendment.

This is a comparatively modest proposal which would begin to correct some of the imbalances in the budget resolution as currently written.

The amendment would transfer a small portion of proposed fiscal 1980 Pentagon funding to other budget areas sorely in need of attention. The measure would take $1.5 billion of the currently recommended $11 billion increase in defense spending and apply the subsequent savings to a rollback of social security taxation, a reduction of the budget deficit and a narrowing of the gap between budgetary needs and suggested funding levels for three vital domestic programs.

The budget message from the President and the resolution as reported by the Budget Committee are top-heavy with handouts to the Pentagon. In order to provide an enormous and, I believe, wholly unnecessary rise in military outlays, we are being asked to slight other programs far more beneficial to the real security requirements of our Nation.

Adoption of this amendment will still produce a 1-percent increase in real growth for the military portion of our budget. This is a very significant expansion, one that is not even approached by any human needs category. Most domestic programs are in fact slated to fall far short of the funding standard needed to maintain present levels. The Pentagon, under the terms of the budget resolution, need not worry about inflation—military programs are scheduled to receive authorization and outlays far in excess of cost-of-living hikes.

And meanwhile, unless this amendment is adopted, lower and middle-income workers will be hardpressed to balance their own individual and family budgets, at least partly as a result of the rising social security tax rate.

Many of my colleagues will recall the long and difficult debates in the 95th Congress on possible remedies to the problems besetting the social security trust funds. Many of us who ultimately voted for a steadily increasing tax rate over the next decade did so because, at that time, there was no practicable alternative to the looming bankruptcy of the trust funds. We did not want to place such a patently unfair tax burden on working people, but we really had no other options then.

This amendment gives us a workable option. It would reduce the social security payroll tax rate—for both employers and employees—from 6.13 percent to 6.08 percent for a total savings of $1.1 billion. Spread throughout our working population, this is not a huge tax cut, but it is surely a welcome start.

The American people, as all of us realize, are demanding from this Congress relief from the escalating pressures of inflation and higher taxation. One response to this outcry has been the balance-the-budget-immediately movement. It proposes a meat ax cut of domestic programs. But that course involves serious and dangerous difficulties to our national well-being, while the rewards it offers in terms of a slightly lower rate of inflation are not commensurate with the widespread suffering it would entail. Working people would, I believe, welcome this reduction in payroll taxation as an effective antidote to their own budgetary squeeze.

At the same time, this course of action would in no way jeopardize the stability of the social security trust funds. The necessaary funding to insure continued payment of benefits would still be forthcoming in the form of a $1.1 billion transfer from the defense budget.

The amendment also provides a direct $100 million reduction in the budget deficit—a contribution which I think all of us can and will endorse.

The remaining $300 million in outlays made available by the proposed transfer would be divided among mass transit, older persons' and jobs programs. Each would receive a comparatively modest addition which would help keep these essential programs functioning at last year's level.

The benefits of an improved mass transit system in our Nation are, I think, indisputable—especially at a time of dwindling energy resources.

Older Americans are being asked to forego necessary services under the budget resolution, and this transfer amendment would enable them to receive assistance somewhat more reflective of their actual need.

Finally, the proposed $140 million increase in outlays for job programs would, for example, put several thousand unemployed young people to work next year. It would make a small but significant dent in the vast ranks of jobless teenagers in our country.

Mr. Speaker, this amendment would truly promote our national security by strengthening service programs, by easing the economic crunch on middle and lower income Americans and by promoting overall fiscal responsibility.

I strongly urge my colleagues to take this step toward a more humane and less military-oriented budget.

Ms. HOLTZMAN. I thank the gentleman for his comments.

Mr. NELSON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I just want to point out to the House very quickly that of the administration request—and I assume that in trying to prepare for the defense of this country that the President of the United States is in the best position—presently, the budget resolution is $3 billion under the administration's request in budget authority for defense, and we are presently $2 billion under the President's request in outlays.

At some point we come to a place of diminishing returns on the defense of this country. I would urge the House to vote against this amendment, which, if adopted would cut $1.4 million more from the defense budget and which would bring us to a position of $3.4 billion in outlays under what the President has asked for.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I will yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I want to add to the gentleman's comments about the $100 million that would be cut out of the space program. At this point, we have moved the space shuttle program back as close to the line as we can. Even in fiscal year 1980, NASA is going to have a difficult time meeting all of its commitments with the current budget. If we cut $100 million out of the program at this point and defer it to fiscal year 1981, in order to keep any semblance of a crew together in terms of 1981, the cost to the Government in 1981 is going to be some $300 to $500 million more. This would be a true/false economy, this kind of a deferral of the program.

We had extensive debate on this issue, as the gentleman will remember, in the Budget Committee. It seems to me the committee did a very judicious balancing job on science, space, and technology, maintaining the absolutely essential productivity related to the science budget and the space budget. I think that in particular the $100 million in the amendment offered by the gentlelady from New York would be a very real mistake and nothing but very bad economy.

I thank the gentleman for yielding.

Mr. NELSON. Mr. Chairman, I thank the gentleman from Colorado for those comments.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the lady from New York.

Ms. HOLTZMAN. I thank my colleague for yielding.

I appreciate the concern that he has expressed, but the best demonstration that could be made of the fact that just increasing funding for defense does not necessarily translate itself into actual spending on defense, is that, as a result of the committee's resolution on our budgetary figures, it is anticipated that the unobligated balances will be increased by over $2 billion. This means we have given the Pentagon $2 billion more than it can spend in fiscal year 1980.

☐ 1435

Consequently, to reduce the unobligated balances, which is in essence what my amendment would do, does not in any way affect actual spending in the next fiscal year on defense.

Let me also say, with regard to the Space Shuttle, that I think the best argument the gentleman might have for increasing expenditures is that obviously we are going to have to clean up from all the debris that is going to fall on our heads when the Skylab plummets to Earth shortly.

Mr. NELSON. Mr. Chairman, if I still have some time I would like to make just a quick rejoinder. The lady's amendment would cut back the budget authority for defense in the amount of $2.8 billion. Given the fact that our present budget resolution is already $3 billion under the President's request, that would be putting us in the unenviable position of $5.8 billion less than what the President recommended for defense. I think that is just a very scary position for us to get into.

Mr. THOMAS. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman from California.

Mr. THOMAS. Mr. Chairman, with regard to the comment of the gentlewoman from New York about the debris falling on our heads, the real space activities of the Soviets and the real space activities of the United States indicates that the debris will be Soviet, and not United States, unless we get the Space Shuttle in the air.

Mr. NELSON. Mr. Chairman, just before I yield back my time, I would like to say that the Space Shuttle, in the remarks made by the gentleman from Colorado (Mr. WIRTH), pointed out that a cut now in the Space Shuttle would cost us so much more down the road. Furthermore, the Space Shuttle integrates with the defense posture of our country because one-half of the missions of the Space Shuttle system are going to be defense-oriented. And this is going to become simply critical for the SALT talks.

The CHAIRMAN. The time of the gentleman from Florida has expired.

(By unanimous consent Mr. NELSON was allowed to proceed for one-half minute.)

Mr. NELSON. It is critical for the SALT talks and a negotiated SALT agreement and its subsequent rejection or acceptance by the Senate, because so much is going to depend on whether or not we can verify if in fact the Soviets are complying with the SALT agreement. Verification has to be done in large part from our satellites in space.

I thank the Chairman for the additional time.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentlewoman from New York (Ms. HOLTZMAN).

The perfecting amendment was rejected.

Mr. SHUSTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, as we return to the debate on the substitute pending before the committee, the Republican alternative to the first budget resolution, it brings to mind a comment which those of us in public life hear quite often. The comment is that there is not a dime's worth of difference between the two major political parties, the Republican and the Democrat political parties. Well, Mr. Chairman, the American people have a right to know that in this basic document before us, the budget of a free people, there is indeed a fundamental difference between the alternative offered by the minority and the resolution we have put before us by the majority.

Indeed, the Republican alternative, which enjoys the unanimous support of the Republican Policy Committee, has five fundamental differences with the Democrat budget.

The first is that the Republican alternative offers tax cuts to the American people, a $15 billion tax cut in 1980, and over the 5-year projection, a $100 billion tax cut. The Democrat alternative offers no tax cuts for the American people. The second difference is that this alternative reduces the deficit further than the Democrat alternative we have before us, a $15 billion deficit offered by Republicans as opposed to the $25 billion deficit proposed by the Democrats.

If Members could support the Rousselot amendment offered the other day, or if they considered supporting it, it should be easier to support this compromise because it does not go as far.

☐ 1440

It does not go all the way from a $25 billion Democrat deficit to zero. It instead is a midpoint compromise of a $15 billion deficit.

The third fundamental difference between this alternative and the majority's alternative is that the Republican alternative balances the budget at a lower burden on the American people. This alternative over a 5-year period provides for a burden on the American people of about 18.6 percent of GNP as opposed to almost 23 percent, which is the projected burden based on the Democrat alternative.

Fourth, this Republican alternative is different from the majority resolution in that it provides for a stronger national defense. It restores most of the defense cuts.

Fifth, while slowing the growth of Government, this alternative, nevertheless, increases spending by almost $30 billion over 1979.

So I appeal to my independent-thinking colleagues, to turn this Republican alternative into a bipartisan alternative. Strike the word "Republican" from the alternative, by making this a bipartisan vote.

The British people had to go to the polls to sweep out of office the politicians who stood for high taxes and deficit spending. Let Members of both parties of this House unite to support a compromise alternative between the Rousselot amendment that lost by only a 15-vote margin and the committee bill. Support an alternative that provides for lower taxes, lower deficits, and a stronger national defense.

Mr. Chairman, if we were to adopt a mean-spirited view that things must get worse before they get better, that the American people must feel the pinch more before voting in a more conservative majority, Republicans would rejoice if a monolithic majority of Democrats defeated this compromise alternative. But surely people of good will on both sides of the aisle put the well-being of

America above party. So let us look beyond the party labels and vote for what many of us know in our hearts is best for America: Reduced taxes, reduced deficits, reduced growth in Government spending, and a strong national defense.

I urge the bipartisan support of this responsible, moderate alternative.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

I want to commend the gentleman for his statement and also add to it and point out that the Republican substitute has a reduction of $14 billion in budget authority, one of the driving forces down the road that will create the deficits of the following fiscal years. Excessive budget authority creates future deficits. In this substitute budget authority has been reduced by $14 billion. This action would anticipate a balanced budget in 1981.

Mr. SHUSTER. I thank the gentleman.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I would be delighted to yield to the gentleman from Maryland.

Mr. BAUMAN. I appreciate the gentleman's yielding. I also want to endorse his appeal to a bipartisan spirit on this matter. I think it is unfortunate that we have to vote on a "Republican" proposal at all, because I know there are a great many Democrats who are like minded on this issue of balancing the budget. The fact of the matter is that the economic bankruptcy that this Nation faces has been a bipartisan bankruptcy over the last generation. Liberal members of both parties are to blame.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. BAUMAN, and by unanimous consent, Mr. SHUSTER was allowed to proceed for 1 additional minute.)

Mr. BAUMAN. If the gentleman will yield further, there were in fact 21 Republicans who voted against the gentleman from California's (Mr. ROUSSELOT) balanced-budget amendment last week which made the difference in the outcome. We would have passed that amendment if they had taken the traditional stand of their party. Likewise, there are a great many Democrats, many new to this Congress who agree that we need a conservative approach to the economy. I would like to suggest it is not only a bipartisan proposal that is before us; it is one that would honor a commitment made by almost all of us. I think the only way to bring our economic house into order is to support this amendment regardless of party lines.

□ 1445

Mr. SHUSTER. The way to strike "Republican" from this is for the independent-thinking gentlemen and ladies on the other side of the aisle to support on a bipartisan basis this alternative.

Mr. BAUMAN. And all of the Members on our side of the aisle, as well.

Mr. CONABLE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, in our debates on the budget resolution, we tend to focus on the spending side of the ledger. We overlook the tax portion of the budget resolution to a great extent.

This permits what has been referred to as "taxation by stealth." Even though we promise to enact tax cuts, the overall tax base is permitted to rise automatically to levels that cancel out any tax cuts we might legislate and even result in tax increases. As we push to balance the Federal budget, we can expect to see more of this sort of thing—simply allowing taxes to go up in order to pay for spending as usual.

Look at what happened to the fiscal 1979 revenues. In our second budget resolution for 1979 we set a revenue floor of $448 billion in anticipation of a $12 billion tax cut. The 1978 tax bill which was supposed to cut taxes during the fiscal year by $10.4 billion has actually permitted an overall increase in revenues of somewhere between $8 and $11 billion, depending on whose estimates are used. That is why the third budget resolution for 1979 which we are being asked to approve this week sets a new revenue floor $10 billion higher than the one under the second resolution. The Treasury, I understand, estimates that revenues will actually be some $13 billion higher but is too embarrassed to say so publicly. Why? Because such a high level of revenues would reduce the 1979 deficit to $31.8 billion, a figure embarrassingly close to the highly touted $29 billion deficit for fiscal 1980 which the administration strove so hard to achieve.

Now how could we have been so far off target? In large part it was because we insisted upon underestimating inflation. We estimated last year that 1979 inflation would average an incredible 6.7 percent. So far, we are running at almost double that rate. And for every point of inflation, individual income taxes go up by some $8 billion over the prior year.

Under the revenue floor proposed for 1980 by the Budget Committee, we are in for another whopping tax increase. Some $8 billion will be added in individual income taxes through inflation alone. This tax increase is caused by something known as "bracket creep." Bracket creep is a shorthand description for what happens under our progressive tax rate structure when taxpayers increase their earnings to keep pace with inflation. Even though their higher incomes give them no more spending power than before, taxpayers are pushed into higher marginal income tax brackets. This means that if their before-tax income has merely kept pace with inflation, after taxes they have suffered a net decline in their real spendable income.

The Republican alternative budget resolution for 1979 provides for a tax cut to protect people against bracket creep. It allows for a tax cut equal to $15 billion on a calendar year basis. But since only three-quarters of the tax year will fall into fiscal 1980 and since at least some $2.5 billion in feedback can be expected, the Republican substitute contains a fiscal year tax cut of only $6.5 billion.

Our revenue figure is $507.8 billion. The Budget Committee's revenue figure is $508.2 billion, only $400 million higher. How do we cut taxes by $6.5 billion while reducing the revenue figure by only $400 million? The answer lies in our assumptions about what inflation will be this year and next year. We believe our assumptions are considerably more realistic than those of the committee.

The committee assumes that inflation will average 8.2 percent in calendar 1979 and 7.1 percent in 1980. To show how absurd the 1979 estimate is, let me point out that in order to end up with total inflation of 8.2 percent we could not exceed an average of 6.4 percent for the last 9 months of this year. Much as all of us would like to see this occur, it simply is not in the cards. We believe that when we add it up, inflation in 1979 will have been at least 9.4 percent. And frankly, even that is an optimistic estimate because it means that we must hold inflation to an 8 percent average during the last 9 months of this year.

Similarly, for calendar 1980, the Budget Committee estimates that inflation will be 7.1 percent during the year. We believe our estimate of 8 percent is a more realistic assessment of what is likely to happen.

Our higher estimates for inflation in 1979 and 1980—together with a very slightly higher 1980 unemployment estimate—result in a pretax cut revenue level of $514.8 billion. This is some $7 billion more than the committee's no-tax cut estimate. After our experience with constantly having to raise the revenue levels for fiscal 1979, we believe our fiscal 1980 estimate is more likely to be on target than the committee's.

We support this modest tax cut for a number of reasons. As I have already explained, it will provide at least partial protection for taxpayers against the impact of inflation on their real income. It will take effect at a time when our economy is expected to be slowing down. At such a point in the economic cycle, the sharp tax increase implicit in the committee's resolution is the last thing we want. The Republican tax cut will still permit taxes to increase, but not as sharply as under the committee's resolution. Finally, trimming taxes back each year to eliminate the annual "inflation dividend" is probably the only way to prevent the Federal Government from growing larger and larger. Even in this period of efforts to balance the budget, we still seem willing to indulge in ever more spending, even if it means raising taxes to cover the costs.

In response to this tax-and-spend syndrome, I and several of my colleagues introduced the Tax Control Act of 1979. This legislation, if enacted, would require the President's annual budget to spell out how large the tax increase over the previous year would be. Further, it would have to define what portion of that increase was due to inflation, to real economic growth, to already scheduled tax increases and to proposed new increases. Then, under this legislation, Congress would be required to vote on how much of this tax increase it was willing to accept. It would do this by setting a ceiling on revenues. This vote would occur before consideration of the first budget resolution, and the floor for revenues in the budget resolution could not be higher than the ceiling Congress had indicated it was willing to accept.

I realize that the last thing Congress needs is yet another procedural constraint. But I have reluctantly come to the conclusion that unless a mechanism such as the one I have proposed is adopted, Congress will do nothing to end the annual automatic tax increases that create a multibillion dollar windfall for the Federal Government.

There is a growing possibility that the Federal tax bite in fiscal 1980 could be largest in decades when measured as a share of GNP unless we cut taxes at least as much as envisioned in the Republican substitute.

The sentiments being voiced in favor of a balanced Federal budget are not based on any desire for higher taxes. There are expressions that people think Government is already too large, that too much is being spent and that spending and taxes both need to be cut back. The Republican substitute accomplishes both these purposes. I urge you to support it.

☐ 1450

Mr. RHODES. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, in my opinion the eyes of the world are on this House right now. The whole world is waiting to see if the United States of America has the courage to do something about the inflation which has been the main plague of our economy for the last several years. I do not suppose the rest of the world really expects that we can go from a $35.9 billion deficit projected for fiscal year 1979 to a balanced budget in fiscal year 1980, but the world does expect us to go to a much lower deficit in fiscal year 1980 and a balance in fiscal year 1981. That is exactly what the Republican substitute offered by the gentleman from Ohio will do. This will be a signal to the rest of the people of the world that the United States is very serious about taking control again of our economic destinies.

Also, I think they will be impressed with the knowledge that we are not only looking at the situation from the standpoint of inflation, but that we are also making provision for possible action to counter the economic recession which people have been promising or threatening, should it actually occur and it becomes necessary for the Government to do something to turn the economy up. That is the reason why the gentleman from Ohio's plan contains provision for tax cuts, one effective in January of 1980 and another tax cut effective in January 1981.

In fact, I may truthfully say that the substitute offered by the gentleman from Ohio is an economic game plan. It is not just a budget. It is an economic game plan and it will result in a decrease in the amount of taxes which the American people will be paying into the Government. It will result in a balanced budget by the end of fiscal year 1981 and a balanced budget with tax revenues at a much lower percentage of the gross national product than under the proposal offered by the Democrats.

Republicans want to balance the budget with tax revenues at the lower, historic level of 18.6 percent of GNP, compared with record high rates under the Democrats in excess of 21 percent of GNP, and possibly up to 24 percent in later years.

☐ 1455

Mr. Chairman, that is something like a 5½-percent difference as between the two parties as to the percentage of revenue which will be taken if we balance the budget. Now, that is not hay. When we are talking about a $3 trillion GNP, 5½ percent of it is a very, very substantial figure. Each percentage point in the GNP amounts to over $250 billion, and a possible 5½ percentage difference could impose an additional tax bite of staggering proportions on Americans.

So there is a real difference in the approach of the two parties on this particular subject.

I think this is even more important: I remember the campaign of 1978, when many of my good friends on my right, the majority party, went home and campaigned as fiscal conservatives. They were able to find some votes which they purported prove to the people in their districts that they were fiscal conservatives. I said to myself at that time, "I wonder just how much this will translate itself into votes on the floor of the House."

Well, here it is. This is the proof of the pudding. This is the chance that we all have on both sides of the aisle to put our votes where our rhetoric was. This is the chance we have to really go into a rational program, a rational series of events which will result in a balanced budget, which is what the people of this country want and what they are entitled to.

I trust, Mr. Chairman, that the Members of the House in their wisdom will be able to give the people this by adopting the substitute amendment offered by the gentleman from Ohio (Mr. LATTA).

AMENDMENT OFFERED BY MR. JOHN L. BURTON TO THE AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. LATTA

Mr. JOHN L. BURTON. Mr. Chairman, I offer an amendment to the amendment in the nature of a substitute.

The Clerk read as follows:

Amendment offered by Mr. JOHN L. BURTON to the amendment in the nature of a substitute offered by Mr. LATTA: Strike all after line 1 and insert:

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $510,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $585,153,600,000;

(3) the appropriate level of total budget outlays is $509,935,600,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero; and

(5) the appropriate level of the public debt is $863,005,600,000, and the amount by which the statutory limit on such debt should accordingly be increased is $33,005,600,000.

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $112,974,000,000;
(B) Outlays, $101,852,000,000.
(2) International Affairs (150):
(A) New budget authority, $12,932,000,000;
(B) Outlays, $8,149,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,622,000,000;
(B) Outlays, $5,475,000,000.
(4) Energy (270):
(A) New budget authority, $20,000,000,000;
(B) Outlays, $7,822,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,781,000,000;
(B) Outlays, $11,855,000,000.
(6) Agriculture (350):
(A) New budget authority, $4,929,000,000;
(B) Outlays, $5,350,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,560,000,000;
(B) Outlays, $3,195,000,000.
(8) Transportation (400):
(A) New budget authority, $19,708,000,000;
(B) Outlays, $18,184,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $8,303,000,000;
(B) Outlays, $7,613,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $32,453,000,000;
(B) Outlays, $31,478,000,000.
(11) Health (550):
(A) New budget authority, $58,079,000,000;
(B) Outlays, $53,813,000,000.
(12) Income Security (600):
(A) New budget authority, $217,332,000,000;
(B) Outlays, $183,150,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,300,000,000;
(B) Outlays, $20,814,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,306,000,000;
(B) Outlays, $4,433,000,000.
(15) General Government (800):
(A) New budget atuhority, $4,421,600,000;
(B) Outlays, $4,332,600,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,499,000,00;

(B) Outlays, $6,489,000,000.

(17) Interest (900):

(A) New budget authority, $56,000,000,000;

(B) Outlays, $56,000,000,000.

(18) Allowances (920):

(A) New budget authority, —$246,000,000;

(B) Outlays, —$269,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19,800,000,000;

(B) Outlays, —$19,800,000,000.

Mr. JOHN L. BURTON (during the reading). Mr. Chairman, I ask unanimous consent that this amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JOHN L. BURTON. Mr. Chairman, I will say to the Members, this amendment gives you a chance to follow your leader. This amendment gives you a chance not to vote for a $15 billion deficit. This amendment gives you a chance to vote for a balanced budget now.

The gentleman asks the people at home whether they want a game plan. They do not want games with taxes. They do not want a tax cut that is going to increase revenues, because revenues are taxes. They want to stop inflation, and they want to stop inflation by balancing the budget.

We gave them a tax cut last year that kept the deficit high and that kept inflation, high, and inflation, as we all know, is that tax that eats at us all, most importantly, the elderly and the poor.

So if you want to vote for a $15 billion deficit, you can vote down this amendment.

My good friend, the distinguished minority leader, said he wanted a balanced budget. We have got a balanced budget in this amendment.

What this amendment does is reduce outlays by the amount of unobligated expenses in the military budget which will, if I have the figures in my notes here, take in $22.289 billion in unexpended balances.

Everybody says these unexpended balances do not really mean anything; we cannot utilize them. Yet they have been growing at such a pace that in 1978 it was only $1.1 billion, in 1979 it was $5.4 billion, and in 1980 it is $16.3 billion, to a total of $22 plus billion. Each year it is accumulating up to this kind of an amount. Yet what we are saying is that instead of the taxpayers paying another $22 billion, let DOD reach into their deep pockets and pay the money they have been snatching away.

It also increases revenues by $3 billion by eliminating the foreign tax credit that oil companies get. They work out a deal with the oil sheiks, and instead of paying royalties, they pay the taxes, and then they deduct that from their income tax as a tax credit instead of a business expense. So our constituents get stuck with the bill.

Just like they get struck with a dollar at the gas pump, they get stuck with another dollar at the IRS table because the oil companies show it comes out if taxes.

If the Members want to vote for big oil, they can vote for that kind of proposition and against this amendment.

We have also something here for the Department of Energy in unobligated funds. There is an amount of $138 million in unobligated funds. We take out $84.816 million from the research and development in nuclear weapons. We take that from the unobligated area. Other than that, it is identical to the committee resolution as reported and as amended.

So the difference is this: I ask, "Do you want a balanced budget or don't you? You can talk about political games or a game plan, which I guess is a game, or you can talk about a balanced budget now."

I think the people want a balanced budget now, and we have a chance to do it. I say to the Members, "You have a chance to do it."

The gentleman demanded a balanced budget. He talked about inflation. The Members over here and all the people around the country say that the biggest cause of inflation happens to be the Federal deficit.

□ 1500

That is really open to question by some economists, but let us assume it arguendo. If that be the case, this substitute, with its deficit, involves fueling the fires of inflation. This amendment balances the budget, helps satisfy inflation, and it does not promise to say that we are going to do something in 1981. It says we are going to do it now. It gives you a chance to put your people's money where your mouths are and vote for the amendment by voting for a balanced budget.

And I would say that on this side of the aisle it gives you a chance to vote for a balanced budget without harming social programs, without creating fiscal chaos, and without reducing the ability of the Pentagon to spend money this year. They have just got to wipe out their petty cash account.

Mr. Chairman, I ask for an "aye" vote.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, do I understand what the gentleman's amendment does is that it increases revenues to $510.8 billion, which is $3 billion in additional revenues over the committee bill?

Mr. JOHN L. BURTON. Yes. That is by eliminating foreign tax credit to oil companies.

Mr. GIAIMO. I understand. And then the gentleman reduces outlays to $509.9 billion, which is about a $24 billion reduction from the committee bill.

Mr. JOHN L. BURTON. Right.

Mr. GIAIMO. I thank the gentleman.

Mr. JOHN L. BURTON. I might say that it reduces the national debt that everybody is worried about, too.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, do I accurately read the amendment to say that it reduces defense outlays by $24 billion?

Mr. JOHN L. BURTON. It reduces defense outlays by the amount of money they already have in unobligated funds. Yes, it does.

Mr. SHUSTER. It reduces defense outlays by $24 billion?

Mr. JOHN L. BURTON. Right.

Mr. SHUSTER. I thank the gentleman.

Mr. JOHN L. BURTON. They can spend the money now without the taxpayers coming up with it out of their pockets.

The CHAIRMAN. The time of the gentleman from California (Mr. John L. Burton) has expired.

(On request of Mr. Burgener and by unanimous consent, Mr. John L. Burton was allowed to proceed for 1 additional minute.)

Mr. BURGENER. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. I yield to the gentleman from California.

Mr. BURGENER. Mr. Chairman, does the gentleman agree that the unobligated funds are not funds but are bookkeeping entries?

Mr. JOHN L. BURTON. No, I do not.

Mr. BURGENER. The gentleman does not, but they are not cash. They are authorizations for future spending, but not funds, if I am not mistaken.

Mr. JOHN L. BURTON. They are appropriated funds that have been appropriated to them but not spent, part of them. They have funds that have been appropriated to them that they have entered into contracts with. These are funds that have been accumulated at a fairly rapid growth, as I said. They are moneys that the Defense Department may utilize instead of taking it out of the taxpayers' pockets this year.

Mr. BURGENER. The gentleman will not take offense if I suggest that my constituents will not like the game plan?

Mr. JOHN L. BURTON. The gentleman's constituents live in a high intensive military area, and that is understandable. San Diego is a fairly military intensive area. Or did the gentleman get moved into Stanislaus County?

Mr. BURGENER. I represent Imperial, Riverside, and San Diego Counties.

Mr. JOHN L. BURTON. The biggest military area is in San Diego.

PERFECTING AMENDMENT OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. Gephardt: In the matter relating to the appropriate level of total new budget authority reduce the amount by $497,000,000;

In the matter relating to the appropriate level of total budget outlays reduce the amount by $95,000,000;

In the matter relating to the amount of the deficit reduce the amount by $95,000,000;

In the matter relating to the appropriate level of the public debt reduce the amount by $95,000,000;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, reduce the amount by $95,000,000.

In the matter relating to Function 750, Administration of Justice reduce the amount for budget authority by $497,000,000; and reduce the amount for outlays by $95,000,000.

Mr. GEPHARDT (during the reading). Mr. Chairman, I ask unanimous consent that the perfecting amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. GEPHARDT. Mr. Chairman, this amendment is very simple and straightforward. It reduces function 750 for the administration of justice by $497 million in budget authority and $95 million in budget outlays to reflect a phased termination of the Law Enforcement Assistance Administration.

□ 1505

Some have said that we should keep a data-gathering and research organization intact at the Department of Justice, which could carry on a very legitimate function at the Federal level in this area. I have no objection to that. And indeed, as the years go on in this phased termination, that could be the result, but I want to make it very clear that the thrust of this amendment would be to phase out LEAA over a 4-year period.

I do not argue today the merits or the demerits of what LEAA has done.

Indeed, I am sure the Members are aware, as I am aware, of many LEAA programs in many States that have been very valuable, very innovative, and have caused great new experimentation to help with the crime problem.

At the same time, I am sure the Members are aware as I am, that there have been LEAA programs that have not been successful. Money has been misspent. Money has been wasted. Indeed, this legislation has been amended five or six times since its inception in 1968 when we passed the Omnibus Crime and Safe Streets Act.

My point today is not to say that money has been well spent or not well spent. My point today is not to say that we do not have a crime problem, because obviously, we do, and perhaps it is worse today than it was in 1968. My point today is that the philosophy, the idea, the concept of LEAA in 1968, was to foster experimentation and innovation at the State and local level. LEAA was never intended to supplant the money that States and local governments spend to control crime. LEAA has never been more than 3 percent of the total amount we spend on crime in our country.

It started with an appropriation of about $67 million, and at its high point it was a little over $800 million in 1975.

In this budget, we are asking for a little over $400 million to continue to fund the program.

The program has changed a lot in focus. In the initial years, it was hardware, and as the years have gone on, it has been more and more in the social areas in trying to control crime.

As I said, it has usually been innovative and experimental. There is a debate going on now between CBO and LEAA about whether it has been experimental or whether it has been used for maintenance of effort. I do not intend to engage in that debate. I think it is a useful one to look at, but I do not think you can conclude anything today one way or the other.

I think what you have to address, therefore, is whether or not you want to continue an experimental program and whether or not you believe the Federal Government has a continuing role to spend fairly significant amounts of money, about a half billion dollars a year, for this purpose, or should we call the experiment to an end? Should we say that we have spent over $7 billion over 11 years, that we have done many good things and some things that were not so good, but that we ought to call it a day, and in a time of austerity and a time when we are trying to cut a budget, make priorities and make fiscal decisions which would lead us to cut out programs of this kind.

Now I know there is tremendous pressure with this kind of a bill. I know that we have been hearing from your sheriffs, from your prosecutors, from your judges, from your groups that have been fighting crime, who have sincerely put this money to good use, but I would suggest to you that as you look through this budget at places where we can make these kinds of fiscal decisions to cut, that there are very few places where you can indeed phase out a program as you can this one over a 4-year period.

Understand that I am calling for a cut now this year of only $97 million on outlays. Next year it could lead to a cut of $234 million in outlays, $134 million more in 1982 and $30 million more in 1983.

You cannot cut any more than that because of appropriations that have already been enacted which drive the amount of outlays that you can cut out at one time. I am phasing out LEAA as fast as I can, but I think it allows the program to be phased down in a reasonable way.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WIRTH and by unanimous consent, Mr. GEPHARDT was allowed to proceed for 3 additional minutes.)

Mr. GEPHARDT. Mr. Chairman, I would simply conclude very quickly by saying that the time for decision on LEAA is upon us.

□ 1510

The reauthorization for this legislation will come up in September. The committee indeed is beginning its deliberations on the next set of amendments to the authorization for LEAA. I do not debate today the merits of those amendments. I do not debate today what shape the program should have, nor do I fault what it has been. I simply say that today is an excellent time for a fiscal decision on this program.

Mr. WIRTH. Mr. Chairman, will the gentleman yield?

Mr. GEPHARDT. I yield to the gentleman from Colorado.

Mr. WIRTH. Mr. Chairman, I want to commend the gentleman on his amendment, which I will support. His summary, it seems to me, has three basic themes to it.

First, we will continue at the Federal level only the research, information gathering, technical assistance, and the rest of that over a period of time will drop away. Am I correct in that?

Mr. GEPHARDT. The gentleman is correct.

Mr. WIRTH. Second, that brings up the central issue as to what should and should not the Federal Government be doing. As I gather from the comments made by the gentleman, one of the basic themes he is stressing is that this is not a function that should be carried out by the Federal Government. Less than 2 percent of the funds go for law enforcement-related activities from the Federal Government, which is predominantly an issue and responsibility that sits elsewhere. Is that correct?

Mr. GEPHARDT. The gentleman is absolutely correct.

Mr. WIRTH. Third, in talking about the experimental program, it is time for this experiment to come to an end. The most recent study coming from LEAA suggests that only 3 percent of the block grant funding going out under LEAA is in fact going to innovation. The rest is to support various criminal justice activities, which would suggest that the program itself, as I said, the experimental nature, has stopped. It goes really into basic support mechanism, and the experimental part really is over.

Mr. GEPHARDT. The gentleman is absolutely correct.

Mr. WIRTH. I thank the gentleman.

Mr. GEPHARDT. Mr. Chairman, I appreciate the gentleman's remarks. It is a basic philosophical decision we have to make. Certainly, we devote lots of money to problems like education, to problems like unemployment. Those were decisions we made of a fiscal nature over a long period of time.

The question today is, do we want to continue to devote this amount of money or greater amounts of money in the future to this kind of a function. I simply think the time for experimentation has ended. It has been a good experiment. Let us move on. Ten years from now we may want to address this and do some more experiments, but it is time to call off this experiment, this $7 billion experiment, today.

Mr. McCLORY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, having been here in 1968 when we enacted the safe streets and omnibus crime bill, I think the gentleman from Missouri misconceives the entire purpose of that legislation. What we did in 1968, when we initiated the LEAA program was to recognize that crime was indeed a national problem, and that while law enforcement was a local and State function, there was a responsibility in the Federal Government to provide some support and some guidance and some direction for reducing crime in America.

We have initiated a very modest program. It is true that it has been revised from time to time, but what we have done is to give law enforcement some new directions; we have given new ideas and new guidance and support to the local law enforcement officials, and we have required them to come up with plans for law enforcement which they must apply in their areas.

☐ 1515

If we are thinking about priorities, and if the budget function has anything to do with priorities, believe me, crime in America is a major priority and ought to be high on the list. As a matter of fact, the polls show that crime and law enforcement are the second most important subject on the minds of Americans. The funds that we have provided through LEAA since 1968 have been very modest, indeed. As the gentleman says, 3 percent of the overall support of local law enforcement comes from Federal contributions, and it is true that in the application of these funds we have directed them to develop innovative programs. But what we have also sought to do is to require local and State law enforcement officials to give attention to the subject of drug abuse; we require them to give attention to the subject of crimes against the aged; we tell them to give consideration to juvenile delinquency and to corrections and to crime prevention, and all the other subjects that relate to our criminal justice system. If the gentleman's experience in his State has been so unsuccessful that he wants to kill the whole program here, then I say the responsibility lies with the State and local officials who have the authority to develop the programs and spend the money as they are authorized to do.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. CONABLE, and by unanimous consent, Mr. MCCLORY was allowed to proceed for 2 additional minutes.)

Mr. CONABLE. Mr. Chairman, I would like to ask the gentleman if he would yield to me.

Mr. McCLORY. I am happy to yield to the gentleman from New York.

Mr. CONABLE. I thank the gentleman for yielding.

I appreciate the statement that the distinguished ranking member of the Committee on the Judiciary has made. I think this program is an entirely appropriate involvement of the Federal Government in the issue of crime. I agree with the gentleman that crime is a very serious issue in this country, but we have to be careful to avoid centralizing the police function. This program has avoided centralization and has made an innovative and creative contribution to the administration of justice. It would be a serious mistake for us to go back to the time-honored custom of constantly creating new Federal crimes, new Federal rights, flooding out the Federal courts, instead of making our contribution to crime through this type of decentralized program.

Mr. McCLORY. I agree with the gentleman. I might say at the present time we are marking up the bill with respect to authorization funds for LEAA. We are trying to improve the monitoring and evaluating of those projects that have been funded by LEAA so that the successful programs might be better utilized in other parts of the country.

I might say just last Friday we had a law enforcement seminar in my district. We gathered together more than 150 law enforcement officials, more than 50 chiefs of police from that area, and brought top law enforcement officials from Washington so that we could open up good lines of communication between those enforcing the law at the local level and those in Washington who can assist the local officials in every possible way. And we should be giving that kind of assistance and support and not be here trying to pull the rug out from under those people at the local level who are trying to reduce crime in America.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Ohio.

Mr. REGULA. I commend the gentleman for his statement. I would point out one other thing, that what is really at issue here is Federal versus State and local control. The present system allows the States, through their criminal justice supervisory commissions, to determine the best way to use Federal dollars to deal with the problems of the criminal justice system, the courts, and the whole spectrum of reducing crime in each of the States and local communities.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. REGULA, and by unanimous consent, Mr. MCCLORY was allowed to proceed for 3 additional minutes.)

Mr. REGULA. If the gentleman will yield further, if we would look at the budget documents, we will find that starting in 1981 there is proposed an increased amount in local community projects for the Department of Justice about equal to what this amendment would take out of LEAA. What that really amounts to is that some people want to transfer LEAA from the present independent agency, which basically uses State and local control, to the Department of Justice where it can be under the thumb of central control. This takes away from the ability of States and local communities to deal with their problems as they exist in a local environment. If, in fact, the sponsor were reducing the overall cost, his amendment might have some merit, but in truth the real issue here is whether the States and local communities will control these dollars or whether the Department of Justice will control them. The projections shown in the Department of Justice budget are very clear that all that is being attempted is to move this function from that of an independent agency to an agency dominated by the Department of Justice.

Mr. McCLORY. I thank the gentleman. I might say that serving as the ranking member of the House Committee on the Judiciary, I am speaking on my own behalf and some others in the minority, but I know that if the chairman of the Committee on the Judiciary, Mr. RODINO, were here—I note that he is here on the floor and I think he will be expressing the same kind of opposition to the amendment.

LEAA is currently in a reauthorization year. The Judiciary Committee's Subcommittee on Crime is literally in the process of marking up the bill in preparation of full committee consideration tomorrow. It is, therefore, premature to cut LEAA's budget further without first seeing what responsibilities it will be required to assume. We must have the bill out of the Judiciary Committee by May 15 in order to meet budgetary restrictions; there will be ample time later during which to address the appropriate funding level for LEAA. Now is not the time.

The budget resolution recommends $546 million as a reflection of President Carter's efforts to trim Administration of Justice outlays. This amendment would reduce that reduction. And all without adequate knowledge of LEAA's ultimate mandate.

LEAA presently represents the only federally funded program specifically designed to help State and local governments address their respective law enforcement needs. Without satisfactory assistance, many of the multitude of useful programs which have been generated by LEAA during the past 3 years will cease to exist. Since that is the indirect intent of this amendment, I believe those who vote for a further cut ought to know what their constituencies will probably lose.

First, "Sting" operations. LEAA has supported these projects and, since their recent inception, returned $114 million in stolen property to the lawful owner. Thirty-three cities have experienced over 50 Sting operations and 4,222 people have been arrested with 6,817 assorted charges lodged against them. Virtually every major city represented in this Chamber has benefited from this LEAA effort to assist localities.

A second example is the highly successful career criminal identification program. Through LEAA grants, localities have been able to utilize computer technology in identifying, and promptly prosecuting, individuals who have adopted a life of crime. These criminals are frequently repeat offenders who have committed serious and violent acts against society. This type of immediate labeling and prosecutive concentration has resulted in the conviction of 5,340 recidivists with an accompanying average sentence of 17.1 years. Under this project, 2 years of initial LEAA funding is followed by complete State and local support. There are now over 65 such units operating nationwide.

As you might suspect, the basis for any successful criminal justice system is a willingness on the part of the citizenry to report and, if necessary, testify whenever it has witnessed or been victimized by crime. Often our system discourages the sacrifice by condemning the witness/victim to hours of waiting in a crowded courtroom or to impersonal treatment by the police. LEAA has initiated programs designed to reduce friction between law enforcement and the communities it serves. In effect right now is one such program in Los Angeles.

The bottom line is that since the last reauthorization period in 1976, LEAA has produced effective law enforcement programs which have had a direct impact on the ability of State and local governments to cope with crime. With the recent naming of Henry S. Dogin as its new Administrator, LEAA appears back on the right track. Budget cuts at this time can only hurt its ability to be effective. The President's recommendation is low enough; I urge you not to reduce it further.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New York.

Mr. FISH. I thank the gentleman for yielding.

Mr. Chairman, the amendment before us would effectively end the Law Enforcement Assistance Administration. It negates the reorganization of the agency, which recently passed the Senate Judiciary Committee, 17 to 0, and is now before the House Judiciary Committee.

It leaves us with no alternatives—no other Federal program for research, or statistical capability, or technical assistance to States and localities for the administration of their criminal justice systems.

Mr. Chairman, no one disputes that there have been problems with LEAA. This is why we have a reorganization plan before us—a reorganization that contemplates a stringent budget of $546 million.

My State, fortunately, has a viable program. In States that do not, LEAA is addressing this problem.

Many need LEAA programs. The type of programs which would not be funded without LEAA deal with those individuals caught up in the criminal justice system; victims, those in need of medical services, and witnesses, to name a few.

This is neither the time nor the place to make the decision to end LEAA.

□ 1520

Ms. HOLTZMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a radical amendment calling for the end of LEAA and, basically, calling for an end to Federal support for anti-crime fighting activities. I think this amendment is wrong, I think it is misplaced, and I think it would be a terrible mistake for the country at this time to in effect say that we will not assist localities in dealing with the serious problem of crime.

The gentleman from Missouri (Mr. Gephardt) in arguing for his amendment said that the experiment is over.

Have we solved the problem of crime? Obviously not. The experiment is not over. In fact, we are still saddled with serious crime problems. One of the reasons people are concerned about the effectiveness of government is because they do not see government effectively handling the crime problem. I think we have a responsibility on the Federal level to assist States and local governments in dealing with this problem.

Is this an expensive program? The answer is no. It amounts to less than 1 percent of the entire Federal budget.

What are the consequences of LEAA in terms of crime fighting? First, it has been responsible for major innovative programs on the State and local government level, programs that would not have been otherwise undertaken. Do you want to look at programs such as victim assistance? Encouraging victims and witnesses to come forward to testify is crucial to solving crime problems. LEAA has helped pioneer such programs. Do you want to look at programs such as Sting operations? For the first time these were seriously developed on a nationwide basis as a result of LEAA, resulting in the recovery of hundreds of millions of dollars in stolen property.

Do you want to look at the whole issue of computerizing the criminal justice system so that you do not lose cases in the process, you do not lose witnesses, you can prosecute your cases on time, using 20th Century technology in major areas of crime? Instituting such computerization has been the result of LEAA. Without LEAA it would not have happened.

I do not think it is enough to say that we have experimented with crime fighting for 10 years and now we should stop.

States and localities will not use their crime-fighting moneys in an innovative and experimental way and LEAA has provided an incentive to use these funds in this way. Without LEAA, local governments will do what they have always done their immediate needs require. They do not have money to spend on innovative programs and research and, in fact, LEAA research has been terribly important in helping to focus local anti-crime-fighting funds.

Last year an LEAA project found that one of the major factors in crime was recidivism and that most of crime was caused by recidivists. This helped State and local governments focus their efforts on dealing with that problem. It is an important piece of research.

Just a few days ago LEAA research came up with an important finding with regard to battered spouses and made some important suggestions about how this problem was to be addressed.

Where else, I ask the gentleman from Missouri (Mr. Gephardt) will this research on the serious problems of violence and crime in this society come from without LEAA?

The experiment in crime fighting is not over, and we have not solved this problem.

Also, LEAA, for the first time has been financing neighborhood programs, through its community anti-crime program which gets the communities involved in helping to address crime problems. These have been most successful.

I would simply say to my colleagues, now is not the time to destroy LEAA and now is not the time to tell States and local governments: "You deal with the problems," because they cannot do so without our help.

□ 1525

Mr. McCLORY. Mr. Chairman, would the gentlewoman yield?

Ms. HOLTZMAN. I would be happy to yield to my colleague, the gentleman from Illinois.

Mr. McCLORY. Mr. Chairman, I want to point out, too, that the highly successful "Sting" projects which have been carried out in a number of our large cities, where we have been able to detect those that are dealing in stolen goods is also an LEAA initiative which has been highly successful.

I commend the gentlewoman on her statement.

Mr. ANDREWS of North Carolina. Mr. Chairman, will the gentlewoman yield further?

Ms. HOLTZMAN. I would be happy to yield to the gentleman from North Carolina.

Mr. ANDREWS of North Carolina. Mr. Chairman, may I associate myself with the gentlewoman's remarks and concur in them wholeheartedly.

May I suggest that another group of very valuable programs within LEAA has to do with youth, the Juvenile Justice and Delinquency Provision Act and the Runaway Youth Act, both of which I think are equally as important as the other very valuable programs the gentlewoman alluded to.

Ms. HOLTZMAN. I thank the gentleman for his comments.

Mr. PANETTA. Mr. Chairman, will the gentlewoman yield?

Ms. HOLTZMAN. I would be happy to yield to the gentleman from New York.

Mr. PANETTA. Mr. Chairman, I thank the gentlewoman for yielding.

I think that it is very important that in dealing with a major issue like crime that the Federal Government be responsive in some way.

Now, the truth is that LEAA has not solved the problem of crime, but at the same time it is beginning to have some impact at the local level. We do not drop housing programs because we have not eliminated the problem of decent housing in this country. We do not drop health programs because we have not dealt with the problem.

The CHAIRMAN. The time of the gentlewoman from New York (Ms. Holtzman) has expired.

(At the request of Mr. Panetta, and by unanimous consent, Ms. Holtzman was allowed to proceed for 2 additional minutes.)

Mr. PANETTA. Mr. Chairman, if the gentlewoman will yield further, we have not dropped health programs because we have not dealt sufficiently with the problem of adequate health for people. The same thing is true for employment programs and programs across the board.

We have recognized this is a major issue in this country, the problem of dealing with crime. We have to recognize that the Federal Government has to provide some resources in that effort. This is the only program we have.

I would urge the Members to retain it in that effort.

Ms. HOLTZMAN. Mr. Chairman, I thank the gentleman for his contribution.

Mr. SENSENBRENNER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have not taken the well today to praise the Law Enforcement Assistance Administration, but I also believe that it would be a great mistake for the House to bury it today with this amendment to the budget resolution. Many of the charges that have been leveled by the gentleman from Missouri (Mr. GEPHARDT) against the LEAA are unfortunately true.

It is true that LEAA applications have gotten mired in redtape, that volumes and volumes of public information have been put together for no one to read and that in many instances LEAA funds have been used to purchase Buck Rogers type police equipment; but it would be a terrible, terrible mistake for this House to say that we should not have an organized Federal anticrime program by attempting to kill the LEAA by attrition.

The gentleman's amendment proposes to reduce the LEAA funding to a level so small that any attempt by the LEAA to combat the root causes of crime would be insignificant and inconsequential.

The cut that is proposed by this amendment would hamstring LEAA so that it would be completely ineffective.

Today the Committee on the Judiciary of the House of Representatives has begun marking up an LEAA reorganization bill that is designed to correct the abuses that have plagued this very, very troublesome agency. For example, the bill that is before us will provide for self-approving applications subject to Federal Government veto and will prohibit LEAA funds from being used to acquire the equipment that has been criticized so roundly by so many.

The decision this House will make on the LEAA funding amendment is very simple. The question posed is, is there a Federal role in fighting crime? Those of us who believe that there is a Federal role in helping our local police departments fight crime should vote to defeat this amendment.

Mr. RODINO. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I hope the House will think long and hard before it votes to adopt this amendment.

Let us realize what we are talking about: we are dealing with the only Federal program designed to directly attack street crime, the only anticrime assistance agency the Congress has established.

Every one of us in this House knows how deeply concerned our constituents are with the threat of crime, with the fear of crime, with its great spiritual cost to our neighborhoods and to our communities.

And yet we are being asked to eliminate this last remaining Federal commitment to attacking the problem. And we would do so even before the legislation to reauthorize the program reaches the floor.

Mr. Chairman, that is simply unwise legislative judgment.

The authorization for LEAA expires at the end of fiscal 1979. Therefore the program needs new legislation as well as new money. The Judiciary Committee is now considering a major initiative to restructure the agency, to revitalize LEAA, to allow its successful projects—of which there are many—to continue, while phasing out the less productive aspects of the program.

But if this amendment is adopted, why even bring the authorizing bill to the floor?

And what is achieved by this amendment? We are being asked to preclude the opportunity to at least consider the constructive alternatives to the present LEAA structure.

When the authorizing legislation reaches the floor in the near future, that is the time to evaluate this agency's future, that is when the House will be in the most responsible position to act. To say to the American people now, during debate on the budget resolution that there is no place for a Federal anticrime assistance mechanism is, I think, a misuse of the Budget Act.

This amendment places the legislative process in a straitjacket when it costs not a cent to allow it to work its will.

The Budget Committee has recommended a very reasonable, extremely modest budget authority for criminal justice assistance.

It is not really a great sum that this amendment eliminates—even as a target total, it is a figure substantially less even than that appropriated for this purpose a year ago.

But most seriously, this amendment aims at false economies. We are talking about saving less than 1 percent of the total Federal assistance level and an even more minuscule fraction of the total budget. And against that is measured the tremendous human cost of allowing street crime to continue unchecked.

Mr. Chairman, I know probably more clearly than many in this House of the many disappointments connected with LEAA. But to ignore the constructive achievements is foolish.

What about the $160 million in stolen property that has been recovered in 39 cities as a result of the LEAA funded "Sting" antifencing projects?

What about the more than 29,000 drug offenders that have participated in LEAA's treatment alternatives to street crime program (TASC) at a tremendous reduction in correctional, court, prosecutorial and probation costs?

What about the 5,340 repeat offenders who have been convicted with the assistance of LEAA's career criminal program which enable prosecutor's offices to identify and fully prosecute individuals who are called career criminals because they repeatedly commit serious and violent crimes?

Mr. Chairman, maybe we can afford to throw these programs away. I hardly think so, but to do so in the budget resolution would be the worst possible way to legislate.

I urge a no vote on the amendment.

☐ 1530

The CHAIRMAN. The time of the gentleman from New Jersey (Mr. RODINO) has expired.

(On request of Mr. VOLKMER, and by unanimous consent, Mr. RODINO was allowed to proceed for 2 additional minutes.)

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. RODINO. I yield to the gentleman from Missouri.

Mr. VOLKMER. Mr. Chairman, I quite agree with some of the sentiments of the gentleman's remarks as to the timing of this amendent. I was not going to take a long time on the floor, but I may just ask the gentleman this question:

In the event that we did not provide for changes within LEAA, the authorization legislation that we are working on at the present time, and in the event that we really did not provide for substantive changes, as we are doing—and the legislation does provide for those—come September, it would be my personal feeling that if we had the same structure without any changes, I am not sure whether we should continue on the same road we have been going. I would like to know how the gentleman feels about it.

Mr. RODINO. Mr. Chairman, I am optimistic that the Committee on the Judiciary is going to adopt that kind of a proposal that will actually restructure and revitalize LEAA. We will bring about the needed changes, even as the Senate Committee on the Judiciary, by a vote of 17 to 0, has done in considering the measure that was before it.

Of course we have got to be aware of what is taking place and what will happen come September if we have not acted. But if we act on the gentleman's amendment now, we might as well just close shop in the Committee on the Judiciary.

☐ 1535

Mr. VOLKMER. I agree. But what I am saying is I do not plan to vote, as some of the others do, for the amendment today. But I serve notice that if we do not, come September, if the gentleman will offer the amendment again, we can consider it at that time.

Mr. RODINO. As the gentleman knows, as he heard this morning in discussions before the full Judiciary Committee, there are going to be many changes, and I think those changes will be an improvement. But those changes are only possible because we are going to be given the opportunity to deliberate. This amendment would preclude that opportunity. I think what we have to say is that there is a problem of crime in America, there is a national problem, and we have the responsibility to act.

Mr. RAILSBACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am not going to belabor this debate. I do want to point out that I did inquire what a cut of $100 million would have, from the standpoint of effect on LEAA programs. I was advised that it would mean $20 million less for juvenile justice improvements, it would mean cuts in programs to increase community and neighborhood participation in crime prevention and that they would be curtailed. It would mean a cut in new programs, including programs dealing with arson, fraud, waste, abuse, family violence victims. Whether it is at the National, State, or local level, they would be eliminated or sharply curtailed. It would mean cuts in programs dealing with career criminals, drug offenders, white-collar crime, consumer fraud, jail overcrowding, court delay, renovation of correctional facilities, and juvenile offender programs that would be curtailed or eliminated.

Let me just say, Mr. Chairman, that in my opinion one of the most important efforts undertaken by LEAA was a career criminal program which has now been expanded and taken over by some of the State and local governments, and this is a program that enables a prosecutor's office to identify and fully prosecute individuals who are called career criminals because they repeatedly commit serious and violent crimes. There are now over 65 units operating over the country. The 26 units which have been evaluated by LEAA have convicted 5,340 repeat offenders who have received an average of 17.1 years in prison. I think, like many of the other Members who have spoken, I am really not enamored with all that LEAA has done. I also concede, as did the chairman of the Committee on the Judiciary as well as the gentleman from Missouri (Mr. VOLKMER), that there are problems with LEAA. But when you look at it, try to balance the good with the bad, it seems to me that it would be a terrible mistake, after the budget has already been cut $100 million by the President in his recommendation, from the previous years level, to cut another $95 million. So I sincerely hope that we defeat the amendment.

□ 1540

Mr. CAVANAUGH. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of my lonely colleague from Missouri this afternoon, because I admire both his courage and his wisdom. This amendment goes to the heart of the problem confronting this Congress. We are confronted here with a search for new priorities for this country, and as these budgetary considerations have been before us now for more than a week, we have yet to see this Congress exercise either the courage or the wisdom to extricate itself from many of the obligations and responsibilities that have built up over the Federal Government over the past 30 years. That is really what it is all about.

I have been to this well before, supporting increases in expenditures for various programs and resisting cuts to expenditures to various programs, but the obligation on each of us is to set new priorities for our Nation that are more responsible and cost effective. I think the LEAA has served some good. There is no question about that, and there are still tremendous efforts that need to be put forth in this country in terms of addressing the deficiencies of law enforcement. But we at the Federal level, cannot do it all. And we have to start deciding what are those essential obligations that we are committed to, that we cannot extract ourselves from, we must begin to set the priorities of the Federal Government on the basis of what are the essential services and obligation of the National Government.

National defense is one obligation which the Federal Government cannot retreat from or abandon to some other institution of Government.

Major responsibility for the health care of the elderly and poor of this country is an obligation and responsibility that the Federal Government has assumed primary responsibility and control over and cannot extricate itself from. But law enforcement, both in tradition, and in effective and responsible administration, belongs to the State and local governments. And part of the problems that afflict our Nation today, governmentally and fiscally, is that blurring of lines of responsibility and obligation where the citizen does not know where to go to find responsibility for who should effectively deliver his mail, who is effectively responsible for his fire and police protection, his garbage, his sewage, and street maintenance, because we have blurred these lines of obligation and responsibility; and one thing we have to do is, I think, reset those, and here is a critical choice for this Congress in that process.

We can extricate ourselves from this obligation and responsibility, and we should; and I support the gentleman's amendment.

Mr. McCLORY. Mr. Chairman, will the gentleman yield?

Mr. CAVANAUGH. I am happy to yield to the gentleman from Illinois.

Mr. McCLORY. I thank the gentleman for yielding.

What it seems to me the LEAA has done is to involve a great many more people at the local level than ever before. In my congressional district, I am just amazed at the large number of volunteers, unsalaried people, who have volunteered to involve themselves in the fight against crime because of the impetus of LEAA, which has developed this input and has encouraged these new initiatives at the local level.

From that standpoint alone, we are getting a lot for our money through the LEAA program.

I thank the gentleman.

Mr. CAVANAUGH. I thank the gentleman for his input.

I am not saying there is no area of Federal involvement that is either all good or all bad, whether it is CETA or medicare or medicaid. We find fraud and abuse and deficiencies in each of these, an we find goodness in each of these.

The question here, though, is where the proper responsibility best lies and where can it best be shouldered.

I think in the case of law enforcement both the obligation and responsibility appropriately lie at the local level and also the ability to meet the expenditures We have spent over $7 billion in this program over the life of the program and the fact is we just do not have that kind of money anymore. And we have to be honest with ourselves and honest with the people back home, that we are not going to balance the budget or reduce their expenditures unless there is some reduction in the obligations and burdens that the Federal Government carries. This is one of those obligations and burdens we simply cannot afford to carry on any longer.

Mr. CORRADA. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment offered by the gentleman from Missouri (Mr. GEPHARDT).

It has become fashionable to criticize LEAA for its past problems and failures. However, some of the criticisms are deserved, others are not. The concern expressed by some voices with regard to the effectiveness of LEAA structure, priorities, and administration of the program is in the process of being addressed to during this first session of the 96th Congress with some legislation pending before the House Committee on the Judiciary.

We are confronting the administrative and structural defects of LEAA in a positive manner and with great expectations of saving the only Federal program which provides financial aid and technical assistance to State and local government for crime control and prevention. I want to make it very clear that we will be losing momentum in our national fight against crime if we even reduce the appropriations for this program. Furthermore the situation will be aggravated if we pass the amendment offered by Mr. GEPHARDT which will have the effect of phasing out LEAA.

We are working on a reorganization of LEAA and this legislation cannot work adequately if the appropriations are not sufficient. We will be doing a disservice to this Nation if we even dare to eliminate the program as Mr. GEPHARDT proposes. Instead of passing his amendment we should give a new opportunity to this Federal program after the intended reorganization.

I urge you to vote against Mr. GEPHARDT's amendment, the reorganization of LEAA is promising, and we are looking forward to see the continuation of this good Federal program.

□ 1545

Mr. HUGHES. Mr. Chairman, I move to strike the requisite member of words.

Mr. Chairman, I am not going to take the 5 minutes because I think most of what has to be said has been said. I want to tell my colleague that I am very sympathetic to his particular amendment. I serve on the Judiciary Committee. In fact, when I first came to Congress I served on the Subcommittee on Crime under the present chairman, the gentleman from Michigan (Mr. CONYERS).

I take the well quite reluctantly because my chairman, the chairman of the Judiciary Committee and the dean of my delegation, has spoken in strong opposition to, and I hesitate on this amendment to speak out against LEAA because it has been an important program. When I first came to Congress I do not think there was a program in the Congress that I was any closer to than LEAA. I spent some 10 years in law enforcement and worked with LEAA in the field. I want to tell the Members that one of the greatest disappointments I have had is with the administration of the LEAA program.

Even though we are in the process now in the Judiciary Committee of trying to mark up legislation that will restructure LEAA, I am still concerned over the lack of priorities I see with LEAA. It has taken the administration almost 2½ years to appoint a permanent Director of LEAA. That does not seem to me as though the administration makes his particular program a priority. I have yet to see, in the 4 years I have been in Congress, a major oversight of the LEAA program, and even though LEAA has had some successes and there is a tremendous need for us to address the crime problem, I am afraid that LEAA has fallen far short of the mark.

Even though I am going to oppose the gentleman's amendment because I think the Judiciary Committee should have the opportunity to mark up its legislation, I can tell the Members that in September, when the gentleman is back, if we do not do a major restructuring; unless I see the kind of commitments on the part of the administration for this program that I have not seen to date, I am going to support the amendment when we consider the second budget resolution.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in opposition to the gentleman's amendment to reduce amounts for the Law Enforcement Assistance Administration (LEAA) by $497 million in budget authority and $95 million in outlays. This amendment would reduce new funds for LEAA in 1980 down to $49 million.

Mr. Chairman, this amendment is shortsighted and unrealistic for three important reasons:

First, the gentleman's criticisms of the LEAA program stem from an early period in the history of the program. Many improvements in the management and uses of LEAA funds have been implemented by the administration in the past few years. In addition, I would bring to your attention the fact that funding for LEAA activities has been steadily decreasing as management changes have been effected. In fiscal year 1975, LEAA was funded at $887 million: by fiscal year 1977, funding has decreased to $753 million. The appropriation for 1979 was $648 million. Hence, the current request for fiscal year 1980 for $546 million represents a decrease of over 60 percent from the 1975 funding level.

Second, the administration has proposed a restructuring of the LEAA programs which would allow greater emphasis on law enforcement and criminal justice innovations.

Finally, the Judiciary Committee is currently considering legislation to extend the LEAA program. Approval of this amendment would obviate committee actions to continue the program.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Missouri (Mr. GEPHARDT).

The question was taken; and on a division (demanded by Mr. GEPHARDT) there were—ayes 13; noes 20.

RECORDED VOTE

Mr. GEPHARDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 104, noes 316, not voting 14, as follows:

[Roll No. 127]

AYES—104

Ashbrook
Aspin
Atkinson
AuCoin
Badham
Barnard
Bauman
Beilenson
Bereuter
Brinkley
Brooks
Burgener
Burlison
Carney
Cavanaugh
Clay
Clinger
Collins, Tex.
Conyers
Cotter
Crane, Daniel
Crane, Philip
Daniel, R. W.
Dannemeyer
Daschle
Deckard
Derrick
Devine
Duncan, Oreg.
Edwards, Okla.
English
Erlenborn
Evans, Ga.
Fascell
Fenwick
Ford, Tenn.
Frenzel
Fuqua
Gephardt
Gibbons
Gingrich
Ginn
Hagedorn
Hance
Hansen
Heftel
Hightower
Holt
Ichord
Ireland
Jacobs
Jenkins
Jones, Okla.
Kelly
Kemp
Kramer
Leath, Tex.
Lewis
Loeffler
Luken
McCloskey
McDonald
McEwen
McKay
Mattox
Mica
Mikva
Miller, Ohio
Mitchell, Md.
Mollohan
Murphy, Pa.
Nelson
Obey
Paul
Quayle
Rahall
Ritter
Rosenthal
Roth
Rousselot
Rudd
Russo
Santini
Schulze
Seiberling
Shumway
Simon
Smith, Nebr.
Stangeland
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Udall
Walker
Watkins
Weaver
Wirth
Wylie
Yates

NOES—316

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Bafalis
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Cleveland
Coelho
Coleman
Collins, Ill.
Conable
Conte
Corcoran
Corman
Coughlin
Courter
D'Amours
Daniel, Dan
Danielson
Davis, Mich.
de la Garza
Dellums
Derwinski
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Emery
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fary
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Fountain
Fowler
Frost
Garcia
Giaimo
Gilman
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hughes
Hutto
Hyde
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Livingston
Lloyd
Long, Md.
Lott
Lowry
Lujan
Lundine
Lungren
McClory
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mavroules
Mazzoli
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nichols
Nowak
O'Brien
Oakar
Oberstar
Ottinger
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roybal
Royer
Runnels
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Sensenbrenner
Shannon
Sharp
Shelby
Shuster
Skelton
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Thompson
Traxler
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Waxman
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Wydler
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—14

Anderson, Ill.
Breaux
Brown, Ohio
Davis, S.C.
Forsythe
Gaydos
Hubbard
Huckaby
Long, La.
McCormack
Nolan
Patterson
Treen
Ullman

The Clerk announced the following pairs:

On this vote:

Mr. Forsythe for, with Mr. Treen against.

☐ 1605

Messrs. YATES, ROUSSELOT, and LEWIS changed their vote from "no" to "aye."

Messrs. LLOYD, MILLER of California, and MAGUIRE changed their vote from "aye" to "no."

So the perfecting amendment was rejected.

The result of the vote was announced as above recorded.

PERFECTING AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. WEISS: In the matter relating to the recommended level of Federal revenues decrease the amount by $100 million;

In the matter relating to the amount by which the aggregate level of Federal revenues should be decreased by $100 million;

In the matter relating to the appropriate level of total new budget authority decrease the amount by $620 million;

In the matter relating to the appropriate level of total budget outlays decrease the amount by $100 million;

In the matter relating to Function 050: National Defense decrease the amount for budget authority by $1 billion; and decrease the amount for outlays by $355 million.

In the matter relating to Function 500: Education, Training, Employment and Social Services increase the amount for budget authority by $380 million; and increase the amount for outlays by $255 million.

Mr. WEISS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WEISS. Mr. Chairman, the amendment which I have offered is by way of a transfer amendment, but it is such a modest and moderate amendment that I am almost ashamed to offer it.

However, on the basis of a discussion and a colloquy which I entered into during the course of general debate on this concurrent resolution with the distinguished gentleman from California (Mr. ROUSSELOT), I am now offering this amendment in the hope that it will find favor with Members on both sides of the aisle.

In the course of that general debate we got into a discussion on the need for providing opportunities for the young people of America to be employed, and so in that context this amendment would provide for a reduction in the budget authority relating to the function 050, national defense, by $1 billion.

☐ 1610

The reduction in outlays would be only $355 million, and that $355 million would then be reallocated by providing for an increase in the 500 function, that is, for employment and education, by providing $154 million for the young adult conservation corps, $101 million for the youth employment and training program, and the remaining $100 million, which would not be distributed, would go toward providing for tax credits for employing young people between the ages of 16 and 18.

Mr. Chairman, the totality of the shifting of the $355 million in outlays would be to provide for some 60,000 plus jobs for young people. We have indication in this country that, while the total joblessness nationwide stood at 5.8 percent in April, for all American teenagers it was 16½ percent; for black and other minority youngsters, the rate was an appalling 34½ percent. Nearly one out of every five teenagers in our country who is seeking work cannot find it today. More than one out of every three black youths is shut out of a productive occupation.

Mr. Chairman, that does not bode well for our economic future or for our social future.

Mr. Chairman, in 1977, when this Congress adopted the Young Adult Conservation Corps for Youth Employment, it was received as enthusiastically as any job program had been, perhaps, in 30 or 40 years. It was a successor to the Civilian Conservation Corps of the depression of the 1930's. And yet we take a program as necessary and as popular as that one, and it is being cut under this budget resolution by some 14,600 jobs below the 1979 funding level.

One of the more successful of our other youth employment programs is that for the youth employment and training program. What we would seek to do is to add $101 million to provide for a net increase of about 20,000 jobs in this school and jobs program, and finally the tax credit program for the young people between 16 and 18 would provide for some 33,000 additional jobs.

Mr. Chairman, if we really are serious about wanting to set some priorities, if we want to put our house as a Nation in order, if we want to give some hope to the people, especially young people who seem to be without hope, I would urge all of our colleagues to vote for this amendment so that we could demonstrate that we really have some sensitivity to what is happening in this country.

Mr. Chairman, one of the major social and economic crises facing our Nation today is the ominously high rate of unemployment among young people. While total joblessness nationwide stood at 5.8 percent in April, 16.5 percent of all American teenagers in the labor market could not find jobs. For black youngsters, the rate was an appalling 34.5 percent.

Nearly 1 out of every 5 teenagers in our country who is seeking work cannot find it today. More than 1 of every 3 black youths are shut out of a productive occupation.

I submit to my colleagues that this is a potentially explosive situation—one that does not bode well for our economic and social future.

This is a critical time for these unemployed young people. Unless they develop marketable skills and direct work experience at this point in their lives, there is a very real likelihood that they will be permanently consigned to sporadic employment and to the lowest income levels.

I believe that this Congress has an obligation to address this alarming situation and to take action which will bolster our private economy and bring thousands of young people into the economic and social mainstream.

I am, therefore, proposing an amendment to the budget resolution which would produce more than 60,000 additional jobs for unemployed young people. I wish to emphasize at the outset that my amendment would not result in any increase in the Federal budget deficit.

During the general debate on the first concurrent budget resolution, I engaged in a colloquy with the distinguished gentleman from California (Mr. ROUSSELOT) on the subject of youth unemployment.

The gentleman expressed a strong desire to find effective ways of putting jobless teenagers to work. I suggested to the gentleman then and I suggest to the entire House now that we can make real improvements through a variety of approaches that have proven successful.

It is apparent to many of my colleagues that the President's budget proposals do not provide a sufficient number of job opportunities and employment incentives for the young worker and potential employers. The House Budget Committee has taken a most encouraging step toward correcting this deficiency by restoring the 250,000 summer job slots for youngsters cut in the President's recommendations.

More, however, needs to be done if we are to counteract the anticipated increase in general unemployment. Both the President and the Budget Committee assume that the joblessness rate will climb to 6.2 percent this year. The impact of a 0.4 percent rise in general joblessness will be felt most severely by young people. We could expect unemployment for all teenagers to approach 20 percent and possibly twice that for black youngsters.

My amendment will prevent this intolerable situation from occurring.

It would do so in three ways:

First, the targeted job tax credit would be increased by $100 million, creating about 33,000 new employment slots.

Next, the Young Adult Conservation Corps would be restored to current estimated fiscal 1979 funding levels in order to retain 14,600 jobs.

Third, the amendment would add $101 million to the youth employment and training program for a net increase of about 20,000 jobs.

The funds to create these much-needed job opportunities would come from a relatively insignificant cut of $355 million in defense spending.

This proposed reduction would be similar in scope to that made in general Government expenses under the Gephardt-Panetta amendment as substituted with the Grassley amendment. As you know, that measure reduces unnecessary expenses in the management area by $1.1 billion for all agencies. The savings in this allowance function 920 is accomplished in a painless manner by holding down travel, printing, and consultant costs.

The Pentagon reduction I am proposing would be achieved in areas where waste and inefficiency can be readily identified. There would be no cutback in personnel or weapons spending. Total budget authority resulting from this reduction would be $1 billion.

Of the total $355 million appropriation included in the amendment, $255 million would be channeled into function 500—education, employment training, and social services. This money would be used for the expansion of the Young Adult Conservation Corps and the youth employment and training program which I have already described.

The YACC program would receive $154 million of this share, restoring it to current levels. Many Members have expressed disappointment at the proposed loss of 14,600 YACC jobs. This amendment rescinds that cut.

The YETP effort attacks the problem of structural unemployment and helps make young people long-term participants in our economy. The program is quite promising and it deserves additional funding in order to fulfill its aims. The $101 million in added appropriations included in my amendment for YETP would produce at least 20,000 jobs.

The amendment also proposes an expansion of the targeted jobs tax credit. It currently provides a $3,000 first-year savings to employers who hire an individual who fits into one of seven categories. The President estimates that between 60,000 and 100,000 jobs will be created through the credit as it is now constructed.

My amendment would expand one of these categories, that which includes persons aged 18–24 from economically disadvantaged families. It would allow employers to be given the credit if they hire youngsters age 16–18 who are attending school and who also come from families with low incomes. This expansion would encourage many young people to remain in school since they would be able to procure productive employment and enhance family income.

The $100 million appropriated under my amendment for the expanded tax credit would generate about 33,000 new job opportunities.

In sum, the amendment would decrease total budget authority by $620 million and reduce total outlays by $100 million.

I believe this is a relatively modest proposal that would have a sizable impact on youth unemployment.

I strongly urge my colleagues to consider the provisions of the amendment and to support the more than 60,000 additional jobs for young people that they would create.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I yield to the gentleman from Washington.

Mr. DICKS. I thank the gentleman for yielding, and I want to congratulate the gentleman from New York. I am particularly impressed with his comments about the Young Adult Conservation Corps. I can tell the gentleman that in our part of the country this has been probably the finest employment program for young people in the history of this country. I hope the House will support this amendment that increases funding for programs providing jobs for young people.

Mr. WEISS. I appreciate the gentleman's support.

□ 1615

Mr. LATTA. Mr. Chairman, would the gentleman yield?

Mr. WEISS. I am happy to yield to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Just so I understand the gentleman's amendment, is this the amendment printed in the May 7 CONGRESSIONAL RECORD at page H2806?

Mr. WEISS. That is correct.

Mr. LATTA. May I ask if I am reading correctly, where it says, "In the matter relating to function 050: national defense decrease the amount for budget authority by $1 billion;"?

Mr. WEISS. That is correct.

Mr. LATTA. And it says, "and decrease the amount for outlays by $355 million."

Mr. WEISS. The gentleman is restating what I have already stated. That is correct.

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, I appreciate that everyone would like to add more money to projects which they consider to be worthwhile, and what the gentleman proposes here is to cut defense by $1 billion in budget authority, and then the gentleman provides a liberalization of the targeted job and WIN tax credit program; and the gentleman does that by reducing the amount of revenues. So he transfers in that sense, and then he provides the outlays, which are saved by the $1 billion cut in budget authority in defense. He provides $380 million in budget authority, and $255 million in outlays for the Young Adult Conservation Corps and the youth training program. He also provides $100 million in tax credit for youth employment.

These are all good programs, but we have a carefully constructed balanced budget resolution here which we would urge the Members to consider and to approve; and it provides for adequate funding for all programs.

I do not appreciate the type of an amendment which says, "Just take the billion dollars out of defense and put it into some of these other programs that we would like to see a little more funding."

I think we are all familiar with this type of transfer amendment. I urge the committee to reject the amendment.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I will yield to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. I must say that I was mistaken when I heard the gentleman's amendment originally. I am definitely for the increase in the Young Adult Conservation Corps and the other job programs, but I do not think we should do it with a cut of $1 billion out of the national defense function. I was unaware of that. I want to correct my previous remarks. I wish the gentleman from New York would change his amendment.

Mr. VOLKMER. Mr. Chairman, I move to strike the last word.

I really tried to get the floor to inquire of the gentleman from Connecticut (Mr. GIAIMO), and perhaps even the gentleman from Ohio, and anyone else that has spoken on this, if they are saying we should not transfer, that we have a good budget right now in all of the categories; then, later on any amendments that were offered to take away from any human resources-type of programs and add to defense, they would also oppose these amendments? Is that not correct?

Mr. GIAIMO. I do not think that is what I said. What I said is we have a carefully balanced budget resolution here, which we think is the correct resolution insofar as it addresses the needs of the various people and the various interests in this country. Therefore, we think the functions are about right.

Now, obviously, some people may disagree, but I will say that I object to the type of thinking which is prevalent at times that says, take it out of defense and put it in our pet programs.

Mr. VOLKMER. That would be the same thing as taking it out of HEW and putting it in defense.

Mr. GIAIMO. The gentleman can do that if he wants.

Mr. VOLKMER. That is the same thing.

Mr. GIAIMO. I have not heard that suggestion recommended here, to take money out of HEW and put it in defense.

□ 1620

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. VOLKMER. I yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman yielding to me. I just want to say this: Mr. Chairman, this country of ours, especially in our cities and especially among our minority young people, has a tremendous disease of chronic unemployment. Lives are being laid waste. For this House to tell the Nation that we cannot afford to take $355 million out of a defense budget of $124 billion and spend it on youth employment programs is to turn our backs on the young people of this country.

I would hope that we have better sense than that.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from New York (Mr. WEISS).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. WEISS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 92, noes 321, not voting 21, as follows:

[Roll No. 128]

AYES—92

Addabbo
Albosta
Anderson, Calif.
Barnes
Bedell
Beilenson
Benjamin
Biaggi
Bingham
Blanchard
Bonior
Brodhead
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conyers
Daschle
Dellums
Diggs
Donnelly
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Florio
Ford, Mich.
Ford, Tenn.
Forsythe
Garcia
Goodling
Gray
Green
Harkin
Hawkins
Hollenbeck
Holtzman
Jeffords
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Lederer
Leland
McHugh
McKinney
Maguire
Markey
Mavroules
Mikulski
Mikva
Miller, Calif.
Mitchell, Md.
Moakley
Moffett
Murphy, Ill.
Murphy, Pa.
Myers, Pa.
Oberstar
Ottinger
Paul
Perkins
Peyser
Rahall
Rangel
Reuss
Richmond
Rosenthal
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Solarz
St Germain
Stark
Stewart
Stokes
Studds
Thompson
Vento
Volkmer
Walgren
Weaver
Weiss
Wolff
Wolpe

NOES—321

Abdnor
Akaka
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Boggs
Boland
Bolling
Boner
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Dornan
Dougherty
Downey
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Foley
Fountain
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Panetta
Pashayan
Patten
Pease
Pepper
Petri
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—21

Anderson, Ill.
Archer
Breaux
Brown, Ohio
D'Amours
Davis, S.C.
Fowler
Gaydos
Guarini
Hubbard
Huckaby
Long, La.
McCormack
Nolan
Obey
Patterson
Rodino
Stockman
Treen
Wilson, Bob
Young, Alaska

☐ 1635

Mrs. COLLINS of Illinois and Messrs. PEYSER, JOHNSON of Colorado, McHUGH, and ALBOSTA changed their vote from "no" to "aye."

So the perfecting amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. FOLEY) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

☐ 1640

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

The Committee resumed its sitting.

The CHAIRMAN. The Chair recognizes the gentlewoman from New York (Ms. HOLTZMAN).

PERFECTING AMENDMENT OFFERED BY MS. HOLTZMAN

Ms. HOLTZMAN. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Ms. HOLTZMAN. In the matter relating to the recommended level of Federal revenues increase the amount by $1.2 billion;

In the matter relating to the amount by which the aggregate level of Federal revenues should be increased increase the amount by $1.2 billion;

In the matter relating to the appropriate level of total new budget authority increase the amount by $1,450 million;

In the matter relating to the appropriate level of total budget outlays increase the amount by $1.0 billion;

In the matter relating to the amount of the deficit decrease the amount by $200 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $200 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $200 million;

In the matter relating to Function 270 increase the amount for budget authority by $250 million; and increase the amount for outlays by $175 million;

In the matter relating to Function 400 increase the amount for budget authority by $250 million; and income the amount for outlays by $175 million;

In the matter relating to Function 500 increase the amount for budget authority by $550 million; and increase the amount for outlays by $250 million;

In the matter relating to Function 600 increase the amount for budget authority by $400 million; and increase the amount for outlays by $400 million.

Ms. HOLTZMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. HOLTZMAN. Mr. Chairman, this is another transfer amendment which resets our priorities and also reduces the deficit.

This amendment would raise revenues by $1.2 billion by revising and modifying the foreign tax credit for oil companies. It would transfer these funds to deal with the serious problems of research on alternative energy sources: solar, geothermal, fossil, and the like. It would transfer these funds to provide for additional research in energy conservation. It would also provide funds for mass transit.

These are major ways in which we can fight the energy crisis that we are now experiencing.

The amendment would also transfer money to programs to help older Americans in the areas of jobs and nutrition, and also to help in the areas of education.

Actually, if we look at the budget, we find it has not substantially increased the budget authority for education. If in fact the budget authority has really not been increased to keep up with inflation, and the actual increases in outlays have come from appropriations in past years.

Finally, this amendment would also transfer funds to provide some fiscal relief to State and local governments to deal with their serious burden of welfare.

On top of this, as I said before, this amendment will reduce the deficit by $200 million.

Mr. Chairman, the foreign tax credit needs to be modified. It costs the taxpayers of this country over a billion and a half dollars a year.

Most of the debate on the first concurrent resolution has not addressed the revenue side of the budget. We have been talking about spending, but there are major loopholes in our tax laws which amount really to taxpayer giveaways.

We need to modify the foreign tax credit. This is an area of abuse. The Congress tried to address it in the 1976 Tax Reform Act. The President has called for modifications in the foreign tax credit, because royalty payments, which cannot be treated as a tax credit, have been hidden in the form of so-called income taxes to OPEC nations, and oil companies have been getting tax credits when really they should only be entitled to deductions. They have also used the excess credits to shelter other income improperly, such as shipping income.

Tightening up on the regulations would produce a savings of over a billion dollars, $1.2 billion. I say to my colleagues that this is an important savings. It would reduce the deficit. It would mean that our taxpayers would not be subsidizing the oil companies which have increased prices on gasoline and overcharged the consumers, according to recent Department of Energy statements.

In addition, the oil companies' profits have been at least 20 percent, if not more, which is a third above the profits generally earned by other companies in the United States. And their effective tax rate has been roughly 20 percent, well below the corporate tax rate in general.

I say to my colleagues that cutting back on the foreign tax credit for oil companies is an important area of savings.

Second, we can begin to finance some other programs that desperately need to be financed if we close this tax loophole. The budget resolution does not address itself seriously enough to the need for additional research in solar, geothermal, fossil, and other energy sources, and to the need for greater conservation. We do not do enough in those areas.

Actually if we take inflation into account, mass transit loses money in the budget resolution. We are behind where we were last year. I ask, how can we possibly get energy independence if we are not willing to fund mass transit or adequately fund research into alternative energy sources or adequately fund more energy conservation?

□ 1645

I also think it is important to deal with some of the human programs that this amendment addresses, and I urge the support of the Members.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentlewoman from New York (Ms. Holtzman) supposes a change in the foreign tax credit law which would affect oil companies and which would pick up $1.2 billion in revenues. Then she would propose to allocate or appropriate additional moneys for energy programs dealing with R. & D., solar, geothermal, fossil, and other energy sources and for mass transit and for older Americans and for education and for relief to the State and local governments and for welfare.

I would suggest to the Members that the Committee on the Budget carefully went over each and every one of these functions, and we analyzed what the President proposed, we analyzed carefully what the committees of the Congress recommended to us in their March 15 reports, and we took other factors into consideration, and we recommended to the Members what we think is the best we can do, given the constraints of a difficult and hard budget year. We added money for energy programs dealing with research and development in many areas. If my memory serves me correctly, I think the gentlewoman even offered amendments for those in committee. We added money for mass transit, we added money for education and older Americans and for relief to State and local governments. Now these are additional add-ons which the gentlewoman is proposing, totaling roughly, I suspect, about $1 billion in outlays. And then I suppose the argument is that it will not cost us any additional moneys or deficit because we will get $1.2 billion by elimination of the foreign tax credit for oil companies.

I do not want to commit myself today, but I could be interested in supporting foreign tax credit for oil companies. I do not think that it is going to happen this year. Each and every one of us sitting here knows it is not going to happen. We will be lucky if we can get any kind of a tax bill through dealing with oil and dealing with deregulation of oil and gasoline. We will be lucky if we can get a decent excess profits or windfall profits tax back. I do not like the amount that is being offered right now by the administration. I think it should be more. I am interested in the revising of the foreign tax credit.

So the result is going to be that you will add $1 billion to expenditures. While it sounds good, it will not wash. So let us get on with it. We are going to be voting on some important substitutes that are coming up to balance the budget, one offered by the gentleman from California (Mr. John L. Burton) and one offered by the gentleman from Ohio (Mr. Latta). We have had these transfer amendments suggested before. We think the committee has done the best job that can be done, given the budgetary constraints in the areas of education, for older Americans, mass transit, research and energy programs. Please, let us get on with it and vote down this amendment.

Mr. MOFFETT. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Connecticut.

□ 1650

Mr. MOFFETT. Mr. Chairman, I would say to the gentleman just one comment. I would like to speak later on the amendment, but I have one comment.

The gentleman acts as though he is a weather predictor. To a certain extent, part of his job is to predict what will happen, but the gentleman underestimates his power and influence in this body. I would say to the gentleman with so much influence and power in this body, to say that something is not going to happen does not actually make it so, but helps to make it so.

Mr. GIAIMO. I know that.

Mr. MOFFETT. If the gentleman is in fact concerned about the foreign tax credit——

Mr. GIAIMO. I am.

Mr. MOFFETT (continuing). He should be on the side of the gentlelady who makes a good point and help make it happen.

Mr. GIAIMO. I will tell the gentleman, if the gentleman and the gentlewoman from New York will meet with me some time later this week, I will be happy to work with them and the Ways and Means Committee and encourage them to take up and consider this legislation. I am concerned, however, about assuming it is going to happen and then add $1 billion to outlays.

Mr. GORE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I would like to speak in favor of this amendment, and I would like to urge my colleagues, in the strongest possible terms, to vote "yes" on this amendment.

The foreign tax credit now enjoyed by the oil industry is an outrage to any notion of equity in our tax code.

Let me take just a moment, if I might, to outilne briefly the history of this provision in our tax code and its effect on the exploration for oil in this country and overseas.

It began shortly after World War II, and its justification was initially national security. A way was sought to funnel money to the Middle East to increase the stability of the Middle East without calling it foreign aid.

Shortly after World War II—1950, to be exact—this tax credit was expanded.

Now, the general principle of allowing the country where income is earned to have the first bite at taxing that income is a well-established principle in tax law. Few quarrel with that general principle.

There are some who would make it a deduction instead of a tax credit, but in general terms, it is accepted.

What is so odious about this provision, as it relates to the oil industry in the United States, is that the U.S. Government sought a way to increase the revenues of the Middle Eastern countries to funnel money from the United States to the oil-producing countries by using the oil companies.

We actually sent a team of tax specialists over to the Middle East to rewrite their tax laws to show them how to make royalty payments into tax payments, so that now our oil companies pay what used to be royalties into the treasuries of the oil-producing countries, and they are deducted not from taxable income, but from tax payments to the U.S. Treasury.

As a result, the oil companies pay, as a general rule, zero dollars, zero dollars on their foreign earnings, their foreign oil operations.

This is completely different from the way other industries in the world operate overseas. Let me just give you a brief hypothetical example.

If you are dealing in coconuts, and you are selling them for a million dollars, if you spend $500,000 to purchase those coconuts in Saudi Arabia, and the effective tax rate in the United States is 50 percent, then you first deduct the $500,000 payment from your million dollar revenue, and you apply the 50-percent tax rate to the resulting $500,000 taxable income; and you end up with a tax of about $250,000.

If you were taxed as the oil industry is taxed, the $500,000 would not come off taxable income, leaving a net taxable income of $500,000. No, you would first apply the tax rate of 50 percent to the million dollars, leaving a tax liability of $500,000.

☐ 1655

Then, we would subtract the payment for the coconuts of $500,000, and we would end up with a tax liability of zero dollars. Now, that is exactly the way the oil industry operates today with the foreign tax credit. The net effect is to encourage exploration overseas at the expense of exploration in the United States. The net effect is also to funnel money from the U.S. Treasury to the treasuries of the oil-producing countries at a time when we are paying $45 billion a year to these countries to purchase that oil.

It is an absolute outrage. It cannot be justified on any notion of equity. It ought to be eliminated, and today, here in this Chamber, each of you has an opportunity to go on record—are you for this loophole or are you against this loophole?

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to my colleague from California.

Mr. JOHN L. BURTON. Mr. Chairman, I thank the gentleman for yielding. As I understand the gentlewoman's amendment, this will not take legislation but can be done by regulation by the IRS. That is the reason it is a $1.2 billion figure. If we did it by law and totally eliminated it, it would be a total of $3 billion in the next fiscal year, so to do this we do not even need legislation.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

(At the request of Mr. BEARD of Tennessee and by unanimous consent, Mr. GORE was allowed to proceed for 3 additional minutes.)

Mr. GORE. Let me respond to my colleague from California. The figures I have been working with show the total impact as $1.7 billion if it were totally eliminated. I cannot agree, although I would like to, with the gentleman's figure of $3 billion.

Mr. JOHN L. BURTON. If the gentleman will yield for a second, we got the $3 billion figure for the total elimination by legislation from the Budget Bureau.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to my colleague from Tennessee.

Mr. BEARD of Tennessee. I thank my colleague from Tennessee for yielding to me.

Mr. Chairman, I think some of the points the gentleman made are well taken, and there are parts of the gentlewoman's amendment that I am concerned about.

Mr. GORE. Is it the part that reduces the deficit by $200 million?

Mr. BEARD of Tennessee. No, but if I am not mistaken, is it not correct that she would take the dollars that are being written off by tax credits by the oil companies now, and they would be placed into other agencies or other programs?

Mr. GORE. The gentlewoman's amendment would reduce the deficit by $200 million, and increase the budget authority.

Mr. BEARD of Tennessee. I am asking the gentleman, though, would he support—and I think I could possibly support—the elimination of these tax credits, but with all the dollars going to be applied to the deficit rather than in this way, on the floor, taking dollars and throwing them into programs without legitimate hearings. Would the gentleman find that useful?

Mr. GORE. I do not think the gentlewoman is going to increase expenditures without hearings. She is increasing budget authority, and at the same time reducing the deficit by $200 million.

Mr. BEARD of Tennessee. Would the gentleman support the amendment to eliminate the tax credits?

Mr. GORE. I support the amendment of the gentlewoman from New York, but I think an amendment such as the one my colleague describes would be itself very preferable to the current situation. Were the choice not between the amendment the gentleman describes and the amendment of the gentlewoman from New York, but rather between the hypothetical amendment described and the current situation, I would support the hypothetical amendment.

Mr. BEARD of Tennessee. We will be looking for that support.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I thank my colleague for yielding. I would say that I support and agree with what he has said. Historically, would he not add one other footnote, that a part of the negligence of the Congress, and indeed preceding Congresses and preceding administrations, has been to practically allow major oil companies to deal with other governments as if they were a government? What we are talking about here is bringing back to the people and the peoples' elected representatives the proper authority we should have in looking into those transactions. In the past, they have operated as if they were a government.

☐ 1700

I would agree completely and note that the change was not by legislation but rather by a revenue ruling within the IRS.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Ms. HOLTZMAN, and by unanimous consent, Mr. GORE was allowed to proceed for 2 additional minutes.)

Ms. HOLTZMAN. Would the gentleman yield?

Mr. GORE. I would be glad to yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding. I appreciate the comments that have been made. The point, however, about this amendment is that it accomplishes three things. One is that it eliminates a loophole that should never exist. Second, it does so not by contemplating legislation but by contemplating that the Internal Revenue Service will promulgate regulations promptly, to eliminate the abuses in the foreign tax credit—such as improper treatment of royalties as taxes and the use of the excess credits and shelter shipping income. We in the Congress will be sending a very strong signal to the administration to move to eliminate this loophole if we adopt my amendment.

Third, what this amendment does is to transfer some of these funds that are gained from eliminating the loophope into programs to increase our energy independence, to research into energy conservation and development of energy conservation, to research and development in the areas of alternative energy sources: solar, fossil fuel, and the like, which are deeply important in these programs and funding. One of the reasons that the Committee on the Budget did not fund some of the programs that my amendment funds was because of the constraint of the deficit. By adopting my amendment we can raise the money to fund desperately needed programs and at the same time reduce the deficit. I would hope that the amendment as a whole would be accepted.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Long of Maryland, and by unanimous consent, Mr. Gore was allowed to proceed for 1 additional minute.)

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. I thank the gentleman for yielding.

Am I correct in sensing that what the gentleman is saying—what I have been saying for some time—is that this tax credit is basically invisible foreign aid to the Arab Middle East oil-producing countries, and if there ever was a justification for it, there certainly is not any longer when they have money to burn.

Mr. GORE. It was originally designed as such and continues to operate as such.

Mr. LONG of Maryland. Am I also correct in understanding that this can be changed by regulation and does not have to wait for the kind of legislation which the gentleman from Connecticut indicated that probably could not happen this year?

Mr. GORE. To a great extent it can be changed by regulation.

Mr. LONG of Maryland. I intend to support the amendment of the gentlewoman from New York.

Mr. GORE. Mr. Chairman, I yield back the remainder of my time.

AMENDMENT OFFERED BY MR. SOLOMON AS A SUBSTITUTE FOR THE PERFECTING AMENDMENT OFFERED BY MS. HOLTZMAN

Mr. SOLOMON. Mr. Chairman, I offer an amendment as a substitute for the perfecting amendment.

The Clerk read as follows:

Amendment offered by Mr. Solomon as a substitute for the perfecting amendment offered by Ms. Holtzman:

In the matter relating to the recommended level of Federal revenues increase the amount by $1.2 billion;

In the matter relating to the amount by which the aggregate level of Federal revenues should be increased, increase the amount by $1.2 billion;

In the matter relating to the amount of the deficit decrease the amount by $1.2 billion;

In the matter relating to the appropriate level of the public debt decrease the amount by $1.2 billion;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $1.2 billion.

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, I listened attentively to the gentlewoman from New York (Ms. Holtzman) and her amendment and what it would do. I heard the gentleman from Tennessee talk about loopholes and talk about eliminating the foreign tax credits for oil. I heard all the applause on that side of the aisle. I cannot help but agree wholeheartedly with that applause because I think we should make that change. But we have heard a lot of rhetoric on this floor for weeks now concerning a balanced budget. Yesterday I cast a very hard vote against revenue sharing which would have helped my State of New York. I found it very difficult to cast that vote, but I have a commitment to the people I represent and the people of the United States to balance the budget, which is causing unconscionable inflation at the rate of 13 percent that the American people can no longer take. This Congress continually makes appropriations and spends more money which causes inflation, and they have continuously tried to blame the American people for inflation. The inflation is caused by this Congress.

My amendment is very simple, and it received a lot of applause on that side of the aisle. It simply eliminates the appropriations, the budget authority for functions 270, 400, 500, and so forth, and plugs the loopholes, raises the revenues of $1.2 billion, and applies it all to the deficit that this budget presently has. We ought to pass this amendment overwhelmingly, and we ought to do it right now. It eliminates the foreign tax credits on oil companies and makes royalties a deductible business expense—as opposed to a tax credit * * * so in effect what we are doing is taxing the foreign profits of the big sister oil companies.

The successful passage of this amendment will therefore raise revenues by $1.2 billion and more importantly reduce the Federal deficit by the same amount and thereby help to reduce the unconscionable inflation caused by Federal deficit spending.

Mr. HAGEDORN. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Minnesota.

Mr. HAGEDORN. I thank the gentleman for yielding.

I rise in support of the gentleman's substitute amendment. I, too, am a long time opponent of the foreign tax credit. While this does not get at all of it, it does get at a significant portion of it.

I agree also with the gentleman from New York that just because we take in some money that we have been passing out to foreign nations in the past, at least we ought to save it. Let us put it toward the deficit and not turn right around and spend it, virtually all of it again—$200 million. I think the substitute amendment is on the right track. This Congress must go on record eliminating loopholes, support a balanced budget, support the substitute amendment offered by the gentleman from New York, and pass it.

□ 1705

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I will yield to the gentleman from California.

Mr. JOHN L. BURTON. I thank the gentleman.

You are going to have an offer shortly to vote to balance the budget this year with my amendment and I hope you will put your vote where your words have been.

Mr. SOLOMON. Mr. Chairman, was that the amendment that abolishes the Department of Defense?

Mr. JOHN L. BURTON. No, that is not the amendment that abolishes the Department of Defense. It is the amendment that balances the budget this year.

Mr. SOLOMON. It will be a cold day in hell before I will ever vote for that amendment, Mr. Chairman.

Mr. JOHN L. BURTON. It balances the budget this year.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. I would like to compliment the gentleman. I think this gets to the real heart of the matter. That this money can be applied to the deficit of this country, which is what I think the American people want.

When you look to the gentlewoman's amendment, the gentlewoman from New York (Ms. Holtzman) regarding the dollars that would be accumulated through eliminating this foreign tax credit, $250 million would go to function 270; $250 million would go to function 400; $175 million would go to function 500, and so forth, down the road, I do not think that is what this House wants now and I think that the way that we can be fiscally responsible at this time, and I do applaud the gentleman, is to vote for the cancellation of the foreign tax credit and apply it to the deficit of this country. I do compliment the gentleman and ask for his support.

Mr. SOLOMON. Mr. Chairman, I reclaim my time.

I would just like to say this does not increase taxes, this plugs loopholes. The amendment should be passed. I ask for a recorded vote on it.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Connecticut.

Mr. GIAIMO. Mr. Chairman, I would like to clarify what I think the situation is in regard to this tax.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Giaimo and by unanimous consent, Mr. Solomon was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield to me?

Mr. SOLOMON. I yield, Mr. Chairman.

Mr. GIAIMO. Originally, the amendment of the gentlewoman from New York (Ms. Holtzman) suggested the elimination of the foreign tax credit. I understand from her later statement she is not suggesting an elimination of it but a modification of it.

Now, if the gentleman will yield further, as I understand it, part of what the gentlewoman is trying to do would require legislation. Part of it would require regulation. To change the applicability of the foreign tax credit and the way in which it is applied and the way in which the oil companies use it, and I understand it, is an extremely complicated procedure that would require legislation.

To change the definition would involve what is a tax rather than a royalty and things of that kind. That I understand could be done by regulation.

Now, I am also told, Mr. Chairman, that the best estimates we have to date seem to indicate that the most you could come up with by way of changing the applicability based upon current estimates could be in the neighborhood of $300 million and an additional $700 million, perhaps, by way of changing the definitions of what are taxes and what are royalties.

Mr. SOLOMON. Reclaiming my time, I will yield to the gentlewoman from New York because I am not amending that part of her amendment and I will let her explain it to you.

Ms. HOLTZMAN. Mr. Chairman, I thank my colleague for yielding.

I will say to the chairman of the committee, my understanding is no legislation is required. I may be wrong, but in any case even if legislation is required, by regulation we can cut at least $500 million if not more. Perhaps $600 million or $700 million can be obtained just by changing the regulation. These are my best estimates and I would say to the chairman of the committee that the $1.2 billion does not represent a total elimination of the foreign tax credit, but represents the implementation of a more moderate program, one proposed by the President.

Of course, if you want to eliminate the foreign tax credit entirely that would pick up an extra $500 million, to my understanding.

Mr. SOLOMON. That is correct, Mr. Chairman. We do not intend to eliminate it entirely.

Mr. GIAIMO. Mr. Chairman, will the gentleman again yield to me?

Mr. SOLOMON. I yield the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

The point I am trying to make is you need, definitely, legislation for part of this change.

Mr. FISHER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have much sympathy for eliminating or reducing the foreign tax credit enjoyed by the oil companies.

□ 1710

I have even more sympathy for using any revenue gains from this to solve or help to solve the energy problem; but this really is not the right forum to do this. We have had no hearings on this matter. We have not explored it. We do not know how much of this could be done by regulation. We do not know what kind of legislation may be called for. We do not have good estimates of the resulting revenue gain. This is the wrong place and the wrong time. Even though there is much merit in the proposal, I would strongly urge that it be defeated. No committee has looked into this and I strongly urge that we not go at it in this way.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I would be glad to yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I would say that very clearly I have some problems also with the foreign tax credit and we should look at it and we should make some changes.

Now, the President in his energy message has made recommendations. The maximum amount of revenue that we could pick up by doing anything that would not totally destroy our American foreign industry operation would be about $300 million.

Now, that is a sizable amount of revenue. We are going to be looking at it in the energy package; but to here legislate, it seems to me, would be a very irresponsible procedure. As a matter of fact, it may be endangering the whole budget resolution, because I venture to say that we are treading in a very dangerous and in a very highly volatile area. If, indeed, this were legislatively done, if it accomplished something legislatively, we would destroy the budget resolution. There is no question about it.

The only way we could vote for this and get by, well, people say, "Well, it ain't going to happen, anyhow," but that is not what the budget resolution is all about.

We will look at this package. We looked at it during the sixties. We know how complicated it is. We know now it needs some additional tightening. We will look at it in the energy package. That is the responsible way to do it.

I would urge the Members of the House not to do what appears to be an easy answer solution in the budget resolution, but to take this thing the hard way. We will bring recommendations and give you an opportunity to vote on this matter in the legislative process.

We urge you to do it the responsible way and not in this budget resolution.

Mr. DOWNEY. Mr. Chairman, will the gentleman yield?

Mr. FISHER. I yield to the gentleman from New York.

Mr. DOWNEY. Mr. Chairman, I have not served on the Committee on Ways and Means for a great deal of time. I know it is probably not fashionable to stand up here and contradict my chairman; but it would seem to me for those of us who are interested in making the Committee on Ways and Means understand your very strong feelings with respect to this tax credit, that you can send us a very, very loud message and provide some of us who would like to do away with this foreign tax credit an opportunity to work our will in the committee.

I would hope that that would be sent up to us.

Mr. FISHER. Mr. Chairman, I will reclaim my time.

Mr. Chairman, one of the problems I did not mention that has been exposed already is that the Members who have spoken have fallen out on how to use any revenue pickup that might result from changing the foreign tax credit.

On the one hand, some want it to be used for energy. On the other hand, some want it to be used for income programs. There are yet others who want it to be used to reduce the debt. This is exactly what we get into when a complex matter has not been developed more carefully.

We should look into it and investigate it. We should hold hearings on it and bring it forward through a legislative committee, as it ought to be.

I urge my colleagues to eliminate or greatly reduce the foreign tax credit and to use the resulting Government revenue in some constructive way such as encouraging energy conservation and production or reducing the Federal debt. But I urge you to do this after the proper legislative committee, the Ways and Means Committee, has considered the matter and offered a carefully worked out bill to achieve this objective, which I favor.

□ 1715

Mr. GIAIMO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the amendment offered to the amendment offered by the gentlewoman from New York (Ms. HOLTZMAN) strikes out all the additional outlay moneys which the gentlewoman from New York has proposed for education, for energy research, for mass transit, and for other programs. I oppose that amendment because I think that we should not add to the outlays.

The amendment offered by the gentleman from New York (Mr. SOLOMON), as I understand it, would merely provide that we set a priority here in this budget as to what the proper level of revenues should be, and the suggestion of the gentlewoman from New York (Ms. HOLTZMAN) and of the gentleman from New York (Mr. SOLOMON) is that the revenue levels should be increased by about $1.2 billion.

I would work in behalf of accomplishing that. I would work, as I stated, with others here to encourage the appropriate committee, which would be the Committee on Ways and Means, and the administration, to do whatever would be necessary by regulation and by legislation to bring about. I think that the tax credit is improper and inequitable.

But I would have to say to the chairman of the Committee on Ways and Means that it is perfectly proper to offer an amendment of this kind, as they are doing here today, to set priorities.

We are not legislating or they are not legislating. They are not doing anything differently here than they are in their other amendments that they have added to the mass transit. We are going to have one on water projects that will invade committees' jurisdictions, or I suppose the charge will be made that it invades the jurisdiction of some other committees.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I will yield in a moment.

Mr. Chairman, they are setting a priority, and they are in effect saying to the necessary committees, which are the gentleman's committee and the comparable Senate committee, and also to the administration, "Do something about the foreign tax credit on oil."

That is what they are doing by this legislation. I think that is perfectly proper.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the chairman of the Committee on Ways and Means.

Mr. ULLMAN. Mr. Chairman, I would say to the gentleman that I am not arguing that point. It is perfectly within the scope of this discussion to offer this kind of an amendment, but it is improper to be deceptive as to the amount of revenue involved in this kind of a procedure.

We are not just talking about oil companies if we are talking about that kind of revenue. We are talking about every corporation that does business abroad, and if indeed we are going to pull back on the credit to all those corporations, we are going to destroy our posture in the world and turn those markets over to foreign companies.

The scope and the manner in which this is being presented is not proper, I assure the gentleman. The proper procedure is through the legislative forum. We will hold hearings, we will hear Members, and we will come to the membership with a recommendation that is proper and that puts this revenue in the right form.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Tennessee.

Mr. GORE. Mr. Chairman, I thank my colleague for yielding.

The oil industry is in fact treated differently under this provision than any other industry in the United States because of a revenue ruling in 1950 which allows them in effect to write royalties off as tax credits, a feat that is not available to other industries. So I would respectfully disagree with the statement that other industries would also be affected by these changes as the amendment is designed.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, if we are talking about that, we are talking about a maximum of $300 million. If we are talking about $1.2 billion, we are talking about covering the whole gamut of the foreign operation and not just the oil companies. We are not getting at the problem we are trying to get at.

Mr. GIAIMO. Mr. Chairman, my concern with voting for this amendment is this: I find no fault with those who are suggesting it, because, as I say, I would like to see legislation in this area. My concern is that we are going to purport to add $1.2 billion to revenues. That is going to make our deficit look better by $1.2 billion, but I am worried that it is not really so.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. GIAIMO) has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mr. GIAIMO. Mr. Chairman, my concern is that the $1.2 billion is too high a figure, and that we are going to have to re-add this to the deficit this summer when we have the second budget resolution.

That is why I tend to oppose this amendment. However, again I must say and state clearly that the essence of the action of the Committee on the Budget is to set priorities. Setting tax law priorities and revenue priorities is of the highest call and is certainly in order.

□ 1720

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. I thank the gentleman for yielding.

Mr. Chairman, I just simply would say that the figure of $1.2 billion is conservative, because if you want to eliminate the foreign tax credit entirely, you save $1.7 billion. In addition, we are only talking about oil companies in my amendment. I have consulted with both the staff of the Committee on the Budget and other experts on this, and the figure is a reasonable one. This is only the first budget resolution. If it turns out we are wrong, we can rectify it later.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the last word.

As a matter of clarity, are we not kidding ourselves about the tax we are trying to attack here? I think you can get a lot of sympathy, because the American people are concerned about this tax credit. However, it is a tax that the American Government is not placing on the import of this oil. It is a tax that we are not going to eliminate either by the action by the Committee on the Budget or by the action of the Congress. It is a tax levied by another country. Someone is going to pay it. If we do not allow it to be a tax credit, then the cost of oil to the consumer is going to go up. The American consumer is going to pay. Someone is either going to have to pay that bill or we are not going to buy the oil abroad. That might be a good thing. But we are kidding the American people. The cost of oil is going to go up if the Holtzman amendment should pass.

Mr. GORE. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Tennessee.

Mr. GORE. It is either paid to the U.S. Treasury or it is not. The question is whether royalty payments are going to be subtracted from the tax bill due the United States.

Mr. MYERS of Indiana. The tax is going to be paid by the oil companies, would the gentleman not agree? It is going to be paid to another country, the export country, does the gentleman not agree on that point?

Mr. GORE. It is not a tax. It is a royalty.

Mr. MYERS of Indiana. Right. A royalty.

Mr. GORE. The major portion is a royalty to the oil-producing countries which we tell them they can subtract from their tax that would otherwise be due the United States.

Mr. MYERS of Indiana. Otherwise it would be a deduction for doing business?

Mr. GORE. Otherwise it would be a business expense deductible from taxable income but not a credit against tax payment itself.

Mr. MYERS of Indiana. Would the gentleman not agree that the difference between taking it as a tax credit allows the company to sell oil cheaper?

Mr. GORE. No. It allows them to escape tax liability. It enables their profits to be higher.

Mr. MYERS of Indiana. The profits are going to be relatively the same to the oil companies. Everyone doing business in this country wants to make a profit and must if they are to stay in business. The oil companies are tax collectors.

Mr. GORE. No one is against a reasonable profit.

Mr. MYERS of Indiana. But I am saying they are going to pass on the costs of the taxes paid, either to another country, ours, or both. The ultimate result will be that the consumers will pay higher prices for oil if this amendment should pass.

Mr. GORE. I disagree, respectfully.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the point was made here—I think by the chairman of the Committee on Ways and Means but possibly by the chairman of the Committee on the Budget—that this would have ramifications going beyond the oil companies. If that is so, then I welcome it even more, because what we have been doing really is to say to any corporation, "If you earn your money in the United States, you have to pay a tax. If you earn your money abroad, you can get out of paying taxes." And we have been subsidizing the export of billions of dollars worth of investment outside the United States. This is part of the reason both for the shortage of domestic investment and the fall in the value of the dollar all over the world. So I support this amendment and if it has broader ramifications than mere oil, then all the more power to it.

Mr. HAGEDORN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to direct a question to the gentleman from Tennessee (Mr. GORE).

Mr. Chairman, is the gentleman opposed to foreign tax credits that are legitimate, in other words, taxes that are paid to foreign governments in the course of a business operation, or is the gentleman attempting to get after royalties, which are a legitimate cost of doing business but are not in fact a tax? What is the gentleman trying to get at?

□ 1725

Mr. GORE. The general principle of allowing the jurisdiction, where income is earned, to have the first opportunity to tax that income is, in my opinion, a valid principle of international tax law.

What is invalid is to allow the subterfuge of making royalty payments appear on tax payments to the host country and then allowing those payments to be deducted from the U.S. tax obligation.

Mr. HAGEDORN. Thank you.

Would the gentlelady from New York (Ms. Holtzman) give her description of what she is attempting to get at.

Ms. HOLTZMAN. I think the gentleman from Tennessee (Mr. Gore) said it perfectly.

Mr. HAGEDORN. Now, your amendment would take $1.2 million of the $1.7 in royalties that today are being deducted as tax credit and therefore unjustifiable?

Ms. HOLTZMAN. My amendment states that $1.2 billion could be saved to the American taxpayers by the proper tax treatment of the royalty payments to the OPEC nations.

Mr. HAGEDORN. Then I once again concur with the efforts here. I think they are exactly on target. Royalties ought to be treated as part of doing business, but they ought not to be allowed to be deducted as a tax paid.

What this substitute motion will do today is send some signals to the Ways and Means Committee saying, "We want something done and don't come out under a closed rule which denies us an opportunity to vote. Stop forcing us to vote things up or down without having any input here on the floor."

Mr. BAUMAN. The gentlelady from New York just said that the pending amendment would save the taxpayers $1.2 billion. I would just like to point out the Solomon amendment now pending will save the taxpayers all of that money, as opposed to her suggestion that the money be taken in taxes and spent for other programs, a great many programs she names.

So, I would strongly urge if the Members want to reduce the deficit by $1.2 billion or in that approximate range, that they vote for the Solomon amendment. That is a wise expenditure of the money.

Mr. HAGEDORN. I concur. I am going to support the Solomon amendment, and even if worse comes to worse supposedly, and rather than reduce the deficit, we spend the money on education and new energy programs, I think that is even spending the money a lot better than the current system.

Mr. JONES of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HAGEDORN. I yield to the gentleman from Oklahoma.

Mr. JONES of Oklahoma. Mr. Chairman, I do not want to disabuse the gentleman of his position, but I must agree with the chairman of the Ways and Means Committee. What is unrealistic here is the amount of dollars involved. Three hundred million dollars can be saved by statutorily changing the law with regard to foreign tax credits on oil. I think it is unrealistic to say that if the Treasury Department will disallow tax credits for what they consider to be royalties rather than legitimate taxes paid to foreign governments, that we are going to pick up another $900 million.

The Treasury Department over the past couple of years has been very vigorous in going after different countries and different companies who have been deducting or crediting taxes paid which were really royalties, and they have changed the regulations. They have not picked up anywhere near that amount of money. What they have done was to take the regulations that basically apply to royalty payments and tax payments in this country and applied them abroad.

I have no objection to the House venting all of its dissatisfaction with the oil industry and saying, "Pick up some money and change the foreign tax credit," but I think, in looking at the budget process, we ought to have some realistic view as to what can actually be picked up by statutory changes and what can be picked up by regulatory changes.

Mr. HAGEDORN. It seems to me then what we ought to have is language directing the Ways and Means Committee to come out with the necessary legislation to change the tax laws that treat royalties.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Solomon and by unanimous consent, Mr. Hagedorn was allowed to proceed for 3 additional minutes.)

Mr. HAGEDORN. Whether it is $300 million or $1.7 billion, as the gentlelady from New York says, whatever it is, then that is what we should decrease our deficit by.

Mr. JONES of Oklahoma. If the gentleman would yield, such language would be subject to a point of order, but with regard to the definition of royalty versus foreign taxes, I do not think you need to change the statute. It is an interpretation by the Treasury Department.

The gentlewoman from New York is very accurate that this is an interpretation by Treasury in their regulations.

☐ 1730

I do not think the Ways and Means Committee needs to change the statute on that.

Mr. HAGEDORN. Then the gentleman thinks that a simple act by this Congress today would send direction to the IRS to change the code? Is that what he is suggesting?

Mr. JONES of Oklahoma. The gentleman can send any signal he wants. We have sent some signals that we are going to save a certain amount of money, or that inflation is going to be a certain amount. I think that also may be unrealistic. I just think that when we deal with these amendments, we ought to try to be as realistic as possible.

Mr. HAGEDORN. Mr. Chairman, for a little legislative history let me suggest that if this amendment is to pass in this form, that it is a direction to the IRS to straighten out the treatment of royalties as foreign tax payments, and maybe we do not need to do any more than that today.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Solomon) as a substitute for the perfecting amendment offered by the gentlewoman from New York (Ms. Holtzman).

The amendment offered as a substitute for the perfecting amendment was agreed to.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentlewoman from New York (Ms. Holtzman), as amended.

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Ms. HOLTZMAN. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 355, noes 66, not voting 13, as follows:

[Roll No. 129]

AYES—355

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conte
Conyers
Corcoran
Corman
Cotter
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Devine
Dickinson
Dicks
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gephardt
Gilman
Gingrich
Ginn
Glickman
Goodling
Gore
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hughes
Hutto
Ichord
Ireland
Jacobs
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Lloyd
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha

Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Pease
Pepper
Perkins
Petri
Peyser
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rosenthal
Roth
Roybal
Royer
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Swift
Tauke
Taylor
Thompson
Traxler
Trible
Udall
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Wampler
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—66

Beilenson
Boggs
Bolling
Brown, Ohio
Buchanan
Cheney
Collins, Tex.
Conable
Coughlin
Crane, Daniel
Crane, Philip
Derwinski
Edwards, Ala.
Edwards, Okla.
Erlenborn
Fisher
Forsythe
Frenzel
Giaimo
Gibbons
Goldwater
Gonzalez
Gradison
Hansen
Hyde
Jeffries
Jenkins
Johnson, Colo.
Jones, Okla.
Kemp
Kindness
Livingston
Loeffler
McClory
McCloskey
McDonald
Marks
Martin
Moore
Moorhead, Calif.
O'Brien
Patten
Paul
Pickle
Railsback
Rhodes
Rostenkowski
Rousselot
Rudd
Runnels
Russo
Schulze
Simon
Stack
Stanton
Stratton
Stump
Symms
Synar
Thomas
Ullman
Walgren
Watkins
Waxman
Wirth
Young, Alaska

NOT VOTING—13

Anderson, Ill.
Archer
Breaux
Davis, S.C.
Diggs
Gaydos
Hubbard
Huckaby
Long, La.
Madigan
Patterson
Roberts
Treen

☐ 1745

Messrs. LELAND, KELLY, DERRICK, HANCE, SAWYER, DECKARD, and ENGLISH changed their vote from "no" to "aye."

Messrs. JEFFRIES, STUMP, RUSSO, GOLDWATER, YOUNG of Alaska, HANSEN, ROUSSELOT, THOMAS, and RUNNELS changed their vote from "aye" to "no."

So the perfecting amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

PERFECTING AMENDMENT OFFERED BY MR. ASHBROOK

Mr. ASHBROOK. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. ASHBROOK: In the matter relating to International Affairs decrease the amount for the budget authority by $2,284 million; and decrease the amount of outlays by $2,284 million;

In the matter relating to General Purpose Fiscal Assistance increase the amount for the budget authority by $2,285 million; and increase the amount for outlays by $2,285 million;

In the matter relating to Allowances decrease the amount for budget authority by $1 million; and decrease the amount for outlays by $1 million.

POINT OF ORDER

Mr. GIAIMO. Mr. Chairman, I make a point of order on the amendment.

The CHAIRMAN. The gentleman from Connecticut makes a point of order on the amendment.

Does the gentleman desire to be heard on his point of order?

Mr. GIAIMO. I do, Mr. Chairman.

Mr. Chairman, the amendment which I have here sets forth changes in the functional categories, international affairs, general purpose, fiscal assistance, and allowances. I do not have anything in the paper before me dealing with the aggregates, the revenue figure, the budget authority figure, the outlay figure, the deficit figure, and the national debt figure, and, therefore, the amendment is not mathematically consistent.

The CHAIRMAN. Does the gentleman from Ohio (Mr. ASHBROOK) desire to be heard on the point of order?

Mr. ASHBROOK. Yes; Mr. Chairman.

Mr. Chairman, this amendment simply reduces one category by $2.284 billion. It adds it to another category.

I suppose I can put a line in there and say it has no effect on the deficit, because what we increase in one and deduct from the other has no deficit effect, and I did not put that in the amendment.

I think it is consistent. It is offered in the spirit of the rules, Mr. Chairman, and I think it is germane.

The CHAIRMAN. Does the gentleman from Connecticut (Mr. GIAIMO) desire to be heard further on the point of order?

Mr. GIAIMO. Mr. Chairman, let me ask the gentleman, does his amendment add up to a zero change in budget authority?

Mr. ASHBROOK. Mr. Chairman, it is a zero change. It takes $2.284 billion from one category and adds it to another. There is no change in the deficit.

Mr. GIAIMO. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The gentleman from Connecticut (Mr. GIAIMO) withdraws his point of order, and the gentleman from Ohio (Mr. ASHBROOK) is recognized for 5 minutes in support of this amendment.

Mr. ASHBROOK. Mr. Chairman, for all those Members who think the floor of the House is no place to legislate, here is another amendment. It is a rather strange idea, but that seemed to prevail in the preceding argument.

We all take a certain pride of authorship in those matters which come out of our committees, and I can understand the Committee on the Budget and the lament of the chairman of the Committee on the Budget. But I would only point out that yesterday in the Conable amendment we had something that is very similar to what I am offering here. As a matter of fact, we might call this "the Conable amendment revisited."

If the Members read their morning paper, as some of us have to do whether we want to or not in this particular place, it indicated that the Conable amendment for $2.3 billion in Federal revenue-sharing grants had been defeated.

☐ 1755

All my amendment does—and it is a very simple one, very easy to understand—it is the Conable amendment with one difference.

What was the main complaint about the Conable amendment yesterday? The Conable amendment provided for $2.284 billion in increased authority for spending, but not offset. It would merely have been added to the deficit.

The amendment that I am offering has the Conable amendment transferring $2.285 billion in the general purpose fiscal assistance, that is, revenue sharing for States, but with this difference: it would subtract the international affairs function by the exact amount.

I guess you might call this the Altoona or Afghanistan amendment. We are either going to spend it at home or we are going to spend it on foreign aid. Either Texas or Timbuktu. I think it is very simple to understand. It is the Conable amendment with one difference. Rather than increasing the deficit, we merely would take that same amount and reduce the foreign assistance authorization.

Mr. Chairman, this amendment would cut $2,285 million from the international affairs functions of the fiscal 1980 budget. I think most of my colleagues here would agree that the most dismal lack of success of public policy has been in this area. The current administration has bungled more projects and more initiatives in foreign affairs than the rest of its programs combined. It has shown a lack of foresight in its handling of African affairs. It has shown a distinct lack of concern or lack of understanding for America's faltering position in international trade. It has shown an incredible ignorance of the actions and motivations of the Soviet Union, Communist China, and Cuba. Surpassing all of these, the administration has displayed a blatant disregard for the American taxpayer by demanding that all the administration's failures and giveaways be paid for with increasing amounts of tax dollars.

In another week or two we will be considering the giveaway of the Panama Canal. Somewhere in the future the Senate will be considering the SALT Treaty. In both cases our State Department has shown its inclination toward an "America second to all" mentality. We should not ask the American taxpayer to foot the bill for these giveaways and these mistakes. The State Department is spending hundreds of thousands of dollars on lobbying Congress and the Nation to pass these unwise measures. This lobbying is illegal. The "Road Shows" to sell SALT are unethical, and their "pitch" is inaccurate and false. The era of open Government that was promised by the President has given way to back room deals that are then "Rafshooned" into packaged media events for public consumption. This is not what many people voted for in 1976 and this is not what tax dollars should pay for now.

Mr. Chairman, this is an amendment to shift funds from "International affairs and allowances" functions of the fiscal 1980 budget and to place these funds into general fiscal assistance. I think my colleagues will agree when I say that the plight of many of our States and cities warrants more money while organizations like the United Nations and the World Bank can stand to tighten their belts. As I mentioned during this House's consideration of the Foreign Assistance Act, some of our tax dollars are being used by the State Department and by these international organizations to help nations who openly oppose what is good for America. The millions of dollars that go to Cuba, Vietnam, and Cambodia can be better used within our Nation to ease local tax burdens and to provide better services. The giveaway plans for the Panama Canal and SALT do not need as much help as some of our State and city governments.

My friend and colleague from New York has offered a similar amendment to increase general fiscal assistance and to cut allowances. I hope he will join me in going one step further by taking some of the fat and gravy out of the State Department and away from our foreign opponents.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

Mr. Chairman, in researching the various functions for unobligated balances that have not been spent before this debate, I was surprised to discover that some of the Departments that have been attacked for running up these unexpended balances, for instance, the Defense Department, are not the worst offenders. The gentleman directs the attention of the committee to the fact that international and multilateral lending institutions have billions and billions of dollars lying there unexpended and unobligated. If we are really concerned, it seems to me that the gentleman's suggested amendment of transferring $2.3 billion into Federal revenue sharing can be addressed in that area. That is a place that is ripe for a transfer of any unused funding. It would not hurt any of these programs.

Mr. ASHBROOK. I thank my colleague for his contribution. Many millions of dollars are in the pipeline for foreign aid. As the gentleman also knows, there are many spigots, not just one or two. I have heard that there are 15 or 20 different spigots that pour money into international foreign aid. What we are doing is making a very slight turn to one of those spigots to the relationship that we would put the $2.2 billion in our State revenue sharing and slightly turn the spigot on international affairs and international spending. I think it is an excellent amendment.

On the Conable amendment, I might point out, the vote was 195 to 190; in other words, it lost by 5 votes.

The Ashbrook amendment would be the Conable amendment with one difference, as I repeat: No deficit; merely subtracting that $2.2 billion for needed revenue sharing for States from foreign aid.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Not being too familiar with the account the gentleman is taking the money out of, is this an aggregate foreign aid account in which bilateral, unilateral, and multilateral assistance could be affected?

Mr. ASHBROOK. I would say to my colleague that I did not want get into specifics. It is coming out of the entire category. I know the first question is going to be asked: What does it for Israel and Egypt?

So far as I am concerned, you can leave Israel and Egypt 100 percent intact and take it from somewhere else. You are reducing the category and not the line function.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Maryland.

Mr. BAUMAN. In response to the question of the gentleman from Kansas, the function covers such agencies as multilateral development banks, international organizations, including the U.N., the Agency for International Development, security supporting assistance, refugee assistance, other foreign economic and financial assistance.

I would also direct the gentleman's attention to the fact that this is the first of two budget resolutions. If indeed, there is some difficulty in reconciling these transfers, as the gentleman suggests, that could be corrected between now and the September resolution consideration.

□ 1800

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

This may well be the most colossally irresponsible amendment that has yet been offered to the budget resolution.

I simply cannot believe, even at this relatively late hour in our consideration of the resolution, that the members of the committee could possibly entertain a thought of voting for this amendment. If we could somehow or other put back money into the budget resolution for general revenue sharing, which I must say that I supported, by eliminating the foreign aid program for Afghanistan, the Central African Empire, and several other repressive regimes around the world, I would be the first one to support it. But the adoption of this amendment would literally decimate not only our entire foreign aid program, but very possibly our ability to continue the conduct of diplomacy throughout the world.

The gentleman's amendment would reduce, would take away from the outlays for international affairs, function 050, the grand total of $2.2 billion.

By comparison, we are spending only $1.8 billion for the total conduct of foreign affairs throughout the world. So if we made up the $2.2 billion that the gentleman's amendment would have us take out of this function by cutting back on the conduct of foreign affairs, we would have to close down literally every embassy and consulate in the entire world, and we would still have $400 million to cut out from other parts of this function.

Now, the gentleman might say that would not be necessary, and I quite agree with him. Let us say, for the purpose of discussion, we will not take it out from the conduct of foreign affairs. We will not close down any of our embassies. We will not close down any of our consulates. But we will take it out of the foreign aid program. If we are going to cut that kind of money out of the foreign aid program, you can bet your bottom dollar, given the contractual commitments that have already been made with respect to many existing foreign aid programs, that this is going to have to come out of the appropriation for Israel and Egypt in the Middle East.

The Committee on Foreign Affairs had a hearing today, at which Secretary Vance testified on behalf of the administration's supplemental request for foreign aid for Israel and Egypt, now that the treaty between them has been signed.

He made the point that over the course of the last three decades, the cost of four wars in the Middle East to our own country has come to literally tens of billions of dollars, and he tried to make the argument that, however expensive it may be, the cost of peace is infinitely less than the cost of war to our own country. He further made the point that if we failed to approve the administration's request for additional assistance to Israel and Egypt as a result of this peace treaty, there would be virtually no possibility whatsoever that either Israel or Egypt could live up to the terms of that arrangement.

If they were not able to, the treaty would become a dead letter, and we would lapse back once again into an atmosphere of crisis and confrontation in the Middle East.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I am happy to yield to my good friend, the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. The gentleman not only is correct on what he has informed the House about, but is it not also true that in this function, the entire food for peace program (Public Law 480) under which we sell, on concessional sales abroad, a wide spectrum of agricultural products, and under which we also make needed donations to countries, and that this program would have to be deeply cut if, as the gentleman from Ohio suggests, we would not touch the program money for Israel and Egypt, we would have to cut very deeply into food for peace?

Mr. SOLARZ. The gentleman is absolutely accurate. I might say that, recalling the defeat I suffered on the floor of the House when I offered an amendment to take out a paltry $15 million for a rice program for Zaire, I only regret the fact that it did not occur to me originally to make the point myself.

The CHAIRMAN. The time of the gentleman from New York has expired.

(At the request of Mr. OBEY and by unanimous consent, Mr. SOLARZ was allowed to proceed for 3 additional minutes.)

Mr. SOLARZ. Given a cut of this magnitude, the authorizing committees are going to have one of three fundamental choices. Either they take it out of the conduct of foreign affairs, in which case we have to close embassies all over the world, or at least in many countries around the world. Or they have got to take it out of foreign aid, in which case we can forget about the most hopeful breakthrough in the search for peace in the Middle East in the last 30 years, because we are not going to be able to live up to commitments we made to both Israel and Egypt, without which they never would have agreed to a peace treaty in the first place.

☐ 1805

Or, we are going to have to cut back enormously on the food for peace program, which would be a real blow not only to hundreds of millions of poor people around the world who are literally dependent on our agricultural surpluses in order to have enough to eat and avoid starvation, but to the income of farmers in our own country. So, take your choice, one of the three, but somewhere along the line deeper cuts are going to have to be made.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would like to reaffirm virtually everything the gentleman from New York has said. If the Members will recall, in the little exercise I conducted last week, my amendment eliminated the entire foreign aid program with the exception that we retain 75 percent of the amount available for the Middle East. With that draconian approach we could only reduce outlays by $1.5 billion, and the reason for that is because, as the gentleman has indicated, contractual obligations and the fact that we are dealing with past budget authority which deals with outlays which this amendment cannot reach; so that to do what this amendment does would literally gut the operational capability of the State Department in embassies and consulates all over the world. We would have to cut the Middle East program far deeper than my amendment did the other day.

Mr. SOLARZ. I would just say in conclusion to my friends on the other side of the isle that if this amendment were adopted we might not even have enough funds to open an embassy in Rhodesia, if they are successful in lifting sanctions against that country. While God knows we need to eliminate waste in the foreign aid program, this amendment makes a meat ax look like a scapel.

Mr. SIMON. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, if I may comment not only on the amendment but on the process for a moment, I would like to do so. I have this fear not only on this amendment, but on some other things we have been doing, not only on the budget but on other things.

I have just chatted briefly with the chairman of the Rules Committee. What we are doing is, we are in the process of moving from a time in the history of the House when committees had far too much power, and we have moved to a point where the floor itself becomes a large, unwieldy committee. We are not doing the job of legislating as we should. We are legislating by whim rather than really doing the substantial job that ought to be done.

I think we have to face it, and I think we need some kind of modification in the rules that recognizes that reality.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield briefly to the gentleman from California.

Mr. JOHN L. BURTON. I appreciate the gentleman's statements, but we are in the Committee of the Whole and what the gentleman would be saying is that the rest of us should only rubber-stamp what committees do. I would hate to go back to my constituents and say that the floor of the House of Representatives is not the place to legislate.

Mr. SIMON. If I may respond to my good friend from California, I am not suggesting that there should be no amendments on the floor.

☐ 1810

I am not suggesting that we should not legislate on the floor. That obviously is the function. But let us proceed with a little more caution and a little more prudence in the process.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to the gentleman from Washington.

Mr. McCORMACK. I thank the gentleman for yielding. I want to agree with the gentleman from Illinois and congratulate him on the point that he is making. I have watched this debate now for a number of days on the budget, and whereas I have all the respect and the admiration in the world for the chairman of the Committee on the Budget and the members of the Committee on the Budget, I believe the function we are attempting to perform here clearly is invading the prerogatives of the authorizing and appropriating committees. We have in the rules designed a situation in which the Committee on the Budget is directed to go too far, and as a result the amendments on the floor are going too far into the traditional legislative procedures. I believe that we must look to that in the future, and I agree with the gentleman and the point that he is making.

Mr. SIMON. If I may speak to the merits of the amendment itself—and those merits are few, indeed—someone the other day in debate on the floor talked about Robin Hood in reverse. That is precisely what this amendment is. Take from the people who need it most in this world and give it to some States who would like to have it, could use it, but do not need it.

We have had debate on the security question on the floor of the House, and that is the major concern for all of us who know where we are in this nuclear world, but we are going to build a world of security for our children and for the generations, not only with more bombers and submarines but by seeing to it that hungry people have something to eat. If we do not recognize that simple reality, we do not understand the world in which we live.

The point made by my colleague, the gentleman from New York (Mr. SOLARZ) also has to be weighed. What impact, what devilish impact this would have on the Middle East agreement. We have been proud of what has taken place. It is a tenuous agreement. There is hope, but how far can we go? We do not know. The last signal the Middle East needs and the nations of the world need is for the United States to say we are going to massively brutally cut back on our expenditures in this field. I hope the amendment will be overwhelmingly defeated.

Mr. BAUMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I fear that some of my colleagues on the Committee on the Budget have finally discovered that the House is taking the budget process seriously. I know the last amendment shook them up a little bit. But it is inherent in the budget statute under which we are operating that any Member can obtain a majority of the Members to support his or her amendments thus rearranging the financial priorities of the budget. That is what has been happening here today.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the distinguished gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

I do not think the gentleman from Illinois was suggesting anything differently. I think he understands the budget process as well as the gentleman from Maryland does. But I think if I understood what the gentleman from Illinois is saying, he is asking the membership as they legislate to try to exercise some restraint and some prudence.

Mr. BAUMAN. Now I do not yield further at this point. I would say that the gentleman from Ohio (Mr. ASHBROOK) is exercising a large degree of restraint and prudence in suggesting that function 150, international relations, that includes about $13 billion might not be so sacrosanct. He suggests that of that total amount more than $2 billion could be found in all of those programs to transfer, not to States and local communities, but to the American people who pay the taxes for all of these international programs.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. No; I will not yield to the gentleman from New York, the distinguished chairman of the Subcommittee on Africa.

My reason for not rising is to point out that there is nothing in this amendment which inherently attacks the food-for-peace program. There is nothing that is going to cut funds for Israel or Egypt. There is nothing that is going to do any of those programs. There is suggested a transfer of $2 billion that all of the committees of jurisdiction will be confronted with. Those committees must decide where to reduce all of the programs or some of them, or only a few of them. But this transfer suggestion is inherent in this budget process, and the House has the right to impose that. My colleagues, you go back to your district and explain how this Committee on the Budget did away with revenue sharing, took the tax money and instead sent it overseas for foreign programs. That is the issue here. I do not think it is irresponsible for us to try to rearrange our budget priorities.

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. BAUMAN. I yield to the gentleman from Ohio.

Mr. ASHBROOK. I thank my colleague for yielding .

Three quick points: It has been said that the States do not need this money. How much do the States have in unobligated authority in the revenue sharing pipeline? None. Let us get the exact figure.

□ 1815

How many billions of dollars are in the so-called foreign aid pipelines? Billions of dollars. We do not have that in the States. Why not tap into a little bit of that money and share it with the States.

Second, as the gentleman pointed out we are talking about $2.2 billion of a $12 billion functional category.

Third, I think it is important to recall that nobody cared that much about voting a couple billion dollars in cuts from defense but whenever you talk about cutting a couple billion dollars from foreign aid that is the sacred cow, that is the one that gets them up off their heels. Cut defense but do not cut foreign aid.

I think we can find a lot of inconsistencies in this debate.

Mr. BAUMAN. I would say to the gentleman this budget function also includes a large amount of money for military sales and other assistance abroad, too.

Some of my liberal colleagues might wish to go after that in this cut.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield to me?

Mr. BAUMAN. I yield to the distinguished gentleman from California (Mr. JOHN L. BURTON).

Mr. JOHN L. BURTON. I thank the gentleman for yielding.

Will the gentleman explain to me again how he perceives the vote on this issue?

Mr. BAUMAN. How what?

Mr. JOHN L. BURTON. How the gentleman perceives the vote on this issue.

Mr. BAUMAN. How I perceive the vote?

Mr. JOHN L. BURTON. How the gentleman perceives the vote on this issue.

Mr. BAUMAN. I rose to support the amendment in the beginning, Mr. Chairman. I hope it will pass.

Mr. JOHN L. BURTON. The gentleman perceives it as either voting for money for your States or foreign governments?

Mr. BAUMAN. I perceive it as a suggestion to the appropriate House committees that we help people, American people, American taxpayers, people who are suffering under inflation; that we transfer funds from these many foreign programs, perhaps military sales, to help them back in their States and communities.

It is a people amendment, and that is why I am appealing for its passage.

I know the gentleman always supports amendments of this nature and I am sure the gentleman will support this one.

Mr. JOHN L. BURTON. Well, if I can overcome my fear of legislating on the floor of the House of Representatives, I might be constrained to vote for it.

Mr. BAUMAN. With all this noise, I did not hear the gentleman.

Mr. JOHN L. BURTON. If I can overcome my fear about legislating on the floor of the House of Representatives I might feel constrained to vote for the measure.

Mr. BAUMAN. I would say to the gentleman his concern is well placed. It is despicable to suggest that we are sent here to pass laws. I mean, after all, this is a very dangerous process in a representative government, that people would be elected to come here and write the laws with the consent of the people who are governed. That is a very dangerous concept to some of our colleagues, especially when the votes go against them.

Mr. JOHN L. BURTON. Mr. Chairman, if the gentleman will yield further, no person's life or property is safe while the legislature is in session.

Mr. BAUMAN. I would move that we adjourn but that motion is not in order in the Committee of the Whole.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield to me?

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. MITCHELL of Maryland and by unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman now yield to me?

Mr. BAUMAN. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I appreciate the gentleman yielding.

It was rather noisy in the House.

Mr. BAUMAN. It was.

Mr. MITCHELL of Maryland. Mr. Chairman, I wanted to make sure that I understood what the gentleman said.

Mr. BAUMAN. Yes.

Mr. MITCHELL of Maryland. The gentleman from New York at one point asked the gentleman from Maryland to yield to him and I think the gentleman replied by saying, "I will not yield to the gentleman from Africa." Did the gentleman say that?

Mr. BAUMAN. I think I referred to his subcommittee. I am not sure. I can go back and check.

Mr. MITCHELL of Maryland. Mr. Chairman, let us check the record because I know my colleague would not want to do that on the floor.

Mr. BAUMAN. The gentleman from New York (Mr. SOLARZ) had just raised a question of whether we would have enough funds available to open up an embassy in Rhodesia.

Mr. MITCHELL of Maryland. I call this to the gentleman's attention because I know the gentleman if, indeed, he said it would want to change it.

Mr. BAUMAN. I will make the correction in the RECORD tomorrow if that inaccuracy indeed, did pass my lips.

Mr. MITCHELL of Maryland. That will be fine.

Mr. BAUMAN. I assure my esteemed colleague from Maryland of that, and I thank him for bringing it to my attention.

Mr. MITCHELL of Maryland. Thank you, Mr. Chairman.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I do not yield to the gentleman from New York, the chairman of the Subcommittee on Africa, and I yield back the balance of my time.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Ohio (Mr. ASHBROOK).

The question was taken; and on a division (demanded by Mr. ASHBROOK) there were—ayes 36, noes 61.

RECORDED VOTE

Mr. ASHBROOK. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 199, noes 214, not voting 21, as follows:

[Roll No. 130]

AYES—199

Abdnor
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Boner
Bouquard
Bowen
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Evans, Ga.
Fish
Fithian
Flippo
Fountain
Frenzel
Fuqua
Gingrich
Ginn
Goldwater
Goodling
Gore
Gradison
Gramm
Grassley
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harkin
Harsha
Hefner
Hillis
Hinson
Holt
Hopkins
Horton
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, Tenn.
Kazen
Kelly
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDade

McDonald
McEwen
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Nichols
O'Brien
Oakar
Panetta
Pashayan
Paul
Petri
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roe
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Smith, Nebr.
Snowe
Snyder
Spence
St Germain
Stangeland
Stenholm
Stratton
Stump
Symms
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.

NOES—214

Akaka
Albosta
Alexander
Ambro
Annunzio
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Bedell
Beilenson
Biaggi
Bingham
Blanchard
Boggs
Bolling
Bonior
Bonker
Brademas
Brodhead
Buchanan
Burlison
Burton, Phillip
Carr
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
Coughlin
Courter
Danielson
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fowler
Frost
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gray
Green
Guarini
Hall, Ohio
Hamilton
Hanley
Harris
Hawkins
Heftel
Hightower
Holland
Hollenbeck
Holtzman
Howard
Hughes
Jeffords
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Lent
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Marks
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nelson
Nolan
Nowak
Oberstar
Obey
Ottinger
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Slack
Smith, Iowa
Solarz
Spellman
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Zablocki
Zeferetti

NOT VOTING—21

Addabbo
Anderson, Ill.
Archer
Boland
Breaux
Brown, Calif.
Davis, S.C.
Erlenborn
Gaydos
Heckler
Hubbard
Huckaby
Kemp
Long, La.
Madigan
Neal
Patterson
Roberts
Solomon
Treen
Wilson, C. H.

☐ 1835

Mr. WINN and Mr. PANETTA changed their vote from "no" to "aye."

So the perfecting amendment was rejected.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 107), setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979, had come to no resolution thereon.

☐ 1840

HOUR OF MEETING ON WEDNESDAY, MAY 9, 1979

Mr. ROSTENKOWSKI. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 1 p.m. tomorrow, Wednesday, May 9, 1979.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO MEET ON TOMORROW DURING 5-MINUTE RULE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to sit in markup tomorrow, Wednesday, May 9, 1979, during House proceedings under the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman explain why the request is necessary?

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield.

Mr. MAZZOLI. This is a markup on LEAA reauthorization. We have since talked to the chairman and the ranking minority member, the gentleman from Illinois (Mr. McCLORY). They desired that this be done earlier today, and we were not in the House and were not able to do it.

Mr. ROUSSELOT. Further reserving the right to object, Mr. Speaker, how long will this take? Is it going to take the members of the committee away from this important resolution we have before us here?

Mr. MAZZOLI. If the gentleman from California will yield, the gentleman from Kentucky understands that part of the difficulty is that we are operating under the May 15 limit in getting our bill in to be considered. It is my understanding that we will proceed from 9 o'clock in the morning and continue as long as it takes to finish our bill. It would take us into the afternoon.

Mr. ROUSSELOT. My understanding is that the House begins its session at 1 o'clock?

Mr. MAZZOLI. Yes.

Mr. ROUSSELOT. Does the gentleman think he can be finished by then?

Mr. MAZZOLI. The gentleman from Kentucky is advised by the chairman of our committee, the gentleman from New Jersey (Mr. RODINO), that it cannot be completed by 1 o'clock. We will make an effort to finish it as fast as possible, but it does appear to him, and still appears to him, that it would go beyond 1 o'clock, and perhaps even into the next day. It would certainly continue beyond 1 o'clock.

Mr. ROUSSELOT. Reserving the right to object, I am very hesitant to divert all those important Members from the floor who could, I am sure, make a major contribution to our budget resolution. But, since the gentleman feels that it is so absolutely essential and critical to whatever the authorization problem is, I certainly do not want to hold up the authorization process.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT TO STANDBY GASOLINE RATIONING PLAN NO. 1—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96–122)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce and ordered to be printed:

To the Congress of the United States:

Pursuant to Sections 201(d)(1) and 552 of the Energy Policy and Conservation Act (EPCA), 42 U.S.C. 6261(d)(1) and 6422, I am hereby transmitting to the Congress for its approval an amendment to the Standby Gasoline Rationing Plan (Standby Gasoline Rationing Plan No. 1) which I transmitted on March 1, 1979. This amendment is a substitute for Contingency Plan No. 5 which I transmitted on May 7, 1979.

During the consideration of the Standby Gasoline Rationing Plan, concerns were raised by both Houses of Congress that the Plan did not treat states and the citizens within states equitably. The purpose of this amendment is to add new provisions to the rationing plan to eliminate the potential for disparities during plan operation. The first provision alters the procedure for determining allotments of ration rights by basing allotments on a historical gasoline use factor in each state, and expands the State Ration Reserve, thereby compensating for disparities both within and among states. The second change limits the number of vehicle allotments each household could receive, reflecting my belief that households with over three vehicles should not receive excessive benefits at the expense of other households.

Under this amendment, each state will be provided with an expanded State Ration Reserve of eight percent not only to provide for the needs of the handicapped and hardship applicants as already provided in the plan, but to provide additional flexibility to the states in dispensing supplemental ration allotments to citizens with special needs. The National Ration Reserve is anticipated to remain at approximately two percent of the available gasoline supply.

The amendment also provides a new method for calculating the ration rights to be allotted to each registered vehicle. Instead of allocating the net total available gasoline supply equally to vehicles in all states, the amendment provides for the available gasoline supply to be allotted on the basis of historical gasoline use in the respective states.

Another provision limits the number of ration rights received by each household to three vehicle allotments. Ration rights not distributed to members of a household pursuant to the limitation of this amendment will be distributed to the State Ration Reserve in the state in which such household is located. This amendment would not preclude members of a household from obtaining additional ration rights from the State Ration Reserve on the basis of hardship or other factors.

The procedures for approval by Congress of an amendment to a contingency plan are detailed in Section 552 of the EPCA, and require among other things that a resolution of approval be passed by each House of Congress within 60 days of submittal of the amendment. I urge the Congress to give this amendment expedited consideration so that it may be approved promptly with the Standby Gasoline Rationing Plan.

The EPCA does not specify in Section 552 the form which the resolution of approval is to take. As I noted in my submission of the Standby Gasoline Rationing Plan on March 1, 1979, it is my view and that of the Attorney General that actions of the Congress purporting to have binding legal effect must be presented to the President for his approval under Article I, Section 7 of the Constitution. Therefore, I strongly recommend that Congressional approval of the amendment be in the form of a joint resolution. If this procedure is followed, the amendment itself, agreed to by the Congress and the President, will not later be subject to possible judicial invalidation on the ground that the President did not approve the resolution.

Prompt Congressional approval of the Standby Gasoline Rationing Plan is essential. Failure of the Congress to act will leave the Nation vulnerable to economic disruption and long gasoline station lines. It is obviously impossible to develop a plan which will be perceived to be fair by each person. The proposed plan, as amended, is designed to be broadly equitable, practical and administrable. If we fail to approve a standby rationing system, the Nation's resolve to deal with a serious supply interruption will be called into question. The resulting damage to the economy and personal hardships to our citizens could be substantial.

I urge the prompt and favorable consideration by the Congress of the Standby Gasoline Rationing Plan and this amendment.

JIMMY CARTER.

THE WHITE HOUSE, *May 8, 1979.*

1975 ANNUAL REPORT ON ACTIVITIES OF DEPARTMENT OF LABOR, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, AND OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The **SPEAKER** laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Education and Labor:

To the Congress of the United States:

As required by section 26 of the Occupational Safety and Health Act of 1970 (Public Law 91–596), I transmit herewith the 1975 annual report on the activities under that law of the Department of Labor, the Department of Health, Education, and Welfare, and the Occupational Safety and Health Review Commission.

This report covers a period of time before I took office.

JIMMY CARTER.

THE WHITE HOUSE, *May 8, 1979.*

INTRODUCING LEGISLATION DESIGNED TO AID CONVERSION FROM USE OF OIL TO COAL

(Mr. **WILLIAMS** of Montana asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **WILLIAMS** of Montana. Mr. Speaker, I am today introducing legislation that is designed to aid this country's conversion from steadily declining supplies of oil to the use of coal, which accounts for more than 70 percent of our Nation's known recoverable fossil energy reserves.

During the past 20 years, coal consumption has remained relatively constant, while the use of oil has more than tripled. We know all too well what our reliance on oil has done to this Nation economically, and it is clear that coal is being called upon to again sustain industrial production and economic development. Seventy-five percent of the coal consumed in this country is used to generate electricity, and it is quite conceivable that we will need to mine and transport nearly twice the amount of coal in the year 2000 than at present. In the Midwest and Rocky Mountain regions alone, 122 new coal-fired powerplants are expected to be on line by the end of 1985.

We have made substantial progress toward alleviating the environmental costs associated with coal development. New technologies, such as magnetohydrodynamics, hold the promise of clean and efficient coal use, while our reclamation laws have made a strong statement for maintaining the environmental integrity of our lands.

But mining coal is only one-half of the supply question—we obviously need to transport the coal as well. Two railroads, the Milwaukee and the Burlington Northern, transport coal from my home State of Montana. And while Montana possesses 25 percent of the known U.S. coal reserves, nearly 4 million tons of Montana coal that was mined in 1978 was left undelivered because of a lack of railroad cars.

At present, the Burlington Northern is shipping at over 20 percent of capacity—and that will increase to more than 100 percent by 1985. The Milwaukee Railroad is bankrupt and under court receivership, and the court-appointed trustee has asked to be ordered to abandon nearly 7,300 miles of Milwaukee track by May 31. This unprecedented action would be disastrous to our energy converison program since the great bulk of our Western coal reserves would never reach their destination.

We simply cannot allow this abandonment before we study its consequences. The legislation I have introduced will direct the Secretary of Energy to assess this situation thoroughly and report his findings to Congress. Surely a step such as that planned by the Milwaukee trustee is too far-reaching to be taken without the knowledge of its ultimate effects.

I include the following:

H.R. 4005

A bill to recognize the critical rail transportation in the Northwest due to the proposed embargo of service on the Milwaukee Railroad and recognizing the need for expedited consideration of congressional action

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 2. Congress finds that—

(1) the embargo requested by the trustee of the Chicago, Milwaukee, Saint Paul and Pacific Railroad Company would discontinue vital freight operations by the railroad in all of Washington, Montana, Idaho, North and South Dakota, and in parts of Illinois, Iowa, Missouri, Wisconsin, Kentucky, Michigan, and Indiana comprising over seven thousand miles of track or approximately 75 per centum of the Milwaukee system;

(2) such an embargo would result in the loss of thousands of jobs by railroad work-

ers and other workers dependent upon uninterrupted rail service;

(3) continued operation of the Milwaukee Railroad is essential to present and future coal transportation in the area and that without such coal transportation, powerplants in the region would not have sufficient quantities of coal;

(4) continued operation of the Milwaukee Railroad is also essential to further the national policy established by Congress in the Power Plant and Industrial Fuel Use Act of 1978 to rehabilitate coal-carrying railroads;

(5) that it is imperative that the Secretary of Energy examine every way in which the Power Plant and Industrial Fuel Use Act of 1978 can be implemented to alleviate this crisis; and

(6) that emergency measures should be considered to avoid the substantial damage to the economy of the region and the Nation which would occur if the proposed embargo were implemented.

SEC. 3. The Secretary of Energy shall immediately conduct an assessment of present and potential railroad coal hauling needs in the area served by the Milwaukee Railroad and report his findings to Congress within thirty days of enactment of this Act.

☐ 1210

THE MORAL EQUIVALENT OF SUICIDE

(Mr. **WEISS** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **WEISS**. Mr. Speaker, on Sunday, May 6, I joined with over 65,000 Americans in a march from the White House to the Capitol to protest unsafe nuclear power and to call for a moratorium on atomic energy development.

The May 6 march was the largest demonstration of public opposition to nuclear power in the history of our Nation. It was an indication of strong and growing awareness that alternative energy sources, and not the nuclear option, represent the best course for our economy and environment.

In the Washington Post of Monday, May 7, retired Supreme Court Justice William O. Douglas spoke out forcefully against nuclear power. In his letter to the editor, this great jurist and conservationist calls atomic energy "the moral equivalent of suicide." I think we would all do well to consider Justice Douglas' views and to heed the warning he gives.

I commend the letter to the attention of all Americans and to my colleagues. The text is printed below:

THE MORAL EQUIVALENT OF SUICIDE

In 1972, I devoted a chapter to radiation in "The Three Hundred Year War," a chronicle of ecological disaster. I did so only after studying the facts about radiation and nuclear energy.

Then and now, most scientists agree that the safest exposure to radiation is none at all. Our government regulators have recently given further support to this basic fact. They are considering a 50 percent reduction in the amount of annual radiation to which a nuclear power-plant employee may be exposed.

The Three Mile Island cooling system breakdown has made us all aware of the real potential for a peacetime nuclear holocaust. But even if the reactor cooling systems were "foolproof," there is still the greater problem of nuclear waste disposal. At present, most spent reactor fuel is simply transferred to the "temporary" storage tanks adjacent to the reactor. It is held there indefinitely in hopes that a solution will arise as to what should ultimately be done with these deadly wastes.

This problem of disposal has plagued scientists since the peaceful use of the atom was sought to justify its development after the bombings of Hiroshima and Nagasaki. Until this problem is resolved, there can be no truly safe use of nuclear power. It is time once again to consider the wisdom of Sen. Mike Gravel's assertion in 1971:

"If this country ever grows dependent on nuclear energy for more than a few percent of its electricity, the entire economy could be crippled by one bad nuclear accident which required the shutdown of all nuclear plants."

The message is clear. The benefits of nuclear power are far outweighed by the greater risks imposed upon an unsuspecting public. If we should treat the energy crisis as the "moral equivalent of war" then we should view the continued use of nuclear power plants as the "moral equivalent of suicide."

WILLIAM O. DOUGLAS,
Justice (Ret.); U.S. Supreme Court.
WASHINGTON.

THOUGHTS ON THE BRITISH ELECTION

(Mr. **ASHBROOK** asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. **ASHBROOK**. Mr. Speaker, the British people have elected a new Prime Minister, and what would appear to be their most conservative government in modern times. This is made even more startling since the new Thatcher government has a working majority that is the largest in over a decade.

The ramifications of Mrs. Thatcher's election triumph will be felt for years to come both in England and in the world. She is the first major British political leader to openly speak out against the sham of the welfare state and the bankruptcy of the Keynesian economics on which it is based. She is the first to understand the realities of Rhodesia and the strides that nation has made with its open and free elections. She is the first to come to grips with the threat the Soviet Union poses to Western Europe. She is also the very first to have both the vision and the mandate to stand up to the powerful unions of England and to hopefully push through the needed legislation to finally rein them in.

What the election of Mrs. Thatcher means to the United States is also important. If Canada follows England's lead and defeats the Trudeau government (which is being suggested in the polls) then our own Jimmy Carter will be the only liberal leader in the West. Today's Associated Press/NBC poll shows that the voters are ready to make the conservative trend a clean sweep. Mr. Carter is now at 26 percent, a figure lower than that when former President Nixon resigned.

There have been reports that Mr. Carter is privately upset with the Thatcher victory. Well he should be. Now we have a major world leader who, while showing up the frauds of the liberal-socialist state in England, will also provide a sparkling contrast in both leadership and ideology to the faltering Carter White House. Mr. Carter is now out on a limb. He is clearly out of step with the Nation, and now, with the free world. He alone views the Communists as not a threat. He alone still thinks the welfare state is the right goal for a nation. He alone openly backs the military dictatorships of Africa over the freely elected government of Rhodesia. This warped world view comes increasingly into focus now that an articulate and able conservative is now in place at No. 10 Downing Street.

How refreshing it is to see a world leader who is not afraid to take a stand without consulting a taxpayer financed media adviser. I send my best wishes to Mrs. Thatcher and her new conservative government and sound conservative economics can lead a nation to greatness.

ANNOUNCEMENT AS TO VOTES

(Mr. **DANIELSON** asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. **DANIELSON**. Mr. Speaker, due to a compelling commitment in my congressional district, I was unable to be present in the House of Representatives on Monday, May 7, 1979, and would like to announce how I would have voted had I been present.

Rollcall No. 121. The House failed, by a vote of 175 yeas to 195 nays, to suspend the rules and pass H.R. 3404, amended, to amend the Federal Reserve Act to authorize Federal Reserve Banks to lend certain obligations to the Secretary of the Treasury to meet the short-term cash requirements of the Treasury. I would have voted "yea."

Rollcall No. 122. The House, by a vote of 140 ayes to 244 noes, rejected an amendment to House Concurrent Resolution 107, the first concurrent budget resolution for fiscal 1980, that sought to decrease 1980 budget authority by $500 million and outlays by $50 million for a new economic development assistance program. I would have voted "no."

Rollcall No. 123. The House, by a vote of 147 ayes to 237 noes, rejected a substitute amendment to the amendment rejected in the following vote (Rollcall No. 124) that sought to increase the 1980 budget authority and outlays by $2.3 billion for revenue sharing for States, and that sought to decrease budget authority and outlays by 5 percent for categorical grants. I would have voted "no."

Rollcall No. 124. The House, by a vote of 190 ayes to 195 noes, rejected an amendment to House Concurrent Resolution 107 that sought to increase 1980 budget authority and outlays by $2.3 billion for revenue sharing for States, and decrease 1980 budget authority and outlays by $1 million for allowances. I would have voted "no."

☐ 1845

TRIBUTE TO E. C. "TOOK" GATHINGS

The **SPEAKER**. Under a previous order of the House, the gentleman from Arkansas (Mr. ALEXANDER) is recognized for 60 minutes.

GENERAL LEAVE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the life, character, and public service of the late Honorable E. C. "Took" Gathings.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. ALEXANDER. Mr. Speaker, Arkansas lost a dedicated public servant and a great citizen with the passing of a former member of the House, E. C. "Took" Gathings, last week. Took served in this body from 1939–68, when he chose to retire to Arkansas.

It was my honor to succeed Took in the representation of the people of the First Congressional District of Arkansas. While we were of different generations, I feel that I knew him well, having followed his tracks around east and northeast Arkansas for 10 years.

Took was trusted, respected, and loved by the people who sent him to Congress in 1939 and in 14 subsequent elections.

In the Congress, "Took" rendered distinguished service on such committees as Military Affairs (during World War II), Veterans, Immigration and Naturalization, Claims and Census but his most valuable service came as the second-ranking member of the House Agriculture Committee. He chaired two major subcommittees that greatly influenced the agricultural economy of the First District—cotton and farm labor and was the ranking Democrat on subcommittees for rice and oilseeds. Every farm bill considered in the 30 years he served bore Took Gathings' mark.

He sponsored legislation that would effect cotton and rice allotments, three major acts related to cotton and rice production and acreage, water facilities and flood control, bringing natural gas to eastern Arkansas, the establishment of the Blytheville Army Air Base and later the reactivation of the base, major bridge construction projects across the Mississippi River at Memphis and Helena, liberalization of small farm loans and home mortgage funds for veterans, a major fish hatchery at Corning, Ark., and was a strong working advocate of the Arkansas River development program.

Three World Wars and five Presidents came and went during the tenure of Took Gathings. Often termed the "Last of the Southern Gentlemen", Took returned to his law practice in West Memphis, Ark., upon his retirement. His retirement from public office did not mean an end to his public life, however. He remained an active leader in his community. It was during a speech to a group in the community seeking support for establishment of a port authority that Took was stricken.

Last October, former colleagues, friends, and relatives joined together to pay long overdue tribute to "Took" in the dedication of the Federal building in Jonesboro, Ark., in his name. The E. C. "Took" Gathings Federal Building will remain as a vivid reminder of the contributions that this unselfish man made to the people he loved, the people of northeast Arkansas.

Took Gathings taught me what the people of my district expected of their elected representative. His is a model from which all of us who hold this special public trust would do well to emulate.

I believe those who join me in this tribute to Took Gathings today can echo the respect that he enjoyed among those he served and among those with whom he served.

I have lost a friend. Arkansas has lost one of its finest citizens. The Nation has lost a dedicated public servant. We shall miss him.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. I thank the gentleman for yielding.

Mr. Speaker, I am most grateful for these few moments to honor the memory and service of a great statesman and outstanding American, former representative E. C. "Took" Gathings.

Here in the House, Took won the hearts of his colleagues as well as their respect and those who have had the pleasure of working with him, as I did as a freshman Congressman in the 91st Congress, will recall a most rewarding experience. Took was a source of great inspiration, leadership, and guidance to all the Congressmen and Senators from Arkansas. His special style endeared him to all who knew him, and I was always proud to claim him as a friend. During my early years here in Washington, I can vividly recall numerous occasions when I sought his wise counsel and advice on various issues of the day. In fact, this man will long remain etched in my mind as the "epitome of a southern gentleman."

During his lifetime, Took compiled a most distinguished record of public service. He entered politics almost immediately after graduation from law school and won a seat in the Arkansas State Senate for 4 years, followed by 30 years of service in this great body. For a total of 34 years, almost half of his life, he chose to serve the House of Representatives, his district, and our Nation in an exceptional fashion. Took will be remembered not only for his length of service, but for the caliber and number of his accomplishments during that time period.

It would be impossible in the time allotted to enumerate all of the significant legislative enactments that bear his name or on which he left his mark, however, he rightfully earned the reputation as the "Farmer's Friend" and one of the most knowledgeable men in the field of agriculture. As vice chairman of the Agriculture Committee, chairman of the Subcommittee on Cotton, and chairman of the Subcommittee on Farm Labor, he rendered tireless and unique service to the cause of American agriculture. He brought to the committee a profound understanding of the problems facing the farmers of our Nation, and showed compassion for that segment of our population which still tills the soil. Took will always be known as a man who fought a hard and long battle for the advancement and prosperity of the American farmer.

His years in Congress not only were a credit to his ability and dedication, but served as a tribute to the foresight of the citizens of Arkansas in the First District who selected him as their Congressman on 15 occasions. Upon his retirement, he returned to the First District and continued to contribute to the betterment of life in Arkansas. Today, I am most appreciative that, while Took was still with us, we were able to pay this man a special tribute in designating the Federal Building in Jonesboro, Ark., in his honor. Personally, I know just how much that event meant to him.

My wife, Virginia, and my son, John, join me in expressing our heartfelt sympathy to Took's wife, Tolise, his son, Joseph, and their daughter, Tolise. Because of my long friendship with Took, I realize how deeply he will be missed.

☐ 1850

Mr. ANTHONY. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the gentleman from Arkansas.

Mr. ANTHONY. I thank the gentleman for yielding.

Mr. Speaker, I was saddened last week to learn of the passing of Congressman E. C. "Took" Gathings, one of Arkansas' elder statesmen. While I did not have the good fortune to know Congressman Gathings, the comment I have heard most often is of his dedicated service to the people of Arkansas. Congressman Gathings faithfully served his constituents of Arkansas' First Congressional District in the U.S. House of Representatives for 30 years from 1939 to 1969 through the administrations of five Presidents. He rendered distinguished service on the Military Affairs Committee during World War II and also served on the Committee on Veterans, Immigration, and Naturalization, and Claims and Census. His greatest service to the people of Arkansas and the Nation came through his service on the House Agriculture Committee where he was the second ranking member. Agriculture is the major industry in eastern Arkansas and he sponsored important legislation affecting cotton and rice production and acreage. He also worked for legislation to improve water facilities and flood control and helped bring natural gas to eastern Arkansas. The many benefits which Congressman Gathings helped gain for his district, State, and Nation are too numerous to adequately recount in a brief statement.

Congressman Gathings received numerous awards during his life but his many friends and constituents will remember him as an unassuming man with infinite patience and personal warmth. He was tireless in working for the benefit of the people of eastern Arkansas.

The people of Arkansas mourn the passing of this fine and selfless man—"Took" Gathings.

Mr. ALEXANDER. I thank the gentleman from Arkansas.

● Mr. BETHUNE. Mr. Speaker, E. C. "Took" Gathings, served Arkansas well for three decades. I was born in Randolph County which was in his district and although I only met him once, I have talked with many people who knew him well and loved him.

Mr. Gathings had all the qualities of a devoted public servant. He worked hard for people and maintained his integrity and loyalty to them.

He was a true friend of the farmer and he played an active role in getting major farm legislation through the Congress during his career.

Took Gathings was a doer and achiever who worked hard for his people, his district, State, and country. He set an example for Members of Congress to follow and left his mark for us to achieve.●

● Mr. ADDABBO. Mr. Speaker, I join my colleagues in paying tribute to E. C. "Took" Gathings who passed away last week. He left this House in 1968, after 30 years of representing the First Congressional District of Arkansas, and it is a great pity that many here today did not know him.

He was a quiet, modest man. Yet I frankly know of few others who have made so many friends, in and out of the sphere of politics, or who have gained so much in the legislative arena through the art of gentle persuasion. Perhaps the key to his successes stemmed from his total devotion to serving the public.

He served tirelessly, patiently, and with great attention to even the smallest details which affected his people. Took's most noted contributions were in the field of agriculture as befitted a legislator representing a District of predominantly cotton and farm labor. At the same time, as suited a man of wider visions, he was also actively involved in military affairs and veterans benefits, construction and water projects. The one common element in all was the importance of each to the well-being and best interests of eastern Arkansas.

Though Took was honored many times throughout his lifetime, last October, almost 40 years from when he first took office, this Congress and hundreds of relatives and friends, witnessed the naming of the Federal building at Jonesboro in Took's honor. The size of the crowd which gathered on that day to help him celebrate—10 years after he retired from public office—leaves no doubt that Took's public was devoted to him as well. And, Mr. Speaker, as we all know, this is the crowning glory for any legislator.

Since I know that these many friends and admirers share in mourning Took's death, I offer my sympathies to all of them, with special thoughts for his family.●

● Mr. MONTGOMERY. Mr. Speaker, I appreciate the gentleman from Arkansas yielding in order that I might join with my colleagues in paying tribute to the many accomplishments of former Congressman E. C. Gathings.

It was my pleasure to serve with Took during my first term in the House and it was a double pleasure to be able to serve with him on the House Agriculture Committee.

Took was especially helpful to new members of the committee in assisting them to better understand the very complicated and varied agricultural programs we have in America. There was no doubt that he knew farming and was one of the true experts on the Agriculture Committee.

Mr. Speaker, Took Gathings was a real asset to this body during his 30 years of service and I feel very privileged to have served with him for 2 of those years. We appreciate his family and the First District of Arkansas for sharing him with us. We also join in expressing profound sympathy to the family of Took Gathings during their time of grief.●

● Mr. UDALL. Took Gathings was a good man and a friend. He understood agricultural problems, which were so important to his native Arkansas, as few other Members of this House.

Took had a long and distinguished career. He worked diligently on behalf of his district. He will be missed.

My deepest sympathy is extended to his family and to his many friends in Arkansas.●

● Mr. BOLAND. Mr. Speaker, it was with great sadness that I heard the news last week that our former colleague, E. C. "Took" Gathings, had passed away.

Took Gathings had a long and distinguished career here in Congress. The people of the farm State of Arkansas were well served by his active work on the House Agriculture Committee. As vice chairman of that important committee, Took Gathings handled many important farm measures that helped make the United States the breadbasket of the world.

Took Gathings will be sorely missed by his many friends. My heartfelt sympathy goes out to his lovely wife, Tolise, and his son and daughter.●

● Mr. ZABLOCKI. Mr. Speaker, I was saddened to learn of the death of our former colleague E. C. "Took" Gathings last Wednesday in Arkansas.

During the 30 years "Took" Gathings served in the Congress, he gave outstanding service not only to his constituents in the State of Arkansas, but to the Nation as well. Although we did not always agree with him, those of us who served in this body with "Took" admired him for his legislative skills and for having the courage of his convictions.

As the ranking member of the Committee on Agriculture and as a subcommittee chairman, "Took" authored numerous pieces of farm legislation which will have an imprint on American agriculture long after his passing.

Those of us who knew "Took" remember him for his industriousness, so it was not surprising to learn that he was actively "on the job" as a member of the West Memphis Port Authority at the time of his death.

Mr. Speaker, I would like to take this opportunity to express my sincerest condolences to Mrs. Gathings and the Gathings family.●

● Mr. DERWINSKI. Mr. Speaker, it was with great sorrow that I learned of the death of our former colleague, E. C. "Took" Gathings. I am honored to join in paying a special tribute to him this afternoon.

For 30 years, Took served as a devoted public servant, representing Arkansas' First District in an exemplary fashion. He was wholeheartedly responsive to the needs of our Nation as well as the State of Arkansas.

He was a gentleman of the old school, dedicated and respected for the diligent discharge of his congressional duties. Not only was he an objective man, especially in analyzing the great issues before our country during his terms in office, Took was a man of compassion, goodwill, and foresight. His knowledge and vast experience in government contributed significantly to the greatness of our country.

The people of Arkansas were fortunate to have been served by such a decent man. The Members of this body were fortunate to have known and worked with such an outstanding public servant.

Mrs. Derwinski joins me in extending our deepest sympathy to his wife, Tolise and their whole family.●

● Mr. RHODES. Mr. Speaker, I join my colleagues today in paying our respects to one of our former Members, E. C. "Took" Gathings, who served the First Congressional District of Arkansas for 30 years.

He came to the House in 1939, and I served with him during much of his three decades. "Took" Gathings was the voice of the farmer in Congress, and much of the basic farm legislation passed during his tenure bore his stamp. He was a fiscal conservative, and a strong defender of the principles he believed in. He was also a good friend.

I join my fellow House Members in extending our condolences to his wife, Tolise, his son and daughter and grandchildren, on his passing.●

● Mr. PICKLE. Mr. Speaker, we were all saddened by the news of Took Gathings' passing. As a new Member in the early sixties, I especially remember this kind Arkansas gentleman.

At that time, Took was one of the ranking members on the Agriculture Committee. The 10th District of Texas encompasses a good many rural counties, farms, and communities. I found him to be a congenial sort, always willing to provide help and counsel to a freshman.

Not only was Took Gathings friendly and congenial, but he backed up his character with hard work. Being in the forefront of agricultural issues, Took knew what was going on, what the trends were, the state of agriculture all over the country. He not only was congenial, therefore, but a skilled lawmaker with his ears to the ground. He extended many courtesies to me.

The death of Took Gathings takes on a special sadness because his son, Joseph, lives in Austin, in the heart of the 10th District of Texas. All our sympathies are extended to Joseph and the entire Gathings family.●

ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. SEIBERLING) is recognized for 60 minutes.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks in connection with the subject with which I am about to deal, which is the Alaska lands legislation due to come up in the House tomorrow or sometime later this week.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio (Mr. SEIBERLING).

There was no objection.

Mr. SEIBERLING. Mr. Speaker, in the last Congress I had the honor and the pleasure of serving as the chairman of the Subcommittee on General Oversight and Alaska Lands of the House Committee on Interior and Insular Affairs. Our principal assignment was the development of monumental legislation dealing with the permanent classification of the heritage of the American people in the public lands in Alaska. It was a great task and a great experience, indeed.

Because of the broad public interest by citizens all across the country in the use, disposition, development, and preservation of these lands, our subcommittee spent nearly 4 weeks in Alaska on two separate field trips investigating all of the individual areas being considered and we conducted a series of public hearings in Washington, D.C., and in every other major region of the country, including Alaska.

☐ 1855

More than 2,000 witnesses were heard in person, at 17 formal public hearings, including more than 1,000 residents of the State of Alaska and 5 formal hearings in that State and 20 town meetings in rural Alaska. The overwhelming majority of the witnesses supported the concepts embodied in the legislation.

In addition to the hearings, the subcommittee and the full committee engaged in 34 sessions reviewing and marking up the bill before reporting it to the House.

On May 19, 1978, a little less than 1 year ago, the House of Representatives approved the Alaska lands legislation by a vote of 277 to 31. Unfortunately, the Senate because of threats of filibuster, failed to act and thus the measure died when Congress adjourned in October 1978.

As we all know, President Carter, in order to preserve the options of the Congress and to protect the heritage of the American people in Alaska, acted in December 1978, to declare 56 million acres of these public lands national monuments, using his authority under the Antiquities Act of 1906, an authority that had been similarly used by other Presidents in the past.

Prior to that time, the Secretary of the Interior and the Secretary of Agriculture, using their emergency powers under the Federal Land Management and Policy Act withdrew the 116 million acres which had been under review by Congress from mineral entry or other types of development.

On the opening day of this Congress, H.R. 39, in revised form, was introduced on January 15 by the gentleman from Arizona (Mr. UDALL) and ultimately by over 150 cosponsors. It was based primarily on the bill that passed the House last year, with certain revisions that seemed appropriate in light of the events that occurred subsequent to the adjournment of the previous Congress.

In order to update our information base, however, the Committee on the Interior held 4 days of hearings in February of this year. As a result of those hearings, the sponsors of the Udall bill in the committee prepared a revised bill which was offered by the gentleman from North Carolina (Mr. GUDGER) and which had been introduced several days in advance.

Much to our surprise, a substitute which had been introduced by the gentleman from Louisiana (Mr. HUCKABY) was adopted by the committee by a one-vote margin, the actual vote being 22 to 21, although one Member thereafter switched his vote in order to be able to make a motion to reconsider.

Thereafter, the Committee on Merchant Marine and Fisheries, which had a joint referral of the bill, marked up its own bill.

In that committee the people who were supporting the bill that was approved by the House in the last Congress reoffered the bill as it passed the House in the last Congress as a substitute for the bill prepared by the gentleman from Louisiana (Mr. BREAUX).

Interestingly enough, the Committee on Merchant Marine and Fisheries then proceeded to vote down last year's House-passed bill and adopted instead the so-called Breaux-Dingell bill, which is now before the House as a proposed substitute for the Huckaby bill.

As we all probably know by this time, the Committee on Rules has also made in order as a substitute the Udall-Anderson bill, which is a somewhat revised version of the Gudger substitute that lost by a one-vote margin in the Committee on the Interior. So we will have three bills before the House when the markup starts on the Alaska Lands bill. We will have the Huckaby bill as the primary vehicle. We will have the Breaux-Dingell substitute, or some variant thereof, as the Merchant Marine Committee's proposal, and we will have the Udall-Anderson substitute as the environmentally preferred substitute and the one that is supported by the administration.

☐ 1900

Mr. Speaker, there has been an awful lot of misinformation put out about the various issues involving this monumental legislation. There has been a lot of talk about acreage, there has been talk about lockup, about sport hunting and subsistence hunting, about mining, about the timber industry, and about the effect on jobs and, of course, importantly, about the question: How do we protect the magnificent wildlife and wilderness heritage of the American people in Alaska?

I could not possibly in an hour, or in several hours, discuss all the aspects of all these issues. I would, however, like to set the record straight about a few things.

The Huckaby bill was represented and is still being represented as a so-called ad hoc compromise bill which was supposedly approved by the gentleman from Arizona (Mr. UDALL), by me, and by an ad hoc conference committee that met in the waning days of the last Congress.

Mr. Speaker, let me elaborate a little bit on that situation. During the last week of the last session of the last Congress, the Senators who were interested in this subject, Senator STEVENS, Senator JACKSON, and Senator DURKIN approached Congressman UDALL and asked if we would sit down with them and see if there was any possibility that we could arrive at some agreed-upon package which we could submit to both Houses and see if it were possible to settle the issue. Mr. DON YOUNG was of course there but neither Mr. HUCKABY or Mr. BREAUX or any other Member of the House. No Member on the House side was authorized by the Speaker or by the Committee on Interior and Insular Affairs of the House to accept any particular proposals or to negotiate any particular proposals. The Committee on Interior and Insular Affairs of the House authorized the chairman to sit down in a conference committee and see if agreement could be reached, but no conference committee was ever appointed by the Speaker and no conference committee ever met.

All we had was a sincere and good faith effort by Chairman UDALL and me and Congressman DON YOUNG and the others who participated in this meeting, to see if it were possible to resolve the outstanding issues—and there were many—before the Congress adjourned and so end the uncertainty that was holding up development in Alaska. Mr. UDALL and I both felt that it was not likely, but we owed it to everyone concerned to try.

So we met for the better part of 2 days and 2 nights, at the end of which time the other Senator from Alaska, Senator GRAVEL, who had sat silent through the 2 days and 2 nights, said, "Well, I think its time for me to tell you what I want in this legislation. I have not said anything so far." He then made a series of demands which were so far from any possibility of acceptance that the whole effort was immediately called off.

The evening before that happened Chairman UDALL had asked the staffs of the House and Senate committees if they would get together and see if they could come up with a draft which would reflect the discussions that had taken place up to that time, as best they could figure those discussions out, and accordingly, on the day before the Congress adjourned, the staffs came up with a very rough draft reflecting what they thought had been discussed and, to the extent there had been any consensus, what they thought it was.

At the same time, the House staff submitted a lengthy list of items which they felt were uncertain or unclear or which clearly had not been agreed to and needed to be clarified before any package could be accepted. Before any Member of the House and, I presume, of the Senate, too, had even had a chance to look at this very rough draft, the meeting fell apart, for the reasons I have already enunciated. So there was no agreement on any "package" and certainly no agreed-upon draft legislation. Nor was there any assurance that, if there had been agreement, either the House or the Senate would have accepted a proposal that no authorized conference committee had ever seen.

☐ 1905

Nevertheless, that draft, with certain very important changes, is the Huckaby bill, the bill which is being represented by the gentleman from Alaska and the gentleman from Louisiana (Mr. HUCKABY) as being a bill which the gentleman from Arizona (Mr. UDALL) and I had agreed to and which some sort of conference had approved. And, of course, that is not the case, as I have just outlined.

Quite apart from that fact, it seems to me a rather poor thing to penalize those who in good faith tried to help the State of Alaska and end the uncertainty hanging over their heads by trying to bind us to a document which we never saw, never approved, which was incomplete, and was never part of a package which had ever been completed or accepted.

But be that as it may, that is the Huckaby substitute, except that the gentleman from Louisiana (Mr. HUCKABY) added at least one of the demands that Senator GRAVEL had made, and which caused the whole effort to fall apart. That is the so-called no more clause, which would provide—and it is in the bill of the gentleman from Louisiana (Mr. HUCKABY)—that there could be no more withdrawals by the President whatsoever of any land in Alaska for any purpose without the approval of the Congress. That not only amends a whole series of existing statutes, but would mean that, if it was necessary to withdraw land from the public domain for purposes of national defense or for purposes of protecting some endangered species, or for any other purpose, it could not be done by the President without referring the matter to the Congress. That was one of the demands of Senator GRAVEL which caused the whole effort to collapse. I have recited this history to establish in the RECORD, first, the tremendous effort that my subcommittee and the Interior Committee made in the last Congress, and, second, the very shallow base on which the Huckaby substitute and its offspring, the Breaux-Dingell substitute, are founded.

By contrast, the substitute of the gentleman from Arizona (Mr. UDALL) is the direct linear descendant of last year's House-passed bill which was based on one of the most thorough sets of hearings ever held by the House of Representatives and one of the most thoroughly researched, with input from the administration, the Natives, the State of Alaska, the mining, logging, and oil and gas industries, as well as the conservation groups.

By contrast, Messrs. HUCKABY and BREAUX have patched together bills on which no comparable hearings have ever been held. They have incorporated some of the features of the Udall bill but radically altered many of them so as to change the fundamental thrust of the legislation from conservation to all-out exploitation.

I submit to the Members that the only responsible and balanced piece of legislation, the only one that does not radically differ from last year's House bill, is the Udall-Anderson substitute.

Before I proceed further, I think it is important to correct the record so far as the misinformation that is being put out concerning acreage. The gentleman from Alaska (Mr. YOUNG) has circulated a letter dated April 26 which contains a table of acreage differences in the various versions that will be before the House. The gentleman from Louisiana (Mr. BREAUX) has circulated a similar and more elaborate comparative summary of the various Alaska bills. I think I should point out that, at least so far as the Udall-Anderson bill is concerned, there are some errors. For example, it is indicated in the summary of the gentleman from Louisiana (Mr. BREAUX) that in regard to the national preserve areas in the national parks open to sports hunting, the Udall bill contains 13.9 million acres. In fact, it contains 17.06 million acres. It is also represented in the same document that in the national parks the Udall-Anderson bill contains 30 million acres, when in fact it contains 26.97 million acres. (This same error appears in the table attached to the letter of the gentleman from Alaska (Mr. YOUNG).)

☐ 1910

And it is stated in the Breaux summary that the Udall bill contains 68.6 million acres of wilderness overlays, when, in fact, it contains 67.3 million. I merely cite these so that we all start with the same data base.

An effort has been made to portray the Huckaby and Breaux bills as each being closer to the original House-passed bill than the other. And while acreages are not everything, I think the acreage figures are very revealing.

In the 1978 House-passed bill, there were 42.72 million acres in the national parks and the national preserves, both of which are within the national parks system in Alaska.

In the Udall-Anderson bill, there are 44.03 million acres in the national parks and national preserves.

In the Huckaby bill, there are approximately 42 million acres in the national parks and national preserves, and in the Breaux-Dingell bill, there are only 33 million acres in the national parks and national preserves.

So, it is quite clear that the Udall-Anderson bill, in terms of national park acreage, is much closer to the House-passed bill.

As to the National Wildlife Refuge System, in last year's House bill, there were 76.84 million acres, and in the Udall-Anderson bill there are 62.38 million acres, while in the Breaux-Dingell bill there are 87.71 million acres in the wildlife refuge system. However, approximately 17 million acres of those so-called wildlife refuge units in the Breaux-Dingell bill are actually merely the National Petroleum Reserve—Alaska with a wildlife refuge label attached to it. Otherwise there is very little change in the way it is managed. We felt that while that was included in last year's House-passed bill, it was not appropriate to label it as a national wildlife refuge when its principal function is, and would remain, under all of the three versions of the bill, the production of oil and gas.

So it seems to me again that, with that exception, which I do not think is really an exception, the Udall-Anderson bill is much closer in terms of acreage for the National Wildlife Refuge System.

Finally, we get to the question of wilderness. Last year's House bill had 65.55 million acres of wilderness overlaid on the national parks and national wildlife refuges and national forests. The Udall-Anderson bill has 67.36 million acres, a difference of less than 2 million acres.

The Huckaby bill has 50.76 million acres, which is 15 million acres less than last year's House-passed bill.

The Breaux-Dingell bill has 54 million acres, which is 11 million acres less than last year's House-passed bill.

So in terms of acreage, it seems to me quite clear that the Udall-Anderson bill is far closer to last year's House-passed bill than any of the others.

But acreage is not everything. The important thing is also what you do with the acreage, and how you manage it, and how you protect it. And that is where both the Huckaby bill and the Breaux-Dingell bill radically depart from last year's House-passed bill.

For example, the Huckaby bill would create 2½ million acres of national recreation areas within the national park system, and interestingly enough, some of those national recreation areas are about as remote as you can get from any center of population in any of the units of the park system in Alaska.

Why reclassify them as national recreation areas? For one very simple reason: There happen to be some mineral deposits in the particular portion of those units of the park system, for example, the Noatak basin, which the Udall-Anderson bill puts in a national preserve for the primary purpose of preserving the pristine character of that river basin. However, the gentleman from Louisiana (Mr. HUCKABY) puts part of it into a national recreation area, because in that kind of classification, it can be opened up to mining, and there happened to be some minerals there.

☐ 1915

Well, I submit to you that is a sham as far as any serious recreation potential is concerned. If they want to open it to mining, then why not just take it out of the park system entirely and be straightforward about it?

Similarly, the Huckaby bill and the Breaux-Dingell bill create a new category of BLM—Bureau of Land Management—national recreation areas. They carve it out of the National Wildlife

Refuge System and National Park System. There is no such thing in existing law as a Bureau of Land Management administered national recreation area. The purpose was to put it in a weaker category. In fact the way it is handled in the Breaux-Dingell, it is weaker than if it were left entirely out of any conservation unit and just left as public lands under the BLM.

Similarly, Breaux-Dingell sets up a new hybrid form, not known previously to any legislation, called a BLM conservation area. Again, the protection accorded to wildlife and wilderness are lower than they are in the existing BLM public land areas.

So, I suggest that those too are not suitable to be considered as true conservation units. But, even in the National Park System and even in the National Wildlife Refuge System, both Breaux-Dingell and Huckaby provide much, much weaker protection for wildlife, for environmental concerns, and for wilderness.

Then, we get to the National Forest System. Two of the finest units in the national monuments created by President Carter are the Misty Fiords National Monument and the Admiralty Island National Monument, both in southeast Alaska. The Misty Fiords National Monument is an area comparable to Norway in its majestic scenery, in its glaciers, in its waterfalls, and surpasses Norway in its unspoiled wilderness beauty. It also happens to be an area of very important marine value from the standpoint of fisheries resources, which support the chief industry in southeast Alaska. That industry is very concerned that the area remain in wilderness status to protect the pristine quality of the salmon spawning rivers in that area, which produce a great part of the existing salmon resource in southeast Alaska.

And yet, the Breaux-Dingell and Huckaby substitutes would take half the Misty Fiords, the part with the most important salmon streams, out of wilderness, out of the national monument, and open them up to possible logging, and to mineral entry if the Secretary decides that it is desirable, and to other types of activities that are not only incompatible with wilderness but that are considered by the fishing industry in that area to be incompatible with the protection of their resource.

Similarly, Admiralty Island, an island of magnificent wilderness with more bald eagles nesting there than in all the lower 48 States, and the largest concentration of brown bears of any other locality of comparable size, an area of majestic fiords and forests, and of one single Native village. The village, Angoon, was once the capital of the Raven tribe of the Tlingit Indians, which held sway over much of southeast Alaska before the Russians conquered the area.

☐ 1920

And guess what? The people from that village want the island to stay a wilderness, and they were down here lobbying last week to ask the Congress to protect their heritage. Yet under Breaux-Dingell and Huckaby, half of that island is put into a pulp bank so that if the local logging industry wants any additional timber, to cut down this majestic virgin forest, it will be reserved to them for that purpose. Interestingly enough, virtually all the product of that industry is currently shipped to Japan.

I submit to the Members that the Udall-Anderson bill not only protects this heritage of southeast Alaska, as it should, but is based on sound study and planning by the National Forest Service. Last year the Interior Committee adopted an amendment I authored to cut out a good part of that area, including the area of South Misty Fiords, because we did not then have studies by the National Forest Service telling us how much could be put into wilderness and still protect the jobs and existing timber industry there. Chairman Udall and I had pledged that we would not support any bill that would curtail jobs in southeast Alaska. So to provide an adequate margin for safety, we cut out large tracts of land from the proposed wilderness a couple of million acres. We did so advisedly with the feeling that once the Forest Service study was completed we could then decide how much more, if any, we could safely put in wilderness. Since then, however, the study has been completed, and in March of this year it was finally announced by the Secretary of Agriculture. It confirmed that we could, indeed, put the acreage in wilderness which Udall-Anderson would put into wilderness, and without curtailing one single job in the forest products industry in southeast Alaska. Indeed, it would allow an additional margin for expansion of that industry.

So again the Udall-Anderson bill, while it has that variation from last year's House-passed bill, is in conformity with the philosophy that our committee adopted in that bill.

It is rather interesting that the two opponents, the gentleman from Louisiana (Mr. HUCKABY) and the gentleman from Louisiana (Mr. BREAUX) are among the 31 people who voted against last year's House-passed bill. So I suggest to the Members that that is some indication as to which bill is truly the descendant of last year's House-passed bill and which is not, and where those two gentlemen come from. Among other things, we know that they come from the State of Louisiana, and we all know what one of the big industries in the State of Louisiana is. That brings me to one major specific issue which I want to discuss in detail, although many other issues remain and will be discussed when we get to general debate again on the bill.

Mr. Chairman, I want to talk about the Arctic National Wildlife Range and the issue of oil and gas exploration. We are all concerned, and rightly so, with the precarious situation in which we find ourselves as a nation, dependent for such a strategically essential product as petroleum, for half of our Nation's consumption of that product, on the unstable countries of the Middle East. Worse yet, we find our inflation rising and our currency deteriorating because of the fact that we are importing $50 billion worth of oil a year from the Middle East. Obviously, we must do something to correct that situation and do it as rapidly as possible. It is such a vast subject I would not try to go into it this evening, except to say that I am on record as recognizing the gravity of that problem many times in this House and recommending some very positive action.

☐ 1925

Now, there is a map which is enclosed with the report of the House Committee on Interior and Insular Affairs dealing with Alaska lands legislation. It is a map which was not put in by the 22-man majority but by the 21-man minority. It is entitled "Oil and Gas Potential of Alaska."

I invite the Members to look at that map because it shows very graphically that the vast majority of the areas that are considered by the U.S. Geological Survey and the U.S. Bureau of Mines as areas of high and farovable hydrocarbon potential in Alaska, are outside any of the borders of the conservation units established by the Udall-Anderson bill.

While there are two wildlife refuges in the area north of the Brooks Range in the central and western part of the Arctic slope, you will find, in reading the Udall-Anderson bill, that those, as well as the entire national petroleum reserve—Alaska, are open under the Udall-Anderson bill, not only to continued governmental exploration, but to private exploration as well under an accelerated leasing program.

All of the other areas of oil and gas potential of a high or favorable rating are outside of conservation units or are open to being developed. There is one exception. The exception is a small area on the Arctic coast in the Arctic National Wildlife Range.

We have had calculations made based on the acreages indicated for high or favorable hydrocarbon potential that indicate that 95 percent of all of these areas are outside of the Arctic Wildlife Range, leaving 5 percent in the Arctic Wildlife Range.

On this point, the only difference between the Udall-Anderson bill and the Breaux-Dingell or Huckaby bill is that the Udall-Anderson bill puts that 5 percent in a wilderness area and says that it is not open to private oil and gas exploration at the present time.

Under Udall-Anderson, it would be open to mineral assessment by the Secretary of the Interior, and a study of the caribou and the other wildlife there is mandated, to determine the impact of possible development on those species.

But it is not open to private oil and gas exploration.

We are going to hear the cry, and we have heard it already, that with the energy crisis upon us, we must open up every single acre to private oil and gas exploration.

Well, before we take an irrevocable step, we would do well to look at the facts. First of all, the areas of Alaska that have hydrocarbon potential are so vast, and the conditions are so severe, that if all the drilling rigs in Alaska and a good part of the lower 48 were sent up there it would take a generation to even do an adequate job of exploration. It would take even longer than that to get the oil out of the area. There is a minimum lag of 10 years from discovery to production.

Well, you may say, "But maybe the Arctic National Wildlife Range has a little more potential than some of the others."

□ 1930

Well, that was thought to be the case 1 year ago. As a matter of fact, I am the one who in the Committee on the Interior last year offered an amendment which was adopted by the committee which would have taken that North Slope area and mandated a study by the Secretary of the Interior, including core drilling, to determine whether there was actual hydrocarbon potential in the area.

Guess what happened to that amendment on its way to the floor? That amendment was taken out by none other than the Committee on Merchant Marine and Fisheries and it remained out when the House passed the bill. It was taken out, I am told, at the behest of the oil industry, because as a matter of policy if it had to be a choice between Government exploration and no exploration, the industry would prefer no exploration.

This year, however, we have a different situation, as we all know, and the oil industry through the Huckaby bill has mandated exploration by private industry, in the Arctic National Wildlife Range, followed by the option of Congress to open it up to actual development if oil and gas is found in the Arctic National Wildlife Range. And, as Mr. HUCKABY conceded during general debate last week, if oil were found there, there is no doubt that Congress would direct that it be developed.

Now, maybe there is oil there and maybe there is not. You never know until you drill. But the State geologist for the State of Alaska, who made the original estimate that the Arctic Wildlife Range was one of the hottest oil areas in Alaska, has since revised his position. He is now a consultant to private industry, and based on drilling by private industry that has taken place right near the border of the Arctic National Wildlife Range, between it and Prudhoe Bay, it has become clear that the assumption on which his original forecast was made is not correct. He assumed that the Prudhoe Bay formation would extend eastward into the Arctic National Wildlife Range. Subsequent exploration has shown that that is not the fact and that the kind of formation that is in the western end of the range looks like the same kind of formation that is in the eastern end, and it is not capable of holding even an economically developable amount of petroleum; so we have a different picture today than we did 1 year ago.

Another interesting thing happened after the Committee on Interior adopted the amendment I offered last year to open up the Arctic National Wildlife Range to petroleum exploration. I got calls from officials in the Canadian Government saying, "Wait a minute. We are planning to set aside a big area on our side of the border to protect the Porcupine caribou herd, the largest herd of caribou in North America, the one remaining last great caribou herd, 130,000 animals strong, which winters in Canada and migrates north into the Arctic slope in Alaska to have its calves every year. We are going to set aside about 10 million acres to see what we can do to protect that herd."

As a matter of fact, they have since set aside that acreage. They went on to plead with me not to take the risk of destroying that magnificent wildlife aggregation.

Next I had a personal visit from Jonathan Solomon, an Alaskan Native who is the mayor of Fort Yukon, which happens to be the hometown of the Congressman from Alaska (Mr. YOUNG). Mayor Solomon said to me, "Please leave that area in wilderness and don't allow it to be explored or developed for oil." He went on to say that every Native village in the Arctic Wildlife Range and every Native village on the periphery wants that to remain unexplored for oil, because "We fear" he said, "that if it is developed, it is going to destroy that great herd on which our people rely for their very life."

Let me quote his word at length:

> *Mr. Chairman, the people of our . . . region and the people of Kaktovik want to have the Arctic National Wildlife Range—and especially the coastal calving grounds of the Porcupine caribou herd—to be made Wilderness. We strongly object to any oil and gas exploration or development in this area.* [*This is our number one priority.*]
>
> Mr. Chairman, we are a proud people. By your city standards we are also very poor. In many villages, everything must be flown in by airplane. We have in rural Alaska the highest energy costs in the nation, with fuel oil costing well over $1.00 per gallon in most places. Food and other items are very expensive, too. In addition, in many villages "unemployment" exceeds 90 percent for much of the year, and only a few more jobs are available in the summer—frequently requiring us to leave our families to earn a little money.
>
> We do [not] however consider ourselves poor just because there are no jobs and little money. Please understand this. *We are a subsistence people. Our "occupation" is hunting and fishing. This way we can feed our families and trade among our people.* Caribou from the Chandalar [river drainage] will give red meat to a family in Fort Yukon, while Yukon River fish find their way to a family in the Chandalar.
>
> *So long as we have our caribou, our fish and berries, and other products of the land we can be happy. We have our culture. We have our heritage and our way of life. We can know the way of our forefathers and we have something to give our children. Without caribou, without our way of life; What have we? Who are we?*
>
> The Arctic National Wildlife Range is the [last] part of the "North Slope" not already being or going to be explored. The Porcupine caribou calving grounds are the [source] of our subsistence way of life. Maybe in 30 or 50 years we can explore and develop oil and gas without danger to the caribou and without risking our way of life. If oil is there, it will still be there. It will not be less valuable.
>
> You [must] allow us to continue our way of life, to preserve our culture and the life of our villages and the villages of our Canadian neighbors. Please give Wilderness protection to the Porcupine caribou calving grounds. [*Emphasis added by italics, but material in brackets in the original.*]

□ 1935

Based on all that and based on the additional knowledge as to the oil potential that was gained last year, I reversed my position and became converted to protecting that great Arctic Wildlife Range.

Now, let me speak a little bit more about the Arctic Wildlife Range itself. It was established in 1960 by President Eisenhower in recognition of the unsurpassed wilderness values of this mountains-to-the-sea spectrum of high Arctic ecosystems and life forms. It, together with the proposed additions and with the adjacent lands in Canada already under proposal to become a Canadian national park, comprises the most extensive and diverse undeveloped landscape on the entire continent of North America.

As I have already indicated, virtually all the evidence suggests that exploration and development for oil and gas on the Arctic coastal plain is likely to be incompatible with the survival of the porcupine caribou herd. Studies conducted by the Federal and State fish and wildlife advisory team in Alaska show that cows and caribou calves are most sensitive to disturbance and appear to avoid the development activity at Prudhoe Bay and along the pipeline corridor, and the central Arctic herd may be splintering, and its movements appear to be changing in the area of the pipeline development.

We will hear the gentleman from Michigan (Mr. DINGELL) and the gentleman from Alaska (Mr. YOUNG) say, "There are a lot of caribou that go right up to the pipeline, and you will see them right next to it." Unfortunately it is hard to tell the difference between male and female caribou at a distance because they both have antlers, but the biologists tell us that we are likely to find only male caribou near Prudhoe Bay and near the pipeline. So it appears that perhaps females will not take their calves or bear their calves near man's activities.

Research drawn from this experience supports Russian reports that major caribou herds eventually abandoned habitat areas, particularly calving grounds and migration routes, near human developments. That is also in line with the general finding that no caribou herd in the world has sustained itself at high population levels following major interruption of its range by industrial development.

However, Mr. Speaker, it is not only the caribou and the Natives it supports, but it is the magnificent land itself and the fact that it is the last great wilderness in that portion of North America that make it important to try to protect some of it simply to allow it to remain wild.

I have here a picture which appears in the Audubon Society magazine for July 1976. In fact, there is a whole series of pictures in the issue, and we will have that on the desk during the debate on the Alaska lands bill. On page 90 of the magazine there is a picture of just a little segment of that magnificent Arctic coast.

All we have to do is imagine what that will look like with some overflow oil from a gusher or whatever, and we can imagine what that would do to its appearance. Gone would be the pristine sparkle of an unpolluted and untrammeled wild land.

There is something more than appearance here. We have there an area that is one of the most fragile ecologies, one of the most fragile ecosystems, in the world. The entire Arctic Slope is underlain, just beneath the surface, with permafrost, which, when it melts, looks kind of like black bean soup. The only thing that keeps it from melting in the summertime is the vegetation on top of it, which acts as an insulation from the summer Sun. But if you run a heavy vehicle over that or you spill some oil on it and destroy that layer of vegetation, you will get a melting in the summer and a caving in of the vegetation, and in a very few years—3, 4, or 10 years—you will have a ditch many feet deep in some places. I can show the Members places in the Arctic where that has occurred. You will have scars there that will last forever, or at least until the next Ice Age.

I suggest that it is in our interest to keep at least one strip of the coast of North America in its natural state, not only to protect the wildlife and its native inhabitants, but to retain the possibility of an experience which only those who have been there can truly grasp. The thing that is most gripping about wild Alaska is the fact that nowhere else in this country can we experience wilderness on a vast scale, unimpacted by man's activities in any appreciable way. The Arctic Wildlife Range offers that experience, with all the variations, from the mountains to the sea, in the most pure form imaginable.

□ 1940

It is so gripping and so fascinating that it is the kind of experience that we ought to preserve so that Americans can understand how their pioneer ancestors and indeed the whole world at one time thrilled to the magnificence of North America in the early years after its discovery and settlement.

Given these considerations, a rational progression of exploration and development ought to focus on the lands, the 95 percent of high and favorable oil and gas potential, that can be developed without destroying that magnificent heritage. After we have drilled everything else out and explored everything else, if there is no other place to go and we have to get some oil, we could go and look there. Incidentally, then we might be glad we had saved some of that oil if it is there, because we might have none left anywhere else. Certainly, if it is there, it is not going to go away unless we take it away.

In the meantime, it is not going to help much with the energy crisis. The amount of potential, the latest estimates indicate, that is in that area is between 450 and 750 million barrels of oil, about a 30-day supply at present levels of consumption. It is not even an economic amount to develop at current prices.

John F. O'Leary, the Deputy Secretary of Energy is supposed to be worrying about oil more than any other official in the executive branch. Testifying before the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the Committee on Merchant Marine and Fisheries on February 14 of this year, he had this to say:

> We still have enormous opportunities in Alaska, and elsewhere, that will keep us heavily occupied for many, many years to come. If in 30 years we get to the point where all our opportunities are gone, are behind us, where we have drilled up all the major structures, and the Arctic National Wildlife Range is the only one left, and we desperately need the oil, then I think it is fair that we ask the Congress, if the situation at that time demands, to reconsider. But for now, the Wildlife Range has a higher claim to be set aside as a wilderness area, as a refuge, and not touched.

The Committee on Merchant Marine and Fisheries, last year, had very interesting comments to make on this point. Among other things, they said the Arctic Wildlife Refuge is an Arctic and subarctic wilderness of incredible beauty. And on that basis, they justified not putting it into an oil and gas exploration category but putting it into a wilderness. I will insert their comments at this point in the RECORD.

> The committee recognizes that, although a portion of the coastal plain of the Range has geological features that indicate a possibility of oil and gas deposits, any development of this area should be delayed as far into the future as possible. Hopefully, if ever there is a need to develop this area, technology will have advanced to the point where drilling and extraction can be accomplished with less environmental damage than would occur at the present time. Despite rigid requirements in the Interior Committee proposal specifying that the seismic surveying and exploratory drilling be done in a manner which would minimize damage to wildlife and its habitat, none of the experts testifying before the Merchant Marine and Fisheries Committee could be certain that there would be no adverse effects upon the caribou herd. Some thought the effects would be severe.
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> Dr. David R. Klein of the University of Alaska, a leading caribou expert testified that cows and calves of the Small Central Arctic herd—some 5,000 animals whose range formerly included the Prudhoe Bay oilfield—are avoiding the oil pipeline corridor. Representatives from the Department of the Interior indicated that the herd appears to be splitting into two segments. The intrusion of manmade development is causing the cows to seek other calving ground, according to Klein, but it is too early to ascertain what effect this will have on the herd's overall productivity.
>
> Considering that a major purpose of establishing the enlarged Arctic National Wildlife Refuge is to maintain the Porcupine caribou herd and to protect its habitat, the committee felt that any development would be incompatible, at least until more is known about the habits and the vulnerability of this spectacular wilderness species. The committee also recognizes that other species, such as wolf and grizzly bear, because of their intolerance of man or their need for large areas of land, can survive only in the wilderness. Because they require large areas of wilderness to protect the integrity of their populations and preserve their habitat, the ultimate management technique for such species is wilderness designation. It was with this in mind that the committee designated 13,130,000 acres of the new refuge as wilderness. [H. Rept. No. 95–1045, Part II, to accompany H.R. 39, May 4, 1978, pp. 45–47, re: "Arctic National Wildlife Range"]
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> Both Secretary Andrus and President Carter recommended wilderness designation in September 1977
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> The committee concurred in the administration's recommendation. It found that such designation was the only certain way to protect the Porcupine caribou herd, which today constitutes about half of this country's remaining caribou, from the adverse effects of human activity related to oil and gas exploration and development. The committee's findings in this respect are amplified in the discussion of the Arctic National Wildlife Refuge, supra.
>
> While industrial development on the Arctic coastal plain can be expected to have its most pronounced environmental impact on the caribou herd, it would also adversely affect the millions of waterfowl, seabirds and shorebirds that utilize the area as a migration corridor. The coastal plain is an important nesting and molting area for waterfowl, and large flocks congregate in relatively confined areas during some critical parts of their life cycle. Contamination of the lakes which are used for nesting and feeding, or physical disturbance of the important coastal beaches, bars and spits could have a cumulative adverse effect which would inevitably lead to a progressive decline in some bird populations. This area is also the fall staging area for the internationally significant snow geese, which in some years number in the hundreds of thousands. This species is highly sensitive to human presence, noise and aircraft. Disturbance of these birds during the critical period during which they are in this region could disrupt their feeding patterns and could mean that some snow geese might not have the stamina to complete their southward migration. For such species the designation of wilderness is the soundest type of wildlife management.
>
> The Arctic Wildlife Refuge is an arctic and subarctic wilderness of incredible beauty. The rich and varied ecosystem of 18.7 million acres is inhabited by thriving populations of plants and animals. This wilderness has come down through the ages, and it is a heritage that future generations, living in an industrial world even more complex than ours, will surely cherish. [H. Rept. No. 95–1045, Part II, to accompany H.R. 39, May 4, 1978, pp. 67–68, re: "Arctic Wilderness"]

Mr. Speaker, much else has been said, some if it correct and some of it incorrect. I am not going to dwell on the incorrect statements, except to say if you examine the remarks of the gentleman from Alaska (Mr. YOUNG) and Senator STEVENS on this particular issue, you will find that they simply do not square with the facts as I have just recited them.

I would like, however, to insert in this point in the RECORD some other remarks by other authorities on the situation with respect to oil exploration in the Arctic National Wildlife Range. The State now says it favors Government exploration of the wildlife range. But during the Alaska Natural Gas Transportation Act hearings before the House Interior Subcommittee on Indian Affairs 2 years ago, State officials spoke to the effects of potential development on the range. For example, the Lieutenant Governor of the State of Alaska, Lowell Thomas, Jr., testifying a couple years ago, made a very passionate plea for not putting a gas pipeline across the Arctic National Wildlife Range:

> The Wildlife Range possesses a spectacular combination of flora and fauna and is the best remaining example of an ecosystem that runs from the Brooks Range to the Arctic Slope. It is the calving grounds for one of the world's major caribou herds. . . . The Wildlife

> Range is also the only portion of the Arctic coast not already committed to mineral exploration and development. Given the alternatives, Alaskans feel that this precious national resource should be preserved.

☐ 1945

Mr. Robert LeResche, the Commissioner of Natural Resources, who also made a similar plea, made a statement, which I think we need to bear in mind when considering the present position of Mr. LeResche and the State of Alaska:

> With development of the Naval Petroleum Reserve No. 4, this area will become even more vulnerable. In fact, it will be the last relatively unblemished example of the Arctic Coastal Plain occurring in Alaska. Given that this is the last example of this land form and plant and wildlife assemblage, its value is beyond calculation.

The joint Federal-State Land Use Planning Commission in Alaska found the effect of closing the Arctic National Wildlife Range to oil and gas exploration was insignificant.

> Since the principal impact of the legislation appears to relate to the Arctic National Wildlife Range, the impact on national energy supplies appears to be minimal. The bulk of potential Alaska and national oil and gas, and other energy resources, will continue to be available for exploration and development purposes. The impact of continued closure of the Arctic National Wildlife Range simply means that energy resource development will proceed in other areas favorable for exploration, development and production. (Letter from the Co-Chairman to Senator John A. Durkin, July 7, 1978.)

If the total of all the lands that the Udall-Anderson bill would open to oil and gas exploration in Alaska is added up, it totals 289 million acres out of the 375 million acres in the State of Alaska onshore. Not all of those acres are considered to have oil and gas potential, but anyone can see that that is about three-quarters of the entire land surface of Alaska. What is more, the Udall-Anderson bill leaves open to development 100 percent of all of the offshore areas, an area of approximately 300 million acres, which is considered to be even more promising than the onshore areas.

So much for the canard that the Udall-Anderson bill would block the ability of the Nation to solve its energy problems.

Next, Mr. Speaker, I wish to place in the RECORD what I consider to be extremely important, and that is a detailed description of the kind of ecology and the kind of precious asset that we are trying to protect in the Alaska National Wildlife Refuge.

The late Olaus Murie, one of Alaska's most noted wildlife biologists, dedicated a substantial portion of his life to studying this magnificent area and it was through his efforts that this unrivaled area was set aside for its outstanding wildlife values, as well as its wilderness values.

Let me dwell briefly on some of those values: As the Brooks Range arches north against the Arctic Ocean the physiographic provinces of the northeastern Alaskan Arctic contract to form a discrete and nearly entire animal ecosystem, as yet untrammelled by man. Here condensed into a comparatively small area is an ecological continuum incorporating an unrivaled display of land forms. Rising nearly 200 miles south of the Arctic Ocean are the northernmost fringes of the Tiaga Forest on the southern foothills of the Brooks Range.

The land then soars northward to the highest peaks in the eastern Brooks Range dominated by Mount Chamberlain (9,020 feet) and Mount Michelson (8,855 feet). The gray and black rocks of the mountains are often highlighted by brightly colored bands of red, orange, and yellow lichens. From this majestic jumble of peaks the north slope sweeps to the Arctic Ocean along with the north flowing rivers—the Jago, the Canning, and the Kongakut. This narrow swath of tundra exhibits some of Alaska's best examples of frost polygons, sedge meadows, hummocks, ponds, and lakes characteristic of lands underlain by continuous permafrost.

This tundra covered expanse is an exciting kaleidoscope of color in the brief though intense Arctic summer of unending days. It is here the Porcupine caribou herd, Alaska's largest, is drawn inexorably back to its calving ground and renews itself as another generation joins the herd and repeats an ancient cycle. Grizzly bears, wolves, Dall sheep, wolverines, ground squirrels, and fox also play out their assigned roles in this world of the caribou.

Fish move freely in the waterways during summer and collect in deep holes in the winter when the relentless cold freezes most rivers and streams to the very bottom. Bird life abounds in the summer as nesting birds return again to their ancestral nesting areas and to complete their annual cycle.

Life is harsh in this environment yet man is here today as he has been for centuries, taking from the land what it could spare. Man in this region lives next to the sea where the Arctic Wildlife Range ends at the barrier islands of the Beaufort Sea. These barrier islands hold the shorefast ice well into the summer and form the lagoons, between the islands and the mainland which support seals, fish, and bird life essential to the Native people.

It is across these very islands, lagoons, and as much as 25 miles inland that female polar bear have been known to come to den and give birth to their young. These maternal dens are occupied during the deepest part of winter, when most other wildlife, except the muskoxen, have migrated southward to meet their life needs.

These irreplaceable values truly make this area a shrine. Unfortunately this shrine may have another value too—oil. Everyone is aware of the potential for hydrocarbons that underlay the calving grounds and post calving aggregation areas of the Porcupine caribou herd. Such a prospect is to be the focus of the conflict between wilderness and development—two mutually exclusive conditions.

The National Petroleum Reserve in Alaska is being explored and will be developed. Prudhoe Bay is building toward full production. Exploration prior to leasing is proceeding in the Beaufort Sea and other Alaskan locations.

There are numerous opportunities for exploration elsewhere in Alaska, so we also have the opportunity to preserve for all Americans this one-of-a-kind last wilderness. The oil under the game range—if it is there—is not going to go anywhere. In the meantime the Fish and Wildlife Service can do the necessary research to gather baseline data on the ecology of the caribou and other wildlife and their associated habitats. Also, the pending treaty with Canada on the research and management of the caribou can be finalized so that if and when it does become necessary to despoil the wilderness resources of the Arctic National Wildlife Range, we can at least do the best possible job of preserving some of its associated values. These values are vital to not only the Native Americans and Canadian of that region but, they are vital to all Americans if future generations are to have even a vestige of primeval Arctic America.

Mr. Speaker, it appears tragically paradoxical to me that in carrying out the charges that the 92d Congress set for us in section 17(d)(2) of ANCSA that we should defeat the very intent of that law; to set aside new parks, refuges, forests, and wild and scenic rivers by incorporating provisions that would give license to the oil companies capable of despoiling not only the very last untouched expanse of Arctic coastal wilderness in this great Nation of ours, but also the unique and rewarding lifestyle of the Native people. It is ironic when a bill purportedly designed to protect wildlife and fisheries resources on new conservation lands in Alaska also contains provisions capable of eliminating these very attributes on an already established unit of the National Wildlife Refuge System.

In this connection, it is significant that every Native village in the vast range of this great caribou herd, including the home village of Representative DON YOUNG, supports wilderness designations for ANWR.

Mr. Speaker, I would urge my esteemed colleagues in their deliberation of this monumentally important piece of legislation they support H.R. 3651 which supports the premise that the Arctic National Wildlife Range be the last place in Alaska to be developed for energy.

Mr. Speaker, as I have mentioned, here are capsulated the natural attributes of the high Arctic. It is a continuum stretching nearly 250 miles from the northern fringes of Tiaga Forest on the south flanks of the Brooks Range to Barrier Islands in the Arctic Ocean. An array of streams, rivers, tundra, lakes, ponds, pingos, and frost polygons, lemmings and owls and all other indigenous native creatures. I implore my colleagues to realize that this is the last untrammelled wilderness of this type we have.

Mr. Speaker, I would urge my esteemed colleagues in their deliberation of this monumentally important piece of legislation to support H.R. 3651 which includes the premise that the Arctic National Wildlife Range should be the last place in Alaska to be developed for energy rather than the first place as some amendments would dictate. As has been so well stated by several others, "This is our last, but best, chance to do things right the first time."

Mr. Speaker, I would like to include, following those remarks, the editorial from today's Washington Star, which supports the Udall–Anderson bill in most strong terms indeed. The Star states "if a vote for Udall–Anderson would immediately handicap the effort to achieve greater independence and energy, that would weigh heavily against it, but both the present stunted development of the Prudhoe Bay fields and the fact that Udall–Anderson would leave upwards of 90 percent of potential oil fields open to exploration, seem to us to make it the prudent choice for the time being." The full text of the Washington Star editorial follows:

A Vote for Alaska Wilderness

> In recent newspaper advertising, an Alaska citizens group has taken the appealing view that this week's showdown in the House over Alaska land legislation need not—in fact, does not—involve hard choices between development and conservationist principles.
>
> But there are hard choices to be made. All three bills are "conservationist" in the narrow sense, reserving hundreds of millions of unspoiled acres for public purposes. None would expose Alaska's resources to frivolous abuse. Yet there are substantial differences.
>
> Essentially, the issue is how much of which Alaskan lands to designate as "wilderness" areas—a classification that would absolutely bar mineral, timber and oil exploration. The *least* protective bill, reported by the Interior Committee, would create more than 50 million acres of wilderness—not strikingly less than the 67 million acres which would be set aside by the *most* protective, the Udall–Anderson bill.
>
> The salient difference among the bills—there's a third, reported by the Merchant Marine and Fisheries Committee—is epitomized, however, in the way each would handle the Arctic National Wildlife Range, which adjoins the North Slope oil fields. Parts of the range are thought to be rich in oil and gas (although this is one of many supposed facts in dispute). But those very parts also happen to be the spring calving ground of vast herds of North American caribou and their potential disruption by exploration raises sharply the old question of man's obligation to fellow creatures.
>
> This is the sort of issue that stirs more outrage than inquiry, on the old principle that the less you know the louder you talk. No one knows what would happen to the caribou if oil and gas exploration were allowed in the Wildlife Range; perhaps nothing. At best it's a gamble—a gamble which the state of Alaska and its congressional partisans favor for developmental reasons and environmentalist groups as stoutly oppose.
>
> The state of Alaska also argues, incidentally, that in a succession of post-statehood land acts Congress has broken faith by narrowing the choice of lands promised at the time of statehood. The argument merits consideration; but it can hardly override Congress's established right and duty to dispose of territorial lands for the general benefit of the Union: a principle settled 200 years ago and never seriously challenged.
>
> Alone of the three bills to be voted on this week, the Udall-Anderson bill would bar—until Congress changed its mind—any interference with the caribou grounds. It would also preserve intact against timbering or mineral exploration the Misty Fjords and Admiralty Island areas which President Carter last year designated as national monuments. Here wildlife claims also emerge: Admiralty has the largest population of bald eagles in the world—more, in fact, than the total population of the lower 48 states.
>
> In view of the oil bind, and of the need to free the U.S. of its demeaning dependency on foreign suppliers, this would hardly seem an ideal time to protect caribou and eagles at the expense of very promising oil fields. Yet the circumstances warrant a pause.
>
> Because of the snarl over the proposed Sohio and Northern Tier pipelines, the capacity of the North Slope oil fields remains to be fully developed. The Alaska pipeline, built to carry 2 million barrels of oil a day, is now carrying only about 800,000. It seems reasonable to assign further Alaskan oil and gas development a somewhat lower priority for the moment than it would otherwise merit; and that, to our mind, tips the balance in favor of leaving the Wildlife Range and other virgin areas unscathed until there is both demonstrable need and demonstrable pipeline capacity (or the prospect of it) to carry Alaskan oil where it's needed.
>
> The Carter administration, which is backing the Udall-Anderson bill, argues that it alone, of the three bills before the House, would keep all options open—both the immediate option of leaving the wilderness undisturbed and the ultimate option of oil drilling inside the Wildlife Range.
>
> If a vote for Udall-Anderson would immediately handicap the effort to achieve greater independence in energy that would weigh heavily against it. But both the present stunted development of the Prudhoe Bay fields and the fact that Udall-Anderson would leave upwards of 90 per cent of industrial oil fields open to exploration seem to us to make it the prudent choice for the time being.

Mr. Speaker, much is said about the attitude of the people in the State of Alaska. Well, in our hearings up there in 1977, a majority of the over 1,000 people who testified expressed support for the concepts embodied in the Udall-Anderson bill. Interestingly enough, the Alaska State Legislature hired a professional polling firm in 1977 to take a poll in Alaska.

In December 1977, after our hearings there, the response to the pollster's question as to whether people supported setting aside large tracts of Federal land in Alaska for wilderness even if they would never get to the wilderness, 61 percent answered that they would. Why then the tremendous uproar now emanating from the Alaska delegation and the State of Alaska? I will tell you why. Because the mass media in the two principal population centers of Alaska—Anchorage and Fairbanks—where about two-thirds of the entire population of the State is situated, are dominated by the extractive industries, the oil and gas industry, the mining industry, the logging industry, the fast-buck developers. They find allies in the sport-hunting fans, who do not want to see the rights of Native and other subsistence users given priority in the event of a shortage of game even though the Congress of the United States itself in the treaty under which we acquired Alaska and in the 1971 Native Claims Settlement Act, committed themselves to protection of those rights.

☐ 1950

Those elements, mouthpieced through the Anchorage Times primarily, are so vociferous and so powerful that almost any politician in Alaska would take his political career in his hands if he as much as dared to suggest that the American peoples' heritage in Alaska should be protected and not opened up 100 percent to development.

Ironically, the Udall-Anderson bill is balanced on the side of development. Sixty-four percent of all the areas of mineral potential—and you can see that in the maps in the Interior Committee bill—95 percent of all the areas of high and favorable oil and gas potential, and three-quarters of all the commercial timber, are open to development. All valid existing rights are guaranteed, and guaranteed to have access. That includes mining rights even in wilderness and in national parks.

And yet, they say this is an unbalanced bill. Who are the extremists in this situation? Mr. Dingell says that he thinks that all of the national parks should be opened up to sport hunting, that there should be no sanctuaries, no places where tourists could see game without rifle fire crackling above their heads. That is his position. He has so stated to me personally. Incidentally, he is on the Board of the National Rifle Association, so where do you think those letters are coming from that the National Rifle Association is inspiring out in some Members' districts? The writers of those letters do not have any great interest in Alaska. But they have a buddy system.

The sport hunting guides in Alaska whose areas are within the national monuments and national parks are upset because we only "grandfather" them in for 10 years. Nowhere else are there any sport hunting guides or sport hunting operations in the National Park System except in Alaska. Furthermore, the Udall-Anderson bill sets aside 17 million acres out of the 44 million in the Alaska National Park System as preserves open to sport hunting. Ninety-three percent of the entire State and the majority of every single sporting game species will remain open to sport hunting under the Udall-Anderson substitute. But some people are never satisfied.

Not everyone in Alaska, however, holds to that philosophy. Congressman Udall and I have received many letters from people in Alaska thanking us for our efforts to preserve some of their wilderness and wildlife heritage. I offer excerpts from one such letter to Chairman Udall dated January 19 of this year:

> I want to thank you and Congressman Seiberling and all the others whose names are not on the tip of my tongue for your efforts in behalf of Alaska, and the Nation.
>
> Despite what the Governor or the Alaskan congressional delegation say, not all Alaskans oppose "D–2". I don't know how they can be blind to the simple results of the hearing held by the House two years ago.
>
> "Eight years ago my wife and I came to Alaska from California. We came because Alaska was still wide, free, and wild. At the time we had no clear conception of what that meant. Since then we have lived in the community of McKinley Park for a year,

> another year at Wonder Lake just north of the Denali National Park boundary and end of the park road; and now for the past six years on the Tonzona River west of the Denali National Park boundary.
>
> Our cabin is 100 miles from the nearest road. We have traversed on foot and skis close to 200 miles of roadless Alaska Range. In consequence of this we have clearer conceptions of wilderness and what it means to the well being of body and soul.
>
> It is time (long past due) that we as individuals and as a nation realize we cannot own land; we can at best be only its benevolent stewards. What wilderness is left, and it is precious little, should be preserved for now and the future. Not just for people, but even more so for the creatures that abound in it. The more I have encountered them, the more their peculiar perfection becomes obvious.
>
> In the past several years, under pressure from fly in trophy hunters, the animal populations of the Tonzona-Swift Park region (west of Denali National Park) have steadily dropped. I have been to 7 different camps of registered guides. Each is covered with trash.
>
> The mountains, tundra and forests of this region are unexcelled and for the most part unequalled by anything in Denali National Park. The sheep habitat is some of the finest anywhere in Alaska. The land is still the home of grizzly and black bear; moose, caribou, and sheep; wolf, wolverine, fox, lynx and countless migratory and resident birds and waterfowl.
>
> Despite the growing problems of trophy hunting the area is still basically pristine. It would be a shame to not protect it.

My friends, I will stop, no one could say it better than those folks from Alaska.

● Mr. UDALL. Mr. Speaker, today my colleague John Seiberling is placing in the Congressional Record amendments concerning mineral rights in national forest conservation system units in Alaska. These amendments will be offered as amendments to the Udall-Anderson substitute on the House floor during the consideration of the Alaska lands legislation.

Over 2 months ago, before our committee took its vote to report an Alaska lands bill on February 28, 1979, I advised the members of my committee that I had directed staff to work on language regarding access and other issues relating to valid existing mining claims in Alaska, which I hoped to include in the committee report on H.R. 39, or if necessary, to offer as a floor amendment.

As I said during committee markup—when we say there will be access to valid mining claims, we mean access. In our dissenting views to the Interior Committee report on this bill, we included on page 591, the following strong statement about access to valid mineral claims:

> We want to make it abundantly clear that it is our intention that those persons possessing valid existing mineral rights should be permitted access to their claims to exercise those rights. Reasonable access should not mean access which is so hedged with burdensome restrictions as to render the exercise of his valid rights virtually infeasible. Also, degrees of access understandably could vary depending on the status of the development on any particular claim.
>
> The bottom line of our position is that holders of valid existing claims will not be precluded by the Federal Government from the reasonable development of those claims. When conflicts arise between the essential needs of the holder of a valid claim for reasonable access to work or develop his claim and restrictions to minimize the adverse impact on the ecology of the conservation system unit, then if such conflicts cannot be resolved by agreement, the Federal Government must be prepared to accept the degree of environmental harm that is unavoidable if the holder's essential needs are to be met or be prepared to purchase the claim in question.

To even further clarify and liberalize access language currently in our bill, as I had promised, an amendment which has been worked out with other members will be offered to H.R. 3651 during floor action. In addition to this general access to inholdings amendment, there will be offered a very significant amendment regarding rights to holders of unperfected mining claims on the national forest conservation systems in Alaska.

This amendment, concerning unperfected mining claims will provide a 5-year grace period under certain circumstances during which holders of such unperfected mining claims on national forest conservation system units in Alaska will have the opportunity to "prove-up" their claims.

It should be clearly understood by all Members of this body that the validity of an unpatented mining claim is not determined solely by the acts of location and recordation but most importantly upon the discovery of a valuable mineral. Without the latter, no rights are gained against the United States.

Generally, unperfected mining claims are those claims which have been properly located, recorded and maintained but on which there has not been made a valid mineral discovery within the meaning of the mining laws of the United States. The effect of our amendment is to give the individual miners and large companies alike, a 5-year period to explore their unperfected claims within a national forest conservation system unit to allow them to attempt to make a valid mineral discovery.

This amendment is equitable in that it will benefit not only the large mining conglomerates but also the individual miner. It is intended to provide a workable means of distinguishing those claimholders who have diligently worked their claims and made valid discoveries within the meaning of the mining laws of the United States from those who have carried out widespread claimstaking on Federal lands as a highly speculative venture with little serious expectation of developing those claims.

In brief, the amendment will provide that any person who owned a valid claim as of the date of the Forest Service withdrawal—December 5, 1978—and who owned unperfected mining claims within a three-quarter-mile radius of one of his valid claims, will have 5 years during which he may work toward making a valid mineral discovery on such unperfected claims. Of course, his claims would be required to have been duly located, recorded and maintained under State and Federal laws.

If the holder makes a valid mineral discovery within the meaning of the mining laws of the United States during the 5-year period, he will be entitled to a patent to the minerals and the right to use so much of the surface as may be needed for mining and milling purposes. Additionally, he will have all rights of reasonable access accorded holders of valid mining claims.

Furthermore, the Secretary of Agriculture will be authorized to offer to the holder of such claims, leases for milling purposes on other national forest lands—either outside or inside the conservation system units—if it would be more environmentally sound to have the milling facilities located away from the claim itself.

We would require the Secretary to notify the public within 90 days after enactment of this act as to what they need to do to take advantage of this 5-year grace period. Once holders who believe their claims qualify have submitted requests for exploration permits, the Secretary must make a decision within 18 months. If the Secretary delays his decisions longer than the 18 months for any reason beyond the control of the claimholder, the claimholder will receive an extension to this 5-year period equal to the amount of time a final decision on his application was delayed. The latter feature is designed to provide in essence a sanction against the Secretary for foot dragging if such should occur.

If at the end of the 5-year period or appropriate extension, the claimholder has not made a valid mineral discovery, then he is conclusively presumed to have abandoned his unperfected claim.

NATIONAL FOREST LANDS ONLY

Congress has traditionally treated the issue of mineral withdrawals in national forest wilderness areas more flexible than in national parks or wildlife refuges. National parks and wildlife refuges have been almost without exception completely withdrawn from new mineral entry upon the date of the unit's establishment. The Secretarial, Presidential, or congressional actions establishing these areas have not normally allowed for new mineral discovery on unperfected mining claims. It has clearly been the intent of Congress to restrict mineral activity in these areas to claims which were valid at the time of establishment of the conservation system unit. Those who had valid existing rights as of the date of the withdrawal are of course fully protected in their ownership and exercise of those rights.

Recent passage of the Park Mining Act (P.L. 94–249)—which governs the exercise of valid rights in national park units—and the Federal Land Policy Management Act (P.L. 94–579)—which requires an act of Congress to open presently withdrawn refuges to new mineral entry—reinforce congressional and public desire to limit mining activity in national parks and wildlife refuges only to those who held valid rights at the time of the unit's establishment.

In national forest wilderness areas Congress has been a little bit more flexible. In some areas we have allowed new mineral entry for a set period of time and in other areas we have withdrawn the wilderness area immediately, subject to valid existing rights. The Alaska lands bill which the House passed last year took the latter approach as does the Udall-Anderson bill as it now stands. The amendment would make the Udall-Anderson bill considerably more liberal on this issue.

After a very detailed look at the concerns of the mining industry in Alaska generally and southeast Alaska in particular, I think this is a fair approach. The applicability of the section is limited to national forests because that is the only area where there is an equitable argument for giving some special consideration to mining claim holders and because we do not want to change the protection traditionally provided to national park and wildlife refuges. Holders of claims in national parks and wildlife refuges are being treated in the same manner as if they had been included within the boundaries of a new national park or wildlife refuge anywhere else in the Nation.

This grace period for holders of unperfected mining claims has been carefully drafted and is designed only to apply to the national forest lands in Alaska. For those who possessed valid rights, we are providing additional time to prove-up their additional unperfected claims located in proximity—three-fourth mile—to their valid claims. The amendment addresses the unique character of the wilderness and national monument laws in Alaska. The rights of holders of valid claims are fully protected and access to their claims which may be located inside conservation system units is guaranteed, although the vast majority of claims are outside conservation system units.

EQUITABLE TREATMENT TO INDIVIDUAL MINERS AND LARGE COMPANIES

We have made a sincere attempt in this amendment to treat even-handedly both the individual miner or small mining company on the one hand and the large mining companies on the other. This is in marked contrast to the Huckaby and Breaux-Dingell bills which also create wilderness acreage in the national forests in Alaska but which have bent over backward to accommodate only the needs of the very vocal and well-heeled mining companies which can afford to heavily lobby the Congress.

AFFECT OF PROVISION ON QUARTZ HILL MOLYBDENUM FIND

Currently, it is estimated by the U.S. Forest Service that U.S. Borax, a subsidiary of Rio Tinto Zinc, a London-based firm with holdings throughout the world, has 32 claims—640 acres—which appear to have met the test of validity for a mineral discovery, within the meaning of the mining laws of the United States. Additionally the Forest Service is in the process of making validity determinations on 82 additional claims which may well be determined to have had valid mineral discoveries made on them.

Applying the provisions of this amendment, U.S. Borax is likely to receive the 5-year period during which the company could "prove-up" on an additional 320 claims on which their rights are otherwise suspended by the withdrawal of December 5, 1978. In all, the number of currently existing valid claims—32—could then be expanded to approximately 434 claims or 8,680 acres.

This company would then have more claims than are expected to be needed to represent an economic deposit with adequate reserves. U.S. Borax would continue, as it has now, to have no legal right against the Government to a number of claims which apparently have been staked for future rights-of-way purposes—in contradiction to what is permitted under the mining laws of the United States—rather than the likelihood that they are highly mineralized.

In order to protect the vital commercial fishing resources, we provide that mining operations will not take place within 1 mile of the centerline if the Blossom River, which along with the Wilson River represents approximately 80 percent of the pink salmon production of these river systems in the area. This compromise does not seriously jeopardize the mining operation on Quartz Hill but does alleviate some of the fears of the fishermen that mining operations of U.S. Borax will destroy the salmon spawning capability of the Blossom River. Such a buffer zone admittedly will, of and by itself, not offer sufficient protection to the salmon productivity of the Blossom River. The real measure of protection will come only if U.S. Borax complies with the applicable provisions of this bill and other Federal and State laws concerning environmental protection and land use.

Unlike the special treatment afforded to U.S. Borax by the Huckaby and Breaux-Dingell bills, under our provision granting rights to holders of unperfected mining claims, U.S. Borax will be asked to operate under the same guidelines that all of the other holders of valid claims inside conservation system units in the national forests in Alaska will be asked to operate.

To be sure this provision will not satisfy Borax. But, they will be able to operate and develop this mine if they choose to do so. Yes, they will still be inside a wilderness and national monument boundary—just as are a number of other smaller claim holders. But Borax will be able to develop their mine and to export the molybdenum as they wish.

I must say that there was a time during last year's committee deliberations when I thought a special solution for Borax was in order. As recently as our committee meeting on February 27, 1979, I specifically mentioned that I would welcome specific proposals for dealing with their concerns. They have not done so, and probably it is just as well. I believe we have come up with a more equitable solution which provides U.S. Borax and individual miners alike with the same grace period for perfecting unperfected claims as well as the same assurance of access for purpose of actual developing and mining.

When and whether the U.S. Borax mine on Quartz Hill goes into full scale production is not going to be determined by whether it is located inside a national forest monument or wilderness area but rather by the world price of molybdenum, and other world market conditions.

GREENS CREEK DEPOSIT

Much has been said during the debate over Alaska lands regarding seven areas in Alaska which a Stanford Research Institute study—prepared at the request of and paid for by certain industry groups—identified as having good potential for developing into operating mines. Five of the seven are outside the boundaries of our bills conservation units. The sixth, Quartz Hill, was just discussed. The seventh is on the Noranda find near Greens Creek on Admiralty Island.

The provisions I have described regarding the 5-year grace period during which the holder of certain unperfected claims may perfect such claims would also apply to the much more limited Noranda find of silver, zinc, et cetera, on Admiralty Island. The three-quarter mile radius figure is more than ample to cover the principal claims Noranda has filed for but also many other which they may be able to perfect if they choose to do so.

Environmental groups do not concur with this provision. They make a strong argument that the outstanding qualities of such areas as Admiralty Island, Misty Fjords, and West Chichagof-Yakobi Island, among others, merit the same treatment which we afford national parks and wildlife refuges. Nonetheless, after a detailed examination of the unperfected mining claim issue, I decided that a special provision dealing solely with conservation system units in the national forests is appropriate. This amendment is carefully drafted to provide miners an opportunity to explore and prove-up unperfected claims within conservation system units without doing unnecessary environmental damage to the units, to allow for milling of the ore, and to guarantee access. I believe it meets most of the major concerns of the mining interests within the national forest system in Alaska which were raised in our hearings and which I said I would address.●

● Mr. MIKVA. Mr. Speaker, I rise in support of H.R. 3651, Mr. UDALL's Alaska National Interest Lands Conservation Act of 1979. I am proud to be a cosponsor of this bill, as I have been proud to stand beside the distinguished gentleman from Arizona over the many months and years that he has led the fight to preserve the unique national treasure which is Alaska.

Almost exactly 1 year ago, I watched Congressman UDALL lead that fight to apparent victory with the passage by this House, by an overwhelming vote, of an excellent Alaska lands bill—one fully worthy of the natural heritage it was designed to protect. But, due to forces extraneous to this House, that fine piece of legislation was not enacted into law. And it required the bold and courageous action of a President and an administration dedicated to the cause of conservation to prevent the premature exploitation of the resources of our 49th State.

So, today, legislation to protect the lands and wildlife of Alaska is before us once again. Some things have changed: The forces arrayed against the bill are better financed and better organized and they have even developed legislative vehicles of their own. Also, the burden for new legislation has shifted: Thanks to the actions of President Carter, it is the forces of unbridled development, not the forces of conservation, which cannot abide the status quo.

But, for all that has changed, the central issue in this debate remains the same and it is this: Will we surrender our Nation's last large holding of unspoiled land to untrammeled development and commercial exploitation, or will we, instead, learn from our past mistakes here in the "lower 48" and treat natural majesty with the respect it deserves? Will we finally meet legitimate needs for mineral extraction and other development in a balanced and rational way?

We were warned about the dangers of thoughtless exploitation of our natural resources by our first conservationist President, Theodore Roosevelt, who said early in this century that—

> We have become great because of the lavish use of our resources and we have just reason to be proud of our growth. But the time has come to inquire seriously what will happen when our forests are gone, when the coal, the iron, the oil, and the gas are exhausted, when the soils have been still further impoverished and washed into the streams, polluting the rivers.

He warned:

> These questions do not relate only to the next century or to the next generation. It is time for us now as a nation to exercise the same reasonable foresight in dealing with our great natural resources that would be shown by any prudent man in conserving . . . the property which contains the assurance of well-being for himself and his children.

But we as a people did not heed Theodore Roosevelt's words of some 70 years ago. Instead, we of the generation approaching the next century threaten our grandchildren with the same lack of foresight which bequeathed to us smog-choked cities, unfishable streams, and strip-mined lands. We may, with time and skill and at great expense, recover from the consequences of our past lack of foresight, but in Alaska, we have the chance—truly our last chance—to do things right the first time.

The opponents of the Udall-Anderson bill have leveled many charges against it, but one that I feel particularly compelled to address is this: that, in choosing Udall-Anderson over its competitors, we threaten to sacrifice our Nation's pressing energy needs on the altar of environmental extremism. This argument is directed especially at Members who represent such districts as mine. It is asked: As the representative of a commuting, suburban constituency, should you not be more concerned with harnessing the vital oil and gas beneath the Arctic National Wildlife Range than with protecting its herd of porcupine caribou? After all, the argument runs, your constituents use oil and gas, while few of them will ever even see a caribou.

Well, I am concerned about energy. I am concerned that we utilize Alaska's vast energy wealth—95 percent of which would be open to exploration and development under the Udall-Anderson bill. I am concerned, more importantly, that we work to develop new, alternative energy sources, such as solar and geothermal. But the essential fact remains, that, while there are alternative sources of energy, there are no alternative sources of porcupine caribou. And, while it is probably true that most of my constituents will never see a caribou, I do not believe—and I am convinced that my constituents do not believe—that we have the right to rob our children and our children's children of any possibility of ever experiencing that facet of nature's wonder.

The Udall-Anderson bill affords us the opportunity to exercise the kind of foresight which Theodore Roosevelt urged upon us nearly three-quarters of a century ago. In this House, we have frequent opportunities to do things for the benefit of one interest group or another in our society. But this bill affords us the rare opportunity to do something for a group of Americans who do not lobby us, cannot petition us, cannot even vote for us; the generations of Americans yet unborn. They cannot vote for us, but I am confident that they will remember us well if we act in their interest today. I strongly urge support for the Udall-Anderson Alaska lands bill so that we can do it right the first time—for them.●

● Mr. GRAY. Mr. Speaker, as the House prepares to vote on the Alaska national interest lands bill—a bill many consider to be the most crucial conservation decision of this century—I hope that we will realize the necessity of maintaining the proper perspective on the importance of the wildlife and natural resources of Alaska to all Americans. In a time when there is increased pressure to exploit the Nation's bounteous resources, one must not lose sight of the fact that the beauty and majesty of nature serves as a constant reminder of the Creator's endowment to us all.

As trustees of this endowment we must develop a legislative proposal which provides for the wise management of all of Alaska's resources. In my estimation, the Udall-Anderson bill best provides for an effective balance of economic and conservation interests.

The carefully drawn boundaries leave open 95 percent of the onshore areas considered as being favorable for oil and gas development; leave 91 percent of the State open to sport hunting; and exclude from conservation unit boundaries over 60 percent of the areas identified as having hard rock mining potential. All in all, I believe that this bill will permit timbering, mining, and gas and oil exploration to grow in a manner that will foster sensible, efficient use of Alaska's resources.

I commend to the attention of my colleagues the following commentary from the May 7, 1979 Philadelphia Inquirer:

DON'T RAPE ALASKA'S SPLENDOR

Debate began in the U.S. House of Representatives Friday on whether much of what is left of America's swiftly dwindling wilderness will be kept as a relatively unspoiled legacy for the future or condemned to being despoiled for commercial greed.

The debate will resume tomorrow. Decisive votes are expected Wednesday. Anyone who has ever been moved by pristine outdoor beauty, who ever expects to be, or who would hope that others will be so moved in future generations, and anyone fond of such recreations as hunting, fishing, camping or hiking would do well to impress members of Congress that the only acceptable vote is for the measure known as the Udall-Anderson Bill.

That is one of three competing measures. It is closely similar to a bill which passed the House last May 19—almost exactly a year ago—by 277 to 31. It would put substantially more than 100 million acres of Alaskan land under various forms of federal protection, none of them, we believe, unreasonably restrictive of anything except irresponsibly destructive commercial development.

Last year's bill was diddled to death in the Senate, never coming to a vote, through the fierce and unyielding lobbying of loggers, miners, oil companies and others who included the Alaskan coalition of commercial developers and land speculators.

Now those same interests are trying to defeat the new attempt to save Alaska's legacy. They are using a great deal of persuasion, political and otherwise, and a great deal of what we take to be naked hypocrisy.

The two measures which are being offered by the opponents of conservation are the Huckaby Substitute, which came out of the Interior Committee on the sponsorship of Rep. Jerry Huckaby (D., La.) and the Breaux-Dingell Substitute, produced by Rep. John B. Breaux (D., La.) and Rep. John D. Dingell (D., Mich.). A great deal of smoke is being blown about the House chamber, trying to convince members who have been too busy to go into the complicated analysis of the measures that the Breaux-Dingell bill offers significant protection.

Responsible analysts who have worked over the issue for years find that argument, and both the substitutes, misleading and unacceptable. We agree with that analysis, finding the Breaux-Dingell "compromise" a charade—cosmetic but no compromise. We urge that the Udall-Anderson bill be passed unamended. The critical vote is expected by Wednesday. The general telephone number for offices of members of the House is (202) 224-3121.●

☐ 1955

THE SMALL BUSINESS INVESTMENT INCENTIVE ACT OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. BROYHILL) is recognized for 10 minutes.

● Mr. BROYHILL. Mr. Speaker, if you ever need to transport a small package to another section of the country in a hurry, you may rely upon a company called Federal Express which specializes in overnight package deliveries. Federal Express "went public" in April of 1978 and within a very few months its common stock was trading at three times its original public offering price. Federal Express is a wildly successful new company and one of the most successful venture capital investments of the 1970's. The intriguing story, however, is that of the events which transpired before the company went public.

The highest risk takers in Federal Express, as in many other small and startup endeavors, were the venture capitalists who provided the equity capital needed to get the company off the ground. That group of investors worked hard to help Federal survive—it was close to bankruptcy on at least two occasions in its early life. The venture capitalists, all sophisticated and acting in concert pursuant to the private placement exemption provided by section 4

(2) of the Securities Act of 1933, supplied three rounds of equity financing before the company went public. In exchange for their private financings they received what the Securities and Exchange Commission refers to as "restricted stock." As a result of their actions, the venture capitalists gave birth to an exciting new enterprise. They were, however, left with equity securities less liquid than those purchased by public investors when Federal Express went public.

The Securities Act of 1933, in section 4(2), provides an exemption from registration for stock offerings which do not constitute a "public" offering. Pursuant to that section, the SEC drafted rule 146 which allows sophisticated individuals and individuals of substantial net worth to invest (generally in groups not to exceed 35) in small and new ventures under the rule 146 "private placement exemption."

Although this rule works reasonably well going into an investment, it places undue burdens on investors after they make an investment, since liquidity (or resalability) is severely impeded.

An investor proceeding under the private placement exemption receives "restricted stock," which means that he is severely restricted in the manner in which he sells those securities.

He is generally bound by rule 144, which currently allows him to sell only 1 percent of the outstanding securities of that class in any 3-month period (or the average weekly volume over the preceding 4-week period, whichever is greater).

Thus, the liquidity restrictions which ultimately result from private placement stock offerings have unduly hindered the venture capital formation process in our country today.

Traditionally, much equity capital for new and small ventures was provided by wealthy individuals and the smaller public investor. Unfavorable tax treatment during the past decade, however, caused wealthy investors to employ their funds elsewhere.

That tax situation plus a general lack of confidence has driven the small investor from directly purchasing stock of new and small companies via the public stock market. What has developed, however, is a new market structure dominated by institutional investors.

The Small Business Investment Incentive Act of 1979 is a proposal whereby the institutional investor can invest in new ventures without going the unnecessary and expensive route of making a public offering under the Securities Act of 1933 and whereby the smaller investor can invest in professionally managed venture capital funds with certain safeguards.

Granted, protections must be provided for small, unsophisticated and vulnerable investors. The Small Business Investment Incentive Act does not suggest we do away with those protections, but rather that impediments confronting those investors who are able to fend for themselves be simply removed along with restrictions currently preventing small investors from investing in professionally managed venture funds, thus allowing more capital to flow into exciting new enterprises. With the Small Business Investment Incentive Act as law, sophisticated investors would have impediments removed and the small companies seeking capital would be able to receive that capital more cheaply.

In addition, smaller investors would be able to invest in professionally managed venture funds. For the public investor who needs protection, however, all disclosure requirements for securities trading in the public markets would remain intact.

Furthermore, the broad and effective antifraud provisions of the Securities Exchange Act of 1934 would apply to anyone dealing fraudulently in securities markets regardless of whether those dealings are public or private transactions under the 1933 act.

Thus, the Small Business Investment Incentive Act would not interfere with the legal remedies currently available to the investor who has been defrauded.

The Small Business Investment Incentive Act is not intended to be an end-all solution for the problems which plague the venture capital markets. We must remember that capital formation is a complex subject and the hindrances to U.S. capital formation are many and varied. The Small Business Investment Incentive Act of 1979 is, however, a major step in the direction of reducing the current "constipation" in the venture capital markets. It will optimally balance the equally desirable objectives of venture capital formation and investor protection.

I am submitting for the RECORD today a section-by-section analysis of the Small Business Investment Incentive Act of 1979, along with the language of the bill.

H.R. 3991

A bill to amend the Securities Act of 1933 to authorize issuers to sell certain securities to accredited investors without filing a registration statement under such Act, to amend the Investment Company Act of 1940 to grant an exemption from such Act to certain issuers which engage in the business of furnishing capital or providing financing for business ventures and activities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Small Business Investment Incentive Act of 1979".

TRANSACTIONS INVOLVING LIMITED SALE SECURITIES AND ACCREDITED INVESTORS

SEC. 2. Section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d(2)) is amended by adding at the end thereof the following: "For purposes of this paragraph, transactions by an issuer not involving a public offering shall include transactions in which all of the following factors are present:

"(A) The transaction is solely with one or more accredited investors or persons that the issuer reasonably believes to be accredited investors.

"(B) The security which is the subject of the transaction is a limited sale security.

"(C) There is no general advertising or general solicitation in connection with the transaction by the issuer or anyone acting on the issuer's behalf.".

RESALE OF LIMITED SALE SECURITIES

SEC. 3. (a) Section 4(1) of the Securities Act of 1933 (15 U.S.C. 77d(1)) is amended by adding at the end thereof the following: "For purposes of this paragraph, any person who sells a limited sale security for his own account or for the account of any other person shall not be considered to be an underwriter with respect to such transaction if such sale is made to an accredited investor or to a person whom the sellor reasonably believes to be an accredited investor.".

(b) Section 2 of the Securities Act of 1933 (15 U.S.C. 77b) is amended by adding at the end thereof the following new paragraphs:

"(15) The term 'accredited investor' means (A) a bank, insurance company, registered investment company, small business investment company licensed under the Small Business Investment Company Act of 1958, or person described in the last clause of section 3(c)(3) of the Investment Company Act of 1940, a fund, trust, or other account with respect to which a bank or insurance company exercises investment discretion, or a person who controls or is controlled by any such person, (B) any person who, on the basis of such factors as financial sophistication, net worth, knowledge and experience in financial and business matters, or amount of assets under management, qualifies as an accredited investor under rules and regulations which the Commission shall prescribe, and (C) any other person who does not qualify as an accredited investor under such rules and regulations but who relies upon the investment advice of a person who does so qualify. As used in this paragraph, the term 'investment discretion' has the meaning given such term in section 3(a)(35) of the Securities Exchange Act of 1934.

"(16) The term 'limited sale security' means a security which bears a legend to the effect that such security may not be sold or otherwise transferred except to an accredited investor.".

RESALE OF RESTRICTED SECURITIES

SEC. 4. Section 2(11) of the Securities Act of 1933 (15 U.S.C. 77b(11)) is amended—

(1) in the first sentence, by inserting "(A)" immediately after "shall not include" and by inserting immediately before the period the following: ", or (B) a person engaging in a sale or other distribution of restricted securities if such person has been the beneficial owner of such securities for a period of not less than five years prior to the date of such sale or distribution"; and

(2) by inserting immediately before the period at the end of the second sentence the following: ", and the term 'restricted securities' means securities acquired directly or indirectly from the issuer, or from an affiliate of the issuer, in a transaction or chain of transactions not involving any public offering".

LIABILITY IN PRIVATE OFFERINGS

SEC. 5. Section 12 of the Securities Act of 1933 (15 U.S.C. 771) is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing provisions of this section, a person who sells securities, in a transaction evincing a good faith attempt not to involve any public offering pursuant to section 4(2), shall not be liable to a purchaser of such securities in such transaction if all conditions set forth in section 4(2) or prescribed in rules and regulations of the Commission concerning such a transaction have been met with respect to such purchaser, and such purchaser may not bring a civil action for rescission of such transaction on the grounds that all such conditions have not been met with respect to all purchasers of securities in such transaction.”.

EXEMPTION FROM INVESTMENT COMPANY ACT OF 1940

SEC. 6. Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a–3(c)(3)) is amended—

(1) by striking out "or" immediately after "guardian"; and

(2) by inserting immediately before the period at the end thereof the following ": or any issuer engaged principally in the business of furnishing capital or providing financing for business ventures and activities, purchasing securities of issuers for which no ready market is in existence, or reorganizing companies or similar activities (or any person that is organized and exists solely for purposes of holding securities in such an issuer), if at least 80 percent at cost of the securities held by such issuer (other than government securities, short term paper, and other cash items) consist of securities which (A) were acquired directly from such issuer (including warrants or options acquired from such issuer) in a transaction or chain of transactions not involving any public offering or pursuant to the exercise of warrants or options acquired in such a transaction, (B) were received as a result of a reorganization or bankruptcy proceeding, or (C) were distributed on or with respect to any securities described in clause (A) or (B).".

EFFECTIVE DATE

SEC. 7. (a) The amendments made by this Act shall take effect on the date of enactment of this Act.

(b) The Securities and Exchange Commission shall, within 180 days after the date of enactment of this Act, prescribe such rules and regulations as may be necessary to carry out the amendments made by this Act.

The Small Business Investment Incentive Act of 1979—Section-by-Section Analysis

Section 1. Title.

Section 2. Exemptions from Securities Act of 1933. This section exempts a sale of securities from full registration under the Securities Act of 1933 if all purchasers of the stock are accredited investors provided there is no general advertising or solicitation in connection with the transaction.

Section 3. Definition of Terms. This section defines "accredited investor" as any financial institution or "fund, trust, or other account" administered by a financial institution, any person designated by the Commission as an accredited investor based upon such factors as financial sophistication, net worth, or business experience, or any other person who may not qualify as an accredited investor under Commission rules but relies on the advice of someone who does.

Section 4. Resale of Restricted Securities. This section provides that no limitation on the resale of restricted securities shall apply after a purchaser has held the securities for a period of five years or more. The need for this section arises from the fact that the Commission does not feel that it can exempt affiliated holders of restricted securities from the resale provisions as currently allowed nonaffiliates under Rule 144. (Restricted securities are those which have been purchased under conditions which did not constitute a public offering under the Securities Act of 1933. Rule 144 currently allows the resale of such securities after a two-year holding period at a rate equal to one percent of the outstanding securities of a class in any three-month period, or the average weekly trading volume over a four-week trading period immediately preceding such resale, whichever is greater.)

The Commission currently exempts nonaffiliate holders of restricted securities from the above resale limitations after a three or four-year holding period, depending upon which market the security is traded on. The Commission does not feel, however, that it has the power to exempt affiliates from such restrictions since such persons may be acting as underwriters as defined under the 1933 Act. Because a person who invests for a period of five years shows investment intent (in contrast to an underwriter who is in the business of turning over his money rapidly), the bill would remove limitations on resale of restricted securities by affiliates after this period.

Section 5. Liability in Private Offerings. This section limits the right of rescission for purchasers of securities. Currently under Section 4(2) of the Securities Act, a purchaser of securities issued pursuant to a limited offering may sue for his investment if he does not meet the tests of sophistication or substantial net worth, or if he was not provided with all material information by the issuer of such securities. Under existing law, however, the entire offering may be collapsed since all purchasers are then granted standing to sue. Section 5 would bar other purchasers from recovery unless they *too* could prove 1) that they did not receive all material information or 2) that they could not, at the time of the offering, meet the tests of sophistication or net worth and that that was a condition the issuer should have been aware of.

Section 6. Exemption from the Investment Company Act of 1940. This section exempts venture capital companies from the Investment Company Act of 1940. The Investment Company Act of 1940 was passed to regulate abuses in the mutual fund industry such as unscrupulous managers who had large amounts of cash which could be quickly shifted and manipulated to the detriment of the outside investors.

Venture capital companies, however, do not purchase stock on public markets but rather make private investments directly in small businesses. Such investments are highly illiquid and are often held for periods of up to ten years or more. At the time the Investment Company Act of 1940 was passed, however, there were virtually no venture capital firms in existence which were publicly traded. Had there been such firms in existence it may very well have been discovered that the provisions of the Investment Company Act of 1940 were unnecessary.

Section 7. Effective Date. Effective date of enactment and prescribed period for the promulgation of rules and regulations by the Commission.●

MEDICARE IMPROVEMENT BILLS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. RANGEL) is recognized for 5 minutes.

● Mr. RANGEL. Mr. Speaker, as chairman of the Subcommittee on Health of the Committee on Ways and Means I am today joining several of my colleagues on the subcommittee in introducing two bills which would provide for a number of administrative and benefit improvements in the medicare program. These bills are identical to legislation reported in the previous Congress by the Committee on Ways and Means and approved by the House of Representatives—H.R. 13097 and H.R. 13817. Had there been sufficient time remaining in the session, I am confident that the Senate would have acted favorably on both of these bills.

I am introducing these bills because the Subcommittee on Health has agreed to consider this year legislation along the lines of the bills developed last year. I would want to make clear, however, that in sponsornig the legislation, I am not suggesting that the subcommittee's deliberations will be limited to the provisions of these two proposals. I expect that the members of the subcommittee will have additional amendments they will want to have considered; and I also expect that we would consider the medicare amendments recommended by the President in his fiscal year 1980 budget recommendations. Although we do not have specific dates scheduled, I anticipate that the subcommittee will be holding hearings on a wide range of possible medicare amendments shortly after we have completed our work on the President's proposal for hospital cost containment.

Although the subcommittee will be taking a fresh look at the provisions included in last year's bill and examining other amendments for possible inclusion, I expect that the legislation recommended by the subcommittee will be very similar in scope to the bills developed last year. As Members will recall, the subcommittee, in developing that legislation, was conscientious in conforming to the rather tight budgetary limitation imposed by the congressional budget resolution. And, it is likely that we will be working under similar budgetary limitations again this year.

I am eager to begin working on the development of the legislation and I am confident that even though we will once again be limited to relatively low-cost provisions, we can do much to make the medicare program more responsive to the needs of beneficiaries.

SUMMARY OF THE MEDICARE AMENDMENTS OF 1979

Section 2.—Home health services.

The medicare home health benefit would be liberalized in the following manner: (1) unlimited visits would be available under both parts A and B of medicare; (2) the present three-day prior hospitalization requirement under part A would be eliminated; (3) home health benefits under part B would no longer be subject to the $60 deductible; and (4) the present requirement that proprietary home health agencies be licensed under state law in order to participate in medicare would be eliminated.

In addition, the Secretary of HEW would be provided authority to establish additional standards and reimbursement guidelines for the effective administration of the home health benefit; home health aides would be required to complete an appropriate training program; the Secretary would be directed to designate regional intermediaries for home health agencies; and the Secretary would be authorized to establish such other administrative requirements as he finds necessary for the effective and efficient operation of the program.

Section 3.—Elimination of the second waiting period for reentitled disability beneficiaries.

Entitlement to medicare benefits would be provided for individuals who have been entitled to disability payments for a total of 24 months, regardless of whether those 24 months were consecutive. In that way, an individual who has satisfied the 24-month requirement and attempts unsuccessfully to return to work would be immediately entitled to medicare benefits when he resumes receiving monthly disability benefits.

Section 4.—Reciprocal agreements for coverage outside the United States.

The President would be authorized to enter into reciprocal agreements with other countries to provide hospital and medical benefits to medicare beneficiaries living or traveling outside the United States.

Section 5.—Dentists' services.

Services performed by dentists would be covered if the same services are covered when furnished by physicians. Also, hospital stays for the performance of a noncovered dental service would be covered where the severity of the dental procedure warrants hospitalization. Coverage for routine dental services would continue to be excluded.

Section 6.—Treatment for plantar warts.

The present exclusion of services related to treatment of plantar warts (warts on the feet) would be eliminated.

Section 7.—Community mental health centers.

Services provided in qualified community mental health centers by physicians or other qualified personel would be reimbursed under part A of medicare on the basis of the cost incurred in providing the covered services. A total of ten outpatient visits per year would be covered and up to 60 days of partial hospitalization. Beneficiaries would exchange one day of their 190-day lifetime limit on outpatient psychiatric hospitalization for every four days of partial hospitalization in a community mental health center. Mental health services provided by a community mental health center would not be subject to the part B deductible, coinsurance, or $250 yearly limit applicable to outpatient mental health services furnished by psychiatrists or other M.D.'s.

Section 8.—Comprehensive outpatient rehabilitation centers.

Certain comprehensive outpatient rehabilitation centers would be recognized as providers of services under medicare. Such rehabilitation centers could be public or private institutions primarily engaged in providing diagnostic therapeutic, and restorative services to outpatients that meet specified conditions of participation.

Section 9.—Optometrists' services.

Services furnished by optometrists in connection with treatment of aphakic patients (patients without the natural lens of the eye) would be covered. Also, the Secretary would be directed to report to the Congress within nine months as to specific legislative recommendations for implementing coverage for services furnished by optometrists for treatment of cataracts.

Section 10.—Demonstration projects for Hospice services.

The Secretary would be directed to conduct a demonstration project to acquire necessary information and data with respect to reimbursement for hospice services under medicare.

Section 11.—Study of coverage for orthopedic shoes.

The Secretary would be required to study and submit legislative recommendations to the Congress with respect to the coverage of orthopedic shoes where such shoes are required as an appropriate part of medical treatment.

Section 12.—Antigens.

The bill would allow payment to an allergist for the preparation of a reasonable supply of antigen, including a supply forwarded to another physician or a rural health clinic for administration to the patient.

Section 13.—Payment where beneficiary is not at fault.

The Secretary would be authorized to make payment where a medicare beneficiary who medically required a higher level of care was erroneously placed in a distinct part of an institution designated to offer a lower level of care.

Section 14.—Flexibility in application of standards for rural hospitals.

The Secretary would be authorized to apply medicare standards to rural hospitals more flexibly to take into account the availability of qualified technical personnel, the scope of services furnished, and the economic impact of structural standards which if rigidly applied would result in unreasonable financial hardship for a rural hospital; but only to the extent that such differential application of the standards does not jeopardize or adversely affect the health and safety of patients.

Section 15.—Certification and utilization review by podiatrists.

Podiatrists, acting within the scope of their practice, would be recognized by medicare for purposes of physician certification and participation as physicians in utilization review. This recognition would be extended where consistent with state law and the policies of the health care institutions involved. With respect to utilization review, a podiatrist acting as a physician member of a utilization review committee would not take the place of an M.D. or osteopath as one of the two required physician members of the committee.

Section 16.—Physician treatment plan for speech pathology.

The existing medicare requirement that a physician establish a detailed plan of treatment for speech pathology services would be repealed, thus allowing speech pathologists to establish the plan of treatment.

Section 17.—Payment for physicians' services where beneficiary has died.

Medicare reimbursement for physicians' services rendered to a medicare patient before his death would be authorized, on the basis of an unpaid bill, to an individual who has assumed the legal obligation to pay for the physician's services.

Section 18.—Presumed coverage provisions.

Existing medicare provisions authorizing, by type of diagnosis, presumed periods of coverage for skilled nursing facility and home health services would be repealed. Protection against retroactive denials would continue to be afforded by general waiver of liability provisions, which would be retained.

Section 19.—Payment to providers of services.

The bill would repeal the existing provisions of the medicare law under which payments to a provider of services are limited to the provider's customary charges if these charges are lower than reasonable costs.

Also, medicare reimbursement to providers of services under part B would be based on reasonable cost minus the coinsurance amounts charged beneficiaries by the provider.

Section 20. Limit on premium increases due to late enrollment.

The existing provisions that require premiums for medicare part B (and for optional part A coverage) to be increased by ten percent for each year the beneficiary could have been but was not enrolled would be modified by limiting the premium increase to a maximum of 30 percent.

Section 21.—Reenrollment in Part B.

The provision of existing law that permits an individual to reenroll in part B (supplementary medical insurance) only once would be repealed.

Section 22.—Chiropractors' services.

The requirement for chiropractic coverage that a subluxation be demonstrated to exist could be satisfied either through x-ray or other clinical findings. As under existing law, neither the x-ray nor other clinical procedures used by the chiropractor would be covered by medicare.

Section 23.—Psychologists' services.

Summary. Services furnished by a licensed clinical psychologist to beneficiaries who are hospital inpatients would be covered under medicare part B and reimbursed on the basis of the reasonable charge for the service rather than as part of the hospitals' cost, as at present.

Section 24.—Demonstration project for services of clinical social workers.

The Secretary would be required to conduct a demonstration project to determine in what other settings and under what other circumstances clinical social workers' services should be made available to medicare beneficiaries. The Secretary would be required to submit to the Congress, no later than 24 months after enactment, a detailed report on the demonstration project and any recommendations or legislative changes the Secretary finds desirable as a result of the demonstration project.

SUMMARY OF AMENDMENTS TO THE SOCIAL SECURITY ACT WITH RESPECT TO THE HEALTH PROGRAMS AUTHORIZED THEREUNDER

Section 1.—Expanded membership of professional standards review organizations.

Each Professional Standards Review Organization would be authorized to offer membership, at its own option, to those nonphysician health practitioners who hold independent hospital admitting privileges.

Section 2.—Registered nurse and dentist membership on statewide council advisory group.

At least one registered professional nurse and one dentist would have to be included in the membership of the advisory group to each statewide PSRO Council.

Section 3.—Nonphysician membership on national professional standards review council.

The membership of the National Council would be expanded to include a dentist, a registered professional nurse, and one other nonphysician health professional.

Section 4.—Advisory Committee to the National Professional Standards Review Council.

An advisory committee to the National Council, composed of nonphysician health practitioners, would be created.

Section 5.—Hospital providers of long term care services ("swing bed").

The Secretary would be authorized to enter into agreements with hospitals, for the purposes of reimbursement under the medicare and medicaid programs, under which inpatient hospital facilities could be used to provide post-hospital extended care services in certain circumstances.

Section 6.—Coordinated audits under the social security program.

Common audits of entities participating in programs under titles V, XVIII and XIX of the Social Security Act would be required.●

INTRODUCTION OF RESOLUTION TO EXPAND SEARCH FOR ICBM BASING MODE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa, (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, today I am introducing a revised version of a resolution that I first submitted to my colleagues early in this session that would call upon the President to appoint a high level commission charged with evaluating the various proposals which have been forwarded for a new basing mode for land-based ICBM's. This measure is essentially identical to the original resolution except that it provides for a specified set of commissioners, 12 to be drawn from persons interested in strategic deterrence policy from the Federal Government, academic, private, and public sectors who would be charged with making their recommendations to the President and Congress within 6 months of the Commission's establishment.

Mr. Speaker, I believe that the events of the past several months with respect to the basing mode selection emphasize the need for this resolution. This effort has now reached the point where, for all practical purposes, it is confined to two options: either the multiple protective structures concept or the air-mobile mode. I am sure that many of my colleagues will agree that to limit the selection process to these two choices is to insure that the American people are offered a less-than-optimum basing mode. It is the responsibility of Congress to demand that the basing mode ultimately selected for U.S. land-based strategic weapons is not merely the best of two poor alternatives, but rather the optimum of all alternatives.

In order to facilitate the search for such a basing mode choice, I believe that the debate should be expanded into the public domain in order to broaden the perspective. I would ask that my colleagues support the resolution in order to obtain the kind of objective, indepth analysis of the situation that it demands.

The text of the resolution follows:

H. CON. RES. 118

A concurrent resolution expressing the sense of the Congress that the President should establish a commission to study and evaluate the Multiple Protective Structure System and the Air Mobil Transportable Load System for protecting the land-based intercontinental ballistic missiles of the United States and to consider alternatives to such systems

Whereas recent developments with respect to changes in the strategic nuclear balance between the United States and the Soveit Union, including perceptions in the relative capabilities of the two countries to achieve a counterforce strike, have increased interest in the capability of United States land-based intercontinental ballistic missiles to withstand a nuclear attack;

Whereas certain high-level policymakers of the United States have indicated an intention to replace the current fixed-site housing of United States land-based intercontinental ballistic missiles with a Multiple Protective Structure System or an Air Mobile Transportable Load System.

Whereas the development and operation of either system would require a substantial commitment of financial and natural resources;

Whereas there has been an absense of debate concerning the full-scale development of either system and an alarming lack of opportunity for the presentation of views in opposition to either system by government officials or members of the public;

Whereas there has been an absense of debate concerning the relationship between the development of either system and the development of any of the new intercontinental balistic missiles that have been proposed;

Whereas the Multiple Protective Structure System would require the excavation of vertical silos on sites located exclusively in States west of the Mississippi River the total land area for which could be equivalent to the area of the State of Connecticut;

Whereas there are legitimate questions concerning the effects of such vertical silos on land use patterns, agricultural productivity, and the environment;

Whereas serious reservations have been expressed concerning the effects of development of the Multiple Protective Structure System on the negotiation and operation of the SALT II treaty because of the difficulties that such system would present for verification under such treaty;

Whereas there is good reason to believe that the Soviet Union could develop in the near future technology that would effectively negate the advantages of the Multiple Protective Structure System or the Air Mobile/Transportable Load System and thereby further disrupt the tenuous nuclear balance between the United States and the Soviet Union; and

Whereas it is the duty of the Congress to monitor developments affecting the strategic nuclear capability of the United States and to inform the public of such developments so that the United States can decide upon an optimal strategy for maintaining its strategic nuclear capability: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the President should establish a commission to study and evaluate the Multiple Protective Structure System and the Air Mobile/Transportable Load System for protecting the land-based intercontinental ballistic missiles of the United States and any alternatives to such systems.

SEC. 2. A commission so established should have twelve members and should be comprised of three members from each of the following four groups:

(1) Federal officers and employees with expertise in strategic deterrence policy.

(2) Individuals in academia with expertise in strategic deterrence policy.

(3) Individuals with expertise in arms control and disarmament and strategic deterrence policy.

(4) Members of private organizations that are concerned with strategic deterrence policy.

SEC. 3. Such a commission should—

(1) conduct an open and thorough evaluation of the extent and nature of any recent changes in the strategic nuclear balance between the United States and the Soviet Union, including an evaluation of—

(A) the effect of any perceived realignment in such balance on the effectiveness and survivability of the land-based component of the Triad system;

(B) the current Triad system as a nuclear deterrent; and

(C) the extent to which the Multiple Protective Structure System or the Air Mobile/Transportable Load System can increase the strategic nuclear capability of the United States and improve world security; and

(2) compare the effect of the Multiple Protective Structure System, the Air Mobile/Transportable Load System, and other alternatives to such systems on—

(A) national defense,

(B) foreign policy,

(C) present and future arms reduction negotiations,

(D) the Federal budget, and

(E) domestic priorities.

SEC. 4. Within 180 days after the date on which such a commission is established, the commission should transmit to the President and to each House of Congress a final report containing its findings and conclusions, together with its recommendations for such legislative and executive actions as it considers appropriate.●

PERSONAL STATEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Nebraska (Mr. CAVANAUGH) is recognized for 5 minutes.

● Mr. CAVANAUGH. Mr. Speaker, the Nebraska Bankers Association is presently holding their annual meeting in Omaha. As a member of the House Banking Committee I was given the opportunity to address this esteemed group. This meeting of the Nebraska bankers gave me a tremendous opportunity to discuss current banking legislation with the people this legislation will most affect. What I learned from the Nebraska bankers will greatly assist me in the work of the Banking Committee.

However, my attendance at this meeting necessitated my absence from yesterday's session. Had I been here I would have cast the following recorded votes:

H.R. 3404. Treasury draw authority extension, "yes";

Amendment by Mr. JONES of Oklahoma to House Concurrent Resolution 107, "no";

Snowe substitute to the Conable amendment to House Concurrent Resolution 107, "no"; and

Conable amendment to House Concurrent Resolution 107, "no." ●

THE PLIGHT OF IDA NUDEL AND BORIS TSITLIONOK

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, 3 years ago this month, I inaugurated a vigil on behalf of families separated by the cruel emigration policy of the Soviet Union. As part of my vigil, I spoke before the House on the plight of Hillel Butman, a "Prisoner of Conscience" who had been imprisoned since 1970.

Hillel Butman's crime was fighting for his human rights as a Jew. He worked hard for the right of free emigration from the Soviet Union and he tried to organize Jewish study groups. Because Hillel Butman's imprisonment was such a clear violation of human rights, people everywhere joined to urge the Soviet Union to allow him to emigrate to Israel where he could join his wife and children.

Finally, after an 8-year struggle, Hillel Butman was freed. Soviet President Leonid Brezhnev recently pardoned him along with four other Jewish activists. And the Soviet Union has been allowing more people to emigrate. These actions by the Soviets represent considerable progress—and they certainly demonstrate that Soviet restrictions on emigration can be loosened by the force of world opinion.

The problem of Soviet violations of the Helsinki agreement is, however, far from solved. We must continue to work for freedom of emigration from the Soviet Union. As part of the "Conscience of Congress program" I will speak on behalf of "refuseniks" Ida Nudel and Boris Tsitlionok.

Boris Tsitlionok, denied a visa for alleged security reasons, was forcibly separated from his family when they were told to leave for Israel in 1971. He was sentenced to 5 years in exile for raising a banner for 30 seconds which said "Let My People Go."

Ida Nudel, whom I had the opportunity to meet when I was in Moscow, is an extraordinary woman. Called the "Angel of Mercy," because of her activities on behalf of Soviet Prisoners of Conscience, Ida Nudel is serving a 4-year sentence because she hung a banner from her window asking that she be allowed to emigrate to Israel where she could join her sister Elena.

The release of Hillel Butman and several other activists is important, but much more work needs to be accomplished to secure the right of free emigration for Soviet citizens.●

FOREIGN TAX CREDIT—THE GREAT TREASURY RAID

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 10 minutes.

● Mr. VANIK. Mr. Speaker, today, by its action on the Holtzman amendment to the budget resolution, the House directed a redefinition of the foreign tax credit to a business deduction as a royalty. Under present law, the oil companies have been able to convert what are, in essence, royalty payments to producing governments into foreign income taxes. Under our present tax laws, oil companies are allowed to credit, dollar for dollar, agains their U.S. tax liability these so-called foreign income tax payments. If these payments were classified as royalties as they should be, then the amount would only be deductible as an ordinary and necessary business expense from gross income—a far less favorable treatment than the dollar for dollar tax credit under current law.

Several years ago, Senator FRANK CHURCH held hearings before his Subcommittee on Multinational Corporations in which he explored the history of this arrangement in depth. The hearing record provides a fascinating insight as to how the private government of oil came to dictate the foreign policy of the United States in total isolation of the public interest. The relationship between the oil companies and the Government became so close that in 1978, one of our Government's tax experts briefed Saudi Arabian officials on the difference between a royalty and an income tax. Just recently, the Treasury briefed the Chinese on how to take advantage of the credit.

The Saudi officials heeded the advice well. In 1950, the Saudis levied their first income tax. The Treasury Department ratified the new pricing arrangement with a revenue ruling which qualified these foreign tax payments for foreign tax credit treatment. The results were dramatic: The four owner companies of Aramco, which paid $50 million in U.S. taxes in 1950, paid $6 million in 1951. Saudi Arabia, which received $66 million in royalties in 1950, got $110 million as "taxes" in 1951.

The Congress, in 1975 and 1976, attempted to curb these oil company abuses by limiting the amount of oil extraction taxes which would be creditable to an amount roughly comparable to the U.S. tax which would be due on the income on an overall basis. However, the law is full of loopholes. It still permits a credit for part of the amount of these payments. Also, the law as now written contains loopholes which allow the oil companies, in effect, to use foreign oil extraction taxes to shelter from U.S. tax their income from other activities, such as shipping.

In short, the oil companies, with the consent and active participation of our Government, established the conduit through which billions of dollars from the pockets of the American consumer have poured into the coffers of the Arab governments. This arrangement formed the basis for the present extortionist pricing system in world oil.

The simple truth is that the major oil companies have ceased to be a reliable instrument of our national interest. The American taxpayer has financed the conversion of national oil companies serving domestic consumers to international oil companies with allegiance to no one but themselves. In 1972, the largest five American oil companies—Exxon, Mobil, Texaco, Gulf, and Standard Oil of California—sold nearly 2 barrels of petroleum products overseas for every barrel they sold domestically. This expansion in overseas markets was facilitated by subsidies paid by the American taxpayer through the foreign tax credit.

The artificiality of the foreign tax credit arrangements that the oil companies have engineered is never more clear than it is today. The Treasury Department has estimated that in 1975, U.S. oil companies claimed nearly $15 billion in foreign tax credits—that represents a direct revenue loss to the Treasury. Since 1961, the total loss to the Treasury by permitting foreign oil taxes to be credited rather than deducted has been over $10 billion. The rate of loss in 1976 was over $1 billion and the present rate is probably in excess of $3 billion.

Clearly, these foreign income taxes are not income taxes at all. They are excise taxes levied on each barrel of crude oil. And, like all excise taxes, these taxes are ultimately paid by the consumer, not the producer.

The major oil companies have survived and even prospered during this period of high international prices even though the American public is suffering. Evidently, we are dealing with an artificial system in which the oil companies have rigged the price structure to insulate themselves from the vacillations of the international petroleum market.

Because I feel so strongly that the international oil companies have drained the resources and vitality of our Nation, and in response to the action of the House today, I will introduce a bill to be considered as part of the tax-related energy proposals that will soon come before the Ways and Means Committee. My bill will deny a foreign tax credit for the foreign taxes paid on oil-related income. These amounts would be treated as royalties under the proposal. They will be allowed as a deduction or an exclusion, whichever is appropriate, from the taxpayer's foreign source income if the other requirements of the Internal Revenue Code for deduction or exclusion of a royalty are met. This bill—aside from raising over $3 billion in additional revenue each year—strikes at the heart of the artificial world pricing system. Acceptance of this bill will represent a positive U.S. policy to combat the recklessness and irresponsible actions of the OPEC cartel.●

THE SHUTTLE AS SYMBOL

(Mr. FUQUA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. FUQUA. Mr. Speaker, at the 22d Annual Goddard Memorial Dinner held on March 30, 1979, Hugh Downs, president of the National Space Institute, but perhaps better known to most of us as a TV personality, made an eloquent speech entitled, "The Shuttle As Symbol."

In his remarks, Mr. Downs gives us an important perspective on technology in general, high technology in particular, and space technology as the most advanced edge of our high technology.

He has portrayed our progress in space to date as highly praiseworthy, but reminds us that this is only a beginning and cautions us against complacency and losing momentum.

I include the full text of Mr. Downs' remarks in the RECORD for the consideration of all my colleagues:

THE SHUTTLE AS SYMBOL

The Shuttle represents a degree of importance to the future of humanity far beyond its publicity, its budget, or its understanding by the public.

Although small by comparison with military space activity, and NASA activity including launches for private, commercial and foreign entities, the Shuttle symbolizes the role of space as the spearpoint of high technology advance and U.S. leadership in this area.

We decided in 1958 to mount a civilian space program. NASA with its open goals is the reason we are ahead of the Russians. NASA proved beyond a doubt that space work is the cutting edge of high technology; and NASA is the most trusted agency the United States has ever had. To throw away that legacy is insane.

Technology enhances our lives in strange little ways we often fail to recognize.

I had a toothache late last year. Anything too hot or cold made it yell at me. Pressure on it did the same. I thought I had a tooth going bad. When I got to the dentist, he determined, thru some rather sophisticated new technology that nothing was wrong with the tooth—it was a problem of occlusion: one side of the jaw was closing before the other. With some even more sophisticated technology he managed to correct this and make the toothache vanish.

New materials for making accurate impressions, new high-R.P.M. grinding wheels and cutting edges made all this possible without pain. (Without even anaesthesia.)

I cite this because in dentistry there has been a revolution in progress that seems greater even than in other branches of medicine—and on all medical fronts there have been light-years of progress since a generation ago. My dread of dentistry when I was a child was not because I was less able to tolerate discomfort: there was justification for such dread in those days of low-R.P.M. drills and general anaesthesia by laughing gas. It was no laughing matter. The "painless" dentist of today can be really painless.

There is no point trying to list how much technology has given us. In higher quality of life, more living per unit time; and in moving us away from the "nasty, brutish and short" life of our prehistoric ancestors.

And yet we are suspicious of it.

There are those in our midst who have begun to think we'd be better off without it. Opinion Research Corporation says that from 1974 to 1976 there was a drop in public belief that science and technology had changed life for the better. 75 percent thought so in '74 and only 71 percent three years later. The Luddites thought this in 1811 when they saw textile machinery displacing them and destroying their cottage industry. So they set about to destroy the machinery.

Why are there people who apparently really believe that utopia can be brought about by dismantling technology? I notice a singular trait in all of these people: They will ride in automobiles and airplanes, they use telephones and if their teeth ache they are grateful for the existence of the modern dentist with his skills and materials and tools.

The best answer to the neo-Luddites was given by C. P. Snow when one of them told him everything about technology revolted him.

Snow said "If you are willing to get along on very little food, to see most of your children die in infancy, to scorn the comforts of literacy, and to accept twenty years off your own life—then I will respect the force of your revulsion."

My purpose here tonight is not to belabor the obvious facts that technology is on balance a good thing or that technological activity is inevitable as long as humanity exists—but rather to examine the curious roots of anti-technology movements, which reach even into those movements and forces which uncritically boost technology, and call on it for the impossible. And also to sound a warning about citizen apathy in this matter of space. If space becomes the sole province of the military it will not be a good thing—even for the military.

It is not my intention to promote unbridled technological advance, or to ignore the important reasons for the emergence of anti-technology feelings.

I hope, however, to demonstrate that a heavy responsibility rests on all who create and deploy ever newer and more powerful techniques for changing our surroundings—and that the abdication of that responsibility would be truly disastrous. And to demonstrate further that space technology, now the frontier of all technological advance has in it the very seeds of strengthening that responsibility to govern and guide our technical thrust—to as Wernher von Braun put it "separate the possible from the permissible."

To begin with, technology not only predates civilization, but there was technology on the planet even before humans appeared; and anthropologists now tell us homo sapiens goes back 2 to 3 million years.

But the emergence of technique goes back even further than this in the animal world. Technique is nothing more than the replacement of instinct with learning. Learning is the result off consolidating gains through experience.

When a young beaver builds a house or a dam he is not merely following an instinct: he has learned a technology from older beavers. There are countless examples of animal technology, (and it must be called that if any aspect of it is learned—if it is not pure instinct.) All life exerts effort to manipulate and control its environment. The difference between animal technology and human technology is that what tools animals use are things they find. Only man fabricates tools. This is why it has been suggested that homo sapiens be re-named homo fabricius.

There is no doubt our technology is of a higher and very different order than animal technology. But to the extent the word is defined as the means to change or manipulate the environment, technology is very ancient indeed.

There can be no technological progress without scientific inquiry. And this means pure research.

There can be continuing technology, but not technological progress.

Suppose scientific inquiry had been brought completely to a halt in 1930 Technology could have continued We could still be manufacturing touring cars and bi-planes, and we could go on calculating sums on adding machines, and we could treat heart disease with nitro-glycerine and digitalis; but there would be no pacemakers for heart patients with arrythmia, and the lack of weather satellites would allow hurricanes to continue to kill thousands of people instead of a half-dozen or so (or none), and literally hundreds of advances that have made our lives better and longer would be wanting—even though technology would still be operating at full steam.

This is why it is so important in convincing the public of the benefits of a healthy space program to include the pure research aspect of space along with the military and commercial advantages of space exploration. But pure research is even harder to sell to politicians and the public than applied science. "Scientific research has never been amenable to rigorous cost accounting in advance. Nor, for that matter, has exploration of any sort. But if we have learned one lesson, it is that research and exploration have a remarkable way of paying off—quite apart from the fact that they demonstrate that man is alive and insatiably curious." This was stated in 1958 by a panel of American scientists reporting on the cost-benefit question to President Eisenhower.

Before examining the reasons for the profound public misunderstanding of space technology, I want to back up a bit and look at the whole anti-technology syndrome and why it came into being.

Manipulating the environment never posed a serious world-wide threat while the number of humans and their energy demands were small. The threat is recent, and we are only beginning to acknowledge it. The depletion of resources, pollution of air and water and sophistication of weaponry have all loomed up at us in our own lifetime. Three different reactions to this now emerge: Apathy or disbelief, serious concern, and panic. It is from the panic sector that anti-technology movements arise. This is not the Luddites, whose jobs were threatened by machinery. It is a pervasive terror that infects even those whose concern is thoughtful, rational. Rachel Carson, in her book Silent Spring wrote, "To have risked so much, in our efforts to mold nature to our satisfaction and yet to have failed in our goal would indeed be the final irony. Yet this, it seems, is our situation." Bitterness and despair went hand in hand with stridency in those who first sought to sound the alarm. This is understandable.

But humanity has no intention of committing suicide. In light of this there may really be no "technological imperative." There may be no sinister force that says, "If it can be done it must be done." This force does seem to operate when we are ignorant of consequences, or when we are provincial or limited in our overview.

Dr. James Van Allen said, "The satellite is a natural extension of rockets, which are natural extensions of planes and balloons which are natural extensions of Man's climbing trees and mountains in order to get higher and thus have a better view."

Science writer John Noble Wilford wrote, "Largely as a result of space exploration, our knowledge of nature has become less provincial."

In 1948 British astrophysicist Fred Hoyle said "Once a photograph of the Earth taken from the outside is available, once the sheer isolation of the Earth becomes plain, a new idea as powerful as any in history will be let loose." Twenty years after Hoyle said that, we got the photograph. How many times has that photograph now been published and reproduced?

As a result there is a better grasp of environmental problems and the interrelatedness of all human problems on this globe.

The American public is aware that we are in the Space Age. But a curious dichotomy flavors that awareness. On the one hand is a profound apathy toward moving ahead with support for a space program; and on the other hand there is an almost insatiable appetite for fantasy and escape literature based on space: The success of the movie Star Wars spawned a gaggle of imitations that have become big business in my industry. "Battle Star Galactica" is one of the highest-budgeted entries in the fall season.

And still with all the space-age mood and influence, the political timidity to commit this nation to space work is hard to understand. "All those billions spent in space—" the phrase floats around like a spent satellite in orbit.

Anthropologist Margaret Mead said, "There is not the slightest proof that if we had not been working on space we would have done anything of greater human value."

Except for energy input from solar radiation the biosphere of the Earth is a closed system. As long as we consider ourselves earth-bound and remain earth-bound, we are part of that closed system. And Meadows and Forrester are right: there are limits to growth. It is patently absurd to expect to have exponential growth on the finite surface of a sphere.

At this time, our species dominates the ecology of the planet and consumes resources at a rate that brings some of the limits in sight.

A century or so ago a handful of prophets foresaw this and predicted trouble; a generation ago experts from diverse disciplines analysed trends and voiced warnings, some of them admittedly rather shrill; with the last decade thoughtful citizens of many nations have become alarmed at a possible impending crunch and are pressuring their leaders to do something; and any day now the whole population of the world is going to become painfully aware that the energy spree is over—that cutbacks are not tricky maneuvers to raise prices, or scare tactics to induce frugality.

Ironically the impact will be least on that lowest third, which is already starving. The difference for them will be the removal of even hope for better distribution of the world's goods.

Now this is a "worst case" story-board. This is the scenario I am projecting of scaling down Space Programs and opting for the traditional view of "surface first" and the short-term political advantage of saving the tax-payer from blowing "all those billions in space."

We are at a cross-roads—or a fork in the road. One sign post says: "Surface—cutback, stagnate, leave whatever space activity there is to the military." The other says: "Space—explore, develop, stimulate, industrialize." Unless there is understanding of the desirability to follow this latter route, we are apt to choose the former. And we could. Rene Dubos has said that the human being is an extremely adaptable animal—and that we might choose to live in an increasingly degraded environment—rather than do anything about cleaning it up. Dubos may be right—but that is not to say it is genetically impossible for humanity to recruit its intelligence in the service of wise choices.

Life on Earth developed in the sea before venturing onto land, and the analogy is often used between that transition sea-to-land and venturing from the earth into space. I like to think of those early sea-dwelling creatures deliberating about leaving their world of water. One can imagine meetings and discussion groups and arguments. I have in my possession a scroll that washed up on an ancient shore and was discovered by a paleontologist qualified to translate it into English. It is the only known record of a conversation between a Devonian shark and an Australian lung-fish on the way to becoming an amphibian. The paleontologist has dated it at 400,000,000 B.C. on a Saturday:

Devonian Shark: "There is nothing out there. It's all barren. There isn't any water out there." The Australian lung-fish answers, "You can learn to breath air in a few thousand generations—we did. And if you stay out long enough I think your fins begin to turn into legs and feet."

The shark says, "You're really bananas. Why put yourself to all that trouble anyway? It's comfortable here."

"Easy for you to say," the amphibian rejoins "You're a shark and a bully. But we are small and have problems. Sometimes we escape being eaten only by wriggling out onto land. Sometimes tidal pools dry up and we're beached. Turning our fins into feet isn't a bad idea. And now that we can breathe air as well as water we intend to go farther inland. We're thinking of becoming reptiles and then maybe mammals. If that works out, we may walk upright someday and develop a decent brain."

The shark looks disgusted. "Well, I don't want a penny of my tax dollars wasted on such a nutty scheme."

The other analogy I would draw concerns the discovery and development of the New World—the U.S. in particular.

In this it can be seen that as important as military protection is in the movements of people and development of areas, it is not properly in the jurisdiction of armies and navies. To leave such development to defense machinery is to doom it to failure and to threaten the institutions that make development worth defending.

There were a lot of expeditions to the New World before the Pilgrims.

They were military.

And they failed.

The Vikings came over here and didn't make it, even though they got as far west as Wisconsin.

The Spanish, all soldiers, could have had the whole continent. But after failing to find the Fountain of Youth and the fabled Seven Golden Cities of Cibola they couldn't think of anything better to do than to try to make slaves out of the natives. Nothing worked for them. And their enterprise went under.

The French blew it. They fought with the Indians, finally retreated to a tenuous foothold in Quebec—and they could have had it all.

But the British! The stubborn, stiff-upper-lip British—came here and stuck because they brought a civilian mind: They produced families and they produced industry. They mined and farmed and industrialized.

They had their military with them, but they didn't let them run the show.

In fact, before the English colonies became the country they became in 1776, the English military had to be defeated.

So embodied in my warning is a parallel and a prophecy. The future of space is indistrial. The future of space will contain labs and factories and people and families. (It's not too fanciful to include—down the line—colonization.) But the potential in the immediate future rests on what we mine and manufacture. It won't be Utopian. We can't guarantee there will be no war. The military will draw on the new technologies. They always have. We would want them to. But they will be served by the space effort—they must not own it. They must not bottle it up in secrecy.

Just before Sputnik hit us right between the eyes (22 years ago) I came here to Washington to talk to Dr. Nathan Kaplan of the National Science Foundation and to the heads of several space projects to try to find out what we were doing, or planning.

Simultaneously the Navy was developing the Vanguard project, the Air Force was working away on what was to become the Titan and the Army had its Redstone—and amidst duplication and delay and cross-purpose and secrecy, nothing was happening.

It wasn't until Sputnik that a surge of national adrenalin goaded a president into saying "We choose to go to the moon!" and announced a time-table of one decade. Do you remember that some of the best minds around—the most knowledgeable—were saying thirty years—maybe twenty-five, with unlimited funds and fantastic luck. But ten years!? Impossible.

But we did it. The military provided excellent help, but it was NASA and the brilliant application of Systems Analysis, and prudent redundancy for safety of personnel and openness to the press and the challenge that stimulated—and a spirit of driving toward a visible goal in the service of national pride and future benefits—many of which were not even foreseeable—that made that short timetable often years work.

So—now space expenditures through the Department of Defense are greater than those through NASA.

Now Industry take heed. Fill your contracts and rejoice—but don't lose sight of some long-range facts regarding the continued freedom of commercial enterprise. Don't assume we can abdicate our civilian responsibility and leave it all to the Pentagon. Don't be indifferent to a withering of the national will in the matter of space programs.

And don't say "Who needs a National Space Institute? We've got all the business we can take care of."

Unless a National Space Institute—or something like it—can keep alive the idea of an informed public and a space program serving its needs—not just military, but medical, agricultural, meteorological, industrial, etc.—unless that awareness survives, you are going to find that more and more, you are being moved in on by a partner you may not want.

You'll be successful in the short run. But you may become a victim of your own success. Alan Lovelace said this in December. To refuse to invest in further risks through non-recognition of either technical or competitive threats could bring on disaster. He said "The major issue is one of national will. Can the U.S. set its sights high enough and sustain its momentum for three-quarters of a century and beyond, or does it take a regular impulse of war and disaster to energize our creative impetus? I sincerely hope the former is true and the latter is not. Unless this country begins to act in its own long-term interest, this society and this country will be the losers—and there may be no winners anywhere."

The National Space Institute's mission is to sell the decision-making elements of our nation on the benefits of space, and to encourage input from the public sector into policies and priorities of our national space program. To the extent that such an undertaking can be put in a nutshell, there it is, in a nutshell. This involves kindling certain kinds of awareness in legislators, without lobbying (which our charter and set-up prohibits) and hoping the awareness is strong enough to bend political considerations—and to help with public awarness so that the input we encourage will be informed citizen pressure.

We have good reason to believe now that these efforts need not be futile. Almost anyone, once space is explained—the realities of the idea—sees the propriety of going ahead with public support and expansion of the program. It is not easy to reach each person—each citizen and each legislator with the message however. And against the tides of tax-revolt and confusion and suspicion and a shift to military secrecy, it is going to be doubly difficult.

I do not believe in the technological imperative. "Technology opens doors; it does not compel men to enter." (Lynn White) What appears as a force to command humans to "do it if it can be done" is a compound of human shortsightedness and greed, a gap between scientific and public understanding, and the unreasonable expectation that science and technology will solve all problems without moral effort on our part.

It was naive for 19th Century Victorians to expect technology to bring paradise. But it is equally naive for pessimists of the 20th Century to make technology the scapegoat for human shortcomings.

Space brought on the present generation of computers. Miniaturization means more than speed and cheapness—it has, through mass distribution and proliferation of computers, affected every department of our lives: banking, transport, medicine, access to knowledge and assimilation of data. Computer enhancement refines our TV-movie editing, our weather forecasting, our awareness of the planet's condition from crop health and pollution, to resource inventory and the military activity and preparedness of other nations. Space brought this about. How does Space propose to help us translate all this progress to benefit? To insure that we will begin to sort out the possible from the permissible?

It is not so much the conscious efforts of space planners that will effect this benign condition as it is something built into space thinking and it goes back a long way. A man with his face to the stars is not the same as a man facing a geographic boundary between himself and his neighbor, and worrying how to defend what is his or take what isn't.

What space can do in the future is reflected to a certain extent in what it has done.

The space program's contribution to date in showing us the reality of our planetary situation has alone justified its cost. It has begun to sort out what is worthwhile from what is useless or dangerous. It has given added emphasis to environment preservation and has set a tone for more reasonable application of science and the use of resources. It has already tended to unify the peoples of the Earth. It has spun off hundreds of life-enhancing devices and techniques and it represents an economic factor of jobs, and stimulated economy; it has shown it can provide national goals and the potential for the boosting of morale. It has improved the defense capability of the nation and should continue to do so, but this must not be its sole activity.

The next step into space will be a very short one—but a most important one. The shuttle will open the door through continuous low-orbit runs to the mining of space, manufacturing in space, eventual colonization of space, and a better outlook for home-base Earth.●

STATEMENT OF CHAIRMAN ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 3434, THE SOCIAL SERVICES AND CHILD WELFARE AMENDMENTS OF 1979

(Mr. ULLMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ULLMAN. Mr. Speaker, on Monday, May 7, 1979, the Committee on Ways and Means ordered favorably reported with one minor committee amendment H.R. 3434, the Social Services and Child Welfare Amendments of 1979. The bill would amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes.

I take this occasion to advise my Democratic colleagues as to the nature of the rule that I will request for consideration of H.R. 3434 on the floor of the House. The Committee on Ways and Means specifically instructed me to request the Committee on Rules to grant a closed rule, with committee amendments only; 2 hours of general debate, to be equally divided; and one motion to recommit with or without instructions.

We intend to file the committee report on Thursday, May 10, 1979, and will request to be heard before the Committee on Rules as expeditiously as possible.

ETHICS IN GOVERNMENT ACT OF 1978

(Mr. ECKHARDT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. ECKHARDT. Mr. Speaker, shortly, the House will begin debate on a bill (S. 869) to provide for "clarification of conflict of interest restrictions on former Government employees." S. 869, passed by the Senate and reported by the House Judiciary Committee, is a response to complaints that the Ethics in Government Act of 1978, as enacted, will have an unexpected and undesired impact on Federal employees.

Unfortunately, S. 869 is an inadequate response to those complaints. It does more than "clarify" the conflict of interest provisions of the act, for it actually erodes important protections of the law. Further, it fails to make other changes which should be made to lessen the unfair and arbitrary impact of the legislation on Federal employees.

An example of the bill's defects is as follows: If enacted, the bill will allow a person to work on a governmental matter, to be "personally and substantially involved in that matter," and upon leaving the Government, to "aid and assist" an outside party on that very matter as long as the person does not appear before the agency. In other words, a person can be a "back room" coach, utilizing the inside information gained while working for the Government, as long as he does not appear before the agency itself.

This, along with other problems, are discussed in a report recently approved by the Subcommittee on Oversight and Investigations of the House Interstate and Foreign Commerce Committee. The report, without appendixes, is reprinted below. I commend it to my colleague attention.

One of the appendixes contains an abridged transcript of a hearing which was held by the Oversight Subcommittee on April 3, 1979.

Representatives of six regulatory agencies participated in a roundtable discussion regarding the impact of the Ethics Act on their agencies. The discussion with the subcommittee members is an enlightening and succinct description of the problems associated with the act; therefore, I urge my colleagues to read it. The transcript will ultimately be printed as a subcommittee document and is not reprinted here because of the additional expense of such a printing. However, because of its relevance to the upcoming debate, copies will be made available through the office of the Subcommittee on Oversight and Investigations.

IMPACT OF THE ETHICS IN GOVERNMENT ACT

(Subcommittee report by the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce, April 1979)

SUMMARY

Purpose

This report is based on an inquiry by the Subcommittee on Oversight and Investigations of the House Interstate and Foreign Commerce Committee into the effects of Title V of the recently passed Ethics in Government Act of 1978.[1] Title V amends 18 U.S.C. section 207 in an attempt to deal more effectively with problems presented when federal employees leave government service and deal with their former agencies on behalf of private parties. This practice is frequently referred to as "the revolving door."

The Subcommittee was interested in analyzing the extent of problems related to the "revolving door" within agencies under its oversight jurisdiction and sought to gauge the likely impact of the Act on the ability of the agencies to retain valued employees and hire desirable candidates. On April 3, 1979, a hearing was conducted at which the chairmen and commissioners from six regulatory agencies discussed "revolving door" issues and assessed the efficacy of Title V.[2] The Subcommittee inquiry also included both an analysis of the interim regulations that have been promulgated by the Office of Personnel Management to "particularize" the prohibitions in new section 207,[3] and a review of the legislation recently adopted by the House Judiciary Committee to amend the provisions of Title V before its July 1, 1979 effective date.

Findings and conclusions

Title V of the Ethics in Government Act, as enacted, does not correctly balance the interest in promoting governmental integrity against the interest in ensuring an able and dedicated federal work force. In some respects the Act is too narrow, in others too broad, and in still others simply not clear. Neither the implementing regulations nor the Judiciary Committee's legislation designed to provide a "technical fix" adequately address or resolve the most serious underlying problems.

Recommendations

Given the impending July 1st effective date,[4] the wisest course of action available at this time is for the appropriate legislative committee to revise section 207 correctly and with dispatch. Specifically,

(1) Subsection (b)(ii), which imposes a two-year ban on former high level employees aiding and assisting in the representation of a party before an agency on certain matters, should be made inapplicable to matters in which former employees merely had official responsibility;

(2) the subsection (b)(ii) ban on "aiding and assisting" should be made permanent with respect to matters in which former employees were personally and substantially involved;

(3) subsections (a) and (b) should both be made applicable to rulemaking proceedings;

[Subsection (a) imposes a lifetime ban on representation of another party on a matter in which the person was personally and substantially involved as a federal employee. Basically, subsection (b) imposes two-year bans on the representation of a party or the assisting in such representation on matters that were pending under a person's official responsibility or in which he was personally and substantially involved. (See page 5 for further description.)]

(4) subsection (c), the one-year ban on any contacts with an agency by former high level and designated employees, should be widened to cover indirect communications, but should apply automatically only to Executive Schedule employees; and

(5) imprecise statutory provisions should be revised to permit the drafting of sensible regulations that conform with the statutory language.

INTRODUCTION

Explanation of legislative provisions

The Ethics in Government Act, signed into law on October 26, 1978, was enacted by Congress to "preserve and promote the integrity of public officials and institutions."[5] The statute imposes certain financial reporting and disclosure requirements on the personnel of the legislative, executive, and judicial branches; establishes an Office of Government Ethics and an Office of Senate Legal Counsel; provides a mechanism for the appointment of a special prosecutor; and, most importantly for the purposes of this report, amends 18 U.S.C. section 207, a criminal provision designed to disqualify former officers and employees from partici-

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Footnotes at end of article.

pating in matters relating to their previous official activities and responsibilities.

Prior to the changes made by the 1978 legislation, section 207 (the full text of which appears as Appendix A to this report), prohibited an ex-employee (1) from acting as agent or attorney for another person in connection with certain matters in which the employee had participated personally and substantially; and (2) for one year after employment ceased, from appearing personally before any court or agency as an agent or attorney for another person in connection with certain matters which had been under the employee's official responsibility during his final year in office. Former section 207 also imposed certain restrictions on the partners of executive branch employees, and those provisions were essentially unchanged by the Ethics in Government Act.

Title V of the Ethics Act (a copy of which appears as Appendix B) imposes a more elaborate system of restrictions on former employees. New section 207(a) will prohibit any former employee (1) from acting as an agent or attorney for, or otherwise representing, another person in any formal or informal appearance before his former agency, or (2) from making oral or written communications on behalf of another person to his former agency with the intent to influence it, in connection with certain matters in which the employee had participated personally and substantially.

New section 207(b)(i) will, for two years after employment ceases, bar any former employee from undertaking the same acts prohibited in subsection (a), but in connection with certain matters which were merely pending under the employee's official responsibility at any time during his final year in office.

New section 207(b)(ii) will, for two years after employment ceases, prevent any high-ranking employee designated in new subsection 207(d) from aiding, advising, or assisting in representing another person involved in any formal or informal appearance before the employee's former agency. The prohibition applies to certain kinds of matters in which the former employee had participated personally and substantially, or which were pending under the employee's official responsibility at any time during his final year in office.

Finally, new section 207(c) will, for one year after employment ceases, prohibit any employee designated in subsection (d) from (1) acting as agent or attorney, or otherwise representing, any person (including himself) in any formal or informal appearance before his former agency, or from (2) making oral or written communications on behalf of anyone to his former agency with the intent to influence it, in connection with any matter pending before the agency or in which the agency has a direct or substantial interest. A chart summarizing the various prohibitions in sections 207 (a), (b), and (c) appears as Figure 1 below:

[Figure not printed in Record.]

The prohibitions of new section 207 do not prevent a former employee from giving testimony under oath or, in certain situations, from supplying scientific or technical information.[6] Further, the subsection (c) one-year flat ban on appearances or communications by former high ranking employees is made inapplicable to matters of a personal and individual nature (such as the former employee's own tax returns) and to certain communications based on the former employee's own special knowledge in a particular area.[7]

Former employees who violate the law may be fined up to $10,000 and imprisoned for two years, or both.[8] Further, the head of the agency in which the former employee served may prohibit the violator from appearing before or communicating with the agency concerning pending matters of business for up to five years.[9]

Complaints regarding the legislation

In late 1978 and 1979, shortly after passage of the Act, complaints began to percolate up from the executive branch and the independent regulatory agencies. Claims were made that valued employees were seeking to leave government prior to the July 1st effective date and that other persons whom the agencies wished to hire were rejecting job offers on the grounds that the Act would effectively lock them into government forever.

This report disucsses the problems that have arisen under Title V and reviews the adequacy of the solutions that have been attempted or suggested.

DISCUSSION

The act: Its purposes and impact

The thrust of new section 207 and its implementing regulations is to protect the honesty and impartiality of government by preventing former employees from making, or appearing to make, unfair use of prior public service for private gain or personal aggrandizement.[10] More specifically, sections 207(a) and (b) are designed to prevent any former employee from "switching sides" and representing a private client in the same matter for which he had previously represented the government. Obviously, it is undesirable to permit an employee who has inside knowledge of the government's case or mechanisms to use those confidences against his former employer.[11]

Section 207(c), since it is not limited to matters in which the employee was involved, rests on a different theory. It interdicts attempts by former high-ranking employees to exercise influence over their former colleagues and subordinates. A public policymaker who leaves office should not be permitted to benefit from his government experience by exploiting the actuality or appearance of "clout" with his former agency.[12]

However, post employment restraints should accommodate the need to attract and retain a qualified and experienced work force and should recognize that there are advantages associated with the movement of employees back and forth between government and the private sector.[13] People with specialized knowledge of an industry may be able to do a better job of regulating, freedom of movement assures that the government has a greater pool of potential employees, and an employee may be more willing to disagree with a superior on matters of import to the public if he is confident he can get a job elsewhere.

The problems that have arisen with respect to the new Act spring from the belief that the balance between maintaining integrity and ensuring an able work force has not been properly struck. The Subcommittee's hearings reflected the grave concern of agency heads on this point,[14] and there is abundant additional evidence in other sources.[15] The Secretary of Health, Education, and Welfare, for example, has said that Title V could cause "the greatest brain drain of talent in the history of Federal service." [16]

The problems

The provisions of new section 207 that have generated the most concern are subsections (b)(ii) and (c). The prohibitions in subsections (a) and (b)(i) are not controversial because, in large part, they simply reiterate restrictions already in force under former section 207.

1. Subsection (b)(ii).—The disturbing feature of (b)(ii) is that its literal language makes the "aiding and assisting" ban applicable not only to matters in which high-ranking employees had been personally involved, but also to matters for which employees merely had "official responsibility." [17] Doctors and scientists have observed that an employee with jurisdiction over an executive department or division that awarded research grants would subsequently be prohibited from counseling other persons about any "appearance" relating to disputes over administration of those grants. This would inhibit a government employee who wished to accept a post as head of a medical school or university department, since he would not be able to talk to his own faculty members about some aspects of their government-funded research activities.[18]

This restriction is of concern principally to agencies, such as the Food and Drug Administration (FDA) and the Federal Energy Regulatory Administration (FERC), whose staffs have a significant component of professionals specializing in scientific or technical fields.[19] Agencies with staffs consisting largely of attorneys, such as the Federal Trade Commission (FTC) and the Securities and Exchange Commission (SEC), are less affected because post-employment involvement by former government lawyers in matters for which they had responsibility is already barred under the Code of Professional Responsibility.[20]

The first formal response to the problems raised by (b)(ii) came from Congress. On February 16, 1979, the chairmen and ranking members of the House-Senate Conference on the Act transmitted a letter and memorandum to the Director of the Office of Government Ethics (OGE).[21] The memorandum asserted that:

"both the policy and legislative history of the provision demonstrate that 'aiding and assisting in representing' is restricted only to matters in which the former high-ranking official was 'personally and substantially involved' while in office." [22]

The memorandum supported this argument by citing (1) language in the conference report, (2) discussions in the conference, and (3) "policy grounds." The language from the conference report relied upon was as follows:

"It is the intention of the conference that this provision (§ 207(b)(ii)) will prohibit a former officer or employee from subsequent consultation on a matter, in which he was personally and substantially involved while in office, even though he is not representing a party in that matter." [23]

With respect to the conference discussion, the memo stated:

"During the conference, the 'aiding and assisting in representing' provision was repeatedly linked to 'personal and substantial matters.' " [24]

And finally, as to policy, the memo argued that:

"Matters more remotely under 'official responsibility' would not involve such specialized knowledge and thus would not justify this type of restriction." [25]

The OGE, however, was not persuaded that these arguments allowed alteration of the plain words in Title V.[26] That decision was correct, given the standard rule of statutory construction that legislative history will not be consulted by the courts unless the language of the law is unclear.[27] Both the OGE and the Attorney General responded to the arguments in the conference managers' memorandum recommending passage of a "technical amendment" to achieve the desired result.[28]

This brings us to the recent legislative activity of the House Judiciary Committee. On April 6, 1979, the Administrative Law and Governmental Relations Subcommittee reported H.R. 3325, a copy of which appears as Appendix C1. On April 24 and 25, the full Judiciary Committee considered, and adopted with one amendment not relevant here,[29] the language of S. 869. That bill, a copy of which appears in Appendix C2, had previ-

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Footnotes at end of article.

ously been passed by the Senate and is similar to H.R. 3325.[30]

The language adopted by the Judiciary Committee would make certain changes in subsection 207(b) as shown below. Language to be deleted has been struck over and new language underlined.

"(b) Whoever, (i) having been so employed, within two years after his employment has ceased, knowingly acts as agent or attorney for, or otherwise represents, any other person (except the United States), in any formal or informal appearance before, or, with the intent to influence, makes any oral or written communication on behalf of any other person (except the United States) to, or (ii) having been so employed and as specified in subsection (d) of this section, within two years after his employment has ceased, knowingly represents or aids, counsels, advises, consults, or assists in representing any other person (except the United States) *by personal presence at* any formal or informal appearance before—

"(1) any department, agency, court, court-martial, or any civil, military or naval commission of the United States or the District of Columbia, or any officer or employee thereof, and

"(2) in connection with any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest or other particular matter involving a specific party or parties in which the United States or the District of Columbia is a party or has a direct and substantial interest, and

"(3) *as to (i)*, which was actually pending under his official responsibility as an officer or employee within a period of one year prior to the termination of such responsibility, or, *as to (ii)*, in which he participated personally and substantially as an officer or employee;"

The phrases inserted in subsection (b)(3) are designed to make clear that the "aiding and assisting" prohibition in subsection (b) (ii) applies only to matters in which the former high-ranking employee had been "personally and substantially" involved, and not to matters wherein the employee had merely exercised official responsibility. This change had merely exercised official responsibility. This change is unobjectionable.

The other change effected in subsection (b) is, however, to make the "aiding and assisting" prohibition applicable only to representational activities involving the "personal presence" of the former employee at any formal or informal appearance by the former employee's client. This clearly narrows the restriction, because present subsection (b)(ii) prohibits any aiding or assisting "concerning" a formal or informal appearance by the former employee's client, regardless of whether the former employee is physicaly present at the appearance or has rendered assistance previously in private.

This modification opens an extremely large loophole, especially given that subsection (b)(ii) is to be made applicable only to matters in which the former employee was personally involved. If anything, assistance by personal presence at an appearance is less objectionable than "back room" counsel precisely because it occurs in public. It makes no sense to prohibit former employees from "switching sides" by personally representing private clients or counseling them at hearings, but to allow confidences gleaned from government service to be disclosed as long as the communication occurs behind closed doors.[31]

It has been suggested that the effect of the "personal presence" clause is not really pernicious, because the most troublesome sort of back room consultation is the kind carried on by attorneys, and such activity with respect to personal participation matters is already barred by the code of professional responsibility.[32] However, if Watergate taught us anything, it is that canons of professional ethics should not be relied upon to control the activities of attorneys involved in policy information. In fact, cases have been brought against attorneys under present section 207. Furthermore, there are persons engaged in representational activity before federal agencies who are not attorneys at all.[33]

In sum, H.R. 3325 and S. 869 do not successfully "fix up" Title V. To the contrary, they unwisely weaken section 207, and neglect altogether certain other features of section 207 that pose a greater need for remedy than do the "problems" the bill purports to solve.

For example, if subsection (b)(ii) is to be limited to matters in which former high-ranking employees personally participated, and is designed to prevent side switching in an "aiding or assisting" context, there is no good reason to lift the ban (as subsection (b)(ii) does) once the employee has been out of office for two years. Both subsection (a) and subsection (b)(i) bar representational activity forever with respect to personal participation matters. The operation of such a ban, of course, becomes moot once the underlying "particular matter" in which the employee participated has been resolved, but the point is that a former employee's intimate knowledge about the government's case can be just as potent and valuable to a private client after three years as after two. Our hearings revealed general agreement that the subsection (b)(ii) prohibition should logically be made permanent.[34]

For the same reasons, there is no good justification for limiting (as subsection (b) (ii) does) the "aiding and assisting" ban to high-ranking subsection (d) employees. Subsections (a) and (b)(i) are both applicable to all employees, and subsection (b)(ii) should be also.

2. Subsection (c).—Turning now to subsection (c), it will be recalled that this subsection imposes a one year flat ban on representational contacts by high-ranking former employees with their agencies. The aspect of this prohibition that has proved most controversial is that it applies to any and all matters pending at the agency, regardless of whether the former employee had anything to do with them. Indeed, the ban applies even to matters that commence after the employee leaves.

Unlike subsection (b)(ii), subsection (c) is troubling to agencies staffed largely with lawyers because the Code of Professional Responsibility applicable to attorneys does not bar former employees from involvement with agency matters in which the lawyer had no previous connection.[35] It is especially painful for agencies such as the Internal Revenue Service or the SEC that operate in specialized areas where private parties primarily need representation only to deal with the regulatory agency.[36]

The section 207(c) ban applies to the employees enumerated in section 207(d), thus covering (1) all "Executive Schedule" officers, (2) persons compensated at the GS–17 level or higher who have been found by the OGE Director to have significant decision-making or supervisory responsibilities, (3) active duty military officers compensated at the 0–7 level or higher,[37] and (4) such other persons as have been found by the Director of OGE to have significant decision-making or supervisory responsibilities. The interim regulations issued by OGE designate for coverage all persons in GS–17 positions or higher, but provide that agencies may apply to exempt specific positions.[38]

Section 207(d) simply sweeps too many people into the subsection (c) ban. It fails to strike the proper balance between protecting against improper influence and assuring that government can attract to its ranks the best people possible. One simple solution would be to limit manadatory subsection (c) coverage to Executive Schedule employees. If that is too narrow, then the agencies should be permitted, by rulemaking, to include such other lower ranking employees as is necessary to prevent the exercise or appearance of undue influence.[39]

From a different standpoint, subsection (c) is too narrow because it fails to bar *indirect* communications. Thus, although a former employee who is covered by the subsection cannot place a telephone call to the agency, he can get an associate to do so, and apparently can tell the associate to say that the former employee "sends his regards." This wields the influence almost as effectively as direct communication, and should not be permitted.

Nothing in either the interim regulations or in the Judiciary Committee's legislation addresses the flaws we have identified in subsection (c).

3. Other Problems.—Besides the difficulties presented under subsections (b)(ii) and (c), new section 207 has other defects. First, it appears that, unlike subsection (c), neither subsection (a) nor subsection (b) cover general rulemaking proceedings. While the exclusion seems to have been intentional, it results from the presence of a phrase referring to "particular matters involving a specific party or parties" and not from statutory language expressly excluding rulemaking.[40]

In any event, the omission of rulemaking is unwise. It permits any former government employee to represent a private party in a rulemaking proceeding even though the employee had personally worked on the same proceeding while at the agency. The outcome of many rulemaking proceedings is of tremendous significance to particular parties in the private sector. The evil of switching sides is no less grave in a rulemaking proceeding than it is in an adjudication. It is hard to see, for example, why a rotary lawn mower expert who is involved in the Consumer Product Safety Commission's work on mowers should be allowed to leave the CPSC and assist a manufacturer in a rulemaking proceeding that will set safety standards for rotary lawn mowers. The only agency matters that should be exempt from subsections (a) and (b) coverage are interpretive rules, general statements of policy, and rules of agency organization and procedure.[41]

Second, although section 207 is a criminal statute, it is couched in such vague language that it might not survive a constitutional attack. The Supreme Court has stated that a penal statute must be "sufficiently explicit to inform those who are subject to it what conduct on their part will render them liable to its penalties," adding that "a statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application, violates the first essential of due process of law."[42] Yet the introduction of "technical" amendments to state the intent of the Ethics Act, and the recent debate regarding the meaning of the Act's provisions, demonstrate rather vividly that men of common intelligence must guess and do differ about its application. The federal employees who will be subject to section 207 deserve a clearer message as to what their duties are.[43]

The interim regulations promulgated by OPM[44] are touted as "solving the problems," but an examination of them raises questions about both their faithfulness to the purposes of the statute and their usefulness in clarifying what conduct is statutorily prohibited. For example, the regulations implementing the subsection (b)(ii) ban on "aiding and assisting" provide that a former employee is *not* barred from "custom-

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ary managemental activity."[45] The regulations elaborate by explaining that an employee responsible for a federal grant program can leave office and subsequently advise his private sector associates and subordinates, who deal with the same grant program, about how the physical or human resources of the private client will be used to execute any current or proposed grant. Yet the statute says nothing about exempting "managemental activity" nor does that notion appear in the legislative history.

The regulations also provide that the representational assistance barred by subsection (b)(ii) does not include advice by a former employee about how the representation in a particular appearance should be conducted, except when such advice utilizes "specific knowledge which came to [the advisor] as a government employee."[46] A footnote to this provision baldly explains that "[g]iven the literal language of the statute, the Attorney General believes it cannot be restricted to 'specific knowledge which came to him as a government employee.' But in the exercise of his prosecutorial discretion, the Attorney General will use the interpretation in this regulation."[47]

Similarly, rules applicable to the one-year no contact ban in subsection (c) have doubtful elements. The regulations permit a former Internal Revenue Service employee to prepare and mail a private client's tax return. The regulations assert that this would not constitute a prohibited act, and note that, should any controversy arise, the former employee may not represent the client but may "state how the return was prepared."[48] Yet, how can the preparer of an income tax return communicate information to the IRS regarding the manner in which he prepared the return without influencing the ultimate question of whether or not the return is proper?[49]

The subsection (c) regulations also state that an ex-employee may prepare a grant application to his former office, listing himself as principal investigator and signing an assurance that he will be responsible for the scientific direction of the project if an award is made.[50] The theory is that the former employee is not violating the law by doing this, as long as he does not actually argue for approval of the application. However, there is obviously a potential for the same influence the legislation seeks to eliminate when a former high-ranking employee can display his name on a grant application.

All in all, based on the statute, its legislative history, and the implementing regulations, there is good reason to arrive at the same conclusion reached by one witness at the hearings of the Oversight Subcommittee.

"I submit to you this activity we are all engaged in is about as good evidence as you could find that this Government has had a little difficulty figuring out what it wants to do."[51]

Our findings, conclusions, and recommendations are set forth in the "Summary" at the beginning of this Report.

FOOTNOTES

[1] Pub. L. No. 95-521, 92 Stat. 1824 (Oct. 26, 1978).

[2] *Hearings on the Impact of the Ethics in Government Act before the Subcom. on Oversight and Investigations of the House Interstate and Foreign Commerce Comm.*, 96th Cong., 1st Sess. (Abridged) (1979) [reprinted as Appendix E to this Report and hereinafter cited as *Hearings*]. The six agencies represented were the Consumer Product Safety Commission (CPSC), Federal Energy Regulatory Commission (FERC), Federal Trade Commission (FTC), Food and Drug Administration (FDA), Interstate Commerce Commission (ICC), and Securities and Exchange Commission (SEC). Comments for the record were received from the Federal Communications Commission (FCC) and the Environmental Protection Agency (EPA) and appear as Appendices F1 and F2 respectively.

[3] 44 Fed. Reg. 19974 *et seq.* (Apr. 3, 1979) [hereinafter cited as Interim Regs.]. Title IV of the Ethics Act establishes an Office of Government Ethics, which is empowered to develop, and recommend that the Office of Personnel Management promulgate, regulations relating to ethics and conflicts of interest.

[4] A six-month extension and a "technical fix" were proposed by Representative Danielson along with Representatives Rodino and Moorhead on March 13, 1979. See H.R. 2843 in Appendix D.

[5] Ethics in Government Act of 1978 (as corrected by Senate Concurrent Resolution 112), S. Doc. No. 127, 95th Cong., 2d Sess. 1 (1978) [hereinafter cited as *Conference Report*].

[6] 18 U.S.C. §§ 207(h) & (f).

[7] 18 U.S.C. § 207(i).

[8] 18 U.S.C. § 207(c).

[9] 18 U.S.C. § 207(j).

[10] S. Rep. No. 170, 95th Cong., 1st Sess. 31-32 (1977) [hereinafter cited as *Senate Report*]; *Interim Regs., supra* note 3, at 19977 (§ 737.1(c)).

[11] *Senate Report, supra* note 10, at 31: *Interim Regs., supra* note 3, at 19977 (§ 737.1(c) (1) and (2)).

[12] *Senate Report, supra* note 10, at 31: *Interim Regs., supra* note 3, at 19977 (737.1(c) (3)) and 19983 (737.11(b)).

[13] "Such a flow of skills can promote efficiency and communication between the Government and private activities, and it is essential to the success of many Government programs." *Interim Regs., supra* Government programs." *Interim Regs., supra* note 3, at 19977 (§ 737.1(c)(5)). *See also Senate Report, supra* note 10, at 32; *Hearings, supra* note 2, at 3 and 10.

[14] *See., e.g., Hearings, supra* note 2, at 23 (FDA).

[15] In early March, 1979, the New York Times reported that officials at the Departments of Health, Education, and Welfare; Defense; Energy; Transportation; and Commerce; and at the Federal Communications Commission and the Securities and Exchange Commission had all termed the problems posed by Title V as "serious." Scores May Quit High U.S. Posts over Ethics Law, N.Y. Times, Mar. 8, 1979, at 1, col. 5.

[16] *Id.* The Secretary of Health, Education, and Welfare also stated that "the problem is so serious that it has come up at the last two Cabinet meetings." *Id.* at 16, col. 1.

[17] "Official responsibility" is defined in 18 U.S.C. § 202 as: "the direct administrative or operating authority whether intermediate or final, and either exercisable alone or with others, and either personally or through subordinates, to approve, disapprove, or otherwise direct Government action."

[18] *See Interim Regs., supra* note 3, at 19982-83 (§ 737.9(h) Ex. 7).

[19] *See Hearings, supra* note 2, at 6 (FERC) and 22 (FDA).

[20] *See Id.*, at 29. Canon 9 of the American Bar Association's Code of Professional Responsibility (1969) provides that "a lawyer should avoid even the appearance of professional impropriety," and elaborates in Ethics Consideration 9-3 as follows:

> "After a lawyer leaves judicial office or other public employment, he should not accept employment in connection with any matter in which he had substantial responsibility prior to his leaving, since to accept employment would give the appearance of impropriety even if none exists."

[21] The documents are reprinted at 125 Cong. Rec. S1613 (daily ed. Feb. 21, 1979).

[22] *Id.* at S 1614.

[23] *Id.*, citing *Conference Report, supra* note 5, at 74.

[24] *Id.*, citing Stenographic Transcript, House-Senate Conference on S. 555, at 133-134 (Oct. 5, 1978).

[25] *Id.*

[26] *Interim Regs., supra* note 3, at 19975.

[27] *United States* v. *Oregon*, 366 U.S. 643, 648 (1961); *Kuehner* v. *Irving Trust Co.*, 299 U.S. 445, 449 (1936).

[28] *Interim Regs., supra* note 3, at 19975.

[29] H.R. 3325 and S. 869 amended subsection 207(d) so that certain military officers would be assured of the same treatment under section 207 as civilians in comparable pay grades. See *Interim Regs., supra* note 3, at 19976. That language was deleted by the House Judiciary Committee.

[30] H.R. 3325 inserted the phrase "as to (ii)" in the middle of subsection (b)(3) in an effort to make clear that the "aiding and assisting" prohibition in subsection (b)(ii) applied only to matters in which former high-ranking employees had been "personally and substantially" involved. Unfortunately, while the language did make subparagraph (b)(ii) expressly applicable to matters wherein one had been involved personally and substantially, it did *not* eliminate the applicability of subparagraph (b) (ii) to matters wherein one had exercised official responsibility. As a matter of statutory construction, the language prohibited both actual representation and "aiding and assisting" with respect to official responsibility matters, but applied *only* the "aiding and assisting" bar to personal participation matters. This was cured in S. 869 by inserting the phrase "as to (i)" immediately at the beginning of subsection (b)(3).

[31] The *Interim Regs., supra* note 3, at 19976, state that both the OGE and the Attorney General support the limitation of (b)(ii) to "personal presence."

[32] *See* note 20, *supra*.

[33] ICC practitioners, for example, need not be attorneys. *Hearings, supra* note 2, at 34.

[34] *Id.* at 11 (SEC), 29 (FERC), 30 (FTC).

[35] *See* note 20, *supra*.

[36] *Hearings, supra* note 2, at 3 (SEC). *Cf. id.*, at 7, 17. Some other agencies are less concerned about subsection (c) because they have provisions in their organic acts that impose similar restrictions. *See 15* U.S.C. § 2053 (applicable to all CPSC employees) and 42 U.S.C. § 7215 (applicable to "supervisory employees" at the Department of Energy). *Cf. Hearings, supra* note 2, at 6-7 (FERC).

[37] *But see* note 29, *supra*.

[38] *Interim Regs., supra* note 3, at 19986 (§ 737.25(b)(1)). *See* also *id.*, at 19976.

[39] This general approach is viewed favorably by regulatory agencies. See *Hearings, supra* note 2, at 4 (SEC, FERC, FCC), 19. (ICC).

[40] See *Senate Report, supra* note 10, at 151; *Interim Regs., supra* note 3, at 19974-75 and 19979 (§ 737.5(c)).

[41] *Cf.* 5 U.S.C. § 553(b)(A).

[42] *Connally* v. *General Construction Co.*, 269 U.S. 385, 391 (1926).

[43] *Cf. Hearings, supra* note 2, at 30.

[44] *See* note 3, *supra*.

[45] *Interim Regs., supra* note 3, at 19982 (§ 737.9(c)).

[46] *Id.* (§ 737.9(d)).

[47] *Id.*

[48] *Id.* at 19983 (§ 737.11(d) Ex. 1).

[49] *Cf. Hearings, supra* note 2, at 18-19.

[50] *Interim Regs., supra* note 3, at 19984 (§ 737.11(f) Ex. 1).

[51] *Hearings, supra* note 2, at 23 (FDA).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. VANIK (at the request of Mr. SEIBERLING), for 10 minutes, on today, and to revise and extend his remarks and to include extraneous matter.

(The following Members (at the request of Mr. Ritter) to revise and extend their remarks and include extraneous material:)

Mr. Jeffords, for 10 minutes, today.

Mr. Broyhill, for 10 minutes, today.

(The following Members (at the request of Mr. Anthony), to revise and extend their remarks, and to include extraneous matter:)

Mr. Weaver, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Rangel, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Cavanaugh, for 5 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Duncan of Oregon, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Fuqua, and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $965.

Mr. Eckhardt, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,351.

(The following Members (at the request of Mr. Ritter) and to include extraneous material:)

Mr. Shuster.
Mr. Rhodes.
Mr. Ashbrook in three instances.
Mr. Michel in three instances.
Mr. Livingston.
Mr. Gilman.
Mr. Frenzel in three instances.
Mr. Hillis.
Mr. Gradison.
Mr. Derwinski in two instances.
Mr. Symms.
Mr. Coughlin.
Mr. Roth.
Mr. Wydler.
Mr. Kemp in three instances.
Mr. Pritchard.
Mr. Courter.
Mr. Gilman.

(The following Members (at the request of Mr. Anthony) and to include extraneous matter:)

Mr. Mazzoli.
Mr. Conyers.
Mr. Minish.
Mrs. Schroeder.
Mr. Long of Louisiana.
Mr. Murtha.
Mr. LaFalce.
Mr. Daschle in two instances.
Mr. Stokes.
Mr. Reuss.
Mr. Nolan.
Mr. Solarz in two instances.
Mr. Wolff in three instances.
Mr. Frost.
Ms. Mikulski in two instances.
Mr. Watkins.
Mr. Hamilton.
Mr. O'Neill.
Mr. Synar.
Mr. Murphy of New York.
Mr. Matsui.
Mr. Luken.
Mr. Weiss in three instances.
Mr. Duncan of Oregon.
Ms. Ferraro in two instances.

SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1019. An act to amend the International Development and Food Assistance Act of 1978 and the Foreign Assistance and Related Programs Appropriations Act, 1979, by striking out certain prohibitions relating to Uganda, and for other purposes; to the Committee on Foreign Affairs; and

S.J. Res. 74. Joint resolution authorizing and requesting the President to issue a proclamation designating May 11, 1979, as "CARE Day"; to the Committee on Post Office and Civil Service.

ADJOURNMENT

Mr. SEIBERLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 55 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, May 9, 1979, at 1 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1518. A letter from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting notice of the location, nature, and estimated cost of various construction projects proposed to be undertaken by the Air Force Reserve, pursuant to 10 U.S.C. 2233a(1); to the Committee on Armed Services.

1519. A letter from the Assistant Secretary of the Air Force (Manpower, Reserve Affairs and Installations), transmitting a draft of proposed legislation to amend title 10, United States Code, to provide more equitable treatment for the surviving spouse of certain members of the Armed Forces; to the Committee on Armed Services.

1520. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Higher Education Act of 1965 to provide for Basic Grant payments to independent students during the academic year 1979–80 in accordance with the Middle Income Student Assistance Act; to the Committee on Education and Labor.

1521. A letter from the Deputy Assistant Secretary of Defense (Administration), transmitting notice of a proposed new records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1522. A letter from the Chairman, National Transportation Safety Board, transmitting a report on the Board's activities under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1523. A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

1524. A letter from the Comptroller General of the United States; transmitting a report on the Clinch River Breeder Reactor (EMD–79–62, May 7, 1979); jointly, to the Committees on Government Operations, Appropriations, and Science and Technology.

1525. A letter from the Chairman and members, Professional Audit Review Team, transmitting a report on their evaluation of the energy data collection and analysis activities of the Department of Energy's Information Administration, pursuant to section 55(a) of the Federal Energy Administration, pursuant to section 55(a) of the Federal Energy Administration Act, as amended (90 Stat. 1137); jointly, to the Committees on Interstate and Foreign Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLAND: Permanent Select Committee on Intelligence. H.R. 3303. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1980, and for other purposes; with amendment (Rept. No. 96–99, Pt. II). Ordered to be printed.

Mr. CHARLES H. WILSON of California. Committee on Post Office and Civil Service. H.R. 79. A bill to amend title 39, United States Code, to provide that the chairman of the Board of Governors of the U.S. Postal Service be appointed by the President, and for other purposes; with amendment (Rept. No. 96–92). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLAND: Permanent Select Committee on Intelligence. H.R. 3821. A bill to authorize appropriations for fiscal year 1980 for intelligence and intelligence-related activities of the U.S. Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, to authorize supplemental appropriations for fiscal year 1979 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes; with amendment (Rept. No. 96–27, Pt. I); Referred to the Committee on Armed Services for a period ending not later than May 17, 1979, for consideration of such provisions of the bill as fall within the jurisdiction of that committee under clause 1(c), rule X, and ordered to be printed.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 3287. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the authorization for the annual Federal payment to the District of Columbia from $300 million to $317 million; with amendment (Rept. No. 96–128). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 3824. A bill to amend the District of Columbia Self-Government and Governmental Reorganization Act to authorize the Council of the District of Columbia to delegate its authority to issue revenue bonds for undertakings in the area of housing to any housing finance agency established by it and to provide that payments of such bonds may be made without further approval (Rept. No. 96–129). Referred to the

Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 3879. A bill to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes (Rept. No. 96–130). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRINKLEY (for himself and Mr. Nichols):

H.R. 3989. A bill to provide for the establishment within the National Cemetery System of a new national cemetery to be located in Russell County, Ala., and to be known as the Fort Mitchell Regional Veterans' Cemetery; to the Committee on Veterans' Affairs.

By Mr. RANGEL (for himself, Mr. Corman, Mr. Vanik, and Mr. Ford of Tennessee):

H.R. 3990. A bill to amend certain provisions of title XVIII of the Social Security Act with respect to the medicare program established by such title, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. BROYHILL:

H.R. 3991. A bill to amend the Securities Act of 1933 to authorize issuers to sell certain securities to accredited investors without filing a registration statement under such act, to amend the Investment Company Act of 1940 to grant an exemption from such act to certain issuers which engage in the business of furnishing capital or providing financing for business ventures and activities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHAPPELL (for himself, Mr. Swift, Mr. Addabbo, Mr. Bevill, Mrs. Bouquard, Mr. Buchanan, Mr. Cleveland, Mr. Corrada, Mr. Dickinson, Mr. Edwards of California, Mr. Gray, Mr. Gilman, Mr. Ginn, Mr. Hall of Texas, Mr. Hawkins, Mr. Hughes, Mr. Jenrette, Mr. Lott, Mr. McDade, Mr. McEwen, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Price, Mr. Roe, Mr. Rose, Mr. Stack, Mr. Symms, Mr. Wampler, Mr. Won Pat, and Mr. Yatron):

H.R. 3992. A bill to amend title II of the Social Security Act to provide that the waiting period for disability benefits shall not be applicable in the case of a disabled individual suffering from a terminal illness; to the Committee on Ways and Means.

By Mr. DUNCAN of Tennessee:

H.R. 3993. A bill to continue until the close of June 30, 1982, the existing suspension of duties on manganese ore (including ferruginous ore) and related products; to the Committee on Ways and Means.

By Mr. FLORIO:

H.R. 3994. A bill to amend the Solid Waste Disposal Act to authorize appropriations for the fiscal year 1980, to make certain technical changes, to strengthen the regulatory and enforcement mechanisms, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FLORIO (for himself and Mr. Madigan):

H.R. 3995. A bill to authorize appropriations for the Noise Control Act of 1972 for the fiscal years 1980 and 1981; to the Committee on Interstate and Foreign Commerce.

By Mr. FLORIO (for himself, Mr. Madigan, Mr. Murphy of New York, and Mr. Santini):

H.R. 3996. A bill to amend the Rail Passenger Service Act to extend the authorization of appropriations for Amtrak for 3 additional years, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ:

H.R. 3997. A bill to amend the Public Health Service Act to establish a clearinghouse for information respecting digestive diseases, to authorize grants to strengthen educational programs in digestive diseases in medical schools, and to establish the National Digestive Diseases Advisory Board; to the Committee on Interstate and Foreign Commerce.

By Mr. MINISH:

H.R. 3998. A bill to encourage the production of alcohol for use as a fuel or petroleum by allowing the rapid amortization of facilities producing alcohol for those uses; to the Committee on Ways and Means.

By Mr. PASHAYAN:

H.R. 3999. A bill to amend title XI of the Social Security Act to provide that a Professional Standards Review Organization shall not be considered to be an agency of the Federal Government; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. RANGEL (for himself, Mr. Corman, Mr. Vanik, and Mr. Ford of Tennessee):

H.R. 4000. A bill to amend the Social Security Act with respect to health programs authorized under it, and for other purposes; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mrs. SCHROEDER:

H.R. 4001. A bill to amend title 10, United States Code, to provide for legal assistance to members of the Armed Forces and their dependents, and for other purposes; to the Committee on Armed Services.

By Mr. SMITH of Iowa:

H.R. 4002. A bill to direct the Secretary of the Army, acting through the Chief of Engineers, to carry out a waters resources development project on, and along, a certain segment of the Des Moines River, Iowa; to the Committee on Public Works and Transportation.

By Mrs. SPELLMAN (by request):

H.R. 4003. A bill to amend the Retired Federal Employees Health Benefits Act, as amended, with respect to the Government contribution toward subscription charge; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

H.R. 4004. A bill to amend the Bank Holding Company Act of 1956 to provide that the Board of Governors of the Federal Reserve System shall not deny any application for the formation of a one-bank holding company because the transaction to form such one-bank holding company involves a bank stock loan which is for a period of not more than 25 years, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WILLIAMS of Montana (for himself, and Mr. Marlenee):

H.R. 4005. A bill to recognize the critical rail transportation in the Northwest due to the proposed embargo of service on the Milwaukee Railroad and recognizing the need for expedited consideration of congressional action; to the Committee on Interstate and Foreign Commerce.

By Mr. WON PAT (for himself, Mr. Evans of the Virgin Islands, Mr. Phillip Burton, Mr. Lagomarsino, Mr. Miller of California, Mr. Runnels, Mr. Sebelius, Mr. Kildee, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Simon, Mr. Stokes, Mr. Mineta, and Mr. Derwinski):

H.R. 4006. A bill to apply duty-free treatment under certain circumstances to articles produced in the insular possessions of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. BRODHEAD (for himself and Mr. Corman):

H.R. 4007. A bill to amend the Internal Revenue Code of 1954 to provide that the provisions which increase the Federal unemployment tax in States which have outstanding loans will not apply if the State makes certain repayments; to the Committee on Ways and Means.

By Mr. ENGLISH:

H.R. 4008. A bill to amend chapter 81 of title 28, United States Code, to provide review by the Supreme Court of the United States for decisions of the United States Court of Military Appeals; to the Committee on the Judiciary.

By Mr. MICA:

H.R. 4009. A bill to amend title XI of the Social Security Act with respect to the status of Professional Standards Review Organizations and Statewide Professional Standards Review Councils; jointly, to the Committees on Ways and Means, Interstate and Foreign Commerce, and the Judiciary.

By Mr. MURPHY of New York (for himself and Mr. Wydler):

H.R. 4010. A bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition; to the Committee on Ways and Means.

By Mr. SMITH of Iowa (for himself, Mr. McDade, Mr. Foley, Mr. Jones of Tennessee, and Mr. Madigan):

H.R. 4011. A bill to amend the Small Business Act and Small Business Investment Act of 1958; jointly, to the Committees on Small Business and Agriculture.

By Mr. YATRON:

H.J. Res. 322. Joint resolution to authorize the President to issue a proclamation designating March 1980 as "Youth Art Month"; to the Committee on Post Office and Civil Service.

By Mr. BEDELL:

H. Con. Res. 118. Concurrent resolution expressing the sense of the Congress that the President should establish a commission to study and evaluate the Multiple Protective Structure System and the Air Mobil/Transportable Load System for protecting the land-based intercontinental ballistic missiles of the United States, and to consider alternatives to such systems; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LIVINGSTON:

H.R. 4012. A bill to direct the Secretary of the department in which the United States Coast Guard is operating to cause the vessel *Alice* to be documented as a vessel of the United States so as to be entitled to engage in the coastwise trade; to the Committee on Merchant Marine and Fisheries.

By Mr. McKINNEY:

H.R. 4013. A bill for the relief of Jozef Swiderski; to the Committee on the Judiciary.

By Mr. ULLMAN:

H.R. 4014. A bill for the relief of Victoriano Perches-Nevarez; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 85: Mr. Studds, Mr. Sawyer, Mr. Lagomarsino, Mr. Pepper, Mr. Hollenbeck, and Mr. AuCoin.

H.R. 605: Mr. Harris, Mr. Simon, Mr. Stangeland, Mr. McCormack, Mr. Gore, Mr. Bingham, Mr. Weaver, Mr. Bedell, Mr. Bowen, Mr. Brodhead, Mr. Dellums, Mr. Maguire, Mr. Price, Mr. Scheuer, Mr. Heftel, Mr. Long of Maryland, Mr. Ottinger, Mr. Murphy of Pennsylvania, Mr. Mitchell of Maryland, Mr. Pease, Mr. Lott, Mr. St Germain, Mr. Van Deerlin, Mr. Moffett, Mr. Hughes, Mr. Udall, Mr. Lagomarsino, Mr. Young of Missouri, Mr. Lowry, Mr. Rahall, Mr. Mikva, Mr. Oberstar, Mr. Hinson, Mr. Howard, Mr. Ritter, Mr. Stack, and Mr. Gilman.

H.R. 628: Mr. Mitchell of New York.

H.R. 801: Mr. Ertel, Mr. Davis of Michigan, Mr. Mineta, Mr. Mitchell of New York and Mr. Panetta.

H.R. 811: Mr. Dornan, Mr. Findley, Mr. Horton, Mr. Lagomarsino, Mr. Long of Maryland, Mr. Lott, Mr. Markey, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Pursell, Mr. Robinson, and Mr. Stokes.

H.R. 1297: Mr. Maguire.

H.R. 2075: Mr. Wyatt.

H.R. 2077: Mr. Benjamin, Mr. Burgener, Mr. Collins of Texas, Mr. Hyde, Mr. Jenrette, Mr. Jones of North Carolina, Mr. Kindness, Mr. Kramer, Mr. McDade, and Mr. Waxman.

H.R. 2156: Mr. Jeffords, and Mr. Waxman.

H.R. 2499: Mr. Bevill, Mr. Buchanan, Mr. Corrada, Mr. Duncan of Tennessee, Mr. Ertel, Mr. Gudger, Mr. Howard, Mr. Jones of North Carolina, Mr. Kildee, Mr. Kostmayer, Mr. Lott, Mr. Luken, Mr. Mitchell of New York, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Murphy of Pennsylvania, Mr. Pepper, Mr. Price, Mr. Rahall, Mr. Rangel, Mr. Rinaldo, Mr. Russo, Mr. Scheuer, Mr. Weiss, Mr. Whitehurst, Mr. Whitley, and Mr. Winn.

H.R. 2538: Mr. Ginn, and Mr. Evans of Georgia.

H.R. 2604: Mr. Mineta, Mr. Gingrich, and Mr. Symms.

H.R. 2663: Mr. Albosta, Mr. Ashley, Mr. AuCoin, Mr. Bailey, Mr. Bedell, Mr. Benjamin, Mr. Boland, Mr. Bonior of Michigan, Mr. Bowen, Mr. Brodhead, Mr. John L. Burton, Mr. Phillip Burton, Mr. Chappell, Mrs. Chisholm, Mr. Clay, Mr. Cleveland, Mr. Coelho, Mr. Conte, Mr. D'Amours, Mr. Dan Daniel, Mr. Donnelly, Mr. Dornan, Mr. Drinan, Mr. Dougherty, Mr. Downey, Mr. Edgar, Mr. Edwards of California, Mr. Evans of the Virgin Islands, Mr. Fascell, Mr. Ford of Tennessee, Mr. Ford of Michigan, Mr. Frost, Mr. Fuqua, Mr. Gore, Mr. Gray, Mr. Gudger, Mr. Hawkins, Mr. Holland, Mr. Howard, Mr. Hughes, Mr. Hyde, Mr. Ireland, Mr. Jenrette, Mr. Johnson of California, Mr. Jones of North Carolina, Mr. Kemp, Mr. Lehman, Mr. Leland, Mr. Livingston, Mr. Lott, Mr. Lowry, Mr. Maguire, Mr. Martin, Mr. Mikva, Mr. Miller of California, Mr Mineta, Mr. Mitchell of Maryland, Mr. Mollohan, Mr. Murphy of Pennsylvania, Mr. Neal, Mr. Nolan, Ms. Oakar, Mr. Oberstar, Mr. Ottinger, Mr. Price, Mr. Railsback, Mr. Rangel, Mr. Sabo, Mr. Sawyer, Mr. St Germain, Mr. Scheuer, Mr. Seiberling, Mr. Shannon, Mr. Simon, Mr. Solarz, Mr. Stark, Mr. Stewart, Mr. Stokes, Mr. Studds, Mr. Vento, Mr. Weaver, Mr. Weiss, Mr. Charles Wilson of Texas, Mr. Charles H. Wilson of California, Mr. Wolff, Mr. Won Pat, Mr. Young of Florida, Mr. Zablocki, Mr. Duncan of Oregon, and Mr. Rahall.

H.R. 2994: Mr. AuCoin, Mr. Emery, Mr. Hutto, Mr. Pepper, Mr. Oberstar, Mr. Lederer, Mr. Roe, Mr. Stack, Mr. Evans of the Virgin Islands, and Mr. D'Amours.

H.R. 3102: Mr. Richmond, Mr. Evans of the Virgin Islands, Mr. Barnes, Mr. Kostmayer, Mr. Conyers, Mr. Waxman, Mr. Pritchard, Mr. Fazio, Mr. Mitchell of Maryland, Mr. Kildee, Mr. Corrada, Mr. Rosenthal, Mr. Ford of Michigan, Mr. Ottinger, Mr. Studds, Mr. Bingham, Mr. Hughes, Mr. Mathis, Mr. Downey, Mr. Young of Missouri, Mr. Garcia, Mr. Wolff, Mr. Simon, Mr. Murphy of Pennsylvania, Mr. Vento, Mr. Carter, Mr. Heftel, Mr. Rangel, Mr. Lowry, Mr. Neal, Mr. Coelho, Mr. Sabo, Mr. Kogovsek, Mr. Weiss, Mrs. Schroeder, Mr. Murphy of New York, Mr. McCloskey, Mr. Erdahl, Mr. Mineta, Mr. Albosta, and Mr. Gilman.

H.R. 3111: Mr. Shumway.

H.R. 3169: Mr. Mitchell of Maryland, Mr. Carr, and Mr. Sabo.

H.R. 3194: Mr. Hyde.

H.R. 3216: Mr. Goodling, Mr. Treen, Mr. Scheuer, Mr. Whitehurst, Mr. Emery, Mr. Leath of Texas, Mr. Hansen, Mr. Collins of Texas, Mr. McDonald, Mr. Stratton, Mr. Bafalis, Mr. Bailey, Mr. Cleveland, Mr. Mathis, Mr. Roe, Mr. Solomon, Mr. Williams of Montana, and Mr. Zeferetti.

H.R. 3370: Mr. Albosta.

H.R. 3390: Mr. Maguire.

H.R. 3398: Mr. Hightower, Mr. Nolan, Mr. Watkins, Mr. Harkin, Mr. Andrews of North Dakota, Mr. Williams of Montana, and Mr. Ullman.

H.R. 3407: Mr. Bailey, Mr. Clay, Mr. Dornan, Mr. Flood, Mr. Garcia, Mr. Gudger, Mr. Moffett, Mr. Nolan, Mr. Roe, Mr. Scheuer, and Mr. Goldwater.

H.R. 3438: Mr. Stockman.

H.R. 3439: Mr. Forsythe, Mr. Lagomarsino, Mr. Whitehurst, Mr. Richmond, Mr. Cotter, Mr. Vento, Mr. Ottinger, Mr. Mikva, Mr. Brown of California, Mr. Lowry, Mr. Sabo, Mr. Donnelly, Mr. Dodd, Mr. Cavanaugh, Mr. Kostmayer, Mr. Ratchford, Mr. Dellums, Mr. Green, Mr. Corman, Mr. Carr, Mr. Ford of Tennessee, Mr. Stockman, Mr. Fish, Mr. Mineta, Mr. Blanchard, Mr. Lungren, Mr. Studds, Mr. Erdahl, and Mr. Gilman.

H.R. 3789: Mr. Kogovsek.

H.J. Res. 161: Mr. Carter, and Mr. Leland.

H.J. Res. 269: Mr. Gingrich, and Mr. Dornan.

H.J. Res. 318: Mr. Markey, Mr. Stokes, and Mr. Davis of Michigan.

H. Con. Res. 10: Mr. Archer, Mr. AuCoin, Mr. Bailey, Mr. Beard of Tennessee, Mr. Bereuter, Mr. Bonior of Michigan, Mr. Broomfield, Mr. Carr, Mr. Cavanaugh, Mr. Daniel B. Crane, Mr. Daschle, Mr. Dornan, Mr. Erdahl, Mr. Evans of the Virgin Islands, Mr. Frenzel, Mr. Gilman, Mr. Gingrich, Mr. Gonzalez, Mr. Goodling, Mr. Hall of Texas, Mr. Hollenbeck, Mrs. Holt, Mr. Horton, Mr. Hyde, Mr. Kemp, Mr. Kindness, Mr. Lagomarsino, Mr. Leath of Texas, Mr. Lee, Mr. Lowry, Mr. Lungren, Mr. McDonald, Mr. McEwen, Mr. Madigan, Mr. Mica, Mr. Mitchell of Maryland, Mr. Nowak, Mr. Ottinger, Mr. Pickle, Mr. Robinson, Mr. Roth, Mr. Solomon, Mr. Stangeland, Mr. Symms, Mr. Treen, Mr. Wampler, Mr. White, Mr. Charles H. Wilson of California, Mr. Winn, Mr. Wolff, Mr. Wolpe, Mr. Won Pat, and Mr. Wydler.

H. Con. Res. 59: Ms. Mikulski, Mr. Grisham, Mr. Waxman, Mr. Moakley, Mr. Blanchard, Mr. Edgar, Mr. Burgener, Mr. Robert W. Daniel, Jr., Mr. Bob Wilson, and Mr. Coughlin.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 107

By Mr. ANDERSON of California:

—Page 10, add after line 5 the following new section:

Sec. 7. (a) For the calendar year 1979, the report from the Committees on Appropriations of the House of Representatives and the Senate accompanying any general appropriation bill making an appropriation for any purpose shall contain a statement specifying the amount of any sums which were appropriated for such purpose more than two years before the date the report is submitted to either House and which remain unobligated.

(b) Failure to comply with subsection (a) shall not prevent the consideration of any such bill.

By Mr. FISHER:

—On page 2, line 8, strike out the amount and insert in lieu thereof $. (Outlays.)

On page 2, line 10, strike out the amount and insert in lieu thereof $. (Deficit.)

On page 2, line 17, strike out the amount and insert in lieu thereof $.

On page 5, line 16, insert in the following new section:

Sec. . The Budget Committee of the House of Representatives shall recompute the appropriate level of estimated budget authority and outlay for each functional category (except categories 900, 920 and 950) to reflect a pro rata reduction of the total budget authority and outlay for each such category.

H.R. 39

By Mr. GINGRICH:

(Amendment to Udall-Anderson substitute (H.R. 3651).)

—Page 151, line 9, after "lands" insert "(including lands within conservation system units)".

Page 151, line 12, after "to," insert "geochemical sampling, geophysical techniques,"

Page 153, after line 2, insert:

(d) Alaska Mineral Resource Assessment Report.—The Secretary shall set forth in each report to the Congress under the Mining and Minerals Policy Act of 1970 a summary of the pertinent information (other than proprietary or other confidential information) relating to minerals which is available to the United States Geological Survey, the Bureau of Mines, or any other agency or instrumentality of the United States.

By Mr. KOSTMAYER:

(Amendment to Udall-Anderson substitute (H.R. 3651).)

—On page 20, line 7, strike "March 1979" and insert "May 1979";

On page 20, line 8, insert after the period "All lands located east of centerline of the main channel of the Noatak River which are—

(A) within

(i) any area withdrawn under the Alaska Native Claims Settlement Act for selection by the village of Noatak, and

(ii) any village deficiency withdrawal under section 11(a)(3)(A) of such Act which is adjacent to the area described in subparagraph (i) of this paragraph,

(B) adjacent to public lands within a unit of the National Park System as designated under this Act, and

(C) not conveyed to such village or other Native Corporation before the final conveyance date, shall, on such final conveyance date, be added to and included within, the adjacent unit of the National Park System (notwithstanding the applicable acreage specified in this paragraph) and managed in the manner provided in the foregoing provisions of this paragraph. For purposes of the preceding sentence the term "final conveyance date" means the date of the conveyance of lands under the Alaska Native Claims Settlement Act, or by operation of this Act, to the Village of Noatak, or to any other Native Corporation which completes the entitlement of such Village or other Corporation to conveyance of lands from the withdrawals referred to in subparagraph (A).

By Mr. SEIBERLING:

(Amendment to Udall substitute (H.R. 3651).)

—Page 57, after line 7, insert:

RIGHTS OF HOLDERS OF UNPERFECTED MINING CLAIMS ON NATIONAL FOREST LANDS IN ALASKA

SEC. 405. (a) DEFINITIONS.—As used in this section—

(1) The term "applicable withdrawal" means the Notice of Proposed Withdrawal under the Federal Land Policy and Management Act of 1976, dated December 5, 1978 (43 Federal Register 57134).

(2) The term "unperfected claim" means a mining claim—

(A) which is on national forest lands in Alaska,

(B) with respect to which a valid mineral discovery, within the meaning of the mining laws of the United States, was not made as of the date of the applicable withdrawal, and

(C) which was, as of such date, properly, located, recorded and maintained.

(3) The term "core claim" means—

(A) a patented mining claim, or

(B) an unpatented mining claim which—

(i) contained a valid mineral discovery within the meaning of the mining laws of the United States as of the date of the applicable withdrawal, and

(ii) was, as of such date, properly located, recorded, and maintained.

(b) APPLICATION OF SECTION.—This section applies only to mining claims on public land which—

(1) is included under this Act within a conservation system unit in Alaska, and

(2) was included in the applicable withdrawal and, on the date of such withdrawal, was within the national forest system.

(c) ENTITLEMENT.—Any holder of an unperfected mining claim who meets the requirements of this section shall be entitled as provided in this section—

(1) to receive an exploration permit with respect to such claim, and

(2) upon making a valid mineral discovery on such claim within the meaning of the mining laws of the United States, to receive a patent to the minerals only.

(d) EXPLORATION PERMITS.—(1) Permits authorizing the exploration of an unperfected claim shall be issued by the Secretary under this section upon application under subsection (e) if the Secretary determines that—

(A) an application for such permit has been submitted within 270 days after the date of the enactment of this Act and such application meets the requirements of subsection (e),

(B) the unperfected claim is within a three-quarter mile radius of the exterior boundary of one or more of core claims, and both the unperfected claim and core claim were held by the applicant as of May 1, 1979 (or were acquired by such applicant after such date by inheritance or devise), and

(C) the unperfected claim and core claim which is within the radius referred to in subsection (B) are properly located, recorded, and maintained, to the extent required by law, as of the date of the Secretary's determination under this subsection.

(2)(A) Each exploration permit issued under this section shall terminate on the date 5 years after the date of enactment of this Act or, where applicable, the date provided under subparagraph (B).

(B) For any permit application with respect to which the Secretary fails to meet the 18-month deadline under subsection (e) for any reason (including delays caused by administrative or judicial proceedings) beyond the control of the applicant, the exploration permit issued under this section shall terminate at the end of the period (after expiration of the 5 years referred to in subparagraph (A)) as is equal to the time during which the Secretary failed to meet such deadline.

(3) Any permit under this section shall include such reasonable conditions and stipulations as may be necessary as provided under regulations promulgated by the Secretary for general application to mining exploration within the national forest system.

(e) APPLICATIONS FOR EXPLORATION PERMITS.—An application under subsection (c) shall contain—

(1) the applicant's name, address, and telephone number;

(2) the name of the claim, the date of location of the claim, the date of recordation of the claim and the serial number assigned to such claim under the Federal Land Policy and Management Act of 1976; and

(3) evidence that the requirements of subparagraphs (B) and (C) of subsection (d)(1) are met.

Upon the Secretary's determination that the requirements of subsection (d) are met with respect to any claim, the Secretary shall issue an exploration permit for such claim not later than 18 months after the date on which he receives the application under this subsection concerning such claim.

(f) VALID MINERAL DISCOVERY.—(1) If the holder of an unperfected claim for which an exploration permit was issued under this section notifies the Secretary, before the expiration of such permit, that he has made a valid mineral discovery within the meaning of the mining laws of the United States on such claim, and if the Secretary determines that such claim contains a valid mineral discovery, the holder of such claim shall be entitled to the issuance of a patent only to the minerals in such claim pursuant to the mining laws of the United States, together with a right to use so much of the surface of the lands on such claim as may be necessary for mining and milling purposes, subject to such reasonable regulations as the Secretary may prescribe for general application to mining and milling activities within the national forest system.

(2) Any unperfected claim for which an exploration permit under this section was issued shall be conclusively presumed to be abandoned and shall be void upon expiration of such permit unless the owner of such claim has notified the Secretary in writing as provided in paragraph (1).

(g) LEASES FOR MILLING PURPOSES.—(1) The Secretary may issue leases on lands under his jurisdiction (including lands within any conservation system unit) at fair market value for use for milling purposes in connection with the milling of minerals from any claim described in subsection (f)(1).

(2) A lease may be issued under this subsection only if the Secretary determines—

(A) that the issuance of such lease will not cause irreparable harm to a conservation system unit, and

(B) that the use of such leased area for such purposes will cause less environmental harm than the use of any other available location.

(3) A lease under this subsection shall be subject to such reasonable terms and conditions as the Secretary deems necessary.

(4) A lease issued under this subsection shall terminate—

(A) at such time as the mineral deposit is exhausted; or

(B) upon the failure of the lessee to use the leased site for two consecutive years unless such nonuse is waived annually by the Secretary.

(h) ACCESS TO MINING CLAIMS.—The holder of an unperfected claim with respect to which a valid mineral discovery is made under an exploration permit under this title shall be entitled to the same access rights as the holder of a valid mining claim is entitled to under section 802(c). The holder of an unperfected claim with respect to which an exploration permit is in effect under this section shall be entitled to such adequate access, as described in section 802(c), as may be necessary to carry out exploration under such permit.

(i) PUBLIC NOTICE.—The Secretary shall provide public notice of the requirements of this section not later than 90 days after the date of the enactment of this Act.

(j) SAVINGS PROVISIONS.—(1) Nothing in this section shall affect any valid existing right.

(2) Nothing in this section affects the authorities of the Secretary under any other provision of law to regulate mining activities within conservation system units.

Page 53, after line 3, insert the following:

"(f) BLOSSOM RIVER FISHERIES PROTECTION ZONE.—Section 405 shall not apply to any unperfected claim (within the meaning of such section) which is located within one mile of the center line of the Blossom River from its headwaters to its confluence with the Wilson Arm.".

(Amendment to Udall substitute (H.R. 3651).)

—Page 60, strike out lines 22 through 25, and renumber paragraphs (33) through (38) as (32) through (37), respectively.

Page 62, line 19, strike out "(35) and (36)" and substitute "(34) and (35)".

Page 63, line 5, strike out "(34), (37), and (38)" and substitute "(36), and (37)".

Page 63, line 19, strike out "(39)" and substitute "(37)".

Page 64, after line 17, insert a new paragraph as follows:

"(84) Killik, Alaska.—From the northern boundary of the Gates of the Arctic National Park to the confluence with the Colville River.

Page 64, line 18, strike out "(84)" and substitute "(85)".

Page 65, line 3, strike out "(84)" and substitute "(85)".

Page 65, line 19, strike out "(38)" and substitute "(37)".

Page 66, line 6 strike out "(36)" and substitute "(35)".

Page 66, line 22, strike out "(84)" and substitute "(85)".

Page 67, in line 14 and in line 25, strike out "(38)" and substitute "(37)".

Page 68, line 12, strike out "(84)" and substitute "(85)".

(Amendment to Udall-Anderson substitute (H.R. 3651).)

—Page 112, line 4, strike out "entirely".

Page 112, line 4, insert "or is effectively surrounded by" and "within".

Page 112, line 5, strike out "or" and substitute a comma.

Page 112, line 6, after "Alaska" insert: "those public lands designated as wilderness study or managed to maintain the wilderness character or potential thereof,"

Page 112, line 10, after the period, insert: "Such access shall include, but not be limited to, the right to surface access across such unit, Reserve, or other public lands when, and to the extent, reasonably necessary to carry out such economic and other purposes."

(Amendment to Udall-Anderson substitute (H.R. 3651).)

Page 135, after line 6, add a new subsection as follows:

(c) Lands Included.—Only those lands within the boundaries of any conservation system unit which are public lands (as such term is defined in this Act) shall be deemed to be included as a portion of such unit. No lands which, before, on, or after the date of the enactment of this Act, are conveyed to the State, to any Native Corporation, or to any private party shall be subject to the regulations applicable solely to public lands within such units. If the State, a Native Corporation, or other owner desires to convey any such lands, the Secretary may acquire such lands in accordance with applicable law (including this Act), and any such lands shall become part of the unit, pursuant to section 801(g) (3) of this Act.

(Technical amendments to H.R. 3651.)

—Page 4, add to the Table of Contents:
Sec. 935. Protraction Diagrams.

Page 11, lines 17–18, strike "subsistence-oriented lifestyle" and insert in lieu thereof "subsistence way of life".

Page 18, strike lines 16 and 17, and renumber subsequent paragraphs accordingly.

Page 20, after line 16 insert the following paragraph:

(6) Lake Clark National Monument is hereby enlarged by the addition of an area containing approximately one million one hundred and fifty thousand acres of public lands, as generally depicted on the map entitled "Lake Clark National Park and Preserve," dated January, 1979, and the whole is hereby redesignated as Lake Clark National Park and Preserve.

Page 20, strike line 17 and all that follows through line 5 on page 21.

Page 22, line 5, strike "Park" and in lieu thereof insert "Preserve".

Page 23, after line 4 insert the following:

(f) The Secretary shall administer and manage those units of the National Park System established or redesignated by this Act to ensure the opportunity for continuation of subsistence uses by local residents, where such uses were permitted on January 1, 1979.

Page 31, line 21, strike "the traditional".

Page 33, lines 13–14, strike "depended upon by local users both within and beyond the boundaries of the area" and insert in lieu thereof: "and provide the opportunity for continuation of subsistence uses by local residents".

Page 39, lines 13–14, strike "and with the provision of opportunity for subsistence uses." and insert in lieu thereof: "including the opportunity for continuation of subsistence uses by local residents.".

Page 42, lines 23–25, strike the remainder of section 305(a) beginning with "and" on line 23 and insert in lieu thereof: "including the opportunity for continuation of subsistence uses by local residents.".

Page 40, line 7, insert a comma after "operation".

Page 51, line 20, between "may" and "designate" insert: ", except as provided by section 704,".

Page 25, line 25, after "on" insert "a".

Page 44, line 17, change the first "of" to "on".

Page 77, line 15, strike "Ingaksulgwat" and insert in lieu thereof "Ingakslugwat".

Page 77, line 19, after "Act," insert "which comprise approximately fifty thousand acres,".

Page 100, line 15, strike "herein" and in lieu insert "in this section".

Page 102, line 2, strike "Act" and insert "title".

Page 120, line 3, strike "I" and insert "II".

Page 123, strike lines 20–21 and insert in lieu thereof "of the refuge including the opportunity for continuation of subsistence uses by local residents; and".

Page 127, line 21, strike "those".

Page 127, line 22, after "uses" insert "by local residents"; line 23, strike "title VII".

Page 128, line 5, between "other" and "purposes" insert "nonsubsistence".

Page 133, line 19, strike "purposes" and insert "uses".

Page 153, after line 21 add the following: "Any provision of this Act which, directly or indirectly, authorizes the enactment of new budget authority shall be effective only for fiscal years beginning after September 30, 1979.".

Page 166, lines 4–8, on line 4 strike section 908 beginning with "making" and insert in lieu thereof: "adding the following sentence: 'During those years when there are no substantial revenues derived from the development of such lands, they shall continue to receive wildland fire protection services from the United States at no cost.' ".

Page 169, line 20, add an additional subsection to section 911 to read as follows:

"(d) Lands conveyed to a municipal corporation or to the State in trust pursuant to this section shall be credited toward the minimum acreage reconveyance requirement imposed upon Native village corporations by section 14(c) (3) of the Alaska Native Claims Settlement Act."

Page 170, line 2, strike "describes" and insert "describe".

Page 173, line 3, between "on" and "December" insert "or before".

Page 185, after line 20 insert the following:

(c) Rights of Action.—Nothing in this Act shall be construed as enlarging or diminishing any right of the United States or any Alaska Natives to seek and receive an award of damages against any party for trespass against or any other interference with aboriginal interests, if any, occurring before December 18, 1971.

Page 187, line 12, strike "an administrative" and insert "a"; line 13, strike "by the Secretary".

Page 197, line 22, change the number following the word "range" from 3 to 4.

Page 199, line 7, change the number following the word "and" from "9" to "10".

Page 199, lines 9, 11, 13, 17, change the number "1422" to "921".

Page 199, lines 19, 24, change the number "922" to "921".

Page 199, line 20, delete the phrase "which lie in the southern two thirds of that township which is" and replace it with the phrase "in the township which are".

Page 202, line 18, change "thorugh" to "through".

Page 203, line 10, change the number following the word "sections" from "21" to "31".

Page 204, line 4, change the last number in this line from "922" to "921".

Page 204, line 12, change "(a)" to "(b)".

Page 204, line 16, add a new sentence to this paragraph as follows: "A failure by Doyon, Limited to select its total land entitlement under subsection (b) (1) shall not affect Doyon's total land entitlement under sections 12(c) and 14(h) (8) of such Act."

Page 205, line 13, strike (C) and in lieu thereof insert (c).

Page 207, after line 2 insert a new subsection as follows:

(d) (1) In recognition of the potential need of Doyon, Limited, for access in a southerly direction from its landholdings in the watersheds of the Kandik and Nation Rivers across the Yukon River, the Secretary shall review applications submitted by Doyon, Limited for one or more rights-of-way which, in order to provide such access, would pass through public lands within the Yukon-Charley National Preserve.

(2) The Secretary shall approve an application reviewed under paragraph (1) of this subsection, and shall grant the right-of-way requested in such application, if he determines that there exists no economically feasible or otherwise reasonably available alternative route.

(3) Each right-of-way granted under this subsection shall be subject to such reasonable regulations issued by the Secretary as are necessary to minimize the adverse impact of such right-of-way upon any conservation system unit.

(4) No rights-of-way shall be granted under this subsection which would cross the Charley River or which would involve any lands within the watershed of the Charley River.

Page 291, line 20, strike "except" and in lieu insert "provided".

Page 211, line 9, change the number "921" to "920".

Page 211, lines 21–22, delete "and shall conduct such reasonable reclamation of the mining area".

Page 212, line 17, following the word "shall", add a comma and the phrase "upon Doyon's meeting the terms and conditions set forth in section 920(A) (1),".

Page 213, line 4, change the number "8" which follows "and" to "18".

Page 214, line 13, change "19" to "20".

Page 214, line 15, change "7" to "8".

Page 215, line 16, change "31" to "32".

Page 215, line 25, following the word "through", change "21" to "8," and add "17 through 21,".

Page 216, line 2, change "27" to "28".

Page 216, line 15, after the word "range", change "21" to "12".

Page 216, line 18, delete this line and replace with "1 through 5, 10 through 14, 23 and 24".

Page 216, line 22, following the fifth word "through" delete "28, 32 through" and replace with "27, and".

Page 217, line 18, change "6" to "4".

Page 217, line 21, change "19" to "20".

Page 217, line 24, change "22" to "21".

Page 218, line 9, change "2 through 6" to "31 to 35".

Page 241, line 24, change the semicolon following the word "half" to a comma, and change the comma following the word "exclusive" to a semicolon.

Page 242, lines 15 and 16, strike "subject to the provisions of section 306 of this Act" and in lieu thereof insert "for the purposes of this section."

Page 249, strike line 25 and all that follows through line 13 on page 250, and in lieu thereof insert the following:

Anton Larsen Bay, Anton Larsen, Incorporated.

Bells Flats, Bells Flats Natives, Incorporated.

Uganik, Uganik Natives, Incorporated.

Litnik, Litnik, Incorporated.

Port William, Shuyak, Incorporated.

Ayakulik, Ayakulik, Incorporated.

Uyak, Uyak Natives, Incorporated.

Page 251, line 8, change "(1)" to "(l)" [and in line 7, change "Subject" to "subject"].

Page 253, line 7, change "(1)" to "(l)" [and insert a comma after the word "section"].

Page 255, line 10, change "(1)" to "(l)".

Page 252, line 2, insert the word "therefor" before the word "which".

Page 254, line 5, change "25" to "35".

Page 255, line 13, insert "section" after "CFR".

Page 303, line 23, add a new section to title IX to read:

PROTRACTION DIAGRAMS

Sec. 935. With the agreement of the party to whom a patent is to be issued under this title, or the Alaska Native Claims Settlement Act, the Secretary, in his discretion, may base such patent on protraction diagrams in lieu of field surveys. Any person or corporation receiving a patent under this title or the Alaska Native Claims Settlement Act on the basis of a protraction diagram shall receive the gain or bear any loss of acreage due to errors, if any, in such protraction diagram.

Page 329, line 14, after the period add a new sentence as follows: "No agreement under this section shall be applicable to any lands which, on the date of enactment of this Act, were the subject of a mortgage, pledge, or other encumbrance.".

Page 330, line 25, strike "the uses referred to in this subsection" and in lieu thereof insert "such uses".

Page 332, line 21, between "control," and "resource" insert "trespass control;".

Page 220, line 4, change the period to a semicolon and add the following:

"Township 6 south, range 32 east sections 1 through 5, 8 through 11, 14 through 17, 20 through 22, 27 through 29, 32 through 35;

Township 7 south, range 31 east, sections 13 through 17, 19 through 34;

Township 7 south, range 32 east, sections 3 through 5, 7 through 10, 13 through 30, 34 through 36;

Township 7 south, range 32 east, sections 4, 7 through 9, 16 through 21, 28 through 33".

"Copper River Meridian"

"Township 26 north, range 14 east, sections 12, 13, 24, and 25."

Page 333, lines 14 and 15, strike "after the date of enactment of this Act".

Page 220, line 7, after "conservation" insert "system".

Page 18, line 1, insert a period after "Preserve", and strike all thereafter through line 3.

Page 19, line 17, strike "March" and insert "April".

Page 71, line 21, strike "January" and insert "March".

Page 73, line 13, strike "National".

Page 75, line 15, strike "January" and insert "April".

Page 76, line 20, strike "January" and insert "April".

Page 77, line 13, strike "January" and insert "April".

Page 113, strike line 2 and in lieu insert "Preserve, the Yukon-Charley National Preserve, and the".

Page 114, line 6, before "may" insert "shall develop a program which".

Page 116, line 13, after "(2)" insert "Notwithstanding any other provisions of law,".

Page 116, line 17, after "land)" insert ", office space, housing, and other necessary facilities".

Page 116, line 17, strike "is" and insert "to be".

Page 117, line 25, after "tion" insert "or Corporations"; strike "is".

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Congressional Research Service pursuant to clause 5(d) of House Rule X. Previous listing appeared in the CONGRESSIONAL RECORD of March 12, 1979 (page 4703).

H.R. 501. January 15, 1979. Judiciary. Prohibits with specified exceptions, the knowing solicitation, provision, or receipt of anything of monetary value, or the promise of anything of monetary value, for: (1) seeking to place, placing, or arranging to place any child for permanent care or adoption; or (2) coercing any individual to place any child for adoption, to provide any child with permanent care, or to adopt any child under circumstances which result in the transportation of such child or individual in interstate or foreign commerce.

H.R. 502. January 15, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to require the Law Enforcement Assistance Administration's annual report to the President and Congress to include in its analysis of funded State programs a description of certain equipment, and the current use status of such equipment.

Provides for reimbursement by a State planning agency to the Administration for the cost of such equipment which has not been placed in use one year after the date designated at purchase, or has not continued in use during its useful life.

H.R. 503. January 15, 1979. Judiciary. Imposes criminal penalties for anyone robbing a pharmacy of any controlled substance.

H.R. 504. January 15, 1979. Judiciary. Prohibits specified acts relative to obtaining or altering a Federal, State, or local government document containing an element of identification.

H.R. 505. January 15, 1979. Agriculture. Amends the Agriculture Act of 1949 to extend the price support of milk at not less than 80 percent of parity.

H.R. 506. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to qualify expenditures for woodburning stoves for the 15 percent residential energy conservation credit.

H.R. 507. January 15, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior, through the Commissioner of the Bureau of Reclamation, to construct and maintain a sand dredging system on the Trinity River, California, and a debris dam and associated facilities on Grass Valley Creek, California.

H.R. 508. January 15, 1979. Judiciary. Prohibits persons engaged in the production of crude petroleum or petroleum products from acquiring or retaining coal, uranium, or geothermal power assets. Establishes procedures for divestiture of existing unlawful assets, to be enforced by the Attorney General. Imposes criminal and civil penalties for corporate and individual violations of this Act.

H.R. 509. January 15, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce; Science and Technology. Creates a Federal Oil and Gas Corporation to oversee the exploration and development of oil and gas on Federal lands in a manner consistent with environmental and conservation interests. Stipulates that sales of oil or natural gas by the Corporation shall be made at fair and reasonable prices designed to foster competition in energy-related industries.

H.R. 510. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to grant a limited tax exclusion for individuals age 65 or over for amounts received as an annuity, pension, or other retirement benefit.

H.R. 511. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow members of State legislatures the same income tax deduction for living expenses as is allowed to Members of Congress.

H.R. 512. January 15, 1979. Judiciary; Rules. Requires that proposed rules be submitted to Congress for review before they become effective.

Establishes the Joint Committee on Agency Rules to review rules promulgated by Federal agencies.

Requires that the public be given at least 60 days in which to participate in a rulemaking proceeding of a Federal agency.

H.R. 513. January 15, 1979. Interior and Insular Affairs. Amends the Surface Mining Control and Reclamation Act to include in the designation of lands unsuitable for noncoal mining, those areas where irreversible damage would be done to historical, cultural, or aesthetic values and areas where mining would create an unreasonable danger to human health and property.

H.R. 514. January 15, 1979. Interstate and Foreign Commerce. Creates a National Voluntary Health Insurance Agency to operate a National Voluntary Health Insurance Plan with funds supplied by voluntary subscriptions and matching United States Treasury funds, to pay reasonable costs of all medically necessary and appropriate medical and hospital services for all voluntary enrollees.

Eliminates all similar hospital and medical service insurance benefits or payments provided by other Government agencies, including Medicare, Medicaid, and the Civilian Health and Medical Plan of the Uniformed Services (CHAMPUS).

H.R. 515. January 15, 1979. Post Office and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to specify when an adjustment in the rate of pay for Members of Congress proposed during any Congress shall take effect.

H.R. 516. January 15, 1979. Post Office and Civil Service; Rules. Amends the Federal Salary Act of 1967 to require recommendations for rates of pay for Members of Congress and the Resident Commissioner from Puerto Rico, transmitted by the President to Congress, to be subject to Congressional approval by specific resolutions passed by each House.

H.R. 517. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to require annual cost-of-living adjustments to: (1) individual income tax brackets; (2) the corporate surtax exemption; (3) the $1,000 personal exemption; (4) depreciation deductions; and (5) the adjusted basis of property for purposes of determining capital gains.

Amends the Second Liberty Bond Act to require cost-of-living adjustments to interest rates on certain Government bonds and obligations.

H.R. 518. January 15, 1979. Ways and Means. Amends the Internal Revenue Code and the Social Security Act to finance through general revenues the hospital insurance program of title XVIII (Medicare) of the Social Security Act, rather than through taxes on employers, employees, and the self-employed.

H.R. 519. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 520. January 15, 1979. Government Operations. Directs the Secretary of the Treasury to make payments to each State and local governmental unit to compensate it for the loss of real property tax revenues resulting from the location of exempt real property (owned or occupied by representatives of a foreign country or international organization) within such State or local governmental unit.

H.R. 521. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals age 65 or over a limited tax exclusion for amounts received as an annuity, pension, or other retirement benefit.

H.R. 522. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of the interest earned on a savings account.

H.R. 523. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow certain low-income individuals a limited, refundable income tax credit for the property taxes and rent paid on their principal residences.

H.R. 524. January 15, 1979. Ways and Means; Government Operations. Establishes a Task Force on the Taxation of Real Property by State and Local Governments to study and evaluate such taxation, its effects on middle and fixed income taxpayers, and the feasibility of using Federal taxation and other policies to reduce the dependence of State and local governments on such taxation.

H.R. 525. January 15, 1979. Armed Services.

Authorizes the recomputation of the retired or retainer pay for specified members and former members of the uniformed services.

H.R. 526. January 15, 1979. Interior and Insular Affairs. Amends the Land and Water Conservation Fund Act of 1965 to direct the Secretaries of the Interior and Agriculture to establish procedures providing for the issuance of lifetime admission permits to disabled individuals for entrance to National Park System units and national recreation areas.

H.R. 527. January 15, 1979. Post Office and Civil Service. Permits any Federal employee or Member of Congress who, at the time of retirement, does not elect a reduced annuity in order to provide a survivor annuity to a spouse or other person to make such an election within one year after retiring. Requires such employee to refund to the Government an amount equal to the amount such employee's annuity would have been reduced during the period from the date of retirement to the date of election plus interest.

H.R. 528. January 15, 1979. Post Office and Civil Service. Entitles a widow or widower of a person drawing a civil service pension to any survivor annuity to which such widow or widower would have been entitled but for the fact that he or she married the pensioner after his or her retirement from Federal service.

H.R. 529. January 15, 1979. Veterans' Affairs. Repeals certain veterans' education provisions requiring such benefits to be used within ten years of eligibility.

H.R. 530. January 15, 1979. Veterans' Affairs. Authorizes and directs the Administrator of Veterans' Affairs to acquire the land for and establish a national cemetery in Broward or Dade Counties, Florida.

H.R. 531. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals age 65 or over an income tax credit for the real property taxes, or 25 percent of the rent, paid on their principal residences.

H.R. 532. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 533. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for nutritional counseling under the supplementary medical insurance program.

H.R. 534. January 15, 1979. House Administration. Directs the Comptroller General to conduct annual audits of any financial transaction of each Member, officer, and standing committee of the House of Representatives involving the contingent fund of the House, retroactive to 1974. Requires that each annual report be submitted to the Speaker of the House of Representatives and be available for public inspection.

H.R. 535. January 15, 1979. Judiciary. Adds to the current conditions under which it is lawful for a person acting, or not acting, under color of law to intercept a wire or oral communication: (1) the consent of all parties to the communication to such interception; or (2) reasonable belief by the interceptor that the communication violates the Constitution or Federal or State laws.

H.R. 536. January 15, 1979. Ways and Means. Amends the Internal Revenue Code and title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to provide coverage of such program to all officers and employees of the United States other than those in the judicial branch.

H.R. 537. January 15, 1979 Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act and the Internal Revenue Code to include all Members of Congress and other officers and employees in the Legislative branch of the Government under the Federal Old-Age, Survivors, and Disability Insurance system.

H.R. 538. January 15, 1979. Ways and Means; Education and Labor. Amends the Social Security Act to redefine "disability" for purpose of title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act.

Authorizes the Secretary of Health, Education, and Welfare to prescribe by regulation the level of severity which shall be deemed to be sufficient to preclude an individual from engaging in substantial gainful work as required for a finding of disability.

H.R. 539. January 15, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony over which Federal courts have jurisdiction, and for anyone using or carrying a firearm in interstate commerce, who is convicted in a State court of any crime punishable by imprisonment for a term over one year.

H.R. 540. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a limited income tax credit for specified medical expenses. Repeals the current income tax deduction for medical and dental expenses.

H.R. 541. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to permit a limited tax exclusion for interest income received by individuals age 62 or older.

H.R. 542. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction of up to $1,500 for household expenses to any taxpayer who maintains a household in which a dependent aged 65 or over resides.

H.R. 543. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 544. January 15, 1979. Government Operations; Rules. Terminates budget authority for all Federal programs on specified dates. Requires Congress to consider whether any such programs merit continuation on the same, a greater, or a lesser level, or termination.

Requires the Comptroller General to identify inactive or inefficient programs.

H.R. 545. January 15, 1979. Government Operations; Rules. Abolishes within three years of the enactment of this Act, or three years after they have been established, all Federal regulatory agencies unless the President and Congress determine that such agencies should continue to exist.

H.R. 546. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to revise the social security tax rates established by the Social Security Amendments of 1977.

Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to increase allocations of employment income and decrease allocations of self-employment income from the Treasury to the Federal Disability Insurance Trust Fund. Repeals increases in the contribution and benefit base.

Permits the making of loans between the Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund.

H.R. 547. January 15, 1979. Judiciary. Provides that the criminal and civil contempt powers of Federal courts shall not extend to disputes involving an officer or employee of a State or local government unit, where such individual is exercising good faith discretion in an official capacity.

H.R. 548. January 15, 1979. Judiciary. Amends the Voting Rights Act of 1965 to repeal the prohibitions against voting qualifications prerequisite tests or devices which abridge the right of a citizen to vote who is a member of a language minority.

Repeals the requirement that States and other political subdivisions make available registration and voting materials and voting assistance in languages other than English.

H.R. 549. January 15, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to authorize the Environmental Protection Agency to provide legal and technical assistance in: (1) the enforcement of contracts dealing with treatment works and (2) actions involving a serious question of effectiveness of a treatment system posing a potential threat to public health. Empowers the Environmental Protection Agency to intervene in any civil action involving the enforcement of such contracts.

H.R. 550. January 15, 1979. Public Works and Transportation. Amends the Federal Water Pollution Control Act to provide that the civil and criminal contempt powers of Federal courts shall not extend to disputes involving the overall effectiveness of a treatment system where an officer or employee of a State or local government is exercising good faith discretion in an official capacity.

H.R. 551. January 15, 1979. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to require the annual rate of pay of Members of Congress and individuals paid under the Executive Schedules to be decreased to reflect the budget deficit of the Federal Government.

H.R. 552. January 15, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to study and construct the drainage system necessary to resolve the problems caused by high ground water levels near the town of Moses Lake, Washington.

H.R. 553. January 15, 1979. Education and Labor. Provides that existing regulations issued by the Occupational Safety and Health Administration with respect to occupational exposure to cotton dust shall cease to be effective and that any future regulations with respect to such exposure shall be subject to congressional disapproval.

H.R. 554. January 15, 1979. Government Operations. Limits expenditures of the Federal Government for fiscal year 1979 except those related to national defense and security.

H.R. 555. January 15, 1979. Government Operations. Directs the Comptroller General of the United States to audit the gold held by the United States on the first day of each fiscal year and to report the results of such audit to the Congress.

H.R. 556. January 15, 1979. Judiciary. Eliminates Federal court jurisdiction to make any decision or issue any order that would require an individual to attend any particular school.

H.R 557. January 15, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony over which Federal courts have jurisdiction.

H.R. 558. January 15, 1979. Public Works and Transportation. Increases the national maximum speed limit to 65 miles per hour.

H.R. 559. January 15, 1979. Ways and Means. Prohibits the Secretary of the Treasury from implementing any guidelines for determining whether private tax-exempt schools have forfeited their tax-exempt status through the adoption of racially discriminatory policies.

H.R. 560. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to increase the amount of the gift tax exemption and to require quarterly cost of living adjustments to such amount.

H.R. 561. January 15, 1979. Armed Services; Merchant Marine and Fisheries. Stipulates that only male individuals may be admitted to any of the United States service academies.

H.R. 562. January 15, 1979. Interstate and Foreign Commerce. Repeals title XV (National Health Planning and Development) and title XVI (Health Resources Development) of the Public Health Service Act.

H.R. 563. January 15, 1979. Agriculture. Prohibits the Secretary of Agriculture from taking any action under the Wholesome Meat Act or any other law to prohibit the sale, distribution, or use of nitrites as a food preservative solely on the basis of any carcinogenic effect in humans that nitrites may be represented to have, unless validated evidence is made available to the Secretary which proves beyond a reasonable doubt that nitrites as a food preservative have a significant carcinogenic effect on humans, or until a substitute preservative is available.

H.R. 564. January 15, 1979. House Administration. Directs the Secretary of the Treasury to maintain in the Presidential Election Campaign Fund, the House of Representatives Election Campaign Account. Sets forth a procedure for the payment of matching funds from the Account to candidates for election to the House of Representatives who meet certain eligibility requirements. Limits expenditures from personal funds which may be made by such eligible candidates.

H.R. 565. January 15, 1979. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 566. January 15, 1979. Judiciary. Makes it unlawful for any person to import, manufacture, sell, buy, transfer, receive, or transport any handgun. Specifies exemptions, procedures for the operation of licensed pistol clubs, and penalties for violation of this prohibition.

H.R. 567. January 15, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to construct the necessary flood protection projects near Logan and Nelsonville, Ohio.

H.R. 568. January 15, 1979. Public Works and Transportation. Amends the Flood Control Act of 1962 to terminate the Salt Creek Dam and Reservoir project, Ohio.

H.R. 569. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 570. January 15, 1979. Agriculture. Amends the Agricultural Act of 1970 to authorize the Secretary of Agriculture to acquire hay for inclusion in the separate reserve established for the alleviation of distress caused by natural disasters.

H.R. 571. January 15, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to authorize appropriations in specified amounts to carry out the provisions of such Act for fiscal years 1980 through 1986.

H.R. 572. January 15, 1979. Armed Services. Directs the Secretary of Defense to make veterans with service-connected disabilities and their surviving spouses eligible for commissary and post exchange privileges.

H.R. 573. January 15, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 574. January 15, 1979. Judiciary. Grants a Federal charter to the Italian American War Veterans of the United States.

H.R. 575. January 15, 1979. Post Office and Civil Service. Awards one preference point to National Guard and Armed Forces Reserve veterans applying for employment in the civil service.

H.R. 576. January 15, 1979. Science and Technology. Directs the Secretary of Commerce to pay up to one-half the cost of purchasing firefighting equipment.

H.R. 577. January 15, 1979. Veteran's Affairs. Repeals certain veterans' education provisions requiring such benefits to be used within ten years of eligibility.

H.R. 578. January 15, 1979. Veteran's Affairs. Provides that Parkinson's disease developing a ten percent or more degree of disability within seven years after separation from active wartime service shall be presumed to be service connected for purposes of veterans' disability compensation.

H.R. 579. January 15, 1979. Veterans' Affairs. Includes insomnia within the definition of chronic disease for purposes of veterans' service connected disability compensation.

H.R. 580. January 15, 1979. Veterans' Affairs. Includes the Polish Legion of American Veterans of the United States of America as one of the organizations whose representatives may be recognized by the Administrator of Veterans' Affairs to prepare, present, and prosecute claims under laws administered by the Veterans' Administration.

H.R. 581. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction, without regard to the three percent of income floor, for medical expenses paid for a dependent who is mentally retarded or handicapped.

H.R. 582. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exempt farm vehicles from the highway use tax on motor vehicles used primarily for farming purposes.

H.R. 583. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to permit an income tax deduction for the expenses of special education or training for a physically or mentally handicapped child who is a dependent of the taxpayer.

H.R. 584. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exempt from taxation a trust established for the care of a mentally incompetent individual who is a dependent of the grantor.

H.R. 585. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an additional personal tax exemption of $750 for a taxpayer supporting a dependent who is mentally retarded.

H.R. 586. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to require that benefits be computed on the basis of a worker's three years of highest earnings, and for the recomputation of such benefits to reflect the changes required by this Act.

H.R. 587. January 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to exclude from the income of an individual applying for such benefits, specified income earned from employment in a sheltered work setting.

H.R. 588. January 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that 1974 Social Security benefit increases shall be disregarded in determining an individual's eligibility for supplemental security income benefits. Eliminates support and maintenance furnished a mentally retarded individual living in another person's household from that individual's unearned income for supplemental security income benefit purposes.

H.R. 589. January 15, 1979. Ways and Means. Amends the Social Security Act to exclude from the classification of unearned income with respect to the Supplemental Security Income program, the support and maintenance provided to a mentally retarded individual by the family of such an individual. Specifies the treatment of other forms of income to mentally retarded individuals.

Requires action on applications for supplemental security income benefits within a maximum of 60 days.

H.R. 590. January 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to exclude from the income of an individual applying for such benefits, specified income earned from employment in a sheltered work setting.

H.R. 591. January 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that payments of tuition, fees, or other training costs by any person for a mentally retarded adult individual attending a school for the retarded shall not be treated as income of such individual in determining eligibility for benefits under such title.

H.R. 592. January 15, 1979. Ways and Means. Amends the Trade Act of 1974 to allow a worker to be certified eligible for adjustment assistance if such worker's last separation from the firm occurred after the date specified in the certification on which separation began or threatened to begin in the adversely affected employment.

H.R. 593. January 15, 1979. Ways and Means. Amends the Tariff Schedules of the United States to increase the custom duties on certain wooden boxes lined with textiles.

H.R. 594. January 15, 1979. Interstate and Foreign Commerce; Ways and Means; Government Operations; Science and Technology. Amends the Internal Revenue Code of 1954 to give preferential status to users of recycled or rerefined oil. Encourages use of recycled oil in Federal procurement activities.

Authorizes the Administrator of the Environmental Protection Agency to make grants for implementation and operation of State waste oil management plans.

Directs the Administrator of Energy Research and Development to conduct a program to improve the performance and marketability of recycled oil.

H.R. 595. January 15, 1979. Armed Services. Authorizes the Administrator of General Services to dispose of a certain amount of tin presently held in the national and supplemental stockpiles.

Stipulates that moneys received pursuant to such disposition shall be covered into a special fund in the Treasury.

H.R. 596. January 15, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 597. January 15, 1979. Veterans' Affairs. Authorizes veterans aged 65 or more to exchange five-year level premium term policies of National Service Life Insurance to special endowment at age 96 plans.

H.R. 598. January 15, 1979. Judiciary. Grants a Federal charter to the United States Submarine Veterans of World War II.

H.R. 599. January 15, 1979. Judiciary.

Grants a Federal charter to the American Blood Commission.

H.R. 600. January 15, 1979. Judiciary. Grants a Federal charter to United Services Organizations, Incorporated.

H.R. 601. January 15, 1979. Judiciary: Rules. Requires all rules proposed by any Federal agency, except emergency rules, to be submitted to Congress before becoming effective. Permits such rules to become effective 60 days after submission to Congress if not disapproved by either House within such period.

Exempts from publication requirements notice of rulemaking proceedings for agency rules dealing with emergency or routine matters or which have an insignificant impact. Sets other maximum and minimum time limits during which public comment is to be accepted regarding proposed agency rules.

H.R. 602. January 15, 1979. Banking, Finance and Urban Affairs. Amends the Defense Production Act of 1950 to authorize the President to make provision for the purchase of synthetic fuels and to encourage the development of such fuels to carry out the purposes of such Act.

Authorizes the President to make subsidy payments for domestically produced supplies of strategic or critical materials under specified circumstances to insure their source and maintain their price at a stable level.

Authorizes the President in order to aid the national defense to install additional improvements at United States industrial facilities and to install Government-owned equipment in private industrial facilities.

H.R. 603. January 15, 1979. Merchant Marine and Fisheries. Amends the Maritime Academy Act of 1958 to stipulate that Federal tuition loans to maritime academies shall be payable directly to the students. Stipulates that such loans shall be forgiven if the individual, upon graduation, performs certain merchant marine or uniformed services duty for a specified time. Stipulates that such loans may be made in an amount not to exceed $1,200 per academic year for not more than four years.

H.R. 604. January 15, 1979. Merchant Marine and Fisheries. Amends the Merchant Marine Act, 1936, to impose merchant marine or uniformed service obligations on members attending the Academy following graduation.

H.R. 605. January 15, 1979. Banking, Finance and Urban Affairs. Establishes a Government corporation to be known as the Solar Energy Development Bank to make long-term, low-interest loans to encourage the use of solar energy ine commercial and residential structures.

H.R. 606. January 15, 1979. Foreign Affairs. Directs the President to establish and maintain a liaison office on Taiwan.

H.R. 607. January 15, 1979. Rules: Goverment Operations. Terminates the budget authority of Federal programs on specified dates.

Requires Congressional review of Federal programs to determine if they warrant continuation. Directs the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every four years.

H.R. 608. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of the interest earned on a savings account.

H.R. 609. January 15, 1979. Eudcation and Labor. Amends the Civil Rights Act of 1964 to include discrimination of the physically handicapped as an unlawful employment practice.

H.R. 610. January 15, 1979. Judiciary. Amends the Gun Control Act of 1968 to specify mandatory prison sentences for anyone using a firearm which has been transported in interstate or foreign commerce during the commission of certain violent crimes.

H.R. 611. January 15, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 612. January 15, 1979. Public Works and Transportation. Amends the Federal Aviation Act of 1958 to prohibit airlines from denying air transportation to physically handicapped persons solely on the basis of such handicap.

H.R. 613. January 15, 1979. Public Works and Transportation. Amends the River and Harbor Act of 1962 to terminate the navigation project on the Illinois Waterway, Illinois and Indiana.

H.R. 614. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow taxpayers a limited income tax credit for expenses paid by such taxpayer for the elementary or secondary education of any of his dependents at a private nonprofit school.

H.R. 615. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow taxpayers a limited income tax credit for their higher education and vocational school expenses.

H.R. 616. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for adoption fees on the same basis as deductions are currently allowed for medical or dental expenses.

H.R. 617. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals to elect a limited income tax credit for charitable contributions in lieu of an income tax deduction.

H.R. 618. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to require annual cost-of-living adjustments to: (1) individual income tax brackets; (2) the corporate surtax exemption; (3) the $1,000 personal exemption; (4) depreciation deductions; and (5) the adjusted basis of property for purposes of determining capital gains.

Amends the Second Liberty Bond Act to require cost-of-living adjustments to interest rates on certain Government bonds and obligations.

H.R. 619. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals age 65 or over an income tax credit for the real property taxes, or 25 percent of the rent, paid on their principal residences.

H.R. 620. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that any individual who is entitled to a monthly benefit under such title for the month preceding the month in which such eligible individual dies shall be entitled for the month in which he dies to a prorated benefit based upon a specified formula.

H.R. 621. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals to elect a limited nonrefundable income tax credit for charitable contribution in lieu of the current income tax deduction.

H.R. 622. January 15, 1979. Judiciary. Sets forth grounds and procedures for the involuntary retirement, removal from office, or censure of Federal judges. Establishes a Judicial Conduct and Disability Commission to receive complaints with respect to the conduct of judges, and a Court on Judicial Conduct and Disability to conduct hearings and issue orders with respect to such complaints.

H.R. 623. January 15, 1979. Education and Labor. Amends the Older Americans Act of 1965 to authorize a grant program for the establishment of internship programs for secondary school students in the field of aging.

H.R. 624. January 15, 1979. Education and Labor. Amends the Older Americans Act of 1965 to establish a program under which institutions of higher education may receive grants to defray 55 percent of the tuition costs of older persons attending such institutions on a tuition-free basis.

H.R. 625. January 15, 1979. Education and Labor. Directs the Secretary of Health, Education, and Welfare to make grants to States having approved comprehensive plans for providing counseling assistance to the elderly, such grants to be distributed on the basis of statewide need and priorities. Permits the use of grants to fund preretirement and career counseling programs, referral services, community activities, and counseling for families of sick and disabled senior citizens.

H.R. 626. January 15, 1979. Education and Labor. Amends the Domestic Volunteer Service Act of 1973 to allow volunteers in the Service Corps of Retired Executives, established under the National Volunteer Programs to Assist Small Businesses, to provide assistance to home health agencies which provide home health services.

H.R. 627. January 15, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to direct the Secretary of Health, Education, and Welfare to establish a Drug Benefit Program for the Aged to pay for prescription drugs from participating pharmacies.

H.R. 628. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to extend to participants in tax-exempt employer pension plans a limited income tax deduction for cash contributions to a retirement savings account, and to provide for the tax treatment of distributions from such plans.

H.R. 629. January 15, 1979. Interstate and Foreign Commerce. Establishes in the Department of Health, Education, and Welfare a Home Health Clearinghouse to gather and disseminate information concerning the various public and private agencies providing home health care and related services to the elderly.

H.R. 630. January 15, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to permit county governments to provide to other residents through the States Medicaid plan a level of medical assistance which is greater in amount, duration, or scope than that available under the plan to other State residents.

H.R. 631. January 15, 1979. Judiciary. Requires Commission on Civil Rights to study and collect information concerning policies and practices constituting discrimination based on age.

Amends the Civil Rights Acts of 1957 and 1964 and other laws to prohibit specified forms of discrimination based on age, including discrimination in: (1) public accommodations; (2) public facilities; (3) public education; and (4) the sale, rental, or financing of housing.

H.R. 632. January 15, 1979. Post Office and Civil Service. Repeals specified Federal laws compelling mandatory retirement based on age for the following: (1) Federal employees; (2) the Director of the Federal Judicial Center; (3) Tax Court Judges; (4) Foreign Service employees; (5) Lighthouse Service officers and employees; (6) the Comptroller General and the Assistant Comptroller General; (7) Central Intelligence Agency officers and employees; and (8) District of Columbia Judges.

H.R. 633. January 15, 1979. Ways and

Means. Amends the Internal Revenue Code to allow a limited, refundable income tax credit for household expenses to any taxpayer who maintains a household in which a dependent aged 65 or over resides.

H.R. 634. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to provide that the charitable deduction allowed for expenses incurred in the operation of a motor vehicle shall include the depreciation, operation, and maintenance costs allocable to such operation and shall be determined in the same manner as a business related deduction.

H.R. 635. January 15, 1979. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to eliminate the requirement that prior hospitalization is necessary before extended care facility benefits are available under the Medicare program.

H.R. 636. January 15, 1979. Ways and Means. Amends title XX (Grants to State for Services) of the Social Security Act to reallot unused social services funds to States which will use such funds during the succeeding year in preventing or reducing inappropriate institutional care.

Allocates additional Federal matching funds for multipurpose senior center programs. Directs the Secretary of Health, Education, and Welfare to clarify and standardize the eligibility requirements applicable to the provision of assistance to multipurpose senior centers.

H.R. 637. January 15, 1979. Banking, Finance and Urban Affairs; Interstate and Foreign Commerce; Ways and Means. Amends title XI (General Provisions) of the Social Security Act to authorize the establishment of an experimental program to provide in-home care for elderly individuals.

Amends title XVIII (Medicare) to provide payment for day care centers, and extended and intermediate care for the elderly, and to provide for the creation of an alternative reimbursement formula which will allow specified hospitals to provide long-term care without applying proportional allocation of overhead costs to all patients in such facilities.

H.R. 638. January 15, 1979. Interstate and Foreign Commerce; Ways and Means. Amends the Public Health Service Act to authorize the Secretary of Health, Education and Welfare to make grants to health maintenance organizations for the construction of ambulatory service facilities to be used for the provision of health services to their members in medically underserved areas.

Amends Titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to broaden the circumstances under which payment may be made for health services provided by such organizations.

H.R. 639. January 15, 1979. Interstate and Foreign Commerce; Ways and Means. Establishes a Long-Term Care Services program under the Medicare program of the Social Security Act to provide home health, homemakers, nutrition, long-term institutional care, day care, foster home, and outpatient mental health services. Specifies that these services shall be delivered by community long-term care centers under the diretcion and control of a State long-term care agency.

H.R. 640. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide Medicare coverage of mental illness on an equal basis with coverage of physical illness and to provide payment for certain clinical psychologist's services.

Requires the Secretary of Health, Education, and Welfare to furnish to the States information about the residences of recipients of supplemental security income who reside in institutions, foster homes, or group living arrangements as necessary for the States to establish, maintain, and enforce standards for each residence.

H.R. 641. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title XIX (Medicaid) of the Social Security Act to include the services of licensed practical nurses under the coverage provided pursuant to such titles.

H.R. 642. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to require automatic sprinkler systems in all skilled nursing facilities and intermediate care facilities certified for participation in the Medicare or Medicaid programs unless a waiver of such requirement is granted in accordance with conditions set forth in this Act.

Establishes a program of low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems.

H.R. 643. January 15 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions) of the Social Security Act to provide that any patient of a nursing home or intermediate care facility which is participating in the hospital insurance program under title XVIII (Medicare) or title XIX (Medicaid) of the Social Security Act shall have the right to terminate any contract entered into for his or her care in such home or facility upon giving the home or facility at least 30 days' written notice. Prohibits such a facility from requiring any patient to turn over to it any periodic benefit check or other income received after the patient has given such notice.

H.R. 644. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for optometric and medical vision care under the supplementary medical insurance program.

H.R. 645. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment under the supplementary medical insurance program for preventive services furnished in the screening, testing, diagnosis, and treatment of individuals for hypertension.

H.R. 646. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for one comprehensive physical examination a year, dental care including dentures, eye examinations including eyeglasses, hearing aids including examination, and treatment of foot conditions under the supplementary medical insurance program.

Sets forth measures to safeguard against consumer abuse in the provision of these items and services.

H.R. 647. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to require the governing boards of hospitals and skilled nursing facilities having an average duration of stay of more than 30 days to establish written policies guaranteeing specified rights of patients.

Directs the Secretary of Health, Education, and Welfare to establish civil penalties for the violation of such rights.

Sets forth provisions concerning the processing and investigation of complaints.

H.R. 648. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to reduce certain Medicare deductibles, coinsurance charges, and monthly premiums under the Medicare program. Finances such reductions from general revenues.

H.R. 649. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment under the Medicare program for services provided in a rehabilitation facility for the blind, and for services furnished to blind individuals by mobility therapists and rehabilitation teachers.

H.R. 650. January 15, 1979. Interstate and Foreign Commerce. Amends title VII of the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to make grants to assist in the development of additional personnel training programs in geriatrics.

H.R. 651. January 15, 1979. Public Works and Transportation. Authorizes the Secretary of Transportation to approve highway repair projects for Federal-aid primary and secondary roads which have deteriorated due to energy resource development.

H.R. 652. January 15, 1979. Ways and Means. Repeals the requirement, under title II (Old Age, Survivors and Disability Insurance) of the Social Security Act, that the amount of monthly OASDI benefits payable to a spouse or surviving spouse be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 653. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from the gross estate of an individual the value of an annuity under a State-defined benefit plan for judges or their beneficiaries. Exempts from the gift tax the election of an option to designate a beneficiary of a plan.

H.R. 654. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income a corporate stock distribution to a stockholder based upon the reinvestment of stock dividends in the corporation by such stockholder pursuant to his election to participate in a qualified dividend reinvestment plan.

H.R. 655. January 15, 1979. Interstate and Foreign Commerce; Judiciary; Merchant Marine and Fisheries; Public Works and Transportation; Ways and Means. Directs the Secretaries of Transportation and the Treasury to promulgate cargo security regulations. Establishes an Interagency Council on Cargo Security to coordinate governmental activities relating to cargo security.

H.R. 656. January 15, 1979. Education and Labor. Directs the Secretary of Labor to: (1) make contracts and grants to reimburse public and private organizations for the reasonable cost of providing screening for asbestos-related diseases to employees exposed to asbestos; and (2) provide a program to reimburse individuals for reasonable expenses incurred in such individual's screening.

H.R. 657. January 15, 1979. Foreign Affairs. Establishes the Commission for the Preservation of America's Heritage Abroad. Directs the Commission to identify cemeteries, monuments, and historic buildings abroad, particularly those which are in danger of deterioration or destruction, which are associated with the foreign heritage of United States citizens. Directs the Commission to designate such cemeteries, monuments, and buildings and to encourage foreign governments to preserve them.

H.R. 658. January 15, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to provide that the marriage of a disabled individual receiving child's insurance benefits to a civil service retirement or survivor annuitant shall not terminate his or her entitlement to such benefits.

H.R. 659. January 15, 1979. Banking, Finance and Urban Affairs; Ways and Means. Establishes the Federal Municipal Bond Guarantee Administration to guarantee municipal bonds.

Designates as taxable income interest on specified government obligations.

H.R. 660. January 15, 1979. Judiciary Amends the Immigration and Nationality Act to increase the amount courts having naturalization jurisdiction may retain from such proceedings in any fiscal year.

H.R. 661. January 15, 1979. Agriculture. Amends the Food Stamp Act of 1977 to deny eligibility for food stamps to any household including a person participating in a strike or labor dispute which the President determines is causing or substantially contributing to: (1) a critical shortage of any essential energy resource or strategic material; or (2) unemployment in an industry not directly involved in such strike or labor dispute.

H.R. 662. January 15, 1979. Banking, Finance and Urban Affairs. Eliminates transactions entered into for agricultural purposes from the definition of a consumer credit transaction under the Truth in Lending Act.

H.R. 663. January 15, 1979. Education and Labor. Amends the National Labor Relations Act and the Railway Labor Act to eliminate all provisions authorizing union security agreements.

H.R. 664. January 15, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty under such Act shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

H.R. 665. January 15, 1979. Education and Labor. Amends the National Labor Relations Act and the Railway Labor Act to provide that no employer shall justify discrimination against any employee for nonmembership in or failure to support a labor organization if the employee is a student enrolled in a full-time program of secondary, vocational, or higher education.

H.R. 666. January 15, 1979. Interior and Insular Affairs. Limits the authorized area of Shenandoah National Park to those acres to which fee simple title is vested in the United States as of the date of enactment of this Act.

H.R. 667. January 15, 1979. Foreign Affairs. Limits the total of the United States' contribution to the budget of the United Nations and affiliated agencies.

H.R. 668. January 15, 1979. Interstate and Foreign Commerce. Prohibits any Federal employee or agency from inspecting medical or dental records of patients not receiving medical or dental assistance from the Federal Government, unless authorized by the patient.

H.R. 669. January 15, 1979. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to exempt from the requirement of obtaining a certificate of public convenience and necessity an interstate trunk line owned by a telephone company serving subscribers in a single State.

H.R. 670. January 15, 1979. Judiciary. Directs the United States to pay reasonable litigation costs, including attorney fees, to prevailing defendants in civil actions in which the United States is a plaintiff.

H.R. 671. January 15, 1979. Judiciary. Establishes criminal penalties for anyone injuring, damaging, burning, or destroying property of any person at or near any place where work or business of an employer or owner is carried on, or where such employer or owner transports, stores, or maintains property for business or other purposes.

H.R. 672. January 15, 1979. Judiciary. Prohibits specified acts relative to obtaining or altering a Federal, State, or local government document containing an element of identification.

H.R. 673. January 15, 1979. Judiciary. Amends the Immigration and Nationality Act to provide for the exclusion and deportation from the United States of aliens affiliated with terrorist organizations. Removes certain diplomatic and semidiplomatic immunities from such aliens. Imposes criminal penalties on anyone who knowingly aids such aliens to enter the United States.

Amends the Foreign Agent Registration Act of 1938 to require an investigation of the activities of anyone registered under such Act as an agent of a terrorist organization. Imposes criminal penalties on an agent who knowingly receives funds from such an organization.

H.R. 674. January 15, 1979. Judiciary. Establishes a United States Court of Labor-Management Relations to have jurisdiction over industrial labor disputes which have resulted, or threaten to result, in a concerted work stoppage which adversely affects or potentially adversely affects the general welfare of the nation.

H.R. 675. January 15, 1979. Judiciary. Declares that any physician, registered nurse, or aircraft employee who, in good faith and with a reasonable belief that immediate medical attention is necessary, renders emergency care to an injured or ill person aboard an aircraft within the special aircraft jurisdiction of the United States shall not be liable for any civil damages as a result of any act or omission by such individual in rendering such care, except for any act or omission amounting to gross negligence or willful or wanton misconduct.

H.R. 676. January 15, 1979. Post Office and Civil Service. Amends the Federal Salary Act of 1967 to postpone the effective date of pay adjustments recommended by the President for legislative, judicial, and executive branch personnel until the first pay period after the first period of 30 calendar days of continuous congressional session. Provides rules for considering legislation to disapprove such salary adjustments within such 30-day period including procedures to limit debate on such measures and to force such a measure out of committee ten days after its introduction.

H.R. 677. January 15, 1979. Post Office and Civil Service. Prohibits collective bargaining agreements between the United States Postal Service and labor organizations recognized as exclusive bargaining representatives for their respective postal employee units from containing procedures which would preclude employees from being represented in grievance and adverse actions arising under such agreements by representatives of their own choosing.

H.R. 678. January 15, 1979. Small Business. Amends the Small Business Emergency Relief Act to provide emergency relief to small business concerns in connection with fixed-price Government contracts for the lease of real property.

H.R. 679. January 15, 1979. Veterans' Affairs. Provides that remarriage of a veteran's surviving spouse after age 60 shall not result in termination of dependency and indemnity compensation.

H.R. 680. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to permit an income tax deduction for agency fees, court costs, attorneys' fees, and other necessary expenses incurred in the adoption of a child.

H.R. 681. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for State and local utility taxes.

H.R. 682. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer to elect an income tax deduction with respect to the amortization, based on a 60-month period, of any qualified facility producing alcohol from coal, wood, waste, or agricultural products for primary use as a motor fuel.

H.R. 683. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exempt nonprofit volunteer firefighting or rescue organizations from the excise tax on sales of special fuels, automotive parts, petroleum products, and communication services.

H.R. 684. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to permit married individuals filing separate income tax returns to use the tax tables applicable to unmarried individuals.

H.R. 685. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exempt taxpayers from the payment of interest or a penalty on tax deficiencies attributable to erroneous advice obtained in writing from an Internal Revenue Service officer or employee acting in an official capacity.

H.R. 686. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to require annual cost-of-living adjustments to: (1) individual income tax brackets; (2) the corporate surtax exemption; (3) the $1,000 personal exemption; (4) depreciation deductions; and (5) the adjusted basis of property for purposes of determining capital gains.

Amends the Second Liberty Bond Act to require cost-of-living adjustments to interest rates on certain Government bonds and obligations.

H.R. 687. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that attorneys' fees allowed in administrative or judicial proceedings under that program or under title XVIII (Medicare) of such Act, in cases where claimants are successful, shall be paid by the Secretary of Health, Education, and Welfare rather than deducted from the amounts awarded claimants.

H.R. 688. January 15, 1979. Government Operations; Rules. Abolishes within three years of the enactment of this Act, or three years after they have been established, specified Federal regulatory agencies unless the President and Congress determine that such agencies should continue to exist.

H.R. 689. January 15, 1979. Government Operations; Rules. Terminates the budget authority of Federal programs on specified dates.

Requires Congressional review of Federal programs to determine if they warrant continuation. Directs the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every four years.

H.R. 690. January 15, 1979. Interstate and Foreign Commerce; Ways and Means; Rules. Requires any officer or agency in the executive branch to obtain congressional review of all proposed regulations relating to cost and expenditures for health care.

H.R. 691. January 15, 1979. Judiciary; Rules. Requires all rules proposed by any Federal agency, except emergency rules, to be submitted to Congress before becoming effective. Permits such rules to become effective 60 days after submission to Congress if not disapproved by either House within such period.

Exempts from publication requirements notice of rulemaking proceedings for agency rules dealing with emergency or routine matters or which have an insignificant impact. Sets other maximum and minimum time limits during which public comment is to be accepted regarding proposed agency rules.

H.R. 692. January 15, 1979. Ways and Means; Government Operations; Rules. Amends the Internal Revenue Code to reduce individual and estate and trust income taxes.

Amends the Congressional Budget and Impoundment Control Act to limit Federal expenditures and to authorize the President to reduce budget outlays.

H.R. 693. January 15, 1979. Agriculture. Amends the Federal Meat Inspection Act to exempt from its inspection requirements the custom slaughtering of livestock by any person not engaged in buying or selling meat or meat products.

H.R. 694. January 15, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act and the Housing and Community Development Act of 1974 to provide financial assistance for geriatric clinics and other facilities for the elderly.

H.R. 695. January 15, 1979. Education and Labor. Directs the Secretary of Health, Education, and Welfare to make grants to States having approved comprehensive plans for providing counseling assistance to the elderly, such grants to be distributed on the basis of statewide need and priorities. Permits the use of grants to fund preretirement and career counseling programs, referral services, community activities, and counseling for families of sick and disabled senior citizens.

H.R. 696. January 15, 1979. Education and Labor. Amends the Older Americans Act of 1965 to authorize the Commissioner of the Administration on Aging to make grants to assist older persons adversely affected by a major disaster or emergency declared by the President in accordance with the Disaster Relief Act of 1974.

H.R. 697. January 15, 1979. Education and Labor. Amends the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

H.R. 698. January 15, 1979. Education and Labor. Amends the Higher Education Act of 1965 to require recipients of Federal aid to higher education to give senior citizens access, on a space available basis, to scheduled courses and programs.

H.R. 699. January 15, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to eliminate the reduction of railroad retirement annuities by amounts payable as social security benefits in cases of persons who as of January 1, 1975, had current connections with the railroad industry, had at least five years of service, and who had attained 65 years of age.

H.R. 700. January 15, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to increase percentage payments to States for early and periodic screening, diagnosis, and treatment.

H.R. 701. January 15, 1979. Judiciary. Amends the Legal Services Corporation Act to direct the Corporation to provide financial assistance to qualified programs designed to furnish legal assistance to eligible older persons in connection with any determination relating to eligibility or payment for home health services or specified health-related hearings under the Social Security Act.

H.R. 702. January 15, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to require that comprehensive State plans which must be submitted in order to receive certain assistance contain a comprehensive program relative to the special problems of prevention, treatment, and other aspects of crimes against the elderly.

H.R. 703. January 15, 1979. Judiciary. Requires the Commission on Civil Rights to study and collect information concerning policies and practices constituting discrimination based on age.

Amends the Civil Rights Act of 1957 and 1964 and other laws to prohibit specified forms of discrimination based on age, including discrimination in: (1) public accommodations; (2) public facilities; (3) public education; and (4) the sale, rental, or financing of housing.

H.R. 704. January 15, 1979. Ways and Means. Amends the Internal Revenue Code with respect to the retirement income credit.

H.R. 705. January 15, 1979. Ways and Means. Amends the Internal Revenue Code of 1954 to establish lower tax rates on employers, employees, and the self-employed for purposes of old-age, survivors and disability insurance after fiscal year 1977.

Decreases the tax rate on self-employment, employee, and employer income for purposes of hospital insurance.

Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act in order to provide that one-third of the costs of the program shall hereafter be borne by the Federal Government.

Increases the earnings counted for benefit and tax purposes.

H.R. 706. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to allow, under specified circumstances, persons who have acquired retirement credits under both the civil service system and the old-age, survivors, and disability insurance system to exchange such credits between the two systems in order to obtain benefits based on combined service.

H.R. 707. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 708. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to make all benefits based upon the attainment of age payable at age 60, subject to actuarial reduction.

H.R. 709. January 15, 1979. Ways and Means. Amends the Social Security Act to provide that an individual who would be fully qualified at age 62 for benefits under the Old-Age, Survivors, and Disability Insurance program may qualify for disability benefits under such program if such individual has 40 quarters of coverage, regardless of when such quarters were earned.

H.R. 710. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to disregard renewal commissions received by an insurance salesman from life insurance policies which such salesman sold before reaching age 65, for purposes of determining eligibility based on income for social security benefits.

H.R. 711. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that the automatic cost-of-living increases in benefits be made on a semiannual basis (rather than only on an annual basis as at present).

H.R. 712. January 15, 1979. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting: (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 713. January 15, 1979. Ways and Means. Amends the program of Supplemental Security Income for the Aged, Blind, and Disabled of the Social Security Act to require the Secretary of Health, Education, and Welfare, in determining the value of the house of an applicant for benefits under such program, to take into account the prevailing market price of homes in the area in which the applicant's home is located and to periodically review such determinations.

H.R. 714. January 15, 1979. Ways and Means. Amends title XVIII (Medicare) of the Social Security Act to authorize payment for emergency inpatient hospital services furnished outside the United States, to a qualified individual whose principal residence is within the United States, without regard to where the emergency occurred.

H.R. 715. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax deduction to a taxpayer who contributes the right to use his property to a tax-exempt organization for use as a multipurpose senior citizen center or outpatient geriatric clinic.

H.R. 716. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for expenses paid or incurred for the custodial care of a dependent suffering Down's syndrome.

H.R. 717. January 15, 1979. Education and Labor; Ways and Means. Amends the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 with respect to requirements for joint and survivor annuity benefit plans.

H.R. 718. January 15, 1979. Interstate and Foreign Commerce; Ways and Means. Authorizes the Secretary of Health, Education, and Welfare to provide, through demonstration projects, payments to individuals who are receiving, or are eligible to receive, benefits with respect to: (1) post-hospital extended care services under the Medicare program; or (2) intermediate care facility services or skilled nursing facility services under the Medicaid program, who do not require 24-hour nursing care or supervision, and who desire to establish a noninstitutional living arrangement which will meet their medical and other needs.

H.R. 719. January 15, 1979. Interstate and Foreign Commerce; Ways and Means. Establishes within the Department of Health, Education, and Welfare a Home Health Clearinghouse to consolidate information on services and benefits available to the elderly.

Creates in the Department an Assistant Secretary for Elderly Health.

H.R. 720. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to require skilled nursing facilities participating in the Medicare program to comply with relevant provisions of the 1976 edition of the Life Safety Code of the National Fire Protection Association.

H.R. 721. January 15, 1979. Interstate and Foreign Commerce; Ways and Means. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to require automatic sprinkler systems in all skilled nursing facilities and intermediate care facilities certified for participation in the Medicare or Medicaid programs unless a waiver of such requirement is granted in accordance with conditions set forth in this Act.

Establishes a program of low-interest Federal loans to assist such facilities in constructing or purchasing and installing automatic sprinkler systems.

H.R. 722. January 15, 1979. Interstate and Foreign Commerce; Ways and Means. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed registered nurses.

H.R. 723. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for occupational therapy services under the supplementary medical insurance program.

H.R. 724. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to allow unlimited home health visits, to eliminate prior hospitalization as a requirement for receiving home health care under part A (Hospital Insurance Benefits for the Aged and Disabled) of such title, and to eliminate confinement to home as a requirement for receiving such care under part B (Supplementary Medical Insurance Benefits for the Aged and Disabled) of such title.

H.R. 725. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to authorize payment under the supplementary medical insurance program for foot care involving the cutting and removal of corns, warts, and calluses and the trimming of club nails.

H.R. 726. January 15, 1979. Ways and

Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to include within the services to be provided under such Act medically required outpatient rehabilitation services.

H.R. 727. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to include within the medical and other health services covered by such title the transportation of patients confined to a stretcher or wheelchair in a vehicle which is not equipped as an ambulance but which is adequately equipped to transport such patients.

H.R. 728. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for diagnostic tests and examinations given for the detection of breast cancer under the supplementary medical insurance program.

H.R. 729. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Securtiy Act to provide payment for nutritional counseling as part of the home health services provided under the supplementary medical insurance program.

H.R. 730. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, for physical examinations, and for related routine laboratory tests.

H.R. 731. January 15, 1979. Agriculture. Amends the Agriculture Act of 1949 to extend the price support of milk at not less than 80 percent of parity.

H.R. 732. January 15, 1979. Interstate and Foreign Commerce. Repeals the Emergency Petroleum Allocation Act of 1973.

H.R. 733. January 15, 1979. Post Office and Civil Service. Repeals the laws permitting the private carriage of letters. Exempts letters and packages carried by private express from the requirement that all letters and packages carried by a vessel in interstate commerce be delivered promptly to the local post office upon arrival in a port.

H.R. 734. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax exclusion for interest earned on savings accounts.

H.R. 735. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax exclusion for interest income earned on savings accounts.

H.R. 736. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 737. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions) of the Social Security Act to abolish the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 738. January 15, 1979. Education and Labor. Repeals the Occupational Safety and Health Act of 1970.

H.R. 739. January 15, 1979. Science and Technology. Repeals the Metric Conversion Act of 1975, which established the United States Metric Board in order to facilitate voluntary conversion to the use of the metric system of measurement.

H.R 740. January 15, 1979. Interior and Insular Affairs. Amends the Geothermal Steam Act of 1970 to increase acreage limitations for geothermal leases on Federal lands.

H.R. 741. January 15, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require that any packaged food containing sugar prominently display a declaration of such fact on its label if the sugar provides at least ten percent of the total number of calories in such food.

H.R. 742. January 15, 1979. Agriculture. Amends the Food Stamp Act of 1964 to exclude cost-of-living increases in Social Security benefits from consideration as household income for purposes of determining: (1) eligibility for participation in the food stamp program; (2) the charge for issuing a coupon allotment to a household; and (3) eligibility for any Federal program administered by the Department of Agriculture which provides for the donation or distribution of surplus agricultural commodities to low-income persons.

H.R. 743. January 15, 1979. Banking, Finance and Urban Affairs. Prohibits the consideration of any cost of living or general benefit increase of Old Age, Survivors and Disability Insurance benefits for purposes of determining the eligibility for or amount of assistance which any individual or family is provided under specified Federal housing programs.

H.R. 744. January 15, 1979. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to assure the individuals otherwise eligibile for benefits under such title do not lose such eligibility, or have the amount of such benefits reduced, because of increases in the amount of benefits under title II (Old-Age, Survivors and Disability Insurance) of such Act.

H.R. 745. January 15, 1979. Judiciary. Amends the Clayton Act to make it unlawful for any person who owns or controls a pipeline to transport by such pipeline any petroleum, petroleum product, or natural gas which such person owns or controls, or has owned, controlled, produced, or refined.

H.R. 746. January 15, 1979. Judiciary. Amends the Clayton Act to empower the district courts to order the licensing of specified energy technology if the Attorney General certifies that the person controlling such technology has unreasonably suppressed its development.

H.R. 747. January 15, 1979. Ways and Means. Amends the Social Security Act with respect to Old-Age, Survivors and Disability Insurance by directing the Secretary of Health, Education, and Welfare to establish procedures for expediting: (1) replacement of lost, stolen or misdelivered benefit checks; (2) initial benefit payments; (3) hearings on eligibility; and (4) final determinations of eligibility.

H.R. 748. January 15, 1979. Agriculture. Authorizes the Secretary of Agriculture, through the Commodity Credit Corporation, to buy and sell substantially equivalent quantities of any commodity for which a reserve program has been established, to the extent needed to properly handle, rotate, distribute, and relocate such reserve or facilitate the operation of the price support program.

H.R. 749. January 15, 1979. Agriculture. Repeals the 1976 Official Standards for Grades of Carcass Beef promulgated under the Agricultural Marketing Act of 1946, and deems as still in effect the previous regulations superceded by them, until such time as the Secretary of Agriculture promulgates further regulations pursuant to such Act.

H.R. 750. January 15, 1979. Education and Labor. Authorizes the Commissioner of Education to make educational assistance loans to students at nonprofit institutions of higher learning.

H.R. 751. January 15, 1979. Judiciary; Ways and Means. Amends the Internal Revenue Code to limit the power of States to tax income earned outside its borders.

H.R. 752. January 15, 1979. Judiciary. Makes it unlawful to kill an employee of the Small Business Administration who is performing official duties.

H.R. 753. January 15, 1979. Public Works and Transportation. Amends the Interstate Commerce Act to stipulate that a motor carrier's duties under such Act shall not be construed to require the carrier to load or unload exempt or perishable goods.

Stipulates that a motor carrier's tariffs may require the consignor to load and unload such goods.

Makes it a felony where persons engaged in such loading or unloading operations knowingly issue receipts which contain false information as to their identity and where persons engaged in the operation of warehouses, parts, or distribution centers knowingly permit extortionate practices against drivers or carriers with respect to loading or unloading operations.

H.R. 754. January 15, 1979. Agriculture. Amends the Federal Meat Inspection Act to require that packages or containers of any imported meat or meat product capable of use as human food be labelled as "imported".

Prohibits the importation of dairy products into the United States unless certified wholesome and pure by the Secretary of Health, Education, and Welfare.

H.R. 755. January 15, 1979. Government Operations. Requires the President to submit to Congress a biannual report on the management of the executive branch. Requires the Director of the Office of Management and Budget to provide an evaluative report on Federal programs to the President to be included with the President's report.

H.R. 756. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to require the Secretary of the Treasury to make an annual report to Congress on the effects of inflation or deflation on taxpayers' income tax liabilities.

H.R. 757. January 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual who applies for supplemental security income benefits on the basis of disability shall be considered presumptively disabled if he has received disability insurance benefits under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act or supplemental security income benefits as a disabled individual within five years of his most recent application for supplementary security income benefits.

H.R. 758. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to include rural health facilities of 100 beds or less within the definition of the term "hospital."

H.R. 759. January 15, 1979. Armed Services. Directs the Secretary of Defense to take measures to insure that military discharges do not indicate the conditions under which separation from the armed forces occurred and to maintain the confidentiality of all records pertaining to the reason for such separation. Sets forth the conditions under which a less than honorable discharge may be given. Sets forth procedures for the establishment of review boards to determine whether a member should be given less than an honorable discharge and appeal boards and regional boards of review to review military discharges.

H.R. 760. January 15, 1979. Banking, Finance and Urban Affairs. Requires any person who makes a federally related mortgage loan to maintain facilities to insure availability of information concerning such mortgages, and to provide adequate notification of foreclosure proceedings.

H.R. 761. January 15, 1979. Interstate and Foreign Commerce. Amends title IV of the Public Health Service Act (National Research

Institutes) to direct the Secretary of Health, Education, and Welfare to designate the Center for Minority Group Mental Health Programs as the Division for Minority Mental Health Programs in the National Institute of Mental Health.

H.R. 762. January 15, 1979. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to establish and maintain a program to reimburse providers of utility services to certified households and landlords for a percentage of the cost of such utility services.

H.R. 763. January 15, 1979. Interstate and Foreign Commerce. Requires any hospital, health care facility, or correctional facility to prohibit the performance of psychosurgery, including lobotomy, psychiatric surgery, and behavioral surgery, on its premises before such facility can receive a Federal grant, contract, loan, or loan guarantee.

Establishes civil penalties for any person performing or for any facility permitting any person to perform psychosurgery in any federally connected health care facility.

Establishes a Psychosurgery Commission to enforce the provisions of this Act.

H.R. 764. January 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income Program) of the Social Security Act to set benefits under such title at poverty level. Allows each spouse in an eligible couple to receive such benefits in his or her own right. Reduces from 65 to 60 the age of eligibility for such benefits. Provides for the issuance of duplicate checks where the initial checks are lost or delayed.

Directs the Secretary of Health, Education, and Welfare to establish an outreach program to make information concerning the program easily accessible. Requires that any application for benefits under this title shall be acted upon by the Secretary within 30 days after it is filed.

H.R. 765. January 15, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the present ceiling on the contribution and benefit base. Increases the primary insurance amount under such title. Provides full benefits at a reduced age for members of groups with less than average life expectancy. Repeals the earnings test. Requires that Federal employees be covered by title II. Decreases the number of years a divorced woman must have been married to an insured individual in order for her to qualify for wife's or widow's benefits on his wage.

H.R. 766. January 15, 1979. Banking, Finance and Urban Affairs. Amends the Economic Stabilization Act of 1970 to transfer the function of implementing the program authorized by such Act from the President to new Economic Stabilization Board. Freezes all prices, wages, rents, and interest rates at levels no higher than those prevailing on the date of enactment. Authorizes the Board, under certain circumstances, to make adjustments in wages, prices, rents, and interest rates to carry out the purposes of this Act.

H.R. 767. January 15, 1979. Banking, Finance and Urban Affairs. Directs the President to stabilize prices, rents, wages, interest rates and similar transfers at a specified level by order or regulation.

H.R. 768. January 15, 1979. Judiciary. Grants the Court of Claims jurisdiction to render judgments against the United States upon claims for losses other than last profits sustained by producers, processors, manufacturers, distributors, dealers, or other persons resulting from the ban on apparel, fabric, yarn, or fiber containing Tris phosphate.

H.R. 769. January 15, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to extend price controls on domestically produced crude oil for a period of 24 months. Directs the President to promulgate and make effective an amendment to such Act which would continue ceiling prices applicable to any first sale of domestic crude oil for such period.

H.R. 770. January 15, 1979. Judiciary. Repeals the Gun Control Act of 1968.

H.R. 771. January 15, 1979. Education and Labor. Repeals the Occupational Safety and Health Act of 1970.

H.R. 772. January 15, 1979. Judiciary. Grants jurisdiction to the district courts, irrespective of the amount in controversy, to enforce any custody order of a State court against a parent who, in violation of such order, takes a child to another State.

H.R. 773. January 15, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 774. January 15, 1979. Veterans' Affairs. Requires the Administrator of Veterans' Affairs to pay (in addition to any pension already paid) a monthly pension to each veteran of World War I who meets specified service requirements, or to the surviving spouse of each such veteran, or when there is no surviving spouse, to the child or children of each such veteran.

H.R. 775. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to increase the farmers income tax deduction for clearing land.

H.R. 776. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to extend for two years the time by which certain corporations must liquidate in order to exempt a taxpayer who holds at least a ten percent interest in such a corporation from the application of the foreign loss recapture rules enacted by the Tax Reform Act of 1976.

H.R. 777. January 15, 1979. Education and Labor. Amends the National Labor Relations Act to include States and local governments within the definition of "employers" for the purposes of such Act.

H.R. 778. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that any individual who is entitled to a monthly benefit under such title for the month preceding the month in which such eligible individual dies shall be entitled for the month in which he dies to a prorated benefit.

H.R. 779. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that no part of the excess earnings of an individual shall be charged to any month if such month is in the taxable year in which occurs the first month after December 1978 that is both a month in which the individual is entitled to benefits and is unemployed.

H.R. 780. January 15, 1979. Judiciary; Rules. Requires all rules proposed by any Federal agency, except emergency rules, be submitted to Congress before becoming effective. Permits such rules to become effective 60 days after submission to Congress if not disapproved by either House within such period.

Exempts from publication requirements notice of rulemaking proceedings for agency rules dealing with emergency or routine matters or which have an insignificant impact. Sets other maximum and minimum time limits during which public comment is to be accepted regarding proposed agency rules.

H.R. 781. January 15, 1979. Agriculture. Amends the Food Stamp Act of 1964, as amended by the Food Stamp Act of 1977, to limit food purchasable by food stamps to food or food products of only high nutritional value.

H.R. 782. January 15, 1979. Judiciary; Education and Labor. Prohibits any Federal agency, instrumentality, officer, or employee from requiring or enforcing any quota related to race, creed, color, national origin, or sex, with respect to hiring, promotion, or admission policies.

H.R. 783. January 15, 1979. Public Works and Transportation. Authorizes the Secretary of Transportation to approve projects for the repair of public roads which have incurred a substantial increase in use as a result of transportation activities to meet national energy requirements and which shall continue to incur such use.

H.R. 784. January 15, 1979. Public Works and Transportation. Amends the Appalachian Regional Development Act of 1965 to extend the authorization of appropriations through fiscal year 1984.

H.R. 785. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income certain amounts of interest income and earned from savings accounts.

H.R. 786. January 15, 1979. Banking, Finance and Urban Affairs. Authorizes the President to stabilize prices, rents, wages, interest rates and similar transfers at a specified level by order or regulation.

H.R. 787. January 15, 1979. Banking, Finance and Urban Affairs. Prohibits the Secretary of Housing and Urban Development from approving any application for rental increases in federally assisted housing unless the amount of such increase is permitted under State and local law.

H.R. 788. January 15, 1979. Education and Labor. Amends the Labor-Management Reporting and Disclosure Act of 1959 to subject to the reporting requirements of such Act certain labor activities undertaken by persons or employee associations.

H.R. 789. January 15, 1979. Interior and Insular Affairs. Amends the Atomic Energy Act of 1954 to remove the statutory limitations on aggregate liability for a single nuclear incident and to limit the financial obligations of the United States with respect to such incidents.

H.R. 790. January 15, 1979. Interstate and Foreign Commerce. Prohibits the distribution in commerce of any ionization smoke detector unless such device bears a label which: (1) includes a recognized symbol indicating the presence of radioactive material; and (2) bears the following statement: "This device contains radioactive material which may be hazardous to your health if ingested or improperly disposed."

H.R. 791. January 15, 1979. Interstate and Foreign Commerce. Bans smoke detectors containing any radioactive isotope under the prohibitions of the Federal Hazardous Substances Act. Makes such smoke detectors and maufacturers of such detectors subject to the provisions of the Federal Hazardous Substances Act.

H.R. 792. January 15, 1979. Interstate and Foreign Commerce; Public Works and Transportation. Amends the Hazardous Materials Transportation Act of 1975 to prohibit the Secretary of Transportation from permitting the transportation of any radioactive material through or into an area with a population density greater than 12,000 persons per square mile, except where such material is to be used for medical diagnosis or treatment or during a national emergency.

H.R. 793. January 15, 1979. Armed Services. Authorizes the Secretary of the Army to acquire specified real property contiguous to the Fort Bliss Reservation in El Paso, Texas, for training purposes in exchange for specified land under the jurisdiction of the Department of the Army in El Paso County.

H.R. 794. January 15, 1979. Education and

Labor. Amends the Occupational Safety and Health Act of 1970 by directing the Secretary of Labor to: (1) render on-site consultation and advice to any employer; and (2) establish programs for the education and training of employers and employees concerning hazards in particular industries.

H.R. 795. January 15, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to exclude from coverage: (1) employers with ten or fewer employees; and (2) employees not employed on a regular basis for 30 or more consecutive days.

Prohibits the issuance of a citation for a first instance violation to an employer if at all times 30 days prior to an inspection or investigation such employer employed 25 or fewer employees.

Exempts an employer charged with a nonserious violation from assessment of a civil penalty if he: (1) has not been previously cited for the same violations; and (2) is charged with ten or less nonserious violations.

H.R. 796. January 15, 1979. Interior and Insular Affairs. Replaces the existing acreage limitation of 160 acres of reclaimed land per individual with a maximum farm size of 1,280 acres owned or leased in any combination by 25 or fewer persons.

Abolishes the residency requirement for qualified recipients.

H.R. 797. January 15, 1979. Interior and Insular Affairs. Grants to the United States Court of Claims jurisdiction to consider any claim filed within one year of the enactment of this Act by the Tigua Indian Tribe of Texas for compensation for any real property acquired from them by the United States without adequate compensation.

H.R. 798. January 15, 1979. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to increase from three to five years the issuance and renewal periods for which broadcast station licenses shall be granted. Sets forth criteria for such renewal determinations.

H.R. 799. January 15, 1979. Judiciary. Prohibits a State from imposing a tax on the income on a non-domiciliary who works or transacts business within a Federal area in which he does not reside and who commutes to such employment unless such State provides the taxpayer with material and proportionate benefits and protection.

H.R. 800. January 15, 1979. Judiciary. Amends the Immigration and Nationality Act to exclude from the definition of "immigrant" persons entering the United States to provide temporary services or labor that cannot be performed by unemployed domestic persons.

Requires an employer to provide a specific contract of employment for alien labor and specified housing and health conditions.

Establishes penalties for temporary workers failing to report to the Immigration and Naturalization Service after termination of their contract, and for employers failing to notify the Attorney General of such termination.

Includes the maintenance of a permanent residence as a condition for immigrant status.

H.R. 801. January 15, 1979. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 802. January 15, 1979. Ways and Means. Amends the Tariff Schedules of the United States to extend duty-free status to domesticated animals reentering the United States after no more than 24 months of pasturage in foreign countries.

H.R. 803. January 15, 1979. Judiciary; Rules. Requires each executive agency or officer to submit for the review of each House of Congress any proposed rule, regulation, or change in a rule or regulation. Declares that the rule, regulation, or change shall become effective 60 days after submission unless either House adopts a resolution disapproving it. Sets forth Senate and House procedures for consideration of such resolutions.

H.R. 804. January 15, 1979. Armed Services. Revises the pay and allowance structure of enlisted members of the uniformed services who are appointed as officers.

H.R. 805. January 15, 1979. Armed Services. Entitles a member of the uniformed services who is assigned to field or sea duty to a basic allowance for quarters if such member was entitled to such allowance prior to the field or sea duty assignment.

H.R. 806. January 15, 1979. Merchant Marine and Fisheries. Establishes in the executive branch the National Zoological Foundation consisting of a National Zoological Board and a Director. Directs the Foundation to award scholarships for the training of staff members for zoos and aquariums, initiate and support research to improve the welfare of animals in zoos and aquariums, establish accreditation standards for zoos and aquariums, and to make specified project and program grants.

H.R. 807. January 15, 1979. Post Office and Civil Service. Includes within the definition of "law enforcement officer" as relating to civil service retirement, employees whose duties involve the investigation, apprehension, or detention of individuals suspected or convicted of offenses against the criminal laws of the United States, and the protection of human life and property within the employing agency's responsibility.

H.R. 808. January 15, 1979. Rules. Amends the Congressional Budget Act of 1974 to require economic impact statements for every bill or joint resolution reported in Congress and for each rule proposed by any Federal agency to show the effects of such proposed law on specified sectors of the economy. States that statements pertaining to agency rules shall disclose the effects of such proposed rule on State and local governments, small business, and low- and middle-income families.

H.R. 809. January 15, 1979. Veterans' Affairs. Provides that remarriage of a veteran's surviving spouse after age 60 shall not result in termination of dependency and indemnity compensation.

H.R. 810. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals an income tax deduction for contributions to an individual housing account.

H.R. 811. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow the amortization of a methanol producing facility and to exempt gasoline and special fuels containing at least ten percent methanol from the excise tax.

H.R. 812. January 15, 1979. Ways and Means. Amends the Social Security Act to authorize the garnishment of salaries payable by the Federal Government for the enforcement of court-ordered payments to or on behalf of an employee's or official's spouse, former spouse, or children (in addition to garnishment for alimony and child support payments presently authorized).

H.R. 813. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for State and local utility taxes.

H.R. 814. January 15, 1979. Armed Services. Revises the method of computing the retired pay of regular enlisted military personnel to include time spent in non-regular service if such an individual was entitled to retired pay for such service.

H.R. 815. January 15, 1979. Armed Services. Revises the method of computing the retired pay of regular enlisted military personnel to include time spent in non-regular service if such an individual was entitled to retired pay for such service.

H.R. 816. January 15, 1979. Armed Services. Lowers the age at which individuals may be entitled to retired pay for non-regular service in the armed forces from 60 to 55.

H.R. 817. January 15, 1979. Armed Services. Entitles surviving spouses of members of the uniformed services who were widowed before the effective date of the Survivor Benefit Plan and whose spouse was entitled to retired or retainer pay at time of death, to an annuity as computed under this Act, regardless of whether such individual is entitled to other specified death benefits with the exception of the Survivor Benefit Plan.

H.R. 818. January 15, 1979. Armed Services. Entitles members of the uniformed services in pay grades of E-4 and below who have dependents to family separation allowances.

H.R. 819. January 15, 1979. Armed Services. Authorizes advance payments of station housing allowances for members of the uniformed services assigned to duty outside the continental United States.

H.R. 820. January 15, 1979. Interstate and Foreign Commerce. Amends title III of the Public Health Service Act (General Powers and Duties of Public Health Services) to allow a medical facility which provides emergency medical treatment to any alien who is unlawfully in the United States and who is not eligible for any other public assistance, to receive reimbursement for the value of such treatment upon the approval of the Secretary of Health, Education, and Welfare.

H.R. 821. January 15, 1979. Post Office and Civil Service. Permits credit for civil service retirement purposes for service in the Cadet Nurse Corps during World War II.

H.R. 822. January 15, 1979. Veterans' Affairs. Provides an alternative method for computing dependency and indemnity compensation in order that in certain instances the survivors of deceased veterans may elect to receive an amount of compensation equal to that which they would have been entitled if such veterans had been civil service employees killed while performing job-related functions.

H.R. 823. January 15, 1979. Veterans' Affairs. Permits certain veterans with service-connected disabilities who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either.

H.R. 824. January 15, 1979. Post Office and Civil Service. Requires the Postal Service to contract vessels of United States registry to carry international mail whenever the common carrier controlling such vessel provides regular transportation by water to the mail destination.

Directs the Service to award contracts sought by more than one carrier by competitive bidding. Limits the duration of such contracts to one year.

H.R. 825. January 15, 1979. Post Office and Civil Service. Requires charitable organizations which solicit in any manner the remittance of a contribution by mail, to include with such solicitations financial information.

Requires such organizations to provide the Postal Service, upon request, with any financial information necessary to verify information required to be included in such solicitations.

Exempts from these requirements: (1) membership organizations soliciting their own members; (2) schools, colleges, and universities when soliciting their students, alumni, faculty, governing boards, committees, or family members of such individuals; (3) health care facilities when soliciting their personnel, board of trustees, committees, or family members of such individuals; and (4) charitable organizations authorized by and exclusively making expenditures to a school, college, university, or hospital when soliciting such individuals.

H.R. 826. January 15, 1979. Post Office and Civil Service. Subjects the United States Postal Service to the Occupational Safety and Health Act of 1970 with specified exceptions.

H.R. 827. January 15, 1979. Post Office and Civil Service. Provides for the arbitration of disputes between the Postmaster General and recognized organizations of Postal Service managerial personnel other than officers, postmasters, and employees engaged in personnel work in Postal Service headquarters. Identifies as subject to arbitration under this Act issues relating to pay policies, fringe benefits, and the determination of whether or not a matter is subject to participation by such organization. Establishes an arbitration board to consider a dispute upon the request of the Postal Service or such recognized organization.

H.R. 828. January 15, 1979. Ways and Means. Amends the Internal Revenue Code of 1954 and title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to authorize individuals who are enrolled in a private retirement plan to voluntarily exempt themselves from the Old-Age, Survivors and Disability Insurance program.

H.R. 829. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to require the issuance of non-alterable social security cards. Requires that cards issued to resident aliens who are not permitted to be employed in the United States be marked to indicate such restriction.

Establishes criminal penalties for employers who knowingly hire alien holders of cards which indicate that they may not lawfully engage in employment in the United States.

H.R. 830. January 15, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of Housing and Urban Development to require any lease or rental agreement entered into or renewed by a person aged 62 or over with respect to a dwelling unit assisted by a Federal housing program shall contain provisions entitling such person to terminate, without penalty, the lease or rental agreement if such person or his or her spouse dies or incurs any mental or physical disability during the period of the lease or rental agreement.

H.R. 831. January 15, 1979. Interior and Insular Affairs. Authorizes the establishment of the Long Island Sound Heritage in the States of Connecticut and New York.

H.R. 832. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for contributions to a qualified higher education fund established by a taxpayer for the purpose of funding the higher education of a dependent child under age 30.

H.R. 833. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individual taxpayers an income tax credit for a portion of the expenses such taxpayers pay to attend an institution of higher education.

H.R. 834. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for 25 percent of the amount paid by a taxpayer to rent his principal residence.

H.R. 835. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the expenses of traveling to and from work by means of public mass transportation.

H.R. 836. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the payment of social security taxes.

H.R. 837. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exempt taxpayers from the payment of interest or a penalty on tax deficiencies attributable to erroneous advice obtained in writing from an Internal Revenue Service officer or employee acting in an official capacity.

H.R. 838. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to extend to participants in tax-exempt employer pension plans a limited income tax deduction for cash contributions to a retirement savings account.

H.R. 839. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for theft losses sustained by individuals, for certain amounts paid to protect against theft, for medical expenses caused by criminal conduct, and for funeral expenses of crime victims.

H.R. 840. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income amounts received as a pension, annuity, or retirement benefit by retired policemen, firemen, or their dependents or survivors.

H.R. 841. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 842. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $400 of the interest income earned from savings accounts.

H.R. 843. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals and corporations a limited income tax credit or deduction for the expenses of converting pilot lights on gas cooking stoves to a system of manual ignition.

H.R. 844. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for taxicab fares paid by disabled individuals.

H.R. 845. January 15, 1979. Education and Labor; Ways and Means. Authorizes the Secretary of Health, Education, and Welfare to make grants to the States for the equalization of public elementary and secondary education within each State.

Amends the Internal Revenue Code to allow an income tax credit for the tuition paid by an individual for the enrollment or attendance of a dependent at a private nonprofit elementary or secondary school.

H.R. 846. January 15, 1979. Armed Services. Increases the number of appointments the Delegate in Congress from Guam is entitled to make to the United States Military Academy, the Naval Academy, and the Air Force Academy from one to two.

H.R. 847. January 15, 1979. Banking, Finance and Urban Affairs. Establishes a program of Federal grants to cities having concentrations of foreign nationals (who have resided in such city for at least six months) comprising three percent of the city's total population.

H.R. 848. January 15, 1979. Judiciary. Amends the Immigration and Nationality Act to waive certain visa requirements for nonimmigrant aliens visiting Guam for not more than 15 days.

H.R. 849. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to permit residents of Guam to invest private retirement funds in tax-exempt pension, profit-sharing, or stock bonus plans.

H.R. 850. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to require the financing of disability insurance benefits from general revenues, to reduce social security tax rates on employment and self-employment income, to reduce disability benefits to reflect a recipient's need based on family income, and to require the publication and dissemination to disability examiners of standard regulations defining physical and mental impairment for purposes of making disability determinations. Requires the establishment of a training program for State and Federal officials who make determinations of disability.

H.R. 851. January 15, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to exempt transactions involving extensions of credit for agricultural purposes. Defines the components of a "finance charge" and requires the itemization of such charges. Requires consumer and creditor statements and descriptions of security interests or property in connection with the extension of credit not under an open end plan.

Directs the simplification of disclosure requirements. Redefines disclosure requirements to comply with the provisions of this Act.

Includes provisions of civil and criminal liability under this Act.

H.R. 852. January 15, 1979. Banking, Finance and Urban Affairs. Amends the Consumer Credit Protection Act to prohibit any institution from disclosing information regarding any electronic funds transfer with respect to a consumer account except in specified circumstances.

H.R. 853. January 1, 1979. Government Operations; Rules. Amends the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to require a balanced Federal budget for each fiscal year except in time of declared war or economic necessity.

H.R. 854. January 15, 1979. Government Operations; Rules. Amends the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to require a balanced Federal budget for each fiscal year except in time of declared war or economic necessity. Requires a specified percentage of the budget outlays for each fiscal year to be applied to the national debt.

H.R. 855. January 15, 1979. Government Operations; Rules. Amends the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to require a balanced Federal budget for each fiscal year except in time of declared war or economic necessity. Requires a specified percentage of the budget outlays for each fiscal year to be applied to the national debt.

H.R. 856. January 15, 1979. Government Operations; Rules. Amends the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to require a balanced Federal budget for each fiscal year except in time of declared war or economic necessity. Requires a specified percentage of the budget outlays for each fiscal year to be applied to the national debt.

H.R. 857. January 15, 1979. Government Operations; Rules. Amends the Congressional Budget Act of 1974 and the Budget and Accounting Act, 1921, to require a balanced Federal budget for each fiscal year except in time of declared war or economic necessity. Provides for the retirement of any increase in the national debt resulting from war or economic necessity.

H.R. 858. January 15. 1979. Government Operations: Rules. Establishes limitations on the congressional budget to limit total. Federal budget outlays to a specified percentage of the gross national product by fiscal year 1983. States such limitations shall not apply during a national emergency.

H.R. 859. January 15, 1979. Government Operations; Rules. Establishes limitations on the congressional budget to limit total, Federal budget outlays to a specified percentage of the gross national product by fiscal year 1983. States such limitations shall not apply during a national emergency.

H.R. 860. January 15, 1979. Government Operations; Rules. Establishes limitations on the congressional budget to limit total, Federal budget outlays to a specified percentage of the gross national product by fiscal year 1984. States such limitations shall not apply during a national emergency.

H.R. 861. January 15, 1979. Government Operations; Rules. Establishes limitations on the congressional budget to limit total, Federal budget outlays to a specified percentage of the gross national product by fiscal year 1984. States such limitations shall not apply during a national emergency.

H.R. 862. January 15, 1979. Government Operations; Rules. Establishes limitations on the congressional budget to limit total, Federal budget outlays to a specified percentage of the gross national product by fiscal year 1985. States such limitations shall not apply during a national emergency.

H.R. 863. January 15, 1979. Government Operations; Rules. Establishes limitations on the congressional budget to limit total, Federal budget outlays to a specified percentage of the gross national product by fiscal year 1983. States such limitations shall not apply during a national emergency.

H.R. 864. January 15, 1979. Government Operations; Rules. Amends the congressional budget process to limit annual increases in the level of Federal outlays and new budget authority, except during a period of declared war or economic necessity.

H.R. 865. January 15, 1979. Government Operations; Rules. Amends the congressional budget process to limit annual increases in the level of Federal outlays and new budget authority, except during a period of declared war or economic necessity.

H.R. 866. January 15, 1979. Government Operations; Rules. Amends the congressional budget process to limit annual increases in the level of Federal outlays and new budget authority, except during a period of declared war or economic necessity.

H.R. 867. January 15, 1979. Government Operations; Rules. Amends the congressional budget process to limit annual increases in the level of Federal outlays and new budget authority, except during a period of declared war or economic necessity.

H.R. 868. January 15, 1979. Government Operations; Rules. Amends the congressional budget process to limit annual increases in the level of Federal outlays and new budget authority, except during a period of declared war or economic necessity.

H.R. 869. January 15, 1979. Judiciary. Makes it unlawful for any person to import, manufacture, sell, buy, transfer, receive, or transport any handgun. Specifies exemptions, procedures for the operation of licensed pistol clubs, and penalties for violation of this prohibition.

H.R. 870. January 15, 1979. Public Works and Transportation. Prohibits the operation of commercial supersonic aircraft over the navigable airspace of the United States until certain environmental and safety assessments have been made and approved of by Congress. Requires supersonic aircraft to meet the same noise, environmental, and safety standards as those already established for other commercial aircraft.

H.R. 871. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who rent their principal residences an income tax deduction for their proportionate share of real property taxes and certain interest costs.

H.R. 872. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns.

H.R. 873. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for the expenses of traveling to and from work by means of public mass transportation.

H.R. 874. January 15, 1979. Ways and Means. Amends title II (Old-Age, Survivors Security Act to decrease to five the number of years a divorced woman must have been married to an insured individual in order for her to qualify for wife's or widow's benefits on his wage record.

H.R. 875. January 15, 1979. Judiciary. Establishes criminal penalties for anyone who forcibly assaults, strikes, wounds, discharges a firearm or explosive at, or offers violence to, any fireman or law enforcement officer on account of such individual's performance of an official duty. Increases such penalty if personal injury or death results.

H.R. 876. January 15, 1979. Judiciary. Establishes criminal penalties for anyone who willfully discloses information identifying or tending to identify a person as a present or former participant in United States foreign intelligence operations.

H.R. 877. January 15, 1979. Judiciary. Establishes criminal penalties for anyone who knowingly: (1) attaches any United States flag to his body or clothing in a manner degrading to such flag as an emblem; (2) alters the shape, design, or traditional methods of displaying such flag for personal, political, or monetary gain; or (3) casts contempt upon such flag by using it for the purpose of causing any individual to commit a Federal crime.

H.R. 878. January 15, 1979. Post Office and Civil Service. Amends the Legislative Reorganization Act to provide that pay adjustments for Members of Congress may take effect no earlier than the beginning of the next Congress following the Congress in which they are approved.

H.R. 879. January 15, 1979. Veterans' Affairs. Provides that remarriage of a veteran's surviving spouse after age 60 shall not result in termination of dependency and indemnity compensation.

H.R. 880. January 15, 1979. Veterans' Affairs. Authorizes and directs the Secretary of the Army to acquire the land for and establish one or more national cemeteries in the central west coast area of Florida.

H.R. 881. January 15, 1979. Ways and Means. Amends the Internal Revenue Code to permit taxpayers an election to treat expenditures for making buildings or public transportation vehicles accessible to the handicapped and elderly as current expenses and thus deductible from gross income in the current taxable year.

H.R. 882. January 15, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to add burial plots or crypts to the items excludable from an individual's resources in determining his or her eligibility for Supplemental Security Income.

H.R. 883. January 15, 1979. Ways and Means. Amends the Social Security Act to maintain the in-patient hospital deductible under the medicare program to the level which was applicable during calendar year 1978.

H.R. 884. January 15, 1979. Judiciary. Authorizes the Secretary of Commerce to make grants to State and local governments for up to 75 percent of the cost of projects to: (1) acquire, construct, or improve correctional facilities; or (2) improve programs and practices in correctional facilities.

H.R. 885. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named corporation in satisfaction of a claim against the United States.

H.R. 886. January 15, 1979. Judiciary. Relieves a named corporation of liability for specified income taxes. Directs the Secretary of the Treasury to pay to such corporation an amount paid by or withheld from such corporation with respect to such liability.

H.R. 887. January 15, 1979. Judiciary. Confers jurisdiction on a specified district court over specified claims of two named individuals against the United States. Directs that suit upon such claims be brought during a specified period.

H.R. 888. January 15, 1979. Judiciary. Directs that a named widow of a United States citizen be granted immediate relative status without petition under the Immigration and Nationality Act.

H.R. 889. January 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 890. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 891. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 892. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence as of a specified date, under the Immigration and Nationality Act.

H.R. 893. January 15, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 894. January 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 895. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 896. January 15, 1979. Judiciary. Directs the Comptroller General to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 897. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 898. January 15, 1979. Judiciary. Relieves named civilian employees of the Department of the Navy of all liability to repay to the United States specified sums representing overpayment of per diem made through administrative error.

H.R. 899. January 15, 1979. Judiciary. Directs the Comptroller General to pay a specified sum to named individuals in satisfaction of a claim against the United States.

H.R. 900. January 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 901. January 15, 1979. Judiciary. Relieves a named individual of all liability to repay to the United States specified sums representing overpayment of compensation made through administrative error.

H.R. 902. January 15, 1979. Judiciary. Authorizes a named individual to file within one year claims for refund and credit of overpayment of income taxes paid for specified years. Relieves such individual of liability for additions, penalties, or interest imposed for specified reasons.

H.R. 903. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 904. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay to a named individual a specified sum equal to compensation which such individual would have earned as a Foreign Service Reserve officer, minus earned income from other sources, for a specified period after having been improperly forced to resign. Declares such individual entitled to specified retirement benefits under the Foreign Service Retirement and Disability System.

H.R. 905. January 15, 1979. Armed Services. Directs the President to award a named retired United States Army officer the Legion of Merit.

H.R. 906. January 15, 1979. Judiciary. Directs a named individual to be eligible to receive mother's insurance benefits under the Social Security Act. Directs two named individuals to be eligible to receive surviving child's insurance benefits under such Act.

H.R. 907. January 15, 1979. Judiciary. Declares a named individual entitled to retired pay based upon National Guard service.

H.R. 908. January 15, 1979. Judiciary. Declares that the periods of time in which a named individual has resided in the United States meet specified requirements of the Immigration and Nationality Act. Authorizes such individual to be naturalized if otherwise eligible under such Act.

H.R. 909. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 910. January 15, 1979. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to an individual.

H.R. 911. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 912. January 15, 1979. Judiciary. Authorizes the granting of visas and admission to the United States for permanent residence to an individual.

H.R. 913. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 914. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 915. January 15, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 916. January 15, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 917. January 15, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 918. January 15, 1979. Judiciary. Authorizes classification of two individuals as children for purposes of the Immigration and Nationality Act.

H.R. 919. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R 920. January 15, 1979. Interior and Insular Affairs. Authorizes the Secretary of the Interior to convey certain lands in Tahoe National Forest, California to a named individual.

H.R. 921. January 15, 1979. Judiciary. Directs the Secretary of the Interior to pay a specified sum to a named individual to rectify a discrepancy in price which occurred in a public land transaction.

H.R. 922. January 15, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 923. January 15, 1979. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to an individual.

H.R. 924. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 925. January 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 926. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 927. January 15, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 928. January 15, 1979. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to an individual.

H.R. 929. January 15, 1979. Judiciary. Authorizes classification of two individuals as children for purposes of the Immigration and Nationality Act.

H.R. 930. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named corporation in satisfaction of a claim against the United States.

H.R. 931. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 932. January 15, 1979. Judiciary. Directs that a claim by a named individual against the United States shall be considered to be timely.

H.R. 933. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named foreign corporation in satisfaction of a claim against the United States.

H.R. 934. January 15, 1979. Judiciary. Declares that two named individuals shall be deemed to have sold a specified residence by a certain date and to have purchased their subsequent residence within a specified period for tax liability determination purposes under the Internal Revenue Code.

H.R. 935. January 15, 1979. Judiciary. Authorizes classification of named individuals as the natural-born alien son and daughter of named citizens of the United States for purposes of the Immigration and Nationality Act.

H.R. 936. January 15, 1979. Judiciary. Authorizes classification of a named individual as the natural-born alien daughter of a named citizen of the United States for purposes of the Immigration and Nationality Act.

H.R. 937. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 938. January 15, 1979. Judiciary. Declares two individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 939. January 15, 1979. Judiciary. Declares a named individual to have satisfied specified requirements under the Immigration and Nationality Act relating to: (1) petitioning by and residence with the adoptive parents of an adopted child; and (2) required periods of residence and physical presence within the United States. Authorizes such individual to be naturalized.

H.R. 940. January 15, 1979. Judiciary. Declares a named individual to be under a disability and to have satisfied specified requirements for a specified period for purposes of entitlement to disability insurance benefits and establishment of a period of disability under the Social Security Act.

H.R. 941. January 15, 1979. Judiciary. Waives the six-year limitation of actions in the Court of Claims for specified actions by a named individual arising out of actions taken with respect to the military records of such individual if such suit is commenced within one year.

H.R. 942. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 943. January 15, 1979. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to an individual.

H.R. 944. January 15, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 945. January 15, 1979. Judiciary. Declares that a specified time for active duty service requirement shall not apply in determining the entitlement of a named individual to retired pay for non-regular service in the Armed Forces.

H.R. 946. January 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 947. January 15, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating to cause a named vessel to be documented as a vessel of the United States so as to permit such vessel to engage in the coastwide trade and fishing.

H.R. 948. January 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 949. January 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 950. January 15, 1979. Judiciary. Authorizes the approval of an immediate relative petition on behalf of a named individual under the Immigration and Nationality Act.

H.R. 951. January 15, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 952. January 15, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual for veterans' death pension benefits for a specified period.

H.R. 953. January 18, 1979. Merchant Marine and Fisheries; Interstate and Foreign Commerce. Requires the Secretary of the Interior to issue regulations relating to traps and trapping. Sets forth standards for approved traps.

Establishes an advisory commission to advise the Secretary on traps designed or intended for use.

Prohibits trapping on Federal lands where such trapping will adversely affect any species of mammal or bird.

Sets forth a procedure for the application and issuance of trapping permits.

Requires shipping certificates for packages containing specified parts of trapped animals shipped in interstate commerce.

Sets forth criminal penalties for violations of this Act.

H.R. 954. January 18, 1979. Interior and Insular Affairs. Prohibits the acquisition of land by eminent domain for fish and wildlife enhancement connection with the Garrison Diversion Unit of the Missouri River Basin project, North Dakota.

H.R. 955. January 18, 1979. Education and Labor. Repeals the Davis-Bacon Act, relating to the rate of wages for workers employed on Federal public buildings by contractors and subcontractors.

H.R. 956. January 18, 1979. Rules. Amends the Legislative Reorganization Act of 1970 to require House of Representatives committee reports on proposed legislation to contain statements on the reporting and recordkeeping requirements imposed on individuals, private industry, and State and local governments as a result of the enactment of such legislation.

H.R. 957. January 18, 1979. Judiciary. Directs the Attorney General to make grants to qualified State programs for the compensation of victims of crime.

Establishes an Advisory Committee on Victims of Crime to advise the Attorney General with respect to the administration of such grant program and to the compensation of victims of crime.

H.R. 958. January 18, 1979. Banking, Finance and Urban Affairs. Amends the Consumer Credit Protection Act to prohibit discrimination on the basis of place of residence in the issuance and use of credit cards.

H.R. 959. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to repeal the excise tax on the sale of trucks, buses, tractors, and parts and accessories for such vehicles.

Permits the refund or crediting of taxes paid by the manufacturer, producer, or importer on items sold after January 1, 1977.

H.R. 960. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to permit the voluntary withholding of income taxes from sick pay under employer wage continuation plans.

H.R. 961. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to allow a double investment tax credit for machinery and equipment placed in service in existing manufacturing plants located in high unemployment areas, or in nearby areas.

H.R. 962. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to extend to participants in tax-exempt employer pension plans a limited income tax deduction for cash contributions to a retirement savings account.

H.R. 963. January 18, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to prevent excess earnings from being charged to any month in which an individual did not engage in self-employment and did not render services for wages of more than the applicable amount as determined under title II.

Extends Medicare hospital insurance benefits, available to individuals entitled to benefits under title II, to other individuals who would be entitled to benefits under title II except that such individuals have not applied for such benefits.

H.R. 964. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that for purposes of determining the average monthly wage of individuals who qualify for disability benefits before attaining age 31, the number of benefit computation years shall be determined according to the formula used to determine the number of such years for old age and survivor's benefit recipients.

H.R. 965. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that no part of the excess earnings of an individual shall be charged to any month if such month is in the taxable year in which occurs the first month after December 1977 that is both a month in which the individual is entitled to benefits and is unemployed.

H.R. 966. January 18, 1979. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to provide for the payment of attorneys' fees in administrative or judicial proceedings under such title where the claimants are successful.

H.R. 967. January 18, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that an individual may work without being considered as having engaged in substantial gainful activity, and thus forfeiting disability status, if such individual's earnings are at a rate that does not exceed the amount specified by this Act. Excludes from an individual's income, for purposes of determining eligibility for benefits under such title, an amount equal to the expenses for attendant care which such individual incurs in earning income.

H.R. 968. January 18, 1979. Ways and Means. Amends titles II (Old-Age, Survivors and Disability Insurance) and XVIII (Medicare) of the Social Security Act and the Internal Revenue Code to finance the payment of disability benefits and hospital insurance benefits through general tax revenues, rather than through employment and self-employment tax revenues.

Reduces employment and self-employment tax rates below the rates established by the Social Security Financing Amendments of 1977.

H.R. 969. January 18, 1979. Public Works and Transportation. Modifies the Galveston Channel, Texas, navigation project to provide for non-Federal contribution unless State and local interests are participating in approved plans for waste treatment facilities and water quality standards are not being violated.

H.R. 970. January 18, 1979. Judiciary; Ways and Means. Amends the Internal Revenue Code to exclude from gross income punitive damages received by a private antitrust litigant. Disallows tax deductions for such damages paid or incurred by a taxpayer.

H.R. 971. January 18, 1979. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to require both Houses of Congress to adopt a resolution approving any adjustment in annual rates of pay for Members of Congress before such adjustment may take effect.

H.R. 972. January 18, 1979. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 and the Federal Salary Act of 1967 to specify when an adjustment in the rate of pay for Members of Congress proposed during any Congress shall take effect.

H.R. 973. January 18, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to prohibit credit card issuers from discriminating against individuals on account of age.

H.R. 974. January 18, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to require lenders to post current interest rates charged for various categories of loans to consumers.

H.R. 975. January 18, 1979. Banking, Finance and Urban Affairs. Requires the developers of all federally assisted condominium projects to disclose specific information on proposed new condominium construction or conversion to condominium units of existing structures.

Establishes the Office of Assistant Secretary for Condominiums in the Department of Housing and Urban Development. Authorizes the Secretary of Housing and Urban Development to make grants to State and local governments to establish similar programs.

H.R. 976. January 18, 1979. Banking, Finance and Urban Affairs. Permits the provision of low-income housing assistance under the Housing Act of 1937 in Chicago, Illinois, without regard to criteria which restrict new construction of housing in areas where 30 percent or more of the population is nonwhite.

H.R. 977. January 18, 1979. Education and Labor. Amends the Older Americans Act of 1965 to direct area and State agencies which administer or supervise State and community programs on aging pursuant to such Act to employ personnel adequately trained in the field of aging to deliver specified services to the aged. Amends the Higher Education Act of 1965 to authorize grants to institutions of higher education to assist such institutions in planning, developing and carrying out programs designed to apply the resources of higher education to the problems of the elderly.

H.R. 978. January 18, 1979. Foreign Affairs. Amends the Export Administration Act of 1969 to prohibit the export of certain articles to South Africa. Requires the President to notify Congress prior to granting an authorization for certain exports to South Africa.

H.R. 979. January 18, 1979. Interstate and Foreign Commerce. Makes it a violation of the Federal Trade Commission Act for any retailer to increase the price of consumer commodities once he marks the price on any such consumer commodity, and permits the Federal Trade Commission to order any such retailer to refund any amounts of money obtained by increasing the price of such consumer commodity.

H.R. 980. January 18, 1979. Judiciary. Makes it an offense to assault an individual age 62 or older and cause medical damages of more than $100 paid under title XVIII of the Social Security Act.

H.R. 981. January 18, 1979. Judiciary. Amends the Immigration and Nationality Act to require that any alien who has been: (1) detained for further inquiry pending entry; (2) temporarily excluded; or (3) arrested before deportation may be represented by counsel (at no expense to the United States Government) from the time of such detention or exclusion.

Authorizes the Attorney General to withhold the deportation of any alien to any country in which the alien would be subject to persecution on account of race, religion, or political opinion.

H.R. 982. January 18, 1979. Post Office and Civil Service. Requires the head of each Federal agency to provide written notice to each employee of any administrative procedure through which the employee may challenge adverse agency action taken or proposed to be taken against such employee.

H.R. 983. January 18, 1979. Public Works and Transportation. Directs the Secretary of Transportation to compile and make available to the States certain statistical information relating to motor vehicle safety devices.

Authorizes the Secretary to make incentive grants to States which utilize such information as part of their procedure in issuing motor vehicle operating permits.

H.R. 984. January 18, 1979 Ways and Means. Amends the Internal Revenue Code to provide an additional personal tax exemption for elderly individuals whose spouses have died.

H.R. 985. January 18, 1979. Public Works and Transportation; Banking, Finance and Urban Affairs. Amends the Public Works and Economic Development Act of 1965 to establish within the Department of Commerce an Office of Aid to Economic Communities.

Authorizes the designation of economic disaster communities in accordance with specific criteria, and establishes a Federal Economic Recovery Fund within the Treasury to aid economic disaster communities.

H.R. 986. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to extend coverage to include expenses incurred in providing diagnosis of uterine cancer, if the individual receiving the test has not had such a test on a routine basis during the preceding six months.

H.R. 987. January 18, 1979. Post Office and Civil Service. Repeals the provisions of the Legislative Reorganization Act of 1946 permitting automatic cost-of-living adjustments in the salaries of Members of Congress.

H.R. 988. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to permit certain Government officials to accept payment from private foundations of limited traveling expenses between a point in the United States and a point outside the United States without being subject to the tax on self-dealing.

H.R. 989. January 18, 1979. Ways and

Means. Amends the Internal Revenue Code to permit States to deny compensation under the Federal Unemployment Tax Act to substitute teachers who are paid on a per diem basis and are employed for less than 45 days in the applicable base period.

H.R. 990. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to revise the tax treatment of certain items of income and expenses of nonprofit tax-exempt organizations.

H.R. 991. January 18, 1979. Science and Technology. Amends the Metric Conversion Act of 1975 to abolish the United States Metric Board established by that Act and to eliminate the Board's responsibilities in the area of metric conversion.

Directs the Secretary of Commerce to carry out a program of coordination and education with respect to the metric system, and the Comptroller General to analyze and publish any adverse effects from increasing metric conversion.

H.R. 992. January 18, 1979. Judiciary. Removes the jurisdiction of the United States Supreme Court and the Federal district courts over any case arising out of a State statute, ordinance, rule, or regulation which relates to the assignment of public school students to particular schools because of race, creed, color, or sex.

H.R. 993. January 18, 1979. Judiciary. Removes the jurisdiction of the Supreme Court and the Federal district courts to prohibit the consideration of any case arising out of a State statute, ordinance, rule, or regulation relative to abortion.

H.R. 994. January 18, 1979. Judiciary. Prohibits the State income taxation of nonresident commuters who work in Federal areas but do not reside in the area or in the State.

H.R. 995. January 18, 1979. Judiciary. Prohibits a State from imposing an income tax on any individual who is not a resident or domiciliary of such State.

H.R. 996. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to exclude full time students who work for camps during part of the year from the coverage of the Federal Unemployment Tax Act.

H.R. 997. January 18, 1979. Judiciary. Amends the copyright law to limit performance rights in sound recordings, impose a compulsory licensing procedure on the public performance of sound recordings, establish royalty rates for broadcast stations, and outline the procedure for the distribution of royalties to claimants.

H.R. 998. January 18, 1979. Agriculture. Amends the Agricultural Adjustment Act of 1938 to exempt State prison farms from the paying of marketing quota penalties.

H.R. 999. January 18, 1979. Agriculture. Amends the Plant Variety Protection Act to allow application of its provisions to the seeds, plants or transplants of okra, celery, peppers, tomatoes, carrots and cucumbers, which are currently excluded.

H.R. 1000. January 18, 1979. Ways and Means; Government Operations; Rules. Amends the Internal Revenue Code to: (1) reduce individual, corporate, and estate and trust income taxes; (2) reduce capital gains taxes; (3) eliminate the age requirement for the one-time $100,000 exclusion of gain from the sale of a principal residence; and (4) index tax rates to reflect inflation of income and property values.

Places limits on Federal spending. Provides for the reduction of the public debt.

H.R. 1001. January 18, 1979. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 and the Federal Salary Act of 1967 to provide for a reduction of the annual rate of pay for Members of Congress in relation to the increase in the Consumer Price Index.

Sets forth similar provisions for certain employees of the executive branch.

H.R. 1002. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to provide that the tax exemption of certain charitable organizations and the allowance of an income tax deduction for contributions to such organizations shall not be construed as the provision of Federal assistance.

H.R. 1003. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 1004. January 18, 1979. Foreign Affairs; Science and Technology; Interior and Insular Affairs; Interstate and Foreign Commerce. Authorizes appropriations to the Department of Energy and the Federal Energy Regulatory Commission for the fiscal year 1979, to carry out their assigned functions. Creates an Office of Competition and Consumer Affairs within the Department of Energy.

H.R. 1005. January 18, 1979. Interstate and Foreign Commerce. Amends the Magnuson-Moss-Federal Trade Commission Improvement Act to include passenger motor vehicles within the Federal minimum standards for warranties.

Declares that a court shall award the consumer who prevails in any civil action for damages a sum equal to the amount of the costs and expenses incurred by such consumer in the commencement of such action.

Entitles the consumer to retain possession and use of the passenger motor vehicle during the pendency of the action.

H.R. 1006. January 18, 1979. Interstate and Foreign Commerce. Requires the Secretary of Energy to establish a program to promote the development and use of alcohol-blended fuels in the United States.

H.R. 1007. January 18, 1979. Judiciary. Amends the Copyright Act of 1976 to provide copyright protection for photographic masks and the patterns such masks imprint on integrated circuit chips.

H.R. 1008. January 18, 1979. Government Operations. Requires all rules proposed by any Federal agency to be submitted to Congress together with an estimate of the costs to be incurred by the Federal Government, State and local governments, nongovernmental entities, and individuals affected by such proposed rule. States that such rule shall become effective 60 days after submission to Congress unless, within such period, either House disapproves such rule.

H.R. 1009. January 18, 1979. Ways and Means. Prohibits the Secretary of the Treasury from implementing any guidelines for determining whether private tax-exempt schools have forfeited their tax-exempt status through the adoption of racially discriminatory policies.

H.R. 1010. January 18, 1979. Government Operations. Abolishes the Environmental Protection Agency. Terminates all functions, activities and powers of such Agency. Directs that all regulations, orders, rules, determinations, contracts, licenses, certificates, and privileges allowed to become effective by such Agency shall cease to have effect.

H.R. 1011. January 18, 1979. Post Office and Civil Service. Prohibits any increase in the rate of pay or other financial benefit of Members of Congress or officers of the Congress from taking effect unless such increase is approved by Congress, and does not take effect before the next Congress.

H.R. 1012. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to tax income of married individuals filing tax returns separate from their spouses at the same rates applicable to unmarried individuals.

H.R. 1013. January 18, 1979. Interstate and Foreign Commerce; Ways and Means. Authorizes the Secretary of Health, Education, and Welfare to provide, through demonstration projects, payments to individuals who are receiving, or are eligible to receive, benefits with respect to post-hospital extended care services under the Medicare program or intermediate care facility services or skilled nursing facility services under the Medicaid program who do not require 24-hour nursing care or supervision, and who desire to establish noninstitutional living arrangements which will meet their medical and other needs.

H.R. 1014. January 18, 1979. Merchant Marine and Fisheries. Provides that the United States Canal Zone shall be represented by a Delegate to the House of Representatives. Requires that a special election be held to elect a Delegate to serve until the regular election of 1980.

H.R. 1015. January 18, 1979. Ways and Means; Interstate and Foreign Commerce, Amends title XVIII (Medicare) of the Social Security Act to provide payment for: (1) dentures under the supplementary medical insurance program; and (2) inpatient hospital services in connection with the provision of any service rendered by a dentist if hospitalization is required in connection with the provision of such services.

H.R. 1016. January 18, 1979. Armed Services. Establishes an Optometry Corps within the Army and the Navy. Provides for a separate optometric service within the Air Force.

H.R. 1017. January 18, 1979. Armed Services. Authorizes the recomputation at age 60 of the retired or retainer pay for members of former members of the uniformed services whose retired or retainer pay was computed on the basis of pay scales in effect prior to January 1, 1972, in order to reflect any retired or retainer pay increases for other members which was based on changes in the Consumer Price Index since that date.

H.R. 1018. January 18, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to eliminate specified enforcement procedure provisions regarding notification requirements.

H.R. 1019. January 18, 1979. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 to permit State and county agricultural extension services to obtain excess personal property from the Secretary of Agriculture.

H.R. 1020. January 18, 1979. Interior and Insular Affairs. Terminates all mineral leasing rights with respect to phosphate leases in the Osceola National Forest in Florida.

H.R. 1021. January 18, 1979. Interstate and Foreign Commerce. Amends the Controlled Substances Act of 1977 to set forth penalties for: (1) breaking and entering a pharmacy with intent to unlawfully obtain a controlled substance; and (2) obtaining, or attempting to obtain, a controlled substance from a pharmacy by force or violence.

H.R. 1022. January 18, 1979. Judiciary. Repeals the Gun Control Act of 1968 and reenacts the Federal Firearms Act. Requires additional prison sentences for anyone using or carrying a firearm or destructive device during the commission of any felony which may be prosecuted in a court of the United States or which is unlawful in the State in which the felony occurs.

H.R. 1023. January 18, 1979. Judiciary. Amends the Miller Act to allow the payment of attorney fees and litigation costs to a prevailing plaintiff from payment bonds furnished by Federal contractors.

H.R. 1024. January 18, 1979. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in commemoration of the 51st anniversary of the creation of the Future Farmers of America.

H.R. 1025. January 18, 1979. Post Office and Civil Service. Requires the United States Postal Service to consider specified factors in determining the need for an existing third- or fourth-class post office. Sets guidelines relating to such determinations.

H.R. 1026. January 18, 1979. Public Works and Transportation. Directs the Administrator of General Services to provide for the construction of a Federal office building in Tallahassee, Florida.

H.R. 1027. January 18, 1979. Public Works and Transportation. Amends the Act providing for the retention of certain lands in Jackson County, Florida, for fish, wildlife, and recreational purposes and authorizes the Secretary of the Army to convey a portion of such retained lands to the trustees of the Salem Wesleyan Church.

H.R. 1028. January 18, 1979. Veterans' Affairs. Provides that recipients of veterans' dependency and indemnity compensation to parents and non-service connected death, disability, or certain other service pensions will not have the amount of such pensions reduced or discontinued because of increases in monthly social security benefits.

H.R. 1029. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to exempt nonprofit volunteer firefighting or rescue organizations from the excise tax on sales of special fuels, automotive parts, petroleum products, and communication services.

H.R. 1030. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 1031. January 18, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to provide that supplemental security income benefits which are due an individual who dies without leaving an eligible spouse shall be paid to the person or persons who paid the expenses of such individual's last illness and burial, to the extent and in such proportions that such person or persons paid such expenses.

H.R. 1032. January 18, 1979. Armed Services; Government Operations. Amends the Federal Property and Administrative Act to prohibit the award of contracts for technical support services, under rebid or recompetition procedures for substantially the same services, on the basis of proposed lower salaries than those paid by the predecessor contractor. Prohibits a procuring agency from awarding a contract unless it has determined that the salary levels for professional employees proposed under such contract are commensurate with the status and abilities of such employees.

H.R. 1033. January 18, 1979. Judiciary; Rules. Requires public notice of, and allows public participation in, rulemaking proceedings conducted by executive agencies. Requires all regulations promulgated by such agencies containing criminal penalties to be submitted to Congress for approval.

H.R. 1034. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for optometric and medical vision care under the supplementary medical insurance program.

H.R. 1035. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for optometric and medical vision care under the supplementary medical insurance program.

H.R. 1036. January 18, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish an outpatient medical facility in northwest Florida in the area comprised of Madison, Taylor, Jefferson, Wakulla, Leon, Gadsen, Jackson, Calhoun, Liberty, Franklin, Gulf, Holmes, Washington, Bay, Walton, Okaloosa, Santa Rosa, and Escambia counties.

H.R. 1037. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 1038. January 18, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to continue to protect Palmer's Chapel within the Great Smoky Mountains National Park.

H.R. 1039. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to provide coverage to homemakers.

Sets forth a method for the determination of a homemaker's earnings for purposes of determining benefits under this Act.

H.R. 1040. January 18, 1979. Ways and Means. Revises the Internal Revenue Code by amending and repealing portions of the Code with respect to capital gains and losses, income derived from the extraction of minerals, individual and corporate income; the estate and gift tax, and State and local obligations.

H.R. 1041. January 18, 1979. Judiciary. Extends death benefit coverage under title I of the Omnibus Crime Control and Safe Streets Act of 1968 to include public safety officers who die as a result of medical conditions arising out of, or exacerbated by, official duties.

H.R. 1042. January 18, 1979. Ways and Means; Education and Labor. Permits taxpayers to designate on their income tax returns whether they wish to contribute any portion of their income tax refund or make any additional contribution to the support of either the arts or the humanities. Specifies amounts which various recipients are eligible to receive.

H.R. 1043. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to disregard renewal commissions received by an insurance salesman from life insurance policies which such salesman sold before reaching age 65, for purposes of determining eligibility based on income for social security benefits.

H.R. 1044. January 18, 1979. Agriculture; Interstate and Foreign Commerce. Prohibits the Secretary of Agriculture and the Secretary of Health, Education, and Welfare from taking any action under the Wholesome Meat Act, the Federal Food, Drug, and Cosmetic Act, or any other law to prohibit the sale, distribution, or use of nitrites as a food preservative solely on the basis of any carcinogenic effect in humans that nitrites may be represented to have, unless validated evidence is made available to the Secretaries which proves beyond a reasonable doubt that nitrites as a food preservative have a significant carcinogenic effect on humans, or until a substitute preservative is available.

H.R. 1045. January 18, 1979. Judiciary. Amends the Clayton Act to prohibit persons with nonfarming business assets in excess of $3,000,000 from engaging in the production of agricultural products. Directs the Secretary of Agriculture to acquire, under certain circumstances, any property or interest of which a person must divest himself by virtue of this prohibition.

H.R. 1046. January 18, 1979. Judiciary. Expands the civil and criminal jurisdiction of United States magistrates.

Revises the method of selecting magistrates.

H.R. 1047. January 18, 1979. Judiciary. Limits the grounds upon which a Federal court may dismiss an action brought against the Federal, State, or local governments, based upon a violation of the Constitution or laws of the United States, because the plaintiff lacks standing to sue.

H.R. 1048. January 18, 1979. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to establish a program for the identification, reclamation, and prevention of adverse effects of abandoned hazardous waste sites and for the control of new hazardous waste sites.

H.R. 1049. January 18, 1979. Education and Labor; Interstate and Foreign Commerce; Judiciary. Establishes a system for the compensation of victims of toxic substance pollution to be administered by the Toxic Pollution Compensation Agency, a new, independent office of the Environmental Protection Agency.

H.R. 1050. January 18, 1979. Agriculture. Establishes a National Agricultural Cost of Production Board to review, and advise the Secretary of Agriculture concerning, the adequacy and accuracy of the cost-of-production formulas used by the Department of Agriculture in connection with the administration of its price support programs.

H.R. 1051. January 18, 1979. Agriculture. Amends the Federal Meat Inspection Act to require the labeling as imported of the package or container of any imported meat or meat product capable of use as human food.

Prohibits the importation of dairy products into the United States unless certified wholesome and pure by the Secretary of Health, Education, and Welfare.

H.R. 1052. January 18, 1979. Banking, Finance and Urban Affairs. Amends the Internal Revenue Code to allow individuals an income tax deduction for contributions to an individual housing account.

H.R. 1053. January 18, 1979. Government Operations. Requires, under the Office of Federal Procurement Policy Act, that Federal agencies pay interest at an annual rate of at least 12 percent on any payment which is overdue by more than four weeks on a contract with a small business concern.

H.R. 1054. January 18, 1979. Interior and Insular Affairs. Terminates all rights under the Mineral Leasing Act of 1920 with respect to any leases or lease applications under serial number Riverside 04843 within the Los Padres National Forest in California. Stipulates that all interest in such leases shall be vested in the United States.

H.R. 1055. January 18, 1979. Judiciary. Requires that rulemaking hearings which must be held under the Administrative Procedure Act and which primarily concern a single unit of local government, geographich area, or State be held within such unit, area, or State.

H.R. 1056. January 18, 1979. Merchant Marine and Fisheries. Prohibits vessels transporting Alaskan oil to any port in California which is east or south of the Santa Barbara Channel Islands of San Miguel, Santa Rosa, Santa Cruz, and Anacapa from using any route passing through the territorial or international waters which lie between such islands and the coast of California.

H.R. 1057. January 18, 1979. Post Office and Civil Service. Permits postage-free mailing of correspondence to any Member of Congress by residents of the State or district represented by such Member, providing such correspondence is sent to the Member's official business address.

H.R. 1058. January 18, 1979. Judiciary; Rules. Requires each executive agency or officer to submit for the review of each House of Congress any proposed rule, regulation, or change in a rule or regulation. Declares that the rule, regulation, or change shall become effective 60 days after submission unless either House adopts a resolution disapproving it. Sets forth Senate and House procedures for consideration of such resolution.

H.R. 1059. January 18, 1979. Rules; Government Operations. Requires Government programs to be evaluated pursuant to a specified schedule to determine whether each such program should be continued, terminated, or altered (reauthorization review). Prohibits the authorization of new budget authority for a period of more than five years. Prohibits the authorization of new budget authority for any program for which there has not been conducted a reauthorization review.

Establishes a Citizens' Commission on the Organization and Operation of Government to study and recommend ways to improve the efficiency and operation of Government agencies.

H.R. 1060. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide that the reasonable cost of physical, occupational, speech, or other therapy services shall be based on a reasonable salary paid of such services as is now the case.

Removes the $100 limitation on "outpatient physical therapy services" furnished to an individual while an inpatient of a hospital or extended care facility.

H.R. 1061. January 18, 1979. Interstate and Foreign Commerce. Subjects to liability for harm caused by the use of a product any individual engaged in interstate commerce who manufactures or sells a product which is in a defective condition or fails to warn against a dangerous condition in the use or misuse of the product.

Allows any person harmed by a product and who is a reasonably anticipated user or consumer of the product to bring an action in "product liability" against the manufacturer or seller of the product.

H.R. 1062. January 18, 1979. Science and Technology. Prohibits the use or expenditure of Federal funds for the conversion of weather information or data to the metric system unless specifically authorized by Congress.

H.R. 1063. January 18, 1979. Ways and Means. Repeals the requirement, under the Social Security Amendments of 1977, that the amount of monthly benefits payable to a spouse or surviving spouse under title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act be reduced by the amount such spouse or surviving spouse receives in monthly payments from a Federal or State pension fund.

H.R. 1064. January 18, 1979. Ways and Means. Establishes within the Internal Revenue Service an Office of Taxpayer Services to provide taxpayers with information and to receive and evaluate complaints of improper abusive, or inefficient service by IRS personnel.

Establishes civil and criminal penalties for investigations of matters unrelated to the tax laws, and for the violation of other constitutional and legal rights guaranteed to taxpayers.

Requires the Secretary of the Treasury to prepare and distribute pamphlets advising taxpayers of their rights and of appeal procedures.

Requires a continuing audit of the administration of Federal revenue laws by the Comptroller General of the United States.

H.R. 1065. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a limited refundable income tax credit for the tuition paid to elementary, secondary, vocational, or higher educational institutions for the education of such individuals, their spouses, or dependents.

H.R. 1066. January 18, 1979. Ways and Means; Interstate and Foreign Commerce, Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, for physical examinations, and for related routine laboratory tests.

H.R. 1067. January 18, 1979. Government Operations. Amends the Budget and Accounting Act of 1921 to establish within the General Accounting Office the Office of Regulatory Review. Directs such Office to conduct and submit to Congress an evaluation of any economic impact statement of a Government agency rule which is published or made available in the Federal Register.

H.R. 1068. January 18 1979. Intelligence. Amends the National Security Act of 1947 to establish: (1) procedures for the classification and declassification of sensitive intelligence information; and (2) criminal offenses and penalties for the unauthorized disclosure of properly classified intelligence information.

H.R. 1069. January 18, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to acquire lands, easements, rights-of-way, and complete certain relocations at Wenatchee, Washington.

H.R. 1070. January 18, 1979. Interstate and Foreign Commerce; Ways and Means. Amends the Medicare, Medicaid, and other specified programs of the Social Security Act to: (1) establish additional procedures for determining the costs of services under such programs; (2) establish a Health Facilities Costs Commission to study reimbursement to hospitals under such programs; (3) establish a Hospital Transitional Allowance Board to act on applications of hospitals retiring or converting underutilized facilities; and (4) increase services for which reimbursement will be made.

H.R. 1071. January 18, 1979. Interior and Insular Affairs; Interstate and Foreign Commerce. Requires the Secretary of Energy to notify affected State legislatures of investigation and construction of sites for radioactive waste storage facilities. Provides for a period for disapproval of construction by the State legislature or by statewide referendum.

H.R. 1072. January 18, 1979. Interstate and Foreign Commerce. Sets forth certain requirements with respect to the use of funds by the Department of Health, Education, and Welfare during fiscal years 1979 and 1980 for activity relating to the health effects of smoking.

H.R. 1073. January 18, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to provide that a creditor in substantial compliace with the provisions of the Act may not be held civilly liable under the Act.

H.R. 1074. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to grant tax-exempt status to an unincorporated association operated exclusively to provide workmen's compensation for State and local employees.

H.R. 1075. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to treat, for excise tax purposes, aerial applicators who are the ultimate purchasers of gasoline as having used such gasoline on a farm for farming purposes.

Requires the refund of the excise tax on gasoline to any aerial applicator who is the ultimate purchaser thereof.

H.R. 1076. January 18, 1979. Ways and Means. Limits the maximum aggregate quantity of specified meat articles which may be entered or withdrawn from warehouses for consumption in the customs territory of the United States.

Sets forth formulas to be used in adjusting the annual aggregate quantity of meat imports.

Directs the President to limit by proclamation the total quantity of meat imports.

Requires the Secretary of Agriculture to allocate meat imports among supplying countries according to their shares of the U.S. market. Directs the Secretary to report to Congress.

H.R. 1077. January 18, 1979. Armed Services. Stipulates that no veteran shall be denied medical care under CHAMPUS (Civilian Health and Medical Plan of the Uniformed Services) for any service-connected disability solely because care for such disability is available at Veterans' Administration medical facilities.

H.R. 1078. January 18, 1979. Armed Services. Authorizes the establishment of Senior Reserve Officers' Training programs at public community colleges.

H.R. 1079. January 18, 1979. Armed Services. Authorizes the recomputation at age 60 of the retired or retainer pay for members or former members of the uniformed services whose retired or retainer pay was computed on the basis of pay scales in effect prior to January 1, 1972, in order to reflect any retired or retainer pay increases for other members which was based on changes in the Consumer Price Index since that date.

H.R. 1080. January 18, 1979. Armed Services. Stipulates that a National Guard technician who: (1) has completed ten years of service in a position in which Guard membership was required; (2) is involuntarily separated from the Guard under honorable conditions; and (3) continues to meet specified physical fitness standards shall not be required to be a member of the Guard as a condition of employment.

H.R. 1081. January 18, 1979. Armed Services. Amends the Federal Civil Defense Act of 1950 to authorize the use of Federal civil defense funds by local civil defense agencies for natural disaster or civil disturbance relief. Increases the Federal contribution for travel expenses and per diem allowances for students in civil defense training programs and increases the Federal financial contribution to States for civil defense personnel and administrative expenses.

Extends the emergency authority of the President contained in such Act until September 30, 1980.

Increases the authorization for appropriations under such Act for travel expenses, personal equipment for State and local workers, and personnel and administrative expenses.

H.R. 1082. January 18, 1979. Judiciary. Removes the jurisdiction of the Supreme Court of the United States and the Federal district courts over any case arising out of any State statute, ordinance, rule or regulation, which relates to voluntary prayers in public schools and public buildings.

H.R. 1083. January 18, 1979. Judiciary. Repeals the Gun Control Act of 1968.

H.R. 1084. January 18, 1979. Interstate and Foreign Commerce. Amends the Railroad Retirement Act of 1974 to lower the age at which specified railroad employees, their spouses, or their surviving spouses are entitled to an annuity from age 60 to age 55.

H.R. 1085. January 18, 1979. Interstate and Foreign Commerce. Amends title III of the Public Health Service Act (General Powers and Duties of Public Health Service) to authorize the Secretary of Health, Education, and Welfare to establish a program to provide epileptics with medicine for the treatment of epilepsy.

H.R. 1086. January 18, 1979. Judiciary. Grants a Federal charter to the United States Submarine Veterans of World War II.

H.R. 1087. January 18, 1979. Judiciary, Grants a Federal charter to the Gold Star Wives of America.

H.R. 1088. January 18, 1979. Rules. Amends the Congressional Budget and Impoundment Control Act of 1974 to establish controls on the level of Federal revenues and budget outlays in the preparation of the budget. Provides for five-year estimates of the cost of reported bills to State and local governments.

H.R. 1089. January 18, 1979. Veterans' Affairs. Amends the Veterans' and Survivors' Pension Improvement Act of 1978 and certain other provisions to provide that monthly annuity payments under the Railroad Retirement Act of 1974 shall not be included as income for the purpose of determining eligibility for certain veterans' pensions and dependency and indemnity compensation paid by the Veterans' Administration.

H.R. 1090. January 18, 1979. Veterans' Affairs. Redefines the definition of "Mexican border period" for purposes of veterans' coverage.

H.R. 1091. January 18, 1979. Veterans' Affairs. Repeals certain veterans' education provisions requiring such benefits to be used within ten years of eligibility.

H.R. 1092. January 18, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to prescribe the necessary regulations to insure that burials in national cemeteries be permitted on weekends and holidays.

H.R. 1093. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to increase the personal tax exemption to $1,200.

H.R. 1094. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for the expenses paid for the higher education of the taxpayer or a dependent.

H.R. 1095. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to permit married individuals filing separate income tax returns an election to be taxed at rates applicable to unmarried individuals.

H.R. 1096. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to increase the individual income tax credit for the elderly and to eliminate the adjusted gross income limitation on such credit.

H.R. 1097 January 18, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who have attained age 62 an income tax credit for the amount by which their property taxes and utility bills for their principal residences have increased since such individuals reached age 62 or purchased their home, whichever occurred later.

H.R. 1098. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax deduction for expenses incurred for dependent care services while the taxpayer performs volunteer work for civic and charitable organizations.

H.R. 1099. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to allow handicapped individuals an income tax deduction for expenses incurred in commuting between their residences and their principal places of employment.

H.R. 1100. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to exempt farm vehicles from the highway use tax on motor vehicles used primarily for farming purposes.

H.R. 1101. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to exempt nonprofit volunteer firefighting or rescue organizations from the excise tax on sales of special fuels, automotive parts, petroleum products, and communication services.

H.R. 1102. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for agency fees, court costs, attorneys' fees, and other necessary expenses incurred in the adoption of a child.

H.R. 1103. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 1104. January 18, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to provide that the automatic cost-of-living increases in benefits be made on a semiannual basis (rather than only on an annual basis as at present).

H.R. 1105. January 18, 1979. Ways and Means. Amends Title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to continue an individual's entitlement to benefits thereunder through the month of his or her death without affecting any other person's entitlement to benefits for that month.

H.R. 1106. January 18, 1979. Government Operations; Rules. Requires Government programs to be evaluated pursuant to a specified schedule to determine whether each such program should be continued, terminated, or altered (sunset review). Prohibits the authorization of new budget authority for a period of more than six years. Prohibits the authorization of new budget authority for any program for which there has not been conducted a sunset review.

Establishes a Citizens' Commission on the Organization and Operation of Government to study and recommend ways to improve the efficiency and operation of Government agencies.

H.R. 1107. January 18, 1979. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 1108. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed registered nurses.

H.R. 1109. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title XIX (Medicaid) of the Social Security Act to include the services of licensed practical nurses under the coverage provided pursuant to such titles.

H.R. 1110. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to eliminate all deductibles, coinsurance, and time limitations presently applicable to benefits thereunder. Eliminates Medicare taxes as the method of financing hospital insurance benefits and premium payments as the method of financing supplementary medical insurance benefits. Includes certain services within the coverage of title XVIII. Establishes a system of administrative and judicial review of claims under the supplementary medical insurance program.

Prohibits sex discrimination under any program receiving assistance under the Act.

H.R. 1111. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide that in determining the reasonable reimbursable cost of inpatient nursing care, such coverage, at a minimum, shall include a salary cost differential of at least eight and one-half percent in recognition of the above-average cost of furnishing such care to aged patients.

H.R. 1112. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions and Professional Standards Review) of the Social Security Act to assure the participation by registered professional nurses in the peer review and related activities authorized under such title.

H.R. 1113. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for psychologists' services under the supplementary medical insurance program. Amends title XI (General Provisions) of the Social Security Act to require that psychologists be included in any Professional Standards Review Organization appointed under such title.

H.R. 1114. January 18, 1979. Ways and Means; Education and Labor. Permits taxpayers to designate on their income tax returns whether they wish to contribute any portion of their income tax refund or make any additional contribution to the support of either the arts or the humanities. Specifies amounts which various recipients are eligible to receive.

H.R. 1115. January 18, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to require States having agreements for coverage of their employees under the system of insurance established by such title to make payments and reports on a calendar-quarter basis.

H.R. 1116. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or over a $10,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 1117. January 18, 1979. Banking, Finance and Urban Affairs. Amends the National Housing Act and the Housing and Community Development Act of 1974 to provide financial assistance for geriatric clinics and other facilities for the elderly.

H.R. 1118. January 18, 1979. Banking, Finance and Urban Affairs. Requires that multifamily housing facilities for the elderly be equipped with adequate emergency power equipment before federal mortgage insurance, loans, grants, or other assistance is extended. Authorizes the Secretary of Housing and Urban Development to finance the cost of providing such equipment.

H.R. 1119. January 18, 1979. Banking, Finance and Urban Affairs. Amends the Housing Act of 1937 to reduce the amount of rent required to be paid by elderly families residing in dwelling units assisted by Federal contributions.

H.R. 1120. January 18, 1979. Banking, Finance and Urban Affairs. Directs the Secretary of Housing and Urban Development to require any lease or rental agreement entered into or renewed by a person aged 62 or over with respect to a dwelling unit assisted by a Federal housing program shall contain provisions entitling such person to terminate, without penalty, the lease or rental agreement if such person or his or her spouse dies or incurs any mental or physical disability during the period of the lease or rental agreement.

H.R. 1121. January 18, 1979. Education and Labor. Establishes a program to provide assistance to States for child-care services.

Directs the Secretary of Health, Education, and Welfare to (1) designate an administrative unit within the Department of Health, Education, and Welfare to coordinate child-care services and (2) establish a National Advisory Panel on Child Care Needs and Services.

H.R. 1122. January 18, 1979. Education and Labor. Directs the Secretary of Health, Education, and Welfare to make grants to States having approved comprehensive plans for providing counseling assistance to the elderly, such grants to be distributed on the basis of statewide need and priorities. Permits the use of grants to fund preretirement and career counseling programs, referral services, community activities, and counseling for families of sick and disabled senior citizens.

H.R. 1123. January 18, 1979. Education and Labor. Directs the Secretary of Labor, through the Bureau of Labor Statistics, to publish a monthly price index reflecting the retail prices of items purchased generally by individuals 62 years of age and older, such index to be known as the Consumer Price Index for the Elderly.

H.R. 1124. January 18, 1979. Education and Labor. Amends the Older Americans Act of 1965 to provide assistance for the installation of security devices in the residences of elderly persons. Includes projects to assist older persons to install security device in the list of projects eligible for grants from the Department of Housing and Urban Development.

H.R. 1125. January 18, 1979. Education and Labor. Amends the Education of the Handicapped Act to authorize the Commissioner of Education to make grants to State educational agencies for the development and operation of tutorial and instructional programs for homebound handicapped children.

Stipulates that (1) special consideration should be given to handicapped veterans and handicapped students in selecting tutors (2) Federal funds should be used to help the handicapped child into society and (3) Federal funds should only be used to supplement State, local, or private funds.

Directs the Commission to offer technical assistance to a State to aid such State in receiving funds under this Act.

H.R. 1126. January 18, 1979. Education and Labor. Amends the Community Services Act of 1974 to permit the Director of the Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons.

H.R. 1127. January 18, 1979. Government Operations. Establishes the Office of Spanish-Speaking Affairs in the Executive Office of the President to assist Federal agencies in developing and implementing programs and policies designed to help Spanish-speaking and Spanish-surnamed Americans.

Establishes a coordinating Council on Spanish-Speaking Affairs to develop and implement agreements designed to reduce conflict among Federal agencies in carrying out programs to assist Spanish-speaking Americans.

H.R. 1128. January 18, 1979. Judiciary. Directs the Attorney General to make grants to qualified State programs for the compensation of elderly victims of crime.

H.R. 1129. January 18, 1979. Judiciary. Authorizes the Secretary of Health, Education, and Welfare to pay for medical services and treatment for any physical illness suffered by a United States citizen or permanent resident, which is directly attributable to the atomic explosions on Japan in August, 1945.

H.R. 1130. January 18, 1979. Judiciary. Amends the Legal Services Corporation Act to direct the Corporation to provide financial assistance to qualified programs designed to furnish legal assistance to eligible older persons in connection with any determination relating to eligibility or payment for home health services or specified health-related hearings under the Social Security Act.

H.R. 1131. January 18, 1979. Post Office and Civil Service. Includes as creditable service for purposes of civil service retirement, service as an enrollee of the Civilian Conservation Corps.

H.R. 1132. January 18, 1979. Ways and Means. Amends the Internal Revenue Code to make permanent provisions allowing an income tax deduction for expenditures to remove architectural and transportation barriers to the handicapped and the elderly.

H.R. 1133. January 18, 1979. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to increase the amount of outside earnings permitted each year without any deduction from OASDI benefits.

H.R. 1134. January 18, 1979. Ways and Means. Amends title XX (Grants to States for Services) of the Social Security Act to include among the services provided under that title the installation of security devices in the homes of the elderly.

H.R. 1135. January 18, 1979. Ways and Means. Amends title XVI (Supplemental Income for the Aged, Blind, and Disabled) of the Social Security Act to require the Secretary of Health, Education, and Welfare to pay a special housing allowance to each eligible individual whose housing expenses exceed specified limits.

H.R. 1136. January 18, 1979. Ways and Means. Amends the Social Security Act to prohibit the reduction in benefits, aid, or assistance because of cost-of-living increases in monthly social security benefits in any aid or assistance program in any form under a Federal program, or a State or local program financed in whole or in part with Federal funds.

Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) to exclude cost-of-living increases in any retirement or disability benefits received from a public agency from consideration in determining income for purposes of such title.

H.R. 1137. January 18, 1979. Banking, Finance and Urban Affairs; Interstate and Foreign Commerce. Directs the Secretary of Housing and Urban Development to: (1) solicit and review plans for the development of campus-style residential and health care projects for the elderly; and (2) make interest subsidy payments to developers of plans selected from those submitted.

Amends the National Housing Act to authorize the Secretary to insure and to make commitments to insure mortgages on properties being developed under this act.

Requires the evaluation of projects developed under this act by a committee of members of both Houses of Congress, representatives of the medical profession, and administrators of health-care facilities.

H.R. 1138. January 18, 1979. Judiciary; Ways and Means. Amends the Immigration and Nationality Act to: (1) grant permanent resident status to certain aliens in this country on January 1, 1979; (2) remove the English language requirement for citizenship; (3) direct the Attorney General to collect and remit wages due deported aliens after paying the taxes thereon; (4) remove the residency requirements for persons seeking citizenship after serving in the U.S. Armed Forces; and (5) limit Eastern Hemispheric admissions.

Establishes the President's Commission on United States-Mexico Immigration Policy.

H.R. 1139. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Members of both Houses of Congress, rep- Amends title XVIII (Medicare) of the Social Security Act to provide payment for hearing aids and dentures under the supplementary medical insurance program.

H.R. 1140. January 18, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to include the services of licensed registered nurses, physician extenders, and nurse practitioners among the services for which payment may be made under such titles.

H.R. 1141. January 18, 1979. Ways and Means. Amends the Antidumping Act, 1921, to revise the procedure for determining imported goods are being sold in the United States or elsewhere at less than their fair market value. Provides for the withholding of the appraisement of such imported goods at an earlier stage in the proceedings.

H.R. 1142. January 18, 1979. Interior and Insular Affairs. Directs the Secretary of the Interior to permit Chief Turkey Tayac of the Piscataway Indian Tribe to be buried in the ossuary at Piscataway Park, Oxon Hill, Maryland.

H.R. 1143. January 18, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend the assistance program for nurse training and students. Establishes a new assistance program for training nurse anesthetists. Revises requirements with respect to federally insured loans to medical students, National education centers.

H.R. 1144. January 18, 1979. Interior and Insular Affairs. Declares that funds appropriated to pay judgments in favor of the Delaware Tribe of Indians and the Absentee Delaware Tribe of Western Oklahoma, awarded by the Indians Claims Commission, should be distributed to members of these tribes and thereby shall become tribal assets.

H.R. 1145. January 18, 1979. Education and Labor. Amends the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

H.R. 1146. January 18, 1979. Interior and Insular Affairs. Permits the San Carlos Indians to store water at the Gila River Canyon dam which is part of the San Carlos irrigation project in Arizona.

H.R. 1147. January 18, 1979. Ways and Means. Amends the Tariff Act of 1930 to extend the authority of the Secretary of the Treasury to waive the imposition of countervailing duties.

H.R. 1148. January 18, 1979. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to authorize the Federal Communications Commission to prescribe regulations establishing minimum standards for the reduction of interference from radio frequency energy to audio and visual electronic equipment.

H.R. 1149. January 18, 1979. Post Office and Civil Service. Denies pension and survivor's annuity benefits to any Federal employee who is convicted of any felony committed in connection with his or her Federal employment or who has fled the United States to avoid prosecution for any such felony.

H.R. 1150. January 18, 1979. Interstate and Foreign Commerce. Amends the Clean Air Act to postpone for one year the application of certain restrictions to areas which have failed to attain national ambient air quality standards and to delay for one year the date required for adoption and submission of State implementation plans applicable to these areas.

H.R. 1151. January 18, 1979. Public Works and Transportation. Amends the River and Harbor Act of 1962 to authorize the Secretary of the Army, through the Chief of Engineers, to reimburse the city of Virginia Beach, Virginia, for certain remedial work done as a result of the navigation project for Lynnhaven Inlet, Bay, and connecting waters, Virginia.

H.R. 1152. January 18, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1153. January 18, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 1154. January 18, 1979. Judiciary. Stipulates a specified change in the method of computing old age, survivors, and disability insurance benefits for a named individual.

H.R. 1155. January 18, 1979. Judiciary. Declares that a named individual shall be deemed to have died on a specified day and to have become entitled to retired pay for nonregular service in the Armed Forces on such date, for the purpose of determining the eligibility of his widow, to receive an annuity based on such service.

H.R. 1156. January 18, 1979. Judiciary. Authorizes classification of a named individual as a natural-born alien son of a named citizen of the United States.

H.R. 1157. January 18, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration Nationality Act.

H.R. 1158. January 18, 1979. Judiciary. Directs the payment of a specified sum to a named individual in satisfaction of a claim against the United States.

H.R 1159. January 18, 1979. Judiciary. Declares that a named individual shall be treated as a citizen of Switzerland for specified taxable years for purposes of applying a specified Article of the Convention between the United States of America and the Swiss Confederation for the Avoidance of Double Taxation With Respect to Taxes on Income.

H.R. 1160. January 18, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 1161. January 18, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1162. January 18, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 1163. January 18, 1979. Judiciary. Authorizes classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 1164. January 18, 1979. Judiciary. Confers jurisdiction on the appropriate district courts over specified wrongful death claims of five named individuals against the United States. Requires that suit upon such claims be brought during a specified period.

Declares that, for purposes of this Act, such deaths shall not be deemed to have arisen out of, or in the course of, activity incident to military service.

H.R. 1165. January 22, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act and the Internal Revenue Code to reduce tax rates on employment and self-employment income below the level established by the Social Security Financing Amendments of 1977, to increase Federal participation in the funding of benefits under such title and under the Medicare program, and to raise to $100,000 in 1980 the ceiling on the amount of income that is subject to the tax.

H.R. 1166. January 22, 1979. Agriculture. Requires a report to the Secretary of Agriculture from any foreign person (including individuals, organizations, governments, or any combination thereof) who holds, acquires, or transfers any interest, other than a security interest, in agricultural land.

H.R. 1167. January 22, 1979. Education and Labor. Amends the National Labor Relations Act to revise provisions relating to an employer's duty to bargain collectively, unfair labor practices by a labor organization, protected expression, and binding arbitration.

Amends the Federal Election Campaign Act to prohibit use of any payroll deduction procedure in soliciting and collecting contributions for a segregated campaign fund.

H.R. 1168. January 22, 1979. Education and Labor. Amends the National Labor Relations Act to: (1) establish an additional unfair labor practice for labor organizations; (2) revise question of representation procedures; and (3) authorize judicial review of certification decisions.

H.R. 1169. January 22, 1979. House Administration. Sets forth requirements for State Presidential primary elections with respect to: (1) dates of such elections; (2) eligibility of a political party for a separate ballot; (3) eligibility of voters; (4) scope of voter choice; (5) allocation of delegates at nominating conventions; and (6) selection of convention delegates.

Specifies alternative procedures for obtaining placement on primary ballots.

H.R. 1170. January 22, 1979. Foreign Affairs. Prohibits any Federal department, agency, or instrumentality from financing or promoting the export of any commodity, product, or service involving energy research, development, or exploration to the Soviet Union.

H.R. 1171. January 22, 1979. Foreign Affairs. Limits the amount of the United States' contribution to the United Nations and affiliated agencies.

H.R. 1172. January 22, 1979. Foreign Affairs. Prohibits settling foreign debts for less than full value without congressional approval.

H.R. 1173. January 22, 1979. Judiciary. Removes the jurisdiction of the Supreme Court of the United States and the Federal district courts over any case arising out of any State statute, ordinance, rule, or regulation which relates to voluntary prayers in public schools and public buildings.

H.R. 1174. January 22, 1979. Judiciary. Repeals the Gun Control Act of 1968.

H.R. 1175. January 22, 1979. Judiciary. Prohibits specified acts relative to obtaining or altering a Federal, State, or local government document containing an element of identification.

H.R. 1176. January 22, 1979. Judiciary. Exempts ammunition from Federal regulations under the Gun Control Act of 1968.

H.R. 1177. January 22, 1979. Judiciary. Makes it unlawful to kill or feloniously assault a law enforcement officer or a fire fighter engaged in, or on account of, the performance of official duties.

H.R. 1178. January 22, 1979. Judiciary. Amends the Internal Security Act of 1950 to prohibit entrance into the United States or the granting of United States citizenship to any person who has been convicted of, participated in, or advocated any crime of terrorism. Makes it unlawful for any person subject to United States jurisdiction to participate in any way in any phase of terrorist activities.

H.R. 1179. January 22, 1979. Judiciary. Amends the Internal Security Act of 1950 to prohibit entrance into the United States or the granting of United States citizenship to any person who has been convicted of, participated in, or advocated any crime of terrorism. Makes it unlawful for any person subject to United States jurisdiction to participate in any way in any phase of terrorist activities.

H.R. 1180. January 22, 1979. Judiciary. Eliminates Federal court jurisdiction to require the attendance at a particular school of any student because of race, color, creed, or sex.

H.R. 1181. January 22, 1979. Judiciary. Establishes a mandatory one-year prison sentence for anyone committing a crime of violence while armed with any firearm or destructive device. Authorizes the court to impose an indeterminate prison sentence up to life, in addition to the sentence provided for such crime.

H.R. 1182. January 22, 1979. Judiciary. Amends the Internal Security Act of 1950 to authorize the President to restrict travel by citizens and nationals of the United States to, in, or through any country or area whose militray forces are engaged in armed conflict with the military forces of the United States.

H.R. 1183. January 22, 1979. Post Office and Civil Service. Removes the criminal penalties for refusing to answer or neglecting to answer census or survey questions. Sets forth criminal penalties for willfully giving false answers to such survey or census questions.

H.R. 1184. January 22, 1979. Post Office and Civil Service. Prohibits the Federal Government from requiring any employee to: (1) join or assist any employee organization; or (2) pay dues to such organization.

H.R. 1185. January 22, 1979. Post Office and Civil Service. Removes the criminal penalties for refusing to answer or neglecting to answer agricultural, irrigation, or drainage census or survey questions.

H.R. 1186. January 22, 1979. Veterans' Affairs. Denies veterans' benefits to certain individuals whose discharges from service during the Vietnam era under less than honorable conditions are administratively upgraded under the revised standards for review as announced March 28, 1977, by the Department of Defense's Special Discharge Review Program.

H.R. 1187. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals or married couples a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 1188. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer an income tax credit or deduction for tuition paid to an elementary, secondary, vocational, or higher educational institution for the education of the taxpayer, his spouse, or dependents.

H.R. 1189. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer an income tax credit or deduction for tuition paid to an elementary, secondary, vocational, or higher educational institution for the education of the taxpayer, his spouse, or dependents.

H.R. 1190. January 22, 1979. Ways and Means. Directs that two percent of all income taxes collected within a State or territory on individual incomes under Federal statutes be transferred as revenue to such State or territory to be utilized for educational purposes, free of any Federal control.

H.R. 1191. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow a taxpayer an income tax credit for tuition paid to an institution of higher education for the education of the taxpayer, his spouse, or dependents.

Allows individuals and corporations a limited tax credit for charitable contributions to institutions of higher education.

H.R. 1192. January 22, 1979. Ways and Means. Increases the amount of outside earnings which is permitted an individual each year without any deduction from benefits under title II (Old-Age, Survivors and Disability Insurance Benefits) of the Social Security Act.

H.R. 1193. January 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions) of the Social Security Act to abolish the Professional Standards Review Organizations which were established to review services covered under the Medicare and Medicaid programs.

H.R. 1194. January 22, 1979. Public Works and Transportation. Directs the Secretary of the Army, through the Chief of Engineers, to inspect the structural stability of the Buckeye Lake Dam and Levee, Ohio, and report any findings and recommendations to Congress and the Ohio Department of Natural Resources.

H.R. 1195. January 22, 1979. Interior and Insular Affairs; Merchant Marine and Fisheries. Stipulates that any abandoned historic shipwreck located on the outer Continental Shelf or on lands beneath navigable waters within the boundaries of a State shall belong to the United States.

Directs the Secretary of the Interior to provide for the location, salvage, restoration, and preservation of such ships.

Authorizes a State to acquire shipwrecks lying beneath the navigable waters within the boundaries of such State if it has developed a plan for the location, protection, salvage, and restoration of such wrecks which meets the requirements set forth in this Act.

H.R. 1196. January 22, 1979. Merchant Marine and Fisheries. Establishes a system for the documentation of vessels to be administered by the Secretary of the department in which the Coast Guard is operating. Sets forth requirements for the issuance of a registry, coastwise license, Great Lakes license, fishery license, and pleasure vehicle license.

H.R. 1197. January 22, 1979. Merchant Marine and Fisheries. Transfers responsibility for measuring vessels from the Secretary of the Treasury to the Secretary of the department in which the Coast Guard is operating. Sets forth requirements for the measure and remeasurement of vessels.

H.R. 1198. January 22, 1979. Merchant Marine and Fisheries. Directs the Secretary of the department in which the Coast Guard is operating (previously the Commandant of the Coast Guard) to establish lines of demarcation dividing the high seas and inland waters of the United States for purposes of determining the applicability of special navigation rules in lieu of the International Regulations for Preventing Collisions at Sea as well as determining the applicability of statutes referring to such areas.

H.R. 1199. January 22, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 1200. January 22, 1979. Armed Services. Authorizes the Secretary of Defense to budget funds for certain specified purposes to assist the Civil Air Patrol. Authorizes the Secretary of the Air Force to give, sell, or lend to the Civil Air Patrol excess property acquired by the Air Force under the Federal Property and Administrative Services Act of 1949.

H.R. 1201. January 22, 1979. Veterans' Affairs. Increases the rate of the Federal matching contribution to the Post-Vietnam Era Veterans' Education Account from $2 for each $1 contributed by the participant to $3 for each $1 contributed.

H.R. 1202. January 22, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to establish within the National Cemetery System a national cemetery in Russell County, Alabama, to be known as the Fort Mitchel Regional Veterans' Cemetery.

H.R. 1203. January 22, 1979. Banking, Finance and Urban Affairs. Prohibits the consideration of any cost of living or general benefit increase of Old Age, Survivors and Disability Insurance benefits for purposes of determining the eligibility for, or amount of, assistance which any individual or family is provided under specified Federal housing programs.

H.R. 1204. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to require an annual cost-of-living adjustment, based on the Consumer Price Index, to the individual income tax rates and the personal exemption.

H.R. 1205. January 22, 1979. Armed Services. Authorizes the recomputation at age 60 of former members of the uniformed services the retired or retainer pay for members or whose retired or retainer pay was computed on the basis of pay scales in effect prior to January 1, 1972, in order to reflect any retired or retainer pay increases for other members which was based on changes in the Consumer Price Index since that date.

H.R. 1206. January 22, 1979. Foreign Affairs. Prohibits agricultural assistance pursuant to the Agricultural Trade Development and Assistance Act of 1954 to foreign countries not making reasonable and productive self-help efforts, except in cases of extreme emergency.

H.R. 1207. January 22, 1979. Judiciary. Specifies additional prison sentences and procedural restrictions for anyone using or carrying a firearm or destructive device during the commission of a felony which is prosecutable in a United States court or unlawful in the State in which it occurs.

H.R. 1208. January 22, 1979. Merchant Marine and Fisheries. Amends the Merchant Marine Act, 1920, to stipulate that laws restricting trade between points in the United States to United States vessels shall not apply to inflatable boats used in river running.

H.R. 1209. January 22, 1979. Public Works and Transportation. Amends an Act authorizing Federal participation in the cost of protecting the shores of publicly owned property to increase the maximum Federal contribution of the cost of the project.

H.R. 1210. January 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for optometric and medical vision care under the supplementary medical insurance program.

H.R. 1211. January 22, 1979. Ways and Means. Amends the Tariff Schedules of the United States to reduce the rates of duty for certain fish netting and fish nets.

H.R. 1212. January 22, 1979. Ways and Means. Directs the Secretary of the Treasury to admit free of duty (or refund duty already paid on) 49 carillon bells for the use of the University of Florida.

H.R. 1213. January 22, 1979. Agriculture. Amends the Agriculture Act of 1949 to require the Secretary of Agriculture to proclaim a national program acreage for feed grains no later than October 15 (currently November 15) of each year for crops harvested in the next succeeding calendar year.

H.R. 1214. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to exempt farm and soil and water conservation trucks from the highway use tax.

H.R. 1215. January 22, 1979. Agriculture. Amends the Federal Meat Inspection Act to require the labeling as imported of the package or container of any imported meat or meat product capable of use as human food.

H.R. 1216. January 22, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 1217. January 22, 1979. Public Works and Transportation. Authorizes the Secretary of the Army, through the Chief of Engineers, to construct the Little Cypress Lake and Reservoir, Texas.

H.R. 1218. January 22, 1979. Agriculture. Amends the Food Stamp Act of 1964 to exclude from eligibility for food stamps any household whose principal wage earner is on strike for the duration of such strike.

H.R. 1219. January 22, 1979. Education and Labor. Amends the National Labor Relations Act and the Railway Labor Act to eliminate all provisions authorizing union security agreements (requiring union membership as a condition of employment).

H.R. 1220. January 22, 1979. Armed Services. Stipulates that regular military compensation for personnel stationed overseas shall be periodically adjusted upward to reflect any changes since January 1, 1977, in the rate of exchange between the dollar and the official currency of the country in which such personnel are stationed.

H.R. 1221. January 22, 1979. Banking, Finance and Urban Affairs. Directs the Comptroller General to audit annually the Federal Reserve Board, the Federal Advisory Council, the Federal Open Market Committee, and all Federal Reserve Banks and their branches, including transactions of the System Open Market Account.

H.R. 1222. January 22, 1979. Government Operations. Prohibits the obligation or expenditure of any amount by any Federal entity unless such amount has been specifically appropriated. Requires annual appropriations for all obligations and expenditures of the Federal Government.

H.R. 1223. January 22, 1979. Foreign Affairs. Prohibits settling foreign debts for less than full value without congressional approval.

H.R. 1224. January 22, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to permit, under specified circumstances, exclusive territorial arrangements made as part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product.

H.R. 1225. January 22, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony over which Federal courts have jurisdiction, and for anyone using or carrying a firearm in interstate commerce, who is convicted in a State court of any crime punishable by imprisonment for a term over one year.

H.R. 1226. January 22, 1979. Judiciary. Amend the Omnibus Crime Control and Safe Streets Act of 1968 to condition certain assistance to States, local governments, and agencies on the adoption of a law enforcement officers' bill of rights which includes specified provisions.

H.R. 1227. January 22, 1979. Judiciary. Sets forth grounds and procedure for the involuntary retirement, removal from office, or censure of Federal judges. Establishes a Council of Judicial Tenure to receive complaints with respect to the conduct of judges and authorizes the Judicial Conference of the United States or a committee of judges to sit as court to conduct hearing and issue orders with respect to such complaints.

H.R. 1228. January 22, 1979. Ways and Means. Amends the Tariff Schedules of the United States to delete the tariff provisions for products of the United States which are assembled abroad.

H.R. 1229. January 22, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to disregard renewal commissions received by an insurance salesman from life insurance policies which such salesman sold before reaching age 65, for purposes of determining eligibility based on income for social security benefits.

H.R. 1230. January 22, 1979. Ways and Means. Amends title II (Old-Age. Survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1231. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for savings deposits and stock and bond purchases. Excludes stock dividend payments from gross income. Allows a deduction under the estate tax for an interest in a family farm. Lowers the corporate tax rate and the procedure for computing the adjusted basis of capital assets. Increases the investment tax credit, corporate surtax, and the permissible variance from class life for depreciable property. Creates a new amortization option for pollution control facilities. Provides for the tax treatment of employers and employees participating in an employee stock ownership plan.

H.R. 1232. January 22, 1979. Agriculture; Interstate and Foreign Commerce. Prohibits the Secretary of Agriculture and the Secretary of Health, Education, and Welfare, from taking any action under the Wholesale Meat Act, the Federal Food, Drug, and Cosmetic Act, or any other law to prohibit the sale, distribution, or use of nitrites as a food preservative solely on the basis of any carcinogenic effect in humans that nitrites may be represented to have, unless validated evidence is made available to the Secretaries which proves beyond a reasonable doubt that nitrites as a food preservative have a significant carcinogenic effect on humans, or until a substitute preservative is available.

H.R. 1233. January 22, 1979. Government Operations; Rules. Terminates the budget authority of Federal programs on specified dates.

Requires congressional review of Federal programs to determine if they warrant continuation. Directs the President to conduct such review of the programs covered by the annual budget. Requires Congress to make such review every four years.

H.R. 1234. January 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide that the cost of drugs and biologicals need not be included in a physician's or hospital's bill or represent an expense to the physician or hospital in the determination of medical and other health services presently being provided under Medicare for such drugs and biologicals.

H.R. 1235. January 22, 1979. Judiciary; Public Works and Transportation; Foreign Affairs. Establishes agencies to combat terrorism in the Executive Office of the President, the Department of State, and the Department of Justice.

Specifies penalties for violations of the Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation. Sets forth penalties for certain other acts which endanger aircraft.

Requires Presidential approval of sales of defense articles to groups and individuals. Requires that all explosives contain identification and detection taggants.

Directs the President to impose sanctions against dangerous foreign airports and countries which aid terrorists.

H.R. 1236. January 22, 1979. Small Business. Amends the Small Business Act to limit the rate of interest on the Small Business Administration's share of specified disaster relief loans.

H.R. 1237. January 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to limit to 20 percent the monthly premium increase imposed for enrollment in the supplementary medical insurance program for the aged and disabled in the case of an individual who did not enroll in such program upon initially becoming eligible.

H.R. 1238. January 22, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 1239. January 22, 1979. Judiciary. Applies antitrust laws to joint agreements among professional baseball club owners for the telecasting of professional baseball games if such telecasting interferes with specified interscholastic or intercollegiate football games.

H.R. 1240. January 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XI (General Provisions) of the Social Security Act to require the participation of optometrists in the activities of the National Professional Standards Review Council and of local professional standards review organizations.

H.R. 1241. January 22, 1979. Ways and Means; Interstate and Foreign Commerce. Amends Title XVIII (Medicare) of the Social Security Act to authorize payment under the supplementary medical insurance program for foot care involving the cutting and removal of corns, warts, and calluses and the trimming of club nails.

H.R. 1242. January 22, 1979. Armed Services. Authorizes chiropractic care in medical facilities of the uniformed services and under the CHAMPUS (Civilian Health and Medical Plan of the Uniformed Services) program.

H.R. 1243. January 22, 1979. Post Office and Civil Service. Permits National Guard technicians who served before 1969, and were separated after 1968 but before the date of enactment of this Act, to be credited with such service for purposes of civil service retirement, and computing leave, health insurance, severance pay, tenure, and status.

H.R. 1244. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow pensioners under a public retirement system and other retirees aged 65 or older a $5,000 exclusion from gross income for any amount received as an annuity, pension, or other retirement benefit.

H.R. 1245. January 22, 1979. Veterans' Affairs. Directs the Administrator of Veterans' Affairs to maintain in the Veterans Administration Records Processing Center the records of all veterans claims for benefits that: (1) are not maintained in the Veterans Administration central, regional, or field offices; and (2) are currently active or anticipated to become active.

H.R. 1246. January 22, 1979. Government Operations. Amends the Public Works Employment Act of 1976 to extend authorization of appropriations for an antirecession fiscal assistance program of payments to States and local governments and to establish a supplementary antirecession fiscal assistance program for local governments according to both local and national unemployment rates.

H.R. 1247. January 22, 1979. Agriculture. Amends the Agricultural Act of 1949: (1) to set the established prices for individual producers for the 1979 and 1980 crops of wheat and corn, and for the 1979 crop of upland cotton, at levels related to such producers' voluntary set-asides; (2) to prohibit the Secretary of Agriculture from providing for the redemption of stored wheat and feed grains loans unless the market price for such commodities is not less than parity; and (3) to prohibit the Commodity Credit Corporation from selling its stocks of wheat and feed grains for less than the parity price.

H.R. 1248. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the requirement that married individuals who survive their spouses maintain a household for a dependent child in order to qualify as a surviving spouse for purposes of the income tax rates allowed for such individuals.

H.R. 1249. January 22, 1979. Armed Services. Prohibits the transfer or disposal of any military real property located in the Panama Canal Zone without the specific authorization of Congress.

H.R. 1250. January 22, 1979. Education and Labor. Amends the Fair Labor Standards Act to declare the protection of workers and communities through regulation of imports to be the policy of such Act.

Directs the Secretary of Labor, upon the request of the President, resolution of either House of Congress, application of a representative of an employee organization, or other interested party, or upon its own motion, to determine whether a product: (1) was produced abroad under labor conditions detrimental to the maintenance of a minimum standard of living for workers; and (2) is impairing domestic labor of the communities.

Authorizes the President to take remedial action.

H.R. 1251. January 22, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate the Birch River in West Virginia as a river to be studied for potential addition to the national wild and scenic rivers system.

H.R. 1252. January 22, 1979. Judiciary. Authorizes the President to nullify and cancel for as long as he deems necessary any Federal agency rule or regulation which he determines: (1) may harmful to human life; (2) may restrict the Nation's production of fuel or energy resources; (3) may threaten the Nation's supplies of food and fiber; (4) may interfere with military maneuvers and national security; or (5) may have an adverse affect on the Nation's economy disproportionate to the ecological benefits of such rule or regulation. Permits Congress to countermand such presidential action within 30 days of its issuance.

H.R. 1253. January 22, 1979. Judiciary. Mandates an additional prison sentence for anyone committing a crime of violence while armed with any firearm or destructive device.

H.R. 1254. January 22, 1979. Judiciary. Declares that exclusive territorial arrangements made as a part of a licensing agreement for the manufacture, distribution, or sale of a trademarked soft drink product are lawful under the antitrust laws provided such product is in substantial and effective competition with other products of the same general class.

H.R. 1255. January 22, 1979. Rules. Amends the Congresisonal Budget Act of 1974 to limit the Federal Budget deficit for fiscal years 1980 and 1981 to a specified decreasing percentage of the deficit for fiscal year 1979. States that beginning with fiscal year 1981 Congress may not consider a Federal budget which includes a deficit.

H.R. 1256. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit or deduction to taxpayers who maintain a household in which a dependent aged 65 or over resides.

H.R. 1257. January 22, 1979. Judiciary; Rules. Requires that the public be given an opportunity to participate in the rulemaking proceedings of a Federal agency.

Requires that proposed rules be submitted to Congress for disapproval before they become effective.

H.R. 1258. January 22, 1979. Rules; Government Operations. Requires that legislation considered by Congress be accompanied by statements assessing the economic and social costs and the expected accomplishments of programs established or authorized by such legislation. Requires that duplicative programs be identified. Requires Federal agencies to annually report to Congress on the extent to which such programs meet their objectives. Prohibits the funding of any program for more than five years. Requires Congress to consider the extent to which any program has met its objectives in the past before considering refunding of such program.

H.R. 1259. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax credit for the installation of a wood or peat burning stove.

H.R. 1260. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income winning from State or local lotteries.

H.R. 1261. January 22, 1979. Post Office and Civil Service. Increases the contribution of the Government to Federal employees' health insurance.

H.R. 1262. January 22, 1979. Post Office and Civil Service. Stipulates that civilian air traffic controllers of the Department of Defense shall be treated the same as air traffic controllers of the Department of Transportation for purposes of retirement.

Permits the Secretary of Transportation and the Secretary of Defense to jointly prescribe regulations and make determinations relating to the definition, training, involuntary separation for retirement, and mandatory separation of air traffic controllers employed by the Department of Transportation and the Department of Defense.

H.R. 1263. January 22, 1979. Post Office and Civil Service. Requires uniformed Federal employees to be provided with a uniform allowance of $300 upon appointment and an annual uniform allowance of $200 in lieu of comparable benefits under any other provision of law.

H.R. 1264. January 22, 1979. Post Office and Civil Service. Entitles a widow or widower of a person drawing a civil service pension to any survivor annuity to which such widow or widower would have been entitled but for the fact that he or she married the pensioner after his or her retirement from Federal Service.

H.R. 1265. January 22, 1979. Post Office and Civil Service. Increases the amounts of regular and optional group life insurance available to Federal employees. Establishes a plan of optional life insurance on family members.

H.R. 1266. January 22, 1979. Ways and Means; Interstate and Foreign Commerce.

Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, for physical examinations, and for related routine laboratory tests.

H.R. 1267. January 22, 1979. Agriculture. Amends the Food Stamp Act of 1964 to exclude from eligibility for food stamps any household whose principal wage earner is on strike for the duration of such strike.

H.R. 1268. January 22, 1979. Agriculture. Amends the Food Stamp Act of 1977 to grant eligibility to receive food stamps to individuals who participate in psychiatric residential treatment programs.

H.R. 1269. January 22, 1979. Armed Services. Authorizes the recomputation at age 60 of the retired or retainer pay for members or former members of the uniformed services whose retired or retainer pay was computed on the basis of pay scales in effect prior to January 1, 1972, in order to reflect any retired or retainer pay increases for other members which was based on changes in the Consumer Price Index since that date.

H.R. 1270. January 22, 1979. Education and Labor. Amends the National Labor Relations Act and the Railway Labor Act to eliminate all provisions authorizing union security agreements.

H.R. 1271. January 22, 1979. Interstate and Foreign Commerce. Amends the Emergency Petroleum Allocation Act of 1973 to direct the President to equalize the domestic ceiling price at which residual fuel oil is sold or exchanged by making available in all parts of the United States equal proportions of residual fuel oil refined from higher-priced and lower-priced crude oil.

H.R. 1272. January 22, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony over which Federal courts have jurisdiction, and for anyone using or carrying a firearm in interstate commerce who is convicted in a State court of any crime punishable by imprisonment for a term over one year.

H.R. 1273. January 22, 1979. Post Office and Civil Service. Amends the Legislative Reorganization Act of 1946 to eliminate automatic cost-of-living adjustments of the salaries of Members of Congress.

H.R. 1274. January 22, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the adjusted gross income limitation on the credit for the elderly.

H.R. 1275. January 22, 1979. Ways and Means; Judiciary. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to require that resident aliens reside continuously in the United States for five years to qualify for supplemental security income benefits.

Amends the Immigration and Nationality Act to prevent an immigrant from entering the United States unless a United States citizen (immigration sponsor) agrees to support the immigrant for five years from the date of admission.

H.R. 1276. January 22, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1277. January 22, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1278. January 22, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1279. January 22, 1979. Judiciary. Authorizes a named individual to file, within one year, a claim for credit or refund of overpayment of income tax. Directs that specified provisions of the Internal Revenue Code of 1954 not apply to such credit or refund.

H.R. 1280. January 22, 1979. Judiciary. Declares six individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1281. January 22, 1979. Judiciary. Declares that a specified ailment of a named individual be considered a service-connected disability. Directs payment of compensation at a specified time and rate in full satisfaction of such individual's claims against the United States for such disability.

H.R. 1282. January 22, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 1283. January 22, 1979. Judiciary. Authorizes classification of a named individual as a natural-born alien daughter of named citizens of the United States.

H.R. 1284. January 22, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1285. January 22, 1979. Judiciary. Directs the granting of a visa and admission to the United States for permanent residence to an individual.

H.R. 1286. January 22, 1979. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to an individual.

H.R. 1287. January 22, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named organization in satisfaction of a claim against the United States.

H.R. 1288. January 22, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1289. January 23, 1979. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to revise: (1) the transactions covered by the Act; (2) the disclosures required under specified consumer credit transactions; (3) the provisions establishing civil liability for violations; and (4) the credit advertising provisions. Provides for model dsclosure forms and revocation of optional credit life insurance.

Amends the effective date of the Electronic Fund Transfer Act.

H.R. 1290. January 23, 1979. Judiciary; Ways and Means. Requires appropriate State authorities to give full faith and credit to a valid child custody determination by a State Court.

Amends the Social Security Act to allow the Parental Locator Service to include information for the enforcement of child custody determinations or parental kidnapping provisions.

Prohibits the intentional restraint of a child in violation of a valid State custody determination.

H.R. 1291. January 23, 1979. Ways and Means. Amends part B of title IV (Child-Welfare Services) of the Social Security Act to: (1) revise procedures for the payment to States for child-welfare service programs; and (2) prohibit payment to any State for such programs unless that State has in effect an action plan to assure foster care protection.

Amends part A of title IV (Aid to Families with Dependent Children) to require States receiving payments under part A to make adoption subsidy payments to parents who adopt certain children.

H.R. 1292. January 23, 1979. Ways and Means. Amends the Internal Revenue Code to permit beneficiaries of certain simple trusts to qualify as shareholders in a Subchapter S corporation.

H.R. 1293. January 23, 1979. Judiciary. Prohibits any Federal, State, or other governmental authority from issuing a warrant or subpoena for journalistic property.

H.R. 1294. January 23, 1979. Interstate and Foreign Commerce. Declares that the Federal Communications Act shall not be construed to require the availability of broadcasting time to any person. Repeals the "equal time" provision relating to availability of broadcasting time to legally qualified candidates for public office.

Repeals the prohibition on political editorializing by noncommercial educational broadcasting stations.

H.R. 1295. January 23, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons, heads of households, and married couples filing jointly or separately.

H.R. 1296. January 23, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to: (1) allow unlimited home health visits; (2) eliminate prior hospitalization and confinement to home as a requirement for receiving home health care; (3) eliminate payment of the $60 deductible; (4) allow reimbursement for services furnished in qualified community mental health centers and comprehensive outpatient rehabilitation centers; and (5) authorize payment for occupational therapy, the removal of corns and calluses, all service of a doctor of dentistry, and eyeglasses, hearing aids and dentures, and examinations for the purpose of prescribing such articles.

H.R. 1297. January 23, 1979. Interstate and Foreign Commerce. Declares it the public policy of the United States to prohibit the manufacture, sale, interstate shipment, and use of leg-hold and steel-jaw traps in the United States and abroad.

H.R. 1298. January 23, 1979. Public Works and Transportation. Designates the Huntington, West Virginia, Post Office and Federal Building as the Sidney L. Christie Federal Building.

H.R. 1299. January 23, 1979. Interstate and Foreign Commerce. Amends the Federal Railroad Safety Act of 1970 to direct the Secretary of Transportation to issue regulations and standards requiring that the windows in the locomotive and rear car of all passenger, freight, and commuter trains be bulletproof and to require that such cars be equipped with temperature controlling equipment.

H.R. 1300. January 23, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony which may be prosecuted in a United States court.

H.R. 1301. January 23, 1979. Judiciary. Permits the exportation to a foreign country of lottery material for use in a lottery authorized by such country.

H.R. 1302. January 23, 1979. Judiciary. Makes it unlawful for a parent who is not entitled to custody of a minor child to transport the child in interstate commerce or to induce the child to leave the parent who has legal custody.

H.R. 1303. January 23, 1979. Post Office and Civil Service. Repeals the provisions of the Legislative Reorganization Act of 1946 permitting automatic cost-of-living adjustments in the salaries of Members of Congress.

H.R. 1304. January 23, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a limited refundable income tax credit for the tuition paid to elementary, secondary, vocational, or higher educational institutions for the education of such individuals, their spouses, or dependents.

H.R. 1305. January 23, 1979. Judiciary. Prohibits the issuance of a search warrant for property in the possession or on the premises of a person not suspected of committing a crime with respect to such property.

H.R. 1306. January 23, 1979. Judiciary; Small Business. Directs the head of each Federal agency to prepare a small business impact statement in connection with each rule made by such agency, unless the agency head, with the approval of the Office of Advocacy of the Small Business Administration, determines that such rule will not have a substantial effect on a significant number of small businesses. Empowers either House of Congress to disapprove such rules.

H.R. 1307. January 23, 1979. Interior and Insular Affairs. Establishes as a component of the National Trails System the North Country Scenic Trails, a corridor extending from eastern New York State to the vicinity of Lake Sakakawea in North Dakota.

H.R. 1308. January 23, 1979. Small Business. Authorizes the Small Business Administration to make grants to establish and operate small business development centers in order to provide small businesses with a broad range of advice, information and assistance. Establishes a Small Business Management and Technical Assistance Division within the Small Business Administration to administer the Small Business Development Center program.

H.R. 1309. January 23, 1979. Ways and Means. Amends the Internal Revenue Code to entitle individuals who retired on disability before October 1, 1976, to the exclusion from gross income for amounts received under accident and health plans without regard to the applicable income restrictions.

H.R. 1310. January 23, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals age 65 or over a limited tax exclusion for amounts received as an annuity, pension, or other retirement benefit.

H.R. 1311. January 23, 1979. Ways and Means. Amends the Internal Revenue Code to increase to $5,000 the amount which an individual may contribute to an individual retirement account (IRA) and deduct from gross income.

H.R. 1312. January 23, 1979. Government Operations; Rules. Requires the President to submit to Congress plans to reform the regulatory activities of specified Federal agencies according to a staggered schedule set forth in this Act. States that if Congress fails to enact comprehensive regulatory reform legislation dealing with such plan within a specified period the applicable agency's rules shall expire.

H.R. 1313. January 23, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 1314. January 23, 1979. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in satisfaction of a claim against the United States.

H.R. 1315. January 23, 1979. Judiciary. Declares that a claim for losses incurred by a named individual be deemed to have been filed within a specified period for purposes of applying a specified section of the Internal Revenue Code in determining the amount to which such individual is entitled.

H.R. 1316. January 23, 1979. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to a named individual.

H.R. 1317. January 23, 1979. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to a named individual.

H.R. 1318. January 23, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1319. January 24, 1979. Ways and Means. Extends the time period for the duty-free entry of a telescope and associated articles for the use of the Canada-France-Hawaii Telescope Project at Mauna Kea, Hawaii.

H.R. 1320. January 24, 1979. Public Works and Transportation. Amends the Disaster Relief Act of 1974 to provide that a declaration of a state of emergency is effective as of the date on which the emergency or major disaster commenced.

H.R. 1321. January 24, 1979. Judiciary. Amends the Immigration and Nationality Act to provide for the deportation of any alien who receives Federal welfare assistance within three years after entry.

H.R. 1322. January 24, 1979. Ways and Means. Permits low-income individuals age 65 or over to claim reimbursement for a limited amount of real property taxes accrued during the taxable year.

H.R. 1323. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax credit for the education expenses of any individual at an institution of post-secondary education.

H.R. 1324. January 24, 1979. Education and Labor; Ways and Means. Amends the Higher Education Act of 1965 and the Internal Revenue Code of 1954 to establish a system of undergraduate tuition advances to be repaid as an income tax.

Establishes a trust fund in the United States Treasury for such tuition advance program.

H.R. 1325. January 24, 1979. Armed Services. Authorizes the Administrator of General Services to dispose of a specified amount of silver presently held in the national stockpile.

H.R. 1326. January 24, 1979. Education and Labor. Amends the Civil Rights Act of 1964 to include discrimination of the physically handicapped as an unlawful employment practice. Stipulates that employers are not required to provide any unusual or special services to physically handicapped employees.

H.R. 1327. January 24, 1979. Education and Labor. Amends the National Labor Relations Act to stipulate that it is not an unfair labor practice for a labor organization, which has agreed upon a grievance procedure to settle disputes arising out of an existing collective bargaining agreement, to refuse to provide legal representation for any employee involved in any such settlement procedure, if such employee is not a member of such labor organization.

H.R. 1328. January 24, 1979. Education and Labor. Amends the National Commission on Libraries and Information Science Act to direct the National Commission on Libraries and Information Science to conduct studies and surveys of the special library and information needs of children.

H.R. 1329. January 24, 1979. Government Operations. Amends the Buy American Act to require the heads of department or independent establishments, before determining whether the bid or offered price of a foreign product is reasonable, to adjust such price in accordance with the instructions set forth in this Act. Sets such adjusted prices at specified levels.

H.R. 1330. January 24, 1979. House Administration. Prohibits travel at Government expense outside the United States by any Member of Congress who has been defeated as a candidate for nomination or election, or who is not a candidate for reelection in the next Congress, unless exempted by a concurrent resolution passed by Congress.

H.R. 1331. January 24, 1979. Interior and Insular Affairs. Amends the National Trail System Act to authorize the Secretaries of the Interior, Agriculture, and Transportation to conduct feasibility studies for the establishment of national scenic bicycle trails. Specifies the routes to be studied.

H.R. 1332. January 24, 1979. Interior and Insular Affairs. Amends the Wild and Scenic Rivers Act to designate a portion of the Saint John River in Maine as a potential addition to the National Wild and Scenic Rivers System.

H.R. 1333. January 24, 1979. Interstate and Foreign Commerce. Establishes a National Commission on Regulatory Reform to study and make recommendations on the activities and effect on the economy of certain Federal regulatory agencies.

H.R. 1334. January 24, 1979. Interstate and Foreign Commerce. Directs the Secretary of Health, Education, and Welfare to identify tertiary eye care centers that need upgrading and to make grants to public and nonprofit private centers for such purpose.

Establishes a Tertiary Eye Commission to advise the Secretary on matters pertaining to the state of eye care services throughout the United States.

H.R. 1335. January 24, 1979. Interstate and Foreign Commerce. Amends the Interstate Commerce Act to authorize the Secretary of Transportation to make financial assistance available to qualified applicants for the purpose of providing employment for unemployed persons in jobs maintaining or rebuilding railroad rights-of-way, during times of high unemployment.

H.R. 1336. January 24, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize and direct the Secretary of Health, Education, and Welfare to make grants to designated State agencies to meet part of the costs involved in planning, establishing, maintaining, coordinating, and evaluating programs for comprehensive services for school-age girls, their infants and children.

H.R. 1337. January 24, 1979. Interstate and Foreign Commerce. Amends the Public Service Act to extend the assistance program for nurse training and students. Revises authorizations with respect to Federal assistance to schools of medicine and other types of health care.

H.R. 1338. January 24, 1979. Interstate and Foreign Commerce. Makes it a violation of the Federal Trade Commission Act for any retailer to increase the price of a consumer commodity after the retailer has marked the price on that item.

H.R. 1339. January 24, 1979. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to increase from three to five years the issuance and renewal periods for which broadcast station licenses shall be granted. Sets forth criteria for such renewal determinations.

H.R. 1340. January 24, 1979. Judiciary. Establishes criminal penalties for anyone willfully injuring, damaging, burning, or destroying property of any person at or near any place where work or business of an employer or owner is carried on, or where such employer or owner transports, stores, or maintains property for business or other purposes.

H.R. 1341. January 24, 1979. Judiciary. Amends the Omnibus Crime Control and Safe Streets Act of 1968 to provide to Federal public safety officers the same benefits accorded to State and local public safety officers.

H.R. 1342. January 24, 1979. Merchant Marine and Fisheries. Authorizes the Secretary of the Interior to issue certain obligations to acquire additional waterfowl nesting and breeding grounds.

Authorizes the payment of principal and interest on such obligations through revenues obtained from the sale of Federal migratory bird hunting stamps along with other revenues available in the Migrator bird conservation fund.

H.R. 1343. January 24, 1979. Post Office and Civil Service. Amends the Federal Salary Act of 1967 and the Legislative Reorganization Act of 1946 to specify when an adjustment in the rate of pay for Members of Congress proposed during any Congress shall take effect.

H.R. 1344. January 24, 1979. Post Office and Civil Service. Designates February 15, the birthday of Susan B. Anthony, as a legal public holiday.

H.R. 1345. January 24, 1979. Rules. Amends the Legislative reorganization Act of 1970 to require any public bill or joint resolution reported by a Senate or House of Representatives committee to contain any new forms and reports, and revisions of existing forms required by the enactment of such bill or joint resolution.

H.R. 1346. January 24, 1979. Veterans' Affairs. Provides for the payment of supplemental veterans' tuition allowances to offset State differences in educational costs.

H.R. 1347. January 24, 1979. Ways and Means. Amends the Social Security Act to provide that an individual who would be fully qualified at age 62 for benefits under the Old-Age, Survivors, and Disability Insurance program may qualify for disability benefits under such program if such individual has 20 quarters of coverage, regardless of when such quarters were earned.

H.R. 1348. January 24, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 1349. January 24, 1979. Ways and Means. Amends title II (Old-Age, Survivors, and Disability Insurance) of the Social Security Act to remove the limitation on the amount of outside income which an individual may earn while receiving benefits.

H.R. 1350. January 24, 1979. Ways and Means. Revises the method of calculating the inpatient hospital deductible under the Medicare program of the Social Security Act. Directs the Secretary of Health, Education, and Welfare to redetermine the deductible amount annually to reflect increases in hospital costs and general increases in Social Security cash benefits.

H.R. 1351. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to require the establishment of formal procedures and criteria for the selection of individual income tax returns for audit, and to inform individuals of the reasons why their returns were selected for audit.

H.R. 1352. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals who rent their principal residence an income tax deduction for a portion of the real property taxes paid or accrued by their landlord.

H.R. 1353. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to disallow the income tax deduction for depreciation to a landlord who has been convicted of violating a housing code.

H.R. 1354. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to permit taxpayers an election to treat expenditures for making buildings or public transportation vehicles accessible to the handicapped and elderly as current expenses and thus deductible from gross income in the current taxable year.

H.R. 1355. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited tax exclusion to individuals who have attained age 65 for interest income earned in a savings account.

H.R. 1356. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow a nonrefundable income tax credit to taxpayers who maintain a household in which individuals age 61 or older reside as their principal place of residence.

H.R. 1357. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to remove the requirements that contributions terminate, and distributions commence, from individual retirement accounts and retirement plans for the self-employed when the covered individual attains the age of 70½ years.

H.R. 1358. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to include in the coverage provided under such programs the services of licensed registered nurses.

H.R. 1359. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to require skilled nursing and intermediate care facilities participating in Medicare and Medicaid programs under the Social Security Act to publish a statement of the rights and responsibilities of their patients.

H.R. 1360. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to extend Medicare hospital coverage to include drugs. Establishes a Formulary Committee within the Department of Health, Education, and Welfare to prepare and maintain a listing of qualified drugs.

H.R. 1361. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow individuals a limited refundable income tax credit for the tuition paid to elementary, secondary, vocational, or higher educational institutions for the education of such individuals, their spouses, or dependents.

H.R. 1362. January 24, 1979. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to direct the Commissioner of Education to establish a program of grants to local educational agencies for programs to combat the use of drugs by elementary and secondary students.

H.R. 1363. January 24, 1979. Interstate and Foreign Commerce. Amends the Federal Trade Commission Act to prohibit the Federal Trade Commission from requiring any person, partnership, or corporation to file line of business information.

H.R. 1364. January 24, 1979. Judiciary. Amends the Civil Rights Act of 1964 to establish a limitation of two years on civil actions brought to prevent unlawful employment practices.

H.R. 1365. January 24, 1979. Judiciary. Directs the United States to pay reasonable litigation costs, including attorney fees, to prevailing defendants in civil actions in which the United States is a plaintiff.

H.R. 1366. January 24, 1979. Ways and Means. Restricts the quantity of shrimp imported from any foreign country. Amends the Tariff Schedules of the United States to impose a duty on imported shrimp.

H.R. 1367. January 24, 1979. Government Operations; Rules. Sets forth a ten-year schedule for the reauthorization of all Federal programs as identified by budget function and subfunction categories.

Establishes the Citizen's Commission on the Organization and Operation of Government to study and recommend ways to improve the efficiency and effectiveness of Government agencies.

Requires the President to submit: (1) at least once in each Congress, a comprehensive review of 16 specified regulatory agencies; and (2) every second year, a legislative plan to improve the efficiency of specified regulatory agencies.

Provides for the preparation of a reauthorization schedule for tax expenditure provisions.

H.R. 1368. January 24, 1979. Rules: Government Operations. Terminates budget authority for all Federal programs on specified dates. Requires Congress to establish termination dates for all tax expenditure provisions. Directs Congress to consider whether any such programs or provisions merit continuation on the same, a greater, or a lesser level, or termination.

Requires the Comptroller General to identify inactive or inefficient programs.

Establishes the Citizens' Bicentennial Commission on the Organization and Operation of Government to study Federal agencies and programs and make recommendations for improving operations.

H.R. 1369. January 24, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to authorize the Secretary of Health, Education, and Welfare to provide assistance for projects and programs to train physicians and other health personnel to identify and deal with the special medical problems related to the mentally retarded.

H.R. 1370. January 24, 1979. Veterans' Affairs. Entitles veterans meeting specified service requirements to 54 instead of 45 months of educational assistance.

Eliminates the time limitation within which educational assistance must be used.

Restores unused educational assistance benefits to veterans of World War II, the Korean conflict, or the Vietnam era.

H.R. 1371. January 24, 1979. Ways and Means; Government Operations. Establishes a Task Force on the Taxation of Real Property by State and Local Government to study and evaluate such taxation, its effects on middle and fixed income taxpayers, and the feasibility of using Federal taxation and other policies to reduce the dependence of State and local governments on such taxation.

H.R. 1372. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to subject certain foreign investors to a tax on the gain from the sale or exchange of farm or rural lands situated in the United States.

H.R. 1373. January 24, 1979. Judiciary. Amends the Federal Rules of Civil Procedure to limit the circumstances under which a search warrant may be issued with respect to property held by criminal suspects and third parties.

H.R. 1374. January 24, 1979. Agriculture. Amends the Food Stamp Act of 1964 to exclude from eligibility for food stamps any household whose principal wage earner is on strike for the duration of such strike.

H.R. 1375. January 24, 1979. Agriculture. Amends the Federal Meat Inspection Act to require the labeling as imported of the package or container of any imported meat or meat product capable of use as human food. Prohibits the importation of dairy products into the United States unless certified wholesome and pure by the Secretary of Health, Education, and Welfare.

H.R. 1376. January 24, 1979. Education and Labor. Repeals the Occupational Safety and Health Act of 1970.

H.R. 1377. January 24, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to exclude from the definition of employer under such Act employers of 25 or fewer employees during any consecutive six month period in the most recent complete fiscal year.

H.R. 1378. January 24, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to provide that any employer who successfully contests a citation or penalty under such Act shall be awarded a reasonable attorney's fee and other reasonable litigation costs.

H.R. 1379. January 24, 1979. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to authorize the Administrator of the Small Business Administration to provide worksite safety consultation to any employer of not more than 25 employees upon such employer's written request.

H.R. 1380. January 24, 1979. Education and Labor. Amends the Community Services Act of 1974 to permit the Director of the Community Services Administration to furnish assistance for the installation of security devices in the residences of elderly persons.

H.R. 1381. January 24, 1979. Government Operations. Requires all rules proposed by any Federal agency to be submitted to Congress together with an estimate of the costs to be incurred by the Federal Government, State and local governments, non-governmental entities, and individuals affected by such proposed rule. States that such rule shall become effective by such proposed rule. States that such rule shall become effective 60 days after submission to Congress unless, within such period, either House disapproves such rule.

H.R. 1382. January 24, 1979. Interstate and Foreign Commerce. Amends the Communications Act of 1934 to prohibit the television broadcasting of programs portraying nudity, obscenity, or explicit sexual activity.

H.R. 1383. January 24, 1979. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to provide that new drugs for human or animal use will be regulated under such Act solely to assure their safety, and not their effectiveness.

H.R. 1384. January 24, 1979. Judiciary. Directs the United States to pay reasonable litigation costs, including attorney fees, to prevailing defendants in civil actions in which the United States is a plaintiff.

H.R. 1385. January 24, 1979. Judiciary. Amends the Administrative Procedure Act to require Federal agencies to prepare and publish in the Federal Register an economic impact analysis of all proposed and final rules subject to the provisions of the Act.

H.R. 1386. January 24, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony over which Federal courts have jurisdiction and for anyone using or carrying a firearm in interstate commerce who is convicted in a State court of any crime punishable by imprisonment for a term over one year.

H.R. 1387. January 24, 1979. Rules. Amends the Congressional Budget Act of 1974 to require economic impact statements for every bill or joint resolution reported in Congress and for each rule proposed by any Federal agency to show the effects of such proposed law on specified sectors of the economy. States that statements pertaining to agency rules shall disclose the effects of such proposed rule on State and local governments, small business, and low- and middle-income families.

H.R. 1388. January 24, 1979. Veterans' Affairs. Repeals the provision requiring the preservation of total disability ratings for compensation purposes. Reduces from 20 to 10 years the period after which a rating cannot be reduced for pension purposes.

H.R. 1389. January 24, 1979. Veterans' Affairs. Permits certain veterans with service-connected disabilities who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either.

H.R. 1390. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to provide identical income tax rates for single persons and married couples filing joint returns. Limits the earned income that must be reported by a married person filing a separate return to the amount actually earned by that individual.

H.R. 1391. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow taxpayers an income tax credit for their higher education and vocational school expenses.

H.R. 1392. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax deduction for contributions to a qualified higher education fund established by a taxpayer to fund the higher education of his dependents.

H.R. 1393. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to eliminate the age requirement and the adjusted sales price limitation for purposes of the exclusion from gross income of the gain from the sale or exchange of an individual's principal residence.

H.R. 1394. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to exempt nonprofit volunteer firefighting or rescue organizations from the excise tax on sales of special fuels, automotive parts, petroleum products, and communication services.

H.R. 1395. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow an employer an income tax credit for the first 12 months of wages paid to a handicapped new employee.

H.R. 1396. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to allow an income tax deduction for expenses paid or incurred by a sight-, speech-, or hearing-impaired individual for the purchase or installation of a teletypewriter.

H.R. 1397. January 24, 1979. Ways and Means. Permits taxpayers to designate on their income tax returns whether they wish to contribute any portion of their income tax refund or make any additional contribution to the National Endowment for the Arts or the National Endowment for the Humanities, or equal amounts to both.

H.R. 1398. January 24, 1979. Ways and Means. Amends title II (Old-Age, survivors and Disability Insurance) of the Social Security Act by removing the limitation upon the amount of outside income which an individual may earn while receiving benefits.

H.R. 1399. January 24, 1979. Ways and Means. Amends title XVI (Supplemental Security Income for the Aged, Blind, and Disabled) of the Social Security Act to make benefits under such titles payable to a resident alien only if such alien has continuously resided in the United States for at least six years.

Directs the Secretary of Health, Education, and Welfare to establish procedures to prevent payment of benefits to individuals who become ineligible due to their departure from the United States.

H.R. 1400. January 24, 1979. Ways and Means. Amends title XX (Grants to States for Services) of the Social Security Act to include among the services provided under that title the installation of security devices in the homes of the elderly.

H.R. 1401. January 24, 1979. Judiciary; Rules. Requires each executive agency or officer to submit for the review of each House of Congress any proposed rule, regulation, or change in a rule or regulation. Declares that the rule, regulation, or change shall become effective 60 days after submission unless either House adopts a resolution disapproving it. Sets forth Senate and House procedures for consideration of such resolution.

H.R. 1402. January 24, 1979. Judiciary; Rules. Requires all rules proposed by any Federal agency, except emergency rules, to be submitted to Congress before becoming effective. Permits such rules to become effective 60 days after submission to Congress if not disapproved by either House within such period.

Exempts from publication requirements notice of rulemaking proceedings for agency rules dealing with emergency or routine matters or ones which have an insignificant impact. Sets other maximum and minimum time limits during which public comment is to be accepted regarding proposed agency rules.

H.R. 1403. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends the Social Security Act to establish the Special Commission on Quality Assurance and Utilization Control in Home Health Care. Directs such Commission to study, investigate, and review the provision of home health care and services to individuals in the United States. Requires the Commission, upon such findings, to develop a detailed plan for quality assurance and utilization control in home health care.

H.R. 1404. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to allow unlimited home health visits, to eliminate prior hospitalization as a requirement for receiving home health care under part A (Hospital Insurance Benefits for the Aged and Disabled) of such title, and to eliminate confinement to home as a requirement for receiving such care under part B (Supplementary Medical Insurance Benefits for the Aged and Disabled) of such title.

H.R. 1405. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for optometric and medical vision care under the supplementary medical insurance program.

H.R. 1406. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to provide payment for one comprehensive physical examination a year, dental care including dentures, eye examinations including eyeglasses, hearing aids including examination, and treatment of foot conditions under the supplementary medical insurance program.

Sets forth measures to safeguard against consumer abuse in the provision of these items and services.

H.R. 1407. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, for physical examinations, and for related routine laboratory tests.

H.R. 1408. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to extend coverage to include expenses incurred in providing diagnosis of uterine cancer, if the individual receiving the test has not had such a test on a routine basis during the preceding six months.

H.R. 1409. January 24, 1979. Interstate and Foreign Commerce; Ways and Means; Rules. Requires any officer or agency in the executive branch to obtain congressional review of all proposed regulations relating to cost and expenditures for health care.

H.R. 1410. January 24, 1979. Interstate and Foreign Commerce; Judiciary; Banking, Finance and Urban Affairs; Ways and Means. Amends the Comprehensive Drug Abuse Prevention and Control Act of 1970 to set mandatory minimum terms of imprisonment for individuals convicted of certain opiate traffic related crimes.

Amends the Federal Rules of Criminal Procedure to require a separate sentencing hearing when a person is convicted of a crime for which such sentences are authorized.

Subjects to forfeiture proceeds of and money intended to be used in opiate violations.

Revises reporting requirements relative to: (1) importation or exportation of cash; and (2) vessels upon arrival in United State ports.

H.R. 1411. January 24, 1979. Ways and Means. Amends the Tariff Schedules of the United States to delete the tariff provisions for products of the United States which are assembled abroad.

H.R. 1412. January 24, 1979. Armed Services. Stipulates that the remarriage of a widow or widower of a member or former member of the Armed Forces shall not bar such individual from receiving medical care under the CHAMPUS (Civilian Health and Medical Plan of the Uniformed Services) if the remarriage was declared void, was annulled, or was terminated by death or divorce unless the Secretary concerned determines the annulment or divorce was secured through fraud or collusion.

H.R. 1413. January 24, 1979. Veterans' Affairs. Makes the widow or child of a person who died while on active military service eligible for certain veterans' survivors' and dependents' medical care benefits if they are not otherwise eligible for such benefits under the CHAMPUS programs.

H.R. 1414. January 24, 1979. Interstate and Foreign Commerce; Merchant Marine and Fisheries; Public Works and Transportation. Amends the Ports and Waterways Safety Act of 1972 to regulate the construction and operation of, and to set forth standards for the location, design and construction, and operation of onshore and offshore liquefied bulk gas facilities.

Establishes within the Treasury a fund for the compensation of any party injured by an incident involving such a facility. Sets forth standards by which liability for such an incident may be determined.

Defines the legal jurisdiction governing offshore facilities.

H.R. 1415. January 24, 1979. Foreign Affairs. Prohibits settling foreign debts for less than full value without congressional approval.

H.R. 1416. January 24, 1979. Interstate and Foreign Commerce. Prohibits the sale of beverage containers without a minimum refund value of five cents. Requires labeling of refund values on all such containers. Prohibits the sale of metal beverage containers with detachable openings.

H.R. 1417. January 24, 1979. Public Works and Transportation. Amends the Flood Control Act of 1966 and a 1938 Act authorizing flood control projects to terminate the authorizations for the Union Lake flood control project, Missouri.

H.R. 1418. January 24, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to require the issuance of nonalterable social security cards. Requires that cards issued to resident aliens who are not permitted to be employed in the United States be marked to indicate such restriction.

Establishes criminal penalties for employers who knowingly hire alien holders of cards which indicate that they may not lawfully engage in employment in the United States.

H.R. 1419. January 24, 1979. Agriculture. Amends the Consolidated Farmers Home Administration Act of 1961 to authorize the Secretary of Agriculture to make direct and insured loans to farmers, especially young farmers, with low net income or low net worth for the acquisition and improvement of owner-operated farms.

H.R. 1420. January 24, 1979. Armed Services. Authorizes the Secretary of Defense to budget funds for certain specified purposes to assist the Civil Air Patrol. Authorizes the Secretary of the Air Force to give, sell, or lend to the Civil Air Patrol excess property acquired by the Air Force under the Federal Property and Administrative Services Act of 1949.

H.R. 1421. January 24, 1979. Banking, Finance and Urban Affairs. Authorizes the Secretary of Housing and Urban Development to make grants to local agencies to convert closed school buildings for educational and social purposes.

H.R. 1422. January 24,1979. Government Operations. Requires the Office of Management and Budget to study the efficiency and effectiveness of each Federal agency every ten years and to recommend to the President and Congress reorganization or abolition of each such agency as may be necessary to improve such efficiency and effectiveness. Abolishes each agency upon the due date of such report unless, during the ten-year period since the last report. Congress has passed legislation continuing such agency.

H.R. 1423. January 24, 1979. Merchant Marine and Fisheries. Directs the Secretary of the Interior to regulate the trapping and capture of mammals and birds on Federal lands. Establishes an advisory commission to recommend to the Secretary acceptable methods for trapping and capture of mammals and birds.

Prohibits use of unacceptable traps in interstate or foreign commerce. Prescribes regulations to prohibit the interstate shipment of hide, skin, feathers, or resulting products of the use of unacceptable traps.

H.R. 1424. January 24, 1979. Interstate and Foreign Commerce; Ways and Means. Authorizes the Secretary of Health, Education, and Welfare to provide, through demonstration projects, payments to individuals who are receiving, or are eligible to receive, benefits with respect to post-hospital extended care services under the Medicare program or intermediate care facility services or skilled nursing facility services under the Medicaid program who do not require 24-hour nursing care or supervision, and who desire to establish a noninstitutional living arrangement which will meet their medical and other needs.

H.R. 1425. January 24, 1979. Armed Services. Stipulates that certain full-time training or duty performed by a member of the Army National Guard or the Air National Guard shall be creditable as active duty for training in Federal service as a Reserve of the Army or Air Force for benefit purposes.

H.R. 1426. January 24, 1979. Veterans' Affairs. Includes required drills and field exercises within the category of National Guard activities which are considered active duty for training for purposes of veterans' reemployment rights.

H.R. 1427. January 24, 1979. Armed Services. Revises the method of computing retiree point credits for non-Regular service for purposes of determining military retired pay for such service.

H.R. 1428. January 24, 1979. Armed Services. Entitles specified reserve members of the uniformed services and members of the National Guard to the same medical and dental benefits enjoyed by members of the uniformed services on active duty.

Entitles the dependents of such individuals to the same medical and dental benefits presently available to the dependents of members of active duty under specified circumstances.

H.R. 1429. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $100 of the interest earned on a savings account.

H.R. 1430. January 24, 1979. Armed Services. Stipulates that no veteran shall be denied medical care under CHAMPUS (Civilian Health and Medical Plan of the Uniformed Services) for any service-connected disability solely because care for such disability is available at Veterans' Administration medical facilities.

H.R. 1431. January 24, 1979. Armed Services. Stipulates that a cash award for suggestions, inventions, or scientific achievements by a member of the armed forces may be made notwithstanding the member's death, separation from service, or retirement so long as the suggestion, invention, or scientific achievement was made while the member was on active duty or in an Active Reserve status.

H.R. 1432. January 24, 1979. Armed Services. Allows civilian National Guard technicians to hold their positions and to be promoted without regard to their military grade in the National Guard.

H.R. 1433. January 24, 1979. Education and Labor. Allows the children of parents employed on Federal property who attend school in a State contiguous to the State in which such property is located to be counted in determining the aid entitlement of the local educational agency having jurisdiction over such school.

H.R. 1434. January 24, 1979. Ways and Means. Amends the Social Security Act to provide that an individual who would be fully qualified at age 62 for benefits under the Old-Age, Survivors, and Disability Insurance program may qualify for disability benefits under such program if such individual has 40 quarters of coverage, regardless of when such quarters were earned.

H.R. 1435. January 24, 1979. Education and Labor. Directs the Secretary of Health, Education, and Welfare to establish an Asbestos Hazards School Safety Task Force to direct Federal efforts to ascertain the danger to school children and employees from asbestos materials in schools.

Establishes a program for the systematic inspection of schools for asbestos hazards. Provides funds for asbestos hazard identification and for technical and educational assistance.

Establishes an Asbestos Hazards Control Loan Program in the Department of Health, Education, and Welfare.

Directs the Secretary to promulgate and distribute to the States safety standards and procedures for testing the levels of asbestos in school environments.

H.R. 1436. January 24, 1979. Ways and Means. Amends the Tariff Schedules of the United States to temporarily suspend the duty on nitrocellulose.

H.R. 1437. January 24, 1979. Judiciary. Requires a subpoena duces tecum for the search for and seizure of evidence when anyone acting under color of law has probable cause to believe evidence of a crime is located on or about premises in which the person in possession of the evidence has a reasonable expectation of privacy.

H.R. 1438. January 24, 1979. Ways and Means. Amends title II (Old-Age, Survivors and Disability Insurance) of the Social Security Act to revise the eligibility requirements for disability insurance benefits for blind persons. Revises the method of computing the primary insurance amount for blind persons under such Act.

H.R. 1439. January 24, 1979. Small Business. Amends the Small Business Act to make special low interest disaster loans available until October 1, 1979.

H.R. 1440. January 24, 1979. Armed Services. Includes, for purposes of computing military retirement pay for nonregular service, certain service in racially segregated State militia units from 1930 through 1941.

H.R. 1441. January 24, 1979. Banking, Finance and Urban Affairs. Amends the Housing Act of 1937 to require that before any tenant is evicted from a low-rent project, such tenant be afforded a hearing before the public housing agency to determine whether the eviction is legally justifiable.

H.R. 1442. January 24, 1979. Banking, Finance and Urban Affairs. Amends the Housing Act of 1949 to increase relocation payments to individuals, families, and business concerns displaced from urban renewal areas.

H.R. 1443. January 24, 1979. Banking, Finance and Urban Affairs. Amends the United States Housing Act of 1937 to establish a task force to evaluate the housing for the elderly low-income housing assistance program. Requires the Secretary of Housing and Urban Development to report to Congress on such program. Requires that wages paid for the construction and operation of a low-income housing project reflect the actual wages being paid in the immediate area of the project.

H.R. 1444. January 24, 1979. Education and Labor. Authorizes the Commissioner of Education to make reimbursements to eligible institutions of higher education that offer a reduced tuition plan to persons over 60.

Requires the Secretary of Labor to collect certain data relating to the employment of older Americans and to maintain a computerized job data bank and matching program for older persons.

H.R. 1445. January 24, 1979. Banking, Finance and Urban Affairs. Establishes a National Rebuilding and Development Bank to assist in the construction of housing and community facilities. Authorizes the Bank to make loans and guarantees for such construction under a National Rebuilding and Development Program.

H.R. 1446. January 24, 1979. Education and Labor. Authorizes the Secretary of Health, Education, and Welfare to establish a program of grants to States for vision screening programs for public school students, including annual vision tests, follow-up services, and training of personnel.

H.R. 1447. January 24, 1979. Foreign Affairs. Urges the President to negotiate a treaty for an international system of enforcement standards and penalties for illegal opium producers and traffickers. Directs the United States representative to the International Criminal Police Organization to propose the establishment of a special opium control staff.

Amends the Foreign Assistance Act of 1961 to authorize the President to furnish foreign opium control assistance. Directs the President to terminate all foreign assistance to any country which permits the production of opium which illegally enters the United States. Establishes an Executive Committee on International Opium Control to review all national and international control measures.

H.R. 1448. January 24, 1979. Foreign Affairs. Amends the Foreign Assistance Act of 1961 to prohibit the assignment of any U.S. Armed Forces personnel to South Africa.

H.R. 1449. January 24, 1979. Foreign Affairs. Prohibits selling defense articles or services, exporting certain controlled articles, or licensing for export nuclear materials, facilities, or data to South Africa.

H.R. 1450. January 24, 1979. Interstate and Foreign Commerce. Authorizes and directs the Secretary of Health, Education, and Welfare to make grants to State and local communities to pay the full costs of eye examinations provided under a program carried out under the auspices of private nonprofit or public agencies to detect glaucoma, for residents who are at least 65 years of age.

H.R. 1451. January 24, 1979. Interstate and Foreign Commerce. Amends the Public Health Service Act to establish in the Public Health Service a National Sickle Cell Anemia Institute for the purpose of conducting and supporting programs for the diagnosis, treatment, and prevention of sickle cell anemia. Establishes an advisory council to advise and make recommendations to the Secretary of Health, Education, and Welfare on matters relating to the Institute.

H.R. 1452. January 24, 1979. Judiciary. Directs the Attorney General to establish Special Drug Forces in the Department of Justice composed of law enforcement personnel and special United States attorneys.

H.R. 1453. January 24, 1979. Judiciary. Requires the Director of the Administrative Office of United States Courts to examine methods for improving the scheduling of criminal cases in district courts. Provides for sentencing guidelines in district courts. Amends the Federal Rules of Criminal Procedure to reduce the number of peremptory jury challenges.

H.R. 1454. January 24, 1979. Judiciary. Grants a Federal charter to the 369th Veterans' Association.

H.R. 1455. January 24, 1979. Post Office and Civil Service. Repeals the Postal Reorganization Act. Reenacts provisions relating to the postal service which were in effect immediately prior to the enactment of such Act.

H.R. 1456. January 24, 1979. Post Office and Civil Service. Directs the Secretary of Commerce to conduct surveys to determine the number, sex, race, and age of individuals not counted by the most recent census. Requires that such information be used in determining the amount of aid available under Federal assistance programs which are based on population statistics.

H.R. 1457. January 24, 1979. Ways and Means. Amends the Tariff Schedules of the United States to prohibit the importation of certain uranium articles or coal from South Africa.

H.R. 1458. January 24, 1979. Judiciary; Post Office and Civil Service. Extends to three years the time during which certain former officers and employees of the executive branch, independent Federal agencies, or agencies of the District of Columbia are prohibited from appearing before any Federal court, department, or agency for anyone other than the United States in proceedings connected with their former duties.

Prohibits certain Federal employees paid under the Executive Schedule from holding a position with an independent regulatory authority and any other executive agency within any 12-month period.

H.R. 1459. January 24, 1979. Ways and Means; Education and Labor. Permits taxpayers to designate on their income tax returns whether they wish to contribute any portion of their income tax refund or make any additional contribution to the support of either the arts or the humanities. Specifies amounts which various recipients are eligible to receive.

H.R. 1460. January 24, 1979. Agriculture. Amends the Food Stamp Act of 1977 to provide for the acceptance by pharmacies of food stamps in exchange for food or food supplements prescribed for cancer patients.

H.R. 1461. January 24, 1979. Ways and Means. Amends the Trade Act of 1974 to reserve certain commodities, the import of which the President is negotiating to limit, from trade negotiations to reduce import restrictions.

H.R. 1462. January 24, 1979. Armed Services. Stipulates that no veteran shall be denied medical care under CHAMPUS (Civilian Health and Medical Plan of the Uniformed Services) for any service-connected disability solely because care for such disability is available at Veterans' Administration medical facilities.

H.R. 1463. January 24, 1979. Education and Labor. Amends the Age Discrimination in Employment Act of 1967 to remove the existing 70-year upper age limit to which the prohibitions of such Act apply, thereby extending the protection of such Act to all individuals who are at least 40 years of age.

H.R. 1464. January 24, 1979. Government Operations. Requires the Secretary of the Treasury to prepare and make public annual consolidated financial statements for all expenditures of the United States, utilizing the accrual method of accounting.

H.R. 1465. January 24, 1979. Government Operations. Requires recipients of grants made for other than the personal use of such recipient to make available for public inspection any records such recipient is required to keep as a condition of receiving such grant. Exempts from the provisions of this Act specified information, including classified information, trade secrets, and personnel and medical files.

H.R. 1466. January 24, 1979. House Administration. Requires any candidate for a Federal elective office to resign any elective public office (Federal or State) held, the term of which ends after the beginning of the term of the Federal office which such candidate seeks.

H.R. 1467. January 24, 1979. Interstate and Foreign Commerce; Ways and Means. Requires gasoline stations, witthin three years of the passage of this Act, to sell a mixture of gasoline and alcohol in the same manner as they sell gasoline. Amends the Internal Revenue Code to allow rapid amortization of facilities producing alcohol for use as a fuel in motor vehicles.

H.R. 1468. January 24, 1979. Judiciary. Increases from 30 to 60 days the time period between the publication of a Federal rule and the effective date of such rule. Increases from 15 to 30 days the time period between the publication of a notice of a hearing and the beginning of such hearing.

H.R. 1469. January 24, 1979. Judiciary. Establishes criminal penalties for anyone willfully injuring, damaging, burning, or destroying property of any person at or near any place where work or business of an employer or owner is carried on, or where such employer or owner transports, stores, or maintains property for business or other purposes.

H.R. 1470. January 24, 1979. Judiciary. Authorizes the Secretary of the Treasury to reimburse State and local law enforcement agencies for any verified expenditures made at the request of the United States Secret Service for the protection of any person whom the Secret Service is authorized to protect.

H.R. 1471. January 24, 1979. Merchant Marine and Fisheries. Amends the Marine Mammal Protection Act of 1972 to prohibit the Secretary of the Interior from issuing general permits which authorize the taking of marine mammals in connection with commercial fishing operations.

H.R. 1472. January 24, 1979. Post Office and Civil Service. Makes Flag Day a legal public holiday.

H.R. 1473. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $500 of the interest earned on a savings account.

H.R. 1474. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to exclude from gross income up to $5,000 of an individual's civil service retirement annuity.

H.R. 1475. January 24, 1979. Ways and Means. Amends the Internal Revenue Code to entitle individuals who retired on disability before October 1, 1976, to the exclusion from gross income for amounts received under accident and health plans without regard to the applicable income restrictions.

H.R. 1476. January 24, 1979. Judiciary; Rules. Requires all rules proposed by any Federal agency, except emergency rules, to be submitted to Congress before becoming effective. Permits such rules to become effective 60 days after submission to Congress if not disapproved by either House within such period.

Exempts from publication requirements notice of rulemaking proceedings for agency rules dealing with emergency or routine matters or ones which have an insignificant impact. Sets other maximum and minimum time limits during which public comment is to be accepted regarding proposed agency rules.

H.R. 1477. January 24, 1979. Public Works and Transportation; Interstate and Foreign Commerce. Directs the Secretary of Transportation to prescribe rules and regulations requiring certain air carriers, railroads, and motor carriers carrying passengers for hire in interstate commerce to set aside areas for the exclusive use of nonsmokers.

H.R. 1478. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) and title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to extend Medicare hospital coverage to include drugs. Establishes a Formulary Committee within the Department of Health, Education, and Welfare to prepare and maintain a listing of qualified drugs.

H.R. 1479. January 24, 1979. Ways and Means; Interstate and Foreign Commerce.

Amends title XVIII (Medicare) of the Social Security Act to provide payment for enterostomal therapy services under the supplemental medical insurance program.

H.R. 1480. January 24, 1979. Ways and Means; Interstate and Foreign Commerce. Amends title XVIII (Medicare) of the Social Security Act to authorize payment for specified services performed by chiropractors, for physical examinations, and for related routine laboratory tests.

H.R. 1481. January 24, 1979. Public Works and Transportation; Ways and Means. Directs the Secretary of the Army to promulgate regulations establishing a user charge for shallow-draft cargo vessels for the use by such vessels of any navigation project on any inland or intracoastal waterway of the United States.

H.R. 1482. January 24, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1483. January 24, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1484. January 24, 1979. Judiciary. Declares that a named individual be deemed, under the Immigration and Nationality Act, to have been in the United States at the time of his enlistment in the military forces of the United States.

H.R. 1485. January 24, 1979. Judiciary. Deems a named individual to have been employed in a certain position for a specified period at specified rates of pay, for civil service retirement annuity computation purposes.

H.R. 1486. January 24, 1979. Judiciary. Authorizes classification of two individuals as children for purposes of the Immigration and Nationality Act.

H.R. 1487. January 24, 1979. Judiciary. Declares four individuals lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1488. January 24, 1979. Ways and Means. Directs the Secretary of Commerce to make a loan, in a specified amount and with specified conditions, to a named corporation under the Trade Act of 1974.

H.R. 1489. January 24, 1979. Judiciary. Declares an individual lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 1490. January 24, 1979. Judiciary. Directs the Secretary of the Treasury to pay a named individual a specified sum representing life insurance benefits under the Veterans' Administration policy of another named individual, notwithstanding any forfeiture provisions.

H.R. 1491. January 24, 1979. Judiciary. Confers jurisdiction on a specified district court over specified claims of a named individual against the United States. Requires that such claims be filed during a specified period.

H.R. 1492. January 24, 1979. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to a named individual.

H.R. 1493. January 24, 1979. Armed Services. Authorizes the President to appoint a named individual to the grade of rear admiral on the Navy Reserves retired list.

H.R. 1494. January 25, 1979. Ways and Means. Amends the Internal Revenue Code to subject certain foreign investors to a tax on the gain from the sale or exchange of farm or rural lands situated in the United States.

H.R. 1495. January 25, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony over which Federal courts have jurisdiction, or which includes an element of use or threat of violence.

H.R. 1496. January 25, 1979. Education and Labor. Authorizes the Commissioner of Education to award undergraduate scholarships to dependent children of public safety officers killed in the course of their official duties.

H.R. 1497. January 25, 1979. Interior and Insular Affairs. Revises the boundaries of the Gateway National Recreation Area in the States of New York and New Jersey to include Sound View Park and the Pugsley Creek Park, both located in the City of New York.

H.R. 1498. January 25, 1979. Judiciary. Requires additional prison sentences for anyone using or carrying a firearm during the commission of a felony which may be prosecuted in a United States Court.

H.R. 1499. January 25, 1979. Judiciary. Redefines "juvenile delinquency" for purposes of Federal court proceedings and subsequent treatment as: (1) the commission of a felony by an individual under the age of 15; or (2) the commission of any other crime by an individual under the age of 18.

Directs the State to treat as adult offenders all persons who have attained 15 years of age and have committed a violation of State law for which imprisonment over one year may be imposed.

H.R. 1500. January 25, 1979. Public Works and Transportation. Terminates certain flood control and navigation projects. Provides for the transfer of lands associated with certain of such projects.

H.J. Res. 124. January 18, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 124. January 18, 1979. Judiciary. Constitutional Amendment—Establishes a new procedure for the election of President and Vice President, based upon a proportional assignment of electoral votes.

H.J. Res. 126. January 22, 1979. Judiciary. Constitutional Amendment—Prohibits Congress from enacting legislation which will cause Federal taxation to exceed 15 percent of the gross national product.

Prohibits the making of appropriations in excess of the total estimated revenues of the United States in any fiscal year except in time of war or national emergency.

H.J. Res. 127. January 22, 1979. Judiciary. Constitutional Amendment—Empowers Congress and the States to impose and provide for the carrying out of the death penalty in the case of any crime involving the deliberate and willful taking of human life.

Empowers Congress to impose and provide for the carrying out of such penalty in the case of treason against the United States.

H.J. Res. 128. January 22, 1979. Rules. Establishes a Joint Committee on Internal Security to investigate and report on Communist and other subversive activities affecting the internal security of the United States.

H.J. Res. 129. January 22, 1979. Judiciary. Constitutional Amendment—Prohibits assigning public school students or teachers to particular schools on the basis of race, creed, or color.

H.J. Res. 130. January 22, 1979. Judiciary. Constitutional Amendment—Eliminates the force and effect of any treaty provision which denies or abridges any constitutionally enumerated right relating to United States citizens or matters essentially within the domestic jurisdiction of the United States.

Predicates the effectiveness of a treaty as internal law of the United States upon the passage of appropriate legislation.

Requires executive agreements with foreign powers or international organizations to be made in the manner and to the extent prescribed by law.

H.J. Res. 131. January 22, 1979. Judiciary. Constitutional Amendment—Permits nondenominational prayer in public buildings.

H.J. Res. 132. January 22, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 133. January 22, 1979. Judiciary. Constitutional Amendment—Requires the President and the Speaker of the House of Representatives to review Government revenues and expenditures at specified times and to determine a surtax rate when expenditures exceed revenues to ensure that receipts will equal outlays.

Authorizes the suspension of such measures in the case of a grave national emergency declared by Congress.

H.J. Res. 134. January 22, 1979. Post Office and Civil Service. Designates the week commencing on the third Monday in February of each year as "National Patriotism Week."

H.J. Res. 135. January 22, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 136. January 22, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of June 3 through June 9, 1979, as "National Neighborhood Week."

H.J. Res. 137. January 22, 1979. Post Office and Civil Service. Recognizes the achievements of Doctor Mahlon Loomis on being the first person to invent and demonstrate a system of wireless communication.

H.J. Res. 138. January 22, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 139. January 22, 1979. Judiciary. Constitutional Amendment—Declares the term "person," with respect to due process and equal protection, applicable to human beings irrespective of age, health, function, or condition of dependency, including the unborn. Prohibits the deprivation of life of an unborn person, except under laws permitting medical procedures required to prevent the death of the mother.

H.J. Res. 140. January 22, 1979. Judiciary. Constitutional Amendment—Declares vacant the office of any Senator or Representative who fails to be recorded in person on 70 percent of the roll call votes taken during any regular session of Congress unless such roll call votes were missed due to hospitalization required by illness or accident.

H.J. Res. 141. January 22, 1979. Judiciary. Constitutional Amendment—Permits the offering of prayers or Biblical scriptures, as long as participation is voluntary, in any governmental or public school, institution, or place.

Permits references to God or a Supreme Being in public documents, proceedings, schools, or upon U.S. currency.

H.J. Res. 142. January 23, 1979. Judiciary.

Constitutional Amendment—Deems every human being to be a person from the moment of fertilization.

H.J. Res. 143. January 23, 1979. Judiciary. Constitutional Amendment—Requires a balanced Federal budget except in time of declared national emergency. Prohibits any increase in the national debt and requires repayment of such debt within 50 years.

H.J. Res. 144. January 23, 1979. Agriculture. Amends the Agricultural Act of 1949 to raise the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of their respective parity prices.

Reduces the price levels at which producers participating in the wheat and feed grains storage program: (1) may redeem and market commodities securing price support loans; and (2) must repay such loans.

H.J. Res. 145. January 23, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the first Sunday in June of each year as "National Shut-In Day."

H.J. Res. 146. January 23, 1979. Judiciary. Constitutional Amendment—Provides that total expenditures in any fiscal year shall not exceed the net amount of revenue received by the Government in that year. Authorizes the suspension of such prohibition in time of war or by a concurrent resolution passed by the Senate and the House of Representatives stating that a national economic emergency requires suspension.

H.J. Res. 147. January 23, 1979. Judiciary. Constitutional Amendment—Provides for enactment and repeal of laws by popular vote. Prescribes the petition procedures and requirements for enactment of such laws.

H.J. Res. 148. January 23, 1979. Agriculture. Amends the Agricultural Act of 1949 to raise the price support levels for milk, wheat, corn, soybeans, and cotton to 90 percent of their respective parity prices.

Reduces the price levels at which producers participating in the wheat and feed grains storage program: (1) may redeem and market commodities securing price support loans; and (2) must repay such loans.

H.J. Res. 149. January 24, 1979. Foreign Affairs. Directs the President to seek a treaty or agreement with Canada calling for a moratorium on the killing of the eastern timber wolves.

H.J. Res. 150. January 24, 1979. Judiciary. Constitutional Amendment—Provides for the direct popular election of President and Vice President of the United States.

H.J. Res. 151. January 24, 1979. Judiciary. Constitutional Amendment—Allows the Congress to disapprove any reprieve or pardon granted by the President.

H.J. Res. 152. January 24, 1979. Post Office and Civil Service. Authorizes the President to designate October 17 through October 23, 1979, as "Anne Sullivan Week" in honor of the woman who was Helen Keller's teacher.

H.J. Res. 153. January 24, 1979. Post Office and Civil Service. Requests the President to declare the fourth Saturday of each September as "National Hunting and Fishing Day."

H.J. Res. 154. January 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week beginning on the first Saturday after the first Tuesday in January of each year as "National Ski Week."

H.J. Res. 155. January 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the week of October 7 through October 13, 1979, as "National Stamp Collecting Week."

H.J. Res. 156. January 24, 1979. Judiciary. Constitutional Amendment—Permits voluntary prayer in public buildings.

H.J. Res. 157. January 24, 1979. Post Office and Civil Service. Designates the week commencing on the third Monday in February of each year as "National Patriotism Week."

H.J. Res. 158. January 24, 1979. Judiciary. Constitutional Amendment—Declares the length of the term of office for President and Vice President.

H.J. Res. 159. January 24, 1979. Post Office and Civil Service. Authorizes and requests the President to designate the last Friday in April of each year as "National Arbor Day."

H.J. Res. 160. January 24, 1979. Judiciary. Constitutional Amendment—Limits the number of years a person may serve as a Representative or Senator, or as the President or Vice President. Changes the term of office for the President and Vice President and for Federal judges.

H. Con. Res. 26. January 18, 1979. Interstate and Foreign Commerce; Science and Technology. Expresses the sense of Congress that the Federal Government should take steps to develop new research methods to complement or eliminate current methods involving the direct or indirect use of animals, and restricting the use of Federal funds for such research.

H. Con. Res. 27. January 22, 1979. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt State or local law.

H. Con. Res. 28. January 22, 1979. Ways and Means; Judiciary. Declares that certain proposed regulations of the Department of the Treasury regarding centralized firearms recordkeeping and other firearms control measures exceed the Department's authority, and directs that the regulations be withdrawn.

H. Con. Res. 29. January 22, 1979. Merchant Marine and Fisheries. Expresses the sense of Congress that no right, title, or interest of the United States in property located in the Panama Canal Zone be conveyed to any foreign government without the specific authorization of Congress.

H. Con. Res. 30. January 24, 1979. Interstate and Foreign Commerce. Declares that Congress has not delegated to the Federal Trade Commission any authority to preempt State or local law.

H. Con. Res. 31. January 24, 1979. Foreign Affairs. Expresses the sense of Congress that the United States: (1) welcomes the establishment of full diplomatic relations with China; (2) must continue its friendship with Taiwan; (3) looks forward to full diplomatic relations with Taiwan; and (4) looks forward to the recognition by China and Taiwan of each other as sovereign nations.

H. Con. Res. 32. January 24, 1979. Government Operations. States that each Federal agency should periodically review and revise all its lists of persons to whom printed materials are mailed by such agency in order to insure that such lists contain only the names of persons who are still interested in receiving such materials.

H. Con. Res. 33. January 24, 1979. Foreign Affairs. Expresses the sense of Congress that the peoples of Lithuania, Latvia, and Estonia should be given the right of self-determination. Calls for free elections in the Baltic States, under the auspices of the United Nations.

H. Con. Res. 34. January 25, 1979. Foreign Affairs. Expresses congressional concern: (1) that Mexico be given full consideration in the formulation of U.S. energy policy; and (2) that the United States cooperate with Mexico in the mutually beneficial development of Mexico's oil and natural gas reserves.

H. Con. Res. 35. January 25, 1979. Foreign Affairs. Expresses the sense of Congress that the United States do nothing to compromise the freedom of the Republic of China while engaged in a lessening of tensions with the People's Republic of China.

H. Con. Res. 36. January 25, 1979. Agriculture: Foreign Affairs. Declares the sense of the Congress that every person in the United States and throughout the world has the right to a nutritionally adequate diet, and that the United States should increase its assistance for self-help development among the world's poorest people until such assistance reaches one percent of its total national production (GNP).

H. Con. Res. 37. January 25, 1979. Armed Services. Declares the sense of the Congress that in selecting a site to be used as a launching base for the MX intercontinental missile, the Secretary of Defense should exempt from consideration areas where the siting of such missile would result in the destruction or idling of productive American farmland and the displacing of farmers or ranchers.

H. Con. Res. 38. January 29, 1979. Ways and Means. Expresses the sense of Congress with respect to the complexity of Federal income tax forms and the language of the Internal Revenue Code.

H. Con. Res. 39. January 29, 1979. Ways and Means. Expresses the sense of Congress that the Internal Revenue Service should not adopt a proposed revenue procedure on private tax-exempt schools.

H. Con. Res. 40. January 31, 1979. Education and Labor. Expresses the sense of Congress that the new Department of Labor health and safety training regulations for miners places an undue burden on small stone, sand, and gravel surface mining operations and should not apply to operations with 35 or fewer employees.

H. Con. Res. 41. February 1, 1979. Foreign Affairs. Expresses the sense of Congress that the United States: (1) should recognize the Republic of China as the sovereign government of Taiwan; and (2) should maintain relations through an official liaison office on Taiwan.

H. Con. Res. 42. February 5, 1979. Establishes an adjournment of the House of Representatives and a recess of the Senate.

H. Con. Res. 43. February 8, 1979. Foreign Affairs. Prohibits the President from taking any action that would affect the validity of certain post-World War II treaties, without the advice and consent of the Senate or approval of Congress.

H. Con. Res. 44. February 8, 1979. Interstate and Foreign Commerce. Expresses the sense of Congress that standards should be developed in the motion picture and broadcasting industries to prevent the defamation of ethnic, racial, and religious groups in films and programs which portray such groups.

H. Con. Res. 45. February 8, 1979. Post Office and Civil Service. Requests the President to designate the fourth Saturday in March of each year as "National Bake and Take Day."

H. Con. Res. 46. February 8, 1979. House Administration. Authorizes the printing as a House document of a revised edition of the "Biographical Directory of the American Congress."

H. Con. Res. 47. February 8, 1979. Foreign Affairs. Calls for a regional conservation treaty for the protection of northern hemisphere pinnipeds.

H. Con. Res. 48. February 13, 1979. Education and Labor. Expresses the sense of Congress that the new Department of Labor health and safety training regulations for miners places an undue burden on small stone, sand, and gravel surface mining operations and should not apply to operations with 35 or fewer employees.

H. Con. Res. 49. February 15, 1979. Foreign Affairs. Expresses the sense of Congress that the President: (1) should enter into negotiations to secure the withdrawal of Soviet personnel and the release of political prisoners from Estonia, Latvia, and Lithuania; (2) should instruct the U.S. delegation to present the illegal Soviet actions in such countries at the preparatory meeting of the 1980 Madrid meeting of the Conference on Security and Cooperation in Europe; and (3) should gain the cooperation of other nations in achieving such objectives.

H. Con. Res. 50. February 15, 1979. Foreign Affairs. Expresses the sense of Congress that the President: (1) should enter into negotiations to secure the withdrawal of Soviet personnel and the release of political prisoners from Estonia, Latvia, and Lithuania; (2) should instruct the U.S. delegation to present the illegal Soviet actions in such countries at the preparatory meeting of the 1980 Madrid meeting of the Conference on Security and Cooperation in Europe; and (3) should gain the cooperation of other nations in achieving such objectives.

H. Con. Res. 51. February 15, 1979. Foreign Affairs. Declares the sense of Congress that the President shall take steps to secure freedom of worship in the Soviet Union and Eastern Europe, and to raise the question of Stalin's liquidation of such churches in the United Nations.

H. Con. Res. 52. February 21, 1979. Foreign Affairs. Expresses the sense of Congress that the President should convene a meeting of Federal agency heads to implement a program of action to counteract Arab discrimination against U.S. businesses with Jewish employees or which do business with Israel.

H. Con. Res. 53. February 21, 1979. Foreign Affairs. Endorses U.S. efforts at the Law of the Sea Conference to establish a regime to protect and encourage marine scientific research.

H. Con. Res. 54. February 21, 1979. Post Office and Civil Service. Designates the week of April 27 through May 1, 1979, as "Appropriate Technology Week."

H. Con. Res. 55. February 22, 1979. Foreign Affairs; Public Works and Transportation; Ways and Means. Expresses the sense of Congress that the President: (1) exercise his statutory powers to impose sanctions on countries assisting international terrorists; (2) direct the U.N. Ambassador to seek the formation of a permanent international commission to study international terrorism; and (3) seek international conventions relating to unlawful acts against civil aviation and the taking of hostages.

H. Con. Res. 56. February 22, 1979. Foreign Affairs. Expresses the sense of Congress that the peoples of Lithuania, Latvia, and Estonia should be given the right of self-determination. Calls for free elections in the Baltic States, under the auspices of the United Nations.

H. Con. Res. 57. February 26, 1979. Rules. Establishes a Joint Select Committee on Defense Readiness and Mobilization Capability to investigate and report on defense readiness and mobilization capability, including an analysis of: (1) the kind and extent of threats to the national defense; and (2) the quality and quantity of manpower, material, transportation, and budgetary and programmatic resources needed at present, and in the future, in order to be able to be mobilized.

H. Con. Res. 58. February 26, 1979. Foreign Affairs; Post Office and Civil Service. Expresses the sense of Congress that the United States disapproves of the nondelivery of mail to persons in the Soviet Union contrary to international agreements.

H. Con. Res. 59. February 26, 1979. Foreign Affairs. Urges Canada to reassess its policy permitting the killing of newborn harp seals.

H. Con. Res. 60. February 26, 1979. House Administration. Directs the Joint Committee on the Library to purchase a specified statue of George Washington and arrange its placement in the Capitol. Requires the Secretary of the Air Force to provide the necessary transportation of such statue.

H. Con. Res. 61. February 27, 1979. Foreign Affairs. Recognizes the right of all people of Ireland, including Northern Ireland, to control their own political destiny. Urges the President to pursue policies consistent with such right.

H. Con. Res. 62. February 28, 1979. Foreign Affairs. Urges Canada to reassess its policy permitting the killing of newborn harp seals.

H. Con. Res. 63. February 28, 1979. Judiciary. Expresses the sense of Congress that the Attorney General initiate an investigation for a period not to exceed 90 days under the Ethics in Government Act to determine whether officially substantiated allegations involving the President and at least one former Cabinet-level official warrant further investigation or prosecution by a special prosecutor.

H. Con. Res. 64. March 1, 1979. Foreign Affairs. Expresses the sense of Congress that the United States should reaffirm its historical security arrangements with Israel.

H. Con. Res. 65. March 6, 1979. House Administration. Authorizes the printing of a revised edition of "The Declaration of Independence and the Constitution of the United States of America" as a House of Representatives document.

H. Con. Res. 66. March 6, 1979. House Administration. Authorizes the printing of a revised edition of "Our Flag" as a House of Representatives document.

H. Con. Res. 67. March 6, 1979. Education and Labor. Expresses the sense of Congress that the new Department of Labor health and safety training regulations for miners places an undue burden on small stone, sand, and gravel surface mining operations and should not apply to operations with 35 or fewer employees.

H. Con. Res. 68. March 7, 1979. Foreign Affairs. Expresses the sense of Congress that the United Nations Commission on Human Rights should include a description of the Armenian genocide in its study of the prevention and punishment of genocide.

H. Res. 54. January 18, 1979. Rules. Expresses the sense of the House of Representatives that the 96th Congress be an oversight Congress.

H. Res. 55. January 22, 1979. Judiciary. Calls for the impeachment of United States District Judge Frank J. Battisti of Ohio.

H. Res. 56. January 22, 1979. Rules. Amends the Rules of the House of Representatives to reestablish the standing Committee on Internal Security to investigate and report on Communist and other subversive activities affecting the internal security of the United States.

H. Res. 57. January 22, 1979. House Administration. Requires a 50 percent reduction in the amount of funds available to any House of Representatives committee during the 97th Congress.

H. Res. 58. January 22, 1979. Rules. Creates a House Select Committee on Insurance to conduct an investigation and study of all facets of the business of insurance, rating and ratemaking, and other related issues. Requires the Select Committee to submit to the House as soon as practicable the results of its investigation and study.

H. Res. 59. January 22, 1979. Rules. Creates a Select Committee on International Terrorism to conduct a study and investigation of the desirability and effectiveness of measures being taken by the United States and foreign countries in attempting to alleviate the threat of terrorism.

H. Res. 60. January 22, 1979. House Administration. Authorizes expenditures by the House Committee on Armed Services for investigations and studies.

H. Res. 61. January 22, 1979. House Administration. Authorizes the expenditure of funds for investigation and studies conducted by the House Committee on Banking, Finance and Urban Affairs.

H. Res. 62. January 24, 1979. Elects Members, Delegates and Resident Commissioners to specified standing committees of the House of Representatives.

H. Res. 63. January 24, 1979. Elects Members to specified standing committees of the House of Representatives.

H. Res. 64. January 24, 1979. Rules. Amends the Rules of the House of Representatives to eliminate proxy voting in committees.

H. Res. 65. January 24, 1979. Rules. Establishes the Select Committee on Narcotics Abuse and Control to conduct a continuing study and review of the problems of narcotics abuse and control.

H. Res. 66. January 24, 1979. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Internal Security to investigate and report on Communist and other subversive activities affecting the internal security of the United States.

H. Res. 67. January 24, 1979. Post Office and Civil Service. Designates January 6 as "Haym Salomon Day."

H. Res. 68. January 24, 1979. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Internal Security to investigate and report on Communist and other subversive activities affecting the internal security of the United States.

H. Res. 69. January 24, 1979. Rules. Creates a select committee to audit accounts of committees, Members, and officers of the House of Representatives.

H. Res. 70. January 25, 1979. Amends the Rules of the House of Representatives to increase the size of the Permanent Select Committee on Intelligence.

H. Res. 71. January 25, 1979. Rules. Amends the rules of the House of Representatives to establish a permanent Select Committee on Congressional Operations.

H. Res. 72. January 25, 1979. Rules. Creates a Select Committee on the Fiscal Problems of Cities to conduct a study to identify the nature and causes of problems afflicting large cities which face severe (current or potential) fiscal imbalance.

H. Res. 73. January 25, 1979. Agriculture; Foreign Affairs. Declares that the President should establish a Commission on Domestic and International Hunger and Malnutrition.

H. Res. 74. January 29, 1979. Expresses the condolences of the House of Representatives on the death of Nelson A. Rockefeller, former Vice President of the United States.

H. Res. 75. January 29, 1979. Rules. Amends the Rules of the House of Representatives to prohibit committee funds from being used for travel unless its official nature is established by resolution approved by majority vote of the committee involved.

H. Res. 76. January 29, 1979. Rules. Requires the Congressional Record to contain an accurate and verbatim account of remarks actually delivered on the floor of the House of Representatives. Limits changes in the extensions and revisions of remarks in the Record.

H. Res. 77. January 29, 1979. Rules. Amends the Rules of the House of Representatives to allow any number of Members to introduce jointly any bill, memorial, or resolution. Permits a Member's name to be added or deleted as a sponsor of a bill, memorial, or resolution.

H. Res. 78. January 31, 1979. Elects Members to specified standing committees of the House of Representatives.

H. Res. 79. January 31, 1979. Elects a certain Member to the House Committee on the Budget.

H. Res. 80. January 31, 1979. Elects a certain Member to the Committee on Standards of Official Conduct.

H. Res. 81. January 31, 1979. Armed Services. Requests the Secretary of Defense to rescind that portion of the Department of Defense directive which permits deserters from military service to receive in absentia discharges.

H. Res. 82. January 31, 1979. Government Operations. Urges the President to retain Mr. Jay Solomon as Administrator of the General Services Administration.

H. Res. 83. January 31, 1979. Education and Labor. Expresses the intent of Congress to restore, for specified youth programs and countercyclical public service employment programs under the Comprehensive Employment and Training Act, funds which would be cut by the President's budget.

H. Res. 84. January 31, 1979. Rules. Amends the Rules of the House of Representatives to allow committee and Member's staff admission to the House floor at specified times.

H. Res. 85. January 31, 1979. House Administration. Authorizes the expenditure of funds for investigations and studies conducted by the House Committee on Banking, Finance and Urban Affairs.

H. Res. 86. January 31, 1979. House Administration. Authorizes expenditures by the Committee on the Judiciary for investigations and studies.

H. Res. 87. January 31, 1979. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the Committee on House Administration.

H. Res. 88. January 31, 1979. Ways and Means; House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Ways and Means.

H. Res. 89. January 31, 1979. Rules. Amends the Rules of the House of Representatives to change the name of the Congress on International Relations to the Committee on Foreign Affairs.

H. Res. 90. February 1, 1979. Interstate and Foreign Commerce. Requests the President not to propose to the Congress the exemption of motor gasoline from petroleum price control regulations.

H. Res. 91. February 1, 1979. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Public Works and Transportation.

H. Res. 92. February 1, 1979. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Education and Labor.

H. Res. 93. February 1, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system for the National Railroad Passenger Corporation.

H. Res. 94. February 1, 1979. Armed Services. Requests the Secretary of Defense to rescind that portion of the Department of Defense directive which permits deserters from military service to receive in absentia discharges.

H. Res. 95. February 1, 1979. Rules. Establishes an Ad Hoc Committee on Federal Retirement Systems which shall consider and report to the House of Representatives on any bill, resolution, or message or communication from the executive branch relating to Federal employee retirement systems.

H. Res. 96. February 5, 1979. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Permanent Select Committee on Intelligence.

H. Res. 97. February 5, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system for the National Railroad Passenger Corporation.

H. Res. 98. February 5, 1979. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Committee on Foreign Affairs.

H. Res. 99. February 8, 1979. Elects a Member to the House Committee on the District of Columbia.

H. Res. 100. February 8, 1979. Elects certain House Members to the Joint Committee on Printing and the Joint Committee of Congress on the Library.

H. Res. 101. February 8, 1979. Authorizes the gross yearly compensation of the sixth minority party employee of the House of Representatives pursuant to the Legislative Pay Act of 1929.

H. Res. 102. February 8, 1979. Elects a certain Member to the House Committee on the Budget.

H. Res. 103. February 8, 1979. Interstate and Foreign Commerce. Disapproves the proposed exemption of aviation gasoline and kerosene-base jet fuel from the mandatory petroleum allocation regulations.

H. Res. 104. February 8, 1979. Interstate and Foreign Commerce. Disapproves the proposed exemption of aviation gasoline and kerosene-base jet fuel from mandatory petroleum price regulations.

H. Res. 105. February 8, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system for the National Railroad Passenger Corporation.

H. Res. 106. February 8, 1979. Foreign Affairs. Urges West Germany to abolish or extend the statute of limitations governing the prosecution of war crimes.

H. Res. 107. February 8, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system of Amtrak, the National Railroad Passenger Corporation, as submitted to the Congress.

H. Res. 108. February 8, 1979. Foreign Affairs. Acknowledges the United States policy of friendship toward Taiwan. States that the United States must assure the security of Taiwan. States that the United States will establish an official organization to facilitate relations between the United States and Taiwan.

H. Res. 109. February 8, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system for the National Railroad Passenger Corporation as submitted to the Congress on January 31, 1979.

H. Res. 110. February 8, 1979. Interstate and Foreign Commerce. Expresses the disapproval of the House of Representatives with respect to the Secretary of Transportation's recommendations designating the basic route system for the National Railroad Passenger Corporation as submitted to the Congress on January 31, 1979.

H. Res. 111. February 13, 1979. House Administration. Authorizes expenditures by the House Committee on Standards of Official Conduct in carrying out its functions and duties.

H. Res. 112. February 13, 1979. House Administration. Authorizes expenditures by the House Committee on the District of Columbia for inquiries and investigations.

H. Res. 113. February 13, 1979. Post Office and Civil Service. Authorizes and requests the President to designate May 3 of each year as "Polish Constitution Day."

H. Res. 114. February 13, 1979. House Administration. Authorizes funds for the expenses of a specified task force under the jurisdiction of the House Committee on Education and Labor.

H. Res. 115. February 13, 1979. Rules. Amends the Rules of the House of Representatives to prohibit any Member of the House of Representatives from using, or authorizing any person to use, any official congressional stationery to raise funds if such funds are to be used to influence governmental policy or affect governmental elections.

H. Res. 116. February 13, 1979. Judiciary. Refers to the Chief Commissioner of the Court of Claims, a bill which directs the Secretary of the Treasury to pay an unspecified sum to a named individual in satisfaction of specified claims against the United States.

H. Res. 117. February 15, 1979. House Administration. Authorizes expenditures by the House Committee on Agriculture for investigations and studies.

H. Res. 118. February 15, 1979. Rules. Establishes a House Select Committee on Committees to conduct a thorough and complete study of specified aspects of House committees.

H. Res. 119. February 15, 1979. Appropriations. Expresses the disapproval of the House of Representatives to the President's proposed deferral D 79–48 withholding appropriated funds.

H. Res. 120. February 15, 1979. Appropriations. Expresses the disapproval of the House of Representatives to the President's proposed deferral D 79–50 withholding appropriated funds.

H. Res. 121. February 15, 1979. Appropriations. Expresses the disapproval of the House of Representatives to the President's proposed deferral D 79–51 withholding appropriated funds.

H. Res. 122. February 15, 1979. Rules. Amends the Rules of the House of Representatives to establish a standing Committee on Internal Security to investigate and report on Communist and other subversive activities affecting the internal security of the United States.

H. Res. 123. February 15, 1979. House Administration. Authorizes expenditures by the House Committee on Post Office and Civil Service for investigations and studies.

H. Res. 124. February 15, 1979. Interstate and Foreign Commerce. Requests the President to not propose to the Congress the exemption of motor gasoline from petroleum price control regulations.

H. Res. 125. February 15, 1979. Rules. Establishes a select committee of the House of Representatives to conduct a full and complete investigation and study of the nationalization of the oil industry.

H. Res. 126. February 15, 1979. Interstate and Foreign Commerce. Expresses the sense of the House of Representatives that the major broadcasting systems should provide captioning of television programs for hearing impaired individuals in a specified manner.

H. Res. 127. February 21, 1979. Elects Members to the House Committee on the District of Columbia.

H. Res. 128. February 21, 1979. House Administration. Authorizes expenditures by the House Committee on Aging for investigations and studies.

H. Res. 129. February 21, 1979. House Administration. Authorizes expenditures by the Committee on House Administration to provide for the maintenance, improvement, and addition to ongoing House computer services.

EXTENSIONS OF REMARKS

TREATMENT OF SOCIAL SECURITY BENEFITS INCREASES UNDER CERTAIN FEDERAL HOUSING LAWS

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. BONER of Tennessee. Mr. Speaker, last Thursday, I introduced H.R. 3784, legislation which will insure that those who receive social security benefits and also reside in public housing facilities will no longer have their rent increased solely as a result of a cost-of-living increase in those benefits.

Under current law, public housing assistance is reduced whenever a social security recipient receives a cost-of-living increase. This problem has impeded the effective delivery of needed Federal services to the poor and elderly since 1972, when Congress approved an automatic cost-of-living increase provision to the Social Security Act. It is my understanding that the legislative intent at that time was to provide some relief to older people and others on fixed incomes who are the hardest hit by inflation.

Instead of receiving and benefiting from the cost of living increases, social security recipients found their benefits in other "means-tested" programs, including public housing, food stamps, and medicaid reduced or eliminated entirely because of "increased income" provided by the annual social security cost-of-living increases. Thus, the effect of this automatic increase provision, which the Congress passed to help the elderly, has been that the government takes away with one hand what it gives with the other. In Nashville, Tenn. the Metropolitan Development and Housing Agency manages a total of 6,040 rental units of this number, 2,416 units are occupied by tenants whose sole source of support is social security payments.

The legislation I have introduced will eliminate this injustice in the public housing program. The housing program exists solely for those whose incomes are already so low that they cannot be expected to pay for housing at fair market values. The elderly and others receiving social security make up about 638,000 of those receiving housing assistance. In many cases, social security is their total income from which they must pay housing, food, clothing, medical and other living expenses. Yet the present law says they must pay higher monthly rents when they receive annual increases in social security benefits.

As an example, the average yearly income for a resident who is over 62 at a Metro housing facility in Nashville is $2,500. This means a monthly income of $208.33, from which the average rent will require $47 or 23 percent of the total income. Even those of us in Congress who are required to maintain two homes do not spend 23 percent of our total income on housing. In some cases, the cost-of-living increases terminate their eligibility for subsidized housing, thus forcing them to spend an even greater proportion of their monthly income on housing.

Additionally, Mr. Speaker, I am informing the chairmen of the House Committees on Appropriations and Banking, Finance and Urban Affairs that I will offer an amendment on the floor of the Congress to the Department of Housing and Urban Development's authorization legislation to seek the swiftest implementation of this long overdue relief for our citizens who are least able to protect themselves against the effects of inflation.●

ITALIAN AMERICAN CONFERENCE MAY 11 AND 12

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. BIAGGI. Mr. Speaker, as a member of the board of directors for the National Italian American Foundation, I am pleased to announce that the first international conference on "the Role of Americans of Italian Heritage in the 1980's" will be held at the Capital Hilton Hotel in Washington on May 11 and 12.

The conference is cosponsored by the National Italian American Foundation and the Giovanni Agnelli Foundation of Turin, Italy. The conference is expected to attract several hundred leaders from Italian American communities across the United States together with business leaders and scholars from Italy. This important meeting will be an international first, with people from both countries working together to strengthen cultural ties and planning future action to help resolve such problems as educational and employment discrimination, as well as stereotyping and defamation of the Italian American community.

Certainly, if these complex problems are to be resolved, Italian Americans must assert their presence on the national scene and build a powerful economic and political base. With some 30 million Italian Americans in the United States and over 30 Members of Congress, there is no reason these goals cannot be accomplished.

As moderator of the public affairs workshop at the conference, I plan to help define problems, challenges, and opportunities for Italian Americans in the 1980's. Other workshop areas will include community, education, business, and employment, relations between the United States and Italy, and humanities and cultural affairs.

Ethnic Americans are becoming increasingly aware of their backgrounds and it is imperative that the Italian American community unify its voice and make itself more visible, rather than remaining the invisible majority. Mr. Speaker, I am confident that the first international conference on "the Role of Americans of Italian Heritage in the 1980's" will substantially help to achieve this goal.●

HELPING OUT

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. MURTHA. I have always argued, Mr. Speaker, that the greatest strength of America rests with the character of its people. There is no greater power in the world than the will of an individual citizen.

In the news media in the area I represent, I recently came across a news story outlining such an example of human commitment. I would like to share it with my colleagues.

The article follows:

[Valley News Dispatch, Apr. 24, 1979]

FAITH AT WORK ON EXPRESSWAY

(By Freda Rutkowski)

Christian action along the roadside—that's what Norma and Bill Bowser discovered on a recent Sunday on the Allegheny Valley Expressway near the Burtner Road interchange.

"We were on our way to visit our daughter and son-in-law, Libby and Steve Morris in Slate Lick," said Norma when Bill called my attention to a man and two teen-agers picking up rubbish from the roadside.

"Bill pulled off the roadway to see what was going on and recognized Howard "Butch" Rummel, his son, Lee, and Lee's friends, Tim Kanzic and Bob Rossi."

Bill and Norma told friends later, "You don't find many people going out of their way to pick up other people's rubbish and getting no thanks for it.

"There they were gathering up beer cans, paper and all the other refuse people throw from cars and stashing it in plastic bags."

It was Howard's dad, Leroy Rummel who began a clean-up of Burtner Cemetery which had been untended for years.

Ancient tombstones relating to the early history of the community were made visible again as Rummel and his son cut away underbrush and mowed walkways through the tangled grass.

Rummel's latest project involved sweeping the upper and lower ramps of Allegheny Valley Expressway near the Burtner House.

"I went to Harrison's municipal building and asked for a broom, but they didn't have one strong enough, so I got my own," said Rummel. I must have shoveled a half-ton of dirt from the curbways, then had to quit because my back gave out."

Rummel's physical zeal is matched only by his spiritual fervor. He is a member of Freeport Gospel Tabernacle.●

HAPPY BIRTHDAY, OLD LADY TOWERS

HON. CHARLES E. BENNETT

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. BENNETT. Mr. Speaker, in the 30 years that I have been in Congress I have never extended my remarks here on quite such a personal basis as I am doing today with regard to a constituent, but the constituent is a very exceptional person and I think this change in pace by me is warranted.

I pay tribute to Sara Elizabeth Towers who was recently designated by the Governor of Florida as "Florida Patriot" in connection with the bicentennial celebration. She certainly richly deserves this honor of being named a patriot because she certainly is a patriot and she richly deserves tribute on her 80th birthday because every one of her years has been in service of our country in one way or another, always as a volunteer.

I include here an article by Steve Crosby from the Florida Times Union, April 28, about Mrs. Towers' birthday party where thousands came to pay tribute to her and I was honored to be among those present. Everyone who knows her loves her.

The article follows:

HAPPY BIRTHDAY, OLD LADY TOWERS

Can a girl from a small mining town in Colorado find happiness in the big city.

She was christened Sarah Elizabeth de Lannoy Morley not long after she was born in the mining town of Buena Vista, Colo. When she married the late Daughtry Towers, her already-long name grew six letters more.

It was, she says, her youngest daughter who years ago shortened it to Old Lady Towers.

"It was my daughter, Sarah," she said. "When I couldn't play golf with her, she called me 'old.' She said, 'Mother, you were too old when you had me!' "

It was Friday afternoon and Sarah Elizabeth de Lannoy Morley "Old Lady" Towers was celebrating her 80th birthday, seated on a platform and greeting the throng that had assembled at the Florida Yacht Club.

As always, she ruled the room.

"I've got on a 100-year-old petticoat," she confided to the room at large, hiking her skirt. "And this scarf is 200 years old. It belonged to my great-grandmother."

It was a party put on by her family. Sarah—Mrs. Robert Van Cleve—said she ransacked her mother's trunks to find mementos of the past and they were there on display, from baby pictures to birthday greetings from President Carter and Gov. Bob Graham.

"Did you see my baby pictures," the Old Lady asks a friend. "I was such a cute baby!"

Old Lady Towers last year traveled 25,000 miles to and through Red China, then came back to Jacksonville to lecture on it, for the St. Luke's Hospital restoration project.

That was last year. Last year, when she took to the stump to campaign for candidate Bob Graham, using the experience she had gained, campaigning for Jimmy Carter and, before him, John F. Kennedy, and before that. . . .

That was last year.

Friday, as she charged the length of the hall dragging daughter Sarah and a newspaper photographer she had been told was facing a deadline, she said she is going to retire.

She will not, she said, be as active in St. Augustine restoration.

"When you're 80, you're not as peppy as you were at 30."

Daughter re-situated, photographer in place, she settles into the chair from which she is to greet a long, long line of friends and says she will retire: "I'm going to mend my grandchildren's clothes. You see my diamonds? This is the last time I am going to wear them . . . They don't look good on an old person's arms, you know."

Outside the yacht club, they've built a standing sign, letters four feet high, that reads: "Happy Birthday, Old Lady Towers."

And son Charlie has hired a plane to fly past the yacht club's picture windows, towing a streamer reading—what else?—"Happy Birthday, Old Lady Towers." ●

ANDY YOUNG STRIKES AGAIN

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. ASHBROOK. Mr. Speaker, Andy Young is out of the country, which is cheering news to many of us. However, he has not been away from the microphones, as we have witnessed from the barrage of new statements our United Nations Ambassador has emitted from Australia. The Thatcher government had not even been fully formed when Mr. Young was starting to give advice on Rhodesia. It seems that our all-knowing and all-seeing Ambassador (who has in the past fantasized that Cuba was a stabilizing influence and that the Ayatollah was a saint long before any of us had any inkling) now has discovered that the Rhodesian elections were rigged long before voting began or before any observers reached the country. This is startling since Mr. Young never set foot in Rhodesia.

It is good to know that we saved all sorts of tax money by not sending any official observers to the elections, since our U.N. Ambassador is able to tell the fairness and rightness of things right off the top of his head. All those observers from Freedom House and from the international news media must really feel silly thinking the Rhodesian election was fair and honest. After all they could only see firsthand the voting, the citizens, and the candidates. If they had only known that all they had to do was to wait a few days after the election for Andy to make his assessment, all the fuss of field work and the hard work of having interviews could have been avoided.

Mrs. Thatcher should feel honored that our Ambassador is starting to advise her government so soon. His advice to continue the policies of the Labor government in light of the election shows once again that on-the-spot observation of events can only serve to lead people to incorrect conclusions. If Andy had not spoken up we might all have thought the fall of the Callaghan government was because the British people wanted a change. This insight should not go unrewarded. I hope Mr. Carter realizes this and makes Mr. Young his running mate in 1980. Such clear vision and articulation of the President's policies should be on his ticket, not up at the U.N. Why should they get all of the good things in life. He would be right at home in the White House.●

A MORE EFFECTIVE FOOD FOR PEACE PROGRAM

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. LAFALCE. Mr. Speaker, one of the most important weapons in the battle against worldwide hunger and malnutrition has been the food for peace program under Public Law 480. Since Public Law 480 was enacted in 1954, approximately 265 million tons of U.S. agricultural commodities with a market value in excess of $27 billion have been exported to needy countries abroad.

Although that program has supplied significant amounts of food assistance to other countries, there is a growing need to target its impact on the poorest and neediest people in the Third World and to use this program to promote greater self-reliance in developing countries. Greater self-reliance is imperative for these countries, because food deficits in developing countries are expected to rise sharply from 36 million metric tons in 1978 to as much as 120–145 million tons by 1990, according to the respected International Food Policy Research Institute.

Therefore, I have cosponsored H.R. 2705, the Self-Reliant Development and International Food Assistance Reform Act of 1979, which was introduced by my distinguished colleague from New York, Representative SOLARZ. This bill contains four important improvements in the existing food for peace program, which will render that program much more effective.

First, it requires that whenever agricultural commodities are provided, the President should determine that there is a real and specific need for those commodities in each country and that those commodities will actually assist the poor within each country. This provision is consistent with the recent trend within both bilateral and multilateral assistance to target programs on the neediest groups within the Third World.

Second, it provides greater assurances of supply for economic development uses of agricultural commodities under the food for peace program, by broadening the Secretary of Agriculture's authority to use commodities for "urgent humanitarian purposes" during periods of tight domestic supply. The Secretary would, under the provisions of this bill, be able to also include developmental uses of food aid during those periods of tight supply in the United States.

Third, it would provide meaningful safeguards to insure that the food for peace program would encourage, rather than discourage, higher production by local farmers. This is essential for the achievement of greater agricultural self-reliance in Third World countries.

Fourth, it broadens the already recognized role of indigenous institutions and workers in food distribution programs in the Third World. All too often, local institutions and individuals develop patterns and attitudes of dependency which reduces their ability to care for themselves, when the foreign assistance is terminated, which can severely hamper long-term economic development within these poor countries.

Mr. Speaker, I want to urge the Committee on Foreign Affairs to give prompt and favorable consideration to H.R. 2705, because it is an excellent reform of the food for peace program.●

A PROCLAMATION COMMEMORATING THE BIRTH OF CARDINAL STEPINAC

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. REUSS. Mr. Speaker, today marks the anniversary of the birth of Aloysius Cardinal Stepinac, who, as Archbishop of Zagreb, Croatia, was a courageous defender of human freedom and a staunch opponent of communism. In 1946, he was sentenced to prison and he died there in 1960. He remains a hero to all Croatians and to all others who cherish freedom.

In observance of this anniversary, Henry W. Maier, mayor of Milwaukee, has proclaimed May 8, 1979, as a Day of Prayer for Human Rights, and I submit for the Record a copy of his proclamation:

PROCLAMATION

Whereas, Aloysius Cardinal Stepinac was a person who staunchly defended the Christian values of Western Man by his constant support of the freedom and worth of the individual as an independent entity, the freedom and respect for religion, for all races and all nations, and for private property as the basis of the freedom of the individual and his family; and

Whereas, In his tireless defense of the oppressed, Cardinal Stepinac constantly preached and wrote against the atrocities that he witnessed before and during World War II and became one of the greatest defenders of the persecuted Jews in Europe, thereby gaining for himself a reputation for courage that will live for ages to come, not only in his native Croatia, but throughout the entire civilized world; and

Whereas, Because of the diametrically opposite aims of Christianity and Communism, it was inevitable that Cardinal Stepinac, as Archbishop of Zagreb, would be charged, found guilty and sentenced, in October, 1946, to sixteen years in prison and the loss of all civil rights for an additional five years; and

Whereas, The protracted years of harsh imprisonment exacted their toll on Cardinal Stepinac and, on February 10, 1960, weakened by pneumonia and complications of previous ailments, he died, leaving behind for his beloved Croatian people a legacy of courage and devotion that can only be described as "heroic";

Now, therefore, I, Henry W. Maier, Mayor of Milwaukee, in response to the requests of Americans of Croatian descent living in Milwaukee and elsewhere in this country, do hereby proclaim Tuesday, May 8, 1979, which is the anniversary of his birth, a Day of Prayer for Human Rights, in memory of Cardinal Stepinac who died in their defense.●

LEGAL ASSISTANCE TO MEMBERS OF THE ARMED FORCES AND THEIR DEPENDENTS

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mrs. SCHROEDER. Mr. Speaker, today I am reintroducing legislation to guarantee the right of legal assistance to members of the Armed Forces and their dependents. Many other types of legal services are already congressionally mandated as part of the benefits package that military men and women receive. However, legal assistance is not, and will be one of the first items to go when budget cuts hit the Armed Forces. My bill is designed to prevent this erosion of benefits. I hope that this piece of legislation will move along further than last session before this vital service is denied to those in the military who need it most.

The legal assistance program was established to guarantee adequate civilian legal services to military personnel stationed overseas, deployed at sea, or serving at remote installations. Even in areas where civilian attorneys are physically available to military personnel and their dependents, considerable time and expense are saved by providing legal services at the command post where the member is serving. Service people have unique problems requiring specialized legal advice—problems which civilians are not normally confronted with. Imagine the problems involved with sending 500 men between the ages of 18 and 25 overseas, each one of which needs a will to protect both dependents and personal property. Any run-of-the-mill civilian law firm would shy at the thought of such a task. This is only one of the invaluable tasks that military legal assistance can provide.

An "on-the-site" approach to providing legal assistance contributes to the accomplishment of the primary objective of the Armed Forces—defense preparedness and readiness. Requiring military personnel to travel from their duty stations to consult with civilian attorneys, who are often a considerable distance away, results in many lost man-hours from training and job performance. Similarly, unresolved personal problems can adversely affect morale and efficiency and can frequently result in behavior requiring disciplinary action. Prompt aid in resolving these problems is an effective preventive measure. Accordingly, it has been the policy of the military departments, through the legal assistance programs, to make personnel aware of their legal rights and obligations and to provide a means by which these problems can be resolved before disciplinary action is needed.

The most obvious question one asks is "How much will this congressionally mandated program cost?" Legal assistance programs will not cost the taxpayer one more cent on the military dollar than they are currently paying. Legal assistance has been a priority of the Department of Defense and of the War Department since 1943. Since that time, these programs have been running as part of the legal services provided by military attorneys.

Each service has a slightly different way of implementing their legal assistance program. I do not seek to change, in any way, the programs that presently exist. In fact, I would encourage each service to tailor-make their legal assistance programs to best meet the needs of their particular personnel. I simply want to insure that these legal services, regardless of their specific form, will always be a part of military legal benefits. I think we owe it to our servicemen to provide a place for them to turn when they need personal legal assistance.●

SUNRISE-SUNSET HEARINGS RESCHEDULED

HON. GILLIS W. LONG

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. LONG of Louisiana. Mr. Speaker, because of an emergency hearing scheduled by the Committee on Rules, the Subcommitte on the Legislative Process has postponed its hearing scheduled for Wednesday, May 9, until the following day, Thursday, May 10. This hearing is a continuation of our subcommittee consideration of program review measures, which includes sunset and sunrise proposals. The hearing will begin at 10 a.m. in H–313, the committee room of the Committee on Rules.

As previously announced, the lead witness at this hearing will be the Honorable Butler Derrick of South Carolina, who is a member of the Subcommittee on the Legislative Process. Mr. Derrick's testimony will focus on H.R. 65, his proposal to provide for program evaluation through the "sunrise" method. The Derrick bill requires that authorizations for spending and tax expenditures include a statement of program objectives and that administering agencies report each year on program performance in relation to the stated program objectives.

Testimony will also be heard from witnesses with other suggestions for improvements in the legislative process. Our Thursday hearing should provide much useful information to this body in our efforts to advance congressional oversight of the implementation of Federal programs.

The hearing will be chaired by the Honorable Leo Zeferetti of New York.●

THE ULTIMATE TRIUMPH OF VON HAYEK

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. MICHEL. Mr. Speaker, rarely do we come across the case of a public figure who survives neglect and harsh criticism of his views and ultimately sees those views triumph in his own lifetime.

This is what has happened, however, to one of the most distinguished and important economists of this century, Friedrich von Hayek. When he wrote "The Road to Serfdom," over 30 years ago, he was going against the grain, as it were, in criticizing Government intervention in the economy. This kind of intervention was then seen by fashionable economists of the Keynesian school as the wave of the future. Socialism, we were told, was the best way to run a country's economic and political life.

But Von Hayek had the courage and the intellectual ability to say what we all now know, from sad experience, is the truth: "When the Government has to decide how many pigs are to be reared, or how many buses are to be run, which coal mines to operate or at what prices boots are to be sold, these decisions cannot be deduced from principles or settled for long periods in advance.

"In the end, somebody's views will have to decide whose interests are more important, and these views must become the law of the land."

When he wrote those words, in 1944 the trend was going the other way. But now, in the midst of inflation and overregulation and high taxes and shortages and big Government, we have come to see how correct Von Hayek was—and still is.

The fundamental political battle for the rest of this century will be between those who, like Von Hayek, want to see an economy that is free from Government interference and those who want to go back to the discredited and ruinous practices of highly centralized government.

Mrs. Thatcher's victory in Great Britain is a sign that those who support Von Hayek's views are on the road to victory The tax revolt in the United States is another sign that millions of Americans have become disillusioned with the glittering promises and poor performance of the politicians and economists who would put us on the "road to serfdom."

At this time I wish to insert in the RECORD "New Vogue for Critic of Keynes," from the New York Times, Sunday, May 6, 1979.

NEW VOGUE FOR CRITIC OF KEYNES

NEAR 80, VON HAYEK ABHORS BIG GOVERNMENT

(By John M. Geddes)

FREIBURG, WEST GERMANY.—Friedrich A. von Hayek, one of the strongest, and at times one of the few, economic voices advocating the reduction of government's role in the economy, is finally finding himself in the position of a Cassandra who suddenly discovers that people are listening.

On the eve of his 80th birthday, the Nobel laureate is back in fashion.

Margaret Thatcher, Britain's newly elected Prime Minister is said to be a strong supporter of his views. And although Professor von Hayek labels the Tory win in Britain a "passing phenomenon," he obviously relishes the lift for his economic philosophy that the victory signifies.

"It gives me great satisfaction to see my teachings are at last taking effect," he said late last week, explaining, "Where I really get my comfort is in the new generation growing up. I find rapidly increasing support in the generation that is now in their 30's."

WINNER OF NOBEL PRIZE IN 1974

"I would almost say that if the politicians don't destroy the world in the next 20 years, there's very good hope," he said. But, he added with a chuckle, "I'm not very optimistic that the politicians will not destroy the world."

Winner of the Nobel Memorial Prize in Economic Science in 1974, white-haired, alert and incisive, Professor von Hayek sat in the sun-soaked solarium of his Freiburg home on Friday, the materials for his next book, his 54th, piled around for lack of a not-yet completed bookshelf.

In a wide-ranging interview, he said he preferred to be referred to simply as "Hayek," but the history and reference books have made the "von" appendage a must.

For the last 30 years, Professor von Hayek's views have been in sharp contrast to mainstream economic thought. While others have called for varying degrees of government intervention in the economy to cushion the effects of changes in unemployment and prices, he has propounded a sharply reduced role for the state.

The clash relegated him to an obscure position in the economic pantheon, with one writer characterizing his contribution as only "of some antithesis value in intellectual discourse."

"I had become one of the best-known economists in my 30's," the professor said in the interview, "but then two things happened: the complete counter-review of Keynes succeeded and I discredited myself by writing 'The Road to Serfdom.' "

"Because the book was so unpopular with my colleagues, for 30 years my reputation was in steady decline. Only in the past 10 years has it begun to recover," he said.

"The Road to Serfdom," a 1944 best seller in 12 languages, was clearly a turning point in Professor von Hayek's life.

Born in Vienna in 1899, he studied law and psychology, then economics, at the University of Vienna. He held positions at the Austrian Institute of Economic Science, then moved to London in 1931 for positions first at the University of London and then later at the London School of Economics. Eventually he went to the University of Chicago, before returning to Europe in 1972 to accept a lifetime chair at the University of Freiburg.

WORK ON BUSINESS CYCLES

He did pioneering work on business cycles, price theory and production. One of his prime conclusions was that excess public-sector expansion, government deficit spending and expansion in the money supply of central banks were main causes of economic problems.

In 1944, by then a British subject, Professor von Hayek wrote the empassioned "Road to Serfdom." In it he argued that movements toward socialism, toward centralized planning, involved the loss of personal freedom and eventual totalitarianism. The arguments, primarily directed at the socialist roots of Nazism in Germany, were, in effect, a broadside at Keynesian economic thought.

"When the government has to decide how many pigs are to be reared, or how many buses art to be run, which coal mines to operate or at what prices boots are to be sold, these decisions cannot be deduced from principles or settled for long periods in advance," he wrote. "In the end, somebody's views will have to decide whose interests are more important and these views must become the law of the land."

ATTITUDE OF JOHN KEYNES

John Maynard Keynes, the British economists who revolutionized economic theory advocating cheap money, and public investment during a recession to maintain full employment, sympathized and liked Professor von Hayek's book, but he disagreed with its conclusions. He wrote to Professor von Hayek saying, "I should say that what we want is not no planning or even less planning; indeed I should say that we almost certainly want more."

Together with Gunnar Myrdal, the Swedish economist, Professor von Hayek received the Nobel award in 1974 for work in both monetary and social realms. Ironically, as was noted at the time, their policy conclusions, if followed literally would be self-canceling. While Professor von Hayek abhors extensive government intervention in an economy, Dr. Myrdal was an important architect of the Swedish Labor Party's welfare state.

The award, Professor von Hayek said, "was a symptom of the recovery of my reputation." But, he continued to caution, "I don't think that because you're a Nobel Prize winner you're necessarily a good adviser on economic policy."

With wire-rim glasses, a grey suit and white shirt, the professor appears almost like an English university don, an impression his courtliness and slight British accent only increase. In fact, Paul A. Samuelson, also a winner of the Nobel Prize for Economics, once said that Professor von Hayek at one time wanted to return to the 19th century days of limited Whig government.

"That's correct," Professor von Hayek said. The Whig aim was to create a governmental framework for the economy and then only provide services outside the economy, which the market cannot supply.

The current drive toward a welfare state to create a "just economy," the professor feels. "is nonsense. Only individual action can be just." As the distribution of health or strength or beauty in the world cannot be made a matter of justice, so the distribution of things cannot be made just, he argues.

"Present policies are making things worse and worse and we get the natural situation where people despair," he said. "The Keynesian remedy for unemployment has failed and we're driven by his prescription to more and more inflation at the same time unemployment rises."

PROBLEMS OF TRADE UNIONS CITED

"The general public draws the conclusion that capitalism has been a failure. But, in fact, it is we who have destroyed it." He said the two main blows against capitalism have been the ever increasing power of trade unions and using "monetary policies in a hopeless way."

The professor dismisses any braking effect on the economic spiral by having economists in government. "I don't think you can be a really good economist and be responsible for solving problems of expediency.

"My task is to make politically possible what is not yet politically possible by changing public opinion," he said.

The change in public opinion is occuring, he noted, but the result is sometimes misplaced. Of the United States tax revolt, "it may be a politically expedient way to bring pressure, but it certainly provides no solution. If the Government is committed to expenditure, it will just finance it by inflation instead of taxation."

LEARNING MARKET INSTINCTS

The materials for his latest book range in subject from anthropology to history to economics, reflecting his aim to further delineate the moral and cultural basis for capitalism.

Briefly stated, the book's thesis is that market instincts are learned. Man in small, primitive groups accepts the desires of the group for survival. As man evolves he learns market instincts. Socialism, to this extent is an "atavistic movement" seeking to reimpose on man the values he had in the small group.

The drive toward capitalism "requires a very slow and gradual change in national morals and national customs, which takes a few generations," he said. Without the change, any move toward market economy is "bound to fail."

Referring to the case of the deposed Shah of Iran, he said "the best possible intentions" failed because they were "intolerable to people who have not yet learned the base of the moral conception on which capitalism rests."

On the other hand, he said, "I have seen in some South American countries the most extraordinary progress."

"In that much condemned country, Chile," he said, "the restoration of only economic freedom and not political freedom has led to an economic recovery that is absolutely fantastic."

Asked if this were not a conflict with his lifelong thesis that economic freedom is a mandatory element for political freedom, Professor von Hayek said, no. "You can have economic freedom without political freedom, but you cannot have political freedom without economic freedom." ●

NATIONAL ARCHITECTURAL BARRIER AWARENESS WEEK MAY 13–19

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. NOLAN. Mr. Speaker, along with over 218 of my colleagues during the 95th Congress, I introduced House Joint Resolution 578 which authorized the President to proclaim the third week of May 1978 and 1979 as "National Architectural Barrier Awareness Week." The resolution had overwhelming congressional support and President Carter signed the bill into law on April 2, 1978.

Thus, next week this Nation will observe Barrier Awareness Week and I would like to take this opportunity to state the purpose of Awareness Week and alert my colleagues to the Presidential proclamation calling on all Americans to work toward removing architectural, environmental, and psychological barriers.

Awareness Week is designed not only to increase public knowledge of architectural barriers, but the legal, attitudinal, and educational barriers which prevent handicapped citizens from fully participating in society. An important of Awareness Week will be publicizing the little-known provision in the tax code which allows a tax deduction of up to $25,000 per year through 1979 for expenses incurred by private businesses in removing architectural barriers.

The goal of Awareness Week, therefore, is to break down all "barriers" so that handicapped citizens can enjoy the opportunity for development and achievement available for all Americans.

Although activities such as Awareness Week have been successful in increasing public sensitivity and knowledge about achitectural barriers, much more publicity needs to be created to educate individuals on barrier problems and realistic solutions.

Public officials should be encouraged to establish architectural barriers task forces within their districts which would create a public dialog among citizens and decisionmakers on handicapped accessibility problems. In addition, community groups should be encouraged to establish community building survey organizations which would study whether buildings within their area are in compliance with State or Federal law.

Handicapped groups and citizens should be informed of their legal rights with regard to employment discrimination and Government affirmative action programs.

To accomplish these and many other informational and educational goals, a continuing national effort is necessary.

In order to assure this continuing national effort, I plan to introduce legislation in the near future which would authorize the President to proclaim a National Architectural Barrier Awareness Week for 1980. In addition, I also will introduce a bill to extend the expiration date of the $25,000 tax deduction to December 31, 1980, so that private industry will have a full opportunity to take advantage of this tax incentive.

I am hopeful that my congressional colleagues will support these two measures so that the accessibility problems of the handicapped will continue to receive national attention.

I believe my colleagues will find the Presidential proclamation on National Architectural Barrier Awareness Week interesting and informative.

The proclamation follows:

NATIONAL ARCHITECTURAL BARRIER AWARENESS WEEK, 1979

(By the President of the United States of America)

A PROCLAMATION

Architectural and other barriers often keep millions of Americans from participating in and contributing to our society. These barriers come in all shapes and sizes—from a six-inch curb and inaccessible bus to an unbrailled menu and uncaptioned news broadcast.

These physical and other kinds of barriers deny daily access for millions of America's elderly and handicapped citizens to jobs, transportation, recreation and public service. Attitudes and customers contribute to this problem.

Physical access often determines whether people can enjoy their rights and freedoms and exercise their responsibilities. Most of us take such access for granted. However, many disabled and disabled elderly cannot.

The first Federal legislation to eliminate barriers was the Architectural Barriers Act of 1968. To help implement that law, Congress created—within Section 502 of the Rehabilitation Act of 1973—the Architectural and Transportation Barriers Compliance Board.

The Board has worked to remove and prevent environmental barriers in this country. By doing so it helps ensure that disabled persons can enter and use facilities that their tax dollars support. And it helps inform Federal agencies that these facilities must be accessible from the time United States dollars are used to design, build, alter or lease them.

The Board has mounted a national media campaign about barriers under its slogan, "Access America." In May 1979 it will launch a series of national seminars on barriers for leaders in business, industry and education. The Board is also surveying more than 1,000 federally-owned and funded facilities in the ten federal regions to assess compliance with Federal law.

A number of agencies have already taken important steps to eliminate barriers. The Veterans Administration, for example, has surveyed all of its 172 hospitals and has earmarked $1.2 million for 86 barrier-removal projects in fiscal year 1979. The General Services Administration intends to obligate $26 million between now and 1982 to retrofit many of its properties. I will continue to support such efforts.

But many barriers that block people from opportunity and fulfillment need the attention of State and local governments and the private sector. I herewith call upon all State and local governments and the private sector to join with the Federal Government in a partnership to eliminate barriers which limit full social participation by our disabled citizens. Only by working together as a Nation can we promote and provide full access to all of our citizens.

To encourage this national commitment, the Ninety-fifth Congress adopted House Joint Resolution 578 authorizing the President to proclaim the third weeks of May of 1978 and 1979 as National Architectural Barrier Awareness Week and to call for its appropriate observance.

Now, therefore, I, Jimmy Carter, President of the United States of America, do hereby designate the third week of May 1979 as National Architectural Barrier Awareness Week and ask all Americans to do all that lies within their power to remove all barriers—architectural, social, and psychological. Together we can make access a reality for all Americans.

In witness whereof, I have hereunto set my hand this tenth day of April, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER.●

CARTER TRANSBUS DECISION HURTS ACCESSIBILITY FOR HANDICAPPED

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. SHUSTER. Mr. Speaker, the Carter administration's blind devotion to design a bus accessible to the elderly and handicapped has been an utter and complete failure. Not one single manufacturer, either domestic or foreign, chose to build the federally-mandated Transbus. This is not only an embarrassment to the Carter administration, but it is a cruel hoax on the elderly and handicapped of America.

What makes the hoax even more intolerable is that last year, the Carter administration lobbied heavily to delete a provision in the Surface Transportation Act calling for an independent scientific review of the Transbus mandate. Now, a full year later, they are calling for exactly the same thing.

A year ago this month, I offered an amendment to the Surface Transportation Assistance Act calling for a 3-month in-service test of the bus design to be conducted under the supervision of the National Academy of Engineering. Such a test, I noted, would promote accessibility rather than prevent it, because it would identify problems that otherwise could possibly doom the entire accessibility effort.

For example, some of the problems brought to our attention included the following:

Short leadtime could result in costly and disruptive breakdowns in equipment;

Not enough time for reliability testing;

No research done on human factors;

No in-service testing;

Ramp required perfect configuration with the curb; not practical in hilly areas or streets with no curbs; and

Inclined design would add weight to the rear axle exceeding the Federal standard.

These problems were not only brought to the attention of the Public Works and Transportation Committee, but they were also expressed on numerous occasions to the Carter administration. The warnings were clear: Unless the standards were completely reevaluated and rewritten, the likelihood of any bid from a domestic manufacturer was slim.

By this time last year, one company—AM General—already dropped out of the running. And the other two were far from silent on this issue.

Nevertheless, these signals were completely ignored by the Carter administration. On June 9, 1978, then UMTA Administrator Richard S. Page said: "We firmly oppose section 323 (the Shuster amendment) which would require more study and a 3 month in-service test." Their lobbying was successful. In response to certain concessions on wheelchair accessibility, my amendment was dropped on the House floor.

I find it noteworthy that Carter's Transportation Secretary, Brock Adams, said upon learning that not one single manufacturer could build Transbus: "I will call on an independent scientific review panel to analyze the bus specifications, performance and costs and to advise me and the public whether this new bus can be produced and built for a reasonable price."

What a difference a year makes.

Unfortunately, it is not the Carter administration, but the elderly and handicapped of America, who stand to suffer most as a result of the unifocal vision of the Carter administration. The Transbus fiasco has seriously set back the cause of full accessibility for the elderly and handicapped.

It is frankly difficult to explain and impossible to justify how this happened. In May of last year, the National Council for the Transportation Disadvantaged, representing 1,800 organizations working daily with the elderly and handicapped, wrote—

> It is imperative you retain Transbus reevaluation provisions—section 323—in H.R. 11733. Untold numbers of elderly and handicapped would be left without adequate service if U.S. DOT mandate for one type of bus prevails.

Additionally, other groups stated publicly their opposition to the Transbus mandate, including the BART Task Force on Handicapped Access, the American Public Transit Association, and the National League of Cities. Yet the Carter administration persistently ignored these concerns and elected instead to regulate in a vacuum, completely oblivious to warnings from all over the Nation.

The Carter administration's misleading statements did little to encourage confidence in the future of Transbus and in fact contributed to the whole Transbus fiasco. For example, on April 6, 1978, the head of the Carter administration's transportation R. & D. program, George Pastor, testified in congressional hearings that Transbus would be no more expensive to produce than advance design buses available today. "Transbus ought to be producible at the same price as the so-called ADB's today. It may even be cheaper."

Pastor then testified that, "the ADB's now sell between $90,000 and $100,000."

Yet the Grumman Flxible Corp., in announcing its intention not to bid on Transbus, estimated "the price of Transbus to be approximately $230,000 per unit in 1984." This figure is $60,000, or 35 perment, higher than the 1984 estimated cost of an ABD.

Despite repeated warnings from Congress, industry, affected groups, and individuals, the Carter administration forged ahead with the mandate. But it should also be noted that the administration expected the introduction of this technology to present problems. In testimony before the House Appropriations Committee in April 1978, the Carter administration requested $700,000 for "Transbus product support." They stated, "Transbus has many innovations, and when it is placed in service, technical problems will arise. Malfunctions will occur—and corrective action will require UMTA technical support. The technical specification is federally mandated, and UMTA will have to accept the responsibility for developing a sound basis for the resolution of each technical issue that is raised."

Thus, even in the knowledge of technical difficulties arising from the mandated specifications, the Carter administration ignored the obvious and swept boldly and blindly ahead.

In a letter dated September 1, 1978, Carter Transportation head Brock Adams asserted that the Transbus design specification "underwent the most thorough review by way of comments, critique and suggestions ever afforded a bus specification by transit operators, manufacturers, groups representing the elderly and handicapped, and other interested members of the public."

It is a travesty and a disgrace that the review was not heeded. It has seriously set back the cause of placing the handicapped in the mainstream of society and severely disrupted Federal efforts to provide bus accessibility for the physically disadvantaged.

If you have ever wondered why the Government is not held in high regard, this is a textbook case in point.●

A LETTER TO AN UNCLE

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. JONES of North Carolina. Mr. Speaker, down in the city of Greenville, N.C., there is published a very readable magazine, the title of which is "Tar Heel—The Magazine of North Carolina." In a recent edition, Mrs. Lib Uzzell Griffin, a writer for the Tar Heel, had the following article, "A Letter to an Uncle":

> DEAR UNCLE SAM: When you start meddling with my vices, that's like striking a nerve. You've really done it this time. I'm talking about this banning and labeling jag you're on. Not only are you giving out plenty of labels, you seem to be getting a few yourself. Here and abroad. The banning and labeling I'm most riled up about is cigarettes.
>
> My vices keep me going. I love to smoke. It's my tranquilizer. I dream too, while blowing smoke rings. I dream of traveling. After taxes, Sam, I can't afford to travel. I enjoy simple things like sitting on my front porch watching the planes fly by. As I puff, I like to guess how much you paid for these planes and their upkeep.
>
> I admit I sleep well at night knowing how well guarded I am by your jets. I appreciate your help in running my business, taking care of my old folks, educating my children and telling me who they can associate with and all that. But it seems to me, Sam, our jobs are overlapping a bit these days. You seem to be trying to be everything to everybody. I have always enjoyed running my own business my own way. Never would I think of neglecting my old folks. I even have my own ideas about raising my children. I remember when parents were expected to point out the evils and dangers that abound in this world. Parents did the labeling and banning and protecting.
>
> Sam, if you insist on putting labels on cigarette packs declaring them harmful, don't you think you've just begun? You ought to go the whole way. In full fairness to the tobacco industry you should label other harmful things. Milk is bad for your cholesterol. Ice cream, butter and cheeses cause obesity and consequent heart ailments. Not to mention candy, breads, pastries and nuts.
>
> There wouldn't be enough room on a bottle of hundred-proof to list all the harmful effects. Breaks up more homes than the other woman. Just where on our automobiles would you put a label proclaiming it a

deadly weapon, which it assuredly is? How about all those folks that are killed by unloaded guns? Not to mention the illustrious and not-so-illustrious citizens that are deliberately shot every day.

Can't you, Sam, while you're on this "protecting" kick, do something about the low-class entertainment that exudes from television, movies and books? How about some of this music we hear today? It is so loud it could conceivably cause deafness, maybe insanity. Don't forget to label the dangers of knives, electricity and gas. All potential killers.

If you're really insistent about protecting me, how about banning beastly bores, deadbeats, constant complainers, misguided reformers and know-it-alls?

You see, Sam, I've given this a lot of thought. I have come to the conclusion that you're only going to pick on tobacco. Some of my children make their living with tobacco. From here on out, I am going to capitalize on the things you don't label, so they can make a decent living. I am recommending one of the following careers (for my seven sons):

1. Manufacturing: to make some of these deadly items.
2. Salesman: using the highpowered techniques of TV, radio.
3. Middleman: supposed to get all the profits.
4. Doctor: to find, treat, cure or pronounce dead from the harmful effects of these items.
5. Undertaker: to bury the dead.
6. Lawyer: to handle the lawsuits and settle estates.
7. Tax Collector: self-explanatory.

Sam, if you keep on in this direction of labeling and banning, you're liable to get a woman in the White House! You know what a reformer she can be! If you continue banning things, you'll eventually get around to sex. You'll argue that this will take care of the population explosion problem.

If you ban sex, you might as well ban man. Everybody knows he's his own worst enemy. With this regressing process, you'll eventually get down to the original state. Adam and Eve. One last request, Sam. Let me be Eve.

Forever yours,

LIB UZZELL GRIFFIN.

Mr. Speaker, the above article certainly reflects the thinking of many Americans who more and more resent the interference of the Government in their everyday lives.●

DIGESTIVE DISEASES

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. GONZALEZ. Mr. Speaker, statistics show that when measured in terms of morbidity, mortality, and cost, digestive diseases constitute the second largest component of total economic burden of illness in the United States, being outranked only by circulatory diseases and the combined category of accidents, poisoning and violence.

Digestive diseases altogether represent 20 million chronically ill Americans and constitute $17 billion in direct health care costs. This serious illness is the leading cause of hospitalization and is the primary reason for surgery.

I am introducing legislation today calling for the establishment of a national clearinghouse as an information resource center respecting digestive diseases; the authorization of a grant program to strengthen medical education in digestive diseases, and for the establishment of a National Digestive Diseases Advisory Board.

Mr. Speaker, I urge Congress to support my proposal which I hope will bring some relief to the millions of Americans who have fallen victim to these diseases and at the same time improve the chances of preventing such diseases in the future. It is time our Nation took notice of the appalling toll that they take on human lives.●

THE WASHINGTON POST SUPPORTS UDALL-ANDERSON BILL

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. FISHER. Mr. Speaker, on Friday of last week and again today, the Washington Post contained two outstanding editorials supporting the Udall-Anderson substitute for the Alaska lands legislation.

Friday's editorial points out:

> The test throughout this debate should not be whether these things can be used now. It should be whether they are needed now or whether they should be preserved untouched for the future when they may be even more useful.

The editorial goes on to say that—

> The treasure which the House will vote to dole out—and there is much of it in this bill—will be that which is now needed and which can be wisely used. The rest should be held in safekeeping for another generation.

Today's editorial entitled, "Oil or Caribou?", points out that there is enough oil and gas in other areas of Alaska to keep the pipeline busy for the next two or more decades and that, in the meantime, we should recognize that "whatever damage is done to the caribou and the fragile but beautiful land on which they live will not be reversible. So why tamper with their habitat until the day is nearer when what lies under it is needed and can be wisely used?" The full text of both editorials follows these remarks:

[From The Washington Post, May 4, 1979]

THE CROWN JEWELS

When you own the crown jewels, what do you do with them? Lock them up or use them—or sell them?

We do not ask the question aimlessly. The House of Representatives begins debate today on what should be done with the natural crown jewels of America: the mountains, rivers, forests and wildlife of Alaska. While that debate is likely to be argued in terms of whether these treasures should be locked away or exploited, the real issue is better described as which of them should be brought out of safekeeping at one time.

The answer, if anything has been learned from the history of other, once-unspoiled areas of the nation, is that only as much of Alaska's resources as are now needed should be opened up for development. The rest should be left for future generations to do with as they will. If Congress will keep that lesson in mind as it wades into the great Alaskan debate, its members may be better able to sort out the conflicting facts and rhetoric that are raining down on them in torrent force.

The three versions of an Alaskan land bill now pending before the House set out the alternatives clearly. All of them are "conservationist" bills in the old-fashioned sense of the word. All of them set aside under federal protection stretches of Alaska so vast that the mind boggles at their size. But only one, the bill sponsored by Reps. Morris Udall (D-Ariz.) and John Anderson (R-Ill.) and vigorously supported by President Carter, gives those vast areas the protection from human encroachment they deserve.

The arguments in the House today and next week will focus on oil, gas, minerals, hunting and transportation. Many truths will be spoken on both sides. The nation could use more of Alaska's oil and gas and minerals and timber now; Alaskans could use better access now to many parts of their state; hunters, sport as well as commercial, could use more wilderness areas now.

But the test throughout this debate should not be whether these things can be used now. It should be whether they are *needed* now or whether they should be preserved untouched for the future when they may be even more useful. If that test is applied, the House will adopt the approach of the Udall-Anderson bill on matters as diverse as the oil and gas under the Arctic National Wildlife Range to the timber of Admiralty Island. The treasure it will vote to dole out—and there is much of it in this bill—will be that which is now needed and which can be wisely used. The rest should be held in safekeeping for another generation.

[From the Washington Post, May 7, 1979]

OIL OR CARIBOU?

The Arctic National Wildlife Range is a part of Alaska well north of the Arctic Circle, about one and a half times the size of Maryland. It is inhabited mainly by the last great herd of healthy and undisturbed caribou in the world, although the wilderness is shared by many other members of the wild kingdom. Unfortunately for the caribou and other animals, the geologic formations under part of the wildlife range many contain huge amounts of oil and gas. Therein lies a conflict that has become the major symbolic issue in this year's congressional debate on the future of Alaska's back country.

The arguments are obvious. A major oil strike in the Arctic Wildlife Range now could do wonders for this nation's domestic oil supply and its international balance of payments. It could also do horrors to the caribou. The key word is "could," because no one really knows how unhappily the caribou would react to sharing their turf with oil and gas wells, and no one really knows how oil and gas from the wildlife range would be transported to market in the near future.

Even if Congress gave them the go-ahead, the oil and gas people would not begin drilling and pumping immediately. But they do want to begin exploring. Their logic is that sooner or later the country will need the oil and gas that is thought to be under the wildlife range and rational planning requires knowing in advance how much is there.

That's an appealing argument given our energy troubles.

Conservation groups and the Carter administration, particularly Secretary of Interior Cecil Andrus, vehemently oppose letting exploration begin in the wildlife range. They contend that even minor human intrusions into the calving grounds of the caribou will do immeasurable harm to the herd. They also argue that other areas on Alaska's north slope contain enough oil and gas to keep the Alaskan pipeline—the obvious way to bring oil south from the wildlife range—busy for the next two or more decades.

The argument might be a close one except for one fact. Once industrialization and the caribou collide, whatever damage is done to the caribou and the fragile but beautiful land on which they live will not be reversible. So why tamper with their habitat until the day is nearer when what lies under it is needed and can be wisely used? There is a chance—maybe only a faint one, but still a chance—that some dramatic breakthrough in fusion or solar research will solve the energy problem before the rest of Alaska's oil is exhausted. If that should happen, the caribou and their associates in this part of the Arctic could go on living free from human interference for centuries to come.

That same fact hangs over the entire congressional debate on what to do with the federal lands in Alaska. A virgin forest once cut or a hillside once mined is never the same In considering the three versions of an Alaskan bill now pending before them, members of the House of Representatives must recognize that it is better to err on the side of preserving too much than of preserving too little. A mistake that keeps development out of parts of Alaska's great resources and beauty can be undone by later Congresses. A mistake that lets development in cannot.●

TRIBUTE TO MURRAY HART

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. WOLFF. Mr. Speaker, I would like to acknowledge and bring to the attention of my colleagues the 33 years of service and dedication which Murray Hart, a neighbor and constituent of mine, has contributed to the education of American youth upon his retirement as assistant to the chancellor and assistant superintendent of New York City schools.

Mr. Hart has been a pioneer and innovator in providing for the education of our youth. He has served at practically every level of the American system of education with a consistent record of extraordinary achievement. The elementary, junior high school, and high school divisions of New York City's educational system were fortunate enough to have the services of Murray Hart as an instructor. In this capacity he was able to communicate directly with his students on a personal level and thereby, have a profound impact on their learning experience.

Mr. Hart acted as the principal of an elementary school in Brooklyn for 7 years after establishing it as a new school in 1959. Brooklyn College's teacher training program was modeled after the innovative educational structure which he implemented at this school. A book entitled "Escapades of a Chalkpusher" provides a descriptive account of the efforts Murray Hart made at this Brooklyn elementary school.

For 4 years beginning in 1966, Mr. Hart organized New York City's first planning-programing budgeting system and advanced his reputation as a pioneer in the field of education. This highly efficient system continues to function as the program planning arm of New York's Board of Education. The city's school system was able to benefit from a systematic application of Murray Hart's intellectual skills.

Acting as special assistant to Bernard Donovan, the superintendent of schools at the time of the Ocean Hill Brownsville dispute and teachers strike in 1967, Mr. Hart was able to make a significant contribution to the mediation and subsequent settlement of a precarious situation involving a clash of strong emotions and opinions.

He served as superintendent of District 4 Manhattan, which consisted of 23 schools and approximately 25,000 students. The next step in Murray Hart's distinguished career was an appointment as assistant superintendent of schools in 1966. Up to this point he was the youngest New York City superintendent to be appointed. This is a clear indication of Mr. Hart's ability to reach the top ahead of the field.

From 1970 to 1974 he continued his administration of city schools, but this time in the more specialized capacity as superintendent in charge of all special schools in New York City. Murray Hart's authority extended to supervision of 60 schools and a staff of about 1,500. In this position one more facet of his personality became evident, his deep concern for handicapped, emotionally disturbed, and retarded children. With a strong conviction, Mr. Hart emphasized the need for these special children to have the opportunity to realize their potential.

During the final 5 years of his illustrious career Murray Hart continued his service as a top administrator, acting as assistant superintendent and assistant to the chancellor.

With educators possessing ability and talent comparable to Murray Hart's, we can be assured that our children will be exposed to a quality education which will facilitate high-caliber students. American youth will be given the opportunity to broaden their horizons and develop into cultured and concerned citizens. Many will be more able to actualize their potential for leadership.

The entire community shares in its pride of Mr. Hart's service and devotion to the education of American youth. The New York City Board of Education will miss this talented and capable individual. Upon his retirement I extend my warmest wishes for every success and happiness in Murray Hart's future.●

TWISTS AND TURNS IN THE NUCLEAR-WASTE MAZE

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. WYDLER. Mr. Speaker, this is the third in a series of four entries that I will make in the CONGRESSIONAL RECORD on the subject of nuclear waste management. The Subcommittee on Energy Research and Production of the House Science and Technology Committee will hold hearings on this very important subject on May 15, 16, and 17, and I believe all Members of the House should be given as much information as possible on this subject.

Mr. Speaker, the administration, and understandably the press, would have the Nation believe that nuclear wastes present unprecedented danger and insurmountable technological difficulties. Neither contention is true, as you may know from my two previous entries in the RECORD on nuclear wastes. Instead, the problem is that the administration has twisted and turned itself into a blind alley in its own policy maze.

Ineptness of this magnitude in the Government deserves to be highlighted. The Congress should understand the degree of the administration's ineptitude, if only as an object lesson in errant policymaking. My next and last nuclear-waste entry this week will explore what the Congress can do to lead the Nation out of this nuclear-waste policy maze.

First, it is worth noting where the administration has now trapped itself. It is at an almost unbelievable single-policy dead end of burying spent nuclear fuel deep underground, without intent of recovery. Thus, an increasingly energy-deprived America is scandalously planning on making virtually inaccessible the needed residual energy of uranium and plutonium in spent fuel. Moreover, the inelegance of burying fuel frustrates scientists at the Department of Energy. They believe this will never actually be done, so they view their professional efforts as misguided and wasted. Other nations look incredulously upon these U.S. plans.

It would be tedious to follow all the twists and turns that led to the present impasse in policy, but the prominent ones are worth identifying. Outstanding among these was the turn that plunged us into the worst of this policy labyrinth, namely, the unilateral decision by President Carter in April 1977 to indefinitely defer U.S. reprocessing of spent nuclear fuels. This harmful decision isolated the United States from the world-wide mainstream of commonly accepted nuclear practices. Without reprocessing, nuclear-waste safety is significantly reduced because spent fuels are more toxic and less durable over the long term than are solidified wastes from reprocessed fuels. Safety is further reduced because spent-fuel in repositories can be irrestistably inviting for retrieval resources. Future generations, if not the present generation, could feel compelled to exhume the tightly-buried spent fuel. What monumental problems of radioactive handling will then be faced. What a needless waste of the Nation's efforts.

For nuclear wastes from the defense program, fortunately the same wrong turn was closed to the administration in its policy maze. Extracting plutonium for nuclear weapons intrinsically requires reprocessing. Although thereby automatically saved from another possible policy blunder, the administration appears tempted to a questionable policy with respect to solidification of defense wastes. This country has demonstrated success in the world-accepted method of waste solidification into glass, yet now appears to be swayed by promotions of alternate methods. Like so many other proposals the Congress has encountered, these alternatives are conceptually appealing, but so far show no significant useful improvement compared to the established practice. The administration similarly appears tempted to abandon glassification as a means of packaging wastes at West Valley, N.Y., where there is a mixture of defense and commercial wastes.

This solidification example is but one of several changes of administration policy away from accepted technology developed at public expense. Instead, the administration appears bent on looking for challenging unknowns to fill technological needs. Other examples of these reversions are in the recently completed Interagency Review Group report. This group chose not to consider as a policy option the previously well-studied retrievable surface storage facility, which could provide an advantageous pause before waste disposal by deep burial. Such multi-decade dry storage of wastes under virtually maintenance-free conditions would allow the worst of the radioactivity and heat to thereby harmlessly decay before subsequent burial of the wastes. Also, the Interagency Review Group report appears almost oblivious of the great body of knowledge that scientists have obtained from a variety of experiences with buried radioactive substances. The report is instead obsessed with a claimed need for vast knowledge before starting a slow learn-while-digging burial program for spent fuel elements.

Mr. Speaker, for the good of the Nation, the administration needs to be charitably led out of this policy maze of its own making by the Congress. The need is now.●

ENERGY AND WILDERNESS COMPATIBLE IN ALASKA LANDS BILL

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. GRADISON. Mr. Speaker, the issue of what to do with our great northern wilderness in Alaska has prompted one of the most extensive legislative debates of recent years. One of the most controversial issues is whether a strong bill will inhibit energy production in Alaska. On this subject, I refer my colleagues to pages 580–91 of the Interior Committee report entitled "Mineral Assessments, Exploration, Development and Extraction on Conservation System Units," the pertinent sections of the dissenting views on the Huckaby substitute. As a cosponsor of the Udall-Anderson substitute to H.R. 39, I hope my colleagues will join me in voting for this substitute—a well-balanced bill most similar to the legislation overwhelmingly passed by the House last year.●

INDEX TAX BRACKETS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. ROTH. Mr. Speaker, we are well aware of the ravages that inflation has inflicted upon the American people. Our constituents, the taxpayers, are clamoring to know what we, as Members of Congress, are doing about the problem.

That is why I am supporting H.R. 365, the proposal of the distinguished gentleman from Ohio (Mr. GRADISON) to index the tax brackets to account for inflation. This bill would index the personal income tax brackets, the personal exemption, and the zero-bracket amount. Effective January 1980, the bill would automatically adjust individual income tax rates for a trial, 4-year period to keep taxpayers from being pushed into higher brackets.

UNLEGISLATED TAX HIKE

Our progressive personal income tax system was designed for a world of stable prices. We levy taxes on dollar amounts of income with no regard to the purchasing power of those dollars. Whenever our economy experiences inflation, the Government reaps the benefit as incomes are pushed up into higher tax brackets. This tax hike is unlegislated, unvoted, and unsigned. It can be arrested by adopting this indexing provision.

The Federal Government has been taking advantage of this destructive economic disease for far too long. It is high time to leave this overtaxed money in the pockets of the American taxpayer—money he should never have had to pay out at all.

There is substantial precedent for this action. On the outgo side of the budget, we automatically adjust food stamps, social security income, and even civil service and congressional salaries for the loss of purchasing power. The time has come to treat taxpayers by the same standard.

CUMULATIVE EFFECT

In the decade 1965–75, the cumulative effect of inflation and all the legislated tax cuts has left taxpayers worse off than if we had merely indexed our system. Without indexing, well-intended tax cuts do nothing more than offset the tax increases caused by inflation. A year after these so-called cuts go into effect, the taxpayer once again falls behind due to inflation's unrelenting impact.

Congress must never give into inflation. As we seek permanent solutions to the problem—such as balancing the Federal budget—we must do all we can to shield our citizens from its harmful side effects.

Our Canadian neighbors have indexed their tax system since January 1974. Their experience indicates that indexing slows down the growth in government spending and provides a strong incentive to fight inflation to promote real economic growth.

Mr. Speaker, H.R. 365 has over 80 cosponsors in the House and has been introduced by Senator DOLE in the other Chamber.

I urge my colleagues on both sides of the aisle to join me in cosponsoring this inflation-fighting measure.●

CLAIRE SPRAGUE THE COSMOPOLITAN GRANDMOTHER

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. O'NEILL. Mr. Speaker, the following article comes from a hospital newspaper in Stockton, Calif. Mrs. Claire Sprague, the subject of the article, is a dear friend and a beautiful person, and I am pleased to take this opportunity to share her remarkable story with my colleagues:

CLAIRE SPRAGUE THE COSMOPOLITAN GRANDMOTHER

(By Marian Jacobs)

"I'm not supposed to be here, but I am."

Speaking is a bright eyed, robust and soon to be 83 great-grandmother who has survived cancer, ulcer surgery and heart disease and credits Dr. Genest de L'Arbre and the staff at Dameron Hospital for keeping her alive.

Her name is Claire Sprague. Her family and friends call her the "Cosmopolitan Grandmother," because of her total dedication to and involvement with everyone whom her life touches.

When her daughter, June Sprague Fergusson died in 1975, Mrs. Sprague established the memorial named in her honor, in the Dameron Burn Unit.

Dameron has been almost a "second home" in the last few years, she says, having spent so much time there as a patient. And she adds that she can't say enough for the staff in the emergency room who "nursed her through" when she was brought in for "torrential internal bleeding." "They even came up to see me in my room," she adds. She had hardly recovered from ulcer surgery when she was felled again by heart failure. But the indefatigable mother of four refused to give up. She had survived breast surgery and 25 cobalt treatments a few years earlier, and this newest assault on her body seemed minor, even though Dr. de L'Arbre called the family to her bedside. (Her son, Tom, was flown to Stockton from Southern California in a Lear Jet and was at his mother's side within an hour.)

Clair's exciting life could easily fill a book or two—and in fact it has already filled one. In 1967, she authored her memoirs (to this point) as a gift to her children and 11 grandchildren. Called "Rocking Chair Memories" the book heralds the events and emotions of her life. Looking at a Stockton Record article written at the time, with an accompanying photo of Claire, it would have seemed as hard then, as now, to believe this spirited woman ever spent much time in a rocking chair.

In addition to her "memories," Claire has also authored a book of poetry, "From Heart and Pen," and has had works published in the "Saturday Evening Post," "The National Poetry Anthologies for Teachers" and in the "Pacific Historian," among others. A new poem was recently published in an Irish newspaper.

One of her most poignant memories involves the publication of a letter she wrote in the 1940's to the Saturday Evening Post about the evacuation of Japanese children from French Camp to internment settlements. They didn't publish her story, but instead paid her $50 for her letter, which described the Japanese students she was teaching at the time who were told they had to leave all their pets behind. Claire encouraged them to bring their animals to school before they left, and rounded up citizens from the French Camp community to come to the grammar school and adopt the various animals.

"It was a difficult time for all of us," she recalls. "My oldest son, Irvine was over in the Pacific fighting the Japanese, and here I was in French Camp teaching these innocent children. I loved them, in spite of what their country was doing to ours. I hated to see them sent away."

The most important force in Clair's life is her family. She raised two sons and two daughters and beams with pride as she talks about them.

Irvine is Chairman of the Federal Deposit Insurance Corporation, appointed by President Jimmie Carter early this year. He heads the giant government financial insurance agency at the age of 57, after serving as a Director for 11 years. Irvine was also an assistant to President Lyndon Johnson and served as Deputy Director of Finance under California Governor Pat Brown. Irvine was also an assistant to Congressman John McFall. He joined World War II as a private and returned as a Lt. Colonel, bringing home two bronze stars and a purple heart.

Claire Sprague's living room is studded with photos of her family, including many with Irvine with past U.S. presidents. One of her personal joys is a photo of herself taken with President Johnson.

Her daughter June, for whom the Dameron Burn Unit Memorial is named, was one of the architects of the City of Stockton's recreation swimming programs. The wife of Dr. Kenneth Fergusson, she died of cancer in 1975, after an active life in the community. The trustees of San Joaquin Delta College recently dedicated the June Sprague Fergusson Swimming Pool in her honor.

Another daughter, Norma, is married to Charles Gordet, and has spent a lifetime as a teacher and reading consultant in the Stockton Unified School District. She is a past president of the Stockton Teachers Association and has a Masters Degree from University of the Pacific. (All of Claire's children graduated from U.O.P., as did she.)

Claire's youngest child, Tom, began his career with Aerojet General Corporation in Sacramento as a tour director and rose to his present rank of director of public relations. He opened the famed space firm's first public relations office in Washington, D.C., and staffed it for several years.

A teacher for most of her life, Claire was a pioneer in making learning fun, and many of her "tricks of the trade" have been published and are still being used in schools. She also established the first class for gifted children in Stockton, teaching them poetry along with math, English and creative writing.

One day, noticing that a student was looking out the window at a butterfly, she had the class put their papers aside and responded to the beauty of the butterfly by writing poems about it. As a result, many of the poems were published in newspapers and school magazines, and to keep pace with her class, she too wrote and subsequently sent that work and others to publishing houses.

After retiring from her teaching job, Claire "filled in" at the registration office at University of the Pacific for eight years because, "I really wasn't ready to give up."

And when she finally left that job, she refused to rest on laurels, continuing to write and to do chores for her many friends. Almost any day of the week finds her filling out Medicare and other insurance forms for them or taking those who don't drive to medical appointments and grocery shopping.

Her large mahogany dining room table doubles as her writing desk, and just a few feet away sits a period rocking chair.

But it's doubtful that the "cosmopolitan grandmother" finds much time to sit in it.●

THE SOIL CONSERVATION SERVICE

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. WATKINS. Mr. Speaker, the following paper submitted to me by Mr. Leonard A. Soloman, executive director of the Oklahoma Conservation Commission well describes the Soil Conservation Service and the work it performs. I found this information very good and I applaud the role that the Soil Conservation Service plays in meeting the needs of our country:

Mr. Chairman: I appreciate this opportunity to go on record in favor of increased appropriations for the Soil Conservation Service.

In recent weeks I have been very concerned because of the proposed inadequate budget for this important agency. Many farmers, conservation district officials, and other community leaders in my state have written to me expressing dismay at the possibility of an insufficient funding level for a number of programs for which the Soil Conservation Service is responsible.

It is unfortunate but true that despite modern technology and increased planning we are still confronted with the age-old problem of improper land use and treatment.

It seems to me that in meeting this challenge, the Soil Conservation Service can and must play a major role. The experts who staff the conservation districts have the know-how and ability to help turn the tide and to conserve and restore this essential natural resource. A look at the record seems to indicate that we have ignored too long the harsh reality of the need for increased conservation funding, perhaps because it is not as spectacular, but nonetheless it is vital to our very existence.

Nationwide the Soil Conservation Service, made up of dedicated men and women, has had a tremendous impact in creating awareness of and helping solve unique land use and treatment problems.

However, at a time when the people are beginning to wake up and listen to what the conservationists have been saying for years, Congress has not been giving enough weight to the significant improvement which the Soil Conservation Service can help our constituents achieve.

In Oklahoma over 40 percent of the land still needs conservation treatment measures applied for protection and improvement. The full-time technical work force has declined over 100 positions in Oklahoma in the last 10 years. This represents a 17.4 percent decrease in full-time positions.

The proposed 1980 budget would further reduce current Soil Conservation Service personnel by almost 1,000 positions which is definitely moving in the wrong direction.

It seems to me that this is a critical situation. Nationwide the Soil Conservation Service conservation funds ought to be increased at least by some $82 million for FY 80 if the current Soil Conservation Service staffing needs to support a sound soil and water conservation program are to be met.

Let me discuss also other programs administered by the Soil Conservation Service. First, funds for the Rural Clean Water Program in the FY 80 budget estimate called for $75 million. This figure should be increased to $200 million in order that the program can run long enough to afford an adequate test of the program's effectiveness. The Oklahoma Conservation Commission has worked diligently to carry out the state's responsibility with regard to nonpoint source pollution control and stands ready to assist the Governor with implementation. The state's nonpoint source plan has been forwarded to Environmental Protection Agency and Best Management Practices have already been accepted. Critical watersheds have been identified and the Oklahoma Conservation Commission and Conservation Districts are anxious to move forward with the program.

Watershed planning and construction remain high-priority items. Oklahoma supports the President's budget of $154 million for watershed operations but recommends increasing the 1980 FY budget estimate on watershed planning from $6 to $9 million. In Oklahoma alone, there are 122 work plans approved. Besides the 64 subwatersheds in the Washita River watershed, 134 applications on watersheds from local people asking for assistance under PL–566 have been received. Over 40 percent of the watershed work remains to be done in the state. There are over 350 potential watershed projects in Oklahoma.

The Resource Conservation and Development Program is earmarked with a phaseout budget of $2.9 million. Interest in this program continues to be high. Oklahoma was fortunate to have one of the first approved RC&D projects in the United States. This project, entitled Cherokee Hills, has proven to the people of Oklahoma that by working together they can improve job opportunities and economic standards.

Sound resource management is the key to success. By proper management of soil and water resources, agriculture in the Cherokee Hills RC&D is improving, industry is moving forward, more employment opportunities have become available locally, recreation facilities are increasing, and the average per capita income is higher. In addition to the four approved projects in Oklahoma, there are five additional applications awaiting planning authorization. These are Will Rogers, Great Plains, Wheatland, Cross Timbers, and Two Lakes.

Nationwide there is a backlog of $127 million in planned project measures alone. The President's budget will not meet the legal commitments incurred by Soil Conservation

Service, let alone the projects for which sponsors have incurred obligations and costs. Therefore, I recommend the budget for RC&D be increased to $50 million.

Public Law 1021, authorized by the 84th Congress on August 7, 1956, initiated a conservation program to minimize climatic and economic hazards in that area of the United States known as the Great Plains. The program was called the Great Plains Conservation Program. The 91st Congress in late 1969, having seen the program in operation for over a decade, passed PL-118 to extend the Great Plains Conservation Program and broaden its scope to better fit the needs and development opportunities of the seventies.

The purpose of the Great Plains Conservation Program is to assist farmers and ranchers in carrying out, on a voluntary basis, a plan of operations that brings about greater stability to operating units in the area. In addition, the program provides for practices and measures to enhance fish and wildlife and recreation resources, promoting the economic use of lands and reducing or controlling agriculture related pollution.

When the Great Plains Conservation Program was authorized, 200 million acres of valuable soil resources were identified in the Great Plains as needing conservation treatment to protect it from the ravages of wind and water erosion. Since that time nearly 100 million acres have been adequately treated under the Great Plains Program. This degee of success is unprecedented in the history of the conservation movement in the United States. However, the job is only half done.

The 30 western counties of Oklahoma are eligible and are all participating in the program. Within this 30-county area there is approximately 20.4 million acres of land. Because of inadequate program funds only about one-fourth or 5.4 million acres of the eligible land in Oklahoma has had a contract written on it. There have been approximately 7,500 Great Plains contracts written in the state, with more than 2,000 still active.

The Soil Conservation Service has obligated approximately $24 million for Great Plains contracts in Oklahoma. Approximately one-third of this has been used to establish permanent vegetation on areas of inadequate vegetation or on cropland unsuitable for cultivation because of excessive erosion. To date nearly 400,000 acres of permanent vegetation has been established on these highly erosive areas.

There is currently more than 500 farmers and ranchers in Oklahoma who have applied for a contract on over 700,000 acres of land. There are many more farmers and ranchers throughout the area that have expressed a desire for a Great Plains contract but because of the very limited number of contracts that can be written they do not even make a formal application for a contract.

Since the inception of the program, the primary responsibility for its administration has been through the Soil Conservation Service of the United States Department of Agriculture. By having the responsibility for administration of the program, as well as providing the necessary technical assistance to the landowners on the proper application of the planned practices, the program is very effective and efficient.

By having the funds appropriated to one agency, the Soil Conservation Service, who also has the responsibility for administering the contracts and providing the necessary technical assistance, the program runs very smoothly and is simpler for the producer to understand and carry out his contract because all of his contracts are with the same agency.

The President's budget has called for the phasing out of the Great Plains Conservation Program and incorporating it into the Agriculture Conservation Program administered by the Agriculture Stabilization and Conservation Service.

This proposal is unacceptable for two reasons. This very successful program has, because of fund limitations, only completed half of the job that is needed. This program is not only needed by the farmers and ranchers in the Great Plains area in their struggle with erratic climatic conditions and the stabilization of their land, but also by the public because of the value of reduced erosion and sedimentation and their dependence of the production of food and fiber.

Secondly, the measure of success of the Great Plains Conservation Program is due largely to the efficient manner in which the program has been administered through the Soil Conservation Service. To take the responsibility for the administration of the program away from an agency that has proven itself as very capable would not be in the best interests of the program or of the farmers and ranchers participating in the program.

Based on the needs of Oklahoma and other states, I recommend that the total appropriations for the Great Plains Conservation Program be increased to $30 million and that the responsibility for the program remain with Soil Conservation Service.

In summary, Mr. Chairman, I am suggesting that the committee should seriously consider increasing the appropriations from the amount requested to a minimum of $346 million for Conservation Operations, to $9 million for watershed planning, to $200 million for the Rural Clean Water Program, to $50 million for the Resource Conservation and Development Program, and to $30 million to the Great Plains Conservation Program.

I am convinced that this would be money well invested in the future welfare of the nation and would contribute greatly to our avowed goal of conserving and protecting our irreplaceable natural resources.●

AN INEQUITABLE GAS RATIONING PLAN WON'T WORK

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Ms. MIKULSKI. Mr. Speaker, I would like to share with my colleagues a recent column from the Washington Post by William Raspberry and my response. I feel it important to point out that opposition to the administration's rationing plan does not mean that there is no energy crisis. It does mean that the administration's plan is unfair.

As the plan now stands, with the administration's most recent amendment taken into account, ration coupons will be distributed on the basis of the number of cars registered per household—with the maximum not to exceed three per family, except in the situation where hardship can be proved. We need to ask ourselves, what is real hardship? Is it a family who owns three cars and needs coupons for a fourth and fifth car? No, hardship is what will be felt by the people who can only afford one car which is used by many people in one family or by those who have made great efforts to conserve energy in the past.

I urge my colleagues to read the following carefully and then to join me in opposing the President's gas rationing plan:

RATIONING ENERGY: THE DIET THAT WORKS

(By William Raspberry)

Maybe you remember the old brainteaser. You are in a bathroom whose window and door have been sealed shut. Both faucets of the bathtub are wide open and capable of filling the tub to overflowing within 20 minutes. The drain, also fully open, is capable of emptying the tub in 40 minutes. The room is waterproof, and escape is impossible. How do you keep from drowning?

What brings the poser to mind is President Carter's agonizing over what to do about the "windfall profits" that would accrue to the American oil companies as a result of his scheme to deregulate the price of domestic crude.

Should the Congress enact sufficient added taxes to absorb the excess profits? Should the companies be permitted to keep their profits provided they agree to plow back a certain percentage into exploration for untapped deposits? Should there be tax relief for the citizens whose energy costs will go up as a result of deregulation? How do we keep from drowning in a sea of oil-company profits?

I don't know much about the petroleum industry, but I do remember the answer to the old brain-teaser. The way you keep from drowning is to turn the water off.

Deregulation to permit domestic oil prices to rise to world-market rates, themselves set artificially by the OPEC cartel, is the source of the windfall problem that has Carter so vexed. He wants the prices to rise to force us to reduce our energy consumption.

Hardly anyone will argue against the need to curtail our energy gluttony—even those who believe that the present crisis is contrived. But it is fair to wonder whether it makes sense to solve one problem by creating another, equally vexatious, one.

Why exchange the problem of excess consumption for the problem of excess oil-company profits?

It isn't as though U.S. oil corporations are starving to death. In fact, their soaring profits are a source of considerable embarrassment, both to themselves and to the administration.

According to reports issued last week, first-quarter profits for Standard Oil of California climbed 42.8 percent over a year ago. Exxon reported a 37 percent increase, Texaco 81 percent, Gulf 61 percent, and Continental Oil a whopping 343.3 percent.

Admittedly these huge profit increases are not entirely the result of domestic production, but the point is that the companies aren't exactly hurting. The president's windfall-profits proposal acknowledges as much. So why create the windfall in the first place?

The answer depends on when you ask the question. A while back, the rationale for deregulation was that it would encourage major increases in domestic exploration. Permit the oil companies to earn more per unit of production, we were told, and they will naturally increase the number of units. Ergo: Our dependency on oil imports would be substantially reduced.

Today's answer is vastly different. Deregulation, we are told, has nothing to do with domestic production; in fact, we should take away, through taxation, the extra profits that stem from deregulation. The rationale now is that we need higher energy prices to force us to consume less energy.

At some level of high cost, I suppose, it would work. Presumably we could curb the American tendency to obesity if we raised food prices to the point where no one could eat more than was good for him.

But where is that point? And what happens to the overall economy while we are getting there?

Again, I don't know much about the petroleum industry, but it seems to me that soaring food prices are busting our family budgets, and still we are as fat as ever.

Is oil really different? Isn't the likelihood that we would continue our energy gluttony even in the face of vastly increased energy costs? Do we burn less gasoline at 80 cents a gallon than we did a few years back when it was in the low 30s?

You know the answer to that one. The only absolutely predictable result of the increased costs Carter now proposes would be another disastrous round of generalized inflation.

The way to curb our wasteful consumption of energy is to make less of it available—at any cost. In a word: rationing.

The House Commerce Committee last week rejected Carter's proposal for standby rationing authority. In fact, the Congress has turned down almost the whole of Carter's energy-conservation package.

Judging from Congress's attitude, you would wonder whether our legislators believe there really is an energy crisis. Do they know something we don't?

TO THE EDITOR:

I believe that Bill Raspberry's support for the administration gas rationing plan in his column of April 30, 1979 is misguided. Faced with an imminent shortage of gasoline—real or contrived—this country must do a better job of conserving the fuel we have and allocating limited supplies equitably while we search for alternate energy sources.

But the plan proposed by the Department of Energy, and disapproved by the House Commerce Committee, is inequitable and unfair. It allocates fuel to vehicles, not to people—thereby rewarding the most profligate users of energy and punishing those who have tried to conserve. It discriminates against working class communities, where many people in a household use the same car, in favor of well to do households with more than one car.

There are alternatives, which would be more equitable and more effective. Why can't we allocate fuel to every person in the United States over a certain age? Since ration books become alternative currency, this would enable everyone to get into the action. It would reward the conserver. It would mean that elderly widows who depend on their neighbors for transportation could provide the fuel for shopping trips; and it would guarantee the survival of essential volunteer activities such as Meals on Wheels.

A rationing system is like democracy—to be effective, it needs the consent of the governed. I do not believe people will consent to the administration plan because it is so blatantly unfair; and I am seriously concerned that it would result in a vicious black market.

I believe this country can do better.

Sincerely,

BARBARA A. MIKULSKI,
Member of Congress.●

PERSONAL EXPLANATION

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Ms. FERRARO. Mr. Speaker, due to the need to be back in my district, I was unavoidably absent from the House on May 4, 1979. Had I been present, I would have voted "yea" on rollcall No. 120, the rule for considering H.R. 39, dealing with the Alaskan lands legislation.●

A SEPARATE DEPARTMENT OF EDUCATION

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. DASCHLE. Mr. Speaker, I would like to address the following comments on the proposal to establish a separate Department of Education. I feel that this is an excellent proposal whose time has come. For too long our education assistance programs have been fragmented on the Federal level. This has caused problems of accountability and responsiveness that have hindered the development of and commitments to our educational system. For this reason, I am strongly in support of a Cabinet-level Department of Education.

I wish to emphasize that the administration's proposal for this Department will not necessitate the authorization of any new appropriations. All funds will come from current appropriations. In fact, a new Department of Education will save money. Administration estimates conclude that $75 million can be saved through the title I program and $30 million saved through the law enforcement program by simply improving financial management and auditing systems which would be geared specifically to education programs.

This does not even take into account the savings by the elimination of duplicate programs that would be consolidated under the new Department. Again, the administration estimates that it currently takes 519 days to develop and publish regulations for a single education program. A new department would cut this time by one-third to one-half. Currently, over 40 Federal agencies scattered throughout the Government, administer 300 programs that spend $20 billion annually. This is a horrendous way to administer something so vitally important as the education of our children. I truly believe that an education department with an effective administrator could resolve these organizational problems by simply placing them within the jurisdiction of a separate office.

In effect, the Secretary would be accountable for these programs. Presently, education officials are submerged by layers of bureaucrats and consequently immune to public scrutiny.

In addition to these reasons there is a third reason that I feel needs to be mentioned. This is probably the most important one as well, at least to thousands of skeptical State and local school administrators and the like who feel that with this new Department, they will suffer a corresponding loss of influence on how the multitude of Federal programs are administered. On the contrary, I feel that there will result better understanding and responsiveness for local initiatives and concerns. This will be so because of the fact these people will now have a direct line to a Cabinet-level contact with the Federal Government. Furthermore, President Carter has stated that there will be fewer supergrade and executive civil service positions in this Department than in any other Cabinet level office.

All in all, it appears compelling to me that we remove from HEW the educational programs which account for 45 percent of HEW's programs but only 8 percent of its budget. The long-term savings of this decision would not only alleviate budgetary pressures but would signal our leaders on how an effective reorganization process will reduce and simplify the seemingly omnipotent bureaucracy to a Department that is accountable, and responsive to local needs and concerns.

Finally, I feel the time is right for this Department and I urge my colleagues in the House of Representatives to support H.R. 2444, establishing a separate Department of Education.●

SCIENCE AND THE AUTOMOBILE, PART I

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. BROWN of California. Mr. Speaker, for several years I have been attempting to improve the relationship between the Federal Government and the U.S. automobile industry, and especially move toward solving the environmental and energy problems associated with the automobile. I have recently been gratified to see the subject a matter of public discussion by parts of the executive branch, several committees of the Congress, and several groups outside the Government, including the automobile industry itself.

One of the major topics of discussion has been the challenge by Secretary of Transportation Brock Adams to the U.S. automakers to "reinvent the automobile." The heart of the automobile, of course, is its propulsion system. The dominant propulsion system in use is the Otto cycle engine, or the standard internal combustion engine. It is this engine which has caused our urban air pollution problems, and it is this engine which is the largest consumer of gasoline in the United States.

It is no exaggeration to say that most of our imported oil goes to run our automobiles, although the route by which this oil gets to the automobile is twisted.

Over a year ago President Carter signed into law the "Automotive Propulsion Research and Development Act of 1978" (Public Law 95-238), which set a 5-year goal for the Federal Government, through the Department of Energy, to research and develop advanced propulsion systems which are energy efficient, meet Clean Air Act goals, and are capable of using non-petroleum-based fuels. This new law gave a firm legislative framework for a Federal program which had been on the back burner of various

Federal agencies for over 6 years. This year, to my surprise and disappointment, the DOE budget actually cut the advanced heat engine program, which was only given more specific goals last year. The House Committee on Science and Technology reversed this foolish budget cut and will shortly be asking the full House to reaffirm the congressional intent in support of this major Federal research and development program.

Mr. Chairman, I know of few areas of greater importance, either directly or indirectly, to the U.S. economy than the automobile. The future role of the automobile will be determined by events inside and outside the automobile industry. The role of science in improving the automobile, and lessening its adverse impact upon society, will undoubtedly grow.

The Detroit Free Press recently ran a four-part series on the relationship between science and the automobile. Because of the enormous importance of this subject to the Congress, I will begin today the first of four CONGRESSIONAL RECORD inserts:

The material follows:

[From the Detroit Free Press, Apr. 22, 1979]

RESEARCH LAG CREEPS BACK TO HAUNT U.S. AUTOMAKERS: PART I

(By Judith Serrin)

General Motors advertises its Buicks as a blend of "a little science, a little magic." Chrysler Corp. has hired former astronaut Neil Armstrong to praise the company's research efforts. And Ford Motor Co. says it "has a better idea."

But if those tributes are true, auto industry critics ask, why do 50,000 Americans continue to die in auto accidents each year, why have auto emissions become one of the nation's prime environmental problems and why does the internal combustion engine operate at only 15 percent efficiency?

There are about 15,000 parts in an automobile. None got there by chance. Behind each—whether it is the catalytic converter, the computer-controlled digital clock, the side panel—lies scientific research.

For all that research, however, the basic auto has survived the ages relatively unchanged. The car of 1979 operates much more like the one the Duryea brothers started building in 1895 than the airplane of today operates like the one the Wright Brothers flew 75 years ago.

Consumers can also see greater changes in computers, television sets or telephones than they can in the automobile.

"When we get right down to it," Transportation Secretary Brock Adams told the Detroit Economic Club in December, "the last major technological breakthroughs of fundamental significance (in autos) occurred about 60 or 70 years ago."

Noting that such features as the lightweight heat engine, the pneumatic tire and the electric self-starter were all on cars by the 1920's, Adams added:

"Developments since then have been important but incremental refinements of the basic technologies."

These include four-wheel brakes, safety glass, quick-drying paints, sealed-beam headlights, automatic transmission, independent wheel suspension and air conditioning—all on cars by 1940.

Some critics—like Frank Bell, the 41-year-old president of a multimillion-dollar New Jersey firm—would argue that the auto industry is unwilling or unable to cope with major change.

Bell, an engineering graduate of Yale University, feels qualified to criticize the American automobile industry. He has built a car that, he claims, gets 80 miles to the gallon.

According to Bell, his effort—and those of auto innovators like him—got nothing but a cold shoulder from Detroit.

Consider Bell's story.

By modifying the internal combustion engine, he once thought he had found an answer to America's energy problems.

He spent four years trying to sell his idea—the use of atomizing nozzles to break gasoline into a fine mist and keep air-fuel mixture uniform—to 20 companies involved with automobiles. The nozzles, he says, would increase engine efficiency by about 10 percent.

He got good test results, he says, but no orders.

Then, in partnership with a Virginia mechanic and race car builder, Toronta P. Goodman, Bell added the nozzle to a two-stroke Bourke engine, a design that has been around for 50 years.

Goodman built six engines from junkyard and remachined parts. One engine, installed in a 1,400-pound NSU Sports Prinz, got more than 80 miles to the gallon in highway driving.

Today, that engine, wrapped in paper, sits in a friend's garage. Bell was unable to attract financial or governmental support. He and Goodman cannot afford further testing and development work. Bell says he lost $100,000 on the project.

There are many reasons an auto invention can fail, even with corporate researching backing. And automotive scientists say it is easier to get one car to do anything—get good mileage, get low emissions—than to mass produce cars that will do the same thing over a wide range of driving conditions.

Yet Bell's story, and many like it, raise legitimate questions about the role of science and research in an industry that got its start from a mastery of science and research.

Some critics fear the industry has lost its touch at a time when foreign competition and government regulations mean that research and innovation are needed more than ever.

Adams has added to that concern with his December 1978 call for the "re-invention of the automobile" over the next decade.

"One of the problems," says Irving Bluestone, vice-president of the United Auto Workers, "is that the industry . . . failed to do the necessary research and development in anticipation of need until such time that they were compelled to by law."

If fears over inadequate research and development prove well-founded, the American auto industry could be bypassed and thousands of jobs lost.

Most company officials think such a development impossible. They argue that the American public will never give up the convenience of personal transportation for such alternatives as mass transit or railroads.

But personal transportation is not necessarily limited to an American-made car powered by an internal combustion engine. Foreign firms have manufacturing capabilities they never had before.

And some major non-automotive companies—electric companies are the prime example—are eyeing the automotive market.

Should any of the non-gasoline vehicles become popular, says Beno Sternlicht, chairman of Mechanical Technology Inc., American industry would find it hard to overcome its lag.

Such shifts have occurred before in the history of transportation. As one industrial researcher notes, "It wasn't the canal companies who brought us the railroads." A government researcher adds, "They didn't invent the automobile by working on improvements in the horse."

Critics say automotive researchers can do better.

"The concept of the 50-mile-per-gallon car is something that's within the realm of possibility," says David Cole, a University of Michigan automotive engineer, although he adds that, with present technology, the car would be very small.

Says industry critic Ralph Nader, "The final question is this: We have solved in our country incredible difficult science and engineering problems with budgets much less than the auto companies can devote."

While auto executives quarrel with critics like Nader, innovation—or the lack of it—has bothered them, too.

William Agnew, technical director of the General Motors Research Laboratories, admitted last October in Lablife, a GM internal publication, that America's automobile industry seems less innovative than foreign competitors.

"Are we now perhaps spending too much time applying old ideas or just confirming and developing discoveries of others? Maybe we should take a few more flyers," he wrote.

Further, the mirrors that reflect what automotive scientists do are somewhat clouded.

The UAW has no scientists of its own to keep an eye on the industry, although union jobs are at stake. Bluestone says a panel of scientific experts is being organized to "point out possible future problems."

The Society of Automotive Engineers, the major professional organization of industry researchers, has few dissidents.

A telling scene occured at this year's convention when a researcher for a battery manufacturer reported on a mistake his company made in working with high-voltage batteries.

When he finished, a listener stood up and gave praise. For the first time in SAE history, the listener said, a speaker had admitted making a mistake.

Scientific magazines rarely pay attention to automotive science, even though General Motors spends more money on research and development—$1.45 billion in 1977—than any other company in America. Ford Motor, with expenses of $1.176 billion, was second. Chrysler was ninth with $337 million. American Motors reported spending $43.3 million on research and development.

The figures may seem substantial, but then, so are the companies. Automotive research and development expenses are two to three percent of the annual sales volume.

In the auto industry, however, most research and development money, perhaps three-fourths, goes to engineering, with perhaps 15 percent to development and 10 percent to applied science.

And, no matter how much money is spent in research, there remains the question of what scientists and researchers are doing with the money.

"We have one product, and that's valid data," says Dale Hancock, supervisor of Ford's Dynamometer Laboratory, explaining the engine testing facilities there.

At Chrysler, Charles M. Heinen, director of research and materials, says, "You've got to pursue truth, and you've got to present truth when you've got it. When it's negative data, I've not hesitated to find it."

Says GM's Nils L. Muench, a technical director, "We have developed and earned a position of respect. Our measurements are generally accepted, our scientific reputation is generally unflawed."

Clarence Ditlow, executive director of the Center for Auto Safety, in Washington, D.C., agrees—to a point.

"The individual scientists and engineers employed by the automobile companies are some of the best in the world," he said. "I would not accuse the auto industry of doing false research. But I would say it is misguided research." ●

OVER-INTRUSIVE GOVERNMENT

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. RHODES. Mr. Speaker, for many years, one of the principal differences perceived between liberals and conservatives has been their ideas as to the extent to which government should interfere in the lives of citizens. Liberals generally favor greater government participation.

I think it merits notice, therefore, when one of the Nation's leading political reporters, who is generally considered to be a liberal, writes an article detailing some of the problems of over-intrusive government.

I am referring to a column by Richard Reeves in Monday's edition of the Washington Star. Mr. Reeves, a former reporter for the New York Times, and author of several books on national politics, certainly is no member of any "conservative establishment."

He raises a number of very cogent points, and I commend the column to my colleagues:

Portents and Idiocies

(By Richard Reeves)

Beverly Hills, Calif.—A friend of mine who wants to lose weight had tried everything else, so she went to a hypnotist. He couldn't put her under and finally he snapped, "Why are you so hostile?"

She snapped back, "Wouldn't you be hostile if someone was trying to take away your food?"

She now thinks hypnotists are a bunch of frauds. Maybe they are. Many Beverly Hills ladies think so, enough of them so that their man in Sacramento, a state senator named Alan Sieroty, is pushing a bill in the California legislature giving the state control over hypnosis.

I have no doubt this is a good thing. I am against hypnotists taking advantage of overweight matrons or anyone else stupid enough to see one without checking out his trance record. I also have no doubt hypnosis inspectors and boards will cost California taxpayers a lot of money.

This story is my answer to someone in the White House who argued that public attitudes toward government are irrational. "They hate it, but they want more and more from it," he said.

Perhaps, though it may be only public officials who want to do so much more. I don't want to do anything about hypnotists but keep them out of my sight. I don't hate them and I don't hate government yet, but I hate a lot of things that are going on and I want to pass a couple more stories along to my friend at the White House.

In Louisville, Byck's, a small chain of women's stores, has had the pension cost for its 200 employees doubled since the passage of the Federal Employee Retirement Income Security Act of 1974. But those employees now receive less than half the coverage they did before the law was passed.

Who gets the extra money? "Lawyers and accountants," said Dann Byck, the president of the company. "We need them to stay in compliance with the new regulations and to deal with the federal inspectors."

In Los Angeles, attorneys for the city and the U.S. Department of Labor's Office of Federal Contract Compliance Programs have spent more than three years negotiating the employment or non-employment of an assistant tree-trimmer with psychiatric problems.

A dozen calls to OFCCP offices in Washington and California did not produce anyone who would or could comment on the two-page press release the Department of Labor sent to every newspaper and radio station in the country.

"How much did this all cost?" said one official. "A lot, and it will cost a lot more over the next couple of years, but I'm not going to talk about it. Did those idiots really send out press releases about this mess?"

Yes, those idiots have also filed a complaint against the city and have threatened to end federal aid to Los Angeles "for its failure to hire a qualified handicapped person."

In New York, newspaper publicity forced the city's Department of Health to stop trying to close down a pleasant, reasonably priced day-care center called B.J.'s Kids on West 84th Street.

The health inspectors charged that the place had two children too many to comply with a 40-square-foot-per-child regulation. On the day the health department agreed that the newspapers were right, that B.J.'s was in fact a showplace, building department inspectors arrived to try to shut down the center for violation of other regulations.

There was nothing particularly new about all this. It probably happens 1,000 times an hour in the land of the free—and it happens because we want to protect fat ladies and retired workers and the handicapped and children.

But it also happens because things are out of hand—and a lot of government folk are out of their heads—within bureaucracies.

This is a memo the Washington Star discovered floating through the Department of Housing and Urban Development: "Regarding the last point, the secretary stated that all duplicate program processing should be identified and eliminated except in unusual circumstances in which approval by the secretary is required. This was still an open issue. Therefore two task forces were formed to deal with it."

The president of the United States, the one in there now, the one who said he was going to cut the federal government down to 200 agencies, says he can't deal with it. So?

Well, in 1835 Alexis de Tocqueville wrote: "I have previously made the distinction between two types of centralization, calling one governmental and the other administrative. Only the first exists in America, the second being almost unknown.

"If the directing power in American society had both these means of government at its disposal and combined the right to command with the faculty and habit to perform everything itself, if having established the general principles of the government, it entered into the details of their application, and having regulated the great interests of the country, it came down to consider even individual interest, then freedom would soon be banished from the New World." ●

PERSONAL EXPLANATION

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. MAZZOLI. Mr. Speaker, May 4, 1979, I was necessarily absent from the House.

Had I been present, I would have voted "aye" on rollcall No. 120, to approve the rule under which the bill providing for the designation and conservation of certain public lands in the State of Alaska, will be considered.●

WHAT DO WE KNOW ABOUT SAUDI ARABIA?

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. MICHEL. Mr. Speaker, although Saudi Arabia has become one of the most important nations in the world because of its supply of oil, we do not know very much about the nation or its people. Indeed, we seem content to deal with a very complex area of the world, the Middle East, by saying that it contains "Arabs," as if the situation in Iran is not different from the situation in Saudi Arabia. We cannot afford to look at this complex region in such a simplistic way.

James H. Noyes, former Deputy Assistant Secretary of Defense for Near Eastern, African, and South Asian affairs and currently visiting senior fellow at the Institute of International Studies at the University of California, Berkeley, recently has written an article dealing with the myths that surround Saudia Arabia. Mr. Noyes' article does an excellent job of explaining the realities of Saudi Arabia and I commend it to your attention.

At this time, I wish to insert in the Record, "The U.S. and Saudi Arabia: Polishing Off the Myths" published in the Los Angeles Times, April 8, 1979:

[From the Los Angeles Times, Apr. 8, 1979]

The U.S. and Saudi Arabia: Polishing Off the Myths

(By James H. Noyes)

Saudi Arabia lies uneasily in the American mind these days. Worried over energy, inflation and Mideast turmoil, Americans cast troubled eyes more often now than in the past over the seas to our longtime ally and oil supplier. Yet the average American actually knows little of Saudi Arabia's domestic or regional politics, or even of its people. The Saudi Arabian kingdom is variously portrayed as unstable, absolutist and fanatically Islamic. Its leaders are described as "impulse buyers" who use the country's vast wealth to buy weapons, palaces, luxury cars and private jets. The Saudis are also thought of as unreliable allies who pursue an independent course in Mideast policy-making and allow the world price of oil to rise, to the detriment of the United States.

Because a tough period for Saudi Arabian-U.S. relations may lie ahead, a look behind these stereotypes is in order.

Although the Iranians and the Saudis are often compared, they are quite different peoples. In recent years, in fact, their social systems have widened even further that gap.

Shah Mohammed Reza Pahlavi, who spent the last decade trying to yank his Iranian countrymen into modernity, practically pulled Iran's society up by the roots. In his single-minded determination, he failed to efficiently co-op traditional leaders by providing new avenues for grievance and dissent. Instead, he ruled over a country that was a mosaic of languages and ethnic groups, and he actually allowed it to continue in its history of frustrated political expression.

On the other hand, in Saudi Arabia, where religion is the core of society and politics, the role of King Khalid Ibn Absul Aziz is dictated by religious law. Decisions are made in consultation with members of the royal family and religious, tribal, business and government leaders who are commoners. The Saudi population of around five million people is still small enough to allow almost all groups direct, personal links with influential leaders or members of the royal family. Further, the Saudi "tone" is one of accommodation; it is personal, informal, patriarchal. Leaders and officials, including King Khalid, are petitioned from all quarters daily with individuals' problems.

Saudi Arabia is ethnically cohesive, without large racial or linguistic minority groups. Iran, in contrast, must deal with the Kurds, the Baluchis and other minorities.

The great Saudi wealth has been handled differently, too. Private hands, to be sure, are copiously filled. But vast national-development programs also enhance the daily lives of every Saudi—both such projects as the Saudi industrialization drive, whose benefits will take years to recognize, and the many new schools and hospitals being built with astonishing rapidity. There are even commodity-support programs to offset inflationary pressures on Saudi consumers.

Further, all this Saudi wealth does not remain at home. As recently as 1969, the Saudis had a chronic balance-of-payment deficit and lacked the resources for internal improvements. Yet today, because of the industrial West's energy demands, it generates far more income than it needs. Surpluses discomfort the Saudis as much as they do the global economy. So the Saudis pass large amounts on to developing nations.

In terms of gross national product, the kingdom's 1975 official contribution of development aid to Third World countries was 2.43 percent, compared, for instance, to the .27 percent expended by the United States. Saudi contributions have since increased and the kingdom has become a major development-aid donor as well as a welfare state.

Yet, in many ways, the country remains a developing nation itself and pressures over the use and generation of these resources are enormous. Saudi policymakers are torn by entreaties from their "poor" OPEC brothers, who want Saudi production to go down and oil prices to go up; their interest in the non-Communist world's economy, which calls for more oil production and lower prices; and the internal strains caused by Saudi conservatives, who want to slow spending both to help preserve tradition and to spread the benefits of the oil income over a longer period of time.

So, despite its image of limitless riches and power, Saudi Arabia suffers from an assortment of restraints and dilemmas. And there is more. Moslem pilgrims to Mecca and Medina, numbering perhaps 1½ million annually, attest to the kingdom's special position in the Islamic world. Not only its financial power, but its strategic Persian Gulf-Red Sea location, as well as the emotional legacy of the much-loved Saudi King Faisal, also place the country in a pivotal position in the Arab world. In fact, serious divisions in the Arab world are especially dangerous for Saudi Arabia, with its small population and the vulnerability of its oil facilities.

With that last consideration in mind, the coming months will be difficult for Saudi Arabia.

There is, for instance, the smoldering war between North and South Yemen. Only three years ago, South Yemen employed the now-familiar and omnious device of using the Soviets, Cubans and East Germans to support a rebellion in neighboring Oman. Checked in that effort—in part by Iranian military assistance to Oman—South Yemen has now turned the same forces against chronically unstable North Yemen.

The Saudi vulnerabilities here turn on the kingdom's large imported labor force, including as many as one million North Yemenis. Subversion of North Yemen by Marxist South Yemenis would be of intolerable peril, creating the largest state, in terms of population, on the Arabian peninsula, with Soviet-backed military forces far exceeding present Saudi capability. The timing of South Yemen's attacks also suggests a deilberate effort to remind the Saudis not to wander too far from the rest of the Arab world in support of Egypt's separate peace efforts.

Yet, with all the pieces in Iran far from being reassembled into a new order, the Saudis must place an even higher priority on support for a moderate government in Egypt. As recently as the mid-1960s, more than 50,000 Egyptian troops were fighting on the wrong side of Saudi interests in North Yemen. Today, Egypt's military muscle could provide a last-resort block against Soviet- and Cuban-supported adventures in the region. So the Saudis must, at the same time, associate with and keep some distance from Egypt. To join fully with Egypt's peace effort, for example, would polarize the Arab world in a manner principally useful to the Soviets.

Saudi leverage in the Arab world is needed by the United States for a long list of problems, perhaps beginning with oil pricing and a Mideast peace process that is clearly at a very early stage of development. Palestinians hold important jobs in significant numbers throughout the Persian Gulf, and they cannot be ignored. But most important, their fate weighs heavily in the moral policy frame-work on which the Saudi state is built, which attaches such a priority, for instance, to a just settlement of the Jerusalem issue.

The sincerity of the Saudi moral commitment to the Palestinians seems to puzzle many Americans. That rich and busy men should even *have* a moral commitment seems self-contradictory. This is like the cliched cartoon, ostensibly pointing up the paradox in a traditionally robed Arab kneeling in prayer to Mecca beside his new Mercedes. Apparently, either the man should be content to ride a camel, or he should learn to wear a proper Western suit.

Yet we, like the Saudis, retain our own strain of puritanical character. True, we tend to apply it more to others than to ourselves, which is perhaps why we find a strong Islamic resurgence threatening, but we should, with time, come to recognize common moral touchstones.

Thus, there is much that the United States can do to improve its relations with Saudi Arabia. We can focus more on the positive aspects of Islam. There is more to it than the wearing of veils and the chopping off of criminals' hands, and the Soviet Union's efforts to manipulate the Islamic revival for its own gain will only be helped by Western resistance and ignorance.

Further, the United States must tread delicately in military matters. We need to help Saudi Arabia and North Yemen to modernize their defenses with all dispatch. We must also prepare to employ U.S. forces should the Soviets attempt a direct conquest on the Arabian Peninsula. Finally, we must avoid the temptation to search through the dusty debris of European colonialism for the keys to our "lost power" in the region. Military bases there, or military pacts with Arabian Peninsula nations, would merely tend to destroy the political underpinnings of these nations and consequently, the very strategic assets we are out to preserve. Such blundering is the Soviets' kind of mistake—witness Egypt, the Sudan, Somalia and others. The West in Vietnam, has already been down that road, to its bitter, dead end.●

THE WOEFUL BUDGET EXERCISE

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. CONYERS. Mr. Speaker, as the second budget resolution for fiscal year 1980 comes to a vote in the House, I want to share a few thoughts about the meaning of these semiannual budgetmaking exercises, as I see it. A year ago in testimony before the House Budget Committee, I stated:

> As a result of our failure to set budget priorities in a deliberate and analytic way, we have not gained the kind of control over the budget that we intended and that is necessary; and as a result our policy objectives in virtually every area have been compromised and derailed . . . It has been said that priorities are implicit in each and every budget decision that Congress makes. In a certain sense, that is correct. Resolutions do affirm a given set of assumptions, a particular way of distributing the wealth and resources of the society, and the burdens, so that certain groups derive benefit and others a great deal of disadvantage and pain. I think, after all is said and done, that despite the new budget process in operation over four years, our budget decisions reflect a rather remarkable position of carrying forward the budget and policy choices of the past with very little reexamination of the errors of past policy and of the assumptions that lay behind them. What we then call "budget priorities" in a real sense are the unexamined assumptions of the past and the incremental changes in budgets and policies that carry these assumptions forward, regardless of the consequences.

The debate on the first budget resolution for fiscal year 1980 continues this process forward. It is more of the same, and leaves unexamined the basic economic assumptions behind current policy, the real alternatives that we have, and the real costs and benefits of current policy in relation to the alternatives that exist. A number of examples in the present budget debate come to mind. It appears the majority has decided to cut Federal spending—the domestic side only—as a principal method for combating inflation, despite the findings of the Congressional Budget Office that these cuts will only have a tiny impact on the inflation rate, one-tenth or two-tenths of 1 percent, I recall. Since much of budgetmaking involves symbolic gestures, anyway— in this case, projecting a determination to tighten the screws on Federal spending without necessarily creating the policies that will have accomplished that end—these resolutions have to find ways to justify the cuts that are made, that invariably work to the benefit of the most powerful interest groups in society—that is, the Defense Establishment; the corporations, the upper income strata—and to the great injury of the least powerful groups—that is, the working poor, the poor who lack the opportunity to work, the disabled, the elderly, recipients of public assistance. In this budget year, the collective congressional alibi is that spending for the most vulnerable groups is inflationary, whereas spending on weaponry and beefed-up force structures in Europe is simply a matter of national defense.

This budget resolution cuts a substantial amount out of domestic human resource and social service programs. There is a growing consensus that the economy, influenced by a reduction in Federal spending, is headed for another big recession, and estimates of an increase in the unemployment rate at 7 or 8 percent in another year. As I said earlier, there is little evidence that this budget will really tackle the problem of inflation. And there is a great deal of reason to expect that as the economy slides into another recession, unemployment insurance and public assistance programs once again will grow, and the country once more will have experienced another misguided policy cycle, that has produced yet another round of unemployment and inflation.

The circumstances of this newest round in budget setting make it even more obvious this year than in past years that we are merely on a treadmill, of repeating the history of our past failures. We have been at peace in the world for the longest continuous period since the 1950's. There are few wolves at our doors, except for the ones of our own making. We have had the opportunity to correct the mistake of past social and economic policies, and readjust the pattern of spending over the last three decades, that in cumulative impact have heavily favored the military sector to the detriment of the social and economic ones. In the last Congress I thought we had finally determined, through the debates on the Humphrey-Hawkins Full Employment Act, that the No. 1 issue in the Nation was rebuilding our economic base, including employment opportunity, the revitalization of our urban areas, and the greater maximization and augmentation of our industrial capacity.

Despite these circumstances, we are back at square one: Inventing recessions to fight inflation; countenancing meager relief rather than jobs as the means of dealing with the unemployed; allowing the industrial and urban base and resources to deteriorate further; permitting other countries to call the tune on what our standard of living and our capacity to grow will be; and overburdening even further our poor, our elderly citizens, the unemployed, and our young people who will inherit it all.

The budget process has become a sad spectacle, indeed.●

BREAST DISEASES ASSOCIATION OF AMERICA

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Ms. MIKULSKI. Mr. Speaker, I would like to call to the attention of my colleagues the outstanding progress that has been made by the Breast Diseases Association of America, a young health association whose efforts are directed toward the reversal of our Nation's rising incidence and mortality from breast cancer, with special emphasis on assisting research efforts to conquer breast cancer and public educational programs on breast cancer treatments other than mastectomies.

As a member of the Health Subcommittee of the Interstate and Foreign Commerce Committee, I have a strong commitment to two of their goals: First, the elimination of unnecessary surgery and second, improvement of health care for women in this country. The credo of this organization states very clearly the rational approach to breast cancer.

The credo of the Breast Diseases Association of America is as follows:

We support early detection of breast cancer because we believe early detection followed by early treatment can save the patient's life and may also save the patient's breast(s).

We believe the treatment should match the individual case for each case of breast cancer is different and each patient is different.

We believe patients should consult with knowledgeable breast specialists and then become partners with these specialists in choosing that mode of treatment which will best meet the needs of their individual case and their individual personality.

We believe some breast cancer patients may need mastectomies and others may not.

We believe physicians should inform patients of all the alternative modes of treating breast cancer.

The alternatives in breast cancer treatment include nonsurgical methods, surgical methods and varied combinations of these methods.

Nonsurgical methods: Radiation therapy via external beam and/ or radiation implants; chemotherapy, hormone therapy; immuno-therapy.

Surgical methods: Tylectomy (lumpectomy); wedge resection; simple mastectomy; modified radical mastectomy; radical mastectomy.

We believe freedom to choose from among the alternatives is the right of every breast cancer patient. It is the patient's breast(s), the patient's body, the patient's life.

We believe psychological counseling should be available to all breast disease patients before, during and after any mode of treatment and for as long thereafter as supportive counseling is deemed necessary.

On may 19, the Breast Disease Association of America will have its spring luncheon. Thus I wanted to take this opportunity to bring my colleagues up-to-date on the past activities of this organization and the distinguished people who are associated with its work, including many of our colleagues.

The first meeting of the board of directors of the Breast Diseases Association of America (BDAA) was held on Friday, August 20, 1976, at the offices of Philip Strax, M.D., 1056 Fifth Ave., New York, N.Y. 10028.

The noted Dr. Sarah Splaver, counseling psychologist and author of many works in the fields of psychology, guidance, and education, chaired this meeting, as the association's president.

The latest board of directors meeting was held on Friday, March 23, 1979, at the Visiting Nurse Service of New York, 107 East 70th St., New York City.

At the March 23, 1979 meeting, the continued and future plans of BDAA were elucidated as follows: (a) Educational programs, stressing particularly that early detection can save patients' lives and may also save their breasts, and that the treatment should match the individual case; (b) provision of free psychological counseling to breast disease patients; (c) psychological research projects, especially the study of women's attitudes toward breast self-examination and mammography; (d) medical research projects in the form of minigrants to young members of medical school faculties who have novel ideas regarding the cause(s), cure and/or prevention of breast cancer; (e) Project AMCOB, aid to motherless children of breast cancer victims; and (f) spring luncheon to be held at the Hotel Roosevelt in New York City on Saturday, May 19, 1979.

At this spring luncheon, D. Jane Taylor, Ph. D., chief, Breast Cancer Program Coordinating Branch, Division of Cancer Biology and Diagnosis of the National Cancer Institute, will be honored as the BDAA Woman of the Year.

The members of the BDAA Medical Advisory Board will be honored at this spring luncheon as BDAA Physicians of the Year. They are: Joseph Bohorquez, M.D., director, division of radiation oncology, Downstate Medical Center, Brooklyn, N.Y.; John Boland, M.D., director, Radiotherapy Center, Mount Sinai Hospital, New York, N.Y.; Bernard Gardner, M.D., director of surgical oncology, Downstate Medical Center, Brooklyn, N.Y.; and Selig Strax, M.D., senior surgeon, U.S. Public Health Service.

Philip Strax, M.D., who was honored at BDAA's first luncheon in November 1977, will present the awards at this spring luncheon.

The organizational structure of the Breast Diseases Association of America consists of the following:

President, Sarah Splaver, Ph.D., counseling psychologist and author of many books, including "Your Mind and Breast Diseases," and other materials in the field of psychology, guidance and education.

Vice President, Eve W. Chaiken, Health Education Specialist, medical writer, formerly with the U.S. Public Health Service.

Secretary, Dorothy Axelrad, Mechanical Engineer.

Treasurer, Mary Calvo, former President, Norcross, Inc.

The Board of Directors consists of the following:

Dr. Sarah Splaver, Chairperson.

Amelia Ashe, Ph.D., Member, New York City Board of Education.

Emily L. Eisen, Ph.D. Candidate, Counseling Psychology, New York University.

Reva Fine Holtzman, D.S.W., Professor and Coordinator of Field Work, Hunter College School of Social Work, New York City.

Helen Kleinberg, Director of Career

Counseling and Placement, Lehman College, Bronx, N.Y.

Raylah Krevere, Ph.D., Professor of Psychology, Adelphi University, Garden City, N.Y.

Lawrence R. Malnig, Ph.D., Director, Counseling Center, St. Peter's College, Jersey City, N.J.

Milton Schwebel, Ph.D., Professor, Graduate School of Applied and Professional Psychology, Rutgers University, New Brunswick, N.J.

Blanche Strax, award-winning Artist-Sculptress.

Nathaniel L. Rock, 515 Madison Ave., New York, N.Y. 10022, serves as Legal Counsel for the Breast Diseases Association of America. Michael Goodman, 2032 Belmont Rd. N.W., Washington, D.C. 20009, serves as Washington Counsel.

The Honorary Trustees of the Breast Diseases Association of America are: Ambassador Ruth Farkas; Michael T. Blouin, former Congressman, Iowa; Yvonne B. Burke, former Congresswoman, California; Frank Church, U.S. Senator, Idaho, and his wife, Mrs. Bethine Church; Geraldine A. Ferraro, Congresswoman, New York; James J. Florio, Congressman, New Jersey; Helen S. Meyner, former Congresswoman, New Jersey; Barbara A. Mikulski, Congresswoman, Maryland; James H. Scheuer, Congressman, New York; Olympia J. Snowe, Congresswoman, Maine; and, Gladys Noon Spellman, Congresswoman, Maryland.●

BIG BROTHERS-BIG SISTERS MARK 10TH ANNIVERSARY IN MONTGOMERY COUNTY, PA.

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. COUGHLIN. Mr. Speaker, I am pleased to note the 10th anniversary of service to the communities in Montgomery County, Pa., by the Montgomery County Big Brothers-Big Sisters Association.

More than 300 volunteers take part in the association's year around program. With a relatively small budget, the association volunteers continue to provide companionship and leadership to many youths in the county. Contributing their time and often their money, these volunteers exercise a constructive role that merits the admiration of all.

As a volunteer and as an honorary board member, I have been associated with Big Brothers-Big Sisters for almost 25 years. I know that many of my colleagues who have been active in this organization share my pride in its accomplishments.

I am proud to insert in the RECORD the report of Lee Daney, executive director, Big Brothers-Big Sisters Association, Montgomery County, Pa., on the organization's 10th anniversary:

EXECUTIVE DIRECTOR'S REPORT

In my quiet moments, I sometimes wonder about the future of Montgomery County Big Brothers-Big Sisters, pondering the status of the agency 10 years from today. If recollections of the past are accurate indicators of the future, then the confidence I share with my Board of Directors is deserved.

The design of my report to the membership is to advise of the year-end programmatic status of our operation. But it seems most appropriate at this point in our development to expand the overview of this report to include the important historical perspective.

Nine years ago, I was asked to assume the Directorship of the agency, a frightening prospect for a 21 year old social worker. It was a time of no promises—just an invitation to join a small, committed group of Board members in the herculean task of raising thousands of dollars just as the national and local economies were rushing towards a major recession.

The memories of those early days come easy: teen dances that we held every Friday night so that we could "make payroll" the following Friday; cancelling private trash collections because we couldn't afford $2.00 a week; loading beaten file cabinets onto a borrowed truck for use in our tiny office; a secretary that we could only pay for 3 hours a day.

But the accumulated frustrations only made inevitable rewards more gathering. Now after our 1st decade of service, this agency functions with a caliber of professional service that is a fitting tribute to the hundreds of men and women whose sense of brotherhood and sisterhood shaped that struggling program into one of the finest human service delivery systems in the County today. But this "historical" attention to our financial growth should never be allowed to overshadow the quiet contributions of those volunteer men and women who share precious hours with a child every week. Our Big Brothers and Big Sisters are the ones who ultimately and finally touch their child's life, and there are few ways that we could ever thank them.

Invariably, each would assert that it's not even necessary, that they were just doing their share. And indeed, our volunteers must find their reward within their relationship with the child, the same place where they find their frustration, their despair and their hope. It's one-to-one, the most intimate personal contact possible, and by its very nature, sometimes it hurts.

In the provisions of services to children and youth, quality care has to be the primary goal, tempered by expectations for reasonable per-capita costs.

Our data in these regards is clear:

230 boys assigned, at the present time, to volunteer Big Brothers;

56 girls assigned to Big Sisters;

54 youths assigned to the agency's 3 streetworkers;

15 children assigned to the agency's student interns; and

49 unassigned children, mostly boys, being serviced by staff counselors prior to assignment.

Being able to "hold the line" financially and qualitatively while increasing our quantity of delivery has to reflect positively on our agency's studied policy of an expansion that doesn't fall prey to the perils of over-expansion. In 1978, just "holding the line" was progress, and we're proud of it.

In this regard, our Report should indicate the credit due the agency's Board of Directors. Capably led by President Taylor Fernley, these men and women determine agency policy, direction, and most importantly, willingly shoulder the responsibility of 700 clients and $170,000 of private and public funds. We all owe this special group of citizens a debt of thanks.

The review of our year's service to the Montgomery County community would not be complete without a word of commendation to the professionals responsible for maintaining the daily delivery of our unique professional/volunteer service. In the arena of social service, where emotional "burnout" is a hazard of the trade, the sensitivity and commitment of Jeff Miller, Roxanne Bobak, Irvin Wheeler, Terry Jones, Chris Dwyer, Henry Thompson, Daisy Mendelsohn, and our 6 college interns bespeaks a true pride in their profession that is a source of pride for me, and I gratefully acknowledge their dedication to our children.

LEE DANEY, M.ED.,
Executive Director.●

THE LIBERAL BIG SPENDERS' CHICKENS HAVE COME HOME TO ROOST—FOR ALL OF US

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. ASHBROOK. Mr. Speaker, if the chickens had only come home to roost for the liberals it would be one thing. However, the travesties which they have perpetuated here in Washington have devastated the whole country, all of us, and we are paying for their errors. In a way, all of the people pay for being hoodwinked over the years and not looking behind the liberal facade which promised the good, utopian life since World War II but, in fact, has brought us to our knees.

The dollar is weak, we have a large balance of trade running against us, we cannot constitutionally balance our budget, inflation is rampant and our world leadership is eroded because we are susceptible to blackmail—militarily, and in the vital area of energy. Now is the time for change and the people are demanding it. Yet, we have in the White House a President who cannot lead us to the needed change because he is essentially a New Deal big Government advocate. The Congress cannot because it is generally of the same philosophy.

Printing press money, a waning productivity, increased socialistic reliance on Government rather than hard work, burdensome Government regulation, overtaxing and failure to develop new capital are the core of our problem. Without changing these, we will continue from crisis to crisis with little improvement.

I do not want to sound like a broken record and it is no fun to tell you I told you so but for more than a decade now it has been my weekly chore to point out the foolishness of what the liberals have been doing. The cornerstones of their jerry-built structure were placed in the sand. Their gods of the last 20 years have been: First, that deficits do not cause inflation; second, that the Soviet Union only wanted to catch up with us militarily, not pass us; and, third, Government can do it better than the people themselves, business, or the private sector. They have been wrong but they built a tower of Babel on these false foundations. To us comes the challenge to build anew, on the old free enterprise foundations which made this the greatest country in the world.

Investment should be encouraged and double taxation eliminated from investments to free up capital. Government controls should be minimized and Government itself pared to the minimum. We should strive for military superiority and domestic independence on energy. We should stop throwing our money away in 120 countries of the world and build at home. In short, there should be a wholesale turning away from the liberal economic, political, and social thinking of this last decade. It has virtually destroyed our institutions ranging from the family to our schools to our constitutional system of self-government.

It will not be easy. Never underestimate the commitment of the liberal and his socialistic and communistic brethren to Marxist ideas that do not work.●

RELEASE OF PRISONERS OF CONSCIENCE

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. BARNES. Mr. Speaker, 1 month ago I joined with other new Members of the 96th Congress to protest the harsh treatment of Soviet Jews who have been mistreated and denied exist visas. The occasion was the visit to Capitol Hill of a "Freedom Van" carrying relatives of these prisoners of conscience. It was my honor to address the House on April 5 on behalf of Mark Dymshitz, a Leningrad engineer and former Soviet Army pilot who was sentenced to death in the infamous Leningrad trial of December 1970, because of his desire to emigrate to Israel. His daughter, Julia Dymshitz, was present in the House gallery and I subsequently had the opportunity to meet personally with her and with other members of the Freedom Van delegation.

Today I rejoice that Mark Dymshitz—released on April 27 with Edward Kuznetsov, Alexander Ginzburg, Georgi Vins, and Valentyn Moroz—is a free man and at home with his family in Israel. Dymshitz was among a number of prisoners of conscience released in April 1979 along with 4,296 other Soviet Jews who were permitted to emigrate in that month. The other freed prisoners of conscience included Leib Knokh, Boris Penson, Anatoly Altman, Hillel Butman, and Wulf Zalmanson.

Mr. Speaker, I hope that the efforts we make here in the Congress can play some useful role in influencing the Soviet Government to reconsider its frequent violations of the Helsinki accords. The release of Mark Dymshitz and other prisoners of conscience coincided with a visit to Moscow by a congressional delegation led by the gentleman from Indiana, Mr. Brademas, and included Mr. Vanik of Ohio, Mr. Nedzi of Michigan, Mr. Hamilton of Indiana, Mr. Preyer of North Carolina, Mr. Dellums of California, Mr. Downey of New York, Mr. McHugh of New York, Mrs. Spellman of Maryland, Mr. Wirth of Colorado, Mr. Gephardt of Missouri, Mr. Shelby of Alabama, Mr. Michel of Illinois, Mr. Edwards of Alabama, Mr. Whitehurst of Virginia, Mr. Johnson of Colorado, and Mr. Gradison of Ohio. The delegation conveyed to the Soviet Government the deep concern of the House with respect to violations of human rights. We should also be grateful to all of the individuals and groups in the United States and abroad who work ceaselessly on behalf of Soviet Jewry.

Recent developments have indeed been encouraging, but we must continue to be vigilant and persistent in our reminders to the Soviet Union that the occasional release of well-known prisoners of conscience, while quite welcome, will not cause us to ease the pressure for a more permanent change in their policies.●

CONGRESSIONAL CAMPAIGN FINANCING "WELFARE BILL"

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. FRENZEL. Mr. Speaker, on April 9, our distinguished colleague, Congressman Sam Devine, authored an article that appeared in the Columbus Dispatch. the article outlined his objections to taxpayer financing of congressional campaigns.

Our colleague made three very important points. First, any bill would virtually guarantee that incumbents would have no effective challenge. Second, the Federal Election Commission is 2 years behind now on the 1976 Presidential audits and it would be a nightmare to expect them to administer a public financing bill. Third, that all the concern raised about the so-called increase in special interest contributions is a phony argument.

Mr. Devine makes a force argument against wasting any more of our time on this "welfare bill."

His article follows:

PROPOSAL BLATANTLY AGAINST CHALLENGER

(By Samuel L. Devine)

Another scheme to raid the U.S. Treasury has been devised and the overburdened taxpayer will pick up the check if public financing of congressional campaigns is adopted by the Congress.

As the senior minority member of the Committee on House Administration, I have been listening to and questioning a series of witnesses, including members of Congress, pro and con, and lobbyists, such as Common Cause, who frankly admit they are the chief proponents of this legislation.

The proposed bill is affectionately referred to as "The Politicians' Welfare Bill" by the liberal Washington Post in a recent editorial.

All taxpayers should be aware of the inherent dangers in this legislation.

Some claim it is the most blatantly pro-incumbent, anti-challenger bill the Congress has seen and would provide the final straw in subverting the constitutional intention that the House of Representatives be the people's voice.

It will assure non-incumbent challengers would have no realistic opportunity for success. Specifically, the bill would authorize the treasury to match contributions of less than $100, up to 40 percent of a total ceiling of $150,000.

The clear purpose is to see that incumbents have no effective challenge and would certainly insulate Congress from the people.

Without going into the technical details, any controversial bill to provide public funding for political campaigns must be in truth Incumbents Protection Act.

It is understandable because only incumbents can write the law, and it is asking something in violation of human nature if we expect the Democrat-controlled Congress with nearly a two to one majority to act contrary to its own interests.

Understanding such a motivation is essential if we are to judge honestly congressional proposals on congressional campaigns.

As Bill Brock, Republican National chairman, said, "This is the kind of 'reform' Attila the Hun might have offered the hapless peasants who were unfortunate enough to lie in the path of his marauding band.

"Passage of H.R. 1 can have only the tragic effect of further increasing voter frustration and alienation through imposition of one more barrier to the voters' desire for representation and their ability for self-government.

"Additionally, it is an assault upon our party system, the last remaining institutional access bridge between an individual and his or her government."

The Federal Election Commission (FEC), seething internally with conflicting analyses, estimates the cost of this proposal someplace between $20 million and $40 million.

It would be a bureaucratic nightmare trying to administer the legislation by the FEC that is a couple of years behind in its current responsibilities to check out election complaints.

The chart gives a very simple view, clarifying how large the contributions of various political action committees (PACs) were last year, and the figures are from FEC statistics.

It is easy to see, individual contributions are the dominent source of campaign funds and, in fact, small contributions, less than $100, provide two and one-half times more money than all of the PAC contributions combined.

As a matter of information, in 1978 the average campaign cost for candidates for the House of Representatives was $90,242.

All political action committees combined made average contributions of $731 which is less than 1 percent of total campaign expenditures.

Corporate PAC contributions averaged $445 which is less than one-two hundredth of total campaign expenditure in the average campaign.

Labor's average contribution was 1.2 percent of total campaign expenditures, while ideological PAC's averaged 1.1 percent.

Cooperatives contributed 1.5 percent, and trade-membership-health contributed .9 percent.

In my opinion, the adoption of this self-interest legislation would just be another step that would lessen the already low esteem many people have of the Congress of the United States.●

THE NATIONAL DEBT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. STOKES. Mr. Speaker, I would like to share with you and my colleagues an article by Vijay Mathur, professor of economics at Cleveland State University, which appeared in the Plain Dealer on May 7, 1979. The article, "National Debt Not Such a Problem," is particularly germane to our current deliberations on the budget and the attendant mass of economic assumptions and projections. Professor Mathur eloquently explains the dimensions of the national debt and puts it into perspective vis-a-vis gross national product, future tax liability, availability of capital, balance of payments, and consumer debt. The national debt is not the enormous debt burden some people perceive hanging over their heads; it is nothing more than a tool which facilitates our fiscal and monetary objectives. Its size and components vis-a-vis certain economic factors will change from time to time, but the size alone is not cause for alarm. The article follows:

NATIONAL DEBT NOT SUCH A PROBLEM

(By Vijay K. Mathur)

It is hard to understand the overriding national concern with balancing the budget. Could it be due to misinformation or misguided belief that balancing the budget will make inflation go away?

It appears that people have not been told the facts about the national debt and the implications of balancing the budget. Many politicians are trying to cash in on the current public attitude about the national debt, a result of fallout from Howard Jarvis' Proposition 13 in California.

The facts are:

(1) In the beginning of 1978, the debt was approximately $730 billion, a debt of $3,300 per man, woman and child in the United States. But roughly 35 percent of this debt was owned by U.S. government agencies, which if subtracted leaves a net of $2,100 per person. Moreover, corresponding to the debt are the Treasury bonds and bills that people hold as part of their assets.

(2) Compared to the gross national product (GNP) of almost $2 trillion in 1978, the net debt is only 36 percent of the GNP. Hence, the debt burden is not substantial if we use GNP as a crude measure of ability to pay. More importantly, this fraction has declined since World War II.

(3) The federal debt today is roughly three times the size of the debt in 1950 while consumer installment debt is four times, mortgage debt is 16 times, corporate debt is 12 times, and state and local debt is 13 times, according to Walter Heller's estimates in the Wall Street Journal, March 16, 1979.

(4) Most of the debt was acquired during wars and recessions, particularly 1974–75. I am sure that most people would agree that such financing, as opposed to increased taxes, was worth its price and most people would not have been willing to tolerate the balancing act in a severe recession.

Certain other arguments against national debt need careful scrutiny.

Some are pure misconceptions. It is argued that the presence of a large debt burdens our children and grandchildren with higher taxes in order to meet heavy interest payments.

This argument ignores the fact that the interest on the national debt will be paid by taxpayers as a whole to those citizens who hold government securities. The annual interest payments are no more than mere transfers of income from one group to another. Hence it does not decrease the wealth of the nation.

This concern about interest payment is valid to the extent that foreigners hold the national debt, because part of the asset represented by debt is held by foreigners while the future tax liability falls entirely on U.S. citizens.

But one must note that the U.S. debt is an obligation to pay U.S. dollars, which is not true for many countries. Therefore one need not worry about a possible default because the U.S. government is the source of dollars.

I am not saying that such debt is good or bad, but I do say that one must not worry about default.

Let me now examine the two most important arguments against the national debt.

It is contended that deficits financed by borrowing drive up the interest rate, which in turn discourages private investment. Therefore, future generations will end up with less capital and consequently lower output. This reduction of private investment resulting from such deficit financing is called "crowding-out."

Moreover, if people regard national debt as part of their wealth, economic theory suggests that there will be a rise in interest rates and consequently a further decline in private investment. Hence, future generations will face lower output due to the smaller amount of capital stock. In this sense debt could be a burden.

But this is only part of the picture. The national debt could also cause "crowding-in" if there are unemployed resources. The government spending or tax cut that causes deficits has a stimulating effect on GNP. This growth in GNP will cause savings and investment to rise and capital stock to accumulate.

In addition, the argument for "crowding-out" depends on the traditional Keynesian assumption that wealth holders have only two assets, money and bonds. But if there exists more than one asset, such as capital, in the portfolio, capital accumulation might even occur instead of "crowding-out."

The final outcome will depend upon the relative strengths of "crowding-out" and "crowding-in" effects.

Citizens concerned about "crowding-out" must also understand that government not only consumes but also invests, many times in projects which private investors may not undertake due to their relative riskiness.

A related argument states that federal deficits, if not the only source, are a major cause of inflation.

Let me describe the basic mechanics of federal government financing of the national debt and its impact on money supply. The government can borrow money from the private sector or from the central bank or both. If the Treasury, the agency of the federal government, borrows from the private sector, there is no change in the high-powered money (currency plus commercial bank deposits at the Fed), except temporarily, in the hands of the public. Treasury receives and then spends the high-powered money.

In case the Treasury borrows from the Fed, the debt holdings of the private sector remain unchanged, but the holding of high-powered money is increased. There is no necessary association between the size of deficits in the United States and increase in high-powered money. But to the extent that the Fed is committed to maintain constant nominal interest rates Treasury borrowing is accompanied by increases in high-powered money.

High-powered money is the source of money supply. Therefore in the event the economy is fully employed, an increase in high-powered money would feed inflation. But if the economy has unemployment and deficits, an eventual increase in high-powered money may be the thing we need.

So it all depends upon the state of the economy, the way the deficit is financed and the Fed's policy. Putting the national budget in a straitjacket would jeopardize the fine-tuning capability of the budget.

Additionally, past data reveal little, if any, relation between deficit and inflation. We had high inflation in 1919–20 but a budget surplus and an extreme deflation in 1931–33 when the budget was in deficit. We had a large deficit in 1959–65 but a very low inflation rate, and as recently as 1974–76 our inflation rate dropped from 12 percent to 6 percent in the face of a 37 percent increase in gross federal debt in the same period.

It is natural for a budget deficit to occur during a recession because tax receipts fall relative to expenditure. Keeping a balanced budget during a recession would require increased taxes, cuts in spending (e.g., unemployment compensation, welfare, food stamps) and therefore worsening of the recession.

I am not arguing for a sustained federal deficit. But I am arguing that a policy which requires a balanced budget year in and year out is not only unnecessary but almost impossible.●

SCHOOL AID: SPENDING MUCH TO LEARN LITTLE

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. MICHEL. Mr. Speaker, in recent years data gathered by social scientists, experts on education and others interested in educational problems has strongly supported the view that federal aid to education programs, for all their good intentions, simply have cost too much and produced too little.

That viewpoint was recently put forth by David Savage, associate editor of the weekly Education USA. I urge you to read Mr. Savage's incisive and irrefutable criticism of federal aid to education.

At this point I wish to insert in the RECORD, "School Aid: Spending Much to Learn Little," from the Washington Post, April 15, 1979:

SCHOOL AID: SPENDING MUCH TO LEARN LITTLE

(By David G. Savage)

The Washington budget debate, like such debates for a decade, has been styled as an argument between heartless accountants and compassionate doers of good

Do we care about the poor? The handicapped? The unemployed, the unwashed, the helpless? When you put the question that way, it is easy enough to portray those seeking to hold down spending as the heartless accountants.

But a decade after the explosion of social programs known as the Great Society, isn't it time, finally, to ask a different question: Do the programs work? Has federal aid to education made a significant difference in the nation's schools and helped poor children catch up with their middleclass schoolmates? Have federal urban development programs improved the country's big cities? Has the Law Enforcement Assistance Administration made the streets safer? Has the Comprehensive Employment and Training Act given the hard-core unemployed the training they need to land jobs?

The Health, Education, and Welfare Department's education budget, which now totals about $12.5 billion, is a case in point. The Elementary and Secondary Education Act (ESEA) was created in 1965 as a centerpiece of Lyndon Johnson's Great Society to pump out money for poor children. The assumption—right or wrong—was that extra "compensatory" instruction would help "disadvantaged pupils learn at average rates and thereby break the cycle of poverty.

Although some scattered evidence is beginning to emerge suggesting there has been at least some impact on learning, for the most part it hasn't happened. The aid has grown steadily over the years, so that 80 percent of elementary schools end up with funds to help these students under the main program, Title I. About 6.5 million children are enrolled at least part-time in compensatory education at an average extra cost of $450 per child. But large-scale, federally funded studies have generally been unable to find that the extra money has had much impact in improving education.

The major evaluations through 1973 showed that children in compensatory classes were achieving no more, and often less, than similarly disadvantaged pupils who remained in regular classes. In 1974, Congress asked the National Institute of Education to conduct a three-year, $15 million study of Title I. Its final report, submitted to Congress last year, simply sidetracked the question of whether the money had any impact in improving education. Instead it dealt with such other important questions as what types of compensatory programs worked best.

As one witness told a House education subcommittee last year, ESEA was an "unquestioned success." He was, literally, correct.

NO FOLLOW THROUGH

The impact of federal education aid is more dubious in other offshoot programs. In 1968, Congress, again at Johnson's urging, established the "Follow Through" program. This was designed to continue the supposed learning gains made by poor children in "Head Start." The Head Start program served preschool children, while Follow Through was to serve those in the first three grades. But the tight budget brought on by the Vietnam War persuaded the Johnson administration to scale down Follow Through and make it instead an experiment in compensatory education.

University education departments and social science research firms got contracts to set up compensatory education projects in selected communities. Some emphasized drills in the basics, others tried to improve "self-concept" as the way to help students learn better.

The Office of Education also put out a contract to evaluate the efforts by comparing Follow Through students to similar poor students in nearby schools. The evaluation, which lasted eight years and cost about $30 million, was released in 1977. It found that in eight of nine projects, students in Follow Through programs, which cost an extra $360 per child, gained no more or less than comparable students in regular schools. No type of project was found consistently successful.

"Apparently, it is genuinely hard to raise the test scores of disadvantaged children, even in comparison to those of other disadvantaged children, by means of the compensatory interventions that Follow Through has tried," said the evaluation report by Abt Associates of Cambridge, Mass. The budget for Follow Through has been $59 million a year. The Carter budget recommends another $59 million next year.

Also in 1968, Congress added a bilingual education program to ESEA. This was for "demonstration projects" to find better ways to teach English to children who come to school solely or chiefly speaking another language. By 1977, the bilingual education budget was up to $150 million, and it was still fraudulently called a demonstration program. Nothing was being demonstrated.

A controversial evaluation was done by the American Institutes for Research of Palo Alto, Calif.—and disputed by many bilingual education supporters. But whether or not Hispanic students in the federally funded bilingual classes were gaining a bit less in reading English than other Hispanic students, as the study said, the program certainly has not done what it set out to do: demonstrate the value of the bilingual technique. Still, the administration has recommended that the bilingual education budget go up another $15 million, to $174 million.

Said HEW Secretary Joseph Califano in announcing the new budget: "Our inept administration [of the bilingual education program] should not be used as an excuse for cutting it." Maybe not. But in what year—or decade—can we begin to judge the program in its merits?

THE "INNOVATIONS"

Washington has also given hundreds of millions of dollars to school districts to "reform" education by funding "innovative" projects. This effort rested on at least two assumptions—that "innovative" projects would be an improvement over existing offerings and that they would also spread to other schools. Here, as elsewhere, the overriding assumption was that more money would make for better education.

Last summer, the Rand Corp. released its eighth and final volume of an evaluation of these projects, which covered reading, vocational education, bilingual education and other efforts. It concluded that the assumptions were plain wrong. Other federal evaluations have "revealed inconsistent and generally disappointing results" as well, Rand notes. "Although federal support for local school services has become well established, the 'decade of reform' that began with ESEA has not fulfilled its expectations."

Why? Educators, to the extent they discuss the problem at all, seem genuinely puzzled. The mystery of how to improve education from outside remains, after 14 years, still a mystery. But Rand offers one cogent suggestion as to why federal aid has had such a minimal impact:

"More money supplied by federal funds did not necessarily purchase those things that mattered; it did not buy, for example, more committed teachers, more effective project directors, more concerned principals and so on."

What did determine the success of a school, not surprisingly, was "not the amount of funds available but the quality and behavior of the local staff." Money for innovative school projects came mostly from ESEA's Title IV, whose budget was $197 million last year; the Carter administration recommended another $197 million for the coming year.

GUARDING THE STATUS QUO

All of this is by no means unique to education. The process is repeated over and over as federal social programs are first created, then expanded. A national social problem is identified, usually through the media, and Congress creates a grant program to do something about it. For law enforcement, it was crime in the streets. For job training, it was rising unemployment. For housing and urban development, it was decaying cities. And each year, at budget time, the question comes back to the seriousness of the problem—not to the quality of the solution.

It's not hard to figure out why. There is a trail of federal money—billions of dollars—stretching from here to Guam. It goes to states, counties, cities and thousands of institutions, from Ivy League colleges to venereal disease clinics. Not surprisingly, those whose jobs and institutions depend on these funds don't want the programs threatened. They form a powerful lobby for the status quo. To them, evaluators and evaluations are as popular as bees at a picnic.

But Jimmy Carter came to Washington promising "compassion and competence." Presumably, his administration, unlike the Republican ones preceding it, genuinely believed in the social programs begun during the Great Society era. But much of the electorate also believed money was flowing from Washington like an open fire hydrant on a summer day. The Carter administration would supposedly bring hard-nosed management to Washington, see that the money was spent wisely and prudently.

To read the administration's fiscal 1980 budget is to see, however, that Carter has yet to crack the system. The budget justifications, "zero-based" or not, defend the budget totals by the depth of the problems rather than the demonstrated value of the programs. The Carter budget does try to reduce subsidies to the middle class in favor of programs "targeted" at those most in need. But, generally, it doesn't ask the hard question about which programs are accomplishing their aims, and it fails to challenge those Great Society assumptions that have been proved doubtful or wrong.

The administration's decisions in the budget and elsewhere seem based far more on traditional interest group politics than on tough analysis, more on fond hopes than on results. At midterm, the Carter administration still seems to believe it is better to err on the side of compassion than on the side of competence.●

AMTRAK

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. HILLIS. Mr. Speaker, on April 10, 1979, I wrote to the Secretary of Transportation Brock Adams outlining my concerns with regard to his recommendations to reduce the size of Amtrak. A copy of that letter appeared in the April 10 CONGRESSIONAL RECORD on page E1708.

Secretary Adams' response which was dated April 27 was disappointing. He argues that Amtrak is basically not fuel efficient. However, I believe he has overlooked the potential for fuel efficiency.

Fuel efficiency is obviously affected by many factors: The type of engines used, the condition of the tracks, the number of passengers utilizing the train, and the alternatives available to those using the train. Depending on the combination of these factors, Amtrak can either be efficient or wasteful of fuel. If, under any set of circumstances, Amtrak proves to be fuel inefficient, then the Secretary, if consistent with his own reasoning, should have recommended that all lines be discontinued.

However, the Secretary only recommends that certain lines be discontinued. The mistake, as I see it, that the Secretary is making is that instead of eliminating currently inefficient lines, efforts should be made to improve their efficiency.

The fact that buses are more fuel efficient than Amtrak is only relevant if first buses are available to replace Amtrak patronage completely, and second if Amtrak riders are willing to use buses.

While there is ample room to improve Amtrak's fuel efficiency, there is much less room to improve the fuel efficiency of buses without substantial research and development. It would be a mistake to close down Amtrak if the result was to increase the use of the automobile (which I believe would be the case).

Further, it seems inconsistent that while Secretary Adams argues that Amtrak is inefficient, he states that "an improvement in fuel economy of the Nation's highway fleet (cars and trucks) of 0.01 miles per gallon would save an amount equal to all petroleum Amtrak uses in a year." With Amtrak accounting for such a small percentage of our overall fuel consumption, the social benefits of keeping the entire current system may outweigh the fuel savings (if any) associated with the Secretary's recommendations.

Although the Federal Government should take all reasonable steps to save fuel, no fuel saving measure should be recommended without consideration as to the effects of the measure on the lives of Americans. If our sole purpose is to save fuel, or even to support only the most fuel efficient modes of transportation, then the Secretary should have recommended the elimination of all but the most efficient modes of transportation.

I believe even the Secretary would agree that fuel efficiency is not the only factor involved in the Amtrak debate. We must consider the social effects of closing down Amtrak lines. I do not believe the Department of Transportation nor the Congress fully understands the effects the Secretary's plan will have on the people who now use the Amtrak lines which are due to be closed.

I hope the House will be given the opportunity to vote on the Amtrak issue before May 15th. The plan should be rejected in order to give the Congress more time to consider the ramifications of the plan and some alternatives which could prove to be more acceptable.

A copy of Secretary Adams' letter follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., April 27, 1979.

Hon. ELWOOD H. HILLIS,
House of Representatives,
Washington, D.C.

DEAR BUD: Thank you for your letter of April 10, with enclosure, in which you expressed your concerns about my route system recommendations for Amtrak with regard to energy conservation. In your letter you also expressed the belief that Amtrak's energy efficiency will increase with new equipment and that Amtrak's historical data are not suitable indicators of future performance. Finally, you requested that I propose extension of the deadline for Congressional action on my recommendations to October 1, 1979.

I agree with you that the energy efficiency of the system demands close scrutiny and to that end, the Department has at my direction, made a careful examination of Amtrak as it relates to energy use.

That fact is that a locomotive-hauled train, with or without passengers, is a massive piece of equipment which consumes large amounts of energy. The Amtrak system would have to average more than 140 people on its trains to compete with an automobile for intercity fuel efficiency (measured in passenger-miles per gallon) and 400 or more to compete with the bus. The average Amtrak train has been carrying slightly fewer passengers than necessary to equal the automobile and far fewer than necessary to compete with the bus (137 in FY 77 and 128 in FY 78). The Amtrak trains recommended for discontinuance carry an average of 78 passengers.

Although the average fuel efficiency of Amtrak was approximately 44 passenger-miles per gallon in 1976, the fuel efficiency varies greatly by route. Amtrak's Northeast Corridor produces about 70 to 100 passenger-miles per gallon, while lightly-traveled long-haul sleeper trains attain an average of only about 25 passenger-miles per gallon.

Serving such a small percentage of the intercity passenger market, trains could play only a minor role in an energy emergency. If Amtrak's patronage were to triple—an event that would tax its equipment to the limit—it would still serve less than one intercity traveler in a hundred. As a recent New York Times editorial pointed out, "If Amtrak disappeared tomorrow and all its passengers switched to planes and cars, America's oil bill would not increase appreciably."

Cars and trucks consume about 74 percent of the petroleum used in transportation daily in the United States, more than 1000 times Amtrak's consumption. An improvement in the fuel economy of the Nation's highway fleet (cars and trucks) of 0.01 miles-per-gallon would save an amount equal to all the petroleum Amtrak uses in a year.

Given the dominance of the automobile in American travel, it is clear that the largest pay off in energy conservation can be gained in making that travel mode more efficient. That is why I have challenged America's automobile manufacturers to redesign the automobile to make it an even more efficient machine. It is also why DOT has continued to stress the need to get more people into each automobile. At present, an average automobile carrying three persons is more energy efficient than the average Amtrak train.

All modes have prospects for becoming more energy-efficient. Although Amtrak's better performance under a restructured system and using its new equipment should increase its fuel efficiency as a whole, it is extremely unlikely that Amtrak will exceed the fuel efficiency of the bus. In the Northeast Corridor, it will come closest and in long-distance cross-country services there will continue to be a great disparity.

With regard to your request that I propose extension of the deadline for Congressional review, I am unable to agree. The current deadline is mandated by Section 4(3)(1) of the Amtrak Improvement Act of 1978 which states that "the final recommendations shall be deemed approved, and shall take effect, at the end of the first period of 90 calendar days of continuous session of the Congress after such date of submission, unless either the House of Representatives or the Senate adopts a resolution during such period stating that it does not favor such final recommendations." This mandates the May 15 deadline for consideration.

The financial forecasts for operation of the new system are predicated upon the new system's being essentially in place on October 1, 1979 and operating through FY 1980. Were the deadline for Congressional consideration to be extended until October 1 as you have suggested, it would be virtually impossible for Congress, the Administration, and Amtrak management to plan for proper funding and operation of the system in FY 1980. Under the present deadline, Amtrak management will need all of the time available between the end of May and the first of October to prepare to operate the new system in the most efficient and effective manner.

While I appreciate your concerns, I think it is of overriding importance that we establish a national rail passenger system which represents a prudent use of Federal funds and offers the potential for improving Amtrak's service quality and energy-efficiency, as well as enabling revenues to ultimately cover a reasonable portion of costs. I believe that this decision also presents an unusual opportunity for us to translate into action our beliefs about controlling inflation and Federal spending.

Sincerely,

BROCK ADAMS.●

WINDFALL PROFITS TAX

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. LIVINGSTON. Mr. Speaker, in the next few weeks this House will be asked to consider a windfall profits tax that will seriously affect our oil-producing capacity and, in particular, oil-producing States like Louisiana.

On April 22, the New Orleans Times-Picayune published an editorial signed by its publisher, Ashton Phelps. I agree wholeheartedly with Mr. Phelps' conclusions and I would like to enter a copy of the following editorial in the RECORD:

AS THE PUBLISHER SEES IT—OIL AND GAS DEREGULATION AND WINDFALL TAX

(By Ashton Phelps)

At long last President Carter has seen the wisdom of deregulation of prices on old oil and gas. Unfortunately, he is still apparently misadvised in recommending delayed rather than immediate deregulation. Also, he has proposed a windfall tax on what he conceives to be excessive profits which will flow to the oil and gas companies.

There is no doubt but that this is a complex field in which opinions differ. The central problem, however, is basically a simple one:

We must increase our domestic energy supplies and decrease the economic drain of OPEC dependency.

Most experts agree that the nation has suffered harshly during the past several years when there has been no adequate provision for deregulation. Domestic production has lagged. The dollar drain has been calamitous.

Why our country has been willing to pay

market price to outsiders, but not to our own citizens is baffling—as well as self-defeating.

It is all very well to study and plan for long-range solutions, coal power, nuclear power, solar energy, etc., but the fact is that we are faced with a critical "cancer" which could kill us economically long before these long-range solutions come into play.

The problem is not unlike the medical problem of a doctor with a patient suffering from a variety of ailments. Uniform medical practice requires that the primary effort should be in the direction of saving the patient by addressing the most critical of the "diseases"—the life or death issue. In energy, this has best be done by that immediate increase in domestic productivity which will stem from an adequate inducement.

Related to deregulation is the president's suggestion that it will produce excessive profits to the oil companies and that the government should recoup some of these profits by way of a windfall tax. In point of fact, it does not appear from the more responsible financial analyses that oil companies have been the beneficiaries of excessive profits. On the whole, these profits over any reasonable period of time basically are in line with and possibly slightly less than industry profits generally.

It does appear that given full deregulation at market prices, the oil companies will reap substantial additional returns. But rather than turn these additional revenues over to the federal government, it makes more sense to allow the oil companies a credit for funds they plow back into research and development in seeking energy solutions.

There is an all too prevalent view in Washington that: Anything industry can do, government can do better. In fact, the converse is true. This nation was built upon the sound principle that industry can do a job better than bureaucracy.

Most oil and gas companies already are heavily involved in research for future energy needs. Furnishing them with additional capital—to which they are entitled anyway—to solve the nation's problems in these areas seems to us to be "the American way."●

BURDEN OF THE AMERICAN TAXPAYER

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Ms. FERRARO. Mr. Speaker, Sunday, May 6, was the day when millions of American taxpayers stopped working for the Government and started working for themselves. It was the day when the average taxpayer's earning will no longer go toward Federal, State, and local taxes, but toward the necessities of life. Thirty-four percent of an American taxpayer's income is surrendered to the tax collectors. If he or she were to pay in a lump sum, rather than through withholding taxes, yesterday marks the day when that debt would be liquidated for this year.

As millions of Americans went to work yesterday they were unaware of the fact that for the first time in 1979, they were working for themselves and their families. Similarly, each day they are unaware of the fact that 2 hours and 45 minutes of an 8 hour working day are devoted toward raising enough money to pay their taxes. This, Mr. Speaker, is only 15 minutes less than the time spent working toward the costs of shelter and household expenses, their food and beverage expenditures, and their outlays for medical care.

Mr. Speaker, I am sure that all of our constituents find this to be out of line. I know that the people of Queens do. They are willing to pay reasonable taxes, but unwilling to sacrifice their savings, and their dreams, to foot the bill of a too-costly Government. They are willing to share their resources so that vital Government programs and services may continue. They are not, and rightfully so, willing to relinquish large portions of their incomes for needless Government spending and programs fraught with fraud and abuse. I do not believe that any Member of this House should ask American taxpayers to bear this burden.

It is fitting that the House should be considering the first concurrent resolution on the fiscal year 1980 budget this week. While we are debating and voting on programs that cost millions and billions of dollars, we should not lose sight of the fact that our consideration is simultaneous with the day when our constituents liquidate their tax debts. Our goal throughout the debate on this resolution and later appropriations measures should be to reduce the enormous financial burden that these programs cause taxpayers to bear. I ask us to be responsible with our constituents' money, and to act in a reasonable manner. Neither the Federal budget nor our constituents incomes deserve a sledge-hammer approach.●

PERSONAL EXPLANATION

HON. MICHAEL LYNN SYNAR

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. SYNAR. Mr. Speaker, on Monday, May 7, 1979, I was in Oklahoma on official business conducting, in my capacity as a member of the House Select Committee on Aging, a field hearing dealing with providing emergency medical services to the rural elderly.

On those rollcall votes conducted on Monday, May 7, 1979, had I been present and voting I would have cast my vote in the following manner:

H.R. 3404, Treasury draw authority extension, "nay."

Amendments to House Concurrent Resolution 107:

Rollcall No. 122, Jones amendment, "aye."

Rollcall No. 123, Snowe amendment, "nay."

Rollcall No. 124, Conable amendment, "nay."●

FEDERAL DEPARTMENT OF EDUCATION NEEDED

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. MATSUI. Mr. Speaker, from the days of the Founding Fathers, our leaders have recognized that education is crucial to prepare Americans for their civic roles in a democracy. Yet the effectiveness of the Federal Government in aiding education has been diminished by a fragmented, overlapping bureaucracy with little direction.

I am proud to be one of the original 72 cosponsors of H.R. 2444, a bill to establish a Cabinet-level Department of Education. The creation of this Department, separate from the Department of Health, Education, and Welfare, will provide a focus to the numerous Federal educational programs, and elevate the status of education equal to its importance in our society.

Over 40 different Federal departments, agencies, and bureaus administer educational programs. As a result, the Federal Government is handicapped in directing assistance to local school systems. Moreover, these agencies issue regulations which are often duplicative and confusing. The creation of a single department, with a single spokesman in the Secretary of Education, will coordinate the various efforts of the agencies.

In the process of improving Federal assistance to education, the new Department will be a boon to taxpayers. During a hearing of the Government Operations Committee, Director of Management and Budget James T. McIntyre, Jr. testified that the creation of the Department can save the Government more than $100 million a year through improved financial management and audit systems geared specifically to education and through consolidation of the administrative functions of many programs.

The traditional prerogative of States to establish and administer their own education programs is reinforced in the bill. The bill prohibits the Secretary of the Department from exercising control over the administration of any school system, and maintains that "the primary responsibility for education resides with States, localities, and private institutions."

Rapidly changing educational needs will require new solutions to new problems. A Department of Education can channel the resources of the Federal Government into solving those problems. It can coordinate basic research and disseminate information to give local educational institutions the tools they need to handle the challenges of the 1980's.

The idea of a separate Department of Education is not new, but in recent years it has been given increased attention in Congress. Last year the Senate passed a measure to establish the Department, but in the closing days of the 95th Congress the House was unable to complete its action on the bill. This year, the Senate has again passed the measure, by a vote of 72 to 21. It is my hope that the House will now move speedily to approve the legislation.●

ALOJZIJE CARDINAL STEPINAC— A COURAGEOUS MAN OF GOD

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. KEMP. Mr. Speaker, today, May 8, is the anniversary of the birth of one of the world's truly great men, Alojzije Cardinal Stepinac. Born in Krasic, Croatia, Cardinal Stepinac rose to lead his people against the Nazi terror of World War II. Faced with the terrible holocaust sweeping western Europe, then-Archbishop Stepinac personally organized an underground movement to hide Austrian and German Jews and Christians from persecution, and to aid Polish and Slovenian refugees. Archbishop Stepinac organized a relief program for children and destitute people in the Croatian regions occupied by the Italian Army, and publicly protested the government's violation of the basic rights of people of all religions, nationalities, and political convictions. After World War II, Archbishop Stepinac joined with other Croatian Catholic bishops in a pastoral letter strongly protesting against the limitations imposed on the activities of the Catholic Church and on freedom of religion for all Yugoslavians. For these activities he was arrested and tried by Tito's secret police, and sentenced to 16 years in prison as an "enemy of the people" in 1946.

Because of the protest of the Yugoslavian people, Tito's government released Cardinal Stepinac from prison and placed him under house arrest in 1952. At his death, thousands of peasants lined the roads from his home to his burial place in St. Stephen's Cathedral in Zagreb, paying their last respects, even though the news of the cardinal's death had been officially kept secret by the Yugoslavian Government.

The city of Buffalo has proclaimed today, May 8, 1979, a "Day of Prayer" in honor of this great man. I would like to enter into the RECORD the proclamation signed by Mayor James Griffin, and I ask my colleagues today to reflect on the courage and the strength of Alojzije Cardinal Stepinac, in tribute to his devotion to God and humanity.

The proclamation follows:

PROCLAMATION

Whereas, February 10, 1979 marked the Nineteenth Anniversary of the martyr-like death of Aloysius Cardinal Stepinac; and

Whereas, at the age of thirty-six, Aloysius Stepinac became the youngest Archbishop in the world; and

Whereas, after becoming Archbishop, Stepinac gave twenty-six years of heroic service to his illustrious archdiocese even though painfully segregated from his people during the last fourteen years of his life; and

Whereas, he was accused and imprisoned on charges of having collaborated with those whose crimes he had resisted; and

Whereas, Cardinal Stepinac remained relentlessly true to his church and the natural laws of God by being the voice of conscience during three successive and contrasting regimes; and

Whereas, Cardinal Stepinac gave countless hours of his time and efforts to improve the quality of life for all and bring help and relief to those most in need; and

Whereas, Cardinal Stepinac set an example of courage that will live for all ages to come, not only in his native country but throughout the world; and

Whereas, he opposed communism and protested the injustices and persecutions committed by the "Liberating" Regime of the New Yugoslavia,

Now, therefore, I, James D. Griffin, Mayor of the city of Buffalo, do hereby proclaim May 8, 1979, the birthday of Cardinal Stepinac as a "Day of Prayer" in the city of Buffalo, as a tribute to the memory of Cardinal Aloysius Stepinac and in recognition of his devotion to God and humanity, and do urge all citizens, houses of worship, civic and community organizations to offer their prayers in honor of this outstanding man, and to observe this day with appropriate observances.

In witness whereof I have hereunto set my hand and caused the Seal of the City of Buffalo to be affixed this 18th day of April 1979.

JAMES D. GRIFFIN,
Mayor of Buffalo.●

A BILL TO ESTABLISH THE ENERGY COMPANY OF AMERICA

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. MINISH. Mr. Speaker, on Wednesday, May 2, I introduced H.R. 3885, which would establish the Energy Company of America.

A great deal has been made of this country's need to rid itself of dependency on foreign energy sources. To say the least, this dependency has cost the American people billions of dollars. But perhaps the cost has been far greater than can be expressed simply in monetary terms.

The Nation's willingness to buy and use imported oil at any cost, in my opinion, has prevented us from addressing a much more important issue: meeting the energy requirements of the future. To put it bluntly, we have no plan to gain independence from foreign suppliers.

Mr. Speaker, H.R. 3885 would take three important steps toward developing a strategy for the future. First, the Energy Company of America (ECA) would establish itself as a competitive force in the oil marketplace. At present, the United States has entrusted its energy fate to the giant oil companies. These companies are accountable only to themselves, and not to the American people. The fact of the matter is, it is in the interest of the oil companies to encourage high energy costs and thus maintain their exorbitant profit figures.

The behavior of the oil industry plays right into the hands of the OPEC cartel and other foreign energy suppliers who relish the thought of draining the U.S. Treasury. The Energy Company of America, as proposed in H.R. 3885, would be empowered to negotiate with any and all foreign energy sources to purchase oil at the best price available. There are a number of countries around the world who would be happy to establish markets in the United States. Unfortunately, the multinational companies, such as Exxon, Texaco, and the rest, have no desire to seek out these sources. It is far more profitable for them to maintain their OPEC connections, where oil is plentiful, albeit expensive. True competition in this marketplace would be a healthy thing.

In addition, the ECA would be mandated to develop the multitude of energy resources available here in the United States. The bulk of our proven and undiscovered reserves lies on Federal land. These resources are the property of the American people.

ECA would be empowered to work alone, or in concert with the private corporations, to develop these resources for the public interest. It would do so by methods that are environmentally sound, developing new technologies.

As the Nation increases its dependency on alternative energy sources, it becomes increasingly important that the Government act to assure their availability. The growing accumulation of coal and uranium reserves by the oil companies makes such action all the more necessary.

ECA would be authorized to seek out and produce coal, oil, and gas and any other source of energy to help us become self-sufficient.

Finally, Mr. Speaker, the Energy Company of America would establish reserve supplies of energy to be allocated in times of shortage.

I want to make it clear that the ECA would supplement, not supplant, private enterprise. At the same time, development of energy resources and the security of their supply is too important to be left entirely to the oil companies.

It is our responsibility, as representatives of the people, to consider the long-term needs of those we represent, and then to act toward meeting those needs. The passage of H.R. 3885 will mark the beginning of America's age of energy independence.●

DAY OF PRAYER FOR ALOYSIUS CARDINAL STEPINAC

HON. JAMES A. COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. COURTER. Mr. Speaker, it is a privilege for me to call to the attention of my colleagues here in the House of Representatives that today is a day of prayer in my State of New Jersey. This day of prayer is dedicated to a great religious leader and patriot, Aloysius Cardinal Stepinac.

Cardinal Stepinac died 3 years ago, but his memory and spirit live on in the hearts and minds of his fellow Croatians. Throughout his life, Cardinal Stepinac sacrificed his personal liberties for the freedom and dignity of his fellow man.

Cardinal Stepinac set an example of courage that will live for ages not only for his native Croatia but throughout the entire world. He was an outspoken opponent of totalitarianism, racism, and atheism. More than believing these principles, he lived them and suffered for them.

As a victim of a sham trial and imprisonment by the Nazis, he never gave up the courage of his convictions or his zealous, outspoken pursuit of them for all mankind.

Mr. Speaker, I am proud to join my fellow New Jerseyites in honoring Aloysius Cardinal Stepinac on this the 91st anniversary of his birth.●

INTRODUCTION OF LEGISLATION TO PROVIDE A FEDERAL INCOME TAX CREDIT FOR TUITION

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. MURPHY of New York. Mr. Speaker, I am here today to introduce for myself and Mr. Wydler, legislation which would amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for tuition. I would like to note that the esteemed Senators from New York and Oregon, respectively, Daniel Patrick Moynihan and Robert Packwood, have also introduced this piece of legislation today on the floor of the Senate.

Inflation is a word whose definition Americans have become all too familiar with over the past few years. Perhaps one of the most dramatic examples of its telling effects can be found in the costs of education. If you were lucky enough to send your children to a public university in 1968, the total cost for tuition, room and board would have cost you approximately $1,117. Just 10 years, later, the same services command a price of over $2,100. The increased costs of private educational institutions are even more shocking, when one compares the 1968 price of $2,321 for tuition, room and board to the $4,668 price tag in 1978.

Throughout the sixties, we created Federal aid programs with a variety of acronyms too numerous to mention here, all of which were designed to increase access to educational opportunities for minorities and lower-income families. No one would argue that these programs continue to be vital and viable, and are necessary to further the higher educational missions of this Nation. However, while the lower-income families have received assistance, the middle-class American has been left out in the cold—making too much money to receive aid, but not enough to send their children to school. The sad result: the enrollment rate of middle-income students has declined over the past 10 years. In fact, while the enrollment rate at the lower-income levels has increased, the enrollment rates for all other income levels have declined over the last 10 years. Meanwhile, the 10 years has been the growth of another phenomenon: more jobs than ever before require a college degree. It is a sad irony that higher education has become more and more necessary, but less and less affordable.

Also disturbing is the decline in enrollment of primary and secondary students in nonpublic schools. There have been heated debates over the inclusion of tuition tax relief for those who send their children to nonpublic primary and secondary schools. But the arguments for such inclusion are powerful enough to be repeated here.

One out of every four students in New York City is in a Catholic school. Some cities in New York State have as much as 50 percent of all students attending parochial schools. The cost of nonpublic education has, as with postsecondary education, risen substantially in recent years. In response to such cost increases, enrollment has sharply declined. Meanwhile, the public schools must absorb the added burden of these students, and taxes keep increasing to meet these added costs. By providing tuition tax relief to these families we are, in effect, reducing the tax burden shouldered by the taxpayer. Conversely, if we do not provide such incentives, the results are obvious. Taxes will increase in order to bolster the already overburdened and underfunded public school systems. Further, we would be in effect denying parents their constitutional rights to send their children to the school of their choice. External forces, that is inflation, are indirectly coercing parents into sending their children to public schools. This shift could spell the death knell to our parochial school system, a system that provides, on the whole, a high quality alternative to the public school system. Statistics bear out that this alternative is not exclusively available to middle and upper range incomes. In New York City, of the 300,000 children in parochial schools, 87 percent of the parents earn less than $10,000. One in ten of these parents lives below the poverty level. Further, more than 60 percent of the parochial elementary school students in Manhattan are black or Spanish speaking.

Thus, tuition tax credit is more than just a simple aid to the middle class that many of its detractors have claimed. Properly structured to include all facets of our society, the tuition tax relief provision can provide perhaps the only possible avenue to a higher education for the great majority of those students who could never afford the rapidly rising costs, and whose families are not able to assist due to the ever increasing bite of inflation out of their incomes.

We have a commitment to the future of this Nation to provide the next generation with an education, not to simply price them out of the market.●

WHAT WILL BE THE ULTIMATE HEALTH IMPACTS OF HAZARDOUS CHEMICAL DUMPS?

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. BROWN of California. Mr. Speaker, throughout this Nation hundreds of communities are facing serious public health threats related to abandoned or mismanaged chemical waste dumps. The EPA currently estimates that as many as 2,000 such sites could develop into imminent health hazards, and the search has just begun. The task of dealing with these threats is enormous, and we must be able to better assess the dangers posed by such sites so we can effectively address the problem.

Grave uncertainties exist in establishing the extent of damages caused by exposure to hazardous wastes, because the greatest health impacts may not surface for decades—as increased cancers, genetic changes and birth defects. I applaud EPA's recently announced intention to step up the pace of identifying and prosecuting negligent waste disposers, but the full liabilities associated with the escaped chemicals is still unknown. Every effort must be made to gain a better understanding of the long-term consequences of this kind of chemical contamination, and I added an amendment to the EPA R. & D. authorization (H.R. 2676) to mandate a study on some aspects of the problem—See Congressional Record, March 28, 1979, E1380.

Mr. Speaker, at this time I would like to bring an article to the attention of my colleagues. This article describes problems at the Stringfellow acid pits in my district, and provides a vivid example of the dangers and complex uncertainties related to such sites.

The article follows:

[From the Los Angeles Times, May 2, 1979]

Acid Disposal Puts Communities in the Pits: Rural Riverside Debates Dump Safety

(By Joy Horowitz)

Riverside.—On March 6, 1978, at about 4 a.m., the decision was made: About 1 million gallons of water, laden with acid, salts, heavy metals and 30 known carcinogens from the acid pits—an abandoned dumping site for highly toxic industrial wastes from all over Southern California—were released into Pyrite Canyon.

Due to heavy rains and the threat of collapse of the earthen dam supporting the overflowing disposal site, James Anderson, executive officer of the Santa Ana Regional Water Quality Control Board, figured the best solution would be to pump the waters into the community's flood control channel that empties into the Santa Ana River.

The frothy root-beer-colored liquid rushed down the canyon, under the Pomona Freeway and through the flood-control channel that borders the Glen Avon Elementary School. Neighborhood streets were a foot deep in the contaminated runoff, foaming in some areas as high as 3 feet. And the chemicals, diluted with rain water, swept into neighboring yards, farmlands and pastures and ponded as far as 3 miles away.

TOLD TO STAY AWAY

Local animal control officers moved cattle and sheep from pastures in the path of the polluted runoff. Children were told to stay away from the flood-control channel and nearby fields, where they normally walked to school, sailed small boats and caught lizards. Meanwhile, James Anderson announced that the runoff "will not be a threat to anyone."

More than a year later, the pits continue to leak. Many of the residents of Glen Avon, Pedley and Mira Loma—small rural communities about 5 miles west of downtown Riverside—have taken to drinking bottled water because the private wells they normally use have become contaminated. And a new tract-housing development has sprung up in the path of last year's overflow from the pits.

Waiting for slow-moving governmental agencies to clean up the pits, the 7,000 residents who live across the freeway and in the valley below the pits might entitle their story, "Sitting Here in Limbo." Residents worry they might be confronting a California version of Love Canal, a reference to a waste site near Niagara Falls, N.Y., where more than 200 families were evacuated last summer after studies revealed major health problems among residents exposed to toxic pollutants buried beneath their homes.

MOST HAZARDOUS DUMPS

And their fears have been heightened by the federal Environmental Protection Agency's (EPA) recent identification of the acid pits as one of the 106 most hazardous dump sites in the United States and the only one so designated in California.

State Sen. Robert Presley of Riverside has called the pits "a time bomb that will affect future generations." Concerned about his constituents' exposure to hazardous substances and the possibility of harmful effects—cancer, leukemia and genetic damage that might not show up for decades—Presley called on the state Department of Health Services last month to conduct an epidemiological study of the population at risk. But the Health Services Department has admitted that it has neither the staff nor the resources to conduct such a study.

Most recently, the Hazardous Materials Laboratory of the state Department of Health Services released a four-month study indicating that the soil where last year's overflow ponded about 3 miles from the pits is contaminated with chromium, manganese, zinc, lead and cadmium that exceed normal levels by 100 percent to 300 percent. DDT, a suspected carcinogen that can be absorbed in the food chain, was found to be 100 times normal levels in the soil, according to the state report. This same land has been tilled in preparation for building tract homes.

What does all of this mean in terms of the public's health and safety?

No one is able or willing to say. "We ask and ask and nobody will tell us a damn thing," says resident Connie Alexander, who lives across the street from where the runoff ponded.

"Don't make me the heavy in this 'cause I'm not," says Don Boling with the Riverside County Health Department. "The pits are a hazard to the public health in the broad sense. Now whether it causes disease, I'm not willing to say at this point. I just plain don't know yet."

Dr. Irma West, an occupational health physician with the state, puts it this way: "There isn't a human being who can explain these things down to a point where people would like to understand. The state of the art just isn't there."

Dr. Don Lyman, formerly New York state's epidemiologist who worked on the Love Canal disaster, is now deputy director of California's division of public and environmental health with the Health Services Department.

"I don't think there's a sizable threat to the public's health right now," he says. "But it's high enough that we need to take a look at it and figure out what to do about it."

And then there is the handful of other signs that provoke further questions:

LEUKEMIA IN CATS

There is an unusually high incidence of leukemia in cats in the area, according to veterinarian Margaret Reister, who works at the Pedley Veterinarian Hospital. "Susceptibility to leukemia may have increased because of exposure to the acid pits," says Dr. Reister. "Whether it's a direct result of the acid pits, we don't know. But it's kind of scary. I never thought the incidence would be so high. It's really unbelievable."

Dr. Michael Butchko, who has practiced in the area for 15 years, says he doesn't know why the incidence of feline leukemia is so high, but he doesn't attribute it to the acid pits. However, he says, "We haven't seen any appreciable increase in leukemia cases this past year from years ago."

Some champion Black Angus cows, which have been fed water from local wells, are turning blonde. The color change, which has been found in pregnant cows and their offspring, may have nothing or everything to do with the pits. No one knows.

Some parents complain that their children have been more sick than usual, wondering whether exposure to the pits has increased their susceptibility to illness. "Everybody's sick around here," says housewife Rickie Clark, who moved to Glen Avon from Bellflower a year ago January. "It's the truth. My kids even said that. They said, 'Boy Mom, we were never sick in Bellflower. How come we're always sick out here?' " She says that her two daughters, who played in the runoff before she learned that the water was from the chemical dump, are frequently getting colds, the flu and upper-respiratory problems. But, she hastens to add, "I have no idea why. It could have nothing to do with the pits."

Connie Alexander, 31, is a nurse and the mother of four children. She grew up in the Jurupa area and says she has no intention of leaving, despite her fears about the acid pits.

As a result of last year's flooding, she says, the well on her property—15 acres of farm land with goats, cows, pigs, rabbits, chickens, turkeys, ducks, geese and horses—was contaminated.

"They told us, 'If you drink the water, your kids are going to get sick,' " she says, adding that her well's been tested six times in the last year and arsenic, a suspected carcinogen in high dosages, showed up.

Even after flushing out her well twice, it remains contaminated, she says. The nitrate levels, for example, are about twice as high as the state considers acceptable.

"That means the water is so hard," she explains, "that you can use it for agricultural purposes, but you can't consume it. That's why we've asked how much danger there is for us coming in contact with the water.

"We give it to our animals. What about the animals we butcher and eat? We feed it to our chickens and eat the eggs. We feed it to our cattle and eat the beef. We feed it to the goats and use the milk. How much of this is coming through to us?

"But nobody tells you anything. It's like butting your head against the wall. They (state and local officials) don't agree. You get nowhere."

CONCERNED RESIDENTS

Like Mrs. Alexander, Rickie Clark has been active in the Parents of Jurupa, a small group of concerned residents who have been trying for years to get the pits closed down and cleaned up. The group's first flier was entitled "Acidgate."

Neither of them is an activist by nature, they say. Connie Alexander, the organization's recording secretary, says she'd just as soon spend time at 4-H Club meetings. And Rickie Clark, the group's treasurer, prefers thinking of herself as a "common, everyday housewife." Yet both women are among the community's most outspoken critics of government agencies' handling of the acid pits imbroglio.

"The main thing that always goes through my head," says Mrs. Clark, "is can my kids have normal kids? My kids played in that stuff (the runoff) when they were pumping. That's what got me involved.

"I didn't know. I sent them down there to play. We had just moved here and the other kids would go down there to play. It's pretty there, you know? Nobody knew what it was. They never told us.

"But then one day they came home and told us there were suds in the water. I thought somebody was washing their car. And one of my kids came home and her boots fell apart after she played in that stuff. The soles came off the bottoms and I had to throw them away."

Just a few weeks ago, she says, she spoke to a state Health Services Dept. official in Sacramento who told her that it was perfectly safe for her children to play in the field by the flood channel.

"But a week later," she says, "the principal of the school told the kids over the loudspeaker to stay away from the flood canal because it's contaminated. Who are you going to believe? Everybody's confused here. You hear one thing and then you hear another. You go back and forth all the time."

Connie Alexander bemoans the fact that most community residents don't want to get involved with the situation. "People think that everything that's possible to be done is being done. They think the county's doing what's right. And they don't realize that nothing is being done.

"Until we get hit with rainy weather, we don't have any problem per se. Then it dies down, and nobody knows the pits are there—especially the new people coming in. The outsiders coming in from Orange County, they just don't know. They don't know what they're in for."

She says she's especially concerned about the people who have bought in the Rancho Santiago Homes, a tract development near where the runoff waters ponded.

But Leonard Cohen, president of L. I. Cohen Corp., which is one of the owners of the building company responsible for constructing the homes, is far less concerned.

"Some people come in and scream, 'How can you do this? How can you build homes here?' " says Cohen. "But that reaction's a little premature.

"I've been in constant touch with the county Department of Health. Thus far, no one is telling me we have contaminated soil that's a problem. And if there is a problem, what's the magnitude and the gravity? If there's a problem, we'll take the appropriate action."

The parents of Jurupa are also bothered by the possibility of air pollution created by the pits, despite contrary assurances from pollution experts. One way in which the level of the pits has been kept relatively low has been by aerosoling them—spraying their contents into the air to hasten evaporation. It is a process that continues today, and it continues to bother Rickie Clark, a self-professed worrywart.

"We don't know if we're being contaminated by that spray," she says, "because the wind comes straight down that canyon at us. Last year, we could smell a musty, icky smell."

Last fall, the Air Quality Management District in El Monte conducted an air pollution study of the acid pits. Filter samples were analyzed for six metals and three anions, and it was concluded that there was not an air pollution problem at the site itself.

"The levels of pollutants we found were within the range for what you would expect for dust in that area," says Dr. Margil Wadley, a chemist at the district's laboratory.

However, the air from the pits did violate the "fugitive dust rule," Wadley says, explaining that suspended particulates in the air downwind from the site exceed acceptable limits.

"Our rule doesn't try to deal with the epidemiology of the dust," he says. "It's up to others to decide if the dust was harming your health . . . We've tried to stay out of it because we consider it largely a water problem."

Beyond their own backyards, the Parents of Jurupa question how much of the heavy metals from the pits might reach Orange County by leaching through the soil into the water table and seeping into the Chino Water Basin as well as the Santa Ana River.

The Santa Ana Regional Water Quality Control Board's James Anderson admits that he has no idea how much of the water from the acid pits has flowed into either the Santa Ana River or the Chino Basin.

"A lot of people have no background to understand the concept of a future problem," says Mrs. Alexander. "They think, 'If it doesn't hurt me now, it's not going to bother me later.' They didn't like it when the pits were open, but as soon as things calmed down, they quit with the bottled water. They quit worrying.

"We'd like to see our kids protected. No matter what has to be done, the children are our only future. If we don't protect our kids, we have nothing."

Adds Rickie Clark: "I think we're cheating our youth. I just want somebody to tell me the truth and quit giving me a bunch of bull."

The first thing that hits you upon entering the 16 acres of land containing the acid pits is the smell: It is a foul combination of oil, acid and sulfur. While some of the 16 pits (there used to be 21) contain a molasses-colored liquid, oozing with gunk and foam, others are dry, their bottoms crusted with white, black, gray, brown and purple residue.

Trees are rotted out by the pits and overgrown weeds abound. But the pits generally conjure up images of a sort of Twilight Zone wasteland, in part resembling the lunar landscape, set against the surrounding lush green hillsides teeming with granite boulders.

Technically known as the Stringfellow Class I Disposal Site (there are 11 Class I dump sites in operation in the state—Class I refers to non-leaking areas that accept all chemical wastes), more than 32 million gallons of toxic wastes were dumped in the site during its 17-year operation—from 1955 to 1972.

No one knows exactly what was dumped into the pits, since they were open 24 hours a day. No drum containers were allowed to be dumped there, for example. But in its analysis of the pits' contents, the state recently uncovered a 55-gallon barrel of concentrated hydrochloric acid partially buried within the site. No one knows how many other such barrels are buried beneath the pits.

Records indicate, however, that toxic wastes were deposited in the pits from various out-of-state and Southern California companies, including the Alcan Aluminum Corp., American Steel Co., Douglas Aircraft Corp., General Electric Co., Hughes Aircraft Co., Kaiser Steel Corp., Lockheed Aircraft Service Corp., Los Angeles City Dept. of Airports, Los Angeles City Dept. of Water and Power and Montrose Chemical Corp.

Dumping fees ranged from 1.5 cents a gallon to 5 cents a gallon.

Owned by the Stringfellow Quarry Corp., the pits remain a sore point with James Stringfellow Jr. of Newport Beach, a contractor who contends that the state and county essentially coerced him into opening the site while he wound up "putting more money back into it than we took out."

"I don't want to say nothing," Stringfellow said in a telephone interview. "I want to sit tight."

Due to public pressure, all dumping in the pits was stopped in 1972. Two years later, the Riverside County Board of Supervisors, which originally granted Stringfellow a permit to operate the pits, revoked his land use variance for operation of the site. That same year, Stringfellow stopped paying taxes on the property and abandoned the site, claiming that his corporation was out of funds.

Riverside County has consistently absolved itself of responsibility in dealing with the pits, claiming that if it spent any money to clean-up the mess it could be held liable in the future.

"Our attorneys felt that ultimately it was the responsibility of the state because it was a regional site that happened to be located in our county," says Donald Boling, chief of environmental health in the county's health department.

"And we know the materials came from all over Southern California and Utah and Arizona. It's a regional problem, in other words."

Though Stringfellow still technically owns the pits, the state Public Works Board is now in the process of obtaining title to the property so that public funds can be spent to clean up the area. (Stringfellow has told the state he will deed over the property for $1.) After the pits flooded last year, the state Legislature appropriated $370,000 for draining the pits and burying the remaining residue under dirt and clay. But that process has yet to commence.

The regional water board has now assumed responsibility for maintaining the site. During 1979 alone, the board has had 2 million gallons of water from the pits hauled by tankers to a Class I disposal site in West Covina at a cost of $145,000, according to James Anderson.

John (Hoot) Gibson, caretaker of the acid pits for the past 15 years, is now employed by the state and keeps a watchful eye on the property. It is his job to keep the public out of the area and to keep the water level of the pits down by aerosoling them and by pumping water from the pits near the dam upstream.

If there's anyone who could care less about the health effects of the pits, it is the 64-year-old Gibson. He says he's become immune to the smell.

"Here, you want to taste it?" he teases, flicking his fingers through the acid-filled water and popping a few drops of it in his mouth. "It's kinda like bootleg whiskey I used to taste from the Missouri River."

Lighting a Kool cigarette as the acid-fumed winds whip up around him. Gibson complains that it gets lonely being the only person around the site, especially since a friendly coyote deserted the area last fall. He says he's fond of the seven-foot weeds that look something like sunflowers.

"I took the wife some for Easter," he says, chuckling. "I call them acid pit daisies."

Asked if he thinks the pits might cause cancer, he replied, "If I did, then you're talking to a ghost right now."

Ten years ago, traces of the deadly poison hexavalent chromium—a byproduct of chrome waste and a known carcinogen—were found by the county health department in the Glen Avon Elementary School well. Some parents charged that the toxic chemical came from the acid pits, two miles upstream from the school, since the pits first overflowed that year. Others disputed the claim.

But today, the school no longer uses the well water, having turned instead to water provided by the Jurupa Community Services Water District.

Are there any immediate, practical solutions in dealing with the acid pits problem?

Residents say the least that could be done is to stop the site from leaking.

In its report on the pits, the state Health Service Dept. has made several recommendations. Among them: Remove the contaminated soil near the site and put it back in the pits; add a 20-inch layer of lime under a clay cover.

"This is a coverup—literally," charges Ruth Kirby, one of the founding members of the Parents of Jurupa. "We don't want a coverup. It's not a solution. They're not cleaning it and they're not neutralizing it.

"We have been deprived of our civil rights—our freedom to live as normal people. This is a human disgrace. It just makes you cockeyed mad."

Mr. Kirby and other residents question the wisdom of covering the pits when no one knows what's in them, particularly when there might be more acid-filled barrels under the pits.

Dr. Robert Stephens, author of the state report and director of the state's Hazardous Materials Laboratory, is the first to agree with the residents' objections.

"The local residents are right in their concern about a clay cover if a sizable number of those containers are in there," he said. "The integrity of a clay cover could be seriously disrupted.

"And the longer you wait (to clean up the pits), the bigger the problem and the more the expenditure."

The state has also recommended either removing six inches of top soil in the area where the pits ponded or monitoring that area indefinitely. Further, the report recommends that soil sampling be continued from the last point tested, tracing the flow of chemical materials until normal soil levels are found.

"It is important to note that the highest DDT residue levels were measured . . . beyond the actual ponding area," the report states. "This would indicate that the full extent of waste deposition (in distance from the site) has not as yet been reached."

Lyman of the state's Health Services Department estimates that it would cost the state $700,000 annually to establish and support an epidemiological team to respond to toxic substances in the environment. How long it will take the legislature to create such a health unit, he says, is another question—a fact that provides little comfort to Jurupa residents.

But Lyman emphasizes the state's tremendous need for such a health team, explaining that California has been at the forefront in the proliferation and use of industrial chemicals since 1940 and that 300 billion pounds of synthetic organic chemicals in the U.S. are produced every year, a 250-fold increase in the past 40 years.

"Somebody is going to have to grab the initiative," says Stephens. "We need a special task force or something. The legislative process is awfully slow for the residents (of Jurupa) who deserve some answers.

"Somebody is going to have to make the political decision. And the only person who can do that quickly, I think, is the governor."

The state's current inability to conduct physical examinations and provide specific answers for Jurupa residents is paralleled by the federal government's stand on dealing with toxic wastes. The Carter administration's decision to limit federal spending and government hiring has precluded the Justice Department and the EPA from enforcing laws designed to protect the public from toxic chemicals and other potentially dangerous wastes, a top Justice Department official recently announced.

Yet the EPA last year announced that 90 percent of the 345 million tons of hazardous wastes produced by American industry each year are not disposed of "in accordance with proper environmental standards."

Meanwhile, the residents who live by the leaking Riverside acid pits must wait for some official government action. And they are less than encouraged by the county's recent rezoning approval for a rocket assembly plant that plans on manufacturing small explosive devices near the pits.

It is Wednesday night, and a meeting of the board of directors of the Parents of Jurupa has just been called to order. For the next hour-and-a-half, a general air of frustration will fill the small room in Jurupa Mountain Cultural Center where the seven board members have come to conduct business.

"I think we all realize the moving of any soils in the canyon is probably the most hazardous procedure we could go through," says board member Roy Gillam. "We could have a Jekyll and Hyde situation if they cover those pits without determining what's in them."

"I think the state of California is giving us the runaround," charges Gillam in his deep, gravelly voice.

"All they've done is gone back and forth and back and forth."

"Why are we waiting so long?" asks Connie Alexander in a fit of exasperation. "We just keep talking about it. We're already seeing damage. I'm gonna die of old age before something happens."

But Gillam comes through with a level-headed idea: Bring in an objective third party team to evaluate the recent analyses of the pits and present their findings and recommendations to the public at a community meeting.

"The only way we'll move these people (county and state officials) off their big, fat duffs is to get the community all together. I think it's time we ask somebody who's not involved to give us the answers. One guy says it's murder and the other says it's nothin'."

"If it's done (cleaning up the pits)," he adds, "it should be done correctly. There'll never be another later, and we know this: The thing we're talking about is inflationary. We're talking about spending money—maybe $20 million—and the (Brown) Administration is trying not to."

Explaining that the burden of proof once again rests on their shoulders, Gillam asks the organization's treasurer how much money they can spend on outside consultants. The treasurer announces that they have $52.46 in their checking account.●

SICK HOSPITALS

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. SYMMS. Mr. Speaker, most of my colleagues are aware of my continuing opposition to "big government." To further illustrate the pervasive effect of increasing government regulation on the health care industry, I am commending to my colleagues an article published in the Wall Street Journal on April 3, 1979.

As the article indicates, the Government's increased role in regulating hospitals has not been of benefit to the hospitals, the doctors and most importantly, the patients. However, increased regulation has increased consumer health costs and has provided employment to more government regulators. As has traditionally been the case, the government's role in the health care field has something for everybody except for the people it is supposed to benefit—the patients.

The article follows:

[From the Wall Street Journal, Apr. 3, 1979]

SICK HOSPITALS

As the 1980 elections approach, it would be hard to find a better reflection of broader American political tensions than the issue of rising hospital costs.

Their sharp increases have fueled the demand for national health insurance, which in turn has been at the center of the private sector public-sector struggle throughout the postwar era. But just when the U.S. is asking itself how much further it wants government health insurance to go. Britain is asking itself if it has gone too far, having damaged both health care quality and fiscal stability.

Jimmy Carter, faced with Teddy Kennedy's challenge, is trying to finesse the issue. He proposes a 9.7%-a-year "cap" on hospital cost increases. He says capping payments will somehow raise more money to help pay for a $10 billion to $15 billion expansion of government insurance coverage in 1983.

All of which, it seems to us, raises some core issues about the American economy and policy.

The United States is already well advanced towards a system of "free" hospital care, meaning that over 90% of costs have been socialized through public and private insurance schemes. Without doubt, this has lowered cost restraints. Costs also have been pushed up by general inflation, the predations of malpractice lawyers and federal Hill-Burton Act policies that have encouraged overexpansion.

But the thing that is least understood, and yet has the most bearing on the present political debate, is the fact that government "cost containment" efforts themselves have contributed to rising costs. They have damaged the financial structure of hospitals and saddled the public with wasteful bureaucracy, for Mr. Carter to say that he will buy more health care with further "cost containment" is a little like proposing to make cheese go further by giving more to the mice.

The most perverse form of containment has been the limitations applied since 1975, under the 1972 Social Security amendments, to Medicare and Medicaid reimbursements to hospitals. As administered by HEW, these limits hold reimbursements at, and sometimes below, the direct cost of services. If the hospital is to generate any surpluses, they have to come from somewhere else. Since Blue Cross reimbursements are also limited, that means that hospitals must try to get what surpluses they can from charges to commercial insurers and private patients, which has sharply raised charges to such payers.

The annual analysis of hospital costs made by accountants Touche Ross & Co. shows hospitals making ever larger allowances for reimbursement shortfalls. And as their charges to private patients rise, they are incurring higher bad debt losses. The combination of allowances and bad debts rose to 18.6% of total patient revenues in the 1977 Touche Ross survey, up from 17.9% in 1976.

Well-endowed hospitals, such as New York's Columbia Presbyterian, have dipped into endowment funds to meet shortfalls, but this is hardly an attractive solution. It erodes funds intended to support advances of medical technology.

Other hospitals have worse troubles. Richard J. Oszustowicz, a health care administration professor at the University of Minnesota, says many are resorting to borrowing to meet working capital needs (a syndrome reminiscent of the one that put New York City in the soup). The Touche Ross survey shows that interest costs climbed fastest, at 18%, of any single hospital cost in 1977.

The Touche Ross analyst, Robert F. Rosenstiel of Los Angeles, finds the outlook bleak on the basis of his look at the 135 representative hospitals covered by the 1977 survey. "With the present rate of inflation," he writes, "income from operations can hardly be expected to provide sufficient funds either for the replacement of equipment and facilities or for expansion. In fact, even routine maintenance has been deferred in significant amounts."

HEW's answer to all this would be that the whole purpose of the controls is to force hospitals to reduce "waste." But a careful look at hospital cost sheets reveals that the primary source of waste is not maladministration or technological "frills" or "over-utilization" of hospitals by patients and physicians. It is a massive overlay of federal, state and local regulation that makes hospitals one of the nation's most regulation-burdened industries.

In New York State, with a particularly manic set of state regulators, a recently released survey based on 1976 results, found hospitals ruled by no fewer than 164 regulatory agencies, including 10 at the federal level. The costs inflicted by these agencies amounted to 25% of total hospital budgets, or a statewide average of $38.86 per patient day. The Hospital Association of New York State, which did the survey, says the costs have risen further since 1976. New York State now has price controls similar to those of Connecticut, Maryland and a few other states, for example. HEW, according to the American Hospital Association, promulgates from 650 to 750 new or revised regulations affecting hospitals each year.

Some hospital regulation is of the type that afflicts all industry, OSHA rules and minimum wage legislation, for example. But ever since the big surge of Medicare and Medicaid demand pushed hospital charges up in the late 1960s, hospitals have been subjected to a whole series of "cost containment" laws, all of which have generated substantial costs to hospitals and taxpayers with, at best, dubious results. Federal and state governments have applied these measures to try to hold down soaring Medicare and Medicaid costs.

There has been "certificate of need" regulation, along public utility lines, to try to make hospitals prove they need a new piece of equipment before acquiring it. Health Planning Agencies try to analyze the need for hospitals themselves, often creating rather than reducing planning confusion. Perhaps the biggest failure has been Professional Standards Review Organizations, set up under a seven-year-old Federal law. The PSROs, expensively staffed with doctors and served with hospital paperwork, are supposed to second-guess decisions by other doctors on matters that affect hospital costs, such as whether to operate on a heart patient. Even HEW has admitted that the PSRO's have failed to save money, but they're still around.

The reasons why regulatory failures are not scrapped are instructive. The political thrust for such efforts derives from a knowledge by their advocates that health care cannot be fully nationalized in this country until some way is discovered to control health care costs. The experience with direct government operation of VA and public health hospitals has shown that to be the route to gross inefficiency. And it is difficult to destroy the decisionmaking powers of doctors short of conscripting them.

But despite such failures, it still is argued by Senator Kennedy and HEW bureaucrats that government control of health care must be extended. They insist that when the government finally obtains full control of hospitalization insurance, it will finally be able to hold down costs. They are not deterred by the failure of national health systems elsewhere to control costs and maintain quality. In Britain, private health care is returning to vogue for this reason.

Mr. Carter is trying to deal with these conflicts and pressures with his proposed "cap." But as the above analysis suggests, it is unlikely that that cap can generate anything but added regulatory costs. Moreover, it will be patently unfair, penalizing the nation's best hospitals—the ones that have been the most efficiently managed, that provide teaching services and that offer the most advanced technological services. Working capital problems will be further aggravated, bringing about financial collapse for some hospitals. Medical advancement will slow. Patients will not get more for less, as the administration implies. They will get less for more.

We can think of few areas where the effect of federal intervention has been more counter-productive. And yet the surest way for its advocates to succeed is through destruction of the present system, which is well underway. The hospital cost issue is a reflection of a larger problem that we have not yet begun to solve.●

LEGISLATIVE QUESTIONNAIRE

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. PICKLE. Mr. Speaker, I am pleased to release the results of a legislative questionnaire my congressional office has conducted. We received over 16,000 responses from the 10th District of Texas, quite a good showing. This year, we asked 36 questions in a lengthy and involved survey.

I am glad to share the results of this legislative questionnaire with my colleagues:

RESULTS OF QUESTIONNAIRE

1. If federal spending is reduced, what areas should be recommended for lowered funding?

(a) Defense. 8%.

(b) Social services (education, housing, welfare, social security, health care, etc.). 19%.

(c) Environmental programs. 14%.

(d) Research and development. 4%.

(e) Agriculture. 5%.

(f) Foreign assistance. 32%.

(g) Direct aid to states. 13%.

(h) Equal cuts in all areas. 4%.

(i) No cuts. 1%.

2. Which of the following matches your opinion about the economy?

(a) We will suffer from a bad recession this year. 17%.

(b) We will experience a mild recession this year. 49%.

(c) Business will be about the same. 20%.

(d) Talk about recession is premature, since consumer confidence seems to be high and the economy is growing. 14%.

3. What is the primary cause of inflation? (choose one or more)

(a) Easy credit. 14%.

(b) High interest rates. 8%.

(c) Labor demands for higher wages. 26%.

(d) Scarcity of natural resources. 10%.

(e) Deficit spending by the government. 42%.

4. The government's policy toward interest rates should be to:

(a) Reduce interest rates and risk even higher inflation. 14%.

(b) Increase interest rates to cool inflationary pressures. 22%.

(c) Maintain the status quo, leaving interest rates about where they are. 64%.

5. Federal revenue sharing should be:

(a) Continued to both state and local governments. 34%.

(b) Limited to just state governments. 10%.

(c) Limited to just local governments. 7%.

(d) Discontinued completely. 49%.

6. Would you support a Constitutional Amendment to balance the Federal budget, even though the result might be either less money for state and local communities and/or higher state and local taxes to pay for services currently funded with federal monies?

(a) Yes. 65%.

(b) No. 26%.

(c) No opinion. 9%.

7. Would you favor a national health insurance program:

(a) If it increased the federal deficit by some $10 billion? 5%.

(b) If payroll taxes were increased to pay for it? 10%.

(c) If paid for by a VAT (Value Added Tax, a form of a sales tax). 17%.

(d) I do not favor any health insurance program at this time. 68%.

8. To stimulate employment of persons deemed "unemployable," the government should:

(a) Be the employer of last resort, providing public service jobs. 13%.

(b) Provide tax incentives for the private sector to encourage training and employment. 36%.

(c) Expand training programs like Job Corps and CETA. 9%.

(d) Do nothing. 17%.

(e) Do a combination of a, b, and c. 25%.

9. The federal government's program to halt illegal immigration should be to:

(a) Continue present policies. 8%.

(b) Let relatives of legal residents and U.S. citizens immigrate. 8%.

(c) Establish a national identification system to root out the illegal immigrants. 16%.

(d) Stiffen penalties for employers who knowingly hire illegal immigrants. 46%.

(e) Beef up border patrol and deportation procedures. 22%.

10. If you want to reduce Social Security taxes, how would you make up the drop in revenues?

(a) From general revenues even though the federal deficit would be higher. 6%.

(b) Cutting benefits by the same amount as the reduced revenues, estimated at $20–$30 billion. 31%.

(c) Adopting a VAT. 12%.

(d) Increasing the federal income tax. 4%.

(e) Do not reduce Social Security payroll taxes. 47%.

11. Should all public employees, including federal workers, be included in the Social Security System?

(a) Yes. 62%.

(b) No. 25%.

(c) No opinion. 13%.

12. More restrictions should be put on the importation of foreign goods into the U.S. even if it means higher domestic prices.

(a) Yes. 42%.

(b) No. 49%.

(c) No opinion. 9%.

13. Based on what we know about the contents, the United States Senate should ratify a SALT II agreement with the Soviet Union.

(a) Yes. 34%.

(b) No. 37%.

(c) No opinion. 27%.

14. Regarding relations with Mainland China:

(a) President Carter acted correctly in recognizing Mainland China and breaking relations with Taiwan. 12%

(b) President Carter should have recognized Mainland China, according to our terms. 17%.

(c) President Carter should not have recognized Mainland China, but maintained relations with Taiwan. 8%.

(d) It was proper for President Carter to recognize Mainland China, but we should maintain cultural and security agreements with Taiwan. 63%.

15. Last year the Senate approved the Panama Canal treaty, so should the Congress—that is, the House—pass enabling legislation to put the treaties into effect?

(a) Yes. 43%.

(b) No. 45%.

(c) No opinion. 12%.

16. United States military preparedness is:

(a) Adequate, so we should maintain current defense spending. 28%.

(b) Inadequate, so we should increase defense spending, to prevent Russian superiority. 55%.

(c) More than adequate, so we should decrease defense spending to help balance the budget. 17%.

17. Regarding the nation's state of military readiness we should:

(a) Maintain the current volunteer army. 20%.

(b) Reinstate a limited registration. 16%.

(c) Reinstate peacetime classification, in addition to registration. 37%.

(d) Require a year of universal service as an alternative to military service. 27%.

18. Should the above question also apply to women?

(a) Yes. 69%.

(b) No. 27%.

(c) No opinion. 4%.

19. What should be the United States' role in seeking peace in the Middle East?

(a) The U.S. should continue its role as a nonbiased mediator between the countries in conflict. 59%.

(b) The U.S. should back Israel's peace proposals and encourage Arab countries to join. 56%.

(c) The U.S. should back Arab peace plans and encourage Israel to join. 8%.

(d) The U.S. should stay out of all negotiations and let the countries initiate their own efforts. 29%.

20. The United States' attitude on the "boat people," those refugees who have emigrated from Vietnam, should be to:

(a) Encourage neighboring Far East countries to accept them. 51%.

(b) Increase our quotas and allow the refugees to enter the U.S. 23%.

(c) Do not become involved with finding homes for the boat people. 26%.

21. If a country is found guilty of violating basic human rights, the United States should:

(a) Maintain existing relations, but encourage the country to change its policies. 23%.

(b) Suspend aid and weapons sales to the country, until policies are changed. 33%.

(c) Sever all relations with the countries unless the policies are altered. 6%.

(d) The U.S. should not base its foreign relations on the internal policies of other nations. 38%.

22. Should Congress restrict beef imports more than under present law?

(a) Yes. 34%.

(b) No. 49%.
(c) No opinion. 17%.

23. Do you think the government should guarantee 90% parity for agriculture?

(a) Yes, 21%.
(b) No, 63%.
(c) No opinion, 16%.

24. Since a study shows that 2.25% of agricultural land sold in 1978 was bought by foreigners the government should:

(a) Prohibit the sale of land to foreigners, 33%.

(b) Control the sale of land to foreigners, 33%.

(c) Continue to allow the sale of land to anyone, not based on the nationality of the buyer, 14%.

(d) Step up efforts to monitor who is buying the land, 20%.

25. With Mexico as a potential future source of natural gas and oil, the United States should:

(a) Strike an agreement for Mexican gas and oil, even if it is more expensive than current domestic prices, 72%.

(b) Disregard Mexican gas and oil at the present time and emphasize domestic supplies first, 28%.

26. Which areas of energy research do you think should receive the highest priority? List in order of preference:

(a) Oil and gas, 15%.
(b) Solar, 17%.
(c) Nuclear fusion, 11%.
(d) Nuclear fission, 9%.
(e) Coal, 14%.
(f) Geothermal, 10%.
(g) Wind, 11%.
(h) Synthetic fuels, 13%.

27. Which source of fuel do you think will provide the best solution to the electrical generating problem in Central Texas in the next 25 years?

(a) Natural gas, 20%.
(b) Fuel oil, 5%.
(c) Nuclear, 22%.
(d) Coal, 22%.
(e) Lignite, 23%.
(f) Other, 8%.

28. Do you support legislation to control the manufacture and sale of certain types of handguns?

(a) Yes, 55%.
(b) No, 42%.
(c) No opinion, 3%.

29. Do you agree with the Supreme Court decision which allows individual choice regarding abortion?

(a) Yes. 75%.
(b) No. 21%.
(c) No opinion. 4%.

30. Since automobiles are the major cause of pollution in urban areas would you be willing to:

(a) Reduce your use of cars in urban areas? 26%.

(b) Pay more for improved pollution controls on cars? 14%.

(c) Do a combination of a) and b)? 30%.

(d) Relax auto emissions standards, aimed at reducing pollution? 30%.

31. Do you support public financing through the federal treasury of congressional elections, similar to the method involving presidential elections?

(a) Yes. 37%.
(b) No. 56%.
(c) No opinion. 7%.

32. If a member of Congress is convicted of a felony, then reelected in his or her district, the member should:

(a) Be allowed to continue serving. 4%.

(b) Be required to give up any position of leadership, while retaining membership. 8%.

(c) Be expelled from Congress. 71%.

(d) Be allowed to serve, pending appeals. 17%.

33. Congress should create a new cabinet-level Department of Education split off from the present Department of Health, Education, and Welfare:

(a) Yes. 34%.
(b) No. 51%.
(c) No opinion. 15%.

34. Do reorganizations of the government and consolidations of federal programs help reduce duplication and waste in federal programs?

(a) Yes. 49%.
(b) No. 37%.
(c) No opinion. 14%.

35. Should the federal government prohibit smoking in public areas?

(a) Yes. 50%.
(b) No. 43%.
(c) No opinion. 7%.

36. President Carter has proposed a wage insurance plan to fight inflation. Eligibility would be determined by classifying employees into specific groups.

The employee would be eligible for a tax credit if his or her salary, averaged with fellow employees' wages during a period of time, reflected no more than a 7% increase in the cost of living. The rate of the tax credit would be equal to the rate of increase in the Consumer Price Index between October–November 1978 and October–November 1979, minus 7%. In other words, if the CPI rose 10% during this period, the employee would get a 3% tax credit. 3% of the first $20,000 in wages is the maximum allowed under the proposal. This calculates to a maximum of $600 per person.

The administration claims the wage insurance plan would:

1. Hold down inflation and keep prices lower

2. Be inexpensive to administer. If the CPI rose 7% or less, no credits would be forthcoming

3. Lead to greater productivity and stability

4. Be self-administered under existing systems, where employers calculate the credits and the IRS audits

5. Be one area where the government can help hold down inflation

Opponents of the wage insurance plan claim:

1. It is unfair. Firms with less than 50 employees can be exempt

2. It is confusing and hard to administer

3. It is a burden on employers in determining eligibility

4. Would cost more than the $2.5 billion claimed by the Administration

5. Would place a ceiling on wages, but none on prices or profits, which also cause inflation

Based on the arguments and what you know about the proposed wage price insurance plan, do you favor the proposal?

(a) Yes. 26%.
(b) No. 61%.
(c) No opinion. 13%.●

NEW YORK NEEDS LOWER TAX RATES, NOT MORE SPENDING

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. KEMP. Mr. Speaker, last week I opposed resurrecting the countercyclical spending program which expired last July, in debate on the floor. I said that the people of New York can do better than to go along with a planned increase in unemployment—which will hit my State the hardest—for the sake of some countercyclical spending—for which New York will pay more than its share.

My position prompted editorial reaction from the New York Daily News. I would like to submit two Daily News editorials and my reply to the editor, for the interest of those interested in the debate over countercyclical spending.

The articles follow:

[From the Daily News, May 3, 1979]

TURNING AGAINST NEW YORK

Believe it or not, two New York congressmen helped convince the House to defeat a measure which would have given federal funds to localities with high unemployment. Jack Kemp (R-Buffalo) argued against it on some farfetched philosophical grounds. Worse yet, Jerry Solomon (R-Albany) simply lied to his colleagues by saying that New York City hadn't made any progress in cutting its budget in the past five years.

The measure would have given New York City a $68 million shot in the arm and it would have helped other New York localities—including Buffalo and Albany. Congressional support for countercyclical aid was weak. Now, it would take a miracle to get it passed. We hope voters remember the damage Kemp and Solomon have done by their own state. And we hope the Koch administration sees the sorry affair as one more clear sign that we can't depend on Washington for help.

[From the New York Daily News, May 4, 1979]

TAX DIVIDEND

Well, how about that! There's good news on taxes from Albany. The Senate Republicans, led by Majority Leader Warren Anderson, have decided not only to jump on the tax-cutting bandwagon, but to grab the reins and gallop full speed ahead.

They announced Wednesday that they support a package that would slash a variety of taxes by $479 million by 1982, with gradual steps leading up to that figure in the intervening years.

That puts them a leg up on Gov. Carey, whose own proposed package would pare taxes by $372 million in '82. Carey has been scoring all kinds of points around the state by taking the lead on this vital subject away from the Republicans, the traditional owners of the tax-cutting mantle, and that fact certainly wasn't lost on Anderson & Co.

Great. It's high time Albany leaders were competing to give working people a break.

Assembly Speaker Stanley Fink still has to be won over to the Carey-Anderson tax-cutting philosophy, however. He does favor trims in the income tax rates but is balking at some other personal and business tax cuts.

We trust he will see the light soon. New Yorkers suffer from one of the most crushing tax burdens in the country. When it is reduced, new middle-income families will be attracted here, business and industry will grow, jobs will be created and new revenues produced.

MAY 8, 1979.

MR. MICHAEL J. O'NEILL,
Editor, the New York Daily News, New York, N.Y.

To the Editor:

"New Yorkers suffer from one of the most crushing tax burdens in the country. When it is reduced, new middle-income families will be attracted here, business and industry will grow, jobs will be created and new revenues produced."

Sounds like Jack Kemp. But it wasn't. It was the Daily News, the day after a different Daily News Editorial said I opposed resurrecting the countercyclical spending program "on some far-fetched political grounds."

The News didn't mention them, but the "far-fetched political grounds" were that the last thing New York needs is higher tax rates and more unemployment. And New York stands to lose 50,000 jobs and hundreds of millions of dollars in income this year under the current Federal budget resolution. That's the city's share of more than 750,000 who will be put out of jobs this year due to massive tax increases at the Federal level.

I think New York can do better than go along with this disaster of a strategy for the sake of $42 million in countercyclical spending. An original cosponsor of revenue sharing, I also support the Conable amendment to restore more than $765 million to New York in revenue sharing. Unlike the countercyclical program, this amendment has Senate approval, and fewer strings attached.

I have also introduced an amendment to clear the way for Congress to prevent the increase in unemployment by adjusting tax rates for inflation this year, and cutting tax rates 10 percent across the board next year. This would help all New York workers and leave a billion dollars in New York City alone.

The point is, New York benefits more from low tax rates than from higher spending. Compare New York's per capita income with, say, North Carolina's. Before taxes: New York, $7,537; North Carolina, $5,935. But with higher incomes, New Yorkers are in higher tax brackets, Federal, state, and local. Real after-tax income: New York, $3,979; North Carolina, $4,509. I consider this outrageous, and yield to no one in my efforts to reduce excessive Federal, state, and local tax rates on New Yorkers.

Because Federal tax rates are so steeply progressive, high-income states like New York pay a bigger share of added spending than the rest. But for the same reason, an across-the-board cut in tax rates helps New York more than any other state.

New York's elected officials have to decide: Do we measure New York's prosperity by how much money it spends on coping with unemployment? If so, the proposed Federal budget offers a splendid opportunity to spend even more.

Or do we measure New York's prosperity by how many more New Yorkers are put to work and by how much they get to take home after taxes? If so, we should cut tax rates at all levels "so new middle-income families will be attracted here, business and industry will grow, jobs will be created, and new revenues produced." Expanding the tax base through prosperity is the best way to strengthen the finances of not only New York City, but my Buffalo area and the whole state.

The Daily News can't have it one way one day and another way the next. I like your editorials because they usually have a good batting average. But in this case, you are one for two.

Sincerely yours,

JACK KEMP,
Member of Congress.●

YUGOSLAV POLITICAL PRISONERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. GILMAN. Mr. Speaker, today marks a noteworthy observance for the more than 2,500,000 American-Croatians in the United States. On this date in 1898 in Yugoslavia, Cardinal Aloysius Stepinac was born.

The American-Croatian community is commemorating Cardinal Stepinac's birthday by appealing for amnesty and human rights for political and religious prisoners everywhere who are incarcerated because of flagrant abuses and violations of the internationally recognized principles of freedom of reliigon, speech, press, and assembly.

Janko Skrbin, president of the Croatian National Congress, has compiled a list of Yugoslav political and religious prisoners in order to bring these cases to the attention of my colleagues. At this point in today's RECORD I would like to submit Mr. Skrbin's comments and the list which he has compiled of prominent Yugoslavian political prisoners:

POLITICAL PRISONERS IN YUGOSLAVIA

(Compiled August 1978)

Under pressure from international pubic opinion in the West, which focused on Yugoslavia as the host state of the Belgrade follow-up conference of the Helsinki Conference on Security and Cooperation in Europe, Belgrade enacted an amnesty of some political prisoners on the occasion of the Yugoslav National Day on 29 November 1977. It was signed by President Tito on 22 November 1977 and some political prisoners were released immediately after his signing it. The list of names of individuals affected by the amnesty was formally published in the official Yugoslav bulletin *Sluzbeni List SFRJ*, No. 5, on 3 February 1978. The amnesty was formally enacted as an act of clemency based on Artice 315, paragraph 9 of the Yugoslav Constitution and Article 102 of the Penal Code in connection with articles 1, 2, and 11 of the Law of Clemency.

The amnesty affected 218 individuals serving their terms of imprisonment for disseminating "hostile propaganda" and criticizing the regime and its leaders, "offenses" which the Yugoslav authorities regard as political crimes. Of these 218 individuals, 144 persons were released and to 74 prisoners sentences were only reduced. The amnesty decree contained also the names of 356 individuals suspected of having committed political crimes during 1977 and against whom legal proceedings had begun but no trial had taken place.

Many official as well as unofficial statements made by representatives of the Yugoslav state and communist party during the 9 months prior to the amnesty indicated that political prisoners would be amnestied, although it was never clear how many of them, or, for that matter, how many political prisoners there were in Yugoslavia. On 16 April 1977 Mr. Vladimir Bakaric, the representative from the Socialist Republic of Croatia in the Federative State Council, directly referred to the issue of amnesty. In the presence of Vice-Premier Berislav Sefer, the Minister of Information Muhamed Berberovic and 200 Yugoslav and foreign journalists, he proclaimed that the amnesty would affect 502 political prisoners including people who had publicly criticized the leadership.

The discrepancy between the number of Mr. Bakaric mentioned and the 218 political prisoners actually either totally or partially amnestied clearly showed that the amnesty touched only the tip of the iceberg, particularly in view that in 1977 alone legal proceedings were stopped against 356 individuals, that harsh sentences were meted out against political dissenters in Croatia and Bosnia-Hercegovina only months prior to the amnesty, and that these individuals were not affected by it.

In fact, if one reads properly the official Yugoslav sources, for instance the latest available statistics from the Yugoslav Statistical Yearbook 1977 (Statisticki godisnjak Jugoslavije, 1977; Belgrade, July 1977, pg. 363–368), one can safely deduct that in 1977 there were 1,480 political prisoners serving their sentences prior to the amnesty. Consequently, only 15 percent of political prisoners in Yugoslavia were affected by the Clemency decree of November 22, 1977.

This conclusion is further confirmed by an independent Document on the amnesty, published on 3 March 1978 by Amnesty International, the international humanitarian organization based in London, which says that only one-third of all prisoners under investigation or adoption by AI at the time were affected by the amnesty of 29 November 1977 (The Official List of Prisoners affected by the amnesty of 29 November 1977 (The Official List of Prisoners affected by the Amnesty In Yugoslavia on Nov. 29, 1977; Circular No. 2—AI Index: EUR 48/02/78).

It is clear, therefore, that the amnesty affected only those political prisoners who, by the Yugoslav authorities' reckoning, were gaining notoriety in the West (or as Mr. Branko Mikulic, then a member of the Communist Party Presidency and head of the Party in the Republic of Bosnia-Herzegovina, called them in October 1977—"loudmouths"), and also a small proportion of those who had committed "less grave" political crimes such as disseminating "hostile propaganda". The great majority of Croatian and Alabanians dissidents from Kossovo, heavily sentenced in groups in previous years for "organized opposition" to the regime, and the countless numbers of less known who fell afoul of the authorities, for instance those "guest workers" coming home from the West who bring with them some emigre newspapers or uttering innocuous criticisms, are still in jail and are still being politically persecuted.

It is also evident that political trials continued to take place not only during the duration of the Belgrade conference but also in 1978. Only last month, for instance, reliable sources reported the arrest (on June 11, 1978) of approximately 50 Croatian students in Zagreb, whose names the Yugoslav authorities did not, for reportedly trying to organize the publication of a new Catholic periodical in Croatia. These cases never reach the limelights in the West and therefore are never recorded, for lack of information and non-cooperation of Yugoslav authorities, in the files of humanitarian organizations, such as Amnesty International, the League for Human Rights, the Menschenrechte organization in West Germany, and so forth.

It is worth recording though in some detail one of the widely known case of political persecution which was also reporter in the West during the duration of the Belgrade Conference follow-up conference on Security and Cooperation in Europe, which clearly shows the duplicity of the Yugoslav authorities in trying to secure themselves an international reputation of humanitarianism and appliance to the UN Declaration of Human Rights, while at the same time continuing a relentless persecution of politically undesirable persons.

The case in question is that of Dr. Nikoa Novakovic, a 64-year-old pharmacologist who was sentenced to 12 years imprisonment in Sarajevo in August 1977. Dr. Nikola Novakovic is a former member of the Croatian Peasant Party (Hrvatska Seljacka Stranka) and was arrested by the Yugoslav Secret Police in March 1977. For over 4 months until his trial took place he was kept in solitary confinement. Dr. Novakovic was tried on August 3, 1977 by the District Court in Sarajevo and found guilty of "establishing contacts with hostile organizations abroad" (Article 109 of the old Yugoslav Penal Code) and disseminating "hostile propaganda" (Article 118). Mr. Milorad Potparic, the presiding judge, said that Dr. Novakovic frequently contacted members of the Croatian Peasant Party in exile who are "systematically trying to overthrow the political system by unconstitutional and violent means." The Croatian Peasant Party is traditionally a democratic and non-violent political organization.

Dr. Novakovic was also accused of helping to compile the party's program since 1962 when he travelled extensively to England, the Federal Republic of Germany and other European countries. The Croatian Peasant

Party has not changed her democratic and humanitarian party program since the days of the greatest leader Stejpan Radic, who died in 1928 following a terrorist attack in the Chamber of the Belgrade Parliament by the Serbian deputy Punisa Racic. During the trial Dr. Novakovic, denying that he ever took part in the compilation of "hostile political programs," also refuted the "hostile propaganda" charge by pointing out that the Yugoslav constitution guarantees freedom of expression including public exchange of critical views on the country's political and economic system. The court did not explain why Dr. Novakovic was detained only in 1977 when the charges against him go back to 1962. He was sentenced to 12 years imprisonment and is currently in the State Penitentiary of Zenica, and although humanitarian organizations in the West very readily took up his case with the Yugoslav authorities, Dr. Novakovic was not amnestied in the Clemency decree of Nov. 29, 1977.

Following is a list of more known cases of political prisoners in Yugoslavia:

Prof. Davor Aras. Arrested summer 1974, Zadar, sentenced to 6 years and 6 months imprisonment in February 1975 at Zadar under articles 101, 117 for criminal acts against people and State. Detained Lepoglava, Croatia. Archivist at Institute of History branch of Yugoslav Academy of Science and Arts, Zadar, prior to imprisonment.

Miljan Babovic. Arrested presumably April 1974. "Cominformist". Tried September 1974 probably under Arts. 100, 118 and 119 and probably held in Serbia or Montenegro. Occupation, primary schoolteacher.

Vlado Bilusic. Arrested summer 1974, Zadar, sentenced to 7 years. Imprisonment in Feb. 1975, at Zadar under Arts. 101,117 for criminal acts against people & State. Probably held in Zadar. Sentence reduced on appeal (20/21.3.76) to 4 years. Occupation, municipal technician. Born 15.9.48.

Josip Bilusic. Cousin of above. Co-defendant. Sentenced to 13 years imprisonment, increased on appeal (same date) to 14 years. Detained presumably in Lepoglava. Born 8.10.45. Occupation, catering.

Dr. Branislav Boskovic. Arrested probably April 1974, probably under Arts. 100,109, 118 & 119. Trial, September 1974. "cominformist" Sentenced 14 years imprisonment (unconfirmed). Detained probably either in Serbia or Montenegro. Occupation, professor of history, Prishtina University. Age about 56/7.

Ivan Brajovic. Arrest date not known. Sentenced under Art. 118 by military court of Sarajevo, Bosnia-Hercegovina, 1977 to 8 years. imprisonment for criticizing restrictive economic policy of Yugoslav federation towards Croatian nationals living in Bosnia-Hercegovina. 52/3 years old. Place of detention not known.

Dusan Brkic. Arrested 16 July 1975; tried under Arts. 119, 100 on 16.7.76 by district court of Belgrade for counterrevolutionary attack on state and social organization and for propaganda inciting hatred & discord. Sentenced to 8 years rigorous imprisonment. Reduced by 3 years in 1977 National Day amnesty. Occupation, pensioner, former Prime Minister of Socialist Republic of Croatia after World War. "Cominformist".

Dr. Salih Burek. Arrested March 1975 under Arts. 118 & 119. Sentenced by district court of Tuzla, June 1975 to 7 years rigorous imprisonment for hostile propaganda and incitement to national intolerance. Detained probably in Bosnia-Hercegovina. Born 15.9.24. Occupation, Professor at Institute of Technology in Tuzla, director of Research Institute for Mining and Chemical Technology, Tuzla.

Ante Buric. Arrested summer 1974 Zadar (see Zadar cases above for dates). Sentenced 7 years imprisonment, confirmed on appeal, and confiscation of entire inventory of catering establishment. Born 26.6.30. Occupation, private caterer.

Vladmir Dapcevic. Kidnaped 8 Aug. 1975, Bucharest. Tried Belgrade 21 June 1976 for grave crimes against State. Death sentence commuted to 20 years imprisonment. Detained central prison Belgrade. Occupation, former Colonel of the Yugoslav Army; economist, historian, writer. Only recognizes Belgian citizenship.

Ahmet Delib-Egovic. Arrested March 1975. Tried under Art. 119 by district court of Tuzla (Bosnia, June 1975. Sentenced to 3 years imprisonment for incitement to national intolerance. Born 1921. Pensioner. Detained probably in Bosnia-Herzegovina.

Adem Demaci. Arrested probably mid. '75. Tried at Prishtina district court, 7/8 Feb. '76 and sentenced to 15 years rigorous imprisonment for criminal acts against people & State. Detained probably Nis or Sriemska Mitrovica. Born 31.8.36. Occupation, writer.

Marko Dizdar. Arrested 1974, Zadar (See above Zadar cases. Sentenced to 11 years imprisonment, confirmed 20/21.3.76. Born 3.4.51, former student, Zadar University. Detained Lepoglava.

Stjepan Jankovic. Arrested 1974. Zadar (see above). Sentenced to 5½ yrs. plus confiscation of catering establishment. Sentence reduced to 4 years on appeal. Born 1918. Caterer, Zagreb.

Isa Kastrati. Arrested Prishtina, sentenced 7/8.2.76 rigorous imprisonment 6 yrs. for criminal acts against people and state. Born 1947. Occupation, teacher.

Mirko Kovacevic. Arrested 1976. Tried under Art. 118 on 11.2.77 at Sarajevo and sentenced to 8 yrs. imprisonment for hostile propaganda. Born 1939. Occupation, physics teacher.

Miroslav Cvitkovic. Arrested 1975, Tenan, Bosnia, probably under Arts. 117, 118, 119 sentenced at Doboj, 5/6.3.76 for activities against people & state (contacts with hostile emigre groups, spreading hostile propaganda), to 6 years rigorous imprisonment. Detained KPD Zenica, Born 25.9.26. Occupation, Franciscan prior at monastery of Plehan, Sentenced reduced to 3 years in 1977 National Day amnesty.

Prof. Zelimir Mestrovic. (Zadar) (See Above). Sentence 12 years imprisonment. Occupation, Professor at faculty of education, Zadar. Appeal confirmed sentence.

Rudolf Mikulic. Arrested September 1972. Under Arts. 100, 314, 319 tried on 23.4.74 by district court of Zagreb for mismanagement of state funds, allegedly used for financing Croatian autonomy. Detained 12 years strict imprisonment.

Dr. Nikola Novakovic. Arrested March 1977, Sarajevo. Under Arts. 109, 118 tried 3.8.77 by regional court of Sarajevo for hostile propaganda and contact with hostile organization abroad. Sentenced 12 years strict imprisonment & confiscation of property.

Tvrtko Milos. Arrested 19.9.75 Zagreb. Sentenced probably 24.5.76 to death commuted to 20 yrs. imprisonment for allegedly contravening Arts. 111, 113a, 114 (causing explosion against public and state property, infiltrating into Yugoslavia as hostile organization. Trial against him and all following persons held in secret, accused for causing explosion in Kreditna banks, Paromlinska Street, Zageeb on 18.9.75. Held probably Stara Gradiska. Born 1941 Occupation, agronomist. With him:

Antun Zink. As above. Sentenced to death, commuted to 20 yrs., imprisonment. Salesman. Born 1942.

Joso Pemic. As above. Same sentence. Born 1922. Occupation, pensioner.

Djuro Perica. As above, Same sentence. Born 1941. Agronomist.

Branko Vidacek. As above. Same sentence. Born, 1947. Occupation, student of Law.

Vinko Markovic. As above. Sentenced to 8 yrs. imprisonment. Born 1933. Agronomist.

Milan Crcic. As above. Sentenced to 6 yrs. imprisonment. Born 1930. Agricultural Worker.

Marija Topic. As above. Sentence to 2½ yrs. imprisonment. Born 1950. Technician. Held probably Slavonska Pozega or Zagreb.

Magdalena Paric. Arrested 3.7.76. Brcko, under Art. 109. Tried 17.9.76 by District Court of Tuzla and sentenced to 6 years. rigorous imprisonment on charge of associating with "ustasha" abroad. Born 24.12.44. Nurse.

Miijenko Pehar. Arrested 23.7.73. in Gradac (Hercegovina. Tried under Arts. 109.118 & 119 & 174 and sentenced in Listica (Hercegovina) on 17.10.73 by district court in that town to 13 yrs. imprisonment for undermining unity of Yugoslavia and ridiculing system & representatives thereof. Detained Zenica. Born 22.9.1945. Occupation, social worker in Federal Republic of Germany prior to arrest in Yugoslavia where he went on holidays. Two children, wife and mother in FRG.

Mato Rajic. Under Art. 118 sentenced for hostile propaganda on 2.1.77 at Sarajevo to 5 yrs. imprisonment. Detained probably Zenica. Age. 53, Lawyer, unemployed on arrest.

Milivoj Samac. Arrested February 1976. Sentenced beginning July 1977 to 9 yrs. imprisonment in Rijeka, Croatia "for spying for another country (Art. 105.) Reported dead in November 1977, apparently from "natural causes" in prison (unknown). Body brought later to prison in Split, Croatia. Age at death 51. With sentenced four more Croats for same crime, names never published by Yugoslav authorities.

Tome Sakota. Arrested mid August 1976. Citluk (Bosnia-Herzegovina. Under Arts. 118 tried on 21.12.76 at district court of Mostar (Herz.) Sentenced to 10 yrs. imprisonment for hostile propaganda. Detained possibly either Mostar or Stolac. Worker, born 1941.

Peter Sale. Arrested May 1972, Zadar; sentence to 2½ yrs. for hostile propaganda. Sentenced again in 1974 to 6 yrs., reduced on appeal to 4 years, 6 mos. in March 1976 for criminal acts against State & people. Former president of student club in Zadar, law graduate.

Ante Stpanic. Arrested 1974, Zadar (as above) Sentence confirmed by appeal court, 8 yrs. imprisonment. Detained probably Zadar of Lepoglava. Former commercial director of "Vlado Bagat" (sewing machine factory in Zadar. Now pensioner. Sentenced to 7 yrs. on amnesty for National Day 1977.

Peter Vuleta. Zadar defendant (as above). Sentenced to 6 yrs. confirmed on appeal. Reduced on National Day 1977 (amnesty) to 5 yrs., 6 months. Graduate of faculty of philosophy (Zadar).

Ilija Barjasic. Zadar defendant (as above). Sentenced to 6 yrs. imprisonment and confiscation of property, reduced on appeal to 5 yrs. Detained probably in Lepoglava.

Franjo Rupic. Arrested late 1976 in Croatia. Tried by district court of Bjelovar in 1977 for contact with hostile emigre groups and hostile propaganda. Sentenced to 3 yrs. imprisonment. Age 45, car mechanic.

Djemal Zulic. Arrested late 1976. Tried by district court of Banja Luka in Feb. 1977 under Art. 109 for contacts with hostile organizations abroad. Sentenced to 9 yrs. imprisonment. reduced to 3 yrs. in amnesty of Nov. 1977. Born 1947, unemployed worker.

Stepan Brajkovic. Arrested early 1977 under Art. 118. Sentenced Mostar district court to 18 months imprisonment. Age, 46, Roman Catholic priest.

Vjenceslav Cizek. Allegedly kidnapped from Italy. Charge and sentence unknown. Born Feb. 1929. Philosophy teacher.

Tomislav Drzic. Arrested Oct. 1975. Charge and sentence unknown. Age 40, journalist Zagreb.

Antun Filcic. Arrested 28.11.74 on Yugoslav border. Trial April 10, 1975, Zagreb, under Art. 109. Sentenced to 12 yrs., reduced on appeal to 10 yrs. Born 1922, Sarajevo. Engineer.

Cedomir Jasnic. Arrested probably 1974, tried Sept. 1974 under Arts. 100, 118 & 119. Sentenced to 11 yrs., reduced to 9 yrs. in Nov. 1977 amnesty.

Miljenko Hrkac. Arrested Feb. 1969. Trial 24.12.75, sentenced to death for fourth time, probably under Arts. 112 & 125, causing death to a civilian and injury to others by setting off bombs in a Belgrade cinema. Born 1947 Mostar. Death sentence reportedly carried out on 11.1.78 (unconfirmed by Yugoslav authorities).

Anton Brkic. Age 22. Sentenced 14.3.78 by Slavonska Pozega district court to 3 yrs. imprisonment accused of bringing from West Germany some copies of Croatian emigre newspapers (16 copies of "Hrvatska Drzava", "Otpor" and "Hrvatska Pravda" and a magnetic tape with hostile emigre articles. Electrical welder. Detention place unknown.

Mihalj Silasi. Age 37. Sentenced on 21.5.78 by district court in Zrenjanin to 1½ yrs. imprisonment for "undermining the reputation of the SFRJ and inciting to national intolerance". These offences reportedly committed while drunk during the New Year's celebrations period in a hotel in Novi Knezeva. Detention place unknown. Teacher.●

SUFFERING CONTINUES IN CAMBODIA: MASS STARVATION IMMINENT

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. SOLARZ. Mr. Speaker, once again the news reports on the small nation of Cambodia contain a tragic story. This time in addition to the continuing horrors of the Pol Pot regime and its victimization of the Cambodian people, the country is torn by a continuing war between the remnants of Pol Pot's forces and the Vietnamese backed army of Heng Samrin. Today the new terror facing the ravaged Cambodian people is famine and starvation, but the old question remains—who cares?

The threat of famine in this fertile agricultural country is due to the conduct of the guerrilla war now raging in Cambodia and the determination of Pol Pot and his Khmer Rouge forces to destroy whatever food and crops it is unable to carry off. As war rages around them, the Cambodian peasants are in some cases unable to return to their fields, while in other cases there are no seeds or able bodied workers left to go into the fields.

The specter of mass famine in Cambodia raises once again the question of what can the international community do to assist these suffering people who have already endured unspeakable terrors.

I would like to call to the attention of my colleagues in the Congress a recent article in the New York Times which describes the very real threat of famine in Cambodia, and the lack of a response, or even an outcry, from the international community to this serious problem—a problem which could possibly increase the already heavy flow of refugees in Southeast Asia.

Mr. Speaker, I would like to request that this article be inserted into the RECORD. I hope that as this threat of famine becomes better known that the international community and humanitarian organizations will take whatever steps are possible, given the difficult political situation in Southeast Asia, to come to the assistance of the remaining Cambodian population. No person of good will could deny that they have already suffered too much.

The article follows:

WITH WAR, A NEW THREAT OF FAMINE

(By Henry Kamm)

BANGKOK, THAILAND.—Cambodians are once more addressing a mute question to the world, and the answer, for now, is silence. The question: Who will feed a nation whose food has been largely destroyed by war and whose future food supply can hardly be planted while fighting continues?

The Cambodians have not been in control of such life-and-death matters since the Indochinese war engulfed their country a decade ago. First Vietnamese Communists implanted themselves in border regions, to be followed in 1969 by the full might of the United States Air Force and for two months in 1970, United States ground forces. Neither side bothered to ask Cambodian permission for the use of Cambodia as an extension of the Vietnamese battlefield. The regime of Pol Pot installed itself after defeating the American-backed regime of Lon Nol, whose fall was sealed when, again without Cambodian consent, the United States withdrew its support. For two and a half years the Cambodian people did not learn about Mr. Pol Pot's existence or that of the Communist Party he led. Until then, they had known only that their Government was called Angka, or the Authority, and sometimes Angka Loeu, or High Authority.

By mid-1977, when large-scale border skirmishing with Vietnam began, Cambodians along the frontier learned that the Vietnamese, whom they had been taught to love as neighbors and senior comrades-at-arms, were no longer to be loved. By the end of that year, the enmity was nationwide and open, but for many months Cambodians far from the border were unaware of it; their leaders had not told them.

Now that Vietnam has captured most of strategic Cambodia, the country is embroiled in a guerrilla war that in many ways resembles the conflict of 1970 to 1975. Today, Vietnam plays the role played then by the army of Lon Nol, controlling towns and main roads. But now as then, the roads are subject to frequent ambushes. Pol Pot loyalists play the role that was theirs in the past: They fight for control of the population in the countryside, applying the same punishment to those suspected of cooperating with the "enemy" that they did throughout their reign—death.

In the last two weeks, at various places along the Thai-Cambodian border, the harsh Pol Pot control over the population has been acted out for the first time for outsiders to see. Pol Pot soldiers have marched long columns of men, women and children escaping from the Vietnamese along the Thai side of the border, forcing them to re-enter Cambodia at places not occupied by the Vietnamese despite the civilians' obvious desire to stay in Thailand.

Reports of the fighting have been dominated by the leaders, the Heng Samrin regime installed by Hanoi and the Pol Pot regime broadcasting from China, and by their respective supporters—the Soviet Union and its allies speaking on behalf of Mr. Heng Samrin, China lending its voice to the Pol Pot loyalists, if not to Mr. Pol Pot himself, whom Peking apparently considers to have outlived his usefulness. The leaders denounce each other predictably in ideological terms. But judging from refugees accounts, the concerns of Cambodians are more vital than ideological.

Instead of fighting or keeping out of war's way, they should be preparing their fields for sowing in June and July. But all accounts from the isolated country suggest that farmers enjoy no security in the fields, that there is little seed, no fertilizer or pesticide and no transport even if these essentials were available. Under such conditions, diplomats who follow Indochinese events and the small number of refugees who have escaped the war fear that Cambodians will soon run out of rice. Many may already be starving, since much of the previous rice crop has been destroyed or carried away by Pol Pot troops.

Cambodia had about 8 million people, who were self-sufficient in food, when war began to disrupt their lives 9 years ago. How many survived the war, the despotism of the Pol Pot years and the present fighting, no one knows. Governments that follow events in Indochina know that the survivors will need food from the outside to continue surviving, but no government has said so. International organizations that specialize in world food problems also have shown no public sign of awareness of the crisis though some belated contingency planning is said to have gotten underway.

The political decisions that will have to be made to mount a rescue action are difficult. The countries involved will have to loosen positions that have become rigid with time. Vietnam might have to concede that its troops, not its Cambodian surrogate's, are in charge in Cambodia and could distribute food if it were supplied. If the United States chose to supply food, it would have to deal with Hanoi, with which it has no diplomatic relations. Other potential food suppliers might have to overcome doubts founded on Vietnam's record of diverting aid given for one purpose to another. The United Nations might have to surmount its inability to act on behalf of a country whose government has not requested the action. Those who have followed Cambodian events are not optimistic about government actions when the issue at stake is Cambodian lives.

TESTIMONY OF JOEL PACKER

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. WEISS. Mr. Speaker, I would like today to call for support for full funding of the student financial assistance programs. I am pleased to offer in support of these programs, the testimony of Mr. Joel Packer, director of the U.S. Student Association, which was presented before the Labor-HEW Appropriations Subcommittee. I believe that it provides not only a good overview of the student aid programs, but the importance of full funding for all these programs.

TESTIMONY OF JOEL PACKER

The United States Student Association (USSA), the oldest and largest national student organization, representing approximately three million college and university students from throughout the United States.

USSA is strongly opposed to several of the recommendations contained in the President's budget request for student assistance and other higher education programs for fiscal year 1980. The budget does not provide adequate levels of support for college students, in light of the ever-escalating costs of college attendance. It ignores the minimum funding threshholds contained in the Middle Income Student Assistance Act (MISAA), passed by Congress last session. It reduces the TRIO programs for disadvantaged students, thereby hurting those most in need.

USSA calls upon this committee and the entire Congress to restore all reductions in the higher education section of the budget and to provide for modest cost increases to take us one step farther on the road to equal educational opportunity. We are appalled that the military budget is receiving a 3 percent real dollar increase while student aid and other vital social service programs are being slashed.

BASIC EDUCATIONAL OPPORTUNITY GRANTS (BEOG)

This program is the cornerstone of Federal student aid programs. The President's budget recommends full funding of Basic Grants. This would continue the provisions of MISAA which expand eligibility to students from family income up to $26,000, and would implement the above mentioned changes for independent students. The maximum grant would be funded at the full $1800 level. The exact request is for $2.444 billion to finance awards for almost 2.6 million students, that average $940.

USSA strongly supports this request for full-funding. The key with Basic Grants is that sufficient funds be appropriated to fund all the changes mandated by MISAA and to keep the award maximum at $1800. There has been some suggestion particularly by the Congressional Budget Office (CBO) that the President's request is too low to meet the funding requirements of Basic Grants. USSA is pleased that the Administration has stated they will recommend a supplemental appropriation if the $2.444 billion falls short.

It is interesting to note that the recommendation for FY 80 is $156 million less than the $2.6 billion that was appropriated for FY 79. This results not from any programmatic reduction, since as noted the Administration is committed to full-funding of BEOG, but from two factors. First, each year as incomes rise due to inflation, the students from families at the top and of the income scale are pushed out of the program. Thus, every year, assuming no programmatic changes the level of BEOG funding automatically decreases. The second reason for the lower appropriation results from savings attributed to HEW's new validation of information students provide on their applications. This procedure was implemented this year and resulted in almost five hundred thousand students who applied not receiving a Basic Grant.

While there has been much talk of the savings resulting from catching cheaters, USSA strongly believes that actual cheating is very minimal and that most errors that result in a student being rejected are the cause of confusion over forms and procedures. The new HEW procedures were implemented in a very short time frame and added to the complexity of the program. Low-income students and their parents have great difficulty coping with systems like this and thus make errors. In every one of the lower-income categories there was substantial reduction in the number of recipients from last year, while the number of higher-income students increased.

USSA has been working with the Office of Education and the private needs analysis services to reach a balance that ensures accurate information, while at the same time not denying students grants they deserve because they cannot fill out the forms. We urge that sufficient dollars be appropriated.

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS (SEOG)

The Administration is requesting level funding of SEOG at $340 million. This is another violation of MISAA which sets a minimum funding threshold of $370 million for FY 80. At an average grant of $570, the Administration's request would provide for about 596,000 grants, while the $370 million would allow 50,000 more grants for a total of 649,000.

SEOG, due to its nature as one of the "campus-based" programs can provide flexibility to meet the needs and problems of individual students that Basic Grants, due to its nature as a nationwide standardized program cannot meet. SEOG's do not duplicate Basic Grants, since a BEOG can be no more than one-half the cost of education. Thus, particularly for low-income students at higher-priced institutions, SEOG's are a necessity.

In academic year 1980–81 the average total cost of college for all institutions will be $4400. Since the maximum BEOG is $1800, only 21 percent of student expenses are met in this manner. Clearly, increased appropriations for this program are necessary. USSA recommends a modest increase to $400 million, which will provide 702,000 grants.

COLLEGE WORK-STUDY (CWS)

The President is again requesting level funding of this program at $550 million. This would provide about 902,000 jobs averaging $610 per year. USSA recommends a modest increase of $50 million for an appropriation of $600 miillion and 982,000 jobs.

CWS is a vital and unique program that is very popular among college students. Particularly with youth unemployment at appallingly high levels, it is extremely important that adequate Federal Work-Study funds are available. CWS besides providing needed financial assistance, allows students to gain work experience and job skills. Work-Study is also the only source of Federal student aid for graduate students, besides loans. In 1976–77, 35,000 graduates students were assisted by this program.

NATIONAL DIRECT STUDENT LOANS (NDSL)

USSA is strongly opposed to the Administration's recommendation of $220 million in new Federal capital contributions. This is $90 million below last year's level of $310 million and $66 million below the minimum funding threshold required in the Higher Education Act. The Administration claims that this cut will not reduce the number of loans available because increased collections will more than compensate for the lower Federal contribution. USSA believes this projection to be overly optimistic.

MISAA removed the income ceiling on GSL for receipt of the Federal interest subsidy. Many more low-income students will find it increasingly difficult to obtain a GSL. These students will be forced to turn to NDSL as their only source of loan funds. USSA recommends level funding of NDSL at $310 million for FY 80.

STATE STUDENT INCENTIVE GRANTS (SSIG)

The Administration recommends $76.7 million for SSIG, level funding. 307,000 awards will be granted from this appropriation. USSA recommends an increase to $100 million, which would allow almost 400,000 grants averaging $500 ($250 Federal share). SSIG is the most cost effective of all Federal student aid programs with each dollar matched by a State dollar. SSIG has been tremendously successful. Before its enactment, only 27 States had scholarship programs, while all 56 eligible States and territories now have such programs. In about 16 States the program would not exist were it not for the federal funds. Increasing the Federal SSIG money will allow expansion of the smaller programs, both in terms of the size of the average award and the number of students served.

BASIC GRANT AND GSL INSTITUTIONAL COST ALLOWANCES

The 1976 Education Amendments authorized up to $10 per Basic Grant and $10 per GSL recipient as payment to institutions to provide student consumer information and to offset the administrative costs associated with campus delivery of student financial aid. These allowances have never been funded and the Administration request does not include any funds for these allowances. USSA is in agreement with the institutions and the fiancial aid officers that these cost allowances should be fully funded. Institutions are increasingly burdened by new requirements in the financial aid programs. The new influx of recipients due to MISAA, will even further overtax the resources of aid offices. The adequacy of information and counseling services that students receive will continue to decline without Federal support.

TRIO-SPECIAL PROGRAMS FOR DISADVANTAGED STUDENTS

USSA takes strong exception to the President's request of $130 million for TRIO. This is a cut of $10 million from the present appropriation of $140 million. An appropriation of $170 million for this set of effective programs should be provided.●

A MODEST PROPOSAL

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. GONZALEZ. Mr. Speaker, the president of the Mobil Corp. has offered a modest proposal for oil pricing policy. It is an idea well worth thinking about; it offers simplicity of approach with a reasonable degree of certainty and fairness to consumer and producer alike.

In essence, the Mobil proposal is to allow old oil to remain price controlled with an adjustment for inflation, and to decontrol new oil cmpletely. That would avoid the shock of decontrol but at the same time afford producers the assurance of a full market price for their new oil.

I do not pretend to know as much as some of my more learned colleagues about energy policy, but I do know that there has to be some kind of balance between the interests of consumers and producers. Our present law attempts to do this, but succeeds not very well.

It is clear that our energy policy is not set; it is still evolving. The modest proposal by Mobil deserves some reasonable thought, and I hope my colleagues will take time to read and digest the detailed proposal as set forth on May 3. I offer the text for the RECORD:

U.S. CRUDE OIL PRICING—A PROPOSAL

I now want to talk about the most serious economic problem facing our country and the world—that is, the energy problem—and more specifically, the policy for the pricing of domestic crude oil.

As background for the proposal which I want to make, let us first examine what the Administration has proposed and see how well it satisfies the need we have. As I see it, the need is to provide incentive to explore for and develop new sources of oil and gas.

The first element of the Administration proposal is what is called decontrol of the oil that is presently subject to price controls so that by 1981 the price of this oil would rise to world market price. The additional revenue generated by the price increase is referred to as a "windfall", and there appears to be general agreement that this windfall should be heavily taxed. Using the Administration's own figures, the "windfall' amounts to between $15 and $16 billion over the next three years, of which they say $6 billion would go to the industry and $8.4 billion to the Federal Government, with the balance to state and local governments.

The second element of the Administration pricing proposal is to provide a new tax on any increase in the world price of oil which exceeds the U.S. inflation rate. Thus, while the proposal is billed as a means of decontrolling oil prices, it is instead a permanent new tax which sets predetermined limits on the price we can receive for oil—not oil we now have, but oil we have not yet found!

In broad outline, this is the Administration oil pricing proposal. It has been launched with an extraordinary amount of inflammatory rhetoric—mostly about the amount of "windfall" which the oil companies would receive. The industry has been sorely criticized for opposing the program. We are chided for being ungrateful that the Administration is offering us $6 billion of additional revenue over the next three years. In essence, the government is saying that $6 billion will give us an adequate incentive; but nowhere do they mention that the industry will already be spending $75 to $100 billion in the same time period. In point of fact, we are focusing on an amount of money which if not available, will not irrevocably cripple the industry and, if available, will not give enough or the proper incentive to find the new supplies of energy.

Regardless of the merits which may exist on both sides, the reality of the current situation is that the massive attention paid to this single point has so obscured other more vital longer-term issues that rational debate and decision-making are all but impossible. In the last few days, the subject has been caught up in political considerations having little to do with the issue of energy.

By concentrating the debate on the short-term receipt of a limited amount of money, we obscure the most damaging aspect of the Administration program, namely, the concept of permanent controls over the price we can receive for oil that we have not yet found. This effort to predict for all time the replacement cost of new oil is an all too painful reminder of the similar effort to set the price of natural gas based up historical costs (rather than replacement costs)—an effort which by common consent has been acknowledged as a failure, which inhibited the development of supplies of natural gas in the United States.

The consumer, in our opinion, is willing to pay higher prices for new energy supplies, so long as he is convinced that new supplies are more costly. Largely because of the political rhetoric, there is reluctance to trust oil companies with so-called windfall profits on old oil without some promise that there will be increased supply. In determining what is an appropriate level for long-term incentives, one fact becomes clear. None of us in industry and no one in government knows where the future reserves of oil and gas are located, how deep they are, what it will cost to locate and produce them and how long we will have to wait before production can begin.

We do know that cost escalation for finding and development of new resources has been more rapid than inflation rates in the general economy, and we see no change in that condition for the future as reserves become more difficult to find. We expect the finding and production of new oil will encounter increasingly severe conditions in remote and difficult environments. The largest, most easily accessible—and therefore the cheapest oil has been found. New supplies must come from more intense exploration in more forbidding environments, from deeper drilling, and from enhanced recovery techniques. All of this will be extremely expensive. Moreover, all of this must be undertaken within an ever increasingly severe regulatory structure which compounds the problems and the costs.

Parenthetically, I would say that many of the same uncertainties and upward pressures on costs which we have for oil and gas also apply with equal force to the development of alternate energy resources—such as coal. While we have not dwelt here on that aspect of our energy policy problem, we should recognize that for the alternate sources to be competitive, energy prices will have to be well above the levels we are discussing for oil.

In short, therefore, the Administration proposals are unpopular with many consumers and also with the oil companies. Many consumers object to immediate price increases for current production. On the other hand, the industry finds little logic in limiting the price of future discoveries to a level which may not be adequate, especially since the only alternative may be to pay a higher price to foreign producers. While $6 billion would add to industry cash flow, the amount is not critical; what the industry really needs is assurance that it will be fairly compensated for the reserves it may find in the future. We desperately need public understanding and support for energy policies, including pricing. The consumer will not give that understanding and support, if he perceives that the industry has unearned "windfall" income on existing oil reserves.

Because the issue has become so politicized, because it is not the vital part of the long-term solution, and in order to concentrate on the need for incentives, to find new reserves,—speaking for ourselves—we would suggest that the industry forego any price increases beyond inflation on oil already under production. At the same time, we must insist on full market price on oil not yet discovered. Certainly, there can be no windfall profit on oil that has not yet been found.

Since all new oil will, in effect, reduce the amount of oil imports, we think the American people will be willing to pay U.S. producers the price the foreign producer would have received for imported oil. The primary objective must be to increase the supply of new oil, rather than a short-term profit uplift associated with the pricing of existing reserves.

Let me summarize what we are proposing:

1. With respect to existing reserves of oil, we propose that the price of this oil should increase only with inflation. The effect of this would mean that the industry would continue to receive a lower price for this oil than the world market. We recognize that the Administration has for some time suggested taking this difference in the form of a tax. Earlier, this was called a Crude Oil Equalization Tax; now, it is called a Windfall Profits Tax. Under our proposal, the debate and justification for such a tax would be a matter between the consumer and the government. There would be no "windfall" profits to the oil companies and any tax would arise from normal government revenue considerations. When suggesting that the price of existing production rise only with the increase in inflation, we assume that we will continue the wise policy of permitting the so-called "stripper oil" to receive the world market price as a means of insuring that those old wells will not be prematurely plugged because they are uneconomical to operate.

2. Oil we have not yet discovered should be priced at the prevailing world market levels. The consumer will only pay for those supplies when they are found and will only pay the domestic producer what he would otherwise pay the foreign producer. To place an arbitrary limit today on the future price of oil we have not yet found seems to me the greater part of folly, considering our domestic reserve situation in relation to our needs.

We acknowledge the argument against using the world market price as a standard, when we know that future foreign oil prices may well reflect non-economic considerations. Nevertheless, the price to be paid to domestic producers under our proposal would be the same price that we would otherwise pay to foreign producers. But there are major advantages to this country if the payment is made to our own producers.

The U.S. would be less dependent on foreign oil.

Domestic payments do not flow out of the country and create pressure on the balance of payments.

The profits of the domestic producer would be taxed by the U.S. Government.

Royalty owners' revenues would also be taxed. (The Government itself is a large royalty owner.)

Dividends received by the shareholders will be taxed.

Economic activity associated with exploration and production would benefit the U.S.

These added revenues to the U.S. are, in effect a discount versus foreign oil.

The only risk in our recommended policy is the possibility that the industry will find more reserves than the country needs, or make more profit than is deemed reasonable. The oil industry today actually lags the average of American industry in rate of return. We see nothing on the horizon which would make us think that our profitability will improve relative to the rest of industry in the foreseeable future. If, however, that judgment is wrong, it is certainly open to some future administration and Congress to examine our profits on the basis of fact, not conjecture, and to take whatever action may then be appropriate.

This proposal is obviously not based on short-term profit considerations, but we believe it is the right policy for the country in the long term. Our industry has great strength which it can bring to bear to find badly needed supplies of oil if we are permitted to do so. We would like to get on with the job.●

WAGE AND PRICE CONTROLS: REPRESSING THE ECONOMIC BAD NEWS

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. KEMP. Mr. Speaker, in the astute phrase of Walter B. Wriston, chairman of Citicorp, rising prices do not cause inflation; they merely report it. An anti-inflation program like the administration's—obsessed with eradicating symptoms rather than treating causes—is like suppressing bad news in the press. The problem does not go away; we are only misled until we find out about it from another source.

The last time wage and price controls were imposed on a large scale, we learned about inflation by experiencing widespread shortages rather than rising prices. Current administration attempts to suppress or distort the important news of prices—with brutal sanctions for the crime of keeping up with the cost of living, or with terrorist rhetoic which blames inflation on workers, business, consumers, producers, oil sheiks, the weather, or anyone but the Government—will not help the situation and would not fool people indefinitely.

Inflation hits workers and businessman, young and old, black and white alike. This is why I believe we need changes in tax laws to prevent the excessive taxation of profits caused by the effect of inflation and our outdated Tax Code; and I have also joined in the filing of an amicus brief in a court suit by the AFL-CIO which challenges the authority of the administration's wage control sanctions.

Inflation is the announcement that the Government is systematically devaluing the only thing citizens ask it to produce—money. In 1971, the United States stopped paying even lipservice to its guarantee of a constant value for the dollar. Only since then have we had the worst peacetime inflation in our country's history. Only restoring such a Government guarantee will end this terrible inflation.

But in the meantime, there are two things we can do to mitigate this problem of too much money and too few of the things money can buy. The Federal Reserve can reduce excess creation of money, and the administration and Congress can remove some of the barriers to real economic growth and the production of goods.

Monetary policy is supposed to prevent inflation; fiscal policy is supposed to allow strong incentives for private initiative. Instead, our Government has it all backward, asserting that "looser" monetary policies can stimulate growth, and that tax policies which eliminate economic incentives can somehow fight inflation. Until the leaders of this country can get it straight, Americans are in for bleak times.

Mr. Wriston made this point forcefully in an article which appeared May 4, 1979, in the Wall Street Journal. I would like to share his thoughts with my colleagues.

The article follows:

[From the Wall Street Journal, May 4, 1979]

REPRESSING ECONOMIC NEWS

(By Walter B. Wriston)

Every business has its hazards. People in the news business complain that one of their own special hazards is taking the blame for all the bad news in the world. And since much of the bad news nowadays frequently has something to do with governments, governments especially are often angry at the press. In fact, there are about 90 countries in the world today whose leaders object to bad news so much that they have abolished the free press. They operate on the theory that if bad news is not reported, it doesn't exist.

Editors and publishers in countries where the press remains free recognize this attitude for the threat that it is. They combat it constantly by defending their right to publish the news as they see it, and also by reminding the public that the First Amendment is the very linchpin of our liberty.

To get blamed for acts you do not commit, or for the bad news created by somebody else, is a hazard that is not unique to the news business. It happens to bankers, businessmen, labor leaders and almost anyone else involved in handling money. And we in the business community are being treated to an especially strong dose of this misdirected anger right now.

The bad news that business has been reporting is inflation. The price of everything is going up, which is another way of saying that the value of our money is going down. Since only the government prints money, it does not like people being told that the value of its product is deteriorating. So we find government spokesmen traveling around the country telling people that the real villains in this inflation story are businessmen who are raising their prices or labor unions which are raising wages.

SUPPRESSING THE BAD NEWS

But rising prices do not cause inflation, they report it. When a government—any government—starts trying to eliminate inflation by controlling wages and prices, what it is really doing is asking all of us to suppress the bad news that it has printed too much money. The way to stop the bad news about the deteriorating value of our money, according to government, is to conceal this from the people by freezing wages and prices.

Prices and wages represent an essential form of economic speech; money is just another form of information. When the freedom of this economic speech is restricted, we are all not only penalized, we are misled. In (Federal Reserve) Governor Wallich's words: "Inflation is like a country where nobody speaks the truth."

Prices enable consumers to communicate with producers and tell them what they want or don't want. If prices are censored, or frozen, they cannot tell producers what goods or services people want or don't want to purchase. Examples abound.

When the government artificially restrained prices for natural gas, the price told consumers that this form of energy was relatively cheap and in ample supply. Believing what they heard, people built houses heated with natural gas. The same controlled price told producers that people don't want much natural gas—it was not in demand—and therefore they had no incentive to increase production. Everybody was being deceived and we all know about the results in the winter of 1976-77. People are often deceived also about the nature of money.

As a piece of paper in your pocket, money has no instrinsic value, it is worthless. Its only value consists in what it represents, which is a claim on a share of the world's goods and services. If the government increases the pieces of paper faster than the private sector can produce goods and services, then every piece of paper is going to represent a smaller claim on whatever people have to sell. The only way to keep that from happening is either to increase the production of something salable, or else slow down production of the pieces of paper.

The plain fact is that the reason we have inflation in this country is that since 1967 the government has caused the money supply to grow nearly three times as fast as the goods and services that can be bought with it. That statement can be fiddled with and footnoted until everybody forgets what they're talking about. But the bad news will not go away. And no amount or kind of wage and price controls can make the government's paper money worth more of the world's goods than the world is prepared to give for it.

Governments' ability to devastate an economy and blame it on someone else can never be overestimated. They don't even have to print their own paper. They have frequently managed to do it with gold and silver. Ancient Rome added cheap alloys to its gold coins and suffered inflation as a result. Spain had a monopoly on the riches of El Dorado—the precious metals flowing into Europe from Mexico and Peru formed the basis for an inflation that in the end destroyed the Spanish Empire.

Every time a new silver consignment arrived at Seville a ripple of price increases spread across Europe because there was suddenly more money with which to buy things. And because the effect was always felt first and strongest in Spain, that country continuously occupied top place in the inflationary table. Spanish costs became increasingly uncompetitive, and the Dutch got rich buying cheaper goods in the north and shipping them south.

The Spanish solution was to sink merchant ships and hang businessmen.

You can find the same story of unsuccessful repression of economic news being repeated all the way back to the Roman Emperor Diocletian, who may have coined the best name yet for government price contrals; the *argumentum baculinum* or the argument of the club.

What Diocletian could not accomplish with the Roman legions and Philip the Second could not do with the Spanish Armada, the Council of Wage and Price Stability now proposes to do with a staff of 233 civil servants. Once again we hear repeated the rephrasing of Diocletian's edict which began with a notable assertion , "Uncontrolled economic activity is a religion of the godless."

Whatever the government—any government—decides to call its price control methods doesn't really matter. Whether it's jawboning, incomes policy, voluntary guidelines, mandatory ceilings, or an economic police state, it all comes back to Diocletian's *argumentum baculinum*. All it means is that the government threatens to hit you harder later on if you don't behave after it hits you the first time. History demonstrates that once a government picks up that club, it finds it very hard to put it down again.

The American press would not tolerate for one moment an attempt by the government to suppress news of riots or political demonstrations on the grounds that it wants to "insure domestic tranquility." The press knows a threat to the First Amendment when it sees one.

Yet on the grounds of "insuring price stability," the government assumes the power to tell us what we can be paid for our labor and what we can charge for our products, and the only question asked by most of the press is: Will it work? That is the wrong question. The right question is: How does it affect individual liberty? Is not one of the most basic human rights the right of a person to sell his or her labor at what the market will bring?

There are ten amendments in the Bill of Rights, although sometimes it seems that the press is so busy defending the first one, that it is hard to get equal time for the other nine.

Let me recall one of them—the ninth Amendment—which few people ever read any more, let alone defend. It says: "The enumeration in the Constitution, of certain rights, shall not be construed to deny or disparage others retained by the people." Is something being disparaged when the government's chief inflation-fighter tells a group of businessmen, as he did recently in Chicago, that "We will, with a degree of enthusiasm that I suspect many of you may consider unseemly, identify the miscreants publicly"?

QUALIFYING AS A MISCREANT

A miscreant, according to my dictionary, is someone who is villainous, unscrupulous and devoid of conscience. And now all you have to do to qualify for that description, in the eyes of your government, is to insist on your right to decide what wage you're willing to work for, or how much to charge for whatever you're selling. I do not believe that was the kind of society the Founding Fathers had in mind, or one that many Americans will enjoy living in if it becomes a permanent condition—which it shows every sign of doing.

The government adopts monetary policies and fiscal policies which produce inflation in response to popular demand. Since there is no "Truth in Politics" law we must rely on the vigilance of the press to reveal the true costs of those policies. When we come to understand what is happening, I do not believe that Americans are ready to sell their birthright of individual freedom. But someone has to make it clear that the collision course between government price and wage controls and personal liberty is inevitable because, in the end, government allocation of economic resources requires force. Someone has to point out—and keep pointing out—that every time the tide recedes a little after one of these floods of "emergency" regulations, there is less sand left on the beach for free people to stand on.

If it finally gets down to a single grain, even though that grain is labeled "free speech and the First Amendment," you'll find that it isn't worth much.

SENATE—*Wednesday, May 9, 1979*

(Legislative day of Monday, April 9, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. DAVID PRYOR, a Senator from the State of Arkansas.

PRAYER

Commissioner Ernest W. Holz, National Commander of the Salvation Army in the United States of America, offered the following prayer:

Let us pray:

Our heavenly Father, we bow before Thy presence this day acknowledging Thee as our Lord and Creator. We thank Thee for the religious heritage of our Nation, for the opportunities afforded us in this land of freedom, and for the revelation of Thy word and the gift of Thy Son, Jesus Christ. This is a day of unrest and anxiety. Remind us of Thy promise, "Come unto me all ye that labor and are heavy laden and I will give you rest." This is a day of mistrust and hate and little peace in the world. Remind us of Thy words, "Peace I leave with you, My peace I give unto you." And yet we recognize this is a day of unlimited hope, of great discovery and thrilling living. Surround these blessings of meaningful life with Thy love. Through the touch of Thy Spirit grant unto us abundant faith, hope, and love—the greatest being love. In the name of our Living Lord, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., May 9, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID PRYOR, a Senator from the State of Arkansas, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. PRYOR thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 7 minutes.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield back such time as I have to the distinguished acting Republican leader for his use.

RECOGNITION OF THE ACTING MINORITY LEADER

Mr. STEVENS. I thank the majority leader.

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

JO ANNE WOLD, AN ALASKAN INSPIRATION

Mr. STEVENS. Mr. President, I have had the pleasure of knowing and working with a great Alaskan, Jo Anne Wold, for many years. Newspaper woman, author, and the recipient of numerous State and national writing awards, Ms. Wold received an honorary degree at the University of Alaska commencement exercises this weekend. She is a fine example to Alaskans for her commitment through her writing to Alaskan history, for her kindness and civil concern, and she is an inspiration to all Americans because Jo Anne Wold has accomplished all of this even though she has been totally paralyzed from the neck down since the age of 12. Writing with a pencil between her teeth to strike the typewriter keys, Ms. Wold has edited a daily women's page, produces a weekly column, and is the author of four books. I am pleased to say that she is a member of my staff that deals with casework in Alaska. I am most pleased that Jo Anne is getting the recognition she deserves. An article which appeared in the Daily News-Miner speaks for itself about what a great asset Jo Anne Wold is to my State.

Mr. President, I ask unanimous consent that the article be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UA TO HONOR WOLD, "AN ALASKAN INSPIRATION"

(By Norma Bowkett)

"She's an Alaskan inspiration and her story ought to be told. Her private life is one of miraculous survival, inspiring everyone who has come to know her."

Kathleen (Mike) Dalton was referring to her friend and colleague Jo Anne Wold, who will receive an honorary degree from the University of Alaska next month for her achievement in writing.

Most of her readers do not know—and her friends tend to forget—that Wold has been totally paralyzed from the neck down since she was 12, a victim of polio who learned, through physical therapy, to strike the keys of a typewriter with a pencil held between her teeth in order to become what she wanted to be—a writer.

In this manner she has produced four books, numerous magazine and newspaper articles, and currently writes a weekly column for the Fairbanks Daily News-Miner.

Wold, named Outstanding Young Woman of America in 1965 began her career at 16, taping "The Magic Storybook," a weekly children's program over KFAR radio in Fairbanks. Since then she has published two children's books—"Well, Why Didn't You Say So?" and "Tell Them My Name Is Amanda," as well as "Gold City Girl," designed for the juvenile market, and "This Old House," the story of Fairbanks pioneer Clara Rust.

Wold has served as women's page editor for the News-Miner and for Jessen's Daily, earning state and national awards in the field and for newspaper and magazine articles in these and other publications. Her personal column published in the News-Miner for the past four years earned an Award of Excellence from the Alaska Press Club in 1976 and awards from Alaska Press

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Women and the National Federation of Women in subsequent years.

"She is," said former News-Miner colleague Lael Morgan, "one h— of a writer. It's difficult for a newspaper writer to make a transition to another kind of writing. Jo Anne has done this. She is a totally remarkable person."

"I get letters from people, wonderful, sincere responses to my column," Wold said in a recent interview. "It's rewarding to me that there are readers out there who know nothing about me, (who) judge me by my work. I'm a journalist," she said. "Someone who types with a pencil in her mouth—that's got to be secondary."

Not that there have not been periods of discouragement. Both Wold's parents died of leukemia—her father, Arnold, in 1948, and her mother, Eleanor, in 1969. But her mother helped her prevent her paralysis from becoming a handicap. "People talk today about fulfilling themselves, but my mother found her own fulfillment in doing good for someone else. We had good times together," Wold said.

"Eleanor was a strong woman." Jo Scott, a friend of 25 years, recalled, "When I first knew her, friends said that if Jo Anne even caught cold she would die. Her mother refused to believe that. When I'd get a bit down, I'd go over to the Wolds. Here was this mother, always cheerful, a help to my psyche."

Wold, a Christian Scientist, said her religion, "an every-day religion," affects every part of her life. "The right people coming into my life at the right time—that's another proof of the loving care God gives to His children. None of this would be possible," she said, directing her gaze around her well-ordered home, without the "loving concern and support" of her stepfather, Glen Buchanan.

She has had more opportunities in Fairbanks, where she was born, than she could have had anywhere else in the world, Wold said, because it is a small community and "the people are so helpful. One thing leads to another. There really has been a pattern to my life without a great deal of engineering on my part," she said. For example, Ed Parsons, an "electronic genius" living in Fairbanks built a special telephone for her that she could dial and answer.

In another instance, Scott (Jo Ryman, then, before she married Richard Scott) taught Wold's sister at Denali School. Before coming to Alaska she had worked in educational radio at the University of South Dakota. When she met Wold, she contacted Don McCune at KFAR, suggesting he have Wold tape a children's program at home.

When Wold was a stringer for the News-Miner, publisher C. W. Snedden invited her to his office one day to ask her to edit the women's section. "I said, 'That's not possible,'" Wold recalled. But Mike Dalton taught her the mechanics of editing and making up a page and "bailed me out of tight squeezes . . . Everyone should have a friend like Mike Dalton."

When the manuscript for her first book, "Gold City Girl," had made the rounds of publishers without success and been buried under muddy water in the 1967 Fairbanks flood, then rescued, washed, rewritten, and rejected again, Wold happened to interview author Edythe Newell for Jessen's Daily. During the interview Newell, whose books were published by Albert Whitman and Co., in Chicago, learned about Wold's book and took chapters of "Gold City Girl" with her to Chicago for her editor to read. He bought the book. Publishing a book, Wold said, was the highlight of her career.

Wold works out of her home, scheduling people in and out to carry out the strict routine necessary, she said, for her to accomplish anything. She does this in such a way, said her neighbor, Rosamund Weller, who taught her in 4th grade, that "you don't think of her as being paralyzed." Weller continued, "I'll say to friends. 'Jo Anne baked a lovely birthday cake,' and someone will ask, 'Oh, did she bake it herself?' and I'll have to stop and think and say, 'Yes, she does it through other hands.'"

In this manner Wold manages her life and career, refusing to be limited by a wheelchair. Her sense of humor contributes to her grit, said Morgan, recalling a phone call Wold received at home from someone asking her to select a winning raffle ticket for a local organization. She politely declined. "What did they expect me to do," she asked, "pull it out with my teeth?"

But Wold is neither bitter nor a stay-at-home, "My life is not as easy nor as difficult as people might think," she said, "But isn't that true of everybody?" When she had completed grade school and high school by correspondence study, she began taking courses at the UA. She spends a great deal of time at the archives in the university library, researching material for her writing. And she works at her typewriter every day, getting to it in the morning and working until 1:30 or 5 p.m.

She writes by filling up the blank page, writing and rewriting. If she were asked to give advice to a writer, she would say, "Write!" And she does not limit her experiences to those she finds in her home town and in books she reads. In 1966 she and her mother and stepfather spent "eight glorious weeks" in Europe, visiting five countries. In 1977 she visited Europe again, adding England to her tour.

As for "this great honor" the university will confer on her next month, she said, "I'd just as soon remain anonymous, but I didn't feel ready for the job at the News-Miner, either." Then she added, "But it comes when you are ready. You just didn't know it."

SENATOR RIBICOFF'S RETIREMENT

Mr. STEVENS. Mr. President, when the senior Senator from Connecticut, Abe Ribicoff, announced his intention to retire from the U.S. Senate at the end of his current term, it took a great many of us by surprise. Abe Ribicoff has been a pillar of support and an example of leadership in the Senate for over 16 years. We have come to depend upon his judgment, his fair and even treatment, and his absolute honesty. When Abe Ribicoff gives his word, it is like money in the bank. These characteristics have been exemplified throughout his career as a State legislator, Judge, Congressman, Governor, Cabinet officer, and a U.S. Senator. His life and career should be an example to all those who seek public office.

When I first came to the U.S. Senate, I joined the Governmental Affairs Committee, which was chaired by Senator Ribicoff. During my tenure, I learned that he is not only a wise lawyer but a fine teacher as well. My freshman colleagues and I saw that a great deal can be accomplished for constituents and for the Nation by quietly, but diligently, working with other Members of Congress on legislation of importance. More goals can be achieved by working hard in dealing fairly and honestly with your colleagues than an occasional flash of publicity or grandstanding will ever bring. Abe Ribicoff is the epitome of that concept commonly referred to around here as a workhorse, rather than a show horse. He is an effective legislator.

Along with Abe's fairness, honesty and hard work, he has a big heart. He cares about other Members and their problems. He is concerned about those particular issues that affect each of us. On a personal note, let me relate the help Abe and Casey Ribicoff have given me. Somehow, the Ribicoffs found out years ago, that I was seeking books to send to the rural native libraries in my State. These native community libraries have almost no funds to purchase books for their patrons. Over the past years, the Ribicoffs have donated box upon box of books from their personal library, from their own purchases, to send to these native libraries. This action typifies the concern Abe and Casey have for their fellow Members of Congress and Americans everywhere.

One of the greatest times that I can remember was when my late wife, Ann, and I accompanied the Ribicoffs on a trip abroad. I want to take this opportunity to congratulate Abe on his outstanding career in public service and to express the hope that he and Casey will find equally challenging and rewarding tasks in the future.

Mr. President, I ask unanimous consent that the editorial from the New York Times, "Senator Ribicoff's Surprise," be printed in the Record at this point, as well as the column that the senior Senator from Connecticut has had published in the Washington Post this morning, entitled "The Business of Peace."

There being no objection, the material was ordered to be printed in the Record, as follows:

SENATOR RIBICOFF'S SURPRISE

Abraham Ribicoff's retirement announcement, coming at the peak of his influence, caught Washington and Connecticut quite by surprise. He will not retire until his present Senate term ends next year. But to make his intention clear now reflects the balance and sensibility that have marked his tenure in Congress.

Mr. Ribicoff's political career began in the Connecticut Legislature in the late 1930's. Later he served as a judge, Congressman and Governor of the state. It was as Governor, in the 1950's, that he captured national attention with a crusade for highway safety. President Kennedy appointed him Secretary of Health, Education and Welfare, and then, in 1963, he won the first of three terms in the Senate.

Throughout his political career, Senator Ribicoff has managed to strike a careful balance between independence of thought and loyalty to President and party. In 1968, for instance, speaking to the Democratic National Convention in Chicago, he denounced Mayor Daley, charging that the city's police were employing "Gestapo" tactics to put down the demonstrations against the Vietnam War. And last year, it could not have been easy for the Senator to take a position contrary to the view of many Jewish groups and endorse President Carter's plan to sell jet fighters to Egypt and Saudi Arabia.

A person who has held power for a long time, said Mr. Ribicoff the other day, "should know how to step aside." He is his own best example. We wish him well as he winds down, and after.

"THE BUSINESS OF PEACE"

(By Abraham A. Ribicoff)

On my recent visit to the Middle East, I was impressed by the confidence and willingness of the Egyptian and Israeli governments to participate with the private business sector to restructure their economies, now designed for war, to build peace. After 31 years of war these countries are economically exhausted. The financial burdens of warfare handicapped the development and expansion of social programs to deliver the benefits of modern science and technology to Egyptians and Israelis. Both countries amassed gargantuan foreign debts to pay for weapons rather than industrial projects and agricultural production.

There is much the United States can do to help correct this distortion. Thirty-eight million Egyptians constitute the largest single market place in the Middle East. Vast potential exists to develop new industries and revitalize existing plants to create labor-intensive employment for an expanding work force. An injection of foreign capital would allow new irrigation projects to transform arid desert land into food production. Both multilateral and bilateral development finance could reinforce Egypt's development efforts to give the people a stake in peace: low-cost housing; the modernization of city services, and response to other basic needs of rural and urban life.

Poor in natural resources, Israel is fortunate to have a highly skilled labor force. Enhanced strategic security resulting from peace with Egypt is a magnet to attract foreign investment and loans. New plant and capital spending would create jobs, increase productivity and expand exports.

The economies of both countries are to an important degree complementary. Israel's desire for access to a Middle Eastern marketplace is matched by Egypt's need to acquire Israel's advanced technology, especially in agriculture and irrigation. Opportunities exist for joint investments and mutual trade. It will signify the withering away of the isolation and mistrust that divided these two nations.

We should encourage joint research and management programs at American, Egyptian and Israeli universities as a step toward regional cooperation. The Technion University of Haifa has successfully proved that advanced Western technology can be adopted and managed to suit the needs of developing countries like Egypt and Israel.

The United States has a right to expect that our major trading partners in Europe and Asia join in the business of peace. The United States, Egypt, and Israel should initiate a Bank for Middle Eastern Development and invite the participation of the European Community, Japan and those Arab countries who acknowledge the movement toward peace. The precedents and mechanics for this project are outlined in the African and ASEAN Development Banks.

International economists and regional specialists in the World Bank and the IMF could propose programs to improve transportation, modernize telecommunications, develop water and energy resources, stabilize banking services and money markets, and promote tourism. The billions of marks, yen, pounds and dollars required do not begin to equal the cost of the last Arab-Israeli war.

These are the unglamorous technical chores of making peace work in the land holy to three great faiths—yet poisoned by war. An economic renaissance in Egypt and Israel will permit their governments to make the political compromises necessary for peace. The inhabitants of the West Bank and Gaza would secure a means to express their national identity through participation in a regional development fund.

Shifting political alignments in the Arab world cannot politically or economically divorce Egypt from the Middle East. Egypt is a natural outlet for Arab foreign investment, and the Middle East is the natural market for Egyptian goods. The adverse political reaction to the peace treaty, in certain Arab countries, cannot deny the economic, geographic and demographic realities of the region.

With the financial backing of the United States and the West, the recent passage of an Israeli freighter through the Suez Canal will ultimately lead to the great capitals of the Arab world. This process is the business of peace.

Mr. STEVENS. I yield to the majority leader.

ORDER FOR A PERIOD FOR ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if there be any time remaining after the order for the recognition of Mr. Tsongas, between that point and 10:30 a.m., I ask unanimous consent that it be utilized for routine morning business and that Senators may speak therein for up to 2 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MODIFICATION OF ORDER FOR RECOGNITION OF SENATOR TSONGAS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the resumption of the debate on the gasoline rationing resolution await the completion of the order for recognition of Mr. Tsongas, whose time will go just a little beyond 10:30.

The ACTING PRESIDENT pro tempore. Without objection, is so ordered.

EMERGENCY MEDICAL SERVICES SYSTEMS AMENDMENTS OF 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 104 which has been cleared for action by unanimous consent.

Mr. STEVENS. I have no objection.

The ACTING PRESIDENT pro tempore. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 497) to extend the authorizations of appropriations relating to emergency medical systems under title XII and section 789 of the Public Health Service Act.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources with an amendment to strike all after the enacting clause and insert the following:

TITLE I—EMERGENCY MEDICAL SERVICES SYSTEMS AMENDMENTS

Sec. 101. This title may be cited as the "Emergency Medical Services Systems Amendments of 1979".

PLANNING INITIAL OPERATION, AND IMPROVEMENT

Sec. 102. Section 1202(f) of the Public Health Service Act (42 U.S.C. 300d–1(f)) is amended to read as follows:

"(f) Priority for making grants or entering into contracts under this section shall be afforded to eligible entities applying for such grants or contracts under subsection (a) of this section.".

Sec. 103. (a) Section 1207(a)(1) of the Public Health Service Act (42 U.S.C. 300d–6(a)(1)) is amended by—

(1) striking out "and" after "1977",

(2) striking out "1978; and for the purpose of making payments pursuant to grants and contracts under sections 1202, 1203, and 1204, there are authorized to be appropriated" and inserting in lieu thereof "1978,", and

(3) inserting before the period at the end thereof a comma and "and $40,000,000 for the fiscal year ending September 30, 1980, and for each of the next two fiscal years".

(b) Paragraph (5)(A) of subsection (a) of section 1207 of such Act is amended by inserting "(i)" after "(A)" and inserting before the period at the end thereof a comma and "and (ii) of the sums appropriated under paragraph (1) for the fiscal year ending September 30, 1980, and for each of the two succeeding fiscal years, at least 1 per centum of such sums for each such fiscal year shall be used for grants and contracts under section 1202".

(c) Paragraph (5)(B) of subsection (a) of section 1207 of such Act is amended by striking out "two" and inserting in lieu thereof "five".

RESEARCH

Sec. 104. Section 1207(b) of the Public Health Service Act (42 U.S.C. 300d–6(b)) is amended by inserting before the period at the end thereof a comma and "and $3,000,000 for the fiscal year ending September 30, 1980, and for each of the next two fiscal years".

INTERAGENCY COMMITTEE ON EMERGENCY MEDICAL SERVICES

Sec. 105. Section 1209(c) of the Public Health Service Act (42 U.S.C. 300d–8(c)) is amended by inserting "the Federal Emergency Management Agency (established pursuant to Reorganization Plan Number 3 of June 19, 1978)," after "Commission,".

BURN, TRAUMA, OR POISON INJURIES

Sec. 106. (a)(1) Section 1221(a) of the Public Health Service Act (42 U.S.C. 300d–21(a)) is amended by inserting a comma and "trauma, or poison" after "burns" both times it appears.

(2) The title of part B of tile XII and the heading for section 1221 of such Act is amended by striking out "Burn Injuries" and "burn injuries" and inserting in lieu thereof "Burn, Trauma, or Poison Injuries" and "burn, trauma, or poison injuries", respectively.

(b) Section 1221(c) of the Public Health Service Act (42 U.S.C. 300d–21(c)) is amended by—

(1) striking out "and" after "1978", and

(2) inserting before the period at the end thereof a comma and "and $3,000,000 for the fiscal year ending September 30, 1980, and for each of the next two fiscal years".

TRAINING

Sec 107. Section 789(g)(1) of the Public Health Service Act (42 U.S.C. 295g–9(g)(1)) is amended by inserting before the period at the end thereof a comma and "and $4,000,000 for the fiscal year ending September 30, 1980, and each of the next two fiscal years."

TITLE II—SUDDEN INFANT DEATH SYNDROME AMENDMENTS

Sec. 201. This title may be cited as the "Sudden Infant Death Syndrome Amendments of 1979".

Sudden Infant Death Syndrome Program

Sec. 202. Title XI of the Public Health Service Act (42 U.S.C. 300c–11(b)(5)) is amended by amending part B to read as follows:

"Part B—Sudden Infant Death Syndrome

"sudden infant death syndrome counseling, information, educational, and statistical programs; plans and reports

"Sec. 1121. (a)(1) The Secretary, through an identifiable administrative unit under the supervision of the Assistant Secretary for Health, shall cary out a program to develop public information and professional educational materials relating to sudden infant death syndrome, and to disseminate such information and materials to persons providing health care, to public safety officials, and to the general public. The Secretary shall administer, through such unit, the functions assigned in this section, and shall provide such unit with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for it to carry out such functions effectively.

"(2) The Secretary shall—

"(A) develop and implement a system for the periodic reporting to the Department, and dissemination by the Department, of information collected under grants and contracts made under subsection (b)(1) of this section; and

"(B) carry out coordinated clearinghouse activities on sudden infant death syndrome, including the collection and dissemination to the public, health and educational institutions, professional organizations, voluntary groups with a demonstrated interest in sudden infant death syndrome, and other interested parties of information pertaining to sudden infant death sydrome and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as home monitors.

The Secretary is authorized to enter into contracts with public or private entities to carry out the information and clearinghouse activities required under this subsection.

"(b)(1) The Secretary is authorized to make grants to public or nonprofit private entities, and enter into contracts with public or private entities, for projects which include both—

"(A) the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes and other appropriate aspects of sudden infant death syndrome; and

"(B) the provision of information and counseling to families affected by sudden infant death syndrome.

"(2) No grant may be made or contract entered into under this subsection unless an application therefor has been submitted to and approved by the Secretary. Such application shall be in such form, submitted in such manner, and contain such information as the Secretary shall, by regulation, prescribe. Each application shall—

"(A) provide that the project for which assistance under this subsection is sought will be administered by or under the supervision of the applicant;

"(B) provide for appropriate community representation (including appropriate involvement of voluntary groups with a demonstrated interest in sudden infant death syndrome) in the development and operation of such project;

"(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subsection; and

"(D) provide for making such reports in such form, at such times, and containing such information as the Secretary may reasonably require, including such reports as will assist in carrying out the provisions of subsection (a)(2) of this section.

"(c)(1) Not later than February 1 of each year after 1979, the Secretary shall submit to the Committee on Labor and Human Resources of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives a comprehensive report on the administration of this part (including funds and positions allocated for personnel) and the results obtained from activities thereunder, including the extent of allocations made to rural and urban areas. The report submitted on or before February 1, 1980, shall also set forth a plan to—

"(A) extend counseling and information services to the fifty States and the District of Columbia by July 1, 1980; and

"(B) extend counseling and information services to all possessions and territories of the United States by July 1, 1981.

"(2) The Secretary shall conduct or provide for the conduct of a study on State laws, practices, and systems relating to death investigation and their impact on sudden and unexplained infant deaths, and any appropriate means for improving the quality, frequency, and uniformity of the post mortem examinations performed under such laws practices, and systems in the case of sudden and unexplained infant deaths. Not later than December 31, 1980, the Secretary shall report to the Congress the results of such study, including recommendations as to any appropriate actions by the Department of Health, Education, and Welfare with respect to the conduct of post mortem investigations in all cases of sudden and unexplained infant death (including the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis).

"(d)(1) For the purpose of making grants and contracts under and otherwise carrying out this section, there are authorized to be appropriated $2,000,000 for the fiscal year ending June 30, 1975; $3,000,000 for the fiscal year ending June 30, 1976; $4,000,000 for fiscal year 1977; $3,650,000 for fiscal year 1978; $3,500,000 for fiscal year 1979; $5,000,000 for fiscal year 1980; and $7,000,000 for fiscal year 1981.

"(2) Payments under grants under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

"(3) Contracts under this section may be entered into without regard to sections 3648 through 3709 of the Revised Statutes (31 U.S.C., 529; 41 U.S.C. 5).

"(4) The Secretary shall seek to make equitable distribution of funds appropriated under this section among the various regions of the country and to ensure that the needs of rural and urban areas are appropriately addressed.

"SUDDEN INFANT DEATH SYNDROME RESEARCH AND RESEARCH REPORTS

"SEC. 122. (a) From the sums appropriated to the National Institute of Child Health and Human Development under section 441, the Secretary shall assure that there are applied to research of the type described in paragraph (1) (A), (B), and (C) of subsection (b) of this section such amounts each year as will be adequate, given the leads and findings their available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome.

"(b)(1) Not later than ninety days after the close of fiscal year 1979 and of each fiscal year thereafter, the Secretary shall report to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives specific information for such fiscal year on—

"(A) the (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under this Act for research which relates specifically to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds;

"(B) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for research which relates generally to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds; and

"(C) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for high-risk pregnancy and high-risk infancy research which relates to sudden infant death syndrome, specifying how these conditions relate to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in such fiscal year, and (iv) total amount of such funds.

"(2) Each report submitted under paragraph (1) of this subsection shall—

"(A) contain a summary of the findings of intramural and extramural research supported by the National Institute of Child Health and Human Development relating to sudden infant death syndrome as described in clauses (A), (B), and (C) of such paragraph (1), and the plan of such Institute for taking maximum advantage of such research leads and findings;

"(B) provide information on activities underway and plans to bring about the appropriate clinical application of current research findings and the cost and implications of such applications; and

"(C) provide an estimate of the need for additional funds over each of the next five fiscal years for grants and contracts under this Act for research activities described in such clauses.

"(c) Within five days after the Budget is transmitted by the President to the Congress for each fiscal year after fiscal year 1980, the Secretary shall transmit to the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Labor and Human Resources of the Senate, and the Committee on Interstate and Foreign Commerce of the House of Representatives an estimate of the amounts requested for the National Institute of Child Health and Human Development and any other Institutes of the National Institutes of Health, respectively, for research relating to sudden infant death syndrome as described in paragraph (1) (A), (B), and (C) of subsection (b) of this section, and a comparison of such amounts with the amounts requested for the preceding fiscal year.".

TITLE III—EFFECTIVE DATE

SEC. 301. The provisions of this Act shall take effect on October 1, 1979.

Amend the title so as to read: "A bill to extend the authorizations of appropriations relating to emergency medical services systems under title XII and section 789 of the Public Health Service Act; to increase the authorizations of appropriations for sudden infant death syndrome counseling and information projects and revise and improve authorities under title XI, part B, of such Act; and for other purposes.".

● **Mr. KENNEDY.** Mr. President, S. 497, the Emergency Medical Services Amendments of 1979, is a bill that was introduced by Senator CRANSTON on February 26, 1979. He is a longtime leader of this issue and I was pleased to be a cosponsor of this bill.

The Subcommittee on Health and Scientific Research held a hearing on this important piece of legislation on Wednesday, February 28, 1979. On April 11, the Committee on Labor and Human Resources favorably reported the bill to the Senate.

Since 1973 we have seen great strides in the emergency medical services system. There are now 304 EMS regions in the country, 282 of these regions have already received some Federal assistance. However, only 17 regions have gone through the full EMS eligibility cycle. There is need for continued Federal assistance.

In our opening day of hearings in January of 1973, we learned that there were 200,000 ambulance personnel in this country. The National Academy of Sciences stated that only 35 percent of them were qualified at a minimal acceptable level. Today there are over 295,000 ambulance attendants and over 80 percent of them have received the federally recognized training level of EMT-A—emergency medical technician—ambulance. In addition, we now have 17,000 paramedics.

The bill that we are considering today would authorize this program through 1982 with an authorization level totaling $50 million for each of the 3 fiscal years, 1980, 1981, and 1982. The authorization levels are in line with past appropriations and I believe that they are realistic and fair. I am pleased that the committee bill also added language to section 1221 to provide support for poison and trauma programs.

The emergency medical services program is one Federal program that was designed to eventually be phased out. I believe that this extension is necessary and that the program can be totally phased out by 1985. By that time almost all—85 percent—of the program will have reached the 1204—advanced life support level.

Title II of this bill extends the sudden infant death syndrome amendments for fiscal years 1980 and 1981 at levels of $5 million and $7 million for each of these years. SIDS is a national tragedy that claims the lives of between 6,000 and 7,000 each year. The incidence rate is approximately 2 per 1,000 live births. The SIDS program, which is administered in the Office of Maternal and Child Health, is a small program in terms of Federal dollars, but it is an important program for all those who care about their families and in particular, about young children.

Mr. President, I urge my colleagues to vote favorably on this legislation. This bill will reauthorize two very important health programs.●

● Mr. CRANSTON. Mr. President, I want first to thank the distinguished chairman of the Health and Scientific Research Subcommittee (Mr. KENNEDY), the distinguished chairman of the Committee on Labor and Human Resources (Mr. WILLIAMS), and the distinguished ranking minority member of both the full committee and the subcommittee (Mr. SCHWEIKER) for the leadership and superb cooperation they have given me in the consideration of this legislation. Working together, I believe we have developed a good bill which will promote the establishment of comprehensive systems for providing quality emergency medical services throughout the country.

I would also like to express my particular appreciation to the cosponsors of S. 497 again, the Senators from New Jersey (Mr. WILLIAMS), from Massachusetts (Mr. KENNEDY), Pennsylvania (Mr. SCHWEIKER), as well as the Senator from New York (Mr. JAVITS), and the Senator from West Virginia (Mr. RANDOLPH).

Mr. President, this legislation has had strong bipartisan support since it was first introduced in the 93d Congress and it still has that broad support.

The Emergency Medical Services Systems Act of 1973, which I authored in the Senate, was enacted in November 1973 as Public Law 93-154, and its authorities were extended and improved in October 1976 by Public Law 94-573. The provisions of these laws constitute title XII and section 789 of the Public Health Service Act.

The legislation we are considering today would extend for 3 more years the appropriations authorizations in title XII and section 789 of that act. These appropriations authorizations provide for grant and contract support for emergency medical services systems, research in emergency medical services, demonstration projects in burn injury programs, and training in emergency medical services.

S. 497 was amended in committee, Mr. President, to include as a new title II of S. 497, the provisions of legislation that I introduced earlier this year, S. 232, which makes improvements in the administration and implementation of the sudden infant death syndrome program authorized by title XI, part B, of the Public Health Service Act, and slightly increases the authorizations of appropriations for those programs during fiscal years 1980 and 1981. These provisions are substantially the same as those passed by the Senate last year as part of S. 2522.

I would briefly like to summarize the provisions of S. 497, as reported.

SUMMARY OF S. 497 AS REPORTED

BASIC PURPOSE

EMERGENCY MEDICAL SERVICES PROGRAMS

The basic thrusts of S. 497 as reported with respect to the emergency medical services programs are as follows:

First, to provide authorizations of appropriations for each of the four programs (services; research; burn, trauma, or poison; and training) for the next 3 years to continue building the Nation's capacity to provide comprehensive emergency medical services through a regional approach. The authorizations are set forth in a chart that I ask unanimous consent, Mr. President, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

S. 497—AUTHORIZATIONS OF APPROPRIATIONS FOR EMERGENCY MEDICAL SERVICES PROGRAMS

[Dollar amounts in millions]

	1980	1981	1982	Totals
Services	$40	$40	$40	$120
Research	3	3	3	9
Burn, trauma of poison	3	3	3	9
Training	4	4	4	12
Total	50	50	50	150

Mr. CRANSTON. Mr. President, second, to include trauma or poison among programs eligible for support under section 1221—burn injury program.

Third, to delete the requirement in current law that no more than 50 percent of the sums appropriated each year for grants and contracts for planning may be made for second planning grants, and provide that priority for making grants or entering into contracts for planning shall be afforded to eligible entities applying for first planning grants.

Fourth, to provide that at least 1 percent of the funds appropriated each year for EMS services be allocated to planning grants and contracts.

Fifth, to provide for a representative of the Federal Emergency Management Agency on the Interagency Committee on Emergency Medical Services.

SUDDEN INFANT DEATH SYNDROME PROGRAMS

The basic thrusts of S. 497 as reported with respect to the sudden infant death syndrome program are as follows:

First, to establish within HEW an administrative unit to carry out the SIDS program in a coordinated and cohesive fashion with adequate staff and continuing accountability to the Congress with respect to activities carred out under the present law.

Second, to provide increased authorizations of appropriations for the SIDS program over the next 2 years so as to improve and expand the data collection system, to provide specifically for clearinghouse activities, to provide for the expansion of counseling and information services to all of the States and possessions and territories of the United States, with appropriate involvement of voluntary SIDS groups in the planning and carrying out of these projects, and to improve services in States now being served; and to insure appropriate consideration is given the needs of rural and urban areas.

Third, to continue and improve various reporting requirements regarding the counseling and information projects and SIDS research.

Fourth, to seek to insure that adequate resources are made available within the National Institute of Child Health and Human Development for research into the causes—and ultimate prevention—of this tragic problem.

Fifth, to develop information and seek out possible improvements with respect to the death investigation systems in the States in the area of sudden and unexplained infant deaths.

EMERGENCY MEDICAL SERVICES PROGRAMS

NEED FOR THE PROGRAM

Mr. President, when I first introduced the Emergency Medical Services Systems Act in 1973, there was growing recognition of the inability of many communities to respond immediately and effectively to a medical emergency. These communities represented a broad range of geographical configurations, of population density, and of economic diversity. Their emergency medical services deficiencies were caused by a multitude of problems. In some cases, the cause lay in a shortage of good emergency facilities and equipment. In others, it lay in too many facilities competing with each other for the patient. In some areas, vast geographical distances created special problems. In others, a lack of trained emergency personnel delayed the provision of care that could prevent death and disability.

Our study of the problem at that time convinced us that the solution lay in establishing systems to support emergency medical services in the communities so that these systems could pull together, in a rational manner, the medical resources needed to provide prompt and competent care to an emergency victim.

The numbers of preventable deaths and disabilities resulting from medical emergencies provide grim evidence of the need to improve the provision of emergency medical services. Accidental injury is the leading cause of death among all persons aged 1 to 38 and is the fourth highest cause of all deaths in the United States. Recently, the National Center for Health Statistics reported that, in 1976, 100,000 accidents were the cause of these deaths. Included in this figure were 46,700 deaths from automobile accidents; 14,300 from falls; 7,200 from drowning; 6,200 from fires, burns, and injuries related to fire; 4,400 from poisoning; and 21,200 from all other accidental causes. Although this number is tragically high, it does represent a decrease from the 117,000 deaths from accidents which occurred in 1972—a decrease of almost 15 percent.

I do not think any one factor can take credit for this decrease of 17,000 in the numbers of deaths from accidental injury, but it stands to reason that improvements in the quality of emergency care in the community over that span of years must have made some contribution to this decrease. Those specific areas where fewer lives were lost in 1976 than in 1972 were heart attacks—latest estimates show a 17-percent rate of decline in deaths due to heart attacks between 1972 and 1977; poisoning—major improvement in saving children under 5 who are victims of accidental poison; and infant mortality—decreased from 18.5 per 1,000 live births in 1972 to 15.1 in 1976. Victims of these circumstances are dependent on good emergency care.

And good emergency care is dependent on bringing skilled personnel quickly to the victim, transporting the victim as rapidly and as safely as possible to the level of care needed to treat his or her injuries, and insuring that that appropriate level of care is accessible and meets high standards of quality.

PROVISIONS OF THE PRESENT LAW

Title XII of the Public Health Service Act authorizes appropriations for grants to communities to support the planning, establishment, development, or expansion of comprehensive EMS systems. Eligible applicants are States, local units of government, public entities administering a compact or other regional arrangement or consortium, or a public or nonprofit private entity representing the units of government in the region for which a system is proposed.

Such an applicant must submit with its application a proposal indicating how the community it represents will develop a comprehensive EMS system utilizing to the best effect existing health care resources, facilities, and personnel. The proposal must cite gaps in the community's ability to provide services and the steps that will be taken to overcome such deficiencies. Title XII specifies 15 requirements for basic components of a comprehensive EMS system which all applicants must provide assurances of meeting or being able to meet within a specified period of time.

These 15 components were derived from testimony received in both the Senate and House during consideration of the act in the 93d Congress and represent the basic reqirements for a comprehensive EMS system. These basic components include, among other requirements, such things as well-trained personnel, adequate and centralized communications capability, adequate transportation systems, categorized and nonduplicative facilities, access to specialized medical care units, and assurances that services will be provided without regard to an individual's ability to pay.

In addition to grant support for development of an EMS system itself, the 1976 amendments added authority for specific project grant and contract support for reseach and training programs in emergency medical services or techniques, and in burn injuries.

EMERGENCY MEDICAL SERVICES SYSTEMS DEVELOPMENT

Mr. President, I would like to remind my colleagues that, when this legislation was first enacted, the intent was clearly expressed that the Federal support provided each community would be a maximum of five grants.

With those grants, the communities were to progress through the several stages of development of a comprehensive emergency medical services system. At the conclusion of those five grants, the community would be expected to maintain the EMS system at the level it had achieved with the Federal assistance.

Mr. President, after 5 years of experience under the emergency medical services systems legislation, 282 of the 304 State-designated emergency medical services regional systems have received support. With completion of the current grant awards which were made in June of 1978, 29 regions will have achieved total independence from Federal-grant support. Another 169 regions will be in some phase of operational development, and 84 are planned or being planned, leaving 22 regions which have not yet received support. It is estimated that all of these systems will have reached their optimum potential in 6 years or by the end of fiscal year 1985.

The 3-year extension we are considering today would provide the basis during the next 3 fiscal years for an additional 53 regions to complete the 5-year cycle, and an additional 60 regions to move forward in their development.

Mr. President, it is expected that after the 3-year period of support authorized by the legislation we are considering today, it would take only an additional 3 years for the remaining regions to complete their progress through the various stages of development.

In the next 3 years, I intend to exercise a close watch over the administration of the emergency medical services systems program to insure that the EMS regions throughout the country are given the support they need to progress toward their maximum potential and are moving toward independence from Federal financial support.

In fact, on February 6, 1979, Senator KENNEDY and I asked the General Accounting Office to review the administration and implementation of provisions we enacted in the 94th Congress requiring communities to take steps toward achieving that self-sufficiency and asking the GAO to report back to us with recommendations on how these requirements can be administered more effectively if it is found improvements are necessary.

The GAO concluded that, although it is too early to determine the effect of the 1976 EMS amendments on EMS systems' financial planning, the recently published HEW regulations are consistent with the legislative intent and their implementation should improve grantee planning for self-sufficiency.

The GAO recommended that HEW implement the regulations and promptly develop and issue program guidelines, provide technical assistance to grantees in developing plans for self-sufficiency, and place greater importance on the financial plan and commitment requirements of the grant application.

I fully concur in the GAO recommendations. I believe that this study points out that progress is being made, but that a great deal more can be done by HEW officials to place a greater emphasis on requiring compliance with these financial independence requirements.

Mr. President, I am heartened at the early efforts of HEW to seek this compliance. First, the Department has contracted with the University of Pennsylvania to review the issue of how the EMS systems will be maintained after the conclusion to title XII grant eligibility, with a view to developing capacity in the Department to provide technical assistance to grantees. In addition, the Department plans to discuss, at a National EMS Symposium in July 1979, the importance and the most effective approaches in obtaining State and local funds, as well as other community sources, for implementing and operating regional EMS systems to enable them to be self-sufficient. This activity should develop practical guidance to grantees in this respect. I am also delighted to learn that the EMS clearinghouse is collecting information on potential funding sources and methods—to be made available to grantees.

As I indicated, Mr. President, I will be watching carefully the progress that is made by EMS systems in meeting this self-sufficiency goal during the next 3 years. And in 3 years, I fully expect to be introducing legislation to authorize appropriations for the concluding 3 years of this program, with confidence that, through this legislation, quality emergency medical services systems can be maintained throughout the country, totally supported by local resources.

Currently $70 million is authorized to be appropriated in fiscal year 1979 for systems development. The committee bill authorizes funding for the next 3 fiscal years at a level of $40 million each year, a level comparable to the $36,625,000 actually appropriated in fiscal year 1979.

I believe that this modest level of funding will permit emergency medical services systems to grow at a rate which will recognize their potential to progress through the development stages, and provide necessary support to those systems as they become able to utilize it to best advantage.

The committee bill also retains an earmark of appropriations for emergency medical services planning grants in view of the administration's announced intent otherwise not to fund further planning grants. This earmark carries out our intention to maintain the program at its current level during the next 3 fiscal years with a view to its ultimate culmination in fiscal year 1985.

RESEARCH IN EMERGENCY MEDICAL SERVICES

Mr. President, the second appropriations authorization in title XII provides for grant support for research under section 1205 in emergency medical techniques, methods, devices, and delivery. Among the useful research projects completed under this authority are studies on the provision of emergency medical services during disaster situations, patient medical record linking between emergency departments and other providers in the medical care system, the use of specially trained assistants guided by protocols to improve handling of pediatric emergency telephone calls to an emergency room, and the advantages and problems of using public safety personnel in providing emergency medical services.

In addition, I understand that major advances are being made toward developing accurate means of measuring the effectiveness of emergency medical services systems in reducing deaths and disabilities resulting from emergencies.

Other studies supported under section 1205 are projects developing methods to measure the performance of EMS personnel, evaluate the benefits and the costs of advanced life support systems, examine the impact of categorization efforts, determine the clinical significance of response time, and explore the consequences of alternative system configurations and procedures. Other funded projects are formulating systems of quality assurance, designing and testing clinical algorithms, and examining the relationships between emergency departments and their parent hospitals—including rural-urban differences. Results of such studies will affect decisions in all regions, but of particular importance to those rural communities that have limited local resources.

Mr. President, when the EMS legislation was renewed in 1976, the authority for research grants was amended to specify that, in awarding research grants or contracts, special consideration would be given to emergency medical services research in rural areas, emphasizing the identification and utilization of techniques and methods to improve the delivery of emergency medical services in rural areas. I am pleased that considerable research has indeed been conducted which would have direct relevance to providing emergency medical services in rural areas.

Although $5 million has been authorized to be appropriated each year for research since the Emergency Medical Services Systems Act was first enacted, this year the committee bill would authorize appropriations of $3 million for fiscal years 1980, 1981, and 1982, the amount that has actually been appropriated in fiscal year 1979.

BURN INJURY PROGRAM

The burn injury program, Mr. President, was added in the 94th Congress by Public Law 94–573. That act added a new part B in title XII to authorize grants for the establishment, operation, and improvement of programs to demonstrate the treatment and rehabilitation of burn victims, and to conduct research and provide training in the treatment and rehabilitation of burn victims.

In developing that provision, the committee recognized a need to improve the provision of burn care, the national understanding of the magnitude of the burn problem, and the utilization of current resources. To achieve these improvements, it became apparent that information was necessary on the support and location of burn treatment programs; specialized training needs of physicians, nurses, and ancillary professional and paramedical personnel; and program needs for rehabilitation of burn patients. A need was documented to establish evaluation methodologies on a regular basis which could provide epidemiological data on burn incidence, permit the tracking of patients through the most appropriate levels of care to determine immediate and long-term treatment and rehabilitation outcomes, and provide comparative cost data for systems of burn care. The new authority gave us the means to pursue these questions.

In September 1977, HEW initiated work in six areas to implement this program. These six areas are the six New England States, the Finger Lakes and central New York region, the State of Virginia, the State of Alabama—except Mobile—northern Texas, and San Diego and Imperial Counties, Calif. These sites, during the next 3 years, will collect census data for all burn patients requiring hospital care. Data will be collected in each of five data-gathering areas: The emergency department, the outpatient department—including rehabilitation treatment—general hospitals without specialized burn care, hospitals with specialized burn treatment facilities, and the morgue. In these projects, patients admitted to the hospital will be tracked for a maximum of 18 months with periodic collection of data. The population included in the six sites is estimated at 28 million. The data collected will be used to estimate the incidence of burn injuries, where burn patients go for care, how many severe burns are treated in specialized burn treatment facilities and other topics which will provide a description and understanding of the Nation's current burn treatment system. Economic data will be collected to describe the spectrum of costs, charges, and reimbursements associated with burn care. Each project area is also involved in one or more applied research tasks of national interest. These tasks range from the development of a burn severity index to the development of a burn nurse training curriculum.

Mr. President, I am pleased that the activities of this program have been coordinated with the National Institute of General Medical Sciences, the National Center for Health Statistics, the National Center for Health Services Research, the Health Care Financing Administration, the Consumer Product Safety Commission, and the former National Fire Prevention and Control Administration.

The committee bill expands the section 1221 authority for the burn injury projects to include the areas of poison and trauma. We received considerable testimony during the hearings on the need for an improved system of dealing with both poison and trauma at the community level. In both of these types of care programs, resources have been developed haphazardly. This has resulted in some areas of the country not having access to quality trauma or poison care, and other areas having underutilized resources.

Studies and demonstrations are needed to determine the appropriate geographical area and population size which a regional poison or trauma program should serve most efficiently. With data developed through the limited section 1221 authority on such things as the incidence of such emergencies, existing means of responding to them, and the effectiveness of varying methods of dealing with these emergencies, emergency medical services systems throughout the country should be enabled to approach these problems in a rational manner and develop the most effective means of responding to them.

The committee bill authorizes the appropriation of $3 million for each of the next 3 fiscal years for the burn, trauma, and poison injury program. Currently $10 million is authorized to be appropriated for the burn injury program, and $3 million has been appropriated during each of the last 3 fiscal years to carry out the burn injury program.

TRAINING IN EMERGENCY MEDICAL SERVICES

Mr. President, the fourth appropriations authorization in the Emergency Medical Services Systems Amendments we are considering today would extend the authorizations for training programs in emergency medical services—contained in section 789 of the Public Health Service Act, as added by the 1973 EMS Systems Act. This authorization has been $10 million each year since 1973, and the amount appropriated each year has been $16 million. The legislation before us today would lower the authorization level to $4 million for the next 3 years.

Under this program, seven residency programs have been established for emergency physicians, and 77 residents are currently being trained. In addition, over 3,300 physicians are receiving continuing medical education in such diverse subject areas as medical management of an EMS system; training in poisoning and overdose; and interdisciplinary training programs with emergency medical residents, paramedics, mobile intensive care nurses, physicians, and EMS instructors.

In addition, almost 12,000 nurses are currently being trained in emergency care, and over 13,000 emergency medical technicians and paramedics are currently being trained.

In previous years a total of 4,334 physicians, 10,510 nurses, 34,635 paramedics and emergency medical technicians, and 7,825 persons in other categories have been trained in some aspect of emergency medical services under this authority.

It is estimated that there is still a need for more than 9,000 physicians, 20,000 nurses, 30,000 paramedics, and 100,000 emergency medical technicians in the United States. The training programs supported by section 789 grants can help us fill that need.

Mr. President, I am pleased to report that over 90 percent of these training programs are carried out in areas receiving support for the establishment or expansion of an emergency medical services system. This is in full accord with the provision in the law requiring that priority in the awarding of training grants be given to those regions with EMS systems supported under title XII of the Public Health Service Act. As these systems are established throughout the Nation, more of these trained personnel can be effectively used in the lifesaving work to which they are dedicated. The authority for training such individuals has enabled many communities to provide good emergency medical services utilizing a well-trained team of physician, nurse, paramedic, and technician. I believe this authority should be extended through fiscal year 1982 to help develop the personnel who will be needed as we improve, expand, maintain, or initiate the 304 emergency medical services systems which the Nation requires.

In conclusion regarding title I of the committee bill, Mr. President, the experience gained under the authorities first enacted in the Emergency Medical Services Systems Act of 1973 and first extended in 1976 fully supports the second extension we propose at this time. In the communities where systems have been developed, there has been a measurable improvement in the provision of health care and in the coordination of many resources that previously operated independently.

I believe that, as more and more EMS systems become operational, the grim statistics on deaths and disabilities resulting from accidents and sudden illnesses will be reduced still further, and that we will begin to see substantial advances made in terms of lives saved and disabilities averted due to prompt and competent medical intervention in emergency situations. The human resource gain and the dollars and productive lives saved fully justify the modest investment already made and the further investment that we are calling for in developing emergency medical services systems throughout the Nation. With extension of the title XII and section 789 authorities, I hope that we will be able to make great progress toward nationwide EMS coverage.

SUDDEN INFANT DEATH SYNDROME AMENDMENTS OF 1979

BACKGROUND

Mr. President, title II of S. 497 as reported would make improvements in the statutory authorities for the sudden infant death syndrome programs. These amendments include the provisions, with minor changes, of S. 232 which I introduced on January 25 with the cosponsorship of the distinguished chairman of the Committee on Labor and Human Resources (Mr. WILLIAMS), the distinguished Senator from Michigan (Mr. RIEGLE), and the distinguished Senator from New York (Mr. JAVITS) and would embody the substance of the sudden infant death syndrome (SIDS) legislation which passed the Senate in S. 2522 last June. Because of the parliamentary backlog at the end of the last Congress, the House and Senate were unable to go to conference on the Senate-passed amendments, and we instead accepted the simple extension of the SIDS program as passed by the House, including very low authorizations of appropriations. Based on informal discussions, there is reason to believe that the House Committee on Interstate and Foreign Commerce would be agreeable to these amendments.

SIDS, also known as crib death, claims the lives of approximately 7,000 babies annually, making it the leading cause of death of infants between the ages of 1 and 12 months. But, unlike other fatal infant conditions, there is no warning as to when SIDS will strike. One of the most consistent characteristics of this malady is that the babies who fall victim to it are seemingly healthy, normal infants with no obvious or significant sign of disease. The fact that these babies do appear to be normal at the time of death causes their parents and surviving family members to suffer an incredible amount of guilt, leading them to ask, "Why did it happen to my baby?" or "What could I have done to prevent it?"

And this guilt is not short-lived. It is often compounded by the fact that so very little is known about SIDS—not only about the causes of and the methods of preventing the syndrome, but even the fact that it exists. Because of this lack of information, parents, in certain areas, are sometimes accused unjustifiably of child abuse or neglect. In the past, we have heard stories of parents arrested and jailed on charges of involuntary manslaughter of their SIDS baby.

Although there have been great advances since the passage of the Sudden Infant Death Syndrome Act of 1974—Public Law 93-270—in terms of the dissemination of information and the provision of counseling services to those families who have experienced SIDS deaths, there is still a great void in terms of what the public knows about the syndrome—particularly those individuals—such as health professionals and paraprofessionals, who must come to the assistance of families who experience a SIDS death—and in terms of the availability of appropriate counseling services throughout the United States for SIDS families. Presently, there are only about 33 federally funded information and counseling projects serving only about half of the Nation's population in need of such services.

Last year, Mr. President, I introduced legislation to extend for 5 years the SIDS authority in the Public Health Service Act. In March of last year, the Subcommittee on Child and Human Development, which I am privileged to chair on the Labor and Human Resources Committee, held a hearing on extension legislation and on progress that had been made as a result of Public Law 93-270 in terms of the dissemination of information and the provision of counseling services. At that hearing, we received testimony from administration witnesses; representatives of the voluntary groups with a demonstrated interest in SIDS, including several SIDS parents, themselves; a panel of individuals representing federally funded counseling and information projects; a multidisciplinary panel which included a medical educator, a medical examiner, and a law enforcement representative; and lastly, but perhaps most significantly, representatives from the SIDS research community.

The legislation before us today in title II of the committee bill was first drafted during the 95th Congress after taking into account all the testimony received at the March 1 hearing in support of improved administration of the program and making the services more widely available to a broader population. It contained several important revisions in the existing law including an increase in the appropriations authorization levels to permit an extension of federally funded counseling and information services to areas of the country not yet being served.

Mr. President, last Congress this legislation was reported from the Human Resources Committee—on May 15, 1978—as part of S. 2522, and passed by the Senate on June 7. As I indicated earlier, however, the corresponding House legislation was not taken up by that body until October 13—just a few days before the 95th Congress adjourned, and, in view of the legislative logjam in the waning hours of the last Congress, the Senate reluctantly agreed to accept the simple extension of the SIDS legislation that the House had passed.

Thus, the extension legislation enacted last year did not include any of the changes which the Senate deemed necessary based on the testimony from witnesses at the March 1978 hearings. A significant shortcoming was its failure to increase the appropriations authorization levels so that the badly needed information and counseling services could be expanded to reach many more bewildered parents who lost babies to SIDS and are even now wondering if there was anything they might have done to prevent their children's deaths. The amount authorized to be appropriated for fiscal year 1978 was $3,650,000; and the figures added to the law for fiscal years 1979, 1980, and 1981 were, respectively, $3,500,000, $4,000,000, and $5,000,000.

Instead, the bill before us includes a modest increase in the authorizations of appropriations for information and counseling programs and other activities for fiscal years 1980 and 1981 to $5 million and $7 million, respectively. The Senate-passed bill last year had authorized $9 and $11 million, respectively, for those years. These increases were clearly justified by testimony we had received at the March 1978 hearing during which expert witnesses called for an extension of counseling and information services to that half of the population of the United States not presently served by projects. The witnesses also called for mandatory reporting requirements for the data gathered at the project level to the central SIDS project office; for an improvement in the collection and dissemination of this data and other information relating to sudden and unexplained infant deaths through a clearinghouse mechanism; and for activities to help improve death investigation laws and systems. The bill we are considering today responds to all of these concerns, and I believe we should undertake these activities without further delay.

SUMMARY OF COMMITTEE BILL SIDS PROVISIONS

This legislation we are considering today is, except as I will note, derived from S. 2522 as passed by the Senate last June 7. It would require the following:

That an administrative unit be identified within the Department of Health, Education, and Welfare by the Secretary to carry out the SIDS program in a coordinated and cohesive fashion;

That a reporting system be developed so that the information on SIDS, collected at the project level, will be forwarded to HEW in a manner conducive to its full utilization and evaluation;

That coordinated clearinghouse activities be developed with the various entities interested in SIDS both within and outside of HEW;

That the federally funded counseling and information projects provide for the involvement of voluntary groups with a demonstrated interest in SIDS in the development and operation of such projects where appropriate; that the information these federally funded projects collect relate not only to the causes of SIDS, but also to other aspects of the disorder as well; and that the Secretary make an equitable distribution of funds among urban and rural areas to insure that the needs of these areas are appropriately addressed;

That the authorizations of appropriations be increased for fiscal year 1980 and 1981 to the level of $5 and $7 million, respectively—S. 2522 as passed by the Senate had authorized somewhat higher levels for these years and an extension through fiscal year 1983;

That the prior requirement for annual HEW reports regarding research activities be renewed and that, in addition to reporting information on the research being carried out specifically related and generally related to SIDS, such reports include information on research being carried out on activities in the area of high-risk pregnancy and high-risk infancy;

That an annual report regarding the federally funded counseling and information programs be instituted and that the first report—required to be submitted not later than February 1, 1980—include a plan for expansion of counseling and information services to all States and territories not later than July 1, 1981—the comparable provision in S. 2522 as passed by the Senate would have employed a 1-year earlier timetable;

That the Secretary conduct a study regarding the death investigation laws and systems in the various States and the impact of these laws and systems on sudden and unexplained infant deaths; and

That the Secretary provide assurances that adequate funds are available for research activities in the area of SIDS.

DISCUSSION OF BILL IN COMMITTEE REPORT

Mr. President, in order that all Senators and the public may have a full understanding of the various provisions of the committee bill, I ask unanimous consent that there be printed in the RECORD at this point pertinent excerpts from the committee report No. 96-102 accompanying the bill as reported.

Ther being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM COMMITTEE REPORT NO. 96-102

THE COMMITTEE BILL

Phaseout of EMS systems support

The Committee believes that the experience gained under the authorities established by the Emergency Medical Services Systems Act of 1973, indicates that the program has resulted in substantial improvement in the nation's ability to provide comprehensive emergency medical services in those areas where support has been made available. These programs have also served as a catalyst for community providers to work together to look at community problems and to solve them together. These providers have learned about the value of sharing specialized, costly resources that are needed to care for the critically ill emergency patient—and many times for the hospitalized, non-emergency patient as well. The approach used in developing emergency medical services systems is setting an example of the feasibility of further coordinated efforts in those regions where health resource planning is on its way to becoming a reality.

Experience under the EMS Act has also provided an opportunity for creating intergovernmental and regional approaches to medical care by establishing a program unit, which is not dependent on any single governmental unit but responsible to all of them in a natural capacity, to offer these governmental units assistance in developing a regional resource. In turn, these governmental agencies are working together in a joint effort, in many cases for the first time, to provide a coordinated method of providing a health service.

These achievements and impacts on community health resource rationalization are a secondary benefit derived from the development of comprehensive emergency medical services systems in the communities.

The achievements under the legsilation have significantly improved the quality of medical care for emergency victims. Trained personnel now respond to most accidents and victims now have assurance that they will not be further injured through improper handling by the ambulance attendant. Most heart attack victims now receive experienced and knowledgeable help within minutes of their attacks—timely help which means the difference between life and death.

These services are taken for granted now in many, many communities. When the EMS Act was first introduced in 1972, many ambulances did not have attendants who had been trained in even basic first aid. The highly trained paramedic was a rarity, and in many communities the undertaker's hearse doubled as the ambulance service. The Emergency Medical Services Systems Act has helped many communities correct these deficiencies.

The intent of the EMS Act was to assist the nation's communities to develop the capacity to respond to medical emergencies quickly and with the level of care appropriate to the emergency. One of the first activities of HEW in implementing the Act was to work with the States to designate geographic areas that are of sufficient size, population, and economic diversity to establish and maintain an EMS system that would be able to provide emergency medical services in an economical and effective manner. Under that exercise, HEW has designated 304 EMS regions in the States and territories.

A basic premise of title XII is that grants made to support the establishment of EMS systems provide the incentives that permit a community to overcome the initial most difficult obstacles hindering regionalization of emergency medical services. Once the system is in place, the legislation's intent was that the system would be fully supported both financially and substantively by public and private resources in the communities it serves. The pattern of grant awards to systems was created with a view to assisting the systems to build their capacities and expand their levels of operations on an incremental basis, with a commensurate decrease in Federal financial support so that with completion of the maximum five grants, the system would be self-sufficient and operated solely with community support.

Of the 304 designated emergency medical services regions in the United States, all but 22 have received support under title XII. With the awards made in fiscal year 1978, 29 of these regions will have completed the five-grant cycle authorized by the legislation and will be capable of providing the most advanced level of care to emergency victims. Another 169 regions are in various stages of development toward this level.

The Committee believes that Congress and the Administration have a commitment to all the 304 designated regions to help them achieve their maximum potential in providing emergency medical services. The February 1978, report of the House Appropriations Committee Surveys and Investigation Staff, on "Emergency Medical Services Systems" advised, at that time, HEW officials estimated that the program would require sections 1203 and 1204 funding through fiscal year 1985 to fully develop the EMS regional systems.

However, in February 1979, the Administration proposed to phase out the EMS program by 1982. The Committee disagrees and believes a phaseout in fiscal year 1982 would be premature, since it would enable only 25 percent of the designated 304 regions to achieve advanced life support status, whereas, if the phaseout were completed in fiscal year 1985, 85 percent of the regions would achieve advanced life support status.

The following chart indicates the levels each of the 304 designated regions would achieve under the Administration proposed phaseout in fiscal year 1982 in comparison to a phaseout in fiscal year 1985.

TABLE 8.—STATUS OF REGIONAL EMS SYSTEM DEVELOPMENT

[Showing number of regions by operational stage]

Section of act	Description of activity	A. 1982 status under administration phaseout, emphasis on BLS		B. 1982 status under committee bill		C. 6-yr period (1985) emphasis on ALS	
		Number	Percent	Number	Percent	Number	Percent
No activity	No funding under title XII	13	4	5	2	5	2
1202	Feasibility studies and planning (to determine the feasibility of and prepare plans for the development of a basic life support system.)	40	13	41	13	15	5
1203—1st yr	Establishing and initial operation (to begin development of a basic life support system.)	0	0	27	9	0	0
1203—2d yr	Establishing and initial operation (to complete development of a basic life support system.)	176	58	60	20	26	8
1204—1st yr	Expansion and improvement (to begin development of an advnaced life support system.)	0	0	52	17	0	0
1204—2d yr	Expansicn and improvement (to complete development of an advanced life support system.)	75	25	119	39	258	85
Total		304	100	304	100	304	100

Testimony presented to the Committee during hearings on S. 497 described the real advances made in communities where EMS systems had been established.

Given the demonstrated benefits of the establishment of EMS systems, the Committee firmly believes that the EMS program should be supported for the next 3 fiscal years at the same financial level and that there is every expectation that in 1982 a subsequent 3 years of support will be necessary to carry the program to its fruition. The Committee bill authorizes the appropriation of $40 million for each of the next 3 fiscal years for the development of emergency medical services systems. This amount represents a slight increase ($3,375,000)—equivalent to the increase due to inflation—over the amount appropriated in fiscal year 1979. The Committee has maintained the authorizations of appropriations at the same level for each of the next 3 fiscal years in view of the need to restrain Federal spending.

Funding allocations

The Committee carefully considered the possibility of eliminating totally the earmarking provisions in current law with respect to sections 1202, 1203, and 1204 grants and contracts. It decided to retain the system modified in 1976 which retained the original concept of mandated diversity in supporting EMS systems at different stages of development while providing HEW with sufficient flexibility to meet changing program needs.

The Committee bill provides for an earmark of a minimum of 1 percent for section 1202 planning grants in each of the next 3 fiscal years. There are 22 EMS regions which have not received a planning grant. Although it is expected that approximately 10 of these systems will be awarded a planning grant in the fiscal year 1979 grant awards, 12 systems will remain eligible for planning grant support. Given the Department's intention to phaseout the program quickly, the Committee feels it is necessary to retain the earmark to ensure that all those systems wishing to participate in the program will be given an opportunity to do so.

Title XII also authorizes second planning grants to systems which have received 1202 and 1203 support and have achieved basic life-support capability. This second stage planning support will allow a functioning system to explore the feasibility of moving their region toward an advanced life-support capability. This advanced system's level will enable the paramedic to use more sophisticated techniques of caring for the emergency victim, especially cardiac victims. These additional planning grants may also be used by States to extend EMS systems to rural and underserved areas.

The Committee bill requires that priority in awarding planning grants must be given to those eligible EMS regions which have not had a first planning grant.

The one percent the Committee bill sets aside for planning grants is based on reasonable expectations of eligible grant applications in the next 3 fiscal years.

The Committee bill retains the provision in existing law which requires that no less than 20 percent of the funds appropriated each year must be set aside for grants and contracts under section 1203 and that not less than 20 percent must be set aside for grants and contracts under section 1204. Continuation of this flexible funding allocation system will help ensure that funds are available for all the systems as they move through the various stages of development, and negate the Administration's intention to phaseout the program—which would seem to be inconsistent with making many first-year section 1203 grants.

Community financial support of EMS systems

During Committee consideration of legislation to extend the EMS Act in the 94th Congress, impressive testimony was presented from the General Accounting Office which had conducted a review of 12 EMS grantees during calendar year 1975 (No. E–164031(5)). The GAO study while concluding that, with the aid of Federal funds authorized under title XII, communities throughout the country had been able to upgrade their EMS resources, also found inconsistencies in the degree and duration of support provided the EMS system by the participating governments. Based on the GAO findings and recommendations, the Emergency Medical Services Amendments of 1976 (Public Law 94–573) added new grant application requirements to ensure that every effort is made by EMS systems to develop community-based sources of funding for the continued operation of the system at the conclusion of eligibility for title XII support for its development.

Under these new requirements, grant applicants were to submit with their applications for a first grant under section 1203 (initial development and operation of an EMS system) assurances of local government support of and cooperation with the EMS system; and were to submit with their applications for a second grant under section 1203 assurances of the local governments' continued support and cooperation with the system, and financial support of the system, in the year after the conclusion of the period of title XII support, sufficient to maintain the system at the level to be achieved during the period of the Federal grant or contract. Grant applicants for section 1204 grants (expansion and improvement of EMS systems) were to submit with their applications for a first grant under section 1204 assurances of the local units of governments' support and cooperation with the system and their endorsement and support of a specific financial plan which provides for the maintenance of the financial support of the system, after the conclusion of the period of the title XII grant or contract support, at the level required to maintain the system at the level to be achieved with Federal grant support; and were to submit with their application for a second section 1204 grant assurances of the local units of government that substantial progress is being made toward achieving the financial support to implement that financial plan.

In February 1979, Senator Edward M. Kennedy, Chairman of the Subcommittee on Health and Scientific Research, together with Senator Alan Cranston, asked the General Accounting Office to review HEW's implementation of these requirements and assess the extent to which the requirements have been instrumental in obtaining community financial support for the continued maintenance of emergency medical service systems. The GAO informally reported its findings to the Subcommittee prior to hearings held on legislation to extend the title XII authorizations and that report provided the basis for questions asked of Administration witnesses at the hearing. The GAO report (B–164031 (5)) found that "EMS regional management organizations are not adequately planning for their financial self-sufficiency, nor are they obtaining firm financial commitments from local governments to continue regional systems at the conclusion of Federal funding, although plans for financial self-sufficiency and local government endorsement of these plans are required by the 1976 amendments".

The GAO also reported that, although legislation requiring these assurances was enacted in October 1976, HEW did not issue regulations implementing the changes made by the legislation until November 1978. As a result, no EMS grants have been awarded under those regulations, although the EMS unit had attempted to implement the amendments informally by notifying the HEW regional office EMS coordinators that grantees were responsible for meeting the requirements. The GAO reported as follows:

> However, without HEW-approved regulations the [EMS] Division was not in a position to provide detailed, consistent interpretations of the 1976 amendments.
>
> All HEW regions told grantees of the new requirements; however, regional interpre-

tation of statutory language varied and regional enforcement of requirements during fiscal year 1978 was generally lax. Regional EMS program officials had difficulty providing guidance and enforcing the requirements without regulations and program guidelines. Although the 1978 expansion and improvement grant applications contained some financial data, these data were not as detailed as now specified in HEW's regulations.

The GAO concluded:

We cannot determine what effect the 1976 EMS amendments might have on EMS systems' financial planning. We believe that the recently published HEW regulations are consistent with legislative intent; implementing them should improve grantee financial planning for self-sufficiency. The extent to which the 1976 amendments foster the development of community support for regional EMS systems after Federal funding stops can only be evaluated after HEW requires that grantees comply with the implementing regulations.

We also believe that State legislation offering support for the regional system concept and funding for regional management organizations shows promise for continuing EMS regional services after Federal funding stops.

We recommend that the HEW Secretary require the Administrator of the Health Services Administration to

Implement the new EMS regulations and promptly develop and issue program guidelines,

Provide technical assistance to (1) grantees in developing plans for self-sufficient EMS systems and (2) States that are developing legislation providing continuing support for regional EMS systems, and

Place greater importance on the requirement for financial plans and commitments in the grant application review and ranking process.

The Committee concurs in the GAO recommendations. The Committee was also encouraged to learn, during hearings on February 28, 1979, on the extension of the EMS Act that the University of Pennsylvania has a contract with the Department to review the issue of how the systems will be maintained after the conclusion of title XII grant eligibility, with a view to developing ability in the Department to provide technical assistance to grantees. Departmental plans to discuss at a national EMS Symposium in July, 1970, the importance and the most effective approaches in obtaining State and local funds for implementing and operating regional of the potential and the timetable for selfficient should also develop practical guidance to grantees in this respect. In addition, the EMS Clearinghouse is collecting information on funding to make available to grantees. The Committee urges the Clearinghouse to make a vigorous effort to collect information from EMS systems on ways they have generated funding at the local level as well as developed cost-saving mechanisms, so such information can be broadly disseminated and shared with all the systems.

The Committee is perplexed at the difference in the GAO findings and the HEW Regional Offices' findings in making estimates of the potential and the timetable for self-sufficiency for EMS systems. Although the GAO found that only 6 of 25 systems applying for grants under section 1204 had developed specific financial plans as required, the HEW Regional Offices estimated that 90 percent or better of those systems completing advanced life support capability by 1980 would achieve self-sufficiency. In answers to questions submitted for the hearing record, the Department reported "No individual region estimated lower than a 75 percent capability to achieve self-sufficiency."

The Committee urges the Department to provide all necessary technical assistance to EMS systems so that they can develop this self-sufficiency. Although departmental witnesses testified that there was considerable optimism that States as well as local government units would be a source of continued funding for EMS systems, the Committee does not believe that EMS systems should rely too heavily on such expectations, but that they must seek alternative sources of support from the community and the residents of the community.

Dr. William F. Minogue, EMS Project Director, New Jersey Department of Health, told the Committee of that systems success in developing community sources of funding for the system.

The federally funded New Jersey State EMS Project has always taken quite seriously the requirement that assurances of continued support from local government and other sources be guaranteed. For that reason once we idealized and conceptualized a system we choose to use a combination of state and federal health planning authorities to designate the expensive components of the system and grant certificates of need. In addition, we have built the lion's share of the operational costs of the system into the usual mechanisms for health care funding in our State, namely community funds for the pre-hospital basic life support phase, a combination of hospital and community support for advanced life-support (Mobile Intensive Care Units) and hospital reimbursement dollars for the emergency care and the specialized critical care units (burn, neonatal, neurosurgical, trauma, etc.)

Unquestionably this requirement has forced us to seek alternative sources of continued funding and that is healthy. An abrupt termination of federal funding within the next few years would be premature and come at a time when the entire categorization and implementation of the system has not reached full momentum. In other words, the requirement is a legitimate and appropriate one but its application in a too short a time span is unrealistic and destructive to the whole process.

National clearinghouse for EMS (NCEMS)

The Committee believes it unfortunate that the National Clearinghouse for EMS, due to vacancies caused by the departure of two staff members, has been without staff coverage since June 1978. Recently, approval was granted to fill these vacancies effective October 1, 1978, and change the status of these positions from "other than full-time" to "full-time permanent".

Accomplishments of the NCEMS during fiscal year 1978, prior to June, are summarized as follows:

1. Developed or revised and published the following guidance, management, and informational materials:

a. Listing of Emergency Medical Services Coordinators and State Medical Directors.

b. Listing of State and Regional Coordinators and Medical Directors for EMS Systems.

c. Brochure—"This is EMS".

d. 1978 Grant Award List.

e. Article—"A Systems Approach to EMS".

2. Responded to an average of 1,000 written requests each month for professional technical, and information materials on EMS.

3. Updated a mailing list of 8,000 persons divided into one or more of 65 categories covering groups and individuals involved in EMS development.

4. Continued collection or cataloging of approximately 100 items each month for inclusion in the information data bank. This information/data bank contains about 13,000 individual items related to EMS activities.

5. Handled about 3,000 telephone calls for information on EMS.

6. Briefed visitors from regional systems across the country on the "how to" development of a clearinghouse for their local systems.

The Committee believes that the role of the clearinghouse is crucial in providing up-to-date information helpful to the EMS Systems in developing their programs and urges the Department to maintain its personnel positions at a realistic level.

The Committee was told of the difficulties paramedics have in moving from state to state, sometimes due to the differences in licensing or in other criteria defining their functions, and sometimes by physicians being unwilling to rely on paramedics not trained within their own system. The Committee urges the Department to promote more uniform licensing of paramedics and believes this is a project in which the Clearinghouse should be involved.

Technical assistance provided EMS grantees

Another finding of the 1976 GAO report was that budgetary allocations to the EMS Division did not permit sufficient staff or travel capability in the regional or national offices to provide the depth of technical assistance required by many grantees. The GAO found at that time that most contacts between regional staff and grantees were by telephone, correspondence, occasional applicant or grantee visits to the regional office, and quarterly reports from grantees. The regional staffs advised the GAO that few site visits had been made, atlhough several regional officials said that site visits are essential to successful monitoring and assistance. As a result of this finding, section 13 of Public Law 94–573 required that, not later than 60 days after enactment of the Appropriations Act each year, the Secretary of HEW allocate sufficient funding and personnel positions to the identifiable EMS administrative unit (described in section 1208 of the PHS Act) to enable it to carry out its functions (including technical assistance) and required the Secretary to report to the appropriate Congressional Committees the amount of expenditures and the number of personnel positions allocated. The Committee is concerned that the positions have remained constant since the inception of the program and that the funding allocations have been insufficient to support even that inadequate staffing level. That this allocation is insufficient is evidenced by the fact that Division of Hospital and Clinic funds have been used every year since the inception of the program to support the current EMS staff level and its activities.

In addition, the Committee is particularly concerned that the funding for the increase of 30 positions for the EMS unit specified by the Appropriations Act for fiscal year 1979 was diverted to cover the costs of the pay raise for existing personnel in the EMS unit and other agency personnel "in keeping with the OMB directive that the programs absorb the pay raise this year," as reported to the Committee during the February 28, 1979, hearings. The Committee believes that this pattern of using appropriations made for staffing increases in order to fund pay raises for existing personnel will leave Congress little alternative to mandating staffing levels in programs.

For the EMS programs to achieve their greatest effectiveness, technical assistance should be available. The availability of this assistance apparently has not improved substantially since the GAO study of 1975. The Department reported, in answer to questions opposed by Senator Cranston: "In each Regional Office, the EMS Program staff have been able to meet at least once with each current grantee. In addition, the same staff have been able to make on site visits to most of the current grants."

Although these visits, which in the Committee's view do not provide sufficient technical assistance, have been supplemented by the four regional workshops and the three national symposia, the Committee believes more frequent meetings may be necessary, and that periodic site visits to each grantee are essential for the regional EMS staff to be able to provide the technical assistance and guidance necessary to permit the program to be maximally effective.

HEW has also advised the Committee that the assistance provided grantees by regional office EMS staff is supplemented to some extent by the specially trained and recruited physician technical advisors under purchase order arrangements negotiated by the regional offices. These physician technical advisors participate in site visits, assist at regional grantee meetings regarding medical issues, and review grant applications. There appears to be a need for more coordination between the physician technical advisors and the regional office EMS staff. The Committee recognizes these experts can provide invaluable assistance to EMS systems, but believes that assistance must be provided in coordination with EMS staff in the regional office to ensure consistency and continuity of such technical assistance and that the technical assistance will be provided pursuant to uniform policies and priorities.

Periodically, grantees have indicated inconsistencies in policies enunciated by regional office EMS staff and by central office EMS staff. The Committee urges the Department to take steps to assure that uniform policies are followed by all regions and that policies governing grant awards are firmly established and understood well in advance of the deadline for submitting applications.

Paperwork requirements of grantees

The Committee is concerned that EMS grantees not be overburdened with paperwork in complying with grant application and reporting requirements. In response to questions asked of EMS Systems representatives by Senator Cranston at the February 28 hearings, Mr. Thomas W. Pritchett, Project Director for the Western Ohio Emergency Medical Services System, reported as follows:

* * * the financial reports are appropriate. The quarterly programmatic reports are realistic as is the annual report; however, a semi-annual workbook plus crisis reports do tax the staff resources to respond to ongoing program needs, grant application initiation in mid-year and other unscheduled reports. For example, a recent report in abstract format addressing 24 areas was requested in late October 1978, due December 1, 1978. A full day was spent in Chicago and an additional half day in Omaha on instruction on how to prepare an abstract. In my opinion, better planning could have precluded these additional trips and the number of man hours required to generate this document on such a short notice. In conclusion, a semi-annual workbook or annual abstracts would appear sufficient to meet all reporting requirements.

Dr. Allen N. Koplin, First Deputy Commissioner of Health, New Jersey Department of Health, reported to the Committee:

The manpower and time required to compile quarterly reports are not justifiable. It is clear that six months progress reports would contain more information. A half year's assessment might also be the occasion for a true evaluation of EMSS progress. The abstract writing process proved the worth of a system evaluation prior to the actual preparation of the grant. The grant itself constitutes an index of a year's progress toward systematized emergency care.

Their responses to answers regarding the grant application process again indicated that the process imposes a substantial burden on the applicants. Dr. Koplin reported:

The time frame for the preparation of the grant is unrealistic. The new emphases in the grant process are however both logical and compelling. Additional attention to medical input is an especially useful focus for grant writing.

In addition he responded that the application requirements

. . . are for the most part reasonable and valid. The grant application should be the logical outgrowth of a conceptualization process—such as the one undergone for the preparation of abstracts this year.

Mr. Pritchett reported that "we have no problems with the HEW guidelines and regulations. To date they have been realistic and achievable . . .," and in response to another question said:

The grant application requirements are reasonable; however, the cycle process should be changed. The 1203–1 and 2 years should be combined into a one application grant award for two years. The same applies for 1204–1 and 2. Much of the material is basically the same except to update. An abbreviated application only reflecting changes for the 1203–2 and 1204–2 would be an improvement; or better yet would be the submission of a progress report. The manhours and supply costs for preparation and processing consistent applications annually is not very cost effective. In addition, staff time is more appropriately spent working with EMS providers and the public rather than slowing down to prepare a grant application in mid year.

Mr. Pritchett's suggestion was brought to the attention of HEW officials who were asked if the application for a second grant under either section 1203 or 1204 could be simplified through allowing the applicant to update or supplement the materials submitted for the first grant. The following HEW response indicates that steps are being taken to reduce the burdens imposed on applicants:

HEW Regional Offices have the responsibility for reviewing all grant applications. The review mechanism that is used by each Regional Office involves submission of the applications through the Emergency Medical Services program consultant, and then review of the application by other HEW personnel within the Regional Office, together with the physician technical assistant. The problem is that HEW Regional Office personnel assigned to review applications each year is not necessarily the same personnel. In which case, applications submitted for second year grants under 1203 and 1204 may be rated lower than expected because the reviewer was not involved in reviewing the first year application for the same area.

We are attempting to resolve this problem or at least to reduce the significance of this problem through the new Guidelines which should be released during fiscal year 1970. These Guidelines will deemphasize under sections 1203 and 1204, the amount of so called "boiler plate" material which is required to describe the capabilities that exist and the progress that has been made in the previous grant. Through this mechanism we hope to be able to reduce the bulk of material submitted by second year grantees under sections 1203 and 1204, but not lose the objectivity of the review.

The Committee is encouraged at the proposed reduction in the paperwork required of applicants, but urges HEW to take immediate steps to reduce the bulk required—particularly repetitiously—and the burden imposed on applicants.

Responsibility of EMS Unit in coordinating HEW programs related to EMS

When the 1976 amendments to the EMS Act were enacted, the EMS unit, established pursuant to section 1208, was given the responsibility to participate fully in the development of the regulations, guidelines, funding priorities, and application forms for the research activities carried out under section 1205, the training programs carried out under section 789, and the burn injury program carried out under section 1221, as well as to participate in a consultative process in advance of the awarding of grants and contracts under those three program authorities. In addition, the unit was charged with providing technical assistance and monitoring with respect to grant and contract activities under sections 1202, 1203, 1204, and 1221, and, with providing for periodic, independent evaluations of the effectiveness of, and coordination between, the EMS systems developed under title XII, the training programs carried out under section 789, and the burn injury program carried out under section 1221. The Committee bill adds two new areas of injury—trauma or poison—to section 1221, currently limited to programs relating to burn injuries, making those areas eligible for support under the section. The Committee intends that the responsibilities given to the EMS unit established pursuant to section 1208 with respect to section 1221 would pertain as well to the expanded areas of study—trauma or poison—added by the Committee bill.

The Committee has been impressed with the advances made in coordinating training programs, and the burn injury program with the emergency medical services systems programs, but is concerned at the lack of comparable movement in the research activities carried out under section 1205. Although the Department reports that the EMS unit staff were actually involved in the development of guidelines, regulations, application materials, and determining where best to commit resources for the training program, the description of the involvement with respect to the research program refers to several staff meetings to discuss priorities, applications, and progress results of the research program as well as two formal meetings to bring together EMS systems grantees and consultants with the EMS research grantees to discuss the topics, direction, and problems of EMS systems as related to the research program. The Committee believes that if there were greater involvement as mandated by law, the Department would be better able to counter complaints of the lack of applicability of EMS research to the EMS systems.

Coordination between Federal agency programs related to EMS

A major finding of the 1975 GAO study which the 1976 amendments attempted to address was the lack of coordination in administering various Federal programs supporting EMS-related activities, as well as the lack of coordination at the local to encourage development of regional EMS systems through the grant support programs of the various Federal agencies.

Coordination of Federal programs was recognized as an important element in developing a rational approach to correcting the Nation's deficiencies in providing emergency medical services when the Emergency Medical Services Systems Act of 1973 was enacted in the 93d Congress. At that time, the Act established the Interagency Committee on Emergency Medical Services and charged it with evaluating the adequacy and soundness of Federal programs, and providing for the communication and exchange of information necessary to maintain the coordination and effectiveness of those Federal programs.

Although progress was made by the Interagency Committee to improve information exchange and to focus on technical problems associated with the delivery of emergency medical services and to provide national coordinated Federal guidance, the GAO study found real deficiencies at the local level where regional EMS systems wishing to utilize additional Federal funding sources were not made aware of the availability of additional Federal funding sources which would have enabled them to complement their program. The GAO review found that in some cases, other organizations in the same geographic area served by a regional EMS entity supported by the title XII EMS program were receiving EMS equipment which was not made available to or coordinated with the regional EMS system. To avoid this duplication and the potential for poor utilization of essential equipment, Public Law 94-573, specified certain responsibilities for the Interagency Committee, including the development of a comprehensive plan for the coordination of Federally-supported activities related to emergency medical services, as well as dissemination to all Federal grant award offices and grantees of a coordinated description of sources of Federal support for the purchase of vehicles and communications equipment and for training activities. In addition, the Interagency Committee was charged with developing recommended standards with respect to equipment and training related to emergency medical services.

The committee is very disappointed with progress to date; materials for all three of these responsibilities are still in preparation, as of the date the Committee bill was ordered reported from Committee, although the 1976 amendments required their development and publication not later than July 1, 1977. The Committee feels that the failure of the Department to comply with the majority of the reporting requirements of the law is a reflection of the inadequacy of operational funding and personnel positions provided the EMS unit and believes that if funds and positions were allocated as directed by both the authorizing and the appropriations committees, these failures would be corrected.

Despite the inability of the Interagency Committee to complete the three responsibilities mandated in the 1976 amendments, its accomplishments have been substantial. The diversity of these accomplishments is evident in a list provided by the Department:

The Interagency Committee on Emergency Medical Services (IACEMS) and its work groups play an important role in the coordination of Federal agencies' efforts in EMS. If Federal agencies are to reduce duplication, to move toward more effective funding efforts, and to promote government-wide standards, some forum must exist to accomplish these tasks. The IACEMS has fulfilled this role of coordination and information exchange among the member Federal agencies. According to HEW, accomplishments to date include:

Reviewed and endorsed the EMS Evaluation Workbook.

Approved, published, and distributed, "Federal Program Resources Guide for Emergency Medical Services Systems".

Studied the status of primary transportation capability and future demand.

Prepared, published and distributed the Guidelines for Developing an EMS Communications Plan.

Developed EMS biomedical telemetry standards.

Made general and specific recommendations to the Federal Communications Commission on dockets up for review and consideration.

Made general and specific recommendations to the Department of Transportation on the adequacy of their dispatcher training course for EMS communicators and on the technical content of a film on EMS Communications.

Reviewed and approved the Emergency Medical Technicians-Paramedic training course and guidelines for Grants for Training in Emergency Medical Services.

Explored satellite potential and their communications capability in EMS.

Provided consultation and advice on Federal Aviation Administration criteria for air ambulances.

Made general and specific recommendations on joint funding of EMS projects utilizing multiple sources of funding from Federal agencies. Also considered implementing specific projects for combined Federal funding.

Participated in the proposed development of a pilot program with Department of Labor and other agencies in the training of Handicapped Veterans as EMS dispatchers.

Prepared "tasking statement" for an EMS Communications operations Guide Booklet.

Provided consultation and advice on inter-State and intra-State EMS communications.

Discussed the Memorandum of Understanding between the Department of Transportation and the Department of Health, Education, and Welfare.

Explored the problem of care for emergency patients in national parks and is currently developing specific guidelines to improve care.

Assisted in the Lakes area EMS (Buffalo, N.Y.) discussion with Canada in the resolution of co-channel licensing problems with stations in Canada and those in the United States along the Canadian Border areas.

The Committee was told by the Association of State EMS Directors of their view that a State EMS Director would be a useful member of the Interagency Committee on EMS. The Committee suggests that serious consideration be given to the appointment of such a representative when the next appropriate vacancy occurs.

Coordination of Federal programs at the local community level

Coordination of Federal activities at the national level must be accompanied by coordination of those activities at the local level, and can be achieved most effectively through EMS systems making maximum utilization of training support and ambulance and communications equipment available under the Highway Safety Act, as well as communications equipment made available under the Law Enforcement Assistance Administration legislation (title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3701 et seq.)). Major advances have been made in the past 2 years in regional systems' utilization of these sources of grant support. The Committee is reassured by the testimony presented by witnesses from EMS regional systems that they have been taking full advantage of the opportunities for complementary support from Federal sources in addition to title XII and section 789 of the Public Health Service Act.

This coordination with other Federal programs providing support for EMS-related activities, in many cases, provides a natural linkage between the EMS system and other public safety agencies in the area. One of the 15 required components of a comprehensive emergency medical services system established under title XII is the requirement that the system provide for the effective utilization of the appropriate personnel, facilities, and equipment of each public safety agency providing emergency services in the system's service area.

In many communities, the EMS system will share a communications network serving other public agencies such as fire and police. Many times the first response to a medical emergency is through the fire department emergency medical vehicle staffed by fire department personnel specially trained as emergency medical technicians or paramedics.

The Department reports as follows:

Ninety-four of 152 abstracts received to date from regional EMS systems show involvement of Public Safety Agencies in the planning of EMS systems. Eighty-nine of these abstracts indicate actual sharing of personnel, equipment, and facilities. Sixty-two percent of reporting projects utilize the universal access number "911" which is coordinated to provide access to police, fire and EMS. Fifty-five of 152 abstracts revealed 55,733 public safety personnel completed the Crash Management Injury Course on first Responder Training Program.

The Committee is impressed with the progress this report indicates, but is concerned that the involvement is not greater and is hopeful that EMS systems will be encouraged by the HEW regional offices to pursue greater coordination and linkages with public safety agencies.

With a view to encouraging this effort, the Committee bill adds a representative of the newly established Federal Emergency Management Agency to the Interagency Committee on Emergency Medical Services. The Committee contemplates that the representative from that Agency would be the U.S. Fire Administration. Mr. Gordon Vickery, Administrator-designate of the United States Fire Administration, presented testimony to the Committee, clearly stating the important role fire services play in emergency medical service systems.

In addition, the Committee is encouraged that under the HEW-DOT Memorandum of Understanding, signed on October 26, 1978, the Department of Transportation will develop uniform standards and procedures, to integrate and improve utilization of all public safety personnel, facilities, and equipment and that HEW, in coordination with DOT, will develop medical standards and procedures for the initial, supportive, and definitive care phases of the integration and improved utilization of public safety agency personnel, facilities, and equipment in day-to-day provision of emergency medical services and in major disaster operating procedures.

The Committee received testimony for the hearing record pointing out the critical need for tissues and organs for transplant purposes, suggesting that systems for providing critical care should have appropriate mechanisms for alerting regional tissue and organ banks and procurement systems of the existence of such tissues and organs from donors. The Committee does not feel this is a responsibility the emergency medical services systems can feasibly add to their current responsibilities, but agrees that a system of communication with officials of regional tissue and organ banks and procurement systems would be beneficial to many critically ill individuals whose lives depend upon an organ donor, and encourages the development of such lines of communication in the communities.

The American Academy of Pediatrics testimony pointed out the high proportion of children receiving emergency care in EMS systems. The Academy said:

> The American Academy of Pediatrics is concerned that emergency medical services are primarily adult-oriented in spite of the proportion of emergencies which is pediatric. The nature of pediatric emergencies merits adequate pediatric training of the physicians and nurses who staff emergency departments in order to identify the critically ill or injured child and to develop the technical skill to stabilize the young patient. The Academy requests the opportunity to review the emergency services funded by the bill and to contribute advice and assistance in planning such services from the pediatric standpoint.

The Committee believes that such counsel would be of great value to EMS systems and encourages the EMS unit to seek the advice of such medical specialty groups among others, the American Academy of Pediatrics, the American College of Surgeons, the American College of Cardiology, the American College of Emergency Physicians, and the University Association for Emergency Medicine in developing policies governing EMS systems.

Research

The Committee bill extends for 3 years the authorizations of appropriations for emergency medical services research grants and contracts. The level of appropriations authorized is $3 million for each year, the same amount appropriated in fiscal year 1979. The Committee has maintained the authorizations of appropriations at the same level for each of the next three fiscal years in view of the need to restrain Federal spending.

Considerable testimony was presented to the Committee on the need for research activities to concentrate on developing methods of evaluating the effectiveness of EMS systems. The Committee notes that the National Center for Health Services Research has been conducting a series of workshops tailored specifically to the needs of the system operator, and that the Center reports that these workshops have demonstrated that "it may now be feasible" to mount a multisize EMS system evaluation project. The Committee encourages the Center to pursue this possibility vigorously.

The Committee retains its special concern that research efforts be applied to the special problems of rural EMS systems. The Department, in responding to questions for the hearing record, stated:

Only a few EMS research projects are actually being conducted in rural settings. Because a certain number of events must be observed to be certain that differences are not chance happenings, it is usually more efficient and economical to collect data in more densely populated areas. Moreover, qualified research teams able to design and conduct applied research projects are often located in metropolitan areas. Since results from well-designed study are generalizable to other settings, however, the research results are as useful to rural as to urban communities.

The Committee believes that, although such research should have applicability in rural settings, careful attention needs to be directed to designing research with direct relevance to rural settings. As research is done, the process of research blends imperceptibly into that of management. Thus, research should be encouraged that develops research tools that are ultimately useful as management tools.

To help assure that the EMS research program continues to focus on significant problems and provides results that are useful and timely, NCHSR should reinforce its close working relationships with the EMS Administrative Unit, thereby gaining greater understanding and interaction between the research community and those who use research results—EMS system managers, advisors, and policymakers.

Dr. Eugene Cayten, Director, Center for the Study of Emergency Health Services at the University of Pennsylvania, testified that the program unit having responsibility for reviewing research grant applications should include individuals with backgrounds in the development and operation of emergency medical services systems. The Committee concurs in that suggestion and encourages such representation in the grant review process.

Burn, trauma, or poison injury program

The Committee bill authorizes the appropriation of $3 million for each of the next 3 fiscal years for the burn, trauma, or poison injury programs. The Committee has maintained the authorizations of appropriations at the same level for each of the next three fiscal years in view of the need to restrain Federal spending. The Department is currently conducting indepth studies and demonstrations which should provide valuable guidance to the Nation on the approach to developing burn injury programs that will be appropriate to national and community needs. These findings should be made available by February 1981. Under the circumstances, the Committee does not believe that the appropriations made under section 1221 would be effectively used in further studies of burn injury programs. However, early indications from the studies underway indicate that there is a considerable need for training health care personnel in the treatment of burn patients as well as in teaching them how to develop relationships between burn centers and related community health or rehabilitation providers. Providing support of such training programs is a factor that should thus be considered in the awarding of funds appropriated under section 1221.

The Committee has added two new areas of study under the section 1221 authority—trauma and poison. Considerable testimony was received during the February 28 hearings on the need for more basic data and information on existing programs in these areas with a view to determining the most effective approaches to assuring that national needs are met.

Trauma.—Although the EMS Act has provided the greatest impetus to regionalization of trauma care, regional trauma systems are still not a reality everywhere.

A significant number of trauma deaths are preventable. The Trauma Society reports that 1 out of 5 trauma deaths need not occur, and reported that 20,000 lives can be saved each year with proper trauma care. The bulk of trauma victims are young and resilient. With appropriate care, they can be fully restored to an active and full life.

To develop a rational system of trauma care, we need to know the incidence, prevalence, treatment standards, and rehabilitation needs related to trauma under different organizational approaches to providing that care.

Dr. Thomas K. Hunt, First Vice President of the American Trauma Society, and Director of the Trauma Center at the University of California, San Francisco, reported to the Committee.

The efficacy of the approach of the Emergency Medical Services Act has been demonstrated by improvements in burn care and the care of the cardiac problems. The systems are not yet perfect, but immense strides have been made.

Unfortunately, trauma care has not fared as well. There are good reasons for this; the complexity of the problem being the major one. Nevertheless, trauma has emerged as our fourth greatest killer. If the strides made in public education in heart disease, for instance, continue to hold, trauma will soon become the third greatest killer. The increase in the technology of modern society will ensure that the opportunities for trauma will increase in the foreseeable future. Trauma kills and disables the young, and our experience in war clearly demonstrates that this toll can be reduced by adequate organization. I should emphasize that scientific advances, though desirable, are *not* necessary to ensure improvements in trauma care. Improved organization for delivery of care will improve the problem immensely.

In order to improve the delivery system, we feel that major decisions must be made. Trauma centers of excellence have proved their worth; and now, their size, location, their division of labor (spinal cord centers, burn centers, etc.) must be determined. More surgeons willing to dedicate their lives to trauma care must be recruited and trained. . . .

We need a few major Trauma Centers of Excellence—primary receiving areas—where the incidence, the location, the type and cause of trauma can be determined and recorded, so that response systems and preventive efforts can be designed to meet demonstrated, specific need. We need to know specifically why trauma patients die, and how they become disabled, so that priorities for biomedical research can be more clearly construed than they have in the past. We need to know the standard of care and the outcomes that can be expected after specific injuries cared for in centers of excellence.

Through this, and the existing EMS system, the public should receive information which will allow it to design their own community health services. Whereas some communities lack any emergency services, other have costly redundant facilities. The information from pilot centers located to allow for geographical differences, should aid the public to make those hard decisions which they must make of where to build and where to take away.

The Committee wishes to emphasize that the centers contemplated under this authority are distinctly different from the trauma centers established with support from the National Institute of General Medical Sciences, which have a substantial biomedical research responsibility. The Committee believes that the new trauma program which will be administered by the EMS unit established pursuant to section 1208 should benefit from the experience and knowledge of NIGMS and urges close coordination and cooperation between appropriate staff of both offices.

Poison.—The Committee received several recommendations to include authority to examine our current system of poison control centers. The Committee is convinced that there is a significant poison prevention and and treatment problem. There are 5 million poison victims a year, most of them children. It is estimated there are about 640 poison centers in the United States, whereas many experts suggest that no more than 60 are required. The assumption is that the Nation has too many centers which are insufficiently utilized to accumulate the needed experience in dealing with poison cases and justify the full-time highly trained staff necessary to deal effectively with poison cases. The Committee was advised that a well-staffed center can handle 85 percent of poison cases through advising on the telephone of the appropriate home measures to treat the poison victim. Experience has shown that a center with untrained staff will refer 80 percent of inquiries to an emergency department or a private physician—thereby unnecessarily adding to the costs of health care. There is a need to determine the appropriate population size and geographic area that a well-staffed poison center can serve efficiently. The studies and demonstrations authorized by the Committee bill will help develop the information necessary to guide communities to consolidate and or develop the kinds of poison information centers that will serve regions most effectively. The Committee believes that not only is a better mechanism of dealing with poison cases needed, but that the existence of a more systematized approach will result in considerable cost savings to consumers and health care providers.

Dr. George Lythcott, testifying for the Department of Health, Education, and Welfare, reported:

One of the more exciting areas of EMS has been the area of poison care. Major emergency medical services systems are building and incorporating poison care as one of the critical patient categories. In those locales where there are designated regional poison control centers, such as Baltimore, Boston, Pittsburgh, Denver, Salt Lake City, Grand Rapids, and San Diego, there has been a 40 to 60 percent reduction of poisoning encounters in the emergency departments. This has been attributable to outreach information programs and the management of a poison episode within the home through intervention of poison control centers. This early intervention, provided by experts, prevents inappropriate use of the expensive emergency department resources, and results in the most appropriate care for those patients that do incur a life-threatening poisoning episode. This means a cost saving to the community. Inappropriate use of the emergency department is reduced and appropriate care of emergency patients is enhanced.

Training

The Committee bill extends for 3 years the authorizations of appropriations for emergency medical services training grants and contracts. The level of appropriations authorized is $4 million for each year, an increase of $1 million over the amount appropriated in fiscal year 1979. The Committee has maintained the authorizations of appropriations at the same level for each of the next three fiscal years in view of the need to restrain Federal spending. The Committee believes that these training programs are essential to the development of EMS systems throughout the country. They are closely tied to the comprehensive emergency medical services systems established with support under title XII—according to HEW 90 percent of the grants are awarded in areas receiving support for the establishment or expansion of an emergency medical services system. This is in full accord with the provision in section 789 requiring that priority in the awarding of training grants be given to those regions with EMS systems supported under title XII.

As these systems are established throughout the Nation, more of these trained personnel can be effectively used in the lifesaving work to which they are dedicated. These training programs have enabled many communities to provide good emergency medical services utilizing a well-trained interdisciplinary team of physician, nurse, paramedic, and technician. The training programs have helped communities develop training programs which have become part of continuing training programs in hospitals and educational institutions and have formed the basis for training new personnel in the future at the community level without Federal funding.

The Committee heard testimony from a broad range of witnesses interested in emergency medical care who pointed out the need for training grants in emergency medical services. Dr. George Podgorny, President, American College of Emergency Physicians reported:

Based on rough projections, there are at least 20,000 physicians who practice either full-time or part-time emergency medicine or who fulfill medical staff responsibilities in the emergency department. . . .

Great strides have been made in introducing these physicians and others who have chosen emergency medicine as a second career to the methods and skills of dealing with emergencies. However, ACEP feels continuing medical education is not the solution. ACEP believes that the best solution is placement of residency-trained emergency physicians in strategic positions throughout the EMS system, primarily in emergency departments.

It is not our intention to set as a target the placement of residency-trained physicians in every position of every emergency department in the country. This is impractical and, further, we believe the profession is enriched by the flow of physicians from various specialties through the emergency departments. However, the College has established some targets which we feel will assure the emergency medicine patient the most dependable and consistent quality of care that is possible within the limits of cost effectiveness.

One of the College's long range targets is the placement of residency-trained physicians in each position of the emergency departments that have or can support 24-hour physician coverage. We calculate that in 1979 this works out to 1,283 hospitals. Based on patient volume in these hospitals, a full-time physician work force of 8,366 is needed for adequate coverage. We believe that each of these positions should eventually be filled by residency-trained physicians.

Residency Program.—The HEW-supported residency programs in emergency medical services do not merely train physicians to be specialists in emergency medicine, but train those physicians as managers and developers of EMS systems in an interdisciplinary training program. Physicians completing the residency programs are prepared to serve in a new community and work with leaders in the community in developing a systems approach to emergency medical services.

Seven residency programs have been established with section 789 grant support. The locations and the number of residents each program is capable of training is shown in the following list:

Grantee:	*Number of residents*
Albert Einstein College of Medicine, Bronx, N.Y	6
Geisinger Medical Center, Danville, Pa	12
Medical College of Pennsylvania, Philadelphia, Pa	17
Bowman Gray Medical School, Winston-Salem, N.C	12
Richland Memorial Hospital, Columbia, S.C	9
UCLA, Los Angeles, Calif	12
Charles Drew Medical Center, Los Angeles, Calif	10
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Other training programs supported by section 789 are equally as important to the effective operation of emergency medical service systems. The grants awarded for EMS training are distributed almost evenly among physicians, nurses, and paramedics, with each discipline receiving approximately one-third of the grant awards each year.

This diversity is reflected in the numbers of personnel trained under the training grant authority over the past several years—almost 9,000 physicians, 22,000 nurses, and 50,000 emergency medical technicians.

It is estimated that there is still a need for over 9,000 emergency medicine physicians, over 20,000 EMS nurses, 30,000 emergency paramedics, and over 100,000 emergency medical technicians in the United States. The Department contends that these individuals should be trained by State and local government programs. However, Dr. William F. Minogue, EMS Project Director, New Jersey Department of Health, told the Committee of the importance of Federal training funds to the local community.

Until EMS systems are operational in a high percentage of the jurisdictions around the country the necessary local funding for education will not be forthcoming in my estimation. I do not think the Federal Government will have to remain in the EMS education business indefinitely but it certainly should be a major area of resource expenditure while the system is taking shape. I've noticed at a local, regional, and State level in New Jersey that once the system becomes developed and sophisticated, communities feel a sense of ownership and then are quite willing to fund the continuation of the service. Until the EMS system has proven it's worth at the grass roots level, education dollars are hard to come by locally.

Mr. Jeffrey Harris, Executive Director of the National Association of Emergency Medical Technicians, pointed out to the Committee during hearings that there are significant start-up costs in developing training programs, and specifically for paramedics. The section 789 funds are a valuable source of support for the development of these programs in the community. The Committee believes that the section 789 funds are essential to helping these communities develop the necessary programs to train these needed personnel, and that the department's recommendation to eliminate the program would result in many of these individuals not being trained. The importance of these trained individuals to the operation of EMS systems is significant and the Committee believes that the objectives of the EMS Act would be seriously compromised by the elimination of the training grant authority.

SUDDEN INFANT DEATH SYNDROME PROGRAMS

Background

Sudden Infant Death Syndrome (SIDS) claims the lives of an estimated 6,000 to 7,000 infants anually. These children die suddenly and unexpectedly during what is considered normal sleep. The incidence rate is approximately two per 1,000 live births. It is the leading cause of death between the ages of 1 and 12 months. Of all infant deaths occurring between the ages of the first month and first year of life in this country, as much as half can be attributed to SIDS.

The Sudden Infant Death Syndrome Act of 1974 (Public Law 93–270)—embodied in title XI.B. of the PHS Act—reflected the initial expression of concern by the Committee about the SIDS problem. The Committee felt the pressing need for more research into the causes of this disorder and for a program of public and professional education, information, and counseling about SIDS.

The Act, extended in 1977, created a system of counseling and information services for the families of SIDS victims, authorized the dissemination of educational materials on crib death, and called for the establishment within the National Institute of Child Health and Human Development (NICHD) of a program of biomedical research into the causes and prevention of SIDS.

At the present time, a total of 33 projects in 29 States are being funded to provide information and counseling services, as well as to carry out data-gathering activities. These projects provide services to a population base of approximately 126 million. Specifically, education and training is provided to those who come in contact with the families of SIDS victims to sensitize them to the special needs of family survivors. More than 2,000 educational programs have been conducted during the past year. In addition, the projects work towards improved coordination and development of community resources to deal with SIDS cases. They also assist in the development and distribution of SIDS informational and educational materials. These materials include films, TV spot announcements, and brochures.

Until recently, only a small number of infants who died suddenly and unexpectedly were autopsied to confirm the cause of death and to learn more about the conditions contributing to the tragic event. In contrast, by 1978, all of the information and counseling projects reported an autopsy rate for infants higher than the national average and 17 reported an autopsy rate of 80 percent or higher. In 10 projects, 7 of which are state wide, virtually all infants who die suddenly and unexpectedly are autopsied.

Since 1972, the National Institute of Child Health and Human Development has annually increased its research efforts into sudden infant death syndrome resulting in an expanded base of knowledge about this phenomenon. As a result of Institute-supported investigations during these 7 years, it is evident that SIDS babies are not the healthy infants before death they once were believed to be. There is increasing evidence that the syndrome is not caused by a single mechanism acting at one moment in time, as previously believed. Rather, a number of developmental, environmental, and pathologic factors are involved. Under a complex set of circumstances, these interact and rapidly set up a sequence of events producing a sudden, unexpected and unexplained infant death.

Investigators are currently studying the role of many normal and abnormal phenomena in relation to SIDS. In 1977, the Institute began a cooperative case-control study of SIDS. About 600 cases of SIDS, as defined by an autopsy protocol developed for this study, will be investigated. Case-control comparisons for each factor under study will determine the extent of SIDS risk associated with the factor. It is anticipated that as a result of this project, it will be possible to identify high-risk infants on the basis of information available at birth and in the period shortly after birth. HEW expects that, by the end of 1981, an index will have been established to assist in identifying infants at risk. At that time an assessment of the index would be begun so that data could be developed to convert the index to practical application to assist in the identification of prospective SIDS high-risk infants.

An inexpensive prototype respiratory-cardiac electronic monitor for use in the home of high-risk and near-miss infants is under development.

It is expected that the risk factor study will enable identification of SIDS high-risk infants at birth and in the early post-partum weeks. Home monitoring of heart and respiratory regulation during sleep will further delineate risk. It is the current HEW expectation that the combination of risk-factor and monitoring data will make a SIDS prevention program feasible.

TABLE 6.—HISTORY OF SIDS AUTHORIZATIONS AND APPROPRIATIONS

	Authorizations	Appropriations
Fiscal year:		
1975	$2,000,000	$2,000,000
1976	3,000,000	2,500,000
1977	4,000,000	2,000,000
1978	3,650,000	2,802,000
1979	3,500,000	2,802,000
1980	[1]4,000,000	
1981	[1]5,000,000	

[1] Authorization levels as per Public Law 95–613.

TABLE 7.—*Program authorizations in proposed SIDS amendment*

Fiscal year:	*Authorizations*
1980	$5,000,000
1981	7,000,000

THE COMMITTEE BILL

Identification of an administrative unit

Presently, the Sudden Infant Death Syndrome (SIDS) program is administered by the Office of Maternal and Child Health within the Bureau of Community Health Services of the Health Services Administration. Because of the relatively small size of the SIDS program and its limited funding there exists a certain amount of fragmentation of personnel within the Bureau in order to provide the needed professional, consultant, and clerical support.

In an attempt to alleviate at least some of the fragmentation resulting from the division of management and support activities among several offices, the Committee bill requires that a unit within the Department be identified to administer the SIDS program. The Committee intends that this unit be the focal point for the identification and concentration of staff being funded from the SIDS appropriation. (Approximately $198,000 has been set aside from the $3 million appropriation in fiscal year 1979 for program support.) This provision should help the Committee better understand how the administrative expenses allocation is being expended and for whom.

In requiring identification of this administrative unit, the Committee is not suggesting that the SIDS program be moved out of the Office of Maternal and Child Health which has been administering it. Retention of this program in this Office would seem to be justified given the apparent relationship of SIDS to prenatal development and the occurrence of this disorder during the first year of life. Continuing the SIDS program in this Office would, in addition, aid in the coordination of prevention and infant-identification activities once findings derived from biomedical research provide the tools for carrying out such activities.

Coupled with this provision is the requirement that adequate staff must be provided to administer the SIDS program. Because there has been no central administrative unit, and because of the variety of needs of the program, there are fragmented staffing patterns within the Department with respect to this program. At the March 1, 1978, SIDS hearing, Mrs. Nancy Lefebrve, President of the International Council for Infant Survival and herself a SIDS mother, stated:

"A commitment to eradicate SIDS and in the interim, to administer humane services of information and support, cannot be effectively administered by part-time HEW–MCH personnel. Current staffing is inadequate if the taxpayer's money is to be cost effective in a program consistent with the high ideals of Public Law 93–270.

The adequate staffing provision would require that the Secretary provide the identifiable unit with such full-time professional and clerical staff as well as the services of such consultants and management and supporting staff as may be necessary to carry out this program. The Committee believes these personnel are particularly important as the Department enters a phase of expansion of services to all the States, territories, and possessions not presently covered. This provision further corresponds with the fiscal year 1978 Senate Labor-HEW Appropriations Committee report (Senate Report 95–283) which states that "six positions are to be clearly identified for the Sudden Infant Death Syndrome program" within the Health Service Administration.

Despite this admonition, the Committee notes that these six positions have never been identified.

Mandatory reporting system

Public Law 93–270, as enacted in 1974, required that the Federally-funded projects provide counseling and information services to families affected by SIDS, and collect, analyze, and furnish data relating to the cause of SIDS. The Committee bill provides an expanded mandate for the type of data collected by requiring that it cover other appropriate aspects of SIDS. The Committee is concerned that a uniform reporting system has not been developed for the communication to the Department of material collected at the project level. The Committee bill requires that the Secretary develop and implement such a reporting system. Such a mechanism would not only enable the Department to have a more accurate account of project activities, but would provide information by which individual projects could make comparisons of their services and effectiveness. The need of such data was suggested at the March 1978 hearing by Ms. Patricia Dorsa, project coordinator of the New Jersey SIDS Project, when she said:

"Reports of statistics to HEW should be mandatory and uniform so that the epidemiological data of each project, when collated nationally, might reveal significant trends and occurrences."

Clearinghouse activities

One of the most fundamental reasons for the creation of the SIDS legislation was the need to provide information and education regarding SIDS to the public, as well as to the various service providers who came into contact with SIDS parents after the death of the child. At the time the legislation was enacted, little was known about the disorder, there was no method of identifying children at risk, and there was no known way to prevent the death of the child. Parents were sometimes arrested for child abuse or even murder because of a lack of understanding by law enforcement officials. Physicians and other members of the health care community knew very little, if anything, about SIDS and could offer very little assistance or support to the bereaved parents. Biomedical research projects directed toward solving the mystery of SIDS were few.

Much has been learned since the enactment of the Sudden Infant Death Syndrome Act of 1974. Numerous epidemiological factors have been identified as peculiar to SIDS infants; medical schools as well as other health professional institutions are beginning to include SIDS in their curricula; the attitudes and understanding of the law enforcement community have vastly improved; the need for counseling of families of SIDS victims is beginning to be understood and is being given increased emphasis; research has revealed that SIDS babies are not the healthy babies they were once thought to be; instead they have been found to have distinctive physiological or anatomical disorders that previously went unnoticed.

With all these advances, however, there still remains much to learn. Research must continue so that the lesions or defects that are common to all SIDS victims can be identified and, once found, this information applied to preventing the syndrome. There needs to be an increased awareness of SIDS on the part of health professionals so that they can improve their services to families that lose their infants to SIDS. These services include counseling to such families, possible monitoring of subsequent siblings, and advising the SIDS families of the value of post mortem examination to ensure an accurate diagnosis. In order to foster increased awareness on the part of physicians-in-training, some SIDS projects are coordinating educational programs with medical schools in their vicinities. Through such coordinated efforts, medical students often have the opportunity to listen to a multi-disciplinary presentation on SIDS being given by a pathologist, a pediatrician, a nurse and a SIDS parent. Such cooperative measures between federally-funded SIDS information and counseling projects and medical schools must be encouraged, along with efforts to urge medical schools to include SIDS in their basic core curricula.

The Committee heard testimony that information and educational materials must be in languages other than English and directed toward the economically disadvantaged population that so often experiences SIDS. In addition, the general public as well as service providers must continue to be educated as to the existence of this disorder. Although there has been a great improvement in understanding on the part of lay and professional communities with respect to SIDS, there are still many individuals who need to be reached.

Of basic importance in this informational and educational process, is coordination in the collection and dissemination of data. At the March 1, 1978, hearings, Ms. Dorsa also recommended:

". . . that a stabilized and ongoing system for the dissemination of information be developed so pertinent current information can be rapidly directed to those who need to use it on the grass roots level to insure implementation of current knowledge at the hospital's infant and pediatric units, as well as local pediatrician, family physician and obstetrician offices."

In order to improve the awareness of the public and provide timely information to those who need it regarding the various aspects of SIDS, the Committee bill would require the Secretary to carry out coordinated clearinghouse activities. These activities will include the collection, analysis, and dissemination to the public, health, and educational institutions, professional organization, voluntary groups with a demonstrated interest in sudden infant death syndrome, and other interested parties, of information pertaining to SIDS and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as the advisability surrounding the use of cardiopulmonary home monitors and the conditions and required training associated with the use of such new technology. The Committee takes note of the position of the Task Force on Prolonged Apnea of the American Academy of Pediatrics regarding the use of home monitors:

> Electronic or other monitors of the heart or respiratory rate may be useful adjuncts to 24-hour surveillance, but should be used only under medical supervision.

It is the Committee's intent that, under this new clearinghouse authority, the contract mechanism would be used to engage public and private entities (including for-profit entities) in performing functions associated with the national efforts to develop and disseminate public information and professional education materials and in the collection, analysis, and furnishing of information relating to SIDS and other appropriate activities which relate to SIDS research and information and counseling activities.

The Committee notes that in continuing the authority for grants and contracts under section 1121(b)(1) for public and private entities to carry out information and counseling programs as well as the collection, analysis, and furnishing of information about SIDS, it is anticipated that the funding mechanism for such programs wil be grants with public or nonprofit private entities wherever feasible and, where grants are not feasible, then contracts will be used with public or nonprofit private entities. It is the committee's view that the collection, analysis, and furnishing of information about SIDS is a necessary part of every information and counseling program. The Committee has not authorized carrying out information and counseling programs through contacts with private, for-profit entities.

Involvement of appropriate voluntary groups with a demonstrated interest in SIDS

Because the Committee recognizes the valuable contributions that may be made to projects by voluntary SIDS organizations, such as the International Council for Infant Survival and the National Sudden Infant Death Syndrone Foundation, as well as other individuals who have experienced the tragedy of SIDS, a provision has been included in the Committee bill which states that, where appropriate, voluntary SIDS groups should be included in the development and the operation of federally-funded counseling and information programs. The provision responds to the March 1978 testimony of Mr. Saul Goldberg of the International Council for Infant Survival, who testified as follows:

"It would seem logical that that part of the community that is the people most willing to help and most likely to contribute through their own experiences would be from the very organizations of SIDS parents who initiated the fight against Sudden Infant Death Syndrome and brought it to congressional attention. I speak of the National Sudden Infant Death Syndrome Foundation as well as the Guilds for Infant Survival. Yet the degree of participation in the development and operation of projects varies widely, and in some instances, does not exist by ignoring or bypassing this available resource. It may be given token recognition in ineffective community councils which are merely advisory and do not oversee project operations. Thus the term 'appropriate community representation is not specific enough. I suggest this phrase be changed to spell out SIDS parents groups.

"In discussions and correspondence subsequent to the March 1978 hearing, the National Sudden Infant Death Syndrome Foundation has also voiced its concern regarding the role of the voluntary SIDS organizations in the planning for SIDS counseling and information services at the national level and in the planning for and operation of SIDS counseling and information services at the local level.

The Department utilizes an ad-hoc review committee made up of a majority of individuals outside the funding agency. Included on this committee are representatives from the National Sudden Infant Death Syndrome Foundation, and the International Council for Infant Survival, as well as professionals such as medical examiners, pediatricians, and psychologists. Currently, the panel consists of 13 individuals, of whom 4 are HEW staff.

Equitable distribution of funds and needs of rural and urban areas

The Committee bill would require that the Secretary of HEW carry out an equitable distribution of funds for SIDS programs among the various regions of the Nation, considering carefully the needs of both rural and urban populations so as to insure that every State has an equal opportunity to be considered for SIDS services support.

The Committee recognizes that many factors need to be considered in the awarding of SIDS information and counseling grants, such as the extent of the estimated SIDS problem in a State, the availability of appropriate resources to insure a coordinated, comprehensive, program of services for families within the State, and the availability of Federal funds. It is the Committee's hope that the comprehensive SIDS services will be available in all States by July 1, 1980. However, as funds are made available to reach this objective, the Committee anticipates that not just the number of estimated SIDS deaths in a State, but these verious other factors of need, will be considered in determining award priorities.

Expansion and extension of authorizations of appropriations

At the March 1978 hearing, Ms. Carolyn Szybist, R.N., Executive Director of the National SIDS Foundation, offered the following recommendation:

> We recommend that Public Law 93–270 be reauthorized for a period of the next 5 years. That the next 3 years of that reauthorization address itself to the maintenance of the good programs, the redevelopment of the less effective programs, and the establishment of programs where none currently exist. With that recommendation comes the mandate for maintenance services for communities not funded as grant projects under the law. We ask that programs be available and maintained for all families, not just some. We recommend that the last 2 years of the 5-year period address itself to the administrative task within HEW of the orderly transition of those programs into whatever mechanism is deemed appropriate for their maintenance.

In addition, Dr. Julius Richmond, Assistant Secretary for Health, testified:

"Eventually we [HEW] hope to implement a nationwide program so that services comparable to those provided in the current projects areas are available for any family affected by a sudden and unexpected infant death."

With the testimony of these and other witnesses in mind, authorizations of appropriations would be increased to $5 million for fiscal year 1980, and $7 million for fiscal year 1981. Current funding levels of $2,802,000 provide for the funding of counseling and information services in only about half the States and territories, serving only about half the population. The increase in the first year would provide funding for the expansion of services to all States as called for in the Committee bill, for some expansion within States, and for the expenses of the studies and reports required under the Committee bill.

Project plans and reports

The Committee bill requires that the Secretary submit to Congress an anuual report regarding the activities and administration of the SIDS counseling and information projects. This requirement is an extension of the reporting requirement which was enacted (for a January 1, 1976 report) as part of the initial legislation. The Committee believes that annual reports will serve to keep Congress informed as to (1) the advances in SIDS projects' counseling and informational activities; (2) what the state of the art is with respect to the clinical application of SIDS research activities, including information with respect to followup services that SIDS families or families of high-risk infants might be provided for their children, such as sleep evaluation, physical examination, monitoring, and other forms of physical assessment and treatment; and (3) whether or not projects are moving toward finding community funding sources.

The report due on or before February 1, 1980, also would be required to set forth a plan for extension of counseling and information services to all States by July 1, 1980, and to all territories and possessions by July 1, 1981. Such expansion is needed to provide services to the approximately 21 States and the 7 territories which are presently without these services.

Study of State death investigation systems

The Committee bill requires the Secretary to conduct a study of the death investigation laws and systems in effect within the States, territories, and possessions of the United States, and how these laws and systems impact on sudden and unexplained infant deaths. The report of the study would also focus on any appropriate means for improving such laws and systems.

The diagnosis of sudden infant death syndrome is one of exclusion—only after other disease entities are ruled out is a SIDS diagnosis established. An autopsy is the only way to rule out other diseases, disorders, or causes of death.

Whether or not a post mortem examination is performed is often dependent upon many factors such as the system used (medical examiner or coroner) and parental consent; State laws (which may or may not mandate post-mortem examinations in the cases of sudden and unexplained infant death); and the quality of the personnel used both to investigate the death scene and to perform the actual autopsy.

The systems generally used are based on either the coroner or the medical examiner models. The latter utilizes a network of physicians who are usually appointed to their positions by virtue of their expertise in the death investigation area and who are accountable to one central authority within the State—the chief medical examiner—who is generally a forensic pathologist. The coroner system uses individuals who are from varying disciplines (undertakers, physicians, and others) who are generally elected to their positions and usually function autonomously within the State.

By ruling out other disease-entities and establishing the diagnosis of SIDS, the post mortem examination is vital in alleviating the guilt feelings of most SIDS parents. Parents need to be reassured that the diagnosis was indeed SIDS and that there was nothing they could possibly have done to save their baby. Testimony received at the March 1, 1978, hearing indicated that there was a variety of difficulties across the country in obtaining these vital post-mortem examinations. In her testimony, Ms. Zoe Smialek, R.N., project coordinator of the Michigan SIDS Information and Counseling Project, described some of the impediments to obtaining autopsies on infants who die suddenly and unexpectedly. These included reports of physicans, even pathologists, recommending against autopsy and making inaccurate statements such as "What good will it do now?" or "You won't be able to have an open casket," and of medical examiners sometimes not informing the parents of the availability of the autopsy under State law.

Although efforts are being made under the SIDS program to change the attitudes of the physicians and health care providers who come into contact with families following the death of thir infant, a comprehensive analysis of death investigation laws and practices and their impact on sudden and unexplained infant deaths should provide information as to what appropriate action, if any, can be taken to rectify some of these problems. The Committee believes that the study required should both look at the practicability of establishing pilot projects for centralized post-mortem and specimen examination systems on a statewide or regional basis, as well as examine the benefits and feasibility of a system for achieving the rapid reporting of autopsy results to the parents of infants who have died suddenly and unexpectedly.

Once this study has been completed, the Department should provide a copy of the report submitted to Congress to the appropriate authority within each of the States, territories, and possessions of the United States.

Sudden Infant Death Syndrome Research and Reports

The Committee bill would provide for increased emphasis on the all important area of SIDS research and specifies that this includes research specifically related to SIDS, research generally related to SIDS, and research in the area of high-risk pregnancy and high-risk infancy which relates to SIDS.

The Committee bill would require that the Secretary assure that adequate sums are allocated from the appropriation to the National Institute of Child Health and Human Development to carry out SIDS research given the leads and findings available from such scientific investigation in order to make maximum feasible progress toward identification and prevention of SIDS.

The annual reports previously required under Public Law 93–270 would be made a permanent requirement of the NICHD, and, in addition, the Committee bill would require that information be included in these reports to describe research activities in the area of high-risk pregnancy and high-risk infancy relating to SIDS. Information regarding this additional type of investigation is included to ensure that reports on activities already being funded by NICHD in this area are specifically included and because it is felt that studying this field will not only provide us with clues as to the cause of SIDS, but will help us to identify infants at risks so that their deaths might be prevented.

The Committee bill does not now include a specific dollar authorization for SIDS research which is authorized under section 301 of the PHS Act to be appropriated as part of the general appropriation to NICHD, the authority for which includes, in section 441 (b), a specific reference to SIDS research. The Committee intends to watch carefully the SIDS research program and urge substantially increased funding for it. Should the level of funding of SIDS research not prove satisfactory, the Committee will consider what other legislative methods may be necessary to secure the needed level of funding.

In addition to maintaining active support for biomedical investigation, there is a need to increase activities in the area of behavioral research. At the March 1978 hearing, Dr. Alfred Steinschneider professor in the Department of Pediatrics at the University of Maryland School of Medicine, testified:

"Unfortunately relatively little scientific progress has been made in our understanding of the psychological and biological consequences of a SIDS death on the surviving parents and siblings. I am aware of very few research studies which have focused directly on this very important problem area. The improvement of helping services to family survivors will require the accumulation of a considerably increased amount of objective data. Furthermore, research studies will have to be initiated and adequate funds made available to assess the effectiveness of proposed psychologically oriented intervention programs."

The need for such research was further suggested in the following testimony of Dr. Albert C. Cain, Professor in the Department of Psychology at the University of Michigan:

As a private citizen, clinician, and behavioral scientist, I urge that you look unblinkingly at the nightmare of this unique human tragedy and its enduring effects, weigh carefully the human misery and social costs involved on your scale of values and priorities. I hope and trust that you will then not only extend the authorities of the legislative Act under consideration, but increase the funding authorized and broaden its mandate to include study of the behavioral aspects of SIDS losses—with the preventive intent of ultimately diminishing the tragic suffering of these families, and simultaneously accruing knowledge of likely benefit to the still larger number of bereaved families devastated by other forms of infant and child death.

According to testimony presented by Dr. Julius Richmond, Assistant Secretary of Health, at this same hearing, one of the objectives of the SIDS research program being carried out by NICHD is "to elucidate the impact of a sudden and unexpected infant death on parents, siblings and the extended family". The required research report would thus also include summaries of project and activities being carried out in the area of studying the impact of SIDS on surviving family members.

The research report would also include summaries of findings, their possible clinical applicability, and the cost and implications of such applications. Within a few years, it is expected that information gathered from the research carried on through NICHD will be available for application in the clinical sector. Such information will assist in the identification of infants-at-risk and the prevention of the death of the potential victim. The annual reports on these activities should then assist the projects in disseminating timely information to health professionals and others within the community, and in expanding their focus to include prevention as well as information and counseling.

This reporting provision is designed to allow, for thorough examination of new procedures prior to the time they are adopted for general use by the medical community and, thereby, to protect against the premature application of "breakthrough technology" and the subsequent waste and danger that might result.

COST ESTIMATE

The Committee adopts the following cost estimate from the Congressional Budget Office as its own:

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE, APRIL 23, 1979

1. Bill number: S. 497.
2. Bill title: Emergency Medical Services Amendments of 1979.
3. Bill status: As ordered reported out by the Senate Committee on Labor and Human Resources on April 11, 1979.
4. Bill purpose: To extend authorizations of appropriations for emergency medical services training, and grants for Sudden Infant Death Syndrome projects.
5. Cost estimate:

[By fiscal years; in millions of dollars]

	1980	1981	1982	1983	1984
Authorization level:					
Emergency medical systems:					
Services	40.0	40.0	40.0		
Research	3.0	3.0	3.0		
Burn, trauma, and poison	3.0	3.0	3.0		
Training	4.0	4.0	4.0		
Sudden infant death syndrome	5.0	7.0			
Total	55.0	57.0	50.0		
Estimated outlays:					
Emergency medical systems:					
Service	2.0	24.0	40.0	38.0	15.2
Research	.2	1.9	3.0	2.9	1.2
Burn, trauma, and poison	.2	1.9	3.0	2.9	1.1
Training		2.0	4.0	4.0	2.0
Sudden infant death syndrome	1.0	5.4	5.6		
Total	3.4	35.2	55.6	47.8	19.4

The costs of this bill fall within budget function 550.

6. Basis of estimate: All authorization levels are as stated in the bill. Outlays are based on specific program spendout rates provided by HEW. In each case outlays are calculated assuming that authorizations will be fully appropriated at the beginning of each fiscal year.
7. Estimate comparison: None.
8. Previous CBO estimate: None.
9. Estimate prepared by: Eric Wedum.
10. Estimate approved by:

C. G. Nuckols
(For James L. Blum,
Assistant Director for Budget Analysis).

SECTION-BY-SECTION ANALYSIS OF S. 497 AS REPORTED

TITLE I—EMERGENCY MEDICAL SERVICES SYSTEMS AMENDMENTS

Section 101 establishes a short title for the bill.

Section 102 would amend the present subsection (f) of section 1202, by deleting the requirement that no more than 50 percent of the funds appropriated for planning grants or contracts may be used for second-time planning grants or contracts, and by adding a new provision giving priority in the award of planning grants or contracts to applicants for first-time planning grants or contracts.

The 50-percent limitation on second planning grants was intended to retain a fair division of grant support between those areas desiring to plan for the establishment of an emergency medical services system and both those areas desiring to plan for the advanced life support level and those States needing to update EMS plans to improve such care in rural and medically underserved areas. In view of the expectation that by the end of the fiscal year 1979 grant awards only 12 emergency medical service regions will not have received a first planning grant, retaining 50 percent of the sums appropriated for such planning grants may be excessive. Instead, the Committee bill requires that priority in awarding planning grants be given to those EMS regions which have not had a first planning grant.

Section 103(a) would amend present section 1207(a)(1) to extend the authorizations of appropriations for grants or contracts for planning, initial development, and expansion of emergency medical services systems for fiscal years 1980, 1981, and 1982 at levels of $40,000,000, for each fiscal year. The fiscal year 1979 appropriation was $36,625,000. The fiscal year 1979 authorization level is $70,000,000.

Section 103(b) would add a new clause to present paragraph (5)(A) of section 1207(a) mandating a 1-percent earmark of funds appropriated in fiscal years 1980, 1981, and 1982 for planning grants or contracts rather than the 2½- to 5-percent levels presently provided.

Only 22 of the 304 designated emergency medical services systems areas in the United States have not yet received a first planning grant. HEW estimates that 10 new systems will receive planning grants in fiscal year 1979, leaving 12 systems still eligible in subsequent years. Given the Administration's announced intention of not funding planning grants, it is necessary to mandate that funds be set aside for those remaining systems that make application as well as for those systems needing modest planning grants to plan for advanced life support as well as those States needing to update plans.

Section 103(c) would continue through the next 3 fiscal years the requirement in present section 1207(a)(5)(B) that not less than 20 percent of the sums appropriated for systems development must be used for grants or contracts for the initial operation of an EMS system (sec. 1203), and that not less than 20 percent must be used for grants for expansion of an EMS system (sec. 1204).

Again, in order to ensure that the Administration awards grants to eligible grantees at all levels of development, this earmark in existing law would be retained for the next 3 fiscal years. The Administration has proposed to phase out the EMS program over the next 3 years, and, without the earmark, would fund only the applications which contribute to this policy. The earmark will help assure that each of the designated 304 EMS regions in the United States will be given a fair opportunity to develop EMS systems to their maximum potential.

Section 104 would amend present section 1207(b) to extend the authorizations of appropriations for grants and contracts for research in emergency medical services (sec. 1205) for fiscal years 1980, 1981, and 1982 at levels of $3,000,000 for each fiscal year.

The appropriation for fiscal year 1979 was $3,000,000, and the fiscal year 1979 authorization level is $5,000,000.

Section 105 would amend present section 1209(c) by adding a representative of the Federal Emergency Management Agency (established by Executive Order No. 12127 on March 31, 1979, pursuant to Reorganization Plan No. 3 of 1978) as a member of the Interagency Committee on Emergency Medical Services. It is anticipated that the representative would be from the U.S. Fire Administration in this new Agency.

Section 106(a) would amend present section 1221(a), currently limited to programs relating to burn injuries, to include trauma or poison among programs eligible for support thereunder, and would amend the part B title and section heading accordingly.

Section 106(b) would amend present section 1221(b) to extend the authorizations of appropriations for part B for fiscal years 1980, 1981, and 1982 at levels of $3,000,000 for each fiscal year.

The appropriation for fiscal year 1979 was $3,000,000 for the burn injury program, and the fiscal year 1979 authorization level is $10,000,000.

Section 107 would amend section 789(g)(1) to extend the authorizations of appropriations for training in emergency medical services for fiscal years 1980, 1981, and 1982 at levels of $4,000,000 for each fiscal year.

The appropriation for fiscal year 1978 was $6,000,000, and the fiscal year 1979 authorization level is $10,000,000. Six million dollars was appropriated for fiscal year 1979, but $3,000,000 was later rescinded by Public Law 96-7.

TITLE II—SUDDEN INFANT DEATH SYNDROME AMENDMENTS

Section 202 would revise present part B of title XI of the Public Health Service Act by inserting a totally rewritten part B with the following provisions:

Sudden infant death syndrome counseling information, educational, and statistical programs; plans and reports

Subsection (a)(1) of new section 1121 requires the Secretary, through an identifiable administrative unit under the supervision of the Assistant Secretary for Health, to carry out a program to develop public information and professional educational materials relating to sudden infant death syndrome and to disseminate such information and materials to persons providing health care, to public safety officials, and to the general public. This subsection further requires the Secretary to administer, through the identifiable unit, the functions assigned in section 1121, and to provide the unit with such full-time professional and clerical staff and with the services of such consultants and of such management and supporting staff as may be necessary for the unit to carry out its functions effectively.

This provision is designed to increase the accountability of the Department for the administration of the SIDS information and counseling program and to alleviate some of the fragmentation that derives from the division of management and support activities among several offices. Personnel with primary responsibility for the SIDS program would be located in this unit.

New subsection (a)(2)(A) requires the Secretary to develop and implement a system for the periodic reporting to the Department, and dissemination by the Department, of information collected under grants and contracts made under subsection (b)(1) of this section.

The collection of information by grantees and contractors was first provided for in Public Law 93-270; however, a uniform, systematic reporting mechanism has never been established. This provision would require the development of such a mechanism so that the Department would acquire a more accurate picture of project activities, and projects would be able to make relative comparisons of their respective services and activities.

New subsection (a)(2)(B) requires the Secretary to carry out coordinated clearinghouse activities on sudden infant death syndrome, including the collection (and dissemination to the public, health and educational institutions, professional organizations, voluntary groups with a demonstrated interest in SIDS, and other interested parties) of information pertaining to sudden infant death syndrome and related issues such as death investigation systems, personnel training, biomedical research activities, and information on the utilization and availability of treatment or prevention procedures and techniques, such as home monitors.

The clearinghouse function would facilitate the timely dissemination of information to the public, health and welfare professionals, law enforcement officials, and other service personnel who come in contact with the families of SIDS victims.

This provision authorizes the Secretary to enter into contracts to carry out the information and clearinghouse activities required under subsection (a).

New subsection (b)(1) authorizes the Secretary to make grants to public or nonprofit private entities, and enter into contracts with public or private entities, for projects which include both the collection, analysis, and furnishing of information (derived from post mortem examinations and other means) relating to the causes and other appropriate aspects of sudden infant death syndrome; and the provision of information and counseling to families affected by sudden infant death syndrome.

This provision continues the project grant mechanism in existing law and broadens the scope of information to be collected at the project level to include other appropriate aspects of SIDS in addition to information relating to the causes of SIDS.

New subsection (b)(2) provides that no grant may be made or contract entered into under subsection (b) unless an application therefor has been submitted to and approved by the Secretary; requires applications to be in such form submitted in such manner, and contain such information as the Secretary prescribes by regulation; and requires each application to—

(A) provide that the project for which assistance under the subsection is sought will be administered by or under the supervision of the applicant;

(B) provide for appropriate community representation (including appropriate involvement of voluntary groups with a demonstrated interest in SIDS) in the development and operation of the project;

(C) set forth such fiscal controls and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to applicants under subsection (b); and

(D) provide for making reports in such form, and frequency, and with such information as the Secretary reasonably requires, including reports that will assist in carrying out the provisions of subsection (a)(2) of section 1121 relating to periodic reporting and clearinghouse activities.

The provisions of section 1121(b)(2) are essentially identical to existing law except that clause (B) is amended to specify that appropriate community representation shall include appropriate involvement of voluntary groups with a demonstrated interest in SIDS and clause (D) is amended to require project reports to include reports that will assist the Secretary in carrying out his periodic reporting and clearinghouse activities required by section 1121(a)(2).

Subsection (c)(1) of new section 1121 requires that not later than February 1 of each year after 1979, the Secretary shall submit to the Senate Committee on Labor and Human Resources and the House Committee on Interstate and Foreign Commerce a comprehensive report on the administration of the SIDS program (including funds and positions allocated for personnel) and the results obtained from activities thereunder, including the extent of allocations made to rural and urban areas. The report submitted on or before February 1, 1980, is also required to set forth a plan to extend counseling and information services to the 50 States and the District of Columbia by July 1, 1980, and extend counseling and information services to all possessions and territories of the United States by July 1, 1981.

This provision will help keep Congress informed as to (1) the advances in SIDS projects' counseling and information activities; (2) the state of the art with respect to the clinical application of SIDS research activities; and (3) whether or not projects are moving toward finding community support. It will also ensure the development of a plan for expansion of the needed counseling and information services to all the States, territories, and possessions of the United States not presently served.

Subsection (c)(2) of section 1121 requires the Secretary to conduct or provide for the conduct of a study on State laws and practices relating to death investigation systems and their impact on sudden and unexplained infant deaths, any appropriate means for improving the quality, frequency, and uniformity of the post mortem examinations performed under such laws, practices, and systems in the case of sudden and unexplained infant deaths; and requires the Secretary not later than December 31, 1980, to report to the Congress the results of such study, including recommendations as to appropriate actions by HEW with respect to post mortem investigations in all cases of sudden and unexplained infant death (including the desirability and feasibility of establishing pilot projects for centralized post mortem and specimen examination systems on a statewide or regional basis).

The performance of a post mortem examination (autopsy) is vital in making a diagnosis of sudden infant death syndrome because such a determination is made only after other causes of death have been ruled out. Whether or not such an examination is performed, and whether or not that examination is of high quality is dependent upon the death investigation laws and systems within the State. A comprehensive analysis of these laws and systems and their impact on sudden and unexplained infant death will provide information as to what appropriate action, if any, should be taken by HEW. The Committee believes consideration should be given to the feasibility and value of establishing projects for centralized post mortem and specimen examination systems on a statewide or regional basis, and expects consideration by the Department of this possibility and an interim report prior to the date on which the entire report is due.

New subsection (d)(1) provides the authorization of appropriations of $5,000,000 for fiscal year 1980 and $7,000,000 for fiscal year 1981. This increase in authorization over the present authorizations level of $3.5 million will allow for 2 years of continued project expansion and improvement. Currently, $2,802,000 is appropriated. It would also provide some funding for the establishment of counseling and information services in all the States, territories, and possessions of the United States not presently served.

New subsection (d)(2) provides that payments under grants under subsection (b) may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary—a provision identical to existing law.

New subsection (d)(3) provides that contracts under subsection (b) may be entered into without regard to sections 3648 through 3709 of the revised statutes (31 U.S.C. 529; 41 U.S.C. 5), which require certain advertising and bid procedures, a provision identical to existing law.

New subsection (d)(4) requires the Secretary to seek to make equitable distribution of funds appropriated under part B among the various regions of the country and to insure that the needs of rural and urban areas are appropriately addressed.

This provision is not intended to change the character of the SIDS program from a project grant program to a formula grant program, but would require the Secretary to consider carefully the needs and problems peculiar to rural and urban areas, such as transportation difficulties, and lack of access to specialized services, among other problems.

Sudden infant death syndrome research and research reports

Subsection (a) of new section 1122 requires the Secretary, from the sums appropriated to the National Institute of Child Health and Human Development under section 441 of the PHS Act, to assure that there are applied to research of the type described in paragraph (1) (A), (B), and (C) of subsection (b) of section 1122 such amounts each year as will be adequate, given the leads and findings then available from such research, in order to make maximum feasible progress toward identification of infants at risk of sudden infant death syndrome and prevention of sudden infant death syndrome. This provision highlights the importance of the SIDS research program and the need for increased support for this rapidly advancing area of investigation over the next several years.

New subsection (b)(1) requires the Secretary, not later than 90 days after the close of fiscal year 1979 and each fiscal year thereafter, to report to the Senate and the House Committees on Appropriations, the Senate Committee on Labor and Human Resources and the House Committee on Interstate and Foreign Commerce the information for such fiscal year on—

(A) the (i) number of applications approved by the Secretary in the fiscal year reported on for grants and contracts under the PHS Act for research which relates specifically to SIDS, (ii) total number requested under such applications, (iii) number of such applications for which funds were provided in that fiscal year, and (iv) total amount of such funds;

(B) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under the PHS Act for research which relates generally to sudden infant death syndrome, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in that fiscal year, and (iv) total amount of such funds; and

(C) the (i) number of applications approved by the Secretary in such fiscal year for grants and contracts under this Act for high-risk pregnancy and high-risk infancy research which relates to sudden infant death syndrome, specifying how these conditions relate to SIDS, (ii) total amount requested under such applications, (iii) number of such applications for which funds were provided in that fiscal year, and (iv) total amount of such funds.

Clauses (A) and (B) are identical to the existing law requirements in Public Law 93–270 which last applied to a report due for fiscal year 1976. Clause (C) is new and is an area already being studied by researchers interested in the SIDS phenomenon. The findings from studies in the area of high-risk pregnancy and high-risk infancy are considered to have significant applicability in the eventual solution to the problem of SIDS.

New subsection (b)(2)(A) requires that each report submitted under paragraph (1) of subsection (b) shall—

(A) contain a summary of the findings of intramural and extramural research supported by NICHD relating to SIDS as described in clauses (A), (B), and (C) of paragraph (1), and the Institute's plan for taking maximum advantage of those research leads and findings;

(B) provide information on activities underway and plans to bring about the appropriate clinical application of current research findings and the cost and implications of those applications; and

(C) provide an estimate of the need for additional funds over each of the next 5 fiscal years for grants and contracts under the PHS Act for research activities described in clauses (A), (B), and (C) of this paragraph.

Significant advances have been made in research since the enactment of Public Law 93–270 in 1974. Within the next few years information gathered from the research carried on through NICHD will be available for clinical application. This subsection is thus intended to provide for careful analysis and appropriate application and dissemination of research findings, and to provide sound data on levels of funding required so that research may be continued at an adequate level.

New subsection (c) requires the Secretary within 5 days after the budget is transmitted by the President to the Congress for each fiscal year after fiscal year 1980, to transmit to the Senate and House Committees on Appropriations, the Senate Committee on Labor and Human Resources, and the House Committee on Interstate and Foreign Commerce, an estimate of the amounts requested for the NICHD and any other Institutes of the National Institutes of Health, respectively, for research relating to SIDS as described in paragraphs (1)(A), (B), and (C) of this subsection, and a comparison of those amounts with the amounts requested for the preceding fiscal year. This reimposes on an annual basis the reporting requirements required previously by Public Law 93–270 and, in addition, for annual reporting of research activities in the areas of high-risk pregnancy and high-risk infancy related to SIDS.

TITLE III—EFFECTIVE DATE

Section 301 provides that the provisions the Committee bill shall take effect on October 1, 1979.

CONCLUSION

Mr. CRANSTON. Mr. President, I believe that S. 497 as reported responds to the needs that were brought to our attention during committee consideration of the emergency medical services systems programs and the sudden infant death syndrome legislation and programs.

Before closing, I particularly want to thank my distinguished colleague, the Senator from Pennsylvania (Mr. SCHWEIKER), the subcommittee's and full committee's ranking minority member, for his cooperation and that of Dan Bourque, of his staff, in developing several amendments reflected in the committee bill. Also, of course, I would like to recognize the special contributions made in the development of S. 497 by staff for other members of the committee, particularly Chris Burch, Becky Beauregard, Birdie Kyle, and Barbara Greene, and, on my behalf, by Louise Ringwalt, Mary Aronson, and Neva Crump.

I urge the Members of the Senate to give this measure their full support.●

● Mr. JAVITS. Mr. President, I rise in support of S. 497, the Emergency Medical Services Systems Amendments of 1979 and Sudden Infant Death Syndrome Amendments of 1979. The purpose of this bill is twofold: First, it extends for 3 years the authorizations of appropriations for emergency medical services programs in the areas of services, research, training, and burn, trauma, or poison; second, the bill extends for 2 years sudden infant death syndrome programs.

Mr. President, I have supported the programs authorized in this legislation since their inception. The need for a well-coordinated system of emergency medical services developed on a regional basis throughout the country has long been recognized. The National Academy of Science, for example, estimates that 15 to 20 percent of the deaths due to traumatic injury—or roughly 60,000 lives—could be saved each year through improved emergency medical services.

Furthermore, the American Heart Association estimates that between 15 and 20 percent of prehospital coronary deaths could be prevented through the delivery of improved emergency medical services. The original EMS Act of 1973 (P.L. 93-154), which I cosponsored, sought to provide the basis for the necessary improvements in emergency medical services. The EMS Act authorizes grants to communities to support the planning, establishment, development, or expansion of comprehensive EMS systems. As a consequence of this legislation, a total of 304 EMS regions have been designated of which all but 22 are engaged in some phase of EMS planning, establishment or operation.

The EMS Act as written requires the EMS regions to become financially self-sustaining once a 5-year grant cycle is completed. The 5-year grant cycle permits communities to progress through the various stages of development leading to a comprehensive emergency medical services system. With the completion of the grant awards made in June 1978, 29 regions will have achieved total independence from Federal grant support. A 3-year extension of the EMS Act, as provided in S. 497, will allow 53 additional regions to complete the grant cycle.

I strongly support the extension of this vital legislation. The United States boasts the finest health care delivery system in the world. We are leaders in the development of sophisticated medical technologies—technologies which are often most valuable in an emergency situation. Unfortunately, time and not the availability of appropriate medical services is often the critical factor which determines whether or not a life is saved or a serious injury is overcome. If we can shorten the time lapse between the onset of a medical emergency and the delivery of necessary medical care services—a primary goal of the EMS Act—we will do much to prevent otherwise preventable deaths and disabilities.

Mr. President, I also wish to indicate my strong support for the sudden infant death syndrome amendments contained in S. 497. Statistics indicate that SIDS claims the lives of approximately 6,000 to 7,000 infants annually. The incidence of SIDS is estimated at 2 per 1,000 live births. The Sudden Infant Death Syndrome Act encourages research into the causes of this disorder and provides for the establishment of a system of counseling, information, and education about SIDS for the general public, health and other social service professionals and families of SIDS victims. As our medical researchers work toward discovering the causes of SIDS and ultimately developing a way to prevent SIDS, I believe it is important to continue the programs authorized in the SIDS Act.

Mr. President, before closing, I would like to acknowledge and commend the leadership of my colleagues, Senators CRANSTON and HUMPHREY, in these areas and on this legislation. In particular, Senator CRANSTON's longstanding interest and commitment to assuring the availability of appropriate emergency medical services and to eradicating SIDS as a cause of death among infants has contributed greatly to improving the health and welfare of the American people. I am pleased to be a cosponsor of S. 497, and I urge my colleagues to favorably support this bill.●

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

> A bill to extend the authorizations of appropriations relating to emergency medical services systems under title XII and section 789 of the Public Health Service Act; to increase the authorizations of appropriations for sudden infant death syndrome counseling and information projects and revise and improve authorities under title XI, part B, of such Act; and for other purposes.

ORDER FOR THE CONSIDERATION OF S. 586 TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the energy rationing measures today the Senate then proceed to the consideration of Calendar Order No. 118, the Department of State authorization bill.

Mr. STEVENS. I have no objection. I thank the majority leader for his deference to us last evening on clearing this matter.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from Alaska.

Mr. STEVENS. Mr. President, I yield the remainder of both the leaders' time to the distinguished Senator from South Carolina.

RHODESIAN SANCTIONS MUST BE LIFTED

Mr. THURMOND. Mr. President, as a result of the Rhodesian elections of April 17-21, which were organized on a one man-one vote basis, the people of Rhodesia have now elected a government which responds to the understandable desire of the Rhodesian people—both the black majority and the white minority—to control their destiny in a democratic manner.

The Rhodesian elections were given a clean bill of health by the 200-odd newsmen who covered them and by some half dozen observer teams from different countries. These observers ranged from conservative to left-of-center liberals. Among the American observers, for example, were Bayard Rustin, who played a leading role in our own black civil rights movement, and former Representative Allard K. Lowenstein of New York, who, as the Senators will recall, played a leading role in opposing the Vietnam war.

As examples of how the large international corps of press correspondents viewed the election, I want to quote one brief statement from the New York Times and another one from the Washington Star.

John Burns, the New York Times correspondent in Rhodesia, wrote:

> A common view was that the election, despite a number of important qualifications relating to the methods used to get voters to the polls in tribal areas, probably was one of the fairest ever held in Africa and, as an influential American delegation put it, freer than most that are held in the Third World.

The Washington Star correspondent, Lawrence Pintak, reported in much the same terms:

> The first universal suffrage election here has left the general impression that the exercise was largely free of overt government intimidation and marks a positive step toward true majority rule.
>
> Despite the fact that 72 international observers and more than 200 reporters—most of the latter eager to find fault—scoured the vast country for five days in search of irregularities, few concrete examples were uncovered.

The International Security Assistance Act of 1978 specified that sanctions against Rhodesia should no longer be enforced as soon as the President had determined that a Government had been installed in Zimbabwe-Rhodesia which had been chosen in free elections, scrutinized by impartial outside observers, and that this government had demonstrated its willingness to negotiate in good faith with the guerilla leaders.

Mr. President, the Rhodesian leaders, white and black, who are represented in the interim government, have complied with the basic conditions which, so it was implied in the International Security Assistance Act, would lead to the lifting of sanctions. They have held elections based on the standard democratic formula of one man-one vote. They have repeatedly indicated their willingness to negotiate with the guerilla leaders and to grant a complete amnesty to all those who are today in the ranks of the guerrilla movement—even though some of them have committed terrible crimes. Within the coming weeks, majority rule will become a fact when a new government, with a black Prime Minister and a predominantly black cabinet, takes office.

But, according to reports from various sources, President Carter's principal advisors on African affairs are urging him not to recognize the outcome of the elections and to resist the growing demands from Congress and the American people that economic sanctions against Rhodesia be rescinded.

The sanctions that were imposed on Rhodesia constituted an act of folly from the very first. If we wanted to be consistent about imposing economic sanctions on countries which do not have majority rule, we would have had to impose such sanctions on something like 90 percent of the member nations of the U.N. But to continue to impose sanctions against Rhodesia after that country has taken the difficult and dramatic step to majority rule would be worse than folly—in my opinion it would be the height of immorality, and treason to the cause of world freedom.

The choice in Rhodesia is brutally simple. On the one hand we have the black majority government which has just been elected, which is strongly anti-Communist and pro-Western, and which is committed to the free enterprise system and to continued cooperation between the races. On the other hand, we have the two guerrilla movements, led by Joshua Nkomo and Robert Mugabe, which are armed and guided by the Soviet Union, China, Cuba, and the other Communist states; which are committed to the mass expulsion of the white minority from Rhodesia and have already engaged in dozens of bloodthirsty massacres against both blacks and whites; and which have made no bones about the fact that they intend to impose a one-party Marxist dictatorship if they come to power.

I fail to understand how anyone who claims to believe in human rights can support the latter alternative.

I am convinced that the great majority of the American people and a substantial majority in Congress believe that the time has come to review our policy and to terminate the terribly damaging sanctions against Rhodesia. If Ambassador Andrew Young and the other extremist elements who have been advising the President on African affairs succeed in persuading the President that the sanctions must remain in force until the guerrillas are brought into the Rhodesian Government, they will not succeed in creating the kind of coalition government they sometimes seem to be talking about, they will succeed, instead, in completely destroying a democratically elected government that offers the only hope of peace and stability and freedom for the people of Rhodesia, and installing in its stead a bloodthirsty Marxist dictatorship subservient to Moscow.

Since Ambassador Andrew Young believes that the Cubans played a stabilizing role in Angola, it is possible that he would welcome such a development. But it would not be welcomed by Congress and the American people because they know only too well that Marxism has nothing in common with freedom—for either black men or white men.

Mr. President, over the coming week, a number of the American observer teams that were in Rhodesia during the elections will be reporting on their findings. One of these teams was sent over by the American Conservative Union. In advance of the team's official report, Mr. Stanton Evans, the distinguished syndicated columnist, has written a remarkable article describing the experiences and the findings of the ACU team and of other American observers. This article, captioned "Eyewitness Report on the Rhodesian Elections," appeared in Human Events for May 5, 1979. I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the complete text of Mr. Evans' article.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THURMOND. I would like to call particular attention to two very wise statements by black Rhodesian leaders quoted by Mr. Evans.

Mr. Evans quoted Bishop Muzorewa, who is slated to become Prime Minister, as saying:

> We have seen what has happened in other nations where people have become too emotional about their independence. The whites panicked and left, and those countries have suffered as a result. People are starving in Mozambique. We do not want that to happen here. We want our independence to be meaningful, so that the country prospers and people do not go to bed hungry.

When Reverend Sithole, Bishop Muzorewa's principal opponent, was asked by the press whether the fact that the new Parliament would have 28 seats reserved for whites would not make it suspect in the eyes of "the international community," he shot back:

> Perhaps if the international community did not have a double standard, they would understand our situation here. If some outside force had killed Mr. Smith, killed Bishop Muzorewa, killed Chief Chirau and killed myself, then proclaimed themselves the government of the country, no doubt the international community would have recognized them immediately.

According to Mr. Evans, this response brought a storm of applause from the press.

I am honored to serve as a cosponsor Senate Concurrent Resolution 24 which was introduced by Senator SCHWEIKER on April 23. This resolution, in effect, calls upon the President to make a finding of compliance with the conditions set in the International Security Assistance Act of 1978, and to terminate economic sanctions no later than 10 days after the installation of the black majority government which has recently been elected in Rhodesia. I believe this resolution reflects the thinking of a substanital majority of the Senate.

In addition, on May 3, the distinguished senior Senator from Virginia (Mr. BYRD) offered an amendment to S. 428, the 1980 defense authorization bill, which would have the effect of terminating economic sanctions against Rhodesia. Conceivably, this amendment may be brought to a vote before Senate Concurrent Resolution 24 because the Armed Services Committee will be marking up the authorization bill this week, and the bill itself should reach the Senate within a reasonable time. I intend to support this amendment, too, in the belief that it may expedite the lifting of sanctions.

I note that the Senate on May 7, 1979 voted to make Uganda once again eligible for American foreign aid, now that the brutal dictatorship of Idi Amin has been overthrown. I think this makes sense. On the other hand, it is necessary to weigh the fact that the Idi Amin Government was overthrown primarily as a result of an invasion by the armed forces of Tanzania, a country which is officially a one-party state, where the government owns all the media and strikes are illegal, where there are some thousands of political prisoners, and where, according to the authoritative report, Freedom in the World, "torture and killing by the security services appears to be common." Nor can we ignore the fact that the country responsible for overthrowing the Idi Amin regime has for the past 2 years been placed in the second lowest category from the standpoint of human rights by the widely respected Freedom House survey of world freedom. It ranked just a shade above Angola and Mozambique, but substantially below Rhodesia—Rhodesia as it used to be, not as it is today.

I want to point out again that I am in favor of trading with the new Ugandan Government and of supporting it with American foreign aid. But I think that Congress and the administration would be grossly inconsistent if they now failed to grant precisely equal treatment to the democratically elected black majority Government of Rhodesia.

I hope the Senators will find time to read the full text of Mr. Stanton Evans' article with the very careful attention it merits. I also hope that the President and the Secretary of State will read it carefully because I believe it will change their perception of the problem.

EXHIBIT 1

EYEWITNESS REPORT ON THE RHODESIAN ELECTIONS

(By M. Stanton Evans)

SALISBURY, RHODESIA.—By almost any measure, last month's election for the 72 black seats in the newly created Parliament of Zimbabwe-Rhodesia was a stunning success.

More than 270 members of the press and international observers were on hand to examine the election in minute detail at scores of locations across the country. The overwhelming verdict was that the balloting was conducted on an above-board basis, and that the enormous turnout (63.9 per cent of the total estimated electorate) was an authentic reflection of support for the "internal settlement" arranged by outgoing Prime Minister Ian Smith and three black leaders—election-winner Bishop Abel Muzorewa, the Rev. Ndabaningi Sithole, and Sen. Chief Jeremiah Chirau.

This writer was part of an observer team sent to the elections by the American Conservative Union. Other members of the group included syndicated columnist Smith Hempstone, former Congressman Howard Pollock of Alaska, and Byron Engle, former director of the Office of Public Safety of the Agency for International Development. Additional observer groups included Freedom House, the Institute of American Relations, the American Security Council, and the American Legion, plus delegations from Great Britain, France, West Germany, Canada and other nations.

Our group visited polling places in all sectors of the country, including the eastern territory bordering Mozambique, remote tribal trustland areas around Bindera and Belingwe, and black townships in Salisbury and Bulawayo. Among us we travelled several thousand miles back and forth across the country, visited 36 polling places, talked with 156 voters, and conducted 221 interviews other than those with voters in the polling places.

The major finding of our survey—confirmed by numerous other observers and journalists—was that the black people of Zimbabwe-Rhodesia wanted to vote. They did so, moreover, despite repeated violence by externally based guerrillas who had threatened to disrupt the elections in their effort to take the country by force of arms.

Before and after the balloting, there were charges that the election was rigged by Rhodesian authorities attempting to inflate the total vote. We could find no evidence of this in our inspection of polling places and voter interviews. Ballot security procedures were good. Secrecy of the ballot was preserved. Steps were taken to preclude ineligible or double voting—including a special fluid to mark the hands of voters, sealing of ballot boxes, turning away voters ineligible by reason of age, and the sequestering of spoiled ballots to insure that they were not double-counted.

Nor could we find any evidence of people being forced to vote, a practice alleged by some reporters. The government did conduct an extensive publicity campaign to explain the election to people unfamiliar with the concept, spell out procedures, and get the maximum possible turnout. The political parties (four were competing on a nationwide basis) did the same. These measures, however, come under the general heading of persuasion rather than coercion, and are the sort of thing done routinely in the United States.

Extremely high vote turnouts in certain areas and the fact that votes were sometimes cast in employment settings gave rise to suspicion in some quarters that people were being forced to vote. In no case in our voter interviews, however, did any respondent say he or she had been pressured to vote. On the other hand, there were several instances in which respondents said they had been told not to vote, but did so anyway.

The vast majority of the voters to whom we talked said they though the elections were a good idea. The answers we got ranged from effusively enthusiastic in most areas to guardedly hopeful in places (such as Bulawayo) where opposition to the internal settlement has been concentrated. The predominant sentiment (or hope) expressed was that the election would be a step toward peace and better government.

Enthusiasm for the election was readily apparent from enormous crowds of dancing, singing demonstrators at the polling places. Throngs of jubilant blacks were the dominant feature of the political landscape—from the huge lines of voters who turned out on opening day to wait good-naturedly for their chance to vote, to the crowds of party supporters who electioneered outside the polling places laughing and singing impromptu songs.

All of this was so tangible in its meaning that no one on the scene could possibly miss it. Nearly all of the observer delegations, and most of the journalists to whom we talked, were profoundly impressed. Our group cross-checked its findings with people from Freedom House, the Institute of American Relations, the American Security Council, the Germans, the French, the British, the Australians. All had essentially the same conclusions, a unanimity that made it hard to believe the voting was anything other than an authentic expression of popular feeling.

All of this took place, it should be remembered, against a backdrop of continual warfare and violent threats to the safety of voters—facts of life in Zimbabwe-Rhodesia which make the holding of an election here distinctly different from voting in the United States.

Just how different was driven home to a group of reporters and observers, including myself, in the rural area near Belingwe. As the plane in which we were riding approached its designated landing spot, it suddenly went into a violent, twisting dive. The small Dakota (on loan from South Africa) plunged toward the ground at terrific speed, pinning its human cargo against the seats and walls.

The reason for this maneuver, we were told, was to avoid the SAM missiles used by guerrillas in the area. The missiles home in on the infrared profile of the airplane. They need three seconds to lock in to their targets, and can't follow the twists and turns of a diving object. (For the same reason, helicopters in which we rode buzzed along close to the ground, hedge-hopping over ridges, to merge their image with the surrounding landscape.)

As our plane pulled out for landing, we could hear the crackle of gunfire below us. This turned out to be the final stages of a skirmish between guerrillas, we were later told, had opened up on a line of people waiting to vote. As per instructions, the voters hit the ground, and the security forces returned the fire, driving the assailants off. The voters got back up and continued with the election.

This had been the second guerrilla attack in the vicinity that day. Despite that fact, our group watched rural tribesmen continue to trudge in across the fields to vote. The presiding officer told us that, as of 1 p.m., 123 people had voted at this tiny rural station. As we arrived, a young woman was casting her vote, and four others walked up as we were talking. I wondered how many Americans would bother to cast their ballots under similar conditions.

The SAM missiles we were intent on avoiding are not to be taken lightly. Like most of the arms used by the guerrillas, they are provided by the Communists. In recent months, they have knocked down two civilian airliners in Rhodesia. In one case the pilot was able to bring the plane down despite the damage, only to have civilian survivors slaughtered by guerrillas. It was a typical foray for the "freedom fighters," who go after soft targets but run away when the security forces show up.

Small arms fire has also been directed at civilian aircraft, and we found out about this before we ever got to Salisbury. As our Air Rhodesia flight from Johannesburg neared the Rhodesian capital, loaded with U.S. observers, the pilot came on the squawk box and asked the passengers seated near the windows to pull the blinds, "as a security measure." Lights from within the plane could give guerrillas a convenient target as we were landing. Needless to say, we hastened to comply with the request.

Once landed, we were hustled to a lounge and given a stern security briefing: Stay away from windows in your hotel rooms, keep the blinds drawn at night, don't go out in the streets without a security escort. In addition, we were told, guards would be stationed in the hallways on a 24-hour basis, and no one would be allowed off the elevators onto our floors without credentials.

The reason for these precautions was matter-of-factly explained to me by a Rhodesian official the following evening: "You're a target, you know." He meant not just me, but all observers—on the theory that the guerrillas would dearly love to bag a foreign observer or two to show that the government could not protect its visitors. The government was just as determined to prevent such a thing from happening. I liked the government version better.

We got a direct experience of the enormous crowds our second day out, this time in the urban townships outside of Salisbury. When we arrived at Kambazuma station, we were instantly surrounded by a crowd of about 1,500 blacks, dancing, waving campaign posters and in general enjoying themselves immensely. The crowd got even bigger a few minutes later, when it was learned that Bishop Muzorewa was going to visit this very polling spot. He arrived just as Byron Engle, Howard Pollock and I had finished up our voter interviews.

Zimbabwe-Rhodesia's new prime minister is a small, sharp-featured man of serious demeanor and quick intelligence. He was educated in the United States, and often refers to this fact in his comments about American policy toward his country. We discovered this as we talked with him at Kambazuma.

"What we are doing here to establish democratic government," the Bishop told us, "is a result of what I saw and heard in the United States when I was a student there. I would expect a democratic country like the United States to say 'you have a majority government, we will recognize you.' The causes for hostility toward us have been removed. Racialism and minority government are ended. . . . We think it is time for the United States to recognize us."

But what, we asked, about recognition from other governments—such as the black states of the Organization of African Unity (OAU)? Can the new regime of Zimbabwe-Rhodesia expect to get recognition from Africa itself?

"Yes," said Muzorewa. "There are cracks in the OAU. There are some people, such as Kaunda of Zambia, who have commitments to individuals (meaning guerrilla leader Joshua Nkomo) who will not recognize us. But there are reasonable members of the OAU who will see that we have a majority government. There will be movement within the OAU toward recognition."

What about sanctions? Does he want them lifted? Who is actually being hurt by them?

"Sanctions hurt many black people," he said, "who have been thrown out of jobs when factories and mines were closed. I and others supported sanctions originally when it was a minority government. We were willing to pay the price to make the point. But now it is majority government. If sanctions are maintained now, black people will be hurt."

At a general briefing for the press, Muzorewa expanded on these points—and made some others. In particular, he responded to the oft-stated view that the elections were inherently wrong because the new Rhodesian constitution reserves 28 (of 100) parliamentary seats for whites. Since whites make up only about 4 per cent of the population, said a reporter, doesn't this constitute a violation of democratic principles?

In point of fact, Muzorewa said, seats reserved for whites are essential to the stability of the country. "We have seen what has happened in other nations where people have become too emotional about their independence," he said. "The whites panicked and left, and those countries have suffered as a result. People are starving in Mozambique. We do not want that to happen here. We want our independence to be meaningful, so that the country prospers and people do not go to bed hungry."

The Bishop observed that 20 seats were proposed for whites in the Anglo-American plan being pushed by Andrew Young and others. Some whites, he said, wanted 34 seats. The principle was thus accepted by all parties to the discussion, the only question being how many seats would be reserved. The number 28 was a practical compromise.

Muzorewa concluded by noting that the whites in Rhodesia "are not visitors or tourists. Some of their families have been here for four or five generations. They are just as much citizens of Zimbabwe-Rhodesia as we are. We want them to stay."

White reporters baiting Rhodesian blacks about the alleged racism of the constitution became a kind of ritual at these briefings. The next night, another reporter addressed the identical question to Sithole, and got a quick upbraiding for his temerity.

Wasn't it anomalous, the reporter wanted to know, that the whites had 28 seats in the newly created Parliament? Wouldn't this make the new government suspect in the eyes of "the international community"?

"Perhaps if the international community did not have a double standard," Sithole shot back, "they would understand our situation here. If some outside force had killed Mr. Smith, killed Bishop Muzorewa, killed Chief Chirau and killed myself, then proclaimed themselves the government of the country, no doubt the international community would have recognized them immediately."

This was greeted by a tremendous burst of applause from the assembled press and corps of observers—in itself a significant item. Earlier in the week, the briefings had been stiff affairs, with journalists and observers alike reserved and skeptical. But as the days wore on, and all of them witnessed the reality of what was happening, skepticism had turned to admiration.

Muzorewa's point about sanactions was repeated by youthful blacks I interviewed in so-called "protected villages" near the small town of Bindura, northeast of Salisbury.

One of the routine questions we asked of voters was: "What do you think the election will mean for your country?"—or words to that effect. At one of these villages a young man answered: "I hope it will mean the end of sanctions. Then I can get a job again." He explained that because of sanctions the factory where he had been working was shut down.

Thereafter I asked other young blacks about the sanctions. Those that knew of the issue clearly echoed Muzorewa's theme. One person who made the point was a teacher at the protected village of Gono. A black reporter for a Rhodesian news organzation stood by to serve as an interpreter, but it turned out that the teacher spoked perfect English.

"The sanctions," the teacher said, "are very, very painful for the black people of this country. The black man is suffering terribly from the sanctions. They mean that there are no jobs."

Did he know, I asked, that in my country people said the sanctions were supposed to help the black people in Zimbabwe-Rhodesia? If that is the case, he answered, "then go back and tell your countrymen that they are wrong."

Walking back from this interview, I discovered that the black reporter accompanying me is not from Rhodesia, but from Malawi. I asked him why he had come to Rhodesia. "Because," he said "here I can be free I can criticize Mr. Smith, and nothing happens to me. But in Malawi, no one is allowed to criticize Dr. (Hastings) Banda."

A word about the "protected village," frequently cited as example of repressive rule exerted by the Rhodesian government: These are compounds of huts—small cities, really—containing hundreds, sometimes thousands, of residents. They are analogues of the "strategic hamlets" in Vietnam.

The protected village in which we interviewed the school teacher is part of a complex containing several thousand people. Each is surrounded by a wire fence, which is equipped with lights at regular intervals and patroled at night by guards, to keep out terrorists. At the center of the complex is a high rock formation that shelters the military garrison of the place and provides a commanding watch tower.

These compounds have been the object of much criticism as alleged concentration camps in which people are obliged by the authorities to live. (Once people were required to live in the P.V.'s, but since the internal settlement was reached, anyone who wants to leave is free to do so.)

A well-known British writer of books was traveling with us, and obviously out to prove that the P.V.'s are terrible places. While most of us were trying to gauge attitudes toward the election and the spontaneity of the turnout, he was probing for data to show the horror of life in the P.V.'s.

One thing he wanted to know was whether people weren't forced to work long hours in the fields located near the compounds. And was it true that they were deprived of food while they were working? Wouldn't they rather be outside the villages rather than cooped up here?

The situation, it developed, was not quite so onerous as the British writer believed. Rather than heading for the fields at dawn and stumbling back exhausted after dark, the workers went out at 10 a.m. and came back at 5:30. No, they didn't take any food with them, but, as we subsequently discovered, this was for their own protection: If guerrillas knew a worker had food, they would attack to get it.

As for leaving the P.V., the most articulate of the young men being questioned said: "As long as the fighting goes on, it is rather safer to be in here than outside." I could see that it was not the answer the British writer was looking for.

Bulawayo, the second largest city in Zimbabwe-Rhodesia, is in the center of Matabeleland. This is Nkomo country. Nkomo is a Matabele, and a considerable number of terrorists under his command have infiltrated here. In addition, there are many people who are not very sympathetic with terrorism but unhappy that Nkomo was not running in the election.

It had been alleged the Matabele (who make up about 14 per cent of the total population of the country) would boycott the election, and doubtless many did so. Still, many of them were voting. I talked with one voter who openly expressed himself as an Nkomo supporter, but said he was casting his ballot anyway in the hope that it would somehow end the fighting.

We got our bearings on this subject when we were driven by Nkomo's house in Bulawayo. We were told—somewhat to our astonishment—that Nkomo's wife and children still live here, and that the children attend Rhodesian schools. (A local newsman subsequently told me this was no longer true, but had been until recently.) As we drove by, we saw no signs of anyone about, except a dog barking at us through the fence. Rob Henderson of Freedom House snapped a picture, and we speculated that we had a journalistic first: An authentic picture of Joshua Nkomo's dog.

Henderson and Sean Randolph of the American Security Council made a particular effort to see things on their own, spending an entire day in Salisbury at polling places not on the official agenda. They reported procedures and atmospherics at these places were not appreciably different from what we had seen at polling booths elsewhere.

Randolph also went with me one evening to spot-check procedures for sealing ballot boxes at a Salisbury polling place—and, incidentally, to check the disposition of spoiled ballots. Neither of these exercises had been officially scheduled. We found that all was in order, and interviewed two white voters who believed that Chief Chirau was the best of the available candidates. (In the event, he ran well back.)

The prize for most initiative in individual inquiry, however, went to Smith Hempstone. On the day that the rest of us did the Salisbury townships, he borrowed a gun, rented a car, and drove himself to the easternmost provinces next door to Mozambique, where the guerrilla action has been at its hottest, and where he had no official security protection. We told him on his departure that, if he didn't come back, we would call our election findings "The Smith Hempstone Memorial Report."

Smith did come back, and reported that the proceedings in the eastern area were similar to those we had witnessed elsewhere. The voters had turned out, despite the guerrilla problem, and all the checkpoints we had witnessed at the other polling places were operative there as well.

As indicated, our delegation continually crosschecked with other observers to see if they were finding leads or observations that differed from our own. Howard Penniman of Freedom House was a particularly valued resource, because of his great experience in observing and reporting elections around the world. Roscóe Drummond and Bayard Rustin, co-chairmen of the Freedom House group, have an exhaustive fund of knowledge about world affairs and civil rights, respectively, and we talked with them whenever possible.

Despite the pressures of time and a hectic traveling schedule, a number of observers made efforts to get together periodically. People with whom we talked on a regular basis included former Rep. Charles Brownson of Indiana, Dr. Richard McCormack, Elvira Orly and Belden Bell of the Institute of American Relations, Randolph of the American Security Council, Leon Weaver and Henderson of Freedom House, Alvis Carver and Joe Ellingwood of the American Legion, as well as numerous observers from other countries and dozens of members of the press.

From these exchanges an enormous mosaic of evidence was assembled, based on literally thousands of contacts with voters across the country. All the data pointed in the same direction—an election that was free and fair, and marvelously well conducted considering the circumstances.

Next to Bayard Rustin, the most prominent American liberal on the scene was Allard K. Lowenstein, architect of the "dump Johnson" drive in 1968. Lowenstein is inexhaustible, intelligent and audacious. Most of all, he is independent, and he had decided to come to Rhodesia to see things for himself. Like other observers, he was impresed by what he saw.

Among his other projects during election week, Lowenstein had a marathon discussion with 15 or so black students from Rhodesia University who were supporters of the Patriotic Front and opponents of the election. At about 12:30 in the morning, he called me at my room and asked if I would come down and talk with them. Since I hadn't yet interviewed any explicit Patriotic Front supporters, I seized the oportunity. It was an informative experience.

For one thing, the students did not seem especially different from many I had encountered in the United States. They were fired up with zeal for "power to the people," and complained bitterly about repression—although I later learned that they were recipients of government scholarships, and had apparently had no trouble coming and going to the headquarters hotel where we conducted our meeting. The elections, they told me, were unfair from the beginning, both because of the reserved seats for whites and because opponents of the voting had been rounded up and jailed.

I pressed for specifics and got the names of two men assertedly detained for political reasons, rather than acts of real or threatened violence. I said I would check into the matter further (and am still doing so). All in all, it was a civil if somewhat restrained meeting, which permitted me to get the perspective of those who were most opposed to the internal settlement.

Not so fortunate was Prof. Maurice Woodward of Howard University, also with the Freedom House delegation. Woodward is not a fan of the Smith regime, and went to Rhodesia University to address the students who had demonstrated against the election. He was promptly shouted down as a sellout. I talked with him after the experience and he was not happy about it. "Those people are fanatics," he said.

On the subject of repression, what looked like military intimidation to some armchair critics in the United States looked more like necessary security measures to those of us who were on the ground.

It was obvious at the polling places that the massive call-up and deployment of security forces was not intimidating to the people. The voters and demonstrators at the polling booths showed no apprehension about the presence of security forces, and in our interviews we encountered many people who said they were voting because they felt it was safe to do so. "The guns," as we put it in our preliminary report, "were pointing out, not in."

The Rhodesia security forces, indeed, are among the most impressive things about this impressive country. They are about 80 per cent black; they are tough and resourceful; and they have repeatedly shown themselves to be more than a match for the terrorists as fighters.

And their inventiveness defies belief. To ward off the terrorists' favored tactic of planting land mines, the Rhodesians have devised a series of peculiar looking vehicles, equipped with armored underplating and roll bars, that can survive the concussive impact of a direct contact explosion. For aerial combat, they have come up with such intriguing gimmicks as tiny, one-engine Cessnas—fitted out with rockets on the wings.

In one foray to the tribal trustlands, Byron Engle and Howard Pollock became instant media hits by dancing with the tribal women at a celebration of the election. They also witnessed first-hand evidence of the kind of enemy the Rhodesian security forces are facing.

In a field at one cattle farm, Engle and Pollock viewed a slaughtered herd of cattle—shot down with automatic rifle fire. Also, the mouths of the baby calves had been slit so that they could not suckle. Spent cartridge cases were all over the area—bearing the tell-tale markings of the Soviet arsenals where they had been manufactured.

At a display room in the police armory at Salisbury, we saw vast quantities of such cartridge cases, and hundreds of other items proving the massive nature of Soviet and other Communist involvement in the warfare. Here are located stacks of captured AK-47s, SAM missiles, rocket launchers, land mines, machine guns, and every other conceivable weapon.

These implements of warfare are marked with arsenal indicia not only from the Soviet Union, but from Communist China, Yugoslavia, Rumania, Czechoslovakia, East Germany, North Korea, and other Communist nations. I had dozens of pictures taken of these captured weapons, and planned to do an extensive layout on the subject when the photographs are ready.

By week's end, the verdict of almost all the people witnessing the elections was that we had seen a rare example of democracy in action, under conditions of stress and open conflict that could well have justified a smaller turnout.

The critics, however, had not given up, and were seizing on whatever evidence they could find to discredit the voting. A flap was created when the ballots were being counted by the announcement that, in certain areas, the reported total was larger than the estimated eligible electorate.

When this dispute arose. I recalled a little-noticed release that had been issued on Friday, April 20, when the voting was still in progress and overcounting had not become an issue. I had kept this missive and by digging back through my pile of papers was able to root it out. Its statement of the situation, before there was any serious dispute about the point, is worth quoting at length:

"The Directorate [of the Election] . . . draws attention to the fact that it is misleading to calculate percentage polls in individual electoral districts on the estimated voting potential in each of these districts. In the first place, these estimates were made for the purpose of calculating the number of parliamentary seats and were based on the normal estimated population of each administrative district.

"No account was taken of movement of population, particularly to the urban areas, in recent years as a result of the terrorist war, as this would have been impossible to calculate and in any event would have given a false picture on which to base parliamentary representation.

"In this particular election a voter is free to vote at any polling station in the country and is not restricted to his own district. The Directorate is aware that there has been a significant movement of people from some tribal trust lands to urban centers immediately before and during the election so that they can cast their votes free from intimidation. In many cases this movement has involved crossing electoral district boundaries."

I had discovered the truth of this assertion earlier, when I interviewed voters in Fort Victoria, a fair-sized town in the southern portion of the country. There I talked with a man who spoke English—and therefore needed no official interpreter—who told me he had come from a considerable distance to cast his vote in this urban precinct.

Had he been told not to vote? I asked. "Yes," he said. "And I told them that I would not vote. But in my heart I knew that I was going to vote." In Fort Victoria, he could do so without fear of discovery.

Another flap developed after the counting, when Sithole complained of "gross irregularities" in the proceedings. It was noted by several of the journalists reporting the election, however, that Sithole had been very enthusiastic about the voting until it became apparent he was going to lose. Only a few hours before he issued his statement about irregularities, indeed, he had put out a press release describing the election as "a triumph of the will of two million voters," and saying the fact that "the election was free was self-evident."

Given the circumstances of the country, and the vagaries of human nature, it would be astonishing indeed if something irregular did not occur somewhere in Zimbabwe-Rhodesia in the course of this election. The incredible thing was that, under conditions of warfare, in a balloting with an unregistered electorate that had never before taken part in such a procedure, with a swarm of observers and press men combing the country for fraud, so little evidence of anything improper was uncovered. Almost any election in the United States has more to condemn it than this first-ever, one-person, one-vote election in Rhodesia.

As for other African states and the attitudes of the external leaders, the comparison is hardly worth making. Most of the African states are one-party government or military dictatorships where no free elections are held at all. And Rhodesian guerrilla leader Robert Mugabe has openly said he aims for "a one-party Marxist state," and that "I don't think a multi-party system is necessarily democratic."

In sum: on the evidence gathered by countless observers, the parliamentary elections in Zimbabwe-Rhodesia were free and fair, and authentically democratic. It is not too much to say, indeed, that Zimbabwe-Rhodesia is the freest country on the African continent and, taking the situation all in all, probably one of the freest in the world.

RESOLUTION BY SOUTH CAROLINA LEGISLATURE REGARDING TAIWAN

Mr. THURMOND. Mr. President, Senator HOLLINGS and I wish to bring to the attention of the Senate a concurrent resolution passed by the Legislature of the State of South Carolina. This resolution urges the Congress of the United States to continue to give full support to the people of Taiwan and to continue to protect the security and welfare of Taiwan.

Mr. President, I ask unanimous consent that this resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CONCURRENT RESOLUTION

Whereas, the United States of America no longer officially recognizes the Republic of China but now recognizes the People's Republic of China; and

Whereas, the United States, by virtue of the Taiwan Relations Act of 1979, maintains trade, cultural, economic and other relations with the people and the government in Taiwan; and

Whereas, the people in Taiwan have been among the most trusted friends and allies of the people and government of the United States; and

Whereas, Taiwan is of great strategic importance in the defense of East Asia and the Pacific, and has always utilized its military power in the interests of the free world; and

Whereas, after the severance of diplomatic relations between the United States and the Republic of China, the people and the government in Taiwan need continued support from the United States and to help the people and the government in Taiwan is in the best interests of the United States; and

Whereas, Atlanta has been chosen as the site for the southeastern office of the Coordination Council for North American Affairs which is the council representing the interests of the people of Taiwan after the severance of diplomatic relations. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring: That the General Assembly, by this resolution, strongly urges that the United States government continue to protect the security and welfare of Taiwan;

Be it further resolved that the Congress of the United States is hereby urged to continue to fulfill the obligations assumed under the recent agreements between the United States and the Republic of China.

Be it further resolved that the Government of the United States is urged to promote the relations and contacts between the people of the United States and the people in Taiwan; and

Be it further resolved that copies of this resolution be forwarded to the President and the Secretary of State of the United States, the members of Congress from the State of South Carolina, and representatives of the government of Taiwan.

RECOGNITION OF SENATOR TSONGAS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Massachusetts is recognized for 15 minutes.

Mr. TSONGAS. Mr. President, I yield 5 minutes to the Senator from Illinois.

ASBESTOS CORP. LTD., AND THE QUEBEC GOVERNMENT

Mr. PERCY. Mr. President, as an industrialist, I founded, in the early 1950's, Bell & Howell of Canada, Ltd., and developed a very good working relationship between our company and the Canadian Government that proved highly beneficial to the people of Canada as well as to the United States.

As a Member of the U.S. Senate and its Foreign Relations Committee, I have tried in every way possible to strengthen our economic, political, cultural, educational, and international relations with our great neighbor to the north.

It is, therefore, with grave concern that I draw the attention of my colleagues to a disturbing development involving the Province of Quebec and a U.S. company, the General Dynamics Corp., a corporation that has offered direct and indirect employment and has stockholders in virtually every State represented in this body.

For some time Quebec has been contemplating the expropriation of the Quebec-based assets of a subsidiary of General Dynamics, the Asbestos Corp., Ltd., of Canada. A bill to effect this has been introduced in the Quebec Legislature, and Quebec's finance minister has told the legislature that the Quebec Cabinet has decided to proceed with the expropriation bill.

First off, it should be understood that General Dynamics has no desire whatsoever to divest itself of its 54.6 percent interest in this company.

The introduction of legislation to authorize this expropriation came as very much of a surprise. It had been expected that action of this kind would be a matter of last resort to be undertaken only if even-handed negotiations between the government of Quebec and the General Dynamics Corp. were to fail.

On January 26 of this year Mr. Levesque, the premier of the Province of Quebec, appeared before the National Press Club here in Washington. In response to a question concerning the Quebec government's plan to expropriate the holdings of the Asbestos Corp., Mr. Levesque stated that the takeover would be effected—

> If possible, through agreed purchase, if not, through expropriation.

According to Mr. Levesque, then, the chronology would be negotiations first and a bill of expropriation only if such negotiations failed. I assumed that Mr. Levesque referred to genuine and realistic negotiations. It has turned out, however, that this procedure has not been followed. While General Dynamics is opposed to the whole idea, it has held itself ready to negotiate in a fair and equitable fashion. But the effort on the part of the Quebec government in this respect has been, so far at least, one of form rather than one of substance.

One cannot help but perceive this threat of expropriation as an attempt to acquire privately owned property at less than its true value; and this true value has been most carefully arrived at through the normal and wholly accepted appraisal methods of objective, professional and dispassionate appraisers, in this case Lazard Freres, investment bankers. The value of General Dynamics' interest in Asbestos Corp. so arrived at is $154.5 million. The Quebec government has offered about 40 percent of this amount, $62 million.

The history of this proposed action by Quebec does not portend well for any American business that has thought about establishing itself in Quebec. And that makes this action all the more remarkable, all the more incomprehensible. Expropriation is a sovereign act, an unusual and even extraordinary act, and for this reason should be resorted to under only the most extreme circumstances. In my view the circumstances that exist here militate very strongly against expropriation, since it is excessive, and quite unnecessary. Negotiation and purchase is the fair and politic course to pursue if, indeed, acquisition of the property is inevitable.

One could say, "Well, there must be more to the story than this. Perhaps General Dynamics has not been running this Asbestos Corp. in a way that is beneficial to the government of Quebec and the people of Quebec." The facts, however, are very much to the contrary.

In the first place, I'll point out that while the company is under the control of the American parent, General Dynamics, management is in Montreal and is in the hands of a citizen of Quebec who is president and chief executive officer of the company. In addition, I understand that all operating managers are French-speaking, and leading Canadian businessmen are members of the corporation's board of directors.

Asbestos Corp. has been under the control of Géneral Dynamics since 1969. Since that time the earnings and assets of the company have nearly tripled. Taxes to the provincial government of Quebec and the Government of Canada have increased fourfold. During this same period, the work force of Asbestos has increased from 2,300 to over 2,700. And compensation to the workers has nearly tripled, from about $17 million to almost $49 million. So, the company has been very efficiently managed and provides very great benefits to the Province of Quebec and to Canada.

It is quite reasonable to assume that this remarkable record can be attributed to the fact that General Dynamics, with its vast experience in many businesses, has provided the leadership and impetus that has caused Abestos Corp. to be so successful. But now, after all the success that has been achieved, the Province of Quebec, in what would appear to be very peremptory fashion, says that it is going to expropriate the property for rather vague reasons described by Premier Levesque as centering around the desire—and I quote—"for some sense of ownership. * * *" Well, it is clear that ownership can be acquired without resorting to expropriation, with all of the delays and monetary losses that are virtually certain to accompany such action.

I feel sure that this is not intended to be an unfriendly act. We are good friends of Canada and Quebec. We have always had the closest feeling of friendship and cooperation.

It is true that properties of U.S. companies have been taken over before by governments throughout the world. But Quebec taking over property owned by a U.S. company through expropriation—and introducing a bill in the legislature for this purpose without true negotiations—is, to say the least, something quite apart from our usual relationship. It is not the act of an old friend. Certainly we who are so geographically close, and so close in other respects, do not deal with each other in this way. None of us would question the legality of what the Province of Quebec proposes, but we can raise very serious questions about the manner in which this property is proposed to be taken. It is not the way that old and good friends do business.

What then should we do? I do not recommend that this body take any action of a formal nature at this time. I presume, however, that there are many Senators who agree with me, and I hope that these Senators will similarly voice their opposition to this proposed action by the government of Quebec.

The basic reasons that I suggest no formal action be taken at this time is because it is still my hope that the government of Quebec will reconsider its action in pressing forward with the bill of expropriation in its legislature.

In summary, let me say that we in the U.S. Senate value the excellent relations we have enjoyed with Quebec and Canada for so long, that we earnestly desire that these harmonious relations will continue, and therefore we hope that this matter can be resolved amicably and fairly lest it harm these relations in the future.

EXPROPRIATION IN QUEBEC

● Mr. TOWER. Mr. President, I would like to associate myself with the remarks made by the distinguished Senator from Illinois (Mr. PERCY) in expressing surprise and concern over the proposal by the government of Quebec to expropriate a subsidiary of an American-based corporation, General Dynamics Corp., without the benefit of arm's-length negotiations to arrive at a fair and equitable solution to the problem.

General Dynamics Corp., though based in St. Louis, Mo., has a very large operation in my own State and is known at home and elsewhere as a very successful enterprise. The legislation now pending in the Quebec Assembly would expropriate the assets of Asbestos Corp., a 55 percent owned subsidiary of General Dynamics, thus costing investors in the parent firm millions of dollars. It is my understanding that General Dynamics and Asbestos Corp. have long enjoyed a fine record of partnership in which sales, earnings and capital investment have grown tremendously over the last decade.

I would hope that the government of Quebec would consider serious, good faith negotiations with the firm proposed to be acquired, with attention being given to the economic value which the company provides to the Province of Quebec and its citizens. Without careful reflection on this point, sudden seizure of the assets would establish a dangerous precedent which could cause other American businesses to reconsider future investment in the Province. Our friends in Quebec are very sensible people and have all the qualities that we in this country admire. And because of this I think a second thought about expropriation would be worthwhile.●

ASBESTOS CORP., LTD.

● Mr. DANFORTH. Mr. President, I wish to add my comments to those of several of my colleagues concerning the controversy which has developed between the Province of Quebec and Asbestos Corp., Ltd., a company whose majority interest is owned by General Dynamics, a St. Louis-based corporation.

In October 1977, the government of Quebec announced its intent to acquire control of Asbestos Corp. A bill to expropriate General Dynamics' 54.6 percent interest was introduced in the Quebec National Assembly. The bill failed to pass. The bill was reintroduced in the current session of the National Assembly and this time it is expected to pass.

General Dynamics does not want to dispose of its holding in Asbestos Corp., and wants to continue exercising its majority interest in that firm. As a practical matter, General Dynamics would be willing to negotiate the matter with the government of Quebec if such negotiations were done in good faith. To date, there is no evidence that the Province of Quebec wishes to negotiate in good faith. The two sides are far apart concerning the establishment of a fair book value for Asbestos Corp. The government of Quebec commissioned a study which set the value of a share of stock at approximately $42. A study by General Dynamics set the value at about $100 a share. The current book value of Asbestos Corp., is $52 a share. The price offered by the government of Quebec was not even as high as the existing book value.

It is difficult to understand why the government of Quebec wants to nationalize Asbestos Corp. Under the leadership of General Dynamics since 1969, the sales, earnings and assets of Asbestos Corp., have nearly tripled. Taxes to the Provincial government of Quebec and the Federal Government of Canada have increased fourfold. The work force of Asbestos Corp., increased from 2,300 to 2,700 and employee compensation tripled during the last decade.

The company has processed 84 million tons of ore since 1969. Expanded exploration under the guidance of General Dynamics has increased the proven and probable reserves from 192 million to 326 million tons. Asbestos Corp. has spent more than $120 million during the last decade on capital improvements in Quebec—1½ times its total earnings in the period. Additional capital expenditures of about $140 million are planned for the next 5 years by General Dynamics.

I think the record is clear that the leadership of General Dynamics has been good for Asbestos Corp., good for the Province of Quebec and good for its Canadian workers. Why is there this plan afoot to nationalize the company? The government of Quebec has stated that its principal motive in expropriating Asbestos Corp. is to increase jobs within the province. The facts indicate just the opposite may occur. For example, Asbestos Corp. employs some 500 workers in its mining operations in the Ungava Peninsula. The ore from this mine is shipped as ungraded fiber for final processing to a modern, highly mechanized mill specifically constructed for that job in West Germany. This is the only mill of that type in the world. After processing, the Ungava material is shipped as finished fiber to nearby customers in Europe, the Middle East, and Africa.

Following expropriation, the management of Asbestos Corp. will have to decide whether it makes good business sense to contract with the Province of Quebec for the processing of the Ungava ungraded fiber or to operate the West German mill using material from other sources. If the latter is the case, the 500 Asbestos Corp. employees in the Ungava Peninsula would be out of work unless the government of Quebec would decide to duplicate the West Germany facility at a cost of between $75 million and $100 million.

The intent of the government of Quebec to expropriate General Dynamics' majority interest in Asbestos Corp., Ltd., is ill founded. It is not in the interests of the Province of Quebec, the employees of Asbestos Corp., or the continuing good will between the United States and Canada. I would hope that the government of Quebec would reconsider this whole matter.●

OBJECTION TO QUEBEC TAKEOVER

● Mr. CANNON. Mr. President, I certainly want to join my colleagues in opposition to the proposed takeover by the Province of Quebec of property owned by a U.S. company.

From what I have seen in the press, and from discussions with my colleagues, it looks as though the whole Quebec expropriation matter can be summed up as follows: First, General Dynamics does not want to sell its substantial interest in Asbestos Corp., Ltd.; second, an expropriation bill has been introduced in the Quebec legislature—and with good chance of passing, as I understand it; and third, there is a definite hint of pressure by the government of Quebec to acquire the General Dynamics property at something less than its true value through this threat of expropriation.

General Dynamics has a substantial investment in Asbestos Co. and has run the business in an efficient way, in a way that has been profitable to Quebec, the many workers in the Asbestos operation, and the parent company.

It looks to me like this is an example of free enterprise at its best. and I say again that I both regret this proposed action by the government of Quebec and I state my strong opposition to it.●

THE EXPROPRIATION OF ASBESTOS CORP., LTD.

● Mr. PELL. Mr. President, I want to associate myself with the remarks of the Senator from Illinois, as I feel the same measure of concern that he does with respect to the proposed expropriation by the government of Quebec of Asbestos Corp., Ltd., a subsidiary of the General Dynamics Corp.

I note from recent press coverage of the proposed takeover that the government of Quebec not only plans to acquire the General Dynamics interest in Asbestos Corp., through its power of expropriation, but apparently wants to pay General Dynamics less than half of the real value of the property. General Dynamics has made it abundantly clear that it does not want to give up this property.

Under the leadership of General Dynamics the Quebec operation has become a very successful business, a successful business that Quebec now wants to take over at far less than the true value of the property. Notwithstanding the fact they do not want to give up Asbestos Corp., General Dynamics, very wisely I think, realizing that a takeover was entirely possible under Quebec law, decided to have an appraisal made of just what their interest in the company was worth.

To carry this out General Dynamics formed a team of outside experts to engage in an evaluation of Asbestos Corp., and directed this team to weigh and evaluate the physical assets of the company, the ore reserves, and the business potential of the company.

The instruction that was given to these experts was to conduct the evaluation using their best business, financial, and professional judgment. They were told to ignore any pressure from General Dynamics or anyone else; and, very importantly, to be prepared to back up their conclusions in a court of law, if it came to that.

The team of experts is made up of names that are familiar to all of us. For example, the respected banking firm of Lazard Frères & Co. was retained to manage the evaluation. The evaluation of the ore reserves and the costs that would be incurred in their exploitation were made the responsibility of Davis S. Robertson & Associates, a Toronto geological and mining engineering firm. Dr. Peter Riordon, a well-known consulting geologist, joined with Robertson & Associates in this effort. One of Canada's largest engineering and design firms, SNC, Inc., evaluated the company's physical assets. Arthur D. Little Co. of Cambridge, Mass., the prominent management consultant firm, provided its assessment of the world asbestos market and, more specifically, Asbestos Corp.'s business potential for the future. Ernst & Ernst, the well-known accounting firm, was assigned the job of determining the tax and working capital requirements.

I am told that to get as broad-based evaluation as possible the team used two different approaches to the evaluation, both of them generally accepted methods. One method is called the discounted cash flow, and the other is called the depreciated replacement method. These two approaches, which were conducted entirely independent of each other, came up with evaluations of the corporation that differed by only 5 percent. And that evaluation was about $100 per share, based on the number of outstanding shares. The position of the Quebec government is that these shares are worth only $42.

While I do not hold myself out as an expert in this area, the reputations of the organizations and of the individuals involved would lead me to believe that something very close to the true value of Asbestos Corp. was arrived at.

I hope that this evaluation never has to be used because I just do not like the idea of a highly successful business enterprise, into which so much personal effort and investment have been put, being taken over in what seems to me a quite arbitrary manner.

No information has come to me that indicates that expropriation is going to result in an enterprise any bigger or better than that now being so successfully operated as a private business.●

THE ASBESTOS CORP., LTD.

● Mr. CHAFEE. Mr. President, my colleague, the senior Senator from Illinois, Mr. PERCY, has drawn our attention to a most distressing development being initiated by our good friends in Canada, the government of Premier Levesque of the Province of Quebec. I should like to add my comments to his very thoughtful and timely remarks.

The Quebec government is currently in the process of expropriating the assets of a Quebec subsidiary of General Dynamics, the Asbestos Corp., Ltd., of Canada. Senator PERCY has outlined the efforts by General Dynamics to negotiate an equitable resolution to this matter with the Quebec government. But to no avail. The Quebec government seems intent on proceeding with the legislative expropriation of this company.

It is most difficult to understand why a near and dear neighbor should see fit to proceed to the acquisition of a U.S.-owned company through expropriation when our longstanding relations naturally warrant discussion and a businesslike resolution.

Such expropriated action would have far-reaching implications in the United States-Canadian business and financial communities. Thus, Mr. President, it is my sincere hope that the government of Premier Levesque will reconsider the current legislative procedure for the acquisition of Asbestos Corp., Ltd., and instead resume negotiations with General Dynamics in an effort to find a mutually acceptable solution to this matter. Furthermore, I would like to urge our State Department to assist in this effort on behalf of General Dynamics and the U.S. business community. In the best interests of the government of Quebec and U.S. business, I hope that such an approach can be realized.●

RECOGNITION OF SENATOR TSONGAS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Massachusetts (Mr. TSONGAS) is recognized for not to exceed 15 minutes.

UNIVERSITY DIVESTITURE

Mr. TSONGAS. Mr. President, a debate of far reaching importance is taking place at colleges and universities all over the United States. The debate is on university investments in companies doing business in South Africa.

Students seek the total sale or divestiture of those university investments. University administrations in most cases are opposed. The issue is apartheid—the abhorrent system of racial discrimination which is official South African policy.

The divestiture campaign speaks to a profound question for American policymakers—how should we respond to the apartheid crisis in South Africa? To some, the South Africa issue is merely another campus fad. But they are completely mistaken. Although the issue concerns the divestiture of university holdings, the implications go far beyond the university.

For that reason, I think it is entirely appropriate that my distinguished colleagues in the Senate consider the divestiture debate. In my remarks today, I want to pay tribute to the remarkable efforts of the university community in bringing this issue to the attention of university administrators and the public at large. I will then propose a new approach to the divestiture issue. It is a plan for phased-conditional divestiture of university holdings in companies doing business in South Africa.

The divestiture campaign began in the early 1970's, but did not become a major campus movement until the death of Steve Biko in a South African prison. Many groups with varying objectives and philosophies are involved. It is a typical grass roots campaign, loosely organized, and fueled by popular interest and support.

Students favoring divestiture share some common objectives. Their first priority is to sever the corporate ties between universities and the system of apartheid in South Africa. They see divestiture of stocks as a way to compel American companies to withdraw from South Africa.

They fear that American companies in South Africa will lead U.S. policy to an alliance with minority rule if a racial war occurs. They are convinced that U.S. companies provide moral and economic support for the government and its policies. Many of these students are pessimistic about the possibility of peaceful reform of apartheid. Many accept the inevitability of guerilla war. Others regard the divestiture campaign as a potent "message to Pretoria," that South Africa must put an end to apartheid and accept majority rule or endure increasing pressure from the United States.

Universities have responded in different ways to the escalating divestiture movement. More than a few have decided to sell all their stocks in companies operating in South Africa. The University of Wisconsin, Ohio University, and the University of Massachusetts, among others, have completely divested—selling nearly $12 million worth of their holdings. Other schools, such as Columbia University, Amherst College, and Ohio State University have followed the path of partial divestiture, selling a portion of their holdings in South Africa-based companies.

But the great majority of universities have not divested at all. Some have decided not to purchase more stocks in such companies. Others have urged companies to follow progressive labor practices in South Africa as spelled out by the six principles of Rev. Leon Sullivan. Still others have established investment advisory committees to look into the question of divestiture. Many have done nothing at all.

Most major universities, such as Harvard, have taken strong stands against divestiture. The mood on these campuses is increasingly confrontational. Students apply more pressure. Administrators restate their position and stand firm.

The large institutions argue that divestiture is a rash, one-shot act of protest with no lasting effect on South Africa. They prefer to hold the stocks and to press for the reform of company labor practices.

They say that forced divestiture of all South Africa holdings would cost the university large sums through poor portfolio management and broker's fees. They fear that divestiture will plunge the university into a political riptide which would destroy academic freedom and the free pursuit of ideas.

Students reject these arguments and apply more pressure. Many suspect that the large institutions are consciously supportive of minority rule in South Africa. Six thousand people recently marched at Harvard to protest the university's anti-diverstiture policy.

The divestiture issue need not cause a serious rupture of the academic community. I believe that students and administrators alike share a deep abhorrence of apartheid. All want an end to this oppressive policy of the South African Government—the difference is over means, not ends. It would be tragic if the major universities suffer needless disruption and strife. At the same time, the divestiture campaign has created a rich opportunity for Americans to contribute to the peaceful reform of apartheid.

I want to outline here what I feel is a tactical alternative, one which combines maximum effectiveness in South Africa with minimum disruption of university investment procedures. I propose that all colleges and universities adopt a policy of phased-conditional divestiture.

Phased-conditional divestiture is a straightforward idea. Institutions of higher education would join together nationally in a 5-year program of divestiture of their holdings in companies (including banks) doing business in South Africa. Beginning in calendar year 1979, each university would divest 20 percent of its South African stocks and would continue at that same rate of 20 percent per year unless South Africa commits itself to ending apartheid and takes meaningful steps toward the full political, social, and economic incorporation of all racial groups in a single state. If the South African Government does not make these policy changes, then full divestiture by all colleges and universities would be achieved in 5 years—that is, by 1983.

I believe that phased-conditional divestiture can resolve the current impasse between university administrators and the divestiture campaign.

On one side, universities would benefit in several ways from the plan. By phasing their divestments over a 5-year period, they would gain needed flexibility in the management of their investment portfolios. Rather than face the high cost of immediate, total divestiture, universities could sell South Africa holdings selectively on the basis of economic or other criteria. In any case, the university community would decide which stocks to sell and when—only the rate would remain constant.

But universities object to divestiture not just for economic reasons. They fear intimate political involvement and a consequent loss of academic freedom. I strongly uphold the cause of academic freedom. I, too, would object to any action which would compromise this vital foundation of scholarly inquiry.

Academic freedom is without question a fragile privilege. All threats to university neutrality are not the same, however. Some are more serious than others. I suggest that university divestiture is less a threat to academic freedom than the refusal to divest. We are dealing here with South Africa—the world's worst example of racial oppression.

South Africa's legislated structure of racial domination is a wholesale assault on principles of morality, justice, and human dignity.

Apartheid is a unique, longstanding governmental policy which inflicts massive harm on all South Africans. Because of South Africa's infamous policies, university investment in companies operating in South Africa is in itself a threat to the neutrality of the university. I believe that a phased, conditional sale of holdings represents a sound fiscal and philosophical alternative which universities such as Harvard can accept in good conscience.

I turn now to the other side of the debate and look into how a phased, conditional program will meet some of the basic objectives of the divestiture campaign. I have long accepted the moral necessity of university divestiture, and I firmly believe that a properly designed campaign of national scope will have a constructive, beneficial impact on South African policy. That is the spirit of my proposal for phased-conditional sale of university holdings.

The primary advantage of the phased-conditional plan is leverage. I think that companies and university administrators are correct when they say that a one-shot total divestiture would have limited impact in South Africa. South Africa could absorb the financial and moral impact in the short term, and universities would be left with no cards to play. The idea of a phased program corrects this tactical weakness. For a 5-year period, a nationally coordinated group of universities would divest at a steady rate. Each year, universities would renew the divestiture process; each year, universities would announce their sale of stock; and each year, there would be new pressure on the Government in Pretoria.

A second advantage is the orientation of pressure toward the source of the problem—the South African Government. Only a decision by the government to abandon apartheid in favor of full incorporation of all racial groups in a single South African state would bring an end to phased divestiture.

There is no mention in this plan of progressive labor practices and the Sullivan Principles. The omission is intentional. I certainly have no objection to the Sullivan Principles. Indeed, I applaud those companies in South Africa who have adopted and implemented them. But the issue here is not the reform of American companies. The issue—the target—is South African law. That law entrenches a racial minority of 4 million whites in complete political and economic control over nearly 21 million people of colour. I think it is illogical to assume that American companies can reform apartheid through progressive labor practices.

Even more far-fetched is the notion that American companies can or should violate South African law in order to bring down apartheid. We can demand that companies be ethical, but it is impractical to ask them to be revolutionaries.

If a society needs drastic changes in its laws. As South Africa does, then it is up to the South African Government to legislate the needed changes. American companies can and should make their wishes known to the government. But they should not be expected to blaze a revolutionary path through the morass of apartheid.

Yet U.S. companies do have a responsibility in South Africa. They must recognize that their very presence there is a symbol of American complacency toward apartheid. More importantly, these companies play a vital role in strategic South African industries such as mining, motor vehicle manufacture, computers, oil refining and distribution, coal gasification, banking, and finance. American investment is intricately tied to the South African economy.

In some cases, American companies deal directly with the South African Government, selling computers used to organize the pass law system, building coal-to-gasoline conversion plants, and selling military vehicles to the South African police and defense forces.

American companies cannot escape their role in sustaining and strengthening the present government and its policies. They must accept responsibility for their involvement with the racist policies of the South African regime.

Phased-conditioned divestiture calls upon American companies to act in a responsible manner toward the South African Government. Companies which regard divestiture of their stocks as harmful will come to realize that they must contribute to the rapid reform of South Africa's apartheid laws. How they decide to do that is their own decision. Each company has unique capabilities and characteristics. Each should decide individually how to exert the most effective pressure on the government. They will have an incentive to do the job well. Universities will systematically sell their stocks over a 5-year period unless South Africa abandons apartheid.

I hope that the advantages of a nationwide program of phased conditional divestiture are apparent to both sides in the debate. I believe that this plan responds to the most important concerns of all members of the university community. But a basic question is whether the plan is the appropriate response to conditions in South Africa. Will the plan work? Or, more fundamentally, can outside pressure contribute to the reform of apartheid? No one can know the answers to these questions with complete confidence. But I feel there is a compelling argument for outside pressure as the most promising path to the reform of apartheid.

There are three paths to change in South Africa. There is the revolutionary path, there is the evolutionary path, and there is the external pressure path. Each of the three paths could lead to the end of apartheid. Each has its costs and each has its benefits. Revolution will bring a swift solution, but the cost in human lives and property would be enormous.

Evolution relies on the natural forces of economic growth and liberalization to reform apartheid out of existence. There would be little violence, but evolution is a very slow process. External pressure is the moderate path between the extremes of revolution and evolution. External pressure can bring change more rapidly than the evolutionary path, and will involve less suffering than the revolutionary path.

South Africans of colour are increasingly impatient with evolutionary changes. They are deprived of all meaningful rights to political and economic power. There has been no progress toward ending the hated pass laws, no movement to end the Bantustan system of political disenfranchisement, no change in the township system of black housing. Many South Africans are turning to revolution as the only viable path to majority rule and an end to apartheid. Those who would rely on evolution are running short of time.

Soon, the day will arrive when the revolutionary alternative will overpower the evolutionary path, when all hope for negotiation and peaceful development will vanish, when violence and bloodshed will determine the course of history. We have watched this happen in Rhodesia; we are about to see it happen in Namibia. In South Africa, there is still time—not much time, but enough to apply outside pressure to the South African Government, to compel that government to make the substantial changes so necessary for peace.

Pressure from the United States can have a potent impact on the Pretoria Government and its electorate. It imposes a psychology of censure to which South Africans are very sensitive. It imposes economic costs to which no one is insensitive. We cannot be sure how effective each application of pressure will be, but we must apply it. There is no other way to contribute to a peaceful end to apartheid.

There is no denying that external pressure will bring hardship to all South Africans, black and white, racist and nonracist, responsible and irresponsible. But I do believe that a gradual, step-by-step escalation of pressure will give South Africa's rulers time to change before the hardships become severe. South Africans themselves have called for external pressure again and again.

The late Albert Luthuli, a Nobel Prize winner and eminent South African, has said:

> The economic boycott of South Africa will entail undoubted hardship for Africans, we do not doubt that. But if it is a method which will shorten the day of blood, the suffering will be a price we are willing to pay.

Another South African told me last week during his visit to my office here, that "South Africa wants to hide behind our suffering." Many other black South Africans have expressed the same sentiments. They are ready when we are.

This is the strength of African nationalism—to push forward against great odds and under great duress. We have underestimated African nationalism before and paid dearly for our error. I pray that we will not do so again. We must accept the determination of Africans to achieve majority rule. We must understand that the governments' policies are forcing many black South Africans to take up arms. We must do all we can to promote the swift reform of apartheid. Many lives are at stake. Given our intimate commercial, cultural, and strategic ties with South Africa, we have a moral and practical responsibility to act. The divestiture campaign represents a rich opportunity to put the United States on the right course in South Africa.

I honor and support Americans across the country who have worked so hard to make university divestiture a reality. As the action of some colleges and universities already has demonstrated, it is not an idle theory or a passing fancy. My proposal for phased conditional divestiture is offered in the spirit of moving ahead with what remains to be done—and must be done.

AMENDMENT TO DOE STANDBY GASOLINE RATIONING PLAN NO. 1

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of Senate Resolution 153, which the clerk will state.

The legislative clerk read as follows:

> A resolution (S. Res. 153) to approve an amendment to Department of Energy Standby Gasoline Rationing Plan Numbered 1 (Department of Energy Contingency Plan Numbered 6).

The Senate resumed the consideration of the resolution.

Mr. STEVENS. Mr. President, what is the time consideration now on this resolution?

The ACTING PRESIDENT pro tempore. The Chair states that each side has 114 minutes.

Mr. STEVENS. Mr. President, the time for voting is to occur not later than 2:30?

The ACTING PRESIDENT pro tempore. The time is scheduled for a vote at 2:30.

Mr. STEVENS. At 2:30. Precisely at 2:30?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. STEVENS. And there are 114 minutes each side?

The ACTING PRESIDENT pro tempore. Each side.

Mr. STEVENS. Who controls this time now?

The ACTING PRESIDENT pro tempore. The time is controlled by those under the statute favoring the resolution and those opposing the resolution.

Mr. STEVENS. Mr. President, I suggest the absence of a quorum and ask it be charged equally to both sides.

The ACTING PRESIDENT pro tempore. Without objection, is is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STEVENS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. STEVENS. Under the basic law, the time is controlled by those who oppose and those who favor the regulation. Is that correct?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. STEVENS. The Senator from Illinois is in favor of the resolution. I believe he would be able, then, to yield time to himself under the circumstances.

The ACTING PRESIDENT pro tempore. The Senator is correct.

The Senator from Illinois is recognized.

Mr. PERCY. I yield myself 5 minutes.

Mr. President, the issue before us is a difficult one. There is no question about that. I have been opposed to gasoline rationing and I would vote "no" on any implementation of rationing today. If the President asked tomorrow or next week or even next month for the authority to implement rationing, I would vote "no," because I do not think it is necessary. The cost and burdensome complexity of rationing would be horrendous.

In my judgment, gasoline rationing is absolutely a last-resort step. It is inequitable; it would be grossly unfair; it would be harsh on many businesses; it would be impossible to administer equitably. It is difficult in times of war, but even more difficult in times of peace.

However, I do believe that, under these circumstances, the President should have the authority to set up a standby gasoline rationing plan. Gas rationing, as I have said, should be used only as a last resort measure to combat fuel shortages.

We also know that gasoline rationing would be expensive and cumbersome. It should be avoided, but it would be irresponsible if our Nation was left unprepared in the face of a crippling, nationwide fuel shortage.

The President has said he would not even ask Congress to implement the gas rationing plan unless gasoline supplies fall more than 20 percent below our needs. At that time, Congress would have to vote again to implement the plan.

I believe we must be ready to meet any possible fuel emergency. Despite the long lines in California, I do not feel we face such an emergency today. It would not be cost effective for us to enter into such a plan, and I would vote "no" if asked for the authority to implement the plan immediately. However, I do feel that, as a last resort, in the event of a very severe gasoline shortage—that is, a shortfall of 20 percent or more—rationing probably would be the only way to avoid horrendous waiting lines, with all the associated social and political disruptions which would occur.

How, for example, would the United Parcel Service and other delivery services get gasoline for their vehicles to deliver the vast amounts of business mail that they deliver each day? We provide for the Postal Service to get gasoline, but business-to-business parcels are essentially delivered by a private sector organization. How would they get gasoline? How would we insure it, without some rationing effort?

How would we insure that farmers would get sufficient fuel to produce the food we need? How would we insure that businesses would not wind down to a halt, that hospitals might not be short of the energy that would be desperately needed?

Therefore, I do view rationing as a last resort step and something to be avoided, if at all possible; but in my judgment, it would be irresponsible for our Nation not to be prepared for the worst.

If an emergency hits this country and we have no rationing plan ready, the administration will make Congress the scapegoat for the disruptions.

As a Chicago Sun-Times editorial said on April 29, "the full Congress ought to give Carter this last resort authority before a crisis strikes."

It would not be wise for us to take the political, the social, and the economic risks involved if we were to set aside or kill the President's program.

For these reasons, I reluctantly feel that we must support the present compromise plan as reported by the committee. It is the best alternative available to us.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

Mr. STEVENS. Mr. President, I oppose the resolution, and I yield myself 5 minutes on the resolution.

The ACTING PRESIDENT pro tempore. The Senator from Alaska.

Mr. STEVENS. Mr. President, this plan focuses the Nation's attention on a shortage which is contrived. There is no present shortage of energy in this country. All we really need to do is to look at what the administration has failed to do and why the administration wants a gas rationing plan in order to meet the emergency that, in fact, will come about because of its own ineptness.

Take the coal situation, for example. We do not have the coal that the Coal Conversion Act requires. Why do we not have that coal? Last year, in 1978, we produced 5 percent less coal than we did in 1977. The reason for that was bureaucratic delay on the coal regulations—those regulations concerning clean air, concerning the strip mining regulations, and the regulations pertaining to coal leasing policies on Federal lands. The 5-percent coal that we lost in production last year, when converted into barrels of oil per day, exceeds the current shortage of petroleum in the country.

There is evidence that there is coal already mined in this country that is not being delivered because the miners do not know under what conditions they can mine the replacement coal. A coal miner who sells a ton of coal he already has mined for less than it costs him to produce another ton of coal is out of business.

The problem we have in this country is that there is just too much bureaucracy involved in the whole energy field. We created a monster in the Department of Energy. That is why some of us who had voted against the bill when it passed the Senate voted against the conference report when it came out of conference. It is a monster. It is spewing out so many regulations that the energy industry is diverting all its administrative staffs to try to respond to the Federal Government's regulations or lack of regulations, and not directing its attention toward meeting the country's fuel needs.

The administration's right hand does not know what the left hand is doing. On the one hand, the President says he is going to cause more Federal land to be leased for oil and gas production. What are the facts? They are leasing less land than ever before.

There has not been a new oil-gas lease issued in my State by the Carter administration, notwithstanding the fact that half the energy lands of the United States are in my State. To say, on the one hand, that we are going to increase production from the Federal lands, and yet decrease the leasing, makes it obvious that the right hand does not know what the left hand is doing.

What it is doing, unfortunately, is that it is forcing industry offshore into the Outer Continental Shelf, in the most high risk area, for oil and gas exploration and development. As a consequence, there actually has been less production from the Outer Continental Shelf because of the problems associated with the premature activity in some of those areas.

My State, for example, bought back leases that had been issued on the Outer Continental Shelf in order to prevent destruction of our marine resources.

They refused to lease where we could contain oilspills and where we know there is production capability, and they force the industry off into the Outer Continental Shelf, where we have such great risks to our marine resources.

However, the real problem with this program, if one looks at it, is that it is triggered, under the basic law, by what is known as a severe energy interruption. That is not defined.

It is what the President says it is, and we hear talk now in the Oil Daily just this morning, "Texas University Professor Sees Permanent Rationing Near."

What are they talking about? They are not talking about a loss of production. They are talking about the fact that some of the people who are associated with the oil industry, working with some of the people who are in the Department of Energy, are now seeing that they would be better off, not the country, but the bureaucrats and the people who are running the oil industry would be better off with gas rationing.

What does that do to a State like mine? If we think that an oil and gas rationing plan can be triggered by something, that is not the loss of production, but a bureaucratic error.

That is what happened in California really. In my opinion, the California situation came out of a bureaucratic error both within the government bureaucracy and industry bureaucracy in not having available the supplies to meet the expanding California needs which were there and everyone knew they were there.

I am of the opinion that to put into effect a plan which says the farmers get priority because they produce food is all right. Everyone knows the farmers need support.

The energy industry last night said they would amend the plan so the energy industry would get priority because we obviously need more energy if we are going to produce more energy. We are not going to build the Alaska gas pipeline without giving Alaska more energy in order to do so.

But the real problem is what about the timber industry? What good is the farmers' product if they cannot have boxes to pack the cans in? What good is the farmers' product if they cannot have the cans to put the canned tomatoes, or whatever it is they are producing, in?

To come up with a plan like this, which has not defined priorities and leaves so much to the President's discretion, I think is wrong.

It is not a plan to deal with a national emergency. It should be.

I put in a resolution to define what is a severe energy interruption, and none of the proponents, not even the administration, would accept that.

The reason is they want the discretion in the President to implement this plan short of a national emergency.

We should not have a plan like this going into effect unless we are at war, unless there is sabotage that prevents our foreign suppliers from delivering energy to us, and unless the OPEC people put on an embargo against us.

Those are the only three things, in my opinion, that justify the implementation of such a plan.

And they testified before the committee that those three were examples of the type of things that would trigger this plan, but they admitted the President retains the discretion to trigger it. And if the President triggers this plan in an election year, who really is going to stand up and oppose it? This is delegating to the President, again, if it is approved, the power of Congress, and the answer was given to me that Congress asked the President to do this; Congress asked the President to come up with the plan, and we reserve the right to disapprove it and, in my opinion, we are abdicating our responsibility as duly elected Members of Congress if we do approve this plan.

Mr. BENTSEN. Mr. President, there is little enthusiasm in this country for the prospect of gasoline rationing. We all recognize that under any conceivable system of rationing there will be inevitable hardships and inequities. Nevertheless, recent international developments and the looming gasoline shortage make it imperative for the President of the United States to have authority to impose rationing in the event of some future energy emergency.

I am extremely pleased that in recent days the administration and the Senate have been able to work together to fashion a system of rationing that is both equitable and potentially effective. Together we have achieved enormous improvements over the rationing proposals initially submitted to the Congress.

As many of my colleagues are aware, I have been a consistent opponent of any system of rationing based on average national consumption. On March 13 of this year, I submitted Senate Resolution 98 calling on the President to withdraw his original plan and submit one that remedied the interstate inequities with regard to the distribution of gasoline rationing coupons. I was joined in this effort by 26 cosponsors.

Senate Resolution 98 was prompted by the realization that it would be inequitable and illogical to apportion gasoline among the States without regard to patterns of historical consumption. It is a fact of life in this country that, for a variety of perfectly sound and understandable reasons—physical distances to be traveled, availability of alternative forms of transportation, urban versus rural environment—people in some States and regions of America have no choice but to use their cars more often and travel greater distances than their counterparts in other areas.

To ration gasoline without taking full account of patterns of consumption would be patently and grossly unfair to half the States of this Nation. Drivers in 25 States would be entitled to more gasoline than they actually deserve, while their unfortunate fellow citizens in the loser States would be deprived of coupons legitimately required.

In short, Mr. President, the President's proposal as originally submitted asked the States to play Russian roulette with rationing. It created high stakes winners and losers in the great national gasoline raffle.

Consider, for example, what would transpire if we went to 85-percent rationing under an average national consumption formula. Motorists in Arkansas would receive coupons that entitled them to only 71.6 percent of their normal consumption. Motorists in Louisiana, Wisconsin, and Vermont would get about 79 percent, in Delaware, 76 percent, in Wyoming, 77 percent. In my State of Texas, drivers would be entitled to coupons for only 74.7 percent of normal consumption. Again, this is when the national average is 85 percent.

However, under this same 85 percent rationing based on an average national consumption formula, drivers in Pennsylvania, for example, would actually receive coupons for 107 percent of their normal use. Such a formula is patently inequitable, particularly since it creates a winner for every loser.

But that is not the end of the story.

We must now determine what drivers in the winner States would do with their surplus coupons. Would they take long trips to use up their surplus allocations? Should we have a windfall profits tax for those who benefit from rationing?

Not likely. What would happen is that the fortunate drivers who find themselves entitled to more gas than they actually need will scalp their excess coupons on the so-called white market. The coupons would then be sold at a premium in the States that would be deprived of their rightful share of allocations. This process would result in massive, regressive transfers of wealth between the various States and regions. Based on the credible assumption of 80 percent rationing and a $1.22 value for a white market coupon, the State of Texas, with its large population, vast distances to travel, and substantial rural population would suffer most. The people of Texas would pay over $109 million a month—over a billion dollars a year—to States with surplus coupons. The people of Georgia would contribute over $30 million a month to the economies of other States; Missouri, $23 million; Michigan, $24 million; Virginia, $28 million; South Carolina, $19 million; and the list goes on and on. Vast sums of money would flow on a regular basis from deficit States—generally those with lower per capita incomes—to surplus coupon States, where per capita income is higher. Gasoline rationing would become a reverse Robin Hood program, robbing the less affluent to benefit the rich.

With these factors in mind it is hardly surprising, Mr. President, that the Senate Energy Committee rejected the administration proposals and adopted this amendment which calls for apportioning rationing coupons on the sensible, equitable basis of historical consumption.

Now I recognize that this compromise may be opposed by many of the States that saw themselves as winners under the original proposal. But let me also caution that we really do not know today who the winners and losers will be if and when it comes time to ration gasoline. Today's winners could well be losers in 1985 or 1990. And let me also point out that allocation based on historical consumption has one undeniable attribute: It is equitable to all States and regions. It eliminates winners and losers. It assures that the inevitable hardships and dislocations of rationing will be equally shared throughout the country.

Mr. President, with yesterday's action by the Senate Energy Committee, the purposes of Senate Resolution 98 have been fulfilled. We have a proposal for standby rationing authority that makes sense for America. We have a proposal that clearly merits approval by the Senate. I would urge my colleagues who cosponsored Senate Resolution 98 and all Members of the Senate concerned with equity in rationing to join me in support of this amendment. I hardly need point out, Mr. President, that the alternatives to Senate approval of this compromise are grim indeed: If it is not adopted we shall either have no standby rationing authority at all—or we shall have an ill-conceived system of allocation that unfairly penalizes half the people of this country.

Mr. President, I strongly urge support of the amendment before the Senate.

The PRESIDING OFFICER (Mr. HEFLIN). Who yields time?

Mr. STEVENS. I suggest the absence of a quorum and ask unanimous consent that the time be charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BELLMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, will the Senator from Alaska yield me 5 minutes?

Mr. STEVENS. The Senator is opposed and he is entitled to yield himself time from that allocation.

Mr. BELLMON. Mr. President, I yield myself 5 minutes. I would like to begin by saying that, as I am sure every other Member of the Senate feels, there is probably a need for Congress to have in place a standby gasoline rationing plan. I do not want anything that I may say later to give the impression that I oppose a standby gasoline rationing plan. As a matter of fact, in the Senate Energy Committee when this matter was voted on earlier this week I voted in favor of reporting the gasoline rationing plan that was then before the committee.

I did it, I must say, with some misinformation. I understood the plan we had before us at that time exempted the legitimate energy needs, the gasoline needs, of both agriculture and the energy industry.

I found later that those exemptions were included in what was called the Johnston-Domenici amendment, which is not part of the plan before the Senate.

I see the Senator from Arkansas (Mr. BUMPERS) is on the floor. He represents a State similar to my own where energy and agriculture are both important industries, and I wonder if he would be willing to engage in a colloquy with me to bring out some of the points I think need to be discussed?

Mr. BUMPERS. I would be happy to.

Mr. BELLMON. If the Senator will look at, I believe it is, page 10 of the so-called standby gasoline rationing plan he will find in paragraph 4 this language:

> Supplemental allotments for off-highway vehicles and equipment used in the agricultural production of food and fiber will be provided in a timely manner in amounts adequate to meet the food and fiber production goals approved by the President.

I am curious if the Senator from Arkansas knows what "off-highway vehicles and equipment" means.

I can understand so far as it being a combine, perhaps a tractor, or a swath, or something like that, but to me the term seems quite restrictive.

I wonder if the Senator from Arkansas would enlighten me.

Mr. BUMPERS. First of all, I agree with you that the language is unnecessarily restrictive and I do not think it is what the President will finally rely upon.

There is no definition in the plan of an off-highway vehicle. The Senator and I both know, of course, that there are some things like large coal trucks used to haul coal from the mine to a loading dock or other vehicles that are not normally used on the highway but which can be so used. Heavy road equipment falls under the same category.

Of course, so far as farming is concerned—I am not trying to put words in the President's mouth to redraft the proposal—the things that come to mind immediately are the ones you just mentioned, that is, tractors, combines, cotton-pickers, and so forth. Many of those can be used on the highway but they are not normally used on the highway.

Going a little further, to try to alleviate the apprehensions and concerns of the Senator from Oklahoma, the President, I think, is going to send amendments from time to time to be approved by Congress in the future. This is simply the first step.

This admittedly is not a very definitive or precise rationing plan. The President will from time to time send us amendments.

One clarification which I think will be here within the next hour or two will be a letter from the President stating that those vehicles used for the production and transportation and distribution of food and fiber necessary for the public health and welfare will be entitled to extra coupons.

That may not be completely acceptable because I do not believe you ought to say to the farmers, "You can be wasteful and profligate in the use of energy." They certainly ought to conserve, and yet they have to plan. If you have a thousand acres of wheat, you have to plant a thousand acres of wheat, and you have to have the energy to do it. In order to produce wheat, you have to know that fertilizer trucks can reach your farm and that trucks with seed can reach your farm. This is an absolute necessity. The President would have to be insane to find otherwise.

The reason I hope the President uses that phrase is to distinguish between the different phases of producing such products as beer and liquor, which are made from farm products, and dog and cat food, a lot of which is made from farm products, and the Lord only knows what else. People do not want exemptions for those kinds of products.

I happen to come from a rice-producing State which sells a good big portion of its rice to the breweries. Naturally, I would like to know that that rice can get to the Anheuser-Busch plant and brewery in St. Louis, or wherever.

Nevertheless, we are talking about a crisis and we are talking about the production, transportation, and distribution of food and fiber to the people of the country, to accommodate not just the farmers but the people of this country who consume.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BUMPERS. Yes.

Mr. STEVENS. I ask unanimous consent that the time of this dialog be charged to both sides.

Mr. BUMPERS. Yes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. This is a very lengthy answer to tell you that off-highway vehicles are not defined in the plan, but I do think the President will have a letter here to allay the concerns of the Senator from Oklahoma.

Mr. BELLMON. I find that very helpful, and I hope the letter will arrive and will be more specific than the language in the bill before us.

Mr. BUMPERS. To go just a little bit further, the report has a recommendation that firms engaged in the distribution of food which provide an essential link in the system which meets the basic needs of the public for nutrition would be exempt.

As I say, I think all of those things are necessary. Obviously it does not do any good to produce wheat or rice on the farm if it cannot get to the mill. It does not do any good to mill it if you cannot get it to the people to consume.

While I can understand the Senator's concern, since he and I are both from agricultural States and I understand his wish that it be more precisely defined in this proposal, I can assure the Senator that it will be.

Mr. BELLMON. Mr. President, if the Senator will yield further, on page 84 of this standby gasoline rationing plan—I will read the language, it is 570–31, subparagraph (a):

> A firm may apply to the DOE for a supplemental allotment as a designated firm if in the base year such firm consumed gasoline in vehicles or equipment determined by DOE to qualify as off-highway vehicles and equipment, and such firm met such additional eligibility requirements to be established by the DOE.

That to me again seems to be unnecessarily restrictive. For instance, take the case of a drilling crew who may live in the same town, who are working on a rig that could be 50 or 80 miles away. Now then they need gasoline to get back and forth to the rig or the rig will simply have to shut down and in that way not be able to go ahead and help develop the energy supplies the country needs, but they do not travel to and from work in an off-highway vehicle. They travel in a regular vehicle, perhaps a four-wheel drive pickup.

It seems to me that when we talk in such specific terms that we limit the flexibility of this package and make it almost impossible for DOE, even if their intentions are to go ahead and supply the legitimate energy needs of these essential industries, to do that.

It says here—it qualifies off-highway vehicles. I wonder if the Senator knows of any intent about this language in general.

Mr. BUMPERS. Yesterday a representative of the administration appeared before the Energy Committee, when this final proposal was being debated there, and stated there would be absolutely no diminution of gasoline usage necessary for the production of energy.

Again I just have to say what I said before: The plan is not precise on that. It is not as definitive as it ought to be, but here again, I cannot think of anything that would be as insane or counterproductive as refusing to provide enough gasoline to workers going either to coal mines, to a drilling rig, or to whatever place they might go to produce energy.

Those are just two things that come immediately to mind. For example, consider an employee who lives 5 miles from a General Electric plant that produces photovoltaic cells for use in solar energy. He should not, obviously, get an exception. But if a roughneck has to drive 100 miles today to and from work because the rig moves from place to place, and if he may have to drive 100 miles for 2 months and 50 miles for 2 months to go where the rig is working, then I can understand an exception ought to be made for him.

Under the plan as it is designed right now—and I find no fault with it on this point—he can go before the State board or a county board, if one is set up, and ask for an additional allotment from the State's 8-percent reserve.

Mr. BELLMON. Well, now, if the Senator will yield again, on page 56 of the standby plan——

Mr. BUMPERS. My pages are not the same. If the Senator would refer to the section number, it would help.

Mr. BELLMON. I am not sure, now——

Mr. BUMPERS. Are you still on section 573.1?

Mr. BELLMON. This is 570.81 and 570.82. But it talks about the State ration reserves. I could read this; it is a lengthy paragraph.

But then, on the next page, it says:

> The regulation suggests, but does not mandate, consideration of the hardship needs of low-income persons, long-distance commuters, migrant workers, persons engaged in household moves, and other persons having special recurring or one-time needs.

It seems to me that is what the standby reserve is intended to be used for, and not these ongoing and rather heavy needs like those, for example, of the coal mining industry attempting to expand production rapidly, and like the needs of the drilling industry, which does have enormous requirements. It seems to me the 8-percent reserve would not be large enough to cover those recurring requirements. It seems to me the 8-percent reserve would probably deal with exceptional circumstances that would occur in a State that is not heavily involved in the industry, but for States like Wyoming or my State of Oklahoma, where we are trying to get a lot of new gas into production, the 8-percent reserve would not be sufficient for our requirements. Whether the Senator has any answer to that, I do not know.

Mr. BUMPERS. Mr. President, I do not know how much gasoline the State of Oklahoma uses a month, but I would guess if you use 62 gallons per vehicle per month, and you have 1,500,000 vehicles, that would translate into almost a billion gallons of gasoline a month that you use. Eight percent of that would be 80 million gallons. That means that since the State, the Governors and the legislatures of the various States will, with some limited restraints and guidelines decide what is a hardship and what is not, I would guess that out of that 80 million gallons of gasoline you have in Oklahoma, for the need you are talking about, to transport workers to and from drilling rigs, on the order of one one-hundredths or maybe no more than two one-hundredths of 1 percent of that amount would be required. Certainly the Governor of Oklahoma would be cognizant of the necessity of keeping drilling rigs going, and would certainly provide an exception for those cases.

Mr. BELLMON. I respect the Senator's response, but I think he will agree that he is speculating; neither one of us knows how many gallons of gasoline might be required by the drilling rigs or coal mine operators, who might also have long distances to travel. The point I want to make is that according to the language in the standby gasoline rationing plan, apparently that 8 percent is intended to meet the hardship needs of low-income persons, long distance commuters, migrant workers, persons engaged in household moves, and other persons having special recurring or one-time needs. Every State has those needs.

Mr. BUMPERS. If the Senator will yield on that point, it appears to me that the people you are concerned about are people having special recurring needs.

Mr. BELLMON. Well, that would seem to cover the problem, except that I was about to say these other conditions occur in every State, and the States attempting to extend their energy production—perhaps Wyoming is a better example than Oklahoma, because they are only now getting their coal mines in operation on a large scale—are going to have all the other requirements, plus the need for the energy expended in energy production activity.

In such States that is going to be an enormous drain upon the 8 percent, and will make it impossible, probably, to have gasoline to meet the needs of low-income persons, long-distance commuters, migrant workers, and persons engaged in household moves, as well as those other enormous users.

It seems to me that the President, when he is dealing with the agriculture question, which apparently he is going to do in his letter, would also be well advised to try to deal with the matter of the special needs of the heavily energy-producing States.

Mr. BUMPERS. As I say, we have a commitment that there will be no reduction in the amount of gasoline necessary to produce energy.

Mr. BELLMON. Could that commitment be put in writing? I think that might help get the plan through the Senate.

Mr. BUMPERS. If the Senator will tell me he will vote for the plan if I can get a written commitment on that, I think I can get it.

Mr. BELLMON. I would not want to commit myself to vote for it until I see the commitment, but if you can get a commitment from either the President or the Secretary of Energy—which, to me, would be a considerably less desirable voice—that might help.

I voted against the plan yesterday mainly because I felt that those two needs needed to be addressed, and I do not feel that they are addressed by the bill in its present form.

Mr. BUMPERS. Of course, the Senator has heard me state in the Energy Committee more than once that if we attempt to meet every conceivable need for every State in the committee, or if we try to do it on this floor, obviously there are going to be as many unanticipated results. There will be as many people left out as there will be included. There will be some inclusions of people who do not really need to be included. Also, we are talking about just the beginning of the plan which the President has no intention of implementing any time in the immediate future.

This is not to denigrate in any way the Senator's concern. It is very legitimate, and I know the sensitivity and honesty of the Senator in his concerns about this. I think both of his concerns are legitimate, but I think the plan addresses the latter one, and I think the President will be happy to address the former.

I cannot conceive of the President of the United States not saying, "We must feed the people." It is not a question of doing a big favor for the farmers. Though there are Senators here from several nonfarming States of this country who oppose an agricultural exemption, and would continue to do so until their people got hungry, this is not designed just to help the farmers; this is designed to produce the food this Nation must have to stay healthy.

The health of the Nation is as vital to our national defense as are our intercontinental ballistic missiles.

To suggest that the President might cut farmers back on their planting and say, "Once you produce, we will not give you the gasoline to get it to market, and once you get it to market we will not give you the gasoline to distribute it, even to hungry children," does not make any sense to me or anybody else.

Mr. BELLMON. This whole problem has been brought on by our inability to develop our energy resources, which are abundant. If we tie the hands of those who work every day in the energy area, we will defeat the very purposes of the plan.

Mr. BUMPERS. I could not agree with the Senator more. All I have right now is an oral commitment from the Department of Energy that the production of energy will receive the highest priority under the plan.

Mr. BELLMON. But nowhere in the plan is it mentioned. It seems to me to be a serious omission.

Mr. BUMPERS. Will the Senator tell me what language he would like for the President to submit? At this point all we can do is get a letter of commitment from the President, and I think the Senator prefers that to one from the Department of Energy. Tell me briefly what language the Senator would like to have included.

Mr. BELLMON. If the Senator will allow me, I would be glad to work with him.

Mr. BUMPERS. That will be fine.

Mr. President, I suggest the absence of a quorum with the time to be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 12:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:30 p.m. today and that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the Senate, at 11:43 a.m., recessed until 12:30 p.m.; whereupon, at 12:30 and 25 seconds p.m. the Senate reassembled when called to order by the presiding officer (Mr. ROBERT C. BYRD).

RECESS FOR 30 MINUTES

Mr. STEVENS. Mr. President, I move that the Senate stand in recess for 30 minutes.

The motion was agreed to; and at 12:30 and 35 seconds p.m., the Senate took a recess for 30 minutes.

The Senate reassembled at 1 o'clock p.m., when called to order by the presiding officer (Mr. MELCHER).

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate, at 1 p.m., recessed until 1:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. EXON).

Mr. TALMADGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, may I have the attention of the distinguished floor manager of the bill. I have just come on the floor, and I would like to have a colloquy with the distinguished floor manager of the bill in order to know what we are voting on.

Frankly, in all of my 22 years in the Senate I have never seen an issue that is as confusing as the issue presented to us this afternoon.

As I understand it, we are going to vote on two different things. One thing came to the Senate late yesterday afternoon and, as I understand, that issue will be voted on at 2:30. Another matter that has been before the Senate for several days will be voted on at 3:30.

Can the distinguished floor manager tell us what we are voting on at 2:30 and 3:30?

Mr. JOHNSTON. I can. First of all, let us take the last one first. The 3:30 amendment vote will be the President's emergency gasoline rationing plan. Under the Energy Policy and Conservation Act passed by this Congress, we required the President to come up with a rationing plan to be submitted to the Congress with us to have 60 days within which to approve or disapprove as a standby plan.

That plan has been submitted, and that is to be voted on at 3:30. If we approve, then it is approved as a standby plan which goes on the shelf and cannot be implemented until and unless the emergency as defined in that bill is found to exist by the President, and that he submit it back to Congress where we have another 15 days within which to approve or disapprove. So that is the plan to be voted on at 3:30.

(Mr. BRADLEY assumed the chair.)

So when the original plan was submitted, there was a great deal of discussion among us in the Energy Committee as to how the calculation of the amount of rationing gasoline coupons per driver would get to that driver. Many of us from rural States, high-driving average States such as Louisiana and Georgia—and, by the way, Georgia is a high-driving State, where your average driver in Georgia drives 114 percent of the national average—the original plan simply granted those coupons to individual drivers on a per automobile basis without any reference to the fact that some States, such as Georgia and Western and many Southern States, had the high driving, and without taking into consideration, for example, the fact that in New York City you have public transit which most people use, and automobiles are not greatly used.

So the original plan did not have that. The first amended plan which we insisted they submit was presented by the administration as a compromise but, frankly, the compromise did not go far enough because——

Mr. TALMADGE. Is that plan 2 that has been discarded?

Mr. JOHNSTON. That is plan 2 which has been withdrawn and plan 3—it is not plan 3.

Mr. TALMADGE. Option 3.

Mr. JOHNSTON. Option 3 will be voted on at 2:30. That gives full recognition of the historic driving patterns.

If I may tell the distinguished Senator, he should, as I am sure he will, be a strong proponent of this, because under the original plan Georgia would have been required, if Georgia continued to drive its State average, to send out of State $31.37 million per month or $360 million per year in order to purchase tickets on the white market if it was going to keep its historic driving pattern up to historic standards.

Mr. TALMADGE. Is that option 2 which has been discarded?

Mr. JOHNSTON. Really, that was the original plan without the amendment. Option 2 would have cost half that much, and option 3 treats Georgia with equity by recognizing your historic driving standards.

Mr. TALMADGE. Let me see if I understand what the Senator has stated now. When we vote at 2:30 that will be option 3 which the Senator has stated takes into consideration high-driving habits in such States as Georgia, Louisiana, Western States, and others.

Mr. JOHNSTON. The Senator is correct.

Mr. TALMADGE. When we vote at 3:30 that is to determine whether or not Congress will give the President authority to put in a rationing program if and when the national interest requires it; is that the issue?

Mr. JOHNSTON. If and when there is an emergency as defined in the act and found to be so by the President.

Mr. TALMADGE. That determination will be made by the President?

Mr. JOHNSTON. That is correct. After he makes that finding, that finding being necessary in order to invoke the rationing plan, then he must submit the plan back to Congress, and we have 15 days within which to approve or disapprove.

Mr. TALMADGE. That is the next question I wished to ask the Senator. This criterion of option 3 on which we will vote at 2:30 if and when the President makes a determination that he must put in a rationing program, will it be made within the terms of option 3 or can the President vary that at that time to send to Congress for its approval or disapproval?

Mr. JOHNSTON. No. Option 3, as approved by this Congress, will, in fact, be the law of the land until and unless changed by the same procedure.

Mr. TALMADGE. And the President, to change that procedure, it must be an act of Congress?

Mr. JOHNSTON. It must, and be approved by Congress.

Mr. TALMADGE. In other words, whatever he does then, as I understand what the distinguished floor manager of the bill has stated, will be in a fluid state until the President sends his plan to Congress which will be approved or rejected; is that correct?

Mr. JOHNSTON. No, this is the plan.

Mr. TALMADGE. This is the plan, and it cannot be changed by the Chief Executive.

Mr. JOHNSTON. Not unilaterally. The only way you can change it is to go through the whole process.

Mr. TALMADGE. Send it back to us, and that would then become option 4, I think?

Mr. JOHNSTON. That is correct.

Mr. TALMADGE. Or whatever option we call it.

Mr. JOHNSTON. We have another 60 days to hear it and consider the amendment and turn it down or agree to it. An agreement would require the independent action of both Houses of Congress.

Mr. TALMADGE. Mr. President, will the distinguished Senator yield further?

Mr. JOHNSTON. Yes.

Mr. TALMADGE. We have an acute shortage of fuel oil in my State at the present time. As the Senator knows, tractors cannot run without fuel oil, and if they cannot run, they cannot produce food in this country. The Senator is familiar with that?

Mr. JOHNSTON. Yes.

Mr. TALMADGE. In this option 3 we will be asked to vote on this afternoon, does that take into consideration the fact that agriculture must have a priority in order to produce the food and fiber that we need in this country?

Mr. JOHNSTON. The original plan as sent up by the President does contain a priority for agricultural production, and it will—while the actual implementing definitions have not been fully fleshed out yet, the regulations in the primary plan sent to Congress do contain a priority for agricultural production.

The regulations in the primary plan sent to the Congress do contain a priority for agricultural production.

Mr. TALMADGE. Will the distinguished Senator yield further?

Mr. JOHNSTON. Yes.

Mr. TALMADGE. Does that priority go on for diesel fuel for tractors, and also for processing agricultural products?

Mr. JOHNSTON. The specific language of that priority speaks of agricultural production in one phrase. In another phrase, it speaks of a priority for off-road farm vehicles.

Mr. TALMADGE. I see.

Mr. JOHNSTON. We have had a great deal of discussion among Senators and with the White House about what to do about the distribution and processing of farm goods.

Mr. TALMADGE. That is the next question I wanted to ask.

Mr. JOHNSTON. I have an understanding with the White House, and I believe they will be sending up another letter to make that clear.

Mr. TALMADGE. Will the Senator yield further at that point?

Mr. JOHNSTON. Yes.

Mr. TALMADGE. That is the next point I wanted to make. You can produce the hogs, you can produce the poultry, you can produce the livestock, you can produce the cattle, you can produce the vegetables, and all the things that are necessary to eat, but in order to get them to the consumer it is necessary to process them and transport them to the consumer. Does the plan envision a priority for that?

Mr. JOHNSTON. The specific words of the original plan do not yet require it. It is the specific intent, I believe, of the Energy Committee, and I believe it is also that of the White House, but they can speak for themselves in the letter I believe they will be sending up. Everybody understands that agriculture includes agricultural processing and transportation, or the distribution of agricultural goods. I believe that detail, important as it is, will be taken care of by the plan, and I hope we will have a letter here by 2:30 that will deal with that in specific terms.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. TALMADGE. Let me finish my thought, and then I will be delighted to yield to the distinguished Senator from Alaska.

Do you anticipate that that letter will come up before the Senate votes on the first question?

Mr. JOHNSTON. I believe so.

Mr. TALMADGE. And they intend to clarify those agricultural priorities outlined by the Senator from Louisiana and the Senator from Georgia?

Mr. JOHNSTON. I believe that is correct.

Mr. TALMADGE. The Senator has pointed out that in option No. 1 and option No. 2, as I believe it is characterized now, they neglected to mention interurban transportation and things of that nature. For example, in my State, most of my neighbors in the Lovejoy area, which is about 25 miles south of Atlanta, travel long distances to work. They have to travel, round trip, 50 miles a day for gainful employment. I am sure that is also true in many places in the Senator's State of Louisiana and many other States of this country. I believe the distinguished floor manager of the bill has pointed out that what they would take away from us under one plan has been withdrawn, and Georgia and other States which have a higher ratio of automobile transportation will get a greater allocation. Is that not correct?

Mr. JOHNSTON. I believe that is correct.

Mr. TALMADGE. I thank the distinguished Senator, I hope the time will never come when we have to ration petroleum in this country. I am old enough to remember World War II. At that time, we had gasoline rationing in our country. At that time we had a unified country. People were dying on the battlefields, giving their lives to protect the United States of America.

Even when we had rationing then, it was a source of great distaste to virtually every American. We had black markets, we had confusion, we had inequities of the law.

I know there is a possibility that rationing may have to come. We know that production in Iran has been cut down from 6 million barrels a day; what is their production now, does the Senator have any idea?

Mr. JOHNSTON. Their production now, the last I have heard, is about 3½ million barrels a day.

Mr. TALMADGE. In other words, a little over half what it was before the Shah was deposed?

Mr. JOHNSTON. I believe that is correct.

Mr. TALMADGE. Also in Saudi Arabia I believe the production was 9 million barrels a day; and what is it now?

Mr. JOHNSTON. I believe that had gone as high as 10½ million.

Mr. TALMADGE. And how much are they producing now?

Mr. JOHNSTON. About 8 million barrels.

Mr. TALMADGE. And those two things have caused the present shortage, is that correct?

Mr. JOHNSTON. Yes. I believe the shortage is temporary. It will be painful.

It will cause gas lines to exist, which will be painful throughout this summer and probably return next summer, but it is not the kind of shortage that can invoke this plan. This plan would be invoked only, for example, if Saudi Arabia cuts off its production, when jobs are threatened, manufacturing plants have to shut down, and the very vitals of the economy are affected.

This plan is not to be invoked simply to relieve temporary distress caused by lines at the gas stations.

Mr. TALMADGE. If and when we have gas rationing, I presume it is to have some degree of equity among all classes of our citizens in dealing with shortages, is that correct?

Mr. JOHNSTON. I assume that is correct.

Mr. TALMADGE. I presume the Senator remembers—he is a little younger than I am—when Winston Churchill carried his country through the greatest of all wars to victory. Winston Churchill was rejected by the people of his country immediately after the war was won; does the Senator remember that fact?

Mr. JOHNSTON. I remember it well.

Mr. TALMADGE. That rejection was caused by rationing. I am fully confident that any President who invokes rationing in peacetime will not last any longer than it takes for people to take him to the ballot box.

Mr. JOHNSTON. Yes. In fairness to the President, it was we who imposed this burden on him. He did not ask for this cup and I am sure he would rather have had it pass from him, but we asked him for a contingency plan, and now he has sent it; he has amended it twice, after consulting with us, and I hope we will go along with it.

Mr. TALMADGE. I think it is absolutely essential, if the Senator will yield for one final observation, to give the President some standby authority to deal with unforeseen emergencies, because, if we do have energy rationing in this country, and God forbid, its burdens ought to be shared equitably by every citizen in the United States. But I want to be absolutely certain that the burdens are shared equitably. Is the Senator convinced that this option 3 will make the burdens equitable, if we have to carry them?

Mr. JOHNSTON. As equitable as we and the White House know how to do it. This plan comes as close to it as anything I think we can put together.

Mr. TALMADGE. I thank the Senator.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield to my friend from Alaska.

Mr. STEVENS. Mr. President, I yield 5 minutes to the Senator from Wyoming for a question or statement, and then 5 minutes to the Senator from North Dakota.

Mr. WALLOP. Mr. President, I rise today to express my concerns for the amended gasoline rationing plan. I do not like the idea of rationing. It is bad in principle and inequitable in practice. It is a result of our failure as a nation to heed the warnings of the 1973–74 Arab oil boycott. Now the rhetoric from the President to the Congress seeks to place blame rather than to find solutions.

However, I cannot, in good conscience, ignore the lessons of recent months. The political instability in the Mideast, our dwindling domestic fuel stockpiles, and a nation still divided over the course of its own energy policies all presage some rough times ahead.

The plan before the Senate has been significantly modified and the modifications are good. The major change is that it incorporates a more equitable method of calculating the ration right allotments. This new plan would base ration rights on historical State averages rather than national averages.

Let me illustrate why this change is so important. The Department of Energy has estimated that the average national gasoline consumption is 66 gallons per vehicle per month. But that average varies from State to State. Wyoming vehicles use 85 gallons a month while in Hawaii it is only 50 gallons per month.

Under the original plan, each vehicle in America would have received the same number of ration coupons regardless of geographical location. If it was determined by the Government that gasoline consumption must be cut to 80 percent of hisorical use, then each vehicle in the country would receive ration coupons based on 80 percent of the national average. A vehicle in Wyoming would receive rights for 53 gallons per month and so would a vehicle in Hawaii.

This disparity should have been obvious. A vehicle in Wyoming give up 32 gallons worth of ration rights per month while a vehicle in Hawaii actually would be entitled to 3 more gallons than it used before rationing.

But the new plan corrects this inequity. It bases the distribution on State averages instead of national averages. Wyoming residents would receive 80 percent of 84 gallons and Hawaii would receive 80 percent of 50 gallons. The sharing of the burden, under this plan, is fairer.

Yet while I commend the administration for making this needed modification, I am troubled by why it took so much time and so many attempts to bring the proposal before this body. For months many Members of the Senate including myself, expressed opposition to national averages. But DOE held fast. They insisted that national averaging was the perfect solution. Not because it was more equitable, but because it was easier to administer. I believe any action with such severe national impact cannot be designed for administrative convenience. Fortunately, this third attempt has some basis in equity.

It is therefore apparent that the role of Congress must not end with the votes today. If this measure is enacted, it will be crucial that we monitor the rulemaking process to insure that our intent is reflected in the final regulations with which this Nation might be forced to live.

In yesterday's hurried committee meeting, the Energy and Natural Resources Committee received assurances that supplemental allotments would be made available to priority class activities such as the production of food and fiber, and a more vague commitment on gas used in the production of energy. Yet the definition of just who would qualify remains vague.

Numerous other complications loom. As part of the rationing plan, DOE calls for the creation of a National Vehicle Registration File. But how practical is such an approach? Several States lack the resources to rapidly update vehicle files from the county treasurer to the State capital. There are some major pitfalls to this ambitious undertaking and they must be fully understood by and coordinated by DOE. To illustrate this point, I ask unanimous consent that a letter from Mr. James E. Petry of the Wyoming Department of Revenue and Taxation be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DEPARTMENT OF REVENUE AND
TAXATION,
Cheyenne, Wyo., April 25, 1979.

Subject Standby Gasoline Rationing Plan.

DEAR DON: The Wyoming Department of Motor Vehicles is a division of the Department of Revenue and Taxation acting under the guidance of the Wyoming State Tax Commission. We have recently had an opportunity to review the Department of Energy Standby Gasoline Rationing Plan Number One, dated February, 1979.

We have found that some of the narrative contained in the plan could cause this agency and our agents considerable problems due to the lack of information contained in the plan and/or statements that are included that we feel are of major significance as they relate to our ability to react to President Carter's Rationing Plan.

We feel it is incumbent upon the administrators of this agency to advise you that this major undertaking has some pitfalls and if they are not fully coordinated and understood prior to the acceptance of the plan by Congress, then the individuals that will suffer will be the drivers in the State of Wyoming.

I feel that it is necessary to explain the methods utilized in Wyoming for vehicle registration. To simplify this explanation, we would advise you that the twenty-three counties act as agents for the Motor Vehicle Division and the county treasurers handle all registration, renewal and transfer activities for the State of Wyoming. Because of the size of our motor vehicle file, we have not yet made available to these same county treasurers, resources such as on line updating of the centralized file maintained in the State Capitol complex. All registrations and other documentations issued by the county treasurers are forwarded by mail to the Cheyenne Office of the Motor Vehicle Division and there the documents are updated to a computer master file.

The Gasoline Rationing Plan Number One contains the following, under paragraph 2.4.1: "As an advanced preparativeness measure, prior to any decision to implement gasoline rationing, DOE will develop a National Vehicle Registration File (NVRF). This file will contain all the vehicle registration records provided by the states from their own motor vehicle registration files, edited and in proper format to meet the requirements of the Rationing Plan. The NVRF will be updated periodically from information provided by the states and other appropriate sources. When duplicate registrations are found for a single vehicle, as will commonly occur when a used vehicle is sold, DOE will use only the most recent registration in the NVRF.

Records in the file will be grouped according to vehicle type. Each record will contain a Vehicle Category Identifier from which DOE can establish the correct allotment index. Registered vehicles not eligible for ration rights, such as non-powered vehicles, will be excluded from the file."

We question the creditability of a National Vehicle Registration File, because of the limitations we have in our own system. It is an educated guess that without a massive funding commitment from the national level, states, including Wyoming, could not react in a reasonable time frame to have the data prepared, edited and in proper format to meet the requirements of the Rationing Plan.

We are currently reviewing for possible implementation in December 1980, the requirements to edit the vehicle identifying number (VIN). We would assume that this must be the source data that is utilized along with the name of the vehicle owner to build a NVRF.

The DOE document refers to a Vehicle Category Identifier. Past problems in getting the necessary coordination from agencies in the Federal Government, automobile manufacturers and states dealing with the standardization of the Vehicle Identification Number raises serious doubts as to the length and data to be contained in the Vehicle Category Identifier and the necessary time for all responsible agencies and manufacturers to agree on a common ground.

The impact on Wyoming and specifically the Motor Vehicle Division and our agents (county treasurers), we feel will be quite significant and we note the document contains little or no information for funding assistance to the states to comply with the DOE. The State of Wyoming Legislature will be convening for our Budget Session in February. This Budget Session is limited by State Constitution to twenty days. If we are required to provide state money for funding this project, we must have details as soon as possible. We are currently trying to use the limited information contained in the DOE statement to arrive at an estimate of cost to provide online updating of our master file from our county treasurers. Until the coordination with the county treasurers, which will be included in a meeting with their association on the June 6, 1979, we are unable to furnish any available time frame that could be utilized to indicate to DOE the State of Wyoming Motor Vehicle File will be maintained daily for all vehicles registered. As mentioned above, in order to properly service the motoring public in Wyoming, we at the state and county level, must know the objectives in order that all rationing data is updated so that Wyoming citizens will receive their rationing coupons.

In summation, we feel that there are serious problems yet to be addressed under the DOE Plan. It is an educated guess that the State of Wyoming could not be in a position of readiness to reproduce the necessary data for the DOE format prior to December of 1980, if funding was made available by October 1979.

Don, I intend to send a copy of this to the Wyoming Congressional Members and will advise them that we have had experience with National Data Bases as proposed for the NVRF. Each one of the these National Data Bases have results in less than satisfactory findings therefore unmanageable systems.

Sincerely,

James E. Petry,
Director of Revenue.

Mr. WALLOP. In closing, Mr. President, I want to emphasize that this plan is far from ideal. But then there is no such thing as an ideal rationing plan. To paraphrase an idea from Churchill, it is the worst plan except for all the rest.

It is my hope that this plan will never be implemented but I realize that it might. It is also my understanding that it would only be implemented during a "severe energy supply interruption." It is in this light that I wish to associate myself with the remarks made by Senator Stevens earlier today, on what would trigger a gasoline rationing plan. Also, I wish to be added as a cosponsor to Senate Resolution 151.

I urge my colleagues to pay careful attention during today's debate to insure that any rationing plan be clear about the criteria for enactment of the plan and the guarantees of congressional oversight of the final plan developed by the administration.

Mr. President, I ask unanimous consent that my name be added as a cosponsor of Senate Resolution 151, submitted by the Senator from Alaska.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WALLOP. Mr. President, if I may have, for just a moment, the further attention of the distinguished floor manager of the bill. It is my understanding from the colloquy that the assurances that the agricultural concerns requested yesterday in the committee room and on the floor today will probably be answered by letter before this comes to a vote?

Mr. JOHNSTON. I believe so. If I could explain the situation, we were meeting with Frank Moore and the White House group in the majority leader's office this morning. They had a first draft of a letter from the President dealing with agricultural priority, which some thought needed to spell out with a little more specificity the question of distribution and processing of agricultural goods. I believe the corrected draft should come back momentarily. There is no argument about it. Everybody recognizes it needs to be done.

Mr. WALLOP. I understand from the colloquy with the Senator from Oklahoma that the use of gasoline in the production of energy has received several reassurances on the basis that we do not ration those who produce energy so they cannot produce as much energy so the rationing situation becomes worse, and so on and so forth.

Mr. JOHNSTON. The Senator is correct. Assistant Secretary Al Alm testified yesterday on that issue.

Mr. WALLOP. I was hoping there were more reassurances than the Assistant Secretary brought us up yesterday. That is the reason I brought it up now.

Mr. JOHNSTON. Senator Bellmon and Senator Bumpers had a colloquy on that issue. There is no question but what that must be given priority.

Mr. WALLOP. The final area in which I must try to flush out a little more assurance is recognizing the agricultural problem and recognizing the energy problem, which are important to us. I am certain that the distinguished committee chairman and the distinguished subcommittee chairman will give assurances to the Senate that they will closely monitor the rulemaking procedure and the whole process that goes into place before this plan ever comes about.

Mr. JOHNSTON. The Senator has my personal assurance on that. I hope he will be in close communication with me on that with any suggestion as to hearings or questions or particular matters of oversight that need to be done by the subcommittee. I will be more than happy to cooperate.

Mr. WALLOP. Is it the Senator's understanding that Mr. Moore, his congressional liaison staff, and the administration would be receptive to counseling with the committee during the rulemaking process so that we do not run into a bad thing with only 15 days to approve it?

Mr. JOHNSTON. Yes. The Senator is correct. People from the Department of Energy will be in closer contact rather than Frank Moore and his shop. But, yes, we will be in very close contact with them.

Mr. WALLOP. I thank the distinguished subcommittee chairman.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. WALLOP. Will the Senator yield an additional 30 seconds?

Mr. STEVENS. Yes.

Mr. WALLOP. Given those assurances, assuming the letter comes over, and assuming the assurances given are real—and I do so assume—then I can support not only the amendment but the rationing plan.

Mr. JOHNSTON. I thank the Senator and I join him in each one of his concerns which will help assure that those assurances are consummated.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. YOUNG. Mr. President, I am deeply concerned about the gasoline allocation for North Dakota under the President's latest proposal. It is the lowest of any State of the Nation and at the same time we are a sizable State with only 640,000 people. We are almost entirely an agricultural state. Our allocation per vehicle unit point is only 37.7 gallons. On the other end of the scale is the State of Arkansas, also quite a rural State, which has an allocation of 76.3 gallons per vehicle unit point, or more than double the allocation for North Dakota.

The data prepared to explain the new proposal admits the inequity in the treatment accorded North Dakota. Exhibit 5–3, footnote 2, states:

> The figure for North Dakota may be too low because of apparent inaccuracies in the Census estimates of the heavy truck population in the State. An inordinately large number of trucks multiplied by a large allotment index may be causing an overestimate of the number of vehicle points in the State.

My question is: What relief is there for North Dakota to meet this inequitable situation as contained in the pending gas rationing proposal of the administration?

Mr. JOHNSTON. The situation in North Dakota is an anomalous one. It showed from the footnote that the data was probably wrong. It was recognized by the Department of Energy. We have discussed it with the White House. We have been assured that they will go back and check the census data and check this information particularly about the use of trucks. I think the Senator is going to find that North Dakota is much higher in its usage than these figures would indicate. As a matter of fact, with all States we are going to have a continuous update of our historical driving data. I think we will be in a good position with respect to North Dakota on re-examination.

Mr. YOUNG. I thank the distinguished Senator from Louisiana.

It is discouraging, we have had three previous proposals before us and in each succeeding one North Dakota does worse.

Mr. JOHNSTON. Let me assure the Senator that North Dakota will get the same treatment, the same reduction, as every other State in the Nation from its historic driving average. In plan No. 1 we had some States that were actually getting more gasoline than they had historically used, more than they needed.

All this does is treat every State equitably with an equal percentage of reduction from their historic driving rates. As the Senator pointed out, I think North Dakota's initial cut on its historic driving rates are too low and that will be corrected.

Mr. YOUNG. We get lower and lower in each new proposal. We have lost about 40 percent. The next proposal will probably only give us enough gasoline for our motorcycles.

The North Dakota Highway Commissioner advises me that pickups are classified as trucks. If this be the case, we would have an excessive number of vehicle unit points and with lower usage of gas per unit.

Pickups and smaller trucks are used extensively for travel in North Dakota, especially in the winter. We have had two very severe winters with an unusual amount of snow. Oftentimes road conditions were such that only pickups or four-wheel drive trucks could get through.

This situation, I believe, is largely the reason for the stated inaccuracy of the figures for North Dakota.

This pending gas rationing resolution appears to be the worst of any of the three presented so far by President Carter. For example, a 20-percent cut in gas supplies for North Dakota, with our relatively small tourism, will mean cuts in very necessary travel and use of vehicles not only in farming operations, but in many business operations closely associated with farming.

Mr. President, I have no alternative but to vote against this proposal. I hope that a more equitable rationing plan can be presented by the White House.

The PRESIDING OFFICER. Who yields time?

Mr. BUMPERS. Does the Senator have a list of Members he is about to yield to?

Mr. JOHNSTON. Senator EXON had requested 5 minutes and Senator LEVIN had requested 3 minutes. If I can cut Senator EXON down to 3, I will have 2 minutes to spare.

Mr. President, I yield 3 minutes to the Senator from Nebraska.

Mr. EXON. I thank the Senator.

Mr. President, after careful review of the proposition before us, I rise in support of Senate Resolution 153 and the amendment.

I am sure there is no one on this floor more disinclined to want a nationwide system of gas rationing than the junior Senator from Nebraska. I recognize, however, that the issue we are discussing today is not one of the immediate implementation of a nationwide gas rationing plan. We are discussing the adoption of a contingency plan to be in place so that as a nation we can respond to a severe shortage of gasoline availability in this country. If and when that eventuality should occur.

To be sure, objections from one segment or another can be found to the present rationing plan, even though the President has made several attempts to meet legitimate objections through amendments to the plan. Likewise, he has made assurances today regarding his commitment to provide the Congress with amendments to correct other problems which may arise with respect to the plan.

Nevertheless, Mr. President, I am sure that we will continue to hear today a long list of deficiencies from the opponents of the plan and we will continue to hear them even if the plan is adopted. Why? Because this is not a perfect plan; but what is a perfect plan? A perfect plan would be one in which the unpleasant prospect of gas rationing did not exist. One in which we could have all the gas we need at 1960 prices, and one in which we did not have to depend on the whim of unpredictable and sometimes unfriendly foreign governments which could cut off our oil supply without warning.

The point is that the choice is not between plan A or plan B; the choice is between a gas rationing plan to meet a possible severe nationwide gasoline shortage or no rationing plan at all.

By very definition, a gas rationing plan involves hardships to everyone, and those who say they are for a gas rationing plan in concept, but are against this one particular will, in my opinion, be jousting with the windmills forever.

Mr. President, as a farm State Senator, I am concerned that without any rationing plan, we will not be able to provide, during a possible severe gasoline shortage, for many of our vital and necessary national priority needs such as food production. In the event of severe gasoline shortages, coupled with no rationing plan, I would predict that the Nation's vital food producers, still numbering only slightly over 2 million, are an economic minority which would be clobbered by the more powerful economic forces in control.

Mr. President, the choice facing this body, rhetoric to the contrary notwithstanding, is between a gas rationing plan to meet a possible severe national emergency or no contingency plan at all.

On the one hand, we can choose a system to handle in an orderly fashion a severe national gasoline shortage, as imperfect as that system may be, or we can choose chaos.

Another key point, in my opinion, Mr. President, is that we are not implementing gasoline rationing today. If clarifying amendments acceptable to the Congress are not forthcoming from the administration, the Congress maintains the right to nullify any and all rationing if the administration attempts to implement the plan.

Mr. President, let us choose order and reject chaos and the resulting economic disruption which could have disastrous effects for our Nation. There are many reasons we should do nothiing and political expediency would so dictate. This is a day when I think the Senate should stand for something rather than nothing, however painful that might be.

Mr. JOHNSTON. Mr. President, how much time do I have left?

The PRESIDING OFFICER. Ten minutes.

Mr. JOHNSTON. I had 14 and yielded—

The PRESIDING OFFICER. Three and 1 subtracted from 14 are 10.

Mr. SASSER. Will the Senator yield me 2 minutes?

Mr. JOHNSTON. I yield 2 minutes to the distinguished Senator from Tennessee.

Mr. SASSER. Mr. President, I shall take a few minutes to express my position on the rationing plan.

I am concerned, as we all are, by the circumstances which would necessitate the implementation of a rationing plan for gasoline, but I do not feel that we can make this problem go away by voting against a rationing plan. It would be irresponsible, in my mind, for this body to reject a contingent rationing plan. Rationing will be our only hope for some orderly way of distributing gasoline if we do experience the shortfalls in supplies this year which are beginning to look possible to me.

What has happened this week in California cannot be allowed to recur throughout the Nation. I have talked with friends in California who have told me shocking horror stories of price gouging and abuse of citizens attempting to buy what gasoline is available. I understand that some stations have stopped taking credit cards and will only take cash so that higher-than-lawful prices cannot be traced. I have also been told that stations have closed their self-service pumps and are forcing consumers to pay the higher prices at full-service pumps. At another station, my friends told me, you can buy 7 gallons of gas provided you buy a $2.98 car wash; if you need 14 gallons, you have to pay for two car washes.

At another station, gasoline is only sold to motorists in 5 gallon cans—and only if those cans are purchased from the station. These stories concern me greatly and I feel strongly that we must take steps to assure the American people that these conditions will not prevail throughout the Nation if shortages occur.

I had severe reservations about the original rationing plan which was sent to Congress. There were too many deficiencies which would have created their own form of chaos for particular user groups in my State. This amended version, though, goes a long way toward dealing with the need for discretionary allotments for hardship cases and special circumstances within each State.

I agree with many of my colleagues that there is room for improving this plan. I hope that we will consider future amendments to the plan to improve it further. This is possible and I would be in favor of future amendments to take care of legitimate concerns which will be raised.

My feeling today, however, is that we have a reasonable starting point in this amended plan and that the benefits of having it available far outweigh the arguments to reject it today and hope for a perfect plan to be returned by the administration tomorrow. And, I should point out, the President has already come a long way.

In the first version of this plan, my State would have lost an estimated $28 million upon implementation in cash outflow. Under the first amendments, Tennessee's cash outflow loss was reduced to $8 million. And under the plan we now have before us, the historic use test, States will not suffer disproportionately at all.

We have a responsibility to the American people to pass some form of contingency rationing plan to protect them from almost certain chaos and price gouging if we continue to experience reduced supplies of gasoline.

I continue to be hopeful that our short supplies will be eased and rationing will never be necessary. I remind my colleagues that we will still have authority to decide whether or not the time has come to take the plan off the shelf and put it into effect. When the President decides to implement, Congress has 15 days in which to veto this decision.

Mr. President, I hope this amended rationing plan will be approved by the Senate today.

We have a responsibility to provide this form of security against chaos to the American people.

Mr. JOHNSTON. Mr. President, I yield 2 minutes to the distinguished Senator from Michigan.

Mr. LEVIN. Mr. President, in the past few days, we have witnessed a sincere attempt to develop standby plans to deal with our energy crisis. These attempts have not reflected an absence of courage or will on the part of the Senate. Rather, they have demonstrated that the Senate is a deliberative body anxiously seeking to find the most acceptable way to deal with our energy problems within the context of the plans submitted by the President.

I intend to vote for the standby gas rationing plan as amended by the President. As unpleasant as rationing is, in times of severe shortage, not rationing is even worse. Not rationing during severe shortage produces the kind of dog-eat-dog chaos we have seen in California—the long lines, the frayed tempers, the outbursts of violence. Without a formal system of rationing, we will still face shortages, but we will distribute those short supplies on a hit-and-miss chaotic basis.

Working people will find that, when they finally get time to go to a gas station, the pumps will have been drained by those who have the leisure to wait in line during the day. The psychology of panic will lead people to wait in line for hours to "top off," probably burning more gas idling their engines than they will put into their tanks.

Rationing may not be pleasant, but it does attempt to make sure that every individual has reasonable access to the energy which is available. That may not be a perfect system but it is better than having no system at all.

Also, it is better than the initial proposal the President sent to us. That proposal contained a computation of gas allotments based on national per-vehicle fuel consumption data. Such a computation would have been unjust since it would not have fully recognized the disparities which exist within the States in terms of their per-vehicle consumption. Those differences are largely based on inherent characteristics of the States. A national computation would have been unjust and inequitable. The Senate recognized that and, through negotiations, was able to alter that method of computation. We now have before us a plan based on historic State consumption figures. That new provision makes the plan acceptable to me and, I hope, to the Senate as well.

The plan is, as I have indicated, better than it was initially. But it can still be improved. I hope that we adopt this plan and, after we do, I hope that the President will consider proposing some alterations to one portion of it.

I have noticed one flaw in the system which is rooted in the allocation of coupons to up to three automobiles per household. That provision allows for inequitable treatment of various groups. For example, is it right to have a single person get coupons for three vehicles? There is, after all, only one driver present. Compare that to the allocation given to a single-person household with only one vehicle. How can we justify that disparity? I do not think we can. Similarly, I do not think we can justify limiting a six-driver household with six cars to coupons for only three if all six people legitimately use all six cars. I believe that this problem can and should be solved. I have communicated that belief to the President in a letter. I ask unanimous consent the have it printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 9, 1979.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I intend to vote for gasoline rationing plan which is before the Senate today. However, I am writing to urge that, in accordance with your authority under section 201(d) of the Energy Policy and Conservation Act, you submit to the Congress in the future an amendment to the gasoline rationing plan which would correct an inequity in that plan as currently constituted. Under your most recent changes, ration rights would be distributed based solely upon vehicle registrations, and each household would be entitled to receive a maximum of three vehicle allotments. That creates two potential problems. First, it represents an incentive for people to purchase or obtain cars which they do not intend to drive, strictly for the purpose of registering them and getting an additional gasoline allotment. Second, it could work a hardship on large families with more than three vehicles for legitimate use.

Both of these problems could be dealt with through a system requiring a match between registrations and driver's licenses, so that no more than one vehicle allotment could be given to an individual. This would obviate the need for a three-allotments-per-household limitation, since there would no longer be the possibility of a one-person household obtaining more than three allotments. I recognize that this would place some additional administrative burdens on the rationing system, but I do not think they would be difficult to cope with, and they would serve to correct two problems which could result in public disenchantment with the rationing plan as a whole. No rationing plan can achieve total equity, of course, but I believe we should do everything possible to create as fair a plan as possible.

Thank you for your attention to this matter.

Sincerely,

CARL LEVIN.

Mr. LEVIN. Mr. President, just as I support the gas rationing plan, I also intend to support the Emergency Conservation Act reported out by the Energy Committee. Again, I think that this plan represents additional evidence of the forthright manner in which the Senate has addressed this problem and worked to improve our solutions to it.

As you recall, the President initially sent us a proposal to institute mandatory weekend closings of gas stations. I found, and most of my colleagues agreed, that this plan was unacceptable. Too many of our States are too dependent upon tourism to justify such a step in the absence of more compelling evidence of a present shortage. The plan, as proposed, violated the principle that all States share equally in the sacrifices needed to deal with our energy problem. It also violated the principle of leaving individuals with as much freedom as possible in deciding how to use the gasoline they were entitled to.

But we did more than reject such a proposal. We developed an alternative which can allow us to meet the same conservation goals without the disruptions which could have accompanied weekend closings. That proposal, reported by the Energy Committee, allows the President to establish conservation goals for each State. It then allows the States to develop their own plans to achieve those goals. This guarantees that States will have the flexibility they need to develop a program which adapts to their own unique problems and circumstances. Should that State-initiated plan fail, then the President can institute a plan of his own. But the initial opportunity to develop conservation plans rests where it properly belongs—on State government. I have consulted with the Governor of my own State and he supports this approach. It represents a real advance over the President's initial proposal, and the Senate in general and the Energy Committee in particular are to be congratulated for developing it. I intend to support that plan when it comes to the floor.

Mr. President, the Senate has worked diligently and cooperatively to develop energy plans which equitably and realistically address our current problems. They are not long-range solutions to our needs, but they do represent acceptable short-term adjustments to the shortages we face. I hope that we will adopt them and then get on with the task of developing long-term solutions to the energy crisis.

Several Senators addressed the Chair.

Mr. STEVENS. Mr. President, I yield myself 3 minutes. I send to the desk a modification of my resolution, Senate Resolution 151. I inquire of the distinguished chairman of our committee, the Senator from Washington—I have just sent to the desk a modification of Senate Resolution 151. It is my understanding that if the plan is approved following the vote on the second resolution, this resolution will be taken up at a time designated by the majority leader and will have the Senator's support?

Mr. JACKSON. I support the resolution. I will work with the majority leader as to when it will be brought up, and the minority leader.

Mr. STEVENS. Mr. President, I ask unanimous consent that this resolution be printed in full in the Record at this point. It is cosponsored by the Senator from Kansas (Mr. Dole) and the Senator from Wyoming (Mr. Wallop).

There being no objection, the modification of the resolution (S. Res. 151) was ordered to be printed in the Record, as follows:

Whereas the United States has become heavily dependent on foreign sources of supply of petroleum, and

Whereas the United States because of changes in world political systems finds itself increasingly vulnerable to loss of supply from those producing countries, and

Whereas the United States has an urgent need to address its domestic supply and demand problems in a way which will allow it to more adequately protect itself from such disruptions in supply, and

Whereas one of those options to restrain demand is a national plan to ration gasoline, and

Whereas such a plan should not be allowed to be imposed on such citizens of the United States without the Nation having to manage an unexpected, substantial, and long-term loss of supply of petroleum: Now, therefore, be it

Resolved, That the meaning of "severe energy supply interruption" as used in section 201(c) of the Energy Policy and Conservation Act (42 U.S.C. 6261) for the purposes of determining the severity of shortage of petroleum supply to the United States necessary to require the President to recommend to the Congress that the Standby Gasoline Rationing Plan provided for in such section be implemented shall be a national energy supply shortage which the President determines—

(1) has resulted or is likely to result, in a loss to the United States, or an allocation away from the United States under international obligations, of more than 20 per centum of the United States supply of petroleum for a period of time exceeding thirty days,

(2) cannot be managed adequately through withdrawals from the Strategic Petroleum Reserve nor through acquisition of supply of petroleum through other sources,

(3) is not manageable under other energy emergency authorities including any approved Energy Conservation Contingency Plans,

(4) is expected to persist for a period of time sufficient to seriously threaten the adequacy of stocks of crude oil or petroleum products,

(5) is having and can reasonably be expected to continue to have a major adverse impact on national safety or the national economy, and

(6) has resulted from an interruption in the supply of petroleum by an act of God, sabotage, or by decisions of the governments of the several oil producing countries to limit the export of crude oil either to the United States directly, or collectively to governments with which the United States has obligations; and be it further

Resolved, That the commencement of international hostilities under constitutional authorities including commitment of troops by the President under the War Powers Act and the determination that rationing of gasoline is necessary for assuring adequate supplies for protecting the national security, shall be sufficient cause in and of itself for the President to recommend to the Congress that the Standby Gasoline Rationing Plan be implemented.

Mr. STEVENS. Mr. President, I might state that on the basis of the negotiations that have taken place here, it is my understanding now that the letter will be delivered that has been discussed by the agricultural people, that we have assurances that energy industries related to new supplies will receive the treatment that was discussed in the Energy Committee yesterday, and that will be forthcoming in some written form along the line and in terms of assurances by the administration.

Mr. JOHNSTON. That is correct.

Mr. DOLE. Will that arrive before 2:30?

Mr. STEVENS. I am hoping it will. With what is going on downtown with SALT, I cannot find fault with the situation if they cannot get a letter up here right now. I am willing to take the word of the distinguished Senator from Louisiana that it is going to be forthcoming.

Mr. JOHNSTON. I have been so informed.

Mr. DOLE. What will it say with reference to agriculture?

Mr. STEVENS. May I finish my statement? Then I shall be happy to yield a couple of minutes.

Based upon the assurances I have from the Senator from Washington and the Senator from Louisiana and the majority leader, I will now support the rationing plan and will yield the management of the opposition to someone else.

Mr. LEAHY. Will the manager of the bill yield for a question?

Mr. JOHNSTON. Yes. I am happy to yield.

Mr. LEAHY. Let me make sure I fully understand this. If this amendment is passed, then we have to pick another time to vote on the overall plan as amended. Is that correct?

Mr. JOHNSTON. That is correct, but not later than 3:30.

Mr. LEAHY. Is it possible that these further assurances from the White House will be here by then, in line with the question of the Senator from Kansas?

Mr. JOHNSTON. I do not think there is any question. It will be here, I think, by 2:30. Certainly, it will be here by 3:30.

Mr. LEAHY. One last question, as chairman of the World Development Subcommittee I held hearings on the original plan a week and a half ago. It was wantonly lacking in any knowledge or consideration of world areas, no realization on the part of the administration that rural areas are just different from agricultural per se. All agricultural may be rural, but not all rural is agricultural.

The second plan came out after we not only objected to the first plan, but had the whole Senate Agricultural Committee objecting unanimously. At my request, the whole committee objected to the first plan, the second plan.

As to this third plan, has the administration, in discussions with the Senator, and then in reference to that, discussed the problems of rural areas and made allowances for rural areas, not just agricultural?

Mr. JOHNSTON. This plan we will vote on at 2:30 takes full account of rural areas and their higher driving pattern and gives full account of that.

I am just advised by the distinguished chairman (Mr. Jackson) that the agricultural letter has been cleared and is on its way down. It is only a matter of traffic. It will be here, I hope, prior to 2:30. In any event, prior to 3:30.

Mr. LEAHY. I hope it will be here before the vote because without seeing it, my own feeling still remains the same.

Mr. JACKSON. Will the Senator yield?

Mr. LEAHY. Yes.

Mr. JACKSON. I want to corroborate the statement by the distinguished Senator from Louisiana (Mr. Johnston). I have just gone over the letter and it will be here shortly. As soon as the letter is here, I will make it available.

I say to my colleague, I think he will be pleased with the position taken by the President who will have the responsibility of administering it.

I will have it before 2:30.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, although I have changed my position, I yield, on behalf of the minority, such time as the Senator from Kansas may need.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. DOLE. Mr. President, while the distinguished Senator from Washington is on the floor, if I may have the attention of the distinguished Senator from Washington——

Mr. JACKSON. I will be back in just a minute.

Mr. DOLE. Will the Senator get the letter?

Mr. JACKSON. Yes. I will give him what I have, which will be what will be formalized, if he will wait just a moment.

Mr. DOLE. All right.

In the meantime, I ask unanimous consent, Mr. President, that the letter just referred to by the distinguished Senator from Vermont, signed by members of the Agriculture Committee, addressed to Senator Jackson, chairman of the Energy Committee, dated May 8, and also a letter to the President dated May 2, be printed in the Record, because I have the same concerns expressed by the Senator from Vermont. I hope that the letter from the President might arrive long enough prior to 2:30 so we have a chance to read it.

There being no objection, the material was ordered to be printed in the Record, as follows:

Committee on Agriculture,
Nutrition, and Forestry,
Washington, D.C., May 8, 1979.

Hon. Henry M. Jackson,
Chairman, Committee on Energy and Natural Resources, Dirksen Building, Washington, D.C.

Dear Mr. Chairman: This letter is to alert your Committee on Energy and Natural Resources to the Agriculture Committee's grave concerns over President Carter's proposed Standby Gasoline Rationing Plan. A principle reason for our serious reservations is the plan's failure to adequately provide fuel rights for agricultural production and rural residents.

We all realize that this nation needs a standby gasoline rationing plan to be prepared for any unforeseen fuel shortages. We need a plan that is both reasonably equitable and carefully designed to get the nation through a drastic reduction in gasoline. All responsible citizens realize that if we ever face a situation that requires gasoline rationing, it is only right that they share in sacrificing some of the fuel they have grown accustomed to using. However, we must not abandon our nation's necessities while recourse remains.

Under any gasoline rationing plan, certainly the production and distribution of food must be of first priority. Furthermore, the burdens of such a concerted gasoline conservation effort must be equally borne by all sectors of the population. We are concerned that the amended plan before you today neither treats rural residents with fairness nor does it give agriculture the priority it must have.

As far as agricutural production is concerned, the amended plan fails as badly as the original. No special provisions are made so farmers may transport feed, seed and fertilizer to their fields. No special provisions are made so that harvested crops may be transported from the fields to local markets. No special provisions are made so that the work of custom service operators in agricultural production can be assured. No special provisions are made so that processed food can be transported to retail outlets. In short, the plan does not assure adequate agricultural production and distribution.

Moreover, given the very sensitive nature of the agricultural economy, severe economic distortion is a certainty under this plan. Unacceptably large food cost increases and food shortages should be expected if this plan is ever implemented.

The increased size of the State Ration Reserve, as guaranteed by the President's amendments to the plan, will assure rural America of little more than increased bureaucracy at the State level. While that amendment is a worthy effort, the requirement that hardship must be proven renders the change ineffective as a timely remedy to the inequities the Administration has acknowledged.

The plan does not recognize the high dependence rural residents must place upon gasoline powered vehicles. People living in and outside of small towns simply have to travel further than those living in the more concentrated urban and suburban areas. Even as amended, the plan will not equitably serve legitimate rural needs. It does not provide special provisions for rural people who need much more gasoline due to a lack of mass transit services and higher commuting distances. Moreover, the proposed white market that the plan relies heavily upon will, in our view, be ineffective and inflationary in rural America.

We trust that your committee will take our opinions into consideration when reviewing the proposed amendments to the Standby Gasoline Rationing Plan.

Sincerely,

Jesse Helms, Patrick J. Leahy, Herman E. Talmadge, Walter D. Huddleston, Edward Zorinsky, Donald W. Stewart, David L. Boren, Robert Dole, Richard G. Lugar, Rudy Boschwitz, George McGovern, Richard Stone, John Melcher, David Pryor, Milton R. Young, S. I. Hayakawa, Thad Cochran, and Roger W. Jepsen.

Committee on Agriculture,
Nutrition, and Forestry,
Washington, D.C., May 2, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: As Members of the Senate Committee on Agriculture, Nutrition, and Forestry, we want to express our grave concern about the effect that the proposed gasoline rationing plan would have on rural America and agriculture in general.

As you know, Mr. President, to be approved, the plan must receive an affirmative vote by both the House and the Senate by May 13, 1979. Before the Senate has to make its decision on the plan, however, we believe the plan should be amended. While some energy officials believe that the chances of the plan being implemented are small, it is our belief that this is not necessarily so and that, once implemented, farmers and rural people would suffer unnecessarily as would the American consumer.

At a recent hearing of the Subcommittee of Rural Development, it was learned that the gasoline rationing plan does not give agriculture full priority as has been done in the past since World War II with any type of energy conservation or allocation legislation. While the plan proposes to give farmers supplemental allocations for off-highway vehicles such as tractors, combines, and the like to meet our food and fiber needs, the approach has several major weaknesses.

One problem is that farmers will not be given any priority allocation for their on-highway vehicles, such as trucks, that are predominately used for farm business purposes. Furthermore, no priority is given to agriculture for the distribution of production items for farmers, such as feed fertilizer, and seed. Nor is any priority given to the processing and marketing of the farmers' production.

It makes no sense to give farmers priority for their tractors if they cannot get the items they need to grow a crop or the necessary gasoline is not available to process and sell agricultural products to the American consumer.

Mr. President, as a farmer, you know that the production of food is on a time clock that cannot wait for gasoline coupons to be issued or purchased. Timeliness of fuel, in sufficient amounts, is absolutely essential to full food and fiber production, which is essential to life. With the uncertainties of the weather and export demand, no one can predict with accuracy the amount of gasoline needed for full food and fiber production; nor can any agency allocate among individual farmers the amount of gasoline needed in a particular year or season to meet these goals without creating unnecessary hardships. Can you imagine the consequences of a farmer not being able to plant or harvest a crop in a timely manner because he did not receive enough gasoline coupons or of bread not being delivered to consumers because no priority was given to bakery delivery fleets?

Both farmers and consumers, and thus the Nation, would be the losers as shortages would arise and prices would escalate while Federal officials tried to discover what went wrong with a plan that looked so good on paper.

There is another serious defect in this plan, and it concerns the people living in rural America. As you know, Mr. President, people living in more rural areas have to travel longer distances to go to work, shop for groceries, and to receive adequate medical care. The plan proposes to allocate gasoline coupons on a registered vehicle basis; thus, rural people would suffer disproportionately since there are no alternatives such as mass transit for most of them. This seems most unfair, and it is a continual reminder to us that for most government actions or regulations proposed in Washington, rural residents are not given an adequate voice in such decisions. Hearings were held in several major cities of this Nation on this plan, but not one was held in a rural area.

It is our understanding that the Senate Committee on Energy and Natural Resources raised this issue, and that a member of your staff, Mr. Stuart E. Eizenstat, responded with two letters. Mr. Eizenstat acknowledged that the plan has a serious bias against rural America, and that additional gasoline coupons would be given to rural states in the form of state reserves that could be used to help eliminate this problem. These assurances, however, are not officially in the plan. We need more than assurances.

In sum, Mr. President, we are concerned about the adverse effect of the proposed gasoline rationing plan on agriculture and rural America—concerns that were initially raised by the Department of Agriculture but essentially ignored by the Department of Energy. According to the Energy Policy and Conservation Act, Congress cannot amend the plan, but you can. We strongly urge you to do so in the ways we have suggested before the plan is considered on the floor of the Senate.

Sincerely,

Mr. STEVENS. Will the Senator yield?

Mr. DOLE. Yes.

Mr. STEVENS. Mr President, while waiting for the response, would the Senator yield some time for use by the Senator from North Carolina?

Mr DOLE. Yes.

Mr. STEVENS. I yield 3 minutes to the Senator from North Carolina.

Mr. HELMS. I thank my friend from Alaska.

Mr. President, I could not agree more with the distinguished Senator from Vermont (Mr. Leahy) and the Senator from Kansas (Mr. Dole).

Mr. DOLE. If the Senator will yield for a moment, I might say that letter was initiated by the distinguished Senator from North Carolina and the Senator from Vermont.

Mr. HELMS. I thank my friend.

To put the best possible face on it, Mr. President, this method of operation on the part of the administration in such an essential matter as this brings a quip by one of Senator Russell Long's kin about knitting a pair of socks for a rooster. This procedure is not a rooster, however, sooner or later, the American people will realize that it is a turkey. We ought to back off and wait to see what the administration has in mind precisely.

Mr. President, as ranking minority member of the Senate Agriculture Committee, I feel obliged to address some questions about agriculture in the President's gas rationing plan as it stands now—and who knows what it will be at 2:30, or thereabouts, after hearing from the President.

The main point is that if this rationing plan is implemented we can be certain of very serious disruption in our food supply, not to mention all the other aspects of our economy.

The administration's own statistics illustrate the hopelessness of the plan's approach to agriculture. While over two-thirds of the gasoline farmers require for the production of food and fiber is used in on-highway vehicles, those vehicles are specifically excluded from the special farming allotment.

Clearly, there is no agriculture priority in this plan; despite administration claims to the contrary. There is only a limited special allotment for farm tractors. Apparently, the bureaucrats at the Department of Energy think food magically appears on supermarket shelves as the exclusive result of farmers driving around their fields on tractors; that is the only agricultural function provided for in this plan. This plan ignores the need of farmers to transport feed, seed, and fertilizer to their fields; it ignores farmers needs to transport harvested crops from their fields to processors and local markets; it ignores farmers heavy reliance upon custom service operators, who harvest 35 percent of the wheat in the Great Plains and apply over a quarter of all agricultural pesticides; it ignores the fact that food must be transported to and from retail outlets. Mr. President, with one exception this plan ignores every link of the rather long and complex food chain.

We are told not to worry about these matters because the 8 percent State ration reserve will take care of everything. That is just not adequate. Referring our farmers to a separate bureaucratic maze is a time-consuming obstacle to agricultural production, at best. My colleagues from States in which fresh fruits or small grains such as wheat are raised need not be reminded that a delay of just 1 week in harvesting those crops frequently results in losses of 100 percent. Senators from the Corn Belt know that even at planting time each day's delay usually results in a 1-percent reduction in yield. Weather alone makes farming a risky business; subjecting our farmers to bureaucratic obstacles, as well, is something we cannot afford.

At this point we must ask ourselves: With the President setting production goals that will cut crop yields, with every farmer in each State applying for supplemental coupons to newly established State ration reserve offices, and with every link of the food chain and countless others milking whatever white market can be found, are we going to be able to buy food and, if so, at what price? I am certain that if we ever see this plan implemented food prices will be astronomical where food can be purchased at all.

For my colleagues to arrive at their own conclusion on this matter they should consider these points:

First. Witnesses before the Agriculture Committee representing food processors stated that they would have to discontinue delivery to rural areas if this plan were implemented;

Second. Direct passthrough of extra fuel costs alone will cause vast increases in grocery bills;

Third. Panic buying alone in last year's Boston snowstorms doubled the price of basic foods; and

Fourth. A USDA study that does not take panic buying into account projects a 21-percent increase in food prices if there is a mere 10-percent constraint upon food supply.

Food is a necessity. We cannot afford to accept any plan that stifles agricultural production the way this one does. Every fuel contingency plan this Nation has had during and since World War II has provided a priority for agriculture as a whole; this plan does not.

To vote for this plan is to ignore agriculture and the very importance of food. I cannot support this plan because of the chaos it would certainly create if it is ever implemented.

The only rationing plan that can ever be acceptable is one which provides for agricultural priority. Without such a specific assurance—written into the plan—I cannot recommend that any Senator give his approval.

We all are aware that the situation that would give rise to gasoline rationing is a bad one. We would see gas rationing only in the case of a severe interruption in our gasoline supply—at least 13 percent says the administration. Though we are reassured that the chance of this plan ever being implemented are small, I note that we are now experiencing a national shortage of over 5 percent, and the estimate of the shortfall in my State of North Carolina for May is at least 15 percent.

At the same time, we remain dependent upon the world's most volatile region for over 45 percent of our oil.

Mr. President, this plan is unlike every other fuel contingency plan we have had during and since World War II; it does not recognize agriculture as a clear priority. Rather than providing fuel rights to "agriculture and its related industries for 100 percent of current requirements," President Carter's plan provides fuel rights only for off-highway vehicles used in meeting agriculture food and fiber production goals.

So, farming, in the most narrow sense of the word, is provided for in this plan by the special allotment for off-highway vehicles. However, this allotment falls pitifully short of assuring us sufficient fuel rights for meeting food and fiber requirements. Off-highway farming activities are just part of the very sensitive food chain.

Several Senators addressed the Chair.

Mr. BUMPERS. Will the Senator from Louisiana yield 3 minutes?

Mr. JOHNSTON. Mr. President, how much time do I have left?

The PRESIDING OFFICER. The Senator has 4 minutes.

Mr. STEVENS. How much time——

Mr. FORD. Has the distinguished Senator from Arkansas already spoken on this question?

Mr. JACKSON. Will the Senator yield 2 minutes to the Senator from Kentucky.

Mr. JOHNSTON. Mr. President, I have yielded 2 minutes to the distinguished Senator from Arkansas.

Mr. BUMPERS. Mr. President, it is not imperative that I speak now.

The PRESIDING OFFICER. Who yields time?

Mr. STEVENS. I yield 2 minutes to the Senator from Minnesota.

Mr. DURENBERGER I thank the Senator.

Mr. President, although I acknowledge the need for standby plans that can swiftly stem the impact of severe shortages of gasoline, I rise in opposition to this rationing plan because of three major defects and inequities.

My first, and major objection is based on the fact that, if implemented, this rationing plan would result in a massive transfer of income from the pockets of some Americans to the bank accounts of others. This transfer raises a serious question of equity which, I am sure, troubles the minds of all Senators.

Under this rationing plan, those who own coupons—distributed on the basis of automobile ownership—may sell them to those whose needs exceed their allotments. It is expected that individuals will sell more coupons than they buy, and that business will be the biggest buyer.

Business, of course, will not just "swallow" these increased energy costs. Prices will be raised to recover the additional expense. Those increased prices will be paid alike by automobile-owning individuals who may have gained through the sale of some of their coupons and by non-automobile-owning individuals who make up the lower income portion of our society. Those higher energy costs will severely affect, for instance, the cost of food—and most of the budget of the working poor goes for food and housing costs.

Second, although some attempts have been made to adjust allotments to allow for longer traveling distances in sparsely populated States, these averaged State requirements do not allow for the widely varying needs of people within a State like Minnesota. The needs of a Minnesotan living in a small town or rural area, for instance, are more similar to the typical Wyoming resident, with a 25-percent higher allotment, than they are to the Minneapolis car owner who has shorter distances to travel and the availability of public transportation.

Third, I oppose this plan because there is no clear set of conditions under which the President would propose or the Congress consent to implementation.

Shortages will not affect all parts of the Nation at the same time nor to the same degree. Thus, while some of us might be clamoring for implementation, others, whose constituents will not be facing a shortage at any particular time, would oppose it. Add to that opposition the significant numbers of Senators who flatly oppose rationing, and you make it almost certain that a request for implementation will not survive a veto. By passing this plan today we diminish rather than enhance our capacity to respond at a time of severe crisis.

Mr. President, I have drafted a letter to the President expressing these concerns, and I ask unanimous consent that it be printed in the RECORD. I also ask unanimous consent that my "Dear Colleague" letter which I have distributed be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 9, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR PRESIDENT CARTER: First, I want to congratulate you on the speed with which you submitted two sets of amendments to the original standby gasoline rationing plan. Second, I agree with many of my colleagues that the plan is now significantly improved by the amendments you submitted to the Congress yesterday, May 8. I agree that distribution of ration coupons based on historical state consumption is more equitable to all Americans than your initial proposal, and you are correct in setting a three car per family limit.

However, I still believe the rationing plan, as amended, is so flawed that I must continue to oppose it. Furthermore, I do not believe that if the Senate rejects this latest version that the American people will be left helpless and vulnerable to economic disruption and long gasoline station lines. I just cannot accept your contention that this nation would be left "without a program to cope with a severe gasoline shortage until well into 1980 or later."

I believe you have the authority and the capability to respond, as you did in a matter of hours yesterday, and present the Congress with a more reasonable rationing plan that will additionally accomplish the following: clearly identify the situation and conditions under which a gas rationing plan would be implemented; and more precisely identify the priority treatment which will be afforded our most critical industries, such as farming and energy production.

Under the provisions of the Energy Policy and Conservation Act, our vote today may give you standby authority to implement this plan. However, before it could be implemented, the Congress is required by EPCA to review it once again with each House having a veto option. I have examined administration documents and the Committee records regarding this plan, but have been unable to determine the precise conditions under which the administration might propose implementation or the conditions under which the Senate would give its consent. This, I believe, is a serious flaw.

A gasoline supply shortage is not likely to come upon all of us with the same speed or with a similar severity. Like the nations of the world and because of the wrinkles in our distribution system, a fifteen or twenty percent shortage in some states might coincide with very nearly full supply in other parts of the nation. Those of us who are affected in the early stages of a shortfall will be on the President's doorstep clamoring for implementation, while Senators from other states—states closer to the supply end of the distribution system—would be sure to oppose implementation as a wasteful expenditure causing great inconvenience to many. Under such a circumstance, the timing of a Presidential action becomes problematic. The President must act soon enough to prevent severe harm, but late enough to prevent a sure veto. And it is not likely that a veto would be followed by immediate reconsideration.

Rather than place my bet in a game of chance such as this and rely on the President's ability to judge the mood of Congress, I must ask that any rationing plan I support have a clear preamble that spells out the conditions under which the President would propose and the Congress would consent to implementation.

The second defect is related by circumstance to the one I have just raised. Because shortages will not affect all parts of the nation at the same time or to the same degree, our ability to respond must be more flexible than one national rationing plan which is only justified in times of truly national crisis. We must do much more to plan for limited responses—limited both as to disruptive impact in our usual routines and limited in geographic scope to those areas where the shortages justify the remedy. I am greatly encouraged by efforts in several states to meet current shortfalls through state action. In Minnesota our Energy Agency is working to implement a plan which would close stations on major highways on alternate days so that the shortage is spread more evenly and necessary gasoline is continuously available. Conservation and rationing plans which can be implemented on a state-by-state basis and which recognize the peculiar characteristics of business and travel in each state should be our first line of defense.

Mr. President, I feel obligated to share with you some of my other objections to this plan, and wish to explain to you why I voted against the plan.

If implemented, this rationing plan would result in a massive transfer of income from the pockets of some Americans to the bank accounts of others. This transfer raises a serious question of equity. However, this question of equity has not been made clear to the American people in the course of our debate and will not be fully understood until the first ration checks arrive in the mail.

Under the administration plan, entitlement to gasoline is determined by vehicle ownership and registration. Those who own, are entitled; those who do not, are not. According to census figures, 16.2% of all U.S. households do not register automobile ownership. As one might expect, automobile ownership is closely correlated with income. Nonownership is concentrated in low income groups and multiple ownership in high income groups. Three-quarters of the households with incomes above $35,000 are multi-car families, while only one-tenth of the low income families have two or more automobiles.

Under this rationing plan those who own coupons may sell them to those whose transportation needs and proclivities exceed their allotments. The Department of Energy expects that across all income classes, individuals will sell more coupons than they purchase. These coupons will be bought by business.

Those of us who know anything about business know that the businesses and corporations of the United States will not swallow the increased energy costs. Prices will be raised to recover the additional expense. We also know that automobile registration is rarely a consideration in the transactions between the producer and the consumer. The increased prices will be shared equally by those entitled to excess coupons and those entitled to no coupons at all. The result is a massive transfer of income from low income to high income Americans.

If this transfer were not tied up in the complexity of energy policy, it would be unthinkable and this government, which has shown its compassion for those who do not own—for those who are not entitled when their worth is measured by income or property only—would never propose such an action. Our energy shortfall is not so serious now that we should be panicked to policies which violate long American traditions—traditions evidenced by progressive taxation, income security for our senior and disabled citizens and assistance to our disadvantaged—traditions which form a basic consensus in American social policy.

Mr. President, I believe that this Congress has a responsibility to complete the National Energy Act by adopting a comprehensive petroleum policy and that this policy must include plans to meet sudden and severe crude oil supply interruptions. Evidence of this past week suggests that supply and distribution bottlenecks are already causing shortages at the pump on a local or regional basis and most Americans are expecting that shortages will become widespread as the peak summer gasoline demand approaches.

Although I acknowledge the need for standby plans that can swiftly stem the impact of severe shortages and despite the weekend closings, long lines and the inconveniences these events have caused, I will vote against the administration's rationing plan.

Mr. President, I believe that the American people will be forced to face some inconvenience and disruption in their daily lives before this nation has found a way out of the energy crisis. If the worst case comes to pass, those disruptions may be harsh and hard to bear. I also believe those disruptions should be managed by federal policy rather than market mechanisms, because we in the Congress and you as Chief Executive can, and we must, assure that the hardships are shared equitably by all Americans. I voted for your mandatory thermostat control policy and I am a cosponsor of a bill which would implement charges at federal parking facilities to encourage the use of mass transit. I am not one who shrinks from the thought of tough actions which would effectively address the crisis.

However, I will insist that our energy policy reflect the American tradition of equity, that it contain a range of actions appropriate to a variety of situations, and that it be well understood and the subject of broad consensus before it is put into place. I will, therefore, vote no on this standby rationing plan and ask you to begin immediately the preparation of a new plan which corrects the defects and assures the fairness that we all desire.

However, if you do not, I shall be a leader in the fight to have the Congress of the United States fulfill its responsibilities to the American people, and develop its own rationing and conservation plans.

Respectfully yours,
DAVE DURENBERGER,
U.S. Senator.

U.S. SENATE,
Washington, D.C., May 9, 1979.

DEAR COLLEAGUE: The United States Senate is moving rapidly toward a decision on the President's standby gasoline rationing plan. Before our vote today, I would like to share some thoughts with you on the assumptions that seem to be driving us toward a swift but half-hearted acceptance of the Administration plan. These assumptions are, in my mind:

Assumption 1. Rationing is the only solution to a national petroleum supply crisis.

Assumption 2. A national gasoline shortage of crisis proportions is just around the corner, so we need a rationing plan now.

Assumption 3. The major defects of this plan have been solved through amendments offered by the Administration and accepted by the Committee on Energy and Natural Resources.

Is rationing the only solution? I think not. If we look around us and take note of the responses by states currently facing shortages, we find no clamor for rationing or intention to use this approach. My own state of Minnesota, which will experience a 10-20 percent shortage this summer, has rejected rationing as too costly and unworkable. We are moving instead toward a program which includes service station closings on alternate days and a car sticker program which would ban each vehicle from the roadways one or two days a week.

Evidence from the states indicates that there is a broad range of appropriate responses to gasoline shortages and the fact each state is taking a slightly different approach speaks strongly against one national plan.

Is a national crisis around the corner? It is clear that some states and regions will face serious shortages this summer. However, it is also clear that this shortage will not be spread evenly across the nation.

Our debate has not clearly defined the meaning of a national crisis and we must remember that a yes vote today gives the plan standby authority only. I am concerned that if we consent to the plan without instructions on the timing of its implementation, we will be diminishing our capacity to stem the impact of a crisis. With a plan on the shelf, we will move on to other business until the President seeks authority to ration. At that time we risk the serious threat of a veto by one House, because of the uneven effects of a crisis.

A sizeable group in both Houses flatly opposes the rationing concept. Add to those the members whose constituents have an adequate supply at any particular time and you make it impossible to implement the plan.

Have the major defects been corrected? Amendments by the administration address two questions of equity which have troubled our colleagues in the Energy and Natural Resources Committee and members of the House Commerce Committee. In my view the amendments do not satisfactorily resolve the questions raised.

Even with a limit of three allotments per household, this plan will transfer income from low to high income Americans. This results because extra coupons can be sold in a white market when stamps are distributed to vehicle owners. DOE expects business to be a net purchaser of coupons in the white market and the increased cost of doing business which results will certainly be passed on to all, even those who have no entitlement under the plan.

The question of average use which has been addressed by providing higher allotments to residents of certain states, is a problem which can only be resolved by considering the needs of individuals, not the demographic character of states.

Other issues of significance, like cost and regulatory complexity, have not had an adequate hearing in our considerations as our time was limited by the process that EPCA imposes.

If this plan is rejected, is a timely response possible? EPCA was adopted in 1975 and until the last few days the mandate for a rationing plan has not resulted in serious Congressional consideration. The progress made in these few days of consideration suggests that an adequate plan could be swiftly developed through the normal legislative process. We can and we must keep the process alive by rejecting this plan today. We must return the process of developing a gas rationing plan to the people. Congress must provide the leadership by calling on the governors to work with us in developing plans based on the real needs of citizens.

The process that has been used so far has been inadequate. Too few people have been involved and too little information has been disseminated. If we experience a national energy emergency, the first line of defense must be the American people. Their resiliency, their ability to cope with extreme shortages of gasoline will be equal only to their depth of understanding and acceptance of whatever plan we submit for their approval.

Thank you for the opportunity to share my thoughts and concerns.

Sincerely,

DAVE DURENBERGER.

Mr. STEVENS. I yield 2 minutes to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank the Senator from Alaska. I will be brief.

There is no mandatory gasoline rationing plan for a nation like ours that is going to be easily administered, nor is there one that is going to be totally fair to everyone.

When we think of the scope of what a mandatory rationing plan really is in a country like ours, it is frightening to envision that we would ever have to use it.

Having said that, it seems to me that if we look at the various ways we could do this, that this is about as fair in principle as anything we could do.

It will attempt to take the historic use in each State, some using gasoline much more than others as a matter of necessity. So we will take the historic use, and that historic use will become very relevant in determining the number of stamps that the vehicles or automobiles will get.

That is the cornerstone of this plan. It has many other administrative problems that any plan will have, without question.

The white market is a new concept. Ultimately, it will create a market value for petroleum, no question about that.

Having said this, I will support it because I believe the President has tried to understand the need to move from the more unfair approach to one that is more fair.

I think that is what this one is. I hope we will at least put it on the shelf and hope that emergency never occurs. But if it does, the real emergency, we will have it available to use and implement if we move to such a crisis.

I thank the Senator from Alaska.

Mr. STEVENS. Mr. President, I yield 1 minute to the Senator from New York.

Mr. MOYNIHAN. I thank the distinguished Senator.

Mr. President, I observe in the report of the committee that the standby gasoline rationing plan gives no recognition to the taxicab or auto rental and leasing firms, which provide significant contributions to public transit options; and the committee strongly recommends that the Department of Energy reexamine and reevaluate the role of these firms in the economy.

I ask the managers of the bill: Is it their understanding, and do they desire it to be the expressed will of the Senate, that the Department of Energy should revise its stand and provide recognition for these firms?

Mr. JACKSON. The Senator is correct. The three specific items that are mentioned there relate to taxicabs, auto rental and leasing firms, telephone communications and newspaper systems, and firms engaged in distribution of food, and so on. These are three areas we strongly recommend the Department of Energy reexamine and reevaluate in light of the very important role they play in the economy—and especially, may I say, in the economy of the State of New York.

Mr. MOYNIHAN. I thank the distinguished Senator from Washington, the chairman.

I state my firm expectation that when the Department does this, it will provide for these clearly essential services.

Mr. JACKSON. The Senator is correct.

Mr. MOYNIHAN. I thank the Chairman.

The PRESIDING OFFICER. Who yields time?

Mr. JOHNSTON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Three and a half minutes.

Mr. JOHNSTON. I yield 1 minute to the Senator from Kentucky.

Mr. FORD. Mr. President, on Monday I stood in this Chamber and voiced my reasons for opposing the standby gasoline rationing plan that was before us under Senate Resolution 120. I will not repeat my objections, but they ran to the basic elements of the plan.

Mr. President, we need a standby rationing plan but the one originally before us was so flawed and inequitable that it posed the possibility of being a real disaster. That plan should have been, and would have been, rejected. I proposed that a new one be submitted, one that does not turn our whole economy upside down, one that is equitable as required by law.

Mr. President, Contingency Plan No. 6, as we can see, meets many of these objections directly.

The administration has admitted that its basic allocation was unworkable. Allocation, based on historical State use, when properly updated, substantially lessens the transfer of payments from one region to another and from one State to another.

The historical use basis does not pose the same serious distribution problems as did the original plan.

Historical use will lessen the severe adverse effect on rural America, as will the availability of the individual States 8 percent set-aside reserve.

Personally, I wish that the coupons would not be transferable. However, the revised plan probably holds the "white market" to a somewhat reasonable limit. It does not pose the same degree of danger of the inflationary impact of a second currency.

At yesterday afternoon's committee meeting, administration officials assured me that coupon distribution centers would not be limited to commercial banks, but would be much broader within the context of security requirements. I hope, and will work to see, that the requirements to distribute coupons as relates to all like institutions are not mandatory in the final implementation.

Mr. President, yesterday afternoon I reluctantly voted against the revised plan because agriculture and our food marketing system were not given priority beyond the farm gate. I deeply feel this should be done. I am going to work as hard as I can to try to persuade the President that this be done either in another contingency revision or in implementing regulations.

Mr. President, Congress will have another vote on this plan and that will be whether to disapprove implementation. My vote on that veto will be determined by the degree to which the implementing regulations meet the deficiencies that I still see in the revised plan before us today. I believe that this vote will not be long in coming and I predict that the administration will propose implementation before this fall is over.

Mr. President, the revised plan does not meet what I see to be the required priority for agriculture that runs throughout all our past enacted energy supply and allocation legislation. As indicated, I believe these still existing deficiencies can be cured in another simple contingency plan just as the administration, throughout this week, has cured other major deficiencies.

The President's letter of today on this point reassures me that he has the same concerns as I do with respect to agriculture priority. I am pleased that he intends that the production, distribution and processing of food and fiber products will receive a priority.

Mr. President, today I am going to vote "yea." I will cast this vote after having considered the consequences of no plan at all as against the consequences of having the improved, but still somewhat deficient, contingency rationing plan in place. I do this because of the truly crucial point in our Nation's destiny.

I ask this question of the Senator from Louisiana: Is it mandatory under this plan that banks dispense coupons? Is it mandatory, or can it go to some other institution, or can it go to post offices? Can it be taken out of banking, with respect to the dispensing of coupons?

Mr. JOHNSTON. It is discretionary whether to take it out of banks or whether to use banks and other institutions.

As a matter of fact, we had a discussion yesterday with the Department of Energy, and they are seriously considering, because of the concern of the Senator from Kentucky, using, particularly in the rural areas, things such as department stores or other public institutions, which would make the tickets more readily available to the public.

Mr. FORD. Do the banks have any opportunity to reject the imposition of this language? If, under the implementing order, it goes to banks, is there no way for banks to reject it?

Mr. JOHNSTON. It is not mandatory that banks be designated.

Mr. FORD. In the implementing order.

Mr. JOHNSTON. I would think it would be discretionary with the Department of Energy or with the President as to whether to make the implementing order mandatory or voluntary on behalf of those who are designated. In other words, that is yet to be decided.

Mr. FORD. But we do understand that other institutions can be used which are being considered?

Mr. JOHNSTON. The Senator is correct.

Mr. STEVENS. I yield myself 1 minute.

Mr. President, we have submitted the revised S. 151, which states the sense of the Senate that a severe energy supply interruption is defined basically as one that comes from an OPEC embargo, from sabotage abroad that would destroy the producing capabilities of one of our foreign suppliers, from an act of God which would destroy substantial production, or from hostilities under the War Powers Act under the Constitution—any of which would reduce the supply of this country by 20 percent for more than 30 days, so far as petroleum is concerned.

To me, that means we are saying, as the Senate, when we agree to this resolution, that should the President attempt to invoke this gas rationing plan on a basis that is less than a severe national crisis as defined in this resolution, the Senate would disapprove the invocation of the plan. To me, that makes the plan acceptable.

Mr. President, I yield 1 minute to the Senator from Pennsylvania.

Mr. HEINZ. I thank the Senator.

Mr. President, I oppose this plan. I make it clear that I do support having a standby rationing plan, but I do not support this plan, which has been sent to us within the last 24 hours. It is hasty and ill-considered.

One thing this plan does is to penalize those people who have done the best job of conservation. Because it is based soley on historical use, it favors the largest consumers. Added to that is the fact that it transfers a lot of income from people who conserve to those who use. Because of the way people with more cars would be favored over people with less, and because it ignores the needs of small business, such as salesmen and intracity delivery, I think this plan is hasty and ill-considered. The President would do better to send us one he has thought about for more than 24 hours.

Mr. CHURCH. Mr. President, will the Senator yield to me briefly?

Mr. JACKSON. I yield.

GASOLINE RATIONING: MORE FUDGE

Mr. CHURCH. Mr. President, the United States has not witnessed a more chaotic gasoline supply situation since the OPEC oil embargo in 1973. Suddenly—and inexplicably—we now see long lines at service stations, farmers unable to obtain needed diesel fuel to plant their crops, weekend closing of gas stations, and spiraling costs for the fuel that is available.

Recent statistics indicate that U.S. oil refineries are now running at only 85 percent of capacity; yet there is no real shortage of crude. Three weeks ago, the press talked routinely of the oil "glut" on the west coast. Now, it has disappeared—replaced by shortages.

In the midst of this supply disarray, the President has proposed to decontrol the domestic price of oil, and he has sent to Congress a standby gasoline rationing plan. More precisely, he has sent several standby rationing plans to Congress, which leads us to this debate today.

Let me begin by saying that I think a well-conceived standby gasoline rationing plan is essential for any future energy emergency. For example, if the Arab countries were again to impose an embargo on oil sales to the United States, as they did in 1973, we would soon be faced with a supply shortage so serious that we would be confronted with either rationing or revolution. Such an emergency, without regulated distribution, could easily lead to rioting at the gas pumps.

The question, then, is really whether the President's plan now before us is fair and equitable. Unfortunately, I must answer that question in the negative. The history of this plan—and the subsequent amendments that have been sent to Congress in a furious rush—demonstrates to me that what we have before us today is simply more fudge from the fudge factory, the Department of Energy.

I speak from the experience of one who has sought, throughout the deliberations of the Senate Energy and Natural Resources Committee, to obtain a workable standby gasoline rationing program.

When the first plan was submitted, I expressed my disappointment in the fact that the plan made no provision for States such as Idaho, which have long driving distances, little public transportation, and a rural economy that cannot function without adequate supplies of diesel fuel and gasoline. These and other factors—including the importance of our outdoor recreation industry and Idaho's rapid rate of growth—result in a higher per capita consumption of gasoline than is the case in other parts of the country.

During the Energy Committee hearings on the original plan, I urged the administration to adjust the proposal to account for the differences in historical consumption patterns, economies, and lifestyles between the States.

Subsequently, before a vote was taken, the committee received written assurances that the plan would be so adjusted. With these assurances, I gave the plan my support, recognizing that Congress would have another opportunity to vote before the gasoline rationing was ever actually imposed.

Monday, the administration's modifications to the original plan were sent to Congress. It quickly became clear that the modified plan fell far short of meeting the minimum needs of a rural State like mine. As a result, I voted for a resolution disapproving the original committee vote that favored the President's plan.

At this point, the administration submitted a third plan, in the form of an amendment to the original proposal. I voted to report this amendment to the Senate despite my reservations, because I was led to believe that on the basis of gasoline usage, this third plan would more accurately reflect the historical pattern of per capita consumption for each State. Idaho has a higher than average per capita consumption. At the same time I reserved the right to oppose the plan if it appeared deficient in respect to agriculture.

This morning, however, figures received by the committee from the Department of Energy show that contrary to increasing the amount of gasoline available to Idaho under rationing, on a per capita basis, it would decrease the amount because the "historical use" criteria is based on per-vehicle consumption rather than per capita consumption. Because of a higher than average number of vehicles per person, Idaho has a lower than average per vehicle use of gasoline.

Thus, I find this plan unacceptable both on the ground of general availabilities of gasoline supply and on the ground that it does not meet the needs of agriculture. While it provides for on-farm needs, it does not make provision for allocating the gasoline necessary to get farm products to market.

In the final analysis, Mr. President, I think we should send the plan back for further revision. It is true we will lose time by voting down this standby rationing program, but the administration can do better, and I think it should try again. Therefore, I will vote against the plan.

While I am on the subject, I think that the time has come for a serious look at how we got into the current shortage. Before turning over to the oil companies unearned billions of dollars in new profits through the decontrol of domestic oil, we should know what is causing this shortage. Among other things, to what extent are the oil companies hoarding crude and holding back on gasoline production in expectation of still higher profits? If this is the case, then President Carter should use the authority he possesses to restore the oil companies to full production. If the crude is available, as many allege, then it is intolerable to permit our refineries to run at only 85 percent of capacity.

Finally, voting down this standby rationing program will, I hope, send a signal to the administration that Congress will not tolerate energy inequities. A standby gasoline rationing program which treats all parts of the country with fairness will have the support of the American people. One that does not will be rejected—as this one should be.

The PRESIDING OFFICER (Mr. Boren). Who yields time?

Mr. JACKSON. Mr. President, how much time do we have on this side?

The PRESIDING OFFICER. Two minutes.

Mr. JACKSON. Mr. President, could I indulge the Senator from Alaska if I need a half minute?

Mr. STEVENS. I already did it.

Mr. JACKSON. Mr. President, questions have been raised about the application of the agricultural matters pertaining to the President's plan. I should like to read into the Record a letter on this subject, dated May 9, which was sent up by the President a few minutes ago.

During the deliberations of the Senate Energy and Natural Resources Committee on the amended Standby Gasoline Rationing Plan, the issue was raised as to how the needs of the agricultural community are addressed.

The Plan already specifically earmarks priority ration alloments for vehicles and equipment used in the production of food and fiber. The purpose of this provision is to insure adequate energy for essential agricultural production.

While we believe that the Plan's current agricultural priority is adequate, a number of Senators have raised questions about the distribution and processing of agricultural products. My Administration will study this matter and I will not hesitate to take further action which may be necessary to protect agricultural production and essential processing and distribution from serious disruption.

On a related subject, the Department of Energy is issuing regulations granting farmers the highest priority for supplies of diesel fuel to meet their needs for spring planting. As I said in Iowa a few days ago, "I will not allow agricultural production to be disrupted by a shortage of petroleum. And I will not allow rural America to run dry."

Sincerely,

Jimmy Carter.

Mr. President, I just want to make this observation, as we conclude the debate:

We have been studying and working on various ration proposals since the 1st of March. The truth is that there is no way in which this Congress or any Congress, in my judgment, on its own, can put together a ration plan legislatively that will meet the needs of this country. The very nature of the problem of rationing is one of rationing inequities. The whole thing involves inequities.

We have to do this somewhat by trial and error. Under the law, if we approve this program, the President will have to work for weeks and months to get a plan in place; and in the event the worst happens and the resolution here covers the other items——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. JACKSON. Will the Senator yield 30 seconds?

Mr. STEVENS. I yield.

The PRESIDING OFFICER. All time has expired, except the 20 seconds remaining for the Senator from Alaska.

Mr. STEVENS. Mr. President, I should like to read into the Record a letter from the President pertaining to the producers of energy. I apologize that it does not refer to a statement made in Iowa, but it does state:

Several members of Congress have asked whether the Standby Gasoline Rationing Plan would provide supplemental ration rights to producers of energy.

The Plan provides adequate flexibility to both the federal and state governments to assure adequate supplies of gasoline to energy producers. Under Section 570.33 of the Plan certain essential activities may receive priority allocation of ration rights and the Department of Energy has the authority to designate additional priority activities. It is my intention to include energy producers as priority firms under the Rationing Plan.

In addition, the states have an 8% ration reserve which permits them the flexibility to allot additional gasoline supplies to essential activities within their jurisdiction, including energy production.

It is my firm intention that the Rationing Plan will provide necessary gasoline to energy producers.

● Mr. TALMADGE. Mr. President, as chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, and a Senator from an agricultural State with a large rural population, I want to express my deepest concern about the effects that the proposed gasoline rationing plan could have on agriculture and rural America.

As you know, Mr. President, to be approved, the plan must receive an affirmative vote by both the House and the Senate by this week. And according to the Energy Policy and Conservation Act, neither body of Congress can make amendments to the proposed plan—only the President can change it.

While some have stated that the chances of such a plan being implemented are small, I do not believe that this is necessarily so and that once implemented, farmers and rural people could suffer unnecessarily as would the American consumer.

On May 2, 1979, I, along with all of the other members of the Committee on Agriculture, Nutrition, and Forestry, sent a letter to the President that pointed out the proposed plan's deficiencies with regard to farmers and rural people and asked for amendments to the proposed plan. On May 8, 1979, the committee sent a similar letter to my distinguished colleague, Senator Jackson, chairman of the Committee on Energy and Natural Resources. Mr. President, I ask that both of these letters be placed in the Record at this point.

The letters are as follows:

Committee on
Agriculture, Nutrition, and Forestry,
Washington, D.C., May 2, 1979.

The President,
The White House,
Washington, D.C.

Dear Mr. President: As Members of the Senate Committee on Agriculture, Nutrition, and Forestry, we want to express our grave concern about the effect that the proposed gasoline rationing plan would have on rural America and agriculture in general.

As you know, Mr. President, to be approved, the plan must receive an affirmative vote by both the House and the Senate by May 13, 1979. Before the Senate has to make its decision on the plan, however, we believe the plan should be amended. While some energy officials believe that the chances of the plan being implemented are small, it is our belief that this is not necessarily so and that, once implemented, farmers and rural people would suffer unnecessarily as would the American consumer.

At a recent hearing of the Subcommittee of Rural Development, it was learned that the gasoline rationing plan does not give agriculture full priority as has been done in the past since World War II with any type of energy conservation or allocation legislation.

While the plan proposes to give farmers supplemental allocations for off-highway vehicles such as tractors, combines, and the like to meet our food and fiber needs, the approach has several major weaknesses.

One problem is that farmers will not be given any priority allocation for their on-highway vehicles, such as trucks, that are predominately used for farm business purposes. Furthermore, no priority is given to agriculture for the distribution of production items for farmers, such as feed, fertilizer, and seed. Nor is any priority given to the processing and marketing of the farmers' production.

It makes no sense to give farmers priority for their tractors if they cannot get the items they need to grow a crop or the necessary gasoline is not available to process and sell agricultural products to the American consumer.

Mr. President, as a farmer, you know that the production of food is on a time clock that cannot wait for gasoline coupons to be issued or purchased. Timeliness of fuel, in sufficient amounts, is absolutely essential to full food and fiber production, which is essential to life. With the uncertainties of the weather and export demand, no one can predict with accuracy the amount of gasoline needed for full food and fiber production; nor can any agency allocate among individual farmers the amount of gasoline needed in a particular year or season to meet these goals without creating unnecessary hardships. Can you imagine the consequences of a farmer not being able to plant or harvest a crop in a timely manner because he did not receive enough gasoline coupons or of bread not being delivered to consumers because no priority was given to bakery delivery fleets?

Both farmers and consumers, and thus the Nation, would be the losers as shortages would arise and prices would escalate while Federal officials tried to discover what went wrong with a plan that looked so good on paper.

There is another serious defect in this plan, and it concerns the people living in rural America. As you know, Mr. President, people living in more rural areas have to travel longer distances to go to work, shop for groceries, and to receive adequate medical care. The plan proposes to allocate gasoline coupons on a registered vehicle basis; thus, rural people would suffer disproportionately since there are no alternatives such as mass transit for most of them. This seems most unfair, and it is a continual reminder to us that for most government actions or regulations proposed in Washington, rural residents are not given an adequate voice in such decisions. Hearings were held in several major cities of this Nation on this plan, but not one was held in a rural area.

It is our understanding that the Senate Committee on Energy and Natural Resources raised this issue, and that a member of your staff, Mr. Stuart E. Eizenstat, responded with two letters. Mr. Eizenstat acknowledged that the plan has a serious bias against rural America, and that additional gasoline coupons would be given to rural states in the form of state reserves that could be used to help eliminate this problem. These assurances, however, are not officially in the plan. We need more than assurances.

In sum, Mr. President, we are concerned about the adverse effect of the proposed gasoline rationing plan on agriculture and rural America—concerns that were initially raised by the Department of Agriculture but essentially ignored by the Department of Energy. According to the Energy Policy and Conservation Act, Congress cannot amend the plan, but you can. We strongly urge you to do so in the ways we have suggested before the plan is considered on the floor of the Senate.

Sincerely,

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C., May 8, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is to alert your Committee on Energy and Natural Resources to the Agriculture Committee's grave concerns over President Carter's proposed Standby Gasoline Rationing Plan. A principal reason for our serious reservations is the plan's failure to adequately provide fuel rights for agricultural production and rural residents.

We all realize that this nation needs a standby gasoline rationing plan to be prepared for any unforeseen fuel shortages. We need a plan that is both reasonably equitable and carefully designed to get the nation through a drastic reduction in gasoline. All responsible citizens realize that if we ever face a situation that requires gasoline rationing, it is only right that they share in sacrificing some of the fuel they have grown accustomed to using. However, we must not abandon our nation's necessities while recourse remains.

Under any gasoline rationing plan, certainly the production and distribution of food must be of first priority. Furthermore, the burdens of such a concerted gasoline conservation effort must be equally borne by all sectors of the population. We are concerned that the amended plan before you today neither treats rural residents with fairness nor does it give agriculture the priority it must have.

As far as agricultural production is concerned, the amended plan fails as badly as the original. No special provisions are made so farmers may transport feed, seed and fertilizer to their fields. No special provisions are made so that harvested crops may be transported from the fields to local markets. No special provisions are made so that the work of custom service operators in agricultural production can be assured. No special provisions are made so that processed food can be transported to retail outlets. In short, the plan does not assure adequate agricultural production and distribution.

Moreover, given the very sensitive nature of the agricultural, economy, severe economic distortion is a certainty under this plan. Unacceptably large food cost increases and food shortages should be expected if this plan is ever implemented.

The increased size of the State Ration Reserve, as guaranteed by the President's amendments to the plan, will assure rural America of little more than increased bureaucracy at the State level. While that amendment is a worthy effort, the requirement that hardship must be proven renders the change ineffective as a timely remedy to the inequities the Administration has acknowledged.

The plan does not recognize the high dependence rural residents must place upon gasoline powered vehicles. People living in and outside of small towns simply have to travel further than those living in the more concentrated urban and suburban areas. Even as amended, the plan will not equitably serve legitimate rural needs. It does not provide special provisions for rural people who need much more gasoline due to a lack of mass transit services and higher commuting distances. Moreover, the proposed white market that the plan relies heavily upon will, in our view, be ineffective and inflationary in rural America.

We trust that your committee will take our opinions into consideration when reviewing the proposed amendments to the Standby Gasoline Rationing Plan.

Sincerely,

Jesse Helms, Patrick J. Leahy, Herman E. Talmadge, Walter D. Huddleston, Edward Zorinsky, Donald W. Stewart, David L. Boren, Robert Dole, Richard G. Lugar, Rudy Boschwitz, George McGovern, Richard Stone, John Melcher, David Pryor, Milton R. Young, S. I. Hayakawa, Thad Cochran, Roger W. Jepsen.

Mr. TALMADGE. Mr. President, I have no fear in joining the President in "biting the bullet" with regard to tough energy conservation measures. And I am not adverse to a gasoline rationing plan—one that is equitable and utilizes good judgment. Some hard decisions have to be made and sacrifices must be expected by all. I understand this. And I have no problem in sharing the responsibility with the President in making some of these decisions, for that is what I am elected to do.

In good conscience, however, I cannot turn my back on farmers and rural people. They cannot be expected to make sacrifices that are unnecessary and unfair—sacrifices that would ultimately hurt every consumer of this Nation. It does not make sense to me to allocate gasoline in any way other than one which guarantees food on the table. This makes no sense and leads me to believe that Department of Energy bureaucrats do not know where and how their food is grown and delivered to their supermarket.

Let me explain some of the problems this proposed plan—as originally submitted—had with regard to farmers and rural people.

At a recent hearing of the Subcommittee on Rural Development, it was learned that the gasoline rationing plan does not give agriculture full priority as has been done in the past with any type of emergency energy measures. While the plan proposes to give farmers supplemental allocations for off-highway vehicles such as tractors, combines, and the like to meet our food and fiber needs, the approach has several major weaknesses.

One problem is that farmers will not be given any priority allocation for their on-highway vehicles, such as trucks, that are predominantly used for farm business purposes. A major portion of the gasoline consumed on the farm is through the use of such vehicles for farm production purposes. Most of our farmers' tractors and combines, for example, use diesel fuel. So a supplemental allotment of gasoline for such machinery would be of little help. The plan makes no mention of diesel fuel—a fuel that is in short supply at this very moment. Furthermore, no priority is given to agriculture for the distribution of production items for farmers, such as feed, fertilizer, and seed. Nor is any priority given to the processing and marketing of the farmers' production.

It makes no sense to give farmers priority for their off-highway machinery if they cannot get the items they need to grow a crop or the necessary gasoline is not available to process and sell agricultural products to the American consumer.

Mr. President, I have been associated closely with agriculture during my 22 years in the Senate and I know that the production of food is on a time clock that cannot wait for extra coupons to be issued or purchased. Timeliness of fuel, including diesel in sufficient amounts, is absolutely essential to full food and fiber production, which is essential to life.

With the uncertainties of the weather and export demand, no one can predict with accuracy the amount of fuel needed for full food and fiber production; nor can any agency allocate among individual farmers the amount of fuel needed in a particular year or season to meet these goals without creating unnecessary hardships. Can you imagine the consequences of a farmer not being able to plant or harvest a crop in a timely manner because he did not receive enough coupons or of bread not being delivered to consumers because no priority was given to bakery delivery fleets?

Both farmers and consumers, and thus the Nation, would be the losers as shortages would arise and prices would escalate while Federal officials tried to discover what went wrong with a plan that looked so good on paper.

There is another serious defect in this plan, and it concerns the people living in rural America. As you know, Mr. President, people living in more rural areas have to travel longer distances to go to work, shop for groceries, and to receive adequate medical care. The plan proposes to allocate gasoline coupons on a registered vehicle basis; thus, rural people would suffer disproportionately since there are no alternatives such as mass transit for most of them. This seems most unfair, and it is a continual reminder to us that for most Government actions or regulations proposed in Washington, rural residents are not given an adequate voice in such decisions. Hearings were held in several major cities of this Nation on this plan, but not one was held in a rural area.

In response to some of the issues I have raised, yesterday the President amended the proposed plan to provide that available gasoline supplies be allotted on the basis of historical use for each State. This will help the more rural States receive a more equitable share of the available gasoline supply. And I am hopeful that this increased allotment for rural States will be shared by those people living in the more rural areas. In the event it becomes necessary to implement the plan, I expect the forthcoming regulations will assure us of this.

In addition, the President has indicated he is sending a letter expressing his intent to amend the plan to give the agriculture sector full priority—not just priority for off-highway vehicles as the plan presently provides for.

This would mean, I assume, that not only farmers would be allocated enough gasoline for their current needs, including the use of their on-highway vehicles, but also enough would be available for all of the other agricultural businesses that are so vital for food being on the American consumer's dinner plate.

I want to commend the President for recognizing the unique situation farmers and rural people face with regard to gasoline shortages. If this plan, as amended, is approved, farmers and people living in rural America can be assured that I will continue to keep close watch over the regulations that will be promulgated to implement the plan to make sure they reflect congressional intent.●

THE NEED FOR STANDBY GAS RATIONING AUTHORITY

Mr. ROBERT C. BYRD. Mr. President, there is no easy answer to this Nation's energy dilemma. There is no plan which human ingenuity can devise to satisfy everyone when the purpose of the plan is to ration a scarce resource. In developing a gas rationing formula, there is no satisfactory way to accommodate all the diverse interests and needs of the American people. But the energy shortage in this country demands responsible action. The American people expect, and deserve, decisive action.

In California, the long lines at the gas pumps have already formed. We see on the evening news the predicament each of us could have to cope with, perhaps before summer's end. We learn that the oil companies will distribute 17 percent less gasoline to station owners beginning this month. We face the continued uncertainty of oil supplies from the Middle East.

Mr. President, we cannot continue on this course. Our insatiable appetite for gasoline must be curbed, for we place at risk the economic stability and national security of our country.

The proposed standby gas rationing plan before us today should not be mistaken for a conservation measure. Rather, the plan is a means of distributing gasoline as fairly as possible, in the event of a severe interruption of oil supplies.

I commend the distinguished chairman (Mr. JACKSON), the administration, members of the Senate Energy Committee, and other Senators who worked to devise as equitable a rationing plan as possible. Like Solomon, they weighed the needs of the citizens of each region of the country and remained steadfast in their determination that no State should be treated unfairly. Adoption of this standby gas rationing plan will demonstrate the Senate's determination to shoulder the responsibility and make the hard decisions required if energy security is to be obtained.

Numerous questions have been raised concerning this particular proposal. They are valid concerns. Most, if not all of these, have been answered: In responses here on the floor; in communications between members of the committee and other Senators; in communcations from the administration.

Mr. President, we will not know all the answers to every possible question until a real energy emergency is upon us. We will not even know all the questions until then. That does not mean that we vote today without having carefully considered the economic costs and social impact of this plan.

The best workable plan has been devised—one which is fair, and which can be administered with a minimum disruption of our normal patterns of life.

As we debate the merits of this plan, we should remember that its terms are not engraved in stone. The Energy Policy and Conservation Act, under which a standby gas rationing plan is required, provides several mechanisms by which any measure can be altered. First, in the event of a severe supply interruption, the President must seek congressional approval before gas rationing is implemented and either House of Congress may veto that action. Second, the act provides for amendment of the plan, at any time when it is in effect. I am sure each of us will carefully monitor the administration and operation of any gas rationing program and act promptly to recommend necessary changes. Finally, any gas rationing plan may only remain in effect for 9 months. In the event of an extended emergency, I am confident that Congress will take all appropriate and necessary action to insure that the American people are not unfairly burdened.

Mr. President, I urge the Senate's approval of the standby gas rationing program. I believe that the amendment worked out in committee yesterday goes a long way toward making this proposal as fair and equitable as possible. It is impossible to devise a "perfect" plan which will accommodate all of the competing economic and social needs of the American people. But a standby plan must be put in place as soon as possible—one that is fair and gets the job done.

Mr. President, the spotlight is on the Senate. It is up to us to face the realities before us. It is our responsibility to demonstrate the kind of leadership and wisdom which is expected of us.

Mr. President, we cannot afford to mortgage this Nation's future. The debt will be called when we least expect it.

We must not journey into the dark unknown of our energy future without a beacon of preparation and planning. This amendment provides a measure of insurance.

If today we deny the President this flexibility, knowing full well Congress will have the opportunity to deny gas rationing, how are we going to turn to him in time of need? At the time of emergency are we going to ask, what now, Mr. President?

This to me is an abdication of our responsibility. It boils down to this simple fact—are we going to tie the President's hands in dealing with a severe national emergency that could be devastating to each and every life in America?

I do not believe we will.

● **Mr. CHILES.** Mr. President, after carefully weighing the administration's proposed standby gasoline rationing plan, as amended by passage of Senate Resolution 153, I have concluded that I must vote no. My opposition to this measure is based on the current design of the plan which I think is deficient in several respects. Since the plan is not subject to amendment by the Congress, I feel we must reject the proposal and request the administration to go back to the drawing board.

In opposing standby rationing plan No. 1, I am in no way saying that we should not have a contingency rationing plan for a true emergency situation. Obviously, we have to be prepared for the possibility of a severe energy shortage with a fair and reasonable plan for coping with drastically reduced supplies. The Congress has mandated the development of such a plan in the Emergency Policy and Conservation Act of 1975. If anything, we are long overdue in having a workable emergency plan on the shelf and ready for quick implementation if needed.

What we are voting on today is not whether to have a rationing plan. Congress has already decided that question. What we are voting on is whether this is the most effective and equitable plan. I do not believe it is.

Naturally, I am primarily concerned with the impact of this plan on my State. With the adoption of Senate Resolution 153 a few moments ago, I feel the direction of the plan has shifted to such an extent that it is unfairly detrimental to Florida. Florida is a growth State, and that fact is not accommodated in this plan. With the further changes the administration recommended yesterday to a total shift toward historical gasoline use, my State would suffer an 11.9-percent reduction in gasoline—based on estimates by the Florida Energy Office—as compared with the original plan. This translates into between 45 to 50 million gallons a month. For a State such as Florida with its great economic dependence on automobile travel, this is too big a reduction to stomach.

I have other concerns as well.

The Senate Committee on Energy makes very clear in its report accompanying Senate Resolution 120 that a number of business interests that provide vital services to the public are not taken into consideration in the proposed rationing plan. These concerns should be addressed and resolved in a plan as presented to the Congress rather than depending upon the Department of Energy to reevaluate the role of these firms in the economy, and subsequently report to the Congress.

While the administration's plan does recognize the particular energy needs of agriculture, it does not sufficiently respond to the fuel requirements of agricultural production and rural residents. Clearly, we should not implement any plan that may seriously hinder the production or transportation of food. The membership of the Senate Agriculture Committee has voiced grave concerns regarding the potential impact of this plan on agricultural production and distribution.

Representing a State that is so economically dependent on the tourism and travel industry, I am also concerned that the contingency plan fails in any way to mitigate the tremendous negative impact that rationing will have on this industry. Under any rationing plan, nonessential driving will be greatly minimized. But within the context of that goal, I feel there needs to be a more reasonable effort to insure that the tourism industry does not suffer more than its fair share of the burden.●

● Mr. RANDOLPH. Mr. President, I commend President Carter for amending his original proposal on gas rationing yesterday afternoon. It corrects a majority of the interstate inequities which fell on rural areas and States in the previous plans submitted by allocating gasoline, on historical State consumption rates rather than national average gasoline consumption rates.

I have always believed that the Federal Government, in case of emergency, should have the power to order gasoline rationing. For this reason I will vote today for Senate Resolution 153, establishing a national stand-by gasoline rationing plan. There remain, however, certain problems in the plan which should be corrected when regulations are developed by the Department of Energy for implementation of gasoline rationing.

Private delivery services should be assured that gasoline will be available so their businesses can still provide services that benefit the public. Citizens, such as those acting as sales representatives for various companies who depend on their automobile to successfully conduct business should receive favorable consideration when deciding who will receive special allotments from State ration reserves. Dealers on which new administrative burdens will be placed in collecting rationing coupons should receive, if possible, some type of financial relief for carrying out this collection responsibility.

Mr. President, I realize it is impossible to develop a plan which will be considered fair by each person in our respective States. I urge, however that when regulations are drafted, they should be drafted with a knowledge of certain problems which face rural and mining States like West Virginia. For example:

The rugged terrain in our State presents special travel problems to the citizens in terms of circuity of travel and steep grades. This results in relatively high fuel consumption per mile of travel.

Many of our local roads are deadended, resulted in considerable "back haul" for both delivery and transit services.

The settlement pattern of our citizens tend to be dispersed. A relatively large percent of the population is rural, nonfarming—58 percent—ranking second only to the State of Vermont—62 percent. This results in relatively long trips for all types of activity.

Recent studies in our coalfields indicate that the typical miner travels 16.5 miles to work, with many miners exceeding 20 miles per trip. As a result, West Virginia miners exceed the national average for work trips by over 75 percent.

Statistics from the Federal Highway Administration indicate that in 1976 gasoline was used at an annual rate of 948 gallons per vehicle in West Virginia. This exceeds the national average of 835 gallons per vehicle by a full 14 percent with West Virginia ranking seventh in the Nation.

Mr. President, I feel that Senate Resolution 153 does indicate that strong consideration to travel problems in States such as West Virginia have indeed been considered by the administration. I pledge my continuing support in working with Department of Energy officials to assure that all citizens of West Virginia are treated equitably in development of the implementation framework for this standby gasoline rationing plan.●

Mr. JOHNSTON. Yeas and nays, Mr. President.

Mr. STEVENS. Have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. JOHNSTON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, is there any further time remaining?

The PRESIDING OFFICER. Time for debate has expired.

Under the previous order——

Mr. ROBERT C. BYRD. Tally sheets have been placed on all desks. I ask that the clerk repeat the names and the vote as they are cast and that the Chair keep the Senate in order and the well cleared.

The PRESIDING OFFICER. Under the previous order, the time of 2:30 p.m. having arrived, the Senate will now proceed to vote on adoption of Senate Resolution 153.

The question is on agreeing to the resolution.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have the well cleared?

The VICE PRESIDENT. The Senate will be in order. The well will be cleared. Clear the well.

Mr. ROBERT C. BYRD. Mr. President, I ask that the vote not continue until the well is cleared. There are tally sheets on all desks.

The VICE PRESIDENT. The clerk will suspend.

The clerk may proceed.

The legislative clerk resumed the call of the roll.

Mr. ROBERT C. BYRD. Mr. President, may we have a little order here so that Senators who are at the desk can hear as well as see the American flag?

The VICE PRESIDENT. The well will be cleared.

The Senator from Maryland will clear the well.

The clerk will proceed.

The legislative clerk resumed the call of the roll.

The VICE PRESIDENT. The Senate will be in order.

Clear the well, please.

The Senator from Maryland will clear the well.

Clear the well, please.

The clerk will proceed.

The legislative clerk resumed the call of the roll.

Mr. RANDOLPH. Mr. President, the Senate is not in order.

The VICE PRESIDENT. The Senator is correct.

The Senate will be in order.

The clerk will proceed.

The legislative clerk resumed and concluded the call of the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr. BAYH) is necessarily absent.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) would vote "yea."

The VICE PRESIDENT. Are there any Senators who have not yet voted?

The result was announced—yeas 66, nays 30, as follows:

[Rollcall Vote No. 84 Leg.]

YEAS—66

Armstrong
Baker
Bentsen
Biden
Bradley
Bumpers
Byrd,
Harry F., Jr.
Byrd, Robert C.
Cannon
Cochran
Danforth
DeConcini
Domenici
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Hart
Hatch
Hatfield
Heflin
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Percy
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Simpson
Stennis
Stevens
Stevenson
Stewart
Talmadge
Thurmond
Tower
Tsongas
Wallop
Warner
Weicker
Williams

NAYS—30

Baucus
Bellmon
Boren
Boschwitz
Burdick
Chafee
Chiles
Church
Cohen
Cranston
Culver
Dole
Durenberger
Goldwater
Gravel
Hayakawa
Heinz
Helms
Jepsen
Kassebaum
Lugar
McClure
McGovern
Melcher
Pell
Pressler
Schweiker
Stone
Young
Zorinsky

NOT VOTING—4

Bayh
Laxalt
Packwood
Stafford

So the resolution (S. Res. 153) was agreed to.

DEPARTMENT OF ENERGY STANDBY GASOLINE RATIONING PLAN NUMBERED 1

Mr. ROBERT C. BYRD. Mr. President, I ask now that, under the order previously entered, the Senate proceed to the consideration of Senate Resolution 120. I make that motion.

The VICE PRESIDENT. The clerk will report.

The second assistant legislative clerk read as follows:

Resolved, That the Senate approves the contingency plan numbered 1 (rationing plan relating to gasoline) submitted to the Congress on March 1, 1979.

The Senate proceeded to consider the resolution.

The VICE PRESIDENT. Under the previous order, the vote on this resolution is to occur no later than 3:30 p.m.

Mr. JACKSON. Mr. President, I ask for the yeas and nays.

The VICE PRESIDENT. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, I do not have any desire to see the remaining debate extended for a great length of time, and I think that we can probably vote in advance of 3:30. I know there are other meetings and arrangements that are important to be conducted this afternoon. But I will be grateful personally, as one Senator, if the distinguished managers of this bill could explain to us the significance of the vote just concluded in relation to the vote we are about to take. If that can be done in a few minutes, maybe we can agree on a greatly shortened time period.

Mr. ROBERT C. BYRD. Mr. President, may we have order so that the floor manager may do that?

The VICE PRESIDENT. The Senate will be in order.

Mr. JOHNSTON. Mr. President, in response to the question of the distinguished Senator from Tennessee, let me say that the original rationing plan sent down by the President envisioned the allocation of rationing stamps or coupons to each vehicle, based on vehicles and not based on the historic usage of gasoline in the States in which the vehicles were situated.

A number of us thought it was unfair not to take into consideration the historic averages of the States, because many States are rural, people live long distances from their places of work, and there is no mass transit.

Therefore, the White House sent down an amendment, on which the vote was just concluded, which allocates coupons based on the historic driving averages. The Senate has just approved that amendment. So now we will vote on the rationing plan as amended, which is the original plan amended only by taking into consideration the historic driving averages, by limiting the number of coupon holders to three within each household, and by providing for a minimum of 8 percent for what we call a State ration reserve. Eight percent of the tickets going to each State will be allocated as that State wishes, and if the State wishes to make its own priorities, it has 8 percent of the tickets within which to do so.

With those three changes, the original rationing plan is now to be voted on.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I yield myself 3 minutes, and then various Senators on our side need time, and I will yield to them.

I think the Senator from Louisiana has adequately explained what the previous vote means in terms of the overall standby rationing plan.

I think it is fair to say that what we just voted in, by a rather substantial margin, if you get rid of all of the details—and there are a lot, including some technical administrative problems—what we are saying is that 90 percent of the gasoline, under an emergency plan, that would be used by Americans would go to the respective States to be used by individual vehicles, automobiles—they would get the stamps—and those automobiles would receive the allowance based on the historic use of automobiles in each of the respective States.

That is not going to be simple to accomplish, but what it means is that there are disparities of use that have grown up historically, and that many of us thought were related to need. In some States, the average vehicle used more gasoline than in others, and what we have now done is say, "When you get ready to issue stamps, you must try as best you can, for 90 percent, to figure out historically in each of the States what coupon allocation will reflect that, based on national policy."

That is basically what we did. The total situation we will be glad to answer questions on, but we have now built that into the basic rationing plan, I say to the Senator from Tennessee, and when we vote on the emergency standby plan, it now has this historic use built into it for purposes of allocating or allotting coupons to the citizens in our country.

Having said that, I do not want anyone to think that, as an advocate of this plan, I think we ought to have rationing. I hope we never do. I hope the resolution of the Senator from Alaska will be voted for overwhelmingly later in the day, setting forth precise conditions under which we would have rationing.

Moreover, I hope Senators will not think we are voting for a rationing plan to take care of the situation in California, because that is not the case. It is going to be difficult to administer under the best of circumstances, but this plan we have voted in changes the basic philosophy closer to the need, as I see it. It says historic use per car will be the test. Many of us think that is fair. We hope it can be administered.

That is what we end up with as an amendment to the basic plan. I now yield 3 minutes to the Senator from Alaska.

Mr. STEVENS. Mr. President, I have been asked once again to explain Senate Resolution 151, which the Senator from Washington has indicated he will support after the disposition of the resolution we are voting on now, Senate Resolution 120.

This is a sense of the Senate resolution, which is to put the Senate on record as saying that we will approve a plan that is invoked which does meet those conditions.

What we do is express the sense of the Senate as to what is a severe energy supply interruption. This means that we would have a situation where we either have lost 20 percent of our supply for a period of 30 days, or a situation has developed which is likely to result in that loss.

Those situations could be an act of

God that might destroy some foreign production or domestic production, sabotage of substantial production anywhere throughout the world, including domestic production, an OPEC embargo, or hostilities declared under the constitutional powers or war powers of the President.

What we are saying is that this is a standby plan in the event of a national emergency, not in the event of a domestic disruption of supply, but a national emergency, and as such it would be invoked only in the event of an emergency as far as the Senate is concerned.

I am pleased to yield to my friend from Washington, if he wants to clarify anything I have stated. It is my understanding we will take up this resolution as soon as possible after the vote adopting the rationing plan is disposed of, assuming it is approved.

Mr. DOMENICI. Mr. President, I yield 1 minute to the Senator from South Carolina (Mr. Thurmond).

Mr. THURMOND. Mr. President, I rise in support of Senate Resolution 120 as amended, a resolution approving the President's standby gasoline rationing plan. This plan will provide a mechanism capable of maintaining an orderly market for gasoline in a severe petroleum supply shortfall. I believe that this plan represents the most equitable possible program that can be achieved at this time.

On May 8, 1979, I was prepared to vote against the rationing plan because as the plan stood it did not ask each State to share equally in the hardships that would occur under rationing conditions. It would have allocated rationing among the States according to national average consumption figures rather than according to average consumption figures for individual States. The net result of this approach would have been major inequities in the distribution of coupons.

Further, because of the fact that additional rationing rights can only be purchased through the white market, the end result would have been the creation of a Government-sanctioned system of income transfer from one State to another and from one region to another. Based on the assumption of 80 percent rationing and a coupon value of $1.22, my home State of South Carolina would have suffered an income loss of over $8.5 million per month.

However, earlier today, just a few minutes ago, the Senate approved an amendment that addresses this problem. The amendment establishes an adjustment factor for each State based on the respective State's historical gasoline consumption pattern. With this amendment, I find the rationing plan to be one that I can support and with which the people of South Carolina can live.

Furthermore, I will support Senate Resolution 120 for a number of other reasons. First, rationing is an issue that must be faced. An emergency plan should be available that can quickly be implemented to prevent serious economic disruption in the event of a major oil supply shortage. Second, rationing cannot be put into effect until the President submits a request to each House of Congress for review. Either House can refuse implementation. Third, the plan can be improved as time permits. The alternative would be to have no plan which can be activated to meet a crisis.

Mr. President, I urge my distinguished colleagues to join in support of this standby gasoline rationing plan.

Mr. DOMENICI. Mr. President, I yield 3 minutes to the distinguished senior Senator from New York.

Mr. JAVITS. Mr. President, may we have order?

The VICE PRESIDENT. The Senate will be in order.

Mr. JAVITS. Mr. President, I supported the previous resolution, and I intend to support this one, which will be voted on shortly.

My reason is as follows:

You cannot beat something with nothing. The fact is, whether our people believe it or not—and it is tragic that we as politicians and the President of the United States have been unable to convince the people of the United States that we are in a grave crisis, including a grave money crisis, with $40 billion a year being skimmed off the top because of our imbalance of payments—a grave political crisis because we are held hostage by the most powerful trust the world has ever known, and a grave social crisis because we cannot show the personal discipline to meet with the crisis which we face.

So, Mr. President, this is a demonstration to the American people that their legislators, their leaders, know it is a crisis and are providing against it. I hope it is not too late, Mr. President. I hope we will implement these measures with whatever other measures it takes, because this crisis can cause a depression, it can cause a profound social disorganization, it can cause untold harm to this country, unless it is nipped and nipped now. That is why I support these measures.

Mr. DOMENICI. Mr. President, I yield myself 1 minute.

The VICE PRESIDENT. The Senator from New Mexico.

Mr. DOMENICI. I think it is important that we understand that the resolution that the good Senator from Alaska referred to, which will be considered after this vote, will indeed make it certain that it is the sense of the Senate that this gas rationing plan is not here available to take care of an ordinary kind of crisis that we have, but, rather, that it is a real emergency. It will define the emergency, as stated by the Senator.

I think we should know that the resolution is very relevant because under the law this plan will now be put in a stage where it could be implemented, and that takes a number of months. Before it can ever be used it must come back to us. One house can veto it. So the sense of the Senate as to the gravity of the situation, as a condition precedent to implementing it, would be on record for us to use if they sent up under anything less than the sense of the Senate state of emergency.

I think it is a very important document for many of us. It makes sure that we are not just offering some great hope that rationing is going to solve America's energy problems, but, rather, that it is there to take care of a real crisis.

I yield 5 minutes to Senator McClure.

Mr. McCLURE. I thank the Senator for yielding.

Mr. President, I must reluctantly oppose this measure and I will state why. There are a number of people who are under the illusion that we cure the evil by the measure just adopted. That is no assurance, even if the House adopts it.

Second, it is said we do not have to worry about the deficiencies in the plan because the President has to send up a message which we then have the opportunity to veto. Well, that message will not be sent up unless the country is in a dire emergency at that time, and we certainly are not going to turn down a rationing plan in the presence of a dire emergency.

Mr. President, I wonder if we might have order?

The VICE PRESIDENT. The Senate will be in order.

Mr. McCLURE. Mr. President, the idea that we are going to be able to turn down a plan when it is submitted in the midst of an emergency is sheer hopefulness at its very worst because in that circumstance the Congress is not about to turn down such a plan. So let us look at it the way it stands now.

As a matter of fact, most Members of this body are totally unaware of what is in this plan and, second, they are totally unaware of what is in the regulations which will implement it.

Ordinarily, you pass a measure here and then it is subject to rulemaking. You have the opportunity to look at it, comment upon it, and ask that it be changed. Is that the case now? No. As a matter of fact, the regulations on this plan have already been promulgated. The time for public comment on them has expired. They are permanent public regulations. If you go through those now, Mr. President, to see how this measure will be implemented you will still not know how it will be implemented, because it does not say.

Time after time after time in the permanent regulations that were published on February 26, 1979, and the comment period expired on May 4, 1979, those regulations themselves say, "Well, we will have to work that out later."

So what we are really doing, in the immortal words of one of my colleagues, is printing on this coupon which becomes a new kind of legal tender not "In God we trust," but "In DOE we trust."

Mr. President, how many people in the sound of my voice really have that kind of faith in the Department of Energy that they are going to administer this with fairness, with equity, with skill, with dispatch?

One final point, Mr. President. Suppose there is a 20-percent shortfall. We do not know what the triggering device really is because the plan is ambiguous and the regulations are worse on that score. We do not know when it will be invoked. But assume there is a 20-percent shortage. You invoke the plan and you immediately set aside 2 percent for a national reserve, 8 percent for a State reserve, and you have a 30-percent shortage out of which you then must take the priority items, such as on-farm agriculture, but not the on-the-road agriculture. You cannot get your seeds to the field; you cannot get your gasoline to the tractor; you cannot move your product from the field back to the warehouse. There is no priority for that.

You take out the priorities that are established and what is remaining after that will then be allocated on the formula which is set forth here based upon what? We have been looking at a table. We have a table for everybody. If you do not like this one we will give you another one which shows your State gets more. As a matter of fact, that base period is totally at the discretion of the Secretary of the Department of Energy. That evidence, what limited evidence we have, will show that there can be as high as a 25-percent fluctuation from year to year in a historical use basis. Why is it that the District of Columbia uses more than the State of South Carolina on a per vehicle basis? Go right down the list and see where the highest consumption is. You will find out this list is a phony, Mr. President. This plan is a phony.

My friend from New York indicated that you cannot cure something with nothing. This is worse than nothing, Mr. President.

Mr. DOMENICI. Mr. President, I might say to my good friend from Idaho, having worked with him on this matter for weeks, I wish he could be here supporting it. Let me say I do not trust the Department of Energy any more than he has, but having seen how each of us wants to protect ourselves, I do not think we can devise one either, and I do not think we could come up with any way to manage it either. I think the American people at least deserve putting something up on the shelf saying to try it, to put it in place. In case we ever need it, at least something is there. Having said that, it seems to me we ought to get on with the business.

Mr. DOLE. Mr. President, in 1975 the Congress granted the President under the Energy Policy and Conservation Act of 1975 the power to submit to the Congress standby conservation programs to be available in the event of a severe energy interruption or supply shortage. Although it has taken the administration 3 years, they have, as required by law, submitted a number of contingency plans for approval, one of which is Senate Resolution 120, the standby gasoline rationing plan we are considering today. The Senate is also considering an amendment to that resolution, Senate Resolution 153, that would allocate gasoline to the States based solely on historical usage.

When the Congress established this procedure in 1975, it was the understanding of the Senator from Kansas that the Congress would be presented with the plans and have ample time, 60 days under the law, to consider them in a calm atmosphere without the threat of impending doom.

Mr. President, however, the plans before the Senate today were hastily sent us at the 11th hour, when the administration realized the votes were not there to approve their original proposals.

Mr. President, as the Senator from Kansas understands the situation, the Energy Committee reported Senate Resolution 120 favorably, reported a last minute amendment unfavorably, and subsequent to that, have reported Senate Resolution 153, a second last minute amendment, favorably. An environment shrouded in such confusion is not the best way to debate our Nation's energy problem.

Mr. President, while the Carter administration may be correct in its assumption that "the sudden and unexpected loss of oil exports from Iran last December should serve as a strong notice of the vulnerability of this Nation to the loss of its vital petroleum supplies," I cannot agree with their conclusion that a complex system of gasoline rationing by coupon is the answer to our energy crisis.

In action by the Congress dating back to 1973, and irresponsible dealys by the current administration in providing alternatives to our foreign dependency on oil have brought us to the position we, as a nation, are in today.

Mr. President, today administration sources state that there is no alternative, that we have reached the end of our energy rope and that unless Congress approves these resolutions, disastrous effects will be felt throughout our economy.

For some reason, the prevailing wisdom in the halls of the White House is that the Federal Government should always take an umbrella approach to every problem, treating the Nation as though it were devoid of local or regional considerations. In so doing, they insure that they will fail in achieving their goal of drafting a plan to deal with petroleum shortages which by their own admission "is designed to be broadly equitable, practical and administrable."

GASOLINE RATIONING PLAN AND AMERICAN AGRICULTURE

Mr. President, the Senator from Kansas has grave reservations concerning the effect the proposed gasoline rationing plan would have on rural America and on agriculture in particular.

The production of food is vital to this Nation and to the world. Agriculture is highly dependent on gasoline to perform the functions that used to be performed by animals and humans. Gasoline powered vehicles have transformed our agriculture into the most productive food machine ever created by mankind.

The first and most severe impact of the rationing program will be felt at the level of the individual farmer.

On March 1, President Carter submitted his standby gasoline rationing plan, as required by the Energy Policy and Conservation Act of 1975. The plan is to become effective only when "required by a severe supply interruption or in order to fulfill obligations of the United States under the international energy program.

Section 570.32 of the plan provides that supplemental ration allotments for off-highway vehicles and equipment used in the agricultural production of food and fiber will be provided "in a timely manner" so as to insure that these allotments are in amounts adequate to meet fully, food and fiber production goals approved by the President.

The Secretary of Agriculture, in consultation with several other Government agencies, will develop the production goals for agriculture commodities. The Department of Energy will be responsible for determining the amount of ration allotments for farmers' off-highway vehicles necessary to meet fully the approved food and fiber production goals.

On May 2, 1979, the Senator from Kansas, along with numerous colleagues, sent a letter to the President expressing grave concern about the effect that the administration's proposals would have on rural America. On May 8, 1979, a similar letter was sent to Chairman JACKSON of the Energy Committee expressing our concerns to him. I ask that copies of these letters be printed in the RECORD.

On May 9, 1979, at 2:26, just 4 minutes before the scheduled vote on the President's latest plan was to occur, the President's response to our concerns was received. The answers given, however, were really no answers at all. The only commitment the President would make regarding the serious reservations of a number of Senators was to state that his administration would "study this matter." I ask unanimous consent that the full text of this correspondence be printed at this point in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., May 2, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: As Members of the Senate Committee on Agriculture, Nutrition, and Forestry, we want to express our grave concern about the effect that the proposed gasoline rationing plan would have on rural America and agriculture in general.

As you know, Mr. President, to be approved, the plan must receive an affirmative vote by both the House and the Senate by May 13, 1979. Before the Senate has to make its decision on the plan, however, we believe the plan should be amended. While some energy officials believe that the chances of the plan being implemented are small, it is our belief that this is not necessarily so and that, once implemented, farmers and rural people would suffer unnecessarily as would the American consumer.

At a recent hearing of the Subcommittee of Rural Development, it was learned that the gasoline rationing plan does not give agriculture full priority as has been done in the past since World War II with any type of energy conservation or allocation legislation. While the plan proposes to give farmers supplemental allocations for off-highway vehicles such as tractors, combines, and the like to meet our food and fiber needs, the approach has several major weaknesses.

One problem is that farmers will not be given any priority allocation for their on-highway vehicles, such as trucks, that are predominately used for farm business purposes. Furthermore, no priority is given to agriculture for the distribution of production items for farmers, such as feed, fertilizer, and seed. Nor is any priority given to the processing and marketing of the farmers' production.

It makes no sense to give farmers priority for their tractors if they cannot get the items they need to grow a crop or the necessary gasoline is not available to process and sell agricultural products to the American consumer.

Mr. President, as a farmer, you know that the production of food is on a time clock that cannot wait for gasoline coupons to be issued or purchased. Timeliness of fuel, in sufficient amounts, is absolutely essential to full food and fiber production, which is essential to life. With the uncertainties of the weather and export demand, no one can predict with accuracy the amount of gasoline needed for full food and fiber production; nor can any agency allocate among individual farmers the amount of gasoline needed in a particular year or season to meet these goals without creating unnecessary hardships. Can you imagine the consequences of a farmer not being able to plant or harvest a crop in a timely manner because he did not receive enough gasoline coupons or of bread not being delivered to consumers because no priority was given to bakery delivery fleets?

Both farmers and consumers, and thus the Nation, would be the losers as shortages would arise and prices would escalate while Federal officials tried to discover what went wrong with a plan that looked so good on paper.

There is another serious defect in this plan, and it concerns the people living in rural America. As you know, Mr. President, people living in more rural areas have to travel longer distances to go to work, shop for groceries, and to receive adequate medical care. The plan proposes to allocate gasoline coupons on a registered vehicle basis; thus, rural people would suffer disproportionately since there are no alternatives such as mass transit for most of them. This seems most unfair, and it is a continual reminder to us that for most government actions or regulations proposed in Washington, rural residents are not given an adequate voice in such decisions. Hearings were held in several major cities of this Nation on this plan, but not one was held in a rural area.

It is our understanding that the Senate Committee on Energy and Natural Resources raised this issue, and that a member of your staff, Mr. Stuart E. Eizenstat, responded with two letters. Mr. Eizenstat acknowledged that the plan has a serious bias against rural America, and that additional gasoline coupons would be given to rural states in the form of state reserves that could be used to help eliminate this problem. These assurances, however, are not officially in the plan. We need more than assurances.

In sum, Mr. President, we are concerned about the adverse effect of the proposed gasoline rationing plan on agriculture and rural America—concerns that were initially raised by the Department of Agriculture but essentially ignored by the Department of Energy. According to the Energy Policy and Conservation Act, Congress cannot amend the plan, but you can. We strongly urge you to do so in the ways we have suggested before the plan is considered on the floor of the Senate.

Sincerely,

U.S. SENATE,
Washington, D.C. May 8, 1979.

Hon. HENRY M. JACKSON,
Chairman, Committee on Energy and Natural Resources, Washington, D.C.

DEAR MR. CHAIRMAN: This letter is to alert your Committee on Energy and Natural Resources to the Agriculture Committee's grave concerns over President Carter's proposed Standby Gasoline Rationing Plan. A principle reason for our serious reservations is the plan's failure to adequately provide fuel rights for agricultural production and rural residents.

We all realize that this nation needs a standby gasoline rationing plan to be prepared for any unforeseen fuel shortages. We need a plan that is both reasonably equitable and carefully designed to get the nation through a drastic reduction in gasoline. All responsible citizens realize that if we ever face a situation that requires gasoline rationing, it is only right that they share in sacrificing some of the fuel they have grown accustomed to using. However, we must not abandon our nation's necessities while recourse remains.

Under any gasoline rationing plan, certainly the production and distribution of food must be of first priority. Furthermore, the burdens of such a concerted gasoline conservation effort must be equally borne by all sectors of the population. We are concerned that the amended plan before you today neither treats rural residents with fairness nor does it give agriculture the priority it must have.

As far as agricultural production is concerned, the amended plan fails as badly as the original. No special provisions are made so farmers may transport feed, seed and fertilizer to their fields. No special provisions are made so that harvested crops may be transported from the fields to local markets. No special provisions are made so that the work of custom service operators in agricultural production can be assured. No special provisions are made so that processed food can be transported to retail outlets. In short, the plan does not assure adequate agricultural production and distribution.

Moreover, given the very sensitive nature of the agricultural economy, severe economic distortion is a certainty under this plan. Unacceptably large food cost increases and food shortages should be expected if this plan is ever implemented.

The increased size of the State Ration Reserve, as guaranteed by the President's amendments to the plan, will assure rural America of little more than increased bureaucracy at the State level. While that amendment is a worthy effort, the requirement that hardship must be proven renders the change ineffective as a timely remedy to the inequities the Administration has acknowledged.

The plan does not recognize the high dependence rural residents must place upon gasoline powered vehicles. People living in and outside of small towns simply have to travel further than those living in the more concentrated urban and suburban areas. Even as amended, the plan will not equitably serve legitimate rural needs. It does not provide special provisions for rural people who need much more gasoline due to a lack of mass transportation services and higher commuting distances. Moreover, the proposed white market that the plan relies heavily upon will, in our view, be ineffective and inflationary in rural America.

We trust that your committee will take our opinions into consideration when reviewing the proposed amendments to the Standby Gasoline Rationing Plan.

Sincerely,

PATRICK J. LEAHY,
JESSE HELMS.

THE WHITE HOUSE,
Washington, D.C., May 9, 1979.

Hon. HENRY JACKSON,
U.S. Senate,
Washington, D.C.

TO CHAIRMAN HENRY JACKSON: During the deliberations of the Senate Energy and Natural Resources Committee on the amended Standby Gasoline Rationing Plan, the issue was raised as to how the needs of the agricultural community are addressed.

The Plan already specifically earmarks priority ration allotments for vehicles and equipment used in the production of food and fiber. The purpose of this provision is to insure adequate energy for essential agricultural production.

While we believe that the Plan's current agricultural priority is adequate, a number of Senators have raised questions about the distribution and processing of agricultural products. My Administration will study this matter and I will not hesitate to take further action which may be necessary to protect agricultural production and essential processing and distribution from serious disruption.

On a related subject, the Department of Energy is issuing regulations granting farmers the highest priority for supplies of diesel fuel to meet their needs for spring planting. As I said in Iowa a few days ago, "I will not allow agricultural production to be disrupted by a shortage of petroleum. And I will not allow rural America to run dry.".

Sincerely,

JIMMY CARTER.

Mr. DOLE. Mr. President, the following concerns relating to agricultural production were expressed and off-handedly passed over by the President.

NO PRIORITY STATUS FOR AGRICULTURE

Unlike every other contingency plan during and since World War II, President Carter's proposed standby gasoline rationing plan does not accord agriculture with a priority status. Rather than providing for "one hundred percent of current requirements," the proposed plan provides for allotments based upon production goals. Furthermore, those allotments are only for off-highway vehicles, and makes no reference to on-highway agricultural use. As a result, several concerns naturally arise.

First. Translation of production goals into individual allotments.—The Secretary of Agriculture is responsible for setting production goals that must be approved by the President. The fuel required to produce a unit of each commodity will be determined. The mechanics of how the Department of Energy would translate these production goals into individual allotments has not yet been made clear. In Secretary Schlesinger's own words before the Subcommittee on Rural Development on April 30, 1979, "We cannot at this time specify the precise mechanism that will be used for determining each farm's ration entitlement."

The thought of farmers spending time during their busiest season to fill out forms, or driving to the State capital to plead their individual cases to people who, with the best intentions in the world, do not understand their problems, underlies my conviction that such a system would be impossible to implement fairly.

Second. On-highway vehicles.—On-highway vehicles used by farmers will receive the same allotments as non-agricultural vehicles of the same size. A large part of the gasoline consumed in the production of food and fiber is used by on-highway vehicles. No provision, other than the standard allotment, is made for pick-up trucks or other on-highway farm vehicles that are used daily to transport supplies and crops over farm to market roads. Moreover, the on-highway vehicles of farmers often have important off-highway uses in food and fiber production such as livestock handling and feeding.

While his plan makes some provision for harvesting crops, it makes no provision for distributing them. Farm households are essentially subject to the same limitations as all other households, except for an exemption off-road farm vehicles. Fine, the farmer will have enough gas to run his tractor, but what about getting the seed, fertilizer and other farm supplies and implements to the farm. It is not unusual for a fairly large farm to have a number of pickup trucks in addition to its privately-owned vehicles. These trucks are as essential to the farm's operation as tractors, harvesters and combines, but they will be subject to the three vehicle per household limitation. What happens then?

Obviously, either the farmer goes into the so-called "white market" to purchase additional coupons at a premium, if he can, or his farm suffers. The cost of these coupons must either be passed on in the form of higher prices, or be absorbed and further diminish the farmer's already small margin of profit. Someone in the administration, seems to have been unable to understand this basic fact. They, perhaps should take a look at the farm index, a publication of the Department of Agriculture, which, the last time I looked was still a part of the executive branch, to get a clear picture of the degree of mechanization on the contemporary American farm.

In 1910, according to the January-February issue of the Farm Index, there were less than 1 million horsepower represented by tractors on U.S. farms. Last year, that figure had risen to 238 million horsepower. Machinery has increased as a proportion of farm inputs from 25 percent in 1960 to 32 percent in 1977. Chemicals, which are also petroleum dependent increased as a share of farm inputs from 5 percent to 10 percent. Incidentally, should the administration be interested, what this increase in the use of scientific farming techniques has accomplished is to increase farm productivity by 7 percent in just 1 year (between 1976 and 1977), at a time during which the rest of the economy has suffered from lagging productivity.

As the Farm Index states, "farm dependence on energy, regardless of the cost, is not likely to ease in the future. As the world demands more food, farmers will need more energy." The farm is not the only stage of food production which would be affected, however.

Third. Custom service operators.—No special provision is made for gasoline allotments to custom service operators. Yet many forms of food and fiber production rely heavily upon custom service operators for harvesting and hauling crops to market and for aerial application of pesticides.

Apparently the administration did not feel a necessity to provide custom operators with individual ration allotments for their off-highway equipment, since the farmers for whom they provide services will have been provided with sufficient allotments to meet their needs. The transfer of coupons to the customer service operator could be negotiated between the two parties as part of the contract for the services to be provided according to Secretary Schlesinger. I believe this would be almost totally unworkable.

Fourth. Distribution of food and fiber.—Distributors of farm products would receive the basic allotments for their vehicles as are provided to other owners of registered motor vehicles. The plan does not distinguish between food and fiber distribution and other economic activities.

Locally produced items such as milk and bread could be hit and hit hard by gasoline rationing under the plan. It appears that the high cost of distributors buying gasoline coupons on the white market would be passed through to consumers in the proportion they buy food.

I believe the President's approach concerning the priority given to agriculture is inadequate and unacceptable. The section that pertains to farming clearly overlooks the importance of assuring that agriculture is given access to the fuel necessary for the production of food and fiber.

BUREAUCRACY

Mr. President, the Carter administration's energy planners have failed once again to recognize the one essential rule to the success of any endeavor which attempts to cope with the energy problem: Simplicity. One look at the mechanism they have provided clearly demonstrates what a bureaucratic nightmare would be created. By DOE's own estimates the initial cost to the taxpayer would be $1.5 billion. Mr. President, this is a large price to pay for irresponsibility in dealing with the energy problem.

Mr. President, Senate Resolution 120 is more than meets the eye. If gasoline rationing were to be affected, fuel allocation, fuel pricing and the ripple effects of energy research and development and transportation would be placed under the control of a new Federal bureaucracy.

The best available evidence in the energy field today suggests that it was governmental regulation and interference that contributed, in large part, to our existing crisis, and it is pure folly to suggest that even more governmental regulation and intervention in the economy is the answer. The Carter administration seems resigned to the fact that there is no way to solve our energy shortage so we should just spread the shortage around.

Mr. President, gasoline rationing should be avoided, the hardships it would cause on our economy must be avoided and gasoline rationing, if it is ever to happen must only be implemented as a last resort. To insure that any rationing plan would only be implemented under the most severe circumstances, the Senator from Kansas, along with the distinguished Senator from Alaska, Mr. STEVENS, and the distinguished Senator from Wyoming, Mr. WALLOP, has cosponsored Senate Resolution 151. This resolution provides an excellent and workable set of parameters for defining what circumstances would trigger a gas rationing plan.

Mr. President, as has been said by other speakers before me, there is no way to deal with gasoline shortages equitably and satisfactorily to all concerned. However, this should not push the Senate into considering without due debate a plan that the administration proposes at the 11th hour. If the Senate is to adopt any plan at all and restore public confidence in our ability to deal with tough problems, we should proceed in an orderly and responsible manner, offering the President and the public our full advice and consent.

Mr. President, the Senator from Kansas cannot in good conscience vote for such a measure presented in this irresponsible manner. Nor can I endorse or condone the concept of a coupon rationing plan as now before the Senate.

Mr. DOMENICI. Were there any others who needed time? Does my distinguished leader need some time?

Mr. BAKER. I just wanted time enough to say that I guess I started all this conversation. I really think it was useful to have some discussion on the impact of the vote we are about to take. I rise now to say for my purposes, at least, I have the matter fixed in my mind and I am ready to proceed to a vote, if that is the desire on the part of the majority leader.

Mr. JOHNSTON. Mr. President, there are other speakers on this side I yield 3 minutes to the Senator from Arkansas.

The VICE PRESIDENT. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I do not think anybody here professes to believe that this is a precise and definitive document without flaws. However, I would also like to say that if the Energy Committee and the people in this body undertake to cover every possible exemption that has been written about or they have been contacted about, we will be here until Christmas.

The President can and will continue to send amendments to this body to rectify and correct the problems mentioned for agriculture and everywhere else. The data being used on Senators' desks right now will be updated quarterly. We can do either of two things. We can say to the people back home, "I am catering to the misconcepts you have, that we don't have a problem, that there is not shortage."

You can certainly cater to the notion that Congress is inept and is not going to do anything. You can tell the American peole, in effect, when you vote no on gas rationing, that Congress does not have the courage to tell the American people something they do not want to hear.

Just as an aside, I might say if there is any reason that underlies the hostility of the Nation towards Congress, it is because we have tried to cater to every interest group that could get five people into our offices.

If you want to cater to the idea that you cannot tell them something that is unpopular, that you cannot tell them that everybody in the country will have to sacrifice in the national interest, vote no.

If you believe the American people are really interested in hearing the truth, being called upon to sacrifice and sacrifice equally, then vote yes.

If you want to go home and run for reelection next year and tell the people that all we did for conservation during all of 1979 was to give the President authority to order thermostats in public buildings turned down, to do that, vote no.

If you want to tell the American people that if there is an outbreak in the Middle East and a severe supply interruption and Saudi Arabian oil, for example, is cut off from the United States, then people will be literally killing each other at the service stations under chaotic conditions—vote no. But if you want to say to the American people, "We are putting something in the closet for that unhappy day which all of us hope never comes," if you want to tell the people that it is time we do something responsible in addressing this issue, and it is time we cut our trade deficit and thereby reduce inflation, then vote aye.

Thank you, Mr. President.

Mr. MELCHER addressed the Chair.

The VICE PRESIDENT. Who yields time?

Mr. JOHNSTON. Mr. President, before I yield to the distinguished Senator from Montana, let me say one thing to my distinguished friend from Idaho.

Senator McCLURE, stated that, under this plan, all the regulations have been issued, all the comment time has expired, and they are frozen in concrete. Let me say that this is an unusual kind of rulemaking which envisions an additional preimplementation phase of rules, guidelines, and explanations as well as an implementation phase.

The preimplementation phase is to begin immediately upon congressional approval as stated on page 18 of the regulations—that is, section 570.7. It states:

> There are many instances in the regulations where further orders, rules, or guidelines are specifically anticipated.

Some of those instances were just discussed prior to the previous amendment in terms of the agricultural explanation and in terms of the energy user explanation. So there will be additional opportunity, I say to my friend from Idaho, to expand and to explain and to issue additional regulations.

Mr. McCLURE. Will my colleague yield on my time?

Mr. JOHNSTON. Yes.

Mr. McCLURE. Mr. President, I appreciate the Senator's yielding, and I do not mean to mislead anybody here as to what the effect of this is. Certainly, the regulations give the Department of Energy virtually carte blanche to issue further orders. But as a matter of legal effect, the regulations are in effect and as far as anybody's legal recourse is concerned about what those regulations are, they have been foreclosed because the regulations are now binding. That is the point I wish to make.

Mr. JOHNSTON. This is, as I say, an unusual rulemaking.

Mr. McCLURE. It certainly is, because it is almost final.

Mr. JOHNSTON. No, if the Senator will look at section 570.7 on page 18, it states that there are many instances in the regulations where further orders, rules, or guidelines are specifically anticipated.

Mr. McCLURE. Absolutely.

Mr. President, that simply means that they have the authority to do what they want to do; you do not have the legal capacity to challenge what they have done except pursuant to these regulations. This is not further regulation authority; this is further order authority. That is my point.

Mr. President, I reserve the remainder of my time.

Mr. JOHNSTON. Mr. President, I yield 4 minutes to the Senator from Montana.

Mr. MELCHER. I thank the Senator for yielding to me.

Mr. President, I do not know whether you have to have a lot of courage to go along with this kind of landslide into rubberstamping a plan which, if it is ever put into effect, will be a monumental failure, a scheme that is entirely unworkable. It has been described, Mr. President—I think the American people ought to know the truth about this program. It has been described as one that has some semblance of historic use or need. Well, it does not have any historic use or needs that are fair.

It has been described here this afternoon as something that takes into consideration rural States, lack of mass transit, how far you live from town, how far you have to drive to get to the job. Where are these rural States? On the bottom of the list, on the very bottom, are such urban States as North Dakota, Montana, South Dakota, Idaho, Nebraska, Washington, and Colorado. If those are not rural States, Mr. President and my colleagues in the Senate, I do not know what rural is.

These States are to receive less than the national average, far less than the District of Columbia or Delaware or New Jersey or New York or Maryland. What is rural and what is metropolitan? Which has mass transit and which does not?

People in my State drive to work, are supposed to get there whether they live 10 miles or 30 miles or 50 miles from town or wherever the job is; they are supposed to get there on a gallon and a half a day. That is under the best of circumstances, and that would be cut down as rationing is needed.

Mr. President, I do not find much to favor in this program. I think we ought to send it back to get a fair program, one based on need, one based on distances, one based on rural, one based on lack of mass transit, to make it workable. Under the best, the very best, of circumstances, gas rationing programs, any of them, are going to be unfair and they are going to lead to cheating. Under this one, which is, as far as I can tell, the worst one I have ever seen, it is going to be chaos.

It is going to be extremely expensive. It will cost $2 billion a year to put it into operation for 1 year's time. We could be building refineries or pipelines; we could be solving some of our supply programs with that kind of dough. But we will be spending it, if it is put into motion, into effect, on cheating, on a premise that rural does not mean anything, that need does not mean anything, that distances do not mean anything.

Mr. President, I would prefer, and I encourage my colleagues to consider rejecting the plan and asking the President to come back with one that is workable, one that is based on need, one that is based on fairness, one that shows some signs of local control to straighten out the rough spots that will always occur in a rationing program.

Mr. ROBERT C. BYRD. Will the Senator yield to me?

Mr. JOHNSTON. How much time does the Senator want?

Mr. ROBERT C. BYRD. Whatever I need, not much.

Mr. JOHNSTON. Yes, I yield.

Mr. ROBERT C. BYRD. Mr. President, nobody wants a gas rationing plan. I do not want it, you do not want it, this Senator does not want it, and that Senator does not want it. But in 1975, this Congress—the House of Representatives and the U.S. Senate—mandated that the President of the United States send to Congress a proposal for a standby rationing plan, with Congress to have a second bite at the apple if and when an emergency arose which required the implementation of a rationing plan.

The President has sent up the proposal in line with the requirements laid down by Congress. He has made his proposal; he has indicated that it will take 9 months to set up the machinery to ration gasoline if a national emergency arises. Mr. President, if a national emergency strikes and Congress has not given to the President the flexibility to act, has not given him a standby plan, then this country is going to be in one H of a fix. The responsibility partly is going to be right on us—right here in the Senate—for failing to carry through on the law that we passed: the law requiring the President to send up a proposal, giving us the opportunity to pass on it, and also giving a veto by either House in the event he sends up a plan to implement the proposal at a later date.

Mr. President, I say this: The American people need protection in the event of a national emergency. Unless the President has that standby proposal, which will require almost a year to put into motion, we would have to wait until the emergency has struck before that machinery is geared up.

So I say, Mr. President, the Senate has an opportunity here to provide leadership, to show the American people that it is willing to take a stand to meet energy crisis.

Mr. President, I believe that the Senate will meet its responsibility.

Now, I understand there will be some votes on the next rollcall that will not be cast in favor of the plan. So there are some Senators who voted for the amendment who will vote against the final proposition. But, Mr. President, we have a responsibility. We asked the President to send us—to send to the Senate, to send to the House—a proposed stand by rationing plan. He has done that.

We will never be able to perfect a plan that will satisfy everybody. This plan does not satisfy me totally. It does not satisfy the Senator from Washington totally. It is not going to satisfy everybody. But we have to be prepared in the event a national emergency hits this country. I want the Senate to stand up to its responsibility and not act in an irresponsible way by rejecting this plan on the next vote.

Mr. JACKSON. Will the Senator yield on that point?

Mr. ROBERT C. BYRD. Yes. I yield the floor.

Mr. JACKSON. Mr. President, I want to commend the distinguished Senator from South Carolina (Mr. JOHNSTON)——

Mr. JOHNSTON. Louisiana.

Mr. JACKSON. I am sorry. It is in the South—south Louisiana. That is where all the votes are.

Mr. President, the distinguished Senator from Louisiana has been struggling with this problem now since March 1. We have devoted all of our time and energy to try to resolve the rationing problem.

We did not like the first proposal, the plan as it came up. Another proposal revision was made. We did not like that. We ended up with what, in effect, is the third proposal.

Mr. President, the truth is that the House and the Senate acting legislatively are not in a position to deal with the current world crisis. We would not be able to put together legislatively a plan that could be passed by the House and the Senate.

Mr. President, that is the issue. I think the worst thing we could do would be to send the wrong signal and say that we do not admit there is a critical situation in the world as it pertains to the reliability of the supply of oil.

Mr. President, 60 percent of all the oil available for import to the western world flows through a small channel 2½ miles wide known as the Straits of Hormuz. If that channel should close, if those countries—we already know about some of them, Iran, Kuwait, Iraq, Abu Dhabi, the Emirates, and we have been reading a lot, Mr. President, about Saudi Arabia—if there should be a coup or a termination of supply, we could turn on the radio in the morning and find that it is not rationing, we will be walking.

Remember, Mr. President, it is not just us. We have got a better position We are at least supplying half of our oil. But we are committed by agreement, the international energy agreement, to share anything over 7 percent with Japan that depends for 98 percent of its energy supply on imports and, Mr. President, all of Western Europe.

When you put it all together, this country, without a contingency plan to deal with that sudden cutoff, and it will come suddenly, would not be able to deal with the crisis except in a state of anarchy.

Mr. President, this is the first step in a plan to deal with a shutoff. It will take weeks and months to get it in place, and then, Mr. President, there may be amendments to it. Those amendments would have to come up and be acted upon as the amendment we just approved.

Finally, Mr. President, the President could not implement it without sending it to the House and the Senate, and either House could veto it.

If I thought there was a legislative solution in the traditional legislative way, we would have gone that way a long time ago. But I cannot think of anything that would be more irresponsible than to turn down this particular plan, knowing full well, Mr. President, that there is no one in this body who has come forth with a legislative proposal that could act as a substitute and pass. All we have got is 100 plans.

I do not like this plan. In my State, it is a loss. Look at the chart.

But, Mr. President, if we are in that kind of crisis where we have implemented it, we will have to make a lot of changes, we will have to make a lot of adjustments, but we need the machinery in place. That is the key thing. We need the machinery in place. If we do not do that, we will lose weeks and months. That is the issue.

This is step No. 1, a critical step. I hope the Senate will do as well on this final vote as it did, Mr. President, on the amendment and demonstrate that we mean business in dealing with the fragile and critical supply situation as it pertains to the Persian Gulf. That is the issue.

Mr. JOHNSTON addressed the Chair.

Mr. GRAVEL. Will the Senator yield 3 minutes?

The VICE PRESIDENT. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I would like to make one final point before we go to a final vote, and that is that this is an emergency plan. This plan is not designed to relieve discomfort. This plan is designed to save American jobs. It is not designed to prevent gas lines because the gas line situation——

The VICE PRESIDENT. The Senator's time has expired.

Three and a half minutes remain.

Mr. DOMENICI. Mr. President, I am prepared to yield back the remainder of my time.

Have the yeas and nays been ordered?

The VICE PRESIDENT. They have been ordered.

Mr. GRAVEL. Will the Senator yield? I have not had a chance to say a word.

Mr. DOMENICI. I will yield 2 minutes and reserve one for us.

The VICE PRESIDENT. The Senator from Alaska.

Mr. GRAVEL. Mr. President, I am really struck by how much like moths we all are. We get close to a little light and should get away from it. Instead we rush in and are destroyed.

We are considering moving power of an unusual nature over the economic life and death of a great part of this country, moving it to that agency which, essentially, is the cause of the problem.

The Arab boycott is not the cause of the problem. Iran is not the cause of the problem. It is an agency of Government that makes a judgment as to what is going to be refined, where refined, and where it will go.

So if we have shortages in this country, it is all at the hands of the Government. One particular agency is at fault and that is who we now want to give all this power to.

Talk about the glut on the west coast it is the Federal Government that would not let the refineries retrofit for the Alaskan oil. It is the Government that will not permit intelligent transfer of the oil to the marketplace.

So where do we run? Do we run to the area where the solution is? Heck, no. We run right into the hands of more government, the same bureaucrats that brought us the problem.

So we stand here, telling the American people how courageous we are to tell them the bad news about rationing when we do not tell them that this body, which has directed energy policy for the last 5 years, has been the architect of this disaster—not the Arabs, ourselves.

For the last 5 years we have subsidized the Arabs when we did not have the guts to pay the Americans what we were willing to pay the foreigners to do. And now we talk of rationing. What is more, the same President who asked us for power to ration, by a flick of the pen took out of inventory 4 million acres of sedimentary basins in Alaska that could go to satisfy our energy needs.

The VICE PRESIDENT. Time has expired.

Mr. DOMENICI. Mr. President, I think the distinguished majority leader and the Senator from Washington have put the issue in perspective.

Congress mandated President Ford to submit an emergency rationing plan, hoping we would never have to use it. He did not get it to us. He went out of office. Two years into this administration, the Senate began to say, "When are you going to send us one?" The President sent us one. We hope we will never need it.

If something happens next week and we need the emergency plan, we have been told it will take 6 to 9 months to put any rationing plan into computers and have it ready to be implemented. I do not want to be the one responsible for having nothing there.

I think this resolution should be approved in that context and that we should get on with other business.

GAS RATIONING

Mr. PELL. Mr. President, I believe standby gasoline rationing authority is important to our Nation and to the people of my State of Rhode Island.

I recognize also that no rationing plan can fully satisfy every region and every economic interest in the Nation. Even the best rationing proposal inevitably will impose some inequities.

However, the rationing proposal before the Senate includes a major inequity which should not be endorsed or condoned.

This rationing plan rewards the gas-guzzling bad guys and penalizes the good guys who have tried to save gasoline. It rewards those States whose motorists have continued to burn gasoline as though it were water, and it penalizes those States like Rhode Island whose motorists have tried to curb the use of gasoline.

The plan rewards those States whose gasoline consumption has continued to increase at 5 percent a year, and it penalizes those States like Rhode Island, whose motorists have actually reduced their consumption of gasoline. It rewards those States in which motorists have continued to squander gasoline by flagrant disregard of the 55-mile-per-hour speed limit, and it penalizes those States, like Rhode Island, in which the 55-mile-per-hour speed limit is enforced and widely observed.

In calendar year 1977, national gasoline consumption increased by 5 percent. But in the State of Rhode Island, through conservation measures, gasoline consumption in 1977 was 4 percent less than in 1976. However, because this rationing plan is based on historical use, Rhode Island will be penalized by a lower allocation because its drivers were more careful in their use of gasoline.

It is for this reason that I voted against the rationing plan when the plan was offered as an amendment.

I am compelled, in addition, to express my concern at the manner in which this gas rationing authority has been brought before the Senate. We have had at least three radically different rationing proposals put forward within a 24-hour period. And even as we approached the first vote, the Senate was being told of clarifications from the White House, or on the way from the White House, designed to assure agricultural interests, energy producing interests, and rural areas that their special problems will be given special consideration.

The result has been massive public confusion and indeed a great deal of confusion here in the Senate. The result further has been inflamed public opinion in many States, including my own State of Rhode Island, as each succeeding modification of the plan results in a lower gasoline allocation for my State.

In my view, this is not the proper way to proceed on legislation that has the potential to affect directly nearly every resident of this Nation. And I am disappointed that the rationing plan as adopted includes no consideration of the record of gasoline conservation efforts of States like Rhode Island, and I strongly urge the administration, in implementing this standby rationing plan, to make adjustments that will increase the allocation for such States.

Here I would add that a plan, even though imperfect, is better than no plan, and that is why I voted for the final plan.

The VICE PRESIDENT. All time has expired.

The question is on agreeing to the resolution. On this question the yeas and nays have been ordered.

Mr. ROBERT C. BYRD. Mr. President, tally sheets have been distributed. I ask that the clerk repeat the name of each Senator and the vote, and that the Chair keep the well cleared.

The VICE PRESIDENT. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Nevada (Mr. LAXALT) and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I further announce that the Senator from Vermont (Mr. STAFFORD) is absent due to illness.

I further announce that, if present and voting, the Senator from Nevada (Mr. LAXALT) would vote "nay."

The VICE PRESIDENT. Have all Senators voted?

The result was announced—yeas 58, nays 39, as follows:

[Rollcall Vote No. 85 Leg.]

YEAS—58

Baker
Bayh
Bentsen
Biden
Bradley
Bumpers
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Danforth
Domenici
Eagleton
Exon
Ford
Glenn
Hart
Hatfield
Heflin
Hollings
Huddleston
Inouye
Jackson
Javits
Johnston
Kennedy
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Pell
Percy
Pryor
Randolph
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Simpson
Stennis
Stevens
Stevenson
Stewart
Talmadge
Thurmond
Tsongas
Wallop
Weicker
Williams

NAYS—39

Armstrong
Baucus
Bellmon
Boren
Boschwitz
Burdick
Chiles
Church
Cochran
Cohen
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Garn
Goldwater
Gravel
Hatch
Hayakawa
Heinz
Helms
Humphrey
Jepsen
Kassebaum
Lugar
McClure
McGovern
Melcher
Nelson
Pressler
Proxmire
Schweiker
Stone
Tower
Warner
Young
Zorinsky

NOT VOTING—3

Laxalt
Packwood
Stafford

So the resolution (S. Res. 120) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move that Senate Resolution 152 be indefinitely postponed.

The motion was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask for the regular order.

FOREIGN RELATIONS AUTHORIZATION ACT, 1980 AND 1981

The PRESIDING OFFICER (Mr. STEWART). Under the previous order, the Senate will proceed to the consideration of S. 586, which the clerk will state by title.

The second assistant legislative clerk read as follows:

A bill (S. 586) to authorize appropriations for the Department of State, International Communication Agency, and Board for International Broadcasting for fiscal years 1980 and 1981, and a supplemental authorization for State for fiscal year 1979, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Foreign Relations with an amendment to strike all after the enacting clause and insert the following:

That this Act may be cited as the "Foreign Relations Authorization Act, Fiscal Year 1980 and 1981".

TITLE I—STATE DEPARTMENT

AUTHORIZATION OF APPROPRIATIONS—FISCAL YEARS 1980 AND 1981

SEC. 101. There are authorized to be appropriated for the Department of State for the fiscal years 1980 and 1981, to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and other purposes authorized by law, the following amounts:

(1) For "Administration of Foreign Affairs", $849,423,000 for the fiscal year 1980 and $1,009,815,000 for the fiscal year 1981.

(2) For "International Organizations and Conferences", $502,945,000 for the fiscal year 1980 and $525,082,000 for the fiscal year 1981.

(3) For "International Commissions", $26,733,000 for the fiscal year 1980 and $26,081,000 for the fiscal year 1981.

(4) For "Migration and Refugee Assistance," $248,951,000 for the fiscal year 1980 and $254,188,000 for the fiscal year 1981.

ASSISTANCE FOR REFUGEES SETTLING IN ISRAEL

SEC. 102. Of the amounts authorized to be appropriated by section 101(4) of this Act for the fiscal year 1980 and for the fiscal year 1981, $25,000,000 for each such fiscal year shall be available only for assistance for the resettlement in Israel of refugees from the Union of Soviet Socialist Republics and from Communist countries in Eastern Europe.

NONDISCRETIONARY PERSONNEL COSTS, CURRENCY FLUCTUATIONS, AND OTHER CONTINGENCIES

SEC. 103. (a) The Act entitled "An Act to provide certain basic authority for the Department of State", approved August 1, 1956 (70 Stat. 890), is amended by adding at the end thereof the following:

"SEC. 24. (a) There are authorized to be appropriated for the Department of State for each fiscal year, in addition to amounts otherwise authorized to be appropriated for the Department of State, such sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and such sums as the Director of the Office of Management and Budget determines and so certifies to the Congress are necessary, in order to maintain the budgeted level of operation of the Department of State, to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year.

"(b) Amounts appropriated for a fiscal year under this section are authorized to remain available until expended.

"(c) Amounts authorized to be appropriated by any Act authorizing appropriations for the Department of State for a fiscal year for the 'Administration of Foreign Affairs' account, the 'International Organizations and Conferences' account, the 'International Commissions' account, or the 'Migration and Refugee Assistance' account may be appropriated for such fiscal year for any other such account, except that the total amount appropriated for a fiscal year for any such account may not exceed by more than 10 percent the amount specifically authorized to be appropriated for such account for such fiscal year.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

UNITED STATES-YUGOSLAVIA BILATERAL SCIENCE AND TECHNOLOGY AGREEMENT

SEC. 104. In addition to the amounts authorized to be appropriated by section 101 of this Act, there are authorized to be appropriated $1,400,000 for the fiscal year 1980 and $1,400,000 for the fiscal year 1981, each amount for each such fiscal year to remain available until expended in payment of the United States share of expenses of a five-year bilateral science and technology agreement between the United States and Yugoslavia, following entry into force of such agreement.

ADDITIONAL FISCAL YEAR 1979 AUTHORIZATION FOR MIGRATION AND REFUGEE ASSISTANCE

Sec. 105. Section 101(a)(4) of the Foreign Relations Authorization Act, fiscal year 1979, is amended by striking out "$116,536,000" and inserting in lieu thereof "$221,446,000".

LIMITATIONS ON AUTHORIZATIONS OF APPROPRIATIONS

Sec. 106. Notwithstanding any other provision of this Act, the amount authorized to be appropriated under this title for the fiscal year 1980 shall not exceed $1,610,052,000 and for the fiscal year 1981 shall not exceed $1,790,166,000. The Secretary of State is authorized to reduce any amount authorized to be appropriated for administrative purposes under this title for the fiscal year 1980 or 1981, as the case may be, in order to carry out the provisions of this section.

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Sec. 107. The Department of State Appropriation Act, 1979, is amended in the provision under the heading entitled "CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS" by striking out after "$327,676,000" the comma and the following: "of which no part may be made available for the furnishing of technical assistance by the United Nations or any of its specialized agencies".

EFFECTIVE DATE FOR CERTAIN PROMOTIONS OF FOREIGN SERVICE OFFICERS

Sec. 108. The promotion for each of 64 Foreign Service officers of classes 8 and 7 to the next higher class, as the case may be, for which the Senate gave its advice and consent on March 21, 1979, and which was attested to on March 22, 1979, shall be considered for all purposes to take effect on December 17, 1978.

WAIVER OF CERTAIN NONIMMIGRANT VISA REQUIREMENTS

Sec. 109. Section 212(d)(4) of the Immigration and Nationality Act of 1952 (28 U.S.C. 1182(d)(4)) is amended by inserting before the period at the end thereof a comma and the following: "or (D) in the case of an alien who is a nonimmigrant described in section 101(a)(15)(B) and—

"(i) who is seeking admission to the United States for a period of not more than ninety days;

"(ii) who is a national of a foreign country which has the lowest rate of violations of nonimmigrant status under this Act; and

"(iii) who is a national of a foreign country which extends reciprocal privileges to United States citizens and nationals".

CONSULATES

Sec. 110. (a) The following Foreign Service posts shall not be closed or, if closed on the date of enactment of this Act, shall be reopened as soon as possible after such date. Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteborg, Sweden; Adana, Turkey; Tangier, Morocco; Mandalay, Burma; Brisbane, Australia; and Surabaya, Indonesia.

(b) Notwithstanding any other provisions of laws relating to limitations on the number of Federal employees, such additional positions as may be necessary for the Department of State to carry out the purposes of this section are authorized to be allocated.

PERSONNEL STUDY AND REPORTING REQUIREMENT

Sec. 111. The Secretary of State shall, in consultation with the appropriate committees of the Congress, conduct a study of the personnel needs and resources of the Department of State in light of the reporting and analysis requirements of the Department of State as well as its statutorily required commercial and consular functions, and its other functions required by law, and its responsibilities to support outside the United States its own operations and the operations of other departments and agencies of the United States. The Secretary of State, shall prepare and transmit to the Congress, after completion of such study but not later than January 1, 1980, a report setting forth any recommendation which may result from such study for changes in the numbers or allocation of positions considered necessary to enable the Department of State adequately to discharge all such requirements, functions and responsibilities.

IMPROVEMENT IN FOREIGN NATIONAL PAY PLANS

Sec. 112. (a) It is the sense of the Congress that the Secretary of State should—

(1) improve coordination between the Department of State and the Department of Defense and other departments and agencies of the United States operating outside the United States with respect to foreign national pay systems and wage schedules to the extent that—

(A) joint wage surveys and uniform pay schedules are adopted in countries where two or more departments or agencies of the United States directly employ foreign nationals, and

(B) Department of Defense wage rates are included in wage surveys of the Department of State where the Department of Defense operates under indirect-hire arrangements;

(2) monitor the establishment of wage rates outside the United States more closely to insure that United States missions—

(A) operate under salary schedules that reflect private sector average pay or average pay ranges,

(B) include the cost of severence in making pay adjustments, and

(C) survey jobs in the private sector which represent as closely as possible the work force of the mission; and

(3) substitute prevailing local retirement plans for civil service retirement with respect to the retirement of foreign nationals employed by the United States.

(b) Section 444(b) of the Foreign Service Act of 1946 is amended by inserting before the period at the end thereof the following: "and such regulations as the Secretary may prescribe".

TITLE II—INTERNATIONAL COMMUNICATION AGENCY

AUTHORIZATIONS OF APPROPRIATIONS

Sec. 201. There are authorized to be appropriated for the International Communication Agency $426,982,000 for the fiscal year 1980 and $460,379,000 for the fiscal year 1981 to carry out international communication, educational, cultural, and exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, and Reorganization Plan Numbered 2 of 1977, and other purposes authorized by law.

NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS

Sec. 202. (a) Title VII of the United States Information and Educational Exchange Act of 1948 is amended by adding at the end thereof the following:

"NONDISCRETIONARY PERSONNEL COSTS AND CURRENCY FLUCTUATIONS

"Sec. 704. (a) Amounts appropriated for any fiscal year to carry out this Act are authorized to remain available until expended.

"(b) There are authorized to be appropriated for the International Communication Agency, in addition to amounts otherwise authorized to be appropriated, such sums as may be necessary for any fiscal year for increases in salary, pay, retirement, and other employee benefits authorized by law, and such additional sums as the Director of the Office of Management and Budget determines and so certifies to the Congress are necessary, in order to maintain the budgeted level of operation of the International Communcation Agency, to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

BOARD OF FOREIGN SCHOLARSHIPS

Sec. 203. (a) Section 106(e) of the Mutual Educational and Cultural Exchange Act of 1961 is amended—

(1) in the second sentence, by striking out "the Board,";

(2) in clause (ii) of the second sentence, by striking out "such Board,"; and

(3) by adding at the end thereof the following:

"Members of the Board shall be entitled to such expenses and per diem in lieu of subsistence as provided for under clause (i) of the preceding sentence and, while performing services for the Board, to compensation at a rate, prescribed by the Director of the International Communication Agency, not in excess of the daily rate for the first step of GS-15 of the General Schedule under section 5332 of title 5, United States Code.".

(b) The amendments made by subsection (a) shall take effect on October 1, 1979.

DISTRIBUTION WITHIN THE UNITED STATES OF CERTAIN FILMS

Sec. 204. Notwithstanding the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the International Communication Agency shall, upon receipt of reimbursement of any expenses involved, make available to the Administrator of General Services, for deposit in the National Archives of the United States, a master copy of the films entitled "Aspen" and "Margaret Mead—Reflections", and the Administrator shall make copies of such films available for purchase and public viewing in the United States.

ADMINISTRATIVE AUTHORITIES

Sec. 205. (a)(1) Section 1001 of the United States Information and Educational Exchange Act of 1948 and section 104(f) of the Mutual Educational and Cultural Exchange Act of 1961 are repealed.

(2) Section 1304(a) of title 5, United States Code, is amended by striking out "209a, and 1434" and inserting in lieu thereof "and 209a".

(b)(1) Section 801(5) of the United States Information and Educational Exchange Act of 1948 is amended to read as follows:

"(5) to employ persons on a temporary basis without regard to the civil service and classification laws, when such employment is provided for by an appropriation Act; and".

(2) Section 804(1) of such Act is amended to read as follows:

"(1) employ, without regard to the civil service and classification laws, aliens within the United States and abroad for service in the United States relating to the translation or narration of colloquial speech in foreign languages or the preparation and production of foreign language programs when suitably qualified United States citizens are not available, and aliens so employed abroad may be admitted to the United States, if otherwise qualified, as nonimmigrants under section 101(a)(15) of the Immigration and Nationality Act for such time and under such conditions and procedures as may be established by the Director of the International Communication Agency and the Attorney General;".

(c) Section 602(d) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 474) is amended—

(1) by striking out "or" at the end of paragraph (19);

(2) by striking out the period at the end of paragraph (20) and inserting in lieu thereof a semicolon and "or"; and

(3) by inserting immediately after paragraph (20) the following:

"(21) the Director of the International Communication Agency with respect to the furnishing of facilities in foreign countries and reception centers within the United States.".

(d) Section 108(a) of the Mutual Educational and Cultural Exchange Act of 1961 is amended—

(1) by inserting "(1)" immediately after "SEC. 108. (a)"; and

(2) by adding at the end thereof the following new paragraph:

"(2) Notwithstanding any other provision of law, the Director of the International Communication Agency may provide, on a reimbursable basis, services within the United States in connection with exchange activities otherwise authorized by this Act when such services are requested by a department or executive agency of the United States. Reimbursements under this paragraph shall be credited to the applicable appropriation of the International Communication Agency.".

(e) Section 801(3) of the United States Information and Educational Exchange Act of 1948 is amended to read as follows:

"(3) whenever necessary in carrying out title V of this Act, to purchase, rent, construct, improve, maintain, and operate facilities for radio transmission and reception, including the leasing of associated real property (either within or outside the United States) and the alteration, improvement, and repair of such property, without regard to section 322 of the Act entitled 'An Act making appropriations for the Legislative Branch of the Government for the fiscal year ending June 30, 1933, and for other purposes', approved June 30, 1932 (40 U.S.C. 278a), and any such real property or interests therein which is outside the United States may be acquired without regard to section 355 of the Revised Statutes of the United States (40 U.S.C. 255) if the sufficiency of the title to such real property or interests therein approved by the Director of the International Communication Agency;".

TECHNICAL AMENDMENTS

SEC. 206. (a) Section 801(1) of the United States Information and Educational Exchange Act of 1948 is amended by striking out "within the limitation of such appropriations as the Congress may provide".

(b) Section 804 of such Act is amended—

(1) in paragraph (10), by striking out "five" and inserting in lieu thereof "ten";

(2) by striking out "and" at the end of paragraph (13);

(3) in paragraph (14), by striking out the comma and all that follows thereafter and inserting in lieu thereof a semicolon; and

(4) by adding at the end thereof the following:

"(15) hire passenger motor vechicles;

"(16) purchase passenger motor vehicles for use abroad, and right-hand drive vehicles may be so purchased without regard to any maximum price limitation established by law;

"(17) procure services of experts and consultants in accordance with section 3109 of title 5, United States Code;

"(18) notwithstanding section 3648 of the Revised Statutes (31 U.S.C. 529), make advances of funds; and

"(19) notwithstanding section 5946 of title 5, United States Code, pay dues for library membership in organizations which issue publications to members only, or to members at a price lower than to others.".

(c) Section 806 of such Act is amended by striking out "are authorized to be made" and inserting in lieu thereof "shall be".

EFFECTIVE DATE

SEC. 207. The amendments made by sections 205 and 206 shall take effect on October 1, 1979, and any new authority provided for by such amendments involving the expenditure of appropriated funds shall be effective for any fiscal year only to such extent and in such amounts as provided in appropriation Acts.

TITLE III—BOARD FOR INTERNATIONAL BROADCASTING

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 301. (a) Section 8(a) of the Board for International Broadcasting Act of 1973 is amended to read as follows:

"SEC. 8. (a) (1) There are authorized to be appropriated to carry out the purposes of this Act—

"(A) $86,917,000 for the fiscal year 1980 and $91,787,000 for the fiscal year 1981, of each such amount not less than $800,000 shall be available only to carry out the provisions of this Act other than the provisions of paragraph (1) of section 4(a); and

"(B) such additional amounts for any fiscal year as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and such additional amounts for any fiscal year as the Director of the Office of Management and Budget determines and so certifies to the Congress are necessary, in order to maintain the budgeted level of operation for RFE/RL, Incorporated, to offset adverse fluctuations in foreign currency exchange rates occurring after November 30 of the preceding fiscal year.

"(3) Amounts appropriated for a fiscal year under this subsection are authorized to remain available until expended.".

(b) The amendment made by subsection (a) shall take effect on October 1, 1979.

USE OF BROADCASTING FACILITIES BY COMMUNIST COUNTRIES

SEC. 302. Section 307 of the Foreign Relations Authorization Act, Fiscal Year 1979, is repealed.

REPORTING REQUIREMENT

SEC. 303. The Board for International Broadcasting Act of 1973 is amended by adding the following new section:

"SEC. 10. Under the authority of section 4(a)(3) of this Act, the Board shall prepare and transmit to the Congress, on or before October 1, 1979, a report setting forth alternative plans for the relocation to the territory of the United States of such activities of RFE/RL, Incorporated, as would result in the tranfer to the United States of not less than 10 percent, 25 percent, and 50 percent, respectively, of the total personnel of RFE/RL, Incorporated. For each such alternative plan, the report shall include—

"(1) proposals for the timing of such transfer and the recommended location in the United States of such personnel;

"(2) estimates of the costs and amortization period for such plan;

"(3) a consideration of the impact of such plan on the operating efficiency of RFE/RL, Incorporated, and on the effectiveness of RFE/RL, Incorporated, in achieving its program objectives; and

"(4) any other significant anticipated consequences of such a relocation.".

TITLE IV—MISCELLANEOUS PROVISIONS

EGYPTIAN-ISRAELI CULTURAI, SCIENTIFIC, AND ECONOMIC RELATIONS

SEC. 401. It is the sense of the Congress that it should be the policy of the United States to promote and encourage cultural, scientific, and economic relations between the Arab Republic of Egypt and the State of Israel.

APPLICATION OF THE INTERNATIONAL ORGANIZATIONS IMMUNITIES ACT TO THE INTERNATIONAL LABOR ORGANIZATION

SEC. 402. Section 12 of the International Organization Immunities Act is amended by inserting "or may continue to be extended to the International Labor Organization" after "Unity".

MORATORIUM ON THE COMMERCIAL KILLING OF WHALES

SEC. 403. (a) The Congress finds and declares that—

(1) whales are a unique marine resource of great esthetic and scientific interest to mankind and are a vital part of the marine ecosystem;

(2) the protection and conservation of whales are of particular interest to citizens of the United States;

(3) in 1971 the Congress adopted resolutions requesting the Secretary of State to negotiate a ten-year moratorium on the commercial killing of whales;

(4) the United States, which effectively banned all commercial whaling by United States nationals in December 1971, has sought an international moratorium on the commercial killing of whales since 1972;

(5) the United Nations Conference on the Human Environment adopted a resolution in 1972 calling for a ten-year moratorium on commercial whaling;

(6) the United Nations Governing Council for Environment Programs in 1973 and 1974 confirmed such call for a ten-year moratorium, and the Council continues to support ongoing efforts relating to whale conservation;

(7) the International Convention for the Regulation of Whaling, signed in 1946, as implemented by the International Whaling Commission, is not providing adequate protection to whales;

(8) the data-gathering structure established under the International Whaling Commission has not provided all the available data necessary for sound whale conservation;

(9) there is strong evidence that the members of the International Whaling Commission continue to import, in some instances in increasing amounts, whale products from countries not members of the Commission; and

(10) defects in the implementation of the International Convention for the Regulation of Whaling by the International Whaling Commission allow harvests of the declining whale species.

(b) The Congress hereby urges—

(1) the International Whaling Commission to agree to a moratorium on the commercial killing of whales; and

(2) Brazil, Denmark, Iceland, Japan, Norway, the Soviet Union, and the Republic of Korea, as parties to the International Convention for the Regulation of Whaling and which still engage in commercial whaling, and Chile, the People's Republic of China, Peru, Portugal, the Democratic Republic of Korea, Spain, and Taiwan, as countries which are not parties to the Convention and which still engage in commercial whaling, to recognize and comply voluntarily with a moratorium on the commercial killing of whales, as endorsed by the United Nations Conference on the Human Environment and the United Nations Governing Council for Environment Programs.

ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SEC. 404. (a)(1) There shall be in the Executive Office of the President an Assistant to the President for National Security Affairs (hereafter in this section referred to as the "Assistant to the President") who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) The Assistant to the President shall perform such functions with respect to national security affairs and the activities of the National Security Council as the President may prescribe.

(3) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"(25) Assistant to the President for National Security Affairs.".

(b)(1) There shall be in the Executive Office of the President a Deputy Assistant to the President for National Security Affairs (hereafter in this section referred to as the "Deputy Assistant to the President") who shall be appointed by the President, by and with the advice and consent of the Senate.".

(2) The Deputy Assistant to the President shall perform such functions as the Assistant to the President may prescribe.

(3) Section 5314 of title 5, United States Code, is amended by adding at the end thereof the following:

"(70) Deputy Assistant to the President for National Security Affairs.".

(c) The provisions of this section shall take effect—

(1) with respect to any appointment to the office of the Assistant to the President, immediately after the individual holding such office on the date of enactment of this Act ceases to hold such office;

(2) with respect to any appointment to the office of the Deputy Assistant to the President, immediately after the individual holding such office on the date of enactment of this Act ceases to hold such office; and

(3) on the date of enactment of this Act as to such vacant office or offices, if the office of the Assistant to the President or the office of the Deputy Assistant to the President is vacant on such date.

Mr. ROBERT C. BYRD. Mr. President, I ask that Mr. MOYNIHAN be recognized to call up an amendment.

The PRESIDING OFFICER. Who yields time?

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. May we have order, Mr. President? We cannot hear.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, is the pending business before the Senate the State Department authorizations bill?

The PRESIDING OFFICER. Yes, it is.

Mr. ROBERT C. BYRD. Mr. President, Mr. MOYNIHAN will shortly call up an amendment after the manager of the bill and the ranking manager have had an opportunity to speak.

EXPRESSING THE SENSE OF THE SENATE REGARDING THE MEANING OF "SEVERE ENERGY SUPPLY INTERRUPTIONS" TO PERMIT THE IMPLEMENTATION OF STANDBY GASOLINE RATIONING

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 151, as modified, in accordance with the assurances given to Mr. STEVENS by Mr. JACKSON and by myself, and that there be a 10-minute time limitation on that resolution to be equally divided.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—may I inquire, is this the sense of the Senate resolution previously described?

Mr. ROBERT C. BYRD. Yes.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The second assistant legislative clerk read as follows:

S. Res. 151, a resolution to express the sense of the Senate regarding the meaning of "severe energy supply interruptions" to permit the implementation of standby gasoline rationing.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the resolution be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, the time was divided, and I yield myself 2 minutes on this resolution. This is the resolution that I did discuss with the Senator from Washington. It is my understanding it has his approval. It has the approval of the ranking minority member of the Energy Committee, Senator HATFIELD. It is cosponsored by Senator DOLE, Senator DOMENICI, Senator WALLOP, Senator SCHMITT, and Senator CHILES.

It is our attempt to make certain that the Senate expresses its will in stating very categorically that the gasoline rationing plan we just approved will not be implemented unless the emergency is, in fact, a national emergency that meets the terms and conditions of the sense-of-the-Senate resolution.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. STEVENS. Yes.

Mr. JACKSON. Mr. President, I want to commend the distinguished Senator from Alaska for his statesmanlike approach to the problem we have faced in connection with the gas rationing plan.

I want to say to my friend that I, for one, would never have supported this plan if it could have been brought into play by the incidents we have witnessed around the country, principally in California, where there is a special shortage problem.

The whole purpose of the standby rationing plan was to deal with a catastrophic event affecting the country nationally not locally. I would be the last one to say that you should put into operation a plan which, in effect, Mr. President, could be triggered by an incident such as that which we have witnessed in California.

Mr. President, I want to say for the record that I wholeheartedly support the resolution and will do everything I can to see that it is properly implemented in the event that that becomes necessary.

Mr. STEVENS. Mr. President, I thank the Senator.

Mr. JAVITS. Mr. President, will the Senator yield? It is an excellent idea. I think the Senator from Alaska has served us all. I think those of us who voted on this side for the last two resolutions voted on the expectation that this resolution, with those two, would be a package.

I hope, as Senator JACKSON has said, the administration as well as we will regard it as a package.

I thank the Senator for his very fine service in developing this idea.

Mr. STEVENS. Mr. President, I thank the Senator from New York and the Senator from Washington. I point out once again this will require that the triggering mechanism be either: First, a war constitutionally declared or under the President's war powers or second, a shortage of more than 20 percent of the U.S. supply of petroleum for a period of time exceeding 30 days brought about by an OPEC embargo, by an act of God or by sabotage involving the production of petroleum on which the United States relies.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield I congratulate the Senator. I also want to express my personal appreciation to him for the support he and other Members on his side of the aisle gave to the two proposals that were voted on favorably earlier today.

I want to take this opportunity also to commend Senator JACKSON, Senator JOHNSTON, Senator HATFIELD, and Senator DOMENICI, as the managers of the resolutions. I, of course, thank all Senators who supported the resolutions and, of course, understand the problems we face.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

Mr. ROBERT C. BYRD. I yield back the remainder of my time.

Mr. STEVENS. I move the adoption of the resolution.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the resolution, as modified.

The resolution, as modified, was agreed to.

The preamble was agreed to.

The resolution (S. Res. 151), as modified, together with the preamble, is as follows:

S. RES. 151

Whereas the United States has become heavily dependent on foreign sources of supply of petroleum, and

Whereas the United States because of changes in world political systems finds itself increasingly vulnerable to loss of supply from those producing countries, and

Whereas the United States has an urgent need to address its domestic supply and demand problems in a way which will allow it to more adequately protect itself from such disruptions in supply, and

Whereas one of those options to restrain demand is a national plan to ration gasoline, and

Whereas such a plan should not be allowed to be imposed on such citizens of the United States without the Nation having to manage an unexpected, substantial, and long-term loss of supply of petroleum: Now, be it

Resolved, That the meaning of "severe energy supply interruption" as used in section

201(c) of the Energy Policy and Conservation Act (42 U.S.C. 6261) for the purposes of determining the severity of shortage of petroleum supply to the United States necessary to require the President to recommend to the Congress that the Standby Gasoline Rationing Plan provided for in such section be implemented shall be a national energy supply shortage which the President determines—

(1) has resulted or is likely to result, in a loss to the United States, or an allocation away from the United States under international obligations, of more than 20 per centum of the United States supply of petroleum for a period of time exceeding thirty days,

(2) cannot be managed adequately through withdrawals from the Strategic Petroleum Reserve nor through acquisition of supply of petroleum through other sources,

(3) is not manageable under other energy emergency authorities including any approved Energy Conservation Contingency Plans,

(4) is expected to persist for a period of time sufficient to seriously threaten the adequacy of stocks of crude oil or petroleum products,

(5) is having and can reasonably be expected to continue to have a major adverse impact on national safety or the national economy, and

(6) has resulted from an interruption in the supply of petroleum by an act of God, sabotage, or by decisions of the governments of the several oil producing countries to limit the export of crude oil either to the United States directly, or collectively to governments with which the United States has obligations; and be it further

Resolved, That the commencement of international hostilities under constitutional authorities including commitment of troops by the President under the War Powers Act and the determination that rationing of gasoline is necessary for assuring adequate supplies for protecting the national security, shall be sufficient cause in and of itself for the President to recommend to the Congress that the Standby Gasoline Rationing Plan be implemented.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FOREIGN RELATIONS AUTHORIZATION ACT, 1980 AND 1981

The Senate continued with the consideration of S. 586.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator from Idaho yield for a question?

Mr. CHURCH. I yield.

Mr. HARRY F. BYRD, JR. Is it the intent of the Senator from Idaho to ask unanimous consent for a time limitation?

Mr. CHURCH. It is not.

Mr. HARRY F. BYRD, JR. I thank the Senator. If any unanimous consent should be directed to that, the Senator from Virginia would certainly appreciate being notified.

Mr. CHURCH. The majority leader is present and has heard that request. I am sure he will honor it.

Mr. ROBERT C. BYRD. I assure the Senator it will be honored.

Mr. CHURCH. Mr. President, in this age of global economic interdependence, faced with dwindling natural resources and threatened by the dangers inherent in the spread of nuclear technology, it is imperative that we give strong support to those elements of our Government which are vested with the grave responsibilities of promoting peace and cooperation through diplomatic initiatives. It is with serious concern that I note the continued reduction in the personnel of the Department of State.

Despite the growing demands during the last decade of conducting foreign relations with 136 nations, and negotiating and implementing new international programs in nuclear nonproliferation, arms control, the protection of human rights, narcotic control and scientific and technological cooperation, the personnel levels of the Department have declined by approximately 10 percent. It is with this concern in mind that I urge my Senate colleagues to support the funding levels contained in S. 586, the Foreign Relations Authorization Act of 1980 and 1981.

The purpose of this legislation is to authorize appropriations of $2,123,951,000 for fiscal year 1980 and $2,342,332,000 for fiscal year 1981 for the Department of State, the International Communication Agency and the Board for International Broadcasting. In addition, it provides supplemental authority for fiscal year 1979 for $104,910,000 for the Department of State. The sums for fiscal year 1980 and 1981 are each $5.8 million less than the amounts requested by the administration and are considered the lowest figures the committee could responsibly authorize and still insure the effective and efficient conduct of our Nation's foreign policy.

Each of these fiscal year authorizations are broken down into three major components.

The first element is the funding of the Department of State. Over $1.6 billion for fiscal year 1980 and over $1.7 billion for fiscal year 1981 is allocated for this function. These sums will support the general operations of the State Department, the U.S. migration and refugee assistance programs, and the payments to all of the international organizations and commissions which the United States supports by means of a fixed-percentage contribution.

The second major element of the bill is an authorization of over $426 million for fiscal year 1980 and $466 million for fiscal year 1981 to fund the activities of the International Communication Agency (ICA), previously known as the U.S. Information Agency. The ICA actively promotes U.S. interests by disseminating information about the United States through the broadcasts of the Voice of America, its worldwide network of libraries and information centers, and its cultural and educational exchanges.

The third general funding authorization in S. 586 provides for an $86 million fiscal year 1980 and a $91 million fiscal year 1981 authorization for the Board for International Broadcasting. The Board oversees and makes annual grants to Radio Free Europe/Radio Liberty, Inc.

It should be noted that despite the slight increases in these authorizations over previous appropriations, the levels of personnel within these agencies have decreased substantially. During the last 10 years, the Department of State has reduced its personnel by 10 percent. Since 1966, ICA has cut back 28.6 percent on employee positions, and the staff of the Board for International Broadcasting has been reduced by 26 percent in the last 5 years. These figures are startling when one looks at the recent increases in the size of some of our domestic Cabinet-level departments.

In addition to the funding levels I have just described, S. 586 contains a number of policy amendments. The subjects of these provisions range from whales to the National Security Adviser to the President. For the sake of brevity in this presentation, I ask unanimous consent that a more detailed description of the bill be printed in the RECORD at this point.

There being no objection, the description was ordered to be printed in the RECORD, as follows:

DESCRIPTION OF S. 586

Title I contains a total authorization for all activities for the Department of State of $1,610,052,000 for fiscal year 1980 and $1,790,166,000 for fiscal year 1981. This includes funds for all salaries and expenses of the Department for the acquisition, operation, and maintenance of buildings abroad, for contributions to international organizations and for support of U.S. missions to those organizations, for the U.S. sections of international commissions and for migration and refugee assistance activities. Also included in title I is a supplemental authorization of appropriations for fiscal 1979 of $104,910,000 for migration and refugee assistance.

In addition to these funding authorities, title I contains provisions which: (1) place into permanent law a standard annual authorization for such sums as may be necessary to pay increases in certain nondiscretionary personnel costs authorized by law; (2) provide permanent authority to offset adverse fluctuations in foreign currency exchange rates; (3) repeal the Helms amendment to the State Department Appropriations Act of 1979 which prohibited the use of U.S. assessed contributions to the United Nations for technical assistance programs; (4) require the State Department to maintain foreign service posts at Salzburg, Austria; Bremen, Germany; Nice, France; Turin, Italy; Goteborg, Sweden; Adana, Turkey; Tangier, Morocco, Brisbane, Australia; Surabaya, Indonesia; and Mandalay, Burma; (5) implement a General Accounting Office report which recommends that the State Department adhere to uniform pay scales for foreign national employees based on local pay scales; (6) earmark $25 million of the Migration and Refugee Assistance budget item to assist Soviet and Eastern European refugees resettling in Israel; (7) reduce the Administration's $7 million FY 1980 request for a five-year science and technology cooperation agreement with Yugoslavia to $1.4 million for both fiscal year 1980 and fiscal year 1981; (8) correct an inequity in the foreign service personnel system caused by an unusually long delay in the Congressional approval of a foreign promotion list; (9) mandate a study by the Department of State of the overall personnel and resource requirements needed to improve their substantive reporting and analysis capabilities; and (10) authorize a narrow expansion of existing authority to waive non-immigrant business and tourist visa requirements for persons coming to the United States from countries where the visa fraud rate is low.

Title II authorizes funds for all of the operations of the International Communication Agency which came into being April 1 of last year as a result of a Presidential reorganization plan. The ICA incorporates all programs formerly conducted by the U.S. Information Agency and the Bureau of Educational and Cultural Affairs of the Department of State. The amount provided by the Committee in title II is $426,982,000 for fiscal year 1980, and $460,379,000 for fiscal year 1981. The amount provided for both fiscal years is $5.8 million below the Executive's request. The amounts authorized in this bill basically continue ICA programs at the same level as the last few years. The dollar increases are generally related to higher salaries and inflationary costs.

Title II also contains technical and administrative provisions which would not authorize any new funds.

Title III of the bill provides authorization of appropriations for the Board for International Broadcasting of $86,917,000 for fiscal year 1980, and $91,787,000 for fiscal year 1981.

Other provisions of title III: (1) require the Board for International Broadcasting to prepare and transmit to the Congress a report setting forth alternative plans for the relocation to the United States of the employees stationed at the headquarters of Radio Free Europe/Radio Liberty; and (2) earmark no less than $800,000 of the budget of the Board for International Broadcasting for the oversight functions of the Board.

Title IV contains a number of miscellaneous policy provisions which: (1) require that the Assistant to the President for National Security Affairs and his deputy be appointed by and with the advice and consent of the Senate; (2) continue to grant diplomatic immunities and privileges to the employees of the International Labor Organization; (3) urge the International Whaling Commission and all whaling nations to adopt a complete cessation of commercial whaling; and (4) make it the sense of the Congress that it be the policy of the United States to promote and encourage cultural, scientific and economic relations between the Arab Republic of Egypt and the State of Israel.

Mr. CHURCH. In conclusion, I ask that my colleagues support the passage of this bill. The Foreign Relations Committee in reporting this legislation has succeeded in exercising budgetary restraint and has, in fact, reduced the overall administration request. This authorization is as lean as it can be without seriously impairing the ability of our foreign policy agencies to carry out their important responsibilities.

I urge the Senate to pass this bill.

Mr. JAVITS. Mr. President, I yield to the majority leader.

NO FURTHER ROLLCALLS TODAY

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield so that I can simply announce that there will be no more rollcall votes today?

Mr. JAVITS. I thank the Senator.

Mr. President, I support the bill. We should be having a number of amendments to it, which I do not think relate to the fundamental basis for the maintenance of the State Department on an annual basis.

We have considered the possibility of making this a 1-year bill. But in view of the fact that for a number of years now we have had 1-year bills, we decided to make this a 2-year bill, and that is how we bring it to the Senate. We believe that considering the fact that most Government departments do not have even a biennial authorization that we are complying with the spirit of sunset even in so critical a department as the State Department by now having a 2-year bill.

We will try this out, is our attitude in the committee, and I think it is a wise one. There is a certain more settled quality about not having an annual authorization bill. We are free to take actions which have normally been hung on this bill at any time, and we will, of course, feel free to do that.

So I hope the Senate will go along with us in this matter. It seems to be a fair and reasonable compromise between a 1-year bill and no annual authorization at all.

I believe Members may feel satisfied that we will keep our fingers very much on the operations of the State Department with this 2-year bill which is, after all, not all that much of an enlargement of the 1-year period which we have had for some years up to now.

Other than that I believe the bill carries out the mission of the State Department effectively. As to the matters which relate to individual problems which will be raised by the amendments, we will dispose of those as they come up.

I thank the Chair.

The PRESIDING OFFICER. The Senator from New York (Mr. MOYNIHAN).

UP AMENDMENT NO. 135

(Purpose: To delete from the U.S. assessed contribution to the U.N. funds which would be spent on the Committee on the Inalienable Rights of the Palestinian People and on the Special Unit on Palestinian Rights.)

Mr. MOYNIHAN. Mr. President, I thank the distinguished chairman of the Committee on Foreign Relations and my senior colleague for providing me this opportunity, which will not detain the Senate long.

Mr. President, I am happy to report that on the 24th of April, the House of Representatives passed an authorization for the Department of State which contained an amendment that had been submitted earlier to and approved by the House Committee on Foreign Affairs. It was offered by a distinguished colleague of Senator JAVITS and me, Representative LESTER WOLFF of New York. Congressman WOLFF's amendment was substantially the same as the amendment to last year's State Department authorization which I submitted on June 28, 1978. That amendment had as its purpose the withholding from our contribution to the United Nations of an amount equal to our proportionate share of the budget of the Committee on the Exercise of the Inalienable Rights of the Palestinian People and the Special Unit on Palestinian Rights.

The chairman of the committee and the ranking Republican member will recall that while the Senate agreed to this measure by a voice vote, which I recall to have been unanimous, there was no comparable provision in last year's House measure, and so it was not agreed to in conference. Now we are in a position to assure that that will not happen again, inasmuch as the House has followed our lead, thanks to Representative WOLFF.

Mr. President, this is a matter in which we seemingly act at variance with the correct pattern of behavior which the chairman of the committee and the ranking Republican member have insisted upon over the years, and on which I have had the privilege, in my time in the Senate, to support them. That is to say that the United States does not withhold appropriations, does not seek to avoid its responsibilities and the payment of its agreed-upon share of the cost of various United Nations activities, simply because we disapprove of this or that policy or activity.

However, there are situations where that general and correct rule does not apply, and it is my strongly held view that it does not apply in this situation, inasmuch as I hold, and responsible persons have held with me, that the activities of the United Nations with respect to these Palestinian committees violate the Charter of the United Nations.

The "Committee on the Exercise of the Inalienable Rights of the Palestinian People" was established in a series of resolutions adopted by the General Assembly on that infamous day of November 10, 1975, when, among other things, the obscene resolution was adopted declaring Zionism to be a form of racism.

Since that time, this committee and its affiliates have fulfilled every promise they held at that moment that they would be a poisonous part and a destructive and irresponsible voice within the United Nations Secretariat, devoted to the destruction of a member of the United Nations. They have not failed in their infamy. I have heard a responsible professor of international law describe a recent exhibit at the New York United Nations Headquarters sponsored by this committee to be a "Nazi propaganda show." Hence, the proposal I shall call up at the conclusion of my remarks.

My amendment will reduce our contribution to the United Nations by an amount equal to our proportionate share of the budget of the Committee on the Exercise of the Inalienable Rights of the Palestinian People, the Special Unit on Palestinian Rights, or any successor organization. For 1978 and 1979, expenditures for these two groups will average $751,000 per year. One quarter of this amount is $187,800, which will be the sum we expect to deduct from our United Nations contribution.

But it is not just this, Mr. President, that concerns me. If I may just have a few additional observations. I hope some other Members of this body share my concern that more and more the United Nations Charter is being violated by the totalitarians, and in particular by the Soviet Union and by instrumentalities of the Soviet Union, of which the Palestine Liberation Organization surely is one.

I refer in particular to the practice of the Soviet Union, now notorious and public for all purposes, of sending intelligence officers of the Soviet KGB, the internal security organization and external espionage organization, into the

Secretariat in gross violation of article 100 of the United Nations Charter.

In October of last year two such officers were convicted as spies and began serving jail sentences, and were only recently exchanged, in that grim barter we have come to associate with the Soviet Union, for five political dissidents. Last autumn I had the opportunity to prepare a report on this matter for the Senate, including the then even more disturbing development in Geneva where a KGB officer was made head of personnel for the United Nations there, and where a KGB officer had become the head of the Soviet Division of Civil Rights, so that dissident appeals would come first to him.

This has been reported in some detail in an article in Newsweek magazine by Arnaud de Borchgrave, who took particular care to note the unavailing efforts of our representative in Geneva, Mr. vanden Heuvel, to prevent that. I ask unanimous consent that the relevant portion of my report be printed in the RECORD at this point.

There being no objection, the excerpts from the report (Senate document No. 96–16) was ordered to be printed in the RECORD, as follows:

> It is time we took this situation more seriously. Who performs these tasks does make a difference. There are, no doubt, many international civil servants who take seriously their pledge to remain immune from guidance from their own governments. Article 100 of the United Nations Charter is unambiguous as to what and whom UN employees are responsible:
>
> 1. In the performance of their duties the Secretary-General and the staff shall not seek or receive instructions from any government or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization.
>
> 2. Each Member of the United Nations undertakes to respect the exclusively international character of the responsibilities of the Secretary-General and the staff and not to seek to influence them in the discharge of their responsibilities. (Charter of the United Nations, Chapter XV, Article 100.)
>
> A Soviet national cannot do this, and the question is otherwise moot. Were he of the sort who did not "cooperate" with the Soviet government, it would not allow him to take up the position in the first place.
>
> For example, on May 20, 1978 Rudolf P. Chernyayev, a member of the Training and Examinations Service in the Division of Personnel Administration, and Valdik A. Enger, a Political Affairs Officer in the Department of Political and Security Council Affairs (Unit for Coordination and Political Information), were arrested by the FBI on espionage charges that they paid $16,000 for secret Navy antisubmarine warfare documents. A third Russian citizen, Vladimir P. Zimyakin, who was attached to the Soviet Mission at the UN, was also picked up, but was subsequently released because he had diplomatic immunity. On October 14, 1978 the two Soviet UN employees were convicted and six days later were sentenced to 50 years imprisonment each. At the U.S. Government's request, the two were freed pending their appeals. (Mr. Chernyayev, at the P3 grade enjoyed a salary of approximately $34,000, and Mr. Enger, at the P4 level, received approximately $41,000.)
>
> It will also be remembered that in June of 1978, there were press reports describing the disappearance of Vladimir Rezun, an attaché at the Soviet mission in Geneva. He surfaced two weeks later in Great Britain, having been granted political asylum, with his wife and two children. On June 29, 1978, West German newspapers reported that Rezun had identified several important Soviet international civil servants as agents of the KGB, the Soviet secret police. Mr. Geli Dneprovsky, who as Deputy Chief of Services in the Division of Personnel Administration received between $38,000 and $48,000 at his P5 grade, was one of those so identified; he was slated to become Chief of Personnel Administration for the UN's European headquarters in Geneva. The Secretary-General of the United Nations delayed his transfer to Geneva on July 5, 1978 pending his investigation into the allegations. On August 29 of 1978, Mr. Dneprovsky assumed the post of UN personnel director in Geneva along with its $100,000-plus salary; Mr. Waldheim had decided he would leave the decision to bar Dneprovsky's entry into the country up to the Swiss. Western protest about Dneprovsky's espionage affiliations had apparently been unavailing.
>
> This is how the United Nation's bureaucracy responds when the United States is upset, and upset at a serious matter.
>
> How does it respond when the Soviet Union is upset? The comparison is instructive. I quote some sentences from a news dispatch of December 12, 1978 that appeared in the New York *Times*:
>
> A student version of the United Nations General Assembly was barred from the Palais des Nations here today after its opening session yesterday led to a Soviet protest.
>
> The Soviet mission to the international organization in Geneva was said to have objected to the adoption of a mock resolution calling for the ouster of the Ukraine and Byelorussia from the United Nations on the ground that the two republics are an integral part of the Soviet Union. A student delegate, supposedly representing the United Arab Emirates, said that the Soviet Union, like other countries, should have one vote and that the 1945 accord to give it three should be rescinded.
>
> Zoya V. Mironova, head of the Soviet mission, who had been advised of the developments by a staff member, made the protest to the United Nations office.
>
> Luigi Cottafavi of Italy, Director General of the office, then prevented the 500 students, most of them from Swiss and French high schools, from reconvening at the United Nations' assembly hall.
>
> Four days later, another dispatch appeared in *The Times*:
>
> The United States has questioned the impartiality of United Nations officials who ejected 500 students from the Palais des Nations here at the demand of the Soviet Union
>
> The United States protest, in a letter signed and delivered by William J. vanden Heuvel, the United States Ambassador, said that Mr. Cottafavi had ousted the students "in response to pressure from the Soviet Union" and asserted that the move could only raise "doubt whether ranking UN officials are capable of maintaining standards of impartiality."
>
> "My government cannot accept that United Nations officials violate the principles of free debate to appease any one or group of member states" the letter continued.
>
> An illuminating episode. The UN bureaucracy will not respond to the presence of a Russian spy in its midst; it will, and without delay, evict a group of high school students from its premises—for offending the Russians. Surely, this has something to do with those who work there. But just as obviously, it is not simply a bureaucratic or administrative matter.
>
> This condition is not beyond remedy, but one wonders whether such remedies will arise spontaneously within the Executive Branch without substantial encouragement from the Legislative. It is a matter to which we in the Congress will turn as the pieces of relevant legislation make their way through the two Houses. In particular, I intend to raise before the Senate, as it considers appropriations for the coming year's contributions, the question of withholding funds which will be spent in violation of Article 100 of the UN Charter.
>
> Surely, as a democracy, we have a powerful case to make about these organizations, products as they are of a particular democratic impulse, reflective as they once were of America's status as first power in the world. In this sense, certain things go together. I do not anticipate that the recovery of America's position in world organizations can proceed at a pace much faster than that of the recovery of American self-confidence and self-respect generally, and American power and prestige particularly. But none of these battles is, as yet, irrevocably lost.

Mr. MOYNIHAN. Mr. President, I will not detain the Senate on this matter, but it seems to this Senator that the State Department is more than remiss in failing to protest in the most serious terms this activity of the Soviet Union in sending Soviet spies into the Secretariat; and I would like to be recorded to that effect. In my time, I have known my share of Soviet spies. They do not frighten me.

What frightens me, Mr. President, is that the U.S. Government seems somehow no longer to be able to insist to the Soviet Union that it abide by solemn treaty obligations. If we will not do that with respect to the personnel of the United Nations Secretariat, with what confidence can we look forward to insistence on compliance with so profound an undertaking as the strategic arms limitation agreement, SALT II, which we have undertaken to do?

I make the point because the State Department is frittering away the meaning of the United Nations Charter by not insisting upon compliance with it. In the same way, we are frittering away the integrity of the United Nations Secretariat by allowing the establishment within it of illegal activities, activities forbidden by the charter but imposed by a Security Council with a totalitarian majority. There is a time when principle requires us to protest.

Meanwhile, the amendment concerning the Palestinian Committees which I now send to the desk, strikes me as an appropriate beginning, a way of stating that we take the Charter of the United Nations seriously.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

> The Senator from New York (Mr. MOYNIHAN) proposes an unprinted amendment numbered 135.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> On page 6, line 10, insert the following: "(a)" immediately after "Sec. 101."; and

immediately after page 7, line 3, insert the following:

(b) funds appropriated under paragraph (2) of Sec. 101 may not be used for payment by the United States, as its contribution toward the assessed budget of the United Nations for any year, or any amount which would cause the total amount paid by the United States as its assessed contribution for that year to exceed the amount assessed as the United States contribution for that year less—

(1) 25 percent of the amount budgeted for that year for the Committee on the Exercise of the Inalienable Rights of the Palestinian People (or any similar successor entity), and

(2) 25 percent of the amount budgeted for that year for the Special Unit on Palestinian Rights (or any similar successor entity).

Mr. MOYNIHAN. Mr. President, I have made the statement that I had intended to make. I would be happy to respond to queries from the distinguished chairman or his colleague, my revered senior colleague (Mr. JAVITS).

Mr. CHURCH. Mr. President, the Senator makes a compelling case for his amendment. The State Department opposes it, and has furnished me with three pages of reasons, but I find that those reasons are not so persuasive as the case I have just heard made by the distinguished Senator from New York. For that reason, I shall not oppose his amendment, but rather support it; and I commend him for offering this amendment to the bill.

Mr. MOYNIHAN. I thank the Senator.

Mr. JAVITS. Mr. President, I have not seen the amendment. I would need to read a copy of the amendment before I could take a position with respect to it. I have noted the opposition of the State Department, and I want to check that out before I consent to its adoption. So I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, based upon what Senator MOYNIHAN was last discussing, I had the impression that it was an amendment dealing with KGB agents and I wanted to read it. But it is not. It is an amendment which deals with an effort to use part of the U.S. assessment for the normal budget of the United Nations to help finance a committee on the exercise of inalienable rights of the Palestinian people, or any similar successor entity, and of a special unit on Palestinian rights.

Mr. President, this amendment, in my judgment, should be incorporated in the bill and we should lock it in when in conference. I say that for this reason: The United Nations have suffered very seriously from its gross abuse and misuse by an aggregation of nations, and it is very hard to fathom their purpose, which seems so suicidal in terms of the United Nations, which is the first opportunity for many of these nations to be heard in the forum of the world and to have some attention paid to their problems, by trying to destroy the United Nations with block voting for purposes of subverting the narrow, parochial interests which fed upon superstition, fear and hostility, contradictory to the whole purpose of the United Nations for peace, with the PLO, which is the basic factor here, pledged to destroy and dismantle a United Nations member, to wit, Israel, really not only offends, in my judgment, conscience but it seems to be so self-defeating.

I do not favor, generally speaking, this form of protest, but I must say that a stop has to be put to this gross abuse of the United Nations by this block of nations which is going along with the really worst in Arab thinking, an Arabic irreconcilability so contrary to U.S. policy.

I agree with Senator MOYNIHAN, that it seems hard to think of anything else that can be done except this by way of protest.

There is one thing, however, I wish to emphasize. We will be carried in arrears by the United Nations, but being carried in arrears is very different from conditioning our payment, which we are not doing, according to this amendment. In short, we are reducing the amount of our payment and ultimately we may face some struggle within the United Nations respecting U.S. voting power. We have faced that before and we will perhaps again on this. In the meantime, all it represents is, if they choose to do it this way, they will carry us in arrears.

For all of those reasons I find the amendment acceptable. I yield to the Senator from New York.

Mr. MOYNIHAN. I thank my revered senior colleague. I would like to emphasize my agreement with him on the basic principle, that we do not withhold the contributions we have agreed to make because we disagree with policy. I do not ask the Senators to agree, but I submit that this inactivity with respect to the Palestinian committee is a violation of the charter. The Secretariat of the United Nations has become engaged in activity hostile to the very existence of a member. That must not happen. On that we have an issue of principle, just as important the issue of principle whereby we pay our dues, and if votes go against us—well, that happens all the time in the United Nations.

Mr. JAVITS. I think that is quite characteristic of Senator MOYNIHAN, who has been our Ambassador to the U.N., to be that perceptive in his thinking. We have taken a strong position against the Soviet Union withholding part of their assessment because they do not subscribe to the United Nations peacekeeping forces. But it seems to me that this point which is made by Senator MOYNIHAN is a very valid line of distinction and an added reason why I find the amendment acceptable.

Mr. MOYNIHAN. Mr. President, if there are no further comments, I move the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. MOYNIHAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JAVITS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, at this point I ask unanimous consent that William Bader, Pat Shea, and David Keeney, of the Foreign Relations Committee staff, be granted the privileges of the floor during the consideration of this bill.

Mr. JAVITS. Mr. President, may I add to that the names of Don Herr and Peter Lakeland of the Foreign Relations Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

UP AMENDMENT NO. 136

(Purpose: Technical)

Mr. PELL. Mr. President, I offer a technical amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL) proposes an unprinted amendment numbered 136.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, line 10, strike the period and add the following: "provided that any payments made in implementation of this section shall be from funds previously authorized and appropriated for fiscal year 1979."

Mr. PELL. Mr. President, the purpose of this amendment is to avoid an entitlement problem with respect to section 108 of S. 586. This was the provision providing retroactive effect for the congressional approval of a Foreign Service officers' promotions list. It is my understanding this amendment will satisfy the concerns of the Budget Committee, and I believe it has been cleared on the minority side. We hope it will be acceptable. It is a technical amendment.

Mr. JAVITS. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. JAVITS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PELL). Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, has there been morning business today?

The PRESIDING OFFICER. There has not been a period for morning business.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business not to exceed beyond 10 minutes, and that Senators may speak up to 2 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

NUCLEAR WASTE—THE STATE AND LOCAL ROLE

Mr. PERCY. Mr. President, on April 23 and 24 a meeting of key State and local officials was held in Denver to discuss the role of States and localities in this Nation's nuclear waste management programs. Over 100 officials from 35 States participated in the workshop, which was sponsored by the National Governors Association and the Western Governors' Policy Office, in cooperation with the National Conference of State Legislatures, the National Association of Counties, the U.S. Conference of Mayors, and the National League of Cities.

The workshop focused on two main institutional issues which have been addressed by the President's Interagency Review Group on Nuclear Waste Management. The first of these issues was the formation of a planning council of State and local officials, which would provide State and local input into Federal nuclear waste policy. The second was the establishment of a process of "consultation and concurrence under which affected States and localities would have a significant role in the siting and development of nuclear waste disposal facilities.

Over the course of the 2-day workshop, the participants heard remarks from Gov. John Evans of Idaho, Gov. Richard Lamm of Colorado, Worth Bateman and Under Secretary Dale Meyers of the Department of Energy, and panels of Federal officials, congressional staff members, and State and local officials. The participants were divided into three groups in which the issues and possible recommendations were discussed. The State and local participants then voted on final recommendations, both in the small groups and in a closing plenary session.

Among the topics discussed in the small groups were the provisions of S. 742, the Nuclear Waste Management Reorganization Act, which Senator GLENN and I introduced in March. Our bill specifically addresses the issues of the formation of a planning council and the establishment of a procedure for siting nuclear waste repositories. A number of constructive criticisms of our bill were made, and Senator GLENN and I are looking forward to examining those ideas further in hearings on the bill.

In looking at the final recommendation of the State and local participants in the workshop, it seems clear that most if not all of them are consistent with and indeed supportive of the provisions of S. 742. Senator GLENN and I feel that two of those recommendations are especially significant, and we wish to bring them to the attention of our colleagues. The first recommendation is that the planning council must have a strong and direct role in the policymaking process, rather than merely giving advice on decisions which have already been made. The recommendations suggested that one possible means for accomplishing that would be by having a representative of the planning council serve on a Federal interagency policymaking group somewhat similar to the current interagency review group. This is an idea which Senator GLENN and I have proposed in our bill, and we will explore and refine it further in hearings.

The second recommendation concerns the resolution of disputes between the Federal Government and a State over whether a nuclear waste repository should be built in that State. Hopefully, such a dispute would be resolved in a mutually satisfactory way by the Federal agencies involved and the State. If such an agreement could not be reached however, Senator GLENN and I believe that there must be a method for resolving the dispute so as to balance and protect both State and national interests. It is of great significance that the members of the workshop recognized that Congress would be the entity best able to balance those conflicting needs fairly, and the workshop recommended that "if concurrence cannot be reached the question can be appealed to Congress for a decision." This is an idea which Senator GLENN and I have advanced in S. 742.

There was one other recommendation which is of special significance for my colleagues. The workshop recommended that both the planning council and the process of State and local participation in repository siting and development be established by legislation. There was a clear sense that the support of the Congress for those proposals was necessary if they were to succeed. Senator GLENN and I agree wholeheartedly with those sentiments, and will work hard to insure that Congress considers such legislation as soon as possible.

A summary of the workshop recommendations has been drafted, and I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SUMMARY: NUCLEAR WASTE MANAGEMENT WORKSHOP

The premise on which the workshop was convened was that each unit of government has a special role in the development of a national nuclear waste management program. All units of government should be involved in this process with ample opportunity to make recommendations and to influence decisions on both site specific and generic issues.

The workshop was called to develop the recommendations of state and local officials on two issues—the State Planning Council and consultation and concurrence—which were not adequately defined in the Intergovernmental Review Group's Report to the President on Nuclear Waste Management.

With regard to the State Planning Council, the consensus of the workshop participants was that:

A State Planning Council should be created immediately by Executive Order of the President and confirmed through Congressional action as soon as possible.

The Council should advise the President, the Congress and federal agencies as to the state and local perspective on nuclear waste management issues.

It should be concerned primarily with the generic issues related to nuclear waste management and should leave site specific issues related to nuclear waste management to the consultation and concurrence process to be established between the federal government and the potential host state or states.

The Council should recommend guidelines for the consultation and concurrence process to aid individual states in dealing with site specific issues. Such guidelines should be flexible enough to allow states to address their specific needs when interacting with the federal government.

The Council should be concerned with all nuclear waste including low level waste, mill tailings and decommissioning waste, as well as high level civilian and defense waste.

The membership of the Council should be appointed by the President and should consist of elected state and local government officials and representatives of Indian nations. Members should be selected from potential host states and localities and from other interested states. The Council should not include any federal representatives.

The Council should advise the President, the Congress and the federal agencies as to the state and local perspective on nuclear waste management through a well-defined process of communication which would ensure that those perspectives are relayed directly to the Secretary of DOE, of the Department of Interior, and to other federal officials primarily responsible for nuclear waste management policy and programs. One suggested mode of communication would be through a body similar to the IRG reappointed for that purpose.

Recommendations of the Council which are not adopted by the federal agencies can be reported to the President and the Congress.

The Council should have sufficient funds to acquire and develop its own expertise in technical and policy areas through the employment of full time staff and contracting with consultants. Funding should be provided through a separate line item in the budget with sufficient pass through authority to allow the Council to operate on an independent and objective basis.

In addition to access to federal officials, the Council also should have access to pertinent information, including proprietary information with the understanding that all rules of confidentiality still apply.

The Council's technical expertise should be available to state and local governments upon request.

With regard to the process of consultation and concurrence, the consensus was:

Consultation and concurrence can be effective only if it is defined and established as a process which continues throughout the siting activity rather than as a single stop system in which the state and local officials have one opportunity to approve or disapprove the selection and construction of a site.

The consultation and concurrence process must be established through legislation.

The consultation and concurrence process should be site specific and should involve only the state or states which have been identified as the potential host.

The process should be directed by the governor of the state or states directly affected.

The process can be guided by the recommendations of the State Planning Council but state and local officials must have the option of altering the process at any point to accommodate individual circumstances.

If concurrence cannot be realized the question can be appealed to the Congress for a decision.

REMOVAL OF INJUNCTION OF SECRECY—EXECUTIVE W, 96TH CONGRESS, 1ST SESSION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Treaty of Friendship with Tuvalu (Executive W, 96th Congress, 1st session), and the Tax Convention with the Hungarian Peoples' Republic (Executive X, 96th Congress, 1st session); both transmitted to the Senate today by the President of the United States.

I ask that the treaties be considered as having been read the first time, that they be referred to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The messages follow:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate, the Treaty of Friendship between the United States of America and Tuvalu. The report of the Department of State is enclosed for the information of the Senate.

The Treaty meets the practical interests of both countries. It will satisfy the desire of the Tuvaluan people that their claim to sovereignty over half of the inhabited islands in their country, including their capital, will not be encumbered by a conflicting claim by the United States. It will protect United States interest in assuring nondiscriminatory future access to the fishing grounds of Tuvalu which supply fish to the canneries on American Samoa. United States security interests in a peaceful, secure, and stable South Pacific are served by the consultation clauses in times of international crisis.

The Treaty will further United States foreign policy interest in promoting peace, security and development of the region and assure nondiscriminatory access to the region by the United States fishing fleet and other vessels contributing to the American Samoan economy. I recommend that the Senate give early consideration to the Treaty and give its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *May 9, 1979.*

To the Senate of the United States:

I transmit, herewith, for Senate advice and consent to ratification, the Convention between the Government of the United States of America and the Government of the Hungarian People's Republic for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, signed at Washington February 12, 1979. For the information of the Senate, I also transmit the report of the Department of State with respect to the Convention.

This Convention is the first income tax convention to be negotiated between the United States and the Hungarian People's Republic. It is intended to facilitate economic relations and the exchange of scholars between the two countries by removing tax obstacles to the flow of investment and the travel of persons.

The Convention follows closely the United States model income tax convention and the 1977 model convention of the Organization for Economic Cooperation and Development (OECD). It clarifies taxing rules, reduces or waives the tax at source on investment income and income from limited business or employment activities, ensures nondiscriminatory taxation and provides for administrative cooperation between the tax authorities of the two countries to avoid double taxation and to prevent fiscal evasion with respect to taxes on income. An accompanying exchange of notes clarifies some technical points and includes some administrative provisions.

I recommend that the Senate give early and favorable consideration to the Convention and give advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *May 9, 1979.*

ORDER FOR RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, Senators METZENBAUM, MORGAN, and ROBERT C. BYRD be recognized, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now go into executive session for not more than 10 minutes, at most, to consider the nominations of Mr. Paul G. Hatfield of Montana—I make this motion at the request of the two Montana Senators—and the nominees under National Council on the Arts and the nominees under National Commission on Libraries and Information Science.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nominations will be stated.

THE JUDICIARY

The second assistant legislative clerk read the nomination of Paul G. Hatfield, of Montana, to be U.S. District Judge for the District of Montana.

Mr. MELCHER. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes.

Mr. MELCHER. I thank the majority leader.

Mr. President, the nomination of Paul Hatfield for a Federal judgeship in Montana is one that is extremely pleasing to myself personally, my colleague (Mr. BAUCUS), and I believe to the overwhelming majority of Montana people.

Paul's long and distinguished career as a jurist in Montana has been for more than 16 years as a district court judge and also a year as the Montana Supreme Court Chief Justice. It is one of a recognized and dedicated duty to public interest in Montana.

Beyond that, Mr. President, he was our very distinguished and very dear friend here as a colleague in the Senate during the year that he served here. His friendship and his warmth and his compassion for the legislative process and for the people we serve added to his distinguishment as a public servant.

I think it is only fitting that one of the first nominations to be approved this year for a Federal judge is Paul Hatfield's. I am pleased that the President has made that nomination.

I am confident that Paul will continue his service in public life as a Federal judge in the most profound and honest and straightforward way that is possible for any human being to do.

Mr. President, I want to express my deep satisfaction on this appointment and my confidence in Paul's ability to continue his distinguished career in public life.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I join my senior colleague from Montana in very strongly recommending Paul Hatfield.

There are various criteria by which we should determine whether or not to confirm nominations of Federal appointments. One is the man's experience.

Paul Hatfield was a trial judge in Montana for 16 years where he performed very admirably. Paul Hatfield also has appellate judicial experience. He was the chief judge of the Montana Supreme Court for over a year where he served also with the utmost distinction.

The second criteria is a man's intelligence. There is no one on the bench in Montana whose intelligence is greater than Paul Hatfield's. He is a very shrewd, very wise, very analytical man, and he knows the law very well.

But, Mr. President, I think there is really a third criteria which is probably even more important. That is the man's honesty, his decency, his commonsense, his sensitivity, and his generosity.

Paul Hatfield is one of the most decent human beings I have had the privilege to know. My colleagues here in the Senate who served with him can attest to those qualities. They know that Paul Hatfield is a perfect gentleman. He is very decent and is very sensitive to the basic, genuine qualities of human nature, and he appeals to the warmest, best instincts of people.

I have not known Paul Hatfield long. I have known him personally only 2 years and have known him in various capacities—sometimes as an adversary, sometimes as a friend, sometimes as a colleague. But in all of those capacities during those 2 years I respected him as much as I respected any man at any time.

Mr. President, in conclusion, I say that I personally regard Paul Hatfield to be as close as my brother. He is just that basic and decent a human being.

When Paul Hatfield sits as a Federal district court judge, he is going to be one of the best judges in our country because not only does he have the experience, the intelligence, and the background for the job, but he is a man who understands human nature and appeals to the best instincts of human nature. His judicial decisions will be some of the best in the country.

Mr. President, I join my senior colleague, and Members of the Senate, in recommending Paul Hatfield to be a judge. It is a very proud moment for me, as I know it is for the rest of the Senate.

I thank the Chair.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, no finer encomiums could be expressed than these testimonials that have just been made here by these two fine Senators from Montana with respect to the nominee who is now before the Senate.

I want to say, too, that Paul Hatfield was a great U.S. Senator. He was not with us long, but he was courteous, studious, dedicated, cooperative, honest, and a man of the highest character and integrity.

As the two Montana Senators have indicated, he was the chief justice of the Montana State Supreme Court, 1976–1978, after having served as a State district judge for 16 years.

But in the few months he served among us, he proved himself to be a Senator's Senator. He showed on every vote that he had the courage to vote his convictions. He served with distinction on the Armed Services Committee and on the Judiciary Committee.

So, Mr. President, I take great pride in joining with my two illustrious friends from Montana (Mr. MELCHER and Mr. BAUCUS) in supporting the confirmation of this great jurist and fine Senator to the Federal bench.

Mr. STEVENS. Mr. President, we welcome the opportunity to see a former Senator appointed to the U.S. district court. I have heard nothing but good comments concerning the selection of former Senator Hatfield to become a U.S. district judge.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL COUNCIL ON THE ARTS AND NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent that the other nominees be considered and confirmed en bloc.

Mr. STEVENS. Reserving the right to object, that is the National Council on the Arts and National Commission on Libraries and Information Science?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NATIONAL COUNCIL ON THE ARTS

Norman B. Champ, Jr., of Missouri, to be a member of the National Council on the Arts.

Martin Friedman, of Minnesota, to be a member of the National Council on the Arts.

Bernard Blas Lopez, of New Mexico, to be a member of the National Council on the Arts.

Robert Lawson Shaw, of Georgia, to be a member of the National Council on the Arts.

Jessie A. Woods, of Illinois, to be a member of the National Council on the Arts.

Rosalind W. Wyman, of California, to be a member of the National Council on the Arts.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Francis Keppel, of Massachusetts, to be a member of the National Commission on Libraries and Information Science.

Bessie Boehm Moore, of Arkansas, to be a member of the National Commission on Libraries and Information Science.

Philip A. Sprague, of Indiana, to be a member of the National Commission on Libraries and Information Science.

Mr. ROBERT C. BYRD. Now, Mr. President, I move en bloc to reconsider the vote by which the nominees were confirmed.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business?

Mr. HARRY F. BYRD, JR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HARRY F. BYRD, JR. The Senate is now in morning business, is it?

The PRESIDING OFFICER. The Senator is correct.

Mr. HARRY F. BYRD, JR. What happened to the State Department authorization bill?

The PRESIDING OFFICER. By unanimous consent, the Senate went into morning business.

Mr. STEVENS. It is still the pending business.

The PRESIDING OFFICER. Is there further morning business?

Mr. STEVENS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ANOTHER CALL TO RATIFY THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, an article appeared April 19 on the editorial page of Newsday entitled "Thirty Years of Delay on the Genocide Ban." Its author William Korey, Director of the B'nai B'rith International Council.

This article offers further witness and testimony to the pressing need to act on the Genocide Convention. Mr. President, on June 16, 30 long years will have elapsed since President Truman sent this treaty to the Senate. Our failure to take action on this urgent and meaningful matter has been a source of embarrassment and humiliation both to ourselves and to the entire country.

For over 200 years the United States of America has espoused lofty and inspirational democratic ideals. Yet we have failed miserably in such a clearcut, obvious test as this. We have been presented with a golden opportunity to reaffirm the ideals we have echoed hollowly throughout the past three decades. And we have not succeeded.

But it is still not too late. Today, I call on the Senate to ratify the Genocide Convention, as a living memorial to the dedicated efforts of Harry S Truman, and in commemoration of the victims of the terrible crime of genocide throughout history.

Mr. President, I ask unanimous consent that William Korey's article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

30 YEARS OF DELAY ON THE GENOCIDE BAN

(By William Korey)

The late Chief Justice Earl Warren, shortly before his death, complained: "We as a nation should have been the first to ratify the Genocide Convention . . . Instead, we may well be near the last." Indeed, 83 countries have already ratified the convention, but not the United States. It is the principal democratic power to have failed to do so.

The treaty, adopted unanimously by the UN General Assembly in December, 1948, in response to the Nazi Holocaust, branded as an international crime "acts committed with an intent to destroy, in whole or in part, a national, ethnical, racial or religious group, as such."

Today, it is all but forgotten that, in fact, the U.S. played a key role in the drafting of the treaty. President Harry Truman sent it to the Senate on June 16, 1949, urging its consent for ratification. The treaty has remained there since. The sad, but disturbing truth is, as Sen. William Proxmire (D-Wis.) has observed, "there is not a single proposal that has been before the Senate as long."

The consequence of non-ratification has been a serious embarrassment for the U.S. both within and without the UN. American ambassadors have been regularly challenged by friend and foe for an explanation.

Every U.S. president since John F. Kennedy, whether Democratic or Republican, has urged ratification.

Why then the delay? Much of the earlier opposition came from the American Bar Association. Two constitutional arguments were offered: (1) that genocide is largely a domestic matter and not appropriate to the treaty-making power; and (2) ratification would alter the balance of authority between the states and the federal government.

The first argument made little sense when we had treaties covering migratory birds and narcotics traffic. Moreover, everyone today recognizes that human rights is an international matter. And the second argument collapsed when confronted by the authority granted the federal government through the Civil Rights Acts of 1957 and 1964 as well as the Voting Rights Act of 1965.

Even the ABA felt compelled to change its view. In February, 1976, its House of Delegates voted to support ratification. What remains is the opposition from the Liberty Lobby and other "ultras" who fear that the treaty would, in some vague and undefined way, infringe upon U.S. sovereignty.

Much more significant is simple inertia. Few doubt that the required two-thirds favorable vote in the Senate would be forthcoming should the issue be clearly posed. The immediate problem, however, is how to hurdle the expected filibuster from one or another right-winger.

Will 60 senators be available to vote for cloture to avoid both a serious interruption of the Senate calendar and a tarnishing of the American image abroad? Since the Senate leadership is committed to head-counting, the query ineluctably raises a second one: Is the administration prepared to invest the necessary political capital to make possible an up-or-down vote on genocide?

On June 16, 1979, 30 years will have elapsed since Truman sent the genocide treaty to the Senate. It's time to act.

QUORUM CALL

Mr. **PROXMIRE**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **HARRY F. BYRD, JR.** Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

RHODESIAN ELECTIONS: AN AUSTRALIAN PERSPECTIVE

Mr. **HARRY F. BYRD, JR.** Mr. President, I read with some astonishment in the Washington Post of Friday, May 4, 1979, that the U.S. Ambassador to the United Nations, Mr. Andrew Young, had declared the recent Rhodesian majority rule elections to have been "rigged."

Ambassador Young is a remarkable man. At first I thought he had been in Rhodesia during the elections since he seemed so positive in his assessment of the balloting.

Mr. President, Ambassador Young decided the Rhodesian elections were rigged from an unusual vantage point. He was in Canberra, Australia. In Australia, he carefully analyzed the fairness of an election in Africa and concluded that the reports of eye witness observers could not possibly be as accurate as his own clear view of the situation from the other side of the world.

Mr. President, Ambassador Young and his various pronouncements are now largely discounted in the United States, but other nations do not view his opinions with the same amusement as his fellow countrymen. For that reason some degree of seriousness must be attached to his obviously irresponsible remarks.

Mr. President, many reports have been completed by international observers of the Rhodesian elections. Over the next few days I will ask consent that each of these reports be printed in the Record so that these eye witness accounts will be easily available to Congress.

Today I will ask unanimous consent at the end of my remarks that there be printed a preliminary background report of a delegation led by Dr. William A. Kintner, former Ambassador to Thailand.

The Kintner factfinding mission went to Rhodesia 3 weeks prior to the majority rule elections. It found no evidence of any attempt to subvert the electoral process, except attempts made by terrorists armed by the Soviet Union.

This factfinding group was on the scene well prior to the elections and did not find irregularities, yet Ambassador Young stated from his vantage point in Australia that the elections were "rigged long before the international observers got there."

Mr. President, the Kintner delegation got to Rhodesia long before the elections began and in fact long before Mr. Young got to Australia. I trust the Senate will find Dr. Kintner's analysis of the electoral preparation somewhat more reliable than Mr. Young's Australian pronouncement.

The Kintner mission interviewed extensively Rhodesian electoral officials, leaders or representatives of the major contesting black political parties, officials responsible for the security of polling places in white or tribal areas, and many private members of the multiracial Zimbabwe-Rhodesia society, including black doctors, lawyers, and businessmen. In short, the delegation investigated all aspects of the then planned elections and did not confine their inspection to contact with government officials.

I ask unanimous consent that the Rhodesia section of the Kintner report be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Zimbabwe-Rhodesia

(A report by committee headed by former Ambassador William A. Kintner)

We begin with Zimbabwe-Rhodesia because its 220,000 whites and more than six million blacks obviously stand in the front line of the fateful struggle for Southern Africa.

Subject to U.N. sanctions since 1966 after it chose to withdraw from the British Empire, and now exposed to infiltration and attack by Soviet-armed terrorists based in neighboring Zambia and Communist Mozambique, Zimbabwe-Rhodesia's mood is one of determination tinged with bewilderment at U.S. hostility toward its efforts to create a genuine multi-racial society.

In mid-April, this small, beleaguered nation was able to carry through general elections which has created a new black majority government headed by Bishop Abel Muzorewa. It conforms in most respects to the democratic principles which Western nations have sought to impose.

While the visit of our fact-finding group occurred just prior to those elections, their successful conclusion does not surprise us. The elections flowed inevitably out of the "internal settlement" which was consummated last March between the then Prime Minister Ian Smith, Bishop Muzorewa, the Rev. Ndabaningi Sithole and Senator Chief Jeremiah Chirau.

Our primary aim in Zimbabwe-Rhodesia was to gauge the capacity of that country to carry through this hopeful development while in the midst of bitter conflict with the guerrillas headed by Joshua Nkomo and Robert Mugabe.

Upon our arrival at the end of March, we immediately sensed the tremendous changes in black-white relations that have taken place there. Doubtless, both internal black demands and external pressures produced these changes. But regardless of how they came about, these basic changes in interracial attitudes are real. This appraisal, which differs from that held by the State Department and much of the American news media, is based on wide-ranging conversations with many blacks and whites positioned across the political spectrum inside Zimbabwe-Rhodesia, from militant black supporters of the "Patriotic Front" to die-hard whites who claim that Ian Smith has "sold out" to the blacks.

Specifically, we discussed the detailed arrangements for the conduct of these elections with the professional civil servants of the election directorate charged with designing the election procedures; we talked with the leaders or representatives of the major contesting black political parties; we talked with the Commissioner of Police who was responsible for the security of the polling locations in white and tribal areas; we met with the Minister of Social Services, Health and Education, who was responsible for a variety of programs designed to advance the blacks; we met with the Solicitor General who drafted the new Constitution, including the electoral laws which produced the majority government; we met with leading private members of the multiracial Zimbabwe-Rhodesian society, including black doctors, lawyers and businessmen; we met with members of the "Patriotic Front" living in Salisbury who openly predicted that the elections would not result in a transfer of power to the blacks; we travelled to Umtali on the Mozambique border and saw blacks and whites intermingling on the streets of that border town of 35,000, seemingly oblivious to the existence of Mugabe's terrorists immediately across the frontier.

Within this eastern operational area, we met with top local election and security officials. We also talked with both black and white military personnel. We visited a police station in Umtali completely manned by blacks. Incidentally, the constables who patrol the streets of this town at night do not carry firearms. During our visit, we also met with Prime Minister Ian Smith.

From our intensive conversations, we concluded that Mr. Smith was sincere in joining with his black colleagues to bring forth a transfer of power from predominantly white rule to black rule under a Constitution that gives blacks 72 seats and the whites 28 seats in the new Parliament. While this ten-year clause in the Constitution has been attacked as "non-democratic," we found that most black leaders consider this an essential confidence-building provision allowing whites to continue their role in the political and economic development of the country, albeit to a lessening degree.

While the charge by the Rev. Sithole that the elections contained irregularities cannot be dismissed out of hand (Sithole received 12 parliament seats to Bishop Muzorewa's 51), it does not detract from the fact that the electoral process was successfully completed under extremely difficult conditions and was, according to most independent observers, free and fair.

Among those observers was a delegation from Freedom House, the New York-based group that seeks to promote democracy throughout the world. It issued a statement describing the voting as freer than those "in most under-developed countries."

The group, which included Bayard Rustin, the black leader who was a close associate of the Rev. Martin Luther King, Jr., and Roscoe Drummond, the columnist-commentator, noted that the government and political parties had brought "direct and indirect pressures" on black voters to participate. But it suggested that none of the pressures would discredit the result. In sum, it called the elections "a useful and creditable step toward the establishment of a free society in Rhodesia."

In any event, the issue of black rule is now settled.

One of our more enlightening interviews was with George Nyandoro, one of Bishop Muzorewa's chief lieutenants, who left Rhodesia in 1963 hating his white superiors, and then spent 14 years traveling the Communist circuit from Moscow to Havana to Hanoi. On returning two years ago, he sensed a basic change in white attitudes towards blacks, now everywhere apparent in their mingling in restaurants, hotels and private homes and in government offices and businesses. As Nyandoro put it: "The blacks need the whites and the whites need the blacks."

Our visit also served to correct certain widely-held fallacies about Zimbabwe-Rhodesia. While harrassed by terrorist forces, in a war that has claimed 12,500 lives in the past six years, the military command under General Walls has given good account of itself. Indeed, the guerrillas have never dared once to meet Rhodesia's army, now two-thirds composed of blacks, in open combat, and they do not permanently command any portion of the country. What they have been able to do through hit-and-run tactics is to kill white farmers and white missionaries and to spread death and destruction through the tribal trust lands where two-thirds of the country's black inhabitants live. By far the greatest toll of dead and injured has been suffered by the innocent black population of Zimbabwa-Rhodesia.

It is clear in any case that the elections never could have been held had the Rhodesian military lost control of the situation. This never has happened.

Moreover, while the war has put an enormous strain on the nation's economy, we found that it thus far has held up better than many outside reports have alleged.

Until its breakaway from Britain in 1965, Rhodesia was pretty much of a sleepy British colony, producing mostly chrome, coal and tobacco for export. With the imposition of Western sanctions, Rhodesia began to look to its own resources, and between 1965 and the early 1970s it put on a spectacular economic advance that surprised its friends and discomfited its foes.

In these years under a predominantly white government which gave, however, very considerable representation to blacks, Rhodesia diversified its agriculture from tobacco to maize, cotton, and cattle breeding and made heavy investments in mining, light industry and public facilities such as roads, housing, and, importantly, improved educational programs which give it the highest literacy rate in Africa, after South Africa. With the intensification of terrorist war in the early 1970s, however, this golden period of advance came to an end and for the last several years output has declined. Yet, in 1978, Rhodesia's GNP of roughly $2 billion held even, and the value of its output in mining and agriculture may well advance in 1979. Moreover, through tight controls and a restrained central bank policy, Rhodesia managed to hold inflation to about 10 percent. We also were amazed to find that the Rhodesian stock market was enjoying a brisk upturn!

Nonetheless, it is evident that with military and security expenditures running to some $400 million a year, and with a heavy drain on manpower for defense purposes, Zimbabwe/Rhodesia's economy cannot hold up indefinitely. Hence the question, on all lips is: How can the war be stopped? The answer depends heavily on Western and, above all, on U.S. policy. In applying sanctions in the 1960s, the West did not at first inhibit Rhodesia's economic advance. It did make the country a kind of international outcast, and it did encourage Rhodesian black radicals to take to terrorist war, especially after the fall of Angola and Mozambique to Communist domination. It was in these circumstances that former Secretary of State Kissinger journeyed to southern Africa and extracted from Ian Smith the pledge of majority rule in return for subsequent American lifting of sanctions and recognition of a new black majority government. There seems little doubt that had the Ford Administration been returned to power, the so-called Kissinger plan would have worked and the terrorist war might now be over.

With the arrival of the Carter Administration, U.S. policy changed. Its first act was to nullify the Byrd amendment of 1971. This had bypassed a U.N.-imposed embargo and allowed Rhodesia to sell its high grade chrome to the United States instead of our becoming increasingly dependent on Soviet supplies. Its second act was to refuse to back the "internal settlement" which Prime Minister Smith effected in 1978. Instead, the State Department continued to call for an all-parties conference with terrorist leaders Nkomo and Mugabe, who make no bones about the fact that they wish to take over by brute force.

While in Washington last October, Prime Minister Smith told the State Department that he would meet with Nkomo and Mugabe in an all-party conference without any preconditions. Neither Nkomo nor Mugabe, however, would agree to any conference unless definite preconditions assured "the demise of the regime and the destruction of its whole military machinery."

The Carter Administration has made clear it will oppose recognition of the new Zimbabwe-Rhodesia government and the lifting of economic sanctions, come what may. But the fact is that as long as sanctions continue, the United States is a belligerent against Zimbabwe/Rhodesia, and what is worse, a co-belligerent with the Soviet Union. As the late Dean Acheson, the former Secretary of State, put it to members of the American Bar Association in 1968: "Sanctions constitute bare-faced aggression, unprovoked and unjustified by a single legal or moral principle."

It is the considered judgment of our mission that this small and valiant country deserves better treatment and that the first priority is to lift sanctions forthwith. By so doing, the United States would return to a truly neutral position in accord with our traditional foreign policy of recognizing friends and opposing foes.

While such action would not necessarily end the guerrilla war overnight, it would greatly deflate the terrorist cause, and would restore the U.S. to the side of just and fair dealing. It also would produce a singular setback for Soviet strategy in Southern Africa.

Rhodesia-Zimbabwe has become a truly multi-racial state under a government representative of all its people. Rhodesia-Zimbabwe possesses vital materials which U.S. industry badly needs. It is even today the "bread-basket" of neighboring African states, due to its agricultural development. Above all, its present leaders, black and white, are loyal to the West and have no intention of letting Rhodesia collapse into the chaos of present-day Zambia and Mozambique. Such loyalty deserves appreciation rather than suspicion and disparagement. The people of Zimbabwe-Rhodesia should be left to work out their own destiny in peace.

Mr. HARRY F. BYRD, JR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. EXON). Without objection, it is so ordered.

Mr. HARRY F. BYRD, JR. Mr. President, I send two amendments to the desk and ask that they be printed.

The PRESIDING OFFICER. The amendments will be received and printed, and will lie on the table.

Mr. HARRY F. BYRD, JR. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting a nomination, which was referred to the Committee on Armed Services.

(The nomination received today is printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 2:53 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3756. An act to authorize appropriations for certain insular areas of the United States, and for other purposes; and

H.R. 3757. An act to amend the National Parks and Recreation Act of 1978, to establish the Channel Islands National Park, and for other purposes.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 3756. An act to authorize appropriations for certain insular areas of the United States, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 3757. An act to amend the National Parks and Recreation Act of 1978, to establish the Channel Islands National Park, and for other purposes; to the Committee on Energy and Natural Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MUSKIE, from the Committee on the Budget, without amendment:

S. Res. 141. A resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 239, the Domestic Volunteer Service Act Amendments of 1979.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

Eldon D. Taylor, of Virginia, to be Inspector General, National Aeronautics and Space Administration. Referred to the Committee on Governmental Affairs for not to exceed 20 days, pursuant to order of March 1, 1979.

Mary P. Bass, of New York, to be Inspector General, Department of Commerce. Referred to the Committee on Governmental Affairs for not to exceed 20 days, pursuant to order of March 1, 1979.

Frank Saburo Sato, of Virginia, to be Inspector General, Department of Transportation. Referred to the Committee on Governmental Affairs for not to exceed 20 days, pursuant to order of March 1, 1979.

The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

ORDER FOR STAR PRINT—S. 1077

Mr. STEVENS. Mr. President, on behalf of the Senator from Arizona (Mr. GOLDWATER) I ask unanimous consent that there shall be a star print of S. 1077 indicating that it was introduced "by request." Due to a technical drafting error, the bill he introduced yesterday omitted the designation "by request," although that was his intention.

The same bill has been introduced in the House of Representatives and it was Senator GOLDWATER's opinion that the Select Committee on Indian Affairs would wish to have the draft bill before it for consideration during its hearings on amendments to the Navajo-Hopi Settlement Act next week, but he does not at this time necessarily endorse each and every provision of the bill, without full discussion on the merits.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. THURMOND:

S. 1098. A bill to provide a permanent extension for the exclusion from gross income of certain amounts received under certain education programs for members of the uniformed services; to the Committee on Finance.

S. 1099. A bill to amend title 10, United States Code, to provide for increases in the amount of the monthly stipend paid to participants in the Armed Forces Health Professions Scholarship program; to the Committee on Armed Services.

S. 1100. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

By Mr. MOYNIHAN:

S. 1101. A bill to amend subpart 1 of part A of title IV of the Higher Education Act of 1965 to provide for basic educational opportunity grants for elementary and secondary school students, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BENTSEN:

S. 1102. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of educational filmstrips; to the Committee on Finance.

S. 1103. A bill to amend the tariff schedules of the United States with respect to certain civil aircraft; to the Committee on Finance.

By Mr. CRANSTON:

S. 1104. A bill to establish the Channel Islands National Park; to the Committee on Energy and Natural Resources.

By Mr. CANNON:

S. 1105. A bill to amend the Boulder City Act of 1958 to authorize the Secretary of the Interior to transfer to the city of Boulder City, Nevada, certain portions of a water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SASSER:

S. 1106. A bill to amend the Elementary and Secondary Education Act of 1965 to provide that upon request a member of Advisory Councils established under that Act may receive a copy of the law, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. STEVENSON:

S. 1107. A bill to encourage youth opportunity by extending the subminimum wage enjoyed by full-time students to all persons between the ages of 16 and 20, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. SASSER:

S. 1108. A bill to amend the Uniform Relocation Assistance and Property Acquisition Policies Act of 1970; to the Committee on Governmental Affairs.

By Mr. CHAFEE (for himself, Mr. BAKER, Mr. BRADLEY, Mr. BUMPERS, Mr. CANNON, Mr. JAVITS, Mr. LEAHY, Mr. LEVIN, Mr. ROTH, Mr. PELL, Mr. THURMOND, Mr. WALLOP, and Mr. ZORINSKY):

S. 1109. A bill to amend title XVI of the Social Security Act with respect to the negotiability of supplemental security income checks, and for other purposes; to the Committee on Finance.

By Mr. ARMSTRONG:

S.J. Res. 76. A joint resolution proposing an amendment to the Constitution of the United States which requires (except during fiscal years during which the United States is at war or during which suspension is approved) that the annual deficit of the United States be eliminated, which requires tax rates to be reduced to offset the effects of inflation, and which establishes a procedure for the approval of bills or joint resolutions effecting taxes; to the Committee on the Judiciary.

By Mr. STEVENSON (for himself, Mr. CANNON, Mr. SCHMITT, Mr. CHILES, Mr. COCHRAN, Mr. DOMENICI, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. HEFLIN, Mr. INOUYE, Mr. JOHNSTON, Mr. MAGNUSON, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. WALLOP, Mr. WILLIAMS, Mr. YOUNG, and Mr. ZORINSKY):

S.J. Res. 77. A joint resolution congratulating the men and women of the Apollo program upon the 10th anniversary of the first manned landing on the Moon and requesting the President to proclaim the period of July 16 through 24, 1979, as "United States Space Observance"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. THURMOND:

S. 1098. A bill to provide a permanent extension for the exclusion from gross income of certain amounts received under certain education programs for members of the uniformed services; to the Committee on Finance.

S. 1099. A bill to amend title 10, United States Code, to provide for increases in the amount of the monthly stipend paid to participants in the Armed Forces health professions scholarship program; to the Committee on Armed Services.

S. 1100. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in the uniformed services; to the Committee on Armed Services.

HEALTH PROFESSIONALS IN THE ARMED FORCES

Mr. THURMOND. Mr. President, during the past few years, we have all become gravely concerned about the critical shortage of health professionals in the Armed Forces. I am introducing three bills today which are designed to help provide solutions to that problem, insofar as improving recruitment of health professionals to serve on active duty and retention of those already in the force.

Mr. President, our Armed Forces are 3,419 doctors short of actual requirements, based on studies conducted by the Surgeons General of the Armed Forces. The ability of our Armed Forces to provide medical service is becoming increasingly more desperate. Our military departments cannot even provide all the necessary medical services for our active duty people, much less for our retired military personnel who are being turned away by military hospitals by the thousands. Recent reports also reveal that in the event of a war in Europe our military departments do not have the medical capability to provide sufficient professional health care in a combat environment.

I regret to report that the tragic situation is going to become more critical before it gets better, unless the Congress takes prompt and effective action. The Armed Forces health professions scholarship program—AFHPSP—is becoming less and less attractive to volunteers. For instance, in 1978, the Army had 456 health professions scholarships available, but only 322 applicants accepted out of 694 qualified. This results in a shortfall of 134 new professionals in the Army training system alone which compounds the future shortage. Those professionals who are now in an obligated active duty status because of scholarships are not remaining in the service upon completion of their obligation because the pay and other incentives have eroded beyond recognition.

Mr. President, in my judgment, the administration has been entirely too lax the past several years in taking positive measures to correct the deterioration of the military medical service. It has not received the priority attention it needs. Urgent requirements submitted by the military Surgeons General have been excessively delayed. When the Defense Department finally submitted a special pay legislative proposal a few months ago, the Office of Management and Budget cut it severely beyond acceptable levels recommended by the Surgeons General.

In addition, to make matters worse, the administration has denied authority to enroll the maximum capability at the Uniformed Services University of the Health Services—USUHS. This authority would have helped reduce the long-term shortage. The military services medical university has a capacity for 140 students this year, but the administration has authorized the total enrollment of only 108 students. Such an ill-advised decision is incredible in view of the more drastic shortage of doctors forecast for the future. The Congress should increase this enrollment ceiling. The lack of recognition of the doctor shortage by the administration was clearly demonstrated when efforts were made in 1977 to close the military medical university.

Mr. President, when it became evident in the early seventies that the "doctor draft" would terminate, Congress took two major actions to insure a continued supply of health professionals for the Armed Forces.

First, authority was granted for the Armed Forces health professions scholarship program to provide financial assistance to students in return for their agreement to serve a tour of active duty in the sponsoring service.

Second, the level of special pay provided to military physicians was increased. Those two measures have proved to be essential in recruiting and retaining military health professionals. However, in recent testimony before Congress, the Surgeons General of the Army, Navy, and Air Force have testified to the urgent need for improvement of those programs because of serious shortages and retention problems. My bills would respond to that need.

Mr. President, in regard to the Armed Forces health professions scholarship program, I am introducing two bills. The first bill will provide relief from taxation for benefits authorized under the program; and the second bill will correct an inequity concerning a stipend afforded the students.

The scholarship provides for payment of tuition, educational expenses and a stipend, or living allowance. Shortly after the first students were enrolled in 1973, the Internal Revenue Service ruled that the total value of benefits provided was taxable. Although Congress has wisely authorized a series of temporary tax relief measures since that time, the students were taxed for several months in 1976, pending passage of a relief bill.

Mr. President, this resulted in virtual elimination of the stipend for many students and severely damaged the credibility and attractiveness of the program. Since the obvious intent of Congress in authorizing the stipend was to give these students a minimal living allowance, it certainly does not make sense to take it away with the other hand through Federal taxation.

My first bill will amend the Internal Revenue Code of 1954 (26 U.S.C. 117) to exclude from gross income amounts received from appropriated funds for medical training for members of the Armed Forces. It would end the uncertainty in this matter by providing permanent tax relief and assist in restoring credibility to the scholarship program.

My second bill pertaining to the health professions scholarship program addresses the decreasing value of the stipend, which has remained fixed at $400 per month since 1972. Under legislation enacted in 1976, a competing Health, Education, and Welfare Department (HEW) scholarship program provided a $400 stipend to be increased each year by the same cost-of-living percentage as Federal pay raises. Resultant increases in the HEW stipend, which will rise to $453 on July 1, 1979, have been partially responsible for a serious decline in applications for military scholarships.

The second bill would bring the two programs in balance by equalizing the stipends and provide for uniform increases in the future. It will amend title 10, United States Code, to provide for adjustments in the benefits afforded participants in the Armed Forces health professions scholarship program.

Mr. President, my third bill concerns the special pay which is afforded military health professionals to partially offset higher income available in the private sector. The Surgeons General of the Army, Navy, and Air Force have testified on several occasions in the Congress during the past 2 years that three major changes are needed to improve the special pay program in order to assist in their recruiting and retention efforts. This bill will amend chapter 5 of title 37, United States Code, to revise the special pay provisions for certain health professionals in these uniformed services.

First, a major portion of the present entitlements are discretionary, which can result in capricious cuts by the Office of the Secretary of Defense (OSD) and Office of Management and Budget (OMB) manipulators. This has a particularly serious effect on retention of military physicians, as they are becoming increasingly concerned regarding their long-term income status. The solution to that problem is simply to fix the entitlements in law.

Second, the amount of special pay for physicians, which has remained constant since 1974, should be increased to compensate for past inflationary losses and increased in the future by the same percentage as other military pay.

Third, special pay must be extended to officers serving in an obligated status. We have traditionally withheld special pay from those officers, in part because the ability to recruit and retain health professionals was not critical while the obligation stemmed from the draft.

Mr. President, we now have an entirely different situation where all of these professionals are volunteers, either through their willingness to enter the Armed Forces health professions scholarship program, other subsidized programs such as the Reserve Officers Training Corps (ROTC), or by entering as volunteers from civilian practice. Denying special pay to former participants in the scholarship program, while they are serving their obligation, is creating a severe morale problem among those officers which will ultimately affect retention.

In addition, the recruitment of students into the program is becoming increasingly difficult because of the pay problem. They perceive that the Government loans them money for their professional education and then denies an equivalent amount of special pay during the period of obligated service, leaving them with nothing but an active duty commitment. The military departments have recommended that these officers be paid according to their professional worth without regard to obligated status.

Mr. President, in denying special pay for obligated health professionals, the following summarizes the strong opposition to this current policy:

There is an inequity in that on completion of residency training, they may be working next to officers less or equally qualified who are receiving more money for the same work;

Their contractual obligation is to serve a period of time in return for scholarship assistance. They are now being further obligated, unjustly, by a reduction in income; and

The sponsoring service loans them money to go through medical school, but later takes it back by denying special pay.

Mr. President, the problem in relation to AFHPSP obligors did not surface until 1978, when the first large group of those obligors finished residency training and entered their obligated duty assignments without special pay. Their dissatisfaction has generated voluminous correspondence to the Congress, several lawsuits, and the much publicized court-martial of Captain Davis. The results of this situation are creating an environment which will—

Virtually eliminate retention of AFHPSP participants (and later graduates of the USUHS) past their period of obligation;

Foster a negative attitude toward the AFHPSP, both on the part of prospective applicants and those who provide scholarship guidance; and

Cause a negative attitude toward military service among physicians in general, which will hamper procurement of volunteers.

Mr. President, what has been overlooked is that although the Berry plan volunteer was subject to obligated service in any event, the AFHPSP applicant is not. Therefore, if former AFHPSP participants are dissatisfied with the program, the applicant pool will ultimately dry up. To prevent this from happening, action should be taken now to authorize special pay for obligated officers.

Mr. President, in March of this year, the Department of Defense submitted a legislative proposal to the administration for clearance which would have corrected the above problems. This proposal resulted from 2 years of study and was endorsed by the Surgeon General, the Service Secretaries and the Office of the Secretary of Defense.

However, in April of 1979, the Office of Management and Budget offered a hastily conceived counterproposal, which was promptly forwarded to Congress by the Office of the Secretary of Defense without offering the military departments an opportunity to comment. Since the OMB proposal would not fully resolve any of the problems I have discussed, it will not do the job.

Mr. President, the special pay bill I am introducing today includes the elements recommended in the original Department of Defense proposal, which was designed by the managers who best understood these problems, the Surgeons General of the Armed Forces. This legislation will greatly assist them in meeting their peacetime and mobilization health care responsibilities. Congressman NICHOLS, chairman of the Subcommittee on Military, House Armed Services Committee, has introduced a similar special pay bill for health professionals.

Mr. President, I urge my distinguished colleagues to support these legislative initiatives, which are essential to assure improvement in the procurement and retention of military health professionals. I ask unanimous consent that the text of the three bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1098

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 4 of the Act entitled "An Act to suspend until the close of June 30, 1975, the duty on certain carboxymethyl cellulose salts, and for other purposes", approved October 26, 1974 (Public Law 93-483; 88 Stat. 1457), is amended—

(1) by striking out "and before 1980"; and

(2) by striking out "and before 1984".

S. 1099

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (d) of section 2121 of title 10, United States Code, relating to the monthly stipend paid to persons participating in the Armed Forces Health Professions Scholarship program, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end of such subsection the following new paragraph:

"(2) The amount of the monthly stipend, specified in paragraph (1) and as previously adjusted (if at all) in accordance with this paragraph, shall be increased by the Secretary of Defense for each school year beginning after September 30, 1976, by an amount (rounded to the next highest multiple of $1) equal to the amount of such stipend multiplied by the overall percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5, United States Code) of the adjustment (if such adjustment is an increase) in the rates of pay under the General Schedule made effective in the fiscal year in which such school year ends.".

SEC. 2. No person shall be entitled to any benefits by virtue of the amendments made by the first section of this Act for any period before the date of enactment of this Act.

S. 1100

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniformed Services Health Professionals Special Pay Act of 1979".

SEC. 2. (a) Chapter 5 of title 37, United States Code, relating to special and incentive pays for members of the uniformed services, is amended by striking out sections 302, 302a, 302b, and 303 and inserting in lieu thereof the following:

"§ 302. Special pay: medical officers

"(a)(1) A commissioned officer who is an officer of the Medical Corps of the Army or the Navy, an officer of the Air Force designated as a medical officer, or a medical officer of the Public Health Service and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to primary special pay at the following rate:

"(A) $1,200 per year, if the officer has less that one year of creditable service under subsection (c).

"(B) $7,000 per year, if the officer has at least one but less than four years of creditable service under subsection (c).

"(C) $9,000 per year, if the officer has at least four but less than ten years of creditable service under subsection (c).

"(D) $11,000 per year, if the officer has ten or more years of creditable service under subsection (c) and is serving in a pay grade below O-7.

"(E) $8,000 per year, if the officer is serving in pay grade O-7.

"(F) $6,000 per year, if the officer is serving in pay grade O-8.

"(G) $4,000 per year, if the officer is serving in pay grade O-9.

"(2) The annual rate of primary special pay to which an officer entitled to primary special pay under paragraph (1) is entitled—

"(A) shall be increased by $9,000 for any period during which the officer is not undergoing medical internship or residency training, as determined under regulations prescribed under section 302d(a) of this title; and

"(B) shall be increased by $2,000 if the officer is board certified, as determined under regulations prescribed under section 302d(a) of this title.

"(b)(1) Subject to paragraph (2) and under regulations prescribed under section 302d(a) of this title, an officer who is entitled to primary special pay under subsection (a), and is not undergoing medical internship or residency training, may be paid incentive special pay in an annual amount not to exceed $8,000.

"(2)(A) An officer may not be paid incentive special pay under this subsection unless the Secretary concerned has determined that the officer is qualified in the medical profession.

"(B) An officer may not be paid incentive special pay under this subsection for any year unless the officer first executes a written agreement under which the officer agrees to remain on active duty for a period of not less than one year beginning on the date the officer accepts the award of such special pay.

"(3) In developing the budget for any fiscal year for transmittal to the Congress under section 201(a) of the Budget and Accounting Act, 1921, the President shall provide that the amount to be paid during that year for incentive special pay under this subsection shall not be more than 10 percent of the amount to be paid in that year for primary special pay under subsection (a).

"(c) For purposes of this section, creditable service of an officer of the Medical Corps of the Army or the Navy, an officer of the Air Force designated as a medical officer, or a medical officer of the Public Health Service is computed by adding—

"(1) all periods which the officer spent in medical internship or residency training during which the officer was not on active duty; and

"(2) all periods of active service in the Medical Corps of the Army or Navy, as an officer of the Air Force designated as a medical officer, or as a medical officer of the Public Health Service.

"§ 302a. Special pay: dental officers

"(a)(1) A commissioned officer who is an officer of the Dental Corps of the Army or the Navy, an officer of the Air Force designated as a dental officer, or a dental officer of the Public Health Service and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to primary special pay at the following rates:

"(A) $1,200 per year, if the officer is undergoing dental internship training, as determined under regulations prescribed under section 302d(a) of this title.

"(B) $2,000 per year, if the officer has less than three years of creditable service under subsection (c) and is not undergoing dental internship training, as determined under regulations prescribed under section 302d(a) of this title.

"(C) $7,000 per year, if the officer has at least three but less than ten years of creditable service under subsection (c).

"(D) $9,000 per year, if the officer has ten or more years of creditable service under subsection (c) and is serving in a pay grade below O-7.

"(E) $7,000 per year, if the officer is serving in pay grade O-7 or O-8.

"(2) The annual rate of primary special pay to which an officer entitled to primary special pay under paragraph (1) is entitled—

"(A) shall be increased by $3,000 for any period during which the officer is not undergoing dental internship or residency training, as determined under regulations prescribed under section 302d(a) of this title; and

"(B) shall be increased by $2,000 if the officer is board qualified in a dental specialty, as determined under regulations prescribed under section 302d(a) of this title.

"(b)(1) Subject to paragraph (2) and under regulations prescribed under section 302d(a) of this title, an officer who is entitled to primary special pay under subsection (a), and is not undergoing dental internship or residency training, may be paid incentive special pay in an annual amount not to exceed $2,000.

"(2)(A) An officer may not be paid incentive special pay under this subsection unless the Secretary concerned has determined that the officer is qualified in the dental profession.

"(B) An officer may not be paid incentive special pay under this subsection for any year unless the officer first executes a written agreement under which the officer agrees to remain on active duty for a period of not less than one year beginning on the date the officer accepts the award of such special pay.

"(3) In developing the budget for any fiscal year for transmittal to the Congress under section 201(a) of the Budget and Accounting Act, 1921, the President shall provide that the amount to be paid during that year for incentive special pay under this subsection shall not be more than 5 percent of the amount to be paid in that year for primary special pay under subsection (a).

"(c) For purposes of this section, creditable service of an officer of the Dental Corps of the Army or the Navy, an officer of the Air Force designated as a dental officer, or a dental officer of the Public Health Service is computed by adding—

"(1) all periods which the officer spent in dental internship or residency training during which the officer was not on active duty; and

"(2) all periods of active service in the Dental Corps of the Army or Navy, as an officer of the Air Force designated as a dental officer, or as a dental officer of the Public Health Service.

"§ 302b. Special pay: veterinary officers

"(a) A commissioned officer who is an officer of the Veterinary Corps of the Army, an officer of the Air Force designated as a veterinary officer, or a veterinary officer of the Public Health Service and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to special pay at the following rates:

"(1) $1,800 per year, if the officer has less than three years of creditable service under subsection (b).

"(2) $2,400 per year, if the officer has at least three but less than six years of creditable service under subsection (b).

"(3) $3,000 per year, if the officer has at least six but less than ten years of creditable service under subsection (b).

"(4) $4,200 per year, if the officer has ten or more years of creditable service under subsection (b).

"(b) For purposes of this section, creditable service of an officer of the Veterinary Corps of the Army, an officer of the Air Force designated as a veterinary officer, or a veterinary officer of the Public Health Service is computed by adding—

"(1) all periods which the officer spent in veterinary residency training during which the officer was not on active duty; and

"(2) all periods of active service in the Veterinary Corps of the Army, as an officer of the Air Force designated as a veterinary officer, or as a veterinary officer of the Public Health Service.

"§ 302c. Special pay; optometry officers

"(a) A commissioned officer who is an officer of the Army, Navy, or Air Force designated as an optometry officer or who is an optometry officer of the Public Health Service and who is on active duty under a call or order to active duty for a period of not less than one year is entitled to special pay at the following rates:

"(1) $1,800 per year, if the officer has less than three years of creditable service under subsection (b).

"(2) $2,400 per year, if the officer has at least three but less than six years of creditable service under subsection (b).

"(3) $3,000 per year, if the officer has at least six but less than ten years of creditable service under subsection (b).

"(4) $4,200 per year, if the officer has ten or more years of creditable service under subsection (b).

"(b) For purposes of this section, creditable service of an officer of the Army, Navy, or Air Force designated as an optometry officer or of an optometry officer of the Public Health Service is computed by adding—

"(1) all periods which the officer spent in optometry residency training during which the officer was not on active duty; and

"(2) all periods of active service as an optometry officer.

"§ 302d. Special pay: health professionals; general provisions

"(a) The Secretary of Defense, with respect to the Army, Navy, and Air Force, and the Secretary of Health, Education, and Welfare, with respect to the Public Health Service, shall prescribe regulations for the administration of sections 302, 302a, 302b, and 302c of this title. Such regulations shall include standards for determining whether an officer is undergoing medical internship or residency training for purposes of sections 302(a)(2)(A) and 302(b) of this title, whether an officer is board certified for purposes of section 302(a)(2)(B) of this title, whether an officer is undergoing dental internship or residency training for purposes of section 302a, and whether an officer is board qualified in a dental specialty for purposes of section 302a.

"(b) Special pay authorized under sections 302, 302a, 302b, and 302c of this title is in addition to any other pay or allowance to which an officer is entitled. The amount of special pay to which an officer is entitled under any of such sections may not be included in computing the amount of any increase in pay authorized by any other provision of this title or in computing retired pay, severance pay, or readjustment pay.

"(c) Special pay under sections 302(a), 302a(a), 302b, and 302c of this title shall be paid monthly

"(d) An officer who voluntarily terminates service on active duty before the end of the period for which a payment was made to such officer under section 302(b) or 302 a(b) of this title shall refund to the United States an amount which bears the same ratio to the amount paid to such officer as the unserved part of such period bears to the total period for which the payment was made.

"(e) The amounts of special pay provided by sections 302, 302a, 302b and 302c of this title shall be adjusted annually by the same percentage as the overall average percentage increase applied to basic pay and allowances of members of the uniformed services pursuant to section 1009 of this title.".

(b) Sections 311 and 313 of title 37, United States Code, are repealed.

(c) Section 306(e) of such title, relating to exclusions from special pay for officers holding positions of unusual responsibility, is amended by striking out "302 or 303" and inserting in lieu thereof "302, 302a, 302b, or 302c".

(d) The table of sections at the beginning of chapter 5 of such title is amended—

(1) by striking out the items relating to sections 302, 302a, 302b, and 303 and inserting in lieu thereof the following:

"302. Special pay: medical officers.
"302a. Special pay: dental officers.
"302b. Special pay: veterinary officers.
"302c. Special pay: optometry officers.
"302d. Special pay: health professionals; general provisions.";

and

(2) by striking out the items relating to sections 311 and 313.

SEC. 3. After September 30, 1979, or the last day of the month in which this Act is enacted, whichever is later, any individual who on such date—

(1) was entitled to special pay under section 302, 302a, 302b, or 303 of title 37, United States Code; or

(2) was participating, or had been accepted for participation, in a program under which the individual has an obligation to serve on active duty in the Army, Navy, Air Force, or Public Health Service upon successful completion of such program and under which the individual, upon performing such active duty, would have been entitled to special pay under section 302, 302a, 302b, or 303 of title 37, United States Code, as in effect on such date;

shall be entitled, if otherwise qualified therefor, to be paid special pay under such section, and under section 311 or 313 of such title, if applicable (as such sections were in effect on such date), in lieu of special pay under section 302, 302a, 302b, or 302c of title 37, United States Code (whichever is applicable), as in effect after such date, at any time that it is more favorable to the individual to be paid special pay under such sections.

SEC. 4. The amendments made by section 2 apply to special pay payable for months beginning after September 30, 1979, or after the date of the enactment of this Act, whichever is later.

By Mr. MOYNIHAN:

S. 1101. A bill to amend subpart 1 of part A of title IV of the Higher Education Act of 1965 to provide for basic educational opportunity grants for elementary and secondary school students, and for other purposes; to the Committee on Labor and Human Resources.

ELEMENTARY AND SECONDARY SCHOOL STUDENT BASIC EDUCATIONAL OPPORTUNITY GRANT ACT

● Mr. MOYNIHAN. Mr. President, I am today introducing a bill to make basic educational opportunity grants available to needy elementary and secondary school students. This complements the tuition tax credit bill that we recently introduced and in no way substitutes for it. Just as I believe that both need-based grant aid and tuition tax credits should be available to assist with the costs of college education, so also should the two alternatives be available for needy students with tuition costs at the elementary and secondary level.

As amended by the Middle Income Student Assistance Act of 1978, the basic grants program covers students from families with income up to $25,000; the grants range from $200, for students near the upper end of that scale, to $1,800 for students from very low-income families. Many students are not eligible for grant aid, and for them we have proposed tax credits. Some students would be eligible for grant aid, and they will presumably choose the one that suits them best. This will not necessarily be the form that produces the most assistance; for some, the simplicity of the tax credit may make it more attractive than the complex forms required to apply for a basic grant, particularly where the respective amounts of aid are not much different. Others, particularly the neediest, will plainly fare better under the grant program. But there is no redundancy or overlap between the two forms of aid: The tax credit would be available only for tuition which the student or his family actually pays; insofar as a basic grant (or other aid) covers tuition expenses, those expenses would not be eligible for a tax credit.

Precisely the same reasoning ought apply to elementary and secondary schooling—if, that is, we are serious about educational pluralism and about providing educational choices to low- and middle-income families that are similar to those routinely available to upper income families.

This was the impulse behind the basic educational opportunity grants program as enacted by Congress in 1972. It was the impulse behind the Presidential message to Congress that I drafted in 1970 which proposed such a program. It is the impulse to provide equality of educational opportunity to every American, and it is as legitimate and important an impulse at the primary and secondary school level as it is at the college level.

The basic grants program, and the other major student aid programs authorized under title IV of the Higher Education Act, will expire during the 96th Congress, and one of our important responsibilities in the next 18 months is to reform and extend them. I shall have more to say on that subject on other occasions. But it is none too early to introduce the idea that one reform that must be seriously considered is the inclusion of needy elementary and secondary school students.

It will doubtless be argued by some that this legislation is unconstitutional, inasmuch as many students with tuition costs at the elementary and secondary level are enrolled in church-related schools. I see no distinction of constitutional significance between the aid we already provide to students in church-related colleges and that which I propose to provide at the primary and secondary level, but I do not assert that the Supreme Court will necessarily agree with me. As with tuition tax credits, however, this question can only be resolved by the Supreme Court, and that can only happen if the authorizing legislation is passed by the Congress.●

By Mr. BENTSEN:

S. 1102. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of educational filmstrips; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, I am today introducing a technical tax bill to clarify that educational filmstrips are eligible for the investment tax credit. Filmstrips are widely used in elementary and secondary schools throughout the Nation. This bill merely carries out the intent of Congress.

During consideration of the 1976 Tax Reform Act, the House of Representatives inadvertently excluded educational film materials from eligibility for the investment tax credit. During Senate Finance Committee consideration of that legislation, I offered an amendment to correct this oversight and restore the eligibility of educational film materials for the investment tax credit. This amendment was adopted by the Finance Committee without objection and included in the final version of the Tax Reform Act of 1976.

Unfortunately, recent regulations issued by the Internal Revenue Service with respect to the investment tax credit appear to exclude education filmstrips from eligibility for the credit. This was not the intent of Congress.

The exclusion of educational filmstrips from eligibility for the credit will have an adverse impact on schools that rely on these materials. The vast majority of educational filmstrip producers are small businesses. Loss of the investment tax credit for important educational resources like the filmstrip can be expected to result in either decreased production or increased prices, since few, if any, filmstrip producers can afford to absorb the loss of a 10 percent credit without compensating for it in some way. Ultimately it is our Nation's schools which suffer.

The fiscal problems plaguing local school districts are well known. One reason filmstrips have become so popular in recent years is because they are less expensive to purchase than 16 mm films and video tapes. Loss of the investment tax credit will make these important learning tools much less affordable.

Mr. President, the development and utilization of these resources should not be impeded because of the loss of the investment tax credit. I am today introducing legislation that will clarify the intent of Congress. This legislation simply specifies that educational filmstrips are eligible for the credit. I urge my colleagues to act favorably on this legislation.●

By Mr. BENTSEN:

S. 1103. A bill to amend the tariff schedules of the United States with respect to certain civil aircraft; to the Committee on Finance.

● Mr. BENTSEN. Mr. President, I am today introducing a bill to correct an inequity in the tariff schedules of the United States with respect to civil aircraft.

Under existing law, there have been instances in which import duties have been imposed twice on the same civil aircraft. For example, a company that imports civil aircraft pays a duty when the aircraft enters the United States. The company might then equip the aircraft with U.S. parts and send it to Mexico for demonstration purposes only. Upon reentry, the aircraft would be subject to a second duty.

My bill would simply prevent the imposition of this second duty on civil aircraft used for demonstration purposes. I urge the Senate to promptly enact this legislation.●

By Mr. CRANSTON:

S. 1104. A bill to establish the Channel Islands National Park; to the Committee on Energy and Natural Resources.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to establish the Channel Islands National Park in the State of California. This legislation is identical to title II of the omnibus parks bill, H.R. 3757, which passed the House of Representatives on May 7, and has the full support of Congressman ROBERT LAGOMARSINO who represents this area of the State.

The Channel Islands are a remarkable natural resource, having been little affected by the hand of man. Lying 10 to 60 miles off the southern California coast, they comprise five islands—Santa Cruz and Santa Rosa, now devoted to ranching; San Miguel, owned by the Department of the Navy; and Anacapa and Santa Barbara, which are designated as a national monument.

The National Monument Islands are characterized by high sea cliffs and rocky terrain where succulents and desert cacti grow. Sea lions, sea otters, sea elephants, and the Guadalupe fur seal are found on the sandy beaches of both islands. Santa Cruz Island, 97 square miles, has extensive acreage of grasslands, numerous streams, forests of pine and beautiful wooded areas of oak, holly, and ironwood. Remains of the earliest known inhabitants of California, the Chumash Indians, have been found on Santa Cruz.

The 86-square-mile Santa Rosa Island has lush field grass and unique varieties of wildflowers. San Miguel, the westernmost island of the chain, 22 square miles, is covered with sparce vegetation. But the island is of great interest with one of the largest known colonies of sea elephants, six other species of pinnipeds, a distinct variety of island fox, and rookeries of sea birds. It is also believed that Juan Cabrillo, the founder of California, is buried on San Miguel Island, and his grave is marked there.

Mr. President, the bill I am introducing today designates the Channel Islands National Park, encompassing these five islands. The new park's boundaries would extend 1 nautical mile offshore each island. The Channel Islands National Monument would be abolished.

The bill authorizes $40 million for the acquisition of private lands. State lands would be acquired only by donation or exchange. The bill also provides that the Federal Government not condemn lands owned by nonprofit organizations or property on Santa Rosa Island unless the present use changes and the islands become threatened. The Nature Conservancy has recently bought the Stanton property which constitutes 90 percent of Santa Cruz Island and intends to manage it in ways I believe will be wholly consistent and compatible with the national park. The legislation assures this continued use.

Regarding the lands presently owned by other Federal agencies, including San

Miguel Island, the legislation provides that they be transferred only with the concurrence of the head of the appropriate Federal agency. But in any event, the existing military use of San Miguel would be continued as provided in the cooperative agreement between the Secretaries of the Navy and Interior.

Additionally, the bill directs the Secretary of Interior to develop a management plan for the Channel Islands National Park within 3 years, to undertake a natural resources study and to update it every 2 years, and to conduct a wilderness study of the national park. Finally, the legislation requires that the Secretary of Interior be advised of all federally related activities which might adversely affect the Channel Islands National Park. While this provision does not give the Secretary direct control over the decision of another Federal agency, the consultation will permit a valuable exchange of information and an opportunity to coordinate actions.

Mr. President, I am aware that there are some who would like to see greater protection for the Channel Islands and surrounding waters—and less emphasis on the continuing role of the military. Many of the concerns relate to activities which may materialize outside of the park boundaries. There is considerable oil tanker traffic in the adjacent Santa Barbara Channel and ongoing offshore oil drilling. There are proposals for a LNG facility. There are space shots over San Miguel Island associated with the Space Shuttle program. And there is a considerable amount of pressure on the marine resources from commercial and sport fishing. I believe that there may need to be additional legislative protection, and will be looking at various proposals.

Mr. President, the Channel Islands have long deserved this national recognition. There is tremendous public support for the national park designation. I hope that my colleagues in the Senate will agree, and quickly approve this legislation.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1104

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

In order to protect the nationally significant natural, scenic, wildlife, marine, ecological, archeological, cultural, and scientific values of the Channel Islands in the State of California, including, but not limited to, the following:

(1) the brown pelican nesting area;

(2) the undisturbed tide pools providing species diversity unique to the eastern Pacific coast;

(3) the pinnipeds which breed and pup almost exclusively on the Channel Islands, including the only breeding colony for northern fur seals south of Alaska;

(4) the Eolian landforms and caliche;

(5) the presumed burial place of Juan Rodriquez Cabrillo;

(6) the archeological evidence of substantial populations of Native Americans;

there is hereby established the Channel Islands National Park, the boundaries of which shall include San Miguel and Prince Islands, Santa Rosa, Santa Cruz, Anacapa, and Santa Barbara Islands, including the rocks, islets, submerged lands and waters within one nautical mile of each island, as depicted on the map entitled, "Proposed Channel Islands National Park" numbered 159–20002 and dated April 1979, which shall be on file and available for public inspection in the offices of the Superintendent of the park and the Director of the National Park Service, Department of the Interior. The Channel Islands National Monument is hereby abolished as such, and the lands, waters, and interests therein withdrawn or reserved for the monument are hereby incorporated within and made a part of the new Channel Islands National Park.

SEC. 2. (a) Within the boundaries of the park as established in section 1, the Secretary of the Interior (hereinafter referred to as the 'Secretary') is authorized to acquire lands, waters or interests therein by donation, purchase with donated or appropriated funds, transfer from any Federal agency, exchange or otherwise. Unless the property is wholly or partially donated, the Secretary shall pay to the owner the fair market value of the property on the date of its acquisition, less the fair market value on that date of any right retained by the owner. Any lands, waters, or interests therein owned by the State of California or any political subdivision thereof may be acquired only by donation or exchange. Notwithstanding any other provision of law, Federal property located within the boundaries of the park shall, with the concurrence of the head of the agency having custody thereof, be transferred to the administrative jurisdiction of the Secretary for the purposes of the park: *Provided,* That the Secretary shall permit the use of federally owned park lands and waters which (i) have been transferred from another Federal agency, or which (ii) were the subject of a lease or permit to a Federal agency as of the date of enactment of this Act, for essential national security missions and for navigational aids, subject to such terms and conditions as the Secretary deems necessary to protect park resources.

(b) Notwithstanding the acquisition authority contained in subsection 2(a), any lands, waters, or interests therein, which are—

(1) privately owned on Santa Rosa Island, or

(2) owned wholly or in part by, or which hereafter may be owned by, or under option to, the National Park Foundation, The Nature Conservancy (including any lands, waters, or interests therein which are designated as "Nature Conservancy Lands" on the map referred to in section 1 of this Act) or any similar national, nonprofit conservation organization, or an affiliate or subsidiary thereof.

shall be acquired only with the consent of the owner thereof:

Provided, That this restraint on acquisition authority shall not apply in any case in which the Secretary determines that (i) a property is undergoing or is about to undergo a change in use which is inconsistent with the purposes of this Act, or (ii) a property described in clause (1) of this subsection (b) is offered for sale or disposal by the owner of record as of the date of enactment of this Act.

(c) (1) The owner of any private property may, on the date of its acquisition and as a condition of such acquisition, retain for himself a right of use and occupancy of all or such portion of such property as the owner may elect for a definite term of not more than twenty-five years, or ending at the death of the owner, or his spouse, whichever is later. The owner shall elect the term to be reserved. Any such right retained pursuant to this subsection with respect to any property shall be subject to termination by the Secretary upon his determination that such property is being used for any purpose which is incompatible with the administration of the park or with the preservation of the resources therein, and it shall terminate by operation of law upon notification by the Secretary to the holder of the right, of such determination and tendering to him the amount equal to the fair market value of that portion which remains unexpired.

(2) With respect to any property for which a right of use and occupancy is retained, said right may also include the transfer of feral and non-native animals to locations outside of the park and the retention of existing uses (including but not limited to, grazing activities and operations, and not to exceed a fifteen year period for the control and management of feral and non-native animals by selective control techniques used before the date of enactment of this Act).

(3) In the case of any property acquired by the Secretary under this Act with respect to which a right of use and occupancy was not reserved by the former owner under paragraph (1), at the request of the former owner, the Secretary may enter into a lease agreement with the former owner under which the former owner may continue any existing use of such property which is compatible with the administration of the park and with the preservation of the resources therein.

(4) Any right retained pursuant to this subsection, and any lease entered into under paragraph (3), shall be subject to such access and other provisions as may be required by the Secretary for visitor use and resources management.

SEC. 3. (a) The Secretary is directed to develop, in cooperation and consultation with the State of California and various knowledgeable Federal and private entities, a natural resources study report for the park, including, but not limited to, the following:

(1) an inventory of all terrestrial and marine species, indicating their population dynamics, and probable trends as to future numbers and welfare;

(2) recommendations as to what actions should be considered for adoption to better protect the natural resources of the park.

Such report shall be submitted within two complete fiscal years from the date of enactment of this Act to the Committee on Interior and Insular Affairs of the U.S. House of Representatives and the Committee on Energy and Natural Resources of the U.S. Senate, and updated revisions of such report shall be similarly submitted at subsequent two-year intervals to cover a period of ten years after the date of enactment of this Act.

(b) The Secretary is authorized and directed to enter into and continue cooperative agreements with the State of California for the enforcement of Federal and State laws and regulations on those lands and waters within and adjacent to the park which are owned by the State of California. No provision of this Act shall be deemed to affect the rights and jurisdiction of the State of California within the park, including, but not limited to, authority over submerged lands and waters within the park boundaries, and the marine resources therein.

SEC. 4. (a) Subject to the provisions of section 2 of this Act, the Secretary shall administer the park in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535), as amended and supplemented (16 U.S.S. 1 et seq.). In the administration of the park, the Secretary may utilize such statutory authority available for the conservation and management of wildlife and natural and cultural resources as he or she deems appropriate to carry out the purposes of this Act. The park shall be administered on a low-intensity, limited-entry basis.

(b) In recognition of the special fragility and sensitivity of the park's resources, it is the intent of Congress that the visitor use within the park be limited to assure negligible adverse impact on the park resources. The Secretary shall establish appropriate visitor carrying capacities for the park.

(c) (1) Within three complete fiscal years from the date of enactment of this Act, the Secretary, in consultation with The Nature Conservancy and the State of California, shall submit to the Committee on Interior and Insular Affairs of the U.S. House of Representatives and the Committee on Energy and Natural Resources of the U.S. Senate, a comprehensive general management plan for the park, pursuant to criteria stated in the provisions of section 12(b) of the Act of August 18, 1970 (84 Stat. 825), as amended (16 U.S.C. 1a–1 et seq.). Such plan shall include alternative considerations for the design and operation of a public transportation system connecting the park with the mainland, with such considerations to be developed in cooperation and consultation with the State of California and the Secretary of Transportation. The Secretary shall seek the advice of the scientific community in the preparation of said plan, and conduct hearings for public comment in Ventura and Santa Barbara Counties.

(2) Notwithstanding any other provision of law, no fees shall be charged for entrance or admission to the park.

SEC. 5. The head of any Federal agency having direct or indirect jurisdiction over a proposed Federal or federally assisted undertaking with respect to the lands and waters within or adjacent or related to the park, and the head of any Federal agency having authority to license or permit any undertaking with respect to such lands and waters, shall, prior to the approval of the expenditure of any Federal funds on such undertaking or prior to the issuance of any license or permit, as the case may be, afford the Secretary a reasonable opportunity to comment with regard to such undertaking and shall give due consideration to any comments made by the Secretary and to the effect of such undertaking on the purposes for which the park is established.

SEC. 6. Within three complete fiscal years from the date of enactment of this Act, the Secretary shall review the area within the park and shall report to the President, in accordance with subsections 3(c) and (d) of the Wilderness Act, (78 Stat. 890), his recommendations as to the suitability or nonsuitability of any area within the park for designation as wilderness. Any designation of any such areas as wilderness shall be accomplished in accordance with said subsections of the Wilderness Act.

SEC. 7. The Secretary is authorized to expend Federal funds for the cooperative management of The Nature Conservancy and other private property for research, resources management, and visitor protection and use. All funds authorized to be appropriated for the purposes of the Channel Islands National Monument are hereby transferred to the Channel Islands National Park. There are hereby authorized to be appropriated such further sums as may be necessary to carry out the purposes of this Act, but not to exceed $500,000 for development and the following amounts for acquisition: $10,000,000 for each of the fiscal years 1980 through 1983, inclusive, such sums to remain available until expended. For the authorizations made in this section, any amounts authorized but not appropriated in any fiscal year shall remain available for appropriation in succeeding fiscal years."●

By Mr. CANNON:

S. 1105. A bill to amend the Boulder City Act of 1958 to authorize the Secretary of the Interior to transfer to the city of Boulder City, Nev., certain portions of a water supply system, and for other purposes; to the Committee on Energy and Natural Resources.

BOULDER CITY ACT AMENDMENTS OF 1979

● Mr. CANNON. Mr. President, I introduce a bill to authorize the Secretary of the Interior to transfer to the city of Boulder City, Nev., certain portions of a water supply system providing water to Hoover Dam.

This proposed transfer involves reversing the flow of water in an existing Bureau of Reclamation waterline and connecting that line into the Boulder City system. The result of this change will be to provide benefits to the city of Boulder City, savings to the Bureau of Reclamation, and increased water flow to the National Park Service. All three entities support this legislation and all have participated in the discussions leading to this bill. Legislation is deemed necessary because of a Bureau of Reclamation solicitor's opinion that transfer or abandonment of any part of the water system is prohibited by terms of the Boulder City Act of 1965.

Because of the concensus of opinion on the merits of this proposal among the parties concerned, I am hopeful early action will be possible.●

By Mr. SASSER

S. 1106. A bill to amend the Elementary and Secondary Education Act of 1965 to provide that upon request a member of Advisory Councils established under that act may receive a copy of the law, and for other purposes; to the Committee on Labor and Human Resources.

● Mr. SASSER. Mr. President, I am introducing legislation to eliminate an unnecessary paperwork requirement in the Education Act Amendments of 1978.

The act requires that each local education agency participating in title I programs for the disadvantaged provide a copy of the title I statute to every single member of every single parental advisory committee. In my State of Tennessee, this would require that local education agencies provide an estimated 15,000 copies of a bulky statute to parents who may or may not have any use for them.

I have no doubt that this burden is unreasonable and detracts from the important goal of title I—to assist local education agencies in educating disadvantaged children and to provide parental involvement in that process.

Mr. President, the burden of these local education agencies are now beginning to face in complying with section 125 will grow and grow in coming months if we do not act now. The Education Act amendments also require that a copy of all Federal and State regulations implementing title I be provided, free of charge, to every single member of every single parental advisory council.

This requirement, which was undoubtedly well-intentioned, will impose a great paperwork burden on the tightly-stretched budgets of local education agencies in poor areas. In the name of parental involvement, we have created a paperwork monster that only Congress can undo.

Mr. President, there is certainly a need to provide the necessary information for parents serving on title I advisory councils. As a matter of fact, during hearings on these amendments to the Education Act, it became clear that many parents serving on advisory councils had been sorely neglected. These parents were not only restricted in program operation, but often encountered great difficulty in obtaining the information necessary to involve themselves in the title I program in their schools.

However, in requiring local educational agencies to provide copies of the statute free of charge, an unreasonable burden has been placed on those who implement the program at the local level.

Mr. President, I ask unanimous consent that a letter I have received from the title I director in Johnson County, Tennessee, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MOUNTAIN CITY, TENN., *April 12, 1979.*

Hon. JIM SASSER,
U.S. Senate,
Washington, D.C.

SIR: According to Public Law 95–561 November 1, 1978, Section 125(3) (c) (A) each member of an advisory group must be provided with "a copy of the text of this title". Since this will be expensive for Johnson County to implement, I am requesting that you send 90 copies of this act. (Johnson County has 10 eligible schools, each school committee must have at least 8 members and we also must have a county committee—8×10=80 for schools, plus 10 for the county committee makes the 90 copies requested)

Since I am writing for this material I would like to express my views concerning Sec. 125. I feel that this requirement is excessive and unnecessary as well as expensive.

Strengthening this part of Public Law 95–561 seems to indicate that parents have been deliberately excluded from previous programs; that could be true in West Tennessee, I don't know about that section, but I would like to assure you that the opposite is true of East Tennessee. We can't find parents who will serve on the committees, even after much effort to involve them.

Would you please use your influence to get Section 125 modified so that it will not be a burdensome hindrance to the program. When I attended the last area Title I meeting in March every one of the 15 directors from this section of the state expressed the same feelings and concerns that I have expressed, and for large systems it is even more of a burden.

Sincerely yours,

ZOLA SNYDER,
Title I Director,
Johnson County Board of Education.

Mr. SASSER. Mr. President, Johnson County is a small county with a population of only 11,569. However, in order to comply with section 125, the title I director in Johnson County would have to provide 90 copies of this statute. I would estimate that the cost to this small rural Tennessee county could run as high as $450 to reproduce 90 copies of the statute—which runs approximately 50 pages.

Tennessee, alone, will require roughly 15,000 copies of the title at an estimated cost of $75,000.

My bill would state simply that copies of relevant statutes and regulations shall be made available upon request, rather than automatically. Some people might want title I and some people might not. Why give it to everyone?

Second, my bill would change the requirement so that only one copy for each parental advisory council would be mandatory, rather than one copy for each and every member of each advisory council. This copy can be kept on file and made available to all of the members.

The 96th Congress has been labeled the oversight Congress. The American people have called upon this Congress to clean up the Government, reduce fraud and abuse in Federal programs, relieve the public of insensitive Federal mandates, and reduce Government paperwork. The responsibilities of the 96th Congress are great. However, oversight must not be confined strictly to Federal programs and Federal agencies. Oversight must include the Federal laws which have been passed by the Congress in the past, both distant and recent.

Mr. President, an oversight Congress can only be effective if it listens and responds to the needs of the local citizens. An oversight Congress must scrutinize the laws with the help of those who must implement the laws. I hope that my colleagues in both the Senate and the House of Representatives will join me in correcting this "oversight" in the 1978 Education Act amendments as passed by the 95th Congress.●

By Mr. STEVENSON:

S. 1107. A bill to encourage youth opportunity by extending the subminimum wage enjoyed by full-time students to all persons between the ages of 16 and 20, and for other purposes; to the Committee on Labor and Human Resources.

YOUTH OPPORTUNITY WAGE ACT OF 1979

● Mr. STEVENSON. Mr. President, the teenage unemployment statistics released Friday by the Department of Labor are tragic. While overall unemployment is 5.8 percent, teenage unemployment stands at 16.5 percent. According to the Department's estimates, there are more than 1.5 million unemployed youth in the labor force.

Particularly tragic is the unemployment rate among minority teenagers, mostly blacks. While the white teenage unemployment rate is 13.9 percent, the rate for minority youths is 34.5 percent.

Unemployment has plagued minority youths through good times and bad. The rate for minority teenagers in 1978 was over 36 percent, the same as in 1975 at the depths of the last recession. Unemployment among minority youths has risen nearly 20 percent over the past quarter century while the rate for white teenagers during the same period has increased less than 2 percent.

Youth unemployment, especially among minorities, is a national disgrace. It requires an effective response. But instead, we have offered unemployed youths more of the same. More of the same timid, ineffective and expensive policies which contribute to both unemployment and inflation.

Mr. President, 18 months ago the Congress and the President approved increases in the minimum wage. I offered an amendment at that time to provide a subminimum wage for youth—an amendment which would have preserved or created thousands of jobs. My amendment was rejected in favor of more of the same. By increasing the minimum wage, with no dispensation for youth, we demonstrated that the same old system is at work, still pricing human labor out of the marketplace, fueling inflation and threatening the existence of small business.

More of the same means that first we contribute to teenage unemployment by pursuing policies which make it expensive to hire marginal workers. We do this by voting across-the-board increases in the minimum wage and approving raises in social security payroll taxes. More of the same requires that we then attempt to counteract the effects of the minimum wage and social security increases by spending billions of dollars to fund youth jobs under well-intentioned but inefficient and wasteful CETA programs.

What has resulted from another 18 months of more of the same? Eighteen months ago, the teenage unemployment rate was 17.2 percent; 1.6 million youths were looking for jobs. Today the figures are 16.5 percent and more than 1.5 million. Eighteen months ago, the unemployment rate for minority teenagers stood at 38.2 percent. Today it stands at 34.5 percent. It is apparent that the same old policies, pursued for another 18 months, have failed to reduce teenage unemployment to tolerant levels. The results are as stagnant as the policies which produced them.

As an alternative to more of the same, Mr. President, I am today introducing the Youth Opportunity Wage Act of 1979, a bill containing the same provisions as the amendment I offered on this floor 18 months ago. By providing a subminimum wage for youth, this legislation would reduce the high rate of teenage unemployment and aid small business. It would preserve and create jobs, dampen inflation and help to keep small business in business.

Mr. President, the bill would accomplish these ends by doing the following things:

First, it would permit employers to hire workers under the age of 20 at a subminimum wage of 85 percent of the adult minimum wage. It would permit employers to pay teenage workers the youth differential so long as the employee has not reached the age of 20. As the adult minimum wage rises, so would the youth differential. The subminimum wage levels, based on the current schedule of minimum wage increases, would be $2.47 for this year, $2.64 for 1980 and $2.85 for 1981. All of these levels are well above the poverty level;

Second, it would protect teenage employees from a reduction in their wage rates. Workers under the age of 20 who are now employed at the minimum wage would remain entitled to compensation at the minimum wage so long as they remain employed by their current employer;

Third, if a teenage worker leaves his current job and is hired by a different employer, the bill would permit that employer to hire the teenager at the subminimum wage;

Fourth, it would end the preferential treatment accorded full-time students, who may now be hired at 85 percent of the minimum wage. The discrimination for the benefit of students, and against nonstudents, would be eliminated, as would the procedures with which employers must now comply to hire students at the subminimum wage.

Fifth, the bill would impose sanctions on employers whom the Department of Labor determines to have engaged in a pattern or practice of displacing older workers to avail themselves of the subminimum wage.

Mr. President, I am aware of the pressures this issue generates and do not take this step lightly. But I believed 18 months ago that the time had come for strong action. The reasons are even more compelling today.

The minimum wage is but a small part of a system that is costing jobs, contributing to inflation and pricing America out of global and domestic markets. The same old system is still at work, but the margins of existence are more narrow. Increases in the minimum wage take a greater toll of those at the bottom of the economic ladder than in the past. Those who benefit most are those who can absorb or pass on increased costs. The weak and poor at the bottom—businesses as well as workers—drop out.

Employers offering a reduction of 15 percent for teenagers will have a significant economic incentive for hiring them. Though the administration supports a continuation of current policies, the President's own Council of Economic Advisers has calculated that a youth differential could create thousands of new jobs. Those who say a subminimum wage will not reduce teenage unemployment ignore the past failings of our policies, the discrimination sanctioned by current law, and the abysmal alternative which CETA provides.

The dismal results produced by our policies of the past 18 months and before follow patterns which historically have spelled despair for youths in the job market. James Reagan, Jr., in the Harvard Journal, has estimated that some 225,000 teenage jobs, equal to about 17 percent of all unemployed teenagers, were lost after the 1966 increase in the minimum wage. And a Brookings Institute study has estimated that some 13 percent of teenage employment was lost as a result of the 1974 increase.

Economists point out that a dual labor market exists—one for unskilled, teenage workers and another for older, more skilled employees. Little competition takes place between members of these two different labor markets. In other words, substitution of young for old is not likely. No one complains that students now receiving an 85 percent youth differential are displacing older workers.

And the penalties stipulated in this bill would discourage firms from taking unfair advantage of the youth differential wage.

A youth differential would also enable businesses to expand, especially in rural and inner city areas. This expansion would allow businesses to preserve and create jobs for young people.

Some say enactment of a youth differential wage would result in hardship for teenage workers. It would not make teenagers rich; it would only give them a start. But it is better to have a job paying a wage well above the poverty level than to be on welfare. And some of the young who would receive this wage are living at home and have living costs that are relatively low. The hardship is not the subminimum wage. The hardship is the unemployment which afflicts more than 1.5 million teenagers.

Opponents of a youth differential do not say that the students the law now permits to work at a subminimum wage are subjected to hardship. Such a position would be untenable because the youth differential permitted under current law benefits those who need it least. Over 500,000 full-time students are working at 85 percent of the minimum wage, and more than half of these students are in college. They are not second class citizens. They are privileged citizens. Students of any age qualify for the differential, and many who are older have had ample work experience and need no special access to employment.

The rationale for enhancing the employment prospects of students, in the words of the statute, is "to prevent curtailment of opportunities for employment." That rationale is laudable, but it makes more sense for those less fortunate than the law's beneficiaries. I am proposing that the rationale which the law has for years recognized—"to prevent curtailment of opportunities for employment"—serve as the basis for paying all youths, not just the privileged, 85 percent of the minimum wage. This would increase employment opportunities and end discrimination against the young who are poor.

Programs designed to provide jobs for the young have failed to reduce teenage unemployment to tolerable levels. Carried out in an attempt to offset flaws in other policies, these programs require massive infusions of Federal assistance. For the current fiscal year alone, we have appropriated an estimated $2.7 billion to employ and train youths under CETA.

CETA requires huge sums, yet it produces meager returns. Results of a February 1979 General Accounting Office report are indicative of CETA's performance. GAO found waste and mismanagement in the $740 million summer program for economically disadvantaged youth, largest of the several youth programs funded under CETA. According to GAO, some paid enrollees in the so-called SPEDY program receives no meaningful work experience, and it is questionable that the program serves those most in need. These findings are consistent with those of earlier GAO reports on SPEDY and its predecessor, the Neighborhood Youth Corps.

Unlike costly and ineffective CETA programs, a subminimum wage would provide meaningful and productive employment for teenagers. And it would do so without expending Federal funds.

The targeted jobs credit, approved as part of last year's tax bill, offers little prospect for reducing teenage unemployment significantly. By the Department of Labor's own estimates, credits could provide no more than 100,000 jobs, distributed among seven targeted groups, in fiscal year 1980. This figure pales in comparison to the over 1.5 million unemployment total for teenagers alone. The jobs credit, according to the Department's estimates, would cost the Federal Government hundreds of millions of dollars in tax revenue in fiscal year 1980.

Mr. President, the time has come to talk economic sense to the American people about teenage unemployment. Economists across the gamut—from Milton Friedman of the University of Chicago, to Thomas Sowell of UCLA, to Walter Williams of Temple University, to former Federal Reserve Governor Andrew Brimmer—support a youth differential wage. So do Mayors Coleman Young of Detroit and Tom Bradley of Los Angeles. And so do two of the administration's chief inflation fighters: G. William Miller, Chairman of the Federal Reserve Board, and Barry Bosworth, Director of the Council on Wage Price Stability.

It is time for the Senate to provide the same job opportunities for the poor and minorities that we provide full-time students. This bill would create jobs for teenagers. It would assist small business. It would be particularly helpful in rural and inner city areas. It would benefit minority businesses as well as minority youths.

I urge my colleagues to support it.●

By Mr. SASSER:

S. 1108. A bill to amend the Uniform Relocation Assistance and Property Acquisition Policies Act of 1970; to the Committee on Governmental Affairs.

UNIFORM RELOCATION ASSISTANCE ACT AMENDMENTS OF 1979

● Mr. SASSER. Mr. President, I call the attention of my colleagues to amendments I am introducing today—amendments to strengthen the Uniform Relocation Act passed by the Congress 9 years ago.

That act had a very laudable goal. It was designed to insure that homeowners and small businessmen, displaced by Federal projects, are adequately compensated for their relocation expenses.

Unfortunately, the legislation has fallen short of its goal. Varying Federal agency interpretations of the intent of the act has led to inconsistency and inequity in its application. The net result is that too many people are still being forced by the Government to move from their homes and businesses without any reimbursement for the expenses they incur.

The 1970 Uniform Relocation Act aims to prevent the burdens of Federal programs, and federally assisted programs, designed to benefit the entire community, from falling on the few that must be displaced.

But the General Accounting Office, in a report issued last year, found that the Federal Government has failed to provide equal treatment to displaced homeowners and small businessmen as intended by the 1970 law. I ask unanimous consent that excerpts from the digest of the Comptroller General's report to the Congress titled: "Changes Needed in the Relocation Act to Achieve More Uniform Treatment of Persons Displaced by Federal Programs" to be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL'S REPORT TO THE CONGRESS

(Changes needed in the Relocation Act to achieve more uniform treatment of persons displaced by Federal programs)

DIGEST

Inequities found by GAO

The relocation act is intended to provide for uniform and equitable treatment of persons displaced from their homes, businesses, or farms by Federal and federally assisted programs. Its purpose is to prevent individuals from suffering disproportionate injuries as a result of programs designed to benefit the general public.

Federal agencies have made substantial progress during the last 6 years in carrying out the act. Some displaced people, however, are receiving little or no relocation assistance because the coverage provided by the act is limited. In addition, GAO found an inconsistent, inequitable, and confusing array of differing formats, terminologies, and guidelines in 13 Federal agencies' regulations resulting in people being treated differently when displaced by these agencies.

Inequities caused by limitations in the act

Federal agencies have taken the view that the act applies only to displacement caused by Federal agencies or by State agencies receiving Federal financial assistance. Often, however, Federal financial assistance is provided to organizations other than State agencies for projects which displace people and businesses. When this happens, few if any relocation benefits are provided.

Businesses also may suffer hardships because relocation benefits are not provided under the act to pay for increased costs at a replacement site. Many businesses were forced to cease operations because of the lack of replacement facilities or because the higher cost of available facilities was not reimbursable.

Moreover, the Housing and Community Development Act of 1974 decreased coverage under the relocation act. Activities authorized by the Housing Act of 1949 and the Demonstration Cities and Metropolitan Development Act of 1966—which were replaced by the 1974 act—and not involving acquisition of property, such as code enforcement and rehabilitation, were covered by the relocation act. However, the Department of Housing and Urban Development has determined, and the courts have agreed, that similar activities now carried out under the 1974 act are not subject to the relocation act. This means that relocation benefits are no longer required to be paid to displaced persons when there is no acquisition of property.

Uniform treatment has not been achieved

As previously stated, although the act calls for coordination among Federal agencies, each issues its own regulations. Because these regulations are not uniform, displaced homeowners and tenants receive differing payments for replacement housing, rental assistance, and situations where comparable replacement housing is not available. Businesses relocated by different agencies also receive different benefits. There is no effective Federal coordination of relocation assistance.

The act provides replacement housing payments of up to $15,000 to displaced homeowners and rental assistance payments of up to $4,000 to displaced tenants. These payments compensate those displaced for the increased cost of acquiring a comparable and a decent, safe, and sanitary replacement dwelling. Because different methods are used to determine the cost of comparable replacement dwellings, displaced people may receive differing payments. In Baltimore, for example, a homeowner displaced by a highway project received $1,750 less than he would have received if displaced by a housing project.

When the computed replacement housing payment exceeds $15,000, Federal agencies have different policies. One agency generally limits the payments to $15,000; another using its interpretation of the last resort housing provision of the act, authorizes the amount needed.

Relocated businesses are also treated inconsistently. On one project in Seattle, a relocated business received about $49,000 for 81 changes to the replacement structure. In contrast, an official of another Federal agency said his agency would have paid for only 10 of the 81 changes.

Why differences happened

The root cause of all this lies within the relocation act itself. The act does not provide sufficient coverage and benefits to protect all who suffer hardships when displaced. Also, as long as each Federal agency has the authority to issue its own relocation regulations, inconsistencies and inequities can be expected to continue.

The Relocation Assistance Implementation Committee has been unable to bring about the uniformity prescribed by the act because it lacks authority to rule on the differences in agencies' positions.

What needs to be done?

GAO recommends that the Congress consider whether the act should cover all displacements caused by Federal or federally assisted acquisition and non-acquisition projects. Amendments to the relocation act have been introduced to cover persons displaced by other than State agencies.

GAO also recommends that the Congress consider providing additional benefits to displaced businesses.

Basic legislative amendments are needed also to provide the authority to manage effectively the requirements of the relocation act. GAO recommends that the Congress amend the act to require the President to issue a single set of relocation regulations and to designate a central organization to direct and oversee uniform procedures governmentwide.

Mr. SASSER. Mr. President, the Subcommittee on Intergovernmental Relations which I chair has been informed of case after case in which Federal treatment under existing law has been harsh and unjust, hurting the very people the act was designed to protect. For example:

Nearly 1,000 low-income and elderly families in St. Louis have been evicted from their homes in the Pershing-Waterman neighborhood where Federal funds are being used to revitalize the area. Due to weaknesses in the legislation none of the 1,000 displaced persons have received relocation benefits.

A veteran's widow in Milwaukee who supports herself by sewing was forced to move from her home to make way for construction of a federally subsidized home for the elderly. She lost her home to the bulldozer, but has received no financial assistance for relocation.

Low-income families in Knoxville, located in my home State, who worked 10 to 15 years to make improvements in their neighborhoods have been forced to move after being displaced from their homes as a result of a federally funded housing code enforcement program designed to upgrade the neighborhood. These families have received no relocation benefits.

The amendments I am introducing today would close the holes in the Uniform Relocation Act that have caused Federal agencies to apply its benefits inconsistently. The amendments would establish a central authority which would have the power to issue a uniform set of regulations for implementation by the Federal agencies. Under the current law, each agency is free to adopt its own interpretations of the Uniform Relocation Act.

The amendments would also clarify the intent of the Congress so that relocation benefits are available to all persons displaced by the commencement of a Federal or federally assisted project, even in cases where there is a private sponsor of a Government subsidized venture, or where the agency's original intention in acquiring the property was not for purpose of the Federal project.

Finally, the amendments would adjust for inflation the housing costs established in the provisions of the 1970 law.

The Uniform Relocation Act of 1970 had a commendable goal: to bring order and consistency to Federal programs designed to compensate displaced people. And that act established the framework to accomplish its goals. The amendments I am introducing today shore up that framework so that we can provide consistent and fair treatment to the many people who give up their homes and businesses in the cause of community improvement.

I call for the support of my colleagues as I introduce these deserving amendments to the Uniform Relocation Assistance and Real Property Acquisition Policies for Federal and federally assisted programs law.●

By Mr. CHAFEE (for himself, Mr. BAKER, Mr. BRADLEY, Mr. BUMPERS, Mr. CANNON, Mr. JAVITS, Mr. LEAHY, Mr. LEVIN, Mr. ROTH, Mr. PELL, Mr. THURMOND, Mr. WALLOP, and Mr. ZORINSKY):

S. 1109. A bill to amend title XVI of the Social Security Act with respect to the negotiability of supplemental security income checks, and for other purposes; to the Committee on Finance.

● Mr. CHAFEE. Mr. President, today I am introducing a bill to make our supplemental security income (SSI) program better by improving accountability and management of Federal and State moneys. I am pleased to have Senators BAKER, BRADLEY, BUMPERS, CANNON, JAVITS, LEAHY, LEVIN, PELL, THURMOND, WALLOP, and ZORINSKY as cosponsors.

Each month, the Federal Government pays an average of $111.71 to each of 4.2 million people under the supplemental security income program. SSI is the Federal Government's cash program for needy aged, blind, or disabled persons. Twenty-five States and the District of Columbia supplement the uniform Federal benefit with State funds. The States send monthly supplementary payments to the Federal Government, which issues the benefit checks.

If, for some reason, a check is not negotiated or returned, money remains in the Treasury to cover the check. This means that Federal and State revenue can remain in the Treasury indefinitely to cover unclaimed welfare checks.

The bill I am introducing today will insure that States are credited with the money due to them from unnegotiated checks. This is achieved by placing a 6-month time limit on the negotiability of SSI checks. If an SSI check is not cashed or returned within 6 months, the check will be stopped and funds credited back to the SSI and State accounts. Recipients who are legally entitled to benefits but, for some reason, do not cash their checks, will lose their benefits. They will be issued another check and the Federal Government will bill the State for the proper amount.

In addition, the bill directs the Secretary of the Treasury to provide the Social Security Administration and the States with a list of checks that remained unnegotiated after 6 months. I think we can all agree that, if a person is truly in need of SSI payments, he or she will cash their monthly check soon after it is issued. The list of unnegotiated checks will help the Social Security Administration and the States determine why the check is not being used. Is the check not reaching the recipient? Is it a fraudulent account? This essential information is just not available now.

As of August 1978, 204,000 SSI checks were outstanding over 6 months, representing a total of $24.5 million in Federal and State funds; 104,000 of these are outstanding over 2 years.

According to estimates prepared by the Social Security Administration, the States' share of funds from unnegotiated checks is $8 million a year. Our States are entitled to be credited with their money which has been tied up in the Federal Treasury system to cover these checks. And, this bill provides a way to help cut down on errors in the welfare program.

Mr. President, the following chart indicates which States make supplementary SSI payments and would gain revenue from this bill.

States participating in supplemental security income program as of March 1979

State	Number of recipients	Average State payment
Arkansas	585	$15.12
California	684,101	109.54
Delaware	726	64.56
District of Columbia	1,073	80.25
Florida	186	17.42
Georgia	879	20.55
Hawaii	9,804	39.42
Iowa	1,906	42.11
Kansas	283	35.01
Louisiana	2,128	16.70
Maine	21,702	21.19
Maryland	796	32.87
Massachusetts	126,302	86.85
Michigan	109,747	59.29
Mississippi	549	11.96
Montana	677	82.14
Nevada	3,873	50.44
New Jersey	78,457	24.26
New York	356,758	54.37
Pennsylvania	160,021	32.19
Rhode Island	14,134	32.99
South Dakota	185	26.48
Tennessee	78	17.37
Vermont	8,442	43.92
Washington	44,389	34.37
Wisconsin	61,568	78.53

Source.—Social Security Administration.

I would also like to insert for the RECORD, letters which I have received in support of this bill from State public welfare administrators from across our Nation.

The administration of our welfare system can be improved without denying benefits to needy persons. This bill presents a simple, efficient way to make better use of the money we spend for SSI benefits while helping to cut down on unnecessary and fraudulent payments.

Mr. President, I ask unanimous consent that the letters to which I referred be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF FINANCE,
Sacramento, April 4, 1979.

Hon. JOHN H. CHAFEE,
U.S. Senate,
Committee on Finance,
Washington, D.C.

DEAR SENATOR: The SSI State Audit Committee fully supports your bill limiting the negotiability of SSI/SSP checks. I requested Committee members to inform states supplementing SSI to take action in support of this bill.

The Committee applauds your efforts in this area and would appreciate your considering legislation to correct other unresolved issues between SSA and states.

If I can be of any assistance to you, please feel free to contact me directly.

Sincerely,

GILBERT C. VICTOR,
Chairman, SSI State Audit Committee.

HEALTH AND WELFARE AGENCY,
Sacramento, Calif., May 4, 1979.

Hon. JOHN H. CHAFEE,
U.S. Senate, Committee on Finance,
Washington, D.C.

DEAR SENATOR CHAFEE: Thank you for your letter of March 22, 1979 which outlines the problems of unnegotiated U.S. Treasury checks which include amounts of State Supplementary Program (SSP) payments. We share your concern about this problem and agree that your bill would be beneficial to California.

While we support the bill as written, we urge you to consider amending it at the appropriate time so to provide for recoupment of state funds contained in unnegotiated Treasury checks for SSP payment issued prior to enactment of the bill. We estimate that something in excess of $20 million in state funds has accumulated in unnegotiated SSP payments since the start of the program in 1974. Without a provision in the bill dealing with checks already issued, those accumulated amounts will remain in the U.S. Treasury indefinitely.

Enclosed is a copy of a letter I have sent Senator Cranston and Senator Hayakawa asking them to support this legislation and to join with you as co-sponsors of this bill. Please contact me if we can provide additional information or assistance regarding this legislation.

Sincerely,

MARIO G. OBLEDO,
Secretary.

DEPARTMENT OF HEALTH AND
SOCIAL SERVICES,
New Castle, Del., April 11, 1979.

Hon. WILLIAM V. ROTH, Jr.,
Federal Building,
Wilmington, Del.

DEAR SENATOR ROTH: Senator John H. Chafee of Rhode Island recently wrote to me concerning legislation which he plans to introduce. This legislation would insure that States are credited for the money they have sent to the Federal government to pay Supplemental Security Income benefits when the benefit checks are not negotiated. Currently, the U.S. Treasury retains the money.

A copy of Senator Chafee's proposed bill is attached. It calls for placing a six-month time limit on the negotiability of SSI checks. At the end of that period the checks will be cancelled, and the funds credited back to the SSI and State accounts where it rightfully belongs.

Another good feature of this legislation is that it directs the Treasury to provide the Social Security Administration with a list of cancelled checks. This will enable us to investigate why those checks are not being used.

Our Department endorses this legislation. In addition to giving the State the use of its own funds, it will also enable us to correct possible errors in our list of recipients of the State supplement to SSI checks.

Your support of this legislation would be helpful to our State, and certainly very much appreciated in this Department. I understand that Senator Chafee would be happy to have other Senators join him as co-sponsors of the legislation.

Thank you for your attention.

Sincerely,

PATRICIA C. SCHRAMM,
Secretary.

DEPARTMENT OF HEALTH AND
REHABILITATIVE SERVICES,
Tallahassee, Fla., April 17, 1979.

Senator JOHN H. CHAFEE,
Committee on Finance,
Washington, D.C.

DEAR SENATOR CHAFEE: This is to acknowledge receipt of your letter of March 22, 1979 concerning the proposed legislation amending Title XVI of the Social Security Act. The Department of Health and Rehabilitative Services appreciates your concern in this area and will urge Senators Lawton M. Chiles and Richard Stone of Florida to join you as co-sponsors of the legislation.

Thank you for the opportunity to express our opinion on this matter.

Sincerely,

DAVID H. PINGREE,
Secretary.

GEORGIA DEPARTMENT OF
HUMAN RESOURCES,
Atlanta, Ga., April 17, 1979.

Hon. HERMAN E. TALMADGE,
U.S. Senate, Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR TALMADGE: I have received a letter from Senator John H. Chafee regarding a bill he proposes to introduce limiting the negotiability of checks issued for Supplemental Security Income (SSI) to 180 days after the date on which the checks were issued. We have reviewed this proposed legislation and think that such a bill would be beneficial to Georgia.

As you know, Congress mandated that States provide funds to insure that no recipient of the Aged, Blind and Disabled programs in December, 1973, would be disadvantaged by the transfer of these programs to SSI as administered by the Social Security Administration. For these States which elected Federal administration of these funds, the amount of the Mandatory State Supplement (MSS) is included in the check issued these recipients by SSI. Currently the checks issued by SSI have no fixed validation period and, according to Senator Chafee, as of August, 1978, 204,000 SSI checks were outstanding over seven months. 140,000 of these checks have been outstanding over two years. The Senator does not indicate how many of these checks are comprised of a combination of SSI Federal funds and State MSS funds, but certainly it would be beneficial for States to be refunded the monies paid to SSI at some point in time if these checks remain outstanding.

In the AFDC program in Georgia checks which are outstanding for two years are cancelled and the Federal financial participation is returned to the Federal Treasury. A similar requirement for Mandatory State Supplement funds would be welcome by all States. Senator Chafee is seeking support for his bill and I hope you will help to provide this support. Attached is a copy of Senator Chafee's bill for your consideration. If you have any questions or wish additional information, please contact me.

Sincerely,

W. DOUGLASS SKELTON, M.D.,
Commissioner.

IOWA DEPARTMENT OF SOCIAL SERVICES,
Des Moines, Iowa, April 3, 1979.

Hon. ROGER JEPSEN,
U.S. Senator,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR JEPSEN: Each month Iowa sends an average of $70,000 to the Social Security Administration so that SSA may include Iowa's state supplementation with an individual's SSI check. Under present law, the funds for that check, both federal and state, remain committed to that check, regardless of whether or not it is cashed. As of August, 1978, 204,000 SSI checks were outstanding over seven months. While no figures are available as to how much of Iowa's money is tied up in these outstanding checks, the fact that SSA has no means to cancel these checks and revert the unused funds back to the states results in tremendous waste of both state and federal funds.

Senator John Chafee intends to introduce legislation amending title XVI of the Social Security Act to allow SSA to cancel an unnegotiated SSI check six months after it has been issued, and credit the state with that portion of the check which is state supplementation. The bill would also direct the Treasury Department to provide SSA with a list of canceled checks, so that unnegotiated checks may be identified and the reason the check has not been cashed may be determined.

The Iowa Department of Social Services urges you to support Senator Chafee's legislation. We feel the savings of both federal and state tax dollars will more than outweigh the cost in canceling these long outstanding checks, and that the bill will result in better management and greater accountability on the part of SSA. Senator Chafee has indicated that he would welcome your co-sponsorship of this bill, and we urge that you give this consideration as well.

Thank you for your attention and your continued good service to Iowa.

Sincerely,

CATHERINE G. WILLIAMS,
Acting Commissioner.

STATE DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES,
Topeka, Kans., April 2, 1979.

Hon. John Chafee,
U.S. Senator,
Washington, D.C.

DEAR SENATOR CHAFEE: Thank you for your letter of March 22nd concerning the problem of uncashed SSI checks. We would be supportive of legislation that would result in credit being given to the state for the state's share of canceled SSI checks. Although the amount would not be large in the state of Kansas, we believe that every state could benefit and that a proper accounting is necessary.

We believe that the provision of information to the state concerning checks that have not been cashed could be of some assistance. However, we believe that the primary responsibility for the review of circumstances surrounding the reasons the checks were not cashed would remain the responsibility of the Social Security Administration. The bill might possibly be strengthened by requiring the Social Security Administration to make some type of special review of the case when the checks had not been timely cashed. Information from such reviews would then be forwarded to the state for their own information. This would be especially helpful in Kansas since we use proof of receipt of SSI as a means of determining eligibility for our Medical Assistance program.

Thank you for giving us the opportunity to review your proposal.

Sincerely yours,

ROBERT C. HARDER,
Secretary.

DEPARTMENT OF HEALTH AND
HUMAN RESOURCES,
Baton Rouge, La., April 18, 1979.

Re: Proposed Legislation on Mandatory State Supplementation to Supplemental Security Income Checks.

Senator JOHN H. CHAFEE,
U.S. Senate,
Committee on Finance,
Washington, D.C.

DEAR SENATOR CHAFEE: In response to your March 22, 1979 request, the Department of Health and Human Resources, Office of Family Security staff has reviewed your proposed legislation that would insure that states are credited with the money due them for unnegotiated State Supplemental Security Income checks which are supplemented by states. The proposed legislation appears to be specifically designed to help the Social Security Administration and the states determine why unnegotiated checks are not being cashed. Therefore, we support this attempt to correct the files of the Social Security Administration; thereby, lessening the fiscal burden of the states.

Further justification for our initial support of the proposed legislation lies in the statistics that revealed Louisiana's expenditure for Mandatory State Supplementation cases from 1974 through 1978 to be $18,700,000. It is interesting to note that in Louisiana, the Mandatory State Supplementation caseload has steadily declined from 46,996 cases in January 1974 to 2,444 cases as of December 1978.

Savings that can be realized as a result of this legislation would appear to benefit the states in their administration of social programs. If at any time we can be of further assistance to you and your staff, please feel free to contact the Louisiana Department of Health and Human Resources.

Sincerely,

WILLIAM A. CHERRY, M.D.,
Secretary, Department of Health
and Human Resources.

THE COMMONWEALTH OF
MASSACHUSETTS, DEPARTMENT OF
PUBLIC WELFARE
April 9, 1979.

Senator JOHN H. CHAFEE,
Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHAFEE: Commissioner Pratt has referred your letter of March 22, 1979 to me.

The legislation on unnegotiated SSI checks that you intend to introduce has the Department's unqualified support. I have brought it to the attention of Robert Mollica in the Lieutenant Governor's office which handles federal legislation in the Commonwealth, and notified him that the Department supports the bill. Please contact him at (617) 727-7214 to discuss the possibility of acquiring the co-sponsorship of a Senator from Massachusetts.

Thank you for bringing this matter to the Department's attention.

Sincerely,

RALPH W. MULLER,
Deputy Commissioner.

DEPARTMENT OF SOCIAL SERVICES,
April 25, 1979.

Hon. JOHN H. CHAFEE,
U.S. Senate,
Committee on Finance,
Washington, D.C.

DEAR SENATOR CHAFEE: I received your letter of March 22, 1979, regarding legislation you are introducing to ensure that states are credited with the money due them for unnegotiated Supplemental Security Income checks.

I appreciate your proactive approach to this problem and thank you for giving the State of Michigan the opportunity to be involved.

I support your legislation. Governor Milliken has sent letters to the Michigan Congressional Delegation indicating this State's support of the proposed legislation. We have suggested one change to your legislation, i.e., limiting the negotiable days from 180 (as written in your Bill) to 90. We have suggested that due to the experience we have with other state treasurer checks.

Again thank you for the opportunity to review and comment on your proposed Bill; and I compliment you in your endeavors to rectify a problem that we, in the State of Michigan, experience routinely.

Sincerely,

JOHN T. DEMPSEY.

[State of Mississippi]

STATE DEPARTMENT OF PUBLIC WELFARE,
March 29, 1979.

Hon. JOHN H. CHAFEE,
U.S. Senate,
Committee on Finance,
Washington, D.C.

DEAR SENATOR CHAFEE: I received your letter of March 22nd concerning Supplemental Security Income checks. Thank you for sharing this information with me and giving me the opportunity to share this with our Mississippi Congressional delegation.

I personally feel that there should be some definite time limit on negotiating these checks. I feel also that 120 days would be a sufficient time for these checks to remain outstanding. If these checks are not cashed within 120 or 180 days each department could quickly ascertain the reason the check(s) had not been negotiated.

I appreciate your allowing me to assist in this important measure. I am asking our Congressional delegation to give this their personal attention.

If I can ever be of service to you, please let me hear from you.

With kindest personal regards, I am

Sincerely,

JACK BYARS,
Commissioner.

DEPARTMENT OF PUBLIC WELFARE,
Harrisburg, April 9, 1979.

Hon. JOHN H. CHAFEE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CHAFEE: This is in response to your letter of March 22, 1979 asking for my support of your proposed bill to place a six month time limit on the negotiability of SSI checks.

States long have been concerned about the tie-up of State funds that results from the current policy of permanent negotiability. A committee of State welfare representatives is right now trying to get together the amount of State funds that are involved. Using your figures, I estimate that Pennsylvania, at any given time, has $250,000 in SSA's escrow amount.

Aside from the money factor, I tend to agree with you that unlimited negotiability for SSI checks is not sound administrative procedure. SSI is a needs program and rapid use of the payment is a normal expectation. Cashing delays are indicative of a problem in the case that should be explored.

For the above reasons, I shall be glad to ask our Senators Heinz and Schweiker to support your bill and possibly join as co-sponsors of the legislation.

Thank you for sharing your proposal with me.

Sincerely

HELEN ANNON.

AGENCY OF HUMAN SERVICES,
Montpelier, Vt. April 12, 1979.

JOHN H. CHAFEE,
U.S. Senator,
Committee on Finance,
Washington, D.C.

DEAR SENATOR CHAFEE: I have reviewed with my staff your bill pertaining to the negotiability of supplemental security income checks. Vermont is in favor of this bill for the reasons you have set forth and I will contact our Senators to support it.

Sincerely,

Sister ELIZABETH CANDON,
Secretary.

DEPARTMENT OF SOCIAL
AND HEALTH SERVICES,
Olympia, Wash., March 30, 1979.

Hon. JOHN H. CHAFEE,
U.S. Senate, Committee on Finance,
Washington, D.C.

DEAR SENATOR CHAFEE: We are in full support of your proposed legislation to ensure that states are credited with unnegotiated Supplemental Security Income checks. We agree that the federal treasury should not withhold state supplementary payments for more than 180 days to cover these checks, let alone withhold 140,000 of these nationwide over a 24-month period.

We will urge our Congressional delegates to support your bill and join as cosponsors.

Sincerely,

GERALD J. THOMPSON,
Secretary.

APRIL 10, 1979.

Hon. WARREN G. MAGNUSON,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR MAGNUSON: Senator CHAFEE will be introducing legislation soon that will favorably affect states with federal administration of state supplementary payments to Supplemental Security Income (SSI). His bill would require the Federal Treasury to cancel SSI checks if they are not cashed or returned within six months. The Treasury would also provide a list of unnegotiated SSI checks to both the states and Social Security Administration (SSA) in order to determine why they are not being used.

The Treasury's present policy is to indefinitely withhold an equal amount of state supplementary payments to cover these checks. As of August, 1978, 204,000 SSI checks were outstanding nationwide for more than seven months; 140,000 of these were outstanding over a two-year period. In essence, the states are paying for SSA's failure to determine, in a timely manner, why these checks are not being cashed.

I urge your support of this legislation by joining as a co-sponsor of Senator Chafee's bill. It will make the SSI program more efficient and accurate by eliminating overpayment errors, identifying fraud cases, and putting state supplementary dollars to work for the client's well-being.

Sincerely,

GERALD J. THOMPSON,
Secretary.

● Mr. BUMPERS. Mr. President, I am pleased to join with the distinguished Senator from Rhode Island today in introducing legislation which will return to the States money which is rightfully theirs. This legislation will allow the States which supplement Federal supplemental security income checks to recover such funds from any unnegotiated checks after a 6-month period.

It is only fair that money which is furnished by the States for its citizens should be returned to the States if the money is not used by its citizens. In my home State of Arkansas there are approximately 714 recipients of SSI checks whose checks are supplemented monthly by the State of Arkansas. My State is a poor State and if such money is not used by SSI recipients the money could certainly be put to good use.

In this time of fiscal austerity when Federal funds and State revenue sharing are being cut and when State governments are having to fight inflation, any revenue will be well used by the States.

This legislation will not adversely affect the SSI recipient since it gives them plenty of time in which to cash the check and with its reporting provisions it will help to cut down on waste and abuse in the SSI system.●

By Mr. ARMSTRONG:

S.J. Res. 76. A joint resolution proposing an amendment to the Constitution of the United States which requires (except during fiscal years during which the United States is at war or during which suspension is approved) that the annual deficit of the United States be eliminated, which requires tax rates to be reduced to offset the effects of inflation, and which establishes a procedure for the approval of bills or joint resolutions effecting taxes; to the Committee on the Judiciary.

● Mr. ARMSTRONG. Mr. President, during past sessions, I have introduced balanced budget resolutions because I believe the Federal Government's intentional policy of deficit spending is the major cause of inflation.

Now, as the call for a constitutional convention and a balanced Federal budget gain momentum across the Nation, the crucial question facing Congress is not whether the budget should be balanced, but how to balance it. Several constitutional proposals now pending in the Senate would give Congress the choice of holding back spending until revenues catch up, or increasing revenues to meet spending.

For decades, the American taxpayer has paid the consequences of excessive Government spending; it is time that policy is changed. Instead of balancing the budget on the back of the taxpayers by increasing taxes, our effort should be to match revenues and expenditures by reducing Government spending.

To that end, I am introducing a proposal which was first suggested by the distinguished Representative JOHN ROUSSELOT on March 22, 1979. Aside from requiring a balanced Federal budget, this amendment also requires tax rate reductions to offset the effects of inflation and requires a supermajority in both Houses to increase taxes. By making it more difficult, but not impossible, for Congress to increase taxes, this amendment reduces the temptation for Congress to spend beyond its means.

Specifically, this amendment:

Requires a balanced Federal budget except when the Nation is at war or when the amendment is suspended by a three-fifths vote in both Houses and signed by the President, or, if not signed by the President, a vote of two-thirds of both Houses.

Reduces the rates of taxes, duties, imports, and excises to offset the effects of inflation.

Establishes a procedure whereby any bill or joint resolution having the effect of increasing taxes must be approved by a three-fifths vote of both Houses and signed by the President, or, if not signed by the President, a two-thirds vote in both Houses.

Requires a majority vote in both Houses and the President's signature to reduce taxes, or, failing the President's signature, a two-thirds vote in both Houses.

Mr. President, this is the second constitutional budget amendment that I have introduced in this session. On January 15 of this year, I introduced Senate Joint Resolution 7 which states that Congress shall not make appropriations in excess of revenues. In short, that amendment instructs Congress to balance the budget and eliminate the Federal debt.

The amendment I am offering today complements Senate Joint Resolution 7 by specifying the method of balancing the budget most beneficial to the taxpayers. By balancing the budget in this way, we are telling the American people that tax cuts do far more to promote economic growth than spending increases and tax increases. This is an approach which is worthy of study and serious consideration by the Senate.●

By Mr. STEVENSON (for himself, Mr. CANNON, Mr. SCHMITT, Mr. CHILES, Mr. COCHRAN, Mr. DOMENICI, Mr. GARN, Mr. GLENN, Mr. GOLDWATER, Mr. HEFLIN, Mr. INOUYE, Mr. JOHNSTON, Mr. MAGNUSON, Mr. RANDOLPH, Mr. RIEGLE, Mr. SARBANES, Mr. WALLOP, Mr. WILLIAMS, Mr. YOUNG, and Mr. ZORINSKY):

S.J. Res. 77. A joint resolution congratulating the men and women of the Apollo program upon the 10th anniversary of the first manned landing on the Moon and requesting the President to proclaim the period of July 16 through 24, 1979, as "United States Space Observance"; to the Committee on the Judiciary.

U.S. SPACE OBSERVANCE

● Mr. STEVENSON. Mr. President, on behalf of myself and Senators CANNON, SCHMITT, CHILES, COCHRAN, STEVENS, DOMENICI, GARN, GLENN, GOLDWATER, HAYAKAWA, HEFLIN, INOUYE, CRANSTON, JOHNSTON, MAGNUSON, RANDOLPH, HATFIELD, RIEGLE, SARBANES, WALLOP, WILLIAMS, YOUNG, and ZORINSKY, I introduce a joint resolution congratulating the men and women of the Apollo program upon the tenth anniversary of the first manned landing on the Moon and requesting the President to proclaim the period of July 16–24, 1979, as "United States Space Observance."

Americans recall with great pride our successful voyage to the Moon and safe return to Earth. For the first time, a human left the confines of the Earth's surface and walked on another celestial body. This moment will remain a dividing line in recorded history, and this country will be remembered always as the first pioneers to challenge successfully the frontiers of space.

Astronauts Neil Armstrong, Edwin Aldrin, and Michael Collins were aboard Apollo XI for this historic flight. Other astronauts, including the Senator from New Mexico (Mr. SCHMITT), were to follow in their footsteps. But the real triumph of Apollo was the unprecedented teamwork of scientists and engineers from Government, industry, and the academic community. President Kennedy set the goal of landing men on the Moon and returning them safely to Earth before the end of the decade. And the Nation responded.

In this period of uncertainty and self-doubt, we would do well to recall this Nation's capacity to achieve large goals. And we should also recognize that nations rise and fall according to their willingness to accept specific challenges of their time. The author, James Michener, said it well earlier this year in testimony before the Subcommittee on Science, Technology, and Space:

> We risk peril if we kill off this spirit of

adventure, for we cannot predict how and in what seemingly unrelated fields it will manifest itself. A nation which loses its forward thrusts is in danger, and one of the most effective ways to retain that thrust is to keep exploring possibilities. The sense of exploration is intimately bound up with human resolve, and for a nation to believe that it is still committed to forward motion is to ensure its continuance.

We, as a nation, accepted the challenge of Apollo, and we prevailed. Now, one decade later, it is appropriate to congratulate those fellow Americans who executed this assignment. I invite other Senators to join as cosponsors of the joint resolution, and I urge its speedy approval.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 77

Whereas the decision by this nation to land men on the moon and return them safely to Earth was a bold decision unlike any other; and

Whereas the success of the Apollo Program, America's manned missions to the Moon, represented an unparalleled triumph of this country's scientific and technological genius; and

Whereas the vitality of the partnership between American industry, government, and universities was demonstrated by the Apollo missions and their pioneering predecessors, Mercury and Gemini; and

Whereas the steadfast courage of the Apollo astronauts recalls the heroic spirit of earlier Americans and serves as models for skill and bravery in the future; and

Whereas the openness and peaceful nature of Apollo underscores the freedoms and desire for peace so characteristic of American society; and

Whereas the vision of planet Earth, floating in a sea of vast darkness as photographed by the men aboard the Apollo spacecraft, has altered forever our view of ourselves and of our fragile world; and

Whereas the National Aeronautics and Space Administration and other organizations throughout the world involved in space exploration have cooperated in the cause of peaceful exploration of space for the benefit of all mankind; and

Whereas in the week of July 16 through 24, 1969, the people of the world were brought closer together by the first manned exploration of the Moon: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That Congress upon the tenth anniversary of the first manned landing on the moon congratulates the men and women who made Apollo possible; and be it further

Resolved, That the President is authorized and requested to issue a proclamation designating the period of July 16 through 24, 1979, as "United States Space Observance," and calling upon the people of the United States to observe such period with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 91

At the request of Mr. Thurmond, the Senator from Colorado (Mr. Armstrong) was added as a cosponsor of S. 91, to amend title 10, United States Code, to remove certain inequities in the survivor benefit plan provided for under such title, and for other purposes.

S. 92

At the request of Mr. Thurmond, the Senator from Texas (Mr. Tower) and the Senator from Colorado (Mr. Hart) were added as cosponsors of S. 92, to amend the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 219

At the request of Mr. Moynihan, the Senator from New Hampshire (Mr. Humphrey) was added as a cosponsor of S. 219, a bill to amend the Internal Revenue Code of 1954 to allow the charitable deduction to taxpayers whether or not they itemize their personal deductions.

S. 246

At the request of Mr. Bentsen, the Senator from Montana (Mr. Baucus) was added as a cosponsor of S. 246, a bill to amend the Internal Revenue Code of 1954 to encourage greater individual savings.

S. 446

At the request of Mr. Williams, the Senator from Maryland (Mr. Mathias) was added as a cosponsor of S. 446, the Equal Employment Opportunity for the Handicapped Act of 1979.

S. 669

At the request of Mr. Morgan, the Senator from Pennsylvania (Mr. Heinz) and the Senator from New Hampshire (Mr. Humphrey) were added as cosponsors of S. 669, a bill to provide for the exclusion of industrially funded personnel in computing the total number of civilian personnel authorized by law for the Department of Defense in any fiscal year.

S. 670

At the request of Mr. Leahy, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor to S. 670, a bill to amend the Rural Development Act of 1972.

S. 801

At the request of Mr. Moynihan, his name was removed as a cosponsor of S. 801, a bill to increase the tax on cigarettes.

S. 851

At the request of Mr. Bumpers, the Senator from Indiana (Mr. Lugar), the Senator from Nebraska (Mr. Zorinsky), the Senator from North Carolina (Mr. Helms), the Senator from North Dakota (Mr. Young), the Senator from Tennessee (Mr. Baker), and the Senator from Montana (Mr. Baucus) were added as cosponsors of S. 851, a bill to amend section 44C of the Internal Revenue Code of 1954.

S. 882

At the request of Mr. Wallop, the Senator from Texas (Mr. Tower) was added as a cosponsor of S. 882, a bill to amend paragraph 5 of section 613A(c) of the Internal Revenue Code of 1954.

S. 892

At the request of Mr. Leahy, the Senator from Pennsylvania (Mr. Heinz) was added as a cosponsor of S. 892, a bill to extend the authorization of appropriations for carrying out rural development research, small farm research, and small farm extension programs.

S. 955

At the request of Mr. Leahy, the Senator from Alabama (Mr. Stewart) was added as a cosponsor of S. 955, a bill to provide for the safeguards of taxpayer rights, and for other purposes.

S. 987

At the request of Mr. Leahy, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of S. 987, a bill to amend the Internal Revenue Code of 1954 to clarify the treatment of certain individuals engaged in the harvesting of timber for purposes of employment taxes.

S. 1050

At the request of Mr. Roth, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 1050, a bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a credit for amounts paid as tuition and fees to provide a higher education for himself, his spouse, or his dependents.

S. 1051

At the request of Mr. Roth, the Senator from New York (Mr. Moynihan) was added as a cosponsor of S. 1051, a bill to amend the Internal Revenue Code of 1954 to provide a Federal income tax credit for certain educational expenses.

S. 1081

At the request of Mr. Cohen, the Senator from Rhode Island (Mr. Chafee) was added as a cosponsor of S. 1081, a bill to terminate the authorization for the Dickey-Lincoln project on the St. John River, Maine.

S. 1096

At the request of Mr. Stevens, the Senator from West Virginia (Mr. Randolph) was added as a cosponsor of S. 1096, a bill to provide for an extension of section 3626(a) relating to reduced rates.

SENATE RESOLUTION 98

At the request of Mr. Bentsen, the Senator from Wisconsin (Mr. Proxmire) was added as a cosponsor of Senate Resolution 98, in opposition to the President's proposed standby gasoline rationing plan.

SENATE RESOLUTION 151

At the request of Mr. Stevens, the Senator from Kansas (Mr. Dole), the Senator from Wyoming (Mr. Wallop), the Senator from New Mexico (Mr. Domenici), the Senator from New Mexico (Mr. Schmitt), and the Senator from Florida (Mr. Chiles) were added as cosponsors of Senate Resolution 151, to express the sense of the Senate regarding the meaning of "severe energy supply interruption" to permit the implementation of standby gasoline rationing.

SENATE CONCURRENT RESOLUTION 24

At the request of Mr. DeConcini, the Senator from Nebraska (Mr. Exon) was added as a cosponsor of Senate Concurrent Resolution 24, expressing the sense of the Congress on the nonenforcement of sanctions against Zimbabwe-Rhodesia.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF STATE AUTHORIZATIONS, 1980 AND 1981—S. 586

AMENDMENT NO. 192

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR., submitted an amendment intended to be proposed by him to the committee substitute amendment to S. 586, a bill to authorize appropriations for the Department of State, International Communication Agency, and Board for International Broadcasting for fiscal years 1980 and 1981, and a supplemental authorization for State for fiscal year 1979, and for other purposes.

AMENDMENT NO. 193

(Ordered to be printed and to lie on the table.)

Mr. HARRY F. BYRD, JR. (for himself and Mr. HELMS) submitted an amendment intended to be proposed by them, jointly, to the committee substitute amendment to S. 586, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON ENERGY REGULATION

● Mr. JACKSON. Mr. President, on Monday, May 21, 1979, the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources will hold a hearing on the supply situation on diesel fuel, gasoline, and heating oil. This hearing will commence at 9:30 a.m. in room 3110 of the Dirksen Senate Office Building.

The purpose of this hearing is to provide the committee an opportunity to review the current supply situation, both nationally and regionally, and to learn what the projections are for the availability of petroleum fuels this summer and next winter.

Questions about this hearing should be directed to Benjamin S. Cooper or James T. Bruce of the subcommittee staff at 224-9894.●

SUBCOMMITTEE ON PARKS, RECREATION AND RENEWABLE RESOURCES

● Mr. BUMPERS. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of two public field hearings before the Parks, Recreation and Renewable Resources Subcommittee of the Senate Energy and Natural Resources Committee.

The hearings are scheduled for: May 21, 1979 at 9 a.m. Elks Lodge, Salmon, Idaho; May 24, 1979 at 9 a.m. City Hall, City Council Chamber, Boise, Idaho.

Testimony is invited regarding S. 95, S. 96, and S. 97, bills to designate the River of No Return Wilderness, Idaho.

For further information regarding the hearings you may wish to contact Deborah Merrick of the subcommittee staff on extension 47150. Those who wish to submit a written statement for the hearing record should write to the Parks, Recreation and Renewable Resources Subcommittee, room 3106 Dirksen Senate Office Building, Washington, D.C. 20510.●

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

● Mr. MATHIAS. Mr. President, I would like to announce that the Subcommittee on Governmental Efficiency and the District of Columbia will hold oversight hearings May 15 and 16, at 9:30 a.m. both days, in room 6226 of the Dirksen Senate Office Buildnig. The subject of the hearings will be administration policies on relocation of Federal office space.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON COMMUNICATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Communications Subcommittee of the Commerce, Science, and Transportation Committee be authorized to meet during the sessions of the Senate today and Thursday, May 10, 1979, to hold hearings on S. 611 and S. 622 the Communication Act amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

IN HONOR OF PEACE

● Mr. MOYNIHAN. Mr. President, the signing of the peace treaty between Egypt and Israel has opened the way for peaceful development in both those countries. It could not be more fitting that one of the first undertakings of this new period will be a joint American-Israeli venture, the construction of a 6-mile highway between Jerusalem and Beit Shemesh, in the Judean Hills, to be named the Hubert H. Humphrey Parkway.

This project is being sponsored by the Jewish National Fund under the leadership of a man whom I hold in the highest esteem, Mr. Paul Zuckerman. Mr. Zuckerman has distinguished himself as a leader in his own community, Detroit; in Jewish affairs—among other things, he is past general chairman and president of the United Jewish Appeal; in the interreligious affairs—he has been named as knight of charity by the Vatican; and as a patron of the arts.

Mr. President, I am persuaded that the construction of this parkway provides both Americans and Israelis with a remarkable opportunity to celebrate the beginnings of peace in the Middle East, and I therefore have agreed to serve as a cosponsor of the project. I ask that a recent speech by Mr. Zuckerman describing this undertaking, delivered at a conference of the Jewish National Fund, be printed in the RECORD.

The speech follows:

IN HONOR OF PEACE

(By Paul Zuckerman)

Madame Chairlady, Ladies and Gentlemen:

I have accepted the Chairmanship of the Hubert H. Humphrey Parkway in the American Bicentennial Park, because what could be more fitting—at this moment in history—than to honor the man who perhaps more than anyone else, dedicated himself to peace throughout his life and throughout the world.

Today, Israel is on the verge of something new. A new outlook. A new philosophy. A new approach in this beloved nation so dear to our hearts.

And as Americans, we sense a special pride. For after years of Israel's suffering * * * anguishing * * * dreaming * * * and praying, it was our American nation that helped bring the process of peace to a reality.

What a significant venture—what a beautiful gesture—for us to create a living, growing tribute in Israel to the one American, above anyone else, whose heart would be full of pride and hope with the signing of this peace treaty * * * my friend, the late Senator Hubert H. Humphrey.

What we sought was not a memorial . . . not a monument . . . not another building . . . but a living tribute to this man, this great humanitarian, who saw in the people of Israel the same dreams and the same qualities of idealism and compassion which he so loved in America.

"Israel will be a blessed land when she can achieve peace with her neighbors," Humphrey once said to me.

His dream is our dream. Two nations. Two people. With a common heritage. And common bonds.

"How wonderful it is to see the red, white and blue flag and the 50 stars of the United States of America fly in the Judean Hills," Humphrey said when he visited Israel. "And see next to it the flag of Israel with the star of David."

Two stars dedicated to humanity. Two flags of freedom. Two symbols of peace.

The Humphrey Parkway will be a six-mile highway running through the American Bicentennial Park—which itself commemorates the Israeli people's deep feelings for the 200th Anniversary of our American freedom.

The Highway will be a desperately-needed artery stretching through mountain ridges and rocky slopes, serving to link Israel's coastal plain and mountainous settlements which lack access to Jerusalem.

The importance of this development cannot be underestimated, for with a peace treaty with Egypt, reclamation of Israel's land will be a key to economic development.

Indeed, to underscore this importance, we are going to make the Humphery Parkway a joint American-Israel venture . . . reclaiming a vital stretch of Israel from the Biblical town of Beit Shemesh to modern-day Jerusalem.

But more than that, the Humphrey Parkway will be a place for families and children to play and relax and contemplate nature . . . re-creating the cycles of life, of rain and dew, of wind and sun, of forests, and playgrounds, and camping areas, and sports facilities. This is what this beleagured people have missed in life: a chance to relax and enjoy the bounties of their great land.

And the Humphrey Parkway is a beautiful place. But it will also mean a new life for towns first settled a generation ago—but never fully developed—with no major roads connecting them to Israel's industrial heartland.

Little villages like Nes Harim and Bar Giora, inhabited by refugees from North African and Asian countries, fought for their right to live in freedom and dignity a generation ago. The prospect of the Humphrey Parkway is already exciting these people. They are beginning to spruce up their villages, their streets, their community centers, showing new pride in their future.

"Peace will come to those who earn it—who work for it—and who sacrifice for it," Humphrey used to say. And that same lesson applies to the Humphrey Parkway. It will only come to pass if we make it real. If we reach out to those we have never touched before, and talk to those we have never spoken to before.

Some of you may know that I had a special relationship with that great lady, our beloved Golda. She spent some of the happiest days of her life last summer recuperating from an operation at my home in Caesarea. She once said:

"Trying to explain the tiny blue box of the Jewish National Fund is like trying to explain what we have done in Israel. They go together. They represent vision."

That's what the Humphrey Parkway also represents: vision.

My friends, I dream that the Humphrey Parkway will become part of the daily life of the people of Israel. I want people to talk about the Humphrey Parkway the way they refer to Ben Gurion Airport, or the Israel Museum.

I want Jews and non-Jews alike to say: "Let's go out to the Humphrey Parkway for the day, where families can sit and enjoy the splendid view of the Judean Hills, where children run carefree in forests that only a generation ago were barren...

... A Humphrey Parkway in the American Bicentennial that will become a part of the daily life of Israel: a vision, a link, a bond between two nations, two people.

A hope for a peaceful life. Hubert H. Humphrey would be pleased!

Thank you.●

THE IMPACT OF THE DEPARTMENT OF TRANSPORTATION'S PROPOSED ELIMINATION OF AMTRAK'S "MONTREALER" SERVICE ON SMALL BUSINESS IN NEW ENGLAND

● Mr. WEICKER. Mr. President, on January 31, 1979, Secretary of Transportation Brock Adams submitted to Congress the final recommendations of the Department of Transportation (DOT) for a restructured intercity rail passenger system. DOT's recommendations, which were mandated by the Amtrak Improvements Act of 1978, called for the elimination of 12,000 miles, or 43 percent, of the present rail services. Among the routes included on the list of proposed cuts was the Montrealer, which provides service between Washington, D.C. and Montreal via the inland route through Connecticut, central Massachusetts, and Vermont.

The Montrealer provides the only passenger service to many rural communities in the New England region, thereby establishing an essential link to large metropolitan and industrial areas. The elimination of this route has caused widespread reaction in this region, which relies heavily on the tourist industry and other small businesses to sustain its economy. The residents of the region are concerned that without the alternative of rail services, coupled with inevitable restrictions on automobile use, tourist and service-oriented businesses will disproportionately suffer.

The Amtrak Improvements Act directed DOT to recommend "an optimal intercity railroad passenger service." Congress, in this act, emphasized the importance of public input into DOT's restructuring process. Accordingly, prior to making its final recommendations, DOT held over 50 public hearings around the country. However, there were no hearings held in Vermont, New Hampshire, western Massachusetts, or Connecticut. Thus, the region primarily affected by the termination of the Montrealer was not afforded the opportunity to express their views and needs prior to the elimination of the route.

In response to the proposal to eliminate the Montrealer, the Senators from New England wrote Secretary Adams to ascertain the criteria used by DOT in making its recommendation. Mr. Adams replied that:

> The final decisions were predicated primarily on the quantitative ridership and cost economics of the various components of the system.

Mr. President, I believe public input into this decision is important. Accordingly, on Friday, May 11, I will attend a hearing in Burlington, Vt., to be held by the Select Committee on Small Business. The committee will ask various witnesses to evaluate the impact of the proposed elimination of the Montrealer on New England's economy, which is dominated by small business. Over 90 percent of businesses in the affected New England States employ less than 50 people. These hearings are particularly important because they will give Congress a better understanding of the impact of DOT's proposed action. Formulas and statistics alone will not tell the whole story.

The committee will focus on three areas during the course of the hearing. They are: Whether DOT adhered to its statutory mandate in making its proposal, the impact of the proposed elimination on the tourist industry, and energy considerations.

THE STATUTORY FRAMEWORK

Section 4(a) of the Amtrak Improvements Act of 1978 directs the Secretary of Transportation, in cooperation with Amtrak, to immediately develop preliminary recommendations for an Amtrak route structure to provide "an optimal intercity railroad passenger system."

These recommendations are mandated to be based on current and future markets and population requirements. In developing these recommendations, the Secretary is directed to consider:

First. Any unique advantages of rail service as compared to other modes of transportation;

Second. The energy conservation aspects of rail passenger service;

Third. The relationship between the benefits and cost of providing such service, computing the costs in loss or profit per passenger mile rather than total loss or profit per route;

Fourth. The transportation needs of areas lacking adequate alternative forms of transportation;

Fifth. The impact of service frequency alternatives on ridership, revenues, and expenses.

Pursuant to the act, DOT was required to measure a train's performance in terms of passenger miles per train miles (PM/TM) and loss per passenger mile (AL/PM). In developing its final recommendations for a restructured route system, DOT used fiscal year 1977 performance figures. In fiscal year 1977, the Montrealer ranked 8th of 18 long-distance trains based on PM/TM figures and 13th in AL/PM. It had better performance figures than many routes which have been recommended to be retained. According to fiscal year 1978 figures, the Montrealer did even better. Thus, based on DOT's own figures, it would seem that there are routes which should have been eliminated before the Montrealer. Apparently, criteria different than that mandated by the Amtrak Improvements Act were used by DOT in making its recommendation.

Nowhere does Congress mandate a system which meets certain cost requirements. DOT and OMB appear to have designed the rail system proposal based on an arbitrary budget restraint of $552 million in operating subsidies. I will seek to determine whether the Montrealer has been eliminated on the basis of the criteria of the Amtrak Improvements Act or as a result of an arbitrary budget limitation.

CONSIDERATION OF IMPACT ON TOURIST INDUSTRY

In addition to the criteria set forth in the Amtrak Improvements Act, the House and Senate conferees stressed in their report the importance of tourism and the impact of rail passenger service on the tourist industry and on States which rely on tourism for economic growth. The conferees instructed that "in areas where alternate modes of transportation are lacking, the relative importance of rail passenger transportation to tourism should be weighed heavily in the Secretary's final recommendation."

According to a study prepared by an economist at the University of Vermont, 14 percent of all jobs in Vermont are travel related. In 1976, there were approximately 14,440 people employed in food related services, 4,300 people worked in the lodging industry, 2,300 people were employed in recreation and entertainment, nearly 1,500 people had transportation related jobs and over 1,000 people were employed in retail jobs related to the travel industry. The State of Vermont collected $66 million in travel generated taxes in 1976. Clearly tourism plays a key role in the Vermont economy.

DOT, in making its recommendation to eliminate the Montrealer did not mention what impact its proposal would have on the tourist industry in the affected areas. Indeed, in light of the fact that no hearings were held in New England, it would be impossible for DOT to make an assessment of this impact. The committee will look closely at this question.

ENERGY CONSIDERATIONS

In recent months, our Nation has witnessed several disturbing and confusing energy related events; the ongoing political problems in Iran that has significantly reduced the world's oil production; the allocation of gasoline by major oil companies; and the reemergence of long lines of cars waiting at gas stations, which threatens to result in mandatory gas rationing.

I have long advocated the adoption of mandatory energy conservation measures. Simply put, there is no solution to our Nation's energy crisis that will not require sacrifice. We must reduce gasoline consumption and stop wasting energy.

In light of this situation, the Federal Government must remove its bias toward highways and individual transportation and look instead to mass transportation alternatives to meet our intercity passenger needs. Intercity rail passenger traffic presents a viable alternative mode of transportation. At high capacity levels, trains have been estimated to be as much as three times more fuel efficient than cars or airplanes.

It does not make sense to make massive, indiscriminate, cutbacks in Amtrak service at a time when our Nation must change the focus of transportation methods to means of mass transportation. Trains are capable of moving more people and cargo with a lower fuel expenditure than any other transportation alternative.

Accordingly, a critical inquiry must be made into the actual and potential fuel efficiency of the Montrealer as compared to other existing transportation means available to those persons served by the route.

CONCLUSION

Mr. President, the Montrealer is only one part of a larger problem facing this Congress. It has become quite evident that our Nation's energy supplies are no longer unlimited. Thus, we must find ways to conserve energy, and a key element in the conservation of energy is going to be the development of efficient ways to move people. A restructured intercity rail passenger system is essential in this regard.

However, our decision in building a new system must be an informed one. The DOT's proposal to eliminate the Montrealer is clearly not one based on a well developed record. Such a record will be developed at the hearing to be held by the Small Business Committee. I will make sure that the Senate is aware of the testimony given at the hearing so that, unlike that of DOT, our decision will be a well reasoned, informed one.●

PRESIDENT CARTER ADDRESSES THE NATIONAL ACADEMY OF SCIENCES

● Mr. STEVENSON. Mr. President, President Carter recently addressed the members of the National Academy of Sciences during their annual meeting in Washington. In his address the President restated the administration's commitment to support of basic scientific research as an essential component in sustaining our technological leadership in a highly competitive and interdependent world economy. The President also emphasized that—

> The value of basic research is even higher and deeper than meeting payrolls and spawning new industries. The fundamental concern of basic research is the discovery of truth about the natural universe. The search for truth is a central part of what it means to be human.

I have urged a more vigorous administration effort in certain scientific and technological areas, such as space applications and space science. However, we should also recognize that President Carter has personally directed a renewed effort to strengthen this country's basic scientific research programs within both the Government and the university community. I congratulate the President on his initiative, and I urge Congress to support the President's budget recommendations in science and technology.

The President should also be commended for his frequent efforts to speak out in behalf of science and technology. His special message to Congress was a coherent and balanced exposition of the administration's science and technology policy. My hope is that this presidential message can become an annual statement delivered in conjunction with the annual science and technology report mandated by the Science and Technology Policy Act.

The President's efforts in behalf of science and technology have been effectively supported by Dr. Frank Press, Director of the Office of Science and Technology Policy, and the OSTP staff. Often these day-to-day support activities go unnoticed and unrewarded. Dr. Press and his staff have worked diligently to achieve the goals discussed by the President in his special message and in his address to the National Academy. They, too, are to be congratulated.

Mr. President, I ask that the full text of President Carter's address to the National Academy of Sciences be printed in the RECORD.

The address follows:

REMARKS OF THE PRESIDENT AT THE ANNUAL MEETING OF THE NATIONAL ACADEMY OF SCIENCES

President Handler, distinguished members of the National Academy of Sciences, guests who are equally distinguished in your own field of work, I am indeed pleased to be here.

I know that election to the National Academy is the highest honor that can be paid to a scientist or an engineer in the United States, and I again congratulate all of you.

I understand that in the Soviet Union when someone is chosen to their National Academy of Sciences, his or her salary immediately doubles—(laughter)—and a chauffered car is made available for use. I understand there is a slight difference in our own country. (Laughter) You immediately get a bill for membership dues, and you are pledged voluntarily to give advice to your government free of charge. (Laughter) And I thank you for that.

I am honored to address this distinguished convocation and to join with you in commemorating the one hundredth anniversary of the birth of Albert Einstein.

The National Academy of Sciences was already a thriving institution when Albert Einstein was born. In 1942, soon after taking out American citizenship, Dr. Einstein was elected to this Academy, becoming at once its newest and perhaps its most eminent member. His coming to the United States was matter of carefully-considered choice. In this respect he was like many thousands of scientists from all over the world—drawn to this country by an atmosphere of intellectual freedom, adventure and hospitality for the pursuit of scientific truth.

That atmosphere has invigorated American life from our nation's beginnings. Scientists-statesmen such as Benjamin Franklin and Thomas Jefferson were among the authors of our own national independence. Their influence helped establish the young American republic as a place where scientific endeavor was not only encouraged but was honored.

We have never deviated from that commitment. And it is significant, I believe, that the Congress and President Lincoln chartered this National Academy of Sciences at the height of our gravest national crisis. In so doing, they demonstrated a deep understanding of the importance of science to the very survival of our Nation.

There is little that we can predict with certainty. But we can be very sure that whatever the future holds, we will be better prepared for it if we pursue a strong national program of support for science and technology. That is why even in this time of budgetary restraint, I have remained firmly committed to such a program.

Scientific enterprise will be a key to our future strength, but we in this room can't take this for granted. In this centennial year, it is well to remember that faith in the future was a notable quality of Albert Einstein. Only an optimist could have undertaken the incredibly ambitious task that Dr. Einstein set for himself: The discovery and the explication of the underlying order of the universe.

Throughout his life, Dr. Einstein sought not only to discover order in the natural world, but also to promote order in the human world.

Einstein the humanitarian has much to teach us, as does Einstein the physicist. He saw the pursuit of science as good in itself; but he also saw that the uses of science are only as good—or as bad—as the moral and political choices that determine those uses. In his own words, and I quote, "Concern for man himself and his fate must always form the chief interest of all technical endeavors—in order that the creation of our minds shall be a blessing and not a curse."

The tree of science is always beautiful, but its fruits can be bitter as well as sweet. Our task is to nourish the tree of science and to attempt as best we can to harvest the fruits that are sweet. And that task must be shared by all of us—scientists, engineers, industrial leaders, educators, and public officials alike.

I hope that science and technology in the United States will continue to be shaped by Einstein's vision of knowledge that keeps the good of human beings always at the forefront.

It is in that context that I want to share with you briefly some ideas and observations about basic research, about a strategy for energy technology; about industrial innovation; about scientific cooperation among nations; and about the role of science in helping to control its own most fearsome offspring, nuclear weapons. I will be very brief.

The last President to address a convocation of the National Academy of Sciences, John F. Kennedy, spoke of basic research in these words: "We realize now," he said, "that progress in technology depends on progress in theory; that the most abstract investigations can lead to the most concrete results; and that the vitality of a scientific community springs from its passion to answer science's most fundamental questions."

One month to the day after President Kennedy spoke those words, he was stricken down by an assassin's bullet and then began a long period of political trauma in our country. But in many ways, those following years were exciting ones in science and technology—years of breakthrough discoveries in molecular biology, particle physics and many other fields, and of technological progress epitomized by the triumphant landing of men on the moon. Yet for scientists, as for so many of the rest of us in politics and other fields, they were also difficult years. American science found itself beleaguered by two very different kinds of anti-intellectualism: on the one hand, by the romantic anti-rationalism of the counterculture and, on the other, by the veiled hostility of a national Administration that distrusted the academic and the scientific community.

The latter presented the most serious threat. Federal policy toward science became infected with a simplistic search for a simple fix. Research that seemed to promise a quick payoff was more amply funded, while support of basic research was allowed to decline.

The future of our scientific and technological primacy was put at risk.

I came to office determined to reverse that dangerous, short-sighted trend, and today I reaffirm to you my commitment to basic research—the bedrock of our scientific and technological future.

During the two years of my own Administration, I have proposed increases already of more than 25 percent in Federal funding of basic research. I have asked the Congress to support this increased funding in order to meet the long-term needs of our Nation.

I have also sought to strengthen basic research in the individual Federal agencies. Each agency has been asked to re-examine its own budget request to see how basic research commitments could be strengthened. And we have tried to resolve non-budgetary problems that have inhibited research in our universities—problems of unnecessary government regulation and excessive bureaucratic paper shuffling.

Economists estimate that advances in knowledge have accounted for three quarters of our own country's economic growth in this century. By itself, that is a decisive reason for us to support the basic research that undergirds our technological might. But the value of basic research is even higher and deeper than meeting payrolls and spawning new industries.

The fundamental concern of basic research is the discovery of truth about the natural universe. The search for truth is a central part of what it means to be human.

No issue illuminates our Nation's practical need for science and technology more than the energy problem.

Oil remains by far the most important energy source, and we are in the painful situation of relying on a greedy and unreliable foreign cartel for nearly half the oil we use in this country. As that onrushing river of foreign oil flows into our country, a river of American money flows out, threatening the health of our economy, the stability of our currency, and even the security of our Nation.

Science and technology can change that—but only if we commit ourselves to a national strategy of developing energy alternatives. We have such a strategy—one that will enable us to move away from imported oil and increasingly move toward non-fossil fuels—and I am determined that we will pursue it.

Over the next decade or so, we must rely mostly on existing technologies, but we will pave the way for future progress by fostering conservation, domestic production of oil and gas, greater use of coal, the safety of nuclear plants, and the use of solar power.

From about 1990 through the second decade of the next century, we will pass through a dramatic and sometimes bumpy period of transition. Conservation will be forced upon us, and the mix of our energy resources will change as we turn increasingly toward unconventional sources of fuel.

By the second quarter of the 21st Century, we will have learned to rely on cleaner, essentially inexhaustible sources of energy. The principal candidates include, of course, fusion and such solar technologies as photovoltaics.

We are preparing right now for these stages of our energy future. Our energy research and development is already larger in its program size than those of all our allies combined.

But we must do more. That is why I have proposed the creation of an Energy Security Fund to supplement our normal budget mechanisms. The revenues for this fund will come from a windfall tax on the unearned excess profits that would otherwise go to the oil companies because of the decontrol of oil prices—over and above needed incentives for exploration and production within our country.

The Energy Security Fund will provide relief to those least able to pay for more costly energy, and large sums will go to finance projects that are important to our energy future—including a regional petroleum reserve, better mass transit, coal and oil shale development, new incentives for solar techniques, and other basic and applied research projects with which many of you are already intimately acquainted.

The Energy Security Fund faces a difficult passage through Congress. But we are making progress because the public supports our proposals. Many of those who only a few weeks ago were dedicated to killing outright the windfall profits tax have now given up on that fight. But the battle is far from over. Their new strategy seems to be to try to hoodwink the American people by passing a windfall profits tax that is in fact a charade—a tax designed primarily to provide loopholes to the oil companies so they will get another $4 or $5 billion in addition to the $6 billion in increased revenues that they would get under decontrol with an honest windfall profits tax proposal passed.

They will try to pass this charade off on the American people as a so-called "plough back" provision. But it isn't a "plough back"; it is a "plough under" and a "kick back", and what is going to be plowed under is the Energy Security Fund with its aid to research and to the poor. And what is going to be kicked back to the oil companies is the money that would go to finance these absolutely necessary programs for the well-being of our country.

I ask for your support in the battle to pass an honest windfall profits tax to finance a real Energy Security Fund for our Nation in consonance with the program that will give greatly increased incentive and greatly increased profits for the oil companies to explore and to discover and to produce additional sources of domestic oil and natural gas.

And I also call on all of you in the scientific and engineering communities to fulfill the trust of the American people by creating the new energy technologies that are so vital to the future well-being of our country.

We need innovation on a broader scale as well, for new ideas in America are central not only to reducing our dependence on foreign oil, but also on our efforts to control inflation, to improve productivity of our workers, to protect the environment, and to ensure the prosperity of the American people.

We tend to think of the inventiveness of American industry as a kind of inevitable birthright, but complacency is the last thing we can afford.

Too many of our industries in this country have gone stale. Innovative industries in countries like Japan and West Germany put too many of ours to shame. Our competitiveness has begun to slip.

The American free enterprise system has always been vigorous enough and able enough and dedicated enough and well-supported enough to prevail. I have no doubt that it still retains those capabilities.

We must nurture an environment in which the new idea and the fresh approach are put to use.

The Federal Government bears a large share of this responsibility. We must change government practices that thwart innovation while enhancing government policies which encourage the development of new products and new processes.

Last year I directed the Secretary of Commerce to begin a major study of industrial innovation. That study, involving some 30 Federal departments and agencies and consultations with industry, labor and the universities and the public, will soon be completed. I look forward to reviewing the recommendations and to acting on them, hopefully with your help.

Many of you in this room today are leaders of American business and industry, and I call on you to emphasize innovation in the companies which you serve. Like Federal support of basic research, industrial development and investment in research, both basic and applied, in new products and new processes is a practical testament of faith in our own future.

Since Kepler's day and before, scientists have been perhaps the most international of all professions in their outlook. In our own time, the explosion of communications and technology has made international scientific communication both easier and more urgent than ever before.

Albert Einstein himself operated on what even then was a very modest budget. He needed little more than a few sharpened pencils and a quiet place to think. But as you know, the task of building upon his work can be much more expensive. Many of the key experiments yet to be done—in both basic and applied technology—are on a monumental scale.

Our choice in the years ahead will be between carrying out the few large projects we can afford on our own as Americans—or by doing many projects, perhaps even more effectively in cooperation with other nations.

We must continue to choose cooperation—for reasons that go beyond the considerable benefits of sharing the costs and sharing ideas.

With our traditional friends, scientific and technological cooperation can strengthen existing bonds. With others, who may not be quite so friendly, it can help to bridge political and ideological and cultural divisions.

One of the most important purposes of international cooperation in technology and science is to meet the developing needs of the poorer countries of the world.

The future of the advanced countries is increasingly tied up with that of the developing world. Yet, only about one percent of the world's civilian research and development is devoted directly to the problems of the poorer half of humanity—problems such as poverty, disease, hunger, education, and resource development.

We should be doing more.

A year ago, I proposed the creation of a new Institute for Scientific and Technological Cooperation—to mobilize the talents of the scientists and engineers in this country and in the developing world to address these critical problems. Instead of providing relief, we would aid the third world in building its own corps of development scientists and decision-makers. And we would join them in mutually beneficial projects in agriculture, medicine, industrialization and appropriate energy systems.

The Institute for Scientific and Technological Cooperation has been approved already by the House of Representatives and is now before the Senate for consideration. It needs your full support.

Let me turn now to the use and exploration in space where, as on earth, our purpose is human betterment—material, intellectual and spiritual.

In the coming era, we will reap a good return on the more than $100 billion the United States has invested in space. From platforms in space, we can indeed continue to improve our world.

Every year, satellites make new contributions in such areas as agriculture, environmental monitoring, land use, resource discovery, climatology and communications.

With the advent of the space shuttle, we will have an unmatchable ability to work in space. We will see a flowering of research and industrial activities in space, and we will make quantum jumps in international cooperation, advancing the causes of peace and human development.

Mankind's leap into space has changed human consciousness forever. The era of manned exploration of deep space is still well in the future, but our senses are already penetrating the outer reaches of the solar system and beyond. No one who has seen those breath-taking pictures of Jupiter and its moons sent back from Voyager I could fail to have been surprised and delighted by them.

We can expect many more such surprises, many more such delights, as we probe further into the universe and its mysteries.

And finally, let me say that of all the fruits of science, none is more bitter than nuclear weapons. And of all the responsibilities of nations, none is more urgent than the control of this most terrible menace to our lives and to our civilization.

All of us are thankful that the recent accident at Three Mile Island in Pennsylvania ended without harm to the public. That accident may even have served some positive purpose. It has, of course, led us to redouble our determination to improve the safety of nuclear power. Even more importantly, however, it has reminded us vividly of the dreadful consequences of nuclear war.

We have lived too long with nuclear weapons. We have grown too accustomed to their shadowy presence in our lives. We are too apt to forget what the ultimate horror would be: the instant death of millions and the slow and agonizing death of many millions more; the destruction of the cultural legacy of all mankind; the poisoning of air and soil and water for many dark generations to come.

In an all-out nuclear exchange, the victim would be nothing less than the past, the present and the future of our own human species.

When President Kennedy addressed this body 16 years ago, the Senate had just ratified the most significant step in nuclear arms control until that time: the atmospheric test ban treaty. The SALT II treaty, now nearing completion, is part of the same process—a long, slow progress on gradual steps toward sanity, based on mutual self-interest. And after SALT II, that process will continue with a comprehensive nuclear test ban and then with SALT III.

SALT II will reduce the risk of nuclear war by lowering levels of strategic arms, by containing development of new weapons systems, and by contributing to a more stable political interrelationship between ourselves and the people of the Soviet Union.

Many of the issues involved in assessing the treaty are very complex technically, and the American people will look to the scientific community to help shape an educated public debate.

Many of you devoted much effort to the debate over SALT I, and you played a major role in forming the consensus that developed to support that treaty. Today, I ask for a renewal of that commitment.

If science gave us nuclear weapons, it is no less true that science has given us the extraordinary means of verifying compliance with treaties to control those weapons. In the great SALT II debate which has already begun, the participation of scientists will indeed be crucial.

Albert Einstein also said these words, "The importance of securing international peace was recognized by the really great men of former generations. But the technical advances of our times have turned this ethical postulate into a matter of life and death for civilized mankind today, and made it a moral duty to take an active part in the solution of the problems of peace, a duty which no conscientious man can shirk."

These words were more prophetic than anyone could know, for they were spoken more than a decade before the explosion of the first atomic bomb. I urge you to heed them as we conclude SALT II— the next step towards nuclear arms control and a stronger and more sure worldwide peace.

Americans once had an unquestioning faith in science as a savior. We have grown more skeptical of science, as of so much else in our lives. But we still look to our scientists and to our engineers, our military researchers and to our doctors, to our inventors and to our thinkers, to improve our lives and to improve the lives of our children.

My concern for the state of American science and technology has made our present efforts a keystone in building a new and a more solid foundation for our common future. I look to the members of this academy, to the entire scientific and engineering community, to the Members of the Congress, and to the people of our country, to join these efforts through science for a greater America.

Thank you very much.●

SMALL BUSINESS AND CAPITAL FORMATION

● Mr. TOWER. Mr. President, I am very pleased to be able to bring to the attention of other Senators recent actions taken by the Securities and Exchange Commission to address a very important problem: The capital formation needs of small business. In view of the importance of small businesses to our economy—in terms of employment, innovation, technology, and diversity—encouragement of growth of such companies should be a priority of the Congress.

Capital formation problems encountered by small businesses have been of great concern to me for some time. "The Study of Small Business," a study prepared by the Small Business Administration Office of Advocacy as an outgrowth of legislation which I introduced in 1975, identified and proposed solutions to some of these problems, and the SEC has recently taken steps which conform to some of the recommendations made in that study.

Congress has long recognized that small businesses should not be subject to all of the obligations imposed by the securities laws upon more established companies. As a result, the Securities Act of 1933 has always provided some exemption for securities offerings by small companies.

The Securities Act originally contained a provision exempting from its requirement of full securities registration offerings of less than $100,000. The amount which may be exempted by the SEC has been periodically increased by Congress, most recently to $2 million as a result of legislation which I cosponsored last year. The SEC has implemented that exemption primarily through its "regulation A" which sets forth the rules to be followed by companies issuing securities in small offerings.

Recently, the SEC has taken a number of actions which recognize that a great deal can be done within the existing regulatory structure to encourage capital formation by small businesses, without jeopardizing the investor protections embodied in the securities laws.

The action with perhaps the most long-term significance is the establishment by the SEC of a new Office of Small Business Policy. That Office has been given responsibility to develop rules and regulations to facilitate capital formation by small businesses including the streamlining of registration and reporting provisions of the securities laws. Of course, the creation of this new Office will not in itself affect any regulatory burdens of small businesses, but this step indicates a willingness to listen and to respond to specific problems in a very responsible way. It is therefore incumbent upon small businesses, as well as advocates of small business, to provide the SEC with sufficient information upon which to make decisions about the best methods of relieving regulatory burdens which may exist. And the responsibility rests with Congress to assure that the SEC does the job well.

As a member of the Committee on Banking, Housing, and Urban Affairs, I intend to monitor the SEC's initiatives in this area, and I expect to observe substantial progress by the SEC in addressing the capital formation problems of the small business community.

As I have indicated, the creation of the Office of Small Business Policy is one in a series of steps recently taken. In view of the interest of other Senators in the welfare of small businesses, I would like to describe briefly other steps which have recently been taken by the SEC:

Implementation of the 1978 amendment increasing the "small offering" exemption: The SEC has raised to $1.5 million the amount which can be raised under regulation A without all of the requirements normally associated with the registration of securities.

Amendment of rule 144. This rule, which limits the ability of an investor who owns a "restricted" security to resell the security, was amended by increasing substantially the amount of securities which may be resold within prescribed time periods. Rule 144 is the primary manner in which an investor who provides the initial capital to a business in its formative stages can realize a profit selling the investment (and often reinvesting the proceeds in another emerging business).

The SEC's decision to ease the resale limitations should help to provide incentives for investors to invest venture capital, and the positive impact on capital formation by emerging businesses will thereby be enhanced. I would hope that, over time, these resale restrictions can be further liberalized.

Amendment to rule 146: Rule 146 contains requirements for an issuer making a "private offering"; consistent with the increase in the regulation A offering limit, this amendment, which applies to offerings up to $1.5 million, permits users of rule 146 to provide to investors information comparable to that required under regulation A, rather than the more extensive and cumbersome disclosure otherwise required.

Adoption of a new registration form: The SEC has just approved a new registration form—form S–18—which may be used by a company making its first public offering. This new form, which is available for offerings of up to $5 million, will enable issuers to make a public offering with somewhat simplified accounting and narrative disclosure and to prepare its first annual report in the same manner. Thereafter, complete annual reports comparable to those required of existing public companies will be necessary.

Mr. President, there is a great deal more that can be done to reduce the burdens on small businesses and to encourage their capital formation efforts. Nevertheless, the positive steps taken by the SEC are to be commended, and I am hopeful that they will help to enable emerging small businesses to utilize the capital markets more effectively.●

NEW JERSEY'S TWO SKATING CHAMPIONS

● Mr. WILLIAMS. Mr. President, I would like to call my colleagues' attention to the outstanding achievements of two of my young constituents. Elaine Zayak, of Farmingdale and Elisa Spitz of Short Hills have been thrilling audiences around the country with their exceptional figure skating.

Both girls have worked their way up through the ranks of hundreds of other young figure skaters to achieve distinction in the junior levels of skating. Winning competitions at the local, regional, sectional, national and finally world levels, these two young ladies have exhibited a degree of poise and ability which gives us all reason to be proud.

Elaine has captured the title of Junior World Champion and Elisa has won the silver medal for National Junior Dance Championships.

I am sure we will hear a great deal more about these two young ladies in the months and years ahead, and I would like to wish them both every success. I am most proud that New Jersey can boast two winners and am sure that they will continue to do an outstanding job representing our State.●

AMTRAK ROUTE RESTRUCTURING PLAN

● Mr. TOWER. Mr. President, the Department of Transportation's proposal to eliminate 43 percent of the present Amtrak system must be decided on by the Congress no later than May 23. Unless a resolution of disapproval passes both Houses, the DOT plan stands as proposed. I deeply regret the Commerce Committee's recent expression on this subject by voting not to report the disapproval resolution to the full Senate for consideration. I urge the committee to reconsider this vote and thus allow Senators the opportunity of deciding on this vital transportation issue.

As a cosponsor of the Senate resolution disapproving the DOT restructuring plan, I would like to reiterate my strongest opposition to this proposal. Fundamentally, the DOT plan is based on faulty economic premises which virtually ignore the findings contained in the Amtrak studies prepared by the General Accounting Office, Interstate Commerce Commission, and the Department of Transportation itself. The conclusions reached by DOT simply do not derive from the facts which the studies set out. To put it frankly, the proposal is akin to a doctor's recommending amputation of an unhealthy leg but then proceeding to cut off the wrong limb.

I am every bit as concerned as my colleagues about Amtrak's spiralling deficit. I am also quite concerned about the eroding quality of service which residents of Texas and other States have received in return for their tax dollars. No one can dispute the need to curtail unnecessary Federal expenditures wherever possible. I submit, however, that it is no less irresponsible to throw our money away on needless programs than it is to slash away blindly at programs whose elimination is based on fallacious reasoning. It is therefore necessary to ask why all this happened. Is Amtrak's deficit spiralling because it cannot work, or is it spiralling because it was not meant to work? The answer to this question strongly determines the course which must be taken regarding Amtrak.

Studies of the economic facts prepared by leading transportation economists in my own State have convinced me that Amtrak's deficit cannot be significantly reduced in the short term by eliminating long-haul routes. The most recent ICC report to the President, dated March 15, 1979, attests to this fact. Senators should note the DOT plan calls for a 43-percent cut in routes, but only an 8 percent cut in 1980 funding requirements. This evidence clearly indicates that DOT is not addressing the true source of Amtrak's costs. While DOT attacks that part of the system which presently carries only 21 percent of the passengers but which accounts for over 60 percent of the passenger-miles, it ignores most of the potential for savings in the Boston-Washington Northeast Corridor, where over 120 trains per day are operated with tremendous duplication of service. The Northeast Corridor accounts for 55 percent of Amtrak's total passengers, but only 23.7 percent of the systemwide passenger-miles and 31 percent of the revenues in fiscal year 1977. The budget for this region alone nearly equals that of the remaining 98 percent of the system, which accounts for a mere 27 percent of Amtrak's deficit. Regrettably, the prediction made by the late Joseph V. MacDonald, former Amtrak board member, that Amtrak's purchase of the corridor would inevitably result in a skyrocketing deficit, forcing Amtrak to scuttle the national system to keep afloat regional train service in the Northeast, has been borne out. Senators should be mindful of the fact that almost 70 percent of the total Amtrak budget is overhead, and that only 23 percent would be lost if the entire system except the corridor were obliterated. The DOT plan will not reduce the Amtrak debt in a prudent fashion, but rather will only redistribute about 77 percent of the more than $600 million allocated to overhead expenses. The resulting picture is distorted, of course, because this will cause the remaining routes to appear to be even worse performers next year.

The evidence contained in the GAO, ICC, and DOT studies points out that Amtrak's deficit can be significantly reduced without resorting to wholesale elimination of long-haul routes where the potential for profit is the greatest. Instead, there are several areas where productivity can be improved. There are three primary high-cost areas which can be safely pared back: The Northeast Corridor, maintenance and administrative and related costs. Unfortunately, the DOT proposal ignores these areas of concern and instead focuses its attention on a low-cost area, that of operating the trains on the national system. Consequently, the DOT recommendations would produce only a small reduction in cost through massive route cuts.

Beyond this, it is baffling to me that DOT would discontinue a large portion of this important element in our total transportation system in the face of coming gasoline shortages. Certainly, patronage of the Amtrak system has fallen short of expectation over the last 7 years. But if given the means to rehabilitate itself, Amtrak can prove to be a viable mode of transportation nationwide. In fact, one provision of the Amtrak Improvement Act of 1978 clearly states that in devising the best rail route system, DOT should consider the role that train passenger service can play in helping to meet our transportation needs while furthering national energy conservation efforts. I do not see that the DOT plan is consistent with this directive.

It is incumbent upon the Congress, if not DOT itself, to examine carefully the alternatives that have been submitted to correct Amtrak's economic problems before such precipitous and drastic action is taken pursuant to the DOT proposal. I would remind my colleagues that once eliminated, routes are not easily reestablished. We should address some of the obvious shortcomings of the system before abandoning it.

Specifically, Senators should note that incredible duplication of service exists in the Northeast Corridor. Of the 120 trains per day, many are commuter trains and often trains serving essentially the same stations operate on as little as a 10-minute headway. Elimination of duplications by operating one train per hour in the Corridor could help insure full trains all the time with a minimum of passenger inconvenience, while also freeing cars for service on the national system to boost long-haul revenues.

Regarding maintenance, the GAO states that equipment maintenance is Amtrak's largest single area of controllable costs, accounting for about one-fourth of the Amtrak budget. A large percentage of these costs is due to poor productivity, as continually stressed by GAO. Also, a large percentage of these costs are related to repair of older equipment which has obsolete steam heating and air conditioning systems. It is impossible to estimate passengers and revenues lost due to unreliable climate control systems on these cars.

Conversion of equipment would result in a decrease of about 25 percent of maintenance costs and an increase in revenues as the trains become more reliable, attractive, and marketable. However, Amtrak management has not pressed for additional capital to convert its equipment to more dependable systems. Failure to convert older cars only makes the national routes more unmarketable every day and further increases the deficit.

As pointed out in the ICC report to the President, Amtrak's payroll alone exceeded total revenues. To aggravate the situation, it is also true that a great number of the personnel are unfamiliar with the system's operations, local conditions, and demographics, and are generally unresponsive to sales opportunities in many areas.

It would therefore be recommended that Amtrak consider a major change in management direction, including a reduction in support personnel, developing a more effective, locally based advertising program, and a reassignment of personnel to field service positions which generate revenues.

Improper route structure continues to be one of Amtrak's most fundamental problems. In Texas, the third most populated State in the Nation, Amtrak trains avoid the most heavily traveled markets, utilize the longest and most circuitous routes possible, and bypass the major traffic corridors.

People in Texas do not ride the trains primarily because they cannot get where they need to go. But Amtrak refuses to address the Texas issue. Texas service could be realined to first, save $600 per day in Forth Worth switching costs, second, provide fast schedules and serve our citizens, third, establish the connection to Mexico, and fourth, highly viable, marketable, and ultimately profitable simply by solving the San Antonio station problems and repairing only 35 miles of track at the modest cost of $2 to $3 million.

It is curious that this sum is almost exactly the amount that Amtrak diverted from the congressional appropriation earmarked for the Inter-American. The citizens of Dallas paid $8.3 million to refurbish their station. Austin offered prime downtown real estate for a new station which Amtrak had promised.

San Antonio has offered numerous solutions to their intolerable and illegal station problem. Despite these good faith efforts to correct existing problems, Amtrak has continued to turn a deaf ear to Texans.

Mr. President, the list could go on and on. It is imperative that the Congress be given the chance to consider the DOT proposal in its proper perspective and not be misled by deceiving statistics and conclusions that do not follow from the premises on which they are based. It is equally important for us to examine thoroughly alternative plans which focus on more legitimate economics, which, if adopted, can put Amtrak back on its feet. Congress needs to act, especially in light of dwindling energy resources, to make Amtrak the profitable system which it was intended to be and which we can use, rather than a shell which will eventually collapse of its own weight because it is no longer functional.●

DIRECTOR RETURNS UNUSED CETA FUNDS

● Mr. HUMPHREY. Mr. President, it was the incomparable Calvin Coolidge who enriched the lexicon of public administration by the following observation:

> Nothing is easier than spending the public money. It does not appear to belong to anybody. The temptation is overwhelming to bestow it on somebody.

I am happy to state that at least in the State of New Hampshire, the dispensers of public funds still have some regard for the sacrifices of the hardworking American taxpayer.

According to an Associated Press item, the director of the Rockingham and Strafford Employment and Training Consortium has offered to return to the U.S. Treasury the sum of $3 million, representing unused funds involved in the Comprehensive Employment and Training Act program, known as CETA.

Now, we all know what generally happens, at least in Washington, near the end of the fiscal year.

Administrators of one agency after another, shocked to find unexpended funds in their accounts, resort to an orgy of spending—equipment—whether or not it is needed, travel, new hirings, whatever, anything to avoid the scourge of the bureaucrat—unexpended funds in his account.

I am happy to report that Judy Gustafson, the Director of the CETA program, with unvarnished candor proposes to return this money because, as she put it, "we cannot spend all the money provided by the Government."

According to the report, the coastal New Hampshire program received $5.5 million this fiscal year to create approximately 1,000 jobs for the long-term unemployed.

Let me quote further, Miss Gustafson:

> I'm sitting here looking at a total of 22 people that are unemployed and qualify for the CETA help. This is exactly what the program is supposed to do and I can't figure out what the hell everybody is getting excited about. We did our very best to spend the money but we had no takers!

To indicate the extent of the shock waves which accompanied her bizarre action, the regional officer of the Department of Labor is reported to have said: "It's never happened before so we're not quite sure exactly what we do about money being returned to us," which, I might add, Mr. President, is a sorry commentary on this whole program.

I hasten to suggest, before the regional administrator manages to "find" a way to expend the money, that the Secretary of Labor promptly remind him that the public debt will approach around $839 billion this fiscal year and every little bit helps—even a paltry $3 million.

At the same time, Mr. President, could we not allocate just a minuscule portion of that $3 million, to strike a medal for Miss Judy Gustafson, for honesty and candor above and beyond the call of duty for resisting the temptation to go all out and spend all the money allocated to her program.

Perhaps we can make this a periodic affair. Create the Gustafson Medal for conspicuous economy in the face of heavy assault of the big spenders.

It might encourage program administrators the Nation over to return to the taxpayers those funds not absolutely needed to carry out their programs.

Mr. President, I am happy to commend Miss Gustafson for her sterling contribution toward public solvency, and in lieu of a medal, I hope she will accept a copy of these remarks with my grateful thanks.●

FACTS ON THE EUROCURRENCY MARKETS NEEDED

● Mr. JAVITS. Mr. President, there is a growing awareness in the Congress of the lack of international control of the massive and evergrowing Eurocurrency market. This market, which grew to an astronomical net figure of $480 billion in 1978, operates beyond the control of any national authority and is not subject to the rules of any international organization. The recent explosion in the size of the market has prompted speculation as to what effects these capital flows are having on the proper functioning of a stable international monetary system and global inflation.

These effects are just beginning to be assessed by national monetary authorities and we in the Congress will soon be undertaking our own assessment of the situation. Understandably, major money center countries are reluctant to delve too deeply into the machinery of the Eurocurrency markets given the economic benefits that come with such financial activity. Yet the sheer magnitude of these capital flows must force a recognition on all international monetary authorities that operation of a stable international monetary system is increasingly difficult and that individual central bank activity is increasingly less effective as a result of this massive overhang. Currently there are proposals to impose reserve requirements on Eurocurrency liabilities as an attempt to gain some kind of effective control over these capital flows. The drawback to such a proposal is, of course, that unless such requirements are imposed multilaterally, the effect will be to further restrain the U.S. international banking sector.

I have recently supported a proposed change in Federal Reserve regulations which would eliminate reserve requirements and interest rate restrictions on offshore business conducted in the United States, thus permitting the establishment of an international banking facility in this country. This proposal will not only help revive the competitiveness of the international services of U.S. banks, but would also grant an added degree of control to U.S. regulatory authorities over those banking activities formerly conducted through foreign branches and foreign banks. This is just a small step in the direction of enhanced oversight that is required. We in the Congress will be looking closely at these and other proposals in the months ahead as we seek to better understand the complexities of this issue.

To this end, I would commend to my colleagues a recent editorial from the Journal of Commerce entitled "Shall We Kill the Messenger?" which succinctly addresses the issue of multinational control of a supranational Eurocurrency money market. As the editorial concludes, in the absence of multilateral control of the Eurocurrency markets, we should at least pursue every opportunity to study these markets and assure that proper credit judgments are being made by U.S. commercial banks.

I ask that the article be printed in the Record.

The article follows:

Shall We Kill the Messenger?

Serious international efforts to impose some sort of order over the exploding Eurocurrency market, estimated to have increased last year by 26 percent to a net size of $480 billion, always break down under the weight of national interest.

London, Luxembourg, Singapore and the Bahamas have gained such benefits from Eurocurrency activities that they are going to be extremely reluctant to take any action to drive that activity into other channels. The Bank of England fully recognizes its prudential obligations and made quite sure at the time of the Herstatt debacle that parent banks understood their responsibilities as far as their subsidiaries were concerned. It isn't convinced that Euromarkets contribute to currency instability and inflation as many have charged.

It would make little sense from the Old Lady's point of view to kill the messenger, who is breathlessly telling the central banks that capital flows are excessive and disruptive to monetary stability. The Bank of England sees virtually no value in the proposal to impose reserve requirements on Eurocurrency liabilities, not least because it hasn't the power to do so on the domestic activities of its own banks.

Far better, the British central bank is saying, to restrain capital movements by following sensible domestic policies in the major industrial countries.

The Federal Reserve can impose reserve requirements. It would like very much to have the opportunity to impose more. The American central bank is struggling to get suitable legislation through Congress that will enable it to get better control over the monetary aggregates by making Federal Reserve membership more attractive or failing that, compulsory. It has already got Congress to impose reserves on foreign banks operating in the U.S. Definitive proposals on that score won't be ready until at least June and foreign banks won't need to start worrying about them until the end of the year.

But the Federal Reserve is also painfully aware that the imposition of controls in the '60s drove much of the international business out of New York in the first place and would like to get that business back. One way of doing that would be to eliminate reserve requirements and interest rate restrictions on offshore business conducted in the U.S. as the New York banks have proposed. As has been pointed out in this column, out-of-state banks are suspicious of New York's idea and the Federal Reserve isn't at all sure whether the idea wouldn't complicate its efforts at maintaining monetary control. It could be that the Federal Reserve will let Congress make the difficult decision of whether offshore banking facilities should be allowed in the U.S., an approach that Senator Proxmire of the House Banking Committee would prefer.

The German Finance Ministry and the Bundesbank are watching these developments with a measure of concern. They don't at all like the freedom with which German banks operate in Luxembourg. They wouldn't like to see their opportunities for evading control increased through an offshore facility in New York. Because the German market doesn't offer as extensive a range of investment opportunities as the Eurocurrency market, the existence of the Euromarket can seriously add to the liquidity of holders of marks. The same applies to the Swiss situation.

The Germans have become the most active supporters of proposals to control the Euromarkets and the deputies of the G-10, the largest industrial countries, will be discussing the subject at their next meeting. Significantly, the group is chaired by Karl Otto Poehl, vice president of the Bundesbank.

Without arguing the merits of the various approaches, it is a fair assumption that selfish interests will prevail. If international agreement cannot be reached on appropriate controls, then each country can take whatever measures it considers necessary after sufficient consultation with its international partners. The Germans and the Swiss have done that before.

In the meantime, every effort should be made to learn more about the way the Euromarkets operate because the internationalization of banking activities is here to stay. Central banks should continue to make it their business to examine the quality of individual credits and make sure that sufficient information is available for commercial banks to make proper credit judgments.

The publication and distribution of the Bank for International Settlement's manual on publicly available information on the external indebtedness of borrowing countries is a meaningful further step in that direction. Borrowing countries should note the data gaps and do what they can to fill them. This is one area in which a bit of pressure from the commercial banks can help.●

LEADING TAX PRACTITIONER OPPOSES REPEAL OF CARRYOVER BASIS TAX REFORM

● Mr. KENNEDY. Mr. President, one of the most important tax reforms achieved in recent years—even more important in the eyes of many tax experts than the repeal of the notorious oil depletion allowance in 1975—was the enactment of the so-called carryover basis reform in 1976.

In that reform, Congress closed a major loophole that benefited extremely wealthy taxpayers who could afford to live off dividends and similar income from their property, without ever selling the underlying property. By holding such property until death, these taxpayers were able to avoid any income tax on the increase in value of the property during their lifetime. When the heirs later sold the property, tax was paid only on the increased value since the prior owner's death.

In 1976, Congress enacted legislation requiring the heirs to use the same tax basis as the prior owner—hence the name "carryover basis." When the property is later sold, the gain is measured from this basis, and the large increases in value during the lifetime of the prior owner no longer go untaxed.

Currently, however a major lobbying effort is being conducted to persuade Congress to repeal the 1976 reform, on the ground that it is complex and imposes burdensome requirements on the wealthy and those who manage their estates.

At the same time, a number of tax practitioners with extensive expertise in the field have disputed these objections and have called for retention of the 1976 reform, with modifications appropriate to meet the legitimate problems that exist.

Recently, I received a letter from Mr. David E. Watts, a distinguished tax lawyer with the firm of Dewey, Ballantine, Bushby, Palmer & Wood in New York City.

In his letter, Mr. Watts makes clear that, on grounds of tax equity, economic effect, and feasibility, the carryover basis rule should be retained. As he states,

> I do not believe that it is desirable or appropriate to provide an exemption at death from income tax accountability for appreciation in value of assets.

Mr. President, the comments by Mr. Watts are well stated and informative, and I hope that Members of the Senate will take the opportunity to read his brief remarks as they consider this important issue. I am pleased, therefore, to submit his letter for the Record.

Dewey, Ballantine,
Bushby, Palmer and Wood,
New York, N.Y., April 23, 1979.

Hon. Edward M. Kennedy,
U.S. Senate,
Washington, D.C.

Dear Senator Kennedy: In response to your recent inquiry, I am summarizing briefly below my views with respect to the carryover basis tax issue. The opinions herein stated are purely personal views, and do not represent the position of my firm or of any other organization with which I am affiliated.

For the reasons outlined below, I do not believe that it is desirable or appropriate to provide an exemption at death from income tax accountability for appreciation in value of assets.

TAX EQUITY

The forgiveness of income tax on appreciation in value based merely on the fact of death would be a structural anomaly that would depart from the equitable principle that taxation should apply uniformly to taxpayers similarly situated. The income tax and the estate tax apply to entirely different tax bases and are neither equivalents of nor reasonable substitutes for one another. Moreover, provided that either the estate tax or the income tax is deducted in computing the other tax, the imposition of both taxes does not give rise to "double" taxation. Our tax laws have long recognized this fact by the imposition of both estate and income taxes on "income in respect of a decedent" (section 691 income) and both gift and income taxes on inter vivos gifts of appreciated property that are subsequently sold. There is no equitable justification for the structure of our pre-1976 law, which exempted appreciation in value of inherited property from the income tax, but subjected unpaid earnings, dividends and interest to both estate and income taxes, and appreciation in value of gift property to both gift and income taxes. From the standpoint of the distribution of overall tax burdens, such an exemption, in my view, unreasonably favors those taxpayers with extensive wealth who can retain until death, rather than sell, those assets with large amounts of appreciation, whereas taxpayers who are required to sell appreciated assets to meet their current needs are fully subjected to income taxation.

ECONOMIC EFFECT

A tax structure that provides for exemption from income tax accountability for appreciation in property held at death in my view unreasonably distorts economic decisions. Under such a structure, an estate owner is given a substantial incentive to qualify for the exemption by retaining appreciated property. Prior to 1976, the major tax planning considerations affecting family transfers of wealth (in addition to the marital deduction) were the provisions for a stepped-up basis at death and the relatively lower effective gift tax rates as compared with estate tax rates. The 1976 legislation greatly reduced these tax incentives by unifying the gift and estate tax bases and rates, and by largely eliminating the previous exemption from income tax accountability for future appreciation on property held at death. The restoration of a stepped-up basis at death under this tax structure as otherwise amended would not only restore the previous substantial restraint on selling any appreciated property that could conceivably be retained until death, but, in the context of the unified gift and estate tax where carryover basis would apply only to inter vivos gifts, would impose a new substantial bar to lifetime gifts of appreciated property. Although complete tax neutrality is obviously unachievable, our tax provisions should be designed to avoid discouraging desirable conduct, such as the free transferability of economic assets by sales and gifts. I recognize that it has been suggested that a stepped-up basis at death serves tax neutrality objectives by freeing assets once each generation from the "lock-in" effect of taxing gains. However, I think that such periodic neutrality involving a time span in generations is far less significant to the day-to-day capital market responses than is the correlative planning constant of retaining assets until death to achieve such step-up in basis without tax.

FEASIBILITY

The most serious objections to carryover basis provisions involve the practical problems of identification of tax basis and of division by fiduciaries of assets having different (and possibly uncertain) bases, and the procedural problems of when and how basis should be determined. None of these problems is unique to carryover basis at death, and proposals have been made by the Treasury and others to minimize substantially all of them and to correct the major technical defects of the 1976 Act. Proposals to exempt estates that are below the size where estate tax liability would be incurred, and to increase greatly the exemption for tangible personal property, would materially reduce the difficult problems of basis identification and would not appear significantly to affect revenues or tax equity considerations. If the proposed improvements in the statute are made, including the proposed corrections of technical defects, the statute would appear workable. The fact that difficulties in its application could arise under particular circumstances would seem greatly outweighed by the tax and economic considerations referred to above.

An important objective in this area is the prompt resolution of the current uncertainties as to what the law is to be. In view of the unnecessary complications and technical defects of the 1976 Act, and the controversies that immediately arose about its possible amendment, taxpayers and their advisors have been left without guidance as to the governing law in this area. These controversies should be promptly resolved.

Sincerely yours,

DAVID E. WATTS.●

SALT II

● Mr. DOLE. Mr. President, today I would like to congratulate President Carter and the American negotiating team for completing a second and more comprehensive strategic arms limitation treaty.

Let there be no mistake: The Senate of the United States and, indeed, the people of the United States, wish to reduce world tension and slow the arms race. I welcome the news that an agreement has been reached. With this accomplished, public debate can begin in earnest on the merits of the treaty itself. In my opinion, no more important treaty has been placed before the Senate since Woodrow Wilson returned from Europe with the Versailles Pact in 1919.

We would do well to recall that it was inflexibility—indeed, intransigence—on both sides, on the part of President Wilson and some Members of the U.S. Senate, that led to disaster over the Versailles Treaty. Today I would like to call for a spirit of cooperation and flexibility as we begin these discussions. The temptation to let partisan politics seep into this debate will be great, both for the administration and for Members of the Senate. I hope that will not be the case. We cannot, as a Nation, afford a partisan fight, with one side portrayed as warmongers, the other as sellout artists.

I believe, as is stated in the Constitution, that it is the responsibility of the Senate to provide our advice and consent as a full partner toward this and all treaties. The Panama Canal Treaty took 7 months to complete. The SALT II agreements are far more complex, more detailed, and it will probably be many months before a final vote is taken. The SALT II treaty must be an opportunity for the Senate to express a new bipartisanship in foreign policy. The SALT II debate and final vote, be it for ratification or against, will provide a statement of the future foreign policies and defense policies that will guide this country for decades to come, and we must reach a consensus on this if at all possible.

STRATEGIC POLITICAL CONCERNS

In the past 7 years since the signing of SALT I, the position of the United States in the world has become more and more precarious, from a position of strategic superiority to rough equivalence. With such a background, SALT II must be viewed on its merits as it affects today's strategic balance as well as tomorrow's; hence, SALT II cannot be sold on promises of future weapons initiatives. In the same vein ratification of SALT II must not provide a perception of U.S. strategic inferiority and to such end, it must not prohibit necessary force modernizations. We must remember—and the American public must realize—that the United States is not equal in conventional or theater forces, and therefore to maintain our credibility in geopolitical diplomacy we must have at the very least parity in strategic terms. SALT and the arms control process is an integral part of our national security, and not the opposite.

TRUST AND LINKAGE

As the Senate studies the SALT II agreement the events in the world, as they relate to the United States and the Soviet Union, will, of course, be of some consequence when marginal aspects of the treaty are debated. It cannot go unnoticed that the Soviets have been an unstable influence in Africa, Afghanistan, and other areas of the world. Most recently they have been receptive to human rights overtures, such as the spy-dissident exchange. However, at the same time, a new Soviet submarine has emerged in Cuba again, raising questions of violations of the 1962 offensive arms agreement.

The Senator from Kansas would like to trust the Russians in an arms control pact, but history has taught this Senator that the Soviets will take advantage of all ambiguities in any treaty. Nor is this an unreasonable assumption. The New Republic, a publication which is not known to be particularly hard line, says this week that they believe the Soviets will cheat, given half a chance. One thing we must do is insure that they do not get that half chance.

VERIFICATION

We must not delude ourselves that compliance with the treaty provisions will follow automatically under the "spirit" of arms control. Only in matters that are explicitly and legally covered in the treaty can we expect Soviet compliance. The past has shown that the Soviets have exploited every loophole of SALT I and with that in mind, we must review SALT II. To this end, all provisions must be satisfactorily verifiable so that no cheating that might endanger our national security or alter the strategic balance can go undetected.

As we have sustained a significant setback of our intelligence capabilities because of the turmoil in Iran, our "national technical means" of verification have been put into question. All efforts to compensate for this loss must provide us with the ability to determine if the Soviets are testing or deploying the SS-18 with more than 10 warheads per missile. We must have the ability to determine if the Backfire bomber is equipped with cruise missiles and if it is being deployed such that it is capable of strategic strikes against the United States. And we must not tolerate Soviet practices having the effect of impairing national means of verification or otherwise interfering with our ability to monitor every aspect of Soviet compliance. Recent incidents prove we must approach SALT II carefully, with verification and our national defense requirements firmly in mind.

As I have said before, I hope we can approve this treaty. We will, if it can be demonstrated that it is a good treaty. The American people want arms reduction. But they also want security. I pledge to work to see they get both.●

GUN CONTROL

● Mr. HUMPHREY. Mr. President, I request that the following results of a new national public opinion poll, conducted by Decision Making Information, on the American electorate's attitudes on gun controls be printed in the RECORD following my few remarks on the highlights of that poll.

Mr. President, despite the often strident voices of a small minority advocating stringent Government control on the possession of firearms, especially on the ownership of handguns as a crime control measure, it is significant to note that the results of the DMI survey reveal that restrictive firearms legislation is seen by a majority of American voters as ineffective in fighting crime.

Large majorities of those polled by DMI do not believe that banning the private possession of handguns will prevent assassination attempts on public officials, or that domestic shootings justify the taking away the right of everyone to own a handgun, and an overwhelming majority, 90 percent, believe that handgun registration will not prevent criminals from obtaining or using a gun for illegal purposes.

The DMI poll finds that a majority of Americans oppose the Federal Government spending the enormous sums of tax dollars required to enact a gun registration program, and furthermore, 71 percent express concern over the invasion of privacy entailed in computerized files inherent in a national gun registration system. DMI results confirm that Americans regard it as their right to keep and bear arms; 88 percent believe they have that individual right and they oppose giving the police the power to decide who may or may not own a firearm.

Instead of Government enacting further firearms restrictions, the public shows almost unanimous support, by 93 percent, in favor of mandatory punishment for the criminal who used a gun as a more effective means of dealing with crime.

The material follows:

GUN CONTROL: ARGUMENTS AND POSITIONS

Only after exploring voters' fundamental views on the problems of crime and on possible solutions thereto was the issue of gun control raised directly. Here, we report on the findings of several questions measuring aspects of popular attitudes toward guns.

EFFECTIVENESS IN FIGHTING CRIME

As shown earlier, "gun control" measures are not seen by the American public as the most effective things government could do to fight crime; rather, swift and sure (and severe) punishment is favored. This strong belief in the effectiveness of punishment, and these reservations about the efficacy of gun control measures, are clearly visible in the results presented in Table 10.

TABLE 10.—THE PERCEIVED EFFICACY OF, AND NEED FOR, GUN CONTROL MEASURES

"Anyone using a gun while committing a violent crime should receive a severe and mandatory prison sentence."	May–June: 93 percent agree. December: 93 percent agree.
"In general, would you say there are: already too many laws governing the present use of firearms, the present laws are about right, or that we need more such laws?"	May–June: 13 percent—"already too many"; 41 percent—"about right"; 44 percent—"need more".
"And, if there were to be more firearm laws, would you expect the crime rate to (rotate) decrease or increase? (After initial response, ask:) And would you expect that decrease/increase to be large or small?"	May–June: 6 percent—large increase; 10 percent—small increase; 41 percent—stay the same; 33 percent—small decrease; 10 percent—large decrease.
"Assassination attempts on public officials could be avoided by banning private ownership of handguns."	October 1975: 70 percent disagree. December: 81 percent disagree.
"Registration of handguns will not prevent criminals from acquiring or using them for illegal purposes."	May–June: 90 percent agree. December: 85 percent agree.
"Occasional domestic shootings are tragic, but do not justify taking away the right of everyone to own a handgun."	May–June: 72 percent agree.

There is near unanimity (93 percent support) for severe and mandatory prison sentences for anyone using a gun while committing a crime.

A majority of voters believe there should not be more laws governing the possession and use of firearms. Most believe that the crime rate would not decrease if there were more firearms laws. (And most of those anticipating some decrease in crime look for only a small decrease.)

Overwhelming majorities (80 plus percent) reject the arguments that banning private ownership of handguns would enable us to avoid assassination attempts on public officials,* and agree that gun registration would not keep criminals from acquiring and using them.

REGISTRATION: OPPOSITION TO COSTS AND EXTENSIONS

When voters are asked to consider specific legislative proposals, 61 percent oppose "the federal government's spending $4 billion to enact a gun registration program," and 71 percent would be concerned about the loss of privacy entailed in computerized files virtually inherent in a nationwide registration system. "Giving police the power to decide who may or may not own a firearm" is opposed by 68 percent. (See Table 11.)

OTHER ASPECTS: CONSTITUTIONAL RIGHTS AND CONFISCATION

Table 12 shows that, beyond doubt, Americans regard it as their right to own a gun. All voter groups agree that gun ownership is a citizen's right. This particular belief has become somewhat stronger over the past three years. In 1975, 82 percent of the sample said they believed that as a citizen they have the right to own a gun. In 1978, 88 percent concurred with this same statement.

TABLE 11.—REGISTRATION: WILL THE PUBLIC PAY THE PRICE?

"Would you favor or oppose a law giving police the power to decide who may or may not own a firearm?"	December: 68 percent oppose.
"As you may know, about $20 billion is currently spent annually by the Federal, State and local government on crime control for such things as police, courts and prisons. It has been estimated that a national gun registration program would cost about $4 billion per year, or about 20 percent of all dollars now spent on crime control. Would you favor or oppose the Federal government's spending $4 billion to enact a gun registration program?"	December: 61 percent oppose.
"Mr. Smith says he wouldn't mind government files being kept about his credit ratings, income, gun ownership or medical reports. Mr. Jones is concerned about his loss of privacy if his personal information is kept in Federal or other government computers."	December: 71 percent feel like Jones.

TABLE 12.—GUN OWNERSHIP: A CITIZEN'S RIGHT

"Do you believe that you, as a citizen, have a right to own a gun, or not?"	May–June: 89 percent—"Yes". December: 87 percent—"Yes".
Do you believe the Constitution of the United States gives you the right to keep and bear arms?"	May–June: 87 percent—"Yes".
'No private individual should be allowed to own a handgun."	May–June: 84 percent disagree. December: 82 percent disagree.

Clearly confiscation of law-abiding individuals' firearms would be very unpopular, and many voters (51 percent) feel that national gun registration might eventually lead to this; as shown in Table 13, there is considerable concern as well that confiscation of handguns (which the electorate opposes 83 percent–17 percent) would lead to confiscation of all guns (which is opposed about 88 percent–12 percent).

TABLE 13.—REGISTRATION AND CONFISCATION

"A national gun registration program might well eventually lead to the confiscation of registered firearms by the government."	May–June: 51 percent agree.
"Prohibiting private possession of handguns will not lead to prohibiting all types of guns."	May–June: 38 percent disagree.

INDUSTRIAL BACK INJURY

● Mr. **DECONCINI**. Mr. President, Dr. Gary Auerbach, a Tucson chiropractor, recently visited my office to share with me some information on the fine work that chiropractors have been doing in this country, most particularly in the treatment of industrial back injuries. I would like to share with my colleagues the results of a study demonstrating the advantages of chiropractic treatment for industrial back injuries. I believe this study is significant and I ask that it be printed in the RECORD.

The article follows:

INDUSTRIAL BACK INJURY

(By C. Richard Wolf, M.D.)

A comparison of patient-reported time loss-treated by medical doctors vs. treated by chiropractors.

BACKGROUND

The total number of disabling back injuries reported to the Calif. Division of Labor Statistics and Research more than doubled during the years 1950–1970. The rate of lost-time back injuries per 1,000 employed workers has been relatively stable, ranging from a low of 6.9 in 1957 to a high of 7.5 in 1955 and 7.4 at the end of the period in 1970. However, back injuries have risen as a proportion of total lost-time work injuries from a low of 17.6 percent in 1950 to a high of 24.1 percent in 1970. This would imply that attempts to prevent lost-time back injuries have not been as successful as those of other accident problems since no reporting artifacts appear to explain this phenomenon.[1]

According to the California State Labor Code, all illnesses arising out of conditions of employment are defined as injuries and must be reported by practitioners to the California Department of Industrial Relations. These reports entitled "Doctor's First Report of Work Injury", have been analyzed, tabulated and published as epidemiologic studies by this author on previous occasions.[2,3,4] It seemed appropriate, therefore, to utilize these reports to study the problem of lost time from back injuries. Problems of under-reporting, incomplete reporting and, on occasion, inaccurate reporting exist and have been studied and discussed.[5] It is of considerable significance that these reports

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*Eleven percent more reject this argument now than in October 1975, when two Presidential assassination attempts were much on people's minds, despite the fact that the December 1978 question was asked shortly after the murders of San Francisco Mayor George Moscone and Supervisor Harvey Milk.

Footnotes at end of article.

describe only the first visit to a practitioner and therefore little can be learned about time loss except as estimated on some reports. After reviewing many reports, it became apparent that many injured employees were electing to visit a chiropractor for treatment of their back injuries. Martin [6] studied 237 time-loss back claims. Twenty-nine claimants were treated by no other practitioner than a chiropractor with 82 percent of these resuming work after one week of time loss. Their claims were closed without a disability award. He examined claims treated by medical doctors in which the diagnosis seemed comparable to the type of injury suffered by the workmen treated by the chiropractors; 41 percent of these workmen resumed work after one week of time lost. He further stated that no conclusions should be drawn on such a small study, that these findings were only one observation of the overall study, but, that serious studies of the different treatment modalities and comparisons of the success ratio are sorely needed.

This present study was designed to compare time loss due to industrial back injury when treated by either a chiropractor or a medical doctor, using the records of the Division of Labor Statistics and Research (Doctor's First Report of Work Injury).

STUDY DESIGN

The Division of Labor Statistics receives and sorts over 1,000,000 first reports each year. At the author's request, 500 back injury reports signed by M.D.'s and 500 signed by chiropractors were consequently selected as they arrived in the mail.

When these reports were reviewed, it was obvious that no conclusions could be drawn regarding comparability of diagnosis. The very nature of the difference in treatment philosophy excluded the possibility of having comparable diagnostic categories. Furthermore, the factor of case selection was built into the study by virtue of the fact employees voluntarily selected either an M.D. or a chiropractor.

Since diagnoses were not comparable, self-selection of cases was unavoidable and no reliable information could be obtained about time loss from the report. It was decided that each employee would be contacted using the report only as source of cases for the study.

A short form letter was sent to each of the 1,000 injured employees. Referring to the specific doctor visit reported, the letter read as follows:

"Our office reviews selected copies of Doctor's First Report of Work Injury with the aim of prevention of illness in workers." "Back injuries are a large percentage of work injury reports. In the hope of learning something which may be useful in preventing illness from back injuries, we would appreciate more information about the work injury report, when you were seen by on . The information you give will be used as a statistical tabulation only. This has nothing to do with allowance of claim or payment of claims.

(1) How much time did you lose from work with this injury? ( )

(2) Do you still have pain or stiffness at the site of this injury? Yes ( ) No ( )

(3) Are you completely over this episode so far as you can tell? Yes ( ) No ( )

"A postage-free envelope is enclosed for your convenience in returning this query."

When about 475 responses had been received and additional ones were arriving only occasionally, a second mailing was made to all who had failed to respond and an additional question was added.

(4) Did you consult any other doctor before the one above; if so, was it a chiropractor or medical doctor? Of the 82 responding to this letter who had visited a chiropractor on the Doctor's First Report, 16 had first gone to an M.D. Of the 95 responding who had gone to an M.D. on the Doctor's First Report, 9 had first gone to a chiropractor.

Table 1 is a tabulation of responses to the questions.

TABLE 1

	Employees treated by medical doctors (M.D.'s)	Employees treated by doctors of chiropractic (D.C.'s)
Number of employees sent questionnaire	500	500
Number of employees responding	333	296
Average age of employees responding (years)	39.7	42.9
Percent female employees	20.4	13.8
Total lost time (days)	10,641	4,627
Average lost time (days per employee)	32	15.6
Percent employees reporting complete recovery	34.8	51
Percent employees reporting no lost time	21	47.9
Percent of reporting employees losing over 60 days	13.2	6.7
Percent of reporting employees given diagnosis of strain or sprain	69	82

DISCUSSION

Of the original 1,000 injured employees who were sent letters, replies were obtained from 629, for an overall 63 percent response. 333 patients treated by M.D.'s responded and 296 patients treated by chiropractors responded. All letters returned due to address change in both categories were followed up by telephone and in the most cases the information was obtained verbally from these. The remaining cases that were sent a second letter without response were not followed up further.

A remarkable similarity in diagnoses was recorded by both groups. Either "strain" or "sprain" was written on the First Report by 69 percent of M.D.'s and 82 percent of chiropractors (of patients responding). It is the author's opinion that this reflects a reporting requirement of the agencies paying for the doctor visit with which both groups must comply, rather than representing a true agreement on underlying pathology.

In attempting to determine any difference in the two population groups, the only employment category that appeared significantly different between the two groups was the category "Nurses and L.V.N.'s". This accounted for the majority of the sex difference between the groups. 17 of 68 female injured employees treated by M.D.'s were nurses or L.V.N.'s, whereas only 1 of 41 female employees treated by chiropractors was a nurse. There was no significant difference in employment categories observed in males between the two groups. Both groups were made up equally of carpenters, laborers, mechanics, custodians, waitresses, truck drivers, etc.

The significant differences between the two groups appear to be as follows:

Average lost time per employee—32 days in the M.D.-treated group, 15.6 days in the chiropractor-treated group.

Employees reporting no lost time—21 percent in the M.D.-treated group, 47.9 percent in the chiropractor-treated group.

Employees reporting lost time in excess of 60 days—13.2 percent in the M.D.-treated group, 6.7 percent in the chiropractor-treated group.

Employees reporting complete recovery—34.8 percent in the M.D.-treated group, 51 percent in the chiropractor-treated group.

CONCLUSION

The author cannot explain these differences by any bias in study design, nor is there anything in the study to permit speculation as to relative treatment merits. Therefore some explanation remains to come forth.

SUMMARY

One thousand employees with industrial back injuries were questioned about the time lost and residual pain from their injuries. One-half of these injuries were reported as having been treated by medical doctors, the other half by chiropractors. Responses were obtained from 629. There were no apparent major identifiable differences in the two groups with regard to age or employee categories. The major differences were: (1) employee statement of lost time; 32 days average for M.D.-treated group versus 15.6 days average for the chiropractor-treated group: (2) percentage of employees reporting lost time in execess of 60 days; 13.2 percent of those treated by M.D.'s versus 6.7 percent of those treated by chiropractors; and (3) percent of employees reporting no lost time; 21 percent of those treated by M.D.'s versus 47.9 percent of those treated by chiropractors.

The author is unable to explain these differences.

FOOTNOTES

[1] California work injuries 1970 State of California Department of Industrial Relations Division of Labor Statistics and Research. 455 Golden Gate Avenue, San Francisco, Ca.

[2] Wolf, C. R., Aerotitis in Air Travel California Medicine 117:10–12 November, 1972.

[3] Wolf, C. R.; Baginsky, E.; Milby, T. H.; Patterns in Occupational Disease J. Occ. Med. 12:1–5 Jan. 1970.

[4] Milby, T. H.; Wolf, C. R.; Respiratory Tract Irritation from Fibrous Glass Inhalation J. Occ. Med. 3: 449, 1961.

[5] Berkov, B. M.; Kleinman, G. D.; Powers, J. E., and Trasko, V. M.; Evaluation of Occupational Disease Reporting in California J. Occ. Med. 3: 449, 1961.

[6] Martin, R. A., M.D., Medical Director Workman's Compensation Board, State of Oregon Salem, Oregon 97310. Personal Communication, 1972.●

ETHICS COMMITTEE NOTICE: ALL SENATORS, OFFICERS, SENATE CANDIDATES AND SOME SENATE EMPLOYEES MUST FILE FINANCIAL DISCLOSURE STATEMENTS ON OR BEFORE MAY 15, 1979

● Mr. STEVENSON. Mr. President, on behalf of the Select Committee on Ethics, I give this additional notice to Senators, officers, candidates for the Senate and Senate staff that financial disclosure statements must be filed on or before May 15, 1979.

Rule 42 of the Standing Rules of the Senate and title I of the Ethics in Government Act require you to file a public financial disclosure report (form A) if you were a Senator in excess of 90 days in 1978, or are in office May 15, 1979; an employee of the Senate for 91 days or more in 1978 compensated at an annual rate in excess of $25,000 or an employee for 61 days or more in 1978 at or above the annual rate of pay for GS–16; an employee of the Senate designated at any time in 1978 to handle political funds under rule 49, or a candidate for the Senate.

Form B (confidential tax information), required by rule 42, may be mailed or delivered to the General Accounting Office, room 4408, 441 G Street, N.W., Washington, D.C., between 7:30 a.m. and 4 p.m., Monday through Friday. On May 15, the office will remain open until 7 p.m. Currently, a representative from GAO is in the Select Committee's offices (113 Carroll Arms) from 10 to 11:30 a.m., and 12:30 to 3 p.m., each day to accept the confidential tax information filings.●

ORDER FOR RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m., tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO RESUME CONSIDERATION OF S. 586 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of the orders for the recognition of Senators on tomorrow, the Senate resume consideration of the pending measure, Calendar Order No. 118, S. 586, the State Department authorization bill, and at that point Mr. BAKER be recognized to call up an amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall votes tomorrow on amendments and motion in relation to the State Department authorization bill. Other measures may be cleared for action tomorrow.

ANOTHER GOOD DAY IN THE SENATE

Mr. ROBERT C. BYRD. We have had a good day today. The Senate, I believe, comported itself in a fine, courageous, and diligent way. I am satisfied to end this day and begin a new day afresh tomorrow.

Mr. BAKER. Will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, if the Senate comported itself with any more diligence tomorrow than it did today, we could not stand it. I thought it was a remarkable accomplishment, considering the distance we came, with respect to gasoline rationing. I join the majority leader in commending our colleagues for their special effort in the disposition of this particular matter.

Will the distinguished Senator yield one more moment on another matter?

Mr. ROBERT C. BYRD. Yes.

BIRTHDAY OF THE SENATE PARLIAMENTARIAN

Mr. BAKER. Mr. President, I was advised that today is the 49th birthday of our distinguished Parliamentarian, Murray Zweben. I will counsel him by saying he should enjoy his youth while it is here.

Mr. ROBERT C. BYRD. Mr. President, I am glad to learn that it is Mr. Zweben's 49th birthday. I wish him many happy returns of the day.

He renders the Senate a great service as Parliamentarian. He is always courteous and is very dedicated to his work. He is very helpful to the leadership on both sides.

Mr. President, I join with the distinguished minority leader in commending Mr. Zweben, and I thank the minority leader for calling it to the attention of the Senate.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered that the Senate stand in recess until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and at 5:25 p.m., the Senate recessed until 9:30 a.m., Thursday, May 10, 1979.

NOMINATION

Executive nomination received by the Senate, May 9, 1979:

IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant general

Lt. Gen. Eivind Herbert Johansen, [redacted], (age 52), Army of the United States (major general, U.S. Army).

CONFIRMATIONS

Executive nominations confirmed by the Senate, May 9, 1979:

NATIONAL COUNCIL ON THE ARTS

Norman B. Champ, Jr., of Missouri, to be a member of the National Council on the Arts for a term expiring September 3, 1984.

Martin Friedman, of Minnesota, to be a member of the National Council on the Arts for a term expiring September 3, 1984.

Bernard Blas Lopez, of New Mexico, to be a member of the National Council on the Arts for a term expiring September 3, 1984.

Robert Lawson Shaw, of Georgia, to be a member of the National Council on the Arts for a term expiring September 3, 1984.

Jessie A. Woods, of Illinois, to be a member of the National Council on the Arts for a term expiring September 3, 1984.

Rosalind W. Wyman, of California, to be a member of the National Council on the Arts for a term expiring September 3, 1984.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be members of the National Commission on Libraries and Information Science for terms expiring July 19, 1983:

Francis Keppel, of Massachusetts.
Bessie Boehm Moore, of Arkansas.
Philip A. Sprague, of Indiana.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

THE JUDICIARY

Paul G. Hatfield, of Montana, to be U.S. district judge for the district of Montana.

HOUSE OF REPRESENTATIVES—*Wednesday, May 9, 1979*

The House met at 1 p.m.

The Chaplain, Rev. James David Ford, B.D., offered the following prayer:

Gracious God, Lord of the universe, we give thanks for all people of good will who seek in their daily labors to reach out to those in need and so to be of service to others. We laud and praise those faithful men and women who, no matter what their place or occupation, see in what they do the circumstances to heal, to encourage, to strengthen and befriend, to direct and assist others in their mutual well-being.

May all of us use the talents and gifts that have been given for the enrichment of daily life. May we, whatever our gift, and in ways great and small, see opportunities to build, to strengthen and to aid those people whose trust we cherish, for the welfare of individuals and for the good of the Nation.

We confess our inadequacies and failures, yet we pray for power from above to sustain us in the work of justice and mercy.

In the spirit of humility, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the

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☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

following titles, in which the concurrence of the House is requested:

S. 230. An act to amend title VIII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes;

S. 440. An act to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970;

S. 448. An act to authorize further appropriations for the Office of Rail Public Counsel; and

S. 525. An act to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes.

FEDERAL EMPLOYEES DESERVE EQUITABLE TREATMENT

(Mr. RICHMOND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RICHMOND. Mr. Speaker, an amendment will be offered to the budget resolution providing a 7-percent pay raise for Federal civilian and military employees, instead of the 5.5 percent proposed by President Carter.

Unquestionably, the elderly and people on fixed incomes suffer the most from inflation. However, Federal employees, too, find themselves falling further and further behind in their daily struggle to keep up with runaway inflation.

The proposed 7-percent pay increase would equal the guideline the President recommended for private industry. If we fail to approve the increase for Federal employees, we will continue to force them to carry an excessive burden in the battle against inflation.

Even the President's chief anti-inflation fighter has labeled the 5.5-percent pay gap as "unfair." If existing rules were followed, Federal employees would be entitled to a 10.5-percent increase.

We should ask Federal employees to do their fair share of sacrificing to fight inflation, and I believe the proposed 7-percent pay raise is fair and equitable, and worthy of our support.

CARTER ADMINISTRATION PLAYING DANGEROUS GUESSING GAME WITH ECONOMIC STATISTICS

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the Carter administration is playing a dangerous and insensitive guessing game with economic statistics while the American people continue to suffer the effects of uncontrolled inflation.

Yesterday, Treasury Secretary Michael Blumenthal admitted in Senate testimony that the cost of living will rise by at least 8.5 percent this year. That is more than a percentage point higher than the administration's previous forecasts. No one will be very surprised if the administration, 2 or 3 months from now, again revises its estimates upward.

Secretary Blumenthal in fact indicated that this may well happen. He warned of more bad price news in the coming months and asked for patience as inflation continues to soar.

But the time for patience has passed. What is needed now is action—legislative action to create standby mandatory controls on prices, wages, and profits.

Inflation is currently running at about a 14-percent-a-year rate. This is simply intolerable, as is the administration's apparent unwillingness to do anything other than periodically revise its forecasts upward and urge restraint. That policy is a failure and it must be discarded.

I once again call upon my colleagues to respond to our economic crisis with strong and workable legislation. We must begin a thorough and thoughtful debate on imposition of standby mandatory controls. And we must begin it at once.

□ 1310

DOUBTS RAISED BY DOE ABOUT ENERGY SHORTAGE

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, one of the common complaints we hear in connection with the energy shortage is that about half the American people do not believe there is a shortage. I can well understand that.

Part of the fault belongs to the Department of Energy, which does not seem to know where it is going. I noticed a story in yesterday's Post when I had time to read it last night. The second paragraph says that longer lines at service stations are going to appear and there will be more weekend closings and we are running short on gasoline.

Two paragraphs down it was stated that, "However, one of the Energy Department officials is skeptical about the shortage and the reasons for it."

I submit, Mr. Speaker, that if the Department of Energy, which was created for the purpose, and its members are paid for the purpose, of keeping track of energy and giving us some advice and guidance in that field, is doing its job they ought to know what they are doing. The proof from this story is that they do not know what they are doing. If they did know what they are doing, they would all be speaking with one voice.

Mr. Speaker, the American people cannot be blamed for not trusting their statements about an energy shortage when the Department of Energy speaks from both sides of its mouth.

PERMISSION FOR COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT ON TOMORROW DURING 5-MINUTE RULE

Mr. ROE. Mr. Speaker, I ask unanimous consent that the Committee on Public Works and Transportation may have permission to sit tomorrow, Thursday, May 10, 1979, during the 5-minute rule.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, will the gentleman tell us why this is so crucial?

Mr. ROE. Mr. Speaker, if the gentleman will yield, it is because there will be a full committee markup of the public works bill tomorrow, and it has to be done by May 15, and a 3-day notice has to be given to the minority to prepare its reports.

Mr. ROUSSELOT. There is no other time? The gentleman cannot get it done in any other way?

Mr. ROE. There is no other time. I have discussed the matter with the distinguished ranking minority member of our Committee on Public Works and Transportation, and he agrees with me.

Mr. ROUSSELOT. Mr. Speaker, does the gentleman think the committee members can vacate themselves from this important legislation we are considering on the floor?

Mr. ROE. Mr. Speaker, I am sure that both sets of legislation are important, and I trust we will be able to handle it.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REQUEST FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. BAUMAN. Mr. Speaker, reserving the right to object, I wonder if the chairman of the Committee on Rules can tell us what the subject of that report is.

Mr. BOLLING. Mr. Speaker, if the gentleman will yield, it is the matter that is presently before the Committee on Rules.

Mr. BAUMAN. Mr. Speaker, I do not want to disagree with the chairman of my committee, but perhaps it would be better, since the House will be in session until 6 o'clock, to see what the outcome of the other body's deliberations would be.

Mr. BOLLING. Mr. Speaker, it just appeared to me it might be simpler if we did it in this way. I have other alternatives.

Mr. BAUMAN. I am sure the gentleman does.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER. Objection is heard.

FOREIGN AID PREFERRED OVER AID TO AMERICANS

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, now we all know. There never was much doubt in the minds of the American people that the State Department promotes foreign interests over American interests. There has never been much doubt that our trade negotiators fritter away the jobs of American workers and sacrifice American industry to the goal of building up Third World and even the developed world industrial might. These policies have just about brought this great Nation to its knees.

One might have hoped that the Congress would demur in this travesty but yesterday we saw a prime example of what the liberal majority favors. On my amendment to the budget bill, we see an interesting set of priorities of this 96th Congress. My amendment would have added $2.2 billion to the general revenue sharing for States and have reduced a like amount from International funds or our unpopular and scandal ridden foreign aid and overseas giveaway programs.

By a vote of 199 to 214, that effort to readjust our priorities lost. Rather, I should say that the American people lost and the foreign aid travesty will continue as the "Sacred Cow" it always has been. The record is there to see: 190 Democrats and 24 Republicans put foreign aid first. Maybe they did not get the message from the people.

IOWA FUEL NEEDS IGNORED BY DOE

(Mr. TAUKE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. TAUKE. Mr. Speaker, I cannot find words strong enough to express my concern and anger with the ineptness and confusion, which characterizes the Department of Energy's handling of the very serious energy problem confronting Iowa farmers.

Despite a pledge by President Carter in Iowa last week that adequate farm fuel is one of his top priorities, officials at the Energy Department still refuse to reallocate diesel fuel to Iowa. DOE is pursuing what it calls a voluntary plan designed to persuade the Nation's oil companies to supply diesel fuel to Iowa and other areas hit by severe shortfalls.

However, there is no evidence that the plan is working. Even worse, DOE is making no attempt to monitor its voluntary program. By the time it finds out the plan is not working, it will be too late. A farm is different from a factory, it cannot be shut down for 3 weeks. If the planting season is missed, there will be no harvest. Continued lack of action by DOE could severely damage agriculture in Iowa.

VIOLENCE BEGETS VIOLENCE

(Mr. FINDLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FINDLEY. Mr. Speaker, early today Israeli military forces invaded Lebanon. Each of the last 3 days Israeli fighter planes have bombed suspected Palestinian targets in Lebanon. Over recent weeks terrorism by Palestinians has occurred. In the wake of this new high level of violence by Israel we can expect one thing, and that is a new high level of violence by the PLO. Violence begets violence. But Israel cannot bomb the Palestinian cause out of existence, and the PLO cannot terrorize Israel out of existence. Somehow this violent cycle must be broken and, in my view, the only real hope at this juncture is the strong intervention by the President of the United States. He must use the prestige of his office to establish direct U.S. talks with the PLO, as well as to bring pressure to bear against the Government of Israel, to bring this violence to an end so that all parties can proceed to a comprehensive settlement of the issues in that region.

Continued violence will stop the peace process dead in its tracks.

BLUMENTHAL PREDICTS MORE INFLATION

(Mr. LATTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LATTA. Mr. Speaker, yesterday the Associated Press reported that Secretary of the Treasury Michael Blumenthal forecast an inflation rate of at least 8½ percent for the year, a sharp increase over earlier Carter administration predictions. President Carter's 1980 budget is based on an assumed inflation rate this year of only 7.4 percent. Incidentally, the Committee on the Budget had a figure of only 7.7 percent.

The Secretary said:

> . . . while continued high prices are expected over the next few months, a trend toward lower inflation should become apparent by the fall.
>
> I think it is obviously now not possible for us to hit the kind of target (7.4 percent) that we predicted. That's out.
>
> Blumenthal said the fourth-quarter inflation rate is likely to be at least 8 to 8½ percent above the same period of 1978 and it may be slightly more than that.

He added:

> I would be surprised if we're below 8½ percent. I hope it's not too far above that.

□ 1320

MORE SPECIFIC INFLATION FIGURES NECESSARY

(Mr. GIAIMO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIAIMO. Mr. Speaker, concerning the statement of the Secretary of the Treasury that inflation would be 8.5 percent, I think it is important when Members of either the minority or the majority speak of inflation, that they be specific about what they are talking about, because there are different inflation figures all over the place. It depends on whether you are using the CPI figure or the GNP inflation figure. It depends on whether you are using fourth quarter over fourth quarter or yearly average over yearly average.

I would just say to my friend, the gentleman from Ohio (Mr. LATTA), that the comparable figure that the gentleman used of 7.7 percent was the incorrect figure. The comparable figure to use in relationship to the 8- to 8½-percent increase, which Secretary Blumenthal was talking about, the comparable figure which the Budget Committee used, was 8.1 percent. And that is definitely within the range of 8- to 8½-percent inflation.

URGING FEDERAL REPUBLIC OF GERMANY TO ABOLISH STATUTE OF LIMITATIONS GOVERNING PROSECUTION OF WAR CRIMES

Mr. HAMILTON. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from further consideration of the resolution (H. Res. 106) urging the Government of the Federal Republic of Germany to abolish the statute of limitation governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore (Mr. BOLLING). Is there objection to the request of the gentleman from Indiana?

Mr. FINDLEY. Mr. Speaker, reserving the right to object, I yield to the gentleman from Indiana (Mr. HAMILTON) for the purpose of explaining this request.

Mr. HAMILTON. Mr. Speaker, the Committee on Foreign Affairs, by voice vote ordered reported House Resolution 106 to the House. I rise in support of it.

This resolution would urge the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust.

> The present statute of limitations of the Federal Republic of Germany will prevent the prosecution after December 31, 1979, of those people who committed war crimes prior to May 8, 1945, against whom proceedings have not already been initiated.

This resolution is similar to efforts made by states of Western Europe (including Poland) and by several States of the United States including California and Georgia. The State Department does not object to the resolution and foresees no adverse foreign policy impact of its passage. It is my understanding from the Embassy of the Federal Republic of Germany that legislation to abolish the statute of limitations is now before the Bundestag. Chancellor Schmidt supports this legislation. Action is expected in a few months, later this year.

This resolution has strong support in the House. There are 122 cosponsors.

Some questions were raised during the subcommittee's discussion of this resolution about international precedents on statutes of limitations. I would only point out that many countries, including the United States, Great Britain, France, Austria, the Netherlands, and Poland, have no statute of limitation for murder. Furthermore, on November 26, 1968, the General Assembly of the United Nations ratified a Convention on the Non-Applicability of Statutory Limitations to War Crimes which provides that no statutory limitations shall apply to war crimes and crimes against humanity. If Germany were to abolish its statute of limitations, it would thus be endorsing the international legal view on statutes of limitations for war crimes. By such a decision, West Germany would aline itself with all those countries which have given legal force to their moral abhorrence of such crimes.

Mr. Speaker, I urge adoption of the resolution.

☐ 1325

Mr. FINDLEY. Mr. Speaker, further reserving the right to object, I support the gentleman's request. I do so even though it may seem rather unusual for our Government to be giving advice on the administration of justice to another government. But the relationship of the United States with the Federal Republic of Germany is a unique one. In a real sense, the process of justice in the Federal Republic is the product of very close work with our Government officials years ago, and I think for very good reason our body is taking up for consideration this resolution today. I do support it.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this is a straightforward resolution. It urges West Germany to abolish or extend its statute of limitations governing the prosecution of war crimes, which is due to expire on December 31, 1979. It would place the House of Representatives squarely on record as reaffirming our commitment at Nuremburg that none of those who participated in the holocaust should escape being called to account for their deeds.

If the Federal Republic of Germany does not take action on the statute of limitations, after December 31, 1979, prosecutions will be barred against those who committed atrocities prior to May 8, 1945, against whom proceedings have not been initiated. Those war criminals who thus far have escaped detection and prosecution will be able to live openly in West Germany without fear of punishment.

Mr. Speaker, I, along with my distinguished colleague from New York, (Mr. FISH), introduced this resolution because we believed that no arbitrary time limit should prevent the trial of those who participated in the slaughter of 11,000,000 human beings. Over 120 of our colleagues agreed and have cosponsored House Resolution 106.

I would like to commend the chairman of the Europe and Middle East Subcommittee, my good friend Mr. HAMILTON, and the distinguished chairman of the full Foreign Affairs Committee, Mr. ZABLOCKI, for moving House Resolution 106 to the floor so quickly. Just 1 week ago the committee favorably reported the resolution without a dissenting vote.

Recognizing its special obligation to assure that all those who engaged in atrocities under the Nazis are brought to justice, West Germany has twice before—in 1965 and 1969—extended the statute of limitations for murder, which governs prosecution for war crimes. Although the question appears to be closely divided in the Bundestag at the moment, many government officials, particularly Chancellor Helmut Schmidt, have vigorously supported a third extension or outright abolition. Given the sensitivity of the issue in Germany, Chancellor Schmidt should be commended for his forthright position.

Mr. Speaker, it is vitally important that the House pass this resolution today, and that the Senate act in the immediate future on a similar resolution introduced by Senator CRANSTON and a bipartisan group of his colleagues. The failure of our Government to act might be taken as a signal that we condone allowing these criminals to find haven in Germany. As an ally in the war against Nazism, as a party at the 1943 Moscow conference, where we pledged that we "will pursue them to the uttermost ends of the earth and will deliver them to their accusers," and as a participant in the Nuremberg trials, the United States too has a responsibility to take a public stand on this matter.

Several countries, notably Poland and Israel, have already expressed their strong views that the statute should be extended once more or abolished entirely. The United States should add its voice to this call for justice. To do less would be to make a mockery of the thousands of Americans who died fighting the Nazis and would leave forever unanswered the cries of the victims.

Mr. Speaker, it is particularly ironic that the West German statute is expiring at a time when worldwide efforts to locate and bring to justice those who participated in the holocaust have been intensified. Our own Government is finally moving aggressively against suspected war criminals living in the United States, and a special litigation unit was established in the Justice Department in August 1977 to direct investigations and prosecutions—a step I originally recommended in 1974. The unit has now been upgraded in terms of funding and staff and just Monday, Mr. Walter Rockler, a former Nuremberg prosecutor, was selected as special counsel to head the investigations. Last year the Congress passed and the President signed into law my bill to bar war criminals from entering the United States and to authorize the deportation of those who are living here now. Other countries are stepping up their efforts as well. The August 28, 1978, issue of the German magazine Der Spiegel reported, for example, that in the last 2 years Poland has gathered sufficient incriminating evidence to indict 170 individuals.

The failure of the German Government to act on the statute of limitations would undoubtedly serve both to diminish these recent worldwide efforts and make useless much of the newly discovered evidence—which may involve individuals against whom proceedings have not been instituted by the December 31 deadline. The Washington Post, in fact, recently reported that the showing of the television program "Holocaust" in West Germany, has resulted in a flood of new allegations against undetected war criminals in West Germany itself. Today's New York Times also reported that as a result of "Holocust" those favoring extension of the statute of limitations had more than doubled. And there have even been allegations that some valuable information is now being intentionally withheld, particularly by Communist countries, to be used to embarrass the West German Government once the statute has expired.

Mr. Speaker, several States, including California and Georgia, have already adopted resolutions similar to House Resolution 106. The House today should make its feelings known.

I urge the unanimous adoption of House Resolution 106.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. Further reserving the right to object, I yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, I would like to take this opportunity to join my colleague from New York (Ms. HOLTZMAN) and the members of the House Foreign Affairs, in urging the passage of House Resolution 106, a resolution Congresswoman HOLTZMAN and I introduced in the beginning of the session, expressing the sense of the House that the Government of West Germany should abolish or extend its statute of limitations governing the prosecution of Nazi war crimes, which is due to expire December 31, 1979.

Some may claim the resolution results in the meddling in the internal affairs of West Germany. However, I do not see it as such. I believe this resolution is a continuation of the world community's obligation, recognized by the Allies after World War II, to bring these criminals—not only against the Jewish Community in Europe, but against mankind—to justice.

In addition, we are not calling on the West German Government to be taking a precedent setting step, for in fact, the West German Government has extended its statute of limitations twice before, in 1965 and 1969. If Germany were to abolish its statute of limitations, it would be endorsing the international legal view on statutes of limitations for war crimes. The possible expiration of the statute of limitations at this time would be most tragic. I draw this conclusion from the fact that there has been an intensification of the efforts to bring these criminals to trial.

I am sure my colleagues in the House would be interested to know that there is a growing sentiment in West Germany to aid in the apprehension of Nazi war criminals. Newsweek, earlier this year published an article which stated, and I quote, that—

> Simon Wisenthal, the dogged Austrian who tracks down Nazi war criminals, has been deluged with tips from West Germany in the past two weeks. The new information comes mostly from TV viewers reacting to a West German screening of "Holocaust," NBC's mini-series about Nazi persecution of Jews. "They felt moved to do something," Wiesenthal says of his informants. "They can't keep silent now."

I hope that the House will approve this important resolution so that we can keep vocal our opposition to Nazi persecution.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Speaker, I rise in support of House Resolution 106, to urge the Government of the Federal Republic of Germany to extend or abolish the statute of limitations on Nazi war criminals.

The Nazi holocaust claimed the lives of millions of innocent men, women, and children in what was one of the darkest chapters of world history. Out of respect to those victims, we have a moral obligation to remember their suffering and pass that torch to future generations as a reminder of the need to prevent any repetition of such crimes. The continued identification and prosecution of Nazi war criminals insures that no one who was actively involved in this calculated and brutal mass murder can evade justice and be rewarded by the mere passage of time.

The United States has joined in a renewed worldwide effort to bring to justice those who participated in the holocaust. Today we have an entire generation of citizens born after World War II and now taking their place in society. It is our duty to keep the memory of the holocaust alive through them so that such a brutal travesty against mankind will never happen again.

I strongly support House Resolution 106 and urge its unanimous approval.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the measure before us, House Resolution 106, a resolution urging the Government of the Federal Republic of Germany to abolish or extend the statute of limitations on Nazi war criminals.

Last month, I joined with President Carter and many of our colleagues in the Congress in a moving ceremony held in the Capitol rotunda commemorating the memory of the victims of the Nazi holocaust. On that occasion, we reaffirmed our solemn obligation to those millions of victims that they will not be forgotten so that future generations will understand the gravity of the holocaust and that such a brutal travesty will never happen again.

House Resolution 106 is an important step in fulfilling that solemn promise by seeking to insure that those responsible for the holocaust pay for their crimes. With the present statute of limitations due to expire on December 31, 1979, future prosecution of those war criminals will be prevented. Thousands of Nazi war criminals who were actively involved in the calculated and brutal mass murder of millions of innocent victims will be rewarded for having evaded justice.

At a time when the worldwide effort to locate and bring to justice those who participated in the holocaust is intensifying, we need to encourage the continuation of our vigil for human justice. What better way to remind the world of the enormity of this crime and of the need to prevent its future repetition than through the continued identification and prosecution of Nazi war criminals.

As pointed out in House Resolution 106:

> The Government of the Federal Republic of Germany has an inescapable obligation to ensure that those worldwide efforts are not diminished or nullified and that all war criminals are brought to justice.

Twice in the past, in 1965 and 1969, Germany duly accepted its responsibility by amending the statute of limitations to continue the prosecutions of war criminals. Once again we urge the Federal Republic of Germany to act and reaffirm our belief that no statute of limitations should preclude the trial of those who precipitated and participated in the holocaust.

Accordingly, as a cosponsor of House Resolution 106, I strongly support this measure and urge my colleagues to join in seeking its passage.

☐ 1330

Mr. FINDLEY. Mr. Speaker, under my reservation of objection, two other Members would like to have me yield.

GENERAL LEAVE

Mr. FINDLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the pending resolution (H. Res. 106).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Speaker, I now yield to the gentleman from Connecticut (Mr. DODD).

Mr. DODD. I thank the gentleman for yielding. I would like to commend the gentleman from Illinois (Mr. FINDLEY), the gentlewoman from New York (Ms. HOLTZMAN), and the gentleman from New York (Mr. FISH) for introducing this resolution.

I, along with 121 cosponsors of this resolution, feel strongly that this resolution that would urge the Federal Republic of Germany to expand the statute of limitations for prosecution of Nazi war criminals is worthwhile and necessary.

In March, I had the honor and distinction of serving on a commission, along with my colleague from California (Mr. DORNAN) that traveled to West Germany to discuss this issue with members of the Government of the Federal Republic of Germany. In fact, I think that it is worthwhile to note here this afternoon that the Federal Republic of Germany, and Chancellor Schmidt in particular, has requested that there be international comment on the extension issue that the Bundestag now faces. It was as a result of that request that commission was assembled and spent time in West Germany to talk over our concerns about this provision.

If I may, Mr. Speaker, I would like to indulge in just a personal comment. It was some 35 years ago this year that my father served as the Executive Trial Counsel at Nuremburg, and he presented the final argument for the U.S. Government at that tribunal. He said on that day in 1945:

> That no crime will go unpunished because it was committed in the name of a state; that no crime will be passed by because it is too big; that no criminals will avoid punishment because they are too many.

I feel quite confident that if he were here today, and others who participated in that tribunal, they would add the clause that no crimes should go unpunished or unnoticed because it is too late.

As Representatives of a country founded on principles of freedom of action and thought, we have both a moral and a political obligation to support this resolution that seeks to insure that the perpetrators of the most heinous crime of genocide will not go unpunished.

Some people would rather forget the horror of Treblinka, Auschwitz, Buchenwald, and Dachau. Some people would prefer to let that litany of crimes against humanity fade into the past as if they never occurred. But we must never forget the bigotry, hatred, and senseless slaughter of innocents. We will always have a responsibility to keep the memory of the victims of the holocaust alive not only in monuments and eloquent phrases, but also in tangible actions, in continued efforts to locate and prosecute Nazi war criminals who have, so far, managed to elude trial.

The voices of the men, women, and children who perished in Nazi death camps haunt the lives of survivors and cast a perpetual shadow over all of our lives. The words carved into the stone memorial to the victims of the holocaust at Yad Vashem cry out for the witness of future generations so that mankind may never have to commemorate another holocaust of another people:

> Keep not silent. Forget not the deeds of tyranny, cry at the disaster of a people, recount it unto your children, and they unto theirs from generation unto generation, that hordes swept in, ran wild and savage.

After December 31, 1979, these demonic "hordes" will no longer have to face their victims, alive and dead, before a court of law in West Germany. The clever ones, the rich ones, and the anonymous ones will be free from justice for their awful crimes.

There cannot be a time limit on a moral imperative. There cannot be a time limit in respect for human life. Time should not provide a shelter for Nazi murderers, but rather, it should act as a continuing link to those whose lives were so unmercifully taken from them: the millions who lost the time to live, to learn, to share, and to love. We must act for them as well as ourselves. Humanity as a whole is the victim of the Nazi era, and every future generation will be scarred by the Nazi crimes. But we can still take action against war criminals who have yet to be prosecuted and demonstate that mankind will not turn its back again.

I urge adoption of this resolution. I compliment the authors of it, and I would hope that the House would give their overwhelming support to it.

Mr. FINDLEY. Mr. Speaker, I now yield to the gentleman from New York (Mr. SOLARZ).

Mr. SOLARZ. I thank the gentleman for yielding.

I want to compliment the managers of this legislation for bringing it to the floor of the House. But as the next door neighbor, politically speaking, of the gentlewoman from New York (Ms. HOLTZMAN) I want to pay very special tribute to her for her enormously effective efforts on behalf of this legislation.

More so, I think, than any other Member of the House, the gentlewoman from Brooklyn has focused attention on this very serious problem. She has awakened the conscience of our country to the presence within the United States of individuals who themselves have engaged in violations of the kind of precedents and laws established at Nuremberg, people whom in more polite language we refer to as war criminals. This effort on her part to call upon the Bundestag, the legislature of the Federal Republic of Germany, urging them either to eliminate or extend the statute of limitations with respect to Nazi war crimes is only one expression of a much larger effort on her part to do something about this continuing problem. I think all of us really owe her a debt of gratitude for her willingness to take up the leadership in this effort.

☐ 1335

I concur in the gentleman's remarks.

Mr. DORNAN. Mr. Speaker, will the gentleman yield to me?

Mr. FINDLEY. I yield to the gentleman from California.

Mr. DORNAN. Mr. Speaker, I thank the gentleman for yielding. I would like to join with my colleague from Connecticut (Mr. DODD) in expressing what a wonderful experience it was to join him in March with the delegation of distinquished Americans and Canadians who went to Germany to meet with Bundestag members and then to meet with their chancellor, Mr. Helmut Schmidt on the issue this resolution addresses. And I want to join in congratulating all of the Members who brought this excellent resolution to the floor today.

I would like to point out two things among many that I learned on that trip. One point the gentleman from New York (Mr. SOLARZ) has already touched upon. We are inadvertently guilty of a euphemism when we refer to Nazi killers as "war" criminals and refer to their deeds as "war" crimes. These are not "war" related offenses, they are just flat out felonious crimes. It was the vicious murder of millions of human beings in cold blood and the agony, excesses, and utter confusion of total battlefield warfare cannot apply to any of the genocidal crimes we speak of today. War can never cover the horror of their crimes, and using that word war as an adjective before the word crimes seems to indicate that this is something that might have happened in a period of Nazi dominated peace which of course is exactly what did happen in the thirties.

The second thing I learned is that the free Germans today have a great preference for statute law, as do our citizens from the State of Louisiana. They do not have the common law or case-law heritage we have inherited from our mother country of Great Britain. So I would emphasize here, as does this resolution in spirit, that we are responding, as the gentleman from Connecticut (Mr. DODD) has said, to a request from the leader of the Federal Republic of Germany to join them as a brother free nation in a common cause of justice and in no way do we hold them up for criticism or world pressure or do we mean to indicate they have not done an excellent job in going after these Nazi criminals over the last 34 years. We merely point out to them that, as a friend, we offer sound advice in a period of intense deliberation on proper justice. We suggest to our friends that not only is the symbolism of what they do extremely important, but that anyone worldwide who shared a role in the crimes of the enormity of the Nazi slaughter of human beings during the 12-year nightmare of the Third Reich, must know that they will never reach a day in their life where they say, "I'm safe now, I can go back to Germany or emerge from my plush sewer of shame or worse, now I can brag about my crimes." By the way, the latter was done by one of these sick killers, a persecutor of French Jews now living in Spain, because the statute of limitations had run out in France.

Many of the countries who have statute law themselves, like Denmark, have recognized that genocide and crimes of the enormity of those during the Nazi era should never, ever, ever be limited by time in their accountability before the bar of justice. I implore my colleagues to give this superb resolution a resounding unanimous vote.

Mr. WEISS. Mr. Speaker, will the gentleman yield?

Mr. FINDLEY. I will be glad to yield to the gentleman from New York.

Mr. WEISS. Mr. Speaker, I thank the gentleman very much for yielding to me.

I, too, want to express my appreciation and commendation to the gentlewoman from New York for her persistent efforts to have us play a role in persuading the Federal Republic of Germany not to allow a statute of limitations on war crimes to go into effect and also in helping to arouse the conscience of our own Government. The Department of Justice of the United States has played less than a heroic role in past years in its lax attempts to bring to bay and to punish those people alleged to have committed war crimes and who have managed illegally to enter the United States of America.

I want to also commend the gentleman from New York (Mr. FISH) for the excellent role he has played in this effort.

Mr. Speaker, I wish to express my very strong support for adoption of House Resolution 106 which urges the West German Government to extend or abolish its statute of limitations for the prosecution of Nazi war criminals.

Unless the West German Government acts very soon—and I believe it has an obligation to do so—persons guilty of some of the most heinous crimes against humanity will escape punishment. Under current German law, the statute of limitations will expire December 31, 1979.

It is imperative that justice be done in every case involving an apprehended Nazi war criminal. No arbitrary time limit should be imposed to prevent prosecution of anyone who participated in the holocaust. The atrocities committed by the Nazis will never be forgotten, nor should there ever be a time when it will no longer be possible to exercise justice in the case of an individual who contributed to that mass slaughter.

It is encouraging to note that the West German Government has twice previously extended the statute of limitations in this regard. I am hopeful that Chancellor Schmidt and the West German Parliament will once again see fit either to extend or abolish entirely the statute.

Passage of this resolution by the House will surely advance our efforts and will have an important impact in West Germany. By adopting the resolution, the House will signify that it has not forgotten what occurred during the Nazi era. We will be speaking out for justice and expressing the undiminished concern of the United States.

I strongly urge all my colleagues to support this vital measure.

Israel and Poland have already spoken out, urging that the statute be extended or abolished. Clearly the United States should do the same.

Mr. FINDLEY. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 106

Whereas the present statute of limitations of the Federal Republic of Germany will prevent the prosecution after December 31, 1979, of those people who committed war crimes prior to May 8, 1945, against whom proceedings have not already been initiated;

Whereas the identification and the prosecution of Nazi war criminals serve to remind the world of the enormity of their crimes and of the need to prevent any repetition of such crimes;

Whereas worldwide efforts to locate and bring to justice those who participated in the holocaust have recently been intensified;

Whereas the Government of the United States is now moving aggressively against people living in this country suspected of war crimes and has enacted legislation to exclude and deport war criminals and has established a special litigation unit within the Department of Justice to direct investigations and prosecutions;

Whereas these intensified worldwide efforts will undoubtedly lead to the discovery of new and important evidence against many suspected war criminals;

Whereas the Government of the Federal Republic of Germany has an inescapable obligation to ensure that these worldwide efforts are not diminished or nullified and that all war criminals are brought to justice, and that Government recognized this obligation in 1965 and in 1969 by amending the statute of limitations to permit the prosecution of those who participated in the holocaust; and

Whereas no statute of limitations should preclude the trial of those who participated in the holocaust: Now, therefore, be it

Resolved, That the House of Representatives—

(1) strongly urges the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust; and

(2) directs the Clerk of the House of Representatives to send a copy of this resolution to the Ambassador of the Federal Republic of Germany to the United States for transmittal to his Government.

● Mr. DRINAN. Mr. Speaker, I rise in support of the resolution, House Resolution 106, to urge the Federal Republic of Germany to extend or abolish its statute of limitations on Nazi war criminals. On December 31, 1979, the statute of limitations, applicable to the most serious of the crimes committed in the name of the Nazi regime, is due to expire. Unless the Bonn parliament acts, as it did in 1965 and 1969, to extend the statutory period within which criminals can be held accountable for their actions, many of those who participated in these crimes against humanity will be irrevocably beyond the reach of the law.

Only 2 weeks ago, on April 24, this Nation commemorated for the first time in its history, the grave events of the holocaust. The President, the Vice President, members of the President's Commission on the Holocaust, Members of Congress, Elie Weisel, and others joined together in the Capitol rotunda. We were asked then to remember the deplorable deeds of the Nazi regime. We vowed to remember that the Jews were exploited for their slave labor, starved in concentration camps, and finally subjected to mass exterminations in one of the most barbarous acts of modern history. The adoption of this resolution will, in part, fulfill our pledge to insure that we must not forget those horrible events.

The pursuit of Nazi war criminals is a moral commitment which cannot be limited by the mere passage of time. Continued prosecution can keep the terrible Nazi regime from fading from our memories. Remembering is our best defense to prevent a repetition of this terrible episode in human history. Freedom for the perpetrators of genocide would constitute a barbaric insult to the millions of victims of the Nazi horror.

Among those who have, in recent years, endorsed the general principle that statutory limitations should not be applied to war crimes and crimes against humanity are the International Conference on Jurists, the United Nations, the Consultative Assembly of the Council of Europe, and the United Nations Commission on Human Rights.

I urge my colleagues to support this important resolution.●

● Mr. MINISH. Mr. Speaker, I would like to join with my colleagues in support of House Resolution 106, which asks the Government of West Germany to abolish or extend the statute of limitations on prosecution of Nazi war criminals.

The present statute of limitations for some of the most horrible acts committed in the history of mankind will expire on December 31 of this year. If that date passes without action to abolish or extend the statute of limitations, it will be possible for those who perpetrated unspeakable injustices to return to the Federal Republic of Germany without fear of prosecution.

Mr. Speaker, no arbitrary time limit should prevent the prosecution of those who participated in the holocaust.

As the United States and the rest of the world steps up its efforts to locate and deport suspected war criminals, it would be ironic for West Germany to allow the statute to expire.

Our own efforts in Congress include the passage last year of our colleague from New York, Ms. HOLTZMAN's legislation barring war criminals from entering the United States and authorizing the deportation of those found to be living here now. I was pleased to be a cosponsor of that legislation as I am pleased to support the bill before us today.

The failure of the West German Government to act on the statute of limitations surely would dampen efforts around the world to bring to justice those involved in war crimes.

West Germany twice in the past extended its statute of limitations governing war crimes. In 1965 and 1969 it did so in apparent recognition of its responsibility to assure that all those who participated in the holocaust be brought to justice.

However, it has been reported that the present West German leadership is reluctant to extend the statute of limitations again. For this reason it is vital that we make the West German Government aware that the world community is watching its response.

Mr. Speaker, I urge all of my colleagues to wholeheartedly support this bill.●

● Mr. ZABLOCKI. Mr. Speaker, I rise in support of House Resolution 106, urging the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust.

House Resolution 106, which was initially considered by the Subcommittee on Europe and the Middle East, chaired by our distinguished colleague, the gentleman from Indiana (Mr. HAMILTON), was ordered favorably reported by a unanimous voice vote by the Committee on Foreign Affairs on May 2, 1979.

The resolution calls on the German Government to waive, or at the very least to extend, the statute of limitations applicable to those who committed atrocities during World War II. On December 31 of this year, the statute of limitations will have run its course, thereby terminating any further prosecution of such individuals.

Mr. Speaker, this resolution is not intended to infringe upon the sovereignty of the Federal Republic of Germany, a friend and ally of the United States.

It is merely an expression on the part of this body that the West German Government should consider abolishing the current statute of limitations governing war crimes or amend that statute in order to allow a period of time sufficient for the prosecution for those responsible for the holocaust.

The enormity of the crimes committed by the Nazis during the holocaust are too horrible to permit those responsible to go unpunished regardless of time.

Extending or waiving the statute of limitations would permit those responsible for those crimes to be brought to justice.

I have every reason to believe, in fact, that the German Government will decide on its own that further prosecution of these cases is fully justified under the circumstances. This resolution is designed to support that conclusion and to insure that justice is done in accordance with German law and criminal procedure.

Mr. Speaker, I urge the adoption of the resolution.●

The SPEAKER pro tempore. The question is on the resolution.

The question was taken and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. HOLTZMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 401, nays 0, answered "present" 2, not voting 31, as follows:

[Roll No. 131]

YEAS—401

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks

Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Zablocki
Zeferetti

NAYS—0

ANSWERED "PRESENT"—2

Murphy, Pa.
Paul

NOT VOTING—31

Abdnor
Anderson, Ill.
Ashley
Badham
Breaux
Brown, Ohio
Conable
Corman
Crane, Philip
Davis, S.C.
Erlenborn
Evans, Ga.
Gaydos
Harsha
Ichord
Long, La.
Lott
McDonald
Mathis
Moore
Nolan
Patterson
Rahall
Rose
Santini
Stark
Thompson
Treen
Walgren
Young, Alaska
Young, Mo.

□ 1355

Mr. SWIFT changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1980

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 107) with Mr. NATCHER in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole House rose on Tuesday, May 8, 1979, pending was an amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. LATTA), and an amendment to said substitute offered by the gentleman from California (Mr. JOHN L. BURTON).

□ 1400

Mr. MILLER of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, if I might have the attention of the chairman of the Budget Committee, the gentleman from Connecticut (Mr. GIAIMO), I would like to discuss with him an amendment I had originally intended to offer to the budget resolution.

Mr. Chairman, I am concerned about an extremely important program which I hope we can fund in the fiscal year 1980 budget. The program would provide treatment services for sexually abused children and their families. It would also train persons in counseling abused children and their families. The amount required in fiscal year 1980 would be $4 million in budget authority and $2 million in outlays. I understand the budget committee did not include these amounts in the first budget resolution. Is my understanding correct?

Mr. GIAIMO. The gentleman is correct. This program was not specifically considered by the Budget Committee.

Mr. MILLER of California. I would then ask the chairman of the Budget Committee, does the failure of the committee to consider this program, preclude its being funded in the fiscal year 1980 Labor-HEW appropriation bill.

Mr. GIAIMO. The program the gentleman is concerned about is within the education, training, employment, and social services function in the budget resolution, function 500. This function contains $32.5 billion in budget authority and $31.5 billion in outlays. The specific allocation of these funds is within the jurisdiction of the appropriation committee. Within these totals, I am certain that the appropriations committee can find $4 million to assist sexually abused children.

Mr. MILLER of California. Should the Labor-HEW bill not contain funds for abused children, am I precluded in any way from offering an amendment when the bill comes to the floor?

Mr. GIAIMO. No. The first budget resolution places absolutely no obstacle in the gentleman's path. He will have total freedom to offer his amendment to the Labor-HEW bill should that be necessary.

Mr. MILLER of California. I thank the gentleman.

PERFECTING AMENDMENT OFFERED BY MR. SHUSTER

Mr. SHUSTER. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

> Perfecting amendment offered by Mr. SHUSTER: In the matter relating to the appropriate level of total new budget authority increase the amount by $1,143 million;
>
> In the matter relating to the appropriate level of total budget outlays increase the amount by $1,143 million;
>
> In the matter relating to the amount of the deficit increase the amount by $1,143 million;
>
> In the matter relating to the appropriate level of the public debt increase the amount by $1,143 million;
>
> In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $1,143 million.
>
> In section 3.:
>
> In the matter relating to General Purpose Fiscal Assistance increase the amount for budget authority by $1,143 million; and increase the amount for outlays by $1,143 million.

Mr. SHUSTER. Mr. Chairman, earlier in this debate an amendment was offered providing for a 100-percent restoration of State revenue sharing funds. That amendment was defeated by only five votes. This amendment I offer is simply a compromise restoring revenue sharing to a 50-percent level.

In my judgment, there is a responsible way to kill revenue sharing and an irresponsible way to kill revenue sharing. I happen to be one who is philosophically opposed to revenue sharing, but the responsible way to kill revenue sharing, it seems to me, is to let it be phased out, not renew it in 1981 when it expires. The irresponsible way to kill revenue sharing, is to pull the plug on an entitlement program in the middle of the program, an entitlement program passed by Congress, and relied upon in good faith by the States.

□ 1405

A few days ago there was lengthy debate on this issue. The issues were quite well stated, so I will not rehash them. I will simply urge this Committee to adopt this compromise amendment, a compromise which provides for 50-percent restoration as a responsible middle ground, and then let us deal with the revenue sharing question in 1981 when the law expires.

Mr. Chairman, I yield back the remainder of my time.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to this amendment. I think we all know what it is. It is an effort to bring back the State revenue sharing amendment which was defeated the other day. If we adopt the gentleman's amendment, we are adding another $1.1 billion to the deficit. I would urge and encourage my friends, particularly my liberal friends to vote against this resolution because it will not serve their interest.

Mr. Chairman, I think we all know what the amendment deals with and I urge its defeat.

Mr. Chairman, I ask unanimous consent that all debate end immediately on this amendment and all amendments thereto.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Pennsylvania (Mr. SHUSTER).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SHUSTER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Sixty-four Members are present, not a quorum.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□1410

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

Does the gentleman from Pennsylvania (Mr. SHUSTER) insist upon his demand for a recorded vote?

Mr. SHUSTER. I do, Mr. Chairman.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Pennsylvania (Mr. SHUSTER) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 216, not voting 15, as follows:

[Roll No. 132]

AYES—203

Addabbo
Albosta
Ambro
Andrews, N.C.
Andrews, N. Dak.
Anthony
Atkinson
AuCoin
Bailey
Barnes
Beard, R.I.
Beard, Tenn.
Bereuter
Bethune
Biaggi
Bingham
Blanchard
Boggs
Bowen
Breaux
Brooks
Broomfield
Broyhill
Buchanan
Butler
Carney
Carter
Cheney
Chisholm
Clausen
Cleveland
Clinger
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
D'Amours
Daniel, Dan
Daschle
Davis, Mich.
Derwinski
Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Emery
Erdahl
Erlenborn
Evans, Del.
Ferraro
Fish
Florio
Ford, Tenn.
Forsythe
Fountain
Frenzel
Garcia
Gilman
Gingrich
Gonzalez
Goodling
Gore
Gradison
Grassley
Green
Guarini
Guyer
Hagedorn
Hall, Ohio
Hamilton
Hammerschmidt
Hanley
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holtzman
Horton
Howard
Hutto
Hyde
Ichord
Jeffords
Jeffries
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Lagomarsino
Latta
Leach, Iowa
Lederer
Lee
Leland
Lent
Lewis
Livingston
Lott
Lowry
Lundine
McClory
McCloskey
McDade
McEwen
McHugh
Madigan
Maguire
Markey
Marks
Marlenee
Martin
Mavroules
Michel
Mikulski
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
O'Brien
Ottinger
Pashayan
Perkins
Petri
Preyer
Pritchard
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Rhodes
Richmond
Rinaldo
Ritter
Robinson
Rodino
Roe
Rosenthal
Rostenkowski
Roth
Royer
Russo
Santini
Schulze
Sebelius
Sensenbrenner
Shannon
Shuster
Simon
Smith, Nebr.
Snowe
Solomon
St Germain
Staggers
Stangeland
Stanton
Stewart
Stratton
Studds
Symms
Tauke
Thomas
Trible
Vander Jagt
Vento
Walgren
Walker
Wampler
Weiss
Whitehurst
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Bob
Winn
Wolff
Wydler
Yatron
Young, Alaska
Young, Mo.
Zeferetti

NOES—216

Akaka
Alexander
Anderson, Calif.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Badham
Bafalis
Baldus
Barnard
Bauman
Bedell
Beilenson
Benjamin
Bennett
Bevill
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brown, Calif.
Burgener
Burton, John
Burton, Phillip
Byron
Campbell
Carr
Cavanaugh
Chappell
Clay
Coelho
Collins, Tex.
Corman
Cotter
Crane, Daniel
Daniel, R. W.
Danielson
Dannemeyer
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Diggs
Dingell
Dixon
Downey
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Flippo
Flood
Foley
Ford, Mich.
Fowler
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goldwater
Gramm
Gray
Grisham
Gudger
Hall, Tex.
Hance
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Holt
Hopkins
Hubbard
Huckaby
Hughes
Ireland
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kramer
LaFalce
Leach, La.
Leath, Tex.
Lehman
Levitas
Lloyd
Loeffler
Lujan
Luken
Lungren
McCormack
McDonald
McKay
McKinney
Marriott
Mathis
Matsui
Mattox
Mazzoli
Mica
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Moffett
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Panetta
Patten
Paul
Pease
Pepper
Peyser
Pickle
Price
Reuss
Roberts
Rose
Rousselot
Roybal
Rudd
Runnels
Sabo
Satterfield
Sawyer
Scheuer
Schroeder
Seiberling
Sharp
Shelby
Shumway
Skelton
Slack
Smith, Iowa
Snyder
Solarz
Spellman
Spence
Stack
Stark
Steed
Stenholm
Stockman
Stokes
Stump
Swift
Synar
Taylor
Traxler
Udall
Ullman
Van Deerlin
Vanik
Volkmer
Watkins
Waxman
Weaver
White
Whitley
Whitten
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Wylie
Yates
Young, Fla.
Zablocki

NOT VOTING—15

Abdnor
Anderson, Ill.
Brown, Ohio
Burlison
Crane, Philip
Gaydos
Hansen
Holland
Long, La.
Long, Md.
Moore
Patterson
Pursell
Thompson
Treen

□ 1430

The Clerk announced the following pairs:

On this vote:

Mr. Thompson for, with Mr. Long of Maryland against.

Mr. Gaydos for, with Mr. Burlison against.

Mr. Long of Louisiana for, with Mr. Patterson against.

Mr. Anderson of Illinois for, with Mr. Holland against.

Mr. Pursell for, with Mr. Philip M. Crane against.

Mr. Abdnor for, with Mr. Brown of Ohio against.

Messrs. PREYER, RICHMOND, ALBOSTA, COURTER, and LENT changed their vote from "no" to "aye."

Messrs. ECKHARDT, VOLKMER, and COLLINS of Texas changed their vote from "aye" to "no."

So the perfecting amendment was rejected.

The result of the vote was announced as above recorded.

PERFECTING AMENDMENT OFFERED BY MR. COLEMAN

Mr. COLEMAN. Mr. Chairman, I offer a perfecting amendment.

The Clerk read as follows:

Perfecting amendment offered by Mr. COLEMAN: In the matter relating to the appropriate level of total new budget authority decrease the amount by $650 million.

In the matter relating to the appropriate level of total budget outlays decrease the amount by $650 million;

In the matter relating to the amount of the deficit decrease the amount by $650 million;

In the matter relating to the appropriate level of the public debt decrease the amount by $650 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, decrease the amount by $650 million.

In the matter relating to income security, decrease the amount for budget authority by $650 million, and decrease the amount for outlays by $650 million.

Mr. COLEMAN (during the reading). Mr. Chairman, I ask that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

☐ 1435

Mr. COLEMAN. Mr. Chairman, first, and foremost, this amendment to retain some control over administration of the food stamp program is not an effort to reduce assistance to eligible food stamp recipients. It is, instead, an effort to force the U.S. Department of Agriculture to professionally manage a multibillion-dollar program.

Too often, and for too long, rather than eliminating waste in Government spending, the Congress and administration have simply increased appropriations and funding authorizations.

This certainly seems to be the attitude on raising the spending lid for food stamps in fiscal year 1980. Despite clear indications of waste, the administration proposes lifting the present ceiling of $6,188,600,000 by more than $843 million to a total of $7,032,000,000. It is my view that we could maintain the current program with an increase of any $193 million instead of the proposed $843 million increase.

Poor program management and weak accountability are responsible for almost $1 billion or more of current food stamp costs. Elimination of this waste would streamline the entire food stamp program and benefit eligible recipients.

If only half of the waste and error in food stamp management and administration was eliminated there would be a cost savings in the neighborhood of at least $650 million.

These savings would come about in three areas:

Midpoint of estimated savings

[In millions]

1. Retrieval of benefits issued in error: The General Accounting Office (GAO) charged in 1977 that over $500 million in losses occurred annually because of overissued benefits caused by errors, misrepresentations and suspected fraud by recipients and by errors of local food stamp offices. Current program error rate is 12 percent, or approximately $700 million issued in error	$350
2. Recoupment: A recoupment program, discussed during consideration of 1977 agriculture legislation, would require food stamp recipients whose adjusted Federal gross income exceeds twice the applicable poverty level in a calendar year to pay back any excess food stamp allocations. The Congressional Budget Office (CBO) estimates potential savings of between $124 and $162 million	$150
3. Program overlap: CBO estimates that the calculation of food stamp benefits with the inclusion of other domestic food assistance benefits would save $100 to $200 million annually	150
Total savings	650

Recovery, or savings, of these lost and wasted funds will eliminate the need to lift the food stamp ceiling more than $193 million over the current cap for fiscal year 1980, without threatening eligible recipients with the loss of benefits.

What we are talking about here is congressional oversight. We have heard much this year about the new commitment to oversight in existing programs. There is no better place to start than with the administration of the food stamp program.

The USDA administrators of this program, and the State governments which actually distribute the food stamps, need a clear message from Congress that waste, mismanagement, and fraud can no longer be tolerated. By disallowing unnecessarily high authorizations for food stamps, Congress will send a clear signal to the USDA that it must more effectively manage this program.

I must also add that any reductions in aid brought about by a lower congressional authorization would, in fact, be the fault of the administration. There would be enough money, under my amendment, for full distribution of food stamps to eligible recipients, if the program is effectively managed. Recipients who lose even a minute percentage of benefits must lay the blame on the USDA, not a fiscally responsible Congress.

By holding the lid on food stamp spending, the Congress will aid recipients by improving the system on which they rely; we will be helping the overburdened American taxpayer who is fed up with bureaucratic waste and inefficiency; and, we will be fulfilling our congressional responsibility by requiring effective management of Government programs.

☐ 1440

Mr. PANETTA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it appears to me that we are now getting amendments that are rehashing amendments that rehashed other amendments. We have had a vote with regard to the food stamp issue on the cap. I do not think we need to reemphasize the arguments made there. They apply to this amendment as well.

We have just started hearings with regard to the question of whether the 1979 cap should be raised. They just started today. We are now going through the process of evaluating what we do with regard to 1979 and what the problems are with the program in 1979.

I do not disagree with the gentleman that there are some basic problems with regard to the food stamp program. We have not completed our work in the subcommittee or committee. We have to see what the administration is going to come forward with to justify its requests—what are the facts with regard to the program.

For 1980, I believe the chairman of the subcommittee indicated that we are going to have 2 or 3 weeks of hearings on the issue as to what will be done with regard to the food stamp issue in 1980.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from New York. Is that correct?

Mr. RICHMOND. I thank the gentleman for yielding.

Mr. Chairman, I would just like to state to the gentleman from Missouri, who just attended our hearing this morning, that we are on record saying there will be at least 3 weeks of thorough hearings on the 1980 food stamp legislation. This is not the forum right now to amend food stamps. The forum to amend food stamps is the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition. Those hearings begin May 22. I promise we will have every opportunity to tighten up this program as much as possible. I hope right now we can proceed with the budget process of this House and allow enough money in the budget so that when we get to our food stamp bill later on, the authorizing committee and the Members of this body will have sufficient latitude to make a decision based on facts

Now, if I might address my remarks specifically to Mr. COLEMAN's amendment.

While I commend the gentleman from Missouri's desire to assure the food stamp program is economically and efficiently administered, I must point out that his amendment would not achieve the goals he desires.

The gentleman first says that a GAO report states that $350 million in erroneously issued benefits can be saved by the local food stamp offices.

The GAO report cited by the gentleman from Missouri was based on the former Food Stamp Act and its rules and regulations. The new Food Stamp Act of 1977 has specific provisions to tighten the program's administration:

By providing incentive funds to States to maintain error rates at less than 5 percent;

By providing termination of benefits for up to 27 months for persons found guilty of committing fraud;

By increasing support by 50 percent to States for fraud, investigation and prosecution; and

By replacing itemized deductions with standard deductions to further reduce errors in food stamp allotments.

Second, the gentleman says that $150 million potential savings could be realized by a recoupment program which would require food stamp recipients to pay back any excess food stamp allocations.

The Department will soon submit a report to Congress on its analysis of recoupment. Some policy issues to be addressed in the report are:

The administrative implications for the IRS; and

The disparity between the definition of the food stamp household and the definition of income tax filing units.

The report on all other administrative issues on recoupment will be presented by the Department in September 1980. Therefore, any implementation of recoupment, or pay back of any excess food stamp allotments, could not be implemented until fiscal 1981.

Third, the gentleman says that $150 million can be saved by including benefits received from other domestic food aid programs in the calculation of food stamp benefits.

The accounting mechanisms that would be required to reduce food stamp benefits for those households receiving other domestic food aid through the school lunch and breakfast programs, women's, infants and children's program and summer feeding programs would be:

Exorbitantly costly; and

Possibly increase error rates in over or under issuance of food stamp benefits.

There could also be programs with regard to the Privacy Act for those individuals receiving assistance from the other domestic food aid programs.

States already must pay 50 percent of the administrative cost of the food stamp program. Such additional administrative burdens and the associated costs could further overburden administration of the program at local levels and lead to greater errors and inefficiency.

A devastating side effect is that school administrators would be likely to discontinue the school breakfast and lunch programs in response to the additional administrative responsibilities in reporting to the food stamp office the name of each child and the number of subsidized meals consumed.

I ask my colleagues to vote against the gentleman from Missouri's amendment and instead allow the House Agriculture Committee to conduct a thorough oversight and investigation of the food stamp program and the fiscal 1980 budget. I assure you that it is our intention that the program reach those needy individuals it was designed to serve with the utmost administrative efficiency and cost effectiveness.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield.

Mr. PANETTA. I yield to the gentleman from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding. The gentleman makes certain points I would like to respond to. First of all, this is not a rehashing of the 1979 argument. The year 1979 is right now. The gentleman is talking about an elimination possibly by September of food stamp benefits under the Symms amendment. This is not the Symms amendment revisited. This is for 1980, where the USDA will have 6 months to implement some of these cost-saving programs. It will have another 12 months during the fiscal year 1980 to do it. So this is not a rehashing, and we should not be misled that this is the case.

As the gentleman knows, we both sat on the subcommittee meeting this morning. The bill we had before us has no cap. It has no cap. There is no cap for the 1980 budget.

Mr. PANETTA. If I could regain my time, I think the basic issue is the same. The basic issue is, are we going to allow the leverage to the subcommittee and the committee to evaluate those arguments? Are we going to have the opportunity to look at the substance of the issue? I can tell the Members as one member of that subcommittee I do not know whether we ought to increase the cap or not. I do not know what savings we ought to implement because we have not looked at the facts of the case. Let us not take away the option of the subcommittee and committee to look at all of these areas and evaluate what should be done in this area. This is a crucial area, the area of food stamp legislation. It impacts on the people and on the budget. It is an area that we have to carefully evaluate in the committee process here in this House. I ask you to, please, give us that option and vote down this amendment.

Mr. FOLEY. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I would like to add my voice to that of the gentleman from California (Mr. PANETTA) and the distinguished chairman of the Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition, the gentleman from New York (Mr. RICHMOND) in urging the Committee not to accept this amendment. The gentleman from Missouri (Mr. COLEMAN) is a distinguished member of the Committee on Agriculture, and although he is not a member of that particular subcommittee, he is taking an active part in its deliberations which began today on the 1979 bill. As the gentleman from New York (Mr. RICHMOND) said, there will be extensive hearings this summer on the 1980 bill which, indeed, is under a cap, as I think the gentleman from Missouri knows. The issues that he has raised are issues that will be considered, but they are complicated issues. The issue of recoupment, for example, item 2 in his amendment, is in the jurisdiction of the Committee on Ways and Means. The third issue, which relates to program overlap, also involves other committees as well as the Committee on Agriculture. But I can assure this committee that the 1980 bill, if it is reported by the Committee on Agriculture to modify the cap, will not be brought to this floor without the most thorough opportunity for the Committee on Agriculture to work its will. I would be opposed to bringing it on the floor under anything but an open rule in which every Member of this House will have an opportunity to offer amendments.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding.

Did I hear the gentleman correctly say he would not be bringing a bill to the floor that does not have a cap on it?

Mr. FOLEY. No, I did not say that. I said that, if the Committee on Agriculture decides to report a bill modifying or eliminating the cap, I would be opposed to doing that except after the most thorough hearings and opportunity for amendment in the committee, and I would be opposed to bringing it on the floor under anything but an open rule so that every Member of this House, whether he is a member of the Committee on Agriculture or not—or she is—would be able to work his or her will on this food stamp legislation in sufficient time before the program goes much into the 1980 fiscal year.

☐ 1445

I will make that pledge to this House today.

Mr. COLEMAN. Mr. Chairman, would the gentleman yield for a moment?

Mr. FOLEY. Yes, I do yield.

Mr. COLEMAN. The gentleman is absolutely correct. We had hearings this morning in the subcommittee and the gentleman was not present but the chairman of that subcommittee the gentleman from New York (Mr. RICHMOND) is present here. There were no figures given to us for 1980. We have no idea of how much they will come back for. The bill they had before the committee at that time has absolutely no cap in it. The language says, "Such sums as Congress may appropriate for the fiscal years 1979 and 1980." The mass of this amendment has suddenly been thrown out by the administration.

The fact is the burden of proof should be on the agency to tell us. They know we are in the budget process. They knew I was going to offer the amendment. They did not have the information available. We are always going to have hearings in the future, 2 or 3 weeks from now. When will we make the decisions?

Mr. FOLEY. Mr. Chairman, if I may regain my time, the Secretary is coming to the committee on the 22d of May for the purpose of presenting to the committee their estimates on the 1980 situation.

Mr. Chairman, as the gentleman very well knows, there has been, because of changes in the program implemented this spring, some degree of uncertainty as to the cost levels in 1980.

I want and the gentleman wants to have as many accurate figures as possible. We are going to insist that the Department provide us with all the relevant details later this May and early June before the committee acts on the bill.

The gentleman is acting here preemptorily to assume that we have no problem with accepting these various alternatives the gentleman offers.

I think that, as a member of the committee, he should at least do his own committee the courtesy of allowing them to hear in detail the recommendations of the administration, allowing them to work their will without asking the House and committee to take action preemptorily without the benefit of those extended hearings and deliberations.

The gentleman would assume I think that his own committee, of which he is a distinguished member, is capable of making these decisions or, at least, to consider them seriously. I do not think the gentleman would suggest that that has been idly or lightly done in the past.

Mr. ROUSSELOT. Mr. Chairman, would the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

Did I hear my colleague, who is a member of the committee, say correctly it is open-ended so far, in the markup?

Mr. FOLEY. Mr. Chairman, the committee has not begun a markup on the 1980 program. We are in a markup on the 1979 program.

Mr. ROUSSELOT. Mr. Chairman, I might ask the gentleman, the request for an open-ended authorization, we need not worry about that?

The CHAIRMAN. The time of the gentleman from Washington has expired.

(By unanimous consent Mr. FOLEY was allowed to proceed for 2 additional minutes.)

Mr. FOLEY. I will just tell the gentleman it is a judgment at this point. As the gentleman knows, I cannot prejudge what the committee will do. My own guess is that the committee will probably favor some new cap rather than the elimination of a total cap for 1980.

Mr. ROUSSELOT. Mr. Chairman, since the gentleman is the chairman of that committee, can the gentleman tell us what will be that cap?

Mr. FOLEY. Excuse me?

Mr. ROUSSELOT. Mr. Chairman, since the gentleman is the chairman of the subject committee, I assume he has some input within that group. What will the cap be?

Mr. FOLEY. Mr. Chairman, the gentleman does me too much credit. I am chairman of the committee but I am not the committee. There are 43 members of that committee, including 42 others, both Democrats and Republicans, who have an equal vote with the chairman on what shall be done. I cannot judge in advance what the committee opinion will be. They are entitled to have the witnesses of the administration and others testify before they make that judgment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. FOLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I know by previous experience the gentleman has a substantial participation in the ultimate product. Can the gentleman make an estimate on the basis of his good judgment as to what the cap might be?

Mr. FOLEY. I could not at this time honestly, Mr. Chairman. I will tell the gentleman the figures are just coming in now.

Mr. ROUSSELOT. Does the gentleman feel it will be the same as the President's?

Mr. FOLEY. The same as the President's what?

Mr. ROUSSELOT. In the Budget Committee.

Mr. FOLEY. Mr. Chairman, I think it may well require a substantial increase over the estimated cap.

Mr. ROUSSELOT. A substantial increase?

Mr. FOLEY. Yes, a substantial increase over the estimated cap.

Mr. ROUSSELOT. How much would the gentleman say would be the increase?

Mr. FOLEY. Mr. Chairman, I cannot give the gentleman an accurate figure. I would say the budget figure is a reasonable and prudent anticipation of possible needs in raising the cap, and that is why I hope the committee will do it. As the gentleman knows, we will allow this budget function to include these figures. As the gentleman knows, it is not binding on the House in any way.

□ 1450

The House can make a decision when we bring this legislation, if we do, before it, and if we do not bring the legislation before the House, obviously, the existing legislative cap applies.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has expired.

(By unanimous consent, Mr. FOLEY was allowed to proceed for 1 additional minute.)

Mr. FOLEY. Mr. Chairman, all that we are doing in this process, as I think every Member of this committee knows, is allowing the Committee on Agriculture to make a judgment subject to the approval or disapproval of the House. If we make no judgment, if we take no action, then next year the maximum amount that can be expended in fiscal year 1980 for food stamps is $6,188,000,000; so the gentleman can be assured there is a fail-safe provision. We either let the House decide to work its will; if we take no action, the existing cap remains in the law; so there is no risk that the committee will act or not act in a way that will deprive this House of a full opportunity to work its will.

All I am asking of the Members is the consideration of the committee on jurisdiction to let them make the decision, including the gentleman from Missouri (Mr. COLEMAN) and the other gentlemen on the other side who are very valuable members of our committee.

The CHAIRMAN. The time of the gentleman from Washington (Mr. FOLEY) has again expired.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wonder if the gentleman from Missouri, a very strong participant in the committee, could now give us his judgment as to why the gentleman has offered this amendment. Obviously, the gentleman did not do this from a dark closet someplace. The gentleman has been participating in the hearings.

Even today, I understand our distinguished chairman, the gentleman from Washington (Mr. FOLEY) did not have a chance to be there; so the gentleman heard additional testimony that led the gentleman to believe that this amendment would be in order and would not preempt the committee. Does the gentleman want to describe that for us?

Mr. COLEMAN. Mr. Chairman, let me respond to some of the things that our distinguished chairman has mentioned.

Mr. ROUSSELOT. I would like the gentleman to do that.

Mr. COLEMAN. I would say that I have great respect for our chairman. I am sorry we differ on this position.

I offered an amendment similar to the one I am offering on the floor in committee, except that I went back $193 million and kept the present cap. That lost by two votes; so we talk about the committee working its will. If I had offered this one, I might have been able to pick a couple more. We would have had the budget to reflect that.

Mr. ROUSSELOT. So the present cap, the gentleman offered that in the committee, and it only lost by two votes?

Mr. COLEMAN. By two votes; I am offering today to the full House the opportunity to go up $193 million on top of that cap.

Mr. ROUSSELOT. Above the present cap; in other words, a little extra slush in case there is any administrative problem.

Mr. COLEMAN. I would not call it slush; but I can document $650 million in savings that the GAO and the CBO said we could do.

Mr. ROUSSELOT. Oh, the General Accounting Office has spoken on this?

Mr. COLEMAN. That independent branch of this Federal Government.

Mr. ROUSSELOT. That is our auditing office?

Mr. COLEMAN. That is our auditing office.

Mr. ROUSSELOT. I appreciate the gentleman telling us that.

Mr. COLEMAN. Mr. Chairman, in response to some of the other issues that have been raised, it does seem to me we have this whole budgetary process, and why are we going through the budgetary process if we cannot make these amendments to make the parameters of what we are going to do?

Frankly, I am a little concerned with what the Department will come up, because the Department of Agriculture has not seen fit to administer this program very reasonably and efficiently in the past.

Mr. ROUSSELOT. Or even the way the Congress has asked it to.

Mr. COLEMAN. Or even the way the Congress has mandated.

Mr. ROUSSELOT. I understand that.

Mr. COLEMAN. We are still waiting for a report that will show some $200 million or $250 million in savings that they admitted today in the subcommittee that if they have not got the report done by April 1, they will have it done in a couple weeks; just like we are going to have hearings in a couple weeks, just like this budgetary process is going to be over in a couple weeks, and then we are going to be standing out here wondering what the figures are.

The chairman of our committee does not know what the figures are. The USDA this morning did not know what the figures are.

Mr. ROUSSELOT. The Department did not know that?

Mr. COLEMAN. They had absolutely no figures to give me for 1980.

Mr. ROUSSELOT. Shocking.

Mr. COLEMAN. But when they come forward and ask us for $750 million, they ought to have some figures.

Mr. ROUSSELOT. I agree with the gentleman. The gentleman makes a persuasive point. The General Accounting Office then has spoken very clearly that there is a little bit of fraud here and there; there are still problems with the program and we need a little better control on it, is that right?

Mr. COLEMAN. Not only that, but the representative from the Department this morning admitted an error rate of over 10 percent.

Mr. ROUSSELOT. Ten percent?

Mr. COLEMAN. Over 10 percent.

Mr. ROUSSELOT. So all the gentleman is doing is increasing it slightly over the present cap?

Mr. COLEMAN. I am increasing it because there are more poor people coming on to the program with the elimination of the purchase requirement and those people ought to be taken care of without having to forfeit eligibility rights under this proposal.

□ 1455

Mr. ROUSSELOT. Mr. Chairman, I think the member of the committee, the gentleman from Missouri (Mr. COLEMAN), has made an excellent presentation. I cannot believe that this House will not support his proposition.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I now yield to another member of the committee, my distinguished colleague, the gentleman from Idaho (Mr. SYMMS).

Mr. SYMMS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I would just say to the gentleman that I think what is going to happen is this: The chairman of the subcommittee, the gentleman from New York (Mr. RICHMOND), can correct me if I am wrong. I believe it is the chairman's intention—or it was when I left the committee room—to call the subcommittee back in tomorrow to vote this bill out to raise the cap; is that correct?

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I have the time, and just before we get to our distinguished subcommittee chairman, let me make a comment.

Mr. JOHN L. BURTON. The gentleman would like to yield to me before that, I am sure.

Mr. ROUSSELOT. Mr. Chairman, I wish the gentleman would wait just a minute. I certainly do not want to cut out the distinguished chairman of the subcommittee, the gentleman from New York City. They have a lot of food stamps in there, and I know he wants to comment.

My colleague, the gentleman from Idaho (Mr. SYMMS), is telling us they have not made the final decision in the committee, then, so we are not foreclosing it at all by adding this.

Mr. SYMMS. Mr. Chairman, what I am saying to the gentleman from California (Mr. ROUSSELOT), the gentleman from Missouri (Mr. COLEMAN), and the gentleman from California (Mr. PANETTA) is that may not be true, but I think the votes may be there to go ahead and vote the money out that they have put in the Budget Act already so there will not be a question about it.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's clarification.

Now, Mr. Chairman, I want to yield to our distinguished colleague, the gentleman from New York (Mr. RICHMOND), who is an outstanding farmer.

Mr. RICHMOND. Mr. Chairman, I thank the gentleman from California for yielding.

Mr. Chairman, there is a great misunderstanding here.

I think the gentleman from Idaho (Mr. SYMMS) perhaps left the meeting a little too early this morning and failed to realize that we were discussing the 1979 cap this morning. The administration testified only on the 1979 cap.

The CHAIRMAN. The time of the gentleman from California (Mr. ROUSSELOT) has expired.

(On request of Mr. JOHN L. BURTON, and by unanimous consent, Mr. ROUSSELOT was allowed to proceed for 4 additional minutes.)

Mr. RICHMOND. Mr. Chairman, if the gentleman will yield further, as the gentleman knows, this morning the administration meeting was called to discuss the 1979 food stamp legislation, where we do have additional money provided for in the budget. The amendment offered by the gentleman from Missouri (Mr. COLEMAN) has to do with the 1980 food stamp legislation, so the gentleman from Idaho (Mr. SYMMS) is arguing the wrong bill.

Mr. ROUSSELOT. Mr. Chairman, I would like to help the gentleman out with the 1980 authorization.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, since it is my time, I would like to say that we are dealing with the 1980 authorization. That is what we are speaking to here.

Mr. RICHMOND. Mr. Chairman, I want to clarify the misunderstanding. This morning we were only discussing the 1979 legislation.

Mr. JOHN L. BURTON. Mr. Chairman, will the gentleman yield? I got some extra time for him.

Mr. ROUSSELOT. Mr. Chairman, I now yield to my distinguished colleague, the gentleman from California (Mr. JOHN L. BURTON), for whatever clarification he has to offer.

Mr. JOHN L. BURTON. Mr. Chairman, the point I am making is that the gentleman from Missouri (Mr. COLEMAN) said we have a chance to establish oversight. What he is doing, he is not waiting until the oversight is established.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman allow me to reply?

Mr. JOHN L. BURTON. Mr. Chairman, if I may, I will just proceed. I got the gentleman the time, and I would like to use some of it.

If there is a 10-percent error there, we cannot correct that 10-percent error, so we reduce it so that the truly needy may be deprived while the greedy get theirs.

Mr. ROUSSELOT. Oh, no.

Mr. JOHN L. BURTON. Oh, yes.

Mr. ROUSSELOT. No. The gentleman is on the committee, and the gentleman from Idaho has explained this.

Mr. JOHN L. BURTON. Will they correct that error?

Mr. ROUSSELOT. They have assured us that this $193 million over this year will more than adequately cover the needy.

Mr. JOHN L. BURTON. No. If they can eliminate the 10-percent error—and we do not know if they can do it—or if they can prove that recoupment gets back more money than it cost to get it, I think that is an argument on recruitment. I think it might be putting the cart before the horse, because all this is, is the first resolution going through. If they come along and make some kind of a finding, then we can really find out whether it will take care of the people who need the help.

Mr. ROUSSELOT. No. This amendment, if I understand the gentleman from Missouri (Mr. COLEMAN), merely helps us conform with the law that was passed in 1977. Some of the implementations, such as job search, identity, and some of the other things, have not even been put in place by the Department of Agriculture, and as I understand it, the General Accounting Office and others have commented on this.

If we go with the gentleman's amendment, we will be able to make sure that all needy people under the law passed by the distinguished chairman and the committee will in fact be complied with.

Mr. JOHN L. BURTON. Will the gentleman yield right there?

Mr. ROUSSELOT. Just a minute, and I will yield.

Mr. Chairman, this is a compliance amendment.

Mr. JOHN L. BURTON. Yes, but by doing this, we do not make the Department of Agriculture do what it should do to eliminate the fraud and correct that. This does not direct them to do anything.

Mr. ROUSSELOT. Oh, yes, it does. I want to help the gentleman. It helps them to comply with the 1977 law.

Mr. JOHN L. BURTON. No, it does not. It just says they can spend so much money, and obviously they do not care.

Mr. COLEMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Missouri.

Mr. COLEMAN. Mr. Chairman, the reason it is gong to force them to comply is this: if we give them more money, what is the incentive for them to cut the error rate? They are giving away food stamps under their budget procedure. If we give them that much more money, what is the incentive for them to cut back?

□ 1500

If we cut back some of the budget authorization, then I assume they are going to cut back and try to do something on that error rate. That is the point of it. If the gentleman misses that point——

Mr. JOHN L. BURTON. No. I get the point.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from Iowa (Mr. GRASSLEY), because he is a member of the Committee on Agriculture also, and because he wants to help enlighten us as to how this is helping.

Mr. GRASSLEY. Mr. Chairman, I assume that the people in the Department of Agriculture read the CONGRESSIONAL RECORD. They know what congressional intent is. And surely if they are concerned about providing adequate supplies of food to needy people, they are going to cut out the people who should not get it.

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. Quite aside from the issues on the amendment itself, we are seeing here a classic example just exactly what we should not be trying to do. We are seeing a classic example of why this amendment should not be on the floor at all; and why any other similar amendments, probing into the legislative authority of the authorizing and appropriating committees should not be on this floor at all. Here we are, arguing issues without having facts before us; with positions based substantially on confusion.

Over and over again we have heard amendments, expressing a pet idea of some one Member, in support of or opposed to some program. Most of these proposals prejudge issues which will, in due time, be brought before us by the appropriate committees with legislative jurisdiction and factual information of the subject.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentlewoman from Maryland.

Mrs. HOLT. Mr. Chairman, I want to commend the gentleman. I think this is a very, very important point he is making, and I hope the Members, particularly the new Members of this body, will be aware of what we are doing to the budget process.

Does not the gentleman agree that this makes a good point for our considering the aggregate amounts of money and trying to stick to some big picture of the budget rather than getting into line items in this budget process?

Mr. McCORMACK. Absolutely. I thank the gentlewoman for her remarks and I agree with her. What we are doing is not the way we should be trying to develop a budget. There is no way for us to prejudge these issues or act intelligently on them without the information that would be provided by proper committee action.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will yield to the gentleman in a moment. However, let me complete my statement.

Mr. GIAIMO. I wanted to address myself to the position taken by the gentlewoman from Maryland (Mrs. HOLT).

Mr. McCORMACK. I will yield in just one moment.

Every time a Member asks us to consider some issue such as the one before, he is asking us to prejudge an issue, and he is attempting to preempt the substantive legislative authority of the authorizing and Appropriations Committees.

I think it is important to recognize that what is before us is a target resolution. It is not a binding resolution. Binding legislation is to be submitted to us by the authorizing and Appropriations Committees. This is not the time or the place to be attempting to do the work of the standing committees of this House. The confusion that has existed during the preceding 10 minutes simply makes that point. We should be handling only gross numbers in our budget, according to major function.

I will now yield to the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. Mr. Chairman, separate and apart from the argument which the gentleman is making, I hope he would reconsider what the gentlewoman from Maryland suggested. What she suggested was something a little bit different. She is suggesting that we only deal with the aggregates—the total amount of the budget resolution, the total amount of outlays, the total amount of deficit, the total amount of national debt and the total amount of revenues, and not relate them to functional subdivisions, which would create chaos here. I am sure the gentleman will not agree with that.

Mr. McCORMACK. I did not understand the lady to have taken that extreme a position.

Mrs. HOLT. Mr. Chairman, if the gentleman will yield, there should be some way to deal with aggregates. Maybe that just to consider the overall aggregates is not the proper way and it is necessary to deal with the functional aggregates.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield again to the gentleman from Connecticut.

☐ 1505

Mr. GIAIMO. Obviously you are always dealing with the aggregates whenever you address yourself to any particular function. What was promulgated by House rule was that if you make a change in the aggregates, you have to be mathematically consistent. If you reduce the aggregates by $1 billion, you have to show where in the functional subdivisions that $1 billion is reduced, because you make a sham out of the budget process if you just reduce the aggregate and do not show us or tell us or instruct us where it should be reduced. That is totally separate from the argument that the gentleman is making on the amendment.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I will be glad to yield to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I just want to say nothing could be more of a sham than what we have been doing here on the floor, that is going line item by line item. This kind of procedure, combined with the television viewing that we have, has taken us a full week, when we should have been able to deal with the aggregate amounts of the budget and leave the program components up to the committees.

Mr. McCORMACK. Mr. Chairman, I repeat that consideration of amendments such as the one before us is not the proper manner for handling the budget resolution.

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

Mr. FOLEY. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Washington (Mr. FOLEY).

Mr. FOLEY. Mr. Chairman, I would just like to make, at the risk of repetition, a point, I hope, abundantly clear.

Under the 1977 Food and Agricultural Act, there is a ceiling cap on spending, which applies to both 1979 and 1980. I am opposed and will oppose any attempt to bring bills out to raise that cap without offering to the Members on the floor an opportunity to amend those bills. This is not a case where Members have to worry that this is the only mechanism, a vote on this budget act, by which they can express concerns about food stamp spending. On the contrary, they will have the most specific authority possible to any meeting of the House and the Committee of the Whole to make an offer of an amendment.

As I say, I am opposed to bringing it out under a closed rule or any restriction that will not permit any full amendment process.

I agree, to a degree, with the gentlewoman from Maryland (Mrs. HOLT), that this kind of amendment budget process is not appropriate, because it is interfering with the opportunity of a committee of Congress, that includes some very vocal critics, the gentleman from Missouri, the gentleman from Idaho (Mr. SYMMS), and others, and prevents them from exercising their right of offering amendments to these bills.

If no amendments are offered and no bill is reported, then the food stamp cap will be retained. So there is no danger in action. The Committee will have a full opportunity to act, and the House will have a full opportunity to act. These are complicated amendments, and I hope the committee will reject the amendment of the gentleman from Missouri.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that all debate on the perfecting amendment offered by the gentleman from Missouri (Mr. COLEMAN) and all amendments thereto end in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. GIAIMO. Mr. Chairman, I move that all debate on the perfecting amendment offered by the gentleman for Missouri (Mr. Coleman) and all amendments thereto end in 5 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Connecticut (Mr. Giaimo).

The question was taken; and on a division (demanded by Mr. Symms) there were—ayes 37, noes 20.

So the motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will each be recognized for 30 seconds.

☐ 1510

(By unanimous consent Messrs. Rousselot, Thomas, and Lewis yielded their time to Mr. Coleman).

The CHAIRMAN. The Chair recognizes the gentleman from Missouri (Mr. Coleman).

Mr. COLEMAN. Mr. Chairman, let me just summarize by saying that if the amendment was not meritorious, then we have been wasting our time for the last week, and perhaps we have been. What is the budget function for? Why did the Members pass the Budget Act before we got to Congress if this is just a charade, as somebody has said? It is to make a budget and to set the parameters. It is a time when we can set policy at the same time.

We have amendments on submarines, missiles, food stamps, and revenue sharing. Then, everybody who stood up and said that this amendment is not as meritorious as those should have made those speeches then.

In talking to the merits of this amendment, all we have now before us is an administration bill introduced by the gentleman from New York which has absolutely no caps—no cap at all. It could be a hundred billion dollars. All I am saying is that it ought to be not more than about $606.382 million. That is a lot of money when we consider that it is very possible that this program, if we do not restrict the budget authority, will go up 25 percent next year, because I will bet the department comes back here and tells our Agriculture Committee that they need that much money. They will come back to the Congress and tell us we have to. We are going to split up on the food stamps. That is what the budget process is about. That is what the amendment is about.

(By unanimous consent Mr. Obey yielded his time to Mr. Giaimo.)

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. Ashbrook).

Mr. ASHBROOK. Mr. Chairman, I rise in support of the amendment. More than that, I rise in support of the amending process. One of the greatest games politicians play throughout the country is to point the finger and say, "Someone else did it. I could not do anything about it. I did not like what we ended up with. I did not have any say." The Budget Committee says the authorizing committee will clean it up. The authorizing committee says the Appropriation Committee will clean it up. We say they will clean it up in conference or the rules will be written by the bureaucrats. It is always someone else. Now, we hear that the budget process is not a proper time and place to set our priorities. Tell the American people that.

The CHAIRMAN. The Chair recognizes the gentleman from Idaho (Mr. Symms.)

Mr. SYMMS. Mr. Chairman, the point the gentleman from Ohio made is precisely the point I am making. My good friend from Washington State, Mr. Foley, chairman of the Agriculture Committee, knows good and well why we like to have votes on these issues. I personally am sick and tired of being a member of the minority. If we vote often enough—maybe we will get the message out to the voters. I know my good friend, Marge Holt, and I am surprised that she would even say that. Did she not read about Maggie Thatcher? We may have a Maggie Holt in the United States, if we continue to hold the feet to the fire of our membership we may someday change the thinking and ideas of our Constituents enough to realize reform.

If we get enough votes, finally we will penetrate to the American people that it is the majority party managing the budget process and breaking the budget time and time again, always saying this is the wrong place and wrong time—what is wrong with now.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Missouri (Mr. Coleman) which would retain the so-called cap for fiscal year 1980 at $6.189 billion, as mandated by the Congress in the 1977 Food Stamp Act.

I realize that the factors playing into the fiscal year 1980 budget picture are entirely different from those playing into the fiscal year 1979 issue; that is to say, while increased participation, due to the bastardized implementation schedule was the sole factor in the 1979 budget matter debated last week, escalating food prices are truthfully a consideration for fiscal year 1980. However, I will not opt for the higher figure based just on the fact that program variables were underestimated by everyone in 1977.

Last week we considered the fact that the Department's implementation of the provisions of the 1977 act was done in a piecemeal, bastardized fashion, despite legislative mandate to the contrary and USDA legal opinion to the contrary. Today, we have another matter of "intentional misleading" by the Department with regard to the 1980 figures. I refer to the matter of the projected savings of $152 million from legislation proposed by the President involving State quality control and fiscal sanctions and use of retrospective income accounting at State option. I submit that this legislation will not impact in fiscal year 1980; the Department full well knows this is so, and yet is intentionally misleading the Congress in suggesting that it will.

This is just another example of poor program administration, again asking the Congress to operate in the dark. I do not like the Department's constant discussion of program savings in terms of what can be done to improve poor State administration. Most States, given an effective tool; that is, Federal regulations with some controlling emphasis, would not have horrendous error rates. I submit that any discussion of high State error rates is simply a reflection of the fact that the control at the Federal level is not existent.

Further, I think it is time to consider the fourth program variable that is always left unestimated in cost consideration. We always talk in terms of what unemployment will be, what food costs will be, and what program participation will be. These are all legitimate considerations, and I do not deny that they change unpredictably, often causing dramatic impact. However, the fourth variable—that of program misadministration at the Federal level—is costing currently something in the neighborhood of $1 billion. Whenever this matter is brought up, those doing so are accused of being insensitive and desirous of "taking food from the mouths of hungry people." This simply is not so and has nothing to do with denial of benefits from those legitimately entitled. It simply reflects the opinion, admittedly a minority one, that the taxpayer generously supporting this program is entitled to some equity, too. He resents the GAO-documented fact that in 1977 losses of more than $500 million annually occurred because of overissued benefits caused by errors, misrepresentations and suspected fraud by recipients. If updated to current program figures, such outrage amounts to practically $1 billion. Basically, this is not a State problem, it is a reflection of maladministration from the Federal level.

We were told so often yesterday that "this is not the time to hold firm the cap, just vote for 'flexibility.' " I do not agree with that theory. This is the time to vote for the "cap." It is not a vote for denial of benefits to legitimately eligible recipients; it is a vote to signal the Department that the Congress expects the food stamp program to be cleaned up; expects tightening provisions, as well as liberalizing ones, to be heeded; expects the Department to stop blaming the States for what is really their problem, namely bad guidance from the top; and expects the Department to clean up its own act.

Any request for additional funds should be based on true need to meet benefit levels. It should not be under the guise of meeting benefit levels for needy recipients when the real problem is disgraceful program administration at the Federal level, which, if addressed, would yield savings from already authorized funds to meet the "need." In the name of equity to the taxpayer and to the recipient, I wholeheartedly support the Coleman amendment to hold the "cap" and to send the Department a message to stop misrepresenting the facts and to effect some savings internally.

The CHAIRMAN. The Chair recognizes the chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The question is on the perfecting amendment offered by the gentleman from Missouri (Mr. Coleman).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COLEMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

☐ 1525

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Missouri (Mr. Coleman) for a recorded vote.

Does the gentleman insist upon his demand?

Mr. COLEMAN. Yes, Mr. Chairman.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 276, not voting 11, as follows:

[Roll No. 133]

AYES—147

Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Breaux
Brinkley
Broomfield
Broyhill
Burgener
Butler
Campbell
Carney
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Edwards, Ala.
Edwards, Okla.
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Findley
Forsythe
Fountain
Frenzel
Gingrich
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hance
Hansen
Harsha
Hightower
Hillis
Hinson
Holt
Hopkins
Hyde
Ichord
Ireland
Jeffords
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McDonald
McEwen
Madigan
Marlenee
Marriott
Martin
Michel
Miller, Ohio
Montgomery
Moorhead, Calif.
Myers, Ind.
Nichols
O'Brien
Pashayan
Paul
Petri
Quayle
Quillen
Regula
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whitehurst
Whittaker
Whitten
Wilson, Bob
Winn
Wyatt
Wylie

NOES—276

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brodhead
Brooks
Brown, Calif.
Buchanan
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Calif.
Emery
Ertel
Fary
Fascell
Fazio
Fenwick
Ferraro
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Holland
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hughes
Hutto
Jacobs
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lederer
Lehman
Leland
Lent
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McHugh
McKay
McKinney
Maguire
Markey
Marks
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Cakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
White
Whitley
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—11

Abdnor
Anderson, Ill.
Boggs
Brown, Ohio
Crane, Philip
Gaydos
Hubbard
Long, La.
Moore
Patterson
Treen

☐ 1540

Mr. VOLKMER changed his vote from "aye" to "no."

Mr. NICHOLS changed his vote from "no" to "aye."

So the perfecting amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. John L. Burton) to the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. Latta).

The question was taken; and on a division (demanded by Mr. John L. Burton) there were—ayes 24; noes 29.

RECORDED VOTE

Mr. JOHN L. BURTON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 45, noes 371, answered "present" 1, not voting 17, as follows:

[Roll No. 134]

AYES—45

Baldus
Benjamin
Biaggi
Bingham
Brodhead
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Collins, Ill.
Dellums
Diggs
Dingell
Dixon
Early
Edwards, Calif.
Garcia
Harkin
Jacobs
Kastenmeier
Kostmayer
Leland
Maguire
Mikulski
Miller, Calif.
Mitchell, Md.
Murphy, Pa.
Nolan
Oberstar
Rahall
Rangel
Richmond
Rosenthal
Roybal
Schroeder
Seiberling
Shannon
St Germain
Stark
Stewart
Stokes
Vanik
Weaver
Weiss

NOES—371

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Derrick
Derwinski
Devine

Dickinson
Dicks
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikva
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Obey
Ottinger
Panetta
Pashayan
Patten
Paul
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Royer
Rudd
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

ANSWERED "PRESENT"—1

Rousselot

NOT VOTING—17

Abdnor
Brown, Ohio
Coughlin
Crane, Philip
de la Garza
Gaydos
Hinson
Hubbard
Long, La.
McHugh
Patterson
Petri
Runnels
Russo
Treen
Waxman
Wydler

□ 1600

Mr. DAVIS of Michigan changed his vote from "aye" to "no."

So the amendment to the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. LATTA).

The question was taken; and the Chairman announced that he was in doubt.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 228, not voting 15, as follows:

[Roll No. 135]

AYES—191

Anderson, Ill.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Biaggi
Boner
Bowen
Breaux
Broomfield
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Corcoran
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Forsythe
Fountain
Frenzel
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Heckler
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murtha
Myers, Ind.
Neal
O'Brien
Paul
Petri
Pickle
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.

NOES—228

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bouquard
Brademas
Brinkley
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
Davis, S.C.
Dellums
Dicks
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Flood
Florio
Foley
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hamilton
Hance
Hanley
Harkin
Harris
Hefner
Heftel
Hightower
Holland
Holtzman
Howard
Hughes
Hutto
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Lundine
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Pa.
Natcher
Nedzi
Nelson
Nichols
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Shelby
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Waxman
Weiss
Whitley
Whitten
Williams, Mont.
Wirth
Wolff
Wolpe
Wright
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—15

Abdnor
Ambro
Brown, Ohio
Coughlin
Crane, Philip
Derrick
Diggs
Ford, Mich.
Gaydos
Hawkins
Hubbard
Long, La.
Patterson
Stewart
Treen

□ 1615

The Clerk announced the following pairs:

On this vote:

Mr. Abdnor for, with Mr. Hawkins against.

Mr. GLICKMAN changed his vote from "no" to "aye."

Mrs. BOUQUARD changed her vote from "aye" to "no."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

My colleagues, in the Bible we read that the Lord made the Earth on the fifth day and on the sixth day, I believe, he made man and women, and then on the seventh day, he rested. We have been on this budget resolution last week, Monday, Tuesday, Wednesday, and Thursday. We have been on it this week, Monday, Tuesday, and Wednesday. Hopefully, we will be on it some time tomorrow, but we do have to take time for another very important piece of legislation dealing with gas rationing. I would like to finish this budget resolution before we run into the time to mark up and bring to the floor the second budget resolution, which is the permanent and binding one.

Second, let me caution the Members that we have to have this budget resolution in place under the law by May 15.

□ 1620

I do not think we are going to be able to make this deadline the way we are going. We still have to complete action here; hopefully pass it here; then, go to conference with the Senate, which will take a considerable period of time, and have it back by May 15. Meanwhile, we will have to await final action on the budget resolution, because until that time we will not be able to bring to the floor our entitlement legislation and our appropriation bills, all of which are waiting.

Second, and more importantly, is the issue of the supplementals for 1979. So, it behooves us to move expeditiously and rapidly. Now, I think that we have been extremely patient, as Members of this body know, with the many amendments which Members have sought to offer. I am not talking about my patience. I am chairman of this committee, and I have to go back to the Bible again and say that I have the patience of Job. I have been with this budget resolution since February and I will be with it until next September 15.

But, the Members of this House have been extremely patient, and by that I mean that they have been patient in instances when they would have good reason to become impatient. I am going to go back to the comments which the gentleman from Washington made earlier today about the offering of amendments. It is perfectly proper and legitimate under the Budget Act to offer amendments to anything dealing with the establishment of priorities, dealing with the revenues or with the outlays and budget authority. There is no question about that, and the gentleman from Washington and I both understand that.

But, we have to exercise a restraint. We have to think in macroeconomic terms, if you will. We have to think in terms of total major impacts on our priorities. We must not try to become, in the process of establishing a budget, an appropriating committee or an entitlement committee. It is not the place to cover or make sure that we preserve a niche in this budget for our pet appropriations.

By that, I mean that Members should not come in with an amendment which deals with a specific item, dealing with $20 or $30 million, in a functional total in the neighborhood of $10 or $15 or $25 billion.

So, I am urging the Members to exercise some restraint on some of these amendments which are causing a great deal of complaint, which of course I hear from the membership; and particularly and especially so when many of these amendments which Members offer are being voted down overwhelmingly and Members are still asking for recorded votes.

I am perfectly willing to stay here this week and next week and the week after, but again many of my colleagues are becoming impatient. So, I would ask the Members to please exercise restraint.

Now, we have disposed of the Latta substitute. The gentlewoman from Maryland (Mrs. HOLT) is going to offer her amendment, the Holt-Regula substitute, offered by the gentlewoman from Maryland (Mrs. HOLT) and the gentleman from Ohio (Mr. REGULA). It is a very important piece of legislation, which I oppose and which I hope the majority here will oppose. I would hope that we could get a vote on that tonight.

I also am going to say to the Members that we are rehashing and redebating issues that we are all familiar with over and over again, and I have not restrained the rights of any Member here by objecting to unanimous-consent requests. But, I think in good conscience and out of consideration for the membership of this body I am going to object to unanimous-consent requests for additional time and for transferring time to other Members.

□ 1625

I do that not for myself but for the membership of this House.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield the time left to me to the gentleman from Arizona, and I shall not ask for additional time.

Mr. RHODES. I thank the gentleman for yielding. Basically, I am in agreement with the gentleman. I think that the budget process, as it was envisioned by those of us who served on the study committee which brought it forth, never believed that we would get into the minutiae to which the gentleman is referring, and which has confronted us not only this year, but last year as well.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. RHODES, and by unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. RHODES. If the gentleman will yield further, I believe most members of the study committee had in mind, that the Committee on the Budget would look at the overall state of the economy, look at the Government, and then try to square the needs of the Government with the needs of the economy. It was believed that most of the debate would center on whether or not the Budget Committee was correct in its economic assumptions and in the way the budget would fit into the economy.

I would suggest that the Democratic Caucus did not facilitate that process when it brought out a new rule at the beginning of this Congress which deprived the minority an opportunity to offer an amendment to adjust the overall spending cap. By adjusting the cap, the minority could disagree, if indeed we needed to, with the majority of the committee on the macroeconomic assumption which they had set forth, and move to recommit the bill for whatever adjustments were needed in the functions. Because we cannot do that now, I think we are finding much more in the way of amendments, much greater attention to the functions themselves than is healthy or was desired when this process was set up.

So I suggest to my good friend, the gentleman from Connecticut, who, by the way is doing a very good job as chairman of this committee, though I do not agree with him on everything, that perhaps the budget process should be restudied, with an eye to returning to what most of us thought we were doing when we first set this process up.

Mr. GIAIMO. I think that we should look into the budget process to see how we can make it much more efficient and effective. One of the things we have to do is to begin to think in macroterms. I do not agree with the gentleman who is suggesting that we not consider the implications and effect of changing the functions or changing the aggregates without making the functions consistent with those changes. But I do think we are going to have to find ways of eliminating the great number of amendments which really do not set major national policy, but rather take care of a specific area of interest or ultimate interest.

The CHAIRMAN. The time of the gentleman has expired.

PERFECTING AMENDMENT OFFERED BY MRS. HOLT

Mrs. HOLT. Mr. Chairman, I rise to offer a perfecting amendment on behalf of the gentleman from Ohio (Mr. REGULA) and myself that I believe responds to the real needs of this country. This is the second step that I promised last year toward a balanced budget. This will put us in striking distance of a balanced budget next year. It is frugal, and it responds to the desperate public demand for relief from soaring inflation and high taxation. It responds to our need for investment and economic growth by taking less from the private sector. There are two ways to balance the budget. By taxing more or by curbing increased spending. We propose to reduce spending and cut taxes and the deficit.

Our budget is realistic in its treatment of national security needs and the needs represented by other activities of the Federal Government. The gentleman from Ohio (Mr. REGULA) and I have been working on this substitute budget since January. We offered a version in committee, and we have continued to refine it ever since to try to make certain that we are not cutting too deeply into programs, but that we are simply limiting the growth of government. We do not want the Federal budget to grow as fast as we have in the past. Our revenue number is higher than that of the committee because we have assumed a higher inflation rate, which is evidence of the past sins of the Congress.

The Members saw what Mr. Blumenthal said this morning. There has been a serious mistake in the low inflation assumptions that have been made. I believe that our revenue number would allow for a tax reduction, if the Committee on Ways and Means saw fit simply to offset inflationary tax increases.

☐ 1630

It is safe to say that our revenue estimate is far more realistic than that of the Budget Committee majority.

I should also advise you that our higher inflation assumption has been factored into the entitlement programs in which spending is driven upward by inflation.

The Holt-Regula substitute is consistent in this regard. However, a long discussion of economic assumptions serves no purpose at this point. We have already been through that exercise many, many times as we have considered this budget. I think the gentleman from New York (Mr. CONABLE) explained our position very well.

The national defense budget submitted by President Carter was very prudent. It recognized the dangers of the real world and maintained the 3-percent increase commitment to our NATO allies. I think that is very, very important. The Budget Committee slashed deeply into the defense budget to obtain funds for other programs. Our amendment restores defense to a realistic level.

There are those who have said to me if we are going to slow the rate of growth of social programs, then we should also slow the growth of defense. If you will look at what we have done here on this chart, if you will look at what we have done to our defense function over the past 10 years, you can see why we need to have some real growth. We need to pay some attention to readiness, to operation and maintenance, to military construction, to our personnel, and other areas where we are just getting so far behind in all of the things we need to do.

We have not accepted new programs and major expansions of existing programs in our budget and have restrained all areas.

The committee has proposed a budget with a growth rate of 8 percent. Our substitute has a growth rate of less than 7 percent. This puts us in striking distance of a balanced budget. It is 1.1 percent reduction from the committee's spending.

In the allowances function, we have made provision for a $2.3 billion cut that could represent either the revenue sharing reduction taken by the committee or a cut from the categorical grant programs. We are talking about $80 billion, almost 500 categorical grant programs. The Governors say they could afford a small reduction there. We are not pinning down where that will come. We are saying there is room for that kind of reduction.

We have also cut travel allowances spread across the Government, with the special hope Congress will heed the advice.

We have also trimmed the outrageously high public relations expenditures of the Federal Government. We have all seen those slick brochures and even magazines printed at public expense. There is money there that we can remove. We all talk about cutting the fat and waste in Government. Here is our chance to do it.

The CHAIRMAN. The time of the gentlewoman has expired.

(On request of Mr. SOLARZ and by unanimous consent, Mrs. HOLT was allowed to proceed for 3 additional minutes.)

Mr. SOLARZ. Will the gentlewoman yield to me, please?

Mrs. HOLT. I will be glad to yield to gentleman from New York.

Mr. SOLARZ. I thought I heard the gentlewoman say that in her amendment the reduction in outlays for function 920, which is allowances, was somewhere around $2 billion.

I have a sheet here which was at the committee table which attempts to compare the substitute and the recommendations of the committee. This seems to indicate the gentlewoman called for a reduction of $3.7 billion in outlays for allowances. I think it would be helpful if the gentlewoman could clarify exactly what her amendment does.

Mrs. HOLT. I do not know from what the gentleman is reading but our figures show minus $2.9 billion. That does provide for that $2.3 billion cut which could come from either the revenue sharing or the categorical grant, and then we increase the absorption of pay-raise costs by civilian agencies by 30 percent.

Mr. SOLARZ. I think the situation is that the gentlewoman proposes for function 920, a figure of minus $2.9 billion which is actually $3.7 billion under the committee's recommendation.

In comparison with what the committee recommended it would require the reduction of $3.7 billion in outlays for that function.

☐ 1635

Mrs. HOLT. Right, but that takes into consideration the revenue sharing.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, to clarify this, the allowance functional category is basically the same and does accommodate the Panetta-Grassley amendment that was passed.

Mrs. HOLT. Yes.

Mr. ROUSSELOT. So there is no change there.

Mr. Chairman, I appreciate the gentlewoman yielding.

The Clerk read as follows:

Perfecting amendment offered by Mrs. HOLT: Strike out sections 1 through 5 and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $508,200,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $6,500,000,000;

(2) the appropriate level of total new budget authority is $600,000,000,000;

(3) the appropriate level of total budget outlays is $526,900,000,000;

(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $18,700,000,000 and

(5) the appropriate level of the public debt is $882,600,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $52,600,000,000.

Sec. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

Sec. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $138,100,000,000;
(B) Outlays, $125,400,000,000.
(2) International Affairs (150):
(A) New budget authority, $11,600,000,000;
(B) Outlays, $7,800,000,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $5,600,000,000;
(B) Outlays, $5,500,000,000.
(4) Energy (270):
(A) New budget authority, $18,400,000,000;
(B) Outlays, $6,400,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,800,000,000;
(B) Outlays, $11,800,000,000.
(6) Agrriculture (350):
(A) New budget authority, $4,900,000,000;
(B) Outlays, $4.500,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $7,000,000,000;
(B) Outlays, $3,100,000,000.
(8) Transportation (400):
(A) New budget authority, $19,500,000,000;
(B) Outlays, $18,000,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $7,100,000,000;
(B) Outlays, $7,000.000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $30,400,000,000;
(B) Outlays, $29,700,000,000.
(11) Health (550):
(A) New budget authority, $58,900,000,000;
(B) Outlays, $54,600,000,000.
(12) Income Security (600):
(A) New budget authority, $214,000,000,000;
(B) Outlays, $182.100,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,400,000,000;
(B) Outlays, $20,800,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,400,000,000.
(15) General Government (800):
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,200,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,600,000,000;

(B) Outlays, $8,600,000,000.

(17) Interest (900):

(A) New budget authority, $55,700,000,000;

(B) Outlays, $55,700,000,000.

(18) Allowances (920):

(A) New Budget authority, —$2,800,000,000;

(B) Outlays, —$2,900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19,800,000,000;

(B) Outlays, $19,800,000,000.

SEC. 4. In 1979, each standing committee of the House of Representatives shall report by July 1 to the House of Representatives its recommendations and the status of its actions with respect to new spending authority including all legislative savings, and other reforms, targeted by the first concurrent resolution on the budget for the fiscal year ending on September 30 of that same year. This report shall include any additional legislative savings which the committee believes should be considered by the House in the programs for which such committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives specific recommendations as to all possible legislative savings for the programs for which the committee has responsibility.

In 1980, each standing committee of the House of Representatives shall include in its March 15 report to the Budget Committee of the House of Representatives an estimate of the unobligated (and unexpended) balances of budget authority, an analysis of the extent to which such unexpended or unobligated balances could reasonably be reduced, and what steps, if any, have been or are being taken to reduce such balances.

And redesignate succeeding sections accordingly.

Mrs. HOLT (during the reading). I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

PARLIAMENTARY INQUIRY

Mr. MITCHELL of Maryland. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Maryland (Mr. MITCHELL) will state his parliamentary inquiry.

Mr. MITCHELL of Maryland. Mr. Chairman, this gentleman had planned to offer his amendment as a substitute for the Holt-Regula amendment.

It is my understanding that when the gentlewoman spoke to her amendment, the gentlewoman called it a perfecting amendment. I do not know whether that embraces fiscal year 1979 and 1980. My amendment does.

This inquiry is whether mine can be offered as a substitute to the Holt-Regula amendment.

The CHAIRMAN. The Chair will advise the gentleman from Maryland (Mr. MITCHELL) that since the gentleman's amendment which is at the desk would go to the fiscal years 1979 and 1980 and is in the nature of a substitute for the entire resolution, it would not be germane or otherwise in order, since the amendment offered by the gentlewoman from Maryland (Mrs. HOLT) is perfecting in nature and only goes to the fiscal year 1980.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the Chair. I will be here on December 23 to offer my amendment.

Mr. REGULA. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. REGULA was allowed to proceed for an additional 5 minutes.)

Mr. REGULA. Mr. Chairman, I do not want to reiterate what the gentlewoman from Maryland (Mrs. HOLT) has said in terms of fact. I think the gentlewoman has outlined very clearly what we are proposing. What we are attempting to do is to get a reasonable, responsible, a moderate approach to the budget, one that I think fits with what many of us have been telling our constituents, one that provides room for a tax reduction, one that restrains the growth of the Federal Government, one that will do much to provide leadership in checking the growth of inflation.

In a "Dear Colleague" letter that was circulated, the statement was made by the leadership of the majority party that what we proposed to do was to emasculate traditional Democrat programs and to injure the economy.

Now, I would point out that as an example of how untrue that is, in just one instance, the Holt-Regula perfecting amendment provides $800 million more for the health function than does the Democrat committee resolution. We are not emasculating programs. We are trying to have a reasonable, restrained growth in the social programs and all of the programs covered by this budget resolution.

Contrary to the statement in the "Dear Colleague" letter, that it would injure the economy, I submit that the adoption of the Holt-Regula perfecting amendment would do a great deal to strengthen the economy. It would send a signal to the American people that we are serious about restraining inflation, that we are serious about restraining the ever-growing cost of Government.

What does this perfecting amendment do? It provides for an increase in growth of the Federal outlays of 6.8 percent. The President has called upon labor and business to restrain their wage demands, to restrain their price increases, and has used a 7-percent figure. Surely the Congress should do the same.

Is it not appropriate that the leaders of this Nation, this body, say that we, too, will try to restrain the growth of outlays, that we will conform to the guidelines of the President of the United States, that we will hold the growth of the Federal budget to below 7 percent?

☐ 1640

I contrast this with the committee resolution which provides a growth rate of 8 percent, which breaks the guidelines, and which would say to the American people, "Do as we say. Don't pay any attention to what we do. We will tell you to have 7 percent increases for yourselves but we will have 8 percent for Government."

I submit that a 6.8-percent growth in Federal outlays for fiscal year 1980 would be a very responsible approach to carry out our responsibilities. It reduces the deficit from the committee resolution by 25 percent. It allows room on the revenue side for a tax cut to be determined by the Committee on Ways and Means, providing indexing, if you will, to give the American people encouragement to be productive.

In this perfecting amendment we have said that there is room to legislate a tax cut, a $15 billion tax cut in calendar year 1980. Some will say, "Well, your assumptions don't fit. You are making an assumption of an inflation rate of 8 percent, in contrast to the committee's assumption of 7.1 percent. You are being overly optimistic."

Let us look at the record. The committee resolution in 1977 assumed a 5.5-percent rate of inflation; the actual rate was 6.8 percent. The committee resolution of 1978 assumed a 5.4-percent rate; the actual rate was 9 percent. The resolution of 1979 assumed 6.7 percent; the actual rate was 8.2 percent.

I submit that we are being conservative in using 8 percent as an assumption on the inflation rate.

We have credibility in this perfecting amendment. We have not only made the assumptions on the revenue side but we have also used the same rate of inflation as part of our assumptions on the outlay side.

What else does it do? It reduces budget authority by $8.4 billion, as opposed to the committee resolution. Budget authority is often overlooked because we want to talk only in terms of the fiscal year deficit. But let me say to the Members, it is the budget authority that drives those deficits down the road. It is high budget authority that will result in the deficits of 1981 and 1982, and if we are to get to a balanced budget in 1981, we must start today by reducing budget authority, by not putting these programs in place, and by not promising something out there in the future.

The Holt-Regula perfecting amendment reduces budget authority $8.4 billion, a very vital step in achieving a balanced budget in 1981.

What else does this perfecting amendment do, if adopted by this body? I think it will be a tremendous step in providing leadership in fighting inflation, in restoring confidence to the American people, and in saying to the American people that we are going to restrain the growth of the Federal Government.

I cannot understate how vital I think this action would be in giving a message to the people that we care about what happens to the economy of this Nation.

I would say to my friends who are concerned about social programs that unless we restrain Government spending, we are going to be faced with interest costs down the road that will leave no room for new initiatives in social programs. We are going to be faced in 4 or 5 years with an uncontrollable budget so that when we get done with the uncontrollables, there will be nothing left,

after paying interest on the debt, to do **anything** by way of new programs.

We are faced now with interest costs of $55 billion, to $57 billion, and unless we start pulling back and restraining that cash outlay for interest year after year, the day will come when the budget will be made up entirely of uncontrollables. We will not need to have a budget process because there will not be any new initiatives to solve the social problems of the future.

Let me point out something else. Over the past 12 years the Federal budget has grown by an average rate of 10 percent. How does that compare to the growth in the economy? The inflation rate, 6.8 percent, which means that the Federal outlays over the past 12 years have been running substantially ahead of the growth in the economy, and it has brought us to an ever-growing national debt and higher inflation rates.

Now is the time to call a halt and to call for some restraint in what has been a progressively greater invasion of the taxpayers' dollars by Federal outlays.

I would say to the Members that we should take the advice of this Nation's leading economists. In testimony before the Committee on the Budget, Secretary of the Treasury Blumenthal testified:

> I certainly would say that I look at the spending figure first, then see what kind of budget deficit that yields me, and try to get, within that context, the deficit down as far as I can.

□ 1645

We have a deficit in this proposal of $18.7 billion, more than we would like, but at least we are moving down instead of moving up.

Mr. Schultze, of the Council of Economic Advisers, said to our committee, in response to a question from my colleague, the gentlewoman from Maryland (Mrs. Holt):

> The first priority is getting the expenditures down.

This is what we are trying to do today in this perfecting amendment.

And lastly, Alfred Kahn, the inflation fighter of this administration, said:

> If you look at the source of the inflationary problems during the last ten years, I think you really have to assign blame first to the ill-advised expansions of the money supply and of Federal spending unmatched by taxes during the late 1960's and the period of 1971 and 1973.

All of these economists and leaders in our Government said that inflation is a No. 1 problem, that we need to reduce inflation, that we need to increase productivity and that we need to reduce Federal spending. We need to follow the advice of those leaders.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Regula) has expired.

Mr. REGULA. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 4 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. GIAIMO. Mr. Chairman, reserving the right to object, I am not going to object because the gentleman from Ohio (Mr. Regula) is the coauthor of this amendment, and I think the author and the coauthor ought to have more time to explain their amendment. But, Mr. Chairman, I do intend to object to additional extensions of time.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. REGULA. Mr. Chairman, for the past two decades this Government has encouraged expansionary policies, uncontrolled Federal growth, and it has brought about an inflationary spiral. Holt-Regula is the first step toward reversing this trend. Holt-Regula is not a solution; it is a beginning to a solution. I think the Federal fiscal policies of the past 10 years have been a driving force in fueling inflation, and I want to say to the Members that unless we take action we are developing a psychology of expectation of inflation in this country. It is evident in a lot of things. Consumer debt has gone up very rapidly. There is a rapid increase in housing costs. We have high wage demands. Prices continue to increase. We have more and more indexing in all types of contractual relationships. People are beginning to perceive inflation as a way of life because the Federal Government refuses to do anything about it. Unless we send the message to people that we mean business, we are going to fuel this kind of attitude on the part of the public, and I think it will cause great problems down the road.

Mr. Chairman, let me close by saying simply this: We do not say that this is a panacea for all of our economic ills. We say it is the first step. It is not emasculating social programs. It is not hurting the economy. In fact, it will vitally encourage the economic activity of this country. We hold the growth in Federal spending to 6.8 percent; we reduce the deficit; we slow down inflation; and we provide room for a tax cut to encourage the productivity of this Nation.

We have tremendous economic dynamics in the United States. We still produce 24 percent of the gross national product of this world. All we need to do is use our positions of leadership to encourage the American people to join in checking inflation, to join in increasing productivity and to join in creating and building the great dynamic economy that we can have under the kind of leadership offered by this perfecting amendment.

Mr. MATTOX. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from Texas.

Mr. MATTOX. I appreciate my good friend yielding to me.

Mr. Chairman, I know how sincere the gentleman is and how diligently he has worked on this. I know the gentleman from Ohio (Mr. Regula) and the gentlewoman from Maryland (Mrs. Holt) have been working on it for a long time. I think this is a problem that we are dealing with in the realities of the politics of this House. Frequently Members on the gentleman's side of the aisle have offered amendments, and some of them have been very good.

□ 1650

Sometimes the majority has not been willing to accept those amendments, acknowledging and realizing that, should they be accepted, that the majority might lose a number of Members, a large quantity of Members on our side of the aisle. I think that there are a lot of the majority perhaps that would like to vote for the gentleman's amendment, recognizing that a big chunk of the majority would not then vote for the overall resolution.

I think it is a very reasonable question to ask that, if the gentleman's amendment is adopted, are the folks on the gentleman's side of the aisle going to make up the difference in votes that we lose on the majority side and vote for this resolution and pass it?

Have the Members discussed that with the minority leader and with the other members of the Budget Committee from the minority side, and can the gentleman give us some idea of whether we are going to get the votes to pass this resolution?

If the gentleman can assure us we are going to get those votes, I think the gentleman may get a lot more help from this side on his amendment.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. Regula) has expired.

(At the request of Mr. Mattox and by unanimous consent, Mr. Regula was allowed to proceed for 3 additional minutes.)

Mrs. HOLT. Mr. Chairman, will the gentleman yield to me?

Mr. REGULA. I am happy to yield to the gentlewoman.

Mrs. HOLT. I think if the gentleman will recall—I think it was before his time here in the Congress—when the gentleman in the well and I led the charge to get enough Republican votes to pass a budget resolution. I do not think that there can be any question about our wanting to have a responsible budget resolution. We are perfectly willing, if there is cooperation, if there is agreement that we have reached a good resolution, I think that the gentleman would see it.

Mr. MATTOX. Mr. Chairman, if the gentleman would yield to me.

Mr. REGULA. I yield to the gentleman from Texas.

Mr. MATTOX. I was here. I served on the Budget Committee at that time with both Members. I know both Members went a long ways out of the line, but I also remember at that time, and I do not recall what the number of Republican votes were from the Member's side of the aisle that supported it. I do not think there was over about 10, I do not believe, 10 or 12.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentlewoman.

Mrs. HOLT. It was enough to pass the resolution.

Mr. MATTOX. I think it was at that time, but by passage of this amendment today, we are going to lose far more Democratic votes than that. We are going to have to have a much greater commitment out of the other side of the aisle so that we can keep this Government moving forward if we are going to pass this amendment.

I think if the Members were able to discuss this with the minority leader and with their colleagues and get them to give us some kind of commitment, that they would support this resolution. I think that the Members would probably find that there are a great number of us who will be entering into this process with them and perhaps even adopting this amendment.

Mrs. HOLT. If the gentleman will yield further, can the gentleman speak for the Members on his side of the aisle?

Mr. MATTOX. No; but I tell the gentlewoman this, if she is going to support this resolution, not just her, but a great number more, we can each take time to come down to the microphone, including the minority leader, and say what position we are going to take if we get that kind of support. I think the gentlewoman will find a great number of people who will walk down this aisle and have a testimonial, just like we have at the Baptist church.

Mr. RHODES. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the minority leader, the gentleman from Arizona (Mr. RHODES).

Mr. RHODES. I think it is pretty plain. Most of the Members voted for the balanced budget amendment that the gentleman from California (Mr. ROUSSELOT) put forth. We have voted for the Latta substitute. I intend to vote for the Holt-Regula substitute. I will vote for the lowest deficit I can get.

I understand what the gentleman is trying to say. As far as I personally am concerned, if the Holt-Regula substitute is adopted, I will vote for it on final passage. I cannot tell the gentleman how many Republicans will, because I have not taken a count. I would not mislead him for a minute. I am satisfied that there will be Republicans who will not vote for any deficit. I do not know how many. I do not know how many, so I am sorry I cannot give the gentleman anything other than my personal assurance that I will vote for it.

Mr. MATTOX. If the gentleman would yield, as the gentleman well knows, I will vote for the Rousselot amendment. I also offered amendments to the full committee, both in the committee and on the floor, trying to bring this budget into balance.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. REGULA) has expired.

Mr. MATTOX. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio (Mr. REGULA) be allowed to continue for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas (Mr. MATTOX)?

Mr. GIAIMO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SOLARZ. Mr. Chairman, I rise in opposition to the amendment.

☐ 1655

I would like to congratulate the gentlewoman from Maryland (Mrs. HOLT) and the gentleman from Ohio (Mr. REGULA) for coming forth with a much more reasonable and responsible amendment than many of the other absurd propositions that have come before us during the course of our consideration of the budget resolution. But, however much of an improvement it may be over some of the other amendments we considered, it seems to me that the adoption of this amendment would be both economically and programmatically counterproductive.

The major assumption behind the Holt-Regula substitute is that a significant cut in the size of the deficit will somehow or other produce a substantial reduction in the rate of inflation. If only this were so. If only the adoption of the Holt-Regula substitute would in fact produce a significant decline in the Consumer Price Index, it would probably constitute a persuasive argument in favor of its adoption. The truth of the matter, however, is that according to all of the economic analyses and computer projections which are available to the committee, the actual impact on inflation of the adoption of the Holt-Regula substitute will be absolutely minimal.

Since the projections which are available to us indicate that the actual reduction in the inflation rate effectuated by the adoption of this amendment will be somewhere in the vicinity of one-tenth of 1 percent, it means that for the average American family, which spends about $17,000 a year, the adoption of this amendment will save them in a lower cost of living during fiscal 1980 the grand and magnificent total of $17.

Now, I am not going to deny that there is some relationship between the size of the deficit and inflation, but the fact of the matter is that there are many, many factors which contribute to inflation, and the deficit is not only one of many, but it happens to be far from the most significant. The cost of energy; the cost of food; the cost of housing; the cost of health care and many other factors all contribute much more significantly to the rate of inflation than the size of the deficit. As a matter of fact, if we look at the relationship between the Federal budget and inflation over the course of the last three decades, we find that there is indeed very little correlation between the size of the deficit on the one hand and the rate of inflation on the other. There have been years when we had a surplus, when the rate of inflation was higher than in years when we had a deficit; and there were years when we had a deficit when we had a lower rate of inflation than in years when we had a surplus.

Over the course of the last few years, for example, at the very same time that the size of the deficit has been going down, the rate of inflation has been going up. Consequently I would argue that if one is inclined to support the Holt-Regula substitute because one is concerned about inflation, as we all are, and because one would like to cut back on the rate of inflation, as we all would like to do, one should at least be aware of the fact that the impact on inflation of this amendment will be absolutely minimal.

But what will the programmatic consequences of the adoption of this amendment be? First of all, about 50 percent of the reductions in outlays, which total $6.2 billion, provided for in the Holt-Regula substitute are completely undistributed. We have no way of knowing from which functions those reductions and outlays will come. I would suggest that is a complete and total abdication of our authority. The purpose of the budget procedure is to enable us to establish priorities. If we want to say that we should lower the deficit by cutting defense or cutting health care, or if we want to say that we should increase the deficit by increasing spending for defense or lowering taxes, that is our privilege and prerogative.

But to adopt a substitute amendment which says that 50 percent of the reductions in outlays are, in effect, undistributed, where we have no idea which functions they are going to come from, is buying a pig in a poke. There is a very good chance that by the time this resolution is adopted, by the time the Appropriations Committee has finished translating it into legislation, all sorts of reductions will be made, to which many of the Members who vote for this amendment may be very much opposed.

If we want to reduce the deficit by making cuts in the budget we should at least know in advance from which functions the cuts are being made.

☐ 1700

Mr. SHUSTER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, first, I would make the point that to suggest that a moderate reduction in the deficit is going to have a sweeping impact on inflation in the short term certainly is not the case, and I do not think many of us are arguing that. Such an argument misses the whole point. The point is that by reducing the deficit, we put this country back on the track whereby over the longer run we can have a significant impact on reducing inflation, and that is the real significance, not simply in the coming fiscal year but to position this country to reduce inflation for many years.

Beyond that, Mr. Chairman, I would like to suggest that we should support this compromise because it is, indeed, a comprise between the committee position and the minority alternative position on this floor just a few minutes ago. I think that the closeness of the vote of the minority substitute carries a message for the American people, and, indeed, for this House as well. The minority substitute lost by a swing of only 19 votes. If we look at and analyze those votes, there is a real message for the American people.

One hundred forty-eight Republicans voted in favor of lower deficits and lower taxes. Forty-three Democrats joined those Republicans for a total vote of 191. On the other hand 222 Democrats voted against the lower deficit and the lower taxes, and only 6 Republicans joined them for a total vote of 228. So the message to the American people is that a 19-vote swing would have made the difference. That message, I think, should have meaning as we approach the next elections. But beyond that, there is a message today right here for this body. That message for the Members here is that the Holt-Regula substitute is a compromise between the minority substitute and the committee bill. So if we could get within 19 swing votes on the minority substitute, it seems to me that we should be able to get a majority of this body to support a more moderate compromise, to support the Holt-Regula substitute.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I would be delighted to yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

It is my recollection that of every witness who appeared before our committee, Chairman Miller, Mr. Schultz, Mr. Blumenthal, every economist who appeared before our committee, I cannot remember any who did not point out that we should be moving in the direction of reducing the deficit. Is that the gentleman's recollection?

Mr. SHUSTER. Yes, that is absolutely correct.

Mrs. HOLT. And that this is the right way to go. As far as the gentleman's argument that we have no idea where these decisions will be made, I think that this goes right to the heart of the question of the chairman of the committee about our getting into line items. This is not our jurisdiction. The authorizing and appropriating committees are to make those. The point that I am trying to make in this amendment and in the explanations that I point out, is that there is room there to make these reductions, to make these adjustments without coming out of the programs that are going to hurt people. I remember last year the chairman said that this would come right out of the hide of the people, and as we moved through the authorizing and the appropriating processes, we reduced the amount that we cannot spend. We were shoveling it out faster than we could spend it, so it did not come out of anybody's program to the detriment of anyone.

Mr. SHUSTER. I thank the gentlewoman.

In closing I would like to respond to the gentleman from Texas who asked what the minority might do and say that I would join the minority leader, if Holt-Regula passes and becomes the resolution before this body, and vote in favor of this resolution. While obviously we cannot speak for all Republicans, it is my considered judgment that many Republicans will vote in favor of the resolution.

Mr. Chairman, I yield back the remainder of my time.

Mr. BURGENER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I urge that we adopt this most modest of all substitutes. I should have preferred some of the earlier ones. I think my constituents would have, but I pledge to all my colleagues I will most certainly support the final passage and urge my colleagues on my side of the aisle to vote for final passage should this substitute be adopted.

I would predict and I think with reasonable certainty that an overwhelming majority of the Members on the Republican side of the aisle will vote for final passage of this budget resolution which is important to all of us.

I think a couple of observations about our public debt might be helpful.

The national debt now exceeds $800 billion. If you just mention that figure without relating it to something else, it is not all that meaningful. I would like to relate it to a couple of things to show why it is important to adopt the Holt-Regula substitute.

The fact it is over $800 billion is alarming but is more so when one considers it has doubled in the past 5 years. It was $400 billion just 5 short years ago. In other words, this national debt has increased in the past 5 years as much as it did in the preceding 29 all put together. The preceding 29 contained such things as the Korean war, the Vietnam war, the space program, the great society, the new frontier and regardless of how one feels about all of those things they were very, very expensive. The debt is increasing not arithmetically but exponentially, geometrically, and it is getting absolutely out of control. It should be of concern to every American and to every person on this floor.

Now to whom is this debt owed and of what is it comprised? It is made up of such things as savings bonds and Treasury bills and Treasury notes, any instrument of debt of the U.S. Treasury that all of us collectively owe, this comprises the national debt. I used to hear people talk and they would say, "Do not worry about it; we owe it to ourselves." I wish that were true. We do not. This debt is held by people all over the world. A large part of it, not the majority but a large part of it is held by foreign nationals, foreign corporations, foreign countries, and this portion is an ever-increasing amount. I might point out, that has to be paid and it has to be paid in cash. And we pay the interest every year.

Let us for a moment discuss interest. Interest is the third largest expenditure in the Federal Government today. It used to be 10th or 20th. It is $53 billion. How much is that every day and what does that relate to? It is $150 million per day.

All of the oil which we import which is causing us incredible problems in balance of payments and lowering of the value of the dollar, all of the oil which we import cost us less than the interest on the national debt. It costs us about $120 million a day. That is significant. The debt is out of control. It is running away. Here is a chance to bring it a little closer to control.

This big deficit drives up interest rates. When President Eisenhower was inaugurated in 1953 the prime rate was 2 percent. Two percent. Over all these years we have never retired any principal that I am aware of on the national debt. We have robbed Peter to pay Paul—I read that in a book, the Good Book—but as the debt rolls over we merely borrow from this one to pay that one. This cannot go on.

All of the polls show that the American people, by 70 to 85 percent, think that inflation is caused by this Congress and this administration, by overspending, and I think they are right. Here is a chance for us to reverse it.

The Holt-Regula substitute, unlike other proposals presented in the past, does provide growth but it is restrained in amount. It is evenhanded, it is fair and it is long overdue. I urge my colleagues to adopt it in a spirit of compromise.

Mr. JACOBS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I believe it is 19 hours now that I have waited to offer an amendment to the water resources section of this resolution. I have waited 19 hours to do it because what Sam Rayburn said to John Kennedy is true, that the best way to get along is to go along.

□ 1710

I am not the best go-alonger in this House. Frankly, sometimes I do not get along very well.

A previous chairman of the Committee on House Administration once threatened me that if I did not pay homage to him I would be deprived of what the gentleman considered a favor. I considered it a joke. Partly because I am not a cosponsor but, in fact, the author of that constitutional amendment dealing with fiscal matters which in the past 3½ years has garnered more cosponsorship in both Houses of Congress than any other resolution so far, the leadership of my party opposed my membership on the House Budget Committee. Never mind the fact that I had waited patiently to gain seniority on the Committee on Ways and Means that would indicate at least some consideration for that assignment, or at least an absence of active opposition, but that did not happen; so for 19 hours I have constantly been next in line to offer the amendment and constantly bumped, as it were, by members of the Budget Committee.

There is a story about a Socialist who tried to convince his next door neighbor, a farmer, to join with him in his ideology.

His skeptical neighbor said to the advocate, "Do you mean to tell me that if you had two hogs, you would give me one of yours?"

"Certainly," said the Socialist.

"Do you mean to tell me that if you had two saddle horses, you would give me one of yours?"

"Certainly and absolutely," said the Socialist.

Then the neighbor inquired, "And do you mean to tell me that if you had two milch cows, you would give me one of you milch cows?"

The Socialist cocked his head and grinned and said, "Now, you know I have two milch cows."

Let me point out that in the case of the Holt Regula amendment, which I think has much merit and I may yet support, the very function in which I am interested, function 300, has no substantial change, no change at all, I think, in outlays.

In the budget function for water projects, "pork barrel," they are rightly called, I suggest there must be at least 10 percent grease that could be fried off.

Why do you suppose that reduction is not in the substitute? Well, it is not because of the gentlewoman from Maryland (Mrs. HOLT). It is not because of the gentleman from Ohio (Mr. REGULA), both of whom I know and admire very much. They in their own report said that it is in this very area of pork barrel spending where great waste takes place.

Where, may I ask, is the minority leader from? I believe it is Arizona. Did anybody ever hear of the central Arizona project?

Politics is the art of compromise.

A number of years ago the gentleman from Ohio (Mr. LATTA) was inveighing in this well against a piece of legislation that provided Federal aid to exterminate rats in the ghettos of cities across the country. A good case was made for the legislation, although maybe the local communities should have accepted the responsibilities themselves; but never mind that.

During the course of his discourse, the gentleman from New Jersey, Mr. Joelson, arose and said, "Could it be the same gentleman in the well who asked for an appropriation every year to exterminate blackbirds in Ohio?"

The gentleman from Ohio, I believe the record will show, forgot all about rats and began a lecture on the evils of blackbirds and how much corn they ate every year.

Then I hear my friends who are identified with social legislation saying, "No, you can't cut one benefit from social security.

"No matter how marginal it might be, you cannot cut one social program. Never mind that out in some community where the average local wage might be $12,000 a year——"

The CHAIRMAN. The time of the gentleman from Indiana (Mr. JACOBS) has expired.

Mr. JACOBS. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes, after waiting 19 hours of being bumped.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

Mr. GIAIMO. Sorry, but the gentleman knows I am going to have to object. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

□ 1715

PREFERENTIAL MOTION OFFERED BY MR. JACOBS

Mr. JACOBS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

> Mr. JACOBS moves that the Committee do now rise and report the concurrent resolution back to the House with the recommendation that the resolving clause be stricken.

The CHAIRMAN. The gentleman from Indiana (Mr. JACOBS) is recognized for 5 minutes in support of his preferential motion.

Mr. JACOBS. Mr. Chairman, I shall speak to the subject of striking the resolving clause by showing the Members what is wrong with this resolution.

My friends who support the social legislation who say that the gentleman from Ohio (Mr. REGULA) and the gentlewoman from Maryland (Mrs. HOLT) are out of line for touching that at all are willing to ignore the high salaries that have been paid—notoriously paid—in the social programs across the country while others in the same communities have wages far below what the Federal Government under its national standard will pay.

In the area of the military, the gentlewoman from Maryland (Mrs. HOLT) said a moment ago, "Look at the charts and see the need."

My friends on the other side might say, "Look at the charts that show greater illiteracy than ever before in our Nation's history," and then they might say, "Look at the need."

Does that mean hypocrisy? I think not. I think, more mildly, it means unobjective sincerity.

Need is a very, very curious quality. I have a nephew who has arrived at that happy age at which a driver's license has been issued, and in all these 16 years that I have known him and loved him he has never "wanted" an ice cream cone; he has always "needed" one.

That is the problem—the subjectivity. That is the reason, in my judgment, that there is need for a constitutional amendment that goes beyond the immediate reach of the Congress to spend for the needs and the imagined needs.

Military needs? When I was in the military, I once had deducted from my salary the value of a wooden stock from an M-1 carbine which I did not blow up; the Chinese Communists did. That was deducted from my salary at a time when the officers' club in the division headquarters was doing rather nicely at the taxpayers' expense.

No waste in the military? Who has served in the military who is willing to stand up now and say that there is no waste? And if you have not, who has read the papers and heard about cost overruns, about airplanes that cannot fly, and about nearly $1 billion for a reconnaissance tank that one could hear a mile off when they started the engine?

No waste in the military? No waste in social programs? Of course not, depending on who is telling the story.

There is such a thing as being insurance poor, too, when it comes to national defense.

One hears it said, "There are uncontrollables that cannot be touched." What are those uncontrollables?

I suppose one on the highest order would be disability benefits from combat-connected service to the country. I have one such disability and am entitled to that benefit. Should I collect that disability pension while the taxpayers are paying me a handsome salary to serve in the Congress? That is an uncontrollable, that is a commitment, that is an entitlement. Should not such an "uncontrollable" be controlled?

Let me tell the Members about another entitlement and commitment that the Government once made and then broke in the space of 8 minutes on this floor by a voice vote. That was a contract I had with the Marine Corps to serve 2 years when the Korean War broke out and they needed me another year. On a voice vote they broke their contract with me, and they gave me my overrun of 1 so-called "convenience of Government" year in the Korean War. That is how controllable that "uncontrollable" was.

Finally, Mr. Chairman, I just want to say to those who choose to be so partisan in their discussions that there is so much good in the worst of us—I am quoting my mother—and so much bad in the best of us that it hardly becomes any of us, the minority leader, the majority leader, me, or anybody else, to say very much about the rest of us. There is only one thing that restrains human nature and the inclination to spend always a little more than our income, and that is a good, solid, no-holds-barred constitutional amendment.

Mr. Chairman, I would like to see, when this amendment of mine is offered to cut off some of the pork barrel, how many Members who ran on a platform of balancing the budget and being fiscally conservative or progressively parsimonious will stand up so that the American people can see a vote to cut $400,000,000 from the 1980 budget.

□ 1720

Mr. ICHORD. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, under the rules of the House the Chair is constrained to recognize members of the committee before members who are not members of the committee are entitled to recognition. I have not waited 19 hours as has the gentleman from Indiana. In any event, I thank the gentleman from Indiana (Mr. JACOBS) for making his motion, and I thank the Chair for recognizing me to speak against the preferential motion.

I think that we should pass upon the merits of the amendment offered in the form of a substitute by the gentlewoman from Maryland (Mrs. HOLT). The Holt amendment, to my way of thinking, represents one of the few times in the history of the budget process that we have had an opportunity to vote for a resolution which attempts to achieve two basic objectives of that process; that is, fiscal responsibility and the establishment of spending priorities on the basis of considered need.

I am not going to spend a lot of time on my feelings toward defense spending. The committee is aware of that. But I would like to point out that in a recent survey of my district, 60 percent of my constituents replied that they thought we are militarily inferior to the Soviet Union and favored increased spending for defense.

While my district may be more defense-minded than other districts, I would point out that a recent nationwide Gallup poll on defense and foreign policy reflected the greatest trend in the past 4 years for such an increase. But despite the feeling of the people of this Nation, the Budget Committee has proposed a $3 billion reduction in budgetary authority and a $2 billion reduction in outlays for defense.

The Holt-Regula substitute corrects this obvious committee bias while not rubberstamping the administration's request. Even more importantly, Mr. Chairman, the Holt-Regula substitute recognizes the role of the oft-neglected American taxpayer whose money we are doling out.

I share the sentiments of the gentleman from Indiana. I too have given a great deal of thought and work to mandating congressional cuts on spending. The American taxpayers, Mr. Chairman, have demanded more fiscal responsibility from their lawmakers. They are demanding a balanced budget and the elimination of marginal or ineffective programs. The Holt-Regula substitute provides that fiscal responsibility by reducing the deficit below that recommended by the committee and by allowing for a possible tax cut.

I hope, Mr. Chairman, that the Members of the Committee will support the Holt-Regula substitute overwhelmingly.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Indiana (Mr. JACOBS).

The preferential motion was rejected.

Mr. WRIGHT. Mr. Chairman, I rise in opposition to the amendment.

During these last long days, two very fundamental conclusions have been reconfirmed to me. The first is that a budget is a devilishly difficult thing, not only to put together, but to keep together. And yet that is precisely what this House has done throughout these long days of deliverations.

□ 1725

So that brings me to the second of those conclusions, and that is when the chips are down, the House will do the responsible thing. Repeatedly we have rejected amendments and proposed substitutes which superficially sounded very attractive.

Now we have one which is almost seductive in its allure. It combines the admittedly impelling attractions of a big tax cut and a lower deficit.

There are only a couple of things wrong with that. The trouble is when we look below the superficial figures at the premises upon which they are founded, we see that they are about as insubstantial as a big wad of cotton candy.

The first fallacy is the idea that we rejected last year in the Kemp-Roth approach, that if we just cut taxes enough we will have revenues running out our ears. The House rejected that. The Members saw through it. The public saw through it. I think we see through it today.

The second fallacy is the presumption that we are going to have a high rate of inflation, and for that reason alone will have more revenues and, therefore, a lower budget deficit. It is almost as though the amendment's sponsors would argue the best way to reduce the deficit was to have a lot of inflation.

The fallacy here, of course, is that the gentleman and the gentlewoman who drafted the amendment added deliberately to the revenues because of their assumption of greater inflation, but did not add to the assumption of greater expenditures due to the inflation.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I want the gentleman to know we did take that into consideration. I made that point in my original presentation.

Mr. WRIGHT. If the gentlewoman did take into consideration——

Mrs. HOLT. We did.

Mr. WRIGHT [continuing]. Additional costs flowing automatically from this high inflation rate the gentlewoman assumes, then the gentlewoman is cutting basic functional expenditures far deeper than I assumed she was initially in order to arrive at the figures she presents.

Mrs. HOLT. No. If the gentleman will take a look at the function, we did——

Mr. WRIGHT. I accept the gentlewoman's word for it. If the gentlewoman says she took inflationary cost additions into account, then I take her word for it. But if she took them into account, then it means quite obviously that in order to arrive at those quite substantially lower expenditure figures, which her amendment reflects, she would have had to cut them far deeper to begin with.

Let us just look at the basic priorities embodied in this proposal. There are only two major beneficiaries. The defense pipeline would be a beneficiary, and State budget surpluses would be the second beneficiary.

Now, everybody is for defense. The Budget Committee resolution adds to the real defense posture. It adds in terms of real growth, though not as much as the proponents of this amendment would like.

But while they maintain that they are adding to the defensive strength of this country, their amendment would slash energy expenditures to the bone. Their amendment would reduce what this country will do to provide alternate energy sources by some 28 percent below this year's expenditures. Is that the way to maintain strength in the country? To postpone the day when we shall be able to resume a position of energy self-sufficiency? I think not.

Let us see where the money would go and where it would come from. We have $2.3 billion which would be added to State revenue sharing by the gentlewoman's amendment.

□ 1730

This is the proposal that we have rejected in the House in these last several days on three separate occasions. But, while restoring these blank checks to the States, the authors of the amendments would reduce the very programs upon which our local communities rely and upon which they put the highest priority. Here is what will be reduced. Listen to this list.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GIAIMO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Chairman, I thank the gentleman for yielding, because I would simply like to point out the programs that would be reduced by the Holt-Regula amendment:

Federally aided highways would be cut; money for sewage treatment plants would be reduced.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. The gentleman from Connecticut has yielded to me.

Mr. GIAIMO. I would prefer that the gentleman finish his statement, and then if there is time left I will yield.

Mrs. HOLT. There are so many inaccuracies in this.

Mr. WRIGHT. If there are inaccuracies I would regret it very much, and I hope that I am not misstating the facts. Figures from which I am quoting have been given to me at my request by professional members of the Budget Committee's staff.

I ask, what is going to be cut? Here is what we get:

Federally aided highways; sewage waste water treatment program; low rent housing; urban mass transit; the EDA regional and community development programs; the rural assistance program; alcohol and drug abuse programs; school assistance; airport improvement; conservation programs of the Interior Department; law enforcement assistance; and agriculture—by about $800 million for agriculture.

Now, perhaps I am mistaken. Perhaps this is a different amendment than the one that we were given to look at. Obviously, if you are going to cut taxes by $9 billion and spend $1 billion more on defense, and spend $2 billion more giving to the States, and still project a lower budget deficit you have got to cut something. The money must come from somewhere. I think this is what they are cutting. These are the functional categories—community development, transportation, education—that the original Holt-Regula plan purported to cut. That is the hit list.

Are those the things we want to reduce in order to finance $9 billion in tax cuts and $2.3 billion in gifts to the States? Who is injured by these cuts? Here is a partial list of those who could be injured:

Workers who lose jobs due to imports; widows and orphans whose security benefits will be reduced; the blind, the aged, and the disabled, who will have to wait longer for SSI improvements; about a million students in schools that will not get impacted aid; preschool children under Project Head Start; youths looking for summer jobs; the elderly with their nutrition programs.

I see people on the Republican side laughing. Maybe it is funny. Maybe it is great fun to cut these programs for those who can afford least to be cut. Is that what we are prepared to do? Shall we make the targets of our voracious thirst for economy those who are the most defenseless in our society? Is this to become a veritable who's who of those who do not count with the Congress? Well, I think not.

We have a responsible budget resolution which is the result of the careful deliberations of the Budget Committee for many weeks and of this House over some 7 days of debate. It reflects at this moment a budget deficit quite substantially lower than anyone seriously thought we could arrive at early this year. The budget deficit at this moment is some $23.4 billion, and that is at least $6 billion lower than the figure recommended by the President of the United States in January.

Surely, we have done a responsible job in cutting spending. This budget carries out and continues the effort set in motion in 1976 when, from a $66 billion deficit we reduced it to $51 billion, and then last year to $38 billion, and today it is about $34 billion, and now we have next year's deficit down to $23 billion. That is steady, assimilable progress.

Further to take the heart and soul out of the programs which are the lifeblood of America, for which this country has stood, would be indefensible.

□ 1735

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield briefly to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding. I think, if I understand the gentleman in the well correctly, he is opposed to having room for a tax cut for the American people and he thinks we ought to increase outlays more than recommended by the President of the United States for the people of the United States in terms of wages and prices.

Mr. WRIGHT. If the gentleman from Connecticut (Mr. GIAIMO) would yield so that I might respond to that, I believe I demonstrated, as did a majority and those on the Democratic side last year, that we are for tax cuts when they are soundly conceived. We voted a $19 billion tax cut for the American people last year. But we are not in favor of a tax cut which we believe would either raise the deficit or further reduce necessary programs.

Mr. REGULA. I congratulate the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GINGRICH. Mr. Chairman, I move to strike the last word.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Chairman, I ask unanimous consent that after the gentleman's 5 minutes have terminated, all debate on this amendment and all amendments thereto end in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. BAUMAN. I object.

The CHAIRMAN. Objection is heard.

Mr. GINGRICH. Mr. Chairman, I rise today to respond in part to our distinguished majority leader, an eloquent speaker, a man who has led us, as he said, in a steady pace toward a lower deficit. I appeal to Members on both sides because I think there are many on the Republican side who are wavering because they regard the deficit as too large. There are many on the Democratic side who are wavering because they regard it as too small. I would suggest two things: First, when we look at revenues and we look at who is responsible and compare the figures in the Budget Committe report with the statement in the morning paper by the Secretary of the Treasury, it is very clear, by the Secretary of the Treasury's own admission, that the inflation rate will not only be greater than the Budget Committee's recommendation, the inflation rate will be greater than the Holt-Regula position, and that means that income will be higher. That means, therefore, that the budget deficit will be lower than is currently projected.

I think in terms of responsibility it is the Holt-Regula position which is in fact more accurate.

The Holt-Regula position is in fact more accurate and more in line with the administration's own projections in terms of inflation and the consequent impact upon income taxes. Their revenue projections, based on the Secretary of the Treasury, are more likely to be correct than the Budget Committee's.

Let me go to a second point which I think is even more important. This may well be the most important single vote of this session in the House. It is the one clear chance to decide and to set the tone for the rest of the year. Do we want to continue at high taxes, high spending, and drift inevitably toward an inflationary recession—and it is an unusual combination that we have gotten only one other time in recent times—or do we want to take a stand today on a moderate, balanced, responsible proposal, leaning toward cutting taxes, reducing the burden of Government, and trimming the margin. Our distinguished majority leader said, "Who is going to be hurt? Who is going to be on the hit list?"

I will close by suggesting that there is another hit list. Continued large deficits hit every poor person who has to buy gasoline or food. They hit every person who works for a living and cannot keep up with inflation. Higher deficits hit every senior citizen on a fixed income. Higher deficits lead directly to inflation which is crippling this country, and I would appeal in particular to the majority party today.

□ 1740

This is a chance for each of us individually to look at a responsible, moderate proposal to cut the deficit and cut taxes and to vote not based on how many votes come from the Republican side of the aisle, as the gentleman from Texas earlier asked, but to vote on the simple question, is it more responsible in the current economy to cut taxes, to cut the deficit, to change a little more rapidly the speed with which we are moving toward a balanced budget, and I think the only responsible answer is "yes" and I urge you to vote for Holt-Regula.

Mr. BAUMAN. Mr. Chairman, I move to strike the requisite number of words and will speak in support of the amendment.

Mr. Chairman, in the spirit of chivalry I would like to yield to my distinguished colleague from Maryland (Mrs. HOLT) that she might respond to some of the erroneous statements that just were made.

Mrs. HOLT. I thank the gentleman very much for yielding to me.

Mr. Chairman, I feel compelled to respond to some of the statements made by the majority leader. He is a very, very distinguished member of the Budget Committee. I know that he misspoke himself on some of the things that he said and I really would like to correct it for the record.

There is a 6.8 percent growth in Federal spending in this proposed amendment. There is no real growth in defense in this amendment. Our President made a commitment to our NATO allies that we would have 3-percent growth. That is our commitment. If we are trying to hedge and weasel out of that, our allies are going to recognize it immediately and they are going to refuse to continue with their commitment to it. I think this is something we have to do to back up the President. We have not come up to the 3 percent we have committed.

Now as far as that long, long, sad list that the distinguished majority leader went over, I just could not believe that because we have said over and over again here as we have considered this resolution that we cannot go into line items. That is up to the committees. I have tried very, very hard to point out where there is some fat where we could peel off this little tiny 1.1 percent below the level of the Budget Committee. In health we have gone $800 million above the Budget Committee. In income security we are much higher than the President's request in outlays because of the inflation adjustment we have made there.

We have taken nothing out of any highway funds. I do not know where in the world that came from.

With regard to bloating the budgets of the States, we have tried to make provision in the allowances function for taking money out of the State revenue sharing or out of the categorical grants, leaving it up to the committee, the way it should be.

Mr. WRIGHT. Will the gentlewoman yield, Mr. Chairman?

Mrs. HOLT. No, I will not yield at this time, I am sorry.

Mr. BAUMAN. Mr. Chairman, neither will I.

Mrs. HOLT. What we are getting out of this is a 1.1-percent cut in spending, we get a 25-percent reduction in the deficit. I am not saying we should have a tax cut, I am saying there is room here for one if the Committee on Ways and Means in its wisdom thinks that the taxpayer should receive some kind of provision to keep their money and not send it here to the Federal Government for us to continue wasting it.

I do not really know where the majority leader got all of his sad, sad stories that he was telling.

We have tried to leave this to the authorizing and appropriating committees to make those decisions.

I thank the gentleman for yielding.

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. BAUMAN. Yes, I yield to the gentleman from Ohio.

Mr. ASHBROOK. I certainly want to agree with what our colleague from Maryland has said. You know, different ears perk up to different things. When our majority leader said they cut the education function, I serve on that committee. I took a look at the Holt-Regula amendment and I see absolutely no cuts. The Regula amendment would continue funding that entire function at the same level as the President except accommodating the Jones amendment which is already adopted. I would like to know where the cut comes to the education function the gentleman mentioned. I do not see any, frankly.

Mr. BAUMAN. Perhaps it was an overstatement of the case on the other side for rhetorical effect.

□ 1745

Would the gentleman from Maryland mind if I yielded to the gentleman from Texas?

The gentlewoman seems to give her assent. I will be glad to yield to the gentleman.

Mr. WRIGHT. Mr. Chairman, I would just like to ask the gentlewoman a question; because if I have misconstrued the intent of the gentlewoman's amendment, I regret it very deeply.

Now, the gentlewoman says that I was mistaken in listing places the gentlewoman's amendment would cut. I do not think I was, but let us see if I was. Maybe the gentlewoman can elighten me.

The gentlewoman's amendment provides about a $9 billion tax cut; right?

That is correct, and her amendment——

Mr. BAUMAN. Mr. Chairman, I yield to the gentlewoman from Maryland to respond.

Mrs. HOLT. Mr. Chairman, our amendment cannot make a tax cut. The majority leader knows full well that we cannot do that. That has to be done by the Committee on Ways and Means of this House. What I have said is that with the inflation factor there is the possibility for Ways and Means to make the cut.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

Mr. DOUGHERTY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I will be brief. I did not intend to speak to this amendment until the gentleman from Texas made some comments.

I would like to note for the information of the gentleman and of the Members of the House that I voted against the Rousselot amendment. I voted against the Latta amendment, but I rise to take very strong exception to the dramatics that the majority leader uses in talking about services that might be cut under the Holt amendment.

The gentleman from Texas should be aware that while Texas may have a surplus, my State does not have a surplus. The loss of Federal revenue-sharing funds to Pennsylvania will cause a reduction of $111 million. Significant among that is the $53 million that Pennsylvania needs to fund the special education program that this body mandated back in 1974, I believe.

I am concerned about this need to educate these children. I am concerned what is going to happen in Pennsylvania if we do not have revenue sharing.

I find that under this particular proposal there is funding for revenue sharing. As I said, maybe it creates a surplus for Texas, Mr. Chairman. It certainly does not present a surplus for Pennsylvania.

I think that this approach that the gentlewoman from Maryland (Mrs. HOLT) is taking is perhaps the most realistic in view of the climate where people are demanding a cut in Government spending. It also may be the most responsible in that it does, I believe, address some very basic human needs.

Mr. ERDAHL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have before us at this time the most reasonable amendment and perhaps the most critical and significant vote in this entire budget proccess. A little bit ago we heard the gentleman from New York say that this would only amount to a $17 saving for each person in this country. I think if we could save each person in this country $17, it would be the most significant indication and direction that this Congress has accomplished during this session. It totals billions.

A bit earlier the gentleman from Connecticut used Biblical terms and said that after a period of hard and long labor rest is deserved.

It has been hard and long labor and I would concur with that, but I think there is a part in the gentleman's analogy that we could take exception to and that is in the creation story in Genesis, the Lord created order out of chaos. We are being asked in this more than half-a-trillion-dollar budget to be given to the taxpayers of this country, the possibility of creating more economic chaos out of the fiscal chaos that already exists.

□ 1750

Mr. Chairman, the people in this country are properly watching what we do this afternoon and what actions we take. This is a rare opportunity to cut expenditures, lower taxes, and reduce the budget deficit. I urge my colleagues on both sides of the aisle to move ahead with courage; to take account of their responsibility for the promises that most of us made in last fall's elections to enable us to hold these high offices; and to support the Holt-Regula substitute. Then I—and I think I would be among many—will vote for the budget resolution now before this Congress.

Mr. ASHBROOK. Mr. Chairman, will my colleague yield?

Mr. ERDAHL. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, I think it is very appropriate to point out at this time, at 10 minutes to 6, when it appears that we are about ready to adjourn on a Wednesday afternoon and when we would normally work until about 9 o'clock at night, that why we are going to adjourn has nothing to do with Biblical terms.

● Mr. LAGOMARSINO. Mr. Chairman, I rise in support of the Holt substitute. My collegues have already spoken on the advantages of this measure over the committee resolution—a tax cut, a reduced deficit, a better ordering of priorities.

I would like to take just 1 minute to address the latter aspect. Yesterday, and again today, we have been debating the issue of State revenue sharing. The very close votes which have occurred on this issue indicates that the House may not be ready at this point to decide this issue. It is a serious step to scrap or curtail a program of such importance, especially since most of this money goes to local school districts. The feeling in my district is, we have already paid for it, so you better let us have the money. It is a strong feeling, and one that I agree with. When the voters back home find that we have cut this aid to local schools, and that their kids' education is going to suffer, or their property taxes increase, or their State taxes rise as a result—they are not going to thank us. They know we are just going to spend that $2.3 billion for something else.

Holt-Regula allows us to reconsider that cut in a rational fashion. By taking the money out of the 920 function and putting it into the 850 function, general purpose financial assistance, it allows us the option of deciding later how this cut will be made. It gives the authorizing committee time to consider what it wants to do about revenue sharing. And it may save us from a lot of angry parents and taxpayers.

I believe general revenue sharing is the way to go. I think categorical aid programs eat up more dollars in overhead than they provide in actual benefit. The overhead in revenue sharing program is less than 5 percent.

But I appreciate that many of my colleagues are undecided on this issue. Holt-Regula gives them the time needed to make this crucial decision, to ask the voters how they would prefer it.

If you feel uncomforable voting now to cut State revenue sharing, but you do want to hold the budget deficit down, vote for this measure.●

● Mr. HILLIS. Mr. Chairman, I supported the amendment offered by the gentleman from Ohio, which allows this body an opportunity to prove that it is determined to combat double digit inflation, as well as allowing the President to fulfill his campaign promise of a balanced Federal budget in 1981.

Last week on the ABC Evening News, Barbara Walters interviewed Arthur Burns, one of the most respected economic minds in the world. Mr. Burns suggested that unless the President gets serious about fighting inflation, he will not be reelected. He further stated that whoever is elected President in 1980 will be completely committed to fighting inflation because that will be the No. 1 issue during the Presidential campaign. Some may question why Mr. Burns does not consider the President to be serious about inflation in the light of the rhetoric coming from the White House. Serious in this case is defined as the willingness to make the tough and often painful and politically difficult decisions which are needed to control inflation.

The man who takes the oath of office for the Presidency in January 1981 will carry with him an absolute mandate from the American people to stop inflation by whatever means necessary. Inflation is the cruelest tax of all on the American people and they will no longer tolerate it. Unlike the Budget Committee's resolution, this amendment provides for a tax cut of about $15 billion to offset the inflation tax.

Like the administration, the Congress is not yet truly serious about fighting inflation. The President and most Members of the House have promised to act in an anti-inflationary manner; however, as a body or a government, we have yet to illustrate the willingness to make the decisions, and enact the policies which are necessary to stop inflation.

In my view, there are three major causes for our current high rate of inflation. They are excessive Government spending, our general energy shortages, and the belief by Americans that inflation is not going to subside anytime in the near future. The first two causes have been discussed in great detail so I do not believe it necessary to outline them at this point. However, the third cause, the belief that inflation is here to stay, deserves attention.

If there is a way for the average wage earner to beat inflation, or at least stay even with it, it is through limited personal deficit spending. The theory being that as inflation continues, wages will increase thus the debt is paid off in less valuable dollars. Ironically, as more Americans either choose to go or are forced into debt because of higher prices, the supply of money has expanded to meet the demand. (It is noteworthy that Americans are now borrowing at record levels.) Of course, the increased money supply is inflationary in itself. Inflation is self-perpetuating unless the cycle is broken.

It is important, and extremely relative today's debate, to understand why few Americans anticipate that inflation will subside. The simple answer is that the President and the Congress continue to support and enact inflationary policies such as those outlined by the Budget Committee's proposed first budget resolution. When this Government shows itself to be willing to fight inflation with more than rhetoric, Americans will stop betting on inflation and the previously outlined cycle will be broken.

To illustrate how the Federal Government has yet to begin to reduce spending, consider the following. In fiscal year 1962, the percentage of Federal outlays which went to pay interest on the debt was 10.5 percent. It is estimated that for fiscal year 1979, 16.6 percent of our total outlay will be to pay interest on the public debt. Looking at it another way, in fiscal year 1962 we paid $9.1 billion in interest while in fiscal year 1979 we will pay $59.8 billion.

One last point: This amendment is not radical; it is not unrealistic. Public Law 95–425, section 7 states "Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts." That is the law—passed by the Congress and signed by the President. This amendment will get us on the road to a balanced budget and will enable us to abide by the provisions of Public Law 95–435.

How can this body, the elected Representatives of the people, vote to ignore the very laws we were elected to pass? We were elected by, and given the responsibility to protect the best interest of, the American people. This amendment provides for an adequate defense, combats inflation which is hurting every American, and enables us to reduce taxes which continue to increase due to inflation. It truly deserved every Member's support.●

The CHAIRMAN. The question is on the perfecting amendment offered by the gentlewoman from Maryland (Mrs. HOLT).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mrs. HOLT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 198, noes 218, not voting 18, as follows:

[Roll No. 136]

AYES—198

Anderson, Ill.
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bouquard
Bowen
Breaux
Brinkley
Broomfield
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
Deckard
Derwinski
Devine
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Fithian
Flippo
Forsythe
Fountain
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Gradison
Grassley
Grisham
Guyer
Hagedorn
Hamilton
Hammerschmidt
Harsha
Heckler
Hefner
Hillis
Hinson
Hollenbeck
Holt
Hopkins
Horton
Huckaby
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jones, Tenn.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKinney
Madigan
Marks
Marlenee
Marriott
Martin
Mica
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Neal
Nichols
O'Brien
Paul
Petri
Pritchard
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walgren
Walker
Wampler
Watkins
Weaver
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wydler
Wylie
Yatron
Young, Fla.

NOES—218

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edwards, Calif.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Flood
Florio
Foley
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gramm
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hance
Hanley
Harkin
Harris
Heftel
Hightower
Holland
Holtzman
Howard
Hughes
Hutto
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kazen
Kildee
Kogovsek
Kostmayer
LaFalce
Leath, Tex.
Lederer
Lehman
Leland
Levitas
Lloyd
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
Maguire
Markey
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, Ill.
Murtha
Myers, Pa.
Natcher
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Simon
Skelton
Slack
Smith, Iowa
Solarz
Spellman
St Germain
Stack
Staggers
Steed
Stenholm
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Van Deerlin
Vanik
Vento
Volkmer
Waxman
Weiss
White
Whitley
Whitten
Williams, Mont.
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—18

Abdnor
Brown, Ohio
Davis, S.C.
Edgar
Ford, Mich.
Gaydos
Hansen
Hawkins
Hubbard
Long, La.
McKay
Murphy, N.Y.
Patterson
Roybal
Stark
Treen
Ullman
Young, Alaska

☐ 1805

The Clerk announced the following pairs:

On this vote:

Mr. Abdnor for, with Mr. Hawkins against.

Mr. Brown of Ohio for, with Mr. Patterson against.

Mr. Hansen for, with Mr. Roybal against.

Mr. Young of Alaska for, with Mr. Stark against.

Messrs. FISHER, DIXON, CHARLES WILSON of Texas, and DE LA GARZA changed their vote from "aye" to "no."

So the perfecting amendment was rejected.

The result of the vote was announced as above recorded.

Mr. GIAIMO. Mr. Chairman, I move that the committee do now rise.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that committee, having had under consideration the concurrent resolution (H. Con. Res. 107), setting forth the congressional budget for the U.S. Government for the fiscal year 1980 and revising the congressional budget for the U.S. Government for the fiscal year 1979, had come to no resolution thereon.

□ 1810

FURTHER LEGISLATIVE PROGRAM

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, I ask for this time for the purpose of asking the majority leader the schedule for the remainder of the week.

Mr. WRIGHT. Mr. Speaker, will the gentleman yield?

Mr. ASHBROOK. I yield to the gentleman from Texas.

Mr. WRIGHT. I thank the gentleman for yielding.

In response, this concludes the legislative business for today. On tomorrow we will convene at 11 a.m. Immediately we will return to the consideration of the House budget resolution. We hope to conclude that by 2 o'clock, for if we do not, it will be necessary for us to rise and take up two of the proposed energy programs on which we must vote prior to May 11. I think it will be our plan to take up first the proposed standby authority for gasoline rationing; having done that, to take up the proposed thermostat setting. Both of those things need to be done tomorow. We hope to conclude consideration of the budget resolution tomorrow before 2 o'clock, and then we hope to act on those two.

On Friday the House would come in at the usual time and resume general debate on the Alaska lands bill and conclude debate on the Alaska lands bill. The House will adjourn by 3 o'clock on Friday.

Mr. ASHBROOK. I thank the majority leader for that explanation.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF RESOLUTIONS RELATING TO STANDBY GASOLINE RATIONING PLANS

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–133), on the resolution (H. Res. 262) providing for consideration of resolutions relating to the standby gasoline rationing plans, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT TOMORROW DURING 5-MINUTE RULE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may be permitted to meet tomorrow during the 5-minute rule for the purpose of concluding markup on the LEAA bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, the gentleman is aware that we have, aside from this critical budget resolution that our chairman tells us we must try to complete tomorrow, also two important—according to the President—issues relating to energy. How can the gentleman's committee possibly take time away from the floor for these important critical issues?

Mr. DANIELSON. If the gentleman will yield, my opinion is that we will probably have concluded our work before we get to the gasoline rationing business which the majority leader referred to a few minutes ago. However, we plan to meet at 9 o'clock in the morning, and we will probably have to go past 11 o'clock.

Mr. ROUSSELOT. Reserving the right to object, so the gentleman really does not need time beyond what—2 o'clock?

Mr. DANIELSON. If the gentleman will yield further, in my opinion, there was an occasion on which I was wrong, however, and bearing in mind that that could again happen, I would like to have the general permission. We did attend faithfully on the floor this afternoon.

Mr. ROUSSELOT. I appreciate that. I would just hate to see the gentleman miss the important and critical votes on energy. Does the gentleman want to stay until 3 o'clock?

Mr. DANIELSON. I have had excellent authority that we will not be busy too late to take care of our responsibilities on the gasoline rationing bill, but we feel that we can work better if we are not restricted by any rigid, set-in-concrete limitation.

Mr. ROUSSELOT. Reserving the right to object, I know the minority members of the committee, the gentleman from Illinois (Mr. McCLORY) and the gentleman from Ohio (Mr. ASHBROOK) stated they did not think—does the gentleman want to put a limitation on it of maybe 3 o'clock?

Mr. DANIELSON. I would prefer not to. I am sure the gentleman will understand the need for our being able to work freely, free of restrictions.

Mr. ROUSSELOT. I would hate to see the gentlemen miss those votes.

Mr. DANIELSON. We will not miss the votes, and we will probably not miss the debate. We will not miss the votes.

Mr. ROUSSELOT. Does the gentleman want to put a restriction of time on it, reserving the right to object?

Mr. DANIELSON. I do not wish to put a restriction on it.

Mr. McCLORY. Mr .Speaker, will the gentleman yield?

Mr. ROUSSELOT. Reserving the right to object, I yield to the gentleman from Illinois.

□ 1815

Mr. McCLORY. I thank the gentleman for yielding, Mr. Speaker.

We are working very actively on this. We will try to conserve our time. We will try to get through well before 3 o'clock. I would rather not have a time limitation. We will be working actively and we will be here for the vote and we will look to our colleagues to keep us advised.

Mr. ROUSSELOT. Mr. Speaker, the reason I raise this question, several members of your committee have said to me they hate to miss votes on this important issue. I must say I made a commitment to object if, in fact, your committee will be sitting beyond 1 or 2 o'clock.

Mr. DANIELSON. Mr. Speaker, will the gentleman yield to me?

Mr. ROUSSELOT. I will be glad to yield to my colleague from California.

Mr. DANIELSON. I will undertake to guarantee that we will not miss our votes. Should we be in session we will recess and get to the floor in ample time for votes.

Mr. ROUSSELOT. Mr. Speaker, the gentleman could meet after we adjourn if it was necessary; does the gentleman understand that?

Mr. DANIELSON. I suppose we could, Mr. Speaker.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, we did consider a night session but we understood there were other activities this evening which would preclude us from meeting tonight. Some people are going to church and others are attending other meetings.

Mr. ROUSSELOT. Mr. Speaker, there is a big fundraising meeting tonight as the gentleman knows.

Mr. McCLORY. Mr. Speaker, I would hope we would be through by 3 o'clock. We will work actively to try to be through by 3 o'clock, but I do not like to have a time limit placed upon us. I would encourage the gentleman not to object.

Mr. ROUSSELOT. Mr. Speaker, with that assurance, I will withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. SEIBERLING). Is there objection to the request of the gentleman from California (Mr. DANIELSON)?

There was no objection.

GENERAL LEAVE

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Concurrent Resolution 107 and to include therein extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

ENERGY SHORTAGE AND THE WINDFALL PROFITS TAX

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. HANLEY. Mr. Speaker, the maneuvering on energy between the President and Senator KENNEDY threatens to obscure vitally important aspects of the debate over energy pricing in this country, and the windfall profits tax in particular. The President has chosen to end the price and allocation program put into place by Congress in 1973, which spread out the rapid increases in energy costs and hopefully helped minimize the inflationary impact of the Arab oil embargo. The President now feels that a more rapid escalation in domestic energy prices is in order to achieve energy conservation and produce additional domestic energy supplies. In doing so he is prepared to accept a serious boost in the inflation rate. However, to make his plan more politically palatable, he has marshaled high-blown rhetoric in the cause of a windfall profits tax to recoup obscene profits going to the oil companies as a result of decontrol.

Certainly, if the American people are willing to accept the President's assurances that decontrol is necessary to promote energy self-reliance, then the President has a strong moral obligation to carry through honestly on all aspects of his proposal. The litmus test of that obligation is the proposed windfall profits tax announced last week. Even a casual examination of the plan announced demonstrates that it is woefully inadequate. In a nationwide television speech, the President claimed his tax would recoup 50 percent of the profits resulting from decontrol, and the details of his plan suggested that the tax was the only thing that stands between the oil companies and a huge bonanza of unearned profits.

An analysis of the President's plan done by the Washington Post using Department of the Treasury figures, which I will insert into the RECORD at the end of this speech, suggests that decontrol is expected to add a mind-boggling profit of $86.2 billion to the Nation's fuel bill between now and 1985. Incredibly, the President's windfall profits tax will recoup only $7 billion or 8.1 percent. The oil companies will pocket $79 billion in the largest income transfer this country has seen since the invention of the income tax. The American people are being asked to fork over almost $80 billion on the premise that this will increase domestic oil production and result in significant energy savings. I submit that, under the President's plan, we are simply being taken to the cleaners.

A tax that would only recoup 8 percent of $86 billion in windfall profits is hardly the 50-percent tax rate the President was talking about on TV. When we realize that the effective U.S. tax rate on worldwide income of the oil companies is only about 9 percent, we find that even after a windfall profits tax is imposed, the oil majors will be paying far less in taxes than the 12 to 14 percent an average citizen pays. The oil companies already enjoy the most generous tax benefits ever conceived, and Mr. Carter's proposal would do nothing to change that deplorable situation.

What we have under the President's plan is decontrol without a windfall profits tax and no assurance that this $80 billion will be used to create more domestic supplies of energy. For example, in 1974, Mobil Oil Co. used its windfall profits from the Arab oil embargo to purchase the Montgomery Ward Department store chain and the Continental Can Co. In anticipation of the President's decontrol plan, Mobil bought the General Crude Oil Co. General Crude's major asset is that most of its reserves are price-controlled oil. Purchasing this company will not result in the production of one additional barrel of domestic oil, but when decontrol takes effect it will mean millions in profits to Mobil Oil. This is a good example of what will become of the $80 billion in decontrol profits.

I think I have to repeat that there is no assurance that any of the profits resulting from decontrol will be used to increase domestic energy production, and since the Nation's tax structure is already arranged in a way that encourages the oil companies to spend their money overseas, we might actually find some of this money being spent on improving properties in the OPEC nations.

I have heard from hundreds of my constituents since the President announced his proposals, and they are ready and willing to support their President and accept higher prices on the assurance of independence from the OPEC cartel. I wrote back to these honest citizens and told them I thought the President's program was worthy of the most serious consideration, and in keeping with my responsibilities to them I would attempt to answer in my own mind the serious questions that must be asked on any major proposal. Unfortunately, these questions have been answered with the President's release of his windfall profits tax plan, and I cannot support his proposal. For that reason I have cosponsored legislation to block decontrol. If decontrol comes, it should be considered in the context of a windfall profits tax and not outside of it. Therefore, I have also sponsored legislation that would tax the oil companies at an 85-percent tax rate, tied to decontrol, but with a special set of incentives that would reward research, development, and production of additional domestic energy resources. I feel very strongly that the inflationary impact of decontrol is too large not to take the proper steps to assure the public that their hard-earned dollars will go for production and not to merely increase the economic domination of a handful of companies.

In closing, I would like to insert into the RECORD a chart breaking down the profits of the Seven Sisters since 1972, an excerpt on oil company taxes prepared by the Democratic Study Group and the aforementioned figures from the Washington Post:

IMPACT OF PROPOSED WINDFALL PROFITS TAX

Year	Expected windfall profit	Ordinary income tax	Windfall profits tax	Income tax reduction	Net added tax
1979	$1.2 billion	$400 million	None	None	None
1980	5.8	1.9	766	−287	479
1981	11.5	3.7	2.5	−928	1.5
1982	14.5	4.3	2.8	−1.07	1.7
1983	15.1	4.1	2.0	−778	1.2
1984	17.7	4.1	1.7	−676	1.1
1985	20.4	4.0	1.5	−583	927

Source: Treasury Department.

OIL COMPANY PROFITS, DIVIDENDS SINCE 1972

[Dollars amounts in millions] [1]

Year	Profits	Percent increase over 1972	Dividends	Percent increase over 1972
1972	$4,374.3		$2,514.5	
1973	7,072.5	61.7	2,668.2	6.1
1974	9,401.8	114.9	3,107.9	23.6
1975	6,917.8	58.1	3,251.3	29.3
1976	7,774.9	77.7	3,367.6	33.9
1977	7,876.5	80.1	3,739.7	48.7
1978	8,528.0	95.0	4,581.0	82.2

[1] Combined figures for 7 largest U.S. oil companies (Exxon, Gulf, Mobil, Shell, SoCal, Standard of Indiana, Texaco).

Source: American Petroleum institute.

TAXES

Calculating the percentage of oil company revenues paid in federal taxes is complicated by the multinational character of many oil firms. Worldwide income of oil companies is usually not subject to U.S. taxes because oil firms may claim foreign taxes and royalties as a U.S. tax credit, thereby reducing their U.S. tax bill by the amount paid to foreign governments. This has the effect of relieving oil companies of U.S. tax liability on foreign income.

Before 1950, royalties were treated as a business expense and thus deducted from the company's gross income. The IRS ruled in 1950, however, that such oil company payments for the right to operate in foreign countries constituted a tax, and could therefore be claimed as a credit against U.S. taxes. The latest estimate of the cost to the Treasury of the foreign tax credit to oil companies was $1.2 billion in 1976.

The average federal tax on U.S. income of oil companies is approximately 20 percent. The following table provides the effective U.S. tax rates on U.S. income for some sample large oil companies:

1977 effective U.S. tax rates on U.S. income—Effective rate

[In percent]

Exxon	17.7
Gulf	9.1
Mobil	21.2
Phillips	21.9
Texaco	19.7
Amerada Hess	18.5
Marathon	16.1
Pennzoil	20.6

Effective rates for independent, smaller producers are generally lower than those of the major ones. In fact, many independents pay U.S. tax rates as low as 1 percent or 2 percent.

Due to the large tax credits claimed by multinational firms, the effective U.S. tax rate on worldwide income is about 9 percent. This compares to the average effective tax rate for U.S. corporations of approximately 38 percent, and the statutory corporate rate of 46 percent on taxable income over $100,000.

Source: Democratic Study Group Special Report.

□ 1305

RECIPROCAL EXCHANGE OF EMBASSY SITES

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, in the past few days, stories have appeared in the local newspapers concerning the dispute over the building of embassy complexes in Moscow and Washington. As usual, the stories give the impression that the United States is naive and the Soviets brilliant. The real story is, of course, considerably more complex and concerns good faith contracting.

The facts are as follows: In 1969, following much negotiation, the United States and the Soviet Union completed an agreement for reciprocal exchange of sites for new embassy complexes in Washington, D.C., and Moscow. Both nations are badly in need of new chanceries and residences.

The heart of the agreement is found in the word "reciprocal." The idea was that both building projects would begin and end about the same time, the projected completion date being July 1, 1982. The irony is that the Americans put the requirement for simultaneous construction into the contract to obtain leverage for dealing with foreseeable delays in working with the Soviet bureaucracy. Then they proceeded to give up that leverage by allowing the Soviets to begin construction in Washington before the contract for the U.S. Embassy complex was signed. When the go-ahead was given to the Soviets in the protocol signed March 26, 1977, the Department of State thought the May 15, 1978 date for start of construction in Moscow would be met. They were wrong.

Meanwhile, however, what have the Soviets been doing? While the final plans for the Soviet Embassy complex in Washington were approved in June 1976, it took until March 26, 1977 for the Soviets to approve the final plan for the U.S. Embassy complex in Moscow. In that same protocol that allowed the Soviets to sign their construction contract in September 1977, the Soviets agreed to do a number of things. Most of the deadlines were not met.

Since 55 percent of the work on the U.S. Embassy in Moscow will be done by Soviet construction personnel overseen by American personnel, the Soviets were supposed to complete the technical design for the Moscow Embassy complex as well as the construction cost estimate by December 1977. A one-page cost estimate for the Moscow complex was finally submitted by the Soviets in July 1978. The corresponding U.S. cost estimate for that complex was 2,400 pages in length.

The Soviets were to complete a distribution list, as part of the technical design, indicating the work to be done in the preliminary and final stages of construction. Deadline: August 25, 1977. The distribution list finally saw the light of day in January 1979.

The Soviets agreed to finish disconnecting municipal services to the Moscow site, necessary before construction could begin no later than May 30, 1977. They finally finished that job in September 1977.

In return for allowing the Soviets to begin construction in Washington before the U.S. contract was signed, the United States required the Soviets to provide school, housing, and warehouse facilities needed by the Americans on a temporary, rental basis. Negotiations are still in progress on the rental price for the land on which warehouse facilities will have to be built because the Soviets do not have facilities meeting American standards.

Finally, both the 1972 conditions of contstruction agreement and the 1977 protocol stipulate that the final cost of construction is to be determined in accordance with normal construction prices of similar buildings in Washington, D.C. At the present time, the Soviet asking price is 60 percent higher than the U.S. cost estimate. As I noted earlier, the U.S. estimate is backed by 2,400 pages of documentation. The Soviet estimate was delivered in one page.

As my colleagues can readily see, dealing with the Soviet bureaucracy takes the patience of Job, to put it mildly. The interesting thing is that the Soviets, throughout this process, have been dealing with private U.S. contractors because our system produces results quickly. The Soviet system, however, is completely government controlled and correspondingly bureaucratic. The Soviets like our system so much that their entire complex is being built by Americans, with virtually no Soviet oversight. On the other hand, only the skeleton of our embassy complex in Moscow will be built by Russian contractors, with American oversight, while the rest will be built by American construction workers.

Thus, when the facts are considered, we find that the Soviets have violated both the letter and the spirit of the agreements relating to the Embassy sites. In view of this, I see no reason why we should permit them to occupy their new premises until the contract is signed for the U.S. Embassy complex in Moscow at the price we have documented to be reasonable. The United States has negotiated in good faith. We should expect nothing less from the Soviets.

HON. CHARLES W. DUNCAN, JR., DEPUTY SECRETARY OF DEFENSE, ADDRESSES AMERICAN TEXTILE MANUFACTURERS INSTITUTE

(Mr. DAN DANIEL asked and was given permision to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, recently, the Honorable Charles W. Duncan, Jr., Deputy Secretary of Defense, spoke to the American Textile Manufacturers Institute at its annual meeting. His address was in two parts.

In discussing the large and admittedly expensive matter of national defense, we quite often lose sight of the fact that defense requirements consist of considerably more than missiles and manpower. Thus we do often forget the importance of other elements. The domestic textile industry, one of his topics, is such an element. During World War II it was frequently said by Government officers that textiles was second only to steel in importance to the war effort.

All of us were raised on the old saying generally attributed to Benjamin Franklin:

> A little neglect may breed mischief: for want of a nail the shoe was lost; for want of a shoe the horse was lost; and for want of a horse the rider was lost.

Secretary Duncan's statement expresses very succinctly the need for a healthy and viable domestic fabric manufacturing capability and I respectfully request that his remarks be placed in the Record at this point.

Remarks by Hon. Charles W. Duncan, Jr.

Members and guests of the American Textile Manufacturer's Institute:

It is a pleasure to participate in your annual meeting, and to discuss with you two matters of concern to you and to the Defense Department as well:

The impending SALT II Agreement; and

The importance of a healthy and innovative textile industry to the national defense.

If I spend more time on SALT II—and I intend to—it is because the prospects of a Strategic Arms Limitation Treaty are very good, and the issue of SALT and national defense is particularly important now.

I will begin by taking note of the importance of your industry to the Department of Defense. Textiles have had an essential role in logistics support of the military services since the days of the Continental Congress. As you are aware, defense mobilization requirements assume the existence of a healthy textile industry. While the Department of Defense uses only 5 percent of U.S. fabric materials in peacetime, a strong industrial base, capable of expanding at a rapid pace, is essential to ensure that we can obtain the fabrics and other textile products we need in time of mobilization or war. We are confident that your industry, as it is today, can meet our needs, but we must continue to work together to preserve your industry's capacity in the future.

Over the past twenty years, profound changes have taken place in the U.S. textile market. The continuing decline in apparel grade cotton and wool production, and the fact that competition from foreign sources is driving our mobilization base overseas, are of particular concern to the Department of Defense.

The voluntary industrial preparedness program is a partial solution to our problems. Under that program, your firms have agreed to produce specified quantities of the textiles needed to support the military services during a national emergency. We in Defense are pleased with your response to that program. I understand that some 241 agreements—the majority of which are with members of your organization—have been signed to support this effort.

Agreements alone, however, are not enough. We need to continue to work together for our mutual benefit. I am confident that the textile industry will continue to make innovations that will solve some of our problems in the Department of Defense. The following actions will be particularly useful to this Department:

Step up research and development efforts in the use of natural fibers/fabrics;

Continue to participate with us in developing industry standards that will help us use commercial products to meet military needs; and

Ensure that there is an adequate mobilization base to meet contingency or wartime needs.

On behalf of the Defense Department, I want to thank you for your understanding, your spirit of cooperation, and your patience in working with us. Working together benefits the commercial market, as well as DoD. Citing but one example, when we adopted the Kevler fabric for the soldier's personal protective armor, the changes made to satisfy our needs opened up a new market for the civil police armored vest. I am sure that many of you can cite other examples where your work on behalf of the national defense paid dividends in new products, and new vitality for segments of your industry.

I turn now to the emerging SALT II Agreement, and the questions of national security that any strategic arms limitation treaty raises. National security consists of a number of factors and, therefore, requires a number of strengths, military as well as non-military.

The United States is by most measures the strongest nation on earth. No other country can match us in economic power, political and social cohesion, technological proficiency, international friendship and national will.

Only in military strength is one country—the Soviet Union—comparable to the United States. Since military strength is the foundation of our national security, the acceptability of any action or agreement that affects it—such as the SALT II Agreement—depends on that agreement's impact on our defense posture and, thus, its impact on our national security. We should measure the impact of SALT II, first, by its effect on the ability of our strategic forces to achieve their military objectives of deterernce and of stability, and to fulfill the broader policy objective of essential equivalence.

These objectives are pursued in the context of the strategic nuclear balance between the United States and the Soviet Union. The SALT II Agreement is properly examined in light of the current and the projected future status of the strategic balance.

Let's look at the situation today. What is that balance? It is one of rough equivalence. The United States is ahead in some areas: deliverable weapons, heavy bomber numbers and payload, submarine quality and alert rate, and generally (but decreasingly) in missile accuracy. The Soviet Union leads in other areas: missile throw-weight, missile numbers (both ICBM's and SLBM's) and the total number of delivery vehicles. Neither the United States nor the Soviet Union are in a position today to exploit their strategic weapons without running the unacceptable risk of catastrophic retaliation.

The trends in both the nuclear and the conventional military balance, however, are disturbing. There has been a continuing military buildup on the part of the Soviet Union for more than a decade. The Soviets have put, and continue to put, an abnormal amount of effort into the production of military power. This emphasis on expanding military forces is most disturbing.

We can only speculate as to the reason why the Soviet Union has concentrated its resources to produce military weapons. The one segment of Soviet society where achievements are readily apparent is in the buildup of military strength. The Soviet failure to compete successfully in other areas may have increased their incentive to continue this buildup. Perhaps they have decided that military power is the only strength that is readily obtainable and, therefore, is the only way they can obtain global influence and geopolitical advantage.

We cannot define Soviet intentions with confidence, but we can see what they do—we can measure their actions. There is no doubt that Soviet military power today is much greater than it was in the 1960's. There has been a steady increase in Soviet military spending during each one of the last 15 years. The annual rate of increase has averaged between four and five percent in Soviet buying power. Their spending total today substantially exceeds our own. By how much is not certain; it may be by as much as 45%; it certainly is not less than 25%.

It is important to emphasize that the Soviet increases in spending have not been affected by U.S. spending levels. We build, they build. We cut, they build. We have no evidence that they will reduce either their forces or their spending if we make unilateral reductions.

As a result of steadily rising outlays Soviet armed forces have improved substantially.

In the strategic nuclear area, the Soviets have underway a number of impressive and costly programs to strengthen their offensive capabilities. They are deploying a fourth generation of intercontinental-ballistic missiles—SS-17's, SS-18's and SS-19's. These weapons—these new weapons—are significantly improved in accuracy, and they can be equipped with multiple independently-targetable warheads, or what we call MIRV's.

The Soviets also continue to build new strategic submarines and new types of submarine-launched ballistic missiles equipped with multiple independently-targetable warheads. More than 1,000 ICBM launchers and more than 900 modern submarine-launched ballistic missile tubes have been added to the Soviet strategic nuclear forces in the last 15 years.

The Soviets also have the mobile, MIRVed SS-20 intermediate-ranged ballistic missile and the Backfire bomber, both of which are shorter range systems suitable for intra-theater use, such as in Europe, and with conventional forces.

Finally, Soviet conventional forces—land naval and air—have all grown substantially in size. The quality of Soviet equipment has improved and in some cases is equal to that we have in the West.

We cannot, we must not, ignore the enormous military growth of the Soviet Union during the past 15 years.

But, at the same time, we should not exaggerate where the Soviets stand today in relation to the United States and its allies. The Soviets have not achieved overwhelming military power. They have had to develop their military capabilities with an economy that is much less efficient than ours. We think they have made some major mistakes in resource allocation. Their allies are less reliable and less capable—although better integrated—than ours. Soviet deployments are complicated by difficult geographic problems. They find it necessary to station as much as 25% of their ground and tactical air power facing the People's Republic of China.

Nevertheless, it is troublesome that the Soviet Union has chosen to build up its military capability in such a persistent way. National security demands that we prevent the present unfavorable trends in U.S. and Soviet defense expenditures from developing real asymmetries in the military balance. We are pursuing two courses of action to achieve this goal.

The first is to ensure that our strategic forces are capable of achieving their objectives despite the continued Soviet buildup. This requires an adequate and properly balanced defense budget which provides the means for modernizing and improving our forces. The Administration has emphasized that we must increase our defense effort in real terms, as reflected in the President's defense budgets for Fiscal Years 1979 and 1980. These real increases have been proposed despite competing pressures from other Government agencies, and the compelling need to reduce federal expenditures wherever possible to combat inflation.

The second course of action is to reduce the military competition between the United States and the Soviet Union through equitable and verifiable arms control agreements. The SALT II Agreement is designed to do this while permitting us, at the same time, to improve and modernize our nuclear forces.

Let's look at strategic forces first. Today's strategic programs are designed to improve all three components of the strategic triad—submarines, bombers, and land-based missiles, ICBM's. We should remember that we now have—and intend to maintain—essential equivalence with the Soviet Union in the strategic area.

Late this year we will begin to deploy the new Trident I missile in our submarine fleet. We are also working on a greatly improved Trident submarine to begin deployment in 1981 with the Trident missile.

Our cruise missile programs will greatly enhance the penetrating capability of our bombers. Our B-52 bombers are an essential component of our strategic nuclear forces. They are capable of penetrating Soviet air defense and will continue to contribute to the viability of the manned bomber into the late 1980's. We are also examining the requirements for a new penetrating bomber as a follow on to the B-52.

We are improving the accuracy and yield of the Minuteman Land-based ICBM's. But we are concerned about their survivability. Or, in other words, their vulnerability. It is possible, at some point in the next few years, that the Soviets—with a first strike—could eliminate the bulk of our ICBM silos and still retain a large number of warheads in reserve. Although the increasing ICBM vulnerability is certainly not catastrophic to our strategic deterrent, and our surviving submarine and bomber second-strike capability would remain large. It is serious, and it does indicate the need for full-scale development of a new ICBM, the M-X. I would also emphasize that this situation—ICBM vulnerability—is not a result of the strategic arms limitation process. We must deal with it or without a SALT II agreement.

The Defense Department is considering a number of more survivable, mobile basing options that will deal with the ICBM's vulnerability problem. The strategic program that was recently submitted to the Congress provides for the full scale development of the advanced M-X missile which will be based in a survivable mode.

The SALT II treaty is the second course we are following to enhance national security. All of the above force improvement programs that I've just mentioned can be accommodated within the provisions of SALT II.

The question is, will the emerging SALT II treaty make the strategic balance between the United States and the Soviet Union more stable, more predictable and equivalent? By limiting deployments, will SALT II also help ensure that a dangerous, wasteful strategic arms race will not occur?

The provisions of the treaty will limit each side to equal numbers of strategic nuclear delivery vehicles. It will correct the current numerical imbalance in total numbers of these vehicles, as well as set equal ceilings on MIRVed ICBM launchers and the total of all MIRVed systems. These ceilings will hold the Soviets well below the levels they would be capable of attaining without SALT II; in fact, they will have to dismantle over 250 strategic systems they presently have. We will not have to dismantle any systems.

But delivery vehicles are only part of the issue. Perhaps of more importance is the number of warheads on missiles.

SALT II will freeze the number of warheads on existing ICBMs, and will limit the number allowed for new ballistic missiles. These restrictions are aimed at the Soviet throw-weight advantage, which without limitation, would enable them to deploy 20, 30, or even 40 warheads on their largest ICBM, rather than the 10 they now have.

The numerical limitations imposed by the treaty improve predictability in strategic force planning, and increase certainty in requirements for our strategic force.

The combination of limitations on missile launchers and numbers of warheads will ease the job of maintaining the survivability of our land-based ICBMs, because they will limit the number of warheads that could be targeted against any of the various mobile concepts we are considering. So SALT II becomes, then, an important element in ensuring ICBM survivability.

The treaty's restrictions also impart a stability to the U.S.-Soviet balance. The resulting strategic forces are of sufficient strength, diversity and survivability that the Soviets will not have an incentive to strike first, even in a crisis situation. Furthermore, the limitations reduce the potential for achieving a destabilizing future advantage.

Two other important issues are vital to the acceptability of the SALT II Agreement. The first is the verifiability of the provisions of the treaty; the second is the effect of the treaty on our allies.

The SALT II Agreement will have to be verified by national technical means including photo reconnaissance satellites and other technical measures. We must be confident that no significant violation of the treaty could take place without the United States detecting it. We must be able to respond with appropriate actions before any adverse impact on the strategic balance can take place. The President has said he will not sign a treaty that is not adequately verifiable. For example, much has recently been written about the loss of the intelligence sites in Iran and how important these sites were to have been to SALT verification. Intelligence about Russian ICBM development was important before the SALT I Treaty. It is important with or without a SALT II. We are examining alternative means of collection and the main question is not if we will reconstitute this capability but how, where, and how quickly can we do it. This and other verification matters will be looked at carefully in the ratification process. It is a point of intense interest to the U.S. Senate, and to us.

The SALT II Treaty will not affect either the existing patterns of cooperation with our allies or further cooperation in tactical nuclear force modernization. A protocol is part of the treaty. Under that protocol, we will be developing and testing ground and sea-launched cruise missiles with no limit on range. This is of great interest to our allies as a possible response to the Soviet intermediate range ballistic missile, the SS–20, and their Backfire bomber. The Soviets asked for a ban on the transfer of such technology, and we refused.

One of the best ways to look at SALT II is to ask what happens if there is no treaty: What would the situation be in the absence of any agreement. The Soviet Union would almost certainly deploy substantially more nuclear delivery launchers and vehicles with MIRVed warheads than would be permitted by the SALT II Treaty. Some recent estimates indicate that the Soviets could deploy as many as 3,000 strategic systems by 1985. This would be nearly one-third greater than they would be permitted under the treaty—with a 2,250 aggregate. I don't know of any study that doesn't project a continuation of the present Soviet strategic buildup if there were no SALT II Treaty.

The United States would have to respond to such a massive Soviet buildup. We would have to do whatever was necessary to maintain a satisfactory balance. The net effect of a failure in SALT would be the inherent instability of an unrestrained and more costly strategic arms competition costing the American taxpayer billions of dollars over the years—as much as 30 billion additional dollars over the next 10 years—without any increase in our military strength or in our national security. Furthermore, rejection of SALT II would seriously jeopardize overall U.S.-Soviet relations, since the strategic arms limitation process has become fundamental to the development of an enduring political and economic relationship with the Soviet Union.

In summary, the current state of the military balance between the United States and the Soviet Union is best described as one of rough equivalence. In the face of the Soviet challenge, we must continue to maintain a strong defense posture. We will do so, by increasing our Defense budget—and asking our allies to do likewise—and by seeking an equitable and verifiable SALT II Agreement that will enhance our security and, at the same time, limit the strategic arms competition.

The provisions of the treaty combined with the defense programs that we have initiated will enhance the deterrent capability of our nuclear forces, further stabilize the U.S.-Soviet balance, and assure that essential equivalence is maintained in the future. SALT II, while forestalling a pointless numbers race, will let us carry out our programs to deal with the military challenges we face. We can develop, test and deploy Cruise missiles, Trident, and MX, on the schedule that we have planned.

SOVIET SUBMARINES IN CUBA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, it is a sad day, indeed, when the American people cannot trust their Government to protect them from actions by the Soviet Union to build an offensive military base in Cuba.

For several years, the Soviets have been providing Cuba with sophisticated MIG–23 fighter aircraft. Soviet pilots have even been sent to Cuba to fly these combat planes and learn the terrain of our hemisphere.

Now it has been revealed by newspaper columnists that the Soviets are also providing submarines to Cuba. It is even more apparent that Cuba is being converted into a lethal Soviet base for future military operations in this hemisphere.

These facts have been held in secret by the administration. The President and the State Department have taken no action to protest or stop the Soviet arming of Cuba. In fact, the administration has even excused and apologized for these Soviet actions. This is a disgrace and an outrage.

I would like to include in the RECORD at this point today's column by Evans and Novak in the Washington Post which reveals the information about Soviet submarines in Cuba.

[From the Washington Post, May 9, 1979]

CUBA: UP PERISCOPE?

(By Rowland Evans and Robert Novak)

The appearance of a second Soviet submarine in Cuban waters has been definitely established by U.S. intelligence within the past two weeks, raising the question of just what the Soviet Union intends to do with its growing military power 90 miles off the coast of Florida.

With final agreement on the new strategic arms limitation treaty expected momentarily, Carter administration strategists are maintaining sealed-lip silence to avoid any new U.S.-Soviet hassle. But at high levels of the Pentagon, this question is being asked: Is Moscow just "paying off" Fidel Castro for his expeditionary corps in Africa and elsewhere, or is Cuba being surreptitiously converted into a Soviet base for future operations in Latin America?

Submarine No. 1, a diesel-powered Foxtrot model, was delivered to Cienfuegos Feb. 7, along with two hydrofoil patrol boats. U.S. specialists believe the sub will be used to train Cuban submarine crews.

Submarine No. 2, tentatively identified as a W-2 ("Whiskey Two"), is also diesel-powered and has conventional torpedo tubes and no nuclear weapons. Although its precise purpose is a mystery, the proven existence of another lethal, snorkel equipped sub in U.S. controlled Caribbean waters may force the Pentagon into analytical studies that are dangerously overdue.

Surprisingly, until now neither the Navy nor the Air Force has been asked to produce contingency planning for neutralizing Cuba in the event of any future war. The "consolidated guidance" that, under top-secret cover, is sent to the services each year from the office of the secretary of defense has utterly ignored the future possibility that Cuba might pose a threat.

Some responsible and skeptical specialists think they know the reason for this: If Secretary of Defense Harold Brown ordered up contingency plans on how to deal with hostile Cuba in a global conflict, hard answers would be absolutely essential to questions now being ducked.

Among these questions: What conceivable purpose does Moscow have in supplying Castro with submarines, no matter if they are new or old, powered by nuclear or conventional engines and possessing nuclear or conventional armaments? What purpose do the Soviets have in supplying Cuba with a squadron—or possibly more—of Mig 23 late-model attack aircraft, whether or not armed with nuclear weapons? Does the Soviet Union plan to support Cuban forces, armed with those Soviet weapons, for future Africa-style exercises in Latin America?

These are real questions, not to be ducked any longer. There is solid new evidence, for example, that Soviet fishing fleets will soon make their first appearance on the Balboa or Pacific Ocean side of the Panama Canal. Their presence will enhance Soviet intelligence-gathering just as the United States begins to phase out total control of the canal under the new U.S.-Panama treaties.

We reported last Nov. 15, about Brown's private warning to President Carter that Mig 23s being delivered to Cuba posed a problem of "high political sensitivity." Brown was reminding Carter of the Soviet pledge to President Kennedy during the 1962 Cuban missile crisis not to send offensive weapons to

Cuba. Carter's response, never publicly explained, was that the Mig 23s were not offensive weapons and therefore violated no Soviet pledge.

Submarines now have been added to the list of weapons being supplied to Cuba, for a purpose never made clear to Congress or the American people. The administration appears to have decided the submarines are not "offensive" within the means of the 1962 Soviet promise.

Yet, even old submarines pose grave dangers to the security of U.S.-controlled sea lanes into and around the Caribbean, particularly if the Cubans do today what the United States was strong enough to forbid them from doing almost 10 years ago. In 1970, the United States successfully delivered what amounted to an ultimatum against Soviet-Cuban construction of submarine pens equipped to service Soviet nuclear submarines.

The preponderant nuclear margin the United States then held over the Soviet Union has vanished. A similar ultimatum today would be horse-laughed out of the Kremlin. Nothing at all is being said about Cuba's two submarines or about the strong probability that some kind of sub base is being built for them.

To Moscow, that might look like appeasement and an invitation to continue what one eminent U.S. naval authority privately told us was "the creeping escalation of Soviet power in the Caribbean using the Cuban proxy." The real Cuba story may be switching from the jungles and deserts of Africa and Yemen to the backyard of America. That would be a chilling change of clime.

REACTORS SAFER THAN ALTERNATIVES, SCIENTISTS SAY

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BADHAM. Mr. Speaker, I am an advocate of nuclear power generation. I take this time today in hopes that the Members of this House will look dispassionately and realistically at the situation that exists and not be swayed by the "psychic damage done by panic mongers."

Yesterday's Washington Post had fear of nuclear reactors spread all over the front page, but buried on page 15 was an article telling of a House Committee on Science and Technology hearing on the subject of nuclear power. This hearing was not called as a result of Three Mile Island nor was it called in response to the antinuke rally of Sunday last. It was scheduled months ago. Among the witnesses were Dr. Edward Teller, Dr. Eugene Wigner, a 1963 Nobel laureate, Dr. Carl Cohen of Stanford University, and Dr. Hans Bethe of Cornell University.

Dr. Teller said, and I quote, "Nuclear reactors are not safe." This is usually the point at which such renowned "physicists" as Jane Fonda, Ralph Nader, and Jerry Brown run to inform the king that the sky is falling; but let us finish Dr. Teller's quote because in a succinct fashion it tells it all:

> Nuclear reactors are not safe, but they are incomparably safer than anything else we might have to produce electric energy.

I submit herewith the balance of the article to help us separate the professional realists from the amateur fearmongers.

REACTORS SAFER THAN ALTERNATIVES, SCIENTISTS SAY

(By Walter Pincus)

"Nuclear reactors are not safe," Dr. Edward H. Teller, the 71-year-old physicist, told a House committee yesterday, "but they are incomparably safer than anything else we might have to produce electric energy."

Teller's theme was echoed by a panel of nuclear scientists that included three Nobel laureates.

Although the hearing by the House Committee on Science and Technology was scheduled long before the March 28 accident at Pennsylvania's Three Mile Island nuclear power plant, that event and Sunday's massive rally here against atomic power became the focus of the session.

The lessons the scientists said should be learned from the Pennsylvania accident were almost directly contrary to those recited on the Capitol grounds Sunday by nuclear power opponents.

"Coal plants put out more radioactivity than Three Mile Island did," said Dr. Eugene Wigner, a 76-year-old Princeton theoretical physicist and 1963 Nobel laureate.

"Why not take the people out of Boulder, Colo., [where the background radiation is almost double that at Washington]?" Wigner asked at one point. "Why not forbid mining and burning coal?

"If we have to take risks with nuclear or other types of power, the risks are much less with nuclear," he said.

Three Mile Island "may have proved meltdowns may never happen," according to Dr. Karl Cohen of Stanford University, once chief scientist for the General Electric Co., who helped in the development of nuclear reactors.

The "major outcome," he said, "may be the psychic damage done by panic mongers."

The "principle risk is the risk to the operators," he said. "Utilities will take the rap. The public was quite well protected."

At least two committee members lashed out at statements by the scientists.

Rep. Richard Ottinger (D-N.Y.) at one point launched into a long list of criticisms despite what he termed his "tremendous respect for the scientific genius at the table."

"Must we count our blessings that Three Mile Island didn't kill anybody? Before we call a halt to nuclear reactors do we have to kill tens of thousands?" he asked.

The Ottinger sortie drew a cold response. He charged that "some of you" took part in the Manhattan Project which developed and built the atomic bombs "that caused thousands of deaths," linking that role to their current views on nuclear power.

Cohen responded that was a "broad indictment" and that he did not "believe anyone had to apologize" for working for the government during a world war.

Rep. Jerome Ambro (D-N.Y.) asked if scientists agreed there would be far-reaching health effects if one of the 71 nuclear plants currently operating had an explosion."

Dr. Hans Bethe, 72, of Cornell University responded that there "can never be a nuclear explosion."

Ambro asked about the well-publicized danger of a hydrogen explosion at Three Mile Island.

Bethe responded that there was "no oxygen" in the containment area "and therefore no explosion was possible."

At the time of the accident, however, Nuclear Regulatory Commission officials believed some oxygen could be in the containment vessel and that an explosion was possible.

On the topic of solar power, Bethe, also a Nobel laureate, said it "will remain about four times the price of fission (nuclear) power" and for that reason he does not see it as economically practical for larger cities. "For a small community, about 100 houses, that is a different matter," he added.

Another target of the panel was President Carter's programs to cut down on nuclear proliferation.

Several panel members criticized the attempt to halt breeder reactors—those that create more plutonium than they use.

They also argued against administration efforts to prevent other countries from having reprocessing plants—facilities that take spent reactor fuel, extract plutonium and other fission products and return enriched uranium for reuse.

"Limiting reprocessing is a terrible mistake," Wigner said.

"The U.S. has a choice of what kind of fuel it can use," Bethe said of decisions the nation can make on both nuclear and nonnuclear energy sources. "But most other industrial countries don't have a choice."

☐ 1315

INTELLECTUAL ARROGANCE

(Mr. PAUL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PAUL. Mr. Speaker, the lines now forming at gasoline stations show us that the marketplace has been seriously distorted. And it is the arrogance of the planners here in Washington that has brought us to this.

It is not personal arrogance, but rather intellectual arrogance. The bureaucrats and the politicians asume that they know what is best for Americans, and that their plans must be implemented over the independent decisions of individuals.

All this is based on the fallacy that politicians and bureaucrats can actually alter the market favorably. This fallacy is widespread because sometimes, on superficial examination, and despite the fantastic expense in taxes and inflation, Government plans will seem to bring about short-term benefits for some.

But the apparent benefits are brought about only at great cost to other areas of the economy, costs that are usually less visible than the claimed benefits.

Government intervention in the economy, despite any good intentions that may be present, causes suffering for the weakest members of our society. This prompts even greater intervention, in a feeble attempt by Government to alleviate the effects of past interventions. The cycle accelerates, as planning increases and so do injustices. Eventually, the initial gradual planning is replaced by panic legislation.

Man has never discovered the perpetual motion machine, because of the laws of physics, but he has created a perpetual destruction machine.

This perpetual destruction machine is operated here in Washington, by the Congress and the bureaucracy, and it de-energizes the productive and creative activities that would otherwise be generated by a free society.

Failure to see, or even to try to see, the larger economic situation, promotes more and more arrogance, and erroneous manipulation of lives of the American people.

With this planning, inefficiencies and errors multiply; favoritism through Government is encouraged, promoting proliferation of special interest groups. All this leads to more aggressive competition for Government favors, and greater hostility and divisiveness among different groups. Throughout history, Government has always resorted to inflation and unfair taxation to finance these extravagant favors.

Eventually, the open market stops functioning, and that is what the lines are telling us today. As we hamper the marketplace, we destroy the only fair method of allocating scarce resources. This is especially tragic, since the market benefits the weakest members of society the most.

Fair allocation, in the market, is done through voluntary pricing. It is sad to see no growth policies promoted, preaching about lowering our expectations, and total lack of confidence in a free society and market economy.

But the saddest of all is our loss of control over our personal lives, and the unnecessary sacrifice of our cherished liberties.

☐ 1820

THE LIFE AND LIBERTY OF DR. SEMYON GLUZMAN, IMPRISONED SOVIET PSYCHIATRIST

The SPEAKER pro tempore. (Mr. SEIBERLING). Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 60 minutes.

GENERAL LEAVE

Mr. GREEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GREEN. Mr. Speaker, for the past 7 years, since he was 25 years old, Dr. Semyon Gluzman has been unjustifiably imprisoned in the Soviet Union. Dr. Gluzman's crime is that he refused to certify human rights and political activists as mentally ill for the KGB, and he has paid a dear price for following the tenets of his medical profession and his personal convictions.

This Friday, May 11, is supposed to be the day that Semyon Gluzman's official 7-year prison term is to end, although he is scheduled to endure 3 more years of "internal exile." Unfortunately for Semyon Gluzman, this Friday may not be the end of at least part of his nightmare. Recent information from the Soviet Union reports the disturbing news that there are stories circulating that the KGB intends to charge him with further offenses which would lead to an extension of his prison term beyond this Friday. This news was received by Mrs. Zinaida Grigorenko, wife of Maj. Gen. Pyotr Grigorenko, in a telephone conversation with Dr. Gluzman's father in Kiev last Saturday.

Major General Grigorenko is the highest ranking Soviet military officer ever to seek and gain asylum in the United States. Gluzman was one of the authors of a 1971 document refuting the official diagnosis of the Serbsky Institute that the major general was insane, and Gluzman's subsequently harsh prison sentence appears to have been related to this action.

The possible extension of Gluzman's prison term is further compounded by the fact that his harsh treatment in prison has caused him to be in extremely poor health. He has been placed in solitary confinement on reduced rations from time to time throughout his prison term, and last summer he is reported to have suffered from severe cerebral circulatory insufficiency. The Moscow group monitoring the Helsinki agreements recently reported that he was placed in solitary confinement last January, and there is genuine concern that this could result in his becoming an invalid or possibly lead to his death. Even if his sentence is not extended, there is concern among activists in the Soviet Union that the sheer act of transporting him to his place of internal exile could be fatal.

Semyon Gluzman's situation demands urgent attention and efforts by our Government to let the Soviet Union know how great is the concern for Gluzman's well-being in the United States. Together with Congressmen BIAGGI, BINGHAM, and KEMP and 38 of our House colleagues, today we have sent a letter to President Carter urging him and his administration to make every effort to seek Dr. Gluzman's release and allow him and his family his wish to emigrate to Israel. All of the signers of this letter are among the cosponsors of House Joint Resolution 265, introduced on March 20, 1979, which calls upon the Soviet Union to release Semyon Gluzman. A copy of our letter to the President, and the list of cosigners, appears at the end of this statement.

The recent release of 10 activists from the Soviet Union is a clear demonstration of the value of continued American persistence and pressure in behalf of the many thousands of activists who are unjustly imprisoned there. It also demonstrates the need for a constant reminder of the courageous stories of those who are imprisoned. Semyon Gluzman's story certainly rates among those that deserve to be retold. After his imprisonment, he and human rights activist Vladmir Bukovsky wrote "A Manual of Psychiatry for Political Dissidents," a guide which describes techniques to prevent being classified as psychotic by government phychiatrists, and a copy of this manual was cleverly smuggled to the outside world. While in prison, Gluzman has agitated for better treatment of his fellow prisoners, and has gone on self-imposed hunger strikes to protest harsh treatment by prison guards. The price he has paid has been solitary confinement, and from May 1978 until this January his whereabouts were unknown to anyone but Soviets authorities.

In our letter to the President, we pointed out that an expression of concern for Dr. Gluzman would be of great benefit to U.S. prestige abroad because concern for him has been expressed in other countries. Just 2 weeks ago, Nobel Peace Prize laureate Andrei Sakharov named Dr. Gluzman as 1 of 15 prisoners who should be released immediately. For the past few years there have been demonstrations in May in several countries at Soviet Embassies on the anniversary of his prison term. In the United States, several thousand psychiatrists, mental health workers and other physicians have signed petitions in his behalf, and the board of the American Psychiatric Association passed a resolution calling for his release last spring. A special U.S. group, the Committee to Free Dr. Semyon Gluzman, formed in cooperation with the International League for the Repatriation of Russian Jews, is working for his release, as well as with other human rights organizations.

In January, another of Semyon Gluzman's writings reached the outside world. This new "Psalm" by this courageous Ukrainian spoke in magnificent poetry of his religious belief and love of freedom. He said:

O Lord, I sing thy praise
In the turmoil and darkness
Of the heathen temple.
Thou art, O Lord, indescribable, incomparable,
Invisible and omnipresent. . . .
And here am I who speak of meaning,
The meaning of my life in thy world.
Mine is the right to decide,
Choice and action,
Thou are word and meaning, thou the observer.

Semyon Gluzman has not been afraid to speak out for freedom while he suffers in a Soviet prison camp in failing health. He is urgently in need of other voices to help convince the Soviet Union that his treatment is unjustified and unconscionable. We hope that our actions on the floor of this House will help the Soviet Government to understand that the world is watching what they do to him and that we will not sit idly by and watch Semyon Gluzman mistreated to the brink of death.

HOUSE OF REPRESENTATIVES,
Washington, D.C., May 9, 1979.

President JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: All of us are extremely heartened by the recent release of ten human rights activists from the Soviet Union. Unfortunately, however, as we are all too well aware, there are still far too many human rights activists who are still imprisoned in that nation. Among those is Dr. Semyon Gluzman, a 32-year-old psychiatrist imprisoned for seven years for refusing to certify human rights and political activists as mentally ill for the KGB. Dr. Gluzman's prison term is supposed to end this Friday, May 11, after which he faces three more years of "internal exile."

Recent information from the Soviet Union about Dr. Gluzman is very troubling. There are stories circulating that the KGB intend to charge him with further offenses which could lead to an extension of his prison term beyond this Friday. In addition, Dr. Gluzman repotedly was placed in solitary confinement on reduced rations again in January. There is genuine concern that because of his already weakened condition (last summer he suffered from severe cerebral circulatory insufficiency) his placement in solitary confinement will result in his becoming an invalid and could possibly lead to his death. We are also informed that his health is so delicate that even transporting him from prison to place of internal exile could be fatal.

Semyon Gluzman's story is one of tremendous courage and conviction. After his imprisonment, Gluzman and human rights activist Vladimir Bukovsky wrote a guide for fellow dissidents describing techniques to prevent being classified as psychotic by government psychiatrists, and smuggled the manual to the outside world. Gluzman has continuously agitated for freedom while in prison, going on self-imposed hunger strikes in protest of cruel treatment of his fellow prisoners. As a result, he has been harshly treated by prison guards.

It is with a great sense of urgency that we are writing to seek your assistance in helping to free Dr. Gluzman. All of us are Congressional sponsors of H.J. Res. 265, introduced in the House on March 20, 1979, which calls upon the Soviet Union to release Dr. Gluzman and allow him to emigrate to Israel with his family. We are tremendously concerned over the possibility of his further imprisonment and the effects of this prolonged solitary confinement to his health. We believe that the U.S. government should begin taking steps to seek his immediate release and allow him to emigrate with his family to Israel.

You should be aware that concern for Dr. Gluzman among the U.S. medical community is high. Several thousand psychiatrists, mental health workers and physicians have signed protest petitions, and the Board of the American Psychiatric Association passed a resolution condemning his situation on behalf of its members at their national convention last spring.

Should you and your Administration bring about his release, we believe that there would also be great benefits to U.S. prestige around the world. For the past few years there have been annual demonstrations at Soviet embassies in other countries in Dr. Gluzman's behalf. Nobel Peace Prize laureate Andrei Sakharov, the leader of the Soviet human rights movement, recently named Semyon Gluzman as one of 15 human rights prisoners who should be released immediately.

We respectfully urge you to take some immediate action to make the Soviet authorities aware of our country's concern for this courageous man. The treatment of Dr. Semyon Gluzman is unconscionable, and we hope that through your persistent efforts he will be granted freedom.

Sincerely,

Mario Biaggi, Jonathan B. Bingham, Bill Archer, S. William Green, Jack F. Kemp, Joe Moakley, Don Edwards, Daniel J. Flood, Charles B. Rangel, Peter A. Peyser, Norman F. Lent, Barry M. Goldwater, Jr., Peter H. Kostmayer, John M. Murphy, David E. Bonior, James J. Florio, Claude Pepper, Andrew Maguire, Robert A. Roe, James J. Howard, Ron Marlenee, Matthew F. McHugh, Clarence D. Long, William M. Brodhead, Michael D. Barnes, Henry A. Waxman, Joseph P. Addabbo, Stephen J. Solarz, Lester L. Wolff, James J. Blanchard, Sidney R. Yates, Robert F. Drinan, William Lehman, James H. Scheuer, Richard L. Ottinger, Benjamin S. Rosenthal, Les AuCoin, Baltasar Corrada, Bill Frenzel, Martin Frost, Harold C. Hollenbeck, Stewart McKinney, Bob Traxler, Dale E. Kildee, Millicent Fenwick.

Members of Congress.

● Mr. KEMP. Mr. Speaker, perhaps the most moving prose which I have read in the recent past was written by a man who is being held by the Russian Government for his condemnation of their misuse of psychiatry to suppress dissents. Dr. Semyon Gluzman, a 32-year-old Ukrainian psychiatrist has, in a few words, quietly, yet forcefully, conveyed to the world his message of hope and faith in spite of the almost insurmountable trails of hardships he still faces.

Mr. Speaker, I commend this hymn to you and to my colleagues and lend my support to efforts to secure true freedom for Dr. Semyon Gluzman.

Following is the text of the psalm:

PSALM

(By Dr. Semyon Gluzman, January, 1979)

O Lord, I sing thy praise
In the turmoil and darkness
Of the heathen temple.
Thou art, O Lord, indescribable, incomparable,
Invisible and omnipresent . . .
And here am I who speak of meaning.
The meaning of my life in the world.
Mine is the right to decide,
Choice and action,
Thou art word and meaning, thou the observer.
I love thy grass, O Lord,
The sun, and murmurs in the night.
The woman whom I have yet to meet,
The book I have yet to write.
I love the fragrance,
  the sounds,
  the colours
Of flowers, of the sea, of birds. Of freedom.
But still more I love meaning:
That the tree may grow from the earth,
Man from boy
And word from Truth.
The meaning of the sweet grape,
The salt sea,
The bitter cloud,
But not of the sweet lie
And bitter freedom.
I have learnt to see sweetness
In barbed wirethorns,
In Ural snows.
In smiling prison guards.
I have understood that even
Four months' fact may be sweet,
Without grapes, without the sea
In the smells,
  sounds
  sights
Of the concentration camp
I have felt and understood
The sweetness of Freedom.
My word grew from my truth,
My truth from my meaning,
But word, truth, meaning and I myself
From thy world, O Lord.
Mine is the right to decide

● Mr. DRINAN. Mr. Speaker, I would like to join with my colleagues in calling on the Soviet authorities to free the beleaguered Soviet physician, Dr. Semyon Gluzman.

Thanks to the noble efforts of President Carter and his administration, the exchange of two Soviet spies has resulted in the release of five Soviet activists. This hopeful action coupled with the pardon of five Soviet citizens convicted of complicity in the 1970 airplane highjacking attempt, is good news for all those interested in the plight of Soviet Jewry.

Yet there remain many problems associated with Soviet emigration policy, and many individuals who are suffering great hardship as a result of the insensitivities of Soviet officials. If we are to continue to make progress in this area of fundamental human rights, we must not compromise our values; we must continue to speak out.

The Soviet authorities are continuing to repress Soviet physician Dr. Semyon Gluzman. As an outspoken author in the field of the psychology of political dissidents he has made a valuable contribution to an area of needed concern. Semyon Gluzman is 32 years old, but he has spent the last 7 of those years between Soviet prison and labor camp. He now faces 3 more years in internal exile. The punishment is for the crime of publishing what he had learned as a result of his research. I believe that all Americans would agree that punishment for such actions is completely without justification.

Now rumors are circulating that the KGB intends to detain Dr. Gluzman even longer than called for in his original sentence. Dr. Gluzman is in extremely poor health, and any further harsh imprisonment may lead to a greater deterioration in his condition.

In spite of all these trying circumstances, Semyon Gluzman continues to protect the conditions of Soviet society in a brave and courageous manner.

Dr. Semyon Gluzman is a young man who can contribute a great deal to society. Today he is a man in much need of our help. I join with my colleagues in calling for the administration to take the necessary steps to alleviate Dr. Gluzman's deplorable condition.●

☐ 1825

FOREIGN POLICY CREDIBILITY MADE POSSIBLE BY REMEMBRANCE OF HISTORIC ATROCITIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DERWINSKI) is recognized for 5 minutes.

● Mr. DERWINSKI. Mr. Speaker, during the Second World War, the Nazis killed over 6 million people in Poland. In the city of Warsaw alone, 850,000 people were killed, more than the combined military losses of the United States and Great Britain in World War II. The Presidential Holocaust Committee has been formed to remember and honor the victims of these horrible crimes.

However, few people in this country remember that Soviet authorities committed similar acts of cruelty to the Polish people. The Soviets liquidated thousands of Polish political prisoners. They deported without justification and under terrible circumstances, roughly 1,200,000 people, amounting to almost one-quarter of the Polish population of the territories occupied by them in 1939.

In addition, Soviet authorities took as

war prisoners some 250,000 Polish soldiers including 30,000 career and reserve officers, many of which were university professors, artists, writers, scientists, physicians, and lawyers.

One hundred and fifteen thousand of the Polish military taken as prisoners of war left the Soviet Union with General Anders in 1942. Most of the rest never saw Poland again. Fifteen thousand Polish prisoners of war, including over 8,000 officers were murdered by the Russians. Some of those murdered—around 4,500 bodies—were located in mass graves near Katyn, in Soviet, Byelorussia. Subsequently, the Reds admitted that all of the 15,000 Polish prisoners of war were killed, but blamed the Germans for this horrible act of genocide.

Nevertheless, all impartial investigations, including the major one in 1951–52, by a select committee of the U.S. House, established beyond any doubt, that victims of Katyn Forest were shot in the spring of 1940, when Katyn was in Soviet hands and the men, captives of the Russians.

This act of genocide did not succeed in destroying Polish religious, cultural, social, and political strength. Instead it produced great resolve among the Polish people to strengthen and perpetuate a commitment to their national freedom. America should honor and support such resolve and help commemorate these people who paid the ultimate price for their national heritage.

Mr. Speaker, I wish to remind the Members that on a number of occasions, I have brought their attention to the Katyn massacre. My most recent statement was made on March 29, in memory of the 39th anniversary of this tragic event. It is especially important for us to remember and ponder the historic lesson of these gross violations of human rights in order to make our present foreign policy credible.●

RESOLUTION ALLOWING EXPORTS OF LOW ENRICHED URANIUM FUEL NOT EXCEEDING 10 PERCENT OF EXISTING LEVELS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 5 minutes.

● Mr. ZABLOCKI. Mr. Speaker, I am introducing today, along with my colleagues, JONATHAN BINGHAM and PAUL FINDLEY, a resolution which would permit the Department of Energy to contract for, and the NRC to approve, fuel exports slightly in excess of the limits currently specified in existing U.S. bilateral agreements for cooperation. Specifically, the resolution would allow exports of low enriched uranium fuel up to, but not exceeding 10 percent of the existing levels.

The purpose of this resolution is simple and straightforward. It is to provide enough flexibility to permit us to deal with a few limited cases in which a country may need, for planning purposes, to begin to contract now for an additional increment of reactor fuel, yet be technically constrained from doing so without formal amendment of its nuclear cooperation agreement. If the country in question is actively cooperating with us and is, at the time such need exists, already engaged in a productive and serious renegotiation of its entire agreement, pursuant to the Nonproliferation Act, it may be necessary or useful to adjust existing ceilings enough to resolve the most pressing near term needs. This resolution provides a simple and comprehensive way of handling such situations. It provides sufficient flexibility for resolving the few problems we expect to face, yet is not so broad as to deprive other countries of their motivation to renegotiate and modernize the terms of their basic agreements in a timely fashion.●

WARNING: ELECTRONIC BANKING MAY BE HAZARDOUS TO YOUR HEALTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, the man behind you in line at an automated teller machine may be waiting to make a withdrawal—right from your wallet. A series of robberies and attacks at cash dispensing machines throughout Manhattan has already prompted the New York State Attorney General's office to ask financial institutions to take more stringent security precautions at their automated teller machines to protect their customers. Most discussion of ATM security has focused on protecting customers' funds, but not the customers themselves. Yet the danger of these isolated, 24-hour machines was violently pointed out several weeks ago when a conductor at Grand Central terminal was robbed and critically wounded after making a withdrawal from a cash dispensing machine. Although convenient, these electronic terminals and their customers are easy targets for midnight muggers.

Users of ATM's are prime victims because they hold a key to even more money than is in their purse or wallet—their access card. Last month, a team of robbers was arrested and charged with ambushing cardholders and forcing them to disclose their PIN number. The robbers were then able to access the victim's entire account in many instances. These senseless, but profitable attacks are evidence of the inadequacy of personal identification numbers as security against misuse of cards. Incidents of robbery would certainly decline if banks more rapidly developed more secure means of insuring that a legitimate transaction is being made, such as signature verification procedures which could detect forgeries. It is, after all, much more difficult to steal a signature than to steal a number.

If electronic banking is to progress, customers must feel not only that their funds, but that they and their families are safe. Obviously the cost of maintaining guards at each 24-hour machine is exorbitant, but financial institutions can take steps to improve security, such as using roving guards who would tour each ATM site each night. The placement of cash dispensing machines only in well lit, well travelled sections of a city can also serve as a deterrent to would-be thieves.

Financial institutions, fearful of anything which might impede the progress of electronic fund transfer systems, argue that such crimes are only a tiny problem. But as automatic banking expands and criminals become more aware of its possibilities for quick profits, this "small problem" can quickly turn into a national epidemic.●

BILL TO ELIMINATE THE FOREIGN TAX CREDIT ON OIL RELATED INCOME—A BILLION DOLLAR GIVEAWAY TO THE OIL INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, today, I am introducing a bill which will deny a foreign tax credit for the foreign taxes paid on oil-related income. These amounts would be treated as royalties under the proposal. They will be allowed as a deduction or an exclusion, whichever is appropriate, from the taxpayer's foreign source income if the other requirements of the Internal Revenue Code for the deduction or exclusion of a royalty are met. This bill—aside from raising over $3 billion in additional revenue each year—will help guarantee that the inequity between domestic and foreign production will be corrected.

The text of the bill follows:

H.R. 4025

A bill to deny the foreign tax credit on foreign oil related income

SECTION 1. TREATMENT OF CERTAIN PAYMENTS WITH RESPECT TO FOREIGN OIL AND GAS AS ROYALTIES

Section 907 (relating to foreign oil and gas income) is amended to read as follows:

"SEC. 907. SPECIAL RULES IN CASE OF FOREIGN OIL AND GAS INCOME

"(a) IN GENERAL.—In the case of any person, no credit shall be allowed under this subpart for income, war profits, or excess profits taxes paid or accrued during the taxable year to any foreign country with respect to foreign oil related income. Such taxes shall be treated as a royalty for purposes of this title.

"(b) FOREIGN OIL RELATED INCOME.—The term foreign oil related income means the income derived from sources outside the United States and its possessions from—

"(1) the extraction (by the taxpayer or any other person) of minerals from oil or gas wells,

"(2) the processing of such minerals into their primary products,

"(3) the transportation of such minerals or primary products,

"(4) the distribution or sale of such minerals or primary products,

"(5) the sale or exchange of assets used in the trade or business described in clause (1), (2), (3), or (4).

"(c) DIVIDENDS, PARTNERSHIP DISTRIBUTIONS, ETC.—The term 'foreign oil related income' includes—

"(1) dividends and interest from a foreign corporation in respect of which taxes are deemed paid by the taxpayer under section 902;

"(2) dividends and interest from a domestic corporation which are treated under sections 861(a)(1)(B) or 861(a)(2)(A) as income from sources without the United States;

"(3) amounts with respect to which taxes are deemed paid under section 960(a); and

"(4) the taxpayer's distributive share of the income of partnerships,

to the extent such dividends, interest, amounts, or distributive share is attributable to foreign oil related income."

SEC. 2. DENIAL OF CARRYOVERS

(a) DENIAL OF CREDIT CARRYOVER.—Subsection (1) of section 904 is amended by inserting "(other than taxes paid or accrued to any foreign country with respect to foreign oil related income (within the meaning of section 907))" after "Any amount by which all taxes paid or accrued to foreign countries or possessions of the United States".

(b) DENIAL OF NET OPERATING LOSS CARRYBACK.—Subsection (d) of section 172 (relating to net operating losses) is amended by adding the following new paragraph at the end thereof:

"(9) FOREIGN OIL AND GAS TAXES.—No deduction shall be allowed for amounts treated as royalties under section 907(a) (relating to foreign oil and gas income) to the extent that the deduction allowed under subsection (a) would be carried under subsection (b) to a taxable year beginning prior to the date of enactment of this paragraph with respect to which the taxpayer chooses to take to any extent the benefits of section 901 (relating to the foreign tax credit)."

SEC. 3. CONFORMING AMENDMENTS.

(a) Subsection (f) of section 904 is amended by striking out paragraph (4) and by redesignating paragraph (5) as paragraph (4).

(b) Subsection (1) of section 6501 is amended by striking out "or under section 907(f) (relating to carryback and carryover of disallowed oil and gas extraction taxes)" and "or 907(f)".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall, in general, apply with respect to taxable years beginning after the date of enactment. However, the amendments made by this Act shall not apply to the extent that the application of such amendments would be contrary to any treaty obligation of the United States in effect on the date of enactment of this Act.●

AVIATION SAFETY AND NOISE REDUCTION ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. FERRARO) is recognized for 5 minutes.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3942

Ms. FERRARO. Mr. Speaker, before I make my remarks on my special order, I ask unanimous consent to withdraw my name as a cosponsor of the bill, H.R. 3942, the Aviation Safety and Noise Reduction Act.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Ms. FERRARO. Mr. Speaker, I originally cosponsored legislation drafted by the Subcommittee on Aviation, H.R. 3942, the Aviation Safety and Noise Reduction Act, because I felt it would help reduce the intense noise levels suffered by the more than 6 million Americans who live on the fringes of our Nation's airports. However, as a result of the amendments adopted by the full Public Works and Transportation Committee today, this bill, if enacted, will result in more airport noise, not less. The original purpose of the bill has been decimated, and does not deserve the title which it carries.

Aircraft noise has been a nuisance to my constituents for too many years, and the time is long overdue for my colleagues in the Congress to stand up and say no to more loopholes for the airlines. At a time when airlines are making record profits, it is ridiculous to let them escape from the present noise compliance regulations currently in existence. And yet this is exactly what the House of Representatives will be asked to do in just a few days.

Although I have worked long and hard for a better bill, I am convinced that the bill under present consideration will only serve to further the very narrow special interests of the airlines and do absolutely nothing to quiet the neighborhoods of my constituents and the many other Americans who live near airports.

I yield back the balance of my time.

HEARINGS ON DIESEL FUEL SUPPLY PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. BEDELL) is recognized for 5 minutes.

● Mr. BEDELL. Mr. Speaker, I am pleased to inform my colleagues of hearings being held next week, to examine the current diesel fuel supply problems and their probable impact on local and national economies. The hearings are being held jointly by the Small Business Subcommittee on Antitrust and Restraint of Trade, which I chair, and the Small Business Subcommittee on Energy, chaired by TOM LUKEN.

This is the first of a series of hearings on refined petroleum products supply/distribution problems and their effect on small business. In a few weeks we will begin an examination of the effect of gasoline allocation and supply problems on independent gasoline retailers.

But the most immediate problem is diesel fuel. To be blunt about it, farmers in some States may not have enough diesel fuel available right now to complete the spring planting. Staff investigations and field reports indicate that the problem is especially severe in Nebraska and my home State of Iowa.

Throughout the Midwest, in America's breadbasket, the spring thaw came late this year and has been followed by rain. So, the spring planting is delayed and farmers will have to work night and day to get the crops in.

Obviously, agricultural consumption of fuel will be up sharply this month over May of 1978, because of the delayed planting. But supplies of diesel fuel are down sharply, creating a serious shortage. Unless significant quantities of distillate fuel are shifted to the Midwest immediately, we are looking at a potential economic disaster, not just for the local farmers but for the entire country.

I have spoken with executives of major oil companies supplying the Midwest diesel market; they tell me that they are committing additional stocks of fuel but cannot assure that they will arrive in time. I have talked with officials at the Department of Agriculture and understand that they recently began discussing this problem with the Department of Energy. DOE recently asked the major oil companies to voluntarily increase their production of distillate fuels, including diesel. The President, during his visit to Des Moines, Iowa, last week pledged that steps would be taken to assure adequate supplies of fuel for farm use this spring.

The hearings we are holding next Thursday are intended to find out the true nature and dimension of the diesel supply problem, to find out what went wrong and what is being done to correct it, and to see what can be done to prevent this problem from arising again.

At the morning session we will hear from jobbers who serve the agricultural market, from small and independent refiners who operate in the Midwest, and from the major oil companies. In the afternoon we will hear from representatives of the Department of Agriculture and the Department of Energy.

There are a lot of questions to be asked at these hearings on diesel supply. Hopefully, we will be finding some of the answers next week.●

WHY I VOTED "NO"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, this morning the full Interior Committee met and reported out H.R. 2608, the Nuclear Regulatory Commission's budget authorization request, with an amendment to suspend issuance of any new nuclear construction permits for 6 months.

As a member of that committee, my vote was cast against the 6-month ban and I would like to explain why.

The language adopted today would not affect current operations of any nuclear power plant, nor would it affect the licensing for operations of plants now under construction. Instead, today's vote was, in the words of its major proponents, a largely symbolic one, intended to express the sincere and profound concern in the Congress about nuclear power, its safety, and its future. I do not think such a gesture was useful. My legislative record over the past 15 years on nuclear issues should leave no doubt in anyone's mind that I share the anxieties of those who worry about the safety of nuclear power plants, and that I will strongly support legislative measures that effectively confront, and seek to minimize, any danger to the public health and safety posed by nuclear power. I do, however, intend to follow responsible legislative procedures rather to purport to adopt substantive provisions before the Interior and Insular Affairs Committee completes its analysis of recent events at Three Mile Island and of the broader dilemmas posed by our reliance on nuclear power.

More than any time in the past, and rightfully so, nuclear power is now on trial. Events took place at Three Mile Island which we were assured would never happen, and even more troubling, the very system designed to protect the public health and safety is under serious attack.

We in the Congress therefore have the opportunity and obligation to review systematically the institutional, safety, proliferation, waste, and economic dimensions of nuclear power, and to come to terms with them. Under the chairmanship of Morris Udall, I feel that the Interior Committee can and must perform this duty by means of its recently launched sweeping inquiry. Our credibility is at stake in the Congress and in the eyes of the American public. As a member also of the Foreign Affairs Committee concerned about international nuclear proliferation, health, waste, and safety issues, I intend to take this responsibility very seriously.●

THE CLOSING OF SMALL POST OFFICES

(Mr. HANLEY asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. HANLEY. Mr. Speaker, yesterday the Postal Rate Commission issued a decision reversing the decision of the U.S. Postal Service to close nine post offices scattered across the United States.

I would like to pay tribute to the Commission for its courageous action and its humane treatment of the issues involved in these cases. One of the most perplexing problems we have had in dealing with the new Postal Service, has been the tendency on the part of postal management to want to shut down post offices in rural areas which are not self-sustaining—that is, the revenue they receive from operations does not equal the cost of paying the salary of the postmaster and other employees. Out of 30,000 post offices in the United States, at least half of them are not economically self-sufficient. If they were operated as a business enterprise, they simply would not make it. But, of course, that is why we have a federally financed postal system, and the "public service aspect" of the postal system is the maintenance of service to all Americans. It is easy to operate post offices in larger cities which handle a greater volume of mail and, therefore, receive a lot of revenue. But it is economically impossible to operate post offices in tiny villages and expect to break even or make a profit.

The Postal Rate Commission's reasoning for reversing the Postal Service's decision to close the small offices was that the Postal Service did not take into account the effect—other than the direct postal effect—of the closings upon these small towns. But the law requires that this effect be taken into account; and it is not an impact which can be measured in dollars and cents. The Postal Service must assess the social impact of the Postal Service all over America before making a decision to close an office. If this cannot be done, I am confident that Congress will move toward the kind of moratorium which we adopted in 1976, which simply forbids all closings. This would be unfortunate because there are post offices which shall be closed, which no longer serve a sufficiently useful purpose to justify their continuation. We have less than half as many post offices today as we had 75 years ago. Times change and our postal needs change. But the important element in this decision process must be determining when a small community is ready to convert to some other form of mail delivery and when the budget cutters simply want to close a facility to reduce postal costs. The Postal Rate Commission's decision will help determine this issue.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Obey, for the balance of the week, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Ritter) to revise and extend their remarks and include extraneous material:)

Mr. Collins of Texas, for 20 minutes, today.

Mr. Goldwater, for 5 minutes, today.

Mr. Derwinski, for 5 minutes, today.

Mr. Hopkins, for 10 minutes, May 10, 1979.

(The following Members (at the request of Mr. Wyatt) to revise and extend their remarks and include extraneous material:)

Mr. Zablocki, for 5 minutes, today.

Mr. Weaver, for 10 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes ,today.

Mr. Vanik, for 5 minutes, today.

Mr. Vento, for 10 minutes, today.

Ms. Ferraro, for 5 minutes, today.

Mr. Bedell, for 5 minutes, today.

Mr. Pepper, for 5 minutes, today.

Mr. Bingham, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Ritter) and to include extraneous matter:)

Mr. Clausen.
Mr. Archer.
Mr. Young of Alaska.
Mr. Hillis.
Mr. Dornan in three instances.
Mr. Frenzel in three instances
Mr. Findley in two instances.
Mr. Lewis.
Mr. Shuster.
Mr. Moore.
Mr. Rudd.
Mr. Tauke.
Mr. Anderson of Illinois.
Mr. Ashbrook in two instances.
Mr. Kemp in three instances.
Mr. Lee.
Mr. Latta.

(The following Members (at the request of Mr. Wyatt) and to include extraneous material:)

Mr. Mineta.
Mr. Mavroules.
Mr. Aspin.
Mr. Blanchard.
Mr. Cotter.
Mr. Brinkley.
Mr. Conyers.
Mr. Traxler.
Mr. Mottl.
Mr. Won Pat.
Ms. Mikulski.
Mr. Wirth.
Mr. Zablocki.
Mr. Udall.
Mr. Santini.
Mr. Dingell.
Mr. Dodd.
Mr. Jones of Oklahoma.
Mr. Ottinger.
Mr. Harris.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 230. An act to amend title VII of the Public Health Service Act to extend through fiscal year 1980 the program of assistance for nurse training, and for other purposes; to the Committee on Interstate and Foreign Commerce;

S. 440. An act to revise and extend the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment, and Rehabilitation Act of 1970; to the Committee on Interstate and Foreign Commerce;

S. 448. An act to authorize further appropriations for the Office of Rail Public Counsel; to the Committee on Interstate and Foreign Commerce; and

S. 525. An act to amend the Drug Abuse Office and Treatment Act of 1972, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ADJOURNMENT

Mr. WYATT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 29 minutes p.m.) the House adjourned until tomorrow, Thursday, May 10, 1979, at 11 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1526. A letter from the Secretary of Agriculture, transmitting a status report and schedule for completion of the evaluation of the Cooperative Extension system, pursuant to section 1459 of Public Law 95–113; to the Committee on Agriculture.

1527. A letter from the Director of Economics, Policy Analysis and Budget, Department of Agriculture, transmitting a report on the impact of prohibiting commodity program payments to nonfarm corporations and partnerships, pursuant to section 103 of Public Law 95–113; to the Committee on Agriculture.

1528. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting a cumulative report on rescissions and deferrals of budget authority as of May 1, 1979, pursuant to section 1014(e) of Public Law 93–344 (H. Doc. No. 96–123); to the Committee on Appropriations and ordered to be printed.

1529. A letter from the Secretary of Transportation, transmitting a report on negotiated contracts for experimental, developmental, test or research work, or for industrial mobilization in the interest of the national defense, covering the period October 1, 1978, through March 31, 1979, pursuant to 10 U.S.C. 2304(e); to the Committee on Armed Services.

1530. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–31, "To order the closing of a public alley in square 3072, in the vicinity of 5th and V Streets NW. (S.O. 76–100)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1531. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–32, To order the closing of a public alley in square 2855, bounded by 13th, 14th, Harvard and Girard streets, NW. (S.O. 77–21), pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1532. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–33, "To order the closing of 'Eye' Street, NW. between 2d and 3d Streets, NW., and public alleys in squares 560 and 652, bounded by 2d Street, 3d Street, H and K Streets, and New Jersey Avenue, NW. (S.O. 77–227," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1533. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–34, "To order the closing of a public alley in square 288, between 12th and 13th Streets, NW., on the north side of G Street, NW. (S.O. 72–74)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1534. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of Council Act 3–35, "To order the closing of part of a public alley in square 778, in the rear of lots 112 and 48, in the vicinity of 4th and F Streets, NE. (S.O. 77–57)," pursuant to section 602(c) of Public Law 93–198; to the Committee on the District of Columbia.

1535. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b (a); to the Committee on Foreign Affairs.

1536. A letter from the Associate Attorney General, transmitting a report on the Justice Department's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1537. A letter from the Under Secretary of Agriculture for International Affairs and Commodity Programs, transmitting a report on the activities of the Board of Directors of the Commodity Credit Corporation under the Government in the Sunshine Act during calendar year 1978, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

1538. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to the General Services Administration's multiple award schedule program (PSAD–79–71, May 2, 1979); to the Committee on Government Operations.

1539. A letter from the Secretary, Smithsonian Institution, transmitting the annual report of the Smithsonian Institution for fiscal year 1978, pursuant to section 5593 of the Revised Statutes; to the Committee on House Administration.

1540. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on State compliance with medicaid utilization control requirements, covering the four quarters of fiscal year 1978, pursuant to section 1903(g)(6) of the Social Security Act, as amended; to the Committee on Interstate and Foreign Commerce.

1541. A letter from the Assistant Secretary of Energy for Conservation and Solar Applications, transmitting a report on the coordination of Federal energy conservation programs involving State and local governments, pursuant to section 623 of Public Law 95–619; to the Committee on Interstate and Foreign Commerce.

1542. A letter from the Attorney General, transmitting notice of the Justice Department's decision not to appeal certain district court judgments holding that section 202 of the Social Security Act, which provides certain death and disability benefits for female but not male spouses of wage earners, infringes the equal protection requirement of the fifth amendment to the Constitution, pursuant to section 13(a) of Public Law 95–624; to the Committee on the Judiciary.

1543. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the Post Office and Courthouse, Fourth and Ferry Streets, Lafayette, Ind., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1544. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the Edward A. Garmatz Building, 100 South Hanover Street, Baltimore, Md., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1545. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Courthouse, 811 Grand Avenue, Kansas City, Mo., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1546. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing acquisition of space by lease in Philadelphia, Pa., pursuant to section 7(a) of the Public Buildings Act of 1959 as amended; to the Committee on Public Works and Transportation.

1547. A letter from the Acting Administrator of General Services, transmitting a prospectus proposing acquisition of space by lease in Philadelphia, Pa., pursuant to section 7(a) of the Public Buildings Act of 1959 as amended; to the Committee on Public Works and Transportation.

1548. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize the establishment of a food security reserve of wheat and for other related purposes; jointly, to the Committees on Agriculture and Foreign Affairs.

1549. A letter from the Comptroller General of the United States, transmitting a report on the establishment of military compensation principles (FPCD–79–11, May 9, 1979); jointly, to the Committees on Government Operations and Armed Services.

1550. A letter from the Comptroller General of the United States, transmitting a report on the cleanup of nuclear contamination on Enewetak Atoll (PSAD–79–54, May 8, 1979); jointly, to the Committees on Government Operations, Armed Services, and Interior and Insular Affairs.

1551. A letter from the Comptroller General of the United States, transmitting a report on needed improvements to federally assisted employment and training programs, (HRD–79–11, May 8, 1979); jointly, to the Committees on Government Operations, and Education and Labor.

1552. A letter from the Acting Comptroller General of the United States; transmitting a report on the Labor Department's program to recover costs incurred for Federal employees' injuries caused by third parties (HRD–79–36, May 9, 1979); jointly, to the Committees on Government Operations and Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 2519. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal years 1979 and 1980, and for other purposes; with amendment (Rept. No. 96–112, Pt. II). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 3672. A bill to authorize additional appropriations for the Temporary Commission on Financial Oversight of the District of Columbia, and for other purposes. Rept. No. 96–131). Referred to the Committee of the Whole House on the State of the Union.

Mr. DELLUMS: Committee on the District of Columbia. H.R. 3914. A bill to amend the National Capital Transportation Act of 1969 to increase the amount authorized for the District of Columbia share of the cost of the rapid transit system of the National Capital Region; with amendment (Rept. No. 96–132). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 262. Resolution providing for the consideration of resolutions relating to the standby gasoline rationing plans (Rept. No. 96–133). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. HECKLER (for herself, Mr. Pepper, Mr. Hammerschmidt, Mr. Roberts, Mr. Satterfield, Mr. Edgar, Mr. Mottl, Mr. Wolff, Mr. Hansen, Mr. Abdnor, Mr. Daschle, Mr. Hall of Texas, Mr. Sawyer, Mr. Grisham, Mr. Applegate, Mr. Hillis, Mr. Hefner, Mr. Mica, Mr. Deckard, Mr. Coelho, Mr. Leath of Texas, Mr. Edwards of California, Mr. Danielson, Mr. Boner of Tennessee, Mr. Brinkley, Mr. Guyer, Mr. Montgomery, Mr. Lee, Mr. Shelby, and Mr. Wylie):

H.R. 4015. A bill to amend title 38, United States Code, to establish demonstration centers of geriatric research, education, and clinical operations within the Veterans' Administration; to the Committee on Veterans' Affairs.

By Mr. BROWN of California:

H.R. 4016. A bill to authorize appropriations for the Federal Fire Prevention and Control Act of 1974; to the Committee on Science and Technology.

By Mr. EDWARDS of Alabama:

H.R. 4017. A bill to amend the Social Security Act to make certain that recipients of supplemental security income benefits, recipients of aid to families with dependent children, recipients of medicaid benefits, and recipients of aid or assistance under certain other Federal and federally-assisted programs will not have the amount of such benefits, aid, or assistance reduced because of increases in monthly social security benefits; jointly, to the Committees on Ways and Means, Interstate and Foreign Commerce, and Agriculture.

By Mr. GINN (for himself and Mr. Fauntroy):

H.R. 4018. A bill to provide for the conveyance of the lands comprising the Harris Neck National Wildlife Refuge, McIntosh County, Ga., to the persons, or the heirs of the persons, who owned such lands prior to their condemnation by the United States in 1943; to the Committee on Merchant Marine and Fisheries.

By Mr. GOLDWATER (for himself, Mr. Mathis, Mr. Hyde, Mr. Badham, Mr. Lagomarsino, Mr. Burgener, Mr. Duncan of Tennessee, Mr. Sensenbrenner, Mr. Ertel, and Mr. Dornan):

H.R. 4019. A bill to provide for the research, development, and demonstration of a permanent Federal repository capable of receiving nuclear wastes generated from the operation of civilian nuclear powerplants, and for other purposes; jointly, to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

By Mr. JOHNSON of California (by request):

H.R. 4020. A bill to amend and extend a provision of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

By Mr. La FALCE:

H.R. 4021. A bill to amend the Federal Water Pollution Control Act relating to certain international treaties and agreements; to the Committee on Public Works and Transportation.

H.R. 4022. A bill to amend the Internal Revenue Code of 1954 to permit the deduction of sewer taxes, rents, and other similar sewer charges; to the Committee on Ways and Means.

By Mr. ROBERTS (for himself, Mr. Johnson of California, and Mr. Clausen):

H.R. 4023. A bill to amend the Clean Water Act of 1977 to extend the moratorium on industrial cost recovery; to the Committee on Public Works and Transportation.

By Mr. STARK:

H.R. 4024. A bill to amend the Internal Revenue Code of 1954 to deny any credit for foreign taxes on foreign related oil income; to the Committee on Ways and Means.

By Mr. VANIK:

H.R. 4025. A bill to deny the foreign tax credit on foreign oil related income; to the Committee on Ways and Means.

By Mr. ABDNOR:

H.R. 4026. A bill to extend for an additional year the program of Federal financial assistance under title V of the Railroad Revitalization and Regulatory Reform Act of 1976, and to provide that such financial assistance may be available for rail transportation of coal to regions or States which can use coal in greater quantities to meet the resource needs of powerplants and other industrial fuel users; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDERSON of California:

H.R. 4027. A bill to reduce the annual automotive mileage and fuel consumed by Federal agencies; to the Committee on Government Operations.

By Mr. COLEMAN:

H.R. 4028. A bill entitled the "Food Stamp Beneficiary Protection Act"; to the Committee on Agriculture.

By Mr. HEFTEL:

H.R. 4029. A bill to restore the wartime recognition of certain Filipino veterans of World War II and to entitle them to those benefits, rights, and privileges which result from such recognition; to the Committee on Veterans' Affairs.

H.R. 4030. A bill to amend section 103 of the Internal Revenue Code of 1954 to provide that the interest on certain mortgage revenue bonds will not be exempt from Federal income tax; to the Committee on Ways and Means.

By Mr. HUBBARD:

H.J. Res. 323. Joint resolution proposing an amendment to the Constitution of the United States with respect to the right to life; to the Committee on the Judiciary.

By Mr. ZABLOCKI (for himself, Mr. Bingham, and Mr. Findley):

H.J. Res. 324. Joint resolution permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MINISH:

H. Res. 263. Resolution urging the Government of the Federal Republic of Germany to abolish the statute of limitations governing the prosecution of war crimes, or to amend the present statute of limitations to allow a period of time sufficient for the prosecution of those responsible for the horrors of the holocaust; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

161. By the SPEAKER: Memorial of the Legislature of the State of Connecticut, ratifying the proposed amendment to the Constitution of the United States to provide for representation of the District of Columbia in the Congress; to the Committee on the Judiciary.

162. Also, memorial of the Legislature of the State of Hawaii, relative to reemployment rights for Federal employees ordered to National Guard duty by their State Governor; to the Committee on Post Office and Civil Service.

163. Also, memorial of the Legislature of the State of Hawaii, relative to the funding of educational programs for the handicapped; jointly, to the Committees on Education and Labor and Appropriations.

164. Also, memorial of the Legislature of the State of Hawaii, relative to vocational and social rehabilitation services; jointly, to the Committees on Education and Labor and Ways and Means.

165. Also, memorial of the Legislature of the Territory of Guam, relative to a survey of mineral properties in the sea surrounding Guam; jointly, to the Committees on Interior and Insular Affairs and Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HEFTEL:

H.R. 4031. A bill to authorize the Secretary of the Navy to convey certain real property in the State of Hawaii to the present lessees of such real property; to the Committee on Armed Services.

By Mr. McCLORY:

H. R. 4032. A bill for the relief of Mahmud Ali Khan alias Fazal Dad; to the Committee on the Judiciary.

By Mr. WIRTH:

H.R. 4033. A bill for the relief of the Jefferson County Mental Health Center, Inc., and of certain current and former employees thereof; to the Committee on the Judiciary.

By Mr. FISHER:

H. Res. 264. Resolution to refer H.R. 2319, a bill for the relief of Elena Schwarze-Chamier, to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1247: Mr. Bauman and Mr. Marlenee.

H.R. 1608: Mr. Edwards of California, Mr. Montgomery, Mr. Danielson, Mr. Wolff, Mr. Edgar, Mr. Leath of Texas, Mr. Boner of Tennessee, Mrs. Heckler, and Mr. Abdnor.

H.R. 1675. Mr. Anderson of Illinois.

H.R. 1676: Mr. Anderson of Illinois.

H.R. 1677: Mr. Anderson of Illinois, Mr. Bafalis, Mr. Benjamin, Mr. Bowen, Mr. Conte, Mr. Gilman, Mr. Hyde, Mr. Jenrette, Mr. Lloyd, Mr. McCloskey, Mr. Pepper, Mr. Roe, Mr. Walker, and Mr. Winn.

H.R. 1678: Mr. Anderson of Illinois.

H.R. 1918: Mr. Davis of Michigan, Mr. Lagomarsino, and Mr. Panetta.

H.R. 2416: Mr. Abdnor and Mr. Jeffries.

H.R. 2417: Mr. Dornan, Mr. Symms, Mr. Whittaker, and Mr. Corcoran.

H.R. 3105: Mr. Hagedorn.

H.R. 3106: Mr. Hopkins.

H.R. 3246: Mr. Lee.

H.R. 3480: Mr. Hammerschmidt, Mr. Dornan, Mr. Lagomarsino, Mr. Hyde, and Mr. Forsythe.

H.R. 3519: Mr. Roe, Mr. Simon, and Mr. Stangeland.

H.R. 3578: Mr. Gilman.

H.R. 3633: Mr. Gramm.

H.R. 3680: Mr. Cleveland.

H.R. 3892: Mr. Edgar, and Mr. Beard of Rhode Island.

H.R. 3989: Mr. Edwards of California, Mr. Montgomery, Mr. Wolff, Mr. Edgar, Mr. Leath of Texas, Mr. Boner of Tennessee, Mr. Hammerschmidt, Mrs. Heckler, Mr. Abdnor, and Mr. Danielson.

H.J. Res. 19: Mr. Annunzio, Mr. Benjamin, Mr. Hubbard, Mr. Kindness, and Mr. Stokes.

H.J. Res. 148: Mr. Sawyer, Mr. Steed, and Mr. Vander Jagt.

H.J. Res. 248: Mr. Ambro, Mr. St Germain, Mr. Lehman, Mr. Murphy of Pennsylvania, Mr. Downey, Mr. Howard, Mr. Emery, Mrs. Snowe, Mr. Mottl, Mr. Carney, Mr. Dodd, Mr. Stack, Mr. Dornan, Mr. Murphy of New York, Mr. Fascell, Mr. Stokes, and Mrs. Heckler.

H. Con. Res. 10: Mr. Panetta.

H. Res. 58: Mr. LELAND, Mr. MOTTL, and Mr. RANGEL.

H. Res. 142: Mr. HANCE.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3942: Ms. FERRARO.

PETITIONS, ETC.

Under clause 1 of rule XXII,

118. The SPEAKER: presented a petition of the city council, Cambridge, Mass., relative to title IX of the Education Amendments of 1972, which was referred to the Committee on Education and Labor.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 107

By Mr. FISH:

—In the matter relating to the appropriate level of total new budget authority increase the amount by $132 million;

In the matter relating to the appropriate level of total budget outlays increase the amount by $8 million;

In the matter relating to the amount of the deficit increase the amount by $8 million;

In the matter relating to the appropriate level of the public debt increase the amount by $8 million;

In the matter relating to the amount by which the statutory limit on the public debt should accordingly be increased, increase the amount by $8 million.

In the matter relating to Transportation (400) increase the amount for budget authority by $132 million; and increase the amount for outlays by $8 million.

By Mr. PASHAYAN:

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $505.4 billion, and the amount by which the aggregate level of Federal revenues should be decreased is zero;

(2) the appropriate level of total new budget authority is $576.8 billion;

(3) the appropriate level of total budget outlays is $505.4 billion;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero; and

(5) the appropriate level of the public debt is $863.9 billion, and the amount by which the statutory limit on such debt should accordingly be increased is $33.9 billion.

SEC. 2. The Congress recognizes that the activities of off-budget Federal entities are excluded from the budget by law. The Congress recommends that a way be found to relate accurately the estimates of off-budget Federal entities and capital expenditures to the unified budget.

SEC. 3. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $128.5 billion;

(B) Outlays, $117.9 billion.

(2) International Affairs (150):

(A) New budget authority, $12.3 billion;

(B) Outlays, $7.7 billion.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5.3 billion;

(B) Outlays, $5.2 billion.

(4) Energy (270):

(A) New budget authority, $19.1 billion;

(B) Outlays, $7.6 billion.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12.1 billion;

(B) Outlays, $11.3 billion.

(6) Agriculture (350):

(A) New budget authority, $4.7 billion;

(B) Outlays, $5.1 billion.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $7.2 billion;

(B) Outlays, $3.0 billion.

(8) Transportation (400):

(A) New budget authority, $18.7 billion;

(B) Outlays, $17.3 billion.

(9) Community and Regional Development (450):

(A) New budget authority, $7.9 billion;

(B) Outlays, $7.2 billion.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $30.8 billion;

(B) Outlays, $29.9 billion.

(11) Health (550):

(A) New budget authority, $55.2 billion;

(B) Outlays, $51.1 billion.

(12) Income Security (600):

(A) New budget authority, $206.5 billion;

(B) Outlays, $174.0 billion.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $20.2 billion;

(B) Outlays, $19.8 billion.

(14) Administration of Justice (750):

(A) New budget authority, $4.1 billion;

(B) Outlays, $4.2 billion.

(15) General Government (800):

(A) New budget authority, $4.2 billion;

(B) Outlays, $4.1 billion.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6.2 billion;

(B) Outlays, $6.2 billion.

(17) Interest (900):

(A) New budget authority, $53.9 billion;

(B) Outlays, $53.9 billion.

(18) Allowances (920):

(A) New budget authority, −$0.3 billion;

(B) Outlays, −$0.3 billion.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$19.8 billion;

(B) Outlays, —$19.8 billion.

SEC. 4. Pursuant to section 304 of the Congressional Budget Act of 1974, the appropriate allocations for fiscal year 1979 made by H. Con. Res. 683 are revised as follows:

(a)—

(1) the recommended level of Federal revenues is $458,485,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $15,000,000;

(2) the appropriate level of total new budget authority is $557,932,000,000;

(3) the appropriate level of total budget outlays is $494,342,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $35,857,000,000; and

(5) the appropriate level of the public debt is $830,000,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is zero.

(b)—

(1) National Defense (050):

(A) New budget authority, $126,096,000,000;

(B) Outlays, $114,132,000,000.

(2) International Affairs (150):

(A) New budget authority, $11,240,000,000;

(B) Outlays, $7,325,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $5,357,000,000;

(B) Outlays, $5,151,000,000.

(4) Energy (270):

(A) New budget authority, $7,592,000,000;

(B) Outlays, $7,338,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,858,000,000;

(B) Outlays, $11,272,000,000.

(6) Agriculture (350):

(A) New budget authority, $8,283,000,000;

(B) Outlays, $5,918,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,844,000,000;

(B) Outlays, $2,917,000,000.

(8) Transportation (400):

(A) New budget authority, $19,212,000,000;

(B) Outlays, $17,137,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,957,000,000;

(B) Outlays, $9,626,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $32,716,000,000;

(B) Outlays, $30,038,000,000.

(11) Health (550):

(A) New budget authority, $52,904,000,000;

(B) Outlays, $49,409,000,000.

(12) Income Security (600):

(A) New budget authority, $194,367,000,000;

(B) Outlays, $161,696,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $20,386,000,000;

(B) Outlays, $20,211,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,163,000,000;

(B) Outlays, $4,179,000,000.

(15) General Government (800):

(A) New budget authority, $4,253,000,000;

(B) Outlays, $4,166,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,696,000,000;

(B) Outlays, $8,822,000,000.

(17) Interest (900):

(A) New budget authority, $52,429,000,000;

(B) Outlays, $52,430,000,000.

(18) Allowances (920):

(A) New budget authority, $699,000,000;

(B) Outlays, $693,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$18,120,000,000;

(B) Outlays, −$18,120,000,000.

H.R. 39

By Mr. SEIBERLING:

(Amendments to Udall-Anderson substitute (H.R. 3651).)

—Page 52, line 13, after the word "prevent" add: "significant".

Page 52, line 23, after the word "prevent" add: "significant adverse".

Page 52, line 24, strike the word "deleterious".

—Page 151, line 9, after "lands" insert "(including lands within conservation system units)".

Page 151, line 12, after "to," insert "geochemical sampling, geophysical techniques,"

Page 153, after line 2, insert:

(d) ALASKA MINERAL RESOURCE ASSESS-

MENT REPORT.—The Secretary shall set forth in each report to the Congress under the Mining and Minerals Policy Act of 1970 a summary of the pertinent information (other than proprietary or other confidential information) relating to minerals which is available to the United States Geological Survey, the Bureau of Mines, or any other agency or instrumentality of the United States.

(Additional technical amendments to Udall-Anderson substitute (H.R. 3651).)

—Page 274, line 1, strike "(b)(1)" and in lieu thereof insert "(c)(2)".

Page 333, lines 14 and 15, strike "after the date of enactment of this Act".

—Page 275, line 8, change "28" to "27" and change "33" to "34".

EXTENSIONS OF REMARKS

A NONFUEL MINERAL POLICY: WE CAN NO LONGER WAIT

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. SANTINI. Mr. Speaker, a commonsense editorial, appearing in the April 23 edition of the periodical Iron Age, makes some plain observations of a policy vacuum existing in this country today every bit as critical as that which we call our energy policy. We simply cannot wait until we reach a similar state with nonfuel minerals. We simply cannot afford to wait. No industrial nation can do without adequate mineral supplies any more than it can do without adequate energy supplies. The need of a Federal policy on nonfuel minerals cannot be put off year after year after year. I believe that the national pastime of being unconcerned with nonfuel minerals must be turned around.

I urge my colleagues to also consider the hard truth in the following editorial as it relates to the massive withdrawals of mineral lands sponsored in H.R. 39:

IF YOU SUPPORT AN ENERGY POLICY

To say the least, the recent nuclear plant breakdown at Three Mile Island re-focussed national attention on the need for a realistic, clearly-defined energy policy.

Coincidentally, the accident occurred shortly before President Carter was due to go on the airwaves with his latest plan for coming to grips with the energy problem.

But this time he did get national attention instead of the usual stifled yawns and hopes of the country that the regular TV programming would resume soon. So now, maybe we will come up with an energy policy that makes sense.

Running quietly side-by-side with energy, though, is another policy vacuum that is every bit as critical to the country.

What I am talking about is the need for a realistic metals mining policy that will work toward the best interests of the country in the years ahead.

Now, there's nothing I can foresee that will dramatize the metals policy issue like the nuclear failure did for the energy policy—thank goodness. But that doesn't make the need any less important.

No industrial nation can do without adequate metals supplies any more than it can do without adequate energy supplies.

Right now, though, the mining of copper, lead, zinc and other metals is hampered by costly, excessive environmental regulations that threaten to drastically reduce metals supplies and increase our dependence on outside sources.

Would you believe, for example, we may see no zinc smelters operating in this country by 1985?

Of course, the usual antagonists are lined up on each side of this policy debate. But, as Nevada Congressman J. D. Santini points out in our p. 57 feature, their arguments go by one another like ships in the night with nothing happening—until the lid blows off.

But, how do you get the public excited about metal shortages?

Even Congressman Santini's well-meant "Mines and Mining Subcommittee on Environmental Regulation and Enforcement" goes by the mind in a blur. And the President's "Interagency non-fuel minerals policy study," formed at Rep. Santini's urging doesn't do much better.

What we're talking about, folks, is future metals supplies! The stuff you make things out of! Who relates to non-fuel minerals, or, all those agencies, committees and subcommittees, for heaven's sake!

Of course, our industry hardly needs a lecture on the importance of metals to our national well-being. But it may need a little shaking up. So, here's a bit of history from Congressman Santini.

On the day Normandy was invaded, Hitler stopped chewing the rug long enough to sweep the German General Staff off the communications channels and voice an hysterical plea for someone to get him some tungsten!

Will some future U.S. president have to take to the tube?

So, if you think we need a realistic energy policy but are not all that excited about, or aware of, the need for a realistic metals policy, then you've got another think coming. I hope?●

ASIAN/PACIFIC AMERICAN HERITAGE WEEK

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. ANDERSON of California. Mr. Speaker, through a joint resolution approved by the Congress last year, this week in May has been declared Asian/Pacific Heritage Week. I bring this to the attention of this body because of my sincere belief that the contributions made to our country by the over 2 million Asian/Pacific Americans of this Nation deserve special recognition and appreciation.

This week also marks the anniversaries of two important events in American history. On May 7, 1843, the first Japanese entered the United States, and May 10, 1869, was the day when the first transcontinental railroad, largely built by Chinese laborers, was completed. These are but two of the many events in our Nation's history which we should consider this week in honoring Americans of Asian/Pacific heritage.

These Americans descend from Japanese, Chinese, Korean, and Filipino ancestors, as well as from Hawaii and other Pacific Islands such as Samoa, Fiji, and Tahiti. In southern California, where we have the greatest concentration of Asian and Pacific Americans anywhere in the Nation, their valuable involvement in the growth and prosperity of our local communities is very evident.

All through this week, they will be joined by other Americans across the country in celebration of the important role Asian and Pacific Americans have played in the modern development of this country, one which still continues to this day.

There is much to be enjoyed and learned by participating in the events that mark this as Asian/Pacific Heritage Week. It is an opportunity too great to pass up. I am sure that anyone who does take the time to do so will become convinced as I have, that the Asian/Pacific American community has a history of many accomplishments and a future of immense potential.●

THE DAVIS-BACON ACT SHOULD BE REPEALED

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. RUDD. Mr. Speaker, my home State of Arizona has especially felt the adverse impacts of inflation in its rural communities and Indian reservations. Certainly, one of the greatest contributing factors increasing inflation is the Government's unwarranted imposition of higher closed-shop construction wages.

The Davis-Bacon Act requirement that the prevailing union wage be paid for federally assisted housing projects has directly caused the inordinate rise in the cost of public housing construction in Arizona and throughout the Nation.

I find it particularly appropriate that our colleagues in the Senate Select Committee on Indian Affairs are this week considering the impact of the Davis-Bacon Act on publicly financed housing programs on Indian reservations, many of which lie in Arizona's Fourth Congressional District which I represent. The artificially inflated costs of Davis-Bacon result in less actual construction for hospitals, schools, and other facilities, which are badly needed in many Indian communities.

The Senate committee has prepared a concise report on Indian housing which clearly delineates the inflationary impact of Davis-Bacon and serves as additional evidence that this antiquated legislation should be repealed.

This position was recently confirmed by a General Accounting Office study, resulting in the GAO's recommendation that Congress repeal the Davis-Bacon Act.

I am pleased to have joined my colleague from Minnesota, TOM HAGEDORN, and 74 other colleagues in cosponsoring H.R. 1900, which would repeal the Davis-Bacon Act. I sincerely hope that Congress will deal with this important issue during the present session.

I commend to my colleagues the brief report on Davis-Bacon Act requirements from the Senate Select Committee on Indian Affairs, and include it at this point in the RECORD:

[From a report on Indian housing of the U.S. Senate Select Committee on Indian Affairs, April 1979]

DAVIS-BACON WAGE RATES

The requirement for HUD Indian public housing programs to pay "Davis-Bacon" wage rates on all HUD-assisted construction has been identified by many different IHA's as a major source of inflation and delay.

The Davis-Bacon Act requires that all construction labor wages on HUD-assisted Indian housing projects be paid at least at the rate prevailing in that area. The original purpose of the act was to prevent Federal contractors from engaging in the practice of bringing into an area of Federal construction out-of-State workers who generally worked for less than the local community workers thereby undercutting and depressing prevailing local wage scales, demoralizing local labor markets, and in turn, disrupting local economic conditions. While the Davis-Bacon Act has provoked a significant amount of controversy, the arguments pro and con have in large part been irrelevant to the unique problems ensuing from the application of the act in the reservation setting.

The act was supposed to have prevented the Federal Government from becoming party to a procedure which could cause nonlocal workers to depress local wage levels and take jobs from local workers. Precisely, the opposite is true on Indian reservations. The direct result of Davis-Bacon has been a discrimination against local hire of Indians because few have had the opportunity to gain a marketable skill to the degree that it is feasible for a contractor to hire these workers at Davis-Bacon rates.

The act was not designed to increase construction wages or benefit rates in an area. Its purpose was to maintain wage levels already found to prevail in an area where federally assisted construction is to take place. Yet, as applied on Indian reservations where little, if any, similar precedent setting construction activity has been performed, the Davis-Bacon rates are often much higher than they would otherwise be. In large part, this is because the Department of Labor has made little or no effort to compute Davis-Bacon rates that are specific to each reservation situation. Many reservations are not located in unionized areas. Despite the fact the Department of Labor surveys are supposed to include all workers performing similar work in the area, both union and nonunion, studies by the General Accounting Office and private researchers have established that Department of Labor procedures often involve the use of old data, data from outside local areas, or simply the use of the prevailing union rates in construction—all practices which discriminate against nonunionized bidders in the reservation areas.

INAPPROPRIATE RESERVATION RATES

In the case of reservation area rates, apparently the Department of Labor has simplistically taken the rate established for the nearest metropolitan area and increased it by an amount sufficient to transport a worker from the metropolitan area to the reservation and back each work day. By virtue of their nonspecificity, reservation Davis-Bacon rates are prohibitively high.

The few contractors located near an IHA generally have lower wage rates than the Davis-Bacon rates. The requirement of Davis-Bacon rates often causes such potential contractors to shy away from bidding on an IHA's project simply because the contractor must reduce the firm's wage scales after the IHA project is completed (a demoralizing procedure to the worker), except in the unlikely event that it obtains another Davis-Bacon governed job or is able to bid successfully at noncompetitive levels in the private market. Unfortunately, the superficially prepared and nonspecific Davis-Bacon wage rates under which an IHA must operate tend to diminish the number of interested contractors thereby diminishing the level of competition and cost-effectiveness to the point that, in many instances, only one firm bids on a project.

UNEQUAL APPLICATION

Under the HUD Indian public housing program most of the house construction is on detached, if not scattered, single-family units in isolated rural areas. No other federally assisted housing program of a similar nature is subject to Davis-Bacon. The Davis-Bacon Act of 1931 was applied to public housing projects at a time when all Federal public housing projects were located in urban areas and were multi-family dwellings. Today, single family units assisted by both HUD's FHA, and USDA's FmHA are not subject to Davis-Bacon wage rates, yet HUD Indian units are required to pay those wage rates.

Following is a table of the average wage rates established under Davis-Bacon which graphically portrays the extreme variances contained within one HUD region (IX) on 35 different projects governed by 20 different Davis-Bacon determinations:

VARIANCES IN DAVIS-BACON RATES WITHIN HUD REGION IX

Reservation	Number of projects	Average wage rates [1]
Moapa River, Nev	1	$14.83
Fort Mohave, Calif	1	14.75
All Mission, Calif	1	14.05
Pyramid Lake, Nev	1	13.42
Fort McDowell, Ariz	1	12.98
Salt River, Ariz	2	12.94
Papago, Ariz	2	12.81
Navajo, Ariz	6	12.24
Laguna, N. Mex	1	11.83
Northern Pueblos, N. Mex	1	11.72
Navajo, N. Mex	2	11.26
Zuni, N. Mex	1	10.34
All Indian, N. Mex	6	9.60
Mescalero, N. Mex	1	8.47
White Mountain, Ariz	1	7.14
San Carlos, Ariz	1	7.14
Gila River, Ariz	2	6.94
Round Valley, Calif	2	6.58
Te-Moak, Nev	1	6.50
Goshute, Nev	1	6.08

[1] Average of 3 trades: Carpenters, plumbers, and electricians.

Source: HUD 1978 draft survey; HUD region IX.

NO MEANINGFUL APPRENTICESHIP OR TRAINING ALLOWED BY THE DEPARTMENT OF LABOR

Despite the fact that in most instances Davis-Bacon rates are inflationary because of their nonspecificity, it is difficult to argue against the payment of high wages to Indian workers, especially in high unemployment areas such as are found on most reservations. Yet, few Indians are ever hired on many IHA projects because the pool of skilled labor on most reservations is almost nonexistent. The Act was intended to address such situations by allowing the establishment of apprenticeship and training programs in which a nonskilled worker could work on a Davis-Bacon governed project at a lower apprenticeship wage in order to gain the the experience and training necessary to qualify the worker for master craftsman rates.

Yet, the Department of Labor's Bureau of Apprenticeship and Training (BAT) which administers these programs has not taken any initiative to adapt them to the reservation and make them work. Only one tribe—the Navajo Nation—has had a large scale and successful apprenticeship program and then only after the exertion of much effort Few other tribes are large enough or diverse enough to make such a program, as presently administered by BAT and the Navajo Tribe, a success. One of the many requirements is that the IHA or tribe applying for an accredited program must be able to guarantee that a trainee will have work experience for at least a 3-year period. An approved program must also have a significant classroom component; an activity which much be done on a large scale in order to become cost effective. And, finally, an IHA or tribe attempting to establish such a program must gain approval from the State apprenticeship council, violating the Federal policy of a direct government to government relationship with Indian tribes. Unfortunately, the relationships between many tribes and unions have not been very good since many tribes are outside the immediate areas of high union activity.

Despite the urgings of the chairman of the Select Committee on Indian Affairs during the 95th Congress, and the requests of various tribes, BAT has not responded with an apprenticeship and training program that is usable on a reservation. The Department of Interior's BIA-run Indian Action Training (IAT) program has established employment training projects on more than 50 reservations. DOL's own Employment and Training Administration (ETA) has Comprehensive Employment and Training Act (CETA) offices on more than 100 reservations. Given the two other existing Federal programs, it appears that there are more than enough training resources out of which BAT could easily construct a worthwhile and appropriate program. Nonetheless, BAT has yet to take any interest in Indian apprenticeship programs although Indian community unemployment rates generally eclipse even the worst urban ghetto black teenage rates, with some reaching as high as 80 percent.

RELATIVE IMPACT ON COSTS

There is some dispute over the degree of impact that Davis-Bacon wage rates have on the cost of HUD Indian housing. In an informal survey of several IHA's it appears that the percentage of the total development cost attributable to total labor costs (as opposed to materials and equipment costs) ranges from 40 percent to 53 percent for one housing unit in an average project.

HUD recently conducted a study which in draft form indicated that reservations with high Davis-Bacon wage rates did not have high dwelling construction costs, but reservations with low wage rates had moderate and low dwelling construction costs. In other words, the draft study attempted to show that low wage rates help keep some projects inexpensive, and that it is not high wage rates that make other projects expensive.

RECOMMENDATIONS

Whether or not Davis-Bacon wage rates are engines of inflation on HUD Indian homes, one thing is clear: as presently administered, the Davis-Bacon program bars local unemployed Indians from working on their own housing projects. The Department of Labor should immediately make a concerted effort to develop an Indian apprenticeship and training program that works on Indian reservations. Such a program should make maximum use of the existing Federal efforts under CETA and the BIA, and should be designed to insure a measurable and significant increase in Indian employment on HUD and other Davis-Bacon regulated Federal construction activity on reservations. For both practical and policy reasons, the program should respect the direct one-to-one relationship which the Federal Government possesses with Indian tribes. HUD, Department of Labor's ETA, and DOI's BIA should cooperate fully in assisting BAT's lead role in the expeditious development of this program.

The Department of Labor should also develop wage rates that are specific to each IHA's situation. Prevailing wages should be determined on the basis of actual surveys, not paper extrapolations from metropolitan areas hundreds of miles away. These IHA specific rates should both insure that Indian workers are paid sufficient and fair wage rates and that local contractors are not frightened away from bidding on IHA projects by artificially high labor rates.

And finally, HUD and the Department of Labor should jointly consider exempting those HUD-assisted Indian houses that are detached single family units from the Davis-Bacon requirements. As a substitute to protect the interests of Indian workers, HUD should take high level initiatives requesting that the Department of Labor and BIA work with HUD to institute an apprenticeship and training program to insure that local Indians are allowed fair and equitable employment opportunities.●

THE JEFFERSON COUNTY MENTAL HEALTH CENTER RELIEF ACT

HON. TIMOTHY E. WIRTH

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. WIRTH. Mr. Speaker, I am introducing today a bill for the relief of the Jefferson County Mental Health Center. Located in Lakewood, Colo., the center provides mental health services for a tricounty area. Unfortunately, the center has suffered a series of administrative misunderstandings with the Internal Revenue Service that can only be remedied through legislation.

The problem developed over the payment of social security taxes by the center. The Jefferson County Mental Health Center, a nonprofit organization, is exempt from employee participation in the social security program. However, the employees at the center elected to participate in the program.

Proper forms were filed with the IRS and FICA taxes were deducted and paid beginning in 1963. However, in the course of an IRS review of the center, it was decided by the IRS that the proper form of employee withholding had not been filed.

The IRS informed the center that because of a lack of the proper forms, the center had been wrongfully withholding the FICA taxes. The IRS told the center to reimburse the employees for FICA taxes withheld and that the IRS would reimburse the center.

The Jefferson County Mental Health Center reimbursed 133 employees for a total of $74,128. Shortly thereafter, the IRS informed the center that proper forms had originally been filed and had now been located. Consequently, the IRS said it would not reimburse the center for money it had already returned to employees.

By this time it was too late to get the money back from the employees who had spent the money or were no longer employed by the center.

The IRS cannot remedy this unfortunate situation because it does not have the authority to expend funds without a legal obligation to do so or a statutory authorization. This bill provides that the Secretary of the Treasury determine the amounts withheld and treat these amounts as tax overpayments which are then reimbursable to the center.

The bill would also allow the employees involved the option of repaying their social security over a period of time if they wish to be covered for the period during which FICA taxes were originally withheld.

The Senate Finance Committee reviewed and passed this legislation last year. The full Senate passed the bill as a rider to an authorization bill on August 23, 1978. The authorization bill and the Jefferson County Mental Health Center rider subsequently died in conference.

Having come so close to final passage last year, the bill deserves expeditious approval by the 96th Congress. A companion bill will be introduced in the Senate by my colleague, Senator HART. I hope this legislation can be enacted without delay so as to correct the inequities that have arisen as a result of administrative misunderstandings between the IRS and the Jefferson County Mental Health Center.●

COL. MICHAEL KOVATS DE FABRICY IN MEMORIAM

HON. CLEMENT J. ZABLOCKI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. ZABLOCKI. Mr. Speaker, it is a privilege to join my colleagues today in commemorating the bicentennial of the death of Col. Michael Kovats de Fabricy, commandant of the Pulaski Legion which distinguished itself on many occasions during our War of Independence.

The life and career of this distinguished Hungarian patriot has been well documented by the American Hungarian community of Greater Washington, which has sponsored a banquet and commemorative program in the Cannon House Office Building to be held later this evening. I will not, therefore, attempt to repeat those historical facts which have been so eloquently recalled by eminent scholars of the Revolutionary period.

I believe, however, that this occasion serves as an important reminder to all of us in this body, and in the country at large, of what the concept of freedom has meant to those who have been denied it throughout much of the history. It is also a poignant reminder that many brave Hungarians have fought for freedom in the past, not only in defense of their own liberty, but on behalf of ours as well.

It is also this sense of ethnic pride in the accomplishments and heroic deeds of their forebears which has made such a strong impact on our own society—disproportionate to the number of American citizens who presently claim Hungarian ancestry.

As chairman of the Committee on Foreign Affairs, I welcome this opportunity to pay tribute to the patriotism and cultural enrichment which the people of Hungary have proudly and unabashedly contributed to American life.●

ASIAN/PACIFIC AMERICAN HERITAGE WEEK

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 3, 1979

● Mr. WON PAT. Mr. Speaker, as one of the cosponsors in the House of legislation which authorized this week to be honored as Asian/Pacific American Heritage Week, I want to congratulate all those who are working hard to make this historic occasion a success.

I am proud to be a Pacific American. And I am doubly proud to be fortunate to serve Guam as its congressional representative.

Today, I will be serving on a special panel on Asian/Pacific American Rights at George Washington University where we shall discuss employment concerns of our people. This is an extremely important matter and I hope my statement which I now insert in the RECORD will be helpful to those who share my concern that all Americans, regardless of their ancestry or birthplace, be given equal employment rights:

EMPLOYMENT CONCERNS OF PACIFIC ISLANDERS IN THE UNITED STATES

(By Antonio B. WON PAT)

Ladies and gentlemen, as a co-sponsor of the legislation that made Asian-Pacific Heritage Week possible, I am happy and proud to be here participating in this Asian-Pacific Human Rights Conference. For too long, the needs and rights of Asian Americans and Pacific Islanders in the United States have been ignored. The saying "minority—yes, oppressed—no" is commonly applied to justify the exclusion of Asian Americans and Pacific Islanders in voluntary affirmative action programs and in many federal programs. Hopefully, this conference will help bring into focus some of the real needs of Asian Americans and Pacific Islanders for an administration that seems to think that the only minorities in existence are Blacks, Hispanics and Native Americans.

I have been asked to speak about employment concerns of Pacific Islanders in the mainland. Any serious discussion of employment concerns of Pacific Islanders in the mainland must begin with an analysis of some of their socio-economic characteristics. However, any such analysis is difficult to conduct largely because there is so little data with which to work.

The political relationship between the United States and the Pacific Islands is such that islanders can travel freely to the United States; they are not subject to immigration laws and quotas that otherwise apply to nationals of China, Japan, the Philippines and other Asian countries. Consequently, the Immigration and Naturalization Service does not monitor the migration of islanders to the mainland.

Moreover, the U.S. Bureau of Census does not provide a classification for Pacific Islanders residing in the United States to identify their race or place of origin. Although I have been informed that the census questionnaire for the 1980 census will allow identification of place of origin, there is at present no official way of knowing how many islanders are living in the mainland.

The only sources of information available are individual, private observations made by civic organizations such as the Sons and Daughters of Guam in San Diego, Hafa Adai Club of Fairfield, California, Guam Club of Long Beach, concerned Asian American and Pacific Peoples in Los Angeles, and the Guam Territorial Society of Washington, D.C. and a few independent surveys conducted by doctoral candidates at different graduate schools.

These sources estimate that in California alone there are approximately 50,000 Guamanians, 70,000 Samoans and 30,000 other islanders from the Trust Territories and the Northern Marianas.

If their figures are correct, what they indicate is a massive migration of Pacific Islanders to the mainland. We must accurately and officially ascertain these numbers in order to be able to study and determine their needs on a comprehensive basis.

The same sources mentioned also estimate that 75 percent of the Guamanians are active or retired military personnel, their dependents, and relatives. A much smaller percent consists of Guamanians who attended college here and remained after graduation.

Strides have been made in minority employment since 1964 with the passage of the Civil Rights Act, Title VII of which bars employment discrimination on basis of race, color, religion, national origin and sex. Like other minorities with whom they are grouped, i.e., the Chinese, Japanese and Filipinos, Pacific Islanders have made some progress into professions and into the corporate management structure. However, observers agree that although there is some upward mobility, barely a handful of Pacific Islanders get past middle management positions.

A canvassing of the membership of the civic groups mentioned above indicates that the overwhelming majority of Pacific Islanders are employed in non-technical, non-skilled, non-professional jobs. That is not surprising in light of the estimation that less than 1 percent of them have college degrees.

Many Pacific Islanders complain that they get lower salaries than their white counterparts who have equal or even less education and who are performing the same job. This charge is consistent with the often cited theory that most employers think they can get away with paying lower wages if they hire Asians and Orientals who are often characterized as law-abiding, submissive, non-assertive and less likely to make a fuss or challenge their superiors.

As with other races in the Asian American category, Pacific Islanders remain for the most part ineligible for inclusion in specific affirmative recruitment programs. And today, the legality of voluntary affirmative action programs to help minority groups overcome the effects of past discrimination is being questioned in the case of *Weber* vs. *Kaiser Aluminum* presently pending decision before the U.S. Supreme Court. An adverse decision in that case would set back what progress has been made.

Pacific Islanders for the most part also remain ineligible for participation in many federal programs. A case in point is PL 95-507, formerly the Addabbo bill. The legislation intended that all minority groups be afforded "the maximum practicable opportunity to participate in the performance of contracts let by any Federal agency." However, the Office of Federal Procurement Policy and the Small Business Administration have issued proposed implementation language that limits the groups to be designated "socially and economically disadvantaged" to Blacks, Hispanic Americans and Native Americans. The exclusion of Asian Americans and Pacific Islanders from the "socially and economically disadvantaged" category places the burden of proof of eligibility on the individual minority member to document his status as disadvantaged; a condition that is difficult to prove in light of the lack of census and socio-economic data on Pacific Islanders in the mainland. And what if the reviewing officer never even heard of Guam, Saipan, Rota, Samoa?

Employment concerns of Pacific Islanders in the mainland are part of their overall, as one writer put it, "struggle against anonymity" the writer said:

"In American society, the principal means by which a group gains public and government response to its needs is political pressure, which is partly a function of numbers. Pacific Islanders are particularly ill-equipped to use this method. Their numbers are small, and, having lived through a long period of colonization, they are limited in their ability to confront an insensitive system. They have not even begun, as other minorities have, to present their case, despite the fact their educational level and job opportunities may be the lowest among U.S. minorities."

In the eight years that I have served as delegate and Congressman from Guam, I have seen a developing awareness on the part of Congress of the Pacific Islands as political entities and not just as colonies or military bases. This awareness is reflected in the negotiation of commonwealth status with the Northern Marianas and the creation of an office for a delegate from American Samoa, among other things.

I have also just recently detected a growing awareness on the part of Congress of the concerns and needs of Pacific Islanders as a minority group in the United States. This awareness is reflected in legislation introduced in Congress that my office monitors and which I either sponsor, cosponsor or otherwise support. Much of this legislation is designed to amend existing federal programs to expressly include Asian Americans and Pacific Islanders or to support existing programs that already include Asian Americans and Pacific Islanders.

The time has come for Pacific Islanders in the mainland to assert themselves. This particular conference and the celebration of this week as Asian-Pacific Heritage Week should be the first giant step in this direction.●

AMERICAN THEATRE COMPANY ADDS TO OKLAHOMA HERITAGE

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. JONES of Oklahoma. Mr. Speaker, I would like to take this opportunity to commend a group of citizens who have brought laughter, joy, warmth, and cultural fulfillment to the citizens of Tulsa and northeastern Oklahoma over the past decade—the American Theatre Company.

The American Theatre Company, a member of the Theatre Communications Group, has brought a great number of prestigious theatrical productions to Tulsa. These contributions have enriched the cultural heritage of our city and have certainly brought many hours of entertainment to the citizens of Tulsa and northeastern Oklahoma.

The American Theatre Company has also sponsored an annual statewide summer tour over the past 5 years. This tour has allowed thousands of interested Oklahomans to view, and participate in, many of these productions of quality and depth. I have appreciated many of these productions, and hope they will continue as an integral part of our community in the years ahead. The company is now celebrating its 10th anniversary, and I am sure they will continue to build upon the strong foundation they have strengthened throughout the past decade.●

SALUTE TO REDLANDS COMMUNITY HOSPITAL

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. LEWIS. Mr. Speaker, 50 years ago, the citizens of Redlands saw many years of dreams and hard work culminate in the reality of the Redlands Community Hospital. It is my privilege to represent this community whose concern for their fellow man is truly remarkable.

Since that time, Redlands Community Hospital has served people with first-class medical care and treatment supported totally through the efforts of the community.

I wish to respectfully submit a brief history of the hospital which was prepared by Ardith Baker and wish all who have made the Redlands Community Hospital what it is today continued success in the next 50 years.

The history follows:

REDLANDS COMMUNITY HOSPITAL, 1929–79

Redlands Community Hospital has been a sincere community effort since a charter was granted May 18, 1927. Thirteen doctors had spearheaded the drive for a hospital, eighteen members of the community signed the Articles of Incorporation, seventeen acres of land were donated by Mr. and Mrs. Edward Cope and Building Fund Drive Pledge Cards flew through the mail—postage 2 cents!

The new hospital opened its doors on March 18, 1929, with 40 beds, 16 cribs, 2 operating rooms, a medical-advisory board of 4 doctors and 11 administrative, housekeeping and maintenance employees. The first laboratory, the first obstetrical equipment, the first reception room and the furnishing of many patient rooms were all donated. The tradition of caring was established through these gifts and by a memorial fund of $10,000 contributed to help the "deserving and needy persons in Redlands." The first surgery was performed March 18 and the first baby was born on March 20. Routine laboratory work cost $3, room fees ranged from $8.50 to $12, a maternity cost for ten days was $75 plus 50 cents a day for nursery.

Depression day descended and there are records of $1 to $5 being paid "on account." RCH reported a $350 deficit, the first year. By 1932 times were really hard and there were headlines of a feared closing of the hospital. $12,000 was needed by July. Rates were lowered to encourage use, women canned fruit and jelly and raised funds and oranges. The headline finally read "Community Hospital Operated at a Loss But Special Gifts Overcome Deficit."

An elected Board of Directors evolved following the years of devotion of the original charter members. A Corporate Body was formed by 100 community members from which these Directors would be elected.

A small memorial wing of wards was added in 1938 and a memorial laboratory was given in 1939. Another memorial enlarged and modernized the Maternity Wing in 1950. By 1956 the hospital was outgrowing its 76 beds and an Expansion Fund Campaign was launched—the first drive since 1928! The Moseley Wing provided 29 additional beds and, with a new Radiology Wing, was dedicated June 29, 1958.

Rapid growth of the community soon indicated a critical need for expansion and an ambitious plan was drawn for a new Tower. Once again the community contributed time, talent and funds to make this addition possible. The Tower was dedicated on December 4, 1966 and RCH was licensed for 195 beds. In 1971 an addition of laboratory, radiology and auditorium was accomplished without another fund drive.

Redlands has grown from a village of 13,000 to a city of 40,611 and RCH from 40 beds to 195 with a medical staff of 78. With the devotion of the community still strong, needed space will be built, costs will be contained, government requirements will be met and the health needs of the area will be met. ●

REVENUE SHARING

HON. JOHN B. ANDERSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. ANDERSON of Illinois. Mr. Speaker, shortly after the cherry blossoms bloom each spring, Congress begins its semiannual stab at fiscal responsibility under the guise of the first concurrent resolution on the budget. And, just as the blossoms wither with age, the promise that the budget debate will be truly responsible fades as the reality of political jockeying crowds out the best intentions.

I support the amendment before us to restore a portion of the State share of the general revenue-sharing program. And, I would have supported restoration of the total State share. But, the fact that we are forced to offer such an amendment only illustrates why our habit of confusing fact with fiction and replacing resolve with expediency has demeaned the budget process. I fear that, if we continue to make recommendations that are as selfishly motivated as the committee's proposal, the concurrent budget resolution will acquire a new nickname, the "fiscal follies of 1979."

Mr. Speaker, I need not restate all the arguments that have been made in favor of general revenue sharing. Many of my colleagues have made these points in the last several days during our debate and in the past when we created and later extended the revenue-sharing program. But, there remain certain outstanding issues which deserve our attention before we vote again, as I hope we do, to restore the outlay and budget authority targets for the full program.

Obviously, there are key philosophical, as well as practical, considerations involved in this discussion. For instance, my friend, Gov. Jim Thompson, underscored one salient issue just the other day when he noted that congressional failure to fund the State share of general revenue sharing "would be a vote to go backwards to the kind of thinking that says Washington has a monopoly on concern and expertise in problems that Governors, mayors, and county officials grapple with every day."

What is at stake, in other words, are the principles underlying the relationship of the Federal Government to the States and localities. Certainly, there always is some tension between the National Government, on the one hand, and the State and local governments, on the other. Generally, this tension provides for creative federalism, but it is founded on the principle of power sharing and not power domination. The elimination of the State share threatens to undermine the power-sharing relationship within our system to no useful end.

To some extent, I can understand the committee's advertised intent in proposing what it did. There is not one Member of this body who has not been exposed to the justifiable demands of our electorates for greater fiscal accountability on the Federal level. Yet, while the money issue has gained prominence, I believe that the locus of decisionmaking authority deserves equal billing. The frustration that our people feel results not solely from their perception that we are spending their money without end; it grows also from the sense that they have no say in helping to determine those ends.

Revenue sharing, at least, holds out the real promise that the organs of decisionmaking closest to the people, State and local governments, will be able to channel taxpayers' funds to useful and locally determined purposes. If we end Federal funding for the State share of revenue sharing, we are doing several things. First, we eliminate States from a successful and necessary program. Second, even though this is not a fact advertised by the Budget Committee, States transfer about 40 percent of their entitlements to local governments; therefore, striking the State share has a definite impact on local revenues as well. Finally, if we eliminate State participation in GRS, more and more authority, responsibility, and control will flow toward Washington, and the accompanying cession of State and local decisionmaking can only contribute to the estrangement from Government that has characterized the prop-13, budget-cutting mood.

Few philosophical arguments are without practical considerations, and the committee has offered a few practical justifications for its action. Yet, upon examination, Mr. Speaker, those explanations fail to pass the test of practical scrutiny.

For instance, the main argument forwarded by revenue-sharing opponents is that the States enjoy a relatively healthy fiscal climate. On the basis of an overall State budget surplus, they argue that States can bear the elimination of their share of GRS. Yet, as has been emphasized and reemphasized, three States—Texas, Alaska, and California—alone account for most of the projected aggregate national surplus in State budget in fiscal 1979.

Additionally, the bulk of the surplus for 1978 was spread throughout the South and the West, where some 85 percent of the surplus was located. Thus, if we eliminate the State share, our action would fall inequitably on the great number of States who do not have the operating surpluses that some of their sisters enjoy.

It is further folly, Mr. Speaker, to base a major programmatic decision such as this on the anticipation of continued State operating surpluses. The evidence to back up this point is ample. Both Chase Econometrics and Data Resources, Inc., project declines in these surpluses from 1978 to 1980, and by 1980, the national aggregate will be in deficit.

More so, it is highly questionable whether accurate assessments can even be made about the general health of State governments simply by examining the aggregate surplus or deficit.

In the Economic Report of the President, it is stated that movements in these aggregates:

> . . . conceal great diversity across states and among cities and areas within states. . . . Extreme care must therefore be used in drawing general conclusions about the fiscal condition of the state and local sector, or of individual areas within it, from the aggregate surplus or deficit.

A report prepared by the Joint Economic Committee in January spells out even more clearly the danger of basing absolute judgments on the "surplus":

> The surplus that now exists in state and local budgets is not all it's cracked up to be. . . . It may rise today but it seems likely to fall tomorrow. This is another reason for not altering policy judgments of underlying fiscal or economic needs because of short-term bulges in the surplus.

These facts and estimates underscore the fiction of the majority's arguments for eliminating revenue sharing for the States.

If the facts are not there to buttress its argument, I can only speculate on why the majority of the committee acted as it did in this case. Quite frankly, I see no reason for its action other than to foist a fiscal and political charade upon the American people and to get the budgetary monkey off its back by recommending a policy that is indefensible and demands revision.

Mr. Speaker, in 1976, Congress extended the general revenue-sharing program by the overwhelming margin of 361 to 35. At that time, the yearend operating surplus of the States amounted to 6 percent of general fund expenditures. The projection for 1979 is 3.6 percent of general fund expenditures will be made up by surplus. Congress in 1976 did not move to eliminate the State share of funding. Rather, it voted to extend that funding even though the budgetary situation, on the surface, was even more favorable to the States than it is now. If it did not eliminate State participation then, should it do so now?

From what I have heard, Mr. Speaker, nothing has convinced me that it should not continue; rather, there are more reasons why it should continue.●

HUMAN RIGHTS FOR MINORITIES LIVING IN ISTANBUL

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. HARRIS. Mr. Speaker, my friend, the Reverend Theodore H. Chelpon of St. Katherine's Greek Orthodox Church of northern Virginia, has written me and enclosed an important press release which I want to call to the attention of all Members of the House of Representatives. It is apparent that our Turkish allies are not going to amend their attacks upon the human rights of the Christian minorities living in Istanbul.

I feel strongly that these violations should become part of the public record of our Congress, and that President Carter should exert every influence to halt the atrocities.

PATRIARCH DEMETRIOS PROTESTS TURKISH GENOCIDAL POLICIES—ARCHBISHOP LAKOVOS URGES CARTER ADMINISTRATION TO INTERVENE

NEW YORK, N.Y., April 19, 1979.—The Ancient Center of World Orthodoxy: The Ecumenical Patriarchate of Constantinople, and the Greek Orthodox minority in Turkey, on the eve of the celebration of Easter, are experiencing new crises of harassment, taxation and genocidal oppression by the Turkish Government.

His Holiness Patriarch Demetrios, spiritual leader of 250 million Orthodox Christions, issued a strong protest to Prime Minister Bulent Ecevit, in a telegram asking him to "intercede" so that the "illegal activities, which surpassed any undertaken by the Ottoman Empire, may be brought to an end".

Archbishop Iakovos, Exarch of the Ecumenical Patriarchate in the Western Hemisphere, appealed to President Carter, Secretary of State Vance, and Prime Minister Ecevit to intervene, urging the immediate cessation of the continuing "genocidal policies" directed against the Ecumenical Patriarchate and the Greek Orthodox community in Turkey.

The Patriarch forcefully stressed in his telegram:

The expropriation of five churches;

The prohibition of legal representation, which is guaranteed by the Constitution of Turkey;

The abolishment of the Governing Boards of the Churches, Schools and Philanthropic Institutions;

The confiscation of holy ecclesiastical articles from the Churches, and

Exerting strong economic pressures demanding of unjust real estate taxes by the Churches, Schools and Institutions, which had been promised that no taxation would be imposed.

The Patriarch, who had twice before protested actions imposed by Turkey against the Patriarchate, the Churches, the Schools and the Philanthropic Institutions, had been led to believe that these problems would be favorably resolved.

The Patriarch's telegram stated: "Our Patriarchate and our Community have fallen victim to administrative and legal decisions dictated by the General Directorate of Church Properties, imposing actions which are illegal. The Directorate, which today is more oppressive than ever before, asserting that the 'prevailing order is disturbed', proceeded to abrogate the title of ownership that the Patriarchate, the Churches and the Institutions legally acquired since 1936. Following the claims of the Directorate of Church Properties, the cases were taken to the Courts, however, the Governing Boards were not permitted the basic right of all Turkish citizens to have legal representation to support their positions. This right is guaranteed by the Constitution of the Turkish Democracy and amplified by the Law, and specifically by the Code for Lawyers. The members of the Governing Board are brought before the Prosecutor and are being harassed by the police.

"The situation has become worse during the past few days and incidents have occurred which did not take place even during the Ottoman Empire, or during the first years after the founding of the Turkish Democracy. The General Directorate of Church Properties, in the name of the Turkish State, is expropriating Churches, annexes of these churches, and other real property which belong to our community and are under the ecclesiastical jurisdiction of our Patriarchate. Five Churches have been expropriated and have now become 'occupied Church properties', including:

The Church of St. George, Endrinekapi;

The Phanar Church of St. George, Mourat Molla;

The Church of the Virgin, Salmatrovrankiou;

The Church of the Virgin, Tekfour Sarae, and

The Church of the Archangels, Etenes.

"We, as the Patriarchate, protest these illegal actions of the General Direcorate of Church Properties."

The Patriarch stressed that the Church Properties Law 2762, and the statement signed by the Churches and Institutions in 1936, do not change their designation as minority communities properties, which differ (from the organical and operational viewpoint) from the Mohammedan properties. This special designation (of minority community property) is safeguarded by Turkish Law.

Patriarch Demetrios concluded:

"I ask that you intercede and issue a directive to the persons responsible so that the illegal activities of the General Directorate of Church Properties, which surpasses any undertaken by the Ottoman Empire, may be brought to an end".

Archbishop Iakovos, in a telegram to Premier Ecevit, said:

"The over three million Americans of the Greek Orthodox faith whose ecclesiastical jurisdiction lies with the Ecumenical Patriarchate of Constantinople (Istanbul), urge you to use your good offices to bring about an immediate halt to abusive treatment of our Mother Church and our fellow Greek Orthodox Christians in your country. This is a time to heal existing wounds not to open new ones."

To Secretary of State Cyrus Vance, the Archbishop sent the following telegram:

"The over three million Americans of Greek Orthodox Faith who are under the ecclesiastical jurisdiction of the Ecumenical Patriarchate of Constantinople (Istanbul), urge you to use the good services of your high office to convey and strongly express to the Turkish Ambassador in Washington and his government our indignation over continuing genocidal policies of the present regime. We hope you will respond to our justifiable plea and advise me of the results as soon as possible."●

AUTHOR TERRY PLUTO

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. MOTTL. Mr. Speaker, when inflation is heading upward, gasoline is getting short and solutions seem out of reach, it is only too tempting to bypass the grim headlines and head for the sports pages. That temptation is particularly strong when our papers have such fine sportswriters as Terry Pluto, a native of my own Parma, Ohio, in the 23d District. But newspapers have not been Terry's only medium. His articles have appeared in Sports Illustrated, Sports magazine, and other publications.

Most recently, Terry's first book was published, the poignant story of how, at age 39 and after an 8-year retirement, former World Series hero Jim Bouton made an incredible comeback last summer as an Atlanta Braves pitcher. Terry's book is called "The Greatest Summer", and I and other sports fans hope it would not be his last.

Terry was born in Cleveland, and attended Holy Family grade school in Parma, later graduating from Benedictine High School and Cleveland State University. He has worked for the Cleveland Press, Greensboro Daily News, and Savannah Morning News.

Luckily, I do not have to wait for a second book from Terry to enjoy his writing—he is now covering the Baltimore Orioles baseball season for the Baltimore Evening Sun.●

CAPTAIN STAN ANDERSON 60 AND RETIRING

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. CLAUSEN. Mr. Speaker, on May 21, 1979, Capt. Stan Anderson of United Airlines will celebrate his 60th birthday and will retire after having held the No. 1 seniority position among United's 6,500 pilots.

His retirement in a sense represents the beginning of the end of an era as so many of the men who became pilots during World War II retire after long and illustrious careers in commercial aviation.

So that my colleagues may appreciate the tremendous experience we are losing as these men retire, I am submitting for the RECORD an article written about Stan Anderson. To him, and the countless others like him, I say, thank you for providing outstanding service to your country.

The article follows:

CAPTAIN STAN ANDERSON

When Wikiup's Captain Stan Anderson retires next week he will hold number one seniority position among the 6.500 pilots of the world's largest airline and will leave behind one of the most enviable records in commercial aviation annals. Anderson flew the airline's passenger runs for 38 continuous years, a distance of over 300 million passenger miles with a perfect record. During this time he never "scratched the paint, got a wheel stuck in the mud, dinged a navigation light or injured a passenger or cabin attendant" while matching wits with some of the worst of nature's storms.

Anderson is proud of his record of never having been the cause of a delayed departure by showing up late at the airport. He also completed over 100 rating and proficiency checks without being asked to repeat a maneuver. This is about as good a record as one can get.

Captain Anderson, who calls himself a bit of an exercise and health nut, is in excellent physical condition and believes that his aviation proficiency is greater today than at any time in his career. But he has reached the mandatory retirement age of 60 and must set down his wings. Says Anderson, "While the early air mail transport pilots received most of the publicity from the glamor days of aviation (and they should because they were first) modern airline pilots probably have more fun; moving back and forth across the nation and the oceans at 600 miles per hour, out running and overflying line squalls, tornados and blizzards (instead of having to turn back) and being able to land with zero ceiling and only a few hundred feet of forward visability at the destination rather than having to hold someplace. This indicates the tremendous advance that aviation has made in just the span of the last 20 years.

Is he ready to give it all up? "Sure," says Captain Anderson. "Life doesn't go on forever. A person should take the opportunity to do something else for a while, even if it is only to go sit in the sun. But it has been a magnificent job. In retrospect, I would rather have been a pilot than to have been President."

Captain Anderson joined United Air Lines in 1940 at the time United started an experimental course to train airline pilots from scratch. That meant that the students would complete instrument training before training for the commercial pilots license. The idea was that the airline could train airline pilots from the beginning in their own way.

Anderson was the youngest in the original class of 20 and was one of the first to graduate and is the last of the class to retire. When the U.S. entered World War II in December, 1941, this initial class of young aviators had already been trained as airline transport and instrument pilots. When the news of the bombing of Pearl Harbor came, Anderson was in the air and heard the news on his aeronautical radio.

Captain Anderson started his airline career flying the Boeing 247, a marvel of its day, a magnificent twin-engine all metal 11 passenger transport with a top speed of 160 miles per hour. During the ensuing years, he flew the nations passenger runs as an airline Captain abroad the DC-3, DC-4, DC-6, DC-7, Convair 340, DC-8 and will finish his career in the current "Queen of the skies", the Boeing 747, a 400 passenger, 600 mile per hour goliath.

On his last trip, Anderson is scheduled to fly to Hawaii accompanied by family and friends, along with a full load of passengers. Most pilots who retire return the airplane to its home base, but Anderson will fly his final flight westbound and when he steps down from the three story high flight deck to the ground on Oahu, that will be it. There is an obituary in aviation that says "to fly west, my friend, is a flight we all must take for our final check.' Anderson says he has a collateral axiom for retirement living which says, "Old pilots never die, they just fly away." Anderson announced the first thing he was going to do when he got to Hawaii was "get into the ocean for as long as I want and not have to come out and fly a flight home. After that, I'm going to sit under a palm tree for as long as it is fun. And after I have enjoyed a few days of retirement, I will think about tomorrow."

Anderson has been flying the heavy jets for the past 20 years. He estimates that since 1960, he has spent the equivalent of 8½ regular work years at an average altitude of 7 miles up. The Captain says while due credit has been given to the pioneers of aviation, from the Wright Brothers through the World War I aces to the early air mail pilots, through the barn storming days, feasibility for aviation didn't begin until after World War II. Prior to that period it was still debatable whether the airplane would ever be practical. Aviation came into its own during World War II proving itself to be an awsome military force. But after the war, the public acceptance of the civil transport plane has been so great that the airplane ran the train off the tracks and the passenger ship off the sea. But the past 10 years has been Le Grand Epoch in civil aviation with the introduction of the wide body jets, the fastest, safest, most convenient way to get from here to anywhere. Says Captain Anderson, "It has been good to have been a part of it." ●

ADMINISTRATION AGREES TO PRIORITIES FOR TRUCKING AND TAXICABS UNDER RATIONING PLAN

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. DINGELL. Mr. Speaker, today, I received a letter dated May 9, 1979, from Mr. Stuart E. Eizenstat, assistant to the President for Domestic Affairs and Policy, clarifying an earlier communication I had with him relative to gasoline rationing within the trucking industry. The letter indicates that the administration will consider an appropriate level of priority for trucks of all weights to provide for an adequate supply of gasoline consistent with other requirements of the gasoline rationing plan.

The United Parcel Service and other firms have been concerned about this aspect of the plan. It is my understanding that Mr. Eizenstat's letter alleviates that concern and I am advised that United Parcel Service is in strong support of the rationing plan as a result of this letter.

The letter also indicates that the administration will use its flexibility under the plan to assist taxicab operators to insure that they have gasoline as appropriate.

In addition, I also have received a letter from Gov. Richard D. Lamm, chairman, Natural Resources and Environmental Committee of the National Governors' Association, informing me that the Association, "supports the administration's amended standby gas rationing plan."

The letter from Mr. Eizenstat follows:

THE WHITE HOUSE,
Washington, D.C., May 9, 1979.

Hon. JOHN DINGELL,
U.S. House of Representatives,
Washington, D.C.

DEAR CHAIRMAN DINGELL: Concern has been expressed for gasoline rationing for trucks, particularly those under 10,000 pounds, involved in intra-city and inter-city delivery. It is obvious that such trucks are important to the economy even in the event of any fuel crisis. Regulations to implement the Gasoline Rationing Plan will be necessary. The Plan itself provides flexibility to designate additional priorities and supplemental allotments. It is the Administration's intention to utilize this flexibility as appropriate to meet concerns such as expressed by the trucking, taxicab and other industries. We will direct the Department of Energy to consider in this process, for recommendation to the President, an appropriate level of priority for trucks of all weights to provide for an adequate supply of gasoline to insure continued service to the public consistent with the other requirements of the Plan.

Sincerely,

STUART E. EIZENSTAT,
Assistant to the President,
for Domestic Affairs and Policy. ●

TOMMY THE CORK

HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. GONZALEZ. Mr. Speaker, I believe it was Samuel Butler who said last century: "Every man's work is always a picture of himself." This thought came to mind when I read a feature article in the Washington Star Monday before last, April 30, 1979, about a great man, a personage, the Honorable Thomas G. Corcoran, known affectionately since the New Deal days as "Tommy the Cork."

The very nature of the newspaper article, indeed any newspaper article beset by space limitations and constrictions, prevents it doing full justice to the subject. And it being true that a man's work is always a picture of himself, we then do not have a full and complete picture of the man, Thomas G. Corcoran, rather, we have a glimpse, or vignette.

But this is living history of the best kind and perhaps it will stimulate further indepth studies while there is time and Mr. Corcoran, in plenitude of strength of mind and body can contribute greatly to American historical development.

I have known Thomas G. Corcoran, not intimately, but well enough to know his great mind, great heart, and generosity. I was a student when I first read his name and its association with the greatest social, economic, and political advances in America in the 20th century, and I was thrilled years later to make his acquaintance.

I salute and thank the Washington Star and Sandra McElwaine for an excellent and valuable service.

The article follows:

[From the Washington Star, Apr. 30, 1979]

TOMMY CORCORAN, A WASHINGTON INSTITUTION

(By Sandra McElwaine)

There are many cliches about Washington's legendary giants—a tiny breed of power brokers, the movers and shakers. They tend to be lawyers, they are always men. Their prestige and influence allows them to transcend mere administrations, tapping that not-too-mysterious force that guides this city irrespective of the fleeting personalities who come and go.

Thomas G. Corcoran has been such a legendary Washington figure for nearly a half-century. He is all the conventional cliches rolled into one. And today, he stands nearly unique in that capacity.

At 78, Tommy Corcoran is a silky, smooth operator who has always known how to get things done. He has been doing just that since 1933, when he rose to power as FDR's personal hatchetman and fixer, or, as he more politely describes it, "his liaison to the Hill, especially the Senate."

Whatever the title, Corcoran was a top dog in the White House from 1933 to 1940, and is still nimbly dealing at the vortex today.

"Tommy was much, much more powerful in his day than Hamilton Jordan is now," says Washington lawyer and former colleague, Marx Leva. "He cultivated a certain mystique, the force behind the throne, a shadowy eminence behind the scenes. He always liked that image."

"Tommy was powerful because he was Roosevelt's representative," states FDR's former secretary, Grace Tully. "He always had access to the Oval Office. When he called we knew it was something important and put him through."

Striding in his penthouse suite at the K street offices of Corcoran & Rowe, where he has operated since the early 1940s, he is still an impressive figure. The phones ring constantly, he juggles two or three calls, squinting to catch a view of his beloved Potomac River, which is almost totally obliterated by the advent of new high rise buildings.

The mystique lingers on, as the bustling, nattily dressed figure recounts tales of Roosevelt's second New Deal, interspersed with quotes from the Bible and the literary masters. He skips from subject to subject with bewildering, bullet-like rapidity. The words cannot keep up with the thoughts.

To emphasize a point, he gesticulates and fixes his sparkling blue eyes upon a visitor with a Svengali-like stare. In lighter moments there is a lilt to the compelling voice, an aside joke, a touch of the blarney here and there. Tommy the Cork is a bit of a rogue.

His life is a good one. He lives alone in a spacious 10-bedroom house on Woodland Drive. His faithful companions are a labrador retriever and a schnauzer. His wife died in 1956 and his six children are all grown. ("I've just paid my last tuition bill," he sighs.)

His needs are tended to by three servants of many years. "The ultimate luxury in this life is personal service," says Corcoran. "You pay what you have to to get it, and give up other things for it."

Recently his work pace has eased up a bit.

"He doesn't work as hard as he did," says his legal partner of 30 years, Jim Rowe. "When he was young he was a real ascetic, but he's mellowed a little. He's more frivolous, more devoted to the ladies, now that he has the time; he does odd things. He's always on airplanes. It used to be for weddings, now it's funerals. He's a gerontophile, a worshipper of old men; that's one of the keys to his character.

At the moment, besides practicing his very influential brand of law at Corcoran & Rowe, he is writing a book about his halcyon years—the times he cajoled, persuaded and bullied a recalcitrant Congress into passing Roosevelt's liberal and far reaching legislation. There are tactics developed then which he still skillfully employs to advantage upon his large list of top corporate clients—clients whose names he will not divulge—Tenneco is one, "Everybody knows I represent them,"—and for large New York insurance companies.

"Tommy hasn't missed a step in all these years," says a longtime friend. "People treat him like an elder statesman. He, himself, has no power except for the fact he knows everybody everywhere. He's very persuasive and people do things for him because they like him. He works the Hill cloakrooms like a charm. Tommy is like Old Man River, he just keeps rolling along."

"Tommy has always been capable of doing anything he wants," states Marx Leva. "The only person you can compare him to is Clark Clifford. The two of them stand alone."

Thomas G. Corcoran was born in Pawtucket, R.I. in 1900. His father, a lawyer, was the son of an Irish immigrant, his mother the descendant of a pre-revolutionary New England family. According to his two younger brothers, in his youth he was an outstanding athlete and student, immensely popular and extremely outgoing. High school found him constantly dabbling in politics.

"My father always used to say that a boy who did not take the politics of his father and the religion of his mother was either a victim of child abuse or a filial ingrate," relates Corcoran. He is a Democrat and a Catholic.

At 12, he peddled newspapers, at 15 worked on a farm for 15 cents an hour, led a strike for better pay and was fired.

From public high school in Pawtucket he worked his way through Brown University where he won essay contests, was valedictorian of his class and made Phi Beta Kappa his junior year.

"There are very few activities he has not had a liberal share in" states his senior yearbook, "and very few men that do not know him." He became an accomplished pianist, debator, orator, star of the class football team and a champion hiker.

He took his masters degree at Brown and then enrolled in Harvard Law School. To build up income he gave lectures—at two dollars a head—on how to pass tough exams, and was made Note Editor of the Harvard Law Review, a coveted honor.

His scholarship attracted the attention of Professor Felix Frankfurter, who was instrumental in his appointment as secretary to Supreme Court Justice Oliver Wendell Holmes in 1926.

"That was one of the greatest periods in my life," recalls Corcoran, who handled research and writing chores for the jurist he worshipped. "I called that year going to 'Holmes University.' I learned more from him than any history book. He taught me the significance of living. We would walk together every afternoon, this little Irish Catholic boy, and the distinguished Brahmin. Through the Holmes' generosity I met everyone in Washington and fell in love with this town. In a way I admired Mrs. Holmes the most. She was a great lady."

Corcoran lived in a garret on 18th St., earned four dollars a week, and managed to save enough money to send his brother down the Amazon River, something he himself had always wanted to do.

The Holmes', then both 83, were childless. They brought young Corcoran into their family as they had so many Harvard graduates before him. He was always referred to as "Sonny."

In Corcoran's office there is a painting and sampler done by Mrs. Holmes and the justice's chair left to him by Holmes' will.

When the clerkship expired, he joined the New York law firm of Cotton, Franklin, Wright and Gordon where he specialized in corporate law, stock mergers and issuances. With recommendations from Frankfurter he operated a one-man employment agency for Harvard Law School graduates, developing an amazing knack for putting together the right man and the right job. In 1932, at the request of Eugene Meyer, governor of the Federal Reserve Board, he returned to Washington as counsel to the newly created Reconstruction Finance Corporation.

"No one else in the firm would come," he recalls. "They were all married. I was the only bachelor. If I hadn't come down here I wouldn't have had any fun at all."

He got involved in politics and worked on the Federal Housing Act. Sam Rayburn then asked him to assist him with the Securities Act facing a tough congressional fight.

It was through Rayburn that he met Ben Cohen, another Frankfurter protege who was to become his inseparable partner and life-long friend. Together they became known as "Frankfurter's hot dogs," "The Whiz Kids," and "The Gold Dust Twins."

"It's the luckiest thing that ever happened," says Corcoran now. "Ben was the architectural genius and I was the front man. The things we worked on were the toughest financial ones, and the diehards said we were ruining the country. We were called every name in the book. I enjoy public rows. I'm Irish and I can take the heat."

"They were the greatest team I've ever seen," says civil rights lawyer Joe Rauh, who worked for them in 1935. "What Tommy did in the 1930s was one of the great legal and political performances of all time."

Cohen and Corcoran's political and legislative feats and the urging of Frankfurter brought them to the attention of President Roosevelt. They became part of his "brain trust," and took on the majority of the president's tough jobs. Throughout the years at 1600 Pennsylvania Avenue, Corcoran remained on the payroll of the Reconstruction Finance Corp. and Cohen at the Interior Dept.

"Tommy would call and say, 'I've just spoken with the President, and I'm calling you from the White House' when he was in some dingy office in Interior," laughs Rauh. "Boy, did people pay attention."

Corcoran was the White House premier odd jobber, legman, expediter, armtwister, and speechwriter. He coined such memorable phrases as "Rendezvous with Destiny" and "Instinct for the Jugular" for FDR. Together the "Twins" wrote and pushed through Congress the Stock Exchange Act. The Fair Labor Standards Act, The Securities and Exchange Act, The Public Utility Holding Act and others that completely transformed American life.

"Nobody ever went to bed," recalls Jim Rowe. "We'd write and create a new bill overnight. Once when I left at 3:00 a.m. I thought I'd been disbarred from the group. If you worked for Corcoran you couldn't be married. He lived by Plato's rule that servants of the state should be under 30 and single. There were no distractions."

"Tommy was far more to Roosevelt than simply a hatchet man," says lawyer and former Frankfurter clerk, David Ginsburg. "He was solace, support, advisor and entertainer. He was a first rate musician and played the piano and accordion beautifully.

"FDR really loved the evenings when Tommy would play his favorite songs," relates Grace Tully. "It was all very informal and we had a marvelous time."

At 40, Tommy married his hard-working secretary, Peggy Dowd. "One of the two most eligible women in Washington," writes Arthur Schlesinger.

"I married like a good Irishman," says Tommy. "An Irish son never marries until his mother dies."

There were six children in 12 years.

His eldest son Tim, 34, labels him a patriarch. "He was a hard driving father. He always wanted us to win. We were sent to one pressure school after another, and were expected to be No. 1. He was big on individual sports, and we all had to take endless boring lessons. Skiing, languages, tennis, sailing, guitar, piano. He gave a piano to every school anyone of us went to.

"There was never any time to play ball or mess around. We didn't have many friends outside the family. We were always learning one improving, upwardly mobile thing after another. To this day he still sends me books he thinks I should read.

The turning point in Corcoran's White House career came when he sought the job of Solicitor General of the United States. According to Rauh, he got four Supreme Court justices to sign a letter to Roosevelt urging the appointment. Frankfurter, who Corcoran had helped place upon the court, refused to sign. The appointment was never made.

"Roosevelt had promised me the job, when I wanted to leave, but agreed to stay on and help him save face with his court packing plan," says Corcoran. "I wanted a job where I was all on my own. The Solicitor General is the lone arguer before the Supreme Court. It was one of the heart breaking things of my life. I decided to leave and practice law." The breach with Frankfurter never healed. He felt betrayed. They never spoke again.

There are several theories as to Frankfurter's lack of support. Ben Cohen states: "Frankfurter thought Corcoran was too involved in politics and probably couldn't give it up. He had been in the front lines too often, had taken too many risks. It gave him many more enemies than those who had been less discrete and less effective."

"That incident was one the watershed episodes of Tommy's life," says David Ginsburg. "His streak of idealism was battered. He felt thoroughly let down. It was the one thing he wanted and asked for. I think Frankfurter placed the Supreme Court on a pedestal, and lifted it above his friendship and indebtedness to Corcoran. I think he was abysmally wrong."

Corcoran left the White House in 1941 to form China Defense Supplies; lend lease to China and a thriving law practice.

With Claire Chenault, whom he greatly admired ("His portrait is one of my most prized possessions") he organized the Flying Tigers and kept the Chinese supplied until America entered the war.

* * * * *

"Since Peggy died, my kids have been my chief interest," says Tommy Corcoran now. "They listen to me and do what I want because I convince them to."

"I've always been in love and wished I were married, but no one want to take on six children. Anyway, they all beseeched me not to. They didn't want to be like Cinderella with a wicked stepmother."

Over the years he has been one of the town's most eligible extra men. Always charming, polite, and available, a magnificent escort. The social pages describe his outings with Anna Chenault, widow of his great hero, Gen. Clair Chenault, and Congresswoman Lindy Boggs.

"He takes Anna to Republican parties, and Lindy to Democratic parties," says Jim Rowe.

The papers have missed his evenings with another widow, Sissy Bowman, who works for Sen. Russell Long, and is described as a "typical Georgian beauty."

His chaffeur-driven car is at their disposal; he spends a lot of time taking them to and from airports.

"Tommy is a busy escort to many ladies," says Lindy Boggs. "He's so sweet and thoughtful. A courtly gentleman."

"Tommy and I have been very close for 17 years, and we go out a great deal," says Anna Chenault. "Neither of us is interested in marriage, and are not possessive of each other. If I go out alone, women consider me a threat, it's better to have an escort."

As for Corcoran, he quips: "my attitude toward women is to watch them with fascination and fear—like a campfire burning in the night."

His law practice has grown and flourished. It has also been investigated four times by Congress. His dealings on behalf of large oil companies and pharmaceutical firms have produced congressional wrath. Each time he has emerged unscathed.

"I always win because I'm right," chortles Tommy the Cork. "Anyway, there's no more fun in this town than unfixing fixes."

In the process, he has disappointed several former New Deal colleagues, by representing what one terms "every anti-social principle in America." "It's one of the great disappointments of my life," says Joe Rauh, "I worshipped him. His conduct belies the principles of the New Deal. I have yet to see his name in the paper representing anything but the most conservative interests. Maybe Lindy Boggs can bring him back."

"I'm sorry to see Tom abandon so totally his idealism and capacity for leadership," says David Ginsburg. "He's a sad figure who must explain his conservatism. One wonders where he would have ended if he stayed in the government. He did not fulfill his capacities."

With a shrug, Corcoran answers, "What was liberalism under Roosevelt, is considered conservatism today. I'm still a liberal. Not a Joe Rauh left-winger."

The changes and contrasts between earlier eras and today are, not surprisingly, a matter of some interest to Thomas G. Corcoran. And also, not surprisingly, he has had mixed opinions on those who have followed Roosevelt in the White House.

"Harry Truman and I were at loggerheads for years," he has said. "He called me a 'goddamn Harvard snob.' Still, I think Truman was a great guy and very strong on foreign policy. President Eisenhower, I don't think about him much." And Kennedy? "I was a good friend of Joe Kennedy. I was close to Jack but I never went to the White House when he was there. I didn't like Mrs. Kennedy. When I have that feeling I don't give a damn whether people liked me or not."

Lyndon Johnson wins praise from the New Dealer. "I think Lyndon Johnson is going to be one of the great men of American history. He tried to do something about problems that everyone else dodged."

The Carter administration draws a cool evaluation.

"The trouble with them is that they're not using the people in this country with ability. I think we're in more danger now externally and internally than during the depression or at Pearl Harbor.

"I remember that my chief, Mr. Roosevelt—a convinced Democrat whose imagination could encompass the whole universe and yet close in on the last six inches—was willing in his crises to accept the participation and advice of all men, no matter what their fathers' parties."

"The Carter group" he feels, "is an impenetrable circle. They won't let the people through who want to help them. Ben Cohen, who was in charge of domestic inflation under Roosevelt, has been trying desperately to get through to the White House to explain how to deal with the problem. They won't let him in. It's a frozen situation."

Tommy Corcoran has special fondness for John Connally these days. The arch-Democrat isn't about to concede that he would vote for the man but does feel that "Connally is shaking up the country and stirring people up. I would like to see Connally the Republican nominee for president and Howard Baker as vice president."

But enough of this. Tommy the Cork's world awaits him. Preparing to rush out the door to catch a plane to New York, leaving a trail of instructions in his wake, he muses on his future.

"Maybe I'll retire and become a piano player in a saloon." With a wave and a wink, Tommy Corcoran is gone.●

A RETURN TO THE DRAFT?

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. LEE. Mr. Speaker, I would like today to share with you and my colleagues in this House a recent statement which I issued to my constituents of the 33d Congressional District of New York dealing with an important matter of interest: Reinstatement proposals for a national selective service system.

Too often, Members of this House are thought to be taking one side of an issue for our home districts and another on the floor in debate. My entry will make it clear that this is my feelings on this controversial matter.

My statement is as follows:

STATEMENT OF REPRESENTATIVE GARY A. LEE

Deciding between reinstatement of the draft and total reliance on our all-volunteer military can be like looking for solid ground between the shores of the Atlantic.

The deep-seeded resentments of America's no-win wars in Vietnam and Korea have produced a strong no-draft sentiment at home. At the other extreme is the reality of an America which could be caught unprepared for its own defense. Our search for an island of compromise may very well not please anyone.

I have taken the position that we need, at the very minimum, a registry of eligible young men and women who could be called into the service. In tandem, we should begin constructing the mechanisms of a selective service system that could be implemented at any minute.

While I don't favor a return to universal draft provisions, I'm convinced that unless we devise the system today, the time we lose in an emergency could be fatal.

Our key to success in any tactical war will be response time. In the worst of circumstances—strategic nuclear war—obviously troop strengths will be academic. But the numbers of trained ground and air forces we can field in a conventional war here or on allied soil can decide the outcome of most battles.

Even the most vocal of no-draft advocates will admit that today's all-volunteer military is adequate for peacetime but we need substantial buildup by ready reserves in a time of combat. There is the problem. Today, those reserve strengths are approaching an all-time low. In another decade at this pace, we will be dangerously shallow in ready reserve forces.

The special circumstances of today's need will undoubtedly lead to implementation of a selective service which differs greatly from our memories of the last three decades.

For instance, since our need is for trained reserves who could be activated at a moment's notice, we may conscript young people for a military training and readiness program without any active duty requirements. Much of this could be done in our own communities and would not disrupt early careers or extended education.

There are currently a number of proposals laid before the 96th Congress for consideration. Among them are plans which institute a form of draft for "alternative national service," such as time spent in VISTA, the Peace Corps, or other non-military public service in lieu of uniformed service.

I wholeheartedly endorse the service aspect of these, but I can't support their replacement for the need to have quality military forces too. The two ideas just are not interchangeable. If America's need is for military force to deter enemies, a trained Peace Corps won't fill it. I don't believe Americans would endorse the idea of universal national service without a clear need to protect the nation.

Reinstatement of the draft indicates that America will be prepared to meet any threat to our security. Initiation of a wide-open alternative service draft, however, says only that we offer young people the chance to be responsible to America for the rights and privileges they enjoy.

The idea of alternative service should not be discounted, but neither should it be construed as an answer to our most important needs: the defense of America.

The Constitution itself provides for the Congress to "organize, arm, and discipline" forces adequate for military defense of the nation. But in cases other than defensive service, the 13th Amendment's prohibition of "involuntary servitude" might very well stop any national service corps by draft, either before such a law could be passed or in the courts after its passage.

Any return to complete military draft will be met with deep, emotional concern. On one hand are the security interests that potentially risk American lives. On the other are those no-draft advocates who could risk American freedoms.

When I took the oath of office, I swore to preserve both, and a partial return to the draft to fill our ready reserves should help in this constitutional obligation.●

A CONSTITUTIONAL CONVENTION: LIBERALS SHOW THEIR FEAR OF THE PEOPLE

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. ASHBROOK. Mr. Speaker, as the number of States calling for a constitutional convention to propose a balanced budget amendment rises, liberal voices become steadily more shrill. Their biggest single scare tactic boils down to this: What might the convention do besides just balance the budget?

The fact is that a constitutional convention cannot possibly do anything that is not ratified by three-fourths of the States afterward. A convention can only propose, and what it proposes must be ratified in order to have any effect. Further, the makeup of the convention itself will be fixed by Congress. So if two-thirds of the States call for a convention, it will be made up of people selected by a method determined by Congress, and nothing it does will become law unless three-quarters of the State legislatures ratify its proposals. Why, then, do liberals speak of such a convention as if it might be a national assembly set to usher in a reign of terror?

In part, of course, it is the old scare tactic used by idealogues who are running scared. Their outmoded big government ideas are the target everywhere. But I also believe some of the liberal fear is genuine: Liberals today want as little power in the hands of the people as possible, because the people are fed up with liberalism. In proposition 13 and in the battle for a no-growth economy and against nuclear power, liberals were crushed by a 2-to-1 margin in California. These California votes were close compared to the 3-to-1 and 7-to-1 drubbings gay lib got in Miami and Kansas. Yet this did not stop Carter's International Women's Year appointees from making gay liberation a cornerstone of their program.

From busing to racist hiring quotas, from forbidding voluntary prayer in schools to gay lib, the liberals are well aware that when their pet causes go before the electorate, they are humiliatingly defeated. Only the huge liberal political and bureaucratic machine can keep these policies in force, and anything decided outside that machinery, outside the Washington establishment, is bound to go against liberalism. This is why most liberals now violently oppose referendums, and this is why liberals look with terror on the prospect of a constitutional convention. Today's liberal opposes popular rule because the American people today are antiliberal. Never underestimate, however, the commitment of the American liberal to ideas that do not work.●

THE NATIONAL LAWYERS GUILD REAFFIRMS SUPPORT FOR REVOLUTIONARY TERRORISM

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. McDONALD. Mr. Speaker, the National Lawyers Guild (NLG), an organization of lawyers, law students and legal workers founded in 1936 with the assistance of the Comintern and still dominated by a powerful faction of Communist Party, U.S.A. (CPUSA) members and supporters and Castroites, held its 37th national convention in San Francisco, February 15–19, 1979.

The convention again made obvious the NLG's role as the key U.S. support group for foreign and domestic Marxist-Leninist, revolutionary and terrorist groups. During the convention, support was expressed for terrorist groups in West Germany and for the Palestine Liberation Organization (PLO) whose Black September/Black March assassins have again made Western Europe their target for slaughter with the airport attack in Brussels on April 16 and the attempt to infiltrate four terrorists into West Germany from Austria and Holland on April 30.

Other revolutionary terrorist groups backed by the NLG include the Nicaraguan Sandinist National Liberation Front (FSLN); the Soviet-controlled African National Congress (ANC) of South Africa and the so-called Patriotic Front terrorist amalgamation trained by Soviet, Cuban and East German "advisers" and carrying out attacks on Rhodesia from Zambia and Mozambique.

Terrorist and violence-oriented groups in the United States were also in favor with the National Lawyers Guild. A considerable number of members of the Weather Underground and its overt arm, the Prairie Fire Organizing Committee (PFOC), are also lawyers and legal workers with the NLG.

Indeed, at least two of the NLG's recent national presidents, Doron Weinberg and Henry di Suvero, have been closely involved with the Weather Underground, in Weinberg's case to the extent of being described as having acted as a communications link for WUO fugitives by Weather Underground Organization defectors.

Still other NLG members, both lawyers and legal workers, are named in a declassified FBI report as members of the Weather Underground who provided logistical support services for fugitive terrorists. Then there is Leonard Boudin, a veteran NLG member who first gained a national reputation as defense attorney for Judith Coplon, the Soviet spy in the Justice Department caught passing stolen documents to a Russian diplomat. Since 1960, he and his law partner Victor Rabinowitz, the 1968–70 NLG president named in Senate testimony as a Communist Party, U.S.A. member, have acted as the paid agents of the Cuban Communist regime.

Boudin is now the chief attorney in the NLG's lawsuit against the Federal intelligence agencies who in the past have been most interested in the NLG's associations with Communist governments; the International Association of Democratic Lawyers (IADL) which is the international Communist front for lawyers controlled by the International Department of the Central Committee of the Communist Party of the Soviet Union; and with foreign and domestic terrorist groups. In an article on the Weather Underground, the new left magazine Seven Days described Boudin as the leader of a group of attorneys that have such power over the Weather Underground that they were able to force the terrorist organization to accept a highly unpopular political decision.

NLG members associated with the Weather Underground and the Prairie Fire Organizing Committee were particularly active at the NLG convention in workshops and meetings in support of the violence-oriented American Indian Movement (AIM) and its many offshoots such as Women of All Red Nations (WARN).

Their other area of particular interest was in support work for Puerto Rican revolutionary and terrorist groups including the Castroite Communist Puerto Rican Socialist Party (PSP); the remaining jailed Puerto Rican Nationalist Party terrorists serving sentences for shooting Members of Congress in 1954, and for killing a guard during an attempt to assassinate President Harry Truman in 1950; and of course the currently active Fuerzas Armadas de Liberacion Nacional (FALN).

NLG AND TERRORISM

The NLG's support for revolutionary terrorism, which in common with Marxist-Leninist parties it terms "armed struggle," is based on the organization's ideological commitment—a commitment affirmed in resolutions passed at its national conventions—to "anti-imperialism" and to working with "organizations of every kind to build a solid-based anti-imperialist movement on the foundations of the antiwar movement."

At its 1971 national convention, the National Lawyers Guild defined its "anti-imperialism" as "the NLG's struggle to defeat the ruling class in this country and to defeat its hold on large parts of the world."

That same 1971 NLG national convention stated:

> There is no disagreement among us that we are a body of radicals and revolutionaries. We are not simply servants of the movement. We are radicals and revolutionaries who now propose to carry the struggle for social change into our lives and our profession.

In 1975, a position paper by the NLG's Bay Area Prison Task Force, in support of a NLG prisoner organizing project headed by a Weather Underground Organization member, stated:

> Prisoners * * * are potentially a strong revolutionary force. * * * They know they will only regain their freedom * * * in a different changed society, and they have very little left to lose in this one.

The position paper continued:

> Members of the Guild who insist that the politics of armed struggle have no place in a Guild publication ignore this organization's history and self-definition. The Guild is not merely a legal organization—it is not the ACLU or ABA. * * * Many people within the Guild consider the strategy of armed struggle to be an integral part of any revolutionary struggle. The Guild itself has not only defended but actively supported the armed actions at Attica and Wounded Knee and has in some sense joined these struggles.

NLG members have formed the defense teams for virtually every U.S. revolutionary terrorist group since the 1960's ranging from the Black Panther Party (BPP) and Black Liberation Army (BLA) through the Weather Underground Organization (WUO) George Jackson Brigade (GJB) and Symbionese Liberation Army (SLA) to the FALN.

NLG involvement with the WUO and its overt arm the Prairie Fire Organizing Committee (PFUC)—(plus its New York City splinter faction with which it has became reconciled the May 19 Communist Organization (M–19CO)—was evident in a "champagne reception" held to generate support for the PFOC's efforts to build a national support coalition for the terrorist FALN and related Chicano "armed struggle" groups.

The reception was to honor Steven Guerra of the Movimiento de Liberacion Nacional (MLN) and former coordinator of the National Committee against Grand Jury Abuse and Myrna Salgado, National Committee to Free Puerto Rican Prisoners of War.

Sponsors of the reception, to which all NLG convention goers were invited on Friday, February 16 in the offices of NLG lawyer Stuart Hanlon at 294 Page Street, San Francisco, were the three Chicago lawyers who have been representing associates of FALN fugitives when called before Federal grand juries investigating the terrorist organization and who are now representing the Puerto Rican Nationalist Party terrorists in their attempts to gain release from Federal prison. These were Mara Siegel, a veteran of the NLG's delegation invited to attend the Puerto Rican Socialist Party (PSP) convention in December 1975; and People's Law Office and PFCC activists Dennis Cunningham and Mike Deutsch. Their law partner, Jeif Haas, another WUO/PFOC lawyer, also attended, as did the Bay Area PFOC contingent including Melinda Rorick and Karen Ashley of the PFOC's John Brown Book Club that has moved into the house used as offices by the San Francisco NLG chapter at 558 Capp Street.

According to one of the more smug PFOC NLG members, holding the reception in the law offices and moving the book club into the NLG offices is intended to prevent any surveillance of the overt arm of the WUO terrorist organization by the FBI or police.

Representatives were present from the Centro Legal de la Raza of Oakland, a cosponsor of the reception; from PFOC affiliates such as the San Francisco group commemorating the attempted murder of President Truman by two Puerto Rican Nationalist Party terrorists, the October 30th Committee in Solidarity with Puerto Rico which operates from 1005 Market Street, No. 207, San Francisco, Calif., 415/285–9473; the Committee in Solidarity with Puerto Rican Independence (CISPRI), P.O. Box 343, Brooklyn, N.Y. 11217, 212/499–2767; and a Chicago coalition of the NCFPRPOW, PFOC, and a small Chicago-based Trotskyist splinter group headed by Don Hammerquist and Noel Ignatin, the Sojourner Truth Organization (STO). This coalition, tentatively termed the Interim Committee in Solidarity with the Puerto Rican Revolutionary Independence Struggle, was centered in the Westtown Community Law Office, 2403 W. North Avenue, Chicago, Ill., 60622, 312/278–6706.

Literature was available in support of FALN member William Morales, arrested after the premature detonation of a bomb in his apartment in New York last year, by the MLN and Juan Antonio Corretjer's Puerto Rican Socialist League—Liga Socialista Puertorriquena (LSP). PFOC members present criticized the five members of the WUO's Revolutionary Committee (WUO-RC)—Clayton Van Lydegraf, Judy Bissell, Leslie Mullin, Marc Perry and Michael Justsen—arrested and charged in Los Angeles with planning to bomb the office of a California state senator. Particularly harsh in criticizing Van Lydegraf, long a leader of the PFOC and WUO, PFOC members from the Bay Area and Chicago said he was no longer involved with the organization and that they were supporting his defense only because it was a means for gaining discovery against FBI counterintelligence programs.

The reception's principal purpose was to urge NLG activists to become involved in organizing a national movement to "support the armed clandestine independence movement" by pressing for the release of Morales; two Puerto Ricans who participated in the armed takeover of the Chilean consulate in San Juan, P. R., on July 3. 1978, Nydia Fster Cuevas and Pablo Marcano Garcia; and of course the four remaining Nationalist Party terrorists.

NLG BACKGROUND, MEMBERSHIP AND IDEOLOGY

The National Lawyers Guild was organized in 1936 by a cadre of Communist lawyers who then brought into the front a number of non-Communist leftists and liberals.

The NLG's role in the Communist movement was determined as long ago as 1922 when the Communist International—the Comintern—established a defense agency known as MOPR, the Russian-language acronym for the International Class War Prisoners Aid Society. This Comintern agency, generally called in English the International Red Aid, established sections in various countries of the free world with the purpose:

To render material and moral aid to the imprisoned victims of capitalism.

In 1925, an American section of MOPR was formed which operated until the early 1940's under the name, International Labor Defense (ILD). During its existence the ILD helped to form both the International Juridicial Association (IJA) and the National Lawyers Guild.

The fact that the National Lawyers Guild was then and is now part of the Soviet-controlled international Communist apparatus is underscored by its affiliation with the International Association of Democratic Lawyers (IADL), characterized in 1946 by the House Committee on Un-American Activities as an "international Communist front for attorneys." The IADL was one of a number of fronts set up under the control of the International Department of the Central Committee of the Soviet Communist Party to replace the Comintern's former functions. Those fronts include the World Peace Council (WPC), World Federation of Trade Unions (WFTU), Women's International Democratic Federation (WIDF), and the World Federation of Democratic Youth (WFDY).

At the IADL's third congress in 1948, at which the U.S. delegation included NLG activists Bella Savitsky Abzug and Martin Popper, a vigorous defense of U.S. Communist Party leaders convicted of conspiracy to advocate the overthrow of the Government by force and violence was initiated. On a proposal by Martin Popper, a CPUSA member then the NLG's executive secretary and who was a prominent member among the Old Left contingent at this NLG convention, the IADL decided to send 25 lawyers to observe the Smith Act trials of these Communist Party leaders in New York so that they could generate propaganda for international protests.

It should be noted that by the end of 1941 when the NLG had demonstrated its Communist Party-control by its support of the Hitler-Stalin Pact and opposition to U.S. aid to Britain, then hysterically reversing its policy when Hitler invaded Russia, virtually every non-Communist NLG member had resigned. By the mid-1950's, its national membership had dropped to some 600 lawyers.

Characterized in 1950 by the House Committee on Un-American Activities (HCUA) as "the foremost legal bulwark of the Communist Party, its front organizations and controlled unions," the NLG consistently has worked closely with CPUSA in obstructing investigations of Soviet espionage rings and Communist penetration and manipulation of educational, cultural and labor organizations. Since the late 1960's when an influx of New Left activists swelled the NLG's ranks, the organization has been controlled by a leadership that has not deviated from the international political lines of Moscow, Havana and Hanoi.

Control of the NLG by this Moscow/Havana/Hanoi-oriented leadership brought a protest at the February 1978 national executive board (NEB) meeting by a group protesting the NLG's commitment to supporting the terrorist Palestine Liberation Organization (PLO) and denouncing Zionism as "racism." This group, the Democratic Caucus, charged:

> * * * the Leadership has conducted Guild affairs as though we were a committed Marxist-Leninist entity.
>
> This characteristic is particularly apparent in the Guild's international work, and has resulted in a predisposition of the International Committee to identify the Guild with the position of the "socialist" countries on every major international issue.

The Democratic Caucus complained:

> * * * the foreign observers and speakers at every Guild convention since the late 1960's have almost always represented the Marxist-Leninist sector of that country's politics. There have been representatives from the National Liberation Front (NLF) of Vietnam, from the Puerto Rican Socialist Party (PSP), and from Cuba. There have never been representatives from any of the Democratic Socialist or Social Democratic elements in those or any other countries.

Predictably for an organization founded with the assistance of the Comintern, the NLG has remained active in the Soviet-controlled International Association of Democratic Lawyers (IADL), lending a semblance of legalism to propaganda efforts, sending NLG delegations to Hanoi and promoting the National Liberation Front (NLF) by which Hanoi carried out its program of terrorism against the South Vietnamese civilians, and sending NLG members traveling under various pretexts as "observers" to trials of terrorists in Iran, Spain, South Africa, Chile, and other countries. Also significant are the involvements of leading NLG International Committee members in efforts to defend the terrorist Red Army Fraction (RAF) in West Germany.

NLG'S FOREIGN GUESTS

The highest ranking guest at the NLG convention was the Vietnamese United Nations Ambassador Luu, who attended to remind the NLG of its solidarity commitments to the Socialist Republic of Vietnam at the time Red Chinese troops had begun their invasion of Vietnam.

As for the Vietnamese invasion and conquest of the neighboring Chinese-alined Communist country, Cambodia or Kampuchea, for Ambassador Luu and the large number of Hanoi-sympathizers present in the NLG, that was a wholly justifiable act to end repression. No mention of the statements of General Giap and Ho Chi Minh that all of Indochina was their real goal were made. However, the Maoist NLG members led by cadre from the Communist Party, Marxist-Leninist (CPML) in the special presentation on Indochina and in committee meetings attacked the Vietnamese action as an example of Soviet imperialism.

But by far the most active and visible foreign guest at the NLG convention was Jorge Gallardo Fernandez, the 40-year-old vice-president of the Cuban Institute for Friendship among Peoples (ICAP).

ICAP is an organization so routinely used by the Cuban General Directorate of Intelligence—the DGI—as a cover for espionage and intelligence operations that the very mention of its name provokes immediate responses from the counterintelligence agencies of free world countries. That is except apparently in the United States. Senor Gallardo was given a 40-day unrestricted visa for travel throughout the United States. The purpose of his visit, according to Gallardo, was to attend the National Lawyers Guild convention and visit with leaders of the Cuban exile community in the United States.

A number of leaders of Cuban exile organizations obviously have made grave concessions to the Castro regime in order to obtain the release of relatives and friends held in Cuban political prisoner camps. Still other Cubans in this country have been very obviously collaborating with the DGI for years—a collaboration that includes terrorist attacks on anti-communist Cubans. In light of this background and the NLG's long involvement in support of terrorist activities, Gallardo's U.S. visit has the most interesting implications.

A second Cuban guest, Candalaria Rodriguez Hernandez, an official of the National Union of Jurists, was scheduled to attend the NLG convention but did not.

THE BAADER-MEINHOF LAWYERS

Two of the best known lawyers for West German terrorists associated with the Red Army Fraction (RAF) which is popularly called the Baader-Meinhof gang, and with the Palestine Liberation Organization (PLO), Kurt Groenewold and his law partner, Petra Rogge, were to lead a presentation on the "persecution of progressive lawyers in West Germany."

According to Ellen Ray, an NLG member who with her "compañero" Bill Schaap have been associated with the NLG's Southeast Asia Military Law Project, Philip Agee's Counter-Spy magazine, its successor, the Covert Action Information Bulletin (CAIB), and attended the trials of RAF members in Hamburg in 1977, Rogge and another law partner, Ranier Koncke, had been indicated for helping supply Grönewold with information he distributed to their RAF clients and other RAF defense lawyers. Although Rogge had come to the United States last November to aid in the defense of Kristina Berster, and although Grönewold was said to previously visited the United States and to have participated in NLG activities, the commencement of legal proceedings against Rogge and Koncke prevented their visit to the NLG's San Francisco meetings.

NLG involvement in supporting members of West Germany terrorist groups dates back to 1975. At that time a delegation of prominent NLG lawyers associated with the Center for Constitutional Rights (CCR) in New York City, a law group composed of NLG lawyers and legal workers, attempted to go to West Germany to join the Baader-Meinhof defense team.

That proposed delegation included Peter Weiss, NLG attorney who is also president of the board of the Institute for Policy Studies (IPS), a Marxist think tank that sponsored CIA defector Philip Agee in Holland after his deportation from England; William Schaap, a veteran of the NLG's Southeast Asia Military Law Project, associated with the original Counter-Spy magazine in the days Philip Agee worked with it and now is a leader of Agee's Counter-Watch and Covert Action Information Bulletin; Schaap's long-time "compañera" Ellen Ray, also a veteran of Counter-Spy and the Covert Action Information Bulletin; William Kunstler; Marge Ratner; and a "cooperating attorney" with the Center for Constitutional Rights, former U.S. Attorney Ramsey Clark.

However, in 1977, Bill Schaap and Ellen Rav succeeded in going to West Germany to "observe" the trials of Baader-Meinhof defendants, and in fact offer trial strategy advice to Kurt Grönewold and the other defense lawyers. Grönewold was disbarred for illegal activities on behalf of his terrorist clients.

In an article in the December 1977 edition of Guild Notes, the official publication of the National Lawyers Guild, Schaap wrote:

> Many German radicals are leaving the country, going underground, preparing for a protracted struggle. The next few months will be a key to the early years of the struggle.

Schaap's statement, written following the commencement of intensive efforts by the West German security authorities to track down the terrorist killers of several businessmen, judges, and officials, took on new significance following the arrest on July 16, 1978, of Kristina Katherine Berster.

Berster, 28, was arrested attempting to enter the United States by using an Iranian passport which had beeen among several stolen in June 1976, when the Iranian Students Association (ISA) took over the Iranian consulate in Geneva, Switzerland. Another Iranian passport, stolen during the same ISA demonstration in Geneva, was being used by RAF terrorist Brigette Folkerts. Her arrest in Paris earlier in 1978 led to the discovery of four of the leading West German terrorists living in Yugoslavia. The Communist regime refused to extradite the four terrorists to West Germany unless the West Germans gave up several Yugoslavian anti-Communist emigrees to Tito.

Berster was arrested in the company of two Iranians resident in the United States. Both are believed to be veteran Iranian Student Association activists associated with the terrorist Organization of Iranian People's Fedayee Guerrillas (OIPFG), whose cadre have been trained in the camps of George Habbash's Popular Front for the Liberation of Palestine (PFLP) from which most of the members of the "Carlos Group" of terrorists have been recruited. The PFLP's training camps are located principally in Iraq and the People's Democratic Republic of Yemen (Aden).

where many West German terrorists are known to have been.

Berster has admitted to having spent seven months in the PRDY working, she says, on a "health project" in 1977.

Berster's defense has been handled principally by the NLG group at the Center for Constitutional Rights. But they were aided during Berster's trial in November 1978, by Petra Rogge, Groenewold's partner. Groenewold and another of his colleagues, Otto Schilly, who was also disbarred for "aiding criminal organizations," were scheduled by the Berster defense team as defense witnesses to support their argument that Berster would face "persecution" if extradited to West Germany.

CONVENTION ATTENDANCE

Approximately 1,000 persons attended the NLG convention, a significant proportion of the active membership of 6,000 that the organization now claims. Of the NLG members who attended, many were members of disciplined revolutionary parties attending to express their party's line. These included the Communist Party, U.S.A. (CPUSA); the New American Movement (NAM); Trotskyist Communist parties such as the Socialist Workers Party (SWP), the Spartacist League (SL) and its Partisan Defense Committee, and the International Socialists (IS); the Peking-line Communist Party, Marxist-Leninist (CPML) and other Maoist groups including the Revolutionary Communist Party (RCP), the Workers Viewpoint Organization (WVO), the Communist Party, U.S.A. (Marxist-Leninist) (CPUSA-ML)—(formerly the Marxist-Leninist Organizing Committee (MLOC)—and the Communist Labor Party (CLP).

The principal Maoist groups, the CPML and the RCP, work within the NLG in the Anti-Imperialist Caucus. While perhaps some 15 percent of the NLG membership concentrated in the chapters in Houston, Denver, Atlanta, and Los Angeles, adhere to the caucus line, in the voting for NLG national president, the Maoist candidate, Rob Kropp, a Los Angeles NLG member active in the United States-China People's Friendship Association (USCPFA) and in the NLG International Committee's China Subcommittee, mustered merely 58 votes compared to 389 for the NLG leadership's choice, Paul Harris. Votes are apportioned by the number of members a chapter has.

CONVENTION LOGISTICS

Logistical planning for the 37th NLG national convention was by the San Francisco chapter and was coordinated by Logistics Planning Committee which included Linda Sloven, Conci Bokum, Jeff Kupers, Julie Hurwitz, Patti Blum, and Patti Roberts, president of the San Francisco chapter, 558 Capp Street, San Francisco, Calif. 94110, 415-285-5066.

The convention headquarters, and location for workshops and committee meetings was the San Franciscan Hotel while plenary meetings were held in the Nourse Auditorium in the nearby San Francisco Civic Center.

NLG security was strict, with NLG security squads, wearing red badges, checking to insure that no unregistered persons entered meetings. In addition, the NLG provided "security" for its foreign visitors.

It was noted that there was no clear press policy at this convention, with members of both the "straight" press and local and national radical publications of various political orientations being arbitrarily admitted to and banned from the convention's activities apparently at random.

A podium committee kept things moving rather smoothly for an NLG convention, with the chief "burning issue"—the Vietnamese invasion and armed conquest of a neighboring Communist country, Cambodia, and the subsequent invasion of Vietnam by the People's Republic of China—being given less than a half-hour of time cut into a plenary.

Podium committee members included John Quigley, out-going national vice president; Debbie Weimer of the NLG National Office in New York; Conci Bokum, San Francisco; Jeanne Busacca, Southwest regional vice president (RVP); Karen Detamore, incoming Northeast RVP; and Marsha Greenfield, Detroit.

CONVENTION ACTIVITIES

Pre-convention activities opened on Wednesday, February 14, with "skills seminars" for lawyers and law students on immigration law and "Defending Gay Rights." The theme of the 37th national NLG convention was "Attacks on Women and Gays" with a sub-theme of supporting "Native American Struggles."

In style and ideology, many NLG leaders in their mid-thirties seem locked into the 1963–71 movement of dope smoking, campus sit-ins, and street riots with the models for revolution being Havana and Hanoi. NLG men still sport the "freak" hairstyles of Weather-yip days with 2-foot ponytails, while the lesbian "women-identified women" affected the same denim overalls and workshirts seen in 1971 among the members of the Mayday Tribe.

Thursday was the first full day of convention activity with all-day meetings of the NLG's principal task forces, projects and committees. These included the International Committee, the Labor Executive Committee, Law Student Organizing Committee, National Commission on Women's Oppression (NCWO); Committee on Native American Struggles (CONAS); gay rights, legal services, military law, police crimes, housing and antiredbaiting task forces and the coordinators of the NLG's campaign against domestic and foreign intelligence programs.

It was interesting that the chief concern of the "antiredbaiting" meeting was growing hostility to the NLG militants on the part of the American Civil Liberties Union (ACLU) over the NLG's refused to back their support for Frank Collins Nazi march in Skokie, Ill., for the right of prison guards to belong to the Ku Klux Klan and similar issues. The NLG position is that Marxist extremists and totalitarians should not be discriminated against, but that racial extremists and totalitarians should be under restrictions.

The opening plenary in the evening featured a welcoming speech by Patti Roberts, president of the host San Francisco chapter; a speech summarizing NLG activities over the past 18-months by outgoing national president, Henry diSuvero; the keynote speech from past NLG president Catherine Rorabach on "Attacks From the Right on Women and Gays" in which the Briggs initiative in California, the activities of Anita Byrant and child custody discrimination against homosexual parents was viewed with alarm. The most serious danger to women was viewed as the resistance to the equal rights amendment. Roraback, a plaintiff in the NLG lawsuit against the FBI, is documented in FBI reports as having been an officer of CPUSA fronts and of having provided free legal services to CPUSA members in the 1940's and early 1950's. Singer Holly Near, a long-time activist with the Indochina Peace Campaign (IPC) and who was barred from participating in the U.S. delegation to the XIth World Youth Festival in Havana last July on account of her "sexual preference," provided entertainment.

Friday workshops and their leaders included:

Gay rights: Referendums and community organizing—Barbara Handschu; Holly Ladd, chair; Vernell Pratt and Michael Ward.

Immigration: Refugee status and political asylum—Patty Blum and Michael Maggio, cochairs of the NLG Immigration Project's Subcommittee on Refugees and Asylum; Nancy Hormachea; and Peter Schey, Los Angeles Legal Services Foundation.

Adding injury to insult—"to explore the provacative [sic] political and legal questions concerning potential actions (in the field of occupational safety and health) against employers, manufacturers, doctors, clinics, and Federal and State agencies." Anthony Mazzocchi, vice president, Oil, Chemical and Atomic Workers (OCAW); Andrea Hricko; Steve Kavan.

Weber: Legal and mass responses—Gene Eisner, counsel, district 65, Distributive Workers of America; Jack Hartog; Laurie Slavin, EEOC; and Jeanne Mirer.

Fascism and the first amendment—Michael Avery; Buck Davis and Jim McNamara.

Organizing around environmental issues—Steve Metalitz, Charleston, S.C.; Tim Plenk and Beverly Stein, Portland, Oreg. Discussion centered on tactics of community organizing against utility rate hikes; the legal defense of nuclear power plant occupiers in which the Portland, Oreg. NLG chapter has been particularly active by providing legal defense for the members of the Trojan Decommissioning Alliance and Pacific Life Community. Plenk outlined the defense argument of "self-defense" against nuclear power plants, obtaining "expert witnesses" among leading anti-nuclear activists and trying to prove that a nuclear power plant is so intrinsically to dangerous that sit-in demonstrators were justified in their behavior so that trespass and related laws should not be applied.

Native Americans and the struggle for natural resources—Roger Finzel; Paul Centolella; Bruce Ellison.

Abortion/sterilization abuse—Laura Rodriguez; Patsy Parker; Kayla Vaughn; Rhonda Copeland; Barbara Handschu; Barbara Weiner.

Guild FBI lawsuit—Leonard Boudin and Michael Krinsky. Discussed the present status of the case, problems such as the alleged reluctance of judges to turn over to plaintiffs files classified as containing national security material. There was some criticism of the NLG's lack of an aggressive media campaign against the intelligence agencies from Chicago NLG members.

Legal aid and Defender Office organizing—Craig Kaplan, president of the Association of Legal Aid Attorneys of New York City, an affiliate of district 65, DWA; and Mary Ann Massenberg, an organizer for the United Legal Workers of California.

Friday's most controversial event was a presentation by the NLG International Committee on Vietnam and Cambodia which packed a large conference room with some 350 persons. Emotions were high and the Chinese invasion of Vietnam was defended for the Maoists of the Anti-Imperialist Caucus by Al Canfora of the CPML.

The evening's presentation focused on the "Struggle in Tupelo" by the NLG and NCBL in support of the militant United League of North Mississippi. Lewis Myers, NCBL national counsel and an attorney with the North Mississippi Rural Legal Services (NMRLS) then under investigation by the Legal Services Corporation for improprieties in his representation and activities with the United League, was the main speaker. The NLG and its many legal services members called for a letter campaign to the corporation demanding all charges against Myers be dismissed.

Saturday workshops included China trip orientation for the NLG delegation to the People's Republic of China; a Grand Jury Project presentation on the FBI's COINTELPRO activities against "women and gays" in their investigations of terrorist fugitives; Iran; Marxism and the law; the death penalty fight; unemployment; how to organize an NLG chapter office; S. 1437, the new proposed Federal criminal code, and a number of gay and women's issues. Additional workshops were:

Mercenaries: "geared towards persons working with solidarity groups and other types of anti-imperialist organizations." The panel, Ernie Goodman, past NLG president long active in CPUSA fronts and a former counsel for the CPUSA's Michigan District; Marva Moore, president of the Boalt Hall chapters of the NLG and the Black American Law Students Association (BALSA); and Mike Maggio of the DC NLG chapter.

Discussion involved the "use of mercenaries against national liberation struggles" in Angola, Rhodesia, Iran, and Nicaragua. Attention was given to promoting prosecution of U.S. mercenaries, recruiters of mercenaries and those aiding them. A particularly interesting point was that persons who joined the International Brigade to fight on the Communist side in the Spanish Civil War were not considered mercenaries by the NLG workshop because theirs was an ideological commitment, not a monetary transaction to promote imperialism. It was also interesting civilian experts who contract with "imperialist" or "repressive" regimes to provide such services as computer expertise, training on radar or other sophisticated equipment, or to provide instruction in military techniques, were also considered "mercenaries" in the workshop consensus.

Dovetailing with the "mercenaries" workshop was a special meeting in support of the Nicaraguan terrorist Frente Sandinista de Liberacion Nacional (FSLN), and the revolutionary movement in Guatemala.

Led by NLG members Michael Maggio of Washington, D.C.; Robert Cohen, New York City coordinator of the NLG's Purto Rico project; and Kay Stubbs, an organizer on the staff of the Washington Office on Latin America (WOLA), the workshop produced a resolution passed by the NLG's executive committee mandating NLG participation in the National Conference on Nicaragua organized by WOLA on February 24 and 25.

The conference served to coordinate demonstrations for the "National Week of Solidarity with the Nicaraguan People" which was organized in many countries by the World Peace Council apparatus during the week of April 22 to 28.

Parroting the FSLN line, most recently spouted at the United Nations by FSLN spokesman Ernesto Cardenal whose translator for the occasion was a CPUSA functionary named Mike Myerson who currently heads the U.S. Peace Council, the NLG claimed that the United States was sponsoring a coup against President Somoza in order to "perpetuate Somozaism without Somoza."

The NLG is supporting the FSLN solidarity campaign demands to block all forms of economic aid to Nicaragua, particularly bank loans and the Nicaraguan meat import quota.

NLG NATIONAL OFFICERS

As expected, the NLG leadership's choice of national officers—Paul Harris, president; Abby Ginzburg, vice president; and Steve Saltzman, treasurer—were voted into office by the chapter delegates.

Paul Harris, who turned 36 on the day of his election, wrote in his NLG biographical statement that, "I come from an old left background and a new left experience." In 1966 he was a founding member of the first NLG law student chapter since the 1950's at Boalt Hall and with NLG student organizer Ken Cloke organized NLG chapters at other California law schools. Following a summer as a law clerk for Albany, Ga., civil rights lawyer C. B. King, and for a Federal judge, Harris commenced practicing law in San Francisco and was a founder of the Community Law Office.

An initiator of the "Black Rage" psychiatric defense, Harris was co-counsel with Michael Kennedy for Black Panther Party chairman Huey Newton in his recent trials for assault and murder (in the first, the complainant changed his testimony and in the second, the jury was deadlocked). Harris has remained a leading activist in the San Francisco NLG chapter and became a member of the national leadership in 1975.

Harris embodies the NLG leadership's determination to prevent controversial international issues from splitting the NLG as was threatened at the 1977 Seattle convention and the February 1978 NEB meeting in Washington, D.C. The question of NLG endorsement of the Palestine Liberation Organization (PLO) is now an accomplished fact, and protests at the Sunday morning meeting of the Middle East Subcommittee of the International Committee were virtually nil, with discussion focusing on distribution of the NLG's report condemning alleged violation of human rights by Israel that was presented at a Washington, D.C., press conference organized by Bill Schapp, president of the DC NLG chapter and a leader of Philip Agee's Covert Action Information Bulletin group.

The NLG's Jewish activists were given time to present a workshop on anti-semitism as an appeasement gesture.

As for the very hot Sino-Soviet dispute, the discussions and debate centered on the Vietnamese invasion of Cambodia, with Havana/Moscow/Hanoi backers arguing it was a "humanitarian" gesture against an oppressive regime. Rigid convention rules prevented the dispute from taking over plenary time.

Additional controversial proposals from the Castroite sector led by the Cuba Subcommittee—headed by lawyers who are agents of the Cuban government such as Victor Rabinowitz, Leonard Boudin, Mike Krinsky, Alan Dranitzke and including Hal Mayerson, Bill Schaap and Ellen Chapnick—to open a lobbying office and engage in "Break the blockade" work for Cuba.

Wrote Harris:

> The Guild is a mass organization. By that I mean there is no screening of members, and no unified political line. We are also a legal organization. * * * It is no accident that the Guild is forty-two years old. For in a bourgeois democracy, the struggle of the masses are often channeled into legal arenas.

After attacking "sectarianism" which places "theory over practice, debate over program," and "liberalism" which he defined as "putting primary focus on working within the established and safe political process * * * [and] * * * relying ultimately on the social reform wing of the state, and in the process compromising or hiding one's principles," Harris continued:

> At this point, you may well ask me, what the hell do you think is the answer, the golden mean, the red brick road that will lead us to the Winter Palace. I confess * * * I do not know."

And regarding the Cuban "Break the Blockade" proposal, Harris wrote:

> My guts say support the Cuban Revolution. But my argument in the Guild has been that international work should have a legal component. Consequently, I would like to hear what the Guild could offer to a Break the Blockade effort that could not be done by a different mass organization.

Abby Ginzburg, national vice president, now works in Washington, D.C., for the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA). For 5 years she was a member of Harris' Community Law Office collective. In her statement to the NLG, Ginzburg wrote she joined the NLG in 1972 while a student at Hastings.

Ginzburg wrote that her first national NLG activity was at the 1973 33d NLG convention in Austin, Tex. She continued:

> I have been to all national meetings since with the exception of the New Brunswick N.E.B., * * *. Over the course of the last six years I have participated in a variety of national committees and projects, including Grand Juries, Prison, International and more recently Labor and Puerto Rico. * * * I was also a member of the SF [San Francisco] Executive Board for the past four years; an active member of the SF International Committee and helped organize the Felony Trial Clinic. I recently moved to DC where I am continuing to work on the DC Executive Board and International Committee.

Ginzburg was a member of the NLG delegation to the Peoples Republic of China. Noting that—

> International work has played a very significant role in the recent past, in part because of our increased understanding of the nature and scope of U.S. imperialism."

Ginzburg cautions the NLG about getting involved in bitter international controversies and admits that—

> As a result * * * of the Middle East debate we have suffered some casualties.

Ginzburg's statement concluded:

> Please feel free to contact me with your ideas, suggestions and feedback. Write to me at 1203 Newton Street, N.W., Washington, D.C. 20010.

Steve Saltzman, the new national treasurer, has been working for the Legal Aid Society of Cleveland since he graduated from law school in 1974. He wrote that he has been an NLG member since his first year of law school in Chicago in 1972 and attended the Austin convention. Since moving to Cleveland in June 1974, Saltzman said:

> I have attended all national meetings except the San Francisco NEB in Feb. 1975 and all but one regional conventions * * *.

He has been active in organizing the NLG's Legal Services Task Force, the minority legal services task force, and the affirmative action committee. He has also been active in aiding the Teamsters for a Democratic Union (TDU) which with Upsurge and other Teamster militant rank and file groups he noted have "laid the groundwork for the potential of a nationwide Teamsters strike in 1979."

NLG President Paul Harris' statement has provided the keynote for NLG activity during the next 18 months:

> I believe that capitalism strikes on all fronts. At times the cutting edge may be selective service and military work, at times criminal defense, at other times it could be two or three areas. Without approving a 'scattergun' approach I will support Guild members working in any area of conflict with the state * * *.

RESOLUTIONS

Among the resolutions passed at the NLG national convention and national executive committee (NEC) meeting on February 19, 1979, of the national officers, regional vice presidents (RCP's), the representative of the national finance committee (NFC) and the full-time members of the NLG National Office (NO) staff included:

Expansion of the Police Crimes Task Force to the National Committee on Government Repression and Police Crimes. Defining "police crimes" as "surveillance, infiltration, disruption and harassment of political groups," the committee will set up a brief bank and clearinghouse within the NLG for use against Federal and local intelligence agencies including the Law Enforcement Intelligence Unit (LEIU); and will coordinate NLG work with the Center for National Security Studies (CNSS), Campaign for Political Rights (formerly the Campaign to Stop Government Spying), the American Friends Service Committee (AFSC) Program on Government Surveillance and Political Rights—co-chaired by the NLG's Margaret Van Houten, a veteran of Counter-Spy—and the American Civil Liberties Union (ACLU).

A resolution in support of Iranian revolutionaries calling for NLG support of Iranian militants faced with deportation and the sending of "a message of solidarity to the Iranian people by way of Radio Iran." The "whereases" gave a clear indication of the NLG's continuing support for revolutionary armed struggle and loathing of the U.S. Government, stating in part:

> Whereas the heroic struggles of the Iranian people have succeeded in crushing the Shah's U.S.-backed regime; whereas a large segment of the Iranian people have taken up arms to defend the achievements of their revolution; Whereas the revolution in Iran today is a major defeat for U.S. imperialist policy throughout the world * * *.

The Military Law Task Force, another project involving Bill Schaap, produced resolutions for NLG involvement in the campaign to block any congressional reinstatement of Selective Service registration stating "the objective of such plans is to increase the ability of U.S. imperialism to mobilize to protect corporate interests worldwide against national liberation and other struggles which would jeopardize those interests;" and in support of U.S. withdrawal from military bases in the Philippines that "serve as a visible support for the Marcos dictatorship and as springboards for U.S. military intervention in Southeast Asia, Asia and the Middle East."

A resolution backing an NLG move to take control of the Legal Services Corp. by selecting and recommending candidates for the post of president of the corporation in cooperation with the NCBL and La Raza lawyers association was adopted unanimously.

Additional resolutions included NLG support for the SWP's efforts to block deportation of Mexican alien Hector Marroquin wanted on charges of armed robbery and murder; support for the Amalgamated Clothing and Textile Workers Union's J. P. Stevens organizing drive; backing efforts to repeal right-to-work laws; support for mass demonstrations against the Weber against Kaiser Aluminum case; and for a lobbying compaign to urge the President to sign the Optional Protocol of the United Nations Covenants on Human Rights that would commit the United States to abiding by decisions of a U.N. committee hearing human rights appeals brought by individual U.S. citizens and to urge the Senate to ratify the U.N. Human Rights Covenant which stipulates governments must provide food, clothing, health care and education to the people to implement human rights.

APPENDIX I

PERSONS IDENTIFIED AS PARTICIPATING IN ACTIVITIES OF THE NLG 37TH NATIONAL CONVENTION

(Phonetic)

Robert Altman, Southern Prisoners Regional Defense Fund.
Joan Andresson, CRLS, Los Angeles.
Chris Arguedas, CCR, N.Y.
Mike Avery, Boston.
Linda Dackiel, Grand Jury Project, N.Y.
Nina Balsam, St. Louis.
Dennis Banks, AIM.
Francisco Barba.
Ted Barrows.
Phyllis Bennis, Los Angeles.
Judith Berkan, Puerto Rico Project, San Juan.
Joan Black.
Bill Blum.
Patty Blum.
Conci Bokum, San Francisco.
Vernon Bellecourt, AIM.
Leonard Boudin, N.Y.
Sam Buffone, Houston.
Elizabeth Bunn, Detroit.
Bob Burkett, Los Angeles.
Jeanne Busacca, Southwest RVP.
Humberto Camacho, United Electrical.
Al Canfora, The Call.
Paul Centolella.
Ellen Chapnick, N.Y.
Judy Chomsky, Philadelphia.
Marilyn Celment, CCR, N.Y.
John Clinebell, Wash.
Jeff Cohen.
Robert Cohen, Puerto Rico project, N.Y.
Matt Coles.
Sandy Colliver, Berkeley.
George Conk, N.J.
Grant Crandall, RVP-South, Charleston, W. Va.
Penny Crandall, Charleston, W. Va.
Candy Culin, National Office, N.Y.
Theresa Cooper, BALSA.
Dennis Cunningham, Chicago.
Buck Davis, Detroit.
Emily De Falla, San Francisco.
Karen Detamore, Philadelphia.
Mike Deutsch, Chicago.
Hank di Suvero, Los Angeles.
Jim Douglas, Seattle.
Alan Dranitzke, D.C.
Dick Elden, Los Angeles.
Eugene Eisner, N.Y.
Bruce Ellison.
Mike Eng.
Linda Erickson, Eugene, Oreg.
Marge Fargo, National Jury Project.
Roger Finzel, N.Y.
Alan Freeman, Minnesota.
Peter Gabel, New College of Law.
Kit Gage, Southern Regional office, Atlanta.
Kathy Galvin, Boston.
Naftali Garcia, Puerto Rico.
Peggy Gannon.
Lynn Gellenbeck, Cincinnati.
Bob Gibbs, Seattle.
Ann Fagan Ginger, Berkeley.

Abby Ginzburg, D.C.
Amy Gladstein, N.Y.
Larry Glodine, San Francisco.
Nancy Goldhill, N.Y.
Ron Good.
Bill Goodman, Detroit.
Ernie Goodman, Detroit.
Victor Goode, NCBL.
Kathy Gmeiner, National Office.
Sunny Graff.
Marsha Greenfield, Michigan Legal Services, Detroit.
Sam Gross, San Francisco.
Susan Gzesh, Migrant Legal Services, St. Paul.
Jeff Haas, Chicago.
Sasha Harmon, Seattle.
Barbara Handschu, Mideast RVP, Buffalo.
Paul Harris, San Francisco.
Jack Hartog, D.C.
Neil Herring, Los Angeles.
Luke Hiken, Los Angeles.
Barbara Hoenig, Los Angeles.
Nancy Hormachea, Houston.
Jackie Huber, Minneapolis.
Linda Huber, D.C.
Nan Hunter.
Julie Hurwitz, San Francisco.
David Kairys, Philadelphia.
Elizabeth Kane.
Ann Kanter, Sacramento.
Don Jellenick, Berkeley.
Craig Kaplan, president, Assn of Legal Aid Attys, N.Y. (District 65).
Dennis Keating, Oakland.
Elissa Krause, N.Y.
Mike Krinsky, N.Y.
Janet Kropp, Los Angeles.
Robb Kropp, Los Angeles.
Jeff Kupers, San Francisco.
Mary Kaufman, N.Y.
Holly Ladd.
Jim Larson, San Francisco.
Jim Leach, San Jose.
Jeff Lewis, CRLA Project.
Jan Leventer, Detroit.
Joe Lipofsky, N.Y.
Regina Little, N.J., treasurer, Nat'l Organization of Legal Services Workers.
Craig Livingston, Newark.
Eddie Luban, Boston.
John Mage, San Francisco.
Michael Maggio, D.C.
Holly Maguigan, Philadelphia.
Ann Manley, Columbus.
Ben Margolis, Los Angeles.
Maryann Massenberg, United Legal Workers.
Dan Mayfield, National Office.
Hal Mayerson, N.Y.
Judy Mead, D.C.
Steve Metalitz, Charleston, S.C.
Lewis Meyers, NCBL.
Bruce Miller, Los Angeles.
Jeanne Mirer, Detroit.
Marva Moore, president, Boalt Hall, BALSA & NLG, Berkeley.
Carol Oppenheimer, D.C.
Doug Parr, Oklahoma City.
Arnie Pedowitz, N.Y.
Tim Plenk, Portland, Oreg.
Martin Popper, N.Y.
Vernell Pratt, Seatle.
John Quigley, Columbus.
Victor Rabinowitz, N.Y.
Jane Rasmussen, Puerto Rico project.
Marge Ratner, N.Y.
Michael Ratner, N.Y.
Andy Reid, Menominee Defense/Offense.
Jenny Rhine.
Pat Richards, San Francisco.
Dennis Riordan.
Jim Roberts, Illinois.
Patti Roberts.
Laura Rodriguez, San Francisco.
Catherine Roraback, New Haven.
Melinda Rorick, PFOC & NLG-Native American Committee.
Michael Romero, La Ruza Legal Alliance.
Rand Rosenthal, Rutgers, Camden.
Jordan Rossen, UAW.
Peter Rubin, San Francisco.
David Rudovsky, Philadelphia.
Betty St. Clair, N.Y.
Steve Saltzman, Cleveland.
Bill Schaap, D.C.
Peter Schey, Los Angeles.
Liz Schnieder, CCR, N.Y.
Sunsan Schneur, Atlanta.
Judy Scott, Detroit.
Frank Sholchet, Seattle.
Jeff Segal, D.C.
Evelyn Shapiro, Vanguard Foundation.
Franklin Siegel, N.Y.
Mara Siegel, Chicago.
Al Sigman, CRLA project.
Gary Silberger, Los Angeles.
Laurie Slavin, EEOC.
Keith Snyder, D.C.
Carol Sobel, Los Angeles.
Dick Soble, Detroit.
Doug Sorensen, CONAS.
Tom Steel, San Francisco.
Beverly Stein, Portland, OR.
Bill Steiner, MALDEF, Los Angeles.
Ken Stern, Denver.
Joe Stewart, D.C.
Carol Stickman.
Kay Stubbs, D.C. and an organizer of the Washington Office on Latin America (WOLA).
Rita Swencionis.
Ann Taylor.
Mary Alice Theiler, Seattle.
Eugene Tomine.
Chuck Turchick, Minneapolis.
Kathy Tumber, Detroit.
Margaret Van Houten, Philadelphia.
Robert Van Lierop, N.Y.
Kayla Vaughn, St. Louis.
Frank Viehman, Denver.
Alan Vomacka, Houston.
Doris Brin Walker, San Francisco.
Mike Ward, San Francisco.
Gloria Weil-Herrera, Los Angeles.
Debbie Weimer, National Office.
Doron Weinberg, San Francisco.
Barbara Weiner, San Francisco.
Patricia Weiss-Fagan, former member of the staff of the Center for International Policy (CIP), D.C.
Judy Wilson, San Francisco.
Mike Withey, Seattle.
Barbara Wolvovitz, Rutgers.
Diane Wood, San Francisco.
Evette Wyman.
Kate Yavenditti, Los Angeles.
Eli Zaretsky.
Karin Zweig, Boston.

APPENDIX II

GUILD PROJECTS

(A listing of National Lawyers Guild projects as described by the Guild in their publication, "Law for the People: An Alternative for Law Students." 1978.)

WHAT DOES THE NATIONAL LAWYERS GUILD DO?

The Guild provides a forum for progressive legal people to communicate with and learn from each other, enhancing the effectiveness of their work. Guild members work on cases in all areas of criminal and civil law. There are national projects in many of these areas.

The National Labor Project publishes the "Labor Newsletter," which reports on struggles of rank and file workers across the country and provides legal and political analysis of labor issues. To assist attorneys, the Project maintains a brief bank of important cases and is preparing a labor law manual. The Project is currently establishing a national center to aid in labor organizing.

The National Immigration Project has published the Immigration Defense Manual—the first book of its kind. In addition, the Project publishes a bimonthly newsletter on developments in immigration law and other immigration issues (such as the Carter "amnesty" proposal). Members of the Project provide education for community organizations and legal people, and represent aliens facing deportation and other immigration problems.

The National Committee on Women's Oppression coordinates Guild work against sexism. NCWO has programs in the areas of abortion rights, battered women, and sterilization abuse, and has been active in fighting for passage of the Equal Rights Amendment. Like other Guild projects, NCWO publishes a newsletter with reports on work in these areas as well as articles on important women's rights cases.

The International Committee coordinates Guild activity in support of national liberation movements throughout the world. Southern Africa is currently a major focus of this work, but Guild members have participated in international conferences and have acted as legal observers to political trials in Spain, Chile, Iran, Israel, and other countries as well. The Committee also coordinates international travel; in recent years Guild delegations have visited Vietnam, China, Cuba, Puerto Rico, and the Middle East.

The Committee on Native American Struggles is active in struggle of Indian people for democratic rights, self-determination, and tribal sovereignty. CONAS works closely with other Native American support groups to fight attempts to erode fishing, land use, and other treaty rights. Members have also participated in international conferences and written papers on treaty issues.

The Police Crimes National Committee has recently published the Police Misconduct Litigation Manual, which assists attorneys whose clients have been victimized by the police. Committee members present seminars and other programs on police abuse issues, participate in anti-repression coalitions, and doing work around secret police and surveillance issues.

The Puerto Rico Legal Project operates a law office in Puerto Rico, with backup provided by Guild members in several East Coast cities. The Project provides legal support to the labor and independence movements on the island, and it helps educate progressive Puerto Rican attorneys in U.S. Federal practice. Among the Project's major cases have been the representation of striking electrical workers, and fishermen fighting U.S. Navy shelling of their island. The Project also publishes a legal review, the *Puerto Rican Journal of Human Rights*.

The Anti-Death Penalty Project was established to fight the growing efforts to reinstitute the death penalty. The Project places student interns in capital cases. It is developing a brief bank and library on death penalty issues and is also researching the discriminatory application of the penalty.

The Grand Jury Project continues the Guild's long history of combatting the use of grand juries to attack political dissidents. The Project publishes "Quash," a bimonthly newspaper, represents people facing grand jury harassment, assists counsel in grand jury cases, and has published a legal manual in grand jury practice.

The National Prison Committee represents a commitment by the Guild to support the prisoners' movement. In addition to providing legal assistance to prisoners, members of the Committee do educational work and organizing around prison issues such as prison conditions, behavior modification, and prison expansion.

In the last several years the Guild has set up Task Forces to develop national programs in a number of crucial areas.

The Minority Legal Resources Task Force coordinates Guild work on the issue of affirmative action. Recently this work has focused on the Bakke case the Guild participated in several amici briefs to the Supreme Court in the case; sponsored forums and debates; and participated in rallies and coalitions with other organizations fighting to overturn the decision. In addition, Guild members are fighting to expand special admissions programs for minority students at law schools across the country. In all these activities, the Task Force works to improve the Guild's ties with minority legal organizations.

The Legal Services Task Force is a network of Guild members who are legal services attorneys and legal workers. The Task Force is playing an active role in the effort to unionize legal services programs, an effort which includes issues like program structure and quality of representation as well as more common issues of employment conditions.

The Military Law Task Force publishes "On Watch," a newsletter on military law. Members support organizing work among G.I.'s and do legal work around discharge upgrading, military discipline, and other important issues affecting servicepeople.

The Gay Rights Task Force is developing litigation materials to help fight discrimination against gay people in such areas as parental custody, employment, and housing. Members of the Task Force are active in the current rash of battles over gay rights ordinances.

The Housing Task Force publishes a newsletter with articles on rent control, tenant organizing, "cooping," and other issues in housing law. The Guild is a co-producer of Shelterforce, a national newspaper on housing issues.

APPENDIX III

(Chapters of the National Lawyers Guild as listed in their publication, GUILD NOTES in April 1979:)

Alabama N.L.G., P.O. Box 141, Montgomery, AL 36101.

Ann Arbor N.L.G., Hutchins Hall, Ann Arbor, MI 48104.

Antioch N.L.G., Antioch Law School, Box 258 1624 Crescent Place, Washington, D.C. 20009.

Athens N.L.G., Box 2563, University Stn., Athens, GA 20602.

Atlanta N.L.G., c/o Amy Totenberg, 1500 Healey Bldg., 57 Forsyth St., N.W., Atlanta, GA 30303, (404) 523-4611.

Austin N.L.G., Townes Hall, Room 109, 2500 Red River, Austin, TX 78705.

Baltimore N.L.G. c/o Morgan, 3125 No. Calvert St., Baltimore, MD 21218.

Bloomington N.L.G., Indiana University Law School, Bloomington, IN 47401.

Brooklyn Law School N.L.G., Brooklyn Law School, 250 Joralemon St., Brooklyn, N.Y. 11201.

Buffalo N.L.G., J. Lord O'Brien Hall, P.O. Box 88, S.U.N.Y., Buffalo, N.Y. 14260.

Central Arizona N.L.G., Ariz. State Univ. Law School, Tempe, AZ 85281.

Champaign-Urbana N.L.G., c/o Sandy VandeKauter, 105 East Chalmers, No. 203, Champaign, IL 61820.

*Charlottesville N.L.G., c/o Sean Delaney, Legal Assistance Society, Univ. of Va. Law School, Charlottesville, VA 22901.

Chicago N.L.G., 343 South Dearborn, No. 918, Chicago, IL 60604, (312) 939-2492.

Cincinnati N.L.G., P.O. Box 3156, Cincinnati, OH 45201.

Cleveland N.L.G., Cleveland-Marshall College of Law, Cleveland, OH 44115.

Columbus N.L.G., P.O. Box 3329, Columbus, OH 43210. (614) 299-1592.

Dayton N.L.G., c/o Bob Oakley, 201 Irving Ave., Dayton, OH 45409.

Denver N.L.G., 1764 Gilpin, Denver, CO 80218, (303) 320-4071.

Des Moines N.L.G., c/o Allen, Babich, Bennett, 102 East Grand, Ste. G101, Des Moines, IA 50309.

Detroit N.L.G., 1308 Broadway, No. 704, Detroit, MI 48226, (313) 963-0843.

East Kentucky N.L.G., c/o Goldman and Sutherland, 729 East Main St., Lexington, KY 40502.

East Tennessee N.L.G., Univ. of Tenn. Law School, 1505 W. Cumberland Ave., Knoxville, TN 37916.

East Texas N.L.G., c/o Robin Collins, Box 1848, Nacogdoches, TX 75961, (713) 560-2014.

Eugene N.L.G., Law Center, Room 115, Univ. of Oregon, Eugene, OR 97403.

*Gainesville N.L.G., c/o David Sobell, 3037 S.W. Archer Rd., Gainesville, FL 32608.

Hofstra N.L.G., Hofstra Univ. Law School, Hempsted, NY 11550.

Houston N.L.G., 210 "C" Stratford, Houston, TX 77006, (713) 522-7362.

Iowa City N.L.G., Univ. of Iowa Law School, Iowa City, IA 52240.

*Jacksonville N.L.G., c/o Mark Greenberg, Legal Services, 604 Hogan St., Jacksonville, FL 32202.

Kansas City N.L.G., c/o Steve Chin, 330 North 17th St., Kansas City, KS 66102.

Lansing N.L.G., P.O. Box 18232, Lansing, MI 48901.

Lawrence N.L.G. c/o Marilyn Harp, 205 Pinecone, Lawrence, KS 66044.

Louisville N.L.G. Box 3598, Louisville, KY 40201.

Madison N.L.G. Univ. of Wis. Law School, Madison, WI 53706.

Massachusetts N.L.G. 595 Mass. Ave., Cambridge, MA 02139, (617) 661-8898.

*Memphis N.L.G. c/o Bill Van Wyke, E. Arkansas Legal Services, P.O. Box 1149, W. Memphis, AR 72301.

Miami N.L.G. c/o Irwin Stotsky, Univ. of Miami Law School, Box 24807, Coral Gables, FL 33124.

Mid-Hudson N.L.G. c/o Pierette Williams, 293 Wall St., UPO Box 3783, Kingston, N.Y. 12401.

Milwaukee N.L.G. 536 W. Wisconsin Ave. No. 300, Milwaukee, WI 53203, (414) 273-1040.

*Mississippi N.L.G. c/o Pat O'Roarke, 947 Bellevue Pl., Jackson, MI 39201.

National Office, N.L.G. 853 Broadway, Room 1705, New York, N.Y. 10003, (212) 260-1360.

*Nashville N.L.G. c/o David Lambert, 1216 16th Ave. S., Nashville, TN 37212.

Nebraska N.L.G. c/o D. A. Walker, 309 West Rio Road, Lincoln, NE 68505.

New Hampshire N.L.G. Franklin Pierce Law Ctr., 2 White St., Concord, N.H. 03301.

New Jersey N.L.G. 108 Washington St., Newark, N.J. 07102.

New Mexico N.L.G. c/o Peggy Nelson, P.O. Box 1086, Taos, N.M. 87571.

New Orleans N.L.G. c/o Mary Howell, 806 Perdido, Suite 401, New Orleans, LA 70112.

New York City N.L.G. 853 Broadway, New York, N.Y. 10003, (212) 673-4970.

N.Y.U.—N.L.G. N.Y.U. Law School, 40 Washington Square South, New York, N.Y. 10012.

North Carolina N.L.G., c/o Ken Quat, 109 Taylor St., Chapel Hill, N.C. 17514, (919) 929-8067.

N. Conn. N.L.G., 487 Main Street, Suite 2, Hartford, CT 06103.

Notre Dame N.L.G., c/o Dave Crossett, Notre Dame Law School, Notre Dame, IN 46556.

Oklahoma N.L.G., c/o Doug Parr, Univ. of Okla. Law School, Monnet Hall, Norman, OK 73069, (405) 232-2512.

Philadelphia N.L.G., 1425 Walnut Street, Philadelphia, PA 19102.

Pittsburgh N.L.G., Univ. of Pitt. Law School, Forbes & Bouquet Streets, Pittsburgh, PA 15260.

Portland N.L.G., 519 S.W. 3rd, #418, Portland, OR 97204.

Puget Sound N.L.G., Univ. of Puget Sound Law School, 8811 S. Tacoma Way, Tacoma, WA 98401.

Rutgers-Camden N.L.G., c/o Jim Hely, 20 Stoneleigh Park, Westfall, N.J. 07090.

Rutgers-Newark N.L.G., Rutgers Law School, 180 University Ave., Newark, N.J. 07102.

Sacramento Valley N.L.G., P.O. Box 1534 (056) Sacramento, CA 95807.

St. Louis N.L.G., P.O. Box 4269, St. Louis, MO 63163.

San Diego N.L.G., c/o Judy Digennaro, 2127 54th Street, San Diego, CA 92105.

S.F. Bay Area N.L.G., 558 Capp Street, San Francisco, CA 94110 (415) 285-5066.

San Joaquin Valley N.L.G., c/o Doug Rippey, 212 North Echo, Fresno, CA 93701.

Santa Clara Valley N.L.G., 255 E. William St., San Jose, CA 95112.

Seattle N.L.G. (035), 1206 Smith Tower, Seattle, WA 98104, (206) 622-5144.

South Carolina N.L.G., c/o Steve Metalitz, 89 Warren St., Charleston, SC 29402 (803) 577-3170.

Southern Arizona N.L.G., P.O. Box 3554, Tucson, AZ 85722.

Southern California N.L.G., 712 South Grandview, Los Angeles, CA 90057, (213) 380-3180.

Southern Illinois N.L.G., P.O. Box 657, Carbondale, IL 62901.

Southern Region Office, P.O. Box 582, Charleston, S.C. 19401, (803) 723-8935.

Spokane N.L.G., c/o Neil Sarles, Inst. Legal Services Proj., Eastern State Hosp., Box A, Medical Lake, WA 99022.

Syracuse N.L.G., Syracuse U. College of Law, Syracuse, New York 13201.

Toledo N.L.G., c/o John Coyne, 2340 Oak Harbor Rd., Fremont, Ohio 43420.

Temple Univ. N.L.G., 1427 Walnut St., Philadelphia, PA 19102.

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Valparaiso N.L.G., c/o John Johnson, Valparaiso Law School, Valparaiso, IN 46383.

Vermont N.L.G., P.O. Box 536, South Royalton, VT 05068.

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Washington, D.C.—N.L.G., P.O. Box 29211, Washington, D.C. 20017.

Wayne State N.L.G., Wayne State U. Law School, Detroit, MI 48202.

West Virginia N.L.G., c/o David Grabill, 808 Union Bldg., Charleston, W. Va. 25301.

West Texas N.L.G., c/o Steven Owen, 1978 10th St. No. C, Lubbock, TX 79401.

Yale N.L.G., Box 98, Yale Law School, New Haven, CT 06515.

FOOTNOTE

*There is not yet a chapter in this state/city, but the person listed has agreed to act as Guild contact for this area.●

GAO ACCESS TO EXECUTIVE BRANCH INFORMATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues recent statements given to me by the National Security Council and the State Department stating reasons for denying information regarding foreign arms sales to the General Accounting Office and a legal memorandum prepared by the American Law Division of the Congressional Research Service regarding GAO access to executive branch information.

The CRS statement prepared by Richard Ehlke, legislative attorney for the American Law Division, concludes that in the absence of a claim of executive privilege by the executive branch that there are not good grounds for denying policymaking information not directly concerned with expenditures of funds to the GAO.

The statements of the State Department and the National Security Council and the CRS legal paper follow:

COMMITTEE ON FOREIGN AFFAIRS,
April, 1979.

Question posed by Congressman Lee H. Hamilton concerning the legal authority for denying information to GAO:

What is your legal basis for denying the Comptroller General any information?

Answer submitted by Under Secretary of State for Security Assistance, Science and Technology, The Honorable Lucy Wilson Benson:

The statutes governing GAO access to department records (31 U.S.C. sec. 54) extend only to provide unqualified access to records relating to the expenditure of government funds in the course of financial audits conducted by the GAO. The history and context of section 54 make clear that it was not intended to provide such unqualified access to records and papers related solely to policy formulation and implementation. Thus, while the Department's firm policy is to cooperate as fully as possible with the GAO surveys and studies of United States Government policies and their execution, it is our policy to safeguard appropriately access to internal memoranda reflecting individual, bureau, and agency views and recommendations leading to final policy decisions.

NATIONAL SECURITY COUNCIL,
Washington, D.C., April 19, 1979.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Dr. Brzezinski has asked me to reply to your letter of March 1, 1979, on the subject of the recent General Accounting Office study of the arms sales process. I regret the delay in responding to you, but the questions you posed required discussions with a number of National Security Council Staff members, including one individual who has since left the Staff.

Our general policy regarding GAO investigations is that we cooperate as fully as possible with the investigators, and that we provide relevant information unless it is (1) policy deliberative, (2) *especially* sensitive from a national security perspective, or (3) provided in confidence by another agency. I underscore the word "especially," because the fact that information is classified does not prevent providing it to the GAO in the great majority of cases.

In the arms sales investigation, members of our Staff *did* meet with the GAO investigators, and, I am told, did discuss the cases under review to the extent permitted by our general policy. However, by the time the investigators approached the NSC, they had obtained quite a bit of information from the agencies, with the result that mostly policy deliberative information was sought at this level. In order to foster full, frank, and open discussion within the Executive branch on future policy issues, we judged it best not to divulge either agency positions or recommendations to the President on these cases. Thus, there was very little additional information that our Staff could provide.

If the GAO investigators believe that they did not receive information that should have been provided under our general policy, please have them contact me. Also, if I may be of further assistance to you, please do not hesitate to contact me.

Sincerely,

CHRISTINE DODSON,
Staff Secretary.

Hon. ZBIGNIEW BRZEZINSKI,
Assistant to the President for National Security Affairs, National Security Council, Old Executive Office Building, Washington, D.C.

DEAR MR. BRZEZINSKI: On May 30, 1978, I requested the General Accounting Office to conduct a study of the arms sales process with a view to determining at what early stage of an arms sales cycle Congress might receive information in order to improve its own review procedures. In order to accomplish this task, it was necessary for the GAO to obtain information from several Executive branch agencies which are involved in the arms transfer process, including the National Security Council.

The GAO testified before the Committee on Foreign Affairs Subcommittee on International Security and Scientific Affairs on February 23, 1979, that "National Security Council staff refused to even discuss the cases with us," referring to the specific arms sales cases that the GAO had selected to review in order to undertake its report.

I would like to know if this assertion is accurate and what procedures exist for NSC assisting the GAO in a Congressional inquiry. Other questions need answers:

Why did NSC staff refuse to discuss the work GAO was undertaking for a Congressional committee?

On what authority and on what legal basis did NSC staff apparently refuse to meet with GAO on this study?

I would appreciate an early reply to these questions.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., April 25, 1979.

To House Foreign Affairs Committee.
From American Law Division.
Subject GAO Access to State Department Records.

Enclosed please find a report on GAO access to executive branch information.

The report was prepared in response to your request for an analysis of the scope of 31 U.S.C. 54, an access-to-records provision, and the State Department's reliance on that statute as authority to deny access to GAO. The precise nature of the documents sought and the particular investigative interest of the GAO was not discussed. The report thus speaks in general terms regarding the scope of GAO access to information. If further analysis is desired, please contact us.

RICHARD EHLKE,
Legislative Attorney.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C.

GAO ACCESS TO EXECUTIVE BRANCH INFORMATION

The General Accounting Office has been denied access by the State Department to documents relating to arms sales. In response to a question from a member of Security and Scientific Affairs, a department representative supplied the following authority for denying information to GAO:

The statutes governing GAO access to departmental records (31 U.S.C. sec. 54) extend only to provide unqualified access to records relating to the expenditure of government funds in the course of financial audits conducted by the GAO. The history and context of section 54 make clear that it was not intended to provide such unqualified access to records and papers related solely to policy formulation and implementation. Thus, while the Department's firm policy is to cooperate as fully as possible with the GAO surveys and studies of United States Government policies and their execution, it is our policy to safeguard appropriately access to internal memoranda reflecting individual, bureau, and agency views and recommendations leading to final policy decisions.

31 U.S.C. 54, part of the Budget and Accounting Act of 1921, provides that

All departments and establishments shall furnish to the Comptroller General such information regarding the powers, duties, activities, organization, financial transactions, and methods of business of their respective offices as he may from time to time require of them; and the Comptroller General, or any of his assistants or employees when duly authorized by him, shall, for the purpose of securing such information, have access to and the right to examine any books, documents, papers, or records of any such department or establishment. The authority contained in this section shall not be applicable to expenditures made under the provisions of section 107 of this title.

On its face, the provision's language is not limited to "records relating to the expenditure of government funds in the course of financial audits" but embraces records regarding the "power, duties, activities, [and] organization" of the various departments and establishments of the executive branch. The term "activities" arguably envisions more comprehensive review of agency records by GAO than would normally be encompassed within a traditional financial audit.[1] Furthermore, the provision does not differentiate between factual information and "records and papers related solely to policy formulation and implementation". Thus, even if 31 U.S.C. 54 is limited to records relating to the expenditure of government funds sought in the course of a financial audit, the fact that the records are internal policy memoranda does not automatically disqualify them from coverage if relevant to the purpose of the access provision.

It is true that 31 U.S.C. 54 was part of the original 1921 Budget and Accounting Act, enacted at a time when GAO's and the Comptroller General's functions were conceived to be narrower than they are today.[2] However, legislation enacted in the intervening 50 years has greatly expanded the role of GAO. The Legislative Reorganization Act of 1946, 31 U.S.C. 60, authorizes the Comptroller General to "make an expenditure analysis of each agency in the executive branch of the Government (including Government Corporations), which, in the opinion of the Comptroller General, will enable Congress to determine whether public funds have been economically and efficiently administered and expended." The Legislative Reorganization Act of 1970 and the Congressional Budget and Impoundment Control Act of 1974 added duties to GAO which solidified its position as an arm of the Congress in matters extending beyond financial auditing. Pursuant to 31 U.S.C. 1154, the Comptroller General is to "review and evaluate the results of Government programs and activities carried on under existing law . . ." GAO was thus to be "the principal supplementary staff for assistance to committees in their analysis of existing agencies and activities" and was envisioned as "an arm of the Congress in examining and analyzing the activities of existing Federal programs and in the budget evaluation process generally."[3] The 1974 Congressional Budget Act expanded GAO's role in assisting committees with their program evaluation and oversight function.[4]

Thus, GAO not only performs traditional fiscal audits, but conducts so-called management audits and program evaluation and analysis. It defines the term "audit" as including more than just verification of accounts, transactions, and financial statements but as a concept which also embraces "[c]hecking for compliance with applicable

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Footnotes at end of article.

laws and regulations; examining the efficiency and economy of Government operations; and determining the extent to which the desired results have been achieved."[5] This description of GAO's functions comports with its statutory mandates and is reflected in the tasks assigned to it by committees of Congress.

While the duties and responsibilities of the GAO have been expanding, the access-to-records provision, 31 U.S.C. 54, has remained untouched. Periodic controversies—similar to the one in question—have arisen over the sufficiency of the authority in 31 U.S.C. 54 to procure records and information from agencies in the course of the GAO's expanded review and evaluative responsibilities. However, several arguments can be made that the GAO does have broad authority, under 31 U.S.C. 54 or other statutes, to gain access to agency records. As discussed above, the language of the access provision can be interpreted to encompass more than merely factual financial information needed for a fiscal audit. In addition, the Comptroller General argues that access necessary to achieve the statutory directive is implicit in the new authorities vested in the GAO.[6] Congress has not felt the need to revise 31 U.S.C. 54 or provide new access authority every time it has given the GAO new oversight responsibilities or when disclosure problems have arisen.[7]

The consistent interpretation by the Comptroller General of the breadth of the access provision is entitled to great weight as an administrative interpretation, particularly when such interpretation has been voiced before Congress which has chosen not to revise it.[8] The Comptroller General has frequently aired his problems in gaining access to agency records before congressional committees. The response has not been calls to amend 31 U.S.C. 54 to cover the records sought, but to provide effective enforcement mechanisms to enable GAO to effectuate its access rights. The assumption has been that the general access provisions of 31 U.S.C. 54 or the access implicit in the statutes granting GAO various review and oversight powers are sufficient; what is needed is a way to enforce them.

For example, the Comptroller General's memorandum outlining his legal authority to gain access to the records of the Emergency Loan Guarantee Board was submitted before the Senate Banking, Housing, and Urban Affairs Committee in 1972. Problems of GAO access to foreign affairs and military information were aired extensively in Congress in 1973. In response to the documentation of denials of access to GAO, provisions to cut off funds if access was not provided were attached to State Department and United States Information Agency appropriations authorization bills.[10] The focus of concern was not whether existing law provided sufficient authority to gain access to the records being sought by GAO, but what enforcement mechanism was appropriate. The fund cut-off provision of the State Department bill was not enacted, largely on procedural grounds.[11] The USIA provision, however, was passed, but the President vetoed it and he was sustained in the Senate.[12]

A bill to revise and restate certain functions of the Comptroller General was also introduced in 1973.[13] It would have amended 31 U.S.C. 54, not to provide additional access authority, but to clarify current statutory language.[14] The bill would have deleted the modifier "financial" to the word "transactions" and the term "methods of business". 31 U.S.C. 54 would then have provided access to "information regarding the powers, duties, organization, transactions, operations, and activities . . ."[15] Senator Percy, a cosponsor, emphasized his view of the clarifying nature of the proposed amendment:

[The amendment], I am assured by GAO counsel, does not provide the GAO with additional access authority. It largely restates [31 U.S.C. 54]. A comparison of the new language versus the old is attached. If anything the new language, by striking the term "financial" . . . would appear to have a weakening effect. In fact, it is to escape the excessively restrictive construction of "financial transactions" by Federal agencies that the word "financial" is deleted.[16]

Oversight hearings in 1975 portrayed GAO in broad terms. Access problems were not the focus of the hearings, but the Chairman of the House Government Operations Committee described GAO as "far more than just an auditor. It serves as a vital resource of the Congress by obtaining, analyzing, and presenting through its audit, review, and reporting activities, information necessary to enable the Congress to legislate more effectively."[17] The same committee reported a bill in 1978 which would have granted the Comptroller General the right to enforce his right to access to records in court.[18] In its report, the Committee emphasized its view that GAO was entitled to all records necessary to perform its various functions:[19]

A principal duty of GAO is to make independent audits of agency operations and programs and to report to the Congress on the manner in which Federal departments and agencies carry out their responsibilities. In establishing GAO, Congress recognized that the Office would require complete access to the records of the Federal agencies. This need would not be fulfilled if GAO's access to records, information, and documents pertaining to the subject matter of audit or review is limited. The intent of the various laws assigning authority and responsibility to the GAO is clear on this point.

Elsewhere, the Committee confronted the recurring argument that GAO access does not extend to opinions as opposed to factual information:[20]

Other sources have raised the concern that tying section 3 to 31 U.S.C. 54 could have the effect of restricting the Comptroller General's authority to obtain data from Federal agencies through court enforcement. The Comptroller General relies upon section 54 as his principal authority to support requests for information from Federal agencies. It is couched in terms of the agencies' obligation to furnish "information" to the Comptroller General. Some agencies have attempted to withhold material from him on the basis that "information" means "factual information only" and does not include opinions, conclusions, conjectures, recommendations, and similar matter. Such an interpretation is clearly erroneous. Section 54 gives the Comptroller General the right to examine the "books, documents, papers, or records" of an agency. Section 54 should be given the broadest meaning possible in order that the Comptroller General will have the right of access to all those records he needs to fulfill the GAO's statutory responsibilities. The same breadth of coverage also is intended to apply to the right of court-enforced access to information conferred under section 3. This position is reinforced by the fact that Section 3 speaks in terms of 31 U.S.C. 54 or "any other provisions of law or agreement granting the Comptroller General a right to access" to material in the possession of a Federal agency.

Thus, the problems of GAO access to executive agency records and the arguments surrounding the scope of its authority to obtain information have been before the Congress several times in recent years. The position that GAO is limited to financial auditing of executive agencies and that its access to information is restricted to factual, fiscal, data has not been embraced by Congress. When informed of access difficulties, the focus of congressional debate has not been on the underlying authority of the GAO or the propriety of its requests but on the need for mechanisms to enforce the right of access. This longstanding congressional acceptance of the broad interpretation given his access authority by the Comptroller General, combined with the literal scope of not only 31 U.S.C. 54 itself, but the other statutory directives to GAO, would seem to refute the argument that policymaking information not directly concerned with expenditure of funds is outside the Comptroller General's access authority.

With respect to the instant controversy, the State Department appears to be basing its refusal to provide information to GAO on its interpretation of the statutory language and context of 31 U.S.C. 54. Executive privilege has not been asserted and this report does not address the question of GAO access in the face of a claim by the executive branch of executive privilege.

RICHARD EHLKE,
Legislative Attorney.

FOOTNOTES

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[1] See, Morgan, The General Accounting Office: One Hope for Congress to Regain Parity of Power with the President, 51 N.C.L. Rev. 1279, 1353 (1973). Morgan cites floor debates on the Budget and Accounting Act of 1921 indicating that the power of the Comptroller General to investigate . . . all matters relating to the receipt, disbursement, and *application* of public funds . . . (31 U.S.C. 53. Emphasis supplied) was intended to permit GAO review of agency efficiency as well as financial integrity. 51 N.C.L. Rev. at 1353 n. 273, citing, 58 Cong. Rec. 7292–3 (1919).

[2] But see, note 1, supra. The evolution of the GAO from an agency doing "desk audits" to one engaged in more comprehensive auditing and review activities is described by the Acting Comptroller General in hearings on the Legislative Reorganization Act of 1970. Hearings on the Organization of Congress Before the Joint Committee on the Organization of the Congress, 89th Cong., 1st sess. 1363, 1364–1369 (1965).

[3] H. Rept. No. 91–1215, Legislative Reorganization Act of 1970, 91st Cong., 2d Sess. 18,81 (1970).

[4] See, S. Rept. No. 93–924, 93d Cong., 2d Sess. 72 (1974).

[5] Hearing on Review of the Powers, Procedures, and Policies of the General Accounting Office Before a Subcommittee of the House Government Operations Committee, 94th Cong., 1st Sess. 5 (1975) (testimony of Comptroller General Staats).

[6] See, Hearings on Defense Production Act amendments of 1972. Before the Senate Committee on Banking, Housing & Urban Affairs, 92d Cong., 2d Sess. 52 (1972) (Memorandum on Right of the Comptroller General and the General Accounting Office to Have Access to the Records of the Emergency Loan Guarantee Board).

[7] Where right to access to non-government records are involved, GAO access has frequently been spelled out since the general authority of 31 U.S.C. 54 extends only to departments and establishments of the executive branch. See, e.g., 15 U.S.C. 771 (energy information). There are numerous statutory provisions specifically giving the GAO access to records of recipients of various types of federal financial assistance. See, 42 U.S.C. 1857; 19 U.S.C. 1918; 42 U.S.C. 4592; 45 U.S.C. 722. Specific GAO access authority may also be spelled out with respect to independent establishments. See, 7 U.S.C. 12–3 (Commodity Futures Trading Commission). See also, Hearings supra note 6 at 56.

[8] See, *Eli Lilly & Co.* v. *Staats*, 574 F.2d 904 (7th Cir), cert. denied, 99 S. Ct. 362 (1978). The case involved GAO access to the records of government contractors pursuant to special access provisions and contract clauses. While 31 U.S.C. 54 was not in issue, the court justified GAO access on the basis

of not only the terms of the particular access provisions in question but also the broad investigatory powers of the Comptroller General to "investigate . . . all matters relating to the receipt, disbursement, and application of public funds . . ." contained in 31 U.S.C. 53. 574 F.2d at 910.

[10] See, 119 Cong. Rec. 19627 (June 14, 1973). A report on GAO Access to Records Problems Encountered in Making Audits of Foreign Operations and Assistance Programs appears at 119 Cong. Rec. 19631–19637. Internal memoranda and working papers were frequently the subject of controversy. *Id.* at 19630.

[11] See, 119 Cong. Rec. 29235, 33577–8 (1973).

[12] 119 Cong. Rec. 33579, 35071, 35428–33.

[13] S. 2049, 93d Cong., 1st Sess.

[14] See, 119 Cong. Rec. 20656, 20662 (June 21, 1973).

[15] 119 Cong. Rec. 20659.

[16] Hearing on Improving Congressional Control of the Budget Before the Subcomm. on Budgeting, Management, and Expenditures of the Senate Government Operations Committee, 93d Cong., 1st Sess., Part 3 at 7 (1973). The Comptroller General also viewed the amendment as essentially restating present law. *Id.*, 40. See also, *Id.*, 27–33 for a description of GAO access problems in a variety of situations.

S. 2049 was not reported from committee. Senator Percy proposed to offer the access amendment as a provision of the Congressional Budget Act. It did not appear in the reported versions of the 1974 Act.

Amendments to 31 U.S.C. 54 were also proposed in 1976 and 1977 to deal with a specific problem of GAO access to FBI records. The sponsors emphasized their belief that GAO already possessed the access authority, but felt that clarifying legislation was necessary in the face of repeated challenges by the Attorney General. The bills would have added to the end of 31 U.S.C. 54 the declaration that with respect to the Department of Justice and its divisions, the access provision is applicable to audits, reviews and examinations conducted by GAO pursuant to 31 U.S.C. 65–7 and 31 U.S.C. 1154 and extends to all records and not only those pertaining to receipt, disbursement, or application of public funds. See, 122 Cong. Rec. H 280 (daily ed., March 23, 1976); 123 Cong. Rec. E 3146 (daily ed., May 19, 1977).

[17] Hearing on Review of the Powers, Procedures, and Policies of the General Accounting Office Before a Subcommittee of the House Government Operations Committee, 94th Cong., 1st Sess. 2 (1975).

[18] H. Rept. No. 95–1586, 95th Cong., 2d Sess. (1978).

[19] *Id.*, 5.

[20] Id. 8. The bill passed the House on October 3, 1978. 124 Cong. Rec. H 11360 (daily ed.). See, Hearings on Strengthening Comptroller General's Access to Records Before a Subcommittee of the House Government Operations Committee, 95th Cong., 2d Sess. (1978).●

ADDRESS OF DR. JOHN DI BIAGGIO

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. COTTER. Mr. Speaker, we all accept the fact that this great Nation of ours provides all of us with an opportunity to achieve according to our abilities. Only last week this truth was brought home for all of us to see. Involved were the instances of two immigrant sons; one exemplified by Dr. John DiBiaggio, the other personified by my colleague and friend, U.S. Senator ABRAHAM RIBICOFF.

Dr. DiBiaggio's father came from Italy only 60 years ago. Senator RIBICOFF's family emigrated from Russia. While all of us here know of the Senator's great record, not all realize the details so pertinent to my point. After working his way through law school, ABE RIBICOFF was admitted to the bar in my own State in 1933. In 1938, he was elected to the Connecticut Legislature, there served two terms, became a judge of the Hartford Police Court serving some 7 years, was elected to Congress representing the district I am now proud to serve, and thereafter became Connecticut's Governor. He became Secretary of the Department of Health, Education, and Welfare under President Kennedy, and stepped out to commence the first of three successive terms as our U.S. Senator. Then last week he announced he would decline to seek a fourth term to commence after the 1980 election. There we see the example of the "land of opportunity" personified in our Senator RIBICOFF.

In a similar manner, Dr. DiBiaggio, following his own educational path, worked his way through the intellectual channels in Michigan. From a humble beginning as a child of immigrant parents to a career as a forceful academician, Dr. DiBiaggio was recently unanimously chosen to become the next president of the University of Connecticut with its thousands of students seeking to emulate his achievements. Last week, Dr. DiBiaggio was called upon to address nearly 500 newly naturalized citizens from scores of foreign nations.

At this meeting, Chief Judge T. Emmet Claire of the U.S. District Court for the District of Connecticut complimented Dr. DiBiaggio as he pointed to the educator's stirring address. He extolled the guidance this son of an immigrant had provided that day for all who swore allegiance to our great Nation.

In order that all may know what Dr. DiBaggio had so movingly presented, I would like to place a copy of his address, as supplied to me by former U.S. Senator John A. Danaher, in the RECORD:

ADDRESS OF DR. JOHN DIBIAGGIO

Thank you, Judge Claire.

I am really pleased to be given this opportunity. I can't tell you how much today means to me, as it means so much to all of you. I share your joy; I want you all to know that. And my remarks will not be formal—you have heard enough formality already from the justices.

I want to talk to you as people, people that have come from backgrounds so much like my own. It does my heart so much good to look at all these good and beautiful faces out there in the audience—so many different faces. And that's what is so marvelous and wonderful about this country of ours; that's what makes it so great. That is truly America. And I understand that, I understand that so very clearly.

Because you see, ladies and gentlemen, what the Judge did not say is that my parents were immigrants. Sixty years ago, sixty years ago, 1919, my father got off a boat at Ellis Island—an experience that many of you did not have, fortunately. Ellis Island, from a boat in which he was in steerage for several days, coming from his native country of Italy, to go through a terrible experience that they all endured at that time in order to come into this great country of ours for the opportunities that it would provide for him, and later for his family.

Sixteen years old, not knowing a word of the language, not knowing a single person. It wasn't until 1926 that my father was to share the day that you are sharing today, and to become a citizen of this country.

And during that period of time he attended night school, and worked hard so he could return home to visit his family once again—which he did in 1928. And at that time he met a young lady, a very beautiful young lady, whom he chose to be his wife, and who followed him to this country in 1929.

She was pregnant on that boat coming over, and it was a crowded boat. And they were to have a beautiful daughter, who is my older sister, who was born in the City of Detroit.

My father went to Pennsylvania from that brief start in Ellis Island, and worked in the coal mines for a period of time, and decided that that was not for him, and that he would have to emigrate further west to find his opportunity. And this he did; moved to Detroit and went to work in the Ford Motor Company, which in those days before unions was nothing more than a sweatshop.

And he stayed there until 1930 or thereabouts, when a friend of his went into business in Texas—a cousin, if you will—who invited him down there to join him in business, which he did.

And it was an awful time, the thirties and the late twenties, as most of you know.

In 1932 he was to have a son—perhaps the only misfortune they ever had. And he stayed there for another year and decided that indeed he could not support his family there and he moved back to Detroit, and he went to work in Detroit again. But now with the Briggs Manufacturing Company, which was later to become the Chrysler Motor Company.

And he started out, since there was no other job, as a doorman, because that was the only job they had available: he could stand outside the plant and open the door for the people coming in. He said he would do anything. He was a big, strong, robust man, opening a door into the plant.

And after about two weeks of that he went in to see I guess what was then a foreman—they didn't have personnel managers in those days—and said to the foreman "I simply can't do this; I'm just too strong and too robust and too healthy to be opening doors." And the foreman said the only other job available is a foreman. And my father said, "I'll take it."

And thus my father became a manager, and he worked very hard. He worked very, very hard, and later was to become a general foreman, and finally to retire some years ago as a supervisor of the Chrysler Corporation—truly a remarkable accomplishment.

My mother worked as well. She worked as a domestic; she worked in factories; she washed dishes; she did whatever was necessary. And I could recall in the 1930's when my parents—because I remember the discussions—when my father was making thirty-three dollars, every other week, and we lived on that. And not only did we live on that, but they managed to send a little home to each of their parents every month, back in Italy. That is incredible for us to think of today, but that is the kind of dedication and commitment that they had.

Occasionally my sister and I, and now our children, talk about the years when we were poor. But we were never "poor"; we just never had the material things in life when we were children, but we had love and compassion and that very special heritage that was granted us because our parents chose to emigrate to this great country.

And I remember so vividly, so very vividly, when their friends went through the experience that you are going through today, and how much it really meant to each and every one of them, and how their friends and their relatives attended the ceremony, and how much we all felt for them and how we celebrated afterwards that they had become citizens of this country.

And I remember how proud my father has always been, and even to this day, of his citizenship papers, and how proudly he has displayed those papers. And how I felt and have felt since that time that perhaps my father becoming naturalized was as important as any degree that I ever achieved, and how remarkable that truly is.

You see, my father is truly a patriot. Unfortunately, so many of us born in this country lack real appreciation of the opportunities that we have here. My father always speaks so strongly in defense of this country and gets so angry with those who would criticize it, who would find fault with some of the problems that do exist in this country, some of the problems that we are not yet able to cope with. But he believes in this country, and he has good reason to believe in this country, as I do.

You see, this great melting pot of cultures that we bring here, where we derive so much from one another, where we have the opportunity to share so many things, to share our values and to learn from one another, to share our collective wisdom and greatness that each of our cultures has brought us. Even to share our food, which is truly a good and remarkable experience, I think you will all agree.

My sister, that beautiful girl that was married shortly before me—by the way, married the son of Polish immigrants. And he is a child psychologist, a very successful child psychologist in the City of Detroit, and they have two wonderful children, one of whom has very brown eyes and dark hair, like mine, and the other who has blue eyes and blonde hair as can be. And I think that is remarkable and wonderful, and another reflection of what we can become.

The most important thing, ladies and gentlemen, what I feel this country has provided us, is opportunity, real opportunity. You see, my parents came from truly peasant stock. Their parents were farmers in Italy, in a small region of northern Italy from which they migrated. And as I said before, they supported them when they came to this country, because there was little other choice. Had they not supported them I'm sure they would have starved following the period of World War I, and then the period immediately following World War II.

And I can remember our parents sending packages in those days back that contained clothing and coffee, and other basic needs, which they so much desperately required following that war.

And what is really amazing, you see, I'm the first in my family to go to college—ever. Now, I had to work my way through college. My father provided as much as he could, but he could not provide all of it.

And I started in a city college, as the Judge said, Wayne University in Detroit. And I worked every night and I worked my way through professional school, and I worked my way through a graduate degree. But it all didn't seem so bad in retrospect; it was rather a marvelous, unique opportunity. And I'm pleased that it happened that way—I'm so pleased that it happened that way.

But what they really gave me, you see, was the ambition, establishing a goal for me, saying to me from the time I was a young child if you are going to go to college you are going to do something important; you are going to prove that you are acceptable to this society.

Because in those days we were criticized, those of us who were the children of immigrants, those of us who had peculiar names in neighborhoods where those names weren't often heard; those of us even who had to learn a second language when we started high school: English, if you will.

And I remember in those days when we used to deny, at least subconsciously, I'm sure some of us, our ethnicity. And what a terrible shame that was, because I'm now so desperately proud of it. But it was that commitment that they gave us that allowed us to achieve whatever we wished to achieve in life.

We overcame all those prejudices that existed, and some that still do; we overcame all those language barriers; we even overcame the cultural shock that some of us had to go through when we started to meet children from other environments who had lived far different lives than we had. And we adjusted.

And I am here to tell you today, ladies and gentlemen, that all that effort was worth it. Because, you see, I have had the pleasure of being a practicing professional in this great country. As the Judge said, I have had the opportunity to be the head of a huge medical center, and now, quite humbly, I have become the President of a great university.

You, each and every one of you, each and every one of your sons and daughters now have that same opportunity available to you, if you will only call upon your very rich heritage, your inherent drive to succeed that brought you to this nation, and your ability to sacrifice which so many of our citizens in this country have lost—if you will apply those qualities you can achieve whatever you wish, I assure you.

I know. You see, my family did it, and I am here today as a guest of the Chief Judge of the District Court to address you. It is a long way, ladies and gentlemen, from Ellis Island and that boat that my father came to this country on.

Thank you very much.

(Applause) ●

FEDERAL REGULATIONS ARE A MAJOR PART OF THE COST OF A COLLEGE EDUCATION

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. ASHBROOK. Mr. Speaker, it may be of interest to parents struggling to send their children to college that a major portion of the cost of education goes into Federal paperwork. Taxpayers, bear a huge share of the cost of college education in this country, may be interested to know that the cost of Federal paperwork for each student is now in the hundreds of dollars per student per year. At Duke University, according to Business Week magazine:

> The per student cost of implementing federal social programs and meeting the reporting requirements rose from $58 per student in 1968 to $451 in 1975.

Please remember that we are not talking about Federal aid being $451 per year per student. We are not talking about tuition being $451 per year per student. We are saying that that $451, straight from the pockets of parents and taxpayers, goes into nothing but meeting the regulations Mr. Califano and others like him have imposed and filling out the paper to prove they have done so.

As Business Week points out in its excellent article on this subject in the May issue:

> The money that the colleges spend on compliance doesn't come out of Uncle Sam's pocket. It comes from the institutions and, ultimately, from the students themselves.
>
> Institutions have to cover these costs through tuition increases, at a time when inflation is making the price higher of education impossible for more and more students, says Dr. Elliott (President of George Washington University).

Universities are burdened by these regulations and the resulting paperwork, and their independence is being destroyed. Students are hurt by the increasing regulations and redtape, as are parents and taxpayers, in short, the people whom we represent or are supposed to represent here in Congress.

The obvious question is, then, Who benefits from this huge burden? The answer is that only the liberal and leftist ideologues in the bureaucracy benefit. They get to ram their social ideas down our people's throats. We in Congress have the power to stop this, even if we had to override Mr. Carter's veto to do it. We could end affirmative action and all the other programs which make up the vast majority of this bureaucratic meddling in the affairs of our academic community.

The obvious answer, then, is that a substantial proportion of Congress, even a majority of Congress, is made up of Members who are quite willing to see the voters, taxpayers, and the academic community suffer. This matters less to many of my colleagues than interfering with the ideologues who want to shove through the affirmative action programs which Americans oppose 9 to 1.

It is time for the American public to clean house. And if the academic community wants to regain its independence from the bureaucratic Napoleans in Washington, they will have to join this public rising, and even take the lead in it.

The text of Mary Paul's May 1979 Business Week article, "Pricing Paperwork by the Pound," follows:

PRICING PAPERWORK BY THE POUND

(By Mary Paul)

Government regulators are a bigger tribulation to college presidents than student protesters ever were. They have never occupied the administration building, but their copious regulations occupy administration time, multiply reporting paperwork, and restrain academic freedom.

The paperwork that educational institutions must file with the government is no longer measured by the page but by the pound. A single report from the University of North Carolina at Greensboro weighed in at 12 pounds plus.

HIGH PAPERWORK COST

All that bulk is also extremely costly. The Department of Health. Education and Welfare, which requires the reports, says it adds enough funding to cover the costs of the regulations, but colleges generally disagree.

A recent report by the Southern Association of Colleges and Schools found that complying with federal regulations costs some private colleges as much as half of every dollar of aid received, over and above the amount provided by HEW for compliance.

One administrator interviewed for the association's report says: "All of us agree that for the most part the ideas behind the regulations are good and worthy. The difficulty is that when bureaucrats write regulations, they make them extremely complicated and difficult to administer as well as expensive in time and effort."

The end result, he says, is that "regulations are becoming so numerous that they encroach on the freedom and action of the private colleges."

"What makes it so hard to fight these infringements is the bad image you get when you give the impression you are against the programs," says another administrator. "People get confused when you say you support the goals but want freedom, too."

Public university administrators are often more troubled because they tend to accept more federal aid.

In 1976, the four major universities in the nation's capital—George Washington, Georgetown, American, and Catholic—issued a declaration of independence from federal control. In the statement, at the time without precedent, the universities stated their resolve to ". . . maintain institutional independence from any external intervention which threatens the integrity of our institutions, including refusal of federal funds which carry such threats."

TOUGH TO TURN DOWN

In today's economy, however, it's tough for any institution, public or private, to turn down federal funds. Schools like George Washington, which has both a medical and a law school, find it impossible to refuse federal funding.

With the exception of some private religious schools, no institution can make do without student aid.

HEW has ruled that Title IX of the Civil Rights Act, which requires equality in admissions standards, covers any institution receiving federal assistance in the form of scholarships, loans, grants, or other funds. Because their students receive some federal assistance, schools that may never have gotten a federal dollar for their programs are now classed as recipient institutions.

FASTER THAN INFLATION

These schools must produce the paperwork the regulations require. And the time and cost of that paperwork are increasing at a rate far ahead of the rate of inflation.

At Duke University, for example, the per-student cost of implementing federal social programs and meeting the reporting requirements rose from $58 in 1968 to $451 in 1975. An even more dramatic example is Georgetown University, where the per-student cost skyrocketed from $16 in 1965 to $356 ten years later.

A study by the American Council on Education shows the cost of complying with federal regulations at six sample colleges and universities was $10 million, excluding the Title IX regulations.

Just establishing an affirmative action plan to meet HEW criteria cost the University of California at Berkeley $400,000, while the University of Michigan shelled out $350,000 to develop its program.

At a large university, the total cost of all regulations can run into the millions. The University of Illinois spent $1.3 million on all program regulations in 1975. Georgetown and Duke paid about $3.6 million each.

CHARGE OF EXAGGERATION

However, HEW Secretary Joseph A. Califano claims that colleges and universities tend to exaggerate compliance costs. He says HEW has found that costs of regulations barring discrimination against the handicapped are "far lower than the universities said they were."

Mr. Califano previously stated that institutional comments on the costs of administering Title IX did not prove to him that colleges really face financial difficulty in complying with the regulations.

But a group of college presidents who met with the Secretary recently disputed this statement. They went further and said they did not believe that the regulations even attain the social objectives the law intended.

Congress has asked HEW to prepare another study of the costs of regulatory compliance.

The American Council on Education says the cost to universities and colleges of affirmative action programs "has only just begun to be felt."

In 1975, HEW interpreted Title IX to mean that schools must spend as much on women's intercollegiate athletics as on men's. This has meant that some schools' football teams that had been self-sustaining have had to divert some revenues to women's sports. The ruling has led to cutbacks in some schools' athletic programs for men.

"The absurdity of this kind of ruling is appalling when one realizes the implications," says one college administrator. "Where will it end?"

Regulation also diverts an institution's resources from the purpose for which they were intended. The University of North Carolina reports that its computers were swamped in attempting to compile ten reports required by HEW.

DIVERTS OTHER RESOURCES

"All other uses of the computer stopped," says the university's director of institutional research. "For six months, we did nothing but HEW reports."

George Washington President Lloyd H. Elliott recalls the bureaucratic hassle that resulted when HEW challenged his school on Title IX requirements.

In January, 1975, HEW began a review of the school's law center in response to a complaint. "We provided them with armloads of data, but the next year they were back asking for more interviews," Dr. Elliott says. By 1977, the school had met requests for additional data four times.

During the three and a half years of investigation, the school had to hire an attorney, 12 faculty members were involved in compiling information, and, for a time, the law school's dean and associate dean worked on the project almost full-time.

"They were doing this when they should have been doing academic things for the school," says Dr. Elliott.

The investigation ended in a bureaucratic whimper. "After all that time and money HEW ended up taking our word that the school had not violated the Title IX statute."

STUDENTS ARE LOSERS

The money that the colleges spend on compliance doesn't come out of Uncle Sam's pocket. It comes from the institutions and, ultimately, from the students themselves.

Institutions have to cover these costs through tuition increases, at a time when inflation is making the price of higher education impossible for more and more families, says Dr. Elliott.

All students pay, but the students who suffer most from tuition hikes are the ones who can afford it the least—low-income and minority students who use the social programs that push up college costs.

One private institution, Hillsdale College in Hillsdale, Mich., is resisting HEW on the Title IX admissions policy issue. Hillsdale, which has never taken federal funds except for student aid in its 134-year history, was told by HEW in December 1977, that it would begin enforcement proceedings against the school unless the required affirmative action program was established and Hillsdale began filing compliance reports.

Hillsdale, which had never discriminated on the basis of sex or race, refused. HEW threatened to cut off all federal student aid, including veterans' benefits, if the school didn't comply. Hillsdale hired a lawyer.

The college won the first round before an administrative law judge who decided that HEW couldn't withhold funds. HEW has appealed.

FIGHT FOR INDEPENDENCE

Independence, says Hillsdale's administrative vice president, LeMar Fowler, is what the fight is really all about. "We don't accept federal aid," he says. "We've been independent since the beginning, and we want to continue that way.

"You can't be independent with the federal government giving you money," he adds.

Rep. Phil Crane (R.–Ill.) a graduate of Hillsdale, supports colleges that choose to remain free from the encumbrances of federal funding.

"There's more freedom of all kinds when an institution is free from government control," he says. "That control is sometimes subtle and sometimes not so subtle, but it's getting harder in today's climate to maintain the kind of independence that Hillsdale offers."

CONTROL OF DESTINY

Gardner-Webb College in Boiling Springs, N.C., doesn't accept federal funding for its programs either. Says President Craven E. Williams: "The control of our own destiny requires a freedom to do what our own sense of freedom dictates. We feel that, because we do not accept aid, we don't have to wait for a decision from a state legislature or from Washington."

Former Yale University President Kingman Brewster describes the federal attitude toward aid and regulation as one of "now that I have bought the button, I have the right to design the coat."

President Eisenhower saw it all coming 25 years ago when he warned "The prospect of domination of the nation's scholars by the federal government, project allocation, and the power of money is ever present and is gravely to be regarded."

Today, the late President's Orwellian vision has come true. Says Duke University President Terry Sanford: "The avalanche of recent government regulations threatens to dominate campus managements. At the present rate, it is not difficult to imagine a day when faculties and administrators will spend all their time filling out government forms. . . ." ●

SCIENCE AND THE AUTOMOBILE, PART II

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. BROWN of California. Mr. Speaker, yesterday I addressed myself to the importance of the automobile to our society, and discussed one of the major Federal programs aimed at improving the automobile for all of society. Besides the funding problems for the Automotive Propulsion Research and Development Act of 1978 (Public Law 95–238), there is another problem in the Department of Energy with this program, and that is the lack of high level attention it has received. In industry there are still other problems.

Innovation is a difficult problem for our society, but it seems to be especially difficult to innovate in mature industries, like the American automobile industry. Perhaps the automobile industry is incapable of significant innovation. I do not really know. One thing is clear, however, and that is that the American automobile industry today is a great barrier and force against innovation.

The second part of the recent series from the Detroit Free Press addresses this aspect of the automobile industry, and describes some of the interplay between government and industry.

The article follows:

[From the Detroit Free Press, Apr. 23, 1979]

Auto Innovation Often Stalls Out

(By Judith Serrin)

William C. Durant, then a Michigan insurance salesman, was on a buggy ride through southern Michigan one day in the 1880s when he met a man driving a light, two-wheeled road cart.

The man was bitter. He believed his cart, which he had patented, was an excellent device—big enough to carry a substantial amount of goods, yet lighter than a regular buggy and difficult to overturn. Still, he said, no carriage manufacturers were interested in it.

The man was one of the first victims of NIH: the "not invented here" syndrome of the American transportation industry.

Durant bought the man's patent for $50 and set up the Flint Road-Cart Co. Profits from the cart put him on his way to becoming a millionaire and the founder of General Motors.

That outcome, however, is little consolation to people who have tried since then to "crack the walls of Detroit," as one inventor puts it.

NIH has become a common auto industry phrase. It is often used when major companies ignore or disparage developments they have not come up with themselves.

Some industry officials have conceded the existence of the syndrome. Former General Motors executive John DeLorean has railed against NIH. The heads of Chrysler's and GM's new devices sections say they rarely buy ideas; but then, they say, most ideas they get are unsound.

Although the best known, NIH is only one of many barriers to automobile innovation. The trip from science to showroom can be a gantlet. It can also take a long time.

Lawrence R. Hafstad, retired head of General Motors research division, has said that science is what takes place more than 10 years in advance of a car's production, engineering five to 10 years away, and design, less than five years away.

Not all scientific projects can endure that long. James W. Furlong, Chrysler's chief of research planning, says the general guide is that nine out of 10 research projects fail. It is his job, he says, to decide when a project has been worked on long enough to call it a failure—although some, such as the gas turbine engine, have been around for 25 years without a clear pass or fail.

In solving problems, says Nils L. Muench, technical director of the GM Research Laboratories, "we have two constraints at least. One is what's do-able, what ideas do you have? And the other is what will it do to the price of the car?"

John Conde, transportation curator at the Henry Ford Museum, says, "Most of the developments that have come along in the industry, with very few exceptions, are to get the cost of building it (the car) down. If it happens to be to the benefit of the consumer, that's great."

After several years of studying the auto industry's future for the Congressional Office of Technology Assessment, Larry Jenney, an OTA staff member, concludes:

"My personal view is that, like many mature industries, there is a reluctance to innovate. The industry is reluctant to change . . . The industry is in business to sell cars, not to engineer automobiles."

Asked his opinion of scientists in the major auto companies, Beno Sternlicht, board chairman of Mechanical Technology, Inc., a firm working on the Stirling engine, replied:

"I don't think that they're not working hard. I don't think that they're hiding (developments). I think that what they're doing is concentrating on the thing that will produce the buck today at the expense of the buck 20 to 30 years from now."

Selling cars and making money are, of course, legitimate concerns for private businesses. Despite the claim of GM's Muench, most company spokesmen say their research staff is doing all that is humanly, not economically, possible.

Such a statement has several effects. For one, it gives the impression that work on safety, emissions control and fuel economy is in good hands.

"It's what I call the 1939 World's Fair syndrome," said Ralph Nader, the consumer advocate, recalling the wondrous "cars of the future" he saw when he was five years old and his parents took him to the New York World's Fair.

"It's basically the process of giving the public the impression that the latest scientific edges are being probed."

The statement also may scare off potential competitors who figure that, even if they do develop something, they cannot match the giant firms' money and marketing resources.

Four companies in California could tell you why.

Back in 1959, the state of California passed its first law requiring pollution control devices on cars. The law was to take effect two years after the state certified at least two different control devices.

The four major automobile companies, working through the Motor Vehicles Manufacturer's Association, said they were working as hard as possible but the devices could not be ready until the 1967 model year.

Meanwhile, four independent companies developed control devices and had them certified earlier. Reversing previous claims, the automobile companies then produced the devices—and drove the independent firms out of business.

Such incidents make many people suspicious of automobile research. Joan Claybrook, head of the National Highway Transportation Safety Administration, for example, accuses Chrysler of sidetracking technology that could improve fuel economy on trucks and vans.

And the suspicions contribute to the stories, almost a folklore, of inventions made into auto company laboratories but kept off the market. So do the thousands of people who tinker with their cars and assume they can do a better job than the manufacturers.

When he came to General Motors in 1955, said Hafstad, the former research director, "that's one of the first things I looked into, because I, too, had heard that the companies had a trick carburetor that ran a lot better, a whole lot of things . . . as soon as I got on the inside I inquired about it."

He concluded, he said, that "there's nothing to it. In a competitive society, it just couldn't be done."

Questions have been raised, however, about the amount of competition in an industry with only four major companies, two of them repeatedly in financial trouble.

"These are not difficult scientific problems" facing the automobile industry, consumer advocate Nader said.

One characteristic of automotive science is that it is incestuous.

Jack Wong, senior automotive engineer at the Insurance Institute for Highway Safety, explained, "It's a fiield in which there's a lot of money spent, in manufacture, in insurance and everything else. But really, there's not a lot of money spent on research . . . I imagine you could find hundreds of people doing research on cancer."

As for government automotive scientists, W. Dale Compton, vice-president for research at Ford Motor company, said, "They don't have very many. The government does not have a major facility devoted to automotive research."

As a result, the millions of dollars that the government spends, generally through the Departments of Energy and Transportation, and the Environmental Protection Agency, do not necessarily compete with or challenge the automobile industry.

The energy department spends about $95 million for motor vehicle research: $48 million for new kinds of vehicle propulsion, such as gas turbines, Stirling engines and ceramic components; $37.5 million on electric and hybrid vehicles; nearly $6 million on alternative fuels; and the rest on use of transportation systems.

But the money spent on electric cars, according to one consulting engineer, has gone to companies concentrating on battery research to produce a car that can drive across country.

"A viable electric vehicle can be built with today's batteries," he argued, if the goal is to produce an inexpensive, limited performance car for short trips. He says the auto companies are willing to do this, and neither they nor the Department of Energy have the imagination to think along those lines.

None of the energy department's money is spent on the internal combustion engine, according to Vincent Esposito, acting director of the department's office of transportation programs. The department relies on the automobile industry to do that work, he says.

The department has funded all four major auto companies in research on the gas turbine engine. Ford did a year's work on the Stirling engine under a department contract. Ford also owns five percent of Mechanical Technology, Inc., the company that now holds the department's Stirling contract.●

CONSUMER'S GUIDE TO THE SACCHARIN ISSUE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. OTTINGER. Mr. Speaker, during the next few weeks the House of Representatives will be reconsidering the saccharin controversy. Confusion and uncertainty surround this issue both in Congress and around the country. Today's New York Times presented a consumer's guide to the saccharin controversy: Why it exists, the known risks and benefits, possible substitutes for saccharin and tips for enhancing sweetness without sweeteners. I commend this article to my colleagues.

This article concludes with a discussion of possible alternatives to saccharin. I believe this is particularly important. Clearly, the ideal solution to the present controversy would be a safe substitute. There would be no reason to allow continued use of saccharin—which unquestionably presents some health risk—if a satisfactory substitute were available.

On April 10 I introduced H.R. 3582 which provides for a 3-year phaseout of saccharin as an additive to our food.

H.R. 3582 allows a sooner phaseout if a substitute is approved within 3 years. Passage of my bill would put industry on notice that it must come up with a substitute and it would provide a reasonable but definite time for this. I believe this approach is preferable to continuing the present moratorium because it takes into account the concerns of present saccharin users while providing the necessary incentives to industry to work on alternatives. I personally am confident that those favoring dietetic foods will have their needs met by American industry.

The article by Jane E. Brody from the New York Times follows:

SACCHARIN: UNRESOLVED RISKS AND AN UNCERTAIN FUTURE

(By Jane E. Brody)

In three weeks, the Congressional moratorium on the Food and Drug Administration's proposal to ban saccharin comes to an end. In the 18 months of saccharin's stay of execution, a few new studies have been completed; many health, consumer and industry groups have testified for or against saccharin; millions of Americans have voiced their desire to have the noncaloric sweetener remain on the market despite the possibility that it can cause cancer, and two prestigious national scientific panels have carefully reviewed the saccharin indictment.

But no conclusive findings have come forth, the issue is still being hotly debated and the moratorium will probably be extended while Congress considers new legislation.

Meanwhile, from the consumer's standpoint, the sweet life has acquired a decidedly sour taste, with overtones of confusion and uncertainty. Is saccharin dangerous? Isn't sugar worse? If saccharin is banned, what can take its place? Following is a consumer's guide to the saccharin controversy: why it exists, the known risks and benefits, possible substitutes for saccharin and tips for enhancing sweetness without sweeteners.

A CHECKERED PAST

Discovered in 1879 and marketed in 1900, saccharin was subjected to a safety review ordered by President Theodore Roosevelt in 1912. It passed. In 1955 and again in 1968, the National Academy of Sciences scrutinized the sweetener. Again, it was cleared, but further safety studies were recommended. In 1969, its noncaloric companion, cyclamate, was banned after animal tests indicated that it could cause bladder cancer. The study that spelled cyclamate's doom used a 10-to-1 combination of cyclamate and saccharin, but the latter remained on the market as a "generally recognized as safe" (GRAS) food additive.

Use of saccharin climbed precipitously, reaching about seven million pounds a year by 1976. An estimated 50 to 70 million Americans—including one-third of the children under 10—consume saccharin regularly. Saccharin's GRAS status was revoked by the F.D.A. in 1972 after a preliminary study involving pellets of saccharin implanted in the bladders of laboratory animals suggested that it too could cause cancer.

The National Academy of Sciences took another look in 1974 and proclaimed the evidence for saccharin's carcinogenicity inconclusive. An uneasy truce remained until March 1977, when a Canadian study showed that large doses of saccharin fed to pregnant rats and their weanlings produced bladder cancers in the male offspring. The Canadians immediately banned saccharin (although they still sell cyclamate); in this country, the F.D.A. said that the law, which forbids the use of cancer-causing food additives, required that saccharin be banned here, too.

The outraged public response prompted the Congressional moratorium and two more reviews by the National Academy. Meanwhile, all foods containing saccharin (but not saccharin-sweetened cosmetics and drugs) must bear this warning: "Use of this product may be hazardous to your health. This product contains saccharin which has been determined to cause cancer in laboratory animals."

RECENT WARNINGS

Three studies have now shown that saccharin, when fed to pregnant animals, can cross the placenta, accumulate in the fetus and cause cancer in male offspring. Several other studies showed that saccharin could enhance the cancer-causing potential of other substances.

However, of 10 studies exploring saccharin's ability to damage genes (the presumed basis for a cancer-producing effect), only three had positive findings.

Since 1970, 10 human studies—all with scientific shortcomings—have been completed with similar confusing results. They compared bladder cancer incidence in diabetics (who presumably have used more saccharin for more years than others) with nondiabetics; they looked into the use of saccharin by bladder cancer patients, and they searched for a trend in bladder cancer that might be associated with increasing use of saccharin.

Nine of the studies had negative findings, but the 10th, conducted by a team of Canadian researchers, showed a 60 percent increased risk of bladder cancer among men (but not women) who used saccharin.

UNCERTAIN RISKS

The National Academy, the F.D.A. and many independent scientists have concluded on the basis of these admittedly inadequate findings that saccharin is a weak carcinogen in animals and is probably capable of causing cancer in people. Its primary action may be as a co-carcinogen or promoter of other cancer-causing substances.

Other than the fetus, which seems especially vulnerable, it is not known who may be most susceptible to saccharin's carcinogenic effects. At the least, it would seem wise to avoid saccharin exposure during pregnancy and while nursing. Although only males were affected in the studies so far, there is no guarantee that saccharin is safe for females.

DOUBTFUL BENEFITS

Some 80 percent of the nation's 10 million diabetics are said to use some artificially sweetened foods and drinks. Saccharin is also popular among the millions who are trying to shed or keep off excess pounds. But, in fact, no studies have demonstrated that use of saccharin helps dieters lose weight or diabetics control their blood sugar. Actually, there is some evidence that saccharin may increase appetite and interfere with blood sugar regulation by stimulating insulin.

The average American has gotten heavier since the burgeoning popularity of noncaloric sweeteners, and consumption of real sugars has actually increased. Overweight persons may do better to try to break their addiction to sweets rather than perpetuate it by the continued use of saccharin. Certainly, those who put saccharin in their coffee or tea (saving 18 calories per teaspoon of sugar) and then consume a 400-calorie piece of cake or pie are kidding no one but themselves.

At this point, saccharin's main benefit appears to be psychological, giving the dieter and the diabetic a sense of security about their ability to deal with their problem. Such quality-of-life benefits are not unimportant, but consumers must ask whether they are worth the possible risk of cancer.

ALTERNATIVE SWEETENERS

Currently, saccharin is the only noncaloric sweetener approved for marketing in the United States. While many believe that cyclamate was unjustly banned and is far safer than saccharin, it is unlikely that cyclamate will be put back on the market. Another possibility, Aspartame, is still under review by the Food and Drug Administration after charges of testing irregularities delayed its marketing. Aspartame lacks the versatility of saccharin because it is broken down by high heat and prolonged contact with water.

Three other approved sweeteners—xylitol, sorbitol and mannitol—are digestible by human beings and therefore yield calories. However, they are absorbed so slowly that they do not produce an abrupt rise in blood sugar, making them useful for diabetics. All three can cause diarrhea when consumed in more than moderate amounts.

Xylitol, found naturally in some fruits and vegetables, markedly reduces tooth decay when substituted for sugar. However, recent animal studies suggest that it can cause bladder tumors, gallstones and adrenal tumors. Sorbitol, a GRAS substance used in candies, cough drops and other processed foods, can accumulate in cells, and a Russian researcher has suggested that it may contribute to nerve and blood vessel damage in diabetics.

Fructose, or fruit sugar, the latest sweetening rage, also contributes as many calories as ordinary table sugar (sucrose). However, since it is about 50 percent sweeter than sucrose, somewhat fewer fructose calories are needed to get the same sweetening power.

The savings is piddling for those concerned about their weight. But fructose has an important advantage for the diabetic—it doesn't need insulin to get into the liver and body cells. Thus, there is no sudden demand for insulin, which diabetics cannot produce in adequate amounts. Fructose is also a useful sweetener for persons with reactive hypoglycemia (low blood sugar), who tend to overproduce insulin when sucrose is consumed.

Alternatives to Sweeteners. Since the greatest use of saccharin is in diet beverages, which offer nothing at all of nutritional benefit, eliminating consumption of these can greatly reduce your intake of the controversial sweetener.

Try substituting unsweetened drinks—club soda, mineral water or just plain tap water. If you drink coffee or tea, gradually reduce the amount of sweetener you use; you may be able to eliminate it altogether.

Nadine Condon of the American Dietetic Association suggests some ways to get the effect of sweetness without actually adding any sweetener. One is to use sweet spices and herbs, such as cardamon, coriander, basil, nutmeg, ginger or mace. Another is to caramelize the sugar naturally present in fruits and vegetables, for example, by putting grapefruit, bananas, onions or tomatoes under the broiler or by letting the water just cook out in a pan of carrots. A little shredded coconut will make fruits taste sweeter.●

A CONGRESSIONAL SALUTE TO WICKES CORP.

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. TRAXLER. Mr. Speaker, I am pleased to bring to my colleagues' attention the 125th birthday celebration of Wickes Corp. This multibillion-dollar organization had its humble beginnings in the heart of Michigan's eighth district, Saginaw. Though many businesses survive the tribulations of their early years, few can boast of the success that Wickes Corp. has achieved.

Wickes' secret for success is no secret. It has prospered because it has worked to satisfy people's needs. Wickes has been able to survive the fads and fancies of an emerging nation because it has been content to roll up its sleeves and provide the basics, reaching people where it mattered most—in their homes, their diets, and in designing and building better machines to do their bidding.

Due to Wickes' sophisticated management and information systems it has boomed in recent years. Through the maximum utilization of its available resources, Wickes has been able to realize a large increase in its sales, and the future looks even more promising. I believe that these achievements are remarkable and deserving of recognition.

Wickes Corp. exhibits the best aspects of our free market economy, and I am sure that my colleagues feel as I do that the United States has grown because corporations such as Wickes have grown. I feel priviledged that I have had this opportunity to honor a great American business—Wickes Corp.●

COMMUNICATING WITH THE DEAF

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Ms. MIKULSKI. Mr. Speaker, I would like to share with my colleagues a letter recently published in Ann Landers' nationally syndicated column which concerns all of us who at one time or another will have occasion to communicate with our deaf and hearing-impaired constituents. Since hearing impairment is one of the most widespread of handicaps—an estimated 2 million Americans are totally deaf and about 12 million more suffer from some type of hearing problem—I hope that many of my colleagues will have the chance to become acquainted with this particular segment of their constituency. Although it would be ideal if we could all learn sign language, I hope that my colleagues will find helpful the suggestions provided by Dr. Connor for communicating with the deaf without knowing sign language as they appear in the following letter:

Dear Ann Landers:

Many deaf people work or come in contact with people who have had little or no previous contact with deafness. Here are eight excellent suggestions for hearing people from Dr. Leo E. Connor, executive director of the Lexington School for the Deaf, Queens, N.Y. Please print them, Ann.

1. It is important to have the deaf person's attention before speaking. He may need a tap on the shoulder, a wave of the hand or another signal that you wish to communicate.

2. Speak slowly and clearly, but don't exaggerate and overemphasize. This distorts lip movements and makes speech reading more difficult.

3. Try to show facial and body expression when you speak. You don't have to be a pantomine expert to do this.

4. Not all deaf people can read lips, and even the best speech readers miss many words. Therefore, if the deaf person does not reply or seems to be having difficulty in comprehending, rephrase the thought rather than repeat it exactly.

5. Look directly at the person while speaking. Even a slight turn of the head can obscure the deaf person's vision. Other distracting factors include beards and mustaches.

6. Don't be embarrassed about communicating with paper and pencil. Getting the message across is more important than the medium used.

7. Establish eye contact. It helps convey the feeling of direct communication.

8. Don't restrict conversation to business matters. Deaf people have feelings and opinions. Humor, gossip and small talk help everyone relax.

Many deaf children attend regular schools where teachers and hearing students have to learn communication techniques. This mainstreaming is much easier with deaf students who have learned to speak, rather than relying solely on sign language. The most important advice for those who hear is to remember that deaf people can speak. Deafness is not muteness.

Information about communicating with deaf people, as well as speech and hearing instruction for deaf people, can be obtained at the Lexington School for the Deaf, 30th Avenue and 75th Street, Queens, N.Y. 12370, phone (212) 899-8800.—Steady Reader.

Dear Reader:

Many thanks for passing on some extremely useful information.●

E. C. GATHINGS

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 8, 1979

● Mr. BRINKLEY. Mr. Speaker, it has been said that a truly great man can be measured by his concern for others. Congressman E. C. "Took" Gathings was such a man.

Took's 30-year record of vigorous congressional leadership and unstinting commitment to serving his district, his State of Arkansas, and his country will stand as vivid reminders of his greatness. His guiding hand influenced a wide gamut of national issues from America's agricultural programs to improving veterans' services.

But Took Gathings' legacy does not end here. I recall an incident that reveals another, more personal dimension of this uncommon man's character.

In traveling between Washington, D.C., and my home district in Georgia, it was my pleasure, on several occasions, to cross paths with Took Gathings at the airport. On those occasions, I saw a man who unfailingly made it a point to meet every young man or woman who was traveling from his district to Washington to serve as his congressional page. These young people were bright and eager, but no doubt a little apprehensive about their new adventure in the Nation's capital. Took Gathings went that extra mile to give each page a warm, personal welcome.

He was that kind of man—one who cared deeply about every person whose life he touched. And each of our lives is richer for having known and had the privilege of serving with Took Gathings.●

CARTER GAS RATIONING PLAN OPPOSED BY GOP

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. SHUSTER. Mr. Speaker, President Carter's request for emergency standby authority for gasoline rationing, House Resolution 212, is not a plan to ration gasoline but one which allocates the right to buy gasoline.

The plan is discriminatory costly, economically disruptive, bureaucratically bizarre, and an invitation to commit fraud.

The Republican Policy Committee which I have the honor to chair, already is on record, strongly and overwhelmingly, in urging defeat of this bureaucratic boondoggle.

If you are in the "junker car" business there would be an even bigger boon to the boondoggle. This plan will create a junk dealers bonanza because affluent people could purchase junker cars and thereby obtain additional ration coupons.

This is still another example of the ineptness of the Carter administration in coming to grips with this country's serious energy problems.

This poorly conceived, highly costly plan, is nothing more than an unworkable blueprint for a cumbersome bureaucracy to regulate the lives and the livelihood of the American people. It deserves to be resoundingly rejected.

For the benefit of my colleagues, I would like to share with them the entire text of the Republican Policy Committee position statement by inserting it in the RECORD:

HOUSE RESOLUTION 212—EMERGENCY STANDBY AUTHORITY FOR GASOLINE RATIONING—RATIONING PLAN NO. 1.

President Carter's plan for "Emergency Standby Authority For Gasoline Rationing" is discriminatory, costly, economically disruptive, bureaucratically bizarre and an invitation to commit fraud. This plan is strongly opposed by the Republican Policy Committee.

The Energy Policy and Conservation Act of 1975 (EPCA) directs the President to draft rationing and conservation plans for use during emergencies. On March 1, 1979, President Carter submitted to Congress for approval a gasoline rationing plan. Under EPCA, Congress has 60 legislative days to approve the plan. If the plan is approved, the President may implement the plan upon a determination that a severe curtailment of gasoline supplies exists. Congress then has 15 days after the President's determination to approve or disapprove use of the plan by a vote of either House of Congress.

The Administration's highly complex plan is based upon a nationwide registry of owners of gasoline-powered motor vehicles which does not exist. It is estimated that it will take 14 months to compile the list. The Administration estimates that it will cost $400 million to establish the plan and $1.6 billion to operate per year.

The plan sets up a new currency in ration coupons for the payment of gasoline. Coupons will be issued to the registered owner of the motor vehicle through banks and financial institutions with extra allotments for essential public health and safety vehicles. Farmers and users with significant gasoline requirements have been promised special allotments which have not yet been determined. These coupons will be redeemed at gasoline stations for the right to purchase gasoline. The ration coupons will be freely negotiable, creating a new type of money or currency. The economic impact of this is unclear and will result in a so-called "White Market," permitting citizens and businesses with greater needs to purchase extra coupons from motorists willing to sell them. It is estimated by the Department of Energy that the "White Market" price of a coupon for one gallon of gasoline could be worth about $1.22, not including the cost of the gasoline.

The gasoline rationing plan submitted by the Carter Administration is one which involves a potential stranglehold over the American economy. It proposes that special powers be given to the President never before granted during peacetime and without specifying what degree of gasoline shortage will "trigger" its implementation. In testimony before the Congress, citizens, agricultural and business groups urged disapproval of this plan.

This gasoline rationing plan would do more to disrupt the economy than to ease an energy shortage. In fact, the General Accounting Office states that this plan would not save gasoline, but merely redistribute it among users. The redistribution scheme is discriminatory and inequitable to rural and suburban motorists, to farmers, to travelling salesmen, to delivery services, to taxicabs, and to those in areas without mass transit. The list is almost endless.

Operation of this gasoline rationing plan depends entirely upon an accurate national registry of vehicle owners and sets forth a bizarre system for obtaining coupons. State motor vehicle administrators would compile listings of all the owners of gasoline-powered motor vehicles in their States. This cumbersome procedure involves the registrations of 115 million automobiles, 10 million of which change ownership every month.

Only 13 states presently have the computer capacity to process their registrations for these purposes. Not among these are the heavily populated states of California (with 15.5 million motor vehicles), Ohio, Michigan, and New Jersey. The American Association of Motor Vehicle Administrators testified that State officials could not compile these lists quickly, and if required to do so they would need sizable grants from the Federal government. Considering the number of automobiles that are bought and sold monthly, this list would be at least 10 percent inaccurate at all times.

The federal bureaucracy could process this composite national list, calculate ration allotments according to historic use by class of vehicles and mail "ration checks" to owners accordingly to be cashed for "ration coupons" at designated issue points. These coupons would be redeemed at service stations in exchange for the right to purchase gasoline.

Most Americans recognize that this bureaucratic system lends itself to massive "bureaucratic red-tape" and mismanagement. Moreover, distributing ration coupons according to ownership of vehicles discriminates against one-car families and offers a "junk dealers" bonanza to dealers in registerable "junker" automobiles. Affluent people could purchase "junker" cars and thereby obtain additional ration coupons. This key element is, in itself, enough to justify rejecting this plan.

The fact that these ration coupons will be freely negotiable, creating a new type of money or currency, is an invitation to massive fraud in the buying and selling of ration coupons. The "White Market" concept will impose an ever changing premium on the right of mobility. Buying gasoline will no longer depend on need, but on the financial ability of every motorist. Many motorists will be denied their sole source of transportation. This concept would be unfair to poor Americans, especially those residing in rural areas where no alternative to automobile transportation exists. Even cities with public mass transit would be disadvantaged if their transit systems are incapable of absorbing sudden increases in ridership. The "White Market" would produce a windfall for affluent citizens owning more automobiles than they need, and to those who can rely upon public transportation. The result would be large transfers of coupons and income between the poor and the affluent and between the countryside and the cities.

The Administration's gasoline rationing plan is another example of the ineptness of the Carter Administration in providing solutions to the Nation's serious energy problems. The Administration's gasoline rationing plan has taken two years to develop, costing $3 million in contracted assistance. Yet this plan does not increase or even conserve gasoline supplies. The plan will not affect the actual physical distribution of gasoline itself. It indirectly allocates a shortage. The plan does not ration gasoline—it allocates the right to buy gasoline. The General Accounting Office has called this plan a $2 billion dollar program to reduce lines at gasoline stations, but one which will not result in gasoline savings. This poorly conceived, highly complex plan is nothing more than a costly blueprint for a cumbersome bureaucracy to regulate the lives and livelihood of the American people. It deserves to be resoundingly rejected.●

GOD'S MASTERPIECE

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. MAVROULES. Mr. Speaker, I would like to take this opportunity to bring to the attention of my fellow colleagues a poem commemoratiing Mother's Day by the Bard of Swampscott, Mass., Maurice Goldsmith. The poem is a beautiful reminder to all of the special meaning of Mother's Day.

Mother's Day, which will be celebrated on Sunday, May 13 this year, was originally conceived by Anna M. Jarvis in 1907 as a day to pay tribute to her own late mother and all the other mothers of her community. This celebration was made official in 1914 when President Woodrow Wilson made the holiday official. Since that time we have set aside this day each year to commemorate our Nation's mothers.

Mr. Speaker, this poem brings the full meaning of Mother's Day before us and, again, I commend to to my colleagues:

God's Masterpiece

Sweeter than the flowers of spring,
  More blessed than the morning's dew,
Dearer than all the songs I sing,
  Is the song dear Mother of you.
Whiter than winter's new fallen snow,
  Brighter than the sun's first ray,
Is the soul of the Mother I know,
  Fought life's battle for me one day.
Cool is the soft Mother's hand,
  That has soothed my burning brow,
Her equal is not in all the land,
  Dear Mother I Love you now.
I see through the mists of by-gone years,
  The toils and hardships she's gone through,
I see her smiles, I see her tears,
  And the trails that for me she won.
Forever and ever I shall love her,
  Till my beating heart shall cease,
For I know when God made her,
  He made his masterpiece.

Maurice Goldsmith.●

IOWA FUEL NEEDS IGNORED BY DOE

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. TAUKE. Mr. Speaker, the fuel oil situation in Iowa and much of the Midwest is critical, and it appears to be getting worse. The Iowa Energy Policy Council noted a 12-percent shortfall of the fuel in April and projects a 20- to 25-percent shortage this month. Several other Midwestern States, including Nebraska and Missouri, project similar shortfalls in May.

The seriousness of the shortfall cannot be overemphasized. The production of food and fiber in the United States and the livelihoods of thousands of farmers are at stake; 94 percent of all farm vehicles and nearly all of the trucks used to haul farm supplies require fuel oil. Bad weather in the Midwest has forced farmers to concentrate their planting activities solely to the month of May. As a result, farmers need more fuel oil now to get their crops planted. But the projected shortages may leave farm machines idle in the fields with nothing but weeds to grow up around them.

I became fully aware of the seriousness of the fuel oil situation in Iowa during the congressional recess. Several oil jobbers in my district informed me that they would soon be forced to turn away farm customers if additional supplies were not forthcoming. In response, I began an investigation of the fuel oil situation and called it to the attention of Iowa and Federal officials.

Last Friday, during a speech in Des Moines, President Carter wisely acknowledged the fuel oil shortage in Iowa. In so doing, he pledged that "rural America will not run dry." And he stated that he would not allow agricultural production to be bothered by a fuel shortage.

I commend the President for his recognition of the problem and for his stated intent to resolve it. However, I fear that his promises are nothing more than empty rhetoric. The agency established to carry out the President's promises—the Department of Energy (DOE)—turned a deaf ear to Mr. Carter's call to never let rural America run dry. The DOE's actions thus far vividly demonstrate an acute insensitivity and lack of awareness of the fuel oil problem in the Midwest.

Let me outline the paltry DOE response to the President's call:

First. The DOE initially refused to acknowledge the existence of an inordinate shortfall in the Midwest. As the Agency deemed responsible for guaranteeing adequate fuel oil supplies to the Midwest, the DOE failed to closely monitor the supply situation. As a result, the DOE knew nothing of an existing or an impending Midwest fuel oil shortfall and was woefully ill prepared to deal with it once the shortfall became apparent.

I called the shortfall to the DOE's attention and asked for an immediate investigation. Prompted by my questions, the Agency came to admit that the Midwest was "worse off" than elsewhere in the country. The DOE now accepts the fact that Iowa and the Midwest is experiencing a shortfall of at least 20 percent in fuel oil supplies in May. However, the DOE has yet to establish an adequate supply-demand monitoring service and has failed to take any steps to insure that rural America will not run dry.

Second. The DOE has granted States the authority to establish a 4 percent fuel oil set-aside for May. The allowance will give each State the ability to reallocate supplies to areas most severely hit by the shortfall. In addition, the DOE has asked each State to give agricultural users top priority in the reallocation of set-aside reserves.

While these moves are positive, they are highly inadequate. Iowa, for example, already possessed a 4 percent fuel oil reserve and had been giving agriculture top priority in the reallocation of that reserve. Neverthless, Iowa still anticipates a 20- to 25-percent shortfall, and the May set-aside reserves are already over 33 percent gone. Clearly, the set-aside alone is not the answer to our fuel oil problems.

Third. Finally, the DOE has begun a voluntary program to bring more fuel oil supplies to Iowa and the Midwest. DOE officials are meeting with the representatives from the 35 largest fuel oil refiners, asking them to increase the stock of fuel oil reserves; and give agriculture and transportation top priority in the allocation of those reserves. While this voluntary program is laudable, it is also ineffective.

No sign of increasing supplies to Iowa has resulted from the DOE fuel oil "jawboning" program. Instead the situation deteriorates. Several Iowa towns are now completely out of fuel oil; fuel oil terminals in several parts of Iowa are dry: and Standard Oil, the largest supplier of fuel oil to Iowa, has actually announced a cutback of allocations to Iowa during May.

Last week I asked Secretary Schlesinger to consider using existing legal authority to reallocate fuel oil supplies to the energy-starved regions of the Midwest. He promised me positive and expeditious action on my request if it appeared that the voluntary program would not work. The crescendo of complaints received from Iowa farmers, oil jobbers, and energy officials say the voluntary approach is not working. Iowa may soon run dry. Yet DOE officials tell me they do not even plan to begin to consider a review of the voluntary approach for another 10 days. That is the height of folly.

Let me remind the DOE that a farm is not a factory. It cannot be shut down for a week with minimal economic loss. If the farmers cannot get into the fields, around-the-clock, for the remainder of this month, valuable production time, crop yields, and farm income will be irretrievably lost. Farmers and, indeed, consumers who must rely for food on our farmers cannot afford to wait 10 days for a review of the voluntary farm fuel program. A review must begin immediately, and action on my request for a reallocation of supplies must quickly follow. It may already be too late to stave off a farm fuel crisis in the Midwest. Nevertheless, immediate action would serve to lessen the severity of the shortfall later in the month.

In sum, despite the President's promise, the DOE is letting rural America run dry of fuel oil. The lack of monitoring, the set-aside plan, and the voluntary allocation efforts are woefully inadequate.

I have requested the establishment of a careful monitoring service by the DOE. Projections of fuel oil supply and demand based on oil company projections and historical demand trend analysis are needed for each State. Presently, State energy officials do their own monitoring and, as a result, State-by-State shortfall comparisons are made difficult. A Federal system would better guarantee the uniformity and accuracy of reporting that is necessary to proper regulatory action.

In addition, I have requested renewed consideration of my request for a reallocation of fuel oil supplies to the Midwest. The deteriorating supply situation in the Midwest calls for immediate action, before it is too late.

I call on my colleagues to join me in these requests. Congress must not let rural America run dry.●

AN APPRECIATION OF JAMES M. RIEWER

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. DORNAN. Mr. Speaker, the citizens of my district, and specifically, those of the South Bay area wish to recognize a gentleman who, upon his June retirement, leaves behind an illustrious 9-year record as superintendent of the South Bay Union High School District of California.

James M. Riewer, native Californian, alumnus of the University of Southern California, teacher, principal, and school superintendent, is one who has dedicated himself to the community. He has shown his concern for the educational needs of tomorrow's leaders—the high school students. Jim leaves the superintendency as a "hard act to follow." He is respected and admired by the many teachers, counselors, administrators, parents, and students who make up the district.

His students, their parents, and civic leaders will honor Jim on June 8, 1979, for all the good things he has done for his beloved community. I would like my colleagues to know of this special citizen of the 27th District and how he is appreciated—and how he will be missed. Good luck, Jim Riewer. We know you will make your future endeavors as rich as your accomplished past.●

A CONSERVATIVE FOR THE PANAMA CANAL LEGISLATION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. FINDLEY. Mr. Speaker, as the implementing legislation on the Panama Canal Treaty is being readied for House consideration, I call attention to a thoughtful article by our distinguished colleague, Congressman ED DERWINSKI, which explains why he will support the measure. ED, of course, is one of the most perceptive and thoughtful conservative Republican Members. He is a respected member of the House Foreign Affairs Committee and he long opposed the Panama Canal Treaty. Had he been a Member of the Senate, he would have voted against it. Now that the treaty has been ratified, however, he believes the House has no choice but to enact implementing legislation putting it into full force.

Text of article follows:

PANAMA: FROM NO TO YES

(By EDWARD J. DERWINSKI)

One year ago today the Senate ratified the Panama Canal treaty. If I had been in the Senate, I probably would have voted no. Many Americans, I know, are still convinced we gave the Panama Canal away.

But now the situation is different. Once the Senate has ratified a treaty, it becomes a matter of international obligation for the United States. The House must make the best of the situation. The time for denouncing Panama is over. The time is now at hand to put the treaty effectively into force.

The treaty will go into effect Oct. 1 and remain in effect until Dec. 31, 1999. During that period, the United States will operate the canal under new arrangements with Panama as the junior partner. After the year 1999, the United States will withdraw, but will retain the right to defend the canal indefinitely.

The administration views the canal settlement as a foreign-policy victory, but at this point it is only a partial one. The Panama Canal treaty set up the framework for running the canal through 1999; it was silent on the specifics and legal stipulations that are needed to implement treaty terms.

Under the treaty, Panama grants the United States the right to operate the canal through a U.S. government agency called the Panama Canal Commission. The commission must be created by U.S. law

The administration has prepared and submitted to Congress legislation designed to enable us to fulfill our treaty obligations. Rep. John Murphy (D-N.Y.), chairman of the House Merchant Marine and Fisheries Committee, has submitted alternative legislation. Both bills will do the job, irrespective of important differences in the legislation.

The United States must be prepared for the basic changes that will occur when the Panama Canal Zone ceases to exist and Panama assumes jurisdiction over all of its territory. Unless the new structure is in place, orderly operation of the canal will be imperiled.

If passage of the implementing legislation is unduly delayed, we face serious problems in carrying out our responsibilities. For example, the proposed legislation involves the transfer of more than 3,000 employees to local Department of Defense activities. The size and complexity of this transfer will have a direct impact on the lives of employees and their families. Obviously, such a transfer requires some lead time. Without it, the results would be chaotic for employees, all the federal agencies operating in the area and the new Panama Canal Commission.

As a result, the administration has set a June 1 target date for congressional enactment of the implementing legislation. The longer we delay beyond that date, the more difficult it will become to make a smooth transition in implementing the treaty.

It is obvious and perhaps understandable why some members of Congress are dedicated to fighting the necessary legislation. They see it as an effective method of undercutting a treaty unpopular back home. It also enables them to claim credit for preserving America's dominant position at the canal.

The clock cannot be turned back. Failure to enact the pending legislation undoubtedly would arouse all the animosities that led four successive U.S. presidents to conclude, after the 1964 riots, that the way to keep the canal operating smoothly and dependably was to give Panama a stake in its operation. To renege on our pledges in the treaty would be to destroy all we have gained in terms of our relations not only with Panama but the Western hemisphere by showing we can deal justly and fairly with a small country to remove a major irritant.

It would be a national disservice for Congress to go down this road. We need the legislation, which will enable the United States to continue to run the canal in the future as efficiently as in the past.

We have to create the new Panama Canal Commission and provide for the designation of its principal officers. We need to maintain the services provided our canal work force and provide incentives to keep the canal operating efficiently.

We have an obligation to carry out the treaty. We have an opportunity to make a success of a bi-national operation, and we have a national interest in the continuing operation and security of the canal.●

A TRIBUTE TO MR. ADOLF F. HEINE

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. YOUNG of Alaska. Mr. Speaker, I rise to pay tribute to Mr. Adolf F. Heine, a distinguished Alaskan sourdough, who will soon celebrate his 100th birthday.

As an Alaskan pioneer, Mr. Heine prospected for gold near an area that is known today as Heine Creek. The actual origin of the name of the creek is not documented, though I suspect this creek was named after this Alaskan. He received his naturalization papers in Fairbanks in 1912.

Mr. Speaker, I am proud to honor this gentleman, on this special occasion, for he is a symbol of what my great State was built upon. I offer my congratulations to Mr. Heine on his 100th birthday.●

PANAMA'S MULTIMILLION-DOLLAR GUN TRAFFICKING BRINGS CRIMINAL CHARGES IN U.S. COURTS

HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. HANSEN. Mr. Speaker, the same people who broke the treaty between the United States and the Republic of China on Taiwan now say we must honor the new and yet unimplemented 1977 treaties with Panama.

The Carter administration apparently sees nothing immoral about breaking a treaty with our true and faithful friends in Taipei, but they persist in trying to honor a treaty with the lying and lawless regime in Panama City which calls for a $26 billion payaway of the Panama Canal.

Mr. Speaker, I today charge the Government of Panama and its President, Aristides Royo, with obvious and flagrant violations of the spirit and intent of the Panama Canal Treaties of 1977 and of providing a revolutionary base of operations for terrorizing and overthrowing its neighbor governments of Latin America.

I further charge that this violence and chicanery being practiced by the Government of Panama is known in high circles of the U.S. State Department and the administration and is being suppressed.

The neutrality treaty is already in shambles. There is no way Panama can maintain the Canal in safety and neutrality if they are to also be the largest mainland base for Cuban-style revolutionary foment in the Americas. Retaliation measures will always keep the canal in jeopardy.

Now, Mr. Speaker, my words are strong but my proof is stronger, and it is time to wake up. It is time to identify the Torrijos regime for what it is and call it to accountability—and this can be done today while President Royo is in Washington, D.C.

Mr. Royo and his mentor Torrijos are up to their ears at this very moment in a multimillion-dollar illegal revolutionary gun-trafficking operation which has now been exposed by the U.S. Bureau of Alcohol, Tobacco and Firearms with requests for some five criminal indictments being made before a grand jury today.

Mr. Royo should be called on to immediately account for the actions I am about to outline and the Panama Canal Treaties should be set aside and further implementation halted until Panama can definitely establish that they are a responsible and peaceful nation which will not be using the financial benefits of such treaties to generate revolution and undermine American interests among the nations of Central and South America and the world.

These are the facts. The Panamanian G–2 intelligence has been buying arms in Miami and shipping these clandestinely to the Nicaraguan Frente Sandinista de Liberación Nacional (FSLN), the Cuba-backed terrorists attempting to overthrow the government of President Anastasio Somoza.

According to the Miami Herald (May 2), José A. Pujol, cargo manager for Air Panama, surrendered to authorities on gun-smuggling charges. This followed the filing of an affidavit in Miami Federal court on May 1 by special agent Don Kimbler of the Federal Bureau of Alcohol, Tobacco and Firearms. According to the ATF affidavit, Pujol and Edgardo López, then the consul of Panama in Miami, shipped weapons to "Nicaraguan guerrilla forces" in late 1978. Miami arms dealers reported Pujol as saying he was prepared to place orders valued at $2 million.

On November 10, 1978, ATM agents interviewed Edgardo López, Panamanian G–2 agent and consul in Miami at that time, who admitted to directing seven shipments of arms on official orders of intelligence officers in Panama. Eighteen days later, on November 28, 1978, the U.S. State Department spokesman, Hodding Carter, said the Carter administration had been unable to confirm reports that Cuba and other Latin American governments had been supplying weapons to the Sandinist National Liberation Front.

The Associated Press on May 5, 1979, quoted extensively from an unnamed Nicaraguan official as saying that the Carter administration clearly had full knowledge that Panama was trafficking in arms on behalf of the Sandinistas but had taken no action to alert the Nicaragua Government for fear of placing the Panama Canal treaties in jeopardy.

On February 8, 1979, the Carter administration cut economic aid to Nicaragua and reduced U.S. official presence in the country. Said the official statement:

> We deplore any outbreak of terrorism or violence emanating from whatever source * * * we will continue to work * * * to avoid widening the conflict.

This statement was made with the full knowledge of Panamanian G–2 intelligence purchases and shipments of arms to the Nicaraguan Sandinistas.

On March 13 and 16, 1979, two vans equipped with false compartments were intercepted at Peñas Blancas on the Costa Rica-Nicaragua border by the Nicaraguan National Guard. Seized were 90 M–1 carbines, 49 FAL 7.62 cal rifles and large quantities of ammunition and other materiel. According to Nicaraguan sources, from their serial numbers, 70 M–1 carbines were traced to Universal Arms of Florida and Johnson Arms of New Jersey who manufactured these weapons and had exported them to Caza y Pesca S.A. in Panama, a Panamanian front operated by the Panamanian G–2 intelligence.

According to Nicaraguan intelligence, says the AP May 5 story, Panamanian G–2 agent Carlos Wittgreen was in Miami in February 1979 seeking to purchase 5,000 weapons. Arrested as he was attempting to leave by air with 22 weapons for which no export license had been issued, Wittgreen was suddenly released "on orders from higher up."

On July 15, 1978, continues the AP

story, 750 M–16 automatic weapons were exported to Panama aboard a Panamanian Air Force aircraft, ostensibly for a special 1,000-man military unit being trained in David in northwest Panama, only 80 kilometers from the Costa Rican border. Nicaraguan sources believe these weapons may have been destined for the FSLN terrorists.

A May 2, UPI wire story from Madrid reported Panamanian President Aristedes Royo, on an official visit to Spain, as admitting that a Panamanian brigade is fighting alongside the FSLN Sandinistas in Nacaragua. Said Royo: "This is not official intervention. We just do not stand in its way."

Intelligence reports also show that Panama G–2 intelligence continued to make arms purchases during the first months of 1979.

The Florida action of ATF shows several hundred M–1 carbines involved, some 30 AR–15's, many Winchester 7.42's largely used as sniper-type rifles, a large number of handguns, Browning high powers and Colt Commanders, and thousands of rounds of ammunition.

[From the Miami Herald, May 2, 1979]

ARMS SMUGGLED BY PANAMANIANS, INVESTIGATOR SAYS

(By Joe Crankshaw)

Panamanian intelligence officials directed an airline official and the Panamanian consul in Miami to smuggle arms to the Sandinista guerrillas in Nicaragua, according to an affidavit filed Tuesday in Miami federal court.

The affidavit came to light when Jose A. Pujol, 36, Miami cargo manager for Air Panama, surrendered to authorities on gun-smuggling charges.

Pujol was released on a $25,000 personal surety bond after a brief appearance before U.S. Magistrate Charlene Sorrentino.

According to an affidavit given by Special Agent Donald Kimbler of the federal Bureau of Alcohol, Tobacco and Firearms (ATF), Pujol and then-Miami consul Edgardo Lopez, shipped a number of surplus military-type firearms, ammunition, telescopic sights and pistols to "Nicaraguan guerrilla forces" in late 1978.

Kimbler, who is in charge of the ATF investigation, said in his affidavit, that Pujol acted as the middleman for Lopez in making deals with the Garcia National Gun Shop on SW 22nd Avenue.

Employes of Garcia National Gun Shop are cooperating in the ATF investigation, ATF officials said.

The Kimbler affidavit states that Pujol told Garcia gunshop owners he was prepared to order more than $2 million in arms and ammunition for the guerrilla forces.

When gunshop employes told him he would need an export license to legally move the guns out of the country, Pujol said he would personally put the guns on an airplane without a license, Kimbler said the gunshop employes told him.

Pujol purchased guns—paying cash—on Sept. 20, 29 and Oct. 9, Kimbler said gunshop records show.

Kimbler and other ATF agents placed Pujol under surveillance and on Nov. 7 watched Pujol go into the gunshop, sign orders for the weapons and leave, Kimbler said in his affidavit.

On Nov. 9, the agents watched Pujol go to the Tamiami Gunshop, buy seven pistols and one shotgun and hand them to Jose Antonio Alvarez, another Panamanian airline worker.

Alvarez took the guns to Panama aboard an Air Panama flight, Kimbler swore in the affidavit.

At 2 p.m., Nov. 9, Kimbler and other agents seized the weapons Pujol had purchased Oct. 17, Kimbler said. The Tamiami Gunshop also is cooperating with ATF officials in the investigation.

Employes and owners of both gunshops are reluctant to comment on the gun sales.

"Talk to the federal agent in charge," urged Carlos Garcia, owner of the Garcia National Gunshop. "I don't think that I ever will [talk] because it is not in my interest to do so."

The next day, according to Kimbler's affidavit, he interviewed Lopez and Lopez admitted directing seven arms purchases on orders of intelligence officers in Panama.

The Sandinista guerrillas, who take their name from Gen. Cesar Augusto Sandino who was killed fighting the U.S. Marines in the early 1930's, have had the vocal and material support of the Panamanian government.

Efforts to contact the Panamanian consul in Miami and its embassy in Washington, were unsuccessful Tuesday, because both offices were closed for the Labor Day holiday in that country.

Officials in the Nicaraguan Embassy in Washington said they would have no comment on the matter until they could receive more information.

Panama's strongman, Gen. Omar Torrijos has made no secret of his opposition to the regime of Nicaraguan President Gen. Anastasio Somoza. In January, Carter administration officials had to dissaude Torrijos from sending troops to aid the Sandinista guerrillas.

In March, it was revealed that Hugo Spadafora, Torrijos' vice minister of health, had resigned his post to fight with the Sandinistas against Somoza.●

EPA RUNS AMUCK

HON. ELWOOD HILLIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. HILLIS. Mr. Speaker, in today's Wall Street Journal. there appears an editorial entitled "EPA Runs Amuck." This editorial should be of interest to every Member, particularly those serving on the Ways and Means Committee, which today begins hearings on the President's windfall profits tax proposal.

There are many examples of which we are all familiar where Federal bureaucracies promulgate expensive regulations that never contribute to the general well-being of anyone. Judging from the Journal's editorial, the new EPA hazardous waste regulations may soon be known as the most expensive and meaningless regulations ever suggested by a Government body.

I hope my colleagues will read the editorial. There will soon come a time when the American people will demand that the Congress instill some reason into EPA's regulations. While I look forward to that day, I do not underestimate the difficulty of the task.

The editorial follows:

EPA RUNS AMUCK

While the President has been being earnest about all those extra profits that price decontrol will bring the oil companies, the Environmental Protection Agency has dreamed up a new series of regulations that would soak up the profits of the entire industry and then some. Declaring drilling muds, oil production brines, and crude oil residue to be "hazardous waste," EPA has proposed regulations that the American Petroleum Institute says will cost $45.5 billion annually.

That amount is two to three times the industry's after-tax profits. It's about twice as great as the industry's 1979 budget for drilling exploration and production of gas and oil. It is $6 billion more than our OPEC bill for 1978. Even if ways are found to reduce the API's estimated costs, the EPA clearly will soak up any "windfall profits," eliminating the need for the tax so eagerly being debated in Congress.

For $45 billion EPA will be buying: (1) analysis of mud composition at drilling sites, (2) two-meter fences, gates, signs and security personnel posted around disposal facilities, (3) quarterly reports on groundwater and leachate, requiring four monitoring wells around each drilling pit area, (4) daily inpection of each disposal facility, (5) monitoring and maintenance of security of drilling muds for 20 years after a production site is closed, (6) and so forth.

The regulations also prohibit drilling and production operations in wetlands (most of the Gulf Coast), active fault zone (California), and "500 year floodplains." In other words, areas known to contain large oil reserves are off-limits under the regulations.

All of this is necessary, EPA says, because it lacks information on waste characteristics of muds and brines, on the degree of environmental hazard posed by disposal and on waste disposal practices and alternatives. The plain fact that we have lived with these wastes for years is apparently irrelevant.

Maybe EPA really can't tell an oil rig from a nuclear reactor. But there are enough economists around who can explain to them the difference between an incentive and a disincentive. Regulation is like a tax, and, thanks to government, neither the oil industry nor the economy is robust enough to absorb $45 billion annually in new taxes. If these regs stick, one dollar a gallon gasoline will rapidly become "the good old days."

Today the economy is struggling to adjust to the higher real price of energy; the EPA regulations would have the same kind of shock-wave effect on energy costs as an OPEC price increase. Surely EPA's proposal is an expensive frivolity. There's already enough being done to drive up energy costs and discourage domestic exploration and production without EPA adding its $45 billion worth.

Perhaps Congress and the President will note that the EPA regs are about to run amuck and preempt the windfall profits tax, thereby depriving them of new revenue. At a time of budget stringency when favorite spending constituencies can't be properly serviced, politicians may put their foot down. Maybe EPA's extravagance will provoke Congress to legislate a regulatory budget limiting the costs agencies can impose on the economy. If so, the new regs proposed by EPA will have served a good purpose.●

PERSONAL EXPLANATION

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. FRENZEL. Mr. Speaker, on Monday, May 8, I was in my district conducting a small business conference and missed four rollcall votes.

Had I been present. I would have voted "no" on rollcall No. 121; "yes" on rollcall No. 122; "yes" on rollcall 123; and "yes" on rollcall No. 124.●

TRIBUTE TO BILLIE S. FARNUM

HON. JAMES J. BLANCHARD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. BLANCHARD. Mr. Speaker, tomorrow evening in Madison Heights, Mich., there will be a testimonial dinner for a former Member of this body and an outstanding public servant, Billie Sunday Farnum.

Billie Farnum has served Michigan ably in a wide range of public positions, including a term in the House of Representatives from 1965 to 1967 as the Congressman from the 19th Congressional District.

At his testimonial dinner, he will be presented a letter of tribute signed by the 13 Democratic members of Michigan's congressional delegation. That particular honor is an especially fitting one, for to many of us, Billie Farnum is a living example of the best tradition of the Democratic Party: the tradition of public service founded on human decency and compassion.

Mr. Speaker, I would like to insert at this point in the Record an article which appeared recently in the Royal Oak, Mich., Daily Tribune and which more fully describes Billie Farnum and the work that he has done over the years for the State of Michigan and for his country:

Billie Farnum—"Politician's Pol"

(By M. J. Matuszewski)

Some fellow Democrats credit Billie Sunday Farnum's survival through more than 40 years in organized labor and government to his political skill.

But Farnum, a Drayton Plains resident whose career spans union halls across Michigan, the State Capitol and Congress, calls it "dumb luck."

Whatever the reason, the 63-year-old secretary of the Michigan Senate has won the respect of political friends and foes. Many consider him the "politician's pol," the nickname for the model politician.

INCLUDES MILLIKEN

They'll gather in Madison Heights on May 10 to honor Farnum at a testimonial dinner at the Retail Store Employees Local 876 at 876 Horace Brown near I-75 and Thirteen-Mile Road. The list of dinner organizers includes the names of Democrats and Republicans including Gov. William G. Milliken.

Looking back on his political Horatio trip through the halls of unions, state government and Congress, Farnum says he never laid down any career plans.

"I just keep working and working and working," he said. "I always believed in doing the best job I could with what I had to do it with."

The oldest of 10 children, Farnum was raised in rural Watrousville, about 20 miles east of Saginaw. He said he worked his way through Vassar High School milking cows.

UNLOADING CRANKSHAFTS

As a 20-year-old veteran of the Civilian Conservation Corps, he got a job in Pontiac unloading 116-pound crankshafts from boxcars for the old Pontiac Motor Company in 1935. There he became involved in the fledgling United Auto Workers.

Farnum tells it this way: "There was this older guy. They fired him because he couldn't keep up with the rest of us. This man had a family and I kept thinking of what would happen to my father and family if he were working here and got fired.

"So I got active and I stayed active."

ORGANIZER, "BODYGUARD"

He became an organizer and a "bodyguard" for UAW chieftains Walter and Victor Reuther. "After they got shot (in the late 1940s'), we used to travel together sometimes, sort of for protection," he said.

He took the plunge into politics in 1951 with an appointment to the Michigan State Fair Commission and a year later became an administrative aide to the late Blair Moody, then a U.S. senator.

He was appointed assistant secretary of state in 1955, deputy secretary of state in 1957, and state auditor general in 1961. A year later, Farnum was elected to a two-year term as auditor general.

JOHNSON COAT-TAILS

Riding Lyndon B. Johnson's presidential landslide in 1964, Farnum went to Congress as the 19th District representative for Northern and Western Oakland.

In 1966, he lost the 19th District seat to Republican Jack H. McDonald in the year of George Romney's gubernatorial landslide, then became deputy chairman of the Democratic National Committee. He also operated a private municipal consulting firm in West Bloomfield.

Farnum wasn't ready to retire from politics. In 1975, under the sponsorship of then-senate majority leader William Fitzgerald, he was named secretary of the Michigan Senate.

"WORKAHOLIC"

Farnum earned a reputation as a success-driven "workaholic" who was unselfish with his time and advice.

In spite of open-heart surgery and recent ill health, members of his staff say he continues to put in long hours.

Says Mary Anne Garlack, who has put in 20 years with the secretary of state's office, "He worked better than three or four people put together. He could be extremely busy and he always had time for you. He was always a hard taskmaster. But you were always glad to do whatever he asked because you knew you were on a winning team."

"POLITICAL GODFATHER"

Richard Cole, a former Fitzgerald aide, said he considers Farnum "a political godfather." For the young politicians who need advice, "Billie was the kind of person you would want," he said.

Farnum's son, Eugene B., director of the senate fiscal agency, said he's no longer surprised to run into strangers who know his father.

There's the invariable compliment or story about his father. "It always happens. I guess they like him. He's had the opportunity to help a lot of people and make a contribution."

HARMONY CREATOR

Farnum carries a reputation in state Democratic circles as a master at creating coalitions and turning dissension into harmony.

"He was able to bring together so many different schools of thought and get them to move in one direction," Mrs. Garlack said.

Cole said Farnum's secret was "involving people at every level, from the union halls to all levels of government."

SENATE REFORMS

State Sen. William Faust (D-Westland), majority floor leader, credits Farnum with several senate reforms. "He helped to open the stodgy, old Senate to public scrutiny (through new rules that opened up financial records). We now have a tighter rein on senate spending. We now have computerized lists for all expenditures, including each senator's office expenses."

The list of organizers of the testimonial also includes Mennen Williams of the Michigan Supreme Court, former-Gov. John B. Swainson, Joe Collins, former-chairman of the Michigan Democratic Party, State Sen. Robert Vanderlaan (R-Kentwood) and Fitzgerald.

800 EXPECTED

They plan to be among the 800 persons expected to attend the dinner.●

THE SOFT DRINK INTERBRAND COMPETITION ACT

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. ASPIN. Mr. Speaker, I would like to take this opportunity today to speak on behalf of the Soft Drink Interbrand Competition Act (H.R. 3567). I note that in addition to myself, 287 Members have joined in cosponsoring this legislation. Identical legislation has been introduced in the Senate (S. 598), and it is cosponsored by 79 Senators. I am happy to see that the majority of the Members of the House and Senate are supporting this legislation. This certainly is good news for the predominantly small businesses which make up the soft drink industry. Let me dwell a little on the background of this legislation.

Since 1971 the soft drink industry has been in litigation with the Federal Trade Commission over the legality of vertically imposed territorial restrictions in bottlers' trademark licensing agreements. The FTC overturned an Administrative Law Judge's decision, which found these territorial exclusivity provisions to be reasonable in light of the effective interbrand competition in the soft drink industry. The FTC disagreed and differentiated between nonreusable—or premix—containers and returnable bottles. The FTC says that in the case of nonreusable containers the exclusivity provisions are an unreasonable restraint of trade. Territorial restrictions according to the FTC are not unreasonable when it comes to returnable, refillable bottles.

The FTC decision is arbitrary and will have a substantial and harmful impact on the soft drink industry.

First, it will eliminate small, independent bottlers who will not be able to compete with large bottlers. The large bottlers will supply their products directly to chainstore warehouse distribution systems. This will result in sale losses to small bottlers who will be alternately forced out of business, forced to merge with each other or large bottlers, or become distribution arms for large bottlers. Unquestionably, this will result in greater concentration, and as such, higher prices to consumers.

Second, the traditional system of local bottlers having routes serving large and small accounts will disappear because small accounts will generate little profit. Once the small bottler is gone, the large bottler will in all likelihood discontinue deliveries, thereby reducing the availability of soft drinks.

Third, the FTC decision will accelerate the use of nonreturnable containers and aggravate both the ecological and energy problems. Because large bottlers can only expand their territories in nonreturnables, the most expensive packaging form in terms of consumer and energy costs, they and the chain stores and food brokers with which they will deal will move to exclusive use of one-way containers. This move will be assured by a predictable and short-lived price war favoring such containers. The environmental problems associated with nonreturnables will only be intensified.

Fourth, the FTC's speculations as to consumer savings are unrealistic. Nonreturnable containers are more expensive and an increase in the use of such containers will cause an upward price trend. Small bottlers left with marginal returnable accounts will be forced to raise prices in an effort to survive. A predictable price war among large bottlers to gain lucrative chain store and food broker accounts may exert downward pressure; but such pressure will be short-lived and unlikely to reach the ultimate consumer. I fail to see how a decision leading to greater industrial concentration will, in the long run, help the consumer. Ultimately, there will be virtually no intrabrand competition in price and de facto exclusive territories in nonreturnables will result. Further, because chain stores market their own house brands below nationally known brands, the price savings to the chains as a result of a price war will not result in savings to the consumer. A chain store will not reduce national brands to a point competitive with their own house brands.

The result will certainly be felt within and across the States. In my State, Wisconsin, soft drink sales in 1977 totaled an estimated $213.8 million. The bottlers employed 2,399 persons and had a payroll of $25.5 million. There are 85 plants located in 58 cities throughout the State. Of these 85 plants, 71 employed 50 or fewer employees. The bottlers bought goods and services from other firms estimated at $121.9 million. Soft drink bottlers paid State and local taxes estimated at $3.4 million, not to mention the taxes paid by their employees. These consequences suggest that the FTC complaint is not to be taken lightly. The loss of jobs, the loss of revenue in terms of State and local taxes, and the fate of the 71 small bottlers within my State give me the utmost concern. These people's stakes, added to the industrial effects on our economy make H.R. 3567 a matter which we should give our deliberate attention.

The soft drink industry neither requests nor requires an exemption from the antitrust laws. The legislation sets a standard applicable to the soft drink industry under which a determination of substantial and effective interbrand competition would prevent exclusive territorial licensing agreements from being found in violation of the antitrust laws. Further, the legislation would provide that because the soft drink industry has existed in the same form for 75 years, an existing trademark licensing agreement may not be subject to treble damage actions under the antitrust laws until there has been a determination that such agreement is unlawful because no interbrand competition exists.

The need for congressional action is clear regardless of the outcome of the pending litigation. Since 1971 small bottlers have been subjected to 8 years of uncertainty. They face loss of property and investment, and certainly are reluctant to risk further capital to replace existing equipment or expand operations. This uncertainty has already prompted some small businesses to sell out their small bottling plants to large bottlers, again increasing concentration. The FTC decision will eliminate a competitive system replacing it with a system featuring large economic units with very questionable benefit to the consumer and our economy. The need for legislation to create an antitrust standard that will recognize the procompetitive aspects of a contractual relationship almost a century old is imperative. It hardly seems likely that the probable destruction of a small-business-oriented industry will be determined by the Congress to benefit public economic policy.●

HORATIO THOMPSON—1979 FREE ENTERPRISER OF THE YEAR

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. MOORE. Mr. Speaker, as I have indicated in earlier remarks, the week of January 22–27, 1979, was celebrated as the second annual Free Enterprise Week in the Sixth Congressional District of Louisiana.

As part of the week's activities, a local businessperson was selected to receive a Free Enterpriser of the Year Award.

The selection process included requesting nominations from chambers of commerce, trade and professional organizations, civic clubs, and citizens of the Sixth District. The nominations were reviewed by an independent selection committee which chose the individual to be honored with the Free Enterpriser Award for 1979.

The qualifications for the award were general and flexible, but included emphasis on the fact that we were looking for a small businessperson who had started with little and built a successful business as a result of the hard work, determination, and the opportunity allowed by our free enterprise system.

In other words, we were looking for an example of the typical American success story that is a living demonstration that the free enterprise system works.

The recipient of the 1979 Free Enterpriser Award is a classic example of such a rags-to-riches success story: Mr. Horatio Thompson of Baton Rouge.

Mr. Thompson is the president of the Horatio Thompson Realty Co., and the Horatio Thompson Investment Co. He is a very respected member of the Baton Rouge business community whose story of success should be an inspiration to all of us.

Mr. Thompson entered the world of business in 1933 when he was a freshman at Southern University, then an all-black teachers college.

To earn the money to support his college education, he bought a used 1929 Model A Ford and began a one-man taxi company, a business he operated out of his college dormitory.

In the 1930's Southern had no business school so our free enterpriser learned the fundamentals of business management from library books. Accounting, marketing, bookkeeping were all self-taught, and studied in addition to his regular education courses.

In 1937, Mr. Thompson graduated from Southern University with a degree in education. Although he was offered a job as the principal of a high school, he decided to turn that offer down and continue to run his own business.

After graduation he needed a new base of operation for his taxi business. He spotted a closed Esso gas station in Baton Rouge and arranged to open the station which he also ran as a one-man operation.

Over a number of years of hard work, sacrifice, and perseverance the one-man taxi company gradually grew into a company of five cabs with several employees.

The year 1950 marked a turning point for Mr. Thompson because it was during that year that he decided to sell his taxi company and begin an auto parts business.

An interesting thing about free enterprise is that as one person becomes successful, others benefit too.

When our free enterpriser sold his five cabs to open the auto parts business, he sold them to the drivers who had worked for him. Because of one success story, others were able to realize their dream of owning their own businesses.

Further, as the auto parts business grew and became successful, Mr. Thompson moved on to other businesses and, in turn, sold this auto parts business to former employees.

A person who owns a business in a community is also a person who is concerned about that community, and devoted to its improvement. Mr. Thompson is no exception; he has a record of community service which dates back to his earliest days in business.

He has been a member of St. Michael's Episcopal Church for 30 years and in that time has has held six different church offices.

Since 1954 he has worked with the capitol area United Way, serving in a number of capacities including vice president and director.

A member of four different human relations groups in Baton Rouge, Mr. Thompson is one of the most prominent members of our black community. Also, he has a long and distinguished history of service to his alma mater—Southern University.

This success did not come easily to Mr. Thompson. He earned his success and risked the security to a good position in education position to stay in business after college.

The free enterprise system does not guarantee success, but it does reward those who develop new products and services to meet the needs of our people.

Mr. Thompson is a source of pride and admiration for all who know him and believe in free enterprise.●

UDALL-ANDERSON SUBSTITUTE SUPPORTED BY NATIONAL WILDLIFE FEDERATION

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. UDALL. Mr. Speaker, as the House nears the time of decision on the fate of Alaska's magnificent wildlands, I think it is important to share with all Members a portion of the many letters and telegrams the National Wildlife Federation has received from its affiliated organizations throughout the Nation on the Alaska lands legislation. The National Wildlife Federation, with nearly 4 million members nationwide, is a nonprofit conservation education organization dedicated to the wise use and proper management and conservation of our natural resources. They, along with literally thousands of other conservation and outdoor groups throughout the United States, have strongly endorsed the Udall-Anderson substitute as the only conservation bill for Alaska. Enclosed are the texts of a variety of letters and telegrams sent to Mr. Thomas L. Kimball, executive vice president of the Federation, in support of the Udall-Anderson substitute:

Nebraska Wildlife Federation supports National Wildlife Federation's position on Alaska and Udall-Anderson bill. Udall bill is not anti-hunting.

CONSTANCE M. BOWEN,
Executive Director,
Nebraska Wildlife Federation.

New Hampshire Wildlife Federation, State affiliate of the National Wildlife Federation, gives strong support to Udall-Anderson bill. Sportsmen and others depend on unspoiled wildlife habitat. Only Udall-Anderson will adequately protect prime habitat in Alaska—also gives best protection to States right to manage resident wildlife.

Prof. JOE EZYK,
President, New Hampshire Wildlife Federation.

Massachusetts Wildlife Federation, National Wildlife Federation's State affiliate, strongly supports Udall-Anderson Alaska Lands bill and would like to see its speedy passage.

KALIL BOGHDAN,
President,
Massachusetts Wildlife Federation.

The Environment Council of Rhode Island, affiliate of the National Wildlife Federation, strongly supports Udall-Anderson bill. This bill is the only one which balances recreation and development interests. Other bills are mecca for development interests.

DR. ALFRED HAWKES,
Affiliate Representative,
Environment Council of Rhode Island.

Udall-Anderson bill protects vital wildlife habitat for sportsmen and all who enjoy outdoor recreation. Other bills favor mining and other development interests. Connecticut Wildlife Federation, affiliate of the National Wildlife Federation, urges you to support Udall-Anderson.

JOHN REILLY,
President,
Connecticut Wildlife Federation.

The following message telegraphed to the Arkansas Congressional delegation:

"The Arkansas Wildlife Federation has given its full support to preservation of Alaska's wildlands and is in full accord with the recommendations made by the Coalition of Conservation Organizations and the National Wildlife Federation. It wishes to assert its full support for the Udall-Anderson bill concerned with the disposition of Alaska's lands which is now pending before the Congress of the United States."

NESBIT BOWERS,
President, Arkansas Wildlife Federation.

Idaho Wildlife Federation supports Udall-Anderson as sound wildlife management and hunting bill.

WILLIAM R. MEINERS,
Idaho Wildlife Federation.

Due to further information and examination of the Breaux-Dingell bill and the Anderson-Udall bill, the West Virginia Wildlife Federation, Inc., has hereby discontinued our support of the Breaux-Dingell bill. Therefore, we are urging your support of the Anderson-Udall bill. Thank you.

Sincerely,

EDWIN CRITES,
President, Buckhannon, W. Va.

Maine Natural Resources Council, State affiliate of the National Wildlife Federation, urges passage of Udall-Anderson bill, which is the only bill to adequately protect the interests of sportsmen and other outdoor recreationists.

ROBERT GARDINER,
Executive Director,
Maine Natural Resources Council.

Vermont Natural Resources Council, affiliate of the National Wildlife Federation, fully supports Udall-Anderson bill. We are shocked that other bills being promoted would open wildlife refuges and other outstanding wildlife habitat to hard rock mining and other development.

SEWARD WEBER,
Executive Director,
Vermont Natural Resources Council.

California Natural Resources Federation strongly supports its parent group, National Wildlife Federation, in seeking passage of Udall-Anderson version of Alaska Lands bill. This is the only Alaska Lands bill which protects the public's interest. We strongly urge you support Udall-Anderson on the floor.

VERNON J. SMITH,
Affiliate Representative, CNRF.●

FEDERAL AUTOMOBILE MILEAGE REDUCTION ACT OF 1979

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. ANDERSON of California. Mr. Speaker, no one will now deny our Nation is in the midst of a serious energy crisis. Gasoline is now being rationed in my own district, on an odd/even day gas rationing program. Unfortunately, one of the reasons this drastic measure was needed was the increased number of miles driven weekly above the same period last year.

The President has asked all of us to reduce the use of our cars by 15 miles per week. I believe the Federal Government must lead the way by setting an example.

Therefore, today I introduced the Federal Automobile Mileage Reduction Act of 1979. This legislation instructs the President to reduce the motor vehicle mileage of all Federal agencies by 10 percent, phased in over 4 years. This bill calls for a 6-percent cut in fiscal year 1980, equivalent to 15 miles per week per car, a 2-percent cut in fiscal year 1981, and a 1-percent reduction in fiscal years 1982 and 1983.

The intent of Congress in 1975 when we mandated increased Federal automobile mileage standards was to decrease the amount of gasoline the Federal Government was consuming. Unfortunately, as often happens, the bureaucracy did not follow the intent of the law. From 1976 to 1977 the total miles driven by the Federal automotive fleet increased 5.1 percent, and the total gallons of fuel consumed increased 8 percent. This must be stopped.

The President has asked Federal agencies to reduce their fuel consumption by 10 percent. I applaud the President for this action, but I believe a stronger step must be taken. When you consider that new cars purchased by the Federal Government in 1985 will get much better mileage than those bought this year, and will need 31 percent less gas, the Federal Government can drive more miles than ever before and still meet the requested 10 percent fuel reduction.

This bill also contains a provision which directs the President to promote the use of gasohol in Federal vehicles wherever it is possible. This could result in an additional reduction of gasoline consumed by the Federal automotive fleet by as much as 10 percent.

The Federal Government drives over 3 billion miles annually. This bill will help reduce needless Federal driving, reduce our gasoline consumption, but most of all it will have us in the Federal Government set an example for the rest of the Nation to follow:

Mr. Speaker, I would like to invite my colleagues to cosponsor this legislation. If you have any questions or would like to add your name as a cosponsor, please call my legislative assistant, John Cullather, at 56676.

The material follows:

H.R. 4027

A bill to reduce the annual automotive mileage and fuel consumed by Federal agencies.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Automobile Mileage Reduction Act of 1979".

STATEMENT OF PURPOSE

SEC. 2. The purpose of this Act is to reduce the annual automotive mileage and fuel consumed by Executive agencies.

SEC. 3. For purposes of this Act—

(1) The term "automobile" means any vehicle which has 4 or more wheels, pro-

pelled by fuel, and which is manufactured primarily for use on public streets, roads, and highways (except any vehicle operated on rail or rails).

(2) The term "fuel" means gasoline and diesel oil. The President may include any other liquid fuel or gaseous fuel within the meaning of the term "fuel" if he determines that such inclusion is consistent with the need to conserve energy.

(3)(A) The term "base period automobile usage" means, with respect to any Executive agency in existence on September 30, 1977, the aggregate number of miles traveled by automobiles owned, or leased for more than six months, by that agency during the fiscal year ending September 30, 1978.

(B) In the case of any agency which was not in existence on September 30, 1977, such term means the aggregate number of miles which the President determines would have been traveled by automobiles owned, or leased for more than six months, by that agency if the agency has been in existence on that date, taking into account the automobile usage attributable to functions transferred to or vested in that agency.

(C) The base period automobile usage for any agency shall be adjusted by the President for changes in functions or levels of workload occurring after September 30, 1978; except that the aggregate of the base period automobile usage for all agencies at any time may not exceed the aggregate of all Executive agencies for the fiscal year ending September 30, 1978.

(4) The term "Executive agency" has the meaning given such term in section 105 of title 5, United States Code, except that it shall include the United States Postal Service and the Postal Rate Commission.

LIMITATION ON AUTOMOBILE TRAVEL

SEC. 4. (a) The President shall provide that the aggregate miles travelled by automobiles owned, or leased for more than six months, by any Federal agency in each fiscal year beginning after September 30, 1979, shall be equal to or less than that agency's base period automobile usage reduced as provided in subsection (b).

(b)(1) In the case of any fiscal year beginning after September 30, 1979, and before October 1, 1993, the reduction in each Executive agency's base period automobile usage shall be determined under the following table:

For the fiscal year ending:	The base period automobile usage shall be reduced by
September 30, 1980	6%
September 30, 1981	8%
September 30, 1982	9%
September 30, 1983	10%
September 30, 1984, and thereafter through September 30, 1993	11% plus 1% point for each fiscal year after 1984

(2) In the case of any fiscal year beginning after September 30, 1993, each Executive agency's base period automobile usage shall be reduced by 20 percent, plus such additional amount as the President determines possible without adversely affecting the capability of that agency in carrying out its functions.

(c) In addition to the preceding requirements of this section, the President shall provide—

(1) that the travel by each Executive agency involving the reimbursement for use of employee-owned automobiles or the rental, or lease for periods less than 6 months, of automobiles does not exceed the travel by that agency involving such reimbursement, rental, or lease which occurred during the fiscal year ending September 30, 1978, or if the agency was not in existence on September 30, 1977, which the President determined would have occurred if it were in existence that year.

EXEMPTIONS

SEC. 5. (a) The President may exempt the travel of any automobile or automobiles of an Executive agency during any national emergency or disaster to the extent necessary to respond to that emergency.

(b) The President may exempt automobiles owned or leased by the United States Postal Service to the extent he considers such exemption necessary in order for the Postal Service to effectively carry out its responsibilities.

(c) After September 30, 1983, the President may exempt for one year any Executive agency, to the extent he considers such exemption necessary in order for such agency to effectively carry out its responsibilities. No exemption under this subsection may permit an Executive agency's automobile usage to increase in any fiscal year over the mileage limitation for the preceding fiscal year applicable to that agency (determined without regard to this section).

(d) The President shall transmit to each house of the Congress a written report not later than 60 days after an exemption has been made under this section (excluding Saturdays, Sundays, and legal holidays in the District of Columbia).

GASOHOL USAGE

SEC. 6. The President shall promote the use of gasohol in automobile owned or operated by Executive agencies.●

OIL COMPANIES SEEK TO RESTRAIN THIRD WORLD OIL PRODUCTION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. CONYERS. Mr. Speaker, presently the United States is importing in excess of 8 million barrels of crude oil and petroleum products daily, which represents about 44 percent of domestic use. In 1978 these imports cost $43 billion; in 1979 the price tag is expected to rise to the neighborhood of $55 billion. Current energy policy has failed largely because it has not found a way to deal with, and curb, the cost of imported oil, particularly the pricing actions of the OPEC cartel, which, in effect, have eliminated the ceiling on the world price for oil.

The existing oil import system, controlled by a handful of the biggest multinational oil corporations, goes a long way toward explaining the failure of our energy policy. The entire system is geared toward increases in the volume of imported oil; increases in the price of imported oil and, because of decontrol, in the price of domestic oil as well; restraint on the proliferation of oil sources, particularly in Third World countries that have nationalized industries and, therefore, on new future oil production; and maintenance of the privileged access to oil markets that the big oil companies have cultivated over a number of decades. To protect their special access to oil sources, especially the OPEC producers, these companies purchase imported oil at whatever prices the oil-producing countries charge and basically in whatever amounts they determine.

They have no incentive to shop around for the lowest prices, or to expand sources of supply, particularly among non-OPEC countries, or to limit the amount of imports, since the price of the domestic oil they control and the value of the tax breaks they enjoy increase, as the price and volume of imports climbs. The United States has become the captive, in effect, of an oil import system that works to increase, rather than lessen, dependence on other countries' energy sources; and that aggravates rather than diminishes the balance-of-payments deficit and the crippling inflation that results.

The following article in the Washington Post (May 6, 1979), entitled, "Tycoons and Developers Quarrel over Third World's Oil," authored by J. P. Smith, spells out the causes and consequences of this system, that could not have been better arranged to promote the profits of the oil companies, at the expense of the national interests of the American people. Among the revelations is the following: an Exxon executive confirms that while it may be to the interest of the country to support new oil exploration and production, outside of the major oil-producing countries, it is certainly to the disadvantage of the international oil companies, whose present control and competitive position would be jeopardized.

I urge my colleagues to read this article, and judge for themselves whether the present oil import system ought not to be reformed. To that end, on April 10, 1979 Representatives BENJAMIN ROSENTHAL, CHARLES ROSE, and myself introduced the Oil Imports Act of 1979 (H.R. 3604), that establishes through a Federal nonprofit oil-purchasing corporation the very mechanisms through which the existing system can be transformed. The article follows:

TYCOONS AND DEVELOPERS QUARREL OVER THIRD WORLD'S OIL

(By J. P. Smith)

The prospect of a vast and untapped global supply of oil beyond the control of the existing energy cartel is casting a powerful lure in such staid institutions as the World Bank, the United Nations and the U.S. Treasury Department.

This new hope centers on the oil-producing potential in the undrilled regions of Africa, Latin America and Asia.

Already the World Bank has embarked on a $3 billion funding program in these regions which its energy experts believe could raise world production by 6 million barrels a day, the equivalent of Iran's production before the coup.

All this would seem to fit the prescription written five years ago for the United States and other industrial nations when crude oil prices quadrupled against a background of shrinking reserves. What could better fit the bill than a new and globally diversified supply base for the world's crude oil consumers?

There are already strong stirrings of discord among big oil, the Carter administration and the World Bank over the exploration-financing program as well as the share of the international oil companies in tapping the new supply source.

In January the chairman of the world's largest oil company, Exxon's Clifton Garvin, privately called on Treasury Secretary W. Michael Blumenthal to urge that the bank's program for the non-OPEC countries be abandoned.

He told Blumenthal that such programs of exploration for oil and gas are "inherently risky" and "ill-suited to bank lending." Should the World Bank wish to go forward nonetheless, Garvin told the treasury secretary, it should insure that drilling opportunities were "first offered to industry on reasonable terms." Blumenthal serves as a U.S. director of the international lending organization.

World Bank and Carter administration officials were surprised at Garvin's plea.

Promise of new Third-World oil coming into world markets also means downward pressure on prices, and undercutting the OPEC grip.

Blumenthal did not follow Garvin's advice and the bank program, earlier endorsed by the Bonn Summit, was approved.

What was curious about Garvin's argument, however, is that two-months later Exxon took a different tack. In an announcement that sent tremors through international oil circles, Exxon said it would no longer be selling crude oil to European and Japanese companies in the 1980's. Supplies then would be too tight, Exxon said.

This episode illustrates vividly the most compelling energy question facing the nation: can we avert a world oil shortage by developing oil resources outside of OPEC? And, if possible, will it be with or without the major oil companies?

The outlines of an answer are entwined in the explanations of why Exxon would be discouraging future oil production, while at the same time planning future cutoffs in its oil sales—paths that appear contradictory.

William Slick, an Exxon vice president, explains: "We're not against oil development . . . we're against loaning money through the World Bank to national companies that compete against our private companies."

A sterner assessment of Exxon's motives is offered in a February Congressional Budget Office report: "Guaranteed loans from the World Bank and other sources can only damage further the competitive position of the international oil companies," the CBO said.

Does this mean that the world must forgo added oil production unless the major oil companies do it? Blumenthal answered no.

Still other questions remain, however. Do companies like Exxon and the other majors have a continual incentive to seek new oil production? On this point, the CBO study, "A Strategy for Oil Proliferation: Expediting Petroleum Exploration and Production in Non-OPEC Developing Countries," suggests that the answer may also be no.

The CBO says there are two reasons why "the companies might deliberately ignore prospects" for oil production in developing countries. "By restraining supplies prices are kept high" and "the companies see their futures as marketers for OPEC and do not want to jeopardize their status by negotiations with potential competitors."

CBO's suggestion is reinforced by a disclosure Exxon made at a Senate Foreign Relations subcommittee hearing several years ago. Asked by Sen. Charles H. Percy (R-Ill.) why Exxon did not develop what company geologists suspected could be 10 billion barrels of oil reserves in Oman, Exxon executive Howard Page said, "I might put some money in it if I was sure we weren't going to get some oil, but not if we were going to get oil because we are liable to lose the Aramco concession."

Aramco, the Arabian American Oil Co., is made up of Exxon, Mobil, Standard Oil of California and Texaco, and produces most of Saudi Arabia's oil. Page, in other words, said Exxon did not want to increase oil production if it jeopardized relations with the Saudis, or forced a reduction in Saudi oil production.

There are occasions then—if the CBO is right—when the major oil companies could act, either consciously or inadvertently, as obstacles to increasing oil production and finding new oil supplies.

If the suggestions posed by CBO and the incident cited by Page are correct, oil companies are not likely to develop new supplies that would threaten their market shares or profit margins.

Setting aside the issue of the companies' role, the great challenge confronting the world, if Energy Secretary James R. Schlesinger Jr's warnings of a 1980s oil squeeze are correct, is how to increase non-OPEC oil production.

Garvin's letter added still another argument why the United States should oppose the bank program. "Industry activity in these [non-OPEC] countries has been extensive," Garvin wrote.

World Bank officials and the U.S. Geological Survey's Bernardo Grossling dispute this, contending that the Third World countries today are still largely unexplored frontiers with enormous prospects for new oil and natural gas discoveries.

Among their arguments:

There are better prospects for major oil discoveries in the non-OPEC developing countries than in the United States and other industrial states, according to the World Bank. Grossling says that over the last three decades, the oil discovered per well drilled in the United States averaged 15, 20 and 30 barrels per foot drilled.

In Western Europe, including the North Sea, it has averaged 50, 60 and 80 barrels a foot.

In Latin America, even excluding oil-rich Mexico, it has been 100 to 200 barrels. And in Africa, it has been a staggering 500 to 1,000 barrels found for every foot of exploratory drilling.

The non-OPEC Third World countries have had little exploratory drilling. The United States, on the other hand, with 6 percent of the prospective drilling area, has been the center of two-thirds of the world's oil drilling.

As for the rest of the world? There are twice as many oil wells in Kansas as in all of Latin America, and three times as many wells in Arkansas as in all of Africa.

Despite the 5-fold increase in world oil prices since 1973, trends for seismic work and exploratory drilling have remained nearly level or have declined. From 1973 to 1976, exploratory drilling in non-OPEC Latin America dropped from 9.1 wells per 100 square miles to 8.5.

During the same years in non-OPEC Africa, the drilling rates remained at 2.8 wells per 100 square miles of prospective areas.

"The bulk of the drilling has been done mostly in the United States, followed by Canada and Mexico, since the embargo," Grossling says, adding that "The OPEC countries' [drilling activities] are also way down."

Grossling concludes that the drop in exploratory works "has nothing to do with geology."

Still other reasons are offered why major oil companies have not explored as widely in the non-OPEC nations.

William Lane, head of DOE's Office of Competition, says "There has been a significant market failure, the laissez faire system the companies operated under has broken down." New mechanisms and new assurances are needed, Lane says, for moving private investment into oil exploration where it is needed overseas.

Lane's view is shared in part by Lehman Bros.' Martin Roberts, who talks about the "great structural changes" in world oil markets over the last 25 years. Roberts points out that today more than 60 national oil companies control about 80 percent of the world's oil reserves, versus 20 percent two decades ago.

The rise of OPEC's power and economic nationalism are other factors. Even then, major oil companies are also exposed to unexpected risks abroad. One major, for example, recently found oil in the Cameroons, only to learn afterwards that the Yaunde government changed the terms of their original agreement once they knew oil was found.

Efrian Friedman, head of the World Bank energy program, said in a recent interview, "Our diagnosis that there was a problem with exploration has been correct." To turn that around, the Chilean scientist says, "The main thrust of our program has been to facilitate the access of the oil industry to the developing world."

This means not only insuring that the host countries have equitable agreements with the oil companies, but also identifying energy projects the bank can provide seed money for.

Loans have been made to India, Thailand and Pakistan, and nearly 15 other countries have expressed interest in projects ranging from oil exploration to production.

Equally important, the bank has taken on the role of "honest broker" in negotiations between Gulf Oil and Pakistan, a deal concluded satisfactory to both parties, and has been approached to help in other negotiations.

Knowledgeable sources also say that since the bank program was approved a number of companies have asked the bank to help gain access to countries that have resisted negotiating with majors.

"The thinking in the industry is changing very fast," Friedman says.

How fast that thinking changes likely will determine the outcome of the world energy production over the next years.●

PRAISE FOR PRESIDENT CARTER'S BREEDER REACTOR POSITION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. BROWN of California. Mr. Speaker, President Carter is being hit from both sides on most of his important energy policy recommendations, which reflects the divisions in our society over these various energy policies.

One position that President Carter has consistently taken since becoming President, and before, is his position in regard to breeder reactor research, development, and demonstration.

As most Members are aware, the most controversial aspect of the President's policy is his decision to terminate the Clinch River breeder reactor project. The Congress has not gone along with this recommendation in the past, and the President has been unable to negotiate an acceptable compromise. As one who has been closely involved with the Clinch River breeder reactor fight, I am quite supportive of the efforts of President Carter to resolve this matter. I hope my colleagues will join me on the House floor in reversing the recent vote of the House Committee on Science and Technology, which rejected all efforts at compromise.

The Los Angeles Times has been a careful chronicler of this dispute, and a responsible voice on the nuclear question in general. I would like to bring to my colleagues' attention their most recent editorial on the Clinch River breeder reactor, which properly praises President Carter.

The article follows:

[From the Los Angeles Times, May 9, 1979]

CARTER IN THE CLINCH

President Carter has sent word to Capitol Hill that he will continue to fight any further work on the construction of a breeder-reactor demonstration plant.

His position, according to an internal White House memorandum disclosed in The Times last week, has not changed. He believes that any breeder built with the relatively crude technology now available would be a waste of money and a threat to his campaign to curb the growth in the world supply of weapons-grade plutonium.

A breeder reactor takes its name from the fact that it "breeds" plutonium as part of the proces of using uranium fuel to generate electricity.

Carter's resistance to a breeder, on which work already has begun in Clinch River, Tenn., will not sit well with Congress, which wants the $2.2 billion breeder badly, but he is right to hold out.

His position is even more commendable with the hindsight of the nuclear power plant accident at Three Mile Island that occurred some days after Carter advised his staff privately that he would not budge on the breeder.

Three Mile Island was a clear warning that there are problems of design and operation still to be worked out on light water reactors. A breeder represents a step upward in complexity from conventional reactors roughly similar to that from a Piper Cub to a space capsule.

Carter made his intentions known with his reaction to a staff paper in which his domestic advisers urged him to keep peace with Congress by promising an even bigger breeder demonstration soon if Congress would drop its plans for Clinch River.

Across the bottom of the memorandum he wrote: "I would rather go down swinging. A large breeder in the near future is a waste of money."

In ruling out the breeder, Carter sided with his National Security Council and others. Their advice was that he could cripple his campaign to persuade other nuclear nations to hold down, perhaps even reduce, the world stock of plutonium if he showed the slightest interest in a technology that would add to the plutonium stock in his own country.

In resisting Clinch River, Carter did not slam the door on all breeder technology, but only on that now easily available. In a letter to congressional leaders, he said the United States should "pursue a vigorous program of breeder-reactor research and development so that this option can be commercially available to us if and when we need it."

That is far short of what Congress wants, but Carter is right to stop his promise at research. In view of the many questions about breeder technology—ranging from those of domestic health and safety to those of world stability—he is on the right course.●

SHOULD HIPPOCRATES SHRUG—REGULATORY POWERS OF FTC

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. ARCHER. Mr. Speaker, the following is an address by a friend and constituent of mine from Houston, Dr. Whitney G. Sampson, president of the American Association of Ophthalmology. His remarks were made in address to the Washington State Academy of Ophthalmology and raise several valid points about the regulatory powers of the FTC which I would like to commend to the attention of my colleagues:

ADDRESS BY DR. WHITNEY G. SAMPSON

PROLOGUE

A specter is haunting the practice of medicine! The specter of its emasculation as a noble and honorable profession by powerful and unrelenting governmental and private forces.

How is such a specter possible in a free society where everyone is supposedly granted the right to life, liberty and the pursuit of his trade or profession, free from the authoritarian forces of government?

Jan Kozak, formerly a member of the Secretariat of the Community Party of Czechoslovakia, published a pamphlet[1] in 1957 in which he codified the basic and classic techniques of graceful, unsensational, non-revolutionary metamorphosis of a democratic and representative society into a socialist state by parliamentary and regulatory methods.

Impossible? Platitudes? Let's review very briefly Kozak's premises and see if they don't start to ring a few bells! Paraphrasing appropriately for relevance to the theme of this presentation:

"A piece of enabling legislation is adopted to remedy some easily discoverable public concern. A new agency is created—or an old one is given expanded authority; and once established follows normal agency procedure and behavior.

"The public's need for remedial action becomes more precisely defined over a time span (months, years, and even generations). Increased authority is granted periodically in response to organized pressures, both artificial and real and from both above and below.

"All in good time, a new authority is there, self-contained; and a new instrument of power has arisen, sufficient unto itself. By such parliamentary means, a democratic and representative government can be made authoritarian, legally and piece-by-piece.

"The individual, who one year is free and independent, is next year just a little more restricted—then a little more—and a little more. Suddenly, overnight, he no longer is an individual. He is a cog, being moved inexorably by the monolithic machinery of the state!

"And not a shot is fired!"

PUBLIC'S NEED FOR REMEDIAL ACTION

In order to apply the relevance of this concept to the problems facing all professionals today—especially physicians—let's turn the clock back a bit and review some happenings during the past few years that are of grave concern as we look to the future.

On July 2nd, 1890, the Sherman Anti-Trust Act was signed into law by President Benjamin Harrison. This bill was enacted to remedy (Kozak's) "easily discoverable public concern" over the huge monopolies that were developing at the turn of the century, and allegedly, were driving the small businessman out of the market due to unfair business practices, price-fixing and an assortment of supposedly amoral activities.

The Sherman Act got perhaps its biggest boost into the arena of Big-Brotherism during the "Trust-Busting" administration of President Theodore "Square-Deal" Roosevelt (1902–08)—who felt that, "The captains of industry . . . should not have their activities prohibited, but rather supervised and, within reasonable limits, controlled!" During Roosevelt's administration, 44 suits were filed by the government under the Sherman Act.

In the beginning, the Sherman Act, which essentially proscribes personal, contractual and corporate activity (conspiracies) in restraint of trade or commerce, and in the fostering of monopolies of trade or commerce, provided that, if convicted, the defandant was guilty only of a "misdemeanor"—and therefore subject to not more than a year of imprisonment or a fine of not more than $5,000 dollars, or "both", in the discretion of the court.

However, as the result of (Kozak's), "increased authority requested continually and granted in response to organized pressures", today (1979), if convicted a defendant, "shall be deemed guilty of a felony", and on conviction thereof, shall be punished by a fine not exceeding one million dollars if a corporation, and if an individual, one hundred thousand dollars or by imprisonment not exceeding three years, or by both said punishments, in the discretion of the court. (PL 93–528—1974 Amendment signed into law by President Gerald R. Ford).

In commenting upon the serious ramifications of the Sherman Act, the well-known author Ayn Rand—from whose classic "Atlas Shrugged" the title of this presentation is borrowed respectfully—proffered the following remarks in an article published in 1962.[2]

"If I were asked to choose the date which marks the turning point on the road to the ultimate destruction of American industry, and the most infamous piece of legislation in American history, I would choose July 2nd, 1890—the date of approval of the Sherman Anti-Trust Act—which began that grotesque, irrational, malignant growth of unenforceable, incompliable, unjudicable contradictions known as the anti-trust laws."

As Miss Rand points to further, although "Restraint of Trade" is the essence of antitrust activities, no exact definition of what constitutes "Restraint of Trade" can be given. The courts in the U.S. have been engaged since 1890 in deciding case-by-case exactly what the law proscribes; and no broad definition can unlock with any reality the exact meaning of the anti-trust statutes.

"This means that a businessman has to live under the threat of a sudden, unpredictable disaster, taking the risk of losing everything he owns or being sentenced to jail, with his career, his reputation, his property, his fortune—the achievement of his whole lifetime—left to the mercy of any ambitious young bureaucrat, who for any reason, public or private, may choose to initiate proceedings against him."

Another serious hazard existing in the remedial provisions of the anti-trust statutes is the possibility of treble damage suits, which may be retroactive. Firms and individuals which run afoul of the anti-trust laws are exposed to such suits, in addition to any fines and imprisonment levied by the government, even though their offense was a course of action or conduct that "everyone" considered to be quite legal at the time—as well as ethical; however, a subsequent re-interpretation of the law declared it to be illegal.

This is an example of "retroactive" (ex post facto) law, and although such laws are forbidden specifically by the U.S. Constitution, they exist unequivocally in the form of the Sherman Act and its multiple amendments since 1890.

To complete the relevant history pertinent to the theme of this presentation, in 1914 during the administration of Woodrow Wilson, (Kozak's) "the public's need for remedial action becoming more precisely defined" culminated in the creation of the Federal Trade Commission to help "police" industry and stop abuses and "unfair trade practices." The "FTC" was empowered with investigative enforcement authority to issue "cease-and-desist" orders against all trade practices which it considered to affect "commerce" adversely.

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[1] Kozak, Jan: "How Parliament Can Plan A Revolutionary Part In The Transition To Socialism," and the "Role of the Popular Masses," American Edition, published by the Long House, Inc., New Canaan, Connecticut, 1962.

[2] Rand, Ayn: "America's Persecuted Minority—Big Business", Published by Nathaniel Branden Institute, New York, 1962.

However, for many years the FTC languished ineffectively in the anti-trust arena since its true enforcement powers were weak and its staff was lacking in both manpower and fiscal appropriations to handle adequately (Kozak's) "the public's need for remedial action."

AN AUTHORITY IS THERE

Borrowing on Miss Rand's format, if the author (WGS) were asked to choose the year and events that mark the turning point on the road to the potential demise of all professionalism—and especially the profession of Medicine—I would choose the year 1975: and I would cite the following landmark events in support of this thesis:

A. Magnuson-Moss Act (PL 93-637)—Signed into law by President Gerald R. Ford on January 4th, 1975 (the same day as PL 93-641!). This bill amended the Federal Trade Commission Act by granting to the FTC broader rule-making authority—including the implied power to preempt any and all conflicting state laws—as well as significant civil enforcement authority—viz., the levying of penalties up to $10,000 for each and every violation of its rules! Additionally, the Act provided for fiscal appropriations totaling 265 million dollars through September 30th, 1979, to fund its policing activities of industry and commerce!

Coming immediately behind PL 93-528 discussed earlier, viz., the increase in the punitive provisions of the anti-trust statutes, the year 1975 was indeed a giant step forward for those interests bent toward the control and policing of all trade and commerce in the U.S.

B. Goldfarb vs. Virginia State Bar (U.S. Supreme Ct., June 16, 1975): From a case involving minimum fee schedules by lawyers, in its decision ruling that such schedules were in violation of the Sherman Anti-Trust Act, the High Court also held that:

1. "The nature of an occupation, standing alone, does not provide sanctuary from the Sherman Act—nor is the public service aspect of professional practice controlling in determining whether (the Sherman Act) excludes professions"!

2. "Whatever else it may be, a (professional act) is a service; and the exchange of such a service for money is commerce in the most common usage of that word"!

3. "(Sherman Act) . . . shows a carefully studied attempt to bring within the act every person engaged in business whose activities might restrain or monopolize commercial intercourse among the states"!

4. "In the modern world it cannot be denied that the activities of (professionals) play an important part in commercial intercourse; and that anti-competitive activities by such professionals may exert a restraint on commerce"!

And suddenly—overnight—the "authority is there, self-contained; and a new instrument of power has arisen unto itself; legally and piece-by-piece." (Kozak)

"And not a shot (has been) fired!"

The decision of the Supreme Court in the "Goldfarb Case" was a devastating blow to the concept of professionalism; for it summarily threw out the time-honored "learned profession" exemption from the Sherman Act; and consequently—with the stroke of a pen—placed all professionals under the jurisdiction of the anti-trust statutes and made them subject to regulation by the almost unbelievingly naive bureaucracy of the Federal Trade Commission—and, "at the mercy of any ambitious young bureaucrat" who chooses to initiate regulations for remedial action against allegedly unfair practices.

ASSAULT ON PROFESSIONALISM

Since that "Black Monday" when "Goldfarb" changed the destiny of all professions in the U.S. (June 16th, 1975), the professions, and Medicine in particular, have been assaulted by the Federal Trade Commission on a broad front that has resulted in serious concern and frustration among their leadership and confusion and hostility among the rank and file! Specific examples affecting the practice of medicine include:

FTC vs. AMA, et ux (Conn. & New Haven)—Initiated December, 1975, and decided on November 13th, 1978, by Ernest G. Barnes, Administrative Law Judge for the FTC—in a 312-page decision finding the defendants guilty of a grand conspiracy to stifle all advertising in Medicine and to subvert any innovative form of health care delivery! This action was initiated without any warning by the FTC and was the first "Big-Bang" exerted under its newly-granted authority (PL 93-637).

The "Cease and Desist" order issued by Judge Barnes astonishingly forbids the AMA and its constituent organizations from involving themselves in any way in monitoring the advertising and promotional practices of physicians. If any misleading advertising or deceptive practices arise, individual physicians or medical organizations must report them directly to the FTC for its investigation and resolution.

Even more sweeping in this "Cease and Desist" order is that the AMA may not establish ethical guidelines governing advertising and solicitation for a period of two years after the order becomes final (90 days unless held in abeyance during appellate procedures)—and after such a period (2 years), not unless it first obtains the permission and approval of the FTC!

The administrative law judge in this case—a salaried employee of the FTC for over 30 years—has declared astonishingly in his lengthy opinion that the AMA (and presumably all of its constituent organizations) is organized for the profit of its members because it has done such things as offer a retirement plan and oppose enactment of certain forms of National Health Insurance! As a for profit corporation, therefore, it is subject to regulation of its "Trade & Commerce" activities by the FTC!

As Newton N. Minnow—one of several attorneys for the AMA—has observed in commenting on this order by the FTC, "I submit that George Orwell's '1984' has arrived six years early for Medicine; for the world of Big-Brother seeking to take over the independent professional practice of Medicine has arrived in 1978!"

Although devastating in its impact on the practice of Medicine and its concept of ethics and professionalism, this order is not yet a final one. It must still come before the full Federal Trade Commission—where the results are less than optimistic since the FTC initiated the action to begin with—the U.S. Court of Appeals, and most likely the Supreme Court before, and "if", it becomes final!

The AMA is committed to fight this misguided decision with the full extent of its resources—as its dynamic EVP, James H. Sammons, M.D., has stated "to your last dues dollar!"—as it is so contrary to the public's interest and so alien to the basic American traditions of freedom—which by "parliamentary means (is becoming) authoritarian . . . and more restricted . . . legally and piece-by-piece!" (Kozak)

FTC TRR No. 456—Advertising of Ophthalmic Goods and Services—Initiated January 16th, 1976, and made effective July 3rd, 1978. This was the second "Bang" against medicine by the FTC and the first of its "TRRs" under its new rulemaking authority granted by Public Law 93-637 (and GOLDFARB)—as announced by Terry S. Latanich, Esq., Staff Attorney with the FTC's Bureau of Consumer Protection which has responsibility over TRR No. 456. Attorney Latanich is typical of Miss Rand's description of the, ". . . bureaucrat who for any reason, public or private, chooses to initiate proceedings. . ." Without any background in Medicine in general nor Ophthalmology in particular, this aggressive consumer advocate supervised the development of a "TRR" that was not only ill-considered, poorly written and inconsistent, but has ramifications that go far beyond the "easily discoverable public concern" (Kozak) over limited abuses in the ophthalmic industry. This "TRR" has already been modified two times in less than a year—September 15th, 1978, and January 12th, 1979—and more are needed for clarification badly if the legality of this "TRR" is upheld by the courts.

Aside from the direct and immediate concerns for Ophthalmology, of far greater significance is that if "TRR No. 456" is upheld by the courts, it would establish the unprecedented authority of an agency of the federal government (FTC now—others later) to override and preempt the laws and regulations of state legislatures in all medical matters at the whim of any "ambitious bureaucrat" who may consider them to be "unfair"!

TRR No. 456 could serve as a precedent which could lead the FTC to try to strike down other state laws such as those regulating medical licensure, discipline and practice; hence the greater ramifications of this TRR pose a serious threat to the entire practice of medicine, and indeed all professions, which far transcends its apparent immediate consequences for Ophthalmology! The AMA and several other organizations including, interestingly enough, the American Optometric Association, and nine states (including Texas!) have field a petition for review of TRR No. 456 of the FTC in the U.S. Court of Appeals for the District of Columbia Circuit. As is the case with the Cease & Desist order concerning advertising by physicians, this matter may well go before the U.S. Supreme Court before it is resolved, and hopefully, declared an unconstitutional usurping of prerogatives of state authority by a regulatory agency of the federal government. In this regard, it is interesting to note that a petition to stay (delay) the implementation of TRR No. 456 was denied by Chief Justice Warren E. Burger because, (paraphrased) "Since the rule does no harm, it shall be implemented pending its judicial review."

The constraints of time and space preclude an in-depth discussion of other plans that the FTC has for the profession of medicine; but suffice to say, they include some "Lu-Lus"! For openers:

The FTC is concerned that physician direction and monitoring of basic medical education, post-graduate training, continuing medical education activities, "Certification" and "Recertification" of professional competence, etc., represent a conspiracy to limit the entry of more physicians into the market place—especially from disadvantaged and minority backgrounds—thereby limiting the availability of medical care, driving up fees for medical services and increasing the income of physicians!

As noted by another "advocate" from the FTC, Jonathan E. Gains, former director of its Bureau of Competition, at a recent medical anti-trust seminar in Chicago (December 15-16th, 1978), ". . . in the best of all possible worlds, (medical education—specialty board certification—etc.) should be run by non-physicians and the physician role should be limited to acting as advisors to the decision makers!" Although no regulations have been promulgated yet by the Bureau of Competition concerning these matters. Mr. Gaines has stressed that, ". . . the Bureau is studying these issues very carefully for abuses . . ."; and implied that regulations may become necessary to satisfy "the public's need for remedial action as it becomes more precisely defined!" (Kozak).

In winding down these observations concerning the assault on professionalism, one cannot help but comment on the frustration, confusion, anger and sense of helplessness thrust upon the leaders of the medical profession by the helter-skelter demands and activities of competing and conflicting federal agencies of the government concerned (or rather—concerning themselves) with the delivery of medical services! For example:

The Department of Health, Education and Welfare (HEW) has for years been charging Medicine to "clean its own house"; viz., get rid of its incompetent and dishonest physicians, improve its standards for basic, graduate and post-graduate medical education, put a lid on hospital costs and physicians fees, etc. Yet, every positive effort expended by the profession in this direction has been attacked by the FTC as being in restraint of trade and commerce in one form or another!

The General Accounting Office (GAO) has requested that the various specialty disciplines develop comprehensive manpower studies to project for adequate numbers of properly trained physicians to deliver medical care in the future; and you guessed it, the FTC claims that such studies are conspiracies to limit the number of physicians, reduce competition and keep the cost of medical care high!

As observed by Miss Rand, these conflicting activities are representative classically of the ". . . grotesque, irrational, malignant growth of unenforceable, incompliable, unjudicable contractions known as the antitrust laws."

THE BOTTOM LINE

Can medicine survive as a profession if its ability to teach itself, improve itself and regulate itself is stripped and forbidden by regulatory agencies of the federal government and court decisions?

What is the bottom line below which it cannot sink in order to retain its position as the noblest of all professions serving mankind?

These questions are not answered easily in today's societal environment; and a considerable amount of circumspection is required of the profession, its leaders and its individual members. It must be understood clearly that what has happened seemingly "overnight" is, in fact, the culmination of nearly ninety years of legislative and judicial activity that allowed "an authority . . . self-contained . . . to become established . . . legally . . . piece-by-piece . . . restricting (our) activities a little more . . . then a little more . . . and a little more . . . without a shot being fired!" (Kozak)

With this reality in mind, Medicine must resolve that its bottom line is the preservation of its professionalism and code of ethical behavior—proffered by Hippocrates centuries ago—which separates physicians from merchants and tradesmen and places service to mankind above economic rewards; and its leaders and members must recognize that remedial action—if forthcoming at all—will come slowly, as the legislative and judicial processes move at a snail's pace!

During this period, Medicine must continue to recognize that its Achilles-Heel has always been the member of the profession who dishonors it by his unethical activities—largely economically motivated—and new methods of discipline must be evolved to control those who would dishonor its tenets! A recent U.S. Supreme Court decision in Bates & Steen vs State Bar of Arizona—decided on June 27th, 1977, offers some hope that the High Court will approve the vesting of essential professional disciplinary activity in statutory agencies, viz., such as State Boards of Medical Examiners, vis-a-vis, voluntary organizations, e.g., County and State Medical Associations which are under attack currently by the FTC.

In this opinion, the Supreme Court held that a disciplinary rule of the Arizona State Bar prohibiting advertising by lawyers did not violate the Sherman Act—since the rule was an act of government imposed by a state acting in a sovereign capacity! In the footnotes of this opinion, the Supreme Court noted—with approval—the position of the AMA's Judicial Council on Advertising, viz., Section 6.00 of its Opinions and Reports, Revised May 1977! Keep your fingers crossed—this may be a good omen of things to come!!

In the meantime, each of us should both adopt and practice the timeless advice from Shakespeare's Hamlet, "This above all—to thine own self be true!" And in our hearts and daily activities, "Refuse to shrug" the Tenets of Hippocrates—because when all of the cards are played, they are our aces-in-the-hole!

And finally, although I am not here tonight to recruit membership for any organization, I cannot help but comment on the importance of a strong, unified and financially secure front line of defense against the assault upon our profession. Remember—our adversaries are attacking us with the full weight and resources of the U.S. Government—legally—and with our tax dollars paying their costs!

Defense and counter-attack in the federal courts are enormously expensive, as well as painfully time consuming! If the ultimate costs of all of the battlefronts to which medicine is committed presently in federal courts alone could be totaled at this point in time, it would stagger the imagination—(how does "Eight Figures" sound!) These costs must be borne by the profession through its financial support of those organizations equipped and able to conduct the battle—and we all know which ones they are! Our collective petty disagreements over the details of conducting the battle must be set aside, or we shall most assuredly all take the "Deep-6" together!

The future "surprises" that the FTC and other regulatory agencies have in store for medicine will also need both offensive and defensive efforts—all of which will cost money! Although in "The Best Of All Possible Worlds" it costs nothing to talk about your rights and privileges, in the real world of the Barnes', Latanichs', Gaines', and other countless bureaucrats, it costes plenty to defend them! Each of us should ask ourself privately, "Am I paying my share?"

EPILOGUE

It is unfortunate indeed—but a reality of life—that a few of each generation of physicians will either disavow or betray the essence of the principles of medical practice and ethical behavior to the detriment of the entire profession! For it is those few who perpetrate the abuses that fuel the engines of the bureaucracy to quench "The public's need for remedial action!" (Kozak)

It is to those who have kept their oaths to Hippocrates willingly and sincerely—and with some sacrifice "Refused to shrug" his tenets of professionalism—to those who move our profession forward and give credence to its continued existence—that I have sought to address this presentation!

With your understanding, patience and unyielding support—both moral and financial—the ominous specter of Medicine's emasculation as a noble and honorable profession—shall pass!

FOOTNOTE

Since this presentation was delivered, a recent decision of the U.S. Supreme Court, viz., Group Life & Health Insurance Co. vs. Royal Drug Company was released February 27th, 1979, which has important ramifications for prepaid health care programs! Briefly, the High Court held that "provider agreements" between an insurer and providers establishing the fees for goods and services "was not the business of insurance", regardless of the claim that such cost-savings arrangements may well be sound business practice and may insure ultimately to the benefit of policyholders in the form of lower premiums. Henceforth, such agreements are no longer held to be exempt under the anti-trust laws! The issue of whether such agreements are in violation of the Sherman Act was not a matter before the court; and will have to be tested in the District Courts. The application of this decision to Medical Eye Care Service programs and other prepaid health programs should be obvious—and onerous!●

THE CONSTITUTIONALITY OF THE PANAMA CANAL TREATY IMPLEMENTING LEGISLATION—THE ISSUE OF PANAMANIAN GOVERNMENT APPOINTEES AS U.S. CIVIL OFFICERS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, May 9, 1979

● Mr. DORNAN. Mr. Speaker, during the negotiations on the Panama Canal Treaty of 1977, the administration agreed to the most unusual provision, under article III, paragraph 3 of the treaty, in establishing the Panama Canal Commission. As a U.S. Government agency, as I mentioned in previous statements to this body, the Commission is to be governed by five Americans and four Panamanians. We have the further anomaly of nonresident aliens serving as agents of the United States. I do not know how, constitutionally, this feat can legally be accomplished. I would hope that, between now and the final debate on the Panama Canal implementing legislation, some of my colleagues would be kind enough to explain a way in which we could accomplish this without doing direct and immediate violence to the Constitution.

It will probably be said, Mr. Speaker, that this is a mere technicality. But, as I understand it, there is no small provision of the Constitution that could not be dismissed as a mere technicality. The sum total of these technicalities provides the legal bulwark of our liberties. There is no sacred set of provisions of the Constitution that are open to loose interpretation, while others are to be subjected to rigid application. The Constitution itself, Mr. Speaker, makes no distinctions.

So I ask: How can we make Panamanian citizens, actually Panamanian Government officials, civil officers of the United States? I will be happy to have an explanation. In the meantime, I would like to submit Dr. Charles Breecher's testimony of March 7, 1979, concerning this issue. I would appreciate it if my colleagues would give the matter their closest attention.

TESTIMONY BY DR. CHARLES BREECHER

Re Issue 4: Can a non-resident alien be made a civil officer of the United States?

The U.S. Constitution prescribes citizenship requirements of varying length for elected officers only (President, Vice-President, Senators, members of the House of Representatives), but is silent on civil officers. Indeed, the U.S. Constitution does not lay down any mandatory qualifications for non-elective public office except indirectly.

The thesis that a non-resident alien owing no allegiance to the Government appointing him, but owing such allegiance to another country, could become an officer of the appointing Government and clothed with a significant part of its authority, is not to my knowledge accepted by any sovereign Government on earth. The makers of the U.S. Constitution, having just emerged from foreign domination, would have been the most unlikely persons to admit that possibility, so one should not be surprised that they did not rule it out explicitly.

However, there are two provisions of the U.S. Constitution which implicitly rule out that non-resident aliens could become civil officers of the U.S. Government.

First, Art. II, Section 4 says that . . . all civil officers of the United States, shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

How could a non-resident alien commit treason, as defined in the U.S. Constitution? Further, how could the U.S., which has no jurisdiction over non-resident aliens, impeach and convict them for high crimes and misdemeanors? U.S. laws defining bribery and other high crimes and misdemeanors do not apply to non-resident aliens, so what standards would be used in impeachment proceedings?

How could a non-resident alien be tried at all under the due process clause? It seems evident that the makers of the U.S. Constitution did not admit the possibility that non-resident aliens could become civil officers of the United States, when they wrote the impeachment clause. Nor, to my knowledge, is there any case where a non-resident alien has been made a civil officer of the United States.

Second, Art. VI, Section 3, provides that . . . all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation, to support this Constitution. . . .

Here also, it is evident that a non-resident alien could not swear such an oath which might bring him in direct conflict with his duties as a citizen of his own country.

The drafters of the implementing legislation seem to be aware of the problem because the implementing draft says that: "Each director . . . shall take an oath faithfully to discharge the duties of his office". That provision can of course not dispense with the constitutionally required oath for all civil officers of the United States. Further, the draft implementing legislation of 3 March 1978 mentions only "foreign nationals" as directors of the Panama Canal Commission notwithstanding any U.S. law, but not non-resident aliens. It may be possible to contend that a resident alien not owing allegiance to any foreign country might become a civil officer of the United States, since he could probably be impeached and could also probably swear the oath required under Art. VI of the United States Constitution. However, the Panamanian directors would be non-resident aliens.

Conclusion: The U.S. Constitution, by implication, does not allow non-resident aliens owing allegiance to a foreign country and subject to its jurisdiction, to become civil officers of the United States, as the implementing legislation would ordain.●

SENATE COMMITTEE MEETINGS

Title IV of the Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of all meetings when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any charges in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meeting schedule for Thursday, May 10, 1979, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

MAY 11

9:30 a.m.
Finance
Energy and Foundations Subcommittee
To resume oversight hearings on the implementation of the energy taxation policy for tax proposals relating to energy production.
2221 Dirksen Building

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for AMTRAK.
1224 Dirksen Building

Banking, Housing, and Urban Affairs
Business meeting, to mark up pending calendar business.
5302 Dirksen Building

*Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

2:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on S. 611, proposed Communications Act Amendments, and S. 622, proposed Telecommunications Competition and Deregulation Act.
235 Russell Building

MAY 14

9:30 a.m.
Energy and Natural Resources
To hold hearings on S. 968, to expedite processing of applications from Midwestern residential, agricultural, and industrial consumers for crude oil transportation systems.
3110 Dirksen Building

Select on Small Business
To resume hearings on the effect of Government regulations on the production and utilization of coal.
6226 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
To receive testimony on S. 85 and 353, bills to strengthen the ability of the Federal Reserve Board, focusing today on the need for reserve requirements for the conduct of monetary policy.
5302 Dirksen Building

1:00 p.m.
Appropriations
District of Columbia Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Government of the District of Columbia.
1114 Dirksen Building

MAY 15

9:30 a.m.
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To hold oversight hearings to examine the Federal Government's policy relative to relocation of offices.
6226 Dirksen Building

*Judiciary
Business meeting to mark up S. 390, to expedite and reduce the cost of enforcing existing antitrust laws, and S.J. Res. 68, to proclaim the week of June 17 through 23, as "Product Safety Week".
2228 Dirksen Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To hold hearings on S. 334, to provide regulation of certain anticompetitive developments in the agricultural industry.
318 Russell Building

Select on Indian Affairs
To hold hearings on S. 751, to provide for the relocation of the Navajo and the Hopi Indians
1202 Dirksen Building

Select on Small Business
To continue hearings on the effect of Government regulations on the production and utilization of coal.
4232 Dirksen Building

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

Banking, Housing, and Urban Affairs
To hold joint hearings with the Committee on Governmental Affairs on S. 332, proposed Consolidated Banking Regulation Act.
3302 Dirksen Building

Governmental Affairs
To hold joint hearings with the Committee on Banking, Housing, and Urban Affairs on S. 332, proposed Consolidated Banking Regulation Act.
3302 Dirksen Building

10:30 a.m.
*Judiciary
To resume hearings on proposed legislation relative to regulatory reform.
2228 Dirksen Building

MAY 16

9:30 a.m.
Governmental Affairs
Civil Services and General Services Subcommittee
To hold oversight hearings on the activities of the Former Presidents Program and the Presidential Transition Program.
4200 Dirksen Building

Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To continue oversight hearings to examine the Federal Government's policy relative to relocation of offices.
6226 Dirksen Building

Judiciary
To hold hearings on the nominations of Frank M. Johnson, Jr., of Alabama, to be U.S. Circuit Judge for the Fifth Circuit Court of Appeals, and Dolores K. Sloviter, of Pennsylvania, to be U.S. Circuit Judge for the Third Circuit.
2228 Dirksen Building

Labor and Human Resources
Business meeting to mark up S. 209, to provide for the establishment and implementation of Federal laws relating to the regulation of employee benefit plans.
4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
To hold oversight hearings on the status of conserving the salmon and steelhead fish stocks in the State of Washington.
235 Russell Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Governmental Affairs
To resume hearings on S. 262 and 755, bills to require that all Federal agencies conduct a regulatory analysis before issuing regulations, and to require the use of less time consuming procedures to decide cases.
3302 Dirksen Building

11:00 a.m.

Select on Small Business
To hold hearings on the nomination of Paul R. Boucher, to be Inspector General, Small Business Administration.
424 Russell Building

2:00 p.m.

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold oversight hearings on the implementation of the National Forest Management Act.
3110 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To resume markup of S. 570, to control increases in hospital revenues (hospital cost containment).
4232 Dirksen Building

Select on Ethics
To resume hearings in conjunction with the investigation of Senator Talmadge's alleged abuse of certain financial reporting rules of the Senate.
6226 Dirksen Building

MAY 17

10:00 a.m.

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

Judiciary
*Antitrust, Monopoly and Business Rights Subcommittee
To resume hearings on S. 600, to preserve the diversity and independence of American business.
6226 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To hold hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

2:00 p.m.

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 18

9:00 a.m.

Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on S. 100, to provide a deduction for expenses incurred by the replanting of trees by the timber industry and environmental groups, and S. 394, to provide that certain authors and artists be considered employees of certain corporations under specified contracts.
2221 Dirksen Building

10:00 a.m.

Labor and Human Resources
Health and Scientific Research Subcommittee
To continue hearings on proposed legislation to investigate drug reform programs.
4232 Dirksen Building

MAY 21

9:30 a.m.

Energy and Natural Resources
Energy Regulation Subcommittee
To receive testimony from officials of the Department of Energy and certain oil companies on the supply situation of diesel fuel, gasoline and heating oil, both nationally and regionally.
3110 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Milwaukee railroad system.
235 Russell Building

2:30 p.m.

Finance
Health Subcommittee
To hold hearings on the provisions of home health benefits under the Medicare and Medicaid programs.
2221 Dirksen Building

MAY 22

9:30 a.m.

*Energy and Natural Resources
To resume hearings on S. 685, proposed Nuclear Waste Policy Act.
3110 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To resume hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Select on Small Business
To hold hearings on the availability of investment capital to small businesses.
424 Russell Building

MAY 23

8:00 a.m.

*Veterans' Affairs
To hold oversight hearings on employment programs administered by the Department of Labor.
6226 Dirksen Building

9:30 a.m.

Energy and Natural Resources
To hold hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold oversight hearings on the activities of the banking system.
5302 Dirksen Building

Commerce, Science, and Transportation
Surface Transportation Subcommittee
To continue hearings on S. 796, proposed Railroad Deregulation Act.
235 Russell Building

Environment and Public Works
Environmental Pollution Subcommittee
To hold oversight hearings to explore the status of efforts by the Environmental Protection Agency and Department of Justice to enforce Federal environmental requirements.
4200 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee.
To hold oversight hearings on the implementation of mental health policy programs.
4332 Dirksen Building

MAY 24

8:30 a.m.

*Energy and Natural Resources
To continue hearings on S. 885, proposed Pacific Northwest Electric Power Planning and Conservation Act.
3110 Dirksen Building

9:30 a.m.

Judiciary
Constitution Subcommittee
To resume hearings on S. 506, proposed Fair Housing Amendments Act.
2228 Dirksen Building

Labor and Human Resources
To hold oversight hearings on the implementation of farm workers' collective bargaining programs.
4232 Dirksen Building

10:00 a.m.

Banking, Housing, and Urban Affairs
To hold hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To continue oversight hearings to explore the status of efforts by the Environmental Protection Agency and Department of Justice to enforce Federal environmental requirements.
4200 Dirksen Building

*Labor and Human Resources
Health and Scientific Research Subcommittee
To continue oversight hearings on the implementation of mental health policy programs.
5110 Dirksen Building

MAY 25

10:00 a.m.

Banking, Housing, and Urban Affairs
To continue hearings on S. 35, to amend the Credit Control Act.
5302 Dirksen Building

Joint Economic
To resume hearings on the Consumer Price Index figures, and on inflationary trends.
345 Cannon Building

JUNE 1

10:00 a.m.

Joint Economic
To hold hearings on the employment-unemployment situation for May.
5110 Dirksen Building

JUNE 6

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee

To hold joint hearings with the House Subcommittee on Science, Research, and Technology of the Committee on Science and Technology, to examine U.S. policies and initiatives of the U.S. Conference on Science and Technology for Development.

5110 Dirksen Building

Veterans' Affairs

To hold hearings on S. 870, proposed GI Bill Amendments Act, S. 830, to eliminate the State's required payment in the educational assistance allowance program provided for veterans, and S. 881, to provide for the protection of certain Officers and employees of the VA assigned to perform investigative or law enforcement functions.

6226 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To resume hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

JUNE 7

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To continue hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

JUNE 12

9:00 a.m.

*Veterans' Affairs

To hold hearings on S. 689, proposed Veterans' Disability Compensation and Survivors Benefits Act.

6226 Dirksen Building

JUNE 19

10:00 a.m.

Energy and Natural Resources

To hold oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.

3110 Dirksen Building

JUNE 20

9:00 a.m.

*Veterans' Affairs

To hold hearings on S. 759, to provide for the right of the United States to recover the costs of hospital nursing home or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts.

6226 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To resume hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

JUNE 21

10:00 a.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To continue hearings on S. 796, proposed Railroad Deregulation Act.

235 Russell Building

Energy and Natural Resourcres

To resume oversight hearings on the activities of programs administered by the Surface Mining Control and Reclamation Act of 1977.

3110 Dirksen Building

JULY 12

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the efforts made by the Veterans' Administration to provide information on benefits due incarcerated veterans.

6226 Dirksen Building

CANCELLATIONS

MAY 8

10:00 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To hold hearings on the roles of women in health and science.

4232 Dirksen Building

MAY 15

2:30 p.m.

Select on Intelligence

To receive testimony on alleged Soviet electronic surveillance in the United States.

5110 Dirksen Building

MAY 16

10:00 a.m.

Labor and Human Resources

Health and Scientific Research Subcommittee

To resume hearings on the roles of women in health and science.

4232 Dirksen Building